

21. SHARE CAPITAL

	2007	2006
Common share capital	\$ 133	\$ 133
Preferred shares, Series I	228	228
Preferred shares, Series II	260	260
Preferred shares, Series III	196	196
Preferred shares, Series IV	197	197
Preferred shares, Series V	196	196
Share capital	\$ 1,210	\$ 1,210

Common Share Capital (authorized – unlimited)

The changes in the common shares issued and outstanding during the year were as follows:

	2007		2006	
	Number of Common Shares	Common Share Capital	Number of Common Shares	Common Share Capital
Issued and outstanding, beginning of year	129,074,526	\$ 133	129,038,226	\$ 131
Issued from treasury ⁽¹⁾			36,300	2
Issued and outstanding, end of year	129,074,526	\$ 133	129,074,526	\$ 133
Weighted average outstanding	129,074,526		129,042,005	

(1) 2006 share capital includes \$2 issued for stock options exercised (see note 23).

Preferred Shares, Series I (authorized – unlimited) (\$)

Weston has 9.4 million 5.80% Preferred Shares, Series I outstanding, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.45 per share per annum. Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares as follows:

- On or after December 15, 2006 at \$26.00 per share
- On or after December 15, 2007 at \$25.75 per share
- On or after December 15, 2008 at \$25.50 per share
- On or after December 15, 2009 at \$25.25 per share
- On or after December 15, 2010 at \$25.00 per share

At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston.

Preferred Shares, Series II (authorized – unlimited) (\$)

Weston has 10.6 million 5.15% Preferred Shares, Series II outstanding, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.2875 per share per annum. On or after April 1, 2009, Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares at \$25.00 per share. On and after July 1, 2009, these outstanding preferred shares are convertible, at the option of the holder, into a number of Weston's common shares determined by dividing \$25.00 by the greater of \$2.00 and 95% of the then current market price of Weston's common shares. At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston.

Preferred Shares, Series III (authorized – unlimited) (\$)

Weston has 8.0 million 5.20% Preferred Shares, Series III outstanding, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.30 per share per annum. Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares as follows:

On or after July 1, 2010 at \$26.00 per share

On or after July 1, 2011 at \$25.75 per share

On or after July 1, 2012 at \$25.50 per share

On or after July 1, 2013 at \$25.25 per share

On or after July 1, 2014 at \$25.00 per share

At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston.

Preferred Shares, Series IV (authorized – unlimited) (\$)

Weston has 8.0 million 5.20% Preferred Shares, Series IV outstanding, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.30 per share per annum. Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares as follows:

On or after October 1, 2010 at \$26.00 per share

On or after October 1, 2011 at \$25.75 per share

On or after October 1, 2012 at \$25.50 per share

On or after October 1, 2013 at \$25.25 per share

On or after October 1, 2014 at \$25.00 per share

At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston.

Preferred Shares, Series V (authorized – unlimited) (\$)

During 2006, Weston issued 8.0 million 4.75% Preferred Shares, Series V for \$25.00 per share for net proceeds of \$194 million, which entitle the holder to a fixed cumulative preferred cash dividend of \$1.1875 per share per annum. In addition, included in share capital is a future tax benefit of \$2 million related to the deductibility of the issuance costs. Weston may, at its option, redeem for cash, in whole or in part, these outstanding preferred shares as follows:

On or after July 1, 2011 at \$26.00 per share

On or after July 1, 2012 at \$25.75 per share

On or after July 1, 2013 at \$25.50 per share

On or after July 1, 2014 at \$25.25 per share

On or after July 1, 2015 at \$25.00 per share

At any time after issuance, Weston may, at its option, give the holders of these preferred shares the right, at the option of the holder, to convert their preferred shares into preferred shares of a further series designated by Weston on a share-for-share basis on a date specified by Weston.

Notes to the Consolidated Financial Statements

Normal Course Issuer Bid (“NCIB”) (\$)

Weston intends to file a NCIB to purchase on the Toronto Stock Exchange or enter into equity derivatives to purchase up to 5% of each class of its common and preferred shares outstanding. Weston, in accordance with the rules and by-laws of the Toronto Stock Exchange, may purchase its common and preferred shares at the then market price of such shares. Weston did not purchase any common shares under its NCIB during 2007 or 2006.