

10. DISCONTINUED OPERATIONS

On December 10, 2008, Dunedin Holdings S.à r.l., a subsidiary of GWL, announced it had agreed to sell its U.S. fresh bakery business to Grupo Bimbo, S.A.B. de C.V. The transaction closed on January 21, 2009 (see note 33).

Certain financial information has been reclassified in 2007 to present this disposal group as discontinued operations on the consolidated statement of earnings, as assets and liabilities of operations held for sale on the consolidated balance sheet and as cash flows from discontinued operations on the consolidated cash flow statement. The results of the discontinued operations were previously reported in the Weston Foods segment.

The results of discontinued operations presented in the consolidated statement of earnings were as follows:

	2008	2007
Sales	\$ 2,422	\$ 2,208
Operating income	218	219
Interest income and other financing charges ⁽¹⁾	(10)	(10)
Earnings before the following:	228	229
Income taxes	41	40
Earnings from discontinued operations	\$ 187	\$ 189

(1) In calculating earnings from discontinued operations, no general interest expense has been allocated to these operations.

The assets held for sale and related liabilities as at year end were as follows:

	2008	2007
Current assets of operations held for sale		
Accounts receivable	\$ 219	\$ 156
Inventories	40	27
Prepaid expenses and other assets	211	9
Fixed assets	618	
Goodwill and intangible assets	1,364	
Future income taxes	136	46
	\$ 2,588	\$ 238
Long term assets of operations held for sale		
Fixed assets		\$ 507
Goodwill and intangible assets		1,112
Future income taxes		94
Other assets		167
		\$ 1,880
Current liabilities of operations held for sale		
Bank indebtedness	\$ 22	\$ 25
Accounts payable and accrued liabilities	354	281
Income taxes	52	42
Future income taxes	2	
Other liabilities	190	
	\$ 620	\$ 348
Long term liabilities of operations held for sale		
Other liabilities		\$ 166
		\$ 166

The cash flows from discontinued operations were as follows:

	2008	2007
Cash flows from operations	\$ 247	\$ 305
Cash flows used in investing	(50)	(58)
Cash flows used in financing	(9)	
Cash flows from discontinued operations	\$ 188	\$ 247