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NEWS RELEASE

Loblaw Reports 2019 First Quarter Results and a 6.8% Increase to Quarterly Common Share Dividend[(1)]

BRAMPTON, ONTARIO May 1, 2019 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") today announced its unaudited financial results for the first quarter ended March 23, 2019. The Company's 2019 First Quarter Report to Shareholders will be available in the Investors section of the Company's website at loblaw.ca and will be filed with SEDAR and available at sedar.com.

"We are pleased with the quarter, our continued strong operational performance, and our strategic momentum," said Galen G. Weston, Executive Chairman, Loblaw Companies Limited. "We are gaining traction on our key priorities and accelerating investments to deliver long-term value to customers and shareholders."

2019 FIRST QUARTER HIGHLIGHTS

Unless otherwise indicated, the following highlights represent the Company's results from Continuing Operations and include the impacts of spin-out related incremental depreciation, the implementation of IFRS 16, "Leases" ("IFRS 16") and the consolidation of franchises. The first quarter of 2019 was negatively impacted by healthcare reform. See "Other Business Matters" of this News Release for more information on the spin-out related incremental depreciation and the implementation of IFRS 16.

- Revenue was $10,659 million, an increase of $324 million, or 3.1%, compared to the first quarter of 2018.
- Retail segment sales were $10,452 million, an increase of $297 million, or 2.9%, compared to the first quarter of 2018.
    - Food retail (Loblaw) same-store sales growth was 2.0%.
    - Drug retail (Shoppers Drug Mart) same-store sales growth was 2.2%, with pharmacy same-store sales growth of 1.2% and front store same-store sales growth of 3.1%.
    - The timing of Easter had a nominal impact on same-store sales growth for both Food retail and Drug retail in the first quarter of 2019.
- Operating income was $451 million, an increase of $75 million, or 19.9%, compared to the first quarter of 2018.
    - Operating income included the year-over-year favourable impact of the implementation of IFRS 16 of approximately $75 million and the unfavourable impact of spin-out related incremental depreciation of approximately $22 million. Normalized for these impacts operating income increased by $22 million.
- Adjusted EBITDA[(2)] was $1,040 million, an increase of $307 million, or 41.9%, compared to the first quarter of 2018.
    - Adjusted EBITDA[(2)] included the year-over-year favourable impact of the implementation of IFRS 16 of $282 million. Normalized for this impact, adjusted EBITDA[(2)] increased by $25 million, or 3.4%.
- Net earnings available to common shareholders of the Company from Continuing Operations were $198 million, a decrease of $14 million compared to the first quarter of 2018. Diluted net earnings per common share were $0.53, a decrease of $0.02 compared to the first quarter of 2018.
- Adjusted net earnings available to common shareholders of the Company[(2)] from Continuing Operations were $290 million, a decrease of $22 million, compared to the first quarter of 2018. Normalized for the year-over-year impact of the spin-out related incremental depreciation of approximately $16 million and IFRS 16 of approximately $6 million, adjusted net earnings available to common shareholders of the Company[(2)] were flat at $312 million.
- Adjusted diluted net earnings from Continuing Operations per common share[(2)] were $0.78, a decrease of $0.03, or 3.7%, compared to the first quarter of 2018. Normalized for the year-over-year impact of the spin-out related incremental depreciation of approximately $0.04 per common share and IFRS 16 of approximately $0.02 per common share, adjusted diluted net earnings per common share[(2)] increased by approximately 3.7% or $0.03 per common share and was $0.84 per common share.
- The Company repurchased 3.7 million common shares at a cost of $235 million in the first quarter of 2019.

- The Company invested $174 million in capital expenditures and generated $419 million of free cash flow(2) in the first quarter of 2019. The definition of free cash flow(2) was changed in the first quarter of 2019 to normalize for the impact of the implementation of IFRS 16, which had no impact on cash flow.
- Quarterly common share dividend to be increased by 6.8% from $0.295 per common share to $0.315 per common share.

See “News Release Endnotes” at the end of this News Release.

CONSOLIDATED RESULTS OF OPERATIONS

The Company's interest in Choice Properties Real Estate Investment Trust ("Choice Properties") has been presented separately as Discontinued Operations in the Company's current and comparative results. Unless otherwise indicated, all financial information represents the Company's results from Continuing Operations and includes the impacts of spin-out related incremental depreciation, the implementation of IFRS 16 and the consolidation of franchises.

