EMPIRE
COMPANY LIMITED

FOR IMMEDIATE RELEASE
December 8, 2015

Empire Company Reports Fiscal 2016 Second Quarter Results

Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced financial results for its second quarter ended October 31, 2015. In the second quarter, the Company recorded adjusted net earnings, net of non-controlling interest, of $110.7 million ($0.40 per diluted share) compared to $126.6 million ($0.46 per diluted share) in the second quarter last year, a 12.6 percent decrease.

Second Quarter Highlights

- *Sales of $6,059.2 million, up $64.1 million or 1.1 percent.*
- *Sobeys' same-store sales (1) excluding fuel sales increased 0.9 percent. Including fuel sales, same-store sales increased 0.1 percent.*
- *EBITDA (1) of $256.3 million compared to $323.8 million last year, down $67.5 million or 20.8 percent.*
- *Adjusted EBITDA (1) of $303.7 million compared to $331.0 million last year, down $27.3 million or 8.2 percent.*
- *Net earnings, net of non-controlling interest, of $68.5 million compared to $116.9 million last year, a decrease of $48.4 million or 41.4 percent.*
- *Adjusted net earnings (1), net of non-controlling interest, of $110.7 million compared to $126.6 million last year, a $15.9 million or 12.6 percent decrease.*
- *Adjusted EPS (2) (fully diluted) of $0.40 compared to $0.46 last year, a 13.0 percent decrease.*
- *Funded debt to total capital (1) ratio of 29.1 percent versus 27.7 percent at May 2, 2015.*

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

"As anticipated, our second quarter results continued to trail performance versus the same period last year as the integration of Safeway continues to present challenges," said Marc Poulin, President and CEO, Empire Company Limited. "While we made progress in the adoption of new processes following the implementation of new technology systems, the challenges persisted. In the second quarter, same-store sales were below expectations as a result of customer reaction to our operational challenges and a difficult economy in the west.

"Now that our merchandising team is in place, their focus will be to implement strategies that will improve our overall offering and performance. This marks a critical milestone in the second phase of our Safeway integration strategy, which entails consolidating the majority of our Western Canada back office functions and processes in Calgary. This will yield meaningful cost savings and improve long-term profitability. We remain confident in our ability to realize, if not exceed, our three-year run rate Safeway integration synergy target of $200 million."

Dividend Declaration

The Board of Directors declared a quarterly dividend of $0.10 per share on both the Non-Voting Class A shares and the Class B common shares that will be payable on January 29, 2016 to shareholders of record on January 15, 2016. 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

($ in millions, except per share amounts)	13 Weeks Ended Oct. 31, 2015	13 Weeks Ended Nov. 1, 2014 (1)	($) Change	26 Weeks Ended Oct. 31, 2015	26 Weeks Ended Nov. 1, 2014 (1)	($) Change
Sales	**$ 6,059.2**	$ 5,995.1	$ 64.1	**$ 12,308.4**	$ 12,217.8	$ 90.6
EBITDA	**256.3**	323.8	(67.5)	**570.4**	666.3	(95.9)
Adjusted EBITDA	**303.7**	331.0	(27.3)	**628.9**	673.5	(44.6)
Operating income	**136.0**	203.7	(67.7)	**331.5**	423.1	(91.6)
Finance costs, net	**34.3**	40.5	(6.2)	**67.2**	84.1	(16.9)
Income taxes	**30.1**	41.2	(11.1)	**73.6**	85.6	(12.0)
Net earnings (2)	**68.5**	116.9	(48.4)	**177.3**	240.0	(62.7)
Adjusted net earnings (2)	**110.7**	126.6	(15.9)	**232.4**	255.7	(23.3)
EPS (fully diluted) (2)	**$ 0.25**	$ 0.42	$ (0.17)	**$ 0.64**	$ 0.87	$ (0.23)
Adjusted EPS (fully diluted) (2)	**$ 0.40**	$ 0.46	$ (0.06)	**$ 0.84**	$ 0.92	$ (0.08)
Diluted weighted average number of shares outstanding (in millions)	**275.5**	277.0		**276.5**	277.1	

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated statement of earnings.
(2) Net of non-controlling interest.

Sales

All sales are generated by the food retailing segment.

