



TSX: MFI
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Maple Leaf Foods Reports Second Quarter 2017 Financial Results

Mississauga, Ontario, July 27, 2017- Maple Leaf Foods Inc. (TSX: MFI) today reported its financial results for the second quarter, June 30, 2017.

- Significant sales and volume growth across our portfolio
- Strong earnings growth and Adjusted EBITDA Margin⁽¹⁾
- Favourable markets offset by margin compression from rising meat costs

Financial Highlights

Second quarter sales increased 8.3% to \$925.9 million and Adjusted Earnings per Share⁽²⁾ increased 28.1% to \$0.41 compared to the same quarter last year. Adjusted EBITDA Margin for the quarter was 11.2%, while Free Cash Flow⁽³⁾ declined to \$15.2 million.

For the six months ended June 30, 2017, sales increased 5.2% and Adjusted Earnings per Share increased 23.3%. Adjusted EBITDA Margin was 11.0% while Free Cash Flow was approximately \$49.9 million.

<i>Measure⁽ⁱ⁾</i> <i>(Unaudited)</i>	Three months ended June 30,			Six months ended June 30,	
	2017	2016	% Change	2017	2016
Sales	925.9	854.6	8.3 %	1,737.1	1,651.5
Net Earnings	37.3	31.4	18.8 %	67.4	73.7
Adjusted Operating Earnings ⁽⁴⁾	75.0	60.5	24.0 %	134.0	114.0
Adjusted EBITDA Margin	11.2%	10.3%	90 bps	11.0%	10.3%
Basic Earnings per Share	0.29	0.23	26.1 %	0.52	0.55
Adjusted Earnings per Share	0.41	0.32	28.1 %	0.74	0.60
Free Cash Flow	15.2	36.2	(58.0)%	49.9	61.4

⁽ⁱ⁾ All financial measures in millions except Adjusted EBITDA Margin and Basic and Adjusted Earnings per Share.

Note: 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.

"We delivered excellent second quarter results with continued earnings growth," said Michael H. McCain, President and CEO. "Strong performance in the fresh value-added pork portfolio contributed to earnings. Favourable market conditions were offset by margin compression in prepared meats due to rising raw material costs. Moving forward, we are focused on accelerating profitable growth, investing in our brands and building our leadership in sustainability. We see a path to creating significant value for shareholders and to society by advancing our vision to be the most sustainable protein company on earth."

Sales and Earnings

The Company's products include value-added prepared meats, lunch kits and snacks, value-added fresh pork and poultry products and refrigerated plant protein products sold under flagship national brands such as Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina® and Lightlife®.

Sales for the second quarter increased 8.3% to \$925.9 million or 5.7% after adjusting for the impact of foreign exchange and acquisitions. Increased volumes in prepared meats, value-added fresh pork, and poultry coupled with a full quarter of Lightlife sales contributed to the increase.

Sales for the first six months increased 5.2% to \$1,737.1 million or 4.0% after adjusting for the impact of foreign exchange and acquisitions.

Net earnings for the second quarter increased to \$37.3 million (\$0.29 per basic share) compared to \$31.4 million (\$0.23 per basic share) last year. Performance was strong in fresh value-added pork due to improved commercial mix and favourable market conditions, partially offset by margin compression in prepared meats due to rising raw material costs. We will be implementing targeted pricing actions in the third quarter to offset these rising raw material costs. The Company also experienced some non-routine operational costs in the period. For the first six months, net earnings were \$67.4 million (\$0.52 per basic share) compared to \$73.7 million (\$0.55 per basic share) last year. Year to date results were impacted by the change in fair value of biological assets and higher restructuring costs, which are excluded in calculating Adjusted Operating Earnings below.

Adjusted Operating Earnings increased to \$75.0 million compared to \$60.5 million last year. Commercial performance in value-added fresh pork, strong volume growth across the portfolio and favourable market conditions contributed to earnings growth in the quarter. Results were partially offset by higher raw material costs that led to margin compression in the prepared meats portfolio and some non-routine operational costs in the quarter.

Adjusted Operating Earnings in the first six months was \$134.0 million compared to \$114.0 million last year.

Other Matters

On July 26, 2017, the Board of Directors approved a dividend of \$0.11 per share payable September 29, 2017 to shareholders of record at the close of business September 8, 2017. Based on the current number of shares outstanding, it is estimated that \$0.1022 per share of the total dividend to be paid will be considered an Eligible Dividend for the "Enhanced Dividend Tax Credit System". The final amount of the dividend that is considered an Eligible Dividend will be confirmed on the Company's website on or before September 29, 2017.

