A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

This short form prospectus is a base shelf prospectus that has been filed under legislation in all provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority in Canada has expressed an opinion about these securities and it is an offence to claim otherwise.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue September 25, 2001

GEORGE WESTON LIMITED

$1,500,000,000

Debt Securities (unsecured)

Subordinated Debt Securities (unsecured)

Preferred Shares

George Weston Limited (the "Company") may offer to the public from time to time debt securities ("Debt Securities"), subordinated debt securities ("Subordinated Debt Securities") and Preferred Shares ("Preferred Shares", and collectively with the Debt Securities and Subordinated Debt Securities, the "Securities") up to a total initial offering price of $1,500,000,000 (or its equivalent in U.S. dollars or any other currency or currency unit used to denominate the Securities) during the 25-month period that this short form base shelf prospectus (the "Prospectus"), including any amendments hereto, remains valid.

The specific variable terms of any offering of Securities will be set forth in a prospectus supplement (a "Prospectus Supplement") including, where applicable: (i) in the case of Debt Securities, the title of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the currency or currency unit for which the Debt Securities may be purchased, authorized denominations, maturity, premium, the initial public offering price, whether the Debt Securities will bear interest, the interest rate or method of determining the interest rate, whether any conversion or exchange rights are attached to the Debt Securities, whether the Company may redeem the Debt Securities at its option and any other specific terms; (ii) in the case of Subordinated Debt Securities, the title of the Subordinated Debt Securities, any limit on the aggregate principal amount of the Subordinated Debt Securities, the currency or currency unit for which the Subordinated Debt Securities may be purchased, authorized denominations, maturity, premium, the initial public offering price, whether the Subordinated Debt Securities will bear interest, the interest rate or method of determining the interest rate, the provisions for subordination of the Subordinated Debt Securities to other indebtedness of the Company, whether any conversion or exchange rights are attached to the Subordinated Debt Securities, whether the Company may redeem the Subordinated Debt Securities at its option and any other specific terms; and (iii) in the case of Preferred Shares, the designation of the particular series, the number of shares offered, the offering price, any voting rights, any rights to receive dividends, the dividend rate, the dividend payment date, any terms of redemption, any exchange or conversion terms and any other specific terms. The Company reserves the right to include in a Prospectus Supplement specific variable terms pertaining to the Securities that are not within the options and parameters set forth in this Prospectus.

All shelf information permitted under applicable laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The Company may sell the Securities to or through underwriters or dealers purchasing as principals pursuant to applicable statutory exemptions, and may also sell the Securities to one or more purchasers directly or through agents. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent engaged in connection with the offering and sale of Securities, and will set forth the method of distribution of such Securities, including the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of George Weston Limited, 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7; (telephone (416) 922-2500). For the purpose of the Province of Québec, this simplified Prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Secretary of George Weston Limited at the above-mentioned address and telephone number.*

The following documents filed with the securities commission or other similar authority in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) Material Change Report of the Company dated February 27, 2001 announcing the proposed acquisition (the "Acquisition") of Bestfoods Baking Co., Inc. ("Bestfoods Baking") from Unilever plc, the intention of the Company to proceed with a divestiture of its dairy and fish processing businesses and that the Company was considering selling down its interest in Loblaw Companies Limited ("Loblaw") by 5% from the present 63% to 58%;

(b) Material Change Report of the Company dated August 8, 2001 announcing that all regulatory requirements in respect of the Acquisition had been satisfied and the transaction closed, and confirming the intention of the Company to proceed with the divestiture of its dairy and fish processing businesses and the reduction of its interest in Loblaw by 5% from 63% to 58%;

(c) Material Change Report of the Company dated August 17, 2001 announcing that it would not proceed further with the proposed sale of its dairy business;

(d) Annual Information Form of the Company dated March 8, 2001;

(e) Management Discussion and Analysis on pages 20 through 32 of the 2000 Annual Report of the Company;

(f) Management Proxy Circular of the Company dated March 23, 2001, prepared in connection with the Company's annual meeting of shareholders held on May 9, 2001 (other than the sections entitled "Statement of Corporate Governance Practices", "Report on Executive Compensation" and "Performance Graph");

(g) Audited Consolidated Financial Statements (including notes) of the Company as at and for the years ended December 31, 2000 and 1999 and the Auditors' Report thereon contained in the 2000 Annual Report of the Company; and

(h) Unaudited interim period consolidated financial statements of the Company as at and for the 24-week period ended June 16, 2001 and the management discussion and analysis in respect thereof.

Any documents of the type referred to in the preceding paragraph, any material change report (excluding confidential material change reports), any Prospectus Supplement disclosing additional or updated information and any exhibit to financial statements of the Company or Prospectus Supplement containing earnings coverage ratios subsequently filed by the Company with the securities commissions and any similar authority in Canada, after the date of this Prospectus and prior to the termination of the offering, shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The making of a modifying or a superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Upon a new Annual Information Form and the related annual financial statements being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this Prospectus, the previous Annual Information Form, the previous annual financial statements, all interim financial statements (including the management discussion and analysis in respect thereof), material change reports and information circulars and all Prospectus Supplements filed by the Company prior to the commencement of the Company's fiscal year in which the new Annual Information Form was filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific terms of an offering of Securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the Securities, will be delivered to prospective purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

All dollar amounts herein are stated in Canadian dollars except where otherwise indicated.

GEORGE WESTON LIMITED

The Company, principally through its directly and indirectly owned subsidiaries (the Company and such subsidiaries, collectively referred to as "Weston"), carries on business primarily in Canada and the United States through its Food Processing and Food Distribution operating segments. The Food Processing segment is a major participant in the North American baking, dairy and fish processing industries. The Food Distribution segment operates through Loblaw, the largest food distributor in Canada.

Weston's operations are managed on a decentralized basis. While senior management of the Company sets corporate objectives, each group operates autonomously in achieving these objectives. Day-to-day decisions in respect of marketing, manufacturing, sales and distribution are made at the operating level. The operating units are serviced by a corporate office which provides the operating groups with certain advantages which might not otherwise be available to them, such as access to capital, group purchasing and specialized staff.

The Company's subsidiaries include the following set out in the list below. In each case, 100% of the voting securities are owned either directly or indirectly by the Company except in the case of Loblaw, in which 62.9% of the voting shares are held indirectly by the Company, and Westfair Foods Ltd., in which 100% of the voting securities and 64% of the non-voting securities are owned indirectly by Loblaw.

Food Processing	Jurisdiction of Incorporation	Food Distribution	Jurisdiction of Incorporation
Weston Bakeries Limited	Canada	Weston Food Distribution Inc.	Canada
Boulangeries Weston Québec Limitée	Ontario	Loblaw Companies Limited	Canada
Weston Foods Inc.	Ontario	Loblaws Inc.	Ontario
Ready Bake Foods Inc.	Ontario	Atlantic Wholesalers Ltd.	New Brunswick
William Neilson Ltd.	Ontario	Fortino's Supermarket Ltd.	Ontario
George Weston Bakeries Inc.	Delaware	Loblaws Supermarkets Limited	Ontario
Interbake Foods Inc.	Delaware	National Grocers Co. Ltd.	Ontario
Weston Foods, Inc.	Delaware	Loblaw Properties Limited	Ontario
Maplehurst Bakeries, Inc.	Indiana	Westfair Foods Ltd.	Canada
Stroehmann Bakeries, L.C.	Virginia	Loblaws Brands Limited	Canada
Kaufman's Bakery, Inc.	New York	Loblaw Financial Holdings Inc.	Ontario
Heritage Salmon Limited	Ontario	Provigo Inc.	Québec
Heritage Salmon, Inc.	Delaware	Provigo Properties Limited	Canada
Connors Bros., Limited	New Brunswick	Provigo Distribution Inc.	Québec
Stinson Seafood (2000), Inc.	Delaware	Zehrmart Inc.	Ontario
		President's Choice Bank	Canada

The Company was incorporated by letters patent under the laws of Canada on January 27, 1928, was continued under the Canada Business Corporations Act on April 29, 1980 and amalgamated with Weston Food Processing Ltd. pursuant to Articles of Amalgamation effective January 1, 1989 (the "Articles"). The head and registered office of the Company is located at 22 St. Clair Avenue East, Toronto, Ontario, Canada M4T 2S7.

RECENT DEVELOPMENTS

On July 30, 2001, the Company, through a wholly-owned subsidiary, completed the Acquisition, whereby Weston purchased all of the issued and outstanding common shares of Bestfoods Baking and certain trademarks used in the business of Bestfoods Baking (the "Acquired Business") for a purchase price of U.S.$1.765 billion, subject to certain adjustments. On the closing of the Acquisition, the name of Bestfoods Baking was changed to George Weston Bakeries Inc. The continuation of the Acquired Business, except for BF West, as defined below, with the existing baking business of Weston in the United States, including Interbake Foods Inc., Maplehurst Bakeries, Inc. and Stroehmann Bakeries, L.C., is expected to enhance Weston's product line and customer base.

The purchase price of the Acquired Business was paid for in cash and financed in its entirety pursuant to a $2.5 billion and U.S.$400 million credit facility dated July 25, 2001 between the Company and a syndicate of financial institutions (the "Credit Facility"). The Credit Facility, which is unsecured and guaranteed on an unsecured basis by two of the Company's wholly-owned subsidiaries, provides for advances for the purpose of acquiring the Acquired Business and for the payment of costs, fees and other expenses incurred by Weston in connection with the Acquisition. In addition, the Credit Facility provides for a revolving 364-day operating line of credit of $313 million maturing July 25, 2002 and subject to renewal at that date. Advances made under the Credit Facility to complete the Acquisition were made as Canadian dollar bankers' acceptances and U.S. dollar advances at the London Interbank Offered Rate. The Credit Facility was made available through a series of tranches maturing between 9 and 15 months from the date of the advance. The Credit Facility contains representations, covenants, restrictions and events of default that are customary for such agreements, including restrictions on the creation of additional indebtedness, liens and encumbrances, restrictions on payments of dividends and other amounts on account of capital, adherence to a ratio of debt to capitalization and a ratio of EBITDA (earnings before interest, taxes, depreciation and amortization) to interest expense, and a requirement that the Company continue to own, directly or indirectly, not less than a majority of the issued and outstanding common shares of Loblaw.

