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

Notes to Combined Financial Statements

February 21, 2013 and February 23, 2012

(Dollars in millions)

(8) Leases

NAI leases certain retail stores, distribution centers, office facilities and equipment from third parties. Many of these leases include renewal options and, to a limited extent, options to purchase. Future minimum lease payments to be made by NAI for noncancelable operating and capital leases as of February 21, 2013, consist of the following:

	Lease obligations	
	Operating leases	Capital leases
Fiscal year:		
2013	\$ 230	98
2014	225	98
2015	204	97
2016	181	95
2017	164	93
Thereafter	971	866
Total future minimum obligations	<u>\$ 1,975</u>	<u>1,347</u>
Less interest		(549)
Present value of net future minimum obligations		798
Less current obligations		(37)
Long-term obligations		<u>\$ 761</u>

Total future minimum obligations have not been reduced for future minimum subtenant rentals due under certain operating subleases.

Rent expense and subtenant rentals under operating leases consisted of the following:

	2012	2011	2010
Minimum rent	\$256	268	276
Contingent rent	3	4	5
	259	272	281
Subtenant rentals	(32)	(37)	(38)
	<u>\$227</u>	<u>235</u>	<u>243</u>

The Business leases certain owned properties to unrelated outside parties. Rental income under those lease agreements was \$22, \$24, and \$24, for the fiscal years 2012, 2011, and 2010, respectively.