TSX: MFI
www.mapleleaffoods.com

Investor Contact: Kim Lee
905-285-5898
Media Contact: Janet Riley
905-285-1515

Maple Leaf Foods Reports Results for the Fourth Quarter and Year-End 2018 and Announces 11.5% Increase to Quarterly Dividend

Mississauga, Ontario, February 28, 2019 - Maple Leaf Foods Inc. (the "Company") (TSX: MFI) today reported its financial results for the fourth quarter and full year ended December 31, 2018. The Company also announced it will increase its quarterly dividend by $0.015 per share or 11.5% to $0.145 per share, effective the first quarter of 2019.

Quarter highlights

- Sales growth driven by core business offset by declines in fresh market prices
- Adjusted EBITDA[(1)] margin of 10.0% with strong commercial performance offset by adverse fresh market conditions
- Meaningful progress on strategic growth initiatives including further momentum in sustainable meats, renovation of the entire brand portfolio completed and continued double-digit growth in plant protein
- Closed the strategic acquisitions of Cericola Farms and VIAU Foods providing new and attractive growth avenues in underlying businesses
- Announced $605.5 million investment to construct a state-of-the-art poultry facility to meet the growing demand for value-added poultry while gaining significant processing efficiencies, resulting in an approximately $40.7 million restructuring charge in the quarter

"In a year marked by the most challenging industry pork markets in a decade, we delivered a 10% or greater Adjusted EBITDA margin in three out of four quarters," said Michael H. McCain, President and CEO. "Strong performance in our branded prepared meats business, a rapidly growing plant protein business, recent acquisitions and planned investments point to the strength of our foundational strategies. By striving passionately to 'raise the good in food,' we are uniquely positioning Maple Leaf for sustainable growth as we satisfy the protein demand of a growing population who have new ideas about what good food means."

Financial Highlights

Measure[(a)] ***(Unaudited)***	**Three months ended December 31,**			**Twelve months ended December 31,**		
	2018	2017	Change	**2018**	2017	Change
Sales[(b)]	**$ 893.9**	$ 876.8	2.0 %	**$ 3,495.5**	$ 3,522.2	(0.8)%
Net Earnings	**$ 11.9**	$ 59.1	(79.8)%	**$ 101.3**	$ 164.1	(38.2)%
Basic Earnings per Share	**$ 0.10**	$ 0.47	(78.7)%	**$ 0.81**	$ 1.28	(36.7)%
Adjusted EBITDA Margin	**10.0%**	10.7%	(70) bps	**9.9%**	10.8%	(90) bps
Adjusted EBITDA	**$ 89.1**	$ 93.5	(4.7)%	**$ 344.3**	$ 381.1	(9.6)%
Adjusted Operating Earnings[(2)]	**$ 54.0**	$ 64.7	(16.5)%	**$ 215.6**	$ 263.8	(18.3)%
Adjusted Earnings per Share[(3)]	**$ 0.29**	$ 0.41	(29.3)%	**$ 1.22**	$ 1.54	(20.8)%
Free Cash Flow[(4)]	**$ 55.1**	$ 40.3	36.8 %	**$ 119.8**	$ 244.5	(51.0)%

[(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. Refer to note 3(v) of the 2018 annual audited consolidated 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.

OPERATING REVIEW

The following is a summary of sales and Adjusted Operating Earnings for the fourth quarter:

	Fourth Quarter		
($ millions)	**2018**	2017	Change
Sales	**$ 893.9**	$ 876.8	2.0 %
Adjusted Operating Earnings	**$ 54.0**	$ 64.7	(16.5)%
Adjusted EBITDA Margin	**10.0%**	10.7%	(70) bps

The following table summarizes sales and Adjusted Operating Earnings for the two years ended December 31:

($ millions)	**2018**	2017	Change
Sales	**$ 3,495.5**	$ 3,522.2	(0.8)%
Adjusted Operating Earnings	**$ 215.6**	$ 263.8	(18.3)%
Adjusted EBITDA Margin	**9.9%**	10.8%	(90) bps

Sales and Earnings Review

Fourth Quarter

Sales for the fourth quarter increased 2.0% to $893.9 million or decreased 1.9% after adjusting for the impact of IFRS 15 and acquisitions. Sales growth in prepared meats, driven by favourable sales mix supported by food renovation and pricing actions taken early in the quarter to mitigate inflationary pressures, plant protein and sustainable meats was more than offset by declines in fresh market prices.

