

NEWS RELEASE

George Weston Limited Reports 2015 Fourth Quarter and Fiscal Year Ended December 31, 2015 Results⁽²⁾.

TORONTO, ONTARIO March 3, 2016 George Weston Limited (TSX: WN) (“GWL” or the “Company”) today announced its consolidated unaudited results for the 12 weeks ended December 31, 2015.

GWL’s 2015 Annual Report includes the Company’s audited annual consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for the fiscal year ended December 31, 2015. The 2015 Annual Report 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.

As a result of the Company’s reporting calendar, the fourth quarter and full year 2014 included an extra week of operations (the “53rd week”) compared to 2015.

“We are pleased with George Weston Limited’s performance in 2015 as both of the Company’s operating segments continued to execute on their strategic priorities. Progress in 2015 reinforces our confidence that the Company is well-positioned for stable, long term growth and profitability”, said W. Galen Weston, Executive Chairman, George Weston Limited.

2015 FOURTH QUARTER HIGHLIGHTS

(unaudited) (\$ millions except where otherwise indicated) For the periods ended as indicated	Quarters Ended			Years Ended		
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Change	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)	Change
Sales	\$ 11,248	\$ 11,734	(4.1)%	\$ 46,894	\$ 43,918	6.8 %
<i>Sales excluding 53rd week</i>	<i>\$ 11,248</i>	<i>\$ 10,925</i>	<i>3.0 %</i>	<i>\$ 46,894</i>	<i>\$ 43,109</i>	<i>8.8 %</i>
Adjusted EBITDA ⁽¹⁾	\$ 946	\$ 1,022	(7.4)%	\$ 3,826	\$ 3,530	8.4 %
<i>Adjusted EBITDA⁽¹⁾ excluding 53rd week</i>	<i>\$ 946</i>	<i>\$ 945</i>	<i>0.1 %</i>	<i>\$ 3,826</i>	<i>\$ 3,453</i>	<i>10.8 %</i>
Adjusted EBITDA margin ⁽¹⁾	8.4%	8.7%		8.2%	8.0%	
Net earnings attributable to shareholders of the Company	\$ 148	\$ 161	(8.1)%	\$ 527	\$ 126	318.3 %
Net earnings available to common shareholders of the Company	\$ 138	\$ 151	(8.6)%	\$ 483	\$ 82	489.0 %
<i>Net earnings available to common shareholders of the Company excluding 53rd week⁽ⁱ⁾</i>	<i>\$ 138</i>	<i>\$ 122</i>	<i>13.1 %</i>	<i>\$ 483</i>	<i>\$ 53</i>	<i>811.3 %</i>
Adjusted net earnings available to common shareholders of the Company ⁽¹⁾	\$ 183	\$ 202	(9.4)%	\$ 717	\$ 680	5.4 %
<i>Adjusted net earnings available to common shareholders of the Company⁽¹⁾ excluding 53rd week⁽ⁱ⁾</i>	<i>\$ 183</i>	<i>\$ 173</i>	<i>5.8 %</i>	<i>\$ 717</i>	<i>\$ 651</i>	<i>10.1 %</i>
Basic net earnings per common share (\$)	\$ 1.08	\$ 1.18	(8.5)%	\$ 3.78	\$ 0.64	490.6 %
<i>Basic net earnings per common share (\$) excluding 53rd week⁽ⁱ⁾</i>	<i>\$ 1.08</i>	<i>\$ 0.95</i>	<i>13.7 %</i>	<i>\$ 3.78</i>	<i>\$ 0.41</i>	<i>822.0 %</i>
Adjusted basic net earnings per common share ⁽¹⁾ (\$)	\$ 1.43	\$ 1.58	(9.5)%	\$ 5.61	\$ 5.32	5.5 %
<i>Adjusted basic net earnings per common share⁽¹⁾ (\$) excluding 53rd week⁽ⁱ⁾</i>	<i>\$ 1.43</i>	<i>\$ 1.35</i>	<i>5.9 %</i>	<i>\$ 5.61</i>	<i>\$ 5.09</i>	<i>10.2 %</i>

(i) The impact of the 53rd week on net earnings available to common shareholders of the Company is estimated based on applying the 2014 effective tax rate to the 53rd week net earnings before income taxes of \$77 million, net of non-controlling interest.

Pavi Binning, President and Chief Executive Officer, George Weston Limited, commented that “George Weston Limited’s fourth quarter results came in as expected. Loblaw continued to execute on its strategic priorities, delivering positive same-store sales and stable margins amidst a competitive retail environment and continued pressures from healthcare reform. Weston Foods delivered sales growth and financial performance in line with expectations as it continued to invest in the business and execute on its priorities.”

CONSOLIDATED RESULTS OF OPERATIONS

The 53rd week of 2014 resulted in an additional \$809 million of sales, \$77 million of operating income, and estimated impacts on net earnings available to common shareholders and basic net earnings per common share of \$29 million and \$0.23 per share, respectively.

Adjusted net earnings available to common shareholders of the Company⁽¹⁾ decreased by \$19 million (\$0.15 per common share) to \$183 million (\$1.43 per common share) in the fourth quarter of 2015 compared to the same period in 2014. The decrease included the negative year-over-year impact of the 53rd week of \$29 million (\$0.23 per common share). Excluding the 53rd week, adjusted net earnings available to common shareholders of the Company⁽¹⁾ increased \$10 million (\$0.08 per common share) primarily due to:

- consistent underlying operating performance at Loblaw, partially offset by a decline in the underlying operating performance at Weston Foods;
- a reduction in depreciation and amortization primarily driven by Loblaw’s Retail segment due to an increase in the estimated useful life of certain information technology (“IT”) systems and lower depreciation on older IT and other store assets, partially offset by an increase in depreciation and amortization at Weston Foods due to investments in capital; and
- a reduction in adjusted net interest expense and other financing charges⁽¹⁾ driven by lower interest on long term debt 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 decreased by \$13 million (\$0.10 per common share) to \$138 million (\$1.08 per common share) in the fourth quarter of 2015 compared to the same period in 2014. The decrease included the negative year-over-year impact of the 53rd week. Excluding the 53rd week, net earnings available to common shareholders of the Company increased \$16 million (\$0.13 per common share). In addition to the items described above, the increase in net earnings available to common shareholders of the Company included the favourable year-over-year net impact of the following significant items:

