Loblaw Companies Limited

Annual Report
1991

LOBLAW COMPANIES LIMITED *is Canada's largest food distributor. In 1991, 63 percent of its sales were at the retail level through its own stores and the remainder were as a wholesaler to franchised independent and independent accounts. The Company is geographically diverse, with operations in all the Canadian provinces as well as in the St. Louis and New Orleans areas of the United States. In 1991, 85 percent of sales were in Canada.*

71 percent of the common shares of Loblaw Companies Limited are owned by George Weston Limited. The remaining 29 percent or 22,622,466 shares are actively traded on the Toronto, Montreal and Vancouver stock exchanges.

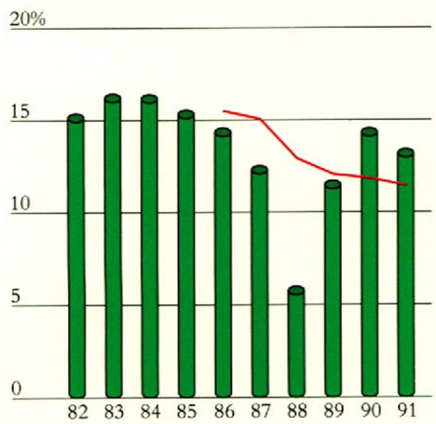
Contents

Financial Highlights

	1991	1990	1989
Operating Results *($ millions)*			
Sales	**8,533**	8,417	7,934
Trading profit	**324**	320	291
Operating income	**219**	215	191
Earnings before income taxes	**162**	150	111
Net earnings	**105**	96	70
Financial Position *($ millions)*			
Total debt	**594**	473	549
Total shareholders' equity	**941**	812	746
Total assets	**2,362**	2,102	2,040
Changes in Financial Position *($ millions)*			
Cash flow from operations	**221**	249	230
Purchase of fixed assets	**159**	171	166
Per Common Share *(dollars)*			
Net earnings	**1.17**	1.10	.80
Cash flow from operations	**2.91**	3.43	3.19
Book value	**9.52**	7.99	7.10
Actual dividends paid	**.23**	.20	.20
Year end dividend rate	**.24**	.20	.20
Price range – high	**22 1/2**	18 7/8	15 1/4
– low	**16 3/8**	13 5/8	10 1/4
Financial Ratios*			
Return on common equity	**13.4%**	14.6%	11.7%
Return on capital employed	**16.4%**	16.1%	14.1%
Pretax return on sales	**1.9%**	1.8%	1.4%
Working capital ratio	**1.06:1**	1.03:1	1.05:1
Total debt to equity	**.36:1**	.54:1	.70:1

* For purposes of calculating financial ratios, debt is reduced by cash and short term investments.

Return on Common Equity

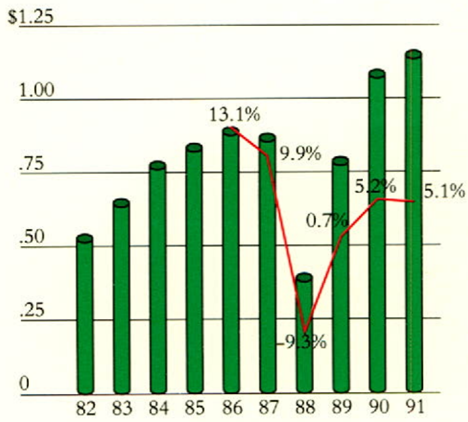


Return on Common Equity
– Five Year Average Return

Corporate Objective: To provide an average return on common shareholders' equity of 15 percent per year over any five year period.

Earnings Before Extraordinary Items Per Share

(dollars)



Earnings Before Extraordinary Items per Share
– Five Year Compound Growth Rate

Corporate Objective: To increase earnings per common share at an average rate of 15 percent per year over any five year period.

Corporate Profile

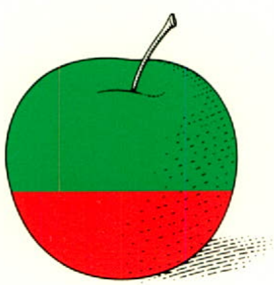
Ten Year Analysis By Operating Region

Sales *($ billions)*	*1991*	*1990*	*1989*	*1988*	*1987*	*1986*	*1985*	*1984*	*1983*	*1982*
Eastern Canada	**4.32**	4.22	3.99	3.71	3.60	3.07	2.78	2.69	2.54	2.41
Western Canada	**2.91**	2.89	2.65	2.34	2.09	2.03	1.89	1.70	1.58	1.71
United States	**1.30**	1.31	1.29	2.26	2.94	2.74	2.26	2.03	1.97	2.10
Total	**8.53**	8.42	7.93	8.31	8.63	7.84	6.93	6.42	6.09	6.22

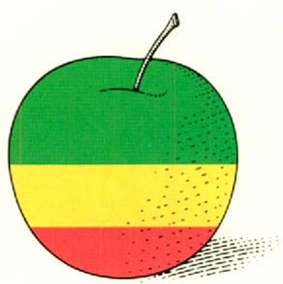
Operating Income *($ millions)*										
Eastern Canada	**96**	104	90	76	106	74	72	68	61	54
Western Canada	**82**	75	67	56	47	56	45	37	35	31
United States	**41**	36	34	28	37	33	35	33	32	30
Total	**219**	215	191	160	190	163	152	138	128	115

Quarterly Earnings Per Share *(dollars)*										
First quarter	**.20**	.17	.14	.13	.15	.14	.13	.13	.11	.11
Second quarter	**.30**	.27	.18	.17	.24	.23	.20	.21	.17	.16
Third quarter	**.34**	.32	.22	.13	.25	.27	.26	.28	.23	.16
Fourth quarter	**.33**	.34	.26	(.22)	.23	.27	.26	.19	.15	.03
Total net earnings	**1.17**	1.10	.80	.21	.87	.91	.85	.81	.66	.46

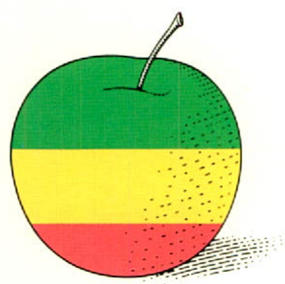
Total Sales
(billions)

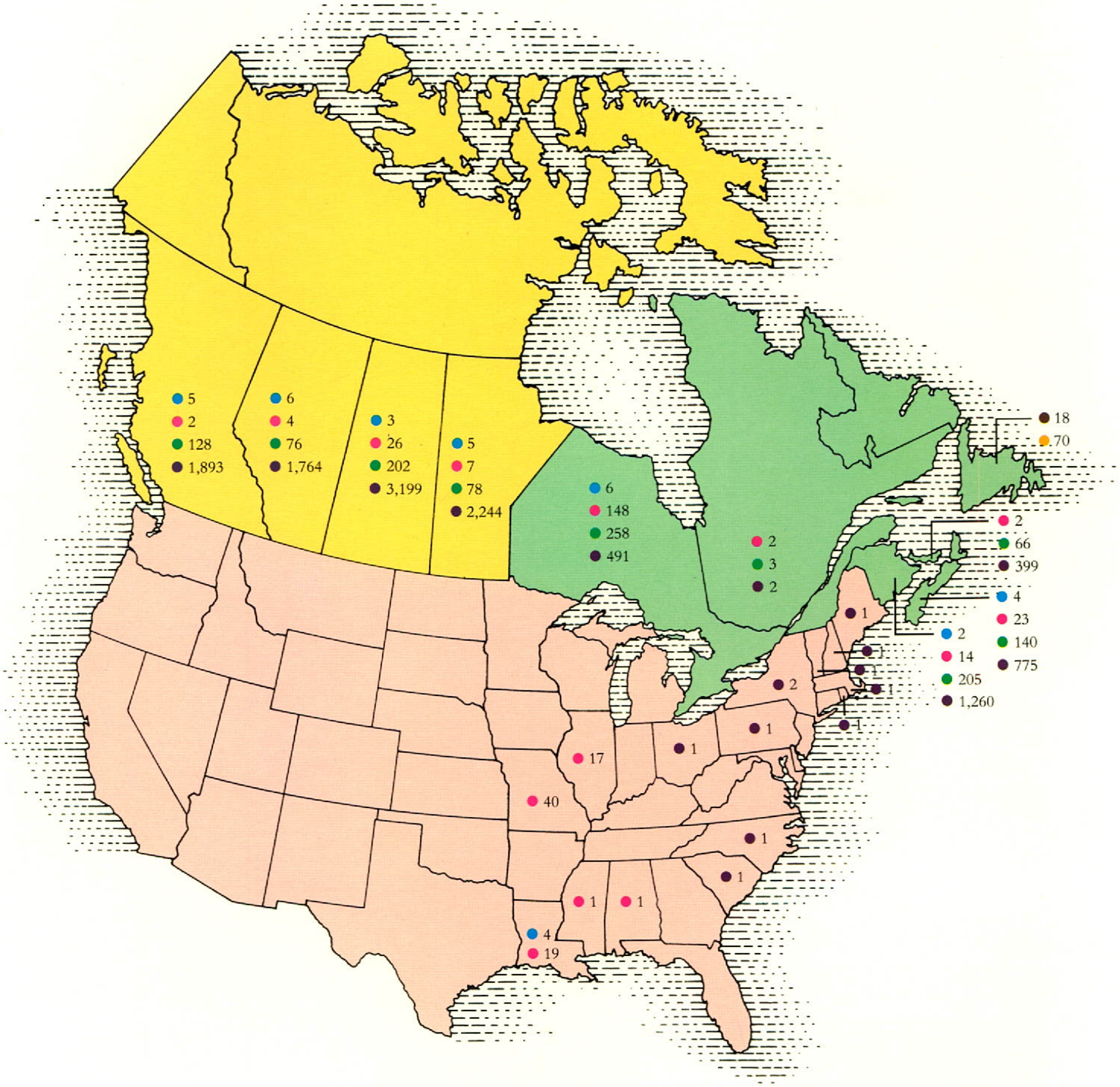


Regional Sales
(billions)



Regional Operating Income
(millions)





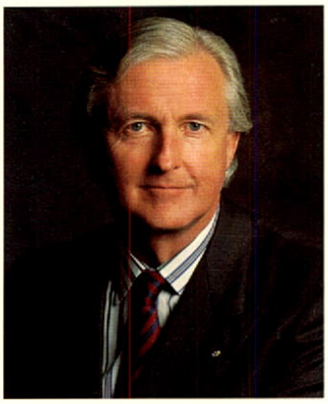
EASTERN CANADA   WESTERN CANADA   UNITED STATES

Retail
- Combination Stores
- Conventional Stores

Wholesale
- Franchised Independent Stores
- Independent Accounts

The Company participates in a joint venture in Newfoundland.
The joint venture has :
- Conventional Stores
- Independent Accounts

(Early in 1992, the Company acquired the remaining 50 percent interest of the joint venture.)



W. Galen Weston
Chairman of the Board

1991 has been a very difficult year for Canada economically and I am pleased to say that during this period Loblaw Companies has been able not only to maintain, but actually to increase its earnings.