Consolidated sales for the 13 weeks ended October 31, 2015 were $6,059.2 million compared to $5,995.1 million in the second quarter last year, an increase of $64.1 million or 1.1 percent. The increase in sales was primarily the result of food inflation, and the Co-op Atlantic acquisition and the associated long-term supply and franchise agreements. This increase was partially offset by: (i) integration and operational challenges affecting Safeway operations; (ii) the continued negative impact of merchandising and promotional strategies for the Safeway banner; (iii) store closures associated with the network rationalization; (iv) the decline in oil prices impacting fuel sales; (v) the lost wholesale food volumes resulting from the loss of wholesale customers; and (vi) the economic downturn in areas that have been impacted by decreasing oil prices.

During the second quarter of fiscal 2016, Sobeys' same-store sales increased 0.1 percent from the same period last year. Excluding the negative impact of fuel sales due to downward pressure on oil prices, same-store sales would have increased by 0.9 percent.

EBITDA

Consolidated EBITDA in the second quarter was $256.3 million compared to $323.8 million in the second quarter last year, a $67.5 million or 20.8 percent decrease. EBITDA margin decreased 120 basis points to 4.2 percent in the second quarter of fiscal 2016 from 5.4 percent in the same period last year. The decrease in EBITDA was mainly due to factors affecting sales, as mentioned previously, and the factors affecting gross profit in the food retailing segment, combined with the provision related to the manufacturing purchase price adjustment. An offset to these additional costs were reduced expenses for variable components of compensation, including stock-based awards.

The following table adjusts EBITDA for items which are considered not indicative of underlying business operating performance and presents adjusted EBITDA margin for the 13 and 26 weeks ended October 31, 2015 compared to the 13 and 26 weeks ended November 1, 2014.

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Oct. 31, 2015**	Nov. 1, 2014 [(1)]	**Oct. 31, 2015**	Nov. 1, 2014 [(1)]
EBITDA (consolidated)	**$ 256.3**	$ 323.8	**$ 570.4**	$ 666.3
Adjustments:				
Loss on disposal of manufacturing facilities	**39.7**	7.2	**39.7**	7.2
Organizational realignment costs	**7.1**	-	**13.5**	-
Distribution centre restructuring	**0.6**	-	**5.3**	-
	47.4	7.2	**58.5**	7.2
Adjusted EBITDA (consolidated)	**$ 303.7**	$ 331.0	**$ 628.9**	$ 673.5
Adjusted EBITDA margin [(2)]	**5.0%**	5.5%	**5.1%**	5.5%

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated statement of earnings.
(2) See "Non-GAAP Financial Measures" section of this news release.

Operating Income

Consolidated operating income in the second quarter was $136.0 million, a decrease of $67.7 million or 33.2 percent from the $203.7 million recorded in the second quarter last year. Operating income decreased primarily due to the factors noted in the sales and EBITDA sections above, and the factors affecting gross profit in the food retailing segment, discussed further.

Finance Costs

Finance costs, net of finance income, for the 13 weeks ended October 31, 2015 were $34.3 million, a decrease of $6.2 million from the $40.5 million recorded in the same period last year. This decrease is primarily due to the debt repayments in fiscal 2015.

Income Taxes

The Company's effective income tax rate for the second quarter of fiscal 2016 was 29.6 percent compared to 25.2 percent for the second quarter of fiscal 2015. The increase in the effective tax rate is primarily attributed to the partial non-deductibility of a potential manufacturing purchase price adjustment.

Net Earnings

Consolidated net earnings, net of non-controlling interest, in the second quarter equaled $68.5 million ($0.25 per diluted share) compared to $116.9 million ($0.42 per diluted share) in the second quarter last year. Net earnings were primarily impacted by the previously discussed challenges in the west and the provision related to the manufacturing purchase price adjustment. An offset to these additional costs were reduced expenses for variable components of compensation, including stock-based awards.

The following table adjusts net earnings, net of non-controlling interest, for items which are considered not indicative of underlying business operating performance.

($ in millions, except per share amounts, net of tax)	13 Weeks Ended Oct. 31, 2015	13 Weeks Ended Nov. 1, 2014	26 Weeks Ended Oct. 31, 2015	26 Weeks Ended Nov. 1, 2014
Net earnings [1]	**$ 68.5**	$ 116.9	**$ 177.3**	$ 240.0
EPS (fully diluted)	**$ 0.25**	$ 0.42	**$ 0.64**	$ 0.87
Adjustments [2]:				
Loss on disposal of manufacturing facilities	**31.8**	5.0	**31.8**	5.0
Organizational realignment costs	**5.2**	-	**9.8**	-
Intangible amortization associated with the Canada Safeway acquisition	**4.8**	4.7	**9.6**	10.7
Distribution centre restructuring	**0.4**	-	**3.9**	-
	42.2	9.7	**55.1**	15.7
Adjusted net earnings [1]	**$ 110.7**	$ 126.6	**$ 232.4**	$ 255.7
Adjusted EPS (fully diluted)	**$ 0.40**	$ 0.46	**$ 0.84**	$ 0.92
Diluted weighted average number of shares outstanding (in millions)	**275.5**	277.0	**276.5**	277.1