- the favourable impact of the fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares of \$68 million (\$0.40 per common share);
- the favourable impact of a charge incurred in the fourth quarter of 2014 of \$69 million (\$0.17 per common share) related to the fair value increment on the acquired inventory sold associated with the acquisition of Shoppers Drug Mart; and
- the favourable impact of higher foreign currency translation gains of \$22 million (\$0.10 per common share); partially offset by,
 - the unfavourable impact of the impairment of Loblaw’s drug retail business ancillary assets held for sale in the fourth quarter of 2015 of \$112 million (\$0.28 per common share);
 - the unfavourable impact of Loblaw’s accelerated finalization of transitioning of certain grocery stores to more cost effective and efficient operating terms under collective agreements (“Labour Agreements”) in the fourth quarter of 2015 of \$55 million (\$0.14 per common share);
 - the unfavourable impact of a charge related to inventory measurement and other conversion differences associated with the conversion of Loblaw’s franchise grocery stores to new IT systems in the fourth quarter of 2015 of \$33 million (\$0.09 per common share); and
 - the unfavourable impact of Loblaw’s modifications to certain franchise fee arrangements with franchisees of certain franchise banners of \$32 million (\$0.08 per common share).

REPORTABLE OPERATING SEGMENTS

Weston Foods Segment Results

(unaudited)

(\$ millions except where otherwise indicated)

For the periods ended as indicated	Quarters Ended			Years Ended		
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Change	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)	Change
Sales	\$ 527	\$ 469	12.4 %	\$ 2,144	\$ 1,923	11.5 %
Sales excluding 53 rd week	\$ 527	\$ 438	20.3 %	\$ 2,144	\$ 1,892	13.3 %
Adjusted EBITDA ⁽¹⁾	\$ 67	\$ 74	(9.5)%	\$ 285	\$ 311	(8.4)%
Adjusted EBITDA ⁽¹⁾ excluding 53 rd week	\$ 67	\$ 68	(1.5)%	\$ 285	\$ 305	(6.6)%
Adjusted EBITDA margin ⁽¹⁾	12.7%	15.8%		13.3%	16.2%	
Depreciation and amortization ⁽ⁱ⁾	\$ 25	\$ 17	47.1 %	\$ 94	\$ 70	34.3 %

(i) Depreciation and amortization in the fourth quarter of 2015 and year-to-date includes \$6 million (2014 – nil) and \$11 million (2014 – nil), respectively, of accelerated depreciation recorded as restructuring and other charges.

Sales Weston Foods sales in the fourth quarter of 2015 were \$527 million, an increase of \$58 million, or 12.4%, compared to the same period in 2014. The increase included the negative year-over-year impact of the 53rd week of \$31 million. Excluding the 53rd week, sales increased by \$89 million, or 20.3% and included the positive impact of foreign currency translation of approximately 10.3%. Excluding the impact of foreign currency translation and the 53rd week, sales increased by 10.0% primarily due to the combined positive impact of pricing and changes in sales mix, and an increase in volumes.

Adjusted EBITDA⁽¹⁾ Weston Foods adjusted EBITDA⁽¹⁾ in the fourth quarter of 2015 was \$67 million, a decrease of \$7 million compared to the same period in 2014. The decrease included the negative year-over-year impact of the 53rd week of \$6 million. Excluding the 53rd week, adjusted EBITDA⁽¹⁾ decreased by \$1 million. Despite the increase in sales, adjusted EBITDA⁽¹⁾ declined primarily due to higher input costs, new plant costs and investments in the business.

Adjusted EBITDA margin⁽¹⁾ in the fourth quarter of 2015 was 12.7% compared to 15.8% in the same period in 2014. The decline in adjusted EBITDA margin⁽¹⁾ in the fourth quarter of 2015 was due to the factors impacting adjusted EBITDA⁽¹⁾, as described above.

Depreciation and Amortization Weston Foods depreciation and amortization was \$25 million in the fourth quarter of 2015, an increase of \$8 million compared to 2014. Depreciation and amortization included \$6 million (2014 – nil) of accelerated depreciation related to the planned closures of cake manufacturing facilities approved in 2015. Excluding this amount, the increase in the fourth quarter of 2015 was \$2 million and 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 2015, Weston Foods recorded restructuring and other charges in the fourth quarter of 2015 and year-to-date of \$8 million (2014 – \$2 million) and \$26 million (2014 – \$7 million), including \$6 million (2014 – nil) and \$11 million (2014 – nil) of accelerated depreciation, respectively. These charges primarily relate to restructuring plans approved in 2015 to close three cake manufacturing facilities in Canada and the United States (“U.S.”). Weston Foods expects that these closures 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

	Quarters Ended			Years Ended		
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Change	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)	Change
Sales	\$ 10,865	\$ 11,413	(4.8)%	\$ 45,394	\$ 42,611	6.5%
<i>Sales excluding 53rd week</i>	\$ 10,865	\$ 10,624	2.3 %	\$ 45,394	\$ 41,822	8.5%
Retail gross profit ⁽ⁱ⁾	\$ 2,794	\$ 2,925	(4.5)%	\$ 11,689	\$ 9,734	20.1%
<i>Retail gross profit⁽ⁱ⁾ excluding 53rd week</i>	\$ 2,794	\$ 2,725	2.5 %	\$ 11,689	\$ 9,534	22.6%
Adjusted EBITDA ⁽¹⁾	\$ 879	\$ 948	(7.3)%	\$ 3,541	\$ 3,219	10.0%
<i>Adjusted EBITDA⁽¹⁾ excluding 53rd week</i>	\$ 879	\$ 877	0.2 %	\$ 3,541	\$ 3,148	12.5%
Adjusted EBITDA margin ⁽¹⁾	8.1%	8.3%		7.8 %	7.6 %	
Depreciation and amortization ⁽ⁱⁱ⁾	\$ 376	\$ 393	(4.3)%	\$ 1,592	\$ 1,472	8.2%

