Weston

Annual Report
1991

Financial Highlights

In millions of dollars	**1991**	1990	1989
Sales and earnings			
Sales	**$10,770**	$10,856	$10,459
Operating income	**247**	346	384
Interest expense	**101**	103	114
Gain on issue of subsidiary's shares	**30**		
Earnings before extraordinary item	**92**	125	150
Net earnings	**92**	125	187
Cash flow			
Cash flow from operations	**288**	356	368
Capital expenditures	**258**	322	341
Increase (decrease) in cash position	**177**	61	66
Financial position			
Long term debt	**734**	724	672
Shareholders' equity	**1,326**	1,278	1,191
Total assets	**3,829**	3,707	3,551
Ratios			
Return on capital employed (%)	**9.3**	13.5	15.2
Return on common equity (%)	**7.0**	10.4	13.6
Interest coverage	**2.5**	3.4	3.4
Debt to equity	**.63:1**	.63:1	.68:1
Per common share *In dollars*			
Earnings before extraordinary item	**1.81**	2.52	3.00
Net earnings	**1.81**	2.52	3.81
Dividend rate (year end)	**.70**	.70	.70
Cash flow from operations	**6.20**	7.70	7.97
Capital expenditures	**5.55**	6.97	7.40
Book value	**26.31**	25.37	23.47
Market value (year end)	**36.75**	41.75	43.25

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George Weston Limited

April 1992

Dear Shareholder,

1991 has been a very difficult year for Canada, and as one of this country's largest and most diversified public companies our results have suffered accordingly.

As recently as two years ago 30% or 119 million of Weston's operating income was derived from its resource divisions. As a result of the economic swings worldwide, fish and pulp prices have fallen materially since then so that operating income from resources this past year disappeared entirely.

While a great deal of good work has been accomplished in our food processing divisions in recent years, we were nonetheless down this year in terms of returns to shareholders.

Loblaw companies, which accounts for 80% of consolidated sales and 55% of assets employed, fared better especially when compared to Canadian competitors and actually improved results during the period, demonstrating once again the importance of diversity in the Weston portfolio of companies.

It is gratifying for managers and shareholders to know that during these troubled times our balance sheet and cash flow numbers support a rock solid 'A' rating.

As a result of the prolonged recession, I believe that more Canadians than ever realize that our standard of living depends on increased productivity and entrepreneurial activity rather than government hand outs and the reallocation of existing resources.

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 support.

Galen Weston.

Contents

MUESLI
President's Choice
30% FRUIT AND NUTS
MUESLI
CEREAL
400 g
Neilson
2% partly skimmed milk
fresh 2% partly skimmed M.F. milk
Ocean
strawberry
750 mL
Weston's
fibre goodness
675g
CLOVER LEAF
Chunk Light Tuna
Neilson
Burnt Almond

George Weston Limited, a broadly based Canadian company founded in 1882, conducts food processing, food distribution, and resource operations in North America with 80 percent of its sales in Canada and 20 percent 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 United States retail food division centred in St. Louis; and Weston Resources, a value-added forest products and fish processor. In total, George Weston Limited has a $3.8 billion capital investment in the North American economy.

1991 Highlights

Earnings $92 million, $1.81 per share.

Operating income down 29 percent to $247 million.

Resource margins decline, reflecting weak economy.

Capital investment lower to $258 million due to selective investment policy.

Solid balance sheet and 'A' rating.

Financial position favourable to further expansion.

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Weston Foods

Branded positions are strengthened in key markets.

Stroehmann improves operating results through cost improvement and marketing strategies.

Loblaw Companies

Earnings increase to record levels despite industry competition.

Success due in part to well defined corporate brand program.

Weston Resources

Eddy's U.S. paper mills results improve due to machine modernization and better product mix.

Third successive year of abundant salmon harvests in Alaska depress selling prices and margins.

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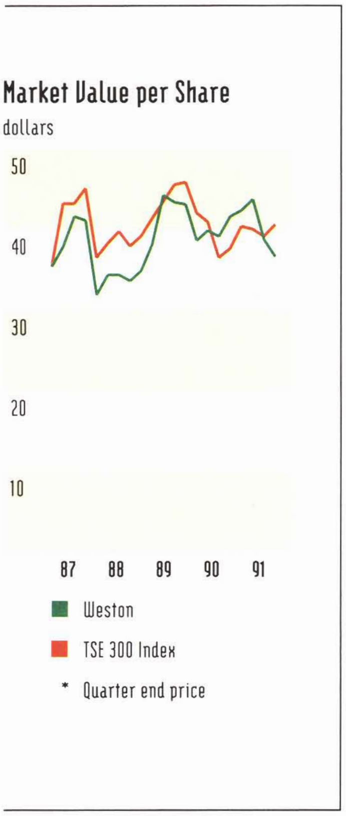
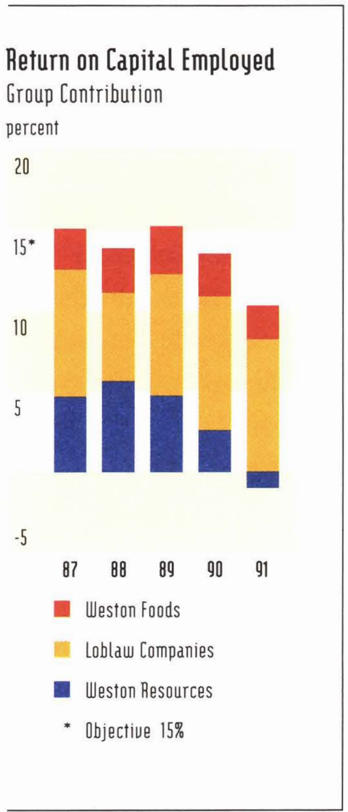
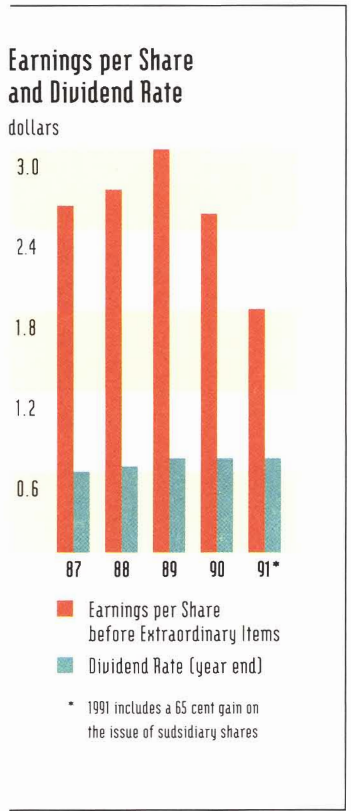
Graphic Highlights





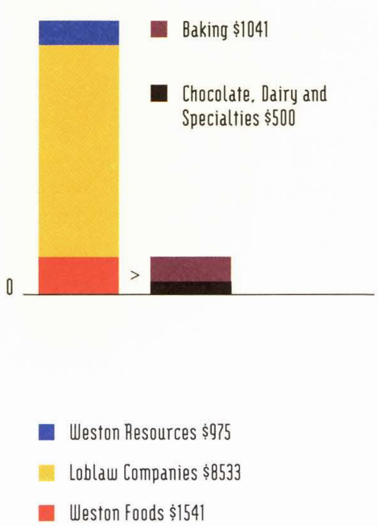


The Year in Review

Weston Foods continued its program of restructuring in 1991, to ensure that it is well-positioned in the highly competitive North American food processing industry. The sales decline of six percent was primarily caused by the sale of the ice cream assets in 1990 and the sale of the flour mills in 1991, assets that would not be competitive in a free trade environment. Reported operating income of $56 million down 18 percent from 1990 includes a gain on disposal of the flour mills that was more than offset by restructuring costs across the companies, the most significant of which is the $7 million provision for the closure of Stroehmann's bakery in Flushing, New York.

The border opened for grain and flour in May to allow free movement between Canada and the United States. Anticipating this event, the fixed assets of Soo Line Mills and McCarthy Milling were sold to ADM Milling Co., a company with the economies of scale and customer base to take advantage of the new North American market for flour. With the open border, these mills were not essential to the operations of Weston Foods and were too small to be competitive on their own. This is the fifth significant move by Weston Foods in anticipation of the new reality of a North American economy. The earlier moves were the sale of the Canadian biscuit plants and the ice cream assets, offset by substantial investments to upgrade the facilities in Weston Bakeries and to increase the capacity and leading cost position at Ready Bake. All operations, wherever they are located, must be capable of competing on a North American basis.

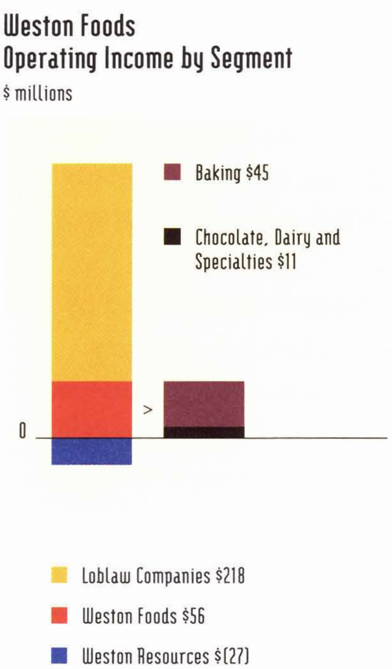
Weston Foods Sales by Segment
$ millions



Over the past five years Weston Foods has invested and divested with the simple objective of being the leading competitor in each market it serves. The acquisition of the Cadbury brands in 1987 leapt Neilson Cadbury from fourth and fifth to number one in the Canadian chocolate confectionery market. The acquisition of the General Biscuit assets in Elizabeth, New Jersey gave Interbake Inc. a dominant position in ice cream wafers and a stronger position in supplying the Girl Scout and contract markets. The investments in Boulangeries Weston (Montreal bakery) and in Ready Bake across Canada give those companies the low cost, high quality positions in their industries. Finally, the closure of the Taystee plant in Flushing, New York and expansions in Hazleton and Sayre, Pennsylvania will give Stroehmann the lowest production cost position of any fresh bread and roll baker serving the metropolitan New York market.

The recession increased the intensity of competition in 1991. In the United States and Canada, consumers channelled their spending to lower priced products while inventories shrank through the whole supply chain. In response to tightening markets, costs were aggressively managed. Three Weston plants were closed and employment levels were reduced. These were, in all cases, difficult and disruptive moves but they do enable Weston Foods to enter 1992 as a tighter and more cost efficient group of companies with the capacity to enjoy a recovery and with the strength to weather a continuing recession.

Continuous Improvement is Weston Foods' major weapon for ensuring that all its companies will succeed in difficult times and prosper in better times. Many operations have moved to a very high level of involvement and activity that created new capacity, reduced cost, improved quality and generated incremental sales. Growth in earnings will, to a large degree, be fuelled by Continuous Improvement initiatives that tap the creative energies of all Weston Foods' employees to eliminate waste and realize all sales opportunities.



Weston Foods continues to be concerned about the environment in which it operates. In 1991, the operating companies achieved a 27 percent reduction in solid waste to landfill, and a 23 percent reduction in effluent load. This follows similar gains made in 1990 and will improve again in 1992.

Capital spending in 1991 totalled $61 million, a significant decrease from $85 million spent in 1990. Construction of the Montreal bakery was completed early in the year. Ongoing attention to all aspects of capital employed succeeded in maintaining it at the prior year level. The slippage in return on capital employed to ten percent is due entirely to the drop in earnings.

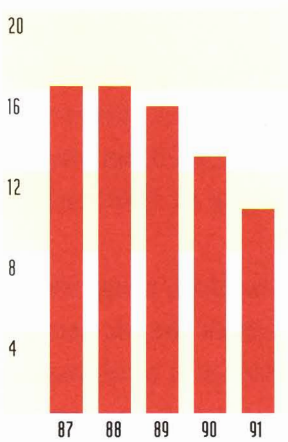
Baking

Overall the Baking division showed a decline of $42 million or four percent in sales but an increase of $1 million or two percent in operating income. These overall amounts are made up of a mix of results and activities in all the companies.

