

SAFEWAY + ALBERTSONS ANNOUNCE DEFINITIVE MERGER AGREEMENT

Merger Will Lead to an Enhanced Shopping Experience, Including Lower Prices for Customers

DEAL SNAPSHOT

- **Buyer: AB Acquisition LLC, the owner of Albertson's LLC and New Albertson's, Inc. (collectively "Albertsons")**
 - » AB Acquisition is controlled by a Cerberus Capital Management, L.P.-led investor group, which also includes Kimco Realty Corporation (NYSE:KIM), Klaff Realty LP, Lubert-Adler Partners, L.P., and Schottenstein Stores Corporation.
- **Transaction Overview: Safeway shareholders are expected to receive a total value estimated at \$40 per share based on:**
 1. \$32.50 per share in cash;
 2. Pro-rata distributions of net proceeds from primarily non-core assets (PDC and Casa Ley) with an estimated value of \$3.65 per share; and
 3. Pro-rata distribution of shares in Safeway subsidiary (Blackhawk) with a current value of \$3.95 per share.

STRENGTHENING AND GROWING OUR BUSINESSES IN A HIGHLY COMPETITIVE MARKETPLACE

- The retail grocery industry has grown increasingly competitive, with grocery stores, lower-price supercenters, upscale food stores, club stores, and a plethora of others all vying for the same customers.
- This deal will create a diversified network that includes over 2,400 stores, 27 distribution centers and 20 manufacturing plants with over 250,000 dedicated and loyal employees.
- Current Albertsons CEO Bob Miller will be Executive Chairman of the new company, and Safeway President & CEO Robert Edwards will be President & CEO.
- Combining our operations will enable Albertsons and Safeway to realize significant cost savings and better meet the demands of our customers.

PROVIDING LOWER PRICES AND BETTER SERVICE TO MORE GROCERY SHOPPERS

- Cost savings created by the transaction will translate into lower prices for customers.
- These savings will also allow for investments in store remodels and refurbishments.
- A more efficient distribution and supply chain will enable Albertsons and Safeway to offer shoppers a broader assortment of products, enhanced fresh and perishable offerings, and expanded private label alternatives for customers.

Working together will enable Albertsons and Safeway to respond to local needs more quickly and deliver outstanding products at the lowest possible price.

LEARN MORE: WWW.ALBERTSONS.COM/TELLMEMORE

COMPANIES AT-A-GLANCE

(as of 12/31/13)



Stores	1,335	1,075
Banners	Safeway, Vons, Pavilions, Randalls, Tom Thumb, Carrs	Albertsons, ACME, Jewel-Osco, Lucky, Shaw's, Star Market, Super Saver, United Supermarkets, Market Street, Amigos
States	Alaska, Arizona, California, Colorado, Delaware, Hawaii, Idaho, Illinois, Maryland, Montana, Nebraska, Nevada, New Mexico, Oregon, Pennsylvania, South Dakota, Texas, Virginia, Washington, Wyoming Total: 20 +District of Columbia	Arizona, Arkansas, California, Colorado, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Washington, Wyoming Total: 29
Ownership	Public (NYSE: SWY)	Private
Employees	138,000	115,000
Distribution Centers	13	14
Manufacturing Plants	20	None
Pharmacies	1,041	818