

# Consolidated Balance Sheets


(in millions)	May 5, 2007	May 6, 2006
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 294.9	\$ 341.1
Receivables	326.8	275.4
Income taxes receivable	3.6	-
Inventories	757.5	694.3
Prepaid expenses	51.4	51.5
	1,434.2	1,362.3
Investments, at cost (quoted market value \$283.1; 2006 - \$398.9)	189.7	359.9
Investments, at equity (realizable value \$434.0; 2006 - \$425.3) (Note 5)	142.8	157.5
Property and equipment (Note 6)	2,302.9	2,143.6
Assets held for sale	24.1	23.1
Other assets (Note 7)	344.6	273.3
Goodwill	786.6	731.8
	\$ 5,224.9	\$ 5,051.5
<b>LIABILITIES</b>		
Current		
Bank indebtedness (Note 8)	\$ 30.1	\$ 98.6
Accounts payable and accrued liabilities	1,260.3	1,241.8
Income taxes payable	-	35.8
Future income taxes (Note 14)	40.4	46.1
Long-term debt due within one year	82.5	95.4
Liabilities relating to assets held for sale	6.8	7.1
	1,420.1	1,524.8
Long-term debt (Note 9)	792.6	707.3
Long-term lease obligation	36.9	20.8
Other liabilities (Note 10)	14.0	18.9
Employee future benefits obligation (Note 21)	102.1	97.3
Future income taxes (Note 14)	133.6	131.8
Minority interest	590.2	585.4
	3,089.5	3,086.3
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock (Note 11)	196.1	195.1
Contributed surplus	0.3	0.2
Retained earnings	1,939.6	1,771.0
Cumulative translation adjustment	(0.6)	(1.1)
	2,135.4	1,965.2
	\$ 5,224.9	\$ 5,051.5

Contingent liabilities (Note 19)

Subsequent events (Note 27)

Approved on behalf of the Board

  
 Director

  
 Director

See accompanying notes to the consolidated financial statements

## Consolidated Statements of Retained Earnings

52 Weeks Ended (in millions)	May 5, 2007	May 6, 2006
Balance, beginning of year	\$ 1,771.0	\$ 1,515.5
Net earnings	210.1	296.8
Adjustment to minority interest (Note 26)	-	(3.6)
Dividends		
Preferred shares	(0.4)	(0.3)
Common shares	(39.5)	(36.7)
Premium on common shares purchased for cancellation (Note 11)	(1.6)	(0.7)
Balance, end of year	\$ 1,939.6	\$ 1,771.0

See accompanying notes to the consolidated financial statements

# Consolidated Statements of Earnings

52 Weeks Ended (in millions except per share amounts)	May 5, 2007	May 6, 2006 Restated (Note 1)
Revenue	\$ 13,366.7	\$ 13,063.6
Operating expenses		
Cost of sales, selling and administrative expenses	12,724.0	12,378.2
Depreciation and amortization	243.9	225.8
	398.8	459.6
Investment income (Note 12)	41.5	31.8
Operating income	440.3	491.4
Interest expense		
Long-term debt	54.1	75.6
Short-term debt	6.0	8.2
	60.1	83.8
	380.2	407.6
Capital gains and other items (Note 13)	7.1	109.4
Earnings before income taxes and minority interest	387.3	517.0
Income taxes (Note 14)		
Current	104.8	141.8
Future	15.4	11.3
	120.2	153.1
Earnings before minority interest	267.1	363.9
Minority interest	57.0	67.1
Net earnings	\$ 210.1	\$ 296.8
Earnings per share (Note 4)		
Basic	\$ 3.20	\$ 4.53
Diluted	\$ 3.19	\$ 4.51
Weighted average number of common shares outstanding, in millions		
Basic	65.6	65.5
Diluted	65.7	65.7

See accompanying notes to the consolidated financial statements

# Consolidated Statements of Cash Flows

52 Weeks Ended (in millions)	May 5, 2007	May 6, 2006
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 210.1	\$ 296.8
Items not affecting cash (Note 15)	387.5	254.4
Preferred dividends	(0.4)	(0.3)
	597.2	550.9
Net change in non-cash working capital	(147.8)	75.7
Cash flows from operating activities	449.4	626.6
<b>INVESTING ACTIVITIES</b>		
Net decrease (increase) in investments	185.4	(132.0)
Net proceeds from sale of Wajax Income Fund	-	50.8
Proceeds from sale of property to Crombie REIT	-	267.7
Purchase of shares in subsidiary, Sobeys Inc.	(48.6)	(49.5)
Purchase of property, equipment and other	(545.2)	(546.4)
Proceeds from sale of other property	68.9	29.3
Business acquisitions, net of cash acquired	(95.9)	(92.8)
Cash flows used in investing activities	(435.4)	(472.9)
<b>FINANCING ACTIVITIES</b>		
Decrease in bank indebtedness	(68.5)	(110.6)
Increase in construction loans	1.2	-
Issue of long-term debt	159.6	409.5
Repayment of long-term debt	(103.0)	(362.5)
Minority interest	(8.3)	6.0
Repurchase of preferred shares	(0.8)	-
Issue of Non-Voting Class A shares	1.0	0.8
Repurchase of Non-Voting Class A shares for cancellation	(1.9)	(0.8)
Common dividends	(39.5)	(36.7)
Cash flows used in financing activities	(60.2)	(94.3)
(Decrease) increase in cash and cash equivalents	(46.2)	59.4
Cash and cash equivalents, beginning of year	341.1	281.7
Cash and cash equivalents, end of year	\$ 294.9	\$ 341.1

See accompanying notes to the consolidated financial statements