

NEWS RELEASE

George Weston Limited Reports a 4.4% Increase in Adjusted EPS⁽¹⁾ and a 283.3% Increase in Basic EPS for the Third Quarter of 2015⁽²⁾.

TORONTO, ONTARIO November 24, 2015 George Weston Limited (TSX: WN) (“GWL” or the “Company”) today announced its consolidated unaudited results for the 16 weeks ended October 10, 2015.

GWL’s 2015 Third Quarter Report to Shareholders has been filed with SEDAR and is available at sedar.com and in the Investor Centre section of the Company’s website at weston.ca.

“George Weston Limited continued to make progress on its strategic initiatives in the third quarter, with long term value creation for shareholders remaining a key priority. We are well-positioned to deliver long term growth and profitability”, said W. Galen Weston, Executive Chairman, George Weston Limited.

2015 THIRD QUARTER HIGHLIGHTS

(unaudited)

(\$ millions except where otherwise indicated)

For the periods ended as indicated

	16 Weeks Ended			40 Weeks Ended		
	Oct. 10, 2015	Oct. 4, 2014	Change	Oct. 10, 2015	Oct. 4, 2014	Change
Sales	\$ 14,386	\$ 13,974	2.9 %	\$ 35,646	\$ 32,184	10.8 %
Adjusted EBITDA ⁽¹⁾	\$ 1,117	\$ 1,101	1.5 %	\$ 2,880	\$ 2,508	14.8 %
Adjusted EBITDA margin ⁽¹⁾	7.8%	7.9%		8.1%	7.8%	
Net earnings (loss) attributable to shareholders of the Company⁽ⁱ⁾	\$ 161	\$ 53	203.8 %	\$ 379	\$ (35)	1,182.9 %
Net earnings (loss) available to common shareholders of the Company	\$ 147	\$ 39	276.9 %	\$ 345	\$ (69)	600.0 %
Adjusted net earnings available to common shareholders of the Company ⁽¹⁾	\$ 212	\$ 204	3.9 %	\$ 534	\$ 478	11.7 %
Basic net earnings (loss) per common share (\$)	\$ 1.15	\$ 0.30	283.3 %	\$ 2.70	\$ (0.54)	600.0 %
Adjusted basic net earnings per common share ⁽¹⁾ (\$)	\$ 1.66	\$ 1.59	4.4 %	\$ 4.18	\$ 3.74	11.8 %

(i) Includes net earnings available to common shareholders of the Company and preferred dividends.

Pavi Binning, President, George Weston Limited, commented that “We are satisfied with the Company’s third quarter results. Loblaw’s solid performance, including the achievement of its deleveraging target during the quarter, demonstrated its ability to execute against its strategic initiatives in a competitive industry and a challenging regulatory environment. Weston Foods delivered sales growth and results in line with expectations as it continued to invest in the business and execute on its priorities”.

CONSOLIDATED RESULTS OF OPERATIONS

Adjusted net earnings available to common shareholders of the Company⁽¹⁾ increased by \$8 million (\$0.07 per common share) to \$212 million (\$1.66 per common share) in the third quarter of 2015 compared to the same period in 2014. The increase in adjusted net earnings available to common shareholders of the Company⁽¹⁾ was primarily due to:

- an improvement in underlying operating performance primarily driven by Loblaw Companies Limited’s (“Loblaw”) Retail segment, partially offset by a decline in operating performance at Weston Foods; and
- a reduction in adjusted net interest expense and other financing charges⁽¹⁾ driven by lower interest expense as a result of repayments on Loblaw’s unsecured term loan facility, obtained in connection with the acquisition of Shoppers Drug Mart Corporation (“Shoppers Drug Mart”).

Net earnings available to common shareholders of the Company increased by \$108 million (\$0.85 per common share) to \$147 million (\$1.15 per common share) in the third quarter of 2015 compared to the same period in 2014. In addition to the items described above, the increase in net earnings available to common shareholders of the Company included the year-over-year net impact of the following significant items:

- the favourable impact of a charge incurred in the third quarter of 2014 of \$107 million (\$0.28 per common share) related to the fair value increment on the acquired inventory sold associated with the acquisition of Shoppers Drug Mart;
- the favourable impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of \$64 million (\$0.37 per common share); and
- the favourable impact of higher foreign currency translation gains of \$23 million (\$0.19 per common share); partially offset by
- the unfavourable impact of restructuring and other related costs of \$56 million (\$0.20 per common share); and
- an increase in the effective income tax rate from 17.7% to 27.3%, primarily attributable to an increase in certain non-deductible items, including the fair value loss (2014 – gain) on the Trust Unit liability.

