Weston

George Weston Limited

Annual Report 1992

Financial Highlights

In millions of dollars	1992	1991	1990
Sales and Earnings			
Sales	$11,599	$10,770	$10,856
Operating income	207	247	346
Interest expense	87	101	103
Gain on issue of subsidiary's shares		30	
Net earnings	48	92	125
Cash Flow			
Cash flow from operations	312	288	356
Capital expenditures	272	258	322
Increase (decrease) in cash position	(136)	177	61
Financial Position			
Long term debt	730	734	724
Shareholders' equity	1,266	1,326	1,278
Total assets	3,965	3,829	3,707
Ratios			
Return on capital employed (%)	7.6	9.3	13.5
Return on common equity (%)	3.2	7.0	10.4
Interest coverage	2.4	2.5	3.4
Debt to equity	.69:1	.63:1	.63:1
Per Common Share *In dollars*			
Net earnings	.85	1.81	2.52
Dividend rate (year end)	.70	.70	.70
Cash flow from operations	6.70	6.20	7.70
Capital expenditures	5.84	5.55	6.97
Book value	27.08	26.31	25.37
Market value (year end)	36.75	36.75	41.75

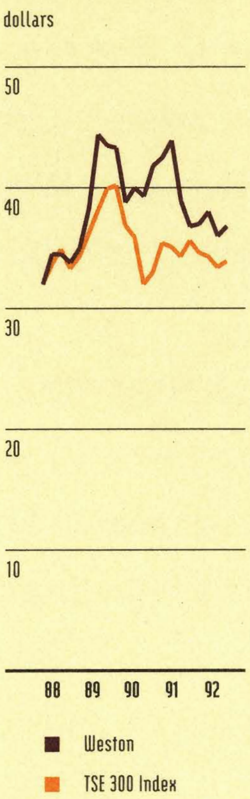
Contents

George Weston Limited **a broadly based Canadian company founded in 1882, conducts food processing, food distribution, and resource operations in North America with 80% of its sales in Canada and 20% in the United States.**

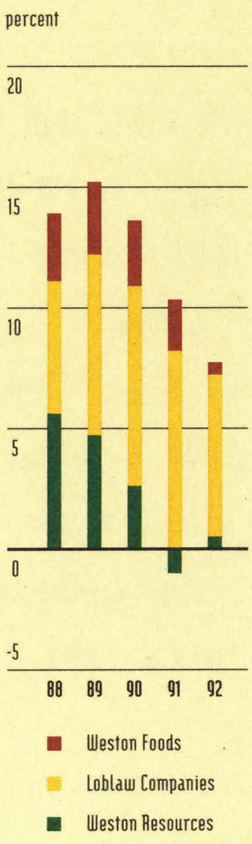
George Weston Limited operates these diverse businesses through Weston Foods, a bakery, dairy and confectionery food processor; Loblaw Companies, the largest food distributor in Canada with a major United States retail food division; and Weston Resources, a value-added forest products and fish processing company.

In 1992 George Weston Limited had sales of $11.6 billion, total capital investment in North America of $4 billion, and net earnings of $0.85 per share. Dividends remained steady throughout the year at $0.70 per share.

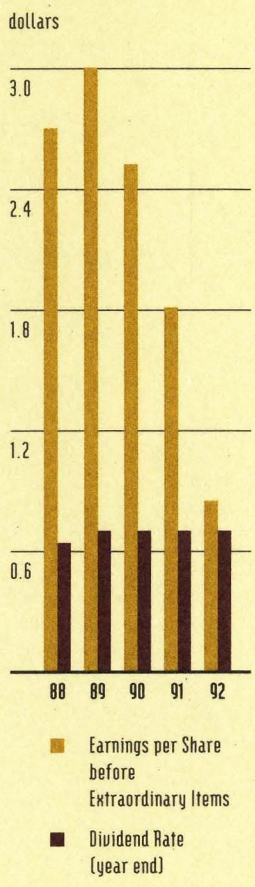
Market Value per Share



Return on Capital Employed
Group Contribution



Earnings per Share and Dividend Rate



April 1993

Dear Shareholder,

1992 has been another most difficult year for Canada and once again I have to inform shareholders that George Weston earnings have suffered accordingly. In some areas we were prepared for the prolonged effects of recession and had taken action to contain the damage while in others we were forced to change course abruptly, often by introducing massive price reductions or by closing facilities which had become uncompetitive.

Industry and trade union leadership has never been forced to contend with deflation in so many sectors and it continues to be an enormous challenge. In the supermarket and bakery industries it was the Eastern industrial areas of Ontario and the U.S. North East which felt the brunt of the economic storm and we were hurt not just by price reductions but by outright restructuring of major customers. Further south and in the West we fared much better, particularly where discount retail formats and pared down manufacturing and distribution costs had already been introduced.

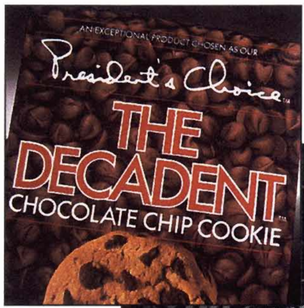
In our resource divisions good work has taken place to contain the losses caused by a further serious fall in the pulp price. Marginal paper machines in our Hull/Ottawa complex have been closed, while others have been revamped. A costly Solomon Islands Tuna fishing effort has been contained and amalgamations of fish processing on the West coast have made this resource competitive with Alaska.

While the last two years have produced disappointing results and a litany of restructurings a number of positive developments are taking place which will favorably impact our results. Firstly, the market share in Canada of our various retail formats is rising and Loblaw Co's is operating more confidently than ever. "President's Choice" and "no name" products have grown dramatically in popularity and we are winning supporters in the U.S. in a number of large store chains. Secondly, our bakery Co's are now operating profitably albeit at rock bottom prices. Thirdly, with the exception of pulp, commodity prices appear to have bottomed out and the U.S. market for Canadian resource goods is once again growing.

These factors superimposed on a company with a strong cash flow and good balance sheet should provide Weston operating executives the chance to regain for us respectable levels of profitability. While we are all aware that the 90's will continue to be demanding of business leadership, I believe that our Company will soon return to its position as one of the most stable and progressive in the country.

Once again, I would like to thank our customers, employees and shareholders as well as all those with whom we do business for their continued confidence and support.

Galen Weston



The Decadent Chocolate Chip and the President's Choice brand of products are now available in 5 countries around the world.

Neilson is currently shipping it's popular candy bar products to 12 countries.

Connors Bros., recently began exporting products to Mexico and now ships to over 50 countries worldwide.

WESTON FOODS had an encouraging start to 1992 but the first quarter did not foretell the collapse of earnings in the second half of the year. Sales were up 9.3% to $1.7 billion while operating income fell to $12 million from $56 million a year ago. Deflationary pricing environments, restructuring of key customers and partners, high costs of raw materials and plant start ups and closings all contributed to the depressed year end result.

The most significiant collapse was in the Quebec grocery market, but a number of smaller accounts also cost millions in Canada. In the United States the failure of Neilson Cadbury's U.S. distribution partner and other retail restructuring caused significant losses. All of these losses have been fully recognized in 1992.

The fresh bakeries were victims of the deflationary retail environment for food in Ontario and the Northeastern United States. In 1992 prices fell for the fresh product line, both branded and private label. At the same time flour prices rose and the cold summer weather, a record for this century, collapsed sales of hotdog and hamburger rolls. Lower volume, higher costs, lower prices – a combination that led to substantial losses at both fresh bakeries.


Neilson
SEEDED
GRAINES DE SÉSAME
Neilson
JERSEY NUT
NEW
NOUVEAU
100 g
Pure Milk Chocolate & Peanuts • Chocolat au lait pur et arachides
2% milk
Neilson
fresh
2% milk
partly
M.F.
keep refrigerated
1L

Weston Foods underwent significant restructuring in the last 5 years to meet the challenges of constant change and price deflation. All operating companies have dramatically higher levels of productivity and customer service, achieved with lower levels of administrative support.

Continuous Improvement is a way of life at Weston Foods. Although cultures and conditions vary widely, the common approach is the elimination of all forms of waste and an insistence on a customer focus. All customers now demand top quality at low prices... every day.

The Baking division sales grew 10% while earnings collapsed. The fresh bakeries... Weston Bakeries in Canada and Stroehmann Bakeries in the United States... reported operating losses for the first time. Both Interbake, the cookie and cracker company and Ready Bake, the frozen dough company had increased sales and earnings.

The recession in the Northeastern States served by Stroehmann has been very severe and shows few signs of easing. As a result consumers have traded down and retailers in a deflationary environment have moved to ever lower pricing. Bread prices were steady for the first 6 months of 1992 but then fell over 10% while flour prices rose. The result was inflating costs and deflating prices, a disastrous combination for profitability.

Stroehmann has taken out significant costs over the last 2 years and yet has continued to innovate in the market with the introduction of new branded products while enjoying continued consumer support of core brands.

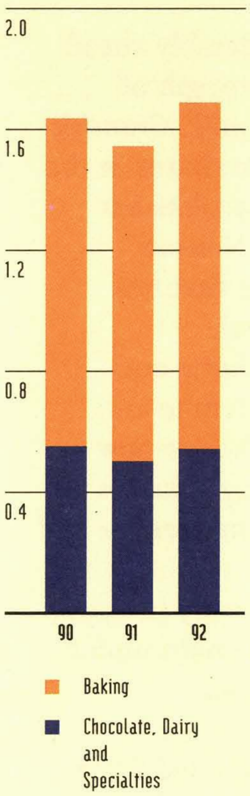
Weston Bakeries spent 1992 moving to a low cost producer status with the opening of a new bread line in Kitchener and the closure of the Dupont Street bread line. However, Weston Bakeries was also caught by severe price deflation and the restructuring of several important customers. Earnings declined and significant restructuring charges resulted in a loss for the year. Weston Bakeries is regaining its strength. Sales have increased modestly and branded market share is up. Manufacturing and administrative costs are significantly lower; the new Kitchener bread line is running well; and the Montreal plant is now consistently producing a fine product.

Ready Bake continued its record of exceptional growth in Canada in 1992, paced by growth in frozen pie sales from the Sarsfield plant in Nova Scotia. The company entered the U.S. market in the midwest and southeast through the acquisition of Maplehurst, a private frozen doughnut and cake manufacturer headquartered in Indianapolis. Ready Bake enters 1993 as one of the most significant bakery product specialty manufacturers in North America.

Interbake Foods had a strong year with record volumes in its 4 plants in Richmond, Virginia; Elizabeth, New Jersey; Tacoma, Washington and North Sioux City, South Dakota. Approximately half of Interbake's sales came from Girl Scout cookies and ice cream sandwich wafers. Both

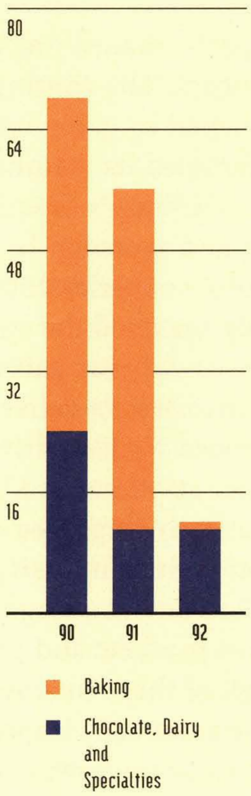
Sales by Segment

$ billions



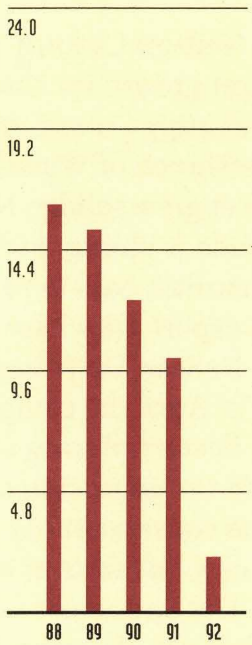
Operating Income by Segment

$ millions



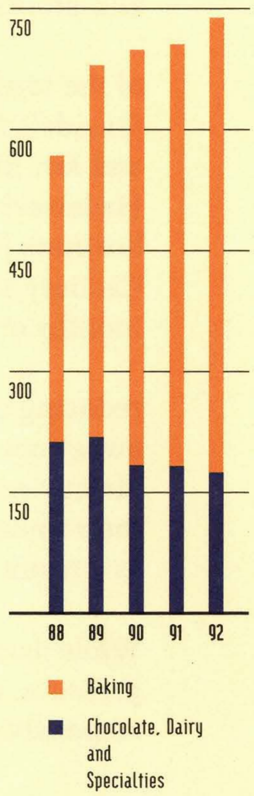
Return on Capital Employed

percent



Total Assets by Division

$ millions



businesses performed well. Contract business is always a challenge due to the number and sophistication of projects undertaken for Interbake's customers. Bidding for these projects is stiff and the outcome uncertain as the consumer is the final judge. The growth of private label 'brands' in U.S. supermarkets has presented an opportunity to Interbake that is being aggressively pursued. In enrobed cookies (those covered with chocolate) and fruit filled cookies, Interbake is a low cost, high quality producer. Sales are growing in this segment and the prospects for the future are solid.

