

CIRCUIT COURT OF THE 4TH JUDICIAL CIRCUIT IN AND FOR DUVAL COUNTY, FLORIDA

**If You Owned Winn-Dixie Stores, Inc. Common Stock as of March 9, 2012,
You May Be Entitled To Settlement Benefits**

The Circuit Court of the 4th Judicial Circuit in and for Duval County, Florida authorized this notice. This is not a lawyer solicitation. This Notice advises you of a proposed class action settlement ("Settlement"). The Settlement concerns the March 9, 2012 sale and merger of Winn-Dixie Stores, Inc. ("Winn-Dixie") for \$9.50 per share ("Merger"). Your legal rights are affected whether you act or do not act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>OPTION #1 – CASH PAYMENT: SUBMIT A PROOF OF CLAIM FORM FOR PAYMENT FROM THE \$9 MILLION COMMON FUND</p>	<p>You have the right to receive an additional cash payment for your Winn-Dixie shares (owned as of March 9, 2012), to be paid from a \$9 million common fund ("Common Fund"). Each share will be paid the same amount from the fund, but the amount of payment per share will depend on how many other Class Members make claims from the fund. On the record date of January 27, 2012, there were over 56 million Winn-Dixie common shares outstanding and entitled to be voted at the March 9, 2012 special meeting. There is no way to determine, in advance, how many Class Members will make claims from the Common Fund. Shares held by Defendants and those persons or entities who have been excluded from the Class will not receive any payment from the Common Fund for their Shares.</p> <p>You cannot choose both this Option #1 and the below Option #2 for the same Winn-Dixie shares. However, you can choose Option #1 for some of your shares and Option #2 for other shares. Class Counsel take no position on which is the best option for you. You yourself need to carefully weigh all of the pros and cons.</p>
<p>OPTION #2 – OPT-IN APPRAISAL PROCEEDING: DEPOSIT AND RISK \$1.00 PER SHARE TO MAKE A CLAIM FOR APPRAISAL OF YOUR WINN-DIXIE SHARES</p>	<p>If you believe that the fair value of Winn-Dixie's shares was more than the \$9.50 per-share Merger consideration and you are willing to deposit and risk \$1.00 per share, you have the right to make an appraisal claim for your Winn-Dixie shares (owned as of March 9, 2012).</p> <p>If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was less than \$9.50 per share, you forfeit the \$1.00 per share you deposited.</p> <p>If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was more than \$9.50 per share, you may be paid the additional amount per share determined by the appraisal arbitrator to represent fair value—up to a maximum of \$3.50 per share. Such payments will be made from an appraisal fund that is capped at \$2.5 million ("Appraisal Fund"), not from the Common Fund in Option #1. The amount of appraisal payment per share will be paid <i>pro rata</i> and depends on how many other Class Members make appraisal claims. On the record date of January 27, 2012, there were over 56 million Winn-Dixie common shares outstanding and entitled to be voted at the March 9, 2012 special meeting. There is no way to determine, in advance, how many Class Members will elect to opt into the Appraisal Proceeding. Defendants and those persons or entities who have been excluded from the Class cannot participate in the Appraisal Proceeding. Regardless, if the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was \$9.50 or more, the \$1.00 per share you deposited will be returned to you.</p> <p>You cannot choose both Option #1 and Option #2 for the same Winn-Dixie shares. However, you can choose Option #1 for a portion of your shares and Option #2 for a different portion of your shares. Class Counsel take no position on which is the best option for you. You yourself need to carefully weigh all of the pros and cons.</p>
<p>OPTION #3: EXCLUDE YOURSELF FROM THE SETTLEMENT</p>	<p>Request exclusion from the lawsuit. Receive no Settlement benefits. Retain the right to bring your own claim/case.</p>
<p>OPTION #4: DO NOTHING</p>	<p>Receive nothing. Give up your rights to separately sue.</p>

Your rights and options – **and the deadlines to exercise them** – are explained in this notice.

The Court in charge of this case still has to decide whether to approve the Settlement. Settlement benefits will go to Class Members if the Court approves the Settlement and after any appeals are resolved. Please be patient.

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BASIC INFORMATION

WHAT IS THIS LAWSUIT ABOUT?

Lead Plaintiffs filed a class action lawsuit claiming that Winn-Dixie's board of directors breached their fiduciary duties by agreeing to sell Winn-Dixie to BI-LO, LLC for \$9.50 per share, and that BI-LO and its affiliates aided and abetted those alleged breaches of fiduciary duties. Lead Plaintiffs allege that, *inter alia*, Winn-Dixie's shares were undervalued in the sale of Winn-Dixie for \$9.50 per share. Defendants deny all allegations and are entering into this Settlement to avoid burdensome and costly litigation. The Settlement is not an admission of wrongdoing. The Settlement terms are explained in this notice.

