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event, we may not be able to repurchase the CoC Notes unless we first repay all indebtedness outstanding under our Senior Secured Credit Facilities (or under the New Credit Facilities if we consummate the Anticipated Refinancing) and any of our other indebtedness that contains similar provisions, or obtain a waiver from the holders of such indebtedness to permit us to repurchase the CoC Notes. We may be unable to repay all of that indebtedness or obtain a waiver of that type. Any requirement to offer to repurchase the outstanding CoC Notes may therefore require us to refinance our other outstanding debt, which we may not be able to do on commercially reasonable terms, if at all. These repurchase requirements may also delay or make it more difficult for others to obtain control of us.

Substantially all of our assets are pledged as collateral under the ABS/Safeway ABL Facility, the NAI ABL Facility, the ABS/Safeway Term Loan Facilities and the NAI Term Loan Facilities (each as defined herein and, collectively, the "Senior Secured Credit Facilities"), the NAI Notes (as defined herein), the Safeway Notes (as defined herein) the ABS/Safeway Notes and, if we consummate the Anticipated Refinancing, the New Credit Facilities.

As of June 20, 2015, our total indebtedness was approximately \$12.1 billion, and after giving effect to this offering and the application of the use of the net proceeds (but without giving effect to the Anticipated Refinancing), our total indebtedness as of June 20, 2015 would have been approximately \$10.7 billion on a pro forma basis, including \$6,232.2 million of senior secured indebtedness outstanding under our Senior Secured Credit Facilities, \$1,502.0 million outstanding under the NAI Notes, \$1,453.4 million outstanding under the Safeway Notes, and \$350.7 million aggregate principal amount outstanding under the ABS/Safeway Notes. In addition, we have \$660.1 million of outstanding standby letters of credit under our Senior Secured Credit Facilities. Substantially, all of our and our subsidiaries' assets are pledged as collateral (and if we consummate the Anticipated Refinancing, will be pledged as collateral) for this Indebtedness (other than the New Notes). As of June 20, 2015 and after giving pro forma effect to this offering and the application of the use of the net proceeds (but without giving effect to the Anticipated Refinancing), our revolving credit facilities would have permitted additional borrowings of up to a maximum of \$2.3 billion under the borrowing bases as of that date. If we are unable to repay all secured borrowings when due, whether at maturity or if declared due and payable following a default, the trustee or the lenders, as applicable, would have the right to proceed against the collateral pledged to the indebtedness and may sell the assets pledged as collateral in order to repay those borrowings, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Increases in interest rates and/or a downgrade of our credit ratings could negatively affect our financing costs and our ability to access capital.

We have exposure to future interest rates based on the variable rate debt under our credit facilities (and if we consummate the Anticipated Refinancing, under our New Credit Facilities) and to the extent we raise additional debt in the capital markets to meet maturing debt obligations, to fund our capital expenditures and working capital needs and to finance future acquisitions. Daily working capital requirements are typically financed with operational cash flow and through the use of various committed lines of credit. The interest rate on these borrowing arrangements is generally determined from the inter-bank offering rate at the borrowing date plus a pre-set margin. Although we employ risk management techniques to hedge against interest rate volatility, significant and sustained increases in market interest rates could materially increase our financing costs and negatively impact our reported results.

We rely on access to bank and capital markets as sources of liquidity for cash requirements not satisfied by cash flows from operations. A downgrade in our credit ratings from the internationally recognized credit rating agencies could negatively affect our ability to access the bank and capital markets, especially in a time of uncertainty in either of those markets. A rating downgrade could also impact our ability to grow our business by substantially increasing the cost of, or limiting access to, capital.