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On December 29, 2013, we acquired United Supermarkets for \$362.1 million in cash, expanding our presence in North and West Texas, in a transaction that offered significant synergies and added a differentiated upscale store format, "Market Street," to the Albertsons portfolio. At the time of the United acquisition, United operated 51 traditional, specialty and Hispanic retail food stores under its *United Supermarkets*, *Market Street* and *Amigos* banners, seven convenience stores and 26 fuel centers under its *United Express* banner and three distribution centers. United is located in 30 markets across North and West Texas.

The following table shows stores operated, acquired, opened, divested and closed during the periods presented:

	<b>First Quarter</b>			
	<b>Fiscal</b>	<b>Fiscal</b>	<b>Fiscal</b>	<b>Fiscal</b>
	<b>2015</b>	<b>2014(1)</b>	<b>2013(2)</b>	<b>2012</b>
Stores, beginning of period	2,382	1,075	192	205
Acquired	—	1,330	926	—
Divested	(153)	(15)	—	—
Opened	3	4	1	—
Closed	(27)	(12)	(44)	(13)
Stores, end of period	<u>2,205</u>	<u>2,382</u>	<u>1,075</u>	<u>192</u>

(1) Primarily includes the 1,325 stores acquired through the Safeway acquisition on January 30, 2015.

(2) Stores acquired during this period include 871 stores acquired through the NAI acquisition on March 21, 2013, four stores acquired from Vons REIT, Inc. on October 10, 2013, and 51 stores acquired through the United acquisition on December 29, 2013.

**Our Strategy**

Our operating philosophy is simple: we run great stores with a relentless focus on sales growth. We believe there are significant opportunities to grow sales and enhance profitability and free cash flow, through execution of the following strategies:

*Continue to Drive Identical Store Sales Growth.* Consistent with our operating playbook, we plan to deliver identical store sales growth by implementing the following initiatives:

- *Enhancing and Upgrading Our Fresh, Natural and Organic Offerings and Signature Products.* We continue to enhance and upgrade our fresh, natural and organic offerings across our meat, produce, service deli and bakery departments to meet the changing tastes and preferences of our customers. We also believe that continued innovation and expansion of our high-volume, high-quality and differentiated signature products will contribute to stronger sales growth.
- *Expanding Our Own Brand Offerings.* We continue to drive sales growth and profitability by extending our own brand offering across our banners, including high-quality and recognizable brands such as *O Organics*, *Open Nature*, *Eating Right* and *Lucerne*.
- *Leveraging Our Effective and Scalable Loyalty Programs.* We believe we can grow basket size and improve the shopping experience for our customers by expanding our *just for U*, *MyMixx* and fuel-based loyalty programs. In addition, we believe we can further enhance our merchandising and marketing programs by utilizing our customer analytics capabilities, including advanced digital marketing and mobile applications, and through the expansion of our online and home delivery options.