

Loblaw Companies Limited



We are...



Loblaw
COMPANIES LIMITED

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CANADIAN COMPANIES A.R.



Loblaw Companies Limited (“Loblaw” or the “Company”) is Canada’s largest food distributor and a leading provider of general merchandise products, drugstore and financial products and services. Through its various operating banners, Loblaw is committed to providing Canadians with a one-stop destination in meeting their food and everyday household needs. This goal is pursued through a portfolio of store formats across the country. Loblaw is known for the quality, innovation and value of its food offering. It also offers Canada’s strongest control label program, including the unique *President’s Choice* and *no name* brands.

While food remains at the heart of its offering, Loblaw seeks to change Canadians’ perceptions of what a supermarket can be. Loblaw stores provide a wide, growing and successful range of products and services to meet the everyday household needs of Canadian consumers. In addition, *President’s Choice Financial* services offer core banking, a popular MasterCard®, *PC Financial* auto, home, travel and pet insurance as well as the *PC* points loyalty program.

Loblaw seeks to achieve its business objectives through stable, sustainable and long term growth. Its willingness to assume prudent operating risks is equaled by its commitment to the maintenance of a strong balance sheet position. In executing its strategies, Loblaw allocates the resources needed to invest in and expand its existing markets. It also maintains an active product development program. Loblaw is highly selective in its consideration of acquisitions and other business opportunities. Given the competitive nature of its industry, Loblaw also strives to make its operating environment as stable and as cost effective as possible. It works to ensure that its technology systems and logistics enhance the efficiency of its operations.

Over 134,000 full-time and part-time employees execute its business strategy in more than 1,000 corporate and franchised stores from coast to coast. This makes Loblaw one of Canada’s largest private sector employers. It strives to contribute to the communities it serves and to exercise responsible corporate citizenship.

Loblaw Companies Limited

Store Formats



Many Strengths, One Vision

Contents

2005 Annual Summary

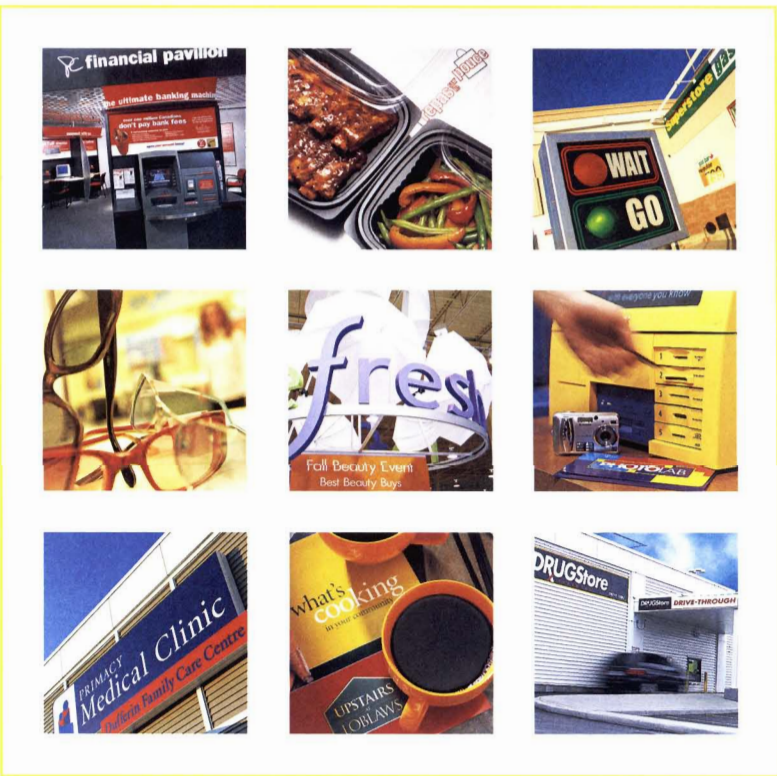
2	Financial Highlights
5	Report to Shareholders
7	Operational Directory
9	Operational Review
16	Community Support
17	Corporate Social Responsibility
18	Summary of Corporate Governance Practices
20	Board of Directors and Corporate Officers

The 2005 Annual Report consists of this 2005 Annual Summary and the 2005 Financial Report.

Customer Focus



Strategic Business Initiatives



...aligning for success.



Product Innovation



National Systems and Supply Chain

For the years ended December 31, 2005 and January 1, 2005 (\$ millions except where otherwise indicated)	2005 (52 weeks)	2004 (52 weeks)
Operating Results		
Sales	\$ 27,801	\$ 26,209
Sales excluding impact of variable interest entities ⁽²⁾	27,423	26,209
Adjusted EBITDA ⁽²⁾	2,132	2,125
Operating income	1,401	1,652
Adjusted operating income ⁽²⁾	1,600	1,652
Interest expense	252	239
Net earnings	746	968
Cash Flow		
Cash flows from operating activities	1,489	1,443
Capital investment	1,156	1,258
Per Common Share (\$)		
Basic net earnings	2.72	3.53
Adjusted basic net earnings ⁽²⁾	3.35	3.48
Dividend rate at year end	.84	.76
Cash flows from operating activities	5.43	5.26
Book value	21.48	19.74
Market price at year end	56.37	72.02
Financial Ratios		
Adjusted EBITDA margin ⁽²⁾	7.8%	8.1%
Operating margin	5.0%	6.3%
Adjusted operating margin ⁽²⁾	5.8%	6.3%
Return on average total assets ⁽²⁾	11.2%	14.2%
Return on average shareholders' equity	13.2%	19.2%
Interest coverage	5.6:1	6.9:1
Net debt ⁽²⁾ to equity	.66:1	.71:1
Operating Statistics		
Retail square footage (in millions)	48.5	45.7
Average corporate store size (square feet)	56,100	53,600
Corporate stores sales per average square foot (\$)	579	592
Same-store sales growth	0.2%	1.5%
Number of corporate stores	670	658
Number of franchised stores	402	400

(1) For financial definitions and ratios refer to the Glossary of Terms on page 68 of the 2005 Financial Report.
(2) See Non-GAAP Financial Measures on page 33 of the 2005 Financial Report.

Forward-Looking Statements

This Annual Report, which consists of the Annual Summary and the Financial Report, contains forward-looking statements which reflect management's expectations regarding the Company's objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements include expected sales and earnings prospects for 2006. Forward-looking statements are typically identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends" and other similar expressions.

These forward-looking statements are not guarantees, but only predictions. Although the Company believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a number of factors that could cause actual results to vary significantly from the estimates, projections and intentions. Such differences may be caused by factors which include, but are not limited to, changes in consumer spending and preferences, heightened competition including new competitors and expansion of current competitors, the ability to realize anticipated cost savings, including those resulting from restructuring and other cost reduction initiatives, the ability to execute restructuring plans effectively, the Company's relationship with its employees, results of labour negotiations including the terms of future collective bargaining agreements, changes to the regulatory environment in which the Company operates now or in the future, changes in the Company's tax liabilities, either through changes in tax laws or future assessments, performance of third-party service providers, public health events, the ability of the Company to attract and retain key executives, and supply and quality control issues with vendors. The Company cautions that this list of factors is not exhaustive. These factors and other risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including the Risks and Risk Management section of the Company's Management's Discussion and Analysis in its Financial Report.

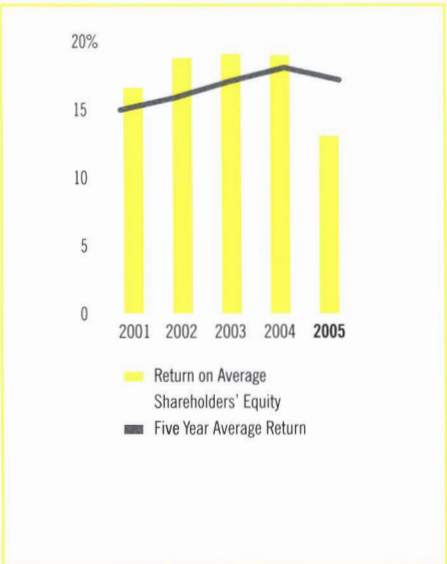
The assumptions applied in making the forward-looking statements contained in this Annual Report include the following: economic conditions in 2006 do not materially change from those expected, patterns of consumer spending are reasonably consistent with historical trends, no new significant competitors enter our markets nor does any existing competitor significantly increase its presence, anticipated cost savings from restructuring activities are realized as planned, continuing future restructuring activities are effectively executed, there are no material work stoppages in 2006 and the performance of third-party service providers is in accordance with expectations in the upcoming year.

