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AB ACQUISITION LLC AND SUBSIDIARIES
Notes to Consolidated Financial Statements

were reported as Income from discontinued operations, net of tax. The notes to the consolidated financial statements exclude discontinued operations for all prior periods, unless otherwise noted.

The results of discontinued operations are summarized as follows (in millions):

	Fiscal 2013	Fiscal 2012
Net sales	\$ 52.7	\$ 55.0
Income from discontinued operations, net of tax	\$ 19.5	\$ 49.2

Note 4—Property and Equipment

Property and equipment consisted of the following (in millions):

	February 28, 2015	February 20, 2014
Land	\$ 2,951.1	\$ 1,134.5
Buildings	5,464.8	2,464.2
Property under construction	233.6	50.7
Leasehold improvements	1,023.7	155.0
Fixtures and equipment	2,551.3	920.3
Buildings under capital leases	<u>872.0</u>	<u>440.4</u>
Total property and equipment	13,096.5	5,165.1
Accumulated depreciation and accumulated amortization of capitalized lease assets	<u>(1,072.3)</u>	<u>(618.4)</u>
Total property and equipment, net	<u>\$ 12,024.2</u>	<u>\$ 4,546.7</u>

Depreciation expense was \$523.1 million, \$526.1 million and \$15.5 million for fiscal 2014, 2013 and 2012, respectively. Amortization expense related to capitalized lease assets was \$45.5 million and \$35.8 million in fiscal 2014 and 2013, respectively. Amortization expense related to capitalized lease assets in fiscal 2012 was not material. Fixed asset impairment charges of \$227.7 million, \$2.0 million and \$1.8 million were recorded as a component of Selling and administrative expenses in fiscal 2014, 2013 and 2012, respectively. Fiscal 2014 impairment losses related primarily to the divestiture of the Albertsons stores.

Note 5—Goodwill and Intangible Assets

The following table summarizes the changes in the Company's goodwill balances (in millions):

	February 28, 2015	February 20, 2014
Balance at beginning of year	\$ 71.4	\$ 3.5
Activity during the year	<u>957.2</u>	<u>67.9</u>
Balance at end of year	<u>\$ 1,028.6</u>	<u>\$ 71.4</u>