EMPIRE
COMPANY LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE 13 AND 26 WEEKS ENDED NOVEMBER 4, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("MD&A") of the consolidated financial results of Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) and its subsidiaries, including wholly-owned Sobeys Inc. ("Sobeys") for the 13 and 26 weeks ended November 4, 2017 compared to the 13 and 26 weeks ended November 5, 2016. The MD&A should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and notes thereto for the 13 and 26 weeks ended November 4, 2017 compared to the 13 and 26 weeks ended November 5, 2016, and the audited annual consolidated financial statements for the 52 weeks ended May 6, 2017, and the related MD&A. Additional information about the Company can be found on SEDAR at www.sedar.com or on the Company's website at www.empireco.ca.

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB") and are reported in Canadian dollars ("CAD"). The unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended May 6, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. The unaudited interim condensed consolidated financial statements include the accounts of Empire and its subsidiaries and structured entities ("SEs") which the Company is required to consolidate.

The information contained in this MD&A is current to December 13, 2017 unless otherwise noted. There have been no material changes to disclosures as contained in the "Critical Accounting Estimates", "Contingencies" or "Risk Management" sections of the Company's MD&A for the 52 weeks ended May 6, 2017 other than as noted in this MD&A.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Company's financial position and understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" and other similar expressions or the negative of these terms.

These forward-looking statements include, but are not limited to, the following items:

- The Company's expectations regarding the impact of Project Sunrise, including expected cost savings and efficiencies resulting from this transformation initiative, and the expected timing and amount of one-time costs, which could be impacted by several factors, including the time required by the Company to complete the project as well as the factors identified under the heading "Risk Management" in the fiscal 2017 annual MD&A;

- The Company's expectations regarding the impact of minimum wage increases in Ontario and Alberta and the Company's ability to mitigate the financial impact of these increases which may be impacted by factors described under the heading "Minimum Wage Increases";

- The Company's expected contributions to its registered defined benefit plans, which could be impacted by fluctuations in capital markets;

- The Company's assessment that its operational and capital structure is sufficient to meet its ongoing business requirements, which could be impacted by changes in the current economic environment; and

- The Company's expectation that its cash and cash equivalents on hand, unutilized credit facilities and cash generated from operating activities will enable the Company to fund future capital investments, pension plan contributions, working capital, current funded debt obligations and ongoing business requirements, and its belief that it has sufficient funding in place to meet these requirements and other short and long-term obligations, all of which could be impacted by changes in the economic environment.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2017 annual MD&A.

Although the Company believes the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can provide no assurance that such matters will prove correct. 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. The forward-looking information in this document reflects the Company's current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

OVERVIEW OF THE BUSINESS

Empire's key businesses and financial results are segmented into two separate reportable segments: (i) Food retailing and (ii) Investments and other operations. With approximately $24.0 billion in annualized sales and $8.6 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 125,000 people.

Food Retailing

Empire's Food retailing segment is carried out through Sobeys, a wholly-owned subsidiary. Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. Sobeys owns, affiliates or franchises more than 1,500 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods and Lawtons Drugs as well as more than 350 retail fuel locations.

Strategic Imperatives(1)

In the fourth quarter of fiscal 2017, the Company launched Project Sunrise, a comprehensive three year transformation intended to simplify the organizational structure and reduce costs. The transformation is expected to result in approximately $500 million in annualized cost savings by fiscal 2020.

Including Project Sunrise, the Company is focused on four primary strategic initiatives:

(i) Organizational Structure Changes

Changes in the Company's organizational structure include collapsing multiple independent regions into a national, functionally-led structure. This will simplify the way the Company conducts business and will result in a reduced workforce. The transformation initiative is intended to address the complex organizational structure that has resulted in significant duplication and lack of clear, defined accountabilities. This initiative will not only reduce costs, but result in an increased level of authority and scope for leadership, allowing for more nimble and responsive decision making to support the needs of customers and capitalize on changes in the marketplace, and enable more effective execution of the Company's strategic initiatives.

These organizational changes are expected to be materially completed by the end of fiscal 2018. The Company incurred costs of $40.0 million in the first quarter and $129.2 million in the second quarter of fiscal 2018 related to this transformational initiative, for a total of approximately $170 million. The remainder of costs associated with this initiative will be incurred and mostly charged to earnings during the second half of the year.

In June 2017, the Company estimated it would incur approximately $200 million in one-time cash costs associated with severance, relocation, consulting and minor system developments. As the initiative has progressed, management has finalized its estimate of one-time costs and determined that one-time costs for the initiative will not exceed $240 million. These estimates of future costs exclude potential changes to office facilities and any related closure or sale of redundant real estate related to the re-organization as no decision has yet been made related to office facilities. Should the Company rationalize office space, certain additional non-cash charges related to property write-downs or non-productive leases may be required.

This marks the substantial completion of the first phase of the Company's three year transformation. Cost benefits related to this phase, which are included in the total benefits estimate of $500 million, are expected to meet or exceed expectations.

(1) This section constitutes forward looking information described under the "Forward-Looking Information" section of this MD&A.

(ii) Cost Reduction

Management has undertaken a detailed assessment of cost reduction opportunities available to the Company, including benchmarking its costs against other businesses, and is executing against a phased plan to permanently reduce its cost base. Execution against these cost initiatives is progressing well and cost reductions from these initiatives were reflected in results in the second quarter, with greater cost reductions expected in the second half of fiscal 2018. Cost reductions will be sourced from reductions in headcount arising from organizational structure changes and process improvement, targeting specific enterprise-wide efficiencies and productivity initiatives and simplifying how the Company collaborates with vendors while leveraging its purchasing scale as a $24 billion nationally managed Company.

(iii) Customer Focus

Significant work is underway to better understand Sobeys' brands banner positioning, customers and marketing initiatives. Management is undertaking a comprehensive review of its customers, the relative positioning of its categories and store banners. As a result of this ongoing review, the Company has decided it will convert up to 25% of its 255 Safeway and Sobeys full-service format stores in Western Canada to its discount FreshCo banner over the next five years. Research conducted to date indicates that the FreshCo banner will resonate with consumers in Western Canada. Moving forward, management will continue to engage in the customer and market research necessary to improve its proposition to Canadian grocery customers, allowing the Company to compete more effectively and grow both its top line sales and margins.