WHY IS THIS A CLASS ACTION?

In a class action, one or more people, called Lead Plaintiffs, sue on behalf of people who have similar claims. These people are a Class or Class Members. One court resolves the issues for all Class Members, except for those who choose to exclude themselves from the Class. The Honorable Judge Virginia Baker Norton, of the 4th Judicial Circuit in and for Duval County, Florida, is in charge of this class action.

WHO ARE THE PARTIES TO THE LAWSUIT?

The Lead Plaintiffs in this case are Dorothy A. Chauncey, Paul B. Chauncey, Jr., Kent D. Murphy, and Schultze Asset Management, LLC (hereinafter collectively, "Lead Plaintiffs").

The defendants to the lawsuit are former members of Winn-Dixie's board of directors, Peter Lynch, Evelyn V. Follit, Charles P. Garcia, Jeffrey C. Girard, Yvonne R. Jackson, Gregory P. Josefowicz, James P. Olson, Terry Peets, and Richard E. Rivera; as well as BI-LO, Opal Holdings, LLC, and Opal Merger Sub, Inc. (collectively, "Defendants"). Lead Plaintiffs and Defendants are collectively, the "Parties."

WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Lead Plaintiffs or Defendants. Instead, the Parties agreed to the Settlement. That way, they avoid the cost of a trial, and Settlement benefits go to the Class Members. Lead Plaintiffs and Class Counsel think the Settlement is best for the Class Members.

WHAT ARE THE BENEFITS OF THE SETTLEMENT TO CLASS MEMBERS?

The Settlement benefits are summarized below and explained further in the Stipulation and Agreement of Compromise and Settlement ("Stipulation"), which is available at www.winndixieshareholdersettlement.com. The Settlement provides two distinct avenues for Class Members to potentially receive more money for their Winn-Dixie shares than was provided in the Merger: (a) a cash-payment Common Fund, and (b) an opt-in Appraisal Proceeding.

Summary of Option #1 – Cash-Payment from the Common Fund. Class Members who timely submit a valid Proof of Claim Form are eligible to participate in a fund of nine million dollars (\$9,000,000.00). Specifically, after notice and claim administration expenses, as well as Class Counsel's attorneys' fees and expenses and any service awards to the Lead Plaintiffs are deducted from the fund, Class Members shall then be paid a *pro rata* amount for each of their Winn-Dixie shares participating in this option. Class Members will be required to file a valid proof of claim form, which form accompanies this notice and also is available at www.winndixieshareholdersettlement.com.

Summary of Option #2 – Opt-In Appraisal Proceeding. As an alternative to the \$9 million Common-Fund option, Class Members have the alternative option of having the fair value of their Winn-Dixie shares determined by a neutral arbitrator through an optional Appraisal Proceeding. This avenue provides potential cash payments totaling up to two-and-a-half million dollars (\$2,500,000.00). Class Members who elect this option may try to obtain up to \$3.50 (above and beyond the Merger price of \$9.50) per share. Using the appraisal argument procedures detailed in paragraph 18 of the Stipulation (which is available at www.winndixieshareholdersettlement.com), Class Members shall have an opportunity to argue why the fair value of Winn-Dixie's shares exceeds \$9.50 per share, and BI-LO, LLC, the only Defendant that could be a party to the Appraisal Proceeding, shall have the right to argue why the fair value of the shares is equal to or less than \$9.50 per share. The appraisal arbitrator will review these submissions and determine the fair value of the Winn-Dixie shares, subject to the procedures in paragraph 18 of the Stipulation. The Appraisal Fund will be capped at a maximum total payout of \$2.5 million for all Winn-Dixie shares participating in this option.

If a Class Member chooses the opt-in Appraisal Proceeding, he, she, or it will be required to deposit \$1.00 per share by October 21, 2014 (“Appraisal Risk Amount”) in order to be eligible to participate. If the appraisal arbitrator determines that fair value is less than \$9.50 per share, the Class Member shall take nothing and, in fact, will forfeit the Appraisal Risk Amount. If, however, the appraisal arbitrator determines that the fair value equals or exceeds \$9.50 per share, the Class Member shall receive back the Appraisal Risk Amount. And, if fair value exceeds \$9.50 per share, the Class Member may receive an award representing the difference between that fair value determination and \$9.50, multiplied by the number of shares the Class Member risked in the Appraisal Proceeding, capped at \$3.50 per share. These fair value awards shall be paid from the Appraisal Fund of up to, but not exceeding, \$2.5 million.

