MAPLE LEAF FOODS INC.

Management's Discussion and Analysis

For the Second Quarter Ended

June 30, 2015

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July 30, 2015

FINANCIAL OVERVIEW

Maple Leaf Foods Inc. ("the Company") recorded sales from continuing operations of $820.8 million for the second quarter of 2015, a decrease of 1.3% from last year, or 2.6% after adjusting for the impact of foreign exchange. The decrease was primarily a result of lower selling prices due to lower market values within the Meat Products Group, partially offset by improved volume. Sales from continuing operations for the first six months was $1,601.0 million, an increase of 3.8%, or 2.5% after adjusting for the impact of foreign exchange, due to improved volume and a favourable sales mix, partially offset by lower selling prices due to lower market values within the Meat Products Group.

Adjusted Operating Earnings[(i)] for the second quarter increased to $21.8 million compared to a loss of $12.1 million last year. The Meat Products Group benefited from improved margins and reduced duplicative overhead in prepared meats and improved margins in fresh poultry, partially offset by lower margins in fresh pork. For the first six months, Adjusted Operating Earnings improved to $32.2 million compared to a loss of $42.0 million last year, due to factors similar to those noted above for the quarter and improved earnings in fresh pork.

Adjusted Earnings per Share[(ii)] was $0.13 for the second quarter of 2015 compared to a loss of $0.12 last year. For the first six months, Adjusted Earnings per Share was $0.18 compared to a loss of $0.36 last year.

Net loss from continuing operations for the second quarter was $7.5 million (loss of $0.05 per share[(iii)]) compared to a loss of $39.5 million (loss of $0.28 per share) last year. This included $7.3 million ($0.04 per share) of restructuring and other related costs (2014: $20.0 million, or $0.11 per share). The improvement in the quarter was due primarily to similar factors as noted above, lower restructuring and other related costs and interest expenses. For the first six months, net loss from continuing operations was $10.3 million (loss of $0.07 per share) compared to a loss of $164.2 million (loss of $1.17 per share) last year. This included $18.1 million ($0.10 per share) of restructuring and other related costs (2014: $41.8 million, or $0.22 per share). The year-to-date decrease was primarily due to non-recurring financing costs that were incurred last year in relation to the repayment of the Company's outstanding debt, lower selling, general and administrative costs, and similar factors discussed above.

Several items are excluded from the discussions of underlying earnings performance as they are not representative of ongoing operational activities. Refer to the section entitled Reconciliation of Non-IFRS Financial Measures at the end of this Management Discussion and Analysis on page 10 for a description and reconciliation of all non-IFRS financial measures.

Notes:

(i) *Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as earnings from continuing operations adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. Please refer to the section entitled Non-IFRS Financial Measures on page 10.*

(ii) *Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate ongoing financial operating results. It is defined as basic earnings per share from continuing operations attributable to common shareholders, and is adjusted on the same basis as Adjusted Operating Earnings. Please refer to the section entitled Non-IFRS Financial Measures on page 10.*

(iii) *Unless otherwise stated, all per share amounts are basic attributable to common shareholders.*

OPERATING REVIEW

The following table summarizes sales by business segment:

($ thousands) *(Unaudited)*	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	**2015**	2014
Meat Products Group	**$ 817,223**	$ 825,553	**$ 1,593,632**	$ 1,530,952
Agribusiness Group	**3,553**	6,237	**7,392**	12,185
Total Sales[(i)]	**$ 820,776**	$ 831,790	**$ 1,601,024**	$ 1,543,137

The following table summarizes Adjusted Operating Earnings by business segment:

($ thousands) *(Unaudited)*	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	**2015**	2014
Meat Products Group	**$ 17,680**	$ (15,644)	**$ 25,558**	$ (43,091)
Agribusiness Group	**4,109**	5,208	**6,641**	4,862
Protein Group	**$ 21,789**	$ (10,436)	**$ 32,199**	$ (38,229)
Non-Allocated Costs in Adjusted Operating Earnings[(ii)]	**—**	(1,614)	**—**	(3,749)
Adjusted Operating Earnings[(i)]	**$ 21,789**	$ (12,050)	**$ 32,199**	$ (41,978)

(i) *2014 figures exclude the results of the Bakery Products Group, which are reported as discontinued operations. Refer to Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

(ii) *Non-allocated costs are comprised of expenses not separately identifiable to business segment groups, and do not form part of the measures used by the Company when assessing the segments' operating results.*

Meat Products Group

Includes value-added prepared meats, lunch kits and snacks, and fresh pork and poultry products sold under leading Canadian brands such as Maple Leaf®, Schneiders® and many leading regional brands.

Sales in the Meat Products Group for the second quarter decreased 1.0% to $817.2 million, or 2.3% after adjusting for the weaker Canadian dollar. The decrease was a result of lower market prices in fresh pork partially offset by a favourable sales mix in fresh poultry, primarily driven by growth in branded poultry, and improved volume in prepared meats. The volume decline experienced in response to a price increase that was implemented in the second quarter of 2014 has now been largely restored.

For the first six months, sales increased 4.1% to $1,593.6 million, or 2.8% after adjusting for the weaker Canadian dollar, due primarily to a price increase implemented in prepared meats in the second quarter of 2014, increased volume in fresh pork and a favourable sales mix in fresh poultry.

Adjusted Operating Earnings for the second quarter increased to $17.7 million compared to a loss of $15.6 million last year, as a result of improved earnings in prepared meats, which benefited from normalized market conditions and lower operating costs compared to last year. This included a reduction in duplicative overhead, as the Company closed its eighth and final legacy plant, eliminating the last component of its duplicative supply chain. Earnings in fresh poultry increased as a result of improvements in margins driven by a favourable sales mix and operating efficiencies, which was partially offset by lower earnings in fresh pork as a result of reduced margins.

For the first six months, Adjusted Operating Earnings increased to $25.6 million compared to a loss of $43.1 million last year, due to similar factors noted above and improved earnings in the fresh pork business year-to-date, as a result of increased margins.

Agribusiness Group

Includes Canadian hog production operations that primarily supply the Meat Products Group with livestock as well as toll feed sales.

Sales in the Agribusiness Group for the second quarter declined to $3.6 million compared to $6.2 million last year, due to lower external sales volume for feed. Sales in the first six months declined to $7.4 million compared to $12.2 million last year due to the same reason.

