



TSX: MFI
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Maple Leaf Foods Reports Third Quarter 2018 Financial Results

Mississauga, Ontario, October 25, 2018- Maple Leaf Foods Inc. (TSX: MFI) today reported its financial results for the third quarter, September 30, 2018.

- Sales growth in the value-added portfolio offset by lower fresh market values
- Adjusted EBITDA margin⁽¹⁾ at 9.3%, with strong commercial performance offset by abnormal market conditions
- Excellent progress in all growth and strategic initiatives
- Subsequent to the quarter, closed Cericola acquisition and announced agreement to purchase VIAU Foods, expanding Maple Leaf's position in premium fresh poultry and cured meats

"It was a challenging period driven by temporary global trade instability, but our performance held up exceptionally well reflecting the strength of our balanced portfolio and commercial momentum in our business," said Michael H. McCain, President and CEO. "These abnormal markets have no impact on our core business strategies or our longer-term financial goals. We are focused on key levers of value creation over time, including our sustainability agenda, our brands, strategic acquisitions and cost reduction."

Financial Highlights

Third quarter sales decreased 3.7% to \$874.8 million and Adjusted Earnings per Share⁽²⁾ decreased 25.6% to \$0.29 compared to the same quarter last year. Adjusted EBITDA Margin for the quarter was 9.3%, while Free Cash Flow⁽³⁾ decreased to \$45.1 million.

For the nine months ended September 30, 2018, sales decreased 1.7% and Adjusted Earnings per Share decreased 17.7%. Adjusted EBITDA Margin was 9.8% while Free Cash Flow was \$64.8 million.

Measure^(a) (Unaudited)	Three months ended September 30,			Nine months ended September 30,		
	2018	2017	% Change	2018	2017	% Change
Sales ^(b)	874.8	908.4	(3.7)%	2,601.6	2,645.4	(1.7)%
Net Earnings	26.6	37.6	(29.3)%	89.4	105.0	(14.9)%
Basic Earnings per Share	0.21	0.29	(27.6)%	0.71	0.81	(12.3)%
Adjusted EBITDA Margin	9.3%	10.6%	(130)bps	9.8%	10.9%	(110)bps
Adjusted Operating Earnings ⁽⁴⁾	51.0	65.2	(21.7)%	161.6	199.2	(18.9)%
Adjusted Earnings per Share	0.29	0.39	(25.6)%	0.93	1.13	(17.7)%
Free Cash Flow	45.1	154.3	(70.8)%	64.8	204.2	(68.3)%

^(a) All financial measures in millions of dollars 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 ("IFRS 15"). 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.

Sales and Earnings

(\$ thousands) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Total Sales	\$ 874,827	\$ 908,359	\$ 2,601,580	\$ 2,645,417
Adjusted Operating Earnings	\$ 51,021	\$ 65,152	\$ 161,626	\$ 199,188
Adjusted EBITDA Margin	9.3%	10.6%	9.8%	10.9%

Sales for the third quarter of 2018 decreased 3.7% to \$874.8 million or a decrease of 1.6% after adjusting for IFRS 15 and acquisitions. The Company benefited from growth in sustainable meat products, improved mix in branded prepared meats and a continued increase in plant protein. However, this positive performance was more than offset by lower fresh market values.

Sales for the first nine months decreased 1.7% to \$2,601.6 million or a decrease of 0.1% after adjusting for IFRS 15 and acquisitions. The drivers of the decrease are primarily attributed to the factors noted above.

Net earnings for the third quarter decreased to \$26.6 million (\$0.21 per basic share) compared to \$37.6 million (\$0.29 per basic share) in the third quarter of 2017. Continued growth in value-added pork and poultry and plant protein was more than offset by adverse underlying market conditions, including heightened volatility in hog prices, and strategic investments in food renovation to support long-term growth and market leadership in the Company's major brands. Third quarter results were also impacted by changes in the fair value of biological assets and derivative contracts, which are excluded in the calculation of Adjusted Operating Earnings below.

