George Weston Limited
Annual Report 1983

Weston

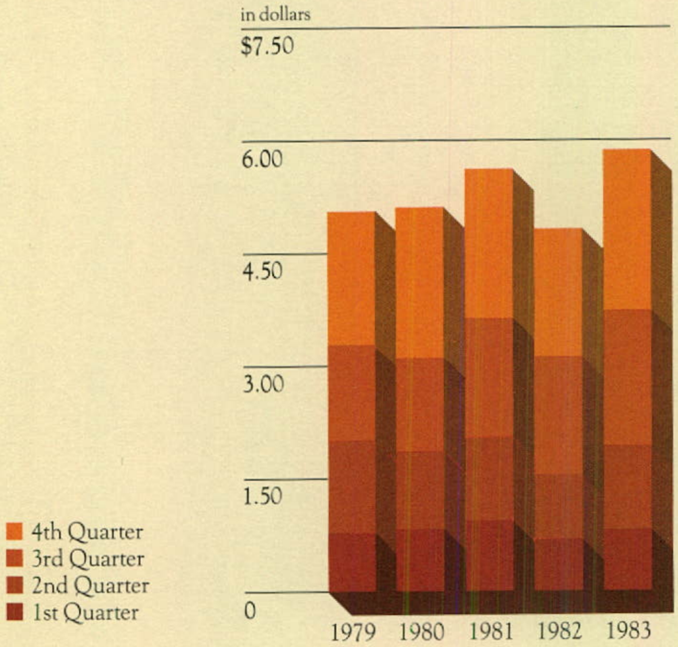
Financial Highlights

in millions of dollars, except per share data	1983	1982	1981
Sales and earnings			
Sales	**$7,799.6**	$7,830.4	$7,428.6
Operating income			
First quarter	**36.6**	38.9	41.1
Second quarter	**47.1**	41.0	47.7
Third quarter	**63.1**	60.1	68.8
Fourth quarter	**66.0**	62.4	72.3
Total	**212.8**	202.4	229.9
Interest expense	**48.7**	51.1	67.1
Earnings before extraordinary items	**78.6**	70.4	79.2
Earnings per share			
First quarter	**.81**	.71	.93
Second quarter	**1.11**	.84	1.11
Third quarter	**1.81**	1.59	1.59
Fourth quarter	**2.15**	1.68	1.99
Total	**5.88**	4.82	5.62
Net earnings	**79.2**	68.7	95.3
Financial position			
Long term debt	**382.9**	345.4	265.5
Shareholders' equity	**686.3**	626.8	591.0
Total assets	**2,167.6**	2,072.2	1,898.1
Cash flow			
Cash flow from operations	**213.6**	213.4	214.5
Common dividends	**17.7**	17.6	16.2
Capital expenditures	**244.5**	217.5	205.7
Ratios			
Return on average capital employed	**14.2%**	14.6%	18.1%
Return on average common equity	**13.6%**	12.3%	16.2%
Current ratio	**1.35 to 1**	1.32 to 1	1.40 to 1
Debt to equity ratio	**.84 to 1**	.92 to 1	.77 to 1

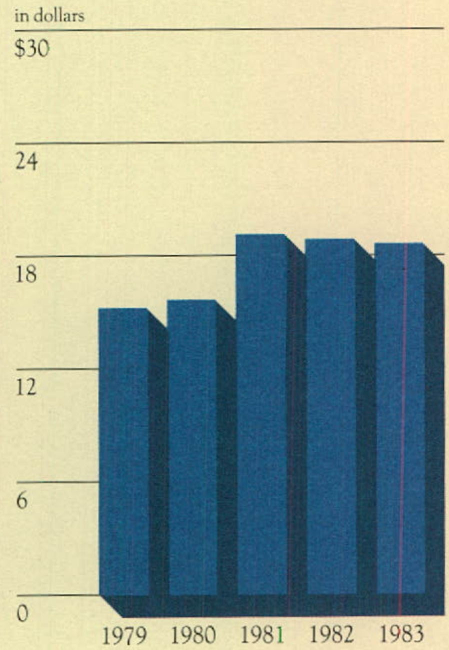
Our cover shows a sample of Food Processing's "thick" chocolate bar, Food Distribution's line of "no name" products and the Resource expansion project at Espanola.

Contents

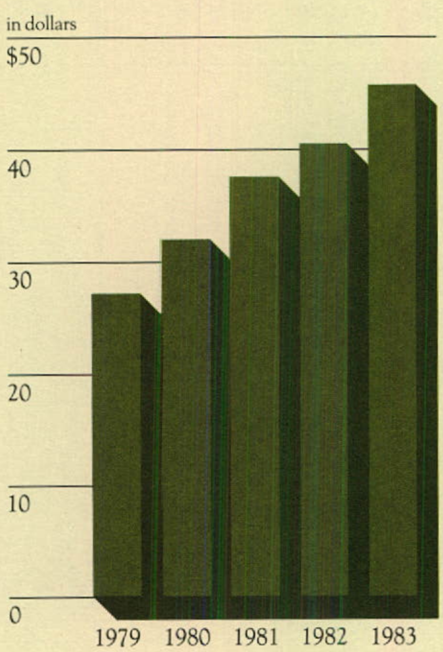
Earnings Before Extraordinary Items Per Share



