Section 1: 8-K (FORM 8-K)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 8, 2018

Albertsons Companies, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	**333-205546**	**47-5579477**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

250 Parkcenter Blvd, Boise, ID	**83706**
(Address of Principal Executive Offices)	**(Zip Code)**

(208) 395-6200
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

The information set forth in Item 1.02 of this Form 8-K is incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

As previously disclosed, on February 18, 2018, Albertsons Companies, Inc. ("Albertsons" or the "Company"), its wholly-owned subsidiaries, Ranch Acquisition II LLC and Ranch Acquisition Corp. (together with Ranch Acquisition II LLC, "Merger Subs") and Rite Aid Corporation ("Rite Aid") entered into an Agreement and Plan of Merger (the "Merger Agreement"). On August 8, 2018, Albertsons, Merger Subs and Rite Aid entered into a Termination Agreement (the "Termination Agreement") under which the parties mutually agreed to terminate the Merger Agreement. Subject to limited customary exceptions, the Termination Agreement also mutually releases the parties from any claims of liability to one another relating to the contemplated merger transaction. Under the terms of the Merger Agreement, neither Albertsons nor Rite Aid will be responsible for any payments to the other party as a result of the termination of the Merger Agreement.

The foregoing descriptions of the Merger Agreement and Termination Agreement are not complete and are qualified in their entirety by the terms and conditions of the full text of the Merger Agreement, which was previously filed as Exhibit 2.1 to the Current Report on Form 8-K with the U.S. Securities and Exchange Commission (the "SEC") by Albertsons Companies, LLC on February 20, 2018, and the full text of the Termination Agreement, which is attached hereto as Exhibit 2.1, each of which is incorporated by reference herein.

In addition, as result of the above termination, that certain Second Amended & Restated Commitment Letter, dated May 8, 2018, by and among the Company, Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse AG, Credit Suisse Loan Funding LLC, Goldman Sachs Bank USA and the other commitment parties thereto terminated automatically pursuant to its terms.

Item 8.01 Other Events.

On August 8, 2018, Albertsons issued a press release announcing the termination of the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated into this Item 8.01 by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

2.1	Termination Agreement, dated as of August 8, 2018, among Rite Aid Corporation, Albertsons Companies, Inc., Ranch Acquisition II LLC and Ranch Acquisition Corp.
99.1	Press release issued by Albertsons Companies, Inc. on August 8, 2018.

Important Notice Regarding Forward-Looking Statements

This communication may include forward-looking statements within the meaning of the federal securities laws. Forward-looking statements contain information about future operating or financial performance. Forward-looking statements are based on the Company's current expectations and assumptions about market conditions and its future operating performance which we believe to be reasonable at this time. The words "expect," "believe," "estimate," "intend," "plan" and similar expressions indicate forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to various risks and uncertainties, as well as assumptions (including assumptions about general economic, market, industry and operational factors), known or unknown, which could cause the actual results to vary materially from those indicated or anticipated. A further list and description of risks and uncertainties can be found in the Company's Annual Report on Form 10-K for the fiscal year ended February 24, 2018 filed with the SEC and other documents that the Company may file or furnish with the SEC, which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements relate only to the date they were made, and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made except as required by law or applicable regulation.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Albertsons Companies, Inc.
(Registrant)

August 9, 2018

By: /s/ Robert A. Gordon
Name: Robert A. Gordon
Title: Executive Vice President and General Counsel

(Back To Top)

Section 2: EX-2.1 (EX-2.1)

Exhibit 2.1

EXECUTION VERSION

TERMINATION AGREEMENT

This Termination Agreement (this "Agreement"), dated as of August 8, 2018, is by and among Rite Aid Corporation, a Delaware corporation (the "Company"), Albertsons Companies, Inc., a Delaware corporation ("Parent"), Ranch Acquisition II LLC, a Delaware limited liability company and a wholly owned subsidiary of Parent ("Merger Sub II"), and Ranch Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Merger Sub II ("Merger Sub," together with Merger Sub II, the "Merger Subs" and, together with the Company, Parent and Merger Sub II, the "Parties" and each, a "Party"). Capitalized terms used but not defined herein have the respective meanings given to them in that certain Agreement and Plan of Merger, dated as of February 18, 2018, by and among the Parties (the "Merger Agreement").

