Making Loblaw the Best Again

Business Review

Loblaw
COMPANIES LIMITED

Forward-Looking Statements
This Business Review 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 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 Business Review 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.

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.

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Making Loblaw the Best Again

For Loblaw, 2007 was a year of transformational change amid intense competition and pressured earnings. Despite these challenges in a difficult year, we have made significant progress towards Making Loblaw the Best Again. We look forward to 2008 with confidence, as we leave behind the disruption of our restructuring. We can now focus primarily on our customers and our stores.

Our Mission

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

Loblaw's declining financial performance since 2004 required action to prevent further erosion. At the end of 2006, an intense 100-day review was conducted to identify our turnaround approach to Make Loblaw the Best Again. The approach was built upon three core pillars:

- Simplify and sharpen Loblaw by making accountabilities clear and centralizing where it counts, while fixing the basics that matter to customers and matter financially
- Restore innovation to the heart of our culture in food and across all of our control label – make our brands and assortments worth switching supermarkets for
- Grow Loblaw through our Formula for Growth, but spend capital wisely in an over-spaced market

With this foundation, Loblaw aspires to achieve on average 5% sales growth; 10% adjusted net earnings growth; and $250 million annual free cash flow, as a result of our turnaround.

Loblaw's three- to five-year turnaround commenced in 2007 and we have made good progress. Our single-most important accomplishment was the completion of our organizational restructuring. This is a transformational change that will enable Loblaw, for the first time ever, to fully leverage its national scale. Supply Chain and Information Technology also produced roadmaps that we believe will make Loblaw's infrastructure competitive.

Our decision to reduce capital expenditure and concentrate on comparable store sales growth rather than space-driven growth has resulted in Loblaw delivering significantly improved cash flow. Despite our decision to reduce capital investment, we experienced sales growth in all of our regions and maintained our market share, even during a period of low inflation in the market.

Sales Growth and Same-Store Sales Growth

For the years ended December 29, 2007 (unaudited) and December 30, 2006

(Percentage)	2007	2006
Total sales growth	2.6%	3.7%
Same-store sales growth	2.4%	0.8%
Sales growth excluding the impact of tobacco sales and VIEs(1)	4.0%	5.0%

(1) See Non-GAAP Financial Measures on the inside front cover of this Business Review.

But 2007 was never going to be an easy year for Loblaw or Loblaw colleagues. There were challenges as would be expected with a change of this magnitude. Cost reduction has lagged our required pricing investments, which resulted in lower earnings. Our new organization needs to be more effective.

We have carefully chosen our priorities for 2008, to ensure we rebuild Loblaw on a more powerful foundation, to support the innovation and growth that is core to our strategy.

2008 will be focused on a smaller number of critical initiatives. Our marketplace has changed decisively. Consumers are more discerning and continue to prioritize value. There is too much food space and intense competition, all chasing too little growth in demand. Whatever the format, our prices have to be more aggressive. The result is that our economic model is under pressure.

Conventional supermarkets without an assortment or service advantage are being squeezed. We have too many of them at present. Superstores that do not generate higher food and general merchandise sales densities will earn insufficient returns on invested capital. We have too many Superstores like this in Ontario and Western Canada. Hard Discount stores have to stay true to their mission to deliver the lowest effective prices and traffic-oriented promotions to attract and retain price sensitive customers.

Looking outwards to the marketplace makes it all the more important to concentrate on executional excellence while delivering an improved customer proposition. Each of our core functions has simple core priorities for 2008:

- Operations will focus on achieving higher performance in our stores and increased colleague engagement;
- Food and General Merchandise business units will strengthen our customer experience, simplify assortments, improve pricing perceptions, and make store operations easier;
- Loblaw Brands will strengthen the *PC Insider's Report* program and revitalize product development; and
- Format Captains will concentrate on optimizing their current and additional pilots with roll-out to remaining stores once successful.

Support functions are critical enablers for driving results. All of our key support functions have important priorities for 2008, including enhanced timely and accurate decision-making support, improved infrastructure, and enhanced talent development, retention and motivation.

Simplify, Innovate, Grow. These are the three themes that underpin our objective of Making Loblaw the Best Again. In 2008, we will ensure that the progress we made in 2007 towards becoming a more efficient and more effective sales-driven business is solid and sustained. We will also cautiously test innovations in assortments and formats that better address evolving consumer needs and expectations.

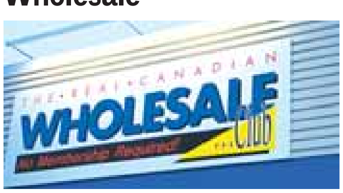
Loblaw at a Glance

Superstore

Great Foods

Hard Discount

Wholesale



Store Formats

	Corporate Stores	Franchised Stores	Associated Stores
Superstore			
Atlantic Superstore	53		
Dominion* (in Newfoundland and Labrador)	13		
The Real Canadian Superstore	102		
Great Food			
Atlantic SaveEasy	1	41	6
Fortinos		20	
Loblaws	89		
Provigo	68	22	3
SuperValue	1	15	7
Valu-mart		56	10
Your Independent Grocer		53	1
Zehrs	48		
Other	2	35	253
Hard Discount			
Extra Foods	76	26	
Maxi	91		
Maxi & Cie	16		
No Frills		140	
Wholesale			
Cash & Carry	22		119
Presto	12		
The Real Canadian Wholesale Club	34		
Total	**628**	**408**	**399**

Independent Accounts	**7,080**
Company Operated Warehouses	**25**

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Financial Highlights[3]