For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars except where otherwise indicated)	**2019** **(12 weeks)**	2018[4] (12 weeks)	$ Change	% Change
Revenue	**$ 10,659**	$ 10,335	$ 324	3.1 %
Operating income	**451**	376	75	19.9 %
Adjusted EBITDA[2]	**1,040**	733	307	41.9 %
Adjusted EBITDA margin[2]	**9.8%**	7.1%		
Net earnings attributable to shareholders of the Company from Continuing Operations	**$ 201**	$ 215	$ (14)	(6.5)%
Net earnings available to common shareholders of the Company[i]	**198**	377	(179)	(47.5)%
Continuing Operations	**198**	212	(14)	(6.6)%
Discontinued Operations	**—**	165	(165)	(100.0)%
Adjusted net earnings available to common shareholders of the Company[2]	**$ 290**	$ 361	$ (71)	(19.7)%
Continuing Operations	**290**	312	(22)	(7.1)%
Discontinued Operations	**—**	49	(49)	(100.0)%
Diluted net earnings per common share ($)	**$ 0.53**	$ 0.98	$ (0.45)	(45.9)%
Continuing Operations	**$ 0.53**	$ 0.55	$ (0.02)	(3.6)%
Discontinued Operations	**$ —**	$ 0.43	$ (0.43)	(100.0)%
Adjusted diluted net earnings per common share[2] ($)	**$ 0.78**	$ 0.94	$ (0.16)	(17.0)%
Continuing Operations	**$ 0.78**	$ 0.81	$ (0.03)	(3.7)%
Discontinued Operations	**$ —**	$ 0.13	$ (0.13)	(100.0)%
Diluted weighted average common shares outstanding (millions)	**371.4**	384.5		

(i) Net earnings available to common shareholders of the Company are net earnings attributable to shareholders of the Company net of dividends declared on the Company's Second Preferred Shares, Series B.

Other Business Matters

IFRS 16 Implementation On December 30, 2018 the Company implemented IFRS 16, replacing IAS 17, “Leases” (“IAS 17”) and related interpretations. The standard introduces a single, on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. The Company implemented the standard using the modified retrospective approach. As a result, the Company’s first quarter of 2019 results reflected lease accounting under IFRS 16. Prior year results have not been restated. See Section 10, “Accounting Standards”, of the Company’s Management Discussion and Analysis in the 2019 First Quarter Report to Shareholders for more information on the implementation of IFRS 16.

The implementation of IFRS 16 significantly increased the assets and liabilities on the Company’s Condensed Consolidated Balance Sheet and changed the timing and presentation of lease-related expenses in the Company’s Retail segment results. The Company recorded a right-of-use asset of $7.6 billion and a lease liability of $9.2 billion under the new standard. Under IFRS 16, the depreciation expense on right-of-use assets and interest expense on lease liabilities replaced rent expense, which was previously recognized on a straight-line basis in operating income under IAS 17 over the term of a lease.

The following table provides the year-over-year impacts of the implementation of IFRS 16 on the consolidated results of the Company in the first quarter of 2019:

(millions of Canadian dollars unless where otherwise indicated)		**$ Change (12 weeks)**
Operating Income	**$**	**75**
Adjusted EBITDA[(2)]		**282**
Net interest expense and other financing charges		**(82)**
Depreciation and Amortization		**(207)**
Net earnings available to common shareholders of the Company		**(6)**
Diluted net earnings per common share ($)	**$**	**(0.02)**

