NEWS RELEASE

Loblaw Companies Limited Provides Preliminary Unaudited Financial Update for the 2007 Fourth Quarter and Fiscal Year Ended December 29, 2007. (1)

BRAMPTON, ONTARIO February 7, 2008 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") today is providing a financial update for the fourth quarter of 2007 and the fiscal year ended December 29, 2007, based on management's review of preliminary unaudited results for these periods. The financial results for the fourth quarter of 2006 are unaudited.

Fourth Quarter Highlights

For the periods ended December 29, 2007 (unaudited) and December 30, 2006 ($ millions except where otherwise indicated)	**2007 (12 weeks)**	2006 (12 weeks)	Change	**2007 (52 weeks)**	2006 (52 weeks)	Change
Sales	**$ 6,967**	$ 6,784	2.7%	**$ 29,384**	$ 28,640	2.6%
Operating income (loss)	**134**	(695)	119.3%	**736**	289	154.7%
Net earnings (loss)	**40**	(756)	105.3%	**330**	(219)	250.7%
Basic net earnings (loss) per common share ($)	**0.14**	(2.76)	105.1%	**1.20**	(0.80)	250.0%
Same-store sales increase (%)	**2.6%**	1.3%		**2.4%**	0.8%	
Adjusted EBITDA(2)	**349**	414	(15.7%)	**1,589**	1,892	(16.0%)
Adjusted operating income(2)	**221**	286	(22.7%)	**1,034**	1,326	(22.0%)
Adjusted operating margin(2)	**3.3%**	4.4%		**3.7%**	4.9%	
Adjusted basic net earnings per common share(2) ($)	**0.43**	0.58	(25.9%)	**2.05**	2.72	(24.6%)

- Same-store sales increased 2.6% during the quarter compared to last year.
- Internal retail food price deflation is estimated at 1.6%.
- Sales volume based on retail units sold increased 3.6% during the quarter compared to last year.
- Gross margin declined approximately $60 million from last year, which represents 0.9% of sales, primarily due to targeted price reductions to provide value to customers and changes in sales mix partially offset by improvements in shrink.
- A non-cash fixed asset impairment charge of $33 million was recognized in the fourth quarter related to specific store locations.
- A non-cash loss on equity forwards of $55 million was recognized resulting from a decline in the Company's share price during the fourth quarter of 2007.
- Free cash flow(2) for 2007 is anticipated to be in the range of $375 million to $450 million compared to $70 million in 2006.

Business Update

The fourth quarter concluded a year of transformational change, amidst intense competition and consequent pressure on earnings. Despite these challenges, progress was made on our multi-year turnaround plan. This quarter provided indications of progress towards Making Loblaw the Best Again, with encouraging advances in the Company's four major initiatives, Project Simplify, Fix the Basics, optimizing the Real Canadian Superstore ("RCSS") banner, and Credit for Value.

(1) This News Release contains forward-looking information. See Forward-Looking Statements on page 8 of this News Release for a discussion of material factors that could cause actual results to differ materially from the conclusions, forecasts and projections herein and of the material factors and assumptions that were applied in presenting the conclusions, forecasts and projections presented herein. This News Release must be read in conjunction with Loblaw Companies Limited's filings with securities regulators made from time to time, all of which can be found at www.sedar.com and at www.loblaw.ca.

(2) See Non-GAAP Financial Measures on page 7 of this News Release.

In the fourth quarter we completed Project Simplify, our plan to improve effectiveness through clearer accountabilities and centralization where it counts. We begin 2008 with the structure and processes of a truly national retailer, enabling Loblaw to leverage its scale for the first time. Our focus now is on stabilizing the business and improving execution at stores, distribution centres and store support centres.