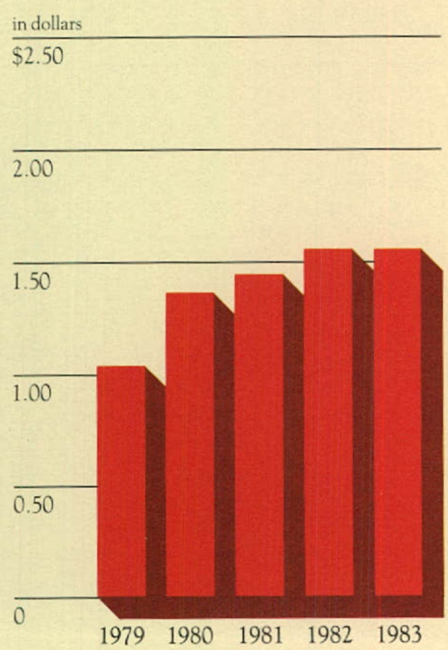
Cash Flow Per Share



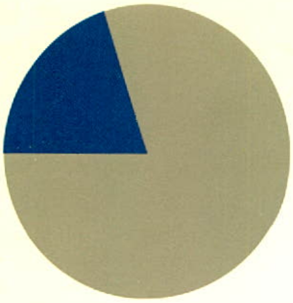
Book Value Per Share



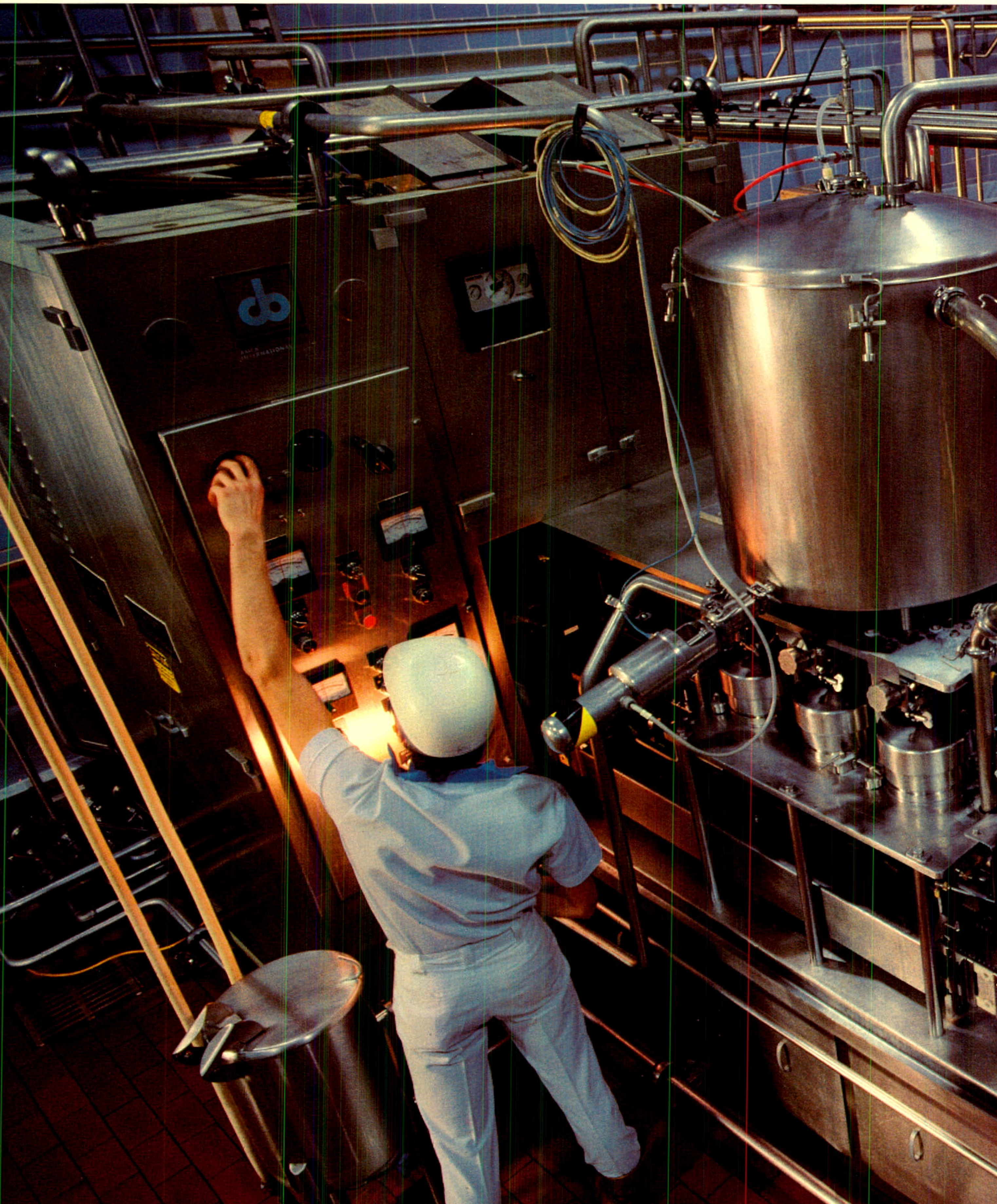
Common Dividends Per Share



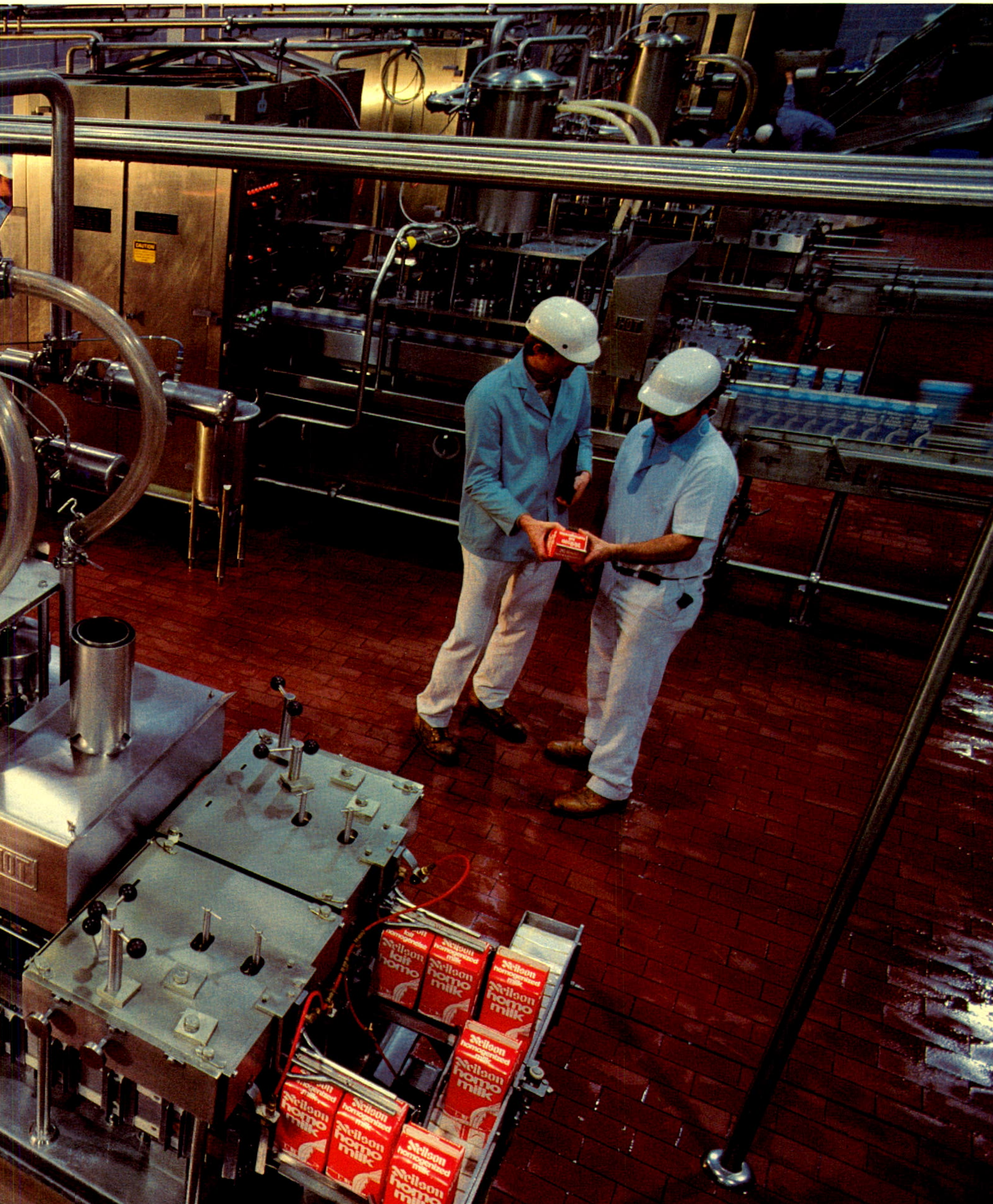
George Weston Limited is a broadly based Canadian Company conducting food processing, food distribution and resource operations in North America. The Company's 1983 results reflect continued strong performance and demonstrate the balance of its operations.

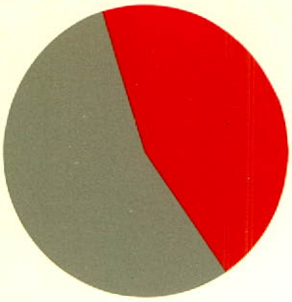


The Food Processing Group had 1983 sales of $1.2 billion and operating income of $61 million. Its business strategy is to maintain high quality products with low cost producer status in all areas and market leadership where brands are strong.



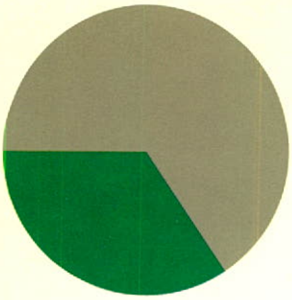
The recently completed Neilson Dairy in Halton Hills, Ontario, is the most technically advanced in the province. The chart at the left depicts the Group's portion of total Weston capital employed, approximately 20%.





Food Distribution operations are conducted through Loblaw Companies Limited. This company, one of the leading food distributors in North America, is developing a strong reputation in terms of marketing innovation and profit growth.

Cashiers check out groceries quickly and accurately with optical scanners at a Loblaw Warehouse store. Over 50% of Loblaw corporate stores are currently using optical scanners. The chart at the left depicts the Group's portion of total Weston capital employed, approximately 45%.



The Resource Group consists of E.B. Eddy in forest products and British Columbia Packers and Connors Bros. in fish processing. These companies concentrate their activities in specific product categories and in markets where superior returns can be anticipated.

Automated crane at the Nairn Centre sawmill unloads 20 tons of tree-length wood at one time. This recently expanded facility takes advantage of the latest in new technology. The chart at the left depicts the Group's portion of total Weston capital employed, approximately 35%.

Chairman's Letter

Your Company had another successful year in 1983. Improved efficiencies, effective cost controls and lower interest rates combined to generate record earnings of $5.88 per common share. Operating income increased 5%, return on capital held at 14% and sales remained stable at $7.8 billion.

W. Galen Weston

Operating highlights

From a Group standpoint, our Food Distribution arm, Loblaw Companies Limited, produced highly satisfactory results. In spite of a severe deceleration in food price inflation, this company had record earnings for the seventh consecutive year. Food Processing results were down marginally from an all-time high last year but still performed well by industry standards. The Resource Group continued to suffer from severe economic dislocations in the fishing industry and soft demand for paper and ancillary products world wide.

Weston had an operating income of $213 million. Food Distribution operating income was up 12% to $128 million, Food Processing produced a stable return on capital employed and operating income of $61 million. The Resource Group achieved a slightly improved operating income of $24 million.

Food Distribution had a strong year while Resource Group results were depressed

I am pleased to report that our financial strength overall, as measured by debt to equity and interest coverage ratios, improved and that again this year we continue to hold a strong "A" bond rating on our securities. Our emphasis in the past on reducing interest rate exposure, positions us well to accommodate interest rate fluctuations should they occur and we intend to reduce the portion of earnings taken by interest expense as cash flow is generated from recent capital expenditure programs.

Our stock price outperformed the Toronto Stock Exchange index in 1983 and reached record market levels, reflecting the increasing confidence of the financial community in our strategies, programs and people. Dividends were maintained at $1.56 in accordance with our established dividend policy and will next be reviewed based on the 1984 results.

Financial goals

It has always been the policy of this management to set objectives for each area of its business and review and revise these on a regular basis. Our financial goals, however, have not changed, in spite of the fact that they were set at a time of much faster inflationary growth than at present. We are therefore still committed to deliver long term average growth in earnings per share of 15%, a 15% return on capital employed and a 15% return on common shareholders' equity. In achieving these targets we will not step outside a framework of prudent financial ratios for the Company.

Commitment to long term goals within framework of prudent financial ratios

Disappointing results in the Resource sector have denied us the ability to attain all these objectives in 1983. As the economy improves, I am convinced the wisdom of our significant commitment to the Resource Group will become apparent.

Asset changes

A great deal is changing in the business community as the Canadian economy recovers from its worst recession in decades and your Company is fortunate indeed to have been in the vanguard of these changes.

An efficient and productive asset base will assist in achieving our goals

At the retail level many traditional corporate supermarket locations will be forced to close. In our Food Distribution Group Loblaw Companies Limited has largely passed through this phase of contraction. In the food manufacturing industry increasing numbers of outdated facilities are becoming obsolete — Weston Food Processing has resolved this problem in all but one of its seven operating divisions. In our Resource Group we now have the most productive fish processing facilities in our specialty on both coasts and in our paper company we have facilities recently completed which are comparable to the best in the business. These changes were expensive in terms of capital expenditures (over $650 million during the last three years) and in terms of their effect on the bottom line. They are, however, completed through their most critical stage so that Weston companies collectively will now be capable of generating more cash than they consume. This commitment to maintain the most efficient and productive asset base possible will provide management with the tools to achieve our long term financial goals.

Marketing thrust

In our Food Distribution Group it remains our belief that more can be done to improve operating efficiencies within the industry and within our existing business and we are totally devoted to the concept of generating the lowest cost structure for Loblaw. While this work is taking place, it is our intention to strongly support the development of our franchise business and to search out a select number of large superstores which will fill a current market void for this type of facility. Further growth is anticipated in the development of the generic program which has now been made available to all divisions in the U.S. as well as Canada.

Further growth is anticipated in development of generic program

Our strategy in Food Processing is to sell more high quality products, search out or retain low cost producer status in all areas and increase market leadership where brands are strong. Similarly, in the Resource Group, the emphasis is not to be the biggest overall but to be selective and choose a number of specialties which these companies can manufacture or process or market better than anyone else.

Management and human relations

A great deal of effort and new thinking will have to be applied by management and labour representatives in the coming months to keep Canadian industries competitive and avoid further conflict and dislocation. The fundamental commitment in your Company is its determination to ensure that superior facilities exist in support of every individual in his or her business unit. Organized labour must be prepared to recognize this commitment and encourage change so that modern day productivity levels can be achieved in these extremely costly facilities and shareholders can be rewarded by a reasonable return on their newly invested capital.

Emphasis continues on decentralized management approach

We will continue to emphasize our decentralized management approach, encouraging each operation to develop and deliver its own plan to achieve financial success. As an important part of this, each Group remains responsible for its own next generation management program. During the year Earl Pearce assumed overall responsibility for our Resource Group bringing familiarity with this sector from his 15 years at E. B. Eddy. At the same time, Don McLean moved from the Maritimes to take charge as President of British Columbia Packers.

Outlook and thanks

A great deal of good work has once again been carried out by a large number of highly committed executives and operating people within your Company during 1983 and it is my privilege to thank them for their effort.

Outlook is positive for another record year

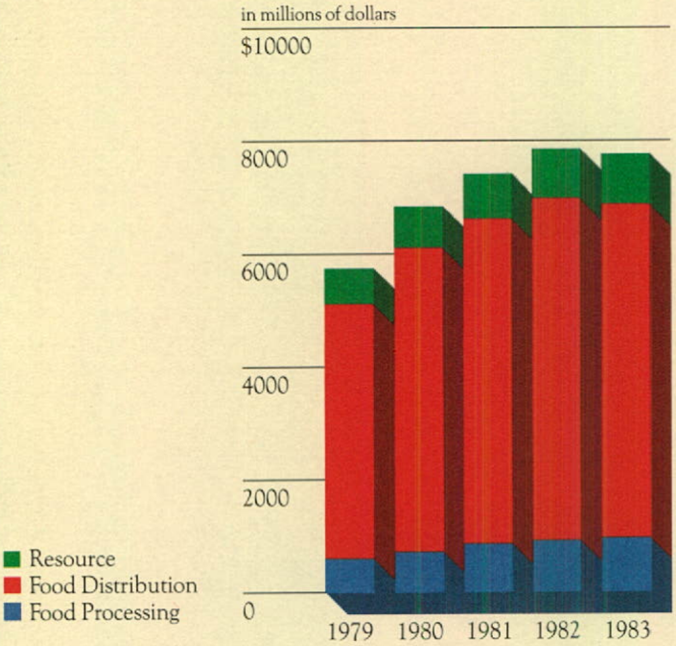
Early indications of performance for the current year are that the first quarter at least will not be strong. Consumer spending in the food area is weak and food inflation remains minimal while many costs of doing business continue to rise. Heavy levels of competitive activity further depress profit margins and we are still suffering low returns on several large new capital projects. As the economic recovery continues, however, the underlying strength of your Company will begin to show itself and I look forward to another record year for shareholders.