Adjusted Operating Earnings in the second quarter decreased to $4.1 million compared to $5.2 million last year as increased operating overhead relating to the conversion of existing farms to loose sow housing was partially offset by the benefit of hog prices, net of hedging activities. For the first six months, Adjusted Operating Earnings increased to $6.6 million compared to $4.9 million last year, as the benefit from hog prices, net of hedging activities, more than offset increased operating overhead.

Non-allocated Costs

Non-allocated amounts that are excluded from Adjusted Operating Earnings in the second quarter comprise of a $24.2 million loss due to changes in the fair value of biological assets (2014: loss of $18.9 million) and a $2.4 million unrealized loss on futures contracts (2014: gain of $26.7 million). In 2014, a realized loss of $16.1 million on commodity futures contracts was excluded from Adjusted Operating Earnings.

For the first six months, non-allocated costs that are excluded from Adjusted Operating Earnings comprise of a $31.4 million loss due to changes in the fair value of biological assets (2014: gain of $21.4 million) and an $8.7 million unrealized gain on futures contracts (2014: loss of $9.8 million). In 2014, a realized loss of $16.1 million on commodity futures contracts and an $8.7 million expense related to the modification of a long-term incentive compensation plan were excluded from Adjusted Operating Earnings, as described in Note 24 of the 2015 second quarter unaudited condensed consolidated interim financial statements.

There were no non-allocated costs included in Adjusted Operating Earnings for the three and six months ended June 30, 2015. In 2014 expenses of $1.6 million and $3.7 million for the three and six months, respectively, were included in Adjusted Operating Earnings and related to corporate costs that were not allocated to any reportable segment.

The changes in the fair value of biological assets and unrealized and realized (gains) losses on futures contracts have been excluded from Adjusted Operating Earnings, as the economic impact of these transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. The long-term incentive plan expense is excluded from Adjusted Operating Earnings, as this modification was a decision made as a result of the sale of the Company's interest in Canada Bread, and is not considered representative of ongoing operational activities of the business.

DIVESTITURE OF CANADA BREAD AND DISCONTINUED OPERATIONS

On May 23, 2014, Grupo Bimbo, S.A.B. de C.V. of Mexico ("Grupo Bimbo") acquired the 90.0% of issued and outstanding shares of Canada Bread Company, Limited ("Canada Bread") owned by the Company, by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) (the "Arrangement"). The Company received gross proceeds of $1,657.0 million (which included its share of the dividend paid upon closing of the Arrangement) for its 90.0% interest in Canada Bread, resulting in a pre-tax gain of $997.0 million for the year ended December 31, 2014. Upon the sale of the business, the net assets of Canada Bread were derecognized.

The discontinued operations loss for the three and six months of 2015 pertains to additional transaction costs associated with the disposal of the Bakery Products Group in the prior year and incurred in the current year.

There were no sales from discontinued operations for the three and six months of 2015. Sales from discontinued operations for the three and six months of 2014 were $225.0 million and $567.9 million, respectively, relating to Canada Bread.

Net earnings from discontinued operations for the second quarter of 2014 was $938.4 million. This included $940.2 million in earnings from Canada Bread and residual expenses relating to the divestiture of the Rothsay business.

Net earnings from discontinued operations for the first six months of 2014 was $931.0 million. This included $933.5 million in earnings from Canada Bread and residual expenses relating to the divestiture of the Olivieri and Rothsay businesses.

For additional information on discontinued operations please see Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.

GROSS MARGIN

Gross margin in the second quarter increased to $75.7 million (9.2% of sales) compared to $59.3 million (7.1% of sales) last year, largely due to margin improvement in the Meat Products Group. Prepared meats benefited from normalized market conditions and lower operating costs, including a reduction in duplicative overhead, as the Company closed its eighth and final legacy plant, eliminating the last component of its duplicative supply chain. Fresh poultry benefited from a favourable sales mix, partially offset by reduced margins in fresh pork. Also included in gross margin was a $5.3 million decrease in the fair value of biological assets and a $13.0 million decrease in the fair value of realized and unrealized mark-to-market contracts compared to last year.

For the first six months of 2015, gross margin was $165.0 million (10.3% of sales) compared to $107.3 million (7.0% of sales) last year. The increase in gross margin was a result of similar factors noted above. Included in gross margin was a $52.8 million decrease in the fair value of biological assets and a $34.6 million increase in the fair value of realized and unrealized mark-to-market contracts compared to last year.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

In the second quarter of 2015, selling, general and administrative expense increased by 0.9% to $80.5 million (9.8% of sales) compared to $79.8 million (9.6% of sales) last year.

In the first six months of 2015, selling, general and administrative expense decreased by 4.3% to $155.5 million (9.7% of sales) compared to $162.4 million (10.5% of sales) last year. The decrease was largely driven by an $8.7 million expense related to the modification of a long-term incentive compensation plan recorded in the first quarter of 2014, as described in Note 24 of the 2015 second quarter unaudited condensed consolidated interim financial statements. The long-term incentive plan expense was excluded from Adjusted Operating Earnings as this modification was a decision made as a result of the then planned sale of the Company's interest in Canada Bread, and was therefore not considered representative of ongoing operational activities of the business.

OTHER INCOME (EXPENSE)

Other expense for the second quarter of 2015 was $0.8 million (2014: expense of $4.7 million) and included a depreciation charge on assets servicing divested businesses and a net loss on investment properties, partially offset by a gain on assets held for sale. Other expense in the second quarter of 2014 included a $1.8 million depreciation charge on assets servicing divested businesses.

For the first six months of 2015, other expense was $6.7 million (2014: expense of $3.4 million) and included a depreciation charge on assets servicing divested businesses and a net loss on investment properties, partially offset by a gain on assets held for sale. Other expense in the first six months of 2014 included a $1.8 million depreciation charge on assets servicing divested businesses.

Certain items in other income (expense) are excluded from the calculation of Adjusted EBITDA[(i)] and Adjusted Earnings per Share as they are not considered representative of ongoing operational activities of the business. Other income (expense) used in the calculation of Adjusted Earnings per Share for the second quarter of 2015 is an expense of $0.1 million (2014: expense of $1.1 million), and an expense of $0.3 million (2014: expense of $0.3 million) for the first six months.

