NEWS RELEASE

Loblaw Companies Limited Reports 2011 Third Quarter Results(1)

BRAMPTON, ONTARIO November 16, 2011 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") today announced its unaudited financial results for the third quarter ended October 8, 2011. The Company's third quarter report will be available in the Investor Centre section of the Company's website at loblaw.ca and will be filed with SEDAR and available at sedar.com.

2011 Third Quarter Summary(1)

- Basic net earnings per common share of $0.84, up 18.3% compared to the third quarter of 2010
- EBITDA margin(2) of 6.6% compared to 6.1% in the third quarter of 2010
- Revenue of $9,727 million, an increase of 2.0% over the third quarter of 2010
- Retail sales growth of 2.0% and a same-store sales growth of 1.3% from the third quarter of 2010

"In the third quarter, Loblaw's continued improvement in execution helped to drive the top-line while EBITDA margin(2) and expenses remained on trend," said Galen G. Weston, Executive Chairman, Loblaw Companies Limited. "As our infrastructure program progresses, going forward we expect the related investments to negatively impact operating income. With our initiatives tracking to plan, we look forward to the ongoing leadership of our new President, Vicente Trius, who is now firmly established in his role."

Due to the transition to International Financial Reporting Standards ("IFRS" or "GAAP") effective January 2, 2011, all comparative figures for 2010 that were previously reported in the consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles ("CGAAP") have been restated to conform with IFRS. Further information on the transition to IFRS and its impact on the Company's financial position, financial performance and cash flows is included in note 15 to Loblaw Companies Limited's (the "Company" or "Loblaw") third quarter 2011 unaudited interim period condensed consolidated financial statements.

With this transition, the Company has two reportable operating segments:

- The **Retail** segment, which consists primarily of food and also includes drugstore, gas bars, apparel and other general merchandise; and
- The **Financial Services** segment, which includes credit card services, a retail loyalty program, insurance brokerage services, personal banking services provided by a major Canadian chartered bank, deposit taking services and telecommunication services.

(1) This new release contains forward-looking information. See Forward-Looking Statements on page 5 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 used. This news release should 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 sedar.com and at loblaw.ca.

(2) See Non-GAAP Financial Measures on page 7 of this news release.

Consolidated Quarterly Results of Operations

For the periods ended October 8, 2011 and October 9, 2010 (unaudited) (millions of Canadian dollars except where otherwise indicated)	**2011 (16 weeks)**	2010 (16 weeks)	% Change	**2011 (40 weeks)**	2010 (40 weeks)	% Change
Revenue	**$ 9,727**	$ 9,535	2.0%	**$ 23,877**	$ 23,717	0.7%
Operating income	**421**	389	8.2%	**1,069**	1,023	4.5%
Net earnings	**236**	197	19.8%	**595**	510	16.7%
Basic net earnings per common share ($)	**0.84**	0.71	18.3%	**2.11**	1.84	14.7%
Operating margin	**4.3%**	4.1%		**4.5%**	4.3%	
EBITDA(1)	**$ 639**	$ 581	10.0%	**$ 1,598**	$ 1,499	6.6%
EBITDA margin(1)	**6.6%**	6.1%		**6.7%**	6.3%	

- Revenue increased by $192 million, or 2.0%, to $9,727 million in the third quarter of 2011 compared to the third quarter of 2010. This increase was driven by improvements in both Retail sales and Financial Services revenue, as described below.

- Operating income increased by $32 million, or 8.2%, to $421 million in the third quarter of 2011 compared to the third quarter of 2010. Operating margin was 4.3% for the third quarter of 2011 compared to 4.1% in the same quarter in 2010. Retail operating income improved by $39 million, offset by continued investment in the growth of the Financial Services segment which resulted in a decline in operating income of $7 million.

- Consolidated operating income included the following items:
  - Incremental costs of $19 million related to investments in information technology and supply chain. These costs included the following charges:
    - $55 million (2010 – $40 million) related to depreciation and amortization;
    - $89 million (2010 - $80 million) related to other supply chain and information technology costs; and
    - A nil charge (2010 – $5 million) related to changes in the distribution network.
  - A charge of $15 million (2010 – $9 million) related to the effect of share-based compensation net of equity forwards;
  - A $12 million charge related to the transition of certain Ontario conventional stores to the more cost effective and efficient operating terms under collective agreements ratified in the third quarter of 2010. In the third quarter of 2010, ratification costs of $17 million were incurred; and
  - A $14 million gain related to the sale of a portion of a property in North Vancouver, British Columbia.

- Net earnings increased by $39 million, or 19.8%, to $236 million in the third quarter of 2011 compared to the third quarter of 2010, primarily due to the improvement in operating income, a decrease in net interest expense and other financing charges and a decline in the effective income tax rate.

