



TSX: MFI

www.mapleleaffoods.com

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Maple Leaf Foods Reports Second Quarter 2016 Financial Results

Mississauga, Ontario, July 28, 2016 - Maple Leaf Foods Inc. (TSX: MFI) today reported its financial results for the second quarter, June 30, 2016.

- Adjusted EBITDA⁽¹⁾ margin in the quarter of 10.3% compared to 6.0% last year and 10.2% in the first quarter of 2016
- Adjusted Earnings per Share⁽²⁾ in the quarter of \$0.32 compared to \$0.13 last year
- Net earnings in the quarter of \$31.4 million compared to a net loss of \$7.5 million last year
- Significant category and product innovation introduced during the quarter, led by the launch of Maple Leaf Canadian Craft

"The strategic foundation we have built delivered a second consecutive quarter of double-digit EBITDA margin and product innovation at a level unprecedented in our history," said Michael McCain, President and CEO. "Our performance was driven by strong commercial results across the business and continued efficiency gains in our plant network. Our team is focused on pursuing profitable growth, market expansion and further cost efficiencies."

Consolidated Financial Overview

Second Quarter 2016

- Sales were \$854.6 million compared to \$820.8 million last year
- Adjusted Operating Earnings⁽³⁾ increased to \$60.5 million compared to \$21.8 million last year
- Adjusted EBITDA margin increased to 10.3% from 6.0% last year and 10.2% in the first quarter of 2016
- Adjusted Earnings per Share was \$0.32 compared to \$0.13 last year
- Net earnings of \$31.4 million (\$0.23 per share) increased from a loss of \$7.5 million (loss of \$0.05 per share) last year
- Free Cash Flow⁽⁴⁾ was \$36.2 million compared to \$30.5 million last year

Year-to-Date 2016

- Sales were \$1,651.5 million compared to \$1,601.0 million last year
- Adjusted Operating Earnings increased to \$114.0 million compared to \$32.2 million last year
- Adjusted EBITDA margin increased to 10.3% from 5.4% last year
- Adjusted Earnings per Share was \$0.60 compared to \$0.18 last year
- Net earnings of \$73.7 million (\$0.55 per share) increased from a loss of \$10.4 million (loss of \$0.07 per share) last year
- Free Cash Flow was \$61.4 million compared to a use of \$30.5 million last year

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 news release for a description and reconciliation of all non-IFRS financial measures.

Business Segment Review

Following is a summary of sales by business segment:

(\$ thousands) (Unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Meat Products Group	\$ 850,988	\$ 817,223	\$ 1,643,965	\$ 1,593,632
Agribusiness Group	3,658	3,553	7,570	7,392
Total Sales	\$ 854,646	\$ 820,776	\$ 1,651,535	\$ 1,601,024

The following table summarizes Adjusted Operating Earnings by business segment:

(\$ thousands) (Unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Meat Products Group	\$ 62,887	\$ 17,680	\$ 124,161	\$ 25,558
Agribusiness Group	(2,421)	4,109	(10,113)	6,641
Adjusted Operating Earnings	\$ 60,466	\$ 21,789	\$ 114,048	\$ 32,199

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 in the second quarter increased 4.1% to \$851.0 million, or 2.9% after adjusting for the impact of foreign exchange. Prepared meats sales declined slightly, as the benefit of price increases implemented during the first quarter, to mitigate inflationary and currency impacts, was more than offset by a short-term volume decline in response to the price increase and the exit of some lower margin business. Sales in fresh pork increased as the Company's focus on increasing its value-added pork business resulted in improved selling prices and volume. Performance was also supported by favourable exchange rates. Fresh poultry sales increased due to stronger volume and an increased higher value sales mix.

Sales in the first six months increased 3.2% to \$1,644.0 million, or 1.1% after adjusting for the impact of foreign exchange. The increase was due to similar reasons noted above.

Adjusted Operating Earnings in the second quarter increased to \$62.9 million compared to \$17.7 million last year. Higher earnings in prepared meats resulted from lower operating costs, an improved sales mix, and pricing implemented in the first quarter, partially offset by lower volume. The Company made continued progress in increasing operating efficiencies across its new prepared meats plant network, primarily at its largest facility in Hamilton, Ontario. Higher fresh pork earnings resulted from increased contributions from value-added Canadian retail and value-added export sales, higher industry margins, and operating efficiency gains. Earnings in fresh poultry increased due to higher branded sales volume and operating efficiency gains.

