

FINAL TRANSCRIPT

Empire Company Limited

Annual General Meeting

Event Date/Time: September 11, 2014 — 10:00 a.m. E.T.

Length: 47 minutes

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CORPORATE PARTICIPANTS

Rob Dexter

Empire Company Limited — Chair

Marc Poulin

Empire Company Limited — President and Chief Executive Officer

CONFERENCE CALL PARTICIPANTS

Carol Campbell

Empire Company Limited — Vice President, Risk Management

Stewart Mahoney

Empire Company Limited — Vice President Treasury and Investor Relations

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PRESENTATION

Rob Dexter — Chair, Empire Company Limited

Good morning, ladies and gentlemen. Welcome to the 32nd Annual General Meeting of Empire Company Limited. My name is Rob Dexter, and I'm the Chair of the Board of Empire and I'll be Chair of the meeting today.

I would also like at this time to note that we have a number of students from the Nova Scotia Community College, and as well a number of business students from Saint Ivec (phon), so welcome to you. And also welcome to the many employees I see around the theatre, although some of you in the back I can't see, but I know you're there, so welcome.

To my right is Marc Poulin, President and Chief Executive Officer of Empire and Sobeys; Francois Vimard, Chief Financial Officer and Administrative Officer; and Karin McCaskill, Senior Vice President, General Council, and Secretary. Karin will act as Secretary of the meeting. I've asked Miss Cindy Harrett and Miss Michelle Van de Heuvel (phon) of CST Trust Company to act as scrutineers.

Our agenda today includes, first, the formal part of the meeting; a few remarks of my own. Marc will review fiscal 2014, the first quarter for fiscal 2015, and the outlook. After these remarks we will be happy to answer any questions you may have.

I now call the meeting to order. Karin McCaskill, as Secretary of the Company, has advised me that we have 34,260,763 Class B voting common shares at this meeting together either in

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person or proxy, which are 100 percent of the total outstanding Class B voting common shares. I now declare the Annual General Meeting constituted.

The minutes of the Annual General Meeting held September 12, 2013, were distributed when you registered this morning and additional copies are available, so unless there are any objections I will dispense with the reading of the minutes. Are there any errors or omissions? Hearing none, the minutes are approved.

I would like to introduce the nominees, who in addition to myself are standing for election to the Board of Directors for the ensuing year. I'm going to ask each to stand as I call their names: Bonnie Brooks—you can sit down once you're finished but, Bonnie, if you all want to keep standing you're welcome to—Cynthia Divine; Dave Ferguson; Kevin Lynch; Marc Poulin; Steve Savidant; David Sobey; Donald Sobey; Frank Sobey; John Sobey; Karl Sobey; Paul Sobey; Rob Sobey; and Martine Turcotte. Sorry, Rob, I was going too fast for you.

I would also like to extend our sincere thanks to Edward Harsant and David Leslie who are stepping down from the Board this year. We had a very nice evening with them last night. Both gentlemen have brought valuable experience to the organization, insight, and counsel, and it made strong contributions to the Company and we thank both Ed and David very much.

We also would like to take a moment to pay solemn tribute to a former Board member, Marcel Coté, who passed away in May of this year. Marcel was a member of the Sobeys and Empire

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Board of Directors from 1983 to 2013. He was very helpful throughout the organization over many years and is greatly missed by many.

As noted in the notice of Annual General Meeting and Management Information Circular, at this meeting we are to approve the following items: the election of each of the Directors I have just mentioned and fixing the maximum number of Directors at 18; the Directors' remuneration, as set out in the Circular; the appointment of Grant Thornton LLP as auditors for the ensuing year; authorization of the Directors to fix the remuneration of Grant Thornton. Are there any questions on these matters?

As proxies for 100 percent of the voting shares have been deposited in favour of these matters we obviously have enough votes to pass the resolution, so for the record is there anybody who has any objections?

Hearing none, I declare each of these items passed as outlined in the Notice of Meeting and Management Information Circular.

