

RIESBECK'S IN REVIEW

EMPLOYEE NEWSLETTER OF RIESBECK FOOD MARKETS, INC.

SUMMER 2007

President's perspective

New competition leads to many positive changes

Throughout our company's trade area that encompasses about 100 miles in Ohio and West Virginia, the past six years have involved the continuing expansion of Wal-Mart.



by **Richard L. Riesbeck,**
President

Currently there are virtually no Riesbeck locations that are not affected by new area Wal-Mart Super Centers, including those in Wheeling, Moundsville, Steubenville, St. Clairsville, Cambridge (Wal-Mart and K-Mart), Zanesville (two Wal-Mart locations), and Newark (two Wal-Mart locations). So for us, learning to compete with the world's largest retailer has been just that — learning!

We often say during times of competitive challenges — especially during the length of time that it typically takes for a new store to reach its initial break-even point of profitability — that sometimes financial setbacks are, in a sense, like paying tuition for education.

In many ways, learning to adapt to change in the form of new competition is not that much different than formal learning — we have a need, we select a class based on filling this need, we learn the new material and then we apply the material to our **PRESIDENT, continued on 7**

Zanesville Deli clerks win \$1 million lottery

Don't tell four Pick'n Save Deli clerks that the odds are against them.

The four won \$1 million in the Ohio Lottery's Raffle to Riches game, with odds of 1 in 125,000 in taking a top prize.

Donna Romine, Nancy Lyall and Elizabeth "Liz" Tabler, all of Zanesville, and Linda Thompson of Philo, work as Deli Clerks in Zanesville store #8, where they purchased the winning ticket.

"When they came to my house at 11:30 at night and got me out of bed, I didn't believe it until about 2 o'clock in the morning," says Nancy, who's worked at the Pick'n Save for nearly 12 years. "It's still unbelievable."

Nancy works part-time at the store and full-time as a certified hospital technician. She plans to buy a house and invest the rest of her share of the winnings, as well as spend some on her three children.

The four will share a prize of \$690,000

after state and federal taxes, according to the Ohio Lottery Commission. This was the lottery's second Raffle to Riches game, which offered 1,015 prizes, including five \$1 million prizes.

As an added bonus, the Pick'n Save store on Howard Avenue receives a \$5,000 bonus for selling the winning ticket.

Five dollars well spent

Linda, a Lead Deli Clerk, purchased the ticket on Friday the 13th in April. The four employees each contributed \$5 toward the \$20 ticket price.

Linda was at home when she found out they had won.

"My sister called me and said a \$1 million winning ticket was sold in Zanesville, and I said, 'cool, hope I got it,' and just laughed," Linda said.

She became curious, though, and called the Pick'n Save, where an employee

LOTTERY, continued on 4



The four Zanesville employees who won the lottery together are, from left, Liz Tabler, Linda Thompson (holding a copy of the winning ticket), Nancy Lyall and Donna Romine.

Food safety program takes top priority

Food safety may be one of the most important issues facing grocery retailers today, especially with customers' concerns and expectations about freshness taking on new importance in the marketplace.

That is why Riesbeck's Food Markets is taking a strong stand on food safety and overall sanitation. In recent months, Riesbeck's has introduced a new food sanitation program aimed at making stores the best they can be.

It is an issue all employees should think about, noted Richard Riesbeck, President and CEO.

"We're taking our concern for food safety to a new level with an all-day training session and a rollout of independent food safety audits in our store-based perishable departments," Richard said. "This is a really big development for us."

Program began with training

Operations Director Dave Orr is heading some of the training, which began with a special seminar in March for managers, store directors and perishable-department managers. Its main purpose was to make Riesbeck employees aware of the company's new food auditing process, Dave said.

"Food safety is important not only for our customers but for the liability of the company," he said. "The primary goal of the program is to not only increase the awareness of food safety, but to improve our safety habits.

"There is a greater awareness of food safety by the consumer, (so) they expect a higher level of compliance," Dave added. "We have to take more responsibility to provide safe and clean food-preparation areas."

Riesbeck's partner in this new program is St. Louis-based ASI Food Safety Consultants, a full-service provider of food-safety audits, seminars and Hazard Analysis Critical Control Point programs.

ASI's consultants will conduct safety audits twice a year at Riesbeck stores, so the seminar was intended to help managers and employees understand the audit process and its meaning for them, Dave explained.