The Acquired Business is one of the leading premium fresh-baked product companies in the United States with national and regional brands and products such as Thomas' English muffins, Entenmann's baked goods, and Arnold, Freihofer, Brownberry and Oroweat breads. Total sales of the Acquired Business were approximately U.S.$1.8 billion in 2000.

Following the closing of the Acquisition, the Company announced that Weston would begin exploring opportunities to sell the Oroweat brand and related assets, including bakeries in Texas, Colorado, California and Oregon (collectively, "BF West"). Total sales of BF West were approximately U.S.$550 million in 2000. Weston is retaining all other baking assets acquired in the Acquisition. The Company believes the sale of BF West will help to focus Weston's core U.S. baking assets in the eastern half of the U.S. and maximize the impact of the synergies from the Acquisition.

At the same time as it announced the Acquisition, and as part of Weston's increased focus on its baked goods business, the Company announced its intention to proceed with the divestiture of Weston's dairy and fish processing businesses. The disposition of the fish processing business is proceeding. The Company has recently decided not to proceed further with the proposed sale of Weston's dairy business.

In addition, the Company has announced its intention to reduce its interest in Loblaw by approximately 5%. The re-focusing of Weston's assets in the Food Processing segment and the reduction of the Company's interest in Loblaw, taken together, are intended to better balance the Company's interests in Food Processing and Food Distribution.

Pursuant to the terms of the Credit Facility, the proceeds realized from the sale of Weston's fish processing business and BF West are required to be applied against repayment of advances made under the Credit Facility.

There have been no material changes to the consolidated share capital and loan capital of the Company since December 31, 2000 other than the issue by Loblaw of $350 million principal amount of 6.50% medium term notes on January 16, 2001, $90 million principal amount of 6.00% medium term notes on April 4, 2001, $300 million principal amount of 6.00% medium term notes on May 29, 2001 and $300 million principal amount of 7.10% medium term notes on May 29, 2001, the inclusion of long-term debt and debt equivalents (including capital lease obligations) of the Acquired Business in the aggregate principal amount of U.S.$1.7 million as of July 30, 2001, the maturity of $100 million principal amount of 11.25% debentures of Provigo Inc., an indirect subsidiary of the Company, on March 15, 2001 and the redemption of $50 million principal amount of 10.00% debentures of Loblaw on March 31, 2001.

USE OF PROCEEDS

The Securities will be issued from time to time at the discretion of the Company in an aggregate principal amount of up to $1,500,000,000 in Canadian currency, or the approximate equivalent thereof if Securities are issued in foreign currencies or currency units, during the 25-month period from the date of this Prospectus. The net proceeds to be derived from the issue of the Securities offered by this Prospectus will be the issue price thereof less any commission paid in connection therewith. Unless otherwise specified in a Prospectus Supplement which accompanies this Prospectus, such net proceeds will be added to the general funds of the

Company and used to repay maturing commercial paper, to refinance other indebtedness, including repayment of a portion of the Credit Facility, and for general corporate purposes.

EARNINGS COVERAGE

The following consolidated earnings coverage ratios are calculated for the 12-month periods ended December 31, 2000 and June 16, 2001. Such ratios give effect to the issuance, repayment or redemption of long-term debt of Weston as described under the heading "Recent Developments". Such ratios do not give effect to the issue of any Securities pursuant to this Prospectus or any Prospectus Supplement nor the Credit Facility entered into in connection with the Acquisition.

	12 months ended	
	December 31, 2000	**June 16, 2001**
Earnings Coverage on Long-Term Debt(1)	4.755 times	4.853 times

(1) Earnings coverage on long-term debt is equal to operating income plus interest income on short-term investments divided by adjusted annualized interest expense on long-term debt. For purposes of calculating the financial ratios set forth above, long-term debt includes the current portion of long-term debt.

The following consolidated earnings coverage ratios, calculated on a *pro forma* basis as if the Acquisition had taken place on January 1, 2000, are calculated for the 12-month period ended December 31, 2000 and for the 6-month period ended June 16, 2001. Such ratios give effect to the issuance, repayment or redemption of long-term debt of Weston as described under the heading "Recent Developments" and the *pro forma* adjustments as described in the attached unaudited Pro Forma Consolidated Financial Statements of the Company. Such ratios do not give effect to the issue of any Securities pursuant to this Prospectus or any Prospectus Supplement nor Weston's intention to divest its fish processing operations or reduce its interest in Loblaw.

	12 months ended December 31, 2000	**6 months ended June 16, 2001**
Earnings Coverage on Long-Term Debt(1)	3.484 times	3.353 times

(1) Earnings coverage on long-term debt is equal to adjusted operating income plus interest income on short-term investments divided by adjusted annualized interest expense on long-term debt. For purposes of calculating the financial ratios set forth above, long-term debt includes the current portion of long-term debt and the *pro forma* short-term interest expense adjustment is included as an interest requirement on long-term debt.

Updated earnings coverage ratios, as required, will be filed quarterly with the securities regulatory authority in each of the provinces of Canada either as a Prospectus Supplement or as an exhibit to the Company's unaudited interim and audited annual consolidated financial statements and will be deemed to be incorporated by reference into the Prospectus.

DESCRIPTION OF DEBT SECURITIES

The following description of the Debt Securities sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Debt Securities.

The Debt Securities will be issued under a trust indenture (the "Indenture") dated October • , 2001 between the Company and Computershare Trust Company of Canada (the "Trustee"). The following is only a summary of certain terms and provisions of the Indenture and the Debt Securities and does not purport to be complete and is subject to the detailed provisions of the Indenture to which reference is made for a full description of such provisions and for other information regarding the Debt Securities.

General

The Debt Securities will be direct unsecured obligations of the Company and will rank *pari passu*, except as to sinking funds, if any, with all other unsecured and unsubordinated indebtedness of the Company outstanding from time to time. Debt Securities may be issued as interest bearing securities at fixed or floating rates of interest determined by the Company from time to time or as non-interest bearing securities issued at a discount. The Debt Securities will be issued in registered form and may be represented in the form of fully registered global notes.

The specific variable terms of any offering of Debt Securities, including the title of Debt Securities, any limit on the aggregate principal amount of Debt Securities being offered, the currency or currency unit for which the Debt Securities may be purchased, authorized denominations, the issue and delivery date, the maturity date, the issue price (at par, at a discount or at a premium), the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), any redemption provisions, any repayment provisions, any terms entitling the holder to exchange or convert the Debt Securities into other securities of the Company, the names of the dealers, underwriters or agents engaged in connection with the offering of the Debt Securities, any commission payable, the method of distribution, the actual proceeds to the Company and any other specific terms, will be set forth in a Prospectus Supplement or a pricing supplement which will accompany this Prospectus. The Company reserves the right to set forth in a Prospectus Supplement or a pricing supplement specific variable terms of Debt Securities and the offering thereof which are not within the options and parameters set forth in this Prospectus.

Negative Pledge Covenant

The Indenture contains a negative pledge covenant of the Company substantially to the following effect:

So long as any of the Debt Securities issued under the Indenture remain outstanding, the Company will not create or incur or assume any mortgage, hypothec, charge, pledge or other encumbrance (collectively, "Security") upon the whole or any part of its undertaking or property, real or personal, present or future, to secure any loan or other indebtedness for Money Borrowed (as defined below) or to secure any guarantee by the Company of any loan or other indebtedness for Money Borrowed, unless the same Security shall have been or shall forthwith be created in favour of and extended equally and rateably to the Debt Securities then outstanding; provided that such covenant shall not apply to nor operate to prevent:

(a) the creation, incurrence or assumption of any Security on any property, real or personal, hereafter acquired, constructed or improved by the Company, to secure the unpaid portion of the purchase price of such property or to secure indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such property;

(b) the assumption by the Company of any Security on any property, real or personal, in existence at the time of acquisition thereof;

(c) the creation, incurrence or assumption of any Security to secure any Non-Recourse Debt (as defined below);

(d) the creation, incurrence or assumption of any Security on cash or marketable securities granted in the ordinary course of business in connection with Financial Instrument Obligations (as defined below);

(e) the creation, incurrence or assumption of any Security in favour of any Subsidiary (as defined below);

(f) the extension, renewal or refunding of any Security permitted under paragraphs (a) to and including (e) above; or

(g) the creation of any Security not excepted by clauses (a) to and including (f) above provided that after giving effect thereto the total aggregate amount of indebtedness of the Company for Money Borrowed secured by Security permitted under this clause (g) shall not exceed 10% of the Company's consolidated shareholders' equity as shown on the Company's most recent audited consolidated annual financial statements.

Consolidation, Merger, Conveyance and Transfer

The Indenture provides that so long as any Debt Securities issued thereunder remain outstanding the Company shall not enter into any transaction, whether by way of merger, consolidation, reconstruction, amalgamation (except an amalgamation pursuant to the Canada Business Corporations Act (Canada), as amended, or other amalgamation where the amalgamated corporation is by operation of law the successor to the obligations of the Company including the Debt Securities), lease or otherwise, whereby all or substantially all of its undertaking or assets would become the property of any other person (other than a conveyance or transfer referred to below) unless:

(a) such other person is a corporation incorporated under the laws of Canada or the laws of a province of Canada (the "Successor Company");

(b) the Successor Company executes, prior to or contemporaneously with the consummation of such transaction, such documents as are in the opinion of counsel to the Company ("Counsel", which may include counsel employed by the Company) necessary or advisable to evidence the assumption by the Successor Company of the liability for the due and punctual payment of all the Debt Securities and the interest thereon and the covenant of such Successor Company to pay the same and to observe and perform all the covenants and obligations of the Company under the Indenture;

(c) at the time of or immediately after the consummation of such transaction, no condition or event shall exist which constitutes or which would, after the lapse of time or giving of notice or both, constitute an event of default under the Indenture, and the Trustee shall have received a certificate of the Company to such effect;

(d) the Trustee shall have received an opinion of Counsel that after the consummation of such transaction the Debt Securities will continue to be valid and binding obligations of the Successor Company entitling the Debt Security holders, as against the Successor Company, to all of the rights of Debt Security holders under the Debt Securities and the Indenture; and

(e) the Successor Company is lawfully entitled to acquire and operate the said undertaking and assets.

