RITE AID CORP
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A filing fee of $6,210 relating to $158,000,000 of 8.5% Convertible Senior Notes due 2015 offered from the registration statement by means of this prospectus supplement has been calculated in accordance with Rule 457(r) of the Securities Act and transmitted herewith.

PROSPECTUS SUPPLEMENT
(To Prospectus Dated February 9, 2007)

$150,000,000

Rite Aid Corporation

8.5% Convertible Notes due 2015

The notes will bear interest at the rate of 8.5% per annum. Interest on the notes is payable on May 15 and November 15 of each year, beginning on November 15, 2008. The notes will mature on May 15, 2015.

The notes are convertible by holders into shares of our common stock at a conversion rate of 386.3614 shares of common stock per $1,000 principal amount of notes (subject to certain adjustments as set forth in this prospectus supplement), which is equivalent to an initial conversion price of approximately $2.59 per share of common stock.

We may not redeem the notes at our option. If a fundamental change occurs, holders will have the right to require us to repurchase the notes under the terms described in this prospectus. In addition, if certain fundamental changes occur, we may be required to increase the conversion rate for any notes converted in connection with such fundamental change by a specified number of shares of our common stock.

The notes will be unsubordinated, unsecured obligations of Rite Aid Corporation and will be equal in ranking with all existing and future unsubordinated, unsecured debt of the corporation. Our subsidiaries own substantially all of our operating assets, and the notes will be structurally subordinated to all indebtedness and other liabilities of our subsidiaries, including guarantees by such subsidiaries of our existing and future guaranteed debt. In the event of our bankruptcy or insolvency, our secured creditors would have a prior secured claim to any collateral securing debt owed to them.

We have granted to the underwriter an over-allotment option to purchase up to an additional $8,000,000 principal amount of notes.

Our common stock is listed on the New York Stock Exchange under the symbol "RAD." The last reported sale price of our common stock on May 22, 2008 was $2.03 per share.

Investing in the notes involves risks. See "Risk Factors" beginning on page S-10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total

Public Offering Price	100.00%	$ 150,000,000
Underwriting Discount	3.00%	$ 4,500,000
Proceeds to Rite Aid (before expenses)	97.00%	$ 145,500,000

The underwriter expects to deliver the notes to purchasers on or about May 29, 2008.

Citi

May 22, 2008

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any dates on their respective covers.

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Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This document contains two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, provides a summary of the terms of our securities offered hereby and more general information, some of which may not apply to this offering. If the description of the offering or our Company varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any notes, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information."

References to "Rite Aid," the "Company," "we," "our" and "us" and similar terms mean Rite Aid Corporation and its subsidiaries, unless the context otherwise requires.

References to "Jean Coutu Group" mean The Jean Coutu Group (PJC) Inc. and its subsidiaries, references to "Jean Coutu USA" mean The Jean Coutu Group (PJC) USA, Inc. and its subsidiaries and references to "Brooks Eckerd" mean the Brooks Eckerd drugstore chain, unless the context otherwise requires.

References to the "notes" mean the Convertible Notes due 2015 offered hereby, unless the context requires otherwise.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, and the documents incorporated by reference herein, include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are often identified by terms and phrases such as "anticipate," "believe," "intend," "estimate," "expect," "continue," "should," "could," "may," "plan," "project," "predict," "will" and similar expressions and include references to assumptions and relate to our future prospects, developments and business strategies.

Factors that could cause actual results to differ materially from those expressed or implied in such forward-looking statements include, but are not limited to:

- our high level of indebtedness;
- our ability to make interest and principal payments on our debt and satisfy the other covenants contained in our senior secured credit facility and other debt agreements, including the indenture governing the notes offered hereby;
- our ability to improve the operating performance of our existing stores in accordance with our long-term strategy;
- our ability to realize the benefits of the acquisition of Brooks Eckerd;
- our ability to hire and retain pharmacists and other store personnel;
- our ability to open or relocate stores according to our real estate development program;
- the efforts of private and public third party payors to reduce prescription drug reimbursement and encourage mail order;
- competitive pricing pressures and continued consolidation of the drugstore industry;
- changes in state or federal legislation or regulations;
- the outcome of lawsuits and governmental investigations;
- general economic conditions and inflation, interest rate movements and access to capital; and
- other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission (the "SEC").

