

Fact Sheet

FIRST QUARTER 2010

Loblaws' mission is to be Canada's best food, health and home retailer by exceeding customer expectations through innovative products at great prices.



About Loblaws Companies Limited

Loblaws Companies Limited (the "Company"), a subsidiary of George Weston Limited, is Canada's largest food distributor and a leading provider of drugstore, general merchandise and financial products and services.

Loblaws is one of the largest private-sector employers in Canada. With more than 1,000 corporate and franchised stores from coast to coast, Loblaws and its franchisees employ over 138,000 full-time and part-time employees. We have 613 corporate and 416 franchised stores in every province and territory in Canada, served by 27 company and five third-party-operated distribution centres.

Through our portfolio of store formats, Superstore, Great Food, Hard Discount and Wholesale, we are committed to providing Canadians with a **wide, growing and successful range of products and services** to meet the everyday household demands of Canadian consumers. Loblaws is known for the **quality, innovation and value** of our food offering. We offer **Canada's strongest control label program**, including the unique *President's Choice*[®], *PC*[®], *no name*[®] and *Joe Fresh Style*[®] brands. In addition, the Company makes available to consumers *President's Choice Financial*[®] services and offers the *PC* points loyalty program.

\$6.9

billion in sales
in Q1/10

\$0.50

in basic earnings
per share in Q1/10

0.3%

same store sales
growth in Q1/10

\$260

million in operating
income in Q1/10

2010 Objectives

Consistent execution remains the Loblaws' focus in order to drive sustainable performance. In 2010, the Company intends to intensify its investments in infrastructure and condense its project timelines. The Company remains committed to strategically balance trading for today while building for tomorrow by:

- > continuing to invest in and execute its information technology strategy;
- > improving in-store, distribution centre and store support processes;
- > continuing its store upgrade program that will roll out the food renewal and customer service enhancements;
- > continuing to innovate its control label offering while enhancing profitability; and
- > focusing on in-store customer service and providing unmatched value.

SHAREHOLDER INFORMATION

TSX: L
Year-End 2010: January 1, 2011
Share Price (at March 27, 2010): \$38.23
Market Capitalization
(at March 27, 2010): \$10.6 billion
Common Shares Outstanding
(at March 27, 2010): 276,188,258

TRANSFER AGENT

Computershare Investor Services Inc.
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HEAD OFFICE

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CONTACT INFORMATION

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SELECTED BANNERS



Investment Highlights – Q1 2010

In the first quarter of 2010:

- > sales growth in food was flat and in drugstore was modest;
- > sales growth in apparel was strong while sales of other general merchandise declined significantly;
- > gas bar sales increased significantly as a result of higher retail gas prices and strong volume growth;
- > the Company experienced internal retail food price deflation compared to flat national food price inflation as measured by “The Consumer Price Index for Food Purchased from Stores”. The Company’s measure showed greater internal retail food price deflation in the first quarter of 2010 than in the fourth quarter of 2009 and was significantly lower than internal retail food price inflation in the first quarter of 2009;
- > gross profit increased by \$106 million, or 6.6%, to \$1,720 million in the first quarter of 2010 compared to the first quarter of 2009. Gross profit as a percentage of sales in the first quarter of 2010 was 24.8% compared to 24.0% in the first quarter of 2009. The increase was primarily attributable to buying synergies, disciplined vendor management, a stronger Canadian dollar, improved inventory management and control label profitability;
- > operating income in the first quarter of 2010 included a charge related to the effect of stock-based compensation net of equity forwards of \$9 million in 2010 compared with \$19 million in 2009. The effect on basic net earnings per common share was a charge of \$0.02 (2009 – \$0.07);
- > the Company incurred an incremental cost of \$28 million in the first quarter of 2010 related to its investment in information technology and supply chain, which negatively impacted basic net earnings per common share by \$0.07; and
- > operating income and operating margin were positively influenced by improved gross profit and lower net stock-based compensation charge, partially offset by the incremental costs related to the investment in information technology and supply chain.

Financial Highlights – Q1 2010

For the periods ended March 27, 2010 and
March 28, 2009 (unaudited)
(\$ millions except where otherwise indicated)

	2010 (12 weeks)	2009 (12 weeks)	% Change
Sales	\$ 6,926	\$ 6,718	3.1%
Gross profit	1,720	1,614	6.6%
Operating income	260	226	15.0%
Net earnings	137	109	25.7%
Basic net earnings per common share (\$)	0.50	0.40	25.0%
Same-store sales growth (%)	0.3%	2.1%	
Operating margin	3.8%	3.4%	
EBITDA ¹	\$ 412	\$ 358	15.1%
EBITDA margin ¹	5.9%	5.3%	

¹ See Non-GAAP Financial Measures on page 13 of our 2010 First Quarter Report to Shareholders, available at www.loblaw.ca.

This fact sheet includes forward-looking statements about the Company’s objectives, plans, goals, aspirations, strategies, prospects and opportunities. These statements reflect the Company’s current expectations concerning future results and events and are subject to a number of risks and uncertainties that could cause actual results and events to differ materially from current expectations, including the possibility that the Company’s plans and objectives will not be achieved. These risks include those discussed in the Company’s materials filed from time to time with securities regulators which can be found at www.sedar.com.

MANAGEMENT BOARD

- Galen G. Weston**
Executive Chairman
- Allan L. Leighton**
President and Deputy Chairman
- Mark C. Butler**
Executive Vice President, Central Operations
- Barry K. Columb**
Executive Vice President, Financial Services
- Roy R. Conliffe**
Executive Vice President, Labour Relations
- Gordon A.M. Currie**
Executive Vice President and Chief Legal Officer
- Sarah R. Davis**
Chief Financial Officer
- Richard Dickson**
Senior Vice President, Information Technology
- Grant B. Froese**
Executive Vice President, Merchandising
- Craig R. Hutchison**
Senior Vice President, Marketing
- S. Jane Marshall**
Executive Vice President, Loblaw Properties Limited and Special Projects
- Judy A. McCrie**
Executive Vice President, Human Resources
- Calvin McDonald**
Executive Vice President, Marketing, Customer Relationship Management and Loblaw Brands Limited
- Peter K. McMahon**
Executive Vice President, Supply Chain, Distribution and Information Technology
- Arnu Misra**
Executive Vice President, Operations

BOARD OF DIRECTORS

- Galen G. Weston**, B.A., M.B.A.^{1*}
- Allan L. Leighton**¹
- Stephen E. Bachand**, B.A., M.B.A.³
- Paul M. Beeston**, C.M., B.A., F.C.A.^{2,3}
- Paviter S. Binning**²
- Gordon A.M. Currie**, B.A., LL.B.⁴
- Camilla H. Dalglish**, B.A.⁵
- Anthony S. Fell**, O.C.^{3*,4*}
- Anthony R. Graham**^{1,3,4}
- John S. Lacey**, B.A.
- Nancy H.O. Lockhart**, O. ONT.^{3,5*}
- Pierre Michaud**, C.M.⁵
- Thomas C. O’Neill**, B. COMM., F.C.A.^{2*}
- Karen Radford**, B.SC., M.B.A.⁵
- John D. Wetmore**, B. MATH.^{2,4}

¹ Executive Committee

² Audit Committee

³ Governance, Employee Development, Nominating and Compensation Committee

⁴ Pension Committee

⁵ Environmental, Health and Safety Committee

* Chair of the Committee

CONTROL LABELS

