NEWS RELEASE

Loblaw Companies Limited Reports 2013 Fourth Quarter Results(1)

BRAMPTON, ONTARIO February 20, 2014 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") today announced its unaudited financial results for the fourth quarter of 2013 and the release of its 2013 Annual Report - Financial Review ("Annual Report"), which includes the Company's audited consolidated financial statements and Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 28, 2013. The Company's 2013 Annual 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.

2013 Fourth Quarter Highlights(1)

- Revenue of $7,640 million, an increase of 2.3% over the fourth quarter of 2012.
- Adjusted EBITDA(2) up 1.2% to $518 million compared to $512 million in the fourth quarter of 2012.
- Adjusted basic net earnings per common share(2) down 1.5% to $0.65 compared to $0.66 in the fourth quarter of 2012.
- Basic net earnings per common share(3) down 8.2% to $0.45 compared to $0.49 in the fourth quarter of 2012.
- Retail sales increase of 1.8% and same-store sales(3) growth of 0.6% compared to the fourth quarter of 2012. Retail same-store sales(3) growth was positively impacted by the timing of the Thanksgiving holiday, estimated to be between 0.6% and 0.8%, and negatively impacted by an ice storm in Eastern Canada and a strike in Western Canada which negatively impacted same-store sales(3) growth by approximately 0.2% and 0.1%, respectively. The range of same-store sales(3) growth for the quarter, after the impact of these items, was approximately 0.1% to 0.3%.

2013 Full-Year Highlights(1)

- Revenue of $32.4 billion, an increase of 2.4% over 2012.
- Adjusted EBITDA(2) up 3.9% to $2,149 million from $2,069 million in 2012.
- Adjusted basic net earnings per common share(2) up 3.2% to $2.60 compared to $2.52 in 2012.
- Basic net earnings per common share(3) down 0.4% to $2.24 compared to $2.25 in 2012.
- Retail sales increase of 2.1% and same-store sales(3) growth of 1.1% compared to 2012.

"In a year of unprecedented retail square footage growth within an intensely competitive environment, we grew same-store sales, revenue and adjusted operating income," said Galen G. Weston, Executive Chairman, Loblaw Companies Limited. "This was a result of remaining firmly focused on our strategy to invest in the customer proposition, while at the same time driving efficiencies in our business - particularly in administration and supply chain - as well as strong performance from President's Choice Financial."

"We are carefully balancing our commitment to competitiveness and financial performance, and in 2014, we expect to grow revenue and adjusted operating income. We also expect to see material progress in the implementation of our information technology infrastructure, where we have achieved a scalable model. Finally, we look forward to closing the acquisition of Shoppers Drug Mart, which creates a compelling blueprint for the future, and allows us to capitalize on some of the most important trends in Canadian society, including the imperatives of convenience and value," concluded Mr. Weston.

(1) This News Release contains forward-looking information. See Forward-Looking Statements on page 8 of this News Release for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors and assumptions that were used when making these statements. 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 10 of this News Release.

(3) For financial definitions and ratios refer to the Glossary of Terms on page 109 of the Company's 2013 Annual Report.

During 2013, the Company introduced new financial measures: adjusted operating income(1), adjusted operating margin(1), adjusted EBITDA(1), adjusted EBITDA margin(1), adjusted net earnings(1) and adjusted basic net earnings per common share(1), which are all non-GAAP measures. Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

With respect to Choice Properties Real Estate Investment Trust ("Choice Properties") segment results, management also uses net operating income(1), funds from operations(1), adjusted funds from operations(1), adjusted funds from operations per unit diluted(1) and adjusted funds from operations payout ratio(1) to measure Choice Properties' operations. Management uses these measures to assess the financial performance and financial condition of Choice Properties. See the Non-GAAP Financial Measures section of this News Release for more information on the Company's non-GAAP financial measures.

Consolidated Quarterly Results of Operations

For the periods ended December 28, 2013 and December 29, 2012 (unaudited) (millions of Canadian dollars except where otherwise indicated)	**2013 (12 weeks)**	2012(2) (12 weeks)	$ Change	% Change	**2013 (52 weeks)**	2012(2) (52 weeks)	$ Change	% Change
Revenue	**$ 7,640**	$ 7,465	$ 175	2.3 %	**$ 32,371**	$ 31,604	$ 767	2.4 %
Operating income	**314**	261	53	20.3 %	**1,326**	1,195	131	11.0 %
Adjusted operating income(1)	**322**	325	(3)	(0.9)%	**1,325**	1,292	33	2.6 %
Adjusted operating margin(1)	**4.2%**	4.4%			**4.1%**	4.1%		
Adjusted EBITDA(1)	**$ 518**	$ 512	$ 6	1.2 %	**$ 2,149**	$ 2,069	$ 80	3.9 %
Adjusted EBITDA margin(1)	**6.8%**	6.9%			**6.6%**	6.5%		
Net interest expense and other financing charges	**$ 141**	$ 84	$ 57	67.9 %	**$ 468**	$ 351	$ 117	33.3 %
Net earnings	**127**	139	(12)	(8.6)%	**630**	634	(4)	(0.6)%
Adjusted net earnings(1)	**183**	185	(2)	(1.1)%	**731**	710	21	3.0 %
Basic net earnings per common share(3) ($)	**0.45**	0.49	(0.04)	(8.2)%	**2.24**	2.25	(0.01)	(0.4)%
Adjusted basic net earnings per common share(1) ($)	**0.65**	0.66	(0.01)	(1.5)%	**2.60**	2.52	0.08	3.2 %

- The $175 million increase in revenue compared to the fourth quarter of 2012 was primarily driven by increases in the Company's Retail and Financial Services segments.
- Operating income increased by $53 million compared to the fourth quarter of 2012. The change in operating income was positively impacted by favourable year-over-year changes in fixed asset and other related impairments, net of recoveries, and lower restructuring costs, partially offset by lower gains on disposal of assets, costs related to the acquisition of Shoppers Drug Mart Corporation ("Shoppers Drug Mart"), higher year-over-year equity-based compensation charges and general and administrative costs related to Choice Properties. Adjusted operating income(1) decreased by $3 million compared to the fourth quarter of 2012, primarily driven by a decrease in the Retail segment's adjusted operating income(1), partially offset by an increase in the Financial Services segment's adjusted operating income(1).
- Adjusted operating margin(1) was 4.2% for the fourth quarter of 2013 compared to 4.4% in the same quarter in 2012.
- Net interest and other financing charges increased by $57 million compared to the fourth quarter of 2012. Net interest and other financing charges included an unfavourable $34 million fair value adjustment related to the Trust Unit Liability, for the change in the fair value of Choice Properties Trust Units ("Units") held by unitholders other than the Company, and net interest of $14 million relating to indebtedness incurred to finance the acquisition of Shoppers Drug Mart. Excluding these impacts, net interest expense and other financing charges increased by $9 million, driven primarily by Unit distributions by Choice Properties.