As a result of the recession, some people have suffered serious hardship and most consumers have been forced to reduce their spending, even on such a necessity as food. Loblaw Companies sells more food to more Canadians than any other grocery company, and I believe that your Company has responded appropriately in this difficult time.

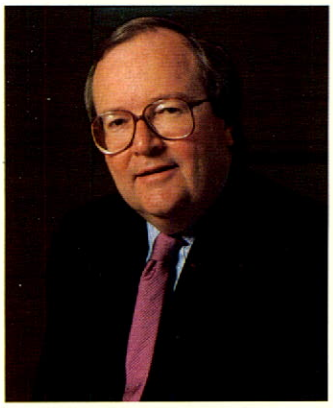
Our corporate brands, particularly no name™, which has a long-established reputation for value and quality, and now Club Pack™, which provides further cost reductions with larger sizes, help consumers to get by on lower food budgets. Retail prices in our corporate stores have been sharply competitive and expansion of our franchised operations in discount formats has facilitated retail price reductions.

Providing better value to consumers is also a strategic and competitive necessity for your Company. This is what is allowing it to maintain or build its market share. Moreover, continued emphasis on cost reduction has enabled Loblaw Companies to achieve a reasonable level of profitability for its shareholders and job security for its employees and we are proud of this accomplishment in the present environment.

While sales to date in 1992 have held up well compared to our more traditional competitors, new low cost discount formats are growing rapidly. In order to retain market share against these discounters, a number of supermarket companies have been forced to reduce margins substantially and our operations must be part of this. Therefore, in spite of the good work taking place in terms of cost reduction, growth in profitability will be under severe pressure. I have not the least doubt, however, that when all the restructurings currently underway or contemplated in our industry have taken place and Canada emerges from this extended downturn, your Company will still be number one and first to benefit from increased consumer confidence.

W. Galen Weston

W. Galen Weston
Chairman of the Board



Richard J. Currie
President

The year 1991 was one of unusually severe market forces brought about by a protracted recession which particularly affected our Eastern Canadian operations but which was also apparent to varying degrees in our Western Canadian and United States businesses. Severe price competition, the entry of new store formats and increased cross border shopping were some of the responses in the market place to the economic recession and your Company was affected by these factors and other responses on the part of consumers to the need for increased value in their purchases.

In the five year period from 1985 to 1989, Loblaw Companies Limited spent over one and a quarter billion dollars, mainly in new and remodelled stores, targeted acquisitions and advanced information systems. Since that time, the focus of the business has been on improving the productivity of this greatly enlarged and modern asset base, while at the same time improving the financial base which supports these assets. The result of such sustained effort has been to allow your Company to prosper even in a year such as 1991.

For the year, Loblaw Companies Limited achieved record levels of trading profit, operating income and net earnings while also reducing its interest expense and improving its debt:equity ratio. Net earnings exceeded $100 million for the first time. Operating results, however, still remain below our target absolute returns on investment and equity. Nevertheless, they are perhaps more than reasonable, not only when considered against the difficult marketplace but also when compared to the rate of inflation and the returns available from risk free investments.

Apart from the strategic values of a relatively new and increasingly productive asset base and a solid balance sheet, your Company has many other important strengths:

- It is geographically diverse. At the present time, a number of the regions where it does business have not been as weak as the country overall and this balance has resulted in competitive advantages for recession-weakened areas. Last year, in Alberta, Saskatchewan, British Columbia and the United States, either our earnings growth or our sales growth was significant.

Club Pack™ products combine the economies of larger sizes with the already lower costs of corporate brands.

- It is both a retailer (with its own corporate stores) and a wholesaler (supplying franchised independent accounts and to a far lesser extent, independent accounts). Today's environment demands low operating costs and puts enormous pressure on any higher cost retailer. Your Company achieves low operating costs by getting high sales volumes in its large corporate stores and in its franchised independent business by having a low absolute cost base and by using discount oriented formats in these generally smaller stores.
- It has a range of store formats. This characteristic allows stores to be tailored to specific market demographics. If one format does not work, there is the opportunity to use another. For example, last year in Ontario, 8 new stores were opened, 8 were closed and 16 changed formats. Economic conditions have presented excellent growth opportunities to our franchised independents. Retail sales through franchise stores in Ontario now exceed retail sales through corporate stores, compared to 5 years ago when the same ratio was .25:1.
- It has a well defined corporate brand (own label) program. Last year, "no name™" products experienced a surge in popularity and now represent almost 50 percent of our corporate brand sales. "Club Pack™" products offering reduced prices for large sizes were successfully introduced during the year, especially in Western Canada. Corporate brands offer high quality and low price - real value - and these products, when linked to our computerized merchandising systems ensure the preservation of retail margins, which would be greatly diminished if we engaged solely in national brand discounting practices. At the same time, such a computerized connection allows our overall pricing level to be sharply competitive.
- It has a large portfolio of owned stores and shopping centres. Loblaw Companies owns over 1,300 acres of land, primarily in major urban centres in Canada and the United States. This large real estate portfolio supports a profitable food business at a time when many real estate developers are experiencing financial difficulty, and provides an appreciating asset for the longer term. The estimated excess of market value over book value of the land and buildings is over $200 million. This owned real estate also allows operating flexibility and format adaptations for competitive advantage which are not easily available with lease financing.

These painstakingly acquired advantages have allowed your Company not to suffer unduly during the terrible economic recession and competitive environment of 1991. At the present time, it appears as if the year 1992 may be even more difficult for this industry. The economy does not seem to be recovering and some food retailers are becoming frantic in their efforts to maintain volume. As a result, our margins continue to be under pressure and there is the very real short term prospect of flat or perhaps slightly declining earnings for your Company. But the strengths outlined in this report continue to provide powerful cash flow which will allow our business growth, development and security under any conditions and over any time frame.

This new franchise store in Scarborough, Ontario combines a 'no frills' and a 'Cash & Carry' to offer true wholesale prices to the general public.

The results of 1991 are an immense personal satisfaction as they are the demonstrable confirmation of a strategic plan conceived in 1984. This performance could not have been achieved and cannot be sustained without the constant effort of a capable management team, a committed workforce and a responsible labour environment. At the end of 1991, two important contributors to the growth and results of your Company retired. Raymond J. Addington was Chairman of Kelly, Douglas (Western Canadian operations) and Sheldon V. Durtsche was Chairman of National Tea (United States' operations). Each of them was a part of Loblaw Companies Limited for almost 20 years and each made significant contributions to its performance and standards throughout that time. Their replacements, Serge K. Darkazanli and Harold A. Seitz, have each been with Loblaw Companies for over 15 years and in that time they have performed increasingly responsible roles in an increasingly proficient manner.

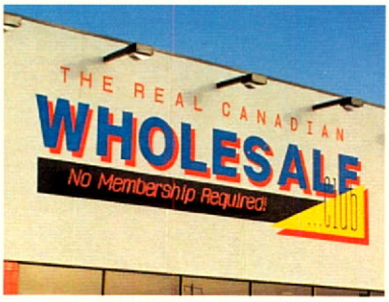
This is not an easy industry. But this Company can, by 'staying the course' which it has established, provide on a sustained basis, adequate returns and acceptable security to every person in or associated with it. There is every reason to expect continuous improvement in our operating performance in the years to come.

Eastern Canadian Operations

In Ontario, various retail formats are operated depending on consumer needs in the particular market. The formats include corporate SuperCentre, Loblaws and Zehrs stores as well as franchised independent Fortino's Supermarket, no frills, Your Independent Grocer, valu-mart, freshmart, MR. GROCER and Hasty Market stores. Responding to new opportunities and changing consumer needs has meant increased reliance on franchising in 1991. In total, average retail square footage in corporate and franchise stores has remained about the same.

Distribution and administrative support areas continue to undergo significant restructuring and major increases have been achieved in warehouse labour productivity. In addition, warehouse closures have reduced square footage by about 7 percent since 1988, while accommodating a 9 percent growth in tonnage in the same period. Administrative costs have had very little absolute increase since 1989 and are therefore declining as a percentage of sales.

The strategy of aggressive business growth through appropriate retail stores and continued attention to cost control and increased efficiency position this business well for profitable growth. In this regard, the acquisition of 10 former Steinberg stores in early 1992 was a very positive addition to this business.



A new 48,000 sq. ft. store in Saskatoon offering a wide range of products to the food service and small business trade.

In the Maritimes, 2 new corporate stores were opened in 1991, including a new discount format Super Valu store in Glace Bay, Nova Scotia late in the year. Wholesale volume was augmented when a small wholesale drug and tobacco distribution company was acquired out of receivership early in the year and cost reduction opportunities through integration of this business should be realized in 1992. Early in 1992, the remaining 50 percent interest of your Company's joint venture partner in a wholesale and retail business in Newfoundland was purchased. Eighteen corporate stores and a distribution warehouse were acquired, enhancing our overall competitive position in Atlantic Canada.

Western Canadian Operations

Despite the general downturn in Western Canadian economies, our operations in this region continued their earnings growth.

The strengthening of the Real Canadian Superstores' market position in Vancouver and Calgary was significant enough to offset the effect of a number of competitive entries in Edmonton, Winnipeg and Saskatoon, and to overcome the serious cross border leakage to the United States which affects the Winnipeg, Regina and Vancouver markets. As announced last year, a smaller version of the Real Canadian Superstore has been introduced to Lloydminster near the end of 1991, with 4 additional such stores planned for 1992 in similar smaller markets.

The rationalization of the wholesale business in Western Canada continued in 1991 with the strategic loss of non-franchised independent volume and the closure of 3 smaller branches. Offsetting the retrenchment from the unprofitable non-franchised independent business, the food service segment of our wholesale business experienced encouraging growth.

United States' Operations

The prudent execution of cost reduction programs, coupled with the expansion of revenue enhancement opportunities, has been the main thrust of the business in the United States in 1991. Development plans for new stores are proceeding, but the new store openings in 1992 will not materially affect earnings in the coming year.

In New Orleans, 1 new Real Superstore will open in the first quarter of 1992. Also there are several opportunities for more high turn, low margin, limited assortment "That Stanley" stores which are being pursued for 1992. Operations in this highly competitive environment are now supported by a state-of-the-art category management and space allocation group.

The introduction of wholesale club stores with perishable departments into St. Louis has altered the competitive structure of that market. In anticipation of this change, buying groups and control systems have been strengthened and operating costs have been reduced. Growth in peripheral departments such as pharmacies and video rentals have enhanced the customer appeal and revenue generating capacity of our stores. One major new store will be opened in this market in 1992 and a number of remodels are planned.

Richard J. Currie

Richard J. Currie
President

Nutrition

"If a cure for all cancers was found tomorrow,

the average lifespan would be extended by 25 months.

However, if people followed 7 fundamental health habits,

*life expectancy could be extended 7 - 11 years." **

THE 7 FUNDAMENTALS OF HEALTHY LIVING:

1. Eat 3 nutritional, balanced meals a day.
2. Get 7 to 8 hours of sleep.
3. Do not smoke.
4. Maintain moderate body weight.
5. Get 25 minutes of cardiovascular exercise 3 times a week.
6. Abstain or drink alcohol in moderation (2 drinks daily).
7. Eat breakfast every day.

