NEWS RELEASE

Loblaw Reports 2016 First Quarter Results and Announces a 4% Increase to Quarterly Common Share Dividend[1]

BRAMPTON, ONTARIO May 4, 2016 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") today announced its unaudited financial results for the first quarter ended March 26, 2016. The Company's 2016 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 continued to execute against our financial plan in the first quarter of 2016, achieving positive same-stores sales, stable gross margins, and higher operating earnings," said Galen G. Weston, Executive Chairman and President, Loblaw Companies Limited.

"Positive same-store sales reflected very strong performance in Drug Retail and slightly disappointing results in Food Retail. Looking ahead, we are confident that our continued focus on earnings growth along with the strength of our Company's balance sheet, will enable us to fund growth initiatives and return capital to shareholders, amidst a highly competitive retail environment and the continued pressure of healthcare reform."

2016 FIRST QUARTER HIGHLIGHTS

- Revenue was $10,381 million, an increase of $333 million, or 3.3%, compared to the first quarter of 2015.
- Retail segment sales were $10,154 million, an increase of $324 million, or 3.3%, compared to the first quarter of 2015.
  - Food retail (Loblaw) same-store sales growth was 2.6%, excluding gas bar; and
  - Drug retail (Shoppers Drug Mart) same-store sales growth was 6.3%, with same-store pharmacy sales increasing by 4.2% and same-store front store sales increasing by 8.2%.
- Adjusted EBITDA[2] was $829 million, an increase of $40 million, or 5.1%, compared to the first quarter of 2015.
- Adjusted net earnings available to common shareholders of the Company[2] were $338 million, an increase of $37 million, or 12.3%, compared to the first quarter of 2015. Adjusted diluted net earnings per common share[2] were $0.82, an increase of $0.10, or 13.9%, compared to the first quarter of 2015.
- Net earnings available to common shareholders of the Company were $193 million, an increase of $47 million, or 32.2%, compared to the first quarter of 2015. Diluted net earnings per common share were $0.47, an increase of $0.12, or 34.3%, compared to the first quarter of 2015.
- The Company realized approximately $72 million of net synergies in the quarter, an incremental $28 million compared to the first quarter of 2015.
- The Company repurchased 3.4 million shares for cancellation at a cost of $231 million.
- Quarterly common share dividend increased by 4.0% from $0.25 per common share to $0.26 per common share.

See "News Release Endnotes" at the back of this News Release.

CONSOLIDATED RESULTS OF OPERATIONS

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)		**2016** **(12 weeks)**		2015 (12 weeks)		$ Change	% Change
Revenue	**$**	**10,381**	$	10,048	$	333	3.3%
Adjusted EBITDA(2)		**829**		789		40	5.1%
Adjusted EBITDA margin(2)		**8.0%**		7.9%			
Net earnings attributable to shareholders of the Company	**$**	**196**	$	146	$	50	34.2%
Net earnings available to common shareholders of the Company(i)		**193**		146		47	32.2%
Adjusted net earnings available to common shareholders of the Company(2)		**338**		301		37	12.3%
Diluted net earnings per common share ($)	**$**	**0.47**	$	0.35	$	0.12	34.3%
Adjusted diluted net earnings per common share(2) ($)		**0.82**		0.72		0.10	13.9%
Diluted weighted average common shares outstanding (millions)		**412.6**		416.1			

(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.

Adjusted net earnings available to common shareholders of the Company(2) in the first quarter of 2016 were $338 million ($0.82 per common share), an increase of $37 million ($0.10 per common share) compared to the first quarter of 2015 primarily due to the following:

- results in the Retail segment, which included achieving positive same-store sales and maintaining a stable gross margin, despite the impact of healthcare reform; and
- a positive contribution from incremental net synergies of $28 million.

Net earnings available to common shareholders of the Company in the first quarter of 2016 were $193 million ($0.47 per common share), an increase of $47 million ($0.12 per common share) compared to the first quarter of 2015. In addition to the items described above, the increase in net earnings available to common shareholders of the Company included the year-over-year impact of the following significant items:

- the unfavourable impact of the change in fair value adjustment on fuel and foreign currency contracts of $22 million ($0.04 per common share);
- the favourable impact of a decrease in restructuring and other related costs of $11 million ($0.02 per common share);
- the unfavourable impact of retroactive tax legislation amendments of $10 million ($0.02 per common share); and
- the favourable impact of a decrease in net interest expense and other financing charges, primarily due to the fair value adjustment to the Trust Unit Liability of $26 million ($0.06 per common share).

