TSX: MFI
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Maple Leaf Foods Reports First Quarter 2019 Financial Results

Mississauga, Ontario, May 2, 2019- Maple Leaf Foods Inc. ("Maple Leaf Foods" or "the Company") (TSX: MFI) today reported its financial results for the first quarter ending March 31, 2019.

Quarter highlights

- Sales up 11.0% driven by acquisitions and growth in core business
- Adjusted EBITDA[(1)] margin of 9.3%, impacted by investments in growth for plant-based protein, start-up in new capacity in protein kits and meat pies, and integration of 2018 acquisitions
- Announced capital investment of US$336.0 million to expand plant-based protein capacity to secure continued leadership position and meet escalating demand
- Successfully executed refinancing to expand debt capacity and provide flexibility to fund future growth

"Our first quarter of 2019 is headlined by higher sales growth, fuelled by recent acquisitions, combined with some in-quarter margin compression as we invested in that growth." said Michael H. McCain, President and CEO. "While market conditions continued to be adverse, they are expected to improve for the balance of the year. We are progressing on track on all strategic platforms to deliver structural margin expansion and pursue our vision to be the most sustainable protein company on earth."

Financial Highlights

Measure[(a)]	Three months ended March 31,				
(Unaudited)		**2019**		2018	% Change
Sales	**$**	**907.1**	$	817.5	11.0 %
Net Earnings	**$**	**50.1**	$	27.9	79.5 %
Basic Earnings per Share	**$**	**0.41**	$	0.22	86.4 %
Adjusted EBITDA Margin		**9.3%**		10.1%	(80) bps
Adjusted Operating Earnings[(2)]	**$**	**42.1**	$	52.8	(20.3)%
Adjusted Earnings per Share[(3)]	**$**	**0.20**	$	0.29	(31.0)%

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

Note: Several items are excluded from the discussions of underlying earnings performance as they are not representative of ongoing operational activities. Refer to the section entitled Reconciliation of Non-IFRS Financial Measures at the end of this news release for a description and reconciliation of all non-IFRS financial measures.

Sales and Adjusted Operating Earnings Review

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

($ thousands) *(Unaudited)*	Three months ended March 31,			
		2019		2018
Total Sales	**$**	**907,090**	$	817,509
Adjusted Operating Earnings	**$**	**42,074**	$	52,772
Adjusted EBITDA Margin		**9.3%**		10.1%

Sales in the first quarter increased 11.0% to 907.1 million, including acquisitions. Sales growth in the core business of 1.4% was driven primarily by pricing actions, taken in the fourth quarter of 2018 to mitigate inflationary pressures, and favourable mix due to food renovation. Continued expansion of sustainable meats and plant-based protein also contributed to growth in sales.

Adjusted Operating Earnings were $42.1 million compared to $52.8 million in the first quarter of 2018. Solid commercial performance was driven primarily by pricing actions taken in the prior quarter, improved sales mix from the Company's food renovation initiatives, lower input costs for prepared meats, and growth in value-added fresh pork and poultry. These improvements were more than offset by adverse fresh market conditions and the impact of growth initiatives. Growth initiatives in the quarter included investments in plant-based protein to support the brands, start-up costs related to capacity expansion in protein kits and meat pies and the short-term dilutive impact of 2018 acquisitions.

Net earnings for the first quarter were $50.1 million ($0.41 per basic share) compared to $27.9 million ($0.22 per basic share) in the first quarter of 2018.The increase in net earnings was consistent with factors noted above. In addition, net earnings were positively impacted by changes in fair value of biological assets and unrealized gains on derivative contracts, which are excluded in calculating Adjusted Operating Earnings.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") margin for the quarter was 9.3% compared to 10.1% in the first quarter of 2018. Adjusted EBITDA margin was also impacted by the adoption of IFRS 16 - Leases ("IFRS 16"). Upon the adoption of IFRS 16, leases previously classified as operating leases were capitalized on the Company's consolidated interim balance sheet with an incremental $8.1 million in depreciation and $1.8 million in interest being recorded on the Company's consolidated interim statement of earnings not included in EBITDA.

Subsequent Events

On April 8, 2019, the Company announced plans to build a US$310.0 million plant-based processing facility in Shelbyville, Indiana. The new Shelbyville facility will be supported by approximately US$50.0 million in U.S. government and utility grants and incentives, including US$9.6 million toward capital and one-time start-up costs, and approximately US$40.0 million in 10-year operational support. The Company will also invest approximately US$26.0 million to support ongoing growth in demand at its existing facilities. The project will be funded by a combination of cash flow from operations and debt. Construction will start in late spring 2019, and start-up is expected to commence in late 2020. See Note 17 of the unaudited condensed consolidated interim financial statements ("consolidated financial statements").

