SHORT FORM PROSPECTUS

New Issue **April 16, 2009**

EMPIRE COMPANY LIMITED

$125,021,750

2,513,000 Non-Voting Class A Shares

This short form prospectus qualifies the distribution of 2,513,000 Non-Voting Class A Shares (the "**Class A Shares**") of Empire Company Limited ("**Empire**" or the "**Company**") at a price of $49.75 per Class A Share (the "**Offering**"). The Class A Shares are being offered pursuant to an underwriting agreement dated April 8, 2009 (the "**Underwriting Agreement**") between Empire and Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., Beacon Securities Limited and Jennings Capital Inc. (collectively, the "**Underwriters**" and each an "**Underwriter**"). The price for the Class A Shares offered under this short form prospectus was determined by negotiation between Empire and the Underwriters.

The outstanding Class A Shares of Empire are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "EMP.A". On April 3, 2009, the last full trading day prior to the public announcement of this Offering, the closing price of the Class A Shares on the TSX was $53.60. The Company has applied to list the Class A Shares issuable pursuant to the Offering on the TSX. Such listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

An investment in the securities offered hereunder involves risk. The risk factors identified under the heading "Risk Factors" in this short form prospectus should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

Price: $49.75 per Class A Share

	Price to the Public	Underwriters' Fee	Net Proceeds to Empire[(1)]
Per Class A Share	$49.75	$1.99	$47.76
Total[(2)]	$125,021,750	$5,000,870	$120,020,880

Notes:

(1) Before deducting certain expenses of the Offering estimated at $500,000 which, together with the Underwriters' fee, will be paid from the general funds of the Company. See "Plan of Distribution".

(2) Empire has granted to the Underwriters an option (the "**Over-Allotment Option**"), exercisable, in whole or in part, at the sole discretion of the Underwriters at any time until the date which is 30 days after the closing of this Offering, to purchase up to an additional 200,000 Class A Shares on the same terms as set forth above to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $134,971,750, the Underwriters' fee will be $5,398,870 and the net proceeds to Empire will be $129,572,880 (before deducting the expenses of this Offering). This short form prospectus qualifies the grant of the Over-Allotment Option and the distribution of Class A Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution".

A purchaser that acquires Class A Shares forming part of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. The following table sets out the number of options that have been issued or may be issued by Empire to the Underwriters:

	Number of Class A Shares Available	Exercise Period	Exercise Price
Over-Allotment Option..	200,000	Up to 30 days following the closing of the offering	$49.75 per Class A Share

The Underwriters, as principals, conditionally offer the Class A Shares, subject to prior sale, if, as and when issued by Empire and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of Empire by Stewart McKelvey and on behalf of the Underwriters by Stikeman Elliott LLP. In connection with the Offering, the Underwriters may, subject to applicable laws, over-allot or effect transactions intended to stabilize or maintain the market price for the Class A Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Class A Shares initially at the offering price specified above. After a reasonable effort has been made to sell all of the Class A Shares at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Class A Shares remaining unsold. Any such reduction will not affect the proceeds received by the Company. See “Plan of Distribution”.

Subscriptions for the Class A Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of this Offering is expected to occur on or about April 24, 2009, or such other date as may be agreed to by Empire and the Underwriters, but in any event not later than May 29, 2009. A book-entry only certificate representing the Class A Shares will be issued in registered form to CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and will be deposited with CDS on the closing date. Unless a share certificate is specifically requested by a purchaser, a purchaser of Class A Shares will not be entitled to receive physical certificates representing their ownership and will receive only a customer confirmation from a registered dealer who is a CDS participant and from or through whom the Class A Shares are purchased. See “Plan of Distribution”.

