Q1

2011

Quarterly Report to Shareholders

George Weston Limited

12 Weeks Ended March 26, 2011

Weston

FORWARD-LOOKING STATEMENTS

This Quarterly Report for George Weston Limited ("GWL") and its subsidiaries (collectively, the "Company"), including this Management's Discussion and Analysis ("MD&A"), contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. Words such as "anticipate", "expect", "believe", "foresee", "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, including, but not limited to:

- the possibility that the Company's plans and objectives will not be achieved;
- changes in economic conditions including the rate of inflation or deflation and changes in interest and foreign currency exchange rates;
- changes in consumer spending and preferences;
- heightened competition, whether from new competitors or current competitors;
- the availability and increased costs relating to raw materials, ingredients and utilities, including electricity and fuel;
- changes in the Company's or its competitors' pricing strategies;
- failure of the Company's franchised stores to perform as expected;
- failure to realize sales growth, anticipated cost savings or operating efficiencies from the Company's major initiatives, including investments in the Company's information technology systems, supply chain investments and other cost reduction initiatives, or unanticipated results from these initiatives;
- the inability of the Company to successfully implement its infrastructure and information technology components of its plan;
- the inability of the Company's information technology infrastructure to support the requirements of the Company's business;
- the inability of the Company to manage inventory to minimize the impact of 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 and reformulated products or new and renovated stores;
- unanticipated results associated with the Company's strategic initiatives, including the impact of acquisitions or dispositions of businesses on the Company's future revenues and earnings;
- the inability of the Company's supply chain to service the needs of the Company's stores;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements which could lead to work stoppages;
- changes to and failure to comply with the legislative/regulatory environment in which the Company operates, including failure to comply with environmental laws and regulations;
- the adoption of new accounting standards and changes in the Company's use of accounting estimates;
- fluctuations in the Company's earnings due to changes in the value of share based compensation and equity derivative contracts relating to GWL and Loblaw Companies Limited ("Loblaw") common shares;
- changes in the Company's income, commodity and other tax liabilities including changes in tax laws or future assessments;
- reliance on the performance and retention of third-party service providers, including those associated with the Company's supply chain and apparel business;
- public health events;
- risks associated with product defects, food safety and product handling;
- the inability of the Company to collect on its credit card receivables;
- any requirement of the Company to make contributions to its funded defined benefit pension plans in excess of those currently contemplated;
- the inability of the Company to attract and retain key executives;
- supply and quality control issues with vendors; and
- failure by the Company to maintain appropriate documentation to support its compliance with accounting, tax or legal rules, regulations and policies.

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 Section 12, "Enterprise Risks and Risk Management", of the MD&A included in GWL's 2010 Annual Report. These forward-looking statements contained herein and in particular in the Report to Shareholders and MD&A reflect management's current assumptions regarding these risks and uncertainties and their respective impact on the Company.

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. 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 Quarterly Report. 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.

Report to Shareholders[2]

CONSOLIDATED RESULTS OF OPERATIONS

George Weston Limited's first quarter 2011 adjusted basic net earnings per common share[1] were $1.07 compared to $0.74 in the same period in 2010, an increase of $0.33. The increase was primarily attributable to the strong improvement in the operating performance of the Company's two operating segments, Weston Foods and Loblaw Companies Limited ("Loblaw"), and decreases in both net interest expense and other financing charges and income tax expense.

	12 Weeks Ended		
($ millions except where otherwise indicated)	**Mar. 26, 2011 (unaudited)**	Mar. 27, 2010 (unaudited)	Change
Sales	**$ 7,148**	$ 7,164	(0.2)%
Operating income	**$ 303**	$ 300	1.0%
Operating margin	**4.2%**	4.2%	
Adjusted operating income[1]	**$ 380**	$ 345	10.1%
Adjusted operating margin[1]	**5.3%**	4.8%	
Net interest expense and other financing charges	**$ 66**	$ 143	(53.8)%
Net earnings attributable to shareholders of the Company	**$ 105**	$ 37	183.8%
Basic net earnings per common share ($)	**$ 0.74**	$ 0.21	252.4%
Adjusted basic net earnings per common share ($)[1]	**$ 1.07**	$ 0.74	44.6%
Adjusted EBITDA[1]	**$ 546**	$ 499	9.4%
Adjusted EBITDA margin[1]	**7.6%**	7.0%	
Net debt[1]	**$ 3,932**	$ 2,653	48.2%

Due to the Company's transition to International Financial Reporting Standards ("IFRS" or "GAAP"), effective the first quarter of 2011, all comparative figures that were previously reported in accordance with Canadian Generally Accepted Accounting Principles have been restated to conform with IFRS.

Beginning with the first quarter of 2011, the Company is using three new non-GAAP financial measures: adjusted basic net earnings per common share[1], adjusted operating income[1] and adjusted EBITDA[1]. Under GAAP, certain expenses and income must be recognized that are not necessarily reflective of the Company's underlying operating performance. Management therefore uses these non-GAAP financial measures, which exclude the impact of certain items, internally when analyzing its consolidated and segment underlying operating performance. These non-GAAP financial measures are also helpful in assessing underlying operating performance on a consistent basis. Adjusted operating income[1] and adjusted EBITDA[1] exclude restructuring and other charges, a commodity derivatives fair value adjustment at Weston Foods, foreign currency translation losses and share-based compensation net of equity derivatives. Adjusted basic net earnings per common share[1] also exclude the impact of the accounting for Weston Holdings Limited's ("WHL"), a subsidiary of GWL, forward sale agreement for 9.6 million Loblaw common shares. See the "Non-GAAP Financial Measures" section of Management's Discussion and Analysis for more information on the Company's non-GAAP financial measures.

(1) See non-GAAP financial measures on page 19.
(2) To be read in conjunction with "Forward-Looking Statements".

OPERATING SEGMENTS

Weston Foods

Weston Foods sales in the first quarter of 2011 increased by 6.5% to $410 million, supported by volume growth of 8.0%, compared to the same period in 2010. The acquisition of Keystone Bakery Holdings, LLC and ACE Bakery Ltd. in the third and fourth quarters of 2010, respectively, positively impacted sales growth and volume growth by approximately 10.8% and 9.1%, respectively, while foreign currency translation negatively impacted sales growth by approximately 2.9%. Excluding the acquisitions and foreign currency translation, sales decreased by 1.4% due to a decrease in volume of 1.1% and the negative impact of lower pricing of 0.3%.

Weston Foods adjusted operating income(1) was $57 million in the first quarter of 2011 compared to $47 million in the same period in 2010, an increase of 21.3%. Adjusted operating margin(1) was 13.9% in the first quarter of 2011 compared to 12.2% in the same period in 2010. Adjusted operating income(1) was positively impacted by sales growth as a result of the bakery acquisitions and by the benefits realized from productivity improvements and other cost reduction initiatives and from lower input costs, which were partially offset by the impact of higher fuel costs. Weston Foods adjusted operating income(1) excludes restructuring and other charges, a commodity derivatives fair value adjustment and share-based compensation net of equity derivatives. See the "Non-GAAP Financial Measures" section of Management's Discussion and Analysis for more information on the Company's non-GAAP financial measures.

Loblaw

Loblaw continues to progress with its renewal plan while it begins to turn its focus on new opportunities for growth. Loblaw remains focused on executing the plan in an unpredictable and competitively intense market environment.

Loblaw sales in the first quarter of 2011 of $6,872 million decreased 0.6% compared to the same period in 2010. Same-store retail sales declined 0.1%. Sales growth in food was flat, sales in drugstore and apparel declined marginally, sales in other general merchandise declined moderately and gas bar sales growth was strong. Loblaw experienced modest average quarterly internal food price inflation during the first quarter of 2011, which was lower than the national food price inflation of 2.5% (2010 – 0.7%) as measured by "The Consumer Price Index for Food Purchased from Stores". In the first quarter of 2010, Loblaw experienced marginal average quarterly internal food price deflation.

Loblaw adjusted operating income(1) in the first quarter of 2011 was $323 million compared to $298 million in the same period in 2010, an increase of 8.4%. Loblaw adjusted operating margin(1) was 4.7% in the first quarter of 2011 compared to 4.3% in the same period in 2010. Adjusted operating income(1) improved primarily as a result of improved control label profitability, improved shrink, labour efficiencies, the improvement in the performance of Loblaw's franchise business and a stronger Canadian dollar, partially offset by the timing of Easter vendor programs, increased transportation costs and the incremental costs related to the investment in information technology and supply chain. Loblaw adjusted operating income(1) excludes share-based compensation net of equity derivatives, and other charges. See the "Non-GAAP Financial Measures" section of Management's Discussion and Analysis for more information on the Company's non-GAAP financial measures.

(1) See non-GAAP financial measures on page 19.

NET INTEREST EXPENSE AND OTHER FINANCING CHARGES

Net interest expense and other financing charges in the first quarter of 2011 decreased by $77 million to $66 million from $143 million in the same period in 2010, primarily due to a $61 million decrease in the non-cash charge related to the fair value adjustment of WHL's forward sale agreement for 9.6 million Loblaw common shares compared to the same period in 2010. Excluding the impact of this fair value adjustment, net interest expense and other financing charges in the first quarter of 2011 decreased by $16 million compared to the same period in 2010, due to a net decrease in long term debt, an increase in net interest income on financial derivative instruments and an increase in interest income as a result of higher short term interest rates.

INCOME TAXES

The effective income tax rate decreased to 30.4% in the first quarter of 2011 compared to 44.6% in the same period in 2010. The decrease was primarily due to a decrease in income tax expense related to certain prior year income tax matters, a decrease in non-deductible foreign currency translation losses and reductions in the Federal and Ontario statutory income tax rates.

NET DEBT(1)

The Company's net debt(1) as at the end of the first quarter of 2011 was $3,932 million compared to $2,553 million as at year end 2010. The increase was primarily due to the payment of the $1.0 billion special one-time common share dividend and a seasonal increase in operating working capital(2) at Loblaw.

OUTLOOK(3)

This outlook reflects the underlying operating performance of the Company's operating segments as discussed below.

For the full year 2011, Weston Foods expects to deliver sales growth driven primarily from the full year impact of the 2010 bakery acquisitions and satisfactory operating performance despite significant cost pressure and a competitive pricing environment. Weston Foods will focus on mitigating rising commodity costs and escalating energy costs through a combination of price increases and cost reduction initiatives in an effort to achieve operating margins in line with those in 2010.

Loblaw continues to progress with its renewal plan while it begins to turn its focus on new opportunities for growth. In 2011, Loblaw remains focused on executing the plan in an uncertain market environment with expected inflationary pressures and continued competitive intensity. Loblaw plans to continue its investment in information technology and supply chain which will negatively impact operating income.

George Weston Limited continues to assess opportunities for the deployment of its significant holdings of cash and short term investments.

[signed]

W. Galen Weston
Chairman and President

Toronto, Canada
May 9, 2011

(1) See non-GAAP financial measures on page 19.
(2) Operating working capital is defined as the sum of accounts receivable, inventories, prepaid expenses and other assets less trade and other payables.
(3) To be read in conjunction with "Forward-Looking Statements".

The following Management's Discussion and Analysis ("MD&A") for George Weston Limited ("GWL") and its subsidiaries (collectively, the "Company") should be read in conjunction with the Company's 2011 unaudited interim period condensed consolidated financial statements and the accompanying notes on pages 26 to 92 of this Quarterly Report, the audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2010 and the related annual MD&A included in the Company's 2010 Annual Report.

The Company's first quarter 2011 unaudited interim period condensed consolidated financial statements and the accompanying notes will form part of the first annual audited consolidated financial statements to be prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") for the year ended December 31, 2011 and are prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These unaudited interim period condensed consolidated financial statements include the accounts of the Company and other entities the Company controls in accordance with IAS 27, "Consolidated and Separate Financial Statements" and are reported in Canadian dollars. In addition, the Company consolidates Special Purpose Entities ("SPE") in accordance with Standing Interpretations Committee Interpretation 12 "Consolidation – Special Purpose Entities", ("SIC-12") if, based on an evaluation of the substance of its relationship with the Company and the SPE's risks and rewards, the Company concludes that it controls the SPE.

A glossary of terms and ratios used throughout this Quarterly Report can be found beginning on page 126 of the Company's 2010 Annual Report. In addition, this Quarterly Report includes the following terms: "rolling year net debt[(1)] to adjusted EBITDA[(1)]", which is defined as net debt[(1)] divided by cumulative adjusted EBITDA[(1)] for the latest four quarters; "rolling year return on average net assets[(1)]", which is defined as cumulative operating income for the latest four quarters divided by average net assets[(1)]; "rolling year return on average common shareholders' equity", which is defined as cumulative net earnings available to common shareholders for the latest four quarters divided by average total common shareholders' equity attributable to shareholders of the Company; and "operating working capital" which is defined as the sum of accounts receivable, inventories and prepaid expenses and other assets less trade and other payables.

The information in this MD&A is current to May 9, 2011, unless otherwise noted.

CONSOLIDATED RESULTS OF OPERATIONS

All comparative figures that were previously reported in accordance with Canadian Generally Accepted Accounting Principles ("CGAAP") have been restated to conform with IFRS. See note 16 on page 52 of the unaudited interim period condensed consolidated financial statements for further information on the transition to IFRS and its impact on the Company's financial position and financial performance.

Beginning with the first quarter of 2011, the Company is using three new non-GAAP financial measures: adjusted basic net earnings per common share[(1)], adjusted operating income[(1)] and adjusted EBITDA[(1)]. Under GAAP, certain expenses and income must be recognized that are not necessarily reflective of the Company's underlying operating performance. Management therefore uses these non-GAAP financial measures, which exclude the impact of certain items, internally when analyzing its consolidated and segment underlying operating performance. These non-GAAP financial measures are also helpful in assessing underlying operating performance on a consistent basis. Adjusted operating income[(1)] and adjusted EBITDA[(1)] exclude restructuring and other charges, a commodity derivatives fair value adjustment at Weston Foods, foreign currency translation losses and share-based compensation net of equity derivatives. Adjusted basic net earnings per common share[(1)] also exclude the impact of the accounting for Weston Holdings Limited's ("WHL"), a subsidiary of GWL, forward sale agreement for 9.6 million Loblaw common shares. See the "Non-GAAP Financial Measures" section of this MD&A for more information on the Company's non-GAAP financial measures.

(1) See non-GAAP financial measures on page 19.

Sales Sales for the first quarter of 2011 decreased by 0.2% to $7,148 million from $7,164 million in the same period in 2010.

The Company's consolidated sales in the first quarter of 2011 were impacted by each reportable operating segment as follows:

- Positively by 0.3% due to sales growth of 6.5%, supported by volume growth of 8.0%, at Weston Foods. The acquisition of Keystone Bakery Holdings, LLC ("Keystone") and ACE Bakery Ltd. ("ACE") positively impacted sales growth and volume growth by approximately 10.8% and 9.1%, respectively, while foreign currency translation negatively impacted sales growth by approximately 2.9%. Excluding the acquisitions and foreign currency translation, sales decreased by 1.4% due to a decrease in volume of 1.1% and the negative impact of lower pricing of 0.3%.

- Negatively by 0.6% due to a sales decline of 0.6% at Loblaw. Same-store retail sales declined 0.1%. Sales growth in food was flat, sales in drugstore and apparel declined marginally, sales in other general merchandise declined moderately and gas bar sales growth was strong. Loblaw experienced modest average quarterly internal food price inflation during the first quarter of 2011, which was lower than the national food price inflation of 2.5% (2010 – 0.7%) as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI"). In the first quarter of 2010, Loblaw experienced marginal average quarterly internal food price deflation.

Operating Income Operating income in the first quarter of 2011 was $303 million compared to $300 million in the same period in 2010. Operating margin for the first quarters of 2011 and 2010 was 4.2%. Adjusted operating income(1) in the first quarter of 2011 was $380 million compared to $345 million in the same period in 2010, an increase of $35 million or 10.1%.

The Company's consolidated adjusted operating income(1) growth in the first quarter of 2011 was impacted by each reportable operating segment as follows:

- Positively by 2.9% due to an increase of 21.3% in adjusted operating income(1) at Weston Foods. Adjusted operating income(1) was positively impacted by sales growth as a result of the bakery acquisitions and by the benefits realized from productivity improvements and other cost reduction initiatives and from lower input costs, which were partially offset by the impact of higher fuel costs. Weston Foods adjusted operating income(1) excludes restructuring and other charges, a commodity derivatives fair value adjustment and share-based compensation net of equity derivatives. See the "Non-GAAP Financial Measures" section of this MD&A for more information on the Company's non-GAAP financial measures.

- Positively by 7.3% due to an increase of 8.4% in adjusted operating income(1) at Loblaw. Adjusted operating income(1) improved primarily as a result of improved control label profitability, improved shrink, labour efficiencies, the improvement in the performance of Loblaw's franchise business and a stronger Canadian dollar, partially offset by the timing of Easter vendor programs, increased transportation costs and the incremental costs related to the investment in information technology and supply chain. Loblaw adjusted operating income(1) excludes share-based compensation net of equity derivatives, and other charges. See the "Non-GAAP Financial Measures" section of this MD&A for more information on the Company's non-GAAP financial measures.

The Company's adjusted operating margin(1) in the first quarter of 2011 increased to 5.3% from 4.8% in the same period in 2010. The Company's adjusted EBITDA margin(1) increased to 7.6% from 7.0% in the same period in 2010. The margins were positively impacted by higher adjusted operating income(1) at both Weston Foods and Loblaw.

(1) See non-GAAP financial measures on page 19.

Net Interest Expense and Other Financing Charges
Net interest expense and other financing charges in the first quarter of 2011 decreased by $77 million to $66 million from $143 million in the first quarter of 2010, primarily due to a $61 million decrease in the non-cash charge related to the fair value adjustment of WHL's forward sale agreement for 9.6 million Loblaw common shares compared to the same period in 2010.

Excluding the impact of this fair value adjustment, net interest expense and other financing charges in the first quarter of 2011 decreased by $16 million compared to the same period in 2010, due to a net decrease in long term debt, an increase in interest income on financial derivative instruments and an increase in interest income as a result of higher short term interest rates.

Income Taxes
The effective income tax rate decreased to 30.4% in the first quarter of 2011 compared to 44.6% in the same period in 2010. The decrease was primarily due to a decrease in income tax expense related to certain prior year income tax matters, a decrease in non-deductible foreign currency translation losses and reductions in the Federal and Ontario statutory income tax rates.

Net Earnings Attributable to Shareholders of the Company
Net earnings attributable to shareholders of the Company in the first quarter of 2011 were $105 million compared to $37 million in the same period in 2010. Basic net earnings per common share in the first quarter of 2011 increased to $0.74 compared to $0.21 in the same period in 2010.

Adjusted basic net earnings per common share[(1)] in the first quarter of 2011 increased to $1.07 compared to $0.74 in the same period in 2010. The increase was primarily attributable to the strong operating performance of Weston Foods and Loblaw and decreases in both net interest expense and other financing charges and income tax expense.

GWL's ownership of Loblaw was 62.8% at the end of the first quarter of 2011 and 62.9% at year end 2010 compared to 62.5% at the end of the first quarter of 2010 and at year end 2009. The change in GWL's ownership prior to the first quarter of 2011 was due to the Company's participation in the Loblaw Dividend Reinvestment Plan ("DRIP"). GWL's ownership was impacted in the first quarter of 2011 by Loblaw's issuance of common shares on the exercise of stock options.

During the first quarter of 2011, the Loblaw Board of Directors approved the discontinuance of the DRIP following the dividend payment on April 1, 2011. Since the inception of the DRIP in 2009, approximately $330 million in total Loblaw common share equity was raised.

(1) See non-GAAP financial measures on page 19.

REPORTABLE OPERATING SEGMENTS

Weston Foods

($ millions)	12 Weeks Ended **Mar. 26, 2011 (unaudited)**	Mar. 27, 2010 (unaudited)
Sales	**$ 410**	$ 385
Operating income	**$ 19**	$ 42
Operating margin	**4.6%**	10.9%
Adjusted operating income(1)	**$ 57**	$ 47
Adjusted operating margin(1)	**13.9%**	12.2%
Adjusted EBITDA(1)	**$ 71**	$ 59
Adjusted EBITDA margin(1)	**17.3%**	15.3%

As previously noted, the Company purchased Keystone, a U.S. manufacturer and supplier of frozen cupcakes, doughnuts and cookies in the third quarter of 2010 and purchased ACE, a Canadian manufacturer and supplier of artisan and European-style rustic bread varieties, in the fourth quarter of 2010. The results of Keystone and ACE from their respective dates of acquisition were included in Weston Foods results.

Sales Weston Foods sales in the first quarter of 2011 increased by 6.5% to $410 million, supported by volume growth of 8.0%, compared to the same period in 2010. The acquisition of Keystone and ACE positively impacted sales growth and volume growth by approximately 10.8% and 9.1%, respectively, while foreign currency translation negatively impacted sales growth by approximately 2.9%. Excluding the acquisitions and foreign currency translation, sales decreased by 1.4% due to a decrease in volume of 1.1% and the negative impact of lower pricing of 0.3%.

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

Fresh bakery sales decreased by approximately 3.0% in the first quarter of 2011 compared to the same period in 2010, mainly driven by lower sales volumes. Volume decreased due to lower sales of private label and certain other products. These volume declines were partially offset by growth in the *Country Harvest* and *D'Italiano* brands. The introduction of new products, such as *Country Harvest* Ancient Grains, *Country Harvest* Raisin Cinnamon with Whole Wheat, *Wonder+ SimplyFree, Jake's Bake House,* and *Gadoua MultiGo* Flat Bagels, contributed positively to branded sales growth in the first quarter of 2011.

Frozen bakery sales increased by approximately 32.6% in the first quarter of 2011 compared to the same period in 2010, mainly due to the acquisition of Keystone and ACE. Excluding the effects of these acquisitions, frozen bakery sales increased by approximately 1.5% primarily due to higher sales volumes. The increase in volume was due to increases in certain product categories, partially offset by the negative impact of the timing of customer orders related to the Easter holiday which shifted sales into the second quarter of 2011.

Biscuit sales, principally cookies, crackers, wafers and ice-cream cones, decreased by approximately 2.8% in the first quarter of 2011 compared to the same period in 2010, mainly due to lower prices in certain product categories and lower sales volumes. The volume declines were driven by lower cone and cup sales partially offset by growth in Girl Scout cookie sales in the first quarter of 2011 compared to the same period in 2010.

(1) See non-GAAP financial measures on page 19.

Operating Income Weston Foods operating income was $19 million in the first quarter of 2011 compared to $42 million in the same period in 2010. Operating margin in the first quarter of 2011 was 4.6% compared to 10.9% in the same period in 2010.

Adjusted operating income[(1)] increased by $10 million, or 21.3%, to $57 million in the first quarter of 2011 from $47 million in the same period in 2010. Adjusted operating margin[(1)] was 13.9% compared to 12.2% in the same period in 2010. Adjusted operating income was positively impacted by sales growth as a result of the bakery acquisitions and by the benefits realized from productivity improvements and other cost reduction initiatives and from lower input costs, which were partially offset by the impact of higher fuel costs. Weston Foods adjusted operating income[(1)] excludes restructuring and other charges, a commodity derivatives fair value adjustment and share-based compensation net of equity derivatives. See the "Non-GAAP Financial Measures" section of this MD&A for more information on the Company's non-GAAP financial measures.

Gross margin, excluding the impact of the commodity derivatives fair value adjustment, increased in the first quarter of 2011 compared to the same period in 2010. The commodity derivatives fair value adjustment is described in the "Non-GAAP Financial Measures" section of this MD&A.

Weston Foods continuously evaluates 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. Restructuring activities related to these initiatives are ongoing. In the first quarter of 2011, a charge of $6 million (2010 – $9 million) was recorded in operating income related to restructuring activities. The charge recorded in the first quarter of 2011 related to the ratification of a new collective agreement in conjunction with the acquisition of Colonial Cookies, a biscuit manufacturer in Ontario.

Adjusted EBITDA[(1)]increased by $12 million to $71 million in the first quarter of 2011 from $59 million in the same period in 2010. Adjusted EBITDA margin[(1)] increased in the first quarter of 2011 to 17.3% from 15.3% in the same period in 2010. The increases in adjusted EBITDA[(1)] and adjusted EBITDA margin[(1)] were mainly due to the increases in adjusted operating income[(1)] and adjusted operating margin[(1)] as described above.

Loblaw

	12 Weeks Ended	
($ millions)	**Mar. 26, 2011 (unaudited)**	Mar. 27, 2010 (unaudited)
Sales	**$ 6,872**	$ 6,913
Operating income	**$ 301**	$ 287
Operating margin	**4.4%**	4.2%
Adjusted operating income[(1)]	**$ 323**	$ 298
Adjusted operating margin[(1)]	**4.7%**	4.3%
Adjusted EBITDA[(1)]	**$ 475**	$ 440
Adjusted EBITDA margin[(1)]	**6.9%**	6.4%

(1) See non-GAAP financial measures on page 19.

As a result of Loblaw's transition to IFRS, Loblaw has two reportable operating segments: retail and financial services. Loblaw is one reportable operating segment of GWL.

Sales Sales in the first quarter of 2011 decreased 0.6% to $6,872 million compared to $6,913 million in the same period in 2010. The following factors explain the major components that influenced sales in the first quarter of 2011 compared to the same period in 2010:

- same-store retail sales declined 0.1% (2010 – increased 0.3%);
- sales growth in food was flat;
- sales in drugstore declined marginally, negatively impacted by deflation due to generic prescription drug regulation changes in Ontario and other provinces and the impact of new generic versions of certain prescription drugs;
- sales in apparel declined marginally, due in part to cooler weather and the timing of the Easter holiday;
- sales in other general merchandise declined moderately due to continued reductions in square footage and optimization of range and assortment of products;
- gas bar sales growth was strong as a result of higher retail gas prices and modest volume growth;
- Loblaw experienced modest average quarterly internal food inflation during the first quarter of 2011, which was lower than the national food price inflation of 2.5% (2010 – 0.7%) as measured by CPI. In the first quarter of 2010, Loblaw experienced marginal average quarterly internal food price deflation. CPI does not necessarily reflect the effect of inflation on the specific mix of goods sold in Loblaw stores; and
- during the first quarter of 2011, 3 corporate and franchised stores were opened and 3 corporate and franchised stores were closed, resulting in no material change in square footage when compared to the same period in 2010.

