

Three Year Summary

CONSOLIDATED INFORMATION – CONTINUING OPERATIONS^(1,2)

For the years ended December 31⁽³⁾

(\$ millions except where otherwise indicated)

| | 2008 | 2007 | 2006 |
|--|---------------|--------|--------|
| Operating Results | | | |
| Sales | 32,088 | 30,607 | 29,915 |
| EBITDA ^(4,5) | 1,837 | 1,525 | 1,047 |
| Operating income ⁽⁵⁾ | 1,192 | 875 | 376 |
| Interest expense and other financing charges ⁽⁶⁾ | 360 | 175 | 263 |
| Net earnings (loss) from continuing operations | 645 | 374 | (47) |
| Financial Position | | | |
| Working capital | 1,165 | 380 | 671 |
| Fixed assets | 8,542 | 8,453 | 8,615 |
| Goodwill | 1,116 | 1,103 | 1,120 |
| Total assets | 19,664 | 18,434 | 18,647 |
| Net debt ⁽⁴⁾ | 3,569 | 4,889 | 5,201 |
| Shareholders' equity | 5,927 | 4,677 | 4,953 |
| Cash Flows | | | |
| Cash flows from operating activities of continuing operations | 985 | 1,368 | 1,280 |
| Free cash flow ⁽⁴⁾ | (219) | 379 | (30) |
| Fixed asset purchases | 807 | 658 | 1,006 |
| Per Common Share (\$) | | | |
| Basic net earnings (loss) from continuing operations | 4.63 | 2.46 | (0.78) |
| Basic net earnings | 6.08 | 3.92 | 0.52 |
| Common dividend rate at year end | 1.44 | 1.44 | 1.44 |
| Cash flows from operating activities of continuing operations | 7.27 | 10.15 | 9.50 |
| Fixed asset purchases | 6.25 | 5.10 | 7.80 |
| Book value | 39.58 | 29.90 | 32.06 |
| Market value at year end | 59.90 | 54.08 | 75.60 |
| Financial Ratios | | | |
| EBITDA margin (%) ⁽⁴⁾ | 5.7 | 5.0 | 3.5 |
| Operating margin (%) | 3.7 | 2.9 | 1.3 |
| Return on average total assets (%) ⁽⁴⁾ | 8.3 | 6.2 | 2.7 |
| Return on average common shareholders' equity (%) | 13.3 | 7.9 | (2.4) |
| Interest coverage | 3.1 | 4.4 | 1.3 |
| Net debt (excluding Exchangeable Debentures) ⁽⁴⁾ to equity | 0.58 | 0.96 | 0.96 |
| Cash flows from operating activities of continuing operations to net debt ⁽⁴⁾ | 0.28 | 0.28 | 0.25 |
| Price/net earnings (loss) from continuing operations ratio at year end | 12.9 | 22.0 | (96.9) |
| Market/book ratio at year end | 1.5 | 1.8 | 2.4 |

(1) For financial definitions and ratios refer to the Glossary beginning on page 110.

(2) Certain prior years' information was reclassified to conform with the current year's presentation (see note 1 to the consolidated financial statements). Results of Weston Foods' U.S. fresh bakery business have been reclassified as discontinued operations.

(3) 2008 was a 53-week year.

(4) See non-GAAP financial measures beginning on page 46.

(5) 2008 includes restructuring and other charges of \$5 (2007 – \$215) comprised of a charge of \$6 (2007 – income of \$7) recognized by Weston Foods and income of \$1 (2007 – charge of \$222) recognized by Loblaw (see note 4 to the consolidated financial statements). In addition, 2006 includes a Loblaw goodwill impairment charge of \$800.

(6) 2008 includes non-cash charge of \$11 (2007 – non-cash income of \$141) related to the fair value adjustment of GWL's forward sale agreement for 9.6 million Loblaw common shares (see note 5 to the consolidated financial statements).

SEGMENT INFORMATION – CONTINUING OPERATIONS^(1,2)

 For the years ended December 31⁽³⁾

(\$ millions except where otherwise indicated)

| | | 2008 | 2007 | 2006 |
|---|-----------------------------|--------|--------|--------|
| OPERATING RESULTS | | | | |
| Sales | Weston Foods | 2,197 | 2,088 | 2,098 |
| | Loblaw | 30,802 | 29,384 | 28,640 |
| | Intersegment | (911) | (865) | (823) |
| | Consolidated | 32,088 | 30,607 | 29,915 |
| EBITDA^(4,5) | Weston Foods | 214 | 209 | 174 |
| | Loblaw | 1,623 | 1,316 | 873 |
| | Consolidated | 1,837 | 1,525 | 1,047 |
| Operating Income⁽⁵⁾ | Weston Foods | 154 | 147 | 95 |
| | Loblaw | 1,038 | 728 | 281 |
| | Consolidated | 1,192 | 875 | 376 |
| FINANCIAL POSITION | | | | |
| Fixed Assets | Weston Foods | 497 | 500 | 560 |
| | Loblaw | 8,045 | 7,953 | 8,055 |
| | Consolidated | 8,542 | 8,453 | 8,615 |
| Total Assets | Weston Foods ⁽⁶⁾ | 2,951 | 2,502 | 2,469 |
| | Loblaw | 14,125 | 13,814 | 13,626 |
| | Discontinued Operations | 2,588 | 2,118 | 2,552 |
| | Consolidated | 19,664 | 18,434 | 18,647 |
| CASH FLOWS | | | | |
| Fixed Asset Purchases | Weston Foods | 57 | 45 | 69 |
| | Loblaw | 750 | 613 | 937 |
| | Consolidated | 807 | 658 | 1,006 |
| FINANCIAL RATIOS | | | | |
| EBITDA Margin (%)⁽⁴⁾ | Weston Foods | 9.7 | 10.0 | 8.3 |
| | Loblaw | 5.3 | 4.5 | 3.0 |
| | Consolidated | 5.7 | 5.0 | 3.5 |
| Operating Margin (%) | Weston Foods | 7.0 | 7.0 | 4.5 |
| | Loblaw | 3.4 | 2.5 | 1.0 |
| | Consolidated | 3.7 | 2.9 | 1.3 |
| Return on Average Total Assets (%)⁽⁴⁾ | Weston Foods | 11.0 | 10.5 | 6.9 |
| | Loblaw | 8.1 | 5.7 | 2.2 |
| | Consolidated | 8.3 | 6.2 | 2.7 |

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(6) Total assets include the following: 2008 – nil (2007 – \$157, 2006 – \$215) investment in Domtar common shares/Domtar (Canada) Paper Inc. exchangeable shares.