(iv) West Business Unit

Challenges faced in the West business unit arising from the integration of the Canada Safeway acquisition resulted in significant decreases in sales and profitability. Management has focused on short-term initiatives in the West, the most significant of these was an immediate move to stabilize margins. These early initiatives have been reflected in improving earnings and same-store sales in the Western business, however there is more progress required in marketing, merchandising and operations to return Western stores to stronger levels of profitability. The recently announced decision to convert some stores in this region to a discount format is also expected to contribute to earnings growth. The assessment of underperforming stores is ongoing and it is expected that a limited number of stores will be closed.

Other Significant Item

Minimum Wage Increases

The Company will incur increased labour costs starting at the end of the third quarter of fiscal 2018 as a result of minimum wage increases in Ontario and Alberta and other effects associated with the Fair Workplaces, Better Jobs Act, 2017 ("Bill 148") that was recently passed into law in Ontario. As noted last quarter, the Company estimates the unmitigated financial impact of the minimum wage increases in Ontario and Alberta could be up to $25 million in fiscal 2018 and $70 million in fiscal 2019. These estimates represent only the wage increase for people in the business earning less than the anticipated new wage rates, and do not assume any changes in the compensation of other wage bands. Other incremental impacts of Bill 148, including wage parity, could increase the potential impact by up to $20 million in fiscal 2019.

The Company has developed plans to mitigate the immediate impact of the minimum wage and Bill 148 increases and expects these plans will offset the effect of increases in fiscal 2018. The Company continues to develop further plans to mitigate the full year impacts for fiscal 2019, but there is some risk that the Company may not be able to fully offset the effects on earnings considering the short transition period of the cost increases.

SUMMARY RESULTS – SECOND QUARTER

($ in millions, except per share amounts)	13 Weeks Ended				26 Weeks Ended			
	Nov. 4, 2017	Nov. 5, 2016	$ Change	% Change	**Nov. 4, 2017**	Nov. 5, 2016	$ Change	% Change
Sales	**$ 6,026.1**	$ 5,930.9	$ 95.2	1.6%	**$ 12,299.3**	$ 12,117.5	$ 181.8	1.5%
Gross profit[1]	**1,473.5**	1,400.7	72.8	5.2%	**3,004.5**	2,891.5	113.0	3.9%
EBITDA[1]	**113.0**	187.8	(74.8)	(39.8)%	**351.8**	426.1	(74.3)	(17.4)%
Adjusted EBITDA[1]	**242.2**	181.2	61.0	33.7%	**521.0**	424.3	96.7	22.8%
Operating income	**2.6**	76.4	(73.8)	(96.6)%	**127.8**	203.0	(75.2)	(37.0)%
Adjusted operating income[1]	**138.3**	76.2	62.1	81.5%	**310.0**	214.1	95.9	44.8%
Finance costs, net	**29.8**	30.3	(0.5)	(1.7)%	**58.5**	61.5	(3.0)	(4.9)%
Income tax (recovery) expense	**(8.5)**	11.9	(20.4)	(171.4)%	**21.6**	29.7	(8.1)	(27.3)%
Non-controlling interest	**4.9**	1.1	3.8	345.5%	**17.3**	13.3	4.0	30.1%
Net (loss) earnings[2]	**(23.6)**	33.1	(56.7)	(171.3)%	**30.4**	98.5	(68.1)	(69.1)%
Adjusted net earnings[1][2]	**73.9**	32.9	41.0	124.6%	**161.4**	106.5	54.9	51.5%
Basic earnings per share								
Net (loss) earnings[2][3]	**$ (0.09)**	$ 0.12	$ (0.21)		**$ 0.11**	$ 0.36	$ (0.25)	
Adjusted net earnings[1][2]	**$ 0.27**	$ 0.12	$ 0.15		**$ 0.59**	$ 0.39	$ 0.20	
Basic weighted average number of shares outstanding (in millions)	**271.8**	271.6			**271.8**	271.7		
Diluted earnings per share								
Net (loss) earnings[2][3]	**$ (0.09)**	$ 0.12	$ (0.21)		**$ 0.11**	$ 0.36	$ (0.25)	
Adjusted net earnings[1][2]	**$ 0.27**	$ 0.12	$ 0.15		**$ 0.59**	$ 0.39	$ 0.20	
Diluted weighted average number of shares outstanding (in millions)	**271.8**	272.2			**271.9**	272.2		
Dividend per share	**$ 0.1050**	$ 0.1025			**$ 0.2100**	$ 0.2050		

(Consolidated operating results as a % of sales)	13 Weeks Ended		26 Weeks Ended	
	Nov. 4, 2017	Nov. 5, 2016	**Nov. 4, 2017**	Nov. 5, 2016
Gross profit	**24.5%**	23.6%	**24.4%**	23.9%
EBITDA	**1.9%**	3.2%	**2.9%**	3.5%
Adjusted EBITDA	**4.0%**	3.1%	**4.2%**	3.5%
Adjusted operating income	**2.3%**	1.3%	**2.5%**	1.8%
Adjusted net earnings[2]	**1.2%**	0.6%	**1.3%**	0.9%

	13 Weeks Ended		26 Weeks Ended	
	Nov. 4, 2017	Nov. 5, 2016	**Nov. 4, 2017**	Nov. 5, 2016
Same-store sales[1] growth (decline)	**0.6%**	(2.8)%	**0.6%**	(2.3)%
Same-store sales growth (decline), excluding fuel	**0.4%**	(2.6)%	**0.5%**	(1.9)%
Effective income tax rate	**31.3%**	25.8%	**31.2%**	21.0%
Adjusted interest coverage[1]	**5.3x**	3.0x	**6.0x**	4.1x

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.
(2) Net of non-controlling interest.
(3) For the 13 weeks ended November 4, 2017, the weighted average number of shares used for the purpose of basic and diluted loss per share is equal, as the impact of all potential common shares would be anti-dilutive.

