

Management is responsible for the preparation and presentation of the consolidated financial statements and all other information in the Annual Report. This responsibility includes the selection and consistent application of appropriate accounting principles and methods in addition to making the judgements and estimates necessary to prepare the consolidated financial statements in accordance with Canadian generally accepted accounting principles. It also includes ensuring that the financial information presented elsewhere in the Annual Report is consistent with the consolidated financial statements.

To provide reasonable assurance that assets are safeguarded and that relevant and reliable financial information is being produced, management maintains a system of internal controls. Internal auditors, who are employees of the Company, review and evaluate internal controls on management's behalf, coordinating this work with the independent auditors. The consolidated financial statements have been audited by the independent auditors, KPMG LLP, whose report follows. Fees paid to KPMG LLP for completion of the 2001 audit of the consolidated financial statements amounted to \$3.1 million. Other fees paid to KPMG LLP in 2001 for professional services other than for the audit of the 2001 consolidated financial statements amounted to \$1.8 million including \$1.4 million related to acquisition and divestiture activities during 2001 and pension plan audits.

The Board of Directors, acting through an Audit Committee comprised solely of directors who are not employees of the Company, is responsible for determining that management fulfills its responsibilities in the preparation of the consolidated financial statements and the financial control of operations. The Audit Committee recommends the independent auditors for appointment by the shareholders. It meets regularly with financial management, internal auditors and the independent auditors to discuss internal controls, auditing matters and financial reporting issues. The independent auditors and internal auditors have unrestricted access to the Audit Committee. The Audit Committee reviews the consolidated financial statements and Management's Discussion and Analysis prior to the Board of Directors approving them for inclusion in the Annual Report.



Richard J. Currie
President



Donald G. Reid
Chief Financial Officer



Stephen A. Smith
Senior Vice President, Controller

Toronto, Canada
March 7, 2002

To the Shareholders of George Weston Limited:


We have audited the consolidated balance sheets of George Weston Limited as at December 31, 2001 and 2000 and the consolidated statements of earnings, retained earnings and cash flow for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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, 2001 and 2000 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.



KPMG
Chartered
Accountants



KPMG LLP
Toronto, Canada
March 7, 2002

Consolidated Statements of Earnings

Years ended December 31

(\$ millions)

	2001	2000
Sales	\$ 24,661	\$ 22,344
Operating Expenses		
Cost of sales, selling and administrative expenses	22,790	20,787
Depreciation	431	368
	23,221	21,155
Operating Income	1,440	1,189
Interest expense (income)		
Short term	(21)	(33)
Long term	242	204
	221	171
Unusual Items (notes 3 & 4)	63	
Earnings Before the Following:	1,282	1,018
Income taxes (note 8)		
Provision	436	351
Other	(1)	(41)
	435	310
	847	708
Goodwill charges, net of tax of \$4 (2000 – \$3)	53	52
	794	656
Minority interest	212	175
Net Earnings for the Year	\$ 582	\$ 481
Net Earnings per Common Share (\$)		
Basic	\$ 4.42	\$ 3.66
Diluted (note 2)	\$ 4.37	\$ 3.64
Basic before goodwill charges	\$ 4.82	\$ 4.05

Consolidated Statements of Retained Earnings

Years ended December 31

(\$ millions)

	2001	2000
Retained Earnings, Beginning of Year	\$ 2,801	\$ 2,525
Impact of adopting new accounting standards (note 1)		(98)
Net earnings for the year	582	481
Premium on common shares purchased for cancellation (note 12)	(1)	(12)
Stock option plan cash payments, net of tax (note 12)	(12)	(1)
Net subsidiary stock option plan cash payments, net of tax (note 12)	(5)	(2)
Dividends declared per common share – 80¢ (2000 – 70¢)	(105)	(92)
Retained Earnings, End of Year	\$ 3,260	\$ 2,801

See accompanying notes to the consolidated financial statements.

Consolidated Balance Sheets

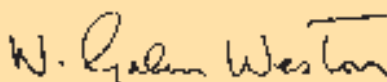
As at December 31

(\$ millions)

	2001	2000
Assets		
Current Assets		
Cash and cash equivalents (note 5)	\$ 743	\$ 852
Short term investments (note 5)	518	418
Accounts receivable (notes 6 & 7)	863	597
Inventories	1,780	1,594
Business held for sale (note 4)	934	
Current future income taxes (note 8)	168	191
Prepaid expenses and other assets	54	81
	5,060	3,733
Fixed Assets (note 10)	6,255	4,896
Goodwill (note 4)	3,339	2,073
Franchise Investments and Other Receivables	317	198
Future Income Taxes (note 8)	129	77
Intangibles and Other Assets (notes 4, 11 & 13)	1,177	444
	\$ 16,277	\$ 11,421
Liabilities		
Current Liabilities		
Bank indebtedness	\$ 152	\$ 149
Commercial paper	466	703
Accounts payable and accrued liabilities	3,407	2,689
Current income taxes	179	105
Short term bank loans (note 4)	1,367	
Long term debt due within one year (note 11)	82	260
	5,653	3,906
Long Term Debt (note 11)	4,908	2,986
Future Income Taxes (note 8)	122	157
Other Liabilities	591	311
Minority Interest	1,377	1,157
	12,651	8,517
Shareholders' Equity		
Share Capital (note 12)	305	77
Retained Earnings	3,260	2,801
Cumulative Foreign Currency Translation Adjustment	61	26
	3,626	2,904
	\$ 16,277	\$ 11,421

See accompanying notes to the consolidated financial statements.

Approved by the Board



W. Galen Weston
Director



Richard J. Currie
Director

Consolidated Cash Flow Statements

Years ended December 31

(\$ millions)

	2001	2000
Operations		
Net earnings before minority interest	\$ 794	\$ 656
Depreciation and amortization	488	423
Gain on unusual items (notes 3 & 4)	(63)	
Future income taxes	56	29
Other	(3)	3
	1,272	1,111
Changes in non-cash working capital	(217)	2
Cash Flows from Operating Activities before the following:	1,055	1,113
Acquisition restructuring and other charges, including income tax recoveries	(76)	(68)
Cash Flows from Operating Activities	979	1,045
Investment		
Fixed asset purchases	(1,330)	(1,047)
Short term investments	(100)	(106)
Proceeds from fixed asset sales	52	19
Business acquisitions (note 4)	(2,794)	(242)
Business dispositions (note 3)	330	
Change in franchise investments, other receivables and credit card receivables	(148)	(16)
Net change in other items	(42)	(39)
Cash Flows used in Investing Activities	(4,032)	(1,431)
Financing		
Commercial paper	(237)	60
Short term bank loans (note 4)	1,367	
Long term debt (note 11) – Issued	2,006	760
– Retired	(253)	(113)
Share capital (note 12) – Issued	229	8
– Retired	(1)	(12)
Subsidiary share capital – Issued		12
– Retired	(1)	(13)
Dividends – To shareholders	(105)	(81)
– To minority shareholders	(52)	(26)
Other	(12)	(11)
Cash Flows from Financing Activities	2,941	584
(Decrease) Increase in Cash	(112)	198
Cash, Beginning of Year	703	505
Cash, End of Year	\$ 591	\$ 703
Cash Position		
Cash	\$ 591	\$ 703
Short term investments	518	418
Commercial paper	(466)	(703)
Cash position	\$ 643	\$ 418
Other Cash Flow Information		
Net interest paid	\$ 273	\$ 179
Net income taxes paid	\$ 329	\$ 237

Cash is defined as cash and cash equivalents net of bank indebtedness.

