NEWS RELEASE

George Weston Limited Provides Preliminary Unaudited Financial Update for the 2007 Fourth Quarter and Fiscal Year Ended December 31, 2007[1].

TORONTO, ONTARIO February 14, 2008 George Weston Limited (TSX: WN) ("Weston" or the "Company") today is providing a financial update for the fourth quarter of 2007 and the fiscal year ended December 31, 2007 based on management's review of preliminary unaudited results for these periods.

Basic net earnings per common share from continuing operations for the fourth quarter were $1.07 compared to basic net loss per common share from continuing operations of $3.42 in 2006. For the year, basic net earnings per common share from continuing operations were $3.92 compared to $0.43 in 2006. Adjusted basic net earnings per common share from continuing operations[2] for the quarter and for the year were $0.89 and $4.26, respectively, compared to $1.14 and $4.98 for the same periods last year.

Consolidated Fourth Quarter and Full Year Highlights

	Quarters Ended			Years Ended		
($ millions except where otherwise indicated)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006 (unaudited)	Change	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006	Change
Sales	**$ 7,692**	$ 7,578	1.5%	**$ 32,815**	$ 32,167	2.0%
Operating income (loss)	**181**	(630)		**1,094**	537	
Operating margin	**2.4%**	(8.3)%		**3.3%**	1.7%	
Net earnings (loss) from continuing operations	**151**	(428)		**563**	110	
Basic net earnings (loss) per common share from continuing operations ($)	**1.07**	(3.42)		**3.92**	0.43	
Basic net earnings (loss) per common share ($)	**1.07**	(3.33)		**3.92**	0.52	
Adjusted operating income[2]	**302**	359	(15.9)%	**1,408**	1,643	(14.3)%
Adjusted EBITDA[2]	**458**	513	(10.7)%	**2,079**	2,324	(10.5)%
Adjusted operating margin[2]	**4.1%**	5.0%		**4.5%**	5.4%	
Adjusted basic net earnings per common share from continuing operations[2] ($)	**0.89**	1.14	(21.9)%	**4.26**	4.98	(14.5%)

The fourth quarter results of the Company concluded a year of transformational change for the Loblaw operating segment amidst intense competition and consequent pressure on earnings. By contrast, the Weston Foods operating segment showed improved performance over last year.

(1) This News Release contains forward-looking information. See Forward-Looking Statements on page 14 of this News Release for a discussion of material factors that could cause actual results to differ materially from the conclusions, forecasts and projections herein and of the material factors and assumptions that were applied in presenting the conclusions, forecasts and projections presented herein. This News Release must be read in conjunction with George Weston Limited's filings with securities regulators made from time to time, all of which can be found at www.sedar.com and at www.weston.ca.
(2) See Non-GAAP Financial Measures on page 12 of this News Release.

CONSOLIDATED RESULTS OF OPERATIONS

Sales

Sales and sales growth excluding the impact of tobacco sales and variable interest entities ("VIEs")(1) are summarized below.

Total Sales and Sales Excluding the Impact of Tobacco Sales and VIEs(1)

	Quarters Ended		Years Ended	
($ millions except where otherwise indicated)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006 (unaudited)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006
Total sales	**$ 7,692**	$ 7,578	**$ 32,815**	$ 32,167
Less: Sales attributable to tobacco sales	**219**	242	**1,013**	1,423
Sales attributable to the consolidation of VIEs	**108**	92	**456**	383
Sales excluding the impact of tobacco sales and VIEs(1)	**$ 7,365**	$ 7,244	**$ 31,346**	$ 30,361

Total Sales Growth and Sales Growth Excluding the Impact of Tobacco Sales and VIEs(1)

	Quarters Ended		Years Ended	
	Dec. 31, 2007 (unaudited)	Dec. 31, 2006 (unaudited)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006
Total sales growth	**1.5%**	3.2%	**2.0%**	3.1%
Less: Impact on sales growth attributable to tobacco sales	**(0.4)%**	(1.8)%	**(1.4)%**	(1.0)%
Impact on sales growth attributable to the consolidation of VIEs	**0.2%**	(0.1)%	**0.2%**	(0.2)%
Sales growth excluding the impact of tobacco sales and VIEs(1)	**1.7%**	5.1%	**3.2%**	4.3%

Sales for the fourth quarter of 2007 of $7.7 billion increased 1.5% compared to 2006, including a decline of 0.4% due to the continued decrease in tobacco sales at Loblaw and an increase of 0.2% in sales related to the consolidation of certain Loblaw franchisees. On a year-to-date basis, sales increased 2.0% to $32.8 billion including a decline of 1.4% due to the continued decrease in tobacco sales at Loblaw and an increase of 0.2% in sales related to the consolidation of certain Loblaw franchisees. The translation of United States dollar denominated sales in the Weston Foods operating segment reduced consolidated sales growth by 1.2% for the fourth quarter of 2007 and 0.5% on a year-to-date basis.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

Operating Income

Operating income for the fourth quarter of 2007 increased $811 million from 2006 to $181 million. For the full year, operating income increased $557 million from the prior year to $1,094 million.

The 2006 operating loss was affected by an $800 million non-cash goodwill impairment charge by Loblaw, related to the goodwill associated with the acquisition of Provigo Inc. in 1998.