Fix the Basics is our strategy to be known once again as one of the world's best retailers and to have industry-leading availability and a world-class supply chain. During the fourth quarter we tested and started to implement several of our Fix the Basics store performance improvements. 233 of our highest sales stores are now running our new Always Available program. Stores that have fully implemented this program have improved availability within range to achieve our in-stock food target for these stores. Our new produce shrink reduction processes are driving shrink to levels below last year. We have implemented national standards for front-end customer experience and have improved our productivity in items per minute scanning rate.

The Milton Superstore pilot continues to help us identify both general merchandise and food productivity improvements that will be selectively rolled out to other existing Superstores where we can achieve the appropriate return on capital. Our Great Food pilots are similarly identifying in-store operating improvements and fresh enhancements, especially in produce. Once fully tested, these results will also be rolled out as appropriate to our existing store base.

Credit for Value is our strategy to lower retail prices to deliver excellent value to customers and to ensure they recognize the benefit of lower prices in our stores where it matters. Our continued investment in pricing was a significant factor in the fourth quarter. We believe our commitment to lower prices is sustainable, will provide value to our customers and improve our competitiveness. Our pricing investments helped us to retain retail price levels comparable to or better than those of our local benchmark competitors in Hard Discount and Superstore formats across Canada during the fourth quarter.

We consider price investments to be a major factor in driving our same-store sales and market share growth in the fourth quarter of 2007. Price investments will continue to be made in 2008. However, we expect that cost reductions in 2008 will help to support our profitability. Costs remain a critical focus for management. Our actions show that we are committed to driving costs out of our business. We have made some progress but we need to make more.

Results of Operations

Sales Total sales for the fourth quarter of 2007 increased $183 million, or 2.7%, to $6.97 billion compared to $6.78 billion in the fourth quarter of 2006. Sales volume based on retail units sold grew by 3.6% in the fourth quarter compared to the same period last year. Same-store sales increased by 2.6%. Total sales excluding the impact of tobacco sales and variable interest entities(1) increased by 2.9%.

Total sales increases in the fourth quarter of 2007 were achieved by positive growth in both item and customer counts despite internal food price deflation. Total sales increases were realized in Ontario, Quebec and western Canada. Total sales increased in food and drugstore while general merchandise sales were lower because of the intentional restriction of inventory as we continued to work on optimizing inventory controls, product mix and markdown strategies.

Total Sales and Sales Excluding the Impact of Tobacco Sales and VIEs(1)

For the periods ended December 29, 2007 (unaudited) and December 30, 2006 ($ millions)	**2007 (12 weeks)**	2006 (12 weeks)	**2007 (52 weeks)**	2006 (52 weeks)
Total sales	**$ 6,967**	$ 6,784	**$ 29,384**	$ 28,640
Less: Sales attributable to tobacco sales	**219**	242	**1,013**	1,423
Sales attributable to the consolidation of VIEs	**108**	92	**456**	383
Sales excluding the impact of tobacco sales and VIEs(1)	**$ 6,640**	$ 6,450	**$ 27,915**	$ 26,834

(1) See Non-GAAP Financial Measures on page 7 of this News Release.

Sales Growth and Same-Store Sales Growth

For the periods ended December 29, 2007 (unaudited) and December 30, 2006 (percentage)	**2007 (12 weeks)**	2006 (12 weeks)	**2007 (52 weeks)**	2006 (52 weeks)
Total sales growth	**2.7%**	3.5%	**2.6%**	3.7%
Less: Impact on sales growth attributable to tobacco sales	**(0.4%)**	(2.0%)	**(1.7%)**	(1.2%)
Impact on sales growth attributable to the consolidation of VIEs	**0.2%**	(0.2%)	**0.3%**	(0.1%)
Sales growth excluding the impact of tobacco sales and VIEs(1)	**2.9%**	5.7%	**4.0%**	5.0%
Same-store sales growth	**2.6%**	1.3%	**2.4%**	0.8%
Same-store sales growth excluding the impact of decreased tobacco sales(1)	**2.7%**	3.3%	**3.4%**	2.0%

