MAPLE LEAF FOODS INC.

Interim Financial Statements

For the First Quarter Ended

March 31, 2014

Consolidated Balance Sheets

(In thousands of Canadian dollars)	**As at March 31, 2014**	As at March 31, 2013	As at December 31, 2013
	(Unaudited)	*(Unaudited)*	
ASSETS			
Current assets			
Cash and cash equivalents	**$ 470,783**	$ 92,438	$ 506,670
Accounts receivable *(Note 4)*	**69,594**	109,186	111,034
Notes receivable *(Note 4)*	**109,154**	119,145	115,514
Inventories *(Note 5)*	**283,273**	325,363	287,786
Biological assets *(Note 6)*	**140,428**	79,934	95,740
Income and other taxes recoverable	**36,376**	39,731	43,300
Prepaid expenses and other assets	**41,818**	21,362	17,921
Assets held for sale *(Note 7)*	**1,000,946**	22,847	5,206
	$ 2,152,372	$ 810,006	$ 1,183,171
Property and equipment	**994,268**	1,243,101	1,323,318
Investment property	**3,221**	12,019	12,865
Employee benefits *(Note 8)*	**114,793**	133,152	117,615
Other long-term assets	**8,273**	12,731	16,628
Deferred tax asset	**66,399**	127,288	26,119
Goodwill *(Note 9)*	**428,236**	754,746	720,798
Intangible assets *(Note 10)*	**185,263**	208,033	198,578
Total assets	**$ 3,952,825**	$ 3,301,076	$ 3,599,092
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness	**$ –**	$ 33,491	$ 4,408
Accounts payable and accruals	**435,628**	447,589	649,554
Provisions *(Note 11)*	**40,100**	41,720	54,853
Current portion of long-term debt *(Note 12)*	**1,334,965**	6,823	209,780
Other current liabilities *(Note 13)*	**128,399**	17,842	47,927
Liabilities associated with assets held for sale *(Note 7)*	**311,400**	–	–
	$ 2,250,492	$ 547,465	$ 966,522
Long-term debt *(Note 12)*	**6,232**	1,256,708	744,212
Employee benefits *(Note 8)*	**140,051**	371,344	174,503
Provisions *(Note 11)*	**30,994**	34,921	19,603
Other long-term liabilities *(Note 14)*	**26,753**	75,647	28,744
Deferred tax liability	**–**	9,449	23,516
Total liabilities	**$ 2,454,522**	$ 2,295,534	$ 1,957,100
Shareholders' equity			
Share capital	**$ 906,166**	$ 902,986	$ 905,216
Retained earnings (deficit)	**458,202**	(31,151)	602,717
Contributed surplus	**71,819**	82,673	79,139
Accumulated other comprehensive loss associated with continuing operations *(Note 15)*	**(1,230)**	(13,958)	(4,593)
Accumulated other comprehensive income associated with discontinued operations *(Note 7)*	**4,159**	–	–
Treasury stock	**(1,350)**	(1,845)	(1,350)
Total shareholders' equity	**$ 1,437,766**	$ 938,705	$ 1,581,129
Non-controlling interest	**60,537**	66,837	60,863
Total equity	**$ 1,498,303**	$ 1,005,542	$ 1,641,992
Total liabilities and equity	**$ 3,952,825**	$ 3,301,076	$ 3,599,092

Subsequent events (Note 27)

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Statements of Earnings (Loss)

(In thousands of Canadian dollars, except share amounts) *(Unaudited)*	Three months ended March 31, **2014**	2013
		(Restated) *(Note 20)*
Sales	**$ 711,347**	$ 689,353
Cost of goods sold	**663,412**	649,886
Gross margin	**$ 47,935**	$ 39,467
Selling, general and administrative expenses	**82,660**	77,638
Loss from continuing operations before the following:	**$ (34,725)**	$ (38,171)
Restructuring and other related costs *(Note 16)*	**(21,766)**	(36,958)
Change in fair value of non-designated interest rate swaps *(Note 17)*	**1,110**	617
Other income *(Note 18)*	**1,293**	43,297
Loss before interest and income taxes from continuing operations	**$ (54,088)**	$ (31,215)
Interest expense and other financing costs *(Note 19)*	**114,711**	16,103
Loss before income taxes from continuing operations	**$ (168,799)**	$ (47,318)
Income taxes	**(44,193)**	(16,674)
Net loss from continuing operations	**$ (124,606)**	$ (30,644)
Net earnings (loss) from discontinued operations *(Note 20)*	**(7,388)**	15,902
Net loss	**$ (131,994)**	$ (14,742)
Attributed to:		
Common shareholders	**$ (132,911)**	$ (14,938)
Non-controlling interest	**917**	196
	$ (131,994)	$ (14,742)
Loss per share attributable to common shareholders *(Note 21)*		
Basic and diluted loss per share	**$ (0.95)**	$ (0.11)
Basic and diluted loss per share from continuing operations	**$ (0.89)**	$ (0.22)
Weighted average number of shares (millions)	**140.2**	139.9

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Statements of Comprehensive Income (Loss)

(In thousands of Canadian dollars) *(Unaudited)*	Three months ended March 31, **2014**	2013
Net loss	**$ (131,994)**	$ (14,742)
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Change in actuarial gains and losses		
(Net of tax of $0.2 million; 2013: $19.4 million)	**$ 714**	$ 56,231
Total items that will not be reclassified to profit or loss	**$ 714**	$ 56,231
Items that are or may be reclassified subsequently to profit or loss:		
Change in accumulated foreign currency translation adjustment		
(Net of tax of $nil million; 2013: $nil million)	**$ 345**	$ (239)
Change in unrealized gains and losses on cash flow hedges		
(Net of tax of $0.8 million; 2013: ($0.7 million))	**2,219**	(2,115)
Total items that are or may be reclassified subsequently to profit or loss	**$ 2,564**	$ (2,354)
Other comprehensive income from continuing operations	**$ 3,278**	$ 53,877
Other comprehensive income from discontinued operations[(i)]		
(Net of tax of $0.1 million; 2013: $2.6 million)	**$ 4,860**	$ 8,339
Total other comprehensive income	**$ 8,138**	$ 62,216
Comprehensive income (loss)	**$ (123,856)**	$ 47,474
Attributed to:		
Common shareholders	**$ (125,436)**	$ 46,451
Non-controlling interest	**$ 1,580**	$ 1,023

[(i)] *The above amount includes ($0.8 million) (2013: $6.5 million) relating to actuarial gains and losses that will not subsequently be re-classified to profit or loss.*

See accompanying Notes to the Unaudited Condensed Consolidated Financial Statements.

Consolidated Statements of Changes in Total Equity

(In thousands of Canadian dollars) *(Unaudited)*	Attributable to Common Shareholders: Share capital	Retained earnings	Contributed surplus	Total accumulated other comprehensive loss associated with continuing operations	Total accumulated other comprehensive income associated with assets held for sale	Treasury stock	Non-controlling interest	Total equity
				(Note 15)	*(Note 7)*			
Balance at								
December 31, 2013	**$905,216**	**$ 602,717**	**$79,139**	**$ (4,593)**	**$ –**	**$(1,350)**	**$60,863**	**$ 1,641,992**
Net earnings (loss)	**–**	**(132,911)**	**–**	**–**	**–**	**–**	**917**	**(131,994)**
Transfer to held for sale	**–**	**–**	**–**	**799**	**(799)**	**–**	**–**	**–**
Other comprehensive income (loss)	**–**	**(47)**	**–**	**2,564**	**4,958**	**–**	**663**	**8,138**
Dividends declared ($0.04 per share)	**–**	**(5,613)**	**–**	**–**	**–**	**–**	**(1,906)**	**(7,519)**
Stock-based compensation expense	**–**	**–**	**8,692**	**–**	**–**	**–**	**–**	**8,692**
Exercise of stock options	**950**	**–**	**–**	**–**	**–**	**–**	**–**	**950**
Modification of stock compensation plan *(Note 22)*	**–**	**(5,944)**	**(16,012)**	**–**	**–**	**–**	**–**	**(21,956)**
Balance at March 31, 2014	**$906,166**	**$458,202**	**$ 71,819**	**$ (1,230)**	**$4,159**	**$(1,350)**	**$60,537**	**$1,498,303**

(In thousands of Canadian dollars) *(Unaudited)*	Attributable to Common Shareholders: Share capital	Retained deficit	Contributed surplus	Total accumulated other comprehensive loss associated with continuing operations	Total accumulated other comprehensive income associated with assets held for sale	Treasury stock	Non-controlling interest	Total equity
Balance at								
December 31, 2012	$ 902,810	$ (72,701)	$ 75,913	$(13,263)	$ –	$ (1,845)	$ 67,085	$ 957,999
Net earnings	–	(14,938)	–	–	–	–	196	(14,742)
Other comprehensive income (loss) *(Note 15)*	–	62,084	–	(695)	–	–	827	62,216
Dividends declared ($0.04 per share)	–	(5,596)	–	–	–	–	(1,271)	(6,867)
Stock-based compensation expense	–	–	5,560	–	–	–	–	5,560
Exercise of stock options	176	–	–	–	–	–	–	176
Other	–	–	1,200	–	–	–	–	1,200
Balance at March 31, 2013	$902,986	$ (31,151)	$82,673	$(13,958)	$ -	$ (1,845)	$ 66,837	$ 1,005,542