Weston Bakeries made substantial progress during the year. In the West operating results continue to improve with strengthening branded positions in a market that is generally flat. Ontario also improved its operating results while at the same time taking significant steps toward restructuring its operations with a new bread line in Kitchener, consolidation of the Orillia division and substantially improved cake operations in the Dupont Street plant in Toronto. In Quebec, attention was focused on starting up the new bakery, a complicated and challenging activity. The bakery is the most technologically advanced bread and roll plant in the world. It is turning out product of unsurpassed quality and consistency and will be a source of strength for the company in the years ahead.

Stroehmann Bakeries improved its operating results in 1991, under the direction of a new President, through cost improvement as well as new product offerings and marketing strategies to build on Stroehmann's leading consumer reputation as the Pennsylvania Dutch baker. Redundant facilities in Erie and Williamsport were closed. Provisions were taken in 1991 for the closure of the major plant in Flushing, New York with the expansion of plants in Pennsylvania to produce for the New York market. The company has a significant and valuable asset in its distribution system and significant shelf position in North America's most populous market. With significantly lower costs of production, this will be a profitable market. At the end of the year, the company acquired certain assets, routes and trademarks of Reymond Bakery in Connecticut. This moves Stroehmann from fourth to second in that market and offers substantial opportunities for synergistic savings and further expansion.

Weston Foods
Return on Capital Employed
percent



Ready Bake continues to move ahead in all areas. The results for each region were ahead of the previous year while the acquisition of Sarsfield Foods, a Nova Scotia manufacturer of frozen fruit pies, proved to be an excellent strategic fit. From its strong base in Canada, Ready Bake will be looking to the United States to continue its rapid growth in the 1990's.

Interbake Foods was both positively and negatively impacted by the recession. On the positive side the demand for Interbake's industry leading wafers and machines for making ice cream sandwiches pushed the limits of capacity through much of the year. On the negative side, the company's *FFV* brand faced fierce competition while slower contract customers' sales resulted in declining tonnage through the plants. Interbake continues to lead the way in excellence in manufacturing for Weston Foods and the food industry. Continuous Improvement is well entrenched. Interbake's current volume outlook for 1992 is excellent.

Chocolate, Dairy and Specialties

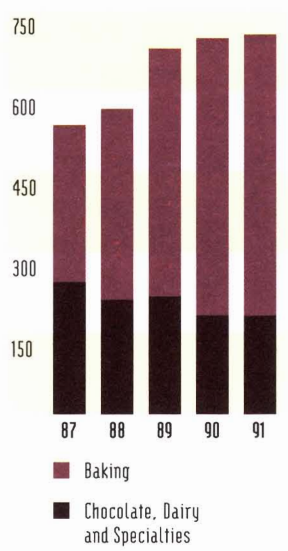
1991 was a very difficult year for this group with sales off nine percent to $500 million and operating income 54 percent to $11 million. The ice cream business sold in 1990 was not included in 1991. In addition, despite a decline in the chocolate confectionery market, Neilson Cadbury continued to invest in defence of its market leading position. Beyond these events each business faced serious challenges.

Neilson Cadbury faced a market where consumer offtake was down four percent through the combined impact of high retail prices including the GST, and competition for teenage spending from products such as sports cards. In addition, inventories at the wholesale and retail level shrank by about two weeks on average as the recession forced the wholesale and retail trade to conserve cash whenever possible. Nevertheless, the brands continued to be supported and the shares of the four leading brands *Crispy Crunch*, *Caramilk*, *Mr. Big* and *Crunchie* all grew in 1991. As well, Neilson Cadbury invested heavily in its infrastructure through the year and now clearly leads the industry in providing fresh product, well displayed across the market. In 1992, the emphasis on growing the international business will continue as *Mr. Big* will join *Crispy Crunch* in the American market. In Canada, *Bassett's* licorice products and *Cadbury's* boxed chocolate lines will be added to the overall offerings.

Neilson Dairy began the year with a price war that took the profit out of the processing industry at the same time as management was meeting the challenge of closing down the ice cream business and eliminating the overheads that were mingled with the fresh dairy business. Mid year the culture business was restructured and new depots were added in Toronto and London. By the end of the year the company was operating on a much stronger base. Market share continues to grow in a very competitive market. Moving into 1992, the company will continue to decrease costs to improve its competitive position.

Weston Foods Total Assets by Division

$ millions



The Food Specialities business reflected the difficulties experienced by its customers in food service and industrial applications. Demand was slow and margins narrow. In 1992 there will be a major emphasis on seeking markets in the U.S. to take advantage of opportunities presented by the Free Trade Agreement.

Outlook

Although we see no early end to the recessionary pressures, we are confident that the major and often painful restructuring that was accomplished in 1991 will bring improved operating results in 1992. Moreover, through the past year Weston Foods held or strengthened its branded positions in many key markets. In 1992 and beyond the company will build on these activities and put considerably greater emphasis on North American opportunities for all its businesses. The food processing industry is facing a turbulent decade of change and restructuring. Through Continuous Improvement and strategic repositioning Weston Foods will seek to seize the advantages that change provides.

David Beatty

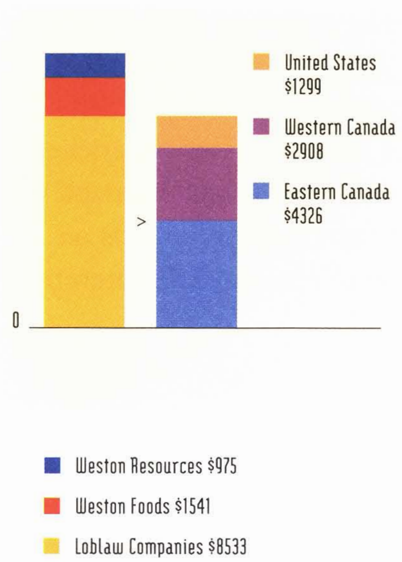
President, Weston Foods Ltd.

Loblaw Companies experienced a year of severe market conditions brought about by a protracted recession which particularly affected Eastern Canadian operations and was apparent to varying degrees in the Western Canadian and United States' businesses.

Record levels of trading profits, operating income and net earnings were achieved while Loblaw reduced interest expense and improved its debt to equity ratio. Operating income was $218 million and trading profit (operating income plus depreciation) was $323 million, while interest costs decreased. Capital expenditures were $159 million.

The focus of Loblaw's business is improving the productivity of an enlarged and modern asset base, while at the same time improving the financial base on which these assets are supported. The result of this sustained effort has been to allow Loblaw to prosper even in difficult years such as 1991.

Loblaw Companies Sales by Segment
$ millions



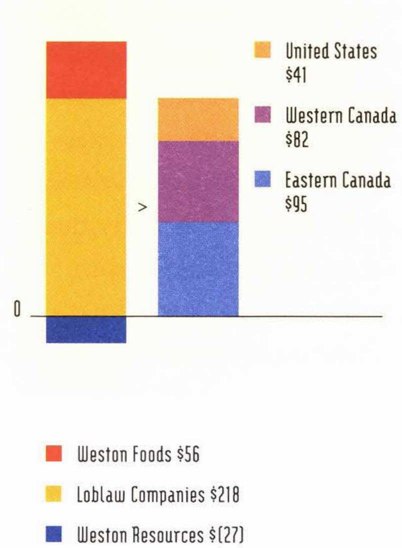
Part of the success of Loblaw is due to its well defined corporate brand program. Last year, new *no name* and *Club Pack* products offering reduced prices for large sizes were successfully introduced during the year, especially in Western Canada. Corporate brands offer high quality and low price resulting in real value. These products, when linked to Loblaw's computerized merchandising systems, ensure the preservation of retail margins, which would be greatly diminished if Loblaw engaged solely in national brand discounting practices. At the same time, such a computerized connection allows the group's overall pricing level to be sharply competitive. Loblaw Companies owns over 1,300 acres of land, primarily in major urban centres in Canada and the United States. This large real estate portfolio supports a profitable food business at a time when many real estate developers are experiencing financial difficulty, and provides an appreciating asset for the longer term. This owned real estate also allows operating flexibility and format adaptations for competitive advantage which are not easily available with lease financing.

Eastern Canadian Operations

In Ontario, various retail formats are operated including corporate Loblaws, SuperCentre and Zehrs stores as well as franchised independent Fortino's Supermarket, no frills, Your Independent Grocer, valu-mart, freshmart, and MR. GROCER stores. In total, average retail square footage in corporate and franchise stores has remained about the same as last year. In addition, warehouse closures have reduced square footage by about seven percent since 1988, while accommodating a nine percent growth in tonnage in the same period. Administrative costs have had very little absolute increase since 1989 and are therefore declining as a percentage of sales.

At year end 1991, there were 200 corporate stores in operation in Eastern Canada. In Ontario, there were: 63 Loblaws, one Ziggy's, and six SuperCentre stores operated by Loblaws Supermarkets, based in Toronto; 52 Zehrs and four Zehrs Food Plus stores operated by Zehrmart, based in Cambridge; and 25 stores operated under various other names by National Grocers, based in Toronto. In the Maritimes, there were 13 Save-Easy, 11 Save-Easy Warehouse Foods, eight no frills, six Capitol, four Valu-Fair, one SuperValu and six Real Atlantic Superstore stores operated by Atlantic Wholesalers, based in Sackville, New Brunswick.

Loblaw Companies Operating Income by Segment
$ millions



At year end 1991, the wholesale business in Eastern Canada, which is carried out primarily by National Grocers and Atlantic Wholesalers, as well as Loblaws Supermarkets and Fortino's Supermarket, served 672 franchised independent accounts and 2,927 independent accounts in addition to operating 33 cash and carry units. In Ontario there were 261 franchisees operating under the no frills, MR. GROCER, Fortino's Supermarket, valu-mart, freshmart, Your Independent Grocer and several other banners. The capability to select from a variety of corporate and franchise formats to suit the particular needs and economics of a location is one of the strengths of the Ontario business. In the Maritimes there were 411 franchised independents operating under the Save-Easy, Quick Mart, valu-mart and several other banners. Wholesale and retail businesses in Eastern Canada were served by 19 warehouses in 1991.

In the Maritimes, two new corporate stores were opened in 1991 including a new discount format SuperValu store in Glace Bay, Nova Scotia late in the year. Subsequent to year end, 18 corporate stores and a distribution warehouse were acquired in Newfoundland as a result of the acquisition of the balance of that operation, enhancing our overall competitive position in Atlantic Canada.

Western Canadian Operations

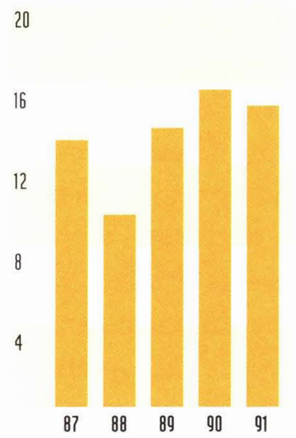
The strengthening of the Real Canadian Superstore's market position in Vancouver and Calgary was significant enough to offset the effect of a number of competitive entries in Edmonton, Winnipeg and Saskatoon. The serious cross border leakage to the United States which affects the Winnipeg, Regina and Vancouver markets also had a dampening effect on Western operations.

The rationalization of the wholesale business in Western Canada continued in 1991 with the strategic loss of non-franchised independent volume and the closure of three smaller branches. Offsetting the retrenchment from the unprofitable non-franchised independent business, the food service segment of our wholesale business experienced encouraging growth.

At year end 1991, there were 59 corporate stores in operation in Western Canada. There were 37 OK Economy, 19 Real Canadian Superstore and three Extra Foods stores operated by Westfair Foods, based in Calgary, Alberta.