Spin-out of Choice Properties On November 1, 2018, the Company and its parent George Weston Limited (“Weston”) completed a reorganization under which the Company distributed its approximate 61.6% effective interest in Choice Properties to Weston on a tax-free basis to the Company and its Canadian shareholders (“the reorganization” or “the spin-out”). The Company no longer retains its interest in Choice Properties and ceased to consolidate its equity interest in Choice Properties in its consolidated financial statements as at October 31, 2018. The reorganization has been reflected separately as Discontinued Operations in the current and comparative results. Unless otherwise noted, all comparisons of operating results exclude the results of Choice Properties. As a result of the spin-out, buildings owned by Choice Properties and leased by the Company are accounted for as leases and no longer accounted for as owned property. The building components associated with these leases post spin-out are classified as leasehold improvements and depreciated over the lesser of the lease term and useful life up to 25 years. The remaining average lease term on the leases related to these leasehold improvements is approximately 10 years. The impact of this change is expected to be an increase in annual depreciation and amortization of approximately $85 million compared to 2018. The Company’s 2019 first quarter financial results includes incremental depreciation and amortization for the post spin-out period of $22 million ($0.04 per common share). For a complete description of the reorganization, please see Section 5 “Overall Financial Performance Business Developments” of the Company’s Management Discussion and Analysis in the 2018 Annual Report.

Process and Efficiency The Company continues to execute on a multi-year plan, initiated in 2018, that focuses on improving processes and generating efficiencies across its administrative, store, and distribution network infrastructure. Many initiatives are underway to reduce the complexity and cost of business operations, ensuring a low cost operating structure that allows for continued investments in the Company’s strategic growth areas. Management anticipates investing capital as well as recording restructuring and other charges related to these initiatives in 2019 and beyond. The Company recorded approximately $12 million of restructuring and other related charges primarily related to Process and Efficiency initiatives in the first quarter of 2019.

REPORTABLE OPERATING SEGMENTS

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

- The Retail segment consists primarily of corporate and franchise-owned retail food and Associate-owned drug stores, and includes in-store pharmacies and other health and beauty products, apparel and other general merchandise and supports the *PC Optimum* Program. The Company evaluates the performance of the Retail segment based on sales, operating income, adjusted gross profit, and adjusted EBITDA(2); and
- The Financial Services segment provides credit card services, the *PC Optimum* Program, insurance brokerage services, deposit taking services and telecommunication services. The Company evaluates the performance of the Financial Services segment based on revenue and earnings before income taxes.

				2019 (12 weeks)				2018(4) (12 weeks)
For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars)	**Retail**	**Financial Services**	**Eliminations(i)**	**Total**	Retail	Financial Services	Eliminations(i)	Total
Revenue	**$ 10,452**	**$ 266**	**$ (59)**	**$ 10,659**	$ 10,155	$ 230	$ (50)	$ 10,335
Adjusted gross profit(2)	$ 3,097	$ 234	$ (59)	$ 3,272	$ 2,988	$ 208	$ (50)	$ 3,146
Adjusted gross profit %(2)	29.6%	88.0%	—%	30.7%	29.4%	90.4%	—%	30.4%
Operating Income	**$ 401**	**$ 50**	**$ —**	**$ 451**	$ 300	$ 76	$ —	$ 376
Net interest expense and other financing charges	154	19	—	173	74	15	—	89
Earnings before Income Taxes	**$ 247**	**$ 31**	**$ —**	**$ 278**	$ 226	$ 61	$ —	$ 287
Depreciation and Amortization	$ 575	$ 5	$ —	$ 580	$ 339	$ 2	$ —	$ 341
Adjusted EBITDA(2)	985	55	—	1,040	672	61	—	733
Adjusted EBITDA margin(2)	9.4%	N/A	—%	9.8%	6.6%	N/A	—%	7.1%

(i) Eliminations includes the reclassification of revenue related to *PC* MasterCard® loyalty awards in the Financial Services segment.

RETAIL SEGMENT

Unless otherwise indicated, the following financial information represents the Retail segment's results from Continuing Operations and includes the impacts of spin-out related incremental depreciation, the implementation of IFRS 16 and the consolidation of franchises.

- Retail segment sales were $10,452 million, an increase of $297 million, or 2.9%, compared to the first quarter of 2018. Excluding the consolidation of franchises, Retail segment sales increased by $197 million or 2.0%.
  - Food retail (Loblaw) sales were $7,515 million and Food retail same-store sales growth was 2.0%.
    - The Company's Food retail average quarterly internal food price index was slightly lower than (2018 – marginally lower than) the average quarterly national food price inflation of 3.3% (2018 – inflation 1.2%), 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 the Company's stores.
    - Food retail traffic was relatively flat and basket size increased in the quarter.
  - Drug retail (Shoppers Drug Mart) sales were $2,937 million and Drug retail same-stores sales growth was 2.2%, with pharmacy same-store sales growth of 1.2% and front store same-store sales growth of 3.1%.
    - On a same-store basis, the number of prescriptions dispensed increased by 2.6% (2018 – 4.0%) and the average prescription value decreased by 2.1% (2018 – decreased by 0.3%).
    - Drug retail was negatively impacted by incremental healthcare reform.
  - The timing of Easter had a nominal impact on same-store sales growth for both Food retail and Drug retail in the first quarter of 2019.
- Operating income in the first quarter of 2019 was $401 million, an increase of $101 million compared to the first quarter of 2018. The increase in operating income included the favourable impact of IFRS 16 of approximately $75 million and the unfavourable impact of spin-out related incremental depreciation of approximately $22 million. Normalized for these impacts, operating income increased by $48 million.

