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derived from the unaudited pro forma condensed consolidated financial information included elsewhere in this prospectus. The supplemental pro forma results of operations are provided for informational purposes only and are not necessarily indicative of the operating results that would have occurred if the acquisition of Safeway, related divestitures and the offering had been completed at the commencement of our first quarter of fiscal 2014. The unaudited pro forma condensed consolidated financial information also does not give effect to the potential impact of any future anticipated synergies, future operating efficiencies or cost savings that may result from the Safeway acquisition or any integration costs that do not have a continuing impact.

As of June 20, 2015, we operated 2,205 stores, and as of June 12, 2014, on a pro forma basis, we operated 2,234 stores.

	First Quarter Ended			
	(Dollars in Millions)			
	June 20, 2015 (Pro Forma)	% of Sales	June 12, 2014 (Pro Forma)	% of Sales
Net sales and other revenue	\$ 17,606.5	100.0%	\$ 17,220.2	100.0%
Cost of sales	12,822.3	72.8%	12,695.4	73.7%
Gross profit	4,784.2	27.2%	4,524.8	26.3%
Selling and administrative expenses	4,710.4	26.8%	4,425.1	25.7%
Operating income	73.8	0.4%	99.7	0.6%
Interest expense	256.7	1.4%	256.3	1.5%
Other income, net	(4.6)	0.0%	(23.8)	(0.1)%
Loss before income taxes	(178.3)	(1.0)%	(132.8)	(0.8)%
Income tax benefit	(69.1)	(0.3)%	(51.4)	(0.4)%
Net loss	\$ (109.2)	(0.7)%	\$ (81.4)	(0.4)%

**Identical Store Sales, Excluding Fuel**

On a pro forma basis, identical store sales increased 4.3% during the first quarter of fiscal 2015 compared to the first quarter of fiscal 2014. The increase in identical store sales was driven by a 2.6% increase in average ticket size in addition to a 1.7% increase in customer traffic.

**Sales and Other Revenue**

On a pro forma basis, sales and other revenue increased \$386.3 million, or 2.2%, for the first quarter of fiscal 2015 compared to the first quarter of fiscal 2014. The increase was primarily attributable to a 4.3% increase in identical store sales, which drove an increase of \$670.6 million, partially offset by \$352.1 million reduction in fuel sales. The reduction in fuel sales was the result of a decrease in retail fuel prices, reflecting the decrease in the product cost of fuel.

**Gross Profit**

On a pro forma basis, gross profit margin increased 90 basis points during the first quarter of 2015 compared to the first quarter of fiscal 2014. The increase was primarily attributable to higher fuel margins during the first quarter of fiscal 2015 compared to the first quarter of fiscal 2014. Excluding fuel, gross profit margin increased 20 basis points compared to the prior year. The 20 basis-point increase was primarily attributable to improved product mix, partially offset by higher shrink expense compared to the prior fiscal quarter. Shrink expense increased as Safeway increased its in-stock positions in order to increase customer traffic.