REPORTABLE OPERATING SEGMENTS

Retail Segment

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)		2016 (12 weeks)		2015 (12 weeks)		$ Change	% Change
Sales	$	10,154	$	9,830	$	324	3.3 %
Gross profit		2,776		2,624		152	5.8 %
Adjusted gross profit(2)		2,777		2,624		153	5.8 %
Adjusted gross profit %(2)		27.3%		26.7%			
Adjusted EBITDA(2)	$	780	$	739	$	41	5.5 %
Adjusted EBITDA margin(2)		7.7%		7.5%			
Depreciation and amortization	$	362	$	364	$	(2)	(0.5)%

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)		2016 (12 weeks)			2015 (12 weeks)	
		Sales	Same-store sales		Sales	Same-store sales
Food retail	$	7,390	2.0%	$	7,234	2.0%
Drug retail		2,764	6.3%		2,596	3.1%
Pharmacy		1,313	4.2%		1,257	3.5%
Front Store		1,451	8.2%		1,339	2.7%

Overall Retail Segment Performance Adjusted EBITDA(2) improved by $41 million in the first quarter of 2016 primarily driven by higher sales, including the positive impact of Easter, incremental net synergies, an increase in retail adjusted gross profit(2) rate and improvements in selling, general and administrative expenses ("SG&A") excluding the impact of consolidated franchises.

Sales Retail segment sales were $10,154 million in the first quarter of 2016 compared to $9,830 million in the first quarter of 2015. Retail segment sales increased by $324 million compared to the first quarter of 2015, primarily due to the following factors:

- Food retail same-store sales growth was 2.6% (2015 – 4.0%(5)) for the quarter, after excluding gas bar (0.6%). Including gas bar, Food retail same-store sales growth was 2.0% (2015 – 2.0%). The timing of Easter had a positive impact of approximately 1.0%.
- The Company's Food retail average quarterly internal food price index was moderately higher (2015 – higher) than the average quarterly national food price inflation of 4.3% (2015 – 4.6%), 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.
- Drug retail sales were comprised of pharmacy same-store sales growth of 4.2% (2015 – 3.5%) and front store same-store sales growth of 8.2% (2015 – 2.7%). The timing of Easter had a positive impact on front store same-store sales of approximately 1.9%.
- In the last 12 months, Retail net square footage decreased by 0.2 million square feet, or 0.3%, primarily driven by the Company's store closure plan announced in 2015.

Adjusted gross profit(2), adjusted gross profit percentage(2) and adjusted EBITDA(2) in the first quarter of 2016 included the impacts of the consolidation of franchises in the quarter, as set out in "Other Retail Business Matter".

Adjusted Gross Profit(2) Adjusted gross profit(2) was $2,777 million in the first quarter of 2016 compared to $2,624 million in the first quarter of 2015. Adjusted gross profit percentage(2) of 27.3% increased by 60 basis points compared to the first quarter of 2015. Excluding the consolidation of franchises, the adjusted gross profit percentage(2) was 26.9%, an increase of 20 basis points compared to the first quarter of 2015, driven by the achievement of operational synergies and an increase in underlying gross margin, partially offset by the impact of healthcare reform.

Adjusted EBITDA[(2)] Adjusted EBITDA[(2)] was $780 million in the first quarter of 2016 compared to $739 million in the first quarter of 2015, an increase of $41 million, or 5.5%, driven by an increase in adjusted gross profit[(2)] described above, partially offset by an increase in SG&A of $112 million. SG&A as a percentage of sales was 19.6%, an increase of 40 basis points compared to the first quarter of 2015. Excluding the consolidation of franchises, SG&A as a percentage of sales was 19.1%, an improvement of 10 basis points compared to the first quarter of 2015, with higher store and store support costs being more than offset by the achievement of operational synergies and favourable foreign exchange impacts.

Depreciation and Amortization Depreciation and amortization was $362 million in the first quarter of 2016, a decrease of $2 million compared to the first quarter of 2015, and included $124 million (2015 – $124 million) in amortization of intangible assets related to the acquisition of Shoppers Drug Mart Corporation ("Shoppers Drug Mart"). Excluding this amount, depreciation and amortization decreased by $2 million, primarily attributable to lower depreciation on older supply chain assets.

