EMPIRE

Investor Presentation

March 23, 2005

What we value
Today’s Presentation

- Consolidated Overview
- Fiscal 2004 Performance
- Fiscal 2005 Performance to Date
- Net Asset Value
- Food Division Review
- Real Estate Review
- Theatres Review
- Investment Review
- Risk Assessment
- Summary
Forward-Looking Information

Some of the information in this presentation may constitute forward-looking statements which are subject to various uncertainties and could cause actual results to differ materially from those projected or implied. These uncertainties are described in the Company’s reports and filings with SEDAR.
Empire Company Limited

- Exchange Listing: Toronto
- Symbol: EMP.NV.A
- Market Cap: $2.2 Billion
- Price: $34.00
- 52 Week High: $34.84
- 52 Week Low: $24.11
- Beta: 0.7
- Yield: 1.4%
- Trailing EPS: $2.66
- P/E (trailing): 12.8x
- Price/Book: 1.2x
Empire’s Three Core Businesses
as of January 29, 2005

<table>
<thead>
<tr>
<th>Food Distribution</th>
<th>Real Estate</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sobeys Inc.</td>
<td>Crombie Properties Limited</td>
<td>Empire Theatres (196 screens in 32 locations)</td>
</tr>
<tr>
<td>66.1% interest in Sobeys</td>
<td>(8.2 million GLA; 35.7% interest in Genstar)</td>
<td></td>
</tr>
<tr>
<td>(Empire owns 43.17mm SBY shares)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Banners: Sobeys, IGA, IGA extra, Garden Market IGA, Price Chopper</td>
<td>Sobey Leased Properties (4.7 million GLA)</td>
<td>Liquid Portfolio ($391 million in value)</td>
</tr>
</tbody>
</table>
Financial Perspective

Fiscal Year Ended
April 30th, 2004

Revenue
$11.28 Billion

Assets
$4.7 Billion

Operating Income
$423.6 Million

Food Distribution 98.0%
Real Estate 1.4%
Other Operations 0.6%

Real Estate 21.2%
Investments 6.9%
Other operations 1.9%

Food Distribution 70.0%
Real Estate 26.2%
Investments 2.0%
Other operations 2.3%

$11.28 Billion
Food Distribution 98.0%
Real Estate 1.4%
Other Operations 0.6%

$4.7 Billion
Real Estate 21.2%
Investments 6.9%
Other operations 1.9%

$423.6 Million
Food Distribution 69.5%
Real Estate 26.2%
Investments 2.0%
Other operations 2.3%
Strategic Direction

As a diversified holding company we are committed to building long-term sustainable value through income and cash flow growth in each of our core operating businesses.

Our strategic direction is to stay the course by utilizing our resources to foster the long-term growth of each of our core operating businesses.

We value:
• Businesses we know and understand
• Strong management and dedicated people
• Disciplined financial management, conservative business principles and excellence in corporate governance
Management's Three Primary Responsibilities:

1. To ensure excellent management is in place and that they remain focused on timely execution of their strategic plans and initiatives
2. To add value through our stewardship role and through effective capital allocation
3. To be committed to maintaining an investment portfolio to augment the growth of our core operating businesses
Empire Company

Revenues
($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>2,912</td>
</tr>
<tr>
<td>1999</td>
<td>5,363</td>
</tr>
<tr>
<td>2000</td>
<td>9,100</td>
</tr>
<tr>
<td>2001</td>
<td>9,331</td>
</tr>
<tr>
<td>2002</td>
<td>9,926</td>
</tr>
<tr>
<td>2003</td>
<td>10,624</td>
</tr>
<tr>
<td>2004</td>
<td>11,284</td>
</tr>
</tbody>
</table>

Years ended April 30th
Empire Company
Operating Earnings

($ in millions)

<table>
<thead>
<tr>
<th>Year ended April 30th</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64.2</td>
<td>60.1</td>
<td>84.7</td>
<td>88.5</td>
<td>132.2</td>
<td>159.9</td>
<td>163.9</td>
</tr>
</tbody>
</table>
Growth in Earnings and Book Value per Share

Operating Earnings
($ per share)

Year ended April 30th

Book Value
($ per share)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Earnings</th>
<th>Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1.10</td>
<td>8.73</td>
</tr>
<tr>
<td>2001</td>
<td>1.33</td>
<td>16.82</td>
</tr>
<tr>
<td>2002</td>
<td>2.00</td>
<td>19.47</td>
</tr>
<tr>
<td>2003</td>
<td>2.43</td>
<td>21.54</td>
</tr>
<tr>
<td>2004</td>
<td>2.49</td>
<td>23.81</td>
</tr>
</tbody>
</table>
Empire Company Limited
Growth in Dividend per Share