1992 was positive for the Chocolate, Dairy and Specialties Group. Sales were $541 million up 8%, and operating income of $11 million was unchanged from 1991. Neilson Cadbury held its position as the #1 chocolate bar marketer in Canada and Neilson Dairy grew in both volume and profits.

Neilson Cadbury sales performance was considerably ahead of the total market growth for chocolate bars. The continued strength of Canada's #1 bar, *Crispy Crunch*, was matched by gains for *Caramilk*, *Crunchie* and *Mr. Big*. A relaunch of *Wunderbar* doubled its volume while shares in the Halloween market grew solidly. Neilson Cadbury's branded chocolate bar business in Canada is strong, profitable and growing. In 1992 Neilson Cadbury sold chocolate bars to 12 different countries and in the first few months of 1993 export sales have already matched the 1992 total.

Neilson Dairy had a successful year gaining volume and reducing costs. In April the company converted its delivery system to an owner operated fleet employing experienced Neilson drivers who are now directly rewarded for improving customer relations and building volumes on their routes. This conversion has dramatically improved customer service and as a result won new business in this competitive industry.

The Specialties Group had an encouraging recovery in 1992. While demand has not picked up in most markets and prices remain under pressure, costs have been taken out of all of these businesses and responsiveness to customers has been dramatically improved.

While recovery appears to be underway in the United States on average, the Northeastern States have not appreciably improved their economies. Food price deflation will continue until the cities of Philadelphia, New York, Hartford, Pittsburgh, Buffalo, and Syracuse begin to shake off this recession, thus the prospects for Stroehmann Bakeries remain challenging. In Canada the fresh bread business carried on by Weston Bakeries is recovering and will return to profitability. The other companies in Weston Foods are well positioned going into 1993 for growth in sales and profits.

David Beatty

President, Weston Foods Ltd.

LOBLAW COMPANIES **experienced an outstanding year in 1992, the decline in operating income of $37 million including $10 million special provision notwithstanding. As we have indicated in the past, we believe trading profits tell a more meaningful story of the progress of the business and these declined only 5% from $324 million to $309 million.**

Loblaw Companies made important sales and market share gains in a highly competitive, negative inflation environment, while maintaining its trading profit. By reducing its cost structure, by reinvesting in its most efficient formats and by further increasing concentration on "own label" products, the familiar *no name* and *President's Choice*, Loblaw Companies was able to grow sales by 8.5% and tonnage by approximately 7%. From a competitive and strategic point of view 1992 was our most successful year ever.

Control over costs continues to be fundamental to success in a competitive environment. Of all costs, store operating costs, particularly labour, are critical in an environment where retail prices are falling. In Ontario, union settlements, arrived at through difficult negotiations, provided improved flexibility and satisfactory monetary adjustments.

In some cases Loblaw has capitalized, with the understanding of the unions, on its strong franchise program to convert unprofitable stores to more cost efficient formats. Administrative and distribution expenses in Ontario continue to reflect the trends of past years, showing little absolute increase and declining as a percentage of sales. In Western Canada, the cost structure is being reduced through rationalization of wholesale branches, with 3 closures in 1992 and 4 more planned in 1993, and the elimination of unprofitable business. In 1992, work was begun to eliminate the costs of certain administrative duplications in Eastern Canada, by combining these functions for Atlantic Wholesalers and National Grocers. In addition, these arrangements will allow Atlantic Wholesalers to benefit from improved buying and distribution systems while its operations remain clearly focused on its customers. Wage and other costs must continue to be tightly controlled if they are not to outstrip sales growth.

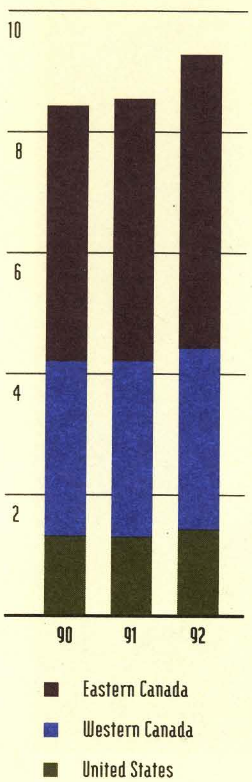
Also important to 1992's success was concentration of sales growth in selected markets and in proven formats. With a combination of corporate retail and franchised independent store formats, Loblaw Companies has now attained a strong position in all the major markets in Ontario. The Real Canadian Superstores, one of our most productive formats, were the driving force behind sales growth in Western Canada. The addition of 3 stores in 1992 in Red Deer, Alberta; Prince Albert, Saskatchewan and Brandon, Manitoba continued the rollout of Superstores to smaller urban markets, following the encouraging Lloydminster, Alberta entry in late 1991. The 6 similar stores planned for 1993 will further strengthen the market position of this group. In the United States, a 79,000 sq.ft. Superstore was added to the Real Superstore group in New Orleans. Opened in March of 1992, this store is exceeding sales and earnings projections. A larger, 140,000 sq.ft. Superstore will be added late in 1993 or early 1994. In St. Louis, the planned opening of 6 new stores in the next 18 months will strengthen our presence in the "food market" arena there.

Another very important element of Loblaw Companies successful marketing thrust in 1992 was its powerful "own label" brands. National brand loyalty has deteriorated and marketing strategies based solely on discounting national brands have become less effective. The well established *no name* and *President's Choice* brands continue to provide an excellent way to satisfy consumers' increasing demands for value and unique products. These powerful corporate brands are supported by computer based store product mix and merchandising systems which further enhance profitability. At the same time, new competitors have emerged offering low prices on large


G·R·E·E·N
ENVIRONMENT FRIENDLY PRODUCTS
THE ENVIRONMENTALLY RESPONSIBLE
LIGHT BULB
15W ELECTRONIC LIGHT BULB
EQUIVALENT TO 60W INCANDESCENT
LASTS UP TO 10 TIMES
LONGER AND USES
MEMORIES OF SAVANNAH
SOUVENIRS DE SAVANNAH
President's Choice
EXTRA VIRGIN OLIVE OIL
PRODUCT OF ITALY
NET 16.9 U.S. FL OZ
(1 U.S. PT 0.9 FL OZ)
500 mL
500 mL
BABY

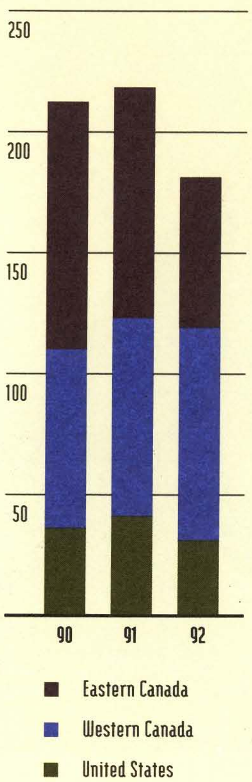
Sales by Segment

$ billions



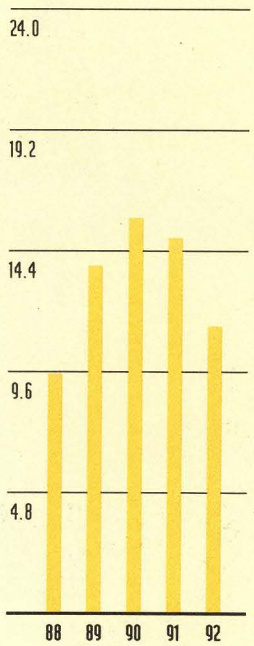
Operating Income by Segment

$ millions



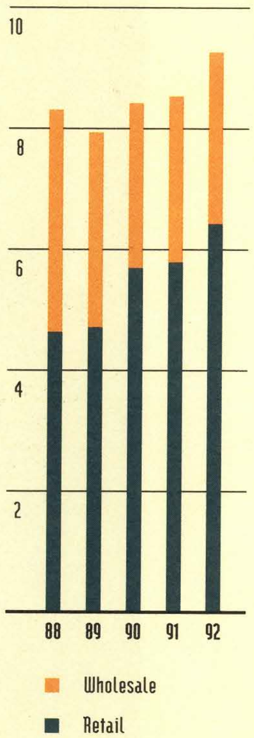
Return on Capital Employed

percent



Wholesale and Retail Sales

$ billions



packs of national brands in warehouse membership club stores. Loblaw Companies has responded by introducing corporate brand *Club Packs* and large packs of national brands in new sections in its supermarkets with "No Membership Fees Required." Loblaw continued to develop Real Canadian Wholesale Club stores, with a second opening in Saskatchewan. These stores are targeted at the food service and small business trade and compete with the membership clubs. Although *President's Choice* products were introduced 6 years ago into our own United States stores, this exclusive line was added to 6 other United States chains in 1992. These arrangements provide royalty income and increased buying leverage. In addition, under an arrangement with Wal-Mart, Loblaw Companies has assisted in the development of a new product line, "Sam's American Choice," based on the *President's Choice* model.

Loblaw continues to seek out selective acquisitions which offer exceptional opportunity to enhance shareholder value. In 1992 it acquired its partner's interest in an 18 store joint venture in Newfoundland. Now wholly owned, this business is in a position to rationalize existing retail locations, invest in new retail stores and expand its wholesale operations. Two new stores and one expansion are planned for 1993. In Ontario, we were able to purchase 10 former Steinberg stores in the Ottawa Valley. These stores fit well with our existing business and will strengthen our franchise business in the region.

Loblaw Companies Limited has responded to recession, price wars and food deflation by stimulating its sales volume. By aggressively reducing business costs while simultaneously reducing supermarket and wholesale prices, sales have been increased. The company looks optimistically to the future, and is well positioned to take full advantage when the economy recovers.

Richard J. Currie

PRESIDENT, LOBLAW COMPANIES LIMITED

WESTON RESOURCES rebounded in 1992 after dismal results in the previous year. However, with the exception of a few false starts, the increase in economic activity failed to materialize as robustly as envisioned at the outset. Much pessimism remains in the various marketplaces which are important to our operations – a pessimism which continues to temper our near term prospects.

Sales of $974 million were flat with last year. However, continued efforts to control all operating costs, combined with lower raw material costs, and a decline in the value of the Canadian dollar resulted in a marked improvement in margins. Operating income improved to $14 million, a $41 million increase over the 1991 loss of $27 million. Still, the return on capital employed was less than 3%, well below our 15% target.

In the Forest Products division primary factors affecting 1992 results were slower than anticipated economic growth masked by short term benefits for Eastern pulp producers as a result of labour negotiations and a short strike in Western Canada; the weakening Canadian dollar; and improved lumber pricing toward the end of the year.


BRUNSWICK
CANADIAN
Sardines
CANADIENNES
in SPRING WATER
dans EAU DE SOURCE
106 g POIDS NET
INGREDIENTS: SARDINES, SPRING WATER, SALT.
INGRÉDIENTS: SARDINES, EAU DE SOURCE, SEL.
PRODUCT OF CANADA
PRODUIT DU CANADA
CLOVER LEAF
CLOVER LEAF
Flaked White Tuna
ALBACORE

The year started on a positive note in the pulp division with inventories declining monthly and the trend of price discounting turning to price increases. The list price of northern kraft softwood pulp moved from U.S. $500 per tonne to U.S. $640 during the first half of the year. By November, however, North American and Scandinavian producers' inventories had increased to in excess of 1.8 million tons, a level not seen since 1985 and the list price of pulp had fallen to U.S. $540 before additional discounting. As a consequence, the Canadian industry began to contemplate the spectre of market related shutdowns. Due to its integration with its paper operations, Eddy avoided taking downtime until December when it took its hardwood pulp line down for 3 weeks. For the year, Eddy's pulp mill operated at virtually the same level as in 1991 but experienced a price improvement of 9% on its sales mix.

