Weston®
George Weston Limited

2003 ANNUAL INFORMATION FORM

April 5, 2004

GEORGE WESTON LIMITED
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Unless otherwise stated the information in this Annual Information Form is current to March 11, 2004, 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

George Weston Limited is a holding company and operates primarily through its subsidiaries in 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 62% 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"). Throughout this Annual Information Form, George Weston Limited 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 62% of the voting shares are held directly and indirectly by Weston.

Weston Foods	Jurisdiction of Incorporation
Weston Foods Inc.	Ontario
Boulangeries Weston Quebéc 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
Freihofer Sales Company, Inc.	Delaware
Charles Freihofer Baking Company, Inc.	Delaware
Freihofer Products Inc.	Delaware
George Weston Bakeries Inc.	Delaware
George Weston Bakeries Distribution Inc.	Delaware
Arnold Foods Company, Inc.	Delaware

Arnold Products, Inc.	Deleware
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
Fortinos Supermarket Ltd.	Ontario
Glenhuron Bank Limited	Barbados
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 and is increasing its offering of non-food products and services. The Fisheries segment is primarily engaged in the hatching, growing and processing of fresh farm raised salmon in North America and Chile. Prior to 2002, the Company reported Weston Foods and Fisheries under one segment, Food Processing.

The North American food industry is a changing and competitive market. Consumers’ 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 demanded more quality, value and convenience. All of the Company’s operating segments will enter new markets and review potential acquisitions when the opportunities arise and also exit a particular market and reallocate assets elsewhere when there is a strategic advantage in doing so. A further discussion of reportable segment trends is provided in the Management Discussion and Analysis section of the 2003 George Weston Limited Annual Report.

Weston Foods

During the three year period ended December 31, 2003, Weston Foods acquired and divested a number of businesses, so that today it is focused predominately 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.

During 2003, Weston Foods acquired a specialty bakery in Canada for $6 million, which resulted in the Company recognizing $2 million in goodwill.

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. Weston Foods also acquired several small baking facilities in Canada in 2001.

In 2001, Weston completed the secondary sale of 4.2 million Loblaw common shares for net proceeds of $195 million. Proceeds from this transaction were used to repay debt incurred with respect to the acquisition of Bestfoods Baking.

Food Distribution

During the three year period ended December 31, 2003, 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 operating and financing activities, was $3.5 billion.

During the three year period ended December 31, 2003, Loblaw purchased for cancellation 1.6 million of its common shares for $94 million, resulting in the Company's ownership of Loblaw to be 62% at December 31, 2003.

During the latest three year period, Loblaw's total sales increased at a cumulative average annual rate of approximately 7.8%. Corporate stores and franchise stores (as such terms are hereinafter defined) square footage increased at cumulative average annual growth rates of approximately 6.5% and 2.9%, respectively. The number of corporate stores over the same three year period increased from 606 to 646 with a trend towards expanded store size and an increased variety of products and services. The number of franchised stores declined from 405 to 397 stores over the same three year period.

Loblaw pursues a strategy of enhancing profitability on a market-by-market basis by using a multi-format approach. This multi-format approach enables Loblaw to serve a greater variety of consumers, compete on price and place the right offerings in the right markets. Traditional food offerings remain at the core of Loblaw's business and are the principal means of attracting consumers into their stores. Loblaw's food offerings are enhanced by a strong control label program which assists in creating customer loyalty and price competitiveness. Loblaw's food offerings are also complemented by an array of non-food offerings creating a one-stop shopping experience. These non-food offerings include pharmacies, photo labs, apparel, health and beauty, housewares, home accessories, flower markets, lawn and garden centers, gas bars and electronics. In order to meet more of its customers' everyday household needs, Loblaw is constructing larger stores and retrofitting existing locations where appropriate for the local market, allowing Loblaw to offer a wider variety of products and services.

During 2003, Loblaw introduced its *The Real Canadian Superstore ("RCSS")* format to the Ontario market. The establishment of this large store program is expected to continue in 2004 and beyond, so that Loblaw can continue to deliver to its customers a unique shopping experience that includes an expanded selection of products and services at competitive prices. As part of a long term labour strategy to establish a competitive framework for the RCSS concept in Ontario, 541 employees in Ontario accepted a voluntary early retirement offer which resulted in a charge of $25 million to operating income in 2003. Subsequent to year end 2003, an additional 94 employees had accepted the voluntary early retirement offer which will result in an additional charge of $2 million to operating income in the first quarter of 2004.

The strength of Loblaw's control label program has also allowed Loblaw to expand its *President's Choice* brand to financial services. Over the past three years, the number of customers using *President's Choice Financial* services has grown and the range of products and services now available includes chequing and savings accounts, mortgages, RRSPs, loans and lines of credit. These services are provided by Amicus Bank, a member of the CIBC group of companies. President's Choice Bank, subsidiary of Loblaw, launched the *President's Choice Financial* MasterCard® in 2001 throughout Canada except Quebec, where it was launched in February 2004. In 2003, President's Choice Bank securitized an additional portion of its credit card receivables, generating proceeds of $202 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 stores and franchised stores and, more recently, a wide variety of rewards including travel, gift certificates and home and living accessories from the new PC Points Collectors Guide.

In October 2003, Loblaw introduced *PC Financial* auto and home insurance through its subsidiary PC Financial Insurance Agency Inc. to selected markets in Ontario. These products are provided and underwritten by Aviva Canada Inc. Aviva Canada Inc. is the parent company of one of the largest and most experienced groups of property and casualty insurance providers in Canada. Rollout of this product across Ontario and Canada is planned to occur throughout 2004 and 2005.

In support of its retail operations, Loblaw is also focusing on the optimization of its warehouse and distribution network, on creating national platforms for its procurement and information technology functions and on the consolidation of corporate and support functions. By adopting best practices across Loblaw in these functions, the resulting cost savings can be used to further improve its value proposition to its customers across all its formats and strengthen its competitive position in the future.