For the first nine months, net earnings were \$89.4 million (\$0.71 per basic share) compared to \$105.0 million (\$0.81 per basic share). The decrease in net earnings for year to date is consistent with the factors noted above.

Adjusted Operating Earnings decreased to \$51.0 million from \$65.2 million in the third quarter of 2017. The impact of lower hog prices and strategic investments in food renovation supporting major brand strategies were partially offset by lower input costs in prepared meats, expansion in value-added pork and poultry, plant protein and improved sales mix in branded prepared meats.

Adjusted Operating Earnings in the first nine months was \$161.6 million compared to \$199.2 million last year. Year to date results were also impacted by challenging market conditions in the pork complex and the other factors noted above.

Adjusted EBITDA Margin for the third quarter was 9.3% compared to 10.6% the third quarter of 2017. For the first nine months, Adjusted EBITDA Margin decreased to 9.8% from 10.9% consistent with the factors noted above.

Other Matters

On October 24, 2018, the Board of Directors approved a dividend of \$0.13 per share payable December 28, 2018 to shareholders of record at the close of business on December 7, 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".

Subsequent Event

On October 1, 2018, the Company signed a definitive agreement to acquire 100% of the outstanding shares of VIAU Food Products Inc., a privately-held company engaged in the production and distribution of Italian cooked, dry-cured and charcuterie meats. The anticipated purchase price is \$215.0 million prior to transaction fees, debt settlement, and working capital adjustments. The consideration will consist of \$30.0 million in Maple Leaf Food's shares and the balance in cash financed with debt, and is expected to close in late 2018, subject to regulatory review.

Conference Call

An investor presentation related to the Company's third 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 October 25, 2018, to review Maple Leaf Foods' third 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:9669183#).

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

<https://edge.media-server.com/m6/p/bfcve233>

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 (Debt) 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 consolidated financial statements of earnings to Adjusted Operating Earnings for the three and nine 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net earnings	\$ 26,556	\$ 37,578	\$ 89,399	\$ 105,025
Income taxes	9,029	11,939	33,621	38,039
Earnings before income taxes	\$ 35,585	\$ 49,517	\$ 123,020	\$ 143,064
Interest expense and other financing costs	2,274	1,320	5,793	3,892
Other expense (income)	3,346	(12,764)	4,431	(8,928)
Restructuring and other related costs	0	5,627	3,971	17,103
Earnings from operations	\$ 41,205	\$ 43,700	\$ 137,215	\$ 155,131
Decrease in the fair value of biological assets ⁽⁵⁾	5,781	20,645	33,134	26,362
Unrealized loss (gain) on derivative contracts ⁽⁵⁾	4,035	807	(8,723)	17,695
Adjusted Operating Earnings	\$ 51,021	\$ 65,152	\$ 161,626	\$ 199,188

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 consolidated financial statements of earnings to Adjusted Earnings per Share for the three and nine 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Basic earnings per share	\$ 0.21	\$ 0.29	\$ 0.71	\$ 0.81
Restructuring and other related costs ⁽⁶⁾	—	0.03	0.02	0.10
Items included in other (income) expense not considered representative of ongoing operations ⁽⁷⁾	0.02	(0.06)	0.05	(0.03)
Change in the fair value of biological assets ⁽⁸⁾	0.03	0.12	0.19	0.15
Unrealized loss (gain) on derivative contracts ⁽⁸⁾	0.02	—	(0.05)	0.10
Adjusted Earnings per Share⁽⁹⁾	\$ 0.29	\$ 0.39	\$ 0.93	\$ 1.13