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Statements of Cash Flows

(In thousands of Canadian dollars) *(Unaudited)*	Three months ended March 31, **2014**	2013
CASH (USED IN) PROVIDED BY:		
Operating activities		
Net loss	**$ (131,994)**	$ (14,742)
Add (deduct) items not affecting cash:		
Change in fair value of biological assets	**(40,306)**	5,278
Depreciation and amortization	**26,643**	33,852
Stock-based compensation	**8,692**	5,560
Deferred income taxes	**(44,014)**	(14,738)
Income tax current	**2,431**	4,275
Interest expense and other financing costs	**114,885**	16,500
(Gain) loss on sale of property and equipment	**441**	(956)
(Gain) loss on sale of business *(Note 20)*	**468**	–
(Gain) loss on sale of assets held for sale	**(1,736)**	(45,388)
(Gain) loss on sale of investment property	**(313)**	–
(Gain) loss on acquisition *(Note 26)*	**–**	985
(Gain) loss on disposal of intangible assets	**(364)**	–
Change in fair value of non-designated interest rate swaps	**(1,110)**	(617)
Change in fair value of derivative financial instruments	**36,634**	4,967
Impairment of assets (net of reversals)	**–**	5,134
Increase in pension liability	**3,393**	7,748
Net income taxes paid	**(6,853)**	(7,074)
Interest paid	**(18,325)**	(15,431)
Change in provision for restructuring and other related costs	**13,660**	38,105
Other	**5,550**	(4,990)
Change in non-cash operating working capital	**(36,083)**	(20,857)
Cash used by operating activities	**$ (68,301)**	$ (2,389)
Financing activities		
Dividends paid	**$ (5,613)**	$ (5,596)
Dividends paid to non-controlling interest	**(21,604)**	(1,271)
Net increase in long-term debt	**299,650**	43,525
Exercise of stock options	**950**	176
Cash provided by financing activities	**$ 273,383**	$ 36,834
Investing activities		
Additions to long-term assets	**$ (97,672)**	$ (76,055)
Acquisition of business *(Note 26)*	**–**	(922)
Capitalization of interest expense	**(2,783)**	(3,250)
Adjustment to sale of business *(Note 20)*	**(468)**	–
Proceeds from sale of long-term assets	**2,350**	4,491
Proceeds from sale of assets held for sale	**6,108**	58,067
Cash used in investing activities	**$ (92,465)**	$ (17,669)
Increase in cash and cash equivalents	**$ 112,617**	$ 16,776
Net cash and cash equivalents, beginning of period	**502,262**	42,171
Net cash and cash equivalents, end of period	**$ 614,879**	$ 58,947
Net cash and cash equivalents is comprised of:		
Attributed to continuing operations		
Cash and cash equivalents	**$ 470,783**	$ 92,438
Bank indebtedness	**–**	(33,491)
Net cash and cash equivalents from continued operations, end of period	**$ 470,783**	$ 58,947
Attributed to held for sale ***(Note 7)***		
Cash and cash equivalents	**$ 144,096**	$ –
Bank indebtedness	**–**	–
Net cash and cash equivalents held for sale, end of period	**$ 144,096**	$ –
Net cash and cash equivalents, end of period	**$ 614,879**	$ 58,947

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

1. THE COMPANY

Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") is a leading Canadian-based value-added meat, meals, and bakery company, serving wholesale, retail, and foodservice customers across North America and internationally. The address of the Company's registered office is Suite 1500, 30 St. Clair Avenue West, Toronto, Ontario, M4V 3A2, Canada. The condensed consolidated interim financial statements of the Company as at and for the three months ended March 31, 2014, include the accounts of the Company and its subsidiaries. The Company's results are organized into three segments: Meat Products Group, Agribusiness Group, and Bakery Products Group.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The unaudited condensed consolidated interim financial statements (or "consolidated financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described herein, consistent with the Company's 2013 annual audited consolidated financial statements, except for new standards adopted during the period as described in Note 3(a).

The consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2014.

(b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, biological assets, defined benefit plan assets, and liabilities associated with certain stock-based compensation, which are stated at fair value. Liabilities associated with employee benefits are stated at actuarially determined present values.

(c) Functional and Presentation Currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of Estimates and Judgements

The preparation of consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") requires Management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements included in the financial statements are decisions made by Management, based on analysis of relevant information available at the time the decision is made. Judgements relate to the application of accounting policies, and decisions related to the measurement, recognition and disclosure of financial amounts.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies, that have the most significant effects on the amounts recognized in the consolidated financial statements, are included both below and in the statement notes relating to items subject to significant estimate uncertainty and critical judgements.

Long-lived Assets Valuation

The Company performs impairment testing annually for goodwill and intangible assets and, when circumstances indicate that there may be impairment, for other long-lived assets. Management judgement is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying their Cash Generating Units ("CGUs") for the purpose of impairment testing.

The Company assesses impairment by comparing the recoverable amount of a long-lived asset, CGU, or CGU group to its carrying value. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less cost to sell. The determination of the recoverable amount involves Management judgement and estimation.

The values associated with intangible assets and goodwill involve significant estimates and assumptions, including those with respect to future cash inflows and outflows, discount rates, and asset lives. These estimates and assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life intangible assets recognized in future periods.

Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When the measurement of fair values cannot be determined, based on quoted prices in active markets, fair value is measured using valuation techniques and models. The inputs to these models are taken from observable markets where possible but, where this is not feasible, a degree of judgement is required in establishing fair values. Changes in assumptions about these inputs to these models could affect the reported fair value of the Company's financial and non-financial assets and liabilities.

When measuring fair value of an asset or liability, the Company uses market observable data as far as possible. To the extent that these estimates differ from those realized, the measured asset or liability, net earnings, and/or comprehensive income (loss) will be affected in future periods.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the Company's 2013 annual audited consolidated financial statements.

Nature of Interests in Other Entities

Management applies significant judgement in assessing the nature of its interest in an unconsolidated structured entity. The Company does not hold any equity interest in the structured entity and based on the terms of the agreements under which the entity is established, the Company receives none of the returns related to their operations and is exposed to limited recourse with respect to losses.

Valuation of Inventory

Management makes estimates of the future customer demand for products when establishing appropriate provisions for inventory. In making these estimates, Management considers product life of inventory and the profitability of recent sales of inventory. In many cases, product sold by the Company turns quickly and inventory on-hand values are lower, thus reducing the risk of inventory obsolescence. However, code or "best before" dates are very important in the determination of realizable value of inventory. Management ensures that systems are in place to highlight and properly value inventory that may be approaching code dates. To the extent that actual losses on inventory differ from those estimated, inventory, net earnings (loss), and comprehensive income (loss) will be affected in future periods.

Biological Assets

Biological assets are measured at each reporting date, at fair value less costs to sell, except when fair value cannot be reliably measured. If fair value cannot be reliably measured, biological assets are measured at cost less depreciation and impairment losses. Although a reliable measure of fair value may not be available at the point of initial recognition, it may subsequently become available. In such circumstances, biological assets are measured at fair value less costs to sell from the point at which the reliable measure of fair value becomes available. Gains and losses that arise on measuring biological assets at fair value less costs to sell are recognized in the statement of earnings in the period in which they arise. Costs to sell include all costs that would be necessary to sell the biological assets, including costs necessary to get the biological assets to market.

Trade Merchandise Allowances and Other Trade Discounts

The Company provides for estimated payments to customers based on various trade programs and contracts that often include payments that are contingent upon attainment of specified sales volumes. Significant estimates used to determine these liabilities include the projected level of sales volume for the relevant period and customer contracted rates for allowances, discounts, and rebates. These arrangements are complex and there are a significant number of customers and products affected. Management has systems and processes in place to estimate and value these obligations. To the extent that payments on trade discounts differ from estimates of the related liability, accrued liabilities, net earnings, and comprehensive income (loss) will be affected in future periods.

Employee Benefit Plans

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service, and Management's best estimate of salary escalation and mortality rates. Discount rates used in actuarial calculations are based on long-term interest rates and can have a material effect on the amount of plan liabilities and expenses. Management employs external experts to advise the Company when deciding upon the appropriate estimates to use to value employee benefit plan obligations and expenses. To the extent that these estimates differ from those realized, employee benefit plan liabilities and comprehensive income (loss) will be affected in future periods.

Income Taxes

Provisions for income taxes are based on domestic and international statutory income tax rates and the amount of income earned in the jurisdictions in which the Company operates. Significant judgement is required in determining income tax provisions and the recoverability of deferred tax assets. The calculation of current and deferred income tax balances requires Management to make estimates regarding the carrying values of assets and liabilities that include estimates of future cash flows and earnings related to such assets and liabilities, the interpretation of income tax legislation in the jurisdictions in which the Company operates, and the timing of reversal of temporary differences. The Company establishes additional provisions for income taxes when, despite Management's opinion that the Company's tax positions are fully supportable, there is sufficient complexity or uncertainty in the application of legislation that certain tax positions may be reassessed by tax authorities. The Company adjusts these additional accruals in light of changing facts and circumstances. To the extent that these adjustments differ from original estimates, future deferred tax assets and liabilities, net earnings, and comprehensive income (loss) will be affected in future periods.

