Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2011

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
BI-LO 401(K) SAVINGS PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 02/21/2005

2a Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)

BI-LO

208 BI-LO BLVD
GREENVILLE, SC 29607

208 BI-LO BLVD
GREENVILLE, SC 29607

2b Employer Identification Number (EIN)
52-2260130

2c Sponsor's telephone number
864-286-2852

2d Business code (see instructions)
445110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/12/2012	KENNETH PETERSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")
BI-LO

208 BI-LO BLVD
GREENVILLE, SC 29607

3b Administrator's EIN
52-2260130

3c Administrator's telephone number
864-286-2852

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	11476
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	10893
b	Retired or separated participants receiving benefits	**6b**	151
c	Other retired or separated participants entitled to future benefits	**6c**	651
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	11695
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	**6e**	53
f	Total. Add lines **6d** and **6e**	**6f**	11748
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	5696
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	29
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)		Insurance
(2)		Code section 412(e)(3) insurance contracts
(3)	X	Trust
(4)		General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	X	**R** (Retirement Plan Information)
(2)		**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)		**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	X	**H** (Financial Information)
(2)		**I** (Financial Information – Small Plan)
(3)		**A** (Insurance Information)
(4)	X	**C** (Service Provider Information)
(5)	X	**D** (DFE/Participating Plan Information)
(6)		**G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2011** **This Form is Open to Public Inspection.**

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BI-LO 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BI-LO

D Employer Identification Number (EIN)
52-2260130

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	232746	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

NEWPORT GROUP SECURITIES

PO BOX 402077
ATLANTA, GA 30384-2079

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	CONSULTANT	69029	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

GRANT THORTON

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT/AUDITOR	17000	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ABF INTL EQUITY INV - STATE STREET 04-1867445	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
COL MID CAP VALUE Z - COLUMBIA MGT 04-3156901	0.40%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
DREY/BC SM CAP VAL I - DREYFUS TRAN 13-2614959	0.25%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
HARTFORD GROWTH Y - HARTFORD ADMINI 41-0679409	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
IVK GRTH & INC A - INVESCO CANADA L 5140 YONGE STREET, SUITE 900 TORONTO, ON M2N 6 CA	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MSIF MID CAP GRTH P - MORGAN STANLE 13-3799749	0.35%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MSIF MID CAP GRTH P - MORGAN STANLE 13-3799749	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
MUTUAL GLB DISCVRY Z - FRANKLIN TEM 94-3167260	0.15%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PERIMETER SMCPGR INV - BNY MELLON I P.O. BOX 9793 PROVIDENCE, RI 02940	0.40%

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIM REAL RETURN INST - BOSTON FINAN 330 W. 9TH STREET KANSAS CITY, MO 66160	0.01%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
PIM TOTAL RT INST - BOSTON FINANCIA 330 W. 9TH STREET KANSAS CITY, MO 66160	0.01%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
WF STABLE RETURN N4 52-2251296	0.20%

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BI-LO 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
BI-LO

D Employer Identification Number (EIN)
52-2260130

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: FID MGD INC PORT II

b Name of sponsor of entity listed in (a): FIDELITY MANAGEMENT TRUST COMPANY

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
04-3022712-025	C	0

a Name of MTIA, CCT, PSA, or 103-12 IE: WF STABLE RETURN N4

b Name of sponsor of entity listed in (a): WELLS FARGO BANK NA

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103 12 IE at end of year (see instructions)
52-2251296-001	C	25956474

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103- 12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
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b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BI-LO 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BI-LO

D Employer Identification Number (EIN)
52-2260130

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	5516185	5992899
(9) Value of interest in common/collective trusts	1c(9)	28387602	25956474
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	89004946	91845808
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	122908733	123795181
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k		
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	122908733	123795181

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	4024259	
	(B) Participants	2a(1)(B)	7359320	
	(C) Others (including rollovers)	2a(1)(C)	338193	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		11721772
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	263608	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		263608
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	2889203	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		2889203
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		28964
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-4691980
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		10211567
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	8992889	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		8992889
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		13298
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	318932	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		318932
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		9325119
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		886448
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified (2) [ ] Qualified (3) [X] Disclaimer (4) [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON (2) EIN: 36-6055558

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. (2) [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

		Yes	No	Amount
a	Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	**4a**		X	
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**		X	
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	**4n**		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2011

This Form is Open to Public Inspection.