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 Information* on the *Investors* page. A conference call will be held at 2:30 p.m. EDT on July 27, 2017, to review Maple Leaf Foods' second quarter financial results. To participate in the call, please dial 416-340-2218 or 1-800-273-9672. For those unable to participate, playback will be made available an hour after the event at 905-694-9451 or 1-800-408-3053 (Passcode:1365285#).

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

<http://edge.media-server.com/m/p/eapsmzw9>

The Company's full unaudited condensed consolidated interim 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,		Six months ended June 30,	
	2017	2016	2017	2016
Net earnings	\$ 37,342	\$ 31,381	\$ 67,447	\$ 73,650
Income taxes	14,120	11,639	26,100	27,433
Earnings before income taxes	\$ 51,462	\$ 43,020	\$ 93,547	\$ 101,083
Interest expense and other financing costs	1,345	1,211	2,572	2,317
Other expense (income)	1,132	2,601	3,836	3,192
Restructuring and other related costs	4,986	585	11,476	1,802
Earnings from operations	\$ 58,925	\$ 47,417	\$ 111,431	\$ 108,394
Decrease in fair value of biological assets ⁽⁵⁾	8,514	17,133	5,717	292
Unrealized loss (gain) on futures contracts ⁽⁵⁾	7,567	(4,084)	16,888	5,362
Adjusted Operating Earnings	\$ 75,006	\$ 60,466	\$ 134,036	\$ 114,048

Adjusted Earnings per Share

(\$ per share) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Basic earnings per share	\$ 0.29	\$ 0.23	\$ 0.52	\$ 0.55
Restructuring and other related costs ⁽⁶⁾	0.03	0.00	0.07	0.01
Items included in other expense (income) not considered representative of ongoing operations ⁽⁷⁾	—	0.01	0.03	0.02
Change in the fair value of unrealized loss on futures contracts ⁽⁸⁾	0.04	(0.02)	0.10	0.03
Change in the fair value of biological assets ⁽⁸⁾	0.05	0.09	0.03	—
Adjusted Earnings per Share⁽⁹⁾	\$ 0.41	\$ 0.32	\$ 0.74	\$ 0.60

Adjusted Earnings Before Interest, Income Taxes, Depreciation, and Amortization

(\$ thousands) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net earnings	\$ 37,342	\$ 31,381	\$ 67,447	\$ 73,650
Income taxes	14,120	11,639	26,100	27,433
Earnings before income taxes	\$ 51,462	\$ 43,020	\$ 93,547	\$ 101,083
Interest expense and other financing costs	1,345	1,211	2,572	2,317
Items included in other expense (income) not considered representative of ongoing operations	360	2,402	3,839	2,840
Restructuring and other related costs	4,986	585	11,476	1,802
Change in the fair value of biological assets and unrealized loss on futures contracts	16,081	13,049	22,605	5,654
Depreciation and amortization	29,069	27,610	57,131	55,641
Adjusted EBITDA	\$ 103,303	\$ 87,877	\$ 191,170	\$ 169,337

Free Cash Flow

(\$ thousands) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Cash provided by operating activities	\$ 42,132	\$ 63,406	\$ 97,140	\$ 108,843
Additions to long-term assets	(26,982)	(27,178)	(47,237)	(47,453)
Free Cash Flow	\$ 15,150	\$ 36,228	\$ 49,903	\$ 61,390

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 associated with cyber threats;
- 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;
- risks associated with the supply management system for poultry in Canada;
- risks associated with the use of contract manufacturers;
- 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, 2016 that 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 is available on SEDAR at www.sedar.com.

About Maple Leaf Foods Inc.

Maple Leaf Foods Inc. is a leading consumer protein company, making high quality, innovative products under national brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina® and Lightlife®. Maple Leaf employs approximately 11,500 people and does business in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

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. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by sales. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2017 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 2017 second quarter Management's Discussion and Analysis.*
3. *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 operations, less additions to long-term assets. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2017 second quarter Management's Discussion and Analysis.*
4. *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. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2017 second quarter Management's Discussion and Analysis*
5. *Unrealized gains/losses on futures contracts is reported within cost of sales in the Company's 2017 second quarter unaudited condensed consolidated interim financial statements. For biological assets information, please refer to Note 6 of the Company's 2017 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 acquisition related costs, 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 losses on futures contracts and the change in fair value of biological assets, net of tax.*
9. *May not add due to rounding.*