Net Earnings for the quarter were $11.9 million ($0.10 per basic share) compared to $59.1 million ($0.47 per basic share) in the same period last year. Strong commercial performance in prepared meats, driven by favourable sales mix, pricing action and lower input costs, and continued growth in sustainable meats was more than offset by the impact of adverse fresh market conditions. Results also benefited from a lower level of variable compensation costs compared to the prior year. In addition, Net Earnings were impacted by restructuring costs of $42.2 million, primarily related to the Company’s previously announced strategic investment in poultry, and acquisition costs, which are excluded in calculating Adjusted Operating Earnings.

Basic Earnings per Share was $0.10 for the fourth quarter of 2018 compared to $0.47 in the fourth quarter of 2017 due to the factors described above.

Adjusted Operating Earnings for the fourth quarter of 2018 were $54.0 million compared to $64.7 million in the fourth quarter of 2017. The decrease is attributable to the same factors impacting Net Earnings, excluding restructuring and acquisition costs, as noted above.

Adjusted Earnings per Share in the fourth quarter of 2018 was $0.29 compared to $0.41 in the fourth quarter of 2017.

Adjusted EBITDA margin for the fourth quarter decreased to 10.0% from 10.7% in the fourth quarter of 2017 consistent with the factors noted above.

Full Year 2018

Sales for 2018 were $3,495.5 million compared to $3,522.2 million in the prior year a decrease of 0.8%, or a decrease of 0.5% after adjusting for the impact of IFRS 15 and acquisitions. For the year, the core business experienced sales growth in prepared meats, sustainable meats and plant protein, which was more than offset by declines in fresh market prices. Improvements in sales were primarily driven by pricing actions taken to mitigate inflationary pressures, favourable sales mix supported by food renovation and growth in the U.S. for both sustainable meat and plant protein.

Net Earnings for the year were $101.3 million ($0.81 per basic share) compared to $164.1 million ($1.28 per basic share) in the prior year. Improved commercial performance in prepared meats, driven by favourable sales mix, pricing actions and lower input costs, and in the fresh value-added portfolio were more than offset by adverse fresh market conditions and strategic investments to complete the launch of food renovation for the Company's flagship brands. Results also benefited from a lower level of variable compensation costs compared to the prior year. In addition, Net Earnings were impacted by restructuring costs of $46.2 million, primarily related to the Company’s previously announced strategic investment in poultry, the change in the fair value of biological assets, unrealized gains on derivative contracts and acquisition costs, which are excluded in calculating Adjusted Operating Earnings.

Adjusted Operating Earnings for 2018 were $215.6 million compared to $263.8 million in 2017. The decrease is attributable to the same factors impacting Net Earnings, excluding restructuring costs, the change in the fair value of biological assets, unrealized gains on derivative contracts and acquisition costs, as noted above.

Adjusted Earnings per Share were $1.22 compared to $1.54 in the prior year, consistent with the factors noted above.

Adjusted EBITDA margin for the year was 9.9% compared to 10.8% in the prior year, consistent with factors noted above.

Other Matters

On February 27, 2019, the Board of Directors approved a quarterly dividend of $0.145 per share (up from $0.13 per share in each quarter of 2018), $0.58 per share on an annual basis, payable March 29, 2019 to shareholders of record at the close of business March 15, 2019. Unless indicated otherwise by the Company at 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 fourth 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 10:30a.m. EDT on February 28, 2019, to review Maple Leaf Foods' fourth quarter financial results. To participate in the call, please dial 416-764-8609 or 888-390-0605. For those unable to participate, playback will be made available an hour after the event at 416 764 8677 or 888 390 0541 (Passcode: 449108 #).

