Inter-Office Communication



To: All Backstage Employees From: Larree Renda, Executive Vice

President

Bruce Everette, Executive Vice

President

Date: July 18, 2012

Subject: Larry Vanderdoes Temporary Assignment

We are pleased to announce that Larry Vanderdoes, Vice President, Retail Operations for Vons has accepted a temporary assignment reporting to the both of us.

We've asked Larry to lead an aggressive and expansive effort to implement a widerange of business initiatives in order to ensure that our already best-in-industry standards are competitively positioned as best-in-business, in the eyes of our employees, customers and shareholders. We've identified four core business areas that have a profound impact on our operation enterprise-wide. The focus will include Talent Acquisition, Retail Communications, new Pharmacy initiatives and Service Programs; each of which require dedicated support to enhance and better position the company for long-term success and growth.

It's important that the company evolves to address the needs and demands of our current and future employees, customers, and patients. This will be a cross-functional and coordinated effort, as Larry will work closely with all business unit leaders to build short-term and long-term development strategies. The goal will be to address best practices, streamline workflows and identify gaps, barriers and areas of opportunity to improve our programs and processes in the areas listed above.

Larry has been with Safeway for over 40-years and has an extensive background in retail operations. We are confident Larry has the project management and leadership skills to successfully complete this assignment.

Please join us in wishing Larry continued success and supporting him as he embarks on his new role.