Unsafe food can be deadly

One reason employees should care about food safety is its long-term effects.



The new food safety program was kicked off in March with a day-long training session for select store personnel. Rodney Price, Assistant Store Director of Zanesville store #8, raised his hand to ask a question at the training session.

Food-borne illnesses cause 76 million illnesses in the United States annually, according to the U.S. Department of Agriculture. About 325,000 of those illnesses end up in hospitalizations. And 5,200 of the hospitalizations result in death.

The costs are monumental as well. Food-borne illnesses cost companies and others \$6.9 billion annually, the USDA reports.

However, knowledge about the cause of food-borne illnesses has decreased the number of resulting illnesses by 20 percent between 1997 and 1999, the most recent data available. That means 855,000 fewer cases of food-borne illnesses occurred during that two-year time period.

Audits are comprehensive

The ASI audits evaluate several areas — the condition of equipment, water and sewage handling, building and grounds, as well as the evaluation of the company's cleaning programs. These programs include housekeeping, equipment cleaning and the proper use of chemicals and sanitizers.

One of the key things seminar participants learned was how important the human factor is to food safety. ASI firmly believes that one of the most difficult sources of contamination to control is contamina-

tion by people.

To that end, much of the audit looks at how people affect the processes within food-preparation areas. Significant issues include sick employees, who may try to attend work despite their illness, and improper techniques, like not washing hands with soap or for enough time.

Other contamination issues come from equipment usage. The refrigerators may not be the right temperature for optimal storage, or there may be cross contamination from storing raw food near prepared foods in that same refrigerator.

Facilities pose another concern. There could be mold on the equipment or issues with sewage disposal or cleanliness problems that result in unwanted pests like mice or cockroaches.

An audit is an important way to control the issues that arise in these and other areas, ASI noted. The audits not only monitor and help Riesbeck's with its regulatory requirements, but they help maintain the kind of environment store employees enjoy working in and customers expect.

Dave noted that the audits are just one part of Riesbeck's overall food-safety program. For example, other important factors include head coverings, hand washing and bacteria-count checks in the food-preparation areas.

Employees excel in regional bagging contest

Showering liters of soda, heavy half-gallons of milk, vulnerable cartons of eggs — none proved too challenging for Brian Roberson, the Riesbeck's bagger who won a regional title on March 13 in the East Central Ohio Food Dealers Association's 21st Annual Bagging Contest.

Competing against about 20 baggers from Riesbeck's and other grocery companies at Riesbeck's Cambridge store #6, Roberson — a 20-year-old college student and two-year employee — received first-place honors. "There's really nothing I don't like to bag," Roberson said. "They gave us two paper and three plastic bags. They looked at how well we packed them, and they weighed them to see how the weight distribution was."

Other regional contests were held at Buehler's Milltown in Wooster on March 6 and at Thorne's IGA in Alliance on March 8. Participants were judged on speed, proper bag-building technique, number of bags used per order and distribution of weight, along with style, attitude and appearance.

In the Cambridge contest, another Riesbeck's bagger fared well: Lorren Binkley, a 28-year-old front-office clerk and employee for a year and a half, took third place.

"I wasn't planning on [competing], but people asked me to do it," Binkley said. "It's probably because they know I care about what I do, and they like the way I do things."

Binkley, in taking the bronze, was des-



These Riesbeck employees participated in the regional bagging competition. Brian Roberson (front row, second from right) won the regional title, and Lorren Binkley (back row, second from left) took third place.

igned as an alternate but did not go on to compete in the finals, held April 4 at Skyland Pines in Canton. Roberson was there, and went head-to-head with about six other top baggers for a chance at the first-place prize: a \$500 check and a plaque. Second prize was \$150, and third was \$100.

The set-up posed some problems for

Roberson, he said. "We were bagging on a table instead of a register," he said. "That was hard for me because I'm kind of short. I wasn't slower, but wasn't able to concentrate as well."

Still, that wouldn't stop Roberson from taking another shot at the title in next year's contest. "I would do this again," he said.

From the mailbag

California family appreciates Deli's caring service during time of need

The Deli Department in the Elm Grove store #5 was recently complimented in a letter received from customer John Michaels and his family:

"Recently we needed assistance to have a family meal prepared during a time of bereavement," John wrote. "Your Deli Department not only stepped up to the plate and supplied lunch for 50 on short notice, you trusted us by allowing us to charge the expense to our Visa and delivered it to the family home.