- (i) Retail gross profit includes a charge of \$46 million related to the impairment of drug retail ancillary assets held for sale and a charge of \$4 million related to inventory measurement and other conversion differences for Loblaw's franchise grocery stores in the fourth quarter of 2015. Retail gross profit includes a charge of \$69 million in the fourth quarter of 2014 related to the recognition of the fair value increment on the acquired Shoppers Drug Mart inventory sold.
- (ii) Depreciation and amortization includes \$124 million (2014 – \$124 million) in the fourth quarter of 2015 and \$536 million (2014 – \$417 million) year-to-date of amortization of intangible assets acquired with Shoppers Drug Mart.

Sales Loblaw sales in the fourth quarter of 2015 were \$10,865 million, a decrease of \$548 million compared to the same period in 2014, primarily driven by Retail. The decrease in Retail sales included the negative year-over-year impact of the 53rd week of \$789 million. Excluding the 53rd week, Retail sales increased by \$231 million, or 2.2%, compared to the same period in 2014 and included food retail sales of \$7,631 million (2014 – \$7,536 million) and drug retail sales of \$2,975 million (2014 – \$2,839 million).

The increase in Retail sales on a comparable 12 week basis was primarily due to the following factors:

- food retail same-store sales growth was 2.4%. Loblaw's food retail average quarterly internal food price index was moderately higher than the average quarterly national food price inflation of 4.1% as measured by "The Consumer Price Index for Food Purchased from Stores" ("CPI"). CPI does not necessarily reflect the effect of inflation on the specific mix of goods sold in Loblaw stores;
- drug retail same-store sales growth was 5.0%, including same-store pharmacy sales growth of 4.2% and same-store front store sales growth of 5.7%; and
- in the last 12 months, there was a decrease in Retail net square footage of 0.1 million square feet, or 0.1%, primarily driven by Loblaw's store closure plan announced during 2015.

In 2014, Loblaw modified its fee arrangements with the franchisees of certain franchise banners. The modified arrangements resulted in an annual reduction of food retail sales and gross profit, with a corresponding decrease in selling, general and administrative expenses ("SG&A"). In the fourth quarter of 2015, the modified arrangements had a negative impact of \$32 million to food retail sales and gross profit, with an offsetting positive impact to SG&A. In 2016, Loblaw will implement these modified fee arrangements with the remaining franchise banners. In 2016, the incremental annual impact of modified fee arrangements to the remaining franchise banners is expected to result in a negative impact to food retail sales and gross profit of approximately \$60 million, with an offsetting positive impact to SG&A.

Retail Gross Profit Loblaw Retail gross profit in the fourth quarter of 2015 was \$2,794 million, a decrease of \$131 million compared to the same period in 2014. The decrease included the negative year-over-year impact of the 53rd week of \$200 million. Excluding the 53rd week, Retail gross profit increased \$69 million and included the favourable year-over-year net impact of the following items:

- a prior year charge of \$69 million related to the recognition of the fair value increment on the acquired Shoppers Drug Mart inventory sold; partially offset by,
- a charge of \$46 million related to the impairment of Loblaw's drug retail ancillary assets held for sale in the fourth quarter of 2015; and
- a charge of \$4 million related to inventory measurement and other conversion differences for Loblaw's franchise grocery stores in the fourth quarter of 2015.

Excluding the 53rd week and the favourable year-over-year net impact of the items noted above, Retail gross profit increased \$50 million compared to the same period in 2014. Retail gross profit percentage of 26.8% decreased by 10 basis points in the fourth quarter of 2015, and was impacted by:

- a positive impact of approximately 30 basis points from the consolidation of franchises, which commenced in the second quarter of 2015; and
- a negative impact of approximately 30 basis points from the modifications to certain franchise fee arrangements.

Excluding these impacts, Retail gross profit percentage decreased 10 basis points and included the following:

- a decline in drug retail gross profit percentage, primarily due to the impact of healthcare reform; partially offset by,
- the achievement of operational synergies in both food and drug retail.

Adjusted EBITDA⁽¹⁾ Loblaw adjusted EBITDA⁽¹⁾ in the fourth quarter of 2015 was \$879 million, a decrease of \$69 million compared to the same period in 2014. The decrease included the negative year-over-year impact of the 53rd week of \$71 million. Excluding the 53rd week, adjusted EBITDA⁽¹⁾ increased \$2 million and included an increase in adjusted EBITDA⁽¹⁾ at Choice Properties Real Estate Investment Trust ("Choice Properties") (net of intersegment eliminations) partially offset by a decline in Retail adjusted EBITDA⁽¹⁾. Retail adjusted EBITDA⁽¹⁾ decreased \$3 million driven by an increase in SG&A of \$53 million, or 10 basis points, partially offset by an increase in Retail gross profit, as described above. As a percentage of sales, the increase in SG&A was impacted by the following:

- a positive impact of approximately 30 basis points from the modifications to certain franchise fee arrangements; and
- a negative impact of approximately 30 basis points from the consolidation of franchises.

Excluding these impacts, as a percentage of sales, SG&A was essentially flat compared to the same period in 2014 and included the following:

- non-recurring transactions that had positive impacts in the prior year;
- unfavourable foreign exchange impacts; and
- higher store and store support costs;

partially offset by,

- favourable changes in the fair value of Loblaw's investments in its franchise business.

