George Weston

Weston

George Weston Limited Annual Report • 1990 •

George Weston Limited,
a broadly based Canadian company, conducts food processing, food distribution and resource operations in North America. With diverse business operations throughout Canada and the United States, Weston has a $3.7 billion investment in the North American economy. Weston, originally started in Toronto in 1882, now generates approximately 80% of sales in Canada and 20% in the United States and is committed to providing the best quality, service and value to its customers.

1990 Highlights:

- Earnings per share down 16% to $2.52.
- Economic downturn lessens demand for non-food products.
- Food retailing had record earnings.
- Capital investment of $340 million including Montreal state of the art bakery.
- Financial position solid with debt to equity at .6 to 1.

Chairman's Message

1990 was a year of important achievement for our Company. A great deal of good work took place and Loblaw Companies had record earnings. Regrettably, after a number of excellent years, Weston Resources was hit hard by the recession and George Weston earnings were down 16% to $2.52 per share, the first decrease in earnings since 1982.

Sales in 1990 were up 4% to $10.9 billion. Loblaw Companies' sales increase of 6%, more than offset the Forest Products division sales decrease. Loblaw's operating income increased $22 million to $212 million, an increase of 12% over 1989, a result of real volume growth and good cost control. Declines however, were $53 million in Weston Resources and $7 million in Weston Foods. In this Annual Report you will note an emphasis on productivity through Continuous Improvement at Weston Foods, better value to Loblaw Companies' customers through everyday low pricing and the use of high quality corporate brands, and in Weston Resources, a determination to be the low cost producer in specialty markets.

Given the diversity of the Group of Companies within George Weston Limited, there were as usual opportunities for acquisition and divestment all of which have been discussed in the divisional reports. In North America's current economic climate, with seriously weakening markets in a number of areas, it is comforting to note the increasing strength of our Company's balance sheet and its positive cash flow. There will be good acquisition opportunities ahead for us and our particular management teams are well positioned to assess and take action where appropriate.

Although inflation is presently under control the upward pressure on costs is high in relation to sales price changes. Loblaw Companies remains on an improving profit trend but Weston Resources' results are forecasted to be dramatically lower in the first half of 1991. Weston Foods cannot expect much profit improvement in an environment of weakened consumer spending. Overall, therefore, 1991 earnings are unlikely to reach 1990 levels. Just as our strong position in the food business gives us durability in tough economic times, our position in the fish and forest products industries gives us the upside opportunity when the cycle comes round again. In the longer term, therefore, we are confident of much improved earning levels.

It is with great sadness that I report the passing of John Scarth. For 18 years as Chief Executive Officer of our E.B. Eddy division, and a main Board Director, John was an important contributor to this Company. He will be greatly missed.

Once again, I would like to thank customers, employees, shareholders, and all with whom we do business for their continued support which is especially appreciated during these difficult economic times.

W. Galen Weston

Chairman and President

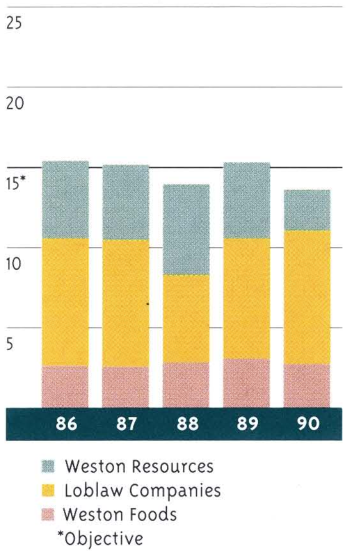
Country Harvest
AN EXCEPTIONAL PRODUCT CHOSEN AS OUR
President's Choice
EXTRA VIRGIN
Best before Meilleur avant
Neilson
2% B.F. partly skimmed milk
Neilson
fresh
partly skimmed
spanish-style
instant rice mix
spanish style
to most dishes
easy to prepare!
A VERY HIGH SOURCE OF DIETARY FIBRE
ONLY 11.4% OF THE CALORIES IN THESE CRACKERS ARE DERIVED FROM FAT
SOMETHING CAN BE DONE!!
President's Choice
G·R·E·E·N
ALTERNATIVE PRODUCTS/PRODUITS ALTERNATIFS
HIGH-FIBRE
BRUNSWICK
CANADIAN SARDINES CANADIENNES
IN SPRING WATER
NET WT 3.53 oz 100 g
POIDS NET
President's Choice
SPICY THAI
DRESSING
350 mL
CLOVER LEAF
Chunk Light Tuna
DANONE
Strawberry Bottom yogurt
Yogurt fond de fraises
DANONE
Strawberry Bottom yogurt
Cadbury's
FRUIT & NUT
CHOCOLAT AU LAIT PUR, RAISINS SECS ET AMANDES
100 g

Financial Highlights

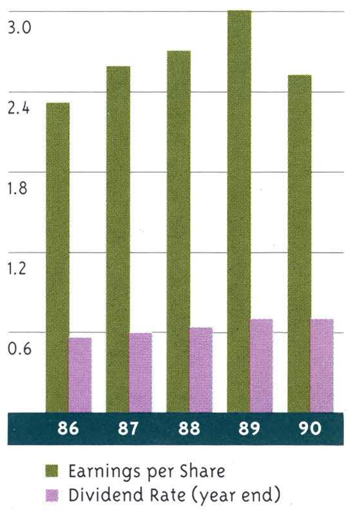
In millions of dollars		1990	1989	1988	Percent Change 1990/89
Sales and earnings	Sales	**$10,856**	$10,459	$10,831	4%
	Operating income	**346**	384	348	(10)
	Interest expense	**103**	114	104	(10)
	Earnings before extraordinary items	**125**	150	137	(17)
	Extraordinary items		37	53	
	Net earnings	**125**	187	190	(33)
Per common share *In dollars*	Earnings before extraordinary items	**2.52**	3.00	2.70	(16)
	Extraordinary items		.81	1.15	
	Net earnings	**2.52**	3.81	3.85	(34)
	Year end dividend rate	**0.70**	0.70	0.64	
Cash flow	Cash flow from operations	**356**	368	349	(3)
	Capital expenditures	**322**	341	325	(6)
	Acquisition of subsidiary companies	**21**	74	77	
	Disposition of subsidiary companies		122	258	
Financial position	Long term debt	**724**	672	663	8
	Shareholders' equity	**1,278**	1,191	1,132	7
	Total assets	**3,707**	3,551	3,476	4
Ratios and returns	Return on capital employed	**14%**	15%	14%	
	Return on common equity	**10%**	14%	14%	
	Debt to equity ratio	**.63 to 1**	.68 to 1	.77 to 1	
	Earnings per share growth	**(16)%**	11%	5%	

Market Value per Share
dollars

Return on Capital Employed
Group Contribution percent

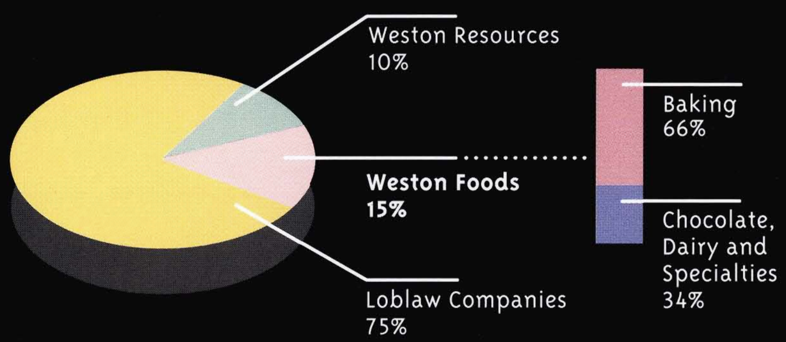


Earnings per Share and Dividend Rate dollars



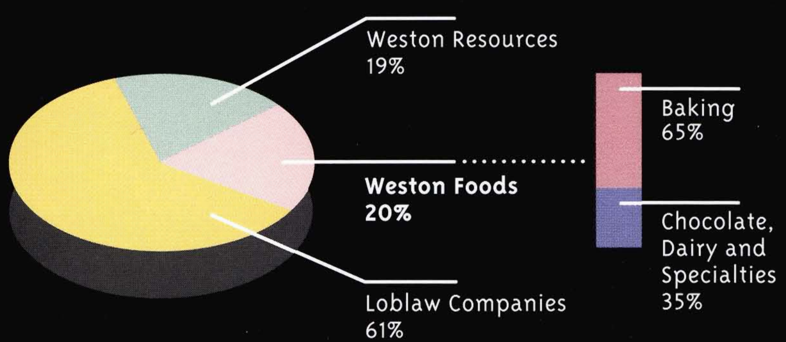
For Weston Foods, 1990 was a year of planning for the future while coping with deteriorating market conditions and increasing competition.
Operating income of $68 million declined nine percent from 1989, due principally to results in the United States.
A total of $85 million was invested in 1990 to lower product costs and to improve product consistency.
Construction of the new Montreal bakery was completed with startup scheduled for early 1991. Return on capital employed declined to 13 percent from 15 percent in 1989.

Weston Foods Sales by Segment



- Interbake generates expected returns from General Biscuit acquisition in 1989.
- Confectionery enjoys a record year of earnings and maintains its number one market position.
- Dairy division has record year and positions itself for future by disposing of Ice Cream assets.
- Environmental program yields substantial progress.

Weston Foods Operating Income by Segment



The Year in Review

Weston Foods' sales of $1,633 million were two percent ahead of 1989, reflecting general softness in the economy due to high interest rates and the recession. Operating income of core businesses was even with 1989. Reported results of $68 million, down nine percent from 1989, included the loss on a non performing investment in a U.S. company.

The food industry in 1990 was characterized by increasing competition and upward pressure on costs. Trade discounting reached unprecedented levels in the confectionery market and continued at high levels in ice cream and yogurt products. In Stroehmann's New York state markets, the tight economy not only caused a shift from branded to private label bread products, it led to sizeable declines in private label pricing. Workers' compensation and health care costs continued to rise at an alarming rate throughout the U.S. In addition to rising costs, sales were soft in many of Weston Foods' markets.

Global trading arrangements continue to drive structural change in Weston Foods' operations. For example, the Free Trade Agreement between Canada and the United States will almost certainly result in the opening of the border for flour and probably wheat by mid 1991. In anticipation of this, the Canadian Wheat Board recently began pricing wheat to Canadian millers at a daily price based upon the Minneapolis Future Exchange. A fully open border will allow flour from millers in the United States to enter Canada. On the other hand, trade is still restricted in other areas. American sugar quotas regulating the southward flow of sugar are still intact and both countries are still restricting trade in fresh dairy products. The failure of all nations to reform GATT rules this year will likely bring yogurt and ice cream into the headlines in 1991.

