CIBC World Markets
Retail & Consumer Conference
March 26, 2014
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These statements are based on management’s reasonable assumptions and beliefs in light of the information currently available to them. The forward-looking information contained in this presentation is presented for the purpose of assisting the Company’s security holders in understanding its financial position and results of operations as at and for the periods ended on the dates presented and the Company’s strategic priorities and objectives, and may not be appropriate for other purposes. By its very nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks and uncertainties which give rise to the possibility that the Company’s predictions, forecasts, expectations or conclusions will not prove to be accurate, that the Company’s assumptions may not be correct and that the Company’s objectives, strategic goals and priorities will not be achieved. Although the Company believes that the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can give no assurance that such matters will prove to have been correct. Such forward-looking information is not fact but only reflects management’s estimates and expectations. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These factors include but are not limited to: changes in general industry, market and economic conditions, competition from existing and new competitors, energy prices, supply issues, inventory management, changes in demand due to seasonality of the business, interest rates, changes in laws and regulations, operating efficiencies and cost saving initiatives. In addition, these uncertainties and risks are discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time, including the Risk Management section of the annual MD&A for the 52 weeks ended May 4, 2013 and the Risk Factors section of the Short Form Prospectus filed July 24, 2013.

Empire cautions that the list of important factors is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information, and are cautioned not to place undue reliance on such forward-looking information. Forward-looking statements may not take into account the effect on the Company’s business of transactions occurring after such statements have been made. For example, dispositions, acquisitions, asset write-downs, or other changes announced or occurring after such statements are made may not be reflected in forward-looking statements. The forward-looking information in this presentation reflects the Company’s expectations as at March 26, 2014 and is subject to change after this date. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company other than as required by applicable securities laws.
Focused on Food Retailing & Related Real Estate

**Trailing 4-Quarter Adjusted Net Earnings**
- Food Retailing & Crombie REIT: $133M or 67%
- Other: $69M or 33%

**Q1 F2008**
- Food Retailing & Crombie REIT: $4,774M or 85%
- Other: $833M or 15%

**Q3 F2014**
- Food Retailing & Crombie REIT: $12,075M or 97%
- Other: $348M or 3%

Focus & Growth in our Core Businesses: Food Retailing & Related Real Estate
- Up 30 ppts
- Up 12 ppts
### Solid Track Record of Growth

<table>
<thead>
<tr>
<th></th>
<th>5 Years Ago</th>
<th>Today</th>
<th>CAGR</th>
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<tbody>
<tr>
<td>Sales</td>
<td>$14.1 Billion</td>
<td>$19.4 Billion</td>
<td>5.7%</td>
</tr>
<tr>
<td>Adjusted Net Earnings</td>
<td>$242.8 Million</td>
<td>$338.8 Million</td>
<td>6.0%</td>
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<thead>
<tr>
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<th>13 Weeks Ended February 1, 2014</th>
<th>39 Weeks Ended February 1, 2014</th>
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<tbody>
<tr>
<td>$6.02 B sales, +40.4%</td>
<td>• Excluding Canada Safeway +2.7%</td>
<td>$15.06 B sales, +14.5%</td>
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<tr>
<td></td>
<td></td>
<td>• Excluding Canada Safeway +2.2%</td>
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<tr>
<td>$277.4 M adjusted EBITDA versus $201.8 M, +37.5%</td>
<td>$724.6 M adjusted EBITDA versus $668.2 M, +8.4%</td>
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- Growth in Empire’s value has been driven by a series of disciplined capital allocation decisions in order to focus on businesses we know best.
Recent Achievements

‣ Acquisition of Canada Safeway
  ‣ Early progress on integration/synergies

‣ Focused on food and related real estate
  ‣ Divestiture of non-core assets

‣ Successful SAP implementation in Québec & Thrifty Foods

‣ New automated distribution centre in Québec

‣ Completion of the conversion to FreshCo

‣ Integration of Shell business

‣ Launch of Better Food for All Movement
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

…. *While Always Putting the Customer First*
A New Platform for Growth

- Closed 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
A Strong National Presence

1,500 stores
837 communities
124,000 colleagues

Western Canada: 430 stores
Québec: 635 stores
Ontario: 335 stores
Atlantic Canada: 424 stores
Sobeys Banners Overview

Full Service
808 stores
- West: 108
- Ontario: 95
- Atlantic: 85
- Markets Served: Ontario & Western Canada

Community Service
354 stores
- Ontario: 146
- Atlantic: 58

Price Service
88 stores
- Market Served: Ontario

- 120 IGA extra
- 158 IGA
- Market Served: Québec

- 213 stores
- Market Served: British Columbia

- 90 stores
- Market Served: Québec

- 32 stores
- Market Served: Québec

- 27 stores
- Market Served: Western Canada

- 4 stores
- Ontario: 3
- West: 1
Sobeys Banners Overview

Convenience Service
455 stores and locations

- 121 stores
  - Market Served: Atlantic Canada

- 29 locations
  - Market Served: Atlantic Canada

- 64 locations
  - Market Served: Western Canada

- 241 locations
  - Québec: 194
  - Atlantic: 47

Other
528 locations and our wholesale and manufacturing businesses

- RACHELLE-BERY
  - 20 stores
    - Market Served: Québec

- Lawtons Drugs
  - 78 stores
    - Market Served: Atlantic Canada

- Sobeys Pharmacy
  - 178 locations
    - West: 56
    - Ontario: 54
    - Atlantic: 68

