EMPIRE
COMPANY LIMITED

FOR IMMEDIATE RELEASE
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Empire Company Reports Fiscal 2015 Fourth Quarter and Full Year Results and Announces Dividend Increase of 11.1%

Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced financial results for its fourth quarter and full year ended May 2, 2015. In the fourth quarter, the Company recorded adjusted net earnings from continuing operations, net of non-controlling interest, of $138.7 million ($1.50 per diluted share) compared to $132.1 million ($1.43 per diluted share) in the fourth quarter last year, a 5.0 percent increase.

Fourth Quarter Highlights

- *Sales of $5,770.5 million, down $173.8 million or 2.9 percent. The decline was primarily the result of retail store divestitures, store closures associated with the network rationalization and the decline in oil prices impacting fuel sales in the food retailing segment.*
- *Sobeys' same-store sales (1) excluding fuel sales increased 2.1 percent. Including fuel sales, same-store sales increased 0.8 percent.*
- *EBITDA (1) of $236.6 million compared to $147.4 million last year, up $89.2 million or 60.5 percent.*
- *Adjusted EBITDA (1) of $340.9 million compared to $321.4 million last year, up $19.5 million or 6.1 percent.*
- *Net earnings from continuing operations, net of non-controlling interest, of $55.4 million compared to $1.5 million last year, an increase of $53.9 million.*
- *Adjusted net earnings from continuing operations (1), net of non-controlling interest, of $138.7 million compared to $132.1 million last year, a 5.0 percent increase.*
- *Adjusted EPS (2) from continuing operations (fully diluted) of $1.50 compared to $1.43 last year, a 4.9 percent increase.*
- *Free cash flow (1) generation of $584.8 million compared to $626.1 million last year.*
- *Funded debt to total capital (1) ratio of 27.7 percent versus 38.0 percent at May 3, 2014.*
- *Declared dividend of $0.30 per share, up 11.1 percent, the 20th consecutive year of increase.*
- *Recommended a three-for-one share split, subject to shareholder approval at the Annual General Meeting on September 10, 2015.*

(1) See "Non-GAAP Financial Measures" section of this news release.
(2) Earnings per share ("EPS").

Adjusted net earnings from continuing operations, net of non-controlling interest, for the 52 weeks ended May 2, 2015 were $518.9 million ($5.62 per diluted share) compared to $391.4 million ($4.88 per diluted share) last year. For the year ended May 2, 2015, Empire had a weighted average number of shares outstanding (fully diluted) of 92.4 million compared to 80.2 million in fiscal 2014.

Fiscal 2015 Highlights

- *Sales of $23,928.8 million, up $2,971.0 million or 14.2 percent compared to the same period last year.*
- *Sobeys' same-store sales excluding fuel sales increased 1.9 percent. Including fuel sales, same-store sales increased 1.4 percent.*
- *EBITDA of $1,226.1 million compared to $755.3 million last year, up $470.8 million or 62.3 percent.*
- *Adjusted EBITDA of $1,327.9 million compared to $1,055.6 million last year, up $272.3 million or 25.8 percent.*
- *Net earnings from continuing operations, net of non-controlling interest, of $419.0 million compared to $151.0 million last year, an increase of $268.0 million.*
- *Adjusted net earnings from continuing operations, net of non-controlling interest, of $518.9 million compared to $391.4 million last year, up $127.5 million or 32.6 percent.*
- *Adjusted EPS from continuing operations (fully diluted) of $5.62 compared to $4.88 last year, a 15.2 percent increase.*
- *Free cash flow generation of $1,444.5 million compared to $875.3 million last year.*

"We delivered solid results in fiscal 2015 as a result of the continued roll out of our *Better Food for All* movement, as well as substantial progress on the integration of the Safeway business," said Marc Poulin, President and CEO, Empire Company Limited. "Our fourth quarter results were in line with our internal expectations given our aggressive transformation and integration agenda.

With the technical integration of Canada Safeway now completed, we are now focused on the second phase of achieving our cost synergy targets. We remain confident in our ability to deliver on our three-year commitment, having already recognized $145 million in synergies."

Dividend Declaration

Mr. Poulin stated, "Consistent with our growth and the improvement in our financial position, we are pleased to announce an increase in Empire's quarterly dividend per share, from $0.27 per share to $0.30 per share, an 11.1 percent increase. This marks the 20th consecutive year of Empire dividend increases. Along with the dividend increase, we are pleased to announce a recommended three-for-one share split which is subject to shareholder approval at the Annual General Meeting on September 10, 2015."

The Board of Directors declared a quarterly dividend of $0.30 per share on both the Non-Voting Class A shares and the Class B common shares that will be payable on July 31, 2015 to shareholders of record on July 15, 2015. These dividends are eligible dividends as defined for the purposes of the Income Tax Act (Canada) and applicable provincial legislation and, therefore, qualify for the favourable tax treatment applicable to such dividends.

CONSOLIDATED OPERATING RESULTS [1]

($ in millions, except per share amounts)	13 Weeks Ended May 2, 2015	13 Weeks Ended May 3, 2014 [2]	($) Change	52 Weeks Ended May 2, 2015	52 Weeks Ended May 3, 2014 [2]	($) Change
Sales	**$ 5,770.5**	$ 5,944.3	$ (173.8)	**$ 23,928.8**	$ 20,957.8	$ 2,971.0
EBITDA [3]	**236.6**	147.4	89.2	**1,226.1**	755.3	470.8
Adjusted EBITDA [3]	**340.9**	321.4	19.5	**1,327.9**	1,055.6	272.3
Operating income [3]	**116.2**	22.9	93.3	**743.6**	328.5	415.1
Finance costs, net	**34.6**	47.6	(13.0)	**156.3**	133.2	23.1
Income taxes	**22.9**	(26.7)	49.6	**150.4**	36.3	114.1
Net earnings from continuing operations [4]	**55.4**	1.5	53.9	**419.0**	151.0	268.0
Net earnings (loss) from discontinued operations	**-**	(0.7)	0.7	**-**	84.4	(84.4)
Net earnings [4]	**55.4**	0.8	54.6	**419.0**	235.4	183.6
Adjusted net earnings from continuing operations [3][4]	**138.7**	132.1	6.6	**518.9**	391.4	127.5
EPS from continuing operations (fully diluted) [4]	**$ 0.60**	$ 0.02	$ 0.58	**$ 4.54**	$ 1.88	$ 2.66
Adjusted EPS from continuing operations (fully diluted) [4]	**$ 1.50**	$ 1.43	$ 0.07	**$ 5.62**	$ 4.88	$ 0.74
Diluted weighted average number of shares outstanding (in millions)	**92.5**	92.4		**92.4**	80.2	

(1) Financial results related to Empire Theatres have been recorded in discontinued operations for fiscal 2014. See "Discontinued Operations" section of this news release for further details.
(2) Amounts have been reclassified to correspond to the current presentation on the consolidated statement of earnings.
(3) See "Non-GAAP Financial Measures" section of this news release.
(4) Net of non-controlling interest.

