



2002 ANNUAL INFORMATION FORM

March 7, 2003

GEORGE WESTON LIMITED
2002 ANNUAL INFORMATION FORM
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Unless otherwise stated the information in this Annual Information Form is current to March 7, 2003, and all amounts are in Canadian dollars.

I. CORPORATE STRUCTURE

Name and Incorporation

George Weston Limited (“Weston”) was incorporated by letters patent under the laws of Canada on January 27, 1928. It was continued under the Canada Business Corporations Act on April 29, 1980, and amalgamated with Weston Food Processing Ltd. pursuant to Articles of Amalgamation effective January 1, 1989. The registered head office is located at 22 St. Clair Avenue East, Toronto, Ontario, Canada M4T 2S7.

Intercorporate Relationships

Weston operates through its Weston Foods, Food Distribution and Fisheries reportable operating segments. The Weston Foods and Fisheries segments are operated primarily in Canada by Weston Foods Inc. and its subsidiaries and in the United States by Weston Foods, Inc., George Weston Bakeries Inc. and their respective subsidiaries. Weston, directly and indirectly, also holds a 61% interest in Loblaw Companies Limited, (“Loblaw Companies”) which operates the Food Distribution segment across Canada through Loblaw Companies’ directly and indirectly owned subsidiaries (Loblaw Companies and its subsidiaries are collectively referred to as “Loblaw”). Weston and all of its subsidiaries are collectively referred to as the “Company”.

A list of subsidiaries of Weston that carry on its principal businesses is set out below. In each case, 100% of the voting securities are owned either directly or indirectly by Weston, except in the case of Loblaw Companies, in which 61% of the voting shares are held directly and indirectly by Weston. In the case of Westfair Foods Ltd., 100% of the voting securities and 64% of the non-voting securities are owned indirectly by Loblaw Companies.

<u>Weston Foods</u>	<u>Jurisdiction of Incorporation</u>
Weston Foods Inc.	Ontario
Boulangeries Weston Quebec Limitée	Ontario
La Baguetterie Inc.	Ontario
Ready Bake Foods Inc.	Ontario
William Neilson Ltd.	Ontario
Weston Bakeries Limited	Canada
Weston Food Distribution Inc.	Canada
Weston Foods, Inc.	Delaware
Interbake Foods Inc.	Delaware
Maplehurst Bakeries, Inc.	Indiana
Stroehmann Bakeries, L.C.	Virginia
Weston Acquisition, Inc.	Delaware
George Weston Bakeries Inc.	Delaware
Arnold Foods Company, Inc.	Delaware
Entenmann’s, Inc.	Delaware
Entenmann’s Products, Inc.	Delaware
Entenmann’s Sales Company, Inc.	Delaware

Food Distribution

Loblaw Companies Limited	Canada
Loblaws Inc.	Ontario
Loblaw Financial Holdings Inc.	Ontario
Loblaw Properties Limited	Ontario
Loblaw Brands Limited	Canada
Loblaws Supermarkets Limited	Ontario
Atlantic Wholesalers Ltd.	New Brunswick
Fortino's Supermarket Ltd.	Ontario
Glenhuron Bank Limited	Barbados
Kelly, Douglas & Company, Limited	British Columbia
National Grocers Co. Ltd.	Ontario
President's Choice Bank	Canada
Provigo Inc.	Quebec
Provigo Distribution Inc.	Quebec
Provigo Properties Limited	Canada
Westfair Supermarkets Holdings Inc.	Canada
Westfair Foods Ltd.	Canada
Loblaw Properties West Inc.	Canada
Zehrmart Inc.	Ontario

Fisheries

Heritage Salmon Limited	Ontario
Heritage Salmon, Inc.	Delaware

II. GENERAL DEVELOPMENT OF THE BUSINESS

Three year history, significant acquisitions and dispositions

The Company has two core reportable operating segments Weston Foods and Food Distribution, and one non-core reportable operating segment, Fisheries. The Weston Foods segment is primarily engaged in the baking and dairy industries within North America. The Food Distribution segment, which is operated by Loblaw, the largest food distributor in Canada, concentrates on food retailing while increasing its offering of non-food products and services. The Fisheries segment is primarily engaged in the hatching, growing and processing of fresh farmed raised salmon in North America and Chile. In prior years, the Company reported Weston Foods and Fisheries under one segment, Food Processing.

Weston Foods

During the three year period ended December 31, 2002, the Weston Foods segment acquired and divested a number of businesses, so that today it is focused primarily on the North American baking industry (primarily fresh and frozen bakery products, biscuits, ice cream cones and sandwich wafers), with certain assets maintained in the dairy industry. At the same time, significant restructuring of its baking assets has been carried out to enhance their profitability. Capital investments have been targeted toward improving the efficiency of existing assets and increasing capacity where growth opportunities exist.

On March 4, 2002, a U.S. subsidiary of Weston completed the sale of the western portion of Bestfoods Baking Co. Inc (“Bestfoods Baking”) (including certain license and distribution arrangements) to Grupo Bimbo, S.A. de C.V. for cash proceeds of U.S. \$610 million (approximately Cdn. \$950 million). This sale transaction and the net earnings of the western portion of Bestfoods Baking were recorded as part of the George Weston Bakeries purchase equation recorded in 2001.

The proceeds from this sale were used to repay debt associated with the acquisition of Bestfoods Baking which was renamed George Weston Bakeries Inc. (“George Weston Bakeries” or “GWB”).

