

Table of Contents(c) *Selling and administrative expenses*

The net pro forma adjustments to Selling and administrative expenses are comprised of the following items:

	<u>Fiscal 2014</u> <u>(in millions)</u>	<u>16 weeks ended</u> <u>June 12, 2014</u> <u>(in millions)</u>
<i>Depreciation and amortization</i>		
Elimination of Safeway's historical depreciation and amortization expense	\$ (743.0)	\$ (235.0)
Depreciation and amortization expense for acquired assets	808.3	263.9
Adjustment to increase depreciation and amortization	65.3	28.9
<i>PDC properties</i>		
Elimination of Safeway's gain on sale of PDC and the PDC properties' historical depreciation expense, net	\$ 17.3	\$ (1.5)
Period alignment adjustment	2.0	1.0
Rent expense for leaseback of PDC properties	18.8	5.7
Total adjustments for PDC properties	38.1	5.2
<i>Other eliminations</i>		
Transaction and related costs ¹ for the Safeway acquisition incurred by Albertsons.	\$ (283.2)	\$ (17.4)
Transaction costs related to the Safeway acquisition incurred by Safeway	(59.6)	(2.7)
Non-employee equity-based compensation related to Safeway acquisition	(191.6)	—
Total transaction costs elimination	(534.4)	(20.1)
Pro forma adjustment to (decrease) increase Selling and administrative expenses	<u>\$ (431.0)</u>	<u>\$ 14.0</u>

¹ Includes direct acquisition costs and loss on the settlement of appraisal rights litigation related to the Safeway acquisition.