The following factors explain the major components in the change in fourth quarter sales over the prior period:

- continued sales growth in the Real Canadian Superstore banner in Ontario;
- national food price inflation as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI") was 0.8% for the fourth quarter of 2007 compared to approximately 1.5% in the same period of 2006. This measure of inflation does not necessarily reflect the effect of inflation on the specific mix of goods offered in Loblaw stores. The Company's analysis indicates that it had internal retail food price deflation of approximately 1.6%;
- positive volume growth of 3.6% based on retail units sold; and
- 8 new corporate and franchised stores were opened and 8 were closed during the fourth quarter resulting in a net increase of 0.1 million square feet, or 0.1%, compared to the third quarter of 2007.

Sales for 2007 increased $744 million, or 2.6%, to $29.38 billion compared to $28.64 billion in 2006. Total sales excluding the impact of tobacco sales and VIEs(1) increased by 4.0%. The following factors in addition to the quarterly factors mentioned above further explain the change in full-year sales over 2006:

- same-store sales growth excluding the impact of decreased tobacco sales increased 3.4%. In the third quarter of 2006, a major tobacco supplier commenced shipping directly to certain customers of our cash & carry and wholesale club network, adversely impacting sales. This loss of sales affects comparisons to 2006 for the first three quarters of 2007;
- national food price inflation as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI") was 2.7% for 2007 compared to approximately 2.3% in 2006. The Company's analysis indicates that its internal retail food price inflation for 2007 is approximately 1.3% compared to last year;
- positive volume growth of 1.9% based on retail units sold; and
- 34 new corporate and franchised stores were opened and 79 stores were closed, including 46 stores that were closed as part of a previously announced store operations restructuring plan, and stores which underwent conversions and major expansions. Net retail square footage decreased 0.1 million square feet, or (0.2%), in 2007 from year end 2006.

Operating Income Operating income of $134 million for the fourth quarter of 2007 increased by $829 million, or 119.3%, compared to an operating loss of $695 million in 2006. Operating margin was 1.9% compared to (10.2%) in the fourth quarter of 2006. The 2006 operating loss was affected by an $800 million non-cash goodwill impairment charge related to the goodwill associated with the acquisition of Provigo Inc. in 1998.

In the fourth quarter of 2007, the Company recognized the following in operating income:

- charge of $29 million (2006 – nil) related to Project Simplify involving restructuring and streamlining of merchandising and store operations. Costs comprised $19 million for employee termination benefits including severance, additional pension costs resulting from the termination of employees and retention costs; and $10 million of other costs, primarily consulting;
- charge of $7 million (2006 – nil) in connection with the previously announced plan to restructure the Company's supply chain network;
- nil (2006 – $35 million) in connection with the previously announced closure of certain stores in the Quebec and Atlantic markets and in the wholesale network that were part of the store operations restructuring activities;
- charge of $52 million (2006 – income of $6 million) for the net effect of stock-based compensation and the associated equity forwards. The majority of the expense in the fourth quarter of 2007 included a non-cash loss on equity forwards of $55 million (2006 – income of $10 million) resulting from a decline in the Company's share price during the fourth quarter of 2007. At the end of fourth quarter of 2007, the Company had cumulative equity forwards to buy 4.8 million (2006 − 4.8 million) of its common shares;

(1) See Non-GAAP Financial Measures on page 7 of this News Release.

- charge of $3 million (2006 – $68 million) from the previously announced liquidation of excess general merchandise inventory in the fourth quarter of 2006. The liquidation was completed as expected in the fourth quarter of 2007;
- income of $4 million (2006 – nil) resulting from the consolidation of VIEs;
- nil (2006 – charge of $800 million) for a non-cash goodwill impairment charge related to the goodwill established on the acquisition of Provigo Inc. in 1998; and
- nil (2006 – charge of $84 million) related to the ratification of a new four-year collective agreement with members of certain Ontario locals of the UFCW.

