

Immediate Release



Contact: Teena Massingill, 925-467-3810
Teena.Massingill@Safeway.com

Safeway Prepares to Donate More Than \$3.8 Million to Schools as it Launches Winter “Back to Schools” Fundraiser

PLEASANTON, Calif. – January 11, 2011 – Safeway Inc. (NYSE: SWY) today announced the company and more than 100 food manufacturers will donate more than \$3.8 million to schools through Safeway’s annual *10% Goes Back to Schools Program* and has launched a winter version of the popular funding vehicle.

The donations from this program, an in-store initiative that unites over 100 food manufacturers in support of America’s students, go to schools and education projects to sustain important programs, purchase equipment and recognize excellence in the classroom. The manufacturing partners donate 10 percent of the sale price of selected items to local schools. To date, the *Back to Schools* program has raised more than \$20.8 million for schools throughout the U.S.

This month, as schools begin receiving checks for the \$3.8 million in donations earned during the Fall 2010 *Back to Schools* campaign, Safeway is holding a special mid-school year *Back to Schools* campaign in response to the unprecedented education budget cuts – such as physical education, music and art – as well as experiencing increasing class size.

Based on customer and school participation, the earnings can be significant. **(Local quote or example of local donation)** For example, during the fall 2010 campaign, a youth music program and a high school in Anchorage, Alaska each earned more than \$24,000. A Santa Cruz, California middle school will receive nearly \$17,000. Nearly 600 schools and education programs earned more than \$1,000.

“We are partnering with our consumer package goods partners to help where the need is most profound and the stakes are highest, at America’s schools,” said Mike Minasi, President of Marketing for Safeway. “Businesses have an important role to play in education because our investment in schools is an investment in the future workforce, the people who will be responsible for filling and providing jobs for decades to come. It is a critical partnership.”

Through the winter *Back to Schools* program, which runs through January 25, 2011, 10 percent of the sale price of more than 3,000 selected products goes to support education. When customers purchase these products using their Safeway Club Card, they automatically accumulate donations that they can assign to a school of their choice. Schools and customers already participating in Safeway’s eScrip rebate program will also benefit from *Back to Schools*. Their final accumulated total will automatically be donated to their registered eScrip school or organization.

Safeway is one of the largest corporate supporters of education, giving more than \$20 million to schools each year. However, education is just one of the causes that Safeway supports. The company contributes to a broad range of charitable and community programs and in 2010 raised and donated more than \$250 million to cancer research, hunger relief, health and human services and programs focused on assisting people with disabilities.

About Safeway www.Safeway.com

Safeway Inc. is a Fortune 100 company and one of the largest food and drug retailers in North America, based on sales. The company operates 1,702 stores in the United States and western Canada and had annual sales of \$40.8 billion in 2009. The company’s common stock is traded on the New York Stock Exchange under the symbol SWY.

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