MAPLE LEAF FOODS INC.

Management's Discussion and Analysis
For the First Quarter Ended
March 31, 2016

Management's Discussion and Analysis

All dollar amounts are presented in Canadian dollars unless otherwise noted.

May 3, 2016

FINANCIAL OVERVIEW

Sales for the first quarter of 2016 were $796.9 million compared to $780.2 million last year, an increase of 2.1%, due to higher Meat Products Group sales. After adjusting for the impact of foreign exchange, sales declined by 0.9% from the prior year.

Adjusted Operating Earnings[(i)] for the first quarter increased to $53.6 million compared to $10.4 million last year. Adjusted Earnings per Share[(ii)] increased to $0.28 from $0.05 last year. The increase was largely a result of improved margins in the Meat Products Group.

Net earnings increased to $42.3 million ($0.31 per basic share) compared to a loss of $2.9 million (loss of $0.02 per share) last year. The increase was due primarily to improved margins in the Meat Products Group and lower restructuring and other related costs.

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 Non-IFRS Financial Measures of this Management Discussion and Analysis on page 7 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 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 starting on page 7 of this document.*

(ii) *Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. Please refer to the section entitled Non-IFRS Financial Measures starting on page 7 of this document.*

OPERATING REVIEW

The following table summarizes sales by business segment:

($ thousands) *(Unaudited)*	Three Months Ended March 31, **2016**	2015
Meat Products Group	**$ 792,977**	$ 776,409
Agribusiness Group	**3,912**	3,839
Total Sales	**$ 796,889**	$ 780,248

The following table summarizes Adjusted Operating Earnings by business segment:

($ thousands) *(Unaudited)*	Three Months Ended March 31, **2016**	2015
Meat Products Group	**$ 61,274**	$ 7,878
Agribusiness Group	**(7,692)**	2,532
Adjusted Operating Earnings	**$ 53,582**	$ 10,410

Meat Products Group

Includes value-added prepared meats, lunch kits and snacks, and value-added fresh pork and poultry products sold under flagship Canadian brands such as Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders Country Naturals®, Mina™, and many leading regional brands.

Sales increased 2.1% to $793.0 million, after adjusting for the impact of foreign exchange, sales decreased by 0.9%. Prepared meats sales decreased as the benefit from price increases implemented during the first quarter, to manage a declining Canadian dollar and other inflationary costs, was offset by a short-term volume decline from anticipated responses to the price increase and the exit of some lower margin business. Fresh pork sales increased primarily due to foreign exchange rates, while fresh poultry sales benefited from stronger volume and an improved sales mix.

Adjusted Operating Earnings in the first quarter of 2016 increased to $61.3 million compared to $7.9 million last year. Higher earnings in prepared meats resulted from lower operating costs, an improved sales mix and pricing actions in the first quarter, partially offset by the impact of lower volume. The Company made continued progress in increasing operating efficiencies in the new prepared meats plant network, primarily at its largest scale facility in Hamilton, Ontario. Lower operating costs also resulted from the elimination of duplicative overhead costs that were incurred last year when the Company continued to operate legacy plants slated for closure.

Fresh pork earnings increased as a result of the increased contribution from value-added Canadian retail sales, and higher industry and export margins. Earnings from fresh poultry grew due to higher retail branded sales, operating efficiency gains, and favourable industry margins.

Agribusiness Group

Includes Canadian hog production operations that primarily supply the Meat Products Group with livestock.

Adjusted Operating Earnings decreased to a loss of $7.7 million from earnings of $2.5 million last year, reflecting the impact of lower hog prices. In the first quarter of 2015, the Company benefited from gains realized through its risk management program during a period of decline in hog market prices.

Non-allocated Costs

Non-allocated amounts in the first quarter comprise of a $16.8 million gain due to changes in the fair value of biological assets (2015: loss of $7.3 million) and a $9.4 million unrealized loss on futures contracts (2015: gain of $11.0 million). All non-allocated amounts have been excluded from the computation of 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.