After adjusting for the above-noted items, adjusted operating income(1) in the fourth quarter of 2007 decreased by $65 million, or 22.7%, to $221 million compared to $286 million in the fourth quarter of 2006. Adjusted operating margin(1) decreased to 3.3% in the fourth quarter of 2007 compared to 4.4% in 2006 as growth in operating expenses exceeded growth in sales. Adjusted EBITDA margin(1) decreased to 5.3% from 6.4% in 2006.

In addition, adjusted operating income(1) in the fourth quarter of 2007 was influenced by the following items:

- gross margin declined approximately $60 million from 2006, which represents 0.9% of sales, primarily due to targeted price reductions, to provide value to customers and drive same-store sales and sales volumes, and changes in sales mix partially offset by improvements in shrink;
- incremental consulting costs compared to the prior year, other than those in connection with Project Simplify, amounted to $12 million including expenses related to new supply chain and information technology improvement initiatives of $6 million;
- a gain of $11 million from the sale of an office building in Calgary, Alberta; and
- incremental non-cash fixed asset impairment charge of $9 million related to asset carrying values in excess of fair values at specific store locations. The charge in the fourth quarter of 2007 was $33 million compared to $24 million in the fourth quarter of 2006.

Gross margin percentage continued to decline in the fourth quarter of 2007 as a result of the Company's continued investment in lower prices, as part of its Credit for Value initiative, to drive same-store sales growth in a targeted manner across the country. Sales increases in the quarter were insufficient to offset margin declines. The Company continues to experience higher store labour costs due to marketplace pressures and achieved reduced inventory shrink expenses in the fourth quarter of 2007 compared to the same quarter last year.

The following table outlines items which were excluded in arriving at adjusted operating income(1), adjusted operating margin(1), adjusted EBITDA(1), and adjusted EBITDA margin(1) :

For the periods ended December 29, 2007 (unaudited) and December 30, 2006 ($ millions)	**2007 (12 weeks)**	2006 (12 weeks)	**2007 (52 weeks)**	2006 (52 weeks)
Net earnings (loss)	**$ 40**	$ (756)	**$ 330**	$ (219)
Add (deduct) impact of the following:				
Minority interest	**8**	(1)	**4**	1
Income taxes	**27**	2	**150**	248
Interest expense	**59**	60	**252**	259
Operating income (loss)	**134**	(695)	**736**	289
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity forwards	**52**	(6)	**72**	37
Restructuring and other charges	**36**	35	**222**	44
Inventory liquidation	**3**	68	**15**	68
VIEs	**(4)**	–	**(11)**	(8)
Goodwill impairment charge	**–**	800	**–**	800
Ontario collective labour agreement	**–**	84	**–**	84
Departure entitlement charge	**–**	–	**–**	12
Adjusted operating income(1)	**221**	286	**1,034**	1,326
Add (deduct) impact of the following:				
Depreciation and amortization	**134**	133	**588**	590
VIE depreciation and amortization	**(6)**	(5)	**(33)**	(24)
Adjusted EBITDA(1)	**$ 349**	$ 414	**$ 1,589**	$ 1,892

Adjusted operating margin(1) is calculated as adjusted operating income divided by sales excluding the impact of tobacco sales and VIEs(1). Adjusted EBITDA margin(1) is calculated as adjusted EBITDA(1) divided by sales excluding the impact of tobacco sales and VIEs(1).

(1) See Non-GAAP Financial Measures on page 7 of this News Release.

Operating income of $736 million for 2007 increased by $447 million, or 154.7%, compared to $289 million in 2006, and resulted in an operating margin of 2.5% as compared to 1.0% in 2006.

