Loblaw
COMPANIES LIMITED

MAKING Loblaw THE BEST AGAIN

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President & Chief Merchandising Officer

2008 CIBC World Markets Retail Conference
March 5, 2008

Forward-Looking Statements

This publication 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 preliminary unaudited financial highlights for its 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

Forward-Looking Statements (continued)

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 in this publication, 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 publication. 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.

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 the Company's Fourth Quarter 2007 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 the same news release.

Adjusted Operating Income and Margin The table on page 4 of the Company's Fourth Quarter 2007 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.

Non-GAAP Financial Measures (continued)

Adjusted EBITDA and Margin The table on page 4 of the Company's Fourth Quarter 2007 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 the Company's Fourth Quarter 2007 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.

Agenda for Today

- 2007 Progress Towards Making Loblaw the Best Again
- 2008 Priorities
- Your Questions

Making Loblaw the Best Again.....

We are here

SIMPLIFY

- **Simplify** and sharpen Loblaw by making accountabilities clear and centralizing where it counts
- **Fix the Basics** that matter to customers like availability and value- for-money, and fix the basics that matter financially, like reducing shrink and our cost base

INNOVATE

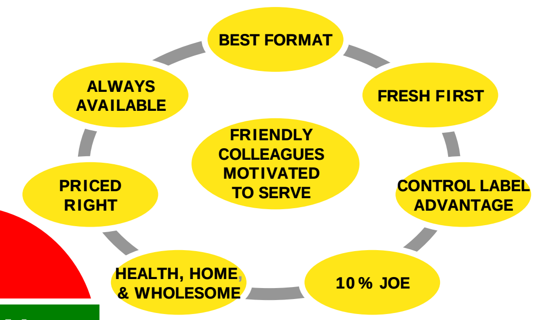
- Restore **innovation** to the heart of our culture in food and across all our control label – make our brands, and stores worth switching supermarkets for

FINANCIAL ASPIRATIONS*

- 5% SALES GROWTH
- 10% ADJUSTED NET EARNINGS GROWTH
- $250 MILLION FREE CASH FLOW

GROW

(Loblaw is the Best Again)

