

VILLAGE SUPER MARKET INC  
Form 10-K  
October 08, 2008

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UNITED STATES  
SECURITIES & EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549  
FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934.  
For the fiscal year ended: July 26, 2008.

Transition Report Pursuant to Section 13 or 15(d) of the Securities and Exchange  
Act of 1934 (Fee Required) for the transition period from \_\_\_\_\_ to \_\_\_\_\_.

COMMISSION FILE NUMBER: 0-33360

VILLAGE SUPER MARKET, INC.  
(Exact name of registrant as specified in its charter)

NEW JERSEY  
(State or other jurisdiction of incorporation or  
organization)

22-1576170  
(I. R. S. Employer Identification No.)

733 MOUNTAIN AVENUE, SPRINGFIELD, NEW JERSEY  
(Address of principal executive offices)

07081  
(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (973)467-2200

Securities registered pursuant to Section 12(b) of the Act:

Class A common stock, no par value  
(Title of Class)

The NASDAQ Stock Market  
(Name of exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes\_\_ No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15 (d) of the Act. Yes \_\_ No .

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

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Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12-b2 of the Exchange Act.

|                         |   |                           |                          |
|-------------------------|---|---------------------------|--------------------------|
| Large accelerated filer |   | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company. Yes  No

The aggregate market value of the Class A common stock of Village Super Market, Inc. held by non-affiliates was approximately \$110.9 million and the aggregate market value of the Class B common stock held by non-affiliates was approximately \$10.3 million based upon the closing price of the Class A shares on the NASDAQ on January 26, 2008, the last business day of the second fiscal quarter. There are no other classes of voting stock outstanding.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of latest practicable date.

| Class                              | Outstanding at<br>October 7, 2008 |
|------------------------------------|-----------------------------------|
| Class A common stock, no par value | 3,440,582 Shares                  |
| Class B common stock, no par value | 3,188,152 Shares                  |

#### DOCUMENTS INCORPORATED BY REFERENCE

Information contained in the 2008 Annual Report to Shareholders and the 2008 definitive Proxy Statement to be filed with the Commission and delivered to security holders in connection with the Annual Meeting scheduled to be held on December 5, 2008 are incorporated by reference into this Form 10-K at Part II, Items 5, 6, 7, 7A, and 8 and Part III.

#### PART I

#### FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical fact, included in this Form 10-K are or may be considered forward-looking statements within the meaning of federal securities law. The Company cautions the reader that there is no assurance that actual results or business conditions will not differ materially from the results expressed, suggested or implied by such forward-looking statements. The Company undertakes no obligation to update forward-looking statements and to reflect developments or information obtained after the date hereof. The following are among the principal factors that could cause actual results to differ from the forward-looking statements: local economic conditions; competitive pressures from the Company’s operating environment; the ability of the Company to maintain and improve its sales and margins; the ability to attract and retain qualified associates; the availability of new store locations; the availability of capital; the liquidity of the Company; the success of operating initiatives; consumer spending patterns; the impact of higher energy prices; increased cost of goods sold, including increased costs from the Company’s principal supplier, Wakefern; the results of litigation; the results of tax examinations; the results of union contract negotiations; competitive store openings; the rate of return on pension assets; and other factors detailed herein

under Risk Factors.

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## ITEM I. BUSINESS

(All dollar amounts in this report are in thousands, except per square foot data).

## GENERAL

Village Super Market, Inc. (the "Company" or "Village") was founded in 1937. At July 26, 2008, Village operated a chain of twenty-five ShopRite supermarkets, seventeen of which are located in northern New Jersey, one in northeastern Pennsylvania and seven in southern New Jersey. The Company is a member of Wakefern Food Corporation ("Wakefern"), the nation's largest retailer-owned food cooperative and owner of the ShopRite name. This relationship provides Village many of the economies of scale in purchasing, distribution, private label products, advanced retail technology and advertising associated with chains of greater size and geographic coverage.

