WESTON GEORGE WESTON LIMITED

NEWS RELEASE

George Weston Limited Reports First Quarter 2020 Results[(2)]

Toronto, Ontario May 5, 2020 George Weston Limited (TSX: WN) ("GWL" or the "Company") today announced its consolidated unaudited results for the 12 weeks ended March 21, 2020.

GWL's 2020 First Quarter Report has been filed on SEDAR and is available at sedar.com and in the Investor Centre section of the Company's website at weston.ca.

"I am proud of our teams who have kept essential supermarkets and pharmacies open, bakery shelves stocked, and hundreds of properties safe and secure," said Chairman and Chief Executive Officer, Galen G. Weston. "We continue to make meaningful and necessary investments to ensure the well-being of our customers, colleagues, and tenants during these uncertain times. Looking ahead, each of our businesses is set to deliver long-term value creation from a position of operational strength and with a solid financial foundation when we transition to a new post-pandemic reality."

GWL's group of companies performed well in the first quarter and responded quickly to the dramatic onset of the COVID-19 pandemic. Beginning in mid-March, the pandemic began to affect our people, our operations and our communities. In our retail and consumer goods businesses, sales of essential items initially surged in response to stockpiling. At the same time, sales of non-essential goods and services declined and governments ordered mandatory closures of non-essential businesses, negatively impacting the financial health of affected tenants. Recognizing the important role our group of companies plays in helping individuals and businesses meet the challenges of the pandemic, investments by the businesses ramped up to protect and support colleagues, customers and tenants. Following the initial surge in sales at the end of March in our retail and consumer goods businesses, demand has moderated. The response by each of our businesses and costs related to COVID-19 have continued in the second quarter.

2020 FIRST QUARTER HIGHLIGHTS

Net earnings available to common shareholders of the Company were $582 million ($3.78 per common share), an increase of $1,070 million ($6.96 per common share) compared to the same period in 2019. The increase was due to an improvement of $38 million ($0.25 per common share) in the underlying operating performance of the Company and the favourable year-over-year net impact of adjusting items totaling $1,032 million ($6.71 per common share), which was primarily due to the favourable year-over-year impact of the fair value adjustment of the Trust Unit liability of $1,086 million ($7.07 per common share).

Adjusted net earnings available to common shareholders of the Company[(1)] were $239 million ($1.55 per common share). In comparison to the same period in 2019, this represented an increase of $38 million ($0.25 per common share), or 18.9%, due to the improvement in underlying operating performance of the Company and the positive contribution from the year-over-year increase in the Company's ownership interest in Loblaw Companies Limited ("Loblaw"), as a result of Loblaw share repurchases, partially offset by higher net interest expense and other financing charges.

First quarter financial results reflect an estimated increase in revenue of approximately $753 million and net earnings available to common shareholders of $29 million ($0.19 per common share) primarily related to the significant increase in initial demand for grocery and pharmacy products at Loblaw in March following the onset of the COVID-19 pandemic in Canada.

CONSOLIDATED RESULTS OF OPERATIONS

Unless otherwise indicated, the Company's results include:

- the impact of COVID-19 as set out in the "Consolidated Other Business Matters" section of this News Release; and
- the year-over-year impact of the fair value adjustment of the Trust Unit liability as a result of the significant changes in Choice Properties Real Estate Investment Trust ("Choice Properties") unit price, recorded in net interest expense and other financing charges. The Company's results are impacted by market price fluctuations of Choice Properties' Trust Units on the basis that the Trust Units held by unitholders, other than the Company, are redeemable for cash at the option of the holder. The Company's financial results are negatively impacted when the Trust Unit price rises and positively impacted when the Trust Unit price declines.

