



TSX: MFI

www.mapleleaffoods.com

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Maple Leaf Foods Reports First Quarter 2018 Financial Results

Mississauga, Ontario, May 2, 2018- Maple Leaf Foods Inc. (TSX: MFI) today reported its financial results for the first quarter ending March 31, 2018.

- Sales volume growth across the business, except in fresh pork with temporary supply interruption
- Adjusted EBITDA margins⁽¹⁾ of 10.1%
- Strong commercial and operating performance across the business, offset by less favorable market conditions
- Excellent momentum in our U.S platform and in plant protein
- Preparing for launch in core brand renovations in the second quarter

Financial Highlights

Measure^(a) (Unaudited)	Three months ended March 31,		
	2018	2017	% Change
Sales ^(b)	\$ 817.5	\$ 811.2	0.8 %
Net Earnings	\$ 27.9	\$ 30.1	(7.3)%
Basic Earnings per Share	\$ 0.22	\$ 0.23	(4.3)%
Adjusted EBITDA Margin	10.1%	10.8%	-70 bps
Adjusted Operating Earnings ⁽²⁾	\$ 52.8	\$ 59.0	(10.6)%
Adjusted Earnings per Share ⁽³⁾	\$ 0.29	\$ 0.33	(12.1)%
Free Cash Flow ⁽⁴⁾	\$ (3.3)	\$ 34.8	(109.5)%

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

^(b) 2018 sales include the impact of the adoption of new accounting standard IFRS 15 - Revenue from Contracts with Customers. Refer to note 2(b) of the unaudited condensed consolidated interim financial statements for further details on the impact of the adoption of new accounting standards.

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.

“As anticipated, it was a more challenging start to the year in 2018 although we were pleased to have delivered EBITDA margins of 10.1% in these conditions, which reflects our balanced portfolio, brand strength and value-added product mix,” said Michael H. McCain, President and CEO. “We realized excellent commercial and operating gains in the prepared meat portfolio, offset by the much-anticipated headwinds of market conditions. We are now launching the most extensive food and brand renovation in our history, which will be one of our strategic growth foundations for years to come.”

OPERATING REVIEW

The following table summarizes the Company's total sales and Adjusted Operating Earnings for the quarter.

(\$ thousands) (Unaudited)	Three months ended March 31,	
	2018	2017
Total Sales	\$ 817,509	\$ 811,185
Adjusted Operating Earnings	\$ 52,772	\$ 59,030
Adjusted EBITDA Margin	10.1%	10.8%

Sales and Earnings Review

Sales in the first quarter increased 0.8% to 817.5 million, or 2.4% after adjusting for the adoption of a new accounting standard, foreign exchange, and acquisitions. Sales were driven by prepared meats, which benefited from innovation and the Company's expansion in the U.S. market as well as pricing taken in fall of 2017. The Lightlife and Field Roast brands contributed to sales increases in the quarter. Sales in value-added fresh pork were impacted by lower market values and a transitory reduction in hog supply from PEDv in 2017.

Adjusted Operating Earnings were \$52.8 million compared to \$59.0 million in the first quarter of 2017. Positive trends and commercial performance in the underlying business were offset by market conditions in pork markets which were materially below prior year. First quarter earnings benefited from improvement in prepared meats related to volume growth, strong margins and increased supply chain efficiency. Performance in value-added poultry and pork and plant protein also contributed to our earnings.

Net earnings for the first quarter were \$27.9 million (\$0.22 per basic share) compared to \$30.1 million (\$0.23 per basic share) in the first quarter of 2017. The decrease in net earnings was consistent with factors noted above and partially offset by lower restructuring costs.

Other Matters

On May 2, 2018, the Board of Directors approved a dividend of \$0.13 per share payable June 29, 2018 to shareholders of record at the close of business on June 8, 2018. Unless indicated otherwise by the Company at or before the time the dividend is paid, this 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 first 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 May 2, 2018, to review Maple Leaf Foods' first quarter financial results. To participate in the call, please dial 416-340-2216 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: 9110367#).

