

Management's Statement of Responsibility for Financial Reporting

Preparation of the consolidated financial statements accompanying this annual report and the presentation of all other information in the report is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect management's best estimates and judgements. All other financial information in the report is consistent with that contained in the consolidated financial statements.

The Board of Directors, through its Audit Committee, oversees management in carrying out its responsibilities for financial reporting and systems of internal control. The Audit Committee, which is chaired by and composed solely of directors who are unrelated to, and independent of, the Company, meet regularly with financial management and external auditors to satisfy itself as to reliability and integrity of financial information and the safeguarding of assets. The Audit Committee reports its findings to the Board of Directors for consideration in approving the annual consolidated financial statements to be issued to shareholders. The external auditors have full and free access to the Audit Committee.



Paul D. Sobey
President and
Chief Executive Officer
June 23, 2005



Paul V. Beesley
Senior Vice President,
Chief Financial Officer and Secretary
June 23, 2005

Auditors' Report

To the Shareholders of Empire Company Limited

We have audited the consolidated balance sheets of Empire Company Limited as at May 7, 2005 and April 30, 2004, and the consolidated statements of earnings, retained earnings, and cash flows for the 53 week and 52 week fiscal years then ended, respectively. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 7, 2005 and April 30, 2004, and the results of its operations and its cash flows for the fiscal years then ended in accordance with Canadian generally accepted accounting principles.



Grant Thornton LLP

Chartered Accountants

New Glasgow, Canada

June 14, 2005, except for Note 24(a)

which is as of June 17, 2005 and Note 24(b) which is as of June 21, 2005