Affiliates of each of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc. and CIBC World Markets Inc. are lenders to Empire under the Credit Agreement (as defined hereafter). Substantially all of the net proceeds from the Offering are expected to be used by Empire to reduce the Company’s outstanding borrowings under the revolving term credit facility established by the Credit Agreement. In addition, Paul D. Sobey, President and Chief Executive Officer of Empire, is a member of the board of directors of The Bank of Nova Scotia, an affiliate of Scotia Capital Inc., and John L. Bragg, one of the directors of Empire, is a member of the board of directors of TD Bank Financial Group, an affiliate of TD Securities Inc. David Hennigar, a trustee of Crombie Real Estate Investment Trust, a related issuer of Empire, is an employee of Jennings Capital Inc. Accordingly, the Company may be considered to be a “connected issuer” of each of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc. and Jennings Capital Inc. within the meaning of applicable Canadian securities legislation. See “Relationship Between the Company and Certain Underwriters”.

TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT

In the opinion of Stewart McKelvey, counsel to Empire, and Stikeman Elliott LLP, counsel to the Underwriters, as of the date of this short form prospectus, the Class A Shares offered hereby will, at the date of issue, be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (the "**Tax Act**") for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans and tax-free savings accounts.

MEANING OF CERTAIN REFERENCES

In this short form prospectus, references to "Empire" and the "Company" refer to Empire Company Limited and/or, where the context requires, one or more of its subsidiaries. References to dollars or "$" are to Canadian currency.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of Empire. Forward-looking statements are typically identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions. These statements are based on management's assumptions and beliefs in light of the information currently available to them. These forward-looking statements are subject to inherent uncertainties, risks and other factors that could cause actual results to differ materially from such statements. These uncertainties and risks are discussed under "Risk Factors" in this short form prospectus and in the information incorporated by reference herein, including those discussed in the Risk Management section of the Company's fiscal 2008 Management's Discussion and Analysis. Reference is also made to the disclosure concerning forward-looking statements and information in the information incorporated by reference herein.

When relying on forward-looking statements to make decisions, the Company cautions readers not to place undue reliance on these statements, as a number of important factors could cause actual results to differ materially from any estimates or intentions expressed in such forward-looking statements. 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, except as required by Canadian securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Empire Company Limited at 115 King Street, Stellarton, Nova Scotia, B0K 1S0 (Telephone (902) 755-4440), and are also available electronically at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference in, and form an integral part of, this short form prospectus:

(i) the annual information form of Empire dated July 25, 2008 for the year ended May 3, 2008;

(ii) the audited consolidated financial statements of Empire as at May 3, 2008 and May 5, 2007 and for the 52 weeks ended May 3, 2008 and May 5, 2007, together with the notes thereto and the auditors' report thereon;

(iii) management's discussion and analysis of the consolidated financial condition and results of operations of Empire for the 52 weeks ended May 3, 2008;

(iv) the unaudited interim consolidated financial statements of Empire as at January 31, 2009 and for the 13 and 39 weeks ended January 31, 2009;

(v) management's discussion and analysis of the consolidated financial results of Empire for the 13 and 39 weeks ended January 31, 2009; and

(vi) the management information circular of Empire dated July 25, 2008 prepared in connection with Empire's annual meeting of shareholders held on September 11, 2008.

Any statement in this short form prospectus contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement.