Potential investors and other readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on them. The forward-looking statements included in this Annual Report are made only as of the filing date of this Annual Report and the Company does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events contained in these forward-looking statements may or may not occur. The Company cannot assure that projected results or events will be achieved.

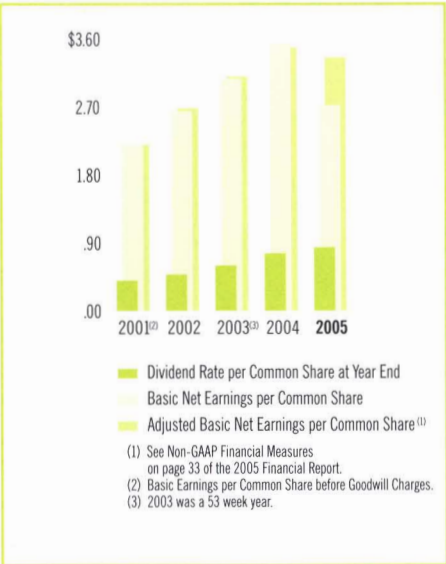
Aligning for success involves...

- offering four distinct store formats while continuing to operate under a multi-banner approach;
- relocating 132 employees and their families from Calgary to Toronto, and from Vancouver to Calgary in order to focus operational efforts towards maximizing opportunities;
- a multi-year restructuring of the Company’s supply chain to a more efficient network of fewer, yet larger facilities;
- consolidating seven administrative offices from across southern Ontario into one national head office and Store Support Centre; and
- investing resources in repositioning the Company for the longer term in response to today’s changing competitive landscape, and absorbing the short term costs associated with that investment.

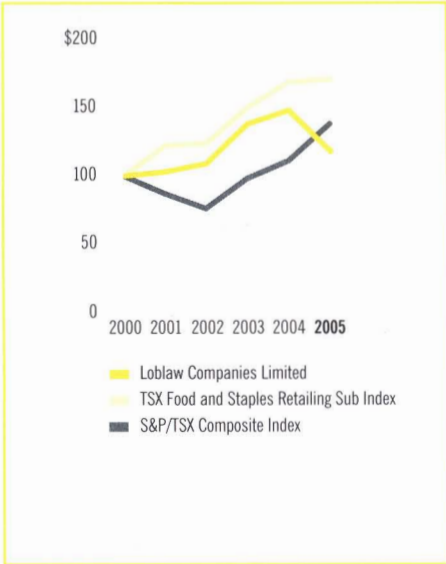
Return on Average
Shareholders’ Equity

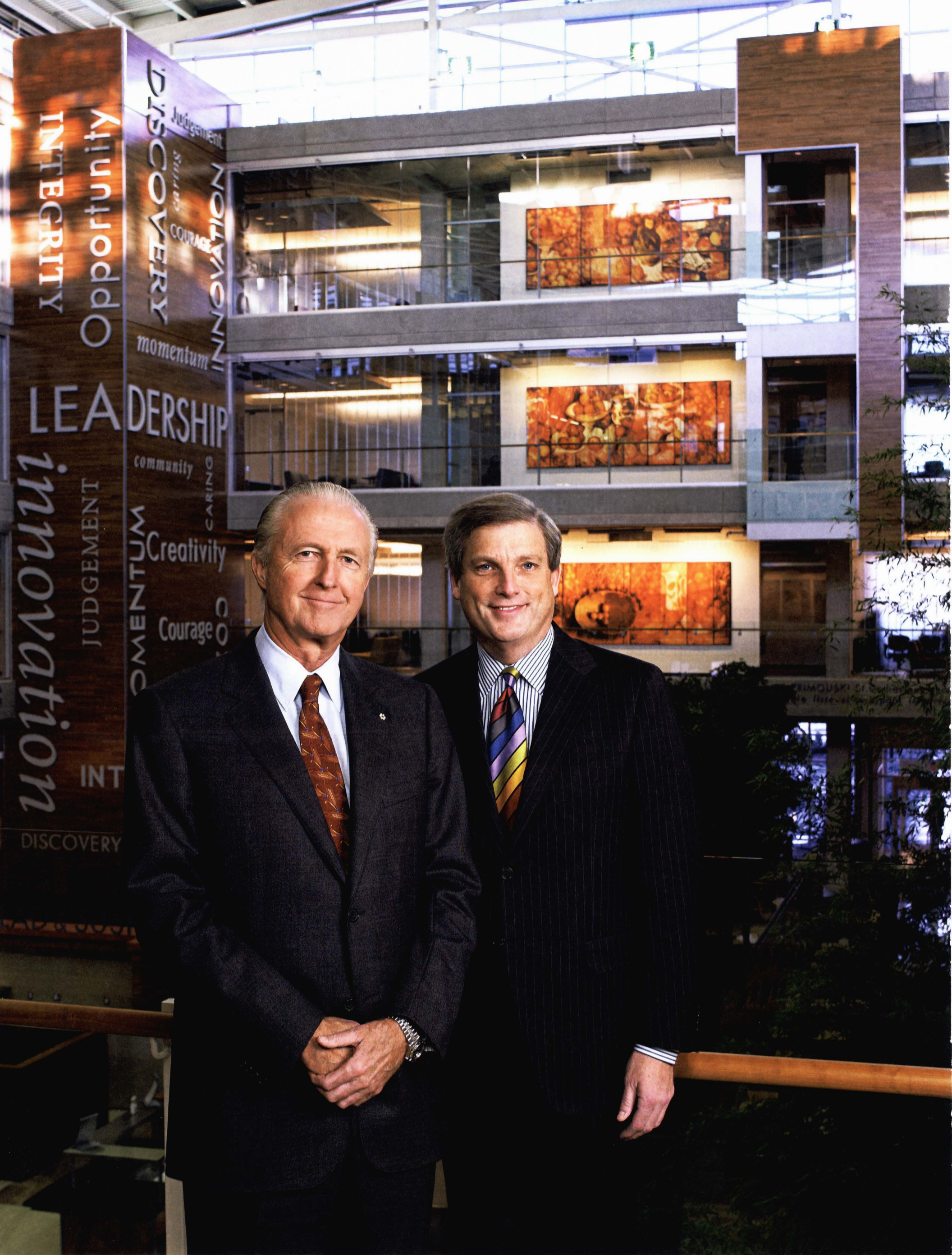


Basic Net Earnings, Adjusted Basic
Net Earnings⁽¹⁾ and Dividend Rate
per Common Share (\$)



Total Return on \$100 Investment
(includes dividend reinvestment)
(\$)





W. Galen Weston, Chairman and John A. Lederer, President

In 2005, Loblaw Companies Limited moved closer to completing one of the largest transformations in its history. We were challenged by the size and impact of the short term costs associated with executing certain elements of the transformation.

At the same time, we were confident that this initiative was absolutely necessary to ensure that Loblaw can continue to compete successfully, to grow and to generate meaningful value over the longer term.

We had anticipated and disclosed that the impact of our transformation would adversely affect sales and earnings during the past year. We also indicated our willingness to incur these consequences in order to complete the process and to realize the long term benefits associated with it. Nonetheless, the short term costs turned out to be greater and more prolonged than expected, as evidenced by our results for 2005. Sales excluding the impact of variable interest entities⁽¹⁾ rose by 4.6% to \$27.4 billion. Adjusted operating income⁽¹⁾ decreased 3.1% to \$1.6 billion. And adjusted basic net earnings per common share⁽¹⁾ fell 3.7% to \$3.35. On an unadjusted basis, sales, operating income and basic net earnings per common share were \$27.8 billion, \$1.4 billion and \$2.72, respectively.

Anticipating a Changing Environment

Loblaw has long demonstrated an ability to anticipate change in the marketplace and to act accordingly. The Company's transformation of recent years reflects a thorough analysis of the fast-changing retail landscape and of our place in it. That landscape is increasingly marked by such factors as an over-supply of retail square footage, the consumer's desire for a value-driven shopping experience, and the presence of low-cost global retailers.

Based on this assessment, the Company developed a comprehensive strategy designed to fortify its competitive position, maintain its leadership role in meeting the food and everyday household needs of Canadians, and generate long-term value for shareholders.