[(i)] *Adjusted EBITDA is calculated as earnings from continuing operations before interest and income taxes plus depreciation and intangible asset amortization, adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. Please refer to the section entitled Non-IFRS Financial Measures on page 10.*

RESTRUCTURING AND OTHER RELATED COSTS

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
MEAT PRODUCTS GROUP				
Management and organizational structure changes				
Severance	**$ —**	$ 85	**$ 131**	$ 440
Site closing and other costs	**—**	—	**—**	(32)
	$ —	$ 85	**$ 131**	$ 408
Strategic value creation initiatives				
Severance	**$ 86**	$ (217)	**$ 176**	$ (1,601)
Site closing and other costs	**2,874**	(521)	**5,838**	(525)
Asset impairment and accelerated depreciation	**2,977**	7,241	**7,214**	13,263
Retention	**(314)**	4,549	**790**	11,064
	$ 5,623	$ 11,052	**$ 14,018**	$ 22,201
Plant closure				
Severance	**$ —**	$ (63)	**$ 4**	$ (63)
	$ —	$ (63)	**$ 4**	$ (63)
Total Meat Products Group	**$ 5,623**	$ 11,074	**$ 14,153**	$ 22,546
NON-ALLOCATED				
Management and organizational structure changes				
Severance[(i)]	**$ 989**	$ 8,822	**$ 2,545**	$ 19,116
Site closing and other costs	**677**	—	**632**	—
Pension	**—**	100	**804**	100
Total Non-Allocated	**$ 1,666**	$ 8,922	**$ 3,981**	$ 19,216
Total restructuring and other related costs	**$ 7,289**	$ 19,996	**$ 18,134**	$ 41,762

(i) *2014 amount includes share based payments as described in Note 24 of the 2015 second quarter unaudited condensed consolidated interim financial statements.*

Amounts in the table above are net of reversals.

A brief description of the projects is as follows:

Management and Organizational Structure Changes

The Company has recorded restructuring and other related costs pertaining to organizational delayering and changes to its management structure, related to the sale of Canada Bread and to other initiatives.

Strategic Value Creation Initiatives

The Company's Meat Products Group has recorded restructuring costs related to changes in its manufacturing and distribution network as part of implementing the Value Creation Plan.

Plant Closure

This category includes plant closures not related to the Company's Strategic Value Creation Initiatives described above. There were no such plant closures in the second quarter and first six months of 2015. During the second quarter and first six months of 2014, the Company's Meat Products Group recorded restructuring costs related to the closure of a plant located in Ayr, Ontario.

Impairment

During the second quarter and first six months of 2015 and 2014, the Company did not record any impairments or reversals of impairments of fixed assets through restructuring and other related costs.

Restructuring and other related costs were originally estimated to be $13.0 million for 2015. The Company's current estimate has been updated to a range between $25.0 million and $30.0 million for the year.

INTEREST EXPENSE AND OTHER FINANCING COSTS

Interest expense and other financing costs for the second quarter of 2015 were $1.1 million compared to $9.7 million last year, primarily due to lower debt levels. For the first six months, interest expense and other financing costs were $2.3 million compared to $124.4 million last year. The decrease was mainly due to nonrecurring financing costs of $98.6 million related to the repayment of the Company's outstanding debt in the second quarter of 2014. The financing costs were comprised of a $76.3 million early repayment premium to lenders, $12.7 million of financing fees, and a $9.6 million loss transferred from accumulated other comprehensive income into earnings due to the settlement of interest rate swaps.

INCOME TAXES

The Company's income tax recoverable relating to continuing operations for the second quarter of 2015 resulted in an effective tax rate of 46.0%, (2014: 25.9%). The higher effective rate of taxes recoverable in 2015 is primarily the result of the favourable resolution of an income tax audit, the effective tax rate excluding this item is 24.8%. For 2015, the effective tax rate used in the computation of Adjusted Earnings per Share is 26.3% (2014: 25.7%) on restructuring charges and 26.0% (2014: 33.0%) on items not considered representative of ongoing operations. The higher tax rate in 2014 on items not considered representative of ongoing operations was primarily due to an adjustment in the income tax recovery recorded on the repayment of U.S. denominated notes and the termination of cross currency interest rate swaps.

The Company's income taxes recoverable relating to continuing operations for the six months ended June 30, 2015 resulted in an effective tax rate of 41.6%. (2014: 26.1%). The higher effective rate of taxes recoverable for the first six months of 2015 is for reasons stated above, the effective tax rate excluding this item is 24.9%. For the first six months of 2015, the effective tax rate used in the computation of Adjusted Earnings per Share is 26.0% (2014: 25.7%) on restructuring charges and 26.0% (2014: 27.5%) on items not considered representative of ongoing earnings. The higher tax rate for the first six months of 2014 on items not considered representative of ongoing operations was due to similar factors, as stated above.

ACQUISITIONS AND DIVESTITURES

There were no acquisitions or divestitures relating to continuing operations during the three and six months ended June 30, 2015 and 2014.

CAPITAL RESOURCES

The consumer packaged meats industry in which the Company operates is generally characterized by high sales volume and high turnover of inventories and accounts receivable. In general, accounts receivable and inventories are readily convertible into cash. Investment in working capital is affected by fluctuations in the price of raw materials, seasonal and other market-related fluctuations. For example, although an increase or decrease in pork commodity prices may not affect margins, the pricing change can have a material effect on investments in working capital (primarily inventory and accounts receivable). The Company has in the past consistently generated a strong base level of operating cash flow, even in periods of higher commodity prices and restructuring of its operations. These operating cash flows provide a base of underlying liquidity that the Company supplements with credit facilities and cash on hand to provide longer-term funding and to finance fluctuations in working capital levels.

On February 3, 2015, the Company amended its existing $200.0 million committed credit facility by extending the maturity date of the facility to June 30, 2016 under similar terms and conditions using the same syndicate of Canadian, U.S., and international institutions. The committed facility is unsecured and bears interest based on short-term interest rates. The facility is intended to meet the Company's funding requirements for general corporate purposes and to provide appropriate levels of liquidity. As at June 30, 2015, the Company had drawn letters of credit of $59.3 million (2014: $87.8 million) on this facility.

On August 6, 2014, the Company entered a new uncommitted credit facility for issuing up to a maximum of $120.0 million of letters of credit. As at June 30, 2015, $69.5 million of letters of credit had been issued thereon. These letters of credit have been collateralized with cash, as further described in Note 4 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.

The Company's cash balance as at June 30, 2015, is $409.9 million. The Company has invested in short-term deposits in Canadian financial institutions with long-term debt ratings of A or higher.