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

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 October 31, 2015 included investments in Crombie Real Estate Investment Trust ("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] Oct. 31, 2015	13 Weeks Ended [1] Nov. 1, 2014	($) Change	26 Weeks Ended [1] Oct. 31, 2015	26 Weeks Ended [1] Nov. 1, 2014	($) Change
Sales	**$ 6,059.2**	$ 5,995.1	$ 64.1	**$ 12,308.4**	$ 12,217.8	$ 90.6
Gross profit	**1,473.6**	1,480.9	(7.3)	**2,989.6**	3,026.8	(37.2)
EBITDA	**249.5**	301.5	(52.0)	**552.6**	630.7	(78.1)
Adjusted EBITDA	**296.9**	308.7	(11.8)	**611.1**	637.9	(26.8)
Operating income	**129.3**	181.6	(52.3)	**313.9**	387.8	(73.9)
Net earnings [2]	**64.0**	100.4	(36.4)	**165.4**	213.9	(48.5)
Adjusted net earnings [2]	**106.2**	110.1	(3.9)	**220.5**	229.6	(9.1)

(1) Net of consolidation adjustments which includes a purchase price allocation from the privatization of Sobeys.
(2) Net of non-controlling interest.

Sales

Sobeys reported sales of $6,059.2 million for the 13 weeks ended October 31, 2015, an increase of $64.1 million or 1.1 percent from $5,995.1 million reported in the same quarter last year. The increase in sales was primarily the result of food inflation, and the Co-op Atlantic acquisition and the associated long-term supply and franchise agreements. This increase was partially offset by: (i) integration and operational challenges affecting Safeway operations; (ii) the continued negative impact of merchandising and promotional strategies for the Safeway banner; (iii) store closures associated with the network rationalization; (iv) the decline in oil prices impacting fuel sales; (v) the lost wholesale food volumes resulting from the loss of wholesale customers; and (vi) the economic downturn in areas that have been impacted by decreasing oil prices.

During the second quarter of fiscal 2016, Sobeys' same-store sales increased 0.1 percent from the same period last year. Excluding the negative impact of fuel sales due to downward pressure on oil prices, same-store sales would have increased by 0.9 percent.

Gross Profit

For the second quarter of fiscal 2016, Sobeys' gross profit was $1,473.6 million, a decrease of $7.3 million or 0.5 percent compared to $1,480.9 million for the same period last year. For the second quarter of fiscal 2016, gross margin decreased 40 basis points to 24.3 percent compared to 24.7 percent in the same period last year.

The decrease in gross margin during the quarter continued to be the result of the learning curve and associated time needed for the organization to adapt to the significant changes from the integration of the Safeway operations and the continued impact that our merchandising and promotional programs had on our customers. These challenges are being addressed and mitigation plans continue to be put into place. The significant organizational, training, and education gaps related to IT system, process integration and reorganizational changes were identified in the first quarter continue to be aggressively addressed.

In addition, gross profit and gross margin continued to be impacted during the 13 weeks ended October 31, 2015 by the factors impacting sales, as well as synergies related to the Canada Safeway acquisition, store divestitures and network rationalization. These were offset by: (i) continued competitive intensity; (ii) a highly promotional environment; and (iii) a weaker Canadian dollar ("CAD") relative to the United States dollar ("USD") which affected the CAD cost of USD purchases.

For the 13 weeks ended October 31, 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 second quarter of fiscal 2016 was $249.5 million (4.1 percent of sales) compared to a $301.5 million (5.0 percent of sales) contribution in the same quarter last year, a decrease of $52.0 million or 17.2 percent. The decrease in EBITDA was mainly the result of the factors affecting sales and gross profit, as mentioned previously, combined with the provision related to the manufacturing purchase price adjustment. An offset to these additional costs were reduced expenses for variable components of compensation, including stock-based awards.

The following table adjusts EBITDA for items which are considered not indicative of underlying business operating performance and presents adjusted EBITDA margin for the 13 and 26 weeks ended October 31, 2015 compared to the 13 and 26 weeks ended November 1, 2014.