In pursuit of this strategy, Loblaw implemented a number of transformative changes to its structure and operations. These changes were designed to align the different yet connected parts of our business into a more unified, efficient, cost-effective and nationally-focused organization.

We made significant progress in pursuit of these goals in 2005. A number of office facilities were consolidated. A number of functions were reorganized. A national general merchandise organizational structure was established and a new head office and Store Support Centre in Brampton, Ontario that is now home to 2,000 employees was completed.

We have acknowledged on previous occasions that the Company may have taken on too much, too quickly during the past year. This was especially evident in the delays surrounding the execution of planned changes to our national systems platform and supply chain. These delays disrupted the flow of inventory to our stores, which affected sales and earnings. We concluded, however, that the long term interests of the business, our shareholders and other stakeholders would be best served by our completing these measures as quickly as practicable.

These execution-centred challenges are being addressed and resolved. We expect that the negative impact of these changes will be absorbed by the end of the second quarter of 2006. We expect that adjusted basic net earnings per common share⁽¹⁾ performance will improve during the second half of 2006. And we are confident that Loblaw will emerge from this process as a stronger and even more competitive company.

Acting on Our Strategic Imperatives

Even as the Company worked through this transformation during the past year, it remained focused on the day-to-day business of serving customers. These efforts were guided by a number of strategic imperatives reflecting the Company's commitment to becoming more relevant in meeting the food and everyday household needs of Canadians. Significant progress was recorded in pursuit of this objective and against these imperatives during the past year.

Strengthening Our Food Offering Food remains at the heart of our business. In 2005, a number of steps were taken to strengthen that offering and a renewed commitment was made to the fresh component. New products and programs were introduced in the produce, meat, bakery, seafood and deli departments and other areas. Centralized food merchandising teams were established to realize opportunities of scale and develop common practices. And new collaborative initiatives were undertaken with suppliers.

The Company also increased the number of food offerings under two of Canada's most trusted and recognized control label brand names – *President's Choice* and *no name*. These products reinforced the qualities for which the brands are known – innovation, quality, value and focus on the customer.

This focus was especially evident in the Company's response to the consumer's interest in health and nutrition. Well-received initiatives included the publication of the first *Healthy Insider's Report*, featuring *PC Blue Menu*, *PC Mini Chefs* and additional *PC Organics* products.

Growing Our General Merchandise and Drugstore Business Loblaw has demonstrated that an excellent food offering can generate general merchandise and drugstore sales. In 2005, the Company moved to grow these increasingly important elements of our business. A national, integrated organizational structure was established and was relocated to the new head office and Store Support Centre.

The general merchandise offering was focused on conveying such qualities as product innovation, great value and differentiation in the marketplace. The number of products and services offered continued to increase. More than 1,000 of these items are now offered under the *President's Choice* brand. In addition, we continued to build the scope and credibility of our everyday household items to supplement our powerful seasonal offerings.

(1) See Non-GAAP Financial Measures on page 33 of the 2005 Financial Report.

We believe that the strategic transformation will fully align the elements of our business. This will provide the concentration of focus and resources needed to achieve the desired levels of growth going forward.

As a result, the general merchandise and drugstore business helped Loblaw become more important in more aspects of the home. In 2005, we introduced the *PC* Bath and Body line of products, issued the first *PC* Home *Insider's Report*, and launched the *PC Mobile* line of prepaid cellular phone services and related accessories. Most recently, the *Joe Fresh Style* line of apparel for adults has been introduced, offering unique style at value-oriented prices in an easy shopping environment.

Tailoring Formats to Individual Markets In 2005, the Company continued to execute its proven strategy of offering four distinct store formats: superstores, hard discount stores, conventional stores and warehouse clubs. This multi-format approach provides us with the flexibility to serve the needs of specific markets in each region of the country.

Our format strategy was supported by a capital investment program exceeding \$1 billion. Under this program, steps were taken to increase our emphasis on value footage. This reflected the consumer's increasing preference for value and a one-stop shopping experience. We continued the successful expansion of *The Real Canadian Superstore* model into Ontario. As well, discussions continued with organized labour to explore competitive opportunities. These opportunities include converting existing conventional stores into superstores in response to local market conditions and where it makes economic sense to do so. In addition, Loblaw will continue to invest, where appropriate, in its strong conventional format.

Supporting Our Stores Steps were taken in 2005 to provide consumers with a consistent and unique shopping experience across the store network. New and re-formatted banner identities were developed, store exteriors were remodeled, store architecture and decor were updated, and new in-store signage was introduced. As well, a 40,000 square foot facility was established to provide opportunities to pre-test department layouts and signage, as well as to conduct product education and other training programs. These and other measures helped to convey the selection, quality, service and value underlying the Company's offering to consumers.

Work also continued on the conversion to one national systems platform across a number of functions, including store ordering, purchasing, and inventory tracking. In addition, the Company moved forward on the restructuring of its supply chain. Upon completion, this measure is expected to improve the movement of inventory, reduce wait times, improve service levels to the stores, and lower costs. Measures were also taken to simplify the Company's distribution network. This entailed the closure of several smaller facilities and the transfer of various functions to larger and more cost-effective centres. The year also saw the opening of a new, third-party owned and operated general merchandise warehouse and distribution centre for eastern Canada. In addition, the Company began a process that

will examine how to simplify its business operations, including the flow of goods from vendors to store shelves.

Developing Our Greatest Resource During the past year, we introduced a number of measures designed to develop our greatest resource – our employees. The Leadership Means Business program continued to expand. This program is designed to enhance the capabilities of managers in leading and engaging the men and women on the Company's front line. Its goal is to identify, train, support and strengthen leadership at the store level.

The Store Managers' Council completed its first full year of operation in 2005. This group of twelve managers from different regions focuses on such issues as improving communication, leadership development and training programs for store personnel. The Council also attended and reported to the Company's annual management conference in 2005. These actions reflected the commitment made by senior management to consult with and listen to people in the stores, and to act on their feedback and recommendations.

Other leadership-related initiatives of the past year were designed to encourage collaboration, alignment and leadership across the store network. These measures included off-site leadership sessions for store personnel as well as visits to and tours of individual stores. The Company also took steps that will provide a common approach to leadership coaching, program execution and business development at the store level.

Aligning for Success

While the past year had its share of short term challenges, it also saw a number of positive developments that bode well for the future. We believe that the strategic transformation will fully align the elements of our business. It will provide the concentration of focus and resources needed to achieve the desired levels of growth going forward. It also reflects our commitment to manage the business for the longer term. As we have done successfully in the past, we believe that we are taking the significant steps required to ensure that Loblaw continues to grow, to succeed and to provide sustainable value in a changing landscape.

The Company's achievements in any given year are attributable to our employees, shareholders, customers, vendors and other partners. We are especially appreciative of their efforts and commitment during the past year, which was marked by short term challenge and long term opportunity. We are confident that the benefits of our transformation will reward the confidence shown by all our valued stakeholders in this great Canadian enterprise.

W. Galen Weston

W. Galen Weston
Chairman

John A. Lederer

John A. Lederer
President

Operational Directory

(includes age and years of service)

John A. Lederer
(50 and 29 years)
President

Mark Butler
(45 and 30 years)
Atlantic Operations

Bernard J. McDonell
(51 and 12 years)
Quebec Operations

Carmen Fortino
(47 and 21 years)
Ontario Operations

R. Glen Gonder
(47 and 28 years)
Western Operations

Preston D. McLean
(44 and 20 years)
Atlantic Superstore
and Dominion*
*in Newfoundland and Labrador

Tom Cogswell
(56 and 39 years)
Atlantic SaveEasy
and Cash & Carry

Dave Mock
(46 and 23 years)
Quebec Merchandising

André Fortier
(48 and 5 years)
Maxi

Daniel Dufresne
(48 and 4 years)
Retail Operations

Jocyanne Bourdeau
(38 and 2 years)
Loblaws and Maxi & Cie.