Operating Income Operating income increased by $14 million to $301 million in the first quarter of 2011 compared to $287 million in the same period in 2010. Operating margin was 4.4% in the first quarter of 2011 compared to 4.2% in the same period in 2010. Adjusted operating income(1) increased 8.4% to $323 million in the first quarter of 2011 compared to $298 million in the same period in 2010. Adjusted operating margin(1) was 4.7% compared to 4.3% in the same period in 2010.

Gross profit, generated by Loblaw's retail segment, increased by $12 million to $1,554 million in the first quarter of 2011 compared to $1,542 million in the same period in 2010. Gross profit as a percentage of retail sales was 23.0% in the first quarter of 2011 compared to 22.7% in the same period in 2010. This increase was mainly attributable to improved control label profitability, improved shrink, the shift of pharmaceutical professional allowances from selling, general and administrative expenses to gross profit as legislated and a stronger Canadian dollar, partially offset by the timing of Easter vendor programs and increased transportation costs.

Contributing to the increase in adjusted operating income(1) was improved gross profit as described above, labour efficiencies, the improvement in the performance of Loblaw's franchise business and a stronger Canadian dollar, partially offset by incremental costs of $43 million related to Loblaw's investment in information technology and supply chain, including incremental depreciation and amortization of $13 million. Loblaw adjusted operating income(1) excludes share-based compensation net of equity derivatives, and other charges. See the "Non-GAAP Financial Measures" section of this MD&A for more information on the Company's non-GAAP financial measures.

(1) See non-GAAP financial measures on page 19.

Loblaw continuously evaluates strategic and cost reduction initiatives related to its store infrastructure, distribution network and administrative infrastructure with the objective of ensuring a low cost operating structure. In the first quarter of 2011, a charge of $29 million (2010 – $5 million) was recorded in operating income, of which $8 million (2010 – nil) related to an internal re-alignment of Loblaw's business centered around Loblaw's two primary store formats, Discount and Conventional, and $21 million (2010 – $5 million) related to changes in Loblaw's distribution network.

Adjusted EBITDA(1) increased by $35 million, or 8.0%, to $475 million in the first quarter of 2011 compared to $440 million in the same period in 2010. Adjusted EBITDA margin(1) increased in the first quarter of 2011 to 6.9% compared to 6.4% in the same period in 2010. The increases in adjusted EBITDA(1) and adjusted EBITDA margin(1) were primarily due to the increases in adjusted operating income(1) and adjusted operating margin(1) as described above.

CONSOLIDATED FINANCIAL CONDITION

Net Debt(1) The Company's net debt(1) as at the end of the first quarter of 2011 was $3,932 million compared to $2,553 million as at year end 2010. The increase was primarily due to the payment of the $1.0 billion special one-time common share dividend and a seasonal increase in operating working capital at Loblaw.

Financial Ratios The Company's net debt(1) to equity attributable to shareholders of the Company ratio at the end of the first quarter of 2011 was 0.74:1 compared to 0.44:1 at the end of the first quarter of 2010 and 0.49:1 at year end 2010. The increases in this ratio were primarily due to an increase in net debt(1) as discussed in the net debt(1) section above. When compared to the first quarter of 2010, the ratio was also impacted by a decrease in equity attributable to shareholders of the Company as a result of the $1.0 billion special one-time common share dividend accrued for in the fourth quarter of 2010.

The rolling year net debt(1) to adjusted EBITDA(1) ratio was 1.65 times at the end of the first quarter of 2011 and 1.09 times at year end 2010. The increase in this ratio when compared to year end 2010 was primarily due to the increase in net debt(1) as discussed in the net debt(1) section above. This rolling year ratio was not available at the end of the first quarter of 2010 due to the Company's transition to IFRS.

The interest coverage ratio in the first quarter of 2011 increased to 4.6 times compared to 2.1 times in the first quarter of 2010. The increase was primarily due to the decrease in net interest expense and other financing charges which included non-cash income of $20 million (2010 – non-cash charge of $41 million) in the first quarter of 2011 related to the fair value adjustment of WHL's forward sale agreement for 9.6 million Loblaw common shares. This fair value adjustment positively impacted the change in the interest coverage ratio by approximately 1.9 times.

The Company's rolling year return on average net assets(1) at the end of the first quarter of 2011 was 12.6% compared to 13.0% at year end 2010. The decrease was due to the increase in average net assets. The Company's rolling year return on average common shareholders' equity attributable to shareholders of the Company was 9.8% at the end of the first quarter of 2011 compared to 8.4% at year end 2010. The increase was due to the increase in net earnings available to common shareholders. These rolling year ratios were not available at the end of the first quarter of 2010 due to the Company's transition to IFRS.

Dividends On March 15, 2011, preferred share dividends of $0.36 per share for the Series I preferred shares were paid. In addition, common share dividends of $0.36 per share and preferred share dividends of $0.32 per share for the Series III and Series IV preferred shares and dividends of $0.30 per share for the Series V preferred shares were paid subsequent to the end of the first quarter of 2011.

(1) See non-GAAP financial measures on page 19.

As a result of the Company's solid operating performance, significant cash balances and ample liquidity to grow the business, GWL paid a special one-time common share dividend of $7.75 per common share on January 25, 2011.

Subsequent to the end of the first quarter of 2011, common share dividends of $0.36 per share and preferred share dividends of $0.32 per share for the Series III and Series IV preferred shares and dividends of $0.30 per share for the Series V preferred shares, payable on July 1, 2011, were declared by the Board of Directors. In addition, dividends of $0.36 per share for the Series I preferred shares, payable on June 15, 2011 were also declared.

At the time such dividends are declared, GWL identifies on its website (www.weston.ca) the designation of eligible and ineligible dividends in accordance with the administrative position of the Canada Revenue Agency.

Equity Derivative Contracts As at the end of the first quarter of 2011, Glenhuron Bank Limited, a wholly owned subsidiary of Loblaw, had equity forward contracts to buy 1.5 million (2010 – 1.5 million) Loblaw common shares at an average forward contract price of $56.37 (2010 – $66.58), including $0.15 (2010 – $10.36) per common share of interest expense. As at the end of the first quarter of 2011, the cumulative interest and unrealized market loss of $27 million (2010 – $42 million) was included in trade and other payables relating to these equity forwards. As at the end of the first quarter of 2011, GWL had equity swaps to buy 1.7 million (2010 – 1.7 million) GWL common shares at an average forward price of $95.42 (2010 – $103.17). As at the end of the first quarter of 2011, the unrealized market loss of $49 million (2010 – $55 million) was recorded in trade and other payables relating to these equity swaps.

During the first quarter of 2011, GWL amended the swap agreements to adjust the forward price of its equity swaps by $7.75 to an average forward price of $95.42 as a result of the special one-time common share dividend of $7.75 per common share declared in the fourth quarter of 2010 and paid in the first quarter of 2011.

LIQUIDITY AND CAPITAL RESOURCES

Major Cash Flow Components

($ millions)	12 Weeks Ended Mar. 26, 2011 (unaudited)	12 Weeks Ended Mar. 27, 2010 (unaudited)
Cash flows (used in) from operating activities	**$ (6)**	$ 89
Cash flows from (used in) investing activities	**$ 907**	$ (330)
Cash flows used in financing activities	**$ (1,597)**	$ (244)

Cash Flows (used in) from Operating Activities Cash flows used in operating activities in the first quarter of 2011 were $6 million compared to cash flows from operating activities of $89 million in the same period in 2010. This change was primarily due to an increase in cash flows used in non-cash working capital, partially offset by a decrease in income taxes paid.

Cash Flows from (used in) Investing Activities Cash flows from investing activities in the first quarter of 2011 were $907 million compared to cash flows used in investing activities of $330 million in the same period in 2010. This change was primarily due to an increase in cash flows from short term investments and security deposits. The presentation of the Company's investments as cash equivalents or short term investments is based on the term to maturity of the investments at the time they are acquired.

Cash Flows used in Financing Activities Cash flows used in financing activities in the first quarter of 2011 were $1,597 million compared to $244 million in the same period in 2010. The increase was primarily due to the payment of the $1.0 billion special one-time common share dividend in the first quarter of 2011. The increase was also impacted by the repayment of $500 million of *Eagle Credit Card Trust* ("Eagle") Series 2006-I Notes and the repayment by Loblaw of its $350 million 6.50% Medium Term Notes ("MTN") in the first quarter of 2011, partially offset by the increase in short term debt as a result of the issuance of $370 million of securitized credit card receivables in the first quarter of 2011 and the repurchase of $90 million of securitized credit card receivables in the first quarter of 2010. President's Choice Bank ("PC Bank"), a subsidiary of Loblaw, also issued $46 million (2010 – nil) of long term debt related to Guaranteed Investment Certificates ("GICs") in the first quarter of 2011.

Post-Employment Defined Benefit Pension Plan Contributions During the first quarter of 2011, the Company contributed $29 million (2010 – $31 million) to its registered funded defined benefit pension plans. The Company expects to contribute approximately $91 million to these plans during the remainder of 2011. The actual amount paid may vary from the estimate based on actuarial valuations being completed, market performance and regulatory requirements.

Sources of Liquidity The Company holds significant cash and short term investments denominated in Canadian and United States dollars. These funds are invested in highly liquid marketable short term investments consisting primarily of government treasury bills, corporate commercial paper, banker's acceptances and bank term deposits.

The Company (excluding Loblaw) expects that cash and cash equivalents, short term investments and future operating cash flows will enable it to finance its capital investment program and fund its ongoing business requirements, including working capital and pension plan funding over the next 12 months. The Company (excluding Loblaw) may refinance maturing long term debt with MTN if market conditions are appropriate or it may consider other alternatives. In addition, the Company (excluding Loblaw) does not foresee any impediments in obtaining financing to satisfy its long term obligations.

Loblaw expects that cash and cash equivalents, short term investments, future operating cash flows and the amounts available to be drawn against its committed credit facility will enable Loblaw to finance its capital investment program and fund its ongoing business requirements, including working capital, pension plan funding and financial obligations over the next 12 months. Loblaw has traditionally obtained its long term financing primarily through a MTN program. Loblaw may refinance maturing long term debt with MTN if market conditions are appropriate or it may consider other alternatives. In addition, given reasonable access to capital markets, Loblaw does not foresee any impediments in obtaining financing to satisfy its long term obligations.

Loblaw's $800 million committed credit facility, which expires in March, 2013, contains certain financial covenants with which Loblaw was in compliance as at the end of the first quarter of 2011. In addition to cash and short term investments, this facility is the primary source of Loblaw's short term funding and permits borrowings having up to a 180-day term that accrue interest based on short term floating interest rates. As at the end of the first quarters of 2011 and 2010, Loblaw had not drawn on its committed credit facility.

PC Bank participates in various securitization programs that provide the primary source of funds for the operation of its credit card business. PC Bank purchases receivables from and sells receivables to the independent credit card trusts from time to time depending on PC Bank's financing requirements. During the first quarter of 2011, PC Bank securitized $370 million (2010 – nil) of credit card receivables and repurchased $500 million (2010 – $90 million) of co-ownership interests in the securitized receivables from the independent trusts. The $500 million repurchase was related to the March 17, 2011 maturity of five-year, $500 million senior notes and subordinated notes issued by Eagle.

The independent credit card trusts' recourse to PC Bank's assets in excess of the securitized receivables is limited to PC Bank's excess collateral as at the end of the first quarter of 2011 of $105 million (2010 – $114 million) as well as standby letters of credit issued by Loblaw as at the end of the first quarter of 2011 of $81 million (2010 – $103 million) based on a portion of the securitized amount.

During the first quarter of 2011, PC Bank raised deposits of $46 million (2010 – nil) in GICs sold through independent brokers.

As disclosed in the Company's 2010 Annual Report, the credit ratings of GWL and Loblaw did not change in the first quarter of 2011.

Independent Funding Trusts Certain independent franchisees of Loblaw obtain financing through a structure involving independent funding trusts, which were created to provide loans to the independent franchisees to facilitate their purchase of inventory and fixed assets, consisting mainly of fixtures and equipment. These trusts are administered by a major Canadian chartered bank.

The independent funding trusts are consolidated under IFRS. The gross principal amount of loans recorded in long term debt issued to Loblaw's independent franchisees by the independent funding trusts as at the end of the first quarter of 2011 was $408 million (March 27, 2010 – $386 million; December 31, 2010 – $395 million; January 1, 2010 – $381 million). Loblaw has agreed to provide credit enhancement of $66 million (March 27, 2010, December 31, 2010 and January 1, 2010 – $66 million) in the form of a standby letter of credit for the benefit of the independent funding trust, representing not less than 15% of the principal amount of the loans outstanding. This standby letter of credit has never been drawn upon. This credit enhancement enables the independent funding trust to provide financing to Loblaw's independent franchisees. As well, each independent franchisee provides security to the independent funding trust for its obligations by way of a general security agreement. In the event that an independent franchisee defaults on its loan and Loblaw has not, within a specified time period, assumed the loan or the default is not otherwise remedied, the independent funding trust will assign the loan to Loblaw and draw upon this standby letter of credit.

Subsequent to the end of the first quarter of 2011, one of the independent funding trusts obtained commitments from the existing syndicate of third party lenders to renew and extend the $475 million revolving committed credit facility for a 3 year period, effective May 2, 2011. Under the renewal, Loblaw's credit enhancement has been reduced from 15% to 10%. Other terms and conditions will remain substantially the same.

Normal Course Issuer Bid Subsequent to the end of the first quarter of 2011, GWL and Loblaw renewed their Normal Course Issuer Bid ("NCIB") programs to purchase on the Toronto Stock Exchange ("TSX") or enter into equity derivatives to purchase up to 5% of its common shares outstanding. In accordance with the requirements of the TSX, any purchases must be at the then market prices of such shares. GWL and Loblaw did not purchase any shares under their respective NCIB programs during the first quarter of 2011.

OFF-BALANCE SHEET ARRANGEMENTS

While Loblaw's independent funding trusts and securitization programs under the independent credit card trusts are no longer treated as off-balance sheet arrangements under IFRS, the standby and documentary letters of credit, guarantees, and letter of credit associated with the securitization of credit card receivables remain off balance sheet. The terms and conditions of these arrangements are as described in the Company's 2010 Annual Report.

QUARTERLY RESULTS OF OPERATIONS

The 52-week reporting cycle is divided into four quarters of 12 weeks each except for the third quarter, which is 16 weeks in duration. The following is a summary of selected consolidated financial information derived from the Company's unaudited interim period condensed consolidated financial statements for each of the eight most recently completed quarters. This information was prepared in accordance with IFRS except for the 2009 quarterly financial information which was prepared in accordance with CGAAP as indicated in the table below.

Quarterly Financial Information (Unaudited)

	First Quarter		Fourth Quarter		Third Quarter		Second Quarter	
($ millions except where otherwise indicated)	**2011**	2010	2010	2009 (CGAAP)	2010	2009 (CGAAP)	2010	2009 (CGAAP)
Sales	**$ 7,148**	$ 7,164	$ 7,375	$ 7,537	$ 9,827	$ 9,777	$ 7,481	$ 7,484
Net earnings attributable to shareholders of the Company[1]	**$ 105**	$ 37	$ 111	$ 82	$ 176	$ 86	$ 128	$ 4
Net earnings (loss) per common share ($)								
Basic[2]	**$ 0.74**	$ 0.21	$ 0.78	$ 0.56	$ 1.26	$ 0.56	$ 0.91	$ (0.05)
Diluted[2]	**$ 0.71**	$ 0.14	$ 0.70	$ 0.55	$ 1.21	$ 0.56	$ 0.85	$ (0.05)

(1) Net earnings attributable to shareholders of the Company includes net earnings from discontinued operations of $15 million and $3 million for the third and fourth quarters of 2009, respectively.

(2) Net earnings (loss) per common share includes net earnings per common share from discontinued operations of $0.12 and $0.03 for the third and fourth quarters of 2009, respectively.

Consolidated quarterly sales for the last eight quarters were impacted by the following significant items: the acquisition of ACE by Weston Foods in the fourth quarter of 2010, the acquisition of Keystone by Weston Foods in the third quarter of 2010, the acquisition of T&T by Loblaw in the third quarter of 2009, foreign currency exchange rates, seasonality and the timing of holidays.

Consolidated quarterly net earnings for the last eight quarters were impacted by the following significant items:

- the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and short term investments held by Dunedin Holdings GmbH ("Dunedin"), a subsidiary of GWL, and certain of its affiliates;
- a commodity derivatives fair value adjustment at Weston Foods;
- accounting for WHL's forward sale agreement of 9.6 million Loblaw common shares;
- fluctuations in share-based compensation net of equity derivatives of both GWL and Loblaw;
- the effect of changes in federal tax legislation that resulted in the elimination of the Company's ability to deduct costs associated with cash-settled stock options recorded in the fourth quarter of 2010;
- an asset impairment charge due to the closure of a Loblaw distribution centre in Quebec recorded in the second and third quarters of 2010;
- a loss on the redemption of the GWL 12.7% Promissory Notes in the second and third quarters of 2009;
- the reversal of a cumulative foreign currency translation loss associated with the reduction in the Company's U.S. net investment in self-sustaining foreign operations in the fourth quarter of 2009;
- incremental costs related to Loblaw's investment in information technology and supply chain;
- restructuring and other charges incurred by Weston Foods and Loblaw; and
- seasonality and the timing of holidays.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Company and its subsidiaries is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is necessarily required to use judgment in evaluating controls and procedures.

There was no change in the Company's internal control over financial reporting during the first quarter of 2011 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ENTERPRISE RISKS AND RISK MANAGEMENT

Detailed descriptions of the operating and financial risks and risk management strategies are included in the "Enterprise Risks and Risk Management" section beginning on page 37 of the 2010 annual MD&A as well as note 28 to the audited annual consolidated financial statements, included in the Company's 2010 Annual Report. The following is an update to those enterprise risks and risk management strategies:

ENTERPRISE RESOURCE PLANNING ("ERP") and Other Systems Implementation Loblaw continues to undertake a major upgrade of its information technology ("IT") infrastructure.

In 2010, Loblaw began to deploy its new ERP system. This project, along with other systems implementations planned for 2011 and beyond, is one of the largest technology infrastructure programs ever implemented by Loblaw and is fundamental to its long term growth strategies. During the first quarter of 2011, Loblaw combined and streamlined its ERP system and other significant system implementations. Completing the ERP system deployment will require continued focus and significant investment. 2011 will be a critical year for the ERP system implementation as Loblaw focuses on the roll-out to its merchandising organization and ensuring the integrity of converted data. The failure to successfully migrate from legacy systems to the ERP system could negatively affect the Company's reputation, operations and its revenues and financial performance. Failure or disruption in Loblaw's IT systems during the implementation of the ERP system or other new systems may result in a lack of relevant and reliable information to enable management to effectively achieve its strategic plan or manage the day-to-day operations of the business, causing significant disruptions to the business and potential financial losses. In addition, the failure to implement appropriate processes to support the ERP system may result in inefficiencies and duplication in current processes.

Change Management In the first quarter of 2011, Loblaw continued to optimize its customer offering and shopping experience by introducing a new organizational structure centred around Loblaw's two primary store formats, Discount and Conventional. In addition, on February 24, 2011, Loblaw announced the appointment of a new President who will be joining Loblaw in the second half of the year. Failure to properly execute the various initiatives and manage through change may increase the risk of customer dissatisfaction, which in turn could adversely affect the reputation, operations and financial performance of the Company. The failure to properly integrate several large, complex initiatives in a timely manner will adversely impact the operations of the Company. If employees are not able to develop and perform new roles, processes and disciplines, Loblaw may not always achieve the expected cost savings and other benefits of its initiatives.

Tax and Regulatory Subsequent to the end of the first quarter of 2011, Loblaw received a proposed reassessment from the Quebec Revenue Agency with regard to Loblaw's entitlement to certain previously claimed commodity tax credits. At this early stage, it is not possible to quantify the potential liability in connection with this proposed reassessment. However, a final determination of this matter could result in a material charge for the Company in future periods. Loblaw intends to vigorously dispute any reassessment, should it materialize.

RELATED PARTY TRANSACTIONS

In addition to the related parties disclosed in the Company's 2010 Annual Report, Associated British Foods plc, the Company's post-employment benefit plans and Key Management Personnel ("KMP") are considered to be related parties of the Company under IFRS.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts and disclosures made in the unaudited interim period condensed consolidated financial statements and accompanying notes. Management continually evaluates the estimates and assumptions it uses. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future. Actual results could differ from these estimates. The following is an update to Section 14, "Critical Accounting Estimates" of the MD&A included in the Company's 2010 Annual Report:

Allowance for Credit Card Losses The allowance for credit card losses is established to absorb probable credit losses on the aggregate exposures in Loblaw's financial services segment credit card portfolio. This allowance is measured based upon statistical analysis of past and current performance, aging, arrears status, the level of allowance already in place and management's judgment around economic conditions and other trends specific to our customer base, including but not limited to bankruptcies. Changes in circumstances may cause future assessments of credit risk to be materially different from current assessments, which could require an increase or decrease in the allowance for credit losses.

Fixed Assets At each balance sheet date, the Company assesses whether there is any indication of impairment of its fixed assets. When there is an indication of impairment, the factors that most significantly influence the impairment estimate are the determination of future cash flows and fair value assessments.

An impairment loss is measured as the amount by which the fixed assets carrying value exceeds the recoverable amount. The recoverable amount is the greater of a cash generating unit's ("CGU") value in use and its fair value less costs to sell.

Loblaw determines the value in use of its retail locations by discounting the expected cash flows that Loblaw management estimates can be generated from continued use of the CGU. The process of determining the cash flows requires management to make estimates and assumptions including projected future sales, earnings and capital investment, and discount rates. Projected future sales, earnings and capital investment are consistent with strategic plans presented to Loblaw's Board of Directors. Discount rates are consistent with external industry information reflecting the risk associated with the specific cash flows.

Loblaw determines the fair value less costs to sell of its retail locations using various assumptions, including the market rental rates for properties located within the same geographical areas as the properties being valued, highest and best use of the property for the geographical area, recoverable operating costs for leases with tenants, non-recoverable operating costs, discount rates, capitalization rates and terminal capitalization rates for the purposes of determining the estimated net proceeds from the sale of the property.

The estimates and assumptions may change in the future due to uncertain competitive and economic conditions or changes in business strategies.

Post-Employment and Other Long Term Employee Benefits The discount rate, expected long term rate of return on plan assets and expected growth rate in health care costs are assumptions used in determining the cost and accrued benefit plan obligations of the Company's post-employment and other long term employee benefit plans. These assumptions are forward-looking and long term in nature, they are subject to uncertainty and actual results may differ materially. In accordance with IFRS, differences between actual results and the assumptions, as well as the impact of changes in the assumptions are recognized in other comprehensive loss for post-employment defined benefit plans and in net earnings before income taxes for other long term employee benefit plans for the period, affecting the plan assets and the accrued benefit obligations. Although the Company believes that its assumptions are appropriate, differences in actual results or changes in the Company's assumptions may materially affect its accrued benefit plan obligations and future costs.

Goodwill and Indefinite Life Intangible Assets Goodwill and indefinite life intangible assets are assessed for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is measured as the amount by which the CGU grouping's or indefinite life intangible asset's carrying value exceeds the recoverable amount. The recoverable amount is the greater of a CGU grouping's or indefinite life intangible asset's value in use and its fair value less costs to sell.

The Company determines the fair value of its CGU groupings and indefinite life intangible assets using discounted cash flow models corroborated by other valuation techniques. The process of determining these fair values requires management to make estimates and assumptions of a long term nature regarding discount rates, projected revenues, royalty rates and margins, as applicable, derived from past experience, actual operating results, budgets and a 5 year business plan which is approved by the GWL and Loblaw Board of Directors.

These estimates and assumptions may change in the future due to uncertain competitive and economic market conditions or changes in business strategies.

TRANSITION TO IFRS

The Company's unaudited interim period condensed consolidated financial statements were prepared in accordance with IFRS and IAS 34, Interim Financial Reporting, including comparative figures.

During the first quarter of 2011 management finalized its IFRS accounting policy choices. These accounting policies are consistent with those disclosed in Section 16, "International Financial Reporting Standards" of the MD&A included in the Company's 2010 Annual Report and have been approved by the Company's Audit Committee. In addition, the Company has finalized its unaudited opening balance sheet as well as the unaudited interim period condensed consolidated financial statements for each of the 2010 quarters based on these accounting policies. While finalizing the opening balance sheet and comparative figures, certain preliminary unaudited figures changed resulting in an increase in total equity of $19 million and an increase in equity attributable to shareholders of the Company of approximately $12 million as at January 1, 2010 and an increase in net earnings attributable to shareholders of the Company for the year ended December 31, 2010 of approximately $26 million from that disclosed in Section 16, "International Financial Reporting Standards" of the MD&A included in the Company's 2010 Annual Report.

The Company has also completed changes to its internal controls over financial reporting and disclosure controls and procedures for IFRS, which included enhancement of existing controls and the design and implementation of new controls, where needed. No material change in internal controls over financial reporting or disclosure controls and procedures resulted from the adoption and implementation of IFRS.