(1) See Non-GAAP Financial Measures on page 10 of this News Release.
(2) Certain 2012 figures have been restated due to the implementation of revised IAS 19, "Employee Benefits". See the "Accounting Standards Implemented in 2013" section on page 37 of the Company's 2013 Annual Report.
(3) For financial definitions and ratios refer to the Glossary of Terms on page 109 of the Company's 2013 Annual Report.

- Net earnings decreased by $12 million compared to the fourth quarter of 2012, primarily driven by the increase in net interest expense and other financing charges described above, partially offset by the increase in operating income. Adjusted net earnings[(1)] decreased by $2 million compared to the fourth quarter of 2012, primarily driven by the impact of the increase in net interest expense and other financing charges after excluding Shoppers Drug Mart related costs and the fair value adjustment related to the Trust Unit Liability described above, and the decrease in adjusted operating income[(1)], partially offset by a lower effective income tax rate[(2)].
- Basic net earnings per common share[(3)] were $0.45 in the fourth quarter of 2013 compared to $0.49 in the fourth quarter of 2012. Adjusted basic net earnings per common share[(1)] were $0.65 in the fourth quarter of 2013 compared to $0.66 in the fourth quarter of 2012.
- In the fourth quarter of 2013, the Company invested $304 million in capital expenditures.
- During the fourth quarter of 2013, the Company announced the reduction of approximately 275 store-support positions, and incurred a charge of $32 million associated with this restructuring.

(1) See Non-GAAP Financial Measures on page 10 of this News Release.

(2) Effective income tax rate excludes the tax impact of items excluded from adjusted net earnings[(1)].

(3) For financial definitions and ratios refer to the Glossary of Terms on page 109 of the Company's 2013 Annual Report.

Retail Segment

For the periods ended December 28, 2013 and December 29, 2012 (unaudited) (millions of Canadian dollars except where otherwise indicated)	2013 (12 weeks)	2012 (12 weeks)	$ Change	% Change	2013 (52 weeks)	2012 (52 weeks)	$ Change	% Change
Sales	**$ 7,419**	$ 7,289	$ 130	1.8 %	**$ 31,600**	$ 30,960	$ 640	2.1 %
Gross profit	**1,643**	1,575	68	4.3 %	**6,966**	6,819	147	2.2 %
Operating income	**270**	227	43	18.9 %	**1,185**	1,100	85	7.7 %
Adjusted operating income(1)	**273**	291	(18)	(6.2)%	**1,172**	1,197	(25)	(2.1)%
Adjusted EBITDA(1)	**464**	476	(12)	(2.5)%	**1,981**	1,964	17	0.9 %

For the periods ended December 28, 2013 and December 29, 2012 (unaudited)	2013 (12 weeks)	2012 (12 weeks)	2013 (52 weeks)	2012 (52 weeks)
Same-store sales(2) growth (decline)	**0.6%**	—%	**1.1%**	(0.2)%
Gross profit percentage	**22.1%**	21.6%	**22.0%**	22.0 %
Adjusted operating margin(1)	**3.7%**	4.0%	**3.7%**	3.9 %
Adjusted EBITDA margin(1)	**6.3%**	6.5%	**6.3%**	6.3 %

- In the fourth quarter of 2013, the increase in Retail sales of $130 million, or 1.8%, over the fourth quarter of 2012 was a result of the following factors:
  - Same-store sales(2) growth was 0.6% (2012 – flat) and excluding gas bar was 0.6% (2012 – decline of 0.1%),positively impacted by the timing of the Thanksgiving holiday, estimated to be between 0.6% and 0.8%, and negatively impacted by an ice storm in Eastern Canada and a strike in Western Canada which negatively impacted same-store sales(2) growth by approximately 0.2% and 0.1%, respectively. The range of same-store sales(2) growth for the quarter, after the impact of these items, was approximately 0.1% to 0.3%;
  - Sales growth in food was moderate;
  - Sales in drugstore declined marginally;
  - Sales in general merchandise, excluding apparel, declined marginally;
  - Sales growth in apparel was modest;
  - Sales growth in gas bar was modest;
  - The Company's average annual internal food price inflation during fourth quarter of 2013 was lower than the average quarterly national food price inflation of 0.9% (2012 – 1.5%) 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; and
  - 26 corporate and franchise stores were opened and 13 corporate and franchise stores were closed in the last 12 months, resulting in a net increase of 0.4 million square feet, or 0.8%.
- In the fourth quarter of 2013, gross profit increased by $68 million compared to the fourth quarter of 2012. Gross profit percentage in the fourth quarter of 2013 was 22.1%, up 50 basis points compared to the fourth quarter of 2012. The improvements in gross profit and gross profit percentage were primarily driven by improved shrink and transportation costs, and margin improvements in general merchandise, partially offset by the negative impact of continued investments in food margins.
- Operating income increased by $43 million compared to the fourth quarter of 2012, primarily driven by favourable year-over-year changes in fixed asset and other related impairments, net of recoveries and lower restructuring costs, partially offset by lower gains on disposal of assets, and costs related to the acquisition of Shoppers Drug Mart. Adjusted operating income(1) decreased by $18 million compared to the fourth quarter of 2012, primarily driven by investments in, and changes to the value of the Company's franchise business, costs related to the growth in certain of the Company's emerging businesses and higher other operating costs, including depreciation and amortization, partially offset by higher gross profit and labour efficiencies. For the fourth quarter of 2013, adjusted operating margin(1) was 3.7% compared to 4.0% in the same period in 2012.
- Adjusted EBITDA(1) decreased by $12 million compared to the fourth quarter of 2012. For the fourth quarter of 2013, adjusted EBITDA(1) margin was 6.3% compared to 6.5% in the same period in 2012. Retail segment depreciation and amortization increased by $6 million compared to the fourth quarter of 2012.