The wholesale business, which is carried on by Westfair Foods and Kelly, Douglas & Company served 484 franchised independent accounts and 9,100 independent accounts as well as operating 20 cash and carry units. Franchised independent accounts operate under the Red & White, Lucky Dollar, Tom-Boy, SuperValu, Extra Foods, Shop Easy, Foodmaster, Quick Mart and Shop-Rite banners. Wholesale and retail businesses in Western Canada were served by 24 warehouses in 1991.

Loblaw Companies
Return on Capital Employed
percent



Loblaw believes that it is in a strong competitive position in Western Canada. It is one of the largest food distributors in this region based on sales. In the major urban centres of Winnipeg, Regina, Saskatoon, and Edmonton it ranks either first or second in terms of combined corporate and franchised store sales. Although it is not in a dominant market share position in either Calgary or Vancouver, cities in which it recently made major corporate store entries, good store economics and the proven customer appeal of the Real Canadian Superstore format place the business in a strong competitive position in these cities as well.

United States Operations

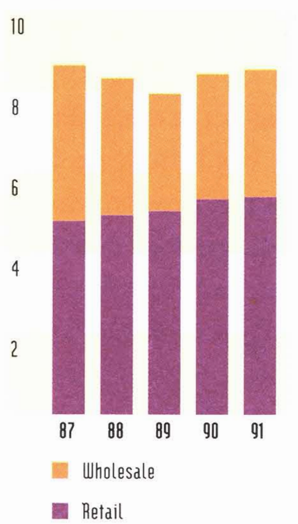
In New Orleans, a new Real Superstore will open in the first quarter of 1992. In addition there are several opportunities for more high turn, low margin, limited assortment That Stanley stores which are being pursued for 1992. At the same time, the introduction of wholesale club stores with perishable departments into St. Louis has altered the competitive structure of that market. In anticipation of this change, buying groups and control systems have been strengthened and operating costs have been reduced. At year end 1991, there were 82 corporate stores operating in the United States. There were 56 National stores and one Del Farm store in and around St. Louis and nine Canal Villere, eight National, four That Stanley and four Real Superstore stores in Louisiana, primarily in New Orleans. All stores are operated by National Tea, based in St. Louis, Missouri. The retail operations of National Tea are served by six warehouses.

Loblaw believes that it is in a strong competitive position in St. Louis where it is the second largest food retailer in its operating area in terms of sales, but close in size to the market leader. In Louisiana actions were taken in 1988 to limit exposure to this market. Since that time the remaining stores in that market have shown improvement.

Outlook

At the present time it appears as if 1992 may be even more difficult than 1991 for the food industry. Margins continue to be under pressure and there is the very real short term prospect of flat or perhaps slightly declining earnings. Loblaw's strengths continue to provide positive cash flow which will allow business growth and development under all conditions. One of management's strategies is to operate in geographically diverse areas to minimize exposure to regional economies and demographics. This has benefited operating results in 1991 as operating profit increases in Western Canada and the United States have more than offset declines in Eastern Canada. In addition Loblaw operates in both the wholesale and retail sectors of the food distribution industry to minimize exposure to shifts in the balance of economic power between these two major components of the industry. This has been important in Ontario in 1991 as profits from the corporate retail stores have declined and profits from the franchised wholesale business have improved. In 1992, the Ontario business will face important negotiations affecting the labour costs of its Loblaws Supermarkets and Zehrmart divisions which may impact on the long term viability of these corporate stores. A positive historic relationship with the relevant unions and employees leads management to believe that these negotiations will conclude satisfactorily. Other risk dampening strategies are: following a policy of owning its real estate whenever possible to preserve operating flexibility and position the company to benefit from any real estate appreciation; and developing powerful corporate brands (*no name*, *President's Choice*, *G·R·E·E·N*, *Too Good To Be True*, *Club Pack*) to enhance customer loyalty and provide some insulation from national brand pricing. This has been important in 1991 as consumers have been able to find good value particularly in *no name* and *Club Pack* products.

Loblaw Companies Wholesale and Retail Sales
$ billions

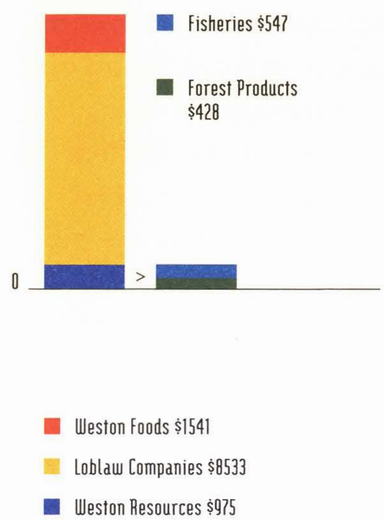


President, Loblaw Companies Limited

Weston Resources forecasted that 1991 would be a very difficult year due to falling pulp prices, excess capacity in its fine paper markets and high levels of canned salmon inventories. Weston Resources believed that its diverse asset mix would soften the effect of the normal cyclical downturns to be expected in natural resource businesses. Relative to most other participants in the forest products and fisheries industries whose operating results and balance sheets were ravaged by what appears to be the second worst business decline of this century, Weston Resources has weathered this adversity reasonably well because of its sound balance sheet and cautious investment decisions.

A 13 percent decline in sales to $975 million and an operating loss of $27 million combined with the continued strength of the Canadian dollar has forced significant operating changes in each business. A continuing review of operations and business opportunities is in place to halt the precipitous drop in return on capital employed to negative four percent from ten percent in 1990 and 18 percent in 1989.

Weston Resources Sales by Segment
$ millions



Forest Products

The deteriorating economic outlook prevailed all year despite predictions of an upturn in the second half. The impact on forest products results which tend to tie into economic growth was disastrous. The Canadian industry saw bottom line losses estimated at $1.5 billion. List prices for Northern softwood pulp continued their freefall down to U.S. $500 per tonne with further discounting from there. Despite the reduction in price, sales volumes were flat. At Eddy, these events necessitated several weeks of downtime during the second and third quarters to balance pulp inventories. Towards the end of the year, inventories were reduced and paper makers began to come back into the market as a consequence of slowly firming prices. As a result, Eddy's pulp mill operated at 92 percent which was a modest improvement over 1990. However, due to plummeting price realization, the Forest Products division suffered a sharp operating loss and for the second year continued to be the principal factor in Weston Resources' declining results.

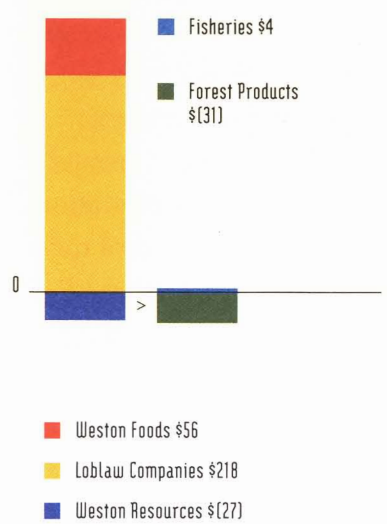
Eddy's U.S. paper mills, benefiting from the trend to lower labour settlements in that country combined with recent machine modernization and an improved product mix, outperformed the Canadian paper mills. Capacity utilization at the Port Huron mill was 100 percent compared to 81 percent in Canada. During the year, three small volume paper machines in Ottawa/Hull which over time had become noncompetitive were shut down permanently, resulting in the reduction of over 200 people.

It has become abundantly clear that the forest products industry among others, sheltered by a low Canadian dollar up to the late 1980's, entered into noncompetitive labour contracts vis-a-vis its U.S. competitors. These contracts were subsidized by the lower dollar. At the same time, all levels of

Canadian government expanded programs and increased the various means of taxation required to support them. Much of the taxation was absorbed by the profits derived from foreign exchange which dried up as the dollar increased in value. At current values, the industry is no longer competitive in terms of labour and taxation. A lower dollar would be helpful but business, labour and government discipline will be paramount in order to ensure the long term viability of the Canadian industry.

The ongoing slump in North American housing starts which during the year approached historic lows resulted in the cutback of many logging operations and the closure of many mills across the country. Eddy's sawmills operated at a reduced loss compared to the year before due to periodic price improvements emanating from the reduced supply situation when production is shut down. Given Eddy's vertically integrated operation, lumber is viewed as a by-product and generally will not be a significant contributor to operating income.

Weston Resources Operating Income by Segment
$ millions



The pulp and paper industry has been roundly criticized for using chlorine in its bleaching process. The industry estimates that government mandated environmental programs will necessitate capital expenditures of approximately $5 billion in mill and processing upgrades over the next five years. Eddy was the first Canadian mill to adopt oxygen bleaching and for several years has been in compliance with Federal Government 1995 guidelines. Not content with its existing position, Eddy embarked on a pilot project using ozone bleaching technology during the year. If successful, the use of chlorine and chlorine dioxide could be significantly reduced in the pulp production process without sacrificing brightness and strength which the market demands and the project will reinforce Eddy's position as an environmental leader. With major environmental expenditures behind it, Eddy was able to cut expenditures to the bone during the year with very cautious spending as the recession plays itself out. The majority of its $24 million in capital spending was applied to product enhancement and incremental machine productivity. From time to time acquisition opportunities are presented to Eddy, primarily in the U.S. Our interest in investing in an operation having a strategic fit, at a realistic price, is continuing although none have yet met our criteria.

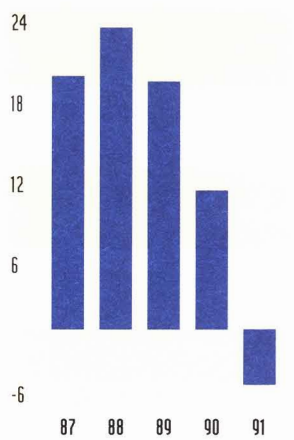
Fisheries

A third successive year of abundant salmon harvests in Alaska resulted in depressed selling prices leading to an overall seven percent decline in division sales. Operating income plummeted 89 percent to $4 million. Most of the decline occurred in B.C. Packers' West Coast salmon operation as the B.C. industry was obligated to operate under the last year of a three year price and wage contract which did not realistically reflect the supply and demand conditions which prevailed during 1991.

Some competitors in Alaska and British Columbia are thought to be in serious financial condition and may not be able to see their way through the upcoming season. B.C. Packers' balance sheet is sound and allows it to withstand these difficult years. The new contract negotiations in B.C. for 1992 will be important as both sides must work toward achieving a more competitive position relative to the Alaskan competition. B.C. Packers is streamlining its fish acquiring and processing strategies with a view to increasing efficiencies and reducing its total cost structure. Staff reductions of 25 percent over the last three years have reduced administration costs significantly.

The tuna operations which in some years have countered the cyclical nature of the salmon business experienced difficult financial times as markets were very competitive. The Solomon Islands fishing operation took longer than anticipated to establish its fishing effort and toward the end of the year was faced with a worldwide decline in the price of skipjack tuna.

Weston Resources
Return on Capital Employed
percent

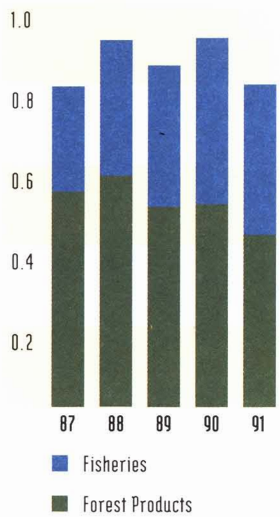


The West Coast salmon aquaculture operation continued to be plagued with the inability to adapt the Pacific salmon species to a captive environment as witnessed by an unfavourable feed conversion to weight gain ratio and early maturation before reaching proper market size. Combined with the sharp increase in availability from sources around the world, which has resulted in reduced market prices, this operation has not been financially successful to date. Accordingly, several of the aquaculture sites will not be restocked while a measured program of cultivating the Atlantic salmon species is attempted. B.C. Packers considers this project to be part of the required research and development associated with any business and is determined to be successful, however will not hesitate to shut down the venture if it is unable to show future promise. The 1991 herring roe season was a positive contributor for B.C. Packers due largely to an effective supply/demand balance in Japan and continued effective processing and handling procedures in plant operations.

