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For Immediate Release:

Andronico's Markets Negotiating with Investor Group

Berkeley, Calif.— One of the Bay Area's best known family-owned specialty supermarkets today announced it is in discussions with a private investor group to preserve jobs for 400 employees and to ensure its historic markets continue to serve future generations of shoppers.

Andronico's Community Markets founded in 1929 on Berkeley's Solano Avenue, is in negotiations with Renovo Capital to obtain Debtor-in-Possession financing and sell the company to the investor group, as part of today's Chapter 11 filing in the Oakland division of the United States Bankruptcy Court for the Northern District of California.

"This is a bittersweet moment in our history," said Bill Andronico, Andronico's CEO and a member of the third generation of the family that owns the markets. "We have struggled mightily to keep going, but the combination of the economic downturn and a broken balance sheet was too heavy a burden. The good news is that this deal preserves our markets and keeps our employees working."

The 82-year-old Andronico's markets have struggled in recent years after an aggressive expansion program in which it took on significant debt to develop stores in Danville, Walnut Creek and Emeryville in the late 1990s and early 2000s. These stores are now closed, but Andronico said he was unable to get its bank lenders to restructure their claims and the remaining stores were saddled with too heavy a debt to continue under family ownership.

Currently, Andronico's operates in seven locations: four stores in Berkeley and markets in San Francisco, Los Altos and San Anselmo.

Founded by Greek immigrant Frank Andronico in 1929, the family began with a vision of providing the best quality products with the excellent customer service of a neighborhood grocer. In fact, Andronico even let his neighborhood customers name the store – "Park and Shop" – which remained as the name of the markets until 1986.

Today, the Andronico's name is synonymous with freshness, extensive and unique product offerings, and friendly, helpful customer service. Its continued innovations with specialty products and presentation have made the markets stand out in a highly competitive business.

During both good and challenging economic times, these tenets have guided the Company's strategic decision making. In 2010 Andronico's encountered a daunting retail environment, and replaced nearly all of its executive management team with a core group of experienced industry veterans from Whole Foods Market and Safeway. The new team began the work to stabilize the business but the lack of resources did not allow for a full recovery.

Andronico's commitment to excellence and value, along with its unique combination of offerings, led to numerous awards, including the National Association for the Specialty Food Trade's "Retailer of the Year," National Grocers' Association "Best of Show Finalist," and the San Francisco Chronicle's "Reader's Choice for Best Grocery Store."