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

https://edge.media-server.com/m6/p/ve6rh7wu

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

Outlook

Maple Leaf Foods is committed to creating shared value with a focus on driving commercial and financial results and creating competitive advantage through addressing some of society's most pressing issues. The Company is a leading consumer protein company, with the competitive advantages of a portfolio of leading brands, a robust pipeline of opportunities in attractive expanding markets and a proven-track record of execution. Combined with its solid balance sheet and capital structure that provide the financial flexibility to invest in future growth, Maple Leaf Foods is well-positioned to drive sustainable growth and create shareholder value.

Ongoing uncertainty in fresh pork markets are expected with continued global trade negotiations, potential for increased supply and the confirmation of African Swine Fever in China. Within this environment, management remains focused on existing opportunities to grow its core business and profitability through improved commercial performance, operational efficiencies and progress against strategic initiatives for longer-term value creation.

In 2017, Maple Leaf Foods set a profitability target to achieve Adjusted EBITDA margin between 14% - 16% within five years. The Company maintains a steadfast focus on meeting this target as planned with ongoing progress and advancement of five key growth initiatives: (i) sustainable meat; (ii) poultry network; (iii) food renovation; (iv) plant protein; and (v) cost culture delivering operational savings and efficiencies to fuel growth.

For 2019 the Company expects to:

- Invest approximately $400 million in capital expenditures, including approximately $250 million related to the construction of the new value-added poultry facility in London, Ontario;
- Continue to build its leadership in sustainable meat with further advancement in animal care including progress towards transitioning all sows under management to open housing systems by 2021, and ongoing retail and food service growth of the RWA category in Canada and the U.S.;
- Initiate construction of its London Poultry facility;
- Gain further momentum in prepared meats sales volume as the Company benefits from the food renovation and brand repositioning of its Maple Leaf®, Schneiders® and Swift® brands;
- Continue to accelerate its leadership in the North American refrigerated plant-based protein market under its flagship Lightlife and Field Roast brands, targeting consistent double digit-growth in sales supported by new product innovations and investment in capacity to meet demand; and
- Continue to pay shareholder dividends commensurate with the growth of the business.

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

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 audited consolidated statement of earnings to Adjusted Operating Earnings for three months and years ended December 31, 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.

	Three months ended December 31,		Twelve months ended December 31,	
($ thousands)	**2018**	**2017**	**2018**	**2017**
Net earnings	**$ 11,949**	$ 59,064	**$ 101,348**	$ 164,089
Income taxes	**6,134**	12,153	**39,755**	50,192
Earnings before income taxes	**$ 18,083**	$ 71,217	**$ 141,103**	$ 214,281
Interest expense and other financing costs	**4,247**	1,276	**10,040**	5,168
Other expense (income)	**8,543**	5,319	**12,974**	(3,609)
Restructuring and other related costs	**42,217**	5,921	**46,188**	23,024
Earnings from operations	**$ 73,090**	$ 83,733	**$ 210,305**	$ 238,864
(Decrease) Increase in fair value of biological assets[(5)]	**(22,229)**	(27,629)	**10,905**	(1,267)
Unrealized loss (gain) on derivative contracts[(5)]	**3,139**	8,548	**(5,584)**	26,243
Adjusted Operating Earnings	**$ 54,000**	$ 64,652	**$ 215,626**	$ 263,840

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 audited consolidated statements of earnings to Adjusted Earnings per Share for three months and years ended December 31, 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.