Adjusted operating income(1) for the fourth quarter of 2007 was $302 million compared to $359 million in 2006, a decline of 15.9%. For the full year, adjusted operating income(1) was $1,408 million compared to $1,643 million in 2006, a decline of 14.3%. Consolidated adjusted operating margin(1) for the fourth quarter of 2007 was 4.1% compared to 5.0% in 2006 and was 4.5% compared to 5.4% on a year-to-date basis.

Items which were excluded in arriving at adjusted operating income(1) and margin(1), as well as adjusted EBITDA(1) and margin(1), are set out below.

($ millions)	Quarters Ended: **Dec. 31, 2007 (unaudited)**	Quarters Ended: Dec. 31, 2006 (unaudited)	Years Ended: **Dec. 31, 2007 (unaudited)**	Years Ended: Dec. 31, 2006
Net earnings (loss) from continuing operations	**$ 151**	$ (428)	**$ 563**	$ 110
Add (deduct) impact of the following:				
Minority interest	**22**	(289)	**130**	(82)
Income taxes	**46**	(3)	**236**	256
Interest (income) expense and other financing charges	**(38)**	90	**165**	253
Operating income (loss)	**181**	(630)	**1,094**	537
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity derivatives	**77**	(11)	**109**	60
Restructuring and other charges	**39**	51	**227**	90
Commodity futures fair value adjustment	**6**	(3)	**(19)**	
Inventory liquidation	**3**	68	**15**	68
VIEs	**(4)**		**(11)**	(8)
Curtailment of post-retirement plan			**(7)**	
Loblaw goodwill impairment charge		800		800
Ontario collective labour agreement		84		84
Departure entitlement charge				12
Adjusted operating income(1)	**302**	359	**1,408**	1,643
Add (deduct) impact of the following:				
Depreciation and amortization	**162**	159	**704**	705
VIE depreciation and amortization	**(6)**	(5)	**(33)**	(24)
Adjusted EBITDA(1)	**$ 458**	$ 513	**$ 2,079**	$ 2,324

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

For the fourth quarter, basic net earnings per common share from continuing operations were $1.07 compared to a basic net loss per common share from continuing operations of $3.42 in 2006. For 2007, basic net earnings per common share from continuing operations were $3.92 compared to $0.43 in 2006. Adjustments in arriving at adjusted basic net earnings per common share from continuing operations(1) are outlined in the table below.

($)	Quarters Ended Dec. 31, 2007 (unaudited)	Quarters Ended Dec. 31, 2006 (unaudited)	Years Ended Dec. 31, 2007 (unaudited)	Years Ended Dec. 31, 2006
Basic net earnings (loss) per common share from continuing operations	**$ 1.07**	$ (3.42)	**$ 3.92**	$ 0.43
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity derivatives	**0.41**	(0.03)	**0.63**	0.38
Restructuring and other charges	**0.13**	0.20	**0.72**	0.36
Commodity futures fair value adjustment	**0.02**	(0.01)	**(0.10)**	
Inventory liquidation		0.21	**0.04**	0.21
VIEs	**0.05**		**0.04**	
Curtailment of post-retirement plan			**(0.03)**	
Loblaw goodwill impairment charge		3.84		3.84
Ontario collective labour agreement		0.26		0.26
Departure entitlement charge				0.04
Accounting for Loblaw forward sale agreement	**(0.64)**	0.09	**(0.81)**	(0.40)
Changes in statutory income tax rates	**(0.15)**		**(0.15)**	(0.14)
Adjusted basic net earnings per common share from continuing operations(1)	**$ 0.89**	$ 1.14	**$ 4.26**	$ 4.98

After adjusting for the above noted items, Weston's adjusted basic net earnings per common share from continuing operations(1) were $0.89 (2006 – $1.14) for the fourth quarter and $4.26 (2006 – $4.98) for the full year.

OPERATING SEGMENTS

The Company's consolidated sales and operating income were impacted by each of its reportable operating segments as follows:

WESTON FOODS

Sales

During the year, Weston Foods sales were positively impacted by pricing actions taken and the continued shift to premium products. The negative impact of translating United States dollar denominated sales was the primary factor in the decline in sales growth in the fourth quarter.

Weston Foods sales for the fourth quarter of 2007 of $932 million decreased 5.5% compared to the same period in 2006 mainly as a result of the negative impact of foreign currency translation on reported sales growth of approximately 9.4%. Price increases across key product categories combined with changes in sales mix increased sales by 4.3% for the fourth quarter of 2007. Overall volume decreased 0.4% for the fourth quarter of 2007 as growth in certain higher margin categories was more than offset by declines in other categories.

For 2007, sales of $4.3 billion were 1.2% lower than in 2006. Foreign currency translation negatively impacted reported sales growth by approximately 3.4%. Price increases across key product categories combined with changes in sales mix increased sales by 3.5% for 2007. Overall volume decreased 1.3% for 2007 and was negatively impacted by approximately 0.7% due to the combined effect of the exit from the United States frozen foodservice bagel business during the third quarter of 2006 and the discontinuance of contract manufacturing of biscuits for certain customers during 2006. The factors contributing to the remaining 0.6% decline were largely the same as those impacting the fourth quarter.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

The following sales analysis excludes the impact of foreign currency translation.