During 2007, the Company recognized the following in operating income:

- charge of $197 million (2006 – nil) related to Project Simplify involving restructuring and streamlining of merchandising and store operations. Costs comprised $139 million for employee termination benefits including severance, additional pension costs resulting from the termination of employees and retention costs; and $58 million of other costs, primarily consulting. Total restructuring costs under this plan, comprised primarily of severance costs, are now anticipated to be approximately $200 million with the remaining costs to be expensed in 2008;
- charge of $9 million (2006 – $8 million) in connection with the previously announced plan to restructure the Company's supply chain network;
- charge of $16 million (2006 – $35 million) in connection with the previously announced closure of certain stores in the Quebec and Atlantic markets and in the wholesale network that were part of the store operations restructuring activities;
- charge of $72 million (2006 – $37 million) for the net effect of stock-based compensation and the associated equity forwards. The majority of the expense in 2007 included a non-cash loss on equity forwards of $67 million (2006 – $32 million) resulting from a decline in the Company's share price during the year;
- charge of $15 million (2006 – $68 million) for the liquidation of general merchandise inventory discussed previously;
- income of $11 million (2006 – $8 million) resulting from the consolidation of VIEs;
- nil (2006 – charge of $1 million) related to the head office move and reorganization of our operation support functions;
- nil (2006 – charge of $800 million) for a non-cash goodwill impairment charge related to the goodwill established on the acquisition of Provigo Inc. in 1998;
- nil (2006 – charge of $84 million) related to the ratification of a new four-year collective agreement with members of certain Ontario locals of the UFCW; and
- nil (2006 – charge of $12 million) related to a departure entitlement charge.

After adjusting for the above-noted items, adjusted operating income(1) for 2007 decreased by $292 million, or 22.0%, to $1.03 billion compared to $1.33 billion in 2006. Adjusted operating margin(1) decreased to 3.7% in 2007 compared to 4.9% in 2006 as growth in operating expenses exceeded growth in sales. Adjusted EBITDA margin(1) decreased to 5.7% from 7.1% in 2006.

In addition, the 2007 adjusted operating income(1) was also influenced by the following items:

- incremental consulting costs compared to the prior year, other than those in connection with Project Simplify, amounted to $75 million including expenses related to new supply chain and information technology improvement initiatives of $16 million;
- pharmacy-related operating income was reduced by $25 million due to legislative changes introduced in 2006 by the Ontario government;
- adjustments in estimates related to post-employment and long term disability benefits and deferred product development and information technology costs reduced operating income by $24 million;
- costs associated with the change in the Company's executive bonus plan were $11 million;
- a gain of $11 million from the sale of an office building in Calgary, Alberta;
- incremental non-cash fixed asset impairment charge of $6 million related to asset carrying values in excess of fair values at specific store locations. The 2007 charge was $33 million compared to $27 million in 2006; and
- the gross margin percentage decreased as described previously.

For the fourth quarter of 2007, basic net earnings per common share were $0.14 compared to basic net loss per common share of $2.76 in 2006, an increase of 105.1%. For the year, basic net earnings per common share were $1.20 compared to basic net loss per common share of $0.80 in 2006, an increase of 250.0%.

Basic net earnings per common share were affected in the fourth quarter of 2007 by the following:

- charge of 21 cents (2006 – income of 2 cents) per common share for the net effect of stock-based compensation and the associated equity forwards;
- charge of 9 cents (2006 – 9 cents) per common share related to restructuring and other charges;
- charge of 1 cent (2006 – 16 cents) per common share related to inventory liquidation;
- charge of 2 cents (2006 – income of 1 cent) per common share related to the consolidation of VIEs;
- income of 4 cents (2006 − nil) per common share related to changes in statutory income tax rates;
- nil (2006 – charge of $2.92) per common share related to the goodwill impairment charge previously discussed; and
- nil (2006 – charge of 20 cents) per common share related to the ratification of a collective agreement.

After adjusting for the above noted items, adjusted basic net earnings per common share(1) were 43 cents for the fourth quarter of 2007 compared to 58 cents for the fourth quarter of 2006. Adjusted basic net earnings per common share(1) for 2007 were $2.05 compared to $2.72 for 2006.

