UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended February 24, 2001

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission file number: 1-5418

SUPERVALU INC.

(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**41-0617000** **(I.R.S. Employer Identification No.)**
11840 Valley View Road **Eden Prairie, Minnesota** **(Address of principal executive offices)**	**55344** **(Zip Code)**

Registrant s telephone number, including area code: (952) 828-4000

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $1.00 per share	New York Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange

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

None

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 required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x 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. x

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of April 16, 2001 was approximately $1,690,643,608 (based upon the closing price of Registrant s Common Stock on the New York Stock Exchange on April 16, 2001).

Number of shares of $1.00 par value Common Stock outstanding as of April 16, 2001: 132,404,624

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Registrant s definitive Proxy Statement filed for Registrant s 2001 Annual Meeting of Stockholders are incorporated into Part III, as specifically set forth in Part III.

PART I

SUPERVALU announced in late June, 2002 that the Company had identified an understatement of cost of goods sold resulting from inventory misstatements by a former employee in its pharmacy division. The effect of the correction of the misstatements was to reduce previously reported net earnings by $9.1 million and $1.2 million and net earnings per share diluted by $0.07 and $0.01 for the fiscal years ended February 24, 2001 and February 26, 2000, respectively. The consolidated financial statements as of and for the fiscal years ended February 24, 2001 and February 26, 2000 and notes thereto included in this amended Annual Report on Form 10-K have been restated to include the effects of the corrections of these misstatements.

This amendment to the Company s Annual Report on Form 10-K for the fiscal year ended February 24, 2001 amends and restates those items of the Form 10-K originally filed on April 27, 2001 (the Original Filing) which have been affected by the restatement. In order to preserve the nature and character of the disclosures set forth in such items as originally filed, no attempt has been made in this amendment to update such disclosures. Except as required to reflect the effects of the restatement, all information contained in this amendment is stated as of the date of the Original Filing. For additional information regarding the restatement, see Notes to Consolidated Financial Statements Restatement included in Part II, Item 8.

ITEM 1. BUSINESS

General Development

SUPERVALU is the nation s tenth largest supermarket retailer and largest food distributor to grocery retailers based on revenues. SUPERVALU conducts its retail operations under three principal store formats: price superstores, under such retail banners as Cub Foods, Shop `n Save, Shoppers Food Warehouse, Metro and biggs; limited assortment stores, under the retail banner Save-A-Lot; and supermarkets, under such retail banners as Farm Fresh, Laneco, Hornbachers and Scott s Foods. SUPERVALU also sells food and non-food products at wholesale throughout the United States to retail food stores, mass merchants and through other logistics arrangements. As of the close of the fiscal year, the Company conducted its retail operations through 1,194 retail food stores, including 727 licensed limited assortment stores. In addition, as of the close of the fiscal year, the Company was affiliated with 5,450 retail food stores in 48 states as the primary supplier of approximately 3,200 stores and a partial supplier of approximately 2,250 stores.

SUPERVALU continues to focus on its retail food and food distribution operations. SUPERVALU s plans include growing its retail operations through new store development and acquisitions, and growing its distribution operations by affiliating new customers, increasing efficiencies in its food distribution operations and participating in the consolidation of the food distribution industry. During fiscal 2001, the Company added 122 retail stores through new store development and acquisitions, including 75 licensed limited assortment stores. In the fourth quarter of fiscal 2001, the Company completed a company-wide asset review to identify assets that do not meet return objectives, provide long-term strategic opportunities, or justify additional capital investment. As a result, in fiscal 2002, the Company will consolidate certain distribution facilities, exit certain non-core retail markets and dispose of under-performing retail stores.

SUPERVALU INC., a Delaware corporation, was organized in 1925 as the successor to two wholesale grocery firms established in the 1870 s. The Company s principal executive offices are located at 11840 Valley View Road, Eden Prairie, Minnesota 55344 (Telephone: 952-828-4000). Unless the discussion in this Annual Report on Form 10-K indicates otherwise, all references to the Company, SUPERVALU or Registrant relate to SUPERVALU INC. and its majority-owned subsidiaries.

Additional description of the Company s business is found in Part II, Item 7 and Item 7A of this report.

Financial Information About Industry Segments

The Company s businesses are classified by management into two primary industry segments: Retail Foods and Food Distribution. Retail food operations include results of food stores owned and results of sales to limited assortment stores licensed by the Company. Food distribution operations include results of sales to affiliated food stores, mass merchants, and other logistics arrangements. The financial information about the Company s industry segments for the three years ended February 24, 2001 is found in a separate section of this report on page F-4.

Retail Food Operations

Overview. At February 24, 2001, the Company conducted its retail operations through a total of 1,194 retail food stores, including 727 licensed limited assortment stores, under its principal retail formats that include price superstores, limited assortment and supermarkets. These diverse formats enable the Company to operate in a variety of markets under widely differing competitive circumstances. In fiscal 2002 the Company anticipates opening 10-15 new price superstores and 100-120 limited assortment stores while closing under-performing stores and exiting certain non-core markets.

Price Superstores. The Company s price superstore format focus is on providing value to SUPERVALU customers while offering a convenient one stop shopping opportunity. Most of the Company s price superstores offer traditional dry grocery departments, along with strong departments for perishables, including produce, baked goods, fresh packaged meat, seafood products and floral assortments. Price superstores carry over 30,000 items, and generally range in size from 45,000 to 100,000 square feet with an average size of approximately 68,000 square feet.

At fiscal year end, the Company owned and operated 207 price superstores under the Cub Foods, Shop n Save, Shoppers Food Warehouse, Metro and biggs banners in 13 states. An additional 55 stores are franchised to independent retailers. The price superstores hold the number one, two or three market position in most of their markets.

Private label products are a focus of SUPERVALU s price superstore format. The Company is in the process of developing proprietary name branded products. Currently, there are approximately 1,300 items under the Cub Foods brand, and the Company intends on further expanding this offering of products.

Limited Assortment. The Company operates limited assortment stores under the banner of Save-A-Lot. The Company believes Save-A-Lot is the nation s leading limited assortment food retailer. Save-A-Lot limited assortment stores typically are approximately 15,000 square feet in size, and stock approximately 1,200 high volume items that focus on a single size for each product sold. At a Save-A-Lot store, the majority of the products offered for sale are control branded products. The specifications for the Save-A-Lot controlled branded product emphasize quality and characteristics that the Company believes are comparable to national brands. The Company s attention to the packaging of Save-A-Lot products has resulted in the Company registering a number of its custom labels.

At fiscal year end, there were 905 limited assortment stores located in 36 states, of which 727 were licensed, which are supplied from 11 Save-A-Lot distribution centers.

Supermarkets. The Company s supermarkets format combines a grocery store that has a variety of specialty departments, that may include floral, seafood, expanded health and beauty care, video rental, cosmetics, photo finishing, delicatessen, bakery and in-store bank, with a traditional drug store that includes a pharmacy. The supermarkets format offers traditional dry grocery departments along with strong fresh food departments. A typical supermarket carries approximately 40,000 items and generally ranges in size from 30,000 to 65,000 square feet with an average size of approximately 48,000 square feet.

At fiscal year-end, the Company operated 82 supermarkets under the Farm Fresh, Laneco, Hornbachers and Scott s Foods banners.

Food Distribution Operations

Overview. SUPERVALU distributes food and non-food products at wholesale and offers a variety of retail support services. At February 24, 2001, the Company was affiliated with approximately 3,200 stores as their primary supplier and approximately 2,250 additional stores as a partial supplier. SUPERVALU s food distribution customers are located in 48 states, and range in size from small convenience stores to 200,000 square foot supercenters. Such customers include single and multiple store independent operators, regional and national chains, as well as mass merchants and the military.

In September 1999, SUPERVALU entered into a supply agreement with Kmart Corporation to distribute and replenish an incremental $2.3 billion of Kmart s grocery related distribution volume annually to 1,350 locations. The supply agreement will terminate June 30, 2001. As of the fiscal year end, no other single customer represented more than two percent (2%) of the Company s total sales.

Products Supplied. The Company offers and supplies its distribution customers with a wide variety and selection of food and non-food products, including groceries, meats, dairy products, frozen foods, fresh fruits and vegetables, health and beauty aids, paper products, cleaning supplies, tobacco products, and small household and clothing items. Such products include national and regional brands and the Company s own lines of private label products. The Company has no significant long-term purchase obligations and considers that it has adequate and alternative sources of supply for most of its purchased products.

SUPERVALU offers three tiers of private label products to its customers: premium product under the private label PREFERRED SELECTION; first quality product under such private labels as CUB, FLAVORITE, HOME BEST, IGA, RICHFOOD, VALU CHOICE; and economy product under such private labels as SHOPPERS VALUE and BI-RITE. SUPERVALU supplies private label merchandise over a broad range of products included in every department in the store. These products are produced to the Company s specifications by many suppliers.

Logistics Network. Deliveries to retail stores are made from the Company s distribution centers by Company-owned trucks, third party independent trucking companies or customer-owned trucks. In addition, many types of meats, dairy products, bakery and other products purchased from the Company are delivered directly by suppliers to retail stores under programs established by the Company. The Company has established a network of strategically located distribution centers utilizing a multi-tiered logistics system of slow turn or fast turn groceries, perishables, general merchandise and health and beauty care products. The network is composed of seven marketing regions comprised of 36 wholesale distribution facilities. The Company believes that its multi-tiered distribution network increases buying scale, improves operating efficiencies and lowers cost of operations. In an effort to continually rationalize the network the Company has announced plans to close seven distribution centers in fiscal 2002 as part of its recently completed asset review.

Services Supplied. In addition to supplying merchandise, the Company also offers its food distribution customers a wide variety of support services, including category management, merchandising assistance, private label program support, store management assistance, accounting, store design and construction, site selection, strategic and business planning, consumer and market research, and personnel training. Also, certain Company subsidiaries operate as insurance agencies and provide comprehensive insurance programs to the Company s food distribution customers.

The Company may provide financial assistance to retail stores served, including the acquisition, leasing and subleasing of store properties, the making of direct loans, and providing guarantees or other forms of financing. In general, loans made by the Company to independent retailers are secured by liens on inventory and/or equipment, by personal guarantees and other security. When the Company subleases store properties to retailers, the rentals are generally as high or higher than those paid by the Company.

Trademarks

The Company offers its customers the opportunity to franchise a concept or license a servicemark. This program helps the customer compete by providing, as part of the franchise or license program, a complete business concept, group advertising, private label products and other benefits. The Company is the franchisor or licensor of certain servicemarks such as CUB FOODS, SAVE-A-LOT, COUNTY MARKET, SHOP `N SAVE, NEW MARKET, SUPERVALU, IGA, FOODLAND and SUPERVALU FOOD & DRUG. The Company registers a substantial number of its trademarks/servicemarks in the United States Patent and Trademark Office, including many of its private label product trademarks and servicemarks. See Retail Food Operations Price Superstores and Limited Assortment, and Food Distribution Operations Products Supplied . The Company considers certain of its trademarks and servicemarks to be of material importance to its business and actively defends and enforces such trademarks and servicemarks.

Competition

The Company s retail food and food distribution businesses are highly competitive and characterized by low profit margins. The Company believes that the success of its retail food and food distribution businesses is dependent upon the ability of the Company s retail food operations and the independent retail food stores with whom it is affiliated as a supplier, to compete successfully with other retail food stores in a consolidating market. Principal competition comes from local, regional and national chains under a variety of formats (i.e. supercenters, supermarkets, limited assortment stores, membership warehouse clubs, convenience stores, various formats selling prepared foods, and specialty and discount retailers), as well as from independent food stores. The Company believes that the principal competitive factors that face its owned stores as well as the stores owned by independent retailers it supplies include: the location and image of the store; the price, quality and variety of product; and the quality and consistency of service. In recent years, a number of companies have emerged that operate retail food and distribution businesses that allow consumers to shop from and receive delivery to their homes using electronic ordering systems. The Company is a supplier to companies that utilize this business concept.

At the food distribution level, the Company competes directly with a number of food wholesalers. The Company believes it competes in this supply chain on the basis of product price, quality and assortment, schedule and reliability of deliveries, the range and quality of services provided, service fees, and the location of the store sites and distribution facilities.

Employees

At February 24, 2001, the Company had approximately 62,100 employees. Approximately 28,400 employees are covered by collective bargaining agreements. During fiscal 2001, 19 agreements covering 6,500 employees were re-negotiated without any work stoppage. In fiscal 2002, 16 contracts covering approximately 6,500 employees will expire. The Company believes that it has generally good relationships with its employees.

