

# Fiscal 2012 Q2 Earnings Call

*October 19, 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

	Q2 FY11	Q2 FY12	Change
<b>Diluted EPS</b>	\$0.28*	<b>\$0.28</b>	-

\* Adjusted for non-cash goodwill and impairment charges and certain other costs primarily related to the impact of the labor dispute at Shaw's and employee-related costs.

**Full-year earnings guidance narrowed to a range of \$1.20 to \$1.30 per share.**

# Identical Store Sales

	Q1 FY12	Q2 FY12	Sequential Change
<b>Customer Count</b>	(4.4%)	<b>(3.8%)</b>	0.6%
<b>Average Ticket</b>	0.5%	<b>2.0%</b>	1.5%
<b>ID Sales</b>	(3.9%)	<b>(1.8%)</b>	2.1%

# Gross Profit Rate

	Q2 FY11	Q2 FY12	Change
<b>Gross Profit Rate</b> <sup>(1)</sup>	22.3%	<b>22.2%</b>	(0.1%)
<b>Retail Gross Profit Rate</b> <sup>(2)</sup>	27.3%	<b>27.1%</b>	(0.2%)

*(1) As a percent of total net sales.*

*(2) As a percent of retail net sales.*

## Major Factors Impacting Gross Profit

- LIFO
- Fuel Prices

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

# Cost Savings Activities

- **Realized \$50 million in cost savings in Q2 FY12, bringing year-to-date total to \$90 million, driven primarily by:**
  - Reduced administrative costs
  - Lower benefit costs
  - Savings from store closures

