9. QUARTERLY RESULTS OF OPERATIONS

The 52-week reporting cycle followed by the Company is divided into four quarters of 12 weeks each except for the third quarter, which is 16 weeks in duration. The following is a summary of selected consolidated financial information derived from the Company's unaudited interim consolidated financial statements for each of the eight most recently completed quarters. This information was prepared in accordance with Canadian GAAP and is reported in Canadian dollars.

9.1 QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

($ millions except where otherwise indicated)		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total (audited)
Sales	**2007**	**$ 7,221**	**$ 7,739**	**$ 10,163**	**$ 7,692**	**$ 32,815**
	2006	$ 6,997	$ 7,507	$ 10,085	$ 7,578	$ 32,167
Net earnings (loss) from continuing operations	**2007**	**$ 104**	**$ 129**	**$ 179**	**$ 151**	**$ 563**
	2006	$ 128	$ 184	$ 226	$ (428)	$ 110
Net earnings (loss)	**2007**	**$ 104**	**$ 129**	**$ 179**	**$ 151**	**$ 563**
	2006	$ 128	$ 184	$ 226	$ (417)	$ 121
Net earnings (loss) per common share from continuing operations ($)						
Basic	**2007**	**$ 0.70**	**$ 0.90**	**$ 1.25**	**$ 1.07**	**$ 3.92**
	2006	$ 0.91	$ 1.32	$ 1.62	$ (3.42)	$ 0.43
Diluted	**2007**	**$ 0.70**	**$ 0.90**	**$ 1.25**	**$ 1.07**	**$ 3.92**
	2006	$ 0.91	$ 1.32	$ 1.62	$ (3.42)	$ 0.43
Net earnings (loss) per common share ($)						
Basic	**2007**	**$ 0.70**	**$ 0.90**	**$ 1.25**	**$ 1.07**	**$ 3.92**
	2006	$ 0.91	$ 1.32	$ 1.62	$ (3.33)	$ 0.52
Diluted	**2007**	**$ 0.70**	**$ 0.90**	**$ 1.25**	**$ 1.07**	**$ 3.92**
	2006	$ 0.91	$ 1.32	$ 1.62	$ (3.33)	$ 0.52

Results by Quarter

Consolidated sales and sales growth in 2007 were impacted by various factors including the impact of Weston Foods foreign currency translation. For Loblaw, sales and same-store sales growth were positive in all four quarters of 2007 compared to 2006. Sales growth during the first three quarters of 2007 continued to be negatively impacted by the loss in tobacco sales as discussed previously. Tobacco sales are not a large earnings contributor. Quarterly same-store sales growth for each of the four quarters of 2007 when compared to 2006 was 2.4%, 2.7%, 1.6% and 2.6%, respectively. Quarterly same-store sales growth excluding the impact of decreased tobacco sales(1) for each of the four quarters of 2007 when compared to 2006 was 4.0%, 4.2%, 2.8% and 2.7%, respectively.

Food price inflation fell as the year progressed resulting, in part, from Loblaw's investment in lower retail pricing during 2007 as well as pricing activity within the industry. National food price inflation as measured by CPI was 3.8% in the first quarter of 2007 but decreased to 0.8% in the fourth quarter of 2007. During each consecutive quarter of 2007, Loblaw's internal retail food price inflation decreased, ranging from 3.0% inflation in the first quarter of 2007 to 1.6% deflation in the fourth quarter.

Weston Foods 2007 quarterly sales were positively impacted by price increases across key product categories combined with changes in sales mix. Volumes were negatively impacted by the combined effect of the exit from the United States frozen foodservice bagel business early in the third quarter of 2006 and the discontinuance of contract manufacturing of biscuits for certain customers during 2006. Foreign currency translation negatively impacted reported sales growth, particularly in the third and fourth quarters of 2007.

Fluctuations in quarterly net earnings reflect the impact of a number of specific items in operating income at both Weston Foods and Loblaw as outlined previously, including a charge of $800 million related to the non-cash Loblaw goodwill impairment charge in the fourth quarter of 2006. At Loblaw, solid sales were achieved in all four quarters of 2007 but earnings were pressured from investments in pricing, particularly in the third and fourth quarters as cost reductions lagged the pricing investments. At Weston Foods, pricing, a shift in sales mix to higher margin products and cost reduction and productivity initiatives more than offset the impact of inflationary cost pressures.

