

6. BUSINESS ACQUISITIONS

During 2008, Weston Foods purchased a frozen bakery manufacturing facility in Ontario, Canada for cash consideration of \$10. The acquisition was accounted for using the purchase method of accounting. The fair value of the net assets acquired consisted of \$1 of inventories and \$10 of fixed assets, net of current liabilities of \$1.

In the normal course of business, Loblaw may acquire from time to time franchisee stores and convert them to corporate stores. In 2008, Loblaw acquired 1 franchisee business (2007 – 4 franchisee businesses). The acquisitions were accounted for using the purchase method of accounting with the results of the business acquired included in the consolidated financial statements from the date of acquisition. The fair value of the net assets acquired consisted of fixed assets of nil (2007 – \$3), other assets principally inventory of nil (2007 – \$1) and goodwill of \$1 (2007 – \$8) for cash consideration of \$1 (2007 – \$9), net of accounts receivable due from the franchisees of nil (2007 – \$3).