

Immediate Release



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Safeway Announces Open Nature™ Line Of 100% Natural Foods

Exclusive New Products Feature Honest, Flavorful Food, the Way Nature Intended

PLEASANTON, Calif. – January 26, 2011 – Safeway Inc. (NYSE: SWY) today introduced the Open Nature™ line of 100% natural foods, continuing its leadership in the retail food industry as an innovator in health and nutrition offerings.

Open Nature is a new line of more than 100 products made with 100% natural ingredients from natural sources, with nothing artificial added. The first Open Nature items are available now in Safeway's meat departments, featuring fresh beef and pork, fresh chicken, chicken sausages, bacon and beef hot dogs. Additional Open Nature products will be available throughout the year across even more categories, such as bread, yogurt, ice cream, salad dressing, frozen foods and many others.

“Open Nature is a great addition to Safeway's portfolio of health and wellness brands joining O Organics and Eating Right. It's another demonstration of Safeway's commitment to providing our customers the best possible experience when they prepare and eat meals for themselves and their families,” said Joe Ennen, Senior Vice President of Consumer Brands. “Open Nature is Safeway's way of providing shoppers access to simple, flavorful food made from all-natural ingredients that is as close to nature as possible.”

Safeway holds these exclusive products to high standards, ensuring that every item in the Open Nature line is made only with ingredients from natural sources. In addition to these high standards, each of the products adheres to specific guidelines. For example, Open Nature meat and poultry products must also meet the following criteria:

- Raised without antibiotics
- No added hormones*
- Fed an all-vegetarian diet
- No artificial preservatives

Given Safeway's high standards, the Open Nature meat and poultry products offer exceptional juiciness, tenderness and flavor.

The Open Nature line is the latest of Safeway's exclusive offerings that address consumers' specific nutrition and dietary needs at very affordable prices. With the 2005 introduction of O Organics, an extensive line of USDA certified-organic foods, Safeway was the first major retailer to make organic foods widely accessible and affordable for every budget. Today, O Organics is the nation's Number One organic line with 470 food and beverage items. Safeway's Eating Right line of better-for-you foods, introduced in 2007, has grown to

over 300 low-priced items that highlight dietary and healthy attributes on the front of the package.

In addition, over the past seven years, Safeway's leadership in health and wellness initiatives was demonstrated by a strong list of accomplishments. The company removed added trans fats from all private-label products, converted 100% of the frying oil used in stores to trans fat free, launched Eating Right for Kids without high fructose corn syrup in the formulation, and guaranteed all private label milk to be free of growth hormones. In the same timeframe, the company removed 20% of the sodium from various canned vegetables and its Signature Café Soup line, and launched sodium-free flavored beverages.

For these and other efforts, Safeway was recognized by Health Magazine as the second-healthiest grocery store in its 2010 survey of America's 10 Healthiest Supermarkets.

Now, with Open Nature's delicious, 100% natural alternatives, there is yet another option for consumers who want access to high-quality, inexpensive, nutritious food. Open Nature Natural Chicken, Chicken Sausage, Bacon and Beef Franks are available now in all Safeway stores. Natural Angus Beef and Fresh Pork are available now in select stores. Items are priced between \$3.99 and \$5.99. For more information about Open Nature, go to www.safeway.com.

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.

**Federal regulations prohibit the use of hormones in raising pork and poultry.*