The following is a review of Empire's Food retailing segment's financial performance, comprising the consolidated results of Sobeys Inc.

	13 Weeks Ended		$	%	26 Weeks Ended		$	%
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	Change	Change	**Nov. 4, 2017**	Nov. 5, 2016	Change	Change
Sales	**$ 6,026.1**	$ 5,930.9	$ 95.2	1.6%	**$ 12,299.3**	$ 12,117.5	$ 181.8	1.5%
Gross profit	**1,473.5**	1,400.7	72.8	5.2%	**3,004.5**	2,891.5	113.0	3.9%
EBITDA	**98.5**	164.5	(66.0)	(40.1)%	**323.4**	387.9	(64.5)	(16.6)%
Adjusted EBITDA	**227.7**	157.9	69.8	44.2%	**492.6**	386.1	106.5	27.6%
Operating (loss) income	**(11.7)**	53.3	(65.0)	(122.0)%	**99.6**	165.1	(65.5)	(39.7)%
Adjusted operating income	**124.0**	53.1	70.9	133.5%	**281.8**	176.2	105.6	59.9%
Net (loss) earnings[(1)]	**(31.9)**	19.1	(51.0)	(267.0)%	**17.8**	75.7	(57.9)	(76.5)%
Adjusted net earnings[(1)]	**65.6**	18.9	46.7	247.1%	**148.8**	83.7	65.1	77.8%

(1) Net of non-controlling interest.

Sales

Sales increased by 1.6% and 1.5% for the 13 and 26 weeks ended November 4, 2017 as same-store sales were higher in most areas of the country, driven by increases in traffic, basket size and more disciplined pricing strategies, compared to significant deflationary pricing strategies in the prior year. Food inflation was positive, contributing to the increase in sales.

Gross Profit

The increase in gross profit during the 13 and 26 weeks ended November 4, 2017 was a result of improved store execution and promotional strategies, and a continued focus on stabilizing and improving margin rates, which increased from 23.6% to 24.5% in the second quarter and from 23.9% to 24.4% in the first half of fiscal 2018.

EBITDA

EBITDA decreased in the 13 and 26 weeks ended November 4, 2017 mainly as a result of an increase in selling and administrative expenses, principally one-time costs of $129.2 million and $169.2 million respectively related to Project Sunrise, and increases in incentive compensation accruals due to improving performance. These increases were partially offset by benefits related to Project Sunrise and other cost efficiencies. EBITDA was positively impacted by the aforementioned improvement in sales and margins. Excluding the impact of one-time Project Sunrise costs adjusted EBITDA increased by 33.7% to $242.2 million in the second quarter and 22.8% to $521.0 million in the first half of fiscal 2018.

	13 Weeks Ended		$	26 Weeks Ended		$
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	Change	**Nov. 4, 2017**	Nov. 5, 2016	Change
EBITDA	**$ 113.0**	$ 187.8	$ (74.8)	**$ 351.8**	$ 426.1	$ (74.3)
Adjustments:						
Costs related to Project Sunrise	**129.2**	-		**169.2**	-	
Gain on disposal of manufacturing facilities	**-**	(7.5)		**-**	(7.5)	
Historical organizational realignment costs	**-**	0.9		**-**	3.6	
Distribution centre restructuring	**-**	-		**-**	2.1	
	129.2	(6.6)	135.8	**169.2**	(1.8)	171.0
Adjusted EBITDA	**$ 242.2**	$ 181.2	$ 61.0	**$ 521.0**	$ 424.3	$ 96.7

Finance Costs

For the second quarter of fiscal 2018, net finance costs were consistent with prior year. Adjusted interest coverage increased to 5.3 times from 3.0 times during the same period in prior year as a result of increased adjusted operating income.

For the 26 weeks ended November 4, 2017 net finance costs decreased primarily due to a decrease in accretion expense on provisions. Adjusted interest coverage increased to 6.0 times from 4.1 times during the same period in the prior year as a result of increased adjusted operating income.

Income Taxes

The effective income tax rate for the second quarter was 31.3% compared to 25.8% in the same quarter last year. The increase in the effective rate is primarily due to significant expenses related to Project Sunrise that impacted the mix of earnings between legal entities and tax jurisdictions, resulting in a higher average effective tax rate.

The effective income tax rate for the 26 weeks ended November 4, 2017 increased to 31.2% compared to 21.0% in the same period last year. The increase is due to an adjustment to deferred taxes in the first quarter related to the flow-through effects to the Company of the completion by Crombie Real Estate Investment Trust ("Crombie REIT") of a tax reorganization, in addition to the effect of the Project Sunrise expenses.

In the prior year, the effective tax rate of 21.0% was lower than the Company's statutory rate due to tax consequences for properties that were sold to Crombie REIT on a tax deferred basis. The substantive enactment of legislation to modify the tax treatment of eligible capital expenditures in prior years also contributed to the lower effective tax rate.

Net Loss

For the 13 and 26 weeks ended November 4, 2017, net (loss) earnings, net of non-controlling interest, were primarily impacted by the reasons noted in the sales and EBITDA section above.

	13 Weeks Ended		$	26 Weeks Ended		$
($ in millions, except per share amounts)	**Nov. 4, 2017**	Nov. 5, 2016	Change	**Nov. 4, 2017**	Nov. 5, 2016	Change
Net (loss) earnings[1]	**$ (23.6)**	$ 33.1	$ (56.7)	**$ 30.4**	$ 98.5	$ (68.1)
EPS[2][3] (fully diluted)	**$ (0.09)**	$ 0.12	$ (0.21)	**$ 0.11**	$ 0.36	$ (0.25)
Adjustments (net of income taxes):						
Costs related to Project Sunrise	**92.8**	-		**121.5**	-	
Intangible amortization associated with the Canada Safeway acquisition	**4.7**	4.7		**9.5**	9.4	
Gain on disposal of manufacturing facilities	**-**	(5.5)		**-**	(5.5)	
Historical organizational realignment costs	**-**	0.6		**-**	2.6	
Distribution centre restructuring	**-**	-		**-**	1.5	
	97.5	(0.2)	97.7	**131.0**	8.0	123.0
Adjusted net earnings[1]	**$ 73.9**	$ 32.9	$ 41.0	**$ 161.4**	$ 106.5	$ 54.9
Adjusted EPS[3] (fully diluted)	**$ 0.27**	$ 0.12	$ 0.15	**$ 0.59**	$ 0.39	$ 0.20
Diluted weighted average number of shares outstanding (in millions)	**271.8**	272.2		**271.9**	272.2	

(1) Net of non-controlling interest.

