

### **33. SUBSEQUENT EVENTS**

On January 21, 2009, Dunedin Holdings S.à r.l., a subsidiary of GWL, completed the sale of its U.S. fresh bakery business for gross and net proceeds of approximately USD \$2.5 billion, including approximately USD \$125 for interest bearing assets. The Company expects to recognize a gain on the sale of this business in discontinued operations in the first quarter of 2009 of approximately USD \$800, which is subject to normal post closing working capital and other adjustments. In addition, the Company expects to recognize a portion of the cumulative foreign currency translation loss currently reflected in shareholders' equity associated with the U.S. net investment in net earnings in the first quarter of 2009.

After the closing of the U.S. fresh bakery transaction in 2009, Dunedin Holdings S.à r.l. converted USD \$2.4 billion of its cash and short term investments to approximately \$3.0 billion Canadian dollars. The Company will recognize a foreign exchange loss of approximately \$50 associated with this conversion in net earnings in the first quarter of 2009 due to the strengthening of the Canadian dollar relative to the U.S. dollar between the closing date and the dates on which the proceeds were converted to Canadian dollars.

Weston Foods reorganized its remaining operations subsequent to the disposition of the U.S. fresh bakery business. The reorganization changed the composition of Weston Foods' reporting units for the purpose of goodwill impairment testing. As a result of this change, Weston Foods expects to record a write-down of a portion of the remaining goodwill related to the biscuits, cookies, cones and wafers business in an amount of up to USD \$60 in the first quarter of 2009.

Subsequent to year end, following the sale of the U.S. fresh bakery business, the Company terminated its \$300, 5-year committed credit facility. In addition, GWL repaid its \$250 5.90% MTN, and Loblaw repaid its \$125 5.75% MTN, both of which matured in the first quarter of 2009. Subsequent to year end GWL also provided the holders of its Preferred Shares, Series II with notice that on April 1, 2009 the Company will redeem for cash the 10.6 million outstanding shares for \$25.00 per share, or \$265 in aggregate, plus accrued and unpaid dividends to but excluding the date of redemption.