Village seeks to generate high sales volume by offering a wide variety of high quality products at consistently low prices. During fiscal 2008, sales per store were \$46,990 and sales per selling square foot were \$1,068. The Company gives ongoing attention to the décor and format of its stores and tailors each store's product mix to the preferences of the local community. Village concentrates on the development of superstores.

On August 11, 2007, Village acquired the store fixtures and lease of a location in Galloway Township, New Jersey from Wakefern for \$3,500. This store had previously been operated by a competitor. The Company began operating a pharmacy at this location on August 11, 2007. The remainder of this 55,000 sq. ft. store opened on October 3 after the completion of an extensive remodel. Village opened a new 67,000 sq. ft. store in Franklin, New Jersey on November 7, 2007. Below is a summary of the range of store sizes at July 26, 2008:

| Total Square Feet   | Number of Stores |
|---------------------|------------------|
| Greater than 60,000 | 10               |
| 50,001 to 60,000    | 6                |
| 40,000 to 50,000    | 7                |
| Less than 40,000    | 2                |
| Total               | 25               |

These larger store sizes enable the Company's superstores to provide a "one-stop" shopping experience and to feature expanded higher margin specialty departments such as home meal replacement, an on-site bakery, an expanded delicatessen including prepared foods, a variety of natural and organic foods, ethnic and international foods and a fresh seafood section. Superstores also offer an expanded selection of non-food items such as cut flowers, health and beauty aids, greeting cards, small appliances, photo processing and in most cases, a pharmacy. Recently remodeled and new superstores emphasize a Power Alley, which features high margin, fresh convenience offerings such as salad bars, bakery and Bistro Street home meal replacement in an area within the store that provides quick customer entry and exit for those customers shopping for today's lunch or dinner. The following table shows the percentage of the Company's sales allocable to various product categories during each of the periods indicated, as well as the number of superstores and percentage of selling square feet allocable to these stores during each of these periods:

| P r o d u c t<br>Categories                             | Fiscal Year Ended In July_ |        |        |
|---|----------------------------|--------|--------|
|   | 2008                       | 2007   | 2006   |
| Groceries   | 38.5%                      | 38.6%  | 38.7%  |
| Dairy and<br>Frozen                                     | 17.2                       | 16.5   | 16.4   |
| Meats   | 10.0                       | 10.0   | 10.0   |
| Non-Foods   | 8.5                        | 8.8    | 8.9    |
| Produce   | 11.4                       | 11.5   | 11.4   |
| Appetizers and<br>prepared food                         | 5.5                        | 5.4    | 5.3    |
| Seafood   | 2.3                        | 2.3    | 2.3    |
| Pharmacy  | 4.8                        | 5.1    | 5.2    |
| Bakery  | 1.8                        | 1.8    | 1.8    |
| Other   | -----                      | -----  | -----  |
|   | 100.0%                     | 100.0% | 100.0% |
| Number of<br>superstores                                | 23                         | 21     | 21     |
| Selling square<br>feet<br>represented by<br>superstores | 95%                        | 95%    | 95%    |

A variety of factors affect the profitability of each of the Company's stores, including local competitors, size, access and parking, lease terms, management supervision, and the strength of the ShopRite trademark in the local community. Village continually evaluates individual stores to determine if they should be closed.

#### DEVELOPMENT AND EXPANSION

The Company has an ongoing program to upgrade and expand its supermarket chain. This program has included major store remodelings as well as the opening or acquisition of additional stores. When remodeling, Village has sought, whenever possible, to increase the amount of selling space in its stores.



The Company has budgeted approximately \$30 million for capital expenditures in fiscal 2009. Planned expenditures include construction costs and equipment for a replacement store in Washington, New Jersey and a new store in Marmora, New Jersey. Construction of the Washington replacement store was delayed as the approvals previously obtained were contested by a third party. Construction began in September 2008 with an expected opening in spring 2009. We believe certain conditions in the lease for the current store in Washington have been triggered extending the lease term until at least January 31, 2009, which is before the expected completion of the replacement store. The Company is currently negotiating to further extend the lease term to eliminate the possibility of a period of time between the closing of the current Washington store and the opening of the replacement store.

