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## Rite Aid Adds Groceries to South Carolina Stores

Associated Press

NEW YORK—**Rite Aid Corp.** said Tuesday it will add discount groceries to some of its stores in South Carolina as it tests out a partnership with **Supervalu Inc.**

Rite Aid said it will add Save-A-Lot grocery products to its 10 stores in and around Greenville, S.C. The stores will be remodeled by October, and renamed Save-A-Lot Food Stores/Rite Aid Pharmacy. Rite Aid will own and operate the stores. The Camp Hill, Pa., company said pharmacy operations at the stores won't change, but it will cut back on its selection of health and beauty products.

Save-A-Lot is a unit of Supervalu, which is based in Eden Prairie, Minn. Its stores sell produce and meats and household goods. There are about 1,200 Save-A-Lot stores in 39 states. Rite Aid had 4,747 stores in 31 states as of Aug. 28.

Rival **Walgreen Co.** is preparing to test out a similar program. This fall, a few Walgreen stores will start selling fruit and vegetables, soups, sandwiches and salads. The stores might also carry items like frozen pizzas and bag salads. Walgreen did not say when it will start testing the program or what markets it would choose.

Rite Aid described the deal as a licensing agreement. The companies did not disclose financial terms.

The deal is part of a "segmentation" plan in which Rite Aid is tailoring its business plans to different markets. It did not say where else it might try the grocery store plan if the pilot program is successful.

Rite Aid said the partnership is being tested in Greenville because its stores there are all medium-sized and because their pharmacy businesses are solid, but sales of items such as beauty products are not as strong.

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