Reconciliations prepared in accordance with IFRS 1, "First-Time Adoption of International Financial Reporting Standards" are provided in note 16 to the unaudited interim period condensed consolidated financial statements.

FUTURE ACCOUNTING STANDARDS

Financial Instruments – Disclosures On October 7 2010, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures", which increase the disclosure requirements for transactions involving transfers of financial assets. This amendment is effective for annual periods beginning on or after July 1, 2011 and therefore the Company will apply the amendment beginning in the first quarter of 2012. The Company is currently assessing the impact of the amendment on its financial statement disclosures.

Deferred Tax – Recovery of Underlying Assets On December 20, 2010, the IASB issued amendments to IAS 12, "Income Taxes" ("IAS 12"), that introduce an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value. The amendment is effective for annual periods beginning on or after January 1, 2012. The Company has elected to account for its investment properties at cost and as such does not expect the implementation of the amendment to have a significant impact on its financial statements.

Financial Instruments The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a three-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 in November 2009 is the first phase of the project, which provides guidance on the classification and measurement of financial assets and financial liabilities. This standard becomes effective on January 1, 2013. The Company is currently assessing the impact of the new standard on its financial statements.

OUTLOOK(1)

This outlook reflects the underlying operating performance of the Company's operating segments as discussed below.

For the full year 2011, Weston Foods expects to deliver sales growth driven primarily from the full year impact of the 2010 bakery acquisitions and satisfactory operating performance despite significant cost pressure and a competitive pricing environment. Weston Foods will focus on mitigating rising commodity costs and escalating energy costs through a combination of price increases and cost reduction initiatives in an effort to achieve operating margins in line with those in 2010.

Loblaw continues to progress with its renewal plan while it begins to turn its focus on new opportunities for growth. In 2011, Loblaw remains focused on executing the plan in an uncertain market environment with expected inflationary pressures and continued competitive intensity. Loblaw plans to continue its investment in information technology and supply chain which will negatively impact operating income.

George Weston Limited continues to assess opportunities for the deployment of its significant holdings of cash and short term investments.

(1) To be read in conjunction with "Forward-Looking Statements".

ADDITIONAL INFORMATION

Additional information about the Company has been filed electronically with the Canadian securities regulatory authorities through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at www.sedar.com.

This Quarterly Report includes selected information on Loblaw Companies Limited, a 62.8%-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.

NON-GAAP FINANCIAL MEASURES

The Company uses the following non-GAAP financial measures: adjusted operating income and adjusted operating margin, adjusted EBITDA and adjusted EBITDA margin, adjusted basic net earnings per common share, net debt, rolling year net debt to adjusted EBITDA, net debt to equity and rolling year return on average net assets. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Adjusted Operating Income, Adjusted Operating Margin, Adjusted EBITDA and Adjusted EBITDA Margin

The following table reconciles adjusted operating income and adjusted EBITDA to GAAP net earnings attributable to shareholders of the Company reported for the periods ended as indicated. Under GAAP, certain expenses and income must be recognized that are not necessarily reflective of the Company's underlying operating performance. Management therefore uses these non-GAAP financial measures, which exclude the impact of certain items, internally when analyzing its consolidated and segment underlying operating performance. These non-GAAP financial measures are also helpful in assessing underlying operating performance on a consistent basis. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of the items listed below does not imply that they are non-recurring. Loblaw does not report its results on an adjusted basis, however the Company excludes the impact of the below items, as applicable, when reporting the results of the Loblaw segment.

The Company believes adjusted operating income is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business. The Company believes adjusted EBITDA is also useful in assessing the underlying operating performance of the Company's ongoing operations and in assessing the Company's ability to generate cash flows to fund its cash requirements, including its capital investment program.

Adjusted operating margin is calculated as adjusted operating income divided by sales. Adjusted EBITDA margin is calculated as adjusted EBITDA divided by sales.

	12 Weeks Ended							
	Mar. 26, 2011				Mar. 27, 2010			
($ millions)	**Weston Foods**	**Loblaw**	**Other[(1)]**	**Consolidated**	Weston Foods	Loblaw	Other[(1)]	Consolidated
Net earnings attributable to shareholders of the Company				**$ 105**				$ 37
Add impact of the following:								
Non-controlling interests				**60**				50
Income taxes				**72**				70
Interest expense and other financing charges				**66**				143
Operating income (loss)	**$ 19**	**$ 301**	**$ (17)**	**$ 303**	$ 42	$ 287	$ (29)	$ 300
Add (deduct) impact of the following:								
Restructuring and other charges[(2)]	**6**	**29**		**35**	9	5		14
Commodity derivatives fair value adjustment at Weston Foods	**16**			**16**				
Foreign currency translation losses			**17**	**17**			29	29
Share-based compensation net of equity derivatives	**16**	**(7)**		**9**	(4)	6		2
Adjusted operating income	**$ 57**	**$ 323**	**$**	**$ 380**	$ 47	$ 298	$	$ 345
Depreciation and amortization	**14**	**152**		**166**	12	142		154
Adjusted EBITDA	**$ 71**	**$ 475**	**$**	**$ 546**	$ 59	$ 440	$	$ 499

(1) Operating income in the first quarter of 2011 includes a loss of $17 million (2010 – $29 million) related to the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and short term investments held by Dunedin and certain of its affiliates, which are foreign operations that have the same functional currency as that of the Company.

(2) Other charges at Loblaw include $8 million (2010 – nil) related to an internal re-alignment of Loblaw's business centered around Loblaw's two primary store formats, Discount and Conventional, and $21 million (2010 – $5 million) related to changes in Loblaw's distribution network.

The year-over-year change in the following items influenced operating income growth in the first quarter of 2011:

Restructuring and other charges The Company continuously evaluates strategic and cost reduction initiatives related to its store infrastructure, manufacturing assets, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. Restructuring activities related to these initiatives are ongoing. The year-over-year increase in restructuring and other charges was $21 million and was primarily attributable to cost reduction initiatives at Loblaw in the first quarter of 2011. The details of restructuring and other charges are included in the "Reportable Operating Segments" section of this MD&A.

Commodity derivative fair value adjustment at Weston Foods Weston Foods is exposed to commodity price fluctuations primarily as a result of purchases of certain raw materials, fuels and utilities. In accordance with the Company's risk management strategy, Weston Foods enters into commodity derivatives to reduce the impact of price fluctuations in forecasted raw material purchases over a specified period of time. These commodity derivatives are not acquired for trading or speculative purposes. These commodity derivatives are not designated for financial reporting purposes as cash flow hedges of anticipated future raw material purchases, and accordingly hedge accounting does not apply. As a result, changes in the fair value of these derivatives, which include realized and unrealized gains and losses related to future purchases of raw materials, are recorded in operating income. Weston Foods recorded a charge of $16 million (2010 – a charge of a nominal amount) related to the fair value adjustment of exchange traded commodity derivatives that were not designated within a hedging relationship. Despite the impact of accounting for these commodity derivatives on the Company's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price fluctuations in the underlying commodities during the period that the commodity derivatives are held.

Foreign currency translation losses The impact of foreign currency translation on a portion of the U.S. dollar denominated net assets, primarily cash and short term investments held by Dunedin and certain of its affiliates, which are foreign operations that have the same functional currency as that of the Company, is recorded in operating income. The year-over-year decrease in foreign currency translation losses was $12 million and was primarily attributable to a lower appreciation of the Canadian dollar relative to the U.S. dollar in the first quarter of 2011 compared to the first quarter of 2010.

Share-based compensation net of equity derivatives The amount of net share-based compensation cost recorded in operating income is mainly dependent upon the level of fluctuations in the market price of GWL and Loblaw common shares. The equity derivatives change in value as the market prices of the respective underlying common shares change and provide a partial offset to fluctuations in share-based compensation expense, including RSU plan expense. The amount of net share-based compensation cost recorded in operating income is mainly dependent upon the level of fluctuations in the market price of the respective underlying common shares, the number of unexercised RSUs and their vesting schedules relative to the number of underlying common shares. The Company manages stock option, RSU plan and equity derivative impacts on a net basis and therefore the impact of stock options is also excluded from operating income when management reviews consolidated and segment operating performance. The year-over-year increase in the share-based compensation net of equity derivatives charge was $7 million and was primarily attributable to the decreases in the market prices of GWL and Loblaw common shares in the first quarter of 2011 compared to increases in the first quarter of 2010.

Adjusted Basic Net Earnings per Common Share

The following table reconciles adjusted basic net earnings per common share to GAAP basic net earnings per common share reported for the periods ended as indicated. Under GAAP, certain expenses and income must be recognized that are not necessarily reflective of the Company's underlying operating performance. Management therefore uses this non-GAAP financial measure, which excludes the impact of certain items, internally when analyzing its consolidated underlying operating performance. This non-GAAP financial measure is also helpful in assessing underlying operating performance on a consistent basis. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of the items listed below does not imply that they are non-recurring. Loblaw does not report its results on an adjusted basis, however the Company excludes the impact of the below items on the Loblaw segment, as applicable, when reporting the Company's consolidated results.

The Company believes adjusted basic net earnings per common share is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

	12 Weeks Ended	
($)	**Mar. 26, 2011**	Mar. 27, 2010
Basic net earnings per common share	**$ 0.74**	$ 0.21
Add (deduct) impact of the following[1]:		
Accounting for WHL's forward sale agreement for 9.6 million Loblaw common shares	**(0.12)**	0.24
Share-based compensation net of equity derivatives	**0.10**	
Foreign currency translation losses	**0.13**	0.22
Commodity derivatives fair value adjustment at Weston Foods	**0.09**	
Restructuring and other charges	**0.13**	0.07
Adjusted basic net earnings per common share	**$ 1.07**	$ 0.74

(1) Net of interest, income taxes and non-controlling interests, as applicable.

In addition to the items described in the "Adjusted Operating Income, Adjusted Operating Margin, Adjusted EBITDA and Adjusted EBITDA Margin" section above, the year-over-year change in the following item also influenced basic net earnings per common share growth in the first quarter of 2011:

Accounting for WHL's forward sale agreement for 9.6 million Loblaw common shares WHL recognizes a non-cash charge or income, which is included in consolidated net interest expense and other financing charges, representing the fair value adjustment of WHL's forward sale agreement for 9.6 million shares. The fair value adjustment in the forward contract is a non-cash item resulting from fluctuations in the market price of the underlying Loblaw shares that WHL owns. WHL does not record any change in the market price associated with the Loblaw shares it owns. At maturity, if the forward price is greater than the market price, WHL will receive a cash amount equal to the difference. If the forward price is less than the market price, WHL will pay a cash amount equal to the difference. Any cash paid under the forward contract could be offset by the sale of Loblaw shares. The year-over-year decrease in charge related to the accounting for WHL's forward sale agreement for 9.6 million Loblaw common shares was $0.36 per common share and was attributable to the decrease in the market price of Loblaw common shares in the first quarter of 2011 compared to an increase in the first quarter of 2010.

Net Debt
The Company believes net debt is useful in assessing the amount of financial leverage employed.

The Company calculates net debt as the sum of bank indebtedness, short term debt, long term debt, certain other liabilities and the fair value of the related financial derivatives less cash and cash equivalents, short term investments, security deposits and the fair value of the related financial derivatives.

The following table reconciles net debt used in the net debt to adjusted EBITDA and net debt to equity ratios to GAAP measures reported as at the periods ended as indicated.

($ millions)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Bank indebtedness	**$ 1**	$ 12	$ 11	$ 10
Short term debt	**1,251**	1,444	871	1,525
Long term debt due within one year	**352**	1,162	1,202	312
Long term debt	**6,164**	5,394	6,114	6,256
Certain other liabilities	**35**	36	35	36
Fair value of financial derivatives related to the above	**(353)**	(301)	(352)	(327)
	7,450	7,747	7,881	7,812
Less: Cash and cash equivalents	**754**	996	1,453	1,490
Short term investments	**2,323**	3,616	3,253	3,420
Security deposits	**248**	280	435	348
Fair value of financial derivatives related to the above	**193**	202	187	178
	3,518	5,094	5,328	5,436
Net debt	**$ 3,932**	$ 2,653	$ 2,553	$ 2,376

Capital securities are excluded from the calculation of net debt.

Net Assets
The Company believes the rolling year return on average net assets ratio is useful in assessing the return on productive assets.

The Company calculates net assets as total assets less cash and cash equivalents, short term investments, security deposits, the fair value of WHL's forward sale agreement for 9.6 million Loblaw common shares and accounts payable and accrued liabilities.

The following table reconciles net assets used in the rolling year return on average net assets ratio to GAAP measures reported as at the periods ended as indicated.

($ millions)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
GAAP total assets	**$ 19,817**	$ 20,692	$ 21,696	$ 21,190
Less: Cash and cash equivalents	**754**	996	1,453	1,490
Short term investments	**2,323**	3,616	3,253	3,420
Security deposits	**248**	280	435	348
Fair value of WHL's forward sale agreement for 9.6 million Loblaw common shares	**450**	413	421	446
Trade and other payables(1)	**3,280**	3,291	3,799	3,676
Net assets	**$ 12,762**	$ 12,096	$ 12,335	$ 11,810

(1) December 31, 2010 trade and other payables excludes the accrual of $1.0 billion related to the special one-time common share dividend declared in the fourth quarter of 2010 and paid in the first quarter of 2011.

Unaudited Interim Period Condensed Consolidated Financial Statements

Consolidated Statements of Earnings

(unaudited)

(millions of Canadian dollars except where otherwise indicated)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Revenue	**$ 7,148**	$ 7,164
Operating Expenses		
Cost of inventories sold (note 8)	**5,341**	5,364
Selling, general and administrative expenses (note 15)	**1,504**	1,500
	6,845	6,864
Operating Income	**303**	300
Net Interest Expense and Other Financing Charges (note 4)	**66**	143
Earnings Before Income Taxes	**237**	157
Income Taxes (note 5)	**72**	70
Net Earnings	**165**	87
Attributable to:		
Shareholders of the Company	**105**	37
Non-Controlling Interests	**60**	50
Net Earnings	**$ 165**	$ 87
Net Earnings per Common Share Attributable to Shareholders of the Company ($) (note 6)		
Basic	**$ 0.74**	$ 0.21
Diluted	**$ 0.71**	$ 0.14

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

Consolidated Statements of Comprehensive Income

(unaudited)

(millions of Canadian dollars)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Net earnings	**$ 165**	$ 87
Other comprehensive loss		
Foreign currency translation adjustment (note 7)	**(10)**	(10)
	(10)	(10)
Net loss on derivatives designated as cash flow hedges		(2)
Reclassification of net loss on derivatives designated as cash flow hedges to net earnings		3
		1
Net defined benefit plan actuarial gains (losses) (note 12)	**4**	(35)
Other comprehensive loss	**(6)**	(44)
Comprehensive Income	**159**	43
Attributable to:		
Shareholders of the Company	**98**	5
Non-Controlling Interests	**61**	38
Comprehensive Income	**$ 159**	$ 43

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

Consolidated Statements of Changes in Equity

(unaudited)

(millions of Canadian dollars except where otherwise indicated)	Common Shares	Preferred Shares	Total Share Capital	Contributed Surplus	Retained Earnings	Foreign Currency Translation Adjustment	Cash Flow Hedges	Total Accumulated Other Comprehensive Loss	Non-Controlling Interests	Total Equity
Balance at Dec. 31, 2010	$ 133	$ 817	**$ 950**	**$ (14)**	**$ 4,312**	$ (27)	$ 3	**$ (24)**	**$ 2,080**	**$ 7,304**
Net earnings					**105**				**60**	**165**
Other comprehensive income (loss)(1)					**3**	(10)		**(10)**	**1**	**(6)**
Comprehensive income (loss)					**108**	(10)		**(10)**	**61**	**159**
Effect of share-based compensation (note 13)				**37**					**16**	**53**
Subsidiary capital transactions (note 13)				**2**					**1**	**3**
Dividends declared										
Per common share ($)										
– $0.36					**(46)**				**(22)**	**(68)**
Per preferred share ($)										
– Series I – $0.36					**(4)**					**(4)**
Series III – $0.32					**(3)**					**(3)**
Series IV – $0.32					**(2)**					**(2)**
Series V – $0.30					**(2)**					**(2)**
				39	**(57)**				**(5)**	**(23)**
Balance at Mar. 26, 2011	$ 133	$ 817	**$ 950**	**$ 25**	**$ 4,363**	$ (37)	$ 3	**$ (34)**	**$ 2,136**	**$ 7,440**

(1) Other comprehensive income (loss) includes actuarial gains of $4 million, $3 million of which are presented above in retained earnings and $1 million in non-controlling interests.

(millions of Canadian dollars except where otherwise indicated)	Common Shares	Preferred Shares	Total Share Capital	Retained Earnings	Foreign Currency Translation Adjustment	Cash Flow Hedges	Total Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interests	Total Equity
Balance at Jan. 1, 2010	$ 133	$ 817	**$ 950**	**$ 5,153**		$ 1	**$ 1**	**$ 1,902**	**$ 8,006**
Net earnings				**37**				**50**	**87**
Other comprehensive (loss) income(1)				**(23)**	$ (10)	1	**(9)**	**(12)**	**(44)**
Comprehensive income (loss)				**14**	(10)	1	**(9)**	**38**	**43**
Dividends declared									
Per common share ($)									
– $0.36				**(46)**				**(22)**	**(68)**
Per preferred share ($)									
– Series I – $0.36				**(4)**					**(4)**
Series III – $0.32				**(3)**					**(3)**
Series IV – $0.32				**(2)**					**(2)**
Series V – $0.30				**(2)**					**(2)**
				(57)				**(22)**	**(79)**
Balance at Mar. 27, 2010	$ 133	$ 817	**$ 950**	**$ 5,110**	$ (10)	$ 2	**$ (8)**	**$ 1,918**	**$ 7,970**

(1) Other comprehensive (loss) income includes actuarial losses of $35 million, $23 million of which are presented above in retained earnings and $12 million in non-controlling interests.

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

Consolidated Balance Sheets
(unaudited)

(millions of Canadian dollars)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
		As at		
ASSETS				
Current Assets				
Cash and cash equivalents (note 7)	**$ 754**	$ 996	$ 1,453	$ 1,490
Short term investments (note 7)	**2,323**	3,616	3,253	3,420
Accounts receivable	**479**	512	462	444
Credit card receivables	**1,887**	1,874	1,997	2,095
Inventories (note 8)	**2,020**	2,077	2,050	2,080
Income taxes recoverable	**17**			
Prepaid expenses and other assets	**102**	143	91	107
Assets held for sale	**68**	57	71	56
Total Current Assets	**7,650**	9,275	9,377	9,692
Fixed Assets	**8,835**	8,218	8,823	8,261
Investment Properties	**74**	74	74	75
Goodwill and Intangible Assets	**1,548**	1,288	1,554	1,293
Deferred Income Taxes	**288**	431	311	390
Security Deposits (note 7)	**248**	280	435	348
Franchise Loans Receivable	**315**	340	314	344
Other Assets	**859**	786	808	787
Total Assets	**$ 19,817**	$ 20,692	$ 21,696	$ 21,190
LIABILITIES				
Current Liabilities				
Bank indebtedness	**$ 1**	$ 12	$ 11	$ 10
Trade and other payables	**3,280**	3,291	4,799	3,676
Provisions	**99**	103	92	96
Income taxes payable		69	12	79
Short term debt (note 10)	**1,251**	1,444	871	1,525
Long term debt due within one year	**352**	1,162	1,202	312
Total Current Liabilities	**4,983**	6,081	6,987	5,698
Provisions	**94**	106	95	110
Long Term Debt (note 11)	**6,164**	5,394	6,114	6,256
Deferred Income Taxes	**164**	133	162	140
Other Liabilities	**751**	788	813	760
Capital Securities	**221**	220	221	220
Total Liabilities	**12,377**	12,722	14,392	13,184
EQUITY				
Share Capital (note 13)	**950**	950	950	950
Contributed Surplus	**25**		(14)	
Retained Earnings	**4,363**	5,110	4,312	5,153
Accumulated Other Comprehensive (Loss) Income	**(34)**	(8)	(24)	1
Total Equity Attributable to Shareholders of the Company	**5,304**	6,052	5,224	6,104
Non-Controlling Interests	**2,136**	1,918	2,080	1,902
Total Equity	**7,440**	7,970	7,304	8,006
Total Liabilities and Equity	**$ 19,817**	$ 20,692	$ 21,696	$ 21,190

Contingent liabilities (note 14).
See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Consolidated Cash Flow Statements

(unaudited)

(millions of Canadian dollars)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Operating Activities		
Net earnings	**$ 165**	$ 87
Income taxes (note 5)	**72**	70
Net interest expense and other financing charges (note 4)	**66**	143
Depreciation and amortization	**166**	154
Foreign currency translation losses (note 15)	**17**	29
Income taxes paid	**(78)**	(114)
Interest received	**17**	12
Fixed assets and other related impairments	**4**	6
Change in non-cash working capital	**(420)**	(277)
Other	**(15)**	(21)
Cash Flows (used in) from Operating Activities	**(6)**	89
Investing Activities		
Fixed asset purchases	**(162)**	(140)
Short term investments	**901**	(238)
Proceeds from fixed asset sales	**5**	13
Business acquisition (note 3)	**(12)**	
Franchise investments and other receivables	**(1)**	(3)
Security deposits	**183**	59
Other	**(7)**	(21)
Cash Flows from (used in) Investing Activities	**907**	(330)
Financing Activities		
Bank indebtedness	**(11)**	
Short term debt (note 10)	**380**	(81)
Long term debt – Issued	**57**	3
– Retired (note 10)	**(858)**	(1)
Subsidiary share capital issued (note 13)	**3**	
Dividends – To common shareholders	**(1,046)**	(46)
– To preferred shareholders	**(11)**	(11)
Interest paid	**(111)**	(108)
Cash Flows used in Financing Activities	**(1,597)**	(244)
Effect of foreign currency exchange rate changes on cash and cash equivalents (note 7)	**(3)**	(9)
Change in Cash and Cash Equivalents	**(699)**	(494)
Cash and Cash Equivalents, Beginning of Period	**1,453**	1,490
Cash and Cash Equivalents, End of Period	**$ 754**	$ 996

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

Note 1. Nature and Description of the Reporting Entity

George Weston Limited ("GWL") is a Canadian public company incorporated in 1928, engaged in food processing and distribution. Its registered office is located at 22 St. Clair Avenue East, Toronto, Canada M4T 2S7. GWL and its subsidiaries are together referred to in these unaudited interim period condensed consolidated financial statements as the "Company". The Company's parent is Wittington Investments, Limited ("Wittington").

The Company has two reportable operating segments, Loblaw Companies Limited ("Loblaw") and Weston Foods, and holds cash and short term investments. The Loblaw operating segment is Canada's largest food distributor and a leading provider of drugstore, general merchandise and financial services. The Weston Foods operating segment is a leading fresh and frozen baking company in Canada and is engaged in frozen baking and biscuit manufacturing in the United States.

Note 2. Significant Accounting Policies

Statement of Compliance The unaudited interim period condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described herein. These are the Company's first unaudited interim period condensed consolidated financial statements reported under International Financial Reporting Standards ("IFRS") and IFRS 1, "First-Time Adoption of IFRS" ("IFRS 1") has been applied. These unaudited interim period condensed consolidated financial statements should be read in conjunction with the Company's 2010 annual consolidated financial statements and the accompanying notes. An explanation of how the transition from Canadian generally accepted accounting principles ("CGAAP") to IFRS as at January 1, 2010 (the "transition date") has affected the reported financial position, financial performance and cash flows of the Company, including the mandatory exceptions and optional exemptions under IFRS 1 is provided in note 16.

These unaudited interim period condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on May 9, 2011.

Basis of Preparation The unaudited interim period condensed consolidated financial statements were prepared on a historical cost basis, except for financial instruments which are valued at fair value through profit or loss. In addition, liabilities for share-based compensation arrangements accounted for as cash-settled and equity-settled arrangements are measured at fair value (see note 13) and defined benefit plan assets are also recorded at fair value with the obligations related to these pension plans measured at their discounted present value.

The accounting policies set out below have been applied consistently in the preparation of the unaudited interim period condensed consolidated financial statements of all periods presented, including the presentation of the opening consolidated balance sheet as at January 1, 2010 except for certain mandatory exceptions and optional exemptions taken pursuant to IFRS 1 as described in note 16.

The unaudited interim period condensed consolidated financial statements are presented in Canadian dollars.

Basis of Consolidation The unaudited interim period condensed consolidated financial statements include the accounts of GWL and other entities that the Company controls in accordance with IAS 27, "Consolidated and Separate Financial Statements". The Company's interest in the voting share capital of its subsidiaries is 100% except for Loblaw, which is 62.8% (March 27, 2010 – 62.5%; December 31, 2010 – 62.9%; January 1, 2010 – 62.5%). The change in GWL's ownership prior to the first quarter of 2011 was due to the Company's participation in the Loblaw Dividend Reinvestment Plan. GWL's ownership was impacted in the first quarter of 2011 by Loblaw's issuance of common shares on the exercise of stock options.

Special Purpose Entities ("SPE") are consolidated under Standing Interpretations Committee ("SIC") Interpretation 12 "Consolidation – Special Purpose Entities", ("SIC-12"), if, based on an evaluation of the substance of its relationship with the Company and the SPE's risks and rewards, the Company concludes that it controls the SPE. SPEs controlled by the Company were established under terms that impose strict limitations on the decision-making powers of the SPE's management and that results in the Company receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

Non-controlling interests are recorded in the unaudited interim period condensed consolidated financial statements and represent the non-controlling shareholders' portion of the net assets and net earnings of the respective subsidiaries. Transactions with non-controlling interests are treated as transactions with equity owners of the Company. Changes in GWL's ownership interest in its subsidiaries that do not result in a loss of control are accounted for as equity transactions on a prospective basis from the transition date.

