

Safeway Inc. Forms Better Living Brands(TM) Alliance-O Organics(R) and Eating Right(TM) to Gain Broader Distribution

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PLEASANTON, Calif., Apr 28, 2008 (BUSINESS WIRE) -- Safeway Inc. (NYSE:SWY) today announced the formation of the Better Living Brands(TM) Alliance. The Alliance will market O Organics(R) and Eating Right(TM) across all retail channels in the U.S. starting this year. The expansion of O Organics and Eating Right will also include the food service channel and international markets.

The mission of the Alliance is to provide Health and Wellness food and beverage solutions via two proven Multi-Category Lifestyle Brands: O Organics and Eating Right. In their current limited distribution:

-- O Organics is the #1 organic food brand in the U.S.

-- Eating Right is one of the fastest-growing Health & Wellness food brands.

The Alliance includes world-class manufacturing, marketing and distribution companies as Brand Licensees. Co-pack and distribution partners have also been signed to provide a robust supply chain network. The Alliance will receive additional support from EMAK Worldwide Inc. for consumer communications and Crossmark Inc. for communications to retailers.

Lucerne Foods Inc., a Safeway subsidiary which markets to external customers, manages the licensing of O Organics and Eating Right and is participating as a member of the Better Living Brands(TM) Alliance.

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 1,740 stores in the United States and Canada. The company's common stock is traded on the New York Stock Exchange under the symbol SWY.

SOURCE: Safeway Inc.

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