	Three months ended December 31,		Twelve months ended December 31,	
($ per Share)	**2018**	**2017**	**2018**	**2017**
Basic earnings per share	**$ 0.10**	$ 0.47	**$ 0.81**	$ 1.28
Restructuring and other related costs[(6)]	**0.25**	0.03	**0.27**	0.13
Items included in other expense (income) not considered representative of ongoing operations[(7)]	**0.06**	0.02	**0.11**	(0.01)
Change in fair value of biological assets[(8)]	**(0.13)**	(0.16)	**0.06**	(0.01)
Unrealized loss (gain) on derivative contracts[(8)]	**0.02**	0.05	**(0.03)**	0.15
Adjusted Earnings per Share[(9)]	**$ 0.29**	$ 0.41	**$ 1.22**	$ 1.54

Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization

Adjusted EBITDA is calculated as earnings before interest and income taxes plus depreciation and intangible asset amortization, adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. The following table provides a reconciliation of net earnings as reported under IFRS in the audited consolidated statements of earnings to Adjusted EBITDA for three months and years ended December 31, 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)	Three months ended December 31, 2018	Three months ended December 31, 2017	Twelve months ended December 31, 2018	Twelve months ended December 31, 2017
Net earnings	**$ 11,949**	$ 59,064	**$ 101,348**	$ 164,089
Income taxes	**6,134**	12,153	**39,755**	50,192
Earnings before income taxes	**$ 18,083**	$ 71,217	**$ 141,103**	$ 214,281
Interest expense and other financing costs	**4,247**	1,276	**10,040**	5,168
Items included in other expense (income) not considered representative of ongoing operations(7)	**8,339**	2,991	**15,630**	(3,582)
Restructuring and other related costs	**42,217**	5,921	**46,188**	23,024
Change in fair value of biological assets and unrealized loss (gain) on derivative contracts	**(19,090)**	(19,081)	**5,321**	24,976
Depreciation and amortization(10)	**35,302**	31,152	**126,035**	117,190
Adjusted EBITDA	**$ 89,098**	$ 93,476	**$ 344,317**	$ 381,057

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 operations, less additions to long-term assets. The following table calculates Free Cash Flow for the periods indicated below:

($ thousands) (Unaudited)	Three months ended December 31, 2018	Three months ended December 31, 2017	Twelve months ended December 31, 2018	Twelve months ended December 31, 2017
Cash provided by operating activities	**$ 106,961**	$ 103,448	**$ 299,685**	$ 386,695
Additions to long-term assets	**(51,894)**	(63,192)	**(179,865)**	(142,245)
Free Cash Flow	**$ 55,067**	$ 40,256	**$ 119,820**	$ 244,450

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; the payment of dividends; source of funds for ongoing business requirements; capital investments and expectations regarding capital expenditures; 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 associated with the availability of capital;
- risks related to the health status of livestock;
- risks associated with concentration of production in fewer facilities;
- risks posed by food contamination, consumer liability, and product recalls;
- risks associated with cyber threats;
- risks related to the Company's decisions regarding any potential return of capital to shareholders;
- risks associated with acquisitions, divestitures, capital expansion projects and integration of new businesses;
- risk associated with climate change;
- 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;
- 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 commodities and hedging instruments;
- risks associated with the supply management system for poultry in Canada;
- risks posed by litigation;
- risks associated with changes in the Company's information systems and processes;
- 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;
- the Company's exposure to currency exchange risks;
- 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 IFRS in respect of or as they may affect the availability of capital.

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, 2018, 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. ("Maple Leaf Foods") is a producer of food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.™, Lightlife™, Field Roast Grain Meat Co.™ and Swift®. Maple Leaf Foods employs approximately 12,000 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 this news release.*
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 this news release.*
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 this news release.*
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 this news release.*
5. *Unrealized gains/losses on derivative contracts is reported within cost of sales in the Company's 2018 annual audited consolidated financial statements. For biological assets information, please refer to Note 7 of the Company's 2018 annual audited consolidated 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 and interest income, net of tax.*
8. *Includes per share impact of the change in unrealized loss (gain) on derivative contracts and the change in fair value of biological assets, net of tax.*
9. *May not add due to rounding.*
10. *Depreciation and amortization excludes depreciation related to investment properties*

