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GEORGE WESTON LIMITED

Quarterly Report to Shareholders

40 Weeks Ended October 5, 2002

Weston

George Weston Limited's third quarter 2002 basic net earnings per common share increased 26% to $1.37, compared to $1.09 in 2001. Adjusting for the discontinuance of goodwill charges, basic net earnings per common share increased by 20 cents or 17% over last year. Trailing year basic net earnings per common share, excluding goodwill charges, the unusual items in the fourth quarter 2001 and the effect of the 2000 budgeted income tax rate changes, improved 18% to $4.82 from $4.07 earned during the comparable period last year.

During the first quarter of 2002, the Company completed the sale of the Western portion of Bestfoods Baking (including certain licensing and distribution arrangements) to Grupo Bimbo, S.A. de C.V. for proceeds of U.S. $610 million or approximately Cdn. $950 million, which were used for debt repayment.

Operating Highlights

Sales increased $721 million or 9.3% to $8.5 billion in the third quarter and $2.4 billion or 12.7% to $20.8 billion year-to-date. **Food Processing** sales for the third quarter of $1.5 billion were 21.4% higher than last year with year-to-date sales of $3.9 billion, 45.0% ahead of 2001. The July 2001 acquisition of George Weston Bakeries (formerly Bestfoods Baking) contributed additional sales reflecting an additional 7 weeks of results in the third quarter of 2002. Sales for the fresh and frozen baking business together with Neilson Dairy increased 28.8% during the third quarter although, the pace of sales growth has been impacted by the recent sluggish sales environment in the United States food retail market. Excluding the effect of the George Weston Bakeries acquisition, sales for the base fresh and frozen baking business together with Neilson Dairy increased 3.4% for the third quarter and were up 3.7% year-to-date. Within the *Heritage* fresh salmon operation, salmon market prices continued to show signs of improving, however the effects of depressed world market prices for fresh salmon over the past year have continued to impact the year-to-date overall Food Processing segment sales growth. **Food Distribution**, operated by Loblaw Companies Limited ("Loblaw"), had sales of $7.2 billion for the third quarter, an increase of 7.1% over last year and $17.4 billion year-to-date, an increase of 7.4%. Good sales growth continued in all banners across the country. National same-store sales for the third quarter increased 4.0% and 4.5% year-to-date. Food price inflation remained low with further declines in the third quarter.

Operating income (earnings before interest, income taxes and goodwill charges) increased $58 million or 14.3% to $463 million for the third quarter and $191 million or 20.0% to $1.1 billion year-to-date. Excluding the impact of implementing the new Canadian accounting standard for stock-based compensation and other stock-based payments in 2002, third quarter operating income increased 15.1% over 2001 and year-to-date operating income increased 23.0%. **Food Processing** operating income for the third quarter of $119 million was 7.2% higher than the $111 million earned in 2001. During the third quarter, the *Heritage* fresh salmon operation continued to experience operating losses due to the on-going softness in fresh salmon market prices which negatively affected the profitability of the overall Food Processing segment. As a result, operating margin (operating income divided by sales) for the third quarter decreased to 7.8% from 8.8% in 2001, although for the baking and dairy business year-to-date margins remained stable. **Food Distribution** operating income increased $50 million or 17.0% to $344 million for the third quarter. Earnings growth was solid across the country. Operating margin for the third quarter improved to 4.8% from 4.4% in 2001 as a result of better overall sales mix management, a continued focus on cost control and operating efficiencies leveraging off an increasing sales base.

Interest expense for the third quarter decreased 11.1% to $72 million reflecting a decline in average net borrowing rates partially offset by an increase in average net borrowing levels. Interest coverage (operating income divided by interest expense) improved to 6.4 times for the third quarter compared to 5.0 times for the comparable period in the prior year and improved to 6.1 times from 5.6 times on a year-to-date basis. The 2002 year-to-date effective income tax rate decreased to 33.3%, in line with declining Canadian federal and provincial income tax rates and the income tax impact of fair valuing Loblaw's equity forward contracts.

