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AB ACQUISITION LLC AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Albertson's Term Loans

On March 21, 2013, in conjunction with the NAI acquisition, Albertson's entered into a Term Loan Agreement in the amount of \$1,150.0 million, consisting of Term B Loans with an interest rate of LIBOR plus 4.50% and an expiration date of March 21, 2016. On May 9, 2013, Albertson's amended the original Term Loan ("Amendment 1"), dividing the Term B Loan into Term B-1 and Term B-2 Loans. A Term B-1 Loan of \$450.0 million was re-priced with an interest rate of LIBOR plus 3.25% and an expiration date of March 21, 2016. A Term B-2 Loan of \$700.0 million was re-priced with an interest rate of LIBOR plus 3.75% and an expiration date of March 21, 2019. The Term Loans include a floor on LIBOR set at 1.0%. On September 19, 2013, Albertson's entered into a second amendment to update certain restrictive covenants in Amendment 1, and on December 27, 2013, Albertson's entered into a third amendment to increase the outstanding borrowings on the Term B-2 Loans to \$996.5 million, with all other terms remaining the same. The Term Loans require annual principal payments of 1.0% of the original amended loan balance, paid quarterly.

On May 5, 2014, Albertson's entered into a fourth amendment converting the B-1 Loan into the B-2 Loan for a total principal amount of \$1,440.6 million. The terms on the Term B-2 Loan remain consistent with Amendment 1.

On August 25, 2014, Albertson's amended and restated the Term Loan facility ("fifth amendment"), which provided funds for the Safeway acquisition to be held in escrow, consisting of a \$950.0 million Term B-3 Loan and a \$3,609.0 million Term B-4 Loan, with an original debt discount of \$68.4 million. Prior to the release from escrow upon consummation of the Safeway acquisition, the Term B-3 and B-4 Loans accrued fees at rates of 4.0% and 4.5% per annum, respectively. Following the release from escrow, borrowings under the Term B-3 Loan now bear interest at the current LIBOR rate, subject to a 1.0% floor, plus 4.0%. Following the release from escrow, borrowings under the Term B-4 Loan now bear interest at the current LIBOR rate, subject to a 1.0% floor, plus 4.5%. The Term B-3 Loan has a maturity date of August 25, 2019, and the Term B-4 Loan has a maturity date of August 25, 2021. The Term B-3 Loan requires annual principal payments starting on June 30, 2015 based on rates ranging from 5.0% to 15.0% of the outstanding balance, paid quarterly. The Term B-4 Loan requires annual principal payments starting on June 30, 2015 of 1.0% of the original amended balance, paid quarterly.

On October 23, 2014, Albertson's executed an incremental amendment to the Term Loan facility, which created a Term B-4-1 Loan of \$300.0 million. The terms are identical to the Term B-4 Loan except for the closing fee on the Term B-4-1 Loan was 0.5%. The \$300.0 million Term B-4-1 Loan was funded on October 23, 2014. The proceeds of the Term B-4-1 Loan were released from escrow upon closing of the Safeway acquisition, and all applicable closing fees are netted from any amount repaid. The proceeds from the Term B-4-1 Loan were \$298.5 million, net of \$1.5 million original issue discount. The Term B-4-1 Loan requires annual principal payments starting June 30, 2015 of 1.0% of the original amended balance, paid quarterly.

Pursuant to the fifth amendment, no principal payments were made on the Term B-2 Loan during the third or fourth quarter of fiscal 2014, and future principal payments are not required until June 2015. On the date of the Safeway acquisition, the Term B-2 Loan was repriced with an interest rate of LIBOR plus 4.375% with a maturity date of March 21, 2019.

The Albertson's Term Loan facilities are guaranteed by Albertson's existing and future direct and indirect wholly owned domestic subsidiaries that are not borrowers, subject to certain exceptions. The