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

A Name of plan
BI-LO 401(K) SAVINGS PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
BI-LO

D Employer Identification Number (EIN)
52-2260130

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year. **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

P.O. Box 99 ● Mauldin, South Carolina 29662

October 10, 2012

Grant Thornton LLP
201 South College Street
Suite 2500
Charlotte, NC 28244

Dear Sir or Madam:

We are providing this letter in connection with your audit of the financial statements of BI-LO 401(k) Savings Plan ("Plan") as of December 31, 2011 and 2010 and for the year ended December 31, 2011, and the supplemental schedule as of December 31, 2011. We understand that your engagement to audit the financial statements was undertaken for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America ("US GAAP") and whether the supplemental schedule is fairly stated in all material respects in relation to the financial statements as a whole. However, we understand that, at our instruction, you did not perform any audit procedures with respect to information prepared and certified by Fidelity Trust Management Company, the trustee of the Plan, in accordance with the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act ("ERISA") of 1974 (DOL Regulation 2520.103-8), other than comparing such information to the financial statements and accompanying supplemental schedule as of and for the year ended December 31, 2011. We are responsible for determining whether the conditions for limiting the scope of your audit, as set forth in ERISA and the DOL's Rules and Regulations, have been satisfied. Because of the significance of the information that you did not audit, we understand that you will not express an opinion on the financial statements as a whole or an opinion on the accompanying supplemental schedule.

We have fulfilled our responsibility, as set out in the terms of the Engagement Letter, for the preparation and fair presentation in the financial statements of net assets and changes in net assets in accordance with US GAAP and for the preparation and fair presentation of the supplemental schedule in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge our responsibility for designing, implementing, and maintaining effective internal control over financial reporting, including programs and controls to prevent and detect fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of the surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief and having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, as of October 10, 2012, the following representations made to you during your audit.

1. The financial statements referred to above, including the related notes, have been prepared and are fairly presented in accordance with US GAAP, and the notes include all disclosures required by laws and regulations to which the Plan is subject.

2. The supplemental schedule, including its form and content, is fairly presented in accordance with DOL rules and regulations. The methods of measurement and presentation of the supplemental schedule is consistent with those used in the prior period. There are no significant assumptions or interpretations underlying the measurement and presentation of the supplemental schedule.

3. We have provided you with:
   a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, including all financial records, documentation of internal control over financial reporting, and related information
   b. Additional information that you have requested for audit purposes
   c. Unrestricted access to persons at the Plan sponsor from whom you determined it necessary to obtain audit evidence
   d. The Plan instrument and all Plan amendments thereto, including amendments to comply with applicable laws and any trust agreements or insurance contracts. The last amendment to the Plan instrument was as of June 22, 2011. The Plan has been amended since the date of the submission for a determination letter. However, we believe that the Plan is designed and is operating in accordance with the applicable requirements of the IRC.
   e. Minutes of the meetings of trustees and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant trustee and committee actions are included in the summaries.

4. There are no known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

5. There have been no communications, written or oral, from regulatory agencies or others concerning operations of the Plan or noncompliance with, or deficiencies in, financial reporting practices.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements. The adjusting journal entries for the period ended December 31, 2011, which have been proposed by you, are approved by us and will also be recorded in the accounting records.

7. There are no significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting of which we are aware.

8. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, including all information in relation to fraud or suspected fraud that we are aware of and that affects the Plan.

9. We have no knowledge of fraud or suspected fraud affecting the Plan involving:
   a. Management
   b. Employees who have significant roles in internal control
   c. Others where the fraud could have a material effect on the financial statements.

10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees or former employees, participants, beneficiaries, regulators, service providers, third-party administrators, or others.

11. The Plan has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

12. We have disclosed to you the identity of the Plan's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions (including party-in-interest transactions) and related amounts receivable from and payable to related parties (including sales, purchases, loans, transfers, leasing arrangements, and guarantees) have been properly recorded and disclosed in the financial statements and supplemental schedule in accordance with US GAAP and DOL rules and regulations. For purposes of this letter, we understand that Section 3(14) of ERISA defines the term "party-in-interest."

13. There are no:
   a. Non-exempt party-in-interest transactions (as defined in ERISA section 406 and regulations under that section) that were not disclosed in the financial statements or supplemental schedule

   b. Investments in default or considered to be uncollectible or loans or fixed income obligations in default or classified as uncollectible

14. There are no guarantees, whether written or oral, under which the Plan is contingently liable.

15. Amendments to the Plan instrument have been properly disclosed in the financial statements.

16. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the *FASB Accounting Standards Codification*™ (ASC) 275, *Risks and Uncertainties*, are properly disclosed in the financial statements.

    Significant estimates are estimates at the date of the statement of net assets available for benefits which could change materially within the next year. Concentrations refer to the nature and type of investments held by the Plan, or markets or geographic areas for which events could occur which would significantly disrupt normal finances within the next year.

17. There are no:
   a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with ASC 450, *Contingencies*

c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450

d. Other matters (such as, breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, events that may jeopardize the tax status, or events reportable to the Pension Benefit Guarantee Corporation) that legal counsel has advised us must be disclosed

18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with ASC 450, *Contingencies*, and we have not consulted a lawyer concerning litigation, claims, or assessments.

19. The Plan has satisfactory title to all owned assets, which are recorded at fair value. There are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

20. The Plan has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

21. The measurement methods and significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable, consistently applied, and result in a measure of fair value appropriate for financial statement and disclosure purposes. Disclosures related to fair value measurements are adequate, complete, and accurate. No events have occurred subsequent to the date of the financial statements through the date of this letter that would require adjustment to the fair value measurements and disclosures included in the financial statements.