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Mar. 21, 2020	Mar. 23, 2019	$ Change	% Change
Revenue	**$ 12,333**	**$ 11,173**	**$ 1,160**	**10.4%**
Operating income	**$ 598**	**$ 586**	**$ 12**	**2.0%**
Adjusted EBITDA[1]	**$ 1,304**	$ 1,158	$ 146	12.6%
Adjusted EBITDA margin[1]	**10.6%**	10.4%		
Net earnings (loss) attributable to shareholders of the Company	**$ 592**	**$ (478)**	**$ 1,070**	**223.8%**
Net earnings (loss) available to common shareholders of the Company	**$ 582**	**$ (488)**	**$ 1,070**	**219.3%**
Adjusted net earnings available to common shareholders of the Company[1]	**$ 239**	$ 201	$ 38	18.9%
Diluted net earnings (loss) per common share ($)	**$ 3.78**	**$ (3.18)**	**$ 6.96**	**218.9%**
Adjusted diluted net earnings per common share[1] ($)	**$ 1.55**	$ 1.30	$ 0.25	19.2%

Net earnings available to common shareholders of the Company in the first quarter of 2020 were $582 million ($3.78 per common share), an increase of $1,070 million ($6.96 per common share), or 219.3%, compared to the same period in 2019. The increase was due to the favourable year-over-year net impact of adjusting items totaling $1,032 million ($6.71 per common share) and an improvement in the underlying operating performance of $38 million ($0.25 per common share) described below.

- The favourable year-over-year net impact of adjusting items totaling $1,032 million ($6.71 per common share) was primarily due to:
  - the favourable year-over-year impact of the fair value adjustment of the Trust Unit Liability of $1,086 million ($7.07 per common share); and
  - the favourable year-over-year impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of $46 million ($0.30 per common share);

  partially offset by,
  - the unfavourable year-over-year impact of the fair value adjustment on investment properties of $70 million ($0.47 per common share);
  - the unfavourable impact of the deferred tax expense on the outside basis difference in certain Loblaw shares of $14 million ($0.09 per common share); and
  - the unfavourable year-over-year impact of restructuring and other related costs of $12 million ($0.07 per common share).

- The improvement in underlying operating performance of $38 million ($0.25 per common share) was primarily due to:
  - the favourable underlying operating performance of Loblaw and Weston Foods including the impact of COVID-19 estimated at approximately $29 million ($0.19 per common share); and
  - the positive contribution from the year-over-year increase in the Company's ownership interest in Loblaw, as a result of Loblaw share repurchases;

  partially offset by,
  - an increase in adjusted net interest expenses and other financing charges[1].

Adjusted net earnings available to common shareholders of the Company[1] in the first quarter of 2020 were $239 million ($1.55 per common share), an increase of $38 million ($0.25 per common share), or 18.9%, due to the improvement in underlying operating performance described above.

CONSOLIDATED OTHER BUSINESS MATTERS

COVID-19 First quarter financial results reflect an estimated increase in revenue from the impact of COVID-19 of approximately $753 million, primarily related to Loblaw. Loblaw experienced unprecedented consumer demand and stockpiling relating to COVID-19, with sales surging in the final two weeks of March. The result was both a sharp increase in revenue and profit followed by ramp-up in spending to protect and benefit its colleagues and customers. The estimated increase in revenue and diluted net earnings per common share was impacted by each of the Company's reportable operating segments as follows:

	12 Weeks Ended Mar. 21, 2020							
(unaudited) **($ millions except where otherwise indicated)**		**Loblaw**		**Weston Foods**		**Other and Intersegment**		**Total(i)**
Revenue	$	751	$	5	$	(3)	**$**	**753**
Diluted net earnings per common share ($)	$	0.18	$	0.01	$	–	**$**	**0.19**
Diluted weighted average common shares outstanding (in millions)								**153.8**

(i) Nominal impact in the first quarter of 2020 from Choice Properties.

Refer to the "COVID-19 Update and Outlook" section of this News Release for more information.

REPORTABLE OPERATING SEGMENTS

The Company operates through its three reportable operating segments, Loblaw, Choice Properties and Weston Foods. Other and Intersegment includes eliminations, intersegment adjustments related to the consolidation and cash and short-term investments held by the Company. All other company level activities that are not allocated to the reportable operating segments, such as interest expense, corporate activities and administrative costs are included in Other and Intersegment.

Loblaw has two reportable operating segments, retail and financial services. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise and financial services.