REPORTABLE OPERATING SEGMENTS

Weston Foods Segment Results

(unaudited)

(\$ millions except where otherwise indicated)

For the periods ended as indicated	16 Weeks Ended			40 Weeks Ended		
	Oct. 10, 2015	Oct. 4, 2014	Change	Oct. 10, 2015	Oct. 4, 2014	Change
Sales	\$ 649	\$ 574	13.1 %	\$ 1,617	\$ 1,454	11.2 %
Adjusted EBITDA ⁽¹⁾	\$ 97	\$ 102	(4.9)%	\$ 218	\$ 237	(8.0)%
Adjusted EBITDA margin ⁽¹⁾	14.9%	17.8%		13.5%	16.3%	
Depreciation and amortization ⁽ⁱ⁾	\$ 32	\$ 21	52.4 %	\$ 69	\$ 53	30.2 %

(i) Depreciation and amortization in the third quarter of 2015 and year-to-date includes \$5 million (2014 – nil) of accelerated depreciation recorded as restructuring and other charges.

Sales Weston Foods sales in the third quarter of 2015 were \$649 million, an increase of \$75 million, or 13.1%, compared to the same period in 2014. Foreign currency translation positively impacted sales by approximately 8.9%. Excluding the impact of foreign currency translation, sales increased by 4.2% primarily due to the combined positive impact of pricing and changes in sales mix, as volumes remained flat.

Adjusted EBITDA⁽¹⁾ Weston Foods adjusted EBITDA⁽¹⁾ in the third quarter of 2015 was \$97 million, a decrease of \$5 million compared to the same period in 2014. The decline in adjusted EBITDA⁽¹⁾ was primarily due to investments in capabilities and innovation, new plant costs and higher input costs not fully offset by higher pricing.

Adjusted EBITDA margin⁽¹⁾ in the third quarter of 2015 was 14.9% compared to 17.8% in the same period in 2014. The decline in adjusted EBITDA margin⁽¹⁾ was due to the factors impacting adjusted EBITDA⁽¹⁾, as described above.

Depreciation and Amortization Weston Foods depreciation and amortization was \$32 million in the third quarter of 2015, an increase of \$11 million. Depreciation and amortization included \$5 million (2014 – nil) of accelerated depreciation related to the planned closure of a cake manufacturing facility approved in the third quarter of 2015. Excluding this amount, the increase was due to investments in capital.

Weston Foods Other Business Matters

Restructuring Weston Foods continuously evaluates strategic and cost reduction initiatives related to its manufacturing assets, distribution networks and administrative infrastructure with the objective of ensuring a low cost operating structure. Restructuring activities related to these initiatives are ongoing and in the third quarter of 2015, Weston Foods recorded restructuring and other charges of \$14 million (2014 – \$2 million) including \$5 million (2014 – nil) of accelerated depreciation. These charges primarily relate to a restructuring plan approved in the third quarter of 2015 to close a cake manufacturing facility in the United States (“U.S.”). Weston Foods expects that this closure will be completed by the end of the second quarter of 2016 with production transferring to other facilities.

Loblaw Segment Results

(unaudited)

(\$ millions except where otherwise indicated)

For the periods ended as indicated	16 Weeks Ended			40 Weeks Ended		
	Oct. 10, 2015	Oct. 4, 2014	Change	Oct. 10, 2015	Oct. 4, 2014	Change
Sales	\$ 13,946	\$ 13,599	2.6 %	\$ 34,529	\$ 31,198	10.7%
Retail gross profit ⁽ⁱ⁾	\$ 3,560	\$ 3,366	5.8 %	\$ 8,895	\$ 6,809	30.6%
Adjusted EBITDA ⁽¹⁾	\$ 1,020	\$ 999	2.1 %	\$ 2,662	\$ 2,271	17.2%
Adjusted EBITDA margin ⁽¹⁾	7.3%	7.3%		7.7%	7.3%	
Depreciation and amortization ⁽ⁱⁱ⁾	\$ 477	\$ 500	(4.6)%	\$ 1,216	\$ 1,079	12.7%

- (i) Retail gross profit includes a charge of \$107 million in the third quarter of 2014 and \$729 million year-to-date related to the recognition of the fair value increment on the acquired Shoppers Drug Mart inventory sold.
- (ii) Depreciation and amortization includes \$164 million (2014 – \$168 million) in the third quarter of 2015 and \$412 million (2014 – \$293 million) year-to-date of amortization of intangible assets acquired with Shoppers Drug Mart.