22. There are no securities that do not have readily determinable market values.

23. For fully benefit-responsive investment contracts, there are no events that limit the ability of the Plan to transact at contract value with the issuers and none are probable of occurring. There are no intentions to terminate any fully benefit-responsive investment contract.

24. There are no financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk.

25. The Plan and the trust established under the Plan are qualified under the appropriate section of the Internal Revenue Code and intend to continue as a qualified Plan and trust. The Plan sponsor has operated the Plan and trust in a manner that did not jeopardize this tax status, including complying with laws and regulations and preventing violations that may cause disqualification. We are not aware of any matters, including the impact of amendments enacted subsequent to submission for the most recent determination letter, that would affect the continued qualified status of the Plan.

26. We are responsible for the preparation of Plan amendments necessitated by changes in law or regulation or required by changes in the operation of the Plan. All amendments required by such changes have been adopted by the Plan.

27. The Plan has complied with the DOL's regulation concerning the timely remittance of participants' contributions to trusts containing assets for the Plan.

28. We have no intentions to terminate the Plan.

29. You provided a non-attest service by assisting us with drafting the financial statements and supplemental schedule. In connection with this non-attest service, we confirm that we (a) made all management decisions and performed all management functions, (b) have suitable skill, knowledge, and experience to evaluate the accuracy and completeness of the financial statements and supplemental schedule, and (c) accept responsibility for such financial statements and supplemental schedule.

30. Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations prior to 2008.

31. We have reviewed the user control considerations of the Independent Auditors Review of Control Policies and Procedures for Fidelity Investments Institutional Operations Company Inc. as of and for the year ended October 31, 2011 and 2010 and believe all applicable controls are in place.

32. All loans to employees were made in accordance with the Plan. No loans were made in excess of the maximum loan amounts as defined in the Plan Document.

33. We have not consulted legal counsel for any matters related to the Plan during the year ended December 31, 2011.

34. No forfeitures were used during the year ended December 31, 2011. Management is aware that such forfeitures should be used to offset current year matching contributions, pay Plan administrative expenses, or distributed, pro-rata, to plan participants. Management is committed to ensuring Plan forfeitures are used in one of the three manners described above.

35. The amendments to ASC 820, Fair Value Measurement, included in ASU 2011-04, are effective prospectively for interim and annual periods beginning after December 15, 2011. The Plan is in the process of evaluating the impact the amended guidance will have on its financial statements and does not plan to implement the guidance for 2011. The Plan will adopt ASU 2011-04 upon its effective date of January 1, 2012.

36. We did not have any discretionary contributions during 2011 or related to the 2011 Plan year.

37. Subsequent to the Plan year, the Plan Sponsor acquired a large supermarket chain, and has considered merging defined contribution plan sponsored by the acquired supermarket chain with the Plan. However, as of the date the financial statements were available to be issued, there are no plans to merge the defined contribution plans. The Plan Sponsor has evaluated all other subsequent events through October 10, 2012, which is the date the financial statements were available to be issued and has determined that no material subsequent events should be further disclosed or recorded in these financial statements.

Very truly yours,

BI-LO 401(k) SAVINGS PLAN



Ken Peterson, Vice President, Human Resources & Diversity

Financial Statements and Report of Independent Certified Public Accountants

BI-LO 401(k) Savings Plan

December 31, 2011 and 2010

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Audit • Tax • Advisory

Grant Thornton LLP
201 S. College Street
Suite 2500
Charlotte, NC 28244

T 704.632.3500
F 704.334.7701
www.GrantThornton.com

Report of Independent Certified Public Accountants

To the Plan Administrator of
BI-LO 401(k) Savings Plan:

We were engaged to audit the financial statements of the **BI-LO 401(k) Savings Plan** (the Plan) as of December 31, 2011 and 2010, and for the year ended December 31, 2011, and the supplemental schedule of assets (held at end of year) as of December 31, 2011. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the certified Plan assets and executes the related transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2011 and 2010, and for the year ended December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and we do not express, an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Grant Thornton LLP

Charlotte, North Carolina
October 10, 2012

Statements of net assets available for benefits

As of December 31	2011	2010
	$	$
Assets:		
Investments, at fair value:		
Mutual funds	91,845,808	89,004,946
Collective trust fund	26,605,928	28,387,602
Total investments, at fair value	118,451,736	117,392,548
Contributions receivable - Employer	4,075,018	4,024,258
Contributions receivable - Employee	112,170	123,933
Notes receivable from participants	5,992,899	5,516,185
Total assets	128,631,823	127,056,924
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(649,454)	(280,308)
Net assets available for benefits	127,982,369	126,776,616

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets available for benefits

For the year ended December 31	2011
	$
Investment income (loss):	
Interest and dividend income	2,889,203
Net depreciation in fair value of investments	(4,382,708)
Total investment loss	(1,493,505)
Interest income on notes receivable from participants	263,608
Contributions:	
Participant	7,347,557
Employer	4,075,018
Rollover contributions	338,193
Total contributions	11,760,768
Deductions from net assets attributable to:	
Benefit payments	8,992,888
Deemed distributions on notes receivable from participants	13,298
Administrative expenses	318,932
Total deductions	9,325,118
Net increase in net assets available for benefits	1,205,753
Net assets available for benefits, beginning of year	126,776,616
Net assets available for benefits, end of year	127,982,369

The accompanying notes are an integral part of these financial statements.