Choice Properties owns, manages and develops a high-quality portfolio of commercial retail, industrial, office and residential properties across Canada.

Weston Foods is a North American bakery making bread, rolls, cupcakes, donuts, biscuits, cakes, pies, cones and wafers, artisan baked goods and more.

Loblaw Operating Results

(unaudited) **($ millions except where otherwise indicated)** **For the periods ended as indicated**	12 Weeks Ended						
		Mar. 21, 2020		Mar. 23, 2019		$ Change	% Change
Revenue	**$**	**11,800**	$	10,659	$	1,141	10.7%
Operating income	**$**	**539**	$	449	$	90	20.0%
Adjusted EBITDA(1)	**$**	**1,167**	$	1,038	$	129	12.4%
Adjusted EBITDA margin(1)		**9.9%**		9.7%			
Depreciation and amortization(i)	**$**	**594**	$	580	$	14	2.4%

(i) Depreciation and amortization in the first quarter of 2020 includes $119 million (2019 – $119 million) of amortization of intangible assets acquired with Shoppers Drug Mart Corporation ("Shoppers Drug Mart").

Unless otherwise indicated, Loblaw's operating results include the impacts of COVID-19 and the consolidation of franchises.

Revenue Loblaw revenue in the first quarter of 2020 was $11,800 million, an increase of $1,141 million, or 10.7%, compared to the same period in 2019, primarily driven by retail sales. Loblaw financial results reflect an estimated increase in revenue of approximately $751 million related to the significant increase in initial demand for grocery and pharmacy products in March following the onset of the COVID-19 pandemic in Canada.

Retail sales in the first quarter of 2020 increased by $1,132 million, or 10.8%, compared to the same period in 2019 and included food retail sales of $8,332 million (2019 – $7,515 million) and drug retail sales of $3,252 million (2019 – $2,937 million). Excluding the consolidation of franchises, retail sales increased by $946 million, or 9.3%, primarily driven by the following factors:

- the increase in sales included the impact of COVID-19, estimated at approximately $768 million, which included the favourable impact of the consolidation of franchises of $91 million;
- food retail same-store sales growth was 9.6% for the quarter. Food same-store sales growth was positively impacted by COVID-19. Food retail basket size increased and traffic increased in the quarter;
- Loblaw's food retail average article price was 1.5% (2019 – 3.8%), which reflects the impact of inflation on the specific mix of goods sold in Loblaw's stores in the quarter. The average quarterly national food price inflation was 2.8% (2019 – inflation of 3.3%) 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; and
- drug retail same-store sales growth was 10.7%. Drug same-store sales growth was positively impacted by COVID-19. Pharmacy same-store sales growth was 10.6% and front store same-store sales growth was 10.7%.

In the last 12 months, 13 food and drug stores were opened and 7 food and drug stores were closed, resulting in a net increase in retail square footage of 0.2 million square feet, or 0.3%.

Financial services revenue was flat compared to the first quarter of 2019 mainly due to higher interest and interchange income attributable to the growth in the credit card portfolio and higher sales attributable to *The Mobile Shop* offset by the negative impact of COVID-19, driven by lower interchange income and lower sales attributable to *The Mobile Shop*.

Operating income Loblaw operating income in the first quarter of 2020 was $539 million, an increase of $90 million, or 20.0%, compared to the same period in 2019. The increase included the improvement in underlying operating performance of $115 million, partially offset by the unfavourable year-over-year net impact of adjusting items totaling $25 million, as described below:

- the improvement in underlying operating performance of $115 million was primarily due to retail, including the favourable contribution from the consolidation of franchises of $28 million, partially offset by the decline in financial services.

- the unfavourable year-over-year net impact of adjusting items totaling $25 million was primarily due to the following:
  - the unfavourable year-over-year impact of the fair value adjustment of derivatives of $17 million;
  - the unfavourable impact of a prior year net gain on sale of non-operating properties of $8 million; and
  - the unfavourable year-over-year impact of restructuring and other related costs of $7 million;

  partially offset by,
  - the favourable impact of prior year pension annuities and buy-outs of $10 million.