* Michael Farmer
Former Executive Vice President
Age Wave Inc.

Introduction

"We have come far in understanding the link between diet and health. Our foremost challenge is to provide foods that meet the increasingly discriminating demands of our consumers." With these words, Loblaw Companies Limited President, Richard J. Currie began his 2 year tenure as Chairman of the Food Marketing Institute. Based in Washington, D.C., the 1,500 member organization represents food retailers and wholesalers in 60 countries. Mr. Currie is the first non-American to chair the world's most influential and prestigious food distributors' association. One of the Food Marketing Institute's long range strategic thrusts is to help maintain and strengthen consumer trust in the areas of nutrition, health and food safety.

Richard J. Currie
President
Loblaw Companies Limited
& Chairman
Food Marketing Institute

Loblaw Companies Limited's long range plan parallels Food Marketing Institute goals - to make the Company a leader in all aspects of nutrition, from consumer education to the development of new products. "Competition in the '90's will be driven - even dictated - by the consumer", he says. "Consumers have undergone a nutritional awakening. Today their concerns are broader and more sophisticated."

Recent studies overwhelmingly confirm people's desire for nutritional information, particularly from their grocer. In-store nutrition programs can initiate, maintain and reinforce changes in the public's long term dietary behaviour. Mr. Currie acknowledges this responsibility. "The important issue for me is how to get the nice-sounding statements out of the executive offices and down to the level of buyer and product manager so there's something that actually happens."

Something *is* happening. Loblaw's subsidiary companies are taking up the challenge with a variety of nutritional and educational programs and a line of new corporate products. These are not without risk. Expert opinion on what constitutes good nutrition changes constantly. "The business of nutritional education is absolutely vital, yet scientific studies tend to contradict rather than reaffirm." The Loblaw President is undaunted by the complexities of the task. "We have a wealth of dietary information. The challenge is to present it in a balanced, accurate and 'user friendly' manner."

Loblaw's commitment to the environment through its G•R•E•E•N™ program secured the Company's reputation as a leader in the food retailing industry. Mr. Currie recognizes this emphasis on nutrition could affect generations of Canadians. "I think the supermarket industry has a tremendous capability to communicate with people, ensuring that good nutrition is available", he says, "and I don't think as an industry we've done that as well as we might."

A leadership role, a sense of purpose, the desire to educate, the opportunity for profits - what motivates Richard Currie's commitment to nutrition? The answer is simple. "It's the right thing to do."

*"*OF THE 3 BASIC NEEDS *of life, food is the most imperative. We have come far in understanding the link between diet and health. I hope we are wise enough to see opportunities for improvement. The challenge to the food industry is to turn consumer ideals into action."*

RICHARD J. CURRIE

A Way of Life

Two centuries ago, the average life spanned 35 years. Scientific advances, improved sanitation, vaccines, medical discoveries and 'miracle' drugs doubled life expectancy, which today is escalating at the most rapid pace in history.

The population is aging, yet living longer, with the 65-and-over age group mushrooming at two and one-half times the normal population growth. Two-thirds of all people who have lived beyond the age of 65 in all of history, are alive today. As demographics change, attitudes shift. People are living better, adopting healthier habits with a greater interest in diet and exercise.

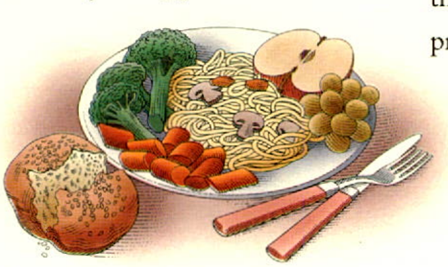
However, cardiovascular disease and cancer continue to kill people in epidemic proportions. Compelling evidence indicates that more than 50 percent of heart disease and strokes, and about 35 percent of cancers are caused by poor eating habits.

Over thousands of years human beings genetically adapted to a diet consisting of 85 percent plant products, 15 percent lean wild meat, and no dairy products. The modern North American diet, evolved over the last century, has been imbalanced by an excess of animal protein. The cost of health care, lost productivity and disability caused by dietary-based illnesses totals $20 billion per year. Three million Canadians suffer from some sort of heart disease.

Lifestyles are improving. Increased education and awareness has reduced the heart-related mortality rate for people under 65 by 30 percent. According to Canada's Ministry of National Health and Welfare, "healthful behaviour - as indicated by nutrition, exercise and safety practices - has become the social norm in Canada".

As consumers become more knowledgeable and demanding, progressive companies are developing effective ways to reach and serve these new, positive habits. Food retailers who seize this opportunity will profoundly affect the eating and buying habits of the nation.

Canada's Guidelines for Healthy Eating suggest a varied diet emphasizing cereals, breads, grains, vegetables and fruits, with a moderate amount of lean meats and low fat dairy products.



New research suggests that many health problems of old age are actually the result of a lifetime of improper care of the body. Increasingly, informed consumers are stopping smoking, improving their lifestyle and diet, and exercising more.

"THE SUPERMARKET INDUSTRY *has a tremendous capability to communicate with people and ensure that good nutrition is available to everyone. The consumer would be better served if food retailers conveyed nutritional information to the public rather than advertising who has the lowest price on soft drinks this week.*"

RICHARD J. CURRIE

The Role of the Supermarket

The supermarket has a powerful and influential role in the advancement of good nutrition. By seeing every family every week, it should be the first to recognize and respond to new trends and changing consumer demands.

According to Health and Welfare Canada's Guidelines for Healthy Eating, "it has been shown that consumers make most of their food decisions at the point of purchase such as the grocery store. The supermarket is a vital location for nutrition intervention programs designed to motivate healthful food selection."

Food retailing is a consumer-sensitive business, changing and evolving as the consumer becomes more informed and discriminating. Keeping pace with the escalating nutritional demands of its shoppers, supermarkets have expanded produce departments, cut leaner meats and offered more variety. Manufacturers have developed new dietary products, such as light, cholesterol-free, or sodium-reduced. But the industry can, and should, do more.

Several Loblaw Companies Limited supermarket chains have taken advantage of the opportunity to promote good nutrition with customer education programs. These grass roots initiatives respond to the individual needs of their communities. Fortino's developed "Supermarket Safari", a nutritional guided tour. Atlantic Wholesalers' "Dietitian's Corner" program features information on the nutritional value of foods. In a program designed for 6 Real Atlantic Superstores a dietitian in each of the stores offers information and supporting literature.

It has been said that the retailer is the purchasing agent for the consumer. This power imposes a moral responsibility on the supermarket to inform. The food retailing industry has a remarkable opportunity to quite literally affect the lives of the nation. It must assume an ethical obligation to be a purveyor of not only food, but nutritional information.

Atlantic Wholesalers' cookbook, "To Your Health", written by consulting dietitians is now recommended by several hospitals in the Maritime provinces. The "Dietitian's Corner" program, introduced in weekly Save-Easy flyers, provides shoppers with recipes and nutritional information.

Supermarkets can merchandise food. Their greater challenge is to merchandise nutrition.

Fortino's created "Supermarket Safari". A nutritionist accompanies customers through the store's various departments suggesting dietary alternatives and opportunities. The 2 hour tours proved so popular that the pilot program has been extended and expanded. Fortino's also offers a nutritional phone-in advisory service.

"OUR PRIMARY BUSINESS *is food, and food is where we can make the most substantial impact for the customer. Food distributors and manufacturers respond instinctively to any rival seeking a competitive edge. And the biggest winner in such a scenario is the consumer."*

RICHARD J. CURRIE

Products for the Next Decade

In a world of mixed messages, where even the experts cannot agree on the complexities of dietary information, the consumer is legitimately confused. Although 97 percent of shoppers say nutrition is important when purchasing food, far fewer actually buy the healthier products, in part because the marketplace has fundamentally failed to provide them.

Loblaw Companies Limited's corporate brands have led the industry in response to consumer demand. Inexpensive no name™ products assisted food budgets in the early '80's recession. Later, luxurious President's Choice™ foodstuffs indulged sophisticated palates. In 1989, the imaginative G•R•E•E•N™ program addressed important environmental concerns.

"After the success of the G•R•E•E•N™ program, our next challenge was to develop a line of healthy, nutritious products that taste delicious", says David Nichol, President of Loblaw International Merchants, a wholly owned subsidiary of Loblaw Companies Limited.

The "TOO GOOD TO BE TRUE!"™ products include no-oil salad dressing, 11 varieties of low fat yogurts, breads with less than 50 calories per slice, and 4 varieties of filling, high-fibre, low fat, no preservatives instant soups, under 250 calories.

"TOO GOOD TO BE TRUE!"™ is the new corporate brand line of nutritionally superior products. It is a natural progression from the relationships Loblaw has forged within the nutritional community, and the products already created from that association. A major research project conducted by the University of Toronto and St. Michael's Hospital, co-sponsored by Loblaw and the National Institutes of Health (U.S.A.) and utilizing President's Choice™ and no name™ products, led to the development of several "TOO GOOD TO BE TRUE!"™ products.

Twelve "TOO GOOD TO BE TRUE!"™ products were introduced in late 1991, with the full launch in January, 1992. It included more than 30 products transferred from the G•R•E•E•N G•O•U•R•M•E•T™ line, which met the new corporate brand's stringent criteria. Several were co-developed by the Lipid Clinic at Toronto General Hospital.

Nutritionist Barbara Casselman designed a 4 week total eating program to accompany the launch. The line is targeted to satisfy the increasing sophistication of the consumer. "People are desperate for these products", says David Nichol. "They will dispel the myth that if something tastes good it has to be bad for you, and that healthy foods are not delicious. In that way, they *are* "too good to be true".

TGTBT's Vegetarian Chili is full of beans. The soluble fibre found in beans is a useful, drug free way to control cholesterol.

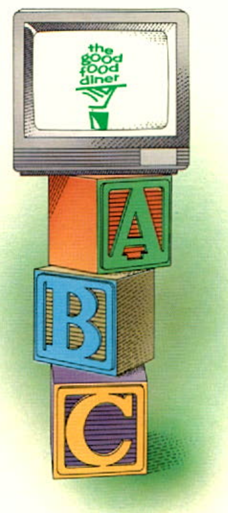
Loblaw is sponsoring research at the University of Toronto and St. Michael's Hospital into the development of soluble fibres in foods, which will allow drug-free reduction in cholesterol levels. Heading the study is Dr. David Jenkins, respected nutritionist and world authority on fibre and cholesterol.

Two "TOO GOOD TO BE TRUE!"™ products, Vegetarian Lasagne and Vegetarian Chili were developed by Dr. David Jenkins. The name for the entire product line originated with the meatless chili. David Nichol had his meat experts sample the chili, and mischievously asked what type of ground beef it contained. When they were told the chili contained absolutely no meat, the product was deemed "too good to be true".