In fiscal 2008, Village completed the construction of the Franklin store, which opened on November 7, 2007, and acquired and remodeled a store in Galloway, New Jersey, which opened on August 11, 2007.

In fiscal 2007, Village completed the Rio Grande remodel and several small remodels, and began the construction of a new, leased store in Franklin, New Jersey. In fiscal 2006, the Company completed the expansion and remodel of the Springfield store, began a major remodel of the Rio Grande store, and completed smaller remodels of the Elizabeth and Chester stores.

In fiscal 2005, the Company opened an 80,000 square foot replacement store in Somers Point, completed an expansion and remodel of the Bernardsville store, and began the expansion and remodel of the Springfield store. In fiscal 2004, the Company began the expansion and remodel of the Bernardsville store and the construction of the replacement store in Somers Point.

The general difficulty in developing retail properties in the Company's primary trading area has prevented the Company from opening the desired number of new stores. Additional store remodelings and sites for new stores are in various stages of development. Village will also consider additional acquisitions should appropriate opportunities arise.

#### WAKEFERN FOOD CORPORATION

The Company is the second largest member of Wakefern and owns 15% of Wakefern's outstanding stock as of July 26, 2008. Wakefern, which was organized in 1946, is the nation's largest retailer-owned food cooperative. Wakefern and its 44 shareholder members operate 242 supermarkets and other retail formats, including 61 stores operated by Wakefern. Only Wakefern and its members are entitled to use the ShopRite name and trademark, and to participate in ShopRite advertising and promotional programs.

The principal benefits to the Company from its relationship with Wakefern are the use of the ShopRite name and trademark, volume purchasing, ShopRite private label products, distribution and warehousing economies of scale, ShopRite advertising and promotional programs, including the ShopRite Price Plus card and a co-branded credit card, and the development of advanced retail technology. The Company believes that the ShopRite name is widely recognized by its customers and is a factor in their decisions about where to shop. ShopRite private label products accounted for approximately 13.5% of sales in fiscal 2008.



Wakefern distributes as a "patronage dividend" to each of its stockholders a share of its earnings in proportion to the dollar volume of purchases by the stockholder from Wakefern during each fiscal year.

While Wakefern has a substantial professional staff, it operates as a member owned cooperative. Executives of most members make contributions of time to the business of Wakefern. Senior executives of the Company spend a significant amount of their time working on various Wakefern committees, which oversee and direct Wakefern purchasing, merchandising and other programs. James Sumas, the Company's Chief Executive Officer, is Vice Chairman of Wakefern, and a member of the Wakefern Board of Directors.

Most of the Company's advertising is developed and placed by Wakefern's professional advertising staff. Wakefern is responsible for all television, radio and major newspaper advertisements. Wakefern bills its members using various formulas which allocate advertising costs in accordance with the estimated proportional benefits to each member from such advertising. The Company also places Wakefern developed materials with local newspapers. In addition, Wakefern and its affiliates provide the Company with other services including liability and property insurance, supplies, equipment purchasing, coupon processing, certain financial accounting applications, and retail technology support.