W. Galen Weston

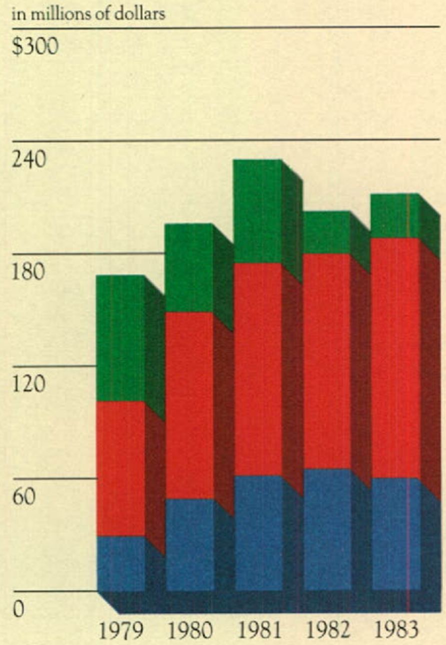
W. Galen Weston
Chairman and President

Weston 1983

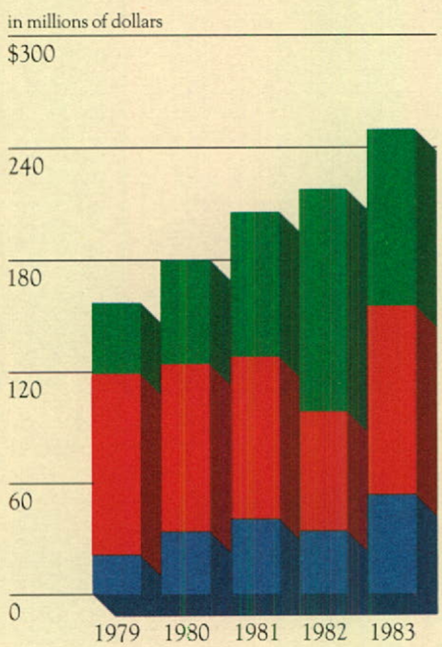
Sales By Group



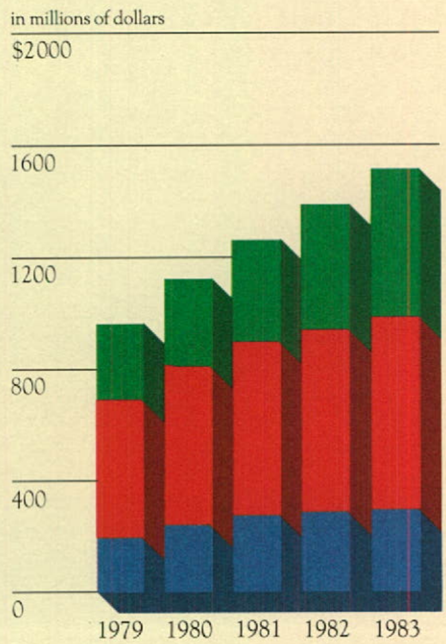
Operating Income By Group



Capital Expenditures By Group



Average Capital Employed By Group



Food Processing

The Food Processing Group, with 1983 sales of $1.2 billion and operating income of $61 million, is one of the largest food processing enterprises in Canada and has substantial U.S. operations. The Group's business philosophy is to provide consumers with quality products and to maintain market leadership and low cost producer status. It follows a strategy of reinforcing its existing strong market presence while searching out new food related opportunities.

William Neilson produces ice cream and frozen novelties. Haagen-Dazs is one of its well known premium product lines.

Broad range of established products

The Group currently has 15 operating companies, 45 plants and 12,000 employees. Two thirds of sales and capital employed are in Canada and one third in the United States. Active participation in the wholesale/retail, food service and industrial markets gives the Group a broad and geographically dispersed customer base with 82% of sales to non-affiliated companies. The Group's strengths include its broad range of established products and a decentralized management style that encourages individual initiative, creativity and performance.

While many industries were adversely affected by the economic downturn of 1982 and reported dramatic recoveries in 1983, the food processing industry was relatively unaffected by this cycle and few food categories experienced declines in 1982 or, conversely, significant growth in 1983. Costs of most major commodities were stable and labour rate increases moderated. These two industry developments together with lower interest rates contributed significantly to the moderate increase in the food price index in 1983.

Return on capital employed strong

Food Processing Group sales in 1983 increased by 4% over 1982 while operating income declined by 5%. Return on capital employed was 21% which compares favourably to a 16% average for Canadian food processors. The decline in operating income is largely attributable to below normal price realization by our bakeries. This was particularly so in the United States, where much of our activity is in the industrial northeastern states which have been especially hard hit by continuing high levels of unemployment. In addition, Stroehmann Brothers, which has acquired five additional plants in the past two years, absorbed one-time costs associated with the closing of inefficient plants and the starting up of more productive ones, all part of their manufacturing and distribution rationalization strategy. Similarly, the costs of closing two old and inefficient dairies and starting up a new facility in Halton Hills, Ontario, aggravated operating income.

Snackbread, a light extruded bread product in both plain and wholewheat varieties, is imported for distribution throughout North America.

Country Harvest bread, prepared for the more health conscious consumer, is ready for "fresh daily" distribution.

Fixed asset additions in 1983 totalled $47 million, with the largest single project the new Neilson dairy plant in Halton Hills. Other major projects included the completion of a products handling system in Stroehmann's Norristown, Pennsylvania bakery and in Canada, the acquisition of the equipment of a major bakery that closed during the year. Capital employed at year end represented 19% of Weston's total.

Most of our operating companies introduced new products or affected major reformulations and process improvements to enhance the marketing appeal of existing products. An entry into the prepared frozen food entree market in the U.S. was accomplished under the Certi-Fresh label.

Bakery results depressed

Baking and Milling division sales increased 3% to $470 million, representing 40% of the Group's sales in 1983. Both Weston Bakeries and Stroehmann Brothers stepped up their marketing support of variety breads to offset the continuing decline in the popularity of white bread. In Canada, Weston Bakeries acquired Granny's, an Ontario company specializing in the production of butter tarts and other specialty baked products, and intensified sales support behind their "Ready Bake" frozen dough line to ensure participation in the increasingly popular retail in-store bakery programs. In the United States, Stroehmann Brothers, facing weak consumer demand and aggressive competitive pricing, accelerated their program to integrate and rationalize their manufacturing and distribution facilities. Two plants were closed and the production transferred to more efficient facilities. Volume of our flour mills was down slightly from the previous year because of a mid-year hiatus in Canadian exports to Cuba, but by year end both mills were running near capacity.

Biscuit and Confectionery performs well

The Biscuit and Confectionery division, with sales of $248 million, accounted for 21% of total Group sales. Although this was 4% lower than in 1982, the 1983 result was still 12% higher than in 1981 as this division continues to perform well. The U.S. company is a major contract packer and an important supplier of Girl Scout cookies. Ice cream wafers and a wide range of products under the FFV (Famous Foods of Virginia) label are also significant items. The Canadian operations have had several successful new product introductions, including Snackbread, a light extruded product first introduced in 1982. In 1983 a new line of snack crackers under the Country Harvest brand was introduced with encouraging results. McCormicks, Weston and Paulins are familiar trade names to consumers across Canada and continue to be positioned well in the market.

Chocolate and Dairy sales increase

Chocolate and Dairy division sales increased 3% to $229 million, representing 19% of the Group's sales. The Neilson confectionery business benefitted from stronger consumer demand, some rebuilding of trade inventories as interest rates declined and from an improved market share. A reformulated range of Thick Bars has been well received by consumers. Sales of fluid milk and other fresh dairy products were well ahead of the previous year. Start-up of the highly automated Halton Hills dairy was not without problems as volume was transferred from the two old plants. By year end, however, the operation gave clear promise of delivering the high quality/low cost attributes of its design.

Food Specialties sales in 1983 increased 21% to $237 million, representing 20% of the Group's sales. Near the end of 1983 Westcane Sugar was sold providing capital for redeployment in other food processing activities. While the Canadian sugar refining industry was profitable in 1983 and the near term impact will be to reduce Food Processing's operating income, the disposal will benefit the Group's long term return on investment and eliminate a cyclical factor in capital employed and operating profits.

A wide variety of cookies is sold under the FFV label. This division also makes product for the Girl Scouts of America.

Productivity improvements anticipated

The outlook is for a year of modest growth for the food industry and the likelihood that food related commodity costs will continue favourable. Growth in 1984 will be limited by continuing unemployment, marginal population growth and mature markets. Our objectives are profitable growth and an improved return on capital employed. Our strategy is to strengthen our core businesses while searching out new food related opportunities. With much of the major updating of facilities accomplished, the capital spending program will be significantly lower in 1984 than it was in 1983. There are no major projects anticipated and most of the planned expenditures are committed to productivity improvements and needed replacements. We are pleased to have had two new Presidents join our Group. David H. McMillan at William Neilson and Gerald S. Hurlow at Weston Bakeries, both of whom bring extensive experience in the food industry to our Group and will add strength and experience to our management team.

With each one of our companies aggressively striving to optimize their opportunities to build on the strong bases they now have, the Food Processing Group will be an increasingly important participant in the Canadian and United States food processing market.

Food Distribution

The Weston Food Distribution Group is conducted through Loblaw Companies Limited. With sales of $6.1 billion, operating income reached a record $128 million, the seventh consecutive year of record results.

Loblaws Warehouse stores carry a large range of products at low prices.

Record sales and earnings growth

These results were achieved in a very difficult operating environment where margins are still under severe pressure from low food price inflation, which in Canada was approximately one half of the overall inflation rate in 1983. Operating results improved on a stable sales base with pre-tax margins improving from 1.4% in 1982 to 1.7%. This major improvement has come from a number of factors among which are an increasing awareness of changing consumer needs and merchandising to meet those needs, an improving store asset profile, a strengthening wholesale business and a carefully implemented cost control program.

The Group follows a strategy aimed at maintaining a business balance that will withstand competition and economic factors affecting the food distribution industry. Loblaw believes that the key to successful performance in the future, as in the past, will be improved productivity resulting in a combination of increased volumes and margins and better value for consumers.

A balance between wholesaling and retailing, increased franchising, innovative marketing, cost control, the development of "no name" generic products and combination stores are all strategies developed and pursued to generate better value to customers and better returns to shareholders.

The familiar Loblaws yellow and black "no name" products have developed a committed following among Canadians who view them as a "sensible solution to rising prices".

Strategies continue to prove effective

These strategies have proven effective as demonstrated by record earnings in each of the past seven years including 1983. The commitment to change with the marketplace and to anticipate these changes can result in increased levels of profitability. At year end Loblaw operated 403 stores, 65 distribution centres, and supplied 1,370 franchised stores. Over 9.1 million square feet of corporate retail space is leased or owned.

During the year 10 new stores were opened and 65 franchise stores were added. In Canada sales increased by 7% while U.S. sales were affected by asset changes. Capital expenditures for the Group were $110 million in 1983, up substantially from 1982. Expenditures are anticipated to increase slightly in 1984 as the company continues to purchase future sites. The impact of capital leases will decrease giving the company a large unencumbered real estate base. Capital employed represents approximately 47% of Weston's total.

Wholesale food operations continue to be emphasized as a growth sector and as a result of their profit potential. The current retail/wholesale mix is approximately 58% retail and 42% wholesale.

Continued rationalization of U.S. operations has resulted in a more efficient geographic area of operation and a more solid sales base. In Canada, increased franchising and stringent cost controls have improved operations while sales of "no name" products increased to over $200 million and warehouse and combination stores continue to be strategically expanded. The focus on these developments is not an attempt to buy market share but to earn it through selective and productive additions to its existing business base.

Ziggy's deli counter is renowned for its high quality meats and personalized service.

Food price inflation declines

In developing and following these strategies, it is important to be mindful of the current nature of the food distribution industry. Food price inflation continues to decline which depresses already thin operating margins; lifestyles continue to change with decreasing per capita food spending at home. Consumers continue to be price and product sensitive in realigning their food basket. In an industry with little economic value added, productivity and value for money are the keys to success.

Given this industry environment Loblaw has and will continue to maintain stringent criteria for expansion and capital expenditure in order to produce the most productive mix of assets, store types and locations. Efficiency in operations will continue to be essential to generate real returns in the face of cost pressures and declining margins. In the battle of store loyalty over brand loyalty the use and sophistication of such developments as optical scanners employed by Loblaw will become crucial. The ability to provide factual data for product selection and marketing programs will aid in increasing productivity.

Food Distribution operations are divided into three basic geographic divisions each of which contains an appropriate balance between wholesale and retail.

Operations strong

Eastern Operations are organized into four divisions. National Grocers in Ontario and Atlantic Wholesalers in the Maritimes operate largely food wholesale businesses with some retail grocery activity. Loblaws operates company owned retail businesses in most of Ontario and Zehrmart operates similar businesses in southwestern and north central Ontario. Tonnage increases of approximately 6% in 1983 were the best yet in Eastern Operations. The combination of Loblaws and Zehrmart is the largest food retailer in Ontario; National Grocers is the second largest food wholesaler in Ontario; and Atlantic Wholesalers is the largest food distributor in the Maritime Provinces.

Quality and freshness in produce is an important commitment in our Food Distribution operations.

Retail operations consist of 21 Save Easy and 15 "no frills" stores of Atlantic Wholesalers; 87 retail, 11 warehouse superstores and 28 "no frills" stores of Loblaws; 14 Super Save corporate stores of National Grocers and 38 Zehrs and 13 Gordons retail stores of Zehrmart.

Wholesale operations consist of the supply to 7,664 franchised and independent accounts by Atlantic Wholesalers and National Grocers. Loblaws and Zehrmart units are also supplied where such supply is economically and operationally sound.

Sales for Eastern Operations were $2,538 million up 5% over 1982. Operating income improved 11% to $63 million. This represents about one half of the Group's operating income.

