



CANADIAN TIRE RELEASES THIRD QUARTER EARNINGS - CORE RETAIL BUSINESS REMAINS RESILIENT DESPITE ECONOMIC UNCERTAINTY AND UNSEASONAL WEATHER; OVERALL EARNINGS IMPACTED BY HIGHER LOAN LOSSES AT FINANCIAL SERVICES

(Toronto, Ontario), November 12, 2009: Canadian Tire Corporation, Limited (CTC, CTC.a) released its third quarter results today showing resiliency in the core retail business while a significant increase in loan losses in the Financial Services business ultimately contributed to a decrease of 21.6% in adjusted net earnings compared to the same quarter in 2008.

The Company's core retail business, Canadian Tire Retail, posted adjusted earnings results that were effectively unchanged from the same quarter in 2008 while demonstrating year-to-date adjusted earnings before income taxes growth of 1.9%. This resiliency in the core retail business has been achieved despite challenging market conditions and unseasonable cold, wet weather.

"Our core business is resilient in the face of challenging seasonal and economic realities delivering modest shipment growth and a positive EBITDA uplift- although offset by the overall challenges in financial services," said Stephen Wetmore, President and CEO, Canadian Tire. "We are now entering some of the most important weeks for our retail businesses and I am confident that we have the right strategies, people and plans in place."

Consolidated Highlights:	2009 3rd Quarter	2008⁽¹⁾ 3rd Quarter	Change
Retail sales ⁽²⁾	\$2.45 billion	\$2.61 billion	(6.0)%
Gross operating revenue	\$2.17 billion	\$2.26 billion	(4.1)%
EBITDA ⁽³⁾	\$218.8 million	\$223.9 million	(2.4)%
Adjusted earnings before income taxes (excludes non-operating gains and losses) ⁽³⁾	\$127.2 million	\$159.2 million	(20.1)%
Net earnings	\$85.4 million	\$109.1 million	(21.8)%
Adjusted net earnings (excludes non-operating gains and losses) ⁽³⁾	\$91.0 million	\$116.0 million	(21.6)%
Basic earnings per share	\$1.04	\$1.34	(21.9)%
Adjusted basic earnings per share (excludes non-operating gains and losses) ⁽³⁾	\$1.11	\$1.42	(21.8)%

(1) The 2008 earnings figures have been restated for implementation, on a retrospective basis, of the CICA HB 3064 – Goodwill and Intangible Assets and the amendments to CICA HB 1000 – Financial Statement Concepts. Please refer to Note 2 in the Consolidated Financial Statements.

(2) Represents retail sales at CTR (which includes PartSource), Mark's corporate and franchise stores and Petroleum's sites

(3) Non-GAAP measure. Please refer to section 15.0 of Management's Discussion and Analysis.

Business Overview

CANADIAN TIRE RETAIL

(\$ in millions)	Q3 2009	Q3 2008¹	Change	2009 YTD	2008 YTD¹	Change
Retail sales ²	\$ 1,818.3	\$ 1,860.3	(2.3)%	\$ 5,239.4	\$ 5,253.6	(0.3)%
Same store sales ⁽³⁾ (year-over-year % change)	(3.8)%	2.0%		(1.9)%	(0.5)%	
Gross operating revenue	1,408.5	1,399.3	0.7%	4,057.8	4,032.7	0.6%
Net shipments (year-over-year % change)	0.3%	7.6%		0.1%	3.8%	
Earnings before income taxes	95.6	94.0	1.6%	223.6	222.7	0.4%
Less adjustment for:						
Amortization of interest rate swap unwind	1.6	-		1.6	-	
Gain (loss) on disposals of property and equipment ⁽⁴⁾	0.3	(0.3)		(0.4)	3.7	
Former CEO retirement obligation	0.0	0.2		0.5	1.1	
Adjusted earnings before income taxes ⁵	\$ 93.7	\$ 94.1	(0.4)%	\$ 221.9	\$ 217.9	1.9%

(1) 2008 figures have been restated for implementation, on a retrospective basis, of the CICA HB 3064 Goodwill and Intangible Assets and the amendments to CICA HB 1000- Financial Statement Concepts. Please refer to Note 2 in the Consolidated Financial Statements.