See accompanying notes to the consolidated financial statements.

December 31, 2001

(\$ millions except Share Capital)

1. Summary of Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

Basis of Consolidation

The consolidated financial statements include the accounts of George Weston Limited ("the Company"), including its subsidiaries with provision for minority interests. The Company's effective interest in the voting equity share capital of its subsidiaries is 100%, except for Loblaw Companies Limited ("Loblaw"), which is 61.4% (2000 – 62.9%).

Revenue Recognition

Food Processing recognizes sales upon delivery of its products to customers net of applicable provisions for discounts and allowances. Food Distribution sales include revenues from customers through corporate stores operated by Loblaw and sales to and service fees from franchised stores, associated stores and independent accounts, but exclude inter-company sales. Loblaw recognizes revenue at the time the sale is made to its customer.

Net Earnings Per Share ("EPS")

Effective January 1, 2001, the Company adopted the new standard issued by the Canadian Institute of Chartered Accountants ("the CICA") on EPS. The standard was applied retroactively with restatement of the prior period consolidated financial statements. The new standard requires the presentation of basic and diluted EPS on the consolidated statements of earnings regardless of the materiality of the difference between them, calculated using the treasury stock method.

Basic EPS is calculated using the weighted average number of shares outstanding during the year.

Cash Offsetting

Cash balances which the Company has the ability and intent to offset are used to reduce reported bank indebtedness.

Cash Equivalents

Cash equivalents are highly liquid investments with a maturity of less than 90 days.

Credit Card Accounting Policies

(i) Credit Card Receivables

Credit card receivables are stated net of an allowance for credit losses.

Interest charges to customers, included in the Company's operating income, is recorded on an accrual basis. A credit card receivable is classified as impaired when, in management's opinion, there has been a deterioration in credit quality to the extent that there is no longer reasonable assurance as to the timely collection of the full amount of principal and interest. Credit card receivables where interest or principal is contractually past due 90 days are automatically recognized as impaired. Any credit card receivable that has a payment that is contractually 180 days in arrears is written off.

(ii) Allowance for Credit Losses

The Company through President's Choice Bank ("the Bank"), a wholly owned subsidiary of Loblaw, maintains an allowance for credit losses which, in management's opinion, is considered adequate to absorb all credit-related losses in its portfolio of both on- and off-balance sheet items. The allowance for credit losses is deducted from the related asset category.

General provisions are established to absorb probable credit losses on the aggregate exposures. The general allowance is based upon analysis of past performance, the level of allowance already in place and management's judgement.

The amount of allowance for credit losses that is charged to the consolidated statements of earnings is the net credit loss experience for the year.

(iii) Securitization

When the Bank sells credit card receivables in a securitization transaction, it retains servicing rights and a cash reserve account, which represents a portion of the retained interest in the securitized receivables. Any gain or loss on the sale of these receivables depends in part on the previous carrying amount of receivables involved in the transfer, allocated between the assets sold and the retained interest based on this relative fair value at the date of transfer. The fair market values are determined using financial models. Any gain or loss on a sale is recognized at the time of the securitization.

Inventories (Principally Finished Products)

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. Cost is determined substantially using the first-in, first-out method.

Fixed Assets

Fixed assets are stated at cost including capitalized interest. Depreciation is recorded principally on a straight-line basis to amortize the cost of these assets over their estimated useful lives. Estimated useful lives range from 10 to 40 years for buildings and from 2 to 16 years for equipment and fixtures. Leasehold improvements are depreciated over the lesser of the applicable useful life and the term of the lease.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price of the business acquired over the fair value of the underlying net tangible assets acquired at the date of acquisition. The fair value of intangible assets, principally brand names and trademarks, is determined at the date of acquisition based on estimated future cash flows.

Effective July 1, 2001, the Company adopted the new standard issued by the CICA on accounting for Goodwill and Intangible Assets for the acquisition of Bestfoods Baking Co., Inc. ("Bestfoods Baking"). The standard is effective for transactions completed on or after July 1, 2001 and is effective January 1, 2002 for all previous acquisitions.

The new standard no longer requires amortization of goodwill, but instead requires that the book value of goodwill be tested annually for impairment. The new standard no longer requires amortization of intangible assets unless the intangible asset has a limited life. Intangible assets not subject to amortization require an annual test for impairment. Any permanent impairment in the book value of goodwill or intangible assets is to be written off against earnings.

For acquisitions completed prior to July 1, 2001, goodwill is amortized on a straight-line basis over the estimated life of the benefit determined for each acquisition.

Translation of Foreign Currencies

Assets and liabilities of self-sustaining foreign operations denominated in foreign currencies are translated at the exchange rates in effect at each year end date. The resulting exchange gains or losses are included in the cumulative foreign currency translation adjustment in shareholders' equity. The exchange gains or losses arising from items designated as hedges against these assets and liabilities are also included in the cumulative foreign currency translation adjustment.

Foreign monetary balances of Loblaw and integrated foreign operations are translated at the exchange rates in effect at each year end date and foreign non-monetary balances are translated at their historical exchange rates. Exchange gains or losses arising from the translation of these foreign monetary balances are reflected in the current year's net earnings.

Revenues and expenses denominated in foreign currencies are translated at the average exchange rates for the year.

Financial Derivatives

The Company uses interest rate derivatives, currency derivatives and equity derivatives and forward contracts to manage its exposure to fluctuations in interest rates, exchange rates and the market prices of the Company's and Loblaw's common shares. When entered into, these derivatives are designated as hedges of the underlying asset, liability, firm commitment or anticipated transaction. The realized gains or losses arising from interest rate derivatives are included in interest expense. Currency derivative realized gains or losses on hedged commitments or anticipated transactions are deferred and unrealized gains or losses on hedged commitments or anticipated transactions are not recorded in the consolidated financial statements. Currency derivative gains or losses on hedges against the Company's net investment in self-sustaining foreign operations are included in the cumulative foreign currency translation adjustment. Other currency derivative gains or losses are recorded in the consolidated statement of earnings. Equity derivative and forward contract unrealized gains or losses on hedged commitments or anticipated transactions are deferred.

Income Taxes

Effective January 1, 2000, the Company adopted the new standard issued by the CICA on accounting for income taxes. The standard was applied retroactively without restatement of the prior period consolidated financial statements. The cumulative effect of adoption was an increase in retained earnings of \$17. The new income tax accounting standard replaced the concept of deferred income taxes with the asset and liability method of tax allocation. Under the asset and liability method, future income taxes are recognized for temporary differences between the tax and accounting bases of the Company's assets and liabilities based on income tax rates and laws that are expected to apply in the periods in which the differences are expected to be realized.

Pension, Post-Retirement and Post-Employment Benefits

Effective January 1, 2000, the Company adopted the new standard issued by the CICA on accounting for employee future benefits. The standard was applied retroactively without restatement of the prior period consolidated financial statements. The cumulative effect of adoption was a decrease in retained earnings of \$115 (net of future income tax of \$82). Under the new standard, the cost of the Company's defined benefit pension plans, post-retirement health and life insurance and other post-employment benefits is accrued as earned, based on actuarial valuations. Market values are used to value pension fund assets. Past service costs from plan amendments and the excess net actuarial gain or loss over 10% of the greater of the accrued benefit plan obligation and the market value of the plan assets are amortized on a straight-line basis over the average remaining service period of the active employees. Employee future benefits are measured using market interest rates on high quality debt instruments. The cost of pension benefits for defined contribution plans is expensed as contributions are paid. Multi-employer defined benefit pension plans are accounted for as defined contribution plans.