Sales Loblaw sales in the third quarter of 2015 were \$13,946 million, an increase of \$347 million compared to the same period in 2014, primarily driven by Retail. Retail sales increased by \$340 million, or 2.5%, compared to the same period in 2014 and included food retail (Loblaw) sales of \$10,178 million and drug retail (Shoppers Drug Mart) sales of \$3,537 million, representing increases of \$190 million, or 1.9%, and \$150 million, or 4.4%, respectively.

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

- food retail same-store sales growth was 1.3% and the food retail average quarterly internal food price index was higher than the average quarterly national food price inflation of 3.8% as measured by the Consumer Price Index for Food Purchased from Stores⁽³⁾;
- drug retail same-store sales growth was 4.9%; and
- in the last 12 months, there was an increase in Retail net square footage of 0.1 million square feet, or 0.1%. Excluding the divestitures required pursuant to a Consent Agreement with the Competition Bureau, net square footage increased by 0.3 million square feet, or 0.4%.

In 2014, Loblaw modified its fee arrangements with the franchisees of certain franchise banners. The modified arrangements are expected to result in an annual reduction of food retail sales and gross profit of approximately \$150 million, with a corresponding decrease in selling, general and administrative expenses (“SG&A”). In the third quarter of 2015, the modified arrangements had a negative impact of \$43 million to food retail sales and gross profit, and an offsetting positive impact to SG&A.

Retail Gross Profit Loblaw Retail gross profit in the third quarter of 2015 was \$3,560 million, an increase of \$194 million compared to the same period in 2014. The increase in Retail gross profit was driven by higher sales and the favourable year-over-year impact of the prior year charge of \$107 million related to the recognition of the fair value increment on the acquired Shoppers Drug Mart inventory sold.

Excluding this favourable year-over-year impact, Retail gross profit increased by \$87 million compared to the same period in 2014, driven by higher sales, as described above. Retail gross profit percentage (excluding the prior year inventory charge previously described) of 26.0% remained flat and included a 30 basis point negative impact from the modifications to certain franchise fee arrangements, as described above. After excluding this negative impact, Retail gross profit percentage was 26.3% compared to 26.0% in the third quarter of 2014. The increase of 30 basis points was driven by an increase in food retail gross profit percentage, partially offset by a decrease in drug retail gross profit percentage, compared to the third quarter of 2014. The key drivers of the increase were:

- a positive impact from the consolidation of franchises, which commenced in the second quarter of 2015;
- the achievement of operational synergies in both food retail and drug retail;
- a decrease in transportation costs; and
- stronger drug retail front store gross profit percentage driven by strong sales growth in all front store categories, combined with a continued focus on promotional effectiveness and margin enhancement initiatives; partially offset by
- lower drug retail pharmacy gross profit percentage, as higher script volumes were offset by the impact of healthcare reform and the increase in the usage of generic molecules.

Adjusted EBITDA⁽¹⁾ Loblaw adjusted EBITDA⁽¹⁾ in the third quarter of 2015 was \$1,020 million, an increase of \$21 million compared to the same period in 2014. This improvement included the increase in Retail gross profit (excluding the prior year inventory charge previously described) driven by higher sales, partially offset by an increase in Retail SG&A of \$65 million. As a percentage of sales, the increase in SG&A was positively impacted by the modifications to certain franchise fee arrangements, which was fully offset in gross profit above. Excluding this impact, SG&A increased by \$108 million over the prior year and SG&A as a percentage of sales was higher by 30 basis points. The increase in SG&A included the impact of the following:

- higher store and store support costs, primarily driven by higher sales and investments in marketing and business initiatives;
- unfavourable foreign exchange impacts;
- the inclusion of SG&A from the consolidated franchises; and
- higher charges related to the settlement of collective agreements in the quarter; partially offset by
- favourable changes in the value of Loblaw's investments in its franchise business; and
- efficiencies achieved in food retail supply chain, administration and information technology ("IT").

