



75 Valley Stream Parkway  
Malvern, PA 19355

610.889.4000

November 16, 2009

**Re: Threatened Strike Activity and Contract Extension Cancellation by UFCW Local 1360**

Dear ACME associates represented by UFCW Local 1360:

Last week, your union took a strike vote against ACME and gave notice to cancel our existing contract extension on Friday, Nov. 20. These moves were designed to threaten ACME during one of our busiest times of the year and jeopardize your uninterrupted access to wages, benefits and job security – at a time when millions of Americans are out of work and the economy is struggling.

We want to continue negotiating in good faith with the union, and have repeatedly expressed our commitment to finding reasonable solutions to the serious challenges we face. Neither side has made a final contract offer, but ACME's current offer includes large increases in our contributions to help secure your pensions and wage improvements. We have also discussed health care contributions that would provide affordable and comprehensive benefits.

We are up against some of the most intense competitive pressures we have ever faced at ACME, and if we lose customers as a result of a labor dispute, they may never come back. That's why we must take steps to protect our business. We are preparing for a strike – including the possibility of temporarily or permanently closing stores – because Local 1360's actions have left us no choice. Unfortunately, if our business suffers as a result of a strike or other business developments, we reserve the right to reduce, withdraw or otherwise modify portions of our current contract offer.

We do not want a strike. It's not good for you, our business or our customers. But no matter what pressure tactics Local 1360 decides to use, ACME won't agree to a contract that hampers our ability to compete long-term or that ignores your best interests and those of our customers. We hope Local 1360 will work with us to reach a peaceful solution that will balance these needs.

We have started a Web site for you to stay updated about the status of negotiations, and I've enclosed a copy of the letter we sent your union president. Learn more at [www.acmelabornews.com](http://www.acmelabornews.com). If you have any questions, please contact your store director.

Thank you,

Judy Spires  
President