Class Counsel Express No Views on Which Option Is Better for You. You need to carefully weigh all of the pros and cons and decide for yourself which settlement option you desire.

WHAT CLAIMS ARE BEING RELEASED IN THE SETTLEMENT?

In exchange for the Settlement benefits detailed above, all Releasors (as defined below)—on behalf of themselves, their legal representatives, heirs, executors, administrators, estates, predecessors, successors, predecessors-in-interest, successors-in-interest, affiliates and assigns—and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them, shall—upon the Effective Date of Settlement—be deemed to have, and by operation of the Judgment approving the Stipulation and Settlement, shall fully, finally, and forever release, settle, and discharge the Released Parties (defined below) from all of the Released Claims (defined below), and shall be forever barred and enjoined from commencing, instituting, prosecuting, or continuing to prosecute any Released Claims against any of the Released Parties.

With respect to all of the Released Claims, the Parties stipulate and agree that, upon the Effective Date, Releasors expressly waive, and shall be deemed to have, and by operation of the Judgment approving the Stipulation and Settlement, shall have expressly, waived, relinquished, and released all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any other jurisdiction, or principle of common or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Releasors acknowledge, and shall be deemed to have acknowledged, that they may discover facts in addition to or different from those now known or believed to be true with respect to the Released Claims, but that it is the intention of the Parties, and by operation of law each of the Class Members, to completely, fully, finally, and forever extinguish all of the Released Claims, known or unknown, suspected or unsuspected, which now exist, or previously existed, or may in the future exist, and without regard to the subsequent discovery of additional or different facts. The Parties acknowledge, and each of the Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a key element of the Settlement.

Upon the Effective Date, the Released Parties shall be deemed to have, and by operation of the Judgment approving the Stipulation and Settlement shall have, fully, finally, and forever released, relinquished, and discharged the Releasors (defined below) from all claims (including, without limitation, any Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement, or resolution of (a) the Action or (b) the Released Claims

As set forth in the Stipulation:

1. “Effective Date” means the first business day following the date the Judgment becomes Final.
2. “Judgment” means the Order and Partial Final Judgment to be entered in the Action in all material respects in the form attached as Exhibit B to the Stipulation.
3. “Final,” when referring to the Judgment, means (i) entry of the Judgment, or (ii) if there is an objection to the Settlement, the expiration of any time for appeal or review of the Judgment, or, if any appeal is filed and not dismissed or withdrawn, issuance of a decision upholding the Judgment on appeal in all material respects, which is no longer subject to review on appeal or other review, and the expiration of the time for the filing of any petition for reargument, appeal, or review of the Judgment or any order affirming the Judgment; provided, however, that any disputes or appeals relating solely to the amount, payment, or allocation of attorneys’ fees

and expenses shall have no effect on finality for purposes of determining the date on which the Judgment becomes Final and shall not otherwise prevent, limit, or otherwise affect the Judgment, or prevent, limit, delay, or hinder entry of the Judgment.

4. “Released Parties” means (i) Winn-Dixie and Defendants, as well as Winn-Dixie’s and Defendants’ past or present, direct or indirect, affiliates, associates, members, partners, partnerships, investment funds, subsidiaries, parents, predecessors, and successors (collectively “Affiliates”); (ii) all associates, members, partners, officers, directors, employees, agents, advisors, financial or investment advisors, insurers, and attorneys (including Defendants’ Counsel) of Winn-Dixie and Defendants and their respective Affiliates; (iii) any and all persons, firms, trusts, corporations, officers, directors, or other individuals or entities in which Winn-Dixie, Defendants, or their respective Affiliates have a financial interest; and (iv) the legal representatives, heirs, executors, administrators, predecessors, successors, predecessors-in-interest, successors-in-interest, and assigns of any of the foregoing.