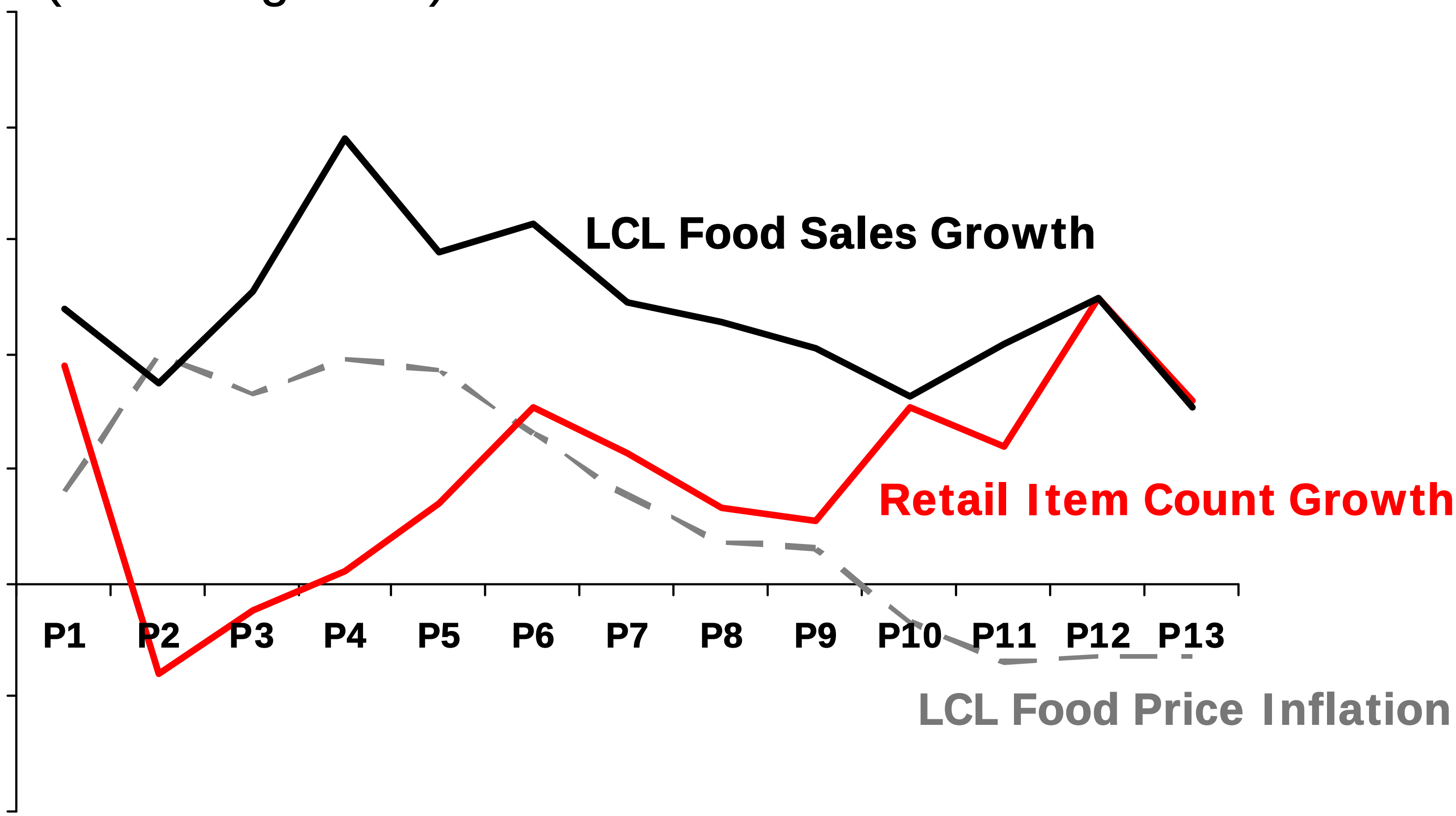


- **Grow** Loblaw through the Formula For Growth, but spend capital wisely to drive comparable store sales