"We live in California and are most appreciative of this service. We will not hesitate to call on you again as you were there for us when we had a need to shorten the miles between San Jose and Wheeling.

"Many thanks to your department and Mindy [Gongola, Deli Manager], in particular, for her excellent service and follow through."

Customer likes newspaper policy

Riesbeck Food Markets as a whole was complimented by a customer who e-mailed the following message:

"I may have complimented you on this before, but the importance of it struck me again this week as I saw the front pages of the *Times Leader* and *The Intelligencer*," wrote the customer, who identified herself only as Theresa.

"I just want to thank you for making the decision to place a 'cover page' over the front covers of the tabloids you sell. I know this has been in effect for a couple of years now, but you have NOT wavered from that decision, and I admire you for that stand.

"To see the images of [Virginia Tech gunman] Seung-Hui Cho with his weapons, something that small children or impressionable teens can see in the [newspaper] vending machines, caused me to realize that you have not backed away nor forgotten your decision to hide those tabloid images. Thank you very much."

Woodsfield store's BBQ raises \$3,050 for local 4-H

Talk about a win-win situation — Riesbeck's Woodsfield store employees raised more than \$3,000 for the Monroe County 4-H Endowment, and customers received a delicious treat in return. People lined up in the parking lot for more than 1,500 sausage and rib-eye steak sandwiches during the April 27 fundraiser.

"It was pretty tasty," said Kirt Sloan, Store Director of the Woodsfield store #2. "We start cooking about 4 o'clock in the morning just to be ready for the crowd."

A group of employees from departments throughout the store grilled more than 500 pounds of meat and kept the sandwiches coming from 7 a.m. to 5 p.m. The BBQ raised \$3,050.

The Woodsfield store has raised about \$11,000 over four years of hosting the fundraiser, which goes toward the Monroe County 4-H Endowment Committee's camp and scholarship programs, Kirt said. More than 600 youth are involved in Monroe County 4-H programs.

During the 2006 fundraiser, the Monroe County 4-H Endowment exceeded its goal



Kirt Sloan, Store Director, is grilling the meat as part of the 4-H fundraiser.

of \$25,000 to endow the fund.

"We have people who've been to every one of these that we've done. It's well

received," Kirt said. "Last year, at lunch time, we had 38 people lined up, waiting to eat."

LOTTERY, continued from front page

read off the \$1 million winning number: 330847.

"I had her repeat it about three times and then gave it to my daughter and she repeated it," Linda said. "It was the most exciting thing."

Then she called Donna, who was working.

"She said I was lying to her and it wasn't funny," Linda said. "I was about half-crying and I gave her the number and told her to go look it up. It's just been a lot of fun since then. It will be more fun when the check gets here!"

Linda plans to use her share of the winnings to pay off her home and credit card loans.

"It's going to make things a lot easier, and I've got three daughters, and I'm going to give them a little bit," she said.

Linda's been a full-time employee for nearly 15 years at Pick'n Save.

They plan to keep working

All four winners say they will continue working.

Donna said it still hasn't sunk in that she won, though the congratulations are

starting to make it real.

"I can't go anywhere without someone saying 'Are you one of them?'" she said.

Donna, who's worked at the Pick'n Save almost 10 years, never played the lottery much.

"We're just poor working people. I never had money. What I had was because I always worked," she said.

Donna knows exactly what she wants to do once the check arrives.

"I'm going to put some in checking, some in savings, short-term CDs and my kids," she said. "The first thing is my kids."

Winnings came at a good time

Life will be a lot easier for Liz, who plans to continue school while working part-time in the Deli and raising two children.

On the day they purchased the winning ticket, Liz had been dealing with a busted washing machine and refrigerator.

The washer broke the week before, and the fridge is "freezing on the bottom and warm on top, so everything's shoved in the middle," Liz said. "My house was falling

apart totally. This could not have come up at a better time. God has truly blessed me and my family."

Liz said she rarely plays the lottery.

"Five dollars was a lot to pull out of me," she said. "About a month before, Donna was talking about it, and I said 'OK.'"

She thought Linda was "pulling her leg" when she called with the good news.

"I've had a lot of advice and a lot of congratulations," Liz said. "I know I had 20 messages the next day at least."