For the first six months, Adjusted Operating Earnings increased to \$124.2 million compared to \$25.6 million last year, due to similar factors as noted above. During 2015 the Company incurred duplicative overhead costs as the Company operated legacy plants that were slated for closure.

Agribusiness Group

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

Adjusted Operating Earnings in the second quarter decreased to a loss of \$2.4 million compared to earnings of \$4.1 million last year. In the second quarter of 2015, the Company benefited from gains in its risk management program, which were not repeated in the second quarter of 2016. For the first six months, Adjusted Operating Earnings decreased to a loss of \$10.1 million from earnings of \$6.6 million last year, due to similar factors.

Other Matters

On July 27, 2016, the Company declared a dividend of \$0.09 per share payable September 30, 2016, to shareholders of record at the close of business on September 9, 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".

Conference Call

An investor presentation related to the Company's second quarter financial results is available at www.mapleleaffoods.com and can be found under *Investor Material* on the *Investors* page. A conference call will be held at 2:30 p.m. EDT on July 28, 2016, to

review Maple Leaf Foods' second quarter financial results. To participate in the call, please dial 416-340-2216 or 866-223-7781. For those unable to participate, playback will be made available an hour after the event at 905-694-9451 or 800-408-3053 (Passcode: 4361395).

A webcast presentation of the second quarter financial results will also be available at:

<http://edge.media-server.com/m/p/gtht5ouc>

The Company's full financial statements and related Management's Discussion and Analysis are available on the Company's website.

Reconciliation of Non-IFRS Financial Measures

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, and Free Cash Flow. Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company. 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

(\$ thousands) (Unaudited)	Three months ended June 30, 2016			Consolidated
	Meat Products Group	Agribusiness Group	Non-allocated costs	
Net earnings				\$ 31,381
Income taxes				11,639
Earnings before income taxes				\$ 43,020
Interest expense and other financing costs				1,211
Other (income) expense	620	(421)	2,402	2,601
Restructuring and other related costs	(468)	—	1,053	585
Earnings (loss) from operations	\$ 62,887	\$ (2,421)	\$ (13,049)	\$ 47,417
Decrease (increase) in fair value of biological assets ⁽⁵⁾	—	—	17,133	17,133
Unrealized (gain) loss on futures contracts ⁽⁵⁾	—	—	(4,084)	(4,084)
Adjusted Operating Earnings	\$ 62,887	\$ (2,421)	\$ —	\$ 60,466

(\$ thousands) (Unaudited)	Three months ended June 30, 2015			Consolidated
	Meat Products Group	Agribusiness Group	Non-allocated costs	
Net loss				\$ (7,524)
Income taxes				(6,410)
Loss before income taxes				\$ (13,934)
Interest expense and other financing costs				1,062
Other (income) expense	170	(66)	749	853
Restructuring and other related costs	5,623	—	1,666	7,289
Earnings (loss) from operations	\$ 17,680	\$ 4,109	\$ (26,519)	\$ (4,730)
Decrease (increase) in fair value of biological assets ⁽⁵⁾	—	—	24,160	24,160
Unrealized (gain) loss on futures contracts ⁽⁵⁾	—	—	2,359	2,359
Adjusted Operating Earnings	\$ 17,680	\$ 4,109	\$ —	\$ 21,789

Six months ended June 30, 2016

<i>(\$ thousands)</i> <i>(Unaudited)</i>	Meat Products Group	Agribusiness Group	Non-allocated costs	Consolidated
Net earnings				\$ 73,650
Income taxes				27,433
Earnings before income taxes				\$ 101,083
Interest expense and other financing costs				2,317
Other (income) expense	795	(443)	2,840	3,192
Restructuring and other related costs	(355)	—	2,157	1,802
Earnings (loss) from operations	\$ 124,161	\$(10,113)	\$ (5,654)	\$ 108,394
Decrease (increase) in fair value of biological assets ⁽⁵⁾	—	—	292	292
Unrealized (gain) loss on futures contracts ⁽⁵⁾	—	—	5,362	5,362
Adjusted Operating Earnings	\$ 124,161	\$(10,113)	\$ —	\$ 114,048