Provisions

The Company evaluates all provisions at each reporting date. These provisions can be significant and are prepared using estimates of the costs of future activities. In certain instances, Management may determine that these provisions are no longer required or that certain provisions are insufficient as new events occur or as additional information is obtained. Provisions are separately identified and disclosed in the Company's consolidated financial statements. Changes to these estimates may affect the value of provisions, net earnings, and comprehensive income (loss) in future periods.

Stock-based Compensation

The Company uses estimates including, but not limited to, estimates of forfeitures, share price volatility, dividends, expected life of the award, risk-free interest rates, and Company performance in the calculation of the liability and expenses for certain stock-based incentive plans. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact the carrying value of contributed surplus, liabilities, net earnings, and comprehensive income (loss) in future periods.

Some of the Company's stock-based payment plans are settable in either cash or equity instruments at the option of the Company. Management uses judgement in determining the appropriate accounting treatment for these plans, based on expectations and historical settlement decisions. Changes to accounting treatment based on Management's judgement may impact contributed surplus, liabilities and net earnings and comprehensive income (loss) in future periods.

Depreciation and Amortization

The Company's property and equipment and definite life intangible assets are depreciated and amortized on a straight-line basis, taking into account the estimated useful lives of the assets and residual values. Changes to these estimates may affect the carrying value of these assets, inventories, net earnings and comprehensive income (loss) in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements should be read in conjunction with the Company's 2013 annual audited consolidated financial statements. These consolidated financial statements have been prepared in accordance with IFRS using the same accounting policies as were applied in the 2013 annual consolidated financial statements, except for new accounting standards adopted during the period, as described below:

(a) Accounting Standards Adopted During the Period

The Company applied, for the first time beginning on January 1, 2014, certain standards and amendments. As required by IAS 34 *Interim Financial Reporting* and IAS 8 *Accounting Policies, Change in Accounting Estimates and Errors*, the nature and the effect of these changes are disclosed below:

Financial Assets and Liabilities

Beginning on January 1, 2014, the Company adopted the amendments to IAS 32 *Financial Instruments: Presentation* on a retrospective basis with restatement. The amendments to IAS 32 clarify when an entity has a legally enforceable right to offset, as well as clarify, when a settlement mechanism provides for net settlement or gross settlement that is equivalent to net settlement. The impact of the adoption of the amendments to IAS 32 did not have a material impact on the Company's consolidated financial statements.

Levies

Beginning January 1, 2014, the Company adopted International Financial Reporting Interpretations Committee ("IFRIC") 21 *Levies* on a retrospective basis with restatement. This IFRIC is applicable to all levies other than outflows that are within the scope of other standards, fines, or penalties for breaches of legislation. The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payments, as identified by the relevant legislation, occurs. The impact of the adoption of IFRIC 21 did not have a material impact on the Company's consolidated financial statements.

Novation of Derivatives and Continuation of Hedge Accounting

Beginning January 1, 2014, the Company adopted IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (Amendments to IAS 39 *Financial Instruments: Recognition and Measurement)*. The amendments added a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when novation that was not contemplated in the original hedging documentation meets specific criteria. The impact of the adoption of the amendments to IAS 39 did not have a material impact on the Company's consolidated financial statements.

(b) Recent Accounting Pronouncements

Employee Benefits

In November 2013, the IASB published amendments to IAS 19 *Employee Benefits*. The effective date for these amendments is annual periods beginning on or after July 1, 2014. These amendments are to be applied retrospectively. IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. The amendments to IAS 19 provide a practical expedient for simplifying the accounting in certain situations. If the amount of contribution is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service costs in the period in which the service is rendered, instead of allocating the contributions to the period's service. The Company intends to adopt the amendments to IAS 19 in its consolidated financial statements for the annual period beginning January 1, 2015. The extent of the impact of the adoption of amendments to IAS 19 has not yet been determined.

Annual Improvements to IFRS (2010 – 2012) and (2011 – 2013) Cycles

In December 2013, the IASB issued narrow-scope amendments to a total of nine standards as part of its annual improvements process. Amendments were made to clarify items including the definition of vesting conditions in IFRS 2 *Share-Based Payment*, disclosure on the aggregation of operating segments in IFRS 8 *Operating Segments*, measurement of short-term receivables and payables under IFRS 13 *Fair Value Measurement*, definition of related party in IAS 24 *Related Party Disclosures,* and other amendments. Special transitional requirements have been set for certain of these amendments. Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014, earlier application is permitted. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning January 1, 2015. The extent of the impact of the adoption of the amendments have not yet been determined.

Financial Instruments – Recognition and Measurement

In November 2009, the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)) and in October 2010, the IASB published amendments to IFRS 9 (IFRS 9 (2010)). IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additional changes relating to financial liabilities. In November 2013, the IASB published amendments to IFRS 9 *Financial Instruments*, IFRS 7 *Financial Instruments: Disclosures*, and IAS 39 *Financial Instruments: Disclosures* (collectively, IFRS 9 (2013)) to include a new general hedge accounting model and allow the adoption of the treatment of fair value changes due to a Company's own credit risk on financial liabilities designated at fair value through profit or loss. Special transitional requirements have been set for the application of the new general hedging model. This amendment removes the January 1, 2015, effective date. In February 2014, the IASB tentatively decided that the mandatory effective date for these amendments to be January 1, 2018. The Company intends to adopt IFRS 9 in its consolidated financial statements for the annual periods beginning January 1, 2018. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

4. ACCOUNTS AND NOTES RECEIVABLE

Components of Accounts Receivable are as follows:

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Trade receivables	**$ 21,304**	$ 56,424	$ 37,173
Less: Allowance for doubtful accounts	**(80)**	(4)	(80)
Net trade receivables	**$ 21,224**	$ 56,420	$37,093
Other receivables:			
Commodity taxes receivable	**14,064**	18,691	27,727
Interest rate swap receivable	**5,805**	6,550	8,446
Receivables from divested business	**–**	2,280	–
Government receivable	**14,856**	8,670	14,727
Insurance receivable	**4,413**	2,294	1,664
Other	**9,232**	14,281	21,377
	$ 69,594	$ 109,186	$ 111,034

The aging of trade receivables is as follows:

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Current	**$ 17,096**	$ 53,764	$ 31,273
Past due 0-30 days	**4,177**	2,376	5,600
Past due 31-60 days	**–**	75	84
Past due 61-90 days	**–**	17	–
Past due > 90 days	**31**	192	216
	$ 21,304	$ 56,424	$ 37,173

The Company maintains an allowance for doubtful accounts that represents its estimate of the uncollectible amounts based on specific losses estimated on individual exposures.

Under revolving securitization programs, the Company has sold certain of its trade accounts receivable to an entity owned by a financial institution. The Company retains servicing responsibilities for these receivables. As at March 31, 2014, trade accounts receivable being serviced under these programs amounted to $168.9 million (2013: $274.4 million). In return for the sale of its trade receivables, the Company will receive cash of $59.7 million (2013: $155.1 million) and notes receivable in the amount of $109.2 million (2013: $119.2 million). The notes receivable are non-interest bearing and are adjusted on the settlement dates of the securitized accounts receivable. Due to the timing of receipts and disbursements, the Company may, from time to time, also record a receivable or payable related to the securitization facility. As at March 31, 2014, the Company recorded a net payable amount to $31.5 million (2013: $0.4 million net receivable) in accounts payable and accruals. The above amounts do not reflect the securitization arrangement of the Company's Canada Bread subsidiary that has been presented as held for sale.

The Company's securitization programs require the sale of trade receivable to be treated as a sale from an accounting perspective and as a result, trade receivables sold under these programs are derecognized in the consolidated balance sheets as March 31, 2014 and 2013.

5. INVENTORIES

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Raw materials	**$ 34,767**	$ 40,276	$ 39,302
Work in process	**22,981**	21,966	18,662
Finished goods	**185,883**	197,956	166,407
Packaging	**15,616**	21,960	22,582
Spare parts	**24,026**	43,205	40,833
	$ 283,273	$ 325,363	$ 287,786

During the three months ended March 31, 2014, inventory in the amount of $569.2 million (2013: $603.2 million) was expensed through cost of goods sold.

6. BIOLOGICAL ASSETS

The change in fair value of commercial hog and poultry stock for the three months ended March 31, 2014, was a gain of $40.3 million (March 31, 2013: loss of $5.3 million) and was recorded in cost of goods sold. The fair value measures of commercial hog stock have been categorized as level 3 fair value based on inputs to the valuation techniques used. There were no transfers between levels during the quarter ended March 31, 2014.

7. ASSETS AND LIABILITIES HELD FOR SALE

A brief description of the assets and liabilities held for sale is as follows:

Canada Bread Company, Limited

On February 12, 2014, the Company announced that Grupo Bimbo, S.A.B. de C.V. of Mexico ("Grupo Bimbo") agreed to acquire all of the issued and outstanding common shares of Canada Bread Company, Limited ("Canada Bread"), a subsidiary in which the Company has a 90.0% controlling interest. The assets of Canada Bread were included in the Bakery Products Group for segmented reporting. At March 31, 2014, Canada Bread was classified as a disposal group held for sale and as a discontinued operation as disclosed in Note 20.

Investment Properties

The Company intends to dispose of various investment properties it no longer utilises. Investment properties are included in non-allocated assets for segmented reporting.