On July 30, 2001, a U.S. subsidiary of Weston completed the acquisition of all of the issued and outstanding common shares of Bestfoods Baking and certain trademarks used in the business of Bestfoods Baking for \$2.8 billion (U.S. \$1.8 billion) in cash. The integration of this acquired business (except for the western portion) with the existing U.S. baking business is expected to enhance the Company’s product line and consumer base. Operating results of the Company in 2001 include the operations of George Weston Bakeries since the date of acquisition but exclude the results of the western portion of the acquired business consisting principally of the *Oroweat* product line with bakeries in Texas, Colorado, California, and Oregon. George Weston Bakeries is one of the leading premium fresh-baked product companies in the United States with national and regional brands and products such as *Thomas’* English muffins, *Entenmann’s* baked goods, and *Arnold* and *Freihofer’s* breads. The Weston Foods segment also acquired several small baking facilities in Canada in 2001.

In 2000, a U.S. subsidiary of Weston completed the acquisition of two ice cream baked cone businesses, Norse Dairy Systems, based in Columbus, Ohio, and Ace Bakery, based in Green Bay, Wisconsin. Late in 2000, a U.S. subsidiary of Weston completed the acquisition of Kaufman’s Bakery, a fresh bread and roll operation based in Buffalo, New York. Also in 2000, the Weston Foods segment acquired two specialty fresh bakeries, Crissa Bakery in Ontario and Renaud Bakery in Quebec.

Food Distribution

During the three year period ended December 31, 2002, Loblaw continued to expand its asset base and to reinvest in existing assets in order to position Loblaw for sustainable future growth. During this period, cumulative capital investment, funded through cash flows from operations and financing activities, was \$3.1 billion.

In the fourth quarter of 2001, Weston completed the sale of 4.2 million Loblaw Companies common shares for net proceeds of \$195 million, which reduced the Company’s ownership of Loblaw from 63% to 61%. Proceeds from this transaction were used to repay debt incurred with respect to the acquisition of Bestfoods Baking.

During the latest three year period, total sales from operations increased at a cumulative average annual rate of approximately 7.1%. The square footage of corporate and franchise stores increased at a cumulative average annual rate of approximately 8.0% and 1.1% respectively. The number of corporate stores over the same three year period has increased from 585 to 632 with a trend towards expanded store size and an increased variety of products and services. The number of franchised stores declined from 417 to 406 stores over the same three year period.

Loblaw’s basic net earnings per common share have steadily increased over the last three fiscal years and the cumulative average annual growth rate of basic net earnings per common share was approximately 24% (20% after adjusting for the discontinuance of goodwill charges in 2002).

Loblaw has not had any significant acquisitions or dispositions in the last three years. In 2000, Loblaw discontinued food service operations in Quebec.

Fisheries

In 2001, the Fisheries segment acquired two small aquaculture operations in Canada, and in the fourth quarter of 2001, sold the Connors canned sardine and seafood processing operations for net proceeds of \$148 million. The proceeds were used to repay debt incurred with respect to the acquisition of Bestfoods Baking.

In 2000, the Fisheries segment acquired Nor Am Aquaculture, a salmon aquaculture business located on Vancouver Island.

Trends

Changes in the North American food industry are driven by consumer needs. The industry is impacted by changing demographic and economic trends such as changes in disposable income, increasing ethnic diversity, nutritional awareness and time availability. Over the last several years, consumers have demanded more quality, value and convenience. All of the Company's segments will enter new markets and will review possible acquisitions when the opportunities arise. The Company will also exit a particular market and reallocate assets elsewhere when there is a strategic advantage in doing so.

Weston Foods

The Weston Foods segment will continue its focus on building its core products and brands, while developing and expanding new lines of innovative bakery products. It will continue to provide strong marketing support to its core products and brands, while concentrating on more effective and efficient selling methods including rationalization of product lines and sales mix management. Weston Foods will leverage its increased North American scale as a result of the 2001 strategic acquisition of George Weston Bakeries with continuous capital investment to strategically position production facilities across North America, expand product lines and increase production capacity. The segment will continue to position itself with alternate retail format channels while maintaining its position with major retailers.

Food Distribution

The core of Loblaw's business is to ensure an offering of ever-improving food products. Expanded food offerings during the last three years include home meal replacements and the launch of the *President's Choice Organics* product line, which emphasizes the health and productivity of soil, crops and livestock used in producing wholesome food choices for consumers. With the increased demands on the time of many shoppers, Loblaw has increased the number of locations within corporate and franchised stores that offer quick take-home meal solutions. This allows consumers to purchase meals or portions of meals ready for at-home consumption. In addition, Loblaw continues to expand its presence in other departments such as general merchandise and gas bars to meet the changing needs of its customers and to ensure future growth.

Over the past three years, the number of customers using *President's Choice Financial* services has grown and the range of products and services available include chequing and savings accounts, mortgages, loans and lines of credit. These services are provided by Amicus Bank, a member of the CIBC group of companies. President's Choice Bank, a subsidiary of Loblaw, launched the *President's*

Choice Financial MasterCard in 2001 in all of Canada except Quebec, which has a 2003 planned launch. In 2002, President's Choice Bank securitized a portion of its credit card receivables, with proceeds of \$244 million.

In connection with the offering of *President's Choice Financial* services and the *President's Choice Financial* MasterCard, Loblaw operates a loyalty program known as *PC* points. Customers using such products and services can earn *PC* points which can be redeemed towards the purchase of groceries at Loblaw's corporate and franchised stores and more recently for other rewards, including travel and movie passes.