Serge Racette
(47 and 3 years)
Provigo, L'Intermarché, Axep

N. Deane Collinson
(51 and 21 years)
Loblaws

Vince Scorniaenchi
(47 and 33 years)
Zehrs Markets
and Fortinos

Robert Adams
(45 and 22 years)
No Frills

Tim R. Staffen
(47 and 17 years)
Your Independent Grocer
and Valu-mart

Raymond P. Daoust
(52 and 34 years)
The Real Canadian Superstore

David A. Berg
(44 and 28 years)
Extra Foods

Robert Pols
(47 and 7 years)
SuperValu, Shop Easy Foods
and Lucky Dollar Foods

Robert A. Balcom
(44 and 12 years)
General Counsel

David C. Boone
(36 and 13 years)
The Real Canadian Wholesale Club
and Cash & Carry

David K. Bragg
(57 and 22 years)
Real Estate

Roy R. Conliffe
(55 and 24 years)
Labour Relations

Joseph Jackman
(46 and 1 year)
Marketing

David R. Jeffs
(48 and 27 years)
General Merchandise Operations

Richard P. Mavrinac
(53 and 23 years)
Treasury, Tax, Risk Management
and Investor Relations

Peter McMahon
(effective February 2006)
Supply Chain

Paul D. Ormsby
(54 and 23 years)
Information Technology and
Food Sourcing and Procurement

Pietro Satriano
(43 and 4 years)
Control Label Development

Stephen A. Smith
(48 and 20 years)
Financial Control and Reporting,
Employee Development and
Services and Loss Prevention

Galen G. Weston
(33 and 8 years)
Corporate Development



National Head Office and Store Support Centre opened in 2005.



At The Real Canadian Superstore, customers enjoy an exciting shopping experience where “Super never cost so little”.

As the heart of its business, the Company took steps in 2005 to further strengthen its store network and to make those stores more relevant to Canadian consumers.

This was pursued, in large part, through the Company's assortment of formats operating under a number of banners. This multi-format approach ensures that the Company can provide the store model and the product offerings that best suit the consumer preferences and business environment in any given market area.

Throughout 2005, the Company continued to execute a significant capital investment program in support of its stores and formats. A particular focus of this program was the growth of the superstore format in Ontario. This strategic initiative continued to be well received and to generate positive results. In addition, the Company continued its collaborative dialogue with the representatives of its unionized employees. This dialogue focused on such business opportunities as expanding the superstore format by converting conventional locations where it makes sense to do so. This strategy helps to address the consumer's increasing preference for value and convenience. It also reflects the Company's stated commitment to provide Canadians with a one-stop shopping destination in meeting their food and everyday household needs.

In support of that commitment, Loblaw refreshed the appearance of many of its stores during the past year. These alterations were designed to reinforce the stores' position in the marketplace as destinations for value, quality and selection. Store exteriors were enhanced through remodeling and new signage. Interiors featured new architecture, decor and in-store signage. And several banners received new or re-formatted identities as part of this multi-faceted process.

In 2005, the Company took other, less visible, steps to support its store network. A number of operational and administrative functions were brought together so that they could work more effectively. A new head office and Store Support Centre was opened in Brampton, Ontario. And a testing facility was opened, in which training programs can be conducted and potential department layouts can be examined before being introduced into the stores. These measures were taken to ensure that the Company's many strengths support the vision of a more aligned organization.

Over **48** million
square feet of retail space
from coast to coast.



Over **134,000**
employees contribute to
Loblaw's successes.



Over **1,700,000**
customers enjoy the convenience
of shopping at our stores every day.





Healthy eating never tasted so good! Our *PC Blue Menu* line of over 200 products offers Canadians a healthier alternative.

Loblaw has a proven ability to anticipate and respond to changing consumer preferences in an increasingly competitive landscape and is committed to meeting more of the food and everyday household needs of consumers from coast to coast.

The Company fulfills this commitment by providing an increasing range of food, general merchandise and drugstore offerings, many under the extremely successful *President's Choice*, *no name* and *Exact* control label brand names.

Along with its store network, food remains at the heart of the Company. In 2005, Loblaw continued its focus on the fresh component of its food business by introducing new products and programs and implementing a number of operational measures. These measures included the creation of a centralized food merchandising function designed to achieve opportunities of scale and to identify common practices. In addition, the Company engaged its suppliers in developing more effective ways of working together.

These measures were aimed at further reinforcing consumer confidence in the Company's food offering and increasing customer loyalty to its stores. This loyalty was earned by building on the proven success of the *President's Choice* brand, especially in addressing the growing consumer interest in nutrition

and health. A number of measures initiated in 2005 demonstrated the continuing leadership role played by the Company and by *President's Choice*. The *PC Blue Menu* line of healthier, nutritious foods was launched and the *PC Mini Chefs* portfolio was expanded. And the Company's first *Healthy Insider's Report* was published. These actions further enhanced the reputation of *President's Choice* for innovative, affordable and convenient products. In addition, the *PC points* program offered through *President's Choice Financial* services continued to play an important part in the Company's consumer loyalty initiative.

To complement its excellent food offering, the Company continued to add to its assortment of general merchandise, drugstore and financial products and services, a number of which were offered under the *President's Choice* brand. New offerings, like the *PC Mobile* line of prepaid cellular phone services and the *Joe Fresh Style* line of apparel for adults, are helping the Company become more relevant to its customers' varied lifestyles.

Over **300**
items featured in the
PC Home Insider's Report.



Over **1,900**
new control label products
introduced in 2005.



Over **500,000**
President's Choice Chicago
Deep Dish Pizzas sold at launch.





A wide variety of breads and rolls are baked fresh daily in-store.

While many of the Company’s transformative changes are visible to the consumer, some less visible but equally important initiatives were completed in 2005 while others will continue into the first half of 2006.

These measures are designed to assist in the pursuit of the Company’s strategic imperatives, making Loblaw more streamlined, efficient and cost-effective in everything it does.

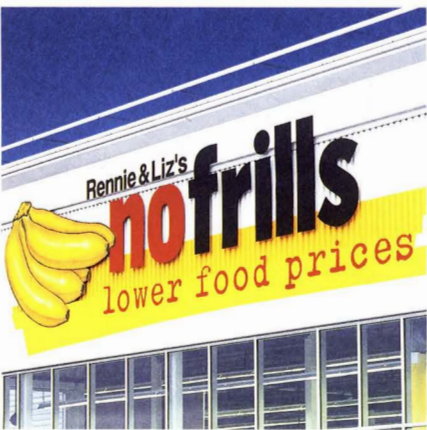
These transformative changes include the conversion to a national systems platform across a number of functions, such as store ordering, purchasing, and inventory tracking. The Company also moved forward on the restructuring of its supply chain network. Upon completion, this measure will improve the movement of inventories, enhance efficiencies, and lower costs. The Company also continued to simplify its distribution network in 2005 with the closure of a number of smaller facilities and the transfer of their functions to larger, more cost-effective centres. The past year also saw the opening of a third-party owned and operated general merchandise warehouse and distribution centre serving eastern Canada. In addition, the Company began a process that will examine how to simplify the flow of goods to stores.

Loblaw has also taken steps to strengthen the leadership skills among its employees. An in-house, tailored leadership program has been developed to enhance the capabilities of managers. This program is designed to identify, support and strengthen leadership at the store level reflecting the commitment of senior management to engage in dialogue with store personnel, and to act on their feedback and recommendations. An important aspect of this leadership program is the Store Managers’ Council. The Council’s rotating membership of twelve managers meets to discuss and develop recommendations on ways to improve and better serve the Company’s stores. During 2005, these discussions covered issues such as training programs, leadership development and communication among employees.

Other store-focused leadership initiatives are equally important in promoting leadership and cooperation. A number of these measures were pursued during the past year. In order to ensure consistency, common approaches were developed in such areas as leadership coaching, business development and program execution.

Number of Stores

- 53 Atlantic SaveEasy
- 51 Atlantic Superstore
- 14 Dominion*
(in Newfoundland and Labrador)
- 103 Extra Foods
- 21 Fortinos
- 95 Loblaws



- 67 Lucky Dollar Foods
- 97 Maxi
- 15 Maxi & Cie
- 130 No Frills
- 107 Provigo
- 88 The Real Canadian Superstore
- 37 The Real Canadian Wholesale Club



- 52 Shop Easy Foods
- 25 SuperValu
- 68 Valu-mart
- 51 Your Independent Grocer
- 52 Zehrs Markets
- 418 Cash & Carry and other banners



*Trademark used under license.