For the years ended December 29, 2007 and December 30, 2006 ($ millions except where otherwise indicated)		**2007 (52 weeks) (Unaudited)**		2006 (52 weeks) (Unaudited except where indicated)
Operating Results				
Total Sales	**$**	**29,384**	$	28,640 [1]
Sales excluding the impact of tobacco sales and VIEs[2]		**27,915**		26,834
Adjusted EBITDA[2]		**1,589**		1,892
Operating income		**736**		289 [1]
Adjusted operating income[2]		**1,034**		1,326
Interest expense		**252**		259 [1]
Net earnings (loss)		**330**		(219)[1]
Cash Flow				
Free cash flow[2]	**$**	**375–450**	$	70
Per Common Share ($)				
Basic net earnings (loss)		**1.20**		(0.80)[1]
Adjusted basic net earnings[2]		**2.05**		2.72
Dividend rate at year end		**0.84**		0.84
Market price at year end		**34.07**		48.79
Financial Ratios				
Adjusted EBITDA margin[2]		**5.7%**		7.1%
Operating margin		**2.5%**		1.0%
Adjusted operating margin[2]		**3.7%**		4.9%

(1) Audited for the 52 week period ended December 30, 2006.
(2) Estimated 2007 free cash flow; see Non-GAAP Financial Measures on the inside front cover of this Business Review.
(3) These Financial Highlights must be read in conjunction with Loblaw Companies Limited's Fourth Quarter News Release, Loblaw Companies Limited's 2006 Annual Report, Forward-Looking Statements on the inside front cover of this Business Review, and 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.

Simplify

Loblaw has completed its **Project Simplify** organization realignment. This was designed to make accountabilities clear and centralize key functions that will enable Loblaw to fully leverage its national scale. **Fix the Basics** improved processes that matter to customers, like availability and credit-for-value. It will also contribute financially, for example reducing shrink and improving store productivity.

***TOP:** In 2007 we completed our important organization restructuring, which will enable Loblaw to fully leverage its national scale. **MIDDLE:** Store colleague huddles are conducted twice each day, to review key execution priorities such as customer service and availability targets. **BOTTOM:** New value messaging is being rolled out to more clearly communicate our price investments to customers.*

Organization Restructuring Completed
Regional food merchandising and replenishment functions were centralized to improve our buying scale and create consistent and more effective category management processes. Store Operations functions were aligned across all regions to enhance the customer experience. Support functions, such as Marketing, Finance, and Human Resources, were redesigned for effectiveness and efficiency. The changes resulted in a total reduction of 888 employees from the organization at year end.

The redesigned organization structure required new processes that eliminated duplication, reduced complexity, enforced standards, and provided for individual accountability and decision-making. Best-in-class and best-in-Loblaw practices were leveraged to challenge previous practices, enhance effectiveness, and gain efficiencies. While significant progress was made, Loblaw has many opportunities in this new organizational form to drive improved efficiency and effectiveness.

New Tools and Systems for More Effective Store Communication
Serving customers is our highest priority, but often store processes or promotional programs were not carried out well and affected customer experiences. Improving and simplifying communication with stores was critical to enhancing store execution. Weekly 'Air Traffic Control' calls and a central store communication portal were implemented to link stores, central operations and merchants; providing a forum for immediate feedback on recent process changes, current programs, assortment modifications, competitive intensity, etc. Store managers, our critical drivers for serving customers, highly value the improved direct contact with senior management.

On-Shelf Availability Enhancements
Over two-thirds of availability issues are due to ineffective store processes. Our Always Available program established standard store procedures and timing, specific performance metrics and a twice-daily resolution huddle. After testing, this program has been rolled out to 233 of our highest sales stores by the end of 2007 – and has improved grocery, dairy, frozen, natural value and health and beauty care on-shelf availability.

Improved Value Competitiveness
New price checking processes and scorecards were implemented to accurately monitor our weekly price position, in all banners and formats, against relevant competitors. Price zones were restructured in preparation for new price management rules and lower retail prices. Price investments were made in banners on a priority basis, and to sharpen the promotional program to improve value to customers. Beginning in Q3 and through Q4 2007, Loblaw maintained pricing levels comparable to or better than our benchmark competitors in Hard Discount and Superstore formats across Canada.

Detailed Cost Reduction Plan Initiated
The organizational restructuring assisted management with identifying cost reduction opportunities in shrink, store labour, the supply chain, and administrative expenses. Further cost reductions are required to help rebuild our reduced margins due to our price investments. A detailed cost reduction plan was defined in Q3 and commenced in Q4 2007. Cost remains a critical focus for management moving forward. Some progress has been made in that direction, but a lot more is still required.

New Supply Chain and Information System Infrastructure Roadmaps Developed
Recent supply chain improvements have been focused on supporting sales growth through additional capacity. The Supply Chain 2010 program was initiated in 2007 to begin the implementation of new forecasting, replenishment, distribution and transportation capabilities that will improve in-store availability and operational productivity over time.

Loblaw has underinvested in its information technology (IT) infrastructure and our legacy systems lack functionality. Loblaw faces the risk that this infrastructure will not properly support the required business processes of the new organization. During 2007, the IT Roadmap was developed to guide the new systems environment that Loblaw requires.

2008 Priorities

- **Continue to gain efficiencies from the new organizational structure; focus on cost reduction plans to improve margins over time.**
- **Operations will focus on store standards, rolling out our Always Available program to an additional 260 stores, reducing shrink, and improving store productivity with a key focus on colleague engagement.**
- **Food and General Merchandise business units will focus on delivery of their sales plans through each of the formats by improved promotional effectiveness, assortment management and continual investment in lower prices and improved customer value.**
- **Investing in infrastructure – Supply Chain will begin to execute the SC 2010 plan and IT will begin implementing the IT Roadmap with a focus on pricing, merchandising and financial systems to improve controls and to provide the business with the information it needs to execute decisions effectively.**

Innovate

Loblaw is focused on restoring **Innovation** to the heart of our culture in food, across all control labels, and in our customers' store experience. With our competitive advantage in product development expertise and the equity we hold in our *President's Choice*, *no name* and *Joe Fresh* product lines, we will make our brands and assortments worth switching supermarkets for.