Fisheries

Fisheries continues to be impacted by depressed fresh salmon market prices. Prices have shown signs of improvement over the course of 2003, however, supply volatility continues to impact sales growth. In addition, Fisheries was negatively impacted by disease issues during the year and an inventory loss as a result of extremely cold weather on the east coast of North America. The salmon aquaculture industry has recently been the subject of publicity concerning certain health related issues which may impact demand for the product. Although price improvements are expected to continue, a return to profitability for Fisheries, which will be closely monitored, is dependent upon further price improvements. Fisheries will continue its focus on cost reduction initiatives, product development, building on its strong brand loyalty and customer relationships.

Traditionally, Fisheries has contracted with many individual salmon farmers in New Brunswick and Maine. In 2003, Fisheries began a process of purchasing these small operations with the goal of reducing costs and optimizing production.

In 2001, Fisheries 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.

III. NARRATIVE DESCRIPTION OF THE BUSINESS

Weston Foods

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

Facilities and Principal Products

Weston Foods 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 and shelf stable milk based product 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.

During 2003, two plants were closed: Barrie (Ontario) and Orillia (Ontario). Also in 2003, Weston Foods began production in one facility in Quebec and acquired two facilities in Quebec as well as ceased production in a leased facility in Ontario used for seasonal production.

During 2002, three plants were closed as part of business restructuring: Miami (Florida), Burlington (Vermont) and Plattsburg (New York). Also in 2002, Weston Foods began production in five facilities (Pennsylvania, New York, Saskatchewan, Ontario and Alberta).

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

CANADA		UNITED STATES	
Province	Number of Locations	State	Number of Locations
Ontario	15	Pennsylvania	10
Quebec	7	New York	6
Alberta	4	Wisconsin	2
Saskatchewan	3	California	2
Nova Scotia	2	One location for each of: New Jersey, Connecticut, Illinois, Florida, Maryland, Virginia, South Dakota, Ohio, Georgia, Indiana, Missouri, Nebraska, Washington, North Carolina	14
Newfoundland	1		
British Columbia	1		
Manitoba	1		
	34		34

Weston Foods sells through a variety of customer channels within the North American food retailing market including supermarkets, mass merchandisers, discount retailers, food service distributors and outlets as well as other food retailing customers and spends a considerable amount of effort in building and maintaining consumer brand awareness. Weston Foods 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.

Weston Foods distributes its fresh bakery and dairy products both through direct store delivery to large customers and through 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.

Competitive Conditions

The North American bakery industry is both mature and competitive. Management reviews and monitors operating plans and results, including market share. When necessary, they will modify their operating strategies including relocating production facilities, reviewing pricing 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 the difficult sales environment being experienced by United States traditional food retailers, coupled with the continuing cost pressures being experienced by the industry, Weston Foods anticipates that competitive business restructuring will continue in 2004. Although the outcome and the impact, if any, on the Company's consolidated financial results from this anticipated restructuring is uncertain, Weston Foods 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 generally readily available in sufficient quantities. There are numerous sources of supply for these primary ingredients. However, the supply of certain specialty ingredients may be, from time to time, restricted. Further, in order to minimize the effect of fluctuations in the prices of its important raw materials, forward contracts with suppliers or financial contracts such as exchange traded commodity futures and options contracts, are used to partially hedge and mitigate the price fluctuations of anticipated purchases of certain raw materials which are, nonetheless subject to fluctuations. 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 other purposes 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 Weston Foods are important assets to the Company and are defended vigorously. They provide Weston Foods with a competitive advantage and accordingly segment management spends considerable effort supporting their key brand names. Weston Foods has built a portfolio of strong brand names and where used in this Annual Information Form, are in italics.

Key brand names used in Weston Foods 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*. Weston Foods has an exclusive licensing agreement with Cadbury Adams Canada Inc. to use the following brand names on dairy beverages: Caramilk®, Jersey Milk® and Crispy Crunch®, some of Canada's leading chocolate bars. In addition, Weston Foods has an exclusive manufacturing, sales and distribution agreement with Nestle Canada Inc. for Nesquik®, Coffee Crisp® and Rolo® shakes, Coffee-mate® liquid whitener. Also, Weston Foods has agreements with Weight Watchers International Inc., Atkins Nutritional Inc. and Kellogg Canada Inc. with respect to the manufacturing, sale and distribution of bakery products under their respective brands.

Seasonality

Operations, specifically inventory levels, sales volumes and product mix, are impacted to some degree by certain holiday periods throughout the year. 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 19,000 full and part time employees in Weston Foods 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 2004, 37 collective agreements covering approximately 3,900 employees will expire, with the single largest agreement covering approximately 700 employees. Weston Foods will also continue to negotiate the 3 collective agreements carried over from 2003 and anticipates no labour disruptions with respect to the negotiations. Weston Foods has good relations with its employees and unions and, although possible, does not anticipate any unusual difficulties in renegotiating these agreements.

Environmental Matters

Weston Foods has environmental programs in place and has established policies and procedures aimed at ensuring compliance with applicable environmental legislative requirements. To this end, Weston Foods employs environmental risk assessments and audits using internal and external resources together with effective employee awareness programs throughout its operating locations.

Weston Foods 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 Weston Foods 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 Weston Foods' financial performance. Weston Foods has a health and safety program designed to address health and wellness, workplace safety and compliance with internal and regulatory guidelines for workplace health and safety.

The environmental, Health and Safety Committee of the Board of Directors (the "Board") receive reports which review outstanding issues, identify new legislative concerns and outline related communication efforts.

Food Safety

Weston Foods is subject to potential liabilities connected with its business operations, including potential liabilities and expenses associated with product defects, food safety and product handling. Such liabilities may arise in relation to the storage, distribution and display of food products.