From 6¢ ten years ago to 48¢ today
(Cents per share)

Years ended April 30th
Long-term Progress

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in millions)</th>
<th>Operating Earnings ($ in millions)</th>
<th>Share Price ($ per share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>$625</td>
<td>$11,284</td>
<td>$0.51</td>
</tr>
<tr>
<td>1986</td>
<td>$4.6</td>
<td>$163.9</td>
<td>$26.65</td>
</tr>
<tr>
<td>1989</td>
<td>$26.65</td>
<td>$26.65</td>
<td>$26.65</td>
</tr>
<tr>
<td>1992</td>
<td>$11,284</td>
<td>$11,284</td>
<td>$0.51</td>
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<tr>
<td>1995</td>
<td>$26.65</td>
<td>$26.65</td>
<td>$26.65</td>
</tr>
<tr>
<td>1998</td>
<td>$163.9</td>
<td>$163.9</td>
<td>$26.65</td>
</tr>
<tr>
<td>2001</td>
<td>$11,284</td>
<td>$11,284</td>
<td>$0.51</td>
</tr>
<tr>
<td>2004</td>
<td>$26.65</td>
<td>$26.65</td>
<td>$26.65</td>
</tr>
</tbody>
</table>
Long-term Progress

Years ended April 30th

Debt to Capital (%)  Interest Coverage (times)

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt to Capital (%)</th>
<th>Interest Coverage (times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>62.4</td>
<td>1.4</td>
</tr>
<tr>
<td>1999</td>
<td>72.3</td>
<td>1.6</td>
</tr>
<tr>
<td>2000</td>
<td>61.4</td>
<td>1.9</td>
</tr>
<tr>
<td>2001</td>
<td>46.4</td>
<td>2.3</td>
</tr>
<tr>
<td>2002</td>
<td>49.6</td>
<td>3.7</td>
</tr>
<tr>
<td>2003</td>
<td>45.9</td>
<td>4.8</td>
</tr>
<tr>
<td>2004</td>
<td>41.7</td>
<td>4.6</td>
</tr>
</tbody>
</table>
Continued Progress in Fiscal 2005...
## Empire Company

<table>
<thead>
<tr>
<th>Revenues ($ in millions)</th>
<th>Operating Earnings ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>39 weeks ended Jan 31/04</strong></td>
<td><strong>39 weeks ended Jan 29/05</strong></td>
</tr>
<tr>
<td>$8,407.6</td>
<td>$9,075.0</td>
</tr>
<tr>
<td>$122.8</td>
<td>$133.8</td>
</tr>
</tbody>
</table>

39 weeks ended Jan 31/04

39 weeks ended Jan 29/05
Empire Company

Net Debt to Total Capital (percentage)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2004</th>
<th>Q3 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>41.8%</td>
<td>40.0%</td>
<td></td>
</tr>
</tbody>
</table>

Interest Coverage (times)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2004</th>
<th>Q3 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6x</td>
<td>5.2x</td>
<td></td>
</tr>
</tbody>
</table>
EMPIRE NET ASSET VALUE
EMPIRE COMPANY LIMITED
AT January 29, 2005
EMPIRE’S NET ASSET VALUE EQUALS $2.35 BILLION OR $35.77 PER SHARE

**Empire**

**Sobeys Inc**
- 43.17mm shrs
- NAV $1,474mm
- Per Share $22.42
- % of total NAV 60.3%

**Real Estate Group**
- 35.7% Interest in Genstar
- NAV $486mm*
- Per Share $7.39
- % of total NAV 19.9%

**Empire Theatres**
- 66.1%
- NAV $61mm
- Per Share $0.93
- % of total NAV 2.5%

**Wajax**
- 47.5%
- 7.453mm shrs
- NAV $99mm
- Per Share $1.50
- % of total NAV 4.0%

**Liquid Investment Portfolio**
- 13.3%
- 43.17mm shrs
- NAV $61mm
- Per Share $0.93
- % of total NAV 2.5%

*Commencing April 30, 2004, Real Estate NAV was calculated as 9x trailing funds from commercial operations plus 5x trailing funds from operations from residential operations. Prior to April 30, 2004 Real Estate NAV was calculated as 9x CPL FFO + 7x SLP FFO + 4x net

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<table>
<thead>
<tr>
<th>In $</th>
<th>Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Value</td>
<td>$2,445mm</td>
</tr>
<tr>
<td>Less Debt &amp; Preferred Shares</td>
<td>93mm</td>
</tr>
<tr>
<td>Net Asset Value at Jan 29, 2005</td>
<td>$2,352mm</td>
</tr>
</tbody>
</table>
Food Distribution
## Food Distribution

