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GEORGE WESTON LIMITED

Preliminary Report to Shareholders

Year Ended December 31, 2002

Weston

George Weston Limited completed another successful year in 2002 achieving basic net earnings per common share of $5.05 compared to $4.42 last year. After adjusting the 2001 basic net earnings per common share for the discontinuance of goodwill charges and the impact of the unusual items, basic net earnings per common share for the full year increased 77 cents or 18% over last year's $4.28. Fourth quarter basic net earnings per common share, on the same basis, increased 16% to $1.70 from last year's $1.46.

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.

As of the fourth quarter, the Company amended its reportable operating segments to the following three segments: **Weston Foods, Food Distribution** and **Fisheries**. The Weston Foods segment includes the baking and dairy operations within North America. The Food Distribution segment is operated by Loblaw Companies Limited ("Loblaw"), the largest food distributor in Canada. The Fisheries segment includes the *Heritage* fresh salmon operations in North America and Chile as well as the Fisheries operations which were disposed of prior to 2002. In prior periods, the Company reported Weston Foods and Fisheries under one segment: Food Processing.

Operating Highlights

Sales increased 7.0% or $432 million to $6.6 billion in the fourth quarter and 11.3% or $2.8 billion to $27.4 billion for the full year. **Weston Foods** sales for the fourth quarter of $1.1 billion were 0.5% higher than last year impacted by the continued sluggish sales environment in the United States food retail market. Year-to-date sales of $4.8 billion were 40.4% ahead of 2001 reflecting the inclusion of an additional 30 weeks of George Weston Bakeries' results in 2002. Excluding the impact of the 2001 George Weston Bakeries acquisition, sales for the Weston Foods base business increased 4.1% for the full year. **Food Distribution** sales for the fourth quarter of $5.6 billion were 7.5% higher than last year with year-to-date sales of $23.1 billion, 7.4% ahead of 2001. Good sales growth was experienced in all banners across the country. National same-store sales for the fourth quarter increased 5.0% and 4.6% year-to-date. Food price inflation remained low with slight increases in the fourth quarter. **Fisheries** sales for the fourth quarter of $48 million were 14.3% below last year with full year sales of $219 million, 44.7% below 2001 which included the results of the Connors canned sardine and seafood processing operations. Fourth quarter sales for the continuing Fisheries fresh salmon operations improved over the prior year.

Operating income (earnings before interest, unusual items, income taxes, goodwill charges and minority interest) increased $47 million or 9.7% to $533 million for the fourth quarter and $238 million or 16.5% to $1.7 billion year-to-date. Excluding the impact of implementing, in 2002, the new Canadian accounting standard for stock-based compensation and other stock-based payments, fourth quarter operating income increased 10.5% and year-to-date operating income increased 18.8% over 2001. **Weston Foods** operating income increased 4.3% to $96 million for the fourth quarter and 30.7% to $409 million for the full year. Operating margin (operating income divided by sales) improved for the fourth quarter to 8.9% from 8.6% in 2001 primarily due to the continued focus on cost controls and operating efficiencies. For the full year, operating margin decreased to 8.5% from 9.2% in 2001. While the George Weston Bakeries integration is on target and the anticipated synergies are being realized as expected, operating margin was negatively impacted by the implementation of the new Canadian accounting standard for stock-based compensation in 2002 as well as increased pension costs. **Food Distribution** operating income increased 13.2% to $447 million for the fourth quarter and 14.8% to $1.3 billion for the full year. Earnings growth was experienced across the country. Operating margin for the fourth quarter improved to 7.9% from 7.5% in 2001 and 5.6% from 5.2% for the full year as a result of better overall sales mix management and a continued focus on administrative cost control and operating efficiencies leveraging off an increasing sales base. **Fisheries** operating loss for the fourth quarter of $10 million compared to an operating loss of $1 million in 2001, which included the results from the Fisheries operations disposed of during the fourth quarter of 2001. For the full year, an operating loss of $26 million compared to a loss of $1 million in 2001. During the fourth quarter of 2002, Fisheries continued to experience operating losses due to the on-going softness in fresh salmon market prices.