Sales

Consolidated sales for the 13 weeks ended May 2, 2015 were $5,770.5 million compared to $5,944.3 million in the fourth quarter last year, a decrease of $173.8 million or 2.9 percent. The decline in sales, as expected, was primarily a result of retail store divestitures, store closures associated with the network rationalization and the decline in oil prices impacting fuel sales in the food retailing segment. These negative pressures on sales have been partially offset by food inflation. During the fourth quarter, Sobeys' same-store sales increased 0.8 percent from the same period last year. Excluding the negative impact of oil prices on fuel sales, same-store sales would have increased 2.1 percent.

Consolidated sales for fiscal 2015 were $23,928.8 million compared to $20,957.8 million in fiscal 2014, an increase of $2,971.0 million or 14.2 percent. The increase in sales was primarily the result of sales from Safeway operations and food inflation, slightly offset by retail store divestitures, store closures associated with the network rationalization and the decline in oil prices impacting fuel sales in the food retailing segment during the third and fourth quarter in the current year. During fiscal 2015, Sobeys' same-store sales increased 1.4 percent from the same period last year. Excluding the negative impact of oil prices on fuel sales, same-store sales would have increase 1.9 percent.

EBITDA

Consolidated EBITDA in the fourth quarter was $236.6 million compared to $147.4 million in the fourth quarter last year, an $89.2 million or 60.5 percent increase. EBITDA margin increased to 4.10 percent in the fourth quarter from 2.48 percent in the same period last year. The increase in EBITDA was primarily the result of synergies realized of $46.1 million (2014 – $23.0 million) related to the Canada Safeway acquisition, reduced costs associated with the network rationalization and a gain on the disposal of manufacturing facilities, offset by an increase in distribution centre restructuring and organizational realignment costs.

After adjusting EBITDA for items which are considered not indicative of underlying business operating performance, as presented in the following table, fourth quarter consolidated adjusted EBITDA was $340.9 million compared to $321.4 million in the fourth quarter last year, an increase of $19.5 million or 6.1 percent. Adjusted EBITDA margin was 5.91 percent in the fourth quarter compared to 5.41 percent last year.

For fiscal 2015, consolidated EBITDA amounted to $1,226.1 million compared to $755.3 million last year, an increase $470.8 million or 62.3 percent. EBITDA margin increased to 5.12 percent in fiscal 2015 from 3.60 percent in fiscal 2014. The increase in EBITDA is largely attributed to Safeway operations, reduced transaction costs associated with the Canada Safeway acquisition, a reduction of network rationalization costs and a gain on the disposal of manufacturing facilities. This increase was offset by costs associated with the distribution centre restructuring and organizational realignment.

After adjusting EBITDA for items which are considered not indicative of underlying business operating performance, adjusted EBITDA for fiscal 2015 was $1,327.9 million compared to $1,055.6 million last year, an increase of $272.3 million or 25.8 percent. Adjusted EBITDA margin was 5.55 percent at the end of fiscal 2015 compared to 5.04 percent last year.

The table below provides a reconciliation of EBITDA to adjusted EBITDA for the 13 and 52 weeks ended May 2, 2015 compared to the 13 and 52 weeks ended May 3, 2014.

	13 Weeks Ended		52 Weeks Ended	
($ in millions)	**May 2, 2015**	May 3, 2014	**May 2, 2015**	May 3, 2014
EBITDA [1] (consolidated)	**$ 236.6**	$ 147.4	**$ 1,226.1**	$ 755.3
Adjustments:				
Distribution centre restructuring	**53.4**	-	**53.4**	-
Organizational realignment costs	**49.6**	-	**49.6**	12.1
Inventory adjustment	**30.5**	-	**30.5**	17.1
Gain on the disposal of manufacturing facilities	**(20.7)**	-	**(19.1)**	-
Network rationalization (reversals)	**(9.8)**	169.8	**(17.4)**	169.8
Transaction costs associated with the Canada Safeway acquisition	**1.3**	3.2	**3.8**	97.8
Plant closure	**-**	1.0	**1.0**	1.0
Non-operating charge from equity accounted investment [2]	**-**	-	**-**	2.5
	104.3	174.0	**101.8**	300.3
Adjusted EBITDA (consolidated)	**$ 340.9**	$ 321.4	**$ 1,327.9**	$ 1,055.6

(1) EBITDA generated from Empire Theatres has been recorded in discontinued operations for fiscal 2014.

(2) Equity earnings from Crombie Real Estate Investment Trust ("Crombie REIT") for the 52 weeks ended May 3, 2014 included a non-recurring cost of $2.5 million related to arranging financing on the 70 properties acquired by Crombie REIT as part of the Canada Safeway acquisition.

Operating Income

Consolidated operating income in the fourth quarter was $116.2 million, an increase of $93.3 million from the $22.9 million recorded in the fourth quarter last year. Operating income was impacted primarily by the factors previously noted in the sales and EBITDA sections.

For fiscal 2015, consolidated operating income amounted to $743.6 million compared to $328.5 million last year, an increase of $415.1 million. Operating income increased primarily due to the Safeway operations and the factors affecting sales and EBITDA, partially offset by increased depreciation and amortization expenses related to the Canada Safeway acquisition.

Finance Costs

Finance costs, net of finance income, for the 13 weeks ended May 2, 2015 were $34.6 million, a decrease of $13.0 million from the $47.6 million recorded in the same period last year. This decrease is primarily the result of lower interest expense due to decreased debt levels from the repayment of debt.

Finance costs, net of finance income, for the 52 weeks ended May 2, 2015 were $156.3 million, an increase of $23.1 million from the $133.2 million recorded last year. The increase is mainly due to the Canada Safeway acquisition which resulted in higher debt levels, on average, throughout fiscal 2015 compared to the prior year.

Income Taxes

The Company's effective income tax rate on continuing operations for the fourth quarter of fiscal 2015 was 28.1 percent compared to 108.1 percent in fiscal 2014. The decrease in the effective tax rate is primarily attributed to a reduction in partial non-deductible acquisition costs attributed to the Canada Safeway acquisition, combined with a lower earnings before income taxes on which to calculate the effective tax rate in the prior period, offset with a re-measurement of the Company's deferred income tax provision completed in the fourth quarter of fiscal 2014.

The Company's effective income tax rate on continuing operations for the 52 weeks ended May 2, 2015 was 25.6 percent compared to 18.6 percent in fiscal 2014. The increase in the effective tax rate is primarily attributed to a re-measurement of the Company's deferred income tax provision completed in the prior period offset with a reduction in partial non-deductible acquisition costs attributed to the Canada Safeway acquisition.