In order to meet more of its consumers' everyday needs, Loblaw is constructing larger stores, appropriate for the local market, that allow Loblaw to offer a variety of products and services in addition to its traditional grocery products. A large portion of the new products include general merchandise, which has been offered successfully by Loblaw for many years in Western Canada. In addition to the larger store formats already in Western Canada, in 2002 Loblaw opened six stores in Ontario (three in 2001) and each store is approximately 120,000 square feet. These stores are significantly larger than the 2002 average corporate store size of 48,900 square feet.

During 2001, Loblaw opened a new 630,000 square foot distribution centre in Ontario. Loblaw intends to continue the optimization of its warehouse and distribution network across Canada by investing in larger distribution centers and by investing in information technology.

Fisheries

The Fisheries segment continues to be impacted by depressed fresh salmon market prices. Excess capacity has led to an over supply of product, particularly in Chile. Prices have shown signs of improvement over the course of 2002, however, supply volatility continues to impact sales growth. The Fisheries segment will continue its focus on cost reduction initiatives, product development and building on its strong brand loyalty.

III. NARRATIVE DESCRIPTION OF THE BUSINESS

Weston Foods

The Weston Foods segment is a significant participant in the North American baking industry with certain assets maintained in the Ontario dairy industry.

Facilities and Principal Products

The Weston Foods segment has developed from one small bakery in 1882 to operating predominantly across Canada and the central and eastern United States. The segment produces a variety of fresh, frozen (pre-proofed, par-baked and fully baked) and specialty bakery products including: breads, dough, rolls, bagels, waffles, English muffins, doughnuts, cakes, sweet goods, pies, ice cream cones and sandwich wafers, crackers and other baked goods. The Ontario dairy operation is a processor of fluid milk with two production facilities in Ontario. In addition, the dairy operations also distribute numerous products under the *Neilson* brand including juices, drinks, yogurt and butter in several combinations of sizes and flavours.

Recent technological developments have allowed the Weston Foods segment to expand its product reach while improving regional asset management efficiency.

During the past year, three plants were closed as part of business restructuring: Miami (Florida), Burlington (Vermont) and Plattsburg (New York). In addition, the segment began production in five facilities (Pennsylvania, New York, Saskatchewan, Ontario and Alberta) in 2002.

Significant production facilities are geographically located in Canada and the United States as follows:

<u>CANADA</u>		<u>UNITED STATES</u>	
<u>Province</u>	<u>Number of Locations</u>	<u>State</u>	<u>Number of Locations</u>
Ontario	18	Pennsylvania	10
Quebec	4	New York	6
Alberta	4	Wisconsin	2
Saskatchewan	3	California	2
Nova Scotia	2	New Jersey	1
Newfoundland	1	Connecticut	1
British Columbia	1	Illinois	1
Manitoba	1	Florida	1
		Maryland	1
		Virginia	1
		South Dakota	1
		Ohio	1
		Georgia	1
		Indiana	1
		Missouri	1
		Nebraska	1
		Washington	1
		North Carolina	1

The Weston Foods segment sells through a variety of customer channels within the North American food retailing market including supermarkets, mass merchandisers, discount retailers, food service distributors as well as other food retailing customers and spends a considerable amount of effort in building and maintaining consumer brand awareness. The segment is also a provider of private label products to retailers and consumer food companies, a supplier of ice cream cones and sandwich wafers to the dairy industry and a supplier of Girl Scout cookies.

The Weston Foods segment distributes its products via a route delivery system for fresh bakery and dairy operations. Frozen and other specialty bakery products are distributed primarily through warehouse channels using a combination of owned and outsourced fleet facilities.

Over the past several years in both Canada and the United States, the fresh bakery and dairy sales and route delivery system has been converted to a mix of Company operated routes and independent distributors. In the United States, continued distribution productivity improvements have been achieved through the restructuring and consolidation of routes.

Competitive Conditions

Segment management regularly reviews and monitors operating plans and results, including market share. When necessary, they will modify their operating strategies including relocating production facilities, reviewing prices and adjusting product offerings, brand positioning and/or marketing programs to take into account competitive activity. Weston Foods is one of the leading suppliers of bakery and dairy products in each of the major markets in which it operates and the development of its key brands and their related consumer awareness is a significant competitive advantage for Weston Foods.

Weston Foods' brands provide it with a strategic advantage over its competitors. Its premium and popular brands, including *Arnold*, *Country Harvest*, *D'Italiano*, *Entenmann's*, *Freihofer's*, *Maier's*, *Neilson*, *Stroehmann*, *Thomas'*, *Weston* and *Wonder*, provide Weston Foods with strong core brands and product lines that enhance consumer loyalty, trusted as they are for quality, great taste and freshness. As a result of softness in the United States food retail market, it is anticipated that there will be significant competitive business restructuring in 2003. Although the outcome and the impact, if any, on Weston Foods' financial results from this anticipated restructuring is uncertain, segment management will closely monitor the United States food retail market and, if required, adjust its strategies and programs as necessary.