GROSS MARGIN

Gross margin in the first quarter was $138.3 million (17.3% of sales) compared to $89.2 million (11.4% of sales) last year. The increase in gross margin as a percentage of sales is largely attributable to margin improvement in the Meat Products Group, as outlined above. In addition, gross margin also included a $24.1 million increase in the fair value of biological assets and a $20.5 million decrease in the fair value of unrealized mark-to-market commodity contracts.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

Selling, general and administrative expenses for the first quarter increased by 3.0% to $77.3 million (9.7% of sales), compared to $75.0 million (9.6% of sales) last year. Core selling, general and administrative expenses have decreased significantly as a result of cost efficiencies, offset by increased investments in advertising and promotional activities, as the Company seeks to support its renewed focus on growth.

OTHER INCOME (EXPENSE)

Other expense for the first quarter was $0.6 million compared to $5.9 million last year. The decrease is primarily due to a lower depreciation charge on assets servicing divested businesses as a result of a revised estimate for the useful life in 2015.

Certain items in other income (expense) are excluded from the calculation of Adjusted EBITDA 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 EBITDA and Adjusted Earnings per Share for the first quarter is an expense of $0.2 million (2015: expense of $0.2 million).

RESTRUCTURING AND OTHER RELATED COSTS

Restructuring and other related costs for the first quarter were $1.2 million compared to $10.8 million last year. The costs in 2016 primarily related to severance and other employee costs that were incurred in connection with ongoing management and organizational restructuring initiatives. The costs in 2015 primarily related to similar factors, asset impairment and accelerated depreciation, and site closing costs.

INCOME TAXES

The Company’s income tax expense for the first quarter of 2016 resulted in an effective tax rate of 27.2% (2015: 24.6% tax recovery). The lower effective tax rate in 2015 was primarily the result of the mix of income and loss in different jurisdictions and a higher proportion of non-deductible expenses relative to earnings, or loss, before taxes. For 2016, the effective tax recovery rate on restructuring charges used in the computation of Adjusted Earnings per Share is 26.1% (2015: 25.8%). The effective tax rate on items not considered representative of continuing operations in 2016 was 26.1% (2015 25.8% tax recovery).

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. 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 revolving credit facility by extending the maturity of the facility to June 30, 2016 under similar terms and conditions using the same syndicate of Canadian, U.S., and international institutions. The 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 purposes, and to provide appropriate levels of liquidity. As at March 31, 2016, the Company had drawn letters of credit of $67.0 million (2015: $10.5 million) on this facility.

The Company has an uncommitted credit facility for issuing up to a maximum of $120.0 million letters of credit. As at March 31, 2016, $83.9 million (2015: $101.6 million) of letters of credit had been issued thereon. These letters of credit have been collateralized with cash, as further described in Note 3 of the Company’s 2016 first quarter unaudited condensed consolidated interim financial statements.

The Company's cash balance as at March 31, 2016 is $290.9 million (2015: $427.1 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 an accounts receivable securitization facility, 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 March 31, 2016, the Company had $196.3 million (2015: $201.9 million) of trade accounts receivable serviced under this facility. In return for the sale of these receivables, the Company will receive cash of $105.0 million (2015: $93.1 million) and notes receivable in the amount of $91.3 million (2015: $108.8 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 March 31, 2016, this net receivable amounted to $15.4 million (2015: $10.9 million net payable). The maximum cash advance available to the Company under this program is $110.0 million. The facility was accounted for as an off-balance sheet transaction in accordance with International Financial Reporting Standards (“IFRS”) and will expire in September 2016.

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 March 31, 2016. 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 first quarter of 2016 were $20.3 million compared to $25.9 million in 2015. Expenditures primarily related to ongoing profit maintenance and enhancement projects.

NORMAL COURSE ISSUER BID

On March 23, 2015 the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"), which allowed the Company to repurchase, at its discretion, up to approximately 8.65 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company were canceled. The program commenced on March 25, 2015 and was terminated on January 22, 2016, as the Company completed its purchase and cancellation of 8.65 million common shares for $194.5 million at a volume weighted average price paid of $22.48 per common share.