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

<https://edge.media-server.com/m6/p/4xp9svdj>

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, Free Cash Flow 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 condensed consolidated interim statements of net 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,	
	2018	2017
Net earnings	\$ 27,918	\$ 30,105
Income taxes	11,507	11,980
Earnings before income taxes	\$ 39,425	\$ 42,085
Interest expense and other financing costs	1,653	1,227
Other (income) expense	2,854	2,704
Restructuring and other related costs	2,055	6,490
Earnings from operations	\$ 45,987	\$ 52,506
Decrease (increase) in fair value of biological assets ⁽⁵⁾	7,097	(2,797)
Unrealized (gain) loss on derivative contracts ⁽⁵⁾	(312)	9,321
Adjusted Operating Earnings	\$ 52,772	\$ 59,030

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 condensed 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,	
	2018	2017
Basic earnings per share	\$ 0.22	\$ 0.23
Restructuring and other related costs ⁽⁶⁾	0.01	0.04
Items included in other income not considered representative of ongoing operations ⁽⁷⁾	0.02	0.02
Change in the fair value of biological assets ⁽⁸⁾	0.04	(0.02)
Change in the fair value of unrealized (gain) loss on derivative contracts ⁽⁸⁾	—	0.05
Adjusted Earnings per Share⁽⁹⁾	\$ 0.29	\$ 0.33

Adjusted Earnings Before Interest, Income Taxes, 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 condensed 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,	
	2018	2017
Net earnings	\$ 27,918	\$ 30,105
Income taxes	11,507	11,980
Earnings before income taxes	\$ 39,425	\$ 42,085
Interest expense and other financing costs	1,653	1,227
Items included in other income not representative of ongoing operations	2,690	3,479
Restructuring and other related costs	2,055	6,490
Change in the fair value of biological assets and unrealized (gains) losses on derivative contracts	6,785	6,524
Depreciation and amortization	29,874	28,062
Adjusted EBITDA	\$ 82,482	\$ 87,867
Adjusted EBITDA Margin	10.1%	10.8%

Free Cash Flow

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. The following table calculates Free Cash Flow for the periods indicated below.

(\$ thousands) (Unaudited)	Three months ended March 31,	
	2018	2017
Cash provided by operating activities	\$ 32,055	\$ 55,008
Additions to long-term assets	(35,360)	(20,255)
Free Cash (Out) In Flow	\$ (3,305)	\$ 34,753

Net Cash⁽¹⁰⁾

The following table reconciles Net Cash to amounts reported under IFRS in the Company's consolidated financial statements for the three months ended, as 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,	
	2018	2017
Cash and cash equivalents	\$ 67,697	\$ 143,596
Current portion of long-term debt	\$ (816)	\$ (837)
Long-term debt	(59,938)	(8,998)
Total debt	\$ (60,754)	\$ (9,835)
Net cash	\$ 6,943	\$ 133,761

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: expectations regarding the use of derivatives, futures and options; 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 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.
- Impact of changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes

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 Annual Management's Discussion and Analysis for the year ended December 31, 2017, 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®, Lightlife™ and Field Roast Grain Meat Co.™. 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 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 2018 first quarter Management's Discussion and Analysis.*
2. *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 2018 first quarter Management's Discussion and Analysis.*
3. *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 2018 first 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 operations, less additions to long-term assets. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2018 first quarter Management's Discussion and Analysis.*
5. *Unrealized gains/losses on derivative contracts is reported within cost of sales in the Company's 2018 first quarter unaudited condensed consolidated interim financial statements. For biological assets information, please refer to Note 6 of the Company's 2018 first quarter unaudited condensed consolidated interim financial statements.*
6. *Includes per share impact of restructuring and other related costs, net of tax.*
7. *Primarily includes (gains) and losses on disposal of investment properties, acquisition related costs, interest income, and litigation costs, net of tax.*
8. *Includes per share impact of the change in unrealized losses on derivative contracts and the change in fair value of biological assets, net of tax.*
9. *May not add due to rounding.*
10. *Net cash, a non-IFRS measure, is used by Management to assess the amount of financial leverage that has been employed. It is defined as total cash and cash equivalents less total long-term debt. Please refer to the section entitled Non-IFRS Financial Measures in the Company's 2018 first quarter Management's Discussion and Analysis.*