The Company's financial position and cash flow remain strong. As expected, the 2001 George Weston Bakeries acquisition temporarily increased the debt to equity ratio above our internal 1:1 guideline. The ratio at the end of the third quarter was 1.06:1, excluding the Domtar Exchangeable Debentures, compared to 1.89:1 at the end of the third quarter last year and 1.47:1 at year end 2001.

During the third quarter of 2002, the Company entered into interest rate derivative agreements to partially offset its exposure to United States and Canadian floating interest rates, which results from the currency derivative agreements it entered into during 2001 (see note 3 of the unaudited interim period consolidated financial statements). Also during the third quarter, Loblaw securitized $110 million of credit card receivables, $184 million year-to-date, yielding a minimal gain, using the same assumptions disclosed in the Company's 2001 Annual Report.

Capital investment during the third quarter totaled $469 million and $927 million year-to-date as the Company continues to maintain and renew its asset base and invest for growth across North America. Operating cash flow improved to $579 million from $395 million for the third quarter and to $821 million from $388 million on a year-to-date basis, as a result of higher earnings and an improvement in non-cash working capital.

During the second quarter, the Company completed the repayment of the short term unsecured credit facility used to finance the 2001 acquisition of George Weston Bakeries. In addition, the Company increased its commercial paper program to $500 million from $300 million, which is supported by the Company's cash, cash equivalents and short term investments, as well as $277 million in uncommitted facilities and $300 million in committed facilities. Also during the second quarter of 2002, the Company issued 10.6 million 5.15% Preferred Shares, Series II for $25.00 per share for net proceeds of $260 million and Loblaw redeemed its $61 million Series 8, 10% Debentures. In the first quarter of 2002, the Company issued $250 million of 5.90% Medium Term Notes ("MTN") due 2009 and $150 million of 7.10% MTN due 2032. Also during the first quarter of 2002, Loblaw issued $200 million of 6.85% MTN due 2032.

During 2002, the Company entered into equity derivative agreements to buy 800,000 of its common shares at an average forward price of $115.01 per common share with an average initial term of 6 years. These equity derivatives change in value as the market price of the underlying common shares change and effectively results in a partial offset to fluctuations in the Company's stock-based compensation cost. In addition, during the third quarter of 2002, the Company purchased for cancellation 117,000 of its common shares for $12 million pursuant to its Normal Course Issuer Bid.

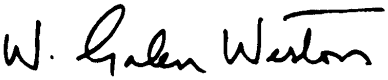
In the first quarter of 2002, the Company implemented the new Canadian accounting standard Section 3870 "Stock-based Compensation and Other Stock-based Payments" (see note 1 of the unaudited interim period consolidated financial statements). The cumulative effect of implementing this standard was a decrease to consolidated retained earnings of $55 million, net of future income tax recoverable of

$28 million. This decrease includes the Company's portion of the Loblaw's decrease to consolidated retained earnings of $25 million, which is net of future income tax recoverable of $23 million and the fair value impact of the equity forward contracts. Included in the 2002 consolidated operating income was a year-to-date charge of $28 million, including a charge of $7 million from the fair value impact of the equity derivative contracts, reflecting the year-to-date consolidated compensation cost of the Company's and Loblaw's stock options outstanding.

During July 2001, the Company implemented the new Canadian accounting standard Section 3062 "Goodwill and Other Intangible Assets" for the acquisition of George Weston Bakeries and effective January 1, 2002 the Company implemented this standard prospectively for all goodwill and intangible assets that existed prior to July 1, 2001.

Outlook

The outlook for the remainder of 2002 and into 2003 is for continued solid sales and earnings growth for the Food Distribution segment. Sales and earnings growth is also expected to continue for the Food Processing segment, although dampened by the recent sales slowdown in the United States food retailing market. Fresh salmon market prices have improved over the past four quarters; however, they remain low and a return to profitability is dependent upon further significant improvement. The Company continues its estimated $1.4 billion annual capital investment plan while it maintains a solid balance sheet and good cash flows.