TOP: *The PC Organics Baby Food campaign was the fifth in our PC Signature series. Reaction has been positive; the program will be continued in 2008.* ***MIDDLE:*** *In August 2007, our Joe apparel line was extended into Joe Kids and is achieving positive sales response.* ***BOTTOM:*** *Freshness, variety and value are key to all of our perishable food offerings.*

PC Signature Campaign Kick-off

In July of this year, Galen Weston, our Executive Chairman, became the spokesperson for *President's Choice* with the kick-off of our *PC GREEN* Bag campaign, to reduce the use of plastic bags and make our contribution to respecting the environment. Subsequent PC Signature television commercials highlighted key products that represent other Loblaw core beliefs including health, diversity, and product excellence, such as the *PC Blue Menu Lean Burger*, *PC Indian Naan* flat bread, *PC 2X Concentrated Detergent*, and *PC Organics Baby Food*. Customer reaction has been very positive resulting in strong sales of these products and a resurgence of *President's Choice* marketing.

Joe Fresh Extension into Kids and Intimates

Joe Fresh is an inexpensive and chic clothing line exclusive to Loblaw, in partnership with designer Joe Mimran. We do not only source the line, but have also established a design studio that creates all clothing and accessories. In August 2007, we extended into our Joe Kids and Intimates line. After some initial launch delays, sales have been positive. *Joe Fresh* has been extended into 350 stores from 100, and is expected to continue to expand into all stores over 80,000 square feet. During the summer, a pop-up trailer that displayed the Joe clothing line traveled across the country to increase customer awareness of our offering. In addition, a television advertising campaign aired in the fall, improving brand awareness and equity.

Repositioning of President's Choice Home Line of Products

A review of our home products line was conducted, which confirmed the value in providing products which offer superior functional advantages at a reduced cost.

Continued Product Development Excellence

Loblaw has by far the best portfolio of control label brands in Canada – *President's Choice*, *no name* and *Joe Fresh*. However we are no longer as clearly in the lead as we once were. Our control label is *Worth Switching Supermarkets For*, but revitalized product development focus is required to retain the lead. In 2007, we launched over 600 new food products, primarily in our PC line, i.e., *PC Organics*, *PC Blue Menu*, *PC Mini Chefs*, and *PC GREEN*, plus over 800 new home products. Four *Insider's Reports* (Healthy, Summer, Home and Holiday), were used to communicate our new control label products to our customers. We offer the largest organics product line by SKU count and sales in Canada.

Best Format

As part of the organization restructuring, Format teams were created that act as retail 'brand managers' of our Hard Discount, Superstore, and Great Food stores. Clear go-to-market strategies have been defined for our Hard Discount and Superstore formats based on customer shopping preferences, competitive considerations, and market opportunities. Our strategy for our Great Food stores is under development. The format guardrails guide merchandising, marketing and operational plans and serve as a basis for a series of store pilots. The pilots test various new dimensions to formats prior to any capital allocations that would be involved in the results of these pilots being rolled out. Pilots conducted in 2007 include: New Milton RCSS opened in August 2007 to test several store operations, space allocation and department merchandising strategies; three Great Food pilots underway in Ontario to test fresh food improvements; and three No Frills stores opened in western Canada to test the success of the Hard Discount format in the market.

2008 Priorities

- **Loblaw Brands and Food will continue category-transforming product development, but with shorter lead times and celebrate *President's Choice* 25th anniversary in the 2008 *Insider's Reports*. We expect to introduce approximately 600 new products in 2008.**
- **Formats will continue to test pilot concepts and develop rollout plans, as appropriate. We will continue testing No Frills in western Canada and Great Food pilots in Ontario. A Superstore pilot in Quebec is also expected.**
- **Working with vendors, Food and General Merchandise teams will continue to refine assortments to improve sales productivity.**
- **General Merchandise will expand penetration of *Joe Fresh* departments to all stores that are greater than 80,000 square feet, where appropriate.**

Grow[(1)]

Once Loblaw's foundation is re-established by simplifying and fixing the basics of the organization, growth is our priority. We are confident that longer-term growth is possible through our eight-pronged **Formula for Growth**: Best Format; Fresh First; Control Label Advantage; 10% Joe; Health, Home & Wholesome; Priced Right; Always Available; and Friendly Colleagues Motivated to Serve

Best Format
Best Format reflects Loblaw's advantage of having three retail formats to place in the market to maximize our ability to serve our customers and maximize our market share. Guardrails for each of our three formats make them distinctive shopping experiences for customers:

- Great Food stores will offer the best fresh and packaged food, knowledgeable staff, outstanding counter service, and an exciting shopping experience
- Hard Discount stores will deliver the lowest effective prices and traffic-oriented promotions for customers willing to make the tradeoffs on brands and service for price and convenience
- Superstores will offer great value in an innovative and fun one-stop shop for great food, healthy living and a stylish home

Fresh First
Fresh First is Loblaw's goal to provide the best fresh in Canadian grocery. To enhance current freshness, Loblaw will refine, test and implement programs such as produce shrink reduction, quality sourcing, fresh supply chain improvements, quality assurance inspection, rotation disciplines, new standards for perishables presentation, and new production planning tools for in-store preparation fresh departments (e.g., bakery, HMR).