All of Weston Foods' sales are generated from food products and Weston Foods could be vulnerable in the event of a significant outbreak of food-borne illness or increased public health concerns in connection with certain food products. Such an event could materially affect Weston Foods' financial performance. Procedures are in place to manage food crises, should they occur. These procedures identify risks, provide clear communication to employees and consumers and ensure that potentially harmful products are removed from inventory immediately. Food safety related liability exposures are insured by Weston Foods' insurance program. In addition, Weston Foods has food safety procedures and programs, which address safe food handling and preparation standards. Weston Foods employs best practices for storage and distribution of food products. Weston Foods is intensifying the campaign for consumer awareness on safe food handling and consumption.

Research and Development and New Products

Weston Foods' world class product development team has developed important proprietary formulas, recipes and technological expertise. In addition, from time to time, Weston Foods enters into strategic relationships with other food processing or branded companies to leverage off each other's expertise or brands.

During 2003, Weston Foods entered into an exclusive North American agreement to manufacture and market low carb bakery products with Atkins Nutritional Inc. Also in 2003, Weston Foods launched new innovative products including *Country Harvest* whole wheat soy breads, *City Bakery* artisan breads, *Wonder Wacki*, *Thomas Crispy Cranny* waffles, *Thomas* mini bagels as well as low carb breads and bagels including *Thomas* carb counting bagels and Atkins-endorsed *Arnold* breads. The Canadian dairy operations launched the sale of Nestle® branded shakes and Coffee-Mate® liquid coffee whiteners, which Weston Foods exclusively manufactures and distributes in Canada.

Customers

Weston Foods' customers include many large national and regional supermarkets, mass merchandisers, drug store wholesale and club stores and convenience store chains across Canada and selected markets in the United States. No single customer, other than Loblaw, accounts for more than 10% of Weston Foods sales.

Foreign Operations

Weston Foods operations are located across Canada and the United States. Approximately 75% of Weston Foods sales are in the United States. Any significant economic or competitive pressures, including currency fluctuation, arising in the U.S would impact consolidated Weston Foods results.

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 other countries.

Geographic and Banner Summary

Loblaw operates across Canada as set out below:

	Corporate Stores	Franchised Stores	Associated Stores	Independent Accounts	Warehouses
British Columbia	39	44	21	7	1
Yukon	1	1	0	0	0
Northwest Territories	3	0	1	1	0
Alberta	58	5	15	1,521	4
Saskatchewan	34	14	43	1,656	2
Manitoba	20	4	51	59	1
Ontario	165	242	18	76	9
Quebec	245	29	432	1,650	10
New Brunswick	22	24	5	348	2
Nova Scotia	37	24	2	595	2
Prince Edward Island	5	3	1	186	0
Newfoundland & Labrador	17	7	9	577	2
	646	397	598	6,676	33

The average store size at year-end 2003 for corporate stores and franchised stores was 50,500 and 24,400 square feet, respectively. The average store size for corporate and franchised stores has increased by 13.2% and 10.9% respectively over the last three years.

Whenever practical, Loblaw follows the strategy of purchasing sites for future store locations. At year-end 2003, Loblaw owned 67% 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 $36 million in mortgage debt on total fixed assets including real estate, having a net book value of approximately $6.4 billion at year end 2003. The total square footage of the corporate stores is approximately 32.6 million square feet.

For the recently completed year, Loblaw operated directly through corporate stores and indirectly through franchised stores and associated stores under the following banners:

Corporate Banners	Number of Stores	Franchised and Associated Banners	Number of Stores
Atlantic Superstore	50	Atlantic SaveEasy	52
Cash and Carry (Ontario, Atlantic, Quebec under the name Presto)	65	Extra Foods	21
Dominion (in Newfoundland & Labrador)	15	Fortinos	20
Extra Foods	70	Lucky Dollar Foods	93
Loblaws	97	No Frills	115
Loblaws, The Real Canadian Superstore	3	Provigo	33
Maxi (including Maxi & Cie)	92	Shop Easy Foods	59
Provigo	94	SuperValu	29
The Real Canadian Superstore	60	Valu-mart	70
The Real Canadian Wholesale Club	33	Your Independent Grocer	52
Zehrs Markets	57	Other Franchised & Associated Banners	451
Zehrs, The Real Canadian Superstore	2		
Other Corporate Banners	8		
	646		995

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 demanded more quality, value and convenience.

Recent industry changes have seen the introduction of non-traditional competitors such as mass merchandisers and warehouse clubs, drug stores and specialty stores, who continue to increase offerings of products typically associated with traditional 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 through the rationalization and centralization of certain functions. This allows Loblaw to perform well in an increasingly competitive market, which is continuously evolving with the addition of warehouse clubs, the growth of discount food formats and the increasing marketing of food by mass merchandisers and other specialty retailers. Another competitive advantage Loblaw has is its control label program, which promotes customer loyalty and allows pricing flexibility with respect to national brands.

Customers

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

Products and Services

Loblaw has developed a highly successful line of control label products and services that are sold or made available in its corporate stores, and franchised stores and associated stores and are available on a limited basis to certain independent customers. Loblaw's product development team works closely with vendors in development of products for its control label brands. 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, Chile, 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, EXACT, President's Choice Organics* and *Life@Home.*

Recently a selection of general merchandise items has been developed under the *PC* brand as part of the expansion into general merchandise departments. In 2003, over 500 *PC* general merchandise products were introduced, which are sourced world wide, and cater to all areas of the home – bed, bath, kitchen, home decor and outdoor living.

Loblaw has also extended its *President's Choice* brand to include *President's Choice Financial* services which 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 throughout Canada except Quebec, which was launched in February 2004. Third party service providers process credit card transactions and provide call centres in addition to credit and fraud monitoring for the *President's Choice Financial* MasterCard.

In October 2003, Loblaw introduced *PC Financial* auto and home insurance through its subsidiary PC Financial Insurance Agency Inc. to selected markets in Ontario with an expanded rollout planned throughout 2004 and 2005.

With *PC Financial* Insurance, customers enjoy low rates and some unique product features such as a disappearing deductible, and 24/7 superior claims service.