Other Retail Business Matter

Consolidation of Franchises As at the end of the first quarter of 2016, the Company consolidated 115 franchise stores, which included 30 additional franchises and 85 stores consolidated in 2015. The Company recorded the incremental impacts of the 115 consolidated franchise stores as follows:

(millions of Canadian dollars)	**2016 (12 weeks)**
Sales	**$ 64**
Gross profit	**59**
Adjusted gross profit[(2)]	**59**
Adjusted EBITDA[(2)]	**(6)**
Depreciation and amortization	**4**
Net loss attributable to Non-Controlling Interest	**(9)**

The Company operates more than 500 franchise stores, including 115 consolidated franchise stores, under the new and existing franchise agreements. The Company will continue to convert franchises to the new, simplified franchise agreement as the existing agreements expire.

Financial Services Segment[3]

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)	2016 (12 weeks)	2015 (12 weeks)	$ Change	% Change
Revenue	$ 207	$ 199	$ 8	4.0 %
Adjusted EBITDA[2]	44	45	(1)	(2.2)%
Earnings before income taxes	28	28	—	— %

(millions of Canadian dollars except where otherwise indicated)	As at March 26, 2016	As at March 28, 2015	$ Change	% Change
Average quarterly net credit card receivables	$ 2,692	$ 2,554	$ 138	5.4%
Credit card receivables	2,594	2,478	116	4.7%
Allowance for credit card receivables	53	51	2	3.9%
Annualized yield on average quarterly gross credit card receivables	14.0%	14.2%		
Annualized credit loss rate on average quarterly gross credit card receivables	4.5%	4.8%		

Earnings before income taxes Earnings before income taxes were $28 million in the first quarter of 2016, flat compared to the first quarter of 2015, driven by higher interest income attributable to growth in the credit card receivables portfolio and an increase in Mobile Shop sales, offset by higher costs associated with the Financial Services loyalty program and higher credit card losses as a result of an increased active customer base.

Credit Card Receivables As at March 26, 2016, credit card receivables were $2,594 million, an increase of $116 million compared to March 28, 2015. This increase was primarily driven by a growth in the active customer base as a result of continued investments in customer acquisition, marketing and product initiatives. As at March 26, 2016, the allowance for credit card receivables was $53 million, an increase of $2 million compared to March 28, 2015 due to the growth in the credit card receivables portfolio.

Choice Properties Segment[3]

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)	2016 (12 weeks)	2015 (12 weeks)	$ Change	% Change
Revenue	$ 192	$ 182	$ 10	5.5 %
Adjusted EBITDA[2]	136	127	9	7.1 %
Net interest expense and other financing charges	268	339	(71)	(20.9)%
Adjusted funds from operations[2]	83	75	8	10.7 %

Adjusted EBITDA[2] Adjusted EBITDA[2] was $136 million in the first quarter of 2016, an increase of $9 million compared to the first quarter of 2015, primarily driven by:

- an increase in base rent and net recoveries of property tax and operating costs from existing properties; partially offset by
- the change in fair value adjustment on investment properties.

Net Interest Expense and Other Financing Charges Net interest expense and other financing charges were $268 million in the first quarter of 2016, a decrease of $71 million compared to the first quarter of 2015, primarily driven by the change in fair value adjustment on Class B Limited Partnership units.

Adjusted Funds from Operations[2] Adjusted funds from operations[2] were $83 million in the first quarter of 2016, an increase of $8 million compared to the first quarter of 2015, primarily driven by higher contributions from property operations.

DECLARATION OF DIVIDENDS

Subsequent to the end of the first quarter of 2016, the Board of Directors declared a quarterly dividend on Common Shares and Second Preferred Shares, Series B.

