NEWS RELEASE

George Weston Limited Reports 2016 Second Quarter Results[2].

TORONTO, ONTARIO July 29, 2016 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended June 18, 2016.

GWL's 2016 Second Quarter Report to Shareholders has been filed with SEDAR and is available at sedar.com and in the Investor Centre section of the Company's website at weston.ca.

Pavi Binning, President and Chief Executive Officer, George Weston Limited, commented that "George Weston Limited's second quarter results reflect the Company's operating segments' progress on their strategic priorities. Loblaw achieved its target of annualized synergies of $300 million since the acquisition of Shoppers Drug Mart and grew earnings as it delivered same-store sales growth, stable gross margins and efficiencies. Weston Foods delivered sales and volume growth and results in line with expectations."

2016 SECOND QUARTER HIGHLIGHTS

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended			24 Weeks Ended		
	Jun. 18, 2016	Jun. 20, 2015	Change	**Jun. 18, 2016**	Jun. 20, 2015	Change
Sales	**$ 11,075**	**$ 10,851**	**2.1 %**	**$ 21,875**	**$ 21,260**	**2.9 %**
Adjusted EBITDA[1]	**$ 981**	$ 913	7.4 %	**$ 1,871**	$ 1,763	6.1 %
Adjusted EBITDA margin[1]	**8.9%**	8.4%		**8.6%**	8.3%	
Net earnings attributable to shareholders of the Company	**$ 143**	**$ 51**	**180.4 %**	**$ 190**	**$ 218**	**(12.8)%**
Net earnings available to common shareholders of the Company	**$ 133**	**$ 41**	**224.4 %**	**$ 170**	**$ 198**	**(14.1)%**
Adjusted net earnings available to common shareholders of the Company[1]	**$ 200**	$ 170	17.6 %	**$ 368**	$ 322	14.3 %
Diluted net earnings per common share ($)	**$ 1.04**	**$ 0.31**	**235.5 %**	**$ 1.31**	**$ 1.53**	**(14.4)%**
Adjusted diluted net earnings per common share[1] ($)	**$ 1.56**	$ 1.32	18.2 %	**$ 2.85**	$ 2.50	14.0 %

CONSOLIDATED RESULTS OF OPERATIONS

Adjusted net earnings available to common shareholders of the Company[1] increased by $30 million ($0.24 per common share) to $200 million ($1.56 per common share) in the second quarter of 2016 compared to the same period in 2015. The improvement was primarily due to an increase in Loblaw Companies Limited ("Loblaw") earnings, driven by the improved performance of its Retail segment, the positive contribution from incremental net synergies, and the favourable impact of a decrease in depreciation and amortization. Adjusted net earnings available to common shareholders of the Company[1] also included the positive contribution from the increase in the Company's ownership interest in Loblaw, as a result of Loblaw's share repurchases.

Net earnings available to common shareholders of the Company increased by $92 million ($0.73 per common share) to $133 million ($1.04 per common share) in the second quarter of 2016 compared to the same period in 2015. The increase in net earnings available to common shareholders of the Company was as a result of the improvement in operating performance, as described above, and the favourable year-over-year net impact of the following significant items:

- the favourable impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of $65 million ($0.37 per common share);
- the favourable impact of a prior year statutory corporate income tax rate change of $45 million ($0.19 per common share); and

- the favourable impact of lower foreign currency translation losses of $10 million ($0.07 per common share);

partially offset by,

- the unfavourable impact of the fair value adjustment of the Trust Unit liability of $95 million ($0.14 per common share).

REPORTABLE OPERATING SEGMENTS

Weston Foods Segment Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended **Jun. 18, 2016**	Jun. 20, 2015	Change	24 Weeks Ended **Jun. 18, 2016**	Jun. 20, 2015	Change
Sales	**$ 496**	$ 464	6.9 %	**$ 1,058**	$ 968	9.3 %
Adjusted EBITDA(1)	**$ 59**	$ 58	1.7 %	**$ 122**	$ 121	0.8 %
Adjusted EBITDA margin(1)	**11.9%**	12.5%		**11.5%**	12.5%	
Depreciation and amortization(i)	**$ 24**	$ 19	26.3 %	**$ 51**	$ 37	37.8 %

(i) Depreciation and amortization in the second quarter of 2016 includes $2 million (2015 – nil) of accelerated depreciation related to restructuring and other charges.