To access competitively priced financing and to further diversify its funding sources, the Company operates accounts receivable securitization facilities, under which it has sold certain accounts receivable, with very limited recourse, to an entity owned by an international financial institution with a long-term AA- debt rating. The receivables are sold at a discount to face value based on prevailing money market rates. As at June 30, 2015, the Company had $208.7 million (2014: $214.9 million) of trade accounts receivable serviced under these facilities. In return for the sale of these receivables, the Company will receive cash of $98.8 million (2014: $94.9 million) and notes receivable in the amount of $109.9 million (2014: $120 million). Due to the timing of receipts and disbursements, the Company may, from time to time, record a receivable or payable related to the securitization facility, and as at June 30, 2015, the Company recorded a net payable of $6.4 million in accounts payable and accruals (2014: $1.4 million net receivable). The maximum cash advance available to the Company under this program is $110.0 million. These facilities were accounted for as an off-balance sheet transaction in accordance with International Financial Reporting Standards ("IFRS").

The Company's securitization and other credit facilities are subject to certain restrictions, including the maintenance of covenants. The Company was in compliance with all of the requirements of these facilities as at June 30, 2015. If the securitization was to be terminated, the Company would recognize the related amounts on the consolidated balance sheet and consider alternative financing if required.

CAPITAL EXPENDITURES

Capital expenditures for the second quarter of 2015 were $43.3 million compared to $81.5 million, or $74.0 million excluding discontinued operations, in 2014. Expenditures in the second quarter of 2015 primarily related to profit maintenance and enhancement projects in prepared meats. The decrease is attributable to higher spend on the prepared meats processing facility in Hamilton, Ontario in 2014.

Capital expenditures for the first six months of 2015 were $69.1 million compared to $160.4 million, or $142.6 million excluding discontinued operations, in 2014, due to the same factors noted above.

NORMAL COURSE ISSUER BID

On March 23, 2015, the Company announced that the Toronto Stock Exchange ("TSX") accepted a notice filed by the Company to establish a normal course issuer bid ("NCIB") program. The NCIB program commenced on March 25, 2015 and will terminate on March 24, 2016, or on such earlier date as the Company may complete its purchases pursuant to a Notice of Intention filed with the TSX. Under the NCIB program, the Company is authorized to purchase up to 8.65 million of its common shares by way of normal course purchases effected through the facilities of the TSX and/or alternative

Canadian trading platforms. Common shares purchased by the Company will be canceled. During the three and six months ended June 30, 2015, 1,786,400 shares were purchased for cancellation for $41.9 million.

CASH FLOW AND FINANCING

Net Cash, a non-IFRS measure as described on page 10, was $399.2 million at the end of the second quarter of 2015, compared to $529.3 million in 2014, and net cash of $485.8 million as at December 31, 2014. The decrease in cash for the six months ended June 30, 2015 was largely due to share repurchases, investment in property and equipment and a higher quarterly dividend payment offset by higher earnings from operations.

Cash Flow from Operating Activities

Cash provided by operations for the quarter was $74.5 million compared to cash used of $340.9 million in the second quarter of 2014. The improvement was primarily due to higher earnings from continuing operations, a lower investment in working capital and the one time payments of $76.3 million and $23.6 million related to the repayment of Company's senior notes including an early repayment premium and the termination of related swaps, respectively, in the second quarter of 2014.

Cash Flow from Financing Activities

Cash used in financing activities was $52.5 million for the quarter compared to $1,249.4 million in the second quarter of 2014. Cash used in the second quarter of 2015 primarily related to share repurchases under the NCIB program of $41.9 million and a higher quarterly dividend payment of $11.4 million compared to $5.7 million last year. Cash used in the second quarter of 2014 primarily related to the repayment of all the Company's senior notes and outstanding balance on the credit facility.

Cash Flow from Investing Activities

Cash used in investing activities was $39.2 million for the quarter compared to cash provided of $1,515.0 million in the second quarter of 2014. Cash used in the second quarter of 2015 primarily related to capital expenditures. Cash provided in the second quarter of 2014 primarily related to proceeds received from the Canada Bread sale of $1,647.0 million, partially offset by associated transaction costs and capital expenditures relating mainly to the construction of the new prepared meats facility in Hamilton, Ontario.

Credit Risk

Credit risk refers to the risk of losses due to failure of the Company's customers and counterparties to meet their payment obligations.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the retail, foodservice, industrial, and convenience channels. The Company performs ongoing credit evaluations of new and existing customers' financial conditions and reviews the collectability of its trade accounts receivable and other receivables in order to mitigate any possible credit losses. As at June 30, 2015, an insignificant amount of the Company's accounts receivable were greater than 60 days past due. The Company maintains an allowance for doubtful accounts relating to specific losses estimated on individual exposures. As at June 30, 2015, the Company has recorded an allowance for doubtful accounts of $0.0 million (2014: $0.0 million).

Management believes concentrations of credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company's major customers, the large number and geographic dispersion of smaller customers, and the operation of the accounts receivable securitization facility as mentioned previously. The Company does, however, conduct a significant amount of business with a small number of large grocery retailers.

During the second quarter of 2015, the Company reported sales to one customer representing 14.6% of total sales. During the second quarter of 2014, the Company reported sales to two customers representing 12.8% and 12.6% of total sales. No other sales were made to any one customer that represented in excess of 10% of total sales.

During the first six months of 2015, the Company reported sales to one customer representing 14.6% of total sales. During the first six months of 2014, the Company reported sales to two customers representing 13.3% and 12.3% of total sales. No other sales were made to any one customer that represented in excess of 10% of total sales.

The Company is exposed to credit risk on its notes receivable from a financial institution that holds an equity interest in an unconsolidated structured entity as described in Note 28 of the 2014 annual consolidated financial statements. Management believes that this credit risk is limited by the long-term AA- debt rating held by the counterparty. The Company is exposed to credit risk on its cash and cash equivalents (comprising primarily of deposits and short-term placements with Canadian chartered banks) and non-exchange-traded derivative contracts. The Company mitigates this credit risk by only dealing with counterparties that are major international financial institutions with long-term debt ratings of A or higher. The Company's maximum exposure to credit risk at the balance sheet date consisted primarily of the carrying value of non-derivative financial assets and non-exchange-traded derivatives with positive fair values.

CHANGE IN FAIR VALUE OF NON-DESIGNATED INTEREST RATE SWAPS

In the second quarter of 2015, the Company recorded a gain of $1.2 million, compared to a gain of $2.0 million last year, due to changes in the fair value of interest rate swaps. For the first six months of 2015, the Company recorded a gain of $2.8 million, compared to a gain of $3.1 million last year, due to changes in the fair value of interest rate swaps.