Depreciation and Amortization Loblaw's depreciation and amortization was \$376 million in the fourth quarter of 2015, a decrease of \$17 million compared to the same period in 2014, and included \$124 million (2014 – \$124 million) of amortization of intangible assets related to the acquisition of Shoppers Drug Mart. The decline in depreciation and amortization was driven by:

- an increase in the estimated useful life of certain IT systems; and
- lower depreciation on older IT and other store assets.

Loblaw Other Business Matters

Impairment of Drug Retail Ancillary Assets Held for Sale During 2015, Loblaw commenced actively marketing the sale of certain assets of its Shoppers ancillary healthcare businesses. As a result, Loblaw recorded a charge of

\$112 million in the fourth quarter of 2015 associated with the write-down of the assets and other related restructuring charges. Of the \$112 million charge, \$46 million was recognized in Retail gross profit and the remainder in Retail SG&A. Subsequent to the end of 2015, Loblaw signed an agreement for the sale of certain of these assets. Loblaw expects the annualized impact of the divestitures to be a decrease in Retail sales of approximately \$245 million and an increase in operating income of \$14 million.

Inventory Measurement As of the end of 2015, Loblaw had completed the conversion of all of its franchised grocery stores to a new IT system that includes a perpetual inventory system. The remeasurement of inventory owned by the franchises as a result of implementing the system resulted in a decrease in inventory value of \$33 million in the fourth quarter of 2015. The remeasurement resulted in a charge of \$4 million in Retail gross profit related to consolidated franchises and \$29 million to Retail SG&A related to non-consolidated franchises.

Consolidation of Franchises In 2015, Loblaw implemented a new, simplified franchise agreement ("Franchise Agreement") for its franchised food retail stores. For financial reporting purposes, the franchise stores subject to the Franchise Agreement were consolidated. All new franchises will be subject to the Franchise Agreement. Existing franchises will be converted to the Franchise Agreement as their existing agreements expire. As at year end 2015, 85 franchises were consolidated and the impacts of the consolidation were as follows:

(unaudited)	2015	2015
(millions of Canadian dollars)	(12 weeks)	(52 weeks)
Sales	\$ 28	\$ 56
Retail gross profit	32	58
Adjusted EBITDA ⁽¹⁾	(4)	(12)
Depreciation and amortization	3	5
Net loss attributable to Non-Controlling Interest	(3)	(9)

Loblaw expects that the impact in 2016 of new and current consolidated franchises will be incremental Retail sales of approximately \$320 million, an increase to adjusted EBITDA⁽¹⁾ of approximately \$40 million and an increase in depreciation and amortization of approximately \$20 million.

Closure of Certain Unprofitable Retail Locations In 2015, Loblaw finalized a plan that will result in the closure of 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 operating income and \$5 million to depreciation and amortization.

The restructuring and other related costs associated with the plan are expected to total approximately \$133 million. Loblaw recorded a recovery of \$7 million in the fourth quarter of 2015 and a charge of \$124 million year-to-date. The charge 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 the remaining stores close.

During 2015, 33 of the 52 planned Loblaw retail locations were closed.

Accelerated Finalization of Labour Agreements Over the past five years, Loblaw has been transitioning stores to more cost effective and efficient operating terms under Labour Agreements. Loblaw was committed to the transition and accordingly accelerated the finalization of these Labour Agreements for the majority of the remaining stores in the fourth quarter of 2015. Loblaw incurred a charge of approximately \$55 million in Retail SG&A related to the completion of this process in the fourth quarter of 2015.

OUTLOOK⁽²⁾

Weston Foods expects sales growth generated by new capacity and productivity improvements to drive an increase in adjusted EBITDA⁽¹⁾ in 2016 when compared to 2015. The increase in adjusted EBITDA⁽¹⁾ is expected to be greater in the second half of the year as new plant capacity and capability come on-line. Depreciation is projected to increase in 2016 when compared to 2015, and largely offset the improvement in adjusted EBITDA⁽¹⁾. Management expects to make capital investments of approximately \$300 million in 2016.

Loblaw remains focused on its strategic framework, delivering the best in food, best in health and beauty, operational excellence and growth. This strategic framework is supported by a financial strategy of maintaining a stable trading environment that targets positive same-store sales and stable gross margin; surfacing efficiencies; delivering synergies as a result of its acquisition of Shoppers Drug Mart; and returning capital to shareholders. In 2016, Loblaw expects to:

- deliver positive same-store sales and stable gross margin in its Retail segment in a highly competitive grocery market and with continued negative pressure from healthcare reform;
- grow adjusted net earnings;
- invest approximately \$1.3 billion in capital expenditures, including \$1.0 billion in its Retail segment; and
- return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

For 2016, the Company expects growth in net earnings to be driven by an increase in net earnings at Loblaw, and the positive impact of the Company's increased ownership in Loblaw as a result of Loblaw's share repurchases.

DECLARATION OF QUARTERLY DIVIDENDS

Subsequent to the end of the fourth 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 April 1, 2016, to shareholders of record March 15, 2016;
Preferred Shares, Series I	\$0.3625 per share payable March 15, 2016, to shareholders of record February 29, 2016;
Preferred Shares, Series III	\$0.3250 per share payable April 1, 2016, to shareholders of record March 15, 2016;
Preferred Shares, Series IV	\$0.3250 per share payable April 1, 2016, to shareholders of record March 15, 2016; and
Preferred Shares, Series V	\$0.296875 per share payable April 1, 2016, to shareholders of record March 15, 2016.

NON-GAAP FINANCIAL MEASURES

The Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA and adjusted EBITDA margin, adjusted net earnings attributable to shareholders of the Company, adjusted net earnings available to common shareholders of the Company and adjusted 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.

During 2015, management no longer excludes Choice Properties' general and administrative costs in the calculation of certain non-GAAP financial measures when analyzing consolidated and segment underlying operating performance.

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 Section 19, "Non-GAAP Financial Measures", of the Company's 2015 Annual Report.