(1) See Non-GAAP Financial Measures on page 10 of this News Release.

(2) For financial definitions and ratios refer to the Glossary of Terms on page 109 of the Company’s 2013 Annual Report.

Financial Services Segment

For the periods ended December 28, 2013 and December 29, 2012 (unaudited) (millions of Canadian dollars except where otherwise indicated)	**2013 (12 weeks)**	2012 (12 weeks)	$ Change	% Change	**2013 (52 weeks)**	2012 (52 weeks)	$ Change	% Change
Revenue	**$ 204**	$ 176	$ 28	15.9%	**$ 739**	$ 644	$ 95	14.8%
Operating income	**43**	34	9	26.5%	**142**	95	47	49.5%
Earnings before income taxes	**29**	23	6	26.1%	**93**	50	43	86.0%

(millions of Canadian dollars except where otherwise indicated) (unaudited)	**As at December 28, 2013**	As at December 29, 2012	$ Change	% Change
Average quarterly net credit card receivables	**$ 2,345**	$ 2,105	$ 240	11.4%
Credit card receivables	**2,538**	2,305	233	10.1%
Allowance for credit card receivables	**47**	43	4	9.3%
Annualized yield on average quarterly gross credit card receivables(1)	**13.6%**	12.8%		
Annualized credit loss rate on average quarterly gross credit card receivables(1)	**4.2%**	4.3%		

- Revenue for the fourth quarter of 2013 increased by 15.9% compared to the fourth quarter of 2012. This increase was primarily driven by higher interest income from higher credit card receivable balances. Higher *PC* Telecom revenues resulting from growth in the Mobile Shop business also contributed to the increase.
- Operating income and earnings before income taxes increased by $9 million and $6 million, respectively, compared to the fourth quarter of 2012. These increases were mainly attributable to the higher revenue described above, partially offset by higher operating costs and continued investments in marketing and customer acquisitions.
- As at December 28, 2013, credit card receivables were $2,538 million, an increase of $233 million compared to December 29, 2012. This increase was primarily driven by growth in the active customer base as a result of continued investments in customer acquisitions and marketing initiatives. As at December 28, 2013, the allowance for credit card receivables was $47 million, an increase of $4 million compared to December 29, 2012, primarily due to the growth in the credit card receivables portfolio.

(1) For financial definitions and ratios refer to the Glossary of Terms on page 109 of the Company's 2013 Annual Report.

Choice Properties Segment

For the periods ended December 28, 2013 and December 29, 2012 (unaudited) (millions of Canadian dollars)		**2013(1) (12 weeks)**		2012 (12 weeks)		**2013(1) (52 weeks)**		2012 (52 weeks)
Revenue	**$**	**165**	$	—	**$**	**319**	$	—
Operating income		**186**		—		**370**		—
Adjusted operating income(2)		**191**		—		**382**		—
Net interest expense and other financing charges		**193**		—		**303**		—

For the periods ended December 28, 2013 and December 29, 2012 (unaudited) (millions of Canadian dollars except where otherwise indicated)		**2013(1) (12 weeks)**		2012 (12 weeks)		**2013(1) (52 weeks)**		2012 (52 weeks)
Net operating income(2)	**$**	**114**	$	—	**$**	**222**	$	—
Funds from operations(2)		**83**		—		**159**		—
Adjusted funds from operations(2)		**65**		—		**131**		—
Adjusted funds from operations per unit diluted(2) ($)		**0.18**		—		**0.36**		—
Adjusted funds from operations payout ratio(2)		**92.3%**		—		**88.6%**		—

- Revenue for the fourth quarter of 2013 was $165 million, of which $148 million was received from the Retail segment. Revenue consists of base rent, operating cost and property tax recoveries.
- Operating income for the fourth quarter of 2013 was $186 million and included $5 million of selling, general and administrative costs. Adjusted operating income(2) was $191 million and included a $69 million favourable fair value adjustment on investment properties, which are measured by the Company at cost.
- Net operating income(2) for the fourth quarter of 2013 was $114 million, which consists of cash rental revenue less property operating costs.
- Funds from operations(2) and adjusted funds from operations(2) for the fourth quarter of 2013 were $83 million and $65 million respectively.
- Results of Choice Properties operations for the fourth quarter of 2013 were in line with the financial forecast included in Choice Properties' equity and debt prospectuses dated June 26, 2013.
- In the fourth quarter of 2013, Choice Properties acquired 11 investment properties from the Company for an aggregate purchase price of approximately $187 million, which was settled through the issuance of 11,576,883 Class B Limited Partnership units and cash. In addition, Choice Properties acquired a property from a third party for approximately $2 million, which was settled in cash.
- Subsequent to the end of the year, Choice Properties completed the issuance of $450 million aggregate principal amount of senior unsecured debentures.

(1) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar. Adjustments to December 28, 2013 are included in Consolidation and Eliminations.

(2) See Non-GAAP Financial Measures on page 10 of this News Release.

Agreement to Acquire Shoppers Drug Mart Corporation

On July 14, 2013, the Company entered into an arrangement agreement to acquire all of the outstanding common shares of Shoppers Drug Mart. The transaction is subject to various regulatory approvals under the *Competition Act* (Canada) and by the Toronto Stock Exchange, and the fulfillment of certain other closing conditions customary in transactions of this nature. The process of review under the *Competition Act* (Canada) is proceeding as expected and the Company anticipates that the transaction will be completed during the first quarter of 2014. There can be no assurance that all conditions will be met or waived or that the Company will be able to successfully consummate the proposed transaction as currently contemplated or at all.

Declaration of Dividends

Subsequent to the end of the fourth quarter of 2013, the Board of Directors declared a quarterly dividend on Loblaw Companies Limited common shares of $0.24 payable April 1, 2014 to shareholders of record on March 15, 2014 and a dividend on the Second Preferred Shares, Series A of $0.37 per share payable April 30, 2014 to shareholders of record on April 15, 2014.

