EMPIRE

Clearly focused on our strengths

CIBC World Markets Retail Conference
March 5, 2008
## Empire’s Businesses
**March 2008**

### Food Distribution
- Sobeys Inc.
  (Empire owns 100% of Sobeys)

### Real Estate
- Crombie REIT
  (48.1% ownership)

### Investments & Other
- Empire Theatres
  (400 screens in 59 locations)

- Key Banners: Sobeys, IGA, IGA extra, Price Chopper, Thrifty Foods
- Sobeys Leased Properties
  (4.4 million GLA)
- Wajax Income Fund
  (27.6% ownership)
Empire is Clearly Focused on its Core Businesses: Food Retail and Real Estate

- Grow long-term shareholder value
- Businesses that we know and understand
- Passionate commitment to build on synergies
Financial Perspective

Revenue (L4Q) $13.6 Billion
- Food Distribution 98.0%
- Investments & Other Operations 1%
- Real Estate 1%

EBITDA (L4Q) $720.5
- Food Distribution 76%
- Investments & Other Operations 7%
- Real Estate 17%

Assets (Nov. 3/'07) $5.8 Billion
- Food Distribution 84%
- Investments & Other Operations 4%
- Real Estate 11%

Operating Income (L4Q) $451.8 Million
- Food Distribution 70%
- Investments & Other Operations 5%
- Real Estate 25%

Note: L4Q to second quarter ended Nov 3/07

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Rationale for Sobeys Privatization

- Confidence in our food-focused strategy
- Strengthens relationship
- Effective capital allocation
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Long-term Progress
1983 - 2007

- Revenue ($ in millions)
- Operating Earnings ($ in millions)
- Share Price ($ per share)

Fiscal Year-End

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Revenue Growth has averaged 16.9% per year over the past 10 years.
Earnings per share before capital gains and other items

Growth has averaged 16.9% over the past 10 years
Dividend Growth

Dividends have increased on average 18.5% over the past 10 years. Subsequent to year-end, announced a 10% increase to $0.66 annually (cents/share).
Share Price Growth

Shareholder total return has averaged 18.4% per year over the past 10 years

Fiscal Year-End

$0 $10 $20 $30 $40 $50


$53.25

$7.85
Empire Company Limited First 26 weeks of Fiscal 2008
Ended November 3, 2007

Highlights
• $6.85 billion of revenue, up 4.4%
• 2.9% same-stores sales growth
• Operating earnings per share of $1.83, up 16.6%
• $3.05 net earnings per share versus $1.66 per share last year

Going Forward
• Long-term sustainability and value creation
Real Estate
Real Estate includes Commercial and Residential Property Operations

Commercial
- Crombie REIT (48.1% ownership) - 8.0 million sq. ft.
- Sobey Leased Properties - 4.4 million sq. ft.
- ECL Developments - 1.3 million sq. ft.

Residential
- Genstar Development Partnership (35.7% ownership)
Real Estate Division

• The focus will be on the development and sale of food-anchored retail centres
• Established ECL Developments to work closely with Sobeys to build a property pipeline
• Developed properties will be first offered for sale to Crombie REIT
• Announced on February 25/08 the sale of 61 properties owned by Sobey Leased Properties to Crombie REIT for $428.5 million.
Empire’s Real Estate and Food Retail Businesses complement each other and, in turn, increase each other’s value.

- Anchor for Real Estate
  - Sobeys Inc.
  - Flexibility & Control Over Locations

- Right to Purchase New Properties
  - ECL Properties
  - Earns Spread on Selling Price Less Development Cost
  - Crombie REIT
Investment Division

- Average total four-year return of 27.3%
- Sold our liquid investment portfolio to assist in funding the privatization of Sobeys in June/07
- Retained our 27.6% interest in Wajax Income Fund
- $750 million of cumulative net capital gains since F2001 to end of Q2 F2008
Solid Performance from Wajax

Our investment in Wajax allows us to participate nationally in:

- mobile equipment
- industrial components
- power systems

Wajax continues to have strong growth in earnings
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Going Forward

- Growing the long-term sustainability of our Food, Real Estate and related businesses

- Committed to decisions that will grow cash flow and net asset values over the long-term
Food Retailing

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F2007 Accomplishments

- Steadfast Focus on Our Strategy
- Continued Operational Improvements
- ADL Acquisition
- Logistics and Distribution Advancements
- Compliments Development
- 100th Anniversary of Sobeys

100 Years in Food
Consistent Sales Growth

Revenue
($ in billions)

Fiscal Year-End

$14
$12
$10
$8
$6
$4
$2
$0

2003 2004 2005 2006 2007

$10.4 $11.0 $12.2 $12.7 $13.0

Same-Store Sales Growth

Fiscal Year-End

2003 2004 2005 2006 2007

3.2% 1.4% 3.7% 4.0% 2.4%
Net Earnings Growth
($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Earnings</th>
<th>Business Process, Rationalization and System Initiative Costs</th>
<th>Fiscal Year-End</th>
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<tbody>
<tr>
<td>2003</td>
<td>178.1</td>
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<tr>
<td>2004</td>
<td>166.5</td>
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<td>2005</td>
<td>186.7</td>
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<td>2006</td>
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<tr>
<td>2007</td>
<td>173.4</td>
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“Best in Food” Stores

• Stronger Pricing

• Improved Operating Standards

• Innovation

• Improved and Increased Square Footage
  - Store Development And Acquisition
  - Enlargement And Renovation
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Square Footage +22% Over 5 years
(in millions sq. ft.)

- 2002: 21.6
- 2003: 22.6
- 2004: 24.1
- 2005: 25.1
- 2006: 25.4
- 2007: 26.4

F2007
- $483 M in Stores
- 48 New or Replaced
- 24 Expanded or Reno
- 49 Rebannered

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Strategic Acquisitions

ADL (Q2 F2007)

• Strengthens Northern Quebec
• 25 Stores Added

Thrifty Foods (Q2 F2008)

• Great Food, Fresh Excellence, Superior Service
• #1 Market Share Position
• 21 Stores In British Columbia
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Sobeys First 26 weeks of Fiscal 2008
 Ended November 3, 2007

• +4.4%  Sales  ($6.85 B vs $6.58 B)

• +2.9%  Comparable Stores Sales

• +10.7%  Operating Income  ($186M vs $168M)

• +11.1%  EBITDA  ($316M vs $285M)

• $191M Capital Expenditures
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Sobeys Strategy

Be the Best Food Retailer in Canada
  - Food
  - Excellence In Fresh Food
  - Superior Customer Service
  - The Right Format, Right-sized Stores For Each Market We Serve
Imperatives

• Continue To Invest In And Develop Our People As We Nurture Our Superior Service And High-performance Culture
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• Continue To Invest In And Develop Our People As We Nurture Our Superior Service And High-performance Culture

• Customer Focused Service, Product Development and Innovation
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• Continue To Invest In And Develop Our People As We Nurture Our Superior Service And High-performance Culture

• Customer Focused Service,
• Product Development and Innovation

• Infrastructure Investment and Cost Reductions