Interest expense for the fourth quarter decreased 5.8% to $49 million but increased 7.7% to $238 million for the full year. The decrease in the fourth quarter was a result of a decline in average net borrowing rates and average net borrowing levels. For the full year, an increase in average net borrowing levels was partially offset by lower net average borrowing rates. Interest coverage (operating income divided by interest expense) improved to 10.9 times for the fourth quarter compared to 9.3 times for the comparable period in 2001 and 7.1 times compared to 6.5 times on a year-to-date basis. The 2002 year-to-date effective income tax rate decreased to 32.6% in line with declining Canadian federal and provincial income tax rates and the income tax impact of fair valuing Loblaw's equity derivative agreements.

The Company's financial position and cash flow remain strong. The net debt to equity ratio at the end of the fourth quarter was 1:1, excluding the Domtar Exchangeable Debentures, compared to 1.47:1 at year end 2001. As expected, the combination of the proceeds realized from the sale of the western portion of Bestfoods Baking, the refinancing of debt through the issuance of preferred shares and earnings growth in 2002 returned this ratio to the Company's internal 1:1 consolidated guideline.

During the fourth quarter of 2002, Loblaw securitized $60 million of credit card receivables, $244 million year-to-date, yielding a minimal gain, using assumptions consistent with those disclosed in the Company's 2001 Annual Report.

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 to hedge against exchange rate fluctuations on the Company's United States dollar denominated net investment in self-sustaining foreign operations (see note 4 of the unaudited interim period consolidated financial statements).

Capital investment during the fourth quarter totaled $470 million and $1.4 billion year-to-date as the Company continues to maintain and renew its asset base and invest for growth across North America. Operating cash flow for 2002 improved to $1.3 billion from $961 million in 2001, mainly due to growth in EBITDA (operating income before depreciation and amortization). Operating cash flow for the fourth quarter of 2002 was slightly below that of 2001 primarily due to a higher investment by Loblaw in non-cash working capital, principally inventory net of accounts payable, partially offset by an overall growth in EBITDA. Weston Foods continues to generate operating cash flow in excess of its capital investment program.

During the fourth quarter of 2002, Loblaw's $10 million 6.20% BA Range note matured. During the second quarter, the Company completed the repayment of the short term unsecured credit facility used to finance the 2001 George Weston Bakeries acquisition. 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, while 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 six years. These agreements change in value as the market price of the underlying common shares change and effectively provide a partial offset to fluctuations in the Company's stock-based compensation cost. In addition, during 2002, the Company purchased for cancellation 327,400 of its common shares for $33 million pursuant to its Normal Course Issuer Bids.

Subsequent to year end 2002, the Company granted 685,129 stock options at an exercise price of $93.35 per common share and granted 252,285 share appreciation rights at an exercise price of $93.35 per common share.

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 implementation was a decrease to retained earnings of $55 million ($93 million less future income tax recoverable of $28 million and a $10 million minority interest impact). This decrease includes the Company’s portion of Loblaw’s decrease to its retained earnings of $25 million ($80 million less future income tax recoverable of $23 million and the $32 million fair value impact of its equity derivative agreements). Included in the 2002 operating income was a year-to-date charge of $32 million, including a charge of $13 million from the fair value impact of the equity derivative agreements, reflecting the Company’s and Loblaw’s year-to-date stock-based compensation cost.

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 Company had another successful year in 2002 maintaining its solid financial position and good cash flow generation, while continuing its $1.4 billion annual capital investment program. Strong growth for the Food Distribution segment is expected to continue into 2003. For Weston Foods, sales and earnings growth is also expected to continue. Fresh salmon market prices have improved over the past year; however, a return to profitability for the Fisheries segment, which we will continue to closely monitor, is highly dependent upon further price improvements. While the North American consumer is showing signs of stress, we are confident that 2003 will be another successful year for George Weston Limited.

