Inter-Office Communication



To: All Safeway Backstage Employees From: Bruce Everette, EVP Retail

Date: September 18, 2012 Department:

Subject: Organizational Announcement from Bruce Everette

Earlier today, Steve Frisby informed employees in the Portland and Seattle Divisions announcing our plans to combine the operations into a single newly named Northwest Division; where Steve will continue as the Division President. He explained the close geographic proximity and natural overlap of both operations should allow for significant economies of scale in a highly competitive environment.

There have been a small number of positions eliminated as a result of the consolidation. The individuals involved were informed today. Safeway is actively assisting them in their transition. Both the Portland and Seattle offices will remain open to support our regional operations.

Implementing this change will require coordination with corporate teams who have responsibility for administrative and marketing functions in these divisions. We appreciate your support and understanding as we move forward with our plans to consolidate the two divisions.