Depreciation and Amortization Loblaw depreciation and amortization was \$477 million in the third quarter of 2015, a decrease of \$23 million compared to the same period in 2014, and included \$164 million (2014 – \$168 million) of amortization of intangible assets related to the acquisition of Shoppers Drug Mart. Excluding this amount, depreciation and amortization decreased by \$19 million, driven by:

- an increase in the estimated useful life of certain IT systems, as disclosed in the first quarter of 2015; and
- lower depreciation on older IT and supply chain assets.

Loblaw Other Business Matters

Closure of Certain Unprofitable Retail Locations As announced in the second quarter of 2015, Loblaw finalized a plan that will result in the closure of approximately 52 unprofitable retail locations across a range of banners and formats. Loblaw expects that the closures will be completed by the end of the second quarter of 2016. On an annualized basis, the closures will decrease sales by approximately \$300 million but will result in a favourable impact of approximately \$30 million to EBITDA⁽¹⁾ and \$5 million to depreciation and amortization.

The restructuring and other related costs associated with the plan are expected to total approximately \$140 million. Of this amount, a charge of \$86 million was recorded in the third quarter of 2015 and \$131 million year-to-date. The year-to-date amount included \$92 million for severance and lease termination costs and \$39 million for asset impairments associated with these retail locations. Loblaw expects approximately \$9 million to be recognized as stores close.

During the third quarter of 2015 and year-to-date, 13 retail locations were closed.

Labour Agreements Over the past 5 years, Loblaw has been transitioning stores to more cost effective and efficient operating terms under collective agreements (“Labour Agreements”). Loblaw is committed to completing these Labour Agreements and expects to finalize the majority of the remaining stores in the fourth quarter of 2015. Loblaw anticipates it will incur a charge of approximately \$60 million in SG&A related to the completion of these Labour Agreements in the fourth quarter of 2015, which will be excluded when calculating adjusted net earnings available to common shareholders of the Company⁽¹⁾.

OUTLOOK⁽²⁾

The outlook reflects the underlying operating performance of the Company’s operating segments as discussed below.

For full year 2015, Weston Foods expects a decline in adjusted operating income⁽¹⁾ due to the costs associated with capital investments, incremental investments in innovation and capabilities and higher input costs. This decline will be partially offset by the positive impact of pricing, volume growth and productivity improvements. On an equivalent 52-week basis, management continues to expect the decline in adjusted operating income⁽¹⁾ to be greater in the first half of the year than in the second half, primarily driven by operating performance in the fourth quarter.

Loblaw’s strategic framework is focused on delivering the best in food, best in health and beauty, operational excellence and growth. This strategic framework is supported by a financial strategy of maintaining a stable trading environment that targets positive same-store sales and stable gross margin; surfacing efficiencies; delivering synergies as a result of its acquisition of Shoppers Drug Mart; and deleveraging the balance sheet. Consistent with its previous outlook, on a full year comparative basis reflecting 2014 financial results for Loblaw and Shoppers Drug Mart⁽ⁱ⁾, in 2015 Loblaw expects to:

- maintain positive same-store sales and stable gross margin (excluding synergies) in Retail;
- achieve net synergies as a result of the acquisition of Shoppers Drug Mart of approximately \$235 million;
- continue to drive net efficiencies across the food retail business by achieving reductions in supply chain, administrative functions and IT, while still investing in key areas, like eCommerce;
- grow adjusted operating income⁽¹⁾ in its food retail business, excluding synergies, and experience a decline in adjusted operating income⁽¹⁾ in its drug retail business, excluding synergies, as a result of investments in key projects and other factors;
- grow consolidated adjusted net earnings available to common shareholders⁽¹⁾ (including synergies) relative to 2014, despite the negative impact in the fourth quarter of healthcare reform, incremental investments in key projects, and lower incremental synergies; and
- invest approximately \$1,200 million in capital expenditures.

Loblaw’s expectations continue to include the following:

- competitive intensity expected to remain high, but relatively stable as industry square footage growth in supermarket-type merchandise moderates; and
- continued pressure in our drug retail business from the ongoing impact of healthcare reform.

For the full year 2015, on a full year comparative basis, the Company expects the improvement in adjusted operating income⁽¹⁾ at Loblaw will more than offset the decline in adjusted operating income⁽¹⁾ at Weston Foods.