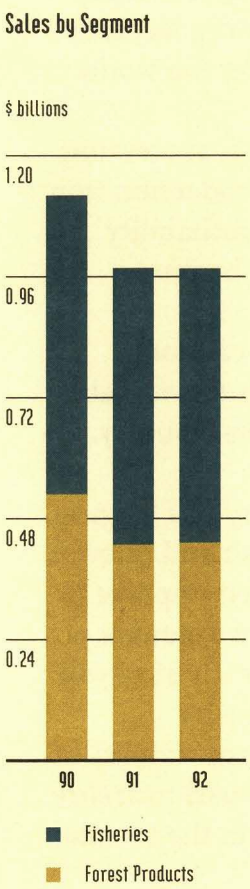
In the paper division, competitive markets in North America prevented producers from passing on the pulp price increment and despite a 5% decline in the value of the Canadian dollar, Eddy's Canadian paper sales experienced a 4% decline in unit value. The Port Huron operation witnessed a 3% reduction in its selling prices but was able to achieve a 5% increase in shipments over 1991 whereas the Canadian operations, with a higher level of exposure to commodity type fine papers, experienced no volume increase.

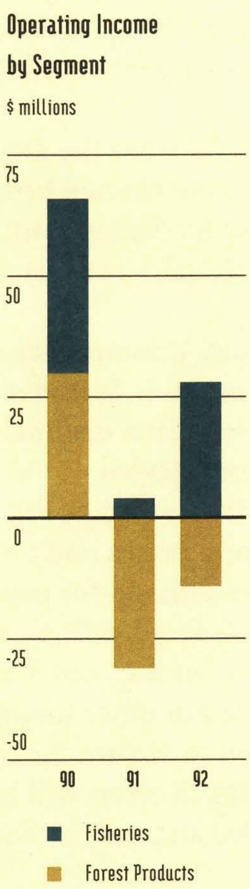
Toward the end of 1992, lumber markets picked up due to natural disasters and removal of timberland available for harvest in the United States. Solid wood prices increased by approximately 15% and helped offset the negative effect of a 5 month strike in our sawmill operation. Lumber has historically been a modest contributor to operating results. The increased demand and reduced supply conditions auger well for 1993.

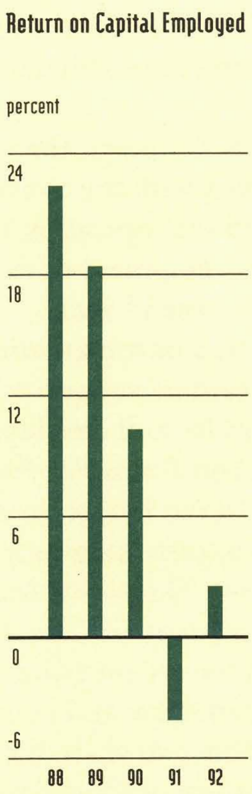
The Fisheries division accounted for an impressive gain of $24 million over 1991 in ending the year with an operating income of $28 million. Connors Bros. closed 2 canneries, however there was no decrease in production. Focusing on its core sardine and salmon aquaculture business, Connors ended the year with a significant increase in operating income.

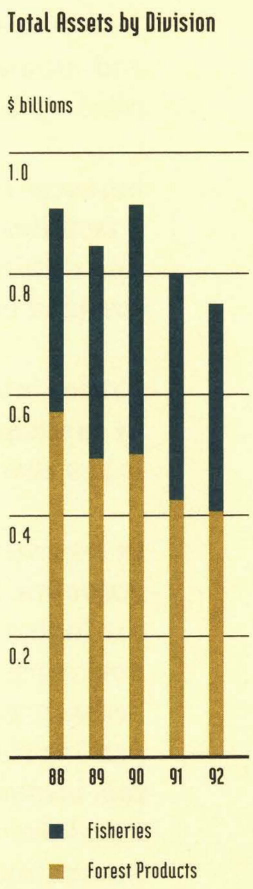
On the West Coast, B.C. Packers' performance was influenced by a decline in the overall salmon harvest. In the aftermath of 3 buoyant production years which saw supply exceed demand, the reduction in availability of canned salmon allowed market prices to firm and gross margins to begin to recover. As well, fish prices were renegotiated in B.C. reducing the differential between domestic prices and those paid to Alaskan fishermen. In addition, withdrawal from groundfish processing on the East Coast, the switch to farming Atlantic salmon rather than Pacific salmon on the West Coast, and the Solomon Islands tuna operation being downsized have stopped the hemorrhaging in these aspects of our business.

However, these improvements alone are not sufficient to provide the necessary returns on an ongoing basis. Consequently, B.C. Packers has begun a significant restructuring program to consolidate its


Sales by Segment
$ billions
1.20
0.96
0.72
0.48
0.24
90
91
92
Fisheries
Forest Products


Operating Income by Segment
$ millions
75
50
25
0
-25
-50
90
91
92
Fisheries
Forest Products


Return on Capital Employed
percent
24
18
12
6
0
-6
88
89
90
91
92


Total Assets by Division
$ billions
1.0
0.8
0.6
0.4
0.2
88
89
90
91
92
Fisheries
Forest Products

canning and frozen operations in separate facilities in order to reduce production costs and improve efficiencies. To achieve this, the cannery in Steveston, B.C. was closed and all canning production combined in the more modern Prince Rupert cannery. The Steveston fresh and frozen operation will be expanded and modernized to maximize the production of frozen salmon.

The Alaskan operation achieved good results having benefited from excellent fish returns in the areas of its canning facilities, while much of the balance of the fishery in Alaska was below expectations. Fish prices are less than those in Canada making Alaska's canning facilities and ultimately canned production more competitive than B.C. in the world marketplace.

At Connors, the withdrawal from the groundfish processing business combined with the consolidation of canned herring production into 4 facilities helped that operation improve its throughput and profitability. The continued development of its Atlantic salmon aquaculture business rounded out a successful year.

In a new marketing thrust, Connors has made cautious entries into the canned salmon market in the U.S. under the *Brunswick* label by capitalizing on its well developed distribution channels in that country. It has also launched *Brunswick Sardinas* in Mexico.

In the Forest Products division 1993 will be very challenging as we enter it with discouragingly low pulp prices and a sluggish and uneven economic recovery. The North American demand for paper must improve or the higher cost industry in Canada will be faced with significant amounts of downtime. With the recent rationalization in B.C. our Fisheries division will become more productive and competitive but other fishing industry participants will have to share the burden to ensure the long term viability of this important aspect of Canadian life. Much effort will be required to assure the ability of Canadian industry to survive and indeed flourish in the broader international environment.

While our facilities, operating management and operating results rate very highly in terms of our Canadian competition we are well aware that all of our products must meet the challenge presented by the global marketplace. Our asset base complements our leading domestic market positions based on the highly recognized *Clover Leaf* and *Brunswick* brand canned fish product lines and give us reason for optimism.

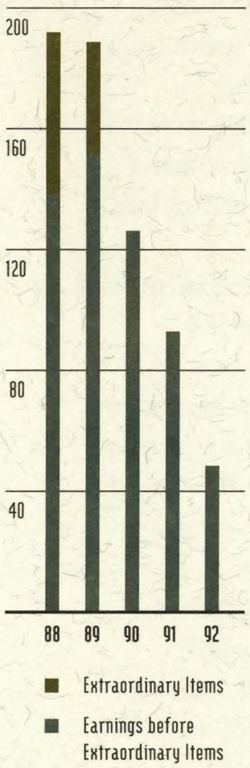
President, Weston Resources Limited

Management Discussion and Analysis

In 1992, Weston's sales grew 8% to $11.6 billion and net earnings declined to $48 million. This sales growth was achieved despite weak consumer demand and industry overcapacity that contributed to food price deflation and narrow margins. Restructuring provisions also lowered earnings. Earnings per share were 85 cents compared to $1.81 and $2.52 in the prior 2 years. Cash flow from operations of $312 million funded $272 million capital expenditures. Balance sheet ratios remained strong.

Net Earnings

$ millions



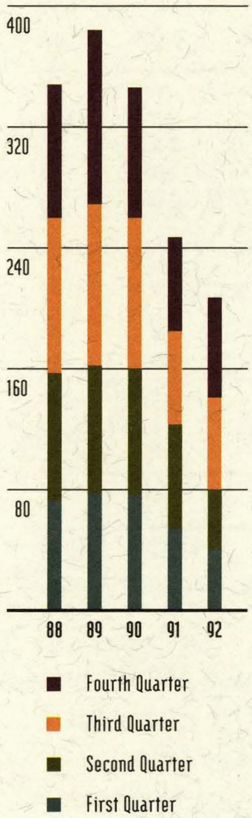
In millions of dollars

	Sales			Operating Income		
	1992	1991	1990	**1992**	1991	1990
Weston Foods						
Baking	**$ 1,144**	$ 1,041	$ 1,083	**$ 1**	$ 45	$ 44
Chocolate, Dairy and Specialties	**541**	500	550	**11**	11	24
	1,685	1,541	1,633	**12**	56	68
Sales Increase/*Margin*	9.3%	(5.6)%	1.7%	*0.7%*	*3.6%*	*4.2%*
Loblaw Companies						
Eastern Canadian	**4,840**	4,326	4,212	**62**	95	102
Western Canadian	**2,999**	2,908	2,892	**88**	82	74
United States	**1,423**	1,299	1,313	**31**	41	36
	9,262	8,533	8,417	**181**	218	212
Sales Increase/*Margin*	8.5%	1.4%	6.1%	*2.0%*	*2.6%*	*2.5%*
Weston Resources						
Fisheries	**542**	547	591	**28**	4	36
Forest Products	**432**	428	528	**(14)**	(31)	30
	974	975	1,119	**14**	(27)	66
Sales Increase/*Margin*	–%	(12.9)%	(7.9)%	*1.4%*	–%	*5.9%*
Inter Group	**(322)**	(279)	(313)			
Consolidated	**$11,599**	$10,770	$10,856	**$207**	$247	$346
Sales Increase/*Margin*	7.7%	(.8)%	3.8%	*1.8%*	*2.3%*	*3.2%*

Sales growth was mainly volume driven of which acquisitions contributed 3% and retail store square footage expansion 2%. The impact of inflation on the business is best measured by the monthly average "food purchased from stores" index which was down 1.4% from the 1991 average, even though single month December to December indexes were up 2.4%. Loblaw Companies' 53rd week in this fiscal year added 2% to sales and U.S. dollar appreciation 1%. 1991 sales had been depressed by the 1990 decline in resource prices, accounting for the GST and the lower U.S. dollar. Despite sales growth of 8%, operating income declined 16% because of provisions of $35 million for investments, guarantees and restructuring costs compared to 1991's $7 million provision and $12 million asset gain. Operating income for Weston Resources increased by $41 million. This increase was offset by declines in Weston Foods and Loblaw Companies caused by lower margins.

Operating Income by Quarter

$ millions



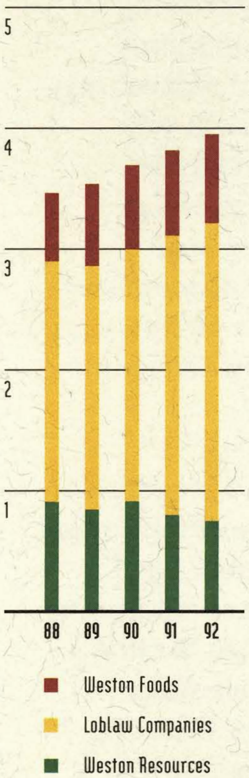
WESTON FOODS' sales increased 9% despite intense pressure on prices in the food industry. The Baking segment sales increase is attributable to volume growth, the acquisition of Maplehurst, a frozen doughnut and cake manufacturer in the United States and favourable foreign currency translation. Chocolate, Dairy and Specialties segment sales increased 8% primarily as a result of volume growth. Baking segment operating income of $1 million declined by $44 million. The decline results from the fresh bakery losses attributable to start up costs, price deflation and $19 million in special provisions related to major restructuring costs in the Canadian operation, costs associated with customers' restructuring and the closure of the Flushing, New York bakery. Chocolate, Dairy and Specialties segment operating income of $11 million includes $6 million of costs related to the insolvency of a supplier. Excluding this cost, the segment operating income increased due to sales growth and cost reduction initiatives. Intense price competition is expected to continue and represents a risk to the coming year. It is projected that operating results will improve as a result of actions taken in 1992 combined with volume growth and management's strategy of continued focus on cost reduction.