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 consolidated financial statements of earnings to Adjusted EBITDA for the three and nine 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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net earnings	\$ 26,556	\$ 37,578	\$ 89,399	\$ 105,025
Income taxes	9,029	11,939	33,621	38,039
Earnings before income taxes	\$ 35,585	\$ 49,517	\$ 123,020	\$ 143,064
Interest expense and other financing costs	2,274	1,320	5,793	3,892
Items included in other expense (income) not considered representative of ongoing operations ⁽⁷⁾	3,002	(10,412)	7,294	(6,573)
Restructuring and other related costs	0	5,627	3,971	17,103
Change in the fair value of biological assets and unrealized loss on derivative contracts ⁽⁸⁾	9,816	21,452	24,411	44,057
Depreciation and amortization	30,455	28,907	90,733	86,038
Adjusted EBITDA	\$ 81,132	\$ 96,411	\$ 255,222	\$ 287,581

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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Cash provided by operations	\$ 90,198	\$ 186,107	\$ 192,724	\$ 283,247
Additions to long-term assets	(45,070)	(31,816)	(127,971)	(79,053)
Free Cash Flow	\$ 45,128	\$ 154,291	\$ 64,753	\$ 204,194

Net (Debt) Cash

The following table reconciles Net (Debt) 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 (Debt) 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)	As at September 30,	
	2018	2017
Cash and cash equivalents	\$ 109,643	\$ 209,850
Current portion of long-term debt	839	794
Long-term debt	174,276	8,494
Total debt	\$ 175,115	\$ 9,288
Net (Debt) Cash	\$ (65,472)	\$ 200,562

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; acquisitions and potential acquisitions and the expectations regarding acquisitions; 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, capital expansion projects and integration of new businesses;
- 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;
- risks associated with failing to identify and manage the strategic risks facing the Company; and
- 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®, SWIFT®, 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, 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 2018 third 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 2018 third 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 2018 third 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 2018 third quarter Management's Discussion and Analysis.*
5. *Unrealized gains/losses on derivative contracts is reported within cost of sales in the Company's 2018 third quarter unaudited condensed consolidated interim financial statements. For biological assets information, please refer to Note 6 of the Company's 2018 third quarter unaudited condensed consolidated interim financial statements.*
6. *Includes per share impact of restructuring and other related costs, net of tax.*
7. *Includes acquisition related costs, interest income and gains/losses associated with investment properties, 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.*

Consolidated Interim Balance Sheets

<i>(In thousands of Canadian dollars)</i>	As at September 30, 2018 <i>(Unaudited)</i>	As at September 30, 2017 <i>(Unaudited)</i> ⁽ⁱ⁾	As at December 31, 2017
ASSETS			
Current assets			
Cash and cash equivalents	\$ 109,643	\$ 209,850	\$ 203,425
Accounts receivable	150,232	131,394	123,968
Notes receivable	26,823	29,008	28,918
Inventories	306,590	279,129	273,365
Biological assets	87,935	86,083	111,735
Prepaid expenses and other assets	17,082	29,508	24,393
	\$ 698,305	\$ 764,972	\$ 765,804
Property and equipment	1,152,900	1,087,115	1,116,309
Investment property	5,109	1,901	1,892
Employee benefits	39,658	15,609	9,856
Other long-term assets	8,212	5,749	6,125
Goodwill	666,620	516,857	517,387
Intangible assets	212,278	217,906	215,197
Total assets	\$ 2,783,082	\$ 2,610,109	\$ 2,632,570
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	\$ 308,288	\$ 288,813	\$ 300,659
Provisions	3,917	14,539	9,335
Current portion of long-term debt	839	794	805
Income taxes payable	11,382	4,408	7,855
Other current liabilities	45,042	29,908	31,597
	\$ 369,468	\$ 338,462	\$ 350,251
Long-term debt	174,276	8,494	8,443
Employee benefits	101,427	114,396	117,808
Provisions	8,937	11,337	11,273
Other long-term liabilities	14,771	12,882	12,689
Deferred tax liability	116,044	77,019	80,498
Total liabilities	\$ 784,923	\$ 562,590	\$ 580,962
Shareholders' equity			
Share capital	\$ 820,588	\$ 841,020	\$ 835,154
Retained earnings	1,208,848	1,233,903	1,253,035
Accumulated other comprehensive loss	(4,891)	(6,443)	(9,620)
Treasury stock	(26,386)	(20,961)	(26,961)
Total shareholders' equity	\$ 1,998,159	\$ 2,047,519	\$ 2,051,608
Total liabilities and equity	\$ 2,783,082	\$ 2,610,109	\$ 2,632,570