Consolidated Balance Sheets

(In thousands of Canadian dollars) *(Audited)*	**As at December 31, 2018**	As at December 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents	**$ 72,578**	$ 203,425
Accounts receivable	**146,735**	123,968
Notes receivable	**30,504**	28,918
Inventories	**348,901**	273,365
Biological assets	**111,493**	111,735
Prepaid expenses and other assets	**38,222**	24,393
	$ 748,433	$ 765,804
Property and equipment	**1,283,669**	1,116,309
Investment property	**5,109**	1,892
Employee benefits	**5,389**	9,856
Other long-term assets	**8,074**	6,125
Goodwill	**647,721**	517,387
Intangible assets	**429,416**	215,197
Total assets	**$ 3,127,811**	$ 2,632,570
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accruals	**$ 343,872**	$ 300,659
Current portion of provisions	**3,457**	9,335
Current portion of long-term debt	**80,897**	805
Income taxes payable	**42,685**	7,855
Other current liabilities	**24,031**	31,597
	$ 494,942	$ 350,251
Long-term debt	**302,524**	8,443
Employee benefits	**103,982**	117,808
Provisions	**49,895**	11,273
Other long-term liabilities	**53,564**	12,689
Deferred tax liability	**116,065**	80,498
Total liabilities	**$ 1,120,972**	$ 580,962
Shareholders' equity		
Share capital	**$ 849,655**	$ 835,154
Retained earnings	**1,178,389**	1,253,035
Contributed surplus	**4,649**	—
Accumulated other comprehensive income (loss)	**3,532**	(9,620)
Treasury stock	**(29,386)**	(26,961)
Total shareholders' equity	**$ 2,006,839**	$ 2,051,608
Total liabilities and equity	**$ 3,127,811**	$ 2,632,570

Consolidated Statements of Net Earnings

(In thousands of Canadian dollars, except share amounts)	Three months ended December 31, 2018	Three months ended December 31, 2017	Twelve months ended December 31, 2018	Twelve months ended December 31, 2017
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Sales	**$ 893,939**	$ 876,809	**$ 3,495,519**	$ 3,522,226
Cost of goods sold	**732,151**	700,948	**2,943,722**	2,934,747
Gross margin	**$ 161,788**	$ 175,861	**$ 551,797**	$ 587,479
Selling, general and administrative expenses	**88,698**	92,128	**341,492**	348,615
Earnings before the following:	**$ 73,090**	$ 83,733	**$ 210,305**	$ 238,864
Restructuring and other related costs	**(42,217)**	(5,921)	**(46,188)**	(23,024)
Other income (expense)	**(8,543)**	(5,319)	**(12,974)**	3,609
Earnings before interest and income taxes	**$ 22,330**	$ 72,493	**$ 151,143**	$ 219,449
Interest expense and other financing costs	**4,247**	1,276	**10,040**	5,168
Earnings before income taxes	**$ 18,083**	$ 71,217	**$ 141,103**	$ 214,281
Income tax expense	**6,134**	12,153	**39,755**	50,192
Net earnings	**$ 11,949**	$ 59,064	**$ 101,348**	$ 164,089
Earnings per share attributable to common shareholders:				
Basic earnings per share	**$ 0.10**	$ 0.47	**$ 0.81**	$ 1.28
Diluted earnings per share	**$ 0.10**	$ 0.45	**$ 0.79**	$ 1.24
Weighted average number of shares (millions)				
Basic	**123.2**	126.9	**125.0**	128.6
Diluted	**123.7**	130.6	**127.5**	132.4

Consolidated Statements of Other Comprehensive Income (Loss)