I now turn to the advisory resolution of executive compensation in respect to which both the Class A and Class B shareholders vote. This is an advisory vote and, therefore, not binding upon the Board of Directors of Empire. However, the Board, and in particular the Human Resources Committee, continues to be interested in the feedback from all shareholders with respect to executive compensation.

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Our philosophy is based on the fundamental principle of pay for performance to align the interests of our executives and for those of our shareholders. This compensation approach allows us to attract, motivate, and retain highly qualified executives who are encouraged to make decisions and take actions that will create long-term sustainable growth and result in long-term shareholder value.

Of the proxies received, 100 percent of the Class B shareholders and 96.8 percent of the Class A shares were in favour of the advisory resolution on executive compensation, so we have enough votes as well to pass this resolution. Is there any shareholder who has a contrary vote that has not done one yet?

Hearing none, I declare this resolution now passed.

The audited consolidated financial statements were mailed to each registered shareholder, and as well, copies have been made available at this meeting. While there's no requirement that these documents be approved by the shareholders, at this stage we are open to any discussion or questions that anyone may have. Are there any questions?

Hearing no questions, before I turn things over to Marc Poulin, I'd like to make a few remarks of my own. One of our most fundamental tasks is to ensure our corporate governance practices are among the best in Canada and that the composition of the Board reflects a diversity of experience and perspective.

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Accordingly, we have done our best to operate a dynamic mix of Sobey family representatives and a majority of seasoned independent Directors, all of whom are expected to freely challenge each other, as well as the senior management team. At the same time, the presence of a large family shareholder gives the Board a certain kind of patience when it comes to carrying out one of our most important responsibilities, the allocation of capital in a way that maximizes long-term shareholder value.

The Board also has the responsibility of ensuring we have excellent leadership in place and at all levels of management, as well as a proactive succession planning process. Empire has indeed been fortunate since the early '60s to have strong leadership, first under Frank H. Sobey, than his sons, Phil, Donald, and David, all of who knew how they could allocate capital to build long-term sustainable value. That tradition continued in 1998, when the Board appointed a new President and CEO, Paul Sobey.

While I realize many of you may know the story, it is worth repeating the many accomplishments achieved under Paul's leadership as Empire's President and CEO. Paul became Vice President in 1997, and was appointed President and CEO of Empire in 1998. At a very high level, Empire's share price in 1997 was about \$8. It is now approximately \$76, a multiple of 9.5 times.

Dividends for the non-voting Class A shares were \$0.11 back then; now \$1.08, a multiple of 9.8 times. For the family Class B shareholders, who in 1997 had a dividend of \$0.09, Paul in a couple

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of years caught them up to the Class A shareholders and maintaining that throughout, so they had a multiple increase on their Class B shares of 12 times.

During this time frame there were a number of key milestones, which I will touch on in chronological order. In 1998, we acquired Oshawa Foods for 1.5 million, which tripled our size. With this transaction we became a true national food retailer. Sobeys also went public to finance the transaction.

In 2000, Empire sold its 25 percent interest in Hannaford for 1.2 billion at a record multiple of EBITDA of 12.6 times. In 2001, we acquired 36 percent of Genstar, \$29 million. To date this investment has returned over \$500 million in cash with more to come.

In 2005, Empire Theatres became a national chain, acquiring theatres beyond Atlantic Canada. In 2006, Crombie REIT was created with an initial public offering. This later would help us with the financing of the Safeway acquisition.

In 2007—no, for Safeway; no rumours here. In 2007, Empire stretched again to take Sobeys private, enhancing the overall cash flow of the Company. Due to this, our credit rating for Sobeys was downgraded below investment grade.

In 2007, we acquired Thrifty Foods, establishing our presence on Vancouver Island, which has since expanded to the mainland. In 2010, after paying down the debt and strengthening the balance sheet, Sobeys regained the investment credit rating.