LOBLAW COMPANIES' sales increased as a result of improved market share and increased retail square footage. Strong marketing programs, acquisitions, corporate brands and proven store formats contributed to the 7% increase in tonnage more than offsetting the impact of the negative 1.4% food price deflation for "food purchased from stores." Of the increase in sales, 1% was attributed to a stronger U.S. dollar and 2% to the addition of a 53rd week to the fiscal year. In Eastern Canada, the acquisition of 10 stores in Ottawa and 18 stores in Newfoundland contributed 1/2 of the region's 12% sales increase. In Western Canada, retail sales increased 10% driven by an 11% increase in retail square footage offsetting continued wholesale sales decline as result of closing branches. U.S. retail sales increased 11% in Canadian dollars, 8% because of the change in the value of the U.S. dollar and 1% because of tonnage increases. Operating income declined $37 million of which $33 million was in Eastern Canada where gross margins declined because of intense competitive forces. The increased competition would have resulted in lower margins had the company not been able to benefit from corporate brand sales and cost control programs implemented over the past 3 years. The diversity of operations in Western Canada and cost control resulted in a $6 million increase in operating income. The United States operating income of $31 million was similar to 1991 before the $10 million provision for a preferred share investment and certain loan guarantees of P.J. Schmitt which was sold in 1988. U.S. retail operating income declined as a result of lower margins but this was offset by increased royalty income. Royalty income generated through the sale of *President's Choice* products in several large retail chains in the United States and "Sam's American Choice" products in Wal-Mart stores, increased in significance from a marginal net profit in 1991.

In 1993, Real Canadian Superstores will be opened in Thunder Bay, Ontario, Grande Prairie and Medicine Hat, Alberta and Courtenay, British Columbia. Refinements will proceed with the new *Wholesale Club* format and several more of these stores will be opened. Management believes these aggressive strategies are essential to long term security and growth. Loblaw Companies' fourth quarter earnings improvement is expected to continue into 1993. The major risk to sales and income is the highly competitive environment. This risk is being addressed by management's strategy to operate at both wholesale and retail levels, develop strong corporate brands, maintain low cost and market leader position.

Total Assets by Segment

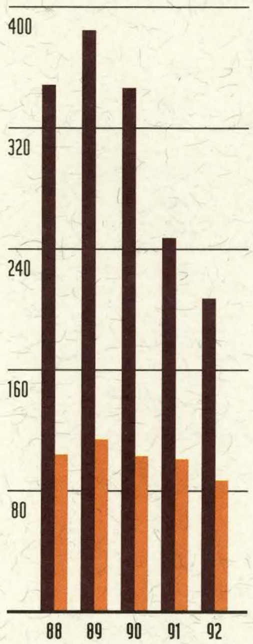
$ billions



	1992	1991	1990
Loblaw Retail Operations			
More than 60,000 sq. ft.	46	43	43
20,000 - 60,000 sq. ft.	220	199	192
Less than 20,000 sq. ft.	134	152	147
Total Stores	400	394	382
Average Size *(000's sq. ft.)*	33.0	30.9	31.2
Average sales per sq. ft.	$ 496	$ 476	$ 486
Retail Sales *(in millions)*	$6,424	$5,786	$5,693
Increase in sq. ft.	8.2%	2.5%	5.3%
Loblaw Wholesale Operations			
Franchised Independent Stores	1,179	1,156	1,266
Average Size *(000's sq. ft.)*	6.5	6.1	5.8
Independent Accounts	11,981	12,038	11,839
Wholesale Sales *(in millions)*	$ 2,838	$ 2,747	$ 2,724

Weston Resources' sales were comparable to a weak 1991 but operating income recovered from the second quarter onward as pulp and canned salmon margins improved. The 1992 Pacific salmon catch declined to more normal levels, and while sales volumes were down modestly, wholesale prices rose 8% in the fall of 1992 after having declined 21% in 1991 as a result of consecutive large catches over 3 prior years. Average paper prices declined 4% while pulp increased 9%. Prices are still below year end 1990 and the price level necessary to support a profitable industry. The pulp and paper mills operated at a 95% overall activity level compared to capacity, up from 92% in 1991. The rising U.S. dollar to Canadian is favourable to the company at $2 to $3 million per 1 cent change. However, the income benefit in 1992 was largely offset as the North American currencies rose against Scandinavian currencies which resulted in more price discounting. Weston Resources' operating income is expected to improve modestly during 1993 at current market demand and pricing, but is not expected to achieve the targeted return on capital employed until economic growth improves pulp and paper demand and consequent pricing. Weston Resources' sales and income will continue to be at risk to the supply and demand balance for B.C. salmon and North American pulp and paper. Management strategy has been to move to higher value added products which are less exposed to variations in supply and demand.

Operating Income and Interest Expense
$ millions



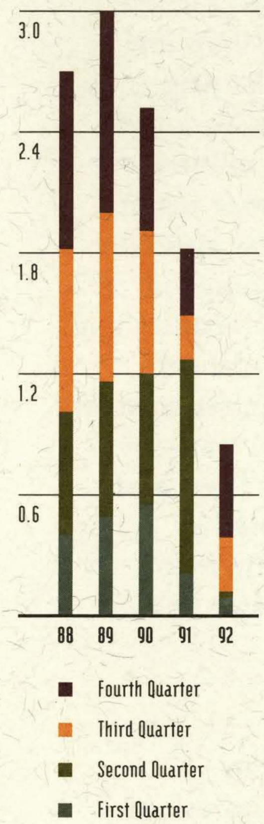
INTEREST EXPENSE declined 14%. Lower short term interest rates and $40 million lower average net debt were moderated by the high proportion of fixed rate debt and the netting of low yielding U.S. investment income against higher cost Canadian interest expense. Interest rate management using financial instruments reduced the cost of borrowing by $5 million compared to $2 million in 1991. If current market conditions continue, existing interest rate and cross currency swaps should reduce 1993 interest expense by a greater amount than in 1992. Income taxes at 35% increased from 33% because of non-tax benefitted provisions and losses. Income tax rates are expected to be similar in 1993. Net earnings of $48 million covered $41 million in dividends. The redemption of the $100 million preferred shares at year end will reduce 1993 preferred dividends by $8 million. 1991 net earnings were $92 million including a $30 million gain resulting from the dilution of Weston's equity interest in Loblaw Companies Limited on their public share issue.

WESTON'S RISKS are moderated by business and geographic diversification, the not more than 3% of sales dependent on one customer or supplied by one supplier and the 50% equity of total capitalization. Food price deflation, general industry overcapacity and weak consumer purchasing power have contributed to intense competitive activity and eroded Weston's earnings, but stable cash flow has preserved liquidity and balance sheet ratios. Increased earnings are at risk to further economic contraction. The Company has an environmental policy. The environmental requirements of the food businesses do not have, and are not expected to have, a material effect on the capital expenditures, earnings or competitive positions of any of Weston's businesses. The environmental requirements of the forest products industry are continually being upgraded but, as a result of past expenditures, including the 1981 modernization program of the Espanola pulp mill, future capital expenditures, earnings and competitive position are not expected to be materially influenced by current or proposed environmental protection requirements. Research is not a significant cost to Weston's businesses. The ongoing cost of new product development is expensed as incurred. New corporate retail brands such as *President's Choice*, now being sold in the United States, and new paper lines such as *E.B. Eddy Eagle Text* containing over 50% recycled paper are considered important to future growth.

Dividend Policy is to pay out 25% to 30% of prior year's normalized earnings, giving consideration to cash flow requirements and investment opportunities. The 1992 annual dividend rate of 70 cents per share, set in 1990 was maintained despite earnings of 85 cents per share, anticipating future earning increases would return the dividend payout to the policy range.

The Financial Goals set by Weston in the late 1970's have served the Company well ensuring attention to cash flow, return on capital employed and maximum debt levels necesssary to achieve increase in shareholder value driven by earnings per share. These targets continue to guide debt levels and internal investment. However, the targeted 15% return on capital employed, equity and earnings per share growth were not achieved in the past 2 years as a result of decreased earnings. These internal return targets may require reassessment if lower levels of inflation and interest rates continue in the 1990's.

Earnings per Share by Quarter
dollars



Quarterly Results improved throughout the year before special provisions of $15 million in the second quarter, $12 million in the third quarter and $8 million in the fourth quarter. Sales growth, cost containment programs and improved Weston Resources' margins resulted in fourth quarter operating income exceeding 1991. Reduced interest expense also contributed to fourth quarter earnings per share being 40% ahead of 1991. These trends are expected to continue into 1993 with no further special provisions being required.

In millions of dollars except per share	1992				1991			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales								
Weston Foods	406	392	420	467	401	377	376	387
Loblaw Companies	1,938	2,120	2,813	2,391	1,872	2,008	2,647	2,006
Weston Resources	226	245	236	267	229	282	229	235
Inter Group	(69)	(77)	(80)	(96)	(66)	(67)	(69)	(77)
	2,501	2,680	3,389	3,029	2,436	2,600	3,183	2,551
Operating Income								
Weston Foods	10	6	1	(5)	9	24	12	11
Loblaw Companies	37	34	52	58	44	51	64	59
Weston Resources	(7)	–	8	13	1	(6)	(14)	(8)
	40	40	61	66	54	69	62	62
Interest expense	22	21	25	19	26	25	28	22
Net earnings	6	4	14	24	11	51	12	18
Per share	.09	.03	.27	.46	.20	1.06	.22	.33

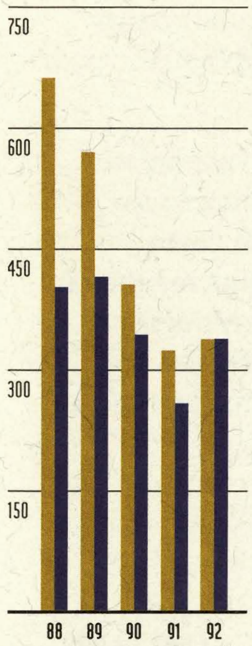
Financial Condition

Non-cash operating working capital (consisting principally of inventories and accounts receivable offset by accounts payable) decreased $53 million following decreases of $65 million and $34 million in the previous 2 years. The long term objective of operating the business with low working capital to minimize interest and warehouse costs was achieved in most businesses. The consolidated decrease arose from $137 million higher payables reduced by $14 million on acquisition of non-cash operating working capital, and a $72 million increase in accounts receivables and inventories. In 1992, Loblaw's $238 million cash surplus in the United States is included in cash and short term investments similar to 1991 resulting in a higher level of cash than necessary to operate in the current business climate.

Fixed asset investment of $272 million continued the low level of 1991 because potential projects in the current economy show low return. Weston Foods invested $63 million, the largest amounts being upgrading ovens in order to replace capacity at the Taystee, New York and Dupont Street, Toronto bread plants. Loblaw Companies' $169 million capital expenditures were 20% for Superstores and 45% for new or major refurbished corporate stores. Weston Resources' $40 million was spent on cost containment and productivity improvement. The 1993 amount and mix of capital expenditures is expected to increase in Loblaw Companies and will be funded by cash flow from operations. Three quarters of planned spending is uncommitted and no material expenditures are required to meet current environmental regulations. Acquisitions during the year were for geographic expansion: Ready Bake $19 million into the U.S. midwest and southeast and Loblaw $49 million for 10 stores in Ottawa, 5 stores in Alberta and 18 stores in Newfoundland. The Company will continue to consider acquisition opportunities that meet its criteria of strategic fit at a realistic price.

Cash Flow and Capital Expenditures

$ millions



Cash Flow 1

Capital Expenditures 2

1 Includes proceeds from sale of fixed assets and disposition of subsidiary companies.

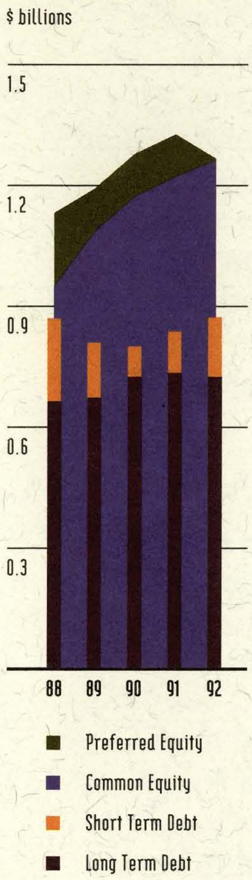
2 Includes acquisition of subsidiary companies.

Changes In Financial Position

The combination of cash flow from operations and proceeds from dispositions in 1992 was approximately equal to capital expenditures and acquisitions. Cash flow from operations and disposals exceeded capital expenditures and acquisitions by $66 million in 1991 and $540 million over the last 5 years. Cash provided from working capital was approximately equal to 1991. Cash flow from operations should finance 1993 capital expenditures and working capital needs should be minimal and not require additional long term debt.

Total cash position declined $136 million mainly because the Company redeemed $100 million preferred shares Series A and reduced net long term debt by $32 million in order to reduce net fixed charges. The interest rate risk of these transactions which reduced fixed maturity was partially offset by 4 year $60 million 7.9% floating to fixed swaps. Financing these transactions with internal cash flow and short term debt was appropriate as in 1991 the Company's total cash position had increased $177 million primarily from net new financing at year end. Weston's $746 million fixed rate long term debt has an average term to maturity of 20 years, and an average rate of 11.7%, of which $60 million has been refloated since late 1990 by way of interest rate conversion agreements.

