

Table of Contents

**AB ACQUISITION LLC AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

The fair value of assets of the Company's pension plan assets as of February 20, 2014, by asset category, consisted of the following (in millions):

Asset category:	Fair Value Measurements			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents(1)	\$ 6.8	\$ 6.8	\$ —	\$ —
Domestic common stock(2)	25.2	25.2	—	—
Common collective trust funds(3)	248.0	—	248.0	—
Corporate bonds(4)	8.4	—	8.4	—
U.S. government securities(5)	9.7	—	9.7	—
Total	<u>\$298.1</u>	<u>\$ 32.0</u>	<u>\$ 266.1</u>	<u>\$ —</u>

(1) The carrying value of these items approximates fair value.

(2) The fair value of common stock is based on the exchange quoted market prices. When quoted prices are not available for preferred stock, an industry standard valuation model is used which maximizes observable inputs.

(3) These investments are valued based on the NAV of the underlying investments and are provided by the fund issuers.

(4) The fair value of corporate bonds is generally based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the fair value is based upon an industry valuation model that maximizes observable inputs.

(5) The fair value of U.S. government securities is based on quoted market prices when available. When quoted prices are not available, the fair value of U.S. government securities is based on yields currently available on comparable securities or on an industry valuation model that maximizes observable inputs.

**Contributions**

In the fourth quarter of fiscal 2014, the Company contributed \$260.0 million to the Safeway Plan under a settlement with the Pension Benefit Guaranty Corporation in connection with the Safeway acquisition closing. The Company expects to contribute approximately \$7.9 million to its pension and post-retirement plans in fiscal 2015. The Company's funding policy for the defined benefit pension plan is to contribute the minimum contribution required under the Employee Retirement Income Security Act of 1974, as amended, and other applicable laws as determined by the Company's external actuarial consultant. At the Company's discretion, additional funds may be contributed to the defined benefit pension plans. The Company will recognize contributions in accordance with applicable regulations, with consideration given to recognition for the earliest plan year permitted.