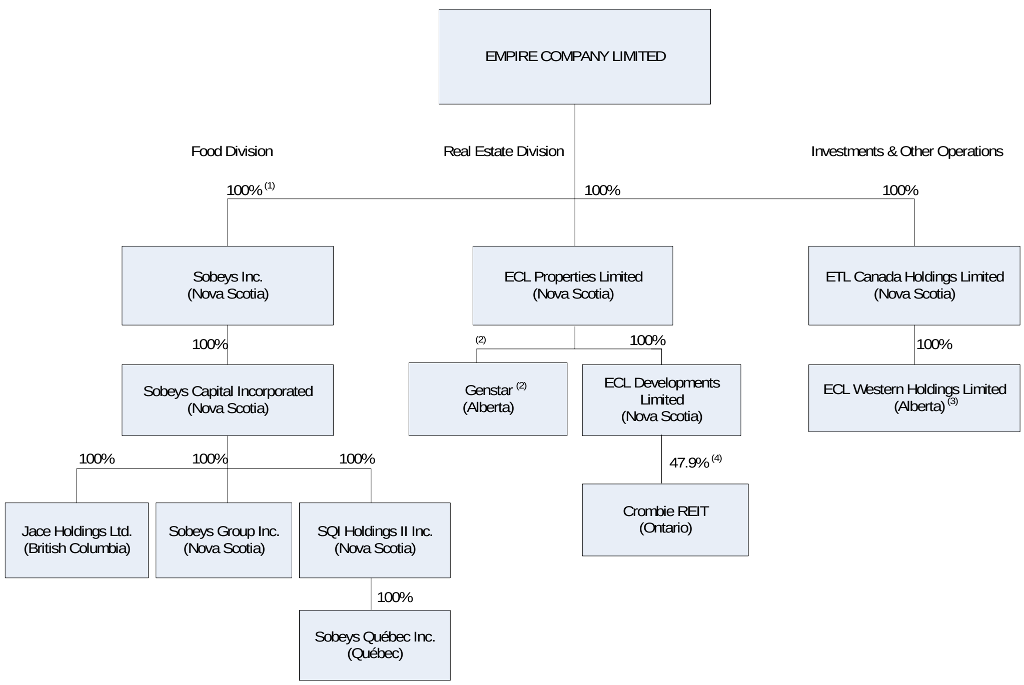
The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

THE COMPANY

General

Empire Company Limited was created by amalgamation under the *Companies Act* (Nova Scotia) on January 31, 1973. Predecessors of Empire had been carrying on business since 1907. Empire's head office is located at 115 King Street, Stellarton, Nova Scotia.

The following chart shows the names of the principal subsidiaries of Empire, their respective jurisdictions of incorporation, and the percentages of voting and non-voting securities owned by Empire as of April 15, 2009.



Notes:

(1) Empire owns 27.9% of Sobeys Inc. directly and the balance (72.1%) indirectly through subsidiaries including Empro Holdings Limited (Nova Scotia) and Emplink Investments Limited (Nova Scotia).
(2) ECL Properties Limited indirectly holds a 35.7% interest in Genstar Development Partnership (Alberta) and a 43.3% interest in Genstar Development II Partnership (Alberta).
(3) ECL Western Holdings Limited (Alberta) owns a 27.6% interest in Wajax Income Fund.
(4) Empire owns Class B Limited Partnership Units of Crombie Limited Partnership (Nova Scotia) which are exchangeable into and equivalent to units of Crombie Real Estate Investment Trust, representing a 47.9% indirect ownership interest in Crombie Real Estate Investment Trust.

Business of the Company

Empire's core businesses include food retailing, real estate and investments and other operations. Guided by conservative business principles, Empire's primary goal is to grow long-term shareholder value through income and cash flow growth and equity participation in businesses that have the potential for long-term growth and profitability.

Food Retailing

Empire's food retailing division business is carried on through Sobeys Inc. ("**Sobeys**"), which is headquartered in Stellarton, Nova Scotia. Sobeys is a leading national grocery retailer and food distributor. A wholly-owned subsidiary of Empire, Sobeys owns and operates more than 1,300 corporate and franchise affiliate retail grocery stores in all 10 provinces under retail banners that include Sobeys, IGA, IGA *extra*, Foodland, Price Chopper, Thrifty Foods and Lawtons Drug Stores.

Real Estate

Empire's real estate division includes commercial and residential property operations. The Company's commercial real estate operations are focused on the development of food-anchored shopping plazas through wholly-owned ECL Properties Limited and its subsidiaries ("**ECL**") and ownership of retail and office properties through a 47.9 percent indirect ownership interest in Crombie Real Estate Investment Trust ("**Crombie REIT**"). ECL also owns various commercial properties held for sale or redevelopment. The focus of Empire's residential operations is on land development, predominantly through a 35.7 percent ownership interest in Genstar Development Partnership and a 43.3 percent interest in Genstar Development II Partnership (collectively referred to as "**Genstar**"). Genstar is a residential land development business with operations primarily in Ontario and Western Canada.

