

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 45 days after end of the period

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR - 1		
Weekly Receipts & Disbursements	A	X	
Cash Disbursements by Petitioning Entity	B	X	
Bank Account Information	C	X	
Statement of Operations	MOR - 2	X	
Balance Sheet	MOR - 3	X	
Status of Postpetition Taxes	MOR - 4	X	
Copies of IRS Form 6123 or payment receipt (See Tax Affidavit)			X
Copies of tax returns filed during reporting period (See Tax Affidavit)			X
Summary of Unpaid Postpetition Debts	MOR - 4	X	
Summary Accounts Receivable Aging	MOR - 5	X	
Debtor Questionnaire	MOR - 5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

RESPONSIBLE PARTY:

  
\_\_\_\_\_  
Signature of Responsible Party

Rebecca A. Roof  
\_\_\_\_\_  
Printed Name of Responsible Party

Interim Chief Financial Officer  
\_\_\_\_\_  
Title

10/21/2003  
\_\_\_\_\_  
Date

**NOTES TO THE MONTHLY OPERATING REPORT**

**General**

The report includes activity from the following Debtors and related Case Numbers [1] [2] [3] [4] [5] [6] [7] [8] [9] [10] [11]:

**Debtor**

**Case Number**

**INCLUDED IN FLEMING SECTION OF THE MOR AS APPLICABLE:**

Fleming Companies, Inc.	03-10945
ABCO Food Group, Inc.	03-10946
ABCO Markets, Inc.	03-10947
ABCO Realty Corp.	03-10948
Favar Concepts, Ltd.	03-10953
Fleming Foods Management Co., L.L.C.	03-10954
Fleming Foods of Texas, L.P.	03-10955
Fleming International, Ltd.	03-10956
Fleming Transportation Service, Inc.	03-10957
Fleming Supermarkets of Florida, Inc.	03-10958
Food 4 Less Beverage Company, Inc.	03-10959
FuelServ, Inc.	03-10960
Piggly Wiggly Company	03-10965
Progressive Realty, Inc.	03-10966
Rainbow Food Group, Inc.	03-10967
Retail Investments, Inc.	03-10968
Retail Supermarkets, Inc.	03-10970
RFS Marketing Services, Inc.	03-10971
Richmar Foods, Inc.	03-10972
Dunigan Fuels, Inc.	03-10973

**INCLUDED IN CORE-MARK SECTION OF THE MOR AS APPLICABLE [12]:**

Core-Mark International, Inc.	03-10944
ASI Office Automation, Inc.	03-10949
Core-Mark Mid-Continent, Inc.	03-10950
Core-Mark Interrelated Companies, Inc.	03-10951
C/M Products, Inc.	03-10952
General Acceptance Corporation	03-10961
Marquise Ventures Company, Inc.	03-10962
Head Distributing Company	03-10963
Minter Weisman Co.	03-10964

**Notes:**

- [1] All information contained within this Monthly Operating Report is subject to change upon further reconciliation.
- [2] "the Company" refers to Fleming Companies, Inc. and its related subsidiaries.
- [3] Within this Monthly Operating Report Core-Mark's Eastern Divisions or "Fleming 7" refers to Head Distributing Company, Minter-Weisman, and the Marshfield, Chicago, Altoona and Leitchfield divisions included within Fleming Companies, Inc.
- [4] Period 3 refers to February 23, 2003 through March 22, 2003.
- [5] Period 4 refers to March 23, 2003 through April 19, 2003.
- [6] Period 5 refers to April 20, 2003 through May 17, 2003.
- [7] Period 6 refers to May 18, 2003 through June 14, 2003.
- [8] Period 7 refers to June 15 through July 12, 2003.
- [9] Period 8 refers to July 13 through August 9, 2003.
- [10] Period 9 refers to August 10 through September 6, 2003.
- [11] The Monthly Operating Report excludes financial activity related to non-Debtor entities (i.e., Cerespan.com and Chateau Development Company, LLC).
- [12] Core-Mark entities are on a different reporting schedule with period 9 reflecting a Balance Sheet as of August 31, 2003. The Statement of Operations has been estimated through September 6, 2003 to be consistent with Fleming.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Weekly Receipts and Disbursements [1]  
(Dollars in 000's)

	WEEK 1 [2]	WEEK 2	WEEK 3	WEEK 4	WEEK 5	CURRENT PERIOD TOTAL	CUMULATIVE FILING TO DATE
<b>CASH RECEIPTS:</b>							
Fleming Receipts [4]	\$ 11,761	61,316	50,762	54,389	297,611	\$ 475,839	\$ 2,372,707
Core-Mark Receipts	15,826	82,084	79,834	81,084	78,656	337,484	1,873,877
Asset / Excess Inventory Sales & Other	2,159	1,777	6,029	6,259	1,690	17,914	264,271
<b>ACTUAL RECEIPTS</b>	<b>\$ 29,746</b>	<b>\$ 145,177</b>	<b>\$ 136,625</b>	<b>\$ 141,732</b>	<b>\$ 377,957</b>	<b>\$ 831,237</b>	<b>\$ 4,510,855</b>
<b>CASH DISBURSEMENTS FROM OPERATIONS:</b>							
Material Purchases - Fleming	\$ (11,060)	(37,180)	(36,923)	(16,637)	(2,978)	\$ (104,778)	\$ (1,609,334)
Material Purchases - Core-Mark	(13,326)	(54,802)	(52,839)	(52,876)	(52,036)	(225,879)	(1,429,035)
Tax Disbursements - Cigarettes	(1,475)	(10,022)	(12,787)	(16,892)	(11,127)	(52,303)	(255,989)
Tax Disbursements - Other	(2)	(411)	(281)	(183)	(9)	(886)	(7,770)
Employee & Payroll	(2,099)	(7,236)	(7,574)	(5,903)	(8,393)	(31,205)	(260,743)
Lease & Recurring Costs	(3,680)	(6,782)	(1,038)	(1,355)	(1,131)	(13,986)	(81,897)
Other Operating Costs	(383)	(5,185)	(5,756)	(7,702)	(3,403)	(22,429)	(197,831)
<b>ACTUAL CASH DISBURSEMENTS FROM OPERATIONS</b>	<b>\$ (32,025)</b>	<b>\$ (121,618)</b>	<b>\$ (117,198)</b>	<b>\$ (101,548)</b>	<b>\$ (79,077)</b>	<b>\$ (451,466)</b>	<b>\$ (3,842,599)</b>
<b>CASH DISBURSEMENTS FROM NON-OPERATIONS:</b>							
DSD/Critical Vendor/PACA Payments [3]	\$ -	-	-	-	(11,289)	\$ (11,289)	\$ (88,781)
Capital Expenditures	-	-	-	-	-	-	(2,216)
Restructuring & Professional Fees	(511)	(2,975)	(1,302)	(5,855)	(1,398)	(12,041)	(24,436)
Interest & Financing	-	(482)	-	-	(1,691)	(2,173)	(72,525)
Other Non-Operating Costs	-	-	-	-	-	-	-
<b>ACTUAL CASH DISBURSEMENTS FROM NON-OPERATIONS</b>	<b>\$ (511)</b>	<b>\$ (3,457)</b>	<b>\$ (1,302)</b>	<b>\$ (5,855)</b>	<b>\$ (14,378)</b>	<b>\$ (25,503)</b>	<b>\$ (187,958)</b>
<b>TOTAL ACTUAL DISBURSEMENTS</b>	<b>\$ (32,536)</b>	<b>\$ (125,075)</b>	<b>\$ (118,500)</b>	<b>\$ (107,403)</b>	<b>\$ (93,455)</b>	<b>\$ (476,969)</b>	<b>\$ (4,030,557)</b>

**DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT PERIOD COLUMN)**

<b>TOTAL DISBURSEMENTS</b>	<b>\$ (476,969)</b>
LESS: Transfers to Debtor in Possession Accounts	-
PLUS: Estate Disbursements Made By Outside Sources (i.e. from escrow accounts)	-
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	<b>\$ (476,969)</b>

**Notes**

- [1] Weekly Receipts and Disbursements include Core-Mark's and Fleming's August 1 through August 31 receipts and disbursements.
- [2] Per agreement with the U.S. Trustee, cash receipts and disbursements related to August 1 through August 31 were only included. Therefore, Week 1 includes only one day related to cash receipts and disbursements for August 2003.
- [3] The period 9 Monthly Operating report (including the period 4 through 8 Monthly Operating Reports previously filed) includes within the DSD/Critical Vendor/PACA Payments, among others, DSD and PACA disbursements made to segregated escrow accounts for future disbursement. The DSD and PACA escrow disbursements do not represent actual DSD and PACA settlement disbursements made during the period, only those funds set aside in escrow.
- [4] Week 5 receipts include cash received from the sale of assets to C&S.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Cash Disbursements by Petitioning Entity [1]  
(Dollars in 000's)

PETITIONING ENTITIES	CASE NUMBER	CURRENT PERIOD TOTAL	CUMULATIVE FILING TO DATE
Core-Mark International, Inc.	03-10944	\$ (159,169)	\$ (1,253,635)
Fleming Companies, Inc.	03-10945	(210,318)	(1,940,501)
ABCO Food Group, Inc.	03-10946	-	-
ABCO Markets, Inc.	03-10947	-	-
ABCO Realty Corp.	03-10948	-	-
ASI Office Automation, Inc.	03-10949	-	-
Core-Mark Mid-Continent, Inc.	03-10950	(43,255)	(260,646)
Core-Mark Interrelated Companies, Inc.	03-10951	(5,289)	(41,193)
C/M Products, Inc.	03-10952	-	-
Favar Concepts, Ltd.	03-10953	-	(667)
Fleming Foods Management Co., L.L.C.	03-10954	-	-
Fleming Foods of Texas, L.P.	03-10955	(6,719)	(113,586)
Fleming International, Ltd.	03-10956	(21)	(1,400)
Fleming Transportation Service, Inc.	03-10957	49	3
Fleming Supermarkets of Florida, Inc.	03-10958	-	-
Food 4 Less Beverage Company, Inc.	03-10959	-	-
Fuelserv, Inc.	03-10960	-	-
General Acceptance Corporation	03-10961	-	-
Marquise Ventures Company, Inc.	03-10962	-	-
Head Distributing Company	03-10963	(5,717)	(38,999)
Minter Weisman Co.	03-10964	(25,352)	(110,341)
Piggly Wiggly Company	03-10965	(280)	(817)
Progressive Realty, Inc.	03-10966	-	(4)
Rainbow Food Group, Inc.	03-10967	(17)	(31,726)
Retail Investments, Inc.	03-10968	(20,115)	(165,125)
Retail Supermarkets, Inc.	03-10970	-	-
RFS Marketing Services, Inc.	03-10971	-	-
Richmar Foods, Inc.	03-10972	(928)	(71,670)
Dunigan Fuels, Inc.	03-10973	162	(250)
<b>TOTAL ACTUAL DISBURSEMENTS [2] [3]</b>		<b>\$ (476,969)</b>	<b>\$ (4,030,557)</b>