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Also in 2010, Empire sold the remainder of its investment in Wajax for \$121 million. It's worth noting that Paul took over the Chair of Wajax it had both financing concerns and poor performance, and the stock was in the low of 3 to \$5 range. Under Paul's chairmanship, Wajax resolved its financing issues, turned itself into an income trust, quickly taking the stock to much higher levels in the low 20s, and eventually as an income trust getting to 40 to \$50.

The capstone of Paul's career was the 5.8 billion acquisition of Safeway's Canadian assets. This clearly strengthened Sobeys' food assets in Western Canada, making Sobeys a strong number two national player, clearly distancing the number three player, and positioning Sobeys as number one in the fast-growing Alberta market.

Also both remarkable to note were the last year's 1.8 billion equity issue of non-voting Class A shares of Empire followed by a very successful 1 billion bond issue and the completion of 1 billion sale of real estate assets to Crombie REIT.

So, Paul, just an outstanding track record, something you should be proud of, and something we as the Board and shareholders very much appreciate. Stand up, Paul.

With Paul's decision to retire in December 2013, the Board appointed Marc Poulin as Empire's next President and CEO. Those who know Marc, he's a well-experienced person who's done a great job in the Quebec operations. And I can also add, in the last couple of years Marc and his team have done a great job not only moving the integration forward, but keeping the business running. And there's a lot of exciting initiatives which Marc will talk about, but I do know, not only

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Marc and some of the folks right here but they're in the room, a lot of hard work is going on for the shareholders and they're doing a wonderful job. And it's nice, Marc, that you've got a nice quarter to talk about and the results. But I'll shut up so you can take the credit for all of that.

So anyway, great job to Marc and his team and, Marc, come to the stage.

Marc Poulin — President and Chief Executive Officer, Empire Company Limited

Thank you, Rob, and good morning, ladies and gentlemen. On behalf of everyone at Empire, I'd like to thank you for being here with us this morning.

I'd like also to thank Paul for such an exemplary record of achievement. The leadership team will continue to work hard to build on that legacy of value creation, I can assure you of that.

Fiscal 2014 was quite a year for Empire. From the acquisition and integration of Canada Safeway to the introduction and rollout of our Better Food For All movement, it's been pretty busy. I'll have more to say about these and the other important initiatives underway at Sobeys in a moment, but first let's take a look at Empire's fiscal 2014 financial results.

Empire posted solid performance in fiscal 2014 amid the continued intense competition in the food retailing industry, which was characterized by aggressive square footage by existing players and relatively new players from south of the border and low food inflation. Consolidated sales reached \$21 billion, an increase of 3.6 billion, or 20.6 percent from last year, mostly due to the impact of Canada Safeway acquisition, which was completed at the beginning of the third quarter of fiscal 2014.

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Excluding the impact of this acquisition, consolidated sales for the year increased by 2.2 percent. Adjusted net earnings for the year were 383.1 million, or \$4.78 per diluted share compared to 356.8 million, or \$5.24 per diluted share last year.

We note that per share performance was immediately impacted by the issuance of 24.2 non-voting Class A shares as part of the financing for the acquisition.

Net earnings net of noncontrolling interest were 151 million, or \$1.88 per diluted share compared to 372.3 million, or \$5.47 per diluted share last year. These results reflect certain onetime expenses at Sobeys, which I will get into in a moment.

At the end of June, consistent with our growth and improvement of our financial position, our Board of Directors approved a 3.8 percent increase in Empire's annualized dividend rate from \$1.04 to \$1.08 per share. This marked the 19th consecutive annual increase in Empire's dividend.

Book value per share also continued to increase, raising 12.6 percent to reach 61 and \$75. At the end of fiscal 2014, over the last 10 years book value has increased at a compound annual growth rate of over 10 percent.

Let's take a closer look now at the performance of Sobeys and our equity accounted interest in Crombie REIT and Genstar. First Sobeys, the foundation of our success.