Loblaw entered into a relationship with Aviva Canada Inc., to provide and underwrite *PC Financial* auto and home insurance. Aviva Canada Inc. is the parent company of one of the largest and most experienced groups of property and casualty insurance providers in Canada. Aviva plc, the parent company of Aviva Canada Inc., is the worlds seventh-largest insurance group and its main activities are long-term savings, fund management and general insurance.

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 stores 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 "Products and Services". Loblaw's other intellectual property includes domain names, packaging 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.

Supply Chain

Loblaw's supply chain and distribution group is responsible for the flows of goods and information between its vendors and suppliers and Loblaw's warehouses and distribution centres and ultimately to its stores. In some cases certain goods flow directly to Loblaw's stores from the vendors as they deliver directly to the store rather than to the warehouse, ensuring optimal usage of the supply chain and distribution network. Loblaw's distribution system allows Loblaw to respond quickly to changing market conditions in a manner that provides the highest level of service and optimal inventory levels at the lowest possible cost. In order to achieve these objectives, Loblaw continuously evaluates its methods of distribution including its relationship with vendors and suppliers, technology, facilities and modes of transportation. As part of this ongoing evaluation, Loblaw coordinates inbound and outbound flows to ensure optimal loads and delivery on a timely basis. When appropriate, Loblaw implements changes to its supply chain infrastructure to ensure a continued reliable and cost efficient system.

Loblaw's supply chain and distribution network is comprised of both owned and leased warehouses and distribution centres. Third party warehousing services are also used. Loblaw uses various modes of transportation including its own trucking fleet and the use of third party common carrier, railway and ship.

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 expands its offerings of non-food, it may increase the number of seasonal products offered and, therefore, its operations may be more subject to seasonal fluctuations.

Employees

At year-end 2003, Loblaw and its franchisees employed over 126,000 full and part time employees. Loblaw has a total of 376 collective agreements, which cover approximately 98,000 employees. In 2003, 54 collective agreements expired and another 54 agreements were successfully negotiated. The 2003 labour negotiations were challenging and resulted in a labour disruption of short duration in the Dominion Banner in Newfoundland and Labrador, which was ultimately resolved and resulted in a collective agreement 41 months in duration. In 2004, 76 collective agreements affecting approximately 9,000 employees will expire, with the single largest agreement covering approximately 2,300 employees. Loblaw will also continue to negotiate the 48 collective agreements carried over from the years 2000 to 2003 and anticipates no labour disruption with respect to these negotiations. 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 and procedures aimed at ensuring compliance with applicable environmental legislative requirements. To this end, Loblaw employs environmental risk assessments and audits using internal and external resources together with effective employee awareness programs 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 performance. 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 workplace health and safety. The Environmental, Health and Safety Committee of the Board receives reports which review outstanding environmental issues, identify new legislative concerns and outline related communication efforts.

Food Safety

Loblaw is subject to potential liabilities connected with its business operations, including potential liabilities and expenses associated with product defects, food safety and product handling. Such liabilities may arise in relation to the storage, distribution and display of products and, with respect to Loblaw's control label products, in relation to the production, packaging and design of products.

A large majority of Loblaw's sales are generated from food products and Loblaw could be vulnerable in the event of a significant outbreak of food-borne illness or increased public health concerns in connection with certain food products. Such an event could materially affect Loblaw's financial performance. Procedures are in place to manage food crises, should they occur. These procedures identify risks, provide clear communication to employees and consumers and ensure that potentially harmful products are removed from inventory immediately. Food safety related liability exposures are insured by Loblaw's insurance program. In addition, Loblaw has food safety procedures and programs which address safe food handling and preparation standards. Loblaw employs best practices for storage and distribution of food products. Loblaw is intensifying the campaign for consumer awareness on safe food handling and consumption.

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 foodservice customers and distributes its products using third party common carriers.

Competitive Conditions

The North American salmon market is highly competitive. Although pricing is a key factor, consistent supply, high service and new products are all vital in maintaining and attracting customers. Fisheries, being the largest North American producer of farmed salmon, uses its *Heritage* product line to leverage its strong brand equity with its customers and leads the industry in the developments of innovative and consumer friendly salmon products.

Raw Materials

The primary raw materials for salmon production, includes eggs, fry, smolts and feed. The Company produces and grows its own egg, fry and smolt.

Intellectual Property

Heritage and *Crystal Waters* brand names are used in the fresh farmed salmon operations of the business. These are trademarks which are owned by the Company. Trademarks and brand names used in Fisheries are important assets to the Company and are defended vigorously.

Seasonality

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

Employees

The fresh salmon operations employ an average of 860 employees, depending on the time of year, and approximately 320 employees are members of the Heritage Salmon Employees Association. The contract with the members of the employee association was 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 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 and has active relationships with over 400 customers, consisting primarily of large retail, wholesale, foodservice and institutional customers.

IV. PRIVACY AND ETHICS

The Company is committed to managing its activities in an ethical and proper manner in all aspects. The Company has a Code of Business Conduct setting out the Company's expectations for the ethical and appropriate behaviour of all its employees. The Company has also issued an updated Privacy Policy that sets out the Company's commitment of protecting the privacy of personal information.

The Company has established a toll free anonymous alert line, which can be used by employees to report suspected accounting or auditing irregularities and unethical behaviour impacting the Company.

V. OPERATING AND FINANCIAL RISKS AND RISK MANAGEMENT

A detailed discussion of operating and financial risks relating to the Company are included in the Management's Discussion and Analysis ("MD&A") on pages 24 through 62 of the Company's 2003 Annual Report, which is incorporated herein by reference.

VI. CAPITAL STRUCTURE AND MARKET FOR SECURITIES

Capital Structure

The capital structure of Weston is composed of common shares and preferred shares.

<u>Common Shares</u>

At the end of 2003, there were 129,433,442 common shares outstanding and 1,215 registered common shareholders. There is an unlimited number of authorized common shares with voting rights of one vote per common share. Subsequent to year end, Weston purchased for cancellation 587,200 of its common shares for $59 million, pursuant to its Normal Course Issuer Bid.