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

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

	Quarters Ended				Dec. 31, 2014			
	Dec. 31, 2015 (12 weeks)				Dec. 31, 2014 (13 weeks)			
(unaudited) (\$ millions)	Weston Foods	Loblaw	Other ⁽ⁱ⁾	Consolidated	Weston Foods	Loblaw	Other ⁽ⁱ⁾	Consolidated
Net earnings attributable to shareholders of the Company				\$ 148				\$ 161
Add impact of the following:								
Non-controlling interests				68				135
Income taxes				66				95
Net interest expense and other financing charges				139				231
Operating income	\$ 42	\$ 314	\$ 65	\$ 421	\$ 74	\$ 505	\$ 43	\$ 622
Depreciation and amortization	25	376		401	17	393		410
EBITDA	\$ 67	\$ 690	\$ 65	\$ 822	\$ 91	\$ 898	\$ 43	\$ 1,032
Operating income	\$ 42	\$ 314	\$ 65	\$ 421	\$ 74	\$ 505	\$ 43	\$ 622
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		124		124		124		124
Restructuring and other charges	8	(7)		1	2			2
Impairment of drug retail ancillary assets held for sale		112		112				
Accelerated finalization of Labour Agreements		55		55				
Charge related to inventory measurement and other conversion differences		33		33				
Fixed asset and other related impairments, net of recoveries		4		4		1		1
Pension annuities and buy-outs	3	6		9				
Shoppers Drug Mart net divestitures and acquisition costs						14		14
Modifications to certain franchise fee arrangements		(8)		(8)		(40)		(40)
Fair value adjustment of derivatives	(5)	(6)		(11)	(7)	4		(3)
Recognition of fair value increment on inventory sold						69		69
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability						2		2
Net insurance proceeds					(12)			(12)
Foreign currency translation			(65)	(65)			(43)	(43)
Adjusted operating income	\$ 48	\$ 627		\$ 675	\$ 57	\$ 679		\$ 736
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱⁱ⁾	19	252		271	17	269		286
Adjusted EBITDA	\$ 67	\$ 879		\$ 946	\$ 74	\$ 948		\$ 1,022

- (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 \$124 million (2014 – \$124 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and \$6 million (2014 – nil) of accelerated depreciation recorded by Weston Foods, related to restructuring and other charges.

(unaudited) (\$ millions)	Years Ended							
	Dec. 31, 2015 (52 weeks)				Dec. 31, 2014 (53 weeks)			
	Weston Foods	Loblaws	Other ⁽ⁱ⁾	Consolidated	Weston Foods	Loblaws	Other ⁽ⁱ⁾	Consolidated
Net earnings attributable to shareholders of the Company				\$ 527				\$ 126
Add impact of the following:								
Non-controlling interests				337				8
Income taxes				384				24
Net interest expense and other financing charges				681				815
Operating income	\$ 177	\$ 1,593	\$ 159	\$ 1,929	\$ 231	\$ 654	\$ 88	\$ 973
Depreciation and amortization	94	1,592		1,686	70	1,472		1,542
EBITDA	\$ 271	\$ 3,185	\$ 159	\$ 3,615	\$ 301	\$ 2,126	\$ 88	\$ 2,515
Operating income	\$ 177	\$ 1,593	\$ 159	\$ 1,929	\$ 231	\$ 654	\$ 88	\$ 973
Add impact of the following:								
Amortization of intangible assets acquired with Shoppers Drug Mart		536		536		417		417
Restructuring and other charges	26	154		180	7	46		53
Impairment of drug retail ancillary assets held for sale		112		112				
Accelerated finalization of Labour Agreements		55		55				
Charge related to inventory measurement and other conversion differences		33		33		190		190
Fixed asset and other related impairments, net of recoveries		13		13		16		16
Charge related to apparel inventory		8		8				
Pension annuities and buy-outs	3	8		11				
Shoppers Drug Mart net divestitures and acquisition costs		2		2		72		72
Modifications to certain franchise fee arrangements		(8)		(8)		(40)		(40)
Fair value adjustment of derivatives	(5)	(21)		(26)	(4)	4		
Recognition of fair value increment on inventory sold						798		798
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability						7		7
Inventory loss (net insurance proceeds)	1			1	(1)			(1)
Multi-employer pension plan settlement payment					8			8
Foreign currency translation			(159)	(159)			(88)	(88)
Adjusted operating income	\$ 202	\$ 2,485		\$ 2,687	\$ 241	\$ 2,164		\$ 2,405
Depreciation and amortization excluding the impact of the above adjustments ⁽ⁱⁱ⁾	83	1,056		1,139	70	1,055		1,125
Adjusted EBITDA	\$ 285	\$ 3,541		\$ 3,826	\$ 311	\$ 3,219		\$ 3,530

- (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 \$536 million (2014 – \$417 million) of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and \$11 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)	Quarters Ended		Years Ended	
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)
Net interest expense and other financing charges	\$ 139	\$ 231	\$ 681	\$ 815
Add: Fair value adjustment of the Trust Unit liability	(5)	(14)	(55)	(12)
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	9	(59)	(26)	(199)
Accelerated amortization of deferred financing costs		(5)	(15)	(23)
Shoppers Drug Mart net financing charges				(15)
Adjusted net interest expense and other financing charges	\$ 143	\$ 153	\$ 585	\$ 566

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)	Quarters Ended		Years Ended	
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)
Adjusted operating income ⁽ⁱ⁾	\$ 675	\$ 736	\$ 2,687	\$ 2,405
Adjusted net interest expense and other financing charges ⁽ⁱ⁾	143	153	585	566
Adjusted earnings before taxes	\$ 532	\$ 583	\$ 2,102	\$ 1,839
Income taxes	\$ 66	\$ 95	\$ 384	\$ 24
Add: Tax impact of items excluded from adjusted earnings before taxes ⁽ⁱⁱ⁾	78	60	232	455
Provincial income tax rate change			(45)	
Adjusted income taxes	\$ 144	\$ 155	\$ 571	\$ 479
Effective income tax rate applicable to earnings before taxes	23.4%	24.3%	30.8%	15.2%
Adjusted income tax rate applicable to adjusted earnings before taxes	27.1%	26.6%	27.2%	26.0%

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

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

Adjusted 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 per common share reported for the periods ended as indicated.

