March 26, 2015
CIBC 2015 Retail & Consumer Conference

A stronger platform for growth

EMPIRE
COMPANY LIMITED
Forward Looking Information

This discussion contains forward-looking statements which reflect management’s expectations regarding the Company’s objectives, plans, goals, strategies, future growth, financial condition, results of operations, cash flows, performance, business prospects and opportunities. All statements other than statements of historical facts included in this presentation, including statements regarding the Company’s objectives, plans, goals, strategies, future growth, financial condition, results of operations, cash flows, performance, business prospects and opportunities, may constitute forward-looking information. Expressions such as “anticipates”, “expects”, “believes”, “estimates”, “could”, “intends”, “may”, “plans”, “will”, “would” and other similar expressions, or the negative of these terms, are generally indicative of forward-looking statements.

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 3, 2014 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 12, 2015 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.
### Empire at a Glance

**A legacy of long-term value creation**

<table>
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<th>Year</th>
<th>Sales ($M)</th>
<th>Adjusted Net Earnings from Continuing Operations ($M)</th>
<th>Book Value ($ per Share)</th>
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**No. 2**

**GROWTH**

SECOND LARGEST FOOD RETAILER WITH ANNUALIZED SALES IN CANADA OF ~$24B & 1,800 STORES IN 10 PROVINCES

**LEADING POSITION IN CANADA’S FASTEST GROWING MARKET BODES WELL FOR FUTURE SALES & EARNINGS GROWTH**

**PHARMACY**

ONE OF CANADA’S LARGEST PHARMACY RETAILERS WITH 346 IN-STORE & 79 FREESTANDING PHARMACIES

**WHOLESALE**

LARGEST WHOLESALER IN CANADA & OUR TWO AUTOMATED DCs POSITION US WELL FOR FUTURE GROWTH

**FUEL**

OVER 350 RETAIL FUEL LOCATIONS UNDER FAST FUEL, SAFEWAY GASOLINE, & SHELL BANNERS

**REAL ESTATE**

41.5% EQUITY INTEREST IN CROMBIE REIT (OWNS 254 COMMERCIAL PROPERTIES) & ~40% EQUITY INTEREST IN GENSTAR
Our Competitive Advantages

RIGHT FOCUS
- Health, convenience and value are becoming more important than just price
- Differentiated through Better Food for All
- Partnership with Jamie Oliver

RIGHT STORES
- Largest full service food retailer with 750 full service stores
- Stores at high standard owing to consistent reinvestment
- New and expanded/renovated stores yielding high same-store sales growth

RIGHT MARKETS
- Leading position in Canada’s largest growing markets
- One of only two national food retailers
- Strong presence in every region

IN-STORE EXECUTION
- Our full service culture is not easily replicated
- Strong corporate culture and highly engaged staff
- Franchisees have aligned goals

LOGISTICS & DISTRIBUTION
- Two highly scalable, state of the art, fully automated DCs
- Fully integrated SAP capabilities coast to coast
- Modern, fully integrated POS infrastructure
Our National Footprint

1,800 Stores

+ 800 Communities

+ 125,000 Colleagues
Our Purpose is to:

Change Canadians lives by helping them...

Eat Better, Feel Better, Do Better...
Cooking skills are no longer being routinely passed down between generations in the home

Only 18% of Canadians are cooking (from scratch) at least one meal per day

As much as 62% of dietary energy in Canada comes from ultra-processed food

One in five Canadian youths aged 12-17 is overweight or obese

Canadians are increasingly using take out menus as another kitchen appliance
Research shows that Canadians want help to make better food choices for themselves and their families.

73% of Canadians say they would like to eat better than they currently do.

Consumers are seeking leadership and advice from people that they trust.

They are looking to their grocery retailer to provide the product assortment and options to address their increasing desire for better food solutions.
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
### Better Food for All

#### Market Offering
- **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
Our Principles of the Offer

Freshness First

Meaningful Assortment

Enthused Selling Environment

Priced Right

Local Store Focus
Currently Have 12 New Concept Stores

- Currently have 12 new concept stores
  - 4 new stores in the West
  - 2 Expansions in Ontario – Laird and Scott St
  - 6 Renovations in Ontario

- Six new concept stores under construction and scheduled to open in the next 6 months
  - Sobeys extra, Milton
  - Sobeys Laird, Toronto
  - Sobeys extra, Flamborough
  - Sobeys extra, Ancaster
  - Sobeys North London, London
  - Sobeys Scott St., St. Catharines
  - Sobeys extra, Burlington

Map showing locations of new concept stores across Canada.
Our "extra" Stores

- Key difference is the layout which creates a very different feel and flow:
  - Customer experience is more similar to shopping in a series of markets or custom shops in the fresh areas as opposed to a typical grocery store
  - Improved selection includes unique and interesting selection evolution with bump-outs, cut and prepared vegetables, and cut fruit
  - Significant investment in our people to enhance the customer experience at the store
  - Customer comments include: European, Chic, Relaxed, Unique
- Stepped up our game on HMR:
  - Vast selection of better food, ready-to-eat or ready-to-heat options
  - Easy to cook options – value added meats
Better Food for All

Improving Key Customer Driver Scores

- Excited about food: 8.5%
- Offer solutions: 7.0%
- Go out of their way: 6.0%
- Sample anything: 7.7%
- Healthy & Wholesome: 6.4%
Recipe for Better Food for All

Helping Canadians to

Eat better.
Feel better.
Do better.

Get it done with passion and integrity.
Always place the customer first.
Proudly serve our communities.
Stay real.

SERVICE
FOOD ORIENTED
INNOVATION
SELLING VS BUYING
STORE DRIVEN
Launch of the New IGA Online Grocery Store

- **All products in a store are available:** Increased offering from between 5,000 and 18,000 products to between 24,000 and 34,000 products.
- **Specific requests capabilities:** When ordering, customers can make specific requests, such as "very ripe fruit".
- **Integration with flyer specials:** Customers can integrate specials from the flyer or the ambassadors' recipes in their order to see the full corresponding grocery lists.
- **Supports buying local:** When searching for products, customers can select "Aliments du Québec" to see only certified "Aliments du Québec" products.
- **Generates preparation suggestions for certain products:** When they purchase certain products, customers receive suggestions for preparation, side dishes, recreating recipes (e.g. a suggestion to purchase fennel when purchasing salmon).
Safeway Operations Update: On Track

• 1st 18 months focus on IT convergence which enables effective synergy management:
  ✓ SAP cutover completed
  ✓ All stores and all 10 distribution centres converted
  ✓ Surpassed targeted $100M in cost synergies within 12 months of the acquisition

• 2nd 18 months will focus on customer interaction, such as:
  • Distribution and logistics integration
  • Harmonization of promotion and offering at store level
  • SG&A savings
  • On track $200M in annual cost synergies by the end of year 3
Why Invest in Empire?

- New platform for growth with Canada Safeway acquisition
- Commitment to Better Food for All
- Diversified sales, earnings and growth opportunities across Canada
- A track record of delivering earnings and dividend growth
- Strong free cash flow and financial flexibility
- Modern and scalable infrastructure
March 2015

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