Consolidated Interim Balance Sheets

<i>(In thousands of Canadian dollars)</i>	As at March 31, 2018	As at March 31, 2017	As at December 31, 2017
	<i>(Unaudited)</i>	<i>(Unaudited)⁽ⁱ⁾</i>	
ASSETS			
Current assets			
Cash and cash equivalents	\$ 67,697	\$ 143,596	\$ 203,425
Accounts receivable	128,457	128,066	123,968
Notes receivable	27,727	31,886	28,918
Inventories	325,618	313,620	273,365
Biological assets	109,419	116,884	111,735
Prepaid expenses and other assets	18,862	27,393	24,393
Assets held for sale	—	4,837	—
	\$ 677,780	\$ 766,282	\$ 765,804
Property and equipment	1,127,381	1,086,182	1,116,309
Investment property	1,883	1,920	1,892
Employee benefits	21,751	8,104	9,856
Other long-term assets	8,135	6,311	6,125
Goodwill	665,615	522,584	517,387
Intangible assets	213,153	225,413	215,197
Total assets	\$ 2,715,698	\$ 2,616,796	\$ 2,632,570
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	\$ 312,577	\$ 280,438	\$ 300,659
Provisions	8,687	12,607	9,335
Current portion of long-term debt	816	837	805
Income taxes payable	10,584	8,410	7,855
Other current liabilities	17,773	50,721	31,597
	\$ 350,437	\$ 353,013	\$ 350,251
Long-term debt	59,938	8,998	8,443
Employee benefits	115,474	111,430	117,808
Provisions	9,891	15,755	11,273
Other long-term liabilities	14,183	12,146	12,689
Deferred tax liability	89,510	52,610	80,498
Total liabilities	\$ 639,433	\$ 553,952	\$ 580,962
Shareholders' equity			
Share capital	\$ 835,701	\$ 846,066	\$ 835,154
Retained earnings	1,275,377	1,239,713	1,253,035
Accumulated other comprehensive (loss) income	(4,448)	706	(9,620)
Treasury stock	(30,365)	(23,641)	(26,961)
Total shareholders' equity	\$ 2,076,265	\$ 2,062,844	\$ 2,051,608
Total liabilities and equity	\$ 2,715,698	\$ 2,616,796	\$ 2,632,570

⁽ⁱ⁾ Restated, see Note 17(b) of the Company's 2018 first quarter unaudited condensed consolidated interim financial statements.

Consolidated Interim Statements of Net Earnings

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

	Three months ended March 31,	
	2018	2017
Sales	\$ 817,509	\$ 811,185
Cost of goods sold	685,340	677,489
Gross margin	\$ 132,169	\$ 133,696
Selling, general and administrative expenses	86,182	81,190
Earnings before the following:	\$ 45,987	\$ 52,506
Restructuring and other related costs	(2,055)	(6,490)
Other income (expense)	(2,854)	(2,704)
Earnings before interest and income taxes	\$ 41,078	\$ 43,312
Interest expense and other financing costs	1,653	1,227
Earnings before income taxes	\$ 39,425	\$ 42,085
Income tax expense	11,507	11,980
Net earnings	\$ 27,918	\$ 30,105
Earnings per share:		
Basic earnings per share	\$ 0.22	\$ 0.23
Diluted earnings per share	\$ 0.22	\$ 0.22
Weighted average number of shares (millions)		
Basic	126.2	130.5
Diluted	129.3	134.3

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31,	
	2018	2017
Net earnings	\$ 27,918	\$ 30,105
Other comprehensive (loss) income		
Actuarial gains (losses) that will not be reclassified to profit or loss (Net of tax of \$4.2 million; 2017: \$1.0 million)	\$ 11,775	\$ (2,840)
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; 2017: \$0.0 million)	\$ 11,829	\$ (2,076)
Change in foreign exchange losses on long-term debt designated as a net investment hedge (Net of tax of \$0.5 million; 2017: \$0.0 million)	(1,497)	—
Change in unrealized (losses) gains on cash flow hedges (Net of tax of \$1.1 million; 2017: \$0.4 million)	(5,160)	1,163
Total items that are or may be reclassified subsequently to profit or loss	\$ 5,172	\$ (913)
Total other comprehensive income (loss)	\$ 16,947	\$ (3,753)
Comprehensive income	\$ 44,865	\$ 26,352