Adjusted EBITDA[(1)] Loblaw adjusted EBITDA[(1)] in the first quarter of 2020 was $1,167 million, an increase of $129 million, or 12.4%, compared to the same period in 2019. The increase was primarily due to the improvement in retail, partially offset by financial services.

Retail adjusted EBITDA[(1)] increased by $176 million, including the favourable impact of the consolidation of franchises of $36 million and was driven by an increase in retail gross profit, partially offset by an increase in retail selling, general and administrative expenses ("SG&A").

- Retail gross profit percentage was 29.8%, an increase of 20 basis points compared to the same period in 2019. Excluding the consolidation of franchises, retail gross profit percentage was 27.3%, a decrease of 30 basis points compared to the first quarter of 2019. Food retail margins were stable but were negatively impacted by product mix and drug retail margins were negatively impacted, largely due to COVID-19.

- Retail SG&A increased by $177 million compared to the first quarter of 2019. Excluding the consolidation of franchises, retail SG&A increased by $88 million and SG&A as a percentage of sales was 17.5%, an improvement of 70 basis points compared to the first quarter of 2019, primarily driven by COVID-19 sales leverage.

Financial services adjusted EBITDA[(1)] decreased by $47 million compared to the same period in 2019 due to higher expected credit losses attributable to an immediate increase in unemployment rate forecasts and recessionary environment.

Loblaw adjusted EBITDA[(1)] in the first quarter of 2019 included a gain of $5 million related to the sale and leaseback of properties to Choice Properties.

Depreciation and Amortization Loblaw's depreciation and amortization in the first quarter of 2020 was $594 million, an increase of $14 million compared to the same period in 2019, primarily driven by the consolidation of franchises and an increase in information technology ("IT") assets. Included in depreciation and amortization is the amortization of intangible assets acquired with Shoppers Drug Mart of $119 million (2019 – $119 million).

Loblaw Other Business Matters

Process and Efficiency In the first quarter of 2020, Loblaw recorded approximately $19 million of restructuring and other related costs, primarily related to Process and Efficiency initiatives. Included in the restructuring charges is $15 million related to the closure of the two distribution centres in Laval and Ottawa, that were previously announced in the first quarter of 2020. Loblaw is investing to build a modern and efficient expansion to its Cornwall distribution centre to serve its food and drug retail businesses in Ontario and Quebec. Over the next two years, the distribution centres in Laval and Ottawa will be transferring their volumes to Cornwall. Loblaw expects to incur additional restructuring costs in 2020 and 2021 related to these closures.

Consolidation of Franchises Loblaw has more than 500 franchise food retail stores in its network. As at the end of the first quarter of 2020, Loblaw consolidated all of its remaining franchisees for accounting purposes under a simplified franchise agreement implemented in 2015.

Consolidation of franchises in the first quarter of 2020 resulted in a year-over-year increase in revenue of $186 million, an increase in adjusted EBITDA[(1)] of $36 million, an increase in depreciation and amortization of $8 million and an increase in net earnings attributable to non-controlling interests of $28 million.

Choice Properties Operating Results

(unaudited) **($ millions except where otherwise indicated)** **For the periods ended as indicated**	**12 Weeks Ended**						
	Mar. 21, 2020		Mar. 23, 2019		$ Change		% Change
Revenue	**$**	**325**	$	323	$	2	0.6 %
Net interest (income) expense and other financing charges[(i)]	**$**	**(256)**	$	1,125	$	(1,381)	(122.8)%
Net income (loss)	**$**	**333**	$	(902)	$	1,235	136.9 %
Funds from Operations[(1)(ii)]	**$**	**171**	$	169	$	2	1.2 %

(i) Net interest expense and other financing charges includes a fair value adjustment on Exchangeable Units.
(ii) Funds from operations is calculated in accordance with the Real Property Association of Canada's White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in February 2019.