(2) Includes sales from Canadian Tire stores, PartSource stores and the labour portion of CTR's auto service sales.

(3) Same store sales include sales from all stores that have been open for more than 53 weeks.

(4) Includes fair market value adjustments and impairments on property and equipment.

(5) Non-GAAP measure. Please refer to section 15.0 in Management's Discussion and Analysis.

Canadian Tire Retail's sales decreased 2.3% from the same quarter in 2008 with unseasonable cool, wet weather impacting some seasonal businesses such as backyard living, cycling, gardening and camping and continuing challenging economic conditions impacting discretionary categories such as home décor, electronics and storage and organization. Despite overall softer sales, Canadian Tire Retail did see a healthy increase in sales in growth categories such as exercise equipment, automotive parts, kitchen and pet food.

Canadian Tire Retail's third quarter adjusted earnings before income taxes were \$93.7 million, down 0.4% compared to a year ago as increases in operating expenses for the new Eastern Canada Distribution Centre, higher store occupancy costs and continued investments in productivity initiatives were partially offset by effective cost management, particularly in advertising and supply chain.

During the quarter, Canadian Tire Retail expanded one traditional store into a Smart store and opened one incremental Small Market store with a full size Mark's offering, bringing the total number of stores in the network to 476.

Customer reaction to both the Smart store and Small Market store continues to be very positive. Both concepts are generally performing above expectations with higher than projected traffic count and basket size.

PartSource experienced sales increases driven by both the continued expansion of the network and improved product assortment. During the quarter, PartSource opened one new corporate store in Welland, Ontario which was a new store format, expanded one store into a hub store and closed two stores bringing the network total to 87 locations.

CANADIAN TIRE PETROLEUM (Petroleum)

(\$ in millions)	Q3 2009	Q3 2008	Change	2009 YTD	2008 YTD	Change
Sales volume (millions of litres)	433.5	414.5	4.6%	1,277.5	1,257.9	1.6%
Retail sales	\$441.1	\$550.2	(19.8)%	\$1,220.2	\$1,541.1	(20.8)%
Gross operating revenue	403.6	519.3	(22.3)%	1,116.3	1,456.9	(23.4)%
Earnings before income taxes	8.5	7.5	13.9%	22.3	20.5	9.0%
Less adjustment for:						
Loss on disposals of property and equipment ⁽¹⁾	(0.1)	(0.1)		(0.4)	(0.3)	
Adjusted earnings before income taxes ⁽²⁾	\$8.6	\$7.6	13.4%	\$22.7	\$20.8	9.1%

(1) Includes asset impairment losses.

(2) Non-GAAP measure. Please refer to section 15.0 in Management's Discussion and Analysis.

While there was a 4.6% increase in gasoline sales volume over the comparable period in 2008 due to lower prices at the pumps, Petroleum experienced declines of 22.3% in gross operating revenues and 19.8% in retail sales due to these significantly lower retail gasoline prices.

Despite the decrease in pump prices, Petroleum had a record quarter with pre-tax adjusted earnings up 13.4% due to strong convenience sales, relatively stable gasoline margins and

well managed operating expenses which were held relatively flat in spite of the growth in the Petroleum network.

Petroleum opened one new gas bar, refurbished five existing sites and closed one location during the quarter bringing the total number of gas bars in the network to 273.

MARK'S WORK WEARHOUSE (Mark's)

(\$ in millions)	Q3 2009	Q3 2008 ⁽¹⁾	Change	2009 YTD	2008 YTD ⁽¹⁾	Change
Total retail sales ⁽²⁾	\$ 189.6	\$ 194.5	(2.5)%	\$ 568.3	\$ 600.1	(5.3)%
Same store sales ⁽³⁾ (year-over-year % change)	(3.7)%	(1.0)%		(6.7)%	(2.0)%	
Gross operating revenue ⁽⁴⁾	164.2	168.7	(2.6)%	493.5	516.8	(4.5)%
Earnings (loss) before income taxes	(3.8)	(0.1)	N/A	(1.6)	3.8	(142.7)%
Less adjustment for:						
Loss on disposals of property and equipment	(0.5)	(0.3)		(0.8)	(0.4)	
Adjusted earnings (loss) before income taxes ⁽⁵⁾	\$ (3.3)	\$ 0.2	N/A	\$ (0.8)	\$ 4.2	(120.1)%

(1) 2008 figures have been restated for implementation, on a retrospective basis, of the CICA HB 3064 Goodwill and Intangible Assets and the amendments to CICA HB 1000 - Financial Statement Concepts. Please refer to Note 2 in the Consolidated Financial Statements.