Common Shares	$0.26 per common share, payable on July 1, 2016 to shareholders of record on June 15, 2016
Second Preferred Shares, Series B	$0.33 per share, payable on June 30, 2016 to shareholders of record on June 15, 2016

OUTLOOK[(4)]

Loblaw remains focused on its strategic framework, delivering the best in food, best in health and beauty, operational excellence and growth. This strategic framework is supported by a financial strategy of maintaining a stable trading environment that targets positive same-store sales and stable gross margin; surfacing efficiencies; delivering synergies as a result of its acquisition of Shoppers Drug Mart; and returning capital to shareholders. In 2016, the Company expects to:

- deliver positive same-store sales and stable gross margin in its Retail segment in a highly competitive grocery market and with continued negative pressure from healthcare reform;
- grow adjusted net earnings;
- invest approximately $1.3 billion in capital expenditures, including $1.0 billion in its Retail segment; and
- return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

NON-GAAP FINANCIAL MEASURES

The Company uses the following non-GAAP financial measures: Retail segment adjusted gross profit, Retail segment adjusted gross profit percentage, EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted net interest expense and other financing charges, adjusted income taxes, adjusted income tax rate, adjusted net earnings, adjusted diluted net earnings per common share, and with respect to Choice Properties Real Estate Investment Trust ("Choice Properties"): adjusted funds from operations. 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 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 details on the nature of items excluded in the calculation of any of the non-GAAP financial measures detailed below see the "Non-GAAP Financial Measures" section of the Company's 2016 First Quarter Report to Shareholders.

Retail Segment Adjusted Gross Profit and Retail Segment Adjusted Gross Profit Percentage The following table reconciles the Retail segment adjusted gross profit to Retail segment gross profit. Retail segment adjusted gross profit percentage is calculated as adjusted Retail segment gross profit divided by Retail segment sales. The Company believes that Retail segment adjusted gross profit is useful in assessing the Retail segment's underlying operating performance and in making decisions regarding the ongoing operations of the business.

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars)	**2016** **(12 weeks)**	2015 (12 weeks)
Retail segment gross profit	**$ 2,776**	$ 2,624
Add impact of the following:		
Restructuring and other related costs	**1**	—
Retail segment adjusted gross profit	**$ 2,777**	$ 2,624

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin The following table reconciles earnings before income taxes, net interest expense and other financing charges and depreciation and amortization ("EBITDA"), adjusted EBITDA and adjusted operating income to operating income, which is reconciled to GAAP net earnings measures reported in the unaudited interim period condensed consolidated statements of earnings for the periods ended March 26, 2016 and March 28, 2015. The Company believes that adjusted EBITDA is 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 EBITDA margin is calculated as adjusted EBITDA divided by revenue.

					2016 (12 weeks)					2015 (12 weeks)
(millions of Canadian dollars)	Retail	Financial Services[3]	Choice Properties[3]	Consolidation and Eliminations	Consolidated	Retail	Financial Services[3]	Choice Properties[3]	Consolidation and Eliminations	Consolidated
Net earnings attributable to shareholders of the Company					$ 196					$ 146
Add (deduct) impact of the following:										
Non-Controlling Interests					(9)					—
Net interest expense and other financing charges					157					192
Income taxes					92					76
Operating income	$ 393	$ 41	$ 136	$ (134)	$ 436	$ 370	$ 42	$ 127	$ (125)	$ 414
Depreciation and amortization	362	3	—	3	368	364	3	—	3	370
EBITDA	$ 755	$ 44	$ 136	$ (131)	$ 804	$ 734	$ 45	$ 127	$ (122)	$ 784
Operating income	$ 393	$ 41	$ 136	$ (134)	$ 436	$ 370	$ 42	$ 127	$ (125)	$ 414
Add (deduct) impact of the following:										
Amortization of intangible assets acquired with Shoppers Drug Mart	124	—	—	—	124	124	—	—	—	124
Fair value adjustment on fuel and foreign currency contracts	10	—	—	—	10	(12)	—	—	—	(12)
Prior year tax assessment	10	—	—	—	10	—	—	—	—	—
Fixed asset and other related impairments, net of recoveries	2	—	—	—	2	3	—	—	—	3
Pension annuities and buy-outs	2	—	—	—	2	—	—	—	—	—
Restructuring and other related costs	1	—	—	—	1	12	—	—	—	12
Shoppers Drug Mart acquisition-related cost, net of impact from divestitures	—	—	—	—	—	2	—	—	—	2
Adjusted operating income	$ 542	$ 41	$ 136	$ (134)	$ 585	$ 499	$ 42	$ 127	$ (125)	$ 543
Depreciation and amortization	362	3	—	3	368	364	3	—	3	370
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	(124)	—	—	—	(124)	(124)	—	—	—	(124)
Adjusted EBITDA	$ 780	$ 44	$ 136	$ (131)	$ 829	$ 739	$ 45	$ 127	$ (122)	$ 789