SHARE CAPITAL

As at July 22, 2015, there were 140,789,189 common shares issued and outstanding.

OTHER MATTERS

On July 30, 2015, the Company declared a dividend of $0.08 per share payable September 30, 2015, to shareholders of record at the close of business on September 4, 2015. Unless indicated otherwise by the Company in writing on or before the time the dividend is paid, the dividend will be considered an Eligible Dividend for the purposes of the “Enhanced Dividend Tax Credit System”.

RELATED PARTY TRANSACTIONS

The Company's 90.0% controlling interest in Canada Bread, a publicly traded subsidiary, was consolidated into the Company’s results and presented as a discontinued operation, until its sale in May 2014. Transactions between the Company and its consolidated entities have been eliminated from the Company's results. Subsequent to the sale of this controlling interest, Canada Bread ceased to be a related party of the Company and the Company is no longer consolidating the results and the related balance sheet of Canada Bread, as discussed in Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.

The Company sponsors a number of defined benefit and defined contribution plans. During the three months ended June 30, 2015, the Company received $0.0 million (2014: $0.2 million) from the defined benefit pension plans for the reimbursement of expenses incurred by the Company to provide services to these plans. During the three months ended June 30, 2015, the Company’s contributions to these plans were $2.2 million (2014: $6.9 million), which includes $0.0 million (2014: $1.5 million) made by Canada Bread, which has been presented as discontinued operations.

During the six months ended June 30, 2015, the Company received $0.0 million (2014: $0.4 million) from the defined benefit pension plans for the reimbursement of expenses incurred by the Company to provide services to these plans. During the six months ended June 30, 2015, the Company’s contributions to these plans were $4.8 million (2014: $17.0 million), which includes $0.0 million (2014: $3.7 million) made by Canada Bread, which has been presented as discontinued operations.

The Company’s largest shareholder is McCain Capital Inc. (“MCI”) which is beneficially owned and controlled by Mr. Michael H. McCain, Chief Executive Officer and President of the Company. During the three and six months ended June 30, 2015, the Company incurred expenses of $0.1 million and $0.2 million respectively, which represents the market value of the transactions with MCI.

During the three and six months ended June 30, 2015, the Company agreed to sublease office space to McCain Financial Advisory Services, an entity jointly controlled by Mr. Michael H. McCain, for cost equal to the amount that the Company is obligated to pay under its lease.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information (in thousands of dollars except per share information):

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total[iii]
Sales[i]	**2015**	**$ 780,248**	**$ 820,776**	**$ —**	**$ —**	**$ —**
	2014	711,347	831,790	820,097	794,007	3,157,241
	2013	689,353	759,265	757,848	748,311	2,954,777
Net earnings (loss) from continuing operations[i]	**2015**	**$ (2,802)**	**$ (7,519)**	**$ —**	**$ —**	**$ —**
	2014	(124,606)	(39,544)	(26,671)	(22,992)	(213,813)
	2013	(30,644)	(38,366)	(24,474)	(47,941)	(141,425)
Net earnings (loss)	**2015**	**$ (2,861)**	**$ (7,524)**	**$ —**	**$ —**	**$ —**
	2014	(131,994)	898,855	(26,767)	(28,188)	711,906
	2013	(14,742)	9	15,521	511,375	512,163
Earnings (loss) per share from continuing operations[i]						
Basic[ii]	**2015**	**$ (0.02)**	**$ (0.05)**	**$ —**	**$ —**	**$ —**
	2014	(0.89)	(0.28)	(0.19)	(0.16)	(1.51)
	2013	(0.22)	(0.27)	(0.18)	(0.34)	(1.01)
Diluted[ii]	**2015**	**$ (0.02)**	**$ (0.05)**	**$ —**	**$ —**	**$ —**
	2014	(0.89)	(0.28)	(0.19)	(0.16)	(1.51)
	2013	(0.22)	(0.27)	(0.18)	(0.34)	(1.01)
Adjusted EPS[ii][iv]	**2015**	**$ 0.05**	**$ 0.13**	**$ —**	**$ —**	**$ —**
	2014	(0.24)	(0.12)	(0.12)	(0.08)	(0.56)
	2013	(0.24)	(0.25)	(0.19)	(0.41)	(1.08)
Earnings (loss) per share[ii]						
Basic[ii]	**2015**	**$ (0.02)**	**$ (0.05)**	**$ —**	**$ —**	**$ —**
	2014	(0.95)	6.38	(0.19)	(0.20)	5.03
	2013	(0.11)	(0.02)	0.09	3.58	3.55
Diluted[ii]	**2015**	**$ (0.02)**	**$ (0.05)**	**$ —**	**$ —**	**$ —**
	2014	(0.95)	6.38	(0.19)	(0.20)	5.03
	2013	(0.11)	(0.02)	0.09	3.58	3.55

(i) *Figures exclude discontinued operations.*

(ii) *Basic and diluted earnings (loss) per share, earnings (loss) per share from continuing operations and Adjusted Earnings (loss) per Share from continuing operations are based on amounts attributable to common shareholders.*

(iii) *May not add due to rounding.*

(iv) *Refer to Non-IFRS Financial Measures starting on page 10.*

Quarterly sales in 2015 were affected by lower market prices in fresh pork offset by improved volume and increased pricing in 2014 in prepared meats, and a favourable sales mix in fresh poultry. Quarterly sales in 2014 were affected by higher market prices in fresh pork, increased pricing in prepared meats in 2013 and 2014, offset by lower volume in prepared meats.

Quarterly net earnings from continuing operations in 2015 were affected by price increases in prepared meats in 2014, lower transitional costs, improved poultry processing margins, restructuring and other related costs, changes in fair value of non-designated interest rate swaps, (gains) losses from changes in market values of biological assets, and (gains) losses on futures contracts. Quarterly net earnings from continuing operations in 2014 were affected by transitional costs, lower volume and compressed margins due to increased raw material costs in prepared meats, higher market prices for hogs, early redemption financing costs, restructuring and other related costs, the expense related to a modification of a long-term incentive plan and changes in fair value of non-designated interest rate swaps, (gains) losses from changes in market values of biological assets, and (gains) losses on futures contracts.

For an explanation and analysis of quarterly results, please refer to the Company's Management's Discussion and Analysis for each of the respective quarterly periods which is filed on SEDAR and also available on the Company's website at www.mapleleaffoods.com.

SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards Adopted During the Period

For the first time beginning on January 1, 2015, the Company adopted certain standards and amendments. As required by IAS 34 Interim Financial

Reporting and IAS 8 Accounting Policies, Change in Accounting Estimates and Errors, the nature and the effect of these changes are disclosed below:

Employee Benefits

Beginning on January 1, 2015, the Company adopted the amendments to IAS 19 Employee Benefits retrospectively. The amendments to IAS 19 required contributions from employees or third parties that are linked to service to be attributed to periods of service as a negative benefit. The amendments to IAS 19 provide simplified accounting in certain situations. If the amount of contribution is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service costs in the period in which the service is rendered, instead of allocating the contributions to the period's service. The adoption of the amendments to IAS 19 did not have a material impact on the Company's consolidated financial statements.

Annual Improvements to IFRS (2010 – 2012) and (2011 – 2013) Cycles

Beginning on January 1, 2015, the Company adopted various amendments to a total of seven standards including disclosure on the aggregation of operating segments in IFRS 8 Operating Segments, measurement of short-term receivables and payables under IFRS 13 Fair Value Measurement, definition of related party in IAS 24 Related Party Disclosures, and other amendments. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Accounting Pronouncements Issued But Not Yet Effective

Annual Improvements to IFRS (2012-2014) Cycle

In September 2014, the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvement process. Amendments were made to clarify items including the consistent classification of assets if they are reclassified from held for sale to held for distribution in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and clarification of interim financial statement disclosure requirements regarding offsetting financial assets and liabilities and clarification of whether a servicing contract constitutes continuing involvement for the purposes of disclosures of transferred financial assets that are derecognized under IFRS 7 Financial Instruments: Disclosures. The amendments also include clarification that the currency of the bonds used to estimate the discount rate for pension obligations must be the same as the currency in which the benefits will be paid under IAS 19 Employee Benefits and additional requirements under IAS 34 Interim Financial Reporting that cross-referenced information from the interim financial statements must be available at the same time and on the same terms as the interim financial statements. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning January 1, 2016. The extent of the impact of the adoption of the amendments have not yet been determined.

Joint Arrangements

In May 2014, IFRS 11 Joint Arrangements was amended to require an acquisition of a joint operation that constitutes a business to be accounted for using the principles of business combinations in IFRS 3 Business Combinations. This amendment applies to both initial and additional interest acquired in the joint operation. The Company intends to adopt the amendments to IFRS 11 in its consolidated financial statements for the annual period beginning January 1, 2016. The extent of the impact of the adoption of amendments to IFRS 11 has not yet been determined.

Consolidated Financial Statements and Investments in Associates and Joint Ventures

In September 2014, IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures were amended to clarify an inconsistency between the two standards relating to the sale or contribution of assets from an investor to its associate or joint venture. The amendment requires that a full gain or loss is recorded if the sold or contributed assets do not constitute a business. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning January 1, 2016. The extent of the impact of the adoption of the amendments have not yet been determined.

Revenue Recognition

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. IFRS 15 replaces the detailed guidance on revenue recognition requirements that currently exists under IFRS. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers, unless the contracts are within the scope of other IFRSs. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets that are not an output of the Company's ordinary activities. Additional disclosure is required under the standard, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods, and key judgments and estimates. In July 2015, the effective date for IFRS 15 was deferred to apply to annual periods beginning on or after January 1, 2018; early application is permitted either following a full retrospective approach or a modified retrospective approach. The modified retrospective approach allows the standard to be applied to existing contracts beginning the initial period of adoption and restatements to the comparative periods are not required. The Company is required to disclose the impact by financial line item as a result of the adoption of the new standard. The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning January 1, 2018. The extent of the impact of adoption of IFRS 15 has not yet been determined.

Financial Instruments – Recognition and Measurement

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments with a mandatory effective date of January 1, 2018. The new standard brings together the classification and measurements, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. The Company intends to adopt IFRS 9 in its consolidated financial statements for the annual period beginning January 1, 2018. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

The disclosure requirements in IFRS 7 Financial Instruments - Disclosure have also been amended to include the additional disclosure required under IFRS 9. The Company intends to adopt these amendments to IFRS 7 at the same time as adoption of IFRS 9. The extent of the impact of the adoption of the amendments to IFRS 7 has not yet been determined.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting during the period beginning on January 1, 2015, and ended on June 30, 2015, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

NON-IFRS FINANCIAL MEASURES

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, and Net Cash (Debt). Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted Operating Earnings

Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as net earnings (loss) before income taxes from continuing operations adjusted for items that are not considered representative of ongoing operational activities of the business and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. The table below provides a reconciliation of net earnings (loss) from continuing operations as reported under IFRS in the unaudited consolidated interim statements of earnings (loss) to Adjusted Operating Earnings for the three and six months ended, as indicated below. Management believes that this basis is the most appropriate on which to evaluate operating results, as they are representative of the ongoing operations of the Company.

	Three months ended June 30, 2015			
($ thousands) *(Unaudited)*	**Meat Products Group**	**Agribusiness Group**	**Non-allocated costs**	**Consolidated**
Net earnings (loss) from continuing operations				**$ (7,519)**
Income taxes				**(6,410)**
Earnings (loss) before income taxes from continuing operations				**$ (13,929)**
Interest expense and other financing costs				**1,062**
Other (income) expense	**170**	**(66)**	**744**	**848**
Restructuring and other related costs	**5,623**	**—**	**1,666**	**7,289**
Earnings (loss) from continuing operations	**$ 17,680**	**$ 4,109**	**$ (26,519)**	**$ (4,730)**
Decrease (increase) in fair value of biological assets[(i)]	**—**	**—**	**24,160**	**24,160**
Unrealized (gains) loss on futures contracts[(ii)]	**—**	**—**	**2,359**	**2,359**
Adjusted Operating Earnings	**$ 17,680**	**$ 4,109**	**$ —**	**$ 21,789**

(i) *Refer to Note 7 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Realized and unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

	Three months ended June 30, 2014			
($ thousands) *(Unaudited)*	Meat Products Group	Agribusiness Group	Non-allocated costs	Consolidated
Net earnings (loss) from continuing operations				$ (39,544)
Income taxes				(13,863)
Earnings (loss) before income taxes from continuing operations				$ (53,407)
Interest expense and other financing costs				9,652
Change in the fair value of non-designated interest rate swaps				(1,382)
Other (income) expense	1,053	(163)	3,810	4,700
Restructuring and other related costs	11,074	—	8,922	19,996
Earnings (loss) from continuing operations	$ (15,644)	$ 5,208	$ (10,005)	$ (20,441)
Decrease (increase) in fair value of biological assets[(i)]	—	—	18,884	18,884
Realized (gains) loss on futures contracts[(ii)]	—	—	16,100	16,100
Unrealized (gains) loss on futures contracts[(ii)]	—	—	(26,727)	(26,727)
Modification of long-term incentive plan[(iii)]	—	—	134	134
Adjusted Operating Earnings[(iv)]	$ (15,644)	$ 5,208	$ (1,614)	$ (12,050)