Revenue Revenue in the first quarter of 2020 was $325 million, an increase of $2 million, or 0.6%, compared to the same period in 2019, and included $187 million (2019 – $191 million) generated from tenants within Loblaw's retail segment. The increase in revenue was primarily driven by:
- an increase in base rent and operating cost recoveries from existing properties; and
- additional revenue generated from properties acquired in 2019 and 2020 and from tenant openings in newly developed leasable space;

partially offset by,
- foregone revenue from sold properties including those sold as part of the Choice Properties' portfolio transaction in the third quarter of 2019.

Net Interest Expense and Other Financing Charges Net interest income and other financing charges in the first quarter of 2020 was $256 million, compared to net interest expense and other financing charges of $1,125 million in the same period in 2019. The change of $1,381 million was primarily driven by:
- the favourable year-over-year impact of the fair value adjustment on Class B LP units ("Exchangeable Units") of $1,377 million as a result of the significant decrease in the unit price of Choice Properties in the quarter;
- a reduction of interest expense on term loans as a result of repayments made using proceeds from the offering of Trust Units in the second quarter of 2019 and Choice Properties' portfolio transaction;
- a reduction of interest expense on the credit facility through the use of proceeds from the offering of Trust Units in the second quarter of 2019; and
- a decline in mortgage principal balances due to repayments contributing to a lower interest expense;

partially offset by,
- an increase in interest charges on the senior unsecured debentures due to a higher principal amount outstanding as compared to the prior year.

Net income (loss) Net income in the first quarter of 2020 was $333 million, compared to a net loss of $902 million in the same period in 2019. The change of $1,235 million was primarily driven by:

- the favourable impact of higher net interest income and other financing charges, described above; and
- an increase in net operating income from existing properties and the contribution from completed developments;

partially offset by,

- the unfavourable year-over-year impact of the fair value adjustment on investment properties.

Funds from Operations[1] Funds from Operations[1] in the first quarter of 2020 was $171 million, an increase of $2 million compared to the same period in 2019 primarily driven by lower borrowing costs as a result of a reduction in indebtedness in the second quarter of 2019, partially offset by a reduction in net operating income attributable to the Choice Properties' portfolio transaction.

Choice Properties Other Business Matters

Investment Property Transactions During the first quarter of 2020, Choice Properties acquired one property from a third party vendor for a purchase price excluding transaction costs of $21 million, and disposed of its sole US property and three other properties for proceeds of $135 million, of which $110 million was settled in cash and the balance applied to the assumption of mortgage debt.

Weston Foods Operating Results

(unaudited) ($ millions except where otherwise indicated) For the periods ended as indicated	12 Weeks Ended Mar. 21, 2020	Mar. 23, 2019	$ Change	% Change
Sales	**$ 535**	$ 516	$ 19	**3.7 %**
Operating income	**$ 1**	$ 10	$ (9)	**(90.0)%**
Adjusted EBITDA[1]	**$ 52**	$ 46	$ 6	**13.0 %**
Adjusted EBITDA margin[1]	**9.7%**	8.9%		
Depreciation and amortization[i]	**$ 43**	$ 32	$ 11	**34.4 %**

(i) Depreciation and amortization in the first quarter of 2020 includes $9 million (2019 – nil) of accelerated depreciation related to restructuring and other related costs.

Sales Weston Foods sales in the first quarter of 2020 were $535 million, an increase of $19 million, or 3.7%, compared to the same period in 2019. The increase in sales included the impact of COVID-19, estimated at approximately $5 million. Foreign currency translation had a nominal impact on sales in the quarter. Sales were impacted by an increase in volumes and the combined positive impact of pricing and changes in sales mix, partially offset by the unfavourable impact of product rationalization.

Operating income Weston Foods operating income in the first quarter of 2020 was $1 million, a decrease of $9 million, or 90.0%, compared to the same period in 2019. The decrease was due to the unfavourable year-over-year net impact of adjusting items totaling $13 million, partially offset by the improvement in underlying operating performance of $4 million. The year-over-year net impact of adjusting items included the following:

- the unfavourable year-over-year impact of restructuring and other related costs of $14 million;

partially offset by,

- the favourable year-over-year impact of the fair value adjustment of derivatives of $1 million.