Western Operations are organized into two regional divisions. The British Columbia division is operated by Kelly, Douglas from Vancouver and the Prairies division is operated through Westfair Foods Ltd., a company controlled by Kelly, Douglas and headquartered in Winnipeg. Western Operations operating income in 1983 was $36 million and represents a 9% improvement from the $33 million figure of 1982. The Prairie division operates 48 corporate stores and supplies 2,987 franchised and independent accounts through its 15 wholesale branches and 10 cash and carry warehouses. In 1983, 1 corporate store was opened and 3 corporate remodellings took place. Sales in the Prairie division in 1983 were $888 million.

In the B.C. division in 1983, no new stores were opened and 2 major remodellings took place. Continuing adverse operating conditions prevail in the region, however, sales improved to $695 million. Western Operations represent about one quarter of the Group's operating income.

Ziggy's commitment to quality and selection is always evident at the cheese counter where a wide variety of cheeses from around the world is available to customers.

The cosmetic department is a sparkling new addition to the combination Super Valu Superstore in Winnipeg.

The United States Operations are organized into two divisions. Peter J. Schmitt conducts food wholesale and retail operations primarily in New York and Pennsylvania. In December, 1982, Peter J. Schmitt acquired Star Supermarkets. During the year significant steps were taken to franchise these operations. Retail operations are also conducted through National Tea Co. in the south central United States. National Tea operates 47 stores in the St. Louis area and 52 in the New Orleans area. On a comparable basis sales for the division increased slightly during the year. The Indianapolis and Minneapolis divisions of National Tea were sold in July, 1982, and February, 1983, respectively. The past year was the first one after the major restructuring efforts of 1982 and the performance levels in both divisions exceeded near term expectations and provide for long term growth.

Sales for United States Operations in 1983 were $1,970 million, down 6% while operating income was steady at $32 million, about one quarter of the Group's total. These solid base positions of National Tea and Peter J. Schmitt will allow continued improvement in the future.

Outlook

The commitment to change with the marketplace and to anticipate these changes can result in increased levels of profitability, as indicated by 1983 record results. Continuing challenges and uncertainty both in the economy and industry will confront the Group in 1984. Rapidly changing buying patterns and low food price inflation will persist.

We are convinced that the Group's strategies, business mix and employee commitment will continue to provide better value for the consumer, more opportunity for our employees and a reasonable and growing return for shareholders.

Resource

Weston's Resource Group experienced a second consecutive difficult year of severely depressed operating results. Sales of $794 million and operating income of $24 million were 11% and 4% above 1982 results respectively, however, the resource industry worldwide continues to be faced with a less than dynamic economic recovery.

Results continue depressed

Resource operations are conducted in two sectors; E.B. Eddy in forest products, and British Columbia Packers and Connors Bros. in fish processing. Sales represent 10% of total Weston sales and capital employed at $532 million divided between fish processing of $182 million and forest products of $350 million amounts to 34% of Weston's capital employed.

Return on capital employed of 5% was adversely affected by the continuing spending related to Eddy's modernization and expansion program which only became operational at the end of 1983. Forest products return was low at 3% while fish processing improved to 8%.

The forest products industry is one of Canada's major assets on the international level, and contributed approximately 14% of Canada's total export sales in 1983, more than the net contribution to Canada's balance of payments of automotive, mining and agriculture combined. It employs directly and indirectly over one million Canadians. Although battered by the recent recession, most sectors of the industry reported significant improvement in shipments during 1983. Pricing, however, did not improve sufficiently to allow the industry to return to acceptable levels of profitability.

The fishing industry in Canada, which is fundamentally very important to the communities it serves, continues to be faced with serious economic and social issues. Business conditions are difficult and government involvement in this industry continues to be an important factor. The relative strength of the U.S. and Canadian dollars has distorted normal patterns and product flow resulting in lower returns in both domestic and export markets.

Superior quality products offered

Weston's strategy in both the fish processing and forest products sectors continues to be to seek a unique position offering superior quality products, thus providing returns commensurate with the risk involved and moderating the effect of adverse international economic conditions. Weston's strength in forest products is attributable to Eddy's long established market position in fine, specialty and sanitary papers, pulp and lumber, along with its highly skilled personnel in manufacturing, marketing and resource management.

Automatic pulp dryer process control system in the new bleached kraft pulping operation at Espanola, ensuring better quality control and improved operating efficiencies.

Household paper products are manufactured by the White Swan Company, a division of E.B. Eddy.

The pulp and paper operations of the Group are vertically integrated so that a large part of the pulp production at Espanola is used in other affiliated operations.

Eastern Fine Paper in Maine is a small producer by U.S. standards but enjoys a prominent market position in several specialty products. Eastern benefits substantially from the backing of a large company with excellent wood fibre and financial resources, while marketing and planning for the Canadian fine paper operations benefit from Eastern's presence in the large U.S. fine paper market.

"White Swan" is a major supplier of tissue, serviettes and towelling products in the retail, institutional and industrial markets in Eastern Canada.

Espanola pulp mill starts production

The Espanola pulp mill's primary purpose is to supply the Group's internal requirements. A substantial volume of pulp goes to market while additional pulp is purchased from other manufacturers to achieve freight savings and product quality benefits available from a buyer/seller position. The modernization of the pulp mill has also resulted in market quality pulp at competitive costs with eastern Canadian mills. The sawmill operations in Ontario at Timmins and Nairn Centre provide low cost fibre to the Espanola pulp mill.

The Davidson, Quebec sawmill has very modern sawing, drying and dressing facilities for both spruce and white pine lumber. The allocated Crown cutting rights allow Eddy to be the second largest Canadian producer of white pine lumber.

The Group's objectives are to maximize the benefits available to an integrated producer of lumber, pulp and paper products; increase market share in higher margin specialty papers in both Canada and the United States; to expand distribution of tissue products in Eastern Canada, and to continue product line specialization in the interest of improving margins, particularly where we face limitations in paper machine capacity.

The Fisheries division supplies the markets of Canada, the United States and overseas with top quality seafood. Both Connors' Brunswick brand sardines and B.C. Packers' Clover Leaf salmon are market leaders.

Fish processing improves

Weston's fish processing activities are conducted on both coasts of Canada. Emphasis is on a summer and fall fishery resulting traditionally in most operating income occurring in the last half of the year. As one of the major private sector fish processors in Canada, Weston believes in the importance of managing these assets to produce an adequate return which in turn will support realistic levels of employment.

The British Columbia fishing industry has faced many financial difficulties over the past several years. The global recession and interest rate escalations, combined with heavy world salmon production created over-supply situations that resulted in high inventories and carrying costs, weak markets and lower margins leading to financial difficulties for both fishermen and processors. In addition the mix of salmon species harvested by the industry and the declining herring roe returns have had a negative impact on all fish processors. Current estimates for B.C. salmon landings in 1984 are significantly below 1983.

With most of the restructuring completed in B.C. Packers and rigid cost controls in place, the results of these operations have shown substantial improvement under difficult industry conditions. Our Alaskan operations have demonstrated the potential for a reasonable return under a market related pricing formula for fish purchased from independent fishermen. This system which reduces the annual tension and lost production during price negotiations, also permits multi year agreements. Discussions between processors and fishermen in British Columbia are now being conducted with a view to introducing similar agreements that could benefit all parties.

B.C. Packers accounts for 55% of Canadian domestic salmon sales and 30% of Canadian salmon exports in fresh, frozen and canned varieties.

Brand name products produced

The Resource Group produces top quality products for use by the retail consumer, restauranteurs and the wholesale trade. Consumers are familiar with Eddy's White Swan range of tissue products, British Columbia Packers' canned fish lines under the Clover Leaf and Paramount labels and Connors Bros.' Connaisseur, Jutland and Brunswick lines of sardines. Other quality products include Eddy's lumber, fine and specialty papers, British Columbia Packers' fresh and frozen products and Connors Bros.' kippered herring, sea snacks and frozen products.

Capital spending in fisheries will be maintained in the $3-5 million range which was similar to 1983. Forest products expenditures should average $50 million, down from $83 million in 1983 as management continues to invest in support of its goal of improving efficiency and product mix.

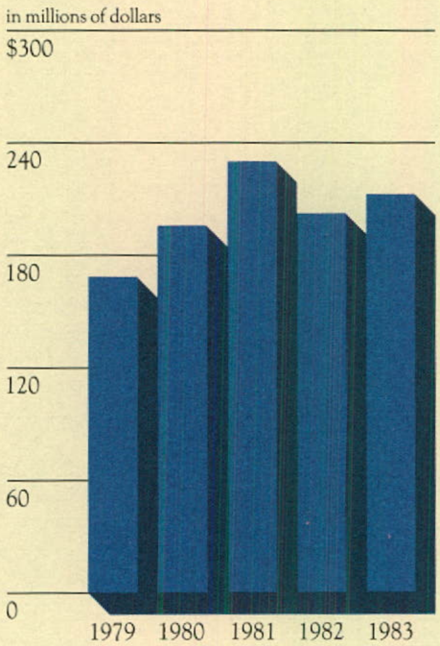
Outlook

The investment at Espanola and Nairn Centre will result in a significant additional depreciation and interest expense amounting to $37 million in 1984, but the productivity increments will offset the increased depreciation charges and the expected improvement in pulp pricing will contribute strong earnings to enable our forest products operation to reduce its debt to more acceptable levels.

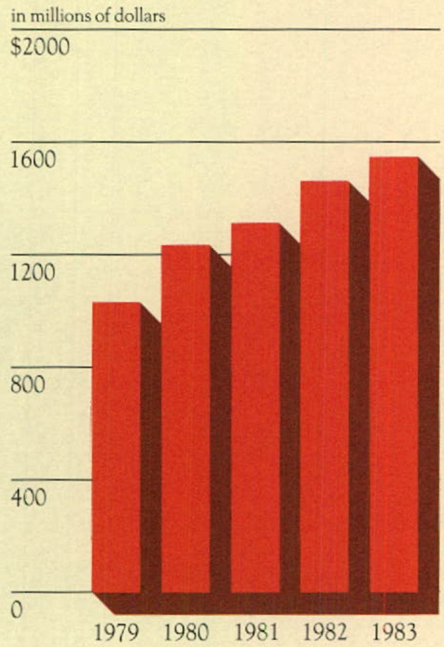
With an improving economy and our capital restructuring programs substantially completed, the outlook for the Resource Group to return to acceptable levels of profitability is positive.

Financial Report 1983

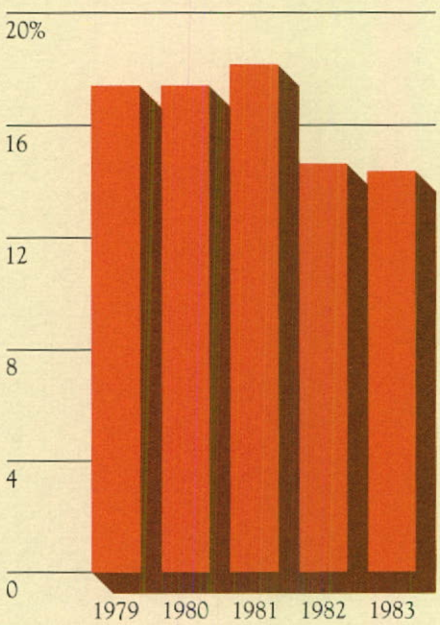
Operating Income



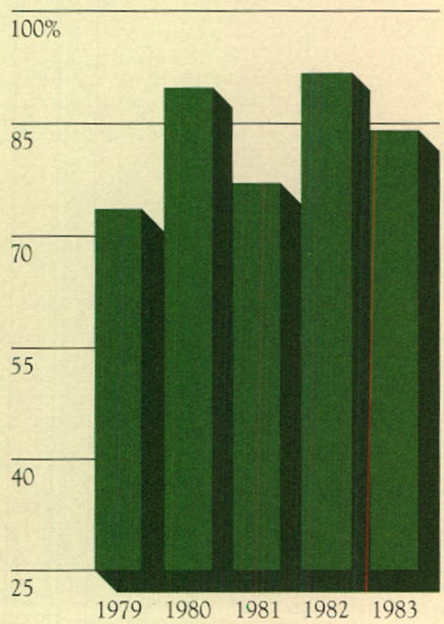
Capital Employed



Return on Average Capital Employed



Debt to Equity



Financial Report

Weston's financial performance in 1983 was satisfactory, with operations recovering from the economic recession that had depressed 1982 results. The strength of earnings reflected the diversity, flexibility and basic financial stability of the operations. Careful cost control and ongoing capital expenditures to improve operating efficiency continue to play a major part in current and future results.

