



CANADIAN TIRE

Canadian Tire Releases First Quarter Earnings Company Results Demonstrate Positive Trend for 2010

Adjusted pre-tax earnings up 13.0%

Canadian Tire Retail sales up 2.1%

Mark's retail sales up 3.8%

Financial Services gross operating revenues up 3.8%

TORONTO, May 13, 2010 - Canadian Tire Corporation, Limited (CTC, CTC.a) today released positive first quarter results reflecting strong retail sales growth and an increase in earnings over Q1 2009. Adjusted earnings before taxes increased 13.0% from the prior year as a result of the strong performance in Financial Services, which was up 41.8% from the first quarter of 2009. Consolidated retail sales were up 5.7% compared to the same period last year principally due to an increase of 2.1% at Canadian Tire Retail, sales growth of 3.8% at Mark's and 19.5% in Petroleum.

"Our management team is committed to driving growth in the core Canadian Tire Retail business beyond historical norms," said Stephen Wetmore, President and CEO, Canadian Tire Corporation.

"While I'm pleased with the positive first quarter results and momentum heading into Q2, we're still in the very early stages of the kind of growth we expect from the business."

Although consolidated adjusted earnings before income taxes were up in the quarter, basic earnings per share were flat in Q1 2010. In the first quarter of 2009, the Company benefited from a favourable tax adjustment of \$4.6 million related to the taxation of capital gains realized from the disposition of MasterCard shares in 2006 and 2007.

Consolidated Highlights¹	2010	2009	Change
	First Quarter	First Quarter	
CTC retail sales	\$1.89 billion	\$1.79 billion	5.7%
Gross operating revenue	\$1.83 billion	\$1.76 billion	4.1%
Adjusted earnings before income taxes (excludes non-operating gains and losses) ²	\$74.7 million	\$66.1 million	13.0%
Net earnings	\$49.4 million	\$49.7 million	(0.6)%
Adjusted net earnings (excludes non- operating gains and losses)	\$51.5 million	\$49.6 million	4.0%
Basic earnings per share	\$0.61	\$0.61	-
Adjusted basic earnings per share (excludes non-operating gains and losses) ²	\$0.63	\$0.61	4.0%

1. All dollar figures in this table are rounded.

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

Canadian Tire Retail

Canadian Tire Retail total sales increased 2.1% and same store sales were up 1.7% compared to the same period last year. A decrease in gross operating revenue of 0.7% reflects a decrease in net shipments of 0.6% for the quarter in comparison to the first quarter of 2009.

While Canadian Tire Retail had a very slow start to the quarter due to soft sales in weather-related categories and in automotive, stronger sales in March positively impacted total first quarter results. For example, Canadian Tire's backyard businesses performed well late in the quarter with sales up significantly over last year. Positive customer response to our spring offerings has continued into the second quarter.

Adjusted earnings before taxes decreased \$4.5 million due primarily to higher corporate charges related to the Company's stock-based compensation plans and increased promotional expenses during the Olympics.

Canadian Tire Retail is on track to open approximately 60 Smart store retrofits, three new Smart stores, five replaced or expanded stores and three new Small Market stores in 2010. The Automotive Initiative, a strategic priority that will improve technology and supply chain capability in Canadian Tire's core automotive business, progressed this quarter with a pilot in Dartmouth, Nova Scotia.

Petroleum plays a strategic role in increasing customer loyalty and driving traffic and transactions for Canadian Tire Retail and Financial Services. While sales volume was down slightly versus the same quarter in 2009, gross operating revenue increased 20.2% due to an increase in the cost per litre at the pump. Adjusted earnings before income taxes decreased \$500,000 from the same period last year mostly due to gasoline margin pressure. Petroleum opened one new gas bar in the first quarter and, in April 2010, announced that it will expand its site network to include 23 stations along the 401 and 400 highways in Ontario. Seven sites will open by the fall of 2010 with 20 of 23 sites expected to open within the next three years.