The Connors' operation on the East Coast experienced a modest decline in profitability in a difficult environment. Export sales of canned sardines and herring products were affected by the value of the Canadian dollar which reduced net sales returns. In addition, the competitive North American marketplace which witnessed low retail pricing of tuna and pink salmon tended to affect sardine consumption. A major attempt to maintain market share through an aggressive marketing program stemmed the decline in volume at the expense of margin. Consequently, a four percent decrease in dollar value of sales and higher than budgeted operating costs translated to a 15 percent decline in profitability. These competitive pressures will continue to present a marketing challenge as the market is expected to be awash in inexpensive tuna and pink salmon for the first half of 1992. At the end of the 1991 processing season, the company made the decision to close an older cannery located at Fairhaven, New Brunswick and one in Weymouth, Nova Scotia with the view to increase volume in the remaining plants and reduce manufacturing costs.

In contrast to the difficulties experienced by salmon aquaculture on the West Coast, Connors' salmon farms in New Brunswick and Maine continued to provide positive results due to their strategic location in the Bay of Fundy, proximity to the major markets on the eastern seaboard of the U.S. and full integration including the manufacture of salmon feed. The results experienced in the Maine operation are particularly gratifying because that operation was virtually bankrupt when it was acquired in 1990. The application of Connors technical expertise in salmon aquaculture combined with its highly productive moist feed has improved performance significantly. Over the years, the inshore groundfish sector has weakened substantially in both the catching and processing areas. Being a minor participant in this sector, Connors came to the decision to sell off its remaining assets in Shippegan, New Brunswick and Isle aux Morts, Newfoundland early in 1992. The sales agreement contemplates contract marketing arrangements in which Connors' U.S. based sales company will market products from these and other plants. These arrangements were responsible for a modest profit improvement in that business during the year.

Weston Resources Total Assets by Division
$ billions



Outlook

The recession has lasted longer than most governments and economists expected. We believe it has bottomed out in forest products. The projected slowly improving economy will result in paper consumption growth which will help maintain the firming of pulp pricing in the near term. Although B.C. Packers' inventories are burdened with the high costs incurred in 1991, it is expected that inventory levels will be under control by the summer. The West Coast industry is carrying excessive inventories which will keep the prices depressed throughout the year. However, we expect B.C. Packers' cost structure to be much more competitive with the Americans in 1992.

Weston Resources has undertaken painful restructuring which has resulted in many good employees being released in all segments. As the markets begin to improve, our operations are poised to outperform their competition and achieve the returns mandated by shareholders.

President, Weston Resources Limited

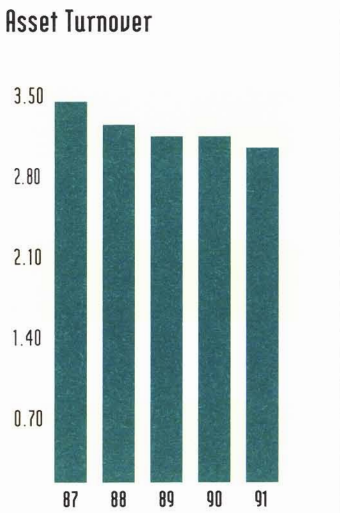
Weston Performance

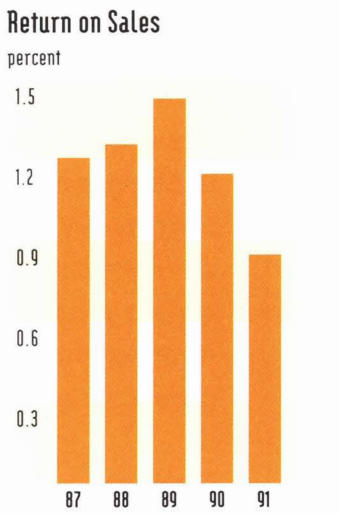
Return on common equity is an effective measure of a company's overall performance and changes in value. It is derived from three basic ratios.

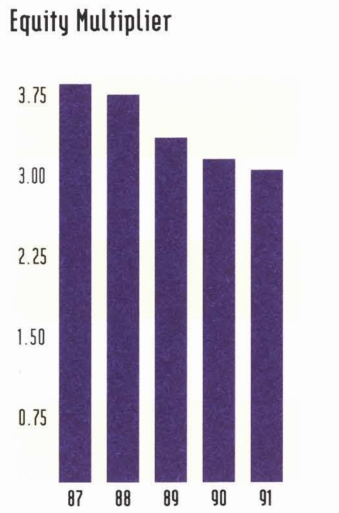
Asset Turnover Ratio (sales divided by total assets) represents the ability to get the most from a given asset base. The more sales from a given asset base, the more efficient management is in utilizing its assets.

Return on Sales Ratio (profit after tax divided by sales) is a measurement of profitability in terms of margins and therefore marketing/sales effectiveness. It is a measure of operating performance.

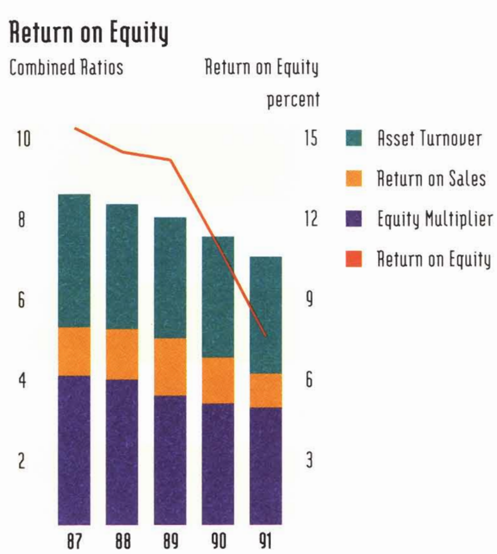
Equity Multiplier (total assets supported by common equity) reflects a company's ability to own income producing assets financed with external capital. However, the rewards to equity owners of a high multiplier must be tempered with the necessity of maintaining financial strength and flexibility.







Return on common equity is the product of multiplying these three ratios. For 1991, return on common equity declined principally as a result of a 0.3 percent lower return on sales. This reflects lower net margins realized in Weston Foods and Weston Resources. Asset turnover modestly declined as capital expenditures made to modernize assets and improve productivity, have not expanded sales. To improve return on common equity Weston needs to see a recovery in margins and good contribution from recent capital expenditures.



Financial Review

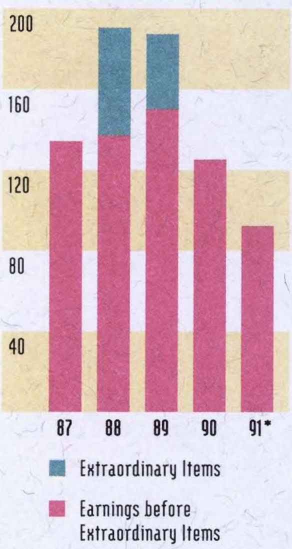
In 1991, Weston's $92 million net earnings were below 1990 as a result of the poor economy's impact on margins in Weston Resources and Weston Foods. Earnings per share were $1.81, including a 65 cent gain on the issue of subsidiary shares, compared to $2.52 in 1990. Capital expenditures of $258 million were funded by $288 million cash flow from operations.

In millions of dollars		Sales			Operating Income		
		1991	1990	1989	**1991**	1990	1989
Weston Foods	Baking	**$ 1,041**	$ 1,083	$ 1,066	**$ 45**	$ 44	$ 48
	Chocolate, Dairy and Specialties	**500**	550	539	**11**	24	27
		1,541	1,633	1,605	**56**	68	75
	Margin				**3.6%**	4.2%	4.7%
Loblaw Companies	Eastern Canadian	**4,326**	4,212	3,988	**95**	102	89
	Western Canadian	**2,908**	2,892	2,650	**82**	74	67
	United States	**1,299**	1,313	1,296	**41**	36	34
		8,533	8,417	7,934	**218**	212	190
	Margin				**2.6%**	2.5%	2.4%
Weston Resources	Fisheries	**547**	591	581	**4**	36	32
	Forest Products	**428**	528	634	**(31)**	30	87
		975	1,119	1,215	**(27)**	66	119
	Margin				**–**	5.9%	9.8%
Inter Group		**(279)**	(313)	(295)			
Consolidated		**$10,770**	$10,856	$10,459	**$247**	$346	$384
	Margin				**2.3%**	3.2%	3.7%

Weston's 1991 sales were flat in dollars compared to a four percent increase in 1990. Sales were reduced by lower resource prices, accounting for the GST and a weaker U.S. dollar. Food price inflation was two percent offset by customer down trading. Volumes varied by segment. The 29 percent decline in operating income resulted from Weston Resources lower price realization, particularly for pulp and salmon, and reduced utilization of Canadian paper mill capacity similar to but more severe than the decline in 1990 from 1989.

Net Earnings

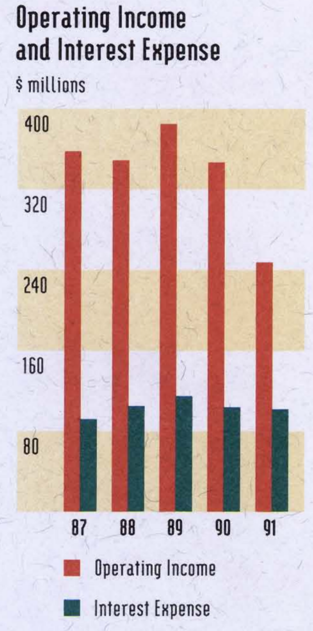
$ millions



* 1991 includes a $ 30 million gain on the issue of sudsidiary shares

Weston Foods' sales declined six percent after a two percent increase in 1990. Sales were reduced by the impact of intensified competition from recessionary pressures, the sale of the ice cream business in 1990 and the flour mills in 1991 with an overall volume decline of four percent. Operating income, down 18 percent, was adversely affected in the last two years by customer down trading to lower price and margin items. Capital expenditures, directed primarily at reducing cost have not expanded sales and resulted in physical volume capacity being flat. The new technologically advanced Montreal bakery commenced production in the latter half of 1991 and while cost efficiency suffered initially it will be a source of strength in the years ahead. Weston Foods' Baking division had a $12 million gain on the sale of the flour mill fixed assets and a $7 million loss provision for the mid-1992 closure of the Taystee New York plant whose production will be transferred to other Stroehmann plants. Weston Foods' 1992 operating results are expected to improve and are at risk principally to a difficult economic environment, continuing price competition and the timing of the closure of the Taystee plant.

Loblaw Companies' sales increased by one percent while tonnage and average retail square footage increases of five percent and two percent, respectively, were offset by the removal of the federal sales tax on non-food items and a weaker U.S. dollar. Food price inflation for food purchased in stores was low at two percent and substantially offset by customer down trading. In Eastern Canada, average retail square footage decreased one percent and retail sales per square foot decreased slightly, as consumers opted for lower priced goods. In Western Canada, the principal factor in retail sales growth continued to be the Real Canadian Superstores, particularly those opened in the last three years. Western Canada's wholesale sales declined $86 million due largely to discontinuing supply to several major low margin customers. U.S. retail square footage increased by four percent, however, tonnage only increased one percent, primarily a reflection of encroachment by new competitors. Operating income varied by region and gross margins were restrained as a result of increased competitive activity. The operating income margin benefited from profitable corporate brand sales and tight cost control.