- Adjusted gross profit(2) in the first quarter of 2019 was $3,097 million, an increase of $109 million compared to the first quarter of 2018. Adjusted gross profit percentage(2) of 29.6% increased by 20 basis points compared to the first quarter of 2018. Adjusted gross profit percentage(2), excluding the consolidation of franchises, was 27.7%, a decrease of 30 basis points compared to the first quarter of 2018. Margins were negatively impacted by healthcare reform while Food retail margins remained relatively flat.
- Adjusted EBITDA(2) in the first quarter of 2019 was $985 million, an increase of $313 million, compared to the first quarter of 2018 and included the year-over-year favourable impact of IFRS 16 of approximately $282 million and the favourable impact of the consolidation of franchises of $20 million. Normalized for the impact of IFRS 16, adjusted EBITDA(2) increased by $31 million. The increase in adjusted EBITDA(2) of $31 million was driven by an increase in adjusted gross profit(2) as described above, partially offset by an increase in selling, general and administrative expenses ("SG&A") of $13 million. Normalized for the impact of IFRS 16 and the consolidation of franchises, SG&A increased $13 million, and SG&A as a percentage of sales, was 21.0%, an improvement of 30 basis points compared to the first quarter of 2018 driven by:
    - Process and Efficiency initiatives;
    - lower marketing costs as a result of the launch of the *PC Optimum* Program in the prior year; and
    - the favourable year-over-year impact of foreign exchange.
- Depreciation and amortization in the first quarter of 2019 was $575 million, an increase of $236 million compared to the first quarter of 2018. The increase included the unfavourable impact of IFRS 16 of approximately $207 million and the unfavourable impact of spin-out related incremental depreciation of approximately $22 million.
- Consolidation of franchises in the first quarter of 2019 resulted in a year-over-year increase in revenue of $100 million, an increase in adjusted EBITDA(2) of $20 million, an increase in depreciation and amortization of $5 million and an increase in net earnings attributable to non-controlling interests of $10 million.

FINANCIAL SERVICES SEGMENT

- Revenue was $266 million in the first quarter of 2019, an increase of $36 million compared to the first quarter of 2018, primarily driven by higher interest income and higher sales attributable to *The Mobile Shop.*
- Earnings before income taxes in the first quarter of 2019 were $31 million, a decrease of $30 million compared to the first quarter of 2018, primarily driven by income earned in the first quarter of 2018 of $17 million, net of certain costs incurred, lower core banking income attributable to the discontinuation of the personal banking services under the President's Choice Financial® ("PC Financial") brand, and higher operating costs including investments in digital strategy, partially offset by higher interest income attributable to the growth in the credit card portfolio.

DECLARATION OF DIVIDENDS

Subsequent to the end of the first quarter of 2019, the Board of Directors declared a quarterly dividend on Common Shares and Second Preferred Shares, Series B.

Common Shares	$0.315 per common share, payable on July 1, 2019 to shareholders of record on June 15, 2019
Second Preferred Shares, Series B	$0.33125 per share, payable on June 30, 2019 to shareholders of record on June 15, 2019

OUTLOOK[3]

Loblaw is focused on its strategic framework, delivering best in food and health and beauty, using data driven insights underpinned by process and efficiency excellence. This framework is supported by the Company's financial plan of maintaining a stable trading environment that targets positive same-store sales and stable gross margin, creating efficiencies to deliver operating leverage, investing for the future and returning capital to shareholders.