** See Forward-Looking Statements and Non-GAAP Financial Measures*

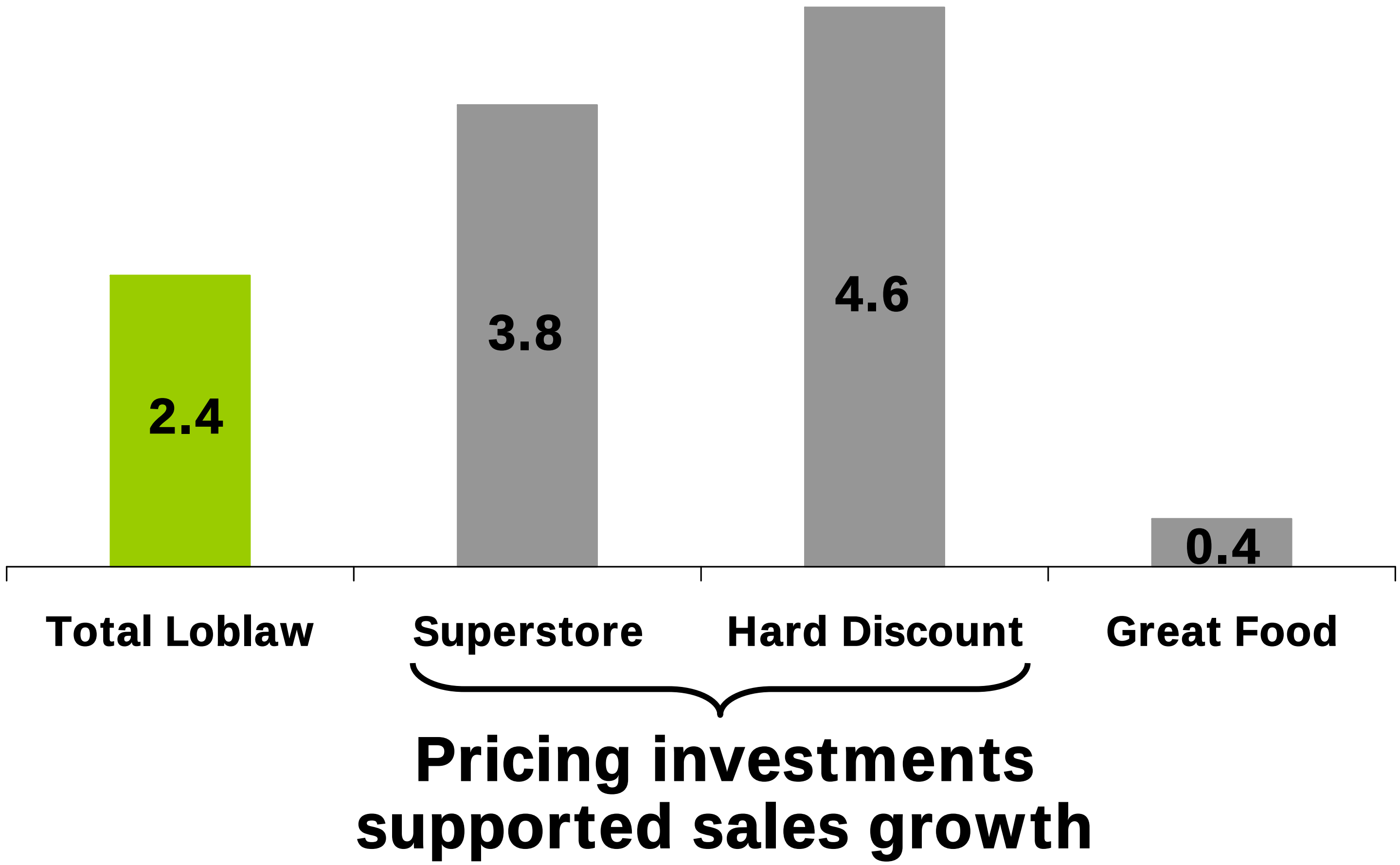
Food volumes are strong despite inflation

LCL Food Sales and LCL Food Inflation
(Percent growth)