In fiscal 2014, Sobeys' sales increased 3.6 billion, or 20.6 percent to reach 21 billion. Excluding the impact of the Canada Safeway acquisition, which accounted for 3.2 billion of the increase, sales contribution from the food retailing segment to Empire increased by 394 million, or

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2.3 percent. This was primarily the result of continued investment in the retail network, coupled with the continuation of sales and merchandising initiatives.

Same-store sales growth showed no real change over the last year as a result of very low food inflation last year, increased competitive square footage in the market, and ongoing competitive intensity.

In fiscal 2014, Sobeys contributed adjusted net earnings to Empire of 349.2 million compared to 325.3 million for the previous year, an increase of 23.9 million, or 7.3 percent from the previous year.

Before adjusting for items that are not considered indicative of underlying business operating performance, Sobeys contributed net earnings of 121.8 million compared to 334.2 million last year, a decrease of 212.4 million. These items included network rationalization cost of 169.8 million associated with the closure of approximately 50 consistently underperforming stores in the fourth quarter of fiscal 2014, as well as 97.8 million in transaction costs related to the acquisition of Canada Safeway.

The store closures are expected to have a positive impact on net earnings, as well as overall quality of our store network going in the future.

Over the past five years, Sobeys has invested more than 2.5 billion in the expansion and modernization of its store network and distribution networks and the implementation of advanced enterprise-wide business systems and processes. Over the same five-year period, Sobeys generated

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total operating cash flow of 3.5 billion, which has more than funded this level of investment. These investments have also laid the groundwork for the successful integration of Canada Safeway.

I'd now like to comment on the performance of Empire's investment in other operations, which in fiscal 2014 principally consisted of our 41.6 ownership interest in Crombie REIT and our approximate 40 percent interest in Genstar.

Empire Theatres was sold to Cineplex Inc. and Landmark Cinemas in a separate transaction in November of last year for a gain of \$79.2 million. Results for Empire Theatres are now reported under discontinued operations.

Crombie REIT performed very well in 2014, with property revenue and net operating income reaching record levels. Crombie's operating income contribution to Empire reached 19.2 million in fiscal 2014, up 5.5 million from the 13.7 contribution reported last year. The increase was driven primarily by higher property net operating income as the result of the acquisition and redevelopment activities.

The relationship between Sobeys and Crombie REIT has contributed significantly to Empire's record of value creation, and this was very much in evidence in the 2014 year. Sobeys offers Crombie REIT a reliable pipeline of high-quality real estate properties that have helped them achieve significant geographic diversification while advancing their strategy of becoming a predominately retail REIT player.

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Crombie REIT furthered both of these objectives last year with the purchase of 70 Canada Safeway properties in Western Canada for \$991 million. In turn, the strategic relationship with Crombie REIT allows Sobeys to unlock the value of its real estate assets and permanent access to additional capital to fund the expansion of its food retailing and partner with a like-minded landlord in maximizing productive capacity of its retail locations.

Since the IPO of Crombie REIT in March of 2006, Crombie REIT's net property income has increased at a 14.6 CAGR. The market value of Empire's investment in Crombie REIT climbed to 683 million at our fiscal year-end on a cost base of 333 million.

Now Genstar. Our investment in Genstar, which selectively acquires and prepares land for development into master plan residential development communities, performed well in fiscal 2014, with operating income contribution of \$30.4 million, relatively in line with the 29.6 million of the prior year.

Our initial \$29 million investment in Genstar in 2001 has turned to date over \$500 million in cash and returns.

At this point, I'd like to turn our attention to Empire's consolidated first quarter results, which we released yesterday. We are pleased with our results, as Sobeys achieved improved same-store sales growth and significant growth in EBITDA and earnings in a challenging market.

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Consolidated sales for the first quarter ended August 2, 2014, totalled \$6.22 billion, up \$1.6 billion, or 35.4 percent over last year. Adjusted EBITDA equalled \$344.7 million compared to 232.3 last year, an increase of 112 million, or 48.4 percent.