Net Earnings and Adjusted Net Earnings from Continuing Operations

Consolidated net earnings from continuing operations, net of non-controlling interest, in the fourth quarter equaled $55.4 million ($0.60 per diluted share) compared to $1.5 million ($0.02 per diluted share) in the fourth quarter last year. After factoring in the impact of the adjustments for items which are considered not indicative of underlying business operating performance, Empire recorded adjusted net earnings from continuing operations, net of non-controlling interest, of $138.7 million ($1.50 per diluted share) for the 13 weeks ended May 2, 2015 compared to $132.1 million ($1.43 per diluted share) recorded in the fourth quarter last year. For the 13 weeks ended May 2, 2015, Empire had weighted average number of shares outstanding (fully diluted) of 92.5 million compared to 92.4 shares outstanding last year.

For fiscal 2015, Empire recorded consolidated net earnings from continuing operations, net of non-controlling interest, of $419.0 million ($4.54 per diluted share) compared to $151.0 million ($1.88 per diluted share) recorded last year. After factoring in the impact of the adjustments for items which are considered not indicative of underlying business operating performance, Empire recorded adjusted net earnings from continuing operations, net of non-controlling interest, of $518.9 million ($5.62 per diluted share) for fiscal 2015 compared to $391.4 million ($4.88 per diluted share) for fiscal 2014. For the year ended May 2, 2015, Empire had weighted average number of shares outstanding (fully diluted) of 92.4 million compared to 80.2 shares outstanding last fiscal year.

The following table reconciles reported net earnings from continuing operations, net of non-controlling interest, to adjusted net earnings from continuing operations.

($ in millions, except per share amounts, net of tax)	13 Weeks Ended May 2, 2015	13 Weeks Ended May 3, 2014	52 Weeks Ended May 2, 2015	52 Weeks Ended May 3, 2014
Net earnings (loss) from continuing operations by segment [1]:				
Food retailing	**$ 34.1**	$ (17.6)	**$ 343.5**	$ 121.8
Investments and other operations	**21.3**	19.1	**75.5**	29.2
Net earnings from continuing operations [1]	**$ 55.4**	$ 1.5	**$ 419.0**	$ 151.0
EPS from continuing operations (fully diluted)	**$ 0.60**	$ 0.02	**$ 4.54**	$ 1.88
Adjustments [2]:				
Distribution centre restructuring	**$ 39.1**	$ -	**$ 39.1**	$ -
Organizational realignment costs	**36.2**	-	**36.2**	8.5
Inventory adjustment	**23.0**	-	**23.0**	12.7
Intangible amortization associated with the Canada Safeway acquisition	**4.9**	3.5	**20.5**	10.2
Gain on the disposal of manufacturing facilities	**(14.7)**	-	**(14.1)**	-
Network rationalization (reversals)	**(7.2)**	123.8	**(12.7)**	123.8
Finance costs associated with the network rationalization	**1.0**	-	**4.4**	-
Transaction costs associated with the Canada Safeway acquisition	**1.0**	2.5	**2.8**	76.0
Plant closure	**-**	0.8	**0.7**	0.8
Finance costs associated with the Canada Safeway acquisition	**-**	-	**-**	6.6
Non-operating charge from equity accounted investment [3]	**-**	-	**-**	1.8
	83.3	130.6	**99.9**	240.4
Adjusted net earnings from continuing operations [1]	**$ 138.7**	$ 132.1	**$ 518.9**	$ 391.4
Adjusted net earnings from continuing operations by segment [1]:				
Food retailing	**$ 117.4**	$ 113.0	**$ 443.4**	$ 354.1
Investments and other operations	**21.3**	19.1	**75.5**	37.3
Adjusted net earnings from continuing operations [1]	**$ 138.7**	$ 132.1	**$ 518.9**	$ 391.4
Adjusted EPS from continuing operations (fully diluted)	**$ 1.50**	$ 1.43	**$ 5.62**	$ 4.88
Diluted weighted average number of shares outstanding (in millions)	**92.5**	92.4	**92.4**	80.2

(1) Net of non-controlling interest.
(2) All adjustments are net of income taxes.
(3) 52 weeks ended May 3, 2014 included a non-recurring cost of $1.8 million, net of tax, related to arranging financing on the 70 properties acquired by Crombie REIT as part of the Canada Safeway acquisition.

Discontinued Operations

On November 1, 2013, the Company announced that Empire Theatres completed the sale of 46 theatres with 397 screens in separate transactions with Cineplex Inc. and Landmark Cinemas as previously announced on June 27, 2013. As a result of the sale, financial results for the 52 weeks ended May 3, 2014 related to Empire Theatres, as previously reported in the investments and other operations segment, have been included in discontinued operations in the audited annual consolidated statements of earnings for the 52 weeks ended May 2, 2015.

Net Earnings

The following table reconciles Empire's segmented net earnings from continuing operations, net of non-controlling interest, to net earnings, net of non-controlling interest, for the 13 and 52 weeks ended May 2, 2015 compared to the 13 and 52 weeks ended May 3, 2014.

($ in millions, except per share amounts, net of tax)	13 Weeks Ended **May 2, 2015**	13 Weeks Ended May 3, 2014	($) Change	52 Weeks Ended **May 2, 2015**	52 Weeks Ended May 3, 2014	($) Change
Net earnings (loss) from continuing operations by segment [1]:						
Food retailing	**$ 34.1**	$ (17.6)	$ 51.7	**$ 343.5**	$ 121.8	$ 221.7
Investments and other operations	**21.3**	19.1	2.2	**75.5**	29.2	46.3
Net earnings from continuing operations [1]	**$ 55.4**	$ 1.5	$ 53.9	**$ 419.0**	$ 151.0	$ 268.0
EPS from continuing operations (fully diluted)	**$ 0.60**	$ 0.02	$ 0.58	**$ 4.54**	$ 1.88	$ 2.66
Net earnings (loss) from discontinued operations	**-**	(0.7)	0.7	**-**	84.4	(84.4)
Net earnings (loss) by segment [1]:						
Food retailing	**$ 34.1**	$ (17.6)	$ 51.7	**$ 343.5**	$ 121.8	$ 221.7
Investments and other operations	**21.3**	18.4	2.9	**75.5**	113.6	(38.1)
Net earnings [1]	**$ 55.4**	$ 0.8	$ 54.6	**$ 419.0**	$ 235.4	$ 183.6
EPS (fully diluted)	**$ 0.60**	$ 0.01	$ 0.59	**$ 4.54**	$ 2.93	$ 1.61
Diluted weighted average number of shares outstanding (in millions)	**92.5**	92.4		**92.4**	80.2	

(1) Net of non-controlling interest.

Net earnings (loss) from discontinued operations in the fourth quarter of fiscal 2015 equaled $ nil ($ nil per diluted share) compared to $(0.7) million ($(0.01) per diluted share) in the same quarter last year. For fiscal 2015, net earnings from discontinued operations equaled $ nil ($ nil per diluted share) compared to $84.4 million ($1.05 per diluted share) last year.