Fresh bakery sales increased approximately 5.9% in the fourth quarter and 4.5% for the year compared to the same periods in 2006, driven by price increases in key product categories combined with changes in sales mix. For the fourth quarter and for 2007, branded volume increases in the *Arnold* and *Thomas'* brands in the United States and *D'Italiano* brand in Canada were more than offset by volume declines in other categories, particularly in food service and in private label products. Continued growth in whole grain products and the introduction of new and expanded products, such as *Thomas'* 100 Calorie English Muffins, *Thomas'* mini square bagels and product innovation in the *Wonder+* line, contributed positively to branded sales growth in 2007.

Fresh-baked sweet goods sales, primarily sold under the *Entenmann's* brand, were flat compared to 2006 in the fourth quarter and declined 0.8% for the year. Volume declines driven by softness in full size categories were partially offset by the introduction of new and expanded products, such as the *Entenmann's* 100 Calorie *Little Bites.*

Frozen bakery sales increased approximately 4.3% in the fourth quarter and 3.8% for the year compared to the same periods in 2006. Fourth quarter sales growth was driven mainly by higher volumes, price increases and changes in sales mix. Volumes for the year were flat as volume gains were offset by the decline in volumes caused by the exit from the United States frozen foodservice bagel business early in the third quarter of 2006.

Dairy and bottled beverage sales increased approximately 4.2% in the fourth quarter and 3.6% for the year compared to 2006, driven mainly by pricing, volume gains and improvements in sales mix as growth continued to be experienced in a number of key categories particularly value added and bottled products.

Biscuit sales in the fourth quarter were flat and decreased 11.0% for the year compared to the same periods in 2006. The full year sales decline was due to significantly lower sales volume in certain categories and the discontinued contract manufacturing for certain customers during 2006.

Operating Income

($ millions)	Quarters Ended **Dec. 31, 2007 (unaudited)**	Quarters Ended Dec. 31, 2006 (unaudited)	Years Ended **Dec. 31, 2007 (unaudited)**	Years Ended Dec. 31, 2006
Operating income	**$ 49**	$ 67	**$ 366**	$ 256
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity derivatives	**25**	(5)	**37**	23
Commodity futures fair value adjustment	**6**	(3)	**(19)**	
Restructuring and other charges	**3**	16	**5**	46
Curtailment of post-retirement plan			**(7)**	
Adjusted operating income(1)	**83**	75	**382**	325
Depreciation and amortization	**28**	26	**116**	115
Adjusted EBITDA(1)	**$ 111**	$ 101	**$ 498**	$ 440

Weston Foods operating income of $49 million for the fourth quarter of 2007 decreased by $18 million, or 26.9%, compared to operating income of $67 million in 2006. Operating margin was 5.3% compared to 6.8% in the fourth quarter of 2006.

In the fourth quarter of 2007, Weston Foods recognized the following in operating income:

- a charge of $25 million (2006 – income of $5 million) for the net effect of stock-based compensation and the associated equity derivatives;
- a charge of $6 million (2006 – income of $3 million) related to the commodity futures fair value adjustment; and
- a charge of $3 million (2006 – $16 million) related to restructuring and other charges for restructuring plans, the details of which are more fully discussed below.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

After adjusting for the above-noted items, adjusted operating income(1) in the fourth quarter of 2007 increased by $8 million, or 10.7%, to $83 million compared to $75 million in the fourth quarter of 2006. Adjusted operating margin(1) increased to 8.9% in the fourth quarter of 2007 compared to 7.6% in 2006. Foreign currency translation negatively impacted 2007 adjusted operating income(1) growth by approximately 12.0 percentage points. Adjusted EBITDA margin(1) increased to 11.9% from 10.2% in 2006.

The improvement in adjusted operating margin(1) was the result of positive pricing actions net of inflation, favourable mix and productivity improvements. Inflationary cost pressures related to certain ingredients, primarily flour, oils and sugar, continued to escalate in the fourth quarter relative to the first three quarters of 2007. Pricing and other actions, including cost reduction initiatives such as reduced product returns, mitigated the impact of inflationary cost pressures.

During the fourth quarter of 2007, a reduction in insurance reserves, relating primarily to workers' compensation benefits in the United States, resulted in a benefit of $8 million and was recorded in operating income. This benefit was largely a result of favourable experience in workers compensation claims and an increased focus on workplace safety programs.

Weston Foods operating income of $366 million for 2007 increased by $110 million, or 43.0%, compared to operating income of $256 million in 2006. Operating margin was 8.5% compared to 5.9% in 2006.

In 2007, Weston Foods recognized the following in operating income:

- a charge of $37 million (2006 – $23 million) for the net effect of stock-based compensation and the associated equity derivatives;
- income of $19 million (2006 – nil) related to the commodity futures fair value adjustment;
- a charge of $5 million (2006 – $46 million) related to restructuring and other charges for restructuring plans, the details of which are more fully discussed below, and
- income of $7 million (2006 – nil) related to the curtailment of a post-retirement plan.

After adjusting for the above-noted items, adjusted operating income(1) in 2007 increased by $57 million, or 17.5%, to $382 million compared to $325 million in 2006. Adjusted operating margin(1) increased to 8.9% in 2007 compared to 7.5% in 2006. Foreign currency translation negatively impacted 2007 adjusted operating income(1) growth by approximately 4.3 percentage points. Adjusted EBITDA margin(1) increased to 11.6% from 10.1% in 2006.

Weston Foods 2007 adjusted operating income(1) was positively impacted by sales growth, primarily due to price increases combined with changes in sales mix, and the benefits realized from the continued focus on cost reduction initiatives, including restructuring activities. Pricing and other actions mitigated the impact of inflationary cost pressures related to certain ingredients, primarily flour, oils and sugar.