Raw Materials

Wheat, flour, sugar, vegetable oil and cocoa are the primary ingredients for bakery products. These ingredients are readily available in sufficient quantities and no single source of raw materials is felt to be strategically sensitive. Further, in order to minimize the effect of fluctuations in the prices of its important raw materials, commodity futures or options are used to hedge the cost of its anticipated purchases of certain raw materials. As a fluid milk processor, the Ontario dairy operation receives all of its raw milk through Ontario's milk marketing board (Dairy Farmers of Ontario). In the event of a milk shortage, raw milk that would otherwise have been used for an industrial product would be redesignated and made available for the fluid milk system.

Intellectual Property

It is the practice of the Company to register or otherwise protect its intellectual property including trademarks, brand names and patents in all jurisdictions in which it operates. Trademarks and brand names used in the Weston Foods segment are important assets to the Company and are defended vigorously. They provide the Weston Foods segment with a competitive advantage and accordingly segment management spends considerable effort supporting their key brand names. The Weston Foods segment has built a portfolio of strong brand names and where used in this Annual Information Form, are in italics.

Key brand names used in the Weston Foods segment include *Arnold*, *Country Harvest*, *D'Italiano*, *Entenmann's*, *Freihofer's*, *Maier's*, *Neilson*, *Stroehmann*, *Thomas'*, *Weston* and *Wonder*. All fluid products are produced under *Neilson* trade names – *Neilson*, *Neilson Trutaste*, *Neilson Trucalcium*, *Soy Delight* and *Udderly Cool*. The Weston Foods segment has an exclusive licensing agreement with Cadbury Chocolate Canada Inc. to use the following brand names on dairy beverages: *Mr. Big*, *Caramilk*, *Jersey Milk*, *Crispy Crunch* and *Wunderbar*, some of Canada's leading chocolate bars.

Seasonality

Operations, specifically inventory levels, sales volumes and product mix, are impacted to some degree by certain holiday periods throughout the year. Segment management continuously monitors the impact holidays may have on its operations and adjusts inventory levels and production and delivery schedules as required.

Employees

A majority of the approximately 20,000 full and part time employees in the bakery and dairy operations are covered by various collective agreements, almost all of which are negotiated independently on a plant by plant basis, typically for terms of three or more years. No single agreement is of predominant importance to the overall operations. In 2003, 20 collective agreements covering approximately 2,600 employees will expire, with the single largest agreement covering approximately 1,200 employees. The Company has good relations with its employees and unions and, although possible, does not anticipate any unusual difficulties in renegotiating these agreements.

Environmental Matters

The Weston Foods segment has extensive environmental programs in place and has established policies aimed at ensuring compliance with all applicable environmental legislative requirements. To ensure compliance, the Company has initiated environmental risk assessments and audits using internal resources and external resources as needed and has utilized communication tools to raise environmental awareness amongst employees at operating locations. Environmental protection requirements do not and are not expected to have a material effect on capital investment, earnings or competitive position.

Research and Development

Because its products' markets are mature, the Weston Foods segment spends only a small percentage of its revenues on research and development activities. Research and development costs are expensed as incurred. The segment's world class product development team has developed important proprietary formulas, recipes and technological expertise.

Customers

No single customer, other than Loblaw, accounts for more than 10% of Weston Foods sales.

Food Distribution

Facilities and Principal Products

Loblaw, carries on business in the food distribution industry by operating across Canada through company owned stores ("corporate stores"), franchised independent stores ("franchised stores"), associated stores and by servicing independent accounts. In addition to food products, corporate stores and franchised stores have an assortment of non-food products and specialty service areas for everyday household needs. Loblaw has developed a highly successful line of control label products and services which are sold or made available in corporate stores, to franchised stores and associated stores, and are

available on a limited basis to its independent account customers. Certain lines of Loblaw's control label products are marketed in select supermarket chains in the United States and other countries.

Loblaw, conducts its business through a variety of store formats, banners and sizes, in both its corporate stores and franchised stores. These include: Loblaw's Supermarkets Limited, Zehrmart Inc., National Grocers Co. Ltd. and Fortino's Supermarket Ltd. in Ontario, Provigo Inc. in Quebec, Atlantic Wholesalers Ltd. in New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and Westfair Foods Ltd. in western Canada.

Operations

Loblaw is Canada's largest food distributor and operates in all provinces and in two territories of Canada.

Loblaw operates a variety of store formats, banners and sizes which allows it to appeal to the changing consumer needs and demographics within each local market. Whenever practical, new, remodeled or expanded stores now include a greater selection of non-food departments and services such as photolab processing, pharmacy, dry cleaner, gas bar, video merchandise, greeting cards, floral, apparel, and financial products and services. The variety of products and services allows Loblaw to meet its consumers' everyday needs.

Geographic and Banner Summary

Loblaw operates across Canada as set out below:

	Corporate Stores	Franchised Stores	Associated Stores	Independent Accounts	Warehouses
British Columbia	37	44	25	18	1
Yukon	1	1	-	-	-
Northwest Territories	2	-	1	-	-
Alberta	57	2	15	1,498	3
Saskatchewan	34	13	48	1,640	2
Manitoba	20	4	50	78	1
Ontario	167	238	20	88	10
Quebec	233	42	453	2,029	11
New Brunswick	22	25	33	348	2
Nova Scotia	37	26	2	636	2
Prince Edward Island	5	4	1	170	-
Newfoundland & Labrador	17	7	11	564	2
	632	406	659	7,069	34

The average store size at year-end 2002 is 48,900 square feet for corporate stores and 23,400 square feet for franchise stores.