W. Galen Weston
Chairman and President

Toronto, Canada
November 19, 2002

Consolidated Statements of Earnings
(unaudited)

($ millions)	16 Weeks Ended Oct. 5, 2002	16 Weeks Ended Oct. 6, 2001	40 Weeks Ended Oct. 5, 2002	40 Weeks Ended Oct. 6, 2001
Sales	**$ 8,509**	$ 7,788	**$ 20,831**	$ 18,478
Operating Expenses				
Cost of sales, selling and administrative expenses	**7,890**	7,246	**19,302**	17,203
Depreciation	**156**	137	**384**	321
	8,046	7,383	**19,686**	17,524
Operating Income	**463**	405	**1,145**	954
Interest expense (income)				
Short term	**(15)**	4	**(34)**	(18)
Long term	**87**	77	**223**	187
	72	81	**189**	169
Earnings Before the Following:	**391**	324	**956**	785
Income taxes	**128**	114	**318**	274
	263	210	**638**	511
Goodwill charges (2001 – net of tax of $3) (note 1)		16		41
	263	194	**638**	470
Minority interest	**73**	51	**179**	128
Net Earnings for the Period	**$ 190**	$ 143	**$ 459**	$ 342
Per Common Share ($)				
Basic net earnings	**$ 1.37**	$ 1.09	**$ 3.35**	$ 2.60
Diluted net earnings	**$ 1.36**	$ 1.08	**$ 3.32**	$ 2.57
Basic net earnings before goodwill charges, net of minority interest impact	**$ 1.37**	$ 1.17	**$ 3.35**	$ 2.82
Diluted net earnings before goodwill charges, net of minority interest impact	**$ 1.36**	$ 1.16	**$ 3.32**	$ 2.79
Market value – period end	**$ 102.50**	$ 101.85	**$ 102.50**	$ 101.85
Actual common shares outstanding (in millions)	**132.0**	131.5	**132.0**	131.5
Weighted average common shares outstanding (in millions)	**131.9**	131.5	**131.9**	131.5

Consolidated Statements of Retained Earnings
(unaudited)

($ millions)	40 Weeks Ended Oct. 5, 2002	40 Weeks Ended Oct. 6, 2001
Retained Earnings, Beginning of Period	**$ 3,260**	$ 2,801
Impact of implementing new accounting standard (note 1)	**(55)**	
Net earnings for the period	**459**	342
Premium on common shares purchased for cancellation (note 2)	**(12)**	
Stock option plan cash payments (2001 – net of tax of $4)		(7)
Net subsidiary stock option plan cash payments (2001 – net of tax of $4)		(4)
Dividends declared per common share – 72¢ (2001 – 60¢)	**(95)**	(79)
Dividends declared per preferred share – Series I – $1.13; Series II – 61¢	**(18)**	
Retained Earnings, End of Period	**$ 3,539**	$ 3,053

See accompanying notes to the unaudited interim period consolidated financial statements.

Consolidated Balance Sheets

($ millions)	As at Oct. 5, 2002 (unaudited)	As at Dec. 31, 2001
Assets		
Current Assets		
Cash and cash equivalents	**$ 877**	$ 743
Short term investments	**866**	518
Accounts receivable	**936**	863
Inventories	**1,859**	1,780
Business held for sale		934
Current future income taxes	**156**	168
Prepaid expenses and other assets	**63**	54
	4,757	5,060
Fixed Assets	**6,762**	6,255
Goodwill (notes 1 & 5)	**3,341**	3,339
Franchise Investments and Other Receivables	**323**	317
Future Income Taxes	**95**	129
Intangibles and Other Assets (note 1)	**1,154**	1,177
	$ 16,432	$ 16,277
Liabilities		
Current Liabilities		
Bank indebtedness	**$ 109**	$ 152
Commercial paper	**925**	466
Accounts payable and accrued liabilities	**3,220**	3,407
Current income taxes	**131**	179
Short term bank loans (note 4)	**25**	1,367
Long term debt due within one year	**116**	82
	4,526	5,653
Long Term Debt	**5,402**	4,908
Future Income Taxes	**119**	122
Other Liabilities	**692**	591
Minority Interest	**1,505**	1,377
	12,244	12,651
Shareholders' Equity		
Share Capital (note 2)	**588**	305
Retained Earnings	**3,539**	3,260
Cumulative Foreign Currency Translation Adjustment	**61**	61
	4,188	3,626
	$ 16,432	$ 16,277