Cautionary Statements for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

Any statements in this report regarding SUPERVALU s outlook for its businesses and their respective markets, such as projections of future performance, statements of management s plans and objectives, forecasts of market trends and other matters, are forward-looking statements based on management s assumptions and beliefs. Such statements may be identified by such words or phrases as will likely result, are expected to, will continue, outlook, is anticipated, estimate, project, management believes or similar expressions. Such forward-looking statemen subject to certain risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements and no assurance can be given that the results in any forward-looking statement will be achieved. For these statements, SUPERVALU claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following is a summary of certain factors, the results of which could cause SUPERVALU s future results to differ materially from those expressed in any forward-looking statements contained in this report:

- the impact of changing economic or business conditions;
- competitive practices in the retail and food distribution industries;
- the nature and extent of the consolidation of the retail food and food distribution industries;
- the ability of the Company to attract and retain customers for its food distribution operations, and control food distribution costs;
- the ability of the Company to grow through acquisition and assimilate the acquired entities;
- the ability of the Company to continue to recruit, train and retain quality franchise, licensed and corporate retail store operators;
- the availability of favorable credit and trade terms;
- the ability of the Company to execute and realize the perceived benefits of restructuring activities resulting from its asset review, such as the rationalization of its distribution network and retail locations;
- the impact of food safety issues that may arise from time to time as a result of the actions of other parties, including but not limited to those affecting the quality of meat products;
- food price changes; and
- other risk factors inherent in the retail food and food distribution businesses.

Please refer to Exhibit 99.1 of this report, as filed with the Securities and Exchange Commission, and subsequent reports filed with the Commission, for a more detailed discussion of these and other factors that could cause SUPERVALU s actual results in future periods to differ materially from those projected in such forward-looking statements.

ITEM2. PROPERTIES

Retail Food Operations

The following table is a summary of the corporate retail stores operated by the Company under its principal retail formats as of February 24, 2001:

Retail Format	Banners	Location and Number of Corporate Stores	Square Footage Owned (Approximate)	Square Footage Leased (Approximate)
PriceSuperstore	Cub Foods[1]	Colorado (10), Illinois (29), Indiana (11), Iowa (2), Minnesota (24), Wisconsin (10)	3,161,000	2,858,000
	Shop `n Save	Illinois (14), Missouri (19), Pennsylvania (22)	467,000	2,372,000
	ShoppersFood Warehouse	Maryland (22), Virginia (18)	-0-	1,987,000
	Metro	Delaware (1), Maryland (18)	-0-	1,025,000
	bigg s	Colorado (1), Indiana (1), Kentucky (1), Ohio (7)	158,000	1,244,000
LimitedAssortment	Save-A-Lot[2]	Arkansas (6), California (17), Connecticut (3), Delaware (5), Florida (55), Georgia (3), Illinois (3), Louisiana (1), Maryland (2), Massachusetts (8), Mississippi (5), Missouri (8), New Jersey (6), Ohio (22), Pennsylvania (21), Rhode Island (3), Tennessee (4), Vermont (1), Virginia (5)	179,000	2,419,000
Supermarkets	Farm Fresh	Virginia (36)	30,000	1,750,000
	Laneco	New Jersey (4), Pennsylvania (12)	144,000	853,000
	Hornbachers	Minnesota (1), North Dakota (4)	95,000	113,000
	Scott s Food	Indiana (18)	178,000	772,000

1 Excludes 55 Cub Foods stores that are operated by independent retailers.
2 Excludes 727 Save-A-Lot stores that are licensed by independent retailers.

The retail food stores that are leased by the Company generally have a term of 15-25 years plus renewal options.

Food Distribution Operations

The following table lists the principal location and approximate size of the Company s principal distribution centers and office space utilized in the Company s food distribution operations and for its retail limited assortment stores as of February 24, 2001:

Region or Division	Location and Number of Distribution Centers	Square Footage Owned (Approximate)	Square Footage Leased (Approximate)
CentralRegion	Indiana (1), Kentucky (1)*, Ohio (1) Pennsylvania (3), West Virginia (1)	3,594,000	438,000
MidwestRegion	Illinois (2), Missouri (1), Wisconsin (2)	2,833,000	1,120,000
NorthernRegion	Iowa (1), Minnesota (1), North Dakota (2)	3,532,000	0
New England Region	Connecticut (1)*, Maine (1), Massachusetts (1), New Hampshire (1)*, Rhode Island (1)	1,040,000	650,000
NorthwestRegion	Colorado (1), Montana (2), Washington (2)	2,603,000	124,000
Southeast Region	Alabama (2), Florida (1), Georgia (1)*, Louisiana (1)*, Mississippi (1)	1,975,000	1,290,000
Eastern Region	Maryland (1)*, Pennsylvania (1), Virginia (2)	3,406,000	422,000
Save-A-Lot	California (1), Florida (1), Georgia (1), Kentucky (1), Maryland (1), Michigan (1), Missouri (2), New York (1), Ohio (1), Tennessee (1), Texas (1)	1,303,000	1,338,000

* The Company recently announced plans to close these distribution centers and its Great Falls, Montana facility in fiscal 2002.

Additional Property

The Company s principal executive offices are located in a 180,000 square foot corporate headquarters facility located in Eden Prairie, Minnesota, a western suburb of Minneapolis, Minnesota. This headquarters facility is located on a 140 acre site owned by the Company.

Additional information on the Company s properties is found in another section of this report on pages F-14 through F-16 in the Note captioned Leases of Notes to the Company s Consolidated Financial Statements. Management of the Company believes its physical facilities and equipment are adequate for the Company s present needs and businesses.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings, other than ordinary routine litigation incidental to the business of the Registrant.

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

There was no matter submitted during the fourth quarter of fiscal year 2001 to a vote of the security holders of the Registrant.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following table provides certain information concerning the executive officers of the Company as of April 27, 2001.

Name	Age	Present Position	Year Elected to Present Position	Other Positions Recently Held With the Company
Michael W. Wright	62	Director, Chairman of the Board and Chief Executive Officer(1)	1982	President, 1982-2000
Jeffrey Noddle	54	President and Chief Operating Officer(1)	2000	Executive Vice President; and President and Chief Operating Officer Wholesale Food Companies 1995- 2000
David L. Boehnen	54	Executive Vice President	1997	Senior Vice President, Law and External Relations, 1991-1997
Michael L. Jackson	47	Executive Vice President; President and COO, Distribution	2001	Senior Vice President, Retail Food Companies, 1999-2001; President, Northwest Region, 1995-1999
Pamela K. Knous	47	Executive Vice President, Chief Financial Officer	1997	
Robert W. Borlik	52	Senior Vice President, Chief Information Officer	1999	
Kim M. Erickson	47	Senior Vice President and Treasurer	1998	Senior Vice President, Finance and Treasurer, 1997-1998; Vice President and Treasurer, 1995-1997
Gregory C. Heying	52	Senior Vice President, Distribution	1994	
J. Andrew Herring	42	Senior Vice President, Corporate Development and External Relations	1999	Vice President, Corporate Development and External Relations, 1998-1999
John H. Hooley	49	Senior Vice President; President & CEO, Cub Foods	2000	Vice President; President and Chief Executive Officer, Cub Foods, 1992-1999
W. O Neill McDonald	57	Senior Vice President, Distribution Food Companies	1998	President, Midwest Region, 1995-1998
Ronald C. Tortelli	54	Senior Vice President, Human Resources	1988	

Name	Age	Present Position	Year Elected to Present Position	Other Positions Recently Held With the Company
Leland J. Dake	44	Vice President, Merchandising, Distribution Food Companies	1998	Vice President, Corporate Category Management, 1995-1998
Stephen P. Kilgriff	59	Vice President, Legal Services	2000	Associate General Counsel, 1996-2000
Sherry M. Smith	39	Vice President, Controller, Corporate	1998	Assistant Corporate Controller, 1996-1998; Director, Finance and Accounting/Advantage, 1995-1996

(1) Mr. Wright plans to retire as Chief Executive Officer of the Company effective June 27, 2001, the date of the Company s Annual Meeting of Stockholders, and continue as a director and Chairman of the Board after that date. On April 11, 2001, Mr. Noddle was elected to succeed Mr. Wright as President and Chief Executive Officer of the Company, effective June 27, 2001.

The term of office of each executive officer is from one annual meeting of the directors until the next annual meeting of directors or until a successor for each is elected. There are no arrangements or understandings between any of the executive officers of the Company and any other person (not an officer or director of the Company acting as such) pursuant to which any of the executive officers were selected as an officer of the Company. There are no immediate family relationships between or among any of the executive officers of the Company.

Each of the executive officers of the Company has been in the employ of the Company or its subsidiaries for more than five years, except for Pamela K. Knous, Robert W. Borlik, J. Andrew Herring and John H. Hooley.

Ms. Knous was elected to her current position in September 1997. From December 1995 to August 1997, she was Executive Vice President, Chief Financial Officer and Treasurer of The Vons Companies, Inc., a retail grocery company.

Mr. Borlik was elected to his current position in April 1999. From 1995 to March 1999, he was Vice President, Information Services, of Northwest Airlines, Inc., an air transportation company and subsidiary of Northwest Airlines Corporation.

Mr. Herring was elected to his current position in April 1999. From February 1998 to April 1999, he was Vice President, Corporate Development and External Relations of the Company, and prior to that time, he was a partner with the law firm of Dorsey & Whitney LLP.

Mr. Hooley was elected to his current position in November 2000. From February 2000 to September 2000, he was Executive Vice President of Partner Alliances, 24K.com., a loyalty marketing company and affiliate of the Carlson Companies. From November 1992 to September 1999, he was President and Chief Executive Officer of Cub Foods.

PART II

ITEM 5.   MARKET FOR THE REGISTRANT S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company s common stock is listed on the New York Stock Exchange under the symbol SVU. As of April 16, 2001, there were 132,404,624 shares of common stock outstanding. At that date, there were 7,265 stockholders of record, excluding individual participants in security position listings. The information called for by Item 5 as to sales price for the Company s common stock on a quarterly basis during the last two fiscal years and dividend information is found under the heading Common Stock Price in Part II, Item 7 below. The information called for by Item 5 as to restrictions on the payment of dividends by the Registrant is found in a separate section of this report on page F-13 in the Note captioned Notes Receivable of the Notes to Consolidated Financial Statements.

During the fiscal year ended February 24, 2001, the Company issued 36,500 shares of unregistered restricted common stock as stock bonuses to certain employees. The issuance of such shares did not constitute a sale within the meaning of Section 2(3) of the Securities Act of 1933, as amended.

ITEM 6.   SELECTED FINANCIAL DATA

The information called for by Item 6 is found in a separate section of this report on page F-1. See Index of Selected Financial Data, Financial Statements and Schedules.

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

FINANCIAL REVIEW

The Management s Discussion and Analysis of Financial Condition and Results of Operations presented below reflects the impact of the restatements to our previously reported consolidated financial statements as of February 24, 2001 and February 26, 2000 and for the fiscal years then ended.

In June 2002, the Company announced that it had identified an understatement of cost of goods sold resulting from inventory misstatements by a former employee in its pharmacy division. The effect of the correction of the misstatements was to reduce previously reported net earnings by $9.1 million and $1.2 million and net earnings per share diluted by $0.07 and $0.01 for the fiscal years ended February 24, 2001 and February 26, 2000, respectively. The consolidated financial statements as of and for the fiscal years ended February 24, 2001 and February 26, 2000 and notes thereto included in this amended Annual report on Form 10-K have been restated to include the effects of the corrections of these misstatements.

COMPANY-WIDE ASSET REVIEW

In the fourth quarter of fiscal 2001, the company completed a company-wide asset review to identify assets that do not meet return objectives, provide long-term strategic opportunities, or justify additional capital investment. As a result, the company recorded charges of $240.1 million pre-tax, or $153.9 million after tax. The charges are net of a $10.3 million reversal of the fiscal 2000 restructure charge.

COMPONENTS OF THE FISCAL 2001 COMPANY-WIDE ASSET REVIEW AS REFLECTED IN THE CONSOLIDATED STATEMENT OF EARNINGS

Caption	Nature of Charge	Charge (In millions)
Restructure and other charges	Consolidation of distribution centers	$ 67.2
	Exit of non-core retail markets	68.0
	Disposal of non-core assets and other administrative reductions	46.4
	Reversal of prior year charge	(10.3)
	Total restructure and other charges	171.3
Cost of sales	Inventory markdowns for restructure activities and store closings	17.1
Selling and administrative expenses	Store closing reserves, write-off of uncollectible expenses receivables and other items	51.7
	Total charges	$ 240.1

The restructure and other charges of $171.3 million include $89.7 million of asset impairment charges, $41.8 million for lease subsidies, lease cancellation fees, future payments on exited leased facilities and guarantee obligations, and $39.8 million for severance and employee related costs. The charge by segment was $59.8 million for retail food and $111.5 million for food distribution. These actions include a net reduction of approximately 4,500 employees throughout the organization. Management expects the majority of these actions to be completed by the end of fiscal 2002.

The activities associated with the fiscal 2001 charges are expected to generate after tax cash inflows of approximately $60 million with approximately $30 million occurring in fiscal 2002. Cash inflows are generated primarily from the sale of assets and liquidation of working capital.