Profitability in the United States fresh-baked sweet goods category declined in 2007 and remained a challenge as a result of changing consumer eating and shopping preferences and a high fixed cost manufacturing and distribution structure. Weston Foods is addressing these challenges with the previously announced downsizing of its fresh-baked goods facility in Bay Shore, New York, which is expected to be complete by the third quarter of 2008.

Weston Foods continues to evaluate strategic and cost reduction initiatives related to its manufacturing assets, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. Certain of these initiatives are in progress while others are still in the planning stages.

Weston Foods approved several restructuring plans in 2007 including:

- the transfer of the manufacturing of two lines of certain private label English muffins in the United States to third-party producers or other Weston Foods manufacturing lines already in place, which was completed in the third quarter of 2007;
- the exit of certain bread and roll manufacturing lines in the Southeastern United States and the transfer of the production associated with these lines to third-party producers or other Weston Foods manufacturing lines already in place. This process was completed in the first quarter of 2007;

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

- the restructure of the Ontario frozen bakery distribution operations and the further restructure of the Quebec fresh bakery distribution operations. In addition, restructuring of the dairy distribution network was approved in the fourth quarter. The bakery and dairy plans are expected to be substantially completed in 2008;
- the exit and transfer of certain distribution and transportation activities in the mid-Western United States to third-party logistic providers. The plan is expected to be completed by the end of the second quarter in 2008; and
- the consolidation, relocation and restructure of certain sales and administrative functions in the United States, which was completed by year end 2007.

The following was recorded relating to significant restructuring plans approved prior to 2007:
- a deferred gain in accordance with the terms and conditions of the sale and leaseback of a production facility, as part of the plan approved in 2005 to restructure the United States biscuit operations. The plan was substantially completed in 2006;
- a gain on sale of a production facility as part of the plan approved in 2006 to close an ice-cream cone baking facility in Los Angeles, California, which was completed in the second quarter of 2007; and
- a loss on sale of a production facility as part of the plan approved in 2006 to close a frozen bagel plant in Nebraska, which was completed during the second quarter of 2007.

During the fourth quarter of 2007, Weston Foods recognized $3 million of restructuring and other charges in connection with all of these restructuring plans as well as other plans approved in previous years. These restructuring and other charges consisted of $3 million of other exit related costs. For the year, Weston Foods recognized $5 million of restructuring and other charges, consisting of $13 million of employee termination benefits and other exit related costs, $6 million of accelerated depreciation and a gain of $14 million on the sale of fixed assets.

LOBLAW

Total sales for the fourth quarter of 2007 increased $183 million, or 2.7%, to $7.0 billion compared to $6.8 billion in the fourth quarter of 2006. Sales volume based on retail units sold grew by 3.6% in the fourth quarter compared to the same period last year. Same-store sales increased by 2.6%. Total sales excluding the impact of tobacco sales and variable interest entities(1) increased by 2.9%.

Total sales increases in the fourth quarter of 2007 were achieved by positive growth in both item and customer counts despite internal food price deflation. Total sales increases were realized in Ontario, Quebec and western Canada. Total sales increased in food and drugstore while general merchandise sales were lower because of the intentional restriction of inventory as Loblaw continued to work on optimizing inventory controls, product mix and markdown strategies.

Total Sales and Sales Excluding the Impact of Tobacco Sales and VIEs(1)

	Quarters Ended		Years Ended	
($ millions)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006 (unaudited)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006
Total sales	**$ 6,967**	$ 6,784	**$ 29,384**	$ 28,640
Less: Sales attributable to tobacco sales	**219**	242	**1,013**	1,423
Sales attributable to the consolidation of VIEs	**108**	92	**456**	383
Sales excluding the impact of tobacco sales and VIEs(1)	**$ 6,640**	$ 6,450	**$ 27,915**	$ 26,834

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

Sales Growth and Same-Store Sales Growth[1]

	Quarters Ended		Years Ended	
	Dec. 31, 2007 (unaudited)	Dec. 31, 2006 (unaudited)	**Dec. 31, 2007 (unaudited)**	Dec. 31, 2006
Total sales growth	**2.7%**	3.5%	**2.6%**	3.7%
Less: Impact on sales growth attributable to tobacco sales	**(0.4)%**	(2.0)%	**(1.7)%**	(1.2)%
Impact on sales growth attributable to the consolidation of VIEs	**0.2%**	(0.2)%	**0.3%**	(0.1)%
Sales growth excluding the impact of tobacco sales and VIEs[1]	**2.9%**	5.7%	**4.0%**	5.0%
Same-store sales growth	**2.6%**	1.3%	**2.4%**	0.8%
Same-store sales growth excluding the impact of decreased tobacco sales[1]	**2.7%**	3.3%	**3.4%**	2.0%

The following factors explain the major components in the change in fourth quarter sales over the prior period:

- continued sales growth in the Real Canadian Superstore banner in Ontario;
- national food price inflation as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI") was 0.8% for the fourth quarter of 2007 compared to approximately 1.5% in the same period of 2006. This measure of inflation does not necessarily reflect the effect of inflation on the specific mix of goods offered in Loblaw stores. Loblaw's analysis indicates that it had internal retail food price deflation of approximately 1.6%;
- positive volume growth of 3.6% based on retail units sold; and
- 8 new corporate and franchised stores were opened and 8 were closed during the fourth quarter resulting in a net increase of 0.1 million square feet, or 0.1%, compared to the third quarter of 2007.