Outlook(1)

In a highly competitive market, Loblaw's strategy of focusing on its customer proposition and generating targeted efficiencies resulted in positive revenue and adjusted operating income growth in fiscal 2013.

The Company will continue to focus on investing in its customer proposition in 2014 in its retail business - value, assortment and service - while focusing on balancing these investments with incremental efficiencies. In the first half of 2014, the environment is expected to remain extremely competitive driven by continued greater than historical square footage expansion, which is expected to moderate in the second half of the year.

(1) See Forward-Looking Statements on page 8 of this News Release.

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. Specific forward-looking statements in this News Release include, but are not limited to, statements with respect to the Company's anticipated future results and events, the proposed acquisition of Shoppers Drug Mart and targeted synergies expected following the close of this acquisition, future liquidity, planned capital expenditures, amount of pension plan contributions, status and impact of information technology ("IT") systems implementation and future plans. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the Outlook section of this News Release. Forward-looking statements are typically identified by words such as "expect", "anticipate", "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.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2014 is based on certain assumptions including assumptions about revenue growth, anticipated cost savings and operating efficiencies, and competitive square footage growth. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the Enterprise Risks and Risk Management section of the MD&A on pages 28 to 35 of the 2013 Annual Report. Such risks and uncertainties include:

- failure by the Company to complete the acquisition of Shoppers Drug Mart or to realize the anticipated strategic benefits or operational, competitive and cost synergies;
- failure to realize benefits from investments in the Company's IT systems, including the Company's IT systems implementation, or unanticipated results from these initiatives;
- failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies from the Company's major initiatives, including those from restructuring;
- the inability of the Company's IT infrastructure to support the requirements of the Company's business;
- public health events including those related to food safety;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements, which could lead to work stoppages;
- heightened competition, whether from current competitors or new entrants to the marketplace;
- changes in economic conditions, including the rate of inflation or deflation, changes in interest and currency exchange rates and derivative and commodity prices;
- changes in the Company's income, capital, commodity, property and other tax and regulatory liabilities including changes in tax laws, regulations or future assessments;
- changes to the regulation of generic prescription drug prices and the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- changes in the Company's estimate of inventory cost as a result of its IT system upgrade;
- failure to respond to changes in consumer tastes and buying patterns;
- reliance on the performance and retention of third-party service providers, including those associated with the Company's supply chain and apparel business;
- supply and quality control issues with vendors in both advanced and developing markets;
- the impact of potential environmental liabilities;
- any requirement of the Company to make contributions to its registered funded defined benefit pension plans or the multi-employer pension plans in which it participates in excess of those currently contemplated;
- the risk that the Company would experience a financial loss if its counterparties fail to meet their obligations in accordance with the terms and conditions of their contracts with the Company;

- the inability of the Company to collect on its credit card receivables; and
- failure of Choice Properties to execute its plan and realize its forecasted results.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. 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. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time. 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. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

The Company uses the following non-GAAP financial measures: adjusted operating income, adjusted operating margin, adjusted EBITDA, adjusted EBITDA margin, adjusted net earnings, adjusted basic net earnings per common share, and with respect to Choice Properties, net operating income, funds from operations, adjusted funds from operations, adjusted funds from operations per unit diluted and adjusted funds from operations payout ratio. 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.

Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

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.

Adjusted Operating Income, Adjusted Operating Margin, Adjusted EBITDA and Adjusted EBITDA Margin The following table reconciles adjusted operating income and adjusted earnings before income taxes, net interest expense and other financing charges and depreciation and amortization ("adjusted EBITDA") to operating income, which is reconciled to GAAP net earnings measures reported in the consolidated statements of earnings for the 12 and 52 week periods ended December 28, 2013 and December 29, 2012. The Company believes that adjusted operating income is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of the business. The Company believes that adjusted EBITDA is also useful in assessing the 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 operating margin is calculated as adjusted operating income divided by revenue. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.

					2013 (12 weeks)					2012(1) (12 weeks)
(millions of Canadian dollars) (unaudited)	Retail	Financial Services	Choice Properties(2)	Consolidation and Eliminations	Consolidated	Retail	Financial Services	Choice Properties	Consolidation and Eliminations	Consolidated
Net earnings					$ 127					$ 139
Add impact of the following:										
Net interest expense and other financing charges					141					84
Income taxes					46					38
Operating income	$ 270	$ 43	$ 186	$ (185)	$ 314	$ 227	$ 34	$ —	$ —	$ 261
Add (deduct) impact of the following:										
Equity-based compensation, net of equity forwards	8	—	—	—	8	2	—	—	—	2
Fixed asset and other related impairments, net of recoveries	(42)	—	—	—	(42)	12	—	—	—	12
Restructuring costs	32	—	—	—	32	61	—	—	—	61
Choice Properties general and administrative costs	(2)	—	5	—	3	—	—	—	—	—
Shoppers Drug Mart related costs	7	—	—	—	7	—	—	—	—	—
Gain on disposal of assets	—	—	—	—	—	(11)	—	—	—	(11)
Adjusted operating income	$ 273	$ 43	$ 191	$ (185)	$ 322	$ 291	$ 34	$ —	$ —	$ 325
Depreciation and amortization	191	2	—	3	196	185	2	—	—	187
Adjusted EBITDA	$ 464	$ 45	$ 191	$ (182)	$ 518	$ 476	$ 36	$ —	$ —	$ 512

(1) Certain 2012 figures have been restated due to the implementation of revised IAS 19, "Employee Benefits". See the "Accounting Standards Implemented in 2013" section on page 37 of the Company's 2013 Annual Report.

(2) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar. Adjustments to December 28, 2013 are included in Consolidation and Eliminations.