Interest expense and other financing charges fluctuate mainly as a result of the accounting for Weston's 2001 forward sale agreement for 9.6 million Loblaw common shares which results in non-cash income or non-cash charges due to the change in the market price of Loblaw common shares.

The change in the effective income tax rates for 2007 over 2006 was primarily due to the non-cash goodwill impairment charge recorded in 2006 which is not deductible for income tax, the change in the proportion of taxable income earned across different tax jurisdictions, and a reduction to future income tax expense resulting from changes in the Canadian federal and certain provincial statutory income tax rates.

During 2007, the Company did not purchase common shares for cancellation pursuant to its NCIB (2006 – nil).

(1) See Non-GAAP Financial Measures beginning on page 55.

9.2 FOURTH QUARTER RESULTS (UNAUDITED)

The following is a summary of selected unaudited consolidated financial information for the fourth quarter of 2007. This information was prepared in accordance with Canadian GAAP and is reported in Canadian dollars. The analysis of the data contained in the table focuses on the results of operations and changes in the financial condition and cash flows in the fourth quarter.

Selected Consolidated Information

(unaudited) ($ millions except where otherwise indicated)	2007	2006
Sales	$ 7,692	$ 7,578
Sales excluding the impact of tobacco sales and VIEs[1]	$ 7,365	$ 7,244
Adjusted EBITDA[1]	$ 458	$ 513
Operating income (loss)	$ 181	$ (630)
Adjusted operating income[1]	$ 302	$ 359
Interest (income) expense and other financing charges	$ (38)	$ 90
Income taxes	$ 46	$ (3)
Net earnings (loss) from continuing operations	$ 151	$ (428)
Net earnings (loss)	$ 151	$ (417)
Net earnings (loss) per common share from continuing operations ($)		
Basic and diluted	$ 1.07	$ (3.42)
Adjusted basic[1]	$ 0.89	$ 1.14
Cash flows from (used in) continuing operations:		
Operating activities	$ 602	$ 889
Investing activities	$ (236)	$ (383)
Financing activities	$ (197)	$ (391)

(1) See Non-GAAP Financial Measures beginning on page 55.

Sales and Sales Growth Excluding the Impact of Tobacco Sales and VIEs[1]

(unaudited) ($ millions except where otherwise indicated)	2007	2006
Total sales	$ 7,692	$ 7,578
Less: Sales attributable to tobacco sales	219	242
Sales attributable to the consolidation of VIEs	108	92
Sales excluding the impact of tobacco sales and VIEs[1]	$ 7,365	$ 7,244
Total sales growth	1.5%	3.2%
Less: Impact on sales growth attributable to tobacco sales	(0.4)%	(1.8)%
Impact on sales growth attributable to the consolidation of VIEs	0.2%	(0.1)%
Sales growth excluding the impact of tobacco sales and VIEs[1]	1.7%	5.1%

(1) See Non-GAAP Financial Measures beginning on page 55.

Sales

Sales for the fourth quarter of 2007 of $7.7 billion increased 1.5% compared to 2006, including a decline of approximately 0.4% due to the continued decrease in tobacco sales at Loblaw and an increase of 0.2% in sales related to the consolidation of certain Loblaw franchisees. The translation of United States dollar denominated sales in the Weston Foods operating segment reduced consolidated sales growth by 1.2% for the fourth quarter.

Consolidated sales growth for the fourth quarter of 2007 was impacted by each reportable operating segment as follows:

- Negatively by 0.7% due to the sales decrease of 5.5% at Weston Foods, which included the negative impact of foreign currency translation of approximately 9.4%. Price increases across key product categories combined with changes in sales mix offset slight volume declines in the quarter.
- Positively by 2.4% due to the sales increase of 2.7% at Loblaw which was achieved by positive growth in both item and customer count despite internal food price deflation.

Operating Income

The Company's consolidated operating income in the fourth quarter increased $811 million from a loss of $630 million in 2006 to income of $181 million in 2007. 2007 consolidated operating income for the fourth quarter included the following:

- a charge of $39 million (2006 – $51 million) related to restructuring and other charges;
- a charge of $77 million (2006 – income of $11 million) for the net effect of stock-based compensation and the associated equity derivatives;
- a charge of $6 million (2006 – income of $3 million) related to a commodity futures fair value adjustment at Weston Foods;
- a charge of $3 million (2006 – $68 million) related to the inventory liquidation at Loblaw;
- income of $4 million (2006 – nil) resulting from the consolidation of VIEs;
- nil (2006 – charge of $800 million) related to the non-cash Loblaw goodwill impairment charge; and
- nil (2006 – charge of $84 million) related to the Ontario collective labour agreement at Loblaw.