(2) For the 13 weeks ended November 4, 2017, the weighted average number of shares used for the purpose of basic and diluted loss per share is equal, as the impact of all potential common shares would be anti-dilutive.

(3) Earnings per share ("EPS").

Investments and Other Operations

($ in millions)	13 Weeks Ended Nov. 4, 2017	Nov. 5, 2016	$ Change	26 Weeks Ended Nov. 4, 2017	Nov. 5, 2016	$ Change
Operating income (loss)						
Crombie REIT	**$ 8.9**	$ 9.8	$ (0.9)	**$ 17.3**	$ 21.0	$ (3.7)
Real estate partnerships	**6.5**	13.6	(7.1)	**10.6**	19.3	(8.7)
Other operations, net of corporate expenses	**(1.1)**	(0.3)	(0.8)	**0.3**	(2.4)	2.7
	$ 14.3	$ 23.1	$ (8.8)	**$ 28.2**	$ 37.9	$ (9.7)

Operating Income

Crombie

For the 13 weeks ended November 4, 2017, Crombie REIT equity earnings decreased as a result of increased costs related to the change in the economic life of a property designated for development, an increase in salaries and benefits and a gain on disposal recognized in the same quarter of the prior year. This was offset by an increase in property net operating income.

For the 26 weeks ended November 4, 2017, the decrease was a result of an increase in costs related to the change in the economic life of a property designated for development and increased costs related to acquisition activity.

Genstar

For the 13 and 26 weeks ended November 4, 2017, the decrease in operating income is primarily due to a sale of development land by Genstar in the prior year.

Investment Portfolio

At November 4, 2017, Empire's investment portfolio, including equity accounted investments in Crombie REIT and Genstar, consisted of:

($ in millions)	November 4, 2017 Fair Value	Carrying Value	Unrealized Gain	May 6, 2017 Fair Value	Carrying Value	Unrealized Gain	November 5, 2016 Fair Value	Carrying Value	Unrealized Gain
Investment in associates									
Crombie REIT[1]	**$ 839.6**	**$ 457.9**	**$ 381.7**	$ 883.6	$ 459.1	$ 424.5	$ 824.6	$ 459.0	$ 365.6
Canadian real estate partnerships[2]	**116.2**	**116.2**	**-**	143.0	143.0	-	149.9	149.9	-
U.S. real estate partnerships[2]	**33.0**	**33.0**	**-**	36.8	36.8	-	46.2	46.2	-
Investment in joint ventures									
Canadian Digital Cinema Partnership[2]	**9.6**	**9.6**	**-**	9.5	9.5	-	9.5	9.5	-
	$ 998.4	**$ 616.7**	**$ 381.7**	$ 1,072.9	$ 648.4	$ 424.5	$ 1,030.2	$ 664.6	$ 365.6

(1) Fair value is calculated based on the closing price of Crombie REIT units traded on the Toronto Stock Exchange as of November 3, 2017.

(2) Assumes fair value equals carrying value.

QUARTERLY RESULTS OF OPERATIONS

($ in millions, except per share amounts)	**Fiscal 2018**		Fiscal 2017				Fiscal 2016	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(13 Weeks)	(14 Weeks)	(13 Weeks)
	Nov. 4, 2017	Aug. 5, 2017	May 6, 2017	Feb. 4, 2017	Nov. 5, 2016	Aug. 6, 2016	May 7, 2016	Jan. 30, 2016
Sales	**$ 6,026.1**	$ 6,273.2	$ 5,798.9	$ 5,889.8	$ 5,930.9	$ 6,186.6	$ 6,283.2	$ 6,027.2
EBITDA[1]	**113.0**	238.8	171.7	179.4	187.8	238.3	(1,047.2)	(1,467.9)
Operating income	**2.6**	125.2	61.4	68.6	76.4	126.6	(1,160.2)	(1,589.8)
Net (loss) earnings[2]	**$ (23.6)**	$ 54.0	$ 29.5	$ 30.5	$ 33.1	$ 65.4	$ (942.6)	$ (1,365.7)
Per share information, basic								
Net (loss) earnings[2][3]	**$ (0.09)**	$ 0.20	$ 0.11	$ 0.11	$ 0.12	$ 0.24	$ (3.47)	$ (5.03)
Basic weighted average number of shares outstanding (in millions)	**271.8**	271.5	271.7	271.1	271.6	271.7	271.7	271.7
Per share information, diluted								
Net (loss) earnings[2][3]	**$ (0.09)**	$ 0.20	$ 0.11	$ 0.11	$ 0.12	$ 0.24	$ (3.47)	$ (5.03)
Diluted weighted average number of shares outstanding (in millions)	**271.8**	271.6	271.7	271.7	272.2	271.7	271.7	271.8

(1) EBITDA is reconciled to net (loss) earnings, net of non-controlling interest, for the current and comparable period in the "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.
(2) Net of non-controlling interest.
(3) For the 13 weeks ended November 4, 2017, the weighted average number of shares used for the purpose of basic and diluted loss per share is equal, as the impact of all potential common shares would be anti-dilutive.

When reviewing financial results for comparable periods:

- The results of the first quarter of fiscal 2018 compared to the same period in fiscal 2017 improved due to a number of factors including improvement in our store execution, promotional strategies, increased basket size and food inflation.