We undertake no obligation to update or revise the forward-looking statements included or incorporated by reference in this prospectus supplement, whether as a result of new information, future events or otherwise, after the date of this prospectus supplement. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences are discussed in the sections entitled "Risk Factors" included in this prospectus supplement, and our Annual Report on Form 10-K for the fiscal year ended March 1, 2008, which we filed with the SEC on April 29, 2008.

SUMMARY

This summary does not contain all of the information that you should consider before investing in the notes. You should read the entire prospectus supplement carefully, including the matters discussed under the caption "Risk Factors" and the detailed information and financial statements included or incorporated by reference in this prospectus supplement. Unless otherwise indicated, references to fiscal year refer to the fiscal year of Rite Aid, which ends on the Saturday closest to February 29 or March 1 of that year. The fiscal years ended March 1, 2008, March 3, 2007, February 26, 2005 and February 28, 2004 included 52 weeks. The fiscal year ended March 4, 2006 included 53 weeks.

Our Business

We are the third-largest retail drugstore chain in the United States based on revenues and number of stores. We operate our drugstores in 31 states across the country and in the District of Columbia. As of March 1, 2008, we operated 5,059 stores. During fiscal 2008, we generated $24.3 billion in revenue.

In our stores, we sell prescription drugs and a wide assortment of other merchandise, which we call "front end" products. In fiscal 2008, prescription drug sales accounted for 66.7% of our total sales. We believe that our pharmacy operations will continue to represent a significant part of our business due to favorable industry trends, including an aging population, increased life expectancy, the federally funded prescription drug benefit program ("Medicare Part D"), the discovery of new and better drug therapies and our ongoing program of purchasing prescription files from independent pharmacies. We offer approximately 26,300 front end products, which accounted for the remaining 33.3% of our total sales in fiscal 2008. Front end products include over-the-counter medications, health and beauty aids, personal care items, cosmetics, household items, beverages, convenience foods, greeting cards, seasonal merchandise and numerous other everyday and convenience products, as well as photo processing. We attempt to distinguish our stores from other national chain drugstores, in part, through our private brands and our strategic alliance with GNC, a leading retailer of vitamin and mineral supplements. We offer approximately 3,000 products under the Rite Aid private brand, which contributed approximately 12.9% of our front end sales in the categories where private brand products were offered in fiscal 2008.

The overall average size of each store in our chain is approximately 12,400 square feet. The average size of our stores is larger in the western United States. As of March 1, 2008, approximately 56% of our stores are freestanding; approximately 47% of our stores include a drive-thru pharmacy; approximately 62% include one-hour photo shops; and approximately 29% include a GNC store-within-Rite Aid-store.

Acquisition

On June 4, 2007, we acquired all of the membership interests of JCG (PJC) USA LLC, the holding company for the Brooks Eckerd drugstore chain ("Brooks Eckerd"), from Jean Coutu Group, pursuant to the terms of the Stock Purchase Agreement (the "Stock Purchase Agreement") dated August 23, 2006. As consideration for the acquisition of Jean Coutu USA (the "Acquisition"), we paid $2.3 billion and issued 250 million shares of our common stock. We financed the cash payment via the establishment of a new term loan facility, issuance of senior notes and borrowings under our existing revolving credit facility. Our operating results include the results of the Brooks Eckerd stores from the date of the Acquisition.