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

Consolidated Interim Statements of Net Earnings

<i>(In thousands of Canadian dollars, except share amounts)</i> <i>(Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Sales	\$ 874,827	\$ 908,359	\$ 2,601,580	\$ 2,645,417
Cost of goods sold	756,245	778,115	2,211,571	2,233,799
Gross margin	\$ 118,582	\$ 130,244	\$ 390,009	\$ 411,618
Selling, general and administrative expenses	77,377	86,544	252,794	256,487
Earnings before the following:	\$ 41,205	\$ 43,700	\$ 137,215	\$ 155,131
Restructuring and other related costs	—	(5,627)	(3,971)	(17,103)
Other income (expense)	(3,346)	12,764	(4,431)	8,928
Earnings before interest and income taxes	\$ 37,859	\$ 50,837	\$ 128,813	\$ 146,956
Interest expense and other financing costs	2,274	1,320	5,793	3,892
Earnings before income taxes	\$ 35,585	\$ 49,517	\$ 123,020	\$ 143,064
Income taxes	9,029	11,939	33,621	38,039
Net earnings	\$ 26,556	\$ 37,578	\$ 89,399	\$ 105,025
Earnings per share:				
Basic earnings per share	\$ 0.21	\$ 0.29	\$ 0.71	\$ 0.81
Diluted earnings per share	\$ 0.21	\$ 0.29	\$ 0.70	\$ 0.79
Weighted average number of shares (millions)				
Basic	124.6	128.1	125.6	129.2
Diluted	126.6	131.4	128.0	132.6

Consolidated Interim Statements of Other Comprehensive Income (Loss)

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Net earnings	\$ 26,556	\$ 37,578	\$ 89,399	\$ 105,025
Other comprehensive income				
Actuarial gains that will not be reclassified to profit or loss (Net of tax of \$4.1 million and \$13.4 million; 2017: \$6.3 million and \$0.1 million)	\$ 11,542	\$ 17,952	\$ 38,191	\$ 391
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 and \$0.0 million; 2017: \$0.0 million and \$0.0 million)	\$ (6,330)	\$ (7,727)	\$ 12,868	\$ (14,912)
Change in foreign exchange gains on long-term debt designated as a net investment (Net of tax of \$0.1 million and \$0.3 million; 2017: \$0.0 million and \$0.0 million)	604	\$ —	(2,251)	\$ —
Change in unrealized gains (losses) on cash flow hedges (Net of tax of \$0.2 million and \$0.7 million; 2017: \$0.2 million and \$2.4 million)	479	(508)	(5,888)	6,850
Total items that are or may be reclassified subsequently to profit or loss	\$ (5,247)	\$ (8,235)	\$ 4,729	\$ (8,062)
Total other comprehensive income (loss)	\$ 6,295	\$ 9,717	\$ 42,920	\$ (7,671)
Comprehensive income	\$ 32,851	\$ 47,295	\$ 132,319	\$ 97,354

Consolidated Interim Statements of Changes in Total Equity

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	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	—	89,399	—	—	—	—	89,399
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	38,191	—	10,617	(5,888)	—	42,920
Dividends declared (\$0.39 per share)	—	(49,023)	—	—	—	—	(49,023)
Share-based compensation expense	—	—	13,785	—	—	—	13,785
Deferred taxes on share-based compensation	—	—	(1,100)	—	—	—	(1,100)
Repurchase of shares	(30,406)	(101,495)	(12,685)	—	—	—	(144,586)
Exercise of stock options	15,840	—	—	—	—	—	15,840
Settlement of share-based compensation	—	(17,564)	—	—	—	10,575	(6,989)
Shares purchased by RSU trust	—	—	—	—	—	(10,000)	(10,000)
Balance as at September 30, 2018	\$ 820,588	\$ 1,208,848	\$ —	\$ (803)	\$ (4,088)	\$ (26,386)	\$ 1,998,159