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue ($ in millions)</strong></td>
<td>8,942</td>
<td>9,163</td>
<td>9,732</td>
<td>10,415</td>
<td>11,047</td>
</tr>
<tr>
<td><strong>Operating Earnings ($ in millions)</strong></td>
<td>80.2</td>
<td>91.2</td>
<td>141.7</td>
<td>179.0</td>
<td>167.5</td>
</tr>
</tbody>
</table>

Years ended April 30th
Food Distribution

During Fiscal 2004…

- 61 new stores opened or replaced
- 28 stores expanded or renovated
- 89 banner conversions
Food Distribution

Company-wide Capital Expenditures
($ in millions)

Years ended April 30th
## Food Distribution

### Revenues

<table>
<thead>
<tr>
<th>Period</th>
<th>Revenues ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>39 weeks ended Jan 31/04</td>
<td>$8,243.7</td>
</tr>
<tr>
<td>39 weeks ended Jan 29/05</td>
<td>$8,894.7</td>
</tr>
</tbody>
</table>

### Same Store Sales Growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2004</td>
<td>1.5%</td>
</tr>
<tr>
<td>Q3 2005</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
Food Distribution

Net Earnings
($ in millions)

<table>
<thead>
<tr>
<th>39 weeks ended Jan 31/04</th>
<th>39 weeks ended Jan 29/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>$129.1</td>
<td>$138.9</td>
</tr>
</tbody>
</table>

Earning per Share

<table>
<thead>
<tr>
<th>39 weeks ended Jan 31/04</th>
<th>39 weeks ended Jan 29/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.96</td>
<td>$2.12</td>
</tr>
</tbody>
</table>
Food Distribution

EBITDA
($ in millions)

39 weeks ended Jan 31/04
$336.8

39 weeks ended Jan 29/05
$365.7

EBITDA Margin

39 weeks ended Jan 31/04
4.09%

39 weeks ended Jan 29/05
4.11%
Food Distribution

Since the beginning of the fiscal year…..

• 27 new stores opened or replaced
• 12 stores expanded or renovated
• 19 banner conversions
Real Estate
Real Estate Profile as of April 30, 2004

• 12.9 Million square feet under ownership
  (87% Retail/13% Office)
  
  • Crombie Properties Limited:
    • 38 retail centres, 9 office properties, & 8.2 million sq. ft.
  
  • Sobey Leased Properties:
    • 35 strip centres & 4.7 million sq. ft.

• 40% of retail portfolio leased to Empire-affiliated companies
Real Estate

Revenue
($ in millions)

Operating Earnings
($ in millions)

Years ended April 30th
Segmented Real Estate FFO and Net Earnings
($ in millions)

Funds From Operations

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>27.5</td>
<td>0.0</td>
</tr>
<tr>
<td>2001</td>
<td>27.9</td>
<td>0.8</td>
</tr>
<tr>
<td>2002</td>
<td>26.1</td>
<td>16.4</td>
</tr>
<tr>
<td>2003</td>
<td>37.3</td>
<td>17.6</td>
</tr>
<tr>
<td>2004</td>
<td>40.8</td>
<td>17.1</td>
</tr>
</tbody>
</table>

Net Earnings

<table>
<thead>
<tr>
<th></th>
<th>Commercial</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>7.5</td>
<td>0.0</td>
</tr>
<tr>
<td>2001</td>
<td>15.0</td>
<td>0.8</td>
</tr>
<tr>
<td>2002</td>
<td>34.5</td>
<td>14.2</td>
</tr>
<tr>
<td>2003</td>
<td>38.9</td>
<td>12.8</td>
</tr>
<tr>
<td>2004</td>
<td>41.9</td>
<td>21.1</td>
</tr>
</tbody>
</table>

Years ended April 30th
Real Estate Strategic Focus

• Continues to be on the growth and development of our commercial property portfolio and our residential land development business via Genstar.
  – Acquisition of properties that meet our economic valuation criteria (Ontario is a priority)
  – Pursue co-development opportunities with Sobeys outside of Atlantic Canada
  – Develop and buy individual sites and portfolios of food-anchored strips, particularly in secondary centres
Real Estate
Expected Results of our Strategy

• We expect strong carrying returns and a significant increase in net asset value
• Higher rental operating margin is expected through active management of the existing portfolio, and accretive acquisitions and developments in Ontario
• Ongoing growth of funds from operations with greater diversification
Over One Million Square Feet in Ontario and Quebec
Genstar

- 8.1% growth in operating earnings
- Continued growth in Canada and the U.S.
- Focused strategic approach
Real Estate

Revenues
($ in millions)

<table>
<thead>
<tr>
<th>39 weeks ended Jan 31/04</th>
<th>39 weeks ended Jan 29/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>$152.4</td>
<td>$167.8</td>
</tr>
</tbody>
</table>

Operating Earnings
($ in millions)

<table>
<thead>
<tr>
<th>39 weeks ended Jan 31/04</th>
<th>39 weeks ended Jan 29/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>$29.3</td>
<td>$31.4</td>
</tr>
</tbody>
</table>
Occupancy rates have remained strong....