<u>Preferred Shares – Series I</u>

At the end of 2003, there were 9,400,000 5.80% non-voting Preferred Shares, Series I with a par value of $25.00 which entitle the holder to a fixed cumulative preferred cash dividend of $1.45 per share per annum. Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares as follows:

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

At any time after issuance, Weston may, at its option, give the holder of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston. Upon liquidation, dissolution or winding up of Weston, each Preferred share, Series I holder is entitled to, in preference to any payments to be made to holders of common shares, to $25.00 per share plus an amount equal to all dividends accrued thereon. Preferred share Series I holders are not entitled to any further distribution of the assets of Weston.

Preferred Shares – Series II

At the end of 2003, there were 10,600,000 5.15% non-voting Preferred Shares, Series II with a par value of $25.00 which entitle the holder to a fixed cumulative preferred cash dividend of $1.2875 per share per annum. On or after April 1, 2009, Weston may, at its option, redeem for cash these outstanding preferred shares, in whole or in part, at $25.00 per share. On and after July 1, 2009, these outstanding preferred shares are convertible, at the option of the holder, into a number of Weston's common shares determined by dividing $25.00 by the greater of $2.00 and 95% of the then current market price of Weston's common shares. At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston. Upon liquidation, dissolution or winding up of Weston, each preferred share, Series II holder, subject to the rights of preferred share Series I holders, and in preference to any payments to be made to holders of common shares, is entitled to $25.00 per share plus an amount equal to all dividends accrued thereon. Preferred share Series II holders are not entitled to any further distribution of the assets of Weston.

There are 67 registered preferred shareholders and all outstanding preferred shares were available for public trading.

Trading Price and Volume

Weston's common shares and preferred shares are listed and posted for trading on The Toronto Stock Exchange and trade under the share symbols "WN", "WN.PR.A", and "WN.PR.B" respectively.

The monthly high-low trading prices for common share, preferred share Series I and preferred share Series II along with their monthly average volume for the fiscal year ended December 31, 2003 are as follows:

	Common Shares			Preferred Shares Series I			Preferred Shares Series II		
Month	**High** ($ per common share)	**Low** ($ per common share)	**Average Daily Volume by Month** (in shares)	**High** ($ per common share)	**Low** ($ per common share)	**Average Daily Volume by Month** (in shares)	**High** ($ per common share)	**Low** ($ per common share)	**Average Daily Volume by Month** (in shares)
January	94.00	90.00	98,661	25.95	25.28	6,893	26.99	26.00	8,229
February	94.07	90.50	104,742	27.29	25.11	6,236	26.85	26.25	11,511
March	95.25	91.00	98,018	25.65	24.75	6,964	26.74	26.45	5,678
April	96.00	88.51	73,714	25.48	25.00	5,127	26.74	26.45	4,071
May	107.00	92.50	60,615	26.90	25.25	11,816	27.15	26.60	3,805
June	107.40	100.26	83,745	26.85	26.06	15,955	27.99	26.50	1,870
July	109.00	100.25	50,996	27.24	26.17	4,799	27.39	26.55	1,624
August	109.00	102.51	46,424	26.84	26.00	4,112	27.49	26.25	774
September	108.00	99.00	84,381	26.70	25.76	4,555	27.45	26.72	3,346
October	104.00	98.00	55,849	27.00	26.00	5,005	27.44	27.06	3,667
November	105.00	97.01	74,591	27.25	26.35	5,316	27.74	27.18	3,186
December	104.00	95.36	73,149	26.80	26.03	6,247	27.69	27.00	2,678

Commercial Paper and Long Term Debt

The Company also has the following commercial paper and long term debt outstanding as at December 31, 2003:

($ Millions)	As at December 31, 2003	As at December 31, 2002
Commercial Paper	$ 696	$ 715
Long Term Debt due within one year	307	110
Long Term Debt	5,832	5,391
	$ 6,835	$ 6,216

Weston's and Loblaw's Debentures and Medium Term Notes ("MTN") are not listed or quoted in a marketplace. The following MTN were issued during the recently completed year:

($ Millions)	**Face Value**	**Net Proceeds**
George Weston Limited Notes		
6.69% due 2033	$ 100	$ 99.5
Loblaw Companies Limited Notes		
5.40%, due 2013	$ 200	$ 198.6
6.54%, due 2033	$ 200	$ 198.9
6.05%, due 2034	$ 200	$ 197.9
5.86%, due 2043	$ 55	$ 54.7
	$ 755	$ 749.6

Subsequent to year end 2003, Weston issued $200 million of MTN due 2014 for net proceeds of $198.6 million and Loblaw issued $200 million of MTN due 2035 for net proceeds of $198.5 million.

Credit Ratings (Canadian Standards)

Weston's credit ratings for its securities for the recently completed year are as follows:

Credit Ratings (Canadian Standards)	Dominion Bond Rating Service	Standard & Poor's
Commercial paper	R-1 (low)	A-1 (low)
Medium term notes	A (low)	A-
Exchangeable debentures	BBB (high)	
Preferred shares	Pfd-2 (low)	P-2
Other notes and debentures	A (low)	A-

The rating organizations base the ratings on quantitative and qualitative considerations which are relevant for Weston. These ratings are intended to give an indication of the risk that Weston will not fulfill its obligations in a timely manner and do not take certain factors into account such as market or pricing risk since these must be considered by investors as factors in their own investment process. These ratings are not recommendations to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

A definition of the categories of each rating has been obtained from the respective rating organization's website and is outlined below:

Dominion Bond Rating Service

Commercial Paper
Rating: R-1 (low)
Satisfactory credit quality. The overall strength and outlook for key liquidity, debt and profitability ratios is not normally as favourable as with higher rating categories, but these considerations are still respectable. Any qualifying negative factors which exist are considered manageable, and the entity is normally of sufficient size to have some influence in its industry.