Consolidated Interim Balance Sheets

<i>(In thousands of Canadian dollars)</i>	As at June 30, 2017	As at June 30, 2016	As at December 31, 2016
	<i>(Unaudited)</i>	<i>(Unaudited) (Restated)⁽ⁱⁱⁱ⁾</i>	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 104,820	\$ 312,757	\$ 403,621
Accounts receivable	140,474	70,014	127,749
Notes receivable	42,410	103,115	32,485
Inventories	305,942	282,258	261,719
Biological assets	107,958	105,568	111,445
Prepaid expenses and other assets	54,225	36,599	30,372
Assets held for sale	5,251	4,842	4,837
	\$ 761,080	\$ 915,153	\$ 972,228
Property and equipment	1,097,249	1,078,100	1,085,275
Investment property	1,910	2,073	1,929
Employee benefits	1,357	52,359	10,311
Other long-term assets	5,452	6,796	6,557
Deferred tax asset	—	37,982	—
Goodwill	557,219	428,236	428,236
Intangible assets	160,221	131,021	128,085
Total assets	\$ 2,584,488	\$ 2,651,720	\$ 2,632,621
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	\$ 272,865	\$ 248,173	\$ 256,163
Provisions	13,906	19,517	11,889
Current portion of long-term debt	881	729	794
Income taxes payable	6,540	8,127	9,544
Other current liabilities	45,707	14,375	96,857
	\$ 339,899	\$ 290,921	\$ 375,247
Long-term debt	8,969	9,766	9,119
Employee benefits	118,978	237,892	108,730
Provisions	14,710	13,755	16,555
Other long-term liabilities	13,084	16,959	12,654
Deferred tax liability	40,756	—	22,293
Total liabilities	\$ 536,396	\$ 569,293	\$ 544,598
Shareholders' equity			
Share capital	\$ 847,326	\$ 884,431	\$ 853,633
Retained earnings	1,213,935	1,185,999	1,247,737
Contributed surplus	—	12,314	—
Accumulated other comprehensive income	1,792	7,332	1,619
Treasury stock	(14,961)	(7,649)	(14,966)
Total shareholders' equity	\$ 2,048,092	\$ 2,082,427	\$ 2,088,023
Total liabilities and equity	\$ 2,584,488	\$ 2,651,720	\$ 2,632,621

Consolidated Interim Statements of Net Earnings

(In thousands of Canadian dollars, except
share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Sales	\$ 925,873	\$ 854,646	\$ 1,737,058	\$ 1,651,535
Cost of goods sold	778,195	727,762	1,455,684	1,386,394
Gross margin	\$ 147,678	\$ 126,884	\$ 281,374	\$ 265,141
Selling, general and administrative expenses	88,753	79,467	169,943	156,747
Earnings before the following:	\$ 58,925	\$ 47,417	\$ 111,431	\$ 108,394
Restructuring and other related costs	(4,986)	(585)	(11,476)	(1,802)
Other income (expense)	(1,132)	(2,601)	(3,836)	(3,192)
Earnings before interest and income taxes	\$ 52,807	\$ 44,231	\$ 96,119	\$ 103,400
Interest expense and other financing costs	1,345	1,211	2,572	2,317
Earnings before income taxes	\$ 51,462	\$ 43,020	\$ 93,547	\$ 101,083
Income taxes	14,120	11,639	26,100	27,433
Net earnings	\$ 37,342	\$ 31,381	\$ 67,447	\$ 73,650
Earnings per share:				
Basic earnings per share	\$ 0.29	\$ 0.23	\$ 0.52	\$ 0.55
Diluted earnings per share	\$ 0.28	\$ 0.23	\$ 0.51	\$ 0.53
Weighted average number of shares (millions)				
Basic	129.1	134.4	129.8	134.5
Diluted	132.9	137.4	133.1	137.8

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Net earnings	\$ 37,342	\$ 31,381	\$ 67,447	\$ 73,650
Other comprehensive (loss) income				
Actuarial losses that will not be reclassified to profit or loss				
(Net of tax of \$5.2 million and \$6.2 million; 2016: \$10.8 million and \$9.5 million)	\$ (14,721)	\$ (30,628)	\$ (17,561)	\$ (26,768)
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; 2016: \$0.0 million)	\$ (5,109)	\$ 569	\$ (7,185)	\$ 413
Change in unrealized gains (losses) on cash flow hedges				
(Net of tax of \$2.2 million and \$2.6 million; 2016: \$1.5 million and \$2.6 million)	6,195	(4,415)	7,358	7,333
Total items that are or may be reclassified subsequently to profit or loss	\$ 1,086	\$ (3,846)	\$ 173	\$ 7,746
Total other comprehensive loss	\$ (13,635)	\$ (34,474)	\$ (17,388)	\$ (19,022)
Comprehensive income (loss)	\$ 23,707	\$ (3,093)	\$ 50,059	\$ 54,628