The Company will remain focused on delivering Process and Efficiency improvements to offset increasing costs and to fund continued incremental investments in its strategic growth areas of Everyday Digital Retail, Connected Healthcare and Payments & Rewards.

In 2019, on a full-year comparative basis, excluding the impact of the spin-out of Choice Properties, we expect to:

- deliver positive same-store sales and stable gross margin in the Retail segment in a highly competitive market;
- deliver positive adjusted net earnings growth;
- invest approximately $1.1 billion in capital expenditures, net of proceeds from property disposals; and
- return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

NON-GAAP FINANCIAL MEASURES

The Company uses non-GAAP financial measures as they believe these measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company. Reconciliations of the non-GAAP financial measures contained in this News Release are reconciled to GAAP financial measures in the section 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 underlying consolidated and segment 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. The Company excludes 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.

For a more complete description of the Company's non-GAAP financial measures and financial metrics, please refer to Section 12 "Non-GAAP Financial Measures" of the Company's 2019 First Quarter Report to Shareholders.

Retail Segment Gross Profit, Retail Segment Adjusted Gross Profit and Retail Segment Adjusted Gross Profit Percentage

				2019 (12 weeks)				2018[4] (12 weeks)
For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars)	**Retail**	**Financial Services**	**Eliminations**	**Total**	Retail	Financial Services	Eliminations	Total
Revenue	**$ 10,452**	**$ 266**	**$ (59)**	**$ 10,659**	$ 10,155	$ 230	$ (50)	$ 10,335
Cost of Merchandise Inventories Sold	**7,355**	**32**	**—**	**7,387**	7,186	22	—	7,208
Gross Profit	**$ 3,097**	**$ 234**	**$ (59)**	**$ 3,272**	$ 2,969	$ 208	$ (50)	$ 3,127
Add (deduct) impact of the following:								
Impact of health care reform on inventory balances	**—**	**—**	**—**	**—**	19	—	—	19
Adjusted Gross Profit	**$ 3,097**	**$ 234**	**$ (59)**	**$ 3,272**	$ 2,988	$ 208	$ (50)	$ 3,146

Adjusted Operating Income, Adjusted EBITDA and Adjusted EBITDA Margin

For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars)			2019 (12 weeks)			2018[4] (12 weeks)
	Retail	**Financial Services**	**Consolidated**	Retail	Financial Services	Consolidated
Net earnings attributable to shareholders of the Company			**$ 201**			$ 215
Add (deduct) impact of the following:						
Non-Controlling Interests			**5**			(5)
Net interest expense and other financing charges			**173**			89
Income taxes			**72**			77
Operating income	**$ 401**	**$ 50**	**$ 451**	$ 300	$ 76	$ 376
Add (deduct) impact of the following:						
Amortization of intangible assets acquired with Shoppers Drug Mart	**$ 119**	**$ —**	**$ 119**	$ 121	$ —	$ 121
Restructuring and other related costs	**12**	**—**	**12**	—	—	—
Pension annuities and buy-outs	**10**	**—**	**10**	—	—	—
Impact of health care reform on inventory balances	**—**	**—**	**—**	19	—	19
Loblaw Card Program	**—**	**—**	**—**	19	—	19
Wind-down of *PC Financial* personal banking services	**—**	**—**	**—**	—	(17)	(17)
Fair value adjustment on fuel and foreign currency contracts	**(2)**	**—**	**(2)**	(5)	—	(5)
Fair value adjustment on investment properties	**(3)**	**—**	**(3)**	—	—	—
Gain on sale of non-operating properties	**(8)**	**—**	**(8)**	—	—	—
Adjusting Items	**$ 128**	**$ —**	**$ 128**	$ 154	$ (17)	$ 137
Adjusted operating income	**$ 529**	**$ 50**	**$ 579**	$ 454	$ 59	$ 513
Depreciation and amortization	**575**	**5**	**580**	339	2	341
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	**(119)**	**—**	**(119)**	(121)	—	(121)
Adjusted EBITDA	**$ 985**	**$ 55**	**$ 1,040**	$ 672	$ 61	$ 733

Adjusted Net Earnings Available to Common Shareholders and Adjusted Diluted Net Earnings Per Common Share

