

Fiscal 2012 Q1 Earnings Call

July 26, 2011



Safe Harbor Statement

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION FOR THE PURPOSE OF "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for the historical and factual information contained herein, the matters set forth in this presentation, particularly those pertaining to SUPERVALU's expectations, guidance, or future operating results, and other statements identified by words such as "estimates," "expects," "projects," "plans," and similar expressions are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the impact of economic conditions, strategic initiatives, competition, food and drug safety issues, liquidity, labor relations issues, escalating costs of providing employee benefits, regulatory matters, self-insurance, legal and administrative proceedings, information technology, severe weather, natural disasters and adverse climate changes, the continuing review of goodwill and other intangible assets, accounting matters and other risk factors relating to our business or industry as detailed from time to time in SUPERVALU's reports filed with the SEC. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Unless legally required, SUPERVALU undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation does not constitute an update or reiteration of sales or earnings guidance.

Diluted Earnings Per Share

	Q1 FY11	Q1 FY12	Change
Diluted EPS	\$0.43*	\$0.35	(\$0.08)

* Adjusted for retail market exits and the impact of a labor dispute at Shaw's.

Full-year earnings guidance affirmed in a range of \$1.20 to \$1.40 per share.

“8 Plays to Win”



ONE
COMPANY



Simplify



Funding

WINNING
FOR
CUSTOMERS



Value



Fresh



Neighborhood



Hassle-Free

COMMITTED
TO GROWTH



Expand



Independents

Hyper-Local Retailing

Herndon, VA



New set of Indian offerings.

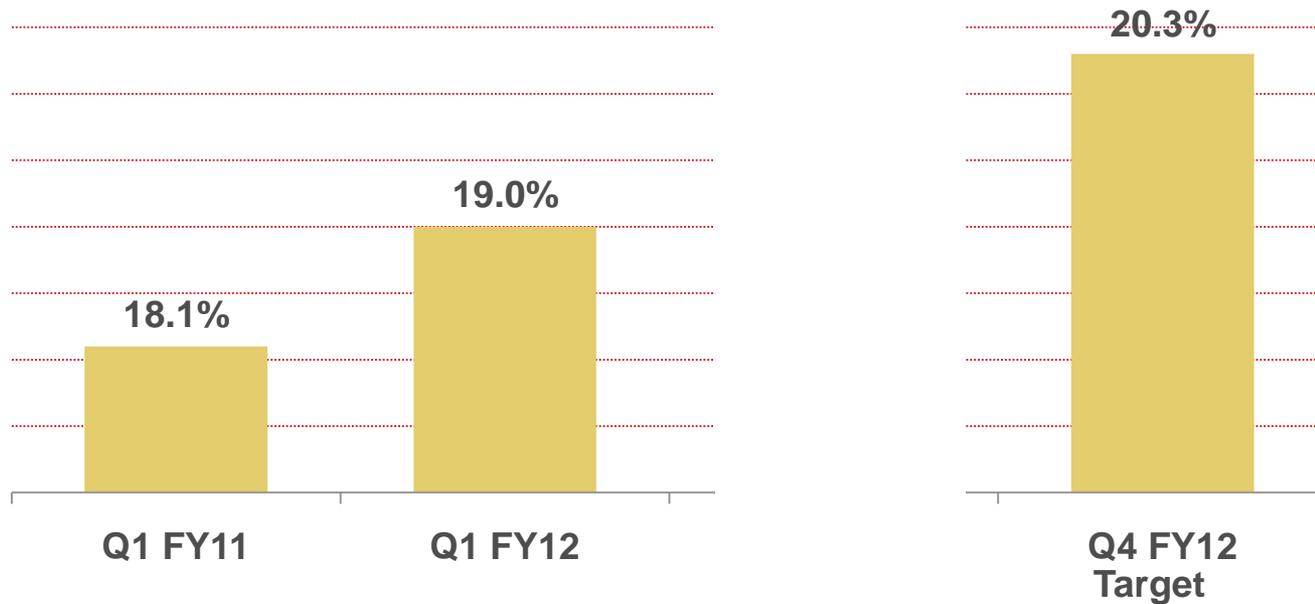
Beaverton, OR



Local vendors.

Scorecard

Private Brand Sales Penetration

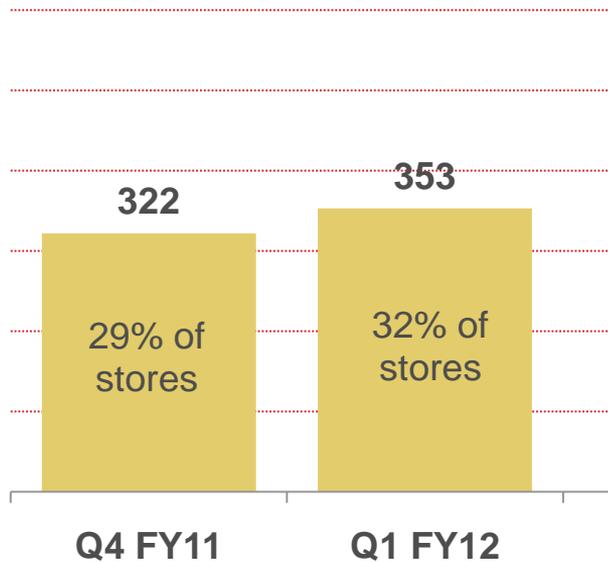


100 basis point improvement in each of the next three fiscal years.