The Indenture also provides that so long as any Debt Securities issued thereunder remain outstanding, the Company shall not convey or transfer all or substantially all of its undertaking or assets to another person, unless

(a) such other person is a resident of Canada or is incorporated, established or existing under the laws of Canada or the laws of a province of Canada (the "Successor Entity");

(b) either (i) the Successor Entity guarantees all amounts payable under the Debt Securities or (ii) the Successor Entity agrees to be bound by the terms of the Indenture and the Debt Securities as principal debtor in place of the Company, and prior to or contemporaneously with the consummation of such transaction, the Successor Entity will execute such documents as are in the opinion of Counsel necessary or advisable to evidence such agreement, and the Company guarantees all amounts payable under the Debt Securities;

(c) at the time of or immediately after the consummation of such transaction, no condition or event shall exist which constitutes or which would, after the lapse of time or giving of notice or both, constitute an event of default thereunder, and the Trustee shall have received a certificate of the Company to such effect;

(d) the Trustee shall have received an opinion of Counsel that any guarantee or other agreement entered into in compliance with paragraph (b) above is a valid and binding obligation of the parties thereto, entitling the Debt Securities holders, as against the parties thereto, to the rights and benefits provided to the Debt Securities holders in such guarantee or other agreement; and

(e) the Successor Entity is lawfully entitled to acquire and operate the said undertakings and assets.

Events of Default

The Indenture provides that the following constitute events of default (each an "Event of Default") thereunder:

(a) if the Company makes default in payment of the principal of or premium due on any Debt Security when the same becomes due under any provision thereof or of such Debt Security and such default shall have continued for a period of three days;

(b) if the Company makes default in payment of any interest due on any Debt Securities or in the performance of certain of the covenants contained in the Indenture, including the negative pledge covenant and the consolidation, merger, conveyance and transfer covenant each referred to above, and such default shall have continued for a period of 30 days;

(c) if an order shall be made or an effective resolution be passed for the winding-up or liquidation of the Company except in the course of carrying out a permitted consolidation, merger, conveyance or transfer;

(d) if the Company shall make a general assignment for the benefit of its creditors or shall otherwise acknowledge its insolvency in writing, or shall be declared bankrupt, or makes an assignment in bankruptcy or a proposal to its creditors under any bankruptcy or insolvency or analogous laws or if a custodian or a sequestrator or a receiver or manager or any other officer with similar powers shall be appointed of, or an encumbrancer takes possession of, the property of the Company or any part thereof which is, in the reasonable opinion of the Trustee, a substantial part thereof;

(e) if any process of execution be enforced or levied upon all of the property of the Company or any part thereof which is, in the opinion of the Trustee, a substantial part thereof, and remains unsatisfied for a period of 60 days, as to movable or personal property, or 90 days, as to immovable or real property, provided that such process is not in good faith disputed by the Company or, if so disputed, the Company shall have given evidence satisfactory to the Trustee that it has available a sum sufficient to pay in full the amount claimed in the event that it shall be held to be a valid claim;

(f) if any obligation of the Company in respect of Money Borrowed in an aggregate amount in excess of 5% of the Company's consolidated shareholders' equity as shown on the Company's most recent audited annual consolidated financial statements other than the Debt Securities (including obligations arising under a guarantee for Money Borrowed) shall not be paid when due or by the end of any applicable grace period, or becomes (or becomes capable of being declared) prematurely repayable by reason of a default unless such default has been remedied or cured, or waived by the appropriate debt holder; or

(g) if the Company shall neglect to carry out or observe any other material covenant or condition contained in the Indenture on its part to be observed and performed and after notice in writing has been given by the Trustee to the Company specifying such default and requiring the Company to put an end to the same, the Company shall fail to make good such default within a period of 60 days or such shorter period as would at any time, if continued, render any property of the Company liable to forfeiture, unless the Trustee (having regard to the subject matter of the neglect or nonobservance) shall have agreed to a longer period, and in such event, within the period agreed to by the Trustee.

In addition to the above events, the Company may by supplemental indentures create further events of default.

Acceleration on and Waiver of Default

If an Event of Default has occurred under the Indenture, the Trustee may in its discretion and shall, upon the requisition in writing of the holders of at least 25% of the principal amount of the Debt Securities issued and outstanding under the Indenture, subject to any waiver of default under the Indenture, by notice in writing to the Company declare the principal and interest on all Debt Securities then outstanding under the Indenture and other moneys payable thereunder to be due and payable.

If an Event of Default has occurred under the Indenture (otherwise than by default in payment of principal moneys at maturity), the holders of not less than 66⅔% of the principal amount of the Debt Securities issued and outstanding under the Indenture shall have the power to instruct the Trustee to waive the default provided that if the Event of Default relates to a covenant applicable only to one or more particular series of Debt Securities or part thereof, then the holders of not less than 66⅔% of the principal amount of the outstanding Debt Securities of that series or those series, or part thereof as the case may be, shall be entitled to waive the default. In addition, the Trustee, so long as it has not become bound to institute any proceedings under the Indenture, shall have power to waive the default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor.

Right of Trustee to Enforce Payment

If the Company fails to pay to the Trustee, on demand, and when due, the principal of and premium (if any) and interest on all Debt Securities then outstanding under the Indenture, the Trustee may, in its discretion, and shall upon the request in writing of the holders of not less than 25% of the principal amount of the Debt Securities issued and outstanding under the Indenture, and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as Trustee to obtain or enforce payment of the said principal, premium (if any) and interest on all outstanding Debt Securities together with other amounts due under the Indenture by any remedy provided by law either by legal proceedings or otherwise.

Holders of Debt Securities issued under the Indenture may not institute any action or proceeding or exercise any other remedy authorized by the Indenture, including an action to enforce the Indenture or the Debt Securities, except as provided in the Indenture.

Definitions

The Indenture contains definitions substantially to the following effect:

(a) "Financial Instrument Obligations" means obligations arising under interest rate, currency, or other swap agreements, forward rate agreements, floor, cap or collar agreements, future or options, or other similar agreements or arrangements.

(b) "Money Borrowed" means money borrowed and premium and interest in respect thereof and liabilities under any note, bond, debenture, loan or other debt security, whether or not issued as consideration for assets or services, but excluding (i) such liabilities incurred solely in relation to the acquisition of goods and services in the ordinary course of business, and (ii) indebtedness or other liabilities payable on demand or maturing not more than 18 months from the date of calculation of the aggregate amount of Money Borrowed of the Company.

(c) "Non-Recourse Debt" means (i) Money Borrowed by the Company to finance the creation, development, construction or acquisition of assets and any increases in or extensions, renewals or refundings of such Money Borrowed, provided that the recourse of the lender thereof (including any agent, trustee, receiver or other person acting on behalf of such lender) in respect of such Money Borrowed is limited in all circumstances to the assets created, developed, constructed or acquired in respect of which such Money Borrowed has been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral connected with the assets so created, developed, constructed or acquired and to which the lender has recourse, and (ii) any Money Borrowed by the Company under which the recourse of the lender is limited solely to that portion of the shares of Loblaw held by the Company, directly or indirectly through any of its Subsidiaries, which is in excess of a majority of the total issued and outstanding common shares of Loblaw.

(d) "person" means any natural person, corporation, partnership, firm, joint venture or other unincorporated association, trust, government or governmental authority, and pronouns relating thereto have similarly extended meaning.

(e) "Subsidiary" means any person directly or indirectly controlled by the Company; and for the purposes of this definition, the Company shall be deemed to control a corporation if the Company beneficially owns, directly or indirectly, shares to which are attached more than 50% of the voting rights ordinarily exercisable at meetings of shareholders of such corporation, and the Company shall be deemed to own beneficially shares beneficially owned by a corporation controlled by it, and so on indefinitely.

Defeasance

The Indenture contains provisions requiring the Trustee to release the Company from its obligations under the Indenture provided that the Company first satisfies the Trustee that it has paid or made provision for the payment of the expenses of the Trustee and for payment of all principal and interest and other amounts due or to become due (collectively, the "Payments") on the Debt Securities. The Company shall be deemed to have made such due provision for payment in respect of the Debt Securities if it has deposited or caused to be deposited with the Trustee the following:

(a) cash;

(b) securities issued or guaranteed by the Government of Canada; or

(c) securities issued or guaranteed by a province of Canada which are rated by both Dominion Bond Rating Service Limited and Standard & Poor's, a division of McGraw Hill Companies ("Standard & Poor's") (or their successors or similar recognized rating services) at least AA and AA, respectively, or issued or guaranteed by a partnership, corporation, unincorporated syndicate, unincorporated organization, trust or other entity which are rated by both Dominion Bond Rating Service Limited and Standard & Poor's (or their successors or similar recognized rating services) at least AAA and AAA, respectively, at the time the defeasance occurs provided that:

   (i) if either rating agency ceases to rate such securities and has no successor, a rating of at least the appropriate rating indicated above by the other rating agency will suffice for the purposes hereof; and

   (ii) if securities issued or guaranteed by a partnership, corporation, unincorporated syndicate, unincorporated organization, trust or other entity have been rated by only one of the rating agencies, a rating of at least the appropriate rating indicated above by such rating agency will suffice for the purposes hereof;

which cash or securities or both will provide for the Payments.

Modification

The Indenture contains provisions by which certain modifications which affect a particular series of Debt Securities must be authorized by extraordinary resolution of holders of a particular series of Debt Securities so affected.

The Indenture provides that certain modifications of the Indenture and the Debt Securities and the rights of the Debt Securities holders against the Company may be made if authorized by extraordinary resolution.

Under the Indenture an "extraordinary resolution", with respect to Debt Securities outstanding thereunder or Debt Securities of a particular series outstanding thereunder, means a resolution passed at a duly constituted meeting or serial meeting, as the case may be, of holders of Debt Securities by the favourable votes of the holders of not less than 66⅔% of the principal amount of Debt Securities represented at the meeting and voted on such resolution, or by instrument in writing signed by the holders of 66⅔% of the principal amount of all the outstanding Debt Securities or all the outstanding Debt Securities of such series.

Payment and Transfer

Unless otherwise specified in the applicable Prospectus Supplement, payment of principal (and premium, if any) on Debt Securities will be made in the designated currency against surrender of such Debt Securities at the office of the Trustee in Toronto. Unless otherwise specified in the Prospectus Supplement related thereto, payment of any instalment of interest on Debt Securities will be made to the person in whose name such Debt Securities are registered immediately prior to the close of business on the record date for such interest by electronic funds transfer.

Holders of fully registered Debt Securities may transfer or exchange such Debt Securities at the corporate trust office of the Trustee or at any other office or agency the Company maintains for these purposes, without the payment of any service charge except for any taxes or governmental charges incidental thereto. No transfer of a Debt Security will be registered during the fifteen business days immediately preceding any date fixed for payment of interest on such Debt Security or the date for payment of the principal amount thereof.