FINANCIAL PERFORMANCE BY SEGMENT

The Company operates and reports on two business segments:

1) **Food Retailing**, which consists of wholly-owned subsidiary Sobeys Inc. ("Sobeys"), and

2) **Investments and Other Operations**, which as of May 2, 2015 included investments in Crombie REIT (41.5 percent equity accounted interest; 40.2 percent fully diluted) and interests in Genstar.

FOOD RETAILING

The following table presents Sobeys' contribution to Empire's consolidated sales, gross profit, EBITDA, adjusted EBITDA, operating income, net earnings, net of non-controlling interest, and adjusted net earnings, net of non-controlling interest.

($ in millions)	13 Weeks Ended [1] May 2, 2015	13 Weeks Ended [1] May 3, 2014 [2]	($) Change	52 Weeks Ended [1] May 2, 2015	52 Weeks Ended [1] May 3, 2014 [2]	($) Change
Sales	**$ 5,770.5**	$ 5,945.4	$ (174.9)	**$ 23,928.8**	$ 20,961.5	$ 2,967.3
Gross profit	**1,455.9**	1,513.2	(57.3)	**5,962.5**	5,016.1	946.4
EBITDA	**206.9**	130.3	76.6	**1,121.9**	717.9	404.0
Adjusted EBITDA	**311.2**	304.3	6.9	**1,223.7**	1,006.6	217.1
Operating income	**86.3**	6.0	80.3	**639.9**	291.6	348.3
Net earnings (loss) [3]	**34.1**	(17.6)	51.7	**343.5**	121.8	221.7
Adjusted net earnings [3]	**117.4**	113.0	4.4	**443.4**	354.1	89.3

(1) Net of consolidation adjustments which includes a purchase price allocation from the privatization of Sobeys.
(2) Amounts have been reclassified to correspond to the current presentation on the consolidated statement of earnings.
(3) Net of non-controlling interest.

Sales

Sobeys reported sales of $5,770.5 million for the 13 weeks ended May 2, 2015, a decrease of $174.9 million or 2.9 percent over the same quarter last year. The decline in sales, as expected, was primarily the result of retail store divestitures, store closures associated with the network rationalization and the decline in oil prices impacting fuel sales. These negative pressures on sales have been partially offset by food inflation. During the fourth quarter, Sobeys' same-store sales increased 0.8 percent from the same period last year. Excluding the negative impact of oil prices on fuel sales, same-store sales would have increased 2.1 percent.

In fiscal 2015, Empire's food retailing segment reported sales of $23,928.8 million, an increase of $2,967.3 million or 14.2 percent, from $20,961.5 million recorded in fiscal 2014. The increase was primarily the result of sales from Safeway operations and food inflation, slightly offset by retail store divestitures, store closures associated with the network rationalization and the decline in oil prices impacting fuel sales during the third and fourth quarters in the current year. During the fiscal year, same-store sales increased 1.4 percent from compared to the prior year. Excluding the negative impact of oil prices on fuel sales, same-store sales would have increased 1.9 percent.

Gross Profit

For the fourth quarter of fiscal 2015, Sobeys' gross profit was $1,455.9 million, a decrease of $57.3 million or 3.8 percent compared to the same period last year. The decrease in gross profit was mainly the result of a one-time inventory adjustment of $30.5 million (2014 – $ nil) associated with a change in estimate in the costing of retail inventory, coupled with store divestitures and network rationalization, partially offset by synergies realized during the fourth quarter related to the Canada Safeway acquisition. Gross margin in the fourth quarter decreased 22 basis points to 25.23 percent compared to 25.45 percent in the same period last year. Excluding the negative impact of the inventory adjustment, gross margin would have increased by 31 basis points over the same period in the prior year to 25.76 percent.

For the 52 weeks ended May 2, 2015, Sobeys recorded gross profit of $5,962.5 million, an increase of $946.4 million or 18.9 percent compared to $5,016.1 million last year. For the year ended May 2, 2015, gross margin increased 99 basis points to 24.92 percent compared to 23.93 percent last year. The increase in gross profit is mainly the result of Safeway operations combined with synergies realized during the fiscal year relating to the Canada Safeway acquisition and new retail selling square footage, which was partially offset, as expected, by the store divestitures, network rationalization and a one-time inventory adjustment.

Overall, gross profit and gross margin were impacted during the 13 and 52 weeks ended May 2, 2015 by the following factors: (i) the Canada Safeway acquisition, store divestures, network rationalization and related synergies; (ii) inflation; (iii) inventory adjustment due to revising certain estimates and assumptions in the determination of cost of retail inventories; (iv) continued competitive intensity; and (v) a weaker Canadian dollar (“CAD”) relative to the United States dollar (“USD”) which affected the CAD cost of USD purchases.

For the 13 and 52 weeks ended May 2, 2015, the decline in the price of oil, which had an impact on fuel sales, did not have a material impact on gross profit.

EBITDA

EBITDA contribution from Sobeys to Empire in the fourth quarter was $206.9 million (3.59 percent of sales) compared to a $130.3 million (2.19 percent of sales) contribution in the same quarter last year, an increase of $76.6 million or 58.8 percent. The increase in EBITDA was primarily the result of synergies realized of $46.1 million (2014 – $23.0 million) related to the Canada Safeway acquisition, reduced costs associated with the network rationalization and a gain on the disposal of manufacturing facilities, offset by an increase in distribution centre restructuring and organizational realignment costs. These, combined with the factors affecting sales and gross profit, as previously mentioned, had a net positive effect on EBITDA.

After adjusting for items which are considered not indicative of underlying business operating performance, adjusted EBITDA contribution from Sobeys to Empire in the fourth quarter was $311.2 million (5.39 percent of sales), an increase of $6.9 million or 2.3 percent from the $304.3 million (5.12 percent of sales) recorded in the same period last year.

Sobeys contributed EBITDA to Empire in fiscal 2015 of $1,121.9 million (4.69 percent of sales) compared to $717.9 million (3.42 percent of sales) last year, an increase of $404.0 million or 56.3 percent. The increase in EBITDA is largely attributed to Safeway operations, reduced transaction costs associated with the Canada Safeway acquisition, a reduction of the network rationalization costs and a gain on the disposal of manufacturing facilities. This increase was offset by costs associated with the distribution centre restructuring and organizational realignment. These, combined with the factors affecting sales and gross profit, as previously mentioned, had a net positive effect on EBITDA.

After adjusting for items which are considered not indicative of underlying business operating performance, adjusted EBITDA contribution from Sobeys to Empire in fiscal 2015 of $1,223.7 million (5.11 percent of sales) compared to $1,006.6 million (4.80 percent of sales) last year, an increase of $217.1 million or 21.6 percent.