During the three months ended March 31, 2016, 0.51 million shares were purchased for cancellation for $11.9 million at a volume weighted average price paid of $23.23 per common share.

CASH FLOW AND FINANCING

Net cash, a non-IFRS measure as described on page 10, was $280.4 million at the end of the first quarter of 2016, compared to $416.5 million last year, and $281.6 million as at December 31, 2015. The Company made investments in the period in property and equipment and share repurchases under the NCIB program, funded largely by cash flow from operations.

Cash Flow from Operating Activities

Cash provided by operations for the first quarter was $45.4 million compared to cash used in operations of $34.6 million in the first quarter of 2015. The improvement was primarily due to higher earnings from operations, a lower investment in working capital and lower income tax payments.

Cash Flow from Financing Activities

Cash used in financing activities for the quarter was $26.9 million compared to $10.3 million in the first quarter of 2015. The increase is primarily due to increased dividend payments, share repurchases under the NCIB program, and treasury stock purchases in the current quarter.

Cash Flow from Investing Activities

Cash used in investing activities for the quarter was $19.9 million compared to $24.4 million in the first quarter of 2015. The decrease is mainly due to lower capital expenditures.

SHARE CAPITAL

As at April 26, 2016, there were 134,571,289 common shares issued and outstanding.

OTHER MATTERS

On May 3, 2016, the Company declared a dividend of $0.09 per share payable June 30, 2016, to shareholders of record at the close of business on June 6, 2016. 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”.

TRANSACTIONS WITH RELATED PARTIES

The Company sponsors a number of defined benefit and defined contribution plans. During the three months ended March 31, 2016, the Company's contributions to these plans were $2.3 million (2015: $2.6 million).

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. For the three months ended March 31, 2016, the Company received services from MCI in the amount of $0.2 million, which represents the market value of the transactions with MCI. As at March 31, 2016, $0.1 million was owing to MCI relating to these transactions.

During the year ended December 31, 2015, the Company agreed to sublease office space to McCain Financial Advisory Services ("MFAS"), an entity jointly controlled by individuals including Mr. Michael H. McCain, for cost equal to the amount that the Company is obligated to pay under its lease. For the three months ended March 31, 2016, the Company recorded a nominal amount of sublease income from MFAS.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information:

($ thousands except earnings per share)		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total[iii]
Sales	**2016**	**$ 796,889**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	780,248	820,776	818,785	873,123	3,292,932
	2014	711,347	831,790	820,097	794,007	3,157,241
Net earnings (loss) from continuing operations	**2016**	**$ 42,269**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(2,861)	(7,524)	18,680	33,285	41,580
	2014	(124,606)	(39,544)	(26,671)	(22,992)	(213,813)
Net earnings (loss)	**2016**	**$ 42,269**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(2,861)	(7,524)	18,680	33,285	41,580
	2014	(131,994)	898,855	(26,767)	(28,188)	711,906
Earnings (loss) per share from continuing operations[i]						
Basic[i]	**2016**	**$ 0.31**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(0.02)	(0.05)	0.13	0.24	0.30
	2014	(0.89)	(0.28)	(0.19)	(0.16)	(1.51)
Diluted[i]	**2016**	**$ 0.31**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(0.02)	(0.05)	0.13	0.24	0.29
	2014	(0.89)	(0.28)	(0.19)	(0.16)	(1.51)
Adjusted EPS[i][ii]	**2016**	**$ 0.28**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	0.05	0.13	0.16	0.25	0.58
	2014	(0.24)	(0.12)	(0.12)	(0.08)	(0.56)
Earnings (loss) per share[i]						
Basic[i]	**2016**	**$ 0.31**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(0.02)	(0.05)	0.13	0.24	0.30
	2014	(0.95)	6.38	(0.19)	(0.20)	5.03
Diluted[i]	**2016**	**$ 0.31**	**$ —**	**$ —**	**$ —**	**$ —**
	2015	(0.02)	(0.05)	0.13	0.24	0.29
	2014	(0.95)	6.38	(0.19)	(0.20)	5.03

(i) *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.*

(ii) *Refer to Non-IFRS Financial Measures starting on page 7 of this document.*

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

Fluctuations in quarterly sales can be attributed to changes in pricing, volume, sales mix and foreign exchange rates.