See accompanying notes to the unaudited interim period consolidated financial statements.

Consolidated Cash Flow Statements

(unaudited)

($ millions)	16 Weeks Ended Oct. 5, 2002	16 Weeks Ended Oct. 6, 2001	40 Weeks Ended Oct. 5, 2002	40 Weeks Ended Oct. 6, 2001
Operations				
Net earnings before minority interest	**$ 263**	$ 194	**$ 638**	$ 470
Depreciation and amortization	**156**	154	**384**	365
Future income taxes	**28**	26	**60**	42
Other	**(1)**	10	**29**	14
	446	384	**1,111**	891
Changes in non-cash working capital	**133**	11	**(290)**	(503)
Cash Flows from Operating Activities before the following:	**579**	395	**821**	388
Acquisition restructuring and other charges, including income tax recoveries	**(21)**	8	**(87)**	(38)
Cash Flows from Operating Activities	**558**	403	**734**	350
Investment				
Fixed asset purchases	**(469)**	(407)	**(927)**	(857)
Short term investments	**(455)**	(115)	**(348)**	(132)
Proceeds from fixed asset sales	**12**	10	**25**	40
Business acquisitions		(2,737)		(2,751)
Business dispositions	**19**		**960**	
Changes in franchise investments, other receivables and credit card receivables	**(11)**	(175)	**(17)**	(196)
Changes in other items	**6**	10	**18**	(4)
Cash Flows used in Investing Activities	**(898)**	(3,414)	**(289)**	(3,900)
Financing				
Commercial paper	**189**	241	**459**	240
Short term bank loans (note 4) – Issued	**9**	2,788	**25**	2,788
– Retired			**(1,367)**	
Long term debt – Issued			**600**	1,040
– Retired		(100)	**(67)**	(252)
Share capital (note 2) – Issued			**283**	
– Retired	**(12)**		**(12)**	
Subsidiary share capital (note 5) – Retired	**(5)**	1	**(5)**	
Dividends – To shareholders	**(76)**	(52)	**(138)**	(105)
– To minority shareholders	**(25)**	(11)	**(38)**	(31)
Other	**(5)**	(34)	**(8)**	(19)
Cash Flows from (used in) Financing Activities	**75**	2,833	**(268)**	3,661
Change in Cash	**(265)**	(178)	**177**	111
Cash, Beginning of Period	**1,033**	992	**591**	703
Cash, End of Period	**$ 768**	$ 814	**$ 768**	$ 814
Cash Position				
Cash	**$ 768**	$ 814	**$ 768**	$ 814
Short term investments	**866**	550	**866**	550
Commercial paper	**(925)**	(943)	**(925)**	(943)
Cash position	**$ 709**	$ 421	**$ 709**	$ 421
Other Cash Flow Information				
Net interest paid	**$ 59**	$ 81	**$ 203**	$ 190
Net income taxes paid	**$ 70**	$ 67	**$ 293**	$ 257

Cash is defined as cash and cash equivalents net of bank indebtedness.
See accompanying notes to the unaudited interim period consolidated financial statements.

1. Basis of Presentation

The unaudited interim period consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2001, except for the changes described below. These unaudited interim period consolidated financial statements should be read together with the audited annual consolidated financial statements and the accompanying notes included in the Company's 2001 Annual Report.