Investments and Other Operations

Investments and other operations primarily consist of wholly-owned ETL Canada Holdings Limited, operating as Empire Theatres, the second largest movie exhibitor in Canada; a 27.6 percent indirect interest in Wajax Income Fund; and Kepec Resources Limited, a joint venture with APL Oil and Gas Limited, which has ownership interests in various oil and gas properties in Alberta.

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the share capitalization or indebtedness of the Company since January 31, 2009, the date of the Company's most recently filed financial statements. After giving effect to the Offering and the use of proceeds discussed herein, an additional 2,513,000 Class A Shares (2,713,000 Class A Shares if the Over-Allotment Option is exercised in full) will be issued and the Company's outstanding debt will be reduced as described under "Use of Proceeds".

USE OF PROCEEDS

The net proceeds to the Company from the Offering, after deducting the Underwriters' fee and certain other expenses of the Offering, are estimated to be $119,520,880 (assuming no exercise of the Over-Allotment Option). If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering, after deducting the Underwriters' fee and certain other expenses of the Offering, are estimated to be $129,072,880. The Underwriters' fee and the expenses of the Offering will be paid out of the general funds of the Company.

Substantially all of the net proceeds from the Offering are expected to be used by Empire to reduce the Company's outstanding borrowings under the revolving term credit facility (the "**Revolving Term Facility**") established by the Credit Agreement (as hereafter defined). See "Relationship Between the Company and Certain Underwriters". The Revolving Term Facility was made available to the Company to assist it with the purchase of certain shares of Sobeys and to refinance its then existing debt. The reduction of outstanding borrowings under the Revolving Term Facility is expected to be made during the last quarter of fiscal 2009. As of April 15, 2009, the principal amount outstanding under the Revolving Term Facility was $384 million.

Any remaining proceeds available after the reduction of the outstanding borrowings under the Credit Agreement will be used by the Company for general corporate purposes.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to issue and sell and the Underwriters have agreed to purchase on the closing date, being April 24, 2009 or such other date as may be agreed upon by the Company and the Underwriters, but in any event not later than May 29, 2009, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement, all but not less than all of the 2,513,000 Class A Shares offered hereby at a price of $49.75 per Class A Share, for total consideration of $125,021,750 payable to the Company in cash against delivery of such Class A Shares. The price for the Class A Shares offered under this short form prospectus was determined by negotiation between Empire and the Underwriters. In consideration for the services rendered by the Underwriters in connection with Offering, the Underwriters will be paid a fee of $5,000,870, representing 4% of the gross proceeds of the Offering.

Pursuant to the Underwriting Agreement, the Company has granted the Underwriters an Over-Allotment Option, exercisable at any time until 30 days following the closing of the Offering, to purchase up to an additional 200,000 Class A Shares. The Over-Allotment Option is exercisable in whole or in part only for the purpose of covering over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public will be $134,971,750, the Underwriters' fee will be $5,398,870 and the net proceeds to Empire will be $129,572,880 (before deducting the expenses of this Offering). This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the securities issuable on the exercise of the Over-Allotment Option. A purchaser that acquires Class A Shares forming part of the Over-Allotment Option acquires those securities under this short form prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for the Class A Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of this Offering is expected to occur on or about April 24, 2009, or such other date as may be agreed to by Empire and the Underwriters, but in any event not later than May 29, 2009. A book-entry only certificate representing the Class A Shares will be issued in registered form to CDS or its nominee and will be deposited with CDS on the closing date. Unless a share certificate is specifically requested by a purchaser, a purchaser of Class A Shares will not be entitled to receive physical certificates representing their ownership and will receive only a customer confirmation from a registered dealer who is a CDS participant and from or through whom the Class A Shares are purchased.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including (among others) the occurrence of a material adverse change in the state of the financial markets. The Underwriters are, however, obligated to take up and pay for all of the Class A Shares if any Class A Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters against certain liabilities and expenses.