Poultry Farm

These assets relate to a poultry farm and related production quotas in Brooks, Alberta, originally purchased on February 1, 2012 and immediately classified as assets held for sale. The poultry farm assets were included in the Meat Products Group for segmented reporting.

Further details on the gain on disposal of assets held for sale is described in Note 18.

			As at March 31, 2014			As at March 31, 2013		As at December 31, 2013
	Canada Bread	**Investment Properties**	**Total**	Poultry Farm	Investment Properties	Total	Investment Properties	Total
ASSETS HELD FOR SALE								
Current assets								
Cash and cash equivalents	**$ 144,096**	**$ –**	**$ 144,096**	$ –	$ –	$ –	$ –	$ –
Accounts receivable	**14,872**	**–**	**14,872**	–	–	–	–	–
Notes receivable	**46,321**	**–**	**46,321**	–	–	–	–	–
Inventories	**53,717**	**–**	**53,717**	–	–	–	–	–
Income and other taxes recoverable	**6,213**	**–**	**6,213**	–	–	–	–	–
Prepaid expenses and other assets[(i)]	**6,362**	**–**	**6,362**	–	–	–	–	–
	$ 271,581	**$ –**	**$ 271,581**	$ –	$ –	$ –	$ –	$ –
Property and equipment	**379,779**	**–**	**379,779**	2,560	–	2,560	–	–
Investment property	**9,857**	**834**	**10,691**	–	1,419	1,419	5,206	5,206
Employee benefits	**1,758**	**–**	**1,758**	–	–	–	–	–
Other long-term assets	**4,794**	**–**	**4,794**	–	–	–	–	–
Deferred tax asset	**25,198**	**–**	**25,198**	–	–	–	–	–
Goodwill	**293,250**	**–**	**293,250**	–	–	–	–	–
Intangible assets	**13,895**	**–**	**13,895**	18,868	–	18,868	–	–
Total assets held for sale	**$ 1,000,112**	**$ 834**	**$ 1,000,946**	$ 21,428	$ 1,419	$ 22,847	$ 5,206	$ 5,206
LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE								
Current Liabilities								
Accounts payable and accruals	**$ 217,506**	**$ –**	**$ 217,506**	$ –	$ –	$ –	$ –	$ –
Provisions	**5,304**	**–**	**5,304**	–	–	–	–	–
Income taxes payable	**–**	**–**	**–**	–	–	–	–	–
Current portion of long-term debt	**554**	**–**	**554**	–	–	–	–	–
Other current liabilities[(ii)]	**100**	**–**	**100**	–	–	–	–	–
	$ 223,464	**$ –**	**$ 223,464**	$ –	$ –	$ –	$ –	$ –
Long-term debt	**2,051**	**–**	**2,051**	–	–	–	–	–
Employee benefits	**36,960**	**–**	**36,960**	–	–	–	–	–
Provisions	**5,488**	**–**	**5,488**	–	–	–	–	–
Other long-term liabilities	**4,562**	**–**	**4,562**	–	–	–	–	–
Deferred tax liability	**38,875**	**–**	**38,875**	–	–	–	–	–
Total liabilities associated with assets held for sale	**$ 311,400**	**$ –**	**$ 311,400**	$ –	$ –	$ –	$ –	$ –
Net assets associated with assets held for sale	**$ 688,712**	**$ 834**	**$ 689,546**	$ 21,428	$ 1,419	$ 22,847	$ 5,206	$ 5,206
Included in Accumulated Other Comprehensive Income associated with assets held for sale								
Foreign currency translation adjustments	**$ 3,425**	**$ –**	**$ 3,425**	$ –	$ –	$ –	$ –	$ –
Unrealized gain on cash flow hedges	**734**	**–**	**734**	–	–	–	–	–
Accumulated Other Comprehensive Income associated with assets held for sale	**$ 4,159**	**$ –**	**$ 4,159**	$ –	$ –	$ –	$ –	$ –

(i) *Other current assets of Canada Bread include foreign exchange forward contracts that were designated as cash flow hedges as at March 31, 2014 and have been valued at fair value in accordance with the measurement requirements of IFRS 13 Fair Value Measurement. Information about the valuation techniques and inputs used in determining the fair value of these assets is disclosed in Note 17.*

(ii) *Other current liabilities of Canada Bread include foreign exchange forward contracts that were not designated in a formal hedging relationship as at March 31, 2014 and have been valued at fair value in accordance with the measurement requirements of IFRS 13 Fair Value Measurement. Information about the valuation techniques and inputs used in determining the fair value of these liabilities is disclosed in Note 17.*

8. EMPLOYEE BENEFITS

During the three months ended March 31, 2014, the Company recorded expenses of $12.6 million (2013: $16.6 million) related to pension and other post-retirement benefits, of which $3.5 million is related to discontinued operations (2013: $4.2 million).

9. GOODWILL

The continuity of goodwill for the three months ended March 31, 2014 and 2013 is as follows:

Cost	**March 31, 2014**	March 31, 2013
Opening balance	**$ 826,040**	$ 851,659
Foreign currency translation	**4,170**	(1,068)
Transfer to assets held for sale *(Note 7)*	**$ (401,617)**	$ –
Balance	**$ 428,593**	$ 850,591
Impairment losses		
Opening balance	**$ (105,242)**	$ (98,503)
Transfer to assets held for sale *(Note 7)*	**108,033**	–
Foreign currency translation	**(3,148)**	2,658
Balance	**$ (357)**	$ (95,845)
Net carrying amounts	**$ 428,236**	$ 754,746

For the purposes of annual impairment testing, goodwill is allocated to the following groups of Cash Generating Units ("CGUs"); being the groups expected to benefit from the synergies of the business combinations in which the goodwill arose:

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
CGU Groups			
Meat products	**$ 428,236**	$ 442,925	$ 428,236
By-product recycling(i)	**–**	13,845	–
Canadian Fresh Bakery(ii)	**–**	173,839	173,839
North American Frozen Bakery(ii)	**–**	118,667	118,723
Fresh Pasta(i)	**–**	5,470	–
	$ 428,236	$ 754,746	$ 720,798

(i) *The goodwill related to the by-product recycling operations ("Rothsay") and fresh pasta ("Olivieri") were disposed of during the year ended December 31, 2013. Refer to Note 20 for further details.*

(ii) *Reclassified to assets held for sale, refer to Note 7.*

10. INTANGIBLE ASSETS

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Indefinite life	**$ 66,853**	$ 81,346	$ 71,676
Definite life	**118,410**	126,687	126,902
Total intangible assets	**$ 185,263**	$ 208,033	$ 198,578

During the quarter, $13.9 million of intangibles were re-classified as assets held for sale.

Indefinite Life Intangibles

The following table summarizes the indefinite life intangible assets by CGU groups:

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
CGU Groups			
Meat products	**$ 66,853**	$ 74,908	$ 66,853
Canadian Fresh Bakery[(i)]	**–**	6,438	4,823
	$ 66,853	$ 81,346	$ 71,676

(i) *Reclassified to assets held for sale, refer to Note 7.*

11. PROVISIONS

	Legal	**Environ-mental**	**Lease make-good**	**Restructuring and other related costs[(i)]**	**Total**
Balance at December 31, 2013[(ii)]	**$ 561**	**$ 12,603**	**$ 4,736**	**$ 56,556**	**$ 74,456**
Charges	**91**	**–**	**16**	**18,998**	**19,105**
Reversals	**–**	**–**	**–**	**(1,573)**	**(1,573)**
Cash payments	**(413)**	**(3)**	**–**	**(9,983)**	**(10,399)**
Foreign currency translation	**–**	**–**	**104**	**193**	**297**
Transfer to liabilities associated with assets held for sale *(Note 7)*	**–**	**(1,316)**	**(2,517)**	**(6,959)**	**(10,792)**
Balance at March 31, 2014	**$ 239**	**$ 11,284**	**$ 2,339**	**$ 57,232**	**$ 71,094**
Current					**$ 40,100**
Non-current					**30,994**
Total at March 31, 2014					**$ 71,094**

	Legal	Environ-mental	Lease make-good	Restructuring and other related costs[(i)]	Total
Balance at December 31, 2012	$ 741	$ 16,071	$ 6,098	$ 29,225	$ 52,135
Charges	–	–	–	39,003	39,003
Reversals	–	(3,114)	–	(161)	(3,275)
Cash payments	(23)	(15)	–	(9,264)	(9,302)
Non-cash items	–	–	(109)	(1,811)	(1,920)
Balance at March 31, 2013	$ 718	$ 12,942	$ 5,989	$ 56,992	$ 76,641
Current					$ 41,720
Non-current					34,921
Total at March 31, 2013					$ 76,641

(i) *For additional information on restructuring and other related costs, see the table below.*

(ii) *Balance at December 31, 2013 includes current portion of $54.9 million and non-current portion of $19.6 million.*

The following tables provide a summary of provisions recorded in respect of restructuring and other related costs as at March 31, 2014 and March 31, 2013, all on a pre-tax basis.