Stock Option Plan

The Company has a stock option plan as described in Note 12. Consideration paid by employees on the exercise of a stock option is credited to common share capital. For those employees electing to receive the cash differential, the excess of the market price of the common shares at the date of exercise over the specified stock option price, net of the related taxes, is charged to retained earnings.

Use of Estimates and Assumptions

The preparation of the consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future.

Comparative Figures

Certain prior year's information was reclassified to conform with the current year's presentation.

2. Diluted Net Earnings Per Common Share

	2001			2000		
	Net Earnings (1)	Weighted Average Number of Common Shares (millions)	Per Common Share Amount (\$)	Net Earnings	Weighted Average Number of Common Shares (millions)	Per Common Share Amount (\$)
Basic net earnings						
per common share	\$ 581	131.5	\$ 4.42	\$ 481	131.5	\$ 3.66
Dilutive effect of stock options		1.3	(.05)		0.8	(.02)
Diluted net earnings						
per common share	\$ 581	132.8	\$ 4.37	\$ 481	132.3	\$ 3.64

(1) Adjusted for preferred share dividends of \$1.

3. Business Dispositions

In 2001, the Company completed the sale of 4.2 million of its Loblaw common shares at a price of \$48.50 per common share for net proceeds of \$195 pursuant to a Prospectus filed by Loblaw. This sale reduced the Company's ownership in Loblaw to 61% from 63% and resulted in a gain of \$142 included in unusual items. Income taxes of \$25 applicable to this gain were included in income taxes.

Also during 2001, the Company completed the sale of its Connors canned sardine business by filing a Prospectus for an initial public offering of the Connors Bros. Income Fund, which closed on November 8, 2001. In addition, during 2001, the Company also completed the sale of its Connors seafood processing operations based in Scotland. The net proceeds for these transactions were \$148, including net proceeds receivable during 2002 of \$13. A \$35 loss on these sales was recorded and included in unusual items.

4. Business Acquisitions

On July 30, 2001, the Company purchased all of the issued and outstanding common shares of Bestfoods Baking and certain trademarks used in the business of Bestfoods Baking for \$2.78 billion (U.S. \$1.79 billion) cash. The cash consideration was financed by way of an unsecured credit facility with a series of tranches maturing between 9 and 15 months from July 25, 2001, the date of the advance. The business was renamed George Weston Bakeries Inc.

Following the acquisition, the Company announced that it would begin exploring opportunities to sell the Western operations of Bestfoods Baking consisting of the *Oroweat* brand and related assets, including bakeries in Texas, Colorado, California and Oregon (collectively, "BF West"). Accordingly, the net assets of BF West have been recorded at their net realizable value and included within current assets as Business held for sale. Subsequent to year end, the Company completed the sale of BF West to Grupo Bimbo, S.A. de C.V. for U.S. \$610 (approximately Cdn. \$950). This sale transaction and the net earnings for BF West (including interest on the unsecured credit facility attributable to BF West) have been recorded as part of the Bestfoods Baking purchase equation.

The acquisition was accounted for using the purchase method. During the fourth quarter of 2001, the Company completed the Bestfoods Baking valuation analysis and recorded the purchase equation including goodwill of \$1.32 billion. Operating results of Bestfoods Baking have been included in the Company's consolidated financial statements since July 30, 2001 excluding the results of the Western operations being sold. The July 30, 2001 U.S. dollar balance sheet of Bestfoods Baking was translated at the exchange rate in the currency derivative agreements used to hedge the purchase consideration.

In accordance with the new CICA accounting standard, Section 3062 "Goodwill and Other Intangible Assets", no amortization of goodwill has been recorded. The intangible assets acquired do not have a limited life and are not subject to amortization in accordance with Section 3062.

Details of the Bestfoods Baking purchase equation, including total consideration paid and net assets acquired at their fair values, are summarized in the following table:

	As at July 30, 2001
Current assets	\$ 189
Business held for sale	952
Fixed assets	548
Intangibles and other assets (principally trademarks of \$626)	735
Current liabilities	(746)
Long term debt	(2)
Other liabilities	(218)
Net assets acquired (including acquisition integration charges)	1,458
Goodwill	1,322
Cash consideration (including acquisition costs of \$26, net of cash assumed of \$25)	\$ 2,780

As part of the Bestfoods Baking acquisition, the Company developed a plan for integration and reorganization of administrative, manufacturing and distribution assets and activities. A restructuring charge of \$44 (\$27 net of applicable income taxes) has been included in unusual items, relating to the integration of its existing U.S. food processing business.

In 2000, the Company acquired three specialty bakeries, two baked ice cream cone businesses and two fisheries for \$247 cash, resulting in goodwill of \$192. All acquisitions were accounted for using the purchase method. The fair value of the net assets acquired was \$55, including fixed assets of \$60, other assets of \$55 and liabilities of \$60. The value of the net assets acquired and the results of operations, since the dates of acquisition, have been included in the Company's consolidated financial statements. The goodwill arising on these transactions is being amortized over 40 years.

Other Acquisitions

Purchases by Loblaw of its common shares are recorded by the Company as step acquisitions of Loblaw. During 2001, Loblaw purchased 12,600 (2000 – 276,000) of its common shares for \$1 (2000 – \$13) pursuant to its Normal Course Issuer Bids, resulting in nominal goodwill (2000 – \$6) recorded by the Company.

During 2000, the Company purchased 292,000 common shares of Loblaw for \$10, representing fair market value, from certain directors and officers of the companies, resulting in goodwill of \$7.

5. Cash, Cash Equivalents and Short Term Investments

Cash, cash equivalents, short term investments, bank indebtedness and the Company's commercial paper program form an integral part of the Company's cash management.

At year end, the Company had \$1.26 billion (2000 – \$1.27 billion) in cash, cash equivalents and short term investments held or managed by Glenhuron Bank Limited ("Glenhuron"), a wholly owned subsidiary of Loblaw in Barbados. Short term investments are carried at the lower of cost or quoted market value and consist primarily of United States government securities, commercial paper, bank deposits and repurchase agreements. The income from these investments of \$60 (2000 – \$71) has been included as a reduction of short term interest expense.