The Underwriters propose to offer the Class A Shares initially at the public offering price on the cover page of this short form prospectus. After the Underwriters have made a reasonable effort to sell all of the Class A Shares offered by this short form prospectus at the price specified herein, the offering price may be decreased, and further changed from time to time, and the compensation realized by the Underwriters will be effectively decreased by the amount that the aggregate price paid by the purchasers for the Class A Shares is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to the policy statement of certain securities regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase Class A Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the Universal Market Integrity Rules for the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of the distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of such securities. In connection with this Offering, the Underwriters may, subject to applicable laws, over-allot or effect transactions which stabilize or maintain the market price of the Class A Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Company has agreed that, subject to certain exceptions, it will not issue or sell, or enter into an agreement to issue or sell, Class A Shares or Class B common shares ("**Class B Shares**"), or any securities convertible into or exchangeable for Class A Shares or Class B Shares, for a period of 90 days subsequent to the closing of the Offering.

The Class A Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or any state securities laws and, subject to certain exemptions, may not be offered or sold or otherwise transferred or disposed of in the United States or to U.S. persons. The Underwriters have agreed that, except in accordance with Rule 144A and Regulation S under the U.S. Securities Act, they will not offer or sell the Class A Shares within the United States or for the benefit of U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of Class A Shares within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with an exemption from such registration requirements.

The Company has applied to list the Class A Shares to be issued in the Offering on the TSX. The listing of the Class A Shares on the TSX will be subject to the Company fulfilling all of the listing requirements of the TSX.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS

Affiliates of each of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc. and CIBC World Markets Inc. are lenders to Empire under the credit agreement dated as of June 8, 2007 (the "**Credit Agreement**") between Empire, the lenders from time to time party thereto and The Bank of Nova Scotia, pursuant to which the lenders have made available to Empire the Revolving Term Facility. Substantially all of the net proceeds from the Offering are expected to be used by Empire to reduce the Company's outstanding borrowings under the Revolving Term Facility established by the Credit Agreement. In addition, Paul D. Sobey, President and Chief Executive Officer of Empire, is a member of the board of directors of The Bank of Nova Scotia, an affiliate of Scotia Capital Inc., and John L. Bragg, one of the directors of Empire, is a member of the board of directors of TD Bank Financial Group, an affiliate of TD Securities Inc. David Hennigar, a trustee of Crombie REIT, a related issuer of Empire, is an employee of Jennings Capital Inc. Accordingly, the Company may be considered to be a "connected issuer" of each of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc. and Jennings Capital Inc. within the meaning of applicable Canadian securities legislation.

As of April 15, 2009, the principal amount outstanding under the Revolving Term Facility was $384 million. The financial position of Empire and its affiliates has not changed materially since the indebtedness was incurred, except as has been publicly disclosed by the Company. Empire is not in default of any of its obligations under the Credit Agreement. None of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc. and CIBC World Markets Inc. will receive any direct benefit in connection with the Offering, other than its portion of the Underwriters' fee. This Offering was not required or suggested by any affiliate of any of Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc. and CIBC World Markets Inc. and their consents to the Offering was not required.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The Offering consists of 2,513,000 Class A Shares (2,713,000 Class A Shares if the Over-Allotment Option is exercised in full). As of January 31, 2009, Empire was authorized to issue 259,107,435 Class A Shares of which 31,484,498 were issued and outstanding on a consolidated basis.

Class A Shares and Class B Shares

The rights of the Class A Shares and Class B Shares are subject to the rights of the holders of the Preferred Shares of the Company which enjoy a preferential right to dividends and return of capital on liquidation. The Preferred Shares of the Company are non-voting except that they are entitled to certain voting rights and rights to appointment of directors when certain dividends are in arrears. The following is a summary of the privileges and rights attaching to the Class A shares and Class B Shares of the Company:

1. The Class A Shares and the Class B Shares rank equally, pari passu, share for share, with each other and entitle the respective holders thereof to the same rights and benefits except as otherwise provided in the conditions attaching thereto.