#### Notes

- [1] Employee and Payroll disbursements, per the Weekly Receipts and Disbursements schedule, were not available on an entity by entity basis. As a result, the total Core-Mark and Fleming Employee and Payroll disbursements for 8/1/03 - 8/31/03 (approximately \$16.4 million for Fleming and approximately \$11.9 million for Core-Mark) were allocated to the related Fleming and Core-Mark entities based on the % of each entities total sales to total Fleming Sales/Core-Mark sales. In particular, Core-Mark's disbursements were allocated to the 9 entities (Head Distributing and Minter Weisman are not included in Fleming's payroll total as of Period 7) and Fleming's disbursements to the 20 Fleming entities.
- [2] Total cash disbursements provided by both Core-Mark and Fleming during the period did not agree to Total Actual Disbursements on the Weekly Receipts and Disbursement schedule. Therefore, the difference was allocated between the Core-Mark and Fleming entities based on each entities % of total cash disbursements prior to allocation.
- [3] Total Actual Disbursements contain Core-Mark's and Fleming's disbursements for 8/1/03 - 8/31/03 for the Current Period and for 4/1/03 - 8/31/03 for the Cumulative Filing to Date.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFJW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Bank Account Information

PETITIONING ENTITIES	BANK	ACCOUNT NUMBER	TYPE
Fleming Companies, Inc.	Bank of America	1257001012	Depository
Fleming Companies, Inc.	Bank of America	1257401015	Depository
Fleming Companies, Inc.	Bank of America	1257601014	Depository
Fleming Companies, Inc.	Bank of America	1376034850	Depository
Fleming Companies, Inc.	Bank of America	1595458455	Depository
Fleming Companies, Inc.	Bank of America	3750955004	Depository
Fleming Companies, Inc.	Bank of America	3751022745	Depository
Fleming Companies, Inc.	Bank of America	3751278599	Depository
Fleming Companies, Inc.	Bank of America	3751279446	Depository
Fleming Companies, Inc.	Bank of America	3751281308	Depository
Fleming Companies, Inc.	Bank of America	3751301107	Depository
Fleming Companies, Inc.	Bank of America	3751372819	Depository
Fleming Companies, Inc.	Bank of America	3751508777	Depository
Fleming Companies, Inc.	Bank of America	3751525666	Depository
Fleming Companies, Inc.	Bank of America	3751572091	Depository
Fleming Companies, Inc.	Bank of America	3751589327	Depository
Fleming Companies, Inc.	Bank of America	3751889438	Depository
Fleming Companies, Inc.	Bank of America	3751917397	Depository
Fleming Companies, Inc.	Bank of America	8188812687	Depository
Fleming Companies, Inc.	Bank One	10148350	Disbursement
Fleming Companies, Inc.	Bank One	10218510	Depository
Fleming Companies, Inc.	Bank One	622743383	Depository
Fleming Companies, Inc.	First Hawaiian Bank	53015409	Depository
Fleming Companies, Inc.	JP Morgan	6300030353	Disbursement
Fleming Companies, Inc.	JP Morgan	6300035972	Disbursement
Fleming Companies, Inc.	JP Morgan	6300036129	Disbursement
Fleming Companies, Inc.	JP Morgan	6300036160	Disbursement
Fleming Companies, Inc.	JP Morgan	6300062117	Disbursement
Fleming Companies, Inc.	JP Morgan	6300064998	Disbursement
Fleming Companies, Inc.	JP Morgan	6300065052	Disbursement
Fleming Companies, Inc.	JP Morgan	6300065086	Disbursement
Fleming Companies, Inc.	JP Morgan	8805174594	Disbursement
Fleming Companies, Inc.	JP Morgan	8805175195	Depository
Fleming Companies, Inc.	JP Morgan	8805175609	Depository
Fleming Companies, Inc.	JP Morgan	8805223029	Disbursement
Fleming Companies, Inc.	JP Morgan	8806170047	Disbursement
Fleming Companies, Inc.	JP Morgan	8806212427	Depository
Fleming Companies, Inc.	JP Morgan	8806212435	Depository
Fleming Companies, Inc.	JP Morgan	8806212468	Depository
Fleming Companies, Inc.	JP Morgan	8806212583	Depository
Fleming Companies, Inc.	JP Morgan	8806212591	Depository
Fleming Companies, Inc.	JP Morgan	8806231716	Depository
Fleming Companies, Inc.	JP Morgan	8806231732	Depository
Fleming Companies, Inc.	JP Morgan	8806232185	Depository
Fleming Companies, Inc.	JP Morgan	8806232193	Depository
Fleming Companies, Inc.	JP Morgan	8806232201	Depository
Fleming Companies, Inc.	JP Morgan	8806232219	Depository
Fleming Companies, Inc.	JP Morgan	8806232805	Depository
Fleming Companies, Inc.	JP Morgan	8806257778	Depository
Fleming Companies, Inc.	JP Morgan	8806258339	Depository
Fleming Companies, Inc.	JP Morgan	8806322309	Depository
Fleming Companies, Inc.	JP Morgan	8806362925	Disbursement
Fleming Companies, Inc.	JP Morgan	8806362933	Disbursement
Fleming Companies, Inc.	JP Morgan	8806363428	Depository
Fleming Companies, Inc.	JP Morgan	8806370886	Disbursement
Fleming Companies, Inc.	M&I	12263119	Depository
Fleming Companies, Inc.	M&I	13004134	Depository
Fleming Companies, Inc.	M&I	14133911	Depository
Fleming Companies, Inc.	M&I	18241234	Depository
Fleming Companies, Inc.	Manufacturers Trust	12001749	Depository
Fleming Companies, Inc.	Waukesha	2726887	Disbursement
Fleming Companies, Inc.	Waukesha	10428672	Depository
Fleming Companies, Inc.	Waukesha	10478473	Depository
Core-Mark International, Inc	Adel Banking Co	15797201	Disbursement
Core-Mark International, Inc	Bank Of Montreal	0004-1664-436	Disbursement
Core-Mark International, Inc	Bank Of Montreal	07600000313	Depository/Disbursement
Core-Mark International, Inc	Bank Of Montreal	07601102397	Disbursement
Core-Mark International, Inc	Bank Of Montreal	07601154963	Disbursement

PETITIONING ENTITIES	BANK	ACCOUNT NUMBER	TYPE
Flensing Companies, Inc.	Bank of America	1257001012	Depository
Core-Mark International, Inc	Bank Of Montreal	07604601086	FX Swap Funding Acet
Core-Mark International, Inc	Bank Of Montreal	127881013601	Disbursement
Core-Mark International, Inc	Bank Of Montreal	5691032070	Disbursement
Core-Mark International, Inc	Bank One	1113117	Depository
Core-Mark International, Inc	JP Morgan	323252028	Depository
Core-Mark International, Inc	JP Morgan	8806322317	Depository
Core-Mark International, Inc	JP Morgan Chase	601809668	Disbursement
Core-Mark International, Inc	JP Morgan Chase	9102775419	Disbursement
Core-Mark International, Inc	JP Morgan Chase	9102775427	Disbursement
Core-Mark International, Inc	JP Morgan Chase	9102775435	Disbursement
Core-Mark International, Inc	JP Morgan Chase	9102775443	Disbursement
Core-Mark International, Inc	Scotia Bank	112390010715	Depository
Core-Mark International, Inc	Scotia Bank	4052700104313	Depository
Core-Mark International, Inc	Scotia Bank	714800001414	Depository
Core-Mark International, Inc	Scotia Bank	71480000914	Depository
Core-Mark International, Inc	Scotia Bank	714800011312	Depository
Core-Mark International, Inc	Washington Trust Bank	1001823194	Depository
Core-Mark International, Inc	Wells Fargo	4091220731	Depository
Core-Mark International, Inc	Wells Fargo	4128523081	Depository
Core-Mark International, Inc	Wells Fargo	4159287788	Depository
Core-Mark International, Inc	Wells Fargo	4159555366	Depository
Core-Mark International, Inc	Wells Fargo	4159688902	Depository
Core-Mark International, Inc	Wells Fargo	4311848436	Depository
Core-Mark International, Inc	Wells Fargo	4311848584	Disbursement
Core-Mark International, Inc	Wells Fargo	4496851460	Depository
Core-Mark International, Inc	Wells Fargo	4518099999	Depository
Core-Mark International, Inc	Wells Fargo	4518100110	Depository
Core-Mark International, Inc	Wells Fargo	4518100177	Depository
Core-Mark International, Inc	Wells Fargo	4518100235	Depository
Core-Mark International, Inc	Wells Fargo	4518110564	Disbursement
Core-Mark International, Inc	Wells Fargo	4758355309	Depository
Core-Mark International, Inc	Wells Fargo	4759613938	Disbursement
Core-Mark International, Inc	Wells Fargo	4801900069	Depository
Core-Mark International, Inc	Wells Fargo	4801908815	Depository
Core-Mark International, Inc	Wells Fargo / Wachovia	540459849	Disbursement
Core-Mark International, Inc	Wilson & Muir	7516436	Depository
Head Distributing Co.	Bank Of America	3752010688	Depository
Head Distributing Co.	Suntrust	8801337430	Depository
Head Distributing Co.	Union Planters Bank	3500594164	Depository
Minter Weisman	Bank of America	3299781296	Disbursement
Plymouth (minter weisman)	US Bank	160234449926	Depository
Retail Investment, Inc.	JP Morgan	860900985	Depository/Disbursement

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1]  
(Dollars in 000's)

FLEMING COMPANIES, INC. & SUBSIDIARIES [2]	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ 354,022
Costs and expenses: [3]	
Cost of sales	(340,495)
Selling and administrative	(12,554)
Reorganization items, net	(383)
Interest expense	(223)
Interest income and other	122
Impairment/restructuring charges	(231)
Litigation charges	-
<b>Total costs and expenses</b>	<b>(353,764)</b>
Income/(Loss) before income taxes	258
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>258</b>
Discontinued operations: [4]	
Income/(Loss) before income taxes	(63,584)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>(63,584)</b>
<b>Net Income/(loss)</b>	<b>\$ (63,326)</b>

**Notes**

- [1] Results of certain legal entities have been approximated to the 28 days from August 10, 2003 through September 6, 2003. See additional detail explanation on each Statement of Operations.
- [2] Excludes ABCO Markets, Inc., ABCO Realty Corp., ASI Office Automation, Inc., C/M Products, Inc., Fleming Foods Management Co., L.L.C., Fleming Supermarkets of Florida, Inc., Food 4 Less Beverage Company, Inc., FuelServ, Inc., General Acceptance Corporation, Marquise Ventures Company, Inc. and Retail Supermarkets, Inc. as these entities had no activity during the period. Further, the related entities Statement of Operations are excluded from the Monthly Operating Report. RFS Marketing Services, Inc.'s Statement of Operations was included as RFS Marketing Services, Inc.'s balance sheet was included in the Monthly Operating Report.
- [3] Certain expenses are recorded each period using estimates, then reviewed and adjusted at the end of a quarter (i.e., self-insurance reserves, allowance for bad debts, etc.).
- [4] Continuing Operations as of Period 9, 2003 includes only the convenience business (or Core-Mark, including the Fleming 7). All other businesses have been reclassified as Discontinued Operations as required by SFAS 146.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

ABCO FOOD GROUP, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	27
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	27
<b>Net Income/(loss)</b>	<b>\$ 27</b>

**Notes**

- [1] The period of results for this legal entity was for the 28 days ended September 6, 2003.  
[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.



Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

CORE-MARK INTERNATIONAL, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ 233,514
Costs and expenses:	
Cost of sales	(225,267)
Selling and administrative	(6,626)
Reorganization items, net	(382)
Interest expense	(22)
Interest income and other	118
Impairment/restructuring charges	(22)
Litigation charges	-
Total costs and expenses	(232,201)
Income/(Loss) before income taxes	1,313
Taxes on income/(loss)	-
Income/(Loss) from continuing operations	1,313
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
Income/(Loss) from discontinued operations	-
Net Income/(loss)	\$ 1,313

**Notes**

- [1] The period of results for this legal entity was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003.
- [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

FORM MOR - 2

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

CORE-MARK INTERRELATED COMPANIES, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ 6,945
Costs and expenses:	
Cost of sales	(6,624)
Selling and administrative	(82)
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>(6,706)</b>
Income/(Loss) before income taxes	239
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>239</b>
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>-</b>
<b>Net Income/(loss)</b>	<b>\$ 239</b>

**Notes**

- [1] The period of results for this legal entity was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003.
- [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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**Fleming Companies, Inc. et al.**  
**Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)**  
**Reporting Period: 8/10/03 - 9/6/03**  
**Statement of Operations (Unaudited) [1] [2]**  
**(Dollars in 000's)**

<b>CORE-MARK MID-CONTINENT, INC.</b>	<b>AUGUST 10, 2003 - SEPTEMBER 6, 2003</b>
<b>Net sales</b>	<b>\$ 44,533</b>
<b>Costs and expenses:</b>	
Cost of sales	(42,989)
Selling and administrative	(797)
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>(43,786)</b>
Income/(Loss) before income taxes	747
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>747</b>
<b>Discontinued operations:</b>	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>-</b>
<b>Net Income/(loss)</b>	<b>\$ 747</b>

**Notes**

- [1] The period of results for this legal entity was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003.  
 [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

DUNIGAN FUELS, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	-
<b>Net Income/(loss)</b>	\$ -

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

FAVAR CONCEPTS, LTD	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
Total costs and expenses	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
Income/(Loss) from continuing operations	-
Discontinued operations:	
Income/(Loss) before income taxes	(4)
Taxes on income/(loss)	-
Income/(Loss) from discontinued operations	(4)
Net Income/(loss)	\$ (4)

Notes

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

FLEMING COMPANIES, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ 33,441
Costs and expenses:	
Cost of sales	(32,288)
Selling and administrative	(1,882)
Reorganization items, net	(1)
Interest expense	(201)
Interest income and other	-
Impairment/restructuring charges	(209)
Litigation charges	-
<b>Total costs and expenses</b>	<b>(34,581)</b>
Income/(Loss) before income taxes	(1,140)
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>(1,140)</b>
Discontinued operations:	
Income/(Loss) before income taxes	(12,802)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>(12,802)</b>
<b>Net Income/(loss)</b>	<b>\$ (13,942)</b>

**Notes**

- [1] The period of results for the continuing operations of this legal entity (four convenience divisions) was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003. The period of results for the discontinued operations of this legal entity was for 28 days ended September 6, 2003.
- [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

FLEMING FOODS OF TEXAS, L.P.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>-</b>
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>-</b>
Discontinued operations:	
Income/(Loss) before income taxes	(42,536)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>(42,536)</b>
<b>Net Income/(loss)</b>	<b>\$ (42,536)</b>

**Notes**

- [1] The period of results for this legal entity was for the 28 days ended September 6, 2003.  
[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

**Fleming Companies, Inc. et al.**  
**Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)**  
**Reporting Period: 8/10/03 - 9/6/03**  
**Statement of Operations (Unaudited) [1] [2]**  
**(Dollars in 000's)**

<b>FLEMING INTERNATIONAL, LTD</b>	<b>AUGUST 10, 2003 - SEPTEMBER 6, 2003</b>
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	(3)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	(3)
<b>Net Income/(loss)</b>	\$ (3)

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.



Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

<b>FLEMING TRANSPORTATION SERVICES, INC.</b>	<b>AUGUST 10, 2003 - SEPTEMBER 6, 2003</b>
<b>Net sales</b>	<b>\$ -</b>
<b>Costs and expenses:</b>	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>-</b>
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>-</b>
<b>Discontinued operations:</b>	
Income/(Loss) before income taxes	(6,107)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>(6,107)</b>
<b>Net Income/(loss)</b>	<b>\$ (6,107)</b>

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

HEAD DISTRIBUTING COMPANY	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ 10,631
Costs and expenses:	
Cost of sales	(10,205)
Selling and administrative	(1,244)
Reorganization items, net	-
Interest expense	-
Interest income and other	1
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>(11,448)</b>
Income/(Loss) before income taxes	(817)
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>(817)</b>
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>-</b>
<b>Net Income/(loss)</b>	<b>\$ (817)</b>

**Notes**

- [1] The period of results for this legal entity was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003.
- [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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**Fleming Companies, Inc. et al.**  
**Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)**  
**Reporting Period: 8/10/03 - 9/6/03**  
**Statement of Operations (Unaudited) [1] [2]**  
**(Dollars in 000's)**

<b>MINTER-WEISMAN CO.</b>	<b>AUGUST 10, 2003 - SEPTEMBER 6, 2003</b>
Net sales	\$ 24,959
Costs and expenses:	
Cost of sales	(23,123)
Selling and administrative	(1,923)
Reorganization items, net	-
Interest expense	-
Interest income and other	3
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	<b>(25,043)</b>
Income/(Loss) before income taxes	(84)
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	<b>(84)</b>
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	<b>-</b>
<b>Net Income/(loss)</b>	<b>\$ (84)</b>

**Notes**

- [1] The period of results for this legal entity was for the 31 days ended August 31, 2003; adjustments have been made to this Statement of Operations to approximate results for the 28 days ended September 6, 2003.  
 [2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

PIGGLY WIGGLY COMPANY	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	(781)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	(781)
<b>Net Income/(loss)</b>	\$ (781)

**Notes**

- [1] The period of results for this legal entity was for the 28 days ended September 6, 2003.  
[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

PROGRESSIVE REALTY, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	-
<b>Net Income/(loss)</b>	\$ -

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

RAINBOW FOOD GROUP, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	(756)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	(756)
<b>Net Income/(loss)</b>	\$ (756)

Notes

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

RETAIL INVESTMENTS, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
Total costs and expenses	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
Income/(Loss) from continuing operations	-
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
Income/(Loss) from discontinued operations	-
Net Income/(loss)	\$ -

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

RFS MARKETING SERVICES, INC.	AUGUST 10, 2003 - SEPTEMBER 6, 2003
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	-
Net Income/(loss)	\$ -

**Notes**

- [1] The period of results for this legal entity was for the 28 days ended September 6, 2003.  
[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

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Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Statement of Operations (Unaudited) [1] [2]  
(Dollars in 000's)

<b>RICHMAR FOODS, INC.</b>	<b>AUGUST 10, 2003 - SEPTEMBER 6, 2003</b>
Net sales	\$ -
Costs and expenses:	
Cost of sales	-
Selling and administrative	-
Reorganization items, net	-
Interest expense	-
Interest income and other	-
Impairment/restructuring charges	-
Litigation charges	-
<b>Total costs and expenses</b>	-
Income/(Loss) before income taxes	-
Taxes on income/(loss)	-
<b>Income/(Loss) from continuing operations</b>	-
Discontinued operations:	
Income/(Loss) before income taxes	(622)
Taxes on income/(loss)	-
<b>Income/(Loss) from discontinued operations</b>	(622)
<b>Net Income/(loss)</b>	<b>\$ (622)</b>

**Notes**

[1] The period of results for this legal entity was for the 28 days ended September 6, 2003.

[2] Refer to Fleming Companies, Inc. & Subsidiaries Statement of Operations for all financial statement footnotes.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFV Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FLEMING COMPANIES, INC. & SUBSIDIARIES [2]	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 638,214
Receivables, net [3]	611,107
Inventories	182,124
Assets held for sale [4]	41,739
Other current assets	29,050
<b>Total current assets</b>	<b>1,502,234</b>
Investments and notes receivable, net	1,702
Investment in direct financing leases	7,150
Net property and equipment	42,787
Other assets	148,211
<b>Total assets</b>	<b>\$ 1,702,084</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable [3]	\$ 25,392
Liabilities held for sale	-
Other current liabilities	9,752
<b>Total current liabilities</b>	<b>35,144</b>
Long-term debt	-
Long-term obligations under capital leases	51,668
Other liabilities	1,060
Liabilities subject to compromise [5] [6]	3,090,207
Net intercompany due to (from) [7]	1,866
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	135,221
Capital in excess of par value	706,794
Reinvested earnings (deficit)	(2,192,448)
Accumulated other comprehensive income:	
Additional minimum pension liability	(129,215)
Cumulative foreign currency translation adjustment	1,787
<b>Total shareholders' equity</b>	<b>\$ (1,477,861)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,702,084</b>

**LIABILITIES SUBJECT TO COMPROMISE [5] [6]**

Debt and notes payable [8] [9]	\$	1,858,050
Accounts payable [10] [15]		727,130
Closed store reserves [11]		40,454
Other liabilities [12] [16]		203,406
Pension obligation [13] [17]		224,135
Taxes payable [14] [18]		37,032
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$</b>	<b>3,090,207</b>

**LIABILITIES SUBJECT TO COMPROMISE ASSUMPTIONS****GENERAL**

- [1] The period close for certain legal entities was as of September 6, 2003 and as of August 31, 2003 for other legal entities. See additional detail explanation on each Balance Sheet.
- [2] Excludes ABCO Markets, Inc., ABCO Realty Corp., ASI Office Automation, Inc., C/M Products, Inc., Fleming Foods Management Co., L.L.C., Fleming Supermarkets of Florida, Inc., Food 4 Less Beverage Company, Inc., FuelServ, Inc., General Acceptance Corporation, Marquise Ventures Company, Inc. and Retail Supermarkets, Inc. as these entities had no ending balances as of period close. Further, the related Balance Sheets are excluded from the Monthly Operating Report.
- [3] The accounts payable balance as of September 6 includes vendor deductions for PRADS, military, advertising and other vendor related deductions. Any resulting net debit balance, for each legal entity, in accounts payable has been reclassified to accounts receivable. No amount has currently been reserved for receivables from vendors.
- [4] Continuing Operations as of Period 9, 2003 includes only the convenience business (or Core-Mark, including the Fleming 7). Assets of all other businesses have been reclassified as Assets Held for Sale and liabilities as Liabilities Held for Sale as required by SPAS 146.
- [5] Liabilities Subject to Compromise is comprised of prepetition Long-term Debt, Accounts payable, Closed store reserves, Other liabilities, Pension obligation and Taxes payable. Certain of the balances have been estimated. See additional detail explanations on each balance sheet.
- [6] The Company may have paid certain prepetition liabilities. Not all payments made related to prepetition debts are reflected in the Liabilities Subject to Compromise. As a result, the Liabilities Subject to Compromise may be inflated by certain reclasses made between Accounts Payable and Accounts Receivable (see note 3).
- [7] The Net Intercompany Due To (From) line on the entity level balance sheets (except for Fleming Companies, Inc.) will also include that entity's net equity.
- [8] The senior notes, convertible senior notes, and senior subordinated notes are guaranteed by substantially all of Fleming's wholly-owned direct and indirect subsidiaries. The guarantees are joint and several, full, complete and unconditional. Within the Monthly Operating Report all related amounts are reflected on the Fleming Companies, Inc. legal entity.

