

## Consolidated Statements of Earnings

<i>In thousands of Canadian dollars, except per share amounts (Unaudited)</i>	Quarter ended June 30		Six months ended June 30	
	2000	1999	2000	1999
<b>Sales</b>	\$ 993,314	\$ 895,882	\$ 1,811,619	\$ 1,765,307
<b>Earnings from operations</b>	21,185	37,068	40,377	66,412
Other income	1,562	1,578	4,805	2,001
Gain on sale of business	-	9,722	-	9,722
<b>Earnings before interest and taxes</b>	22,747	48,368	45,182	78,135
Interest expense	16,415	10,339	29,576	21,082
<b>Earnings before income taxes</b>	6,332	38,029	15,606	57,053
Income taxes	2,604	13,632	6,071	20,690
<b>Earnings before minority interest</b>	3,728	24,397	9,535	36,363
Minority interest	726	1,101	1,062	2,308
<b>Net earnings for the period</b>	\$ 3,002	\$ 23,296	\$ 8,473	\$ 34,055
<b>Earnings per share</b>	\$ 0.02	\$ 0.24	\$ 0.07	\$ 0.34
Dividends per share declared	\$ 0.04	\$ 0.04	\$ 0.08	\$ 0.08
Weighted average number of shares (millions)	95.1	94.2	95.1	94.2

## Segmented Financial Information

<i>In thousands of Canadian dollars, (unaudited)</i>	Quarter ended June 30		Six months ended June 30	
	2000	1999	2000	1999
<b>Sales</b>				
Meat Products Group	\$ 616,794	\$ 555,688	\$ 1,087,608	\$ 1,083,140
Bakery Products Group	162,988	172,872	316,516	348,291
Agribusiness Group	213,532	167,322	407,495	333,876
	\$ 993,314	\$ 895,882	\$ 1,811,619	\$ 1,765,307
<b>Earnings (loss) from Operations</b>				
Meat Products Group	\$ (6,907)	\$ 17,445	\$ (8,824)	\$ 35,211
Bakery Products Group	5,604	1,885	8,736	2,161
Agribusiness Group (i)	22,488	17,738	40,465	29,040
	\$ 21,185	\$ 37,068	\$ 40,377	\$ 66,412

(i) The Agribusiness Group operating earnings include the Company's share of after tax earnings from equity accounted hog investments (\$1,910 for the quarter ended June 30, 2000; \$2,874 for the six months ended June 30, 2000).

## Consolidated Balance Sheets

<i>In thousands of Canadian dollars (Unaudited)</i>	As at June 30,	
	<b>2000</b>	1999
<b>ASSETS</b>		(Restated)
<b>Current assets:</b>		
Cash and cash equivalents	\$ 63,005	\$ 21,611
Accounts receivable	212,312	210,984
Inventories	203,634	179,208
Prepaid expenses	15,077	11,059
	<u>494,028</u>	<u>422,862</u>
Investments	123,716	68,616
Property and equipment	701,437	592,787
Other assets	159,252	130,493
Future tax asset	13,763	-
Goodwill	325,545	228,962
	<u>\$ 1,817,741</u>	<u>\$1,443,720</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Bank indebtedness	\$ 8,808	\$ 8,664
Accounts payable and accrued charges	410,591	393,179
Income and other taxes payable	15,073	11,454
Current portion of long-term debt	4,214	482
	<u>438,686</u>	<u>413,779</u>
Long-term debt	801,570	490,699
Other Long-Term Liabilities	5,757	6,459
Future tax liability	64,287	-
Deferred income taxes	-	37,970
Minority interest	76,309	76,780
<b>Shareholders' equity</b>	<u>431,132</u>	<u>418,033</u>
	<u>\$ 1,817,741</u>	<u>\$1,443,720</u>

### Notes to Interim Financial Reporting

New accounting guidelines issued in Canada require the liability approach to be adopted to account for income taxes. The Company has adopted the new income tax accounting standard retroactively, effective, January 1, 2000, without restating the financial statements of any prior periods as permitted under the standard. This retroactive application of the recommendation would not materially affect net earnings or net earnings per share as previously reported for 1999. In total, adoption of the standard results in a cumulative reduction to retained earnings at January 1, 2000 of \$29,334,000.

The Company has adopted the new accounting guidelines for pension benefits prospectively from January 1, 2000. This application of the recommendation does not materially affect net earnings or net earnings per share as at and for the six months ended June 30, 2000.

In 1999, the Company elected to retroactively change the method used to account for post-retirement benefits other than pensions, and accordingly restated opening shareholders' equity. The impact of these changes is described in Note 16 to the Company's 1999 Annual Financial Statements.

## Consolidated Statements of Cash Flows

<i>In thousands of Canadian dollars</i> <i>(Unaudited)</i>	Six months ended June 30,	
	2000	1999
<b>CASH PROVIDED BY (USED IN):</b>		
<b>Operating activities</b>		
Net earnings for the period	\$ 8,473	\$ 34,055
Add (deduct) items not affecting cash:		
Depreciation	36,203	31,384
Amortization	4,975	3,950
Minority interest	1,062	2,308
Future income taxes	1,744	-
Deferred income taxes	-	(2,327)
Undistributed earnings of associated companies	(2,191)	1,905
Gain on sale of property and equipment	(877)	(170)
Gain on sale of business	-	(9,722)
Other	(9,843)	(4,733)
Changes in non-cash operating working capital	(51,201)	(33,482)
	<u>(11,655)</u>	<u>23,168</u>
<b>Financing activities</b>		
Dividends paid	(7,600)	(7,536)
Dividends paid to minority interest	(1,109)	(970)
Increase in (repayment of ) long-term debt, net	228,372	(2,771)
Convertible debenture interest paid	(2,739)	(3,065)
Increase in share capital	1,004	648
Other	585	1,013
	<u>218,513</u>	<u>(12,681)</u>
<b>Investing activities</b>		
Additions to property and equipment	(68,185)	(46,243)
Other investments	(33,510)	-
Proceeds from sale of property and equipment	3,314	296
Acquisition of net assets of businesses	(70,073)	(5,113)
Net proceeds from divestiture of businesses	-	39,312
	<u>(168,454)</u>	<u>(11,748)</u>
<b>Net increase (decrease) in cash for the period</b>	<b>38,404</b>	<b>(1,261)</b>
Cash and cash equivalents, beginning of period	15,793	14,208
<b>Cash and cash equivalents, end of period</b>	<b>\$ 54,197</b>	<b>\$ 12,947</b>