- The results of the second quarter of fiscal 2018 compared to the same period in fiscal 2017 were lower due to one-time Project Sunrise costs, partially offset by an increase in sales as a result of increases in traffic, basket size and more disciplined pricing strategies.

- The results of the third quarter of fiscal 2017 show decreased sales, but an increase in operating income and net earnings, when compared to the same quarter in fiscal 2016. This is due to goodwill and long-lived asset impairments recorded in the third quarter of fiscal 2016, of $1,592.6 million and $137.7 million, respectively.

- The results of the fourth quarter of fiscal 2017 reflect decreased sales, but an increase in operating income and net earnings, net of non-controlling interest, compared to the same quarter in fiscal 2016. The decrease in sales in the fourth quarter primarily relates to the additional week of operations in fiscal 2016. The increase in operating income and net earnings, net of non controlling interest, was the result of the impairment charges the Company recorded in the fourth quarter of fiscal 2016, totaling $10.9 million for long-lived assets and $1,285.9 million for goodwill.

Sales include fluctuations in quarter-to-quarter inflationary and deflationary market pressures. The Company does experience some seasonality, as evidenced in the results presented above, in particular during the summer months and over the holidays. The sales, EBITDA, operating income and net (loss) earnings, net of non-controlling interest, have been influenced by impairments recorded, one-time adjustments, other investing activities, the competitive environment, cost management initiatives, food price and general industry trends and by other risk factors as outlined in the "Risk Management" section of the fiscal 2017 annual MD&A.

LIQUIDITY AND CAPITAL RESOURCES

The table below highlights significant cash flow components for the relevant periods.

($ in millions)	13 Weeks Ended Nov. 4, 2017	13 Weeks Ended Nov. 5, 2016	$ Change	26 Weeks Ended Nov. 4, 2017	26 Weeks Ended Nov. 5, 2016	$ Change
Cash flows from operating activities	**$ 106.0**	$ 142.9	$ (36.9)	**$ 281.5**	$ 382.2	$ (100.7)
Cash flows from (used in) investing activities	**9.6**	(151.5)	161.1	**(40.9)**	106.3	(147.2)
Cash flows used in financing activities	**(82.1)**	(58.9)	(23.2)	**(179.2)**	(540.6)	361.4
Increase (decrease) in cash and cash equivalents	**$ 33.5**	$ (67.5)	$ 101.0	**$ 61.4**	$ (52.1)	$ 113.5

Operating Activities

The decrease in cash flows from operating activities for the 13 and 26 weeks ended November 4, 2017 was primarily a result of one-time Project Sunrise costs and net change in non-cash working capital.

Investing Activities

Cash from investing activities is an inflow for the quarter, as proceeds on disposal of assets exceeded capital investments. Increased proceeds on disposal were primarily a result of the sale of real estate assets in Western Canada. Purchases of property, equipment and investment property were reduced from the prior year as the Company has instituted increased scrutiny related to capital allocation and investments.

The decrease in cash from (used in) investing activities in the 26 weeks ended November 4, 2017 when compared to the same period in prior year, was largely due to decreased proceeds on disposal of assets, offset by a decrease in capital purchases.

The table below outlines the number of stores Sobeys invested in during the 13 and 26 weeks ended November 4, 2017 compared to the 13 and 26 weeks ended November 5, 2016.

# of stores	13 Weeks Ended November 4, 2017	13 Weeks Ended November 5, 2016	26 Weeks Ended November 4, 2017	26 Weeks Ended November 5, 2016
Opened/relocated/acquired	**9**	20	**19**	34
Expanded	**5**	-	**7**	5
Rebannered/redeveloped	**9**	3	**18**	15
Closed in the normal course of operations	**15**	8	**30**	20

The following table shows Sobeys' square footage changes for the 13 and 52 weeks ended November 4, 2017 by type:

Square feet (in thousands)	**13 Weeks Ended November 4, 2017**	**52 Weeks Ended November 4, 2017**
Opened	**133**	**643**
Relocated	**-**	**194**
Acquired	**-**	**-**
Expanded	**51**	**69**
Closed in the normal course of operations	**(114)**	**(493)**
Net change	**70**	**413**

At November 4, 2017, Sobeys' square footage totaled 39.1 million, a 1.0% increase over 38.7 million square feet operated at November 5, 2016.

Financing Activities

The cash used in financing activities during the 13 weeks ended November 4, 2017 increased from the comparative fiscal quarter in 2017, primarily due to repayments on the Company's credit facility.

The cash used in financing activities during the 26 weeks ended November 4, 2017 decreased from the comparative fiscal quarter in 2017, primarily due to the repayment of the $300.0 million senior unsecured note in fiscal 2017.

Free Cash Flow

Management uses free cash flow[1] as a measure to assess the amount of cash available for debt repayment, dividend payments and other investing and financing activities.

	13 Weeks Ended		$	26 Weeks Ended		$
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	Change	**Nov. 4, 2017**	Nov. 5, 2016	Change
Cash flows from operating activities	**$ 106.0**	$ 142.9	$ (36.9)	**$ 281.5**	$ 382.2	$ (100.7)
Add: proceeds on disposal of property, equipment and investment property	**63.7**	35.0	28.7	**69.4**	377.6	(308.2)
Less: property, equipment and investment property purchases	**(52.3)**	(159.0)	106.7	**(113.8)**	(285.3)	171.5
Free cash flow	**$ 117.4**	$ 18.9	$ 98.5	**$ 237.1**	$ 474.5	$ (237.4)

The increase in free cash flow for the 13 weeks ended November 4, 2017 compared to the 13 weeks ended November 5, 2016, was primarily due to a decrease in capital purchases compared to previous periods and higher proceeds on disposal of assets.

The decrease in free cash flow for the 26 weeks ended November 4, 2017 compared to the 26 weeks ended November 5, 2016, was mainly due to a sale leaseback agreement entered into with Crombie REIT in the prior year, combined with decreased cash flows from operating activities, offset by a decrease in capital purchases.

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this MD&A.

