



TSX: MFI
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Maple Leaf Foods Reports Results for the Fourth Quarter and Year-End 2017

Mississauga, Ontario, February 21, 2018 - Maple Leaf Foods Inc. (TSX: MFI) today reported its financial results for the fourth quarter and full year ended December 31, 2017.

- Sales and Adjusted EBITDA margin⁽¹⁾ growth in the quarter, continuing momentum for the year
- Sustained commercial performance benefiting from balanced portfolio
- 18% increase in quarterly dividend, the fourth consecutive annual increase
- Completed acquisition of The Field Roast Grain Meat Company, SPC, subsequent to year end

Financial Highlights

Measure ⁽¹⁾ (Unaudited)	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% Change	2017	2016	% Change
Sales	\$ 876.8	\$ 828.2	5.9 %	\$ 3,522.2	\$ 3,331.8	5.7 %
Net Earnings	\$ 59.1	\$ 76.2	(22.5)%	\$ 164.1	\$ 181.7	(9.7)%
Adjusted Operating Earnings ⁽²⁾	\$ 64.7	\$ 63.7	1.5 %	\$ 263.8	\$ 239.3	10.3 %
Adjusted EBITDA	\$ 93.5	\$ 86.4	8.2 %	\$ 381.1	\$ 343.4	11.0 %
Adjusted EBITDA Margin	10.7%	10.4%	+30bps	10.8%	10.3%	+50bps
Basic Earnings per Share	\$ 0.47	\$ 0.57	(17.5)%	\$ 1.28	\$ 1.35	(5.2)%
Adjusted Earnings per Share ⁽³⁾	\$ 0.41	\$ 0.31	32.3 %	\$ 1.54	\$ 1.23	25.2 %
Free Cash Flow ⁽⁴⁾	\$ 40.3	\$ 35.9	12.1 %	\$ 244.5	\$ 244.0	0.2 %

⁽¹⁾ All financial measures in millions of dollars except Adjusted EBITDA margin and Basic and Adjusted Earnings per Share.

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

“We completed 2017 with another quarter of both top-line sales and margin growth which contributed to a highly successful year. Improvement in prepared meats, plus accelerating growth in the U.S. and plant protein, offset softening in pork processing, which continues to demonstrate the benefits of our balanced portfolio.” said Michael H. McCain, President and CEO. “Looking forward, we are excited about the future. In our quest to be the most sustainable protein company on earth, the coming year will mark the most ambitious brand renovation in our history. We have great confidence our brand strategy will support continued growth for years to come.”

OPERATING REVIEW

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

(\$ millions)	Fourth Quarter		
	2017	2016	Change
Sales	\$ 876.8	\$ 828.2	5.9%
Adjusted Operating Earnings	\$ 64.7	\$ 63.7	1.5%
Adjusted EBITDA Margin	10.7%	10.4%	+30bps

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

(\$ millions)	2017	2016	Change
Sales	\$ 3,522.2	\$ 3,331.8	5.7%
Adjusted Operating Earnings	\$ 263.8	\$ 239.3	10.3%
Adjusted EBITDA Margin	10.8%	10.3%	+50bps

Sales and Earnings Review

Fourth Quarter

Sales for the fourth quarter increased 5.9% to \$876.8 million or 5.4% after adjusting for the impact of foreign exchange and acquisitions, driven primarily by pricing and volume growth, with prepared meats sales benefiting from innovation and the Company's development in the U.S. market. Sales in the value-added fresh portfolio benefited from continued increased demand for fresh value-added poultry. The addition of Lightlife also contributed to the increase.

Adjusted Operating Earnings for the fourth quarter of 2017 were \$64.7 million compared to \$63.7 million in the fourth quarter of 2016. Adjusted EBITDA margin increased to 10.7% in the fourth quarter of 2017 from 10.4% in the prior year. Increased sales and volume growth, lower operating costs, as well as a partial reduction in year over year variable compensation costs, contributed to higher earnings in the quarter. Commercial performance in prepared meats partially offset a softening in the pork complex, reversing the trend from earlier in the year. Fourth quarter earnings also benefited from continued high demand for fresh value-added poultry.

Net earnings for the quarter were \$59.1 million compared to \$76.2 million in the same period last year. The progress in the business reflected in positive revenue and margin growth, and a tax benefit associated with U.S. tax reform, was more than offset by factors excluded in calculating Adjusted Operating Earnings. These factors consist of unrealized losses on derivative contracts, the change in fair value of biological assets and restructuring costs.