2. The directors may at any time and from time-to-time declare a dividend or confer any other benefit whatsoever upon the holders of the Class A Shares without being obliged to declare an equal or any dividend or confer an equal or any other benefit upon the holder of the Class B Shares provided that no dividend may be declared in respect of or any other benefit conferred upon the holders of the Class B Shares unless concurrently therewith the same dividend is declared in respect of and the same benefit is conferred upon the holders of the Class A Shares.

3. **The holders of the Class A Shares may receive notice of and may attend any meeting of the holders of Class B Shares but are not entitled to vote at the meeting.**

4. The Class B Shares carry the right to one vote per share at all meetings of the holders of Class B Shares.

5. Under certain circumstances, the Class B Shares may at any time be converted into Class A Shares on a one for one basis. The circumstances, among other things, require the approval of the directors of Empire and require that Class B Shares which are to be converted be offered first to all the other holders of Class B Shares.

6. No subdivision or consolidation of the Class B Shares shall be made unless the same subdivision or consolidation of the Class A Shares is made concurrently. No subdivision or consolidation of the Class A Shares shall be made unless the same subdivision or consolidation of the Class B Shares is made concurrently.

If a formal take-over bid (other than a Family Share Transaction described below) is made for Class B Shares, then the conditions attaching to the Class B Shares and Class A Shares generally provide that Canadian holders of Class B Shares shall also be entitled to receive an offer to purchase their Class B Shares and Canadian holders of Class A Shares shall also be entitled to receive an offer to purchase their Class A Shares on terms and conditions at least as favourable, including the price offered. If an offeror acquires Class B Shares pursuant to a formal take-over bid and does not make the same offer for Class A Shares within 60 days, then the Class B Shares acquired pursuant to the offer as well as some other Class B Shares held by the offeror and any others acting jointly or in concert with the offeror, shall convert to Class A Shares.

A "**Family Share Transaction**" means any transfer of any kind of an interest in Class B Shares to one or more of the descendants of J.W. Sobey, now deceased and formerly a businessman of Stellarton, Nova Scotia. For this purpose, descendants include spouses, companies controlled by any such descendants or their affiliates and trusts for bona fide estate planning purposes primarily for the benefit any such descendants.

Preferred Shares

The Preferred shares, par value of $25.00 each, are issuable in series, with each series consisting of such number of shares and having such provisions as may be determined by the directors of the Company prior to issue. The Preferred shares rank in preference over Class A Shares, Class B Shares and 2002 Preferred shares in respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. The Preferred shares of each series rank equally with the Preferred shares of every other series in respect to the payment of dividends and in the distribution of assets. The Company may not create or issue any shares ranking in priority or on par with the Preferred shares as to the payment of dividends or the distribution of assets without the approval of two thirds of the holders of Preferred shares.

The holders of the Series 2 Preferred shares are entitled to receive a cumulative preferential cash dividend, as and when declared by the directors of the Company, on the last day of January, April, July and October in each year in an amount per share determined as one-quarter of 75 percent of the average prime rate in effect on each day during the three calendar months ending immediately prior to the last day of the calendar month preceding the month in which the dividend payment is to be made multiplied by $25.00.

The Series 2 Preferred shares may be redeemed at the option of the Company at a price per share equal to $26.00 per share prior to January 12, 1993 and thereafter at a price reducing by $0.05 per share per annum to $25.00 together with an amount equal to dividends accrued and unpaid to but not including the date fixed for redemption. In the event of liquidation, dissolution or winding-up, the holders of Series 2 Preferred are entitled to receive $25.00 per share plus an amount equal to any accrued and unpaid dividends, before any payment or distribution to the holders of Class A Shares, Class B Shares and 2002 Preferred shares.

The holders of Series 2 Preferred shares are not entitled to attend or to vote at any meeting of shareholders of the Company unless the Company has failed to pay eight consecutive quarterly dividends on the Series 2 Preferred shares. So long as any dividends on such shares remain in arrears, the holders of the shares are entitled to attend all meetings of shareholders, vote separately as a class together with the holders of any other series of Preferred shares who have similar voting rights and to elect two directors of the Company. Each Series 2 Preferred Share entitles the holder to one vote.