During the fourth quarter of fiscal 2001, the company reduced the fiscal 2000 restructuring reserve by $10.3 million primarily for a change in estimate for the disposal of a distribution facility that will occur in the first half of fiscal 2002. The reserves at the end of fiscal 2001 for fiscal 2000 restructure charges were $17.9 million, including $10.5 million for lease subsidies, lease terminations and future payments on exited leased facilities and $7.4 million for severance and employee related costs. There are 463 employees remaining to be terminated related to this reserve.

RESULTS OF OPERATIONS

In fiscal 2001, the company achieved record sales of $23.2 billion compared to $20.3 billion last year. Net earnings for fiscal 2001 were $72.9 million, and diluted earnings per share were $.55. After excluding the impacts of the company-wide asset review of $240.1 million pre-tax, fiscal 2001 net earnings were $226.8 million, and diluted earnings per share were $1.71.

Net earnings for fiscal 2000 were $241.7 million, and diluted earnings per share were $1.86. After excluding the net gain from the sale of Hazelwood Farms Bakeries and from restructure and other charges, fiscal 2000 net earnings were $230.7 million and diluted earnings per share were $1.77.

The results of operations include the impact from the Richfood acquisition and the results of its operations from August 31, 1999. Highlights of results of operations as reported were as follows:

	Restated February 24, 2001 (52 weeks)		Restated February 26, 2000 (52 weeks)		February 27, 1999 (52 weeks)	
			(In millions)			
Net sales	$ 23,194.3	100.0%	$ 20,339.1	100.0%	$ 17,420.5	100.0%
Cost of sales	20,650.3	89.1	18,113.4	89.0	15,620.1	89.7
Selling and administrative expenses	2,042.3	8.8	1,705.0	8.4	1,382.2	7.9
Gain on sale			(163.7)	(0.8)		
Restructure and other charges	171.3	0.7	103.6	0.5		
Interest expense	212.9	0.9	154.5	0.8	124.1	0.7
Interest income	(22.1)	(0.1)	(19.1)	(0.1)	(22.2)	(0.1)
Earnings before income taxes	139.6	0.6	445.4	2.2	316.2	1.8
Income tax expense	66.7	0.3	203.7	1.0	124.9	0.7
Net earnings	$ 72.9	0.3%	$ 241.7	1.2%	$ 191.3	1.1%

Comparison of fifty-two weeks ended February 24, 2001 (2001) with fifty-two weeks ended February 26, 2000 (2000):

Net sales for 2001 of $23.2 billion increased 14.0 percent from $20.3 billion in 2000, reflecting the acquisition of Richfood in August 1999, incremental volume from other new customers, and new corporate stores. Retail food and food distribution sales increased 15.9 percent and 12.8 percent, respectively.

Retail food sales were favorable in 2001 compared to 2000 primarily due to the Richfood acquisition and the opening of new stores since last year. Fiscal 2001 store activity, including licensed units, resulted in 117 new stores opened, five stores acquired, and 45 stores closed or sold for a total of 1,194 stores at year end, an increase of 6.9 percent over the prior year. Same-store sales decreased approximately 4 percent, impacted by competitive activities and cannibalization in certain markets. Food distribution sales increased from last year primarily due to the Richfood acquisition and incremental volume from other new customers, principally the $2.3 billion annual supply agreement with Kmart. The supply agreement with Kmart will terminate June 30, 2001.

Gross profit as a percentage of net sales remained relatively flat at 10.9 percent for fiscal 2001 compared with last year.

Selling and administrative expenses were 8.8 percent of net sales for 2001 compared to 8.4 percent of sales last year. The increase reflects $51.7 million primarily for store closing reserves and the write-off of certain uncollectible receivables taken as part of the company-wide asset review. Excluding these charges, selling and administrative expenses were 8.6 percent of net sales. The increase was primarily due to the growing proportion of the company s retail business, which operates at a higher selling and administrative expense as a percentage of net sales than the food distribution business.

The company s pre-tax operating earnings were $330.4 million in 2001 compared with $580.8 million in 2000. Fiscal 2001 pre-tax operating earnings include a $240.1 million charge incurred as a result of the company-wide asset review and fiscal 2000 pre-tax operating earnings include a net $60.1 million benefit from the gain on sale of Hazelwood Farms Bakeries of $163.7 million, partially offset by restructure and other charges of $103.6 million.

Excluding the impacts of the company-wide asset review in fiscal 2001 and the sale of Hazelwood Farms Bakeries and the restructure and other charges in fiscal 2000, the company s pre-tax operating earnings increased to $570.5 million in 2001 compared with $520.8 million in 2000, a 9.5 percent increase; operating earnings before depreciation and amortization increased to $906.8 million in 2001, compared with $797.8 million in 2000, a 13.7 percent increase; retail food operating earnings decreased 2.3 percent to $331.0 million in 2001 from $338.7 million in 2000; retail food operating earnings before depreciation and amortization were $503.5 million, or 5.4 percent of sales compared with $488.3 million or 6.1 percent of sales; food distribution operating earnings increased 23.3 percent in 2001 to $275.4 million from $223.4 million in 2000; food distribution operating earnings before depreciation and amortization increased 25.4 percent to $436.0 million, or 3.2 percent of sales from last year s $347.6 million, or 2.8 percent of net sales. Retail food operating earnings decreased primarily due to increased advertising, promotional spending and labor costs, which were substantially offset by the Richfood acquisition and the opening of 117 stores. Food distribution operating earnings increased primarily due to the Richfood acquisition and incremental volume from other customers, principally Kmart.

Interest expense increased to $212.9 million in 2001, compared with $154.5 million in 2000, reflecting increased borrowings due to the Richfood acquisition in August 1999 and the $140 million share buyback under the December 1999 treasury stock program completed early in the first quarter of fiscal 2001. Interest income increased to $22.1 million in 2001 compared with $19.1 million in 2000.

The effective tax rate was 47.8 percent in 2001 compared with 45.7 percent in 2000. Excluding the impacts of the company-wide asset review in 2001 and the sale of Hazelwood Farms Bakeries and the restructure and other charges in 2000, the effective tax rates were 40.3 percent and 40.1 percent in fiscal 2001 and fiscal 2000, respectively.

Net earnings were $72.9 million or $.55 per share-diluted in 2001 compared with 2000 net earnings of $241.7 million or $1.86 per share-diluted. Weighted average shares-diluted increased to 132.8 million in 2001 compared with last year s 130.1 million. The increase was primarily due to a full year s impact in the current year of the approximately 19.7 million shares issued in the second quarter of fiscal 2000 in connection with the Richfood acquisition, partially offset by the 7.9 million shares repurchased under the December 1999 treasury stock program.

Excluding the impacts of the company-wide asset review in 2001 and the gain on the sale of Hazelwood Farms Bakeries and the restructure and other charges in 2000, net earnings were $226.8 million or $1.71 per share-diluted in 2001 compared with $230.8 million or $1.77 per share diluted in 2000.

Comparison of fifty-two weeks ended February 26, 2000 (2000) with fifty-two weeks ended February 27, 1999 (1999):

Net sales for 2000 increased 16.8 percent from 1999, positively impacted by a 27.8 percent increase in retail food sales and a 10.5 percent increase in food distribution sales.

Retail food sales were favorable in 2000 compared to 1999 primarily due to the mid-year Richfood acquisition and store growth. Fiscal 2000 store activity, including licensed units, resulted in 117 stores acquired, 115 stores opened and 58 stores closed or sold for a total of 1,117 stores at year end, an increase of 18.5 percent over the prior year. Same-store sales were essentially flat, impacted by low inflation, cannibalization in certain markets and competitive activities. Food distribution sales increases in 2000 were primarily due to the mid-year addition of nearly 800 new customers from the Richfood acquisition and the new supply agreement with Kmart.

Gross profit as a percentage of net sales increased to 11.0 percent, from 10.3 percent last year. The increase was primarily due to the Richfood acquisition, which increased the proportion of the higher margin retail food business of the company.

Selling and administrative expenses were 8.4 percent of net sales for 2000 compared to 7.9 percent of sales in 1999. The increase was primarily due to the growing proportion of the company s retail business, which operates at a higher selling and administrative expense as a percentage of net sales than the food distribution business.

Excluding the gain on the sale of Hazelwood Farms Bakeries and restructure and other charges, the company s pre-tax operating earnings increased to $520.8 million in 2000 compared with $418.2 million in 1999, a 24.5 percent increase. Operating earnings before depreciation and amortization increased to $797.8 million in 2000, compared with $651.7 million in 1999, a 22.4 percent increase. Retail food operating earnings increased 29.1 percent to $338.7 million in 2000 from $262.4 million in 1999. The increase in retail operating earnings was due to increased sales. Food distribution operating earnings increased 19.9 percent in 2000 to $223.4 million from $186.3 million in 1999, primarily due to higher sales from the Richfood acquisition, cost reduction initiatives and additional sales due to the Kmart supply agreement.

The company sold Hazelwood Farms Bakeries, which resulted in a pre-tax gain of $163.7 million. The company had identified Hazelwood Farms Bakeries as a non-strategic asset to be liquidated to allow the redeployment of capital. The transaction resulted in $248.2 million of after-tax cash proceeds.

The company also recorded pre-tax restructure and other charges of $103.6 million as a result of an extensive review to reduce costs and enhance efficiencies. The restructure charges include costs for facility consolidation, non-core store disposal, and rationalization of redundant and certain decentralized administrative functions. The charge by segment was $19.4 million for retail food and $84.2 million for food distribution. The company expects approximately 1,700 employees to be terminated as a result of these activities. The number of employees was reduced by 406 since 2000, due to higher than expected attrition and voluntary terminations.

Interest expense increased to $154.5 million in 2000, compared with $124.1 million in 1999, reflecting increased borrowings due to the Richfood acquisition in August 1999. Interest income decreased to $19.1 million in 2000 compared with $22.2 million in 1999.

The effective tax rate was 45.7 percent in 2000 compared with 39.5 percent in 1999. The higher effective tax rate was primarily the result of the gain on the sale of Hazelwood Farms Bakeries. Excluding the impact of the gain on the sale of Hazelwood Farms Bakeries, the effective tax rate was approximately 40.1 percent.

Net earnings were $241.7 million or $1.86 per share-diluted in 2000 compared with 1999 net earnings of $191.3 million or $1.57 per share-diluted. Weighted average shares-diluted increased to 130.1 million in 2000 compared with 1999 s 122.0 million. The increase was primarily due to approximately 19.7 million shares issued in the second quarter of fiscal 2000 in connection with the Richfood acquisition.

Excluding the gain on the sale of Hazelwood Farms Bakeries and restructure and other charges, 2000 net earnings were $230.8 million or $1.77 per share-diluted.

LIQUIDITY

Net cash from operations was $651.2 million in 2001, $341.2 million in 2000 and $559.9 million in 1999. The increase in the current year was due primarily to the reduction of net working capital of $160.9 million and an increase in earnings before depreciation and amortization of $109.0 million.

Cash used in investing activities was $380.4 million in 2001, $534.5 million in 2000, and $321.4 million in 1999. The decrease in cash used in investing activities in 2001 compared to last year was primarily due to the $443 million cash used for a portion of the Richfood acquisition in fiscal 2000 offset in part by proceeds from the sale of Hazelwood Farms Bakeries.

Cash used in financing activities was $271.4 million in 2001 compared with cash provided of $196.6 million in 2000 and cash used in 1999 of $237.1 million. In 2001 and 1999, cash was used primarily to reduce debt, pay dividends and repurchase treasury shares. In 2000, net new debt increased by $366.5 million primarily due to debt incurred in connection with the acquisition of Richfood in August 1999. The company used proceeds from the issuance of its $350 million of 7 7/8 percent notes due 2009 and $250 million of 7 5/8 percent notes due 2004 to finance the acquisition and repay indebtedness incurred or assumed in connection therewith.

Management expects that the company will continue to replenish operating assets and reduce aggregate debt with internally generated funds. The company has adequate short-term and long-term financing capabilities to fund its capital expenditures plan and acquisitions as the opportunities arise. SUPERVALU will continue to use short-term and long-term debt as a supplement to internally generated funds to finance its activities. Maturities of debt issued will depend on management s views with respect to the relative attractiveness of interest rates at the time of issuance.

The company has entered into revolving credit agreements with various financial institutions, which are available for general corporate purposes, to support the company s commercial paper program and for the issuance of letters of credit. A $400 million revolving credit agreement, with rates tied to LIBOR plus .180 to .275 percent, is in place and expires in October 2002. As of February 24, 2001, letters of credit outstanding under this agreement totaled $21.7 million. In August 1999, the company executed a 364-day, $300 million revolving credit agreement with rates tied to LIBOR plus .310 to .535 percent. This agreement was amended and restated in August 2000 to change the maturity date to August 2001. The company periodically enters into short-term credit agreements having tenors of three to nine months. As of February 24, 2001, the company had established $215 million in credit facilities under such agreements with rates tied to LIBOR plus .310 to .515 percent, which expire at various dates through the first quarter of 2002. At the end of fiscal 2001, the company had $250 million of borrowings outstanding under the 364-day credit agreement and total commercial paper outstanding was $327 million.