(i) Includes Shoppers Drug Mart’s financial results for the first quarter of 2014 and excludes the impact of the 53rd week of \$71 million in adjusted EBITDA⁽¹⁾ and adjusted operating income⁽¹⁾.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the third quarter of 2015, the Company's Board of Directors declared a quarterly dividend on GWL Common Shares, Preferred Shares, Series I, Preferred Shares, Series III, Preferred Shares, Series IV and Preferred Shares, Series V payable as follows:

Common Shares	\$0.425 per share payable January 1, 2016, to shareholders of record December 15, 2015;
Preferred Shares, Series I	\$0.3625 per share payable December 15, 2015, to shareholders of record November 30, 2015;
Preferred Shares, Series III	\$0.3250 per share payable January 1, 2016, to shareholders of record December 15, 2015;
Preferred Shares, Series IV	\$0.3250 per share payable January 1, 2016, to shareholders of record December 15, 2015; and
Preferred Shares, Series V	\$0.296875 per share payable January 1, 2016, to shareholders of record December 15, 2015.

NON-GAAP FINANCIAL MEASURES

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

Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance. The excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

For details on the nature of items excluded in the calculation of any of the non-GAAP financial measures detailed below see the "Non-GAAP Financial Measures" section of the Company's Third Quarter 2015 Report to Shareholders.

EBITDA, Adjusted EBITDA and Adjusted Operating Income The Company believes adjusted EBITDA is useful in assessing the underlying operating performance of the Company's ongoing operations and in assessing the Company's ability to generate cash flows to fund its cash requirements, including its capital investment program and debt reduction objectives. The Company believes adjusted operating income is also useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

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

(unaudited) (\$ millions)	16 Weeks Ended							
	Oct. 10, 2015				Oct. 4, 2014			
	Weston Foods	Loblaw	Other ⁽ⁱ⁾	Consolidated	Weston Foods	Loblaw	Other ⁽ⁱ⁾	Consolidated
Net earnings attributable to shareholders of the Company				\$ 161				\$ 53
Add impact of the following:								
Non-controlling interests				87				77
Income taxes				93				28
Net interest expense and other financing charges				225				257
Operating income	\$ 56	\$ 456	\$ 54	\$ 566	\$ 51	\$ 333	\$ 31	\$ 415
Depreciation and amortization	32	477		509	21	500		521
EBITDA	\$ 88	\$ 933	\$ 54	\$ 1,075	\$ 72	\$ 833	\$ 31	\$ 936
Operating income	\$ 56	\$ 456	\$ 54	\$ 566	\$ 51	\$ 333	\$ 31	\$ 415
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		164		164		168		168
Restructuring and other charges	14	95		109	2	46		48
Fixed asset and other related impairments, net of recoveries		2		2		10		10
Pension annuities and buy-outs		2		2				
Fair value adjustment of derivatives		(12)		(12)	9			9
Recognition of fair value increment on inventory sold						107		107
Inventory loss					11			11
Multi-employer pension plan settlement payment					8			8
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability						5		5
Shoppers Drug Mart net divestitures and acquisition costs						(2)		(2)
Foreign currency translation			(54)	(54)			(31)	(31)
Adjusted operating income	\$ 70	\$ 707		\$ 777	\$ 81	\$ 667		\$ 748
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱⁱ⁾	27	313		340	21	332		353
Adjusted EBITDA	\$ 97	\$ 1,020		\$ 1,117	\$ 102	\$ 999		\$ 1,101

- (i) Represents the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and cash equivalents and short term investments held by foreign operations.
- (ii) Depreciation and amortization for the calculation of adjusted EBITDA excludes \$164 million (2014 – \$168 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and \$5 million (2014 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

