



## News Release

### Safeway Inc. Announces Expiration and Results of Offer to Purchase Senior Notes Due 2019, 2020 and 2021

PLEASANTON, Calif., Jan. 30, 2015 /PRNewswire/ -- Safeway Inc. ("Safeway") today announced the results of its offer to purchase (the "Offer") any and all of the outstanding series of senior notes described in the table below (the "Senior Notes"). The Offer, which was made pursuant to the Change of Control Notice and Offer to Purchase dated December 3, 2014, expired at 5:00 p.m., New York City time, on January 30, 2015.

Title of Security	Principal Amount Outstanding	CUSIP No.
5.00% Senior Notes due August 15, 2019	\$500,000,000	786514BR9
3.95% Senior Notes due August 15, 2020	\$500,000,000	786514BS7
4.75% Senior Notes due December 1, 2021	\$400,000,000	786514BU2

The depository for the Offer has advised Safeway that, as of 5:00 p.m., New York City time, on January 30, 2015, \$231,443,000 principal amount, or 46.29% of the outstanding principal amount, of the 2019 Senior Notes, \$363,174,000 principal amount, or 72.63% of the outstanding principal amount, of the 2020 Senior Notes and \$269,980,000 principal amount, or 67.50% of the outstanding principal amount, of the 2021 Senior Notes had been validly tendered and not validly withdrawn pursuant to the Offer. All of the Senior Notes that were validly tendered and not validly withdrawn are being accepted for purchase by Safeway. The change of control payment of \$1010 per \$1000 principal amount of Senior Notes, plus accrued and unpaid interest to, but not including, the payment date, will be paid in cash to the tendering holders of such notes on February 2, 2015.

D.F. King & Co. Inc. acted as information and tender agent for the Offer.

This announcement is for information purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security.

#### About Safeway Inc.

Safeway Inc. is a Fortune 100 company and one of the largest food and drug retailers in North America based on sales. Safeway operates 1,326 stores in the United States and had annual sales of \$35.1 billion in 2013.

#### Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are indicated by words or phrases such as "expects," "will," "plans," "intends," "committed to," "estimates" and "is." No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur. Accordingly, actual results may differ materially and adversely from those expressed in any forward-looking statements. Neither Safeway nor any other person can assume responsibility for the accuracy and completeness of forward-looking statements. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond Safeway's control. These factors include: failure to obtain, delays in obtaining or adverse conditions contained in any required regulatory or other approvals; failure to consummate or delay in consummating the transactions described herein for any other reasons; changes in laws or regulations; and changes in general economic conditions. Safeway undertakes no obligation (and expressly disclaims any such obligation) to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For additional information please refer to Safeway's most recent Form 10-K, 10-Q and 8-K reports filed with the Securities and Exchange Commission.

**Contact:**

Christiane Pelz (925) 467-3832

Logo - <http://photos.prnewswire.com/prnh/20140919/147279>

SOURCE Safeway Inc.