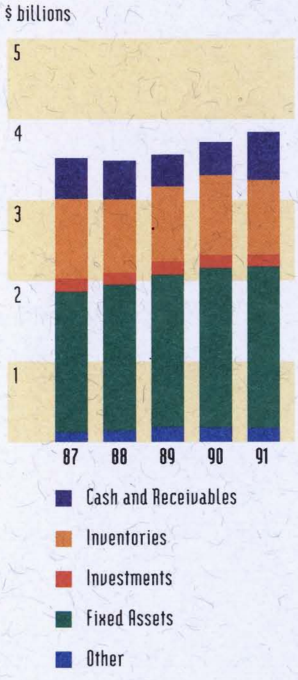
		1991	1990	1989
Loblaw Retail Operations	More than 60,000 sq.ft.	**43**	43	40
	20,000 - 60,000 sq.ft.	**196**	190	196
	Less than 20,000 sq.ft.	**102**	96	98
	Total Stores	**341**	329	334
	Average Size *(000's sq.ft.)*	**34.1**	34.7	33.9
	Average sales per sq. ft.	**$ 466**	$ 475	$ 458
	Retail Sales *(in millions)*	**$ 5,380**	$ 5,320	$ 5,025
Loblaw Wholesale Operations	Franchised Independent Stores	**1,156**	1,266	1,289
	Average Size *(000's sq.ft.)*	**6.1**	5.8	5.7
	Cash & Carry Units	**53**	53	54
	Independent Accounts	**12,027**	11,839	12,337
	Wholesale Sales *(in millions)*	**$ 3,153**	$ 3,097	$ 2,909

Weston Resources' sales and operating income declined as the recession reduced pulp price realization and utilization of Canadian paper and lumber capacity in the Forest Products division. Three consecutive high-catch years of Pacific pink salmon depressed industry selling prices 36 percent in the export market. This resulted in marginal volume increases, a seven percent decline in Fisheries division sales and a $5 million write-down of salmon inventory.

Although volumes were flat Forest Products' sales declined 19 percent from 1990. This was a result of lower average selling prices which ranged from a decline of seven percent for paper to 36 percent for pulp. The operating income decline in Forest Products was mainly from the lower pulp price as the fine paper operations approached breakeven by year end. Fisheries' operation on the East Coast saw a small decline in operating income. On the West Coast, operating losses were incurred in fresh and aquaculture salmon because of low pricing and surplus on the global marketplace.

A major risk to Weston Resources' operating results, in addition to declining demand caused by the recession, is a rising Canadian dollar in U.S. terms which, at current rates, reduces margin by \$2 to \$3 million for each one cent change. Weston Resources' 1992 operating income is expected to be at a loss for the first half and breakeven for the year, assuming market demand and pricing structures continue at indicated 1992 levels.

Total Assets by Category



Interest expense declined two percent on a decline in average net debt of \$100 million. Interest rate management reduced the cost of borrowing in 1991 by \$2 million and 1990 by \$11 million. A high proportion of fixed rate debt, approaching 90 percent in mid 1991, held up interest expense in spite of declining interest rates. The netting of low yielding U.S. investment income against interest expense contributed to the average cost of net borrowings, increasing to 12 percent from 11 percent in 1990. Interest expense in 1992 is expected to decline ten percent in line with a lower average debt level and declining cost of funds.

Income taxes, at a rate of 33 percent, declined from a rate of 35 percent in 1990 and 1989 because the mix of business income earned shifted from the higher taxed Canadian provinces to lower rate jurisdictions, a trend that is expected to reverse when income again rises.

Earnings before minority interest including the gain on the issue of Loblaw Companies shares, declined 38 percent from 1990. The \$30 million gain resulting from Loblaw Companies issue to the public of five million common shares above their carrying value caused a reduction in Weston's ownership from 77 percent to 71 percent. Net earnings per share declined 28 percent from 1990.

Weston's risks are moderated by product line and geographic diversification and the 50 percent equity of total capitalization. If the weak economic conditions continue through 1992, the erosion of customers' purchasing power will further weaken Weston's sales and operating income, but not materially affect liquidity and equity ratios. The Canada-United States Free Trade Agreement was a factor in Weston Foods' 1991 sale of its flour mills and 1990 sale of its ice cream business and has adversely affected margins in the food processing industry, but its impact on Weston earnings has not been material. Inflation moderated by consumer down trading did not impact the Company's sales in 1991, although in prior and possibly in future years, food inflation impacts the general sales trend.

Dividend policy is to pay out 25 to 30 percent of prior year normalized earnings, giving consideration to cash flow requirements and investment opportunities. The 1992 annual dividend rate of 70 cents per share, continued from the prior year, represents a payout of 39 percent of 1991 earnings per share. As dividend policy is based on normalized earnings, the dividend level has been maintained.

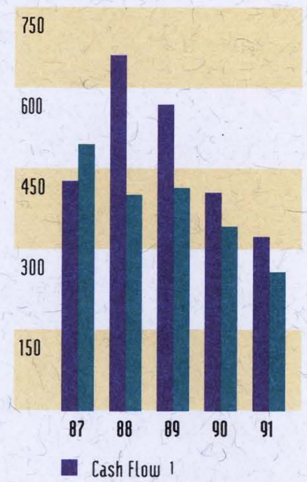
Financial Condition

Non cash operating working capital (consisting principally of inventories and accounts receivable offset by accounts payable) decreased to $166 million from $231 million in 1990 and $265 million in 1989. The $64 million decrease in inventories continues the long term objective of operating the business with low working capital to minimize interest and warehouse costs. In 1991, cash and short term investments of $274 million reflect the Loblaw $209 million cash surplus in the United States and, in 1990 the cash received immediately prior to year end on the sale of the Neilson ice cream business. The large cash position at 1991 year end resulting from positive operating cash flow and the Loblaw equity issue is for potential asset acquisitions.

During 1991, $258 million was invested in fixed assets, a decline from the prior two years as weak sales demand lowered the return available from capital expenditure projects. Weston Foods invested $61 million primarily to upgrade ovens and other assets and 70 percent of Loblaw Companies $159 million capital expenditures were for the corporate store program. Weston Resources spent mainly on productivity improvements and equipment upgrades. The amount and mix of capital expenditures for 1992, with no single significant project, are expected to be similar to 1991 and will be funded by cash flow from operations. Three-quarters of the planned spending is uncommitted. The Company considers acquisition opportunities that meet its criteria of strategic fit at a realistic price. The Company is not aware of any material expenditures or capital projects required to meet current environmental regulations.

Cash Flow and Capital Expenditures

$ millions



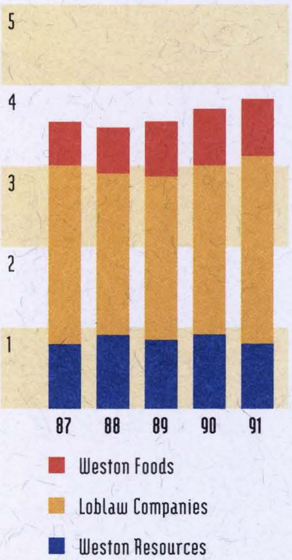
1 Includes proceeds from sale of fixed assets and disposition of subsidiary companies.
2 Includes acquisition of subsidiary companies.

Changes in Financial Condition

The combination of cash flow from operations and dispositions exceeded capital expenditures by $66 million in 1991 and $63 million in 1990. Cash provided from working capital was $53 million compared to $37 million and $19 million in the prior two years, as a result of reduced inventories of $64 million in 1991. Continuing efforts to minimize working capital should result in a source of cash or a minimal use of cash in 1992. Cash flow from operations is expected to finance the 1992 capital expenditures. Debt capacity could be tapped should attractive acquisition opportunities arise.

During 1991 the Company redeemed all of its Series 1 and 2 debentures of $30 million principally from the sale of its flour milling and other assets. In addition the Company purchased $35 million of future interest obligations using proceeds from the sale of its ice cream business. The Company's long term debt excluding Loblaw Companies, was reduced by $90 million. Loblaw Companies purchased $88 million of its debentures and issued $200 million 11.4 percent 40 year notes, the proceeds of which were used for its own general corporate purposes. Weston's long term debt increased overall by $28 million. Average term to maturity increased from 15 to 20 years and $783 million fixed rate debt at year end averaged 11.6 percent compared to 11.7 percent in 1990, $60 million of this fixed rate debt has effectively been refloated since late 1990 by way of two interest rate conversion agreements. Loblaw Companies issuance of $101 million of common equity net of the purchase of $38 million of preferred shares contributed to the improved cash position.

Total Assets by Segment
$ billions



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 R-1 and A credit ratings; control the potential floating rate interest impact of debt to less than one percent of operating income for each one percent change in interest rates; target a minimum of 70 to 80 percent fixed rate and long term debt of total debt; and have no more than 25 percent of long term debt maturing in any one year. These policies were met in 1991 and with current activities and debt, will be achieved in 1992.

The 1991 debt to equity ratio of .6:1, which Weston considers to be an important credit indicator, was unchanged from 1990 and well below the Company's internal guideline of maintaining a debt to equity ratio of less than 1:1. Interest coverage declined to 2.5 times from 3.4 times in 1990 and 1989 because of lower operating income. At year end, both fixed rate and long term debt to total debt, as hedged, was in the 70 percent to 85 percent range Weston has maintained over the last three years. The level of fixed rate debt is managed by using various financial instruments (swaps, forward rate agreements, options and futures) to fix or float debt rates within approved policy limits. At year end, $60 million ($135 million – 1990) of fixed rate debt was hedged to floating rate for an average term of three years. The foreign exchange risk on both the principal and interest on the Australian $80 million 1994 note is hedged. Weston's maintenance of its financial policies contributes to its A high/A+ bond ratings which provides ready access to domestic and international capital markets. Loblaw Companies Limited, a 71 percent owned public company, maintains a separate public financing position with similar credit ratings.

The stable nature of operations and strong cash flow permit the Company to operate efficiently with a low working capital ratio. Liquidity continues to be more than what is required to finance operations. Available bank operating lines of credit for the last three years have been in excess of $1 billion, and Weston's commercial paper is rated R-1 low/A-1+. The Company believes the comparison of cash flow from operations, plus divestitures and fixed asset disposals to capital expenditures and acquisitions for the latest five year period at $476 million is an important indicator of financial strength and flexibility.

Outlook

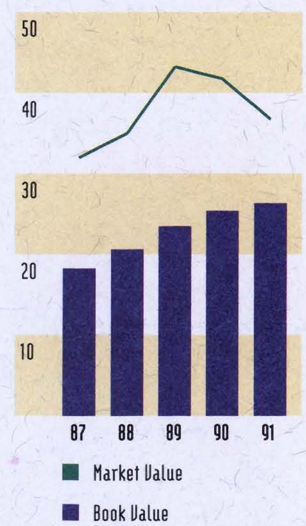
The outlook for 1992 can be described as cautious but positive. Earnings are at risk to a depressed North American economy and weak consumer confidence, although for Weston this is moderated somewhat by its diversity of product lines and geography. The recession has lasted longer than most economists expected as the economic recovery is delayed by the adverse impact of Federal and Provincial deficits.

The Company implemented many marketing and cost reduction programs in 1991, including the launch of Neilson confectionery bars into the United States, consolidation of the East and West Coast salmon aquaculture marketing under the *Heritage* brand, the closing of three small paper machines in Ottawa, and the closing of the old Longueuil, Williamsport and Taystee New York bread plants. These steps will strengthen the long term operating base of the business, but have no material effect on sales, operating income or capital expenditures in the current or next year.

Weston Resources' operating results, sensitive to total economic demand and at risk to a strong Canadian dollar against the U.S. dollar, are expected to remain weak with current conditions. However, an economic rebound in the second half of the year could result in a strong improvement in Weston Resources' earnings. Weston Foods' product mix will continue to be affected by the slow recovery, but with the introduction of new products and removal of unproductive facilities, core operations are expected to bring improved operating results in later 1992. Loblaw Companies, already one of the best performers in its industry, expects to achieve cost efficiencies and market share gains, but flat or slightly lower earnings in the short term, as the industry will remain very competitive. While Weston's earnings are expected to increase in 1992, this improvement will be principally in the latter half of the year.

Book and Market Value per Common Share

$ dollars



Management's Statement of Responsibility

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

To assure the integrity and objectivity of the financial statements management has established systems of internal control which provide reliable accounting records and properly safeguard Company assets. The financial statements have been audited by our independent auditors, 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 independent auditors to satisfy itself on the adequacy of internal controls and to review the financial statements and the independent auditors' report. The audit committee reports its findings to the Board of Directors for its consideration in approving the financial statements and other information in the Annual Report for issuance to the shareholders.