WHEREAS, the Parties entered into the Merger Agreement;

WHEREAS, Section 9.1(a) of the Merger Agreement provides that the Merger Agreement may be terminated with the mutual written consent of Parent and the Company;

WHEREAS, the Parties have determined that they desire to terminate the Merger Agreement on the terms and conditions set forth herein; and

WHEREAS, each of the respective boards of directors of Parent, the Company and Merger Sub, and Parent, as the sole member of Merger Sub II, have approved the execution, delivery and performance of this Agreement and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the premises, and of the mutual representations, warranties, covenants and agreements contained herein, and intending to be legally bound hereby, the Parties agree as follows:

1. Termination. Pursuant to Section 9.1(a) of the Merger Agreement, the Parties hereby agree that the Merger Agreement, including all schedules and exhibits thereto, and all ancillary agreements entered into by them pursuant thereto (except for the Confidentiality Agreement and the Clean Room Agreement) (collectively, the "Transaction Documents"), are hereby terminated effective immediately as of 8:00 p.m. Eastern Daylight time on the date hereof (the "Termination Time"), and, notwithstanding anything to the contrary in the Transaction Documents, including Section 9.2 of the Merger Agreement, the Transaction Documents are terminated in their entirety and shall be of no further force or effect whatsoever (the "Termination"); provided that Section 7.6(b), Section 9.3 and Article X of the Merger Agreement, the Confidentiality Agreement (as amended by Section 4 hereof) and the Clean Room Agreement shall each remain in full force and effect in accordance with their respective terms.

2. Mutual Release; Disclaimer of Liability. Each of Parent, the Merger Subs and the Company, each on behalf of itself and each of its respective successors and past and present subsidiaries, Affiliates, assignees, officers, directors, employees, controlling persons, Representatives, agents, attorneys, auditors, stockholders, equity holders and advisors, and any family member, spouse, heir, trust, trustee, executor, estate, administrator, beneficiary, foundation, fiduciary, predecessors, successors and assigns of each of them (the "Releasors"), does, to the fullest extent permitted by Law, hereby fully release, forever discharge and covenant not to sue any other Party, any of their respective successors and past and present subsidiaries, Affiliates,

assignees, officers, directors, employees, controlling persons, Representatives, agents, attorneys, auditors, stockholders, equity holders and advisors, and any family member, spouse, heir, trust, trustee, executor, estate, administrator, beneficiary, foundation, fiduciary, predecessors, successors and assigns of each of them (collectively the "Releasees"), from and with respect to any and all past, present, direct, indirect, individual, class, representative and derivative liability, claims, rights, actions, causes of action, suits, liens, obligations, accounts, debts, losses, demands, judgments, remedies, agreements, promises, liabilities, covenants, controversies, costs, charges, damages, expenses and fees (including attorney's, financial advisor's or other fees) ("Claims"), howsoever arising, of every kind and nature, whether based on any Law or right of action (including any claims under federal securities laws or state disclosure laws or any claims that could be asserted derivatively on behalf of the Parties), known or unknown, asserted or that could have been asserted, matured or unmatured, contingent or fixed, liquidated or unliquidated, accrued or unaccrued, foreseen or unforeseen, apparent or not apparent, which Releasors, or any of them, ever had or now have or can have or shall or may hereafter have against the Releasees, or any of them, in connection with, arising out of, based upon or related to, directly or indirectly, the Transaction Documents (other than Section 7.6(b), Section 9.3 and Article X of the Merger Agreement, the Confidentiality Agreement (as amended by Section 4 hereof) and the Clean Room Agreement), including any breach, non-performance, action or failure to act under the Transaction Documents, the proposed Merger, the events leading to the termination of the Merger Agreement or any other Transaction Documents, any deliberations or negotiations in connection with the proposed Merger or this Agreement, the consideration to have been received by the Company's stockholders in connection with the proposed Merger, and any SEC filings, public filings, periodic reports, press releases, proxy statements or other statements issued, made available or filed relating, directly or indirectly, to the proposed Merger. The release contemplated by this Section 2 is intended to be as broad as permitted by Law and is intended to, and does, extinguish all Claims of any kind whatsoever, whether in Law or equity or otherwise, that are based on or relate to facts, conditions, actions or omissions (known or unknown) that have existed or occurred at any time to and including the Termination Time. Each of the Releasors hereby expressly waives to the fullest extent permitted by Law any rights it may have under any statute or common law principle under which a general release does not extend to claims which such Party does not know or suspect to exist in its favor at the time of executing the release, including the provisions, rights and benefits of California Civil Code section 1542 (or any similar Law), which provides:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Nothing in this Section 2 shall (i) apply to any action by any Party to enforce the rights and obligations imposed pursuant to this Agreement, the Confidentiality Agreement and the Clean Room Agreement or (ii) constitute a release by any Party for any Claim arising under this Agreement, the Confidentiality Agreement and the Clean Room Agreement.