(2) Includes retail sales from corporate and franchise stores.

(3) Mark's same store sales exclude new stores, stores not open for the full period in each year and store closures.

(4) Gross operating revenue includes retail sales at corporate stores only

(5) Non-GAAP measure. Please refer to section 15.0 in Management's Discussion and Analysis.

Mark's third quarter total retail sales were \$189.6 million down 2.5% from the \$194.5 million recorded a year ago due to softer economic conditions. While there were sales decreases in the resourced-based provinces of British Columbia and Alberta, most of the balance of the country showed modest sales growth. At the category level, ladies wear was least affected by the economic slowdown posting a corporate store sales increase. However, corporate store sales in industrial wear and men's wear were down year over year, with the largest dollar sales decreases occurring in industrial work wear and men's industrial footwear. Mark's continues to be focused on introducing products into its Clothes That Work® assortment that are better designed and engineered.

Mark's pre-tax earnings decreased in the third quarter of 2009 primarily as a result of the decrease in gross operating revenue and higher expenses due to network expansion and infrastructure investments in recent years. The gross margin rate on merchandise sold improved this quarter, up 50 basis points due to lower markdowns versus the third quarter of 2008 offset to some degree by lower purchase markup primarily as a result of the foreign exchange hedging activities.

During the quarter, Mark's opened one new combination store, relocated four stores, expanded one franchise store and closed two stores, bringing the total number of stores in the network to 374.

CANADIAN TIRE FINANCIAL SERVICES (Financial Services)

(\$ in millions)	Q3 2009	Q3 2008 ⁽¹⁾	Change	2009 YTD	2008 YTD ⁽¹⁾	Change
Total managed portfolio end of period				\$4,174.4	\$4,002.3	4.3%
Gross operating revenue	\$ 222.0	\$ 197.8	12.2%	\$ 672.2	\$ 608.0	10.6%
Earnings before income taxes	18.7	47.6	(60.8)%	93.5	146.2	(36.1)%
Less adjustment for:						
Gain (loss) on disposal of property and equipment	(0.5)	(0.6)		(0.7)	(0.6)	
Net effect of securitization activities ⁽²⁾	(9.0)	(9.1)		(6.8)	7.7	
Adjusted earnings before income taxes ⁽³⁾	\$ 28.2	\$ 57.3	(50.9)%	\$ 101.0	\$ 139.1	(27.4)%

(1) 2008 figures have been restated for implementation, on a retrospective basis, of the CICA HB 3064 Goodwill and Intangible Assets and the amendments to CICA HB 1000 - Financial Statement Concepts. Please refer to Note 2 in the Consolidated Financial Statements.

(2) Includes initial gain/loss on the sale of loans receivable, amortization of servicing liability, change in securitization reserve and gain/loss on reinvestment.

(3) Non-GAAP measure. Please refer to section 15.0 in Management's Discussion and Analysis.

Financial Services' total managed portfolio of loans receivable was \$4.2 billion at the end of the third quarter, a 4.3% increase over the \$4.0 billion portfolio at the end of the comparable 2008 period due to select limit increases, balance transfer offers and a lower customer payment rate.

Financial Services' gross operating revenue was \$222.0 million in the quarter, a 12.2% increase over the \$197.8 million recorded in the prior year, reflecting an increase in yield resulting from various pricing initiatives and an increase in the total managed portfolio of loans receivable.

Earnings before income taxes for the third quarter decreased significantly compared to the same quarter last year due to the increase in loan loss provisioning resulting from increased bankruptcy and write off rates noted below and an increase in interest expense caused by carrying excess liquidity.

The net write-off rate for the total managed portfolio on a rolling 12-month basis was 7.30%, compared to 6.04% in the comparable 2008 period. While bankruptcy costs increased, analysis of Financial Services' performance versus national statistics indicate that Financial Services continues to experience a lower growth in bankruptcies than the Canadian average due to its effective credit risk strategies. Overall aging of past due accounts deteriorated by 47 basis points from September 2008.