Liz, an employee at Pick'n Save for three years, will graduate in 2008 in human services from Zane State College.

She's often involved in community service, recently helping remodel a room at the local battered-women's shelter and participating in a bowling event for Big Brothers and Big Sisters.

"I just like to help people," Liz said.

People are surprised that all of them will continue to work in their jobs and go on with the lives they were leading before, although with an upgrade in some things, such as Liz's refrigerator.

"It's a lot of money, but it's not a whole, whole lot," Liz said.

Benefits corner

Eligible employees receive free income protection benefits

Several employees of Riesbeck's Food Markets have inquired about how an employee applies for short-term disability income protection benefits and who is eligible.

Below is a question-and-answer session with Judy Wright, Human Resources Director, in which she explains this valuable benefit in more detail. Judy can be contacted by calling 740-695-7050, ext. 125, or by e-mailing her at hrd@riesbeckfoods.com.

Q: How do I qualify for income-protection benefits?

A: You are eligible for benefits, including income protection, if you are a regular full-time or part-time employee who has completed your orientation period and works 1,500 hours per year. The income protection benefits go into effect if you can't work due to illness or an off-the-job accident.

Q: If I'm eligible, how do I obtain the income protection benefit?

A: You must complete and submit a form, which explains why you are disabled and how long you will be disabled. You may be asked to submit additional information or additional claim forms to continue this benefit. Riesbeck's also reserves the right to have a company-appointed physician examine you.

Q: How long can I take off due to illness or surgery?

A: The amount of time that you need to take off is determined by your doctor, not Riesbeck's. We can't determine whether an employee is up to working or not. The maximum amount of time off due to illness or surgery is 26 weeks. Although your physician determines how long you need to take off, Riesbeck's may require medical documentation, particularly if the leave is extended from what was originally projected.

Q: How do I sign up and who do I contact?

A: The good news is that if you are eligible, you are automatically given this benefit. There is no need to sign up and you will be notified. If you have any questions about this, you can call your Store Director, your Human Resources Manager or directly contact me.

Q: How much money do I receive when I am off work?

A: You will receive 60 percent of your average salary for up to 26 weeks. See page 52 of our Employee Handbook for more information about the income protection benefit.

Q: How much does it cost?

A: It's free. We pay 100 percent of the premium cost.

Bidders can have their cake and feel good about it, too

Everyone goes crazy for cake during the annual Carr Center Cake Auction, with nearly 400 cakes entered this year. Local businesses participate in the auction by auctioning a cake and an incentive, such as gift certificates, game tickets and even trips.

Riesbeck's Pick'n Save Zanesville store # 8 not only prepared some of the cakes involved in the auction, but also presented its own cake with a gift certificate for the event.

The Carr Center hosts the auction to ensure local charity organizations receive donations. According to the Carr Center, the cake auction equals more than 20 percent of the agency's annual budget.

Barbara Balogh, Lead Cake Decorator for Pick'n Save for nearly nine years, said the orders are rewarding work. "It gives a lot of people who would normally not come in and get a cake, to get a taste," she said. "We take out cake samples and cut them up, so people can sample them."

Including cakes that other businesses ordered to donate to the auction, the Pick'n Save Bakery prepared 24 cakes for the April 26 event, with many featuring business logos, including an unusual one: an eyeball.

"Last year, we did a wheelchair. We've done shaped lobsters, wine bottles, sandwiches, even a roll of toilet paper," Barbara said. "If we can do it, we will."



Barbara Balogh, Lead Cake Decorator, has worked at Pick'n Save for nearly nine years. (Photo courtesy of Zanesville Times Recorder.)

More than \$16,000 raised for the United Way

Stores sponsor unique special events to encourage the public and employees to make donations

The answer isn't complicated: Yes. But what's the question? That, too, is simple: Is it important for people to give something back to their community?

What comes afterwards, however, isn't so clear cut. If you want to donate money to a local charity, who do you donate it to? After all, if we're going to donate as a company, should we just send money to the local Red Cross? Or maybe some sort of children's charity, but even then, which one? What about the local YMCA, or the Salvation Army or perhaps a medical clinic that you admire? Or can you donate to all of the above?

You can. That's why the employees of Riesbeck's Food Markets have always been united when it comes to helping the United Way, a national organization known for assisting local charities.