Medium Term Notes and Other Notes and Debentures
Rating: A (low)
Satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities. While a respectable rating, entities in the "A" category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher rated companies.

Exchangeable Debentures
Rating: BBB (high)
Adequate credit quality. Protection of interest and principal is considered adequate, but the entity is more susceptible to adverse changes in financial and economic conditions, or there may be other adversities present which reduce the strength of the entity and its rated securities.

Preferred Shares
Rating: Pfd-2 (low)
Satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as Pfd-1 rated companies. Generally, "Pfd-2" ratings correspond with companies whose senior bonds are rated in the "A" category.

Standards & Poor's

Commercial Paper
Rating: A-1 (low)
A short term obligation rated "A-1" is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong.

Medium Term Notes and Other Notes and Debentures
Rating: A-
An obligation rate "A" is somewhat susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

Preferred Shares
Rating:P-2
An preferred share rate of P-2 is rated as adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to meet its financial commitments.

VII. DIVIDENDS

Dividends declared per share ($)		2003	2002	2001
Common shares		1.20	.96	.80
Preferred shares	Series I	1.45	1.49	
Preferred shares	Series II	1.29	.93	

Subsequent to year-end, the Board declared a quarterly dividend of $0.36 per share, payable April 1, 2004.

Common Dividend Policy

The declaration and payment of dividends is at the discretion of the Board of Directors. Weston's dividend policy is to maintain a 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.

Restrictions

Under its 12.70% Promissory Note due November 8, 2030, Weston is restricted from paying cash dividends on its common shares if a measurement of the Corporation's shareholder's equity fall below certain predetermined levels. To date, Weston has not ever been restricted from paying cash dividends for reason of not satisfying this requirement and does not anticipate that it will not be able to satisfy this restriction in the future.

VIII. DIRECTORS AND OFFICERS

Directors

Name and Province of Residence	Principal Occupation	Director Since
W. Galen Weston, O.C., [1*] Ontario, Canada	Chairman and President, George Weston Limited and Chairman, Loblaw Companies Limited	1967
A. Charles Baillie, [2] Ontario, Canada	Corporate Director	2003
Robert J. Dart Ontario, Canada	Vice Chairman, Wittington Investments, Limited (investment company)	1994
Peter B. M. Eby, [1,2,3] Ontario, Canada	Corporate Director	2000
Phillip W. Farmer, [2] Florida, U.S.	Corporate Director	2003
Anne L. Fraser, [5*] Alberta, Canada	Corporate Director	1995
R. Donald Fullerton, [2*,3*] Ontario, Canada	Corporate Director	1991
Anthony R. Graham, [1,3,4*] Ontario, Canada	President, Wittington Investments, Limited (investment company)	1996
Mark Hoffman, [4,5] London, England	Chairman, Cambridge Research Group Limited (U.K. technology transfer and investment company)	1975
Allan L. Leighton, [4] Leeds, England	Chairman, Royal Mail Group (U.K. postal service)	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., [3,5] Ontario, Canada	President and Chief Executive Officer, Torstar Corporation (media newspaper company)	2000
M. D. Wendy Rebanks, [4,5] Ontario, Canada	Corporate Director	1994
Galen G. Weston Ontario, Canada	Vice President, Operations, No Frills (Retail Supermarket Stores)	2003

* Chairman of Committee
1. Executive Committee
2. Audit Committee
3. Governance, Human Resource, Nominating and Compensation Committee
4. Pension and Benefits 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

Name and Province of Residence	Principal Occupation
W. Galen Weston, O.C. Ontario, Canada	Chairman and President
Richard P. Mavrinac Ontario, Canada	Chief Financial Officer
Roy R. Conliffe Ontario, Canada	Senior Vice President, Labour Relations
Stewart E. Green Ontario, Canada	Senior Vice President, Secretary and General Counsel
Louise M. Lacchin Ontario, Canada	Senior Vice President, Finance
Donald G. Reid Ontario, Canada	Senior Vice President
Robert G. Vaux Ontario, Canada	Senior Vice President, Corporate Development
Robert A. Balcom Ontario, Canada	Vice President, Assistant Secretary
Manny DiFilippo Ontario, Canada	Vice President, Risk Management and Internal Audit Services
J. Bradley Holland Ontario, Canada	Vice President, Taxation
Michael N. Kimber Ontario, Canada	Vice President, Legal Counsel
Garfield R. Mitchell Ontario, Canada	Vice President, Community Affairs
Kirk W. Mondesire Ontario, Canada	Vice President, Corporate Systems
Lucy J. Paglione Ontario, Canada	Vice President, Pension and Benefits

Officers (continued)

Name and Province of Residence	Principal Occupation
Rolando Sardellitti Ontario, Canada	Vice President, Controller
Lisa R. Swartzman Ontario, Canada	Vice President, Treasurer
Geoffrey H. Wilson Ontario, Canada	Vice President, Industry and Investor Relations
Ann Marie Yamamoto Ontario, Canada	Vice President, Systems Audit
Marian M. Burrows Ontario, Canada	Assistant Secretary
Walter H. Kraus Ontario, Canada	Director, Environmental Affairs
Patrick MacDonell Ontario, Canada	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. 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; Mr. J. R. S. Prichard, who is President and Chief Executive Officer of Torstar Corporation and was formerly President of the University of Toronto from 1990 to 2000; Mr. A. Charles Baillie, who was formerly Chairman of the Board of Toronto Dominion Bank and previously Chairman and Chief Executive Officer of Toronto Dominion Bank for the previous five years. Mr. Phillip W. Farmer, has been Chairman, President and Chief Executive Officer of Harris Corporation located in Melbourne, Florida for at least the previous five years; and Mr. Galen G. Weston is Vice President, Operations for the No Frills Division of Loblaw Companies Limited and was previously attending Columbia University from January 2001 to May 2003. Previously, Mr. Galen G. Weston held managerial roles with Loblaw Companies Limited from 1998 to 2001.