- For the fourth quarter and full-year 2011, the Company expects:
  - incremental costs related to investments in information technology and supply chain to be approximately $20 million for the fourth quarter and approximately $90 million for the year;
  - costs associated with the transition of certain Ontario conventional stores under collective agreements to range from $20 million to $30 million for the fourth quarter and $32 million to $42 million for the year;
  - capital expenditures to be approximately $1 billion for the year, after investing approximately $640 million through the third quarter; and
  - that the IFRS fixed asset impairment standard may result in volatility in our earnings compared to the fourth quarter of 2010 which included a net recovery of $7 million.

(1) See Non-GAAP Financial Measures on page 7 of this news release.

The consolidated quarterly results by reportable operating segments were as follows:

Retail Results of Operations

For the periods ended October 8, 2011 and October 9, 2010 (unaudited) (millions of Canadian dollars except where otherwise indicated)	**2011 (16 weeks)**	2010 (16 weeks)	% Change	**2011 (40 weeks)**	2010 (40 weeks)	% Change
Sales	**$ 9,563**	$ 9,377	2.0%	**$ 23,477**	$ 23,314	0.7%
Gross profit	**2,071**	2,060	0.5%	**5,251**	5,204	0.9%
Operating income	**397**	358	10.9%	**1,015**	936	8.4%
Same-store sales growth (decline)	**1.3%**	(0.4%)		**0.4%**	(0.3%)	
Gross profit percentage	**21.7%**	22.0%		**22.4%**	22.3%	
Operating margin	**4.2%**	3.8%		**4.3%**	4.0%	

- In the third quarter of 2011, the change in Retail sales over the same period in the prior year were driven by the following factors:
  - Same-store sales growth was 1.3% (2010 – 0.4% decline);
  - Sales growth in food was moderate;
  - Sales in drugstore declined marginally, due to the continued impact of new generic versions of certain prescription drugs as well as regulatory changes enacted across several provinces throughout 2010 and 2011;
  - Gas bar sales growth was strong as a result of higher retail gas prices and moderate volume growth;
  - Sales in general merchandise, excluding apparel, declined moderately due to continued reductions in square footage and optimization of range and assortment of products;
  - Increased apparel square footage led to a moderate increase in sales; and
  - The Company experienced moderate average quarterly internal food price inflation during the third quarter of 2011, which was lower than the average quarterly national food price inflation of 4.9% (2010 – 1.3%) as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI"). CPI does not necessarily reflect the effect of inflation on the specific mix of goods sold in Loblaw stores. In the third quarter of 2010, the Company's average quarterly internal food price index was flat.

- Gross profit increased by $11 million to $2,071 million (21.7% of sales) in the third quarter of 2011 compared to $2,060 million in the third quarter of 2010 (22.0% of sales). The decline in gross profit percentage compared to the same period in the prior year was primarily driven by a higher penetration of lower margin gas bar sales and increased fuel costs. The $11 million increase in gross profit was mainly due to improved sales, improved control label profitability, a stronger Canadian dollar, growth and performance of the Company's franchise business and the shift of pharmaceutical professional allowances from selling, general and administrative expenses to gross profit. Increases in promotional pricing programs and transportation costs partially offset these improvements.

- Operating income increased by $39 million, or 10.9%, to $397 million in the third quarter of 2011 compared to $358 million in the third quarter of 2010. Operating margin was 4.2% for the third quarter of 2011 compared to 3.8% in 2010. These increases were due to continued labour and other operating cost efficiencies, improvements in the performance of the Company's investments in franchisees, the gain recognized on the sale of a portion of a property in North Vancouver, British Columbia and increased gross profit as described above. These improvements were partially offset by foreign exchange losses, the incremental costs related to the investment in information technology and supply chain, the costs related to the transition of certain Ontario conventional stores according to the terms of the collective agreements ratified in the third quarter of 2010 and the increase in share-based compensation net of equity forwards. Included in operating income in the third quarter of 2010 were costs associated with the ratification of Ontario collective agreements.

Financial Services Results of Operations

For the periods ended October 8, 2011 and October 9, 2010 (unaudited) (millions of Canadian dollars except where otherwise indicated)	**2011 (16 weeks)**	2010 (16 weeks)	% Change	**2011 (40 weeks)**	2010 (40 weeks)	% Change
Revenue	**$ 164**	$ 158	3.8%	**$ 400**	$ 403	(0.7%)
Operating income	**24**	31	(22.6%)	**54**	87	(37.9%)
Earnings before income taxes	**10**	18	(44.4%)	**17**	55	(69.1%)

Unaudited (millions of Canadian dollars except where otherwise indicated)	**As at October 8, 2011**	As at October 9, 2010	% Change
Average quarterly net credit card receivables	**$ 1,942**	$ 1,927	0.8%
Credit card receivables	**1,911**	1,855	3.0%
Credit card receivables provision	**33**	36	(8.3%)
Annualized yield on average quarterly gross credit card receivables	**12.7%**	13.4%	
Annualized credit loss rate on average quarterly gross credit card receivables	**4.3%**	5.8%	

- Revenue for the third quarter of 2011 increased by $6 million, or 3.8%, to $164 million compared to $158 million in the third quarter of 2010. This increase was primarily driven by increased credit card transaction values in the third quarter of 2011 resulting in higher interchange fee income.