	Severance	**Site closing and other cash costs**	**Retention**	**Restructuring and other related costs**
Balance at December 31, 2013	**$ 27,824**	**$ 12,124**	**$ 16,608**	**$ 56,556**
Charges	**10,801**	**216**	**7,981**	**18,998**
Reversals	**(1,536)**	**(37)**	**–**	**(1,573)**
Cash payments	**(3,573)**	**(3,130)**	**(3,280)**	**(9,983)**
Foreign currency translation	**(29)**	**222**	**–**	**193**
Transfer to liabilities associated with assets held for sale	**(2,765)**	**(2,691)**	**(1,503)**	**(6,959)**
Balance at March 31, 2014	**$ 30,722**	**$ 6,704**	**$ 19,806**	**$ 57,232**

	Severance	Site closing and other cash costs	Retention	Pension	Restructuring and other related costs
Balance at December 31, 2012	$ 14,996	$ 11,490	$ 561	$ 2,178	$ 29,225
Charges	37,876	1,281	213	(367)	39,003
Reversals	(161)	–	–	–	(161)
Cash payments	(7,972)	(1,129)	(163)	–	(9,264)
Non-cash items	(116)	228	(112)	(1,811)	(1,811)
Balance at March 31, 2013	$ 44,623	$ 11,870	$ 499	$ –	$ 56,992

12. LONG-TERM DEBT

On March 14, 2014, Maple Leaf gave notice of redemption on $706.0 million senior notes (the "Notes"). In connection therewith, the Company recognized an early repayment premium of $78.7 million and expensed deferred financing charges of $2.5 million. Subsequent to the notice, it was determined that the Company's leverage ratio at March 31, 2014, would have exceeded the maximum level prescribed by the terms of the Notes; however, the Company issued a notice of redemption prior to the end of the quarter.

During the three months ended March 31, 2014, the Company amended its existing revolving credit facility to include additional shorter term financing. This facility now includes a revolving component with an availability of $1,050.0 million and a non-revolving component of $330.0 million. The non-revolving component expires on the earlier of March 31, 2015, and the closing of the Canada Bread sale. The revolving component will be reduced to $200.0 million upon closing of the Canada Bread sale and will expire on March 31, 2015. This facility can be drawn in Canadian or U.S. dollars, and bears interest at rates based on Banker's acceptance of prime rates for Canadian dollar loans, and U.S. prime rate and LIBOR for U.S. dollar loans. As at March 31, 2014, the Company had drawn $673.9 million on the revolving component of this facility, including letters of credit of $118.9 million.

13. OTHER CURRENT LIABILITIES

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Derivative instruments *(Note 17)*	**$ 102,262**	$ 14,848	$ 43,548
Liability for stock-based compensation *(Note 22)*	**25,396**	–	–
Other	**741**	2,994	4,379
	$ 128,399	$ 17,842	$ 47,927

14. OTHER LONG-TERM LIABILITIES

	As at March 31, 2014	As at March 31, 2013	As at December 31, 2013
Derivative instruments *(Note 17)*	**$ 11,220**	$ 58,484	$ 12,728
Other	**15,533**	17,163	16,016
	$ 26,753	$ 75,647	$ 28,744

15. ACCUMULATED OTHER COMPREHENSIVE LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS

	Attributable to Common Shareholders			
	Foreign currency translation adjustments(i)	**Unrealized gain (loss) on cash flow hedges**(i)	**Change in actuarial gains and (losses)**(ii)	**Total accumulated other comprehensive income (loss) associated with continuing operations**
Balance at December 31, 2013	**$ 269**	**$ (4,862)**	**$ –**	**$ (4,593)**
Other comprehensive income	**345**	**2,219**	**714**	**3,278**
Transfer to retained earnings (deficit)	**–**	**–**	**(714)**	**(714)**
Transfer to held for sale	**1,025**	**(226)**	**–**	**799**
Balance at March 31, 2014	**$ 1,639**	**$ (2,869)**	**$ –**	**$ (1,230)**

	Attributable to Common Shareholders			
	Foreign currency translation adjustments(i)	Unrealized gain (loss) on cash flow hedges(i)	Change in actuarial gains and (losses)(ii)	Total accumulated other comprehensive income (loss) associated with continuing operations
Balance at December 31, 2012	$ (8,976)	$ (4,287)	$ –	$ (13,263)
Other comprehensive income (loss)	656	(1,351)	62,084	61,389
Transfer to retained earnings (deficit)	–	–	(62,084)	(62,084)
Balance at March 31, 2013	$ (8,320)	$ (5,638)	$ –	$ (13,958)

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

(ii) *Items that will not be reclassified to profit or loss.*

The change in accumulated foreign currency translation adjustments attributable from continuing operations to common shareholders includes income tax of $nil for the three months ended March 31, 2014 (2013: $nil).

The change in unrealized gain (loss) on cash flow hedges from continuing operations attributable to common shareholders includes income tax expense of $0.8 million for the three months ended March 31, 2014 (2013: recovery of $0.7 million).

The change in actuarial gains and losses from continuing operations attributable to common shareholders includes income tax expenses of $0.2 million for the three months ended March 31, 2014 (2013: tax expense of $19.4 million).

The Company estimates that $3.2 million net of tax of $1.1 million of the unrealized loss included in accumulated other comprehensive income (loss) will be reclassified into net earnings (loss) within the next 12 months. The actual amount of this reclassification will be impacted by future changes in the fair value of financial instruments designated as cash flow hedges and the actual amount reclassified could differ from this estimated amount. During the three months ended March 31, 2014, a loss of approximately $1.7 million, net of tax of $0.6 million was released to earnings from accumulated other comprehensive loss and is included in the net change for the period (2013: loss of approximately $0.1 million, net of tax recovery of $nil).

16. RESTRUCTURING AND OTHER RELATED COSTS

	Three months ended March 31, 2014	2013
		(Restated) (Note 20)
MEAT PRODUCTS GROUP		
Management structure changes		
Severance	**$ 355**	$ 912
Site closing and other costs	**(32)**	–
	$ 323	$ 912
Strategic value creation initiatives		
Severance	**$ (1,384)**	$ 25,365
Site closing and other costs	**(4)**	658
Asset impairment and accelerated depreciation	**6,022**	7,892
Retention	**6,515**	–
	$ 11,149	$ 33,915
Plant closure		
Severance	**$ –**	$ 103
Pension	**–**	283
	$ –	$ 386
Total Meat Products Group	**$ 11,472**	$ 35,213
NON-ALLOCATED		
Management structure changes		
Severance	**$ 421**	$ 1,745
	$ 421	$ 1,745
Organizational structure changes		
Severance	**$ 9,873**	$ –
	$ 9,873	$ –
Total non-allocated	**$ 10,294**	$ 1,745
Total restructuring and other related costs	**$ 21,766**	$ 36,958

Amounts in the table above are net of reversals.

A brief description of the projects is as follows:

Management Structure Changes

The Company has recorded restructuring and other related costs pertaining to organizational delayering and changes to its management structure.

Strategic Value Creation Initiatives

The Company's Meat Products Group has recorded restructuring costs related to changes in its manufacturing and distribution network as part of implementing the Value Creation Plan.

Plant Closure

The Company's Meat Products Group has recorded restructuring costs related to the closure of a plant located in Ayr, Ontario.

Organizational Structure Changes

The Company has recorded restructuring and other related costs related to expected changes in corporate and management structure that will be required following the sale of Canada Bread, as further described in Note 20.

Impairment

There were no impairments or reversals of impairments recorded through restructuring and other related costs for the three months ended March 31, 2014 or March 31, 2013.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES

The Company is exposed to credit risk, interest rate risk, liquidity risk, foreign exchange risk and commodity price risk. The Company has policies for managing these risks that are aligned with its overall objective to maintain a simple cost-effective capital structure that supports a long-term growth strategy and maximizes operating flexibility.

On March 14, 2014, the Company issued a notice of repayment of its notes payable, with a repayment date of April 14, 2014 (Note 12).

On the original issuance of the U.S. denominated debt, and in order to hedge against the foreign exchange risk associated with the issuance of U.S. denominated debt, the Company entered into cross-currency interest rate swaps. The cross-currency swaps converted the U.S. denominated fixed-rate notes, into fixed-rate Canadian denominated notes, and were accounted for as cash flow hedges.

As a result of the decision to accelerate the repayment of all outstanding notes, hedge accounting on all of the cross-currency interest rate swaps have been discontinued. This has resulted in a reclassification of $9.6 million from accumulated other comprehensive income, to interest expense and other financing costs, during the three months ended March 31, 2014. During the three months ended March 31, 2014, the Company terminated cross-currency interest rate swaps maturing in 2021, and the remaining cross-currency swaps maturing in 2014 were terminated in April 2014.

There have been no other material changes to the Company's risk and risk management activities since December 31, 2013.

Financial Instruments

The Company's financial assets and liabilities are classified into the following categories:

Cash and cash equivalents	Held for trading
Accounts receivable	Loans and receivables
Notes receivable	Loans and receivables
Bank indebtedness	Other financial liabilities
Accounts payable and accrued liabilities	Other financial liabilities
Long-term debt	Other financial liabilities
Derivative instruments(i)	Held for trading

(i) *These derivative instruments may be designated as cash flow hedges or as fair value hedges as appropriate.*

The Company applies hedge accounting and uses derivatives and other non-derivative financial instruments to manage its exposures to fluctuations in interest rates, foreign exchange rates and commodity prices.