W. Galen Weston

W. Galen Weston
Chairman and President

Robert H. Kidd

Robert H. Kidd
Senior Vice President and
Chief Financial Officer

Toronto, Canada
March 3, 1992

Auditors' Report

To the Shareholders of George Weston Limited

We have audited the consolidated balance sheets of George Weston Limited as at December 31, 1991 and 1990 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, 1991 and 1990 and the results of its operations and cash flow for the years then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

Chartered Accountants
Toronto, Canada
March 3, 1992

Consolidated Statement of Earnings

Year ended December 31, 1991

	In millions of dollars	**1991**	1990	1989
Sales		**$10,770**	$10,856	$10,459
Operating expenses	Cost of sales, selling and administrative expenses	**10,322**	10,308	9,884
	Depreciation of fixed assets	**201**	202	191
		10,523	10,510	10,075
Operating income		**247**	346	384
	Interest on long term debt	**92**	80	72
	Other interest expense	**9**	23	42
		101	103	114
	Earnings before income taxes	**146**	243	270
	Income taxes	**48**	85	95
	Earnings before minority interest	**98**	158	175
	Minority interest	**36**	33	25
	Gain on the issue of subsidiary's share capital	**30**		
Earnings before extraordinary item		**92**	125	150
	Extraordinary item			37
Net earnings for the year		**$ 92**	$ 125	$ 187
Per common share *In dollars*	Earnings before extraordinary item	**$ 1.81**	$ 2.52	$ 3.00
	Extraordinary item			.81
	Net earnings for the year	**$ 1.81**	$ 2.52	$ 3.81

Consolidated Statement of Retained Earnings

Year ended December 31, 1991

	In millions of dollars	**1991**	1990	1989
Retained earnings at beginning of year		**$1,166**	$1,082	$ 936
	Net earnings for the year	**92**	125	187
		1,258	1,207	1,123
Dividends declared	Preferred shares	**8**	8	11
	Common shares	**33**	33	30
		41	41	41
Retained earnings at end of year		**$1,217**	$1,166	$1,082

Consolidated Cash Flow Statement

Year ended December 31, 1991

	In millions of dollars	**1991**	1990	1989
Operations and Working Capital	Earnings before minority interest	**$ 98**	$158	$175
	Depreciation	**201**	202	191
	Income taxes not requiring cash	**(6)**	(6)	10
	Gain on sale of fixed assets	**(18)**	(4)	(22)
	Other	**13**	6	14
	Cash flow from operations	**288**	356	368
	Provided from (used for) working capital	**53**	37	19
		341	393	387
Investment	Purchase of fixed assets	**(258)**	(322)	(341)
	Acquisition of subsidiary companies		(21)	(74)
	Proceeds from sale of fixed assets	**36**	50	80
	Disposition of subsidiary companies			122
	Net decrease (increase) in investments	**17**	12	(20)
	Net decrease (increase) in other	**(9)**	(27)	(3)
		(214)	(308)	(236)
Financing	Increase in long term debt	**208**	155	135
	Decrease in long term debt	**(176)**	(123)	(77)
	Proceeds from issue of subsidiary's share capital	**108**		60
	Net change in share capital	**5**		(74)
	Reduction of minority interest	**(38)**		(77)
		107	32	(33)
Dividends	To shareholders	**(41)**	(40)	(40)
	To minority shareholders in subsidiary companies	**(16)**	(16)	(12)
		(57)	(56)	(52)
Increase (decrease) in cash position*		**$177**	$ 61	$ 66

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

Consolidated Balance Sheet

As at December 31, 1991

George Weston Limited (Incorporated under the laws of Canada)

Assets	*In millions of dollars*	**1991**	1990	1989
Current assets	Cash and short term investments	**$ 274**	$ 89	$ 62
	Accounts receivable	**317**	321	329
	Inventories	**925**	989	929
	Prepaid expenses and other	**37**	38	36
		1,553	1,437	1,356
Investments		**145**	160	165
Fixed assets		**1,996**	1,968	1,882
Goodwill		**88**	92	99
Other assets		**47**	50	49
		$3,829	$3,707	$3,551

Liabilities				
Current liabilities	Bank advances and notes payable	**$ 53**	$ 45	$ 79
	Accounts payable and accrued liabilities	**1,084**	1,064	985
	Taxes payable	**21**	45	36
	Dividends payable	**8**	8	8
	Long term debt payable within one year	**49**	31	58
		1,215	1,193	1,166
Long term debt		**734**	724	672
Other liabilities		**22**	33	40
Deferred income taxes		**168**	169	190
Minority interest in subsidiaries		**364**	310	292
		2,503	2,429	2,360

Shareholders' Equity				
Share capital		**146**	141	141
Retained earnings		**1,217**	1,166	1,082
Foreign currency translation adjustment		**(37)**	(29)	(32)
		1,326	1,278	1,191
		$3,829	$3,707	$3,551

Approved by the Board

W. Galen Weston,
Director

Robert H. Kidd,
Director

Notes to Consolidated Financial Statements

December 31, 1991

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 71% owned (1990 – 77%).

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

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.

Cash offsetting

Cash balances for which the Company has a right of offset are used to reduce reported short term borrowings. In 1991, $209 (1990 – $196) of short term investments held by Loblaw Companies' United States subsidiaries is included in cash and short term investments. In 1990, $165 of this was used to offset short term borrowings in Canada. The $12 (1990 – $13) income from these investments is included as a reduction of interest expense.

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 the debt which acts as a hedge against these investments is included in a separate category of shareholders' equity to be recognized in earnings in proportion to any reduction of the net investment. In 1991, the balance in this category of shareholders' equity was adjusted by $8 (1990 – $3) 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.

Fixed assets

Fixed assets are stated at cost including interest capitalized during the year of $4 (1990 – $6) 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 forty years for buildings, of twenty years for equipment and fixtures and of seven years for automotive equipment. Leasehold improvements are depreciated over the lesser of useful life and term of lease.

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 26 years. The amount amortized during the year was $9 (1990 – $13).

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*

	1991	1990	1989
Weston Foods	**$ 98**	$108	$116
Loblaw Companies	**611**	617	575
Weston Resources			
Fisheries	**163**	198	173
Forest Products	**53**	66	65
	$925	$989	$929

3. Investments *Substantially with franchisees and customers*	**1991**	1990	1989
Secured loans and advances	**$ 31**	$ 34	$ 36
Capital lease receivables	**31**	31	31
Investments in franchisees	**27**	41	44
Long term receivables	**8**	13	21
Sundry investments	**48**	41	33
	$145	$160	$165

4. Fixed Assets	**1991**					1990	1989
	Cost	**Accumulated Depreciation**	**Net Book Value**	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Properties held for development	**$ 17**	**$**	**$ 17**	$ 6	$	$ 6	$ 9
Land	**268**		**268**	262		262	247
Buildings	**935**	**253**	**682**	882	219	663	610
Equipment and fixtures	**1,985**	**1,096**	**889**	1,905	1,009	896	862
Leasehold improvements	**173**	**85**	**88**	166	78	88	87
	3,378	**1,434**	**1,944**	3,221	1,306	1,915	1,815
Capital leases — buildings and equipment	**92**	**40**	**52**	91	38	53	67
	$3,470	**$1,474**	**$1,996**	$3,312	$1,344	$1,968	$1,882

5. Income Taxes	**1991**	1990	1989
The income tax rate reported in the financial statements is lower than the combined basic Canadian tax rates due to the following factors:			
Combined basic Canadian federal and provincial rates	**43.0%**	43.5%	43.0%
Operations in countries with lower tax rates	**(9.1)**	(6.8)	(4.7)
Rate reduction for manufacturing and processing operations	**(.5)**	(1.5)	(1.4)
Effect of selling capital assets	**.4**	(.4)	(1.7)
Other	**(.9)**	.2	(.1)
Rate reported in financial statements	**32.9%**	35.0%	35.1%

6. Gain on the issue of subsidiary's share capital

In 1991 an accounting gain was recorded as a result of the five 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 percent to 71 percent. 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 second quarter results.

7. Long Term Debt	**1991**	1990	1989
George Weston Limited			
Sinking fund debentures			
12¾% Series 1 maturing 2000	**$**	$ 14	$ 15
14⅛% Series 2 maturing 1997		16	18
Term credit			50
Term notes and loans			
12.7% maturing 2030	**145**	150	
16.76% hedged to maturity in 1994 (Aus. $80)	**57**	64	73
Loblaw Companies Limited and subsidiaries			
Debentures			
12½% Series 1 repaid 1990			35
12¼% Series 2 maturing 1994	**31**	35	35
11⅝% Series 3 maturing 1992	**29**	50	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 1991 and 1996	**14**	75	75
10% Series 8 maturing 2007	**61**	61	66
Term notes and loans			
11.4%, maturing 2031	**200**		
London Interbank offered rate plus ⅜% to ¾% repaid 1990 (U.S. $13)			16
Mortgages at a weighted average interest rate of 10.5% maturing 1992 to 2003	**12**	12	13
Other long term debt			
Individually not exceeding $6 at a weighted average rate of 8.7% (including U.S. $14)	**28**	38	34
Capital lease obligations at a weighted average interest rate of 13.2%	**76**	75	86
	818	755	731
Less: Payable within one year	**49**	31	59
Investment in future obligations	**35**		
Long term debt	**$734**	$724	$672

Principal payable in the next five years is as follows: 1992 — $49; 1993 — $96; 1994 — $87; 1995 — $56; 1996 — $81.

$60 million in 1991 and 1990 of long term debt was floating at year end by way of interest rate agreements ("swaps") with an average remaining term of 3.5 years (1990 — 4.5 years). During 1991, $2.1 million of payments were received under these swaps. At year end the contracts had a market value of $9.1 million.

8. Share Capital	Number of shares issued 1991	1990	1989	Amount *In millions of dollars* 1991	1990	1989
Preferred						
Series A	**4,000,000**	4,000,000	4,000,000	**$100**	$100	$100
Senior preferred	**47,045**	48,045	50,754	**4**	4	5
Junior preferred	**3,000**	16,150	16,150		2	2
				104	106	107
Common	**46,574,343**	46,235,253	46,207,178	**42**	35	34
				$146	$141	$141

Share Information *in dollars:*

Preferred shares — cumulative dividend
Series A — redeemable on December 1, 1991 at $26 per share, declining by $0.20 annually until November 30, 1996, and thereafter at $25, retractable at $25 at five year intervals commencing December 1, 1996, annual dividend rate is 7¾% to December 1, 1996 and 71% of average bank prime rate thereafter.

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 two thirds average bank prime plus ¾%, 3,000 after May 16, 1993, at $100, 3,000 convertible into 21,006 common shares.

During the year, 1,000 (1990 — 2,709) senior preferred shares second series were redeemed or purchased for cancellation at a cost of $.1 million (1990 — $.2 million).

In 1991, 139,765 common shares were issued on conversion of junior preferred shares (1990 — no common shares were issued). In 1991, the Company issued 199,325 (1990 — 28,075) common shares for cash of $5.2 million (1990 — $0.6 million) on exercise of employee stock options. After giving effect to the foregoing, the Company has reserved 35,644 (1990 — 175,409) common shares for potential conversion of the preferred shares. As at December 31, 1991, 1,474,557 (1990 — 1,673,882) common shares have been set aside for issue under terms of an employee stock option plan. As at December 31, 1991 there were outstanding options, which were granted at the market price on the date of the grant, to purchase 706,325 (1990 — 921,200) common shares at prices averaging $34.24 (1990 — $32.51) 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 June 12, 1992 to May 10, 1997.

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

9. Commitments and Contingent Liabilities

Endorsements and guarantees arising in the normal course of business amount to $88 (1990 — $92). In addition, there are assigned leases of $39 (1990 — $46) which relate to the sale of U.S. divisions of Loblaw Companies.