Notes to financial statements

1 Description of the Plan

The following description of the BI-LO 401(k) Savings Plan (the Plan) is provided for general information purposes only. Participants should refer to the plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code (IRC). Eligible employees, as defined by the plan document, automatically begin participation in the Plan on the first day of the payroll period after reaching the age of 21 and completing 90 days of employment with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Effective January 1, 2010, the plan document was restated. The changes to the Plan included the discontinuance of the profit sharing component of the Plan, which was replaced with a discretionary match. To be eligible to receive the discretionary match, an employee must be a participant in the Plan making pre-tax voluntary contributions. Additionally, for participants who are eligible to receive a distribution from the Plan, the Plan will distribute their entire account balance if the value of their vested balance is less than $5,000, provided, however, that in the event of a mandatory cash out distribution greater than $1,000, if the participant does not elect to have this distribution paid directly to an eligible retirement plan as a direct rollover or to receive the distribution directly, then the distribution will be paid as a direct rollover in the participant's name into an individual retirement plan designated by the plan administrator.

Contributions

Each participant may contribute to the Plan up to 25% of his or her pre-tax annual compensation, as defined in the Plan. Effective July 2011, eligible employees may elect to make after-tax Roth contributions to the Plan. Contributions (pre-tax and Roth) are limited to $16,500 for 2011 and 2010, as stipulated by the IRC.

The Company is required to make safe-harbor matching contributions to each eligible participant's 401(k) account based upon the participant's contributions which are funded to the Plan subsequent to year-end. If a participant leaves the Plan and has a full withdrawal subsequent to year-end but prior to the funding of the safe-harbor match, the match is still funded to the participant's account and the earned match is sent to the participant as an additional distribution. Matching contributions are equal to 100% up to the first 3% of a participant's compensation contributed to the Plan and 50% of the next 2% of a participant's compensation contributed to the Plan. The maximum total matching contribution is 4% of a participant's compensation. A participant becomes eligible to receive a matching contribution on the first day of the first payroll period of the month after the participant reaches the age of 21 and completes a year of service with the Company. A year of service is defined as a period of 12 consecutive months during which an employee has at least 1,000 hours of service.

The Company may make a discretionary contribution to eligible participants, as determined by the Company. Participants become eligible to receive a discretionary contribution on the first day of the first payroll period of the month after the participant reaches the age of 21 and completes a year of service with the Company. Discretionary contributions, if determined by the Company, will be made to eligible participants in any year in which the eligible participant is either employed by the Company on the last day of that plan year and has completed 1,000 hours of service during that plan year, or has terminated employment from the Company during the plan year by reason of death, disability or retirement. The Company made no discretionary contributions during 2011.

Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Such contributions are recorded as rollover contributions in the accompanying financial statements.

Catch-up Contributions

All employees who are eligible to make contributions under the Plan, and who have attained the age of 50 before the close of the plan year, are eligible to make catch-up contributions during the plan year in accordance with, and subject to, the limitations of Section 414(v) of the IRC. These catch-up contributions are not eligible for a company match and were limited to $5,500 in 2011 and 2010.

Participant Accounts

Each participant's account is credited with the participant's contributions, allocations of the Company's contributions and plan earnings, and charged with withdrawals, if any, and allocations of plan losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

All participants are immediately vested in their contributions plus earnings thereon. Participants are also 100% vested in the safe-harbor matching contributions made by the Company.

The Company's discretionary contributions and earnings thereon vest at a rate of 20% after one year of service, increasing 20% per year for the next four years. For purposes of determining years of vested service, the Plan considers service from a participant's hire date. Each participant becomes fully vested upon attaining age 55, death or permanent disability.

Participant Loans

Participants may borrow from the Plan up to 50% of their vested account balance, but not less than $1,000 or more than $50,000. Generally, loan terms may not exceed five years unless such funds are used to purchase a primary residence, in which case the term may not exceed 15 years. The loans are secured by the balance in the participant's account and bear interest at a rate equal to the prime rate as published in the Wall Street Journal as of the first day of the calendar quarter immediately preceding the date of the loan. Loans outstanding at December 31, 2011 and 2010, carry interest rates between 3.25% and 9.50%. Principal and interest are paid ratably through payroll deductions.

Payment of Benefits

On termination of service due to disability, retirement or termination, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, an unlimited number of partial lump-sum payments in cash or annual installments or various forms of annuities. For termination of service for other reasons, including death, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution, in annual installments or in various forms of annuities.

