Weston

NEWS RELEASE

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

TORONTO, ONTARIO November 22, 2016 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 16 weeks ended October 8, 2016.

GWL's 2016 Third 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 third quarter results reflect each of the Company's operating segment's ability to execute on their strategic priorities. Loblaw continued to gain momentum, improving sales performance, while remaining focused on its financial plan. Weston Foods delivered results in line with expectations driven by volume growth and productivity improvements as it continued to invest in the business."

2016 THIRD QUARTER HIGHLIGHTS

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended			40 Weeks Ended		
	Oct. 8, 2016	Oct. 10, 2015	Change	**Oct. 8, 2016**	Oct. 10, 2015	Change
Sales	**$ 14,605**	**$ 14,386**	**1.5 %**	**$ 36,480**	**$ 35,646**	**2.3 %**
Adjusted EBITDA[1]	**$ 1,242**	$ 1,117	11.2 %	**$ 3,113**	$ 2,880	8.1 %
Adjusted EBITDA margin[1]	**8.5%**	7.8%		**8.5%**	8.1%	
Net earnings attributable to shareholders of the Company	**$ 268**	**$ 161**	**66.5 %**	**$ 458**	**$ 379**	**20.8 %**
Net earnings available to common shareholders of the Company	**$ 254**	**$ 147**	**72.8 %**	**$ 424**	**$ 345**	**22.9 %**
Adjusted net earnings available to common shareholders of the Company[1]	**$ 266**	$ 212	25.5 %	**$ 634**	$ 534	18.7 %
Diluted net earnings per common share ($)	**$ 1.97**	**$ 1.15**	**71.3 %**	**$ 3.28**	**$ 2.68**	**22.4 %**
Adjusted diluted net earnings per common share[1] ($)	**$ 2.06**	$ 1.65	24.8 %	**$ 4.92**	$ 4.15	18.6 %

CONSOLIDATED RESULTS OF OPERATIONS

Adjusted net earnings available to common shareholders of the Company[1] increased by $54 million ($0.41 per common share) to $266 million ($2.06 per common share) in the third 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 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 $107 million ($0.82 per common share) to $254 million ($1.97 per common share) in the third quarter of 2016 compared to the same period in 2015. The increase in net earnings available to common shareholders of the Company was primarily 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 a decrease in restructuring and other related charges of $113 million ($0.37 per common share);
- the favourable impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of $45 million ($0.26 per common share); and

- the favourable impact of the fair value adjustment of the Trust Unit liability of $47 million ($0.08 per common share);

partially offset by,

- the unfavourable impact of lower foreign currency translation of $35 million ($0.29 per common share).

REPORTABLE OPERATING SEGMENTS

The Company has two reportable operating segments, Loblaw and Weston Foods. The Company also holds cash, short term investments and an effective interest in Choice Properties Real Estate Investment Trust ("Choice Properties") of 6%. Loblaw has three reportable operating segments including retail businesses, a bank and Choice Properties. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, retail banking, credit card services, insurance and wireless mobile products and services. Loblaw also holds an 83% effective interest in Choice Properties, which owns, leases and manages income-producing commercial properties. The Weston Foods operating segment includes a leading fresh bakery business in Canada and frozen, artisan bakery and biscuit businesses throughout North America.

Weston Foods Segment Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended			40 Weeks Ended		
	Oct. 8, 2016	Oct. 10, 2015	Change	**Oct. 8, 2016**	Oct. 10, 2015	Change
Sales	**$ 673**	$ 649	3.7%	**$ 1,731**	$ 1,617	7.1 %
Adjusted EBITDA(1)	**$ 101**	$ 97	4.1%	**$ 223**	$ 218	2.3 %
Adjusted EBITDA margin(1)	**15.0%**	14.9%		**12.9%**	13.5%	
Depreciation and amortization(i)	**$ 33**	$ 32	3.1%	**$ 84**	$ 69	21.7 %

(i) Depreciation and amortization in the third quarter of 2016 includes $3 million (2015 – $5 million) of accelerated depreciation related to restructuring and other charges.

Sales Weston Foods sales in the third quarter of 2016 were $673 million, an increase of $24 million, or 3.7%, compared to the same period in 2015, primarily due to an increase in volumes. Foreign currency translation had a nominal positive impact on sales compared to the third quarter of 2015.