Basic Earnings per Share was \$0.47 for the fourth quarter of 2017 compared to \$0.57 in the fourth quarter of 2016 due to the factors described above. Adjusted Earnings per Share in the fourth quarter of 2017 was \$0.41 compared to \$0.31 in the fourth quarter of 2016.

Full Year 2017

Sales for 2017 increased 5.7% to \$3,522.2 million, or 4.8% after adjusting for the impact of foreign exchange and acquisitions compared to the prior year. Higher sales across the portfolio benefited from improved volumes and pricing, as well as the addition of Lightlife. Prepared meats sales benefited from the same factors noted above. Sales in the value-added fresh portfolio increased due to stronger volumes and improved sales mix.

Adjusted Operating Earnings for 2017 increased to \$263.8 million compared to \$239.3 million in the prior year. Increased sales across the business contributed to earnings growth. Earnings performance in the value-added fresh portfolio was partially offset by margin compression in prepared meats related to the volatility in raw material costs for the majority of the year. During the fourth quarter the trend reversed, with a softening in the pork complex partially offset by improved commercial performance in prepared meats.

Net earnings for the year were \$164.1 million compared to \$181.7 million in the prior year. Full year revenue and margin growth, and a tax benefit associated with U.S. tax reform, were also impacted by the factors noted above which are excluded in calculating Adjusted Operating Earnings.

Basic Earnings per Share was \$1.28 for 2017 compared to \$1.35 in the prior year. Adjusted Earnings per Share increased to \$1.54 from \$1.23 in the prior year.

Subsequent Events

On November 30, 2017, the Company signed a definitive agreement to acquire 100% of the outstanding shares of The Field Roast Grain Meat Company, SPC a privately held U.S. based corporation engaged in the production and distribution of premium grain-based protein and vegan cheese products. The transaction was subject to customary U.S. regulatory review, and was completed on January 29, 2018. The purchase price was US\$120.0 million plus transaction costs settled through a combination of cash-on-hand and borrowings under the existing revolving credit facility as described in Note 13 of the consolidated financial statements. The transaction will be accounted for as a business combination.

Other Matters

On February 20, 2018, the Board of Directors approved a dividend of \$0.13 per share, \$0.52 per share on an annual basis, from \$0.11 per share, payable March 29, 2018 to shareholders of record at the close of business March 9, 2018. 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 2:30 p.m. EDT on February 21, 2018, to review Maple Leaf Foods' fourth quarter financial results. To participate in the call, please dial 416-340-2216 or 800-273-9672. For those unable to participate, playback will be made available an hour after the event at 905-694-9451 or 800-408-3053 (Passcode: 2610656#).

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

<https://edge.media-server.com/m6/p/dovrix49>

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

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 the years 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)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Net earnings	\$ 59,064	\$ 76,224	\$ 164,089	\$ 181,702
Income taxes	12,153	28,681	50,192	67,891
Earnings before income taxes	\$ 71,217	\$ 104,905	\$ 214,281	\$ 249,593
Interest expense and other financing costs	1,276	1,231	5,168	6,367
Other (income) expense	5,319	5,025	(3,609)	3,596
Restructuring and other related costs	5,921	4,226	23,024	6,570
Earnings from operations	\$ 83,733	\$ 115,387	\$ 238,864	\$ 266,126
Increase in fair value of biological assets ⁽⁵⁾	(27,629)	(48,172)	(1,267)	(6,263)
Unrealized loss (gain) on derivative contracts ⁽⁵⁾	8,548	(3,497)	26,243	(20,581)
Adjusted Operating Earnings	\$ 64,652	\$ 63,718	\$ 263,840	\$ 239,282

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 the years 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)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Basic earnings per share	\$ 0.47	\$ 0.57	\$ 1.28	\$ 1.35
Restructuring and other related costs ⁽⁶⁾	0.03	0.02	0.13	0.04
Items included in other income not considered representative of ongoing operations ⁽⁷⁾	0.02	—	(0.01)	(0.02)
Increase in fair value of biological assets ⁽⁸⁾	(0.16)	(0.27)	(0.01)	(0.03)
Unrealized loss (gain) on derivative contracts ⁽⁸⁾	0.05	(0.02)	0.15	(0.11)
Adjusted Earnings per Share⁽⁹⁾	\$ 0.41	\$ 0.31	\$ 1.54	\$ 1.23