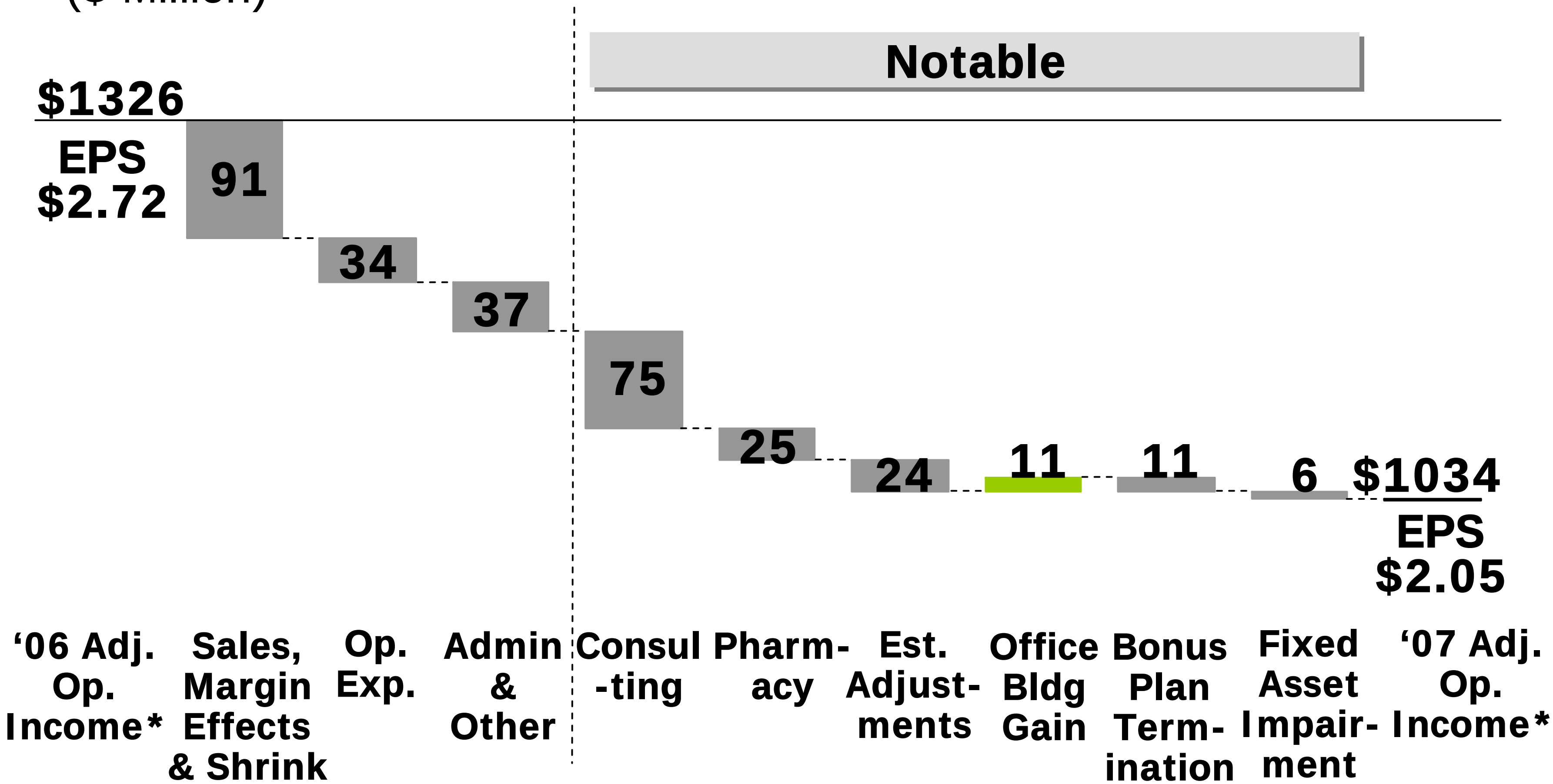
Superstore and Hard Discount experienced the highest same-store sales growth in 2007