- Vacancy rates have remained relatively low in a stable operating environment.
- Renewal of existing leases have been transacted at higher net effective rates.
- Diversified retail tenant base
Empire Theatres
Empire Theatres

• On July 15, 2004, Empire Theatres announced its acquisition of four Famous Players’ cinemas in Atlantic Canada for approximately $7 million

As of January 29, 2005:
• 196 screens in 32 locations
  ♦ 176 screens in 27 Atlantic Canada locations
  ♦ 20 screens in 5 Western Canada locations
• Enhanced offerings and record revenues and earnings
Empire Theatres

- Strong growth in revenues and earnings over last year
- Since the beginning of fiscal 2005...
- New opening in Bridgewater, NS and Fort St John, BC
- Announced expansion in Brandon, MB
- Acquisition of a 4-plex in Rothesay, NB and a 5-plex in Winkler, MB
Content is King

Fiscal 2004

Fiscal 2005
Investments
Investments

Empire has a disciplined, long-term approach to building value through its investment division.

• Portfolio returns have outperformed market returns over the long term.
  – Calendar 2004 Total Return of 24.6% was above S&P/TSX Index return of 14.5% and S&P 500 Index return of 3.3%
  – Four year compounded annual return of 16.2% was well above S&P/TSX Index return of 2.7%

• Investment Capital has been reallocated to support core operating companies and to enhance net asset value.
Investment Portfolio Total Return vs. Benchmarks

$100 invested on April 30, 2000

- Empire Portfolio: $146.39
- S&P/TSX Index: $96.89
- S&P 500 Index: $73.99 (in Cdn. $)

Graph showing the performance of investments over the years 2000 to 2004.
Investment Portfolio Total Return vs. Benchmarks

Calendar 2004 Return

- Empire: 24.6%
- S&P/TSX Index: 14.5%
- S&P 500 Index: 3.3%

(in Cdn. $)
Capital Allocation from Investments

• Over $500 million has been allocated from the portfolio over the past five years to support the growth of our core operating businesses and net asset value
  – $335 million towards our food business
  – $30 million towards Genstar
  – $200 million towards debt repayment and preferred share repurchases
## Empire Company Limited
### Empire’s Holding Company Cash Flow

($ in millions)

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sobeys</td>
<td>$21.5</td>
</tr>
<tr>
<td>Real Estate</td>
<td>60.1</td>
</tr>
<tr>
<td>Investments &amp; Other</td>
<td>20.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$102.5</strong></td>
</tr>
</tbody>
</table>

- **50¢ Dividend per Share**
- **Operating Cash Flow**
- **Theatres OCF + Investment cash dividends**

**Corporate Costs**
- (including interest) (9.9)
- Maintenance Capex (10.0)
- Annual Common Dividend @ 48¢ per share (31.5)

**Net Cash Flow** $51.1
EMPIRE

Risk Assessment

What we value
Empire Company Limited
Business Risk

Variability in sales and cash flow is relatively low as a result of...

• Diversified cash flow mix between Food, Real Estate, and Other Operations
• Non-cyclical nature of core business (stable cash flows from food business and related real estate)
• Retail geographic diversification
• Real Estate diversification in retail, office, and residential with primary choice locations throughout
• New, well located food stores, operating under a variety of store formats, sizes and banners
• Long-term buying agreements with franchise affiliates
Empire Company Limited
Financial Risk

- Debt to total capital position has declined over the last year - from 41.8% to 40.0%
- The majority of Empire’s consolidated debt is at fixed rates with staggered maturities
- Floating to total Debt, at 13%, is well below our Internal Guideline of 35%
- Interest Coverage is healthy
- Empire has hedged the bulk of its exposure to currency fluctuations through the use of U.S. dollar debt
Empire Company Limited
Liquidity Risk

Empire’s financial flexibility continues to strengthen...

- Empire direct cash and marketable investments, net of bank loans and preferred shares exceeds $300 million and is unencumbered
- Empire direct authorized short term credit facilities exceed borrowings by more than $250 million
- Empire direct debt to the market value of Empire Group Investments is 6.4%
- Empire maintains direct access to capital markets
- Empire’s NAV is about $1.8 billion higher than total consolidated short term loans
Summary

• We feel Empire offers the Investor:
  – Demonstrated Growth in Revenue and Earnings
  – Sound Strategic Direction
  – Focus on Strong Corporate Governance
  – Discount to Net Asset Value
  – Below Market P/E
EMPIRE

What we value