Capital Structure



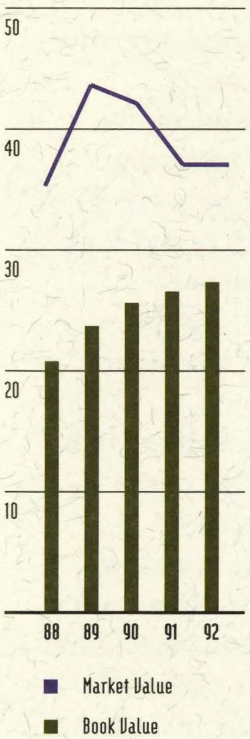
Capital Resources and Liquidity

Weston's capital resource and liquidity policies to minimize capital, liquidity and interest rate risks are: maintain bank operating lines in excess of seasonal requirements; maintain minimum 'A' credit ratings; control the potential floating rate interest impact of debt to less than 1% of operating income for each 1% change in interest rates; diversify counter party risk on financial instruments; target a minimum of 70% to 80% fixed rate and long term debt of total debt; and have no more than 25% of long term debt maturing in any 1 year. These policies were met similar to 1991, except for a higher than normal level of fixed rate debt during the year, and should be achieved in 1993.

The debt to equity ratio of .7:1, which Weston considers to be an important credit indicator, increased from .6:1 in 1991 because of the preferred share redemption and remains well below the 1:1 guideline. Interest coverage at 2.4 times, similar to 2.5 times in 1991 because of low operating income in both years, is below the greater than 3 times long term target. At year end with the redemption of the Series A preferred shares, both fixed rate and long term debt to total debt, as hedged, was in the 70% to 85% range maintained over the last 3 years. Various financial instruments (swaps, forward rate agreements, options and futures) are used to manage the level of fixed rate debt, currency of debt and to fix or float rates within approved policy limits. At year end, the annualized equivalent of approximately $3 million of commercial paper had been fixed at a rate of 6.9%, U.S. $28 million short term investments had been fixed at a rate of 4.1%, $85 million of fixed rate debt was hedged to floating rates for an average term of 2 years and $60 million of floating rate debt used for the preferred share redemption was fixed at 7.9% for 4 years. The foreign exchange risk on both the principal and interest on the 1994 Australian $80 million note is hedged.

Book and Market Value per Common Share

$ dollars



During the year, the Company entered into $489 million Canadian to U.S. cross currency swaps. These swaps act as a hedge against the Loblaw part of the net investment in United States operations, reducing future exposure to fluctuation in this asset resulting from currency changes. As a result, future fluctuations in the foreign currency translation account will also be minimized. Weston's maintenance of its financial policies contributes to its A+/A high bond ratings which provide ready access to domestic and international capital markets. Management expects to fund the 1993 long term debt maturities of $22 million with cash flow from operations, but they may be replaced by new long term debt if long term interest rates are attractive.

Liquidity continues to be more than required to finance operations as the nature of business and stable cash flow permit the Company to operate with a low working capital ratio. Available but uncommitted bank credit lines for the last 3 years are in excess of $1 billion and Weston's commercial paper has been rated A-1+/R-1 low. Loblaw Companies Limited, a 70.5% owned public company, maintains a separate public financial position with A high credit ratings. The Company believes the comparison of cash flow from operations plus divestitures and fixed asset disposals to capital expenditures and acquisitions for the latest 5 years at $540 million excess is an important indicator of financial strength and flexibility.

Outlook

This recession has affected Weston's customers and businesses more than expected. The combined food price deflation and reduced demand has reduced margins requiring productivity improvements to improve cost efficiency. All parts of the business have been affected and we believe the significant costs of restructuring have been completed.

The business is now positioned for a substantial recovery in earnings even in a slow or no growth economy. In 1993 Weston Foods' contribution will improve as profitability in the Baking segment improves. Loblaw Companies has demonstrated steady sales growth and with modest margin recovery will show earnings recovery. Weston Resources' earnings should improve modestly in line with the economy. As shown by recent quarterly results Weston's earnings are expected to improve more each quarter throughout the year.

Management's Statement of Responsibility

Management is responsible for the preparation and presentation of the consolidated financial statements and all other information in the Annual Report. This responsibility includes the selection of appropriate accounting principles in addition to making informed judgments and estimates in accordance with generally accepted accounting principles. 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 relevant and reliable accounting records and properly safeguard Company assets. The financial statements have been audited by shareholders' independent auditors, Peat Marwick Thorne, whose report outlines the scope of their examination and their opinion on the financial statements.

The Company's audit committee, which is comprised solely of directors who are not employees of the Company, is appointed by the Board of Directors annually. The committee meets regularly with financial management and with the shareholders' independent auditors to satisfy itself on the adequacy of internal controls and to review the financial statements and the shareholders' independent auditors' reports. The audit committee reports its findings to the Board of Directors for its consideration in approving the financial statements and other information in the Annual Report for issuance to the shareholders.

W. Galen Weston
Chairman and President

Toronto, Canada
March 4, 1993

Robert H. Kidd
Senior Vice President
and
Chief Financial Officer

Auditors' Report

To the Shareholders of George Weston Limited

We have audited the consolidated balance sheets of George Weston Limited as at December 31, 1992 and 1991 and the consolidated statements of earnings, retained earnings and cash flow for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1992 and 1991 and the results of its operations and cash flow for the years then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Toronto, Canada
March 4, 1993

Consolidated Statement of Earnings

Year ended December 31, 1992

In millions of dollars	1992	1991	1990
Sales	$11,599	$10,770	$10,856
Operating expenses			
Cost of sales, selling and administrative expenses	11,177	10,322	10,308
Depreciation of fixed assets	215	201	202
	11,392	10,523	10,510
Operating Income	207	247	346
Interest on long term debt	84	92	80
Other interest expense	3	9	23
	87	101	103
Earnings before income taxes	120	146	243
Income taxes	42	48	85
Earnings before minority interest	78	98	158
Minority interest	30	36	33
Gain on the issue of subsidiary's share capital		30	
Net Earnings for the Year	$ 48	$ 92	$ 125
Per Common Share *In dollars*			
Net earnings for the year	$ .85	$ 1.81	$ 2.52

Consolidated Statement of Retained Earnings

Year ended December 31, 1992

In millions of dollars	1992	1991	1990
Retained Earnings at Beginning of Year	$ 1,217	$ 1,166	$ 1,082
Net earnings for the year	48	92	125
	1,265	1,258	1,207
Dividends Declared			
Preferred shares	8	8	8
Common shares	33	33	33
	41	41	41
Premium on redemption of preferred shares	4		
Retained Earnings at End of Year	$ 1,220	$ 1,217	$ 1,166

Consolidated Cash Flow Statement

Year ended December 31, 1992

In millions of dollars	1992	1991	1990
Operations and Working Capital			
Earnings before minority interest	$ 78	$ 98	$ 158
Depreciation	215	201	202
Income taxes not requiring cash	(2)	(6)	(6)
Gain on sale of fixed assets	(2)	(18)	(4)
Other	23	13	6
Cash flow from operations	312	288	356
Provided from working capital	50	53	37
	362	341	393
Investment			
Purchase of fixed assets	(272)	(258)	(322)
Acquisition of subsidiary companies	(68)		(21)
Proceeds from sale of fixed assets	24	36	50
Net decrease in investments	14	17	12
Net (increase) in other	(9)	(9)	(27)
	(311)	(214)	(308)
Financing			
Increase in long term debt	27	208	155
Decrease in long term debt	(58)	(176)	(123)
Net change in share capital	(104)	5	
Proceeds from issue of subsidiary's share capital	4	108	
Reduction of minority interest		(38)	
	(131)	107	32
Dividends			
To shareholders	(41)	(41)	(40)
To minority shareholders in subsidiary companies	(15)	(16)	(16)
	(56)	(57)	(56)
Increase (Decrease) in Cash Position*	$ (136)	$ 177	$ 61

**Cash position is defined as cash and short term investments net of bank advances and notes payable*

Consolidated Balance Sheet

As at December 31, 1992

George Weston Limited (Incorporated under the laws of Canada)

Assets *In milllons of dollars*	1992	1991	1990
Current Assets			
Cash and short term investments	$ 211	$ 274	$ 89
Accounts receivable	351	317	321
Inventories	963	925	989
Prepaid expenses and other	39	37	38
	1,564	1,553	1,437
Investments	125	145	160
Fixed Assets	2,129	1,996	1,968
Goodwill	96	88	92
Other Assets	51	47	50
	$3,965	$3,829	$3,707

Liabilities			
Current Liabilities			
Bank advances and notes payable	$ 126	$ 53	$ 45
Accounts payable and accrued liabilities	1,221	1,084	1,064
Taxes payable	11	21	45
Dividends payable	8	8	8
Long term debt payable within one year	22	49	31
	1,388	1,215	1,193
Long Term Debt	730	734	724
Other Liabilities	22	22	33
Deferred Income Taxes	161	168	169
Minority Interest in Subsidiaries	398	364	310
	2,699	2,503	2,429

Shareholders' Equity			
Share Capital	46	146	141
Retained Earnings	1,220	1,217	1,166
Foreign Currency Translation Adjustment	–	(37)	(29)
	1,266	1,326	1,278
	$3,965	$3,829	$3,707

Approved by the Board

W. Galen Weston
Director

Robert H. Kidd
Director

Notes to Consolidated Financial Statements

December 31, 1992

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

1. Summary of Accounting Policies

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 voting equity share capital of principal subsidiaries is 100%, except for Loblaw Companies Limited, which is 70.5% owned.

The Company's business falls into 3 classes: Food Processing (Weston Foods Ltd.), Food Distribution (Loblaw Companies Limited) and Resource (Weston Resources Limited) which includes Fisheries and Forest Products.

Cash Offsetting

Cash balances for which the Company has a right of offset are used to reduce reported short term borrowings. In 1992, $238 (1991 - $209) of short term investments held by Loblaw Companies' United States subsidiaries is included in cash and short term investments. The $11 (1991 - $12) income from these investments is included as a reduction of interest expense.

Inventories

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

Fixed assets

Fixed assets are stated at cost including interest capitalized during the year of $4 (1991 - $4) associated with construction. Depreciation is recorded principally on a straight line basis and units of production basis to amortize the cost of these assets over their estimated useful lives, up to a maximum of 40 years for buildings, of 20 years for equipment and fixtures and of 7 years for automotive equipment. Leasehold improvements are depreciated over the lesser of useful life and term of lease.

Goodwill

Goodwill is the excess of the cost of investments in subsidiaries over the fair value of underlying net tangible assets at the dates of acquisition and represents trade names, brands, sales base and other business values in the acquisitions. Goodwill is being amortized on a straight line basis determined for each acquisition over the estimated life of the benefit. The weighted average remaining amortization period is 21 (1991 - 26) years. The amount amortized during the year was $7 (1991 - $9).

Translation of Foreign Currencies

Foreign currency balances are translated at a rate approximating the current rate or hedged rate at each year end. The foreign currency translation adjustment resulting from the translation of the financial statements of United States subsidiaries and debt and cross currency swaps which act as a hedge against these investments is included in a separate category of shareholders' equity to be recognized in earnings in proportion to any cash reduction of the net investment. In 1992, the balance of the unhedged portion in this category of shareholders' equity was adjusted by $37 (1991 - $8) as a result of the change in the United States dollar translation rate. The deferral resulting from the translation of other foreign currency balances is included in other assets or liabilities as appropriate and amortized over the life of the item.

Post Retirement Benefits

Some subsidiaries provide post retirement medical, insurance and other benefits. The costs of these benefits other than pensions are expensed when paid.

Interest Rate Hedging

The Company uses financial instruments including forward rate agreements, interest rate swaps, options and futures to hedge interest rates. The income or expense arising from these activities is amortized over the term hedged.

