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**SAFEWAY INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**Discontinued Operations** The notes to the consolidated financial statements exclude discontinued operations, unless otherwise noted. Historical financial information for CSL, Dominick's and Blackhawk presented in the consolidated income statements has been reclassified to discontinued operations to conform to current-year presentation. The historical operating results of Genuardi's stores have not been reflected in discontinued operations because the historical financial operating results were not material to the Company's consolidated financial statements for all periods presented. Financial information for discontinued operations is shown below (in millions):

	2014	2013	2012
<i>Sales and other revenue:</i>			
CSL(1)	\$ —	\$ 5,447.9	\$6,695.8
Dominick's	7.3	1,394.8	1,465.2
Blackhawk(1)	305.6	1,074.2	906.8
Total	<u>\$ 312.9</u>	<u>\$ 7,916.9</u>	<u>\$9,067.8</u>
<i>(Loss) income from discontinued operations, before income taxes:</i>			
CSL(1)	\$ —	\$ 286.2	\$ 442.3
Dominick's(2)	(186.8)	(92.0)	(50.4)
Blackhawk(1)	(4.4)	84.4	74.2
Total	<u>\$(191.2)</u>	<u>\$ 278.6</u>	<u>\$ 466.1</u>
<i>Gain (loss) on sale or disposal of operations, net of lease exit costs and transaction costs, before income taxes:</i>			
CSL(3)	\$ (6.8)	\$ 4,783.1	\$ —
Dominick's(4)	140.9	(493.1)	—
Blackhawk	(5.9)	—	—
Genuardi's	—	—	52.4
Total	<u>\$ 128.2</u>	<u>\$ 4,290.0</u>	<u>\$ 52.4</u>
Total (loss) income from discontinued operations, before income taxes	<u>\$ (63.0)</u>	<u>\$ 4,568.6</u>	<u>\$ 518.5</u>
Income taxes on discontinued operations	<u>72.3</u>	<u>(1,263.5)</u>	<u>(169.6)</u>
Income from discontinued operations, net of tax	<u>\$ 9.3</u>	<u>\$ 3,305.1</u>	<u>\$ 348.9</u>

- (1) For CSL, 2013 reflects 44 weeks of activity compared to 52 weeks in 2012. For Blackhawk, 2014 reflects 15 weeks of activity compared to 52 weeks in the prior years.
- (2) 2014 includes charges of \$159.4 million to increase the multiemployer pension withdrawal liability.
- (3) In accordance with ASU No. 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity," the Company transferred the cumulative translation adjustment relating to Canadian operations from Accumulated Other Comprehensive Loss on the balance sheet to gain on the Sale of Canadian Operations.
- (4) 2013 includes a charge of \$310.8 million for the estimated multiemployer pension plan withdrawal liability.

**Sale of Canadian Operations** On November 3, 2013, Safeway completed the Sale of Canadian Operations to Sobeys for CAD5.8 billion (USD5.6 billion) in cash plus the assumption of certain liabilities.