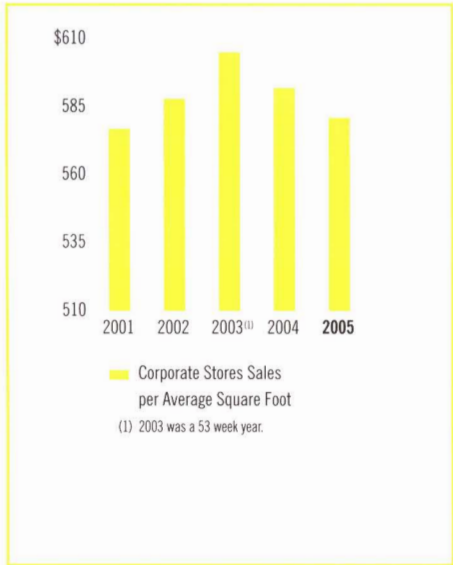
Geographic Divisions and Banners

	Corporate Stores	Franchised Stores	Associated Stores	Independent Accounts	Warehouses
British Columbia	41	43	18		2
Yukon	1	2			
Northwest Territories	3		1	1	
Alberta	67	4	14	2,096	5
Saskatchewan	34	15	26	1,657	2
Manitoba	24	4	39	15	1
Ontario	169	257	16	86	6
Quebec	252	22	341	2,533	4
New Brunswick	22	23	6	296	2
Nova Scotia	36	22	1	523	2
Prince Edward Island	5	3	1	151	
Newfoundland and Labrador	16	7	9	500	2
Total	670	402	472	7,858	26

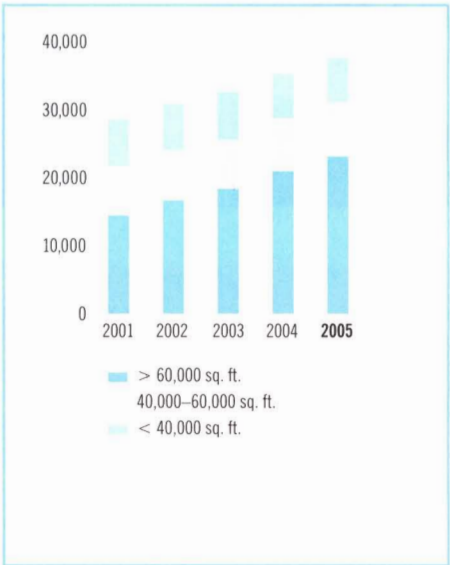
Corporate Stores

	2005 Stores	2005 Sq. Ft. (in millions)	2004 Stores	2004 Sq. Ft. (in millions)
Corporate Stores				
Beginning of year	658	35.3	646	32.6
Opened	47	3.6	53	4.2
Closed	(40)	(1.4)	(43)	(1.5)
Transferred from franchised stores	5	0.1	2	
End of year	670	37.6	658	35.3
Average store size (in thousands)		56.1		53.6
Analysis by size:				
More than 60,000 sq. ft.	234	23.1	217	20.9
40,000–60,000 sq. ft.	167	8.0	164	7.9
20,000–40,000 sq. ft.	165	5.0	168	5.0
Less than 20,000 sq. ft.	104	1.5	109	1.5
	670	37.6	658	35.3
Sales by corporate stores (\$ millions)	\$ 21,110		\$ 20,109	
Sales per average square foot (\$)	\$ 579		\$ 592	

Corporate Stores Sales
per Average Square Foot
(\$)



Corporate Stores
Square Footage
(thousands of sq. ft.)



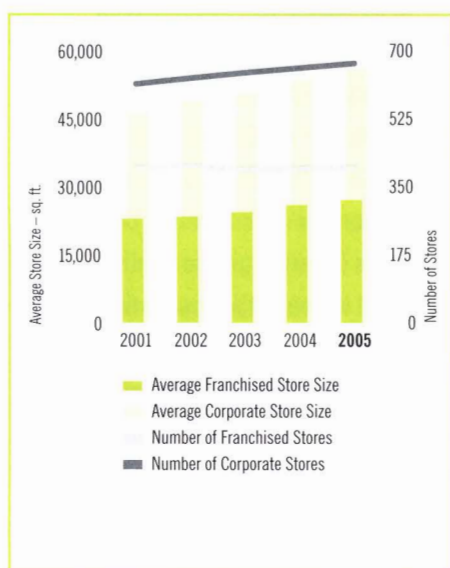


Independent Stores and Accounts

	2005 Stores	2005 Sq. Ft. (in millions)	2004 Stores	2004 Sq. Ft. (in millions)
Franchised Stores				
Beginning of year	400	10.4	397	9.7
Opened	22	0.9	33	1.3
Closed	(17)	(0.3)	(28)	(0.6)
Transferred to corporate stores	(5)	(0.1)	(2)	
Transferred from associated stores and independent accounts	2			
End of year	402	10.9	400	10.4
Average store size (in thousands)		27.1		26.0
Associated Stores	472		519	
Independent Accounts	7,858		6,669	
Warehouses	26		32	
Sales ⁽¹⁾ to independent stores and accounts (\$ millions)	\$ 6,691		\$ 6,100	

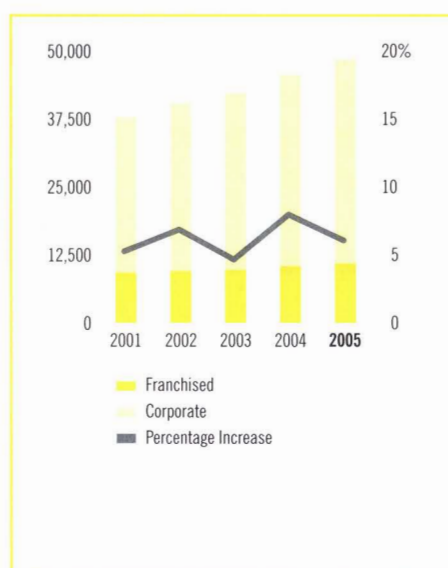
(1) Includes sales of variable interest entities at retail.

Average Store Size and Number of Stores



Retail Square Footage and Percentage Increase

(thousands of sq. ft.)



Loblaw Companies Limited endeavours to be an active participant in the various communities which it serves and supports the philanthropic goals of the “IMAGINE” campaign.



Acting with its employees, the Company supports and contributes to local organizations through its various operating divisions by sponsoring numerous charitable fundraising

activities and initiating work experience programs for the physically and developmently challenged. The following are some examples of our community involvement in 2005.

A message from Peggy Hornell, Director, Fundraising and Administration, *President's Choice* Children's Charity:

***President's Choice* Children's Charity is dedicated to helping children who are physically or developmentally challenged.**

President's Choice Children's Charity had an outstanding year in 2005. Through the *President's Choice Decadent* cookie promotion, and other national and regional fundraising activities, the *President's Choice* Children's Charity raised \$6.6 million.

This money will be directed towards helping more than 725 children across Canada.

One of the children helped in the past year is 18-year-old Justin, who has cerebral palsy. Confined to a wheelchair, he loves school and dreams of attending Northern Alberta Institute of Technology so he can become a computer game developer. Justin is unable to speak however, and finds himself separated from his classmates as a result.

President's Choice Children's Charity funded a computer communication device that allows him to participate in conversations with his classmates and teachers. Justin's Mom says that it has “given Justin independence and a chance to say what he is thinking and not have someone talk for him”.

Thanks to the support of Loblaw, its employees and customers, *President's Choice* Children's Charity will continue to **make difficult lives a little easier.**



Cambridge Memorial Hospital Foundation

Supports the hospital in raising funds for medical equipment, infrastructure and education priorities in order to meet the healthcare needs of the community.

Canadian Red Cross Tsunami Relief

Organizing disaster recovery efforts for those affected by the tsunami in Asia by providing basic needs of food, clothing, shelter, and first aid, and participating in long term recovery programs, in union with international Red Cross agencies.

Food Banks (Across Canada)

Supporting non-profit organizations that procure, warehouse and distribute food to member social service agencies.

Grocery Industry Foundation... Together (G.I.F.T.)

Provides funding to various Ontario charities dedicated to assisting children facing physical, intellectual or economical challenges.

Heart and Stroke Foundation of Canada

Dedicated to improving the health of Canadians by preventing and reducing disability and death from heart disease and stroke through research, health promotion and advocacy.

ROM Foundation

Contributions fund galleries, curatorial research, and programs for children and ensure long term stability of the Royal Ontario Museum.