6. Credit Card Receivables

Details of credit card receivables included in accounts receivable are as follows:

	2001
Credit card receivables	\$ 166
Amount securitized	(112)
Net credit card receivables	\$ 54

7. Securitization

During 2001, Loblaw received net cash flows of \$111 (plus \$1 in retained interest) relating to the securitization of credit card receivables, yielding a minimal gain, inclusive of a \$3 servicing liability, on the initial sale. The following table shows the key economic assumptions used in measuring the securitization gain:

	2001
Payment rate (monthly)	50%
Expected credit losses (annual)	3.5%
Discounted residual cash flows (annual)	18%

8. Income Taxes

The Company's effective income tax rate in the consolidated statements of earnings is at a rate less than the combined basic Canadian federal and provincial income tax rate for the following reasons:

	2001	2000
Combined basic Canadian federal and provincial income tax rate	41.4%	42.1%
Net decrease resulting from:		
Operating in countries with lower effective income tax rates	(5.1)	(5.4)
Non-taxable amounts for capital gains/losses and dividends	(2.4)	(0.5)
Other	0.1	(1.7)
	34.0	34.5
Substantially enacted changes in income tax rates	(0.1)	(4.2)
Effective income tax rate before goodwill charges	33.9	30.3
Non-deductible goodwill charges	1.3	1.6
Effective income tax rate	35.2%	31.9%

The cumulative effects of changes in Canadian federal or provincial income tax rates on future income tax assets or liabilities are included in the Company's consolidated financial statements at the time of substantial enactment. In 2001, the effect of the reduction in the Ontario provincial income tax rate of 1.5% in each of 2002, 2003, 2004 and 2005 was reported as \$1 reduction to future income tax expense. In 2000, the effects of the reduction in the Canadian federal income tax rates of 1% in 2001 and 2% in each of 2002, 2003 and 2004 and the reductions in capital gains/losses inclusion rate from three-quarters to two-thirds for all capital gains/losses realized after February 27, 2000 and to one-half for all capital gains/losses realized after October 18, 2000 as well as the changes in the Ontario and Alberta Provincial budgets, were reported as a \$41 reduction to future income tax expense.

The income tax effects of temporary differences that gave rise to significant portions of the future income tax assets and future income tax liabilities are presented below:

	2001	2000
Future Income Tax Assets		
Accounts payable and accrued liabilities	\$ 303	\$ 179
Long term debt (including amounts due within one year)	14	20
Other liabilities	101	56
Losses carried forward (expiring 2004 to 2020)	99	83
Other	23	31
	540	369
Valuation allowance	(185)	(32)
	\$ 355	\$ 337
Future Income Tax Liabilities		
Fixed assets	\$ 133	\$ 141
Goodwill	24	6
Intangibles and other assets	23	79
	\$ 180	\$ 226

9. Pension, Post-Retirement and Post-Employment Benefits

The Company has a number of defined benefit and defined contribution plans providing pension, other retirement and post-employment benefits to most of its employees. The Company also participates in various multi-employer defined benefit plans providing pension benefits.

Information about the Company's defined benefit plans other than the multi-employer defined benefit plans, in aggregate, is as follows:

	2001		2000	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Benefit Plan Assets				
Fair value, beginning of year	\$ 1,305	\$ 16	\$ 1,143	\$ 15
Actual return on plan assets	(172)		252	1
Employer contributions	10	15	16	14
Employees' contributions	4		4	
Benefits paid	(81)	(13)	(81)	(14)
Acquisitions	130			
Divestitures	(24)			
Settlement gain	(3)		(27)	
Other	6		(2)	
Fair value, end of year	\$ 1,175	\$ 18	\$ 1,305	\$ 16
Accrued Benefit Plan Obligations				
Balance, beginning of year	\$ 1,105	\$ 164	\$ 1,172	\$ 165
Current service cost	36	9	34	7
Interest cost	82	13	77	11
Benefits paid	(81)	(13)	(81)	(14)
Actuarial gains	(29)	(7)	(68)	(5)
Plan amendments	6			
Acquisitions	121	60		
Divestitures	(23)			
Settlement gain	(3)		(29)	
Other	9	3		
Balance, end of year	\$ 1,223	\$ 229	\$ 1,105	\$ 164
Funded Status				
Net benefit plan (deficit) surplus	\$ (48)	\$ (211)	\$ 200	\$ (149)
Unamortized past service costs	7			
Unamortized net actuarial losses (gains)	24	(10)	(233)	(5)
Net accrued benefit plan liability	\$ (17)	\$ (221)	\$ (33)	\$ (154)
Net Benefit Plan Expense				
Current service cost	\$ 32	\$ 9	\$ 30	\$ 7
Interest cost	82	13	77	11
Expected return on plan assets	(107)	(1)	(87)	(1)
Amortization of net actuarial gains	(8)	(1)		
Settlement loss (gain)	2		(2)	
Net benefit plan expense	\$ 1	\$ 20	\$ 18	\$ 17

At year end, the net aggregate accrued benefit plan obligations for those pension benefit plans in which the accrued benefit plan obligations exceeded the fair value of benefit plan assets was \$101 (2000 – \$53). There were no plan assets in the non-registered pension plans. All the Company's post-retirement benefit plans, other than pensions and long term disability benefits, also had no plan assets and at year end 2001, had a net aggregate benefit plan deficit of \$211 (2000 – \$149).

The significant actuarial weighted average assumptions used to determine the Company's accrued benefit plan obligations were as follows:

	2001		2000	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Discount rate	7.5%	7.5%	7%	7%
Rate of compensation increase	3.5%		3%	
Growth rate of health care costs	4.5%		4%	

The expected long term rate of return on plan assets for pension benefit plans and other benefit plans used in calculating the Company's net benefit plan expense were 8% and 7%, respectively (2000 – 8% and 6.75%).

The accrued benefit plan obligations and the fair values of the benefit plan assets were determined using a September 30 measurement date.

The total net expense for the Company's benefit plans is summarized as follows:

	2001		2000	
	Pension Benefit Plans	Other Benefit Plans	Pension Benefit Plans	Other Benefit Plans
Net defined benefit plan	\$ 1	\$ 20	\$ 18	\$ 17
Defined contribution plan	5		5	
Multi-employer plan	58		39	
	\$ 64	\$ 20	\$ 62	\$ 17

10. Fixed Assets

	2001			2000		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Properties held for development	\$ 248		\$ 248	\$ 217		\$ 217
Properties under development	206		206	192		192
Land	1,171		1,171	948		948
Buildings	2,957	\$ 588	2,369	2,382	\$ 543	1,839
Equipment and fixtures	3,739	1,874	1,865	2,984	1,639	1,345
Leasehold improvements	592	217	375	516	183	333
	8,913	2,679	6,234	7,239	2,365	4,874
Capital leases – buildings and equipment	87	66	21	82	60	22
	\$ 9,000	\$ 2,745	\$ 6,255	\$ 7,321	\$ 2,425	\$ 4,896

Interest capitalized to fixed assets during the year was \$27 (2000 – \$20).

11. Long Term Debt

	2001	2000
George Weston Limited		
Debtentures		
Series A, 7.45%, due 2004	\$ 200	\$ 200
Series A, 7.00%, due 2031 (i)	466	
Exchangeable Debtentures, 3%, due 2023, redeemable in 2005 (ii)		
Carrying amount	579	491
Deferred amount	(204)	(116)
Notes		
5.25%, due 2006	200	
6.45%, due 2011	300	
12.70%, due 2030		
Principal	150	150
Effect of coupon repurchase	(120)	(119)
Other at a weighted average interest rate of 9.62%, due 2002 to 2019	5	4
Loblaw Companies Limited		
Debtentures		
Series 5, 10%, due 2006, retractable annually commencing 1996, redeemed in 2001 (iii)		50
Series 8, 10%, due 2007, redeemable in 2002 (iv)	61	61
Notes		
7.34%, due 2001		100
6.20%, BA Range Note, due 2002	10	10
6.60%, due 2003	100	100
6.95%, due 2005	200	200
6.00%, due 2008	390	
5.75%, due 2009	125	125
7.10%, due 2010	300	300
6.50%, due 2011	350	
6.00%, due 2014	100	100
7.10%, due 2016	300	
6.65%, due 2027	100	100
6.45%, due 2028	200	200
6.50%, due 2029	175	175
11.40%, due 2031		
Principal	151	151
Effect of coupon repurchase	1	6
8.75%, due 2033	200	200
6.45%, due 2039	200	200
7.00%, due 2040	150	150
Proviso Inc. Debtentures		
Series 1991, 11.25%, due 2001		100
Series 1997, 6.35%, due 2004	100	100
Series 1996, 8.70%, due 2006	125	125
Other (v)	17	22
Other at a weighted average interest rate of 10.49%, due 2002 to 2040	59	61
Total long term debt	4,990	3,246
Amount due within one year	(82)	(260)
	\$ 4,908	\$ 2,986

The 5 year schedule of repayment of long term debt based on maturity, excluding the Exchangeable Debtentures, is as follows: 2002 – \$82; 2003 – \$107; 2004 – \$308; 2005 – \$215; 2006 – \$329.

