



Suppliers Frequently Asked Questions (FAQ)

1. What was announced today?

We announced that BI-LO filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. Our operations will continue without interruption through this restructuring process and we intend to exit bankruptcy as quickly as possible.

2. Why did BI-LO file a voluntary petition for restructuring under Chapter 11?

We decided to pursue this Court-supervised reorganization after extensive discussions with our lenders and after careful consideration of all available alternatives. The Company intends to use the Court-supervised process to address an upcoming debt maturity, which in a normal credit environment we would have expected to refinance on reasonable terms in the ordinary course of business. Importantly, the company has continuously satisfied all of its obligations to date, under the term loan and otherwise.

3. How long will BI-LO be in Chapter 11?

While we can't give you a precise estimate, we intend to work with all of our constituencies to reach mutually acceptable resolutions and to exit the process as quickly as possible.

4. How will the Chapter 11 restructuring affect day-to-day operations?

We expect that it will be "business as usual" as we move through this process. We expect to continue ordering goods and services and with your ongoing support, BI-LO will continue to offer customers top quality brands and high quality fresh foods, all at a great value.

On an operational level, we have already made significant progress this year and we have seen solid sales momentum and strong cash flow, which we fully expect to continue.

5. Will suppliers be paid for goods and services delivered prior to the filing date?

Unfortunately, the provisions of the Bankruptcy Code generally do not allow us to make payments at this time for goods and services received before the filing date. Distributions to creditors on account of such pre-petition claims will generally be made pursuant to, and in the amount established by BI-LO's Plan of Reorganization, which will be developed in the upcoming months.

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6. Does BI-LO have the liquidity to meet its future obligations to suppliers?

We have a strong cash position and intend to fund operations during the restructuring process primarily through our cash on hand and cash generated from operations. To further strengthen our liquidity position, we have received a commitment for up to \$100 million in debtor-in-possession (DIP) financing. We expect that the DIP financing, once approved by the Court will be used to support the Company's operational cash flow to meet its normal business obligations during the Chapter 11 process.

7. Will BI-LO continue to order goods and services, and if so, how do suppliers know they will get paid while you are in Chapter 11?

We can and will pay for goods and services you provide to us from and after our filing.

We expect our stores will remain open and our operations will continue without interruption during the Chapter 11 process. As we move through the restructuring process, we expect to continue ordering goods and services. With your ongoing support, BI-LO will continue to offer customers top quality brands and high quality fresh foods, all at a great value.

We have a strong cash position and intend to fund operations primarily through our cash on hand and cash generated from operations. Once approved by the Court, we expect the \$100 million DIP facility will be used to support the Company's operational cash flow to meet its normal business obligations during the restructuring process.

8. Will you pay invoices according to the same schedule used before the Chapter 11 filing?

BI-LO intends to pay post-petition obligations in a timely manner and in accordance with our current payment terms.

9. Why should I sell goods and services to BI-LO?

Our partnership with our suppliers is important to us. With your support, our current sales momentum is strong and together we can further grow our business.

We can and will pay for goods and services you provide to us from and after our filing. It's good business to grow our businesses together by better serving our customers.

10. Where may I send a letter of reclamation?

You may find this information at www.kccllc.net/BI-LO. This website is set up and maintained by our Court approved claims agent, Kurtzman Carson Consultants, LLC.

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11. What bankruptcy documentation can you send me or can I access?

You can access copies of certain “first day” pleadings and other court documents on our claims agent website, www.kccllc.net/BI-LO. Additionally, the Bankruptcy Court website <http://www.scb.uscourts.gov> for the District of South Carolina maintains all documents related to this case.

12. How do I file a proof of claim?

Our advisors are preparing a complete list of creditors. The official notice of the filing and of the Meeting of Creditors will soon be sent to all listed creditors. All listed creditors will also be sent a form for filing a proof of claim at a later date. You can visit our claims agent website, www.kccllc.net/BI-LO, for more information and to download Court documents.