W. Galen Weston

W. Galen Weston

Chairman and President

Toronto, Canada

February 11, 2003

Consolidated Statements of Earnings
(unaudited)

($ millions except where otherwise indicated)	For the Quarters Ended Dec. 31, 2002	Dec. 31, 2001	For the Years Ended Dec. 31, 2002	Dec. 31, 2001
Sales	**$ 6,615**	$ 6,183	**$ 27,446**	$ 24,661
Operating Expenses				
Cost of sales, selling and administrative expenses	**5,959**	5,587	**25,261**	22,790
Depreciation	**123**	110	**507**	431
	6,082	5,697	**25,768**	23,221
Operating Income	**533**	486	**1,678**	1,440
Interest Expense				
Short term	**(14)**	(3)	**(48)**	(21)
Long term	**63**	55	**286**	242
	49	52	**238**	221
Unusual Items		63		63
Earnings Before the Following:	**484**	497	**1,440**	1,282
Income Taxes	**151**	161	**469**	435
	333	336	**971**	847
Goodwill Charges (2001 – net of tax of $4) (note 1)		12		53
	333	324	**971**	794
Minority Interest	**102**	84	**281**	212
Net Earnings for the Period	**$ 231**	$ 240	**$ 690**	$ 582
Per Common Share ($)				
Basic				
Net earnings	**$ 1.70**	$ 1.82	**$ 5.05**	$ 4.42
Earnings before goodwill charges, net of minority interest impact	**$ 1.70**	$ 1.88	**$ 5.05**	$ 4.70
Diluted				
Net earnings	**$ 1.70**	$ 1.80	**$ 5.02**	$ 4.37
Earnings before goodwill charges, net of minority interest impact	**$ 1.70**	$ 1.86	**$ 5.02**	$ 4.65
Market value – period end	**$ 90.25**	$ 103.40	**$ 90.25**	$ 103.40
Actual common shares outstanding (in millions)	**132.3**	131.5	**132.3**	131.5
Weighted average common shares outstanding (in millions)	**131.9**	131.5	**131.9**	131.5

Consolidated Statements of Retained Earnings
(unaudited)

($ millions except where otherwise indicated)	For the Years Ended Dec. 31, 2002	Dec. 31, 2001
Retained Earnings, Beginning of Year	**$ 3,260**	$ 2,801
Impact of implementing new accounting standard (note 1)	**(55)**	
Net earnings for the year	**690**	582
Premium on common shares purchased for cancellation (note 2)	**(33)**	(1)
Stock option plan cash payments (2001 – net of tax of $5)		(12)
Net subsidiary stock option plan cash payments (2001 – net of tax of $4)		(5)
Dividends declared		
Per common share – 96¢ (2001 – 80¢)	**(126)**	(105)
Per preferred share – Series I – $1.49	**(14)**	
Series II – 93¢	**(10)**	
Retained Earnings, End of Year	**$ 3,712**	$ 3,260

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

Consolidated Balance Sheets

($ millions)	As at Dec. 31, 2002 (unaudited)	Dec. 31, 2001
Assets		
Current Assets		
Cash and cash equivalents	**$ 1,157**	$ 743
Short term investments	**398**	518
Accounts receivable	**964**	863
Inventories	**1,994**	1,780
Business held for sale		934
Future income taxes	**144**	168
Prepaid expenses and other assets	**48**	54
Total Current Assets	**4,705**	5,060
Fixed Assets	**7,053**	6,249
Goodwill and Intangible Assets (notes 1 & 6)	**3,988**	3,980
Franchise Investments and Other Receivables	**319**	317
Future Income Taxes	**43**	129
Other Assets	**555**	552
Total Assets	**$ 16,663**	$ 16,287
Liabilities		
Current Liabilities		
Bank indebtedness	**$ 61**	$ 152
Commercial paper	**715**	466
Accounts payable and accrued liabilities	**3,344**	3,407
Income taxes	**164**	179
Short term bank loans (note 5)	**33**	1,367
Long term debt due within one year	**110**	82
Total Current Liabilities	**4,427**	5,653
Long Term Debt	**5,391**	4,908
Future Income Taxes	**146**	122
Other Liabilities	**728**	601
Minority Interest	**1,589**	1,377
Total Liabilities	**12,281**	12,661
Shareholders' Equity		
Share Capital (notes 2 & 3)	**609**	305
Retained Earnings	**3,712**	3,260
Cumulative Foreign Currency Translation Adjustment	**61**	61
Total Shareholders' Equity	**4,382**	3,626
Total Liabilities and Shareholders' Equity	**$ 16,663**	$ 16,287