DESCRIPTION OF SUBORDINATED DEBT SECURITIES

The following description of Subordinated Debt Securities sets forth certain general terms and provisions of the Subordinated Debt Securities in respect of which a Prospectus Supplement will be filed. The particular terms and provisions of Subordinated Debt Securities offered by any Prospectus Supplement will be described in the Prospectus Supplement filed in respect of such Subordinated Debt Securities.

Subordinated Debt Securities will be issued under one or more subsequent trust indentures, in each case between the Company and a financial institution organized under the laws of Canada or of any province thereof or of the United States.

The Subordinated Debt Securities will be direct unsecured obligations of the Company and will be subordinated to other indebtedness of the Company outstanding from time to time. Subordinated Debt Securities may be issued as interest bearing securities at fixed or floating rates of interest determined by the Company from time to time or as non-interest bearing securities issued at a discount. The Subordinated Debt Securities will be issued in registered form and may be represented in the form of fully registered global notes.

The specific variable terms of any offering of Subordinated Debt Securities, including the title of the Subordinated Debt Securities, any limit on the aggregate principal amount of Subordinated Debt Securities being offered, the currency or currency unit for which the Subordinated Debt Securities may be purchased, authorized denominations, the issue and delivery date, the maturity date, the issue price (at par, at a discount or at a premium), the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), the provisions for subordination of the Subordinated Debt Securities to other indebtedness of the Company, any redemption provisions, any repayment provisions, any terms entitling the holder to exchange or convert the Subordinated Debt Securities into other securities of the Company, the names of the dealers, underwriters or agents engaged in connection with the offering of the Subordinated Debt Securities, any commission payable, the method of distribution, the actual proceeds to the Company and any other specific terms, will be set forth in a Prospectus Supplement which will accompany this Prospectus. The Company reserves the right to set forth in a Prospectus Supplement specific variable terms of Subordinated Debt Securities and the offering thereof which are not within the options and parameters set forth in this Prospectus.

DESCRIPTION OF PREFERRED SHARES

Authorized Capital

The Company is authorized under the Articles to issue the following four classes of shares in the capital of the Company:

- 54,525 Senior Preferred Shares, issuable in series;
- an unlimited number of Preferred Shares, issuable in series;
- an unlimited number of Junior Preferred Shares, issuable in series; and
- an unlimited number of Common Shares.

Currently, the only class of shares issued and outstanding is Common Shares, of which the total number issued and outstanding as of December 31, 2000 was 131,458,543.

Preferred Shares

The following sets forth the general terms and provisions of the Preferred Shares of the Company and does not purport to be complete and is subject to the detailed provisions of the Articles, to which reference is made for a full description of such provisions and for other information regarding the Preferred Shares, and to the *Canada Business Corporations Act.* The particular terms and provisions of any Preferred Shares offered by a Prospectus Supplement will be described in such Prospectus Supplement.

Issuable in Series

The Preferred Shares may at any time or from time to time be issued in one or more series, each series to consist of such number of shares as may be determined by the board of directors of the Company. The directors of the Company shall (subject as provided in the Articles) also fix the designation, rights, restrictions, conditions, limitations and other provisions attaching to the Preferred Shares of each series.

Priority

The Preferred Shares of each series, (i) shall rank after the Senior Preferred Shares to the extent that there is a conflict between the preferences, priorities and rights attaching to the two classes of preferred shares, and (ii) shall be entitled to preferences (as set forth in the provisions attaching to such series) over the Junior Shares (as defined below) with respect to priority in the payment of dividends and in the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs. The Preferred Shares of each series may be given such other preferences over the Junior Shares as may be fixed by the board of directors. "Junior Shares" means the Common Shares and any other shares of the Company ranking junior to the Preferred Shares, including the Junior Preferred Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs.

The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and distribution of assets on the liquidation, dissolution or winding-up of the Company.

Voting

Except as required by law, the holders of the Preferred Shares as a class shall have no voting rights. Any consent or approval given by the holders of Preferred Shares as a class shall be deemed to have been sufficiently given if it shall have been given in writing by the holders of at least 66⅔% of the outstanding Preferred Shares or by a resolution passed at a meeting of holders of Preferred Shares duly called and held.

RISK FACTORS

In addition to the other information contained in and incorporated by reference into this Prospectus, the following risk factors should be carefully considered before investing in the Securities.

Food Processing Industry

The food processing industry is subject to the risks posed by: adverse changes in general economic conditions, food spoilage or food contamination, evolving consumer preferences, nutritional and health-related concerns, federal, state, provincial and local food processing controls, consumer product liability claims, product tampering, and the possible unavailability and/or expense of liability insurance.

Food Distribution Industry

The food distribution industry, including retail sales, may be influenced by changes in economic variables and consumer confidence. External factors which affect economic variables and consumer confidence and over which the Company exercises no influence include interest rates, personal debt levels, unemployment rates and levels of personal disposable income. The Company believes Weston, through Weston's variety of formats and controlled label programs, is well-positioned to deal with changing consumer demands and preferences which could result from or accompany an economic downturn. Weston's future performance will be dependent upon its ability to respond to changes in the economy which affect consumer purchasing decisions for products and services sold or made available by Weston.

Competitive Environment

The food processing industry in North America is highly competitive. Weston participates in this industry primarily through its baked goods and dairy operations. Competition among producers of fresh-baked products and producers of frozen or par-baked products is intense. By producing both types of baked products, Weston is able to mitigate the risk of changing consumer preferences. Increased consumer awareness of nutrition and composition of products could result in changes in consumer demand for certain of Weston's products.

Although the Canadian food distribution industry has undergone considerable consolidation over the past several years, the industry remains highly competitive. Weston's competitors in this industry include traditional Canadian food retailers, discount or warehouse club stores, mass merchandisers and specialty stores. Weston's performance in this changing market, where non-traditional food retailers continue to increase their offering of products typically associated with supermarkets, will be dependent upon its ability to continue to effectively manage, develop and operate new departments and services to complement the traditional supermarket.

Suppliers and Customers

Consolidation among food processors and suppliers is an ongoing issue for Canadian food distributors in that it has and will continue to result in upward pressure on the cost of goods. Similarly, consolidation among food distributors results in increased pressure on pricing and trade terms for food processors. In addition, Weston's operating costs may be negatively affected by increases in other inputs such as energy costs and commodity prices.

Labour Issues

A risk to Weston's cost structure is low cost, non-union competitors. Given the size of Weston's work force, Weston is a party to numerous collective agreements which periodically require negotiation and which could ultimately result in labour disruption. However, the occurrence of a labour disruption in connection with any single collective agreement to which Weston is a party would be unlikely to materially adversely affect the Company.

Product Liability

Weston is subject to potential product liabilities connected with its business operations, including potential product liabilities and expenses associated with product defects and product handling. Weston maintains product liability and other insurance coverage which it believes to be generally in accordance with the market practice in each of its industry segments.

Governmental Regulation

Weston is subject to extensive laws, rules, regulations and policies with respect to the production, processing, preparation, distribution, packaging and labelling of its food products. Such laws, rules, regulations and policies are administered by various federal, state, provincial, regional and local health agencies and other governmental authorities, including, without limitation, Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency, the United States Department of Agriculture, and the United States Food and Drug Administration. The Company believes that Weston is currently in compliance with all material governmental laws and regulations and maintains all material permits and licenses in relation to Weston's operations. Nevertheless, there can be no assurance that Weston will be able to comply with any future laws and regulations. Failure by Weston to comply with applicable laws and regulations could subject Weston to civil or regulatory proceedings, including fines, injunctions, recalls or seizures.

Environmental Regulation

The past and present business operations of Weston and the past and present ownership and operation of real property by Weston are subject to increasingly stringent federal, state, provincial, regional and local laws and regulations pertaining to the discharge of materials into the environment and the handling and disposition of waste material resulting from the production, processing, handling, storage and preparation of foods (including solid and hazardous wastes) or otherwise relating to the protection of the environment. Compliance with these laws and regulations and future changes to them is material to Weston's business. Weston has incurred and will continue to incur significant capital and operating expenditures to comply with such laws and regulations. No assurance can be given that additional environmental issues relating to presently known matters or identified sites or to other matters or sites will not require currently unanticipated investigation, assessment or expenditures. Future discovery of previously unknown contamination of property underlying or in the vicinity of Weston's present or former properties or manufacturing facilities could require Weston to incur material unforeseen expenses.

Acquisition and Divestiture Strategy

Weston's acquisition and divesture strategy, including the Acquisition and its integration with Weston and the divestitures of assets described under "Recent Developments", is subject to the risk that such acquisitions and divestitures may not be successfully implemented or completed when anticipated. This could result in the financial results and position of the Company being adversely affected.

Currency of Securities

An investment in Securities offered hereby that are denominated or payable in other than Canadian dollars entails significant risks that are not associated with a similar investment in a security denominated in Canadian dollars. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the applicable foreign currency or currency unit, the possibility of the imposition or modification of foreign exchange controls by either the Canadian or foreign governments, and potential illiquidity in the secondary market. These risks will vary depending upon the currencies or currency units involved. Securities denominated in other than Canadian dollars are not an appropriate investment for investors who are unfamiliar with foreign currency transactions.

The Securities will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. A judgment by a Canadian court relating to any such security may be awarded only in Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment.

Credit Ratings

There is no assurance that any credit or other rating assigned to any Securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by a rating agency. A lowering or withdrawal of such rating may have an adverse effect on the resale price of the Company's Securities. If relevant, see the credit ratings description in the Prospectus Supplement for the Securities.

Trading in Debt Securities and Subordinated Debt Securities

There is currently no market through which any Debt Securities or Subordinated Debt Securities may be sold. There can be no assurance as to the liquidity of the trading market for any Debt Securities or Subordinated Debt Securities or that a trading market for such Securities will develop.

Consequences of Holding Company Structure

Substantially all of the Company's business activities are conducted by direct and indirect wholly-owned subsidiaries of the Company. Debt Securities issued under this Prospectus will be obligations exclusively of the Company. The subsidiaries of the Company will not guarantee the payment of principal of or interest on such Debt Securities. In the event of an insolvency, liquidation or other reorganization of any of the subsidiaries of the Company, the creditors of the Company (including the holders of the Debt Securities, as well as shareholders of the Company) will have no right to proceed against the assets of such subsidiaries or to cause the liquidation or bankruptcy of the subsidiaries under applicable bankruptcy laws.