- Sobeys WINE & SPIRITS
  - 43 stores
    - Markets Served: Western Canada

- big8
  - 10 stores
    - Markets Served: Western Canada

- LUMSDEN BROTHERS
- Macdonalds Consolidated
- TRA Atlantic
- Lucerne®

Markets Served:
- Western Canada
Post-Deal Close – Key Highlights

Since deal close:

- We have moved forward on the **divestiture of stores**
- We have implemented several **communications activities** and education on the **integration process**
- Technology roll-out will start in Q4 with the first store and RSC on the **new platform**
- Assessment of **manufacturing assets** underway
Systems Integration

- First priority is to achieve systems integration within 18 months of acquisition
- Involves implementation of systems in:
  - Stores
  - Warehouse
  - Merchandising
  - Finance
  - Human Resources
- Enables Synergy Management
Synergy Management

We continue to progress towards delivering $200M in synergies by Year 3 with an established run rate of $100M at the end of Year 1

Majority of these synergies are contributing to the $100M run rate at the end of Year 1

Synergy opportunities in these functions will largely be realized in Year 2 and Year 3

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<tr>
<th>Function</th>
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<tbody>
<tr>
<td>Procurement</td>
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<td>Marketing</td>
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<tr>
<td>Pharmacy</td>
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<td>Logistics &amp; Distribution</td>
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<td>Marketing</td>
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<td>SG&amp;A</td>
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<td>IT</td>
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Total Synergies by Year 3: $200.0 million
## Synergy Opportunities

Synergy opportunities have been identified and we are progressing on the realization of synergy benefits.

<table>
<thead>
<tr>
<th>Function</th>
<th>Primary Synergy Opportunities</th>
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| Procurement            | ‣ New deal with our supplier base  
                         ‣ SKU rationalization  
                         ‣ Maintenance/operational cost efficiencies                                               |
| Information Technology | ‣ Leveraging existing IT infrastructure  
                         ‣ Maintenance cost efficiencies                                                             |
| Logistics & Distribution | ‣ Network optimization in Western Canada                                                      |
| Pharmacy               | ‣ Generic drug procurement  
                         ‣ Organizational design and administrative efficiencies                                      |
| Marketing              | ‣ Leveraging economies of scale for promotional and loyalty activities                         |
| SG&A                   | ‣ Operational efficiencies across Shared Service functions                                      |
Canada’s Better Food Destination

Champions of the Affordable Better Food Movement
Full Service Format Target Customers

**FRESH FOOD ENTHUSIAST**
- Priority: Healthy living, fresh food
- Want quality, and enjoy discovering new foods and products
- Most likely to shop at Full Service stores
- Higher income (>90K), higher education, older (50+), married and smaller 2-person households

**FRESH & SAVVY**
- Priority: Healthy living, fresh food
- Want value and convenience
- 2nd most likely to shop at Full Service stores
- Lower income (<70K), lower education, homemakers and 3 children households

**PACKAGED MEAL LOVER**
- Priority: Groceries
- Want quality, and enjoy discovering new foods and products on groceries
- Visit highest number of different stores in a month
- Higher income (>70K), university education (undergrad), younger (30+) and single
We’re the Better Food Destination for Canadians to:

- Enjoy great quality FRESH FOOD and flavours.
- SAVE TIME while eating well every day.
- Make the best choices to enjoy a HEALTHY LIFE.
- Choose foods that support our SUSTAINABLE PLANET.
- Eat well within an AFFORDABLE BUDGET.
- Know that everything we sell has a 100% SATISFACTION GUARANTEE.
- Recognize that Sobeys contributes to their LOCAL COMMUNITY.
Our Brand Expression

POSITIONING:  Champions of the Affordable Better Food Movement

TAGLINE:  Sobeys
Better food for all.

PARTNERSHIP:  Why Jamie Oliver:
- Leading celebrity chef, restaurateur, best-selling author and TV personality
- Advocate for change

How do Canadians feel:
- Highest awareness across Canada and #1 chef in likeability and 'better food' values
- Strong association with home-cooked and from scratch meals
Our Principles of the Offer

Enthused Selling Environment

Priced Right for the Full Shop

Local Store Focus

Freshness First

Meaningful Assortment
### Strategic Pillars Guiding the Offer

**WOW FRESH**
- Market- Fresh Experience
- Enhanced Packaging
- Food Ambassadors
- Destination for Best Quality
- Food Discovery

**SPEED SCRATCH**
- “Restaurant” quality prepared products
- Meal Solutions
- Preparing Communication

**HEALTHY WHOLESOME**
- Nutrition
- Special Needs (gluten free, sugar free, etc.)
- Pure/Real (e.g. No preservatives)
- Natural Source

**SUSTAINABLE**
- Responsible product sourcing
- Fair trade products
- Certified Humane Standards
Why invest in Empire?

- New platform for growth with Canada Safeway acquisition
- Focus on Food and related Real-Estate
- Diversified revenue, earnings and growth opportunities across Canada
- A track record of delivering earnings and dividend growth
- Commitment to Better Food for All
- Well positioned for continued long-term sustainable growth