(i) During 2001, the Company issued \$466 of 7.00% Series A Debentures due 2031. Subsequent to year end, the Company issued \$8 of Series B Debentures at a weighted average rate of 2.61% due on demand. The Series A and B Debentures are secured by a pledge of 9.6 million Loblaw common shares.

(ii) In 1998, the Company sold its Forest Products business (E.B. Eddy) to Domtar Inc. (“Domtar”) for proceeds of \$803 consisting of \$435 of cash and \$368 of Domtar common shares. The Domtar common shares are included in intangibles and other assets. The Company subsequently issued \$375 of 3% Exchangeable Debentures due June 30, 2023. Each one thousand dollar principal amount of the 3% debentures is exchangeable at the option of the holder for 95.2381 common shares of Domtar. The 3% debentures are redeemable at the option of the Company after June 30, 2005. Upon notice of redemption by the Company or within 30 days prior to the maturity date, the holder has the option to exchange each one thousand dollar principal amount for 95.2381 Domtar common shares plus accrued interest payable in cash.

The Company’s obligation on the exchange or redemption of these debentures can be satisfied by delivery of a cash amount equivalent to the current market value of Domtar common shares at such time, the Domtar common shares or any combination thereof. Upon maturity, the Company at its option may deliver cash, the Domtar common shares or any combination thereof equal to the principal amount plus accrued interest.

The carrying amount of these debentures is based on the market price of the underlying Domtar common shares at the reporting date. As a result of issuing these debentures, the investment in Domtar is effectively hedged, whereby the difference between the carrying amount and the original issue amount of the debentures is recorded as a deferred charge until exchange, redemption or maturity. No corresponding valuation adjustment is made to the investment.

(iii) During 2001, Loblaw redeemed its Series 5, \$50 10% Debentures in accordance with their terms.

(iv) Subsequent to year end 2001, the Company issued \$250 of Medium Term Notes (“MTN”) with an interest rate of 5.90% due 2009 and \$150 of MTN with an interest rate of 7.10% due 2032. In addition, subsequent to year end, Loblaw announced its intention to redeem, in 2002, the Series 8, \$61 10% Debentures due 2007 and issued \$200 of MTN with an interest rate of 6.85% due 2032.

(v) Provigo Inc. Debentures – Other of \$17 (2000 – \$22) represents the unamortized portion of the adjustment to fair value the Provigo Debentures. This adjustment was recorded as part of the Provigo purchase equation and was calculated using Loblaw’s average credit spread applicable to the remaining life of the Provigo Debentures. The adjustment is being amortized over the remaining term of the Provigo Debentures.

12. Share Capital (\$)

	2001	2000
Common share capital (\$ millions)	\$ 77	\$ 77
Preferred shares, Series 1 (\$ millions)	228	
	\$ 305	\$ 77
Common shares issued and outstanding (authorized – unlimited)	131,467,907	131,458,543
Weighted average common shares outstanding	131,469,062	131,472,310

Preferred Shares, Series 1 (authorized – unlimited)

During 2001, the Company issued 9.4 million 5.80% Preferred Shares, Series 1 for \$25.00 per share for net proceeds of \$228 million, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.45 per share per annum. The Company may at its option redeem for cash, in whole or in part, these preferred shares outstanding as follows:

On or after December 15, 2006	\$26.00 per share
On or after December 15, 2007	\$25.75 per share
On or after December 15, 2008	\$25.50 per share
On or after December 15, 2009	\$25.25 per share
On or after December 15, 2010	\$25.00 per share

Stock Option Plan

The Company maintains a stock option plan for certain employees. Under the plan, the Company may grant options for up to 7 million common shares. Stock options have terms of up to 7 years, are exercisable at the designated common share price and vest 20% cumulatively on each anniversary date of the grant after the first anniversary. Each stock option is exercisable into one common share of the Company at the price specified in the terms of the option and, for those options granted after 1997, option holders may elect to receive in cash the share appreciation value equal to the excess of the market price at the date of exercise over the specified option price.

In 2001, the Company issued 16,600 common shares (2000 – 627,551) for cash consideration of \$3 million (2000 – \$8 million) on the exercise of stock options and paid the share appreciation value of \$12 million (2000 – \$1 million), net of tax of \$5 million (2000 – \$6 million), on 298,867 stock options (2000 – 60,750). Subsidiary stock option plan payments were \$5 million (2000 – \$4 million), net of tax of \$4 million (2000 – \$3 million).

A summary of the status of the Company's stock option plan and activity is presented below:

	2001		2000	
	Options (number of shares)	Weighted Average Exercise Price/Share	Options (number of shares)	Weighted Average Exercise Price/Share
Outstanding options, beginning of year	2,614,966	\$ 41.903	2,542,436	\$ 31.933
Granted	126,825	\$ 78.850	803,271	\$ 50.084
Exercised	(315,467)	\$ 40.460	(688,301)	\$ 14.750
Forfeited/cancelled	(5,800)	\$ 45.966	(42,440)	\$ 39.800
Outstanding options, end of year	2,420,524	\$ 44.018	2,614,966	\$ 41.903
Options exercisable, end of year	898,675	\$ 39.181	680,949	\$ 37.593

	2001			2000		
	Outstanding Stock Options		Exercisable Stock Options			
Range of Exercise Prices (\$)	Number of Options Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price/Share	Number of Exercisable Options	Weighted Average Exercise Price/Share	
\$ 37.667 – \$ 55.250	2,271,334	4	\$ 41.881	894,202	\$ 39.059	
\$ 63.500 – \$ 78.850	149,190	6	\$ 76.549	4,473	\$ 63.500	

Normal Course Issuer Bids (“NCIB”)

During 2001, the Company purchased for cancellation 8,100 (2000 – 220,000) of its common shares for \$1 million (2000 – \$12 million) pursuant to its NCIB. In addition, the Company intends to renew its NCIB to purchase on the Toronto Stock Exchange or enter into equity derivative contracts to purchase up to 5% of its common shares outstanding. The Company, in accordance with the rules and by-laws of the Toronto Stock Exchange, may purchase its shares at the then market prices of such shares.

13. Financial Instruments

Currency Derivatives

The Company manages its exposure to fluctuations in exchange rates, principally on United States dollar denominated revenues, using currency derivatives.

