3. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying value of goodwill and intangible assets were as follows:

			2007			2006
	Weston Foods	**Loblaw**	**Total**	Weston Foods	Loblaw	Total
Goodwill, beginning of year	**$ 1,121**	**$ 934**	**$ 2,055**	$ 1,159	$ 1,727	$ 2,886
Goodwill acquired during the year		**8**	**8**		7	7
Adjusted purchase price allocation[1]	**(67)**		**(67)**	(42)		(42)
Goodwill impairment					(800)	(800)
Other		**4**	**4**			
Impact of foreign currency translation	**(167)**		**(167)**	4		4
Goodwill, end of year	**887**	**946**	**1,833**	1,121	934	2,055
Trademarks and brand names[2]	**394**		**394**	466		466
Other intangible assets	**13**		**13**	15		15
Goodwill and intangible assets	**$ 1,294**	**$ 946**	**$ 2,240**	$ 1,602	$ 934	$ 2,536

(1) The 2007 Weston Foods adjusted purchase price allocation relates to the reversal of certain valuation allowances recorded as part of the Bestfoods Baking purchase equation. The 2006 Weston Foods adjusted purchase price allocation relates primarily to the reversal of accruals (net of tax) related to the Bestfoods Baking purchase equation.

(2) Year end 2007 balance includes the negative impact of foreign currency translation of $71 (2006 – positive impact of $2) and amortization of $1 (2006 – $1).

The Weston Foods intangible assets primarily relate to trademarks and brand names, of which $380 (2006 – $451) have an indefinite useful life and, accordingly, are not being amortized. The remaining trademarks and brand names and other intangible assets are being amortized over their estimated useful life ranging from 5 to 30 years.

During the fourth quarter of 2007, the Company performed its annual goodwill impairment test and determined that there was no impairment of the carrying value of goodwill.

In 2006, the annual goodwill impairment test was performed and it was determined that the carrying value of the goodwill established on the acquisition of Provigo Inc. in 1998 exceeded its respective fair value. As a result, in 2006, Loblaw recorded in operating income a non-cash impairment charge of $800 relating to this goodwill. The determination that the fair value of goodwill was less than its carrying value resulted from a decline in market multiples, both from an industry and Loblaw perspective, and a reduction of fair value as determined using the discounted cash flow methodology, incorporating both current Loblaw and market assumptions, which in combination resulted in the goodwill impairment. In the second quarter of 2007, Loblaw completed its work and finalized the non-cash goodwill impairment charge of $800 that was recorded in 2006.

During the fourth quarters of 2007 and 2006, the Company performed the annual indefinite life intangible assets impairment tests and determined that there was no impairment of the carrying values of indefinite life intangible assets.

Goodwill acquired during 2007 includes $8 (2006 – $7) related to Loblaw's acquisition of franchise stores (see note 7). The consolidated balance sheet as at year end 2007 includes goodwill of independent franchisees that were consolidated by the Company pursuant to the requirements of AcG 15.