As of March 1, 2008, the Jean Coutu Group owns 251.9 million shares of Rite Aid common stock, which represents approximately 28.6% of our total voting power. We expanded our board of directors to 14 members, with four of the seats being held by members designated by the Jean Coutu Group. In connection with the Acquisition, we entered into a stockholder agreement with Jean Coutu Group and certain Coutu family members. The agreement contains provisions relating to Jean Coutu Group's ownership interest in the Company, board and board committee composition, corporate governance, stock ownership, stock purchase rights, transfer restrictions, voting arrangements and other matters. We also entered into a registration rights agreement giving Jean Coutu Group certain rights with respect to the registration under the Securities Act of 1933, as amended (the "Securities Act"), of the shares of our common stock issued to Jean Coutu Group or acquired by Jean Coutu Group pursuant to certain stock purchase rights or open market rights under the stockholder agreement.

We believe the acquisition of Brooks Eckerd provides several strategic benefits, including the following:

- a significant increase in the footprint and operating scale of our business, with increased presence in key strategic markets;
- the creation of the leading drugstore retailer in the eastern United States, which we believe will allow us to achieve the scale necessary to remain competitive with our major competitors;
- long-term value creation through net reductions in costs and expenses, achievement of meaningful synergies, including additional operational efficiencies, greater economies of scale and revenue enhancements resulting in higher operating cash flow and a decrease in our leverage ratio;
- better positioning to capture additional growth in a sector where growth is projected; and
- an opportunity to apply our scaleable infrastructure, including our programs, best practices and management capabilities, across a larger store network, which we believe will improve profitability through cost savings and sales growth.

Our Strategy

Our objectives and goals are to grow our sales, increase our market share and reach a leverage ratio that existed prior to the Acquisition. Our strategies for achieving our goals and objectives are to establish a marketing distinctiveness with our customers, improve the productivity of our existing stores, develop new and relocated stores in our strongest existing markets, leverage our size and scale for lower costs and improve our efficiencies and cost control. We believe that improving the sales of existing stores and growing our existing markets is critical to improving our profitability and cash flow. We believe the acquisition of Brooks Eckerd broadens and accelerates the achievement of our strategic goals and objectives.

The following paragraphs describe in more detail some of the components of our strategies to achieve our goals and objectives:

Complete the Integration of the Brooks Eckerd Stores. The Brooks Eckerd stores and distribution centers are being integrated in phases. We have completed integrating the six distribution centers and we expect to complete the systems conversions in all of the acquired stores by the end of May 2008. We have also begun the minor remodel phase of the Brooks Eckerd stores, which we expect to complete by October 2008.

Develop Stores in Existing Markets. Our new store, store relocation and store remodeling program is focused on our strongest existing markets. We expect to make significant investments for the next several years in new stores, store relocations and store remodels because we believe the best return on capital is to invest in the store base. However, we believe it is equally important that we complete the integration of the Brooks Eckerd stores, which includes the minor remodels described above, as well as maintain a balance between debt and operating cash flows that optimizes the cost of capital and provides reliable access to the capital and sale-leaseback markets. As a result, we will take these two factors into account when determining the number of new and relocated stores that we open and the number of stores that will be remodeled. We expect that more than 50% of the new stores that we open each year will be relocations. An integral part of the store development program is our new store prototype. At March 1, 2008, approximately 270 new or relocated stores have been constructed and opened utilizing our customer world prototype. We expect that almost all of the planned new and relocated stores will be the customer world prototype store.

Grow our Pharmacy Sales and Attract More Customers. We believe that customer service and convenience are key factors to growing pharmacy sales. To improve customer service, we are focused on our "With Us, It's Personal" program that is aimed at delivering more personalized service along with timely delivery to our customers. To help our pharmacists do this, we developed and implemented an automated customer satisfaction feedback and measurement system. Using the system, we establish improving customer satisfaction target goals each year, and those goals are the basis for a significant portion of incentive compensation for management throughout the company. We also developed and implemented a pharmacy management and dispensing system. This system, which we call "Nexgen," provides our pharmacists with better tools and information to meet our customers' needs. In addition, Nexgen provides management with important information about the performance of each pharmacy in critical operating areas that drive customer service. We provide our customers with an easy and convenient way to order refills over the telephone or the Internet using our automatic refill program. To provide better value to our customers we recommend, when appropriate, the utilization of generic drugs. Generic drugs, which cost our customers significantly less than branded drugs, are also more profitable for us. Our generic penetration continues to increase every year, and we are setting our goals even higher in future years to take advantage of the number of new generics expected to come to market.

