



AT THE HEART OF LONG-TERM SUCCESS

Empire's strengthened focus on its food retailing and related real estate continued to pay dividends for our investors in fiscal 2009. We achieved another year of record financial performance and delivered total shareholder return of 25 percent.

The performance of Sobeys was key. Sobeys' determination to be widely recognized as the best food retailer in Canada is delivering solid results. Our customers are enjoying the benefits of a modern retail grocery network – with more stores now reflecting current standards, an increasingly efficient distribution network, as well as business processes and systems that enhance profitability through operational excellence.

We also continued to make solid progress in our real estate division. ECL Developments has established a breadth of capabilities and a pipeline of properties with impressive speed and Crombie REIT posted another solid year of operational performance.

Empire's performance in fiscal 2009 is evidence that our strategy is sound and we are executing on all fronts. Our financial performance has also resulted in a reduction in our leverage over the past year, with consolidated net funded debt at the end of fiscal 2009 of \$1.07 billion, down from a peak of \$1.75 billion following the privatization of Sobeys and the acquisition of Thrifty Foods. Our funded

debt to capital ratio stands at 32.7 percent and we are confident in our ability to fund our core businesses despite today's uncertain economy.

We also continued to advance the effectiveness of your Board. Empire's Board has strong representation from our largest investors and the valued presence of independent directors with a wide range of experience and skill. There is a healthy dynamic in our deliberations that has not only provided valuable advice and counsel for management, but excellent stewardship for shareholders.

In closing, I would like to extend my appreciation to the management and employees of Empire and its operating companies for posting another record performance in fiscal 2009. It is their efforts that make it possible to reward the loyalty and confidence of our customers and investors.

Robert P. Dexter
Chair
Empire Company Limited
June 26, 2009





Recognizing proven capability

During 2009, Rob Sobey received the ICD.D designation from the Institute of Corporate Directors upon completion of the Directors Education Program. Rob is currently CEO of Lawtons Drug Stores and was recently chosen by Atlantic Business Magazine as CEO of the Year for Atlantic Canada in 2009. Rob has served on numerous volunteer boards and is currently a Governor of Nova Scotia College of Art and Design and a Trustee on the Board of Queen's University. Rob recently served as Chairman of both the Art Gallery of Nova Scotia and the Nova Scotia Community College.

Empire Company Limited Board of Directors

1 David F. Sobey
New Glasgow, Nova Scotia
Director since 1963.

2 Christine Cross
Thundridge, Hertfordshire,
United Kingdom
Director since 2007.

3 Bill McEwan
New Glasgow, Nova Scotia
Director since 2007.

4 John L. Bragg
Collingwood, Nova Scotia
Director since 1999.

5 Mel Rhineland
Toronto, Ontario
Director since 2007.

6 Robert G. C. Sobey
Stellarton, Nova Scotia
Director since 1998.

7 Marcel Côté
Montreal, Québec
Director since 2007.

8 John R. Sobey
Pictou County, Nova Scotia
Director since 1979.

9 Frank C. Sobey
Stellarton, Nova Scotia
Director since 2007.

10 David Leslie
Toronto, Ontario
Director since 2007.

11 Stephen J. Savidant
Calgary, Alberta
Director since 2004.

12 Donald R. Sobey
Pictou County, Nova Scotia
Director since 1963.

13 Karl R. Sobey
Halifax, Nova Scotia
Director since 2001.

14 Malen Ng
Toronto, Ontario
Director since 2007.

15 Paul D. Sobey
Pictou County, Nova Scotia
Director since 1993.

16 David S. Ferguson
Atlanta, Georgia
Director since 2007.

17 Edward C. Harsant
Woodbridge, Ontario
Director since 2003.



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Robert P. Dexter
Chair, Empire Company Limited
Halifax, Nova Scotia – Director since 1987.