3. Public Statements. Parent and the Company and their respective affiliates shall not issue any press releases or otherwise make public announcements with respect to the Mergers, the Merger Agreement or the termination of the Merger Agreement without the other Party's prior consent (such consent not to be unreasonably withheld, conditioned or delayed) in each case except

(i) to the extent consistent with the press materials of each Party agreed upon as of the date hereof by the Parties in connection with this termination, and (ii) as such release or public statement may be required by Law or by the rules or regulations of any United States securities exchange to which the relevant Party is subject, in which case such Party shall use its reasonable best efforts to consult with the other Party in advance of such release or announcement.

4. Return or Destruction of Evaluation Material; Confidentiality Agreement.

(a) Within ten business days of the date hereof, each Party shall, and shall cause its respective Affiliates, representatives and advisors to, return to the other Party or destroy all Evaluation Material (as defined in the Confidentiality Agreement) and other confidential information received after the date of the Merger Agreement pursuant to the Merger Agreement, Clean Room Agreement and/or integration planning.

(b) The effectiveness and term of the Confidentiality Agreement shall continue (despite the termination that would have otherwise occurred pursuant to the second sentence of paragraph 14 thereof) through September 18, 2019 and, for the avoidance of doubt, the terms of the Confidentiality Agreement shall apply to Parent (together with its subsidiaries and affiliates) as if it was a party thereto in place of Albertsons Companies, LLC due to the merger of Albertsons Companies, LLC with and into Parent.

5. General Provisions.

(a) Representations and Warranties.

i. Company Authority. The Company hereby represents and warrants to Parent and the Merger Subs as follows: The Company has all requisite corporate power and authority, and has taken all corporate action necessary, to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action by the Company board of directors. This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery hereof by Parent and the Merger Subs, constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to the Bankruptcy and Equity Exception.

ii. Parent and the Merger Subs Authority. Parent and the Merger Subs each hereby represents and warrants to the Company as follows: Each of Parent and the Merger Subs has all requisite corporate power and authority, and has taken all corporate or other action necessary, to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by each of Parent and the Merger Subs and the consummation by each of Parent and the Merger Subs of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate or similar action by the boards of directors of Parent and the Merger Subs. This Agreement has been duly and validly executed and delivered by each of Parent and the Merger Subs and, assuming the due authorization, execution and delivery hereof by the

Company, constitutes a legal, valid and binding obligation of Parent and the Merger Subs enforceable against each of Parent and the Merger Subs in accordance with its terms, subject to the Bankruptcy and Equity Exception.

Except as expressly set forth in this Section 5(a), no Party makes additional representations or warranties express, implied or statutory as to any other matter whatsoever.

(b) Further Assurances. Each Party shall, and shall cause its subsidiaries and Affiliates to, cooperate with each other in the taking of all actions necessary, proper or advisable under this Agreement and applicable Laws to effectuate the Termination.

(c) Waiver. The failure of any Party to assert any rights or remedies shall not constitute a waiver of such rights or remedies.

(d) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery in person, by facsimile or by email (with affirmative confirmation of receipt by the receiving Party), by registered or certified mail (with postage prepaid, return receipt requested) or by a nationally recognized courier service (with signed confirmation of receipt) to the respective Parties at the addresses set forth in Section 10.4 of the Merger Agreement (or at such other address for a Party as shall be specified by like notice).

(e) Severability. If any term or other provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner to the end that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

(f) Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement, other than with respect to the provisions of Section 2 hereof, with respect to which each Releasee is an expressly intended third-party beneficiary thereof; provided however that only a Party hereto can enforce this Agreement on behalf of any Releasee relating to such Party.

(g) Entire Agreement. This Agreement, the Confidentiality Agreement (as amended by Section 4 hereof) and the Clean Room Agreement constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and thereof.

(h) Amendments. Any amendment, modification or waiver of any provision of this Agreement, or any consent to departure from the terms of this Agreement, shall not be binding

unless done by written agreement, executed and delivered by duly authorized officers of the respective Parties.

