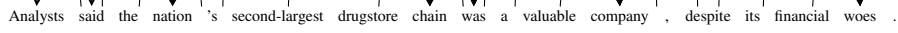
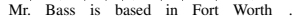
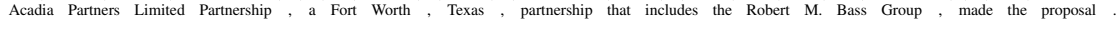
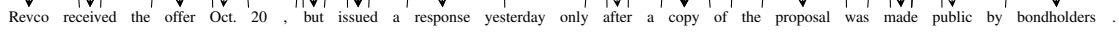
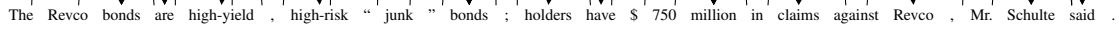
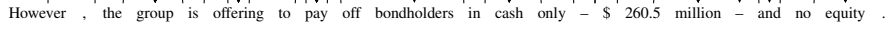
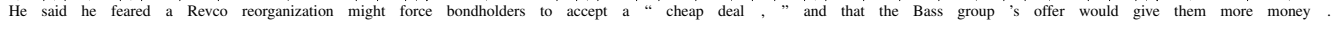
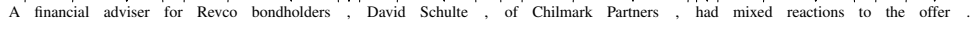
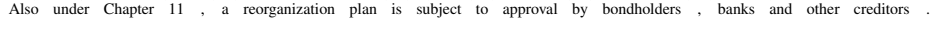
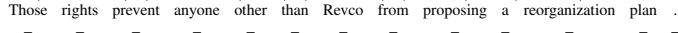
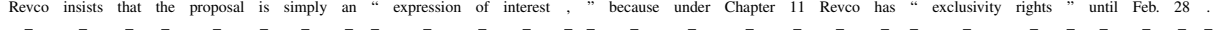
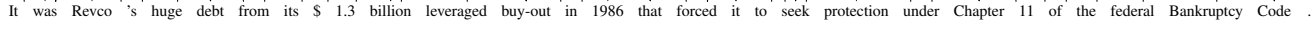
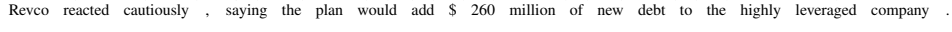


[20436002]



Its problem , they say , is that management paid too much in the leveraged buy-out and the current \$ 515 million debt load is keeping Revco in the red .

[20436016]

" If bought at the right price , it could still be profitable . " said Jeffrey Stein , an analyst at McDonald & Co . , Cleveland .

[20436017]

In addition , Revco 's 1,900 stores in 27 states represent a lot of real estate , he said , and demographics are helping pharmacies : The nation 's aging population will boost demand for prescription drugs .

[20436018]

Last week , Revco 's parent company , Anac Holding Corp . , said the company reported a loss of \$ 16.2 million for the fiscal first quarter , compared with a loss of \$ 27.9 million in the year-earlier quarter .

[20436019]

Sales were \$ 597.8 million , up 2.4 % from the previous year .

[20436020]

The company , based in Twinsburg , Ohio , said its operating profit before depreciation and amortization increased 51 % , to \$ 9.2 million from \$ 6.1 million .

[20436021]

Acadia Partners and the Bass Group declined to comment .

[20436022]

The partnership also includes American Express Co . , Equitable Life Assurance Society of the U.S. and Shearson Lehman Hutton Inc .

[20436023]

The offer consists of \$ 410.5 million in cash and the rest in notes .

[20436024]

Acadia would sell up to 10 % of the equity in the reorganized company to creditors and bondholders in exchange for the cash distribution , but creditors and bondholders would receive no discount for their shares .

[20436025]

Revco 's chairman and chief executive officer , Boake A. Sells , said both the company and the bondholders have put forth reorganization plans , but little progress has been made since negotiations began this summer .

[20436026]

He said he has not met with representatives from Acadia .

[20436027]