	13 Weeks Ended		52 Weeks Ended	
($ in millions)	**May 2, 2015**	May 3, 2014	**May 2, 2015**	May 3, 2014
EBITDA (contributed by Sobeys)	**$ 206.9**	$ 130.3	**$ 1,121.9**	$ 717.9
Adjustments:				
Distribution centre restructuring	**53.4**	-	**53.4**	-
Organizational realignment costs	**49.6**	-	**49.6**	3.0
Inventory adjustment	**30.5**	-	**30.5**	17.1
Gain on the disposal of manufacturing facilities	**(20.7)**	-	**(19.1)**	-
Network rationalization (reversals)	**(9.8)**	169.8	**(17.4)**	169.8
Transaction costs associated with the Canada Safeway acquisition	**1.3**	3.2	**3.8**	97.8
Plant closure	**-**	1.0	**1.0**	1.0
	104.3	174.0	**101.8**	288.7
Adjusted EBITDA	**$ 311.2**	$ 304.3	**$ 1,223.7**	$ 1,006.6

Operating Income

Sobeys' operating income contribution to Empire in the fourth quarter was $86.3 million (1.50 percent of sales) compared to $6.0 million (0.10 percent of sales) in the fourth quarter last year, an increase of $80.3 million. Operating income was impacted primarily by the factors previously noted in the sales and EBITDA sections.

For fiscal 2015, Sobeys' operating income contribution to Empire was $639.9 million (2.67 percent of sales) compared to $291.6 million (1.39 percent of sales), an increase of $348.3 million or 119.4 percent. Operating income increased primarily due to Safeway operations and the factors previously noted in the sales and EBITDA sections, partially offset by increased depreciation and amortization expenses related to the Canada Safeway acquisition.

Net Earnings

Sobeys contributed net earnings, net of non-controlling interest, to Empire in the fourth quarter of $34.1 million compared to a net loss of $17.6 million in the same period last year, an increase of $51.7 million. This increase is mainly due to synergies realized and reduced costs associated with the network rationalization, offset by distribution centre and organizational realignment costs. After adjusting for items which are considered not indicative of underlying business operating performance, Sobeys contributed adjusted net earnings, net of non-controlling interest, of $117.4 million in compared to $113.0 million in same period last year, an increase of $4.4 million or 3.9 percent.

For fiscal 2015, Sobeys contributed net earnings, net of non-controlling interest, to Empire of $343.5 million compared to $121.8 million in the same period last year, an increase of $221.7 million. This increase is mainly due to Safeway operations, synergies realized, reduced costs associated with network rationalization and reduced transaction costs, offset by increases in costs associated with distribution centre restructuring and organizational realignment. After adjusting for items which are considered not indicative of underlying business operating performance, Sobeys contributed adjusted net earnings, net of non-controlling interest, of $443.4 million compared to $354.1 million last year, an increase of $89.3 million or 25.2 percent.

The table below reconciles net earnings, net of non-controlling interest, to adjusted net earnings, net of non-controlling interest, for the 13 and 52 weeks ended May 2, 2015 compared to the 13 and 52 weeks ended May 3, 2014.

	13 Weeks Ended		52 Weeks Ended	
($ in millions)	**May 2, 2015**	May 3, 2014	**May 2, 2015**	May 3, 2014
Net earnings (loss) [1] (contributed by Sobeys)	**$ 34.1**	$ (17.6)	**$ 343.5**	$ 121.8
Adjustments [2]:				
Distribution centre restructuring	**39.1**	-	**39.1**	-
Organizational realignment costs	**36.2**	-	**36.2**	2.2
Inventory adjustment	**23.0**	-	**23.0**	12.7
Intangible amortization associated with the Canada Safeway acquisition	**4.9**	3.5	**20.5**	10.2
Gain on the disposal of manufacturing facilities	**(14.7)**	-	**(14.1)**	-
Network rationalization (reversals)	**(7.2)**	123.8	**(12.7)**	123.8
Finance costs associated with the network rationalization	**1.0**	-	**4.4**	-
Transaction costs associated with the Canada Safeway acquisition	**1.0**	2.5	**2.8**	76.0
Plant closure	**-**	0.8	**0.7**	0.8
Finance costs associated with the Canada Safeway acquisition	**-**	-	**-**	6.6
	83.3	130.6	**99.9**	232.3
Adjusted net earnings [1]	**$ 117.4**	$ 113.0	**$ 443.4**	$ 354.1

(1) Net of non-controlling interest.
(2) All adjustments are net of income taxes.

INVESTMENTS AND OTHER OPERATIONS

The table below presents investments and other operations' contribution to Empire's consolidated sales, EBITDA, operating income (loss), net earnings from continuing operations, net earnings (loss) from discontinued operations and net earnings.

($ in millions)	13 Weeks Ended **May 2, 2015**	May 3, 2014	($) Change	52 Weeks Ended **May 2, 2015**	May 3, 2014	($) Change
Sales [1]	**$ -**	$ (1.1)	$ 1.1	**$ -**	$ 3.4	$ (3.4)
EBITDA [1]	**29.7**	17.1	12.6	**104.2**	37.4	66.8
Operating income (loss)						
Crombie REIT [2][3]	**7.0**	6.9	0.1	**30.6**	19.2	11.4
Real estate partnerships [4]	**11.1**	10.9	0.2	**54.7**	30.4	24.3
Other operations, net of corporate expenses [1][5]	**11.8**	(0.9)	12.7	**18.4**	(12.7)	31.1
	29.9	16.9	13.0	**103.7**	36.9	66.8
Net earnings from continuing operations	**21.3**	19.1	2.2	**75.5**	29.2	46.3
Net earnings (loss) from discontinued operations	**-**	(0.7)	0.7	**-**	84.4	(84.4)
Net earnings	**21.3**	18.4	2.9	**75.5**	113.6	(38.1)

(1) Results generated from Empire Theatres have been recorded in discontinued operations for fiscal 2014.
(2) 41.5 percent equity accounted interest in Crombie REIT (as at May 3, 2014 – 41.6 percent interest).
(3) Equity earnings from Crombie REIT for the 52 weeks ended May 3, 2014 included a non-recurring cost of $2.5 million related to arranging financing on the 70 properties acquired by Crombie REIT as part of the Canada Safeway acquisition.
(4) Interests in Genstar.
(5) 52 weeks ended May 3, 2014 included organizational realignment and restructuring costs of $9.1 million.

Operating Income

Investments and other operations contributed operating income of $29.9 million in the 13 weeks ended May 2, 2015 versus $16.9 million in the same period last year, an increase of $13.0 million.