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 the years 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)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Net earnings	\$ 59,064	\$ 76,224	\$ 164,089	\$ 181,702
Income taxes	12,153	28,681	50,192	67,891
Earnings before income taxes	\$ 71,217	\$ 104,905	\$ 214,281	\$ 249,593
Interest expense and other financing costs	1,276	1,231	5,168	6,367
Items included in other income not considered representative of ongoing operations ⁽⁷⁾	2,991	96	(3,582)	(2,518)
Restructuring and other related costs	5,921	4,226	23,024	6,570
Increase in fair value of biological assets and unrealized loss (gain) on derivative contracts	(19,081)	(51,669)	24,976	(26,844)
Depreciation and amortization	31,152	27,567	117,190	110,276
Adjusted EBITDA	\$ 93,476	\$ 86,356	\$ 381,057	\$ 343,444

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,		Twelve months ended December 31,	
	2017	2016	2017	2016
Cash provided by operating activities	\$ 103,448	\$ 72,114	\$ 386,695	\$ 357,157
Additions to long-term assets	(63,192)	(36,219)	(142,245)	(113,194)
Free Cash Flow	\$ 40,256	\$ 35,895	\$ 244,450	\$ 243,963

Forward-Looking Statements

This document contains, and the Company's oral and written public communications often contain, "forward-looking information" within the meaning of applicable securities law. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which the Company operates, as well as beliefs and assumptions made by Management of the Company. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, objectives, expectations, anticipations, estimates, and intentions. Specific forward-looking information in this document includes, but is not limited to, statements with respect to: expectations regarding the use of derivatives, futures and options; the expected use of cash balances; source of funds for ongoing business requirements; capital investments and expectations regarding capital expenditures; expectations regarding the implementation of environmental sustainability initiatives; expectations regarding the adoption of new accounting standards and the impact of such adoption on financial position; expectations regarding pension plan performance and future pension plan liabilities and contributions; expectations regarding levels of credit risk; and expectations regarding outcomes of legal actions. Words such as "expect", "anticipate", "intend", "may", "will", "plan", "believe", "seek", "estimate", and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions, risks, and uncertainties that are difficult to predict.

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

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

- risks associated with the Company focusing solely on the protein business;
- risks related to the Company's decisions regarding any potential return of capital to shareholders;
- risks associated with concentration of production in fewer facilities;
- risks associated with the availability of capital;
- risks associated with changes in the Company's information systems and processes;
- risks associated with cyber threats;
- risks posed by food contamination, consumer liability, and product recalls;
- risks associated with acquisitions, divestitures, and capital expansion projects;
- impact on pension expense and funding requirements of fluctuations in the market prices of fixed income and equity securities and changes in interest rates;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- risks related to the health status of livestock;
- impact of a pandemic on the Company's operations;
- the Company's exposure to currency exchange risks;
- ability of the Company to hedge against the effect of commodity price changes through the use of commodity futures and options;
- impact of changes in the market value of the biological assets and hedging instruments;
- risks associated with the supply management system for poultry in Canada;
- risks associated with the use of contract manufacturers;
- impact of international events on commodity prices and the free flow of goods;
- risks posed by compliance with extensive government regulation;
- risks posed by litigation;
- impact of changes in consumer tastes and buying patterns;
- impact of extensive environmental regulation and potential environmental liabilities;
- risks associated with a consolidating retail environment;

- risks posed by competition;
- risks associated with complying with differing employment laws and practices, the potential for work stoppages due to non-renewal of collective agreements, and recruiting and retaining qualified personnel;
- risks associated with pricing the Company's products;
- risks associated with managing the Company's supply chain; and
- risks associated with failing to identify and manage the strategic risks facing the Company.