2007 Same-Store Sales Growth
(Percentage Growth vs. LY)



2007 earnings were pressured

2007 LCL Adjusted Operating Income* Analysis
($ Million)



** See Non-GAAP Financial Measures*

Focus for 2008

1

Improve competitive position and cost efficiency

- Price Investment
- Shop-keeping
  - Availability
  - Labour
  - Shrink

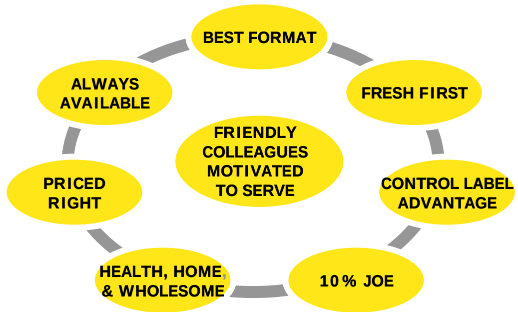
2

Invest in Future Growth

- Format Pilots
- SC2010
- IT Roadmap

3

Make progress in each area of the formula for growth



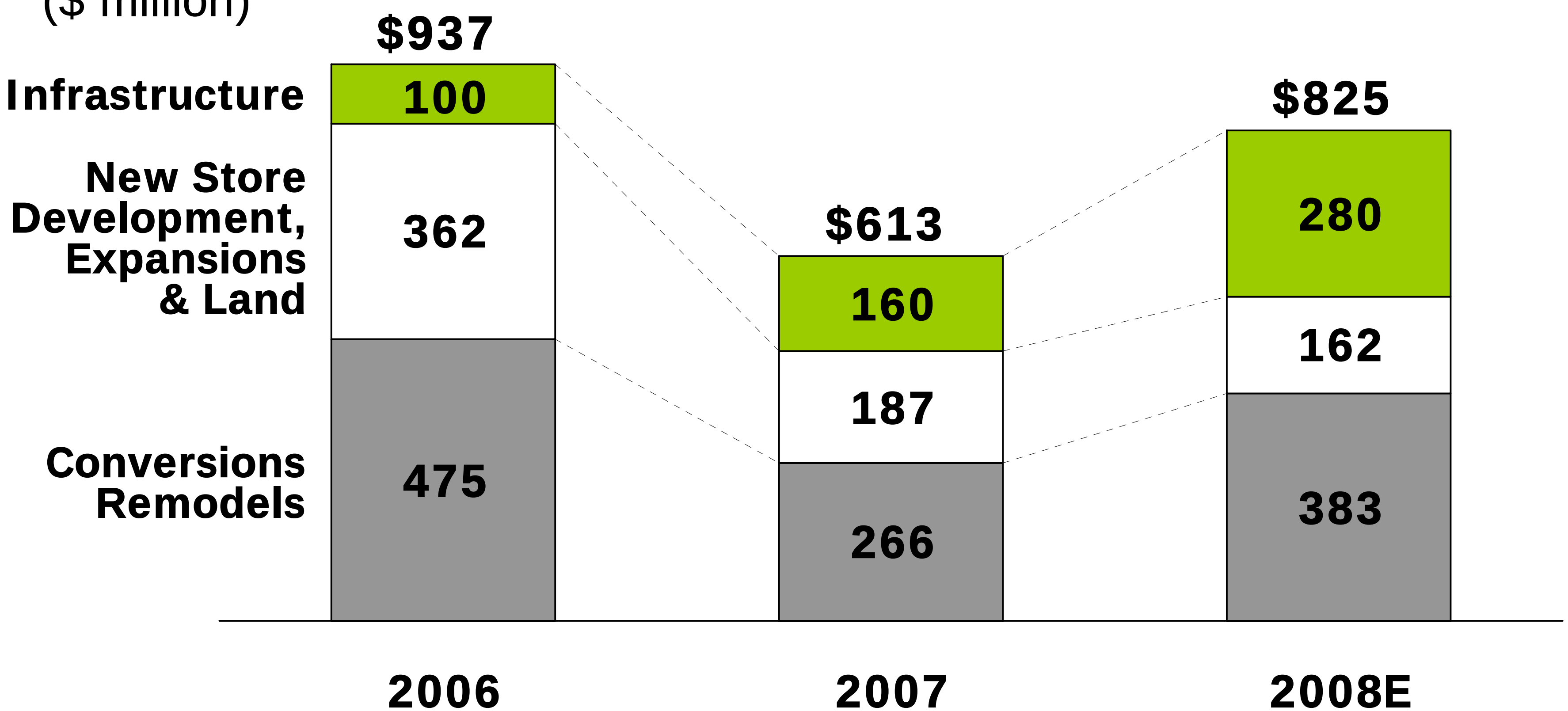
Improving competitive position and cost efficiency

Major factors in improving Loblaw competitive position . . .	Results expected to be supported through cost reduction / efficiencies driven by focus on . . .
❑ Continued investment in price ❑ Improvements in availability ❑ Improvements in the offer	❑ Operating cost programs: ➢ Labour productivity ➢ Shrink reduction ➢ Administrative/other costs ❑ Improved buying efficiencies ➢ Food ➢ General Merchandise

Capital is being redeployed to infrastructure and existing store assets in the near-term

LCL Gross Capital Expenditure

($ million)