Revenue Recognition Weston Foods recognizes sales upon delivery of its products to customers and acceptance of its products by customers net of provisions for returns, discounts and allowances. Loblaw revenue includes sales, net of estimated returns, to customers through corporate stores operated by Loblaw, sales to and service fees from associated stores, independent account customers, financial services and franchised stores net of sales incentives offered by Loblaw. Loblaw recognizes revenue at the time the sale is made to its customers and at the time of delivery of inventory to its associated and franchise stores.

Loblaw customer loyalty awards are accounted for as a separate component of the sales transaction in which they are granted. A portion of the consideration received in a transaction that includes the issuance of an award is deferred until the awards are ultimately redeemed. The allocation of the consideration to the award is based on an evaluation of the award's estimated fair value at the date of the transaction using the residual fair value method.

On the initial sale of a franchising arrangement, Loblaw offers products and services as part of a multiple deliverable arrangement which is recorded using a relative fair value approach.

Interest income on credit card loans, service fees and other revenue related to financial services are recognized on an accrual basis.

Income Taxes The asset and liability method of accounting is used for income taxes. Under the asset and liability method, deferred income tax assets and liabilities are recognized for the deferred income tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases. Current and deferred taxes are charged or credited in the statements of earnings, except when it relates to a business combination, or items charged or credited directly to equity or to other comprehensive loss. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is measured using enacted or substantively enacted income tax rates expected to apply in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized for unused tax losses and credits to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Cash and Cash Equivalents and Bank Indebtedness Cash equivalents consist of highly liquid marketable investments with a maturity of 90 days or less from the date of acquisition (see note 7). Cash equivalents are designated at fair value through profit or loss. Bank indebtedness is classified as other financial liabilities and the carrying value approximates the fair value of this instrument.

Short Term Investments Short term investments are designated at fair value through profit or loss. See note 7 for the types of investments held.

Security Deposits Security deposits are designated at fair value through profit or loss. See note 7 for the types of investments held.

Credit Card Receivables The Company, through President's Choice Bank ("PC Bank"), a wholly owned subsidiary of Loblaw, has credit card receivables that are stated net of an allowance for credit losses. Interest income is recorded in revenue and interest expense is recorded in net interest expense and other financing charges using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the credit card receivable or, where appropriate, a shorter period, to the carrying amount. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

PC Bank considers evidence of impairment losses on a portfolio basis for which losses cannot be determined on an item-by-item basis. The allowance is based upon a statistical analysis of past and current performance, the level of allowance already in place and management's judgment. The allowance for credit losses is deducted from the credit card receivables balance. Interest on the impaired asset continues to be recognized. The net credit loss experience for the year is recognized in operating income.

Periodically PC Bank transfers credit card receivables by selling them to independent SPEs or trusts. Due to the retention of substantially all of the risks and rewards relating to these assets, the Company continues to recognize these assets in credit card receivables and the transferred receivables are accounted for as secured financing transactions. In certain scenarios the Company consolidates the SPE. The associated liabilities secured by these assets are included in either short term or long term debt, based on their characteristics, and are carried at amortized cost.

Inventories The Company values inventories at the lower of cost and net realizable value. Costs include the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring inventories to their present location and condition. Loblaw's seasonal general merchandise, Loblaw's inventories at distribution centres and Weston Foods inventories are measured at weighted average cost. Loblaw uses the retail method to measure the cost of the majority of retail store inventories. Under this method, Loblaw estimates net realizable value as the amount that inventories are expected to be sold taking into consideration fluctuations in retail prices due to seasonality less estimated costs necessary to make the sale. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage or declining selling prices. When circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in selling prices, the amount of the write-down previously recorded is reversed. Storage costs, indirect administrative overhead and certain selling costs related to inventories are expensed in the period that these costs are incurred.

Vendor Allowances The Company receives allowances from certain of its vendors whose products it purchases. These allowances are received for a variety of buying and/or merchandising activities, including vendor programs such as volume purchase allowances, purchase discounts, listing fees and exclusivity allowances. Consideration received from a vendor is a reduction in the cost of the vendor's products or services and is recognized as a reduction in the cost of merchandise inventories sold and the related inventory when recognized in the consolidated statement of earnings and the consolidated balance sheet, respectively. Certain exceptions apply if the consideration is a payment for assets or services delivered to the vendor or for reimbursement of selling costs incurred to promote the vendor's products. The consideration is then recognized as part of revenue or as a reduction of the cost incurred in the consolidated statement of earnings.

Fixed Assets Fixed assets are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset, expenditures to prepare the asset for its intended use and capitalized borrowing costs. The commencement date for capitalization of costs occurs when the Company first incurs expenditures for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Depreciation commences when the assets are available for use and is recognized on a straight-line basis to depreciate the cost of these assets to their estimated residual value over their estimated useful lives. When significant parts of a fixed asset have different useful lives, they are accounted for as separate components of the asset and depreciated over their estimated useful life. Estimated useful lives are as follows:

- Buildings – 10 to 40 years
- Equipment and fixtures – 3 to 16 years
- Building improvements – up to 10 years

Leasehold improvements are depreciated over the lesser of the lease term and their estimated useful lives. The lease term may include renewal options when an improvement is made after inception of the lease to a maximum economic life of 25 years. Fixed assets held under finance leases are depreciated over the lesser of expected useful lives, the same basis as owned assets, or the term of the lease, unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case it would be depreciated over the life of the asset.

Depreciation methods, useful lives and residual values are reviewed at each year end and are adjusted if appropriate.

Fixed assets are reviewed for any indication of impairment quarterly. Refer to Impairment of Non-Financial Assets policy below.

Investment Properties Investment properties are properties owned by Loblaw that are held to either earn rental income, for capital appreciation, or both. Loblaw's investment properties include single tenant properties held to earn rental income and certain multiple tenant properties. Land and buildings leased to franchisees are not accounted for as investment properties as these properties are related to Loblaw's operating activities.

Investment property assets are recognized at cost less accumulated depreciation and any accumulated impairment losses. The depreciation policies for investment properties are consistent with those described in the policy for fixed assets.

Investment properties are reviewed for any indication of impairment quarterly. Refer to Impairment of Non-Financial Assets policy below.

Borrowing Costs Borrowing costs directly attributable to the acquisition, construction, or production of assets, that necessarily take a substantial period of time to prepare for their intended use, are capitalized to the cost of those assets, until such time as the assets are substantially ready for their intended use based on the weighted average cost of borrowing during the quarter.

Goodwill Goodwill arising in a business combination is recognized as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred over the fair value of the identifiable assets acquired less the fair value of the liabilities assumed. Goodwill is tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Refer to Impairment of Non-Financial Assets policy below.

Intangible Assets Acquired intangible assets that have definite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. The Company assesses each intangible asset for legal, regulatory, contractual, competitive or other factors to determine if the useful life is definite. Intangible assets with a definite life are amortized over the related assets' estimated useful lives, ranging from 10 to 30 years.

Indefinite life intangible assets are measured at cost less any accumulated impairment losses. Indefinite life intangible assets are tested for impairment at least annually and whenever there is an indication that the asset may be impaired. Refer to Impairment of Non-Financial Assets policy below.

Impairment of Non-Financial Assets At each balance sheet date, the Company assesses whether there is any indication of impairment of its definite life non-financial assets including fixed assets, investment properties, goodwill and intangible assets. Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. If any such indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

For the purposes of reviewing definite life non-financial assets for impairment, asset groups are reviewed at their lowest level for which identifiable cash inflows are largely independent of cash inflows of other assets or groups of assets. This grouping is referred to as a cash generating unit ("CGU"). Weston Foods' manufacturing assets are grouped together at the level of production categories which are capable of servicing their customers independently of other production categories. Loblaw has determined each retail location and each investment property to be a CGU for purposes of impairment testing.

The Company's corporate assets, which include the head office facilities and Loblaw distribution centers, do not generate separate cash inflows. Corporate assets are tested for impairment at the minimum collection of CGUs to which the corporate asset can be allocated reasonably and consistently. For distribution centers, the corporate assets are allocated to the operating stores that are serviced from the distribution center.

The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. Loblaw determines the value in use of its retail locations by discounting the expected cash flows that Loblaw management estimates can be generated from continued use of the CGU. The process of determining the cash flows requires Loblaw management to make estimates and assumptions including projected future sales, earnings and capital investment, and discount rates. Projected future sales, earnings and capital investment are consistent with strategic plans presented to Loblaw's Board of Directors. Discount rates are consistent with external industry information reflecting the risk associated with the specific cash flows.

Loblaw determines the fair value less costs to sell of its retail locations using various assumptions, including the market rental rates for properties located within the same geographical areas as the properties being valued, highest and best use of the property for the geographical area, recoverable operating costs for leases with tenants, non-recoverable operating costs, discount rates, capitalization rates and terminal capitalization rates for the purposes of determining the estimated net proceeds from the sale of the property.

An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. Impairment losses are recognized in operating income in the period in which they occur. When impairment subsequently reverses, the carrying amount of the asset is increased to the extent that the carrying value of the underlying assets does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment had been recognized. Impairment reversals are recognized in operating income in the period in which they occur.

Goodwill is assessed for impairment based on the group of CGUs expected to benefit from the synergies of the business combination and the lowest level at which management monitors the goodwill. Any potential goodwill impairment is identified by comparing the recoverable amount of the CGU grouping to which the goodwill is allocated to its carrying value. If the recoverable amount, calculated as the higher of the fair value less costs to sell and the value in use, is less than its carrying amount, an impairment loss is recognized in operating income in the period in which it occurs. Impairment losses on goodwill are not subsequently reversed if conditions change.

Any potential intangible asset impairment is identified by comparing the recoverable amount of the indefinite life intangible asset to its carrying amount. If the recoverable amount, calculated as the higher of the fair value less costs to sell and the value in use, is less than its carrying amount, an impairment loss is recognized in operating income. Impairment reversals are recognized in operating income in the period in which they occur.

Provisions Provisions are recognized when there is a legal or constructive obligation for which it is probable that a transfer of resources will be required to settle the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation, using the pre-tax discount rate that reflects the time value of money.

Financial Instruments Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to receive cash flows and benefits from the financial asset expire, or if the Company transfers the control or substantially all the risks and rewards of ownership of the financial asset to another party. Financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled. Financial instruments upon initial recognition are measured at fair value and classified as either financial assets or financial liabilities at fair value through profit or loss, held-to-maturity investments, loans and receivables or other financial liabilities. Financial instruments are included on the consolidated balance sheet and measured after initial recognition at fair value, except for loans and receivables, held-to-maturity financial assets and other financial liabilities which are measured at amortized cost. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using valuation methodologies, primarily discounted cash flows taking into account external market inputs where possible. Gains and losses on fair value through profit or loss financial assets and financial liabilities are recognized in net earnings before income taxes in the period in which they are incurred. Transaction costs other than those related to financial instruments classified as fair value through profit or loss, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the effective interest method.

The following classifications have been applied:

- Cash and cash equivalents, short term investments and security deposits are designated as fair value through profit or loss.
- Derivatives which are not designated in a hedge are classified as fair value through profit or loss.
- Accounts receivable, credit card receivables and Loblaw franchise loans receivable are classified as loans and receivables and carried at amortized cost.
- Bank indebtedness, short term debt, long term debt, finance lease obligations, provisions, certain other liabilities and capital securities are classified as other financial liabilities.
- Other financial instruments included in trade and other payables are classified as other financial liabilities.

The Company has not classified any financial assets as held-to-maturity.

Impairment of Financial Instruments An assessment of whether there is objective evidence that a financial asset or a group of financial assets is impaired is performed at each balance sheet date. A financial asset or group of financial assets is considered to be impaired if one or more loss events that have an impact on the future cash flows of the financial asset or group of assets occur after initial recognition of the financial asset and the loss can be reliably measured. This assessment is done on an individual financial asset basis or on a portfolio of financial assets basis. If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has occurred, the loss is based on the difference between the carrying amount of the financial asset, or portfolio of financial assets, and the respective estimated future cash flows discounted at the financial instruments original effective interest rate and is recorded as an allowance for losses. If, in a subsequent period, the impairment loss reverses, the previously recognized impairment is also reversed to the extent of the impairment.

Derivative Instruments Financial derivative instruments in the form of cross currency swaps, interest rate swaps and equity swaps and forwards partially offset exposure to fluctuations in foreign currency exchange rates, interest rates and the market prices of GWL and Loblaw common shares. Financial and non-financial derivative instruments in the form of futures contracts, option contracts and forward contracts mitigate current and anticipated exposure to fluctuations in commodity prices and foreign currency exchange rates. Policies and guidelines prohibit the use of any derivative instruments for trading or speculative purposes.

All financial and non-financial derivative instruments are recorded at fair value on the consolidated balance sheet. Any embedded derivative instruments that may be identified would be separated from their host contract and recorded on the consolidated balance sheet at fair value. Fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated using valuation methodologies, primarily discounted cash flows taking into account external market inputs where possible.

Derivative instruments are recorded in current or non-current assets and liabilities based on their remaining terms to maturity. All changes in fair value of the derivative instruments are recorded in net earnings unless the derivative qualifies and is effective as a hedging instrument in a designated hedging relationship.

Foreign Currency Translation The functional currency of the Company is the Canadian dollar.

The assets and liabilities of foreign operations that have a functional currency different from that of the Company, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. The resulting foreign currency exchange gains or losses are recognized in the foreign currency translation adjustment as part of comprehensive income starting January 1, 2010, the date of transition to IFRS (see note 16(g)). When such foreign operation is disposed of, the related foreign currency translation reserve is recognized in net earnings as part of the profit or loss on disposal. On the partial disposal of such foreign operation, the relevant proportion is reclassified to net earnings.

Assets and liabilities, of foreign operations that have the same functional currency as that of the Company are translated into Canadian dollars at the foreign currency exchange rate in effect at the balance sheet date. The resulting foreign currency exchange gains or losses are recognized in operating income.

Revenues and expenses of foreign operations are translated into Canadian dollars at the foreign currency exchange rates that approximate the rates in effect at the dates when such items are transacted.

Short Term Employee Benefits Short term employee benefits include wages, salaries, compensated absences, profit-sharing and bonuses. Short term employee benefit obligations are measured on an undiscounted basis and are recognized in operating income as the related service is provided or capitalized if the service rendered is in connection with the creation of a tangible or intangible asset. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined Benefit Plans The Company has a number of contributory and non-contributory defined benefit pension plans providing pension benefits to eligible employees. These plans provide a pension based on length of service and eligible pay. The Company's net obligation in respect of defined benefits is calculated separately for each plan. Defined benefit obligations are actuarially calculated by a qualified actuary at the balance sheet date using the projected unit credit method. The actuarial valuations are determined based on management's best estimate of the discount rate, the expected long term rate of return on plan assets, the rate of compensation increase, retirement rates, termination rates, mortality rates and expected growth rate of health care costs. The discount rate used to value the defined benefit obligation for accounting purposes is based on the yield on a portfolio of Corporate AA bonds denominated in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit plan obligations. Unrecognized past service costs (see below) and the fair value of plan assets are deducted from the defined benefit obligation to arrive at the net obligation. Plan assets are measured at fair value at the balance sheet date.

Past service costs arising from plan amendments are recognized in operating income in the year that they arise to the extent that the associated benefits are fully vested. Unvested past service costs are recognized in operating income on a straight-line basis over the vesting period of the associated benefits. Actuarial gains or losses on post-employment defined benefit plans are recognized in other comprehensive loss in the period in which they arise.

When the calculation results in a benefit or asset, the recognized asset is limited to the total of any unrecognized past service costs plus the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (the "asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to minimum funding requirements that apply to the plan. If it is anticipated that the Company will not be able to recover the value of the net defined benefit asset, after considering minimum funding requirements for future service, the net defined benefit asset is reduced to the amount of the asset ceiling. The effect of the asset ceiling is recognized in other comprehensive loss.

When the payment in the future of minimum funding requirements related to past service would result in a net defined benefit surplus or an increase in a surplus, the minimum funding requirements are recognized as a liability to the extent that the surplus would not be fully available as a refund or a reduction in future contributions. Remeasurement of this liability is recognized in other comprehensive loss in the period in which the remeasurement occurs.

In each interim reporting period, the post-employment defined benefit obligations are measured using assumptions which approximate their values at the reporting date, with the resulting actuarial gains and losses recognized in other comprehensive loss.

Defined Contribution Plans The Company maintains a number of defined contribution pension plans for employees in which the Company pays fixed contributions for eligible employees into a registered plan and has no further obligation to pay any further amounts. The amount of the pension benefit is based on accumulated Company contributions, and in some cases, employee contributions and investment gains and losses. The costs of benefits for defined contribution plans are expensed as contributions are due.

Multi-Employer Pension Plans The Company participates in multi-employer pension plans which are accounted for as defined contribution plans. The Company's responsibility to make contributions to these plans is established pursuant to its collective agreements. The Company does not administer these plans, but rather, the administration and the investment of their assets are controlled by a board of trustees consisting of an equal number of union and employer representatives. The contributions made by the Company to multi-employer plans are expensed as contributions are due. In the United States, the Company's contributions may be increased in the future depending on the funded status of the plans.

Other Long Term Employee Benefit Plans The Company sponsors a long term disability plan that is classified as a long term defined benefit arrangement. As the amount of the long term disability benefit does not depend on length of service, the obligation is recognized when an event occurs that gives rise to an obligation to make payments. The Company also offers other long term employee benefit plans to employees who are on long term disability leave. These benefit plans are non-contributory and include health care, life insurance and dental benefits. The amount of other long term employee benefits is actuarially calculated by a qualified actuary at the balance sheet date using the projected unit credit method. Under this method, the benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate used to value the long term employee benefit obligation is based on the yield on a portfolio of Corporate AA bonds denominated in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the long term employee benefit plan obligations. Actuarial gains and losses and past service costs are recognized immediately in operating income in the period in which they arise.

Termination Benefits Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits payable are discounted to their present value when the effect of the time value of money is material.

Cash Settled Stock Option Plan Prior to February 22, 2011, stock options allowed for settlement in shares or in the share appreciation value in cash at the option of the employee. These options were accounted for as cash-settled stock options and vested in tranches over a three to five year vesting period; accordingly, each tranche was valued separately using a Black-Scholes option pricing model. The fair value of the amount payable to employees in respect of these plans was re-measured at each balance sheet date, and a compensation expense was recognized in operating income over the vesting period for each tranche with a corresponding change in the liability. Forfeitures were estimated at the grant date and were revised to reflect a change in expected or actual forfeitures.

Equity Settled Stock Option Plan Commencing February 22, 2011, stock options allow for settlement only in shares. These grants are accounted for as equity-settled stock options and vest in tranches over a three to five year vesting period. The fair value of each tranche of options granted to employees is measured separately at the grant date using a Black-Scholes option pricing model, and the grant date fair value net of expected forfeitures at the grant date is recognized as an expense in operating income over the vesting period of each tranche, with a corresponding increase in contributed surplus. During the vesting period the amount recognized as an expense is adjusted to reflect revised expectations about the number of awards expected to vest, such that the amount ultimately recognized as an expense is based on the number of awards that meet the vesting conditions. Upon exercise of vested options, the amount recognized in contributed surplus for the award plus the cash received upon exercise is recognized as an increase in share capital.

Restricted Share Unit ("RSU") Plan RSU grants entitle employees to a cash payment equal to the weighted average price of a GWL or Loblaw common share after the end of a performance period, of up to 3 years, following the date of the award. The Company recognizes a compensation expense in operating income for each RSU granted equal to the market value of a GWL or Loblaw common share less the net present value of the expected dividend stream at the date on which RSUs are awarded to each participant. The compensation expense is prorated over the performance period reflecting changes in the market value of a GWL or Loblaw common share until the end of the performance period. Forfeitures are estimated at the grant date and are revised to reflect a change in expected or actual forfeitures.

Employee Share Ownership Plan ("ESOP") GWL and Loblaw maintain ESOPs for their employees, which allow employees to acquire GWL and Loblaw common shares through regular payroll deductions of up to 5% of their gross regular earnings. GWL and Loblaw contribute an additional 25% of each employee's contribution to their respective plans, which is recognized in operating income as a compensation cost when the contribution is made.

Director Deferred Share Unit ("DSU") Plan Members of GWL's and Loblaw's Boards of Directors, who are not management, may elect annually to receive all or a portion of their annual retainer(s) and fees in the form of DSUs. The Company recognizes an expense for each DSU granted equal to the market value of a GWL or Loblaw common share at the date on which DSUs are awarded with a corresponding offset to equity. After the grant date, the DSU expense is not re-measured for subsequent changes in the market value of a GWL or Loblaw common share. The DSUs are settled in shares upon termination of Board service.

Executive Deferred Share Unit ("EDSU") Plan Under this plan, eligible executives may elect to defer up to 100% of the Short Term Incentive Plan ("STIP") earned in any year into the EDSU plan, subject to an overall cap of three times the executive's base salary. Each EDSU entitles the holder to receive the cash equivalent of a GWL or Loblaw common share. The number of EDSUs granted in respect of any year will be determined by dividing the STIP compensation that is subject to the EDSU plan election by the market value of GWL or Loblaw common shares on the date the STIP compensation would otherwise be payable. After grant date, any change in the fair value of GWL or Loblaw common shares is recognized in operating income in the period in which the change occurs with a corresponding offset to the liability.

Critical Accounting Estimates and Assumptions The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts and disclosures made in the unaudited interim period condensed consolidated financial statements and accompanying notes. Management continually evaluates the estimates and assumptions it uses. These estimates and assumptions are based on management's historical experience, best knowledge of current events and conditions and activities that the Company may undertake in the future.

Material estimates and assumptions are made with respect to establishing depreciation and amortization periods, the valuation of credit card receivables and inventories, impairment of fixed assets, goodwill and intangible assets, income and other taxes, and parameters used in the measurement of post-employment and other long term employee benefits. These estimations depend upon subjective or complex judgments about matters that may be uncertain, and changes in those estimates could materially impact the unaudited interim period condensed consolidated financial statements. Illiquid credit markets, volatile equity, foreign currency and energy markets and declines in consumer spending have combined to increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods.

Future Accounting Standards

Financial Instruments – Disclosures On October 7, 2010, the IASB issued amendments to IFRS 7, "Financial Instruments: Disclosures", which increase the disclosure requirements for transactions involving transfers of financial assets. This amendment is effective for annual periods beginning on or after July 1, 2011 and therefore the Company will apply the amendment in the first quarter of 2012. The Company is currently assessing the impact of the amendment on its financial statement disclosures.

Deferred Tax – Recovery of Underlying Assets On December 20, 2010, the IASB issued amendments to IAS 12, "Income Taxes" ("IAS 12"), that introduce an exception to the general measurement requirements of IAS 12 in respect of investment properties measured at fair value. The amendment is effective for annual periods beginning on or after January 1, 2012. The Company has elected to account for its investment properties at cost and as such does not expect the implementation of the amendment to have a significant impact on its financial statements.

Financial Instruments The IASB has issued a new standard, IFRS 9, "Financial Instruments" ("IFRS 9"), which will ultimately replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). The replacement of IAS 39 is a three-phase project with the objective of improving and simplifying the reporting for financial instruments. The issuance of IFRS 9 in November 2009 is the first phase of the project, which provides guidance on the classification and measurement of financial assets and financial liabilities. This standard becomes effective on January 1, 2013. The Company is currently assessing the impact of the new standard on its financial statements.

Note 3. Business Acquisition

During the first quarter of 2011, Weston Foods purchased the assets of Colonial Cookies, a biscuit manufacturer in Ontario, Canada for cash consideration of $12 million. Weston Foods acquired net assets of $12 million.

Note 4. Net Interest Expense and Other Financing Charges

The components of net interest expense and other financing charges were as follows:

	12 Weeks Ended	
($ millions)	**Mar. 26, 2011**	Mar. 27, 2010
Interest on long term debt	**$ 83**	$ 88
Interest cost on defined benefit obligations	**25**	26
Interest on borrowings related to credit card receivables	**13**	11
Interest expense on Franchise Trust II loans	**4**	4
Interest expense on financial derivative instruments	**1**	2
Other financing charges[(1)]		37
Dividends on capital securities	**3**	3
Interest expense and other financing charges	**129**	171
Expected return on pension plan assets	**(23)**	(22)
Other financing income[(1)]	**(25)**	
Accretion income	**(4)**	(4)
Interest income on financial derivative instruments	**(6)**	
Short term interest income	**(5)**	(2)
Interest income and other financing income	**(63)**	(28)
Net interest expense and other financing charges	**$ 66**	$ 143

(1) Other financing (income) charges in the first quarter of 2011 includes non-cash income of $20 million (2010 – a non-cash charge of $41 million) related to the fair value adjustment of Weston Holdings Limited's ("WHL"), a subsidiary of GWL, forward sale agreement for 9.6 million Loblaw common shares. The fair value adjustment of the forward contract is a non-cash item resulting from fluctuations in the market price of the underlying Loblaw common shares that WHL owns. WHL does not record any change in the market price associated with the Loblaw common shares it owns. Any cash paid under the forward contract could be offset by the sale of the Loblaw common shares. Also included in other financing (income) charges is forward accretion income of $9 million (2010 – $8 million) and the forward fee of $4 million (2010 – $4 million) associated with WHL's forward sale agreement.

Note 5. Income Taxes

The effective income tax rate decreased to 30.4% in the first quarter of 2011 compared to 44.6% in the same period in 2010. The decrease was primarily due to a decrease in income tax expense related to certain prior year income tax matters, a decrease in non-deductible foreign currency translation losses and reductions in the Federal and Ontario statutory income tax rates.