2002 Preferred Shares

The 2002 Preferred Shares are issuable in series, with each series consisting of such number of shares and having such provisions as may be determined by the directors of the Company prior to issue. The 2002 Preferred shares rank in preference over Class A Shares, Class B Shares and subordinate to the Preferred shares in respect to the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. The 2002 Preferred shares of each series rank equally with the 2002 Preferred shares of every other series in respect to the payment of dividends and in the distribution of assets. The Company may not create or issue any shares ranking in priority or on a parity to the 2002 Preferred shares as to the payment of dividends or the distribution of assets without the approval of two thirds of the Preferred shareholders.

DIVIDEND POLICY

The declaration and payment of dividends is at the discretion of the Board. Empire has no stated policy with respect to payment of dividends on either its Class A Shares or its Class B Shares. Empire has paid dividends on its outstanding shares during the periods indicated as set out below:

	Annual Dividends			
	Fiscal 2009(1)	Fiscal 2008	Fiscal 2007	Fiscal 2006
Series 2 Preferred Shares	$0.640	$1.13	$1.11	$0.87
Non-Voting Class A Shares	$0.525	$0.66	$0.60	$0.56
Class B Common Shares	$0.525	$0.66	$0.60	$0.56

Notes:

(1) Dividends paid from the beginning of fiscal 2009 to the date of this short form prospectus.

PRIOR SALES

No Class A Shares, or any securities convertible into or exchangeable for Class A Shares, have been issued by the Company within the last 12 months, other than share options issued under the Company's long-term incentive plan to key executives or full time employees of the Company.

TRADING PRICE AND VOLUME

Class A Shares

The Class A Shares are listed and posted for trading on the TSX under the symbol "EMP.A". The following table sets forth information relating to the trading of the Class A Shares on the TSX for the months indicated.

Month	High	Low	Volume
April 2008	$38.75	$35.25	1,312,100
May 2008	$39.98	$36.34	725,700
June 2008	$44.44	$38.03	1,099,700
July 2008	$45.50	$40.29	1,153,300
August 2008	$46.99	$42.18	1,020,700
September 2008	$49.49	$42.00	1,738,000
October 2008	$48.90	$35.00	1,952,100
November 2008	$49.50	$43.85	3,159,400
December 2008	$49.90	$45.34	2,392,700
January 2009	$52.73	$44.83	2,243,500
February 2009	$52.32	$48.36	1,151,900
March 2009	$54.48	$46.24	1,895,700
April 2009 (April 1-15)	$55.05	$49.52	986,100

On April 3, 2009, the last full trading day prior to the public announcement of this Offering, the closing price of the Class A Shares on the TSX was $53.60. On April 15, 2009, the last trading day prior to the date of this short form prospectus, the closing price of the Class A Shares on the TSX was $49.89.

Series 2 Preferred Shares

The Series 2 Preferred shares are listed and posted for trading on the TSX under the symbol "EMP.PR.B". The following table sets forth information relating to the trading of the Series 2 Preferred shares on the TSX for the months indicated.

Month	High	Low	Volume
April 2008	$25.00	$25.00	4,400
May 2008	$25.75	$25.00	66,500
June 2008	$25.00	$25.00	9,000
July 2008	$25.00	$25.00	2,500
August 2008	$25.00	$25.00	14,000
September 2008	$25.00	$25.00	6,600
October 2008	$25.01	$25.00	10,800
November 2008	$25.00	$25.00	1,100
December 2008		Not Traded	
January 2009		Not Traded	
February 2009	$22.50	$22.50	1,000
March 2009	$22.10	$20.00	300
April 2009 (April 1-15)	$21.50	$21.50	800

On March 23, 2009, the last trading day prior to the public announcement of this Offering, the closing price of the Series 2 Preferred Shares on the TSX was $20.00. On April 8, 2009, the last trading day prior to the date of this short form prospectus, the closing price of the Series 2 Preferred shares on the TSX was $21.50.