In addition, as a result of the Company being a holding company, the Company's operating cash flow and its ability to service its indebtedness, including the Debt Securities, is dependent upon the operating cash flow of its subsidiaries and the payment of funds by such subsidiaries to the Company in the form of loans, dividends or otherwise. The Company's subsidiaries have no obligation, contingent or otherwise, to pay amounts due pursuant to the Debt Securities or to make any funds available therefore, whether by dividends, interest, loans, advances or other payments.

PLAN OF DISTRIBUTION

The Company may sell the Securities to or through underwriters or dealers, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or dealers, the purchase price or prices of the Securities and the proceeds to the Company from the sale of the Securities.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or negotiated prices.

Underwriters or dealers who participate in the distribution of Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters or dealers may be required to make in respect thereof. Such underwriters or dealers may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

In connection with any offering of Securities, the underwriters or dealers may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada will keep at its principal offices in the City of Toronto a register of holders of the Debt Securities, Subordinated Debt Securities and Preferred Shares and at its principal offices in the cities of Toronto, Montreal, Vancouver, Winnipeg, Calgary, Regina and Halifax a register of transfers of such Securities.

LEGAL MATTERS

Certain legal matters relating to the offering of the Securities will be passed upon by Borden Ladner Gervais LLP on behalf of the Company.

As at September 25, 2001, the partners and associates of Borden Ladner Gervais LLP as a group beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares or Debt Securities of the Company. If any underwriters or dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities, such counsel will be named in the Prospectus Supplement.

AUDITORS

The auditors of the Company are KPMG LLP, Suite 3300, Commerce Court West, Toronto, Ontario M5L 1B2.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase Securities within two business days after receipt or deemed receipt of this Prospectus, the Prospectus Supplement (including a pricing supplement) relating to Securities purchased by a purchaser and any amendments thereto. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some provinces, damages where the Prospectus, the Prospectus Supplement (including a pricing supplement) relating to Securities purchased by a purchaser and any amendments thereto contain a misrepresentation or are not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of such purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of such purchaser's province for the particulars of these rights or consult with a legal advisor.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, and the documents incorporated herein by reference, contain forward-looking statements which reflect management's expectations regarding Weston's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to the Company's management. Forward-looking statements involve significant risk, uncertainties and assumptions. A number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Prospectus, and the documents incorporated herein by reference, are based upon what management believes to be reasonable assumptions, the Company cannot assure prospective purchasers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Prospectus, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

INDEX TO FINANCIAL STATEMENTS

COMPILATION REPORT

To the Board of Directors of George Weston Limited,

We have reviewed, as to compilation only, the accompanying pro forma consolidated balance sheet of George Weston Limited as at June 16, 2001 and the pro forma consolidated statements of earnings for the year ended December 31, 2000 and the 24-week period ended June 16, 2001. These pro forma financial statements have been prepared for inclusion in the Company's preliminary short form base shelf prospectus dated September 25, 2001. In our opinion, the pro forma consolidated balance sheet and the pro forma consolidated statements of earnings have been properly compiled to give effect to the transactions and assumptions described in the Notes thereto.

Toronto, Ontario	(Signed) KPMG LLP
September 25, 2001	Chartered Accountants

GEORGE WESTON LIMITED

PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

24 Weeks Ended June 16, 2001
(unaudited)
($ millions)

	George Weston Limited	Bestfoods Baking	Adjustments	Notes	Pro Forma Consolidated
SALES	$10,690	1,458	(446)	3a	$11,702
OPERATING EXPENSES					
Cost of sales, selling and administrative expenses	9,957	1,310	(395)	3a	10,872
Depreciation	184	40	(9)	3a	215
	10,141	1,350	(404)		11,087
OPERATING INCOME	549	108	(42)		615
Interest expense (income)					
Short-term	(22)		64	3a/b	42
Long-term	110				110
	88		64		152
EARNINGS BEFORE THE FOLLOWING:	461	108	(106)		463
Income taxes					
Provision	161	48	(41)	3c	168
Other	(1)				(1)
	160	48	(41)		167
	301	60	(65)		296
Goodwill charges, net of tax	25	6			31
	276	54	(65)		265
Minority interest	77				77
NET EARNINGS FOR THE PERIOD	$ 199	54	(65)		$ 188
PER COMMON SHARE ($)					
Basic net earnings	$ 1.51				$ 1.43
Weighted average common shares outstanding (in millions)	131.5				
Actual common shares outstanding (in millions)	131.5				

See accompanying notes to the pro forma consolidated financial statements.

GEORGE WESTON LIMITED

PRO FORMA CONSOLIDATED STATEMENT OF EARNINGS

Year ended December 31, 2000
($ millions)

	George Weston Limited (audited)	Bestfoods Baking (audited)	Adjustments (unaudited)	Notes	Pro Forma Consolidated (unaudited)
SALES	$22,344	2,672	(825)	3a	$24,191
OPERATING EXPENSES					
Cost of sales, selling and administrative expenses	20,787	2,398	(723)	3a	22,462
Depreciation	368	74	(18)	3a	424
	21,155	2,472	(741)		22,886
OPERATING INCOME	1,189	200	(84)		1,305
Interest expense (income)					
Long-term	204				204
Other	(33)		127	3a/b	94
	171		127		298
EARNINGS BEFORE THE FOLLOWING:	1,018	200	(211)		1,007
Income taxes					
Provision	351	77	(77)	3c	351
Other	(41)				(41)
	310	77	(77)		310
	708	123	(134)		697
Goodwill charges, net of tax	52	10			62
	656	113	(134)		635
Minority interest	175				175
NET EARNINGS FOR THE YEAR	$ 481	113	(134)		$ 460
PER COMMON SHARE ($)					
Basic net earnings	$ 3.66				$ 3.50
Weighted average common shares outstanding (in millions)	131.5				
Actual common shares outstanding (in millions)	131.5				

See accompanying notes to the pro forma consolidated financial statements.

GEORGE WESTON LIMITED

PRO FORMA CONSOLIDATED BALANCE SHEET

As at June 16, 2001
(unaudited)
($ millions)

	George Weston Limited	Bestfoods Baking	Adjustments	Notes	Pro Forma Consolidated
ASSETS					
Current Assets					
Cash and cash equivalents	$ 992	31	(14)	2a	$ 1,009
Short-term investments	435				435
Accounts receivable	688	223	(64)	2a	847
Inventories	1,633	73	(17)	2a	1,689
Prepaid expenses and other assets	89	17	(6)	2a	100
Current future income taxes	178	6	(6)	2a	178
Business held for resale			189	2a	189
	4,015	350	82		4,447
Franchise Investments and Other Receivables	200				200
Fixed Assets	5,170	873	(216)	2a	5,827
Future Income Taxes	87	54	(54)	2a	87
Goodwill	2,065	617	1,425	2a	4,107
Other Assets	480	41	(3)	2a	518
	$12,017	1,935	1,234		$15,186
LIABILITIES					
Current Liabilities					
Commercial paper	$ 702				$ 702
Short-term bank loan			2,754	2a/b	2,754
Accounts payable and accrued liabilities	2,285	429	(103)	2a	2,611
Current income taxes	48				48
Long-term debt due within one year	110				110
	3,145	429	2,651		6,225
Long-term Debt	4,025	3			4,028
Other Liabilities	379	114	(28)	2a	465
Future Income Taxes	176	144	(144)	2a	176
Minority Interest	1,213				1,213
	8,938	690	2,479		12,107
SHAREHOLDERS' EQUITY					
Common Share Capital	77				77
Retained Earnings	2,938	1,245	(1,245)	2c	2,938
Cumulative Foreign Currency Translation Adjustment	64				64
	3,079	1,245	(1,245)		3,079
	$12,017	1,935	1,234		$15,186

See accompanying notes to the pro forma consolidated financial statements.

GEORGE WESTON LIMITED

NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

($ millions except where otherwise indicated)
(unaudited)

1. BASIS OF PRESENTATION

On July 30, 2001, George Weston Limited (the "Company") purchased all of the issued and outstanding common shares of Bestfoods Baking Co., Inc. ("Bestfoods Baking") and certain trademarks used in the business of Bestfoods Baking for $2.746 billion (U.S.$1.765 billion) cash, subject to certain adjustments. Following the acquisition, the Company announced that it would begin exploring opportunities to sell the western operations of Bestfoods Baking consisting of the Oroweat brand and related assets, including bakeries in Texas, Colorado, California and Oregon (collectively, "BF West"). The Company is retaining all other baking assets acquired in the acquisition.

The pro forma consolidated statement of earnings for the year ended December 31, 2000 is based upon the audited consolidated financial statements of the Company for the year ended December 31, 2000 and the audited consolidated financial statements of Bestfoods Baking for the year ended December 30, 2000, adjusted to reflect the acquisition of Bestfoods Baking as if the acquisition and related short-term funding had taken place January 1, 2000.

The pro forma consolidated statement of earnings and the pro forma consolidated balance sheet for the period ended June 16, 2001 are based upon the unaudited consolidated financial statements of the Company for the period ended June 16, 2001 and the unaudited consolidated financial statements of Bestfoods Baking for the period ended June 30, 2001. The June 16, 2001 pro forma consolidated statement of earnings was adjusted to reflect the acquisition of Bestfoods Baking as if the acquisition and related short-term funding had taken place January 1, 2000. The June 16, 2001 pro forma consolidated balance sheet was adjusted to reflect the acquisition of Bestfoods Baking as if the acquisition and related short-term funding had taken place June 16, 2001.

The pro forma consolidated financial statements reflect the sale of BF West as described in Note 2 (a). Following the acquisition of Bestfoods Baking, the Company also announced its intention to divest its fish processing operations and to sell down its interest in Loblaw Companies Limited ("Loblaw") by approximately 5%. The pro forma consolidated financial statements do not reflect, in any respect, the Company's intention to divest its fish processing operations nor the sale of 5% of its interest in Loblaw. In addition, these pro forma consolidated financial statements do not reflect the issue of any securities pursuant to the preliminary short form base shelf prospectus dated September 25, 2001 of the Company (the "Prospectus") or any prospectus supplement thereto since the aggregate principal amounts and the terms of such securities are not currently known.