Sales for 2007 increased $744 million, or 2.6%, to $29.4 billion compared to $28.6 billion in 2006. Total sales excluding the impact of tobacco sales and VIEs[1] increased by 4.0%. The following factors in addition to the quarterly factors mentioned above further explain the change in full year sales over 2006:

- same-store sales growth excluding the impact of decreased tobacco sales increased 3.4%. In the third quarter of 2006, a major tobacco supplier commenced shipping directly to certain customers of Loblaw's cash & carry and wholesale club network, adversely impacting sales. This loss of sales affects comparisons to 2006 for the first three quarters of 2007;
- national food price inflation as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI") was 2.7% for 2007 compared to approximately 2.3% in 2006. Loblaw's analysis indicates that its internal retail food price inflation for 2007 is approximately 1.3% compared to last year;
- positive volume growth of 1.9% based on retail units sold; and
- 34 new corporate and franchised stores were opened and 79 stores were closed, including 46 stores that were closed as part of a previously announced store operations restructuring plan, and stores which underwent conversions and major expansions. Net retail square footage decreased 0.1 million square feet, or (0.2)%, in 2007 from year end 2006.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

Operating Income Operating income of $132 million for the fourth quarter of 2007 increased by $829 million compared to an operating loss of $697 million in 2006. Operating margin was 1.9% compared to (10.3)% in the fourth quarter of 2006. The 2006 operating loss was affected by an $800 million non-cash goodwill impairment charge related to the goodwill associated with the acquisition of Provigo Inc. in 1998.

In the fourth quarter of 2007, Loblaw recognized the following in operating income:

- charge of $29 million (2006 – nil) related to Project Simplify involving restructuring and streamlining of merchandising and store operations. Costs comprised $19 million for employee termination benefits including severance, additional pension costs resulting from the termination of employees and retention costs; and $10 million of other costs, primarily consulting;
- charge of $7 million (2006 – nil) in connection with the previously announced plan to restructure Loblaw's supply chain network;
- nil (2006 – $35 million) in connection with the previously announced closure of certain stores in the Quebec and Atlantic markets and in the wholesale network that were part of the store operations restructuring activities;
- charge of $52 million (2006 – income of $6 million) for the net effect of stock-based compensation and the associated equity forwards. The majority of the expense in the fourth quarter of 2007 included a non-cash loss on equity forwards of $55 million (2006 – income of $10 million) resulting from a decline in Loblaw's share price during the fourth quarter of 2007. At the end of fourth quarter of 2007, Loblaw had cumulative equity forwards to buy 4.8 million (2006 − 4.8 million) of its common shares;
- charge of $3 million (2006 − $68 million) from the previously announced liquidation of excess general merchandise inventory in the fourth quarter of 2006. The liquidation was completed as expected in the fourth quarter of 2007;
- income of $4 million (2006 – nil) resulting from the consolidation of VIEs;
- nil (2006 – charge of $800 million) for a non-cash goodwill impairment charge related to the goodwill established on the acquisition of Provigo Inc. in 1998; and
- nil (2006 – charge of $84 million) related to the ratification of a new four-year collective agreement with members of certain Ontario locals of the UFCW.

After adjusting for the above-noted items, adjusted operating income(1) in the fourth quarter of 2007 decreased by $65 million, or 22.9%, to $219 million compared to $284 million in the fourth quarter of 2006. Adjusted operating margin(1) decreased to 3.3% in the fourth quarter of 2007 as growth in operating expenses exceeded growth in sales compared to 4.4% in 2006. Adjusted EBITDA margin(1) decreased to 5.2% from 6.4% in 2006.

In addition, adjusted operating income(1) in the fourth quarter of 2007 was influenced by the following items:

- gross margin declined approximately $60 million from 2006, which represents 0.9% of sales, primarily due to targeted price reductions, to provide value to customers and drive same-store sales and sales volumes, and changes in sales mix, partially offset by improvements in shrink;
- incremental consulting costs compared to the prior year, other than those in connection with Project Simplify, amounted to $12 million including expenses related to new supply chain and information technology improvement initiatives of $6 million;
- a gain of $11 million from the sale of an office building in Calgary, Alberta; and
- incremental non-cash fixed asset impairment charge of $9 million related to asset carrying values in excess of fair values at specific store locations. The charge in the fourth quarter of 2007 was $33 million compared to $24 million in the fourth quarter of 2006.

Gross margin percentage continued to decline in the fourth quarter of 2007 as a result of Loblaw's continued investment in lower prices, as part of its Credit for Value initiative, to drive same-store sales growth in a targeted manner across the country. Sales increases in the quarter were insufficient to offset margin declines. Loblaw continues to experience higher store labour costs due to marketplace pressures and achieved reduced inventory shrink expenses in the fourth quarter of 2007 compared to the same quarter last year.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

The following table outlines items which were excluded in arriving at adjusted operating income(1), adjusted operating margin(1), and adjusted EBITDA(1) and adjusted EBITDA margin(1):

