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We have had preliminary discussions with potential lenders, financial intermediaries and advisors and following the consummation of this offering, subject to market conditions, we intend to enter into new financing facilities, consisting of a new \$4,000 million senior secured ABL facility, a new senior secured term loan facility (which we expect to be in the form of an amended and restated version of the existing ABS/Safeway Term Loan Agreement), and new senior unsecured notes. If we are able to enter into the New Financing Facilities, we may use the proceeds thereof to repay all amounts outstanding under, and to terminate, the existing ABS/Safeway ABL Agreement, the NAI ABL Agreement, the Letter of Credit Facility Agreement and all amounts under the ABS/Safeway Term Loan Agreement. This offering is not contingent upon our entering into the New Financing Facilities, and there can be no assurance that we will enter into the New Financing Facilities and terminate the Specified Existing Facilities following the consummation of this offering, or at all, and we may elect not to proceed with the Anticipated Refinancing. See "Description of Indebtedness—Anticipated Refinancing Facilities" and "Risk Factors—Risks Relating to Our Indebtedness—We may be unable to complete the Anticipated Refinancing, or we may decide not to pursue the Anticipated Refinancing."

**Liquidity and Factors Affecting Liquidity**

We estimate our liquidity needs over the next fiscal year to be approximately \$5.0 billion, which includes anticipated requirements for working capital, capital expenditures, interest payments and scheduled principal payments of debt, operating leases, capital leases and our TSA agreements with SuperValu. Based on current operating trends, we believe that cash flows from operating activities and other sources of liquidity, including borrowings under our asset-based revolving credit facilities, will be adequate to meet our liquidity needs for the next 12 months and for the foreseeable future. We believe we have adequate cash flow to continue to maintain our current debt ratings and to respond effectively to competitive conditions. There can be no assurance, however, that our business will continue to generate cash flow at or above current levels or that we will maintain our ability to borrow under our revolving credit facilities. See "—Contractual Obligations" for a more detailed description of our commitments as of the end of fiscal 2014.

As of June 20, 2015, we had approximately \$541.0 million of borrowings outstanding under our asset-based revolving credit facilities and total availability of \$2.3 billion (net of letter of credit usage). As of February 28, 2015, we had approximately \$980.0 million of borrowings outstanding under our asset-based revolving credit facilities and total availability of approximately \$1.8 billion (net of letter of credit usage).

The ABS/Safeway ABL Facility contains no financial covenants unless and until (i) an event of default under the ABS/Safeway ABL Facility has occurred and is continuing or (ii) the failure of Albertsons to maintain excess availability of at least 10.0% of the aggregate commitments at any time or (iii) excess availability is less than \$200.0 million. If any such events occur, then Albertsons is required to maintain a fixed-charge coverage ratio of 1.0 to 1.0 until such event of default is cured or waived or the 30th day after the other trigger event ceases to exist.

The NAI ABL Facility contains no covenants unless and until (i) an event of default under the NAI ABL Facility has occurred and is continuing or (ii) the failure of NAI to maintain excess availability of at least 10.0% of the aggregate commitments at any time. If any of such events occur, NAI is required to maintain a fixed-charge coverage ratio of 1.0 to 1.0 until such event of default is cured or waived or the 30th day after the other trigger event ceases to exist.

During fiscal 2014 and the first quarter of fiscal 2015, there were no financial covenants in effect under our asset-based revolving credit facilities because the conditions listed above had not been met.