The fair values and notional amounts of derivative financial instruments at March 31 are shown below:

	2014			2013		
		Fair value			Fair value	
	Notional amount(i)	**Asset**	**Liability**	Notional amount(i)	Asset	Liability
Cash flow hedges						
Cross-currency interest rate swaps	**US$ –**	**$ –**	**$ –**	US$ 313,000	$ –	$42,404
Foreign exchange contracts(ii)	**226,755**	**1,101**	**4,942**	70,500	788	–
Commodity future contracts(ii)	**27,489**	**775**	**–**	260,000	–	21,417
Fair value hedges						
Commodity contracts(ii)	**$ 85,489**	**$ –**	**$ 17,365**	$ 20,420	$ 1,455	$ –
Derivatives not designated in a formal hedging relationship						
Interest rate swaps	**$ 1,180,000**	**$ –**	**$ 17,267**	$ 660,000	$ –	$ 5,533
Cross-currency interest rate swaps	**100,000**	**–**	**27,920**	–	–	–
Foreign exchange contracts(ii)	**516,033**	**304**	**622**	115,057	319	–
Commodity contracts(ii)	**714,167**	**10,241**	**45,366**	465,750	–	3,978
Total fair value	**$ 2,849,933**	**$ 12,421**	**$ 113,482**		$2,562	$ 73,332
Current(iii)		**$ 12,421**	**$102,262**		$2,562	$ 14,848
Non-current		**–**	**11,220**		–	58,484
Total fair value		**$ 12,421**	**$ 113,482**		$2,562	$ 73,332

(i) *Unless otherwise stated, notional amounts are stated at the contractual Canadian dollar equivalent.*

(ii) *Derivatives are short-term and will impact profit or loss at various dates within the next 12 months.*

(iii) *Included in the current portion above are assets of $1.1 million included in assets held for sale and $0.3 million included in liabilities associated with assets held for sale.*

The fair value of financial assets and liabilities classified as loans and receivables and other financial liabilities (excluding long-term debt) approximate their carrying value due to their short-term nature.

The fair value of long-term debt as at March 31, 2014 was $1,353.7 million (2013: $1,343.2 million) as compared to its carrying value of $1,341.2 million (2013: $1,263.5 million) on the consolidated balance sheets. Of this amount, $2.6 million (2013: $nil) has been reclassified to liabilities associated with assets held for sale. The fair value of the Company's long-term debt has been classified as Level 2 in the fair value hierarchy and was estimated based on discounted future cash flows using current rates for similar financial instruments subject to similar risks and maturities.

Financial assets and liabilities classified as held-for-trading are recorded at fair value. The fair values of the Company's interest rate and foreign exchange derivative financial instruments were estimated using current market measures for interest rates and foreign exchange rates. Commodity futures and options contracts are exchange-traded and fair value is determined based on exchange prices.

Derivatives not designated in a formal hedging relationship are classified as held-for-trading. Net gains (losses) on financial instruments held-for-trading consist of realized and unrealized gains (losses) on derivatives that were de-designated or were otherwise not in a formal hedging relationship. During the three months ended March 30, 2014, the Company recorded an after-tax loss of $29.7 million (2013: after-tax loss of $4.6 million) on financial instruments held-for-trading.

For the quarter ended March 31, 2014, the pre-tax amount of hedge ineffectiveness recognized in earnings was a gain of $0.2 million (2013: gain of $0.8 million), primarily related to the Company's designated interest rate swaps.

The table below sets out fair value measurements of financial instruments using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange forward contracts	$ –	$ 1,405	$ –	**$ 1,405**
Commodity future contracts	11,016	–	–	**11,016**
	$ 11,016	**$ 1,405**	**$ -**	**$ 12,421**
Liabilities:				
Foreign exchange forward contracts	$ –	$ 5,564	$ –	**$ 5,564**
Commodity future contracts	62,731	–	–	**62,731**
Interest rate swaps	–	45,187	–	**45,187**
	$ 62,731	**$ 50,751**	**$ -**	**$ 113,482**

There were no transfers between levels during the three months ended March 31, 2014. Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Non-designated Interest Rate Swaps

The change in fair value of non-designated interest rate swaps for the quarter ended March 31, 2014, was a gain of $1.1 million and was recorded in net earnings (loss).

The change in fair value of non-designated interest rate swaps for the quarter ended March 31, 2013, was a gain of $0.6 million and was recorded in net earnings (loss).

18. OTHER INCOME

	Three months ended March 31,	
	2014	2013
		(Restated) *(Note 20)*
Loss on sale of property and equipment	**$ (317)**	$ (360)
Gain on sale of investment properties	**350**	–
Gain on sale of assets and liabilities held for sale[(i)]	**-**	45,388
Adjustment of prior gain on acquisition *(Note 26)*	**-**	(985)
Net investment property (expenses) income	**(46)**	83
Hedge ineffectiveness	**231**	834
Impairment of assets[(ii)]	**-**	(1,563)
Legal settlements	**154**	–
Other	**921**	(100)
	$ 1,293	$ 43,297

(i) Gain on sale of assets and liabilities held for sale

	Three months ended March 31, 2013	
	Net proceeds	Gain
Potato processing facility[(a)]	$ 58,067	$ 45,388
Total	$ 58,067	$ 45,388

(a) *The assets related to the Company's potato processing facility in Lethbridge, Alberta, were classified as held for sale on December 31, 2012, and the sale of these assets to Cavendish Farm Corporation was completed during the first quarter of 2013. Prior to its disposal, the assets of the potato processing facility were included in the Meats Products Group for segmented reporting.*

(ii) Impairments of assets

Impairments and reversals recorded by the Company related to the following:

	Three months ended March 31, 2014	2013
		(Restated) (Note 20)
Impairments:		
Assets held for sale	**$ –**	$ 1,563
Total impairments	**$ –**	$ 1,563

19. INTEREST EXPENSE AND OTHER FINANCING COSTS

	Three months ended March 31, 2014	2013
		(Restated) (Note 20)
Interest expense on long-term debt	**$ 10,988**	$ 9,898
Interest on bankers' acceptances and prime loans	**2,662**	4,122
Interest expense on interest rate swaps	**5,395**	5,271
Interest income on interest rate swaps	**(4,615)**	(4,239)
Net interest expense on non-designated interest rate swaps	**1,680**	2,043
Interest expense on securitized receivables	**419**	543
Deferred finance charges	**1,197**	762
Other interest charges	**1,382**	953
Interest capitalized	**(2,783)**	(3,250)
Other financing costs[(i)]	**98,386**	–
	$ 114,711	$ 16,103

(i) Included in other financing costs are the following:

	Three months ended March 31, 2014
Early repayment premium accrued *(Note 12)*	**$ 78,689**
Write-off of deferred financing fees on note repayment *(Note 12)*	**2,476**
Write-off of deferred financing fees on terminated swaps	**757**
Write-off of deferred financing fees on revolving facility termination	**3,125**
Financing costs associated with new debt	**3,769**
Release from accumulated other comprehensive income on swap de-designation *(Note 17)*	**9,570**
Total other financing costs	**$ 98,386**

20. DISCONTINUED OPERATIONS

Canada Bread Company, Limited

On February 12, 2014, the Company announced that Grupo Bimbo, S.A.B. de C.V. of Mexico ("Grupo Bimbo") had agreed to acquire all of the issued and outstanding common shares of Canada Bread, a 90.0% owned subsidiary, by way of a statutory arrangement under the *Business Corporations Act* (Ontario) (the "Arrangement"). Under the terms of the Arrangement, Grupo Bimbo has agreed to acquire each common share of Canada Bread for $72.00 per share in cash. The Company expects to receive net proceeds of approximately $1.65 billion for its 90.0% interest in Canada Bread. The Company is not able to estimate the ultimate gain on disposition given the uncertainty surrounding the timing of the close of this proposed transaction.

On March 17, 2014, the proposed transaction received approval from the Canadian Competition Bureau to proceed. On March 24, 2014, the proposed transaction received clearance from the U.S. Department of Justice under the Hart-Scott-Radino Act to proceed. Subject to Investment Canada approval, the proposed transaction is expected to close in the second quarter of 2014.

As at March 31, 2014, the net assets of Canada Bread have been classified as held for sale as disclosed in Note 7 and as discontinued operations on the Consolidated Statements of Earnings (Loss), and are presented as part of Bakery Products Group for segmented reporting.

Olivieri Fresh Pasta and Sauce Business

On November 25, 2013, the Company sold substantially all the net assets of its Olivieri fresh pasta and sauce business ("Olivieri"), a component of the Bakery Products Group, to Catelli Foods Corporation. The purchase price was finalized during March 2014. The final net proceeds were $115.8 million, including a pre-tax adjustment in 2014 of $0.5 million. The adjustment to the gain on disposal and its related tax impact is recognized as part of the results of discontinued operations for the three months ended March 31, 2014.

Rothsay By-product Recycling Business

On October 28, 2013 the Company sold substantially all of the net assets of its Rothsay animal by-product recycling operations ("Rothsay"), a component of the Agribusiness group, to Darling International Inc. for net proceeds of $628.5 million, resulting in pre-tax gain of $526.5 million recognized for the year ended December 31, 2013.