Employee Future Benefit Obligations

For the 13 and 26 weeks ended November 4, 2017, the Company contributed $2.3 million and $4.1 million respectively (2017 – $2.4 million and $4.5 million) to its registered defined benefit plans. The Company expects to contribute approximately $17.7 million in fiscal 2018 to these plans.

CONSOLIDATED FINANCIAL CONDITION

Key Financial Condition Measures

($ in millions, except per share and ratio calculations)	**November 4, 2017**	May 6, 2017	November 5, 2016[1]
Shareholders' equity, net of non-controlling interest	**$ 3,640.8**	$ 3,644.2	$ 3,646.0
Book value per common share[2]	**$ 13.40**	$ 13.41	$ 13.42
Long-term debt, including current portion	**$ 1,804.1**	$ 1,870.8	$ 1,961.2
Funded debt to total capital[2]	**33.1%**	33.9%	35.0%
Net funded debt to net total capital[2]	**29.7%**	31.3%	32.4%
Funded debt to adjusted EBITDA[2][3]	**2.0x**	2.3x	2.0x
Adjusted EBITDA to interest expense[2][4]	**8.7x**	7.7x	8.8x
Trailing four-quarter adjusted EBITDA	**$ 893.6**	$ 796.9	$ 956.8
Trailing four-quarter interest expense	**$ 103.1**	$ 103.1	$ 109.3
Current assets to current liabilities	**0.8x**	0.9x	0.9x
Total assets	**$ 8,635.0**	$ 8,695.5	$ 8,853.4
Total non-current financial liabilities	**$ 1,958.9**	$ 2,502.1	$ 2,675.5

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated balance sheets.
(2) See "Non-GAAP Financial Measures & Financial Metrics" section.
(3) Calculation uses trailing four-quarter adjusted EBITDA.
(4) Calculation uses trailing four-quarter adjusted EBITDA and interest expense.

During the 13 weeks and 26 weeks ended November 4, 2017, Sobeys' credit ratings are unchanged. Sobeys' credit metrics and financial profile continue to improve due to stronger operating performance and stable financial leverage.

Rating Agency	Credit Rating (Issuer rating)	Trend/Outlook
Dominion Bond Rating Service	BB (high)	Negative
Standard and Poor's	BB+	Stable

On June 2, 2017, Sobeys entered a new, senior, unsecured non-revolving credit facility for $500.0 million. The facility bears floating interest tied to Canadian prime rate or bankers' acceptance rates. The facility is intended to be used to repay long-term debt due in calendar 2018.

The Company believes that its cash and cash equivalents on hand, unutilized bank credit facilities and cash generated from operating activities will enable the Company to fund future capital investments, pension plan contributions, working capital, current funded debt obligations and ongoing business requirements. The Company also believes it has sufficient funding in place to meet these requirements and other short and long-term financial obligations. The Company mitigates potential liquidity risk by ensuring various sources of funds are diversified by term to maturity and source of credit.

The Company's financing facilities include certain financial and non-financial covenants. All covenants were complied with for the 13 and 26 weeks ended November 4, 2017.

Shareholders’ Equity

The Company’s share capital was comprised of the following on November 4, 2017:

Authorized	Number of Shares November 4, 2017	 November 5, 2016
2002 Preferred shares, par value of $25 each, issuable in series	**991,980,000**	991,980,000
Non-Voting Class A shares, without par value	**768,105,849**	768,105,849
Class B common shares, without par value, voting	**122,400,000**	122,400,000

Issued and outstanding ($ in millions)	Number of Shares	November 4, 2017	November 5, 2016
Non-Voting Class A shares	**173,540,993**	**$ 2,038.0**	$ 2,027.2
Class B common shares	**98,138,079**	**7.3**	7.3
Shares held in trust	**(361,333)**	**(7.0)**	-
Total		**$ 2,038.3**	$ 2,034.5

The Company’s share capital on November 4, 2017 compared to the same period in the last fiscal year is shown in the table below.

(Number of Shares)	13 Weeks Ended November 4, 2017	 November 5, 2016
Non-Voting Class A shares		
Issued and outstanding, beginning of period	**173,537,901**	173,537,901
Issued during period	**3,092**	-
Issued and outstanding, end of period	**173,540,993**	173,537,901
Shares held in trust, beginning of period	**(371,876)**	-
Issued for future settlement of equity settled plans	**12,200**	-
Purchased for future settlement of equity settled plans	**(1,657)**	-
Shares held in trust, end of period	**(361,333)**	-
Issued and outstanding, net of shares held in trust, end of period	**173,179,660**	173,537,901
Class B common shares		
Issued and outstanding, beginning of period	**98,138,079**	98,138,079
Issued during period	**-**	-
Issued and outstanding, end of period	**98,138,079**	98,138,079

For the 13 and 26 weeks ended November 4, 2017, the Company paid common dividends of $28.5 million and $57.0 million (2017 – $27.9 million and $55.7 million) to its equity holders. This represents a payment of $0.1050 and $0.2100 per share (2017 – $0.1025 and $0.2050 per share) for common shareholders.

As at December 11, 2017, the Company had Non-Voting Class A and Class B common shares outstanding of 173,542,757 and 98,138,079, respectively. Options to acquire 5,658,124 Non-Voting Class A shares were outstanding as of November 4, 2017 (2017 – 5,169,304).

ACCOUNTING STANDARDS AND POLICIES

The unaudited interim condensed consolidated financial statements were prepared using the same accounting policies as disclosed in the Company's annual consolidated financial statements for the year ended May 6, 2017 with the exception of the following:

Change to Accounting Policies Adopted During Fiscal 2018

Statement of Cash Flows

In January 2016, the IASB issued Disclosure Initiative Amendments to IAS 7, "Statement of Cash Flows". These amendments require entities to provide additional disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes arising from cash and non-cash changes. These amendments became effective during the first quarter of fiscal 2018 and had no material impact on the Company's consolidated financial statements. A reconciliation of long-term debt has been presented in Note 7 of the Company's unaudited interim condensed consolidated financial statements.