Six months ended June 30, 2015

<i>(\$ thousands)</i> <i>(Unaudited)</i>	Meat Products Group	Agribusiness Group	Non-allocated costs	Consolidated
Net loss				\$ (10,385)
Income taxes				(7,341)
Loss before income taxes				\$ (17,726)
Interest expense and other financing costs				2,286
Other (income) expense	363	(63)	6,449	6,749
Restructuring and other related costs	14,153	—	3,981	18,134
Earnings (loss) from operations	\$ 25,558	\$ 6,641	\$(22,756)	\$ 9,443
Decrease (increase) in fair value of biological assets ⁽⁵⁾	—	—	31,443	31,443
Unrealized (gain) loss on futures contracts ⁽⁵⁾	—	—	(8,687)	(8,687)
Adjusted Operating Earnings	\$ 25,558	\$ 6,641	—	\$ 32,199

Adjusted Earnings per Share

<i>(\$ per share)</i> <i>(Unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Basic earnings (loss) per share	\$ 0.23	\$ (0.05)	\$ 0.55	\$ (0.07)
Restructuring and other related costs ⁽⁶⁾	—	0.04	0.01	0.10
Items included in other income not considered representative of ongoing operations ⁽⁷⁾	0.01	—	0.02	0.03
Change in the fair value of unrealized (gain) loss on futures contracts ⁽⁸⁾	(0.02)	0.01	0.03	(0.05)
Change in the fair value of biological assets ⁽⁸⁾	0.09	0.13	—	0.17
Adjusted Earnings per Share⁽⁹⁾	\$ 0.32	\$ 0.13	\$ 0.60	\$ 0.18

Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization

(\$ thousands) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net earnings (loss)	\$ 31,381	\$ (7,524)	\$ 73,650	\$ (10,385)
Income taxes	11,639	(6,410)	27,433	(7,341)
Earnings (loss) before income taxes	\$ 43,020	\$ (13,934)	\$ 101,083	\$ (17,726)
Interest expense and other financing costs	1,211	1,062	2,317	2,286
Items included in other income not considered representative of ongoing operations ⁽¹⁰⁾	2,402	749	2,840	6,449
Restructuring and other related costs	585	7,289	1,802	18,134
Change in the fair value of biological assets and unrealized (gains) losses on futures contracts	13,049	26,519	5,654	22,756
Depreciation and amortization	27,610	27,310	55,641	53,951
Adjusted EBITDA	\$ 87,877	\$ 48,995	\$ 169,337	\$ 85,850

Free Cash Flow

(\$ thousands) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Cash provided by operating activities	\$ 63,406	\$ 74,538	\$ 108,843	\$ 39,982
Additions to long-term assets	(27,178)	(44,019)	(47,453)	(70,452)
Free Cash Flow	\$ 36,228	\$ 30,519	\$ 61,390	\$ (30,470)

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 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 increases in operating efficiencies and cost reductions; 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, 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; 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's 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 capital expenditures. These financial outlooks are presented to evaluate anticipated future uses of cash flows, and 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 audited financial statements 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.

Footnote Legend

1. *Adjusted EBITDA, a non-IFRS measure, 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. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2016 second quarter Management's Discussion and Analysis.*
2. *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 in the Company's 2016 second quarter Management's Discussion and Analysis.*
3. *Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as earning 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 in the Company's 2016 second quarter Management's Discussion and Analysis.*
4. *Free Cash Flow, a non-IFRS measure, is used by Management to evaluate cash flow after investing in the maintenance or expansion of the Company's asset base. It is defined as cash provided by (used in) operations, less additions to long-term assets.*
5. *Unrealized gains/losses on futures contracts is reported within cost of sales in the Company's 2016 second quarter unaudited condensed consolidated interim financial statements. For biological assets information, please refer to Note 6 of the Company's 2016 second quarter unaudited condensed consolidated interim financial statements.*
6. *Includes per share impact of restructuring and other related costs, net of tax.*
7. *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.*
8. *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.*
9. *May not add due to rounding.*
10. *Primarily includes a depreciation charge on assets servicing divested businesses, interest income and gains/losses associated with investment properties and assets held for sale.*