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, 2017	\$ 835,154	\$ 1,253,035	\$ —	\$ (11,420)	\$ 1,800	\$ (26,961)	\$ 2,051,608
Impact of new IFRS standards ⁽ⁱⁱⁱ⁾	—	(3,695)	—	—	—	—	(3,695)
Net earnings	—	27,918	—	—	—	—	27,918
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	11,775	—	10,332	(5,160)	—	16,947
Dividends declared (\$0.13 per share)	—	(16,475)	—	—	—	—	(16,475)
Share-based compensation expense	—	—	4,870	—	—	—	4,870
Deferred taxes on share-based compensation	—	—	(1,500)	—	—	—	(1,500)
Repurchase of shares	333	5,477	(3,370)	—	—	—	2,440
Exercise of stock options	214	—	—	—	—	—	214
Settlement of share-based compensation	—	(2,658)	—	—	—	1,596	(1,062)
Shares purchased by RSU trust	—	—	—	—	—	(5,000)	(5,000)
Balance as at March 31, 2018	\$ 835,701	\$ 1,275,377	\$ —	\$ (1,088)	\$ (3,360)	\$ (30,365)	\$ 2,076,265

(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	—	30,105	—	—	—	—	30,105
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	(2,840)	—	(2,076)	1,163	—	(3,753)
Dividends declared (\$0.11 per share)	—	(14,325)	—	—	—	—	(14,325)
Share-based compensation expense	—	—	7,213	—	—	—	7,213
Deferred taxes on share-based compensation	—	—	2,750	—	—	—	2,750
Repurchase of shares	(9,174)	(18,681)	(9,963)	—	—	—	(37,818)
Exercise of stock options	1,607	—	—	—	—	—	1,607
Settlement of share-based compensation	—	(2,283)	—	—	—	1,325	(958)
Shares purchased by RSU trust	—	—	—	—	—	(10,000)	(10,000)
Balance at March 31, 2017	\$ 846,066	\$ 1,239,713	\$ —	\$ 40	\$ 666	\$ (23,641)	\$ 2,062,844

⁽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⁾ See Note 2(b) of the Company's 2018 first quarter unaudited condensed consolidated interim financial statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)
(Unaudited)

Three months ended March 31,

	2018	2017
CASH PROVIDED BY (USED IN):		
Operating activities		
Net earnings	\$ 27,918	\$ 30,105
Add (deduct) items not affecting cash:		
Change in fair value of biological assets	7,097	(2,797)
Depreciation and amortization	29,884	28,071
Share-based compensation	4,870	7,213
Deferred income taxes	6,106	10,478
Income tax current	5,401	1,502
Interest expense and other financing costs	1,653	1,227
Loss on sale of long-term assets	385	321
Change in fair value of non-designated derivative financial instruments	185	8,183
Change in net pension liability	1,705	1,064
Net income taxes paid	(2,468)	(2,658)
Interest paid	(1,174)	(818)
Change in provision for restructuring and other related costs	(585)	2,614
Change in derivatives margin	6,530	(2,430)
Other	(6,443)	(913)
Change in non-cash working capital	(49,009)	(26,154)
Cash provided by operating activities	32,055	55,008
Financing activities		
Dividends paid	\$ (16,475)	\$ (14,325)
Net increase (decrease) in long-term debt	49,337	(185)
Exercise of stock options	214	1,607
Repurchase of shares	(22,090)	(81,980)
Payment of deferred financing fees	(29)	(64)
Purchase of treasury stock	(5,000)	(10,000)
Cash provided by (used in) financing activities	\$ 5,957	\$ (104,947)
Investing activities		
Additions to long-term assets	\$ (35,360)	\$ (20,255)
Acquisition of business, net of cash acquired	(138,380)	(189,917)
Proceeds from sale of long-term assets	—	86
Cash used in investing activities	\$ (173,740)	\$ (210,086)
Decrease in cash and cash equivalents	\$ (135,728)	\$ (260,025)
Cash and cash equivalents, beginning of period	203,425	403,621
Cash and cash equivalents, end of period	\$ 67,697	\$ 143,596