

INTEGRATED GROWTH

FOOD RETAILING

Sobeys owns or franchises more than 1,300 stores located in every province of Canada under retail banners that include Sobeys, IGA, IGA *extra*, Thrifty Foods, Foodland and FreshCo, as well as Lawtons Drugs. Our five core retail formats are designed to ensure that we have the right offering in the right-sized stores for each individual market we serve – from our full-service format to the convenience format, each tailored to satisfy the unique occasion-based needs of our customers.

Competitive Strengths

- Our passionate “best in food” focus supported by our fresh food expertise.
- Our customer focus and superior service delivery.
- Our committed and knowledgeable national, regional and local management teams, franchisees, affiliates and store operators.
- Our investment in innovation including our *Compliments* private label brand.
- Our enhanced supply chain, back-shop processes and systems and tools that support our employees’ ability to serve the needs of our customers.
- Our industry-leading customer insight capabilities that are helping us build stronger, one-to-one relationships with our customers.

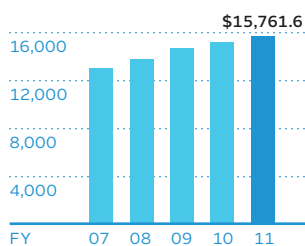
Strategic Priorities

We are determined to be widely recognized as the best food retailer in Canada. In fiscal 2011, we remained focused on three key imperatives:

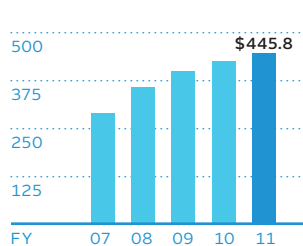
- Continued innovation and differentiation in our product and service offering through our customer insight capabilities.
- Reducing our cost base and improving sales through the systematic implementation of store and sales productivity initiatives.
- Continued improvement in operational execution through the engagement and development of our employees with tools and processes to get the job done well.

Key Performance Indicators

Food Retailing Sales
(\$ in millions)



Food Retailing Operating Income
(\$ in millions)



Focused on Food
We strive to deliver the best food shopping experience in Canada.

“ Sobeys is taking an increasingly active role in retail grocery shopping plaza development to expand our presence across the country while also helping to drive the growth of Crombie REIT.”

Sylvie Lachance, Executive Vice President, Real Estate Development, Sobeys Inc.

REAL ESTATE

Empire’s real estate investments consist of a 46.4 percent ownership interest in Crombie REIT and an approximate 40 percent ownership interest in Genstar. Crombie REIT owns, manages and operates a diverse portfolio of commercial real estate with 78 percent of the rentable space comprised of either grocery or drugstore-anchored shopping plazas or free-standing grocery stores. Genstar remains focused on residential land development principally in select communities in Ontario, Western Canada and the United States.

Competitive Strengths

- Experienced and knowledgeable management.
- Close working relationship between Sobeys and Crombie REIT optimizes the development of food-anchored shopping plazas.
- Crombie REIT’s ownership of a high-quality property portfolio that serves the everyday needs of Canadian consumers.
- Genstar has attractive land holdings in growth markets.

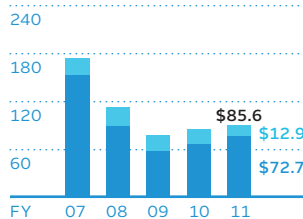
Strategic Priorities

- Enhancement of asset value.
- Expansion of the asset base through accretive acquisitions.
- Sobeys and Crombie REIT management continue to work closely together to facilitate ongoing growth in food-anchored shopping plazas.
- Ongoing development of a property pipeline for the benefit of both Sobeys and Crombie REIT.
- Reinvestment of cash distributions from Crombie REIT and Genstar to support future growth.

Key Performance Indicators

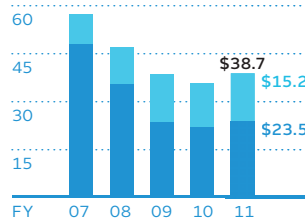
Real Estate Revenue⁽¹⁾
(\$ in millions)

■ RESIDENTIAL ■ COMMERCIAL



Real Estate Funds from Operations⁽¹⁾
(\$ in millions)

■ RESIDENTIAL ■ COMMERCIAL



(1) Fiscal 2007 and fiscal 2008 have been restated to exclude Sobeys Leased Properties which was sold on April 22, 2008.

Driving Growth

Our real estate strategy is designed to accelerate Sobeys' expansion.