Adjusted EBITDA[1] Weston Foods adjusted EBITDA[1] in the first quarter of 2020 was $52 million, an increase of $6 million or 13.0%, compared to the same period in 2019. The increase was driven by sales growth, productivity improvements and the net benefits realized from Weston Foods' transformation program, partially offset by higher input and distribution costs.

Weston Foods adjusted EBITDA margin[1] in the first quarter of 2020 increased to 9.7% compared to 8.9% in the same period in 2019. The improvement in adjusted EBITDA margin[1] in the first quarter of 2020 was driven by the factors described above.

Depreciation and Amortization Weston Foods depreciation and amortization in the first quarter of 2020 was $43 million, an increase of $11 million compared to the same period in 2019. Depreciation and amortization in the first quarter of 2020 included $9 million (2019 – nil) of accelerated depreciation related to Weston Foods' transformation program. Excluding this amount, depreciation and amortization in the first quarter of 2020 increased by $2 million due to capital investments.

Weston Foods Other Business Matters

Restructuring and other related costs 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 first quarter of 2020, Weston Foods recorded restructuring and other related costs of $16 million (2019 – $2 million) which were primarily related to Weston Foods' transformation program.

COVID-19 UPDATE AND OUTLOOK(2)

General The COVID-19 pandemic continues to have a dramatic impact on the Company's operating segments, colleagues, customers, tenants, suppliers and other stakeholders. While the duration and effects of the pandemic remain unknown, the Company and each of its operating segments has reacted quickly to the changing circumstances.

Loblaw has ramped up investments in four areas: enhancing customer convenience by expanding online capabilities and increasing staffing in its stores; supporting colleagues in its stores and distribution centres with temporary pay premiums and pay protection safeguards; securing operations, with more in-store cleaning and in-store security, introducing new ways to shop stores to promote social distancing, and installing plexiglass barriers at check outs; and providing financial support to its communities and customers by pledging financial support to food banks and community charities and offering personalized solutions for *President's Choice Financial Mastercard*® customers who are experiencing financial hardship.

The costs of the incremental investments by Loblaw ramped up towards the end of the first quarter of 2020 and continued into the second quarter. Given the unprecedented nature of the pandemic and its impact on the country, Loblaw expects that consumer behavior and the resulting impact on sales and product mix, as well as the cost of operating the business, will continue to be volatile. In the five weeks following the end of the first quarter, sales mix continued to evolve as customers spent less on discretionary items. On a same-store sales basis, food retail was up by approximately 10% and drug retail down by approximately 6%, in each case compared to the same period in the prior year. Loblaw currently estimates that additional investments are running at approximately $90 million per period.

As one of Canada's largest landlords, Choice Properties has an important role to play in helping Canadians and their businesses during these unprecedented and challenging times. Choice Properties has assisted qualifying small businesses and independent tenants with a deferral of rent for 60 days, effective April 1, 2020. The amounts deferred for qualifying tenants are due to be repaid over a 12-month period and as of April 22, 2020, were approximately $5 million of monthly contractual rent. Choice Properties has also been in discussions with those of its larger tenants who have been adversely affected by COVID-19 and is considering rent deferral requests on a case by case basis. As of April 22, 2020, Choice Properties had received 86% of the contractual rents for April.

Choice Properties expects its development initiatives will be impacted by delays due to COVID-19. These delays may impact the completion dates of ongoing development projects, but Choice Properties remains confident that over time, its development initiatives will add high-quality real estate to the portfolio at a reasonable cost.

Weston Foods is focused on its important food manufacturing role in North America and ensuring a reliable supply of quality products to its customers. To further this objective, Weston Foods has been investing to support colleagues in its bakeries and distribution centres with temporary pay premiums and pay protection safeguards and by increasing health and safety measures at its facilities.

In the first quarter, Weston Foods experienced strong demand for certain categories of products, such as packaged bread and rolls and alternatives in Canada and a decrease in demand in other categories in both its retail and foodservice channels. Consumer behavior is expected to continue to be volatile. As a result of changes in demand, Weston Foods is managing its production planning carefully and will, during this COVID-19 pandemic, temporarily shut down certain bakeries if demand for certain product categories declines. In the four weeks following the end of the first quarter, sales excluding the impact of foreign currency translation were down by 15% and costs increased by approximately $5 million compared to the same period in the prior year. Weston Foods is taking appropriate actions to emerge from the COVID-19 pandemic with a solid recovery plan based on the actions, processes and investments it has made with its employees, suppliers, customers and other stakeholders in mind.