**FLEMING ENTITIES**

- [9] Debt and notes payable includes bonds, revolver and term Loan and related accrued interest. The debt and notes payable (excluding accrued interest) are period 9 balances. Accrued interest relates to all prepetition debt included in Liabilities Subject to Compromise.
- [10] Accounts payable includes trade payables, retailer incentives and accrued expenses. Trade payables and accrued expenses less accrued insurance were taken from the SOFA schedules (excludes Richmar Foods, Inc., Dunigan Fuels, Inc., Favar Concepts, Ltd., Fleming Transportation Service, Inc., Piggly Wiggly Company and RFS Marketing Services, Inc.) Richmar Foods, Inc.'s balance represents a detailed review of the accounts payable trial balance which was performed after the filing of the SOFA schedules. Dunigan Fuels, Inc. is a period 4 balance. Favar Concepts, Ltd., Fleming Transportation Service, Inc., Piggly Wiggly Company and RFS Marketing Services, Inc. are period 3 balances plus 9/28ths of the net activity for period 4 (9 of the 28 days in period 4 were prepetition). Accrued insurance is a period 3 balance. Retailer incentives is a period 3 balance plus 9/28ths of the net activity for period 4.
- [11] Closed store reserves are period 9 balances.
- [12] Other liabilities includes accrued compensation, accrued severance, union pension withdrawal liabilities, other current liabilities, deferred income, and other long-term liabilities. Other current liabilities, other long-term liabilities and deferred income are period 3 balances plus 9/28ths of the net activity for period 4. Accrued Compensation and union pension withdrawal liabilities are period 4 balances (excludes vacation pay which is the amount earned in excess of the \$4,650 cap by employees terminated in periods 4 through 9). Accrued severance was taken from the SOFA schedules.
- [13] Pension obligation is a period 9 balance.
- [14] Taxes payable includes income taxes and taxes other than income. Income tax liability is a period 4 balance. Taxes other than income is a period 3 balance plus 9/28ths of the net activity for period 4. Cigarette taxes payable is included in accounts payable.

**CORE-MARK ENTITIES**

- [15] Accounts payable includes trade payables, retailer incentives and accrued expenses. Accounts payable is a period 4 balance (excludes Head Distributing Company which is per the SOFA schedule). Retailer incentives, accrued expenses (including accrued insurance) are period 4 balances.
- [16] Other liabilities, which include accrued compensation, other current liabilities and other long-term liabilities, are period 4 balances.
- [17] Pension obligation is a period 9 balance.
- [18] Taxes payable includes income taxes and taxes other than income. Income tax liability and taxes other than income are period 4 balances. Cigarette taxes payable is included in accounts payable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

ABCO FOOD GROUP, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	-
Inventories	-
Assets held for sale	-
Other current assets	3
<b>Total current assets</b>	<b>3</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	2
<b>Total assets</b>	<b>\$ 5</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	-
<b>Total current liabilities</b>	<b>-</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	1,302
Net intercompany due to (from)	(1,297)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 5</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	-
Closed store reserves	-
Other liabilities	1,302
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 1,302</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

CORE-MARK INTERNATIONAL, INC.	AS OF AUGUST 31, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 201,532
Receivables, net	187,024
Inventories	97,105
Assets held for sale	-
Other current assets	11,472
<b>Total current assets</b>	<b>497,133</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	20,233
Other assets	40,195
<b>Total assets</b>	<b>\$ 557,561</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	3,349
<b>Total current liabilities</b>	<b>3,349</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	192,848
Net intercompany due to (from)	361,364
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 557,561</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	171,661
Closed store reserves	-
Other liabilities	6,798
Pension obligation	5,578
Taxes payable	8,811
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 192,848</b>

**Notes**

- [1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.  
[2] All liabilities were reclassified as Liabilities Subject to Compromise as of March 31, 2003 (period 4) except for specific postpetition liabilities, primarily payroll related. Adjustments were made in period 9 as necessary.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

CORE-MARK INTERRELATED COMPANIES, INC.	AS OF AUGUST 31, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 2
Receivables, net	2,710
Inventories	8,591
Assets held for sale	-
Other current assets	30
<b>Total current assets</b>	<b>11,333</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	330
Other assets	-
<b>Total assets</b>	<b>\$ 11,663</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 590
Liabilities held for sale	-
Other current liabilities	80
<b>Total current liabilities</b>	<b>670</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	1,031
Net intercompany due to (from)	9,962
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 11,663</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	1,031
Closed store reserves	-
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 1,031</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] All liabilities were reclassified as Liabilities Subject to Compromise as of March 31, 2003 (period 4) except for specific postpetition liabilities, primarily payroll related. Adjustments were made in period 9 as necessary.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

CORE-MARK MID-CONTINENT, INC.	AS OF AUGUST 31, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 88
Receivables, net	24,113
Inventories	24,965
Assets held for sale	-
Other current assets	1,652
<b>Total current assets</b>	<b>50,818</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	11,965
Other assets	2,969
<b>Total assets</b>	<b>\$ 65,752</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 7,888
Liabilities held for sale	-
Other current liabilities	446
<b>Total current liabilities</b>	<b>8,334</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	5,075
Net intercompany due to (from)	52,343
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 65,752</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	4,212
Closed store reserves	-
Other liabilities	844
Pension obligation	-
Taxes payable	19
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 5,075</b>

**Notes**

- [1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.  
[2] All liabilities were reclassified as Liabilities Subject to Compromise as of March 31, 2003 (period 4) except for specific postpetition liabilities, primarily payroll related. Adjustments were made in period 9 as necessary.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

DUNIGAN FUELS, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	3,065
Inventories	-
Assets held for sale	-
Other current assets	-
<b>Total current assets</b>	<b>3,065</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	<b>\$ 3,065</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	-
<b>Total current liabilities</b>	<b>-</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	8,867
Net intercompany due to (from)	(5,802)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 3,065</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	8,695
Closed store reserves	172
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 8,867</b>

**Notes**

- [1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.  
[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.



Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FAVAR CONCEPTS, LTD	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	-
Inventories	-
Assets held for sale	-
Other current assets	-
<b>Total current assets</b>	-
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	\$ -
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 93
Liabilities held for sale	-
Other current liabilities	-
<b>Total current liabilities</b>	93
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	459
Net intercompany due to (from)	(552)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	\$ -
<b>Total liabilities and shareholders' equity</b>	\$ -

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	459
Closed store reserves	-
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 459</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FLEMING COMPANIES, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 436,579
Receivables, net	293,751
Inventories	23,141
Assets held for sale	-
Other current assets	13,331
<b>Total current assets</b>	<b>766,802</b>
Investments and notes receivable, net	1,702
Investment in direct financing leases	7,150
Net property and equipment	4,345
Other assets	95,063
<b>Total assets</b>	<b>\$ 875,062</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 8,640
Liabilities held for sale	-
Other current liabilities	2,792
<b>Total current liabilities</b>	<b>11,432</b>
Long-term debt	-
Long-term obligations under capital leases	16,644
Other liabilities	1,060
Liabilities subject to compromise	2,784,586
Net intercompany due to (from)	(460,799)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	135,221
Capital in excess of par value	706,794
Reinvested earnings (deficit)	(2,192,448)
Accumulated other comprehensive income:	
Additional minimum pension liability	(129,215)
Cumulative foreign currency translation adjustment	1,787
<b>Total shareholders' equity</b>	<b>\$ (1,477,861)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 875,062</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ 1,858,050
Accounts payable	453,748
Closed store reserves	40,282
Other liabilities	189,897
Pension obligation	218,507
Taxes payable	24,102
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 2,784,586</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for the continuing operations of this legal entity (four convenience divisions) was as of August 31, 2003, and for the discontinued operations as of September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FLEMING FOODS OF TEXAS, L.P.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	57,449
Inventories	-
Assets held for sale	-
Other current assets	802
<b>Total current assets</b>	<b>58,251</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	8,278
<b>Total assets</b>	<b>\$ 66,529</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	260
<b>Total current liabilities</b>	<b>260</b>
Long-term debt	-
Long-term obligations under capital leases	1,332
Other liabilities	-
Liabilities subject to compromise	43,442
Net intercompany due to (from)	21,495
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 66,529</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	42,027
Closed store reserves	-
Other liabilities	805
Pension obligation	-
Taxes payable	610
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 43,442</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FLEMING INTERNATIONAL, LTD	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	441
Inventories	-
Assets held for sale	-
Other current assets	-
<b>Total current assets</b>	<b>441</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	48
<b>Total assets</b>	<b>\$ 489</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	36
<b>Total current liabilities</b>	<b>36</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	-
Net intercompany due to (from)	453
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 489</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	-
Closed store reserves	-
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ -</b>

**Notes**

- [1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.  
[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

FLEMING TRANSPORTATION SERVICES, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	1,983
Inventories	-
Assets held for sale	-
Other current assets	40
<b>Total current assets</b>	<b>2,023</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	<b>\$ 2,023</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 124
Liabilities held for sale	-
Other current liabilities	392
<b>Total current liabilities</b>	<b>516</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	242
Net intercompany due to (from)	1,265
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 2,023</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	208
Closed store reserves	-
Other liabilities	25
Pension obligation	-
Taxes payable	9
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 242</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

HEAD DISTRIBUTING COMPANY	AS OF AUGUST 31, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	15,040
Inventories	13,294
Assets held for sale	-
Other current assets	609
<b>Total current assets</b>	<b>28,943</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	3,681
Other assets	1,074
<b>Total assets</b>	<b>\$ 33,698</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	1,148
<b>Total current liabilities</b>	<b>1,148</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	7,416
Net intercompany due to (from)	25,134
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 33,698</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	7,485
Closed store reserves	-
Other liabilities	(95)
Pension obligation	-
Taxes payable	26
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 7,416</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] All liabilities were reclassified as Liabilities Subject to Compromise as of March 31, 2003 (period 4) except for specific postpetition liabilities, primarily payroll related. Adjustments were made in period 9 as necessary.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

MINTER-WEISMAN CO.	AS OF AUGUST 31, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	14,459
Inventories	15,028
Assets held for sale	-
Other current assets	979
<b>Total current assets</b>	<b>30,466</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	2,233
Other assets	469
<b>Total assets</b>	<b>\$ 33,168</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 7,202
Liabilities held for sale	-
Other current liabilities	-
<b>Total current liabilities</b>	<b>7,202</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	6,017
Net intercompany due to (from)	19,949
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 33,168</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	5,794
Closed store reserves	-
Other liabilities	208
Pension obligation	-
Taxes payable	15
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 6,017</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] All liabilities were reclassified as Liabilities Subject to Compromise as of March 31, 2003 (period 4) except for specific postpetition liabilities, primarily payroll related. Adjustments were made in period 9 as necessary.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

PIGGLY WIGGLY COMPANY	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	1,389
Inventories	-
Assets held for sale	-
Other current assets	114
<b>Total current assets</b>	<b>1,503</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	<b>\$ 1,503</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 49
Liabilities held for sale	-
Other current liabilities	16
<b>Total current liabilities</b>	<b>65</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	597
Net intercompany due to (from)	841
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,503</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	597
Closed store reserves	-
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 597</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.



Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

PROGRESSIVE REALTY, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	-
Inventories	-
Assets held for sale	-
Other current assets	-
<b>Total current assets</b>	-
Investments and notes receivable, net	-
Investment in direct financing leases	-
<b>Net property and equipment</b>	-
<b>Other assets</b>	-
<b>Total assets</b>	\$ -
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 9
Liabilities held for sale	-
Other current liabilities	290
<b>Total current liabilities</b>	299
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	1,220
Net intercompany due to (from)	(1,519)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	\$ -
<b>Total liabilities and shareholders' equity</b>	\$ -

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	-
Closed store reserves	-
Other liabilities	1,220
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 1,220</b>

Notes

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

RAINBOW FOOD GROUP, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	5,619
Inventories	-
Assets held for sale	20,982
Other current assets	17
<b>Total current assets</b>	<b>26,618</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	80
<b>Total assets</b>	<b>\$ 26,698</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 629
Liabilities held for sale	-
Other current liabilities	455
<b>Total current liabilities</b>	<b>1,084</b>
Long-term debt	-
Long-term obligations under capital leases	23,511
Other liabilities	-
Liabilities subject to compromise	19,274
Net intercompany due to (from)	(17,171)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 26,698</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	19,073
Closed store reserves	-
Other liabilities	201
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 19,274</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

RETAIL INVESTMENTS, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1
Receivables, net	-
Inventories	-
Assets held for sale	-
Other current assets	-
<b>Total current assets</b>	<b>1</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	<b>\$ 1</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	3
<b>Total current liabilities</b>	<b>3</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	-
Net intercompany due to (from)	(2)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	-
Closed store reserves	-
Other liabilities	-
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ -</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

RFS MARKETING SERVICES, INC.	AS OF SEPTEMBER 6, 2003
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 12
Receivables, net	23
Inventories	-
Assets held for sale	-
Other current assets	1
<b>Total current assets</b>	<b>36</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	33
<b>Total assets</b>	<b>\$ 69</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ -
Liabilities held for sale	-
Other current liabilities	-
<b>Total current liabilities</b>	<b>-</b>
Long-term debt	-
Long-term obligations under capital leases	-
Other liabilities	-
Liabilities subject to compromise	53
Net intercompany due to (from)	16
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 69</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	30
Closed store reserves	-
Other liabilities	23
Pension obligation	-
Taxes payable	-
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 53</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
Balance Sheet (Unaudited) [1]  
(Dollars in 000's)

<b>RICHMAR FOODS, INC.</b>	<b>AS OF SEPTEMBER 6, 2003</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ -
Receivables, net	4,041
Inventories	-
Assets held for sale	20,757
Other current assets	-
<b>Total current assets</b>	<b>24,798</b>
Investments and notes receivable, net	-
Investment in direct financing leases	-
Net property and equipment	-
Other assets	-
<b>Total assets</b>	<b>\$ 24,798</b>
<b>Liabilities and Shareholders' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 168
Liabilities held for sale	-
Other current liabilities	485
<b>Total current liabilities</b>	<b>653</b>
Long-term debt	-
Long-term obligations under capital leases	10,181
Other liabilities	-
Liabilities subject to compromise	17,778
Net intercompany due to (from)	(3,814)
<b>Shareholders' equity:</b>	
Common stock, \$2.50 par value per share	-
Capital in excess of par value	-
Reinvested earnings (deficit)	-
Accumulated other comprehensive income:	
Additional minimum pension liability	-
Cumulative foreign currency translation adjustment	-
<b>Total shareholders' equity</b>	<b>\$ -</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 24,798</b>

**LIABILITIES SUBJECT TO COMPROMISE [2]**

Debt and notes payable	\$ -
Accounts payable	12,110
Closed store reserves	-
Other liabilities	2,178
Pension obligation	50
Taxes payable	3,440
<b>TOTAL LIABILITIES SUBJECT TO COMPROMISE</b>	<b>\$ 17,778</b>

**Notes**

[1] Refer to Fleming Companies, Inc. & Subsidiaries Balance Sheet for all financial statement footnotes.

[2] The period close for this legal entity was September 6, 2003; therefore all liabilities were reviewed with prepetition amounts reclassified as Liabilities Subject to Compromise. Estimates were made on certain accounts where the breakout was not determinable.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
(Dollars in 000's)

#### STATUS OF POSTPETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

FLEMING	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid [11]	Ending Tax Liability
<b>Federal</b>				
Payroll Taxes [1]	\$ (72)	\$ (3,882)	\$ 3,839	\$ (115)
Income	(938)	(37)	0	(975)
<b>Total Federal Taxes</b>	<b>\$ (1,010)</b>	<b>\$ (3,919)</b>	<b>\$ 3,839</b>	<b>\$ (1,090)</b>
<b>State and Local</b>				
Payroll Taxes [1]	\$ (378)	\$ (460)	\$ 525	\$ (313)
Sales [2][12]	(680)	(1,288)	313	(1,655)
Excise [2]	(45)	(7)	20	(32)
Real & Personal Property [3]	(11,173)	(56)	761	(10,468)
Cigarette & Tobacco [4]	-	(260)	260	-
Franchise [2]	(291)	-	15	(276)
<b>Total State and Local</b>	<b>\$ (12,567)</b>	<b>\$ (2,071)</b>	<b>\$ 1,894</b>	<b>\$ (12,744)</b>
<b>Total Taxes</b>	<b>\$ (13,577)</b>	<b>\$ (5,990)</b>	<b>\$ 5,733</b>	<b>\$ (13,834)</b>

CORE-MARK [9]	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
<b>Federal</b>				
Payroll Taxes [1]	\$ (431)	\$ (3,616)	\$ 3,842	\$ (205)
Income	-	-	-	-
<b>Total Federal Taxes</b>	<b>\$ (431)</b>	<b>\$ (3,616)</b>	<b>\$ 3,842</b>	<b>\$ (205)</b>
<b>State and Local</b>				
Payroll Taxes [1]	\$ 17	\$ (519)	\$ 502	\$ 0
Sales	(38)	(36)	60	(14)
Excise	(425)	(211)	144	(492)
Real & Personal Property [3]	(374)	(110)	18	(466)
Cigarette & Tobacco	(48,331)	(83,929)	92,889	(39,371)
Other: GST [5]	(2,085)	(2,249)	2,275	(2,059)
Other: Spokane & Portland B&O Tax [6]	(177)	(52)	149	(80)
<b>Total State and Local</b>	<b>\$ (51,413)</b>	<b>\$ (87,106)</b>	<b>\$ 96,037</b>	<b>\$ (42,482)</b>
<b>Total Taxes</b>	<b>\$ (51,844)</b>	<b>\$ (90,722)</b>	<b>\$ 99,879</b>	<b>\$ (42,687)</b>

#### SUMMARY OF UNPAID POSTPETITION DEBTS

FLEMING Accounts Payable Aging (in thousands)	Amount
Current	\$ -
0 - 30 days [7]	16,914
31 - 60 days	-
61 - 90 days	-
91+ days	-
<b>Total Accounts Payable [8]</b>	<b>\$ 16,914</b>

CORE-MARK Accounts Payable Aging (in thousands) [9]	Amount
Current	\$ -
0 - 30 days [7] [10]	8,478
31 - 60 days	-
61 - 90 days	-
91+ days	-
<b>Total Accounts Payable [8]</b>	<b>\$ 8,478</b>

Explain how and when the Debtor intends to pay any past-due postpetition debts.

Fleming Companies, Inc. and its related subsidiaries do not have material past due postpetition debts. However, those debts that are past due will be paid through the ordinary course of business. Further, Fleming Companies, Inc. anticipates it will incur certain contract cure costs related to those contracts assigned to C&S Wholesale Grocers, Inc. as a result of the sale of Fleming Companies, Inc.'s wholesale grocery operations.

#### Notes

- Payroll taxes include all employer and employee payroll related items withheld and accrued. Further, Fleming's payroll taxes, both federal and state, include Core-Mark's seven Eastern divisions.
- Sales, Excise and Franchise postpetition taxes are calculated by adding to the period 8 balance the net accrual increase/decrease in period 9.
- Fleming's postpetition Real and personal property taxes include 275/365 of 2003 (April 2003 through December 2003) taxes and 2004 taxes. Additionally, Core-Mark's Real & personal property taxes excludes Plymouth as it is included in Fleming. All other Eastern divisions are included in Core-Mark.
- Cigarette and tobacco tax data was not available on an accrual basis. The period 9 expense was recorded as the accrual and the expense amount.
- GST refers to Canadian Goods and Service Taxes.
- B&O tax refers to Business and Occupational taxes for Spokane and Portland only.
- Fleming and Core-Mark were unable to provide an Accounts Payable Aging. Therefore, Accounts Payable is shown as 30 days old. Fleming's aging includes Head and Minter-Weisman.
- Accounts Payable per the Balance Sheet includes trade accounts payable, retailer incentives and other accrued expenses.
- Core-Mark's postpetition taxes and Accounts Payable data is for Core-Mark's period 9 which is August 1, 2003 through August 31, 2003.
- Core-Mark's Accounts Payable Aging excludes the "Fleming 7" entities.
- Amount Paid represents amounts paid, amounts received and other adjustments during the period.
- The beginning tax liability for period 9 includes an immaterial error correction from the period 8 ending balance.

