Beacon Securities
19th Annual Investment Seminar
September 18th, 2009
Clearly Focused on Our Strengths

- Unwavering focus on food retailing and real estate
- Building a sustainable retail food business
- Competitive advantage and synergies between our core businesses
Our Long-Term Progress

Building Enduring Value

- **Revenue ($ in millions)**: $9,100.1 to $15,015.1
- **Operating Earnings ($ in millions)**: $84.7 to $262.9
- **Book Value ($ per share)**: $8.73 to $39.14

Fiscal Year-End

- **Revenue**
- **Operating Earnings**
- **Book Value**

EMPIRE
Consolidated revenue
($ in billions)

Fiscal Year-End

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

|$5.4 B

$15.0 B
Operating Earnings Growth

Earnings per share before capital gains and other items
($ per share)

Fiscal Year-End

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

$0.78  $1.10  $1.33  $2.00  $2.42  $2.48  $2.78  $3.07  $3.04  $3.69  $3.99
Improved Financial Condition

- Net debt to capital ratio declined to 28.5% from 36.7% at the start of 2009
- Net cash proceeds of $129 million from public offering of shares
- Our liquidity remains strong
Empire announced a dividend increase to 74¢ annually (cents/share)
Share Price Growth

Share price

($ per share)

Fiscal Year-End

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

$13.63

$49.00
Book Value Growth

Book value
($ per share)

Fiscal Year-End

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009

$9.03 $8.73 $16.82 $19.47 $21.41 $23.67 $25.87 $29.77 $32.31 $36.14 $39.14

EMPIRE
Q1 Fiscal 2010

Highlights

• $3.97 billion of revenue, up 5.0%
• Sobeys’ same-store sales growth of 4.0%
• $72.2 million operating earnings ($1.05 per share)
• Capital gains and other items, net of tax, of $17.5 million
• $89.7 million net earnings ($1.31 per share) versus $75.7 million ($1.15 per share)
• Net debt to capital ratio improved to 26.3%
Real Estate
Real Estate

Accelerated pace of development

- Significant and sustainable advantage
- Partnership builds long-term value
Real Estate

ECL Developments

• Continued expansion
• 18 grocery-anchored plazas
• 1.7 million sq. ft. under development
Real Estate

Crombie REIT

- 47.4% ownership interest
- 45% increase in operating income
- 113 commercial properties in seven provinces
- 11.2 million sq. ft. of rentable space
Real Estate

Genstar Development Partnership

- 35.7% ownership interest
- $23.2 million net earnings
- Well positioned for future growth
Going Forward

• We remain focused on core strengths in food retailing and real estate
• We remain committed to the development of new free-standing grocery stores and food-anchored shopping plazas
Food Retailing
Food Retailing

Revenue ($ in billions)

5 year CAGR = 6.0%

$12.2 B  $12.7 B  $13.0 B  $13.8 B  $14.8 B

2005  2006  2007  2008  2009

Quarter End

$3.7 B  $3.9 B

Q1 F09  Q1 F10

5.3% growth Quarter over Quarter
Food Retailing

Same-store sales growth

Fiscal Year-End

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>Q1 F09</td>
<td>3.0%</td>
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<td>Q2 F09</td>
<td>5.4%</td>
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<td>Q3 F09</td>
<td>7.6%</td>
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<td>Q4 F09</td>
<td>4.6%</td>
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<tr>
<td>Q1 F10</td>
<td></td>
<td>4.0%</td>
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Food Retailing

EBITDA
($ in millions)

5 year CAGR = 9.4%

8.6% growth Quarter over Quarter

Fiscal Year-End

2005  2006  2007  2008  2009

499.0  528.2  531.6  634.2  $701.2

Quarter End

Q1 F09  Q1 F10

$182.2  $197.9

4.91%  5.07%
Food Retailing

Operating income
($ in millions)

5 year CAGR = 6.7%

14.2% growth Quarter over Quarter

Fiscal Year-End

2005: $322.6
2006: $331.6
2007: $291.0
2008: $363.8
2009: $406.1

Quarter End

Q1 F09: $107.6
Q1 F10: $122.9
Food Retailing

Capital Investments – Fiscal 2009

- Over $382 million invested in expansion or improvement
- 47 new stores opened or relocated
- 11 stores expanded
- 52 stores closed

Capital Investments – Q1 F’10

- Over $80 million invested in expansion or improvement
- 14 stores opened, acquired or relocated
Food Retailing

Square footage (millions)
+14% over last five years

Total retail store count
+2% over last five years

Fiscal Year-End

- 2005: 1,314
- 2006: 1,296
- 2007: 1,332
- 2008: 1,348
- 2009: 1,343

Square footage:
- 2005: 25.1
- 2006: 25.4
- 2007: 26.4
- 2008: 27.2
- 2009: 27.5

Total retail store count:
- 2005: 2005
- 2006: 2006
- 2008: 2008
- 2009: 2009

*EMPIRE*
Food Retailing
The Best Food Retailer in Canada

- Innovation of products and services
Food Retailing
Food Retailing

BASIC
- beef burgers
- burgers de boeuf

BETTER
- Compliments Beef Burgers
- Made with 100% Beef
- 8 x 142 g / 1.13 kg

BEST
- Compliments Sensations
- 4 x 142 g / 1.13 kg

EMPIRE
Food Retailing

The Best Food Retailer in Canada

• Innovation of products and services

• **Streamline business processes, systems and supply chain**
Food Retailing

- Continual upgrade of tools and information systems
- Club Sobeys & Club Sobeys Mastercard in Ontario and Western Canada
- AIR MILES® Rewards Program in Atlantic Canada and Quebec
Food Retailing

The Best Food Retailer in Canada

- Innovation of products and services
- Streamline business processes, systems and supply chain
- **Engagement and development of our employees to consistently improve execution**
EMPIRE
CLEARLY FOCUSED ON
OUR STRENGTHS