The Company has entered into currency derivative agreements to exchange \$3.22 billion (2000 – \$221) of its Canadian dollar debt for United States dollar debt. The derivatives are a hedge against exchange rate fluctuations on the Company’s United States dollar denominated net assets, excluding Loblaw’s United States dollar denominated net assets. The derivatives mature as follows: 2003 – \$97; 2004 – \$157; thereafter – \$2.96 billion and may be extended at the option of the Company or the counterparties. At year end, a currency adjustment was included in cumulative foreign currency translation adjustment.

Loblaw has entered into currency derivative agreements to exchange \$1.02 billion (2000 – \$915) of its Canadian dollar debt for United States dollar debt. The derivatives are a hedge against exchange rate fluctuations on Loblaw’s United States dollar denominated net assets, principally cash equivalents and short term investments. The derivatives mature as follows: 2002 – \$90; 2003 – \$49; 2004 – \$344; 2005 – \$64; thereafter to 2016 – \$474. Currency adjustments receivable or payable arising from the derivatives may be settled in cash on maturity or the term may be extended. At year end, an unrealized currency adjustment of \$96 (2000 – \$57) was included in other liabilities and the consolidated statements of earnings.

Interest Rate Derivatives

The Company has entered into interest rate derivative agreements converting a net notional \$75 (2000 – \$75) of 6.7% (2000 – 6.7%) of its fixed rate debt into floating rate debt, which mature in 2004. Loblaw has entered into interest rate derivative agreements converting a net notional \$883 (2000 – \$693) of 6.88% (2000 – 6.95%) of its fixed rate debt into floating rate debt. The net maturities are as follows: 2002 – \$16; 2003 – \$188; 2004 – \$281; 2005 – \$161; thereafter to 2013 – \$237.

Equity Derivatives and Forward Contracts

The Company and Loblaw use equity derivatives to manage their exposure to fluctuations in the market price of their common shares.

During 2001, the Company entered into an equity derivative agreement based on 9.6 million Loblaw common shares (the “underlying Loblaw common shares”) at a forward price of \$48.99 per Loblaw common share, which increases over time at a rate equivalent to the forward rate. The derivative matures in 2031 and will be settled in cash as follows: the Company will receive the forward price and will pay the market value of the underlying Loblaw common shares at maturity. The obligation of the Company under this derivative is secured by the underlying Loblaw common shares. At year end, the Company had an obligation under the equity derivative contract of \$29, included in other liabilities, with a deferred loss of \$34 included in intangibles and other assets.

At year end, Loblaw had entered into equity forward contracts based on 3,300,000 (2000 – 2,750,200) of its common shares at an average forward price of \$42.70 (2000 – \$38.66) per share. The method of settlement, cash or common shares, is at Loblaw’s discretion.

Subsequent to year end 2001, the Company entered into equity derivative agreements based on 78,300 of its common shares at an average price of \$103.00 per share.

Counterparty Risk

Changes in the underlying exchange rates, interest rates and market value of the Company's common shares related to the Company's financial instruments will result in market gains and losses. Furthermore, the Company may be exposed to losses should any counterparty to its derivative contracts fail to fulfill its obligations. The Company has sought to minimize potential counterparty losses by transacting with counterparties that have a minimum A rating and placing risk adjusted limits on its exposure to any single counterparty. The Company has implemented internal policies, controls and reporting processes permitting ongoing assessment and corrective action respecting its derivative activity. In addition, principal amounts on currency and equity derivatives and forward contracts are netted by agreement and there is no exposure to loss of the notional principal amounts on the interest rate and equity derivatives and forward contracts.

Fair Value of Financial Instruments

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to terminate the contracts at the reporting date. The following methods and assumptions were used to estimate the fair value of each type of financial instrument by reference to various market value data and other valuation techniques as appropriate.

- The fair values of cash, cash equivalents, short term investments, accounts receivable, bank indebtedness, commercial paper, accounts payable and accrued liabilities approximated their carrying values given their short term maturities.
- The fair values of long term debt issues were estimated based on the discounted cash payments of the debt at the Company's estimated incremental borrowing rates for debt of the same remaining maturities.
- The fair value of the Exchangeable Debentures was estimated based on the market price, at the reporting date, of the underlying Domtar common shares.
- The fair values of interest rate derivatives were estimated by discounting cash payments of the derivatives at market rates for derivatives of the same remaining maturities.
- The fair values of foreign exchange contracts were estimated based on the market spot and forward exchange rates and, where appropriate, option volatility for foreign exchange contracts of the same remaining maturities.
- The fair values of equity derivatives and forward contracts were estimated by multiplying the total outstanding agreements and contracts based on its common shares by the difference between the market price of its common shares and the average forward price of the outstanding agreements and contracts at year end.

	2001		2000	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Long term debt	\$ 4,990	\$ 5,377	\$ 3,246	\$ 3,438
Long term debt, excluding Exchangeable Debentures	\$ 4,615	\$ 4,798	\$ 2,871	\$ 2,947
Interest rate derivatives net asset		\$ 53		\$ 17
Equity derivative and forward contracts net asset		\$ 1		\$ 33

14. Other Information

Contingent Liabilities and Commitments

The Company and its subsidiaries are involved in and potentially subject to various claims and litigation arising out of the ordinary course and conduct of their businesses including product liability, labour and employment, environmental and tax. Although such matters cannot be predicted with certainty, management does not consider the Company's exposure to such litigation to be material to these consolidated financial statements.

Commitments for net operating lease payments total \$1.15 billion (\$1.39 billion less \$242 of expected sub-lease income). Net payments for each of the next 5 years and thereafter are as follows: 2002 – \$157 (net of \$48 of expected sub-lease income); 2003 – \$142 (net of \$41 of expected sub-lease income); 2004 – \$130 (net of \$37 of expected sub-lease income); 2005 – \$111 (net of \$32 of expected sub-lease income); 2006 – \$94 (net of \$27 of expected sub-lease income); thereafter to 2051 – \$516 (net of \$57 of expected sub-lease income).

Gross rentals under leases assigned to others for which the Company is contingently liable amount to \$242.

Related Party Transactions

The Company's majority shareholder, Wittington Investments, Limited, and its subsidiaries are related parties. It is the Company's policy to conduct all transactions and settle balances with related parties on normal trade terms.

Pursuant to an investment management agreement, Glenhuron manages certain United States cash, cash equivalents and short term investments on behalf of wholly owned non-Canadian subsidiaries of the Company. Management fees were based on market rates and were eliminated upon consolidation.

15. Segmented Information

Reportable Segments

The Company has two reportable segments: Food Processing, primarily fresh and frozen baking, biscuit and dairy operations, as well as fresh farmed salmon operations; and Food Distribution, carried on by Loblaw.

The accounting policies of the segments are the same as those described in the Company's summary of significant accounting policies. Performance is evaluated based on operating income. Neither segment is reliant on any single external customer.

	2001	2000
Sales		
Food Processing	\$ 3,808	\$ 2,771
Food Distribution	21,486	20,121
Inter Group	(633)	(548)
Consolidated	\$ 24,661	\$ 22,344
Operating Income		
Food Processing	\$ 312	\$ 221
Food Distribution	1,128	968
Consolidated	\$ 1,440	\$ 1,189
Depreciation and Goodwill Amortization		
Food Processing	\$ 129	\$ 96
Food Distribution	359	327
Consolidated	\$ 488	\$ 423
Total Assets ⁽¹⁾		
Food Processing	\$ 5,954	\$ 1,957
Food Distribution	9,955	9,096
Consolidated	\$ 15,909	\$ 11,053
Fixed Assets and Goodwill Purchases		
Food Processing	\$ 1,561	\$ 297
Food Distribution	1,110	956
Consolidated	\$ 2,671	\$ 1,253

Geographic Segments

The Company operates primarily in Canada and the United States.