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) ⁽ⁱ⁾			Treasury stock	Total equity
				Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges			
Balance as at December 31, 2016	\$853,633	\$1,247,737	\$ —	\$ 2,116	\$ (497)	\$ (14,966)	\$2,088,023	
Net earnings	—	67,447	—	—	—	—	67,447	
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	(17,561)	—	(7,185)	7,358	—	(17,388)	
Dividends declared (\$0.22 per share)	—	(28,530)	—	—	—	—	(28,530)	
Share-based compensation expense	—	—	11,842	—	—	—	11,842	
Deferred taxes on share-based compensation	—	—	2,750	—	—	—	2,750	
Repurchase of shares	(11,819)	(26,340)	(14,592)	—	—	—	(52,751)	
Exercise of stock options	5,512	—	—	—	—	—	5,512	
Settlement of share-based compensation	—	(28,818)	—	—	—	16,005	(12,813)	
Shares purchased by RSU trust	—	—	—	—	—	(16,000)	(16,000)	
Balance as at June 30, 2017	\$847,326	\$1,213,935	\$ —	\$ (5,069)	\$ 6,861	\$ (14,961)	\$2,048,092	

(In thousands of Canadian dollars) (Unaudited)	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss) ⁽ⁱ⁾			Treasury stock	Total equity
				Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges			
Balance as at December 31, 2015⁽ⁱⁱⁱ⁾	\$882,770	\$1,161,047	\$ —	\$ 2,506	\$ (2,920)	\$ (2,086)	\$2,041,317	
Net earnings	—	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	
Exercise of stock options	1,661	—	—	—	—	—	1,661	
Settlement of share-based compensation	—	—	(356)	—	—	38	(318)	
Shares purchased by RSU trust	—	—	—	—	—	(5,601)	(5,601)	
Balance at June 30, 2016⁽ⁱⁱⁱ⁾	\$884,431	\$1,185,999	\$ 12,314	\$ 2,919	\$ 4,413	\$ (7,649)	\$2,082,427	

⁽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.

⁽ⁱⁱⁱ⁾ Restated, see Note 2 (d) of the Company's 2017 second quarter unaudited condensed consolidated interim financial statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
CASH PROVIDED BY (USED IN):				
Operating activities				
Net earnings	\$ 37,342	\$ 31,381	\$ 67,447	\$ 73,650
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	8,514	17,133	5,717	292
Depreciation and amortization	29,079	28,126	57,150	56,997
Share-based compensation	4,629	7,320	11,842	12,818
Deferred income taxes	12,003	10,801	22,481	25,380
Income tax current	2,117	838	3,619	2,053
Interest expense and other financing costs	1,345	1,211	2,572	2,317
(Gain) loss on sale of long-term assets	(831)	265	(510)	762
Change in fair value of non-designated derivative financial instruments	5,634	(4,189)	13,817	3,039
Impairment of assets (net of reversals)	—	1,022	—	1,022
Change in net pension liability	(5,625)	6,913	(4,561)	12,589
Net income taxes paid	(3,707)	(628)	(6,365)	(3,541)
Interest paid	(832)	(1,187)	(1,650)	(2,273)
Change in provision for restructuring and other related costs	2,330	(6,849)	4,944	(13,762)
Change in derivatives margin	(11,694)	(5,683)	(14,124)	(12,949)
Other	996	(684)	83	2,920
Change in non-cash working capital	(39,168)	(22,384)	(65,322)	(52,471)
Cash provided by operating activities	\$ 42,132	\$ 63,406	\$ 97,140	\$ 108,843
Financing activities				
Dividends paid	\$ (14,205)	\$ (12,119)	\$ (28,530)	\$ (24,230)
Net decrease in long-term debt	(93)	(125)	(278)	(292)
Exercise of stock options	3,905	1,619	5,512	1,661
Repurchase of shares	(29,432)	—	(111,412)	(11,922)
Payment of deferred financing fees	(78)	(1,090)	(142)	(1,090)
Purchase of treasury stock	(6,000)	(2,900)	(16,000)	(5,601)
Cash used in financing activities	\$ (45,903)	\$ (14,615)	\$ (150,850)	\$ (41,474)
Investing activities				
Additions to long-term assets	\$ (26,982)	\$ (27,178)	\$ (47,237)	\$ (47,453)
Acquisition of business, net of cash acquired	(9,523)	—	(199,440)	—
Proceeds from sale of long-term assets	1,500	228	1,586	572
Cash used in investing activities	\$ (35,005)	\$ (26,950)	\$ (245,091)	\$ (46,881)
(Decrease) increase in cash and cash equivalents	\$ (38,776)	\$ 21,841	\$ (298,801)	\$ 20,488
Cash and cash equivalents, beginning of period	143,596	290,916	403,621	292,269
Cash and cash equivalents, end of period	\$ 104,820	\$ 312,757	\$ 104,820	\$ 312,757