Weston Foods' response to competitive pressures and global restructuring has been a strengthened commitment to Continuous Improvement to improve all processes, reduce waste and better meet our customers' needs. Every company in the group has adopted this way of life and concrete results are beginning to show. For example, Continuous Improvement initiatives resulted in Neilson Cadbury reducing its solid waste to landfill by 57 percent in 1990, a benefit both to its own costs and to the environment.

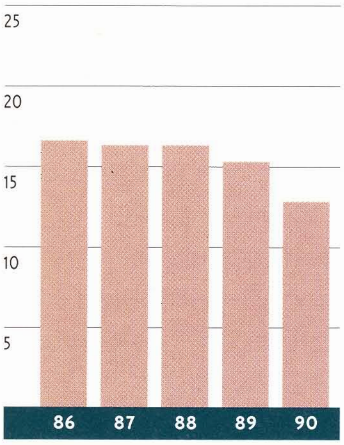
The environment continued to be an important priority for Weston Foods in 1990. Progress was made in the areas of effluent limitations, solid waste reduction, spill procedures, hazardous waste management, air emission controls and pollution abatement. Each of the 41 plants in Weston Foods is committed to reducing its environmental 'footprint' in 1991. An environmental impact statement was presented to the Board of Directors in 1990 along with an action plan for 1991.

Operations

1990 was a year of distinct successes coupled with some setbacks, as companies continued to grow and evolve. During 1990 three plants were closed, four companies were combined into two and two business segments were sold. In addition to these cost containment and portfolio pruning activities, Weston Foods continued to invest in the future.

Total capital spending in 1990 was $85 million. Construction on the new Montreal bakery was almost completed during the year. Full commercial production will begin early in 1991. Other capital investments were made to increase efficiencies and improve product consistency. Intensive management of working capital helped capital employed to decrease by three percent. Average return on capital employed slipped from 15 to 13 percent. The Montreal bakery investment accounted for half of the decline.

Weston Foods
Return on Capital Employed
percent



Baking

In the Baking segment, both Interbake Foods and Weston Bakeries operations improved, while Stroehmann Bakeries had a difficult year. As a result, sales for the segment were just above 1989 and operating income was down eight percent.

Weston Bakeries' volume increased slightly, with the largest gain registered in Western Canada. Higher operating income in Western Canada and Ontario was offset somewhat by the absorption of costs related to the old and new Montreal bakeries.

At Interbake Foods, the benefits of the General Biscuit acquisition were realized in 1990. The company completed a successful sales campaign for Girl Scout Cookies and now supplies 45 percent of the market. Interbake strengthened its market leading position in the ice cream sandwich market and introduced several exciting new products to its FFV line, under licence from the National Football League.

Ready Bake Foods, until 1991 a division of Weston Bakeries but now an independent operating company, continued its growth in 1990, strengthening its leading position in the Canadian frozen dough market. Continued emphasis on quality products supported by technical and distribution service will help it continue to expand its market share.

Stroehmann Bakeries had an extremely difficult year as it absorbed the costs and disruptions of closing the Williamsport bread and East Hartford bakeries. The benefit in overhead reduction will be realized in 1991 after absorbing closure costs in 1990. Competition intensified in all markets and margins were squeezed due to the increased consumption of private label products at the expense of branded products. The Taystee Baking operation continued to struggle in 1990. Very heavy competition in the New York market was compounded by high operating costs in the bakery. Extensive management effort, focussed on regaining market position and cost efficiency, began to produce positive results in the final quarter of 1990.

New York is a large and important bread market and the company intends to build a powerful position there.

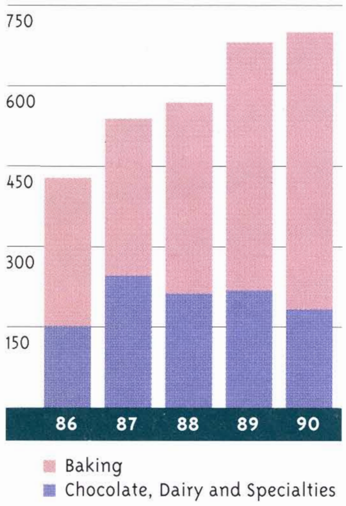
Both Soo Line Mills and McCarthy Milling, the two flour milling companies, continued their strong performance in 1990.

Chocolate, Dairy and Specialties

The Neilson/Cadbury Confectionery business and Neilson Dairy had strong 1990 results while the Bowes Group of companies consolidated its domestic businesses and sold its American business. Segment sales increased by two percent on the strength of Neilson Dairy gains, while operating income was down eleven percent.

Neilson/Cadbury Confectionery maintained its number one position in the market. "Crispy Crunch" maintained its number one position in the regular bar category, and "Caramilk" remained the number one overall brand in the chocolate confectionery market. In 1991 the company intends to further strengthen its market position and redouble its efforts to support its brands.

Weston Foods
Total Assets by Division
$ millions



Neilson Dairy had a record year in 1990. The volume increase was the largest in recent history and operating income also improved. Neilson Dairy introduced 1% milk to the Ontario market. Danone introduced two new products during the year, its "Fresh Flavours" and "Frozen Yogurt", both of which enjoyed success. Neilson Dairy sold its ice cream brands and assets in 1990 to Ault Foods. Both Neilson Cadbury and Neilson Dairy will benefit from focussing on the confectionery and fresh dairy businesses where they have considerable strength.

The Food Specialties business experienced a sales decline from 1989, as a result of the slow economy and increasing competition. In order to cope with this and better position itself for the future, two mergers took place. Watt & Scott and McNair combined into one operating entity, and the McNair land and building were sold. In addition, Bowes and Chocolate Products were unified. The benefits from these consolidations will be realized in 1991. In the United States, the Instant Products of America business was sold.

Outlook

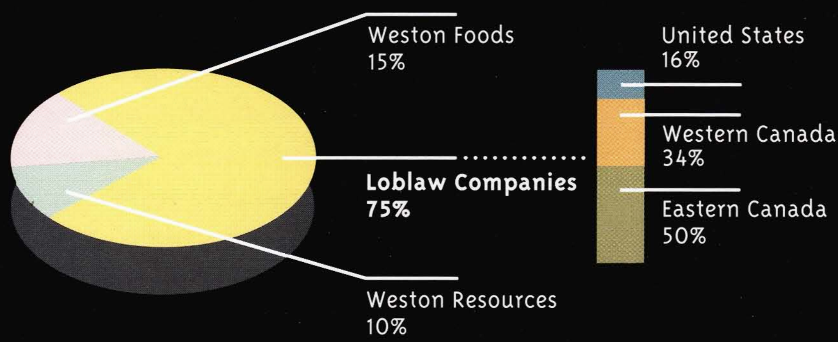
During 1991, capital spending will decline from the 1990 level and core operations are expected to improve. Weston Foods will continue to focus its attention on either striving for or maintaining a number one position in each of the markets it serves. Continuous Improvement will become the way the people of Weston Foods think, talk, work and act.

David R. Beatty

President, Weston Foods Ltd.

For Loblaw Companies, 1990 was a year of steady improvement with operating income increasing 12 percent to $212 million. The increase in operating income was as a result of cost reductions in Eastern Canada, volume growth in Western Canada and increased gross margin in the United States. In the last two years, Loblaw increased gross retail square footage eight percent including seven combination stores in Western Canada. Controlled label products have proven to be successful. Return on capital employed improved to 16 percent from 14 percent in 1989.

Loblaw Companies Sales by Segment



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Operating income increases in all segments of the business.

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There are currently over 2,600 "no name", "President's Choice" and "G•R•E•E•N" controlled label products.

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18 Real Canadian Superstores operate in Western Canada.

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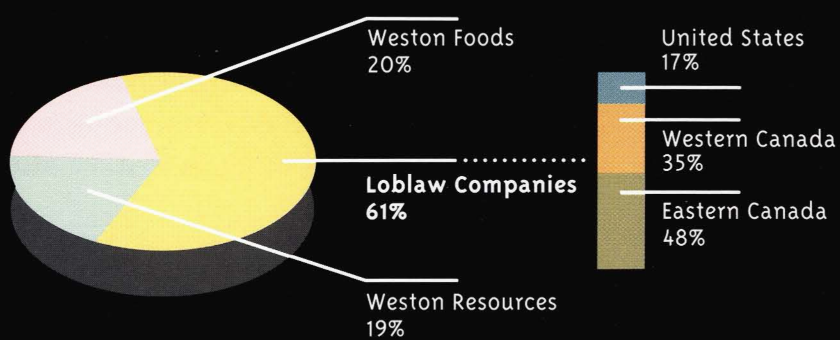
Loblaw Companies Operating Income by Segment



Loblaw Companies improved its results and strengths in all regions in 1990. Operating income was $212 million, a new high. All three segments of Loblaw reported record operating income for 1990. The last two years' results demonstrate the effects of the capital investment and acquisition program of the mid to late 1980's and the change in the asset base of the Loblaw Group.

During the five year period ending in 1988, Loblaw invested over a billion dollars in new fixed assets, principally stores and spent a further amount of almost $200 million in several focused acquisitions. The debt equity ratio climbed and interest coverage fell. Earnings growth slowed and actually declined in 1988 as the business was rationalized in New Orleans and the combination stores in Eastern Canada were repositioned.

In spite of these financial and operating pressures, the business made major entries into the Calgary and Vancouver markets beginning in late 1988 and continuing through 1989 and into 1990. In addition, during the past two years much effort has been focused on improving productivity and controlling costs on the new asset base. Both the major capital expansion and subsequent efforts to ensure productivity have been well timed and give the company strength and stability in the current recessionary period.

Sales of $8.4 billion in 1990 increased $.5 billion over 1989. This six percent increase was split between Eastern Canada and Western Canada. The increase in Eastern Canada was as a result of new corporate stores and new franchise stores. In Western Canada, new superstores were the major contributor.

The strategic investment program has resulted in positive cash flow from operations the past two years. These cash flows have effectively provided Loblaw with sources of merchandising strength and are substantially in excess of the current capital investment needs of its business.

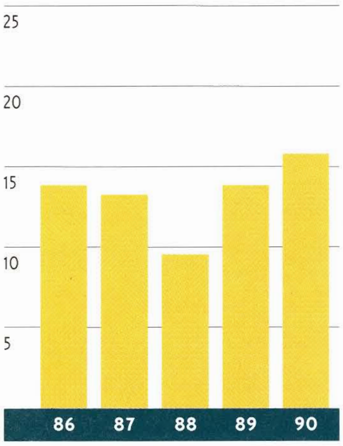
Eastern Canadian Operations

In Eastern Canada, the store acquisition program and the downsizing of SuperCentres has allowed Loblaws Supermarkets, Zehrmart and Fortino's to provide more variety and selection for their customers in ultimately more efficient facilities. At the same time, National Grocers has acquired and built new stores for its franchised independent program while eliminating unproductive wholesale accounts and facilities.