"IF YOU'RE IN THE FOOD BUSINESS, *it would be nice at the end of your career to be able to say to your grandchildren that you not only gave your customers value for their dollar, but were in a position to influence what people ate. And that you used that influence positively - for the common good."*

RICHARD J. CURRIE

The Time to Start is Now



Loblaw Companies Limited has agreed to sponsor production of a videotape for national use on the importance of nutrition. Titled "The Good Food Diner", the 15 minute video will be distributed to over 17,000 elementary schools, community centres, and public health offices across Canada. The entertaining yet informative video will be designed to help motivate a change in eating habits of young children.

Children are society's secret weapon. Brimming with passion, idealism and commitment, they drive the engine for change. The environmental movement owes its success in large part to the educational system, which made young people aware of our fragile planet. The children brought their concerns home, and today many parents have made significant, environmentally sound changes to their lives at the urging of their children.

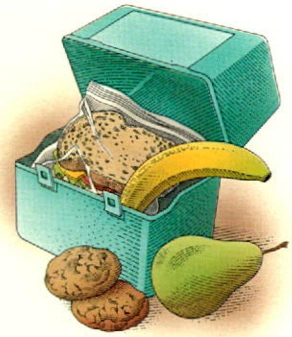
Although nutrition has lagged behind the environment as an issue, young people could potentially influence parental attitudes if they understood the benefits of healthy eating.

Thus, the habits of a nation could be changed by educating children. Schools have a responsibility to teach good nutrition. Supermarkets must respond quickly and responsibly to consumer demand, and support healthy eating by providing information and nutritious products. But the primary place to awaken and foster wholesome attitudes is in the home.

Although a lifetime of dietary patterns are difficult to change in adulthood, parents have a remarkable opportunity to affect the next generation by encouraging good eating habits. Research indicates that children tend to mimic their parents' dietary behaviour. Families who emphasize fruits, vegetables and grains while reducing the fats and animal protein in their diets, establish healthy examples.

Improper diet affects children's mental growth. Reading ability and verbal skills are delayed, motor skills suffer, and behavioral development slows. The nutritionally-deprived child is more likely to suffer fatigue, irritability, poor concentration, headaches, colds and ear infections. Compare this to the image of happy, vibrant children, full of joy and curiosity, and the benefits of good nutrition are evident.

Encourage positive eating habits while children are young and it will last their entire lifetime. Proper nutrition is the most productive skill this generation can teach the next. Our awareness and example will benefit our own health in the process. It is up to all of us to take care of ourselves and our children. The first line of defense is a healthy lifestyle. The time to start is now.



Children learn by example. Healthy eating begins in the home, starting with the foods parents choose to buy and serve. Proper nutrition helps to give a child a healthy start.

Financial Report

In 1991, Loblaw Companies Limited maintained its momentum of earnings growth in spite of severe economic recession in its largest market, Ontario, and general recession throughout North America. However the rate of earnings growth slowed and the return on common shareholders' equity declined slightly from 14.6 percent in 1990 to 13.4 percent in 1991.

Results of Operations

(in millions)

		Sales			Operating Income
		Retail	Wholesale	Total	
Eastern Canada	1990	$2,597	$1,615	$4,212	$104
	1991	$2,552	$1,774	$4,326	$ 96
Western Canada	1990	$1,446	$1,446	$2,892	$ 75
	1991	$1,548	$1,360	$2,908	$ 82
United States	1990	$1,277	$ 36	$1,313	$ 36
	1991	$1,280	$ 19	$1,299	$ 41
Total	1990	$5,320	$3,097	$8,417	$215
	1991	$5,380	$3,153	$8,533	$219

(Note: For an understanding of the geographic areas covered by Eastern Canadian operations, Western Canadian operations and United States' operations, please refer to the map on page 3.)

Sales increased by 1.4 percent in 1991 after increasing by 6.1 percent in the previous year.

In Canada, food price inflation as measured by the Consumer Price Index for "food purchased at stores", was 2.0 percent in 1991 and 4.2 percent in 1990. For several reasons this index is not a good indicator for sales increases in this business in the current year. One reason is that this index is not affected by the removal of FST and imposition of GST because it measures only food prices. Sales for this business include a significant portion of non-food items which have had their retail prices reduced by this change. The impact of this change is estimated to be a 1.5 to 2.0 percent reduction in total Canadian sales compared to 1990. Another reason why this index is not a good indicator is that it relates to a constant food basket while consumers, feeling the effects of the recession, are "trading down" by substituting lower priced goods in their food baskets. A measure of this is the dollar value per ton, which declined 2.9 percent in Ontario in 1991 after increasing by 1.4 percent in 1990.

In Eastern Canada, sales increased by 2.7 percent in 1991 and 5.6 percent in 1990. These increases may be further broken down into retail and wholesale sales increases. Retail sales decreased by 1.7 percent in 1991 after increasing by 1.1 percent in 1990. Wholesale sales increased by 9.8 percent in 1991 compared to a 13.9 percent increase in 1990. Analyzing retail sales, 10 new corporate stores were opened in this region in 1991, compared to 15 new corporate stores in 1990 and 15 stores were transferred from corporate to franchise (retail to wholesale) in 1991 compared to 20 such transfers in 1990. The net effect of new stores, transfers, closures and enlargements was a .7 percent decrease in the average retail square footage in 1991 compared to a 4.2 percent decrease in 1990. Retail sales per square foot, impacted by consumer downtrading, cross border shopping, the GST and discount price activity spurred by the recession also declined slightly in 1991 after increasing about 5 percent in 1990. Analyzing wholesale sales, sales to franchised independents account for more than 80 percent of wholesale sales. Although franchise square footage increased only marginally during the year, the quality of the franchisee base improved as a result of the conversion of a number of corporate stores and the closure of some unprofitable units. In addition, the franchise discount formats (Fortino's, no frills, Your Independent Grocer) have been appropriate for consumers' needs during the recession. The result has been that about two-thirds of the increase in wholesale sales has been from improved sales per square foot in franchisees. Other factors in increased wholesale sales were increased cigarette prices due to tobacco taxes and new drug store accounts obtained through the receivership of Fundy Distributors in Atlantic Canada.

In Western Canada, sales increased in 1991 by .6 percent compared to a 9.1 percent increase in 1990. Retail sales grew by 7.1 percent in 1991 and 20.8 percent in 1990, while wholesale sales decreased by 5.9 percent in 1991 and by .5 percent in 1990. The principal factor in retail sales growth continues to be the Real Canadian Superstores, particularly those opened within the last three years. Average retail square footage increased by about 10 percent during the year, but average retail sales per square foot declined by about 2 percent compared to an increase of about 1 percent in 1990. Contributing factors in this decline were the expansion of the general merchandise component of the business, the effect of the GST and to some extent cross border shopping and other competitive activity. On the wholesale side, supply to franchise customers has remained stable in 1991. The main reason for decline in wholesale sales has been the strategic loss of non-franchised independent business. Supply to several major customers which were providing an inadequate return was discontinued late in 1990. The ongoing rationalization of the customer base has resulted in discontinuing supply to an additional number of marginally profitable wholesale customers in 1991. The resulting declines in sales have been partially offset by a significant increase in food service supply business. During the year, three obsolete distribution facilities were closed in Kamloops, British Columbia, Dauphin, Manitoba and North Battleford, Saskatchewan.

In the United States, sales as reported in Canadian dollars decreased by 1.0 percent in 1991 after increasing by 1.3 percent in 1990. During 1991, the value of the Canadian dollar increased relative to the U.S. dollar. In U.S. dollars, sales increased by 1.3 percent in 1991, the same as in 1990. During 1991, the average retail square footage increased by

3.6 percent, compared to a zero increase in 1990. Tonnage, however increased by only 1 percent in both years, reflecting a decline in sales per square foot, due primarily to encroachment by new competitors. General food price inflation, as measured by the "food-at-home" component of the U.S. Consumer Price Index was 2.7 percent in 1991 and 6.6 percent in 1990. The fact that actual dollar increases are more in line with tonnage increases indicates that there was little impact of inflation on sales in either year.

Operating income in 1991 increased by 1.9 percent to $219 million from $215 million in the previous year. The previous year's increase was 12.6 percent.

In Eastern Canada, operating income decreased by 7.7 percent after increasing by 15.6 percent in the previous year. Eastern Canada, and particularly Ontario, has been hard-hit by the recession. For this and the other reasons mentioned previously, retail sales declined in 1991. Retail margins as a percentage of sales were maintained, primarily as a result of increased corporate brand sales. Case movement of corporate brands in Eastern Canada was up over 20 percent in 1991 and a substantial portion of this growth was in Club Pack™ and no name™ merchandise which gives consumers a lower cost alternative appropriate for a period of economic recession. Cost reduction efforts, focused on distribution and administration, have been significant, but there is an element of inflation in these costs, which, as mentioned before, does not exist in sales. Another way of expressing this is that retail tonnage and related distribution costs have been increasing, while the sales value per ton has been decreasing. Consequently, operating income from retail operations declined by almost 20 percent in 1991. 9.8 percent sales growth in the wholesale portion of Eastern Canadian operations in 1991 was matched by growth in operating income of over 10 percent from this segment. The franchise growth has been in stores which offer lower prices to the consumer. For 1992, it is anticipated that the benefits of sales increases and operating cost reductions will be used to reduce gross margins and that operating income in this region will remain at approximately the same level as in 1991. The principal risks in achieving this result are further escalation of competitive pricing and further deterioration in the economy.

In Western Canada the regional economies have not been as severely impacted by the recession as in Ontario and operating income increased by 9.3 percent in 1991 compared with an 11.9 percent improvement in 1990, in spite of significant competitive activity in many markets. The rate of growth of operating income from the retail segment of the business was approximately equal to the rate of growth of sales. Wholesale profits also improved despite reduced sales. This is an indication of the greater efficiency of the reduced wholesale business. New store openings and further cost reductions are expected to maintain operating income growth in 1992.

Operating income in the United States, where the business is primarily corporate retail stores, grew by 13.9 percent in 1991 compared to 5.9 percent growth in 1990. The growth in both years is largely attributable to tight cost control, including the cost of products, as sales growth has been constrained by competitive square footage increases and limited growth in our retail square footage. Although new stores are under development, the positive income effect of their openings will not be felt in 1992. In addition, competitive pressure on margins became more intense in the New Orleans area in late 1991 and this pressure continues. It is therefore anticipated that operating profits will decline somewhat in United States' operations in 1992.

The gain on the sale of capital assets was $2.8 million, a decrease of $.9 million from 1990.

Interest expense decreased to $56.7 million from $64.1 million in 1990 and $79.6 million in 1989. In 1991 and 1990 the average debt level, net of cash and short term investments, declined and this was a major factor in interest expense reductions in both years. In 1990, a decrease in the effective interest rate was achieved through interest rate management, further reducing interest expense. In 1991, the benefit of lower net debt levels was partially offset by a higher effective rate. The effective rate was higher primarily due to the issuance of $200 million 40 year notes at 11.4 percent which approximately doubled the term to maturity of long term debt, but introduced higher new rates than had previously been incurred on short term debt, and due to lower interest rates on the U.S. investment portfolio which is netted against Canadian interest expense.