Note 6. Basic and Diluted Net Earnings per Common Share

($ millions except where otherwise indicated)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Net earnings attributable to shareholders of the Company	**$ 105**	$ 37
Prescribed dividends on preferred shares in share capital	**(10)**	(10)
Net earnings available to common shareholders	**$ 95**	$ 27
Impact of GWL equity swaps		(4)
Reduction in net earnings due to dilution at Loblaw	**(3)**	(5)
Net earnings available to common shareholders for diluted earnings per share	**$ 92**	$ 18
Weighted average common shares outstanding (in millions)	**129.1**	129.1
Dilutive effect of share-based compensation[1] (in millions)	**0.1**	
Dilutive effect of GWL equity swaps[1] (in millions)		0.8
Diluted weighted average common shares outstanding (in millions)	**129.2**	129.9
Basic net earnings per common share ($)	**$ 0.74**	$ 0.21
Diluted net earnings per common share ($)	**$ 0.71**	$ 0.14

(1) As of the first quarter of 2011, 3,098,336 (2010 – 1,587,445) outstanding potentially dilutive instruments are not included in the computation of diluted net earnings per common share as their impact would have been anti-dilutive.

Note 7. Cash and Cash Equivalents, Short Term Investments and Security Deposits

The components of cash and cash equivalents, short term investments and security deposits were as follows:

Cash and cash equivalents

($ millions)	As at Mar. 26, 2011	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Cash	**$ 116**	$ 63	$ 125	$ 249
Government treasury bills	**233**	127	244	265
Corporate commercial paper	**45**	165	427	405
Banker's acceptances	**140**	509	252	349
Bank term deposits	**158**	67	287	70
Other	**62**	65	118	152
Total cash and cash equivalents	**$ 754**	$ 996	$ 1,453	$ 1,490

Short term investments

($ millions)	As at Mar. 26, 2011	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Government treasury bills	**$ 989**	$ 1,913	$ 1,659	$ 2,305
Corporate commercial paper	**701**	417	1,228	833
Banker's acceptances	**291**	761	1	
Other	**342**	525	365	282
Total short term investments	**$ 2,323**	$ 3,616	$ 3,253	$ 3,420

Security Deposits

($ millions)	As at Mar. 26, 2011	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Cash				$ 51
Government treasury bills	**$ 180**	$ 239	$ 296	277
Banker's acceptances			92	
Other	**68**	41	47	20
Total security deposits	**$ 248**	$ 280	$ 435	$ 348

As at March 26, 2011 – U.S. $2,174 million, March 27, 2010 – U.S. $2,243 million, December 31, 2010 – U.S. $2,151 million and January 1, 2010 – U.S. $2,220 million (March 26, 2011 – $2,131 million; March 27, 2010 – $2,303 million; December 31, 2010 – $2,147 million; January 1, 2010 – $2,338 million) was included in cash and cash equivalents, short term investments and security deposits on the consolidated balance sheets.

The following is a summary of foreign currency translation losses as a result of translating U.S. dollar denominated cash and cash equivalents, short term investments and security deposits:

($ millions)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Loblaw(1)	**$ 18**	$ 25
The Company (excluding Loblaw)(2)	**19**	33
Consolidated	**$ 37**	$ 58

(1) Includes losses of $2 million (2010 – $4 million) related to cash and cash equivalents.

During the first quarter of 2011, the loss on cash and cash equivalents, short term investments and security deposits was partially offset in operating income by the foreign currency translation gain of $18 million (2010 – $25 million) on Loblaw's cross currency swaps.

(2) Includes losses of $1 million (2010 – $5 million) related to cash and cash equivalents.

During the first quarter of 2011, foreign currency translation losses associated with the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and cash equivalents and short term investments held by Dunedin Holdings GmbH ("Dunedin"), a subsidiary of GWL, and certain of its affiliates of $17 million (2010 – $29 million) were recognized in operating income (see note 15). The remaining foreign currency translation losses as a result of translating U.S. dollar denominated net assets, including cash and cash equivalents, short term investments and security deposits are recognized in other comprehensive loss.

Note 8. Inventories

The components of inventories were as follows:

	As at			
($ millions)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Raw materials and supplies	**$ 41**	$ 34	$ 39	$ 36
Finished goods	**1,979**	2,043	2,011	2,044
Inventories	**$ 2,020**	$ 2,077	$ 2,050	$ 2,080

For inventories recorded as at March 26, 2011, Loblaw recorded $14 million (March 27, 2010 – $9 million) as an expense for the write-down of inventories below cost to net realizable value. The write-down is included in cost of inventories sold in the consolidated statements of earnings. There were no reversals of previously recorded write-downs of inventories during the first quarters of 2011 and 2010.

Cost of inventories sold includes a charge of $16 million (2010 – nominal) in the first quarter of 2011 related to a commodity derivatives fair value adjustment at Weston Foods.

Note 9. Financing of Credit Card Receivables

PC Bank participates in various securitization programs that provide the primary source of funds for the operation of its credit card business. Under these securitization programs, a portion of the total interest in the credit card receivables is sold to independent trusts pursuant to co-ownership agreements. PC Bank purchases receivables from and sells receivables to the trusts from time to time depending on PC Bank's financing requirements. During the first quarter of 2011, PC Bank securitized $370 million (2010 – nil) credit card receivables and repurchased $500 million (2010 – $90 million) of co-ownership interests in the securitized receivables from independent trusts. The $500 million repurchase was related to the March 17, 2011 maturity of five-year $500 million senior and subordinated notes issued by *Eagle Credit Card Trust* ("Eagle").

Due to the retention of substantially all of the risks and rewards on these assets, Loblaw, through PC Bank, continues to recognize these assets within credit card receivables and the transfers are accounted for as secured financing transactions. The associated liability secured by these assets is included in short term debt (see note 10) and long term debt (see note 11) and is carried at amortized cost.

Note 10. Short Term Debt

	As at			
($ millions)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Independent credit card trusts(1)	**$ 905**	$ 1,135	$ 535	$ 1,225
Series B debentures(2)	**346**	309	336	300
Short term debt	**$ 1,251**	$ 1,444	$ 871	$ 1,525

(1) The independent credit card trusts' recourse to PC Bank's assets in excess of the securitized receivables is limited to PC Bank's excess collateral of $105 million (March 27, 2010 – $114 million) as well as standby letters of credit issued by Loblaw of $81 million (March 27, 2010 – $103 million) based on a portion of the securitized amount.

(2) Series B Debentures issued by GWL are due on demand.

Note 11. Long Term Debt

During the first quarter of 2011, Loblaw's $350 million 6.50% medium term note due January 19, 2011 matured and was repaid.

Also during the first quarter of 2011, the $500 million senior and subordinated notes due March 17, 2011 issued by Eagle matured and were repaid.

Subsequent to the end of the first quarter of 2011, the independent funding trust obtained commitments from the existing syndicate of third party lenders to renew and extend the Loblaw $475 million revolving committed credit facility for a 3-year period, effective May 2, 2011. Loblaw's credit enhancement will also be reduced from 15% to 10% as a result of the renewal. Other terms and conditions will remain substantially the same.

In 2008, Loblaw entered into fixed cross currency swaps to exchange $296 million Canadian dollars to U.S. $300 million which mature by 2015 and were partially designated as a cash flow hedge of Loblaw's U.S. private placement notes. In the first quarter of 2011, the designated swap was no longer classified as a cash flow hedge and as a result, the fair value changes will be recorded in operating income. Amounts remaining in accumulated other comprehensive (loss) income will be reclassified to net earnings as the hedged debt matures.

Note 12. Post-Employment and Other Long Term Employee Benefits

The post-employment cost recognized in net earnings before income taxes was $38 million (2010 – $35 million) in the first quarter of 2011. The post-employment benefit cost included costs for the Company's post-employment defined benefit plans, defined contribution pension plans and multi-employer pension plans. The other long term employee benefit cost recognized in net earnings before income taxes was $6 million (2010 – $4 million), which included costs for the Company's long term disability plan. Post-employment and other long term employee benefit costs of $2 million (2010 – $4 million) were included in net interest expense and other financing charges in the first quarter of 2011. Pre-tax actuarial gains related to post-employment benefits of $6 million (2010 – losses of $48 million) were recognized in other comprehensive loss.

Note 13. Share-Based Compensation

The following table summarizes the Company's cost recognized in operating income related to its stock option and share appreciation right plans, RSU plans and GWL's and Glenhuron Bank Limited's ("Glenhuron"), a wholly owned subsidiary of Loblaw, equity derivatives:

	12 Weeks Ended	
($ millions)	**Mar. 26, 2011**	Mar. 27, 2010
Stock option plans / share appreciation right plan (income) expense[(1)]	**$ (2)**	$ 12
Restricted share unit plan (income) expense[(1)]	**(8)**	2
Equity derivative contracts expense (income)	**19**	(12)
Net share-based compensation expense	**$ 9**	$ 2

(1) In connection with the $1.0 billion special one-time common share dividend paid on January 25, 2011, employees who held stock options and RSUs were compensated for the decreased value of their awards resulting from the payment of the dividend. The related expense was included in the income recorded in the first quarter of 2011.

Stock Option Plan Commencing February 22, 2011, GWL and Loblaw amended their stock option plans whereby the right to receive a cash payment in lieu of exercising an option for shares was removed. As a result, $51 million previously recorded in trade and other payables and other liabilities was reclassified to contributed surplus. The following is a summary of GWL's stock option and share appreciation right plan activity and Loblaw's stock option plan activity:

	GWL		Loblaw	
	12 Weeks Ended		12 Weeks Ended	
Number of Options/Rights	**Mar. 26, 2011**	Mar. 27, 2010	**Mar. 26, 2011**	Mar. 27, 2010
Outstanding options/rights, beginning of period	**1,533,443**	1,761,345	**9,320,865**	9,207,816
Granted	**237,594**	168,851	**3,095,267**	2,478,570
Exercised	**(3,471)**	(9,718)	**(75,009)**	(299,780)
Forfeited	**(24,767)**	(24,422)	**(256,361)**	(853,171)
Expired		(308,611)		(698,172)
Outstanding options/rights, end of period	**1,742,799**	1,587,445	**12,084,762**	9,835,263
Share appreciation value paid ($ millions)	**$**	$	**$**	$ 2

During the first quarter of 2011, GWL and Loblaw granted stock options with exercise prices of $68.41 (2010 – $69.51) and $39.27 (2010 – $36.35) per common share, respectively and a fair value of $3 million (2010 – $3 million) and $25 million (2010 – $19 million), respectively. In addition, during the first quarter of 2011, GWL issued 3,471 common shares on the exercise of stock options and received a nominal amount of cash consideration. Loblaw issued 75,009 common shares and received cash consideration of $3 million.

The share appreciation value paid by GWL in the first quarter of 2011 was nil (2010 – nominal). The share appreciation value paid by Loblaw in the first quarter of 2011 was nil.

The assumptions used to measure the fair value of the GWL options granted during the quarter under the Black-Scholes model at the grant date are as follows:

	Mar. 26, 2011
Expected dividend yield(1)	**2.1%**
Expected share price volatility(2)	**24.4% - 25.9%**
Risk-free interest rate(3)	**2.6% - 2.8%**
Expected life of options(4)	**4.8 - 6.6 years**

For the GWL options outstanding at the end of the period, the assumptions used to measure the fair value of options under the Black-Scholes model at the balance sheet dates as indicated were as follows:

		As at	
	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Expected dividend yield(1)	2.0%	1.7%	2.0%
Expected share price volatility(2)	23.5% - 30.9%	19.3% - 28.2%	23.4% - 31.7%
Risk-free interest rate(3)	0.8% - 3.0%	1.2% - 2.6%	0.7% - 3.0%
Expected life of options(4)	1.0 - 6.6 years	0.5 - 6.4 years	1.0 - 6.6 years
Weighted average exercise price	$ 75.21	$ 75.71	$ 79.07

(1) The expected dividend yield is estimated based on the annual dividend prior to the balance sheet date and the closing share price as at the balance sheet date.
(2) The expected share price volatility is estimated based on GWL's historical volatility over a period consistent with the expected life of the options.
(3) The risk-free interest rate is estimated based on the Government of Canada bond yield in effect at the reporting date for a term to maturity equal to the expected life of the options.
(4) The effect of expected exercise of options prior to expiry is incorporated into the weighted average expected life of the options, which is based on historical experience and general option holder behavior.

Estimated forfeiture rates are incorporated into the measurement of fair value. The forfeiture rate applied as at March 26, 2011 was 4.3% (March 27, 2010 – 4.0%; December 31, 2010 – 4.3%; January 1, 2010 – 4.0%).

The assumptions used to measure the fair value of the Loblaw options granted during the quarter under the Black-Scholes model at the grant date are as follows:

	Mar. 26, 2011
Expected dividend yield(1)	**2.1%**
Expected share price volatility(2)	**22.2% - 24.5%**
Risk-free interest rate(3)	**2.6% - 2.9%**
Expected life of options(4)	**4.4 - 6.4 years**

For the Loblaw options outstanding at the end of the period, the assumptions used to measure the fair value of options under the Black-Scholes model at the balance sheet dates as indicated were as follows:

		As at	
	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Expected dividend yield(1)	2.2%	2.1%	2.3%
Expected share price volatility(2)	16.7% - 29.2%	16.0% - 27.0%	21.9% - 30.5%
Risk-free interest rate(3)	0.4% - 3.0%	0.7% - 2.6%	0.5% - 3.0%
Expected life of options(4)	0.5 - 6.4 years	0.2 - 6.4 years	0.6 - 6.4 years
Weighted average exercise price	$ 38.28	$ 38.56	$ 40.14

(1) The expected dividend yield is estimated based on the annual dividend prior to the balance sheet date and the closing share price as at the balance sheet date.
(2) The expected share price volatility is estimated based on Loblaw's historical volatility over a period consistent with the expected life of the options.
(3) The risk-free interest rate is estimated based on the Government of Canada bond yield in effect at the reporting date for a term to maturity equal to the expected life of the options.
(4) The effect of expected exercise of options prior to expiry is incorporated into the weighted average expected life of the options, which is based on historical experience and general option holder behavior.

Estimated forfeiture rates are incorporated into the measurement of fair value. The forfeiture rate applied as at March 26, 2011 was 16.2% (March 27, 2010 – 14.6%; December 31, 2010 – 16.2%; January 1, 2010 – 14.6%).

			As at	
($ millions)	Mar. 26, 2011	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Carrying amount of stock options recorded in:				
Trade and other payables		$ 30	$ 40	$ 21
Other liabilities		11	22	9
Contributed surplus	$ 52			
	$ 52	$ 41	$ 62	$ 30

Restricted Share Unit ("RSU") Plan The following is a summary of GWL's and Loblaw's RSU plan activity:

	GWL		Loblaw	
	12 Weeks Ended		12 Weeks Ended	
Number of Awards	**Mar. 26, 2011**	Mar. 27, 2010	**Mar. 26, 2011**	Mar. 27, 2010
RSUs, beginning of period	**163,370**	152,555	**1,045,346**	973,351
Granted	**66,532**	47,478	**347,754**	371,256
Settled	**(3,775)**	(33,510)	**(268,331)**	(163,692)
Forfeited	**(2,367)**	(228)	**(20,461)**	(83,005)
RSUs, end of period	**223,760**	166,295	**1,104,308**	1,097,910
RSUs settled ($ millions)	**$**	$ 2	**$ 10**	$ 6

The share appreciation value paid by GWL in the first quarter of 2011 was nominal.

	As at			
($ millions)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Carrying amount of RSU liability recorded in:				
Trade and other payables	**$ 16**	$ 8	$ 15	$ 9
Other liabilities	**5**	8	15	11
	$ 21	$ 16	$ 30	$ 20
Intrinsic value of vested RSUs	**$ 22**	$ 19	$ 32	$ 22

Equity Derivative Contracts

The following is a summary of Glenhuron's equity forward contracts:

	As at			
($ millions unless otherwise indicated)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Outstanding contracts (in millions)	**1.5**	1.5	1.5	1.5
Average forward price per share ($)	**$ 56.37**	$ 66.58	$ 56.26	$ 66.25
Interest expense per share ($)	**$ 0.15**	$ 10.36	$ 0.04	$ 10.03
Interest and unrealized market loss recorded in trade and other payables	**$ 27**	$ 42	$ 24	$ 48

The following is a summary of GWL's equity swaps:

	As at			
($ millions unless otherwise indicated)	**Mar. 26, 2011**	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Outstanding contracts (in millions)	**1.7**	1.7	1.7	1.7
Average forward price per share ($)	**$ 95.42**	$ 103.17	$ 103.17	$ 103.17
Unrealized market loss recorded in trade and other payables	**$ 49**	$ 55	$ 32	$ 61

During the first quarter of 2011, GWL amended the swap agreements to adjust the forward price of its equity swaps by $7.75 to an average forward price of $95.42 as a result of the special one-time common share dividend of $7.75 per common share declared in the fourth quarter of 2010 and paid in the first quarter of 2011.

Note 14. Contingent Liabilities

The Company is involved in, and potentially subject to, various claims by third parties arising out of the normal course and conduct of its business including product liability, labour and employment, regulatory and environmental claims. In addition, the Company is involved in, and potentially subject to, regular audits from federal, provincial and state tax authorities relating to income, capital and commodity taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to the unaudited interim period condensed consolidated financial statements.

Legal Proceedings The Company is the subject of various legal proceedings and claims that arise in the ordinary course of business. The outcome of all of these proceedings and claims is uncertain. However, based on information currently available, these proceedings and claims, individually and in the aggregate, are not expected to have a material impact on the Company.

Income Taxes As previously noted, GWL has received a reassessment from the Canada Revenue Agency ("CRA") challenging GWL's characterization of a gain reported in a previous tax return filing. Should the CRA be successful in its assertion, the maximum exposure to the Company's net earnings would be approximately $62 million. GWL is vigorously defending its filing position. No amount has been provided for in the Company's financial statements.

Other Taxes Subsequent to the end of the first quarter, Loblaw received a proposed reassessment from the Quebec Revenue Agency with regard to Loblaw's entitlement to certain previously claimed commodity tax credits. At this early stage, it is not possible to quantify the potential liability in connection with this proposed reassessment. However, a final determination of this matter could result in a material charge for the Company in future periods. Loblaw intends to vigorously dispute any reassessment, should it materialize.

Note 15. Segment Information

The Company has two reportable operating segments: Weston Foods and Loblaw. The accounting policies of the reportable operating segments are the same as those described in the Company's summary of significant accounting policies (see note 2). The Company measures each reportable operating segment's performance based on operating income. Neither reportable operating segment is reliant on any single external customer.

($ millions)	12 Weeks Ended Mar. 26, 2011	Mar. 27, 2010
Revenue		
Weston Foods	**$ 410**	$ 385
Loblaw	**6,872**	6,913
Intersegment	**(134)**	(134)
Consolidated	**$ 7,148**	$ 7,164
Operating Income		
Weston Foods	**$ 19**	$ 42
Loblaw	**301**	287
Other(1)	**(17)**	(29)
Consolidated	**$ 303**	$ 300

($ millions)	As at Mar. 26, 2011	Mar. 27, 2010	Dec. 31, 2010	Jan. 1, 2010
Total Assets				
Weston Foods	**$ 1,808**	$ 1,513	$ 1,800	$ 1,622
Loblaw	**16,195**	15,907	17,001	16,250
Other(2)	**1,814**	3,272	2,895	3,318
Consolidated	**$ 19,817**	$ 20,692	$ 21,696	$ 21,190

(1) Operating income in the first quarter of 2011 includes a loss of $17 million (2010 – $29 million) related to the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and short term investments held by Dunedin and certain of its affiliates, which are foreign operations that have the same functional currency as that of the Company. The foreign currency translation losses were recorded in selling, general and administrative expenses.

(2) Other includes cash and cash equivalents and short term investments held by Dunedin and certain of its affiliates.

Note 16. Transition to International Financial Reporting Standards

The Company's audited annual consolidated financial statements for the year ended December 31, 2011 will be the first audited annual consolidated financial statements that will be prepared in accordance with the requirements of IFRS including the application of IFRS 1.

The significant accounting policies described in note 2 have been applied in preparing the unaudited interim period condensed consolidated financial statements for the period ended March 26, 2011, the comparative information for the period ended March 27, 2010, the financial statements for the year ended December 31, 2010 and the preparation of the opening IFRS balance sheet at January 1, 2010.

In preparing the opening IFRS balance sheet at January 1, 2010, comparative information for the period ended March 27, 2010 and financial statements for the year ended December 31, 2010, the Company adjusted amounts related to prior period balances. The Company determined that these amounts were not material to its consolidated financial statements for any prior interim or annual periods.

An explanation of how the transition from CGAAP to IFRS has affected the Company's financial position and financial performance and cash flows is set out in the following reconciliations and the explanatory notes that accompany the reconciliations. Reconciliations of the consolidated balance sheets, consolidated statements of earnings and consolidated statements of comprehensive income for the respective periods noted begin on page 68. Changes to cash flows were not material as a result of the conversion to IFRS.

IFRS 1 requires an entity to reconcile equity, net earnings and comprehensive income from CGAAP to IFRS for prior periods. The following represents the reconciliations for the respective periods noted for equity, net earnings and comprehensive income.

Reconciliation of Equity

	Explanatory		As at	
($ millions)	Notes	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Total Shareholders' Equity – CGAAP		$ 6,942	$ 6,913	$ 6,132
Differences (decreasing) increasing reported shareholders' equity				
Share-based payments	b	(10)	(8)	(3)
Business combinations	c			(1)
Property, plant and equipment	d	(71)	(71)	(85)
Leases	e	(19)	(22)	(24)
Employee benefits	f	(389)	(417)	(456)
Borrowing costs	h	(199)	(203)	(216)
Consolidations	i	(79)	(79)	(80)
Impairment of assets	j	(187)	(186)	(146)
Provisions	k	(16)	(17)	(14)
Financial instruments	l	(331)	(327)	(374)
Customer loyalty programs	m	(14)	(16)	(25)
Subtotal of adjustments		$ (1,315)(1)	$ (1,346)(2)	$ (1,424)(3)
Change in presentation of minority interest	a	2,379	2,403	2,596
Total Equity – IFRS		$ 8,006	$ 7,970	$ 7,304

(1) Includes equity attributable to non-controlling interests of $477 million.
(2) Includes equity attributable to non-controlling interests of $485 million.
(3) Includes equity attributable to non-controlling interests of $516 million.

Reconciliation of Net Earnings

($ millions)	Explanatory Notes	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Net Earnings – CGAAP		$ 42	$ 452
Differences increasing (decreasing) reported net earnings			
Share-based payments	b	2	5
Business combinations	c		(1)
Property, plant and equipment	d		(14)
Leases	e	(3)	(5)
Employee benefits	f	7	29
Borrowing costs	h	(4)	(17)
Consolidations	i		3
Impairment of assets	j	1	41
Provisions	k	(1)	2
Financial instruments	l	(2)	(54)
Customer loyalty programs	m	(2)	(11)
Subtotal of adjustments		$ (2)(1)	$ (22)(2)
Change in presentation of minority interest	a	47	273
Net Earnings – IFRS		$ 87	$ 703

(1) Includes net earnings attributable to non-controlling interests of $3 million.
(2) Includes a net loss attributable to non-controlling interests of $22 million.

Reconciliation of Comprehensive Income

($ millions)	Explanatory Notes	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Comprehensive Income – CGAAP		$ 28	$ 419
Differences (decreasing) increasing reported comprehensive income			
Net earnings		(2)	(22)
Foreign currency translation adjustment		1	1
Unrealized available for sale financial assets	l		(1)
Unrealized cash flow hedges	l	6	12
Net defined benefit plan actuarial losses	f	(35)	(98)
Subtotal of adjustments		$ (30)(1)	$ (108)(2)
Change in presentation of minority interest		45	271
Comprehensive Income – IFRS		$ 43	$ 582

(1) Includes comprehensive loss attributable to non-controlling interests of $7 million.
(2) Includes comprehensive loss attributable to non-controlling interests of $52 million.

IFRS 1 - First-Time Adoption of International Financial Reporting Standards

IFRS 1 requires retroactive application for all IFRS standards effective at the reporting date except for certain mandatory exceptions from retrospective application that are relevant to the Company, or optional exemptions from retrospective application that were elected by the Company. Accordingly, these unaudited interim period condensed consolidated financial statements have been prepared based on the accounting policies described in note 2. The applicable mandatory exceptions and optional exemptions from retrospective application are described in this section, and the impact of these exceptions and exemptions and all other adjustments arising from IFRS policy choices and other requirements are described further in the "Explanatory notes for reconciliations of equity, net earnings, comprehensive income and balance sheet items" section below.

Mandatory Exceptions
IFRS 1 prescribes mandatory exceptions to the retrospective application requirements of IFRS. The following exceptions apply to the Company:

Estimates Estimates made in accordance with IFRS at the date of transition, and in the comparative period of the first audited annual IFRS financial statements, shall remain consistent with those determined under CGAAP with adjustments made only to reflect any differences in accounting policies. Under IFRS 1, the use of hindsight is not permitted to adjust estimates made in the past under CGAAP that were based on the information that was available at the time the estimate was determined. Any additional estimates that are required under IFRS, that were not required under CGAAP, are based on the information and conditions that exist at the date of transition and in the comparative period of the first audited annual IFRS financial statements.

Hedge Accounting The designation of a hedging relationship cannot be made retrospectively. In order for a hedging relationship to qualify for hedge accounting at the date of transition, the relationship must have been fully designated and documented as effective at the transaction date in accordance with CGAAP, and that designation and documentation must be updated in accordance with IAS 39 at the date of transition to IFRS. Except as described in the section below, the Company's hedging relationships were fully documented and designated at the transaction dates under CGAAP and satisfied the hedge accounting criteria under IFRS at the date of transition.

Derecognition of Financial Assets and Financial Liabilities The derecognition requirements under IFRS are applied prospectively for transactions occurring on or after the date of transition. Accordingly, any derecognition of non-derivative financial assets or non-derivative financial liabilities in accordance with CGAAP as a result of transactions occurring prior to the date of transition, are not required to be recognized again on transition to IFRS.