(millions of Canadian dollars)	Retail	Financial Services	Choice Properties[2]	Consolidation and Eliminations	Consolidated 2013 (52 weeks)	Retail	Financial Services	Choice Properties	Consolidation and Eliminations	Consolidated 2012[1] (52 weeks)
Net earnings					$ 630					$ 634
Add impact of the following:										
Net interest expense and other financing charges					468					351
Income taxes					228					210
Operating income	$ 1,185	$ 142	$ 370	$ (371)	$ 1,326	$ 1,100	$ 95	$ —	$ —	$ 1,195
Add (deduct) impact of the following:										
Equity-based compensation, net of equity forwards	32	—	—	—	32	28	—	—	—	28
Fixed asset and other related impairments, net of recoveries	(32)	—	—	—	(32)	19	—	—	—	19
Restructuring costs	35	—	—	—	35	61	—	—	—	61
Choice Properties general and administrative costs	(3)	—	9	—	6	—	—	—	—	—
Choice Properties start-up costs	—	—	3	—	3	—	—	—	—	—
Shoppers Drug Mart related costs	6	—	—	—	6	—	—	—	—	—
Gain on disposal of assets	—	—	—	—	—	(11)	—	—	—	(11)
Defined benefit plan amendments	(51)	—	—	—	(51)	—	—	—	—	—
Adjusted operating income	$ 1,172	$ 142	$ 382	$ (371)	$ 1,325	$ 1,197	$ 95	$ —	$ —	$ 1,292
Depreciation and amortization	809	9	—	6	824	767	10	—	—	777
Adjusted EBITDA	$ 1,981	$ 151	$ 382	$ (365)	$ 2,149	$ 1,964	$ 105	$ —	$ —	$ 2,069

Equity-based compensation, net of equity forwards Until the first quarter of 2013, Glenhuron Bank Limited ("Glenhuron") held equity forwards to partially hedge the impact of increases in the value of Loblaw common shares on equity-based compensation costs. The amount of net equity-based compensation costs recorded in operating income has historically been mainly dependent upon changes in the value of Loblaw common shares and the number and vesting of Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") relative to the number of common shares underlying the equity forwards. During 2013, Glenhuron settled its remaining equity forward contracts and the RSU and PSU plans were amended to require settlement in common shares rather than in cash. As a result of the settlements and plan amendments, the components of equity-based compensation and their exposure to changes in the value of Loblaw common shares have changed. In order to assess operating performance on a consistent basis, management excludes the impact of equity-based compensation from operating income. In the fourth quarter of 2013 and year-to-date, a charge of $8 million (2012 – $2 million) and $32 million (2012 – $28 million), respectively, were recorded related to equity-based compensation net of equity forwards.

Fixed asset and other related impairments, net of recoveries At each balance sheet date, the Company assesses and, when required, records impairments and recoveries of previous impairments related to the carrying value of its fixed assets, investment properties and intangible assets. In the fourth quarter of 2013, the Company recorded net recoveries of $42 million (2012 – charge of $12 million) and year-to-date recorded net recoveries of $32 million (2012 – charge of $19 million).

(1) Certain 2012 figures have been restated due to the implementation of revised IAS 19, "Employee Benefits". See the "Accounting Standards Implemented in 2013" section on page 37 of the Company's 2013 Annual Report.

(2) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar. Adjustments to December 28, 2013 are included in Consolidation and Eliminations.

Restructuring costs In the fourth quarter of 2013 and year-to-date, $32 million (2012 – $61 million) and $35 million (2012 – $61 million), respectively, of restructuring costs were recorded in operating income.

Choice Properties general and administrative costs In the fourth quarter of 2013, the Company recorded $3 million and year-to-date $6 million of incremental general and administrative costs relating to Choice Properties in operating income.

Choice Properties start-up costs In connection with the Initial Public Offering ("IPO") of Choice Properties, the Company incurred certain costs to facilitate the start-up of the new entity. Year-to-date the Company recorded $3 million of Choice Properties start-up costs in operating income.

Shoppers Drug Mart related costs In connection with the agreement to acquire all of the outstanding common shares of Shoppers Drug Mart, in the fourth quarter of 2013 the Company incurred $7 million and year-to-date $16 million of acquisition costs, which were recorded in operating income. In addition, in connection with the issuance of $1.6 billion of unsecured notes in 2013, the Company hedged its exposure to interest rates in the period prior to the issuance. As the hedge did not qualify for hedge accounting, the resulting gain on settlement of $10 million year-to-date was recorded in operating income.

Defined benefit plan amendments During 2013, the Company announced amendments to certain of its defined benefit plans impacting certain employees retiring after January 1, 2015. As a result, year-to-date the Company recorded a gain of $51 million in 2013.

Gain on disposal of assets During the fourth quarter of 2012, the Company recognized a gain of $11 million related to the sale of a property. The Company adjusts for gains or losses on disposals of assets only when they are individually material.

Adjusted Net Earnings and Adjusted Basic Net Earnings Per Common Share The Company believes adjusted net earnings and adjusted basic net earnings per common share are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table reconciles adjusted net earnings and adjusted basic net earnings per common share to GAAP net earnings and basic net earnings per common share reported for the 12 and 52 week periods ended December 28, 2013 and December 29, 2012:

(millions of Canadian dollars/Canadian dollars) (unaudited)	**2013 (12 weeks)**		2012(1) (12 weeks)		**2013 (52 weeks)**		2012(1) (52 weeks)	
Net earnings/basic net earnings per common share	**$ 127**	**$ 0.45**	$ 139	$ 0.49	**$ 630**	**$ 2.24**	$ 634	$ 2.25
Add (deduct) impact of the following:								
Equity-based compensation, net of equity forwards	**7**	**0.02**	—	—	**28**	**0.10**	25	0.09
Fixed asset and other related impairments, net of recoveries	**(29)**	**(0.10)**	9	0.04	**(22)**	**(0.08)**	14	0.05
Restructuring costs	**24**	**0.09**	45	0.16	**26**	**0.09**	45	0.16
Choice Properties general and administrative costs	**2**	**0.01**	—	—	**4**	**0.01**	—	—
Choice Properties start-up costs and IPO transaction costs	**1**	**—**	—	—	**35**	**0.12**	—	—
Shoppers Drug Mart related costs	**17**	**0.06**	—	—	**27**	**0.10**	—	—
Gain on disposal of assets	**—**	**—**	(8)	(0.03)	**—**	**—**	(8)	(0.03)
Defined benefit plan amendments	**—**	**—**	—	—	**(37)**	**(0.13)**	—	—
Early debt settlement costs	**—**	**—**	—	—	**13**	**0.05**	—	—
Fair value adjustment of Trust Unit Liability	**34**	**0.12**	—	—	**27**	**0.10**	—	—
Adjusted net earnings/adjusted basic net earnings per common share	**$ 183**	**$ 0.65**	$ 185	$ 0.66	**$ 731**	**$ 2.60**	$ 710	$ 2.52

Choice Properties IPO transaction costs In addition to the start-up costs recorded in operating income noted above, in 2013 year-to-date, transaction costs of $44 million on a pre-tax basis were incurred related directly to the Choice Properties IPO. These transaction costs were recorded in net interest and other financing charges.