Earnings before income taxes increased from $150.4 million last year to $162.4 million in the current year, giving a year over year increase of 8.0 percent. This compares to an increase of 35.6 percent in the previous year.

The *effective income tax rate* for the year decreased from 36.2 percent in 1990 to 35.5 percent in 1991. This decrease has occurred because of the higher proportion of income being earned in 1991 in the United States and also because of a declining combined Canadian federal and provincial tax rate mix. The latter is expected to produce a further decrease in the effective rate in 1992.

Net earnings were $104.7 million in 1991 versus $96.0 million in 1990 and $70.2 million in 1989 and earnings per share rose from $.80 in 1989 to $1.10 in 1990 and $1.17 in 1991.

Financial Condition

During 1991, the financial condition of the business was strengthened by two major continuing operating trends, as well as by some significant refinancing activities.

The operating trends, which were referred to in this analysis last year, are a stabilization of capital expenditures at a level below cash flow from operations and an emphasis throughout the business on improving asset effectiveness.

Considering the first trend, expenditures on fixed assets were $158.9 million in 1991, $171.2 million in 1990 and $165.7 million in 1989 after averaging $215 million in the five preceding years.

Considering the second trend, it often takes a period of months or years for a new store to reach its maximum contribution level. Therefore, as the percentage of very new assets declines, the business is capable of generating more profits and cash related to its maturing asset base. *Cash flow from operations* was $220.9 million in 1991, $248.7 million in 1990 and $230.4 million in 1989, substantially in excess of fixed asset expenditures in each year.

Considering further the trend of improving asset effectiveness, an important aspect of generating strong cash flow from operations is management of working capital. The Company attempts to maintain its net investment in the non-cash elements of working capital (the principal components of which are accounts receivable, inventories, accounts payable and accrued liabilities) at the minimum necessary for effective operation. For 1989 the average ratio of these elements of non-cash working capital to sales was .6 percent. This ratio declined to .5 percent of sales in 1990 and 1991, reflecting continued efforts to control this investment. During 1991, there was an increase in *accounts receivable* of $23.9 million which was largely unrelated to operations, but rather reflected the repurchase of receivables which had previously been sold to a financial institution. In 1991, *cash provided from working capital* was $14.8 million, representing the fourth consecutive year in which this has been a source rather than a use of cash. Continuing efforts to improve the ratio of this investment to sales should result in working capital being either a source or a minimal use of cash next year.

The above factors combined to produce a *net positive cash flow before financing and dividends* of $66.8 million in 1991 and $109.1 million in 1990.

At year end, *cash* (cash and short term investments net of bank advances and notes payable) was $253.4 million, a $222.2 million increase from last year. The net cash flow before financing and dividends was a component of this increase. The other factor which had a major impact on cash and the overall financial position during 1991 was refinancing activity which consisted of the issuance of $200 million of 11.4 percent 40 year notes, the repurchase of $48.7 million of Series 2, 3 and 7 debentures, the retraction of $38 million of Series 7 debentures by holders, the issuance of $101.3 million of common equity and the repurchase of $37.1 million of retractable Second preferred, Third series shares. Financing activities generated net cash of $188.1 million.

Investments declined by $16.7 million during 1991 principally as a result of continuing efforts to shift the financing of franchisees to financial institutions.

Short term liquidity is provided by a combination of internally generated cash flow, cash on hand (as defined and discussed in the previous paragraph) and access to the commercial paper market. The Company maintains a $500 million commercial paper program, supported by operating bank lines of credit, which is rated A-1 and R-1 (low) by Canadian Bond Rating Service (CBRS) and Dominion Bond Rating Service (DBRS) respectively. Financial instruments are used to manage the interest rate on the underlying commercial paper and short term investments. At year end 1991, the annualized equivalent of approximately U.S. $63 million of 1992 short term investments had been fixed at a rate of 4.9 percent and $16 million of 1992 commercial paper had been fixed at a rate of 8.8 percent.

Longer term capital resources are provided by direct access to the capital markets. The Company enjoys a debt rating of A (high) from CBRS and DBRS. As mentioned previously, $200 million of 11.4 percent, 40 year notes were issued during the year in addition to a repurchase and a retraction by holders of other long term debt. In total, *long term debt* increased by $120.3 million to $593.7 million at year end. At the same time, the weighted average interest rate on fixed rate *long term debt* (excluding capital lease obligations) increased from last year at 10.5 percent to 10.8 percent in 1991 and the weighted average term to maturity (measured both on the basis of maturity date and on the earlier of maturity and first retraction date) was 20.9 and 18.6 years respectively in 1991 compared to 10.1 and 5.2 years in 1990.

Total debt increased from $473.4 million in 1990 to $593.7 million. However, if cash and short term investments are offset against total debt, the *debt:equity* ratio improved from .54:1 in 1990 to .36:1 in 1991. These ratios are well below the Company's internal guideline of maintaining a debt:equity ratio of less than 1:1.

Increases in *shareholders' equity* during the year contributed to the reduction in the debt:equity ratio. Shareholders' equity increased by $128.7 million in 1991 after increasing by $66.3 million in 1990. In addition to the current earnings retained in the business, shareholders' equity increased as a result of the common share issue, net of the repurchase of preferred shares.

Loblaw strives to create shareholder value through common share appreciation reflecting historical earnings per share growth and future growth potential. The Company's *dividend policy* is to pay out dividends on common shares amounting to approximately 20 percent of the prior year's earnings per share. The debt and equity issues of 1991 have strengthened the balance sheet and placed the business in a position to contemplate any worthwhile acquisition opportunities should they arise.

During 1991, enhancements were made to benefits payable under some of the Company's pension plans. As a result, the value of accrued pension benefits increased from $343.8 million in 1990 to $378.6 million in 1991. During the year, the value of pension fund assets increased from $299.7 million to $329.0 million.

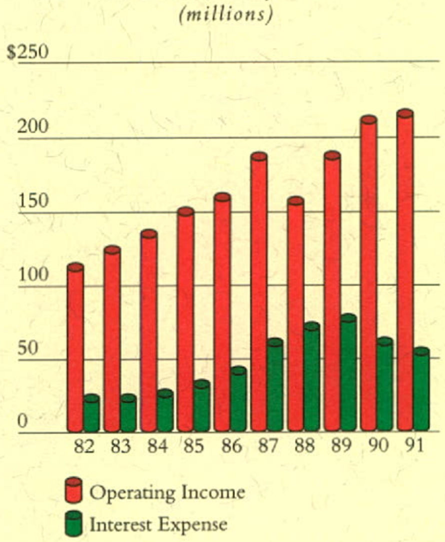
Future Prospects

Fixed assets expenditures are expected to be approximately $230 million next year and it is expected that the cash required will be generated through operations. About 50 percent of this capital is expected to be spent in Eastern Canada, 25 percent in Western Canada and 25 percent in the United States. This compares with about 55 percent, 30 percent and 15 percent respectively in 1991. About 70 percent of the 1992 expenditure will be on corporate stores (new franchise units are for the most part self-financing), which is approximately the same proportion as in 1991. Projects already begun, and which the Company is effectively committed to complete, total approximately $70 million of the anticipated 1992 expenditure.

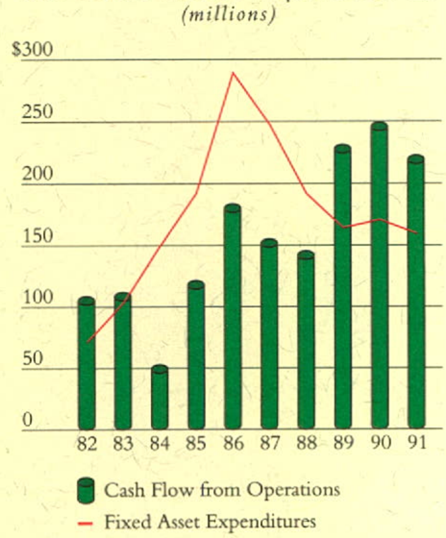
The Company is an aggressive competitor in the food distribution business. Its strategies often involve penetration of new markets. It is willing to experiment with new store formats and expand its operations through focused acquisitions when opportunities arise. Early in 1992, the Company entered into two acquisition agreements. In one, an agreement in principle was signed which will, subject to the approval of the Bureau of Competition Policy, result in the purchase of 10 former Steinberg stores in the Ottawa Valley. Most of these stores are franchised, allowing the Company to build on its wholesale strength in the Ontario market. The other arrangement involves the purchase of the remaining 50 percent interest of the Company's joint venture partner in a wholesale and retail business in Newfoundland. Eighteen corporate stores and a distribution warehouse have been acquired. These acquisitions will add over $200 million to annual sales and will employ capital of approximately $40 million on an ongoing basis. While these strategies increase short term *risk*, management believes they are essential to long term security and growth.

Management also follows certain strategies to reduce risk. One of these is to operate in geographically diverse areas to minimize exposure to regional economies and demographics. This has benefitted operating results in 1991 as operating profit increases in Western Canada and the United States have more than offset declines in Eastern Canada. Another strategy is to operate in both the wholesale and retail sectors of the food distribution industry to minimize exposure to shifts in the balance of economic power between these two major components of the industry. This has been important in Ontario in 1991 as profits from the corporate retail stores have declined and profits from the franchised wholesale business have improved. In 1992, the Ontario business will face important negotiations affecting the labour costs of its Loblaws Supermarkets and Zehrmart divisions which may impact on the long term viability of these corporate stores. A positive historic relationship with the relevant unions and employees leads management to believe that these negotiations will conclude satisfactorily. In the event that they are unsuccessful, once again the wholesale and retail operating capability may be an important strength. Other risk dampening strategies are: following a policy of owning its own real estate whenever possible to preserve operating flexibility and position the Company to benefit from any real estate appreciation; and developing powerful corporate brands (no name™, President's Choice™, G•R•E•E•N™, "TOO GOOD TO BE TRUE!"™, Club Pack™) to enhance customer loyalty and provide some insulation from national brand pricing. This has been important in 1991 as consumers have been able to find good value, particularly in no name™ and Club Pack™ products.

Operating Income and Interest Expense
(millions)



Cash Flow from Operations and Fixed Asset Expenditures
(millions)



Retail and Wholesale Operations

Retail sales consist of sales to consumers through corporate stores operated by Loblaw Companies Limited. Wholesale sales consist of sales and service fees to franchised independent stores and independent accounts but exclude sales to corporate stores or other inter-company sales.

The following charts illustrate the makeup and trends in Loblaw Companies Limited when viewed from a retail and wholesale perspective.

