

EMPIRE'S CORE BUSINESSES



PROFILE

COMPETITIVE STRENGTHS

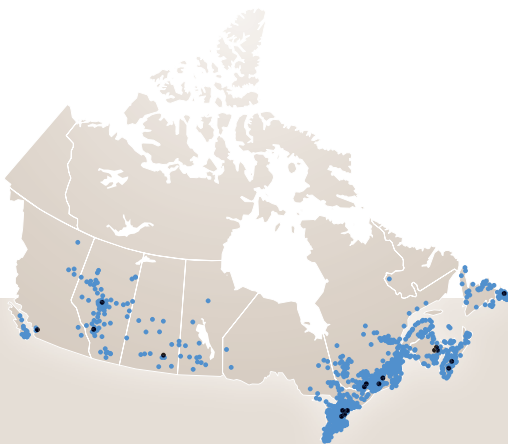
food retailing

The right-sized, right format offering for each market that we serve

• FOOD RETAIL LOCATION

Sobeys Inc. owns and operates more than 1,300 corporate and franchise affiliate 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 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 designed to satisfy the occasion-based food shopping needs of our customers.

- ▶ Our customer focus and superior service delivery.
- ▶ Our passionate “best in food” focus supported by our fresh food expertise and our exceptional *Compliments* private label products.
- ▶ Our committed and knowledgeable franchise affiliates and store operators.
- ▶ Our enhanced supply chain, back shop processes, systems and tools that support our employees in serving the needs of our customers.



real estate

An expanding capability to develop food-anchored shopping plazas

• REAL ESTATE PROPERTY

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 and ownership of retail and office properties through a 47.8 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.

- ▶ Our knowledge, strength of management and experience in real estate.
- ▶ The close working relationship with Sobeys and Crombie REIT that enables Empire to accelerate the development of food-anchored shopping plazas across Canada.
- ▶ The preferential development agreement between our commercial 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.

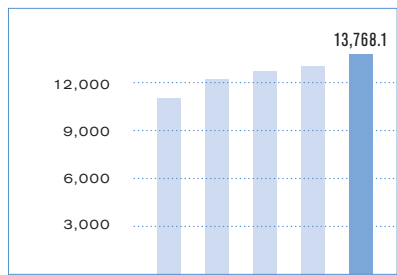


KEY PERFORMANCE INDICATORS

VISION AND STRATEGIC PRIORITIES

Food Retailing Revenue

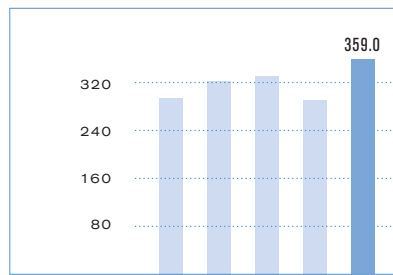
\$ IN MILLIONS



FISCAL YEAR

Food Retailing Operating Income

\$ IN MILLIONS

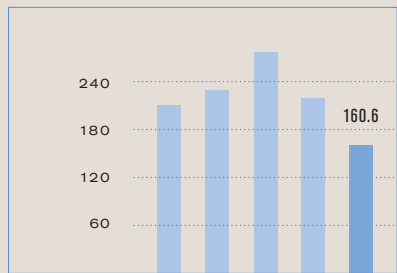


FISCAL YEAR

We are determined to be widely recognized as the best food retailer in Canada. Our focus in fiscal 2008 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 in the product and services offered to our customers. Sustaining a competitive retail price position in each format and every market is a cornerstone commitment from which we will not waver. Creating an environment in which our people are empowered with the skills, tools and processes to do their jobs well is fundamental to our superior execution and sustained growth.

Real Estate Revenue

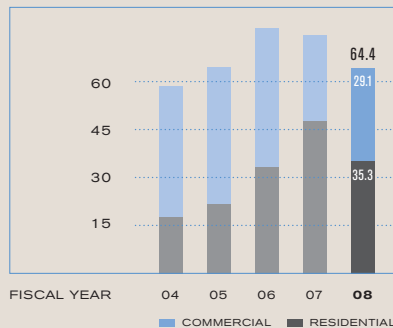
\$ IN MILLIONS



FISCAL YEAR

Real Estate Funds from Operations

\$ IN MILLIONS



FISCAL YEAR

■ COMMERCIAL ■ RESIDENTIAL

The goal of our commercial real estate division is to create both certainty and pace of growth for Crombie REIT and Sobeys by continuing to accelerate growth in our development pipeline across Canada. Our strategy rests firmly on the combination of strengths brought to the business by Sobeys with its substantial in-house expertise in selecting commercial locations, Crombie REIT with its decades of management expertise, and the development expertise that we have within our commercial operations. Guiding our decisions at all times is a set of criteria that exemplifies our investment discipline.