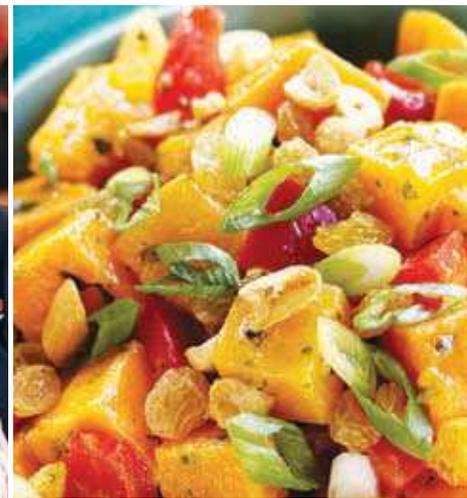


An Integrated Strategy for Growth



Food Retailing

Sobeys owns or franchises more than 1,300 stores located in every province of Canada under retail banners that include Sobeys, IGA *extra*, Thrifty Foods, IGA, Foodland, FreshCo and Price Chopper, 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 tailored to satisfy the unique occasion-based needs of our customers.

Competitive strengths

- Our passionate “best in food” focus supported by our fresh food expertise.
- Our customer focus and superior service delivery.
- Our committed and knowledgeable national, regional and local management teams, franchisees, affiliates and store operators.
- Our investment in innovation including our *Compliments* private label brand.
- Our enhanced supply chain, back shop processes, systems and tools that support our employees' ability to serve the needs of our customers.
- Our industry-leading customer insight capabilities that are helping us build stronger, one-to-one relationships with our customers.

Strategic priorities

We are determined to be widely recognized as the best food retailer in Canada. Our focus in fiscal 2010 remained on three key imperatives:

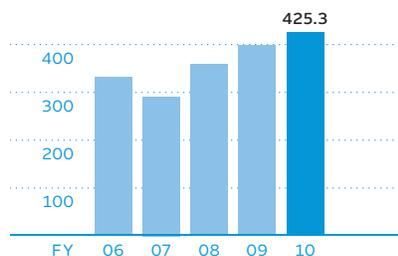
- Continued innovation and differentiation in our product and service offering through our customer insight capabilities.
- Continued improvement in operational execution through the engagement and development of our employees with tools and processes to get the job done well.
- Reducing our cost base and improving sales through the systematic implementation of store and sales productivity initiatives.

Key performance indicators

Food Retailing Revenue
(\$ in millions)

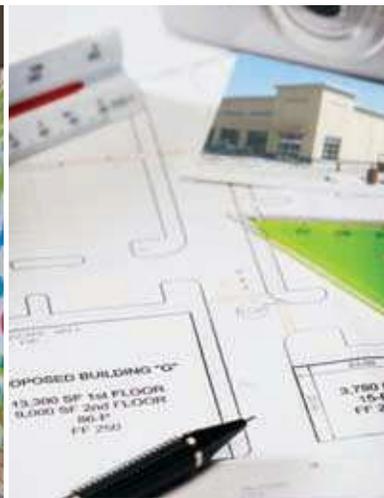


Food Retailing Operating Income
(\$ in millions)



1,334 stores
28.1 million square feet
836 communities





Real Estate

Empire's real estate business is focused on the ownership of retail and office properties through a 47.4 percent ownership interest in Crombie REIT and residential land development through an ownership interest in Genstar which operates principally in communities in Ontario and Western Canada.

Competitive strengths

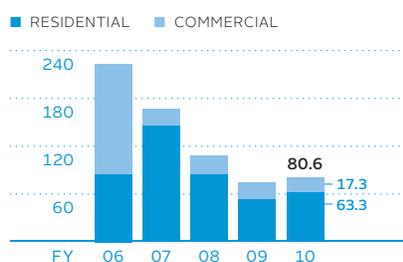
- Our knowledge, experience and management strength in real estate.
- The close working relationship between Sobeys and Crombie REIT optimizes the development of food-anchored shopping plazas across Canada.
- Crombie REIT has the first right to acquire properties from Empire which reduces risk and enhances opportunities for both businesses.
- Through a 40.7 percent interest in Genstar, our residential property operation has attractive land holdings, primarily in Western Canada, and a proven, experienced management team.

Strategic priorities

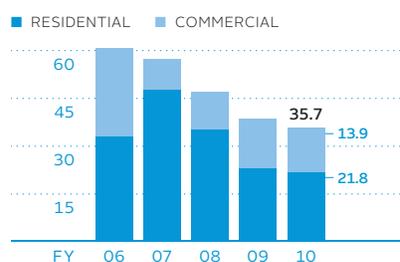
Real estate development at Empire is focused on establishing both certainty and a healthy pace of growth for Sobeys and Crombie REIT. Our strategy relies firmly on Sobeys' substantial in-house expertise in site selection and property development and Crombie REIT's excellence in property management. At all times, we are guided by criteria that exemplify Empire's investment discipline and tradition of building assets to own for the long term.

Key performance indicators

Real Estate Revenue⁽¹⁾
(\$ in millions)



Real Estate Funds from Operations⁽¹⁾
(\$ in millions)



(1) Fiscal 2005-2008 have been restated to exclude Sobeys Leased Properties which was sold on April 22, 2008.