United Way – Centraide (Across Canada)

Committed to improving lives and building community by engaging individuals and mobilizing collective action.

THE W. GARFIELD WESTON FOUNDATION

The W. Garfield Weston Foundation is a Canadian charitable foundation associated with the Company. Its grants are directed primarily to specific organizations in the fields of education and environment. These include the Canadian Merit Scholarship Foundation, the Children First: School Choice Trust, the Royal Ontario Museum and the Weston Family Innovation Centre at the Ontario Science Centre. From coast to coast, the Foundation also works with the Nature Conservancy of Canada to protect critical habitat.

Loblaw Companies Limited and its subsidiaries are committed to responsible corporate citizenship. This includes providing a safe workplace for employees, contributing to its local communities, respecting the environment, and promoting health and food safety, while offering products that provide meaningful choices to consumers.

These commitments are instilled throughout the organization and are overseen by the Environmental, Health and Safety Committee of the Board of Directors (the “Board”) of the Company, and by the full Board itself. The Board reviews and monitors policies, procedures, practices and compliance in these fields.

Initiatives in these areas are undertaken through any combination of four approaches: by the Company itself, in conjunction with other industry members, as part of industry-government partnerships, and in direct cooperation with governments.

Respecting the Environment in a Sustainable Way

The commitment to the environment is demonstrated through measures in such areas as environmental awareness and management, energy efficiency, waste management and packaging.

Environmental Awareness Management Measures in this area are driven by an Environmental Management System designed to achieve the structured integration of environmental programs into the Company’s operations. This system also focuses on ensuring the control of high-risk activities, the management of hazardous wastes, and the control and reduction of ozone-depleting substances. Environmental risk assessments and audits of ongoing and newly acquired or established operations are conducted on a regular basis by in-house environmental staff as well as by external parties. In addition, employees receive education and training that enable them to recognize and minimize environmental risks and to respond to any incidents that might occur.

Energy Efficiency Ongoing efforts are directed towards improving energy efficiency throughout Loblaw, including cooperating with federal and provincial agencies. The areas in which these efficiencies are pursued include the lighting used inside and outside stores, energy-efficient refrigeration, the use of energy in corporate facilities, and the fuels used in the Company’s transportation and other operations. In September 2005, Loblaw opened its new, energy efficient head office and Store Support Centre in Brampton, Ontario. Furthermore, Loblaw has established partnerships and commitments with federal and provincial agencies to achieve energy conservation at the retail store level in a realistic and focused manner, including the use of innovative refrigeration system technology.

Waste Management and Packaging Waste management programs follow a three-stage process – source reduction, diversion to re-use or recycling and, finally, disposal. Loblaw is a long-standing supporter of, and financial contributor to, such industry-sponsored programs as Corporations Supporting Recycling and the Composting Council of Canada. This commitment is evident throughout the Company’s operations. In-store photo labs recycle disposable cameras, processing fluids and even film cuttings. Post-consumer recycled material is used in private label packaging to the greatest extent possible without compromising the safety or quality of the product. Packaging of control label products is labelled as appropriate with the symbols that help customers identify materials that

can be recycled through local municipal programs. As well, customers are offered a choice in grocery checkout packaging, including conventional plastic shopping bags, re-usable plastic bags, recyclable corrugated containers and re-usable bins. Also, this commitment extends to the administration, support and corporate offices of the Company, where waste minimization and recycling activities are actively employed. These programs promote the diversion of plastics, metals, paper, corrugate and organics from landfill.

Promoting Health and Food Safety

The commitment to health promotion and food safety is reflected in the Company’s participation in standard-setting initiatives, in its operations, in its dealings with suppliers, and in the information provided to customers.

The Company supports national food initiatives designed to promote health and food safety. It works to ensure that products meet or exceed the food safety requirements of the Canadian Food Inspection Agency. It also participates in national joint industry-government initiatives in the development of food safety programs for different parts of the food supply system. Suppliers are informed of the standards to which they must adhere and are expected to observe them. Manufacturing and food handling procedures, employee education and training programs, compliance systems and independent audits are among the measures used to promote food safety within the Company’s stores and other operations. Through packaging and labelling of control label products, customers are informed of ingredients and whether certain products may have come in contact with one or more allergens. This allows consumers to make more fully informed purchasing decisions.

Offering Products that Provide Meaningful Choices

The Company provides a wide range of product offerings to meet an equally wide range of consumer preferences. This includes the provision of alternative food products that provide customers with meaningful choices.

The environmentally responsible collection of *President’s Choice GREEN* products and the hundreds of *President’s Choice Organics* products have been developed to satisfy customers’ environmental or health preferences. The organic products are third-party certified as organic, are in packages containing recycled materials, and are priced to be competitive with similar national brands. The *Natural Value* department in many stores is a one-stop source for health food needs, offering a selection of healthy and nutritious alternative foods, vitamins and herbal products.

The focus on healthy and nutritious food products is further demonstrated by two recent product initiatives under the *President’s Choice* label. The line of *PC Mini Chefs* products has been designed to fit into a healthy eating plan for young children consistent with the federal government’s “Nutrition Recommendations for Canadians”. These products have been approved by a team consisting of prominent nutrition researchers and registered dietitians. The *PC Blue Menu* line of products offers adults a variety of alternatives lower in fat, calories and sodium, and higher in fibre.

The Board of Directors (the “Board”) and management of the Company believe that sound corporate governance practices will contribute to the effective management of the Company and its achievement of strategic and operational plans, goals and objectives.

The Company seeks to attain high standards of corporate governance and when appropriate adopts “best practices” in developing its approach to corporate governance. The Company’s approach to corporate governance is consistent with National Policy 58-201 – Corporate Governance Guidelines (the “Guidelines”). The Governance, Employee Development, Nominating and Compensation Committee (“Governance Committee”) regularly reviews its corporate governance practices and considers any changes necessary to maintain the Company’s high standards of corporate governance.

Director Independence

The Board is comprised of a majority of independent directors. The Governance Committee has reviewed each director’s factual circumstances and relationships with the Company to determine whether he or she is independent within the meaning of the Guidelines. The Guidelines provide that a director is independent if he or she has no material relationship with the Company or its affiliates that would reasonably be expected to interfere with the director’s independent judgment.

Board Leadership

Mr. W. Galen Weston is Chairman of the Board. Mr. Weston has a significant common interest with other shareholders with respect to value creation, the well being of the Company, and the performance of its publicly listed securities. The Board has established a position description for the Chairman of the Board. The Board has also appointed an independent director, Anthony S. Fell, to serve as lead director. The lead director provides leadership to the Board and particularly to the independent directors. He ensures that the Board operates independently of management and that directors have an independent leadership contact. As part of his responsibilities, the lead director meets periodically with the other directors to obtain insight as to areas where the Board and its Committees can operate more effectively and to ensure the Board is able to discharge its responsibilities independently of management. The Board has developed a position description for the lead director.

Board Responsibilities and Duties

The Board, directly and through its Committees, supervises the management of the business and affairs of the Company with the goal of enhancing long-term shareholder value. The Board reviews the Company’s direction, assigns responsibility to management for achievement of that direction, develops and approves major policy decisions, delegates to management the authority and responsibility in day-to-day affairs and reviews management’s performance and effectiveness. The Board’s expectations of management are communicated to management directly and through Committees of the Board.

The Board approves the Company’s corporate goals and objectives, operating budgets and strategies, which take into account the opportunities and risks of the business. Members of the Board attend an annual all-day strategy session with management to discuss and review the Company’s strategic plans and opportunities. In addition, management’s strengths and weaknesses are discussed. Through the Audit Committee, the Board oversees the Company’s risk management framework and assesses and evaluates the integrity of the Company’s internal controls and management information systems. Through the Governance Committee, the Board oversees succession planning and compensation for senior management as well as Board nominees.

Individual directors may, with the approval of the lead director, retain an outside advisor at the expense of the Company.

The Board requires that management seek directors’ review and approval of:

- strategic corporate direction and corporate performance objectives;
- multi-year and annual business, capital and operating plans and budgets;
- material capital expenditures, acquisitions, divestitures and restructurings; and
- investment outside of the ordinary course of business.

These matters are in addition to those matters which are required by law to receive Board consideration and approval.

The Board regularly receives reports on the operating results of the Company, as well as timely reports on various matters, including insurance, pensions, corporate governance, health and safety and treasury matters.