(i) Governing Law. This Agreement, and any Proceeding in any way arising out of or relating to this Agreement, the negotiation, execution or performance of this Agreement, the transactions contemplated hereby or thereby or the legal relationship of the Parties hereto or thereto (whether at law or in equity, and whether in contract or in tort or otherwise), shall be governed by, and construed in accordance with, the integral laws of the State of Delaware (without giving effect to choice of law principles thereof).

(j) Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(k) Counterparts. This Agreement may be executed and delivered (including by facsimile transmission, email in "portable documentation format" (".pdf") form, or other electronic transmission) in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

(l) Specific Enforcement. The Parties acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the performance of the terms and provisions of this Agreement. It is agreed that the Parties are entitled to enforce specifically the performance of terms and provisions of this Agreement without proof of actual damages (and each Party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which they are entitled at law or in equity. The Parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to Law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy for any such breach.

(m) Jurisdiction. Each of the Parties irrevocably (i) consents to submit itself to the exclusive jurisdiction of the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (unless the Delaware Court of Chancery shall decline to accept jurisdiction over a particular matter, in which case, in any Delaware state or federal court within the State of Delaware), in connection with any matter based upon or arising out of this Agreement or any of the transactions contemplated by this Agreement or the actions of Parent, the Merger Subs or the Company in the negotiation, administration, performance and enforcement hereof and thereof, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, (iii) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the courts of the State of Delaware, as described above, and (iv) consents to service being made through the notice procedures set forth in Section 10.4 of the Merger Agreement. Each of the Company, Parent and the Merger Subs hereby agrees that service of any process, summons,

notice or document by U.S. registered mail to the respective addresses set forth in Section 10.4 of the Merger Agreement shall be effective service of process for any suit or proceeding in connection with this Agreement or the transactions contemplated hereby. Each Party hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any Proceeding with respect to this Agreement, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 5(m), that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and to the fullest extent permitted by applicable Law, that the Proceeding in any such court is brought in an inconvenient forum, that the venue of such Proceeding is improper, or that this Agreement, or the subject matter hereof or thereof, may not be enforced in or by such courts and further irrevocably waives, to the fullest extent permitted by applicable Law, the benefit of any defense that would hinder, fetter or delay the levy, execution or collection of any amount to which the Party is entitled pursuant to the final judgment of any court having jurisdiction. Each Party agrees that a final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

(n) WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF ANY PARTY IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF OR THEREOF.

[*Signature page follows*]

IN WITNESS WHEREOF, Parent, the Merger Subs and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

COMPANY:
Rite Aid Corporation

By: /s/ James J. Comitale
Name: James J. Comitale
Title: Senior Vice President, General Counsel & Secretary

PARENT:
Albertsons Companies, Inc.

By: /s/ Robert Miller
Name: Robert Miller
Title: Chairman and Chief Executive Officer

[Signature Page to Termination Agreement]

MERGER SUB II:
Ranch Acquisition II LLC

By: /s/ Robert Miller
Name: Robert Miller
Title: Chairman and Chief Executive Officer

MERGER SUB:
Ranch Acquisition Corp.

By: /s/ Robert Miller
Name: Robert Miller
Title: Chairman and Chief Executive Officer

[Signature Page to Termination Agreement]

(Back To Top)

Section 3: EX-99.1 (EX-99.1)

Exhibit 99.1

Albertsons Companies and Rite Aid Mutually Agree to Terminate Merger Agreement

Albertsons Companies Reaffirms Fiscal 2018 Outlook for $2.7 Billion Adjusted EBITDA and Highlights Improving Financial and Operating Momentum

Boise, ID – August 8, 2018 – Albertsons Companies, Inc. ("Albertsons Companies" or the "Company") today announced that it has mutually agreed with Rite Aid Corporation (NYSE: RAD) to terminate their previously announced merger agreement. The Company issued the following statement in regard to the termination:

> Albertsons Companies believes that the strategic rationale of the Rite Aid combination was compelling, including the $375 million of cost synergies and $3.6 billion of identified revenue opportunities. We disagree with the conclusion of certain Rite Aid stockholders and third-party advisory firms that although they acknowledged the strategic logic of the combination, did not believe that Albertsons Companies was offering sufficient merger consideration to Rite Aid stockholders. Consistent with Albertsons Companies' disciplined approach to mergers and acquisitions, and after careful consideration of all information available to our Board of Directors through today, we were unwilling to change the terms of the merger.
>
> We remain excited about the improving momentum, financial strength, and industry leadership of Albertsons Companies. Our team has remained laser focused on execution to drive our financial and operating performance, while ensuring we continue to meet and exceed the needs of our customers. As a result, we have achieved a number of significant milestones, including delivering consecutive quarters of top-line and bottom-line growth, and as part of the Safeway merger, which is delivering higher than expected synergies, we will be completing the systems integration of the Albertsons stores to in-house systems in September. We also have continued to

differentiate ourselves through our best-in-class “Own Brands” portfolio that is expected to add over 1,100 new items this year as well as through our expanding eCommerce offerings, which grew 108% year-over-year in the first quarter.