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® and Lightlife™. Maple Leaf employs approximately 11,500 people and does business in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

Footnote Legend

1. *Adjusted EBITDA 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 2017 annual audited consolidated financial statements. For biological assets information, please refer to Note 7 of the Company's 2017 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, changes in estimates of provisions, acquisition related costs, interest income, assets held for sale, 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.*

Consolidated Balance Sheets

(In thousands of Canadian dollars)
(Audited)

As at December 31,
2017

As at December 31,
2016

ASSETS

Current assets

Cash and cash equivalents	\$ 203,425	\$ 403,621
Accounts receivable	123,968	127,749
Notes receivable	28,918	32,485
Inventories	273,365	261,719
Biological assets	111,735	111,445
Prepaid expenses and other assets	24,393	30,372
Assets held for sale	—	4,837

	\$ 765,804	\$ 972,228
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Property and equipment	1,116,309	1,085,275
Investment property	1,892	1,929
Employee benefits	9,856	10,311
Other long-term assets	6,125	6,557
Goodwill	517,387	428,236
Intangible assets	215,197	128,085

Total assets	\$ 2,632,570	\$ 2,632,621
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LIABILITIES AND EQUITY

Current liabilities

Accounts payable and accruals	\$ 300,659	\$ 256,163
Provisions	9,335	11,889
Current portion of long-term debt	805	794
Income taxes payable	7,855	9,544
Other current liabilities	31,597	96,857

	\$ 350,251	\$ 375,247
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Long-term debt	8,443	9,119
Employee benefits	117,808	108,730
Provisions	11,273	16,555
Other long-term liabilities	12,689	12,654
Deferred tax liability	80,498	22,293

Total liabilities	\$ 580,962	\$ 544,598
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Shareholders' equity

Share capital	\$ 835,154	\$ 853,633
Retained earnings	1,253,035	1,247,737
Accumulated other comprehensive (loss) income	(9,620)	1,619
Treasury stock	(26,961)	(14,966)

Total shareholders' equity	\$ 2,051,608	\$ 2,088,023
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Total liabilities and equity	\$ 2,632,570	\$ 2,632,621
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Consolidated Statements of Net Earnings

<i>(In thousands of Canadian dollars, except share amounts)</i>	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Sales	\$ 876,809	\$ 828,178	\$ 3,522,226	\$ 3,331,812
Cost of goods sold	700,948	623,362	2,934,747	2,740,866
Gross margin	\$ 175,861	\$ 204,816	\$ 587,479	\$ 590,946
Selling, general and administrative expenses	92,128	89,429	348,615	324,820
Earnings before the following:	\$ 83,733	\$ 115,387	\$ 238,864	\$ 266,126
Restructuring and other related costs	(5,921)	(4,226)	(23,024)	(6,570)
Other income (expense)	(5,319)	(5,025)	3,609	(3,596)
Earnings before interest and income taxes	\$ 72,493	\$ 106,136	\$ 219,449	\$ 255,960
Interest expense and other financing costs	1,276	1,231	5,168	6,367
Earnings before income taxes	\$ 71,217	\$ 104,905	\$ 214,281	\$ 249,593
Income tax expense	12,153	28,681	50,192	67,891
Net earnings	\$ 59,064	\$ 76,224	\$ 164,089	\$ 181,702
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 0.47	\$ 0.57	\$ 1.28	\$ 1.35
Diluted earnings per share	\$ 0.45	\$ 0.56	\$ 1.24	\$ 1.32
Weighted average number of shares (millions)				
Basic	126.9	133.5	128.6	134.2
Diluted	130.6	136.8	132.4	137.6

Consolidated Statements of Other Comprehensive Income (Loss)

<i>(In thousands of Canadian dollars)</i>	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Net earnings	\$ 59,064	\$ 76,224	\$ 164,089	\$ 181,702
Other comprehensive (loss) income				
Actuarial gains and losses that will not be reclassified to profit or loss (Net of tax of \$1.2 million and \$1.0 million; 2016: \$18.1 million and \$17.0 million)	\$ (3,508)	\$ 49,390	\$ (3,117)	\$ 46,243
Items that are or may be reclassified subsequently to profit or loss:				
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million, 2016: \$0.0 million)	\$ 1,376	\$ (1,427)	\$ (13,536)	\$ (390)
Change in unrealized gains and losses on cash flow hedges (Net of tax of \$1.6 million and \$0.8 million; 2016: \$0.6 million and \$0.8 million)	(4,553)	(1,601)	2,297	2,423
Total items that are or may be reclassified subsequently to profit or loss	\$ (3,177)	\$ (3,028)	\$ (11,239)	\$ 2,033
Total other comprehensive (loss) income	\$ (6,685)	\$ 46,362	\$ (14,356)	\$ 48,276
Comprehensive income	\$ 52,379	\$ 122,586	\$ 149,733	\$ 229,978

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⁾		Treasury stock	Total equity
				Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges		
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