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

Consolidated Cash Flow Statements

(unaudited)

($ millions)		For the Quarters Ended Dec. 31, 2002	Dec. 31, 2001	For the Years Ended Dec. 31, 2002	Dec. 31, 2001
Operating Activities					
Net earnings before minority interest		**$ 333**	$ 324	**$ 971**	$ 794
Depreciation and amortization		**123**	123	**507**	488
Unusual items			(63)		(63)
Future income taxes		**77**	14	**137**	56
Change in non-cash working capital		**78**	286	**(212)**	(217)
Acquisition restructuring and other charges, including income tax recoveries		**(20)**	(38)	**(107)**	(76)
Other		**(2)**	(22)	**27**	(21)
Cash Flows from Operating Activities		**589**	624	**1,323**	961
Investing Activities					
Fixed asset purchases		**(470)**	(473)	**(1,397)**	(1,330)
Short term investments		**468**	32	**120**	(100)
Proceeds from fixed asset sales		**44**	12	**69**	52
Business acquisitions			(43)		(2,794)
Business dispositions			330	**960**	330
Franchise investments, other receivables and credit card receivables		**(94)**	48	**(111)**	(148)
Other		**7**	(38)	**25**	(42)
Cash Flows used in Investing Activities		**(45)**	(132)	**(334)**	(4,032)
Financing Activities					
Bank indebtedness		**(48)**	152	**(91)**	3
Commercial paper		**(210)**	(477)	**249**	(237)
Short term bank loans (note 5)	– Issued	**8**		**33**	2,788
	– Retired		(1,421)	**(1,367)**	(1,421)
Long term debt	– Issued		966	**600**	2,006
	– Retired	**(11)**	(1)	**(78)**	(253)
Share capital	– Issued (notes 2 & 3)	**21**	229	**304**	229
	– Retired (note 2)	**(21)**	(1)	**(33)**	(1)
Subsidiary share capital	– Issued (note 3)	**2**		**2**	
	– Retired (note 6)	**(12)**	(1)	**(17)**	(1)
Dividends	– To shareholders	**(3)**		**(141)**	(105)
	– To minority shareholders	**(13)**	(11)	**(51)**	(52)
Other		**23**	2	**15**	6
Cash Flows (used in) from Financing Activities		**(264)**	(563)	**(575)**	2,962
Change in Cash and Cash Equivalents		**280**	(71)	**414**	(109)
Cash and Cash Equivalents, Beginning of Period		**877**	814	**743**	852
Cash and Cash Equivalents, End of Period		**$ 1,157**	$ 743	**$ 1,157**	$ 743
Other Cash Flow Information					
Net interest paid		**$ 91**	$ 83	**$ 294**	$ 273
Net income taxes paid		**$ 27**	$ 72	**$ 320**	$ 329

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. Under Canadian generally accepted accounting principles, additional disclosure is required in annual financial statements, accordingly, 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 employee. The cumulative effect of implementation was a decrease to retained earnings of $55 million ($93 million less future income tax recoverable of $28 million and a $10 million minority interest impact). This decrease includes the Company's portion of Loblaw Companies Limited's ("Loblaw") decrease to its retained earnings of $25 million ($80 million less future income tax recoverable of $23 million and the $32 million fair value impact of its equity derivative agreements).

The Company recognizes in operating income a compensation cost related to employee stock option grants that allow for settlement in cash at the option of the employee and employee share appreciation right grants that will be settled in cash, which are accounted for using the intrinsic value method.