($ millions)	Quarters Ended Dec. 31, 2007 (unaudited)	Quarters Ended Dec. 31, 2006 (unaudited)	Years Ended Dec. 31, 2007 (unaudited)	Years Ended Dec. 31, 2006
Operating income (loss)	**$ 132**	$ (697)	**$ 728**	$ 281
Add (deduct) impact of the following:				
Net effect of stock-based compensation and the associated equity forwards	**52**	(6)	**72**	37
Restructuring and other charges	**36**	35	**222**	44
Inventory liquidation	**3**	68	**15**	68
VIEs	**(4)**		**(11)**	(8)
Goodwill impairment charge		800		800
Ontario collective labour agreement		84		84
Departure entitlement charge				12
Adjusted operating income(1)	**219**	284	**1,026**	1,318
Add (deduct) impact of the following:				
Depreciation and amortization	**134**	133	**588**	590
VIE depreciation and amortization	**(6)**	(5)	**(33)**	(24)
Adjusted EBITDA(1)	**$ 347**	$ 412	**$ 1,581**	$ 1,884

Operating income of $728 million for 2007 year-to-date increased by $447 million compared to $281 million in 2006, and resulted in an operating margin of 2.5% as compared to 1.0% in 2006.

During 2007, Loblaw recognized the following in operating income:

- charge of $197 million (2006 – nil) related to Project Simplify involving restructuring and streamlining of merchandising and store operations. Costs comprised $139 million for employee termination benefits including severance, additional pension costs resulting from the termination of employees and retention costs; and $58 million of other costs, primarily consulting. Total restructuring costs under this plan, comprised primarily of severance costs, are now anticipated to be approximately $200 million with the remaining costs to be expensed in 2008;
- charge of $9 million (2006 – $8 million) in connection with the previously announced plan to restructure Loblaw's supply chain network;
- charge of $16 million (2006 – $35 million) in connection with the previously announced closure of certain stores in the Quebec and Atlantic markets and in the wholesale network that were part of the store operations restructuring activities;
- charge of $72 million (2006 – $37 million) for the net effect of stock-based compensation and the associated equity forwards. The majority of the expense in 2007 included a non-cash loss on equity forwards of $67 million (2006 – $32 million) resulting from a decline in Loblaw's share price during the year;
- charge of $15 million (2006 – $68 million) for the liquidation of general merchandise inventory discussed previously;
- income of $11 million (2006 – $8 million) resulting from the consolidation of VIEs;
- nil (2006 – charge of $1 million) related to the head office move and reorganization of the operation support functions;
- nil (2006 – charge of $800 million) for a non-cash goodwill impairment charge related to the goodwill established on the acquisition of Provigo Inc. in 1998;
- nil (2006 – charge of $84 million) related to the ratification of a new four-year collective agreement with members of certain Ontario locals of the UFCW; and
- nil (2006 – charge of $12 million) related to a departure entitlement charge.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

After adjusting for the above-noted items, adjusted operating income(1) for 2007 year-to-date decreased by $292 million, or 22.2%, to $1,026 million compared to $1,318 million in 2006. Adjusted operating margin(1) decreased to 3.7% in 2007 compared to 4.9% in 2006 as growth in operating expenses exceeded growth in sales. Adjusted EBITDA margin(1) decreased to 5.7% from 7.0% in 2006.

In addition, the 2007 adjusted operating income(1) was also influenced by the following items:
- incremental consulting costs compared to the prior year, other than those in connection with Project Simplify, amounted to $75 million including expenses related to new supply chain and information technology improvement initiatives of $16 million;
- pharmacy-related operating income was reduced by $25 million due to legislative changes introduced in 2006 by the Ontario government;
- adjustments in estimates related to post-employment and long term disability benefits and deferred product development and information technology costs reduced operating income by $24 million;
- costs associated with the change in Loblaw's executive bonus plan were $11 million;
- a gain of $11 million from the sale of an office building in Calgary, Alberta;
- incremental non-cash fixed asset impairment charge of $6 million related to asset carrying values in excess of fair values at specific store locations. The 2007 charge was $33 million compared to $27 million in 2006; and
- the gross margin percentage decreased as described previously.

Loblaw continues to invest in what it believes will be higher return expansions and renovations to its existing store base, with a focus on improving same-store sales. As stated last quarter, Loblaw expects to invest an estimated $700 to $800 million in net capital expenditures. Approximately two-thirds of these funds are expected to be used in remodeling, expanding and maintaining existing stores and a small increase in square footage, with the remainder split two-thirds in upgrading information systems and one-third on supply chain infrastructure.

During the quarter as planned, Loblaw sold property and a partially constructed building for a purchase price of $110 million. Loblaw leased back the property from the buyer for a term of 20 years, with options to renew, and in turn, subleased the property to a third party logistics provider. Loblaw has also entered into a warehousing and distribution agreement with the third party logistics provider, which will use this property to provide services to Loblaw.

Liquidity and Capital Resources

During the fourth quarter of 2007, Dominion Bond Rating Service ("DBRS") placed Loblaw's long term and short term credit ratings Under Review with Negative Implications; and Standard & Poor's ("S&P") placed Loblaw's long term and short term credit ratings on CreditWatch with negative implications. In addition, DBRS placed the Company's long term, preferred shares and short term credit ratings Under Review with Negative Implications; and S&P placed the Company's long term, preferred shares and short term credit ratings on CreditWatch with negative implications.

On February 7, 2008, Loblaw's long term corporate credit and senior unsecured debt ratings were downgraded by S&P to "BBB" from "BBB+". In addition, S&P downgraded Loblaw's commercial paper rating to "A-2" from "A-1 (low)". Loblaw was removed from CreditWatch with negative implications and the outlook was changed to "negative". Also, DBRS downgraded Loblaw's long term credit rating to "BBB (high)" from "A (low)" with a Negative trend. DBRS also lowered Loblaw's short term credit rating to "R-2 (high)" from "R-1 (low)" with a Stable trend.