Shoppers Drug Mart related costs In addition to the related costs recorded in operating income noted above, during the fourth quarter of 2013, $14 million and year-to-date $25 million of additional net interest expense on a pre-tax basis were incurred in connection with the committed financing related to the acquisition. These financing charges were recorded in net interest expense and other financing charges.

Early debt settlement costs During 2013, the Company settled its remaining United States dollar $150 million US private placement note in advance of its May 29, 2015 maturity date and related cross currency swap. Year-to-date the Company incurred early-settlement costs related to the prepayment of $18 million on a pre-tax basis, which were recorded in net interest expense and other financing charges.

Fair value adjustment of Trust Unit Liability The Company is exposed to market price fluctuations as a result of the Choice Properties Units held by unitholders other than the Company. These Units are presented as a liability on the Company's consolidated balance sheets as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting period based on the market price of Units. In the fourth quarter of 2013 and year-to-date, the Company recorded a loss of $34 million and $27 million, respectively, related to the fair value adjustment of the Trust Unit Liability.

(1) Certain 2012 figures have been restated due to the implementation of revised IAS 19, "Employee Benefits". See the "Accounting Standards Implemented in 2013" section on page 37 of the Company's 2013 Annual Report.

Choice Properties Net Operating Income The following table reconciles Choice Properties net operating income to GAAP measures for the 12 and 52 week periods ended December 28, 2013 and December 29, 2012. The Company believes net operating income is useful in measuring Choice Properties operating performance and the performance of the real estate properties.

(millions of Canadian dollars) (unaudited)	**2013[1] (12 weeks)**	2012 (12 weeks)	**2013[1] (52 weeks)**	2012 (52 weeks)
Rental revenue	**$ 165**	$ —	**$ 319**	$ —
Reverse - Straight-line rent	**(9)**	—	**(17)**	—
	156	—	**302**	—
Property Operating Costs	**(42)**	—	**(80)**	—
Net Operating Income	**$ 114**	$ —	**$ 222**	$ —

Choice Properties Funds from Operations, Adjusted Funds from Operations, Adjusted Funds from Operations per Unit Diluted and Adjusted Funds from Operations Payout Ratio The following table reconciles Choice Properties funds from operations and adjusted funds from operations to GAAP measures for the 12 and 52 week periods ended December 28, 2013 and December 29, 2012. The Company believes funds from operations is useful in measuring Choice Properties operating performance and the performance of the real estate properties and adjusted funds from operations is useful in measuring economic performance and is indicative of Choice Properties' ability to pay distributions.

(millions of Canadian dollars) (unaudited)	**2013[1] (12 weeks)**	2012 (12 weeks)	**2013[1] (52 weeks)**	2012 (52 weeks)
Net income	**$ (6)**	$ —	**$ 67**	$ —
Fair value adjustments on Class B Limited Partnership units	**112**	—	**147**	—
Fair value adjustments on investment properties	**(69)**	—	**(144)**	—
Fair value adjustments on unit-based compensation	**—**	—	**—**	—
Distributions on Class B Limited Partnership units	**46**	—	**89**	—
Amortization of tenant improvement allowances	**—**	—	**—**	—
Funds from Operations	**$ 83**	$ —	**159**	—
Business start-up costs	**—**	—	**3**	—
Straight-line rental revenue	**(8)**	—	**(16)**	—
Amortization of finance charges	**1**	—	**1**	—
Unit-based compensation expense	**—**	—	**—**	—
Sustaining capital expenditures[2]	**(10)**	—	**(15)**	—
Leasing capital expenditures	**(1)**	—	**(1)**	—
Adjusted Funds from Operations	**$ 65**	$ —	**$ 131**	$ —

Adjusted funds from operations per unit diluted is calculated as adjusted funds from operations divided by Choice Properties' diluted weighted average units outstanding, which were 368.1 million in the fourth quarter of 2013 and 363.8 million year-to-date.

Adjusted funds from operations payout ratio is calculated as Choice Properties' distribution per unit, which was $0.162501 in the fourth quarter of 2013 and $0.318917 year-to-date, divided by adjusted funds from operations per unit diluted.

(1) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar.

(2) Anticipated property capital expenditure is approximately $15 million for a half-year period, however only $9 million was spent as at December 31, 2013.

Selected Financial Information

The following includes selected quarterly financial information, which is prepared by management in accordance with International Financial Reporting Standards ("IFRS") and is based on the Company's audited annual consolidated financial statements for the year ended December 28, 2013. This financial information does not contain all disclosures required by IFRS, and accordingly, should be read in conjunction with the Company's 2013 Annual Report which is available in the Investor Centre section of the Company's website at loblaw.ca.

Consolidated Statements of Earnings

For the periods ended December 28, 2013 and December 29, 2012 (millions of Canadian dollars except where otherwise indicated)	**2013 (12 weeks) (unaudited)**	2012[1] (12 weeks) (unaudited)	**2013 (52 weeks) (audited)**	2012[1] (52 weeks) (audited)
Revenue	**$ 7,640**	$ 7,465	**$ 32,371**	$ 31,604
Cost of Merchandise Inventories Sold	**5,795**	5,731	**24,696**	24,185
Selling, General and Administrative Expenses	**1,531**	1,473	**6,349**	6,224
Operating Income	**$ 314**	$ 261	**$ 1,326**	$ 1,195
Net interest expense and other financing charges	**141**	84	**468**	351
Earnings Before Income Taxes	**$ 173**	$ 177	**$ 858**	$ 844
Income taxes	**46**	38	**228**	210
Net Earnings	**$ 127**	$ 139	**$ 630**	$ 634
Net Earnings per Common Share ($)				
Basic	**$ 0.45**	$ 0.49	**$ 2.24**	$ 2.25
Diluted	**$ 0.45**	$ 0.46	**$ 2.22**	$ 2.23

(1) Certain 2012 figures have been restated. See note 2 of the Company's 2013 Annual Report.