Mark's

Through its continued network expansion and product innovations, Mark's is well positioned to continue to increase its market share as the Canadian apparel market recovers from the current recession.

Mark's first quarter total retail sales were up 3.8% to \$174.9 million and same store sales were up 1.5% compared to Q1 2009, which pushed its gross operating revenue up by 4.5%. Gross operating revenue in 2010, however, includes ancillary franchise royalty fees, embroidery and alteration revenue net of sales return provision, which were reflected as an offset to operating costs in 2009. Excluding this factor, gross operating revenue would have increased by 2.4% and retail sales would have increased by 2.6%.

Adjusted pre-tax earnings were up 5.9%. Mark's improved sales results were driven by a 4.1% sales increase in industrial wear as resource-based customers returned to work and a 2.9% sales increase of ladies wear as customers responded well to the spring line of merchandise. Men's wear sales were down 2.1%, with outerwear and sweaters seeing the largest dollar decreases.

Financial Services

Financial Services had a strong first quarter with gross operating revenues of \$225.4 million in Q1 2010, a 3.8% increase over the \$217.3 recorded in the prior year. Adjusted pre-tax earnings for the quarter were \$45.5 million, 41.8% higher than the first quarter of 2009, reflecting higher credit card interest and lower operating expenses due to tight expense control. Aging of the portfolio stabilized, negating the need to grow allowance for future losses during the quarter versus a year ago.

Financial Services' ending credit card portfolio grew 6.4%. The net write-off rate for the total credit card managed portfolio on a rolling 12 month basis was 8.01%, compared to 6.68% in the comparable 2009 period and 7.83% in the previous quarter.

Operating expenses are expected to increase throughout the fiscal year due to sales tax changes, migration to chip and PIN card technology and the implementation of processes to ensure compliance with new government regulations.

QUARTERLY DIVIDEND

Canadian Tire Corporation has declared a quarterly dividend of \$0.21 per share on each Common and Class A Non-Voting share. The dividend is payable September 1, 2010 to Common and Class A shareholders of record as of July 31, 2010. The dividend is considered an "eligible dividend" for tax purposes.

FINANCIAL CHARTS

CANADIAN TIRE RETAIL

(\$ in millions)	Q1 2010	Q1 2009	Change
Retail sales ¹	\$ 1,294.9	\$ 1,267.9	2.1%
Same store sales ² (year-over-year % change)	1.7%	2.5%	
Gross operating revenue	\$ 1,092.2	\$ 1,099.3	(0.7)%
Net shipments (year-over-year % change)	(0.6)%	2.0%	
Earnings before income taxes	\$ 26.9	\$ 32.8	(18.0)%
Less adjustment for:			
Loss on disposals of property and equipment ³	(1.5)	(0.4)	
Former CEO retirement obligation	0.2	0.5	
Adjusted earnings before income taxes ⁴	\$ 28.2	\$ 32.7	(14.0)%

1. Includes sales from Canadian Tire stores, PartSource stores, and the labour portion of CTR's auto service sales.
2. Same store sales include sales from all stores that have been open for more than 53 weeks.
3. Includes fair market value adjustments and impairments on property and equipment.
4. Non-GAAP measure. Please refer to section 15.0 in Management's Discussion and Analysis.

PETROLEUM

(\$ in millions)	Q1 2010	Q1 2009	Change
Sales volume (millions of litres)	406.4	408.8	(0.6)%
Retail sales	\$ 422.2	\$ 353.4	19.5%
Gross operating revenue	\$ 386.9	\$ 321.9	20.2%
Earnings before income taxes	\$ 5.4	\$ 6.0	(10.7)%
Less adjustment for:			
Loss on disposals of property and equipment ¹	(0.1)	-	
Adjusted earnings before income taxes ²	\$ 5.5	\$ 6.0	(8.7)%