Non-Controlling Interests The requirement of IAS 27 (as revised in 2008), "Consolidated and Separate Financial Statements" ("IAS 27") to account for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions on a prospective basis from the transition date or from the date IFRS 3 (as revised in 2008), "Business Combinations" ("IFRS 3") is first applied to past business combinations, if earlier than the transition date. As a result, previous changes in the Company's ownership interest in Loblaw due to Loblaw share issuances or repurchases, which were previously recorded as step acquisitions or dispositions and a portion of which was recognized in goodwill in accordance with CGAAP, will not be retroactively adjusted upon transition to IFRS.

Optional Exemptions
In addition to the mandatory exceptions listed above, the Company has elected to apply the following optional exemptions under IFRS 1. Where applicable, the quantitative impact of these exemptions is included in the "Explanatory notes for reconciliations of equity, net earnings, comprehensive income and balance sheet items" section below.

IFRS 2, "Share-Based Payment" ("IFRS 2") The Company has elected to not apply the requirements of IFRS 2 retrospectively to liabilities for cash-settled awards that were settled prior to the date of transition, and to equity-settled awards that vested prior to the date of transition.

IFRS 3, "Business Combinations" The Company has elected to not apply the requirements of IFRS 3 retrospectively to business combinations that occurred prior to the transition date. Under the business combinations exemption, the carrying amounts of the assets acquired and liabilities assumed under CGAAP at the date of the acquisition became their deemed carrying amounts under IFRS at that date.

Notwithstanding this exemption, the Company was required at the date of transition, to evaluate whether the assets acquired and liabilities assumed met the recognition criteria in the relevant IFRS, and whether there are any assets acquired or liabilities assumed that were not recognized under CGAAP for which recognition would be required under IFRS. The requirements of IFRS were then applied to the assets acquired and liabilities assumed from the date of acquisition to the date of transition. The Company applied these requirements, which resulted in no change to the carrying value of goodwill generated from business combinations occurring prior to the transition date. In addition, under the business combinations exemption, the Company tested goodwill for impairment at the date of transition and determined that there was no impairment of the carrying value of goodwill at that time.

IAS 19, "Employee Benefits" ("IAS 19") The Company has elected to recognize at the date of transition all cumulative unamortized actuarial gains and losses for all post-employment defined benefit plans which were previously deferred under CGAAP in opening retained earnings.

IAS 21, "The Effects of Changes in Foreign Exchange Rates" ("IAS 21") The Company has elected to not apply the requirements with respect to translations of foreign operations under IAS 21 retrospectively. Accordingly all foreign currency translation differences that arose prior to the adoption of IFRS were deemed to be nil at the date of transition and the cumulative foreign currency translation adjustment in accumulated other comprehensive loss was set to nil, with a corresponding adjustment to opening retained earnings at the date of transition.

IAS 23, "Borrowing Costs" ("IAS 23") The Company has elected to not apply the requirements of IAS 23 retrospectively and will eliminate all previously capitalized interest costs as at the date of transition through opening retained earnings. The Company will capitalize borrowing costs for qualifying assets for which the commencement date for capitalization is on or after the date of transition.

IAS 39, "Financial Instruments: Recognition and Measurement" The Company has elected to designate, at the date of transition, certain short term investments previously designated in a hedging relationship at fair value through profit or loss.

Explanatory notes for reconciliations of equity, net earnings, comprehensive income and balance sheet items

a. Changes in Presentation

Non-Controlling Interests Under CGAAP, equity and earnings not attributable to the shareholders of the Company were considered to be "minority interest" such that effectively, equity and net earnings are only those attributable to the shareholders of the Company. Under IFRS, the term "minority interest" has been replaced by "non-controlling interests", and non-controlling interests are required to be presented as a component of equity. Net earnings attributable to the non-controlling interests are presented in the consolidated statement of earnings as an allocation of net earnings. As a result, the CGAAP balances of $2,379 million, $2,403 million and $2,596 million were reclassified from minority interest to non-controlling interests on the consolidated balance sheets as at January 1, 2010, March 27, 2010 and December 31, 2010, respectively, the CGAAP balances of $47 million and $273 million were reclassified on the consolidated statements of earnings and the CGAAP balances of $45 million and $271 million were reclassified on the consolidated statements of comprehensive income for the periods ended March 27, 2010 and December 31, 2010, respectively from minority interest to be presented as an allocation of net earnings.

Investment Properties Under IFRS, properties held to earn rental income or for capital appreciation, or both, are presented separately from fixed assets as investment property. Accordingly, properties that met the definition of investment property amounting to $75 million, $74 million and $74 million, net of impairment, as at January 1, 2010, March 27, 2010 and December 31, 2010, respectively, were reclassified from fixed assets to investment properties on the consolidated balance sheet.

Income Taxes IFRS requires deferred income tax assets and liabilities to be presented on the balance sheet as non-current assets and liabilities. As a result, current future income tax assets of $87 million, $91 million and $61 million were reclassified to non-current deferred income tax assets as at January 1, 2010, March 27, 2010 and December 31, 2010, respectively. As part of the adoption of IFRS, the term "future income taxes" has been replaced by the term "deferred income taxes".

Provisions Under IFRS, current and long term provisions are accounted for and disclosed separately from trade and other payables and other liabilities. Provisions were reclassified from accounts payable and accrued liabilities and other liabilities to current provisions of $93 million, $98 million and $93 million and long term provisions of $89 million, $85 million and $74 million as at January 1, 2010, March 27, 2010 and December 31, 2010, respectively.

Consolidated Cash Flow Statement The Company has chosen to separately present interest, income taxes and dividends received and paid on the cash flow statement.

b. IFRS 2, "Share-Based Payment"

Cash-Settled Share-Based Payments Prior to February 22, 2011, the Company maintained various cash-settled share-based payment arrangements. Under both IFRS and CGAAP, liabilities for cash-settled share-based payment awards are measured at the grant date and are remeasured at each reporting date until the settlement date. However, the Company measured the liability for cash-settled awards at intrinsic value under CGAAP, whereas IFRS requires the liability to be measured at fair value. Under IFRS, the related liability is adjusted to reflect the fair value of the outstanding cash-settled share-based payments.

Awards Subject to Graded Vesting and Forfeitures Under IFRS, for share-based payment awards with graded vesting, each tranche of the award is valued separately. Under CGAAP, the value of these awards was determined for each grant as a whole. Additionally, under IFRS, an estimate of the impact of forfeitures is calculated at the grant date and is revised if subsequent information indicates that it is appropriate to do so. Under CGAAP, the Company followed a policy recognizing forfeitures as they occurred.

As a result of the changes described above, the Company's liabilities as at March 27, 2010, December 31, 2010 and January 1, 2010 and net earnings for the period ended March 27, 2010 and for the year ended December 31, 2010 were higher under IFRS compared to CGAAP.

The cumulative impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease)	12 Weeks Ended	Year Ended
($ millions)	Mar. 27, 2010	Dec. 31, 2010
Operating income	$ 2	$ 10
Income taxes		$ 5
Net earnings	$ 2	$ 5

Consolidated Balance Sheets

Increase (Decrease)		As at	
($ millions)	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Deferred income tax assets	$ 5	$ 5	
Trade and other payables	$ 18	$ 30	$ 32
Other liabilities	$ (3)	$ (17)	$ (29)
Contributed surplus			$ 2
Retained earnings	$ (8)	$ (7)	$ (4)
Non-controlling interests	$ (2)	$ (1)	$ (1)

c. IFRS 3, "Business Combinations"

For business combinations that occurred subsequent to the transition to IFRS, transaction costs are included in the statement of earnings. Under CGAAP, these costs were included in the purchase price equation.

The impact arising from the change described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income		$ (2)
Income taxes		$ (1)
Net earnings		$ (1)

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	Jan. 1, 2010	As at Mar. 27, 2010	Dec. 31, 2010
Goodwill and intangible assets			$ (2)
Deferred income tax assets			$ 1
Retained earnings			$ (1)

d. IAS 16, "Property, Plant and Equipment"

Component Accounting and Derecognition of Replaced Parts Under IFRS, when a fixed asset comprises of individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting). In addition, under IFRS, when an individual part of a fixed asset is replaced, the carrying amount of the replacement part is capitalized, and the carrying amount of the replaced part is derecognized. Under CGAAP, the Company did not apply component accounting to the degree required by IFRS, and the Company did not derecognize the carrying value of replaced parts.

Depreciation of Site Dismantling and Restoration Costs Under IFRS, when the cost of land includes costs for site dismantling and restoration, this portion of the land is depreciated over the period of time in which the benefits will be obtained. Under CGAAP, such costs were not depreciated.

The cumulative impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income		$ (18)
Income taxes		$ (4)
Net earnings		$ (14)

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	Jan. 1, 2010	As at Mar. 27, 2010	Dec. 31, 2010
Fixed assets	$ (82)	$ (82)	$ (100)
Deferred income tax assets	$ 8	$ 8	$ 12
Deferred income tax liabilities	$ (3)	$ (3)	$ (3)
Retained earnings	$ (49)	$ (49)	$ (58)
Non-controlling interests	$ (22)	$ (22)	$ (27)

e. IAS 17, "Leases" ("IAS 17")

The principles in IAS 17 underlying the classification and recognition of leases as finance leases (referred to as capital leases under CGAAP) or operating leases are consistent with CGAAP although there are certain differences in the application of the requirements. IFRS provides additional indicators of a finance lease that were not provided under CGAAP.

Land and Building Leases Both CGAAP and IFRS consider the leasehold interests in land and building separately for the purpose of classification of leases; however IFRS requires the allocation of minimum lease payments between the land and building elements of a lease to be in proportion to the relative fair values of the leasehold interests in the land and building. Under CGAAP, the allocation is based on the fair value of the land and building.

Sale and Leaseback Transactions In addition, IFRS permits the immediate recognition of gains and losses on sale leaseback transactions which result in an operating lease, provided the transaction is established at fair value. Under CGAAP, gains and losses are deferred and amortized in proportion to the lease payments over the lease term, unless the asset sold in the sale leaseback transaction is impaired, in which case the loss is recognized immediately.

In addition to the above, upon implementation the Company recorded additional total assets and liabilities of $50 million and $61 million, respectively, with a corresponding impact to opening retained earnings of $7 million and non-controlling interests of $4 million related to immaterial unrecorded capital leases from prior periods. The Company has determined that these amounts were not material to its consolidated financial statements for any prior interim or annual periods.

The cumulative impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ (1)	$ 8
Net interest expense and other financing charges	$ 3	$ 14
Income taxes	$ (1)	$ (1)
Net earnings	$ (3)	$ (5)

Consolidated Balance Sheets

Increase (Decrease)		As at	
($ millions)	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Fixed assets	$ 109	$ 101	$ 139
Deferred income tax assets	$ 3	$ 4	$ 4
Trade and other payables	$ (1)		$ (1)
Long term debt due within one year	$ 5	$ 5	$ 8
Long term debt	$ 143	$ 138	$ 175
Deferred income tax liabilities	$ (3)	$ (3)	$ (3)
Other liabilities	$ (13)	$ (13)	$ (12)
Retained earnings	$ (9)	$ (11)	$ (12)
Non-controlling interests	$ (10)	$ (11)	$ (12)

f. IAS 19, "Employee Benefits"

Actuarial Gains and Losses for Defined Benefit Plans Under IFRS, the Company recognizes actuarial gains and losses for defined benefit post-employment benefit plans in other comprehensive loss in the period in which they arise, and the recognized actuarial gains and losses are presented in retained earnings. In addition, the Company recognizes actuarial gains and losses for other long term employee benefits immediately in net earnings. Under CGAAP, actuarial gains and losses for post-employment defined benefit plans were deferred and were subject to amortization under the 'corridor method', and actuarial gains and losses for other long term employee benefits were deferred and were amortized over a period that was linked to the type of benefit, which generally was three years.

As a result of retrospective application of these accounting policies at the date of transition, all previously unrecognized actuarial gains and losses under CGAAP were recognized by decreasing opening retained earnings.

For post-employment defined benefit plans, the unrecognized actuarial gains and losses exceeding the corridor method that were recognized in net earnings under CGAAP were reversed, and all actuarial gains and losses arising in the period were recognized in other comprehensive loss.

For other long term employee benefits, the actuarial gains and losses arising in the period that were deferred under CGAAP were recognized in net earnings.

In addition, upon implementation the Company recorded additional total assets and liabilities of $14 million and $56 million, respectively, with a corresponding impact to opening retained earnings of $28 million and non-controlling interests of $14 million related to immaterial adjustments of prior period balances.

Past Service Cost for Defined Benefit Plans Under IFRS, past service costs arising from benefit improvements are recognized on a straight-line basis over the vesting period until the benefits become vested, or, if the benefits vest immediately, the expense is recognized immediately in net earnings. Under CGAAP, the Company amortized past service costs on a straight-line basis over the expected average remaining service period of active employees under the plan, which is a longer period than the vesting period.

For unrecognized past service costs at the date of transition that related to vested benefits, the unrecognized amount was recognized as an adjustment to decrease opening retained earnings. In addition, the amortization of past service costs for benefits that were vested at the date of transition was reversed under IFRS.

For unrecognized past service costs at the date of transition that related to unvested benefits, an adjustment was recorded to decrease the unrecognized amount that would have existed had the IFRS policy always been applied. In addition, the amortization of past service costs in net earnings was increased to reflect the amortization of the unrecognized amount over the shorter vesting period.

Measurement Date Under CGAAP, the Company's policy was to measure its defined benefit obligations and related plan assets at September 30 of each year. IFRS requires that the defined benefit obligation and the fair value of plan assets be determined with sufficient regularity, such that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date. As a result, the Company measured its defined benefit obligations and plan assets at the date of transition and at the end of the comparative annual period.

Attribution of Post-Employment Health and Dental Benefits The Company offers post-employment medical benefits, including health and dental benefits, for which employees are required to meet certain eligibility requirements, such as a specified number of consecutive years of service and or continuing to work until a specified age. Under CGAAP, the Company recognized an obligation and expense from the date of hire, and the obligation and expense were recognized on a straight-line basis until the eligibility criteria were met.

Under IFRS, the Company begins recognizing an obligation and expense when service first leads to benefits under the plan, and the obligation and expense and recognized on a straight-line basis until the eligibility criteria are met. The date when service first leads to benefits may be later than the date of hire, resulting in attribution of the obligation at a later date under IFRS and recognition of the obligation and expense over a shorter period. The defined benefit obligation as at January 1, 2010 reflects this change with the resulting decrease in the defined benefit obligation recognized in opening retained earnings.

Asset Ceiling and Recognition of Additional Minimum Liability The Company has certain funded post-employment defined benefit plans for which the fair value of plan assets exceeds the defined benefit obligation. Under both CGAAP and IFRS, recognition of the net defined benefit asset is limited to the present value of the future economic benefits that the Company expects to realize from refunds from the plan or reductions in future contributions (the "asset ceiling").

The methodology for calculating the asset ceiling differs under IFRS and in general, the asset ceiling is lower under IFRS than under CGAAP. In addition, the Company recognizes changes in the asset ceiling under IFRS in other comprehensive loss, whereas under CGAAP, changes in the asset ceiling were recognized in net earnings.

Under IFRS, when the Company has an obligation to make future contributions into plans in respect of services already received, a liability is recognized to the extent that the contributions will increase an existing net defined benefit surplus or will result in a net defined benefit surplus in the future, and the benefit of the surplus or expected future surplus will not be fully available as a refund from the plan or a reduction in future contributions. The Company recognizes changes in the additional minimum liability under IFRS in other comprehensive loss. No such liability was recognized under CGAAP.

As a result of the above requirements, at January 1, 2010, the Company recognized a valuation allowance and an additional minimum liability, with the corresponding adjustments recognized in opening retained earnings.

For the year ended December 31, 2010, under IFRS the Company recognized an increase in the valuation allowance which was recognized in other comprehensive loss. The Company reversed the change in the valuation allowance that was recognized in net earnings under CGAAP, resulting in an increase in net earnings of that amount. In addition, at December 31, 2010, the Company recognized an increase in the additional minimum liability, and the change in the liability was recognized in other comprehensive loss.

The impacts arising from the changes described above are summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ 13	$ 55
Net interest expense and other financing charges	$ 4	$ 16
Income taxes	$ 2	$ 10
Net earnings	$ 7	$ 29

Consolidated Statements of Comprehensive Income

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Other comprehensive loss, net of income taxes	$ (35)	$ (98)

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	As at Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Deferred income tax assets	$ 128	$ 138	$ 149
Other assets	$ (367)	$ (374)	$ (422)
Deferred income tax liabilities	$ (14)	$ (15)	$ (17)
Other liabilities	$ 164	$ 196	$ 200
Retained earnings	$ (275)	$ (294)	$ (319)
Accumulated other comprehensive loss		$ 1	$ 1
Non-controlling interests	$ (114)	$ (124)	$ (138)

g. IAS 21, "The Effects of Changes in Foreign Exchange Rates"

As noted in the "First Time Adoption of IFRS" section above, the Company has elected to not apply the requirements with respect to foreign exchange under IAS 21 retrospectively. Accordingly, all foreign currency translation differences that arose prior to the date of transition were deemed to be nil at the date of transition and the cumulative foreign currency translation adjustment in accumulated other comprehensive loss was set to nil, with a corresponding adjustment to opening retained earnings at the date of transition. There was no impact on total equity as a result of this election.

The impact arising from the change described above is summarized as follows:

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	As at Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Retained earnings	$ (103)	$ (103)	$ (103)
Accumulated other comprehensive loss	$ 103	$ 103	$ 103

h. IAS 23, "Borrowing Costs"

The Company capitalized interest as part of the cost of qualifying assets under CGAAP; however, the capitalization methodology under CGAAP was not the same as that under IFRS.

As indicated in the "First-Time Adoption of IFRS" section above, the Company has elected to apply the requirements of IAS 23 prospectively from the date of transition. As a result, the Company derecognized the carrying amount of capitalized interest under CGAAP for qualifying assets to which IAS 23 has not been applied retrospectively. As such, the Company capitalizes borrowing costs for qualifying assets for which the commencement date for capitalization is on or after the transition date.

The impact arising from the change described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income		$ 1
Net interest expense and other financing charges	$ 5	$ 21
Income taxes	$ (1)	$ (3)
Net earnings	$ (4)	$ (17)

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	As at Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Fixed assets	$ (239)	$ (244)	$ (259)
Deferred income tax assets	$ 19	$ 20	$ 22
Deferred income tax liabilities	$ (21)	$ (21)	$ (21)
Retained earnings	$ (125)	$ (128)	$ (136)
Non-controlling interests	$ (74)	$ (75)	$ (80)

i. IAS 27, "Consolidated and Separate Financial Statements" and Standing Interpretations Committee 12, "Consolidation – Special Purpose Entities"

Consolidation and Deconsolidation Under IAS 27 and SIC-12, consolidation is assessed based on the control model, and IFRS does not include the concept of a variable interest entity. Accordingly, Loblaw is no longer required to consolidate certain independent franchisees and other entities subject to warehouse and distribution service agreements that were previously consolidated under CGAAP pursuant to the requirements of Accounting Guideline 15, "Consolidation of Variable Interest Entities". The independent funding trust through which Loblaw franchisees obtain financing and Eagle, the independent credit card trust that finances certain PC Bank credit card receivables, are subject to consolidation under IFRS based on the indicators of control in SIC-12. As a result, Loblaw was required to remeasure the initial consideration received from each independent franchisee in the form of a loan receivable, to exclude the benefit of the credit enhancement provided to the independent funding trust by Loblaw. The consolidation of Eagle had the effect of decreasing net earnings for the period ended March 27, 2010 and for the year ended December 31, 2010. In addition, upon implementation Loblaw recorded additional total assets and liabilities of $39 million and $117 million, respectively, with a corresponding impact to opening retained earnings of $49 million and non-controlling interests of $29 million related to immaterial adjustments of prior period balances. The Company has determined that these amounts were not material to its consolidated financial statements for any prior interim or annual periods.

The impact arising from the change described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ 12	$ 45
Net interest expense and other financing charges	$ 12	$ 47
Income taxes		$ (5)
Net earnings		$ 3

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	As at Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Cash and cash equivalents	$ (45)	$ (32)	$ (75)
Short term investments	$ 49	$ 34	$ 19
Accounts receivable	$ 91	$ 89	$ 118
Credit card receivables	$ 500	$ 500	$ 1,100
Inventories	$ (130)	$ (150)	$ (158)
Prepaid expenses and other assets	$ 9	$ 2	$ 2
Fixed assets	$ (162)	$ (168)	$ (196)
Goodwill and intangible assets	$ (3)	$ (3)	$ (15)
Deferred income tax assets	$ 43	$ 42	$ 39
Franchise loans receivable	$ 386	$ 389	$ 399
Other assets	$ 39	$ 26	$ 94
Bank indebtedness	$ 8	$ 8	$ 7
Trade and other payables	$ 126	$ 102	$ 114
Provisions	$ 2	$ 2	$ 1
Income taxes payable	$ 1	$ 1	$ (6)
Long term debt due within one year	$ (36)	$ 459	$ 461
Long term debt	$ 736	$ 220	$ 810
Deferred income tax liabilities	$ 9	$ 8	$ 17
Other liabilities	$ 10	$ 8	$ 3
Minority interest	$ (31)	$ (27)	$ (41)
Contributed surplus			$ (16)
Retained earnings	$ (30)	$ (33)	$ (16)
Non-controlling interests	$ (18)	$ (19)	$ (7)

j. IAS 36, "Impairment of Assets"

IFRS requires that assets be tested for impairment at the level of a cash generating unit ("CGU"), which is defined as the smallest group of assets that generate independent cash inflows. Weston Foods' manufacturing assets are grouped together at the level of production categories which are capable of servicing their customers independently of other production categories. Loblaw's definite life non-financial assets impairment under IFRS is performed on a store-by-store basis. Under CGAAP, definite life assets were grouped together in asset groups defined as the lowest level of assets and liabilities for which identifiable cash flows were largely independent of the cash flows of other assets and liabilities. As a result, under this test when Loblaw stores were largely dependent on each other, the stores were grouped together by primary market areas.

As at the transition date, the Company reviewed its tangible and intangible assets with definite useful lives to determine whether there were indicators that these assets or CGUs were impaired or whether there were indications necessitating a reversal of impairments previously recorded. An impairment review under the IFRS methodology was also performed for the period ended March 27, 2010 and for the year ended December 31, 2010.

The methodology under IFRS to establish whether an impairment loss should be recognized is based on whether the recoverable amount of the individual asset or CGU is less than the carrying amount. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. Under IFRS, value in use is based on discounted cash flows. Under CGAAP, impairment was evaluated using a two-step process whereby the recoverable amount was first assessed on an undiscounted basis. If the recoverable amount was less than its carrying value, then the impairment loss was measured and recognized based on the fair value of the asset or asset group.

The methodology under IFRS to establish whether an impairment loss should be recognized on goodwill and indefinite life intangible assets is described in note 2. The application of IFRS on the date of transition did not have an impact on the CGAAP carrying amount of the Company's goodwill and indefinite life intangible assets.

In addition, IFRS permits the reversal of an impairment loss recognized in prior periods for assets other than goodwill. CGAAP did not permit these reversals.

The impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ 2	$ 54
Income taxes	$ 1	$ 13
Net earnings	$ 1	$ 41

Consolidated Balance Sheets

Increase (Decrease)	As at		
($ millions)	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Assets held for sale			$ (2)
Fixed assets	$ (240)	$ (238)	$ (184)
Investment properties	$ (15)	$ (15)	$ (15)
Deferred income tax assets	$ 39	$ 38	$ 31
Deferred income tax liabilities	$ (29)	$ (29)	$ (24)
Retained earnings	$ (117)	$ (116)	$ (91)
Non-controlling interests	$ (70)	$ (70)	$ (55)

k. IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" ("IAS 37")

Change in Measurement Basis The guidance related to the recognition of provisions under IAS 37 contains certain differences in terminology, recognition requirements and basis of measurement. Accordingly, due to changes in the discount rate as required under IFRS, an adjustment related to the measurement of decommissioning liabilities, referred to as asset retirement obligations under CGAAP, was recognized on transition.

Onerous Contracts IFRS also has requirements with respect to the recognition of provisions for onerous contracts which are not specifically addressed in CGAAP, except for certain onerous arrangements arising from a business combination. Consistent with CGAAP, future operating losses are not recognized as a liability since they do not result from a past transaction; however, a provision for an onerous contract is recognized under IFRS if the unavoidable costs under the contract exceed the benefits the Company will derive from it.

Accordingly, an additional provision for onerous lease contracts was recorded for certain leased properties at January 1, 2010. This change had the effect of increasing net earnings for the period ended March 27, 2010 and for the year ended December 31, 2010, as any expenses related to these properties that were recognized under CGAAP were offset against the provision that was recognized on transition to IFRS.

The cumulative impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ (2)	$ 3
Income taxes	$ (1)	$ 1
Net earnings	$ (1)	$ 2

Consolidated Balance Sheets

Increase (Decrease) ($ millions)	As at Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Fixed assets	$ 1	$ 1	$ 1
Deferred income tax assets	$ 2	$ 3	$ 2
Provisions	$ 22	$ 24	$ 19
Deferred income tax liabilities	$ (3)	$ (3)	$ (2)
Retained earnings	$ (9)	$ (10)	$ (8)
Non-controlling interests	$ (7)	$ (7)	$ (6)

l. IAS 39, "Financial Instruments: Recognition and Measurement" and IAS 18, "Revenue" *("IAS 18")*

Franchise Relationships As a result of Loblaw no longer consolidating certain independent franchisees, Loblaw was required to evaluate the sale of each franchise arrangement under IAS 18 at its inception. Based on the guidance in IAS 18, Loblaw concluded that each franchise arrangement contains separately identifiable components which were required to be measured at fair value. The impact of this requirement was that the fair value of certain consideration was less than the amounts recorded at inception.