Sales Weston Foods sales in the second quarter of 2016 were $496 million, an increase of $32 million, or 6.9%, compared to the same period in 2015. Sales included the positive impact of foreign currency translation of approximately 2.6%. Excluding the impact of foreign currency translation, sales increased by 4.3% primarily due to an increase in volumes. The timing of Easter had a nominal impact when compared to 2015.

Adjusted EBITDA(1) Weston Foods adjusted EBITDA(1) in the second quarter of 2016 was $59 million, an increase of $1 million, or 1.7%, compared to the same period in 2015. The increase was driven by the positive impact of the increase in sales and productivity improvements, partially offset by continued investments in the business and new plant costs.

Adjusted EBITDA margin(1) in the second quarter of 2016 was 11.9% compared to 12.5% in the same period in 2015. The decline in adjusted EBITDA margin(1) was mainly due to incremental investments in the business and new plant costs.

Depreciation and Amortization Weston Foods depreciation and amortization was $24 million in the second quarter of 2016, an increase of $5 million compared to the same period in 2015. Depreciation and amortization in the second quarter of 2016 included $2 million (2015 – nil) of accelerated depreciation related to the planned closures of pie and cake manufacturing facilities. Excluding this amount, depreciation and amortization increased by $3 million due to investments in capital.

Weston Foods Other Business Matters

Restructuring 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 and in the second quarter of 2016, Weston Foods recorded restructuring and other charges of $5 million (2015 – nil), including $2 million (2015 – nil) of accelerated depreciation. These charges primarily relate to restructuring plans to close manufacturing facilities in Canada and the U.S. with production transferring to other facilities.

Loblaw Segment Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended			24 Weeks Ended		
	Jun. 18, 2016	Jun. 20, 2015	Change	**Jun. 18, 2016**	Jun. 20, 2015	Change
Sales	**$ 10,731**	$ 10,535	1.9 %	**$ 21,112**	$ 20,583	2.6 %
Retail gross profit(i)	**$ 2,811**	$ 2,711	3.7 %	**$ 5,587**	$ 5,335	4.7 %
Adjusted EBITDA(1)	**$ 922**	$ 855	7.8 %	**$ 1,749**	$ 1,642	6.5 %
Adjusted EBITDA margin(1)	**8.6%**	8.1%		**8.3 %**	8.0 %	
Depreciation and amortization(ii)	**$ 346**	$ 369	(6.2)%	**$ 714**	$ 739	(3.4)%

(i) Loblaw Retail gross profit in the second quarter of 2016 includes the impact of certain items described in the Retail Gross Profit section below that are excluded from adjusted EBITDA(1).

(ii) Depreciation and amortization includes $123 million (2015 – $124 million) of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart").

Loblaw has three reportable operating segments: Retail, Financial Services and Choice Properties Real Estate Investment Trust ("Choice Properties"). Loblaw is one reportable operating segment of GWL.

Overall Loblaw Performance Loblaw adjusted EBITDA(1) increased by $67 million in the second quarter of 2016 compared to the same period in 2015, primarily driven by Retail. The increase in Retail adjusted EBITDA(1) was primarily driven by higher sales, incremental net synergies and improvements in selling general and administrative expenses ("SG&A") as a percentage of sales. The increase in Loblaw adjusted EBITDA(1) in the second quarter of 2016 also included the improved performance in Financial Services.

During the second quarter of 2016, Loblaw achieved its target of annualized synergies of $300 million since the acquisition of Shoppers Drug Mart.