Consolidated Interim Balance Sheets

<i>(In thousands of Canadian dollars)</i>	As at June 30, 2016	As at June 30, 2015	As at December 31, 2015
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 312,757	\$ 409,923	\$ 292,269
Accounts receivable	70,014	55,419	57,958
Notes receivable	103,115	109,862	103,706
Inventories	282,258	280,082	257,671
Biological assets	105,568	79,912	103,877
Prepaid expenses and other assets	36,599	23,359	14,946
Assets held for sale	4,842	484	130
	\$ 915,153	\$ 959,041	\$ 830,557
Property and equipment	1,078,100	1,057,526	1,082,360
Investment property	2,073	7,493	7,336
Employee benefits	52,359	73,744	66,519
Other long-term assets	6,796	11,740	10,791
Deferred tax asset	49,799	76,738	66,911
Goodwill	428,236	428,236	428,236
Intangible assets	131,021	147,145	138,155
Total assets	\$ 2,663,537	\$ 2,761,663	\$ 2,630,865
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	\$ 248,173	\$ 277,806	\$ 256,473
Provisions	19,517	36,037	32,531
Current portion of long-term debt	729	729	813
Income taxes payable	8,127	17,319	9,670
Other current liabilities	14,375	38,737	29,637
	\$ 290,921	\$ 370,628	\$ 329,124
Long-term debt	9,766	9,990	9,843
Employee benefits	237,892	170,670	203,241
Provisions	13,755	16,370	14,622
Other long-term liabilities	16,959	21,849	20,901
Total liabilities	\$ 569,293	\$ 589,507	\$ 577,731
Shareholders' equity			
Share capital	\$ 884,431	\$ 921,438	\$ 882,770
Retained earnings	1,197,816	1,214,585	1,172,864
Contributed surplus	12,314	36,300	—
Accumulated other comprehensive income (loss)	7,332	105	(414)
Treasury stock	(7,649)	(272)	(2,086)
Total shareholders' equity	\$ 2,094,244	\$ 2,172,156	\$ 2,053,134
Total liabilities and equity	\$ 2,663,537	\$ 2,761,663	\$ 2,630,865

Consolidated Interim Statements of Net Earnings (Loss)

<i>(In thousands of Canadian dollars, except share amounts)</i> <i>(Unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Sales	\$ 854,646	\$ 820,776	\$ 1,651,535	\$ 1,601,024
Cost of goods sold	727,762	745,038	1,386,394	1,436,064
Gross margin	\$ 126,884	\$ 75,738	\$ 265,141	\$ 164,960
Selling, general and administrative expenses	79,467	80,468	156,747	155,517
Earnings (loss) before the following:	\$ 47,417	\$ (4,730)	\$ 108,394	\$ 9,443
Restructuring and other related costs	(585)	(7,289)	(1,802)	(18,134)
Other income (expense)	(2,601)	(853)	(3,192)	(6,749)
Earnings (loss) before interest and income taxes	\$ 44,231	\$ (12,872)	\$ 103,400	\$ (15,440)
Interest expense and other financing costs	1,211	1,062	2,317	2,286
Earnings (loss) before income taxes	\$ 43,020	\$ (13,934)	\$ 101,083	\$ (17,726)
Income taxes expense (recovery)	11,639	(6,410)	27,433	(7,341)
Net earnings (loss)	\$ 31,381	\$ (7,524)	\$ 73,650	\$ (10,385)
Earnings (loss) per share:				
Basic earnings (loss) per share	\$ 0.23	\$ (0.05)	\$ 0.55	\$ (0.07)
Diluted earnings (loss) per share	\$ 0.23	\$ (0.05)	\$ 0.53	\$ (0.07)
Weighted average number of shares (millions)				
Basic	134.4	142.6	134.5	142.7
Diluted	137.4	142.6	137.8	142.7

Consolidated Interim Statements of Other Comprehensive Income (Loss)