A participant may request a withdrawal from his or her account balance based upon financial hardship, which is defined by the plan document and IRC regulations as either expenses for medical care, the payment of tuition and related educational expenses, costs related directly to the purchase of a principal residence, payments necessary to prevent eviction or foreclosure, the payment of funeral expenses or the need to repair structural damage to a principal residence. In the event such a withdrawal is made, the distribution is subject to certain penalties, as defined by the IRC, if the participant has not attained age 59½. Also, upon making such a withdrawal, a participant is suspended from making contributions to the Plan for a period of six months.

Forfeitures

Forfeitures shall be used to offset the plan sponsor's future matching contributions. The Plan had forfeitures available of approximately $352,000 and $350,000 as of December 31, 2011 and 2010, respectively. No forfeitures were utilized during 2011.

Amendments

The Plan was amended on June 22, 2011, with an effective date of July 1, 2011, to allow for Roth contributions which are treated in the same manner as pre-tax contributions for all Plan purposes. A participant is not permitted to take a loan, hardship withdrawal, or in-service distribution from the Participant's Roth Contribution account.

2 Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "Fair Value Measurement and Disclosures," provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability and
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level of assets or liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2011 and 2010:

	Investments at Fair Value			
December 31, 2011	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Mutual funds:				
Fidelity Freedom Funds	36,430,511	-	-	36,430,511
International/Growth equity fund	10,367,277	-	-	10,367,277
Large growth fund	9,895,218	-	-	9,895,218
Mid growth fund	9,840,418	-	-	9,840,418
Bond fund	10,076,061	-	-	10,076,061
Large blend fund	6,618,292	-	-	6,618,292
Large value fund	5,033,376	-	-	5,033,376
Small blend fund	2,262,316	-	-	2,262,316
Small growth fund	1,322,339	-	-	1,322,339
Common trust fund	-	26,605,928	-	26,605,928
Total investments at fair value	91,845,808	26,605,928	-	118,451,736

	Investments at Fair Value			
December 31, 2010	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Mutual funds:				
Fidelity Freedom Funds	33,332,182	-	-	33,332,182
International/Growth equity fund	11,278,952	-	-	11,278,952
Large growth fund	10,002,528	-	-	10,002,528
Mid growth fund	10,503,372	-	-	10,503,372
Bond fund	8,653,328	-	-	8,653,328
Large blend fund	6,390,419	-	-	6,390,419
Large value fund	5,063,455	-	-	5,063,455
Small blend fund	2,418,836	-	-	2,418,836
Small growth fund	1,361,874	-	-	1,361,874
Common trust fund	-	-	28,387,602	28,387,602
Total investments at fair value	89,004,946	-	28,387,602	117,392,548

Purchases and sales of securities are recorded on a trade-date basis.

Mutual funds are valued at the quoted net asset value (NAV) of shares held by the Plan at year-end.

Investment contracts held by a defined contribution plan are reported at fair value. However, contract value is the relevant measurement attribute for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

During the year, the Company transferred its entire investment in the Managed Income Portfolio (MIP) to the Wells Fargo Stable Return Fund (the Fund). The Fund primarily invests in traditional guaranteed investment contracts (GICs) and security-backed contracts issued by insurance companies and other financial institutions.

Traditional GICs are backed by the general account of the contract issuer. The Fund deposits a lump sum with the issuer and receives a guaranteed interest rate for a specified period. Interest is accrued on either a simple or fully compounded basis, and is paid either periodically or at the end of the contract term. The issuer guarantees that all qualified participant withdrawals will be at contract value (principal plus accrued interest).

A security-backed contract is an investment contract issued by an insurance company or other financial institution, backed by a portfolio of bonds that are owned by the Fund. The portfolio underlying the contract is maintained separately from the contract issuer's general assets, usually by a third party custodian. The interest crediting rate of a security-backed contract is based on the contract value, and the fair value, duration, and yield to maturity of the underlying portfolio. These contracts typically allow for realized and unrealized gains and losses on the underlying assets to be amortized, usually over the duration of the underlying investments, through adjustments to the future interest crediting rate, rather than reflected immediately in the net assets of the Fund. The issuer guarantees that all qualified participant withdrawals will be at contract value.

The Fund enters into participating or hybrid contracts. In a participating contract, the contract holder participates in asset and liability risks. Therefore, these risks transfer from the contract issuer to the Fund. However, in the case of a full liquidation event, the issuer is responsible for covering any amount by which the contract value exceeds the fair value of the underlying portfolio. A hybrid contract is a combination of participating and non-participating contracts. In a non-participating contract, the contract holder does not participate in asset and liability risks. Typically, hybrid contracts are 20% participating and 80% non-participating, and each component is reset over a 12-month cycle. Hybrid contracts generally have a higher contract fee compared to participating contracts. No payments related to participating or hybrid contracts were made during the year ended December 31, 2011.