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

# “8 Plays to Win”



ONE  
COMPANY



Simplify



Funding

WINNING  
FOR  
CUSTOMERS



Value



Fresh



Neighborhood



Hassle-Free

COMMITTED  
TO GROWTH



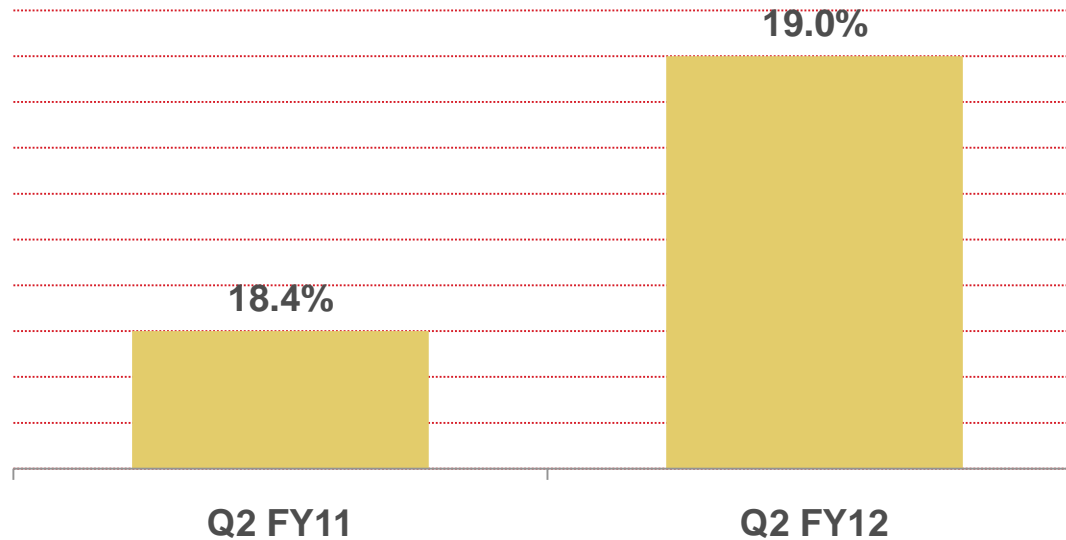
Expand



Independents

# Scorecard

## Private Brand Sales Penetration

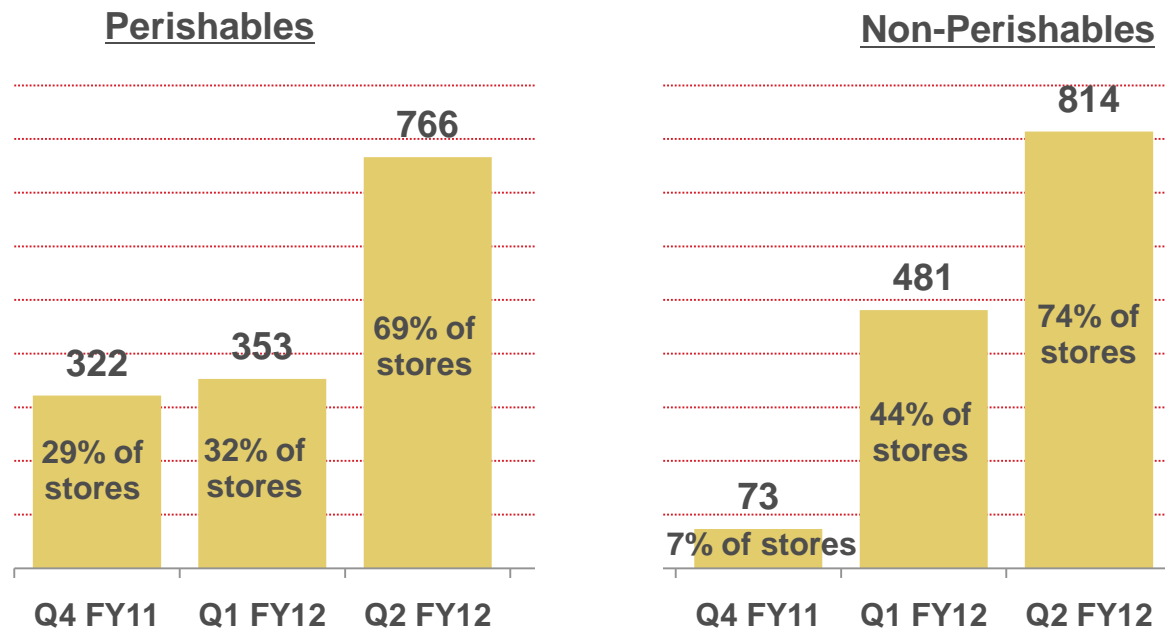


**Q2 FY12 was a 60 basis point increase to the prior year quarter.**



# Scorecard

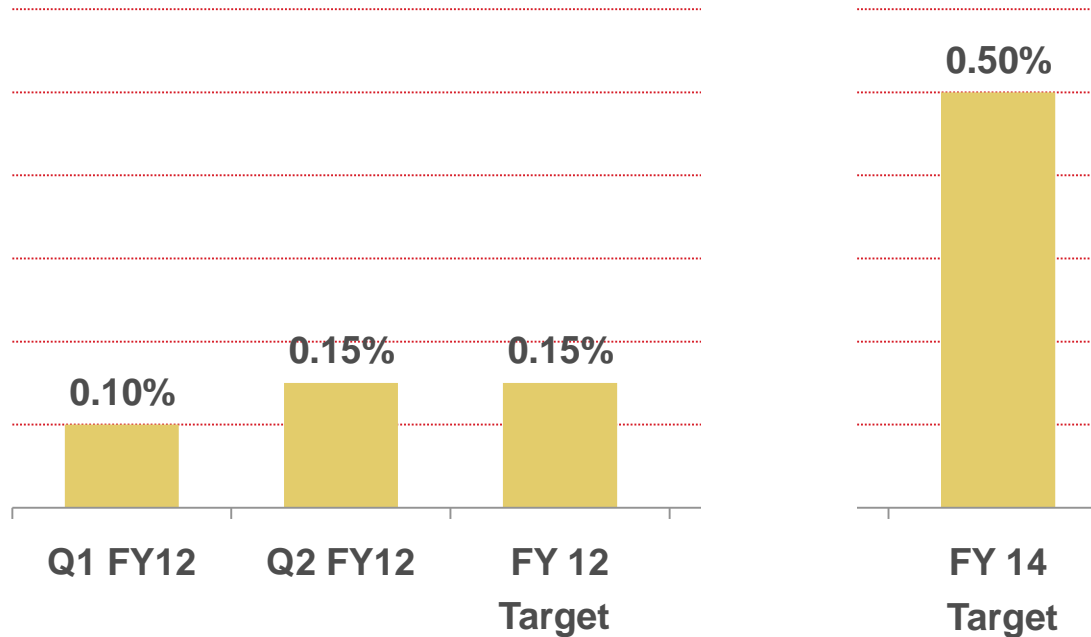
## Stores with In-Stock Tools



**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.**

# Hyper-Local Retailing

## Frontier Days (Cheyenne, WY)



# Hyper-Local Retailing

## Back-To-School Program



# Fiscal 2012 Guidance

- **Total sales of approximately \$36.5 billion**
- **Independent business sales down 3.5% to 4.5%**
- **ID sales of -2.0% to -2.5%**
- **Capital spending of \$700 million to \$725 million**
- **Debt reduction of \$525 million to \$550 million**
- **EPS of \$1.20 to \$1.30**