Loblaws Supermarkets opened six new stores in 1990 representing 230,000 sq. ft. Four of these stores were in the greater Metro Toronto area, one was in Ottawa and one was a new market entry in Gatineau, Québec. Zehrmart opened two new stores for a total of 92,000 sq. ft. No new corporate stores were opened by Atlantic Wholesalers. However, as a result of aggressive franchising in Ontario under the "Fortino's" and "no frills" banners as well as some corporate store closures, total corporate store square footage in Eastern Canada actually declined slightly during the year. The total number of franchise stores operating under these names in Ontario increased from 28 stores at the end of last year to 39 at the end of the current year. A balance of good store format alternatives in both corporate and franchise programs continues to be a strength of the business in Eastern Canada.

In the Maritimes, Atlantic Wholesalers continues to experience the success of the Real Atlantic Superstores program in 1990. Also, to improve distribution, it closed a warehouse in Bathurst, New Brunswick and centralized produce and dairy warehousing in a newly acquired facility in Moncton, New Brunswick.

Loblaw Companies Return on Capital Employed
percent



Western Canadian Operations

In Western Canada, the opening of seven "Real Canadian Superstores," each of about 140,000 sq.ft., two in Calgary and five in the Vancouver area, from November, 1988 to November, 1990, with attendant support facilities, completes the first phase of the Western superstore program begun in 1979. The last two stores were opened in Vancouver and Surrey, British Columbia this year.

Western Canadian operations continued the momentum of earnings growth which has not slowed despite the recent openings of "Real Canadian Superstores." With the majority of these stores having had time to become established and with profit levels developing, the most risky stage of Western growth has passed.

The concentration will now be in smaller growth areas with this proven format. Although superstores have received more public attention, half the business in Western Canada is related to other activities, mainly franchised independents, where increased merchandising and productivity activities will take place.

U.S. Operations

National Tea in the U.S. had its best year to date. One new corporate store was opened during the year, with $5 million spent on remodelling activity. Three new stores are planned for 1991 which should provide even better application of the buying and cost management methods which proved so effective in achieving the improved performance.

1990 was the year where two earlier expansions in the U.S. were completely integrated. The first was the 1986 acquisition of the Kroger stores in St. Louis which increased the size of that business by 50 percent. The second was the construction of four superstores from 1984 to 1988 in the Louisiana market.

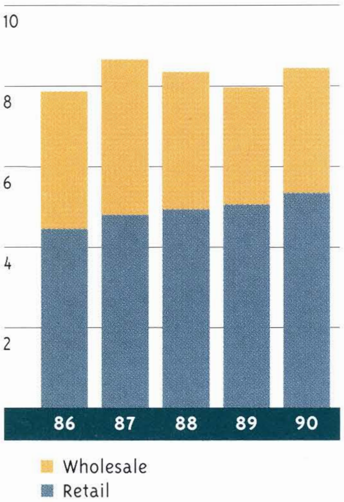
In New Orleans and elsewhere in Louisiana, the core of corporate stores that remain in the business after the restructuring which took place in 1988 increased in profitability. One new superstore is planned to open in New Orleans in 1991.

In St. Louis, although profit levels increased in 1990, actual tonnage moved was approximately the same as the previous year. At the same time, competitive square footage in this market has increased, resulting in some decline in National Tea's overall market share. National Tea is the second largest retailer in this market and is committed to maintaining a strong competitive position. Two new stores are planned in 1991.

With a period of major strategic investment behind it, Loblaw enters the future with a powerful asset base, both in stores and in distribution support, the full potential of which has not yet been realized. While continuing to reinvest at a level considered adequate to maintain its momentum in business growth, management has been focusing for the past two years on improving productivity from its existing assets. Many new stores have been built in recent years and there are many opportunities to improve sales, to improve mix and to reduce costs to make these assets even more productive.

Other areas present opportunities to control investment levels and thereby improve returns. One such area is the investment in inventory and receivables, net of payables and accrued liabilities, which continues to decline as a percentage of sales. Total assets employed in the business have increased only slightly for the past three years and capital employed has declined over the same period. A ratio which effectively expresses much of the progress which has been made in terms of overall improvement in productivity is return on capital employed, which has increased from 10 percent in 1988 to 16 percent in 1990.

Loblaw Companies Wholesale and Retail Sales
$ billions



Outlook

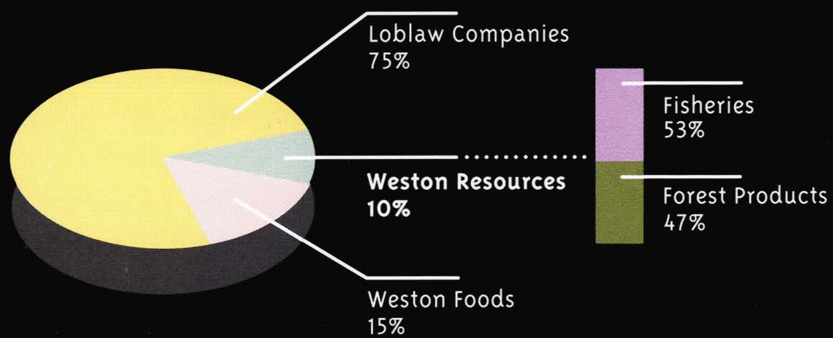
Looking to 1991, the forecasts for consumer spending and employment are grim for the markets in which Loblaw operates. Despite these economic projections, through continued cost efficiencies, unique corporate brands and a strong asset base and market position, Loblaw is expected to improve its record performance of 1990.

Richard J. Currie

President, Loblaw Companies Limited

Weston Resources 1990 results were in line with expectations due to weak markets in lumber, pulp, paper and salmon. These results are rewarding when compared to competitors, which justifies our emphasis on minimizing cyclicality through improved quality, specialized market niches and improved productivity resulting in lower costs. 1990 was a year of significant improvement in all these areas. Sales were lower at $1.12 billion and operating income fell 45 percent to $66 million compared to 1989's level of $119 million. Return on capital employed declined to 10 percent from 18 percent in the prior year.

Weston Resources Sales by Segment



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"Clover Leaf" and "Brunswick" brands maintain leading market shares in Canada.

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Fisheries division acquired a tuna fishing operation in the Solomon Islands and an Atlantic salmon aquaculture operation in Maine.

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Connors' East Coast salmon aquaculture continues its fine performance.

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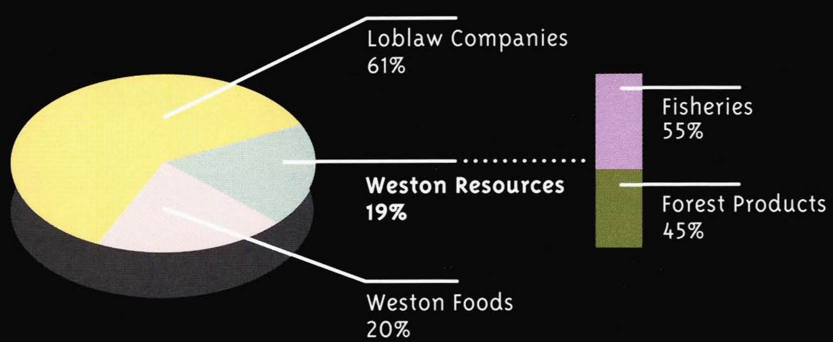
Weston Resources Operating Income by Segment



Weston Resources Limited. 1990 was expected to be difficult due to the slumping economy which was noticeable in the forest products sector towards the end of 1989. Prices tumbled especially in the second half of 1990. Record salmon runs on the West Coast led to sharply reduced margins in canned and frozen production. Operating income dropped by 45 percent to $66 million from $119 million in the prior year on sales of $1.12 billion. Return on capital employed, which is largely influenced by the Forest Products division, fell to 10 percent from 18 percent. In general, the results were disappointing although not unexpected in view of the recessionary environment.

Forest Products

Northern softwood pulp prices came under pressure in the last half of 1990 even in the face of downtime taken by pulp producers to keep inventory levels under control. The Swedish industry is now selling its production at cash costs and any further erosion in pricing will result in increased industry downtime. The results of Eddy's pulp division, which ended the year with an operating rate of 91 percent of capacity, represent the largest portion of Weston Resources' operating income decline.

The Canadian fine and specialty paper operations struggled during the course of the year as the difficult economic situation led to a cutback in orders and extremely competitive pricing as more paper machine time chased after the reduced order take. Due in part to downtime for a major paper machine rebuild at Espanola and new product development, operating rates on the Canadian paper machines were 85 percent. The Port Huron operation improved substantially over the prior year as a more profitable product line was developed and the #8 paper machine, which was rebuilt in 1989, continued to achieve a more profitable product mix. Order backlogs in the U.S. operation tended to be better for most of the year than its Canadian counterpart and resulted in capacity utilization of 96 percent.

Results in the lumber division were dismal due primarily to a sharp drop in North American housing starts and a general reduction in home renovation projects. Pricing has fallen to the point where many non integrated lumber producers have been forced to shut down.

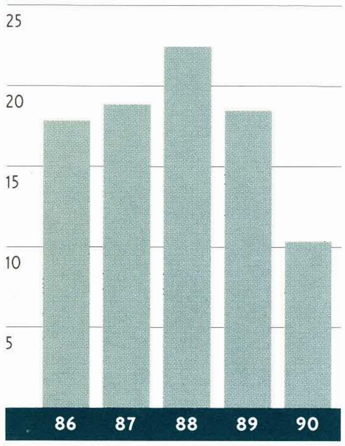
In keeping with the slower economy, Eddy curtailed some of its planned discretionary capital projects in 1990. It continues to concentrate on machine rebuilds and other quality improvements having made significant environmental improvements in previous years. Approximately 67 percent of Eddy's $51 million in capital expenditures were made in the interest of product improvement and line expansion including a major rebuild of its #3 paper machine at Espanola. The balance was applied to energy savings projects, environmental improvements and general mill spending. As a result of Eddy's head start on environmental spending, present plans call for environmental capital in the manageable range of $10 million over the next few years. Spending will be held in check in the first half of 1991 as the recession continues. It is anticipated that spending will return to normal levels early in 1992.

Fisheries

Sales increased by two percent in this division and operating income moved ahead of the prior year by 13 percent. A number of strategic management decisions contributed to this improvement together with continuing success in the salmon aquaculture operation on the East Coast and a return to profitability in the West Coast herring roe fishery.

At the end of 1989, Fisheries management took the decision to exit the groundfish business in British Columbia and closed a facility in Victoria. On the East Coast, Connors withdrew from the crab and groundfish fisheries in Shippegan, New Brunswick and the groundfish and herring roe fisheries at Clark's Harbour, Nova Scotia. It also closed an old sardine cannery on Campobello Island and moved production to other plants in the Bay of Fundy region.

Weston Resources
Return on Capital Employed
percent



For British Columbia Packers, near record back to back salmon runs in both Alaska and British Columbia in 1989 and 1990 precipitated substantially higher inventories than required to satisfy near term domestic and world market requirements. These conditions resulted in falling prices and unsatisfactory profitability in the second half of the year.