Risks arise when entering into any investment contract due to the potential inability of the issuer to meet the terms of the contract. In addition, security-backed contracts have the risk of default or the lack of liquidity of the underlying portfolio assets.

The primary variables impacting the future crediting rates of security-backed contracts include:

- the current yield of the assets underlying the contract
- the duration of the assets underlying the contract
- the existing difference between the fair value and contract value of the assets within the contract

GICs provide a fixed-rate of interest over the term to maturity of the contract, and therefore do not experience fluctuating crediting rates.

The Fund uses the following compound crediting rate formula for security-backed contracts:

$CR = [(FV/CV)(1/D)*(1+Y)]-1$, where:

CR = crediting rate
FV = fair value of underlying portfolio
CV = contract value
D = weighted average duration of the underlying portfolio
Y = annualized weighted average yield to maturity of the underlying portfolio

The net crediting rate reflects fees paid to security-backed contract issuers.

The security-backed contracts are designed to reset their respective crediting rates on a quarterly basis. GIC crediting rates are not reset.

Security-backed contracts cannot credit an interest rate that is less than zero percent.

The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio of a security-backed contract has unrealized and/or realized losses, a positive adjustment is made to the adjustment from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the then-current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made to the adjustment from fair value to contract value, and the future crediting rate may be higher than the then-current market rates.

The yield earned by the Fund at December 31, 2011 was 1.56%. This represents the annualized earnings of all investments in the Fund divided by the fair value of all investments in the Fund at December 31, 2011.

The yield earned by the Fund with an adjustment to reflect the actual interest rate credited to participants in the Fund at December 31, 2011 was 2.33 %. This represents the annualized earnings credited to participants in the Fund divided by the fair value of all investments in the Fund at December 31, 2011.

GICs and security-backed contracts generally provide for withdrawals associated with certain events which are not in the ordinary course of Fund operations. These withdrawals are paid with a market value adjustment applied to the withdrawal as defined in the investment contract. Each contract issuer specifies the events which may trigger a market value adjustment; however, such events may include all or a portion of the following:

- material amendments to the Fund's structure or administration;
- changes to the participating plans' competing investment options including the elimination of equity wash provisions;
- complete or partial termination of the Fund, including a merger with another fund;
- the failure of the Fund to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA;
- the redemption of all or a portion of the interests in the Fund held by a participating plan at the direction of the participating plan sponsor, including withdrawals due to the removal of a specifically identifiable group of employees from coverage under the participating plan (such as a group layoff or early retirement incentive program), the closing or sale of a subsidiary, employing unit, or affiliate, the bankruptcy or insolvency of a plan sponsor, the merger of the plan with another plan, or the plan sponsor's establishment of another tax qualified defined contribution plan;
- any change in law, regulation, ruling, administrative or judicial position, or accounting requirement, applicable to the Fund or participating plans;
- the delivery of any communication to plan participants designed to influence a participant not to invest in the Fund.

At this time, the Fund does not believe that the occurrence of any such market value event, which would limit the Fund's ability to transact at contract value with participants, is probable.

GICs generally do not permit issuers to terminate the agreement prior to the scheduled maturity date. Security-backed contracts generally are evergreen contracts that contain termination provisions, allowing the Fund or the contract issuer to terminate with notice, at any time at fair value, and providing for automatic termination of the contract if the contract value or the fair value of the underlying portfolio equals zero. The issuer is obligated to pay the excess contract value when the fair value of the underlying portfolio equals zero.

In addition, if the Fund defaults in its obligations under the security-backed contract (including the issuer's determination that the agreement constitutes a non-exempt prohibited transaction as defined under ERISA), and such default is not corrected within the time permitted by the contract, then the contract may be terminated by the issuer and the Fund will receive the fair value as of the date of termination.

At December 31, 2010, the Plan invested in the MIP, a fully benefit-responsive collective trust fund. The statement of net assets available for benefits presents the fair value of the MIP as well as the adjustment of the MIP from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

The Plan applied the practical expedient as of December 31, 2010 to its investment in Fidelity's Managed Income Portfolio a collective trust fund. The MIP's investment objective is to seek the preservation of capital and to provide a competitive level of income over time that is consistent with the preservation of capital. Participants' ownership of the MIP is represented as units. Units are issued and redeemed daily at the MIP's constant NAV of $1 per unit. The MIP allows for daily liquidity with no additional days' notice required for redemption. It is the policy of the MIP to use its best efforts to maintain a stable NAV of $1 per unit, although there is no guarantee that the MIP will be able to maintain this value.

Participants ordinarily may direct the withdrawal or transfer of all or a portion of their investment in the MIP at contract value. Contract value represents contributions made to the MIP, plus earnings, less participant withdrawals and administrative expenses. The MIP imposes certain restrictions on the Plan and the MIP itself may be subject to circumstances that impact its ability to transact at contract value as described in the following paragraphs. Plan management believes the occurrence of events that would cause the MIP to transact at less than contract value is not probable.