Stock-Based Compensation Effective January 1, 2002, the Company implemented the new standard issued by the Canadian Institute of Chartered Accountants ("the CICA") on stock-based compensation and other stock-based payments. The standard was implemented retroactively without restatement of prior period consolidated financial statements for stock options outstanding at January 1, 2002 that allow for settlement in cash at the option of the holder. The cumulative effect of implementation was a decrease to consolidated retained earnings of $55 million, net of future income tax recoverable of $28 million. This decrease includes the Company's portion of Loblaw Companies Limited ("Loblaw") decrease to consolidated retained earnings of $25 million, which is net of future income tax recoverable of $23 million and the fair value impact of the equity forward contracts.

Compensation cost attributable to stock options that allow for settlement in cash at the option of the holder is accounted for using the intrinsic value method. The year-to-date compensation cost included in the 2002 consolidated operating income was $28 million including a charge of $7 million from the fair value impact of the equity derivative contracts.

The Company accounts for stock options granted that are settled by issuing common shares as capital transactions and no compensation cost is recorded. Consideration paid by employees on the exercise of a stock option is credited to consolidated common share capital. The pro forma effect of accounting for these stock options under the fair value based accounting method is disclosed in Note 2.

Goodwill and Intangible Assets During July 2001, the Company implemented the new standard issued by the CICA on goodwill and other intangible assets for the acquisition of George Weston Bakeries and effective January 1, 2002, the Company implemented this standard prospectively for all goodwill and intangible assets that existed prior to July 1, 2001.

Under the new standard, goodwill is no longer amortized but instead requires that the book value of goodwill be tested annually for impairment. In addition, the amortization of intangible assets is no longer required unless the intangible asset has a limited life, in which case it will be amortized over its estimated useful life. Intangible assets not subject to amortization also require an annual test for impairment. Any permanent impairment in the book value of goodwill or intangible assets will be written off against consolidated earnings.

A review of the business combinations completed by the Company prior to July 1, 2001 was performed and no change was required to the book value of goodwill and no previously unrecognized intangible assets were recorded. The Company also performed the initial goodwill impairment test and determined that there was no impairment to the book value of goodwill. If this new standard had been applied during the 40 weeks ended October 6, 2001, consolidated net earnings would have increased by $29 million.

Comparative Figures Certain prior period's information was reclassified to conform with the current period's presentation.

2. Share Capital

(refer to Note 12 of the 2001 Audited Annual Consolidated Financial Statements)

($ millions)	As at Oct. 5, 2002	Dec. 31, 2001
Common share capital	**$ 100**	$ 77
Preferred shares, Series I	**228**	228
Preferred shares, Series II	**260**	
	$ 588	$ 305

Preferred Shares, Series II (authorized - unlimited) During the second quarter of 2002, the Company issued 10.6 million 5.15% Preferred Shares, Series II for $25.00 per share for net proceeds of $260 million, which entitle the holder to a fixed cumulative preferred cash dividend of $1.2875 per share per annum. On or after April 1, 2009, the Company may, at its option, redeem for cash these outstanding preferred shares, in whole or in part, at $25.00 per share.

Stock-Based Compensation Plan At the end of the third quarter of 2002, the Company had 1,804,313 common stock options outstanding. During 2002, the Company issued 608,235 common shares for cash consideration of $23 million on the exercise of stock options and paid share appreciation value of $9 million ($14 million less tax of $5 million) on 202,536 stock options. In addition, 31,440 stock options were cancelled during 2002. Loblaw's total stock option plan payments during 2002 were $12 million ($20 million less tax of $8 million).

During the first quarter of 2002, the Company granted 226,000 stock options at a weighted average exercise price per share of $100.00, which will be settled by issuing common shares. The weighted average grant-date fair value of these stock options was estimated using the Black-Scholes model for pricing options assuming a weighted average expected dividend yield of .96% annually, a weighted average risk free interest rate of 3.3%, a weighted average expected common stock price volatility of 26.0% and a weighted average expected option life of 3 years. If the fair value based accounting method had been used for these stock options, the Company's third quarter year-to-date consolidated net earnings would have decreased by $1.6 million with a one cent impact to basic and diluted net earnings per common share. This impact on consolidated net earnings and basic and diluted net earnings per common share excludes the effect of stock options granted before January 1, 2002, which will be settled by issuing common shares.