As a result of the DBRS downgrade of the short term credit rating, Loblaw no longer expects to be able to issue commercial paper, however, it expects it will be able to secure short term funding from other sources for the foreseeable future. Furthermore, the credit rating downgrades of Loblaw resulted in a possible termination of the independent funding trust agreement for Loblaw's franchisees'. If left unaddressed, Loblaw's franchisees' access to financing through the structure involving the independent funding trusts would be affected and the standby letter of credit in the amount of $44 million provided to the independent funding trust by Loblaw would be drawn upon. The gross principal amount of the franchisee loans outstanding at the end of 2007 was $418 million. Loblaw is currently in the process of securing alternative financing arrangements for the benefit of its franchisees in order to address this issue. In the event Loblaw restructures the independent funding trusts, any new alternative financing structure which may be implemented would need to be reviewed to determine if there are any implications with respect to the consolidation of VIEs.

(1) See Non-GAAP Financial Measures on page 12 of this News Release.

On February 12, 2008, DBRS downgraded the Company's long term credit rating to "BBB" from "BBB (high)" with a Stable trend. DBRS also lowered the Company's short term credit rating to "R-2 (high)" from "R-1 (low)" with a Stable trend. As a result of the DBRS downgrade of the short term credit rating, the Company no longer expects to be able to issue commercial paper, however, it expects it will be able to secure short term funding from other sources for the foreseeable future.

Outlook[(1)]

In 2008, Weston Foods anticipates challenging market conditions as unprecedented increases for ingredient and other input costs are expected. Weston Foods plans to offset these higher input costs by ongoing cost reduction initiatives and pricing as necessary.

Loblaw's sales volumes have been positively responding to its investments in lower prices to give value to its customers. Loblaw expects this to continue in 2008. Investments in price will also continue. However, Loblaw expects that cost reductions in 2008 will help to support its profitability. Sales, margins and profitability in the first half of 2008 in relation to 2007 may be affected by more difficult comparables.

Non-GAAP Financial Measures

The Company reports its financial results in accordance with Canadian GAAP. However, the Company has included certain non-GAAP financial measures and ratios which it believes provide useful information to both management and readers of this News Release in measuring the financial performance of the Company for the reasons set out below. These measures do not have a standardized meaning prescribed by Canadian GAAP and, therefore, may not be comparable to similarly titled measures presented by other publicly traded companies. They should not be construed as an alternative to other financial measures determined in accordance with Canadian GAAP.

Sales and Sales Growth Excluding the Impact of Tobacco Sales and VIEs These financial measures exclude the impact on sales from the decrease in tobacco sales and from the consolidation by the Company of certain independent franchisees. Tobacco sales continued to decrease through the end of third quarter 2007 as a result of a major tobacco supplier shipping directly to certain customers of Loblaw's cash & carry and wholesale club network commencing in the third quarter of 2006. These impacts on sales are excluded because the Company believes this allows for a more effective analysis of the operating performance of the Company. A reconciliation of the financial measures to the Canadian GAAP financial measures is included in the table "Total Sales and Sales Excluding the Impact of Tobacco Sales and VIEs" on pages 2 and 7 of this News Release. Sales growth excluding the impact of tobacco sales and VIEs is included in the table "Total Sales Growth and Sales Growth Excluding the Impact of Tobacco Sales and VIEs" on page 2 of this News Release and the table "Sales Growth and Same-Store Sales Growth" on page 8 of this News Release. Loblaw same-store sales growth and same-store sales growth excluding the impact of decreased tobacco sales is included in the table "Sales Growth and Same-Store Sales Growth" on page 8 of this News Release.

Adjusted Operating Income and Margin The table on page 3 of this News Release reconciles operating income (loss) and adjusted operating income to Canadian GAAP net earnings (loss) from continuing operations based on management's review of preliminary unaudited results for the quarters and years ended December 31, 2007 and 2006. For each of its reportable operating segments, the tables on pages 5 and 10 of this News Release reconciles segment adjusted operating income to segment operating income. Items listed in these reconciliations are excluded because the Company believes adjusted operating income allows for a more effective analysis of the operating performance of the Company. In addition, the excluded items affect the comparability of the financial results and could potentially distort the analysis of trends. The exclusion of these items does not imply they are non-recurring. Adjusted operating income and margin are useful to management in assessing the Company's performance and in making decisions regarding the ongoing operations of its business.

Adjusted operating margin is calculated as adjusted operating income divided by sales excluding the impact of tobacco sales and VIEs.

(1) To be read in conjunction with "Forward-Looking Statements" on page 14 of this News Release.

Adjusted EBITDA and Margin The table on page 3 of this News Release reconciles adjusted earnings before interest, income taxes, depreciation and amortization (“EBITDA”) to Canadian GAAP net earnings (loss) from continuing operations based on management’s review of preliminary unaudited results for the quarters and years ended December 31, 2007 and December 31, 2006. For each of its reportable operating segments, the tables on pages 5 and 10 of this News Release reconciles segment adjusted EBITDA to segment operating income. Adjusted EBITDA is useful to management in assessing the Company’s performance of its ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company’s capital investment program.