The herring roe fishery was more successful than in 1989 as quality improvement programmes resulted in an improved grade mix and fish prices reflected more appropriately the realities of the marketplace.

The fresh/frozen segment cut losses due to the decision not to compete in the groundfish market. It has room for improvement in its West Coast salmon aquaculture operations which have been hampered with low fish prices and the inability of the industry to competitively produce Pacific salmon. Low fish prices have been the result of supply outpacing demand and are expected to remain at these lower levels until supply and demand become more balanced.

B.C. Packers is committed to its aquaculture business. However, it will take a further worldwide shake-out of inefficient producers as well as production curtailments and a more buoyant economy to improve the current imbalance in the marketplace. B.C. Packers has the right mix in terms of integration and the ability to provide long term financial backing and is well positioned to succeed albeit at a slower pace than originally envisaged.

In July, B.C. Packers purchased a government owned tuna fishing company in the Solomon Islands. This strategic move provides the company access to a reliable source of dolphin-friendly quality tuna which will be marketed under its successful "Clover Leaf" brand in Canada and to quality conscious customers around the world.

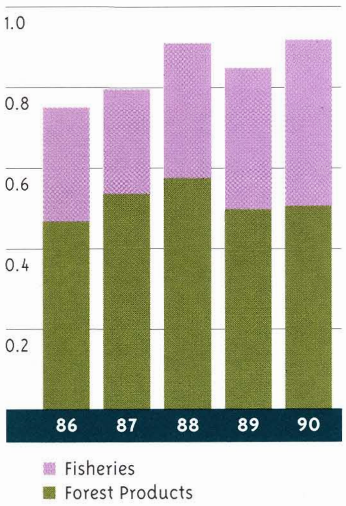
Connors Bros., after severing many of its ties with the groundfish business and concentrating on its core business of canned herring products and its rapidly maturing Atlantic salmon aquaculture business, continued to improve over the prior year. Frozen division losses were cut as it closed all but one of its plants.

Total industry sales volume of herring and sardine products in the U.S. market declined but the company, even with higher value of the Canadian dollar was able to increase its sales by six percent in dollars and seven percent in case volume. In 1991, it plans to launch a new packaging design for all canned markets more consistent with the 1990's and enhance its marketing promotions with emphasis on the "Connors Brunswick" and "Port Clyde" brands.

Connors acted on the opportunity to acquire a major undercapitalized salmon aquaculture operation in Eastport, Maine. This acquisition which cost approximately $15 million effectively quadrupled Connors capacity and provided a secure market for its feed production which has been a principal factor in the early success of the operation.

The Fisheries division made routine additions to its plant, fleet and aquaculture operations to improve productivity and provide for expansion. Spending patterns in 1991 are expected to be similar.

Weston Resources Total Assets by Division
$ billions



Outlook

1991 will be a very difficult year. The Forest Products division is presently faced with falling pulp prices, excess capacity and short backlogs in the fine paper segments and a depressed level of housing starts. Higher interest rates in Canada than in the U.S. create a competitive disadvantage not only from the financing standpoint but also in the resultant high cost of the Canadian dollar.

The high inventories of canned salmon will generate poor results due to pricing and margin pressures combined with inventory financing costs. The recession will also cause a drop in demand for fresh farmed salmon and result in depressed industry results.

Weston Resources believes that its operating managers have achieved a solid and sufficiently diverse asset and business mix. Through continued hard work they will be able to achieve a resiliency which will better enable their operations to withstand the normal cyclical downturns which are a feature of the resource based businesses in which they operate.

President, Weston Resources Limited

Weston Performance

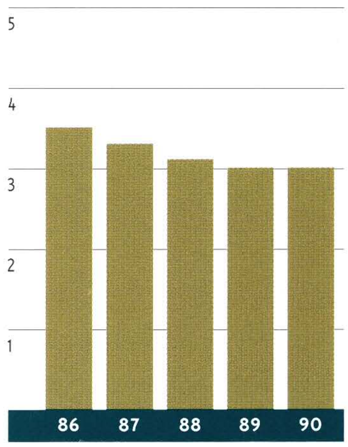
Return on common equity is an effective measure of a company's overall performance and changes in value. It is derived from three basic ratios.

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.

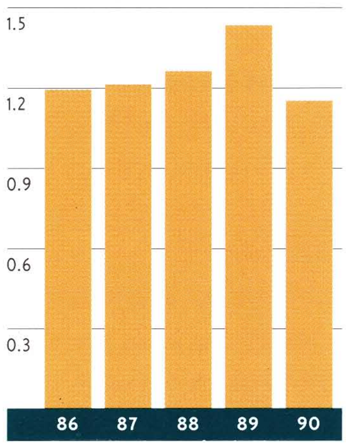
Equity Multiplier (total assets supported by common equity) reflects a company's ability to own income producing assets financed with external capital. However, the rewards to equity owners of a high multiplier must be tempered with the necessity of maintaining financial strength and flexibility.

Asset Turnover

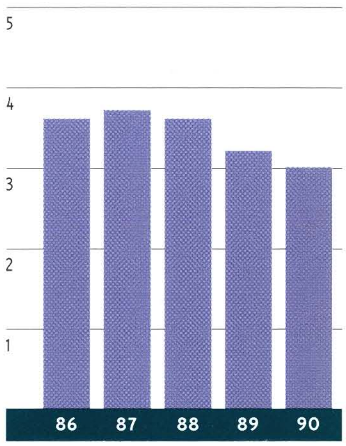


Return on Sales

percent

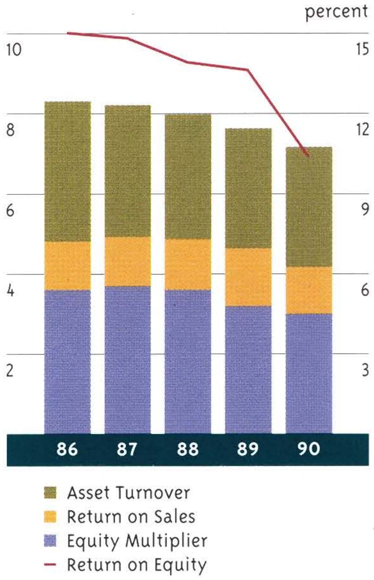


Equity Multiplier



Return on common equity is the product of multiplying these ratios. The Company did not meet its financial objectives in 1990 principally as a result of a 0.2 percent lower 1990 return on sales. Return on common equity has also been diluted by declining sales per fixed asset dollar invested, a reflection of capital expenditure programs at 13 percent of capital employed. To improve return on common equity Weston needs to see pulp and paper margin strengthen, improved asset turnover and good contribution from recent acquisitions and capital expenditures.

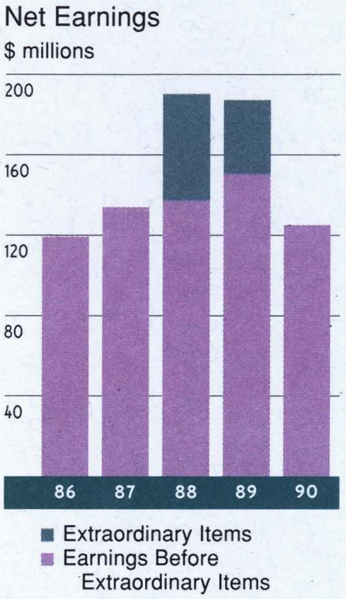
Return on Equity



Management Discussion and Analysis

Weston 1990 earnings were $125 million on sales of $10.9 billion.
Earnings per share were $2.52.
Operating income at $346 million was below 1989 as a result of
lower demand and sales with a corresponding
decline in margin in Weston Resources' Forest Products division.
Assets were renewed with $322 million in capital expenditures.
Balance sheet ratios improved
and total assets increased to $3.7 billion.

Weston 1990 sales of $10.9 billion were up four percent from 1989. Loblaw Companies provided most of the sales growth in 1990 from increased square footage, improved sales per unit, and modest food price inflation which was four percent in 1990. Loblaw Companies' 1990 sales benefitted from 29 new stores opened in 1989 and 1990. Weston Foods' 1990 sales increased two percent over 1989 as inflation was offset by a two percent volume decrease, mostly in the U.S. baking segment. Weston Resources' sales, after adjusting for 1989 dispositions, declined three percent reflecting flat Fisheries sales, lower pulp volume and lower forest products price realization, all as a result of falling demand.



In millions of dollars		Sales			Operating Income		
		1990	1989	1988	**1990**	1989	1988
Weston Foods	Baking	**$ 1,083**	$ 1,066	$ 941	**$ 44**	$ 48	$ 50
	Chocolate, Dairy and Specialties	**550**	539	527	**24**	27	19
		$ 1,633	$ 1,605	$ 1,468	**$ 68**	$ 75	$ 69
	*Margin**				**4.2%**	4.7%	4.7%
Loblaw Companies	Eastern Canadian	**$ 4,212**	$ 3,988	$ 3,704	**$102**	$ 89	$ 53
	Western Canadian	**2,892**	2,650	2,340	**74**	67	56
	United States	**1,313**	1,296	2,264	**36**	34	28
		$ 8,417	$ 7,934	$ 8,308	**$212**	$190	$137
	*Margin**				**2.5%**	2.4%	1.6%
Weston Resources	Fisheries	**$ 591**	$ 581	$ 573	**$ 36**	$ 32	$ 49
	Forest Products	**528**	634	788	**30**	87	93
		$ 1,119	$ 1,215	$ 1,361	**$ 66**	$119	$142
	*Margin**				**5.9%**	9.8%	10.4%
Inter Group		**(313)**	(295)	(306)			
Consolidated		**$10,856**	$10,459	$10,831	**$346**	$384	$348
	*Margin**				**3.2%**	3.7%	3.2%

**Margin is Operating Income/Sales*

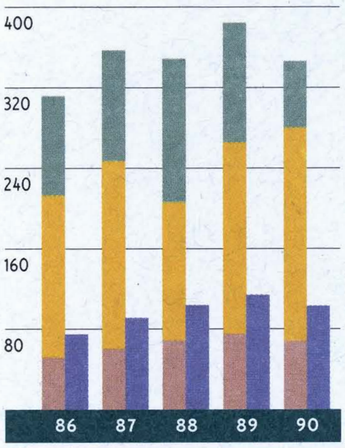
Operating income of $346 million was $38 million or 10 percent below 1989 and similar to 1988. The 3.2 percent margin was down because of reduced capacity utilization and price realization in Weston Resources' Forest Products division. The consolidated margin was similar to 1988 but different in composition as 1988 had higher margin in Weston Resources as a result of strong market demand and low margin in Loblaw Companies.

Weston Foods' margin declined in 1990 because of a decrease in operating income contribution from the United States including a loss on the sale of a U.S. ancillary business and Stroehmann Bakeries' high costs and heavy competition in New York. Weston Foods' major risks to operating income in 1991 are considered to be the timing of realizing cost efficiencies from the new Montréal bakery and improvements at Stroehmann.