Loblaw recognized and evaluated these additional financial assets and financial liabilities in accordance with IAS 39, which requires application retrospectively to the inception of each arrangement. Loblaw's evaluation identified events that provide objective evidence that the cash flows associated with certain of these financial assets are such that the fair value was impaired. As a result, upon implementation of IFRS, the Company recorded a decrease in certain financial assets and a corresponding decrease to total equity.

Hedging Relationships Historically, the Company has entered into cross currency and interest rate swaps, which were designated to be in a cash flow hedging relationship under CGAAP. The method of assessing hedge effectiveness used under CGAAP did not qualify these instruments for hedge accounting under IFRS and accordingly the Company elected to discontinue hedge accounting at the date of transition. This resulted in a transitional reclassification from accumulated other comprehensive loss to retained earnings. Subsequent changes in fair value will be recorded in the consolidated statement of earnings. The discontinuance of the hedging relationship had the effect of decreasing net earnings for the period ended March 27, 2010 and for the year ended December 31, 2010.

Derecognition of Credit Card Receivables IFRS contains different criteria than CGAAP for derecognition of financial assets and requires an evaluation of the extent to which an entity retains the risks and rewards of ownership as well as control over the transferred assets. Under CGAAP, the sale of credit card receivables to certain independent credit card trusts administered by major Canadian banks qualified for sale treatment pursuant to the criteria defined in Accounting Guideline 12, "Transfers of Receivables". Given the revolving nature of these assets and the fact that substantially all the risks and rewards of ownership as defined in IAS 39 are retained by Loblaw, these financial assets do not qualify for derecognition under IFRS and therefore are recognized on the consolidated balance sheets.

The cumulative impact arising from the changes described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Operating income	$ 3	$ (56)
Net interest expense and other financing charges	$ (4)	$ (15)
Income taxes	$ 9	$ 13
Net earnings	$ (2)	$ (54)

Consolidated Statements of Comprehensive Income

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Other comprehensive loss, net of income taxes	$ 6	$ 11

Consolidated Balance Sheets

Increase (Decrease)		As at	
($ millions)	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Accounts receivable	$ (94)	$ (89)	$ (96)
Credit card receivables	$ 1,192	$ 1,108	$ 517
Prepaid expenses and other assets			$ 1
Deferred income tax assets	$ 54	$ 48	$ 43
Franchise loans receivable	$ (42)	$ (49)	$ (85)
Other assets	$ (151)	$ (154)	$ (154)
Trade and other payables	$ (9)	$ (18)	$ (5)
Income taxes payable		$ 1	
Short term debt	$ 1,225	$ 1,135	$ 535
Other liabilities	$ 74	$ 73	$ 70
Retained earnings	$ (197)	$ (198)	$ (231)
Accumulated other comprehensive loss	$ (10)	$ (6)	$ (3)
Non-controlling interests	$ (124)	$ (123)	$ (140)

m. International Financial Reporting Interpretations Committee 13, "Customer Loyalty Programs" ("IFRIC 13")

IFRIC 13 requires the fair value of customer loyalty programs to be recognized as a component of the related sales transaction, such that a portion of the revenue from the initial sales transaction in which the awards are granted is deferred. Under CGAAP, the Company recognized the net cost of the program in operating expenses. Accordingly, the Company recorded an adjustment to defer a portion of the revenue for the initial sales transaction in which awards were granted and remain outstanding, based on the fair value of the awards granted. The Company has elected to allocate the fair value of awards granted using the residual fair value method.

The impact arising from the change described above is summarized as follows:

Consolidated Statements of Earnings

Increase (Decrease) ($ millions)	12 Weeks Ended Mar. 27, 2010	Year Ended Dec. 31, 2010
Revenue	$ (31)	$ (126)
Selling, general and administrative expenses	$ (28)	$ (111)
Operating income	$ (3)	$ (15)
Income taxes	$ (1)	$ (4)
Net earnings	$ (2)	$ (11)

Consolidated Balance Sheets

Increase (Decrease)		As at	
($ millions)	Jan. 1, 2010	Mar. 27, 2010	Dec. 31, 2010
Accounts receivable	$ (1)	$ (1)	
Deferred income tax assets	$ 6	$ 7	$ 10
Trade and other payables	$ 19	$ 22	$ 35
Retained earnings	$ (9)	$ (10)	$ (16)
Non-controlling interests	$ (5)	$ (6)	$ (9)

Reconciliation of Consolidated Balance Sheets

(millions of Canadian dollars) As at January 1, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Assets				
Current Assets				
Cash and cash equivalents	$ 1,535		$ (45)	$ 1,490
Short term investments	3,371		49	3,420
Accounts receivable	851	$ (403)	(4)	444
Credit card receivables		403	1,692	2,095
Inventories	2,210		(130)	2,080
Future income taxes	87	(87)		
Prepaid expenses and other assets	98		9	107
Assets held for sale		56		56
Total Current Assets	8,152	(31)	1,571	9,692
Fixed Assets	9,020	(146)	(613)	8,261
Investment Properties		90	(15)	75
Goodwill and Intangible Assets	1,296		(3)	1,293
Deferred Income Taxes		83	307	390
Future Income Taxes	61	(61)		
Security Deposits	348			348
Franchise Loans Receivable			344	344
Other Assets	1,266		(479)	787
Total Assets	$ 20,143	$ (65)	$ 1,112	$ 21,190
Liabilities				
Current Liabilities				
Bank indebtedness	$ 2		$ 8	$ 10
Trade and other payables	3,616	$ (93)	153	3,676
Provisions		93	3	96
Income taxes payable	78		1	79
Short term debt	300		1,225	1,525
Long term debt due within one year	343		(31)	312
Total Current Liabilities	4,339		1,359	5,698
Provisions		89	21	110
Long Term Debt	5,377		879	6,256
Deferred Income Taxes	269	(65)	(64)	140
Other Liabilities	617	(89)	232	760
Capital Securities	220			220
Minority Interest	2,379	(2,379)		
Total Liabilities	13,201	(2,444)	2,427	13,184
Equity				
Share Capital	950			950
Retained Earnings	6,084		(931)	5,153
Accumulated Other Comprehensive (Loss) Income	(92)		93	1
Total equity attributable to Shareholders of the Company	6,942		(838)	6,104
Non-Controlling Interests		2,379	(477)	1,902
Total Equity	6,942	2,379	(1,315)	8,006
Total Liabilities and Equity	$ 20,143	$ (65)	$ 1,112	$ 21,190

Reconciliation of Consolidated Statements of Earnings

(millions of Canadian dollars) For the period ended Mar. 27, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Revenue	$ 7,177		$ (13)	$ 7,164
Operating Expenses				
Cost of inventories sold	5,319		45	5,364
Selling, administrative and other expenses	1,430	$ (1,430)		
Depreciation and amortization	154	(154)		
Selling, general and administrative expenses		1,584	(84)	1,500
	6,903		(39)	6,864
Operating Income	274		26	300
Net interest expense and other financing charges	123		20	143
Earnings Before Income Taxes	151		6	157
Income Taxes	62		8	70
	89		(2)	87
Minority Interest	47	(47)		
Net Earnings	$ 42	$ 47	$ (2)	$ 87
Net Earnings Attributable to:				
Shareholders of the Company			(5)	37
Non-Controlling Interests			3	50
Net Earnings			$ (2)	$ 87
Net Earnings per Common Share Attributable to Shareholders of the Company ($)				
Basic	$ 0.25		$ (0.04)	$ 0.21
Diluted	$ 0.25		$ (0.11)	$ 0.14

Reconciliation of Consolidated Statements of Comprehensive Income

(millions of Canadian dollars) For the period ended Mar. 27, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Net earnings	$ 42	$ 47	$ (2)	$ 87
Foreign currency translation adjustment	(11)		1	(10)
	(11)		1	(10)
Net unrealized (loss) gain on available-for-sale financial assets	(3)	(1)	4	
Reclassification of loss (gain) on available-for-sale financial assets to net earnings	3	1	(4)	
Net loss on derivatives designated as cash flow hedges	(1)	(1)		(2)
Reclassification of loss (gain) on derivatives designated as cash flow hedges to net earnings	(2)	(1)	6	3
	(3)	(2)	6	1
Net defined benefit plan actuarial losses			(35)	(35)
Other comprehensive loss	(14)	(2)	(28)	(44)
Comprehensive Income (Loss)	$ 28	$ 45	$ (30)	$ 43
Comprehensive Income Attributable to:				
Shareholders of the Company			$ (23)	$ 5
Non-Controlling Interests			$ (7)	$ 38

Reconciliation of Consolidated Balance Sheets

(millions of Canadian dollars) As at Mar. 27, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Assets				
Current Assets				
Cash and cash equivalents	$ 1,028		$ (32)	$ 996
Short term investments	3,582		34	3,616
Accounts receivable	779	$ (266)	(1)	512
Credit card receivables		266	1,608	1,874
Inventories	2,227		(150)	2,077
Future income taxes	91	(91)		
Prepaid expenses and other assets	141		2	143
Assets held for sale		57		57
Total Current Assets	7,848	(34)	1,461	9,275
Fixed Assets	8,994	(146)	(630)	8,218
Investment Properties		89	(15)	74
Goodwill and Intangible Assets	1,291		(3)	1,288
Deferred Income Taxes		118	313	431
Future Income Taxes	60	(60)		
Security Deposits	280			280
Franchise Loans Receivable			340	340
Other Assets	1,288		(502)	786
Total Assets	$ 19,761	$ (33)	$ 964	$ 20,692
Liabilities				
Current Liabilities				
Bank indebtedness	$ 4		$ 8	$ 12
Trade and other payables	3,253	$ (98)	136	3,291
Provisions		98	5	103
Income taxes payable	67		2	69
Short term debt	309		1,135	1,444
Long term debt due within one year	698		464	1,162
Total Current Liabilities	4,331		1,750	6,081
Provisions		85	21	106
Long Term Debt	5,036		358	5,394
Deferred Income Taxes	232	(33)	(66)	133
Other Liabilities	626	(85)	247	788
Capital Securities	220			220
Minority Interest	2,403	(2,403)		
Total Liabilities	12,848	(2,436)	2,310	12,722
Equity				
Share Capital	950			950
Retained Earnings	6,069		(959)	5,110
Accumulated Other Comprehensive (Loss) Income	(106)		98	(8)
Total equity attributable to Shareholders of the Company	6,913		(861)	6,052
Non-Controlling Interests		2,403	(485)	1,918
Total Equity	6,913	2,403	(1,346)	7,970
Total Liabilities and Equity	$ 19,761	$ (33)	$ 964	$ 20,692

Reconciliation of Consolidated Statements of Earnings

(millions of Canadian dollars) For the year ended Dec. 31, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Revenue	$ 32,008		$ (161)	$ 31,847
Operating Expenses				
Cost of inventories sold	23,775		143	23,918
Selling, administrative and other expenses	6,084	$ (6,084)		
Depreciation and amortization	666	(666)		
Selling, general and administrative expenses		6,750	(389)	6,361
	30,525		(246)	30,279
Operating Income	1,483		85	1,568
Net interest expense and other financing charges	388		83	471
Earnings Before Income Taxes	1,095		2	1,097
Income Taxes	370		24	394
	725		(22)	703
Minority Interest	273	(273)		
Net Earnings	$ 452	$ 273	$ (22)	$ 703
Net Earnings Attributable to:				
Shareholders of the Company				452
Non-Controlling Interests			(22)	251
Net Earnings			$ (22)	$ 703
Net Earnings per Common Share Attributable to Shareholders of the Company ($)				
Basic	$ 3.16		$	$ 3.16
Diluted	$ 3.14		$ (0.22)	$ 2.92

Reconciliation of Consolidated Statements of Comprehensive Income

(millions of Canadian dollars) For the period ended Dec. 31, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Net earnings	$ 452	$ 273	$ (22)	$ 703
Foreign currency translation adjustment	(28)		1	(27)
	(28)		1	(27)
Net unrealized (loss) gain on available-for-sale financial assets	(8)	(4)	12	
Reclassification of loss (gain) on available-for-sale financial assets to net earnings	8	5	(13)	
		1	(1)	
Net gain (loss) on derivatives designated as cash flow hedges	1		(3)	(2)
Reclassification of loss (gain) on derivatives designated as cash flow hedges to net earnings	(6)	(3)	15	6
	(5)	(3)	12	4
Net defined benefit plan actuarial losses			(98)	(98)
Other comprehensive loss	(33)	(2)	(86)	(121)
Comprehensive Income (Loss)	$ 419	$ 271	$ (108)	$ 582
Comprehensive Income Attributable to:				
Shareholders of the Company			$ (56)	$ 363
Non-Controlling Interests			$ (52)	$ 219

Reconciliation of Consolidated Balance Sheets

(millions of Canadian dollars) As at Dec. 31, 2010

Accounts	CGAAP Balance	IFRS Reclassifications	IFRS Adjustments	IFRS Balance
Assets				
Current Assets				
Cash and cash equivalents	$ 1,528		$ (75)	$ 1,453
Short term investments	3,234		19	3,253
Accounts receivable	820	$ (380)	22	462
Credit card receivables		380	1,617	1,997
Inventories	2,208		(158)	2,050
Income taxes recoverable	2	(2)		
Future income taxes	61	(61)		
Prepaid expenses and other assets	88		3	91
Assets held for sale		73	(2)	71
Total Current Assets	7,941	10	1,426	9,377
Fixed Assets	9,584	(162)	(599)	8,823
Investment Properties		89	(15)	74
Goodwill and Intangible Assets	1,571		(17)	1,554
Deferred Income Taxes		(2)	313	311
Future Income Taxes	33	(33)		
Security Deposits	435			435
Franchise Loans Receivable			314	314
Other Assets	1,290		(482)	808
Total Assets	$ 20,854	$ (98)	$ 940	$ 21,696
Liabilities				
Current Liabilities				
Bank indebtedness	$ 4		$ 7	$ 11
Trade and other payables	4,717	$ (93)	175	4,799
Provisions		93	(1)	92
Income taxes payable	20	(2)	(6)	12
Short term debt	336		535	871
Long term debt due within one year	733		469	1,202
Total Current Liabilities	5,810	(2)	1,179	6,987
Provisions		74	21	95
Long Term Debt	5,129		985	6,114
Deferred Income Taxes	311	(96)	(53)	162
Other Liabilities	655	(74)	232	813
Capital Securities	221			221
Minority Interest	2,596	(2,596)		
Total Liabilities	14,722	(2,694)	2,364	14,392
Equity				
Share Capital	950			950
Contributed Surplus			(14)	(14)
Retained Earnings	5,307		(995)	4,312
Accumulated Other Comprehensive (Loss) Income	(125)		101	(24)
Total equity attributable to Shareholders of the Company	6,132		(908)	5,224
Non-Controlling Interests		2,596	(516)	2,080
Total Equity	6,132	2,596	(1,424)	7,304
Total Liabilities and Equity	$ 20,854	$ (98)	$ 940	$ 21,696

Note 17. Supplemental Financial Information

As the unaudited interim period condensed consolidated financial statements for the periods ended March 26, 2011 and March 27, 2010 are the Company's first financial statements prepared using IFRS, the Company has included below certain unaudited annual IFRS disclosures as at or for the period ended December 31, 2010 to the extent that they are new disclosures or have changed significantly under IFRS and are considered material to the understanding of the Company's unaudited interim period condensed consolidated financial statements. These disclosures have been included to assist readers in understanding the impact of the IFRS adjustments.

a. Income Taxes

Income taxes recognized in the consolidated statement of earnings are as follows:

($ millions)	Year Ended Dec. 31, 2010
Current income taxes	
Current period	$ 271
Adjustment in respect of prior periods	(4)
Deferred income taxes	
Origination and reversal of temporary differences	127
Income taxes	$ 394

Income tax recoveries recognized in other comprehensive loss are as follows:

($ millions)	Year Ended Dec. 31, 2010
Loss on derivatives designated as cash flow hedges	$ 1
Reclassification of loss on derivatives designated as cash flow hedges to net earnings	3
Defined benefit plan actuarial losses	34
Other comprehensive loss	$ 38

The effective income tax rate in the consolidated statement of earnings is reported at a rate different than the weighted average basic Canadian federal and provincial statutory income tax rate for the following reasons:

	Year Ended Dec. 31, 2010
Weighted average basic Canadian federal and provincial statutory income tax rate	30.8%
Net (decrease) increase resulting from:	
Earnings in jurisdictions taxed at rates different from the Canadian statutory income tax rates	(1.5)
Unrecognized benefit of foreign currency translation losses and impact of the reversal of cumulative foreign currency translation losses	0.7
Non-taxable and non-deductible amounts (including capital gains/losses and cash-settled stock options)	3.9
Impact of resolution of certain income tax matters from a previous year and other	2.0
Effective income tax rate applicable to earnings before income taxes	35.9%

Deferred income tax assets as at December 31, 2010 were not recognized on the consolidated balance sheet in respect of the following items:

($ millions)	
Deductible temporary differences	$ 23
Income tax losses and credits	19
	$ 42

The income tax losses and credits expire in the years 2011 to 2030. The deductible temporary differences do not expire under current income tax legislation. Deferred income tax assets were not recognized in respect of these items because it is not probable that future taxable income will be available to the Company to utilize the benefits.

Deferred income tax assets and liabilities are attributable to the following:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Trade and other payables	**$ 90**	$ 111
Other liabilities	**279**	278
Fixed assets	**(248)**	(207)
Goodwill and intangible assets	**(7)**	11
Other assets	**(130)**	(123)
Losses carried forward (expiring 2015 to 2030)	**112**	122
Other	**53**	58
Net deferred income tax assets	**$ 149**	$ 250

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Recorded on the consolidated balance sheets as follows:		
Deferred income tax assets	**$ 311**	$ 390
Deferred income tax liabilities	**(162)**	(140)
Net deferred income tax assets	**$ 149**	$ 250

b. Credit Card Receivables

The Company, through PC Bank, participates in bank supported and term securitization programs. Under these programs, PC Bank sells a portion of the total interest in its credit card receivables to independent trusts in exchange for cash. The trusts fund these purchases by issuing debt securities in the form of asset-backed commercial paper or asset-backed term notes to third-party investors.

Due to the retention of substantially all of the risks and rewards on these assets the Company, through PC Bank, continues to recognize these assets within credit card receivables and the transferred receivables are accounted for as secured financing transactions. The associated liability secured by these assets is included in short term debt and long term debt (see note 17(j)) and is carried at amortized cost.

The components of credit card receivables as at December 31, 2010 and January 1, 2010 were as follows:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Credit card receivables	**$ 396**	$ 419
Securitized to *Eagle Credit Card Trust*	**1,100**	500
Other independent credit card trusts	**535**	1,225
Total credit card receivables	**2,031**	2,144
Allowance for credit card receivables	**(34)**	(49)
Net credit card receivables	**$ 1,997**	$ 2,095

The following is a continuity of the Company's allowances for credit card receivables for the year ended December 31, 2010:

($ millions)	
Allowances, beginning of year	$ (49)
Provision for losses	(95)
Recoveries	(11)
Write-offs	121
Allowances, end of year	$ (34)

The allowance for credit card receivables recorded in credit card receivables on the consolidated balance sheets is maintained at a level which is considered adequate to absorb credit related losses on credit card receivables.

Credit card receivables that are past due of $23 million (January 1, 2010 – $35 million) as at December 31, 2010 were not classified as impaired as they were less than 90 days past due and their past due status was reasonably expected to be remedied. Any credit card receivable balances that are 180 days in arrears or where the likelihood of collection is considered remote are written off. Concentration of credit risk with respect to credit card receivables is limited due to Loblaw's diverse credit card customer base.

Credit card receivables past due but not impaired as at December 31, 2010 were as follows:

($ millions)	31 - 60 days	61 - 90 days	Total
Credit card receivables	$ 14	$ 9	$ 23

The time period beyond the contractual due date during which a cardholder is permitted to make a payment without the receivable being classified as past due is incorporated above.

c. Fixed Assets

The following is a continuity of fixed assets for the year ended December 31, 2010:

($ millions)	Land	Buildings	Equipment and fixtures	Buildings and leasehold improvements	Finance leases - land, buildings and equipment	Assets under construction	Total
Cost							
Balance, beginning of year	$ 1,648	$ 5,952	$ 5,140	$ 591	$ 317	$ 621	$ 14,269
Additions		26	146	27	119	1,080	1,398
Disposals	(25)	(61)	(197)	(1)			(284)
Transfer to held for sale	(11)	(16)					(27)
Transfer to investment properties	(9)	(4)					(13)
Transfer to (from) assets under construction	35	162	473	25		(695)	
Business acquisitions	5	9	29	3			46
Foreign exchange		(6)	(15)				(21)
Other	(80)	(32)	14			81	(17)
Balance, end of year	$ 1,563	$ 6,030	$ 5,590	$ 645	$ 436	$ 1,087	$ 15,351
Accumulated depreciation and impairment losses							
Balance, beginning of year	$ 8	$ 1,904	$ 3,586	$ 318	$ 185	$ 7	$ 6,008
Depreciation		167	474	58	20		719
Impairment losses		22	3	5			30
Reversal of impairment losses		(34)	(2)				(36)
Disposals		(11)	(151)				(162)
Transfer to held for sale	(2)	(11)					(13)
Foreign exchange		(2)	(9)				(11)
Other		(1)	(6)				(7)
Balance, end of year	$ 6	$ 2,034	$ 3,895	$ 381	$ 205	$ 7	$ 6,528
Carrying Amount as at:							
December 31, 2010	$ 1,557	$ 3,996	$ 1,695	$ 264	$ 231	$ 1,080	$ 8,823
January 1, 2010	$ 1,640	$ 4,048	$ 1,554	$ 273	$ 132	$ 614	$ 8,261

Assets Held under Finance Leases The Company leases various land and buildings and equipment and fixtures under a number of finance lease arrangements. As at December 31, 2010, the net carrying amount of leased land and buildings was $175 million (January 1, 2010 – $131 million), and the net carrying amount of leased equipment and fixtures was $55 million (January 1, 2010 – nil).

Security and Assets Pledged As at December 31, 2010, fixed assets with a carrying amount of $190 million (January 1, 2010 – $196 million) are encumbered by mortgages of $97 million (January 1, 2010 – $98 million).

Impairment Losses For the year ended December 31, 2010, Loblaw recorded $29 million of impairment losses on fixed assets in respect of 18 CGUs. The impairment loss occurred in a CGU where the carrying amount of the retail location exceeded its recoverable amount. The recoverable amount was based on the higher of the CGU's fair value less cost to sell and its value in use. Approximately 50% of impaired CGUs were $13 million higher than their fair value less costs to sell. The remaining 50% of impaired CGUs were determined to be $16 million higher than their value in use.

Various impairment indicators were used to determine the need to test a retail location for an impairment loss. Examples of these indicators include performance of a retail location that is below forecast and expectation of an adverse impact on future performance of a retail location from competitive activities. When determining the value in use of a retail location, Loblaw develops a discounted cash flow model for the individual CGU. The duration of the cash flow projections for individual CGUs varies based on the remaining useful life of the significant asset within the CGUs. Sales forecasts for the cash flows were based on actual operating results, operating budgets, and long term growth rates that were consistent with industry averages, all of which is consistent with strategic plans presented to Loblaw's Board of Directors. The estimate of the value in use of the relevant CGUs was determined using a pre-tax discount rate of 9% – 10% at December 31, 2010 (January 1, 2010 – 9.5% – 10%).

For the year ended December 31, 2010, Weston Foods recorded a fixed asset impairment charge of $1 million.

d. Investment Properties

The following is a continuity of investment properties for the year ended December 31, 2010:

($ millions)	
Cost	
Balance, beginning of year	$ 142
Disposals	(4)
Transfer from fixed assets	13
Balance, end of year	$ 151
Accumulated depreciation and impairment losses	
Balance, beginning of year	$ 67
Depreciation	2
Impairment losses	8
Balance, end of year	$ 77

	Carrying Amount as at	**Fair Value as at**
December 31, 2010	$ 74	$ 94
January 1, 2010	$ 75	$ 88

During the year, Loblaw recognized $5 million of rental income in operating income from its investment properties, and incurred direct operating costs of $3 million related to its investment properties. In addition, Loblaw recognized direct operating costs of $1 million related to its investment properties for which no rental income was earned.

An external, independent valuation company, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued, provided appraisals for certain of Loblaw's investment properties. For the other investment properties, Loblaw determined the fair value by relying on information provided by comparable market information and the independent manager of Loblaw's investment properties.

Where available, fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

Where market values are not available, valuations are prepared using the income approach by considering the estimated cash flows expected from renting out the property based on existing lease terms and where appropriate, the ability to renegotiate the lease terms once the initial term or option term(s) expire, plus the net proceeds from a sale of the property at the end of the investment horizon.

The valuations of investment properties using the income approach, including assumptions as to market rental rates for properties of similar size and condition located within the same geographical areas, recoverable operating costs for leases with tenants, non-recoverable operating costs, vacancy periods, tenant inducements and capitalization rates for the purposes of determining the estimated net proceeds from the sale of the property. At December 31, 2010, the pre-tax discount rates used in the valuations for investment properties ranged from 6.75% to 10% and the terminal capitalization rates ranged from 6% to 9.25%.

Impairment Losses For the year ended December 31, 2010, Loblaw recorded $8 million in impairment losses on investment properties in operating income as the carrying amount of all impaired properties was higher than their fair values less costs to sell. The main factor contributing to the impairment of investment properties was external economic factors.

e. Leases

The Company leases certain of its retail stores, distribution centers, corporate offices, and other assets under operating or finance lease arrangements. Substantially all of the retail store leases have renewal options for additional terms. The contingent rents under certain of the retail store leases are based on a percentage of retail sales. The Company also has properties which are subleased to third parties.

