Welcome to the Empire 2008 Annual General Meeting
Focused on Governance
clearly focused on our strengths
Clearly Focused on Core Businesses: Food Retailing and Real Estate

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

- Confidence in our food-focused strategy
- Strengthens relationship
- Effective capital allocation
10-Year Average 14.2% Earnings Growth

Earnings before capital gains and other items
($ in millions)


Fiscal Year-End

EMPIRE
Focused on Experience

John Bragg
Recipient of ICD Fellowship Award

Paul Jewer
Recognized as one of Canada’s Top 40 Under 40™
Focused on Leadership

An Industry First: Nova Scotia’s First Chartered Accountant Training Office
Focused on Governance
clearly focused on

our strengths
Fiscal 2008
A Transformational Year

- Sobeys Privatization
- Acquisition of Thrifty Foods
- Sale of 61 properties to Crombie REIT
10-Year Average 17.1% Revenue Growth

Consolidated Revenue ($ in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in billions)</th>
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<tbody>
<tr>
<td>1998</td>
<td>$2.91</td>
</tr>
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<td>1999</td>
<td>$2.91</td>
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<td>2000</td>
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<td>2006</td>
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</tr>
<tr>
<td>2007</td>
<td>$2.91</td>
</tr>
<tr>
<td>2008</td>
<td>$14.07</td>
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</table>
10-Year Average 15.8% Operating Earnings Growth

Earnings per share before capital gains and other items ($ per share)

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<tbody>
<tr>
<td></td>
<td>$0.85</td>
<td>$0.78</td>
<td>$1.10</td>
<td>$1.33</td>
<td>$2.00</td>
<td>$2.42</td>
<td>$2.48</td>
<td>$2.78</td>
<td>$3.07</td>
<td>$3.04</td>
<td>$3.69</td>
</tr>
</tbody>
</table>
• Capital gains and other items, net of tax of $73 million
• Cash proceeds of $373 million on retail real estate portfolio sale to Crombie REIT
• Debt to Capital ratio 39.8%
Subsequent to year-end, Empire announced an increase to $0.70 annually (cents/share)
10-Year Average 12% Share Price Growth

Share Price
($ per share)

Fiscal Year-End


$13.63 $47.86

$39.25

EMPIRE
10-Year Average 17.7% Book Value Growth

Book Value
($ per share)

Fiscal Year-End


$7.06 $9.03 $8.73 $16.82 $19.47 $21.41 $23.67 $25.87 $29.77 $32.31 $36.14
clearly focused on

our strengths
Food Retailing
A 5.6% increase in sales

Revenue
($ in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$11.0</td>
</tr>
<tr>
<td>2005</td>
<td>$12.2</td>
</tr>
<tr>
<td>2006</td>
<td>$12.7</td>
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<tr>
<td>2007</td>
<td>$13.0</td>
</tr>
<tr>
<td>2008</td>
<td>$13.8</td>
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</tbody>
</table>
Food Retailing

Same-Store Sales Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1.4%</td>
</tr>
<tr>
<td>2005</td>
<td>3.7%</td>
</tr>
<tr>
<td>2006</td>
<td>4.0%</td>
</tr>
<tr>
<td>2007</td>
<td>2.4%</td>
</tr>
<tr>
<td>2008</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Fiscal Year-End
Operating Income
($ in millions)

- 23.4% increase in operating income
- Increase in operating margin to 2.64% from 2.23% in 2007
Sobeys remains committed to:

- Ongoing investment in tools and processes to effectively satisfy customer needs
- The engagement and development of employees, franchisees and affiliates
- Ensuring optimal service to our stores
Food Retailing

Capital Expenditures
($ in millions)

2004 2005 2006 2007 2008

Fiscal Year-End

$316 $269 $332 $447 $481
During F2008

- 44 new stores opened or replaced
- 22 stores acquired
  - Including 20 Thrifty Food Stores
- 31 stores expanded or renovated
- 60 stores rebannered/redeveloped
- 67 stores closed
Food Retailing

During F2008

- 44 new stores opened or replaced
- 22 stores acquired
  - Including 20 Thrifty Food Stores
- 31 stores expanded or renovated
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- 67 stores closed
Food Retailing

**Square Footage (millions)**

- 2004: 24.1
- 2005: 25.1
- 2006: 25.4
- 2007: 26.4
- 2008: 27.2

+20% over last five years

**Total Retail Store Count**

- 2004: 1,311
- 2005: 1,314
- 2006: 1,296
- 2007: 1,332
- 2008: 1,348

+2% over last five years

Fiscal Year-End
**Key Imperatives:**

- Continue to improve our operations to help our people provide the best customer service

- Continue to streamline our business processes, systems and supply chain

- Continue to innovate the products and services that we offer
Real Estate

Substantial Strategic Progress

• Creation of Crombie REIT
• Sale of 3.3 million sq. ft. to Crombie REIT
• Transition to a property developer
Real Estate

Crombie REIT

- 47.9% ownership interest
- 113 properties in seven provinces
- 11.3 million sq. ft.
Real Estate

Net Earnings (1)
($ in millions)

(1) excludes capital gains, net of tax

Fiscal Year-End

2004 2005 2006 2007 2008

$38.0 $45.7 $59.6 $67.8 $54.8
Real Estate

Crombie REIT

• Equity contribution of $13.6 million in fiscal 2008
• Empire owns 25.1 million units of Crombie REIT
• Trailing annual FFO $51.3 million
Genstar

• 35.7% ownership interest
• Revenue of $85.2 million
• Net earnings of $34.7 million
• Genstar has generated over $250 million in cash on an initial investment of $29 million
Real Estate

ECL Developments

• Transition to property developer
• 10 retail developments comprised of 1.1 million sq. ft.
• F’08 after-tax **economic gain** on SLP sale to the REIT
Empire Theatres

- 2nd largest movie exhibitor in Canada
- 53 locations representing 387 screens in eight provinces
- New locations opened during fiscal 2008:
  - Dartmouth, NS
  - Bolton, ON
- Innovative programming:
  - The Metropolitan Opera
  - The Royal Opera House
  - Royal Ballet
  - World Wrestling Entertainment
Wajax

- Celebrating 150 Years
- $19.7 million equity earnings (an investment return of 14%)
- Leading Canadian distributor and service provider of:
  - Mobile equipment
  - Industrial components
  - Power systems
Fiscal 2009

Off to a Good Start
Empire Company Limited
Q1 Fiscal 2009

Highlights

• $3.78 billion of revenue, up 7.4%
• 3.0% same-stores sales growth
• $70.3 million operating earnings ($1.07 per share)
  – Record Q1; growth of 16.4% YoY
• $75.1 million net earnings ($1.14 per share)
• Debt to capital rate declined to 38.5%
• Committed to supporting Sobeys
• Committed to the development of new food-anchored shopping plazas
• Committed to reducing our leverage
clearly focused on

our strengths