

**SAFEWAY LAUNCHES ANNUAL BACK-TO-SCHOOL PROGRAM
Month-Long Initiative Aids Schools In Filling Budget Gaps**

Lanham, Md. – Safeway will launch its sixth annual *10% Back to Schools (BTS)* program, a special in-store initiative that unites countless food manufacturers in support of education and students throughout the U.S. on Wednesday, Aug. 11.

Through the *10% Back to Schools* program, which runs through September 14, Safeway is partnering with food manufacturers to donate 10 percent of the sale price of more than 3,000 selected products (everyday items that families use regularly) to local schools designated by customers. The initiative provides parents, teachers and other school and educational supporters with an opportunity to help raise money as schools continue to grapple with budget cuts that inhibit their ability to provide educational resources.

Supporting education is part of Safeway’s corporate culture as the company’s school donation programs have generated nearly \$25 million for mid-Atlantic region schools since 1992 and is consistently one of the top giving categories for the division. Last year’s \$2 million contribution to schools ranked second to only to donations to local food banks and feeding agencies.

The top five schools from last year’s Back-To-School campaign were Piney Branch Elementary (\$5,944 – Takoma Park, Md.), Northwood High School (\$4,564 - Silver Spring, Md.), Severn River Middle School (\$3,404 – Arnold, Md.), Westowne Elementary (\$2,689 – Catonsville, Md.) and the Boys and Girls Clubs of Delaware (\$2,513 – Wilmington).

The program provides customers with an opportunity to purchase eligible products using their Safeway Club Card. In doing so, they will automatically accumulate donations and assign them to the school of their choice. The products are marked with a special yellow school bus icon on store shelves. At the end of the program, customers will receive a final donation receipt totaling their “school dollars.” They can take or mail the receipt to their chosen school. The school then redeems it online.

Safeway store managers and their employees have been urged to communicate the program to as many schools within their service area as possible. Parents and volunteers are being encouraged to work with their local store where they can either sign up additional supporters or to collect receipts from customers who are not supporting a specific school.

The five highest-earning schools during the BTS program will be eligible for receive a \$1,000 bonus to add to their overall donation. Schools can earn up to \$25,000 per year through the combined eScrip and Back-To-School programs. Safeway's eScrip program allows customers to support the school(s) of their choice each time they swipe their Safeway Club Card with a percentage of their total purchase being credited to the selected school(s). Participating schools receive a check on a monthly basis during the eScrip program year (September through May) with all household purchases from each of the school's supporters being totaled with a percentage "rebate" earned by the organization. The money received each month reflects the combined rebates received from its supporter base.

Schools and customers who already participate in Safeway's eScrip rebate program will also benefit from *10% Back to Schools*. Their final accumulated total will automatically be donated to their registered eScrip school or organization.

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 1,725 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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