	2001	2000
Sales (Excluding Inter Group)		
Canada	\$ 22,071	\$ 20,708
United States	2,590	1,636
Consolidated	\$ 24,661	\$ 22,344
Fixed Assets and Goodwill		
Canada	\$ 6,895	\$ 6,191
United States	2,699	778
Consolidated	\$ 9,594	\$ 6,969

(1) Excludes the \$368 investment in Domtar common shares, which is effectively hedged as a result of issuing the 3% Exchangeable Debentures (see Note 11).

Consolidated Information

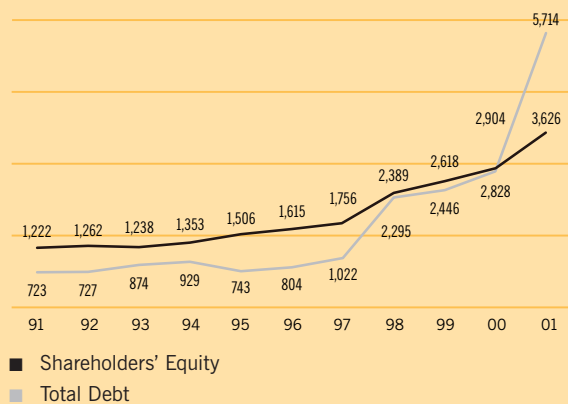
(\$ millions)	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Sales and Earnings											
Sales	24,661	22,344	20,851	14,726	12,975	11,815	12,046	12,242	11,404	11,167	10,342
Trading profit (EBITDA)	1,871	1,557	1,319	917	738	623	596	524	427	395	433
Operating income	1,440	1,189	969	655	517	432	396	324	253	228	287
Interest expense	221	171	136	104	73	84	102	106	90	100	115
Net earnings	582	481	351	670	197	194	97	71	11	44	101
Financial Position											
Working capital	(593)	(173)	(147)	(410)	77	97	125	(26)	44	138	338
Fixed assets	6,255	4,896	4,204	3,839	3,321	2,901	2,672	2,677	2,462	2,129	1,996
Goodwill	3,339	2,073	1,923	1,587	83	85	76	84	96	96	88
Total assets	16,277	11,421	10,049	9,036	5,878	5,441	5,122	4,787	4,459	3,995	3,829
Total debt	5,714	2,828	2,446	2,295	1,022	804	743	929	874	727	723
Shareholders' equity	3,626	2,904	2,618	2,389	1,756	1,615	1,506	1,353	1,238	1,262	1,222
Cash Flows											
Cash flows from operating activities before acquisition restructuring and other charges	1,055	1,113	947	588	452	327	381	448	344	307	288
Capital investment	1,330	1,047	911	720	595	499	431	452	387	239	234

(1) Financial terms and ratios are defined as follows:

- Trading profit (EBITDA) – operating income before depreciation.
- Working capital – current assets less current liabilities.
- Total debt – bank indebtedness, commercial paper, short term bank loans, long term debt due within one year, long term debt and debt equivalents less cash, cash equivalents and short term investments.
- Dividend rate per common share (year end) – 4th quarter common dividends declared multiplied by 4.
- Cash flows from operating activities before acquisition restructuring and other charges per common share – cash flows from operating activities before acquisition restructuring and other charges less preferred dividends paid divided by the weighted average common shares outstanding.
- Capital investment per common share – capital investment divided by the weighted average common shares outstanding.
- Book value per common share – shareholders' equity divided by the common shares outstanding at year end.
- Trading profit return on sales – trading profit divided by sales.
- Operating income return on sales – operating income divided by sales.
- Net earnings, excluding unusual items, net of tax, return on sales – net earnings, excluding unusual items, net of tax, divided by sales.
- Return on average total assets – operating income divided by average total assets excluding cash, cash equivalents, short term investments and Business held for sale.
- Return on average common shareholders' equity – net earnings divided by average shareholders' equity.
- Interest coverage on total debt – operating income divided by interest expense.
- Total debt to shareholders' equity – total debt divided by shareholders' equity.
- Cash flows from operating activities before acquisition restructuring and other charges to total debt – cash flows from operating activities before acquisition restructuring and other charges divided by total debt.
- Price/net earnings ratio (year end) – market value per common share divided by basic net earnings per common share.
- Market/book ratio (year end) – market value per common share divided by book value per common share.
- Total debt, excluding Exchangeable Debentures, to shareholders' equity – total debt, excluding Exchangeable Debentures, divided by shareholders' equity.

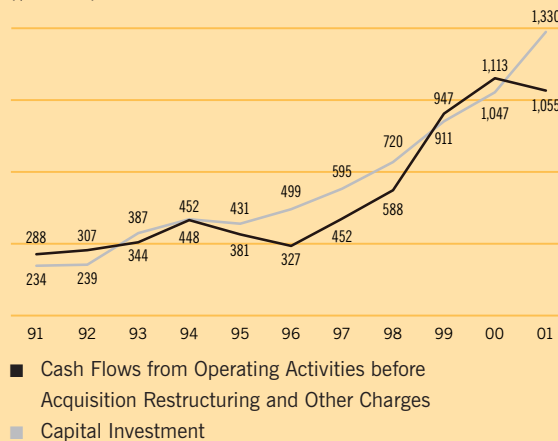
Capital Structure

(\$ millions)



Cash Flows from Operating Activities and Capital Investment

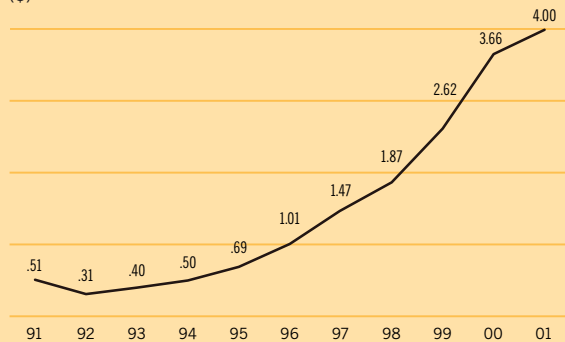
(\$ millions)