Wakefern operates warehouses and distribution facilities in Elizabeth, Keasbey, Dayton and Jamesburg, New Jersey and Gouldsboro and Breinigsville, Pennsylvania. The Company and all other members of Wakefern are parties to the Wakefern Stockholder's Agreement which provides for certain commitments by, and restrictions on, all shareholders of Wakefern. This agreement extends until ten years from the date that stockholders representing 75% of Wakefern sales notify Wakefern that those stockholders request the Wakefern Stockholder Agreement be terminated. Each member is obligated to purchase from Wakefern a minimum of 85% of its requirements for products offered by Wakefern. If this purchase obligation is not met, the member is required to pay Wakefern's profit contribution shortfall attributable to this failure. The Company fulfilled this obligation in fiscal 2008, 2007 and 2006. This agreement also requires that in the event of unapproved changes in control of the Company or a sale of the Company or of individual Company stores, except to a qualified successor, the Company in such cases must pay Wakefern an amount equal to the annual profit contribution shortfall attributable to the sale of store or change in control. No payments are required if the volume lost by a shareholder as a result of the sale of a store is replaced by such shareholder by increased volume in existing or new stores. A "qualified successor" must be, or agree to become, a member of Wakefern, and may not own or operate any supermarkets, other than ShopRite supermarkets, in the states of New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Connecticut, Massachusetts, Rhode Island, Vermont, New Hampshire, Maine or the District of Columbia or own or operate more than twenty-five non-ShopRite supermarkets in any other locations in the United States.

Wakefern, under circumstances specified in its bylaws, may refuse to sell merchandise to, and may repurchase the Wakefern stock of, any member. Such circumstances include certain unapproved transfers by a member of its supermarket business or its capital stock in Wakefern, unapproved acquisition by a member of certain supermarket or grocery wholesale supply businesses, the material breach by a member of any provision of the bylaws of Wakefern or any agreement with Wakefern, or a determination by Wakefern that the continued supplying of merchandise or services to such member would adversely affect Wakefern.

Any material change in Wakefern's method of operation or a termination or material modification of the Company's relationship with Wakefern following termination of the above agreements, or otherwise, might have an adverse impact on the conduct of the Company's business and could involve additional expense for the Company. The failure of any Wakefern member to fulfill its obligations under these agreements or a member's insolvency or withdrawal from Wakefern could result in increased costs to remaining members.

Wakefern does not prescribe geographical franchise areas to its members. The specific locations at which the Company, other members of Wakefern, or Wakefern itself, may open new units under the ShopRite name are, however, subject to the approval of Wakefern's Site Development Committee. This committee is composed of persons who are not employees or members of Wakefern. Committee decisions to deny a site application may be appealed to the Wakefern Board of Directors. Wakefern assists its members in their site selection by providing appropriate demographic data, volume projections and estimates of the impact of the proposed store on existing member supermarkets in the area.

Each of Wakefern's members is required to make capital contributions to Wakefern based on the number of stores operated by that member and the purchases generated by those stores. As additional stores are opened or acquired by a member, additional capital must be contributed by it to Wakefern. The Company's investment in Wakefern and affiliates was \$18,291 at July 26, 2008. The total amount of debt outstanding from all capital pledges to Wakefern is \$1,536 at July 26, 2008. The maximum per store capital contribution increased from \$675 to \$700 in fiscal 2008, resulting in an additional \$500 capital pledge, which was paid in fiscal 2008.

As required by the Wakefern bylaws, the Company's investment in Wakefern is pledged to Wakefern to secure the Company's obligation to Wakefern. In addition, five members of the Sumas family have guaranteed the Company's obligations to Wakefern. These personal guarantees are required of any 5% shareholder of the Company who is active in the operation of the Company. Wakefern does not own any securities of the Company or its subsidiaries. The Company's investment in Wakefern entitles the Company to enough votes to elect one member to the Wakefern Board of Directors due to cumulative voting rights.

## TECHNOLOGY

The Company considers automation and information technology important to its operations and competitive position. All stores utilize sophisticated point of sale systems. Electronic payment options are offered at all checkout locations. We plan to replace these point of sale systems beginning in fiscal 2009. We recently upgraded our communication network, which is used for reliable, high speed processing of electronic payments and transmission of data.

The Company's commitment to advanced point of sale and communication systems enables it to participate in Price Plus, ShopRite's preferred customer program. Customers receive electronic discounts by presenting a scannable Price Plus card. This technology also enables Village to offer continuity programs and focus on target marketing initiatives.