Whenever practical, Loblaw follows the strategy of purchasing sites for future store locations. At year-end 2002, Loblaw owned 63% of the real estate on which its corporate stores are located, as well as various properties under development or held for future development. Loblaw's owned properties are essentially unencumbered with \$37 million in mortgage debt on total real estate having a net book value of approximately \$4.6 billion at year end 2002. The total square footage of the corporate stores is approximately 30.9 million square feet.

Loblaw operates directly through corporate stores and indirectly through franchisees and associates under the following banners:

<u>Corporate Banners</u>	<u>Number of Stores</u>	<u>Franchised and Associated Banners</u>	<u>Number of Stores</u>
Atlantic Superstore	50	Atlantic SaveEasy	55
Cash and Carry (Ontario, Atlantic, Québec under the name Presto)	69	Extra Foods	21
Dominion (in Newfoundland & Labrador)	15	Fortinos	18
Extra Foods	69	Lucky Dollar Foods	102
Loblaws	98	No Frills	110
Maxi (including Maxi and Cie)	85	Provigo	47
Provigo	91	Shop Easy Foods	56
The Real Canadian Superstore	57	SuperValu	29
The Real Canadian Wholesale Club	32	Valu-mart	71
Zehrs Markets	58	Your Independent Grocer	54
Other Corporate Banners	8	Other Franchised & Associated Banners	502
	<u>632</u>		<u>1,065</u>

Competitive Conditions

The food distribution industry in Canada is a changing and competitive market. Consumer needs drive changes in the industry which is impacted by changing demographic and economic trends such as changes in disposable income, increasing ethnic diversity, nutritional awareness, and time availability. Over the last several years, consumers have also demanded more quality, value and convenience.

Recent industry changes include the introduction of non-traditional competitors such as mass merchandisers and warehouse clubs, who continue to increase offerings of products typically associated with supermarkets.

Loblaw believes that it is in a strong competitive position in Canada. In terms of sales, it is the largest food distributor in Canada. Loblaw's focus is on new store growth, expansion of departments and services and the renewal of its existing store base, while controlling operating costs and rationalizing and centralizing similar functions. This allows Loblaw to perform well in an increasingly competitive market, which is continuously evolving with the addition of warehouse clubs, the proliferation of discount food formats and the increasing marketing of food by mass merchandisers and other specialty retailers. Loblaw's control label program which promotes customer loyalty and allows pricing flexibility with respect to national brands is another competitive advantage.

Customers

Loblaw is not dependent upon a small number of customers or any single customer.

Control Label Program

Loblaw has developed a highly successful line of control label products and services that are sold or made available in its corporate stores, to franchised stores and associated stores and are available on a limited basis to certain independent customers. Loblaw's product development team works closely with

its vendors to develop products for its control label products line. The *President's Choice* line of products is marketed in select supermarket chains in the following countries: Barbados, Bermuda, Cayman Islands, China (Hong Kong), Colombia, Israel, Jamaica, Trinidad and the United States.

There are currently over 5,000 control label products marketed by Loblaw under the brand names, *President's Choice*, *PC*, *no name*, *Club Pack*, *GREEN*, *TOO GOOD TO BE TRUE* and *EXACT*. In 2001, Loblaw launched *President's Choice Organics*, a new line of certified organic products.

Recently the *PC* brand has been applied to a selection of general merchandise items developed as part of the expansion into general merchandise departments. In 2002, over 100 *PC* general merchandise products were introduced which are sourced world wide, and cater to all areas of the home – bed, bath, kitchen, décor and outdoor living.

Loblaw's control label program includes *President's Choice Financial* services. These services are provided by Amicus Bank, a member of the CIBC group of companies. The products and services included in the *President's Choice Financial* offering are available at attractive rates and the use of such products and services allows customers to earn *PC* points that are redeemable towards free groceries and other rewards. In March 2001, *President's Choice Bank* successfully launched the *President's Choice Financial MasterCard* in all of Canada except Quebec, which has a 2003 planned launch. Third party service providers process credit card transactions, provide call centres in addition to credit and fraud monitoring for the *President's Choice Financial MasterCard*.

Intellectual Property

Loblaw has established procedures to register or otherwise protect its intellectual property including the trademarks used in its store-trading or banner names and those associated with its control label programs. Store-trading or banner names are associated with specific retail concepts and are important to both corporate and franchised store operations. Franchisees use the banner names associated with their franchised program pursuant to licensing arrangements. Loblaw's trademarks used in connection with its control label program are discussed under the section "Control Label Program". Loblaw's other intellectual property include domain names, package designs, and product formulations and specifications. The intellectual property rights associated with and used in connection with the Loblaw's business are important assets and are defended vigorously. The trademarks of Loblaw when used in this Annual Information Form are in italics.

Seasonality

Loblaw's operations as they relate to food, specifically, inventory levels, sales volume and product mix are impacted to some degree by certain holiday periods in the year. As Loblaw increases its offerings of general merchandise it may increase the number of seasonal products offered and, therefore, its operations may be more subject to seasonal fluctuations.

Employees

At year-end 2002, Loblaw and its franchisees employed over 122,000 full and part time employees. Loblaw has a total of 435 collective agreements, which cover approximately 95,000 employees. In 2002, 71 collective agreements were negotiated, of which 49 agreements were settled. The 2002 labour negotiations were challenging and resulted in two labour strikes of short duration, one in Ontario and one in Saskatchewan, which were ultimately resolved and resulted in collective agreements with terms of five

and three years respectively. In 2003, 50 collective agreements affecting approximately 13,000 employees will expire with the single largest agreement covering approximately 7,100 employees. Loblaw will also continue to negotiate the 33 collective agreements carried over from 2000, 2001, and 2002. Loblaw has good relations with its employees and unions, and, although it is possible, does not anticipate any unusual difficulties in renegotiating these agreements.