The Medicare Part D program provides prescription drug coverage to senior citizens, including those who previously were not covered by any drug benefit program. We communicate information on the Medicare Part D program to senior citizens. We also offer senior citizens newsletters and prescription discounts through our Living More senior loyalty program. We have also expanded our home health category to target senior citizens with products like wheelchairs, canes, electric scooters and products that enhance bath safety.

To help grow sales and script count, we acquire pharmacy files from other drug stores and have initiatives designed to attract and retain those customers. Other initiatives that we expect to grow our pharmacy sales include the opening of in-store health clinics such as those in the Los Angeles, California, Sacramento, California and Boise, Idaho areas, the implementation of technology that will enable our pharmacists to better monitor patient prescription compliance and the continuing pilot of a medication therapy management program, a fee for service arrangement, in conjunction with physicians and the University of Pittsburgh. We believe these initiatives have been effective at growing sales in their target markets and have scalable, replicable potential for future expansion.

Grow Front End Sales. We intend to grow front end sales through continued emphasis on core drugstore categories, a commitment to health and wellness products to enhance our pharmacy position, a focus on seasonal and cross-merchandising opportunities, a wider selection of products and services to our customers, an emphasis on our private brand offerings and effective promotions in our weekly advertising circulars. Our focus for expanding our products and services includes several fully integrated health condition marketing programs, e.g., diabetes, allergy, vitamins, heart health, skincare, weight and pain management, a continued strengthening of our collaborative relationship with our suppliers, an emphasis on our Rite Aid private brand products, which provide better value for our customers and higher margins for us, ethnic products in selected markets, expansion of the number of GNC store- within-Rite Aid-stores, and state-of-the-art digital technology in our one-hour photo development through our new partnership with FUJI Film USA, Inc.

Focus on Customers and Associates. Our "With Us, It's Personal" commitment encourages associates to provide customers with a superior customer service experience. We obtain feedback on our customer service performance by utilizing an automated survey system that collects store-specific information from customers shortly after the point of sale and from independent third party customer surveys. We also have programs in place that are designed to enhance customer satisfaction, an example of which is the maintenance of a customer support center that centrally receives and processes all customer calls. We continue to improve store-level operating procedures and monitor adherence to those standards and continue to develop and implement associate training programs such as our "Take 10" program to improve customer satisfaction and educate our associates about the products we offer. We have also implemented a customer focused store visit guide that can be used by field management to assess the quality of customer service provided by specific stores. We have implemented programs that create compensatory and other incentives for associates to provide customers with excellent service. We believe that the steps further enable and motivate our associates to deliver superior customer service.

Leverage Size and Reduce Expenses. Our strategy is to leverage our size and either lower expense or contain expense in order to increase the contribution from the pharmacy and front end sales growth strategies to achieve our goals and objectives described earlier with a focus on reduction of expense in non-retail categories. The general categories of anticipated cost and expense reduction opportunities are cost of product, corporate administrative expenses, advertising expenses and other expense reduction opportunities. We budget and monitor all areas of expense and have also targeted areas of spending for continuous improvement. Our targeted expense areas are subject to analysis of the processes involved, with an emphasis on collaboration between areas in the company and vendors, utilization of competition between vendors and consolidation of spending volumes to achieve economies of scale.