On April 30, 2019, the Company entered into a new syndicated credit facility consisting of a $1,300.0 million unsecured committed revolving line of credit maturing April 30, 2024 and two unsecured committed term credit facilities for US$265.0 million and CDN$350.0 million maturing April 30, 2024 and April 30, 2023 respectively. The credit facility refinances and replaces the Company's existing $250.0 million and $400.0 million unsecured committed revolving credit facilities, which were due to mature November 7, 2019 and October 19, 2021 respectively.

The new facility bears interest based on short-term interest rates and is intended to meet the Company's funding requirements for investment in the construction of its two new recently announced manufacturing facilities in London, Ontario and Shelbyville, Indiana, in addition to providing appropriate levels of liquidity and for general corporate purposes.

On April 30, 2019, the Company had drawn US$265.0 million from the first unsecured committed term credit facility and CDN $115.0 million from the second unsecured committed term credit facility to repay all borrowings as at March 31, 2019, including accrued interest and fees (see Note 7 of the consolidated financial statements).

Other Matters

On May 1, 2019, the Board of Directors approved a dividend of $0.145 per share payable June 28, 2019 to shareholders of record at the close of business on June 7, 2019. 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 will be 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, 2019, to review Maple Leaf Foods' first quarter financial results. To participate in the call, please dial 416-764-8609 or 1-888-390-0605. For those unable to participate, playback will be made available an hour after the event at 416-764-8677 or 1-888-390-0541 (Passcode: 206175#).

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

https://edge.media-server.com/m6/p/5ynqfucq

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, Adjusted EBITDA Margin 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, to Adjusted Operating Earnings for the three months ended March 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.

($ thousands)	**Three months ended March 31,**	
(Unaudited)	**2019**	2018
Net earnings	**$ 50,104**	$ 27,918
Income taxes	**18,833**	11,507
Earnings before income taxes	**$ 68,937**	$ 39,425
Interest expense and other financing costs	**7,433**	1,653
Other expense	**2,077**	2,854
Restructuring and other related costs	**2,820**	2,055
Earnings from operations	**$ 81,267**	$ 45,987
(Increase) decrease in fair value of biological assets(4)	**(26,263)**	7,097
Unrealized (gain) loss on derivative contracts(4)	**(12,930)**	(312)
Adjusted Operating Earnings	**$ 42,074**	$ 52,772

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 Company's consolidated financial statements to Adjusted Earnings per Share for the three months ended March 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.

($ per share)	**Three months ended March 31,**	
(Unaudited)	**2019**	2018
Basic earnings per share	**$ 0.41**	$ 0.22
Restructuring and other related costs(5)	**0.02**	0.01
Items included in other income not considered representative of ongoing operations(6)	**0.01**	0.02
Change in the fair value of biological assets(7)	**(0.16)**	0.04
Change in the fair value of unrealized (gain) loss on derivative contracts(7)	**(0.08)**	—
Adjusted Earnings per Share(8)	**$ 0.20**	$ 0.29

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 to Adjusted EBITDA for the three months ended March 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) (Unaudited)	Three months ended March 31, 2019	2018
Net earnings	**$ 50,104**	$ 27,918
Income taxes	**18,833**	11,507
Earnings before income taxes	**$ 68,937**	$ 39,425
Interest expense and other financing costs	**7,433**	1,653
Items included in other income not representative of ongoing operations	**1,824**	2,690
Restructuring and other related costs	**2,820**	2,055
Change in the fair value of biological assets and unrealized (gains) losses on derivative contracts	**(39,193)**	6,785
Depreciation and amortization	**42,620**	29,874
Adjusted EBITDA	**$ 84,441**	$ 82,482
Adjusted EBITDA Margin	**9.3%**	10.1%

Net (Debt) Cash[9]

The following table reconciles Net (Debt) Cash to amounts reported under IFRS in the Company's consolidated financial statements as at March 31, 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 March 31, 2019	2018
Cash and cash equivalents	**$ 82,295**	$ 67,697
Current portion of long-term debt	**$ (170,408)**	$ (816)
Long-term debt	**(296,262)**	(59,938)
Total debt	**$ (466,670)**	$ (60,754)
Net (Debt) Cash	**$ (384,375)**	$ 6,943

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. All statements in this document, other than statements of historical fact, are forward looking statements. These statements are not guarantees of future performance and involve assumptions, risks, and uncertainties that are difficult to predict.

In addition, these statements and expectations concerning the performance of the Company's business in general are based on a number of factors and assumptions including, but not limited to: the condition of the Canadian, U.S., and Japanese economies; the rate of exchange of the Canadian dollar to the U.S. dollar, and the Japanese yen; the availability and prices of raw materials, energy and supplies; product pricing; the availability of insurance; the competitive environment and related market conditions; improvement of operating efficiencies; continued access to capital; the cost of compliance with environmental and health standards; no adverse results from ongoing litigation; no unexpected actions of domestic and foreign governments; and the general assumption that none of the risks identified below or elsewhere in this document will materialize. All of these assumptions have been derived from information currently available to the Company, including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied, or forecasted in such forward-looking information, which reflect the Company's expectations only as of the date hereof.