In light of the uncertainty surrounding the duration and severity of the pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Company. As announced on April 9, 2020, the Company has withdrawn its 2020 Outlook that is contained in its Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2019.

Liquidity The Company and its operating segments maintain robust balance sheets and liquidity. As at the end of the first quarter of 2020, the liquidity position of the operating segments was as follows: Loblaw's consolidated cash and short-term investments balance was $2.2 billion. The aggregate available liquidity at Loblaw was approximately $3.9 billion including undrawn amounts under committed credit facilities. Subsequent to the first quarter of 2020, Loblaw agreed to issue $350 million aggregate principal amount of senior unsecured notes, bearing interest at a rate of 2.284% per annum and maturing on May 7, 2030, which is expected to occur on May 7, 2020. Loblaw intends to use the proceeds to partially fund the repayment of its outstanding $350 million medium term notes maturing June 18, 2020 and for general corporate purposes. Choice Properties had $1.3 billion of available liquidity under its committed credit facility and refinanced all bond maturities due for the balance of the year. The Company (excluding Loblaw and Choice Properties) had cash and short-term investments of $0.8 billion with no debt maturities in 2020.

Risk Factor For more information on the risks presented to the Company by the COVID-19 pandemic, see Section 6, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2020 First Quarter Report.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the first quarter of 2020, 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	$0.525 per share payable July 1, 2020, to shareholders of record as of June 15, 2020;
Preferred Shares, Series I	$0.3625 per share payable June 15, 2020, to shareholders of record as of May 31, 2020;
Preferred Shares, Series III	$0.3250 per share payable July 1, 2020, to shareholders of record as of June 15, 2020;
Preferred Shares, Series IV	$0.3250 per share payable July 1, 2020, to shareholders of record as of June 15, 2020; and
Preferred Shares, Series V	$0.296875 per share payable July 1, 2020, to shareholders of record as of June 15, 2020.

NON-GAAP FINANCIAL MEASURES

The Company uses non-GAAP financial measures as it believes these measures provide useful information to both management and investors with regard to accurately assessing the Company's financial performance and financial condition.

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 underlying consolidated and segment operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. The Company excludes 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 should not be construed as an alternative to other financial measures determined in accordance with GAAP.

For reconciliation to, and description of the Company's non-GAAP financial measures and financial metrics, see Section 8, "Non-GAAP Financial Measures" of the MD&A in the Company's 2020 First Quarter Report.

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, opportunities and legal and regulatory matters. 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, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of IT systems implementations. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "COVID-19 Update and 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", "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's 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 2020 is based on certain assumptions, including assumptions about the COVID-19 pandemic, healthcare reform impacts, anticipated cost savings and operating efficiencies and anticipated benefits from strategic initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic 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 Section 8, "Enterprise Risks and Risk Management" of the MD&A in the Company's 2019 Annual Report and the Company's Annual Information Form for the year ended December 31, 2019 as well as COVID-19 related risks that have been added to Section 6, "Enterprise Risks and Risk Management" of the MD&A in the Company's 2020 First Quarter Report.

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.

SEGMENT INFORMATION

The Company has three reportable operating segments: Loblaw, Choice Properties and Weston Foods. Other and Intersegment includes eliminations, intersegment adjustments related to the consolidation, cash and short-term investments held by the Company and all other company level activities that are not allocated to the reportable operating segments, as further illustrated below.

The accounting policies of the reportable operating segments are the same as those described in the Company's 2019 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA[1] and adjusted operating income[1]. No reportable operating segment is reliant on any single external customer.

