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## ALBERTSONS COMPANIES, INC.

## Notes to the Balance Sheet

**Note 1—Organization**

Albertsons Companies, Inc. (the "Company") was formed as a Delaware corporation on June 23, 2015. Pursuant to a planned reorganization and initial public offering, the Company will become a holding corporation for AB Acquisition LLC, and its subsidiaries, Albertson's Holdings LLC and NAI Holdings LLC.

**Note 2—Summary of Significant Accounting Policies**

**Basis of Accounting**—The balance sheet has been prepared in accordance with accounting principles generally accepted in the United States of America. Separate statements of operations, changes in stockholders' equity and cash flows have not been presented in the financial statements because there have been no activities of this entity.

**Underwriting Commissions and Offering Costs**—Underwriting commissions and offering costs to be incurred in connection with the Company's common share offerings will be reflected as a reduction of additional paid-in capital. Underwriting commissions and offering costs are not recorded in the Company's consolidated balance sheet because such costs are not the Company's liability until the Company completes a successful initial public offering.

**Organizational Costs**—Organizational costs are not recorded in the Company's consolidated balance sheet because such costs are not the Company's liability until the Company completes a successful initial public offering. Thereafter, costs incurred to organize the Company will be expensed as incurred.

**Note 3—Stockholder's Equity**

The Company is authorized to issue 600,000,000 shares of common stock, par value \$0.01 per share ("Common Stock") and 30,000,000 shares of preferred stock, par value \$0.01 per share ("Preferred Stock"). Under the Company's certificate of incorporation as in effect as of June 23, 2015, all shares of common stock are identical.

**Note 4—Subsequent Events**

The Company has evaluated all subsequent events as of July 7, 2015 which represents the date of issuance of this balance sheet. The Company did not note any subsequent events requiring disclosure or adjustments to the balance sheet.