Factors that could cause actual results or outcomes to differ materially from the results expressed, implied, or forecasted by forward looking information include, among other things:

- risks associated with the Company focusing solely on the protein business;
- risks related to the Company's decisions regarding any potential return of capital to shareholders;
- risks associated with the execution of capital projects, including cost, schedule and regulatory variables;
- 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;
- 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, 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 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 employs approximately 12,500 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 Reconciliation of 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 Reconciliation of 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 Reconciliation of Non-IFRS Financial Measures in this news release.*
4. *Unrealized gains/losses on derivative contracts is reported within cost of sales in the Company's 2019 first quarter unaudited condensed consolidated interim financial statements. For biological assets information, please refer to Note 5 of the Company's 2019 first quarter unaudited condensed consolidated interim financial statements.*
5. *Includes per share impact of restructuring and other related costs, net of tax.*
6. *Primarily includes vacancy costs, acquisition related costs, interest income, and litigation costs, net of tax.*
7. *Includes per share impact of the change in unrealized gains on derivative contracts and the change in fair value of biological assets, net of tax.*
8. *May not add due to rounding.*
9. *Net (debt) 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 Reconciliation of Non-IFRS Financial Measures in this news release.*

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars) *(Unaudited)*	**As at March 31, 2019**	As at March 31, 2018(i)	As at December 31, 2018(i)
ASSETS			
Current assets			
Cash and cash equivalents	**$ 82,295**	$ 67,697	$ 72,578
Accounts receivable	**155,321**	128,457	146,283
Notes receivable	**30,950**	27,727	30,504
Inventories	**388,800**	326,519	348,901
Biological assets	**139,103**	109,419	111,493
Prepaid expenses and other assets	**49,698**	18,862	38,222
	$ 846,167	$ 678,681	$ 747,981
Property and equipment	**1,294,949**	1,127,381	1,283,950
Right of use assets	**232,971**	—	—
Investment property	**5,109**	1,883	5,109
Employee benefits	**—**	21,751	5,389
Other long-term assets	**9,197**	8,135	8,074
Goodwill	**661,435**	612,398	664,879
Intangible assets	**385,569**	282,681	424,616
Total assets	**$ 3,435,397**	$ 2,732,910	$ 3,139,998
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	**$ 356,049**	$ 312,577	$ 344,460
Current portion of provisions	**2,403**	8,687	3,457
Current portion of long-term debt	**170,408**	816	80,897
Current portion of lease obligations	**38,980**	—	—
Income taxes payable	**19,225**	10,584	42,884
Other current liabilities	**20,082**	17,773	24,031
	$ 607,147	$ 350,437	$ 495,729
Long-term debt	**296,262**	59,938	302,524
Lease obligations	**208,321**	—	—
Employee benefits	**134,821**	115,474	103,982
Provisions	**47,452**	9,891	49,895
Other long-term liabilities	**2,056**	14,183	53,564
Deferred tax liability	**123,600**	106,722	127,465
Total liabilities	**$ 1,419,659**	$ 656,645	$ 1,133,159
Shareholders' equity			
Share capital	**$ 849,655**	$ 835,701	$ 849,655
Retained earnings	**1,183,042**	1,275,377	1,178,389
Contributed surplus	**11,079**	—	4,649
Accumulated other comprehensive income (loss)	**1,348**	(4,448)	3,532
Treasury stock	**(29,386)**	(30,365)	(29,386)
Total shareholders' equity	**$ 2,015,738**	$ 2,076,265	$ 2,006,839
Total liabilities and equity	**$ 3,435,397**	$ 2,732,910	$ 3,139,998

(i) *Restated, see Note 16(a) of the Company's 2019 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,** **2019**	2018
Sales	**$ 907,090**	$ 817,509
Cost of goods sold	**727,569**	685,340
Gross margin	**$ 179,521**	$ 132,169
Selling, general and administrative expenses	**98,254**	86,182
Earnings before the following:	**$ 81,267**	$ 45,987
Restructuring and other related costs	**(2,820)**	(2,055)
Other income (expense)	**(2,077)**	(2,854)
Earnings before interest and income taxes	**$ 76,370**	$ 41,078
Interest expense and other financing costs	**7,433**	1,653
Earnings before income taxes	**$ 68,937**	$ 39,425
Income tax expense	**18,833**	11,507
Net earnings	**$ 50,104**	$ 27,918
Earnings per share:		
Basic earnings per share	**$ 0.41**	$ 0.22
Diluted earnings per share	**$ 0.40**	$ 0.22
Weighted average number of shares (millions)		
Basic	**123.5**	126.2
Diluted	**125.4**	129.3