Environmental Matters

Loblaw has effective environmental programs in place and has established policies aimed at ensuring compliance with all applicable environmental legislative requirements. To this end, Loblaw has initiated environmental risk assessments and audits using internal resources and external resources as well as using communication tools to raise awareness among employees throughout its operating locations.

Loblaw endeavours to be socially and environmentally responsible, and recognizes that the competitive pressures for economic growth and cost efficiency must be integrated with environmental stewardship and ecological considerations. Environmental committees throughout Loblaw meet regularly to monitor and ensure the maintenance of responsible business operations. Environmental protection requirements do not and are not expected to have a material effect on Loblaw's financial condition and results of operations. Loblaw has a health and safety program that is designed to address health and wellness, workplace safety and compliance with internal and regulatory guidelines for occupational health and safety. This program is subject to compliance audits. Environmental risk assessments and compliance audits for health and safety are used as an effective means of identifying current and potential risks. The results show that there are no significant issues or risks to report. The Environmental, Health and Safety Committee of the Board of Directors receive reports that review outstanding environmental issues, identify new legislative concerns and outline related communication efforts.

Fisheries

Facilities and Principal Products

The fresh farmed salmon business operates on both coasts of Canada, on the east coast of the United States in Maine and in Chile. The Fisheries segment processes, markets and sells a full range of value-added Atlantic salmon and products to the North American market, including fillets (regular or superior trim portions) steak and fillet packs, burger, skewers and other marinated products. The Fisheries' segment sells predominantly to retail supermarkets and food service customers and distributes its products using third party common carriers.

Competitive Conditions

Fisheries' product innovation is its strategic point of differentiation from its competitors. Fisheries, through its Heritage product line continues to leverage its strong brand equity with its customers and to be the leader in the development of innovative and consumer friendly salmon products.

Raw Materials

The Company controls all aspects of salmon production, including eggs, fry, smolts and growing salmon.

Intellectual Property

Heritage and *Crystal Waters* brand names are used in the fresh farmed salmon operations of the business.

Seasonality

The Fisheries' operations are not impacted by seasonality to any significant degree.

Employees

The fresh salmon operations employ approximately 850 employees, depending on the time of year, and approximately 250 employees are members of the Heritage Salmon Employees Association. The contract with the members of the employee association has been ratified for a four year period starting in 2002.

Environmental Matters

The Fisheries segment has environmental programs in place and has established policies consistent with the rest of the Company aimed at ensuring compliance with all applicable environmental legislative requirements. Environmental protection requirements do not and are not expected to have a material effect on capital investment, earnings or competitive position.

Customers

Fisheries is not dependent upon a small number of customers or any single customer.

Other Information

During the three years ended December 31, 2002, the Company has not had any bankruptcy, receivership or similar proceedings against them nor have they been involved in any voluntary bankruptcy, receivership or similar proceedings.

IV. SELECTED CONSOLIDATED FINANCIAL INFORMATION

Last Three Years

During the three year period ended December 31, 2002, the Company's sales from operations increased at a cumulative average annual growth rate of approximately 10% inclusive of acquisitions. Canadian operations in 2002 accounted for approximately 86% of sales and the remaining 14% of sales were in the United States and international markets.

Below is a summary of selected consolidated financial information. All amounts are in millions of dollars except per share data and number of weeks.

	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>Consolidated Statements of Earnings Information</u>			
Sales	27,446	24,661	22,344
Net earnings (notes 1 and 2)	690	582	481
Earnings before goodwill charges, net of minority interest impact and tax	690	619	517
Per common share (\$)			
Basic			
Net earnings	5.05	4.42	3.66
Earnings before goodwill charges, net of minority interest impact and tax	5.05	4.70	3.93
Diluted			
Net earnings	5.02	4.37	3.64
Earnings before goodwill charges, net of minority interest impact and tax	5.02	4.65	3.91
Dividends declared per share (\$)			
Common shares	.96	.80	.70
Preferred shares – Series I	1.49	-	-
Preferred shares – Series II	.93	-	-
<u>Consolidated Balance Sheets Information</u>			
Total assets	<u>16,663</u>	<u>16,287</u>	<u>11,421</u>
Total long term debt (including capital lease obligations) (note 3)	5,534	4,990	3,246
Less amount due within one year	110	82	260
Less amount due on demand	33	-	-
Long term debt, non-current portion	<u>5,391</u>	<u>4,908</u>	<u>2,986</u>

Below is a summary of the revenue and operating income derived from each of the Company's reportable operating segments:

	<u>2002</u>	<u>Change</u>	<u>2001</u>	<u>Change</u>	<u>2000</u>	<u>Change</u>
Sales						
Weston Foods	4,792	40%	3,412	47%	2,322	8%
Food Distribution	23,082	7%	21,486	7%	20,121	7%
Fisheries	219	(45%)	396	(12%)	449	5%
Intersegment	(647)		(633)		(548)	
Consolidated	<u>27,446</u>	<u>11%</u>	<u>24,661</u>	<u>10%</u>	<u>22,344</u>	<u>7%</u>
Operating Income (Loss)						
Weston Foods	409	31%	313	80%	174	39%
Food Distribution	1,295	15%	1,128	17%	968	21%
Fisheries	(26)	n/a	(1)	(102%)	47	15%
Consolidated	<u>1,678</u>	<u>17%</u>	<u>1,440</u>	<u>21%</u>	<u>1,189</u>	<u>23%</u>

n/a – change not relevant

Basic net earnings per common share, including unusual items, net of tax, were \$5.05, 14% or 63 cents above the \$4.42 earned in 2001.