Recent Developments

On May 13, 2008, we sold 35 of our owned stores to an independent third party for net proceeds of $100.0 million. Concurrent with this sale, we entered into agreements to lease the stores back from the purchaser over minimum lease terms of 20 years. We will account for 31 of these stores as operating leases and the remaining four using the financing method, as the lease agreements contain clauses that allow the buyer to force us to repurchase the property under certain conditions. We may enter into additional sale-leaseback transactions in the future.

The Offering

Issuer	Rite Aid Corporation, a Delaware corporation.
Securities Offered	$150,000,000 aggregate principal amount of 8.5% convertible notes due May 15, 2015. We have also granted the underwriter an over-allotment option to purchase up to an additional $8,000,000 aggregate principal amount of notes.
Maturity Date	May 15, 2015, unless earlier repurchased or converted.
Interest and Payment Dates	The notes will bear interest at an annual rate of 8.5%. Interest is payable on May 15 and November 15 of each year, beginning on November 15, 2008.
Ranking	The notes will be: unsubordinated, unsecured obligations of the Company; effectively junior to all of our existing and future secured debt; structurally subordinated to all existing and future liabilities of our subsidiaries, including guarantees by such subsidiaries of our existing and future guaranteed debt; equal in ranking ("*pari passu*") with all existing and future unsubordinated, unsecured debt of the Company; and senior in right of payment to any future subordinated debt. In the event of our bankruptcy or liquidation, our secured creditors would have a prior secured claim to any collateral securing the debt owed to them to the extent of the value of the assets securing that debt. As of March 1, 2008, our debt that was guaranteed on a secured basis by substantially all of our subsidiaries totaled $3.16 billion, net of unamortized original issue discount. As of such date, we had additional borrowing capacity under our revolving credit facility of approximately $716.2 million, although, as a result of certain of our outstanding indebtedness we may only draw up to $441.6 million of this amount under the facility at this time. Also, the notes are structurally subordinated to all existing and future liabilities and obligations of our subsidiaries, including guarantees by such subsidiaries of our existing and future guaranteed debt. As of March 1, 2008, after giving effect to this offering and the use of proceeds therefrom as described under "Use of Proceeds," $5.01 billion of our debt, net of unamortized original issue discount, including the secured debt referred to in the preceding sentence, had the benefit of subsidiary guarantees. Of our indebtedness outstanding as of March 1, 2008, after giving effect to this offering and the use of proceeds therefrom as described under "Use of Proceeds," only $757.8 million was debt of Rite Aid that does not have the benefit of subsidiary guarantees.

Optional Redemption	We do not have the right to redeem the notes at our option.
Conversion Rights	Holders may convert their notes, at their option, on any business day immediately preceding the maturity date, into shares of our common stock at a conversion rate of 386.3614 shares per $1,000 principal amount of notes (equivalent to a conversion price of approximately $2.59 per share), subject to adjustment described under "Description of Notes Anti-Dilution Adjustments." Upon conversion, holders will not receive any cash representing accrued interest, except in limited circumstances. See "Description of Notes Conversion Rights."
Fundamental Change	If we experience a fundamental change, as described under "Description of Notes Repurchase at Option of Holders Upon a Fundamental Change," holders will, subject to specified conditions, have the right, at their option, to require us to repurchase all or a portion of their notes. The repurchase price will equal 100% of the principal amount of the notes to be repurchased together with interest accrued, if any, to, but not including, the repurchase date. In addition, if certain fundamental changes occur, we may be required to increase the conversion rate for any note converted in connection with such fundamental change by a specified number of shares of our common stock as described under "Description of Notes Adjustments to Conversion Rate upon Certain Fundamental Changes."
Use of Proceeds	We intend to use the net proceeds of this offering plus cash on hand to redeem all of our $150 million aggregate principal amount of our 6.125% Senior Notes due 2008 in accordance with their terms at a price equal to approximately 102% of their outstanding principal amount. See "Use of Proceeds."
Trading	The notes are a new issue of securities, and there is currently no established trading market for the notes. An active or liquid market may not develop for the notes or, if developed, be maintained. We have not applied, and do not intend to apply, for the listing of the notes on any national securities exchange or for quotation on any automated dealer quotation system. Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "RAD."