For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars except where otherwise indicated)	**2019 (12 weeks)**	2018[4] (12 weeks)
Net earnings attributable to shareholders of the Company	**$ 201**	$ 380
Net earnings from Discontinued Operations	**—**	165
Net earnings attributable to shareholders of the Company from Continuing Operations	**$ 201**	$ 215
Prescribed dividends on preferred shares in share capital	**(3)**	(3)
Net earnings available to common shareholders of the Company from Continuing Operations	**$ 198**	$ 212
Net earnings attributable to shareholders of the Company from Continuing Operations	**$ 201**	$ 215
Adjusting items (refer to the following table)	**92**	100
Adjusted net earnings attributable to shareholders of the Company from Continuing Operations	**$ 293**	$ 315
Prescribed dividends on preferred shares in share capital	**(3)**	(3)
Adjusted net earnings available to common shareholders of the Company from Continuing Operations	**$ 290**	$ 312
Diluted weighted average common shares outstanding (millions)	**371.4**	384.5

For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars/Canadian dollars)	**2019 (12 weeks)** **Net Earnings Available to Common Shareholders of the Company**	**2019 (12 weeks)** **Diluted Net Earnings Per Common Share**	2018[4] (12 weeks) Net Earnings Available to Common Shareholders of the Company	2018[4] (12 weeks) Diluted Net Earnings Per Common Share
Continuing Operations	**$ 198**	**$ 0.53**	$ 212	$ 0.55
Discontinued Operations	**—**	**—**	165	0.43
As reported	**$ 198**	**$ 0.53**	$ 377	$ 0.98
Continuing Operations	**$ 198**	**$ 0.53**	$ 212	$ 0.55
Add (deduct) impact of the following:				
Amortization of intangible assets acquired with Shoppers Drug Mart	**$ 86**	**$ 0.24**	$ 89	$ 0.22
Restructuring and other related costs	**9**	**0.02**	—	—
Pension annuities and buy-outs	**7**	**0.02**	—	—
Loblaw Card Program	**—**	**—**	14	0.04
Wind-down of *PC Financial* personal banking services	**—**	**—**	(13)	(0.03)
Impact of health care reform on inventory balances	**—**	**—**	14	0.04
Fair value adjustment on fuel and foreign currency contracts	**(1)**	**—**	(4)	(0.01)
Fair value adjustment on investment properties	**(2)**	**(0.01)**	—	—
Gain on sale of non-operating properties	**(7)**	**(0.02)**	—	—
Adjusting items from Continuing Operations	**$ 92**	**$ 0.25**	$ 100	$ 0.26
Adjusted Continuing Operations	**$ 290**	**$ 0.78**	$ 312	$ 0.81
Discontinued Operations	**$ —**	**$ —**	$ 165	$ 0.43
Add (deduct) impact of the following:				
Fair value adjustment on Trust Unit Liability[i]	**$ —**	**$ —**	$ (124)	$ (0.32)
CREIT acquisition and other related costs	**—**	**—**	9	0.02
Restructuring and other related costs	**—**	**—**	(1)	—
Adjusting items from Discontinued Operations	**$ —**	**$ —**	$ (116)	$ (0.30)
Adjusted Discontinued Operations	**$ —**	**$ —**	$ 49	$ 0.13
Adjusted Total Company	**$ 290**	**$ 0.78**	$ 361	$ 0.94

(i) Gains or losses related to the fair value adjustment to the Trust Unit Liability are not subject to tax.

Free Cash Flow The definition of free cash flow[2] was changed in the first quarter of 2019 to normalize for the impact of the implementation of IFRS 16, which had no impact on cash flow.

For the periods ended March 23, 2019 and March 24, 2018 (millions of Canadian dollars)		**2019** **(12 weeks)**		2018[4] (12 weeks)
Cash flows from operating activities from Continuing Operations[i]	**$**	**960**	$	385
Cash flows from operating activities from Discontinued Operations[i]		**—**		49
Cash flows from operating activities Total Company	**$**	**960**	$	434
Cash flows from operating activities from Continuing Operations[i]	**$**	**960**	$	385
Less:				
Capital investments		**174**		163
Interest paid		**98**		92
Lease payments, net[ii]		**269**		—
Free cash flow from Continuing Operations	**$**	**419**	$	130
Cash flows from operating activities from Discontinued Operations[i]	**$**	**—**	$	49
Less:				
Capital investments		**—**		59
Interest paid		**—**		63
Free cash flow from Discontinued Operations	**$**	**—**	$	(73)
Free cash flow from Total Company	**$**	**419**	$	57

(i) Cash flows from operating activities from Continuing Operations include distributions received in 2018 and the payment related to the conversion of Class C LP Units in 2018 from Discontinued Operations. Cash flows from Discontinued Operations include the outflow of these items.