During the three year period ended 2002, cumulative capital investment was approximately \$3.8 billion, exclusive of business acquisitions, \$579 million for Weston Foods, \$3.1 billion for Food Distribution and \$65 million for Fisheries.

Last Eight Quarters	<u>2002</u>				<u>2001</u>			
	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>	<u>4th</u>	<u>3rd</u>	<u>2nd</u>	<u>1st</u>
Numbers of weeks in quarter	12	16	12	12	12	16	12	12
Sales	6,615	8,509	6,324	5,998	6,183	7,788	5,572	5,118
Net earnings	231	190	161	108	240	143	124	75
Per common share (\$)								
Basic								
Net earnings	1.70	1.37	1.18	.80	1.82	1.09	.94	.57
Earnings before goodwill charges, net of minority interest impact and tax	1.70	1.37	1.18	.80	1.88	1.17	1.01	.63
Diluted								
Net earnings	1.70	1.36	1.17	.79	1.80	1.08	.94	.56
Earnings before goodwill charges, net of minority interest impact and tax	1.70	1.36	1.17	.79	1.86	1.16	1.01	.62

Note 1: New Canadian accounting standards for stock-based compensation and other stock-based payments and goodwill and intangible assets were implemented by the Company in the first quarter of 2002. The standards are described in notes 1, 10 and 16 of the 2002 consolidated financial statements included in the Company's Annual Report.

Note 2: Net earnings for 2001 include \$1 million of income (2000 - \$41 million) which reflects the cumulative effects of budget changes in the Canadian federal and provincial income tax rates on future income tax assets and liabilities.

Note 3: In 2002, the Company issued \$250 million of medium term notes (“MTN”) with an interest rate of 5.90% due 2009 and \$150 million of MTN with an interest rate of 7.10% due 2032. During the third quarter of 2002, Loblaw’s lines of credit which are extended by several banks, were increased to \$845 million from \$820 million. Loblaw’s \$10 million 6.20% BA Range note was repaid during the fourth quarter of 2002 and its \$61 million Series 8, 10% Debentures were redeemed during the second quarter. In the first quarter of 2002, Loblaw issued \$200 million of 6.85% MTN due 2032. Subsequent to year end 2002, the Company issued \$100 million of 6.69% MTN due 2033 and Loblaw issued \$200 million of 6.54% MTN, due 2033.

Dividends

Common

The declaration and payment of dividends is at the discretion of the Board of Directors. The Company’s dividend policy is to maintain a stable dividend payment equal to approximately 20% to 25% of the prior year’s normalized basic net earnings per common share, giving consideration to the year end cash position, future cash flows and investment opportunities.

Under its 12.70% Promissory Note due November 8, 2030, the Company is restricted from paying cash dividends on its common shares if consolidated common shareholders' equity of the Company and its restricted subsidiaries is, or would be reduced by such dividends to, less than \$590 million.

Preferred

During 2002, the Company issued 10.6 million 5.15% Preferred Shares, Series II, for \$25.00 per share which entitle the holder to a fixed cumulative preferred cash dividend of \$1.2875 per share per annum. During 2001, the Company issued 9.4 million 5.80% Preferred Shares, Series I for \$25.00 per share which entitle the holder to a fixed cumulative preferred cash dividend of \$1.45 per share per annum.

V. MANAGEMENT’S DISCUSSION AND ANALYSIS

Refer to the Management’s Discussion and Analysis on pages 20 through 41 of the 2002 George Weston Limited Annual Report to shareholders, which is incorporated herein by reference.

VI. MARKET FOR SECURITIES

George Weston Limited’s common shares and preferred shares are listed and posted for trading on The Toronto Stock Exchange under the share symbols “WN”, “WN.PR.A”, and “WN.PR.B” respectively.

VII. DIRECTORS AND OFFICERS

Directors

<u>Name and Municipality Of Residence</u>	<u>Principal Occupation</u>	<u>Director Since</u>
W. Galen Weston, O.C., ^{1*} Toronto, Ontario	Chairman and President, George Weston Limited and Chairman, Loblaw Companies Limited	1967
Robert J. Dart, ^{1,2,3} Toronto, Ontario	Vice Chairman, Wittington Investments, Limited (investment company)	1994
Peter B. M. Eby, ^{2,3} Toronto, Ontario	Corporate Director	2000
Anne L. Fraser, ^{5*} Calgary, Alberta	Corporate Director	1995
R. Donald Fullerton, ^{2*,3*} Toronto, Ontario	Corporate Director	1991
Anthony R. Graham, ^{1,3,4*} Toronto, Ontario	President, Wittington Investments, Limited (investment company)	1996
Mark Hoffman, ^{4,5} London, England	Chairman, Cambridge Research Group Limited (technology transfer and investment company)	1975
Allan L. Leighton, ⁴ Leeds, England	Chairman, Royal Mail plc	2000
John C. Makinson, CBE, ² London, England	Chairman and Chief Executive Officer, The Penguin Group (international media company)	1997
J. Robert S. Prichard, O.C., O.Ont., ⁵ Toronto, Ontario	President and Chief Executive Officer, Torstar Corporation (media newspaper company)	2000
M. D. Wendy Rebanks, ^{4,5} Toronto, Ontario	Corporate Director	1994

* Chairman of Committee

1. Executive Committee
2. Audit Committee
3. Governance and Compensation Committee
4. Pension Committee
5. Environmental, Health and Safety Committee

All directors hold office until the next annual meeting of the Company or until the director resigns or a successor is duly elected or appointed.

