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to hedge against adverse fluctuations in the interest rate on anticipated variable rate debt planned to be incurred to finance the Safeway acquisition. Prior to the Safeway acquisition, the swap was treated as an economic hedge with changes in fair value recorded through earnings. Upon closing of the Safeway acquisition, the interest rate swap was designated as a cash flow hedge, with any subsequent changes in fair market value being marked to market through accumulated other comprehensive income. We did not have Other expense, net in fiscal 2013 or fiscal 2012.

Income Taxes

Income tax was a benefit of \$153.4 million in fiscal 2014, \$572.6 million in fiscal 2013 and immaterial in fiscal 2012. A substantial portion of the businesses and assets were held and operated by limited liability companies during these periods, which generally are not subject to entity-level federal or state income taxation. The income tax benefit of \$153.4 million in fiscal 2014 is primarily driven by the tax benefits from the operating results of Safeway and NAI, both of which are subject to federal and state income taxes. This income tax benefit was reduced by nondeductible acquisition-related transaction costs and non-cash equity-based compensation. The income tax benefit of \$572.6 million in fiscal 2013 is the result of the bargain purchase gain related to the NAI acquisition not being subject to income taxes; the effects of the accounting for income taxes related to the intercompany sale of the *Albertsons* banners from NAI to Albertson's LLC immediately after the NAI acquisition; and the operating loss of NAI.

As part of the IPO-Related Transactions, all of our operating subsidiaries will become subsidiaries of Albertsons Companies, Inc., a Delaware corporation, and, as a result, all of our operations will be taxable as part of a consolidated group for federal and state income tax purposes. The consolidation of our operations will result in higher income taxes and an increase in income taxes paid. Pro forma income for fiscal 2014 reflects a combined federal and state statutory tax rate of 38.7%. See Note 3(b) to the "Unaudited Pro Forma Condensed Consolidated Financial Information."

Operating Results Overview

Loss from continuing operations was \$1,225.2 million in fiscal 2014, and income from continuing operations was \$1,713.1 million in fiscal 2013, a decrease of \$2,938.3 million. The decrease from fiscal 2013 was primarily attributable to the favorable impact of a bargain purchase gain of \$2,005.7 million recognized in fiscal 2013 resulting from the NAI acquisition, the net decrease in fiscal 2014 in our income tax benefit over fiscal 2013 of \$419.2 million and increased interest expense in fiscal 2014 of \$243.1 million over fiscal 2013. Fiscal 2014 also included the impact of charges relating to non-cash equity-based compensation of \$344.1 million, an increase in the net loss on property dispositions, asset impairment and lease exit costs of \$230.1 million principally as a result of FTC-mandated divestitures in connection with the Safeway acquisition, a net loss on interest rate and commodity hedges of \$98.2 million, a net increase from fiscal 2013 in acquisition and integration related costs of \$178.5 million and a \$78.0 million charge associated with the termination of the company's long-term incentive plans.

Income from continuing operations was \$1,713.1 million in fiscal 2013 and \$29.8 million in fiscal 2012, an increase of \$1,683.3 million. This increase was primarily attributable to the recognition of a bargain purchase gain of \$2,005.7 million and income tax benefit of \$572.6 million in fiscal 2013, partially offset by increased interest expense of \$382.9 million in fiscal 2013 over fiscal 2012 and charges associated with store transition and related costs of \$166.5 million and acquisition and integration costs of \$173.5 million in fiscal 2013.