The following describes the new adjusting item in the first quarter of 2016:

Prior year tax assessment During the first quarter of 2016, the province of Ontario enacted retroactive amendments to the Land Transfer Tax Act. The amendments were applicable to land transfer activities between related parties that occurred on or after July 19, 1989. The amendments impacted certain land transfers between the Company and Choice Properties at the time of the initial public offering, resulting in a charge of $10 million to the SG&A in the Retail segment in the first quarter of 2016.

Adjusted Net Interest Expense and Other Financing Charges The following table reconciles adjusted net interest expense and other financing charges to net interest expense and other financing charges in the unaudited interim period condensed consolidated statements of earnings for the periods ended March 26, 2016 and March 28, 2015. The Company believes that adjusted net interest expense and other financing charges is useful in assessing the Company's underlying financial performance and in making decisions regarding the financial operations of the business.

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars)		**2016** **(12 weeks)**		2015 (12 weeks)
Net interest expense and other financing charges	**$**	**157**	$	192
Deduct impact of the following:				
Fair value adjustment to the Trust Unit Liability		**32**		58
Accelerated amortization of deferred financing costs		**—**		3
Adjusted net interest expense and other financing charges	**$**	**125**	$	131

Adjusted Income Taxes and Adjusted Income Tax Rate The Company believes adjusted income taxes is useful in assessing the underlying operating performance and in making decisions regarding the ongoing operations of its business.

For the periods ended March 26, 2016 and March 28, 2015 (millions of Canadian dollars except where otherwise indicated)		**2016** **(12 weeks)**		2015 (12 weeks)
Adjusted operating income(i)	**$**	**585**	$	543
Adjusted net interest expense and other financing charges(i)		**125**		131
Adjusted earnings before taxes	**$**	**460**	$	412
Income taxes	**$**	**92**	$	76
Add (deduct) impact of the following:				
Tax impact of items included in adjusted earnings before taxes(ii)		**39**		35
Statutory corporate income tax rate change		**(3)**		—
Adjusted income taxes	**$**	**128**	$	111
Effective tax rate		**33.0%**		34.2%
Adjusted income tax rate		**27.8%**		26.9%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.

(ii) See the EBITDA, adjusted EBITDA and adjusted EBITDA margin table and the adjusted net interest expense and other financing charges table above for a complete list of items included in adjusted earnings before taxes.

Adjusted income tax rate is calculated as adjusted income taxes divided by the sum of adjusted operating income less adjusted net interest expense and other financing charges.

The following describes the new adjusting item in the first quarter of 2016:

Statutory corporate income tax rate change The Company's deferred income tax assets and liabilities are impacted by changes to provincial and federal statutory corporate income tax rates resulting in a charge or benefit to earnings. The Company implements changes in the statutory corporate income tax rate in the same period the change is substantively enacted by the legislative body.

In the first quarter of 2016, the government of New Brunswick announced an increase to the statutory corporate income tax rate from 12% to 14% effective April 1, 2016 that was enacted in the first quarter. As a result, Loblaw recorded a charge related to the remeasurement of deferred tax assets and liabilities.

Adjusted Net Earnings and Adjusted Diluted Net Earnings Per Common Share The Company believes adjusted net earnings and adjusted diluted 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 diluted net earnings per common share to GAAP diluted net earnings per common share as reported for the periods ended March 26, 2016 and March 28, 2015:

($ except where otherwise indicated)		**2016 (12 weeks)**		2015 (12 weeks)
Diluted net earnings per common share	**$**	**0.47**	$	0.35
Add (deduct) impact of the following:				
Amortization of intangible assets acquired with Shoppers Drug Mart		**0.22**		0.22
Fair value adjustment to the Trust Unit Liability(i)		**0.08**		0.14
Fair value adjustment on fuel and foreign currency contracts		**0.02**		(0.02)
Prior year tax assessment		**0.02**		—
Statutory corporate income tax rate change		**0.01**		—
Restructuring and other related costs		**—**		0.02
Accelerated amortization of deferred financing costs		**—**		0.01
Adjusted diluted net earnings per common share	**$**	**0.82**	$	0.72
Diluted weighted average common shares outstanding (millions)		**412.6**		416.1
Adjusted net earnings attributable to shareholders of the Company (millions of Canadian dollars)	**$**	**341**	$	301
Less: Prescribed dividends on preferred shares in share capital (millions of Canadian dollars)		**(3)**		—
Adjusted net earnings available to common shareholders of the Company (millions of Canadian dollars)	**$**	**338**	$	301