No Stockholder Rights for Holders of Notes	Holders of notes, as such, will not have any rights as our stockholders (including, without limitation, voting rights and rights to receive dividends or other distributions on our common stock).
Risk Factors	Investment in the notes involves risks. You should carefully consider the information under "Risk Factors" and all the other information included in this prospectus supplement and the accompanying prospectus before buying any notes.

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Our headquarters are located at 30 Hunter Lane, Camp Hill, Pennsylvania 17011, and our telephone number is (717) 761-2633. We were incorporated in 1968 and are a Delaware corporation.

Summary Historical Consolidated Financial Data

We derived the following summary financial data from our audited financial statements for fiscal years 2004 through 2008. Our audited financial statements for fiscal years 2006 through 2008 are incorporated by reference in this prospectus supplement.

This information is only a summary. You should read the data set forth in the table below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	Fiscal Year Ended				
	March 1, 2008 (52 weeks)	**March 3, 2007 (52 weeks)**	**March 4, 2006 (53 weeks)**	**February 26, 2005 (52 weeks)**	**February 28, 2004 (52 weeks)**
	(Dollars in thousands, except per share amounts)				
Summary of Operations:					
Revenues(l)	$ 24,326,846	$ 17,399,383	$ 17,163,044	$ 16,715,598	$ 16,501,227
Costs and expense:					
Cost of goods sold(2)	17,689,272	12,710,609	12,491,642	12,127,547	12,079,569
Selling general and administrative expenses(3)(4)	6,366,137	4,338,462	4,275,098	4,094,782	4,006,841
Store closing and impairment charges	86,166	49,317	68,692	35,655	22,074
Interest expense	449,596	275,219	277,017	294,871	313,498
Acquisition related financing commitment charge	12,900				
Loss (gain) on debt modifications and retirements, net		18,662	9,186	19,229	35,315
(Gain) loss on sale of assets and investments, net	(3,726)	(11,139)	(6,463)	2,247	2,022
Total costs and expenses	24,600,345	17,381,130	17,115,172	16,574,331	16,459,319
(Loss) income before income taxes	(273,499)	18,253	47,872	141,267	41,908
Income tax expense (benefit)(5)	802,701	(11,609)	(1,228,136)	(165,930)	(46,232)
Net (loss) income from continuing operations	(1,076,200)	29,862	1,276,008	307,197	88,140
Loss from discontinued operations net of gain on disposal and income tax benefit	(2,790)	(3,036)	(3,002)	(4,719)	(4,761)
Net (loss) income	$ (1,078,990)	$ 26,826	$ 1,273,006	$ 302,478	$ 83,379
Basic and diluted (loss) income per share:					
Basic (loss) income per share	$ (1.54)	$ (0.01)	$ 2.36	$ 0.50	$ 0.11
Diluted (loss) income per share	$ (1.54)	$ (0.01)	$ 1.89	$ 0.47	$ 0.11
Year-End Financial Position:					
Working capital	$ 2,123,855	$ 1,363,063	$ 741,488	$ 1,335,017	$ 1,894,247
Property, plant and equipment, net	2,873,009	1,743,104	1,717,022	1,733,694	1,882,763
Total assets	11,488,023	7,091,024	6,988,371	5,932,583	6,245,634
Total debt(6)	5,985,524	3,100,288	3,051,446	3,311,336	3,891,666
Stockholders' equity (deficit)	1,711,185	1,662,846	1,606,921	322,934	(8,277)