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net earnings (loss)	\$ 31,381	\$ (7,524)	\$ 73,650	\$ (10,385)
Other comprehensive income (loss)				
Actuarial gains and losses that will not be reclassified to profit or loss (Net of tax of \$10.8 million and \$9.5 million; 2015 \$1.5 million and \$6.6 million)	\$ (30,628)	\$ 4,252	\$ (26,768)	\$ 18,959
Items that are or may be reclassified subsequently to profit or loss:				
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million; 2015: \$0.0 million)	\$ 569	\$ (515)	\$ 413	\$ 567
Change in unrealized gains and losses on cash flow hedges (Net of tax of \$1.5 million and \$2.6 million; 2015: \$1.6 million and \$0.1 million)	(4,415)	4,666	7,333	(236)
Total items that are or may be reclassified subsequently to profit or loss	\$ (3,846)	\$ 4,151	\$ 7,746	\$ 331
Total other comprehensive income (loss)	\$ (34,474)	\$ 8,403	\$ (19,022)	\$ 19,290
Comprehensive income (loss)	\$ (3,093)	\$ 879	\$ 54,628	\$ 8,905

Consolidated Interim Statements of Changes in Total Equity

(In thousands of Canadian dollars) (Unaudited)	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)		Treasury stock	Total equity
				Foreign currency translation adjustment ⁽ⁱ⁾	Unrealized gains and losses on cash flow hedges ⁽ⁱ⁾		
Balance at December 31, 2015	\$ 882,770	\$ 1,172,864	\$ —	\$ 2,506	\$ (2,920)	\$ (2,086)	\$ 2,053,134
Net earnings (loss)	—	73,650	—	—	—	—	73,650
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	(26,768)	—	413	7,333	—	(19,022)
Dividends declared (\$0.18 per share)	—	(24,230)	—	—	—	—	(24,230)
Share-based compensation expense	—	—	12,818	—	—	—	12,818
Deferred taxes on share-based compensation	—	—	1,500	—	—	—	1,500
Repurchase of shares	—	2,300	(1,648)	—	—	—	652
Settlement of share-based compensation	—	—	(356)	—	—	38	(318)
Exercise of stock options	1,661	—	—	—	—	—	1,661
Shares purchased by RSU trust	—	—	—	—	—	(5,601)	(5,601)
Balance at June 30, 2016	\$ 884,431	\$ 1,197,816	\$ 12,314	\$ 2,919	\$ 4,413	\$ (7,649)	\$ 2,094,244

(In thousands of Canadian dollars) (Unaudited)	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)		Treasury stock	Total equity
				Foreign currency translation adjustment ⁽ⁱ⁾	Unrealized gains and losses on cash flow hedges ⁽ⁱ⁾		
Balance at December 31, 2014	\$ 936,479	\$ 1,228,815	\$ 79,652	\$ 737	\$ (963)	\$ (224)	\$ 2,244,496
Net earnings (loss)	—	(10,385)	—	—	—	—	(10,385)
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	18,959	—	567	(236)	—	19,290
Dividends declared (\$0.16 per share)	—	(22,804)	—	—	—	—	(22,804)
Share-based compensation expense	—	—	4,215	—	—	—	4,215
Repurchase of shares	(17,229)	—	(45,261)	—	—	—	(62,490)
Issuance of treasury stock	—	—	(2,306)	—	—	1,140	(1,166)
Exercise of stock options	2,188	—	—	—	—	—	2,188
Shares purchased by RSU trust	—	—	—	—	—	(1,188)	(1,188)
Balance at June 30, 2015	\$ 921,438	\$ 1,214,585	\$ 36,300	\$ 1,304	\$ (1,199)	\$ (272)	\$ 2,172,156

⁽ⁱ⁾ Items that are or may be subsequently reclassified to profit or loss.

⁽ⁱⁱ⁾ Included in other comprehensive income (loss) is the change in actuarial gains and losses that will not be reclassified to profit or loss and has been reclassified to retained earnings.