Adjusted EBITDA(1) Weston Foods adjusted EBITDA(1) in the third quarter of 2016 was $101 million, an increase of $4 million, or 4.1%, 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.

Adjusted EBITDA margin(1) in the third quarter of 2016 improved slightly to 15.0% compared to 14.9% in the same period in 2015.

Depreciation and Amortization Weston Foods depreciation and amortization was $33 million in the third quarter of 2016, an increase of $1 million compared to the same period in 2015. Depreciation and amortization included $3 million (2015 – $5 million) of accelerated depreciation related to the planned closures of bread, pie and cake manufacturing facilities. Excluding these amounts, depreciation and amortization increased in the third quarter of 2016 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. In the third quarter of 2016, Weston Foods recorded a net gain of $4 million (2015 – charge of $14 million) driven by the disposal of land and building, partially offset by restructuring and other charges, including $3 million (2015 – $5 million) 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.

Inventory loss In the third quarter of 2016, Weston Foods' damaged inventory of $6 million (U.S. $5 million) was written-off and was recorded in selling, general and administrative expenses ("SG&A") in the Company's consolidated statement of earnings. An insurance claim is in progress and proceeds are expected to be recorded as the claim progresses. Additional losses or charges associated with this inventory will be recorded as incurred.

Loblaw Segment Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	16 Weeks Ended **Oct. 8, 2016**	Oct. 10, 2015	Change	40 Weeks Ended **Oct. 8, 2016**	Oct. 10, 2015	Change
Sales	**$ 14,143**	$ 13,946	1.4 %	**$ 35,255**	$ 34,529	2.1 %
Retail gross profit[(i)]	**$ 3,718**	$ 3,560	4.4 %	**$ 9,305**	$ 8,895	4.6 %
Adjusted EBITDA[(1)]	**$ 1,141**	$ 1,020	11.9 %	**$ 2,890**	$ 2,662	8.6 %
Adjusted EBITDA margin[(1)]	**8.1%**	7.3%		**8.2 %**	7.7 %	
Depreciation and amortization[(ii)]	**$ 464**	$ 477	(2.7)%	**$ 1,178**	$ 1,216	(3.1)%

(i) Loblaw Retail gross profit in the third 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 in the third quarter of 2016 includes $164 million (2015 – $164 million) of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart").

Overall Loblaw Performance Loblaw adjusted EBITDA[(1)] increased by $121 million in the third quarter of 2016 compared to the same period in 2015, primarily driven by Retail. Excluding the impact of consolidated franchises, Retail adjusted EBITDA[(1)] increased by $105 million driven by higher sales, stable gross margins and lower SG&A.

Sales, Retail gross profit, and adjusted EBITDA[(1)] in the third quarter of 2016 included the impacts of the consolidation of franchises, as set out in "Loblaw Other Business Matters".

Sales Loblaw sales in the third quarter of 2016 were $14,143 million, an increase of $197 million compared to the same period in 2015, primarily driven by Retail. Retail sales increased by $176 million, or 1.3%, compared to the same period in 2015 and included food retail sales of $10,278 million (2015 – $10,178 million) and drug retail sales of $3,613 million (2015 – $3,537 million).

Excluding the consolidation of franchises, Retail sales increased by $74 million primarily driven by the following factors:

- food retail same-store sales growth was 0.8%. Loblaw's food retail average quarterly internal food price index declined and was lower than the average quarterly national food price inflation of 0.2% 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 2.8%, including same-store pharmacy sales growth of 1.6% and front store same-store sales growth of 3.9%; and
- in the last 12 months, Retail net square footage decreased by 0.2 million square feet, or 0.3%, primarily driven by Loblaw's store closure plan announced in 2015.

Retail Gross Profit Loblaw Retail gross profit in the third quarter of 2016 was $3,718 million, an increase of $158 million compared to the same period in 2015 and included a net gain of $4 million (2015 – nil) primarily related to the receipt of partial proceeds from Loblaw's insurance claim related to retail locations in Fort McMurray impacted by the wildfire.

Excluding this impact, Retail gross profit increased $154 million to $3,714 million and Retail gross profit percentage of 26.7% increased by 70 basis points compared to the third quarter of 2015. Excluding the consolidation of franchises, Retail gross profit percentage was 26.1%, an increase of 30 basis points compared to the third quarter of 2015. Food retail promotional investment drove margins lower, however drug retail pharmacy margins improved and offset the impacts of promotional investments. Retail gross profit percentage improved largely due to improvements in shrink compared to the same period in 2015.