Sales Loblaw sales in the second quarter of 2016 were $10,731 million, an increase of $196 million compared to the same period in 2015, primarily driven by Retail. Retail sales increased by $176 million, or 1.7%, compared to the same period in 2015 and included food retail sales of $7,718 million (2015 – $7,629 million) and drug retail sales of $2,776 million (2015 – $2,689 million).

The increase in Retail sales was primarily due to the following factors:

- food retail same-store sales growth was 0.4%. The timing of Easter had a negative impact of approximately 1.0%. Loblaw's food retail average quarterly internal food price index was slightly lower than the average quarterly national food price inflation of 1.8% as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI"). CPI does not necessarily reflect the effect of inflation on the specific mix of goods sold in Loblaw stores;
- drug retail same-store sales growth was 4.0%, including same-store pharmacy sales growth of 3.6% and front store same-store sales growth of 4.3%. The timing of Easter had a negative impact on front store same-store sales of approximately 1.0%; and
- in the last 12 months, there was a decrease in Retail net square footage of 0.4 million square feet, or 0.6%, primarily driven by Loblaw's store closure plan announced in 2015. Loblaw's store closure plan had a negative impact on sales of approximately $75 million.

Retail gross profit and adjusted EBITDA(1) in the second quarter of 2016 included the impacts related to the franchises consolidated in the quarter, as set out in "Loblaw Other Business Matters".

Retail Gross Profit Loblaw Retail gross profit in the second quarter of 2016 was $2,811 million, an increase of $100 million compared to the same period in 2015 and included the unfavourable year-over-year net impact of the following:

- a charge of $9 million related to inventory losses and related costs at retail locations in Fort McMurray impacted by the wildfire;
- a charge of $4 million related to inventory impairment as a result of Loblaw's revised plans to restructure certain drug retail ancillary assets that were previously marketed for sale; and
- a charge of $2 million related to restructuring and other charges;

partially offset by,

- a prior year charge of $8 million related to apparel inventory.

Excluding these impacts, Retail gross profit increased $107 million to $2,826 million and Retail gross profit percentage of 26.9% increased by 50 basis points compared to the second quarter of 2015. Excluding the consolidation of franchises, Retail gross profit percentage was 26.4%, an increase of 10 basis points compared to the second quarter of 2015, driven by the achievement of operational synergies and strong drug retail front store margins, partially offset by food retail promotional investment.

Adjusted EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the second quarter of 2016 was $922 million, an increase of $67 million compared to the same period in 2015, primarily driven by Retail. Retail adjusted EBITDA[(1)] increased $61 million driven by an increase in Retail gross profit, as described above, partially offset by an increase in Retail SG&A of $46 million. Retail SG&A as a percentage of sales was 18.6%, an increase of 10 basis points compared to the second quarter of 2015. Excluding the consolidation of franchises, SG&A as a percentage of sales was 18.0%, an improvement of 40 basis points compared to the second quarter of 2015, driven by the positive impact of Loblaw's store closure plan announced in 2015 and operational efficiencies in retail stores.

Loblaw adjusted EBITDA[(1)] in the second quarter of 2016 also included the increase in Financial Services adjusted EBITDA[(1)] of $6 million primarily driven by higher interest and net interchange income attributable to the growth in credit card receivables and higher Mobile Shop sales.

Depreciation and Amortization Loblaw's depreciation and amortization was $346 million in the second quarter of 2016, a decrease of $23 million compared to the same period in 2015. The decline in depreciation and amortization was primarily attributable to a change in the estimated useful life of certain equipment and fixtures.

Depreciation and amortization in the second quarter of 2016 included $123 million (2015 – $124 million) of amortization of intangible assets acquired with Shoppers Drug Mart.

Loblaw Other Business Matters

Gas Bar Network In the second quarter of 2016, Loblaw began engaging with potential buyers for the sale of its gas bar operations. The gas bar network is comprised of approximately 200 retail fuel sites. On an annual basis, the gas bar operations sell approximately 1,700 million litres of gas and generate sales of approximately $1,600 million.