As at December 31, 2003, Mr. W. Galen Weston beneficially owns or controls, either directly or indirectly, 80,691,887 or 62.3% of the issued and outstanding common shares of the Company and 63.2% 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 exercise control or direction over approximately 805,850 or 0.6% of the issued and outstanding common shares of the Company and less than 1% of the issued and outstanding common shares of Loblaw Companies.

IX. TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar is Computershare Trust Company of Canada and they are located in Toronto, Ontario.

X. AUDIT COMMITTEE INFORMATION

The Audit Committee Charter as approved by the Company's Board and is included in Appendix A. The Audit Committee Charter contains specific policies and procedures for the engagement of non-audit services. The members of the Audit Committee are indicated in the listing of Directors in the preceding section entitled "Directors and Officers". All members of the Audit Committee are financially literate and independent.

External Auditor Service Fees by category can be found in the Information Circular for the Company's 2004 annual meeting of shareholders.

XI. ADDITIONAL INFORMATION

1. 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.

2. 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.

3. 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: April 5, 2004

“W. Galen Weston”
W. GALEN WESTON (signed)
Chairman and President

“Richard P. Mavrinac”
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

GEORGE WESTON LIMITED

AUDIT COMMITTEE CHARTER

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GEORGE WESTON LIMITED
AUDIT COMMITTEE CHARTER

1. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board of Directors of the Company ("Board") in fulfilling its oversight responsibilities in relation to:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements as they relate to the Company's financial statements;
- the qualifications, independence and performance of the Auditor;
- internal controls and disclosure controls;
- the performance of the Company's internal audit function; and
- performing the additional duties set out in this Charter or otherwise delegated to the Audit Committee by the Board.

2. MEMBERS

The Board shall appoint a minimum of three directors to be members of the Audit Committee. The members of the Audit Committee shall be selected by the Board on recommendation of the Governance, Human Resource, Nominating and Compensation Committee of the Company, and shall be selected based upon the following, to the extent that the following are required under applicable law:

- each member shall be an unrelated and independent director;
- each member shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment;
- at least one member shall have accounting or financial expertise; and
- at least a majority of the members shall be residents of Canada.

For the purpose of this Charter, the term "unrelated director" shall have the meaning attributed thereto in the Toronto Stock Exchange Company Manual and the term "independent" shall have the meaning attributed thereto in Multilateral Instrument 52-110 Audit Committees, each as may be amended from time to time. The term "financial literacy" shall mean the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto, or such other definition as may be acceptable to the Toronto Stock Exchange from time to time. The term "accounting or related financial experience" shall mean the ability to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with Canadian generally accepted accounting principles, or such other definition as may be acceptable to the Toronto Stock Exchange from time to time.

3. CHAIRMAN

Each year, the Board shall appoint one member to be Chairman of the Audit Committee. If, in any year, the Board does not appoint a Chairman, the incumbent Chairman shall continue in office until a successor is appointed.

4. TENURE

Each member shall hold office until his or her term as a member of the Audit Committee expires or is terminated.

5. REMOVAL AND VACANCIES

Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Audit Committee by appointment from among the members of the Board. If a vacancy exists on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

6. DUTIES

The Audit Committee shall have the duties set out below as well as any other duties that are specifically delegated to the Audit Committee by the Board.

a. Appointment and Review of Auditor

The Auditor is ultimately accountable to the Audit Committee as representatives of the shareholders. Accordingly, the Audit Committee shall evaluate and be responsible for the Company's relationship with the Auditor. Specifically, the Audit Committee shall:

- select, evaluate and nominate the Auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders;
- review the Auditor's engagement letter;
- at least annually, obtain and review a report by the Auditor describing:
  - the Auditor's internal quality-control procedures; and
  - any material issues raised by the most recent internal quality-control review, peer review, review by any independent oversight body such as the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the Auditor and the steps taken to deal with any issues raised in these reviews.

b. Confirmation of Independence of Auditor

At least annually, and before the Auditor issues its report on the annual financial statements, the Audit Committee shall:

- ensure that the Auditor submits a formal written statement describing all relationships between the Auditor and the Company;
- discuss with the Auditor any disclosed relationships or services that may affect the objectivity and independence of the Auditor; and
- obtain written confirmation from the Auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs.

c. Rotation of Engagement Partner/Lead Partners

The Audit Committee shall, after taking into account the opinions of management, evaluate the performance of the Auditor and the engagement partner/lead partners and shall rotate the engagement partner/lead partners when required or necessary.

d. Pre-Approval of Non-Audit Services

The Audit Committee shall pre-approve the retaining of the Auditor for any non-audit service, provided that no approval shall be provided for any service that is prohibited under the rules of the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or the Independence Standards of the Canadian Institute of Chartered Accountant. Before the retaining of the Auditor for any non-audit service, the Audit Committee shall consider the compatibility of the service with the Auditor's independence. The Audit Committee may pre-approve the retaining of the Auditor for the engagement of any non-audit services by establishing policies and procedures to be followed prior to, the appointment of the Auditor for the provision of such non-audit services. In addition, the Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the Auditor for any non-audit service to the extent permitted by applicable law.

e. Communications with Auditor

The Audit Committee shall meet privately with the Auditor as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfill its responsibilities (which shall not be less frequently than quarterly) to discuss any items of concern to the Audit Committee or the Auditor, such as:

- matters that will be referred to in the Auditor's management letter;
- whether or not the Auditor is satisfied with the quality and effectiveness of the financial recording procedures and systems;
- the extent to which the Auditor is satisfied with the nature and scope of the Auditor's examination.

f. Review of Audit Plan

The Audit Committee shall review a summary of the Auditor's audit plan in advance for each audit.

g. Review of Audit Fees

The Audit Committee has the direct responsibility for approving the Auditor's fee. In approving the Auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports issued by the Auditors, the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of internal audit and other support provided by the Company to the Auditor.

h. Review of Annual Audited Financial Statements

The Audit Committee shall review the annual audited financial statements, together with the Auditor's report thereon, before recommending them for approval by the Board, to assess whether or not they present fairly in all material respects in accordance with GAAP the financial condition, results of operations and cash flows of the Company. The Audit Committee shall also review the MD&A relating to the annual audited financial statements and interim financial statements.

