

Inter-Office Communication



To: All Employees

From: Steve Burd
Chairman and CEO

Date: April 9, 2012

Subject: **Announcement of Robert Edwards and Larree Renda**

I am pleased to announce two important changes to our management structure.

Robert Edwards has been named President of the Company. He will have overall responsibility for the company's retail operations, marketing, merchandising, corporate brands, manufacturing, distribution and finance functions. He will continue as Chief Financial Officer until a successor is named to the position.

Robert is one of those unusual executives with a strong command of both the financial and operational sides of our business. His deep engagement with our operations and marketing units while he has been CFO will make for a seamless transition to Robert's new role. His assumption of these new duties provides me an opportunity to concentrate more of my time on innovation and a range of strategic initiatives that will drive core and non-core business growth in the long term.

Larree Renda will assume additional responsibility as Executive Vice President for real estate (including Property Development Centers) and information technology, which adds to her current duties managing human resources and labor relations, strategic initiatives, corporate social responsibility, government relations, public affairs and Safeway Health. With Larree, we are taking one of our most productive and talented executives and broadening her duties to include oversight of two key functions. Both of these changes to our management structure will further strengthen our senior team and our ability to deliver sustainable growth.

Robert joined Safeway as Executive Vice President and Chief Financial Officer in 2004. Previously, he had served as EVP and CFO of Maxtor Corporation, and was SVP, CFO and CAO at Imation Corporation. Before joining Imation, Robert had a 20-year career at Santa Fe Southern Pacific Corporation and its affiliates. There, he held increasing responsibility in finance, administration, corporate development and human resources. Robert currently serves on the Boards of Blackhawk Network Holdings, Inc., Casa Ley, S.A. de C.V., and KKR Financial Holdings LLC. Robert holds a Masters in Business Administration and a Bachelor of Science in Accounting from Brigham Young University.

Larree started with the company in 1974 and quickly progressed through the retail ranks, and then served as corporate Vice President of Retail from 1991 to 1994, Senior Vice President from 1994 to 1999 and Executive Vice President of retail operations, human resources, labor relations, reengineering, government relations, corporate social responsibility, retail strategy, strategic initiatives and public affairs from 1999 to 2010. She chairs the Board of the Safeway Foundation. Larree also serves on the Board of Directors for HSBC Finance Corporation and for HSBC North America Holdings Inc. She is a member of the Board of Directors of Casa Ley. Larree is a Trustee on the National Joint Labor Management Committee, and is an Executive Committee member of the California Chamber of Commerce. She also serves on the Board of Regents for the University of Portland.

Please join me in congratulating and wishing Robert and Larree continued success in their new assignments.