
M E M O R A N D U M

DATE: September 17, 2010

TO: All Wajax Employees

FROM: Neil Manning

RE: Empire Company Limited

On Tuesday we announced that our largest unitholder, Empire Company Limited, would be selling its 27.5% interest in Wajax through a secondary offering. The market reaction was very positive and within an hour of the announcement, the institutional and retail allocations had been fully sold by Empire's investment dealer syndicate. In the case of the institutional portion, the allocation was oversold, reflecting very high investor demand for our units.

Empire has always viewed its position in Wajax as an investment. When Wajax Limited converted into Wajax Income Fund in 2005, Empire used a secondary offering to reduce what was then its 47.5% shareholding position. Its decision to monetize the remainder of its Wajax investment this week and to focus its resources on its core food retailing and real estate operating businesses was not a surprise to the market and has long been anticipated.

The reason for the sale was confirmed by Paul Sobey, Empire's President and CEO, who was quoted in the news release as follows: "We have been very pleased with the performance of our investment in Wajax and continue to be impressed by both Wajax's business and its leadership. Our decision to dispose of our Wajax holdings is reflective of our ongoing commitment to keep our capital and resources squarely focused on our core operating businesses, principally food retailing and real estate."

Although we regret the loss of a supportive shareholder, the transaction will have no impact on our day-to-day business operations, financing, or long-term strategies. The additional liquidity resulting from the sale of this block of units should be positive and will enhance the opportunity for new and larger investors to invest in Wajax.

With your support and efforts, we look forward to continuing to deliver superior results for our unitholders, old and new.



Neil Manning
President and CEO