After adjusting for the impact of the items described above, consolidated adjusted operating income(1) for the fourth quarter of 2007 declined 15.9% to $302 million from $359 million in 2006.

The Company's 2007 consolidated adjusted operating income(1) was impacted by each of its reportable operating segments as follows:

- Positively by 2.2% due to an increase of 10.7% in adjusted operating income(1) at Weston Foods. The improvement in adjusted operating income(1) resulted from positive pricing actions and favourable mix and productivity improvements.
- Negatively by 18.1% due to a decrease of 22.9% in adjusted operating income(1) at Loblaw due to pricing investments which were lagged by cost reductions.

The Company's 2007 consolidated adjusted operating margin(1) for the fourth quarter declined to 4.1% from 5.0% in 2006, and consolidated adjusted EBITDA margin(1) declined to 6.2% from 7.1% in 2006. Consolidated adjusted operating margin(1) declined in 2007 primarily due to the lower adjusted operating margin(1) at Loblaw, partially offset by the higher adjusted operating margin(1) at Weston Foods.

Interest (Income) Expense and Other Financing Charges

Interest expense and other financing charges for the fourth quarter of 2007 decreased $128 million from 2006, resulting in interest income and other financing charges of $38 million. The decrease was primarily as a result of the non-cash income of $110 million (2006 – non-cash charge of $17 million), reflecting the accounting for Weston's 2001 forward sale agreement of 9.6 million Loblaw common shares.

Income Taxes

The effective income tax rate for the fourth quarter of 2007 was 21.0% compared to 0.4% in 2006. This significant change in the effective income tax rate was due to the non-cash Loblaw goodwill impairment charge recorded in the fourth quarter of 2006 which is non-deductible for income tax purposes. In addition, the effective income tax rate was impacted due to the change in the proportion of taxable income earned across the different tax jurisdictions in which the Company operated. A reduction to future income tax expense was recognized in the fourth quarter of 2007 as a result of changes in the Canadian federal and certain provincial statutory income tax rates.

(1) See Non-GAAP Financial Measures beginning on page 55.

Net Earnings (Loss) from Continuing Operations

For the fourth quarter, basic net earnings per common share from continuing operations was $1.07 compared to a basic net loss per common share from continuing operations of $3.42 in 2006. Basic net earnings per common share for the fourth quarter was also $1.07, compared to a net loss per common share of $3.33 in 2006.

Basic net earnings (loss) per common share from continuing operations include the following:

- a $0.13 per common share charge (2006 – $0.20 per common share charge) related to restructuring and other charges;
- a $0.41 per common share charge (2006 – $0.03 per common share income) for the net effect of stock-based compensation and the associated equity derivatives;
- a $0.02 per common share non-cash charge (2006 – $0.01 per common share income) related to the commodity futures fair value adjustment at Weston Foods;
- a $0.05 per common share charge (2006 – nil) related to the consolidation of VIEs by Loblaw;
- $0.64 per common share non-cash income (2006 – $0.09 per common share charge) related to the accounting for Weston's 2001 forward sale agreement for 9.6 million Loblaw common shares;
- $0.15 per common share non-cash income (2006 – nil) related to the adjustment to future income tax balances resulting from changes in federal statutory income tax rates;
- nil (2006 – $0.21 per common share charge) related to the inventory liquidation at Loblaw;
- nil (2006 – $3.84 per common share charge) related to the non-cash Loblaw goodwill impairment charge; and
- nil (2006 – $0.26 per common share charge) related to the Ontario collective labour agreement at Loblaw.

After adjusting for the above noted items, Weston's adjusted basic net earnings per common share from continuing operations[1] was $0.89 for the fourth quarter compared to $1.14 for the fourth quarter of 2006, a decline of 21.9%.