Control Label Advantage
Control Label Advantage is at the heart of Loblaw's innovation culture. Through continued product development excellence, Loblaw will strive to grow its control label sales to 30% of total sales, from 2007 control label penetration of 24%. *President's Choice* is one of Canada's most trusted and largest food brands with higher awareness than many leading national brands. *No name* is also one of Canada's largest packaged food brands. This penetration increase will not only be generated through increased food control label sales, but also our *PC Home* and *Joe Fresh* product lines.
In 2007 we launched the *President's Choice* Signature Campaign to raise awareness of Loblaw brands. Customers are responding strongly to the ads and we plan to increase the investment in the program in 2008.

10% Joe
Loblaw believes it can grow the *Joe Fresh* brand to become a $1 billion brand in apparel and related merchandise by 2010. This will be completed through our line extension into Kids and Intimates, as well as rolling out the *Joe Fresh* departments, from the current 350 stores, to all stores larger than 80,000 square feet. Consumer response to *Joe Fresh* has been positive and sales continue to grow. The most significant challenge to the sales goal is our weak systems infrastructure to support apparel. Therefore we are making the investment in these systems to ensure that our apparel service levels to our customers are as strong as the product that we sell.

Health, Home and Wholesome
Health, Home and Wholesome is Loblaw's goal to be recognized as making healthy living affordable for all Canadians. Loblaw offers healthy food products with our control label products, especially *PC Blue Menu* and *PC Organics* lines, as well as our fresh foods. Superstores and larger conventional stores also offer pharmacy, walk-in clinic, and fitness centre facilities.

(1) See Forward-Looking Statements on inside front cover of this Business Review.

In addition, specific tests are being conducted to determine consumers' response to healthier home meal replacement products.

Priced Right
Loblaw is committed to provide the best value for money, when compared to all relevant shopping choices. Pricing investments will be made in those formats, categories and product lines that are most important to customers. We will communicate our investment through stronger value messaging in store and via media. Our target price levels are:

- On par with our benchmark competitor in our Hard Discount stores;
- 2–4% higher than our benchmark competitor in our Superstores; and
- 6–8% higher than our benchmark competitor in our Great Food stores.

These targets are based on our effective retail prices which combine our regular and promotional prices. Our pricing strategy is relative to benchmark competitors and as such, investment and indexes move in relation to the market. Like all strategies, pricing is reviewed regularly and can change in accordance with market issues and results.

Always Available
Loblaw is focused on providing the best availability of any food and general merchandise retailer in Canada, through improvements to distribution centre service levels, delivery schedule adherence, demand forecasting, and in-store replenishment processes. The continued rollout of our Always Available program will address the in-store replenishment processes, while the ramp-up of our new team's experience, Supply Chain 2010, and new Information Technology systems will begin to improve the service our stores receive.

Friendly Colleagues Motivated to Serve
Our single-most important asset is our 140,000 store and store support colleagues: "Friendly Colleagues, Motivated To Serve." Loblaw is investing in our team so that we deliver on this promise to our customers. This includes providing training so that we excel at our jobs and meet our customers' needs; recognizing colleagues who display a passion for helping customers; and introducing new programs to encourage share ownership, full engagement and retention. We are committed to the continued growth of our colleagues to support customer satisfaction and business success.

Q&A

Open communication with stakeholders is critical, particularly through this turnaround. *AskGalen* was established this year, to enable colleagues to ask or provide comments on any topic and receive a response within seven days. Should you have any questions, contact details are on the inside back cover of this report as well as on our website at www.loblaw.ca. Please send us any and all inquiries. Some recent Q&A is outlined below.

Q When you began this transformation, you estimated a three- to five-year turnaround. Given you are now 12 months into the transition, do you have any better guidance on your timing for improved performance?

A We have determined our 2008 priorities and feel confident in our ability to execute those tasks, however at this time, our best estimate for the overall turnaround timeframe is still three to five years, of which we are now in the second year.

Mark Foote
President and Chief Merchandising Officer

Q You have been financially prudent in your decision to halt most capital expenditures and concentrate on comparable store sales growth. What has this delivered and when do you believe to begin reinvesting in new store growth?

A We have delivered two key benefits from our reduction in capital expenditures: 1) strong comparable sales growth that has retained year-over-year market share, without square footage increases; and 2) improved free cash flow versus previous years. We are currently working to improve our format economics. When these are optimal, and we believe that the market requires further square footage, we will return to investing in new store growth. We have not identified an exact date for this reinvestment, but will monitor and appropriately invest when opportunities arise.

Bill Wells
Chief Financial Officer

Q Your in-store availability is still clearly an issue, evident by the number of out of stocks visible during recent store visits. Given you have rolled out your 'Always Available' program to 233 stores, why are we not seeing more improvements? Are these top 233 stores not a significant portion of your overall sales?

A Our new Availability processes ensure that the store planogram is respected. If we do not have a product, we do not put something else in its place. We have stopped the practice of 'facing forward', where the first two rows are pulled forward to the lip of the shelf, due to the lack of productivity for this process. Our new 'flattening' process means that we fill from the back of the shelf. This can give the appearance in the morning that shelves are not as full as before, or that the number of visible holes has 'increased', however this is not the case. Today we have more on the shelf, in terms of holding power, than before we rolled out this program. We now use 'tags' to show the out of stock reason, which not only helps our in-store replenishment teams quickly get to the root cause of the out-of-stock, but also informs customers.

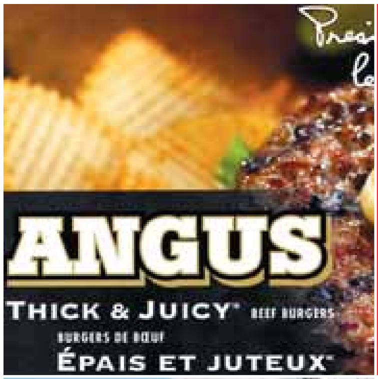
Dalton Philips
Chief Operating Officer

Q What do you feel is the most significant challenge to ensuring the success of your transformation and achieving your average financial aspirations of 5% retail sales growth, 10% net earnings growth, and $250 million in average annual free cash flow?

