



News Release

Sobeys Inc. Launches FreshCo. Discount Stores

Quality Fresh Food at Low, Low Prices and Less Compromise

MISSISSAUGA, ON (May 12, 2010) – Sobeys Inc. today opened eight FreshCo discount stores in Brampton and Mississauga, Ontario. The Company has significantly retooled, refreshed and redefined discount food retailing.

FreshCo delivers:

- Unconventionally fresher, cheaper
- Low prices, less compromise
- Clean, convenient and contemporary shopping environment
- Tailored product assortments for each store

“FreshCo is simply discount done right,” said Bill M^cEwan, President and CEO of Sobeys Inc. “Featuring low, low prices without all the usual deep discount store trade-offs, FreshCo offers customers a larger selection of quality products in a refreshingly different, modern and clean environment that is not typical of discount grocery stores.”

FreshCo shoppers will enjoy the freshest merchandise at the lowest price with an expanded selection of meats and produce, including higher quality choices of AAA meats, fresh seasonal Ontario fruits and vegetables, locally produced products and customized assortments for each individual store.

“Customers have consistently told us that they are tired of having to make the compromises normally associated with shopping at ordinary discount stores. FreshCo is about not having to make those compromises,” said Rob Adams, General Manager, FreshCo. “We insist on the right product at a low price, meaning we won’t trade off quality for price and our prices are as low or lower than our grocery competitors. Our FreshCo promise of ‘Fresher. Cheaper.’ really says it all.”

When entering a FreshCo store, customers will immediately experience a vastly different and improved discount food store. Customers will first enter the “Fresh Hall” where they are surrounded by an abundance of fresh produce. From there they move onto a large assortment of local baked goods, which are baked daily for FreshCo from community bakeries. Customers are then introduced to an impressive selection of Ontario cheeses and meats, before being led to a feature aisle with special savings opportunities on everyday items.

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**Sobeys
Corporate**

115 King Street
Stellarton, NS
B0K 1S0



“FreshCo devotes more space than traditional discounters to fresh product, including local produce, baked goods, cheeses and a two tier selection of Ontario meats. We understand that today’s discount shopper wants a great selection of fresh and we are pleased to work with growers and suppliers to bring quality products to market,” said Adams.

Understanding that each community is unique, FreshCo stores offer an international assortment of specialty products tailored to reflect the community in which they operate. As well, there is a selection of special dietary and health conscious items such as gluten and lactose-free products, which are not traditionally associated with discount food retailers.

FreshCo is a bold new step forward in discount food retailing and demonstrates Sobeys Inc.’s commitment to evolving our business to best meet the needs of customers.

“The launch of FreshCo underscores Sobeys’ strategy of being focused on food, driven by fresh, and having the right format, with the right offering, in the right markets,” said M^cEwan. “While FreshCo is only eight stores in two markets today, we plan to rapidly expand the FreshCo brand and banner through store conversions and new locations in the coming months and years.”

More information on FreshCo and the new store locations is available at www.freshco.com.

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***NOTE: A Media Conference Call will be held at 11 a.m. EDT with Sobeys Inc. President and CEO, Bill M^cEwan and FreshCo General Manager, Rob Adams. To register for the call and obtain a dial-in number and pass code, please register Janessa Bishop, Fleishman-Hillard Canada, 416-598-5774 Janessa.bishop@fleishman.ca**

Media may attend for visuals and live clips from 7:30 a.m. – 10:00 a.m. at the FreshCo store in Brampton at Bovaird & Conestoga; 380 Bovaird Drive East (West of Kennedy at Conestoga Drive) Brampton, ON L6T 3S1

****Please see attached Backgrounder**



FreshCo. Locations:

Brampton (Bovaird & Conestoga) FreshCo.

380 Bovaird Drive, East
Brampton, ON L6T 3S1
Store Operator: Terry Field

Brampton (Peter Robertson & Dixie) FreshCo.

630 Peter Robertson Blvd.
Brampton, ON L6R 1T4
Store Operator: Mike Delle Monache

Brampton (Queen & McLaughlin) FreshCo.

398 Queen Street, West
Brampton, ON L6R 1B3
Store Operator: Grant Steed

Brampton (Bramalea City Centre Mall) FreshCo.

12 Team Canada Drive
Brampton, ON L6T 0C9
Store Operator: Lou Mattei

Malton (Goreway & Derry) FreshCo.

7205 Goreway Drive
Malton, ON L4T 2T9
Store Operator: John Kendrick

Mississauga (Glen Erin & Britannia) FreshCo.

6040 Glen Erin Drive
Mississauga, ON L5N 3M4
Store Operator: Stephen Parente

Mississauga (Dixie & Dundas) FreshCo.

3100 Dixie Road
Mississauga, ON L2Y 2A6
Store Operator: John Cioffi

Mississauga (Huronario & Dundas) FreshCo.

2500 Hurontario Street
Mississauga, ON L5B 1N4
Store Operator: Paul Haddow

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About Sobeys Inc.

Sobeys Inc. is a leading national grocery retailer and food distributor headquartered in Stellarton, Nova Scotia. A wholly-owned subsidiary of Empire Company Limited (TSX:EMP.A), Sobeys owns or franchises more than 1,300 stores in all 10 provinces under retail banners that include Sobeys, IGA, Foodland, FreshCo, Price Chopper, Thrifty Foods, as well as Lawtons Drug Stores. Sobeys Inc. is committed to providing the most worthwhile experience for its customers, employees, franchisees, suppliers and shareholders. More information on Sobeys Inc. can be found at www.sobeyscorporate.com.

For more information and to arrange site visits or interviews, please contact:

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