Retail Operations

Corporate Stores	1991 Stores	1991 Sq. Ft. *(in millions)*	1990 Stores	1990 Sq. Ft. *(in millions)*	1989 Stores	1989 Sq. Ft. *(in millions)*
Beginning of year	**329**	**11.4**	334	11.3	311	10.6
Opened	**18**	**.6**	18	.8	55	1.2
Closed	**(10)**	**(.3)**	(20)	(.5)	(18)	(.2)
Franchised						
Transfer to:	**(16)**	**(.2)**	(20)	(.3)	(22)	(.4)
Transfer from:	**20**	**.1**	17	.1	8	.1
End of year	**341**	**11.6**	329	11.4	334	11.3
Average store size *(in thousands)*		**34.1 sq. ft.**		34.7 sq. ft.		33.9 sq. ft.
Analysis by size						
More than 60,000 sq. ft.	**43**		43		40	
40,000 – 60,000 sq. ft.	**47**		50		48	
20,000 – 39,999 sq. ft.	**149**		140		148	
10,000 – 19,999 sq. ft.	**59**		59		64	
Less than 10,000 sq. ft.	**43**		37		34	
	341		329		334	
Retail Sales *(in millions)*	**$5,380**		$5,320		$5,025	
Annual average sales per gross sq. ft.	**$466**		$475		$458	

Wholesale Operations

Franchised Independent Stores	1991 Stores	1991 Sq. Ft. *(in millions)*	1990 Stores	1990 Sq. Ft. *(in millions)*	1989 Stores	1989 Sq. Ft. *(in millions)*
Beginning of year	**1,266**	**7.4**	1,289	7.3	1,183	6.8
Opened	**128**	**.6**	76	.3	174	.7
Closed	**(234)**	**(1.0)**	(102)	(.4)	(82)	(.5)
Corporate						
Transfer from:	**16**	**.2**	20	.3	22	.4
Transfer to:	**(20)**	**(.1)**	(17)	(.1)	(8)	(.1)
End of year	**1,156**	**7.1**	1,266	7.4	1,289	7.3
Warehouses	**49**		54		54	
Cash & Carry units	**53**		53		54	
Independent accounts	**12,038**		11,839		12,337	
Wholesale Sales *(in millions)*	**$3,153**		$3,097		$2,909	

Responsibility for Financial Reporting

The management of Loblaw Companies Limited is responsible for the preparation and integrity of the financial statements and related financial information of the Company. The financial statements and other financial information in this report have been prepared by the management of the Company in accordance with generally accepted accounting principles and, where necessary, utilizing management's judgements and best estimates.

To help fulfill its responsibility and to assure integrity of financial reporting, management maintains a system of internal controls encompassing all financial records. These controls, which include a comprehensive budgeting system and timely periodic reporting of financial information, provide reasonable assurance that assets are safeguarded and transactions and events are properly recorded. To augment the internal control systems, the Company maintains a program of internal audits coordinated with the external auditors.

Ultimate responsibility for financial statements to shareholders rests with the Board of Directors. An audit committee of non-management directors is appointed by the Board to oversee the fulfillment by management of its responsibilities in the preparation of financial statements and financial control of operations. The audit committee reviews financial statements with management and reports to the directors prior to the approval of the audited financial statements for publication.

Peat Marwick Thorne, independent auditors appointed by the shareholders, review the financial statements in detail and meet separately with both the audit committee and management to discuss their findings, including the fairness of financial reporting and the results of their review of internal controls. The shareholders' auditors report directly to shareholders and their report also appears on this page.

Richard J. Currie

Richard J. Currie
President

David K. Bragg

David K. Bragg
Senior Vice President,
Planning and Control

John W. Thompson

John W. Thompson
Senior Vice President,
Finance and Administration

Auditors' Report

To the Shareholders of Loblaw Companies Limited

We have audited the consolidated balance sheets of Loblaw Companies Limited as at December 28, 1991 and December 29, 1990 and the consolidated statements of earnings, retained earnings and cash flow for the 52 week periods then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 28, 1991 and December 29, 1990 and the results of its operations and the changes in its financial position for the periods then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

Chartered Accountants
March 2, 1992
Toronto, Canada

KPMG Peat Marwick Thorne

Consolidated Statement of Earnings

52 Weeks Ended December 28, 1991

(in millions of dollars)	*1991*	*1990*	*1989*
Sales – Canada	**$7,233.9**	$7,103.9	$6,638.2
– United States	**1,299.0**	1,312.7	1,295.7
	8,532.9	8,416.6	7,933.9
Operating Expenses			
Cost of sales, selling and administrative expenses	**8,209.2**	8,097.1	7,643.3
Depreciation	**104.6**	105.0	100.1
	8,313.8	8,202.1	7,743.4
Operating Income	**219.1**	214.5	190.5
Interest expense (income)			
Long term debt	**63.2**	54.7	59.2
Short term debt/investments	**(6.5)**	9.4	20.4
	56.7	64.1	79.6
Earnings before income taxes	**162.4**	150.4	110.9
Income taxes (note 2)	**57.7**	54.4	38.5
Earnings before minority interest	**104.7**	96.0	72.4
Minority interest			2.2
Net Earnings for the Period	**$ 104.7**	$ 96.0	$ 70.2
Net Earnings per Common Share	**$1.17**	$1.10	$.80

Consolidated Statement of Retained Earnings

52 Weeks Ended December 28, 1991

(in millions of dollars)	*1991*	*1990*	*1989*
Retained Earnings, Beginning of Period	**$ 499.1**	$ 433.9	$ 390.4
Net earnings for the period	**104.7**	96.0	70.2
	603.8	529.9	460.6
Dividends declared			
Preferred shares	**16.0**	16.3	12.2
Common shares, per share – 23¢ (1990 – 20¢, 1989 – 20¢)	**17.7**	14.5	14.5
Share issue costs, net of income taxes	**2.3**		
	36.0	30.8	26.7
Retained Earnings, End of Period	**$ 567.8**	$ 499.1	$ 433.9

Consolidated Balance Sheet

As at December 28, 1991

(in millions of dollars)	*1991*	*1990*	*1989*
Assets			
Current Assets			
Cash and short term investments	**$ 253.4**	$ 31.2	$ 24.5
Accounts receivable	**161.8**	137.9	139.6
Inventories	**615.2**	621.5	579.6
Prepaid expenses and other assets	**19.7**	16.5	16.8
	1,050.1	807.1	760.5
Investments (note 3)	**106.8**	123.5	131.6
Fixed Assets (note 4)	**1,115.1**	1,077.7	1,044.4
Goodwill	**54.0**	58.2	69.7
Other Assets	**35.6**	35.8	33.4
	$2,361.6	$2,102.3	$2,039.6
Liabilities			
Current Liabilities			
Bank advances and notes payable			$ 8.3
Accounts payable and accrued liabilities	**$ 721.8**	$ 721.3	668.1
Dividends payable	**4.7**	3.7	
Taxes payable	**27.7**	27.3	2.9
Long term debt payable within one year (note 5)	**33.1**	4.2	47.1
	787.3	756.5	726.4
Long Term Debt (note 5)	**560.6**	469.2	494.0
Other Liabilities	**27.4**	20.9	26.8
Deferred Income Taxes	**45.3**	43.4	46.4
	1,420.6	1,290.0	1,293.6
Shareholders' Equity			
Capital Stock (note 6)			
Preferred shares	**185.9**	223.5	224.3
Common shares	**218.2**	110.6	108.9
	404.1	334.1	333.2
Contributed Surplus	**8.8**	8.8	9.0
Retained Earnings	**567.8**	499.1	433.9
Foreign Currency Translation Adjustment	**(39.7)**	(29.7)	(30.1)
	941.0	812.3	746.0
	$2,361.6	$2,102.3	$2,039.6

Approved by the Board

W. Galen Weston
Director

W Galen Weston

Richard J. Currie
Director

Richard J. Currie

Consolidated Cash Flow Statement

52 Weeks Ended December 28, 1991

(in millions of dollars)	*1991*	*1990*	*1989*
Operations			
Earnings before minority interest	**$ 104.7**	$ 96.0	$ 72.4
Depreciation	**104.6**	105.0	100.1
Gain on sale of fixed assets	**(2.8)**	(3.7)	(8.9)
Deferred income taxes	**(4.7)**	(4.2)	9.6
Other	**4.3**	4.9	4.4
	206.1	198.0	177.6
Provided from working capital	**14.8**	50.7	52.8
Cash flow from operations	**220.9**	248.7	230.4
Investment			
Purchase of fixed assets	**(158.9)**	(171.2)	(165.7)
Proceeds from sale of fixed assets	**14.6**	21.9	47.1
Acquisition of subsidiary company (note 7)			(76.8)
Decrease (increase) in investments in franchisees	**13.6**	5.3	(13.9)
Net decrease (increase) in other items	**(23.4)**	4.4	10.6
	(154.1)	(139.6)	(198.7)
Net cash in before financing and dividends	**66.8**	109.1	31.7
Financing			
Long term debt – Borrowings	**205.6**		3.0
– Repayments	**(91.3)**	(67.7)	(11.7)
Capital stock – Issued	**107.6**	1.7	115.7
– Repurchased	**(37.6)**	(.8)	(55.6)
Other	**3.8**		
	188.1	(66.8)	51.4
Dividends			
To shareholders	**(32.7)**	(27.3)	(26.5)
To minority shareholders in subsidiary companies			(.5)
	(32.7)	(27.3)	(27.0)
Increase in Cash	**222.2**	15.0	56.1
Cash at beginning of period	**31.2**	16.2	(39.9)
Cash at End of Period	**$ 253.4**	$ 31.2	$ 16.2

Cash is defined as cash and short term investments net of bank advances and notes payable.
Certain comparative figures have been reclassified to conform with the current period's presentation.

(Narrative and tabular amounts in millions of dollars except Capital Stock note)

1. Summary of Significant Accounting Policies

a) *Basis of consolidation*
The consolidated financial statements include the accounts of the Company and all subsidiaries. The effective interest of Loblaw Companies Limited in the equity share capital of principal subsidiaries is 100%. Kelly, Douglas & Company, Limited, formerly an 85% owned subsidiary, became a 100% owned subsidiary June 18, 1989.

b) *Cash offsetting*
Cash balances for which the Company has a right of offset are used to reduce reported short term borrowings. In addition, the Company has $209.2 (1990 – $195.7) in short term investments held by its United States subsidiaries which is included in cash and short term investments. In 1990, $164.5 of this was used to offset short term borrowings in Canada. The $12.3 (1990 – $13.5) income from these investments is included as a reduction of interest expense.

c) *Inventories*
Retail store inventories are stated at the lower of cost and net realizable value less normal profit margin. All other inventories are stated at the lower of cost and net realizable value.

d) *Fixed assets*
Fixed assets are stated at cost, including capitalized interest. Interest capitalized during the period amounts to $4.1 (1990 – $3.4). Depreciation is recorded principally on a straight line basis to amortize the cost of these assets over their estimated useful lives.

Estimated useful lives range from twenty-five to thirty-five years for buildings and three to eleven years for equipment and fixtures. Leasehold improvements are depreciated over the lesser of the applicable useful life and term of the lease.

e) *Translation of foreign currencies*
Foreign currency balances are translated at a rate approximating the current rate at each period end. The net difference on translation of the Company's equity in United States subsidiaries is included in a separate category of shareholders' equity on the balance sheet, to be recognized in earnings in proportion to any reduction of the net investment. Revenues and expenses are translated at a rate approximating the average rate for the period.

f) *Goodwill*
Goodwill reflects the excess of the cost of investments in subsidiaries over the fair value of the underlying net tangible assets acquired at the dates of acquisition. Goodwill is being amortized on a straight line basis determined for each acquisition over the estimated life of the benefit, to a maximum period of 40 years. The weighted average remaining amortization period is 28 years.