A Our most significant challenge to ensure a successful transformation is the orchestration of all the moving pieces required to turnaround Loblaw. Our turnaround is complex and involves many changes from supply chain and information technology infrastructure enhancements, to colleague effectiveness at their new roles and redefined format economics. If delays and/or ineffectiveness occur, the rate of our transformation may be impacted and we will identify the additional or reallocation of resources required to remain on schedule. We are confident that our approach is correct and that results will be delivered.

Galen Weston
Executive Chairman

Facts and Stats



4.5 million

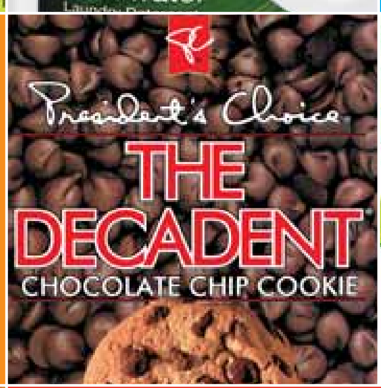
Over 4.5 million *PC Angus Beef* burgers sold upon launch.

Sold a year's worth of *PC Indian Naan* bread, in the four weeks following the TV advertisement.

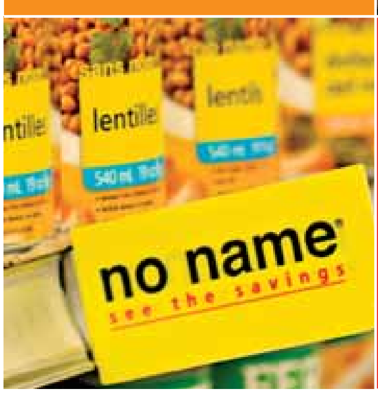
First in Canada to convert complete *President's Choice* laundry detergent line to 2X concentrated and *PC GREEN* to 3X concentrated.

1,036

Corporate and Franchised stores across Canada.



Largest assortment of organic and healthy product lines, over 300 *PC Organic* and over 350 *PC Blue Menu* products.



25,000

customers are surveyed every month to track, monitor and respond to their recent shopping experiences.

Corporate Social Responsibility

Loblaw's CSR strategy is driven by our new culture, and is becoming integrated into our day-to-day business decisions. This is allowing us to progress, while considering our impact on the environment and society. This is now "The Way We Do Business" and we are engaging our 140,000 colleagues to consider our responsibilities in every action they take. We believe a successful company supports sustainability, "Making Loblaw the Best Again."

President's Choice children's charity
Making difficult lives a little easier.
www.presidentschoice.ca

Just one of our key achievements in 2007

***President's Choice* Children's Charity keeps on growing. In 2007 we granted $8.8 million across Canada, assisting more than 1,000 families. This brings the Charity's overall grant level to more than $28 million since its inception and the number of families reached to more than 5,200 across Canada, making PCCC one of the largest corporate charities in the country. The goal of the Charity is to remove the obstacles that make everyday life extremely difficult for children with disabilities and their families. By providing direct financial assistance in the form of mobility equipment, environmental modifications and more, the Charity is able to supply much-needed resources and help provide a renewed sense of independence, dignity and freedom for children with special needs.**

The Way We Do Business

2007: Defining Our Responsibilities
In 2007 Loblaw laid the foundation for a national corporate social responsibility (CSR) strategy. In the planning stages, we conducted an assessment of our current environmental and social initiatives, and were buoyed by the vast amount of activity we are already engaged in. But we know we can do more. In our first CSR report, to be issued in April 2008, we explain how we are consolidating these initiatives within a single framework and thinking strategically about how we can drive more innovation in these areas to meet the needs of our stakeholders – our employees, customers, suppliers and investors.

Our CSR strategy is organized under five business pillars:
- Respect our environment
- Source with integrity
- Make a positive difference in our community
- Reflect our nation's diversity
- Be a great place to work

Our Approach
We are championed by a CSR committee of senior managers who represent our business operations. The committee is responsible for delivering our strategy and ensuring we remain on plan, and where possible, exceeding our plan. They report into a newly established Senior Vice President of Corporate Social Responsibility who reports directly to our CEO. With input from employees and customers, the committee has assessed our current practices and have developed priorities, metrics and reporting responsibilities.

Highlights of our prioritized initiatives for 2008 and beyond include:
- Reducing the environmental impact of our retail operations and product offerings through waste reduction, energy efficiency and sustainable construction. Among our 2008 goals, diverting one billion grocery bags from landfill and reducing direct energy use by 2% are key priorities.
- Sourcing an increasing percentage of produce locally and developing CSR criteria for supply chain decisions
- Investing in our communities and developing healthy products. For example, in 2008 we want to raise donations to *President's Choice* Children's Charity to $10 million and develop a focused giving strategy that allows us to be a more meaningful partner to the communities in which we operate.
- Increasing the sales of products that reflect Canada's diversity (we want to double our sales of ethnic food by 2010) and establishing a strong foundation for diversity in our workplace.
- Engaging our employees and transparently communicating our successes and our challenges. In essence, we want to be considered the best place to work among our associates.

We're Ready
Never before has there been a time to take this responsibility on. At the same time, we recognize that our commitment to CSR will not be without its challenges. We will need to manage complex stakeholder concerns, educate and encourage employees at every level of our organization, operate with patience and transparency and continue to run our business efficiently.

But we are up to these challenges, and we are convinced that doing the right thing for the environment and society is the best business strategy for Loblaw. We look forward to the opportunities it will create to excite our employees, anticipate our customer's desires and reduce operational costs.

