

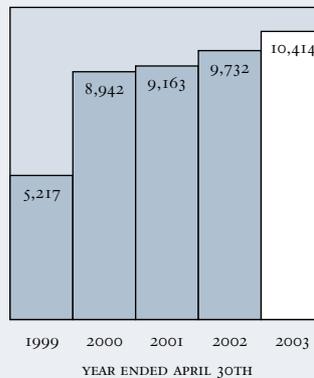


FOOD DISTRIBUTION

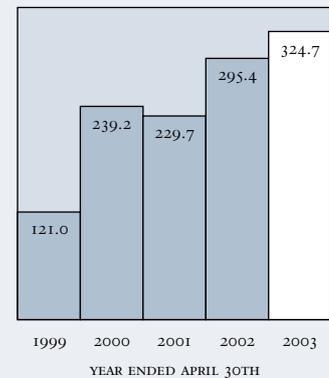
Sobeys Inc. (“Sobeys”), a 62 percent-owned subsidiary of Empire, is one of Canada’s two national retail grocery and food distribution companies with annual revenue of \$10.4 billion. Headquartered in Stellarton, Nova Scotia, Sobeys own or franchises more than 1,300 stores in all 10 provinces under retail banners that include Sobeys, Garden Market IGA, IGA, IGA extra, and Price Chopper. Subsequent to year-end, in July 2003 Empire increased its ownership in Sobeys to approximately 64.5 percent.

- Revenue increased by 7.0 percent, while same-store sales grew by 3.2 percent during fiscal 2003.
- Operating earnings grew by 11.0 percent.
- Built 45 new or replacement stores and expanded another 16 stores during fiscal 2003.
- Launched the Ready to serve™ marketing program in Ontario and Atlantic Canada.
- Converted 17 IGA stores in Ontario to Sobeys, converted 30 LoFood and Foodland stores in Atlantic Canada to Price Chopper.

food distribution revenue
(\$ in millions)



food distribution operating income
(\$ in millions)

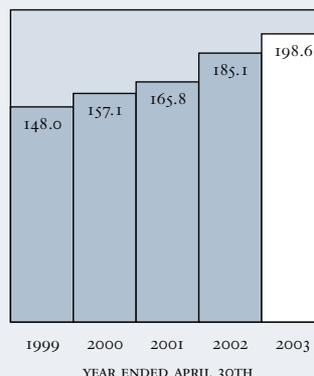


REAL ESTATE

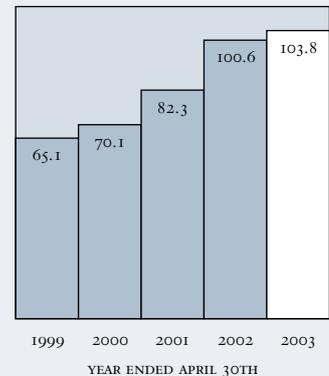
Empire owns the largest portfolio of prime retail properties in Atlantic Canada through wholly-owned Crombie Properties Limited (“Crombie”), formerly Atlantic Shopping Centres group of companies, and Sobeys Leased Properties Limited (“SLP”). Crombie owns and operates a diversified portfolio that includes 32 shopping centres and 9 office properties; while SLP’s portfolio primarily focuses on supporting retail operations. The real estate division, through Crombie, also owns Atcan self-storage and 35 percent of Genstar Development Partnership (“Genstar”), a residential land development business with operations primarily in Western Canada.

- Revenue increased by 7.3 percent.
- Funds from operations (operating earnings plus depreciation) increased 11.4 percent to \$53.7 million.
- Occupancy levels remained stable at 92.7 percent.
- Ratified a growth strategy to grow operating margin by buying and developing anchored strip centers, first in Ontario and later in Western Canada.

real estate revenue ⁽¹⁾
(\$ in millions)



real estate operating income
(\$ in millions)



⁽¹⁾ Revenue is before inter-segment elimination.