2. Income Taxes

The Company's effective income tax rate is made up as follows:

	1991	*1990*	*1989*
Combined basic Canadian federal and provincial income tax rate	**42.8%**	44.5%	44.1%
Impact of operating in foreign countries with lower effective tax rates	**(6.5)**	(7.1)	(8.2)
Other (including adjustment of prior years' estimates)	**(.8)**	(1.2)	(1.2)
	35.5%	36.2%	34.7%

3. Investments (at cost)

	1991	*1990*	*1989*
Secured loans and advances	**$ 28.6**	$ 30.8	$ 30.6
Lease receivables	**30.4**	30.7	30.9
Investments in franchisees	**27.1**	40.7	46.0
Long term receivables and other investments	**20.7**	21.3	24.1
	$106.8	$123.5	$131.6

4. Fixed Assets

	1991			1990			1989
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net	Net
Properties held for development	**$ 17.3**		**$ 17.3**	$ 5.8		$ 5.8	$ 8.7
Land	**230.1**		**230.1**	224.1		224.1	209.5
Buildings	**615.9**	**$132.9**	**483.0**	578.5	$110.5	468.0	431.8
Equipment and fixtures	**690.6**	**436.5**	**254.1**	644.3	393.6	250.7	251.1
Leasehold improvements	**157.7**	**77.7**	**80.0**	151.0	71.3	79.7	80.4
	1,711.6	**647.1**	**1,064.5**	1,603.7	575.4	1,028.3	981.5
Buildings and equipment under capital leases	**85.2**	**34.6**	**50.6**	82.1	32.7	49.4	62.9
	$1,796.8	**$681.7**	**$1,115.1**	$1,685.8	$608.1	$1,077.7	$1,044.4

5. Long Term Debt

		1991	1990	1989
Debentures				
12 1/2%, repaid 1990				$ 35.0
Series 2, 12 1/4%,	due 1994	**$ 30.5**	$ 35.0	35.0
Series 3, 11 5/8%,	due 1992	**28.6**	50.0	50.0
Series 4, 11%,	due 1995	**40.0**	40.0	40.0
Series 5, 10%,	due 2006	**50.0**	50.0	50.0
Series 6, 9 3/4%,	due 2001	**75.0**	75.0	75.0
Series 7, 9%,	due 2001	**14.2**	75.0	75.0
Series 8, 10%,	due 2007	**60.7**	60.7	65.5
Notes, 11.4%,	due 2031	**200.0**		
Term loan at LIBOR plus 3/8% – 3/4%, repaid December, 1990 (U.S. $13.0)				15.5
Mortgages at a weighted average interest rate of 10.5%, due 1992 – 2003 (including U.S. $1.3)		**11.5**	12.3	13.0
Other long term debt at a weighted average interest rate of 10.0%, due 1992 – 1998		**8.5**	3.1	3.3
Capital lease obligations at a weighted average interest rate of 13.1% due 1992 – 2012		**74.7**	72.3	83.8
		593.7	473.4	541.1
Less payable within one year		**33.1**	4.2	47.1
		$ 560.6	$ 469.2	$ 494.0

The Series 5 and Series 6 debentures are retractable annually commencing 1996 and 1993, respectively. The Series 7 debentures are redeemable and retractable in 1996. The interest rate on these debentures was reset in 1991 at 9% (from 10%). The five year schedule of repayments of long term debt, at the earlier of maturity or first retraction date, is as follows:
1992 – $33.1; 1993 – $80.5; 1994 – $35.8; 1995 – $46.6; 1996 – $71.1.

6. Capital Stock

	Number of shares issued			Paid-up-capital *(in millions of dollars)*		
	1991	*1990*	*1989*	*1991*	*1990*	*1989*
First preferred shares						
First series	**439,652**	439,652	439,652	**$ 22.0**	$ 22.0	$ 22.0
Second series	**299,048**	307,273	316,660	**9.9**	10.1	10.4
	738,700	746,925	756,312			
Second preferred shares						
Third series	**1,515,700**	3,000,000	3,000,000	**37.9**	75.0	75.0
Fourth series	**120**	120	120	**60.0**	60.0	60.0
Fifth series	**110**	110	110	**55.0**	55.0	55.0
	1,515,930	3,000,230	3,000,230			
Junior preferred shares	**11,375**	14,125	18,955	**1.1**	1.4	1.9
Total preferred shares				**185.9**	223.5	224.3
Common shares	**78,381,416**	72,621,007	72,255,301	**218.2**	110.6	108.9
Total capital stock				**$404.1**	$334.1	$333.2

Share Description:

First preferred shares (authorized – 1,000,000)

First series – $2.40 cumulative dividend redeemable at $50.
Second series – $3.70 cumulative dividend redeemable at $70. Subject to certain exceptions, in each fiscal year the Company is obligated to apply $400,000 to the retirement of these shares.

Second preferred shares (authorized – unlimited)

Third series – $1.825 cumulative dividend redeemable at $25, retractable at the option of the holder on September 1, 1993. In 1991, the Company repurchased for cancellation 1,484,300 shares at $25.
Fourth series – cumulative dividend with a fixed rate of 7.75% to March 1, 1995 and a floating rate thereafter, redeemable at $500,000 each on or after March 1, 1995. These shares were issued in 1989 by way of a private placement.
Fifth series – cumulative dividend with a fixed rate of 7.75% to March 1, 1995. These shares were redeemed according to their terms at $500,000 each on March 1, 1992.

Junior preferred shares (authorized – unlimited)

Third and Fourth series – cumulative dividend with floating rate equal to two-thirds of average bank prime rate plus 3/4%, redeemable after August 6, 1992 and May 16, 1993, respectively at $100, 11,375 convertible into 255,020 common shares, (14,125 convertible into 298,157 common shares in 1990).

Common shares (authorized – unlimited)

In June, 1991, the Company issued 5,000,000 common shares for cash consideration of $101,250,000.

In 1991, the Company also issued 43,136 (1990 – 203,368) common shares for a consideration of $275,000 (1990 – $483,000) on conversion of 2,750 junior preferred shares.

In 1991, the Company issued 717,273 (1990 – 162,338) common shares for cash consideration of $6,078,224 (1990 – $1,211,845) on exercise of employee stock options.

As at December 28, 1991 there were outstanding stock options, which were granted at the market price on the day preceding the grant, to purchase 1,894,680 common shares at prices ranging from $9 3/16 to $18 1/2 with a weighted average price of $12.94. Options expire on dates ranging from January 27, 1993 to December 13, 1997.

The exercise of the conversion privileges and stock options would not materially dilute earnings per share.

7. Acquisition

There were no acquisitions in 1991 or 1990. During 1989, the Company purchased the 15.04% minority interest of Kelly, Douglas & Company, Limited.

This transaction has been accounted for using the purchase method with the results of operations included in these financial statements since the date of acquisition. Details of the acquisition are as follows:

	1989
	Kelly, Douglas Minority Interest
Fixed assets	$ 7.3
Goodwill	26.6
Minority interest	42.9
Cash consideration	$76.8

8. Pensions

Current actuarial estimates indicate that the present value of accrued pension benefits is $378.6 (1990 – $343.8) and the value of pension fund assets is $329.0 (1990 – $299.7). In addition, a subsidiary is a participant in union-sponsored multiemployer pension plans. The share of these plans' unfunded vested liabilities allocable to the subsidiary, for which it may be contingently liable, is not determinable by the plans' administrators.

9. Other Information

a) *Segmented information*

The Company's only significant activity is food distribution. Geographically segmented information is as follows:

	Canada			United States		
	1991	*1990*	*1989*	*1991*	*1990*	*1989*
Operating income	**$ 177.7**	$ 178.5	$ 157.0	**$ 41.4**	$ 36.0	$ 33.5
Total assets	**$1,797.3**	$1,735.6	$1,671.0	**$564.3**	$366.7	$368.6

b) *Contingent liabilities and commitments*

Endorsements and guarantees in the normal course of business amount to $35.3. Gross rentals under leases assigned at the time of sale of United States divisions for which the Company is contingently liable, amount to $38.8.

In addition to various claims arising in the normal course of business, legal actions concerning the rights and obligations associated with the class A shares of the Company's subsidiary, Westfair Foods Ltd., were commenced in January, 1989. Under an Alberta court decision rendered in the first quarter of 1990, Westfair has been directed to purchase these shares, of which there are approximately 30,000 in the hands of minority shareholders, at a value to be independently determined in further proceedings. The Alberta Court of Appeal upheld the purchase directive and indicated that no rights or expectations of the class A shareholders should be taken into account in valuing these shares, beyond the right to an annual $2 dividend. The minority shareholders applied for an appeal of this decision to the Supreme Court of Canada. On November 14, 1991, this application was denied. The valuation proceedings commenced on February 6, 1992 and the court has appointed an independent valuator. Westfair has filed two expert reports which, based on the decision of the Alberta Court of Appeal, place the value of the class A shares in the range of $18 – $29 per share. No expert opinions have been filed by the minority class A shareholders to this point in the proceedings. Management believes that the eventual purchase of these shares will not have a material effect on the Company's earnings or financial position.

Commitments for net operating lease payments total $611 ($733 gross, net of $122 of expected sub-lease income). Net payments for each of the next five years and thereafter are as follows:

1992 – $86; 1993 – $79; 1994 – $63; 1995 – $53;
1996 – $45; thereafter to 2056 – $285.

c) *Related parties*

The Company's majority shareholder, George Weston Limited and its subsidiaries are related parties. It is the Company's policy to conduct all transactions with related parties on normal trade terms. The magnitude of these transactions and balances is not considered significant to the Company.