As previously announced, Financial Services' sold its mortgage portfolio, approximately \$162 million pre-tax, to National Bank of Canada, but is continuing to invest in its retail and broker deposit products. At quarter end, Financial Services had more than \$590 million in retail deposits and \$1.7 billion in broker deposits. The average term of maturity for the broker deposits is approximately 30 months.

Looking forward, the government has announced new credit card legislative changes which come into effect at varying times during 2010 and will impact items such as interest charges, payment allocation methodology and credit limit increase approvals. The preliminary estimates on the negative impact to Financial Services coming in 2010 as a result of these changes are in the range of \$8 million to \$10 million pre-tax.

FUNDING AND LIQUIDITY

Financial Services continues to have access to multiple sources of funding including:

- Operating cash flow
- Broker deposits
- Retail deposits in the form of high interest savings accounts and GIC's

In addition, \$1.2 billion of committed bank lines are available to Financial Services.

By the end of the third quarter, Financial Services had pre-funded the majority of the approximately \$500 million required during the balance of the year to repay maturing short-term GIC deposits and finance the increase in receivables that will result when Glacier term notes mature. The cost of this conservative approach was approximately \$5 million for the quarter.

Overall, Management remains confident that given the various sources of funding available, particularly for Financial Services, the Corporation has more than sufficient cost-effective funding to support its businesses for the foreseeable future.

CAPITAL EXPENDITURES

As a result of adjustments to the timing of projects and lower actual project costs, Management now expects capital expenditures for the 2009 fiscal year to be approximately \$300 million, down from the originally planned \$390 million and approximately \$26 million lower than the capital forecast provided at the end of the second quarter.

FORWARD-LOOKING STATEMENTS

This disclosure contains statements that are forward-looking. Actual results or events may differ materially from those forecasted in this disclosure because of the risks and uncertainties associated with Canadian Tire's business and the general economic environment. Risks and uncertainties are disclosed in other public filings by the Company, such as Management's Discussion and Analysis ("the MD&A") and the 2008 Financial Report and include, but are not limited to: changes in interest, currency exchange and tax rates; the ability of Canadian Tire to attract and retain quality employees, Dealers, Petroleum agents and PartSource and Mark's Work Wearhouse store operators and franchisees; and the willingness of customers to purchase the Company's merchandise, financial products and services.

Risk factors associated with the assumptions that underlie Canadian Tire's expected performance in 2009 that have the potential to affect the operating performance and financial results of the Company's divisions are outlined in Section 11.0 of the MD&A.

REVIEW BY BOARD OF DIRECTORS

The Canadian Tire Board of Directors, on the recommendation of its Audit Committee, has approved the contents of this disclosure.

In a simultaneous news release, Canadian Tire also announced organizational changes to focus on business performance and customer-centred growth.

CONFERENCE CALL

Canadian Tire will conduct a conference call to discuss information included in this news release and related matters at 4:30 p.m. EST on November 12, 2009. The conference call will be available simultaneously and in its entirety to all interested investors and the news media through a webcast at <http://corp.canadiantire.ca/EN/investors>, and will be available through replay at this website for 12 months.

Canadian Tire Corporation, Limited (TSX: CTC.a, CTC), is comprised of five business units: *Canadian Tire Retail*, one of Canada's most-shopped general merchandise retailers with 476 stores; *PartSource*, an automotive parts specialty chain with 87 stores; *Canadian Tire Petroleum*, one of the country's largest and most productive independent retailers of gasoline, operating 273 gas bars, 268 convenience stores and kiosks, and 73 car washes; *Mark's Work Warehouse*, one of the country's leading apparel retailers operating 374 stores in Canada; and *Canadian Tire Financial Services* that has issued over five million Canadian Tire MasterCard credit cards and markets related financial products and services for retail and petroleum customers. More than 57,000 Canadians work across Canadian Tire's organization from coast-to-coast in the enterprise's retail, financial services, and petroleum businesses.

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For further information:

Media: Lisa Gibson, 416-544-7655 lisa.gibson@cantire.com

Investors: Karen Meagher, 416-480-8058 karen.meagher@cantire.com