The Company began installing self-checkout systems in fiscal 2002. Currently, fifteen stores use these systems to provide improved customer service, especially during peak periods, and reduce operating costs. Additional locations are planned for fiscal 2009. In fiscal 2007, we installed RFID readers in all checkout lanes to enable contactless payment options for customers to quicken checkout times.

Village utilizes a computer generated ordering system, which is designed to reduce inventory levels and out of stock conditions, enhance shelf space utilization, and reduce labor costs. The Company utilizes a direct store delivery system, consisting of personal computers and advanced hand held scanners, for product not purchased through Wakefern to provide equivalent cost and retail price control over these products. In fiscal 2007, both of these systems were replaced with upgraded versions.

Village seeks to design its stores to use energy efficiently, including recycling waste heat generated by refrigeration equipment for heating and other purposes. Most stores utilize computerized energy management systems. Certain in-store department records are computerized, including the records of all pharmacy departments. In all stores, meat, seafood, delicatessen, and bakery prices are maintained on computer for automatic weighing and pricing.

The Company has installed computer based training systems in all stores to assist in the training of all new cashiers, produce and bakery associates. Village replaced the time and attendance system and labor scheduling system in fiscal 2006 to improve reporting, work flow and system interfaces, and reduce labor.

Village utilizes digital surveillance systems, which are integrated with the cashier monitoring systems, in all stores to aid shrink reduction, increase productivity and assist in accident investigations.

The Company utilizes a division of Wakefern for data processing services, including financial accounting support.

Wakefern and Village have responded to customers increased use of the internet by creating shoprite.com to provide weekly advertising and other shopping information. In addition, on-line shopping is available in three store locations with store pick-up and delivery options.

## COMPETITION

The supermarket industry is highly competitive. The Company competes directly with multiple retail formats, including national, regional and local supermarket chains as well as warehouse clubs, supercenters, drug stores, discount general merchandise stores, fast food chains, dollar stores and convenience stores. Village competes by using low pricing, superior customer service, and a broad range of consistently available quality products, including ShopRite private labeled products. The ShopRite Price Plus card and the co-branded ShopRite credit card also strengthen customer loyalty.

Some of the Company's principal competitors include Pathmark, A&P, Stop & Shop, Acme, Kings, Wal-Mart, Wegmans and Foodtown. Many of these competitors have financial resources substantially greater than those of the Company, and some are non-union.

## LABOR

As of October 1, 2008, the Company employed approximately 4,700 persons with approximately 70% working part-time. Approximately 91% of the Company's employees are covered by collective bargaining agreements. A contract with a union representing employees in one store expired in June 2007. Negotiations with this union continue as the store operates under the expired contract. Contracts with the Company's other five unions expire between April 2009 and March 2012. Most of the Company's competitors in New Jersey are similarly unionized.

## AVAILABLE INFORMATION

As a member of the Wakefern cooperative, Village relies upon our customer focused website, [www.shoprite.com](http://www.shoprite.com), for interaction with customers and prospective employees. This website is maintained by Wakefern for the benefit of all ShopRite supermarkets, and therefore, does not contain any financial information related to the Company.

The Company will provide paper copies of the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and press releases free of charge upon request to any shareholder. In addition, electronic copies of these filings can be obtained at [www.sec.gov](http://www.sec.gov).

## REGULATORY ENVIRONMENT

The Company's business requires various licenses and the registration of facilities with state and federal health and drug regulatory agencies. These licenses and registration requirements obligate the Company to observe certain rules and regulations, and a violation of these rules and regulations could result in a suspension or revocation of licenses or registrations. In addition, most licenses require periodic renewals. The Company has not experienced material difficulties with respect to obtaining or retaining licenses and registrations. In addition, the Company is subject to the requirements of the Sarbanes-Oxley Act of 2002.