Ten Year Summary

Earnings Statement

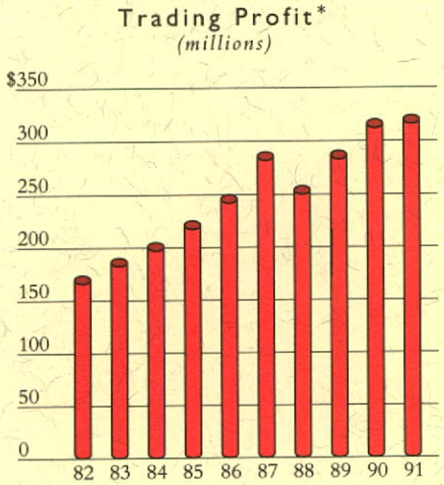
($ millions)	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982
Sales – Canada	**7,234**	7,104	6,638	6,044	5,689	5,098	4,668	4,394	4,121	3,847
– United States	**1,299**	1,313	1,296	2,264	2,942	2,741	2,263	2,025	1,970	2,374
– Total	**8,533**	8,417	7,934	8,308	8,631	7,839	6,931	6,419	6,091	6,221
Trading profit*	**324**	320	291	258	290	249	225	205	190	173
Depreciation	**105**	105	100	98	100	86	73	67	62	58
Operating income	**219**	215	191	160	190	163	152	138	128	115
Interest	**57**	64	80	74	64	45	36	29	26	26
Income taxes	**57**	55	39	19	48	39	45	45	46	40
Minority interest			2	4	4	5	4	3	4	4
Earnings before extraordinary items	**105**	96	70	41	74	74	67	61	52	45
Extraordinary items				(15)				3	1	(6)
Net earnings	**105**	96	70	26	74	74	67	64	53	39
Per Common Share *(dollars)*										
Net earnings	**1.17**	1.10	.80	.21	.87	.91	.85	.81	.66	.46
Dividends – declared	**.23**	.20	.20	.20	.195	.175	.155	.135	.118	.105
– year end rate	**.24**	.20	.20	.20	.20	.18	.16	.14	.12	.11
Return on Sales *(percent)*										
Operating income	**2.6**	2.5	2.4	1.9	2.2	2.1	2.2	2.1	2.1	1.9
Earnings before income taxes	**1.9**	1.8	1.4	.8	1.5	1.5	1.7	1.7	1.7	1.4
Net earnings	**1.2**	1.1	.9	.3	.9	.9	1.0	1.0	.9	.6
Earnings Ratios** *(percent)*										
Return on common equity	**13.4**	14.6	11.7	5.9	12.5	14.6	15.6	16.3	16.3	15.3
Return on capital employed	**16.4**	16.1	14.1	11.4	14.2	14.8	17.1	18.8	19.7	18.2

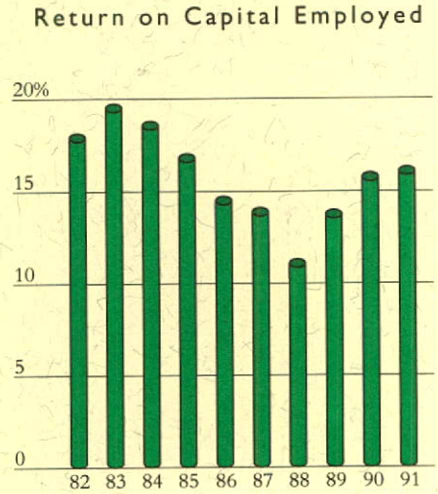
*Trading profit is defined as operating income before depreciation.

**Earnings ratios have been computed as follows:

Return on common equity – Earnings before extraordinary items less preferred dividends divided by average common share capital, retained earnings, foreign currency translation adjustment and the applicable portion of contributed surplus.

Return on capital employed – Operating income divided by average total assets (less cash and short term investments) less non-interest bearing liabilities.





Financial Position

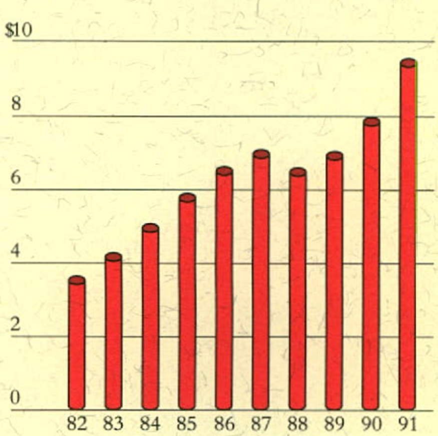
($ millions)	*1991*	*1990*	*1989*	*1988*	*1987*	*1986*	*1985*	*1984*	*1983*	*1982*
Current assets	**1,050**	807	761	765	983	940	753	624	581	575
Current liabilities	**787**	756	727	684	843	739	627	495	470	479
Working capital	**263**	51	34	81	140	201	126	129	111	96
Fixed assets (net)	**1,115**	1,078	1,044	1,052	1,057	932	688	577	508	494
Total assets	**2,362**	2,102	2,040	2,004	2,214	1,978	1,530	1,264	1,151	1,111
Long term debt	**594**	473	541	559	588	518	342	251	219	226
Total debt	**594**	473	549	623	686	569	390	283	233	253
Retained earnings	**568**	499	434	390	396	348	295	245	198	159
Shareholders' equity	**941**	812	746	651	690	655	521	466	413	344
Average capital employed	**1,479**	1,360	1,379	1,433	1,393	1,141	893	761	692	657
Per Common Share *(dollars)*										
Book value	**9.52**	7.99	7.10	6.62	7.12	6.68	5.85	5.09	4.33	3.69
Price range – high	**$22\frac{1}{2}$**	$18\frac{7}{8}$	$15\frac{1}{4}$	$13\frac{1}{8}$	$16\frac{7}{8}$	14	$12\frac{1}{8}$	$9\frac{3}{4}$	$7\frac{3}{8}$	$5\frac{1}{8}$
– low	**$16\frac{3}{8}$**	$13\frac{5}{8}$	$10\frac{1}{4}$	$9\frac{7}{8}$	9	11	8	$6\frac{1}{2}$	$4\frac{5}{8}$	$2\frac{3}{4}$
Financial Ratios* *(xx:1)*										
Working capital	**1.06**	1.03	1.05	1.12	1.17	1.29	1.20	1.26	1.21	1.21
Total debt to equity	**.36**	.54	.70	.92	.95	.75	.75	.59	.45	.64

Changes in Financial Position

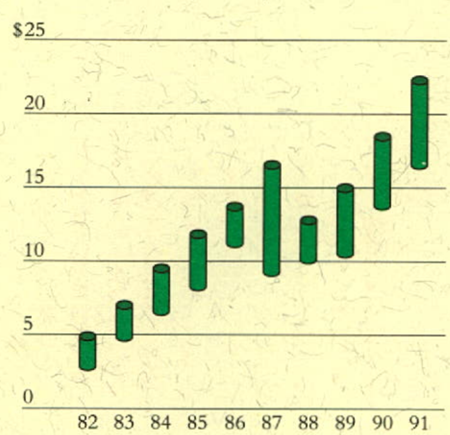
($ millions)										
Cash flow from operations	**221**	249	230	145	156	185	123	52	112	109
Purchase of fixed assets	**159**	171	166	192	248	290	193	150	104	72
Per Common Share *(dollars)*										
Cash flow from operations	**2.91**	3.43	3.19	2.01	2.17	2.60	1.73	.74	1.58	1.54
Financial Ratios* *(xx:1)*										
Cash flow from operations to long term debt	**.65**	.56	.44	.26	.26	.38	.36	.21	.60	.49
Interest coverage on total debt	**3.86**	3.35	2.39	2.16	3.00	3.62	4.17	4.72	4.86	4.35

*For purposes of calculating financial ratios, debt is reduced by cash and short term investments.

Book Value Per Share
(dollars)



Common Share Price Range
(dollars)



Corporate Structure

Loblaw Companies Limited

Directors

W. Galen Weston, OC
Chairman and President, George Weston Limited

Richard J. Currie
President, Loblaw Companies Limited

Camilla Dalglish
Corporate Director

Sheldon V. Durtsche*
Former Chairman, National Tea Co.

Robert H. Kidd*
Senior Vice President and Chief Financial Officer, George Weston Limited

Roger A. Lindsay
Executive Vice President, Wittington Investments, Limited

Arthur H. Mingay*
Corporate Director

David A. Nichol
Executive Vice President, Loblaw Companies Limited

Shirley E. Robertson*
Corporate Director

*member - Audit Committee

Honorary Chairman

George C. Metcalf

Corporate Officers

W. Galen Weston, OC
Chairman of the Board

Richard J. Currie
President

Serge K. Darkazanli
Executive Vice President

Brian Y. Davidson
Executive Vice President

David A. Nichol
Executive Vice President

Harold A. Seitz
Executive Vice President

David M. Williams
Executive Vice President

David K. Bragg
Senior Vice President, Planning and Control

Stewart E. Green
Senior Vice President and Secretary

John W. Thompson
Senior Vice President, Finance and Administration

Roy R. Conliffe
Vice President, Labour Relations

Glenn D. Leroux
Vice President, Risk Management

John N. McCullough
Vice President, General Counsel

Richard P. Mavrinac
Vice President, Taxation

Donald G. Reid
Vice President, Treasurer

Stephen A. Smith
Vice President, Controller

Randy W. Bowes
Assistant Vice President, Computer Audit Services

Barbara T. Cook
Assistant Controller

Louise M. Lacchin
Assistant Treasurer

Marian M. Burrows
Assistant Secretary

Dorothy M. Leamen
Assistant Secretary

National Grocers Consolidated
(Toronto, Ontario)
David M. Williams
President

National Tea Co.
(St. Louis, Missouri)
Harold A. Seitz
President

Loblaw International Merchants
(Toronto, Ontario)
David A. Nichol
President

Intersave Buying & Merchandising Services
(Toronto, Ontario)
Brian Y. Davidson
Chairman
Douglas N. Lunau
President, Intersave Canada
Harry DeMuth
President, Intersave U.S.A.

Atlantic Wholesalers
(Sackville, New Brunswick)
Albert F. Rose
President

Kelly, Douglas
(Calgary, Alberta)
Serge K. Darkazanli
President

Fortino's Supermarket
(Hamilton, Ontario)
John Fortino
President

IPCF Properties
(Toronto, Ontario)
Stanley B. Swartzman
President

Loblaws Supermarkets
(Toronto, Ontario)
David M. Williams
President

National Grocers
(Toronto, Ontario)
David M. Williams
President

Zehrmart
(Cambridge, Ontario)
Grant J. Heimpel
President

Westfair Foods Ltd.
(Calgary, Alberta)
Serge K. Darkazanli
President

The average age and years of service of the Officers and operating Presidents are 47 and 16 years respectively.

Shareholder Information

Corporate Directory
Loblaw Companies Limited

Transfer Agent and Registrar
The R-M Trust Company
Toronto, Montreal,
Vancouver, Winnipeg,
Calgary, Regina, Halifax

Stock Listings
Toronto, Montreal and
Vancouver Stock Exchanges

Executive Offices
22 St. Clair Avenue East
Toronto, Ontario
M4T 2S8

General Counsel
Borden & Elliot

Auditors
Peat Marwick Thorne
Toronto, Ontario

Common Dividend Payment Dates
April 1
July 1
October 1
December 30

Valuation Day Value of Common Shares
$2.875

Annual General Meeting
April 28, 1992 at 11:00 a.m.
Regency Ballroom
Four Seasons Hotel
Yorkville
Toronto, Ontario

Materials used in this report are environmentally friendly. Cover and text stocks are acid-free and recycled, with a minimum of 5 percent post-consumer waste. Vegetable-based inks have been used throughout.

Design: Campbell Sheffield Design Inc.
Principal Photography: Chris Nicholls
Portrait Photography (Page 4): V. Tony Hauser
Portrait Photography (Page 5): Mackenzie, Canadian Grocer
Portrait Photography (Page 10): James Town
Printing: Arthurs-Jones Lithographing Ltd.

Printed in Canada