40 Weeks Ended								
(unaudited) (\$ millions)	Oct. 10, 2015				Oct. 4, 2014			
	Weston Foods	Loblaws	Other ⁽ⁱ⁾	Consolidated	Weston Foods	Loblaws	Other ⁽ⁱ⁾	Consolidated
Net earnings (loss) attributable to shareholders of the Company				\$ 379				\$ (35)
Add impact of the following:								
Non-controlling interests				269				(127)
Income taxes				318				(71)
Net interest expense and other financing charges				542				584
Operating income	\$ 135	\$ 1,279	\$ 94	\$ 1,508	\$ 157	\$ 149	\$ 45	\$ 351
Depreciation and amortization	69	1,216		1,285	53	1,079		1,132
EBITDA	\$ 204	\$ 2,495	\$ 94	\$ 2,793	\$ 210	\$ 1,228	\$ 45	\$ 1,483
Operating income	\$ 135	\$ 1,279	\$ 94	\$ 1,508	\$ 157	\$ 149	\$ 45	\$ 351
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		412		412		293		293
Restructuring and other charges	18	161		179	5	46		51
Fixed asset and other related impairments, net of recoveries		9		9		15		15
Charge related to apparel inventory		8		8				
Shoppers Drug Mart net divestitures and acquisition costs		2		2		58		58
Pension annuities and buy-outs		2		2				
Fair value adjustment of derivatives		(15)		(15)	3			3
Inventory loss	1			1	11			11
Recognition of fair value increment on inventory sold						729		729
Charge related to inventory measurement and other conversion differences						190		190
Multi-employer pension plan settlement payment					8			8
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability						5		5
Foreign currency translation			(94)	(94)			(45)	(45)
Adjusted operating income	\$ 154	\$ 1,858		\$ 2,012	\$ 184	\$ 1,485		\$ 1,669
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱⁱ⁾	64	804		868	53	786		839
Adjusted EBITDA	\$ 218	\$ 2,662		\$ 2,880	\$ 237	\$ 2,271		\$ 2,508

- (i) Represents the effect of foreign currency translation on a portion of the U.S. dollar denominated cash and cash equivalents and short term investments held by foreign operations.
- (ii) Depreciation and amortization for the calculation of adjusted EBITDA excludes \$412 million (2014 – \$293 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaws and \$5 million (2014 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

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

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

(unaudited) (\$ millions)	16 Weeks Ended		40 Weeks Ended	
	Oct. 10, 2015	Oct. 4, 2014	Oct. 10, 2015	Oct. 4, 2014
Net interest expense and other financing charges	\$ 225	\$ 257	\$ 542	\$ 584
Less: Fair value adjustment of the Trust Unit liability	33	(16)	50	(2)
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	24	88	35	140
Accelerated amortization of deferred financing costs	4	4	15	18
Shoppers Drug Mart net financing charges				15
Adjusted net interest expense and other financing charges	\$ 164	\$ 181	\$ 442	\$ 413

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

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

(unaudited) (\$ millions except where otherwise indicated)	16 Weeks Ended		40 Weeks Ended	
	Oct. 10, 2015	Oct. 4, 2014	Oct. 10, 2015	Oct. 4, 2014
Adjusted operating income ⁽ⁱ⁾	\$ 777	\$ 748	\$ 2,012	\$ 1,669
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	164	181	442	413
Adjusted earnings before taxes	\$ 613	\$ 567	\$ 1,570	\$ 1,256
Income taxes	\$ 93	\$ 28	\$ 318	\$ (71)
Less: Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱⁱ⁾	(74)	(118)	(154)	(395)
Provincial income tax rate change			45	
Adjusted income taxes	\$ 167	\$ 146	\$ 427	\$ 324
Effective income tax rate applicable to earnings before taxes	27.3%	17.7%	32.9%	30.5%
Adjusted income tax rate applicable to adjusted earnings before taxes	27.2%	25.7%	27.2%	25.8%

(i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges above.

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

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

The following table reconciles adjusted basic net earnings per common share and adjusted net earnings to GAAP basic net earnings (loss) per common share reported for the periods ended as indicated.