- Operating income decreased by $7 million, or 22.6%, to $24 million in the third quarter of 2011 compared to $31 million in the third quarter of 2010. Earnings before income taxes decreased by $8 million, or 44.4%, to $10 million in the third quarter of 2011 compared to $18 million in the third quarter of 2010. These decreases were attributable to significant marketing investments and customer acquisition costs, consistent with the Company's continued investment in the growth of its Financial Services segment, partially offset by the increase in revenue.

Forward-Looking Statements

This News Release for Loblaw Companies Limited contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. Words such as "anticipate", "expect", "believe", "foresee", "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, including, but not limited to:

- changes in economic conditions including the rate of inflation or deflation and changes in interest and currency exchange rates;
- 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;
- failure to realize revenue growth, anticipated cost savings or operating efficiencies from the Company's major initiatives, including investments in the Company's information technology systems, supply chain investments and other cost reduction initiatives, or unanticipated results from these initiatives;
- increased costs relating to utilities, including electricity and fuel;
- the inability of the Company to successfully implement its infrastructure and information technology components of its plan, including the components of the Company's Enterprise Resource Planning system implementation;
- the inability of the Company's information technology infrastructure to support the requirements of the Company's business;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- failure to execute successfully and in a timely manner the Company's introduction of innovative and reformulated products or new and renovated stores;
- the inability of the Company's supply chain to service the needs of the Company's stores;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements, which could lead to work stoppages;
- changes to the legislative/regulatory environment in which the Company operates including changes to the regulation of generic prescription drug prices and the reduction of reimbursement under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- failure to comply with laws and regulations affecting the Company and its business;
- the adoption of new accounting standards and changes in the Company's use of accounting estimates;
- fluctuations in the Company's earnings due to changes in the value of share-based compensation and equity forward contracts relating to its Common Shares;
- changes in the Company's income, commodity, other tax and regulatory liabilities including changes in tax laws, regulations or future assessments;
- reliance on the performance and retention of third-party service providers including those associated with the Company's supply chain and apparel business;
- public health events including those related to food safety;
- the inability of the Company to collect on its credit card receivables;
- any requirement of the Company to make contributions to its registered funded defined benefit pension plans in excess of those currently contemplated;
- the inability of the Company to attract and retain key executives;
- supply and quality control issues with vendors; and
- failure by the Company to maintain appropriate records to support its compliance with accounting, tax or legal rules, regulations and policies.

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 Enterprise Risks and Risk Management section of the Management's Discussion and Analysis ("MD&A") and the MD&A included in the Company's 2010 Annual Report – Financial Review. These forward looking statements reflect management's current assumptions regarding these risks and uncertainties and their respective impact on the Company.

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. 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.

Non-GAAP Financial Measures

The Company uses the following non-GAAP financial measures: EBITDA and EBITDA margin. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

EBITDA and EBITDA Margin The following table reconciles earnings before income taxes, net interest expense and other financing charges and depreciation and amortization ("EBITDA") to operating income, which is reconciled to GAAP net earnings measures reported in the unaudited interim period condensed consolidated statements of earnings for the forty week periods ended October 8, 2011 and October 9, 2010. EBITDA is useful to management in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund cash requirements, including the Company's capital investment program.

EBITDA margin is calculated as EBITDA divided by revenue.

For the periods ended October 8, 2011 and October 9, 2010 (unaudited) (millions of Canadian dollars)	**2011 (16 weeks)**	2010 (16 weeks)	**2011 (40 weeks)**	2010 (40 weeks)
Net earnings	**$ 236**	$ 197	**$ 595**	$ 510
Add impact of the following:				
Income taxes	**90**	90	**228**	243
Net interest expense and other financing charges	**95**	102	**246**	270
Operating income	**421**	389	**1,069**	1,023
Add impact of the following:				
Depreciation and amortization	**218**	192	**529**	476
EBITDA	**$ 639**	$ 581	**$ 1,598**	$ 1,499

2010 Annual Consolidated Financial Statements and MD&A

The Company's 2010 Annual Report is available in the Investor Centre section of the Company's website at loblaw.ca or at sedar.com.

Investor Relations

Shareholders, security analysts and investment professionals should direct their requests to Kim Lee, 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 November 16, 2011 at 11:00 a.m. (EST).

To access via tele-conference please dial (647) 427-7450. The playback will be made available two hours after the event at (416) 849-0833, access code: 17388680. To access via webcast please visit loblaw.ca, go to Investor Centre, select Events and Presentations and click on webcast. Pre-registration will be available.

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