

## 8. EARNINGS PER COMMON SHARE

We calculate basic earnings per common share from continuing operations using net income from continuing operations less dividends on preferred securities, net of income taxes, divided by weighted average number of common shares outstanding. We calculate basic earnings per common share using net income attributable to common shareholders and the weighted-average number of common shares outstanding. We calculate diluted earnings per common share from continuing operations and diluted earnings per common share in the same manner as basic, except we use the weighted-average number of diluted common shares outstanding in the denominator.

(millions of shares)	2003	2002	2001
Weighted-average number of common shares outstanding	123.8	122.4	120.7
Shares issuable pursuant to stock options	6.2	8.1	4.7
Shares to be purchased from proceeds of stock options	(5.1)	(6.7)	(3.3)
Weighted-average number of diluted common shares outstanding	<u>124.9</u>	<u>123.8</u>	<u>122.1</u>

In calculating diluted earnings per common share for the year ended December 31, 2003, we excluded 2,817,023 options (2002 – 46,167; 2001 – 2,992,903), because the exercise price was greater than the annual average market price of our common shares in those periods. During these three years, outstanding stock options were the only dilutive instrument.