The contributors to operating income in the fourth quarter of fiscal 2015 were as follows:

- Equity accounted earnings from the Company's investment in Crombie REIT were $7.0 million in the 13 weeks ended May 2, 2015, an increase of $0.1 million from the $6.9 million recorded in the fourth quarter of fiscal 2014.
- Equity accounted earnings from the Company's investments in real estate partnerships (Genstar) were $11.1 million in the 13 weeks ended May 2, 2015, an increase of $0.2 million compared to $10.9 million recorded in the same period last year.
- Other operations, net of corporate expenses, contributed operating income (loss) of $11.8 million in the fourth quarter of fiscal 2015, an improvement of $12.7 million from the $(0.9) million recorded in the same quarter last year.

For fiscal 2015, investments and other operations contributed operating income of $103.7 million versus $36.9 million in the same period last year, an increase of $66.8 million.

The contributors to operating income in fiscal 2015 were as follows:

- Equity accounted earnings from the Company's investment in Crombie REIT were $30.6 million in the 52 weeks ended May 2, 2015, an increase of $11.4 million from the $19.2 million recorded in fiscal 2014. This was driven primarily by gains on property sales and improved year-over-year operating results.
- Equity accounted earnings from the Company's investments in real estate partnerships (Genstar) were $54.7 million in the 52 weeks ended May 2, 2015, an increase of $24.3 million compared to $30.4 million recorded in the same period last year, primarily as a result of stronger lot and housing sales.

- Other operations, net of corporate expenses, contributed operating income (loss) of $18.4 million in fiscal 2015, an improvement of $31.1 million from the $(12.7) million recorded in the same period last year. The improvement can be attributed to organizational realignment and restructuring costs of $ nil in the current year compared to costs incurred of $9.1 million in the prior year, combined with the reversal of deferred gains on properties sold by Crombie REIT.

Net Earnings

Investments and other operations contributed $21.3 million to Empire's consolidated net earnings in the fourth quarter of fiscal 2015 compared to $18.4 million in the same period last year. The $2.9 million increase is primarily attributed to an increase in net earnings from continuing operations of $2.2 million.

For fiscal 2015, investments and other operations contributed $75.5 million to Empire's consolidated net earnings compared to $113.6 million last year. The $38.1 decline is attributed to a decrease in net earnings from discontinued operations of $84.4 million and is partially offset by an increase in net earnings from continuing operations of $46.3 million. The $84.4 million decrease in net earnings from discontinued operations is primarily attributed to a $104.2 million gain on disposal of assets related to the sale of Empire Theatres in fiscal 2014.

CONSOLIDATED FINANCIAL CONDITION

The financial condition measures are presented in the table below.

($ in millions, except per share and ratio calculations)		**May 2, 2015**		May 3, 2014 (1)		May 4, 2013 (2)
Shareholders' equity, net of non-controlling interest	**$**	**5,983.8**	$	5,700.5	$	3,724.8
Book value per common share (3)	**$**	**64.81**	$	61.75	$	54.82
Long-term debt, including current portion	**$**	**2,295.9**	$	3,500.1	$	969.5
Funded debt to total capital (3)		**27.7%**		38.0%		20.7%
Net funded debt to net total capital (3)		**25.1%**		35.0%		12.1%
Funded debt to EBITDA (3)		**1.9x**		4.6x		1.1x
EBITDA to interest expense (3)		**8.9x**		5.8x		19.0x
Current assets to current liabilities		**0.9x**		1.0x		1.0x
Total assets	**$**	**11,473.4**	$	12,243.7	$	7,140.4

(1) Amounts have been restated as a result of the finalized purchase price allocation related to the Canada Safeway acquisition; see the "Business Acquisition" section of Management's Discussion & Analysis ("MD&A").
(2) Amounts have been restated as a result of a change in accounting policy and reclassification of discontinued operations.
(3) See "Non-GAAP Financial Measures" section of this news release.

At the end of the fourth quarter, Empire's consolidated ratio of funded debt to total capital was 27.7 percent (May 3, 2014 – 38.0 percent) with cash and cash equivalents of $295.9 million (May 3, 2014 – $429.3 million).

Shareholders' equity, net of non-controlling interest, increased $283.3 million or 5.0 percent over the fourth quarter last year to $5,983.8 million. Book value per common share increased to $64.81 at the end of the fourth quarter versus $61.75 at May 3, 2014.

Free Cash Flow

Free cash flow is used to measure the change in the Company's cash available for debt repayment, dividend payments, and other investing and financing activities. The following table reconciles free cash flow to GAAP cash flows from operating activities for the 13 and 52 weeks ended May 2, 2015 and the 13 and 52 weeks ended May 3, 2014.

	13 Weeks Ended		52 Weeks Ended	
($ in millions)	**May 2, 2015**	May 3, 2014	**May 2, 2015**	May 3, 2014 [1]
Cash flows from operating activities	**$ 257.7**	$ 438.7	**$ 1,160.5**	$ 785.3
Add: proceeds on disposal of property, equipment and investment property [2]	**460.9**	354.2	**781.2**	653.1
Less: property, equipment and investment property purchases	**(133.8)**	(166.8)	**(497.2)**	(563.1)
Free cash flow	**$ 584.8**	$ 626.1	**$ 1,444.5**	$ 875.3

(1) Amounts have been restated as a result of the finalized purchase price allocation related to the Canada Safeway acquisition; see the "Business Acquisition" section of the MD&A.

(2) 52 weeks ended May 3, 2014 excluded $991.3 million related to the sale-leaseback of acquired real estate with Crombie REIT, which was simultaneously used to partially fund the Canada Safeway acquisition.

Free cash flow generation in the fourth quarter of fiscal 2015 was $584.8 million compared to $626.1 million generated in the same quarter last year. This decrease in free cash flow was the result of a decrease in cash flows from operating activities, offset by an increase in proceeds on the disposal of property, equipment and investment property associated with the divestiture of manufacturing facilities.

For the 52 weeks ended May 2, 2015, free cash flow generation was $1,444.5 million compared to $875.3 generated in the same period last year. This increase in free cash flow was attributed to the increase in cash flow from operating activities, combined with an increase in proceeds on the disposal of property, equipment and investment property associated with: (i) the sale of ten properties to Crombie REIT; (ii) the sale of 22 properties to Econo-Malls Holdings #19 Inc.; and (iii) the divestiture of manufacturing facilities.

SHARE SPLIT

The Board of Directors propose for consideration of the Company's shareholders a three-for-one share split on both the Non-Voting Class A shares and the Class B common shares. This item will be tabled for vote and is subject to approval by both classes of shareholders at the Company's Annual General Meeting to be held September 10, 2015.

SUBSEQUENT EVENTS

Subsequent to the close of the fourth quarter, on May 12, 2015, an agreement for Sobeys to purchase certain assets and select liabilities of Co-op Atlantic's food and fuel business for $24.5 million plus standard working capital adjustments and holdbacks was approved by Co-op Atlantic's member-owners. The agreement provides for the purchase of five full service grocery stores, five fuel stations (two co-located with grocery stores), other real estate assets, and other assets and select liabilities. On June 12, 2015, regulatory clearance was obtained from the Competition Bureau and the transaction closed effective June 21, 2015.

