



George Weston Limited to sell U.S. fresh baking assets to Grupo Bimbo
Divestiture provides resources to advance business opportunities

TORONTO, December 10, 2008 – George Weston Limited (“Weston” or the “Company”) (TSX:WN) announced today that its subsidiary, Dunedin Holdings S.à.r.l., has agreed to sell its fresh bread and baked goods business in the United States to Grupo Bimbo, S.A.B.de C.V., one of the world’s leading and largest baking companies, for gross and net cash proceeds of approximately U.S.\$2.5 billion including approximately \$125 million of interest bearing assets.

The assets being sold are part of Weston Foods, Inc., Dunedin’s principal U.S. operating subsidiary, and include the *Arnold, Brownberry, Entenmann’s, Freihofer, Stroehmann* and *Thomas’* brand names. For the 52 weeks ended October 4, 2008 the business being sold contributed U.S. \$2.2 billion of sales and U.S. \$255 million of EBITDA to Weston’s consolidated results. Exclusive of restructuring charges, fair value adjustments on commodity derivatives, and adjustments of insurance reserves taken in the fourth quarter of 2007 and the third quarter of 2008 as a result of favourable workers compensation experience, EBITDA for the 52 weeks ended October 4, 2008 was approximately U.S. \$275 million. The Company will report a significant gain on disposal reflecting the value creation since the Best Foods Baking acquisition in 2001.

Dunedin will retain its other U.S. baking interests - Interbake Foods, which produces biscuits, cookies, cones and wafers, and Maplehurst Bakeries, which produces and distributes frozen bakery products.

The transaction is subject to customary closing conditions, including U.S. antitrust legislation, and is expected to close in the first quarter of 2009. The transaction is also subject to approval by a majority of Grupo Bimbo’s shareholders. As part of the transaction, shareholders controlling a majority of the outstanding shares of Grupo Bimbo have agreed to vote their shares in favour of the transaction. Grupo Bimbo has received financing commitments which, together with funds on hand, are sufficient to fully fund the full amount of the purchase price. If Grupo Bimbo fails to complete the transaction in certain circumstances, including if the financing syndicate fails to advance the necessary funds, Dunedin shall be entitled to payment of U.S. \$100 million. The outside date for completion of the transaction is June 30, 2009.

The sale marks the second such transaction for GWL this year. The company closed the sale of Neilson Dairy to Saputo Inc. on December 1, 2008.

In announcing the transaction, Mr. Weston said, “ Having sold both the dairy business and the US fresh baking business at good multiples, we will sit at George Weston Limited with strategically well positioned companies with leading market positions in food retail and baking in Canada and a significant sum of cash. We intend to use that cash wisely and at the appropriate time.”

CIBC World Markets acted as financial advisor to Dunedin and Weston. Mayer Brown LLP acted as legal advisor to Dunedin and Weston.

George Weston Limited is a Canadian public company founded in 1882 and through its operating subsidiaries constitutes one of North America's largest food processing and distribution groups. Weston has two reportable operating segments: Weston Foods and Loblaw, which is operated by Loblaw Companies Limited. The Weston Foods operating segment is primarily engaged in the baking industry within North America. Loblaw is Canada's largest food distributor and a leading provider of general merchandise, drugstore and financial products and services.

This news release includes forward-looking statements, such as the Company's beliefs and expectations that the sale of the US fresh bread and baked goods business will close in the first quarter of 2009. These statements are based on certain assumptions and reflect the Company's current expectations. No assurance can be given that the sale will be completed within the time period specified in this release, or at all. All forward-looking statements in this news release are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Some of the factors that could cause actual results to differ from expectations included in this press release include the need of the parties to obtain regulatory approvals and satisfy other conditions of closing, the inability of the purchaser to complete the transaction due to the failure to obtain shareholder approval and the failure of the purchaser's financing syndicate to advance the necessary funds. Additional factors are discussed in the Company's materials filed with the securities regulatory authorities in Canada from time to time. This news release may contain references to certain non-GAAP measures such as EBITDA and readers should refer to the Company's materials filed with the securities regulatory authorities in Canada from time to time. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact: Geoffrey Wilson, Senior Vice President
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Conference call details:

Wednesday December 10, 2008 10:00 a.m. EST.
To access via teleconference please dial: 416-644-3419
Conference call replay: 416-640-1917 passcode: 21292122#
To access via webcast please visit: www.weston.ca
Pre-registration and details are available.