

FOR IMMEDIATE RELEASE
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SOBEYS ANNOUNCES \$418 MILLION TRANSACTION WITH CROMBIE REIT

STELLARTON, NS – Empire Company Limited (“Empire” or the “Company”) (TSX: EMP.A) and Sobeys Inc. (“Sobeys”) announced today that their wholly-owned subsidiaries have entered into agreements with Crombie Real Estate Investment Trust (“Crombie”) that will see Sobeys complete sale/leasebacks of 19 retail properties and 50 per cent interests in each of its three automated distribution centres as well as the sale of two parcels of development land for a total of \$360 million. In addition, Crombie will invest \$58 million in renovations or expansions of 10 Sobeys retail locations already in Crombie’s portfolio. Total value for the transaction is \$418 million.

Crombie will pay for the transaction in part by issuing approximately \$93.4 million in value of Crombie Limited Partnership class B units with attached Crombie special voting units at a price of \$14.70 per unit, being the same price per unit as a Crombie REIT subscription receipt bought-deal public offering announced today by Crombie. The transaction will maintain Empire’s approximately 41.5 per cent equity accounted ownership interest in Crombie. Sobeys will receive the balance of approximately \$324.6 million in cash which will be used for debt repayment.

As part of the transaction, Sobeys will enter into long-term fully net leases for each property, including the distribution centres and renovated and expanded stores. Sobeys will also provide environmental indemnities on the properties. The transaction is subject to regulatory approval and approval of Crombie unitholders other than Empire and its affiliates.

“This transaction is aligned with our strategic position of providing Crombie REIT preferred access to real estate assets while giving Sobeys access to capital to support our expansion as a leading national retailer,” said Marc Poulin, President & CEO, Sobeys Inc.

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 \$24.1 billion in annualized sales and \$10.1 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 125,000 people.

About Sobeys Inc.

Proudly Canadian, with headquarters in Stellarton, Nova Scotia, Sobeys has been serving the food shopping needs of Canadians since 1907. A wholly-owned subsidiary of Empire Company Limited (TSX: EMP.A), Sobeys owns or franchises approximately 1,500 stores in all 10 provinces under retail banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, and Lawton’s Drug Stores as well as more than 350 retail fuel locations. Sobeys, its franchisees and affiliates employ more than 125,000 people. The company’s purpose is to help Canadians Eat Better, Feel Better and Do Better. More information on Sobeys Inc. can be found at www.sobeyscorporate.com.

About Crombie REIT

Crombie is an open-ended real estate investment trust established under, and governed by, the laws of the Province of Ontario. Crombie currently owns a portfolio of 252 retail, mixed use and office properties across Canada, comprising approximately 17.0 million square feet with a strategy to own and operate a portfolio of high quality grocery and drug store anchored shopping centres and freestanding stores primarily in Canada's top 36 markets.

Forward-Looking Information

This document contains forward-looking statements which are presented for the purpose of assisting the reader in putting into context the Company's financial position and results, as well as understanding management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. These forward-looking statements include, but are not limited to expected completion of the transactions which remain subject to customary conditions, regulatory approval and completion of the transaction by Crombie, as well as expected transaction values which are subject to adjustments. By its very 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 from time to time, including the "Risk Management" section of the Company's Annual Information Form and Annual Management's Discussion & Analysis. The list of factors is not exhaustive and other factors could also adversely affect results. Although the Company believes that the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can give no assurance that such matters will prove to have been 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. Forward-looking statements do not take into account the effect of transactions occurring after the statements have been made on the Company's business. The forward-looking information in this document reflects the Company's current expectations 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.

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