

## **7. BUSINESS DISPOSITIONS**

During 2008, Weston Foods sold the net assets of its Canadian dairy and bottling operations for cash proceeds of \$467, which resulted in a pre-tax gain of \$335 (\$281, net of tax). The carrying value of the net assets sold consisted of fixed assets of \$54, goodwill of \$11 and negative working capital of \$6. Prior to the closing, Weston Foods paid Loblaw \$65 in consideration of Loblaw's agreement to enter into a long term supply agreement with the dairy and bottling operations. This payment will be recognized into operating income by Loblaw over the term of the agreement as goods are purchased. The dairy and bottling operations generated sales of \$543 and operating income of \$47 for Weston Foods in 2008. Depreciation expense was \$6 in 2008.

In 2008, Loblaw disposed of its food service business for proceeds of \$36 which resulted in a pre-tax gain of \$22 in operating income (\$16, net of tax).