Consolidation of Franchises Loblaw has more than 500 franchise stores in its network. As of the end of the second quarter of 2016, 132 of these stores were consolidated for accounting purposes under a new, simplified franchise agreement ("Franchise Agreement") implemented in 2015.

Loblaw will convert franchises to the Franchise Agreement as existing agreements expire, at the end of which all franchises will be consolidated. The following table presents the franchises consolidated in the second quarter of 2016 and the total impact of the consolidated franchises:

(unaudited) ($ millions) For the periods ended as indicated	12 Weeks Ended **Jun. 18, 2016**	 Jun. 20, 2015
Number of Consolidated Franchise stores, beginning of period	**115**	
Add: Number of Consolidated Franchise stores in the period	**17**	16
Number of Consolidated Franchise stores, end of period	**132**	16
Sales	**$ 75**	$ 5
Retail gross profit	**75**	5
Adjusted EBITDA[1]	**(1)**	(2)
Depreciation and amortization	**4**	
Net income (loss) attributable to Non-Controlling Interest	**(5)**	1

Retail locations in Fort McMurray In the second quarter of 2016, 10 Loblaw retail locations in Fort McMurray were impacted by a wildfire that caused an evacuation of the city. During the second quarter of 2016, Loblaw recognized a charge of approximately $12 million related to inventory losses, site clean-up and restoration costs at these locations. An insurance claim is in progress and proceeds are expected to be recorded as the claim progresses.

Loblaw estimates the financial impact to Retail results in the second quarter of 2016 from the temporary closure of these retail locations as follows: a decrease in sales of approximately $25 million and a decrease in adjusted EBITDA[1] of approximately $6 million. Loblaw maintains business interruption insurance and expects that certain losses will be recoverable under this insurance coverage.

Restructuring and other related charges In the second quarter of 2016, Loblaw recorded an additional charge related to store closures of approximately $43 million. This amount was primarily related to the closure of the remaining Joe Fresh retail location in the U.S.

Drug Retail Ancillary Assets In 2015, Loblaw began actively marketing the sale of certain assets of the Shoppers Drug Mart ancillary healthcare business and recorded asset impairments on these assets and other related restructuring charges. In the second quarter of 2016, Loblaw signed agreements for the sale of a portion of these assets and ceased actively marketing the remaining assets and restructured those assets as part of ongoing operations. As a result, Loblaw recorded a charge of $4 million related to inventory impairment and reversals of $8 million of previous asset impairments and restructuring and other related charges in the second quarter and year-to-date.

OUTLOOK[2]

Weston Foods expects sales growth generated by new capacity and productivity improvements to drive an increase in adjusted EBITDA[1] in 2016 when compared to 2015. The increase in adjusted EBITDA[1] is expected to be greater in the second half of the year as new plant capacity and capability come on-line. Management now expects to make capital investments of approximately $275 million in 2016 compared to $300 million previously stated. Depreciation is projected to increase in 2016 when compared to 2015, and largely offset the improvement in adjusted EBITDA[1]. The competitive retail landscape continues to intensify and this may put added pressure on the business.

Loblaw remains focused on its strategic framework, delivering the best in food, best in health and beauty, operational excellence and growth. This strategic framework is supported by a financial strategy of maintaining a stable trading environment that targets positive same-store sales and stable gross margin; surfacing efficiencies; delivering synergies as a result of its acquisition of Shoppers Drug Mart; and returning capital to shareholders. In 2016, Loblaw expects to:

- deliver positive same-store sales and stable gross margin in its Retail segment in a highly competitive grocery market and with continued negative pressure from healthcare reform;
- grow adjusted net earnings[1];
- invest approximately $1.3 billion in capital expenditures, including $1.0 billion in its Retail segment; and
- return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

For 2016, the Company expects growth in net earnings to be driven by an increase in net earnings at Loblaw, and the positive impact of the Company's increased ownership in Loblaw as a result of Loblaw's share repurchases.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the second quarter of 2016, the Company's Board of Directors declared a quarterly dividend on GWL Common Shares, Preferred Shares, Series I, Preferred Shares, Series III, Preferred Shares, Series IV and Preferred Shares, Series V payable as follows:

Common Shares	$0.44 per share payable October 1, 2016, to shareholders of record September 15, 2016;
Preferred Shares, Series I	$0.3625 per share payable September 15, 2016, to shareholders of record August 31, 2016;
Preferred Shares, Series III	$0.3250 per share payable October 1, 2016, to shareholders of record September 15, 2016;
Preferred Shares, Series IV	$0.3250 per share payable October 1, 2016, to shareholders of record September 15, 2016; and
Preferred Shares, Series V	$0.296875 per share payable October 1, 2016, to shareholders of record September 15, 2016.

NON-GAAP FINANCIAL MEASURES

The Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA and adjusted EBITDA margin, adjusted net earnings attributable to shareholders of the Company, adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share. In addition to these items, the following measures are used by management in calculating adjusted diluted net earnings per common share: adjusted net interest expense and other financing charges, adjusted income taxes and adjusted income tax rate. The Company believes these non-GAAP financial measures provide useful information to both management and investors in measuring the financial performance of the Company for the reasons outlined below.

Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance. The excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. 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 certain items does not imply that they are non-recurring.

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.

For details on the nature of items excluded in the calculation of any of the non-GAAP financial measures detailed below, see the "Non-GAAP Financial Measures" section of the Company's Second Quarter 2016 Report to Shareholders.

EBITDA and Adjusted EBITDA The Company believes adjusted EBITDA is useful in assessing and making decisions regarding 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.

The following table reconciles EBITDA and adjusted EBITDA to operating income, which is reconciled to GAAP net earnings attributable to shareholders of the Company reported for the periods ended as indicated.

	12 Weeks Ended							
	Jun. 18, 2016				Jun. 20, 2015			
(unaudited) ($ millions)	**Weston Foods**	**Loblaw**	**Other(i)**	**Consolidated**	Weston Foods	Loblaw	Other(i)	Consolidated
Net earnings attributable to shareholders of the Company				**$ 143**				$ 51
Add impact of the following:								
Non-controlling interests				**84**				103
Income taxes				**141**				129
Net interest expense and other financing charges				**157**				140
Operating income	**$ 26**	**$ 515**	**$ (16)**	**$ 525**	$ 38	$ 411	$ (26)	$ 423
Depreciation and amortization	**24**	**346**		**370**	19	369		388
EBITDA	**$ 50**	**$ 861**	**$ (16)**	**$ 895**	$ 57	$ 780	$ (26)	$ 811
Operating income	**$ 26**	**$ 515**	**$ (16)**	**$ 525**	$ 38	$ 411	$ (26)	$ 423
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		**123**		**123**		124		124
Restructuring and other charges	**5**	**43**		**48**		54		54
Fair value adjustment of derivatives	**3**	**10**		**13**	1	9		10
Charges related to retail locations in Fort McMurray		**12**		**12**				
Fixed asset and other related impairments, net of recoveries						4		4
Pension annuities and buy-outs	**3**			**3**				
Drug retail ancillary assets		**(4)**		**(4)**				
Charge related to apparel inventory						8		8
Foreign currency translation			**16**	**16**			26	26
Adjusted operating income	**$ 37**	**$ 699**		**$ 736**	$ 39	$ 610		$ 649
Depreciation and amortization excluding the impact of the above adjustments(ii)	**22**	**223**		**245**	19	245		264
Adjusted EBITDA	**$ 59**	**$ 922**		**$ 981**	$ 58	$ 855		$ 913

(i) Represents 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 foreign operations.