Sales and operating results

Sales of $7.8 billion were stable with 1982, reflecting a $361 million decline in United States sales as a result of asset restructuring in 1982, offsetting a 7% increase in Canadian sales. Sales growth was moderated in 1983 by food price inflation of 2.9% in Canada and 1.1% in the United States. Earnings before extraordinary items per share climbed to a record $5.88 compared to $4.82 in 1982 and $5.62 in 1981. The Company's financial position continued to strengthen throughout the year. Debt to equity improved to 0.84:1, return on common shareholders' equity improved to 14% and cash flow was strong.

Operating income of $213 million for 1983 improved after the downturn in 1982 that saw operating income fall to $202 million from the record 1981 level of $230 million. Declining food price inflation has resulted in intensive competitive pricing and difficult cost pressures during this three year period. Operating income comparisons by quarter over these three years showed improvement in our combined food businesses with a compound growth rate over the period of 8%. This three year growth in operating income of Weston's food groups of $40 million offset the $23 million cyclical decline in the operating income of the Resource Group.

During the last three years the Company's operating income has been more affected by the variance in trends between food prices and cost factor inflation than by the general inflation rate. While inflation in Canada has subsided during the three year period, the resulting cost pressures continue to be a major factor in strategic decisions. Current cost data in a form suggested by the Canadian accounting profession is included in this year's annual report on an experimental basis. Current cost adjustments have little impact on operating income except as a result of the higher current cost of assets and depreciation thereon.

Interest rates

Interest rate reductions were a major contributor to the Company's 1983 earnings per share growth as they benefitted both interest expense and floating rate preferred dividends. The Canadian prime interest rate in 1983 averaged 11% compared to 16% the previous year and 19% in 1981. The lower prime and short term rates contributed to reducing the average effective interest rate on all debt (exclusive of capital lease obligations) in 1983 to 11% compared with 13% in 1982 and 15% in 1981. During this three year period the Company's average level of debt grew to finance capital expenditure programs chiefly at Eddy. Most of this new financing was fixed rate in nature and by year end 1983, the fixed rate component of debt (exclusive of capital lease obligations) at 69% was substantially higher than the 47% in place at the end of 1980. A one percentage point change in prime rates affects Weston's current earnings per share by approximately 2%.

Annual interest expense in 1983 and the prior two years was $49 million, $51 million and $67 million, after deducting interest capitalized on major projects under construction of $19 million, $16 million and $3 million respectively. Although interest expense will increase in 1984 due to the debt incurred to finance the Espanola project, increased operating income from the expanded operation is anticipated at a level sufficient to moderate the adverse impact on 1984 interest coverage ratios.

The favourable 1983 interest rate impact also reduced the level of dividends on the Company's preferred shares from $16 million in 1981 and 1982, to $12 million in 1983 contributing $0.35 to earnings per share in 1983 over 1982. Floating rate preferred shares represent less than 15% of the Company's total capital structure and raise total floating rate exposure to 41% of debt, capital lease obligations and floating rate preferred shares.

Earnings

Earnings per share before extraordinary items in 1983 grew by 22% over 1982 to $5.88. Because of the recent economic recession, the Company's five year earnings per share growth rate of 8% was significantly below the long term target of 15%. This setback is expected to have a continuing effect through 1985 on attaining this target.

Earnings per share each quarter of 1983 improved over the comparable quarter of 1982. Each quarter reflected the impact of reduced interest rates and operating income gains strengthened the last three quarters. The fourth quarter also benefitted in comparison to 1982 from a reduced income tax rate. Rates for 1982 had been affected by accounting losses not tax benefitted, principally in our Resource Group. For the year the Company's effective tax rate of 42% fell below 1982 and 1981 percentages of 45% and 43% respectively. The Company's income tax rate reflects a blend of United States and Canadian tax rates reduced by the Canadian inventory allowance representing 6% of operating income.

Earnings per share rose in 1983 primarily as a result of strong Food Distribution Group operating income and reduced interest rates. The Resource Group was not a significant factor in net earnings in 1983 but will be of greater significance in 1984 and 1985 results. Recently the price of pulp has started to increase with a price increase of U.S.$50 per metric tonne effective at the start of 1984. When the price of paper increases in tandem with pulp prices, each U.S.$50 per tonne price increase in pulp contributes more than $0.50 per share earnings at the Weston level. However, the higher financing and depreciation costs associated with Espanola of approximately $37 million per year are not expected to be offset by increased prices and the realization of efficiencies until the latter half of the year.

Net earnings per share at $5.93 in 1983, $4.67 in 1982 and $7.06 in 1981 reflect extraordinary items in each year which are principally United States income tax reductions realized on the application of prior years' losses and closing costs on the sale of subsidiary operations. It is expected that the impact of the extraordinary tax reductions will continue during 1984 and 1985 but thereafter become less significant.

Financial position

Weston follows a dividend policy which reflects a target payout of 25% to 30% of the prior year's earnings giving consideration to cash flow, capital requirements and financial markets. The current dividend of $1.56 represents 26% of 1983 earnings. This is a decline from the high 32% payout in 1983 when the dividends were maintained in spite of depressed earnings and a return to the more normal 28% payout in 1982.

During the year, the Company maintained its strong financial position. The ratio of total debt (including capital lease obligations) to shareholders' equity improved in 1983 to .84:1 after rising to .92:1 in 1982 from .77:1 in 1981 as a result of new debt to finance the Eddy expansion. The debt to equity ratio exclusive of capital lease obligations improved in 1983 to .71:1 from .76:1 in 1982. New principal financings during the year include $25 million 12% five year term loans, $35 million 12½% seven year debentures and new bank term financing of $24 million averaging 11.7%. The disposal of the Westcane Sugar operation near the end of 1983 also contributed cash that helped to reduce short term debt as well as eliminating $7 million in long term debt.

In 1983 cash flow and capital expenditures per common share were $18.81 and $21.53 respectively. Cash flow from operations has been 96% of capital expenditures during the last three years.

Weston's financial flexibility and liquidity have strengthened significantly in the last five years. The Company's operating results are strengthened by increasing inventory turnover and minimizing investment in net current assets. Increased inventory turnover also results in a higher percentage of inventories financed by accounts payable and thus a lower working capital ratio is required for an expanded level of operations. At December 31, 1983 working capital increased to $258 million because of the Westcane disposal and long term financings shortly before year end.

Over the last three years the increase in retained earnings of $148 million has helped strengthen financial ratios as has the focus on inventories and other operating assets required for the business and the Company's practice of keeping capital expenditures in line with internally generated cash flow. Improved balance sheet ratios, strong operating income and declining interest rates are reflected in interest expense coverage improving to 4.4:1 from 4.0:1 at the end of 1982 and 3.4:1 at the end of 1981.

Capital expenditures

During 1983, capital expenditures were $245 million of which $60 million was for the third year of the $220 million expansion program at our pulp mill and lumber operations at Espanola and Nairn Centre, Ontario. Over 70% of Food Distribution's capital spending was for the addition and upgrading of stores and warehouses, while approximately 65% of Food Processing's was for improvements to facilities including $10 million to complete the Halton Hills dairy project.

Over the last three years capital expenditures were $668 million. Capital expenditures were 18% Food Processing, 40% Food Distribution and 42% Resource. Excluding the Espanola and Nairn Centre project, capital expenditures over the last three years were 25% Food Processing, 56% Food Distribution and 19% Resource.

The continuing capital program reflects our commitment to increase investment in those areas of the business which are most productive and offer the best long run return. As part of the same process, areas of the business not offering satisfactory potential are reviewed continuously in an effort to maintain our strong asset base. These reviews resulted in the 1982 disposal of selected segments of the Food Distribution Group and the 1983 sale of Westcane, releasing funds for investment in other areas offering greater long term returns. Total capital expenditures in 1984 will decline from the 1983 level.

Returns

Return on average capital employed for 1983 at 14% was below the targeted return of 15% and average return achieved over the most recent five year period of 16%. Return on common shareholders' equity in 1983 at 14% improved over 1982 but was short of the most recent five year average of 16%. Average return on capital employed suffered in 1983 as a result of the significant capital projects under construction and depressed Resource Group income. Average returns on capital and common equity employed are expected to strengthen in 1984 with the E.B. Eddy pulp mill and Halton Hills dairy in full operation although the significant impact of these major capital expenditures is not expected to be fully realized until 1985.

Outlook

Looking into the near term, 1984 first half earnings will approximate 1983 levels despite continued Food Distribution earnings growth. As the year progresses and into 1985 the improvement in the Resource Group's operating income and the contribution of recent capital projects will result in improved Weston earnings and return on average capital employed being in excess of the 15% target.

Seven Year Summary

in millions of dollars	1983	1982	1981	1980	1979	1978	1977
Sales and earnings							
Sales	**$7,800**	$7,830	$7,429	$6,777	$5,867	$5,238	$4,590
Operating income							
First quarter	**37**	39	41	35	30	21	15
Second quarter	**47**	41	48	44	40	34	23
Third quarter	**63**	60	69	53	49	39	32
Fourth quarter	**66**	62	72	64	49	47	32
Total	**213**	202	230	196	168	141	102
Interest expense	**49**	51	67	57	39	32	37
Earnings before extraordinary items	**79**	70	79	71	66	51	27
Net earnings	**79**	69	95	84	76	57	32
Financial position							
Current assets	**994**	986	952	932	827	732	657
Current liabilities	**736**	749	678	667	603	530	490
Working capital	**258**	237	274	265	224	202	167
Fixed assets	**1,001**	890	758	659	560	480	438
Long term debt	**383**	345	266	249	174	174	196
Shareholders' equity	**686**	627	591	526	471	391	297
Average capital employed	**1,502**	1,388	1,270	1,126	963	852	827
Cash flow							
Cash flow from operations	**214**	213	215	174	168	135	95
Capital expenditures	**245**	217	206	180	157	119	96
Ratios							
Return on average capital employed							
Food Processing	**20.6%**	22.3%	21.5%	20.1%	15.1%	15.6%	17.5%
Food Distribution	**18.4%**	17.5%	18.2%	17.3%	14.6%	14.3%	11.7%
Resource	**4.7%**	5.2%	15.3%	15.5%	24.4%	21.0%	9.5%
Total	**14.2%**	14.6%	18.1%	17.4%	17.4%	16.6%	12.3%
Return on average common equity	**13.6%**	12.3%	16.2%	17.3%	20.5%	20.1%	13.9%
Current ratio	**1.35:1**	1.32:1	1.40:1	1.40:1	1.37:1	1.38:1	1.34:1
Debt to equity ratio	**.84:1**	.92:1	.77:1	.90:1	.73:1	.80:1	1.14:1
Per common share							
in dollars							
Earnings before extraordinary items							
First quarter	**.81**	.71	.93	.83	.80	.48	.09
Second quarter	**1.11**	.84	1.11	1.01	1.21	.95	.39
Third quarter	**1.81**	1.59	1.59	1.26	1.28	1.08	.79
Fourth quarter	**2.15**	1.68	1.99	2.01	1.77	1.55	1.09
Total	**5.88**	4.82	5.62	5.11	5.06	4.06	2.36
Net earnings	**5.93**	4.67	7.06	6.28	6.01	4.66	2.77
Dividends	**1.56**	1.56	1.44	1.36	1.04	.72	.60
Cash flow from operations	**18.81**	18.88	19.11	15.60	15.21	12.25	8.66
Capital expenditures	**21.53**	19.20	18.35	16.11	14.20	10.80	8.73
Book value	**45.36**	40.46	37.54	31.94	27.11	22.23	18.27
Market value — high	**66.00**	42.75	38.38	31.25	28.00	23.38	14.75
— low	**42.25**	27.00	30.25	22.00	21.00	13.13	11.50

Additional seven year segmented information is presented on page 43.