The June 30, 2001 U.S. dollar balance sheet of Bestfoods Baking was translated at the exchange rate in the currency derivative agreements used to hedge the purchase consideration for Bestfoods Baking. The U.S. dollar income statements for Bestfoods Baking were translated at the average exchange rates during the periods presented.

These pro forma consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2000, the audited consolidated financial statements of Bestfoods Baking for the year ended December 30, 2000, the unaudited consolidated financial statements of the Company for the period ended June 16, 2001, the unaudited consolidated financial statements of Bestfoods Baking for the period ended June 30, 2001 and the notes thereto. The Company's audited consolidated financial statements and the Bestfoods Baking audited consolidated financial statements were audited by KPMG LLP. The consolidated balance sheet and statement of income of Bestfoods Baking were summarized and reclassified in order to present them on a consistent basis with those of the Company for the purposes of these pro forma consolidated financial statements.

Accounting policies used in the preparation of the pro forma consolidated financial statements are in accordance with those disclosed in the Company's audited consolidated financial statements and the Bestfoods Baking audited consolidated financial statements for the years ended December 31, 2000 and December 30, 2000, respectively. The Company's management has not determined if there are any material differences between the accounting policies of the Company and those of Bestfoods Baking.

The accompanying unaudited pro forma consolidated financial statements do not purport to be indicative of the results of operations and financial position of the Company that would have been obtained had the acquisition taken place on the dates indicated, or the results which may be obtained in the future. In preparing these pro forma consolidated financial statements, no adjustments have been made to reflect the operating synergies, general and administrative cost savings, and restructuring costs expected to result from combining the operations of the Company and Bestfoods Baking. The pro forma adjustments, as described below, are based upon currently available information and management's estimates and assumptions. Actual adjustments will differ from the pro forma adjustments.

2. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS TO THE CONSOLIDATED BALANCE SHEET

(a) Bestfoods Baking Acquisition

The Bestfoods Baking acquisition was accounted for using the purchase method. The timing of the acquisition date relative to the date of the Prospectus was such that a determination or estimation of the fair value of the assets and liabilities acquired was not possible. As a result, the Company has recorded the assets and liabilities acquired at their book value. The June 30, 2001 book value of BF West's net assets is reported as 'Business held for resale'. The purchase price allocation will be finalized by year end 2001 and any gain or loss on the sale of BF West will be reflected as an adjustment to the purchase equation presented below. Consequently, no proceeds of sale from the BF West assets are reflected in these pro forma consolidated financial statements.

Details of the purchase equation as at June 16, 2001, including total consideration paid and net assets acquired at their book value are summarized below:

	As at June 16, 2001
	($ millions)
Cash	$ 17
Accounts receivable	159
Inventories	56
Prepaid expenses and other assets	11
Fixed assets	657
Other assets (including Bestfoods Baking goodwill of $617)	655
Accounts payable and accrued liabilities	(326)
Long-term debt	(3)
Other liabilities	(86)
Business held for resale	189
Net assets acquired	1,329
Goodwill	1,425
	2,754
Acquisition costs	8
Cash consideration	$2,746

The goodwill resulting from this transaction is not being amortized; this is in accordance with Section 3461 of the Canadian Institute of Chartered Accountants Handbook which does not permit the amortization of goodwill created in business combinations consummated after June 30, 2001.

(b) Funding for the Bestfoods Baking Acquisition

The cash consideration and acquisition costs were financed by way of a credit facility with a series of tranches maturing between 9 and 15 months from July 25, 2001, the date of the advance. This credit facility has been presented as a short-term bank loan.

(c) Shareholders' Equity

The retained earnings of Bestfoods Baking will be eliminated as a result of the acquisition.

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS TO THE CONSOLIDATED STATEMENTS OF EARNINGS

(a) BF West Sale

As a result of the Company's announcement that it would sell the BF West operations of Bestfoods Baking, the pro forma consolidated statements of earnings have been adjusted to exclude the results of BF West; however, there has been no reduction to the interest expense under the credit facility in respect of amounts attributable to the BF West assets held for resale.

In order to determine the BF West results, certain Bestfoods Baking corporate office operating costs and expenses and the related income taxes, which were identifiable and specific to BF West, have been allocated by management to BF West based on actual usage or other methods that management believes reasonable. The costs allocated to BF West were $3 for the period ended June 16, 2001 and $4 for the period ended December 31, 2000. Certain common corporate office support services including

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS TO THE CONSOLIDATED STATEMENTS OF EARNINGS (Continued)

finance, information systems, research and development, advertising and marketing, as well as general corporate administrative costs have not been allocated and are included in the pro forma consolidated statements of earnings.

Although the Company believes that the allocations to BF West are reasonable based on the information available to management, the costs and income taxes allocated to BF West may not be indicative of the costs that would have been incurred if BF West had been a stand-alone entity.

(b) Interest Expense

The interest expense on the incremental short-term debt is recorded at an average rate of 4.82% per annum.

(c) Income taxes

Income taxes have been adjusted to reflect the pro forma BF West sale adjustment described in Note 3 (a) and the pro forma interest expense adjustment described in Note 3 (b).

INDEPENDENT AUDITORS' REPORT

The Board of Directors
and Stockholder
Bestfoods Baking Co., Inc.:

We have audited the accompanying consolidated balance sheet of Bestfoods Baking Co., Inc. and its subsidiaries, which is a wholly-owned direct subsidiary of Bestfoods, which is a subsidiary of Unilever United States, Inc., as of December 30, 2000, and the related consolidated statements of income, stockholder's equity and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bestfoods Baking Co., Inc. and its subsidiaries as of December 30, 2000, and the consolidated results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Melville, New York
January 29, 2001

(Signed) KPMG LLP

BESTFOODS BAKING CO., INC.

CONSOLIDATED BALANCE SHEET

December 30, 2000
(U.S. Dollars in thousands)

ASSETS	
Current assets:	
Cash	$ 15,165
Accounts receivable, net	137,613
Inventories	47,106
Prepaid expenses	7,152
Prepaid state income taxes	13,406
Deferred taxes on income	4,522
Total current assets	224,964
Plants and properties, net	559,447
Intangible assets, net	419,536
Deferred taxes on income	34,731
Other assets	7,494
Total assets	$1,246,172
LIABILITIES AND EQUITY	
Current liabilities:	
Current portion of long-term debt, including obligations under capital leases	$ 114
Accounts payable	102,029
Accrued liabilities	141,647
Total current liabilities	243,790
Other noncurrent liabilities	83,458
Long-term debt, including obligations under capital leases, less current portion	1,620
Deferred taxes on income	87,490
Total liabilities	416,358
Stockholder's equity	829,814
Total liabilities and stockholder's equity	$1,246,172

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF INCOME

December 30, 2000
(U.S. Dollars in thousands)

Net sales	$1,816,570
Cost of sales	950,089
Gross profit	866,481
Marketing expenses	87,314
Selling and distribution expenses	508,973
General and administrative expenses	120,356
Amortization of intangible assets	12,642
Merger related compensation expenses	14,100
Total expenses	743,385
Operating Income	123,096
Other income	(3,430)
Other expense	723
Thomas' trademark royalty expense, net	1,100
Income before income taxes	124,703
Provision for income taxes	48,177
Net income	$ 76,526

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY

December 30, 2000
(U.S. Dollars in thousands)

	Stock-holder's equity
Balance, December 25, 1999	$ 873,862
Net income	76,526
Net effect of assets and liabilities transferred between the Company and Bestfoods	(120,574)
Balance, December 30, 2000	$ 829,814

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

December 30, 2000
(U.S. Dollars in thousands)

Cash flows from operating activities:	
Net income	$ 76,526
Non-cash charges (credits) to net income:	
Depreciation and amortization	62,287
Provision for doubtful accounts	4,869
Loss on sales/disposals of plants and properties	3,404
Deferred taxes	21,437
Changes in operating assets and liabilities:	
Accounts receivable, net	5,054
Inventories	8,134
Prepaid expenses and other assets	(12,354)
Other noncurrent liabilities	10,554
Accounts payable and accrued liabilities	13,319
Net cash flows from operating activities	193,230
Cash flows used for investing activities:	
Capital expenditures	(65,338)
Proceeds from the disposal of plants and properties	4,339
Net cash flows used for investing activities	(60,999)
Cash flows used for financing activities:	
Payment of long-term debt and capital leases	(307)
Net cash effect of assets and liabilities transferred between the Company and Bestfoods	(120,574)
Net cash flows used for financing activities	(120,881)
Increase in cash	11,350
Cash, beginning of year	3,815
Cash, end of year	$ 15,165

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 30, 2000

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The accompanying consolidated financial statements include the accounts of the Bestfoods Baking Co., Inc. (the "Company") and Arnold Foods Company, Inc., Bestfoods Baking Distribution Company, Charles Freihofer Baking Company, Inc., Entenmann's, Inc. and Hudson Processing, Inc. (together, the "Subsidiaries"), which are direct or indirect subsidiaries of Bestfoods Baking Co., Inc.

The Company is one of the largest bakers and distributors of fresh bakery products in the United States. The Company is currently a wholly-owned direct subsidiary of Bestfoods, which is in turn a wholly-owned subsidiary of Unilever United States, Inc. On or about October of 2000, Unilever announced its intention to sell the Bestfoods Baking Co., Inc.

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America which, as applicable to the Company, are in all material respects in accordance with accounting principles generally accepted in Canada. These financial statements are presented in U.S. dollars.

Fiscal Year End

The Company has a 52-53 week year that ends on the Saturday closest to the last day of December. The following table summarizes the period covered for the fiscal year presented in these consolidated financial statements and footnotes thereto unless otherwise stated:

Fiscal year	Period covered
2000	53-week period ended December 30, 2000

Operating Costs

Operating costs and expenses include allocations of general corporate administrative overhead expenses related to Bestfoods corporate headquarters and common supportive activities, including tax, treasury, risk management and insurance, legal, information systems and human resources. These costs amounted to $11.8 million for fiscal 2000 and have been allocated to the Company based on actual usage or other methods which management believes are reasonable. In addition, the Company was allocated worker's compensation and other liability insurance costs which amounted to $24.2 million for fiscal 2000. Although the Company believes that allocations and charges for such services to be reasonable, the costs of these services charged to the Company may not be indicative of the costs that would have been incurred if the Company had been a stand-alone entity.

The Company's assets and liabilities are presented at historical cost. The Company has excluded from the consolidated balance sheet, assets and liabilities related to its employees' participation in the Bestfoods pension, postretirement and postemployment benefit plans (see note 2).