Loblaw Companies' increased 1990 margin was achieved by a combination of volume growth, gross margin improvement and cost reduction. The major factors in Eastern Canada were cost reductions, in Western Canada, growth in combination store volume and in the United States, increased gross margin. In the last two years, Loblaw increased gross retail square footage eight percent including seven combination stores in Western Canada. Further improvement in operating income is expected in 1991, in spite of the recessionary economic conditions projected. The accounting for G.S.T. versus the prior federal sales tax is estimated to reduce Loblaw reported 1991 dollar sales by one to two percent, but have no material effect on net earnings.

Weston Resources' 1990 margin decline reflects the economic downturn and its effect on sales volume and pricing particularly in the Forest Products division. The 1990 $4 million increase in operating income in the Fisheries division was due to improved results from herring roe on the West Coast and aquaculture on the East Coast, largely offset by lower salmon margin due to high industry inventories. Weston Resources' 1991 results are expected to be below 1990 assuming the 1990 margin squeeze in Forest Products and salmon continues through 1991. The major risks to the operating results of Weston Resources are the recession and a rising Canadian dollar in U.S. terms which at current rates, reduces margin by $2 to $3 million for each one cent change.

Operating Income and Interest Expense $ millions



- Weston Resources
- Loblaw Companies
- Weston Foods
- Interest Expense

Interest expense at $103 million in 1990 was $11 million below 1989 and at the 1988 level. The Company's focus on control of working capital contributed to lower borrowing levels. Average cost of borrowed funds was 11.8 percent in 1990, 11.6 percent in 1989 and 10.6 percent in 1988.

Earnings before minority interest declined 10 percent in 1990 and combined with the 32 percent increase in minority interest resulted in a 16 percent decline in earnings per share. Minority interest in Loblaw Companies' earnings increased in the last two years because of Loblaw's earnings growth and increased preferred share dividends.

By quarter, year over year operating income and earnings per share declined through 1990 reflecting the counter trends of Loblaw Companies profit growth and Weston Resources Forest Products division's declining margin. The economy moved into a recession by mid 1990 resulting in lower earnings than anticipated.

Earnings per share at $2.52 were 16 percent below 1989 and seven percent below $2.70 in 1988 due to the factors affecting operating income, interest expense and minority interest described previously.

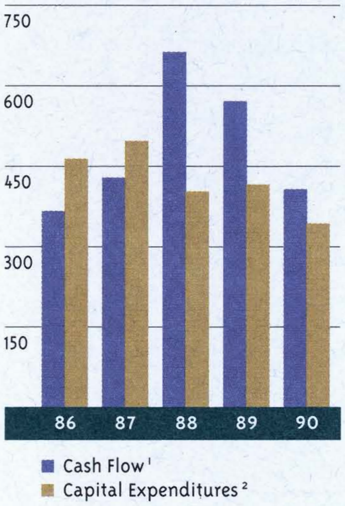
Weston's dividend policy is to pay out 25 to 30 percent of prior year normalized earnings, giving consideration to cash flow requirements and investment opportunities. The dividend rate was not increased in 1991 because of the earnings decline. The 1991 annual dividend rate of 70 cents per share represents a payout of 28 percent of 1990 earnings.

Financial Condition

Non cash operating working capital, consisting principally of inventories and accounts receivable offset by accounts payable, decreased to $231 million from $265 million in 1989 and $354 million in 1988. This trend continues the long term objective of operating the business with low working capital to minimize interest and warehouse costs. The 1990 and 1988 cash and short term investments at year end were $30 to $40 million higher than 1989, a more typical year. In 1990, cash was received immediately prior to year end on the sale of the Neilson ice cream business and in 1988 cash had been set aside for a business acquisition closing the first day of the following year.

During 1990, $322 million was invested in fixed assets, similar to the prior two years. Weston Foods completed construction of the $50 million Montreal bakery with start up early in 1991. Approximately half of Loblaw's expenditures were for new stores opened in 1990 or opening in 1991. Weston Resources slowed its pace of discretionary capital projects responding to reduced opportunities in a soft market. The Fisheries division spent $21 million on acquisitions to expand its aquaculture division and improve its supply of dolphin-friendly tuna. The amount and mix of capital expenditures for 1991 are expected to be similar to 1990. Three-quarters of the planned spending is currently uncommitted and could be increased or decreased as a consequence of future economic conditions. The Company conducts ongoing reviews of environmental exposure and at this time is not aware of any required major capital expenditures to address environmental concerns.

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

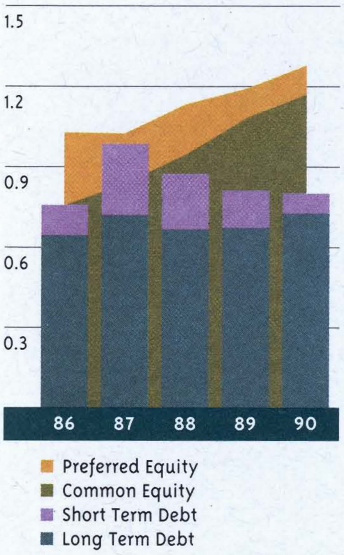
Cash flow from operations in 1990 was $356 million compared to $368 million and $349 million in the previous two years. The combination of cash flow from operations and dispositions exceeded capital expenditures by $63 million in 1990. This followed two years with large positive cash flows of $155 million and $260 million which benefitted from disposals of operating divisions. The Company is well positioned to finance the 1991 $350 million capital expenditure program and other cash requirements without additional long term debt. Additional debt capacity could be tapped should attractive acquisition opportunities be considered.

During 1990, long term debt increased $52 million. This was the net result of $150 million 40 year 12.7 percent notes issued, a $50 million two year floating rate term credit cancelled, Loblaw Companies repaying a maturing $35 million debenture issue and normal maturities. The 40 year term on long term debt was a unique opportunity to secure long term funds on favourable terms. Average term to maturity increased to 15 years from 9 years at the end of 1989 and fixed rate debt at year end averaged 11.7 percent compared to 11.4 percent in 1989 and 10.9 percent in 1988.

Capital Resources and Liquidity

Weston's management of its financial resources, capital expenditure program and interest costs reflects its desire to maintain a flexible capital structure so as to achieve stable and targeted shareholder returns from an expanding business. The debt to equity ratio, which Weston considers to be an important credit indicator, improved at year end 1990 to .6:1 from .7:1 and .8:1 in the previous two years. Interest coverage at a satisfactory 3.4 times was similar to 1989 and 1988. At year end, both fixed rate and long term debt to total debt was higher than the 70 to 80 percent range Weston has maintained over the last three years. The level of fixed interest rate debt is managed by using financial instruments that provide future fixing at determined interest rate levels while the level of long term debt is managed by issuing public or private long term debt when markets are attractive. Weston can access the capital markets rapidly because of its ability to issue a Prompt Offering Prospectus with A high/A+ long term debt ratings.

Capital Structure
$ billions



Liquidity continues to be more than what is required to finance operations. The stable nature of operations and strong cash flow permit the Company to achieve a low working capital ratio. Available bank operating lines of credit for the last three years have been in excess of $1 billion and adequately provide for seasonal needs. Weston's short term commercial paper has been rated R-1 low/A-1+ since 1987. 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 is an important indicator of financial strength and flexibility. Over the last five years these cash flow components have exceeded the investments by $310 million.

Weston's long term financial policies are: to 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. With current debt these targets will be achieved in 1991 as they have been in each of the last three years. At year end, $135 million or approximately 20 percent of the long term debt was effectively hedged back to floating interest rates and the foreign currency risk on both the principal and interest on the $80 million Australian dollar note was hedged.

Outlook

1991 will be a challenging year and in total, Weston earnings are unlikely to match 1990. Earnings are at risk to the North American economy moderated by diverse product lines and geography. Weston Resources' expected lower operating results are sensitive to total economic demand and are at risk to a strong Canadian dollar against the U.S. dollar. Weston Foods' product mix will be affected by the slow economy but core operations are expected to improve. Loblaw is expected to achieve cost efficiencies and improve earnings over 1990. The balance provided by the distinct and different industries represented in our group of companies, position us positively for the long term.

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 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

Auditors' Report

To the Shareholders of George Weston Limited

We have audited the consolidated balance sheets of George Weston Limited as at December 31, 1990 and 1989 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, 1990 and 1989 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 5, 1991

Consolidated Statement of Earnings

Year ended December 31, 1990

In millions of dollars		**1990**	1989	1988
Sales		**$10,856**	$10,459	$10,831
Operating expenses	Cost of sales, selling and administrative expenses	**10,308**	9,884	10,280
	Depreciation of fixed assets	**202**	191	182
	Costs of downsizing and remerchandising combination stores in Eastern Canada			21
		10,510	10,075	10,483
Operating income		**346**	384	348
	Interest on long term debt	**80**	72	78
	Other interest expense	**23**	42	26
		103	114	104
	Earnings before income taxes	**243**	270	244
	Income taxes	**85**	95	86
	Earnings before minority interest	**158**	175	158
	Minority interest	**33**	25	21
Earnings before extraordinary items		**125**	150	137
	Extraordinary items		37	53
Net earnings for the year		**$ 125**	$ 187	$ 190
Per common share *In dollars*	Earnings before extraordinary items	**$ 2.52**	$ 3.00	$ 2.70
	Extraordinary items		.81	1.15
	Net earnings for the year	**$ 2.52**	$ 3.81	$ 3.85

Consolidated Statement of Retained Earnings

Year ended December 31, 1990

In millions of dollars		**1990**	1989	1988
Retained earnings at beginning of year		**$ 1,082**	$ 936	$ 790
	Net earnings for the year	**125**	187	190
		1,207	1,123	980
Dividends declared	Preferred shares	**8**	11	13
	Common shares	**33**	30	28
		41	41	41
	Purchase and cancellation of common shares			3
Retained earnings at end of year		**$ 1,166**	$ 1,082	$ 936

Consolidated Cash Flow Statement

Year ended December 31, 1990

In millions of dollars		**1990**	1989	1988
Operations and Working Capital	Earnings before minority interest	**$ 158**	$ 175	$ 158
	Depreciation	**202**	191	182
	Income taxes not requiring cash	**(6)**	10	15
	Gain on sale of fixed assets	**(4)**	(22)	(21)
	Other	**6**	14	15
	Cash flow from operations	**356**	368	349
	Provided from (used for) working capital	**37**	19	(8)
		393	387	341
Investment	Purchase of fixed assets	**(322)**	(341)	(325)
	Acquisition of subsidiary companies	**(21)**	(74)	(77)
	Proceeds from sale of fixed assets	**50**	80	55
	Disposition of subsidiary companies		122	258
	Net decrease (increase) in investments	**12**	(20)	(28)
	Net decrease (increase) in other assets and sundry	**(27)**	(3)	(9)
		(308)	(236)	(126)
Financing	Increase in long term debt	**155**	135	1
	Reduction in long term debt	**(123)**	(77)	(33)
	Proceeds from issue of subsidiary's share capital		60	1
	Net reduction in share capital		(74)	(3)
	Purchase of minority interest		(77)	(9)
		32	(33)	(43)
Dividends	To shareholders	**(40)**	(40)	(40)
	To minority shareholders in subsidiary companies	**(16)**	(12)	(12)
		(56)	(52)	(52)
Increase (decrease) in cash position*		**$ 61**	$ 66	$ 120