The operational improvements we are making to meet our customers’ needs are driving our improved results. We are confident that our 275,000 dedicated employees will continue to execute on our business plan to enhance our customers’ experiences and lead the grocery industry with new innovations.

Albertsons Companies also reaffirmed today its fiscal 2018 outlook, which includes an expectation for Adjusted EBITDA of $2.7 billion.

About Albertsons Companies

Albertsons Companies, Inc. is one of the largest food and drug retailers in the United States, with both a strong local presence and national scale. Albertsons Cos. operates stores across 35 states and the District of Columbia under 20 well-known banners including Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market, Haggen and Carrs, as well as meal kit company Plated based in New York City. Albertsons Cos. is committed to helping people across the country live better lives by making a meaningful difference, neighborhood by neighborhood. In 2017 alone, along with the Albertsons Companies Foundation, the Company gave nearly $300 million in food and financial support. These efforts helped millions of people in the areas of hunger relief, education, cancer research and treatment, programs for people with disabilities and veterans outreach.

Important Notice Regarding Forward-Looking Statements

This release may include forward-looking statements within the meaning of the federal securities laws. Forward-looking statements contain information about future operating or financial performance. Forward-looking statements are based on the Company's current expectations and assumptions about market conditions and its future operating performance which we believe to be reasonable at this time. The words "expect," "believe," "estimate," "intend," "plan" and similar expressions indicate forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to various risks and uncertainties, as well as assumptions (including assumptions about general economic, market, industry and operational factors), known or unknown, which could cause the actual results to vary materially from those indicated or anticipated. A further list and description of risks and uncertainties can be found in the Company's Annual Report on Form 10-K for the fiscal year ended February 24, 2018 filed with the Securities and Exchange Commission (the "SEC") and other documents that the Company may file or furnish with the SEC, which you are encouraged to read. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements relate only to the date they were made, and the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made except as required by law or applicable regulation.

Non-GAAP Measures

EBITDA and Adjusted EBITDA (collectively, the "Non-GAAP Measures") are performance measures that provide supplemental information the Company believes is useful to analysts and investors to evaluate its ongoing results of operations, when considered alongside other GAAP measures such as net income, operating income and gross profit. These Non-GAAP Measures exclude the financial impact of items management does not consider in assessing the Company's ongoing operating performance, and thereby facilitate review of its operating performance on a period-to-period basis. Other companies may have different capital structures or different lease terms, and comparability to the Company's results of

operations may be impacted by the effects of acquisition accounting on its depreciation and amortization. As a result of the effects of these factors and factors specific to other companies, the Company believes EBITDA and Adjusted EBITDA provide helpful information to analysts and investors to facilitate a comparison of its operating performance to that of other companies. The Company also uses Adjusted EBITDA, as further adjusted for additional items defined in its debt instruments, for board of director and bank compliance reporting. The Company's presentation of Non-GAAP Measures should not be construed as an inference that its future results will be unaffected by unusual or non-recurring items.

Media Contact:

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208-395-4163

Investor Relations Contact:

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Albertsons Companies, Inc. and Subsidiaries

Forecasted Adjusted EBITDA

(in millions)

The following is a reconciliation of forecasted operating income to forecasted Adjusted EBITDA:

	Fiscal 2018 Outlook	
	Low	High
Forecasted operating income	$ 475	$ 550
Forecasted adjustments for:		
Depreciation and amortization	1,900	1,890
Acquisition and integration costs (1)	155	145
Equity-based compensation expense	45	40
Other adjustments (2)	105	95
Forecasted Adjusted EBITDA	$ 2,680	$ 2,720

(1) Primarily includes forecasted costs related to integration of acquired businesses, acquisitions and amortization of management fees paid.

(2) Primarily includes forecasted LIFO expense and lease adjustments related to deferred rents and deferred gains on leases and estimated net costs incurred on acquired surplus properties.

(Back To Top)