(1) See Non-GAAP Financial Measures on page 7 of this News Release.

The following table outlines items that were excluded in arriving at adjusted basic net earnings per common share(1):
Basic Net Earnings (Loss) Per Common Share and Adjusted Basic Net Earnings per Common Share(1)

For the periods ended December 29, 2007 (unaudited) and December 30, 2006 ($)	**2007 (12 weeks)**	2006 (12 weeks)	**2007 (52 weeks)**	2006 (52 weeks)
Basic net earnings (loss) per common share	**$ 0.14**	$ (2.76)	**$ 1.20**	$ (0.80)
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity forwards	**0.21**	(0.02)	**0.30**	0.17
Restructuring and other charges	**0.09**	0.09	**0.53**	0.11
Inventory liquidation	**0.01**	0.16	**0.04**	0.16
VIEs	**0.02**	(0.01)	**0.02**	(0.01)
Goodwill impairment charge	**–**	2.92	**–**	2.92
Ontario collective labour agreement	**–**	0.20	**–**	0.20
Departure entitlement charge	**–**	–	**–**	0.03
Changes in statutory income tax rates	**(0.04)**	–	**(0.04)**	(0.06)
Adjusted basic net earnings per common share(1)	**$ 0.43**	$ 0.58	**$ 2.05**	$ 2.72

We are continuing to invest in what we believe will be higher return expansions and renovations to our existing store base, with a focus on improving same-store sales. As stated last quarter, we expect to invest an estimated $700 to $800 million in net capital expenditures. Approximately two-thirds of these funds are expected to be used in remodeling, expanding and maintaining existing stores and a small increase in square footage, with the remainder split two-thirds in upgrading information systems and one-third on supply chain infrastructure.

During the quarter as planned, we sold property and a partially constructed building for a purchase price of $110 million. We leased back the property from the buyer for a term of 20 years, with options to renew, and in turn, subleased the property to a third party logistics provider. We have also entered into a warehousing and distribution agreement with the third party logistics provider, which will use this property to provide services to Loblaw.

Liquidity and Capital Resources

Subsequent to the end of the third quarter, Dominion Bond Rating Service (“DBRS”) placed the Company’s long term and short term credit ratings Under Review with Negative Implications; and Standard & Poor’s placed the Company’s long term and short term credit ratings on CreditWatch with negative implications. A downgrade in the Company’s short term credit ratings would impact its ability to access short term financing through its commercial paper program which would increase borrowing costs. The Company anticipates it will continue to be able to obtain external financing.

In the event of a further downgrade of the Company’s long term credit rating issued by DBRS and a possible termination of the independent funding trust agreement, the Company’s franchisees’ access to financing through the structure involving independent funding trusts would be affected and the standby letter of credit in the amount of $44 million provided to the independent funding trust by Loblaw would be drawn upon. The gross principal amount of the franchisee loans outstanding at the end of 2007 was $418 million. The Company is exploring alternative financing arrangements for the benefit of its franchisees to address this issue. In the event the Company restructures the independent funding trusts, any new alternative financing structure which may be implemented would need to be reviewed to determine if there are any implications with respect to the consolidation of VIEs.

Outlook(2)

Sales volumes have been positively responding to our investments in lower prices to give value to our customers. We expect this to continue in 2008. Investments in price will also continue. However, we expect that cost reductions in 2008 will help to support our profitability. Sales, margins and profitability in the first half of 2008 in relation to 2007 may be affected by more difficult comparables.

(1) See Non-GAAP Financial Measures on page 7 of this News Release.
(2) To be read in conjunction with “Forward Looking Statements” on page 8 of this News Release.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with Canadian GAAP. However, the Company has included certain non-GAAP financial measures and ratios which it believes provide useful information to both management and readers of this News Release in measuring the financial performance and financial condition of the Company for the reasons set out below. These measures do not have a standardized meaning prescribed by Canadian GAAP and, therefore, may not be comparable to similarly titled measures presented by other publicly traded companies. They should not be construed as an alternative to other financial measures determined in accordance with Canadian GAAP.