	Three months ended December 31,		Twelve months ended December 31,	
(In thousands of Canadian dollars)	**2018**	2017	**2018**	2017
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Net earnings	**$ 11,949**	$ 59,064	**$ 101,348**	$ 164,089
Other comprehensive income (loss)				
Actuarial gains and losses that will not be reclassified to profit or loss (Net of tax of $9.7 million and $3.7 million; 2017: $1.2 million and $1.0 million)	**$ (26,312)**	$ (3,508)	**$ 11,879**	$ (3,117)
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 $0.0 million)	**$ 20,405**	$ 1,376	**$ 33,273**	$ (13,536)
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of $2.2 million and $2.5 million; 2017 $0.0 million and $0.0 million)	**(11,084)**	—	**(13,335)**	—
Change in unrealized gains and losses on cash flow hedges (Net of tax of $0.3 million and $1.7 million; 2017: $1.6 million and $0.8 million)	**(898)**	(4,553)	**(6,786)**	2,297
Total items that are or may be reclassified subsequently to profit or loss	**$ 8,423**	$ (3,177)	**$ 13,152**	$ (11,239)
Total other comprehensive income (loss)	**$ (17,889)**	$ (6,685)	**$ 25,031**	$ (14,356)
Comprehensive income	**$ (5,940)**	$ 52,379	**$ 126,379**	$ 149,733

Consolidated Statements of Changes in Total Equity

(In thousands of Canadian dollars) *(Audited)*	**Share capital**	**Retained earnings**	**Contributed surplus**	**Accumulated other comprehensive income (loss)[i]** Foreign currency translation adjustment	**Accumulated other comprehensive income (loss)[i]** Unrealized gains and losses on cash flow hedges	**Treasury stock**	**Total equity**
Balance at December 31, 2017	**$ 835,154**	**$ 1,253,035**	**$ —**	**$ (11,420)**	**$ 1,800**	**$ (26,961)**	**$ 2,051,608**
Impact of new IFRS standards	**—**	**(3,695)**	**—**	**—**	**—**	**—**	**(3,695)**
Net earnings	**—**	**101,348**	**—**	**—**	**—**	**—**	**101,348**
Issuance of shares for acquisition	**28,801**	**—**	**—**	**—**	**—**	**—**	**28,801**
Other comprehensive income (loss)[ii]	**—**	**11,879**	**—**	**19,938**	**(6,786)**	**—**	**25,031**
Dividends declared ($0.52 per share)	**—**	**(65,119)**	**—**	**—**	**—**	**—**	**(65,119)**
Share-based compensation expense	**—**	**—**	**18,366**	**—**	**—**	**—**	**18,366**
Deferred taxes on share-based compensation	**—**	**—**	**(2,400)**	**—**	**—**	**—**	**(2,400)**
Repurchase of shares	**(30,140)**	**(101,495)**	**(10,360)**	**—**	**—**	**—**	**(141,995)**
Exercise of stock options	**15,840**	**—**	**—**	**—**	**—**	**—**	**15,840**
Settlement of share-based compensation	**—**	**(17,564)**	**(957)**	**—**	**—**	**10,575**	**(7,946)**
Shares purchased by RSU trust	**—**	**—**	**—**	**—**	**—**	**(13,000)**	**(13,000)**
Balance at December 31, 2018	**$ 849,655**	**$ 1,178,389**	**$ 4,649**	**$ 8,518**	**$ (4,986)**	**$ (29,386)**	**$ 2,006,839**