(unaudited) (\$ except where otherwise indicated)	Quarters Ended		Years Ended	
	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)
Basic net earnings per common share	\$ 1.08	\$ 1.18	\$ 3.78	\$ 0.64
Add impact of the following ⁽ⁱ⁾ :				
Amortization of intangible assets acquired with Shoppers Drug Mart	0.32	0.33	1.40	1.09
Restructuring and other charges	0.01	0.01	0.58	0.17
Impairment of drug retail ancillary assets held for sale	0.28		0.28	
Accelerated finalization of Labour Agreements	0.14		0.14	
Charge related to inventory measurement and other conversion differences	0.09		0.09	0.49
Pension annuities and buy-outs	0.04		0.04	
Fixed asset and other related impairments, net of recoveries	0.02		0.04	0.05
Charge related to apparel inventory			0.02	
Shoppers Drug Mart net divestitures and acquisition costs		0.04	0.01	0.29
Modifications to certain franchise fee arrangements	(0.03)	(0.11)	(0.03)	(0.11)
Fair value adjustment of derivatives	(0.04)	(0.03)	(0.08)	(0.01)
Recognition of fair value increment on inventory sold		0.17		2.08
Fair value adjustment of Shoppers Drug Mart's share-based compensation liability				0.02
Inventory loss (net insurance proceeds)		(0.06)	0.01	(0.01)
MEPP settlement payment				0.04
Fair value adjustment of the forward sale agreement for 9.6 million Loblaw common shares	(0.05)	0.35	0.15	1.17
Fair value adjustment of the Trust Unit liability	0.01	0.03	0.09	0.04
Accelerated amortization of deferred financing costs		0.01	0.04	0.06
Provincial income tax rate change			0.19	
Foreign currency translation	(0.44)	(0.34)	(1.14)	(0.69)
Adjusted basic net earnings per common share	\$ 1.43	\$ 1.58	\$ 5.61	\$ 5.32
Weighted average common shares outstanding (millions)	127.6	127.7	127.7	127.8
Adjusted net earnings attributable to shareholders of the Company (\$ millions)	\$ 193	\$ 212	\$ 761	\$ 724
Prescribed dividends on preferred shares in share capital (\$ millions)	10	10	44	44
Adjusted net earnings available to common shareholders of the Company (\$ millions)	\$ 183	\$ 202	\$ 717	\$ 680

(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 anticipated 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", "maintain", "achieve", "grow", and "should" and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company's current estimates, beliefs and assumptions, which are based on management's perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company's expectation of operating and financial performance in 2016 is based on certain assumptions including assumptions about sales and volume growth, anticipated cost savings, operating efficiencies, and continued growth from current initiatives. The Company's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 13, "Enterprise Risks and Risk Management", of the MD&A in the Company's 2015 Annual Report and the Company's Annual Information Form ("AIF") for the year ended December 31, 2015. Such risks and uncertainties include:

- changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers;
- the inability of the Company's IT infrastructure to support the requirements of the Company's business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;
- failure to realize benefits from investments in Loblaw's new IT systems;
- the inability of the Company to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink;
- public health events including those related to food and drug safety;
- failure by Loblaw to realize the anticipated strategic benefits associated with the acquisition of Shoppers Drug Mart;
- the inability of the Company to effectively develop and execute its strategy;
- failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies associated with the Company's major initiatives, including those from restructuring;
- failure by Loblaw's franchisees or Shoppers Drug Mart licensees ("Associates") to operate in accordance with prescribed procedures or standards, or disruptions to Loblaw's relationship with its franchisees or Associates;
- failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements, which could lead to work stoppages;
- changes in the Company's income, capital, commodity, property and other tax and regulatory liabilities, including changes in tax laws, regulations or future assessments;
- reliance on the performance and retention of third-party service providers, including those associated with the Company's supply chain and Loblaw's apparel business;
- issues with vendors in both advanced and developing markets;
- the risk that the Company would experience a financial loss if its counterparties fail to meet their obligations in accordance with the terms and conditions of their contracts with the Company;
- failure to merchandise effectively or in a manner that is responsive to customer demand;
- heightened competition, whether from current competitors or new entrants to the marketplace;
- the inability of the Company to anticipate, identify and react to consumer and retail trends;

- changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates, changes in interest rates, currency exchange rates and derivative and commodity prices;
- the impact of potential environmental liabilities; and
- the inability of Loblaw to collect on or fund its credit card receivables.

This is not an exhaustive list of the factors that may affect the Company's forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the section entitled "Operating and Financial Risks and Risk Management" in the Company's AIF for the year ended December 31, 2015. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company's expectations only as of the date of this News Release. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SELECTED FINANCIAL INFORMATION

The following includes selected quarterly financial information which is prepared by management in accordance with International Financial Reporting Standards ("IFRS") and is based on the Company's audited annual consolidated financial statements for the year ended December 31, 2015. This financial information does not contain all disclosures required by IFRS, and accordingly, this financial information should be read in conjunction with the Company's 2015 Annual Report available in the Investor Centre section of the Company's website at www.weston.ca.