Our First Report
Loblaw's first Corporate Social Responsibility Report will be distributed in April 2008. Visit our corporate website in April to learn about our strategy and our commitments for 2008 and beyond.

In 2007 Loblaw committed to diverting one billion plastic bags from Canada's landfill in one year. One initiative to reach this goal was the launch of the *PC GREEN Reusable Shopping Bag*. Made of 85% post-consumer waste (namely plastic beverage bottles), the bag offers a truly closed-loop solution as it is fully recyclable itself. As of year end 2007, 9 million *PC GREEN* bags have been sold, which puts the company on track to reaching its goal.

For additional information see our CSR Report, available April 2008 online at www.loblaw.ca.

Corporate Governance Practices

The Board of Directors (the "Board") and management of Loblaw Companies Limited (the "Company") believe that sound corporate governance practices contribute to the effective management of the Corporation and its achievement of strategic and operational plans, goals and objectives.

To maintain high standards of corporate governance in a rapidly changing environment, the Company's governance system is subject to ongoing review and assessment. The Company's approach to corporate governance is consistent with Canadian Securities Administrators Corporate Governance Guidelines (the "Guidelines"). The Governance Committee regularly reviews its corporate governance practices and considers any changes necessary to maintain the Company's high standards of corporate governance. The Company's website, www.loblaw.ca, sets out additional governance information, including the Company's Code of Business Conduct, its Disclosure Policy and the Mandates of the Board and of its Committees.

Director Independence
The Board is comprised of a majority of independent directors. The Guidelines provide that a director is independent if he or she has no material relationship with the Company or its affiliates that would reasonably be expected to interfere with the director's independent judgment.

The independent directors meet separately on a periodic basis following Board meetings and on other occasions as required or desirable. Additional information relating to each director including other public company boards on which they serve as well as their attendance record for all Board and Committee meetings can be found in the Company's Management Information Circular which is available at www.sedar.com.

Board Leadership
Mr. Galen G. Weston is the Executive Chairman of the Company and Mr. Allan L. Leighton is the Deputy Chairman of the Company. The Board has established a position description for each of the Executive Chairman and the Deputy Chairman.

The Board has also appointed an independent director, Anthony S. Fell, to serve as lead director. The lead director provides leadership to the Board and particularly to the independent directors. He ensures that the Board operates independently of management and that directors have an independent leadership contact.

The Executive Chairman directs the operations of the Board. He chairs each meeting of the Board and is responsible for the management and effective functioning of the Board generally and provides leadership to the Board in all matters.

Board Responsibilities and Duties
The Board, directly and through its Committees, supervises the management of the business and affairs of the Company. A copy of the Board's mandate can be found at www.loblaw.ca. The Board reviews the Company's strategy, assigns responsibility to management for achievement of that direction, develops and approves major policy decisions, delegates to management the authority and responsibility in day-to-day affairs and reviews management's performance and effectiveness. The Board's expectations of management are communicated to management directly and through Committees of the Board.

The Board regularly receives reports on the operating results of the Company, as well as timely reports on certain non-operational matters, including insurance, pensions, corporate governance, health and safety, legal and treasury matters.

Ethical Business Conduct
The Company's Code of Business Conduct (the "Code") sets out the Company's long-standing commitment of requiring adherence to high standards of ethical conduct and business practices. The Code is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct. All directors, officers and employees of the Company are required to comply with the Code and must acknowledge their commitment to abide by the Code on a periodic basis. The Code is available on the Company's website at www.loblaw.ca.

The Company encourages the reporting of unethical behaviour and has established an Ethics Response Line, a toll-free number that any employee or director may use to report conduct which he or she feels violates the Code or otherwise constitutes fraud or unethical conduct. A fraud reporting protocol has also been implemented to ensure that fraud is reported to senior management in a timely manner. In addition, the Audit Committee has endorsed procedures for the anonymous receipt, retention and handling of complaints regarding accounting, internal control or auditing matters. These procedures are available at www.loblaw.ca.

Board Committees
There are five committees of the Board: Audit; Governance, Employee Development, Nominating and Compensation; Pension and Benefits; Environmental, Health and Safety; and Executive. The following is a brief summary of some of the responsibilities of each Committee.

Audit Committee
The Audit Committee is responsible for supporting the Board in overseeing the integrity of the Company's financial reporting and internal controls over financial reporting, disclosure controls, internal audit function and its compliance with legal and regulatory requirements.

Governance, Employee Development, Nominating and Compensation Committee
The Governance Committee is responsible for the identification of new directors for the Board and for the oversight of compensation of directors and executive officers. The Governance Committee is also responsible for developing and maintaining governance practices consistent with high standards of corporate governance. The Board has appointed the Chair of the Governance Committee, who is an independent director, to serve as lead director.

Pension and Benefits Committee
The Pension and Benefits Committee is responsible for viewing the performance and overseeing the administration of the Company's and its subsidiaries' pension plans and pension funds.

Environmental, Health and Safety Committee
The Environmental, Health and Safety Committee is responsible for reviewing and monitoring environmental, food safety and workplace health and safety policies, procedures, practices and compliance.

Executive Committee
The Executive Committee possesses all of the powers of the Board except the power to declare common dividends and certain other powers specifically reserved by applicable law to the Board. The Executive Committee acts only when it is not practicable for the full Board to meet.