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	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	—	105,025	—	—	—	—	105,025
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	391	—	(14,912)	6,850	—	(7,671)
Dividends declared (\$0.33 per share)	—	(42,677)	—	—	—	—	(42,677)
Share-based compensation expense	—	—	16,508	—	—	—	16,508
Deferred taxes on share-based compensation	—	—	3,750	—	—	—	3,750
Repurchase of shares	(18,543)	(47,755)	(20,258)	—	—	—	(86,556)
Exercise of stock options	5,930	—	—	—	—	—	5,930
Settlement of share-based compensation	—	(28,818)	—	—	—	16,005	(12,813)
Shares purchased by RSU trust	—	—	—	—	—	(22,000)	(22,000)
Balance at September 30, 2017	\$ 841,020	\$ 1,233,903	\$ —	\$ (12,796)	\$ 6,353	\$ (20,961)	\$ 2,047,519

⁽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 of the Company's 2018 third quarter unaudited condensed consolidated interim financial statements.

Consolidated Interim Statements of Cash Flows

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
CASH PROVIDED BY (USED IN):				
Operating activities				
Net earnings	\$ 26,556	\$ 37,578	\$ 89,399	\$ 105,025
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	5,781	20,645	33,134	26,362
Depreciation and amortization	30,467	28,916	90,764	86,066
Share-based compensation	4,547	4,666	13,785	16,508
Deferred income taxes	7,590	11,550	23,250	34,031
Income tax current	1,439	389	10,371	4,008
Interest expense and other financing costs	2,274	1,320	5,793	3,892
Loss (gain) on sale of long-term assets	806	(8,174)	4,638	(8,684)
Change in fair value of non-designated derivative financial instruments	3,818	1,088	(8,482)	14,905
Impairment of assets (net of reversals)	—	3,776	—	3,776
Change in net pension liability	1,915	5,458	5,520	897
Net income taxes paid	(2,154)	(2,523)	(6,424)	(8,888)
Interest paid	(1,695)	(955)	(4,334)	(2,605)
Change in provision for restructuring and other related costs	(2,356)	4,177	(6,643)	9,121
Change in derivatives margin	(1,702)	12,973	14,583	(1,151)
Other	(2,014)	(5,021)	(6,878)	(4,938)
Change in non-cash working capital	14,926	70,244	(65,752)	4,922
Cash provided by operating activities	\$ 90,198	\$ 186,107	\$ 192,724	\$ 283,247
Financing activities				
Dividends paid	\$ (16,179)	\$ (14,147)	\$ (49,023)	\$ (42,677)
Net increase (decrease) in long-term debt	118,110	(666)	162,964	(944)
Exercise of stock options	—	418	15,840	5,930
Repurchase of shares	(68,472)	(42,398)	(139,416)	(153,810)
Payment of deferred financing fees	(475)	(483)	(554)	(625)
Purchase of treasury stock	(5,000)	(6,000)	(10,000)	(22,000)
Cash provided by (used in) financing activities	\$ 27,984	\$ (63,276)	\$ (20,189)	\$ (214,126)
Investing activities				
Additions to long-term assets	\$ (45,070)	\$ (31,816)	\$ (127,971)	\$ (79,053)
Acquisition of business, net of cash acquired	—	—	(138,380)	(199,440)
Proceeds from sale of long-term assets	34	14,015	34	15,601
Cash used in investing activities	\$ (45,036)	\$ (17,801)	\$ (266,317)	\$ (262,892)
Increase (decrease) in cash and cash equivalents	\$ 73,146	\$ 105,030	\$ (93,782)	\$ (193,771)
Cash and cash equivalents, beginning of period	36,497	104,820	203,425	403,621
Cash and cash equivalents, end of period	\$ 109,643	\$ 209,850	\$ 109,643	\$ 209,850