

# Safeway: What Recession?

## IN THIS TOUGH ECONOMY...

...more families are cutting back and eating at home—preferring to buy food at the grocery store instead of at restaurants. This has meant that while all businesses have been affected by the recession, grocery stores have suffered less. And Safeway in particular has seen business suffer very little, still enjoying extraordinary success as a major player in the grocery industry.

In fact, Safeway is one of the largest and most successful supermarket operators in North America. The company operates more than 1,700 stores, with locations throughout the U.S. and western Canada.

**THE NUMBERS** show this clearly.

Safeway is clearly still enjoying enormous success, even in these tough economic times. And executives are seeing the benefits of that success.

**So why not share the success with the grocery workers who work hard every day to make it possible?**

It's the right thing to do.

## BY THE NUMBERS

### Past fiscal year:

- In fiscal year 2008, Safeway reported sales of \$44.1 billion, an increase of more than 4% over the previous year. This figure ranks Safeway as North America's fifth largest retailer.
- The company's net income in 2008 was \$965.3 million, a significant jump of 9% from 2007 when

the company earned \$888.4 million. The company had plenty of cash on hand, enough to keep Safeway financially flexible, with options available for expansion or renovation.

- The company's net profit for each dollar of sales was also nearly identical to previous years, stronger than that of most of the competition.
- In fiscal year 2008, the company was able to consistently pay down debt, a sign of financial strength and a good protection against the tight credit market.
- Safeway has #1 market share in 35 markets and #1 or #2 positions in many metropolitan areas.

### Safeway's most recent quarterly results indicate long-term strength and financial health:

- The company's profit increased to \$238.6 million, up 2% from \$234 million in the same quarter of 2008—and the company had \$9.5 billion in sales for the second quarter of 2009.
- Safeway's financial health was sound enough for the company to invest \$185.8 million in repurchasing stock, and \$202.1 million in improving existing stores and opening a new one.

### And Safeway's executives are still being rewarded handsomely for the company's continuing success:

- Steven A. Burd, Safeway's Chairman, President and CEO, made almost \$11 million in total compensation in 2008, up from \$10.2 million in 2007 and \$7.4 million in 2006. He is one of the highest paid CEOs in the industry, with total compensation up almost 50% in just 2 years.
- Several other Safeway executives make more than \$1 million per year in total compensation, including all four Executive and Senior Vice Presidents.

