

**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES
OF THE MERGER BETWEEN SUPERVALU INC. AND ALBERTSON'S, INC.**

The following is a summary of the material United States federal income tax consequences of the mergers to U.S. holders of Albertsons common stock who hold their stock as a capital asset. The summary is based on the Internal Revenue Code of 1986, as amended, referred to as the Code, Treasury Regulations issued under the Code, and administrative rulings and court decisions in effect as of the date of this joint proxy statement/prospectus, all of which are subject to change at any time, possibly with retroactive effect.

For purposes of this discussion, the term "U.S. holder" means:

- A citizen or resident of the United States;
- A corporation created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (i) is subject to the supervision of a court within the United States and the control of one or more United States persons or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or
- an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership holds Albertsons common stock, the tax treatment of a partner will generally depend on the status of the partners and the activities of the partnership. If a U.S. holder is a partner in a partnership holding Albertsons common stock, the U.S. holder should consult its tax advisors.

This summary is not a complete description of all the tax consequences of the mergers and, in particular, may not address United States federal income tax considerations applicable to holders of Albertsons or Supervalu common stock who are subject to special treatment under United States federal income tax law (including, for example, non-United States persons, financial institutions, dealers in securities, insurance companies or tax-exempt entities, holders who acquired Albertsons common stock pursuant to the exercise of an employee stock option or right or otherwise as compensation, and holders who hold Albertsons common stock as part of a hedge, straddle or conversion transaction). This summary does not address the tax consequences of any matter other than the mergers. This summary does not address the tax consequences to any person who actually or constructively owns 5% or more of Albertsons common stock. Also, this summary does not address United States federal income tax considerations applicable to holders of options or warrants to purchase Albertsons common stock, or holders of debt instruments convertible into Albertsons common stock. In addition, no information is provided with respect to the tax consequences of the mergers under applicable state, local or non-United States laws.

The discussion of the material United States federal income tax consequences of the mergers that follows is not binding on the Internal Revenue Service, referred to as the IRS, or the courts. Accordingly, there can be no assurance that the IRS will not challenge the conclusions expressed in the discussion below, or that a court will not sustain such a challenge. The following discussion assumes that the exchange of Albertsons common stock for New Albertsons common stock pursuant to the reorganization merger will constitute a reorganization within the meaning of Section 368(a) of the Code.

Federal Income Tax Consequences of the Mergers to Albertsons Stockholders

A holder of Albertsons common stock generally will not recognize gain or loss upon receipt of New Albertsons common stock in the reorganization merger, and the holding period in the New Albertsons common stock will be computed by including the holding period in the Albertsons common stock converted into New Albertsons common stock in the reorganization merger.

Pursuant to the Supervalu merger, the receipt of the merger consideration by New Albertsons stockholders in exchange for shares of New Albertsons common stock will be a taxable transaction for United States federal income tax purposes. In general, a U.S. holder who receives the merger consideration in exchange for shares of New Albertsons common stock pursuant to the Supervalu merger will recognize capital gain or loss for United States federal income tax purposes equal to the difference, if any, between (i) the sum of the fair market value of the Supervalu common stock as of the effective time of the Supervalu merger and the amount of cash received and (ii) the holder's adjusted tax basis in the shares of New Albertsons common stock, which will be the holder's adjusted basis in the holder's Albertsons common stock exchanged for the New Albertsons common stock in the reorganization merger. Capital gain or loss will be determined separately for each block of shares (*i.e.*, shares acquired at the same cost in a single transaction) of New Albertsons common stock surrendered for the consideration described above pursuant to the Supervalu merger. Any gain or loss would be long-term capital gain or loss if the holding period of the shares of New Albertsons common stock (computed by including the holding period in the shares of Albertsons common stock converted into New Albertsons common stock in the reorganization merger) exceeds one year at the effective time. Long-term capital gains of noncorporate U.S. holders (including individuals) generally are eligible for preferential rates of United States federal income tax. There are limitations on the deductibility of capital losses under the Code. New Albertsons stockholders that recognize a loss on the exchange of their New Albertsons common stock pursuant to the Supervalu merger should consult their tax advisors regarding allowance of this loss.

Backup Withholding

Backup withholding may apply with respect to the cash consideration received by a holder of Albertsons common stock in the Supervalu merger unless the holder:

- is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact; or
- provides a correct taxpayer identification number, certifies as to no loss of exemption from backup withholding and that such holder is a U.S. person (including a U.S. resident alien), and otherwise complies with applicable requirements of the backup withholding rules.

A holder of Albertsons common stock who does not provide Supervalu (or the exchange agent) with its correct taxpayer identification number may be subject to penalties imposed by the IRS. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's federal income tax liability, provided that the holder timely furnishes certain required information to the IRS.

THE FOREGOING DISCUSSION OF UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE MERGERS. TAX MATTERS ARE VERY COMPLICATED, AND THE TAX CONSEQUENCES OF THE MERGERS TO YOU WILL DEPEND UPON THE FACTS OF YOUR PARTICULAR SITUATION. BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, WE URGE YOU TO CONSULT WITH YOUR TAX ADVISOR REGARDING THE APPLICABILITY TO YOU OF THE RULES DISCUSSED ABOVE AND THE PARTICULAR TAX EFFECTS TO YOU OF THE MERGERS, INCLUDING THE APPLICATION OF STATE, LOCAL AND FOREIGN TAX LAWS.