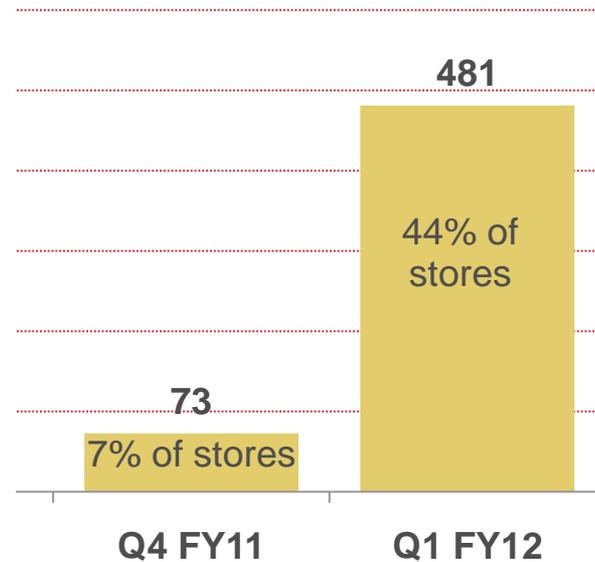
Scorecard

Stores with In-Stock Tools

Perishables



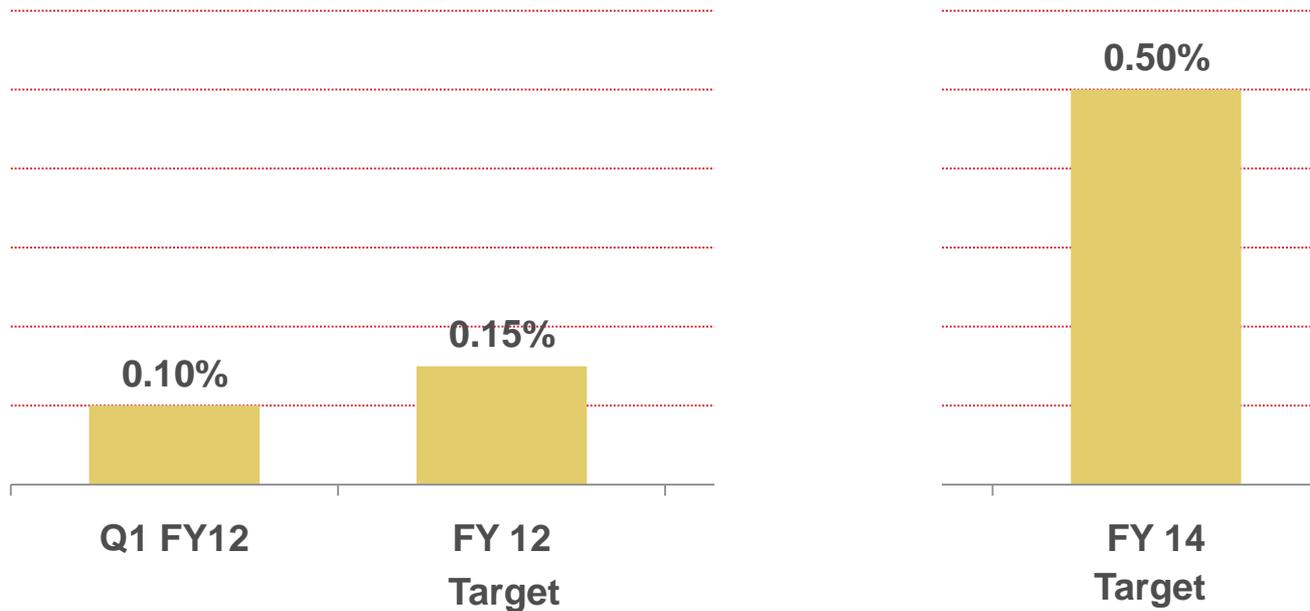
Non-Perishables



In-stock tools in all traditional stores by end of fiscal 2012.

Scorecard

Shrink Improvement



Reduce shrink by 50 basis points by year-end fiscal 2014.

Growth Plays



- 907 licensed Save-A-Lot stores
- 376 corporate Save-A-Lot stores



- Primary supplier for 1,900 stores
- Secondary supplier to 600 stores

Corporate Social Responsibility



Zero Waste Initiative

- SUPERVALU was the first grocer in the U.S. to announce Zero Waste stores
- 90% of all waste products are recycled, reused or composted
- Add 40 Zero Waste stores to fleet in Fiscal 2012



Food Deserts

- Save-A-Lot continues to address Foods Deserts
- Working with *Partnership for a Healthier America* over the next five years to add 250 stores in neighborhoods with limited or no access to nutritional foods

Identical Store Sales

	Q4 FY11	Q1 FY12	Change
Customer Count	(4.6%)	(4.4%)	0.2%
Average Ticket	<u>(0.4%)</u>	<u>0.5%</u>	<u>0.9%</u>
ID Sales	(5.0%)	(3.9%)	1.1%

Gross Profit Rate

	Q1 FY11 ⁽¹⁾	Q1 FY12	Change
Gross Profit Rate ⁽²⁾	22.5%	22.1%	(0.4%)
Retail Gross Profit Rate ⁽³⁾	27.6%	27.2%	(0.4%)

(1) Adjusted for one-time items.

(2) As a percent of total net sales.

(3) As a percent of retail net sales.

Major Factors Impacting Gross Profit

- Lower fuel prices
- Higher LIFO charge

Expect gross profit rate to remain relatively flat to slightly down for the full year.

Cost Savings Activities

- **Realized \$40 million in cost savings in Q1 FY12, driven primarily by:**
 - Reduced administrative costs
 - Benefits from store closures

Expect cost savings of at least \$115 million in FY12.