The financial information included herein may not necessarily reflect the results of operations, financial position, changes in equity and cash flows of the Company in the future or what it would have been had the Company been a separate, stand-alone entity during the period presented.

2. SUMMARY OF ACCOUNTING POLICIES

Cash

Bestfoods maintains a centralized cash management system to finance its domestic operations. Available cash deposits from the Company are transferred to Bestfoods and Bestfoods funds the Company's disbursement bank accounts as required. Intercompany transactions between the Company and Bestfoods are accounted for in stockholder's equity.

Inventories

Inventories are stated at the lower of cost or market. Inventories are valued at cost on the first-in, first-out method. Included in inventory are supplies inventory, which primarily consists of machinery and vehicle spare parts kept on hand for use in the repair and maintenance of production machinery and distribution vehicles.

Plants and Properties

Plants and properties are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of depreciable assets at rates of 40 years for buildings and 3 to 20 years for all other assets. Long-lived assets are reviewed for impairment using an undiscounted future cash flows approach whenever the facts and circumstances indicate that the carrying amount may not be recoverable.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Intangible Assets

Intangible assets, which include goodwill and other intangible assets, primarily result from Bestfoods' acquisition of Kraft Foods Bakery Companies, Inc., in 1995. Intangible assets are being amortized over 25 to 40 years using the straight-line method. Intangible assets are reviewed for impairment using an undiscounted future cash flows approach whenever the facts and circumstances indicate that the carrying amount may not be recoverable.

Revenue Recognition

The Company recognizes revenue when finished products are delivered to unaffiliated customers with appropriate provisions for product returns. Discounts to customers and distributors are deducted from sales. Costs and related expenses to manufacture the products are recorded as costs of sales when the related revenue is recognized.

Income Taxes

The Company is included in the consolidated Federal income tax return of Bestfoods. The Company has no tax sharing agreement, formal or informal, with Bestfoods. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Pension, Postretirement and Postemployment Benefits Plans

Substantially all non-union Company employees participate in Bestfoods pension, postretirement and postemployment plans. Accordingly, no assets and liabilities have been reflected in the consolidated balance sheets related to these plans since it is not practicable to segregate these amounts. Additionally, the consolidated statements of income include an allocation from Bestfoods for the costs associated with Company employees who participate in these plans.

Research and Development

Activities related to new product development and major improvements to existing products and processes are expensed as incurred. Amounts were $4.0 million for fiscal 2000.

Advertising and Consumer Promotion

Advertising and consumer promotion costs are expensed as incurred or no later than when the advertisement appears or the event occurs. Advertising and consumer promotion expense was approximately $87.3 million for fiscal 2000.

Comprehensive Income

As of December 28, 1997, the Company adopted SFAS No. 130 — "Reporting Comprehensive Income." SFAS No. 130 establishes new rules for the reporting and display of comprehensive income and its components. The adoption of this statement had no impact on the Company's net income or stockholder's equity. During fiscal 2000, total comprehensive income equaled net income.

Segments

The Company operates in one business segment throughout the United States.

Concentrations of Credit

The Company encounters, in the normal course of business, exposure to concentrations of credit risk with respect to trade receivables. This risk is limited due to the large number of customers comprising the Company's customer base. Ongoing credit evaluations of customers' financial conditions are performed and, generally, no collateral is required. The Company maintains reserves for potential credit losses. The Company believes there is no concentration of risk with any single customer or supplier, or small group of customers or suppliers, whose failure or non-performance would materially affect the Company's results.

2. SUMMARY OF ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of reserves and expenses during the reporting period. Actual amounts could differ from those estimates.

3. CONSOLIDATED STATEMENTS OF CASH FLOWS

Supplementary information for the consolidated statement of cash flows is set forth below:

	(Dollars in thousands)
Cash paid during the year for:	
State income taxes	$13,340

4. PENSION, POSTRETIREMENT BENEFITS AND OTHER BENEFITS

During the period presented, substantially all of the Company's salaried and non-union hourly employees participated in Bestfoods defined benefit pension plans. Effective January 1, 2000, Bestfoods changed its domestic salaried pension plan from a final average pay plan to a cash balance plan. The Company recognized pension cost of approximately $5.4 million for fiscal 2000 related to these plans. These costs represent an allocation from Bestfoods.

Substantially all of the Company's salaried and non hourly employees participate in Bestfoods various postretirement medical, dental, vision and life insurance plans. The Company recognized costs associated with these plans of approximately $6.9 million for fiscal 2000. These costs represent an allocation from Bestfoods.

Substantially all of the Company's salaried and non-union hourly employees participate in Bestfoods various medical, dental, vision and life insurance plans. The Company recognized costs associated with these plans of approximately $31.1 million for fiscal 2000. These costs represent an allocation from Bestfoods.

Bestfoods maintains a defined contribution 401(k) plan. The Company's total expense of this plan was approximately $5.2 million for fiscal 2000. These costs represent an allocation from Bestfoods.

Several of the Company's executives participated in a Bestfoods sponsored long-term incentive plan. The Company recognized compensation costs associated with this plan of approximately $4.5 million for fiscal 2000. As a result of the acquisition of Bestfoods by Unilever United States, Inc. in October of 2000, the compensation related to this plan was accelerated and paid in 2000, resulting in an additional expense of $14.1 million in 2000.

5. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

The carrying values of cash, accounts receivable and accounts payable approximate fair values.

6. INCOME TAXES

The components of the provision for income taxes are shown below:

	(Dollars in thousands)
Provision for income taxes:	
Current tax expense:	
U.S. Federal	$23,484
State and local	3,256
Total current	26,740
Deferred tax expense:	
U.S. Federal	$17,482
State and local	3,955
Total deferred	21,437
Total provision	$48,177

The tax effects of significant temporary differences, which comprise the deferred tax liabilities and assets at December 30, 2000 are as follows:

	(Dollars in thousands)
Plants and properties	$70,174
Tax amortization in excess of book	17,316
Gross deferred tax liabilities	87,490
Restructuring accrual	4,678
Inventory	2,577
Employee benefit accrual	18,447
Pensions	11,606
Other	1,945
Gross deferred tax assets	39,253
Total deferred tax liabilities	$48,237

Total net deferred tax liabilities and assets shown above include current and noncurrent elements.

A reconciliation of the federal statutory tax rate to the Company's effective tax rate follows:

	(Dollars in thousands)	
Provision for tax at U.S. statutory rate	$43,646	35.0%
State and local taxes, net	4,687	3.7
Other items, net	(156)	(0.1)
Provision at effective tax rate	$48,177	38.6%

7. COMMITMENTS AND CONTINGENCIES

(a) The Company leases certain plant and distribution facilities, machinery and automotive equipment under noncancelable lease agreements. The Company expects that in the normal course of business, leases that expire will be renewed or replaced by other leases. Property, plant and equipment relating to capital leases were approximately $3.3 million at December 30, 2000 with accumulated amortization of approximately $0.7 million at December 30, 2000. Depreciation of assets recorded under capital leases was approximately $0.1 million for fiscal 2000.

7. COMMITMENTS AND CONTINGENCIES (Continued)

The following is a schedule of future minimum lease payments as of December 30, 2000:

	Capital leases	Non-cancelable operating leases
	(Dollars in thousands)	
2001	$ 207	19,261
2002	207	18,376
2003	207	17,032
2004	207	14,896
2005	172	13,395
Thereafter	1,963	55,838
Total minimum lease payments	2,963	$138,798
Less interest portion of payments	1,335	
Present value of future minimum lease payments	$1,628	

Rental expense was approximately $42.1 million for fiscal 2000.

(b) At December 30, 2000, the Company has contractual take-or-pay commitments to purchase electricity from co-generation plants in Bay Shore, New York. Based on the contract provisions these commitments are estimated as follows:

2001	$ 2,689
2002	2,701
2003	2,713
2004	2,725
2005	2,738
Thereafter	16,726
	$30,292

Purchases of electricity pursuant to these commitments were approximately $2.7 million for fiscal 2000.

(c) The Company is a defendant in litigation arising from the normal conduct of its affairs. The impact of the final resolution of these matters on the Company's results of operations or liquidity in a particular reporting period is not known. Management is of the opinion, however, that the litigation in which the Company is a defendant is either subject to insurance coverage or, to the extent not covered by such insurance, will not have a material adverse effect on the Company's consolidated financial position.

(d) The Company is a party to distributor loan facility agreements with various financial institutions under which the Company's independent distributors may obtain financing in connection with the purchase of distribution rights and related assets. Under the agreements, the Company has agreed to pay or guarantee defaulted loans, if any, according to the terms and limits of the agreements. As of December 30, 2000, the amount guaranteed by the Company was approximately $37.0 million.

8. RELATED PARTY TRANSACTIONS

In October of 2000, the Company sold the Thomas' trademark to a Bestfoods affiliated company for approximately $325.0 million, for which the Company received a note. This transaction has been accounted for in the consolidated financial statements as a capital contribution as it represents a transaction with an affiliated company. During 2000, the Company recognized $5.2 million of interest income on the note and paid $6.3 million of royalty expense for the use of the Thomas' trademarks. The interest income and royalty expense have been included in the consolidated statements of income as Thomas' trademark royalty expense, net.

9. SUPPLEMENTARY BALANCE SHEET AND INCOME STATEMENT INFORMATION

Supplementary balance sheet and income statement information is set forth below:

	(Dollars in thousands)
Accounts receivable:	
Accounts receivable, trade	$ 144,995
Accounts receivable, other	4,268
	149,263
Allowance for doubtful accounts	(11,650)
Total accounts receivable, net	$ 137,613
Inventories:	
Finished and in process	$ 8,664
Raw materials	22,660
Manufacturing supplies	15,782
Total inventories	$ 47,106
Plants and properties:	
Land and land improvements	$ 46,651
Buildings and building improvements	140,723
Machinery and equipment	516,752
Furniture, office equipment and transportation equipment	110,125
Construction in progress	39,606
	853,857
Accumulated depreciation	(294,410)
Total plants and properties, net	$ 559,447
Intangible assets:	
Trademarks and tradenames	$ 41,923
Excess of purchase cost over net assets acquired	469,118
	511,041
Accumulated amortization	(91,505)
Total intangible assets, net	$ 419,536
Other noncurrent liabilities:	
Insurance	$ 71,296
Environmental	5,917
Other	6,245
Total other noncurrent liabilities	$ 83,458
Depreciation expense	$ 49,645
Amortization expense	12,642
	$ 62,287

BESTFOODS BAKING CO., INC.