	12 Weeks Ended									
					Mar. 21, 2020					Mar. 23, 2019
(unaudited) ($ millions)	**Loblaw**	**Choice Properties**	**Weston Foods**	**Other and Intersegment**	**Total**	Loblaw	Choice Properties	Weston Foods	Other and Intersegment	Total
Revenue	**$ 11,800**	**$ 325**	**$ 535**	**$ (327)**	**$ 12,333**	$ 10,659	$ 323	$ 516	$ (325)	$ 11,173
Operating income	$ 539	$ 77	$ 1	$ (19)	$ 598	$ 449	$ 223	$ 10	$ (96)	$ 586
Net interest expense and other financing charges	172	(256)	(1)	(173)	(258)	173	1,125	–	(426)	872
Earnings (loss) before income taxes	**$ 367**	**$ 333**	**$ 2**	**$ 154**	**$ 856**	**$ 276**	**$ (902)**	**$ 10**	**$ 330**	**$ (286)**
Operating income	**$ 539**	**$ 77**	**$ 1**	**$ (19)**	**$ 598**	$ 449	$ 223	$ 10	$ (96)	$ 586
Depreciation and amortization	594	1	43	(78)	560	580	–	32	(77)	535
Adjusting items[(i)]	34	149	8	(45)	146	9	7	4	17	37
Adjusted EBITDA[(i)]	$ 1,167	$ 227	$ 52	$ (142)	$ 1,304	$ 1,038	$ 230	$ 46	$ (156)	$ 1,158
Depreciation and amortization[(ii)]	475	1	34	(78)	432	461	–	32	(77)	416
Adjusted operating income[(i)]	**$ 692**	**$ 226**	**$ 18**	**$ (64)**	**$ 872**	$ 577	$ 230	$ 14	$ (79)	$ 742

(i) Certain items are excluded from operating income to derive adjusted EBITDA[1]. Adjusted EBITDA[1] is used internally by management when analyzing segment underlying operating performance.

(ii) Excludes $119 million (2019 – $119 million) of amortization of intangible assets acquired with Shoppers Drug Mart, recorded by Loblaw and $9 million (2019 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other related costs.

2020 FIRST QUARTER REPORT

The Company's 2019 Annual Report and 2020 First Quarter Report are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed on SEDAR and are available at www.sedar.com.

INVESTOR RELATIONS

Shareholders, security analysts and investment professionals should direct their requests to Tara Speers, Senior Director, Investor Relations, 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, a public company with shares trading on the Toronto Stock Exchange ("TSX"). For information regarding Loblaw, readers should refer to the materials filed by Loblaw on SEDAR from time to time. These filings are also maintained on Loblaw's corporate website at www.loblaw.ca.

This News Release also includes selected information on Choice Properties, a public real estate investment trust with units trading on the TSX. For information regarding Choice Properties, readers should refer to the materials filed by Choice Properties on SEDAR from time to time. These filings are also maintained on Choice Properties' website at www.choicereit.ca.

FIRST QUARTER CONFERENCE CALL AND WEBCAST

George Weston Limited will host a conference call as well as an audio webcast on Tuesday, May 5, 2020 at 9:00 a.m. (ET). 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: 1177906#. 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 Tuesday, May 5, 2020 at 11:00 a.m. (ET). Due to the public health impact of the COVID-19 pandemic and in consideration of the health and safety of our shareholders, colleagues and the broader community, this year's meeting will be held in a virtual meeting format only, by way of a live webcast. Shareholders will be able to listen, participate and vote at the meeting in real time through a live webcast online at **http://web.lumiagm.com/201456442**. See "How do I attend and participate at the virtual Meeting?" in the Management Proxy Circular dated March 13, 2020, which can be viewed online at www.weston.ca or under George Weston Limited's SEDAR profile at www.sedar.com, for detailed instructions on how to attend and vote at the meeting. Please refer to the "News and Events" page at www.weston.ca for additional details on the virtual meeting.

Ce rapport est disponible en français.

Endnotes

(1) See the "Non-GAAP Financial Measures" section of the Company's 2020 First Quarter Report, which includes the reconciliation of such non-GAAP measures to the most directly comparable GAAP measures.

(2) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2020 First Quarter Report 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 and assumptions that were used when making these statements. This News Release should 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.