(unaudited) (\$ except where otherwise indicated)	16 Weeks Ended		40 Weeks Ended	
	Oct. 10, 2015	Oct. 4, 2014	Oct. 10, 2015	Oct. 4, 2014
Basic net earnings (loss) per common share	\$ 1.15	\$ 0.30	\$ 2.70	\$ (0.54)
Add impact of the following ⁽ⁱ⁾ :				
Amortization of intangible assets acquired with Shoppers Drug Mart	0.43	0.43	1.08	0.76
Restructuring and other charges	0.34	0.14	0.57	0.16
Fixed asset and other related impairments, net of recoveries		0.03	0.02	0.05
Charge related to apparel inventory			0.02	
Fair value adjustment of derivatives	(0.03)	0.05	(0.04)	0.02
Shoppers Drug Mart net divestitures and acquisition costs			0.01	0.25
Inventory loss		0.05	0.01	0.05
Multi-employer pension plan settlement payment		0.04		0.04
Recognition of fair value increment on inventory sold		0.28		1.91
Charge related to inventory measurement and other conversion differences				0.49
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability		0.02		0.02
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	0.14	0.51	0.20	0.82
Fair value adjustment of the Trust Unit liability	0.05	(0.03)	0.08	0.01
Accelerated amortization of deferred financing costs	0.01	0.01	0.04	0.05
Provincial income tax rate change			0.19	
Foreign currency translation	(0.43)	(0.24)	(0.70)	(0.35)
Adjusted basic net earnings per common share	\$ 1.66	\$ 1.59	\$ 4.18	\$ 3.74
Weighted average common shares outstanding (millions)	127.7	127.9	127.7	127.8
Adjusted net earnings attributable to shareholders of the Company (\$ millions)	\$ 226	\$ 218	\$ 568	\$ 512
Prescribed dividends on preferred shares in share capital (\$ millions)	14	14	34	34
Adjusted net earnings available to common shareholders of the Company (\$ millions)	\$ 212	\$ 204	\$ 534	\$ 478

(i) Net of income taxes and non-controlling interests, as applicable.

FORWARD-LOOKING STATEMENTS

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

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2015 is based on certain assumptions including assumptions about sales and volume growth, anticipated cost savings, operating efficiencies, and continued growth from current initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the "Enterprise Risks and Risk Management" section of the Management's Discussion and Analysis ("MD&A") in the Company's 2014 Annual Report, the "Enterprise Risks and Risk Management" section of the MD&A included in the Company's 2015 Third Quarter Report to Shareholders and the Company's Annual Information Form ("AIF") for the year ended December 31, 2014. Such risks and uncertainties include:

- failure by Loblaw to realize the anticipated strategic benefits or operational, competitive and cost synergies following the acquisition of Shoppers Drug Mart;
- failure to realize benefits from investments in the Company's IT systems, including the Company's IT systems implementation, or unanticipated results from these initiatives;
- failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies from the Company's major initiatives, including those from restructuring;
- the inability of the Company's IT infrastructure to support the requirements of the Company's business;
- changes in Loblaw's estimate of inventory cost as a result of its IT system upgrade;
- changes to the regulation of generic prescription drug prices and the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements which could lead to work stoppages;
- heightened competition, whether from current competitors or new entrants to the marketplace;
- changes in economic conditions, including the rate of inflation or deflation, changes in interest and currency exchange rates and derivative and commodity prices;
- changes in the Company's income, capital, commodity, property and other tax and regulatory liabilities including changes in tax laws, regulations or future assessments;
- the risk that the Company will be unsuccessful in any material litigation, class action, or regulatory proceeding;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- the risk that the Company would experience a financial loss if its counterparties fail to meet their obligations in accordance with the terms and conditions of their contracts with the Company; and
- the inability of Loblaw to collect on and fund its credit card receivables.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the section entitled "Operating and Financial Risks and Risk Management" in the Company's AIF for the year ended December 31, 2014. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this News Release. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

2015 THIRD QUARTER REPORT TO SHAREHOLDERS

The Company's 2014 Annual Report and 2015 Third Quarter Report to Shareholders are available in the Investor Centre section of the Company's website at www.weston.ca and have been filed with SEDAR and are available online at www.sedar.com.

INVESTOR RELATIONS

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

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

CONFERENCE CALL AND WEBCAST PRESENTATION

George Weston Limited will host a conference call as well as an audio webcast on Tuesday, November 24, 2015 at 9:00 a.m. (EST). To access via tele-conference, please dial (647) 427-7450. The playback will be available two hours after the event at (416) 849-0833, passcode: 61349125#. To access via audio webcast, please visit the Investor Centre section of www.weston.ca. Pre-registration will be available.

Ce rapport est disponible en français.

Endnotes

- (1) See "Non-GAAP Financial Measures" section of this News Release beginning on page 6.
 - (2) This News Release contains forward-looking information. See Forward-Looking Statements beginning on page 11 of this News Release for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors, estimates, beliefs and assumptions that were applied in presenting the conclusions, forecasts and projections presented herein. This News Release must be read in conjunction with GWL's filings with securities regulators made from time to time, all of which can be found at www.weston.ca and www.sedar.com.
 - (3) The Consumer Price Index for Food Purchased from Stores does not necessarily reflect the effect of inflation on the specific mix of goods sold in Loblaw stores.
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