Adjusted net earnings from continuing operations net of noncontrolling interest of 131.7 million up 42 million, or 46.8 percent. And free cash flow of 391 million versus 68 million last year.

This growth largely reflects obviously the impact of the acquisition of Canada Safeway. Combined with Sobeys sales and merchandising initiative, including our new and innovative commercial programs as part of the Company's strategy to help Canadians Eat Better, Feel Better, and Do Better. So I guess a good start to fiscal 2015.

And our financial conditions improve. At the end of the first quarter, Empire's consolidated ratio of debt to capital was 35.5 percent versus 43 percent immediately following the acquisition of Canada Safeway.

Adjusted debt to EBITDA also declined over the same period of time from 2.9 times at closing to 2.2 times by the end of Q1 fiscal 2015. Since the acquisition of Canada Safeway until the end of Q1 fiscal 2015, we have already repaid \$1.1 billion in debt, and with the sale of manufacturing asset expected to close by the end of fiscal 2015, we will repay additional debt. And significant debt repayment will obviously satisfy the requirements of credit agencies.

Fiscal 2014 was a transformational year for Empire, one in which we significantly strengthened our platform for long-term growth. I'd like now to take a look at the two biggest

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stories of the year: the acquisition of Canada Safeway and the introduction of Better Food For All, the latest stage in the evolution of our full-service format stores.

While Sobeys has been consistently building its national presence since the acquisition of the Oshawa Group in 1998, the acquisition of Canada Safeway last November resulted in the Company having a leading market position in Canada's fast-growing western provinces.

The acquisition also solidified Sobeys' position as one of the leading national food retailers. Over the past nine months I've had the opportunity to meet many of our new colleagues at Safeway, and have been delighted and really delighted by their professionalism, their enthusiasm, and engagement which they have shown as being part of the Sobeys team. Clearly, Sobeys and Safeway had similar cultures to begin with, but now we really work as one team to really make our impact in the Western Canadian marketplace.

As expected, Safeway has also been an ideal complement to Sobeys' operation in a multiple of ways. These include obviously an exceptional network of approximately 200 Canada Safeway stores, including prime, urban, unreplaceable real estate in locations such as Vancouver, Calgary, Edmonton, and Winnipeg; a similarly compelling full-service fresh food offering; a highly aligned growth strategy and cultural fit; skilled and engaged and motivated employees; a well-established loyalty program in the Air Miles rewards program, which I am happy to report that starting this week started yesterday with Thrifty Foods, starting tomorrow with our IGA Sobeys business and Sobeys Liquor Store business in Western Canada that we will sharing thanks to an

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agreement—long-term agreement with LoyaltyOne that we announced in June of last year—in recent June; and also we should signal an opportunity to realize significant cost synergies as we integrate operations over the next three years.

With this increase in scale and having a leading position in Western Canada, given the population dynamics, economic potential, and continued immigration in the region, we are well positioned for future sales and earnings growth.

The theme of this year's annual report, A Stronger Platform for Growth, really reflects that belief. We are extremely impressed with the Safeway team, including, but certainly not limited to their outstanding in-store execution, their first-class pharmacies, and their enthusiasm for serving the needs of customers. The team is committed, and we are excited to work together to continue to strengthen our business. And I am glad to report that the integration is going very well.

One of our first priorities has been to achieve systems integration within 18 months of the acquisition, and we expect to meet that target on schedule. From a technical standpoint, the integration of the two businesses primarily involves the adoption of Safeway's—of SAP functionality into Safeway's IT infrastructure, as well as the conversion of all point of sale systems and also conversion of warehouse management systems. When complete, the integration will allow us to fully leverage the national SAP platform that we have built over the last few years at Sobeys Empire. This will be the key to optimizing potential synergies.

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We have already communicated our confidence in our ability to secure 200 million in run rate cost synergies by the end of year three, with an established run rate of 100 million through the end of the first year.