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

Consolidated Balance Sheet

As at December 31, 1990

George Weston Limited (Incorporated under the laws of Canada)

Assets	*In millions of dollars*	**1990**	1989	1988
Current assets	Cash and short term investments	**$ 89**	$ 62	$ 103
	Accounts receivable	**321**	329	372
	Inventories	**989**	929	911
	Prepaid expenses and other	**38**	36	34
		1,437	1,356	1,420
Investments		**160**	165	145
Fixed assets		**1,968**	1,882	1,804
Goodwill		**92**	99	62
Other assets		**50**	49	45
		$3,707	$3,551	$3,476

Liabilities				
Current liabilities	Bank advances and notes payable	**$ 45**	$ 79	$ 186
	Accounts payable and accrued liabilities	**1,064**	985	909
	Taxes payable	**45**	36	47
	Dividends payable	**8**	8	7
	Long term debt payable within one year	**31**	58	20
		1,193	1,166	1,169
Long term debt		**724**	672	663
Other liabilities		**33**	40	38
Deferred income taxes		**169**	190	211
Minority interest in subsidiaries		**310**	292	263
		2,429	2,360	2,344

Shareholders' Equity			
Share capital	**141**	141	215
Retained earnings	**1,166**	1,082	936
Foreign currency translation adjustment	**(29)**	(32)	(19)
	1,278	1,191	1,132
	$3,707	$3,551	$3,476

Approved by the Board

W. Galen Weston

W. Galen Weston, *Director*

Robert H. Kidd

Robert H. Kidd, *Director*

Notes to Consolidated Financial Statements

December 31, 1990

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 77% owned. In June 1989, Loblaw Companies acquired the minority shares of Kelly, Douglas & Company Limited bringing their effective ownership from 85 percent in 1988 to 100 percent.

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 addition, $196 (1989 — $157) of short term investments held by Loblaw Companies' United States subsidiaries is used to offset short term borrowings in Canada. The $13 (1989 — $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 1990, the balance in this category of shareholders' equity was adjusted by $3 (1989 — $13) 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 $6 (1989 — $5) 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 tradenames, 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, to a maximum period of 40 years. The amount amortized during the year was $13 (1989 — $7).

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*	**1990**	1989	1988
Weston Foods	**$ 108**	$ 116	$ 103
Loblaw Companies	**617**	575	550
Weston Resources			
Fisheries	**198**	173	166
Forest Products	**66**	65	92
	$ 989	$ 929	$ 911

3. Investments

	1990	1989	1988
Secured loans and advances	**$ 34**	$ 36	$ 35
Capital lease receivables	**31**	31	31
Investments in franchisees	**39**	44	32
Long term receivables	**22**	21	19
Sundry investments	**34**	33	28
	$ 160	$ 165	$ 145

4. Fixed Assets

	1990			1989			1988
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Properties held for development	**$ 6**	**$**	**$ 6**	$ 9	$	$ 9	$ 18
Land	**262**		**262**	247		247	221
Buildings	**882**	**219**	**663**	794	184	610	581
Equipment and fixtures	**1,905**	**1,009**	**896**	1,777	915	862	823
Leasehold improvements	**166**	**78**	**88**	157	70	87	83
	3,221	**1,306**	**1,915**	2,984	1,169	1,815	1,726
Capital leases — buildings and equipment	**91**	**38**	**53**	99	32	67	78
	$3,312	**$1,344**	**$1,968**	$3,083	$1,201	$1,882	$1,804

5. Income Taxes

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

	1990	1989	1988
Combined basic Canadian federal and provincial rates	**43.5%**	43.0%	45.6%
Operations in countries with lower tax rates	**(6.8)**	(4.7)	(5.0)
Rate reduction for manufacturing and processing operations	**(1.5)**	(1.4)	(2.9)
Effect of selling capital assets	**(.4)**	(1.7)	(1.5)
Other	**.2**	(.1)	(.9)
Rate reported in financial statements	**35.0%**	35.1%	35.3%

6. Extraordinary Items

The 1989 extraordinary item is a gain (after tax provision of $9) of $37 on disposition of Weston Resources' White Swan consumer and industrial tissue business.

7. Long Term Debt	1990	1989	1988
George Weston Limited			
Sinking fund debentures			
12¾% Series 1 maturing 2000	**$ 14**	$ 15	$ 16
14⅛% Series 2 maturing 1997	**16**	18	19
Term credit*		50	
Term notes and loans			
12.7% maturing 2030	**150**		
16.76% maturing 1994 (Aus. $80)	**64**	73	
Repaid in 1989			58
Loblaw Companies Limited and subsidiaries			
Debentures			
12½% Series 1 repaid 1990		35	35
12¼% Series 2 maturing 1994	**35**	35	35
11⅝% Series 3 maturing 1992	**50**	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
10% Series 7 maturing 2001, retractable in 1991 and 1996	**75**	75	75
10% Series 8 maturing 2007	**61**	66	66
Term loans			
London Interbank offered rate plus ⅜% to ¾% repaid 1990 (U.S. $13)		16	16
Mortgages at a weighted average interest rate of 10.5% maturing 1991 to 2002	**12**	13	14
Other long term debt			
Individually not exceeding $5 at a weighted average rate of 9.0% (including U.S. $14)	**38**	34	37
Capital lease obligations at a weighted average interest rate of 12.5%	**75**	86	97
	755	731	683
Less payable within one year	**31**	59	20
Long term debt	**$ 724**	$ 672	$ 663

Principal payable in the next five years is as follows:
1991 — $31; 1992 — $68; 1993 — $18; 1994 — $81;
1995 — $51

**The term credit, cancelled in 1990, covers short term notes payable at a maximum of bankers' acceptance rate plus ⅜% to ½%.*

8. Share Capital	Number of shares issued 1990	1989	1988	Amount *In millions of dollars* 1990	1989	1988
Preferred						
Series A	**4,000,000**	4,000,000	4,000,000	**$100**	$100	$100
Series Y			500,000			50
Series Z			250,000			25
	4,000,000	4,000,000	4,750,000			
Senior preferred	**48,045**	50,754	54,454	**4**	5	6
Junior preferred	**16,150**	16,150	17,650	**2**	2	2
				106	107	183
Common	**46,235,253**	46,207,178	46,095,638	**35**	34	32
				$141	$141	$215

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.

Series Y — redeemable and retractable at $100, annual effective dividend rate is 6.2%.

Series Z — redeemable and retractable at $100, annual effective dividend rate is 6.6%.

Senior preferred shares (authorized 109,279)
Second series — $6.00 cumulative dividend redeemable at $105.

Junior preferred shares
Junior preferred shares include 6,000 Series D and 10,150 Series E.

Series C — $9.00 cumulative dividend, redeemable after June 6, 1990 at $100, 1,500 convertible into 25,000 common shares.

Series D — $10.00 cumulative dividend, redeemable after October 2, 1991 at $100, 6,000 convertible into 74,414 common shares.

Series E — cumulative dividend with annual rate at two thirds average bank prime plus ¾%, 2,780 redeemable after August 27, 1992 and 7,370 after May 16, 1993, at $100, 10,150 convertible into 86,357 common shares.

During the year, 2,709 (1989 — 3,700) senior preferred shares second series were redeemed or purchased for cancellation at a cost of $.2 million (1989 — $.3 million).

In 1989 the Company redeemed 500,000 shares of the Series Y and 250,000 of the Series Z preferred shares for $50 million and $25 million respectively.

No common shares were issued in 1990 on conversion of junior preferred shares (1989 — 25,000 common shares were issued for $.2 million). In 1990, the Company issued 28,075 (1989 — 86,540) common shares for cash of $.6 million (1989 — $1.7 million) on exercise of employee stock options. After giving effect to the foregoing, the Company has reserved 175,409 (1989 — 175,409) common shares for potential conversion of the preferred shares. As at December 31, 1990, 1,673,882 (1989 — 1,701,957) common shares have been set aside for issue under terms of an employee stock option plan. As at December 31, 1990, there were outstanding options, which were granted at the market price on the date of the grant, to purchase 921,200 (1989 — 736,585) common shares at prices averaging $32.51 (1989 — $30.37) and ranging from $8.06 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 October 2, 1991 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 $92 (1989 — $97). In addition, there are assigned leases of $46 (1989 — $65) which relate to the sale of U.S. divisions of Loblaw Companies.

There are various claims arising in the normal course of business. In addition, 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 this year, 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. An appeal of this decision was heard in February, 1991 by the Alberta Court of Appeal and Westfair is currently awaiting the decision. Management continues to believe that the appeal ultimately will be successful.

For non capital leases the gross liability of $776 (1989 — $696) is offset by sublease income of $125 (1989 — $145). This expected net liability of $651 (1989 — $551) will be reduced by approximately $76 (1989 — $56) 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 $628 (1989 — $675) and of accrued pension benefits of $708 (1989 — $655).

In 1990, plan assets and liabilities have been reduced by prior years' disposals. In addition, liabilities have increased mainly as a result of plan improvements resulting in an unfunded liability of $80, compared to a surplus of $20 in 1989.

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 and Dispositions

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 include working capital — $7 and other long term assets — $14.

In January, 1989, Weston Foods acquired the commercial products division of General Biscuit in New Jersey. Net assets acquired for cash consideration of $74 include fixed assets — $44, working capital — $13, and other assets — $17 (including $6 goodwill).

In June, 1989, Loblaw Companies acquired all the minority shares of Kelly, Douglas & Company Limited for cash consideration of $77. The effect of this transaction increased fixed assets $7 and goodwill $27 and reduced minority interest $43.

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

Dispositions

In March, 1989, Weston Resources sold the White Swan consumer and industrial tissue business for gross cash proceeds of $122. After deducting cash costs of $19 net proceeds were $103 with an extraordinary gain of $37.

In the second quarter of 1989, Weston Resources sold its Eastern Fine Paper operation for net cash proceeds of $19, an amount approximating book value.

