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

**Notes to Combined Financial Statements**

**February 21, 2013 and February 23, 2012**

**(Dollars in millions)**

Net periodic benefit expense (income) for Shaw's Pension Plan consisted of the following:

|  | 2012 | 2011 | 2010 |
|---|---|---|---|
| Net periodic benefit cost: | | | |
| Service cost | $ 11 | 8 | 8 |
| Interest cost | 13 | 13 | 12 |
| Expected return on plan assets | (14) | (12) | (12) |
| Amortization of net actuarial loss | 9 | 5 | 3 |
| Net periodic benefit cost | 19 | 14 | 11 |

|  | 2012 | 2011 | 2010 |
|---|---|---|---|
| Net periodic benefit cost: | | | |
| Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss): | | | |
| Net actuarial (gain) loss | $ 6 | 48 | (1) |
| Amortization of net actuarial loss | (9) | (5) | (3) |
| Total recognized in other comprehensive income (loss) | (3) | 43 | (4) |
| Total recognized in net periodic benefit expense and other comprehensive income (loss) | $ 16 | 57 | 7 |

The estimated net actuarial loss that will be amortized from accumulated other comprehensive loss into net periodic benefit cost for Shaw's Pension Plan during fiscal 2013 is $8.

### (b) Assumptions

Weighted average assumptions used to determine benefit obligations and net periodic benefit cost for Shaw's Pension Plan consisted of the following:

|  | 2012 | 2011 | 2010 |
|---|---|---|---|
| Benefit obligation assumptions: | | | |
| Discount rate(1) | 4.25% | 4.25% | 5.60% |
| Net periodic benefit cost assumptions:(2) | | | |
| Discount rate(1) | 4.55 | 5.60 | 6.00 |
| Expected rate of return on plan assets(3) | 7.25 | 7.50 | 7.75 |

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(1) NAI reviews the discount rate to be used in connection with Shaw's Pension Plan annually. In determining the discount rate, NAI uses the yields on corporate bonds (rated AA or better) that coincide with the cash flows of Shaw's Pension Plan's estimated benefit payouts. The model uses a yield curve approach to discount each cash flow of the liability stream at an interest rate specifically applicable to the timing of each respective cash flow. The model totals the present value of all cash flows and calculates the equivalent weighted average discount rate by imputing the singular interest rate that equates the total present value with the stream of cash flows. This resulting weighted average discount rate is then used in evaluating the final discount rate used by NAI.

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