Management's Statement of Responsibility

Management is responsible for the preparation of the accompanying consolidated financial statements and the preparation and presentation of all information in the Annual Report. This responsibility includes the selection of appropriate accounting principles in addition to judgments and estimates in accordance with generally accepted accounting principles appropriate in the circumstances. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

To assure the integrity and objectivity of the financial statements management has established systems of internal control which provide reliable accounting records and properly safeguard Company assets. The financial statements have been audited by our independent auditors, Thorne Riddell, whose report outlines the scope of their examination and their opinion on the financial statements.

The Company's audit committee, a majority of whom are not employees of the Company, is appointed by the Board of Directors annually. The committee meets regularly with financial management and with the independent auditors to satisfy itself on the adequacy of internal controls and to review the financial statements and the independent auditors' report. The audit committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

W. Galen Weston

W. Galen Weston
Chairman and President

Robert H. Kidd
Senior Vice President and
Chief Financial Officer

Auditors' Report

To the Shareholders of George Weston Limited

We have examined the consolidated balance sheet of George Weston Limited as at December 31, 1983 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Riddell

Chartered Accountants
Toronto, Canada
March 6, 1984

Consolidated Statement of Earnings

Year ended December 31, 1983

in millions of dollars	1983	1982	1981
Sales and other income			
Sales	$7,799.6	$7,830.4	$7,428.6
Investment income	8.6	9.3	14.3
	7,808.2	7,839.7	7,442.9
Operating expenses			
Cost of sales, selling and administrative expenses before the following items	7,433.6	7,470.6	7,055.7
Net long term lease expense	52.5	62.4	61.6
Depreciation of owned fixed assets	98.4	93.5	86.4
Depreciation of property under capital leases	10.9	10.8	9.3
	7,595.4	7,637.3	7,213.0
Operating income	212.8	202.4	229.9
Interest on long term debt	33.8	34.4	31.5
Interest on obligations under capital leases	12.5	12.5	11.8
Other interest expense	2.4	4.2	23.8
	48.7	51.1	67.1
Earnings before income taxes	164.1	151.3	162.8
Income taxes	69.5	68.3	70.0
Earnings before minority interest	94.6	83.0	92.8
Minority interest	16.0	12.6	13.6
Earnings before extraordinary items	78.6	70.4	79.2
Extraordinary items	.6	(1.7)	16.1
Net earnings for the year	$ 79.2	$ 68.7	$ 95.3
Per common share			
Earnings before extraordinary items	$ 5.88	$ 4.82	$ 5.62
Extraordinary items	$ .05	$ (.15)	$ 1.44
Net earnings for the year	$ 5.93	$ 4.67	$ 7.06

Consolidated Statement of Retained Earnings

Year ended December 31, 1983

in millions of dollars			
Retained earnings at beginning of year	$ 432.1	$ 397.3	$ 333.7
Net earnings for the year	79.2	68.7	95.3
	511.3	466.0	429.0
Dividends declared			
Preferred shares	12.0	16.3	15.5
Common shares	17.7	17.6	16.2
	29.7	33.9	31.7
Retained earnings at end of year	$ 481.6	$ 432.1	$ 397.3

Consolidated Statement of Changes in Financial Position

Year ended December 31, 1983

in millions of dollars	1983	1982	1981
Sources of Working Capital			
Operations			
Earnings before minority interest	$ 94.6	$ 83.0	$ 92.8
Depreciation	109.3	104.3	95.7
Income taxes not requiring cash	21.5	35.9	31.5
Gain on sale of fixed assets	(10.5)	(9.1)	(3.5)
Other	(1.3)	(.7)	(2.0)
Cash flow from operations	213.6	213.4	214.5
Financing			
Increase in long term debt	108.9	130.1	49.0
Incurrence of obligations under capital leases	6.6	5.5	16.5
Proceeds from issue of share capital	3.1	2.4	2.2
Proceeds from issue of subsidiary's share capital	1.4	2.3	27.8
	120.0	140.3	95.5
Other items			
Proceeds from sale of fixed assets	41.5	35.4	23.3
Proceeds from sale of subsidiaries (net of working capital sold)	23.6	21.1	
Proceeds from sale of investments			4.0
	65.1	56.5	27.3
Total sources of working capital	398.7	410.2	337.3
Uses of Working Capital			
Reinvestment			
Purchase of owned fixed assets	244.5	217.5	205.7
Acquisition of subsidiary companies (net of working capital acquired)		44.1	
Acquisition of property under capital leases	6.6	5.5	17.1
Net increase in investments and sundry items	15.3	38.9	27.5
	266.4	306.0	250.3
Financing			
Reduction in long term debt	65.4	75.1	39.9
Reduction in obligations under capital leases	9.6	9.9	
Purchase of minority interest	2.1	17.3	1.9
	77.1	102.3	41.8
Dividends			
To shareholders	29.7	33.9	31.7
To minority shareholders in subsidiary companies	5.3	4.9	4.2
	35.0	38.8	35.9
Total uses of working capital	378.5	447.1	328.0
Increase (decrease) in working capital	20.2	(36.9)	9.3
Working capital at beginning of year	237.4	274.3	265.0
Working capital at end of year	$257.6	$237.4	$274.3

Consolidated Balance Sheet

As at December 31, 1983

in millions of dollars	1983	1982	1981
Assets			
Current assets			
Cash and short term investments	$ 58.4	$ 34.8	$ 24.9
Accounts receivable	297.4	268.3	257.5
Inventories	609.8	647.1	623.5
Properties held for sale	5.5	15.3	22.3
Prepaid expenses	23.0	20.6	24.3
	994.1	986.1	952.5
Investments	90.0	97.8	77.6
Fixed assets			
Land	91.5	68.3	54.9
Buildings	335.0	299.0	238.5
Equipment and fixtures	1,131.3	1,027.9	924.1
Leasehold improvements	120.5	130.9	141.0
	1,678.3	1,526.1	1,358.5
Accumulated depreciation	676.8	636.5	600.1
	1,001.5	889.6	758.4
Property under capital leases, less accumulated depreciation	73.0	90.4	95.2
	1,074.5	980.0	853.6
Other assets	9.0	8.3	14.4
	$ 2,167.6	$ 2,072.2	$ 1,898.1

Approved by the Board

W. Galen Weston

W. Galen Weston, *Director*

Robert H. Kidd

Robert H. Kidd, *Director*

in millions of dollars	1983	1982	1981
Liabilities			
Current liabilities			
Bank advances and notes payable	$ 83.8	$ 108.4	$ 69.0
Accounts payable and accrued liabilities	572.8	562.6	540.7
Taxes payable	48.5	43.5	39.6
Dividends payable	4.5	4.4	4.4
Long term debt payable within one year	19.0	21.8	17.7
Current portion of obligations under capital leases	7.9	8.0	6.8
	736.5	748.7	678.2
Long term debt	382.9	345.4	265.5
Obligations under capital leases	80.4	95.2	97.8
Other liabilities	29.9	21.4	29.4
Deferred income taxes	100.0	93.0	82.4
Minority interest in subsidiaries	151.6	141.7	153.8
Shareholders' Equity			
Share capital	195.5	194.7	193.7
Retained earnings	481.6	432.1	397.3
Foreign currency translation adjustment	9.2		
	686.3	626.8	591.0
	$ 2,167.6	$ 2,072.2	$ 1,898.1

Summary of Accounting Policies

December 31, 1983

Basis of consolidation

The consolidated financial statements include the accounts of the Company and all subsidiaries. The effective interest of George Weston Limited in the equity share capital of principal subsidiaries which are not 100% owned is as follows at December 31, 1983: British Columbia Packers Limited 85%, Loblaw Companies Limited 78% and Kelly, Douglas & Company, Limited 67%.

The directors have determined the Company's classes of business at a meeting of directors to be as follows and have recorded them in the minutes of the meeting: Food Processing, Food Distribution, and Resource to include Fisheries and Forest Products.

Inventories and properties held for sale

Retail store inventories are stated at the lower of cost and net realizable value less normal profit margin. Other inventories and properties held for sale are stated principally at the lower of cost and net realizable value.

Leases

Leases entered into after December 31, 1978 which transfer substantially all of the benefits and risks incident to ownership of property are recorded as the acquisition of an asset and the incurrence of an obligation. The asset is amortized on a straight line basis and the obligation, including interest thereon, is liquidated over the life of the lease. Rents on non capital leases and on all leases entered into before January 1, 1979 are expensed as incurred.

A retroactive application of this policy would increase net earnings for 1983 by $.2 million or 2¢ per share (1982 – $.2 million or 2¢ per share, 1981 – $.5 million or 4¢ per share), assets would increase by $85.8 million (1982 – $109.6 million, 1981 – $128.6 million) and obligations by $119.5 million (1982 – $146.6 million, 1981 – $172.7 million).

Translation of foreign currencies

Foreign currency balances are translated at a rate approximating the current rate at each year end. The foreign currency translation adjustment resulting from the translation of the financial statements of United States subsidiaries and the debt which acts as a hedge against these investments is included in shareholders' equity to be recognized in earnings in proportion to any reduction of the net investment. The deferral resulting from the translation of other foreign currency balances is included in other assets and amortized over the life of the item. Previously both of these deferrals were deducted from fixed assets and amortized to earnings. This change, which was made effective December 31, 1983, is not likely to have a material effect on earnings of future years.

Fixed assets

Fixed assets are stated at cost including interest capitalized during the year of $18.8 million (1982 – $15.6 million, 1981 – $3.2 million) associated with construction. Depreciation is recorded principally on a straight line basis to amortize the cost of these assets over their estimated useful lives, up to a maximum of forty years for buildings, of twenty years for equipment and fixtures and of seven years for automotive equipment. Leasehold improvements are depreciated over the lesser of useful life and term of lease.

Notes to Consolidated Financial Statements

December 31, 1983

(Narrative and Tabular amounts in millions of dollars
except Share Capital note)

1. Income Taxes

The Company provides for income taxes based on financial statement earnings. This provision differs from income taxes currently payable because certain items of income and expense are reported in the statement of earnings in years different from those in which they are reported on income tax returns. The tax effect of these differences in timing is referred to in the balance sheet as deferred income taxes. Income tax expense includes deferred taxes of $21.7 (1982 – $31.9, 1981 – $23.7)

At December 31, 1983, however, certain subsidiaries have losses from prior years aggregating $38.2 for which potential income tax benefits have not been recorded in the accounts. The Company's effective interest in these losses is $30.5.

2. Extraordinary Items

	1983	1982	1981
Income tax reductions realized on application of prior years' losses	$ 3.1	$ 3.7	$ 7.4
Closing costs on the sale of subsidiary operations (net of income tax recoveries of $2.6 in 1983 and $5.2 in 1982)	(2.5)	(5.4)	
Gain on issue of a subsidiary's share capital			6.2
Gain on sale of investments (less income taxes of $1.0)			2.5
	$ .6	$(1.7)	$16.1

3. Inventories, By Group

	1983			1982	1981
	Raw materials and supplies	Finished goods	Total	Total	Total
Food Processing	$ 28.6	$ 55.3	$ 83.9	$ 98.9	$ 96.6
Food Distribution	3.7	374.1	377.8	384.3	367.1
Resource					
Fisheries	10.6	83.3	93.9	108.1	103.4
Forest Products	17.5	36.7	54.2	55.8	56.4
	$ 60.4	$549.4	$609.8	$647.1	$623.5

4. Investments

	1983	1982	1981
Properties held for development or sale, at cost	$23.8	$43.0	$33.2
Secured loans and advances	20.8	22.4	18.8
Long term receivables	24.1	11.4	6.9
Sundry investments	21.3	21.0	18.7
	$90.0	$97.8	$77.6

Secured loans and advances include $1.8 (1982 – $2.8) owing by directors and officers of the Company and its subsidiaries arising out of the purchase of preferred shares of the Company through a trustee as part of the Company's incentive plan. These advances are secured by the shares purchased.

