



FOR IMMEDIATE RELEASE

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## **Sobeys Inc. and Ocado Group plc are partnering to bring the world's most innovative online grocery platform to Canada**

STELLARTON, NS – Sobeys Inc. announced today that it has signed an agreement with Ocado Group plc to bring the world's leading online grocery ordering, automated fulfillment and home delivery solution to Canada.

Sobeys' end-to-end online grocery shopping business will be built on the Ocado Smart Platform. With more than 15 years at the forefront of innovation and success in grocery e-commerce, Ocado will partner exclusively in Canada with Sobeys to launch online grocery shopping services, including:

- best-in-class, front-end web site functionality, supported by its proprietary 'web shop' and mobile grocery ordering applications
- construction of Ocado's latest generation, state-of-the-art automated warehouse designed specifically for grocery e-commerce (in which Ocado will invest to install its grid and robots)
- last-mile routing management technology to optimize delivery truck efficiency, customer service excellence and punctuality.

Sobeys and Ocado will develop their first Customer Fulfillment Centre (CFC) in the Greater Toronto Area. The build is expected to take approximately two years.

In addition to this initial CFC, Sobeys and Ocado will consider developing other CFCs in Canada's urban areas.

"Sobeys intends to play to win in Canadian online grocery shopping. We are very excited to bring this best-in-the-world grocery e-commerce experience to Canadian customers," said Michael Medline, President & CEO of Sobeys Inc. "This unique and innovative Sobeys and Ocado experience will offer consumers the biggest selection, freshest products and most reliable delivery available anywhere on the planet. Our end-to-end e-commerce solution will allow Sobeys to build an online offer in a manner that is profitable and creates exceptional value for our customers, investors and supplier partners."

"We are delighted to be working with one of the leaders in North American grocery retailing. Sobeys is a highly successful and much admired Canadian business and we are proud that they have chosen Ocado Solutions to partner with to build their online grocery business," said Tim Steiner, CEO of Ocado Group.

Luke Jensen, CEO of Ocado Solutions, added "Channel shift to online in North America is gaining pace as consumers increasingly seek the benefits of grocery shopping from the comforts of their own homes, and as retailers attempt to offer services to meet this growing customer trend. We are pleased to be partnering with innovative and forward-looking retailers such as Sobeys. Soon, four of the world's most ambitious grocery retailers online – Ocado, Morrisons, Groupe Casino, and Sobeys – will be powered by the Ocado Smart Platform and we look forward to welcoming more to this list going forward".

Ocado will provide a comprehensive and customized suite of support and engineering services to enable a smooth launch and sustainable e-commerce operations. Sobeys and Ocado will also partner to incorporate ongoing learning and innovation from Ocado's global experience into their Canadian platform.

#### **About Sobeys Inc.**

Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. A wholly-owned subsidiary of Empire Company Limited (TSX: EMP.A), Sobeys owns, affiliates or franchises approximately 1,500 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, and Lawton's Drug Stores as well as more than 350 retail fuel locations. Sobeys, its franchisees and affiliates employ more than 125,000 people. More information on Sobeys Inc. can be found at [www.sobeyscorporate.com](http://www.sobeyscorporate.com).

#### **About Ocado**

Ocado is a UK based company admitted to trading on the London Stock Exchange (Ticker OCDO). It comprises one of the world's largest dedicated online grocery retailers, operating its own grocery and general merchandise retail businesses under Ocado.com and other specialist shop banners, together with its Solutions division. Ocado Solutions is responsible for corporate partnering, which began with its agreement to operate the online business of Wm Morrison Supermarkets plc in the UK, and more recently with an agreement with Groupe Casino to develop its online business in France.

#### **Forward-Looking Information**

This document contains forward-looking statements which are presented for the purpose of assisting the reader to understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "expects", "intends", "may", "plans", "will", and other similar expressions or the negative of these terms.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the Company's Annual Information Form and Annual MD&A.

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