Sales and Sales Growth Excluding the Impact of Tobacco Sales and VIEs These financial measures exclude the impact on sales from the decrease in tobacco sales and from the consolidation by the Company of certain independent franchisees. Tobacco sales continued to decrease through the end of third quarter 2007 as a result of a major tobacco supplier shipping directly to certain customers of the Company's cash & carry and wholesale club network commencing in the third quarter of 2006. These impacts on sales are excluded because the Company believes this allows for a more effective analysis of the operating performance of the Company. A reconciliation of the financial measures to the Canadian GAAP financial measures is included in the table "Total Sales and Sales Excluding the Impact of Tobacco Sales and VIEs" on page 2 of this News Release. Same-store sales growth and same-store sales growth excluding the impact of decreased tobacco sales is included in the table "Sales Growth and Same-Store Sales Growth" on page 3 of this News Release.

Adjusted Operating Income and Margin The table on page 4 of this News Release reconciles operating income and adjusted operating income to Canadian GAAP net earnings measures based on management's review of preliminary unaudited results for the twelve and fifty-two week periods ended December 29, 2007 and December 30, 2006. Items listed in the reconciliation are excluded because the Company believes this allows for a more effective analysis of the operating performance of the Company. In addition, the excluded items affect the comparability of the financial results and could potentially distort the analysis of trends. The exclusion of these items does not imply they are non-recurring. Adjusted operating income and margin are useful to management in assessing the Company's performance and in making decisions regarding the ongoing operations of its business.

Adjusted EBITDA and Margin The table on page 4 of this News Release reconciles adjusted earnings before interest, income taxes, depreciation and amortization ("EBITDA") to adjusted operating income which is reconciled to Canadian GAAP net earnings measures based on management's review of preliminary unaudited results for the twelve and fifty-two week periods ended December 29, 2007 and December 30, 2006. Adjusted EBITDA is useful to management in assessing the Company's performance of its ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

Adjusted Basic Net Earnings per Common Share The table "Basic Net Earnings (Loss) Per Common Share and Adjusted Basic Net Earnings Per Common Share" on page 6 of this News Release reconciles adjusted basic net earnings per common share to Canadian GAAP basic net earnings (loss) per common share measures based on management's review of preliminary unaudited results for the twelve and fifty-two week periods ended December 29, 2007 and December 30, 2006. Items listed in the reconciliation are excluded because the Company believes this allows for a more effective analysis of the operating performance of the Company. In addition, the excluded items affect the comparability of the financial results and could potentially distort the analysis of trends. The exclusion of these items does not imply they are non-recurring. Adjusted basic net earnings per common share is useful to management in assessing the Company's performance and in making decisions regarding the ongoing operations of its business.

Free Cash Flow The Company calculates free cash flow as cash flows from operating activities less fixed asset purchases and dividends. The Company believes free cash flow is a useful measure of the change in the Company's cash available for additional funding requirements.

2007 Annual Consolidated Financial Statements and MD&A

The Company's audited consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the year ended December 29, 2007 will be released on or before March 28, 2008. Both documents will be contained in the Company's 2007 Annual Report and will be available in the Investor Zone section of the Company's website at www.loblaw.ca or at www.sedar.com.

Investor Relations

Shareholders, security analysts and investment professionals should direct their requests to Inge van den Berg, Vice President, Investor Relations at the Company's National Head Office or by e-mail at investor@loblaw.ca.

Additional information has been filed electronically with various securities regulators in Canada through the System for Electronic Document Analysis and Retrieval (SEDAR) and with the Office of the Superintendent of Financial Institutions (OSFI) as the primary regulator for the Company's subsidiary, President's Choice Bank.