In April 2001, Moody s Investors Service, Inc. reduced the company s long-term debt ratings from Baa1 to Baa3 and short-term debt ratings from P2 to P3. The company s access to the commercial paper market has been reduced as a result of these ratings changes. However, the company has adequate credit available to meet its short-term borrowing needs. Therefore, the company does not expect these ratings changes to have a material effect on the company s consolidated financial results.

SUPERVALU s capital budget for fiscal 2002, which includes leases, is $475 million compared with $512 million for fiscal 2001. The capital budget for 2002 anticipates cash spending of $395 million, plus another $80 million for capital leases. Approximately $330 million of the fiscal 2002 budget is slated for use in the company s retail food businesses. The budget provides for approximately 10 to 15 new price superstores and 100 to 120 new limited assortment stores. The balance of the fiscal 2002 capital budget relates to distribution maintenance capital and information technology related items. In addition, the company will continue to support store development and financing for the company s independent retailers. Certain retailer financing activities do not require new cash outlays because they are leases or guarantees.

These capital spending activities are not expected to result in an increase in the company s debt-to-total-capital ratio as internal cash flow is expected to substantially support spending requirements. The capital budget does include amounts for projects which are subject to change and for which firm commitments have not been made.

Cash dividends declared during fiscal 2001 totaled 54.75 cents per common share, an increase of 1.9 percent over the 53.75 cents per share declared in fiscal 2000. This was the 64th year of consecutive cash dividends and the 29th year of successive annual increases. The company s dividend policy will continue to emphasize a high level of earnings retention for growth.

COMMON STOCK PRICE

SUPERVALU s common stock is listed on the New York Stock Exchange under the symbol SVU. At year-end, there were 7,243 shareholders of record compared with 7,566 at the end of fiscal 2000.

Fiscal Quarter	Common Stock Price Range 2001 High	2001 Low	2000 High	2000 Low	Dividends Per Share 2001	2000
First	$ 22.88	$ 14.00	$ 25.75	$ 19.00	$ .1350	$ .1325
Second	20.25	14.69	26.31	21.13	.1375	.1350
Third	18.19	14.00	22.38	18.06	.1375	.1350
Fourth	17.81	11.75	20.19	15.75	.1375	.1350
Year	$ 22.88	$ 11.75	$ 26.31	$ 15.75	$ .5475	$ .5375

Dividend payment dates are on or about the 15th day of March, June, September and December, subject to the Board of Directors approval.

NEW ACCOUNTING STANDARDS

New accounting standard Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, is effective for the company as of February 25, 2001. SFAS No. 133 defines derivatives, requires that derivatives be carried at fair value on the balance sheet, and provides for hedge accounting when certain conditions are met. Initial adoption of this new accounting standard did not have a material impact on the company s financial statements.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 Revenue Recognition. SAB No. 101 provides guidance on recognition, presentation and disclosure of revenue in financial statements. The company adopted SAB No. 101 in the fourth quarter of 2001. The implementation did not have a material impact to the company s financial statements.

The Financial Accounting Standards Board has recently issued an exposure draft for Business Combinations and Intangible Assets. Under the exposure draft, goodwill arising from the purchase of assets would not be amortized to earnings over a period of time, which is the current practice. Instead, it would be reviewed for impairment and expensed against earnings only in the periods in which the recorded value of goodwill is more than its implied fair value. Goodwill amortization reduced the company s basic and diluted net earnings per share by $.36 and $.26 in 2001 and 2000, respectively. This exposure draft is not final and may change before any new accounting standard is adopted.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

SUPERVALU is exposed to market pricing risk consisting of interest rate risk related to debt obligations outstanding, its investment in notes receivable, and derivatives employed to hedge interest rate changes on variable and fixed rate debt. The company does not have any material foreign currency or commodity contract exposure. The company does not use financial instruments or derivatives for any trading or other speculative purposes.

SUPERVALU manages interest rate risk through the strategic use of fixed and variable rate debt and, to a limited extent, derivative financial instruments. Variable interest rate debt (commercial paper, bank loans, industrial revenue bonds and other variable rate interest rate debt) is utilized to help maintain liquidity and finance business operations. Long-term debt with fixed interest rates is used to assist in managing debt maturities and to diversify sources of debt capital.

SUPERVALU carries notes receivable because, in the normal course of business the company makes long-term loans to certain retail customers (see Notes Receivable in the notes to the consolidated financial statements). The notes generally bear fixed interest rates negotiated with each retail customer. The market value of the fixed rate notes is subject to change due to fluctuations in market interest rates.

The table below provides information about the company s derivative financial instruments and other financial instruments that are sensitive to changes in interest rates, including notes receivable, debt obligations and interest rate swaps. For debt obligations, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. For notes receivable, the table presents the expected collection of principal cash flows and weighted average interest rates by expected maturity dates. For interest rate swaps, the table presents notional amounts and weighted average interest rates by expected (contractual) maturity dates. Notional amounts are used to calculate the contractual payments to be exchanged under the contract.

Summary of Financial Instruments

	February 26, 2000	February 24, 2001	Aggregate maturities of principal by fiscal year					
	Fair Value		2002	2003	2004	2005	2006	Thereafter
			(In millions, except rates)					
Notes receivable with fixed interest rates								
Principal receivable	$ 107.3	$ 118.5	$ 33.0	$ 16.4	$ 14.0	$ 13.7	$ 9.3	$ 32.1
Average rate receivable	7.9%	8.7%	8.6%	8.9%	8.8%	9.0%	9.4%	8.6%
Debt with variable interest rates								
Principal payable	741.6	650.4	578.9		9.0		4.9	57.6
Average variable rate payable	5.7%	6.7%	Variable					
Debt with fixed interest rates								
Principal payable	1,397.6	1,394.2	21.4	324.5	21.9	438.2	58.2	530.0
Average fixed rate payable	7.8%	8.6%	8.3%	7.8%	8.3%	8.5%	7.1%	8.1%
Variable-to-Fixed rate swap								
Amount receivable (payable)	1.5	(13.5)			57.9			100.0 (not payable)
Average fixed rate payable	6.8%	6.8%	6.8%	6.8%	7.3%	7.4%	7.4%	7.4%
Average variable rate receivable	6.1%	5.4%						
Fixed-to-Variable rate swap								
Amount receivable	8.7	10.4		100.0	(not payable)			
Average variable rate payable	6.1%	5.4%						
Average fixed rate receivable	8.9%	8.9%	8.9%	8.9%				

Cautionary Statements for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995

The information in this Annual Report includes forward-looking statements. Important risks and uncertainties that could cause actual results to differ materially from those discussed in such forward-looking statements include the impact of changing economic or business conditions, the impact of competition, the nature and extent of the consolidation of the retail food and food distribution industries, the company s ability to attract and retain customers for its food distribution operations and to control food distribution costs, the company s ability to execute restructure activities, the availability of favorable credit and trade terms, food price changes, other risk factors inherent in the food wholesaling and retail businesses and other factors discussed from time to time in reports filed by the company with the Securities and Exchange Commission. These risks and uncertainties are detailed in Exhibit 99.1 to the company s Annual Report on Form 10-K for the year ended February 24, 2001; others may be detailed from time to time in the company s future Securities and Exchange Commission filings.

ITEM 7.A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information called for by Item 7.A is found under the heading of Quantitative and Qualitative Disclosure About Market Risk under Part II, Item 7 above.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by Item 8 is found in a separate section of this report on pages F-1 through F-24. See Index of Selected Financial Data, Financial Statements and Schedules.

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information called for by Item 10, as to (a) Directors of the Registrant and (b) compliance with Section 16(a) of the Securities and Exchange Act of 1934, is incorporated by reference to the Registrant s definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the Registrant s 2001 Annual Meeting of Stockholders under the heading Election of Directors (Item 1), and under the heading Section 16(a) Beneficial Ownership Reporting Compliance. Certain information regarding executive officers is included in Part I immediately following Item 4 above.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by Item 11 is incorporated by reference to the Registrant s definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the Registrant s 2001 Annual Meeting of Stockholders under the headings Compensation of Directors, Compensation of Executive Officers, Option/SAR Grants in Last Fiscal Year, Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Option/SAR Values, Long-Term Incentive Plans Awards in Last Fiscal Year, Pension Plans, and Change in Control Agreements, and under the heading Compensation Committee Interlocks and Insider Participation.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information called for by Item 12 is incorporated by reference to the Registrant s definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the Registrant s 2001 Annual Meeting of Stockholders under the headings Security Ownership of Certain Beneficial Owners and Security Ownership of Management.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information called for by Item 13 is incorporated by reference to the Registrant s definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the Registrant s 2001 Annual Meeting of Stockholders under the heading Compensation Committee Interlocks and Insider Participation.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements:

The consolidated financial statements of the Registrant listed in the accompanying Index of Selected Financial Data, Financial Statements and Schedules together with the reports of KPMG LLP, independent auditors, are filed as part of this report.

2. Financial Statement Schedules:

The consolidated financial statement schedule of the Registrant listed in the accompanying Index of Selected Financial Data, Financial Statements and Schedules together with the reports of KPMG LLP, independent auditors, are filed as part of this report.

3. Restated Exhibits filed with this amended 10-K/A:

(12) Statement re Computation of Ratios.

12.1. Ratio of Earnings to Fixed Charges.

(b) Reports on Form 8-K:

During the fourth quarter of the fiscal year ended February 24, 2001, the Company filed the following reports on Form 8-K.

i. Report dated January 30, 2001 regarding strategy to improve returns.

ii. Report dated January 19, 2001 regarding termination of Kmart contract.

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.

SUPERVALU INC.
(Registrant)

DATE: July 30, 2002

By: /s/ PAMELA K. KNOUS

Pamela K. Knous
Executive Vice President and Chief Financial Officer
(Authorized officer of Registrant)

SUPERVALU INC.
Annual Report on Form 10-K

Items 6, 8 and 14(a)

Index of Selected Financial Data and Financial Statements and Schedules

All other schedules are omitted because they are not applicable or not required.

SUPERVALU INC. and Subsidiaries

FIVE YEAR FINANCIAL AND OPERATING SUMMARY

	Restated 2001 (b)(h)	Restated 2000 (c)(h)	1999	1998 (g)	1997
Statement of Earnings Data (a)(f)					
Net sales	$ 23,194,279	$ 20,339,079	$ 17,420,507	$ 17,201,378	$ 16,551,902
Cost of sales	20,650,331	18,113,357	15,620,127	15,430,642	14,885,249
Selling and administrative expenses	2,042,259	1,705,003	1,382,212	1,365,327	1,286,121
Gain on sale of Hazelwood Farms Bakeries		(163,662)			
Restructure and other charges	171,264	103,596			
Interest, net	190,835	135,392	101,907	113,993	120,695
Equity in earnings and gain on sale of ShopKo				(93,364)	(20,675)
Earnings before taxes	139,590	445,393	316,261	384,780	280,512
Provision for income taxes	66,720	203,703	124,923	154,023	105,468
Net earnings	72,870	241,690	191,338	230,757	175,044
Net earnings per common share diluted	0.55	1.86	1.57	1.82	1.30
Cash earnings per common share diluted	0.91	2.11	1.73	1.97	1.43
Balance Sheet Data (a)					
Inventories (FIFO)	$ 1,477,180	$ 1,622,151	$ 1,195,217	$ 1,247,429	$ 1,221,344
Working capital (d)	(119,216)	(197,599)	188,000	286,800	361,260
Net property, plant and equipment	2,232,794	2,168,210	1,699,024	1,589,601	1,648,524
Total assets	6,390,344	6,493,292	4,265,949	4,093,010	4,283,326
Long-term debt (e)	2,008,474	1,953,741	1,246,269	1,260,728	1,420,591
Stockholders equity	1,783,149	1,820,228	1,305,639	1,201,905	1,307,423
Other Statistics (a) (f)					
Earnings as a percent of net sales	98%	1.13%	1.10%	1.01%	1.06%
Return on average stockholders equity	12.12%	14.18%	15.24%	14.19%	13.89%
Book value per common share	$ 13.47	$ 13.52	$ 10.82	$ 9.94	$ 9.73
Current ratio (d)	95:1	92:1	1.12:1	1.20:1	1.26:1
Debt to capital ratio	59.7%	60.0%	54.6%	56.9%	55.8%
Dividends declared per common share	$ .54 3/4	$ .53 3/4	$ .52 3/4	$ .51 1/2	$ .49 3/4
Weighted average common shares outstanding diluted	132,829	130,090	121,961	126,550	134,954
Depreciation and amortization	$ 343,779	$ 277,062	$ 233,523	$ 230,082	$ 232,071
EBITDA	$ 906,796	$ 797,781	$ 651,691	$ 638,821	$ 633,278
EBITDA as a percent of sales	3.91%	3.92%	3.74%	3.71%	3.83%
Capital expenditures	$ 511,673	$ 539,264	$ 346,390	$ 279,768	$ 285,939

Notes:

(a) Fiscal 1998 contains 53 weeks; all other years include 52 weeks. Dollars in thousands except per share and percentage data.