## ITEM 1A. RISK FACTORS

### COMPETITIVE ENVIRONMENT

The supermarket business is highly competitive and characterized by narrow profit margins. Results of operations therefore may be materially adversely impacted by competitive pricing and promotional programs and competitor store openings. Village competes with national and regional supermarkets, local supermarkets, warehouse club stores, supercenters, drug stores, convenience stores, dollar stores, discount merchandisers, restaurants and other local retailers in the market areas we serve. Competition with these outlets is based on price, store location, promotion, product assortment, quality and service. Some of these competitors may have greater financial resources, lower merchandise acquisition cost and lower operating expenses than we do.

### GEOGRAPHIC CONCENTRATION

The Company's stores are concentrated in New Jersey, with one store in northeastern Pennsylvania. We are vulnerable to economic downturns in New Jersey in addition to those that may affect the country as a whole. Economic conditions such as interest rates, energy costs and unemployment rates may adversely affect our sales. Further, since our store base is concentrated in densely populated metropolitan areas, opportunities for future store expansion may be limited, which may adversely affect our business and results of operations.

### WAKEFERN RELATIONSHIP

Village purchases substantially all of its merchandise from Wakefern. In addition, Wakefern provides the Company with support services in numerous areas including supplies, advertising, liability and property insurance, technology support and other store services. Further, Village receives patronage dividends and other product incentives from Wakefern.

Any material change in Wakefern's method of operation or a termination or material modification of Village's relationship with Wakefern could have an adverse impact on the conduct of the Company's business and could involve additional expense for Village. The failure of any Wakefern member to fulfill its obligations to Wakefern or a member's insolvency or withdrawal from Wakefern could result in increased costs to the Company. Additionally, an adverse change in Wakefern's results of operations could have an adverse affect on Village's results of operations.

## LABOR RELATIONS

A significant majority of our employees are covered by collective bargaining agreements with unions, and our relationship with those unions, including any work stoppages, could have an adverse impact on our financial results.

In future negotiations with labor unions, we expect that rising health care and pension costs, among other issues, will continue to be important topics for negotiation. Upon the expiration of our collective bargaining agreements, work stoppages by the affected workers could occur if we are unable to negotiate acceptable contracts with labor unions. This could significantly disrupt our operations. Further, if we are unable to control health care and pension costs provided for in the collective bargaining agreement, we may experience increased operating costs and an adverse impact on future results of operations.

## FOOD SAFETY

The Company could be adversely affected if consumers lose confidence in the safety and quality of the food supply chain. Adverse publicity about these types of concerns, whether or not valid, could discourage consumers from buying our products. The real or perceived sale of contaminated food products by us could result in a loss of consumer confidence and product liability claims, which could have a material adverse effect on our sales and operations.

## MULTI-EMPLOYER PENSION PLANS

The Company is required to make contributions to multi-employer pension plans in amounts established under collective bargaining agreements. Pension expense for these plans is recognized as contributions are funded. Benefits generally are based on a fixed amount for each year of service. Based on the most recent information available to us, we believe a number of these multi-employer plans are underfunded. As a result, we expect that contributions to these plans may increase. Additionally, the benefit levels and related items will be issues in the negotiation of our collective bargaining agreements. Under current law, an employer that withdraws or partially withdraws from a multi-employer pension plan may incur withdrawal liability to the plan, which represents the portion of the plan's underfunding that is allocable to the withdrawing employer under very complex actuarial and allocation rules. The failure of a withdrawing employer to fund these obligations can impact remaining employers. The amount of any increase or decrease in our required contributions to these multi-employer pension plans will depend upon the outcome of collective bargaining, actions taken by trustees who manage the plans, government regulations and the actual return on assets held in the plans, among other factors.

## WASHINGTON CONSTRUCTION

The Company began construction of the replacement store in Washington, New Jersey, which is land leased, despite a pending appeal of the approvals received from the Township. Management believes, based on an opinion obtained from a prominent land use attorney, there is only a slim possibility of the approvals obtained being overturned and the Company's expenditures and assets being at risk.