By the end of year one, we expect to secure significant synergies through lower cost procurement from marketing efficiencies and from pharmacy procurement efficiencies. Then in years two and three, we expect that synergies will come from more streamlined and cost-effective logistics and from continued marketing efficiencies, SG&A reduction, and IT cost reductions.

While the acquisition of Canada Safeway attracted most of the headlines over the past year, we've been equally active in enhancing our customer value proposition through the introduction this fiscal year of the Better Food For All movement at Sobeys, and through the mieux manger, which translates into the joy of eating better initiative in our IGA stores in Quebec.

Better Food For All represents the latest stage in the evolution of fresh food, fresh driven, full-service offering that's designed to delight our customers and keep pace with their changing needs. It effectively differentiates our stores and strengthens the customer loyalty to our stores.

Like most of our best ideas, the inspiration for Better Food for All came from paying close attention to our customers. Our market research shows that 73 percent of Canadians would like to eat better than they currently do. Most believe that healthy and appetizing meals are too expensive, too difficult to manage, or too time consuming to prepare, and they are overwhelmed by the choices they have to make.

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September 11, 2014 — 10:00 a.m. E.T.
Empire Company Limited Annual General Meeting

Canadians are looking for leadership and solutions from people they can trust, and we will be these. Better Food For All was born from this understanding. Much more than a tag line, it expresses Sobeys' new purpose to be Canada's better food destination by helping Canadians Eat Better, Feel Better, and Do Better every day.

We have engaged Jamie Oliver to help create awareness around the Better Food For All movement. An advocate for change and promoter of better food internationally, Jamie has been working closely with us to champion enhanced food knowledge, balanced nutrition, quality ingredients, and better cooking skills for all Canadians.

Sobeys customers continue to see the change we are making to our stores, our food offer, and our advertising, and it reflects in not only in print advertising, but also online and digital.

Sobeys Extra. Let's talk about some of the change we have made to support the Better Food For All movement that are coming to light through the introduction of our next-generation store to Sobeys' banner store, including the expanded full-service Sobeys Extra banner that we started to open last year. Let's have a look.

[video begins]

The Sobeys Extra store in Burlington is two years in the making.

And there's no other store in the network like this one.

Word on the street is the store's fantastic; like they were really, really, really loud at our store.

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Sobeys Extra is our new brand. It is really the ultimate expression of Better Food For All.

We've provided the product selection and a pricing strategy that will be very compelling.

We've launched a new lower prices campaign that makes pricing much more attractive on the items that customers buy the most.

The Extra is better product with more variety than you have in the normal store.

But we're also introducing some new departments, and we've got a new well-being department.

If you go to where the kitchen is it might feel like you're in Granville Island at the market.

Just to make a quick chicken soup run.

When we develop offers, such as coffee or pizza or a noodle bar or a sushi bar or hot and chilled foods, our objective is to include Sobeys in the decision-making pattern when they eat outside of home.

The bakery—have you ever been to Paris?

We're making a special push on organic.

And we have a community room here that you can book it. We also put on food seminars.

We have some very creative kids here today.

As you walk through and you come into our cheese department, it's just a plethora of the world.

It's the full packet that you like, the extra time.

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People are just excited. They're excited about the Sobeys Extra.

Happy people everywhere and great food everywhere.

Coming into this location is a dream. It's an emotional bond with our customers.

This is a proud day, yeah, for sure.

There's nothing like this in the marketplace today. It is a phenomenal shopping experience, the best fresh programs in Canada. It's an absolute game changer.

[video ends]

So you can see that last year was busy and productive. And here we are, 107 years after J. W. Sobeys founded his company with his first store, and a network now of more than 1,800 locations comprised of over 38 million square feet with over 125,000 people serving more than 800 communities.

Our focus and execution since the Oshawa Group acquisition till the end of fiscal 2015 has enabled Empire to deliver an average total shareholder return of 12.1 percent per year, outperforming the S&P TSX index average by 4 percent points per year.