(b) Net earnings include restructure and other items of $153.9 or $1.16 per diluted share. This includes total pretax adjustments of $240.1 million, including $171.3 million of restructure and other charges related primarily to consolidation of distribution facilities, exit of certain non core retail markets, and write-off of other items. The pretax adjustments also includes $17.1 million in cost of sales for inventory markdowns related to restructure exit activities and $51.7 million in selling and administrative expenses primarily for store closing reserves and the write-off of certain uncollectible receivables. Earnings as a percent of net sales, return on average stockholders equity, and EBITDA have been adjusted to exclude these transactions.

(c) Net earnings include a net benefit of $10.9 million or $.08 per diluted share from the gain on sale of Hazelwood Farms Bakeries and restructure and other charges. This reflects total pretax net adjustments of $60.1 million, which includes $163.7 million for the sale of Hazelwood Farms Bakeries and $103.6 million of restructure and other charges related primarily to facility consolidation, non core store disposal, and rationalization of redundant and certain decentralized administrative functions. Earnings as a percent of net sales, return on average stockholders equity, and EBITDA have been adjusted to exclude these transactions.

(d) Working capital and current ratio are calculated after adding back the LIFO reserve.

(e) Total long-term debt includes long-term debt and long-term obligations under capital lease.

(f) Information adjusted to include stock split in fiscal 1999.

(g) Net earnings includes a net gain on the sale of ShopKo of $53.7 million or $.42 per diluted share. Earnings as a percent of net sales, return on average stockholders equity, and EBITDA have been adjusted to exclude this transaction.

(h) The consolidated financial statements as of February 24, 2001 and February 26, 2000 and for each of the fiscal years then ended have been restated. See Note to Consolidated Financial Statements Restatement included in Part II, Item 8.

INDEPENDENT AUDITORS REPORT

Board of Directors and Stockholders
SUPERVALU INC.
Eden Prairie, Minnesota

We have audited the accompanying consolidated balance sheets of SUPERVALU INC. and subsidiaries (the Company) as of February 24, 2001 and February 26, 2000, and the related consolidated statements of earnings, stockholders equity and cash flows for each of the fiscal years in the three year period ended February 24, 2001. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SUPERVALU INC. and subsidiaries as of February 24, 2001 and February 26, 2000, and the results of their operations and their cash flows for each of the fiscal years in the three year period ended February 24, 2001, in conformity with accounting principles generally accepted in the United States of America.

As discussed in the note to the consolidated financial statements entitled Restatement, the accompanying consolidated balance sheets as of February 24, 2001 and February 26, 2000 and the related consolidated statements of earnings, stockholders equity and cash flows for the fiscal years ended February 24, 2001 and February 26, 2000 have been restated.

/s/ KPMG LLP

Minneapolis, Minnesota
April 3, 2001, except as to the note
entitled Restatement, which is
as of July 1, 2002

SUPERVALU INC. and Subsidiaries

CONSOLIDATED COMPOSITION OF NET SALES AND OPERATING EARNINGS
(In thousands)

	Restated February 24, 2001 (52 weeks)	Restated February 26, 2000 (52 weeks)	February 27, 1999 (52 weeks)
Net sales			
Retail food	$ 9,353,992	$ 8,069,767	$ 6,312,882
	40.3%	39.7%	36.2%
Food distribution	13,840,287	12,269,312	11,107,625
	59.7%	60.3%	63.8%
Total net sales	$ 23,194,279	$ 20,339,079	$ 17,420,507
	100.0%	100.0%	100.0%
Operating earnings			
Retail food	$ 286,520	$ 338,646	$ 262,426
Food distribution	251,009	223,429	186,291
General corporate expenses	(35,840)	(41,356)	(30,549)
Gain on sale		163,662	
Restructure and other charges	(171,264)	(103,596)	
Total operating earnings	330,425	580,785	418,168
Interest expense, net	(190,835)	(135,392)	(101,907)
Earnings before income taxes	$ 139,590	$ 445,393	$ 316,261
Identifiable assets			
Retail food	$ 3,101,018	$ 3,075,073	$ 1,658,858
Food distribution	3,275,435	3,408,866	2,597,216
Corporate	13,891	9,353	9,875
Total	$ 6,390,344	$ 6,493,292	$ 4,265,949
Depreciation and amortization			
Retail food	$ 173,418	$ 149,574	$ 108,770
Food distribution	167,253	124,161	122,822
Corporate	3,108	3,327	1,931
Total	$ 343,779	$ 277,062	$ 233,523
Capital expenditures			
Retail food	$ 347,540	$ 352,428	$ 198,299
Food distribution	158,591	180,968	143,337
Corporate	5,542	5,868	4,754
Total	$ 511,673	$ 539,264	$ 346,390

Industry segment operating earnings were computed as total revenue less associated operating expenses. The fiscal 2001 operating earnings reflect pre-tax charges of $44.5 million in retail food for store closings reserves and $24.3 million in food distribution for inventory markdowns and the write-off of certain uncollectible receivables .

Identifiable assets are those assets of the company directly associated with the industry segments.

See notes to consolidated financial statements.

SUPERVALU INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)

	Restated February 24, 2001 (52 weeks)	Restated February 26, 2000 (52 weeks)	February 27, 1999 (52 weeks)
Net sales	$ 23,194,279	$ 20,339,079	$ 17,420,507
Costs and expenses			
Cost of sales	20,650,331	18,113,357	15,620,127
Selling and administrative expenses	2,042,259	1,705,003	1,382,212
Gain on sale		(163,662)	
Restructure and other charges	171,264	103,596	
Interest			
Interest expense	212,898	154,482	124,111
Interest income	22,063	19,090	22,204
Interest expense, net	190,835	135,392	101,907
Total costs and expenses	23,054,689	19,893,686	17,104,246
Earnings before income taxes	139,590	445,393	316,261
Provision for income taxes			
Current	76,609	224,744	108,403
Deferred	(9,889)	(21,041)	16,520
Income tax expense	66,720	203,703	124,923
Net earnings	$ 72,870	$ 241,690	$ 191,338
Weighted average number of common shares outstanding			
Diluted	132,829	130,090	121,961
Basic	132,251	129,162	120,376
Net earnings per common share-diluted	$ 0.55	$ 1.86	$ 1.57
Net earnings per common share-basic	$ 0.55	$ 1.87	$ 1.59

See notes to consolidated financial statements.

SUPERVALU INC. and Subsidiaries

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	Restated February 24, 2001	Restated February 26, 2000
Assets		
Current Assets		
Cash and cash equivalents	$ 10,396	$ 10,920
Receivables, less allowance for losses of $30,904 in 2001 and $30,399 in 2000	579,600	564,323
Inventories	1,336,556	1,486,518
Other current assets	148,296	113,817
Total current assets	2,074,848	2,175,578
Long-term notes receivable, less allowance for losses of $10,300 in 2001 and $7,500 in 2000	87,350	86,914
Long-term investment in direct financing leases	74,038	92,310
Property, plant and equipment		
Land	166,505	155,501
Buildings	1,051,027	1,037,398
Property under construction	57,631	50,381
Leasehold improvements	286,316	239,400
Equipment	1,645,641	1,486,850
Assets under capital lease	556,902	508,119
	3,764,022	3,477,649
Less accumulated depreciation and amortization		
Owned property, plant and equipment	1,416,538	1,227,218
Assets under capital leases	114,690	82,221
Net property, plant and equipment	2,232,794	2,168,210
Goodwill	1,576,780	1,608,580
Other assets	344,534	361,700
Total assets	$ 6,390,344	$ 6,493,292
Liabilities and Stockholders Equity		
Current Liabilities		
Notes payable	$ 579,039	$ 576,513
Accounts payable	1,396,011	1,430,312
Accrued vacation, compensation and benefits	119,960	128,875
Current maturities of long-term debt	23,171	170,381
Current obligations under capital leases	31,497	29,901
Other current liabilities	185,010	172,828
Total current liabilities	2,334,688	2,508,810
Long-term debt	1,444,376	1,408,858
Long-term obligations under capital leases	564,098	544,883

Deferred income taxes	29,656	3,306
Other liabilities	234,377	207,207
Commitments and contingencies		
Stockholders equity		
Common stock, $1.00 par value: Authorized 400,000 shares		
Shares issued, 150,670 in 2001 and 2000	150,670	150,670
Capital in excess of par value	128,492	132,226
Retained earnings	1,846,087	1,846,120
Treasury stock, at cost, 18,296 shares in 2001 and 16,008 shares in 2000	(342,100)	(308,788)
Total stockholders equity	1,783,149	1,820,228
Total liabilities and stockholders equity	$ 6,390,344	$ 6,493,292

See notes to consolidated financial statements.

SUPERVALU INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY
(In thousands, except per share data)

	Preferred Stock		Common Stock		Capital in Excess of Par Value	Treasury Stock		Restated Retained Earnings	Total
	Shares	Amount	Shares	Amount		Shares	Amount		
BALANCES AT FEBRUARY 28, 1998	6	$ 5,908	150,670	$ 150,670	$ 2,927	(30,562)	$ (507,296)	$ 1,549,696	$ 1,201,905
Net earnings								191,338	191,338
Sales of common stock under option plans					(5,902)	1,703	35,497	(3,667)	25,928
Cash dividends declare on common stock $.5275 per share								(63,985)	(63,985)
Compensation under employee incentive Plans					1,057	786	10,914		11,971
Treasury shares exchanged for acquisitions					1,918	160	2,167		4,085
Purchase of shares for treasury						(2,648)	(65,603)		(65,603)
BALANCES AT FEBRUARY 27, 1999	6	5,908	150,670	150,670		(30,561)	(524,321)	1,673,382	1,305,639
Restated net earnings								241,690	241,690
Sales of common stock under option plans					(5,181)	377	10,738		5,557
Cash dividends declared on common stock $.5375 per share								(68,952)	(68,952)
Compensation under employee incentive Plans					(1,802)	395	9,408		7,606
Treasury shares exchanged for Acquisitions					139,209	20,449	318,293		457,502
Redemption of preferred stock	(6)	(5,908)							(5,908)
Purchase of shares for treasury						(6,668)	(122,906)		(122,906)
RESTATED BALANCES AT FEBRUARY 26, 2000			150,670	150,670	132,226	(16,008)	(308,788)	1,846,120	1,820,228
Restated net earnings								72,870	72,870
Sales of common stock under option plans					(3,538)	279	7,095		3,557

Cash dividends declared on common stock $.5475 per share								(72,903)	(72,903)
Compensation under employee incentive plans					(196)	366	8,271		8,075
Purchase of shares for treasury						(2,933)	(48,678)		(48,678)
RESTATED BALANCES AT FEBRUARY 24, 2001		$	150,670	$ 150,670	$ 128,492	(18,296)	$ (342,100)	$ 1,846,087	$ 1,783,149

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

SUPERVALU INC. and Subsidiaries
(In thousands)

	Restated February 24, 2001 (52 weeks)	Restated February 26, 2000 (52 weeks)	February 27, 1999 (52 weeks)
Cash flows from operating activities			
Net earnings	$ 72,870	$ 241,690	$ 191,338
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	343,779	277,062	233,523
LIFO expense (income)	4,991	8,253	(3,889)
Provision for losses on receivables	23,107	9,895	10,150
Gain on sale of assets		(163,662)	
Restructure and other charges	171,264	103,596	
Deferred income taxes	(9,889)	(21,041)	16,520
Other adjustments, net	829	2,032	64
Changes in assets and liabilities, excluding effect from acquisitions:			
Receivables	(38,384)	(60,762)	(20,558)
Inventories	144,971	(191,256)	80,466
Accounts payable	(66,824)	61,997	14,623
Other assets and liabilities	4,511	73,368	37,703
Net cash provided by operating activities	651,225	341,172	559,940
Cash flows from operating activities			
Additions to long-term notes receivable	(69,875)	(55,162)	(51,455)
Proceeds received on long-term notes receivable	69,439	52,101	95,172
Proceeds from sale of assets	48,179	374,714	64,658
Purchase of property, plant and equipment	(397,715)	(407,947)	(240,363)
Business acquisitions, net of cash acquired		(480,502)	(165,797)
Other investing activities	(30,389)	(17,704)	(23,578)
Net cash (used in) investing activities	(380,361)	(534,500)	(321,363)
Cash flows from financing activities			
Net (decrease) increase in checks outstanding, net of deposits	(13,537)	23,529	15,958
Net issuance (reduction) of short-term notes payable	2,526	472,670	(61,439)
Proceeds from issuance of long term debt	60,000	594,485	207,155
Repayment of long-term debt	(171,692)	(672,303)	(260,928)
Reduction of obligations under capital leases	(28,220)	(28,376)	(24,945)
Proceeds from the sale of common stock under options plans	457	2,381	16,747
Redemption of preferred stock		(5,908)	
Dividends paid	(72,244)	(66,932)	(64,014)
Payment for purchase of treasury stock	(48,678)	(122,906)	(65,603)
Net cash (used in) provided by financing activities	(271,388)	196,640	(237,069)
Net (decrease) increase in cash	(524)	3,312	1,508
Cash at beginning of year	10,920	7,608	6,100
Cash at end of year	$ 10,396	$ 10,920	$ 7,608

SUPPLEMENTAL CASH FLOW INFORMATION

The company s non-cash investing and financing activities were as follows:

Leased asset additions and related obligation	$ 113,958	$ 131,316	$ 106,027

Acquisitions:			
Fair value of assets acquired	$	$ 1,951,004	$ 196,591
Cash paid		481,861	166,731
Common stock issued		457,502	
Liabilities assumed		1,011,641	29,860
Interest paid (net of amount capitalized)	$ 214,377	$ 141,434	$ 127,505
Income taxes paid	$ 75,226	$ 245,177	$ 99,686

See notes to consolidated financial statements.