13. Segmented Information

		1990	1989	1988
Sales and earnings	Sales			
	Weston Foods	**$ 1,633**	$ 1,605	$ 1,468
	Loblaw Companies	**8,417**	7,934	8,308
	Weston Resources	**1,119**	1,215	1,361
	– Fisheries	**591**	581	573
	– Forest Products	**528**	634	788
	Inter Group	**(313)**	(295)	(306)
	Consolidated	**10,856**	10,459	10,831
	Canada	**8,626**	8,275	7,738
	United States	**2,230**	2,184	3,093
	Operating income			
	Weston Foods	**68**	75	69
	Loblaw Companies	**212**	190	137
	Weston Resources	**66**	119	142
	– Fisheries	**36**	32	49
	– Forest Products	**30**	87	93
	Consolidated	**346**	384	348
	Canada	**286**	342	293
	United States	**60**	42	55
Cash flow	Capital expenditures			
	Weston Foods	**85**	105	57
	Loblaw Companies	**176**	154	177
	Weston Resources	**61**	82	91
	– Fisheries	**10**	19	19
	– Forest Products	**51**	63	72
	Consolidated	**322**	341	325
	Depreciation			
	Weston Foods	**42**	43	37
	Loblaw Companies	**106**	100	98
	Weston Resources	**54**	48	47
	– Fisheries	**10**	9	8
	– Forest Products	**44**	39	39
	Consolidated	**202**	191	182
Financial position	Total assets			
	Weston Foods	**698**	679	567
	Loblaw Companies	**2,095**	2,026	2,001
	Weston Resources	**914**	846	908
	– Fisheries	**412**	351	336
	– Forest Products	**502**	495	572
	Consolidated	**3,707**	3,551	3,476
	Canada	**2,809**	2,668	2,628
	United States	**898**	883	848

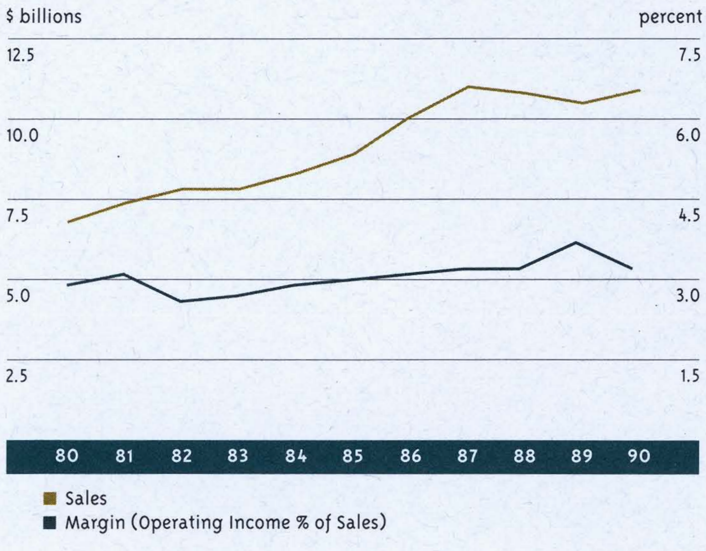
Canadian sales include export sales approximating $464 (1989 — $454).
Inter Group sales include $273 (1989 — $250) from Weston Foods.

1987	1986	1985	1984	1983	1982	1981	1980
$ 1,502	$ 1,433	$1,316	$1,220	$1,184	$1,134	$1,038	$ 905
8,631	7,839	6,931	6,419	6,091	6,221	5,795	5,375
1,223	1,055	923	895	794	717	816	712
564	471	397	362	364	339	395	327
659	584	526	533	430	378	421	385
(321)	(301)	(290)	(279)	(269)	(242)	(220)	(215)
11,035	10,026	8,880	8,255	7,800	7,830	7,429	6,777
7,355	6,592	6,020	5,669	5,294	4,963	4,730	4,252
3,680	3,434	2,860	2,586	2,506	2,867	2,699	2,525
60	52	49	45	61	64	61	49
187	161	152	137	128	115	114	100
110	98	67	59	24	23	55	47
42	42	31	19	16	10	22	6
68	56	36	40	8	13	33	41
357	311	268	241	213	202	230	196
290	237	205	189	156	141	170	149
67	74	63	52	57	61	60	47
49	39	35	24	47	36	51	34
249	289	193	150	104	72	102	142
53	54	34	38	88	118	77	56
16	12	6	3	5	18	13	35
37	42	28	35	83	100	64	21
351	382	262	212	239	226	230	232
35	32	28	28	24	23	21	17
100	86	73	68	62	58	54	49
40	35	35	35	23	23	21	19
7	7	8	8	8	8	8	7
33	28	27	27	15	15	13	12
175	153	136	131	109	104	96	85
537	427	416	370	372	371	354	343
2,215	1,998	1,540	1,266	1,155	1,115	1,037	963
794	748	660	643	641	586	507	452
261	281	224	199	217	243	243	235
533	467	436	444	424	343	264	217
3,546	3,173	2,616	2,279	2,168	2,072	1,898	1,758
2,481	2,164	1,911	1,708	1,624	1,520	1,329	1,238
1,065	1,009	705	571	544	552	569	520

Eleven Year Summary

In millions of dollars		**1990**	1989	1988
Sales and earnings	Sales	**$10,856**	$10,459	$10,831
	Operating income	**346**	384	348
	As a percentage of sales	**3.2%**	3.7%	3.2%
	Interest expense	**103**	114	104
	Earnings before extraordinary items	**125**	150	137
	As a percentage of sales	**1.2%**	1.4%	1.3%
	Net earnings	**125**	187	190
Cash flow	Cash flow from operations	**356**	368	349
	Disposition of subsidiary companies		122	258
	Capital expenditures	**322**	341	325
	Acquisition of subsidiary companies	**21**	74	77
	Increase (decrease) in cash position	**61**	66	120
Financial position	Current assets	**1,437**	1,356	1,420
	Current liabilities	**1,193**	1,166	1,169
	Working capital	**244**	190	251
	Fixed assets	**1,968**	1,882	1,804
	Long term debt	**724**	672	663
	Shareholders' equity	**1,278**	1,191	1,132
	Average capital employed	**2,556**	2,517	2,509
Ratios	Return on capital employed (%)	**13.5**	15.2	13.9
	Weston Foods (%)	**12.7**	15.2	16.2
	Loblaw Companies (%)	**15.7**	13.8	9.5
	Weston Resources (%)	**10.3**	18.4	22.4
	Return on common equity (%)	**10.4**	13.6	13.9
	Interest coverage	**3.36:1**	3.37:1	3.35:1
	Debt to equity	**.63:1**	.68:1	.77:1
Per common share *In dollars*	Earnings before extraordinary items	**2.52**	3.00	2.70
	Increase (decrease) %	**(16)%**	11%	5%
	Net earnings	**2.52**	3.81	3.85
	Dividends declared	**.70**	.66	.61
	Capital expenditures	**6.97**	7.40	7.06
	Book value	**25.37**	23.47	20.59
	Market value – (year end)	**41.75**	43.25	35.00
	Price earnings ratio (year end)	**16.6x**	14.4x	13.0x
	Market/book ratio (year end)	**1.65:1**	1.84:1	1.70:1

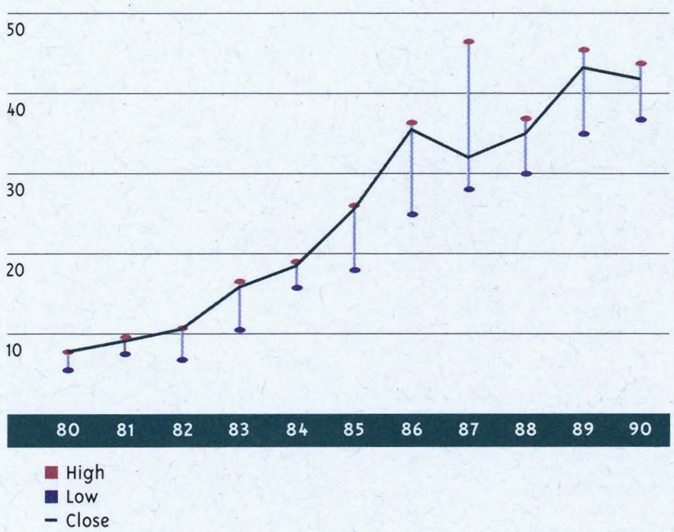
Sales and Margin



1987	1986	1985	1984	1983	1982	1981	1980
$11,035	$10,026	$8,880	$8,255	$7,800	$7,830	$7,429	$6,777
357	311	268	241	213	202	230	196
3.2%	3.1%	3.0%	2.9%	2.7%	2.6%	3.1%	2.9%
91	75	72	67	49	51	67	57
134	119	101	89	79	70	79	71
1.2%	1.2%	1.1%	1.1%	1.0%	.9%	1.1%	1.0%
134	119	101	94	79	69	95	84
318	300	262	251	214	213	215	174
–	–	–	–	61	53	–	–
351	382	262	212	239	226	230	232
145	82	33	–	–	57	–	38
(208)	90	(57)	(4)	48	(30)	64	(9)
1,569	1,492	1,228	1,055	994	986	952	932
1,309	1,053	930	729	736	749	678	667
260	439	298	326	258	237	274	265
1,753	1,553	1,286	1,157	1,098	1,023	887	773
716	644	536	500	463	441	363	338
1,023	1,025	830	755	686	627	591	526
2,369	2,025	1,722	1,584	1,502	1,388	1,270	1,126
15.1	15.3	15.6	15.2	14.2	14.6	18.1	17.4
16.2	16.5	16.6	15.8	20.6	22.3	21.5	20.1
13.2	13.8	16.8	17.8	18.4	17.5	18.2	17.3
18.8	17.8	13.0	11.0	4.7	5.2	15.3	15.5
14.8	15.0	14.3	14.0	13.6	12.3	16.2	17.3
3.92:1	4.16:1	3.75:1	3.60:1	4.37:1	3.96:1	3.43:1	3.44:1
.96:1	.74:1	.80:1	.76:1	.84:1	.92:1	.77:1	.90:1
2.58	2.31	1.96	1.69	1.47	1.21	1.41	1.28
12%	18%	16%	15%	21%	(14%)	10%	1%
2.58	2.31	1.96	1.79	1.48	1.17	1.77	1.57
.57	.51	.44	.40	.39	.39	.36	.34
7.61	8.30	5.71	4.63	5.22	4.99	5.11	5.18
18.23	16.52	14.49	12.84	11.34	10.12	9.39	7.99
32.00	35.50	25.50	18.50	15.75	10.50	9.13	7.75
12.4x	15.4x	13.0x	11.0x	10.7x	8.8x	6.5x	6.0x
1.76:1	2.15:1	1.76:1	1.45:1	1.38:1	1.04:1	.97:1	.96:1