Determining whether a lease arrangement is classified as finance or operating requires judgment with respect to the fair value of the leased asset, the economic life of the lease, the discount rate and the allocation of leasehold interests between the land and building elements of property leases.

Operating Leases – As Lessee

Future minimum lease payments relating to the Company's operating leases are as follows:

	Payments due by year						
($ millions)	2011	2012	2013	2014	2015	Thereafter	Total
Operating lease payments	$ 192	$ 176	$ 154	$ 132	$ 105	$ 400	$ 1,159
Sub-lease income	(56)	(50)	(44)	(37)	(25)	(83)	(295)
Net operating lease payments	$ 136	$ 126	$ 110	$ 95	$ 80	$ 317	$ 864

For the year ended December 31, 2010, the Company recorded $139 million as an expense in the statement of earnings in respect of operating leases. During that period, contingent rent recognized as an expense in respect of operating leases totaled $1 million, while sub-lease income earned totaled $58 million which is recognized in operating income.

Operating Leases – As Lessor

As at December 31, 2010, Loblaw leased certain owned land and buildings with a cost of $1,082 million (January 1, 2010 – $1,183 million) and related accumulated depreciation of $309 million (January 1, 2010 – $291 million). Rental income for the year ended December 31, 2010 was $119 million and was recognized in operating income. In addition, Loblaw recognized $4 million of contingent rent for the year ended December 31, 2010.

Future rental income relating to Loblaw's operating leases are as follows:

	Payments to be received by year						
($ millions)	2011	2012	2013	2014	2015	Thereafter	Total
Operating lease receivable	$ 111	$ 98	$ 85	$ 68	$ 65	$ 90	$ 517

Finance Leases – As Lessee

Loblaw has finance leases for certain property, plant and equipment.

Future minimum lease payments relating to Loblaw's finance leases are as follows:

	Payments due by year						
($ millions)	2011	2012	2013	2014	2015	Thereafter	Total
Finance lease payments	$ 63	$ 51	$ 43	$ 28	$ 28	$ 422	$ 635
Less future finance charges	(21)	(20)	(19)	(17)	(16)	(246)	(339)
Present value of minimum lease payments	$ 42	$ 31	$ 24	$ 11	$ 12	$ 176	$ 296

For the year ended December 31, 2010, contingent rent recognized by Loblaw as an expense in respect of finance leases totaled $1 million. As at December 31, 2010, the sub-lease payments receivable under finance leases totaled $13 million (January 1, 2010 – $8 million).

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Carrying amount of finance lease payable recorded in:		
Long term debt due within one year	**$ 42**	$ 8
Long term debt	**254**	186
	$ 296	$ 194

f. Goodwill and Intangible Assets

The following is a continuity of goodwill and intangible assets for the year ended December 31, 2010:

	Indefinite Life Intangible Assets and Goodwill			Definite Life Intangible Assets		
($ millions)	Goodwill	Trademarks and brand names	Internally generated intangible assets	Trademarks and brand names	Other intangible assets	Total
Cost						
Balance, beginning of year	$ 2,254	$ 51	$ 8	$ 16	$ 45	$ 2,374
Additions			10		6	16
Acquisitions through business combinations	163			7	94	264
Impact of foreign currency translation	(2)				(2)	(4)
Balance, end of year	$ 2,415	$ 51	$ 18	$ 23	$ 143	$ 2,650
Accumulated amortization and impairment losses						
Balance, beginning of year	$ 1,062			$ 3	$ 16	$ 1,081
Amortization			$ 2		13	15
Balance, end of year	$ 1,062		$ 2	$ 3	$ 29	$ 1,096
Carrying Amount						
December 31, 2010	$ 1,353	$ 51	$ 16	$ 20	$ 114	$ 1,554
January 1, 2010	$ 1,192	$ 51	$ 8	$ 13	$ 29	$ 1,293

For purposes of impairment testing, the Company's CGUs are grouped and goodwill is allocated accordingly. The CGU grouping represents the lowest level at which goodwill is monitored for internal management purposes. The carrying amount of goodwill for each CGU grouping with significant goodwill is identified separately in the table below:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Weston Foods	**$ 253**	$ 92
Quebec – Loblaw	**700**	700
T&T Supermarket	**129**	131
Other	**271**	269
Carrying amount of goodwill	**$ 1,353**	$ 1,192

The recoverable amounts of Weston Foods, Quebec – Loblaw and T&T Supermarket Inc. ("T&T") were determined by discounting the future cash flows expected to be generated from each CGU grouping.

The recoverable amount of goodwill allocated to all other CGU groupings was based on fair value less costs to sell using an EBITDA multiple approach.

The trademark and brand names recorded by Loblaw are as a result of the acquisition of T&T. The recoverable amount of these indefinite life intangible assets was based on their fair value less costs to sell. The fair value less costs to sell was determined by discounting the future cash flows expected to be generated from the continued use of the trademark and brand names.

The key assumptions in the calculations of goodwill and indefinite life intangible asset recoverable amounts are projected revenues, royalty rates and margins, which are derived from past experience, actual operating results, budgets and a 5 year business plan which are approved by the GWL and Loblaw Boards of Directors. The cash flow forecasts are extrapolated beyond the five year period using estimated long term growth rates of 1.5% to 2.0%.

The pre-tax discount rates used in the recoverable amount calculations ranged from 9.5% to 15%. On a post-tax basis, the discount rates ranged from 7.3% to 12%. These discount rates are derived from the Company's post-tax weighted average cost of capital as adjusted for the specific risks relating to each CGU grouping.

The Company completed its annual goodwill and indefinite life intangible assets impairment tests and concluded that there was no impairment.

Internally generated definite life intangible assets recorded by Loblaw predominantly consist of software development costs and have an estimated remaining useful life of 3 years. Other Loblaw definite life intangible assets have an estimated remaining useful life of up to a maximum of 17 years. The remaining definite life intangible assets primarily consist of customer relationships and brands acquired as part of Weston Foods' 2010 acquisitions of Keystone Bakery Holdings, LLC and ACE Bakery Ltd. and have estimated remaining useful lives of 20 and 30 years, respectively. Amortization of definite life intangible assets is recognized in operating income.

During the year ended December 31, 2010, the Company completed its assessment of impairment indicators for definite life intangible assets and concluded that there was no indication of impairment.

g. Franchise Loans Receivable

Franchise loans receivable include amounts due from independent franchisees for loans issued through an independent funding trust consolidated under SIC-12. Each independent franchisee provides security to the independent funding trust for its obligations by way of a general security agreement. In the event that an independent franchisee defaults on its loan and Loblaw has not, within a specified time period, assumed the loan, or the default is not otherwise remedied, the independent funding trust would assign the loan to Loblaw and draw upon this standby letter of credit. Loblaw has agreed to reimburse the issuing bank for any amount drawn on the standby letter of credit.

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Carrying amount of franchise loans receivable recorded in:		
Prepaid expenses and other assets	**$ 4**	$ 3
Franchise loans receivable	**314**	344
	$ 318	$ 347

h. Other Assets

The components of other assets were as follows:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
WHL's unrealized equity forward receivable	**$ 421**	$ 446
Other receivables	**119**	105
Unrealized cross currency swaps receivable	**172**	142
Accrued benefit plan asset (note 17(l))	**5**	11
Other	**91**	83
Other assets	**$ 808**	$ 787

i. Provisions

Provisions consist primarily of self-insurance, commodity taxes, environmental and decommissioning liabilities and onerous lease arrangements. The following is a continuity of the Company's provisions for the year ended December 31, 2010:

($ millions)	
Balance, beginning of year	$ 206
Additions	80
Payments	(67)
Reversals	(28)
Foreign exchange	(4)
Balance, end of year	$ 187

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Carrying amount of provisions recorded in:		
Current provisions	**$ 92**	$ 96
Non-current provisions	**95**	110
	$ 187	$ 206

j. Long Term Debt

The components of long term debt were as follows:

($ millions)	As at Dec. 31, 2010	Jan. 1, 2010
George Weston Limited		
Debentures		
Series A, 7.00%, due 2031	**$ 466**	$ 466
Notes		
6.45%, due 2011	**300**	300
5.05%, due 2014	**200**	200
7.10%, due 2032	**150**	150
6.69%, due 2033	**100**	100
Loblaw Companies Limited		
Notes		
7.10%, due 2010		300
6.50%, due 2011	**350**	350
5.40%, due 2013	**200**	200
6.00%, due 2014	**100**	100
4.85%, due 2014	**350**	350
7.10%, due 2016	**300**	300
5.22%, due 2020	**350**	
6.65%, due 2027	**100**	100
6.45%, due 2028	**200**	200
6.50%, due 2029	**175**	175
11.40%, due 2031		
Principal	**151**	151
Effect of coupon repurchase	**(81)**	(67)
6.85%, due 2032	**200**	200
6.54%, due 2033	**200**	200
8.75%, due 2033	**200**	200
6.05%, due 2034	**200**	200
6.15%, due 2035	**200**	200
5.90%, due 2036	**300**	300
6.45%, due 2039	**200**	200
7.00%, due 2040	**150**	150
5.86%, due 2043	**55**	55
Private placement notes		
6.48%, due 2013 (U.S. $150)	**150**	158
6.86%, due 2015 (U.S. $150)	**150**	158
Long term debt secured by mortgage		
5.49%, due 2018 (note 17(c))	**93**	96
Guaranteed investment certificates, due 2011 – 2015 (1.55% – 3.15%)	**18**	
Borrowings related to credit card receivables		
Eagle(i), due 2011 – 2015	**1,097**	500
Independent funding trust(ii)	**395**	381
Finance lease obligations (note 17(e))	**296**	194
Other	**1**	1
Total long term debt	**7,316**	6,568
Less – amount due within one year	**(1,202)**	(312)
	$ 6,114	$ 6,256

The schedule of repayment of long term debt, based on maturity is as follows: 2011 − $1,202 million; 2012 − $430 million; 2013 − $630 million; 2014 − $665 million; 2015 − $521 million; thereafter − $3,868 million. The fair market value of long term debt as at December 31, 2010 was $7,861 million (January 1, 2010 – $6,909 million).

(i) The notes issued by Eagle are Medium Term Notes ("MTN") which are collateralized by PC Bank's credit card receivables. The Series 2006-1 notes bear interest at fixed rates, payable semi-annually. Pursuant to the Series 2006-1 purchase agreements, principal repayment was remitted to Eagle commencing December 1, 2010 and accumulated until Series 2006-1 MTN are settled. The Series 2006-1 notes outstanding have effective interest rates ranging from 4.44% to 4.98%.

(ii) Certain independent franchisees of Loblaw obtain financing through a structure involving independent trusts, which were created to provide loans to the independent franchisees to facilitate their purchase of inventory and fixed assets. These trusts are administered by a major Canadian chartered bank. Subsequent to the end of the first quarter of 2011, the $475 million, 364-day revolving committed credit facility was renewed.

k. Other Liabilities

The components of other liabilities were as follows:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Accrued benefit plan liability (note 17(l))	**$ 417**	$ 358
Other long term employee benefit liability	**131**	127
Deferred vendor allowances	**40**	48
Unrealized interest rate swap liability	**24**	31
Share-based compensation liability	**37**	23
Other	**164**	173
Other liabilities	**$ 813**	$ 760

Included in other above is the liability associated with the preferred shares issued by T&T.

l. Post-Employment and Other Long Term Employee Benefits

The Company sponsors a number of pension plans, including registered funded defined benefit pension plans, registered defined contribution pension plans and supplemental unfunded arrangements providing pension benefits in excess of statutory limits. Certain obligations of the Company under these supplemental pension arrangements are secured by standby letters of credit issued by major Canadian chartered banks. The Company's defined benefit pension plans are predominantly non-contributory and these benefits are, in general, based on career average earnings subject to limits.

In Canada, a national defined contribution pension plan for salaried employees was introduced by the Company during 2006. All eligible salaried employees were given the option to join this new plan and convert their past accrued pension benefits or to remain in their existing defined benefit pension plans. All salaried employees joining the Company after the date of introduction of the national defined contribution pension plan participate only in that plan.

The Company also offers certain post-employment benefit plans other than pension plans. These other post-employment benefit plans are generally not funded, are mainly non-contributory and include health care, life insurance and dental benefits. Employees eligible for these post-employment benefits are those who retire at certain ages having met certain service requirements. The majority of post-employment health care plans for current and future retirees include a limit on the total benefits payable by the Company.

The Company also contributes to various multi-employer pension plans that provide pension benefits.

The Company also offers other long term employee benefit plans that include long term disability benefits and continuation of health and dental benefits while on disability.

(i) Defined Benefit Pension Plans and Other Post-Employment Defined Benefit Plans

Information on the Company's post-employment defined benefit pension plans and other post-employment defined benefit plans, in aggregate, was summarized as follows:

	As at			
	Dec. 31, 2010		Jan. 1, 2010	
($ millions)	**Defined Benefit Pension Plans**	**Other Defined Benefit Plans**	Defined Benefit Pension Plans	Other Defined Benefit Plans
Present value of funded obligations	**$ (1,634)**		$ (1,428)	
Fair value of plan assets	**1,544**		1,372	
Status of funded obligations	**$ (90)**		$ (56)	
Present value of unfunded obligations	**(104)**	**$ (214)**	(100)	$ (182)
Total funded status of obligations	**$ (194)**	**$ (214)**	$ (156)	$ (182)
Unrecognized past service costs		**(1)**		(1)
Asset not recognized due to "asset ceiling"	**(1)**		(1)	
Liability arising from minimum funding requirement for past service	**(2)**		(7)	
Total recognized liability for post-employment defined benefit plans	**$ (197)**	**$ (215)**	$ (164)	$ (183)
Recorded on the consolidated balance sheets as follows:				
Other assets (note 17(h))	**$ 5**		$ 11	
Other liabilities (note 17(k))	**(202)**	**$ (215)**	(175)	$ (183)
Total recognized liability for post-employment defined benefit plans	**$ (197)**	**$ (215)**	$ (164)	$ (183)

($ millions)	Year Ended Dec. 31, 2010 Defined Benefit Pension Plans	Other Defined Benefit Plans	Total
Changes in the fair value of plan assets			
Fair value, beginning of year	$ 1,372		$ 1,372
Employer contributions	126	$ 7	133
Employee contributions	3		3
Benefits paid	(96)	(7)	(103)
Expected return on plan assets	93		93
Actuarial gains included in other comprehensive loss (see below)	50		50
Transfers to other pension plans	(1)		(1)
Other	(3)		(3)
Fair value, end of year	$ 1,544		$ 1,544
Changes in the present value of the defined benefit obligations			
Balance, beginning of year	$ 1,529	$ 182	$ 1,711
Current service cost	44	11	55
Interest cost	91	12	103
Benefits paid	(96)	(7)	(103)
Employee contributions	3		3
Actuarial losses included in other comprehensive loss (see below)	168	19	187
Transfers to other pension plans	(1)		(1)
Contractual termination benefits	3		3
Other	(3)	(3)	(6)
Balance, end of year	$ 1,738	$ 214	$ 1,952

The actual return on plan assets was $143 million for the year ended December 31, 2010.

Composition of Plan Assets

The defined benefit pension plan assets are held in trust and consisted of the following asset categories:

Percentage of plan assets Asset category	As at **Dec. 31, 2010**	Jan. 1, 2010
Equity securities	**58%**	59%
Debt securities	**40%**	39%
Cash and cash equivalents	**2%**	2%
Total	**100%**	100%

The defined benefit pension plan assets include securities issued by Loblaw having a fair value of $4 million as at December 31, 2010 (January 1, 2010 – $3 million). The defined benefit pension plan assets do not include any GWL securities.

The cost recognized in other comprehensive loss before income taxes for post-employment defined benefit plans was as follows:

	Year Ended Dec. 31, 2010	
($ millions)	Defined Benefit Pension Plans	Other Defined Benefit Plans
Actuarial losses	$ 118	$ 19
Change in liability for minimum funding requirements for past service	(5)	
Total recognized in other comprehensive loss before income taxes	$ 113	$ 19

The cumulative actuarial losses recognized in other comprehensive loss for the Company's post-employment defined benefit plans were as follows:

	Year Ended Dec. 31, 2010	
($ millions)	Defined Benefit Pension Plans	Other Defined Benefit Plans
Cumulative amount, beginning of year		
Net actuarial losses recognized in the year	$ 113	$ 19
Cumulative amount, end of year	$ 113	$ 19

Principal Actuarial Assumptions
The principal actuarial assumptions used in calculating the Company's defined benefit obligations and net defined benefit plan cost were as follows (expressed as weighted averages):

	Year Ended Dec. 31, 2010	
	Defined Benefit Pension Plans	Other Defined Benefit Plans
Discount rate at end of year	5.2%	5.2%
Rate of compensation increase	3.5%	n/a
Expected rate of return on plan assets	6.7%	n/a

n/a – not applicable

The growth rate of health care costs, primarily drug and other medical costs for other benefit plans, for the net defined benefit cost was estimated at 9.0% and is assumed to gradually decrease to 5.0% by 2015, remaining at that level thereafter. The mortality table used for the 2010 defined benefit plan obligation and net defined benefit plan costs was UP94 projected to 2020.

The overall expected long term rate of return on plan assets is 6.7%. The expected long term rate of return on plan assets is determined based on asset mix, active management and a review of historical returns. The expected long term rate of return is based on the portfolio as a whole and not on the sum of the individual asset categories.

Sensitivity of Key Actuarial Assumptions

The following table outlines the key assumptions for 2010 and the sensitivity of a 1% change in each of these assumptions on the defined benefit plan obligations and on the benefit plan cost for defined benefit pension plans and other defined benefit plans. The table reflects the impact on the current service and interest cost components for the discount rate and expected growth rate of health care costs assumptions.

The sensitivity analysis provided in the table is hypothetical and should be used with caution. The sensitivities of each key assumption have been calculated independently of any changes in other key assumptions. Actual experience may result in changes in a number of key assumptions simultaneously. Changes in one factor may result in changes in another, which could amplify or reduce the impact of such assumptions.

	Defined Benefit Pension Plans		Other Defined Benefit Plans	
($ millions)	Accrued Benefit Plan Obligations	Benefit Plan Cost(1)	Accrued Benefit Plan Obligations	Benefit Plan Cost(1)
Expected long term rate of return on plan assets		6.7%		n/a
Impact of: 1% increase	n/a	$ (14)	n/a	n/a
1% decrease	n/a	$ 14	n/a	n/a
Discount rate	5.2%	6.0%	5.2%	6.0%
Impact of: 1% increase	$ (222)	$ (7)	$ (25)	$ (3)
1% decrease	$ 255	$ 7	$ 28	$ 1
Expected growth rate of health care costs(2)			8.0%	9.0%
Impact of: 1% increase	n/a	n/a	$ 27	$ 3
1% decrease	n/a	n/a	$ (24)	$ (3)

n/a – not applicable

(1) Discount rate and expected growth rate of health care costs sensitivity is for current service and interest costs only.

(2) Gradually decreasing to 5.0% by 2015 for the accrued benefit plan obligation and the benefit plan cost, remaining at that level thereafter.

Historical Information

The history of the plans was as follows:

	As at	
($ millions)	**Dec. 31, 2010**	Jan. 1, 2010
Fair value of plan assets	**$ 1,544**	$ 1,372
Present value of defined benefit obligations	**(1,952)**	(1,711)
Deficit in the plans	**$ (408)**	$ (339)
Experience adjustments arising on plan assets	**$ 50**	n/a
Experience adjustments arising on plan liabilities	**$ (187)**	n/a

n/a – not applicable

(ii) Defined Contribution Pension Plans

During the year ended December 31, 2010, the Company recognized an expense of $19 million in operating income, which represents the contributions made in connection with defined contribution plans, excluding multi-employer pension plans that are accounted for as defined contribution plans.

(iii) Multi-Employer Pension Plans
During the year ended December 31, 2010, the Company recognized an expense of $58 million in operating income, which represents the contributions made in connection with multi-employer pension plans.

(iv) Other Long Term Employee Benefit Plans
During the year ended December 31, 2010, the Company recognized an expense of $18 million in net earnings before income taxes related to its other long term employee benefit plans.

(v) Post-Employment and Other Long Term Employee Benefit Cost
The net cost recognized in net earnings before income taxes for the Company's post-employment and other long term employee benefit plans was as follows:

	Year Ended Dec. 31, 2010		
($ millions)	Defined Benefit Pension Plans	Other Defined Benefit Plans	Total
Current service cost, net of employee contributions	$ 44	$ 11	$ 55
Interest cost on defined benefit obligations(1)	91	12	103
Expected return on plan assets(1)	(93)		(93)
Contractual termination benefits	3		3
Past service cost		(1)	(1)
Net post-employment defined benefit cost	$ 45	$ 22	$ 67
Defined contribution			19
Multi-employer pension plan costs			58
Total post-employment benefit costs			$ 144
Other long term employee benefit costs			18
Net post-employment and other long term employee benefit costs			$ 162

(1) Amounts are recognized in net interest expense and other financing charges.

The net post-employment and other long term employee benefit costs were presented in the consolidated statement of earnings as follows:

($ millions)	Year Ended Dec. 31, 2010
Operating income	$ 148
Net interest expense and other financing charges	14
Net post-employment and other long term employee benefit costs	$ 162

m. Employee Costs

Included in operating income are the following employee costs:

($ millions)	Year Ended Dec. 31, 2010
Short term employee benefits	$ 3,306
Post-employment benefits	134
Other long term employee benefits[(1)]	19
Share-based compensation	55
Capitalized to fixed assets	(21)
Employee costs	$ 3,493

(1) Other long term employee benefits include $5 million of self-insured United States workers' compensation.

n. Related Party Transactions

The Company's majority shareholder is Mr. W. Galen Weston, who controls the Company directly and indirectly through private companies which he controls, including through Wittington. The Company's policy is to conduct all transactions and settle all balances with related parties on market terms and conditions.

Transactions between the Company and its consolidated entities have been eliminated on consolidation and are not disclosed in this note.

For the year ended December 31, 2010, rental payments to Wittington amounted to approximately $3 million. As at December 31, 2010, there was no outstanding rental payments.

For the year ended December 31, 2010, inventory purchases from Associated British Foods plc, a related party by virtue of Mr. W. Galen Weston being a director of such entity, amounted to approximately $24 million. As at December 31, 2010, $4 million was included in trade and other payables.

Post-Employment Benefit Plans Contributions made by the Company to the Company's post-employment benefit plans are disclosed in note 17(l).

Income Tax Matters From time to time, the Company and Wittington may enter into agreements to make elections that are permitted or required under applicable income tax legislation with respect to affiliated corporations. These elections and accompanying agreements did not have a material impact on the Company.

Compensation of Key Management Personnel The Company's key management personnel are comprised of certain members of the executive team of GWL, Loblaw, Weston Foods and Wittington, as well as members of the Boards of Directors of GWL, Loblaw and Wittington to the extent they have the authority and responsibility for planning, directing and controlling the activities of the Company.

Annual compensation of key management personnel that is directly attributable to the Company was as follows:

($ millions)	Year Ended Dec. 31, 2010
Short term employee benefits	$ 17
Share-based compensation	13
Total compensation	$ 30

Corporate Profile

George Weston Limited is a Canadian public company, founded in 1882, engaged in food processing and distribution. The Company has two reportable operating segments: Loblaw and Weston Foods, and holds cash and short term investments. The Loblaw operating segment, which is operated by Loblaw Companies Limited and its subsidiaries, is Canada's largest food distributor and a leading provider of drugstore, general merchandise and financial services. The Weston Foods operating segment is a leading fresh and frozen baking company in Canada and is engaged in frozen baking and biscuit manufacturing in the United States.

Trademarks

George Weston Limited and its subsidiaries own a number of trademarks. These trademarks are the exclusive property of George Weston Limited and its subsidiary companies. Trademarks where used in this report are in italics.

Shareholder Information

Registrar and Transfer Agent

Computershare Investor Services Inc.	Toll free (Canada and U.S.A.): 1-800-564-6253
100 University Avenue	International direct dial: (514) 982-7555
Toronto, Canada	Fax: (416) 263-9394
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To change your address or eliminate multiple mailings or for other shareholder account inquiries, please contact Computershare Investor Services Inc.

Investor Relations

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

Additional financial information has been filed electronically with the Canadian securities regulatory authorities in Canada through the System for Electronic Document Analysis and Retrieval (SEDAR). The Company holds an analyst call shortly following the release of its quarterly results. This call will be archived in the Investor Centre section of the Company's website.

This Quarterly Report includes selected information on Loblaw Companies Limited, a 62.8%-owned public reporting subsidiary 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 at Loblaw's corporate website at www.loblaw.ca.

First Quarter Conference Call and Webcast

George Weston Limited will host a conference call as well as an audio webcast on Tuesday May 10, 2011 at 11:00 a.m. (EST). To access via teleconference, please dial (647) 427-7450. The playback will be made available two hours after the event at (416) 849-0833, passcode: 59173236#. To access via audio webcast, please visit the "Investor Centre" section of www.weston.ca. Pre-registration will be available.

Annual Meeting

The George Weston Limited Annual Meeting of Shareholders will be held on Thursday, May 12, 2011 at 11:00 a.m. (EST) at Metro Toronto Convention Centre, North Building, Constitution Hall, Room 105, 255 Front Street West, Toronto, Ontario, Canada. To access via teleconference, please dial (647) 427-7450. The playback will be available two hours after the event at (416) 849-0833, passcode: 59347742#. To access via audio webcast, please visit the Investor Centre section of www.weston.ca. Pre-registration will be available.

Ce rapport est disponible en français.

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