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Oct. 31, 2015**	Nov. 1, 2014	**Oct. 31, 2015**	Nov. 1, 2014
EBITDA (contributed by Sobeys)	**$ 249.5**	$ 301.5	**$ 552.6**	$ 630.7
Adjustments:				
Loss on disposal of manufacturing facilities	**39.7**	7.2	**39.7**	7.2
Organizational realignment costs	**7.1**	-	**13.5**	-
Distribution centre restructuring	**0.6**	-	**5.3**	-
	47.4	7.2	**58.5**	7.2
Adjusted EBITDA	**$ 296.9**	$ 308.7	**$ 611.1**	$ 637.9
Adjusted EBITDA margin	**4.9%**	5.1%	**5.0%**	5.2%

Operating Income

Sobeys' operating income contribution to Empire in the second quarter was $129.3 million compared to $181.6 million in the second quarter last year, a decrease of $52.3 million or 28.8 percent. Operating income decreased due to the factors noted in the sales, gross profit and EBITDA sections above.

Net Earnings

Sobeys contributed net earnings, net of non-controlling interest, to Empire in the second quarter of $64.0 million compared to $100.4 million in the same period last year, a decrease of $36.4 million or 36.3 percent. Net earnings were primarily impacted by the previously discussed challenges in the west and the provision related to the manufacturing purchase price adjustment. An offset to these additional costs were reduced expenses for variable components of compensation, including stock-based awards.

The table below reconciles net earnings, net of non-controlling interest, to adjusted net earnings, net of non-controlling interest, for the 13 and 26 weeks ended October 31, 2015 compared to the 13 and 26 weeks ended November 1, 2014.

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Oct. 31, 2015**	Nov. 1, 2014	**Oct. 31, 2015**	Nov. 1, 2014
Net earnings [(1)] (contributed by Sobeys)	**$ 64.0**	$ 100.4	**$ 165.4**	$ 213.9
Adjustments [(2)]:				
Loss on disposal of manufacturing facilities	**31.8**	5.0	**31.8**	5.0
Organizational realignment costs	**5.2**	-	**9.8**	-
Intangible amortization associated with the Canada Safeway acquisition	**4.8**	4.7	**9.6**	10.7
Distribution centre restructuring	**0.4**	-	**3.9**	-
	42.2	9.7	**55.1**	15.7
Adjusted net earnings [(1)]	**$ 106.2**	$ 110.1	**$ 220.5**	$ 229.6

(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 operating income (loss).

($ in millions)	13 Weeks Ended Oct. 31, 2015	13 Weeks Ended Nov. 1, 2014 (1)	($) Change	26 Weeks Ended Oct. 31, 2015	26 Weeks Ended Nov. 1, 2014 (1)	($) Change
Operating income (loss)						
Crombie REIT (2)	**$ 6.2**	$ 9.0	$ (2.8)	**$ 13.6**	$ 16.3	$ (2.7)
Real estate partnerships (3)	**2.2**	11.4	(9.2)	**7.1**	19.4	(12.3)
Other operations, net of corporate expenses	**(1.7)**	1.7	(3.4)	**(3.1)**	(0.4)	(2.7)
	$ 6.7	$ 22.1	$ (15.4)	**$ 17.6**	$ 35.3	$ (17.7)

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated statement of earnings.
(2) 41.5 percent equity accounted interest in Crombie REIT (as at November 1, 2014 – 41.5 percent interest).
(3) Interests in Genstar.

Operating Income

Investments and other operations contributed operating income of $6.7 million in the 13 weeks ended October 31, 2015 versus $22.1 million in the same period last year, a decrease of $15.4 million. The decrease in operating income was primarily due to lower equity accounted earnings from the Company's investment in real estate partnerships (Genstar) as a result of fewer lot sales compared to the same period last year.

CONSOLIDATED FINANCIAL CONDITION

The financial condition measures are presented in the table below.