Market Value per Share

dollars



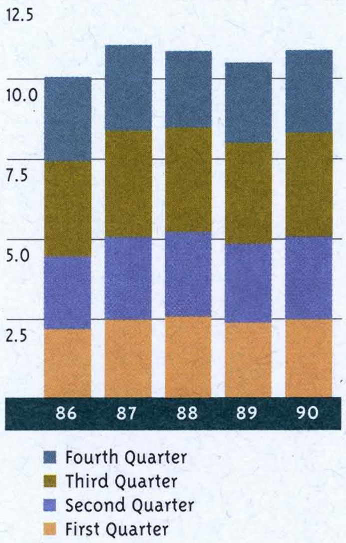
Quarterly Summary

In millions of dollars except per share

		1990 Q1	Q2	Q3	Q4
Sales and earnings	Sales	**2,474**	**2,571**	**3,227**	**2,584**
	Operating income	**76**	**84**	**100**	**86**
	Interest expense	**25**	**22**	**30**	**26**
	Earnings before extraordinary items	**27**	**33**	**35**	**30**
	Per share	**0.55**	**0.65**	**0.71**	**0.61**
	Dividends per share	**.175**	**.175**	**.175**	**.175**
Market value per share – WN	High	**43.75**	**40.50**	**41.50**	**41.75**
	Low	**37.50**	**36.75**	**38.75**	**37.50**
Segmented information	Sales				
	Weston Foods	**420**	**396**	**407**	**410**
	Loblaw Companies	**1,835**	**1,965**	**2,631**	**1,986**
	Weston Resources	**283**	**294**	**265**	**277**
	Inter Group	**(64)**	**(84)**	**(76)**	**(89)**
		2,474	**2,571**	**3,227**	**2,584**
	Operating income				
	Weston Foods	**9**	**19**	**24**	**16**
	Loblaw Companies	**41**	**50**	**62**	**59**
	Weston Resources	**26**	**15**	**14**	**11**
		76	**84**	**100**	**86**

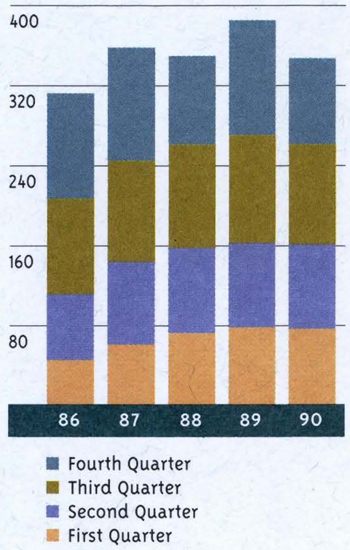
Sales by Quarter

$ billions



Operating Income by Quarter

$ millions



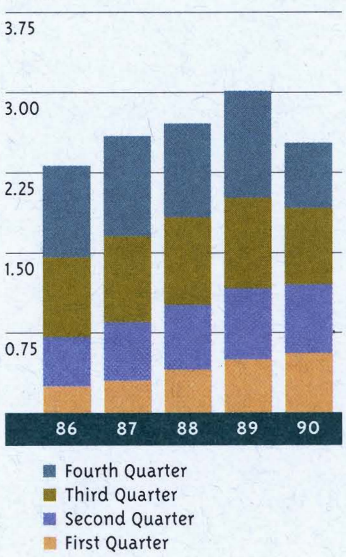
1989				1988				Percent Change 1990/89			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2,368	2,459	3,136	2,496	2,562	2,645	3,221	2,403	4%	5%	3%	4%
77	85	107	115	72	85	103	88	(1)	(1)	(7)	(25)
25	23	34	32	26	24	31	23	0	(4)	(12)	(19)
26	34	42	48	21	32	40	44	4	(3)	(17)	(38)
0.49	0.67	0.84	1.00	0.40	0.61	0.81	0.88	12	(3)	(15)	(39)
.16	.16	.16	.16	.15	.15	.15	.15	9	9	9	9
39.25	44.38	45.50	45.25	35.00	35.50	34.75	36.88				
35.00	36.25	40.75	40.00	30.00	33.00	32.25	33.63				

395	408	409	393	356	363	378	371	6%	(3)%	0%	4%
1,710	1,857	2,482	1,885	1,975	2,013	2,577	1,743	7	6	6	5
332	266	321	296	307	344	358	352	(15)	11	(17)	(6)
(69)	(72)	(76)	(78)	(76)	(75)	(92)	(63)				
2,368	2,459	3,136	2,496	2,562	2,645	3,221	2,403	4	5	3	4

7	17	24	27	7	16	22	24	29%	12%	0%	(41)%
37	44	56	53	37	42	44	14	11	14	11	11
33	24	27	35	28	27	37	50	(21)	(38)	(48)	(69)
77	85	107	115	72	85	103	88	(1)	(1)	(7)	(25)

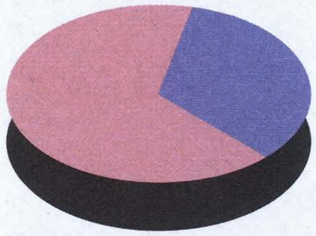
Earnings per Share by Quarter

dollars



Principal Operations

Weston Foods



Sales in millions
- Baking $1083
- Chocolate, Dairy and Specialties $550

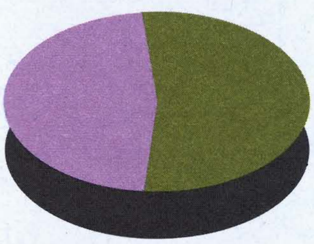
	Assets *in millions*	Operating Companies	Employees
Baking	$515	Weston Bakeries Ready Bake Soo Line Mills McCarthy Milling Stroehmann Bakeries Interbake	10,400
Chocolate, Dairy and Specialties	$183	Neilson/Cadbury Neilson Dairy Bowes	2,100

Loblaw Companies

Sales in millions
- Eastern Canada $4212
- Western Canada $2892
- United States $1313

	Sales *in millions*	Operating Companies	Employees
Eastern Canada	Retail $2,597 Wholesale $1,615	Loblaws Supermarkets Zehrmart Atlantic Wholesalers National Grocers Fortino's Supermarket	17,000
Western Canada	Retail $1,446 Wholesale $1,446	Kelly, Douglas Westfair Foods	15,000
United States	Retail $1,277 Wholesale $36	National Tea	14,500

Weston Resources



Sales in millions
- Fisheries $591
- Forest Products $528

	Assets *in millions*	Operating Companies	Employees
Forest Products	$502	E. B. Eddy Forest Products E. B. Eddy Paper	3,100
Fisheries	$412	British Columbia Packers Nelbro Packing Connors Bros. Port Clyde Foods Connors Seafoods Heritage Salmon Connors Aquaculture	2,000

Weston Research Centre

		Operating Companies	Employees
		Diversified Research Laboratories	100

Principal Facilities	Types of Products and Trademarks
Canada: Vancouver, Calgary, Regina, Winnipeg, Essex, Kitchener, Sudbury, Hamilton, Mississauga, Orillia, Toronto, Kingston, and Montreal, with flour mills in Winnipeg and Mississauga **United States:** Williamsport, Norristown, Altoona, Sayre, Hazelton, Harrisburg and Erie, 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, flour and other bakery products: *Country Harvest, Fibre Goodness, Stonehouse Farms, Wonder, Weston's, Dietrich's, Hostess, Stroehmann, Earth Harvest, Hearth Farms, Bohemian Hearth, Taystee, D'Italiano, New York Rye, Wheat'n Bran, 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, Danone.* Dried and glazed fruits, nuts, cereal and health foods: *Bowes, Dutch Mill, Bakeshop, McNair, Wasco*
Canada: Ontario, 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*
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*
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*
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, New Brunswick; Weymouth, Nova Scotia; Isle Aux Morts, Newfoundland **United States:** Westwood, 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 ***
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, and United World Colleges, Chairman Lester B. Pearson College of the Pacific, President, Royal Agricultural Winter Fair.

David R. Beatty
President, Weston Foods Ltd., MA Queens College, Cambridge, BA University of Toronto, Director Spar Aerospace, and Old Canada Investment Corporation. Member of the Peter Drucker Foundation Advisory Board. Governor 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, Retail Council of Canada, Food Marketing Institute, International Association of Chain Stores, Chairman, Advisory Board, School of Business Administration, University of Western Ontario.

Mark Hoffman
Chief Executive, Hamilton Lunn Limited, Chairman IFM Trading and Cambridge Capital 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 ***
Senior Vice President and Chief Financial Officer, George Weston Limited, MBA York University, Chartered Accountant, FCA, B.Comm. University of Toronto. Director Loblaw Companies, Credit Suisse Canada, Chairman Appleby College Foundation.

Hugo Mann *
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 **
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. Director United Way, (Greater Toledo).

Dr. Robert I. Mitchell * **
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 Ontario, 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 Mercedes-Benz Canada and du Maurier Council for the Arts.

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, 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 *
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 ** ***
Partner, Smith, Lyons, Torrance, Stevenson & Mayer, BA, LLB, University of Toronto, Director Hayes Dana, Holt Renfrew, Canada Trust, Canadian Educational Standards Institute.

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

* Audit Committee
** Pension Committees
*** Executive 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

Weston Bakeries
C. E. Scott
President

Stroehmann Bakeries
D. C. Collins
President

Soo Line Mills
S. Kanee
Chairman

N. Humby
President

McCarthy Milling
J. H. Wyncoll
President

Interbake
R. A. Baxter
President

Neilson Dairy
R. A. Robinson
President

Neilson/Cadbury
A. Soler
President

Bowes
T. G. Reynolds
Chairman

Loblaw Companies Limited

R. J. Currie
President

Atlantic Wholesalers
A. F. Rose
President

National Grocers
D. M. Williams
President

Loblaws Supermarkets
D. T. Stewart
President

Zehrmart
G. J. Heimpel
President

IPCF Properties
S. B. Swartzman
President

Fortino's Supermarket
J. Fortino
President

Kelly, Douglas
R. J. Addington
Chairman

S. K. Darkazanli
President

Loblaw International Merchants
D. A. Nichol
President

Intersave
B. Y. Davidson
Chairman

D. N. Lunau
President

National Tea
S. V. Durtsche
Chairman

H. A. Seitz
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

M. R. Lambert
Controller

J. V. Laurie
Treasurer

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 or quotation marks.

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.

The following are some of the organizations which have been recipients of major donations in 1990.

Acadia University
Wolfville, Nova Scotia

McGill University
Montreal, Quebec

The Hospital for Sick Children
Toronto, Ontario

The Nature Conservancy of Canada
Toronto, Ontario

Simon Fraser University
Burnaby, British Columbia

Girl Scouts of America
U.S.A.

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
National Trust Company
Toronto, Montreal and Vancouver

Common Shares Outstanding
46,235,253

Average Daily Trading Volume TSE
14,000

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.

Valuation Day Value of Common Shares
$4.50

Year End
December 31

Annual Meeting of Shareholders
Tuesday, May 7, 1991 at 11:00 a.m.
Metro Toronto Convention Centre,
Constitution Hall,
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: The Secretary

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

General Counsel
Smith, Lyons, Torrance,
Stevenson & Mayer

Auditor
Peat Marwick Thorne

The materials used in this document
take into consideration environmental issues.
The cover is acid-free and
the report's front section utilizes a recycled
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and financial sections of this
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