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of the company and all its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Revenue and Income Recognition:

Revenues and income from product sales are recognized at the point of sale for retail food and upon shipment of the product for food distribution. Revenues and income from services rendered are recognized immediately after such services have been provided.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 Revenue Recognition. SAB No. 101 provides guidance on recognition, presentation and disclosure of revenue in financial statements. The company adopted SAB No. 101 in the fourth quarter of 2001. The implementation did not have a material impact to the company s consolidated financial statements.

Inventories:

Inventories are stated at the lower of cost or market. Cost is determined through use of the last-in, first-out method (LIFO) for a major portion of consolidated inventories, 75.5 percent for fiscal 2001 and 75.4 percent for fiscal 2000. The first-in, first-out method (FIFO) is used to determine cost for remaining inventories that are principally perishable products. Market is replacement value. If the FIFO method had been used to determine cost of inventories for which the LIFO method is used, the company s inventories would have been higher by approximately $140.6 million at February 24, 2001 and $135.6 million at February 26, 2000.

Property, Plant and Equipment:

Property, plant and equipment are carried at cost. Depreciation, as well as amortization of assets under capital leases, are based on the estimated useful lives of the assets using the straight-line method. Estimated useful lives generally are 10 to 40 years for buildings and major improvements; 3 to 10 years for equipment; and the shorter of the term of the lease or expected life for leasehold improvements. Interest on property under construction of $8.1, $4.8 and $3.0 million was capitalized in fiscal years 2001, 2000 and 1999, respectively.

Goodwill:

Amounts paid in excess of the fair value of acquired net assets are amortized on a straight-line basis. The recoverability of goodwill is assessed by determining whether the goodwill balance can be recovered through projected undiscounted cash flows and operating results over its remaining life. Impairment of the asset would be recognized when it is probable that such future undiscounted cash flows will be less than the carrying value of the asset. As of February 24, 2001, $1.6 billion of goodwill is being amortized over 40 years. The remaining goodwill is being amortized over 15 to 20 years. Goodwill is shown net of accumulated amortization of $171.3 and $130.0 million for fiscal 2001 and 2000, respectively.

Financial Instruments:

The company, from time to time, utilizes interest rate caps, collars and swaps to manage interest costs and reduce exposure to interest rate changes. The difference between amounts to be paid or received is accrued and recognized over the life of such contracts, which have various expiration dates through 2022.

Fair Value Disclosures of Financial Instruments:

The estimated fair value of notes receivable approximates the net carrying value at February 24, 2001 and February 26, 2000. Notes receivable are valued based on comparisons to publicly traded debt instruments of similar credit quality.

The estimated fair market value of the company s long-term debt (including current maturities) was less than the carrying value by approximately $43.3 million and $1.2 million at February 24, 2001 and February 26, 2000, respectively. The estimated fair value was based on market quotes where available, discounted cash flows and market yields for similar instruments. The estimated fair market value of the company s commercial paper and bank borrowings outstanding as of February 24, 2001 and February 26, 2000 approximates the carrying value.

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Advertising Costs:

Advertising costs are expensed as incurred.

Stock-based Compensation:

The company uses the intrinsic value-based method for measuring the cost of compensation paid in company common stock. This method defines the company s cost as the excess of the stock s market value at the time of the grant over the amount that the employee is required to pay.

Net Earnings Per Share:

Basic earnings per share (EPS) is calculated using income available to common shareholders divided by the weighted average of common shares outstanding during the year. Diluted EPS is similar to Basic EPS except that the weighted average of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares, such as options, had been issued.

Use of Estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RESTATEMENT

In June 2002, the Company announced that it had identified an understatement of cost of goods sold resulting from inventory misstatements by a former employee in its pharmacy division. The effect of the correction of the misstatements was to reduce previously reported net earnings by $9.1 million and $1.2 million and net earnings per share diluted by $0.07 and $0.01 for the fiscal years ended February 24, 2001 and February 26, 2000, respectively. Impacted financial statement line items were cost of sales, income tax expense, inventory, accounts receivable and other current liabilities. There was no impact on net cash from operating activities. The consolidated financial statements as of and for the fiscal years ended February 24, 2001 and February 26, 2000 and notes thereto included in this amended Annual Report on Form 10-K have been restated to include the effects of the corrections of these misstatements, as follows:

Consolidated Statements of Earnings	As previously reported 2001	Restated 2001	As previously reported 2000	Restated 2000
	(in millions, except per share amounts)			
Net sales	$ 23,194.3	$ 23,194.3	$ 20,339.1	$ 20,339.1
Cost of sales	20,635.6	20,650.3	18,111.3	18,113.4
Earnings before income taxes	154.4	139.6	447.5	445.4
Income tax expense	72.4	66.7	204.6	203.7
Net earnings	82.0	72.9	242.9	241.7
Net earnings per common share diluted	$ 0.62	$ 0.55	$ 1.87	$ 1.86
Net earnings per common share basic	$ 0.62	$ 0.55	$ 1.88	$ 1.87

Consolidated Balance Sheets	As previously reported 2001	Restated 2001	As previously reported 2000	Restated 2000
	(in millions)			
Total current assets	$ 2,091.7	$ 2,074.8	$ 2,177.6	$ 2,175.6
Total assets	6,407.2	6,390.3	6,495.4	6,493.3
Total current liabilities	2,341.2	2,334.7	2,509.6	2,508.8

Total stockholders equity	1,793.5	1,783.1	1,821.5	1,820.2
Total liabilities and stockholders equity	6,407.2	6,390.3	6,495.4	6,493.3

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

RICHFOOD ACQUISITION

On August 31, 1999, the company acquired, in a merger, all of the outstanding common stock of Richfood Holdings, Inc. (Richfood), a major food retailer and distributor operating primarily in the Mid-Atlantic region of the United States. The acquisition was accounted for as a purchase. The company issued approximately 19.7 million shares of SUPERVALU common stock with a market value of approximately $443 million, paid $443 million in cash for the common stock of Richfood and assumed approximately $685 million of debt in conjunction with the acquisition. In addition, the company repaid approximately $394 million of outstanding Richfood debt, leaving approximately $291 million outstanding immediately after the acquisition. The allocation of the consideration paid for Richfood to the consolidated assets and liabilities is based on estimates of their respective fair values. The excess of the purchase price over the fair value of net assets acquired of approximately $1.1 billion is being amortized on a straight line basis over 40 years. The results of Richfood s operations from August 31, 1999 have been included in the company s consolidated financial statements.

Unaudited pro forma consolidated results of continuing operations, as though the companies had been combined at the beginning of the periods presented, are as follows:

	Restated 2000	1999
	(In thousands, except per share data)	
Net sales	$ 22,309,061	$ 21,178,846
Net earnings	$ 260,155(a)	$ 207,887(b)
Net earnings per common share diluted	$ 1.86(a)	$ 1.47(b)

(a) Amounts include a net gain of $10.9 million or $.08 per share-diluted from the gain on the sale of Hazelwood Farms Bakeries and from restructure and other charges.

(b) Amounts include a restructure charge taken by Richfood of $14.5 million or $.10 per share-diluted in their fourth quarter ended May 1998.

RESTRUCTURE AND OTHER CHARGES

In the fourth quarter of fiscal 2001, the company completed a company-wide asset review to identify assets that do not meet return objectives, provide long-term strategic opportunities, or justify additional capital investment. As a result the company recorded charges of $240.1 million pre-tax, or $153.9 million after tax. The charges are net of a $10.3 million reversal of the fiscal 2000 restructure charge.

COMPONENTS OF THE FISCAL 2001 COMPANY-WIDE ASSET REVIEW
AS REFLECTED IN THE CONSOLIDATED STATEMENT OF EARNINGS

Caption	Nature of Charge	Charge (In thousands)
Restructure and other charges	Consolidation of distribution centers	$ 67,193
	Exit of non-core retail markets	68,024
	Disposal of non-core assets and other administrative reductions	46,398
	Reversal of prior year charge	(10,351)
	Total restructure and other charges	171,264
Cost of sales	Inventory markdowns for restructure activities and store closings	17,088
Selling and administrative expenses	Store closing reserves, write-off of uncollectible receivables and other items	51,777
	Total charges	$ 240,129

The restructure and other charges of $171.3 million include $89.7 million of asset impairment charges, $41.8 million for lease subsidies, lease cancellation fees, future payments on exited leased facilities and guarantee obligations and $39.8 million for severance and employee related costs. The charge by segment was $59.8 million for retail food and $111.5 million for food distribution. These actions include a net reduction of approximately 4,500 employees throughout the organization. Management expects the majority of these actions to be completed by the end of fiscal 2002.

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The fiscal 2001 restructure charge activity is summarized as follows:

	Original Pretax Charge	Fiscal 2001 Activity	Balance February 24, 2001
	(In thousands, except for employees)		
Consolidation of distribution centers	$ 67,193	$ 25,694	$ 41,499
Exit of non-core retail markets	68,024	34,289	33,735
Disposal of non-core assets and other administrative reductions	46,398	29,779	16,619
Total restructure and other charges	$ 181,615	$ 89,762	$ 91,853
Employees	4,500		4,500

In fiscal 2000, the company recorded pre-tax restructure and other charges of $103.6 million as a result of an extensive review to reduce costs and enhance efficiencies. The restructure charges include costs for facility consolidation, non-core store disposal, and rationalization of redundant and certain decentralized administrative functions.

During the fourth quarter of fiscal 2001, the company reduced the fiscal 2000 restructure reserve by $10.3 million primarily for a change in estimate for the disposal of a remaining facility, which will occur, in the first half of fiscal 2002. Details of the fiscal 2000 restructuring activity for fiscal 2001 follow:

	Balance February 26, 2000	Fiscal 2001 Activity	Fiscal 2001 Adjustment	Balance February 24, 2001
	(In thousands, except for employees)			
Facility consolidation	$ 44,550	$ 22,727	$ (10,351)	$ 11,472
Non-core store disposal	29,326	24,922		4,404
Infrastructure realignment	6,791	4,811		1,980
Total restructure and other charges	$ 80,667	$ 52,460	$ (10,351)	$ 17,856
Employees	1,513	644	(406)	463

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The reserves at the end of fiscal 2001 for fiscal 2000 restructure charges were $17.9 million, including $10.5 million for lease subsidies, lease terminations and future payments on exited leased facilities and $7.4 million for severance and employee related costs.

NOTES RECEIVABLE

Notes receivable arise from financing activities with affiliated retail food customers. Loans to affiliated retailers, as well as trade accounts receivable, are primarily collateralized by the retailers inventory, equipment and fixtures. The notes range in length from 1 to 20 years with the average being 7 years, and may be non-interest bearing or bear interest at rates ranging from 5 to 11 percent.

Included in current receivables are notes receivable due within one year totaling $31.1 and $20.4 million at February 24, 2001 and February 26, 2000, respectively.