Share-Based Payment

In June 2016, the IASB issued amendments to IFRS 2, "Share-based payment". The amendments provide clarification around the effects of vesting conditions on cash-settled share-based payment transactions, classification of share-based payment transactions with net settlement features and modification of the terms and conditions of a share-based payment that changes the classification of the transaction. These amendments are effective for annual periods beginning on or after January 1, 2018. The Company early adopted these amendments in the first quarter of fiscal 2018 as some of the share-based compensation plans have been settled net of tax.

Critical Accounting Estimates

Critical accounting estimates used by the Company's management are discussed in detail in the fiscal 2017 annual MD&A.

Internal Control Over Financial Reporting

Management of the Company, which includes the President & Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining Internal Control over Financial Reporting ("ICFR"), as that term is defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings". The control framework management used to design and assess the effectiveness of ICFR is "*Internal Control Integrated Framework (2013*)" published by the Committee of Sponsoring Organizations of the Treadway Commission.

There have been no changes in the Company's ICFR during the period beginning August 6, 2017 and ended November 4, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

RELATED PARTY TRANSACTIONS

The Company has related party transactions with Crombie REIT and key management personnel, including ongoing leases and property management agreements. There have been no material changes to the specified contractual obligations between the Company and Crombie REIT during the quarter, other than as described below. The Company holds a 41.5% ownership interest in Crombie REIT and accounts for its investment using the equity method.

On July 4, 2017, Crombie REIT redeemed its 5.00% Series D Convertible Unsecured Subordinate Debentures. In exchange for its investment in the Series D convertible debentures, the Company received $24.3 million in principal and interest payments. There was no gain or loss recognized on the redemption.

During the 13 weeks ended November 4, 2017, Sobeys sold a property to Crombie REIT for cash consideration of $6.4 million. This resulted in a pre-tax gain of $0.2 million.

CONTINGENCIES

The Company is subject to claims and litigation arising out of the ordinary course of business operations. The Company's management does not consider the exposure to such litigation to be material.

In the ordinary course of business, the Company is subject to ongoing audits by tax authorities. While the Company believes that its tax filing positions are appropriate and supportable, from time to time certain matters are reviewed and challenged by the tax authorities.

RISK MANAGEMENT

Risk and uncertainties related to economic and industry factors and the Company's management of risk are discussed in detail in the fiscal 2017 annual MD&A.

DESIGNATION FOR ELIGIBLE DIVIDENDS

"Eligible dividends" receive favourable treatment for income tax purposes. To be considered an eligible dividend, a dividend must be designated as such at the time of payment.

Empire has, in accordance with the administrative position of CRA, included the appropriate language on its website to designate the dividends paid by Empire as eligible dividends unless otherwise designated.

NON-GAAP FINANCIAL MEASURES & FINANCIAL METRICS

There are measures and metrics included in this MD&A that do not have a standardized meaning under generally accepted accounting principles ("GAAP") and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. Management believes that certain of these measures and metrics, including gross profit and EBITDA, are important indicators of the Company's ability to generate liquidity through operating cash flow to fund future working capital requirements, service outstanding debt and fund future capital expenditures and uses these metrics for these purposes.

In addition, management adjusts measures and metrics, including EBITDA and net (loss) earnings in an effort to provide investors and analysts with a more comparable year-over-year performance metric than the basic measure by excluding certain items. These items may impact the analysis of trends in performance and affect the comparability of the Company's core financial results. By excluding these items, management is not implying they are non-recurring.

Financial Measures

The intent of Non-GAAP Financial Measures is to provide additional useful information to investors and analysts. Non-GAAP Financial Measures should not be considered in isolation or used as a substitute for measures of performance prepared in accordance with GAAP. The Company's definitions of the Non-GAAP terms included in this MD&A are as follows:

- Gross profit is calculated as sales less cost of sales.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA"), is calculated as net (loss) earnings, before finance costs (net of finance income), income tax (recovery) expense, depreciation and amortization of intangibles. The exclusion of depreciation and amortization of intangibles partially eliminates the non-cash impact from operating income.

The following table reconciles net (loss) earnings to EBITDA:

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	**Nov. 4, 2017**	Nov. 5, 2016
Net (loss) earnings	**$ (18.7)**	$ 34.2	**$ 47.7**	$ 111.8
Income tax (recovery) expense	**(8.5)**	11.9	**21.6**	29.7
Finance costs, net	**29.8**	30.3	**58.5**	61.5
Operating income	**2.6**	76.4	**127.8**	203.0
Depreciation	**89.4**	88.8	**179.9**	177.9
Amortization of intangibles	**21.0**	22.6	**44.1**	45.2
EBITDA	**$ 113.0**	$ 187.8	**$ 351.8**	$ 426.1

- Adjusted EBITDA is EBITDA excluding certain items to better analyze trends in performance. These adjustments result in a truer economic representation on a comparative basis. The Company no longer adjusts for items that are insignificant to current period results or the comparative period. Adjusted EBITDA is reconciled to EBITDA in its respective subsection of the “Summary Results – Second Quarter” of this MD&A.

- Adjusted operating income is operating income excluding certain items to better analyze trends in performance. These adjustments result in a truer economic representation on a comparative basis. The Company no longer adjusts for items that are insignificant to current period results or the comparative period. Adjusted operating income is reconciled to operating income in the following table:

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	**Nov. 4, 2017**	Nov. 5, 2016
Operating income	**$ 2.6**	$ 76.4	**$ 127.8**	$ 203.0
Adjustments:				
Costs related to Project Sunrise	**129.2**	-	**169.2**	-
Intangible amortization associated with the Canada Safeway acquisition	**6.5**	6.4	**13.0**	12.9
Gain on disposal of manufacturing facilities	**-**	(7.5)	**-**	(7.5)
Historical organizational realignment costs	**-**	0.9	**-**	3.6
Distribution centre restructuring	**-**	-	**-**	2.1
	135.7	(0.2)	**182.2**	11.1
Adjusted operating income	**$ 138.3**	$ 76.2	**$ 310.0**	$ 214.1

- Management calculates interest expense as interest expense on financial liabilities measured at amortized cost plus losses on cash flow hedges reclassified from other comprehensive income or loss. Management believes that interest expense represents a true measure of the Company’s debt service expense, without the offsetting total finance income.