Fleming Companies, Inc. et al.  
Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)  
Reporting Period: 8/10/03 - 9/6/03  
(Dollars in 000's)

# ACCOUNTS RECEIVABLE AGINGS

FLEMING Accounts Receivable Aging [1] [2] [7]
Not Due
Current
1 - 7 days old
8 - 14 days old
15 - 21 days old
+ Over 21 days
Credits Over 21 days [1]
Total Accounts Receivable
Amount considered uncollectible (Bad Debt) [3]
Accounts Receivable (Net)

Amount
\$ 3,798
33,689
21,668
62,589
34,752
336,574
(41,092)
\$ 451,978
(54,716)
\$ 397,263

CORE-MARK Accounts Receivable Aging [1] [4] [7]
Current
1 - 30 days old
31 - 45 days old
46 - 60 days old
61 - 90 days old
91 - 120 days old
+ Over 120 days
Total Accounts Receivable
Amount considered uncollectible (Bad Debt) [3]
Accounts Receivable (Net)

Amount
\$ 186,774
25,049
785
386
676
301
3,450
\$ 217,421
(3,573)
\$ 213,848

# DEBTOR QUESTIONNAIRE

Must be completed each month
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below. [5]
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below. [6]
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.

Yes	No
X	
	X
	X
X	

## Notes

- [1] Fleming's Accounts Receivable Aging includes Core-Mark's 7 Eastern divisions ("Fleming 7"). Therefore, Core-Mark's Accounts Receivable Aging excludes them.
- [2] An Accounts Receivable Aging was not available Fleming's entities, excluding Wholesale. The Wholesale Accounts Receivable was aged above as it accounts for approximately 29.31% of the Accounts Receivable balance. The remaining accounts receivable balance (including any adjustments) was allocated to each aging category based on the percentage of Fleming's wholesale aging categories to total wholesale accounts receivable.
- [3] Amount considered uncollectible (Bad Debt) is per the general ledger for all entities as of September 6, 2003. As a result of the sale of the Company's wholesale distribution business, the Company will review its allowance for doubtful accounts.
- [4] Core-Mark's Accounts Receivable data is for Core-Mark's period 9 ended August 31, 2003. Further, Core-Mark's Accounts Receivable Aging total differed from the general ledger total due to timing differences and adjustments. As a result, the remaining receivable balance was allocated to each aging category based on the percentage of each aging category to total accounts receivable.
- [5] On August 15, 2003 the Company liquidated inventory of approximately \$3.9 million. On August 23, 2003 the Company sold substantially all grocery wholesale assets for approximately \$237.8 million. On September 3, 2003 the Company sold land located in Kansas and Michigan totaling approximately \$1.9 million. Also on September 3, 2003 the Company sold liquor licenses, miscellaneous assets and assumed leases for approximately \$0.6 million.
- [6] Four tax returns were not filed timely due to incomplete information. The four returns were August 2003 Nebraska Cigarette Return - Lincoln Division; August 2003 Arkansas Egg Return - Garland Division; August 2003 Alabama Cigarette Return - Geneva Division; August 2003 Louisiana Tobacco Tax Return - Lafayette Division.
- [7] Any net debit balance resulting from vendor deductions in accounts payable has been reclassified to accounts receivable. No amount has currently been reserved for receivables from vendors.

**Fleming Companies, Inc. et al.**

**Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)**

**Reporting Period: 8/10/03 - 9/6/03**

If additional information is required for the current or any future Monthly Operating Reports, please send the request to Rebecca A. Roof at Fleming Companies (1945 Lakepointe Dr.; Lewisville, TX 75057).



April 8, 2003

Mr. Mark Shapiro  
Chief Financial Officer  
Fleming Companies, Inc.  
1945 Lakepointe Dr.  
Lewisville, Texas 75057

### Tax Operate Engagement Letter

Dear Mr. Shapiro:

This letter will confirm the engagement of Ernst & Young LLP ("E&Y") to provide Tax Outsourcing and Operations Services ("Services") described below to Fleming Companies, Inc. and affiliates ("the Company") subsequent to its filing a Chapter 11 petition in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

This Agreement sets out the scope and timing of those Services and the fee arrangements for our work. These services will commence upon approval by the Bankruptcy Court and remain in effect until the earlier of April 1, 2008 or such time as the Company emerges from Chapter 11.

We have agreed to provide such Services, contingent upon the Bankruptcy Court's approving our retention, in accordance with the terms and conditions which are set forth in the Agreement.

#### SCOPE OF SERVICES

We will provide to the Company the Services described in Attachment 1 ("the Services"), which may be modified from time to time by our mutual written consent, subject to the terms of this Agreement, the attached Supplemental Terms and Conditions, and approval of the Bankruptcy Court.

The Company's management is responsible for establishing and maintaining its tax system and procedures and directing the tax function. It will: (1) designate the appropriate individual to be responsible for the tax function; (2) determine the scope and frequency of all Services to be performed; (3) provide us with accurate, timely information and appropriate resources to enable us to perform Services; (4) maintain books and records as required by law and as is necessary to support any positions taken on any tax return included within the scope of this engagement in the event of any taxing authority examination; and (5) evaluate the adequacy of the tax procedures performed.

The Management Liaison will assist in recommending tax services to be provided by E&Y to the Company. The Management Liaison is responsible for decisions regarding tax services to be performed.

Mr. Mark Shapiro  
Fleming Companies, Inc.

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April 8, 2003

Our advice and services are only applicable to the specific facts presented to us. This agreement expressly authorizes the Company to disclose every aspect of our advice and Services with any and all persons, without limitation. However, because our advice is solely for the benefit of the Company and is not to be relied upon by any other persons, as part of any such disclosure the Company must inform all such persons that they may not rely upon our advice without our written consent.

The Company consents to the disclosure of its tax return information to E&Y, its partners, and employees, for the purpose of rendering tax and accounting services to clients. We will not disclose or otherwise use this information for any purpose other than that described in this letter or as allowed under the laws of the applicable jurisdictions.

Information regarding federal tax advice provided to you, communications between us, and material we create in the course of providing that advice, may be privileged and protected from disclosure to Internal Revenue Service (IRS). If IRS seeks disclosure from you or us of written or oral communications relating to the advice, we will discuss with you whether and how you assert, or waive, the privilege.

#### **Disclosure of Reportable Transactions**

Treasury regulations require corporations and other entities to file disclosure statements relating to certain tax strategies/transactions that the IRS has identified as Listed Transactions, any transaction that is substantially similar to a Listed Transaction, and Other Reportable Transactions. The disclosure statements must be filed with the proper tax return and also sent separately to the IRS. Failure to properly disclose any of these transactions/strategies in which the Company directly or indirectly participated may result in the imposition of penalties. During the process of gathering data to prepare the Company's federal tax returns, we require Company personnel to complete a questionnaire regarding Listed Transactions and Other Reportable Transactions. If there is a particular person in the Company, other than you, who should be responding to these questions, please immediately provide that person's name, position and telephone number to Lisa P. Shield at E&Y. E&Y will not be liable for any penalties resulting from the Company's failure to accurately and timely respond to these questions or to timely file the required disclosure statements.

#### **USE OF E&Y SOFTWARE**

During this engagement, the Company employees authorized by both E&Y and the Company will have access to E&Y's software known as TaxSite, eyC@Pure TaxDriveR, and/or QuickPlace (collectively known as "the Software"), for the purposes of assisting the Company through E&Y's completion of the Services. We will not install the Software on the Company's computers. The Company will not, nor permit others, to copy, duplicate, or modify the Software. The Company will not decompile, reverse engineer, or in any way derive any source code from or create any derivative work of the Software. The Company acknowledges that its use of the Software is not a substitute for any documentation or system of records created or

Mr. Mark Shapiro  
Fleming Companies, Inc.

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April 8, 2003

maintained pursuant to law, including but not limited to Internal Revenue Code Section 6001. The Company is responsible for maintaining separate copies of any documentation it inputs into the Software. Software is provided "AS IS" without warranty and E&Y shall not provide any support or maintenance for the Software unless otherwise mutually agreed.

The Company's use of QuickPlace shall be subject to and governed by the terms and conditions of a user agreement under the terms and conditions of which are required to be agreed to by an authorized representative of the Company prior to the Company's access to QuickPlace.

### FEES

E&Y will bill the Services outlined in this Agreement based on standard hourly rates for provision of this category of service, which are revised annually effective July 1. Presently, these rates range as follows by level of tax professional:

Partners and Principals	\$425 to \$750
Senior Managers	\$370 to \$540
Managers	\$250 to \$490
Senior Staff	\$180 to \$375
Staff	\$130 to \$240

We will request payment of our fees in accordance with local bankruptcy rules for the District of Delaware and any relevant administrative orders. In addition, we will request reimbursement of our actual expenses related to this Agreement, as well as fees for any time (including reasonable expenses of legal counsel) we may incur in considering or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory or other proceeding as a result of our performance of these Services.

### *Staffing for Provision of Tax Compliance Services*

Lisa P. Shield will be the engagement tax partner responsible for the provision of our tax services. David Coley, Senior Manager, and Dave Sigler, Senior Manager will work closely with Lisa Shield and management in providing tax services. If any of these individuals ceases to provide tax services to the Company pursuant to this Agreement, Ernst & Young will so advise the Company and, if that professional is replaced, provide the Company with the name of that professional's replacement.

Our tax services team includes the following tax professionals as of the date of this petition. Other professionals may be needed to assist with our provision of services to the Company on an ongoing basis.

Layne Wroblewski	Janatha McCullough
Jennifer Adair	John Dixon
Nancy Flagg	Daniel Roche

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Eliot Fielding	Michael Sanders
Davila Niesen	Timothy Murray
Hilary Mink	Keith Anderson
Patsy Bustamante	Katie Duren
Austin Lee	Lindsey Lakey
Deborah Banheisal	Donna Ellington
Joyce Bauchner	Mohua Barden
Tresa Simbye	Kathy Everidge
Raymond Smith	Steve Graham
Susan Hudson	Cindy Vintrella
Esparanza English	Pamela Young
Carolyn S. Coen	Cletith Simmons

In addition to members of our tax services team, others involved in serving you, such as senior members of the internal audit team, may participate in our provision of tax advice so that, among other things, they can provide relevant input into the process and the effects of financial statement treatment on the tax advice we provide may be considered on a timely basis. Other staff, not identified herein, may be utilized as required to conduct our work in the most efficient manner possible.

#### OTHER MATTERS

We will perform the services outlined in this letter for the Term of the Agreement until either party terminates this agreement upon 120 days written notice or the Company emerges from Chapter 11, whichever event occurs first. E&Y is not responsible for any damages or losses the Company may incur because it failed to meet any deadline on a timely basis as a result of its termination of this Agreement.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena, or other legal process to produce our documents or personnel as witnesses regarding our Services for Company, you will reimburse us for our professional time and expenses, as well as our counsel's fees and expenses, incurred in responding to such requests.