5. “Released Claims” means any and all Claims which are based on, arise out of, result from, relate to, or involve or previously were based on, arose out of, resulted from, related to or involved, directly or indirectly, any of the actual, alleged or attempted actions, transactions, occurrences, statements, representations, misrepresentations, omissions, allegations, facts, practices, events, claims or any other matters, things or causes whatsoever, or any series thereof, that (i) were alleged, asserted, set forth, or claimed in the Action against the Released Parties; or (ii) could have been alleged, asserted, set forth, or claimed in the Action or in any other action, court (whether state or federal), tribunal, forum, or proceeding by the Releasers including, but not limited to, claims under any and all federal or state securities laws (including those within the exclusive jurisdiction of the federal courts) which arise out of the Class Members’ status as former Winn-Dixie stockholders, and which are based on, arise out of, result from, relate in any way to, or involve, directly or indirectly, the Merger, the Winn-Dixie Board’s consideration, or potential consideration, of alternatives to the Merger, disclosures made to Winn-Dixie stockholders in connection with the Merger, the institution, prosecution, assertion, settlement, or resolution of the Action, or Class Members’ ownership of Winn-Dixie Shares; provided, however, that the Released Claims shall not include the right to enforce the Stipulation.

6. “Releasers” means Lead Plaintiffs, all other Class Members, and their respective counsel (including Class Counsel).

7. “Unknown Claims” means any and all Released Claims that any Plaintiff or other Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Claims against the Released Parties, including without limitation claims which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement.

8. “Class” means all Winn-Dixie common stockholders as of March 9, 2012, whether beneficial or of record, including the legal representatives, heirs, successors-in-interest, transferees, and assignees of all such foregoing holders, excluding Defendants, their legal representatives, heirs, successors-in-interest, transferees, assignees, and affiliates. Also excluded from the Class are those persons or entities who timely and properly request exclusion from the Class pursuant to the instructions set forth in the notice approved through the Preliminary Approval Order and Notice. However, up until the time those persons or entities are excluded, they shall be considered members of the Class.

9. “Class Member” means a member of the Class.

WHO IS IN THE SETTLEMENT?

To see if you are eligible for benefits, you first have to determine whether you are a Class Member.

WHO ARE CLASS MEMBERS?

You are a member of the Class if you held Winn-Dixie common stock as of March 9, 2012 and are not excluded as described in paragraph 8 above.

THE SETTLEMENT BENEFITS—WHAT YOU GET

OPTION #1 – CASH PAYMENT

A CASH PAYMENT FOR YOUR WINN-DIXIE SHARES IF YOU SUBMIT A CLAIM

BI-LO, LLC, on its own behalf and on behalf of Defendants, has agreed to provide a cash settlement Common Fund of \$9 million. Deducted from the Common Fund will be notice and claim administration expenses, as well as Class Counsel's attorneys' fees and expenses and any service awards to the Lead Plaintiffs (discussed below). The settlement distribution process will be administered by an independent claims administrator ("Claims Administrator") approved by the Court.

WHAT CAN I GET BY ELECTING THE CASH-PAYMENT COMMON FUND OPTION?

For **each** Winn-Dixie share you owned as of March 9, 2012, you will receive a payment from the Common Fund. Each share is paid the same amount from the Common Fund, but the amount of payment per share will be paid *pro rata* and is dependent upon how many other Class Members make claims on the Common Fund. On the record date of January 27, 2012, there were over 56 million Winn-Dixie common shares outstanding and entitled to be voted at the March 9, 2012 special meeting. There is no way to determine, in advance, how many Class Members will make claims from the Common Fund.

You cannot choose Option #2 below and this cash payment option for the **same** Winn-Dixie shares. Class Counsel take no position on which option is best for you. You need to carefully weigh all of the pros and cons.

HOW DO I RECEIVE A CASH PAYMENT FROM THE COMMON FUND?

To receive cash from the Common Fund, you must complete and return a Proof of Claim Form **no later than 30 days after the Effective Date**. The Proof of Claim Form may be mailed or submitted electronically at www.winndixieshareholdersettlement.com.

A Proof of Claim Form is included with this Notice. Proof of Claim Forms are also available online at www.winndixieshareholdersettlement.com or by calling 1-877-430-6524.

CAN I RECEIVE A CASH PAYMENT AND PARTICIPATE IN THE OPT-IN APPRAISAL PROCEEDING FOR THE SAME WINN-DIXIE SHARES?

You cannot receive a cash payment under this Option #1 and simultaneously participate in the Appraisal Proceeding under Option #2 for the **same** Winn-Dixie shares.

However, you can elect to participate in the Common Fund under Option #1 for a portion of your Winn-Dixie shares and the Appraisal Proceeding under Option #2 for a **different** portion of your Winn-Dixie shares. In that event, you would need to separately comply with the requirements for participating in the Appraisal Proceeding for the shares you elect for that option. The requirements are described below and contained in paragraph 18 the Stipulation, available online at www.winndixieshareholdersettlement.com.