DEBT

	February 24, 2001	February 26, 2000
	(In thousands, except payment data)	
7.625%-8.875% promissory notes semi-annual interest payments of $39.5 million; due fiscal 2003 to 2023	$ 1,000,000	$ 1,000,000
9.75% senior notes, $168,850 face amount semi-annual interest payments of $8.2 million; due fiscal 2005	178,111	181,485
6.23%-6.69% medium-term notes semi-annual interest payments of $3.4 million; due fiscal 2002 to 2007	103,500	161,000
Variable rate three month LIBOR plus 1%		88,513
Variable rate to 7.125% industrial revenue bonds	74,526	80,712
8.28%-9.96% promissory notes; due fiscal 2002 to 2010	37,648	50,757
7.78% and 8.02% obligations with quarterly payments of principal and interest; due fiscal 2005 and 2006	60,000	
Other debt	13,762	16,772
	1,467,547	1,579,239
Less current maturities	23,171	170,381
Long-term debt	$ 1,444,376	$ 1,408,858

Aggregate maturities of long-term debt during the next five fiscal years are:

	(In thousands)
2002	$ 23,171
2003	324,508
2004	30,930
2005	438,216
2006	63,153

The company has entered into revolving credit agreements with various financial institutions, which are available for general corporate purposes, to support the company s commercial paper program and for the issuance of letters of credit. A $400 million revolving credit agreement, with rates tied to LIBOR plus .180 to .275 percent, is in place and expires in October 2002. As of February 24, 2001, letters of credit outstanding under this agreement totaled $21.7 million compared to $40.5 million outstanding as of February 26, 2000. In August 1999, the company executed a 364-day $300 million revolving credit agreement with rates tied to LIBOR plus .310 to .535 percent. This agreement was amended and restated in August 2000 to change the maturity date to August 2001. As of February 24, 2001, the company had $250 million outstanding under the 364-day credit agreement. The company periodically enters into

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

short-term credit agreements having tenors of three to nine months. As of February 24, 2001, the company had $215 million in credit facilities under such agreements with rates tied to LIBOR plus .310 to .515 percent. As of February 24, 2001 and February 26, 2000, total commercial paper outstanding was $327 and $574 million, respectively. The weighted-average interest rate on short-term borrowings outstanding was 6.4 percent at February 24, 2001 and 5.8 percent at February 26, 2000.

The company has only limited involvement with derivative financial instruments and uses them only to manage well-defined interest rate risks. The derivatives used have included interest rate caps, collars and swap agreements. The company does not use financial instruments or derivatives for any trading or other speculative purposes. At fiscal year end 2001, the company had two interest rate swap agreements in place which either exchange a floating rate payment obligation for a fixed rate payment obligation, or exchange a fixed rate payment obligation for a floating rate payment obligation. These agreements have notional amounts of $100 million and terminate in fiscal 2003 and 2023.

The counterparties to these agreements have been major U.S. and international financial institutions with credit ratings higher than the company s.

On February 29, 2000, the company exercised its option to prepay $88.5 million of variable rate debt. Also during the fiscal year, $57.5 million in medium term notes matured. On December 26, 2000 and February 23, 2001, the company issued $40 million and $20 million of five year debt with quarterly payments of principal and interest at 7.78% and 8.02%, respectively. The proceeds from these issuances were used to reduce commercial paper outstanding.

On August 4, 1999 and September 17, 1999, the company issued $350 million of 10 year 7.875 percent notes and $250 million of 5 year 7.625 percent notes, respectively. Proceeds from the notes were used to finance the acquisition of Richfood and reduce commercial paper outstanding.

The debt agreements contain various covenants including maximum permitted leverage. Under the most restrictive covenants, retained earnings of approximately $167.0 million were available at year-end for payment of cash dividends.

LEASES

Capital and operating leases:

The company leases certain retail food stores, food distribution warehouses and office facilities. Many of these leases include renewal options, and to a limited extent, include options to purchase. Amortization of assets under capital leases was $33.3, $27.0 and $19.6 million in fiscal 2001, 2000 and 1999, respectively.

Future minimum obligations under capital leases in effect at February 24, 2001 are as follows:

	Lease Obligations
	(In thousands)
2002	$ 66,836
2003	66,376
2004	65,450
2005	65,110
2006	63,778
Later	644,660
Total future minimum obligations	972,210
Less interest	456,072
Present value of net future minimum obligations	516,138
Less current portion	24,370
Long-term obligations	$ 491,768

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The present values of future minimum obligations shown are calculated based on interest rates ranging from 6.7 percent to 13.8 percent, with a weighted average of 8.2 percent, determined to be applicable at the inception of the leases.

In addition to its capital leases, the company is obligated under operating leases, primarily for buildings, warehouses and computer equipment. Future minimum obligations under operating leases in effect at February 24, 2001 are as follows:

	Lease Obligations
	(In thousands)
Fiscal Year	
2002	$ 109,731
2003	100,313
2004	85,908
2005	76,387
2006	68,119
Later	376,111
Total future minimum obligations	$ 816,569

Total rent expense, net of sublease income, relating to all operating leases with terms greater than one year was $88.4, $61.5 and $44.4 million in fiscal 2001, 2000 and 1999, respectively.

Future minimum receivables under operating leases and subleases in effect at February 24, 2001 are as follows:

	Owned Property	Leased Property	Total
	(In thousands)		
Fiscal Year			
2002	$ 2,703	$ 21,078	$ 23,781
2003	2,656	19,059	21,715
2004	2,328	16,596	18,924
2005	2,133	13,154	15,287
2006	1,850	10,771	12,621
Later	6,116	33,711	39,827
Total future minimum receivables	$ 17,786	$ 114,369	$ 132,155

Owned property under operating leases is as follows:

	February 24, 2001	February 26, 2000
	(In thousands)	
Fiscal Year		
Land, buildings and equipment	$ 44,946	$ 37,240
Less accumulated depreciation	20,911	19,238
Net land, buildings and equipment	$ 24,035	$ 18,002

Direct financing leases:

Under direct financing capital leases, the company leases buildings on behalf of independent retailers with terms ranging from 5 to 25 years. Future minimum rentals to be received under direct financing leases and related future minimum obligations under capital leases in effect at February 24, 2001 are as follows:

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Direct Financing Lease Receivables	Capital Lease Obligations
	(In thousands)	
Fiscal Year		
2002	$ 14,235	$ 13,328
2003	13,377	12,528
2004	12,145	11,423
2005	10,983	10,372
2006	10,159	9,574
Later	71,571	67,886
Total minimum lease payments	132,470	125,111
Less unearned income	51,348	
Less interest		45,654
Present value of net minimum lease payments	81,122	79,457
Less current portion	7,084	7,127
Long-term portion	$ 74,038	$ 72,330

INCOME TAXES

The provision for income taxes consists of the following:

	Restated 2001	Restated 2000	1999
		(In thousands)	
Current			
Federal	$ 65,728	$ 187,114	$ 90,166
State	11,481	38,109	18,528
Tax credits	(600)	(479)	(291)
Deferred			
Restructure and other charges	(45,885)	(31,678)	
Other	35,996	10,637	16,520
Total provision	$ 66,720	$ 203,703	$ 124,923

The difference between the actual tax provision and the tax provision computed by applying the statutory federal income tax rate to earnings before taxes is attributable to the following:

	Restated 2001	Restated 2000	1999
		(In thousands)	

Federal taxes based on statutory rate	$ 48,856	$ 155,888	$ 110,691
State income taxes, net of			
Federal benefit	4,764	19,107	13,568
Nondeductible goodwill	22,354	11,118	6,236
Asset sale basis difference		24,238	
Audit settlements	(6,539)		
Other	(2,715)	(6,648)	(5,572)
Total provision	$ 66,720	$ 203,703	$ 124,923

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Temporary differences which give rise to significant portions of the net deferred tax asset (liability) as of February 24, 2001 and February 26, 2000 are as follows:

	2001	2000
	(In thousands)	
Deferred tax assets:		
Deprecation and amortization	$ 64,452	$ 51,268
Restructure and other charges	87,337	41,452
Net operating loss from acquired Subsidiaries	46,255	56,784
Provision for obligations to be settled in future periods	171,426	169,359
Inventory	20,479	13,073
Other	21,132	14,719
Total deferred tax assets	411,081	346,655
Deferred tax liabilities:		
Depreciation and amortization	(127,212)	(121,458)
Acquired assets adjustment to fair values	(41,077)	(24,430)
Tax deductions for benefits to be paid in future periods	(132,604)	(104,807)
Other	(47,747)	(43,408)
Total deferred tax liabilities	(348,640)	(294,103)
Net deferred tax asset	$ 62,441	$ 52,552

The company acquired net operating loss (NOL) carryforwards of $119.3 million for tax purposes which expire beginning in 2005 and continuing through 2018.

Temporary differences attributable to obligations consist primarily of accrued postretirement benefits and vacation pay, and other expenses which are not deductible for income tax purposes until paid. There was no valuation allowance recorded in fiscal 2001 because it is more likely than not that all deferred tax assets will be realized.

STOCK OPTION PLANS

The company s 1997 and 1993 stock option plans allow the granting of non-qualified stock options and incentive stock options to key salaried executive employees at prices not less than 100 percent of fair market value, determined by averaging the open and close price on the date of grant. The company s 1983 plan no longer allows granting of stock options, but outstanding options remain to be exercised. In February 2000, and April 1998 and 1997, the Board of Directors reserved an additional 3.0, 2.4 and 4.0 million shares, respectively, for issuance under stock option plans. The plans provide that the Board of Directors or the Executive Personnel and Compensation Committee of the Board may determine at the time of granting whether each option granted will be a non-qualified or incentive stock option under the Internal Revenue Code. The term of each option will be determined by the Board of Directors or the Committee, but shall not be for more than 10 years from the date of grant. Options may be exercised in installments or otherwise, as the Board of Directors or the Committee may determine. On August 31, 1999 the company acquired Richfood, and in connection therewith assumed all outstanding options and shares available for grant related to existing Richfood stock option plans, based on the exchange factor set forth in the merger agreement.

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Changes in the options are as follows:

	Shares (In thousands)	Weighted Average Price per Share
Outstanding, February 28, 1998	8,378	$ 15.67
Granted	2,377	23.74
Exercised	(2,487)	14.98
Canceled and forfeited	(352)	
Outstanding, February 27, 1999	7,916	18.26
Richfood acquisition	1,030	24.30
Granted	3,458	28.73
Exercised	(562)	14.76
Canceled and forfeited	(100)	
Outstanding, February 26, 2000	11,742	22.01
Granted	4,243	15.15
Exercised	(509)	15.72
Canceled and forfeited	(1,066)	
Outstanding, February 24, 2001	14,410	$ 20.26

The outstanding stock options at February 24, 2001 have exercise prices ranging from $5.31 to $40.00 and a weighted average remaining contractual life of 6.91 years. Options to purchase 8.2 and 6.8 million shares were exercisable at February 24, 2001 and February 26, 2000, respectively. These options have a weighted average exercise price of $20.26 and $19.05, respectively. Option shares available for grant were 2.4 and 4.9 million at February 24, 2001 and February 26, 2000, respectively. The company has reserved 17.2 million shares, in aggregate, for the plans.

As of February 24, 2001, limited stock appreciation rights have been granted and are outstanding under the 1978, 1989 and 1993 Stock Appreciation Rights Plans. Such rights relate to options granted to purchase 2.7 million shares of common stock and are exercisable only upon a change of control.

No compensation cost has been recognized for options issued under the Stock Option Plans because the exercise price of all options granted was not less than 100 percent of fair market value of the common stock on the date of grant. Had compensation cost for the stock options issued been determined based on the fair value at the grant date, consistent with provisions of SFAS No. 123, Accounting for Stock Based Compensation, the Company s 2001, 2000 and 1999 net income and earnings per share would have been changed to the pro forma amounts indicated below:

	Restated 2001	Restated 2000	1999
	(In thousands, except per share amounts)		
Net earnings			
As reported	$ 72,870	$ 241,690	$ 191,338
Pro forma	64,976	236,130	185,951
Earnings per share diluted			
As reported	$ 0.55	$ 1.86	$ 1.57
Pro forma	0.49	1.82	1.52

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions and results:

	2001	2000	1999
Assumptions			
Dividend yield	2.00%	2.00%	1.99%
Risk free interest rate	4.83%	6.57%	5.27%
Expected life	5 years	5 years	4 years
Expected volatility	30.40%	21.97%	19.33%
Estimated fair value of options granted per share	$ 4.37	$ 6.20	$ 4.62

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

TREASURY STOCK PURCHASE PROGRAM

In August 1996, the Board of Directors authorized a treasury stock purchase program under which the company is authorized to repurchase up to 10.0 million shares for reissuance upon the exercise of employee stock options and for other compensation programs utilizing the company s stock. In December 1999, the Board of Directors authorized a treasury stock purchase program under which the company is authorized to purchase up to $140.0 million of the company s common stock. In fiscal 2000, the company repurchased .8 million shares at an average cost of $22.66 under the August 1996 program and 5.9 million shares at an average cost of $17.86 under the December 1999 program. In fiscal 2001, the company repurchased an additional .8 million shares under the August 1996 program at an average cost of $15.92 per share. In fiscal 2001, the company completed the December 1999 program with the repurchase of an additional 2.1 million shares at an average cost of $16.86 per share for a total cost of $140.0 million.