The Company will provide E&Y with reasonable accommodations for facilities (e.g., individual work space, other work-related facilities and telecommunications), and with access to electronic records needed to provide Services.

If any part of this Agreement is held to be void, invalid, or otherwise unenforceable, the remaining Agreement provisions are not affected. Without prior written consent of the other party, neither party may assign any rights or obligations herein, in whole or in part. The subject matter contained herein constitutes the entire agreement between the parties, superseding all agreements and understandings made before the date of this Agreement.

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Any controversy or claim with respect to, in connection with arising out of, or in any way related to this Agreement or the Services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of the Company or of E&Y) shall be brought in the Bankruptcy Court or the District Court if such District Court withdraws the reference and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, caused of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court or the District Court upon withdrawal of the reference does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbonding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures set forth in Attachment 2 of the Agreement. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Company, E&Y and any and all successors and assigns thereof.

IRS released regulations increasing the disclosures that taxpayers and tax advisors may have to make and records they may have to retain in connection with transactions that have federal income tax reduction as a significant purpose. At your request, we will discuss these disclosure and record retention requirements and their possible application to transactions arising out of this engagement. Our fee for such services may be contained in a modification to this Agreement or a separate engagement letter if significant work is to be performed. The benefits of this Agreement shall inure to the respective successors and assigns of the parties hereto and the obligations and liabilities assumed in this Agreement by the parties hereto shall be binding upon their respective successors and assigns.

We understand that the Company or E&Y may provide notice to terminate our engagement at any time. The alternative dispute resolution provision contained in Attachment 2 to the Agreement will remain operative and in full force and effect regardless of any termination or expiration of this Agreement and shall survive completion of the Company's bankruptcy proceedings whether through a confirmed plan of reorganization, liquidation of the Company's assets under Chapter 11 or 7 of Title 11 of the United States Code, or otherwise.

As set forth herein, the Company has requested that E&Y provide tax operations services, the scope of which is set forth in the Agreement. The Company recognizes and acknowledges that by performing the services set forth in the Agreement, E&Y is not acting in any Company management capacity and that the Company has not asked E&Y to make, nor has E&Y agreed to make, any business decisions on behalf of the Company. All decisions about the business or operations of the Company remain the sole responsibility of the Company's management and its board of directors.

By agreement to the provision of the services set forth in the Agreement, E&Y is not providing a guarantee to the Company that E&Y's performance of those services pursuant to the terms and conditions set forth in the Agreement will guarantee the Company's successful reorganization

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under Chapter 11 of Title 11 of the United States Code. Except as expressly provided herein, this engagement letter does not modify the terms or provisions of any engagement letter for other professional services, which were agreed to prior to the date noted below.

We appreciate the opportunity to be of continued service. If you have any questions regarding this letter, please contact Lisa P. Shield at (817) 348-6056. Please indicate your acceptance of the above arrangements by signing and returning the enclosed copy of this letter.

Very truly yours,

*Ernst + Young LLP*

FLEMING COMPANIES, INC.

By:

*Mark Shapiro*  
Mark Shapiro, Chief Financial Officer

*4/11/03*  
Date

Mr. Mark Shapiro  
Fleming Companies, Inc.

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## **TAX OPERATIONS SERVICES ENGAGEMENT AGREEMENT SUPPLEMENTAL TERMS AND CONDITIONS**

### **A. Proprietary and Related Rights**

1. **Company Property.** All information the Company supplies to E&Y in connection with the Services being provided will remain the property of the Company or its licensors. All tax returns, reports and other documents prepared for the Company using this information will be the Company's property and the Company will be solely responsible for the retention of such documents.

2. **E&Y Property.** During the term of this engagement, we may use certain methodologies, programs, or procedures ("Technical Elements") developed or used by us or our licensors, including enhancements or improvements developed during the performance of Services. Our use of these Technical Elements during the engagement does not grant the Company a license or property interest in them. We will retain: (1) the right to use our knowledge, experience and know-how, including Technical Elements developed while performing the Services, in providing services to other clients; (2) ownership of all working papers we prepare for purposes of documenting, in accordance with professional requirements, our performance of the Services; and (3) copies of tax returns, reports and other documents prepared by us, for our own purposes and use.

### **B. Confidential Information**

1. **Confidentiality.** Unless specified in this Agreement, when E&Y receives Confidential Information, as defined below, from the Company in connection with the Services, it will not disclose the Confidential Information outside of E&Y. "Confidential Information" is information that is not generally known to the public; that would reasonably be considered confidential or proprietary; and that the Company specifically designates as "confidential." Confidential Information does not include information that: (i) at the time of its disclosure, is or thereafter becomes, part of the public domain through a source other than E&Y; (ii) was known to E&Y prior to the time of its disclosure; (iii) is independently developed by E&Y without reference to any Confidential Information; or (iv) is subsequently learned from a third party not known by E&Y to be subject to an obligation of confidentiality with respect to the information disclosed.

2. **Exceptions.** Nothing in this Agreement will limit our ability to disclose such Confidential Information, and we will have no liability for such disclosure, as long as the disclosure is: (i) required pursuant to law, regulation, professional responsibility, government authority, duly authorized summons, subpoena or court order and we provide notice to the Company prior to the disclosure; (ii) required by a court or other tribunal in connection with the enforcement of our rights under this Agreement; or (iii) approved for disclosure by the prior written consent of the Company.

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3. Survival of Restrictions. The terms of this Section B will survive this Agreement's termination, continuing in full force and effect for two years from the date of such termination, or longer if otherwise required by law or regulation.

C. Relationship of Parties

1. Independent Contractor. Nothing in this Agreement will be construed to imply a joint venture, partnership or agency relationship between the parties for any purpose. Each party is an independent contractor in connection with this Agreement and as such neither will have any authority to bind or commit the other.

2. Concerning Employees. Personnel supplied by either party are employees (or partners, in the case of E&Y partners) of that party and will not be considered employees or agents of the other party. Unless provided elsewhere in this Agreement, each party is solely responsible for the supervision, daily direction and control of its employees, and the payment of salaries, including all payroll related withholdings and remits. If the parties agree that E&Y will hire certain of the Company's employees, hiring will occur on terms and conditions mutually agreeable to the parties.

D. Miscellaneous

If any part of this Agreement is held to be void, invalid, or otherwise unenforceable, the remaining Agreement provisions remain in effect. Neither party may assign this Agreement or any rights or obligations under it, in whole or in part, without the other party's prior written consent. Except to the extent that portions of prior Agreements are incorporated into this Agreement by reference, this Agreement constitutes the entire agreement between the parties regarding its subject matter, superseding all agreements and understandings between the Company and E&Y with respect thereto made prior to the date of this Agreement.

Any controversy or claim with respect to, in connection with arising out of, or in any way related to this Agreement or the Services provided hereunder (including any such matter involving any parent, subsidiary, affiliate, successor in interest or agent of the Company or of E&Y) shall be brought in the Bankruptcy Court or the District Court if such District Court withdraws the reference and the parties to this Agreement, and any and all successors and assigns thereof, consent to the jurisdiction and venue of such court as the sole exclusive forum (unless such court does not have jurisdiction and venue of such claims or controversies) for the resolution of such claims, caused of action or lawsuits. The parties to this Agreement, and any and all successors and assigns thereof, hereby waive trial by jury, such waiver being informed and freely made. If the Bankruptcy Court or the District Court upon withdrawal of the reference does not have or retain jurisdiction over the foregoing claims or controversies, the parties to this Agreement and any and all successors and assigns thereof, agree to submit first to nonbonding mediation; and, if mediation is not successful, then to binding arbitration, in accordance with the dispute resolution procedures set forth in Attachment 2 to the Agreement. Judgment on any arbitration award may be entered in any court having proper jurisdiction. The foregoing is binding upon the Company, E&Y and any and all successors and assigns thereof.



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**Attachment I**

**SCOPE OF SERVICES**

E&Y and the Management Liaison will agree to a tax services to be performed in the course of this engagement. E&Y will perform the tasks in order to manage the tax function on behalf of the Company. The Company's Management Liaison will authorize the tax programs and procedures E&Y recommends. Except where otherwise noted, E&Y will be responsible for services, reports and deadlines falling within the term of the Agreement.

Pursuant to the E&Y engagement letter, E&Y will provide such tax services as E&Y and the Company shall deem appropriate and feasible in order to perform tax services in the Agreement and to advise the Company in the course of the Chapter 11, including but not limited to the following services:

**FEDERAL AND STATE INCOME TAX COMPLIANCE, CONSULTING AND ADMINISTRATION**

- Prepare Federal and all state income and franchise, gross receipts and net worth tax returns on behalf of Fleming (including Core-Mark at 6/18/02 forward) and maintain tax files and documentation consistent with E&Y standards for Calendar Year 2002 through 2004 returns.
- Preparation of certain adjustments and book/tax differences related to Forms 1120 and state tax returns for Core-Mark and its subsidiaries for the 6-17-02 short period tax returns.
- Prepare Canada Income Tax Form T2 and provincial income and capital tax returns and maintain tax files and documentation consistent with E&Y standards for Canadian branch tax for calendar year 2002 through 2004 returns.
- Prepare a quarterly and annual tax calendar for the upcoming quarter and year, including (i) estimated cash payments for tax liabilities anticipated, and (ii) other tax matters which should be addressed.
- Prepare check requests, check deposits, certified mailing and electronic filing of tax payments.
- Coordinate and respond to Federal and state audits and notices including Canada and provincial audits and notices.
- Prepare FAS 109 quarterly and annual analysis, including preliminary footnote draft for review and approval by Fleming.
- Prepare quarterly federal and state estimated income tax payments, including franchise, gross receipts and all other required payments, extension computations and payments, and monthly estimated tax payments for Canadian returns, beginning with September 15, 2002 estimated payments for Fleming and December 15, 2002 for Core-Mark.
- Prepare and provide to Fleming treasury department quarterly a schedule of estimated cash requirement for Federal income taxes.
- Prepare FSC return based upon the limited methodology used by Fleming for the 2001 FSC return.