Officers and Board of Directors

Corporate Officers (age and years of service)

Galen G. Weston (35 and 10 years)
Executive Chairman

Allan L. Leighton (54 and 2 years)
Deputy Chairman

A. Mark Foote (46 and 2 years)
President and
Chief Merchandising Officer

William M. Wells (47 and April 2007)
Chief Financial Officer

Dalton Philips (39 and 1 year)
Chief Operating Officer

Barry K. Columb (43 and 2 years)
Executive Vice President,
Financial Services

Martin Jamieson (48 and July 2007)
Executive Vice President,
Loblaw Brands

S. Jane Marshall (51 and 15 years)
Executive Vice President,
Real Estate

Jocyanne Bourdeau (40 and 3 years)
Executive Vice President,
Quebec Market

Grant Froese (45 and 29 years)
Executive Vice President,
Western Market

Andrew MacIsaac (39 and 7 years)
Executive Vice President,
Atlantic Market

Roland Boudreau (58 and Nov 2007)
Executive Vice President,
Ontario Market

Mark Butler (48 and 32 years)
Executive Vice President,
National Operations

Peter McMahon (52 and 2 years)
Executive Vice President,
Supply Chain

Frank Rocchetti (47 and 2 years)
Executive Vice President,
General Merchandise

Pietro Satriano (45 and 6 years)
Executive Vice President,
Food Segment

Catherine Booth (44 and May 2007)
Senior Vice President,
Information Services Department

Sarah Burcher (40 and June 2007)
Senior Vice President, Controller

Sharon Driscoll (46 and 20 years)
Senior Vice President, Finance,
National Merchandising

Robert A. Balcom (46 and 15 years)
Senior Vice President,
Secretary and General Counsel

Roy R. Conliffe (57 and 26 years)
Senior Vice President, Labour Relations

Karen Hanna (50 and 2 years)
Senior Vice President,
Human Resources

Todd Friars (48 and 24 years)
Senior Vice President,
Central Financial Services &
System Development Services

J. Bradley Holland (44 and 14 years)
Senior Vice President, Taxation

Rob Moore (42 and January 2008)
Senior Vice President, Communications

Doug Moffatt (47 and October 2007)
Senior Vice President, Finance

Tim Scott (39 and September 2007)
Senior Vice President,
Internal Audit and
Internal Control Compliance

Lucy J. Paglione (48 and 24 years)
Senior Vice President,
Pension and Benefits

Geoffrey H. Wilson (52 and 21 years)
Senior Vice President, Shared Services

Manny DiFilippo (48 and 16 years)
Senior Vice President,
Risk Management and
Strategic Initiatives

Inge van den Berg (38 and 2 years)
Vice President, Investor Relations

David G. Gore (37 and 6 years)
Vice President, Legal Counsel,
Compliance

Lisa R. Swartzman (37 and 14 years)
Vice President, Treasurer

Board of Directors

Galen G. Weston, B.A., M.B.A.[1*]
Executive Chairman, Loblaw Companies Limited; Former Senior Vice President, Loblaw Companies Limited; Director, Wittington Investments, Limited; Former Director, George Weston Limited.

Allan L. Leighton[1]
Deputy Chairman, Loblaw Companies Limited, George Weston Limited, Selfridges & Co. Ltd.; Chairman, Royal Mail Group; former President and Chief Executive Officer, Wal-Mart Europe; Director, BHS Ltd., Brown Thomas Group Limited, BskyB plc, Holt, Renfrew & Co. Limited.

Paul M. Beeston, C.M., B.A. F.C.A.[2,3]
Chairman, Centre for Addiction and Mental Health; Former President and Chief Executive Officer, Major League Baseball; Former President, Toronto Blue Jays Baseball Team; Director, President's Choice Bank, Newport Partners Income Fund.

Gordon A.M. Currie, B.A., LL.B.[4]
Executive Vice President, Secretary and General Counsel, George Weston Limited; Former Senior Vice President and General Counsel, Centrica North America; Former Partner, Blake, Cassels & Graydon LLP.

Camilla H. Dalglish, B.A.[5]
Director, The W. Garfield Weston Foundation, The Garfield Weston Foundation (UK); Former President, the Civic Garden Centre; Former Director, The Nature Conservancy of Canada, Royal Botanical Gardens.

Anthony S. Fell, O.C.[3*,4*]
Former Chairman, RBC Capital Markets Inc.; Former Chairman and Chief Executive Officer, RBC Dominion Securities; Former Deputy Chairman, Royal Bank of Canada; Chairman, Munich Reinsurance Group of Companies; Director, BCE Inc., CAE Inc., The Toronto Central Local Health Integration Network.

Anthony R. Graham[1,3,4]
President and Director, Wittington Investments, Limited; President and Chief Executive Officer, Sumarria Inc.; Former Vice Chairman, National Bank Financial; Chairman and Director, President's Choice Bank, Graymont Limited; Director, George Weston Limited, Brown Thomas Group Limited, Holt, Renfrew & Co., Limited, Power Corporation of Canada, Power Financial Corporation, Selfridges & Co. Ltd.

John S. Lacey, B.A.[2,3]
Chairman of the Advisory Board, Tricap Restructuring Fund; Former President and Chief Executive Officer, The Oshawa Group (now part of Sobeys Inc.); Director, Canadian Imperial Bank of Commerce, Stelco Inc., Telus Corporation, Cancer Care Ontario; Chairman, Doncaster Consolidated Ltd.

Nancy H.O. Lockhart, O. Ont.[3,5*]
Chief Administrative Officer, Frum Development Group; Former Vice President, Shoppers Drug Mart Corporation; former Chair, Canadian Film Centre, Ontario Science Centre; Former President, Canadian Club of Toronto; Director, Canadian Deposit Insurance Corporation, The Toronto Community Foundation, The Stratford Chef's School.

Pierre Michaud, C.M.[5]
Founder, Réno-Dépôt Inc.; Vice Chairman, Laurentian Bank of Canada; Director, Bombardier Recreational Products Inc., Capital GVR Inc., Gaz Métro Inc.