Ethical Business Conduct

The Company’s Code of Business Conduct (the “Code”), sets out the Company’s long-standing commitment of requiring adherence to high standards of ethical conduct and business practices. The Code is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct. Directors, officers and employees of the Company are required to comply with the Code and must acknowledge their commitment to abide by the Code on a periodic basis. The Code is available on the Company’s website, www.loblaw.ca.

The Code also deals with conflicts of interest. Should an officer, director or employee have a conflict of interest with respect to any matter, that individual is required to bring the conflict to the attention of the Ethics and Conduct Committee and, if a director has a conflict with respect to any matter, he or she may not participate in any discussion or vote on the conflict matter. The Code also addresses such issues as the protection of confidential information and the protection and proper use of the Company’s assets.

The Company has established an Ethics and Conduct Committee which reviews all material breaches of the Code. The Ethics and Conduct Committee also oversees implementation of the Code, educating employees regarding the Code and reviews the Code annually to determine if it requires revision.

The Company encourages the reporting of unethical behaviour and has established an Ethics Response Line, a toll-free number that any employee or director may use to report conduct which he or she feels violates the Code or otherwise constitutes fraud or unethical conduct. A fraud reporting protocol has also been implemented to ensure that fraud is reported to senior management in a timely manner. In addition, the Audit Committee has endorsed procedures for the receipt, retention and handling of complaints regarding accounting, internal control or auditing matters. These procedures are available at www.loblaw.ca.

The Company has adopted a Vendor Code of Conduct that sets out the Company’s expectations of its vendor community with respect to ethical conduct and social responsibilities. The Vendor Code deals with such matters as labour practices, respect for the environment and compliance with various laws.

Board Committees

There are five committees of the Board: Audit; Governance, Employee Development, Nominating and Compensation; Pension and Benefits; Environmental, Health and Safety and Executive.

The Audit Committee is comprised solely of independent directors. All Committees are comprised solely of non-management directors, in each case, with a majority of members being independent directors except for the Executive Committee. The Board believes that the composition of its committees other than

the Executive Committee allows them to operate independently from management such that shareholders' interests are protected.

Each Committee has a formal mandate and a position description for the Chair established by the Board. Both the mandate and position description are reviewed annually. Copies of the Committees' mandates are available on the Company's website, www.loblaw.ca.

The following is a brief summary of some of the responsibilities of each Committee.

Audit Committee

All members of the Audit Committee must be independent and financially literate as required under applicable rules. The Audit Committee is also responsible for supporting the Board in overseeing the integrity of the Company's financial reporting and internal controls over financial reporting, disclosure controls, internal audit function and its compliance with legal and regulatory requirements. The Audit Committee's responsibilities include:

- recommending the appointment of the external auditor;
- reviewing the arrangements for and scope of the audit by the external auditor;
- reviewing the independence of the external auditor;
- reviewing and approving the Company's hiring policies regarding partners and professional employees of the present and former external auditor of the Company;
- considering and evaluating with management the adequacy and effectiveness of internal controls over financial reporting and disclosure controls and procedures and reviewing any proposed corrective actions;
- reviewing and monitoring the Company's policies relating to ethics and conflicts of interests;
- overseeing procedures for the receipt, retention and follow up of complaints regarding the Company's accounting, internal controls and auditing matters and the confidential anonymous submission by employees of concerns regarding such matters;
- reviewing and monitoring the internal audit function of the Company;
- reviewing the integrity of the Company's management and information systems;
- reviewing and approving the audit fees paid to the external auditor and pre-approval of non-audit related fees to the external auditor;
- discussing and reviewing with management and the external auditor the Company's annual and interim consolidated financial statements, key reporting matters and Management's Discussion and Analysis and Annual Information Form;
- reviewing disclosure containing financial information based on the Company's financial statements; and
- reviewing with management the principal risks of the Company's business and the systems and processes implemented to manage these risks.

Governance, Employee Development, Nominating and Compensation Committee

The Governance Committee is responsible for overseeing the compensation of directors and executive officers. The Governance Committee is also responsible for developing and maintaining

governance practices consistent with high standards of corporate governance. As part of its mandate, the Governance Committee identifies and recommends candidates for nomination to the Board as directors, monitors the orientation program for new directors and maintains a process for assessing the performance of the Board and its Committees as well as the performance of individual directors and discharging the Board's responsibilities relating to compensation and succession planning for the Company's senior employees. The Governance Committee's specific responsibilities include:

- identifying candidates for membership on the Board and evaluating the independence of the directors;
- assisting in directors' orientation and assessing their performance on an on-going basis;
- shaping the Company's approach to corporate governance and recommending to the Board corporate governance principles to be followed by the Company;
- discharging the Board's responsibilities relating to compensation and succession planning for the Company's senior employees; and
- determining the process for the compensation of directors and executive officers.

The Board appointed the Chairman of the Governance Committee, who is an independent director, to serve as lead director.

Pension and Benefits Committee

The Pension and Benefits Committee is responsible for:

- reviewing the performance of the Company's and its subsidiaries' pension plans and pension funds;
- reviewing and recommending managers for the fund's portfolio;
- reviewing the performance of pension fund managers;
- reviewing and approving the assumptions used, the funded status and amendments to the Company's and its subsidiaries' pension plans; and
- receiving reports regarding level, types and costs of the Company's employee benefit plans.

Environmental, Health and Safety Committee

The Environmental, Health and Safety Committee is responsible for reviewing and monitoring environmental, food safety and workplace health and safety policies, procedures, practices and compliance.

Executive Committee

The Executive Committee possesses all of the powers of the Board except the power to declare common dividends and certain other powers specifically reserved by applicable law to the Board. The Executive Committee acts only when it is not practicable for the full Board to meet.

Other Corporate Governance Matters

Disclosure Policy The Board has reviewed and adopted a corporate Disclosure Policy to deal with the timely dissemination of all material information. A copy of the Disclosure Policy is available on the Company's website, www.loblaw.ca. The Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, directly and through its Committees, reviews and approves the contents of major disclosure documents, including unaudited interim and audited annual consolidated financial statements, Management's Discussion and Analysis, the Annual Information Form, and the Proxy Circular. The Company seeks to communicate to its shareholders

through these documents as well as by means of news releases, its website and investor relations meetings.

Disclosure Committee A Disclosure Committee comprised of senior management of the Company oversees the Company's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective disclosure controls and procedures are in place to allow the Company to satisfy all of its continuous disclosure obligations including certification requirements. The Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Company's Disclosure Policy are in compliance with regulatory requirements.

Board of Directors and Corporate Officers

Directors

W. Galen Weston, O.C., B.A., LL.D.^{1*}
Chairman, Loblaw Companies Limited;
Chairman and President, George
Weston Limited; Chairman, Holt,
Renfrew & Co., Limited, Brown Thomas
Group Limited, Selfridges & Co. Ltd.;
President, The W. Garfield Weston
Foundation; Director, Associated British
Foods plc; Member, Advisory Board,
Columbia University.

Paul M. Beeston, C.M., B.A., F.C.A.^{2,5}
Former President and Chief Executive
Officer, Major League Baseball;
Former President, Toronto Blue Jays
Baseball Team; Director, President’s
Choice Bank.

Gordon A.M. Currie, B.A., LL.B.
Executive Vice President, Secretary
and General Counsel, George Weston
Limited; Former Senior Vice President
and General Counsel, Centrica
North America; Former Partner,
Blake, Cassels & Graydon LLP.

Camilla H. Dalglish, B.A.⁵
Director, The W. Garfield Weston
Foundation, The Nature Conservancy
of Canada; Former President,
The Civic Garden Centre.

Anthony S. Fell, O.C.^{3*,4}
Chairman, RBC Capital Markets Inc.;
Former Chairman and Chief Executive
Officer, RBC Dominion Securities;
Former Deputy Chairman, Royal Bank
of Canada; Chairman, Munich
Reinsurance Group of Companies;
Director, CAE Inc., BCE Inc.;
Chairman of the Board of Trustees,
University Health Network.

Anthony R. Graham ^{1,3,4}
President and Director, Wittington
Investments, Limited; President and
Chief Executive Officer, Sumarria Inc.;
Former Vice Chairman, National Bank
Financial; Chairman and Director,
President’s Choice Bank, Graymont
Ltd.; Director, George Weston Limited,
Holt, Renfrew & Co., Limited,
Brown Thomas Group Limited,
Power Corporation of Canada, Power
Financial Corporation, Provigo Inc.,
Selfridges & Co. Ltd.