1. Includes asset impairment losses.

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

MARK'S

(\$ in millions)	Q1 2010	Q1 2009	Change
Retail sales ¹	\$ 174.9	\$ 168.5	3.8%
Same store sales ² (year-over-year % change)	1.5%	(4.1)%	
Gross operating revenue ³	\$ 153.8	\$ 147.1	4.5%
Loss before income taxes	\$ (4.7)	\$ (4.9)	4.9%
Less adjustment for:			
Loss on disposals of property and equipment	(0.2)	(0.2)	
Adjusted loss before income taxes ⁴	\$ (4.5)	\$ (4.7)	5.9%

1. Includes retail sales from corporate and franchise stores.

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

3. Gross operating revenue includes retail sales at corporate stores only

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

FINANCIAL SERVICES

(\$ in millions)	Q1 2010	Q1 2009	Change
Total managed credit card portfolio (end of period)	\$3,962.6	\$3,725.1	6.4%
Gross operating revenue	\$ 225.4	\$ 217.3	3.8%
Earnings before income taxes	\$ 44.1	\$ 32.5	35.6%
Less adjustment for:			
Loss on disposals of property and equipment	-	(0.1)	
Net effect of securitization activities ¹	(1.4)	0.5	
Adjusted earnings before income taxes ²	\$ 45.5	\$ 32.1	41.8%

1. Includes initial gain/loss on the sale of loans receivable, amortization of servicing liability and gain/loss on reinvestment.

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

FORWARD-LOOKING STATEMENTS

This document contains forward-looking information that reflects management's current expectations related to matters such as future financial performance and operating results of the Company. Forward-looking statements are provided for the purposes of providing information about management's current expectations and plans and allowing

investors and others to get a better understanding of our financial position, results of operation and operating environment. Readers are cautioned that such information may not be appropriate for other circumstances.

All statements other than statements of historical facts included in this document may constitute forward-looking information, including but not limited to, statements concerning management's expectations relating to possible or assumed future prospects and results, our strategic goals and priorities, our actions and the results of those actions and the economic and business outlook for us. Often but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made.

By its very nature, forward-looking information requires us to make assumptions and is subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions may not be correct and that the Company's expectations and plans will not be achieved. Although the Company believes that the forward-looking information in this document is based on information and assumptions which are current, reasonable and complete, this information is necessarily subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information for a variety of reasons. Some of the factors – many of which are beyond our control and the effects of which can be difficult to predict – include (a) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (b) the ability of Canadian Tire to attract and retain quality employees, Dealers, Canadian Tire Petroleum agents and PartSource and Mark's Work Wearhouse store operators and franchisees, as well as our financial arrangements with such parties; (c) the growth of certain business categories and market segments and the willingness of customers to shop at our stores or acquire our financial products and services; (d) our margins and sales and those of our competitors; (e) risks and uncertainties relating to information management, technology, supply chain, product safety, changes in law, competition, seasonality, commodity price and business disruption, our relationships with suppliers and manufacturers, changes to existing accounting pronouncements, the risk of damage to the reputation of brands promoted by Canadian Tire and the cost of store network expansion and retrofits and (f) our capital structure, funding strategy, cost management programs and share price. We caution that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect our results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information.

For more information on the risks, uncertainties and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the "Risk Factors" section of our Annual Information Form for fiscal 2009 and our 2009 Management's Discussion and Analysis, as well as Canadian Tire's other public filings, available at www.sedar.com and at www.corp.canadiantire.ca.

Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the Company's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made.

The forward-looking statements and information contained herein are based on certain factors and assumptions as of the date hereof. The Company does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, unless required by applicable securities laws.

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.

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 May 13, 2010. 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.

ABOUT CANADIAN TIRE

Canadian Tire Corporation, Limited (TSX: CTC.a, CTC), is one of Canada's most shopped general retailers with 480 Canadian Tire stores across the country. Our core retail and automotive operation is strengthened by *PartSource*, an automotive parts speciality chain; *Canadian Tire Petroleum*, one of the country's largest independent retailers of gasoline; *Mark's* "Clothes That Work," a leading retailer of men's, women's and work apparel; and, *Canadian Tire Financial Services*, which has issued over five million Canadian Tire MasterCard credit cards. More than 58,000 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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