



Canadian Tire Releases Business Sustainability Initiative Results for the First Quarter

- *Business sustainability now included in buyer bonus plans*
- *Number of upgrades and process improvements up three-fold over Q1 last year*

TORONTO, May 12, 2011 – Canadian Tire Corporation, Limited (CTC, CTC.a) accelerated integration of business sustainability initiatives into its business operations during the first quarter of 2011, completing more than three times as many sustainability-related upgrades and process improvements as compared to the first quarter of 2010.

Canadian Tire completed 93 initiatives, forecasted to annually avoid more than \$891,000 in costs, 412 tonnes of waste, and 960 tonnes¹ of greenhouse gas emissions – equivalent to the energy use and emissions from powering more than 142 Canadian homes each year² in the first quarter of 2011.

Key projects this quarter included product changes that reduced material use and packaging, resulting in transportation cost and greenhouse gas emission avoidance, and the implementation of Central Energy Management (CEM) systems in an additional 16 stores. CEM systems automate and control the energy needs of the store, including building temperatures, thermal comfort, and lighting adjustments, based on the store's schedule.

“We continue to see tremendous progress in our business sustainability initiatives and I’m very encouraged by our first quarter results and the continued integration of business sustainability into our operating plans,” said Tyler Elm, VP, Business Sustainability, Canadian Tire Corporation. “We are on-track to exceed the results we posted in 2010 and continue to integrate our sustainability strategy with business operations by linking employee compensation of Canadian Tire Category Business Managers to the achievement of sustainability initiatives.”

Elm continued: “The performance evaluations for these buyers will now consider results achieved related to the reduction of excess packaging, greenhouse gas emissions and waste.”

Looking beyond the impact of its own operations, Canadian Tire also considers those of its suppliers, transportation partners and vendors. The Company is working with nearly 400 vendors to find innovative solutions to reduce material use, waste and greenhouse gas emissions through package right-sizing. For example, one of Canadian Tire's products within the Living category, a six-foot folding table, underwent a product and packaging redesign. Change to this one item resulted in an 11.5 per cent weight reduction and 15 per cent volume reduction while still meeting quality requirements.

“Canadian Tire's approach to business sustainability extends beyond our storefronts and it's great to see that our vendors are as serious about sustainability as we are,” said Duncan Reith, SVP, Merchandising, Canadian Tire Corporation. “We can achieve so much more through collaboration and look forward to seeing how the changes we make benefit our bottom line, our customers, and the environment.”

¹ Measured as carbon dioxide equivalents (CO₂-eq). Greenhouse gasses such as methane (CH₄) and nitrous oxide (N₂O) are converted to their carbon dioxide equivalent based on their relative global warming potential (GWP).

² These values express a 12-month forecasted result from the date of each project's completion. Values beyond the first 12 months are not reported. Also not reported, are projects completed in past quarters or their cumulative benefits.

With a focus on energy and climate, packaging and waste, and products and services, Canadian Tire's business sustainability strategy features three aspirations: to profitably grow the business without increasing the net carbon footprint of the economy; to eliminate unnecessary packaging while sending zero waste to landfills; and to provide innovative products and services that meet customers' needs without compromising the ability of future generations to meet their needs.

Progress made is reflected in the first quarter results as follows:³

	Products and Packaging	Product Transportation	Buildings and Operations	Total
Completed Initiatives ⁴	51	0	42	93
Cost Avoidance ⁵ (\$)	\$617,142	0	\$273,922	\$891,064
Energy Avoidance ⁵ (gigajoules)	4,304	0	10,778	15,082
GHG Emissions Avoidance ⁵ (tonnes ¹)	337	0	626	963
Equivalent Number of Canadian Homes Powered (annually)	40.6	0	101.8	142.4

In addition, Canadian Tire operates two low carbon energy generation installations that include solar PV and geothermal technologies. Since the start of operation in 2008 to the end of the first quarter, these installations have generated over 211,600 ekWh⁶, generating approximately \$15,400 in value, and helped to avoid 47 tonnes¹ of greenhouse gas emissions in the local economy.

Canadian Tire also contributed \$3.3 million to community blue box and industry product stewardship and recycling programs during the first quarter of 2011.

For further details, refer to <http://CTSustainabilityinAction.ca>

-30-

ABOUT CANADIAN TIRE

Canadian Tire Corporation, Limited (TSX:CTC.a) (TSX:CTC) is one of Canada's most-shopped general retailers, offering everyday products and services to Canadians through more than 1,200 retail and gasoline outlets from coast-to-coast. Our primary retail business categories – Automotive, Living, Fixing, Playing and Apparel – are supported and strengthened by our Financial Services division, which offers such products and services as credit cards, in-store financing, product warranties, and insurance. Nearly 57,000 people are employed across the Canadian Tire enterprise, which was founded in 1922 and remains one of Canada's most recognized and trusted brands.

FOR MORE INFORMATION:

Joscelyn Chernick-Smith, 416-480-8017, (m) 416-433-5922, joscelyn.smith@cantire.com

³ As sustainability initiatives are part of an inherently dynamic process and as projects come to fruition, revisions to estimates are periodically made to provide the most accurate data available at the time.

⁴ Initiatives vary in complexity and size from changes made to an individual retail product, a retrofit made to a fleet vehicle or the building of a new store.

⁵ Avoidance refers to savings in comparison to what it would have been if Canadian Tire had not made the improvements. These values express a 12-month forecasted result from the date of each project's completion.

⁶ Low-carbon energy generation is measured as equivalent kilowatt hours (ekWh), where any energy sources that don't typically report in kWh, such as the energy transfer conversion from ground source heat pumps (geothermal), can be converted to give an equivalent kilowatt hour value.