Again, Class Counsel take no position on which option is best for you. You need to carefully weigh all of the pros and cons.

OPTION #2 – OPT-IN APPRAISAL PROCEEDING

THE OPPORTUNITY TO MAKE AN APPRAISAL CLAIM FOR YOUR WINN-DIXIE SHARES, WHILE DEPOSITING AND RISKING \$1.00 PER SHARE

BI-LO, LLC, on its own behalf and on behalf of Defendants, has agreed to provide an Appraisal Fund of up to \$2.5 million (the "Appraisal Fund").

By electing to participate in the Appraisal Proceeding, you are not guaranteed to receive anything. In fact, you risk losing \$1.00 per share (the Appraisal Risk Amount), which you must deposit with *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014. You also must complete the Appraisal Written Election Form, which is available online at www.winndixiestockholderssettlement.com. You must return the form to *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014.

Class Counsel take no position on which option is best for you. You need to carefully weigh all of the pros and cons.

WHAT IS AT STAKE IN THE OPT-IN APPRAISAL PROCEEDING?

You risk losing the \$1.00 per-share Appraisal Risk Amount you must deposit in order to participate in the opt-in Appraisal Proceeding.

If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was less than \$9.50 per share, ***you will forfeit the Appraisal Risk Amount.***

If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was more than \$9.50 per share, you can earn the amount per share by which the appraisal arbitrator determines the fair value of Winn-Dixie's shares actually exceeded the \$9.50 per-share Merger price, up to \$3.50 per share. The total amount awarded to Class Members under this Option #2 is capped at \$2.5 million from the Appraisal Fund, and will not be paid from the Common Fund in Option #1. The amount of payment per share will be paid *pro rata*, based on the number of shares you owned and designated to participate in Option #2, and is dependent upon the number of shares owned by the other Class Members who make appraisal claims. On the record date of January 27, 2012, there were over 56 million Winn-Dixie common shares outstanding and entitled to be voted at the March 9, 2012 special meeting. There is no way to determine, in advance, how many Class Members will make appraisal claims.

If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares was more than \$9.50 per share, the Appraisal Fund will be used to pay the appraisal arbitrator first before appraisal claims.

Regardless, if the appraisal arbitrator determines that the fair value of Winn-Dixie's share price was \$9.50 or more, ***the Appraisal Risk Amount you deposited will be returned to you.***

HOW IS THE "FAIR VALUE" OF WINN-DIXIE STOCK DETERMINED IN THE OPT-IN APPRAISAL PROCEEDING?

In the Appraisal Proceeding, "fair value" means the value of Winn-Dixie shares determined by the appraisal arbitrator in accordance with Fla. Stat. § 607.1301 immediately before the Merger agreement was executed and using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal, excluding any appreciation or depreciation in anticipation of the corporate action, post-closing transactions, combinations, or other developments.

HOW DO I PARTICIPATE IN THE OPT-IN APPRAISAL PROCEEDING?

The procedure for participating in the Appraisal Proceeding is described in more detail in paragraph 18 of the Stipulation available online at www.winndixiestockholderssettlement.com. You must strictly abide by this procedure in order to be eligible for the Appraisal Proceeding. If you fail to abide by the procedure, you will be ineligible for participation in the Appraisal Proceeding. In that event, the \$1.00 per share you risked will be returned to you, and you will instead be eligible to participate in Option #1 (the Common Fund). The following is a brief summary of the appraisal procedure:

Step #1 – Deposit \$1.00 Per Share and Complete the Appraisal Written Election Form. You must deposit \$1.00 per Winn-Dixie share you elect for participation in the Appraisal Proceeding with *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014. You also must complete the Appraisal Written Election Form, which is available online at www.winndixiestockholderssettlement.com. You must return the form to *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014. ***Please note*** that the Appraisal Written Election Form ***is not*** attached to this notice.

Step #2 – Make a Timely Appraisal Argument. You must submit your appraisal argument to Class Counsel, BI-LO, LLC's counsel, and the appraisal arbitrator within ninety (90) days after the Court's entry of Final

Judgment approving Settlement. The addresses of Class Counsel and BI-LO, LLC's counsel and the identity and the address of the appraisal arbitrator will be available at www.winndixieshareholderssettlement.com. The Final Settlement Hearing will take place on December 5, 2014, and the Judgment will be Final after that date. Consult www.winndixieshareholderssettlement.com or call 1-877-430-6524 to determine exactly when the Judgment will be Final.