(i) *Refer to Note 7 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Realized and unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

(iii) *Modification of long-term incentive plan is reported within selling, general and administrative expenses on the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

(iv) *Figures exclude the results of the Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

	Six months ended June 30, 2015			
($ thousands) *(Unaudited)*	**Meat Products Group**	**Agribusiness Group**	**Non-allocated costs**	**Consolidated**
Net earnings (loss) from continuing operations				**$ (10,321)**
Income taxes				**(7,341)**
Earnings (loss) before income taxes from continuing operations				**$ (17,662)**
Interest expense and other financing costs				**2,286**
Other (income) expense	**363**	**(63)**	**6,385**	**6,685**
Restructuring and other related costs	**14,153**	**—**	**3,981**	**18,134**
Earnings (loss) from continuing operations	**$ 25,558**	**$ 6,641**	**$ (22,756)**	**$ 9,443**
Decrease (increase) in fair value of biological assets[(i)]	**—**	**—**	**31,443**	**31,443**
Unrealized (gains) loss on futures contracts[(ii)]	**—**	**—**	**(8,687)**	**(8,687)**
Adjusted Operating Earnings	**$ 25,558**	**$ 6,641**	**$ —**	**$ 32,199**

(i) *Refer to Note 7 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Realized and unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

	Six months ended June 30, 2014			
($ thousands) *(Unaudited)*	Meat Products Group	Agribusiness Group	Non-allocated costs	Consolidated
Net earnings (loss) from continuing operations				$ (164,150)
Income taxes				(58,056)
Earnings (loss) before income taxes from continuing operations				$ (222,206)
Interest expense and other financing costs				124,363
Change in the fair value of non-designated interest rate swaps				(2,492)
Other (income) expense	527	(454)	3,334	3,407
Restructuring and other related costs	22,546	—	19,216	41,762
Earnings (loss) from continuing operations	$ (43,091)	$ 4,862	$ (16,937)	$ (55,166)
Decrease (increase) in fair value of biological assets[(i)]	—	—	(21,422)	(21,422)
Realized (gains) loss on futures contracts[(ii)]	—	—	16,100	16,100
Unrealized (gains) loss on futures contracts[(ii)]	—	—	9,776	9,776
Modification of long-term incentive plan[(iii)]	—	—	8,734	8,734
Adjusted Operating Earnings[(iv)]	$ (43,091)	$ 4,862	$ (3,749)	$ (41,978)

(i) *Refer to Note 7 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Realized and unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

(iii) *Modification of long-term incentive plan is reported within selling, general and administrative expenses on the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

(iv) *Figures exclude the results of the Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements.*

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate ongoing financial operating results. It is defined as basic earnings (loss) per share from continuing operations attributable to common shareholders, and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings (loss) per share from continuing operations as reported under IFRS in the unaudited consolidated interim statements of earnings (loss) to Adjusted Earnings per Share for the three and six months ended, as indicated below. Management believes this basis is the most appropriate on which to evaluate financial results as they are representative of the ongoing operations of the Company.

($ per Share) *(Unaudited)*	Three months ended June 30,		Six months ended June 30,	
	2015	2014[(i)]	**2015**	2014[(i)]
Basic earnings (loss) per share from continuing operations	**$ (0.05)**	$ (0.28)	**$ (0.07)**	$ (1.17)
Restructuring and other related costs[(ii)]	**0.04**	0.11	**0.10**	0.22
Items included in other income not considered representative of ongoing operations[(iii)]	**—**	0.02	**0.03**	0.02
Change in the fair value of non-designated interest rate swaps[(iv)]	**—**	—	**—**	(0.01)
Change in the fair value of unrealized (gain) loss on futures contracts[(iv)]	**0.01**	(0.14)	**(0.05)**	0.05
Change in the fair value of realized (gain) loss on futures contracts[(iv)]	**—**	0.08	**—**	0.09
Change in the fair value of biological assets[(iv)]	**0.13**	0.10	**0.17**	(0.11)
Other financing costs[(v)]	**—**	(0.01)	**—**	0.51
Modification impact to long-term incentive plan[(vi)]	**—**	—	**—**	0.05
Adjusted Earnings per Share[(vii)]	**$ 0.13**	$ (0.12)	**$ 0.18**	$ (0.36)

(i) *2014 figures reflect the reclassification of the change in fair value of non-designated interest rate swaps to other income. Refer to Note 20 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for further details.*

(ii) *Includes per share impact of restructuring and other related costs, net of tax.*

(iii) *Includes gains/losses associated with non-operational activities, including gains/losses related to discontinued operations, assets held for sale, and hedge ineffectiveness recognized in earnings, all net of tax.*

(iv) *Includes per share impact of the change in fair value of non-designated interest rate swaps, unrealized and realized (gains) losses on futures contracts and the change in fair value of biological assets, net of tax.*

(v) *Includes a $76.3 million early repayment premium to lenders, $12.7 million in financing costs, and a $9.6 million loss transferred from accumulated other comprehensive income into earnings related to the settlement of interest rate swaps that are no longer designated as hedging instruments.*

(vi) *Relates to an $8.7 million modification of long-term incentive compensation plan as a result of the costs being fixed and payments accelerated, which was a decision made conditional on the sale of Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.*

(vii) *May not add due to rounding.*

Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization

Adjusted EBITDA is calculated as earnings (loss) from continuing operations before interest and income taxes plus depreciation and intangible asset amortization, adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. The following table provides a reconciliation of net earnings (loss) from continuing operations as reported under IFRS in the unaudited consolidated interim statements of net earnings (loss) to Adjusted EBITDA for the three and six months ended, as indicated below. Management believes Adjusted EBITDA is useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