Adjusted EBITDA[1] Loblaw adjusted EBITDA[1] in the third quarter of 2016 was $1,141 million, an increase of $121 million compared to the same period in 2015, primarily driven by Retail. Retail adjusted EBITDA[1] increased $111 million driven by an increase in Retail gross profit, as described above, partially offset by an increase in Retail SG&A of $43 million. Retail SG&A as a percentage of sales was 18.9%, an increase of 10 basis points compared to the third quarter of 2015. Excluding the consolidation of franchises, Retail SG&A as a percentage of sales was 18.2%, an improvement of 50 basis points compared to the third quarter of 2015, driven by the following factors:

- the positive impact of Loblaw's store closure plan announced in 2015;
- favourable changes in the value of Loblaw's investments in its franchise business;
- favourable year-over-year foreign exchange impacts; and
- the favourable impact related to settlement of collective agreements in the third quarter of 2015.

Loblaw adjusted EBITDA[1] in the third quarter of 2016 also included the increase in Financial Services adjusted EBITDA[1] of $5 million and the increase in Choice Properties adjusted EBITDA[1] of $5 million.

The increase in Financial Services adjusted EBITDA[1] was driven by the growth in the credit card portfolio and higher Mobile Shop sales. The increase in Choice Properties adjusted EBITDA[1] was driven by an increase in base rent and net recoveries of property tax and operating costs from existing properties.

Depreciation and Amortization Loblaw's depreciation and amortization was $464 million in the third quarter of 2016, a decrease of $13 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 in the second quarter of 2016.

Depreciation and amortization in the third quarter of 2016 included $164 million (2015 – $164 million) of amortization of intangible assets acquired with Shoppers Drug Mart.

Loblaw Other Business Matters

Consolidation of Franchises Loblaw has more than 500 franchise food retail stores in its network. As at the end of the third quarter of 2016, 165 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 third quarter of 2016 and the total impact of the consolidated franchises:

(unaudited) ($ millions) For the periods ended as indicated	16 Weeks Ended **Oct. 8, 2016**	 Oct. 10, 2015
Number of Consolidated Franchise stores, beginning of period	**132**	16
Add: Number of Consolidated Franchise stores in the period	**33**	27
Number of Consolidated Franchise stores, end of period	**165**	43
Sales	**$ 125**	$ 23
Retail gross profit	**120**	21
Adjusted EBITDA[1]		(6)
Depreciation and amortization	**7**	2
Net loss attributable to Non-Controlling Interest	**(7)**	(6)

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 $210 million in 2016 compared to $275 million previously stated. Depreciation is projected to increase in 2016 when compared to 2015, and more than offset the improvement in adjusted EBITDA[1]. The competitive retail landscape continues to intensify, particularly in fresh bakery and this will 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 third 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 January 1, 2017, to shareholders of record December 15, 2016;
Preferred Shares, Series I	$0.3625 per share payable December 15, 2016, to shareholders of record November 30, 2016;
Preferred Shares, Series III	$0.3250 per share payable January 1, 2017, to shareholders of record December 15, 2016;
Preferred Shares, Series IV	$0.3250 per share payable January 1, 2017, to shareholders of record December 15, 2016; and
Preferred Shares, Series V	$0.296875 per share payable January 1, 2017, to shareholders of record December 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 2016 Third Quarter 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.