EARNINGS PER SHARE

The following table reflects the calculation of basic and diluted earnings per share:

	Restated 2001	Restated 2000	1999
	(In thousands, except per share amounts)		
Earnings per share-basic			
Income available to common shareholders	$ 72,870	$ 241,690	$ 191,338
Weighted average shares outstanding	132,251	129,162	120,376
Earnings per share basic	$ 0.55	$ 1.87	$ 1.59
Earnings per share-diluted			
Income available to common shareholders	$ 72,870	$ 241,690	$ 191,338
Weighted average shares outstanding	132,251	129,162	120,376
Dilutive impact of options outstanding	578	928	1,585
Weighted average shares and potential dilutive shares outstanding	132,829	130,090	121,961
Earnings per share-diluted	$ 0.55	$ 1.86	$ 1.57

COMMITMENTS AND CONTINGENCIES

The company has guaranteed mortgage loan and other debt obligations of $19.3 million. The company has also guaranteed the leases and fixture financing loans of various affiliated retailers with a present value of $162.2 and $30.3 million, respectively. The company has provided limited recourse to purchasers of notes receivable from affiliated retailers with outstanding note balances of $46.4 and $71.4 million, at fiscal 2001 and 2000; $15.2 and $16.5 million of which the company has contingent liability for at February 24, 2001 and February 26, 2000, respectively.

The company is a party to various legal proceedings arising from the normal course of business activities, none of which in management s opinion, is expected to have a material adverse impact on the company s consolidated results of operations or consolidated financial position.

RETIREMENT PLANS

Substantially all non-union employees of the company and its subsidiaries are covered by various contributory and non-contributory pension or profit sharing plans. The company also participates in several multi-employer plans providing defined benefits to union employees under the provisions of collective bargaining agreements.

Contributions under the defined contribution profit sharing plans are determined at the discretion of the Board of Directors and were $1.3, $1.5 and $2.2 million for fiscal 2001, 2000 and 1999, respectively.

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Amounts charged to union pension expense were $42.7, $39.3 and $37.9 million for fiscal 2001, 2000 and 1999, respectively.

Benefit calculations for the company s defined benefit pension plans are based on years of service and the participants highest compensation during five consecutive years of employment. Annual payments to the pension trust fund are determined in compliance with the Employee Retirement Income Security Act (ERISA). Plan assets are held in trust and invested in separately managed accounts and publicly traded mutual funds holding both equity and fixed income securities.

In addition to providing pension benefits, the company provides certain health care and life insurance benefits for certain retired employees. Certain employees become eligible for these benefits upon meeting certain age and service requirements.

The following tables set forth the change in benefit obligation and plan assets, a reconciliation of the accrued benefit costs and total benefit cost for the fiscal year for the company s defined benefit pension plans and other postretirement plans:

	Pension Benefits		Other Benefits	
	February 24, 2001	February 26, 2000	February 24, 2001	February 26, 2000
	(In thousands)			
CHANGE IN BENEFIT OBLIGATION				
Benefit obligation at beginning of year	$ 379,154	$ 321,693	$ 72,061	$ 74,315
Acquisitions		56,700		
Service cost	16,217	15,991	2,000	2,040
Interest cost	28,859	23,657	5,407	4,915
Plan amendments	319			
Actuarial loss (gain)	11,174	(22,304)	11,736	(5,910)
Benefits paid	(23,206)	(16,583)	(4,958)	(3,299)
Benefit obligation at end of year	$ 412,517	$ 379,154	$ 86,246	$ 72,061
CHANGE IN PLAN ASSETS				
Fair value of plan assets at beginning of year	$ 392,374	$ 284,767	$	$
Acquisitions		81,300		
Actual return on plan assets	27,897	33,484		
Company contributions	12,620	9,406	2,650	3,299
Plan participants contributions			4,958	2,319
Benefits paid	(23,206)	(16,583)	(7,608)	(5,618)
Fair value of plan assets at end of year	$ 409,685	$ 392,374	$	$
RECONCILIATION OF PREPAID (ACCRUED) COST				
Funded status	$ (2,832)	$ 13,220	$ (86,246)	$ (72,061)
Accrued contribution	3,264	3,230		
Unrecognized net loss	32,145	10,406	21,621	10,052
Unrecognized prior service cost	(306)	(783)	(1,164)	(1,435)
Prepaid (accrued) pension cost	$ 32,271	$ 26,073	$ (65,789)	$ (63,444)

Pension Benefits	Other Benefits

	2001	2000	1999	2001	2000	1999
			(In thousands)			
NET BENEFIT COSTS FOR THE FISCAL YEAR						
Service cost	$ 16,217	$ 15,991	$ 12,916	$ 2,000	$ 2,040	$ 1,750
Interest cost	28,859	23,657	20,638	5,407	4,915	4,895
Expected return on plan assets	(38,231)	(31,928)	(25,634)			
Amortization of:						
Unrecognized net loss		192	2	167	509	362
Unrecognized prior service cost	(159)	(187)	(72)	(271)	(262)	(262)
Unrecognized net obligation	(306)	63	152			
Net benefit costs for the fiscal year	$ 6,380	$ 7,788	$ 8,002	$ 7,303	$ 7,202	$ 6,745

SUPERVALU INC. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For both the pension and the postretirement benefit calculations, the weighted-average discount rate used was 7.75 percent for both 2001 and 2000, the expected return on plan assets used was 10.0 percent for both fiscal 2001 and 2000, and the rate of compensation increase was 4.0 percent for both fiscal 2001 and 2000.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 6.0 percent and 9.0 percent in fiscal 2001 and 2000, respectively. The company has reached its ultimate health care cost trend rate of 6.0 percent and will remain at that level. The health care cost trend rate assumption has a significant effect on the amounts reported. For example, a one percent increase in the trend rate would increase the accumulated postretirement benefit obligation by $10.1 and $8.4 million in fiscal 2001 and 2000, respectively, and the net periodic cost by $1.0 million in fiscal 2001 and 2000. In contrast, a one percent decrease in the trend rate would decrease the accumulated postretirement benefit obligation by $7.7 and $6.4 million in fiscal 2001 and 2000 respectively, and the net periodic cost by $0.8 million in fiscal both 2001 and 2000.

The company also maintains non-contributory, unfunded pension plans to provide certain employees with pension benefits in excess of limits imposed by federal tax law. The projected benefit obligation of the unfunded plans was $21.0 and $19.0 million at February 24, 2001 and February 26, 2000, respectively. The accumulated benefit obligation of these plans totaled $17.0 and $15.2 million at February 24, 2001 and February 26, 2000, respectively. Net periodic pension cost was $2.2, $3.5, $2.4 million for 2001, 2000, and 1999, respectively.

INDUSTRY SEGMENT INFORMATION

Retail food operations include results of food stores owned and limited assortment stores licensed by the company. Distribution segment results include sales to affiliated food stores, mass merchants, and other logistics arrangements. Identifiable assets and capital expenditures are those assets and expenditures directly associated with the segments physical locations.

Information concerning the company s continuing operations by business segment for the years ended February 24, 2001, February 26, 2000 and February 27, 1999 is contained on page F-4.

SIGNIFICANT CUSTOMER

During fiscal 2001, Kmart represented 10.5 percent of net sales. Receivables outstanding for Kmart at February 24, 2001 were $70.0 million or 11.5 percent. The supply agreement with Kmart will terminate June 30, 2001. During fiscal 2000 and 1999, no single customer accounted for greater than 10 percent of net sales or accounts receivable.

SHAREHOLDER RIGHTS PLAN

On April 24, 2000, the company announced that the Board of Directors adopted a Shareholder Rights Plan under which one preferred stock purchase right will be distributed for each outstanding share of common stock. The rights, which expire on April 12, 2010, are exercisable only under certain conditions, and may be redeemed by the Board of Directors for $0.01 per right. The plan contains a three-year independent director evaluation provision whereby a committee of the company s independent directors will review the plan at least once every three years. The rights become exercisable, with certain exceptions, after a person or group acquires beneficial ownership of 15 percent or more of the outstanding voting stock of the company.

Unaudited Quarterly Financial Information
(In thousands, except per share data)

Unaudited quarterly financial information for SUPERVALU INC. and subsidiaries is as follows:

The quarterly information for the fiscal years ended February 24, 2001 and February 26, 2000 have been restated to reflect the effects of the corrections of the misstatements announced in June 2002. For further discussion of these misstatements, refer to the Notes to the Consolidated Financial Statements Restatement .

	Restated Fiscal Year (52 Weeks) Ended February 24, 2001				
	First (16 wks)	Second (12 wks)	Third (12 wks)	Fourth (12 wks)	Year (52 wks)
	(In thousands, except per share data)				
Net sales	$ 6,953,393	$ 5,333,823	$ 5,420,238	$ 5,486,825	$ 23,194,279
Gross profit	744,068	590,991	582,305	626,584	2,543,948
Net earnings	67,376	55,605	46,136	(96,247)	72,870
Net earnings per common share-diluted	.51	.42	.35	(.73)	.55
Dividends declared per common share	$ .1350	$ .1375	$ .1375	$ .1375	$ .5475
Weighted average shares-diluted	133,026	133,096	132,733	132,404	132,829

	Restated Fiscal Year (52 Weeks) Ended February 26, 2000				
	First (16 wks)	Second (12 wks)	Third (12 wks)	Fourth (12 wks)	Year (52 wks)
	(In thousands, except per share data)				
Net sales	$ 5,289,720	$ 4,145,775	$ 5,361,732	$ 5,541,852	$ 20,339,079
Gross profit	542,694	447,504	581,456	654,068	2,225,722
Net earnings	66,643	45,068	58,502	71,477	241,690
Net earnings per common share-diluted	.55	.36	.42	.52	1.86
Dividends declared per common share	$ .1325	$ .1350	$ .1350	$ .1350	$ .5375
Weighted average shares-diluted	120,769	123,682	140,469	138,545	130,090

Note: Net earnings for fiscal 2001 included restructure and other items of $153.9 or $1.16 per diluted share. Net earnings for fiscal 2000 included a net gain of $10.9 million or $.08 per diluted share from the gain on the sale of Hazelwood Farms Bakeries and for restructure and other charges.

The effects of the correction of the misstatements on the quarterly information for fiscal 2001 and fiscal 2000 are as follows:

	First (16 wks)	Second (12 wks)	Third (12 wks)	Fourth (12 wks)	Year (52 wks)
Fiscal Year (52 Weeks) Ended February 24, 2001					
	Increase (Decrease) (In thousands, except per share data)				
Gross profit	$ (4,204)	$ (2,746)	$ (2,233)	$ (5,584)	$ (14,767)
Net earnings	(2,589)	(1,691)	(1,375)	(3,440)	(9,095)
Net earnings per common share diluted	(0.02)	(0.01)	(0.01)	(0.03)	(0.07)

	First (16 wks)	Second (12 wks)	Third (12 wks)	Fourth (12 wks)	Year (52 wks)
Fiscal Year (52 Weeks) Ended February 26, 2000					
	Increase (Decrease) (In thousands, except per share data)				

Gross profit	$ (129)	$ (682)	$ (250)	$ (1,000)	$ (2,061)
Net earnings	(78)	(414)	(152)	(607)	(1,251)
Net earnings per common share diluted	No change	(0.01)	No change	No change	(0.01)

INDEPENDENT AUDITORS REPORT

The Board of Directors and Stockholders

SUPERVALU INC:

Under date of April 3, 2001, except as to the note entitled Restatement, which is as of July 1, 2002, we reported on the consolidated balance sheets of SUPERVALU INC. and subsidiaries as of February 24, 2001 and February 26, 2000, and the related consolidated statements of earnings, stockholders equity, and cash flows for the fiscal years in the three-year period ended February 24, 2001, which are included in the annual report on Form 10-K for the 2001 fiscal year. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company s management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Minneapolis, Minnesota
April 3, 2001

SUPERVALU INC. and Subsidiaries

SCHEDULE II Valuation and Qualifying Accounts

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Description	**Balance at beginning of year**	**Additions**	**Deductions**	**Balance at end of year**
Allowance for doubtful accounts:				
Year ended:				
February 24, 2001	30,399,000	12,307,000	11,802,000(B)	$ 30,904,000
February 26, 2000	18,983,000	17,380,000(A)	5,964,000(B)	30,399,000
February 27, 1999	13,415,000	10,150,000	4,582,000(B)	18,983,000
Allowance for notes receivable accounts:				
Year ended:				
February 24, 2001	7,500,000	10,800,000	8,000,000	$ 10,300,000
February 26, 2000		7,500,000		7,500,000
February 27, 1999				

(A) Includes $7.5 million for accounts of companies acquired.

(B) Balance consists of accounts determined to be uncollectible and charged against reserves, net of collection on accounts previously charged off.

EXHIBIT INDEX

SUPERVALU INC.
ANNUAL REPORT ON FORM 10-K

Exhibit Number	Exhibit
12.1.	Ratio of Earnings to Fixed Charges.