($ thousands) *(Unaudited)*	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Net earnings (loss) from continuing operations	**$ (7,519)**	$ (39,544)	**$ (10,321)**	$ (164,150)
Income taxes	**(6,410)**	(13,863)	**(7,341)**	(58,056)
Earnings (loss) before income taxes from continuing operations	**$ (13,929)**	$ (53,407)	**$ (17,662)**	$ (222,206)
Interest expense and other financing costs	**1,062**	9,652	**2,286**	124,363
Items included in other income not representative of ongoing operations[(i)]	**744**	3,604	**6,385**	3,061
Restructuring and other related costs	**7,289**	19,996	**18,134**	41,762
Change in the fair value of non-designated interest rate swaps, biological assets and unrealized and realized (gains) losses on futures contracts	**26,519**	6,875	**22,756**	1,962
Modification impact to long-term incentive plan[(ii)]	**—**	134	**—**	8,734
Depreciation and amortization	**27,310**	19,110	**53,951**	40,611
Adjusted EBITDA	**$ 48,995**	$ 5,964	**$ 85,850**	$ (1,713)

(i) *Includes gains/losses associated with non-operational activities, including gains/losses related to discontinued operations, assets held for sale, and interest income.*

(ii) *Relates to an $8.7 million modification of long-term incentive compensation plan as a result of the costs being fixed and payments accelerated, which was a decision made conditional on the sale of Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.*

Net Cash (Debt)

The following table reconciles Net Cash (Debt) to amounts reported under IFRS in the unaudited consolidated interim balance sheets as at the periods indicated below. The Company calculates Net Cash (Debt) as cash and cash equivalents, less long-term debt and bank indebtedness. Management believes this measure is useful in assessing the amount of financial leverage employed.

($ thousands) *(Unaudited)*	**As at June 30, 2015**	As at June 30, 2014	As at March 31, 2015	As at December 31, 2014
Current portion of long-term debt	**$ (729)**	$ (407)	$ (592)	$ (472)
Long-term debt	**(9,990)**	(9,911)	(10,012)	(10,017)
Sub total	**$ (10,719)**	$ (10,318)	$ (10,604)	$ (10,489)
Cash and cash equivalents	**409,923**	539,610	427,100	496,328
Net Cash (Debt)	**$ 399,204**	$ 529,292	$ 416,496	$ 485,839

FORWARD-LOOKING STATEMENTS

This document contains, and the Company's oral and written public communications often contain, "forward-looking information" within the meaning of applicable securities law. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which the Company operates, as well as beliefs and assumptions made by the Management of the Company. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, objectives, expectations, anticipations, estimates, and intentions. Specific forward-looking information in this document includes, but is not limited to, statements with respect to: the anticipated benefits, timing, actions, costs, and investments associated with the Value Creation Plan; expectations regarding the use of derivatives, futures and options; expectations regarding improving efficiencies; the expected use of cash balances; source of funds for ongoing business requirements; capital investments; expectations regarding acquisitions and divestitures; LEED certification; expectations regarding the adoption of new accounting standards and the impact of such adoption on financial position; expectations regarding sufficiency of the allowance for uncollectible accounts; and expectations regarding pension plan performance and future pension plan liabilities and contributions. Words such as "expect", "anticipate", "intend", "may", "will", "plan", "believe", "seek", "estimate", and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict.

In addition, these statements and expectations concerning the performance of the Company's business in general are based on a number of factors and assumptions including, but not limited to: the condition of the Canadian, U.S., and Japanese economies; the rate of exchange of the Canadian dollar to the U.S. dollar, and the Japanese yen; the availability and prices of raw materials, energy and supplies; product pricing; the availability of insurance; the competitive environment and related market conditions; improvement of operating efficiencies whether as a result of the Value Creation Plan or otherwise; continued access to capital; the cost of compliance with environmental and health standards; no adverse results from ongoing litigation; no unexpected actions of domestic and foreign governments; and the general assumption that none of the risks identified below or elsewhere in this document will materialize. All of these assumptions have been derived from information currently available to the Company, including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied, or forecasted in such forward-looking information, which reflect the Company's expectations only as of the date hereof.

Factors that could cause actual results or outcomes to differ materially from the results expressed, implied, or forecasted by forward-looking information include, among other things:

- risks associated with the Company focusing solely on the protein business;
- risks related to the Company's decisions regarding any potential return of capital to shareholders;
- risks associated with implementing and executing the Value Creation Plan;
- risks associated with the availability of capital;
- risks associated with changes in the Company's information systems and processes;
- risks posed by food contamination, consumer liability, and product recalls;
- risks associated with acquisitions, divestitures, and capital expansion projects;
- impact on pension expense and funding requirements of fluctuations in the market prices of fixed income and equity securities and changes in interest rates;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- risks related to the health status of livestock;
- impact of a pandemic on the Company's operations;
- the Company's exposure to currency exchange risks;
- ability of the Company to hedge against the effect of commodity price changes through the use of commodity futures and options;
- impact of changes in the market value of the biological assets and hedging instruments;
- impact of international events on commodity prices and the free flow of goods;
- risks posed by compliance with extensive government regulation;

- risks posed by litigation;
- impact of changes in consumer tastes and buying patterns;
- impact of extensive environmental regulation and potential environmental liabilities;
- risks associated with a consolidating retail environment;
- risks posed by competition;
- risks associated with complying with differing employment laws and practices, the potential for work stoppages due to non-renewal of collective agreements, and recruiting and retaining qualified personnel;
- risks associated with pricing the Company's products;
- risks associated with managing the Company's supply chain; and
- risks associated with failing to identify and manage the strategic risks facing the Company.

The Company cautions the reader that the foregoing list of factors is not exhaustive. These factors are discussed in more detail under the heading "Risk Factors" in the Company's Management Discussion and Analysis for the fiscal year ended December 31, 2014, which is available on SEDAR at www.sedar.com. The reader should review such section in detail. Some of the forward-looking information may be considered to be financial outlooks for purposes of applicable securities legislation including, but not limited to, statements concerning future Adjusted EBITDA margins; capital expenditures; cash costs; and non-cash restructuring charges. These financial outlooks are presented to allow the Company to benchmark the results of the Value Creation Plan. These financial outlooks may not be appropriate for other purposes and readers should not assume they will be achieved. The Company does not intend to, and the Company disclaims any obligation to, update any forward-looking information, whether written or oral, or whether as a result of new information, future events or otherwise, except as required by law. Additional information concerning the Company, including the Company's Annual Information Form and Management's Discussion and Analysis for the fiscal year ended December 31, 2014 is available on SEDAR at www.sedar.com. Maple Leaf Foods Inc. is a leading Canadian consumer protein company. Headquartered in Mississauga, Canada, the Company employs approximately 12,000 people at its operations in Canada and Asia.