Consolidated Information

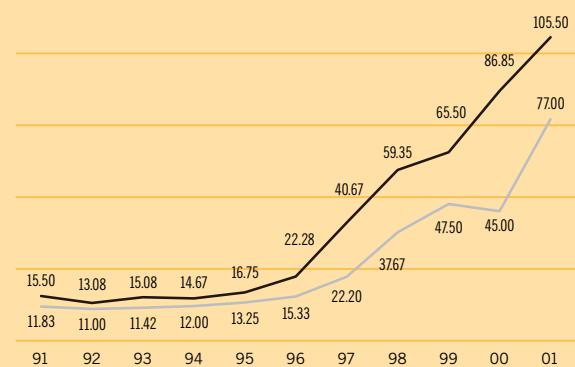
(\$ millions)	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Per Common Share (\$)											
Basic net earnings	4.42	3.66	2.67	5.05	1.47	1.41	.69	.50	.08	.31	.73
Basic net earnings, excluding unusual items and goodwill charges, both net of tax	4.40	4.05	2.99	1.92	1.49	1.03	.78	.57	.46	.35	.56
Basic net earnings, excluding unusual items, net of tax	4.00	3.66	2.62	1.87	1.47	1.01	.69	.50	.40	.31	.51
Dividend rate (year end)	.80	.80	.48	.40	.33	.29	.27	.23	.23	.23	.23
Cash flows from operating activities before acquisition restructuring and other charges	8.02	8.47	7.19	4.43	3.37	2.37	2.69	3.18	2.45	2.20	2.07
Capital investment	10.11	7.96	6.92	5.43	4.43	3.61	3.05	3.21	2.76	1.71	1.68
Book value	27.58	22.09	19.98	18.14	13.16	11.87	10.66	9.58	8.81	9.03	8.77
Market value (year end)	103.40	84.10	55.25	58.50	40.67	22.28	16.75	14.08	13.00	12.25	12.25
Financial Ratios											
Returns on sales (%)											
Trading profit (EBITDA)	7.6	7.0	6.3	6.2	5.7	5.3	4.9	4.3	3.7	3.5	4.2
Operating income	5.8	5.3	4.6	4.4	4.0	3.7	3.3	2.6	2.2	2.0	2.8
Net earnings, excluding unusual items, net of tax	2.1	2.2	1.6	1.7	1.5	1.2	.8	.6	.5	.4	.7
Return on average total assets (%)	11.9	12.4	11.2	9.7	10.4	9.5	8.9	7.5	6.4	6.2	8.0
Return on average common shareholders' equity (%)	17.8	17.4	14.0	32.3	11.7	12.4	6.8	5.5	.9	3.5	8.4
Interest coverage on total debt	6.5	7.0	7.1	6.3	7.1	5.1	3.9	3.1	2.8	2.3	2.5
Total debt to shareholders' equity	1.58	.97	.93	.96	.58	.50	.49	.69	.71	.58	.59
Total debt, excluding Exchangeable Debentures, to shareholders' equity	1.47	.84	.79	.80	.58	.50	.49	.69	.71	.58	.59
Cash flows from operating activities before acquisition restructuring and other charges to total debt	.18	.39	.39	.26	.44	.41	.51	.48	.39	.42	.40
Price/net earnings ratio (year end)	23.4	23.0	20.7	10.1	22.4	12.9	12.5	17.0	185.7	43.2	20.3
Market/book ratio (year end)	3.7	3.8	2.8	3.2	3.1	1.9	1.6	1.5	1.5	1.4	1.4

Basic Net Earnings per Common Share, Excluding Unusual Items, Net of Tax (\$)



■ Basic Net Earnings per Common Share, Excluding Unusual Items, Net of Tax

Common Share Market Value Range (\$)



■ Market High
■ Market Low

Eleven Year Summary (Continuing Operations) (1)

Segmented Information (\$ millions)	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Sales											
Food Processing	3,808	2,771	2,578	2,687	2,399	2,374	2,611	2,666	2,414	2,227	2,088
Food Distribution	21,486	20,121	18,783	12,497	11,008	9,848	9,854	10,000	9,356	9,262	8,533
Inter Group	(633)	(548)	(510)	(458)	(432)	(407)	(419)	(424)	(366)	(322)	(279)
Consolidated	24,661	22,344	20,851	14,726	12,975	11,815	12,046	12,242	11,404	11,167	10,342
Canada	22,071	20,708	19,482	13,351	11,758	10,627	10,144	9,526	8,994	8,865	8,276
United States	2,590	1,636	1,369	1,375	1,217	1,188	1,902	2,716	2,410	2,302	2,066
Operating Income											
Food Processing	312	221	166	133	93	74	71	52	52	43	65
Food Distribution	1,128	968	803	522	424	358	325	272	201	185	222
Consolidated	1,440	1,189	969	655	517	432	396	324	253	228	287
Capital Investment											
Food Processing	222	104	109	121	78	109	124	126	72	70	75
Food Distribution	1,108	943	802	599	517	390	307	326	315	169	159
Consolidated	1,330	1,047	911	720	595	499	431	452	387	239	234
Total Assets (2)											
Food Processing	5,019	1,957	1,762	1,536	1,178	1,108	1,179	1,101	1,142	1,081	1,078
Food Distribution	9,955	9,096	7,919	7,132	3,857	3,566	3,210	3,044	2,726	2,507	2,325
Discontinued Operations					843	767	733	642	591	407	426
Consolidated	14,974	11,053	9,681	8,668	5,878	5,441	5,122	4,787	4,459	3,995	3,829
Return on Average Total Assets (%)											
Food Processing	9.6	13.8	11.5	9.8	8.2	6.5	6.2	4.6	4.6	4.0	6.0
Food Distribution	13.3	12.7	11.8	10.7	14.0	13.4	12.2	10.3	8.4	8.5	10.3
Consolidated	11.9	12.4	11.2	9.7	10.4	9.5	8.9	7.5	6.4	6.2	8.0
Operating Income Return on Sales (%)											
Food Processing	8.2	8.0	6.4	4.9	3.9	3.1	2.7	2.0	2.2	1.9	3.1
Food Distribution	5.2	4.8	4.3	4.2	3.9	3.6	3.3	2.7	2.1	2.0	2.6
Consolidated	5.8	5.3	4.6	4.4	4.0	3.7	3.3	2.6	2.2	2.0	2.8

(1) For financial term and ratio definitions, refer to page 48.

(2) Excludes, in 2001, Business held for sale and, in 1998 to 2001, the \$368 investment in Domtar common shares, which is effectively hedged as a result of issuing the 3% Exchangeable Debentures.

Results by Quarter (1)

(\$ millions)		2001	2000
Sales	1st Quarter	\$ 5,118	\$ 4,809
	2nd Quarter	5,572	5,182
	3rd Quarter	7,788	6,955
	4th Quarter	6,183	5,398
		\$ 24,661	\$ 22,344
Trading Profit (EBITDA)	1st Quarter	\$ 326	\$ 277
	2nd Quarter	407	352
	3rd Quarter	542	437
	4th Quarter	596	491
		\$ 1,871	\$ 1,557
Operating Income	1st Quarter	\$ 235	\$ 195
	2nd Quarter	314	268
	3rd Quarter	405	320
	4th Quarter	486	406
		\$ 1,440	\$ 1,189
Net Earnings	1st Quarter	\$ 75	\$ 72
	2nd Quarter	124	103
	3rd Quarter	143	118
	4th Quarter	240	188
		\$ 582	\$ 481
Basic Net Earnings Per Common Share (\$)	1st Quarter	\$.57	\$.55
	2nd Quarter	.94	.78
	3rd Quarter	1.09	.90
	4th Quarter	1.82	1.43
		\$ 4.42	\$ 3.66
Diluted Net Earnings Per Common Share (\$)	1st Quarter	\$.56	\$.54
	2nd Quarter	.94	.78
	3rd Quarter	1.08	.89
	4th Quarter	1.80	1.41
		\$ 4.37	\$ 3.64
Basic Net Earnings Before Goodwill Charges Per Common Share (\$)	1st Quarter	\$.66	\$.63
	2nd Quarter	1.04	.88
	3rd Quarter	1.21	1.03
	4th Quarter	1.91	1.51
		\$ 4.82	\$ 4.05

(1) For financial term definitions, refer to page 48.