Normal Course Issuer Bid ("NCIB") During the third quarter of 2002, the Company purchased for cancellation 117,000 of its common shares for $12 million pursuant to its NCIB.

3. Financial Instruments

(refer to Note 13 of the 2001 Audited Annual Consolidated Financial Statements)

Interest Rate Derivatives During the third quarter of 2002, the Company entered into interest rate derivative agreements with a weighed average term to maturity of 9 years. These interest rate derivatives partially offset the Company's exposure to United States and Canadian floating interest rates, which results from the currency derivative agreements it entered into during 2001 to hedge against exchange rate fluctuations on the Company's United States dollar denominated net assets. The Company converted $2.4 billion of its currency derivative Canadian floating interest rate exposure to receive a 5.1% fixed interest rate and $1.9 billion (U.S. $1.2 billion) of its currency derivative United States floating interest rate exposure to pay a 4.5% fixed interest rate. The interest rate swaptions the Company entered into during the second quarter of 2002 were not exercised.

3. Financial Instruments (continued)

(refer to Note 13 of the 2001 Audited Annual Consolidated Financial Statements)

Equity Derivatives During 2002, the Company entered into equity derivative agreements to buy 800,000 of its common shares at an average forward price of $115.01 per common share with an average initial term of 6 years. These equity derivatives change in value as the market price of the underlying common shares change and effectively results in a partial offset to fluctuations in the Company's stock-based compensation cost.

4. Short Term Bank Loans

During the second quarter of 2002, the Company completed the repayment of the short term unsecured credit facility used to finance the 2001 acquisition of George Weston Bakeries. In addition, during 2002, the Company issued $25 million of Series B Debentures due on demand, which are currently at an interest rate of 3.37%.

5. Acquisition

(refer to Note 4 of the 2001 Audited Annual Consolidated Financial Statements)

Purchases by Loblaw of its common shares are recorded by the Company as step acquisitions of Loblaw. During the third quarter of 2002, Loblaw purchased 85,500 of its common shares for $5 million pursuant to its NCIB, which resulted in the Company recording $2 million of goodwill.

6. Segmented Information

(refer to Note 15 of the 2001 Audited Annual Consolidated Financial Statements)

	16 Weeks Ended		40 Weeks Ended	
($ millions)	**Oct. 5, 2002**	Oct. 6, 2001	**Oct. 5, 2002**	Oct. 6, 2001
Sales				
Food Processing	**$ 1,534**	$ 1,264	**$ 3,884**	$ 2,678
Food Distribution	**7,178**	6,703	**17,437**	16,233
Inter Group	**(203)**	(179)	**(490)**	(433)
Consolidated	**$ 8,509**	$ 7,788	**$ 20,831**	$ 18,478
Operating Income				
Food Processing	**$ 119**	$ 111	**$ 297**	$ 221
Food Distribution	**344**	294	**848**	733
Consolidated	**$ 463**	$ 405	**$ 1,145**	$ 954

	As at	
($ millions)	**Oct. 5, 2002**	Dec. 31, 2001
Total Assets (1)		
Food Processing	**$ 5,395**	$ 5,954
Food Distribution	**10,669**	9,955
Consolidated	**$ 16,064**	$ 15,909

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

George Weston Limited

Corporate Profile

George Weston Limited is a broadly based Canadian company founded in 1882. It operates in two distinct business segments: Food Processing, which encompasses fresh and frozen bakeries, biscuit, dairy and fresh farmed salmon operations; and Food Distribution, operated through Loblaw Companies Limited, the largest food distributor in Canada.

Investor Relations

Shareholders, security analysts and investment professionals should direct their requests to Mr. Geoffrey H. Wilson, Vice President, Industry and Investor Relations at the Company's Executive Office.

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR.

Ce rapport est disponible en français.

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