Condensed Consolidated Statements of Earnings

(unaudited)

(millions of Canadian dollars except where otherwise indicated)

For the periods ended as indicated

	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)
Revenue	\$ 11,248	\$ 11,734	\$ 46,894	\$ 43,918
Operating Expenses				
Cost of inventories sold	8,046	8,423	33,667	32,727
Selling, general and administrative expenses	2,781	2,689	11,298	10,218
	10,827	11,112	44,965	42,945
Operating Income	421	622	1,929	973
Net Interest Expense and Other Financing Charges	139	231	681	815
Earnings Before Income Taxes	282	391	1,248	158
Income Tax Expense	66	95	384	24
Net Earnings	216	296	864	134
Attributable to:				
Shareholders of the Company	148	161	527	126
Non-Controlling Interests	68	135	337	8
Net Earnings	\$ 216	\$ 296	\$ 864	\$ 134
Net Earnings per Common Share (\$)				
Basic	\$ 1.08	\$ 1.18	\$ 3.78	\$ 0.64
Diluted	\$ 1.08	\$ 1.17	\$ 3.74	\$ 0.64

Condensed Consolidated Balance Sheets

As at December 31

(millions of Canadian dollars)

	2015	2014 ⁽ⁱ⁾
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,413	\$ 1,333
Short term investments	1,166	1,072
Accounts receivable	1,478	1,318
Credit card receivables	2,790	2,630
Inventories	4,517	4,463
Income taxes recoverable		30
Prepaid expenses and other assets	279	223
Assets held for sale	71	23
Total Current Assets	11,714	11,092
Fixed Assets	11,352	10,938
Investment Properties	160	185
Intangible Assets	9,292	9,786
Goodwill	3,836	3,756
Deferred Income Taxes	156	215
Security Deposits	88	92
Franchise Loans Receivable	329	399
Other Assets	875	683
Total Assets	\$ 37,802	\$ 37,146
LIABILITIES		
Current Liabilities		
Bank indebtedness	\$ 143	\$ 162
Trade payables and other liabilities	5,381	4,934
Provisions	180	130
Income taxes payable	73	
Short term debt	1,086	1,101
Long term debt due within one year	1,348	420
Associate interest	216	193
Capital securities		225
Total Current Liabilities	8,427	7,165
Provisions	157	103
Long Term Debt	10,928	12,306
Trust Unit Liability	552	494
Deferred Income Taxes	1,990	1,980
Other Liabilities	818	849
Total Liabilities	22,872	22,897
EQUITY		
Share Capital	1,008	997
Contributed Surplus	19	80
Retained Earnings	6,441	6,125
Accumulated Other Comprehensive Income	231	87
Total Equity Attributable to Shareholders of the Company	7,699	7,289
Non-Controlling Interests	7,231	6,960
Total Equity	14,930	14,249
Total Liabilities and Equity	\$ 37,802	\$ 37,146

(i) Certain 2014 figures have been restated. See notes 2 and 5 of the Company's consolidated financial statements included in the 2015 Annual Report.

Condensed Consolidated Statements of Cash Flows

(unaudited)

(millions of Canadian dollars)

For the periods ended as indicated

	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 ⁽ⁱ⁾ (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 ⁽ⁱ⁾ (53 weeks)
Operating Activities				
Net earnings	\$ 216	\$ 296	\$ 864	\$ 134
Add:				
Net interest expense and other financing charges	139	231	681	815
Income taxes	66	95	384	24
Depreciation and amortization	401	410	1,686	1,542
Recognition of fair value increment on inventory sold		69		798
Charge related to inventory measurement and other conversion differences	4		4	190
Fixed asset and other related impairments	26	1	73	16
Foreign currency translation gain	(65)	(43)	(159)	(88)
	787	1,059	3,533	3,431
Change in credit card receivables	(127)	(81)	(160)	(92)
Change in non-cash working capital	158	172	220	(319)
Income taxes paid	(66)	(74)	(263)	(317)
Interest received	3	4	13	35
Other	(71)	10	24	113
Cash Flows from Operating Activities	684	1,090	3,367	2,851
Investing Activities				
Acquisition of Shoppers Drug Mart Corporation, net of cash acquired				(6,619)
Fixed asset purchases	(421)	(351)	(1,267)	(984)
Intangible asset additions	(104)	(96)	(233)	(230)
Cash assumed on initial consolidation of franchises	33		33	
Change in short term investments	(19)	(12)	57	502
Change in security deposits	209	1	10	1,704
Other	34	8	(7)	43
Cash Flows used in Investing Activities	(268)	(450)	(1,407)	(5,584)
Financing Activities				
Change in bank indebtedness	(100)	(161)	(19)	(133)
Change in short term debt	(20)	11	(15)	41
Interest paid	(120)	(139)	(587)	(604)
Redemption of Loblaw capital securities			(225)	
Long term debt – Issued	338	125	1,186	6,064
– Retired	(502)	(341)	(1,783)	(3,536)
Share capital – Issued	1	2	9	21
– Purchased and held in trusts			(7)	(11)
– Purchased and cancelled		(16)	(14)	(29)
Loblaw common share capital – Issued	15	19	63	129
– Purchased and held in trusts	(6)		(63)	
– Purchased and cancelled	(186)	(29)	(280)	(178)
Loblaw preferred share capital – Issued			221	
Dividends – To common shareholders		(53)	(162)	(267)
– To preferred shareholders	(3)	(11)	(36)	(52)
– To minority shareholders	(57)	(55)	(229)	(273)
Other	16	26	23	
Cash Flows (used in) from Financing Activities	(624)	(622)	(1,918)	1,172
Effect of foreign currency exchange rate changes on cash and cash equivalents	16	11	38	25
Change in Cash and Cash Equivalents	(192)	29	80	(1,536)
Cash and Cash Equivalents, Beginning of Period	1,605	1,304	1,333	2,869
Cash and Cash Equivalents, End of Period	\$ 1,413	\$ 1,333	\$ 1,413	\$ 1,333

(i) Certain 2014 figures have been restated. See note 2 of the Company's consolidated financial statements included in the 2015 Annual Report.