Subsequent to May 2, 2015, Sobeys made a successful bid to purchase a former Target Canada Co. warehouse in Rocky View, Alberta for $50.0 million. The facility will be retro-fitted for automation and when renovations are complete, it will have the capacity to efficiently distribute dry grocery to stores in Alberta, Saskatchewan and part of Manitoba.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information that reflects management's current expectations related to matters such as future financial performance and operating results of the Company. Expressions such as "anticipates", "expects", "believes", "estimates", "could", "intends", "may", "plans", "will", "would" and other similar expressions or the negative of these terms are generally indicative of forward-looking statements. Forward-looking statements contained in this news release include anticipated benefits from the Canada Safeway acquisition including: (i) the effect of the implementation of the Sobeys' SAP systems within the Safeway business which may be impacted by the effectiveness of the integration and training efforts; and (ii) the ultimate achievement of synergies, which may be impacted by a number of factors, including the effectiveness of integration efforts.

By its very nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks and uncertainties which give rise to the possibility that the Company's expectations or objectives will not prove to be accurate. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These uncertainties and risks are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the "Risk Management" section of the annual MD&A.

Readers are urged to consider these and other 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 news release reflects the Company's expectations as at June 24, 2015 and is subject to change after this date. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company other than as required by applicable securities laws.

NON-GAAP FINANCIAL MEASURES

There are measures included in this news release that do not have a standardized meaning under GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. The Company includes these measures because it believes certain investors use these measures as a means of assessing financial performance.

Empire's definition of the non-GAAP terms are as follows:

- Same-store sales are sales from stores in the same location in both reporting periods.
- Gross profit is calculated as sales less cost of sales.
- Gross margin is gross profit divided by sales.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") is calculated as net earnings from continuing operations before finance costs (net of finance income), income taxes, and depreciation and amortization of intangibles.
- EBITDA margin is EBITDA divided by sales.
- Adjusted EBITDA is EBITDA excluding items which are considered not indicative of underlying business operating performance. These adjustments include items which are non-recurring or one-time in nature and items that result in a truer economic representation of the underlying business on a comparative basis.
- Adjusted EBITDA margin is adjusted EBITDA divided by sales.
- Operating income, or earnings before interest and taxes ("EBIT"), is calculated as net earnings from continuing operations before finance costs (net of finance income) and income taxes.
- Operating income margin is operating income divided by sales.
- Interest expense is calculated as interest expense on financial liabilities measured at amortized cost plus losses on cash flow hedges reclassified from other comprehensive income.

- Adjusted net earnings from continuing operations are net earnings from continuing operations, net of non-controlling interest, excluding items which are considered not indicative of underlying business operating performance. These adjustments include items which are non-recurring or one-time in nature and items that result in a truer economic representation of the underlying business on a comparative basis.
- Funded debt is all interest bearing debt, which includes bank loans, bankers' acceptances and long-term debt.
- Net funded debt is calculated as funded debt less cash and cash equivalents.
- 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.
- 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.
- Funded debt to EBITDA ratio is funded debt divided by trailing four-quarter EBITDA.
- EBITDA to interest expense ratio is trailing four-quarter EBITDA divided by trailing four-quarter interest expense.
- Book value per common share is shareholders' equity, net of non-controlling interest, divided by total common shares outstanding.
- 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.

For a more complete description of Empire's non-GAAP terms, please see Empire's MD&A for the fiscal year ended May 2, 2015.

CONFERENCE CALL INFORMATION

The Company will hold an analyst call on Thursday, June 25, 2015 beginning at 9:00 a.m. (Eastern Daylight Time) during which senior management will discuss the Company's financial results for the fourth quarter ended May 2, 2015. To join this conference call, dial (888) 231-8191 outside the Toronto area or (647) 427-7450 from within the Toronto area. To secure a line, please call 10 minutes prior to the conference call; you will be placed on hold until the conference call begins. The media and investing public may access this conference call via a listen mode only. You may also listen to a live audiocast of the conference call by visiting the Company's website located at www.empireco.ca.

Replay will be available by dialing (855) 859-2056 and entering passcode 63310084 until midnight July 2, 2015, or on the Company's website for 90 days following the conference call.

SELECTED FINANCIAL INFORMATION

The following unaudited quarterly and audited annual financial information has been prepared on a basis consistent with our audited consolidated financial statements for the year ended May 2, 2015. The information does not include all disclosures required by IFRS and should be read in conjunction with the Company's 2015 audited consolidated financial statements available at www.sedar.com or by accessing the Investor Centre section of the Company's website at www.empireco.ca.

Empire Company Limited
Condensed Consolidated Balance Sheets
As At
Audited (in millions of Canadian dollars)

	May 2 2015	May 3 2014
ASSETS		
Current		
Cash and cash equivalents	**$ 295.9**	$ 429.3
Receivables	**507.4**	459.3
Inventories	**1,260.6**	1,310.2
Prepaid expenses	**120.5**	113.7
Loans and other receivables	**24.8**	35.7
Income taxes receivable	**18.9**	39.7
Assets held for sale	**47.8**	204.8
	2,275.9	2,592.7
Loans and other receivables	**88.5**	63.2
Investments	**25.1**	24.8
Investments, at equity	**577.8**	554.2
Other assets	**48.4**	29.2
Property and equipment	**3,500.4**	3,685.6
Investment property	**104.2**	104.5
Intangibles	**943.0**	993.6
Goodwill	**3,799.2**	4,069.7
Deferred tax assets	**110.9**	126.2
	$ 11,473.4	$ 12,243.7
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 2,265.8**	$ 2,244.9
Income taxes payable	**40.9**	21.0
Provisions	**122.1**	82.4
Long-term debt due within one year	**53.9**	218.0
	2,482.7	2,566.3
Provisions	**142.9**	140.7
Long-term debt	**2,242.0**	3,282.1
Other long-term liabilities	**458.0**	389.3
Deferred tax liabilities	**110.9**	123.8
	5,436.5	6,502.2
SHAREHOLDERS' EQUITY		
Capital stock	**2,109.4**	2,108.6
Contributed surplus	**8.2**	5.0
Retained earnings	**3,859.9**	3,585.9
Accumulated other comprehensive income	**6.3**	1.0
	5,983.8	5,700.5
Non-controlling interest	**53.1**	41.0
	6,036.9	5,741.5
	$ 11,473.4	$ 12,243.7

