

## **LOBLAW ANNOUNCES CLOSING OF PLAN OF ARRANGEMENT TO SPIN OUT CHOICE PROPERTIES REIT**

TORONTO, ON, November 1, 2018 – Today, Loblaw Companies Limited (TSX: L, “**Loblaw**”) and George Weston Limited (TSX: WN, “**GWL**”) announced that Loblaw has completed the spin out of its 61.6% effective interest in Choice Properties Real Estate Investment Trust (TSX: CHP.UN, “**Choice Properties REIT**”) pursuant to a previously announced plan of arrangement (the “**Arrangement**”).

The reorganization provides compelling benefits for each of Loblaw, GWL and Choice Properties REIT. It simplifies Loblaw as a pure-play retailer by spinning out a non-strategic business and allows Loblaw to focus on pursuing its core retail, connected healthcare, digital retail and payments and rewards strategy. From a Choice Properties REIT perspective, GWL is a more natural long-term owner of Choice Properties REIT and will provide support and capital for its growth and diversification plans. Additionally, GWL will be more balanced and diversified, with three strong and well-positioned pillars in retail, food and real estate.

### **Shareholder Consideration**

In connection with the Arrangement, Loblaw public shareholders received 0.135 of a GWL common share per Loblaw common share held. Following the reorganization, GWL now owns an approximate 65.4% effective interest in Choice Properties REIT directly (which includes the approximate 3.8% effective interest in Choice Properties REIT owned by GWL prior to the reorganization). The public shareholders of Loblaw now own approximately 16.9% of the outstanding GWL common shares as a result of the reorganization. Loblaw shareholders continue to own the same number of Loblaw common shares as they did immediately prior to the reorganization.

As previously announced, Loblaw shareholders who sell their Loblaw common shares between the commencement of trading on October 30, 2018 through the close of trading on November 1, 2018, will have sold their shares with the right to receive GWL shares pursuant to the Arrangement (referred to as a “due bill” entitlement). At the commencement of trading on November 2, 2018, the Loblaw shares will resume regular trading without any “due bill” entitlement, reflecting that the spin-out of Loblaw’s interest in Choice Properties REIT has been completed. Shareholders entitled to receive GWL shares pursuant to the Arrangement are expected to receive those GWL shares within several days of closing.

### **Adjusted Cost Base**

For Canadian tax purposes, the aggregate adjusted cost base of the Loblaw common shares held by a Loblaw shareholder immediately before the reorganization will be allocated amongst the Loblaw common shares and the GWL common shares that the shareholder will hold immediately after the reorganization. Loblaw estimates that such allocation will be 80.1% for the Loblaw common shares and 19.9% for the GWL common shares. As an example, if the adjusted cost base of the Loblaw common shares held by a Loblaw shareholder prior to the reorganization was \$100, following the reorganization the adjusted cost base of the Loblaw common shares held by the shareholder would be \$80.10 and the adjusted cost base of the GWL common shares held by the shareholder would be \$19.90. This estimated allocation is not binding on the Canada Revenue Agency or on any particular Loblaw shareholder.

For Canadian tax purposes, a shareholder who receives cash in lieu of a fraction of a GWL common share may generally choose to either (a) include the amount of any gain or loss from the disposition of such fractional share in the computation of the shareholder’s income or (b) reduce the adjusted cost base of its GWL common shares by the amount of such cash consideration.

### **About Loblaw Companies Limited**

Loblaw is Canada's food and pharmacy leader, and the nation's largest retailer. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services, and wireless mobile products and services. With more than 2,400 corporate, franchised and Associate-owned locations, Loblaw, its franchisees, and Associate-owners employ approximately 200,000 full- and part-time employees, making it one of Canada's largest private sector employers.

Loblaw's purpose – Live Life Well® – puts first the needs and well-being of Canadians who make one billion transactions annually in the company's stores. Loblaw is positioned to meet and exceed those needs in many ways: convenient locations; more than 1,050 grocery stores that span the value spectrum from discount to specialty; full-service pharmacies at nearly 1,400 Shoppers Drug Mart® and Pharmaprix® locations and close to 500 Loblaw locations; PC Financial® services; affordable Joe Fresh® fashion and family apparel; and three of Canada's top consumer brands in Life Brand®, no name® and President's Choice.

### **About George Weston Limited**

GWL is a Canadian public company founded in 1882 and through its operating subsidiaries constitutes one of North America's largest food processing and distribution groups, and is the majority unit holder of Choice Properties REIT. GWL now has three reportable operating segments: Weston Foods, Loblaw and Choice Properties REIT. The Weston Foods operating segment is primarily engaged in the baking industry within North America. Loblaw is Canada's largest food distributor and a leading provider of general merchandise, drugstore and financial products and services. Choice Properties REIT is Canada's preeminent diversified real estate investment trust.

### **Forward-Looking Statements**

This press release for Loblaw and GWL contains forward-looking statements about the spin out of Loblaw's interest in Choice Properties REIT. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and similar expressions. Forward-looking statements reflect current estimates, beliefs and assumptions, which are based on Loblaw's and GWL's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Loblaw's and GWL'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. Loblaw and GWL can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

This press release contains forward-looking statements concerning: Loblaw's and GWL's financial positions; growth prospects; certain strategic benefits expected to result from the spin-out; and anticipated trading.

Numerous risks and uncertainties could cause Loblaw's and GWL's actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: the potential benefits of the spin out not being realized; adverse changes and volatility in the trading prices or value, as applicable, of the Loblaw shares or GWL shares following the spin-out; substantial tax liabilities that Loblaw and GWL may be exposed to if the tax related requirements of the spin-out are not met; risks associated with indemnity obligations arising under the arrangement agreement; the reduced diversity of Loblaw's business following the spin-out; and the failure to accurately estimate the costs of the spin-out.

Readers are cautioned that the foregoing list of factors is not exhaustive. Other risks and uncertainties not presently known to Loblaw and GWL or that Loblaw and GWL presently believe are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect the operations or financial results of Loblaw or GWL are included in reports filed by Loblaw and GWL with applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).

There can be no assurance that the anticipated benefits of the spin out will be realized.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Loblaw's and GWL's expectations only as of the date of this release. Loblaw and GWL disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**For further information, please contact:**

Loblaw Companies Limited  
Roy MacDonald  
Vice President, Investor Relations  
(416) 861-2243  
[investor@loblaw.ca](mailto:investor@loblaw.ca)

Loblaw Companies Limited Media Relations  
[pr@loblaw.ca](mailto:pr@loblaw.ca)

George Weston Limited  
Geoff Wilson  
Senior Vice President, Communications and Investor Relations  
(416) 967-7976  
[geoff.wilson@weston.ca](mailto:geoff.wilson@weston.ca)

George Weston Limited  
Richard Dufresne  
President and Chief Financial Officer  
416-922-2500  
[investor@weston.ca](mailto:investor@weston.ca)