The Company accounts for stock option grants that will be settled by issuing common shares as capital transactions and no compensation cost is recognized. Consideration paid by employees on the exercise of a stock option is credited to common share capital. The pro forma effect of accounting for these stock option grants under the fair value method is disclosed in Note 3.

Goodwill and Intangible Assets During July 2001, the Company implemented the new standard issued by the CICA on goodwill and intangible assets for the George Weston Bakeries acquisition and effective January 1, 2002, the Company prospectively implemented this standard 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 recognized in net 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. If this new standard had been applied for the year ended December 31, 2001, net earnings would have increased by $37 million, which includes a $16 million minority interest impact.

Comparative and Current Period Information Certain current and prior periods' information was reclassified to conform with the year end presentation and disclosures adopted by the Company in its upcoming 2002 Annual Report.

2. Share Capital

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

($ millions)	As at **Dec. 31, 2002**	Dec. 31, 2001
Common share capital	**$ 121**	$ 77
Preferred shares, Series I	**228**	228
Preferred shares, Series II	**260**	
	$ 609	$ 305

Preferred Shares, Series II (authorized - unlimited) During 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.

Normal Course Issuer Bids ("NCIB") During 2002, the Company purchased for cancellation 327,400 of its common shares for $33 million and entered into equity derivative agreements to buy 800,000 of its common shares pursuant to its NCIB.

3. Stock-Based Compensation

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

In 2002, the Company recognized in operating income a compensation cost of $32 million ($19 million plus the $13 million fair value impact of the equity derivative agreements) related to the Company's and Loblaw's stock-based compensation plans. During 2002, the Company issued 1,139,315 common shares for cash consideration of $44 million on the exercise of stock options and paid the 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 forfeited or cancelled during 2002. During 2002, Loblaw issued 75,000 common shares for cash consideration of $2 million on the exercise of stock options and paid the share appreciation value of $13 million ($22 million less tax of $9 million) on 685,447 stock options.

During 2002, the Company granted 226,000 stock options to 18 employees at a weighted average exercise price per common 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 three years. If the fair value method had been used for these stock options, the Company's year end net earnings would have decreased by $2 million, with a one cent impact to basic and diluted net earnings per common share. This impact on net earnings and basic and diluted net earnings per common share excludes the effect of 239,115 stock options that were granted before January 1, 2002, which will be settled by issuing common shares.

The Company maintains a common share appreciation right plan for senior United States employees. Share appreciation rights have up to a seven year term, vest 20% cumulatively on each anniversary date of the grant and are exercisable at the designated common share price, which is 100% of the market value of the Company's common shares on the last trading day prior to the effective date of the grant. When exercised, the employee will receive in cash the share appreciation value equal to the excess of the market price at the date of exercise over the specified right price. During 2002, the Company granted 144,000 share appreciation rights to 48 employees at a weighted average exercise price of $100.00 per common share. No share appreciation rights were exercised, forfeited or cancelled during 2002.

At year end, the Company had a total of 1,417,233 common stock option grants and share appreciation right grants outstanding, which represented approximately 1.1% of its issued and outstanding common shares at year end and was within regulatory guidelines.

Subsequent to year end, the Company granted 685,129 stock options under its current stock option plan, that allow for settlement in cash at the option of the employee, to 91 employees at an exercise price of $93.35 per common share and granted 252,285 share appreciation rights, that will be settled in cash, to 63 employees at an exercise price of $93.35 per common share.

4. Financial Instruments

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

Interest Rate Derivative Agreements During 2002, the Company entered into interest rate derivative agreements, which convert $2.4 billion of its Canadian floating interest rate exposure to receive a 5.1% fixed interest rate and $1.9 billion (U.S. $1.2 billion) of its United States floating interest rate exposure to pay a 4.5% fixed interest rate. These agreements partially offset the Company's exposure to United States and Canadian floating interest rates, which results from the currency derivative agreements the Company entered into during 2001 to hedge against exchange rate fluctuations on the Company's United States dollar denominated net investment in self-sustaining foreign operations. These interest rate derivative agreements have a weighted average term to maturity of nine years.