Judy Wright, Human Resources Director, understands the dynamic between Riesbeck's and the United Way intimately. For as long she remembers, the two organizations have been allies. The stores, of course, have been around since the 1920s, when the United Way was already an established institution harking back to the late 1800s.



Judy Wright
Human Resources
Director

This year, Riesbeck employees gave the United Way \$16,239.65, which will then be funneled back into the communities that Riesbeck's serves. It's an impressive number, but she admits that they've done better.

"People don't contribute like they used to in the past because of the rising cost of living, like the rising cost of fuel," laments Judy.

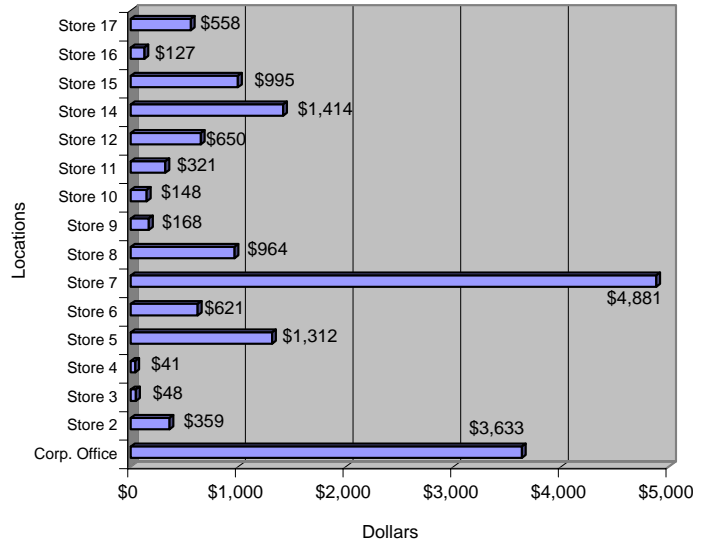
St. Clairsville store sponsored special events

Even though overall contributions have been higher in the past, there were some stand-out stores that truly stepped up this year, like the \$4,881 raised by the St. Clairsville #7 store, headed by Area General Manager and Store Director Dennis Kasproski, who has come up with some interesting methods for raising money.

This past spring, United Way and Riesbeck's hosted a cooking show, in which the proceeds benefited the United Way. And every third week of July for several years now, Dennis leads the charge with Citizens Bank, which has a home in the store, to put on the Plaza West Fest, a fireworks display during the Jamboree in the Hills.

As part of the event, people from all over gather in the parking lot and dance to a live band and see an incredible fireworks display.

United Way contributions by location



Dennis estimates that last year, the event probably raised somewhere between \$1,100 and \$1,500 for the United Way.

Employee involvement is key in Zanesville

Although some stores sponsor public events, Rich Daugherty, the General Manager of the Zanesville #8 store, offers an example that you don't have to create an annual beloved local tradition to raise a healthy amount of money for the United Way and serve your community.

Over the years, in the sanctity of the store, without the public's involvement, he has had drawings and raffles, designed to get employees to donate money to the United Way. One year, for instance, the highest bid meant that an employee shaved off Rich's brownish-blond hair.

"I had never been bald before," he marvels.

This latest campaign brought in a haul of \$964. And what's comforting, both Rich and Dennis have observed, is what goes around comes around.

"I know personally some people from our store who have benefited from the United Way," says Dennis, "either due to sickness, a child's accident, fire — all different types of things."

Rich knows employees who have benefited, too, and what he loves is how uncomplicated the United Way makes it for employees who might have a different favorite charity than their co-workers.

"You can be very specific, if you want, and each individual employee can tell the United Way what local organization you want them to donate to," says Rich. "There have been people who have donated to the shelter for abused women. We've had them donate to Big Brothers and Big Sisters. Pretty much all of the charities around here have been helped out by the United Way, throughout the year."

Store uses health fair to promote nutritious foods

Registered dieticians were on hand to explain test results and give suggestions for better eating habits

The word “checkout” took on a new meaning March 1 at Riesbeck’s store #6 in Cambridge, when the store hosted a Health Fair in conjunction with the Southeastern Ohio Regional Medical Center.

More than 80 people attended the four-hour event, receiving free screenings to check their blood pressure, diabetes and cholesterol levels. Results were provided in as little as 10 minutes and explained by registered dieticians, who also offered suggestions for better eating habits and pointed out healthful products.

