



## News Release

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

PLEASANTON, CA -- (Marketwired) -- 01/12/15 -- Safeway Inc. (NYSE: SWY) ("Safeway") today announced that it is extending the expiration 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 was previously extended on January 5, 2015, after which, it was scheduled to expire at 5:00 p.m., New York City time, on January 12, 2015, and is now being further extended until 5:00 p.m., New York City time, on January 22, 2015, unless further extended or withdrawn by Safeway. All other terms and conditions of the Offer remain as set forth in the Change of Control Notice and Offer to Purchase dated December 3, 2014.

<i>Title of Security</i>	<i>Principal Amount Outstanding</i>	<i>CUSIP No.</i>
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 12, 2015, approximately \$227,357,000 principal amount, or 45.47% of the outstanding principal amount, of the 2019 Senior Notes, \$365,345,000 principal amount, or 73.07% of the outstanding principal amount, of the 2020 Senior Notes and \$272,030,000 principal amount, or 68.01% of the outstanding principal amount, of the 2021 Senior Notes had been validly tendered and not validly withdrawn pursuant to the Offer. Holders who have already tendered their Senior Notes do not have to re-tender their Senior Notes or take any other action as a result of the extension of the previous expiration date of the Offer and may withdraw tendered Senior Notes at any time prior to 5:00 p.m., New York City time, on January 22, 2015.

Requests for documents and questions regarding the procedures for tendering of Senior Notes may be directed to D.F. King & Co. Inc. at (866) 751-6309.

This announcement is for information purposes only and is neither an offer to sell nor a solicitation of an offer to buy any security. No recommendation is being made as to whether holders of Senior Notes should tender their Senior Notes. The offer to purchase is not being made in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such offer under applicable state or foreign securities or "blue sky" laws.

#### **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.

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Source: Safeway Inc.