The appraisal argument is your opportunity to explain why you believe the fair value of Winn-Dixie's shares was more than \$9.50 per share. You may, but are not obligated to, submit written expert testimony from no more than one expert with your appraisal argument. If you choose to submit expert testimony, you will have to make your expert available for a deposition, if requested by BI-LO, LLC. If you wish to obtain access to the record evidence in the case, you must contact Cullin Avram O'Brien (one of the Class Counsel) in writing at Robbins Geller Rudman & Dowd LLP, Attn: Cullin Avram O'Brien, 120 E. Palmetto Park Rd., Suite 500, Boca Raton, Florida, 33432 within fifteen (15) days after the Court's order approving the Settlement is Final. Again, consult www.winndixieshareholderssettlement.com or call 1-877-430-6524 to determine exactly when the order will be final. You and BI-LO, LLC are not permitted to use any additional discovery evidence beyond the record evidence in the case.

Step #3 – Timely Respond to BI-LO, LLC's Appraisal Argument. BI-LO, LLC will make its own responsive appraisal argument as to why it believes the fair value of Winn-Dixie's shares was \$9.50 per share or below. You have the right, but not the obligation, to rebut BI-LO, LLC's submission, including to take the deposition of any expert BI-LO, LLC may use in conjunction with its appraisal argument. If you choose to rebut BI-LO, LLC's appraisal argument, you must submit your rebuttal argument to Class Counsel, BI-LO, LLC's counsel, and the appraisal arbitrator within forty-five (45) days after BI-LO, LLC submits its appraisal argument. The addresses of Class Counsel and BI-LO, LLC's counsel and the identity and the address of the appraisal arbitrator will be available at www.winndixieshareholderssettlement.com.

Step #4 –The Appraisal Arbitrator's Determination of Fair Value. Within thirty (30) days after the appraisal argument submissions are complete, the appraisal arbitrator will make a determination of the fair value of Winn-Dixie's shares. The determination is final and not subject to any challenge, appeal or review. If you disagree with the appraisal arbitrator's determination, you cannot at that time object or opt-out of the Settlement, or attempt to make a claim for a cash payment under Option #1 for those shares for which you elected to participate in the Appraisal Proceeding.

Step #5 – Realizing One of Three Possible Outcomes.

The first possible outcome. If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares is below \$9.50 per share, you forfeit the \$1.00 per-share Appraisal Risk Amount you deposited. In that event, you will not be charged for the services of an appraisal arbitrator, because BI-LO, LLC will pay for those services.

The second possible outcome. If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares exceeds \$9.50 per share, the Appraisal Risk Amount will be returned to you **and** you can earn the amount per share by which the appraisal arbitrator determines the fair value of Winn-Dixie share price exceeded \$9.50, up to a maximum of \$3.50 per share. You will be paid from the Appraisal Fund, which is capped at \$2.5 million—not from the Common Fund in Option #1. The amount per share you ultimately will be paid depends on the number of shares designated by the other Class Members for participation in the Appraisal Proceeding. There is no way to determine, in advance, how many Class Members will make appraisal claims. Additionally, in this second possible outcome, the Appraisal Fund will be used to pay the appraisal arbitrator first, before appraisal claims.

The third possible outcome. If the appraisal arbitrator determines that the fair value of Winn-Dixie's shares is equal to the Merger price of \$9.50 per share, your Appraisal Risk Amount will be returned to you, but you will receive nothing further. In that event, you will not be charged for the services of an appraisal arbitrator, because BI-LO, LLC will pay for those services.

WHO WILL REPRESENT ME IN THE APPRAISAL PROCEEDING?

It is your choice whether to forego participation in the cash-payment Common Fund of Option #1 and, instead, opt into the Appraisal Proceeding of Option #2. Class Counsel take no position on which is the better option for you. If you wish to hire an attorney and an expert for your appraisal argument, you alone are responsible for the costs and fees associated with such representation.

If you decide to participate in the Appraisal Proceeding and do not wish to retain separate counsel or experts, you have the right to ask Class Counsel to make your appraisal argument for you and, in their discretion, to respond to Defendants' appraisal argument and to take the deposition of any expert used by BI-LO, LLC. If you wish to have Class Counsel make your appraisal argument for you, you must notify Class Counsel in writing within thirty (30) days of Final Judgment. Again, consult www.winndixieshareholdersettlement.com or call 1-877-430-6524 to determine exactly when Judgment will be Final. The address of Class Counsel is available at www.winndixieshareholdersettlement.com.

