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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)

benefits for eligible retired employees under postretirement benefit plans. Parent also provides certain health and welfare benefits, including short-term and long-term disability benefits, to inactive disabled employees prior to retirement.

(a) Shaw's Pension Plan

NAI sponsors a defined benefit pension plan (Shaw's Pension Plan) covering employees of one of its banners. Participants earn pension benefits based on years of service. The benefit obligation, fair value of plan assets and funded status of the Shaw's Pension Plan as of February 21, 2013 and February 23, 2012 consisted of the following:

	February 21, 2013	February 23, 2012
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 290	228
Service cost	11	8
Interest cost	13	13
Actuarial loss	12	46
Benefits paid	(6)	(5)
Benefit obligation at end of year	<u>320</u>	<u>290</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ 189	173
Actual return on plan assets	20	11
Employer contributions	8	10
Plan participants' contributions	—	—
Benefits paid	(6)	(5)
Fair value of plan assets at end of year	<u>211</u>	<u>189</u>
Funded status at end of year	<u>\$ (109)</u>	<u>(101)</u>

Amounts recognized in accumulated other comprehensive loss for Shaw's Pension Plan consists of the following:

	2012	2011
Amount recognized in accumulated other comprehensive loss	\$(78)	(81)
Total recognized in accumulated other comprehensive loss, net of tax	(63)	(65)