2. Inventories *Substantially finished products*

	1992	1991	1990
Weston Foods	$ 114	$ 98	$ 108
Loblaw Companies	638	611	617
Weston Resources – Fisheries	157	163	198
– Forest Products	54	53	66
	$963	$925	$989

3. Investments *Substantially with franchisees and customers*

	1992	1991	1990
Secured loans and advances	$ 24	$ 31	$ 34
Capital lease receivables	30	31	31
Investments in franchisees	33	27	41
Long term receivables	3	8	13
Sundry investments	35	48	41
	$ 125	$ 145	$ 160

4. Fixed Assets

	1992 Cost	1992 Accumulated Depreciation	1992 Net Book Value	1991 Cost	1991 Accumulated Depreciation	1991 Net Book Value	1990 Net Book Value
Properties held for development	$ 32	$	$ 32	$ 17	$	$ 17	$ 6
Land	310		310	268		268	262
Buildings	1,035	293	742	935	253	682	663
Equipment and fixtures	2,155	1,244	911	1,985	1,096	889	896
Leasehold improvements	184	100	84	173	85	88	88
	3,716	1,637	2,079	3,378	1,434	1,944	1,915
Capital leases - buildings and equipment	96	46	50	92	40	52	53
	$ 3,812	$1,683	$ 2,129	$3,470	$1,474	$1,996	$1,968

5. Income Taxes

The income tax rate reported in the earnings statement is lower than the combined basic Canadian tax rates due to the following factors:

	1992	1991	1990
Combined basic Canadian federal and provincial rates	43.5%	43.0%	43.5%
Operations in countries with lower tax rates	(10.6)	(9.1)	(6.8)
Rate reduction for manufacturing and processing operations	–	(.5)	(1.5)
Effect of selling capital assets	(.5)	.4	(.4)
Other (including non-tax benefitted provisions)	2.7	(.9)	.2
Rate reported in the earnings statement	35.1%	32.9%	35.0%

Deferred income taxes in the balance sheet are at rates approximate to the current applicable tax rates.

6. **Long Term Debt**	1992	1991	1990
George Weston Limited			
Sinking fund debentures	$	$	$ 30
12.7% notes maturing 2030	140	145	150
16.76% notes hedged to maturity in 1994 (Aus. $80)	50	57	64
Other long term debt 7.3% average	18	20	35
Loblaw Companies Limited and Subsidiaries			
Debentures			
12¼% Series 2 maturing 1994	31	31	35
11⅝% Series 3 repaid 1992		29	50
11% Series 4 maturing 1995	40	40	40
10% Series 5 maturing 2006, retractable annually commencing 1996	50	50	50
9¾% Series 6 maturing 2001, retractable annually commencing 1993	75	75	75
9% Series 7 maturing 2001, retractable in 1996	14	14	75
10% Series 8 maturing 2007	61	61	61
11.4% notes maturing 2031	200	200	
Mortgages and other long term debt at a weighted average interest rate of 10.9% maturing 1993 to 2003	33	20	15
Capital lease obligations at a weighted average interest rate of 13.4%	75	76	75
	787	818	755
Less: Payable within 1 year	22	49	31
Investment in future obligations	35	35	
Long term debt	$730	$734	$724

Principal payable in the next 5 years is as follows: 1993 - $22; 1994 - $89; 1995 - $56; 1996 - $89; 1997 - $21.

$85 million in 1992 (1991 - $60 million) of long term debt was floating at year end by way of interest rate agreements ("swaps") with an average remaining term of 2.5 years (1991 - 3.5 years).

During 1992, $3.2 million (1991 - $2.1 million) of payments were received under these swaps. At year end the contracts had a market value of $4.9 million (1991 - $9.1 million).

$60 million in 1992 of short term debt was fixed at 7.9% by way of interest rate agreements "swaps" with an average remaining term of 4 years. At year end the contracts had a market value of $.1 million.

7. Cross Currency Swaps

The Company's subsidiary Loblaw Companies Limited has entered into cross currency swaps to exchange a notional amount of $489 Canadian debt for United States dollar debt. The swaps mature as follows: 1999 - $125; 2000 - $63; 2001 - $144; 2002 - $126; 2004 - $31. Currency adjustments receivable or payable arising from the swaps must be settled in cash on maturity, except for the swaps maturing in 2002 which are subject to rollover provisions at the company's option. At year end a currency adjustment of $7.5 has been included in other assets. Long term interest expense has been decreased by the positive spread between Canadian floating rates, based on bankers acceptances, and U.S. floating rates, based on LIBOR, applied to the notional amount exchanged. At year end this spread was 4%. The liability or asset on these swaps is limited to the unsettled currency adjustment and the event of default by the counter party to these swaps would not expose the company to loss of the notional principal amounts.

8. Share Capital

	1992	1991	1990	1992	1991	1990
	Number of Shares Issued			Amount *In millions of dollars*		
Preferred – Series A	–	4,000,000	4,000,000	$ –	$ 100	$ 100
Senior Preferred	44,535	47,045	48,045	4	4	4
Junior Preferred	3,000	3,000	16,150			2
				4	104	106
Common	46,607,603	46,574,343	46,235,253	42	42	35
				$ 46	$ 146	$ 141

Share Information *in dollars*

Series A Preferred Shares

Redeemed on December 30, 1992.

Senior Preferred Shares

(authorized 109,279) Second series – $6.00 cumulative dividend redeemable at $105.

Junior Preferred Shares

Series E – cumulative dividend with annual rate at 2/3 average bank prime plus 3/4%, 3,000 after May 16, 1993, at $100, 3,000 convertible into 21,006 common shares.

During the year, 4,000,000 (1991 - 0) preferred series A shares were redeemed or purchased for cancellation at a cost of $103.2 million (1991 - 0).

During the year, 2,510 (1991 - 1,000) senior preferred shares second series were redeemed or purchased for cancellation at a cost of $.3 million (1991 - $.1 million).

In 1992, no common shares were issued on conversion of junior preferred shares (1991 – 139,765). In 1992, the Company issued 33,260 (1991 – 199,325) common shares for cash of $.8 million (1991 – $5.2 million) on exercise of employee stock options. After giving effect to the foregoing, the Company has reserved 35,644 (1991 – 35,644) common shares for potential conversion of the preferred shares. As at December 31, 1992, 1,441,297 (1991 – 1,474,557) common shares have been set aside for issue under terms of an employee stock option plan. As at December 31, 1992 there were outstanding options, which were granted at the market price on the date of the grant, to purchase 909,571 (1991 – 706,325) common shares at prices averaging $35.61 (1991 – $34.24) and ranging from $14.28 to $40.00. Each option expires no later than 10 years from the date on which it was granted. All options expire on dates ranging from May 16, 1993 to January 14, 1999.

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

9. GAIN ON THE ISSUE OF SUBSIDIARY'S SHARE CAPITAL

In 1991 an accounting gain was recorded as a result of the 5 million common shares issued by Loblaw Companies Limited for proceeds of $101 million. The issuance caused a reduction in the controlling interest in Loblaw Companies Limited from approximately 77% to 70.5%.

The resulting gain to George Weston Limited of $30 million (65 cents per share) on the dilution of its equity interest in Loblaw Companies Limited was recorded in the 1991 results.

10. COMMITMENTS AND CONTINGENT LIABILITIES

Endorsements and guarantees arising in the normal course of business amount to $90 (1991 - $88). In addition, there are assigned leases of $32 (1991 - $39) which relate to the sale of U.S. divisions of Loblaw Companies.

For non capital leases the gross liability of $944 (1991 - $785) is offset by sublease income of $164 (1991 - $122). This expected net liability of $780 (1991 - $663) will be reduced by approximately $83 (1991 - $75) annually for the next 5 years.

11. PENSIONS

The Company and its subsidiaries maintain defined benefit pension plans and participate in union sponsored multiemployer plans. The Company's portion of the assets and liabilities of the union sponsored multiemployer plans is not determinable.

The most recent estimates for the defined benefit plans based on actuarial valuations indicate total pension fund assets of $722 (1991 - $675) and of accrued pension benefits of $802 (1991 - $754).

12. RELATED PARTY TRANSACTIONS

The Company's majority shareholder, Wittington Investments, Limited and its subsidiaries are related parties. There are no material related party transactions.

It is the Company's policy to conduct all transactions with wholly or partly owned subsidiaries on normal trade terms.

13. ACQUISITIONS

Acquisitions totalling $68 million include $49 million by Loblaw Companies for 18 corporate stores and a warehouse in Newfoundland, 10 former Steinberg stores in the Ottawa Valley, and 5 former Vinet's stores in Alberta. During the third quarter Ready Bake completed the $19 million acquisition of Maplehurst, a frozen baked goods business with operations in Georgia and Indiana. These expenditures were funded by cash flow from operations.

Net assets acquired for cash consideration of $68 included working capital of $14 and other long term assets of $54.

These acquisitions were accounted for using the purchase method with the results of operations included in these financial statements since the dates of acquisition.

14. SEGMENTED INFORMATION

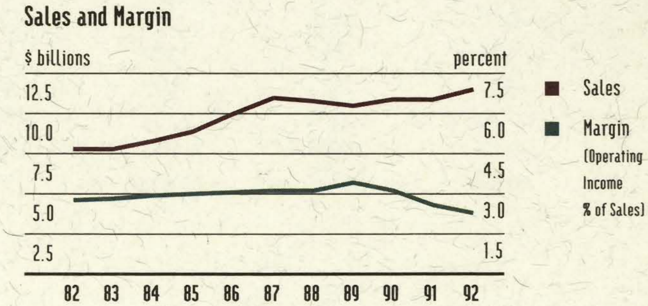
	1992	1991	1990	1989
SALES AND EARNINGS				
Sales				
Weston Foods	$ 1,685	$ 1,541	$ 1,633	$ 1,605
Loblaw Companies	9,262	8,533	8,417	7,934
Weston Resources	974	975	1,119	1,215
Fisheries	542	547	591	581
Forest Products	432	428	528	634
Inter Group	(322)	(279)	(313)	(295)
Consolidated	11,599	10,770	10,856	10,459
Canada	9,166	8,579	8,626	8,275
United States	2,433	2,191	2,230	2,184
Operating income				
Weston Foods	12	56	68	75
Loblaw Companies	181	218	212	190
Weston Resources	14	(27)	66	119
Fisheries	28	4	36	32
Forest Products	(14)	(31)	30	87
Consolidated	207	247	346	384
Canada	153	175	286	342
United States	54	72	60	42
CASH FLOW				
Capital expenditures				
Weston Foods	63	61	85	105
Loblaw Companies	169	159	176	154
Weston Resources	40	38	61	82
Fisheries	7	14	10	19
Forest Products	33	24	51	63
Consolidated	272	258	322	341
Depreciation				
Weston Foods	45	38	42	43
Loblaw Companies	116	105	106	100
Weston Resources	54	58	54	48
Fisheries	13	12	10	9
Forest Products	41	46	44	39
Consolidated	215	201	202	191
FINANCIAL POSITION				
Total assets				
Weston Foods	738	705	698	679
Loblaw Companies	2,477	2,325	2,095	2,026
Weston Resources	750	799	914	846
Fisheries	343	373	412	351
Forest Products	407	426	502	495
Consolidated	3,965	3,829	3,707	3,551
Canada	2,849	3,049	2,809	2,668
United States	1,116	780	898	883

Canadian sales include export sales approximating $388 (1991 – $368).
Inter Group sales include $289 (1991 – $244) from Weston Foods.

1988	1987	1986	1985	1984	1983	1982
$ 1,468	$ 1,502	$ 1,433	$ 1,316	$ 1,220	$ 1,184	$ 1,134
8,308	8,631	7,839	6,931	6,419	6,091	6,221
1,361	1,223	1,055	923	895	794	717
573	564	471	397	362	364	339
788	659	584	526	533	430	378
(306)	(321)	(301)	(290)	(279)	(269)	(242)
10,831	11,035	10,026	8,880	8,255	7,800	7,830
7,738	7,355	6,592	6,020	5,669	5,294	4,963
3,093	3,680	3,434	2,860	2,586	2,506	2,867
69	60	52	49	45	61	64
137	187	161	152	137	128	115
142	110	98	67	59	24	23
49	42	42	31	19	16	10
93	68	56	36	40	8	13
348	357	311	268	241	213	202
293	290	237	205	189	156	141
55	67	74	63	52	57	61
57	49	39	35	24	47	36
177	249	289	193	150	104	72
91	53	54	34	38	88	118
19	16	12	6	3	5	18
72	37	42	28	35	83	100
325	351	382	262	212	239	226
37	35	32	28	28	24	23
98	100	86	73	68	62	58
47	40	35	35	35	23	23
8	7	7	8	8	8	8
39	33	28	27	27	15	15
182	175	153	136	131	109	104
567	537	427	416	370	372	371
2,001	2,215	1,998	1,540	1,266	1,155	1,115
908	794	748	660	643	641	586
336	261	281	224	199	217	243
572	533	467	436	444	424	343
3,476	3,546	3,173	2,616	2,279	2,168	2,072
2,628	2,481	2,164	1,911	1,708	1,624	1,520
848	1,065	1,009	705	571	544	552