Discontinued Operations

In the fourth quarter, the Company had no gain or loss from discontinued operations. The gain from discontinued operations in the fourth quarter of 2006 was $11 million. The 2006 gain from discontinued operations was primarily related to final adjustments to the proceeds in 2006 associated with the previously completed 2005 sale of the remaining discontinued Fisheries operations.

Net Earnings (Loss)

Net earnings for the fourth quarter of 2007 was $151 million compared to a net loss of $417 million in 2006. Basic net earnings per common share for the fourth quarter of 2007 was $1.07 compared to a basic net loss per common share of $3.33 in 2006 as a result of the factors discussed above.

Reportable Operating Segments

The Company's consolidated sales and operating income were impacted by each of its reportable operating segments as follows:

WESTON FOODS
(unaudited)

($ millions except where otherwise indicated)	**2007**	2006
Sales	**$ 932**	$ 986
Adjusted EBITDA[1]	**$ 111**	$ 101
Operating income	**$ 49**	$ 67
Adjusted operating income[1]	**$ 83**	$ 75

(1) See Non-GAAP Financial Measures beginning on page 55.

During the year, Weston Foods sales were positively impacted by pricing actions taken and the continued shift to premium products. The negative impact of translating United States dollar denominated sales was the primary factor in the decline in sales growth in the fourth quarter.

(1) See Non-GAAP Financial Measures beginning on page 55.

Weston Foods sales for the fourth quarter of 2007 of $932 million decreased 5.5% compared to the same period in 2006 mainly as a result of the negative impact of foreign currency translation on reported sales growth of approximately 9.4%. Price increases across key product categories combined with changes in sales mix increased sales by 4.3% for the fourth quarter of 2007. Overall volume decreased 0.4% for the fourth quarter of 2007 as growth in certain higher margin categories was more than offset by declines in other categories.

In the fourth quarter, the following sales analysis excludes the impact of foreign currency translation:

- fresh bakery sales increased approximately 5.9%, driven by price increases in key product categories combined with changes in sales mix. For the fourth quarter, branded volume increases in the *Arnold* and *Thomas'* brands in the United States and *D'Italiano* brand in Canada were more than offset by volume declines in other categories, particularly in food service and in private label products. Continued growth in whole grain products and the introduction of new and expanded products, such as *Thomas'* 100 Calorie English Muffin, *Thomas'* Mini Squares Bagelbread and product innovation in the *Wonder+* line, contributed positively to branded sales growth in the fourth quarter;
- fresh-baked sweet goods sales, primarily sold under the *Entenmann's* brand, were flat due to lower volumes. The volume decline was driven by softness in full size categories that was partially offset by the introduction of new and expanded products, such as the *Entenmann's* 100 Calorie *Little Bites*;
- frozen bakery sales increased approximately 4.3% driven by higher volumes, price increase and changes in sales mix;
- dairy and bottled beverage sales increased approximately 4.2% driven mainly by pricing, volume gains and improvements in sales mix as growth continued to be experienced in a number of key categories, particularly value-added and bottled products; and
- biscuit sales were flat compared to last year due to lower sales volumes in certain categories.

Weston Foods operating income of $49 million for the fourth quarter of 2007 decreased by $18 million, or 26.9%, compared to operating income of $67 million in 2006. Operating margin was 5.3% compared to 6.8% in the fourth quarter of 2006.

In the fourth quarter of 2007, Weston Foods recognized the following in operating income:

- a charge of $25 million (2006 – income of $5 million) for the net effect of stock-based compensation and the associated equity derivatives;
- a charge of $6 million (2006 – income of $3 million) related to the commodity futures fair value adjustment; and
- a charge of $3 million (2006 – $16 million) related to restructuring and other charges.

After adjusting for the above-noted items, adjusted operating income[(1)] in the fourth quarter of 2007 increased by $8 million, or 10.7%, to $83 million compared to $75 million in the fourth quarter of 2006. Adjusted operating margin[(1)] increased to 8.9% in the fourth quarter of 2007 compared to 7.6% in 2006. Foreign currency translation negatively impacted 2007 adjusted operating income[(1)] growth by approximately 12.0 percentage points. Adjusted EBITDA margin[(1)] increased to 11.9% from 10.2% in 2006.

The improvement in adjusted operating margin[(1)] was the result of positive pricing actions net of inflation, favourable mix and productivity improvements. Inflationary cost pressures related to certain ingredients, primarily flour, oils and sugar, continued to escalate in the fourth quarter relative to the first three quarters of 2007. Pricing and other actions, including cost reduction initiatives such as reduced product returns, mitigated the impact of inflationary cost pressures and resulted in improved gross margins.