In conducting their review, the Audit Committee should:

- discuss the annual audited financial statements and MD&A with management and the Auditor;
- consider the quality of, and not just the acceptability of, the accounting principles applied, the reasonableness of management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;
- discuss with the Auditor its report which addresses:
    - all critical accounting policies and practices to be used;
    - all alternative treatments of financial information within GAAP that have been discussed with management of the Company, ramifications of the use of alternative disclosures and treatments, and the treatment preferred by the Auditors; and
    - other material written communication between the Auditor and management of the Company, such as any management letter or schedule of unadjusted differences;
- discuss any analyses prepared by management or the Auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP;

- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;
- consider any changes in accounting practices or policies and their impact on financial statements of the Company;
- discuss with management, the Auditor and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Company, and the manner in which these matters have been disclosed in the financial statements;
- discuss with management and the Auditor correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies;
- discuss with the Auditor any special audit steps taken in light of any material weaknesses in internal control;
- discuss with the Auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the Auditor that were not applied (because they were immaterial or otherwise), and significant disagreements with management;
- consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements;
- satisfy itself that appropriate accounting policies and practices have been selected and applied consistently; and
- satisfy itself that management has established appropriate procedures to comply with applicable legislation for the remittance of taxes, pension monies and employee remuneration.

i. Review of Interim Financial Statements

The Audit Committee shall also engage the Auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements. The Audit Committee should discuss the interim financial statements and related MD&A with management and the Auditor and, if satisfied that the interim financial statements present fairly in all material respects in accordance with GAAP the financial condition, results of operations and cash flows, approve the interim financial statements and review the related MD&A on behalf of the Board.

j. Review of Other Financial Information

The Audit Committee should generally discuss earnings releases, as well as the nature of financial information and earnings guidance provided to analysts and rating agencies in accordance with the Company's disclosure policy.

k. Review of Prospectuses and Other Regulatory Filings

The Audit Committee shall review all other financial statements of the Company that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities.

l. Review of Internal Audit Function

The Audit Committee shall review the mandate of the internal audit function, the budget, planned activities and organizational structure of the internal audit function to ensure that it is independent of management and has sufficient resources to carry out its mandate.

The members shall meet privately with the senior officer in charge of internal audit as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfil its responsibilities, which shall not be less frequently than quarterly, to discuss any areas of concern to the Audit Committee or to the senior officer in charge of internal audit to confirm that:

- significant resolved and any unresolved issues between auditors and management have been brought to its attention;
- the principal risks of the Company’s businesses have been identified by management and appropriate policies and systems have been implemented to manage these risks; and
- the integrity of the Company’s internal control and management information systems are satisfactory.

m. Relations with Management

The members shall meet privately with management as frequently as the Audit Committee feels is appropriate to fulfill its responsibilities, which shall not be less frequently than quarterly, to discuss any areas of concern to the Audit Committee or management.

The Audit Committee shall recommend to the Board policies relating to hiring former partners or employees of the Auditor who were engaged on the Company’s account.

n. Oversight of Internal Controls and Disclosure Controls

The Audit Committee shall review with management the adequacy of the internal controls that have been adopted to safeguard assets from loss and unauthorized use and ensure the accuracy of the financial records.

The Audit Committee shall review with management the controls and procedures that have been adopted to ensure the disclosure of all material information about the Company and its subsidiaries that is required to be disclosed under applicable law or the rules of those exchanges on which securities of the Company are listed or quoted.

o. Legal Compliance

The Audit Committee shall review with legal counsel any legal matters that may have a significant effect on the Company's financial statements. The Audit Committee should review with legal counsel material inquiries received from regulators and governmental agencies. The Audit Committee shall review with a representative of the Code of Conduct Committee any material matters arising from any known or suspected violation of the Company's Code of Conduct and any material concerns regarding questionable accounting and auditing matters raised through the Company's ethics response line.

p. Risk Management

The Audit Committee shall meet periodically with management to discuss the Company's policies with respect to risk assessment and management.

q. Taxation Matters

The Audit Committee shall review the status of taxation matters of the Company.

7. COMPLAINTS PROCEDURE

The Audit Committee shall establish a procedure for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, disclosure controls or auditing matters and a procedure for the confidential, anonymous submission of concerns by employees of the Company regarding accounting, internal controls, or auditing matters.

8. REPORTING

The Audit Committee shall report to the Board on:

- the Auditor's independence;
- the performance of the Auditor and the Audit Committee's recommendations regarding the reappointment or termination of the Auditor;
- the performance of the internal audit function;
- the adequacy of the Company's internal controls and disclosure controls;
- the Audit Committee's review of the annual and interim financial statements of the Company and any GAAP reconciliation, including any issues with respect to the quality or integrity of the financial statements, and shall recommend whether or not the Board should approve the financial statements and any GAAP reconciliation;
- the Audit Committee's review of the annual and interim MD&A;
- the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- all other material matters dealt with by the Audit Committee.

9. REVIEW AND DISCLOSURE

This Charter should be reviewed by the Audit Committee at least annually and be submitted to the Governance, Human Resource, Nominating and Compensation Committee for consideration with such amendments as the Audit Committee proposes and for recommendation to the Board for approval with such further amendments as the Governance, Human Resource, Nominating and Compensation Committee proposes.

This Charter may also be posted on the Company's Web site.

10. FREQUENCY OF MEETINGS

The Audit Committee shall meet at least twice annually at the call of the Chairman, in addition to quarterly meetings prior to the release of quarterly interim financial statements.

11. RETENTION OF EXPERTS

The Audit Committee may engage such special legal, accounting or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.