

Empire Today

Food Retailing



RIGHT FORMAT, RIGHT-SIZED STORES

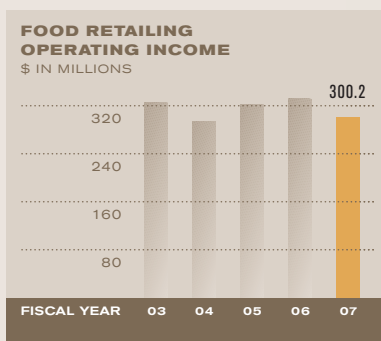
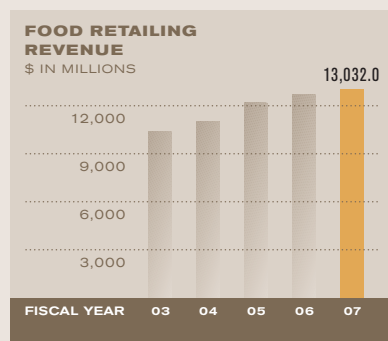
Sobeys Inc. owns and operates over 1,300 corporate and franchise affiliate stores in every province across Canada under retail banners that include Sobey's, IGA, IGA extra, Foodland and Price Chopper. Our five core retail formats are each geared to ensure we have the right-sized, right offering for each market we serve from the full service format food stores to the convenience format stores, each designed to satisfy our customers' lifestyles and needs.

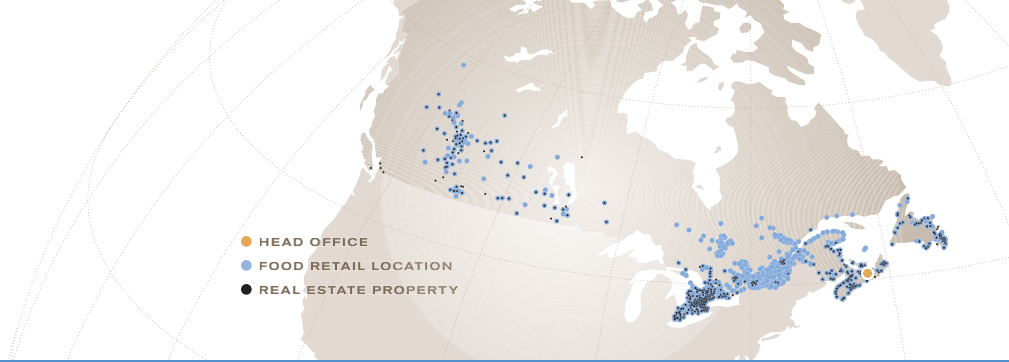
COMPETITIVE STRENGTHS

- Our committed and knowledgeable franchise affiliates and store operators.
- Our fresh food expertise, the cornerstone of our impassioned commitment to be "best in food."
- A successful private label program, *Compliments*.
- Our ever-improving supply chain, processes, systems and tools that enable our employees to be more efficient, and provide superior customer service.

FORMAT	BRANDS	PROFILE	MARKETS	STORES
Full Service	Sobeys; IGA extra	Total food shopping experience with broadest assortment	Atlantic Canada, Québec, Ontario, Western Canada	323
Fresh Service	Sobeys; IGA (Québec); Sobeys express	Ready to serve, 'fresh fill-in' and 'today's meal' market	Québec, Ontario	181
Community Service	IGA; Foodland	'Routine and fill-in' shopping in rural and one-store communities	Atlantic Canada, Ontario, Western Canada	312
Price Service	Price Chopper	Everyday food needs in price-driven markets	Atlantic Canada, Ontario, Western Canada	124
Convenience Service	Needs; Marché Bonichoix; Les Marchés Tradition	'On-the-go' convenience needs	Atlantic Canada, Québec	285
Other	Lawtons; Cash and Carry; Sobeys Fast Fuel; Sobeys Spirits, Wine & Cold Beer	Meeting other specialized customer needs	Atlantic Canada, Ontario, Western Canada	107

Performance





Real Estate



FOCUSED ON FOOD-RELATED REAL ESTATE

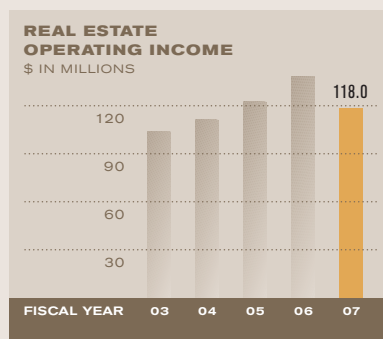
Empire's real estate business includes commercial and residential property operations. Our commercial operations consist of wholly-owned ECL Properties Limited and Sobeys Leased Properties Limited as well as a 48.1 percent ownership interest in publicly traded Crombie REIT. Residential operations are predominantly carried out through a 35.7 percent ownership interest in Genstar Development Partnership.

COMPETITIVE STRENGTHS

- ▶ Our knowledge, strength of management and experience in the successful development of food-related real estate.
- ▶ The preferential development agreement between ECL Properties and Crombie REIT. This agreement reduces risk and enhances opportunities for both businesses.
- ▶ The strengthened relationship between Empire's food retailing and real estate businesses, allowing Empire to accelerate the cross-Canada development of food-anchored shopping plazas.

BUSINESS	COMPANY	PROFILE	MARKETS	SIZE
Commercial Development	ECL Properties	Development of food-anchored shopping plazas	Atlantic Canada, Québec, Ontario	1.3 million sq. ft.
	Sobeys Leased Properties	Renovation and expansion of existing assets, including Sobeys-anchored shopping plazas, Sobeys standalone stores and Sobeys convenience stores	Atlantic Canada, Québec, Ontario	4.4 million sq. ft.
Property Management	Crombie REIT	Ownership and management of shopping centres and office buildings	Atlantic Canada, Québec, Ontario	7.7 million sq. ft.
Residential Development	Genstar Development Partnership	Development of master-planned residential communities	Ontario, Manitoba, Alberta, British Columbia	

Performance



“Our real estate division recorded another solid year!”

PAUL D. SOBEY
PRESIDENT AND CEO,
EMPIRE COMPANY LIMITED