(In thousands of Canadian dollars) (Audited)	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 at December 31, 2015⁽ⁱⁱⁱ⁾	\$ 882,770	\$ 1,161,047	\$ —	\$ 2,506	\$ (2,920)	\$ (2,086)	\$ 2,041,317
Net earnings	—	181,702	—	—	—	—	181,702
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	46,243	—	(390)	2,423	—	48,276
Dividends declared (\$0.36 per share)	—	(48,348)	—	—	—	—	(48,348)
Share-based compensation expense	—	—	29,224	—	—	—	29,224
Deferred taxes on share-based compensation	—	—	3,550	—	—	—	3,550
Repurchase of shares	(31,963)	(83,778)	(32,418)	—	—	—	(148,159)
Exercise of stock options	2,826	—	—	—	—	—	2,826
Settlement of share-based compensation	—	(9,129)	(356)	—	—	5,032	(4,453)
Shares purchased by RSU trust	—	—	—	—	—	(17,912)	(17,912)
Balance at December 31, 2016	\$ 853,633	\$ 1,247,737	\$ —	\$ 2,116	\$ (497)	\$ (14,966)	\$ 2,088,023

⁽ⁱ⁾ Items that are or may be subsequently reclassified to profit or loss.

⁽ⁱⁱ⁾ Included in other comprehensive income (loss) is the change in actuarial gains and losses that will not be reclassified to profit or loss and has been reclassified to retained earnings.

⁽ⁱⁱⁱ⁾ Restated, see Note 3(x) of the Company's 2017 audited consolidated financial statements for further information.

Consolidated Statements of Cash Flows

<i>(In thousands of Canadian dollars)</i>	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
CASH PROVIDED BY (USED IN):	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Operating activities				
Net earnings	\$ 59,064	\$ 76,224	\$ 164,089	\$ 181,702
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	(27,629)	(48,172)	(1,267)	(6,263)
Depreciation and amortization	31,161	27,576	117,227	111,651
Share-based compensation	4,579	10,165	21,087	29,224
Deferred income taxes	6,889	27,013	40,920	63,124
Income tax current	5,264	1,668	9,272	4,767
Interest expense and other financing costs	1,276	1,231	5,168	6,367
Gain on sale of long-term assets	2,903	3,518	(5,781)	(1,235)
Change in fair value of non-designated derivatives	6,972	(4,637)	21,877	(25,086)
Impairment of assets (net of reversals)	—	638	3,776	2,831
Change in net pension liability	4,482	5,623	5,379	24,903
Net income taxes paid	(1,716)	(793)	(10,604)	(4,944)
Interest paid	306	(991)	(2,299)	(3,904)
Change in provision for restructuring and other related costs	(84)	271	9,037	(17,256)
Change in derivatives margin	(12,059)	(22,745)	(13,210)	1,772
Other	(1,378)	(2,518)	(6,316)	520
Change in non-cash operating working capital	23,418	(1,957)	28,340	(11,016)
Cash provided by operating activities	\$ 103,448	\$ 72,114	\$ 386,695	\$ 357,157
Financing activities				
Dividends paid	\$ (13,963)	\$ (11,967)	\$ (56,640)	\$ (48,348)
Net decrease in long-term debt	(139)	(199)	(1,083)	(1,051)
Exercise of stock options	—	1,165	5,930	2,826
Repurchase of shares	(26,300)	(60,490)	(180,110)	(72,412)
Payment of deferred financing fees	(677)	(631)	(1,302)	(2,412)
Purchase of treasury stock	(6,000)	(4,811)	(28,000)	(17,912)
Cash used in financing activities	\$ (47,079)	\$ (76,933)	\$ (261,205)	\$ (139,309)
Investing activities				
Additions to long-term assets	\$ (63,192)	\$ (36,219)	\$ (142,245)	\$ (113,194)
Acquisition of business	—	—	(199,440)	—
Proceeds from sale of long-term assets	398	311	15,999	6,698
Cash used in investing activities	\$ (62,794)	\$ (35,908)	\$ (325,686)	\$ (106,496)
(Decrease) increase in cash and cash equivalents	\$ (6,425)	\$ (40,727)	\$ (200,196)	\$ 111,352
Net cash and cash equivalents, beginning of period	209,850	444,348	403,621	292,269
Net cash and cash equivalents, end of period	\$ 203,425	\$ 403,621	\$ 203,425	\$ 403,621