5. Leases

The Company and its subsidiaries have obligations under long term leases for retail outlets, warehouse facilities and equipment. Property under capital leases entered into after December 31, 1978 is:

	1983	1982	1981
Buildings	$ 58.8	$ 52.8	$ 50.2
Equipment	50.7	66.7	62.5
	109.5	119.5	112.7
Accumulated depreciation	36.5	29.1	17.5
	$ 73.0	$ 90.4	$ 95.2

Minimum lease commitments together with the present value of the obligations under capital leases entered into after December 31, 1978 are:

	Capital leases entered into after December 31, 1978	Other leases		
		Gross liability	Expected sublease income	Expected net liability
For the year				
1984	$ 19.4	$ 69.5	$ 20.8	$ 48.7
1985	19.1	63.8	18.5	45.3
1986	19.0	59.4	15.7	43.7
1987	17.0	53.0	13.3	39.7
1988	12.1	47.5	10.5	37.0
Thereafter to 2023	100.2	316.2	53.3	262.9
Total minimum lease payments	186.8	$609.4	$132.1	$477.3
Less interest at a weighted average rate of 12.8%	98.5			
Balance of obligations	88.3			
Less current portion	7.9			
Long term obligations	$ 80.4			

6. Long Term Debt

	1983	1982	1981
George Weston Limited			
Sinking Fund Debentures			
6¾% Series E and F maturing 1986 and 1987	**$ 13.6**	$ 14.2	$ 15.7
12.75% Series 1 maturing 2000	**22.5**	23.8	25.0
14⅛% Series 2 maturing 1997	**25.0**	25.0	
13½% Notes maturing 1987 (U.S. $24.8)	**30.2**	30.2	31.8
Term loans at a weighted average interest rate of:			
8.3% maturing 1986 to 1992 (Swiss Francs 50.5)	**29.8**	32.8	24.0
14.8% rate renegotiable in 1984 and 1986 maturing 1990 (U.S. $10.0)	**12.2**	12.2	11.8
12.8% rate renegotiable in 1984 to 1988 maturing 1993	**45.0**	21.2	
12% maturing 1988	**25.0**		
Loblaw Companies Limited and subsidiaries			
Sinking Fund Debentures			
6⅜% to 8⅜% maturing 1991 to 1993	**12.8**	13.7	17.2
12½% Debentures maturing 1990	**35.0**		
Term loans			
At bank's prime rate maturing 1985	**15.0**	20.0	
At lower of London Interbank offered rate plus ¾% or 107½% of U.S. bank's prime rate maturing 1984 (U.S. $3.8)	**4.6**	11.4	13.7
12½% maturing 1985 (U.S. $12.0)	**14.6**	14.6	14.1
London Interbank offered rate plus ⅜% to ¾% maturing 1992 (U.S. $13.0)	**15.9**	15.9	
Repaid in 1983 and 1982		18.3	29.3
Mortgages at a weighted average interest rate of 10.4% maturing 1984 to 2003 (including U.S. $4.1)	**18.5**	21.2	6.9
Other long term debt			
Term loans of British Columbia Packers Limited			
At a weighted average interest rate of 13.4%, rate renegotiable in 1984 to 1986, $13.5 maturing 1988, $14.7 maturing 1990 (including U.S. $10.0)	**28.2**	29.7	30.0
Individually not exceeding $7.5 at a weighted average rate of 9.5% (including U.S. $27.3)	**54.0**	63.0	63.7
	401.9	367.2	283.2
Less payable within one year	**19.0**	21.8	17.7
Long term debt	**$382.9**	$345.4	$265.5

Principal payable in the next five years is as follows:
1984 – $19.0; 1985 – $47.1; 1986 – $22.5;
1987 – $46.4; 1988 – $44.0.

7. Share Capital

	Number of shares issued			Amount		
	1983	1982	1981	1983	1982	1981
Senior preferred shares				in millions of dollars		
First series	67,290	72,210	75,990	$ 6.7	$ 7.2	$ 7.6
Second series	62,159	66,024	69,939	6.2	6.6	7.0
	129,449	138,234	145,929			
Preferred shares						
Series X	750,000	750,000	750,000	75.0	75.0	75.0
Series Y	500,000	500,000	500,000	50.0	50.0	50.0
Series Z	250,000	250,000	250,000	25.0	25.0	25.0
	1,500,000	1,500,000	1,500,000			
Junior preferred shares						
Series A	3,375	16,725	21,918	.3	1.7	2.2
Series B			1,000			.1
Series C	4,500	4,900	5,400	.5	.5	.5
Series D	14,800	14,800	14,800	1.5	1.5	1.5
Series E	22,250	10,000		2.2	1.0	
	44,925	46,425	43,118			
				167.4	168.5	168.9
Common shares	11,438,851	11,327,936	11,246,278	28.1	26.2	24.8
				$195.5	$194.7	$193.7

Share Information (in dollars):

Senior preferred shares (authorized 183,974)
First series – $4.50 cumulative dividend redeemable at $104.
Second series – $6.00 cumulative dividend redeemable at $105.

Preferred shares – cumulative dividend
Series X – redeemable and retractable on December 1, 1987 at $100, annual dividend rate is one half average bank prime rate plus 1¼%.
Series Y – redeemable and retractable on December 1, 1990 at $100, annual dividend rate is one half average bank prime rate plus ¾% to November 30, 1985 and ⅞% thereafter.
Series Z – redeemable and retractable on December 1, 1991 at $100, annual dividend rate is one half average bank prime rate plus 1¼%.

Junior preferred shares
Series A – $8.00 cumulative dividend, redeemable after March 16, 1988 at $100, convertible into 20,930 common shares.
Series C – $9.00 cumulative dividend, redeemable after June 6, 1990 at $100, 3,900 convertible into 16,250 common shares.
Series D – $10.00 cumulative dividend, redeemable after October 2, 1991 at $100, 10,800 convertible into 33,488 common shares.
Series E – cumulative dividend with annual rate at two thirds average bank prime plus ¾%, 10,000 redeemable after August 27, 1992 and 12,250 after May 16, 1993 at $100, convertible into 52,694 common shares, 12,250 issued during 1983 for cash of $1,225,000.

During the year 8,785 senior preferred shares (1982 – 7,695) were purchased for cancellation at a cost of $484,000 (1982 – $393,000).

The preferred shares Series X, Y and Z are retractable at $100 each earlier than 1987, 1990 and 1991 respectively, only in the event of adverse change in the tax status of the dividends received. In the event of early retraction of Series X and Y shares, the original holder will loan the Company funds sufficient to complete the retraction.

In 1983 the Company issued 84,455 (1982 – 39,285) common shares for $1,375,000 (1982 – $673,000) on conversion of junior preferred shares and issued 26,460 (1982 – 42,373) common shares for cash of $484,000 (1982 – $716,000) on exercise of employee stock options. After giving effect to the foregoing, the Company has reserved 123,371 common shares for potential conversion of the preferred shares. As at December 31, 1983, 88,364 common shares have been set aside for issue under terms of an employee stock option plan. The following options, which have been granted at the market price on the date of the grant, are outstanding at December 31, 1983.

Number of employees	Number of common shares	Exercise price per share	Option expiry date
9	12,050	$24.00	June 6, 1990
4	8,370	32.25	October 2, 1991
20	29,875	57.125	May 16, 1993

The exercise of the conversion privileges and the stock options would not have a material effect on earnings per share.

8. Other Liabilities

	1983	1982	1981
Deferred employee compensation	$15.7	$10.6	$ 8.8
Provision for future obligations on closed operations	3.4	4.2	2.8
Provision for self insured claims and other	8.0	3.5	2.6
Deferred real estate income	2.8	3.1	15.2
	$29.9	$21.4	$29.4

9. Related Party Transactions

The Company and its subsidiaries lease capital assets from a subsidiary of its controlling shareholder, Wittington Investments, Limited. Net lease expense on these assets for 1983 amounts to $1.8 (1982 – $5.4). The Company has also guaranteed a U.S.$3.6 (1982 – U.S.$3.8) mortgage payable by a subsidiary of Wittington Investments, Limited on property leased to the Company.

10. Commitments and Contingent Liabilities

Endorsements and guarantees arising in the normal course of business amount to $79.6. In addition, there are assigned leases of $114.0 which relate to the sale of U.S. Food Distribution Group subsidiary operations.

The present value of the unfunded past service pension liability based on recent actuarial reports is $101.0 at December 31, 1983 and is being amortized over varying periods not exceeding fifteen years.

In addition to various claims arising in the normal course of business, there are certain class action lawsuits, involving substantial amounts, filed by former employees of a U.S. Food Distribution subsidiary operation sold in 1982. Although the outcome of these actions cannot be predicted with certainty, management believes that their outcome will not have a material effect on the Company's financial position.

11. Segmented Information	1983	1982	1981	1980	1979	1978	1977
Sales and earnings							
Sales							
Food Processing	**$1,184**	$1,134	$1,038	$ 905	$ 630	$ 567	$ 510
Food Distribution	**6,091**	6,221	5,795	5,375	4,725	4,247	3,735
Resource — Fisheries	**364**	339	395	327	337	308	261
— Forest Products	**430**	378	421	385	354	278	224
Inter Group	**(269)**	(242)	(220)	(215)	(179)	(162)	(140)
Consolidated	**7,800**	7,830	7,429	6,777	5,867	5,238	4,590
Canada	**5,294**	4,963	4,730	4,252	3,814	3,489	3,139
United States	**2,506**	2,867	2,699	2,525	2,053	1,749	1,451
Operating income							
Food Processing	**61**	64	61	49	30	29	32
Food Distribution	**128**	115	114	100	71	59	47
Resource — Fisheries	**16**	10	22	6	19	31	21
— Forest Products	**8**	13	33	41	48	22	2
Consolidated	**213**	202	230	196	168	141	102
Canada	**156**	141	170	149	123	109	76
United States	**57**	61	60	47	45	32	26
Financial position							
Total assets							
Food Processing	**372**	371	354	343	249	230	219
Food Distribution	**1,155**	1,115	1,037	963	868	713	632
Resource — Fisheries	**217**	243	243	235	200	167	141
— Forest Products	**424**	343	264	217	190	172	154
Consolidated	**2,168**	2,072	1,898	1,758	1,507	1,282	1,146
Canada	**1,624**	1,520	1,329	1,238	1,066	930	852
United States	**544**	552	569	520	441	352	294
Cash flow							
Capital expenditures							
Food Processing	**47**	34	41	34	22	13	19
Food Distribution	**110**	65	88	90	98	80	58
Resource — Fisheries	**5**	18	13	35	15	11	9
— Forest Products	**83**	100	64	21	22	15	10
Consolidated	**245**	217	206	180	157	119	96
Depreciation							
Food Processing	**22**	22	20	17	11	11	9
Food Distribution	**53**	49	45	43	35	32	29
Resource — Fisheries	**8**	8	8	7	6	5	4
— Forest Products	**15**	15	13	12	10	9	8
Consolidated	**98**	94	86	79	62	57	50

Canadian sales include export sales approximating $300 in 1983 and 1982.
Inter Group sales relate primarily to Food Processing. 1983 includes $213 (1982 — $192) from this Group.
Segment operating income includes an allocation of the excess of corporate service expense over investment and other income in 1983 of $5 (1982 — $4).
Capital expenditures and depreciation details do not include property under capital leases. Acquisition of property under capital leases of $7 in 1983 (1982 — $5) and depreciation of $11 (1982 — $11) relate primarily to the Food Distribution segment.

Supplementary Information Reporting on the Effects of Changing Prices

December 31, 1983

Background

Financial statements presented in accordance with generally accepted accounting principles are based on historic dollar values. The impact of inflation is reflected in financial statements by increased costs for recent expenditures while assets acquired in earlier years continue to be reflected at their depreciated historical cost, which may be less than current replacement cost. Since management's business plans recognize the effect of inflation, shareholders' evaluation of financial results should also consider the inflationary economic environment. Supplementary information may assist in the shareholders' interpretation of the historical cost financial statements.

Although Weston is providing current cost information to assist shareholders this supplementary information should be interpreted with caution as it is experimental, based on indices and estimates, and may not represent the costs that would be incurred if the assets were, or were able to be replaced.

Current cost accounting incorporates changing prices by providing for the replacement of inventory and fixed assets. This recognizes that to maintain current operating levels it will be necessary to replace certain assets at higher costs. Current cost accounting requires several adjustments to the historical cost statements. Note that all prior year figures indicated in the commentary below have been restated by the 1983 average increase in the Consumer Price Index (CPI).