Consolidated Balance Sheets

(millions of Canadian dollars)	**As at December 28, 2013**	As at December 29, 2012[(1)]
Assets		
Current Assets		
Cash and cash equivalents	**$ 2,260**	$ 1,079
Short term investments	**290**	716
Accounts receivable	**618**	456
Credit card receivables	**2,538**	2,305
Inventories	**2,084**	2,007
Prepaid expenses and other assets	**75**	74
Assets held for sale	**22**	30
Total Current Assets	**$ 7,887**	$ 6,667
Fixed Assets	**9,105**	8,973
Investment Properties	**99**	100
Goodwill and Intangible Assets	**1,054**	1,057
Deferred Income Taxes	**253**	260
Security Deposits	**1,701**	252
Franchise Loans Receivable	**375**	363
Other Assets	**285**	289
Total Assets	**$ 20,759**	$ 17,961
Liabilities		
Current Liabilities		
Trade payables and other liabilities	**$ 3,797**	$ 3,720
Provisions	**66**	78
Income taxes payable	**37**	21
Short term debt	**605**	905
Long term debt due within one year	**1,008**	672
Total Current Liabilities	**$ 5,513**	$ 5,396
Provisions	**56**	59
Long Term Debt	**6,672**	4,997
Trust Unit Liability	**688**	—
Deferred Income Taxes	**34**	18
Capital Securities	**224**	223
Other Liabilities	**554**	849
Total Liabilities	**$ 13,741**	$ 11,542
Shareholders' Equity		
Common Share Capital	**$ 1,642**	$ 1,567
Retained Earnings	**5,289**	4,792
Contributed Surplus	**87**	55
Accumulated Other Comprehensive Income	**—**	5
Total Shareholders' Equity	**$ 7,018**	$ 6,419
Total Liabilities and Shareholders' Equity	**$ 20,759**	$ 17,961

(1) Certain 2012 figures have been restated. See note 2 of the Company's 2013 Annual Report.

Consolidated Statements of Cash Flows

For the periods ended December 28, 2013 and December 29, 2012 (millions of Canadian dollars)	**2013 (12 weeks) (unaudited)**	2012[1] (12 weeks) (unaudited)	**2013 (52 weeks) (audited)**	2012[1] (52 weeks) (audited)
Operating Activities				
Net earnings	**$ 127**	$ 139	**$ 630**	$ 634
Income taxes	**46**	38	**228**	210
Net interest expense and other financing charges	**141**	84	**468**	351
Depreciation and amortization	**196**	187	**824**	777
Income taxes paid	**(65)**	(47)	**(272)**	(232)
Interest received	**6**	18	**49**	52
Settlement of equity forward contracts	**—**	—	**(16)**	—
Settlement of cross currency swaps	**76**	—	**94**	48
Change in credit card receivables	**(108)**	(232)	**(233)**	(204)
Change in non-cash working capital	**343**	431	**(229)**	55
Fixed asset and other related impairments	**(42)**	12	**(32)**	19
Gain on disposal of assets	**2**	(11)	**(1)**	(12)
Gain on defined benefit plan amendments	**—**	—	**(51)**	—
Other	**16**	(14)	**32**	(61)
Cash Flows from Operating Activities	**738**	605	**1,491**	1,637
Investing Activities				
Fixed asset purchases	**(304)**	(361)	**(865)**	(1,017)
Change in short term investments	**595**	135	**451**	20
Proceeds from fixed asset sales	**3**	29	**26**	62
Change in franchise investments and other receivables	**(22)**	(21)	**5**	(22)
Change in security deposits	**199**	(6)	**(1,444)**	11
Intangible asset additions	**—**	1	**(12)**	(43)
Cash Flows from (used) in Investing Activities	**471**	(223)	**(1,839)**	(989)
Financing Activities				
Change in short term debt	**(300)**	—	**(300)**	—
Long term debt:				
Issued	**483**	62	**2,770**	111
Retired	**(469)**	(18)	**(871)**	(115)
Debt financing costs	**(10)**	—	**(21)**	—
Issuance of Trust Units	**—**	—	**660**	—
Trust Unit issue costs	**(1)**	—	**(44)**	—
Interest paid	**(98)**	(103)	**(370)**	(356)
Dividends paid	**—**	—	**(259)**	(177)
Common shares:				
Issued	**8**	15	**75**	22
Purchased and held in trust	**—**	—	**(46)**	—
Purchased for cancellation	**—**	(10)	**(73)**	(16)
Cash Flows from (used in) Financing Activities	**(387)**	(54)	**1,521**	(531)
Effect of foreign currency exchange rate changes on cash and cash equivalents	**—**	2	**8**	(4)
Change in cash and cash equivalents	**822**	330	**1,181**	113
Cash and cash equivalents, beginning of period	**1,438**	749	**1,079**	966
Cash and Cash Equivalents, End of Period	**$ 2,260**	$ 1,079	**$ 2,260**	$ 1,079

(1) Certain 2012 figures have been restated. See note 2 of the Company's 2013 Annual Report.

Segment Information

The Company has three reportable operating segments with all material operations carried out in Canada:

- The Retail segment, which consists primarily of retail food, drugstore, gas bar, apparel and other general merchandise operations;
- The Financial Services segment, which provides 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; and
- The Choice Properties segment, which owns and leases income-producing commercial properties. The Choice Properties segment information presented below reflects the accounting policies of Choice Properties, which may differ from those of the consolidated Company. Any differences in policies are eliminated in Consolidation and Eliminations.

The Company's chief operating decision maker evaluates segment performance on the basis of adjusted operating income(1) and adjusted EBITDA(1), as reported to internal management, on a periodic basis.