New store development will commence when the format economic models are improved

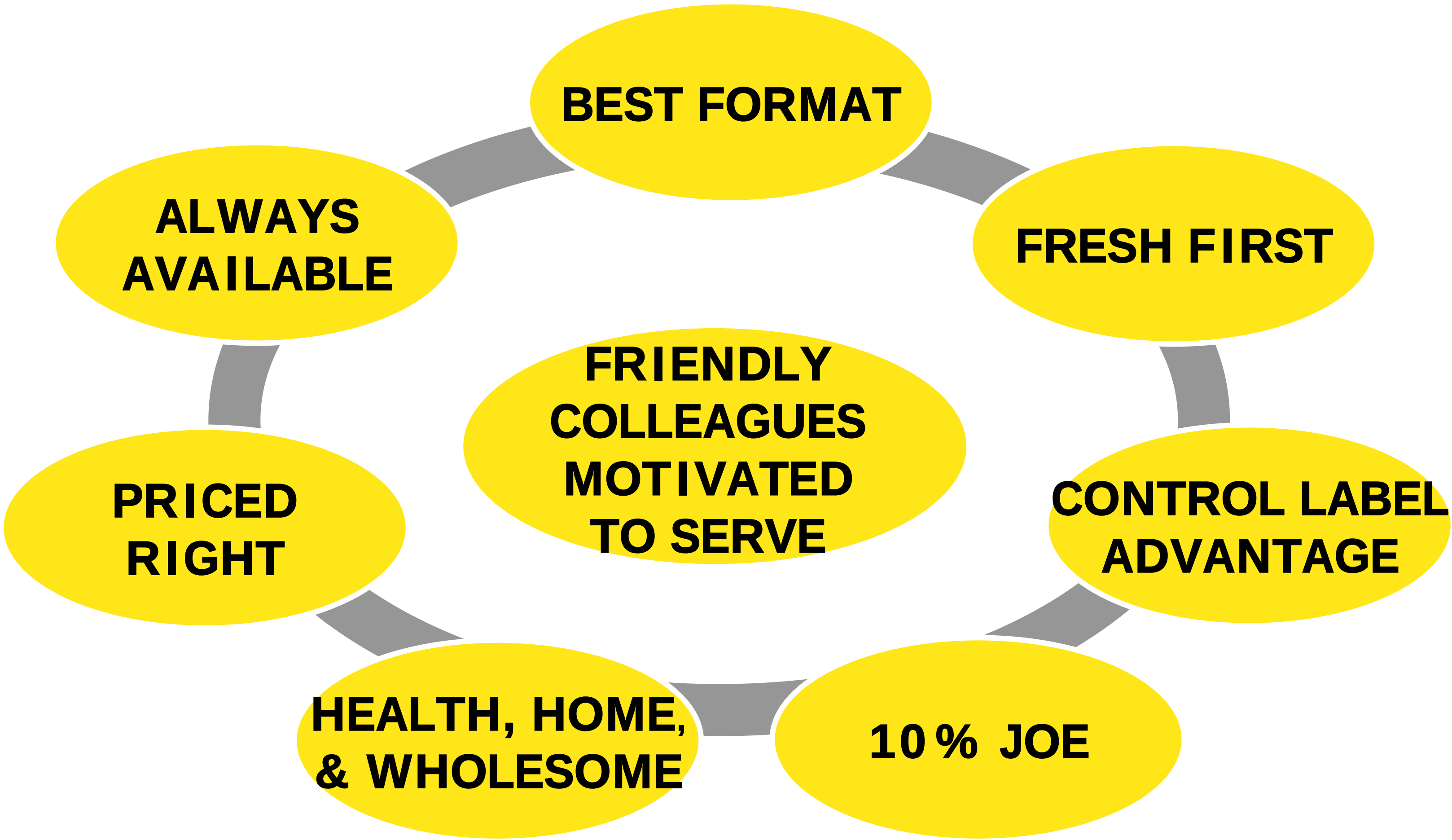
Uneven progress in 2007 towards delivering financial aspirations for turnaround

FINANCIAL ASPIRATIONS*

- **5% SALES GROWTH** — 2.6% total sales growth, with 2.4% same-store sales growth
- **10% ADJUSTED NET EARNINGS GROWTH** ✘ -24.6% growth due to transformation costs and pricing investments ahead of cost reduction
- **$250 MILLION FREE CASH FLOW** ✓ $375-$450 million (estimate) due to reduced working capital and capital expenditures

** See Forward-Looking Statements and Non-GAAP Financial Measures*

Make progress in each area of the Formula for Growth



Making Loblaw the Best Again

Your Questions?

Loblaw

COMPANIES LIMITED