In addition to various claims arising in the normal course of business, legal actions concerning the rights and obligations associated with the class A shares of the Company's subsidiary, Westfair Foods Ltd., were commenced in January, 1989. Under an Alberta court decision rendered in the first quarter of 1990, Westfair has been directed to purchase these shares, of which there are approximately 30,000 in the hands of minority shareholders, at a value to be independently determined in further proceedings. The Alberta Court of Appeal upheld the purchase directive and indicated that no rights or expectations of the class A shareholders should be taken into account in valuing these shares, beyond the right to an annual $2 dividend. The minority shareholders applied for an appeal of this decision to the Supreme Court of Canada. On November 4, 1991, this application was denied. The valuation proceedings commenced on February 6, 1992 and the court has appointed an independent valuator. Westfair has filed two expert reports which, based on the decision of the Alberta Court of Appeal, place the value of the class A shares in the range of $18 — $29 per share. No expert opinions have been filed by the minority class A shareholders to this point in the proceedings. Management believes that the eventual purchase of these shares will not have a material effect on the Company's earnings or financial position.

For non capital leases the gross liability of $785 (1990 — $776) is offset by sublease income of $122 (1990 — $125). This expected net liability of $663 (1990 — $651) will be reduced by approximately $75 (1990 — $76) annually for the next five years.

10. 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 $675 (1990 — $628) and of accrued pension benefits of $754 (1990 — $708).

11. 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.

12. Acquisitions

During the third quarter of 1990, the Fisheries division made two acquisitions. Connors Bros. acquired the assets of Ocean Products Inc., a fish farming operation in the state of Maine. On the West Coast, B.C. Packers purchased National Fisheries Development Limited, a tuna sourcing operation in the Solomon Islands. Net assets acquired for cash consideration of $21 included working capital of $7 and other long term assets of $14.

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

13. Segmented Information		**1991**	1990	1989
Sales and earnings	Sales			
	Weston Foods	**$ 1,541**	$ 1,633	$ 1,605
	Loblaw Companies	**8,533**	8,417	7,934
	Weston Resources	**975**	1,119	1,215
	— Fisheries	**547**	591	581
	— Forest Products	**428**	528	634
	Inter Group	**(279)**	(313)	(295)
	Consolidated	**10,770**	10,856	10,459
	Canada	**8,579**	8,626	8,275
	United States	**2,191**	2,230	2,184
	Operating income			
	Weston Foods	**56**	68	75
	Loblaw Companies	**218**	212	190
	Weston Resources	**(27)**	66	119
	— Fisheries	**4**	36	32
	— Forest Products	**(31)**	30	87
	Consolidated	**247**	346	384
	Canada	**175**	286	342
	United States	**72**	60	42
Cash flow	Capital expenditures			
	Weston Foods	**61**	85	105
	Loblaw Companies	**159**	176	154
	Weston Resources	**38**	61	82
	— Fisheries	**14**	10	19
	— Forest Products	**24**	51	63
	Consolidated	**258**	322	341
	Depreciation			
	Weston Foods	**38**	42	43
	Loblaw Companies	**105**	106	100
	Weston Resources	**58**	54	48
	— Fisheries	**12**	10	9
	— Forest Products	**46**	44	39
	Consolidated	**201**	202	191
Financial position	Total assets			
	Weston Foods	**705**	698	679
	Loblaw Companies	**2,325**	2,095	2,026
	Weston Resources	**799**	914	846
	— Fisheries	**373**	412	351
	— Forest Products	**426**	502	495
	Consolidated	**3,829**	3,707	3,551
	Canada	**3,049**	2,809	2,668
	United States	**780**	898	883

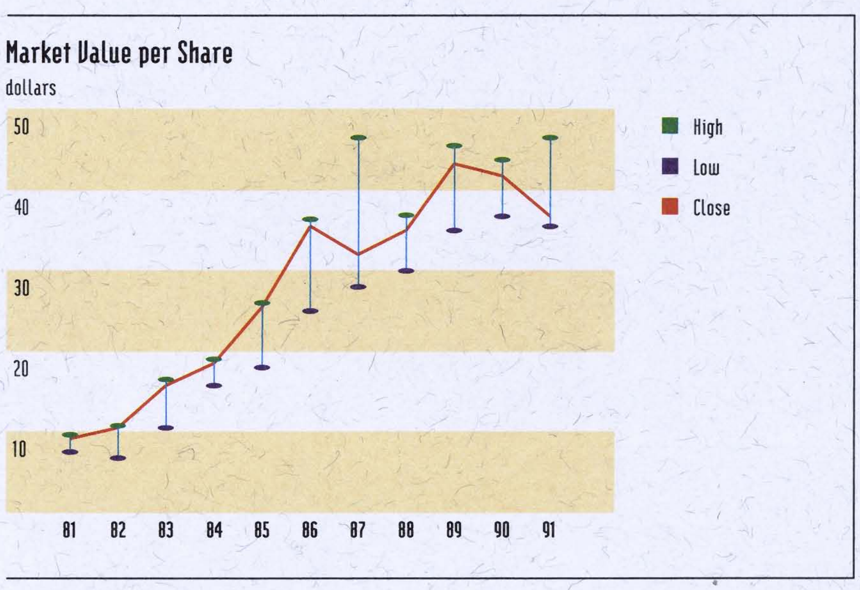
Canadian sales include export sales approximating $368 (1990 — $464).
Inter Group sales include $244 (1990 — $273) from Weston Foods.

1988	1987	1986	1985	1984	1983	1982	1981
$ 1,468	$ 1,502	$ 1,433	$1,316	$1,220	$1,184	$1,134	$1,038
8,308	8,631	7,839	6,931	6,419	6,091	6,221	5,795
1,361	1,223	1,055	923	895	794	717	816
573	564	471	397	362	364	339	395
788	659	584	526	533	430	378	421
(306)	(321)	(301)	(290)	(279)	(269)	(242)	(220)
10,831	11,035	10,026	8,880	8,255	7,800	7,830	7,429
7,738	7,355	6,592	6,020	5,669	5,294	4,963	4,730
3,093	3,680	3,434	2,860	2,586	2,506	2,867	2,699
69	60	52	49	45	61	64	61
137	187	161	152	137	128	115	114
142	110	98	67	59	24	23	55
49	42	42	31	19	16	10	22
93	68	56	36	40	8	13	33
348	357	311	268	241	213	202	230
293	290	237	205	189	156	141	170
55	67	74	63	52	57	61	60
57	49	39	35	24	47	36	51
177	249	289	193	150	104	72	102
91	53	54	34	38	88	118	77
19	16	12	6	3	5	18	13
72	37	42	28	35	83	100	64
325	351	382	262	212	239	226	230
37	35	32	28	28	24	23	21
98	100	86	73	68	62	58	54
47	40	35	35	35	23	23	21
8	7	7	8	8	8	8	8
39	33	28	27	27	15	15	13
182	175	153	136	131	109	104	96
567	537	427	416	370	372	371	354
2,001	2,215	1,998	1,540	1,266	1,155	1,115	1,037
908	794	748	660	643	641	586	507
336	261	281	224	199	217	243	243
572	533	467	436	444	424	343	264
3,476	3,546	3,173	2,616	2,279	2,168	2,072	1,898
2,628	2,481	2,164	1,911	1,708	1,624	1,520	1,329
848	1,065	1,009	705	571	544	552	569

Eleven Year Summary

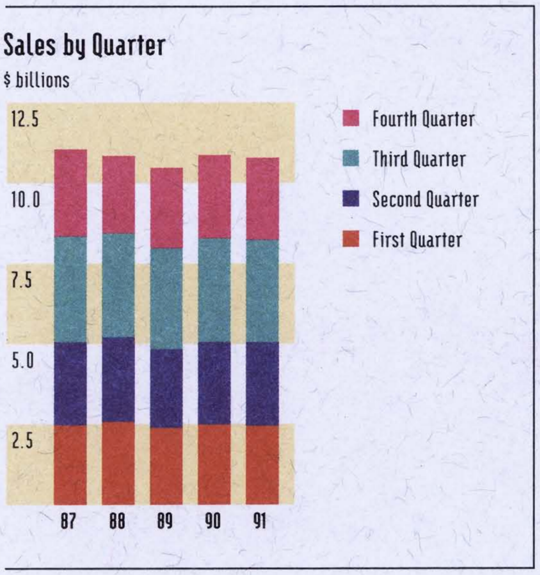
	In millions of dollars	**1991**	1990	1989
Sales and earnings	Sales	**$10,770**	$10,856	$10,459
	Operating income	**247**	346	384
	As a percentage of sales	**2.3%**	3.2%	3.7%
	Interest expense	**101**	103	114
	Earnings before extraordinary items	**92**	125	150
	As a percentage of sales	**.85%**	1.2%	1.4%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

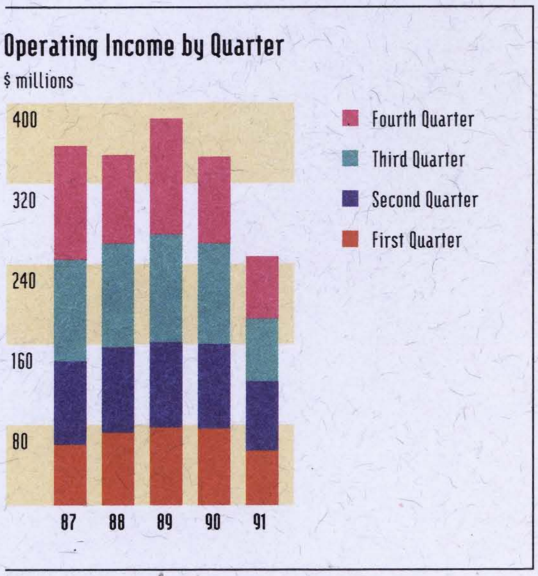
1988	1987	1986	1985	1984	1983	1982	1981
$10,831	$11,035	$10,026	$8,880	$8,255	$7,800	$7,830	$7,429
348	357	311	268	241	213	202	230
3.2%	3.2%	3.1%	3.0%	2.9%	2.7%	2.6%	3.1%
104	91	75	72	67	49	51	67
137	134	119	101	89	79	70	79
1.3%	1.2%	1.2%	1.1%	1.1%	1.0%	.9%	1.1%
190	134	119	101	94	79	69	95
349	318	300	262	251	214	213	215
258					61	53	
325	351	382	262	212	239	226	230
77	145	82	33			57	
120	(208)	90	(57)	(4)	48	(30)	64
1,420	1,569	1,492	1,228	1,055	994	986	952
1,169	1,309	1,053	930	729	736	749	678
251	260	439	298	326	258	237	274
1,804	1,753	1,553	1,286	1,157	1,098	1,023	887
663	716	644	536	500	463	441	363
1,132	1,023	1,025	830	755	686	627	591
2,509	2,369	2,025	1,722	1,584	1,502	1,388	1,270
13.9	15.1	15.3	15.6	15.2	14.2	14.6	18.1
16.2	16.2	16.5	16.6	15.8	20.6	22.3	21.5
9.5	13.2	13.8	16.8	17.8	18.4	17.5	18.2
22.4	18.8	17.8	13.0	11.0	4.7	5.2	15.3
13.9	14.8	15.0	14.3	14.0	13.6	12.3	16.2
3.35	3.92	4.16	3.75	3.60	4.37	3.96	3.43
.77:1	.96:1	.74:1	.80:1	.76:1	.84:1	.92:1	.77:1
2.70	2.58	2.31	1.96	1.69	1.47	1.21	1.41
5%	12%	18%	16%	15%	21%	(14)%	10%
3.85	2.58	2.31	1.96	1.79	1.48	1.17	1.77
7.57	6.91	6.53	5.71	5.49	4.70	4.72	4.78
.61	.57	.51	.44	.40	.39	.39	.36
7.06	7.61	8.30	5.71	4.63	5.22	4.99	5.11
20.59	18.23	16.52	14.49	12.84	11.34	10.12	9.39
35.00	32.00	35.50	25.50	18.50	15.75	10.50	9.13
13.0x	12.4x	15.4x	13.0x	11.0x	10.7x	8.8x	6.5x
1.70:1	1.76:1	2.15:1	1.76:1	1.45:1	1.38:1	1.04:1	.97:1



