

**Albertsons Companies, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(in millions, except share data)

	February 23, 2019	February 24, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 926.1	\$ 670.3
Receivables, net	586.2	615.3
Inventories, net	4,332.8	4,421.1
Prepaid assets	316.2	368.6
Other current assets	88.7	73.3
<b>Total current assets</b>	<b>6,250.0</b>	<b>6,148.6</b>
Property and equipment, net	9,861.3	10,770.3
Intangible assets, net	2,834.5	3,142.5
Goodwill	1,183.3	1,183.3
Other assets	647.5	567.6
<b>TOTAL ASSETS</b>	<b>\$ 20,776.6</b>	<b>\$ 21,812.3</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 2,918.7	\$ 2,833.0
Accrued salaries and wages	1,054.7	984.1
Current maturities of long-term debt and capitalized lease obligations	148.8	168.2
Current portion of self-insurance liability	306.8	296.0
Taxes other than income taxes	309.0	323.5
Other current liabilities	414.7	424.8
<b>Total current liabilities</b>	<b>5,152.7</b>	<b>5,029.6</b>
Long-term debt and capitalized lease obligations	10,437.6	11,707.6
Deferred income taxes	561.4	579.9
Long-term self-insurance liability	839.5	921.7
Other long-term liabilities	2,334.7	2,175.3
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$0.01 par value; 30,000,000 shares authorized, no shares issued and outstanding as of February 23, 2019 and February 24, 2018, respectively	—	—
Common stock, \$0.01 par value; 1,000,000,000 shares authorized, 277,882,010 and 279,654,028 shares issued and outstanding as of February 23, 2019 and February 24, 2018, respectively	2.8	2.8
Additional paid-in capital	1,814.2	1,773.3
Treasury stock, at cost, 1,772,018 and no shares held as of February 23, 2019 and February 24, 2018, respectively	(25.8)	—
Accumulated other comprehensive income	91.3	191.1
Accumulated deficit	(431.8)	(569.0)
<b>Total stockholders' equity</b>	<b>1,450.7</b>	<b>1,398.2</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 20,776.6</b>	<b>\$ 21,812.3</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Albertsons Companies, Inc. and Subsidiaries**  
**Consolidated Statements of Operations and Comprehensive Income (Loss)**  
(in millions)

	52 weeks ended February 23, 2019	52 weeks ended February 24, 2018	52 weeks ended February 25, 2017
<b>Net sales and other revenue</b>	\$ 60,534.5	\$ 59,924.6	\$ 59,678.2
<b>Cost of sales</b>	43,639.9	43,563.5	43,037.7
<b>Gross profit</b>	16,894.6	16,361.1	16,640.5
<b>Selling and administrative expenses</b>	16,107.3	16,275.4	16,032.9
<b>Goodwill impairment</b>	—	142.3	—
<b>Operating income (loss)</b>	787.3	(56.6)	607.6
<b>Interest expense, net</b>	830.8	874.8	1,003.8
<b>Loss (gain) on debt extinguishment</b>	8.7	(4.7)	111.7
<b>Other income</b>	(104.4)	(9.2)	(44.3)
<b>Income (loss) before income taxes</b>	52.2	(917.5)	(463.6)
<b>Income tax benefit</b>	(78.9)	(963.8)	(90.3)
<b>Net income (loss)</b>	\$ 131.1	\$ 46.3	\$ (373.3)
<b>Other comprehensive income (loss):</b>			
(Loss) gain on interest rate swaps, net of tax	(15.5)	47.0	39.4
Recognition of pension (loss) gain, net of tax	(83.1)	92.2	82.0
Foreign currency translation adjustment, net of tax	(0.3)	65.0	(20.5)
Other	(0.9)	(0.3)	(1.0)
<b>Other comprehensive (loss) income</b>	\$ (99.8)	\$ 203.9	\$ 99.9
<b>Comprehensive income (loss)</b>	\$ 31.3	\$ 250.2	\$ (273.4)

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**Albertsons Companies, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(in millions)

	52 weeks ended February 23, 2019	52 weeks ended February 24, 2018	52 weeks ended February 25, 2017
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 131.1	\$ 46.3	\$ (373.2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Net (gain) loss on property dispositions, asset impairment and lease exit costs	(165.0)	66.7	(39.2)
Goodwill impairment	—	142.3	—
Depreciation and amortization	1,738.8	1,898.1	1,804.8
LIFO expense (benefit)	8.0	3.0	(7.9)
Deferred income tax	(81.5)	(1,094.1)	(219.5)
Pension and post-retirement benefits expense	24.5	(0.9)	95.5
Contributions to pension and post-retirement benefit plans	(199.3)	(21.9)	(11.5)
Amortization and write-off of deferred financing costs	42.7	56.1	84.4
Loss (gain) on debt extinguishment	8.7	(4.7)	111.7
Equity-based compensation expense	47.7	45.9	53.3
Other	(44.0)	104.1	63.3
Changes in operating assets and liabilities, net of effects of acquisition of businesses:			
Receivables, net	28.8	21.7	(9.2)
Inventories, net	80.3	45.6	2.7
Accounts payable, accrued salaries and wages and other accrued liabilities	98.4	(158.2)	233.6
Self-insurance assets and liabilities	(48.7)	(55.3)	(42.5)
Other operating assets and liabilities	17.4	(75.9)	67.3
<b>Net cash provided by operating activities</b>	<b>1,687.9</b>	<b>1,018.8</b>	<b>1,813.5</b>
<b>Cash flows from investing activities:</b>			
Business acquisitions, net of cash acquired	—	(148.8)	(220.6)
Payments for property, equipment, intangibles, including payments for lease buyouts	(1,362.6)	(1,547.0)	(1,414.9)
Proceeds from sale of assets	1,252.0	939.2	477.0
Proceeds from sale of Casa Ley	—	344.2	—
Other	23.8	(56.6)	78.9
<b>Net cash used in investing activities</b>	<b>(86.8)</b>	<b>(469.0)</b>	<b>(1,079.6)</b>