By making an appraisal argument on your behalf, Class Counsel reserve all rights to combine it with any other appraisal argument made on behalf of other participating Class Members. Further, Class Counsel make no guarantee of the result of the fair value determination based on their appraisal argument and, more importantly, take no position on whether their appraisal argument will be successful. The appraisal arbitrator may determine that the fair value of Winn-Dixie's shares was below \$9.50 per share, in which case you will forfeit the Appraisal Risk Amount you deposited. The appraisal arbitrator may determine that the fair value of Winn-Dixie's shares exceeds \$9.50 per share. The appraisal arbitrator may determine that the fair value of Winn-Dixie's shares equals \$9.50 per share. Nobody knows what the appraisal arbitrator will determine until the appraisal arbitrator makes the determination. It is up to you to decide whether you are willing to risk losing \$1.00 per share for the chance of having the appraisal arbitrator determine that the fair value of Winn-Dixie's shares exceeds \$9.50 per share.

CAN I RECEIVE A CASH PAYMENT AND PARTICIPATE IN THE APPRAISAL PROCEEDING FOR THE SAME WINN-DIXIE SHARES?

You cannot receive a cash payment under this Option #1 and simultaneously participate in the Appraisal Proceeding under Option #2 for the **same** Winn-Dixie shares.

However, you can elect to participate in the Common Fund under Option #1 for a portion of your Winn-Dixie shares and the Appraisal Proceeding under Option #2 for a **different** portion of your Winn-Dixie shares. In that event, you would need to separately comply with the requirements for participating in the Appraisal Proceeding for the shares you elect for that option. The requirements are described below and contained in paragraph 18 of the Stipulation, available online at www.winndixieshareholdersettlement.com.

Again, Class Counsel take no position on which option is best for you. You need to carefully weigh all of the pros and cons.

OPTION #3 – EXCLUDE YOURSELF FROM THE SETTLEMENT

If you do not wish to be included in the Class and participate in the Settlement benefits discussed above, you must send a letter stating that you want to be excluded from *In re Winn-Dixie Stores, Inc. Shareholder Litigation*, No. 16-2011-CA-010616 (Fla. 4th Jud. Cir., Duval Cnty.). Be sure to include your name, address, telephone number, your signature, and the number of Winn-Dixie shares you owned on March 9, 2012. You must mail your exclusion request post-marked no later than **October 21, 2014** to:

Winn-Dixie Stores, Inc. Shareholder Settlement
Exclusions
Claims Administrator/Appraisal Escrow Agent
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by fax or e-mail – you must do so in writing. If you request to be excluded, you will not receive any Settlement payment, and you cannot object to the Settlement. However, you will not be legally bound by anything that happens in this lawsuit, and you will keep your right to separately pursue claims against Defendants relating to the subject matter of this lawsuit.

IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANTS FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up the right to sue Defendants for the claims that this Settlement resolves. You must exclude yourself from **this** Class to pursue your own lawsuit. Remember, your exclusion must be postmarked on or before **October 21, 2014**.

IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

No. If you exclude yourself, you will not receive any money. Do not send in a Proof of Claim Form or an Appraisal Written Election Form. You will not lose any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants about the legal issues in this case.

OPTION #4– DO NOTHING

If you are a Class Member and choose to do nothing, you get nothing. You will not receive a payment from the \$9 million Common Fund or the chance to make a claim against the \$2.5 million Appraisal Fund. You won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the legal issues in this case.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the Settlement or some part of it.

HOW DO I TELL THE COURT THAT I DO NOT LIKE THE SETTLEMENT?

If you are a Class Member, you can object to the Settlement if you do not like any part of it, including the proposed award of attorneys' fees and expenses and proposed service awards to Lead Plaintiffs, and the Court will consider your views. To object, you must send a letter to the Court, Class Counsel, and BI-LO, LLC's counsel saying that you object to the Settlement in *In re Winn-Dixie Stores, Inc. Shareholder Litigation*, No. 16-2011-CA-010616 (Fla. 4th Jud. Cir. Duval Cnty.). Be sure to include your name, address, telephone number, your signature, and the reasons you object to the Settlement. You also must affirm under penalty of perjury that you are a Class Member or provide other proof of Class membership. If you are represented by counsel, be sure to include the name, address, and telephone number of that lawyer.