Adjusted EBITDA margin is calculated as adjusted EBITDA divided by sales excluding the impact of tobacco sales and VIEs.

Adjusted Basic Net Earnings per Common Share from Continuing Operations The table on page 4 of this News Release reconciles adjusted basic net earnings per common share from continuing operations to Canadian GAAP basic net earnings (loss) per common share from continuing operations based on management’s review of preliminary unaudited results for the quarters and years ended December 31, 2007 and December 31, 2006. Items listed in the reconciliation are excluded because the Company believes this allows for a more effective analysis of the operating performance of the Company. In addition, the excluded items affect the comparability of the financial results and could potentially distort the analysis of trends. The exclusion of these items does not imply they are non-recurring. Adjusted basic net earnings per common share from continuing operations is useful to management in assessing the Company’s performance and in making decisions regarding the ongoing operations of its business.

2007 ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT’S DISCUSSION AND ANALYSIS (“MD&A”)

Weston’s audited consolidated financial statements and MD&A for the year ended December 31, 2007 will be released on or before March 31, 2008. Both documents will be contained in Weston’s 2007 Annual Report and will be available in the Investor Zone section of Weston’s website at www.weston.ca, or at www.sedar.com.

INVESTOR RELATIONS

Shareholders, security analysts and investment professionals should direct their requests to Mr. Geoffrey H. Wilson, Senior Vice President, Shared Financial Services at the Company’s Executive Office or by e-mail at investor@weston.ca.

Additional information has been filed electronically with various securities regulators in Canada through the System for Electronic Document Analysis and Retrieval (SEDAR). This News Release includes selected information on Loblaw Companies Limited, a 62%-owned public reporting company with shares trading on the Toronto Stock Exchange. For information regarding Loblaw, readers should also refer to the materials filed by Loblaw with the Canadian securities regulatory authorities from time to time. These filings are also maintained on Loblaw’s corporate website at www.loblaw.ca.

CONFERENCE CALL AND WEBCAST PRESENTATION

George Weston Limited will host a conference call on February 14, 2008 at 11:00 AM (EST).

To access the conference call, dial (416) 644-3419 or visit our website at www.weston.ca to access the webcast. The replay will be available one hour following the live event. To access the replay dial (416) 640-1917 passcode: 21260609 followed by number sign.

Full details are available on the George Weston Limited website at www.weston.ca.

FORWARD-LOOKING STATEMENTS

This News Release for George Weston Limited and its subsidiaries (collectively, the “Company” or “Weston”) contains forward-looking statements about the Company’s objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. These forward-looking statements include a preliminary unaudited financial update for its fourth quarter and fiscal year 2007. Words such as “anticipate”, “expect”, “believe”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions, as they relate to the Company and its management, are intended to identify forward-looking statements. These forward-looking statements are not historical facts but reflect the Company’s current expectations concerning future results and events.

These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These risks and uncertainties include, but are not limited to: changes in economic conditions; changes in consumer spending and preferences, heightened competition, whether from new competitors or current competitors; the availability and cost of raw materials and ingredients, fuels and utilities; changes in the Company’s or its competitors’ pricing strategies; failure of the Company’s franchised stores to perform as expected; risks associated with the terms and conditions of financing programs offered to the Company’s franchisees; failure to realize anticipated cost savings and operating efficiencies from the Company’s major initiatives, including investments in the Company’s information technology systems, supply chain investments and other cost reduction and simplification initiatives; the ability of the Company’s information technology infrastructure to support the requirements of the Company’s business; the ability of the Company to identify obsolete or excess inventory and to control shrink; failure to execute successfully and in a timely manner the Company’s major initiatives, including the implementation of strategies and introduction of innovative products; unanticipated costs associated with the Company’s strategic initiatives, including those related to compensation costs; the ability of the Company’s supply chain to service the needs of the Company’s stores; deterioration in the Company’s relationship with its employees, particularly through periods of change in the Company’s business; failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements; changes to the regulatory environment in which the Company operates; the adoption of new accounting standards and changes in the Company’s use of accounting estimates including in relation to inventory valuation; fluctuations in the Company’s earnings due to changes in the value of equity forward contracts relating to the Company’s and Loblaw’s common shares; changes in the Company’s tax liabilities resulting from changes in tax laws or future assessments; detrimental reliance on the performance of third-party service providers; public health events; the ability of the Company to obtain external financing; the ability of the Company to attract and retain key executives; and supply and quality control issues with vendors. These and other risks and uncertainties are discussed in the Company’s materials filed with the Canadian securities regulatory authorities from time to time, including the Risks and Risk Management section of the MD&A included in the Company’s 2006 Annual Report. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements.

In addition to these risks and uncertainties, the material assumptions used in making the forward-looking statements contained herein and in particular in the section entitled “Outlook” on page 12 of this News Release, include: there is no material change in economic conditions from those of 2007; patterns of consumer spending and preferences are reasonably consistent with historical trends; there is no significant change in competitive conditions, whether related to new competitors or current competitors; there is no unexpected change in the Company’s or its competitors’ current pricing strategies; the Company’s franchised stores perform as expected; the Company successfully offers new and innovative products and executes its strategies as planned; anticipated cost savings and operating efficiencies are achieved, including those from the Company’s cost reduction and simplification initiatives; and there are no significant regulatory, tax or accounting changes or other significant events occurring outside the ordinary course of business.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company’s expectations only as of the date of this News Release. The Company disclaims any intention or obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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