## FINANCIAL ENVIRONMENT

We maintain significant amounts of cash and cash equivalents at financial institutions that are in excess of federally insured limits. Given the current instability of financial institutions, we cannot be assured that we will not experience losses on these deposits. In addition, in the current environment, we cannot be assured that Village's \$20 million revolving credit line will be available for borrowing, or that Village will be able to replace the credit line upon its expiration on September 16, 2009. We do not anticipate drawing on the credit line prior to its expiration, except for letters of credit to insure construction performance guarantees to municipalities.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 2. PROPERTIES

As of July 26, 2008, Village owns the sites of five of its supermarkets (containing 335,000 square feet of total space), all of which are freestanding stores, except the Egg Harbor store, which is part of a shopping center. The remaining twenty supermarkets (containing 1,059,000 square feet of total space) and the corporate headquarters are leased, with initial lease terms generally ranging from twenty to thirty years, usually with renewal options. Eleven of these leased stores are located in shopping centers and the remaining nine are freestanding stores.

The annual rent, including capitalized leases, for all of the Company's leased facilities for the year ended July 26, 2008 was approximately \$11,356.

We believe certain conditions in the lease for current store in Washington, New Jersey have been triggered extending the lease term to at least January 31, 2009, which is before the expected completion of the replacement store in spring 2009. The Company is currently negotiating to further extend the lease term to eliminate the possibility of a period of time between the closing of current store and the opening of the replacement store.

Village is a limited partner in three partnerships, one of which owns a shopping center in which one of our leased stores is located. The Company is also a general partner in a partnership that is a lessor of one of the Company's freestanding stores.

## ITEM 3. LEGAL PROCEEDINGS

The Company, in the ordinary course of business, is involved in various legal proceedings. Village does not believe the outcome of these proceedings will have a material adverse effect on the Company's consolidated financial condition, results of operations or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters submitted to shareholders in the fourth quarter.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON  
EQUITY, RELATED STOCKHOLDER MATTERS  
AND ISSUER PURCHASES OF EQUITY SECURITIES

The information required by this Item is incorporated by reference from Information appearing on Page 28 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008 and in the Company's definitive Proxy Statement to be filed on or before November 3, 2008 in connection with its Annual Meeting scheduled to be held on December 5, 2008.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this Item is incorporated by reference from Information appearing on Page 3 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this Item is incorporated by reference from Information appearing on Pages 4 through 9 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.

ITEM 7A. QUANTITATIVE AND QUALITATIVE  
DISCLOSURES ABOUT MARKET RISK

The information required by this Item is incorporated by reference from Information appearing on Page 9 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is incorporated by reference from Information appearing on Page 3 and Pages 10 to 27 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.



ITEM 9. CHANGES IN AND DISAGREEMENTS WITH  
ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

As required by Rule 13a-15 of the Exchange Act, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision, and with the participation, of the Company's management, including the Company's Chief Executive Officer along with the Company's Chief Financial Officer. Based upon that evaluation, the Company's Chief Executive Officer, along with the Company's Chief Financial Officer, concluded that the Company's disclosure controls and procedures are effective. There have been no changes in internal controls over financial reporting during the fourth quarter of fiscal 2008 that have materially, or are reasonably likely to materially effect, the Company's internal control over financial reporting.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Management's Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are incorporated by reference from information appearing on page 27 in the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item 10 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before November 3, 2008, in connection with its Annual Meeting scheduled to be held on December 5, 2008.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item 11 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before November 3, 2008, in connection with its Annual Meeting scheduled to be held on December 5, 2008.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item 12 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before November 3, 2008, in connection with its annual meeting scheduled to be held on December 5, 2008.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS,  
AND DIRECTOR INDEPENDENCE

The information required by this Item 13 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before November 3, 2008, in connection with its annual meeting scheduled to be held on December 5, 2008.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item 14 is incorporated by reference from the Company's definitive Proxy Statement to be filed on or before November 3, 2008 in connection with its annual meeting scheduled to be held on December 5, 2008.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENTS SCHEDULES

(a) 1. Financial Statements:

Consolidated Balance Sheets - July 26, 2008 and July 28, 2007.