The below represents the detailed results of discontinued operations:

	2014			2013			
Three months ended March 31,	**Canada Bread**	**Olivieri**	**Total[(i)]**	Canada Bread	Olivieri	Rothsay	Total
Sales	**$ 342,837**	**$ –**	**$ 342,837**	$ 346,867	$ 22,046	$ 58,135	$ 427,048
Cost of goods sold	**266,572**	**–**	**266,572**	282,995	18,010	38,195	339,200
Gross margin	**$ 76,265**	**$ –**	**76,265**	$ 63,872	$ 4,036	$19,940	87,848
Selling, general, and administrative expenses	**49,393**	**–**	**49,393**	47,553	3,254	1,634	52,441
Operating Earnings before the following:	**$ 26,872**	**$ –**	**$ 26,872**	$ 16,319	$ 782	$18,306	$ 35,407
Restructuring and other related costs	**(1,877)**	**–**	**(1,877)**	(10,411)	–	–	(10,411)
Transaction costs associated with the disposal of business	**(30,976)**	**–**	**(30,976)**	–	–	–	–
Adjustment of prior gain on disposal of discontinued operations	**–**	**(468)**	**(468)**	–	–	–	–
Other income (expense)	**1,845**	**–**	**1,845**	(2,513)	–	27	(2,486)
Earnings (loss) before interest and income taxes from discontinued operations	**$ (4,136)**	**$(468)**	**(4,604)**	$ 3,395	$ 782	$ 18,333	$ 22,510
Interest expense and other financing costs	**174**	**–**	**174**	397	–	–	397
Earnings (loss) before income taxes from discontinued operations	**$ (4,310)**	**$(468)**	**$ (4,778)**	$ 2,998	$ 782	$ 18,333	$ 22,113
Income taxes	**2,450**	**160**	**2,610**	1,298	201	4,712	6,211
Net earnings (loss) from discontinued operations	**$ (6,760)**	**$(628)**	**$ (7,388)**	$ 1,700	$ 581	$ 13,621	$ 15,902
Attributed to:							
Common shareholders	**$ (7,718)**	**$ (591)**	**$ (8,309)**	$ 1,471	$ 582	$ 13,621	$ 15,674
Non-controlling interest	**958**	**(37)**	**921**	229	(1)	–	228
	$ (6,760)	**$(628)**	**$ (7,388)**	$ 1,700	$ 581	$ 13,621	$ 15,902
Earnings per share from discontinued operations attributable to common shareholders *(Note 21)*							
Basic and diluted earnings per share from discontinued operations			**$ (0.06)**				$ 0.11
Weighted average number of shares (millions)			**140.2**				139.9

(i) *The Rothsay and Olivieri operations were ceased upon the closing of their respective sale transactions during 2013.*

In order to accurately represent the continuing and discontinuing operations sales and cost of goods sold, certain intercompany eliminations have been reversed in the amounts presented above and in the statement of earnings (loss) for all periods presented.

The net cash flows provided by (used in) the discontinued operations for the three months ended March 31 are as follows:

	2014			2013			
Three months ended March 31,	**Canada Bread**	**Olivieri**	**Total**[i]	Canada Bread	Olivieri	Rothsay	Total
Operating	**$ 42,525**	**$ (160)**	**$ 42,365**	$ 17,283	$ (270)	$ 9,419	$ 26,432
Financing	**(216,391)**	**–**	**(216,391)**	(11,437)	379	–	$ (11,058)
Investing	**(2,064)**	**(468)**	**(2,532)**	(2,750)	(1,182)	(1,347)	$ (5,279)
Net cash flows	**$ (175,930)**	**$ (628)**	**$ (176,558)**	$ 3,096	$ (1,073)	$ 8,072	$ 10,095

(i) *The Rothsay operation was ceased upon the closing of the transaction during 2013. As such, no results to report for 2014.*

21. LOSS PER SHARE

Basic earnings (loss) per share amounts are calculated by dividing the net earnings (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the quarter.

Diluted earnings (loss) per share amounts are calculated by dividing the net earnings (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the quarter, adjusted for the effects of potentially dilutive stock options.

The following table sets forth the calculation of basic and diluted earnings (loss) per share ("EPS"):

	2014			2013[iii]		
	Attributable to Common Shareholders					
Three months ended March 31,	**Net earnings (loss)**	**Weighted average number of shares**[ii]	**EPS**	Net earnings	Weighted average number of shares[ii]	EPS
Basic						
Continuing operations	**$ (124,602)**	**140.2**	**$ (0.89)**	$ (30,612)	139.9	$ (0.22)
Discontinued operations	**(8,309)**	**140.2**	**(0.06)**	15,674	139.9	0.11
	$ (132,911)	**140.2**	**$ (0.95)**	$ (14,938)	139.9	$ (0.11)
Stock options[i]					–	
Diluted						
Continuing operations	**$ (124,602)**	**140.2**	**$ (0.89)**	$ (30,612)	139.9	$ (0.22)
Discontinued operations	**(8,309)**	**140.2**	**(0.06)**	15,674	139.9	0.11
	$ (132,911)	**140.2**	**$ (0.95)**	$ (14,938)	139.9	$ (0.11)

(i) *Excludes the effect of approximately 6.6 million options and restricted share units (2013: 9.7 million) to purchase common shares that are anti-dilutive.*

(ii) *In millions.*

(iii) *Restated, see Note 20.*

22. SHARE-BASED PAYMENT

Under the Maple Leaf Foods Share Incentive Plan in effect as at March 31, 2014, the Company may grant options to its employees and employees of its subsidiaries to purchase shares of common stock and may grant Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") entitling employees to receive common shares or cash at the Company's option. Options, RSUs, and PSUs are granted from time to time by the Board of Directors on the recommendation of the Human Resources Compensation Committee. The vesting conditions are specified by the Board of Directors and may include the continued service of the employee with the Company and/or other criteria based on measures of the Company's performance.

Under the Company's Share Purchase and Deferred Share Unit Plan ("DSU Plan"), eligible Directors may elect to receive their retainer and fees in the form of Deferred Share Units ("DSUs") or as common shares of the Company.

During the three months ended March 31, 2014, as a result the proposed sale of Canada Bread, the Company modified the terms of the plan to allow for all currently outstanding RSUs and PSUs, to be cash settled. The Company also made changes to the performance criteria and vesting period of all RSUs, PSUs, and stock options outstanding. This resulted in an additional expense of $6.7 million on vesting date and $1.9 million on market value adjustment to current share price. This additional expense was reflected in selling, general, and administrative expenses. Additionally, $23.4 million was re-classified from equity to liabilities.

Stock Options

A summary of the status of the Company's outstanding stock options and changes during the three months ended March 31 are presented below:

	2014		2013	
	Options outstanding	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
Outstanding, March 31	**4,679,800**	**$ 11.60**	2,601,000	$ 11.36
Granted			2,345,500	11.85
Exercised	**(82,800)**	**11.48**	(15,700)	11.36
Forfeited	**–**	**–**	–	–
Expired	**–**	**–**	–	–
Outstanding, March 31	**4,597,000**	**$ 11.60**	4,930,800	$ 11.59
Options currently exercisable	**2,368,900**	**$ 11.52**	854,000	$ 11.37

All outstanding share options vest and become exercisable over a period not exceeding five years (time vesting) from the date of grant and/or upon the achievement of specified performance targets (based on return on net assets, earnings, share price or total stock return relative to an index). The options have a term of seven years.

At grant date, each option series is measured for fair value based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in this model for the options granted during the period ended March 31, 2013 are shown in the table below. No options were granted during the quarter ended March 31, 2014.

	2013
Share price at grant date	$ 11.82
Exercise price	$ 11.85
Expected volatility[(i)]	26.53%
Option life[(ii)]	4.5 years
Expected dividends	1.35%
Risk-free interest rate[(iii)]	1.42%

(i) *Weighted average volatility.*

(ii) *Expected weighted average life.*

(iii) *Based on Government of Canada bonds.*

The fair value of options granted during the three months ended March 31, 2013, was $5.1 million and is amortized to income on a graded basis over the vesting periods of the related options. Amortization charges relating to current and prior year options were $1.0 million (2013: $1.2 million).

Restricted Share Units

A summary of the status of the Company's RSU plans (including PSUs) as at March 31, 2014 and 2013 and changes during these periods is presented below:

	2014		2013	
	RSUs outstanding	**Weighted average fair value at grant**	RSUs outstanding	Weighted average fair value at grant
Outstanding, March 31	**2,746,000**	**$ 11.17**	3,587,172	$ 11.23
Granted	**–**	**–**	1,303,500	11.32
Exercised	**–**	**–**	–	–
Forfeited	**(23,800)**	**11.17**	–	–
Expired	**–**	**–**	(83,250)	10.18
Outstanding, March 31	**2,722,200**	**$ 11.17**	4,807,422	$ 11.27

The fair value of RSUs and PSUs granted during the three months ended March 31, 2014, was $nil (2013: $13.3 million). Expenses during the quarter, relating to current and prior year RSUs and PSUs, including the modification impacts and a mark-to-market adjustment on the related liability outlined above, were $9.4 million (2013: $4.4 million).

The key assumptions used in the valuation of fair value of RSUs granted during 2013 include the following*:

	2013
Expected RSU life (in years)	3.31
Forfeiture rate	8.6%
Risk-free discount rate	1.2%

* *Weighted average based on number of units granted.*

Director Share Units

The fair value of director share units expensed during the period was $0.3 million.

