



News Release

FOR IMMEDIATE RELEASE

June 2, 2010

SOBEYS INC. ANNOUNCES \$150 MILLION 30-YEAR NOTE OFFERING *Coupon rate of 6.64%*

STELLARTON, NS – Sobeys Inc. announced today its intention to issue \$150 million principal amount of medium term notes (“MTNs”) pursuant to its short form base shelf prospectus dated June 1, 2010. The notes are being offered on an agency basis through a syndicate led by National Bank Financial Inc. and TD Securities Inc. and are expected to be issued on June 7, 2010. The notes will bear interest of 6.64% over a 30-year term.

The net proceeds of the offering will be used for general corporate purposes.

The notes have been rated BBB with a stable trend by DBRS and BBB- by S&P.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, the securities in the United States or any other jurisdiction. The securities will not be registered under the U.S. Securities Act or applicable state securities laws and may not be offered or sold in the United States absent registration or an exemption from the registration requirement under the U.S. Securities Act and applicable state securities laws.

About Sobeys Inc.

Sobeys Inc. is a leading national grocery retailer and food distributor headquartered in Stellarton, Nova Scotia. A wholly-owned subsidiary of Empire Company Limited (TSX: EMP.A), Sobeys owns or franchises more than 1,300 stores in all 10 provinces under retail banners that include Sobeys, IGA, IGA *extra*, Foodland, FreshCo, Price Chopper and Thrifty Foods, as well as Lawtons Drug Stores. Sobeys Inc. is committed to providing the most worthwhile experience for its customers, employees, franchisees, suppliers and shareholders. More information on Sobeys Inc. can be found at www.sobeyscorporate.com.

For further information: Paul Jewer, Senior Vice President Finance and Treasurer, (902)752-8371.

This news release contains forward-looking statements which reflect management’s expectations regarding the Company’s financing plans. Expressions such as “expects”, “intends”, “will”, and other similar expressions or the negative of these terms are generally indicative of forward-looking statements. These forward-looking statements include the Company’s expectations relating to the completion of the sale of MTNs on certain terms, which could be impacted by

**Sobeys
Corporate**

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changing capital market conditions. These statements are based on management's reasonable assumptions and beliefs in light of the information currently available to them. Although the Company believes that the forward-looking statements are reasonable, such statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. Readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company other than as required by applicable securities laws.