	16 Weeks Ended							
				Oct. 8, 2016				Oct. 10, 2015
(unaudited) ($ millions)	**Weston Foods**	**Loblaw**	**Other[(i)]**	**Consolidated**	Weston Foods	Loblaw	Other[(i)]	Consolidated
Net earnings attributable to shareholders of the Company				**$ 268**				$ 161
Add impact of the following:								
Non-controlling interests				**219**				87
Income taxes				**166**				93
Net interest expense and other financing charges				**129**				225
Operating income	**$ 75**	**$ 688**	**$ 19**	**$ 782**	$ 56	$ 456	$ 54	$ 566
Depreciation and amortization	**33**	**464**		**497**	32	477		509
EBITDA	**$ 108**	**$ 1,152**	**$ 19**	**$ 1,279**	$ 88	$ 933	$ 54	$ 1,075
Operating income	**$ 75**	**$ 688**	**$ 19**	**$ 782**	$ 56	$ 456	$ 54	$ 566
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		**164**		**164**		164		164
Restructuring and other charges	**(4)**			**(4)**	14	95		109
Fair value adjustment of derivatives	**(6)**	**(9)**		**(15)**		(12)		(12)
Charges related to retail locations in Fort McMurray, net of recoveries		**(5)**		**(5)**				
Fixed asset and other related impairments, net of recoveries		**3**		**3**		2		2
Pension annuities and buy-outs						2		2
Inventory loss	**6**			**6**				
Foreign currency translation			**(19)**	**(19)**			(54)	(54)
Adjusted operating income	**$ 71**	**$ 841**		**$ 912**	$ 70	$ 707		$ 777
Depreciation and amortization excluding the impact of the above adjustments[(ii)]	**30**	**300**		**330**	27	313		340
Adjusted EBITDA	**$ 101**	**$ 1,141**		**$ 1,242**	$ 97	$ 1,020		$ 1,117

(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 $164 million (2015 – $164 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and $3 million (2015 – $5 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

	40 Weeks Ended							
				Oct. 8, 2016				Oct. 10, 2015
(unaudited) ($ millions)	Weston Foods	Loblaw	Other[(i)]	Consolidated	Weston Foods	Loblaw	Other[(i)]	Consolidated
Net earnings attributable to shareholders of the Company				$ 458				$ 379
Add impact of the following:								
Non-controlling interests				401				269
Income taxes				382				318
Net interest expense and other financing charges				523				542
Operating income	$ 135	$ 1,637	$ (8)	$ 1,764	$ 135	$ 1,279	$ 94	$ 1,508
Depreciation and amortization	84	1,178		1,262	69	1,216		1,285
EBITDA	$ 219	$ 2,815	$ (8)	$ 3,026	$ 204	$ 2,495	$ 94	$ 2,793
Operating income	$ 135	$ 1,637	$ (8)	$ 1,764	$ 135	$ 1,279	$ 94	$ 1,508
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		411		411		412		412
Restructuring and other charges	10	44		54	18	161		179
Fair value adjustment of derivatives	(4)	11		7		(15)		(15)
Prior year tax assessment		10		10				
Charges related to retail locations in Fort McMurray, net of recoveries		7		7				
Fixed asset and other related impairments, net of recoveries		5		5		9		9
Pension annuities and buy-outs	3	2		5		2		2
Drug retail ancillary assets		(4)		(4)				
Inventory losses	6			6	1			1
Charge related to apparel inventory						8		8
Shoppers Drug Mart divestitures loss						2		2
Foreign currency translation			8	8			(94)	(94)
Adjusted operating income	$ 150	$ 2,123		$ 2,273	$ 154	$ 1,858		$ 2,012
Depreciation and amortization excluding the impact of the above adjustments[(ii)]	73	767		840	64	804		868
Adjusted EBITDA	$ 223	$ 2,890		$ 3,113	$ 218	$ 2,662		$ 2,880

(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 $411 million (2015 – $412 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and $11 million (2015 – $5 million) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

The following new item impacted operating income in the third quarter of 2016:

Inventory loss In the third quarter of 2016, Weston Foods' damaged inventory of $6 million (U.S. $5 million) was written-off and was recorded in SG&A in the Company's consolidated statement of earnings. An insurance claim is in progress and proceeds are expected to be recorded as the claim progresses. Additional losses or charges associated with this inventory will be recorded as incurred.

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)	16 Weeks Ended **Oct. 8, 2016**	16 Weeks Ended Oct. 10, 2015	40 Weeks Ended **Oct. 8, 2016**	40 Weeks Ended Oct. 10, 2015
Net interest expense and other financing charges	**$ 129**	$ 225	**$ 523**	$ 542
Add: Fair value adjustment of the Trust Unit liability	**14**	(33)	**(80)**	(50)
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	**21**	(24)	**(10)**	(35)
Accelerated amortization of deferred financing costs		(4)		(15)
Adjusted net interest expense and other financing charges	**$ 164**	$ 164	**$ 433**	$ 442