Your objection **must be mailed to and actually received** at the following different locations no later than **November 5, 2014**. Send your objection to:

Clerk of Court
Duval County Courthouse
501 W. Adams Street, Room 7038
Jacksonville, FL 32202

Cullin A. O'Brien
Robbins Geller Rudman
& Dowd LLP
120 East Palmetto Park
Road, Suite 500
Boca Raton, FL 33432

Walter M. Berger
Winston & Strawn LLP
1111 Louisiana Street,
25th Floor
Houston, TX 77002

Meryl L. Young
Gibson, Dunn & Crutcher, LLP
3161 Michelson Drive
Irvine, CA 92612

WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING

Objecting is telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. If you object, you will remain in the Class and will be bound by the proposed Settlement if the Court approves the Settlement, despite your objection. If you object, you can also participate in the Settlement benefits described above—the Common-Fund cash payment in Option #1 and the opt-in Appraisal Proceeding in Option #2.

Excluding yourself is telling the Court that you do not want to be part of the Class or the lawsuit. You cannot request exclusion **and** object to the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. Class Members who do not exclude themselves may, if they wish, enter an appearance through their own counsel.

THE LAWYERS REPRESENTING YOU

DO I HAVE A LAWYER IN THIS CASE?

The Court appointed the law firms of Robbins Geller Rudman & Dowd, LLP and Motley Rice LLC to represent you and other Class Members. These lawyers are called Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense and enter an appearance through your own counsel.

HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to award attorneys' fees and expenses for a total of: (i) up to 35% of the Common Fund (\$3.15 million) to be paid from the Common Fund, plus (ii) a payment of \$350,000.00 that Defendants will cause to be paid apart from the Common Fund, based on Class Counsel's success in causing Winn-Dixie to file additional information about the sale of Winn-Dixie contained in a Form 8-K with the U.S. Securities and Exchange Commission on February 27, 2012, and for creation of the Appraisal Proceeding in Option #2.

In addition, Class Counsel will ask the Court to award the Lead Plaintiffs in this Action a service award of \$9,000 each for their time and effort acting as Lead Plaintiffs.

THE FINAL SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement.
You may attend, and you may ask to speak, but you don't have to.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Settlement Hearing at **8:30 a.m. on December 5, 2014** at the Courtroom of the Honorable Virginia B. Norton, Duval County Courthouse, 501 W. Adams Street, Room 7038, Jacksonville, FL 32202. The hearing date may be changed by the Court, and you should check www.winndixieshareholdersettlement.com for any updates. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. The Court also may consider how much to award Class Counsel and the amount of the service awards for Lead Plaintiffs. We do not know how long this decision will take.

DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you submit an objection, you do not have to come to the Court to talk about it. As long as you delivered your written objection on time, the Court will consider it. You may pay your own lawyer to attend, but it is not necessary.

MAY I SPEAK AT THE HEARING?

You may ask the Court for permission to speak at the Final Settlement Hearing. To do so, you must file with the Court a "Notice of Intention to Appear." Be sure to include your name, address, telephone number, and your signature. You may be required also to provide proof that you are a Class Member. Your Notice of Intention to Appear must be filed no later than **November 5, 2014**, and must be served on the Clerk of the Court, Class Counsel, and BI-LO, LLC's counsel at the addresses listed on page 10, above. You cannot speak at the hearing if you exclude yourself.

INSTRUCTIONS TO BROKERS AND OTHERS WHO HELD FOR THE BENEFIT OF OTHERS

Brokerage firms, banks and/or other persons or entities who held shares of Winn-Dixie common stock for the benefit of others are requested to immediately send this Notice to all such beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies or provision of a list of names and mailing addresses of beneficial owners may be made to:

Winn-Dixie Stores, Inc. Shareholder Settlement
Claims Administrator/Appraisal Escrow Agent
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

GETTING MORE INFORMATION

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The Stipulation contains the complete terms. The Stipulation is available online at www.winndixieshareholdersettlement.com, and in the records on file in the Court Clerk's office. The Proof of Claim Form, the Appraisal Written Election Form, and other information are also available at www.winndixieshareholdersettlement.com. If you elect to receive a payment from the \$9 million Common Fund under Option #1, you must return a Proof of Claim Form to participate in the Settlement benefits. If you elect to opt into the Appraisal Proceeding under Option #2, you must comply with the procedure described in paragraph 18 of the Stipulation, including depositing \$1.00 per share with *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014, and completing the Appraisal Written Election Form, which form must be returned to *Winn-Dixie Stores, Inc. Shareholder Settlement*, Claims Administrator/Appraisal Escrow Agent, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040 by no later than October 21, 2014.

PLEASE DO NOT CALL OR WRITE TO THE COURT FOR INFORMATION OR ADVICE.

DATED: August 6, 2014

/s/ The Honorable Virginia Baker Norton
CIRCUIT COURT JUDGE