Equity Derivative Agreements 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 six years. These agreements change in value as the market price of the underlying common shares change and effectively provide a partial offset to fluctuations in the Company's stock-based compensation cost.

5. 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 $33 million of Series B Debentures due on demand, which are at a current weighted average interest rate of 3.34%.

6. Goodwill and Intangible Assets

By year end 2002, the Company had recorded $1.6 billion of goodwill and $627 million of intangible assets related to its Weston Foods operating segment; $1.7 billion of goodwill related to its Food Distribution operating segment; and $9 million of goodwill and $14 million of intangible assets related to its Fisheries operating segment.

The Weston Foods intangible assets primarily relate to the $626 million of trademarks and brand names acquired in the 2001 George Weston Bakeries acquisition, which have an indefinite useful life and, accordingly, are not being amortized.

The Fisheries intangible assets relate to marine site licenses, which have a limited life of 20 years and, accordingly, are being amortized over 20 years.

When Loblaw purchases its own common shares, the Company accounts for the purchase as a step acquisition of Loblaw. During 2002, Loblaw purchased 309,000 of its common shares for $17 million pursuant to its Normal Course Issuer Bids, which resulted in the Company recognizing $8 million of goodwill.

The Weston Foods, Food Distribution and Fisheries goodwill and the Weston Foods intangible assets with indefinite lives are tested annually for impairment. During the fourth quarter of 2002, the Company performed the annual goodwill and intangible assets impairment tests and determined that there was no impairment to the carrying value of the goodwill or the intangible assets.

7. Reportable Operating Segments

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

The Company has three reportable operating segments: Weston Foods, Food Distribution and Fisheries. The Weston Foods segment is primarily engaged in the baking and dairy industries within North America. The Food Distribution segment primarily focuses on food retailing and is operated by Loblaw. The Fisheries segment is primarily engaged in the hatching, growing and processing of fresh salmon in North America and Chile. In prior periods, the Company reported Weston Foods and Fisheries under one segment: Food Processing.

The accounting policies of the segments are the same as those described herein and in the Company's 2001 Annual Report. The Company measures each segment's performance based on operating income. No segment is reliant on any single external customer.

	For the Quarters Ended		For the Years Ended	
($ millions)	**Dec. 31, 2002**	Dec. 31, 2001	**Dec. 31, 2002**	Dec. 31, 2001
Sales				
Weston Foods	**$ 1,079**	$ 1,074	**$ 4,792**	$ 3,412
Food Distribution	**5,645**	5,253	**23,082**	21,486
Fisheries	**48**	56	**219**	396
Inter Segment	**(157)**	(200)	**(647)**	(633)
Consolidated	**$ 6,615**	$ 6,183	**$ 27,446**	$ 24,661
Operating Income				
Weston Foods	**$ 96**	$ 92	**$ 409**	$ 313
Food Distribution	**447**	395	**1,295**	1,128
Fisheries	**(10)**	(1)	**(26)**	(1)
Consolidated	**$ 533**	$ 486	**$ 1,678**	$ 1,440

	As at	
($ millions)	**Dec. 31, 2002**	Dec. 31, 2001
Total Assets (1)		
Weston Foods	**$ 4,837**	$ 5,627
Food Distribution	**11,167**	9,972
Fisheries	**292**	320
Consolidated	**$ 16,296**	$ 15,919

(1) Excludes the $367 million (2001 - $368 million) investment in Domtar common shares, which is effectively hedged as a result of issuing the 3% Exchangeable Debentures (refer to Note 11 of the 2001 Audited Annual Consolidated Financial Statements).

George Weston Limited

Corporate Profile

George Weston Limited ("Weston") is a broadly based Canadian company founded in 1882 and is one of North America's largest food processing and distribution companies. Weston has three operating segments: Weston Foods, Food Distribution and Fisheries. The Weston Foods segment is primarily engaged in the baking and dairy industries within North America. The Food Distribution segment primarily focuses on food retailing and is operated by Loblaw Companies Limited, the largest food distributor in Canada. The Fisheries segment is primarily engaged in the hatching, growing and processing of fresh salmon in North America and Chile.

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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