John A. Lederer, B.A.¹
President, Loblaw Companies Limited;
Former Executive Vice President,
Loblaw Companies Limited; Director,
Food Marketing Institute; Founder,
President’s Choice Children’s Charity.

Nancy H.O. Lockhart ⁵
Chief Administrative Officer, Frum
Development Group; Former Vice
President, Shoppers Drug Mart
Corporation; Former Chair of the Board
of Trustees, Ontario Science Centre;
Former President, Canadian Club;
Former Chair, Canadian Film Centre.

Pierre Michaud, C.M.^{5*}
Chairman and Director, Provigo Inc.;
Vice Chairman, Laurentian Bank
of Canada; Director, Bombardier
Recreational Products Inc.,
Gaz Métro Inc., Old Port of Montreal
Corporation Inc.

Thomas C. O’Neill, B. COMM., F.C.A.²
Retired Chairman and former
Chief Executive Officer,
PricewaterhouseCoopers Consulting;
Director, President’s Choice Bank,
Nexen Inc., BCE Inc., OTPP
(Ontario Teachers Pension Plan),
St. Michael’s Hospital, Adecco S.A.;
Vice Chairman, Board of Governors,
Queen’s University.

G. Joseph Reddington, B.A., J.D.³
Retired Chairman, Director and
Chief Executive Officer, Breuners
Home Furnishings Corporation;
Former Chairman and Chief Executive
Officer, The Signature Group;
Former President and Chief Executive
Officer, Sears Canada; Director,
Ansett Worldwide.

T. Iain Ronald, M.B.A., B. LAW., F.C.A.^{2*,4*}
Chairman, TransAlta Power Ltd.,
TransAlta Cogeneration Ltd., BFI
Canada Inc.; Former Vice Chairman,
Canadian Imperial Bank of Commerce;
Director, President’s Choice Bank,
Holt, Renfrew & Co., Limited, Leon’s
Furniture Limited, Strongco Inc.,
Allied Properties REIT.

Joseph H. Wright, B.A.^{2,3,4}
Managing Partner, Barnagain Capital;
Former President and Chief Executive
Officer, Swiss Bank Corporation
(Canada); Chairman and Trustee,
BFI Canada Income Fund; Chairman,
Hollinger Inc.; Director, President’s
Choice Bank.

- 1. Executive Committee
- 2. Audit Committee
- 3. Governance, Employee Development,
Nominating and Compensation Committee
- 4. Pension and Benefits Committee
- 5. Environmental, Health and Safety Committee
- * Chairman of the Committee

Officers
(includes age and years of service)

W. Galen Weston, O.C. (65 and 34 years)
Chairman of the Board

John A. Lederer (50 and 29 years)
President

David K. Bragg (57 and 22 years)
Executive Vice President

David R. Jeffs (48 and 27 years)
Executive Vice President

Richard P. Mavrinac (53 and 23 years)
Executive Vice President

Peter McMahon (effective February 2006)
Executive Vice President

Paul D. Ormsby (54 and 23 years)
Executive Vice President

Stephen A. Smith (48 and 20 years)
Executive Vice President

Robert A. Balcom (44 and 12 years)
Senior Vice President, Secretary
and General Counsel

Roy R. Conliffe (55 and 24 years)
Senior Vice President,
Labour Relations

Louise M. Lacchin (48 and 22 years)
Senior Vice President, Finance

Franca Smith (42 and 17 years)
Senior Vice President,
Financial Control

Galen G. Weston (33 and 8 years)
Senior Vice President,
Corporate Development

Geoffrey H. Wilson (50 and 19 years)
Senior Vice President, Investor
Relations and Public Affairs

Manny DiFilippo (46 and 14 years)
Vice President, Risk Management
and Strategic Initiatives

David G. Gore (35 and 4 years)
Vice President, Legal Counsel,
Compliance and Regulatory Affairs,
Privacy and Ethics Officer

J. Bradley Holland (42 and 12 years)
Vice President, Taxation

Michael N. Kimber (50 and 21 years)
Vice President, Legal Counsel

Joyce C. Lee (34 and 9 years)
Vice President, Financial Reporting

Lucy J. Paglione (46 and 22 years)
Vice President, Pension and Benefits

Mark A. Rodrigues (48 and 19 years)
Vice President, Internal
Control Compliance

George D. Seslija (50 and 26 years)
Vice President, Real Estate
Development

Lisa R. Swartzman (35 and 12 years)
Vice President, Treasurer

Ann Weir (43 and 12 years)
Vice President, Internal Audit Services
and Systems Audit

Laurel MacKay-Lee (36 and 6 years)
Controller, Financial Projects

Irene Pinheiro (38 and 13 years)
Controller, Financial Analysis

Marian M. Burrows (51 and 27 years)
Assistant Secretary

Swavek A. Czapinski (31 and 7 years)
Assistant Treasurer

M. Darryl Hanstead (31 and 7 years)
Assistant Treasurer

Walter H. Kraus (43 and 17 years)
Senior Director, Environmental Affairs

**National Head Office
and Store Support Centre**

Loblaw Companies Limited
1 President's Choice Circle
Brampton, Canada
L6Y 5S5
Tel: (905) 459-2500
Fax: (905) 861-2206
Internet: www.loblaw.ca

Registered Office

22 St. Clair Avenue East
Toronto, Canada
M4T 2S7
Tel: (416) 922-8500
Fax: (416) 922-7791

**Stock Exchange Listing
and Symbol**

The Company's common shares are listed on the Toronto Stock Exchange and trade under the symbol "L".

Common Shares

63% of the Company's common shares are owned beneficially by W. Galen Weston and George Weston Limited.

At year end 2005 there were 274,054,814 common shares outstanding, 5,124 registered common shareholders and 100,737,979 common shares available for public trading.

The average daily trading volume of the Company's common shares for 2005 was 322,169.

Trademarks

Loblaw Companies Limited and its subsidiaries own a number of trademarks. Several subsidiaries are licensees of additional trademarks. These trademarks are the exclusive property of Loblaw Companies Limited or the licensor and where used in this report are in italics.

Common Dividend Policy

It is the Company's policy to maintain a dividend payment equal to approximately 20% to 25% of the prior year's adjusted basic net earnings per common share.⁽¹⁾

Common Dividend Dates

The declaration and payment of quarterly dividends are made subject to approval by the Board of Directors. The anticipated record and payment dates for 2006 are:

Record Date	Payment Date
March 15	April 1
June 15	July 1
Sept. 15	Oct. 1
Dec. 15	Dec. 30

Normal Course Issuer Bid

The Company has a Normal Course Issuer Bid on the Toronto Stock Exchange.

Value of Common Shares

For capital gains purposes, the valuation day (December 22, 1971) cost base for the Company is \$0.958 per common share. The value on February 22, 1994 was \$7.67 per common share.

Registrar and Transfer Agent

Computershare Investor Services Inc.
100 University Avenue
Toronto, Canada
M5J 2Y1
Tel: (416) 263-9200
Toll free: 1-800-663-9097
Fax: (416) 263-9394
Toll free fax: 1-888-453-0330

To change your address, eliminate multiple mailings, or for other shareholder account inquiries, please contact Computershare Investor Services Inc.

Independent Auditors

KPMG LLP
Chartered Accountants
Toronto, Canada

Annual Meeting

Loblaw Companies Limited Annual Meeting of Shareholders will be held on Thursday, May 4, 2006 at 11:00 a.m. at the Metro Toronto Convention Centre, Constitution Hall, Toronto, Canada.

Investor Relations

Shareholders, security analysts and investment professionals should direct their requests to Geoffrey H. Wilson, Senior Vice President, Investor Relations and Public Affairs at the Company's National Head Office or by e-mail at investor@loblaw.ca

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 Investor Zone section of the Company's website.

Ce rapport est disponible en français.

This Annual Summary was printed in Canada on Cougar Opaque, manufactured totally chlorine-free with 10% post-consumer fibre, at a mill independently certified as meeting the procurement provisions of the Sustainable Forestry Initiative® (SFI) standard.

(1) See Non-GAAP Financial Measures on page 33 of the 2005 Financial Report.

Loblaw Companies Limited

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