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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)

The carrying value of owned property leased to third parties under operating leases was as follows:

	February 21, 2013	February 23, 2012
Property, plant and equipment	\$ 18	19
Less accumulated depreciation	(6)	(4)
Property, plant and equipment, net	<u>\$ 12</u>	<u>15</u>

Future minimum lease receipts due under these noncancelable operating leases as of February 21, 2013, consist of the following:

Fiscal year:	
2013	\$13
2014	10
2015	8
2016	7
2017	5
Thereafter	<u>7</u>
Total minimum receipts	<u>\$50</u>

(9) Income Taxes

The provision for income taxes (benefit) consisted of the following:

	2012	2011	2010
Current:			
Federal	\$ 19	38	34
State	3	6	5
Total current	22	44	39
Deferred	(38)	(152)	252
Total income tax provision (benefit)	<u>\$(16)</u>	<u>(108)</u>	<u>291</u>

The difference between the actual tax provision and the tax provision computed by applying the statutory U.S. federal income tax rate to losses before income taxes is attributable to the following:

	2012	2011	2010
Federal taxes based on statutory rate	\$(193)	(384)	(619)
State income taxes, net of federal benefit	(31)	(60)	(93)
Goodwill impairment	—	286	567
Change in valuation allowance	210	46	432
Change in long-term tax liabilities	1	9	13
Charitable contributions	—	(3)	(5)
IRS settlement	—	(2)	—
Other	(3)	—	(4)
Total income tax provision (benefit)	<u>\$ (16)</u>	<u>(108)</u>	<u>291</u>