Officers

<u>Name and Municipality Of Residence</u>	<u>Principal Occupation</u>
W. Galen Weston, O.C. Toronto, Ontario	Chairman and President
Richard P. Mavrinc Mississauga, Ontario	Chief Financial Officer
Roy R. Conliffe Toronto, Ontario	Senior Vice President, Labour Relations
Stewart E. Green Toronto, Ontario	Senior Vice President, Secretary and General Counsel
Louise M. Lacchin Toronto, Ontario	Senior Vice President, Finance
Donald G. Reid Toronto, Ontario	Senior Vice President
Robert G. Vaux Toronto, Ontario	Senior Vice President, Corporate Development
Robert A. Balcom Toronto, Ontario	Vice President, Assistant Secretary
Manny DiFilippo Toronto, Ontario	Vice President, Risk Management and Internal Audit Services
J. Bradley Holland Toronto, Ontario	Vice President, Taxation
Michael N. Kimber Toronto, Ontario	Vice President, Legal Counsel
Garfield R. Mitchell Toronto, Ontario	Vice President, Community Affairs
Lucy J. Paglione Mississauga, Ontario	Vice President, Pension and Benefits
Rolando Sardellitti Vaughan, Ontario	Vice President, Controller
Geoffrey H. Wilson Toronto, Ontario	Vice President, Industry and Investor Relations
Ann Marie Yamamoto Toronto, Ontario	Vice President, Systems Audit and Information Technology

Officers (continued)

<u>Name and Municipality of Residence</u>	<u>Principal Occupation</u>
Lisa R. Swartzman Toronto, Ontario	Treasurer
Marian M. Burrows Toronto, Ontario	Assistant Secretary
Walter H. Kraus Mississauga, Ontario	Director, Environmental Affairs
Patrick R. MacDonell Toronto, Ontario	Assistant Treasurer

All of the foregoing individuals have held their present occupations or other positions with the same or associated companies or organizations for the past five years except: Mr. A. R. Graham who is President, Wittington Investments, Limited and prior to that was formerly Vice-Chairman and Director of National Bank Financial; Mr. J. C. Makinson, who is Chairman and Chief Executive Officer of The Penguin Group and was formerly Group Finance Director of Pearson plc; Mr. A. L. Leighton, who was formerly President and Chief Executive Officer of Wal-Mart Europe and a senior executive of ASDA Stores Ltd. from 1992 to 2000; and Mr. J. R. S. Prichard, who is President of Torstar Corporation and was formerly President of the University of Toronto from 1990 to 2000.

Mr. W. Galen Weston beneficially owns or controls, either directly or indirectly, 62.5% of the issued and outstanding common shares of the Company and 63.0% of the issued and outstanding common shares of Loblaw Companies. Except for shareholdings either directly or indirectly owned or controlled by Mr. W. Galen Weston, the directors and senior officers of the Company, as a group, beneficially owned directly or indirectly or exercised control or direction over less than 1% of the issued and outstanding common shares of the Company and less than 1% of the issued and outstanding common shares of Loblaw Companies.

VIII. ADDITIONAL INFORMATION

1. The Company will provide to any person, upon request to the Secretary of the Company, 22 St. Clair Avenue East, Toronto, Ontario, M4T 2S7:
 - (a) when the securities of the Company are in the course of a distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:
 - (i) one copy of the Annual Information Form of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the Annual Information Form;
 - (ii) one copy of the comparative consolidated financial statements of the Company for its most recently completed financial year together with the accompanying report of the auditors and one copy of any interim consolidated financial statements of the Company subsequent to the consolidated financial statements for its most recently completed financial year;
 - (iii) one copy of the management proxy circular of the Company in respect to its most recent annual meeting of shareholders that involved the election of directors; and
 - (iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or
 - (b) at any other time, one copy of any other documents referred to in 1(a) (i), (ii) and (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.
2. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's management proxy circular for its most recent annual meeting of shareholders that involved the election of directors and additional financial information is provided in the Company's comparative financial statements for its most recently completed financial year.
3. Additional financial information of the Company has been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR"). The Company's Internet address is www.weston.ca.
4. Additional financial information of Loblaw has been filed on SEDAR and with the Office of the Superintendent of Financial Institutions as the primary regulator for Loblaw's subsidiary, President's Choice Bank. Loblaw's internet address is www.loblaw.com.

The foregoing, together with any information incorporated by reference, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated herein in accordance with the requirements of this Annual Information Form or that is necessary to make a statement contained herein not misleading in light of the circumstances in which it was made.

DATED: March 7, 2003

“W. Galen Weston”

W. GALEN WESTON (signed)
President

“Richard P. Mavrincac”

RICHARD P. MAVRINAC (signed)
Chief Financial Officer

On behalf of the Board of Directors

“W. Galen Weston”

W. GALEN WESTON (signed)
Director

“R. Donald Fullerton”

R. DONALD FULLERTON (signed)
Director