Fluctuations in quarterly net earnings can be attributed to similar factors as noted above, pork and poultry industry processing margins, restructuring and other related costs, changes in the fair value of derivative and non-derivative financial instruments and biological assets, and transitional costs incurred prior to 2016.

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 are 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, 2016, the Company adopted certain standards and amendments. As required by IAS 34 Interim Financial Reporting and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the nature and the effect of these changes are disclosed below:

Annual Improvements to IFRS (2012-2014) Cycle

Beginning on January 1, 2016, the Company adopted various amendments to a total of four standards including the consistent classification of assets which 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 that were adopted also included 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 adoption of these amendments did not have a material impact on the consolidated financial statements.

Joint Arrangements

Beginning on January 1, 2016, the Company adopted the amendments to IFRS 11 Joint Arrangements which require an acquisition of a joint operation that constitutes a business 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 adoption of the amendments to IFRS 11 did not have a material impact on the consolidated financial statements.

Accounting Pronouncements Issued But Not Yet Effective

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 constitute a business, or a partial gain or loss is recognized when a sale or contribution of assets do not constitute a business. The effective date for these amendments has been deferred indefinitely. The impact of adoption of these amendments has not yet been determined.

Statement of Cash Flows

As part of their disclosure initiative, the IASB has issued amendments to IAS 7 Statement of Cash Flows requiring a reconciliation of liabilities arising from financing activities to enable users of the financial statements to evaluate both cash flow and non-cash changes in the net debt of a Company. The Company intends to adopt the amendments to IAS 7 in its consolidated financial statements for the annual period beginning January 1, 2017. The extent of the impact of adoption of the amendments has not yet been determined.

Income Taxes

In January 2016, the IASB has issued amendments to IAS 12 Income Taxes to provide clarification on the requirements relating to the recognition of deferred tax assets for unrealized losses on debt instruments measured at fair value. The Company intends to adopt the amendments to IAS 12 in its consolidated financial statements for the annual period beginning January 1, 2017. The extent of the impact of adoption of the amendments has 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 measurement, 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.

Leases

In January 2016, the IASB issued IFRS 16 Leases with a mandatory effective date of January 1, 2019. The new standard will replace IAS 17 Leases and will carry forward the accounting requirements for lessors. IFRS 16 provides a new framework for lessee accounting that requires substantially all assets obtained through operating leases to be capitalized and a related liability to be recorded. The new standard seeks to provide a more accurate picture of a Company's leased assets and related liabilities and create greater comparability between companies who lease assets and those who purchase assets. The Company intends to adopt IFRS 16 in its consolidated financial statements for the annual period beginning January 1, 2019. The extent of the impact of the adoption of IFRS 16 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, 2016, and ended on March 31, 2016, 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. 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 earnings before income taxes 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 as reported under IFRS in the unaudited consolidated interim statements of earnings to Adjusted Operating Earnings for the three 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.

($ thousands) *(Unaudited)*	**Three months ended March 31, 2016** **Meat Products Group**	**Agribusiness Group**	**Non-allocated costs**	**Consolidated**
Net earnings				**$ 42,269**
Income taxes				**15,794**
Earnings before income taxes				**$ 58,063**
Interest expense and other financing costs				**1,106**
Other (income) expense	**175**	**(22)**	**438**	**591**
Restructuring and other related costs	**113**	**—**	**1,104**	**1,217**
Earnings (loss) from operations	**$ 61,274**	**$ (7,692)**	**$ 7,395**	**$ 60,977**
Decrease (increase) in fair value of biological assets(i)	**—**	**—**	**(16,841)**	**(16,841)**
Unrealized (gain) loss on futures contracts(ii)	**—**	**—**	**9,446**	**9,446**
Adjusted Operating Earnings	**$ 61,274**	**$ (7,692)**	**$ —**	**$ 53,582**

(i) *Refer to Note 6 of the Company's 2016 first quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2016 first quarter unaudited condensed consolidated interim financial statements.*