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)	16 Weeks Ended **Oct. 8, 2016**	16 Weeks Ended Oct. 10, 2015	40 Weeks Ended **Oct. 8, 2016**	40 Weeks Ended Oct. 10, 2015
Adjusted operating income(i)	**$ 912**	$ 777	**$ 2,273**	$ 2,012
Adjusted net interest expense and other financing charges(i)	**164**	164	**433**	442
Adjusted earnings before taxes	**$ 748**	$ 613	**$ 1,840**	$ 1,570
Income taxes	**$ 166**	$ 93	**$ 382**	$ 318
Add: Tax impact of items excluded from adjusted earnings before taxes(ii)	**32**	74	**127**	154
Statutory corporate income tax rate change			**(3)**	(45)
Adjusted income taxes	**$ 198**	$ 167	**$ 506**	$ 427
Effective income tax rate applicable to earnings before taxes	**25.4%**	27.3%	**30.8%**	32.9%
Adjusted income tax rate applicable to adjusted earnings before taxes	**26.5%**	27.2%	**27.5%**	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)	16 Weeks Ended		40 Weeks Ended	
($ except where otherwise indicated)	**Oct. 8, 2016**	Oct. 10, 2015	**Oct. 8, 2016**	Oct. 10, 2015
Weighted average common shares outstanding[i] (millions)	**128.2**	128.3	**128.3**	128.2
Net earnings attributable to shareholders of the Company ($ millions)	**$ 268**	$ 161	**$ 458**	$ 379
Prescribed dividends on preferred shares in share capital ($ millions)	**14**	14	**34**	34
Net earnings available to common shareholders of the Company ($ millions)	**$ 254**	$ 147	**$ 424**	$ 345
Reduction in net earnings due to dilution at Loblaw ($ millions)	**2**		**3**	2
Net earnings available to common shareholders for diluted earnings per share ($ millions)	**$ 252**	$ 147	**$ 421**	$ 343
Diluted net earnings per common share	**$ 1.97**	$ 1.15	**$ 3.28**	$ 2.68
Add impact of the following[ii]:				
Amortization of intangible assets acquired with Shoppers Drug Mart	**0.44**	0.42	**1.10**	1.07
Restructuring and other charges	**(0.03)**	0.34	**0.19**	0.57
Fair value adjustment of derivatives	**(0.05)**	(0.03)	**0.01**	(0.04)
Prior year tax assessment			**0.02**	
Charges related to retail locations in Fort McMurray, net of recoveries	**(0.02)**		**0.02**	
Fixed asset and other related impairments, net of recoveries	**0.01**		**0.02**	0.02
Pension annuities and buy-outs			**0.03**	
Drug retail ancillary assets			**(0.01)**	
Inventory losses	**0.03**		**0.03**	0.01
Charge related to apparel inventory				0.02
Shoppers Drug Mart divestitures loss				0.01
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	**(0.12)**	0.14	**0.05**	0.20
Fair value adjustment of the Trust Unit liability	**(0.03)**	0.05	**0.12**	0.08
Accelerated amortization of deferred financing costs		0.01		0.04
Statutory corporate income tax rate change			**0.01**	0.19
Foreign currency translation	**(0.14)**	(0.43)	**0.05**	(0.70)
Adjusted diluted net earnings per common share	**$ 2.06**	$ 1.65	**$ 4.92**	$ 4.15
Adjusted net earnings attributable to shareholders of the Company ($ millions)	**$ 280**	$ 226	**$ 668**	$ 568
Prescribed dividends on preferred shares in share capital ($ millions)	**14**	14	**34**	34
Adjusted net earnings available to common shareholders of the Company ($ millions)	**$ 266**	$ 212	**$ 634**	$ 534
Reduction in net earnings due to dilution at Loblaw ($ millions)	**2**		**3**	2
Adjusted net earnings available to common shareholders for diluted earnings per share ($ millions)	**$ 264**	$ 212	**$ 631**	$ 532

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

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 recoveries 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 THIRD QUARTER REPORT TO SHAREHOLDERS

The Company's 2015 Annual Report and 2016 Third 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.

THIRD QUARTER CONFERENCE CALL AND WEBCAST PRESENTATION

George Weston Limited will host a conference call as well as an audio webcast on Tuesday, November 22, 2016 at 9:00 a.m. (EST). 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 or 1-855-859-2056, passcode: 77496303#. 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 6.

(2) This News Release contains forward-looking information. See Forward-Looking Statements beginning on page 11 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.