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars) *(Unaudited)*	**Three months ended March 31,**	
	2019	2018
Net earnings	**$ 50,104**	$ 27,918
Other comprehensive income		
Actuarial (losses) gains that will not be reclassified to profit or loss		
(Net of tax of $9.3 million; 2018: $4.2 million)	**$ (26,382)**	$ 11,775
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; 2018: $0.0 million)	**$ (8,160)**	$ 11,829
Change in foreign exchange gains (losses) on long-term debt designated as a net investment hedge (Net of tax of $1.0 million; 2018: $0.5 million)	**5,184**	(1,497)
Change in unrealized gains (losses) on cash flow hedges		
(Net of tax of $0.3 million; 2018: $1.1 million)	**792**	(5,160)
Total items that are or may be reclassified subsequently to profit or loss	**$ (2,184)**	$ 5,172
Total other comprehensive (loss) income	**$ (28,566)**	$ 16,947
Comprehensive income	**$ 21,538**	$ 44,865

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]: Foreign currency translation adjustment**	**Accumulated other comprehensive income (loss)[i]: Unrealized gains and losses on cash flow hedges**	**Treasury stock**	**Total equity**
Balance as at December 31, 2018	**$ 849,655**	**$ 1,178,389**	**$ 4,649**	**$ 8,518**	**$ (4,986)**	**$ (29,386)**	**$ 2,006,839**
Impact of new IFRS standards[iii]	**—**	**(1,100)**	**—**	**—**	**—**	**—**	**(1,100)**
Net earnings	**—**	**50,104**	**—**	**—**	**—**	**—**	**50,104**
Other comprehensive income (loss)[ii]	**—**	**(26,382)**	**—**	**(2,976)**	**792**	**—**	**(28,566)**
Dividends declared ($0.145 per share)	**—**	**(17,969)**	**—**	**—**	**—**	**—**	**(17,969)**
Share-based compensation expense	**—**	**—**	**5,150**	**—**	**—**	**—**	**5,150**
Deferred taxes on share-based compensation	**—**	**—**	**1,300**	**—**	**—**	**—**	**1,300**
Settlement of share-based compensation	**—**	**—**	**(20)**	**—**	**—**	**—**	**(20)**
Balance as at March 31, 2019	**$ 849,655**	**$ 1,183,042**	**$ 11,079**	**$ 5,542**	**$ (4,194)**	**$ (29,386)**	**$ 2,015,738**

(In thousands of Canadian dollars) *(Unaudited)*	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 as 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	—	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 at March 31, 2018	$ 835,701	$ 1,275,377	$ —	$ (1,088)	$ (3,360)	$ (30,365)	$ 2,076,265

(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 2019 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, **2019**	 2018
CASH PROVIDED BY (USED IN):		
Operating activities		
Net earnings	**$ 50,104**	$ 27,918
Add (deduct) items not affecting cash:		
Change in fair value of biological assets	**(26,263)**	7,097
Depreciation and amortization	**42,620**	29,884
Share-based compensation	**5,150**	4,870
Deferred income taxes	**5,906**	6,106
Income tax current	**12,927**	5,401
Interest expense and other financing costs	**7,433**	1,653
Loss on sale of long-term assets	**194**	385
Change in fair value of non-designated derivative financial instruments	**(14,620)**	185
Change in net pension liability	**529**	1,705
Net income taxes paid	**(25,869)**	(2,468)
Interest paid	**(6,733)**	(1,174)
Change in provision for restructuring and other related costs	**2,176**	(585)
Change in derivatives margin	**7,588**	6,530
Other	**244**	(6,443)
Change in non-cash working capital	**(42,810)**	(49,009)
Cash provided by operating activities	**18,576**	32,055
Financing activities		
Dividends paid	**$ (17,969)**	$ (16,475)
Net increase in long-term debt	**89,861**	49,337
Payment of lease obligation	**(8,341)**	—
Exercise of stock options	**—**	214
Repurchase of shares	**—**	(22,090)
Payment of deferred financing fees	**(43)**	(29)
Purchase of treasury stock	**—**	(5,000)
Cash provided by financing activities	**$ 63,508**	$ 5,957
Investing activities		
Additions to long-term assets	**$ (60,135)**	$ (35,360)
Acquisition of business, net of cash acquired	**(847)**	(138,380)
Payment of income tax liabilities assumed on acquisition	**(11,385)**	—
Cash used in investing activities	**$ (72,367)**	$ (173,740)
Increase (decrease) in cash and cash equivalents	**$ 9,717**	$ (135,728)
Cash and cash equivalents, beginning of period	**72,578**	203,425
Cash and cash equivalents, end of period	**$ 82,295**	$ 67,697