(ii) Depreciation and amortization for the calculation of adjusted EBITDA excludes $123 million (2015 – $124 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and $2 million (2015 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

	24 Weeks Ended							
				Jun. 18, 2016				Jun. 20, 2015
(unaudited) ($ millions)	Weston Foods	Loblaw	Other(i)	Consolidated	Weston Foods	Loblaw	Other(i)	Consolidated
Net earnings attributable to shareholders of the Company				$ 190				$ 218
Add impact of the following:								
Non-controlling interests				182				182
Income taxes				216				225
Net interest expense and other financing charges				394				317
Operating income	$ 60	$ 949	$ (27)	$ 982	$ 79	$ 823	$ 40	$ 942
Depreciation and amortization	51	714		765	37	739		776
EBITDA	$ 111	$ 1,663	$ (27)	$ 1,747	$ 116	$ 1,562	$ 40	$ 1,718
Operating income	$ 60	$ 949	$ (27)	$ 982	$ 79	$ 823	$ 40	$ 942
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		247		247		248		248
Restructuring and other charges	14	44		58	4	66		70
Fair value adjustment of derivatives	2	20		22		(3)		(3)
Charges related to retail locations in Fort McMurray		12		12				
Prior year tax assessment		10		10				
Fixed asset and other related impairments, net of recoveries		2		2		7		7
Pension annuities and buy-outs	3	2		5				
Drug retail ancillary assets		(4)		(4)				
Charge related to apparel inventory						8		8
Shoppers Drug Mart net divestitures and acquisition costs						2		2
Inventory loss					1			1
Foreign currency translation			27	27			(40)	(40)
Adjusted operating income	$ 79	$ 1,282		$ 1,361	$ 84	$ 1,151		$ 1,235
Depreciation and amortization excluding the impact of the above adjustments(ii)	43	467		510	37	491		528
Adjusted EBITDA	$ 122	$ 1,749		$ 1,871	$ 121	$ 1,642		$ 1,763

(i) Represents 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 foreign operations.
(ii) Depreciation and amortization for the calculation of adjusted EBITDA excludes $247 million (2015 – $248 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and $8 million (2015 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

The following new items impacted operating income in the second quarter of 2016:

Charges related to Retail locations in Fort McMurray In the second quarter of 2016, 10 retail locations in Fort McMurray were impacted by the wildfire that caused the evacuation of the city. Loblaw recognized a charge related to the inventory losses, site clean-up and other restoration costs as set out in the "Loblaw Other Business Matters" section of this News Release.

Drug retail ancillary assets In the second quarter of 2016, Loblaw ceased actively marketing the remaining assets in certain drug retail ancillary operations that were previously marketed for sale as set out in the "Loblaw Other Business Matters" section of this News Release.

Adjusted Net Interest Expense and Other Financing Charges The Company believes adjusted net interest expense and other financing charges is useful in assessing the ongoing net financing costs of the Company.

The following table reconciles adjusted net interest expense and other financing charges to GAAP net interest expense and other financing charges reported for the periods ended as indicated.

(unaudited) ($ millions)	12 Weeks Ended Jun. 18, 2016	12 Weeks Ended Jun. 20, 2015	24 Weeks Ended Jun. 18, 2016	24 Weeks Ended Jun. 20, 2015
Net interest expense and other financing charges	**$ 157**	$ 140	**$ 394**	$ 317
Add: Fair value adjustment of the Trust Unit liability	**(73)**	22	**(94)**	(17)
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	**51**	(14)	**(31)**	(11)
Accelerated amortization of deferred financing costs		(8)		(11)
Adjusted net interest expense and other financing charges	**$ 135**	$ 140	**$ 269**	$ 278

Adjusted Income Taxes and Adjusted Income Tax Rate The Company believes the adjusted income tax rate applicable to adjusted earnings before taxes is useful in assessing the underlying operating performance of its business.

The following table reconciles the effective income tax rate applicable to adjusted earnings before taxes to the GAAP effective income tax rate applicable to earnings before taxes as reported for the periods ended as indicated.

