

To: Chris@bdventures.com[Chris@bdventures.com]; Melissa Findley [REDACTED]
From: Ana L. Quintana
Sent: Fri 2/22/2013 4:37:34 PM
Importance: Normal
Subject: RE: Kurt

Melis—

Attached is the yesterday's conference call transcript with their Q&A portion. I've highlighted the key relevant points.

Thanks,

Ana

Please note our new contact information

Ana L. Quintana

Principal

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From: Chris Lucas [mailto:chris@bdventures.com]
Sent: Friday, February 22, 2013 1:21 PM
To: 'Melissa Findley'
Cc: Ana L. Quintana
Subject: RE: Kurt

Melissa,

Ana is going to send you the transcript of the call and highlight the relevant sections.

I'll wait for Kurt to call me. In the meantime, did they learn anything that was meaningful?

Thanks,

Chris



***Please note our new contact information**
PastedGraphic-2*

Chris Lucas

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Glendale, CA 91203

T | [REDACTED]

From: Melissa Findley [REDACTED]
Sent: Friday, February 22, 2013 12:20 PM
To: chris@bdventures.com
Subject: Kurt

Kurt will give you a call later today. However, he did ask me to have you hit the highlights of the Safeway call for me with regard to the Wellness Program so that I am prepared if people ask me. Can you email me the key points?

Melis

Melissa Findley

Office Manager

Donald L. Lucas and Robert J. Oster


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Kelly Bania - BOA/Merrill Lynch: Then just one last one. I think you just mentioned that the Health & Wellness initiative will launch, I think you said, second quarter. If there is any color you can give us on that I think would be helpful and do you still expect that to be – to have a larger impact than these other two initiatives you have now in progress?

Steven A. Burd - Chairman and CEO: The answer is, yes, it will have a larger impact. The delay is largely the result of making sure that the infrastructure that's created to support the initiative allows us to go with great speed across the Company. So, we will launch in a single market with a handful of stores and then shortly after we'll launch to rest of that market. And by building that infrastructure and making sure that it can accommodate full rollout that allows us to move with greater speeds and if we were still working on infrastructure elements (which allows us) scale. So, it's designed to give us greater speed. So, I actually don't think that will slow down the finish line. In fact, I think we'll get to the finish line by the end of the year, just as I had originally forecast even with a slightly later start.





Chuck Cerankosky - Northcoast Research: Steve, the wellness program, it's been delayed a bit. Any things you could discuss as to why or is it going to debut with a bigger test, just wondering about that.

Steven A. Burd - Chairman and CEO: Yeah, I touched on that couple of questions back, but let me try it again. The major reason for the delay is that our technology partner wants to make sure their infrastructure can handle much more than a launch, and that we can go from launch to rollout at a much faster clip. So, we could have launched earlier, but we want to move with speed. And so, it's more or less their infrastructure, not our infrastructure that needs to be built to accommodate that speed. I would love to say more about it, but we're simply under confidentiality not to talk about the details of the initiative. But I am confident that when we do launch everybody will conclude that it is everything that we've been talking about.