Cost of Sales Adjustment

This is the difference between the replacement and historic cost of sales. This adjustment is significantly affected by the rate of inventory turnover. As the food products industry is characterized by rapid inventory turnover, the food related businesses of George Weston Limited do not generate a significant cost of sales adjustment. The minor adjustment reflected in current cost earnings is due entirely to the Resource Group.

Financing Adjustment

Current cost adjustments provide for the replacement of assets based on the assumption that the necessary funds will be generated entirely from earnings. However, if the present debt to equity ratio is maintained, a portion of the funds required for replacement will be provided by debt. Accordingly the financing adjustment reflects the portion of current cost adjustments that do not require provision through earnings.

Asset Valuation

Another aspect of current cost accounting addresses the valuation of fixed assets and inventory as set out in the notes to the attached Statement of Earnings. The increase in the current cost of fixed assets during the year was $16.2 million ($80.6 million in 1982). For inventory, replacement occurs so frequently that the difference between current cost and historic cost is immaterial. If the fixed assets had been restated using the average increase in the CPI the increase would have been $62.7 million ($122.2 million in 1982).

Purchasing Power

Inflation affects the monetary assets and liabilities of a company as monetary items are fixed in value while the prices of non-monetary items are changing. By having a net liability position, the company can pay its liabilities using cheaper dollars and therefore have a purchasing power gain. In 1983, the Company had a gain in general purchasing power of $46.6 million ($95.1 million in 1982) from holding net monetary liabilities during the year.

Interest and Tax

Deferred taxes, income tax expense and interest expense are not adjusted for current costs and remain as shown in the historical cost financial statements.

Consolidated Statement of Earnings Adjusted for the Effects of Changing Prices

Year ended December 31, 1983
(unaudited)

in millions of dollars	1983 Historic Cost	1983 Current Cost	1982 Historic Cost	1982 Current Cost
Sales and other income	$7,808.2	$7,808.2	$7,839.7	$7,839.7
Operating expenses				
Cost of sales, selling and administrative expenses	7,433.6	7,433.7	7,470.6	7,470.9
Net long term lease expense	52.5	52.5	62.4	62.4
Depreciation (Note 1)	109.3	138.9	104.3	140.6
Disposal adjustment (Note 2)		10.5		9.1
	7,595.4	7,635.6	7,637.3	7,683.0
Operating income	212.8	172.6	202.4	156.7
Interest expense	48.7	48.7	51.1	51.1
Income taxes	69.5	69.5	68.3	68.3
Minority interest	16.0	14.1	12.6	10.6
Financing adjustment		(20.3)		(23.3)
Earnings before extraordinary items	78.6	60.6	70.4	50.0
Preferred dividends	12.0	12.0	16.3	16.3
Adjusted earnings before extraordinary items	$ 66.6	$ 48.6	$ 54.1	$ 33.7
Per common share				
Earnings before extraordinary items	$ 5.88	$ 4.30	$ 4.82	$ 3.02
Book value	45.36	74.47	40.46	72.83
Other supplementary information				
Inventory	$ 609.8	$ 609.8	$ 647.1	$ 647.1
Fixed assets	1,074.5	1,441.4	980.0	1,385.4
Common shareholders' equity	518.9	851.9	458.3	825.0

Notes:

1) Depreciation on a current cost basis is $29.6 million higher than on an historical cost basis ($36.3 million in 1982). Depreciation expense has been calculated consistently with the historical cost basis however it has been based on the current replacement costs of fixed assets. Replacement costs are determined by specific indices and appraisals where appropriate.

2) Fixed asset disposals often give rise to a gain or loss on sale. In most instances the disposal proceeds are an objective indication of replacement value for a comparable asset. Therefore, gains and losses on disposal of fixed assets are eliminated for current cost accounting purposes.

3) For comparative purposes, 1982 figures have been shown as they would originally have been presented at December 31, 1982 current costs. The 1982 current cost comparative figures restated using the 1983 average increase in the CPI would be: sales $8,293.6, operating expenses $8,127.0, earnings before extraordinary items and preferred dividends $52.9, shareholders' equity $872.8.

Principal Operations

Food Processing

Food processing operations are comprised of four segments; baking and milling, biscuit and confectionery, chocolate and dairy, and food specialties, employing 12,000 people.

Baking and Milling: Canadian bakeries are located in: Vancouver, Calgary, Edmonton, Regina, Winnipeg, Essex, Kitchener, Aurora, Kirkland Lake, Toronto, Kingston and Longueuil, supported by flour mills in Winnipeg and Mississauga. United States bakeries are located in: Williamsport, Norristown, Altoona, Sayre, Hazleton, Harrisburg, Erie and Beaver, Pennsylvania; Olean, New York and East Hartford, Connecticut. Products produced include a wide variety of breads, rolls, cakes and other bakery products under national and regional brands and private label for distribution to food stores and food service outlets in Canada and the Eastern United States. The flour mills produce several types of flour for internal use and domestic and export markets. Familiar brand names include: Weston, Country Harvest, Dietrich and Stroehmann.

Biscuit and Confectionery: Plants are located in Longueuil, London, and Winnipeg in Canada and Richmond, Virginia; Battle Creek, Michigan; Tacoma, Washington; and North Sioux City, South Dakota in the United States. A broad range of sweet biscuits, crackers, ice cream cones and wafers, confections and candies are manufactured and distributed throughout the United States and Canada, under a variety of labels including: Wagon Wheels, FFV, Stoned Wheat Thins, McCormicks and Paulins.

Chocolate and Dairy: William Neilson Ltd., with a chocolate and ice cream plant in Toronto, and dairies in Ottawa and Halton Hills, produces and distributes a wide range of chocolate bars, chocolate coatings, cocoa and specialty items, bulk and packaged ice cream, frozen novelties, fluid milk and associated dairy products. Brand names include: Jersey Milk, Crispy Crunch, Malted Milk, Neilson, Fruit Plus and Toffifay.

Food Specialties: Manufacturing and processing plants in Toronto, Colborne, Montreal, and Winnipeg produce a wide variety of ingredients and products for the baking, confection, dairy and food service industries. A full line of dried and glazed fruits, nuts, cereals, and health foods is distributed. An extensive range of frozen food entrees is processed in Santa Fe Springs, California.

Food Distribution

Loblaw Companies has approximately 279 supermarkets across Canada and 124 in the North East and South Central United States. Distribution centres in strategic centres are engaged in wholesale or retail distribution of food and other products in Canada and the United States. Retail stores generated average sales per sq. ft. of $364 and total sales of $3,525 million in 1983. Wholesale operations had sales in 1983 of $2,566 million, supplying 1,370 franchised and 14,400 unaffiliated accounts. This business is carried out through 79 cash and carry units and 59 warehouses. Retail operations are conducted under the Loblaws, Super Save, Zehrs, Gordon's, Ziggy's, Save Easy, No Frills, National, Bells, Canal Villere, Shop Easy, OK Economy and Super Valu names.

Its retail operations enjoy a very prominent position as leader in the "no name" products market with over 650 top quality, good value items and also with its new warehouses featuring bulk "no name" and brand name items. The Group employs over 16,500 full time people.

Resource

On the west coast British Columbia Packers operates plants in Richmond, B.C., Prince Rupert, B.C. and Alaska. These plants produce a variety of canned, fresh, frozen and processed fish under the Clover Leaf, Paramount and Rupert labels. Pacific Coast salmon, tuna and groundfish are marketed worldwide. British Columbia Packers is the largest salmon processor in Canada.

Connors Bros. operates processing plants in Black's Harbour, N.B. and in the surrounding area, Shippegan, N.B., Clark's Harbour, N.S., Isle Aux Morts, Nfld., Westwood, Massachusetts and Aberdeen, Scotland, and processes herring products including sardines, groundfish and crab products in canned, fresh, frozen and processed forms, under the Connors, Brunswick, Connaisseur and Jutland labels, which are marketed worldwide.

E. B. Eddy has extensive timber limits in northern Ontario and Quebec, sawmills in Davidson, Quebec and Nairn Centre and Timmins, Ontario, a pulp mill in Espanola, Ontario, and paper mills in Espanola and Ottawa, Hull, Quebec, and Brewer, Maine. It manufactures and distributes spruce and pine lumber, bleached kraft pulp and a wide variety of fine and specialty papers for printing, writing and packaging under the Eddy and Eastern Fine Paper labels, as well as White Swan household, industrial and sanitary paper products. The Group employs over 5,000 people.

Corporate Directory

Directors

W. Galen Weston
Chairman and President
George Weston Limited,
Chairman of the Board
Loblaw Companies Limited

Richard J. Currie
Senior Vice President
George Weston Limited,
President
Loblaw Companies Limited

Don McCarthy
President
Food Processing Group
George Weston Limited

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

David A. Nichol
Senior Vice President
George Weston Limited,
President
Loblaws

Mark Hoffman
Director
Guinness Peat Group plc

Hugo Mann
Managing Director
Deutscher Supermarkt

Honourable Doctor Pauline McGibbon
Chairman
The National Arts Centre

Richard I. Nelson
Chairman
British Columbia Packers Limited,
Connors Bros.

S. Simon Reisman*
Chairman
Reisman & Grandy Ltd.

John C. Scarth
President
E.B. Eddy Forest Products Ltd.

John D. Stevenson, Q.C.*
Partner
Smith, Lyons, Torrance,
Stevenson & Mayer

Garry H. Weston
Chairman
Associated British Foods plc

Honorary Director
George C. Metcalf

*Audit Committee

Food Processing Group

Don McCarthy
President
Food Processing Group

Victor Ursaki
Chairman
Weston Bakeries,
Stroehmann Brothers

Douglas J. McMullen
Chairman
InterBake Foods (Canada),
President
Interbake Foods (U.S.)

Bremner B. Green
Chairman
Bowes Co.

Sol Kanee
Chairman
Soo Line Mills,
McCarthy Milling

Stanley O. Johnson
President
Weston Bakeries

J. Peter Wygant
President
Stroehmann Brothers

Angus W. Young
President
InterBake Foods (Canada)

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President
William Neilson

Food Distribution Group

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Loblaw Companies Limited

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President
Kelly, Douglas

Charles B. Barcelona
President
Peter J. Schmitt

Sheldon V. Durtsche
President
National Tea

David A. Nichol
President
Loblaws

Albert F. Rose
President
Atlantic Wholesalers

John K. Shipton
President
National Grocers

Carl M. Zinkan
President
Zehrmart

Resource Group

Earl R. Pearce
Senior Vice President
Resource Group

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Chairman
British Columbia Packers,
Connors Bros.

J. Bruce Buchanan
Vice Chairman
British Columbia Packers

Donald A. McLean
President
British Columbia Packers,
Connors Bros.

John C. Scarth
President
E.B. Eddy Forest Products

George A. Neil
Executive Vice President
E.B. Eddy Forest Products

Edward F. Boswell
Senior Vice President
Pulp, Forestry and Wood Products
E.B. Eddy Forest Products

Corporate Officers

Robert H. Kidd
Senior Vice President and
Chief Financial Officer

William A. Sloan
Vice President, Finance

Ralph S. Barnes
Treasurer

Ivan R. Franklin
Tax Officer

Stewart E. Green
Secretary

Terrence H. Wardrop
Controller

Dr. G. Ross Lawford
General Manager
Weston Research Centre

Douglas E. Perrin
Vice President, Finance
Food Processing Group

Head Office
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7
(416) 922-2500

Share Listings
Toronto, Montreal and
Vancouver Stock Exchanges

Share Symbol
"WN"

Registrar and Transfer Agent
National Trust Company, Limited
Toronto, Montreal and Vancouver

Shares Held in Nominee Name
George Weston Limited maintains a direct mailing list to assure that shareholders whose shares are not held in their name receive all Company reports and releases on a timely basis. If you would like your name added to this list, please send your request to the Company's Head Office,
Attention: The Secretary.

General Counsel
Smith, Lyons, Torrance, Stevenson & Mayer

Auditors
Thorne Riddell
Toronto, Ontario

Number of Common Shareholders
3,800

Common Dividend Payment Dates
January 1st
April 1st
July 1st
October 1st

Valuation Day Value of Common Shares
$18.00

Annual Meeting of Shareholders
Monday, May 7, 1984 at 10:30 a.m.,
Royal York Hotel, Toronto, Ontario

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