During the fourth quarter of 2007, a reduction in insurance reserves, relating primarily to workers' compensation benefits in the United States, resulted in a benefit of $8 million and was recorded in operating income. This benefit was largely a result of favourable experience in workers' compensation claims and an increased focus on workplace safety programs.

(1) See Non-GAAP Financial Measures beginning on page 55.

Management's Discussion and Analysis

LOBLAW
(unaudited)
($ millions except where otherwise indicated)

	2007	2006
Sales	**$ 6,967**	$ 6,784
Sales excluding the impact of tobacco sales and VIEs[1]	**$ 6,640**	$ 6,450
Adjusted EBITDA[1]	**$ 347**	$ 412
Operating income (loss)	**$ 132**	$ (697)
Adjusted operating income[1]	**$ 219**	$ 284

(1) See Non-GAAP Financial Measures beginning on page 55.

Sales and Sales Growth Excluding the Impact of Tobacco Sales and VIEs[1]
(unaudited)
($ millions except where otherwise indicated)

	2007	2006
Total sales	**$ 6,967**	$ 6,784
Less: Sales attributable to tobacco sales	**219**	242
Sales attributable to the consolidation of VIEs	**108**	92
Sales excluding the impact of tobacco sales and VIEs[1]	**$ 6,640**	$ 6,450
Total sales growth	**2.7%**	3.5%
Less: Impact on sales growth attributable to tobacco sales	**(0.4)%**	(2.0)%
Impact on sales growth attributable to the consolidation of VIEs	**0.2%**	(0.2)%
Sales growth excluding the impact of tobacco sales and VIEs[1]	**2.9%**	5.7%
Same-store sales growth	**2.6%**	1.3%
Same-store sales growth excluding the impact of decreased tobacco sales[1]	**2.7%**	3.3%

(1) See Non-GAAP Financial Measures beginning on page 55.

Total sales for the fourth quarter of 2007 increased $183 million, or 2.7%, to $7.0 billion compared to $6.8 billion in the fourth quarter of 2006. Same-store sales increased by 2.6%. Total sales excluding the impact of tobacco sales and VIEs[1] increased by 2.9%.

Total sales increases in the fourth quarter of 2007 were achieved by positive growth in both item and customer counts despite internal food price deflation. Total sales increases were realized in Ontario, Quebec and Western Canada. Total sales increased in food and drugstore while general merchandise sales were lower because of the intentional restriction of inventory as Loblaw continued to work on optimizing inventory controls, product mix and markdown strategies.

The *Real Canadian Superstore* banner in Ontario continued to achieve solid sales growth in the fourth quarter of 2007. Loblaw also experienced positive volume growth, based on retail units sold, of 3.6% in the fourth quarter of 2007 compared to the fourth quarter of 2006. The volume growth in the fourth quarter of 2006 was 2.4% compared to the fourth quarter of 2005.

Loblaw's analysis indicates that it had internal retail food price deflation of approximately 1.6% compared to the fourth quarter of 2006. National food price inflation as measured by CPI was 0.8% for the fourth quarter of 2007 compared to approximately 1.5% in the same period of 2006. This measure of inflation does not necessarily reflect the effect of inflation on the specific mix of goods offered in Loblaw stores.

During the fourth quarter of 2007, 8 new corporate and franchised stores were opened and 8 were closed, resulting in a net increase of 0.1 million square feet, or 0.1%, compared to the third quarter of 2007.

(1) See Non-GAAP Financial Measures beginning on page 55.

Operating income of $132 million for the fourth quarter of 2007 increased by $829 million, compared to an operating loss of $697 million in 2006. Operating margin was 1.9% compared to (10.3)% in the fourth quarter of 2006. The 2006 operating loss was affected by an $800 million non-cash goodwill impairment charge related to the goodwill associated with the acquisition of Provigo Inc. in 1998.