ELEVEN YEAR SUMMARY

In millions of dollars	1992	1991	1990	1989
SALES AND EARNINGS				
Sales	$ 11,599	$10,770	$10,856	$10,459
Operating income	207	247	346	384
As a percentage of sales	1.8%	2.3%	3.2%	3.7%
Interest expense	87	101	103	114
Earnings before extraordinary items	48	92	125	150
As a percentage of sales	.41%	.85%	1.2%	1.4%
Net earnings	48	92	125	187
CASH FLOW				
Cash flow from operations	312	288	356	368
Disposition of subsidiary companies				122
Capital expenditures	272	258	322	341
Acquisition of subsidiary companies	68		21	74
Increase (decrease) in cash position	(136)	177	61	66
FINANCIAL POSITION				
Current assets	1,564	1,553	1,437	1,356
Current liabilities	1,388	1,215	1,193	1,166
Working capital	176	338	244	190
Fixed assets	2,129	1,996	1,968	1,882
Long term debt	730	734	724	672
Shareholders' equity	1,266	1,326	1,278	1,191
Average capital employed	2,717	2,653	2,556	2,517
RATIOS				
Return on capital employed (%)	7.6	9.3	13.5	15.2
Weston Foods (%)	2.2	10.1	12.7	15.2
Loblaw Companies (%)	11.4	15.0	15.7	13.8
Weston Resources (%)	2.5	(4.1)	10.3	18.4
Return on common equity (%)	3.2	7.0	10.4	13.6
Interest coverage	2.38	2.45	3.36	3.37
Debt to equity	.69:1	.63:1	.63:1	.68:1
PER COMMON SHARE *In dollars*				
Earnings before extraordinary items	.85	1.81	2.52	3.00
Increase (decrease) (%)	(53)%	(28)%	(16)%	11%
Net earnings	.85	1.81	2.52	3.81
Cash flow from operations	6.70	6.20	7.70	7.97
Dividends declared	.70	.70	.70	.66
Capital expenditures	5.84	5.55	6.97	7.40
Book value	27.08	26.31	25.37	23.47
Market value (year end)	36.75	36.75	41.75	43.25
Price earnings ratio (year end)	43.2x	20.3x	16.6x	14.4x
Market/book ratio (year end)	1.36:1	1.40:1	1.65:1	1.84:1



1988	1987	1986	1985	1984	1983	1982
$ 10,831	$ 11,035	$10,026	$ 8,880	$ 8,255	$ 7,800	$ 7,830
348	357	311	268	241	213	202
3.2%	3.2%	3.1%	3.0%	2.9%	2.7%	2.6%
104	91	75	72	67	49	51
137	134	119	101	89	79	70
1.3%	1.2%	1.2%	1.1%	1.1%	1.0%	.9%
190	134	119	101	94	79	69
349	318	300	262	251	214	213
258					61	53
325	351	382	262	212	239	226
77	145	82	33			57
120	(208)	90	(57)	(4)	48	(30)
1,420	1,569	1,492	1,228	1,055	994	986
1,169	1,309	1,053	930	729	736	749
251	260	439	298	326	258	237
1,804	1,753	1,553	1,286	1,157	1,098	1,023
663	716	644	536	500	463	441
1,132	1,023	1,025	830	755	686	627
2,509	2,369	2,025	1,722	1,584	1,502	1,388
13.9	15.1	15.3	15.6	15.2	14.2	14.6
16.2	16.2	16.5	16.6	15.8	20.6	22.3
9.5	13.2	13.8	16.8	17.8	18.4	17.5
22.4	18.8	17.8	13.0	11.0	4.7	5.2
13.9	14.8	15.0	14.3	14.0	13.6	12.3
3.35	3.92	4.16	3.75	3.60	4.37	3.96
.77:1	.96:1	.74:1	.80:1	.76:1	.84:1	.92:1
2.70	2.58	2.31	1.96	1.69	1.47	1.21
5%	12%	18%	16%	15%	21%	(14)%
3.85	2.58	2.31	1.96	1.79	1.48	1.17
7.57	6.91	6.53	5.71	5.49	4.70	4.72
.61	.57	.51	.44	.40	.39	.39
7.06	7.61	8.30	5.71	4.63	5.22	4.99
20.59	18.23	16.52	14.49	12.84	11.34	10.12
35.00	32.00	35.50	25.50	18.50	15.75	10.50
13.0x	12.4x	15.4x	13.0x	11.0x	10.7x	8.8x
1.70:1	1.76:1	2.15:1	1.76:1	1.45:1	1.38:1	1.04:1

Total Returns

Principal Operations

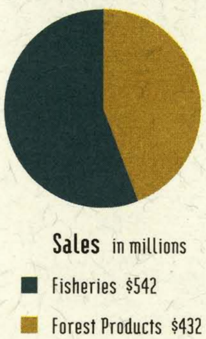
Weston Foods

	Assets *in millions*	Operating Companies	Employees
Baking	$566	Weston Bakeries Ready Bake Stroehmann Bakeries Interbake	9,900
Chocolate, Dairy and Specialties	$172	Neilson/Cadbury Neilson Dairy Bowes Chocolate Products Rose & LaFlamme Watt & Scott	1,900

Loblaw Companies

	Sales *in millions*	Operating Companies	Employees
Eastern Canada	Retail $3,122 Wholesale $1,718	Loblaws Supermarkets Zehrmart Atlantic Wholesalers National Grocers Fortino's Supermarket	17,000
Western Canada	Retail $1,884 Wholesale $1,115	Kelly, Douglas Westfair Foods	15,000
United States	Retail $1,418 Wholesale $5	National Tea	15,000

Weston Resources



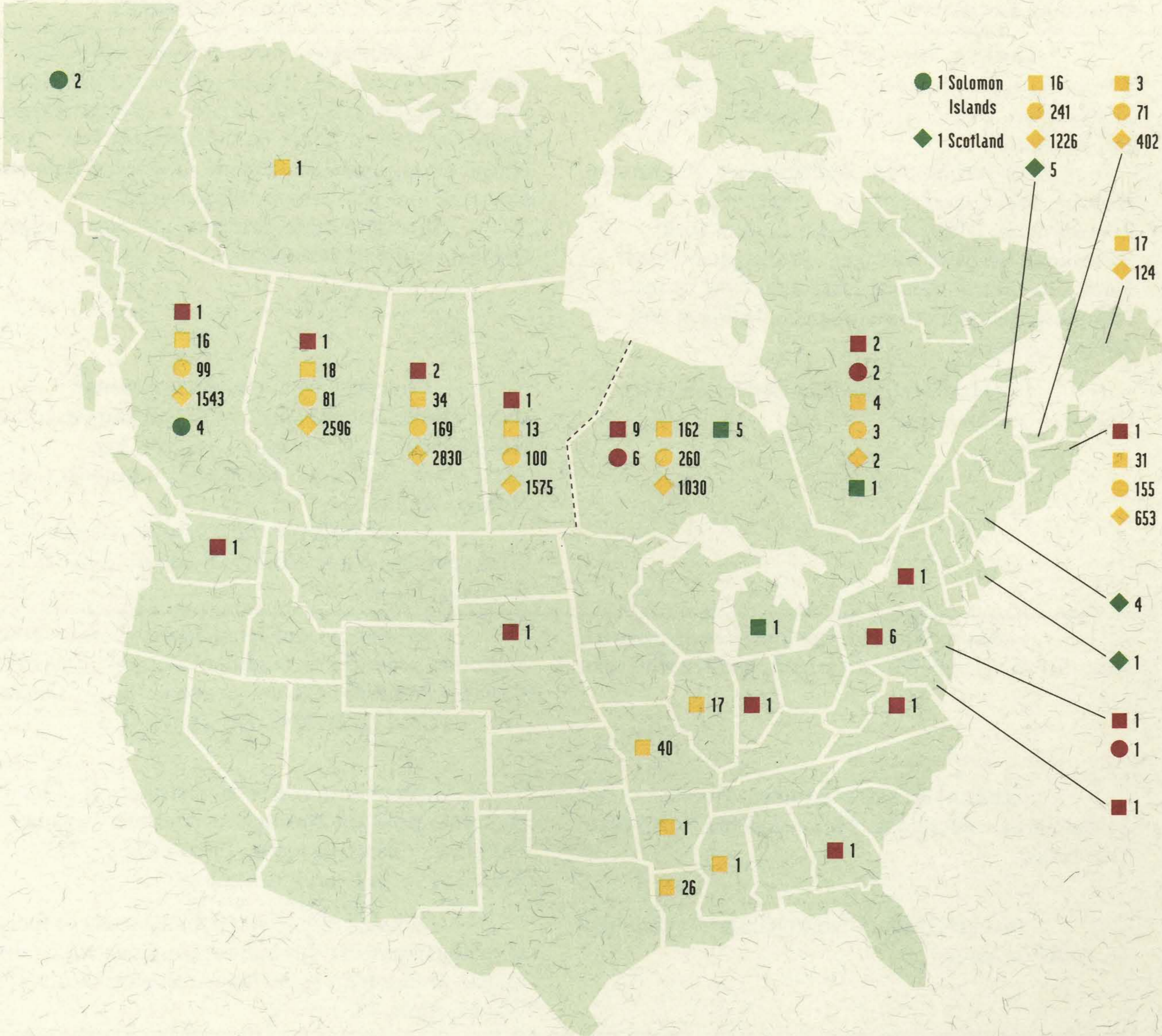
	Assets *in millions*	Operating Companies	Employees
Forest Products	$407	E.B.Eddy Forest Products E.B. Eddy Paper	2,400
Fisheries	$343	British Columbia Packers Nelbro Packing Connors Bros. Connors Aquaculture Connors Brunswick Connors Seafoods Heritage Salmon Port Clyde	1,100

Weston Research Centre

		Operating Companies	Employees
		Diversified Research Laboratories	70

Principal Facilities	Types of Products and Trademarks
CANADA Vancouver, Calgary, Regina, Winnipeg, Essex, Kitchener, Sudbury, Hamilton, Mississauga, Orillia, Toronto, Kingston, Montreal and Kentville UNITED STATES Williamsport, Norristown, Altoona, Sayre, Hazelton and Harrisburg, Pennsylvania; Olean and Flushing, New York; Richmond, Virginia; Tacoma, Washington; North Sioux City, South Dakota; Elizabeth, New Jersey; Baltimore, Maryland; Indianapolis, Indiana; and Atlanta, Georgia	Wide variety of breads, rolls, cakes, and other bakery products: *Country Harvest, Fibre Goodness, Stonehouse Farms, Wonder, Weston's, Weight Watchers, Dietrich's, Hostess, Stroehmann, Earth Harvest, Hearth Farms, Bohemian Hearth, Taystee, D'ltaliano, New York Rye, Ms. Desserts, Maplehurst* Sweet biscuits, crackers, ice cream wafers: *Ovenbaked, Burry, Ocean Crisp*
CANADA Toronto, Ottawa, Halton Hills, Colborne and Montreal	Chocolate bars, chocolate coatings, cocoa, specialty items, fluid milk and dairy products: *Neilson Jersey Milk, Crispy Crunch, Mr. Big, Sweet Marie, Cadbury's, Dairy Milk, Caramilk, Crunchie, Neilson, Wunderbar* Dried and glazed fruits, nuts, flavoured drink crystals and health foods: *Bowes, Dutch Mill, Bakeshop, McNair*
CANADA Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland	Wholesale and retail distribution of food and other products throughout Central and Eastern Canada: *President's Choice, no name, Teddy's Choice, PC, Too Good To Be True, The Decadent*
CANADA British Columbia, Alberta, Saskatchewan, Manitoba, Yukon and the Northwest Territories	Wholesale and retail distribution of food and other products throughout Western Canada: *President's Choice, no name, Teddy's Choice, PC, Too Good To Be True, The Decadent*
UNITED STATES New Orleans, Louisiana; St. Louis, Missouri	Wholesale and retail distribution of food and other products throughout southcentral United States: *President's Choice, Kare, Teddy's Choice, The Decadent, PC*
CANADA Timber limits, FMA's and sawmills in Nairn Centre and Timmins, Ontario; Pulp and Paper operations in Espanola and Ottawa, Ontario; Hull, Quebec UNITED STATES Port Huron, Michigan	Spruce and pine lumber, bleached kraft pulp and a wide variety of fine and specialty papers for printing, writing and packaging for commercial, business, food and medical uses.
CANADA Richmond and Prince Rupert, British Columbia; Blacks Harbour, Back Bay and Seal Cove, New Brunswick UNITED STATES Avon, Massachusetts; Rockland and Eastport, Maine; Naknek and Petersburg, Alaska OTHER Aberdeen, Scotland and Solomon Islands	Variety of canned, fresh, frozen and processed fish including salmon, tuna, groundfish, herring, sardines, clams, oysters, mussels, shrimp and crab products: *Brunswick, Connaisseur, Port Clyde, Holmes, Clover Leaf, Paramount, Heritage*
CANADA Toronto Accredited by the Standards Council of Canada	Research and development of new products, quality control testing and quality assurance programs, carried out on behalf of companies within the group, ensure that Weston's commitment to providing its customers the highest quality products and best value is met.

