19. LONG TERM DEBT

	2008	2007
George Weston Limited		
Debentures		
Series B, current rate 3.06%, due on demand(i)	**$ 263**	$ 220
Series A, 7.00%, due 2031(i)	**466**	466
Exchangeable Debentures, 3.00%, due 2023, redeemable in 2005(ii)		157
Notes		
5.90%, due 2009	**250**	250
6.45%, due 2011	**300**	300
5.05%, due 2014	**200**	200
12.70%, due 2030		
Principal	**150**	150
Effect of coupon repurchase	**(128)**	(131)
7.10%, due 2032	**150**	150
6.69%, due 2033	**100**	100
Loblaw Companies Limited		
Notes		
6.00%, due 2008(iii)		390
5.75%, due 2009	**125**	125
7.10%, due 2010	**300**	300
6.50%, due 2011	**350**	350
5.40%, due 2013	**200**	200
6.00%, due 2014	**100**	100
7.10%, due 2016	**300**	300
6.65%, due 2027	**100**	100
6.45%, due 2028	**200**	200
6.50%, due 2029	**175**	175
11.40%, due 2031		
Principal	**151**	151
Effect of coupon repurchase	**(55)**	(44)
6.85%, due 2032	**200**	200
6.54%, due 2033	**200**	200
8.75%, due 2033	**200**	200
6.05%, due 2034	**200**	200
6.15%, due 2035	**200**	200
5.90%, due 2036	**300**	300
6.45%, due 2039	**200**	200
7.00%, due 2040	**150**	150
5.86%, due 2043	**55**	55
Private placement notes(iv)		
6.48%, due 2013 (USD $150)	**180**	
6.86%, due 2015 (USD $150)	**181**	
Other at a weighted average interest rate of 11.50%, due 2009 to 2043	**9**	17
VIE loans payable(v) (note 31)	**152**	153
Capital lease obligations(v) (note 21)	**62**	62
Total long term debt	**5,986**	6,146
Less – amount due within one year	**(415)**	(432)
– amount due on demand (note 18)	**(263)**	(220)
	$ 5,308	$ 5,494

The schedule of repayment of long term debt, inclusive of VIE and other debt, based on maturity, excluding the amount due on demand, is as follows: 2009 – $415; 2010 – $333; 2011 – $681; 2012 – $25; 2013 – $409; thereafter – $3,860.

(i) During 2008, GWL issued $43 (2007 – $42) of Series B Debentures due on demand, which are at a current weighted average interest rate of 3.06%. The Series A, 7.00% and Series B Debentures are secured by a pledge of 9.6 million Loblaw common shares.

(ii) In 1998, GWL sold its Forest Products business to Domtar for proceeds of $803, consisting of $435 of cash and $368 of Domtar common shares. The Domtar common share investment was recorded in other assets (see note 16). GWL subsequently issued $375 of 3% Exchangeable Debentures due June 30, 2023. On March 7, 2007, pursuant to a transaction whereby Domtar was combined with the fine paper business of Weyerhaeuser Inc., Domtar common shares were exchanged for an equal number of either non-voting exchangeable shares of Domtar (Canada) Paper Inc. or common shares of Domtar Corporation ("New Domtar"). The Company elected to receive exchangeable shares of Domtar (Canada) Paper Inc. in exchange for its Domtar common shares. See note 30 for further implications of this transaction to the Company.

Each one thousand dollar principal amount of the Debentures was exchangeable at the option of the holder for 95.2381 New Domtar common shares. The Debentures became redeemable at the option of GWL after June 30, 2005. Upon notice of redemption by GWL or within 30 days prior to the maturity date, the holder had the option to exchange each one thousand dollar principal amount for 95.2381 New Domtar common shares plus accrued interest payable in cash.

GWL's obligation on the exchange or redemption of the Debentures could have been satisfied by delivery of a cash amount equivalent to the current market price of the common shares of New Domtar at such time, the common shares of New Domtar or any combination thereof. Upon maturity, GWL at its option could have delivered cash, the New Domtar common shares or any combination thereof equal to 95.2381 New Domtar common shares for each one thousand dollar principal amount of these Debentures. During a transitional period in 2007, whereby New Domtar was awaiting certain regulatory approvals regarding the delivery of New Domtar shares in exchange for exchangeable shares of Domtar (Canada) Paper Inc., GWL offered on the exchange or redemption of these Debentures, the exchangeable shares of Domtar (Canada) Paper Inc. On June 25, 2007, regulatory approval was received.

During 2008, GWL exercised its right to redeem all of the remaining outstanding 3% Exchangeable Debentures pursuant to the trust indenture dated June 29, 1998 made between GWL and Computershare Trust Company of Canada by paying cash of $633.08 per each one thousand dollar principal amount of Exchangeable Debentures for $137 plus accrued but unpaid interest of approximately $3, for an aggregate amount including interest of approximately $140. GWL also sold its investment in Domtar (Canada) Paper Inc. for $144 (see note 16) and used these proceeds to settle its obligation under the Exchangeable Debentures. The Company recorded a gain of $7 in operating income in 2008.

During 2008, nil (2007 – $3) of the GWL 3% Exchangeable Debentures were exchanged for the underlying shares prior to their redemption. A corresponding reduction in the investment in Domtar (Canada) Paper Inc. was recorded.

The carrying amount of the Debentures was based on the market price of the underlying common shares.

(iii) During 2008, the Loblaw $390 6.00% medium term note ("MTN") due June 2, 2008 matured and was repaid.

(iv) During 2008, Loblaw issued USD $300 of fixed rate unsecured notes in a private placement debt financing which contains certain financial covenants (see note 24). The notes were issued in two equal tranches of USD $150 with 5 and 7 year maturities at interest rates of 6.48% and 6.86%, respectively. Loblaw entered into fixed cross currency swaps, a portion of which is designated in a cash flow hedge to manage the foreign exchange risk. As at year end 2008, $361 was recorded in long term debt on the consolidated balance sheet. For further information on the Company's policies with respect to cash flow hedges, refer to note 1.

(v) Pursuant to the requirements of AcG 15, the consolidated balance sheet as at December 31, 2008 includes $179 (2007 – $183) of loans payable and capital lease obligations of VIEs consolidated by the Company, $35 (2007 – $32) of which is due within one year.

See note 28 for the fair value of long term debt.