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VILLAGE SUPER MARKET INC

Form 8-K

October 03, 2006

VILLAGE SUPER MARKET  
REPORTS RECORD RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED  
JULY 29, 2006 AS ANNUAL SALES EXCEED \$1 BILLION

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Springfield, New Jersey - October 3, 2006 - Village Super Market, Inc. (NSD-VLGEA) today reported its results of operations for the fourth quarter ended July 29, 2006.

Net income was \$5,023,000 (\$1.55 per diluted share) in the fourth quarter of fiscal 2006, an increase of 6% from the fourth quarter of the prior year. Net income in the fourth quarter increased primarily due to improved sales.

Sales were \$262,461,000 in the fourth quarter of fiscal 2006. Total sales and same store sales increased 3.7% compared to the fourth quarter of the prior year. Improved sales in recently remodeled stores and a replacement store, and higher sales in one store due to the closing of a competitor's store contributed to the same store sales increase. These improvements were partially offset by reduced sales in one store due to a competitive store opening.

Net income for the fiscal year was \$16,487,000 (\$5.10 per diluted share), an increase of 6% from the prior year. Results for the prior year include \$890,000 (after-tax) of income received from a partnership. Excluding this partnership income, net income in fiscal 2006 increased 13% from the prior year. Sales in fiscal 2006 were \$1,016,817,000, an increase of 3.4% from the prior year. Same store sales increased 3.3% in fiscal 2006.

Village Super Market operates a chain of 23 supermarkets under the ShopRite name in New Jersey and eastern Pennsylvania.

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

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VILLAGE SUPER MARKET, INC.  
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS  
(Dollars in Thousands Except Per Share Amounts)

	13 Wks. Ended July 29, 2006	13 Wks. Ended July 30, 2005	52 Wks. Ended July 29, 2006	52 Wks. Ended July 30, 2005
Sales	\$ 262,461	\$ 253,204	\$ 1,016,817	\$ 983,679
Cost of sales	192,088	185,366	747,320	727,161
Gross profit	70,373	67,838	269,497	256,518
Operating and administrative expense	58,577	56,275	228,474	218,649
Depreciation and amortization	3,057	2,727	11,679	10,595
Operating income	8,739	8,836	29,344	27,274
Income from Partnerships	--	--	--	1,509
Interest expense, net	62	563	1,005	2,199
Income before income taxes	8,677	8,273	28,339	26,584
Income taxes	3,654	3,534	11,852	11,042
Net income	\$ 5,023	\$ 4,739	\$ 16,487	\$ 15,542
Net income per share:				
Basic	\$ 1.58	\$ 1.49	\$ 5.18	\$ 4.91
Diluted	\$ 1.55	\$ 1.46	\$ 5.10	\$ 4.86
Gross profit as a % of sales	26.8%	26.8%	26.5%	26.1%
Operating and administrative expense as a% of sales	22.3%	22.2%	22.5%	22.2%