Principal Facilities



Weston Foods

Baking

Bakeries – Canada	12
– U.S.A.	8
Frozen Bakery Goods Plants	7
Biscuit Plants	4

Chocolate, Dairy and Specialties

Chocolate and Dairy	3
Specialty Plants	6

Loblaw Companies

Eastern Canada

Corporate	233
Franchised	730
Independent	3,437

Western Canada

Corporate	82
Franchised	449
Independent	8,544

United States

Corporate	85

Weston Resources

Fish Processing

British Columbia Packers

Salmon Plants	4
Salmon Farms	2
Solomon Islands	1

Connors Bros.

Sardine Plants	4
Salmon Farms	2
Salmon Hatcheries	3
U.S. Sales Office	1
Scotland	1

Forest Products

E.B. Eddy Forest Products

Sawmills	2
Paper Mills	4
Pulp Mill	1

Operating Groups

Weston Foods Ltd.

D. R. Beatty
President

M. E. Kyle
Controller

George Weston North American Bakeries
J. D. Fisher
President

Ready Bake
E. F. Riswick
President

Stroehmann Bakeries
D. C. Collins
President

Interbake
R. A. Baxter
President

Neilson Dairy
R. A. Robinson
President

Neilson/Cadbury
A. R. Soler
President

Bowes
R. S. Lund
President

Chocolate Products
J. S. Gertner
President

Rose & LaFlamme
P. Lavoie
President

Watt & Scott
K. C. Tracey
President

Loblaw Companies Limited

R. J. Currie
President

D. K. Bragg
Senior Vice President, Planning and Control

J. W. Thompson
Senior Vice President, Finance and Administration

Atlantic Wholesalers
A. F. Rose
President

National Grocers
D. M. Williams
President

National Tea
H. A. Seitz
President

Zehrmart
G. J. Heimpel
President

Loblaw International Merchants
D. A. Nichol
President

Intersave
D. N. Lunau
President

Kelly, Douglas/Westfair
S. K. Darkazanli
President

Weston Resources Limited

E. R. Pearce
President

M. J. Mugan
Vice President, Finance

British Columbia Packers
D. A. McLean
President

J. B. Buchanan
Vice Chairman

Connors Bros.
D. A. McLean
Chairman

E. L. D. McLean
President

Eddy Paper Company and E. B. Eddy Forest Products
E. F. Boswell
President

Corporate Officers

R. H. Kidd
Senior Vice President and Chief Financial Officer

I. R. Franklin
Vice President, Taxation

S. E. Green
Vice President, Secretary and General Counsel

T. H. Wardrop
Vice President, Financial Control and Administration

G. G. Flood
Information Systems Officer

J. V. Laurie
Treasurer

Dr. P. B. Tepperman
Corporate Medical Officer

Board of Directors' Committees
The Executive Committee's principal responsibility is to act on behalf of the Board of Directors between regular Board meetings on matters that cannot be postponed until the Board can be assembled. These matters will usually have been addressed in advance by the Board, which will have provided direction to the Executive Committee.

The Audit Committee reviews the Company's annual and quarterly financial statements, accounting practices and business and financial controls. It also recommends to the Board of Directors the external auditors to be appointed by the shareholders at each annual meeting, reviews their audit work plan and approves their fees.

Directors

W. Galen Weston, OC [1]
Chairman and President, George Weston Limited; Chairman, Brown Thomas Group, Holt Renfrew & Co.
Officer, Order of Canada; BA and LLD (Hon) University of Western Ontario; Director, Associated British Foods PLC; Canadian Imperial Bank of Commerce; United World Colleges; Chairman, Lester B. Pearson College of the Pacific

Lincoln M. Alexander, P.C., C.C., O.Ont., Q.C., The Honourable
Chancellor, University of Guelph
Former Lieutenant Governor of Ontario (1985-1991); Former Federal Minister of Labour; Chairman, Ontario Workers Compensation Board; Companion Order of Canada, Member, Order of Ontario; BA McMaster University; LLB York University/ Osgoode Hall; Director/Governor, Upper Canada College; Massey Hall/Roy Thomson Hall; Doctors Hospital; Shaw Festival; The Hamilton Philharmonic Society; The Royal Agricultural Winter Fair; Royal LePage Limited

David R. Beatty
President, Weston Foods Ltd.; Chairman, Board of Governors, Upper Canada College
MA Queens College, Cambridge; BA University of Toronto; Director, Spar Aerospace; Bank of Montreal; Old Canada Investment Corporation; Member of the Peter Drucker Foundation Advisory Board

Richard J. Currie
President, Loblaw Companies Limited; Chairman, Food Marketing Institute, Washington, D.C.; Chairman Advisory Board, School of Business Administration, University of Western Ontario
LLD (Hon) University of New Brunswick; MBA Harvard; B.ENG. (Chemical) Technical University of Nova Scotia; Director, Imperial Oil Limited

R. Donald Fullerton [2]
Chairman, Executive Committee, CIBC
Former Chairman and Chief Executive Officer of CIBC; BA University of Toronto; Director, Amoco Canada Petroleum Co. Ltd.; Coca-Cola Beverages Ltd.; Gendis Inc.; Hollinger Inc.; Honeywell Inc.; IBM Canada Ltd.; Wellesley Hospital; CIBC

Mark Hoffman
Chief Executive, Hamilton Lunn Limited; Chairman, IFM Trading and Cambridge Capital Group Limited; President, Harvard Club of London
MBA, BA Harvard University; MA Cambridge University; Director, Millipore Corporation and Advent International Corporation

Robert H. Kidd [1]
Senior Vice President and Chief Financial Officer, George Weston Limited;
Chairman, Appleby College Foundation
FCA, MBA York University; Chartered Accountant; B.Comm. University of Toronto; Director, Credit Suisse Canada; Member, CICA Emerging Issues Committee; Toronto Stock Exchange Advisory Committee

Hugo Mann [2]
Vice President, Wittington Investments Limited; International Retail Consultant
Former Managing Director Deutscher Supermarkt; Member, Order of Germany; Director, George Weston Holdings (U.K.); Goldener Zuckerhut Award 1982 (German Food Industry Business Man of the Year)

Gerald B. Mitchell
Former Chairman and Chief Executive Officer, Dana Corporation; LLD (Hon) Bowling Green State, Tri-State and Brock Universities; BA University of Western Ontario; Director, Michigan National; Worthington Industries; Colonial Companies Inc.; West Point-Pepperell Inc.

Dr. Robert I. Mitchell [2]
Medical Consultant, Formerly Associate Professor University of Toronto, Chairman of The Eye Research Institute of Canada
MD University of Sydney; Director, The Wellesley Hospital, Toronto; Fellow, The Royal Colleges of Surgeons of Canada, Australasia and England

Pauline M. McGibbon, C.C., The Honourable
Former Lieutenant Governor of Ontario (1974-1980); Companion Order of Canada, Member, Order of Ontario; LLD (Hon) from 13 Universities; BA University of Toronto; Director, du Maurier Arts Ltd.

R. Gordon McGovern
Former President and Chief Executive Officer of Campbell Soup Company (U.S.); AB Brown University; MBA Harvard University; Director, North American Life Assurance Co. of Canada; Merrow Machine Company; Trustee, The Wooster School in Connecticut

David A. Nichol
President, Loblaw International Merchants; Executive Vice President, Loblaw Companies Limited
LLM Harvard University; LLB University of British Columbia; Honours BA Business Administration, University of Western Ontario

Earl R. Pearce
President, Weston Resources Limited; Chairman, Weston Research Centre, British Columbia Packers Limited;
Chartered Accountant; Member of the Advisory Board, Allendale Mutual Insurance Canadian Operations

S. Simon Reisman, OC [2]
Chairman and President, Reiscar Limited
Former Ambassador and Chief Trade Negotiator Canada/U.S. Free Trade Agreement; Former Deputy Minister of Finance; Deputy Minister of Industry and Secretary of the Treasury Board; Officer, Order of Canada; MA London School of Economics; BA McGill University; Public Service Award of Canada

John D. Stevenson, QC [1]
Partner, Smith, Lyons, Torrance, Stevenson & Mayer
BA, LLB, University of Toronto; Director, Hayes Dana; Holt Renfrew & Co.; Canada Trust; Honorary Counsel, Canadian Educational Standards Institute

Garry H. Weston
Chairman, Associated British Foods PLC; Chairman, George Weston Foods Ltd. (Australia), Fortnum & Mason PLC, British Sugar PLC
BA Harvard; Litt.D. (Hon) University of Reading; Trustee of the Royal Academy of Arts and of Westminster Abbey

[1] *Executive Committee* [2] *Audit Committee*

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Shareholders' Information

Head Office
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7
Tel. (416) 922-2500
Fax (416) 922-4395

Stock Listings
Toronto, Montreal and Vancouver Stock Exchanges

Share Symbol – "WN"

Registrar and Transfer Agent
The R-M Trust Company, Toronto, Montreal and Vancouver

Common Shares Outstanding
46,607,603

Average Daily Trading Volume Toronto Stock Exchange – TSE
12,900

Number of Shareholders
4,000

Dividend Payment Dates
Common Shares: January 1, April 1, July 1, October 1.

Senior Preferred Shares: March 1, June 1, September 1, December 1.

Year End
December 31

General Counsel
Smith, Lyons, Torrance, Stevenson & Mayer

Auditor
Peat Marwick Thorne

Annual Meeting of Shareholders
Wednesday, May 5, 1993 at 11:00 a.m. Metro Toronto Convention Centre, Constitution Hall,Toronto, Ontario, Canada

This Annual Report has been printed on E.B. Eddy *Eagle Text* and *Century Premium Opaque*, both products are manufactured by E.B. Eddy Forest Products Ltd.

Trade Marks
George Weston Limited and its subsidiaries own a number of trade marks. Several subsidiaries are licensed registered users of additional trade marks. These trade marks are the exclusive property of George Weston Limited or the licensor and where used in this report are in italics.

Investor Relations
Copies of the Company's Annual Information Form filed with regulatory authorities are available from the Treasurer upon specific request. Attention: Treasurer

This report includes selected information on Loblaw Companies Limited, a 70.5% owned public reporting company with shares trading on the Toronto, Montreal and Vancouver Stock Exchanges. Loblaw Companies Limited's Annual Report can be obtained upon specific request.
Attention: Secretary

Contributing to the Community

The W. Garfield Weston Foundation and George Weston Limited are committed to improving the quality of life in the communities they serve. Weston believes that business should participate with its employees in supporting our social and cultural institutions.

George Weston Limited is pleased to be recognized by "IMAGINE" as a member of a group of leading Canadian corporations whose philanthropic activities have been particularly significant.

These contributions to charitable organizations are made by local operating divisions, by George Weston Limited, and by The W. Garfield Weston Foundation. The W. Garfield Weston Foundation is a private Canadian foundation associated with the Weston group of companies.

Our contributions are shared across Canada and are directed mainly towards health care, education, conservation and community projects. The following organizations, among others, were recipients of significant contributions in 1992:

Technical University of Nova Scotia
Halifax, Nova Scotia
Support for construction of an addition to the Faculty of Architecture building.

Université de Montréal
Montréal, Québec
Participation in a scholarship program at the University's management school, the École des Hautes Études Commerciales.

Daily Bread Food Bank
Toronto, Ontario
Food, funding, and warehouse space for this food bank, which distributes donated food to agencies assisting people in need.

Genesis Research Foundation
Toronto, Ontario
Sponsorship of Genesis health newsletter *Regarding Women*, which provides information on women's health care issues and is distributed free to low income housing areas of Toronto.

University of Guelph
Guelph, Ontario
Endowment of an industrial research chair in food packaging technology, with the aim of increasing Canadian competitiveness in the food industry.

Ducks Unlimited Canada
Winnipeg, Manitoba
Support for this conservation organization whose goals are to preserve, restore, develop and maintain waterfowl habitat in Canada.

Veterinary Infectious Disease Organization
Saskatoon, Saskatchewan
Funding for research and development in the field of infectious diseases among livestock.

Simon Fraser University
Burnaby, British Columbia
Endowment of a Graduate Fellowship in Aquaculture Research which promotes research in aquaculture and aquatic toxicology, including disease control, nutrition, resource management and food processing.

George Weston Limited
22 St. Clair Avenue East
Toronto, Ontario
M4T 2S7

(416) 922-2500