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- Prepare annual reports.
- Provide information when requested for acquisitions and divestitures consistent with historical tax team level of effort.
- Tax package design, preparation, distribution and review.
- Represent Fleming in Federal audits and state audits annually and review Form 5701 consistent with historical tax team level of effort.
- Prepare Federal and Canadian amended returns, resulting from RAR's consistent with E&Y's cost-benefit analysis, or submit, as appropriate to state taxing authorities.
- Reconciliations of prepaids, liability, deferreds, clearings, interest expense/income accounts and payroll tax penalty assistance and reconciliation of transcripts consistent with historical tax team level of effort.
- Information gathering for special projects.
- Obtain airplane log and prepare W-2 information reporting.
- Tax depreciation computations and reconciliations, including gain loss computations and running all reports for federal and states. Includes documentation of existing review process in place with Core-Mark fixed assets, and agreement as to scope of activities related to fixed assets for tax
- Balance sheet reviews for new accounts and tax basis balance sheets.
- Preparation of LIFO computations for Fleming and Core-Mark unless prepared by outside third party providers retained separately by Bankruptcy Court.
- Coordination with ERP System Implementation (F1) group to answer limited questions regarding taxability of excise/sales tax items.
- Communication of divisional credits for WOTC.
- Stuff envelopes for tax return payments.
- Limited research on transfer stamps, floor stocks tax returns, etc. Includes preparation of draft of financial statements for 15<sup>th</sup> period journal entries for tax entities such as Retail Investment, Rainbow Food Group, ABCO Food Group and Bakers Food Group for the review and approval of Fleming accounting staff and Controller/CFO. Also includes allocation of expenses for corporate charges and interest between Canada and the U.S.
- Preparation of Unclaimed Property tax returns for Fleming and Core-Mark other than those prepared by outside third party providers.
- IRS Account Analysis and Recovery & Interest Netting, including review of IRS Account transcripts, including preparation of Form 2848, preparation of interest computations, and filing of refund claims.
- Preparation and review of any required 9100 relief filings or Forms 3115 related to changes in accounting methods, and Forms 1128 related to changes in accounting periods.
- Preparation and review of all federal and state amended returns, including Forms 1139 and Forms 1120X and the state equivalents.
- Analysis of all transaction related costs incurred by Fleming and Core-Mark for deductibility versus capitalization for income tax purposes.
- Research and consultations regarding corporate restructuring and related tax implications for federal and state issues.

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- Research and consultations related to employment tax matters. Payroll tax compliance tax return filings and remittances are specifically excluded from the scope of this engagement.
- Review of the Company's existing supplemental unemployment benefit ("SUB") plan to ensure the Company continues to receive the appropriate employment tax benefits available under the plan, including assistance with general employment tax questions arising in the normal course of doing business not related to specific transactions, and also including federal employment tax reporting and withholding questions, federal and state income tax withholding penalty notices and resolution, federal and state employment tax audit assistance, state unemployment tax planning associated with acquisition or expansion into new taxing jurisdictions, and executive compensation consultation.
- Computation and analysis of earnings and profits of the Company for tax purposes under Section 316 of the Internal Revenue Code.
- Preparation and review of computations for Quick Refund Claim Form 4466 relating to ratable allocation election under Treasury Regulation Section 1.1502-76(b), state tax research related to the election, documentation of tax treatment of extraordinary items of income and expense.

#### PROPERTY TAX SERVICES

- Oversight of third-party service providers including communications, correspondence, arrangement for data supply and approval of fees, receipt of tax bills and other data. Prepare returns and renditions based on fixed asset and other accounting information provided by Fleming.
- Review estimates or analyses of property taxes for accrual and/or tax proration quarterly.
- Research of new or unknown properties and tax parcels, including bills that show up new.
- Maintain files for all properties as appropriate.
- Validate tax bills and coordinate with the Accounts Payable Department for payment of all real and personal property tax bills. This may entail an electronic transfer of payment information from E&Y to the Fleming Core-Mark Accounts Payable department for approval and processing.
- Estimation of year-end accrual information by property annually.
- Preparation of annual property tax budget data and information by property.
- Research new properties and set up for processing and payment.
- Quarterly reconciliation of accounts and review of any third-party prepared renditions.

#### SALES & USE TAX SERVICES

- Update and maintain sales and use, cigarette, tobacco, egg, and other miscellaneous taxes, and business license, filing calendars.
- Prepare sales and use tax returns for all U.S., state and local governments, and maintain adequate audit trail and supporting documentation.
- Prepare other cigarette, tobacco, and other sundry tax filings.

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- Prepare responses to audit notices and provide audit assistance for all sales & use tax filing responsibilities, including cigarette, tobacco, egg, miscellaneous, business licences, etc.
- Assist with tax issues related to transfer of inventory and licensing issues in consolidation of distribution centers.
- Assist with miscellaneous matters related to responding to overdue notices from state tax jurisdictions, including preparation of necessary correspondence, penalty/interest abatement requests, and responses to liens assessed against the Company related to Chapter 11 filing.
- Recommend journal entries, intercompany postings and prepare account reconciliations for sales and use tax, and other sundry tax payable accounts and other general ledger accounts as required.
- Provide Fleming an electronic check request of payment information related to sales/use and other sundry tax returns.
- Respond to notices associated with any tax returns prepared by E&Y or the former Fleming tax department.
- Notify a designated Fleming representative of applicable changes related to sales and use, cigarette, tobacco, and other tax rates for maintenance of tax rate tables in the Fleming system as identified by management.
- Perform limited research on the taxability of new inventory and non-inventory items or services offered by Fleming, consistent with current tax function.
- Respond to other sales, use and other sundry tax questions from Fleming personnel.
- Prepare special tax related reports and schedules as requested by Fleming management.
- Coordinate with accounting operations to resolve issues on stamps, purchases, inventory accounts, and return variances.
- Preparation and review of sales tax refund claims for all sales, use and miscellaneous tax refunds due to the company.
- Research and consultations related to Work Opportunity Tax Credits, California Enterprise Zone Hiring Credits, Statutory Credits, Training Grants, and other Incentive Tax matters.
- Review of transaction tax process, transaction tax systems and accuracy of taxability tables. Includes preparation and implementation of rate analysis tool to convert and compare cigarette stamp tax and tobacco excise tax rates in FOODS system to the actual rates in order to electronically update the customer master or cigarette/tobacco tax file. Includes preparation of batch files for Company IT department to update rates in FOODS system.

#### **BANKRUPTCY TAX SERVICES**

- Working with Company personnel to develop an understanding of the business objectives related to the Company's potential reorganization and/or restructuring alternatives that the Company is evaluating with existing creditors that may result in a change of the equity, capitalization and/or ownership of the shares of the Company or its assets.
- Assist and advise the Company in potential tax related bankruptcy restructuring objectives, implications and post-petition bankruptcy tax matters.

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- Provide tax consulting regarding availability, limitations, preservation and maximization of tax attributes, such as net operating losses, alternative minimum tax credits and work opportunity tax credits, minimization of tax costs in connection with stock or asset sales, if any, and assistance with tax issues arising in the ordinary course of the Company's business.
- Assist with settling tax claims against the Company and obtaining refunds of reduced claims previously paid by the Company for various taxes, including (but not limited to) federal and state income, franchise, payroll, sales and use, property and excise and business license.
- Assistance with evaluating and scheduling tax liabilities and in assessing tax claims by type and entity, including working with bankruptcy counsel to resolve tax claims if the Company files bankruptcy.
- Analysis of legal and professional fees incurred during the restructuring or bankruptcy period for purposes of determining future deductibility of such costs.
- Documentation of tax analysis, opinions, recommendations, conclusions and correspondences for any proposed restructuring alternative, bankruptcy tax issue or other tax matter described above.

#### **OTHER TAX SERVICES**

For any miscellaneous tax projects requested by the Company and not specifically listed in this Agreement, including tax planning and tax consulting services, E&Y will bill those services in accordance with the standard hourly rates outlined in this Agreement.

Mr. Mark Shapiro  
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Attachment 2

**DISPUTE RESOLUTION PROCEDURES**

The following procedures shall be used to resolve any controversy or claim ("dispute") as provided in this Agreement, other than objections to fee applications relating to the subject retention. If any of these provisions are determined to be invalid or unenforceable, the remaining provisions shall remain in effect and binding on the parties to the fullest extent permitted by law.

**Mediation**

A dispute shall be submitted to mediation by written notice to the other party or parties. The mediator shall be selected by agreement of the parties. If the parties cannot agree on a mediator, a mediator shall be designated by the CPR Institute for Dispute Resolution at the request of a party. Any mediator so designated must be acceptable to all parties.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the dispute.

The mediation will be treated as a settlement discussion and therefore will be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. No recording or transcript shall be made of the mediation proceedings.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

**Arbitration**

If a dispute has not been resolved within 90 days after the written notice beginning the mediation process (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute will be settled by arbitration. The arbitration will be conducted in accordance with the procedures in this document and the Rules for Non-Administered Arbitration of the CPR Institute for Dispute Resolution as in effect on the date of the engagement letter, or such other rules and procedures as the parties may designate by mutual agreement. In the event of a conflict, the provisions of this document will control. The arbitration will be conducted before a panel of three arbitrators, two of whom are to be designated by the parties from the CPR Panels of Distinguished Neutrals using the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of these procedures, including any contention that all or part of these procedures are invalid or unenforceable, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator shall be appointed unless he or she has agreed in writing to abide and be bound by these procedures.

**ERNST & YOUNG LLP**

2121 San Jacinto Street, Suite 1500  
Dallas TX 75201

Dallas Office  
Phone (214) 969-8000  
Facsimile (214) 969-9770

Fleming Companies, Inc. et al.

Case Nos. 03-01944 - 03-10973 (MFW Jointly Administered)

Reporting Period: 8/10/2003 to 9/06/2003

**TAX AFFIDAVIT**

By order of this Court dated May 6, 2003, Ernst & Young (E&Y) has been retained to provide certain tax services to the Debtors (the "Tax Services"). E&Y provided the Tax Services pursuant to the terms and conditions set forth in the engagement letter attached hereto as Ex. A which was allowed under the May 6, 2003 Bankruptcy Court Order of E&Y retention. Pursuant to this retention order, E&Y assists the Debtor with the following tax services during the reporting period on behalf of Fleming Companies, Inc. and affiliates ("the Debtor"):

- Prepare certain federal income, state income, state franchise, gross receipts and net worth tax returns and provide them to management of the Debtor for signature;
- Prepare certain sales, excise, and use tax returns for U.S., state and local governments and provide them to management of the Debtor for filing;
- Provide certain property tax returns prepared by third party consultants to management of the Debtor for filing;
- Prepare certain property tax returns and provide them to management of the Debtor for filing; and
- Update a tax filing calendar for certain income, franchise, sales and use, cigarette, tobacco, and other miscellaneous taxes, and business license filings and provide it to Debtor's management for review and approval.

The Debtor's management is responsible for establishing and maintaining its tax system and procedures.

During the reporting period, the following returns were not timely filed due to incomplete information and/or inability for accounts payable to print checks needed to remit with the return at the time the returns were due.

These returns have subsequently been filed with the appropriate jurisdictions.

August 2003 Nebraska Cigarette Return—Lincoln Division;  
August 2003 Arkansas Egg Return—Garland Division;  
August 2003 Alabama Cigarette Return—Geneva Division;  
August 2003 Louisiana Tobacco Tax Return—Lafayette Division;

To the best of my knowledge, E&Y has completed the above mentioned activities related to the tax returns covered by the engagement letter which are required to be prepared or filed by the Fleming Companies, Inc. and its affiliates during the reporting period referenced above.

October 17, 2003

\_\_\_\_\_  
Date



\_\_\_\_\_  
Lisa P. Shield, Partner