Quarterly Summary

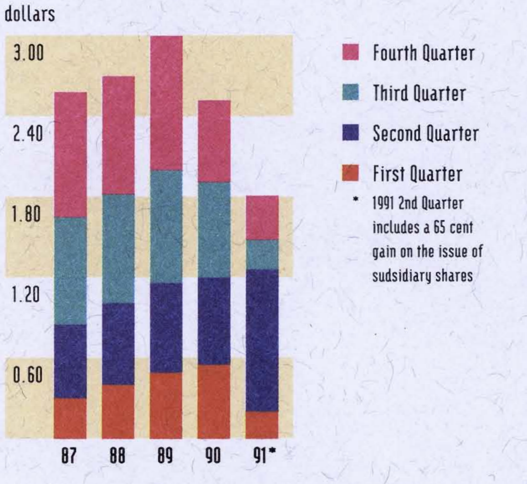
	In millions of dollars except per share	1991 Q1	Q2	Q3	Q4
Sales and earnings	Sales	**2,436**	**2,600**	**3,183**	**2,551**
	Operating income	**54**	**69**	**62**	**62**
	Interest expense	**26**	**25**	**28**	**22**
	Earnings before extraordinary item	**11**	**51**	**12**	**18**
	Per share	**0.20**	**1.06**	**0.22**	**0.33**
	Dividends per share	**.175**	**.175**	**.175**	**.175**
Market value per share — WN	High	**46.50**	**45.75**	**44.50**	**41.50**
	Low	**40.13**	**42.25**	**38.75**	**35.50**
Segmented information	Sales				
	Weston Foods	**401**	**377**	**376**	**387**
	Loblaw Companies	**1,872**	**2,008**	**2,647**	**2,006**
	Weston Resources	**229**	**282**	**229**	**235**
	Inter Group	**(66)**	**(67)**	**(69)**	**(77)**
		2,436	**2,600**	**3,183**	**2,551**
	Operating income				
	Weston Foods	**9**	**24**	**12**	**11**
	Loblaw Companies	**44**	**51**	**64**	**59**
	Weston Resources	**1**	**(6)**	**(14)**	**(8)**
		54	**69**	**62**	**62**





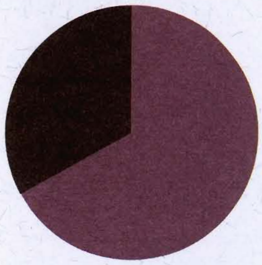
1990				1989				Percentage Change 1991/90			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2,474	2,571	3,227	2,584	2,368	2,459	3,136	2,496	(2)%	1%	(1)%	(1)%
76	84	100	86	77	85	107	115	(29)	(18)	(38)	(28)
25	22	30	26	25	23	34	32	4	14	(7)	(15)
27	33	35	30	26	34	42	48	(59)	55	(66)	(40)
0.55	0.65	0.71	0.61	0.49	0.67	0.84	1.00	(64)	63	(69)	(46)
.175	.175	.175	.175	.16	.16	.16	.16				
43.75	40.50	41.50	41.75	39.25	44.38	45.50	45.25				
37.50	36.75	38.75	37.50	35.00	36.25	40.75	40.00				
420	396	407	410	395	408	409	393	(5)%	(5)%	(8)%	(6)%
1,835	1,965	2,631	1,986	1,710	1,857	2,482	1,885	2	2	1	1
283	294	265	277	332	266	321	296	(19)	(4)	(14)	(15)
(64)	(84)	(76)	(89)	(69)	(72)	(76)	(78)				
2,474	2,571	3,227	2,584	2,368	2,459	3,136	2,496	(2)	1	(1)	(1)
9	19	24	16	7	17	24	27		26%	(50)%	(31)%
41	50	62	59	37	44	56	53	7	2	3	
26	15	14	11	33	24	27	35	(96)	(140)	(200)	(173)
76	84	100	86	77	85	107	115	(29)	(18)	(38)	(28)

Earnings per Share by Quarter
dollars



Principal Operations

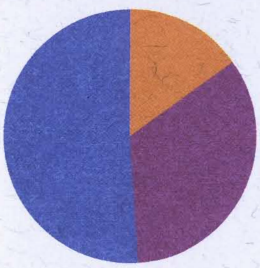
Weston Foods



Sales in millions
- Baking $1041
- Chocolate, Dairy and Specialties $500

	Assets *in millions*	Operating Companies	Employees
Baking	$523	Weston Bakeries Ready Bake Stroehmann Bakeries Interbake	10,200
Chocolate, Dairy and Specialties	$182	Neilson/Cadbury Neilson Dairy Bowes Chocolate Products Rose & LaFlamme Watt & Scott	2,000

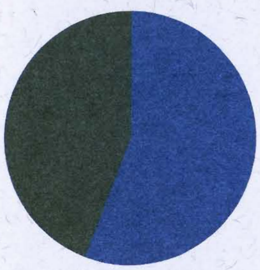
Loblaw Companies



Sales in millions
- United States $1299
- Western Canada $2908
- Eastern Canada $4326

	Sales *in millions*		
Eastern Canada	Retail $2,552 Wholesale $1,774	Loblaws Supermarkets Zehrmart Atlantic Wholesalers National Grocers Fortino's Supermarket	17,000
Western Canada	Retail $1,548 Wholesale $1,360	Kelly, Douglas Westfair Foods	15,000
United States	Retail $1,280 Wholesale $19	National Tea	15,000

Weston Resources



Sales in millions
- Fisheries $547
- Forest Products $428

	Assets *in millions*		
Forest Products	$426	E.B. Eddy Forest Products E.B. Eddy Paper	2,700
Fisheries	$373	British Columbia Packers Nelbro Packing Connors Bros. Port Clyde Foods Connors Seafoods Heritage Salmon Connors Aquaculture	1,700

Weston Research Centre

	Diversified Research Laboratories	100

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; and Baltimore, Maryland	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'Italiano, New York Rye, Ms. Desserts* Sweet biscuits, crackers, ice cream wafers: *FFV Famous Foods of Virginia, 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, cereal 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, G·R·E·E·N, 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, G·R·E·E·N, 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*
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; Anacortes, Washington **Other:** Aberdeen, Scotland and Solomon Islands	Variety of canned, fresh, frozen and processed fish including salmon, tuna, groundfish, herring, sardines, clams, oysters, mussels 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.

Directory

Directors

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

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

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

R. Donald Fullerton
Chairman and Chief Executive Officer of the CIBC group of Companies. B.A. University of Toronto, Director Amoco Canada Petroleum, IBM Canada, T.C.C. Beverages, Wellesley Hospital.

Mark Hoffman
Chief Executive, Hamilton Lunn Limited, Chairman IFM Trading and Cambridge Capital Group Limited. MBA, BA Harvard, and MA Cambridge, Director Millipore Corporation & Advent International Corporation. President Harvard Club of London and Director at Large Harvard Alumni Association.

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

Hugo Mann [3]
International Retail Consultant, Former Managing Director Deutscher Supermarkt, Member Order of Germany, Goldener Zuckerhut Award 1982 (German Food Industry Business Man of the Year), Director George Weston Holdings (U.K.).

Gerald B. Mitchell [2]
Former Chairman and Chief Executive Officer, Dana Corporation. LLD (Hon.) Bowling Green State, Tri-State and Brock Universities. Business degree University of Western Ontario. Director Michigan National, Worthington Industries, Colonial Companies Inc. and West Point-Pepperell Inc.

Dr. Robert I. Mitchell [2,3]
Medical Consultant, formerly Associate Professor University of Toronto. MD University of Sydney. Fellow The Royal Colleges of Surgeons of Canada, Australia and England. Director Eye Research Institute of Canada and the Wellesley Hospital.

The Honourable Pauline M. McGibbon CC
Former Lieutenant Governor, Province 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
Retired 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 and Director Loblaw Companies, LLM Harvard and LLB University of British Columbia, Honours BA Business Administration University of Western Ontario.

Earl R. Pearce
President, Weston Resources Limited, Chairman Weston Research Centre and British Columbia Packers, Chartered Accountant, Director Eddy Paper, Connors Bros., British Columbia Packers.

S. Simon Reisman OC [3]
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, MA London School of Economics, and BA McGill University. Public Service Award of Canada, Officer Order of Canada.

John D. Stevenson QC [1,2]
Partner, Smith, Lyons, Torrance, Stevenson & Mayer, BA, LLB, University of Toronto, Director Hayes Dana, Holt Renfrew, Canada Trust, Honourary Counsel Canadian Educational Standards Institute.

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

[1]Executive Committee
[2]Pension Committees
[3]Audit Committee

Operating Groups

Weston Foods Ltd.

D. R. Beatty
President

J. D. Fisher
Executive Vice President

R. S. Barnes
Senior Vice President, Finance and Administration

R. D. Carman
Senior Vice President, Training and Development

Weston Bakeries
C. E. Scott
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
F. S. Brophy
Chairman

Loblaw Companies Limited

R. J. Currie
President

Atlantic Wholesalers
A. F. Rose
President

National Grocers/ Loblaws Supermarkets
D. M. Williams
President

National Tea
H. A. Seitz
President

Zehrmart
G. J. Heimpel
President

IPCF Properties
S. B. Swartzman
President

Fortino's Supermarket
J. Fortino
President

Loblaw International Merchants
D. A. Nichol
President

Intersave
B. Y. Davidson
Chairman

D. N. Lunau
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.

The Pension Committees advise the Board of Directors with respect to funding, administrative and policy matters relating to the Company's pension plans and funds.

Shareholders' Information

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.

Imagine
George Weston Limited, a sponsor of "Imagine", is committed to assisting efforts to improve the quality of life in the communities it serves.
"Imagine" represents an association of companies who are leaders in charitable donations and which conducts a national awareness campaign designed to encourage the increase in contributions to charitable and non-profit organizations.

A Caring Company
IMAGINE

The following are some of the organizations which have been recipients of major donations in 1991.

YWCA Halifax
Halifax, Nova Scotia

Acadia University
Wolfville, Nova Scotia

McGill University
Montreal, Quebec

University of Guelph
Guelph, Ontario

Kingston General Hospital
Kingston, Ontario

Sudbury Memorial Hospital
Sudbury, Ontario

Hospital for Sick Children
Toronto, Ontario

Mount Sinai Hospital
Toronto, Ontario

Saskatchewan Science Centre
Regina, Saskatchewan

University of Lethbridge
Lethbridge, Alberta

Trinity Western University
Langley, British Columbia

Head Office
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7
(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, 574, 343

Average Daily Trading Volume TSE
12,500

Number of Shareholders
5,000

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

Preferred Shares: March 1, June 1, September 1, December 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
Tuesday, May 5, 1992 at 11:00 a.m.
Four Seasons Hotel Yorkville
Regency Ballroom
Toronto, Ontario

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

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 71 percent-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
Suite 1500,
22 St. Clair Avenue East,
Toronto, Ontario M4T 2S8.

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CROUTONS
LÉGÈREMENT
LIGHTLY
SOMETHING CAN BE DONE!!
'N RYE
CRACKERS
200 g
CHILI
CHOLESTEROL-FREE
LOW IN SATURATED FATS
UNDER 350 CALORIES
NO MSG ADDED
350g
SUITABLE FOR VEGETARIAN DIETS
MEMORIES OF JAIPUR
350 mL
FINE GRIND
freshly roasted
IDEAL FOR
AUTOMATIC DRIP
UNDER 250 CALORIES
MOINS DE 250 CALORIES
'BON AU POSSIBLE!'
CLOVER LEAF
SANS ARÊTES
SANS PEAU
SAUMON SOCKEYE EN MORCEAUX
ONLY 40 CALORIES PER SLICE
NET WT. 24 OZ. (1 LB. 8 OZ.) 680g
Stroehmann
Whole White
Light

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

(416) 922-2500