The MIP invests in assets (typically fixed income securities or bond funds and may include derivative instruments such as futures contracts and swap agreements), enters into wrapper contracts issued by third parties and invests in cash equivalents represented by shares in a money market fund. A wrap contract is an agreement by another party, such as a bank or insurance company, to make payments to the MIP in certain circumstances. Wrap contracts are designed to allow a stable value portfolio to maintain a constant NAV and protect a portfolio in extreme circumstances. In a typical wrap contract, the wrap issuer agrees to pay a portfolio the difference between the contract value and the market value of the underlying assets once the market value has been totally exhausted.

The following events may limit the ability of the Plan to transact at contract value:

- The Plan's failure to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA
- Any communication given to Plan participants designed to influence a participant not to invest in the MIP or to transfer assets out of the MIP
- Any change in law, regulation or administrative ruling applicable to the Plan that could have a material adverse effect on the MIP's cash flow
- Any transfer of assets from the MIP directly into a competing investment option
- The establishment of a defined contribution plan that competes with the Plan for employee contributions
- Complete or partial termination of the Plan or its merger with another plan
- Any substantive modifications of the MIP or the administration of the MIP that is not consented to by the wrap issue
- Any change in law, regulation or administrative ruling applicable to a plan investing in the MIP that could have a material adverse effect on the MIP's cash flow

The MIP is unlikely to maintain a stable NAV if, for any reason, it cannot obtain or maintain wrap contracts covering all of its underlying assets that are not otherwise invested in money market funds. For example, this could result from the MIP's inability to promptly find a replacement wrap contract following termination of a wrap contract. The wrap issuer's ability to meet its contractual obligations under the wrap contracts may be affected by future economic and regulatory developments. In the event that wrap contracts fail to perform as intended, the MIP's NAV may decline if the market value of its assets declines.

The MIP and the Fund are presented in the statement of net assets at fair value with an adjustment to contract value.

Net gain or loss from investment activity is comprised of realized, as well as unrealized, gains or losses resulting from investment transactions. Realized gain (loss) represents the difference between sales proceeds of plan investments and the fair market value of such investments at the beginning of the year, or the cost of such investments if investments were purchased during the current year. Unrealized gain (loss) represents the difference between the fair market value of investments at the beginning of the year, or historical cost for investments purchased during the current plan year, and the fair market value at the end of the plan year.

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2011:

	Level 3 Assets
Year ended December 31, 2011	**Common Trust Fund**
	$
Balance, beginning of year	28,387,602
Purchases	4,189,553
Sales	(2,499,776)
Interest and dividends	28,951
Transfers out of Level 3	(30,106,330)
Balance, end of year	-

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the accompanying statements of net assets available for benefits.

Payment of Benefits

Benefit payments to participants are recorded when paid.

Administrative Expenses

Administrative expenses are paid by the Plan as provided in the plan document.

Adoption of New Accounting Standards

In May 2011, the FASB issued guidance clarifying how to measure and disclose fair value. This guidance (ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs) amends the application of the "highest and best use" concept to be used only in the measurement of fair value of nonfinancial assets, clarifies that the measurement of the fair value of equity-classified financial instruments should be performed from the perspective of a market participant who holds the instrument as an asset, clarifies that an entity that manages a group of financial assets and liabilities on the basis of its net risk exposure can measure those financial instruments on the basis of its net exposure to those risks, and clarifies when premiums and discounts should be taken into account when measuring fair value. The fair value disclosure requirements also were amended. The amendments to ASC 820, Fair Value Measurement, included in ASU 2011-04, are effective prospectively for interim and annual periods beginning after December 15, 2011. The Plan is in the process of evaluating the impact the amended guidance will have on its financial statements and does not plan to implement the guidance for 2011. The Plan will adopt ASU 2011-04 upon its effective date of January 1, 2012.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid balance plus any accrued but unpaid interest. Delinquent loans are recorded as deemed distributions based upon the terms of the Plan document.

3 Investments

The following individual investments were greater than 5% of the Plan's net assets as of December 31, 2011 and 2010, respectively:

As of December 31	2011	2010
	$	$
Investments, at fair value:		
Fidelity Managed Income Portfolio II	-	28,387,602
Wells Fargo Stable Return Fund	26,605,928	-
Franklin Templeton Mutual Global Discovery Fund Class Z	7,078,905	7,382,222
Fidelity Contrafund	7,597,127	7,522,107
Fidelity Freedom 2040 Fund	6,888,884	6,870,348
Pimco Total Return Investment Fund	6,908,642	6,617,361
Fidelity Spartan 500 Index Investment Fund	6,618,292	6,390,419

During the plan year ended December 31, 2011, the Plan's net depreciation in fair value of investments was attributable entirely to the Plan's investments in mutual funds.

