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SAFeway INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

The Company's loss estimate is in accordance with ASC 450, "Contingencies." The following is a rollforward of the estimated multiemployer pension withdrawal liability (in millions):

Balance at year-end 2013	\$310.8
Accrued interest	13.7
Adjustment for changes in interest rates	121.1
Adjustments to loss estimates based on demand letters	38.3
Installment payments	(9.5)
Balance at year-end 2014	<u>\$474.4</u>

Accrued interest expense and adjustments to the estimated liability are recorded in discontinued operations. The \$455.0 million long-term portion of the estimated liability is included in Accrued Claims and Other Liabilities, and the \$19.4 million current portion is included in Other Accrued Liabilities in the condensed consolidated balance sheet.

Pending review of the demand letters received, receipt of a final demand letter, or any negotiated lump sum settlements, the final amount of the withdrawal liability may be greater than or less than the amount recorded, and this difference could be significant. The Company currently estimates the range of potential withdrawal liability to be between \$475 million and \$607 million.

All information related to multiemployer pension expense or multiemployer post-retirement benefit obligations herein exclude Canada and Dominick's for all purposes unless otherwise stated.

Safeway's participation in these plans for the annual period ended January 3, 2015 is outlined in the following tables. All information in the tables is as of January 3, 2015, December 28, 2013 and December 29, 2012 in the columns labeled 2014, 2013 and 2012, respectively, unless otherwise stated. The "EIN-PN" column provides the Employer Identification Number ("EIN") and the Plan Number ("PN"), if applicable. Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available in 2014 and 2013 is for the plan's year ending at December 31, 2014, and December 31, 2013, respectively. The zone status is based on information that Safeway received from the plan. Among other factors, generally, plans in critical status ("red zone") are less than 65 percent funded, plans in endangered or seriously endangered status ("yellow zone" or "orange zone", respectively) are less than 80 percent funded, and plans at least 80 percent funded are said to be in the "green zone." The "FIP/RP status pending/implemented" column indicates plans for which a funding improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented by the trustees of each plan. Information related to the impact of utilization of extended amortization periods on zone status is either not available or not obtainable without undue cost and effort.

Other than the sale of Safeway's Canadian operations and Dominick's, there have been no significant changes that affect the comparability of 2014, 2013, and 2012 contributions.