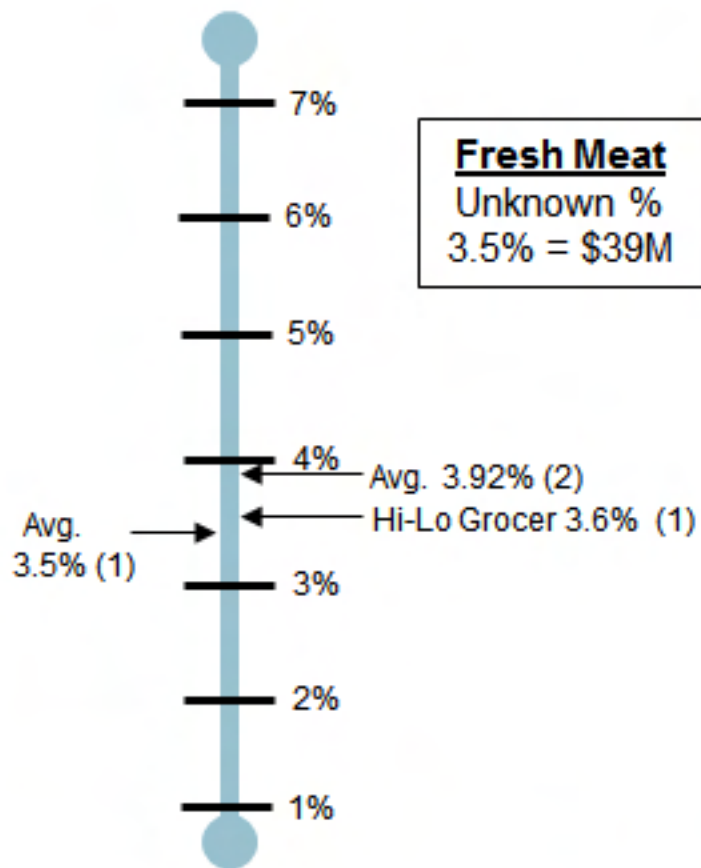


Industry Benchmarks in shrink reflect:

- Fresh Meat average shrink of 3.5 – 4.0%
- Produce average shrink of 4.4 – 4.7%

Industry Shrink
Fresh Meat

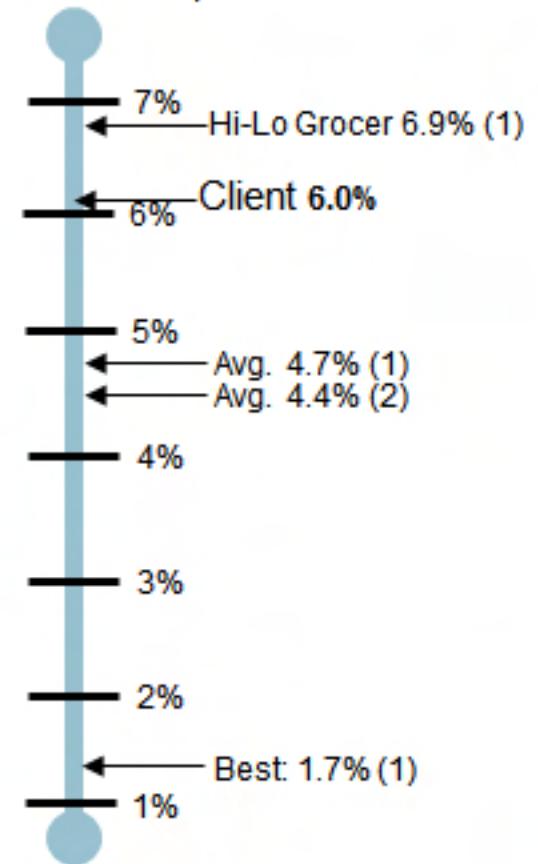


Fresh Meat
Unknown %
3.5% = \$39M

Produce Shrink driven by: (2)

- 24% - Improper scale file maintenance
- 18% - Poor rotation & merchandising
- 12% - Inefficient ordering

Industry Shrink
Produce
(Includes Floral)



Produce
6.02% delta
Billed vs. Gross
6% = \$98M
4.4% = \$72M

Produce Shrink driven by: (2)

- 37% - Inefficient ordering
- 28% - Poor rotation & merchandising
- 19% - Cashier ringing