(ii) Includes cash rent paid on lease liabilities, net of lease payments received from finance leases.

FORWARD-LOOKING STATEMENTS

This News Release contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this News Release include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of Information Technology ("IT") systems implementations. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "Other Retail Business Matters" section and "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", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's 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 2019 is based on certain assumptions including assumptions about healthcare reform impacts, anticipated cost savings and operating efficiencies from Process and Efficiency initiatives and anticipated benefits from strategic initiatives. 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 Section 12 "Enterprise Risks and Risk Management" of the Management Discussion and Analysis in the 2018 Annual Report and the Company's 2018 Annual Information Form ("AIF") (for the year ended December 29, 2018). Such risks and uncertainties include:

- changes to the regulation of generic prescription drug prices, 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's IT infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in the Company's new IT systems;
- failure to realize the anticipated benefits associated with the Company's strategic priorities and major initiatives, including revenue growth, anticipated cost savings and operating efficiencies or organizational changes that may impact the relationships with franchisees and associates;
- failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace;
- failure to maintain an effective supply chain and consequently an appropriate assortment of available product at store level;
- failure to execute the Company's e-commerce initiatives or to adapt its business model to the shifts in the retail landscape caused by digital advances;
- public health events including those related to food and drug safety;
- errors made through medication dispensing or errors related to patient services or consultation;
- adverse outcomes of legal and regulatory proceedings and related matters;
- changes to any of the laws, rules, regulations or policies applicable to the Company's business;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements; and
- changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates and household debt, political uncertainty, interest rates, currency exchange rates or derivative and commodity prices.

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 ("securities regulators") from time to time, including, without limitation, the section entitled "Risks" in the Company's 2018 AIF (for the year ended December 29, 2018). 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.

CORPORATE PROFILE

2018 Annual Report and 2019 First Quarter Report to Shareholders

The Company's 2018 Annual Report and 2019 First Quarter Report to Shareholders is available in the "Investors" section of the Company's website at loblaw.ca and on sedar.com.

Investor Relations

Investor inquiries, contact:	Media inquiries, contact:
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Vice President, Investor Relations	Senior Vice President, Corporate Affairs and Communication
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Additional financial 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. The Company holds an analyst call shortly following the release of its quarterly results. These calls are archived in the "Investors" section of the Company's website at loblaw.ca.

Conference Call and Webcast

Loblaw Companies Limited will host a conference call as well as an audio webcast on May 1, 2019 at 10:00 a.m. (ET).

To access via tele-conference, please dial (647) 427-7450 or (888) 231-8191. The playback will be made available approximately two hours after the event at (416) 849-0833 or (855) 859-2056, access code: 4488845. To access via audio webcast, please go to the "Investors" section of loblaw.ca. Pre-registration will be available.

Full details about the conference call and webcast are available on the Loblaw Companies Limited website at loblaw.ca.

Annual Meeting of Shareholders

The 2019 Annual Meeting of Shareholders of Loblaw Companies Limited will take place on May 2, 2019 at 11:00 a.m. (ET) at the Toronto Centre for the Arts - Lyric Theatre, 5040 Yonge Street, North York, Ontario, Canada M2N 6R8.

To access via tele-conference, please dial (647) 427-7450 or (888) 231-8191. The playback will be made available approximately two hours after the event at (416) 849-0833 or (855) 859-2056, access code: 5977027. To access via audio webcast, please go to the "Investors" section of loblaw.ca. Pre-registration will be available.

News Release Endnotes

(1) This News Release contains forward-looking information. See "Forward-Looking Statements" section 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" section of this News Release, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.

(3) To be read in conjunction with the "Forward-Looking Statements" section of this News Release.

(4) Comparative figures have been restated. See note 4 in the Company's 2019 first quarter unaudited interim period condensed consolidated financial statements. Certain figures have been restated to conform with current year presentation.