In the fourth quarter of 2007, Loblaw recognized the following in operating income:

- a charge of $29 million (2006 – nil) related to Project Simplify involving restructuring and streamlining of merchandising and store operations. Costs were comprised of $19 million for employee termination benefits including severance, additional pension costs resulting from the termination of employees and retention costs; and $10 million of other costs, primarily consulting;
- a charge of $7 million (2006 – nil) in connection with the restructuring of Loblaw's supply chain network;
- nil (2006 – $35 million) in connection with the closure of certain stores in the Quebec and Atlantic markets and in the wholesale network that was part of the store operations restructuring activities;
- a charge of $52 million (2006 – income of $6 million) for the net effect of stock-based compensation and the associated equity forwards. The majority of the expense in the fourth quarter of 2007 included a non-cash loss on equity forwards of $55 million (2006 – income of $10 million) resulting from a decline in Loblaw's share price during the fourth quarter of 2007. At the end of the fourth quarter of 2007, Loblaw had cumulative equity forwards to buy 4.8 million (2006 – 4.8 million) of its common shares;
- a charge of $3 million (2006 – $68 million) from the liquidation of excess general merchandise inventory. The liquidation was completed as expected in the fourth quarter of 2007;
- income of $4 million (2006 – nil) resulting from the consolidation of VIEs;
- nil (2006 – charge of $800 million) for a non-cash goodwill impairment charge related to the goodwill established on the acquisition of Provigo Inc. in 1998; and
- nil (2006 – charge of $84 million) related to the ratification of a new four-year collective agreement with members of certain Ontario locals of the UFCW.

After adjusting for the above-noted items, adjusted operating income[1] in the fourth quarter of 2007 decreased by $65 million, or 22.9%, to $219 million compared to $284 million in the fourth quarter of 2006. Adjusted operating margin[1] decreased to 3.3% in the fourth quarter of 2007 compared to 4.4% in 2006 as growth in operating expenses exceeded growth in sales. Adjusted EBITDA margin[1] decreased to 5.2% from 6.4% in 2006.

In addition, adjusted operating income[1] in the fourth quarter of 2007 was influenced by the following items:

- gross margin declined approximately $60 million from 2006, which represents 0.9% of sales, primarily due to targeted price reductions, to provide value to customers and drive same-store sales and sales volumes, and changes in sales mix, partially offset by improvements in shrink;
- incremental consulting costs compared to the prior year, other than those in connection with Project Simplify, amounted to $12 million including expenses related to new supply chain and information technology improvement initiatives of $6 million;
- a gain of $11 million from the sale of an office building in Calgary, Alberta; and
- incremental non-cash fixed asset impairment charge of $9 million related to asset carrying values in excess of fair values at specific store locations. The charge in the fourth quarter of 2007 was $33 million compared to $24 million in the fourth quarter of 2006.

Gross margin percentage continued to decline in the fourth quarter of 2007 as a result of Loblaw's continued investment in lower prices, as part of its Credit for Value initiative, to drive same-store sales growth in a targeted manner across the country. Sales increases in the quarter were insufficient to offset margin declines. Loblaw continued to experience higher store labour costs due to marketplace pressures and achieved reduced inventory shrink expenses in the fourth quarter of 2007 compared to the same quarter in 2006.

(1) See Non-GAAP Financial Measures beginning on page 55.

Management's Discussion and Analysis

Liquidity and Capital Resources

Cash flows from operating activities of continuing operations

Fourth quarter cash flows from operating activities of continuing operations were $602 million in 2007 compared to $889 million in the comparable period of 2006. The decrease was mainly due to the change in non-cash working capital, primarily as a result of changes in inventory, accounts payable and accrued liabilities.

Cash flows used in investing activities of continuing operations

Fourth quarter 2007 cash flows used in investing activities of continuing operations were $236 million in 2007 compared to $383 million in 2006, primarily driven by an increase in proceeds from fixed asset sales of $156 million. Capital investment for the fourth quarter amounted to $206 million (2006 – $307 million).

During the fourth quarter, Loblaw sold property and a partially constructed building for a purchase price of approximately $110 million. Loblaw leased back the property from the buyer for a term of 20 years, with options to renew, and in turn subleased the property to a third-party logistics provider. Loblaw also entered into a warehousing and distribution agreement with the third-party logistics provider, which will use this property to provide services to Loblaw.

Cash flows used in financing activities of continuing operations

Fourth quarter 2007 cash flows used in financing activities of continuing operations were $197 million in 2007 compared to $391 million in 2006. In 2006, Weston repaid $200 million of 5.25% MTN as they matured.