Thomas C. O'Neill, B. Comm., F.C.A.[2*]
Retired Chairman, PricewaterhouseCoopers Consulting; Former Chief Executive Officer, PricewaterhouseCoopers LLP; Vice Chair, Board of Governors, Queen's University; Director, President's Choice Bank, Adecco S.A., BCE Inc., Nexen Inc., St. Michael's Hospital.

Karen Radford, B.Sc., M.B.A.[5]
Executive Vice President and President, TELUS Québec and Partner Solutions; Special Adviser, Youth in Motion; Trustee, Alberta Children's Hospital; President and Co-Founder, Women's Leadership Foundation; Member, TELUS Montreal Community Board.

John D. Wetmore, B. Math.[2,4]
Former President and Chief Executive Officer, IBM Canada; Retired Vice President, Contact Centre Development, IBM Americas; Director, Research in Motion Ltd., Sunnybrook Foundation; Trustee, Resolve Business Outsourcing Income Fund.

1. Executive Committee
2. Audit Committee
3. Governance, Employee Development, Nominating and Compensation Committee
4. Pension and Benefits Committee
5. Environmental, Health and Safety Committee

* Chair of the Committee

Shareholder & Corporate Information

National Head Office
and Store Support Centre
Loblaw Companies Limited
1 President's Choice Circle
Brampton, Canada
L6Y 5S5
Tel: (905) 459-2500
Fax: (905) 861-2206
Internet: www.loblaw.ca

Stock Exchange Listing and Symbol
The Company's common shares are listed on the Toronto Stock Exchange and trade under the symbol "L".

Common Shares
63% of the Company's common shares are owned beneficially by W. Galen Weston and George Weston Limited.

At year end 2007 there were 274,173,564 common shares issued and outstanding, 4,911 registered common shareholders and 100,823,829 common shares available for public trading.

The average daily trading volume of the Company's common shares for 2007 was 456,020.

Common Dividend Policy
The Company's objective is for its dividend payment ratio to be in the range of 20% to 25% of the prior year's adjusted basic net earnings per common share.(1)

Common Dividend Dates
The declaration and payment of quarterly dividends are made subject to approval by the Board of Directors. The anticipated record and payment for dates 2008 are:

Record Date	Payment Date
March 15	April 1
June 15	July 1
Sept. 15	Oct. 1
Dec. 15	Dec. 30

Normal Course Issuer Bid
The Company has a Normal Course Issuer Bid on the Toronto Stock Exchange.

Value of Common Shares
For capital gains purposes, the valuation day (December 22, 1971) cost base for the Company is $0.958 per common share. The value on February 22, 1994 was $7.67 per common share.

Registrar and Transfer Agent
Computershare Investor
Services Inc.
100 University Avenue
Toronto, Canada
M5J 2Y1
Tel: (416) 263-9200
Toll free: 1-800-663-9097
Fax: (416) 263-9394
Toll free fax: 1-888-453-0330

To change your address, eliminate multiple mailings, or for other shareholder account inquiries, please contact Computershare Investor Services Inc.

Independent Auditors
KPMG LLP
Chartered Accountants
Toronto, Canada

Annual and Special Meeting
Loblaw Companies Limited Annual and Special Meeting of Shareholders will be held on Wednesday, April 30, 2008 at 11:00 a.m. at the Metro Toronto Convention Centre, Toronto, ON Canada.

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 financial information had 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. The Company holds an analyst call shortly following the release of its quarterly results. These calls are archived in the Investor Zone section of the Company's website.

(1) See Non-GAAP Financial Measures on the inside front cover of this Business Review.

The Loblaw Management Board

Top row from left to right: Roy Conliffe (SVP Labour Relations), Martin Jamieson (EVP Loblaw Brands), Jane Marshall (EVP Real Estate), Bill Wells (Chief Financial Officer), Dalton Philips (Chief Operating Officer), Mark Butler (EVP National Operations), Catherine Booth (SVP Information Services), Rob Moore (SVP Communications)

Bottom row from left to right: Frank Rocchetti (EVP General Merchandise), Barry Columb (President, Financial Services), Pietro Satriano (EVP Food), Allan Leighton (Deputy Chairman), Galen Weston (Executive Chairman), Mark Foote (President and Chief Merchandising Officer), Peter McMahon (EVP Supply Chain), Rob Balcom (SVP Secretary and General Counsel), Karen Hanna (SVP Human Resources)

Trademarks
Loblaw Companies Limited and its subsidiaries own a number of trademarks. Several subsidiaries are licensees of additional trademarks. These trademarks are the exclusive property of Loblaw Companies Limited or the licensor and where used in this report are in italics.

Additional Company reports are available online at www.loblaw.ca

For more information about our offerings, visit our websites at:

www.loblaw.ca

www.pc.ca

www.joe.ca

Business Review Report
(this document)

Provides an update on achievements towards Making Loblaw the Best Again, plus outlines Loblaw's priorities for 2008, 2007 financial highlights, facts and statistics, corporate social responsibility summary, corporate governance practices, and corporate and shareholder information.

Available February 2008

2007 Annual Report

Contains Loblaw Companies Limited annual financial statements, report to shareholders, auditor's report, and management discussion and analysis.

Available March 2008

2007 Corporate Social Responsibility Report

Loblaw Companies Limited first Corporate Social Responsibility (CSR) report will outline the environmental and social achievements made in 2007 which support our five business pillars. It will describe the strategy and priorities, primarily for 2008, and how we will use this inaugural year to set long-term objectives.

Available April 2008

Ce rapport est disponible en français.

Loblaw is committed to making a positive contribution to our world by minimizing our impact on the environment. This Business Review was printed in Canada on Rolland Enviro 100, which contains 100% post-consumer waste and is processed chlorine-free, using biogas energy.

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