The following table reconciles finance costs, net to interest expense:

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Nov. 4, 2017**	Nov. 5, 2016	**Nov. 4, 2017**	Nov. 5, 2016
Finance costs, net	**$ 29.8**	$ 30.3	**$ 58.5**	$ 61.5
Plus: finance income	**1.0**	2.0	**2.2**	3.6
Less: net pension finance costs	**(2.9)**	(2.9)	**(5.8)**	(5.8)
Less: accretion expense on provisions	**(1.8)**	(3.7)	**(3.1)**	(7.5)
Interest expense	**$ 26.1**	$ 25.7	**$ 51.8**	$ 51.8

- Adjusted net earnings are net (loss) earnings, net of non-controlling interest, excluding certain items to better analyze trends in performance and financial results. These adjustments result in a truer economic representation of the underlying business on a comparative basis. The Company no longer adjusts for items that are insignificant to current period results or the comparative period. Adjusted net earnings are reconciled in its respective subsection of the “Summary Results – Second Quarter” of this MD&A.

- Free cash flow is calculated as cash flows from operating activities, plus proceeds on disposal of property, equipment and investment property, less property, equipment and investment property purchases. Management uses free cash flow as a measure to assess the amount of cash available for debt repayment, dividend payments and other investing and financing activities. Free cash flow is reconciled to GAAP measures as reported on the condensed consolidated statements of cash flows in the “Free Cash Flow” section of this MD&A.

- Funded debt is all interest bearing debt, which includes bank loans, bankers’ acceptances and long-term debt. Management believes that funded debt represents the best indicator of the Company’s total financial obligations on which interest payments are made.

- Net funded debt is calculated as funded debt less cash and cash equivalents. Management believes that the deduction of cash and cash equivalents from funded debt represents a more accurate measure of the Company’s financial obligations after 100% of cash and cash equivalents are applied against the total obligation.

- Total capital is calculated as funded debt plus shareholders’ equity, net of non-controlling interest.

- Net total capital is total capital less cash and cash equivalents.

The following tables reconcile the Company’s funded debt, net funded debt, net total capital and total capital to GAAP measures as reported on the balance sheets as at November 4, 2017, May 6, 2017 and November 5, 2016, respectively:

($ in millions)	**November 4, 2017**	May 6, 2017	November 5, 2016[1]
Long-term debt due within one year	**$ 624.7**	$ 134.0	$ 50.3
Long-term debt	**1,179.4**	1,736.8	1,910.9
Funded debt	**1,804.1**	1,870.8	1,961.2
Less: cash and cash equivalents	**(268.7)**	(207.3)	(212.6)
Net funded debt	**1,535.4**	1,663.5	1,748.6
Total shareholders’ equity, net of non-controlling interest	**3,640.8**	3,644.2	3,646.0
Net total capital	**$ 5,176.2**	$ 5,307.7	$ 5,394.6

($ in millions)	**November 4, 2017**	May 6, 2017	November 5, 2016[1]
Funded debt	**$ 1,804.1**	$ 1,870.8	$ 1,961.2
Total shareholders’ equity, net of non-controlling interest	**3,640.8**	3,644.2	3,646.0
Total capital	**$ 5,444.9**	$ 5,515.0	$ 5,607.2

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated balance sheets.

Financial Metrics

The intent of the following Non-GAAP Financial Metrics is to provide additional useful information to investors and analysts. Management uses financial metrics for decision making, internal reporting, budgeting and forecasting. The Company’s definitions of the metrics included in this MD&A are as follows:

- Same-store sales are sales from stores in the same location in both reporting periods.

- Gross margin is gross profit divided by sales. Management believes that gross margin is an important indicator of cost control and can help management, analysts and investors assess the competitive landscape and promotional environment of the industry in which the Company operates. An increasing percentage indicates lower cost of sales as a percentage of sales.

- Funded debt to total capital ratio is funded debt divided by total capital.

- Net funded debt to net total capital ratio is net funded debt divided by net total capital. Management believes that funded debt to total capital and net funded debt to net total capital ratios represent measures upon which the Company’s changing capital structure can be analyzed over time. Increasing ratios would indicate that the Company is using an increasing amount of debt in its capital structure to fund its operations.

- Funded debt to adjusted EBITDA ratio is funded debt divided by trailing four-quarter adjusted EBITDA. Management uses this ratio to partially assess the financial condition of the Company. An increasing ratio would indicate that the Company is utilizing more debt per dollar of adjusted EBITDA generated.

- Adjusted EBITDA to interest expense ratio is trailing four-quarter adjusted EBITDA divided by trailing four-quarter interest expense. Management uses this ratio to partially assess the coverage of its interest expense on financial obligations. An increasing ratio would indicate that the Company is generating more adjusted EBITDA per dollar of interest expense, resulting in greater interest coverage.

- Adjusted interest coverage is calculated as adjusted operating income divided by interest expense.

- Book value per common share is shareholders' equity, net of non-controlling interest, divided by total common shares outstanding.

The following table shows the calculation of Empire's book value per common share as at November 4, 2017, May 6, 2017 and November 5, 2016.

($ in millions, except per share information)	**November 4, 2017**	May 6, 2017	November 5, 2016[(1)]
Shareholders' equity, net of non-controlling interest	**$ 3,640.8**	$ 3,644.2	$ 3,646.0
Shares outstanding (basic)	**271.8**	271.7	271.6
Book value per common share	**$ 13.40**	$ 13.41	$ 13.42

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated balance sheets.

Additional financial information relating to Empire, including the Company's Annual Information Form, can be found on the Company's website www.empireco.ca or on the SEDAR website for Canadian regulatory filings at www.sedar.com.

Approved by Board of Directors: December 13, 2017
Stellarton, Nova Scotia, Canada