CONSOLIDATED BALANCE SHEET

June 30, 2001
(U.S. Dollars in thousands)
(unaudited)

ASSETS

Current assets:	
Cash	$ 20,044
Accounts receivable, net	142,763
Inventories	47,022
Prepaid expenses	7,892
Prepaid state income taxes	3,167
Deferred taxes on income	4,522
Total current assets	225,410
Plants and properties, net	558,528
Intangible assets, net	413,215
Deferred taxes on income	34,731
Other assets	7,565
Total assets	$1,239,449

LIABILITIES AND EQUITY

Current liabilities:	
Current portion of long-term debt, including obligations under capital leases	$ 93
Accounts payable	95,624
Accrued liabilities	179,898
Total current liabilities	275,615
Other noncurrent liabilities	73,374
Long-term debt, including obligations under capital leases, less current portion	1,564
Deferred taxes on income	92,204
Total liabilities	442,757
Stockholder's equity	796,692
Total liabilities and stockholder's equity	$1,239,449

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF INCOME

Six months ended June 30, 2001
(U.S. Dollars in thousands)
(unaudited)

Net sales	$947,697
Cost of sales	488,508
Gross profit	459,189
Marketing expenses	52,990
Selling and distribution expenses	268,120
General and administrative expenses	61,627
Amortization of intangible assets	6,321
Total expenses	389,058
Operating Income	70,131
Other income	(8,013)
Other expense	1,328
Thomas' trademark royalty expense, net	13,836
Income before income taxes	62,980
Provision for income taxes	28,710
Net income	$ 34,270

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended June 30, 2001
(U.S. Dollars in thousands)
(unaudited)

Cash flows from operating activities:	
Net income	$ 34,270
Non-cash charges (credits) to net income:	
Depreciation and amortization	31,978
Provision for doubtful accounts	1,096
Loss on sales/disposals of plants and properties	521
Deferred taxes	14,953
Changes in operating assets and liabilities:	
Accounts receivable, net	(6,246)
Inventories	84
Prepaid expenses and other assets	(811)
Other noncurrent liabilities	(10,084)
Accounts payable and accrued liabilities	31,846
Net cash flows from operating activities	97,607
Cash flows used for investing activities:	
Capital expenditures	(29,161)
Proceeds from the disposal of plants and properties	3,902
Net cash flows used for investing activities	(25,259)
Cash flows used for financing activities:	
Payment of long-term debt and capital leases	(77)
Net cash effect of assets and liabilities transferred between the Company and Bestfoods	(67,392)
Net cash flows used for financing activities	(67,469)
Increase in cash	4,879
Cash, beginning of the period	15,165
Cash, end of the period	$ 20,044

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.

CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY

June 30, 2001
(U.S. Dollars in thousands)
(unaudited)

	Stockholder's equity
Balance, December 30, 2000	$829,814
Net income	34,270
Net effect of assets and liabilities transferred between the Company and Bestfoods	(67,392)
Balance, June 30, 2001	$796,692

See accompanying notes to consolidated financial statements.

BESTFOODS BAKING CO., INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Information as of June 30, 2001 and for the Six Months Ended June 30, 2001 is Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements include the accounts of the Bestfoods Baking Co., Inc. (the "Company") and Arnold Foods Company, Inc., Bestfoods Baking Distribution Company, Charles Freihofer Baking Company, Inc., Entenmann's, Inc. and Hudson Processing, Inc. (together the "Subsidiaries"), which are direct or indirect subsidiaries of the Company.

The Company is one of the largest bakers and distributors of fresh bakery products in the United States. The Company, until July 30, 2001, was a wholly-owned direct subsidiary of Bestfoods, which is in turn a wholly-owned subsidiary of Unilever United States, Inc. ("Unilever"). On or about October of 2000, Unilever announced its intention to sell the Company.

On February 19, 2001, Unilever announced that it signed a definitive agreement to sell the Company to Canadian-based George Weston Limited ("Weston"). The sale was completed on July 30, 2001 by Weston Acquisition, Inc., an indirect subsidiary of Weston, and the name of the Company was changed to George Weston Bakeries Inc. Following the acquisition, Weston announced it would begin exploring opportunities to sell the Oroweat brand and related assets, including bakeries in Texas, Colorado, California and Oregon.

Interim Financial Statements (Unaudited)

The unaudited interim consolidated financial statements have been prepared by the Company and have been prepared on a basis that is consistent with the accounting principles applied for the year ended December 30, 2000. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at June 30, 2001 have been made. These unaudited interim consolidated financial statements should be read together with the Company's audited annual financial statements and accompanying notes. These financial statements are presented in U.S. dollars.

The unaudited interim consolidated financial statements do not include comparative interim financial statements for the six months ended June 30, 2000 because the Company, as a subsidiary of Bestfoods, was not required to prepare interim financial statements and, following the sale of the Company to Weston Acquisition, Inc., as described above, the information necessary to prepare such comparative interim financial statements is not currently available to the Company.

The Company's effective income tax rate for the six month period ended June 30, 2001 is based on management's expectations of the tax rate for the respective full year.

Operating Costs

Operating costs and expenses include allocations of general corporate administrative overhead expenses related to Bestfoods corporate headquarters and common supportive activities, including tax, treasury, risk management and insurance, legal, information systems and human resources. These costs amounted to $4.7 million for the six months ended June 30, 2001, and have been allocated to the Company based on actual usage or other methods which management believes are reasonable. In addition, the Company was allocated worker's compensation and other liability insurance costs which amounted to $10.8 million for the six months ended June 30, 2001. Although the Company believes that allocations and charges for such services to be reasonable, the costs of these services charged to the Company may not be indicative of the costs that would have been incurred if the Company had been a stand-alone entity.

The Company's assets and liabilities are presented at historical cost. The Company has excluded from the consolidated balance sheet, assets and liabilities related to its employees' participation in the Bestfoods' pension, postretirement and postemployment benefit plans.

The financial information included herein may not necessarily reflect the results of operations, financial position, changes in equity and cash flows of the Company in the future or what it would have been had the Company been a separate, stand-alone entity during the periods presented.

2. SEGMENTS

The Company operates in one business segment throughout the United States.

3. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

On December 31, 2000, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138. This statement establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Based upon review of the provisions of this standard, the Company has determined that it did not have a significant impact on its financial position or results of operations or have a material effect on its financial statement reporting in fiscal 2001 based upon the Company's current operating structure.

4. CONSOLIDATED STATEMENTS OF CASH FLOWS

Supplementary information for the consolidated statements of cash flows is set forth below (dollars in thousands):

Cash paid during the year for:	
State income taxes	$1,303

AUDITORS' REPORT

To the Board of Directors of George Weston Limited,

Under date of March 8, 2001, we reported on the consolidated balance sheets of George Weston Limited. as at December 31, 2000 and 1999, and the consolidated statements of earnings, retained earnings and cash flow for the years then ended, as incorporated by reference in the Company's preliminary short form base shelf prospectus dated September 25, 2001. In connection with our audits of the aforementioned consolidated financial statements, we also have audited the related supplemental note entitled "Business Acquisition Supplemental Note" as set forth in the prospectus. This supplemental note is the responsibility of the Company's management. Our responsibility is to express an opinion on this supplemental note based on our audits.

In our opinion, such supplemental note, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Toronto, Canada	(Signed) KPMG LLP
September 25, 2001	Chartered Accountants

GEORGE WESTON LIMITED

BUSINESS ACQUISITION SUPPLEMENTAL NOTE

($ millions except where otherwise indicated)

On July 30, 2001, George Weston Limited (the "Company") purchased all of the issued and outstanding common shares of Bestfoods Baking Co., Inc. ("Bestfoods Baking") and certain trademarks used in the business of Bestfoods Baking for $2.746 billion (U.S.$1.765 billion) cash, subject to certain adjustments. The cash consideration and acquisition costs were financed by way of a credit facility with a series of tranches maturing between 9 and 15 months from July 25, 2001, the date of the advance.

Following the acquisition, the Company announced that it would begin exploring opportunities to sell the Western operations of Bestfoods Baking consisting of the Oroweat brand and related assets, including bakeries in Texas, Colorado, California and Oregon (collectively, "BF West"). The Company is retaining all other baking assets acquired in the acquisition.

This acquisition was accounted for using the purchase method. The timing of the acquisition date relative to the date of the Company's preliminary short form base shelf prospectus dated September 25, 2001 was such that a determination or estimation of the fair value of the assets and liabilities acquired was not possible. As a result, the Company has recorded the assets and liabilities acquired at their book values. The June 30, 2001 book value of BF West's net assets is reported as "Business held for resale". The June 30, 2001 U.S. dollar balance sheet of Bestfoods Baking was translated at the exchange rate in the currency derivative agreements used to hedge the purchase consideration for Bestfoods Baking. The purchase price allocation will be finalized by year end 2001 and any gain or loss on the sale of BF West will be reflected as an adjustment to the purchase equation presented below.

From July 30, 2001, 100% of Bestfoods Baking results of operations will be included in the Company's consolidated financial statements, net of the results of BF West which the Company intends to sell by year end 2001.

Details of the purchase equation as at June 16, 2001, including total consideration paid and net assets acquired at their book value, are summarized below:

	As at June 16, 2001
	($ millions)
Cash	$ 17
Accounts receivable	159
Inventories	56
Prepaid expenses and other assets	11
Fixed assets	657
Other assets (including Bestfoods Baking goodwill of $617)	655
Accounts payable and accrued liabilities	(326)
Long-term debt	(3)
Other liabilities	(86)
Business held for resale	189
Net assets acquired	1,329
Goodwill	1,425
	2,754
Acquisition costs	8
Cash consideration	$2,746

CERTIFICATE OF GEORGE WESTON LIMITED

Dated: September 25, 2001

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities laws of all provinces of Canada and, for the purpose of the *Securities Act* (Québec) and regulations thereunder, this short form prospectus, as supplemented by documents incorporated herein by reference, does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

(Signed) RICHARD J. CURRIE
President

(Signed) DONALD G. REID
Chief Financial Officer

On behalf of the Board of Directors

(Signed) W. GALEN WESTON
Chairman and Director

(Signed) ANTHONY R. GRAHAM
Director