(unaudited) ($ millions except where otherwise indicated)	12 Weeks Ended Jun. 18, 2016	12 Weeks Ended Jun. 20, 2015	24 Weeks Ended Jun. 18, 2016	24 Weeks Ended Jun. 20, 2015
Adjusted operating income(i)	**$ 736**	$ 649	**$ 1,361**	$ 1,235
Adjusted net interest expense and other financing charges(i)	**135**	140	**269**	278
Adjusted earnings before taxes	**$ 601**	$ 509	**$ 1,092**	$ 957
Income taxes	**$ 141**	$ 129	**$ 216**	$ 225
Add: Tax impact of items excluded from adjusted earnings before taxes(ii)	**30**	54	**95**	80
Statutory corporate income tax rate change		(45)	**(3)**	(45)
Adjusted income taxes	**$ 171**	$ 138	**$ 308**	$ 260
Effective income tax rate applicable to earnings before taxes	**38.3%**	45.6%	**36.7%**	36.0%
Adjusted income tax rate applicable to adjusted earnings before taxes	**28.5%**	27.1%	**28.2%**	27.2%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.
(ii) See the EBITDA and adjusted EBITDA table and the adjusted net interest expense and other financing charges table above for a complete list of items excluded from adjusted earnings before taxes.

Adjusted Diluted Net Earnings per Common Share and Adjusted Net Earnings The Company believes adjusted diluted net earnings per common share and adjusted net earnings are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

The following table reconciles adjusted diluted net earnings per common share and adjusted net earnings to GAAP net earnings attributable to shareholders of the Company and diluted net earnings per common share reported for the periods ended as indicated.

(unaudited)	12 Weeks Ended		24 Weeks Ended	
($ except where otherwise indicated)	**Jun. 18, 2016**	Jun. 20, 2015	**Jun. 18, 2016**	Jun. 20, 2015
Weighted average common shares outstanding[(ii)] (millions)	**128.4**	128.2	**128.3**	128.2
Net earnings attributable to shareholders of the Company ($ millions)	**$ 143**	$ 51	**$ 190**	$ 218
Prescribed dividends on preferred shares in share capital ($ millions)	**10**	10	**20**	20
Net earnings available to common shareholders of the Company ($ millions)	**$ 133**	$ 41	**$ 170**	$ 198
Reduction in net earnings due to dilution at Loblaw ($ millions)		1	**2**	2
Net earnings available to common shareholders for diluted earnings per share ($ millions)	**$ 133**	$ 40	**$ 168**	$ 196
Diluted net earnings per common share ($)	**$ 1.04**	$ 0.31	**$ 1.31**	$ 1.53
Add impact of the following[(i)]:				
Amortization of intangible assets acquired with Shoppers Drug Mart	**0.34**	0.33	**0.66**	0.65
Restructuring and other charges	**0.17**	0.18	**0.22**	0.22
Fair value adjustment of derivatives	**0.04**	0.03	**0.06**	(0.01)
Charges related to retail locations in Fort McMurray	**0.03**		**0.03**	
Prior year tax assessment			**0.02**	
Fixed asset and other related impairments, net of recoveries		0.01	**0.01**	0.02
Pension annuities and buy-outs	**0.02**		**0.03**	
Drug retail ancillary assets	**(0.01)**		**(0.01)**	
Charge related to apparel inventory		0.02		0.02
Shoppers Drug Mart divestitures loss				0.01
Inventory loss				0.01
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	**(0.29)**	0.08	**0.17**	0.07
Fair value adjustment of the Trust Unit liability	**0.11**	(0.03)	**0.15**	0.03
Accelerated amortization of deferred financing costs		0.02		0.03
Statutory corporate income tax rate change		0.19	**0.01**	0.19
Foreign currency translation	**0.11**	0.18	**0.19**	(0.27)
Adjusted diluted net earnings per common share	**$ 1.56**	$ 1.32	**$ 2.85**	$ 2.50
Adjusted net earnings attributable to shareholders of the Company ($ millions)	**$ 210**	$ 180	**$ 388**	$ 342
Prescribed dividends on preferred shares in share capital ($ millions)	**10**	10	**20**	20
Adjusted net earnings available to common shareholders of the Company ($ millions)	**$ 200**	$ 170	**$ 368**	$ 322
Reduction in net earnings due to dilution at Loblaw ($ millions)		1	**2**	2
Adjusted net earnings available to common shareholders for diluted earnings per share ($ millions)	**$ 200**	$ 169	**$ 366**	$ 320

(i) Net of income taxes and non-controlling interests, as applicable.
(ii) Includes impact of dilutive instruments for purposes of calculating adjusted diluted net earnings per common share.