Riesbeck’s regularly holds Health Fairs, but this was the first time the Cambridge store brought in the medical center’s dieticians to connect the dots, said Mike Yoss, pharmacy director and a Riesbeck employee for 38 years.

“We plan to partner again with SEORMC in the near future for other health-related promotions,” he said. “We got positive feedback. Customers were very, very grateful to be able to have this service.”

These kinds of screenings would normally be very costly if they were administered in a doctor’s office, Yoss said.

“These were not diagnostic tests, but the dieticians could find out if the readings were way out of normal range and would give the customers advice to go to a doctor,” he said. “We were able to give these tests for free — a tremendous value, and people were really grateful for that.”

Also as part of the event, many healthful foods — such



Customer Service Clerk Bill Quarles gave out samples of a variety of healthy foods during the March 1 event in Cambridge.



Cambridge store #6 Deli Manager Vicki Wilson (wearing red smock) takes part in the health fair, and happily gives a blood sample.

as low-fat yogurt, lean cuts of meat, baked potato chips and dozens of produce items — were promoted storewide with samples, special signage and pricing. That provided the store with a boost in sales, Yoss said.

“They saw these foods and examples of them and got to taste them,” Yoss said. “I’m sure they’ll be back for more.”

The Health Fair also served to solidify the store’s place in Cambridge’s health-care community.

“Because the event attracted different people to the store, it raised awareness of the pharmacy and the fact that Riesbeck’s has this kind of food,” Yoss said.

“It helped us enhance our image in the community and associated Riesbeck’s pharmacy with being part of the medical community in town.”

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particular situation.

During the past 6-7 years of increased competition, a number of things have changed within Riesbeck’s: we are utilizing special sales promotions more often; we are more price/value-competitive; we are more cost conscious regarding company, store and department expenses; and

we analyze costs and benefits much more closely than in the past. But these are good things! And continuing to do them more effectively will make us a better competitor in the food industry and ultimately a better organization all the way around.

So from this point of view, we have not only learned much from all of this Wal-

Mart expansion, but we are a better retailer today because of it!

We don’t plan to ever grow to become the size of Wal-Mart, because being the biggest doesn’t always mean being the best. And being the best place to work and the best place to shop is what we are all about at Riesbeck’s.

Winterville promotion is a slam dunk with customers

One expects a grocery to court customers, but few people expect anything so literal. Yet last March 31, Scott Stewart, Store Director of Winterville #15, once again organized his annual basketball tournament ... inside the store.

The idea conjures up thoughts of basketballs getting away from players, rolling down the aisle past the Fruit Loops and tripping up dazed customers pushing grocery carts. But this isn't a full-fledged game, just a friendly competition to see who can shoot the most foul shots into a regulation sized basketball hoop.

Besides, as Scott, who has been with Riesbeck for 22 years, says reassuringly, "We cordon off an area. We have high ceilings and ample room."

It's a competition that started about seven years ago, inspired after soda pop vendors set up a display for an NCAA Final Four weekend and told Scott the store could keep the two basketball hoops after the sale.

"We had a couple employees arguing over who would take them home," recalls Scott, who felt he had a better idea.

That better idea led to a drawing among interested customers, which led to a recent Saturday in which two groups of 10 children, from ages 6 to 9, and 10 to 13, shot baskets, surrounded by a crowd of approximately 35 people. Two winners took home the basketball hoops, and kids in second place were each awarded a basketball. Everyone else at least was able to sample cookies, candy and other refreshments.

How did Scott think to create a contest? "I just enjoy doing things for the kids," says



Store Director Scott Stewart is shown with the prize winners from the basketball contest: (from left) runner-up Andrew Shea and winners Jacob McGinness and Zachary Campbell.

Scott, who has two children of his own: 12-year-old Trevor and nine-year-old Kasie. He also adds that from a business perspective, his contest can't be beat: "If you get the kids interested in coming to your store, they bring their parents and grandparents,

and it's just a positive experience all around for shoppers."

And Scott's advice for anyone else who might want to bring the same type of spirit to any other Riesbeck store? "Make it fun," he emphasized.

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This is the quarterly employee newsletter of Riesbeck Food Markets, Inc. If you have article ideas, photos or other material to contribute to this newsletter, please e-mail hrd@riesbeckfoods.com.

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