Consolidated Statements of Operations - years ended July 26, 2008, July 28, 2007 and July 29, 2006.

Consolidated Statements of Shareholders' Equity and Comprehensive Income – years ended July 26, 2008, July 28, 2007 and July 29, 2006.

Consolidated Statements of Cash Flows - years ended July 26, 2008, July 28, 2007 and July 29, 2006.

Notes to consolidated financial statements.

The consolidated financial statements above and the Report of Independent Registered Public Accounting Firm have been incorporated by reference from the Company's Annual Report to Shareholders for the fiscal year ended July 26, 2008.

2. Financial Statement Schedules:

All schedules are omitted because they are not applicable, or not required, or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits

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## EXHIBIT INDEX

|             |      |  |   |
|-------------|------|--|---|
| Exhibit No. | 3    | 3.1  | Certificate of Incorporation*   |
|             |      | 3.2  | By-laws*  |
| Exhibit No. | 4    | Instruments defining the rights of security holders: |   |
|             |      | 4.5  | Note Purchase Agreement dated September 16, 1999*   |
|             |      | 4.6  | Loan Agreement dated September 16, 1999*  |
|             |      | 4.7  | First Amendment to Loan Agreement*  |
| Exhibit No. | 10   | Material Contracts:                                  |   |
|             |      | 10.1   | Wakefern By-Laws  |
|             |      | 10.2   | Stockholders Agreement dated February 20, 1992 between the Company and Wakefern Food Corp.* |
|             |      | 10.3   | Voting Agreement dated March 4, 1987*   |
|             |      | 10.6   | Employment Agreement dated May 28, 2004*  |
|             |      | 10.7   | Supplemental Executive Retirement Plan*   |
|             |      | 10.8   | 2004 Stock Plan*  |
| Exhibit No. | 13   | <u>Annual Report to Security Holders</u>             |   |
| Exhibit No. | 14   | <u>Code of Ethics</u>                                |   |
| Exhibit No. | 21   | <u>Subsidiaries of Registrant</u>                    |   |
| Exhibit No. | 23   | <u>Consent of KPMG LLP</u>                           |   |
| Exhibit No. | 31.1 | <u>Certification</u>                                 |   |
| Exhibit No. | 31.2 | <u>Certification</u>                                 |   |
| Exhibit No. | 32.1 | <u>Certification (furnished, not filed)</u>          |   |
| Exhibit No. | 32.2 | <u>Certification (furnished, not filed)</u>          |   |

\* The following exhibits are incorporated by reference from the following previous filings:

Form 10-K for 2004: 3.2, 4.7, 10.7

DEF 14A proxy statement filed October 25, 2004: 10.8

Form 10-Q for April 2004: 10.6

Form 10-K for 1999: 4.5, 4.6

Form 10-K for 1993: 3.1, 10.2 and 10.3



SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Village Super Market, Inc.

By: /s/ Kevin Begley  
Kevin Begley  
Chief Financial &  
Principal Accounting Officer

By: /s/ James Sumas \_\_\_\_\_  
James Sumas  
Chief Executive Officer

Date: October 8, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on dates indicated:

Village Super Market, Inc.

/s/ Perry Sumas  
Perry Sumas, Director  
October 8, 2008

/s/ James Sumas \_\_\_\_\_  
James Sumas, Director  
October 8, 2008

/s/ Robert Sumas  
Robert Sumas, Director  
October 8, 2008

/s/ William Sumas \_\_\_\_\_  
William Sumas, Director  
October 8, 2008

/s/ John P. Sumas  
John P. Sumas, Director  
October 8, 2008

/s/ John J. McDermott \_\_\_\_\_  
John J. McDermott, Director  
October 8, 2008

/s/ David C. Judge  
David C. Judge, Director  
October 8, 2008

/s/ Steven Crystal \_\_\_\_\_  
Steven Crystal, Director  
October 8, 2008