

14. Outlook

Loblaw has a number of strengths at its core – strong market share and control label products and a strong store network under various store formats with the potential to meet the needs of all Canadians. But as the Company looks forward, it must transition this enterprise into a lean company that is ready and able to compete on all fronts. 2006 marked the beginning of this transition. The Company's main focus going forward is on simplifying its organizational structure, on retailing basics such as on-shelf availability and customer focus, on innovation as a competitive advantage and on executing the Company's growth strategy.