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and have previously accepted a tender offer of the merger consideration of \$34.92 per share acquisition consideration, which stops statutory interest from accruing on the amount of any recovery. If the remaining petitioners are successful in the appraisal proceeding, they could be entitled to more for their stock than the per share acquisition consideration payable in the acquisition, plus statutory interest on that additional amount. As of February 28, 2015, the Company has recorded a liability for these remaining petitioners.

Security Breach: On August 14, 2014, AB Acquisition announced that it had experienced a criminal intrusion by installation of malware on a portion of its computer network that processes payment card transactions for retail store locations for its *Shaw's, Star Market, Acme, Jewel-Osco* and *Albertsons* retail banners. On September 29, 2014, the Company announced that it had experienced a second and separate criminal intrusion. The Company believes these were attempts to collect payment card data. The Company, relying on its IT service provider, SuperValu, took immediate steps to secure the affected part of its network. The Company believes that it has eradicated the malware used in each intrusion. The Company has notified federal law enforcement authorities, the major payment card networks, and its insurance carriers and is cooperating in their efforts to investigate these intrusions. As required by the payment card networks, the Company retained a firm to conduct a forensic investigation into the intrusions. Recently, the firm issued a report for the first intrusion (a copy of which has been provided to the card networks), finding that, although the Company's network had previously been found to be compliant with payment card industry data security standards (PCI DSS), not all of these standards had been met, and this non-compliance may have contributed to or caused at least some portion of the compromise that occurred during the first intrusion. A report for the second intrusion is still pending. The Company believes it is probable that the payment card networks will make claims against the Company following the conclusion of the ongoing forensic investigation and associated analysis. These claims will likely include amounts for incremental counterfeit fraud losses and non-ordinary course operating expenses (such as card reissuance costs) that the payment card networks assert they or their issuing banks have incurred. If the payment card networks assert claims against it, the Company currently intends to dispute those claims and assert available defenses. At the present time, the Company cannot reasonably estimate a range of losses because to date no claims have been asserted and because significant factual and legal issues remain unresolved. The Company will continue to evaluate information as it becomes known and will record an estimate for losses at the time or times when it is both probable that a loss has been incurred and the amount of the loss is reasonably estimable. As a result of the criminal intrusions, two class action complaints were filed against the Company by consumers and are currently pending, *Mertz v. SuperValu Inc. et al.* filed in federal court in the state of Minnesota and *Rocke v. SuperValu Inc. et al.* filed in federal court in the state of Idaho, alleging deceptive trade practices, negligence and invasion of privacy. Plaintiffs seek unspecified damages. The Judicial Panel on Multidistrict Litigation has consolidated the class actions and transferred the cases to the District of Minnesota. Based on proceedings to date, the Company is currently unable to determine the probability of the outcome of this matter or the range of reasonably possible loss, if any.

Cicairos, et al / Bluford: On August 18, 2001, a group of truck drivers from Safeway's Tracy, California distribution center filed an action in California Superior Court, San Joaquin County entitled *Cicairos, et al. v. Summit Logistics*, alleging that Summit Logistics, the entity with whom Safeway contracted to operate the distribution center until August 2003, failed to provide meal periods, rest periods and itemized wage statements to the drivers in violation of California state law. Under its contract with Summit, Safeway is obligated to defend and indemnify Summit Logistics in this lawsuit. On February 6, 2007, another group of truck drivers from the Tracy distribution center filed a similar action in the same court, entitled *Bluford, et al. v. Safeway Inc.*, alleging essentially the same claims