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of increased customer traffic, resulting in higher shrink levels throughout fiscal 2013, especially in the first and second quarters of fiscal 2013. During fiscal 2014, customer traffic to our acquired stores increased resulting in reduced shrink levels as a result of increased turnover of products.

Fiscal 2014 vs. Fiscal 2013	Basis-point increase (decrease)
Improvements in shrink	46
Warehouse cost	33
Lower advertising expense	8
Increased LIFO expense	(10)
Other	(7)
Total	70

Our gross profit rate increased 160 basis points to 26.9% in fiscal 2013 from 25.3% in fiscal 2012, primarily driven by our entry into higher margin markets as a result of the NAI acquisition and improvement in merchandise pricing due to increased volume of purchasing. Both of these factors were driven by significant increases in our store portfolio resulting from the NAI acquisition.

Selling and Administrative Expenses

Selling and administrative expenses consist primarily of store level costs, including wages, employee benefits, rent, depreciation and utilities, in addition to certain back-office expenses related to our corporate and division offices. Selling and administrative expenses increased 70 basis points to 30.0% of net sales and other revenue in fiscal 2014 from 29.3% in fiscal 2013.

Fiscal 2014 vs. Fiscal 2013	Basis-point increase (decrease)
Non-cash equity-based compensation	123
Acquisition and integration costs (including the charge to terminate the long-term incentive plans)	89
Property dispositions, asset impairment and lease exit costs	78
Employee-related costs	(88)
Depreciation and amortization	(68)
Rent and occupancy	(29)
Legal and professional fees	(18)
Other	(17)
Total	70

The Safeway acquisition resulted in additional non-cash equity-based compensation and increased acquisition and integration costs. In addition, the FTC-mandated divestitures resulted in increased impairment charges. These increases were offset by reductions in selling and administrative expense as a percentage of sales that were largely driven by increased sales from acquired stores and strong identical store sales.