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

Choice Properties' Adjusted Funds from Operations The following table reconciles Choice Properties' adjusted funds from operations to GAAP measures for the periods ended March 26, 2016 and March 28, 2015. The Company believes adjusted funds from operations is useful in measuring economic performance and is indicative of Choice Properties' ability to pay distributions.

(millions of Canadian dollars)		**2016 (12 weeks)**		2015 (12 weeks)
Net Loss	**$**	**(132)**	$	(211)
Fair value adjustments on Class B Limited Partnership units		**181**		254
Fair value adjustments on investment properties		**14**		1
Fair value adjustments on unit-based compensation		**1**		—
Fair value adjustments of investment property held in equity accounted joint venture		**(14)**		—
Distributions on Class B Limited Partnership units		**53**		50
Funds from Operations	**$**	**103**	$	94
Straight-line rental revenue		**(9)**		(9)
Amortization of finance charges		**(1)**		—
Unit-based compensation expense		**1**		—
Sustaining property and leasing capital expenditures, normalized(i)		**(11)**		(10)
Adjusted Funds from Operations	**$**	**83**	$	75

(i) Seasonality impacts the timing of capital expenditures. The adjusted funds from operations calculation has been adjusted for this factor to make the quarters more comparable.

SEGMENT INFORMATION

The Company has three 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, gas bars and apparel and other general merchandise. This segment is comprised of several operating segments that are aggregated primarily due to similarities in the nature of products and services offered for sale in the retail operations and the customer base;
- The Financial Services segment provides credit card services, loyalty programs, insurance brokerage services, personal banking services provided by a major Canadian chartered bank, deposit taking services and telecommunication services; and
- The Choice Properties segment 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. Differences in policies are eliminated in Consolidation and Eliminations.

The Company's chief operating decision maker evaluates segment performance on the basis of adjusted EBITDA(2) and adjusted operating income(2), as reported to internal management, on a periodic basis.

Information for each reportable operating segment is included below:

					March 26, 2016 (12 weeks)					March 28, 2015 (12 weeks)
(millions of Canadian dollars)	**Retail**	**Financial Services(3)**	**Choice Properties(3)**	**Consolidation and Eliminations(i)**	**Total**	Retail	Financial Services(3)	Choice Properties(3)	Consolidation and Eliminations(i)	Total
Revenue(ii)	**$10,154**	**$ 207**	**$ 192**	**$ (172)**	**$ 10,381**	$ 9,830	$ 199	$ 182	$ (163)	$ 10,048
EBITDA(iii)	**$ 755**	**$ 44**	**$ 136**	**$ (131)**	**$ 804**	$ 734	$ 45	$ 127	$ (122)	$ 784
Adjusting Items(iii)	**25**	**—**	**—**	**—**	**25**	5	—	—	—	5
Adjusted EBITDA(iii)	**$ 780**	**$ 44**	**$ 136**	**$ (131)**	**$ 829**	$ 739	$ 45	$ 127	$ (122)	$ 789
Depreciation and Amortization(iv)	**238**	**3**	**—**	**3**	**244**	240	3	—	3	246
Adjusted Operating Income(iii)	**$ 542**	**$ 41**	**$ 136**	**$ (134)**	**$ 585**	$ 499	$ 42	$ 127	$ (125)	$ 543
Net interest expense and other financing charges	**$ 78**	**$ 13**	**$ 268**	**$ (202)**	**$ 157**	$ 86	$ 14	$ 339	$ (247)	$ 192

(i) Consolidation and Eliminations includes the following items:

- Revenue includes the elimination of $128 million (2015 – $123 million) of rental revenue and $44 million (2015 – $40 million) of cost recovery recognized by Choice Properties, generated from the Retail segment.
- Adjusted operating income includes the elimination of the $128 million (2015 – $123 million) impact of rental revenue described above; the elimination of a $14 million loss (2015 – $1 million loss) 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; the elimination of a $14 million gain (2015 – nil) recognized by Choice Properties related to the fair value adjustments on investment properties in the joint venture; the recognition of $3 million (2015 – $3 million) of depreciation expense for certain investment properties recorded by Choice Properties; and the elimination of intercompany charges of $3 million (2015 – nil).
- Net interest expense and other financing charges includes the elimination of $65 million (2015 – $62 million) of interest expense included in Choice Properties related to debt owing to the Company and a $181 million fair value loss (2015 – loss of $254 million) recognized by Choice Properties on Class B Limited Partnership units held by the Company. Net interest and other financing charges also includes Unit distributions to external unitholders of $12 million (2015 – $11 million), which excludes distributions paid to the Company and a $32 million fair value loss (2015 – $58 million loss) on the Company's Trust Unit Liability.

(ii) Included in Financial Services revenue is $96 million (2015 – $92 million) of interest income.

(iii) Certain items are excluded from EBITDA(2) to derive adjusted EBITDA(2). Adjusted EBITDA(2) is used internally by management when analyzing segment underlying performance.

(iv) Depreciation and amortization for the calculation of adjusted EBITDA(2) excludes $124 million (2015 – $124 million) of amortization of intangible assets acquired with Shoppers Drug Mart.

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, synergies and other benefits associated with the acquisition of Shoppers Drug Mart, future liquidity, planned capital investments, and status and impact of IT systems implementation. 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 2016 is based on certain assumptions including assumptions about anticipated cost savings, operating efficiencies and continued growth from current 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 2015 Annual Report – Financial Review and the Company's 2015 Annual Information Form ("AIF") (for the year ended January 2, 2016). 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;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- failure to realize the anticipated strategic benefits associated with the acquisition of Shoppers Drug Mart;
- public health events including those related to food or drug safety;
- failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies associated with the Company's major initiatives, including those from restructuring;
- failure by the Company's franchisees or Shoppers Drug Mart licensees ("Associates") to operate in accordance with prescribed procedures or standards, or disruptions to the Company's relationship with its franchisees or Associates;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements, which could lead to work stoppages;
- changes in the Company's income, capital, commodity, property and other tax and regulatory liabilities, including changes in tax laws, regulations or future assessments;
- reliance on the performance and retention of third party service providers, including those associated with the Company's supply chain and apparel business;
- issues with vendors in both advanced and developing markets;
- 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;
- failure to merchandise effectively or in a manner that is responsive to customer demand;
- heightened competition, whether from current competitors or new entrants to the marketplace;
- changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates, interest rates, currency exchange rates or derivative and commodity prices;
- the impact of potential environmental liabilities; and
- the inability of the Company to collect on or fund its credit card receivables.

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 2015 AIF (for the year ended January 2, 2016). 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

2015 Annual Report and 2016 First Quarter Report to Shareholders

The Company's 2015 Annual Report and 2016 First Quarter Report to Shareholders are available in the "Investors" section of the Company's website at loblaw.ca and sedar.com.

Investor Relations

Investor inquiries, contact:	Media inquiries, contact:
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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 4, 2016 at 10:00 a.m. (EDT).

To access via tele-conference, please dial (416) 204-9702. The playback will be made available approximately two hours after the event at (647) 436-0148, access code: 4056553. 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 2016 Annual Meeting of Shareholders of Loblaw Companies Limited will take place on May 5, 2016 at 11:00 a.m. (EDT) at the Mattamy Athletic Centre, 50 Carlton Street, Toronto, Canada M5B 1J2.

To access via tele-conference, please dial (416) 204-9271. The playback will be made available approximately two hours after the event at (647) 436-0148, access code: 4377497. 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.

(3) The results for the Financial Services and Choice Properties segments are for the periods ended March 31, 2016 and March 31, 2015, consistent with the segments' fiscal calendars. Adjustments to align Financial Services' and Choice Properties' results to March 26, 2016 and March 28, 2015 are included in Consolidation and Eliminations. See the "Non-GAAP Financial Measures" and the "Segment Information" sections of this News Release.

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

(5) 2015 comparative Food retail same-store sales growth also excludes the negative impact of a change in distribution model by a tobacco supplier, which had no impact in the current period.