We stand ready to continue our journey with the opportunity before us to not only successfully integrate Safeway operations, but to capitalize on the potential of our Better Food For All movement. We have reasons to be confident about the future growth potential.

We have a modern, highly efficient, and highly scalable distribution network supported by the most advanced technologies in the industry, our stores are at the high standard as a result of

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consistent reinvestment, and we offer a differentiated product service to Canadians, which help them to Eat Better, Feel Better, and Do Better.

We also have access to the capital markets, financial flexibility, and a team who has proven and again will prove that they can execute on key initiatives. These factors, we think, provide a platform for continued growth in the years ahead.

Obviously, we cannot achieve that on our own. We need the support of a very forward-looking Board of Directors that's helping us taking those initiatives, and more importantly, 125,000 people, franchise store operators, who really believe in the future of this company and also believe that we can make a difference in Canadians' lives. So we want to thank them for that.

Specific to the year ahead, we anticipate a marginally improving environment with modest food price inflation, maybe less intense price competition, maybe, and a more rational promotional environment we hope.

We will remain competitive, though, on pricing and are committed to offer a differentiated offering to our customers. Our ability to do this has been enhanced by the investment we have made over the past few years to strengthen our business processes and reduce our costs.

We will also continue to succeed by understanding what matters most to our customers, and by delivering a compelling shopping experience that earns their continuing loyalty.

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Better Food For All represents the latest stage in this process, but the same spirit of customer-focused innovation can be seen throughout all of Sobeys' retail banners. This is an exceptionally strong, truly national platform on which to build the future.

So again, in closing I'd like to thank the more than 125,000 employees of Empire subsidiaries, the franchisees, their affiliates, everybody basically that are partners in the business, everybody that touches our business in our effort to drive a better food experience for all Canadians.

It's obviously with their support that I'm confident that Empire will continue its history of long-term value creation. Thank you for your attention.

Rob Dexter

Thanks, Marc. Good presentation, exciting stuff, and great to be a shareholder.

Is there any other business from the floor? Are there any questions from the floor? I don't wait long. I think I saw one. Go ahead.

Q&A

Unidentified Speaker

Would you consider opening Sobeys discount wholesale stores like Costco-style? Costco is giving a big competition. Their parking lots are full all the time. They are taking away so much of our

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business. Would you consider starting, at least in Halifax, as an experiment Sobeys wholesale discount stores like a Costco model?

Rob Dexter

Great question. And that's why I like to point to the CEO.

Marc Poulin

Does this work? Yes. Okay. So obviously there are numerous formats in which we currently operate, and the broadest format for us where we have our greater strength is a full-service format.

You may or may not know that with the acquisition of Canada Safeway we are the number one player in full-service stores across the country, and that's a significant competitive advantage for this business.

So we are studying all kinds of different formats all the time. At this stage, to be honest, this is not in our plans because we have a lot on our plate to bring the full-service format to its full potential since the acquisition of Canada Safeway, but that being said, we will always be dynamic in responding to consumer needs.

Unidentified Speaker

Okay. Maybe next year.

Rob Dexter

Okay. Any other questions? Okay. May I have a motion to terminate the meeting?

Carol Campbell — Vice President, Risk Management, Empire Company Limited

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(unintelligible)

Rob Dexter

Thank you, Carol. Is there a seconder?

Stewart Mahoney — Vice President Treasury and Investor Relations, Empire Company Limited

Mr. Chairman, I second that motion.

Rob Dexter

Thank you, Stewart. I now declare the motion carried and the meeting terminated.

Thank you, all, for attending. You're all welcome back to Crombie House for lunch and conversation. And just before I let you go, we've got another video, which we'll show right now.

[video begins]

Supermarket chain operator Empire Company Limited, which owns Sobeys, is buying Safeway Canada.

The deal, worth almost \$6 billion, could change the grocery business in BC.

I've teamed up with Sobeys.

[video ends]

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