23. RELATED PARTY TRANSACTIONS

The Company has a 90.0% controlling interest in Canada Bread, a publicly traded subsidiary that is consolidated into the Company's results and presented as a discontinued operation. Transactions between the Company and its consolidated entities have been eliminated in these consolidated financial statements. Subsequent to the sale of this controlling interest, as discussed in Note 20, the Company will no longer be consolidating the results and the related balance sheet of Canada Bread.

The Company sponsors a number of defined benefit and defined contribution plans. During the three months ended March 31, 2014, the Company received $0.2 million (2013: $0.2 million) from the defined benefit pension plans for the reimbursement of expenses incurred by the Company to provide services to these plans. In the three months ended March 31, 2014, the Company's contributions to these plans were $10.1 million (2013: $9.3 million), which includes $2.2 million (2013: $2.4 million) made by Canada Bread, which has been presented as discontinued operations.

24. GOVERNMENT INCENTIVES

During the three months ended, March 31, 2014, the Company recorded government incentives totalling $0.2 million.

During the three months ended March 31, 2013, the Company recorded government incentives totalling $3.9 million. Of this amount, the Company recorded $2.0 million in incentives from the Canadian government to support the development of renewable energies related to the Rothsay by-product recycling business, which has been presented in discontinued operations. Additionally, the Company received $1.6 million related to incentives from the Government of Manitoba supporting an employment and training program. The Company also recorded other incentives totalling $0.3 million.

Also during the three months ended March 31, 2013, the Company recorded a $2.0 million interest free loan from the Canadian government for the purchase of equipment for the bakery in Hamilton, Ontario, related to the Canada Bread operation. The loan is repayable over a period of eight years beginning in 2013 and is classified as liabilities associated with assets held for sale as at March 31, 2014.

25. SEGMENTED FINANCIAL INFORMATION

Reportable Segmented Information

The Company has three reportable segments, as described below, which are groupings of the Company's CGUs. These segments offer different products, have separate management structures and have their own marketing strategies and brands. The Company's Management regularly reviews internal reports for these segments. The following describes the operations of each segment:

(a) The Meat Products Group is comprised of value-added processed packaged meat, chilled meal entrees and lunch kits, and primary pork and poultry processing.

(b) The Agribusiness Group is comprised of the Company's hog production. In prior year, the Agribusiness Group also comprised of the animal by-product recycling operations which were sold during the fourth quarter of 2013. The Company has presented the animal by-product recycling operations as a discontinued operation for the comparative periods. Refer to Note 20 for further details.

(c) The Bakery Products Group is comprised of the Company's 90.0% (2013: 90.0%) ownership in Canada Bread Company, Limited; a producer of fresh and frozen par-baked bakery products including breads, rolls, bagels, and artisan goods. In prior year, the Bakery Products Group also included the fresh pasta and sauces business, which was sold during the fourth quarter of 2013. Additionally, during the first quarter of 2014, the Company reached an agreement to sell its 90.0% ownership interest in Canada Bread. As a result, the Bakery Products Group has been classified as held for sale and as discontinued operations as at and for the three months ended March 31, 2014. Refer to Note 7 and Note 20 for further details on the disposal activity of the Bakery Products Group. The Bakery segment information for comparative periods has also been re-stated to show allocations of corporate costs outside of Canada Bread as non-allocated costs.

(d) Non-allocated costs are comprised of expenses not separately identifiable to business segment groups and are not part of the measures used by the Company when assessing the segment's operating results. These costs include general expenses related to the bakery business, changes in fair value of biological assets, and unrealized gains or losses on commodity contracts. As a result of the Company's decision to sell its 90% interest in Canada Bread, prior year segments have been restated to show costs associated with the Bakery group that are not charged to Canada Bread as non-allocated costs.

Non-allocated assets are comprised of corporate assets not separately identifiable to business segment groups. These include, but are not limited to, corporate property and equipment, software, investment properties, and tax balances.

	Three months ended March 31,	
	2014	2013
		(Restated) (Note 20)
Sales		
Meat Products Group	**$ 705,399**	$ 678,066
Agribusiness Group(i)	**5,948**	69,422
Bakery Products Group(i)	**342,837**	368,913
Total sales	**$ 1,054,184**	$ 1,116,401
Sales from discontinued operations *(Note 20)*	**(342,837)**	(427,048)
Sales from continuing operations	**$ 711,347**	$ 689,353
Earnings before restructuring and other related costs and other income		
Meat Products Group	**$ (27,447)**	$ (10,452)
Agribusiness Group(i)	**(346)**	5,380
Bakery Products Group(i)	**26,872**	17,101
Non-allocated costs	**(6,932)**	(14,793)
Total earnings before restructuring and other related costs and other income	**$ (7,853)**	$ (2,764)
Earnings before restructuring and other related costs and other income from discontinued operations *(Note 20)*	**(26,872)**	(35,407)
Earnings before restructuring and other related costs and other income from continuing operations	**$ (34,725)**	$ (38,171)
Capital expenditures		
Meat Products Group	**$ 67,814**	$ 66,144
Agribusiness Group(i)	**823**	2,444
Bakery Products Group(i)	**10,200**	7,467
	$ 78,837	$ 76,055
Depreciation and amortization		
Meat Products Group	**$ 19,981**	$ 15,568
Agribusiness Group(i)	**1,520**	4,156
Bakery Products Group(i)	**5,142**	14,128
	$ 26,643	$ 33,852

(i) *The prior year results of the animal by-product recycling operations, Fresh pasta and Sauces businesses and Canada Bread were included in the comparative results of the Agribusiness Group and Bakery Products respectively.*

	As at March 31, 2014	As at March 31, 2013(i)	As at December 31, 2013
Total assets			
Meat Products Group	**$ 1,953,203**	$ 1,695,950	$ 1,823,866
Agribusiness Group(i)	**237,537**	274,205	195,537
Bakery Products Group(i)	**1,000,112**	992,721	1,169,669
Non-allocated assets	**761,973**	338,200	410,020
	$ 3,952,825	$ 3,301,076	$ 3,599,092
Goodwill			
Meat Products Group	**$ 428,236**	$ 442,925	$ 428,236
Agribusiness Group(i)	**–**	13,845	–
Bakery Products Group(i)	**–**	297,976	292,562
	$ 428,236	$ 754,746	$ 720,798

(i) *The prior year results as at March 31, 2013 of the Agribusiness Group and Bakery Products Group include assets and goodwill from the animal by-product recycling operations, Fresh Pasta and sauces, and Canada Bread businesses, respectively.*

Information About Geographic Areas

Property and equipment and investment property located outside of Canada was $116.7 million at March 31, 2014 (2013: $95.1 million), of which $116.4 million (2013: $nil) has been reclassified to assets held for sale. Of the total amount located outside of Canada, $58.3 million (March 31, 2013: $39.8 million) was located in the U.K. and $58.1 million (March 31, 2013: $55.0 million) was located in the U.S. Goodwill attributed to operations located outside of Canada was $63.4 million (March 31, 2013: $57.8 million) all of which is attributed to operations in the U.S. All goodwill attributed to operations located outside of Canada as of March 31, 2014, has been reclassified to assets held for sale (2013: $nil).

Revenues earned outside of Canada for the three months ended March 31, 2014, were $231.0 million (2013: $245.3 million), of which $89.6 million (2013: $101.2) has been reclassified to net earnings (loss) from discontinued operations. Of the total amount earned outside of Canada, $108.3 million (2013: $114.6 million) was earned in the U.S., $56.9 million (2013: $54.9 million) was earned in Japan, and $35.2 million (2013: $36.4 million) was earned in the U.K. Revenue by geographic area is determined based on the shipping location.

Information About Major Customers

During the three months ended March 31, 2014, the Company reported sales to two customers, representing 10.6% and 10.4% of total sales respectively. During the three months ended March 31, 2013, the Company reported sales to one customer, representing 10.8% of total sales. These revenues were reported in both the Meat Products Group and Bakery Products Group. No other sales were made to any one customer that represented in excess of 10% of total sales.

26. BUSINESS COMBINATION

On December 14, 2012, the Company acquired specific assets and liabilities held by The Puratone Corporation, Pembina Valley Pigs Ltd., and Niverville Swine Breeders Ltd., (collectively “Puratone”), privately held entities engaged in hog production. The net assets recognised in the December 31, 2012 financial statements were based on a provisional assessment of the fair value while the Company negotiated the final purchase price and finalized the valuation of the assets and liabilities acquired. The valuation was completed in March 2013 and the Company agreed on a final acquisition purchase price of $45.4 million, an increase of $0.9 million from the provisional amount of $44.5 million recorded for the year ended December 31, 2012. The Company settled the transaction in cash. The acquisition date fair value of the net identifiable assets remains consistent with the provisional value.

27. SUBSEQUENT EVENTS

On April 7, 2014, the Company terminated its cross-currency interest rate swaps maturing in December 2014 for a payment made of $29.6 million.

On April 14, 2014, the Company repaid notes payable for an amount of US$360.5 million (CAD$395.2 million) and CAD$400.0 million, including US$318.0 million (CAD$348.6 million) and CAD$354.5 million of principal, US$36.7 million (CAD$40.2 million) and CAD$37.6 million of early repayment premium, and US$5.8 million (CAD$6.4 million) and CAD$7.9 million of accrued interest.

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