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## News Release

### Safeway Inc. Announces Receipt of Requisite Consents for its Senior Notes Due 2017

PLEASANTON, Calif., Oct. 9, 2014 /PRNewswire/ -- Safeway Inc. (NYSE: SWY) ("Safeway") today announced the results of its consent solicitation (the "Consent Solicitation") from holders of its 6.35% Senior Notes due 2017 (the "2017 Notes") with respect to a proposed amendment. Pursuant to the terms of the Consent Solicitation Statement dated September 22, 2014, as amended by the supplement dated October 6, 2014, the Consent Solicitation with respect to the 2017 Notes expired on October 8, 2014.



Safeway received the requisite consents from holders of a majority in outstanding principal amount of the 2017 Notes. As a result, Safeway executed a supplemental indenture effecting the proposed amendment with respect to the 2017 Notes that removed Safeway's obligation to offer to repurchase the 2017 Notes in connection with its proposed merger with Albertsons. The consent fee of \$5.00 in cash per \$1,000 principal amount of the 2017 Notes will be paid to the consenting holders of such notes on or before October 10, 2014.

BofA Merrill Lynch acted as solicitation agent in connection with the Consent Solicitation and D.F. King & Co. Inc. acted as information agent for the Consent Solicitation.

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 1,331 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.

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