Consolidated Interim Statements of Cash Flows

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
CASH PROVIDED BY (USED IN) :				
Operating activities				
Net earnings (loss)	\$ 31,381	\$ (7,524)	\$ 73,650	\$ (10,385)
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	17,133	24,160	292	31,443
Depreciation and amortization	28,126	32,449	56,997	64,215
Share-based compensation	7,320	2,535	12,818	4,215
Deferred income taxes	10,801	(7,305)	25,380	(8,284)
Income tax current	838	895	2,053	943
Interest expense and other financing costs	1,211	1,062	2,317	2,286
Loss (gain) on sale of long-term assets	265	(4,606)	762	(5,199)
Change in fair value of non-designated derivative financial instruments	(4,189)	639	3,039	(12,301)
Impairment of assets (net of reversals)	1,022	—	1,022	979
Change in net pension liability	6,913	6,731	12,589	13,371
Net income taxes paid	(628)	(54)	(3,541)	(10,895)
Interest paid	(1,187)	(816)	(2,273)	(1,671)
Change in provision for restructuring and other related costs	(6,849)	(10,286)	(13,762)	(15,589)
Cash settlement of restricted share units	(216)	(5,332)	(216)	(5,332)
Other	(6,151)	12,597	(9,813)	12,784
Change in non-cash working capital	(22,384)	29,393	(52,471)	(20,598)
Cash provided by operating activities	\$ 63,406	\$ 74,538	\$ 108,843	\$ 39,982
Financing activities				
Dividends paid	\$ (12,119)	\$ (11,365)	\$ (24,230)	\$ (22,804)
Net increase (decrease) in long-term debt	(125)	—	(292)	—
Exercise of stock options	1,619	784	1,661	2,188
Repurchase of shares	—	(41,910)	(11,922)	(41,910)
Payment of financing fees	(1,090)	(50)	(1,090)	(277)
Purchase of treasury stock	(2,900)	(1,188)	(5,601)	(1,188)
Cash used in financing activities	\$ (14,615)	\$ (53,729)	\$ (41,474)	\$ (63,991)
Investing activities				
Additions to long-term assets	\$ (27,178)	\$ (44,019)	\$ (47,453)	\$ (70,452)
Proceeds from sale of long-term assets	228	6,033	572	8,056
Cash used in investing activities	\$ (26,950)	\$ (37,986)	\$ (46,881)	\$ (62,396)
Increase (decrease) in cash and cash equivalents	\$ 21,841	\$ (17,177)	\$ 20,488	\$ (86,405)
Net cash and cash equivalents, beginning of period	290,916	427,100	292,269	496,328
Net cash and cash equivalents, end of period	\$ 312,757	\$ 409,923	\$ 312,757	\$ 409,923

Segmented Financial Information

(In thousands of Canadian dollars) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Sales				
Meat Products Group	\$ 850,988	\$ 817,223	\$ 1,643,965	\$ 1,593,632
Agribusiness Group	3,658	3,553	7,570	7,392
Total sales	\$ 854,646	\$ 820,776	\$ 1,651,535	\$ 1,601,024
Earnings (loss) before restructuring and other related costs and other income				
Meat Products Group	\$ 62,887	\$ 17,680	\$ 124,161	\$ 25,558
Agribusiness Group	(2,421)	4,109	(10,113)	6,641
Non-allocated costs	(13,049)	(26,519)	(5,654)	(22,756)
Total earnings (loss) before restructuring and other related costs and other income	\$ 47,417	\$ (4,730)	\$ 108,394	\$ 9,443
Capital expenditures				
Meat Products Group	\$ 25,341	\$ 36,635	\$ 43,890	\$ 60,508
Agribusiness Group	1,837	6,642	3,563	8,636
	\$ 27,178	\$ 43,277	\$ 47,453	\$ 69,144
Depreciation and amortization				
Meat Products Group	\$ 25,757	\$ 25,665	\$ 51,971	\$ 50,854
Agribusiness Group	1,853	1,645	3,670	3,097
Non-allocated costs ⁽ⁱ⁾	516	5,139	1,356	10,264
	\$ 28,126	\$ 32,449	\$ 56,997	\$ 64,215

⁽ⁱ⁾ Includes depreciation on assets used to service divested business.

	As at June 30, 2016	As at June 30, 2015	As at December 31, 2015
Total assets			
Meat Products Group	\$ 1,890,750	\$ 1,862,511	\$ 1,853,146
Agribusiness Group	189,537	172,191	188,890
Non-allocated assets	583,250	726,961	588,829
	\$ 2,663,537	\$ 2,761,663	\$ 2,630,865
Goodwill			
Meat Products Group	\$ 428,236	\$ 428,236	\$ 428,236