FORWARD-LOOKING STATEMENTS

This News Release contains forward-looking statements about the Company's objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects and opportunities. Specific forward-looking statements in this News Release include, but are not limited to, statements with respect to the Company's anticipated future results, events and plans, synergies and other anticipated benefits associated with the acquisition of Shoppers Drug Mart, anticipated insurance proceeds related to the Fort McMurray wildfire and planned capital investments. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "Outlook" section of this News Release. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "maintain", "achieve", "grow", and "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2016 is based on certain assumptions including assumptions about sales and volume growth, anticipated cost savings, operating efficiencies, and continued growth from current initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Enterprise Risks and Risk Management" section of the Management's Discussion and Analysis in the Company's 2015 Annual Report and the Company's Annual Information Form ("AIF") for the year ended December 31, 2015. Such risks and uncertainties include:

- changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers to Loblaw;
- the inability of the Company's information technology ("IT") infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in Loblaw's new IT systems;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- public health events including those related to food and drug safety;
- failure by Loblaw to realize the anticipated strategic benefits associated with the acquisition of Shoppers Drug Mart;
- the inability of the Company to effectively develop and execute its strategy;
- failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies associated with the Company's major initiatives, including those from restructuring;
- failure by Loblaw's franchisees or Shoppers Drug Mart licensees ("Associates") to operate in accordance with prescribed procedures or standards, or disruptions to Loblaw's relationship with its franchisees or Associates;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements, which could lead to work stoppages;
- changes in the Company's income, capital, commodity, property and other tax and regulatory liabilities, including changes in tax laws, regulations or future assessments;
- reliance on the performance and retention of third-party service providers, including those associated with the Company's supply chain and Loblaw's apparel business;
- issues with vendors in both advanced and developing markets;

- the risk that the Company would experience a financial loss if its counterparties fail to meet their obligations in accordance with the terms and conditions of their contracts with the Company;
- failure to merchandise effectively or in a manner that is responsive to customer demand;
- heightened competition, whether from current competitors or new entrants to the marketplace;
- the inability of the Company to anticipate, identify and react to consumer and retail trends;
- changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates, changes in interest rates, currency exchange rates and derivative and commodity prices;
- the impact of potential environmental liabilities; and
- the inability of Loblaw to collect on or fund its credit card receivables.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. 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. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the section entitled "Operating and Financial Risks and Risk Management" in the Company's AIF for the year ended December 31, 2015. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this News Release. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

2016 SECOND QUARTER REPORT TO SHAREHOLDERS

The Company's 2015 Annual Report and 2016 Second Quarter Report to Shareholders are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed with SEDAR and are available online at www.sedar.com.

INVESTOR RELATIONS

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

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR. This News Release includes selected information on Loblaw Companies Limited, a public company with shares trading on the Toronto Stock Exchange. For information regarding Loblaw, readers should also refer to the materials filed by Loblaw with SEDAR from time to time. These filings are also maintained at Loblaw's corporate website at www.loblaw.ca.

SECOND QUARTER CONFERENCE CALL AND WEBCAST PRESENTATION

George Weston Limited will host a conference call as well as an audio webcast on Friday, July 29, 2016 at 9:00 a.m. (EDT). To access via tele-conference, please dial (647) 427-7450 or 1-888-231-8191. The playback will be available two hours after the event at (416) 849-0833, passcode: 77515373#. 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.

Endnotes

(1) See "Non-GAAP Financial Measures" section of this News Release beginning on page 7.

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