($ thousands) *(Unaudited)*	Three months ended March 31, 2015 Meat Products Group	Agribusiness Group	Non-allocated costs	Consolidated
Net loss				$ (2,861)
Income taxes				(931)
Loss before income taxes				$ (3,792)
Interest expense and other financing costs				1,224
Other (income) expense	193	3	5,700	5,896
Restructuring and other related costs	8,530	—	2,315	10,845
Earnings from operations	$ 7,878	$ 2,532	$ 3,763	$ 14,173
Decrease (increase) in fair value of biological assets(i)	—	—	7,283	7,283
Unrealized (gain) loss on futures contracts(ii)	—	—	(11,046)	(11,046)
Adjusted Operating Earnings	$ 7,878	$ 2,532	—	$ 10,410

(i) *Refer to Note 6 of the Company's 2016 first quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets.*

(ii) *Unrealized gains/losses on futures contracts are reported within cost of goods sold in the Company's 2016 first 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 financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings per share as reported under IFRS in the unaudited consolidated interim statements of earnings to Adjusted Earnings per Share for the three 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 March 31,**	
	2016	2015
Basic earnings (loss) per share	**$ 0.31**	$ (0.02)
Restructuring and other related costs(i)	**0.01**	0.06
Items included in other income not considered representative of ongoing operations(ii)	**—**	0.03
Change in the fair value of unrealized (gain) loss on futures contracts(iii)	**0.05**	(0.06)
Change in the fair value of biological assets(iii)	**(0.09)**	0.04
Adjusted Earnings per Share	**$ 0.28**	$ 0.05

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

(ii) *Primarily includes a depreciation charge on assets servicing divested businesses, interest income and gains/losses associated with investment properties and assets held for sale, net of tax.*

(iii) *Includes per share impact of the change in unrealized (gains) losses on futures contracts and the change in fair value of biological assets, net of tax.*

Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization

Adjusted EBITDA is calculated as earnings 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 as reported under IFRS in the unaudited consolidated interim statements of earnings to Adjusted EBITDA for the three 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 March 31,**	
	2016	2015
Net earnings (loss)	**$ 42,269**	$ (2,861)
Income taxes	**15,794**	(931)
Earnings (loss) before income taxes	**$ 58,063**	$ (3,792)
Interest expense and other financing costs	**1,106**	1,224
Items included in other income not considered representative of ongoing operations(i)	**438**	5,700
Restructuring and other related costs	**1,217**	10,845
Change in the fair value of biological assets and unrealized (gains) losses on futures contracts	**(7,395)**	(3,763)
Depreciation and amortization	**28,031**	26,641
Adjusted EBITDA	**$ 81,460**	$ 36,855

(i) *Primarily includes a depreciation charge on assets servicing divested businesses, interest income and gains/losses associated with investment properties and assets held for sale.*

Net Cash

The following table reconciles Net Cash to amounts reported under IFRS in the Company's unaudited consolidated interim balance sheets as at the periods indicated below. The Company calculates Net Cash 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)*	**Three months ended March 31,**	
	2016	2015
Current portion of long-term debt	**(681)**	(592)
Long-term debt	**(9,826)**	(10,012)
Total debt	**$ (10,507)**	$ (10,604)
Cash and cash equivalents	**290,916**	427,100
Net Cash	**$ 280,409**	$ 416,496

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, and costs 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 and expectations regarding capital expenditures; expectations regarding the implementation of environmental sustainability initiatives; expectations regarding the adoption of new accounting standards and the impact of such adoption on financial position; expectations regarding pension plan performance and future pension plan liabilities and contributions; expectations regarding levels of credit risk; and expectations regarding outcomes of legal actions. 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 the concentration of production in fewer facilities;
- 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, 2015, 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; and cash costs. 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, 2015 is available on SEDAR at www.sedar.com. Maple Leaf Foods Inc. is a leading Canadian consumer protein company, making high quality, innovative meat products. Headquartered in Mississauga, Canada, the Company employs approximately 11,000 people in its operations in Canada and Asia.