4 Information Certified by the Trustee

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, the Trustee, has certified the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for benefits as of December 31, 2011 and 2010
- Investment income (loss) and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for benefits for the year ended December 31, 2011

- Schedule H, line 4i – Schedule of assets (held at end of year) as of December 31, 2011

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

5 Federal Income Tax Status

The plan administrator has received a favorable determination letter from the Internal Revenue Service (IRS) dated May 29, 2012, which indicated the Plan, as designed, was in compliance with the IRC. The Plan has been amended since the date of the submission for the determination letter. However, the plan administrator believes that the Plan is designed and is operating in accordance with the applicable requirements of the IRC. Therefore, no provision for income tax has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations prior to 2008.

6 Plan Termination

Although the Company has not expressed any intention to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event the Plan is terminated, all participants will become fully vested in their accounts.

7 Party-in-interest Transactions

Certain plan investments are shares of mutual funds and units of participation in a common trust fund managed by an affiliate of Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, those transactions, along with participant loan activity, qualify as party-in-interest transactions. Fees paid by the Plan for investment management services are included as a component of the net depreciation in fair value of investments.

8 Reconciliation to Form 5500

The following table reconciles the information provided in the Form 5500 to the statements of net assets available for plan benefits as of December 31, 2011 and 2010, and the statement of changes in net assets available for plan benefits for the year ended December 31, 2011, provided in the financial statements:

	Investments	Contributions Receivable	Fair value to Contract Value Adjustment	Contributions	2011 Net Assets Available for Benefits	2010 Net Assets Available for Benefits
	$	$	$	$	$	$
Per financial statements	118,451,736	4,187,188	(649,454)	11,760,769	127,982,369	126,776,616
Current year fair value to contract value adjustment	(649,454)	-	649,454	-	-	-
Current year contributions receivable - Employer and Employee	-	(4,187,188)	-	(4,187,188)	(4,187,188)	(4,148,191)
Prior year contributions receivable - Employer and Employee	-	-	-	4,148,191	-	-
Per Form 5500	117,802,282	-	-	11,721,772	123,795,181	122,628,425

9 Subsequent Events

Subsequent to the Plan year, the Plan Sponsor acquired a large supermarket chain, and has considered merging defined contribution plan sponsored by the acquired supermarket chain with the Plan. However, as of the date the financial statements were available to be issued, there are no plans to merge the defined contribution plans. The Plan Sponsor has evaluated all other subsequent events through October 10, 2012, which is the date the financial statements were available to be issued and has determined that no material subsequent events should be further disclosed or recorded in these financial statements.

Schedule H, Line 4i – Schedule of assets (held at end of year)

As of December 31, 2011

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor, or Similar Party	**Description of Investment**	**Historical Cost**	**Fair Market Value**
				$
*	**Fidelity Contrafund**	Mutual fund	**	7,597,127
	Franklin Templeton Mutual Global Discovery Fund Class Z	Mutual fund	**	7,078,905
*	**Fidelity Freedom 2040 Fund**	Mutual fund	**	6,888,884
*	**Pimco Total Return Investment Fund**	Mutual fund	**	6,908,642
*	**Fidelity Spartan 500 Index Inv Fund**	Mutual fund	**	6,618,292
*	**Fidelity Freedom 2020 Fund**	Mutual fund	**	5,865,835
*	**Fidelity Freedom 2025 Fund**	Mutual fund	**	6,084,570
	Columbia Mid Cap Value Z Fund	Mutual fund	**	4,924,763
	Morgan Stanley Institutional Fund	Mutual fund	**	4,915,655
	Invesco Van Kampen Growth & Income	Mutual fund	**	5,033,376
*	**Fidelity Freedom 2010 Fund**	Mutual fund	**	3,348,515
*	**Fidelity Freedom 2015 Fund**	Mutual fund	**	4,022,687
*	**Fidelity Freedom 2030 Fund**	Mutual fund	**	4,282,723
*	**Fidelity International Discovery Fund**	Mutual fund	**	2,733,407
*	**Fidelity Freedom 2035 Fund**	Mutual fund	**	3,352,747
	Hartford Growth Fund	Mutual fund	**	2,298,091
	Dreyfus/The Boston Company Small Cap Value Fund	Mutual fund	**	2,262,316
	Pimco Real Return Investment Fund	Mutual fund	**	3,167,419
	Perimeter Small Cap Growth Investment	Mutual fund	**	1,322,339
*	**Fidelity Freedom Income Fund**	Mutual fund	**	965,940
	American Beach International Fund	Mutual fund	**	554,964
*	**Fidelity Freedom 2000 Fund**	Mutual fund	**	388,460
*	**Fidelity Freedom 2005 Fund**	Mutual fund	**	442,627
*	**Fidelity Freedom 2045 Fund**	Mutual fund	**	494,330
*	**Fidelity Freedom 2050 Fund**	Mutual fund	**	294,194
				91,846,808
	Wells Fargo Stable Return Fund* **	Collective trust fund	**	26,605,928
*	**Various participants**	Participants loans, with interest rates ranging from 3.25% to 9.50%	**	5,992,899
				124,445,635

* Party-in-interest.
** Historical-cost information is not required because the Plan's investments are completely participant-directed.
*** Amount represents fair value. Contract value was $25,956,474 at December 31, 2011.