RISK FACTORS

An investment in securities of the Company involves risk. Any prospective investor should carefully consider the risk factors set forth below and in the information incorporated by reference herein (including those discussed in the Risk Management section of the Company's fiscal 2008 Management's Discussion and Analysis which is incorporated by reference into the Company's Annual Information Form dated July 25, 2008), and all of the other information contained in this short form prospectus (including, without limitation, the documents incorporated by reference), before purchasing any of the securities distributed under this short form prospectus. The risks described herein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business.

Controlling Shareholder

All of the voting shares of the Company are currently owned by members of the Sobey family. The controlling shareholders are in a position to exercise a significant influence on the Company's business and affairs and have the power both to elect a majority of the Company's directors and to approve most actions requiring shareholder approval.

Capital Markets

As a result of the weakened global economic situation, the Company may have more restricted access to capital and increased borrowing costs. Although the Company's business and asset base have not changed, the lending capacity of all financial institutions has diminished and risk premiums have increased. As future capital expenditures will be financed out of funds generated from operations, borrowings and possible future equity sales, the Company's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments generally and in the Company's securities in particular.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

EXEMPTIONS FROM NATIONAL INSTRUMENTS

Pursuant to a decision from the Autorité des marchés financiers dated April 8, 2009, the Company was granted relief from the requirement that items (i), (iv) and (v) under "Documents Incorporated by Reference" must be in both French and English languages. For the purposes of the preliminary short form prospectus only, the Company was not required to file French versions of these documents incorporated by reference herein.

The Company is exempt from restrictions on the distribution of restricted securities by virtue of the fact that the Class A Shares were created before December 21, 1984.

LEGAL MATTERS

Certain legal matters relating to the Offering will be passed upon by Stewart McKelvey, on behalf of the Company, and by Stikeman Elliott LLP, on behalf of the Underwriters.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Grant Thornton LLP, New Glasgow, Nova Scotia.

The transfer agent and registrar for the Class A Shares is CIBC Mellon Trust Company, at its principal offices in Halifax, Nova Scotia and Toronto, Ontario.

INTEREST OF EXPERTS

As at the date hereof, the partners and associates of each of Stewart McKelvey and Stikeman Elliott LLP beneficially own, directly or indirectly, less than one percent (1%) of the securities of the Company and its associates and affiliates. Grant Thornton LLP has advised us that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a short form prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus (the "**Prospectus**") of Empire Company Limited (the "**Company**") dated April 16, 2009 qualifying the distribution of Non-Voting Class A Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at May 3, 2008 and May 5, 2007, and the consolidated statements of earning, comprehensive income, retained earnings, accumulated other comprehensive loss and cash flows for the 52 week fiscal years then ended. Our report is dated June 16, 2008.

New Glasgow, Canada
April 16, 2009

(signed) Grant Thornton LLP
Chartered Accountants

CERTIFICATE OF EMPIRE

Dated: April 16, 2009

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(signed) PAUL D. SOBEY *Chief Executive Officer*	(signed) PAUL V. BEESLEY *Chief Financial Officer*

On behalf of the Board of Directors

(signed) ROBERT P. DEXTER *Director*	(signed) ED HARSANT *Director*

CERTIFICATE OF THE UNDERWRITERS

Dated: April 16, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL INC.	**BMO NESBITT BURNS INC.**
By: (signed) DANY BEAUCHEMIN	By: (signed) BRAD FRASER
TD SECURITIES INC.	**NATIONAL BANK FINANCIAL INC.**
By: (signed) PAUL E. ASMUNDSON	By: (signed) ROB SAINSBURY

CIBC WORLD MARKETS INC.

By: (signed) DANIEL J. MCCARTHY

BEACON SECURITIES LIMITED	**JENNINGS CAPITAL INC.**
By: (signed) DANIEL HOLLAND	By: (signed) SCOTT URQUHART