Empire Company Limited **Condensed Consolidated Statements of Earnings** **(in millions of Canadian dollars, except per share amounts)**	*Unaudited 13 Weeks Ended* **May 2 2015**	*Unaudited 13 Weeks Ended* **May 3 2014**	*Audited 52 Weeks Ended* **May 2 2015**	*Audited 52 Weeks Ended* **May 3 2014**
Sales	**$ 5,770.5**	$ 5,944.3	**$ 23,928.8**	$ 20,957.8
Other income	**52.1**	13.2	**99.6**	49.3
Share of earnings from investments, at equity	**18.1**	17.8	**85.7**	50.2
Operating expenses				
Cost of sales	**4,314.6**	4,433.1	**17,966.7**	15,941.3
Selling and administrative expenses	**1,409.9**	1,519.3	**5,403.8**	4,787.5
Operating income	**116.2**	22.9	**743.6**	328.5
Finance costs, net	**34.6**	47.6	**156.3**	133.2
Earnings (loss) before income taxes	**81.6**	(24.7)	**587.3**	195.3
Income taxes	**22.9**	(26.7)	**150.4**	36.3
Net earnings from continuing operations	**58.7**	2.0	**436.9**	159.0
Net (loss) earnings from discontinued operations	**-**	(0.7)	**-**	84.4
Net earnings	**$ 58.7**	$ 1.3	**$ 436.9**	$ 243.4
Earnings (loss) for the period attributable to:				
Non-controlling interest	**$ 3.3**	$ 0.5	**$ 17.9**	$ 8.0
Owners of the parent				
From continuing operations	**55.4**	1.5	**419.0**	151.0
From discontinued operations	**-**	(0.7)	**-**	84.4
	$ 58.7	$ 1.3	**$ 436.9**	$ 243.4
Earnings (loss) per share from continuing and discontinued operations				
Basic				
From continuing operations	**$ 0.60**	$ 0.02	**$ 4.54**	$ 1.89
From discontinued operations	**-**	(0.01)	**-**	1.05
Total	**$ 0.60**	$ 0.01	**$ 4.54**	$ 2.94
Diluted				
From continuing operations	**$ 0.60**	$ 0.02	**$ 4.54**	$ 1.88
From discontinued operations	**-**	(0.01)	**-**	1.05
Total	**$ 0.60**	$ 0.01	**$ 4.54**	$ 2.93
Weighted average number of common shares outstanding, in millions				
Basic	**92.3**	92.3	**92.3**	80.0
Diluted	**92.5**	92.4	**92.4**	80.2

Empire Company Limited **Condensed Consolidated Statements of Cash Flows** **(in millions of Canadian dollars)**	*Unaudited* *13 Weeks Ended* **May 2 2015**	 **May 3 2014**	*Audited* *52 Weeks Ended* **May 2 2015**	 **May 3 2014**
Operations				
Net earnings	**$ 58.7**	$ 1.3	**$ 436.9**	$ 243.4
Adjustments for:				
Depreciation	**99.4**	99.3	**397.8**	362.5
Income taxes	**22.9**	(26.9)	**150.4**	49.6
Finance costs, net	**34.6**	47.7	**156.3**	134.0
Amortization of intangibles	**21.0**	25.0	**84.7**	68.1
Gain on disposal of assets	**(43.4)**	(2.7)	**(67.0)**	(137.5)
Impairment of non-financial assets, net	**(1.3)**	0.6	**1.5**	(7.0)
Amortization of deferred items	**3.1**	6.1	**12.7**	7.1
Equity in earnings of other entities, net of distributions received	**(4.1)**	6.0	**33.3**	27.5
Employee future benefits obligation	**(0.8)**	(8.2)	**(0.5)**	2.9
Increase (decrease) in long-term lease obligation	**0.1**	(1.9)	**5.8**	1.2
Decrease in long-term provisions	**(25.2)**	(0.2)	**(52.5)**	(0.6)
Stock option plan	**1.0**	0.9	**4.0**	4.8
Restructuring	**103.0**	169.8	**103.0**	169.8
Losses recognized on remeasurement of assets and restructuring costs of discontinued operations	**-**	-	**-**	34.8
Net change in non-cash working capital	**23.2**	165.0	**(15.7)**	36.3
Income taxes paid, net	**(34.5)**	(43.1)	**(90.2)**	(211.6)
Cash flows from operating activities	**257.7**	438.7	**1,160.5**	785.3
Investment				
Net decrease (increase) in investments	**-**	0.1	**(40.7)**	(151.6)
Property, equipment and investment property purchases	**(133.8)**	(166.8)	**(497.2)**	(563.1)
Proceeds on disposal of property, equipment and investment property	**460.9**	354.2	**781.2**	1,644.4
Additions to intangibles	**(13.9)**	(10.0)	**(44.8)**	(18.5)
Loans and other receivables	**(14.2)**	2.2	**(14.4)**	21.2
Other assets and other long-term liabilities	**(13.3)**	10.3	**(21.4)**	(5.1)
Proceeds on sale of asset backed commercial paper	**-**	-	**-**	26.0
Business acquisitions	**(3.3)**	(10.8)	**(11.7)**	(5,825.0)
Interest received	**0.5**	0.6	**1.4**	4.4
Non-controlling interest	**0.6**	(1.8)	**(5.8)**	1.7
Cash flows from (used in) investing activities	**283.5**	178.0	**146.6**	(4,865.6)
Financing				
Decrease in bank indebtedness	**-**	-	**-**	(6.0)
Issue of long-term debt	**12.3**	33.3	**414.4**	3,337.6
Deferred debt financing costs	**-**	(3.7)	**(0.9)**	(50.6)
Repayment of long-term debt	**(520.3)**	(428.5)	**(1,635.5)**	(798.6)
Stock option purchases	**-**	-	**-**	(9.1)
Interest paid	**(35.2)**	(49.0)	**(118.8)**	(102.3)
Issue of Non-Voting Class A shares, net	**-**	-	**-**	1,842.6
Share issue costs	**-**	(0.1)	**-**	(75.9)
Dividends paid, common shares	**(24.9)**	(24.0)	**(99.7)**	(83.3)
Cash flows (used in) from financing activities	**(568.1)**	(472.0)	**(1,440.5)**	4,054.4
(Decrease) increase in cash and cash equivalents	**(26.9)**	144.7	**(133.4)**	(25.9)
Cash and cash equivalents, beginning of period	**322.8**	284.6	**429.3**	455.2
Cash and cash equivalents, end of period	**$ 295.9**	$ 429.3	**$ 295.9**	$ 429.3

2015 ANNUAL REPORT

The Company's audited consolidated financial statements and the notes thereto for the fiscal year ended May 2, 2015 and MD&A for the fiscal year ended May 2, 2015, which includes discussion and analysis of results of operations, financial position and cash flows will be available today, June 24, 2015. These documents can be accessed through the Investor Centre section of the Company's website at www.empireco.ca and also at www.sedar.com.

The Company's 2015 Annual Report will be available on or about July 24, 2015 and can be accessed through the Investor Centre section of the Company's website at www.empireco.ca and also at www.sedar.com.

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing and related real estate. With $23.9 billion in sales and $11.5 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 125,000 people.

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

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