Conference Call and Webcast

Loblaw Companies Limited will host a conference call as well as an audio webcast on February 7, 2008 at 11:00 a.m. (EST).

To access via Tele-conference please dial (416) 644-3416. The playback will be made available one hour after the event at (416) 640-1917, passcode: 21258049#. To access via webcast please visit www.loblaw.ca, go to Investor Zone and click on webcast. Pre-registration will be available.

Investor Meeting and Webcast

Loblaw Companies Limited is also hosting an investor meeting on February 19, 2008 from 8:30 a.m. (EST) to 12:00 p.m. (EST), via conference call as well as an audio webcast. The materials for the investor meeting will be posted on www.loblaw.ca.

To access the investor meeting via Tele-conference please dial (416) 915-5762. The playback will be made available one hour after the event at (416) 640-1917, passcode: 21259443#. To access via webcast please visit www.loblaw.ca, go to Investor Zone then click on webcast. Pre-registration will be available.

Full details are available on the Loblaw Companies Limited website at www.loblaw.ca.

FORWARD-LOOKING STATEMENTS

This News Release for Loblaw Companies Limited and its subsidiaries (collectively, the “Company” or “Loblaw”) contains forward-looking statements about the Company’s objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. These forward looking statements include a preliminary unaudited financial update for its fourth quarter and fiscal year 2007. Words such as “anticipate”, “expect”, “believe”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions, as they relate to the Company and its management, are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect the Company’s current expectations concerning future results and events.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risks and uncertainties include, but are not limited to: changes in economic conditions; changes in consumer spending and preferences, heightened competition, whether from new competitors or current competitors; changes in the Company’s or its competitors’ pricing strategies; failure of the Company’s franchised stores to perform as expected; risks associated with the terms and conditions of financing programs offered to the Company’s franchisees; failure to realize anticipated cost savings and operating efficiencies from the Company’s major initiatives, including investments in the Company’s information technology systems, supply chain investments and other cost reduction and simplification initiatives; the ability of the Company’s information technology infrastructure to support the requirements of the Company’s business; the ability of the Company to indentify obsolete or excess inventory and to control shrink; failure to execute successfully and in a timely manner the Company’s major initiatives, including the implementation of strategies and introduction of innovative products; unanticipated costs associated with the Company’s strategic initiatives, including those related to compensation costs; the ability of the Company’s supply chain to service the needs of the Company’s stores; deterioration in the Company’s relationship with its employees, particularly through periods of change in the Company’s business; failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements; changes to the regulatory environment in which the Company operates; the adoption of new accounting standards and changes in the Company’s use of accounting estimates including in relation to inventory valuation; fluctuations in the Company’s earnings due to changes in the value of equity forward contracts relating to its common shares; changes in the Company’s tax liabilities resulting from changes in tax laws or future assessments; detrimental reliance on the performance of third-party service providers; public health events; the ability of the Company to obtain external financing; the ability of the Company to attract and retain key executives; and supply and quality control issues with vendors. These and other risks and uncertainties are discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time, including the Risks and Risk Management section of the MD&A included in the Company’s 2006 Annual Report. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

In addition to these risks and uncertainties, the material assumptions used in making the forward looking statements contained herein and in particular in the section entitled “Outlook” on page 6 of this News Release, include: there is no material change in economic conditions from those of 2007; patterns of consumer spending and preferences are reasonably consistent with historical trends; there is no significant change in competitive conditions, whether related to new competitors or current competitors; there is no unexpected change in the Company’s or its competitors’ current pricing strategies; the Company’s franchised stores perform as expected; anticipated cost savings and operating efficiencies are achieved, including those from the Company’s cost reduction and simplification initiatives; and there are no significant regulatory, tax or accounting changes or other significant events occurring outside the ordinary course of business.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this News Release. The Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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