

Table of Contents

**NEW ALBERTSON'S BUSINESS OF SUPERVALU INC.
AND SUBSIDIARIES**

Combined Statements of Cash Flows

(In millions)

| | February 21, 2013 | February 23, 2012 | February 24, 2011 |
|--|----------------------|----------------------|----------------------|
| Cash flows from operating activities: | | | |
| Net loss | \$ (535) | (990) | (2,059) |
| Adjustments to reconcile net loss to net cash provided by operating activities | | | |
| Goodwill and intangible asset impairment charges | 170 | 1,000 | 1,668 |
| Property, plant and equipment impairment charges | 58 | 9 | 26 |
| Net gain on sale of assets and closed properties reserve | (23) | (1) | (24) |
| Depreciation and amortization | 524 | 533 | 551 |
| LIFO charge | 17 | 43 | 13 |
| Deferred income taxes | (38) | (152) | 252 |
| Net pension cost | 19 | 14 | 11 |
| Contributions to pension plan | (8) | (10) | (18) |
| Self-insurance expense | 57 | 60 | 112 |
| Self-insurance claim payments | (155) | (147) | (186) |
| Amortization of debt premium/discount | 12 | 10 | 8 |
| Write offs and amortization of deferred financing fees | 31 | 12 | 12 |
| (Gain) loss on debt extinguishment | — | (11) | 7 |
| Other adjustments | 7 | 29 | (22) |
| Changes in assets and liabilities: | | | |
| Receivables | 8 | (3) | 60 |
| Inventories | 70 | 49 | 49 |
| Accounts payable and accrued liabilities | (135) | (58) | (108) |
| Income tax liabilities | 15 | (18) | 34 |
| Other changes in operating assets and liabilities | — | (12) | 51 |
| Net cash provided by operating activities | <u>94</u> | <u>357</u> | <u>437</u> |
| Cash flows from investing activities: | | | |
| Proceeds from sale of assets | 66 | 114 | 71 |
| Purchases of property, plant and equipment | (235) | (310) | (253) |
| Other | (7) | (11) | (21) |
| Net cash used in investing activities | <u>(176)</u> | <u>(207)</u> | <u>(203)</u> |
| Cash flows from financing activities: | | | |
| Proceeds from issuance of long-term debt | 6,241 | 4,452 | 2,949 |
| Payments of long-term debt | (6,566) | (4,842) | (3,648) |
| Payments of capital lease obligations | (40) | (36) | (35) |
| Payments for debt financing costs | (59) | (7) | (22) |
| Change in parent company net investment | 506 | 281 | 521 |
| Net cash provided by (used in) financing activities | <u>82</u> | <u>(152)</u> | <u>(235)</u> |
| Net decrease in cash | — | (2) | (1) |
| Cash at beginning of year | <u>34</u> | <u>36</u> | <u>37</u> |
| Cash at end of year | <u>\$ 34</u> | <u>34</u> | <u>36</u> |
| Supplemental cash flow information: | | | |
| Noncash investing and financing activities were as follows: | | | |
| Capital lease asset additions and related obligations | \$ 24 | 40 | 7 |
| Purchases of property, plant and equipment included in accounts payable | 9 | 46 | 29 |
| Interest paid (net of amount capitalized) | 409 | 401 | 430 |

See accompanying notes to combined financial statements.