



# core businesses with an integrated strategy

## FOOD RETAILING

### Profile

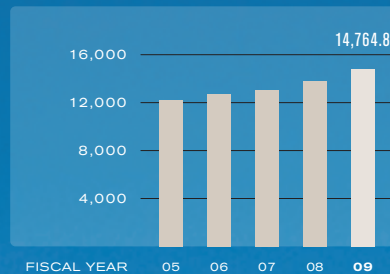
Sobeys Inc. owns or franchises more than 1,300 stores in every province across Canada under retail banners that include Sobeys, IGA, IGA *extra*, Foodland, Price Chopper and Thrifty Foods, as well as Lawtons Drug Stores. Our five core retail food formats are designed to ensure that we have the right offering in the right-sized stores for each individual market we serve – from our full service format to the convenience format, each tailored to satisfy the unique occasion-based food shopping needs of our customers.

### Competitive strengths

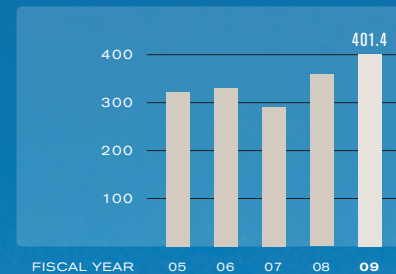
- Our passionate “best in food” focus supported by our fresh food expertise.
- Our customer focus and superior service delivery.
- Our committed and knowledgeable regional and local market management teams, affiliates and store operators.
- Our investment in innovation including our *Compliments* private label brand.
- Our enhanced supply chain, back shop processes, systems and tools that support our employees' ability to serve the needs of our customers.

### Key performance indicators

**FOOD RETAILING REVENUE**  
\$ IN MILLIONS



**FOOD RETAILING OPERATING INCOME**  
\$ IN MILLIONS



### Strategic priorities

We are determined to be widely recognized as the best food retailer in Canada. Our focus in fiscal 2009 remained on three key imperatives:

- Continued improvement in operational execution through the engagement and development of our employees;
- Reducing our cost base and improving productivity throughout our organization; and
- Innovation of the product and services offered to our customers.



# REAL ESTATE

## Profile

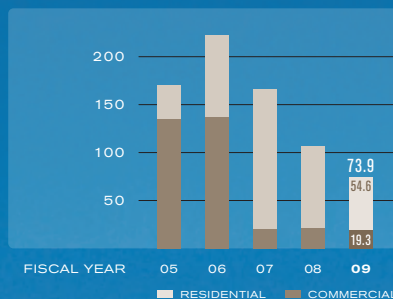
Empire's real estate business includes commercial and residential property operations. Our commercial real estate operations are focused on the development of food-anchored shopping plazas through a 100 percent ownership interest in ECL Developments Limited and ownership of retail and office properties through a 47.4 percent ownership interest in Crombie REIT. The focus of our residential operations is on land development, predominantly through a 35.7 percent ownership interest in Genstar Development Partnership.

## Competitive strengths

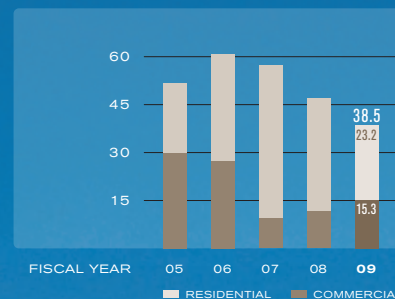
- Our knowledge, experience and management strength in real estate.
- The close working relationship with Sobeys and Crombie REIT that enables Empire to optimize the development of food-anchored shopping plazas across Canada.
- The preferential development agreement between our commercial real estate division and Crombie REIT. This agreement reduces risk and enhances opportunities for both businesses.
- Our residential property operation, through Genstar, has attractive land holdings primarily in Western Canada and a proven, experienced management team.

## Key performance indicators

**REAL ESTATE REVENUE<sup>1</sup>**  
\$ IN MILLIONS



**REAL ESTATE FUNDS FROM OPERATIONS<sup>1</sup>**  
\$ IN MILLIONS



(1) Fiscal 2005-2008 have been restated to exclude Sobeys Leased Properties which was sold on April 22, 2008.

## Strategic priorities

Real estate development at Empire is focused on establishing both certainty and a healthy pace of growth for Sobeys and Crombie REIT. Our strategy rests firmly on Sobeys' substantial in-house expertise in selecting commercial locations, ECL Developments' property development capabilities and Crombie REIT's operational excellence. At all times we are guided by criteria that exemplify Empire's investment discipline and tradition of building assets to own for the long-term.

From left to right: Gary Finklestein, Vice President, Ontario and Québec, Crombie REIT; Scott Doan, Director Real Estate & Property Management, Sobeys Ontario; and Jean Louis LaFontaine, Director Development – Québec, ECL Developments

