Our Long-Term Progress

<table>
<thead>
<tr>
<th>Fiscal Year-End</th>
<th>Sales ($ in millions)</th>
<th>Adjusted Net Earnings from Continuing Operations ($ in millions)</th>
<th>Book Value ($ per share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$12,435.2</td>
<td></td>
<td>$25.87</td>
</tr>
<tr>
<td>2006</td>
<td>$182.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$61.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>$20,993.0</td>
<td></td>
<td>$383.1</td>
</tr>
<tr>
<td>2009</td>
<td>$383.1</td>
<td></td>
<td>$61.75</td>
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</tbody>
</table>
Q1 Fiscal 2015

- Sales of $6.22 billion, up 35.4% from last year with same-store sales of 1.3%
- Adjusted EBITDA of $344.7 million, up 48.4%
- Adjusted EBITDA margin of 5.51%, up 67 basis points
- Adjusted net earnings of $131.7 million, up 46.8%
- Adjusted EPS (fully diluted) of $1.43, up 8.3%
- Free cash flow generation of $391.3 million compared to $68.2 million last year
Key Strategic Priorities

• Successful integration of Canada Safeway
• *Better Food for All* – A compelling full service brand & shopping experience
• Securing efficiencies through process harmonization and optimized distribution
• Continued intelligent investment & innovation
• Employee training & engagement to deliver best-in-class customer service & loyalty
• Data analytics

*...While Always Putting the Customer First*

To help Canadians
*Eat Better, Feel Better and Do Better*
Recent Achievements

• Focused on food and related real estate
  • Divestiture of non-core assets
• Acquisition of Canada Safeway
  • Integration/synergies on track
• Launch of the *Better Food for All* movement
• Announced the expansion of the Vaughan, ON automated DC
• Signed a long-term agreement with LoyaltyOne Co., owner of the Air Miles Reward program
• Announced sale of dairy manufacturing to Agropur
• Debt reduction of over $1 billion since the acquisition
• Completed $300 million 2-year Floating Rate Note at BA +63 basis points
A New Platform for Growth

- Closed the Canada Safeway acquisition in November, adding over 200 Safeway stores – created a leading position in Western Canada
  - Pro forma sales of $24.3 billion, + 38%
  - Significant synergies of $200 million
- Great real estate in the fastest growing market
- Enhanced earnings and significant free cash flow potential
Since deal close:

- We have completed the **divestiture of stores**
- We have implemented several **communications activities** and education on the **integration process**
- Technology roll-out started in Q4 fiscal 2014 with the first store and RSC on the **new platform**
- Announced store network rationalization
- Announced sale of dairy **manufacturing assets** to Agropur

The Safeway team is highly engaged and pleased to be part of Sobeys
### Synergy Opportunities

#### Function

<table>
<thead>
<tr>
<th>Synergy Opportunities</th>
<th>Year 2 and Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$100 million run rate at the end of Year 1</strong></td>
<td></td>
</tr>
<tr>
<td>Procurement</td>
<td>Marketing</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>Logistics &amp; Distribution</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>Information Technology</td>
</tr>
</tbody>
</table>

**Total Synergies by Year 3:**

**$200.0 million**
Canada’s Better Food Destination

Better food for all.
Why invest in Empire?

- New platform for growth with Canada Safeway acquisition
- Commitment to *Better Food for All*
- Focus on Food and related Real Estate
- Diversified revenue, earnings and growth opportunities across Canada
- A track record of delivering earnings and dividend growth
- Legacy of project management execution
- Modern and scalable infrastructure
- Well positioned for continued long-term sustainable growth
Welcome to the 2014 Back to School Conference
Back to School Conference
September 16, 2014

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COMPANY LIMITED

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