Information for each reportable operating segment is included below:

	2013 (12 weeks)					2012 (12 weeks)				
(millions of Canadian dollars)	**Retail**	**Financial Services(i)**	**Choice Properties(2)**	**Consolidation and Eliminations(ii)**	**Total**	Retail	Financial Services(i)	Choice Properties	Consolidation and Eliminations	Total
Revenue	**$ 7,419**	**$ 204**	**$ 165**	**$ (148)**	**$ 7,640**	$ 7,289	$ 176	$ —	$ —	$ 7,465
Operating Income	**$ 270**	**$ 43**	**$ 186**	**$ (185)**	**$ 314**	$ 227	$ 34	$ —	$ —	$ 261
Adjusting Items(1)	**3**	**—**	**5**	**—**	**8**	64	—	—	—	64
Adjusted Operating Income(1)	**$ 273**	**$ 43**	**$ 191**	**$ (185)**	**$ 322**	$ 291	$ 34	$ —	$ —	$ 325
Depreciation and Amortization	**191**	**2**	**—**	**3**	**196**	185	2	—	—	187
Adjusted EBITDA(1)	**$ 464**	**$ 45**	**$ 191**	**$ (182)**	**$ 518**	$ 476	$ 36	$ —	$ —	$ 512
Net interest expense and other financing charges	**76**	**14**	**193**	**(142)**	**141**	73	11	—	—	84

(i) Included in Financial Services revenue is $87 million (December 29, 2012 – $70 million) of interest income.

(ii) Consolidation and Eliminations includes the following items:

- Revenue includes the elimination of $114 million of rental revenue and $34 million of cost recovery recognized by Choice Properties, received from the Retail segment.
- Operating income includes the elimination of the $114 million impact of rental revenue described above; the elimination of a $68 million gain recognized by Choice Properties related to the fair value adjustments on investment properties, which are classified as Fixed Assets or Investment Properties by the Company and measured at cost; and the recognition of $3 million of depreciation expense for certain investment properties recorded by Choice Properties and measured at fair value.
- Net interest expense and other financing charges includes the elimination of $76 million of interest expense included in Choice Properties related to debt owing to the Company; Unit distributions to external unitholders of $11 million, which excludes distributions paid to the Company, and Choice Properties Unit issuance costs of $1 million, which are reflected as a reduction of equity in Choice Properties, and presented as interest expense for the consolidated Company; the elimination of a $112 million fair value loss recognized by Choice Properties on Class B Limited Partnership units held by the Company; and a $34 million fair value loss on the Company's Trust Unit Liability.

(1) Certain items are excluded from operating income to derive adjusted operating income and adjusted EBITDA, respectively. Adjusted operating income and adjusted EBITDA are used internally by management when analyzing segment underlying performance.

(2) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar. Adjustments to December 28, 2013 are included in Consolidation and Eliminations.

(millions of Canadian dollars)	2013 (52 weeks) Retail	Financial Services(i)	Choice Properties(2)	Consolidation and Eliminations(ii)	Total	2012 (52 weeks) Retail	Financial Services(i)	Choice Properties	Consolidation and Eliminations	Total
Revenue	**$ 31,600**	**$ 739**	**$ 319**	**$ (287)**	**$ 32,371**	$ 30,960	$ 644	$ —	$ —	$ 31,604
Operating Income	**$ 1,185**	**$ 142**	**$ 370**	**$ (371)**	**$ 1,326**	$ 1,100	$ 95	$ —	$ —	$ 1,195
Adjusting Items(1)	**(13)**	**—**	**12**	**—**	**(1)**	97	—	—	—	97
Adjusted Operating Income(1)	**$ 1,172**	**$ 142**	**$ 382**	**$ (371)**	**$ 1,325**	$ 1,197	$ 95	$ —	$ —	$ 1,292
Depreciation and Amortization	**809**	**9**	**—**	**6**	**824**	767	10	—	—	777
Adjusted EBITDA(1)	**$ 1,981**	**$ 151**	**$ 382**	**$ (365)**	**$ 2,149**	$ 1,964	$ 105	$ —	$ —	$ 2,069
Net interest expense and other financing charges	**315**	**49**	**303**	**(199)**	**468**	306	45	—	—	351

(i) Included in Financial Services revenue is $325 million (December 29, 2012 – $277 million) of interest income.

(ii) Consolidation and Eliminations includes the following items:

- Revenue includes the elimination of $221 million of rental revenue and $66 million of cost recovery recognized by Choice Properties, received from the Retail segment.
- Operating income includes the elimination of the $221 million impact of rental revenue described above; the elimination of a $144 million gain recognized by Choice Properties related to the fair value adjustments on investment properties, which are classified as Fixed Assets or Investment Properties by the Company and measured at cost; and the recognition of $6 million of depreciation expense for certain investment properties recorded by Choice Properties and measured at fair value.
- Net interest expense and other financing charges includes the elimination of $144 million of interest expense included in Choice Properties related to debt owing to the Company; Unit distributions to external unitholders of $21 million, which excludes distributions paid to the Company, and Choice Properties Unit issuance costs of $44 million, which are reflected as a reduction of equity in Choice Properties, and presented as interest expense for the consolidated Company; the elimination of a $147 million fair value loss recognized by Choice Properties on Class B Limited Partnership units held by the Company; and a $27 million fair value loss on the Company's Trust Unit Liability.

(1) Certain items are excluded from operating income to derive adjusted operating income and adjusted EBITDA, respectively. Adjusted operating income and adjusted EBITDA are used internally by management when analyzing segment underlying performance.

(2) Results are for the period ended December 31, 2013, consistent with Choice Properties' fiscal calendar. Adjustments to December 28, 2013 are included in Consolidation and Eliminations.

2013 Annual Audited Consolidated Financial Statements and MD&A

The Company's 2013 Annual Report is available in the Investor Centre section of the Company's website at loblaw.ca or at sedar.com.

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

Conference Call and Webcast

Loblaw Companies Limited will host a conference call as well as an audio webcast on February 20, 2014 at 11:00 a.m. (EST).

To access via tele-conference please dial (416) 642-5212. The playback will be made available two hours after the event at (647) 436-0148, access code: 6708138. To access via audio webcast, please go to the Investor Centre section of loblaw.ca and click on webcast. Pre-registration will be available.

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