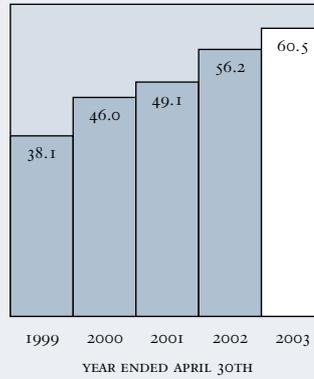


OTHER OPERATIONS

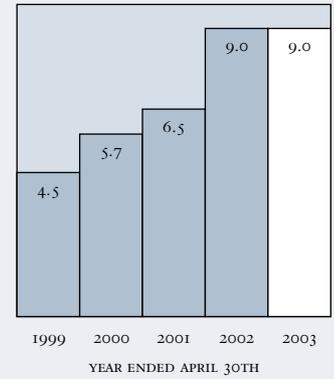
Empire's other operations consist primarily of wholly-owned Empire Theatres Limited ("Empire Theatres"), the leading movie exhibitor in Atlantic Canada with 141 screens in 22 locations. Empire Theatres is committed to providing its customers with an enjoyable movie-going experience by offering modern stadium-style seating, a broad concession variety, and exceptional customer service.

- Empire Theatres posted new records for revenue and operating income.
- One new Studio 7 theatre complex was opened during fiscal 2003, while renovations or expansions were completed in another four locations.
- Subsequent to year-end, Empire Theatres commenced construction on another Studio 7 theatre complex, as well as a remodel to a Studio 10 theatre.

other operations revenue
(\$ in millions)



other operations operating income
(\$ in millions)

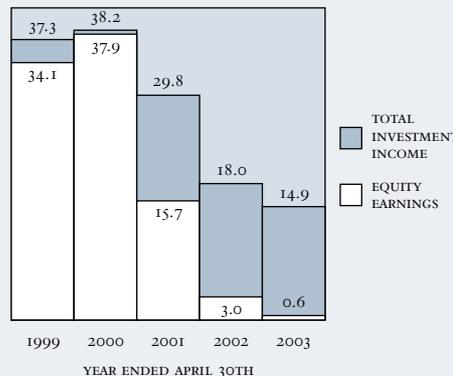


INVESTMENTS

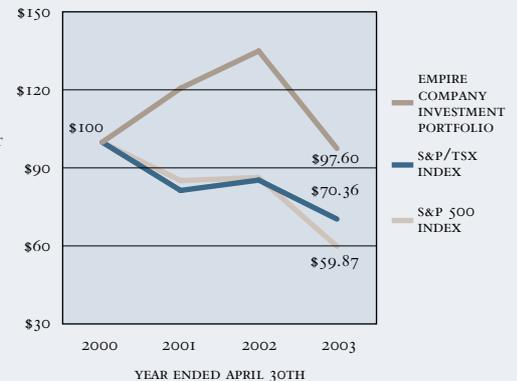
Empire manages an investment portfolio that carried a market value of \$318.7 million as at fiscal 2003 year-end. Empire is committed to maintaining a high quality, liquid investment portfolio that offers a combination of yield and attractive growth characteristics, providing Empire with a pool of capital to support the growth and development of our operating businesses and to enhance shareholder net asset value.

- The portfolio's three-year compounded annual return has significantly outpaced both the S&P/TSX and the S&P 500 equity indices.
- Over the last three-years approximately \$675 million of capital has been +allocated from the investment portfolio to strengthen our core operating businesses and to enhance shareholder value.

investment income ⁽¹⁾
(\$ in millions)



investment portfolio total return* vs. benchmarks



⁽¹⁾ The decline in equity earnings is related to the sale of Empire's investment in Hannaford Bros. Co. on July 28, 2000.

* \$100 invested on 04/30/2000 in Empire Company common shares or the index, including reinvestment of dividends