Basic and Diluted Net Earnings per Common Share

(unaudited)

(millions of Canadian dollars except where otherwise indicated)

For the periods ended as indicated

	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 (53 weeks)
Net earnings attributable to shareholders of the Company	\$ 148	\$ 161	\$ 527	\$ 126
Prescribed dividends on preferred shares in share capital	(10)	(10)	(44)	(44)
Net earnings available to common shareholders of the Company	\$ 138	\$ 151	\$ 483	\$ 82
Reduction in net earnings due to dilution at Loblaw		(1)	(3)	
Net earnings available to common shareholders for diluted earnings per share	\$ 138	\$ 150	\$ 480	\$ 82
Weighted average common shares outstanding (in millions)	127.6	127.7	127.7	127.8
Dilutive effect of share-based compensation ⁽ⁱ⁾ (in millions)	0.6	0.5	0.5	0.4
Diluted weighted average common shares outstanding (in millions)	128.2	128.2	128.2	128.2
Basic net earnings per common share (\$)	\$ 1.08	\$ 1.18	\$ 3.78	\$ 0.64
Diluted net earnings per common share (\$)	\$ 1.08	\$ 1.17	\$ 3.74	\$ 0.64

- (i) In the fourth quarter of 2015 and year-to-date, 325,817 (2014 – 79,962) and 347,225 (2014 – 501,963) potentially dilutive instruments, respectively, were excluded from the computation of diluted net earnings per common share as they were anti-dilutive.

Segment Information

The Company has two reportable operating segments: Weston Foods and Loblaw. The accounting policies of the reportable operating segments are the same as those described herein and in the Company's 2015 audited annual consolidated financial statements. The Company measures each reportable operating segment's performance based on adjusted EBITDA⁽¹⁾ and adjusted operating income⁽¹⁾. Neither reportable operating segment is reliant on any single external customer.

(unaudited)

(millions of Canadian dollars)

For the periods ended as indicated

	Dec. 31, 2015 (12 weeks)	Dec. 31, 2014 ⁽ⁱ⁾ (13 weeks)	Dec. 31, 2015 (52 weeks)	Dec. 31, 2014 ⁽ⁱ⁾ (53 weeks)
Revenue				
Weston Foods	\$ 527	\$ 469	\$ 2,144	\$ 1,923
Loblaw	10,865	11,413	45,394	42,611
Intersegment	(144)	(148)	(644)	(616)
Consolidated	\$ 11,248	\$ 11,734	\$ 46,894	\$ 43,918
Adjusted EBITDA⁽ⁱⁱ⁾				
Weston Foods	\$ 67	\$ 74	\$ 285	\$ 311
Loblaw	879	948	3,541	3,219
Total	\$ 946	\$ 1,022	\$ 3,826	\$ 3,530
Depreciation and Amortization⁽ⁱⁱⁱ⁾				
Weston Foods	\$ 19	\$ 17	\$ 83	\$ 70
Loblaw	252	269	1,056	1,055
Total	\$ 271	\$ 286	\$ 1,139	\$ 1,125
Adjusted Operating Income⁽ⁱⁱⁱ⁾				
Weston Foods	\$ 48	\$ 57	\$ 202	\$ 241
Loblaw	627	679	2,485	2,164
Impact of certain items ^(iv)	(319)	(157)	(917)	(1,520)
Other ^(v)	65	43	159	88
Consolidated operating income	\$ 421	\$ 622	\$ 1,929	\$ 973
Net Interest Expense and Other Financing Charges				
Weston Foods	\$ 3	\$ 72	\$ 77	\$ 250
Loblaw	141	169	644	584
Other ^(vi)	(3)	(4)	(14)	(14)
Intersegment ^(vii)	(2)	(6)	(26)	(5)
Consolidated net interest expense and other financing charges	\$ 139	\$ 231	\$ 681	\$ 815

(i) Certain 2014 figures have been amended.

(ii) Excludes certain items and is used internally by management when analyzing segment underlying operating performance.

(iii) Excludes \$124 million (2014 – \$124 million) and \$536 million (2014 – \$417 million), respectively, of amortization of intangible assets, acquired with Shoppers Drug Mart, recorded by Loblaw and \$6 million (2014 – nil) and \$11 million (2014 – nil), respectively, of accelerated depreciation recorded by Weston Foods, included in restructuring and other charges, in the fourth quarter of 2015 and year-to-date.

(iv) The impact of certain items excluded by management includes restructuring and other charges, impairment of drug retail ancillary assets held for sale at Loblaw, a charge related to labour agreements at Loblaw, a charge related to the change in inventory measurement and other conversion differences at Loblaw, fixed asset and other related impairments, net of recoveries, at Loblaw, a charge related to apparel inventory at Loblaw, charges related to pension annuities and buy-outs, certain charges related to the acquisition of Shoppers Drug Mart, modifications to certain franchise fee arrangements at Loblaw, the fair value adjustment of derivatives, fair value adjustment of Shoppers Drug Mart's share-based compensation liability at Loblaw, inventory loss incurred (net insurance proceeds received) by Weston Foods and MEPP settlement payment by Weston Foods.

(v) 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.

(vi) Represents the Trust Unit distributions from Choice Properties to GWL.

(vii) Represents the elimination of the fair value adjustment of the Trust Unit liability related to GWL's direct investment in Choice Properties.

2015 ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's annual audited consolidated financial statements and MD&A for the year ended December 31, 2015 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 Thursday, March 3, 2016 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: 24832484#. To access via audio webcast, please visit the Investor Centre section of www.weston.ca. Pre-registration will be available.

ANNUAL MEETING

The George Weston Limited Annual Meeting of Shareholders will be held on Tuesday, May 10, 2016, at 11:00 a.m. (EST) at The Royal Conservatory, TELUS Centre for Performance and Learning, Koerner Hall, 273 Bloor Street West, Toronto, Ontario, Canada.

Ce rapport est disponible en français.

Endnotes

- (1) See "Non-GAAP Financial Measures" section of this News Release beginning on page 8.
 - (2) This News Release contains forward-looking information. See Forward-Looking Statements beginning on page 13 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.
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