Other Data:					
Cash flows provided by (used in):					
Operating activities	79,368	309,145	417,165	518,445	227,515
Investing activities	(2,933,744)	(312,780)	(231,084)	(118,985)	(242,150)
Financing activities	2,903,990	33,716	(272,835)	(571,395)	(15,931)
Capital expenditures	740,375	363,728	341,349	222,417	267,373
Basic weighted average shares	723,923,000	524,460,000	523,938,000	518,716,000	515,822,000
Diluted weighted average shares(7)	723,923,000	524,460,000	676,666,000	634,062,000	525,831,000
Number of retail drugstores	5,059	3,333	3,323	3,356	3,382
Number of associates	112,800	69,700	70,200	71,200	72,500

(1) Revenues for the fiscal years 2007, 2006, 2005 and 2004 have been adjusted by $108,336, $107,924, $100,841 and $99,222, respectively, for the effect of discontinued operations.

(2) Cost of goods sold for the fiscal years 2007, 2006, 2005 and 2004 have been adjusted by $80,988, $80,218, $75,347 and $84,166, respectively, for the effect of discontinued operations.

(3) Selling, general and administrative expenses for the fiscal years 2007, 2006, 2005 and 2004 have been adjusted by $32,019, $32,323, $32,754 and $22,379, respectively, for the effect of discontinued operations.

(4) Includes stock-based compensation expense. Stock-based compensation expense for the fiscal year ended March 1, 2008 and March 3, 2007 was determined using the fair value method set forth in SFAS No. 123(R), "Share Based Payment". Stock-based compensation expense for the fiscal years ended March 4, 2006, February 26, 2005 and February 28, 2004 was determined using the fair value method set forth in SFAS No. 123 "Accounting for Stock-Based Compensation".

(5) Income tax benefit for the fiscal years 2007, 2006, 2005 and 2004 has been adjusted by $1,635, $1,616, $2,541 and $2,563 respectively for the effect of discontinued operations.

(6) Total debt included capital lease obligations of $216.3 million, $189.7 million, $178.2 million, $168.3 million and $183.2 million, as of March 1, 2008, March 3, 2007, March 4, 2006, February 26, 2005 and February 28, 2004, respectively.

(7) Diluted weighted average shares for the years ended March 4, 2006 and February 26, 2005 included the impact of stock options, as calculated under the treasury stock method and convertible debt and preferred stock, as calculated under the if-converted method. Diluted weighted average shares for the year ended February 28, 2004 included the impact of stock options, as calculated under the treasury stock method.

RISK FACTORS

An investment in the notes and our common stock involves a number of risks. You should consider carefully the following information about these risks, together with the other information included and incorporated by reference in this prospectus supplement, before buying the notes and common stock offered hereby. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur. If they do, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our securities could decline, and you might lose all or part of your investment.

Risks Related to Our Financial Condition

We are highly leveraged. Our substantial indebtedness could limit cash flow available for our operations and could adversely affect our ability to service debt or obtain additional financing if necessary.

We had, as of March 1, 2008, $6.0 billion of outstanding indebtedness and stockholders' equity of $1.7 billion. We also had additional borrowing capacity under our existing $1.75 billion senior secured revolving credit facility of approximately $716.2 million at that time, net of outstanding letters of credit of $184.8 million. Lien covenants in several of our outstanding indentures limit the amount of additional secured debt that we could have incurred as of March 1, 2008 and thereby limited our additional borrowing capacity under our revolver to approximately $441.6 million. We recently undertook a consent solicitation to amend these covenants. Although we withdrew the consent solicitation, we may resume efforts to permit us to access the additional borrowing capacity under our senior secured revolving credit facility (which may include refinancing certain of our existing indebtedness that was not the subject of the consent solicitation) which, while improving our liquidity, may increase our leverage (including the amount of our secured debt). We cannot assure you that any such efforts will be successful.

Our debt obligations adversely affect our operations in a number of ways, and while we believe we have adequate sources of liquidity to meet our anticipated requirements for working capital, debt service and capital expenditures through fiscal year 2009, there can be no assurance that our cash flow from operations will be sufficient to service our debt, including the notes, which may require us to borrow additional funds for