

Following Auction, Winn-Dixie Reaches Agreement to Sell 21 Stores

Wednesday May 10, 1:37 pm ET

JACKSONVILLE, Fla., May 10 /PRNewswire-FirstCall/ -- Winn-Dixie Stores, Inc. (WNDXQ) today announced that following a successful auction on May 9, it has reached agreements to sell 21 stores to 14 purchasers. These stores are part of the 35 locations that the Company closed earlier this year following a thorough evaluation of its entire store base. The closing of these stores is intended to enhance Winn-Dixie's financial performance and help position the Company for profitability as it prepares to emerge from Chapter 11.

The aggregate purchase price in the agreements for leases and equipment at the 21 stores is in excess of \$15 million. This amount does not include inventory, which was sold previously in clearance sales at each location. Winn-Dixie will seek final Bankruptcy Court approval of these sale agreements at a future court hearing.

Peter Lynch, President and Chief Executive Officer of Winn-Dixie, said: "We are pleased with the results of the auction of the leases for these stores, which exceeded our expectations. The proceeds from these sales will provide additional liquidity as we prepare to emerge from Chapter 11. We were able to place most of our Associates in other Winn-Dixie locations, minimizing the impact of these store closings on our Associates."

Winn-Dixie currently operates 538 stores in Florida, Alabama, Louisiana, Georgia, and Mississippi. This total does not include the 35 stores in the U.S. that closed earlier this year or the 12 stores in the Bahamas that, as previously announced, are in the process of being sold. A list of Winn-Dixie's continuing stores (which include 10 that are temporarily closed as a result of Hurricane Katrina) is available at <http://www.winn-dixie.com> .

Winn-Dixie Stores, Inc. is one of the nation's largest food retailers. Founded in 1925, the company is headquartered in Jacksonville, FL. For more information, please visit <http://www.winn-dixie.com> .