($ in millions, except per share and ratio calculations)	**Oct. 31, 2015**	May 2, 2015 (1)	Nov. 1, 2014 (1)(2)
Shareholders' equity, net of non-controlling interest	**$ 6,000.9**	$ 5,983.8	$ 5,872.1
Book value per common share (3)	**$ 21.81**	$ 21.60	$ 21.20
Long-term debt, including current portion	**$ 2,463.3**	$ 2,290.9	$ 3,118.6
Funded debt to total capital (3)	**29.1%**	27.7%	34.7%
Net funded debt to net total capital (3)	**26.5%**	25.0%	31.8%
Funded debt to EBITDA (3)(4)(5)	**2.2x**	1.9x	3.1x
EBITDA to interest expense (3)(4)(6)	**9.5x**	8.9x	6.1x
Current assets to current liabilities	**0.9x**	0.9x	1.2x
Total assets	**$ 11,613.5**	$ 11,468.4	$ 12,135.8

(1) Amounts have been reclassified to correspond to the current period presentation on the condensed consolidated statement of cash flows and the condensed consolidated balance sheets.
(2) 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 Fiscal 2015 Annual Management's Discussion & Analysis ("MD&A").
(3) See "Non-GAAP Financial Measures" section of this news release.
(4) Ratios for November 1, 2014 exclude EBITDA and interest expense relating to discontinued operations.
(5) Calculation uses trailing four-quarter EBITDA.
(6) Calculation uses trailing four-quarter EBITDA and interest expense.

The ratio of funded debt to total capital increased 1.4 percentage points to 29.1 percent at October 31, 2015 from 27.7 percent at May 2, 2015.

Shareholders' equity, net of non-controlling interest, increased $128.8 million or 2.2 percent over the second quarter last year to $6,000.9 million. Book value per common share increased to $21.81 at October 31, 2015 versus $21.20 at November 1, 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 26 weeks ended October 31, 2015 and the 13 and 26 weeks ended November 1, 2014.

	13 Weeks Ended		26 Weeks Ended	
($ in millions)	**Oct. 31, 2015**	Nov. 1, 2014	**Oct. 31, 2015**	Nov. 1, 2014
Cash flows from operating activities	**$ 135.8**	$ 181.1	**$ 451.6**	$ 559.1
Plus: proceeds on disposal of property, equipment and investment property	**4.5**	45.2	**48.4**	165.0
Less: property, equipment and investment property purchases	**(156.2)**	(86.3)	**(299.1)**	(192.1)
Free cash flow	**$ (15.9)**	$ 140.0	**$ 200.9**	$ 532.0

Free cash flow in the second quarter of fiscal 2016 decreased $155.9 million from the second quarter of fiscal 2015. This decrease in free cash flow was the result of: (i) a reduction in cash flows from operating activities; (ii) a decrease in proceeds on disposal of property, equipment and investment property, primarily due to real estate transactions in the second quarter of fiscal 2015; and (iii) an increase in property, equipment and investment property purchases related to the automated distribution centre expansion in Vaughan, the acquisition of a former Target warehouse facility in Rocky View, Alberta, as well as the property and equipment purchases associated with Co-op.

SUBSEQUENT EVENT

Subsequent to the close of the second quarter ended October 31, 2015, Sobeys, through its wholly-owned subsidiaries, sold and leased back five properties from Crombie REIT, an entity in which the Company has a 41.5 percent ownership. Cash consideration received for the properties sold was $57.3 million, resulting in a pre-tax gain of $9.7 million.

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", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" 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: expectations relating to the final amount of any sales price adjustment on the disposal of manufacturing facilities; the timing and effect of strategies to mitigate and reverse the same-store sales trend in the west, including organizational, training, and education gaps related to IT system, process integration and reorganizational changes; timing and amount of any cost savings and improvements to long-term profitability as a result of our strategies; and our ability to realize, if not surpass, our three-year Safeway integration synergy target of $200 million, 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 December 8, 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 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 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 margin is adjusted EBITDA 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 are net 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.
- 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 second quarter ended October 31, 2015.

CONFERENCE CALL INFORMATION

The Company will hold an analyst call on Wednesday, December 9, 2015 beginning at 8:00 a.m. (Eastern Standard Time) during which senior management will discuss the Company's financial results for the second quarter of fiscal 2016 ended October 31, 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 89620533 until midnight December 16, 2015, or on the Company's website for 90 days following the conference call.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To view and download the Company's unaudited interim condensed consolidated financial statements for the second quarter of fiscal 2016 ended October 31, 2015, please access the following link:

Q2 Fiscal 2016 Unaudited Interim Condensed Consolidated Financial Statements

This information is also available for download at www.sedar.com or by accessing the Investor Centre section of the Company's website at www.empireco.ca.

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 approximately $24.0 billion in annualized sales and $11.6 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 on SEDAR at www.sedar.com.

For further information, please contact:

Media Contact
Andrew Walker
Senior Vice President
Communications & Corporate Affairs
Sobeys Inc.
(905) 238-7124 ext. 6711

Investor Contact
Ken Chernin
Director, Investor Relations
Empire Company Limited
(902) 752-8371 ext. 3409