(In thousands of Canadian dollars) *(Audited)*	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)[i] Foreign currency translation adjustment	Accumulated other comprehensive income (loss)[i] Unrealized gains and losses on cash flow hedges	Treasury stock	Total equity
Balance at December 31, 2016	$ 853,633	$ 1,247,737	$ —	$ 2,116	$ (497)	$ (14,966)	$ 2,088,023
Net earnings	—	164,089	—	—	—	—	164,089
Other comprehensive income (loss)[ii]	—	(3,117)	—	(13,536)	2,297	—	(14,356)
Dividends declared ($0.44 per share)	—	(56,640)	—	—	—	—	(56,640)
Share-based compensation expense	—	—	21,087	—	—	—	21,087
Deferred taxes on share-based compensation	—	—	4,750	—	—	—	4,750
Repurchase of shares	(24,409)	(66,074)	(25,837)	—	—	—	(116,320)
Exercise of stock options	5,930	—	—	—	—	—	5,930
Settlement of share-based compensation	—	(32,960)	—	—	—	16,005	(16,955)
Shares purchased by RSU trust	—	—	—	—	—	(28,000)	(28,000)
Balance at December 31, 2017	$ 835,154	$ 1,253,035	$ —	$ (11,420)	$ 1,800	$ (26,961)	$ 2,051,608

(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 Statements of Cash Flows

	Three months ended December 31,		Twelve months ended December 31,	
(In thousands of Canadian dollars)	**2018**	2017	**2018**	2017
CASH PROVIDED BY (USED IN):	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
Operating activities				
Net earnings	**$ 11,949**	$ 59,064	**$ 101,348**	$ 164,089
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	**(22,229)**	(27,629)	**10,905**	(1,267)
Depreciation and amortization	**35,302**	31,161	**126,066**	117,227
Share-based compensation	**4,581**	4,579	**18,366**	21,087
Deferred income taxes	**(13,195)**	6,889	**10,055**	40,920
Income tax current	**19,329**	5,264	**29,700**	9,272
Interest expense and other financing costs	**4,247**	1,276	**10,040**	5,168
Loss (gain) on sale of long-term assets	**985**	2,903	**5,623**	(5,781)
Change in fair value of non-designated derivatives	**3,825**	6,972	**(4,657)**	21,877
Impairment of assets (net of reversals)	**—**	—	**—**	3,776
Change in net pension liability	**1,858**	4,482	**7,378**	5,379
Net income taxes paid	**(396)**	(1,716)	**(6,820)**	(10,604)
Interest paid	**(3,662)**	306	**(7,996)**	(2,299)
Change in provision for restructuring and other related costs	**40,403**	(84)	**33,760**	9,037
Change in derivatives margin	**(3,585)**	(12,059)	**10,998**	(13,210)
Other	**1,349**	(1,378)	**(5,529)**	(6,316)
Change in non-cash operating working capital	**26,200**	23,418	**(39,552)**	28,340
Cash provided by operating activities	**$ 106,961**	$ 103,448	**$ 299,685**	$ 386,695
Financing activities				
Dividends paid	**$ (16,096)**	$ (13,963)	**$ (65,119)**	$ (56,640)
Net increase (decrease) in long-term debt	**194,977**	(139)	**357,941**	(1,083)
Exercise of stock options	**—**	—	**15,840**	5,930
Repurchase of shares	**(27,110)**	(26,300)	**(166,526)**	(180,110)
Payment of deferred financing fees	**(96)**	(677)	**(650)**	(1,302)
Purchase of treasury stock	**(3,000)**	(6,000)	**(13,000)**	(28,000)
Cash provided by (used in) financing activities	**$ 148,675**	$ (47,079)	**$ 128,486**	$ (261,205)
Investing activities				
Additions to long-term assets	**$ (51,894)**	$ (63,192)	**$ (179,865)**	$ (142,245)
Acquisition of business, net of cash acquired	**(241,176)**	—	**(379,556)**	(199,440)
Proceeds from sale of long-term assets	**369**	398	**403**	15,999
Cash used in investing activities	**$ (292,701)**	$ (62,794)	**$ (559,018)**	$ (325,686)
Decrease in cash and cash equivalents	**$ (37,065)**	$ (6,425)	**$ (130,847)**	$ (200,196)
Net cash and cash equivalents, beginning of period	**109,643**	209,850	**203,425**	403,621
Net cash and cash equivalents, end of period	**$ 72,578**	$ 203,425	**$ 72,578**	$ 203,425