MAPLE LEAF FOODS INC.

Management's Discussion and Analysis
For the Third Quarter Ended
September 30, 2014

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October 29, 2014

FINANCIAL OVERVIEW

Maple Leaf Foods Inc. ("the Company") sales from continuing operations[(i)] of $820.1 million for the third quarter was an increase of 8.2% from last year, or 7.6% after adjusting for the impact of foreign exchange, due to higher pricing in the Meat Products Group. Sales from continuing operations of $2,363.2 million for the first nine months increased 7.1%, or 6.1% after adjusting for foreign exchange, due to the same factor.

Adjusted Operating Earnings[(i)(ii)] for the third quarter was a loss of $19.8 million compared to a loss of $20.3 million last year. The Meat Products Group benefited from improved pork processing margins and price increases, while impacted by ongoing transitional costs and lower volumes.

For the first nine months, Adjusted Operating Earnings was a loss of $61.8 million compared to a loss of $80.4 million last year, with improved processing margins and price increases more than offsetting the ongoing transitional costs in the period.

Adjusted Earnings per Share[(i)(iii)] was a loss of $0.13 in the third quarter of 2014 compared to a loss of $0.19 last year. For the first nine months, Adjusted Earnings per Share was a loss of $0.49 compared to a loss of $0.66 last year.

Net loss from continuing operations[(i)] for the third quarter was $26.7 million (loss of $0.19 per basic share attributable to common shareholders[(iv)]) compared to a loss of $24.5 million (loss of $0.18 per share) last year. This included $14.3 million ($0.07 per share) of pre-tax expenses related to restructuring and other related costs (2013: $11.4 million, or $0.06 per share).

For the first nine months, net loss from continuing operations was $190.8 million (loss of $1.35 per share) compared to a net loss of $93.5 million (loss of $0.67 per share) last year.This amount included $56.0 million ($0.30 per share) of pre-tax expenses related to restructuring and other related costs (2013: $62.7 million or $0.33 per share), as well as financing costs of $98.6 million related to the repayment of the Company's long-term notes payable in April 2014.

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 Management Discussion and Analysis on page 12 for a description and reconciliation of all non-IFRS financial measures.

Notes:

(i) *2013 figures have been restated for the classification of the animal by-products recycling operations ("Rothsay") and the Bakery Products Group as discontinued operations. Please refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as earnings from continuing operations 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 on page 12.*

(iii) *Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate ongoing financial operating results. It is defined as basic earnings per share from continuing operations attributable to common shareholders, and is adjusted for all 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 on page 12.*

(iv) *Unless otherwise stated, all per share amounts are basic attributable to common shareholders.*

OPERATING REVIEW

The following table summarizes sales by business segment:

($ thousands) *(Unaudited)*	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
Meat Products Group	**$ 814,699**	$ 751,509	**$ 2,345,651**	$ 2,182,046
Agribusiness Group[(i)]	**5,398**	6,339	**17,583**	24,420
Total Sales[(ii)]	**$ 820,097**	$ 757,848	**$ 2,363,234**	$ 2,206,466

(i) *2013 Agribusiness Group figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Figures exclude the results from the Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

The following table summarizes Adjusted Operating Earnings by business segment:

($ thousands) *(Unaudited)*	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Meat Products Group	**$ (18,220)**	$ (21,624)	**$ (61,312)**	$ (43,568)
Agribusiness Group[(i)]	**(1,610)**	1,559	**3,252**	(28,255)
Protein Group	**$ (19,830)**	$ (20,065)	**$ (58,060)**	$ (71,823)
Non-Allocated Costs in Adjusted Operating Earnings[(ii)]	**—**	(233)	**(3,748)**	(8,604)
Adjusted Operating Earnings[(iii)]	**$ (19,830)**	$ (20,298)	**$ (61,808)**	$ (80,427)

(i) *2013 Agribusiness Group figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Non-allocated costs are comprised of expenses not separately identifiable to business segment groups, and do not form part of the measures used by the Company when assessing the segments' operating results. Non-allocated costs for 2013 have been re-stated on a comparable basis.*

(iii) *Figures exclude the results from the Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

Meat Products Group

Includes value-added prepared meats, lunch kits and snacks, and fresh pork, poultry and turkey products sold under leading Canadian brands such as Maple Leaf®, Schneiders® and many leading sub-brands.

Sales in the Meat Products Group for the third quarter increased 8.4% to $814.7 million, or 7.8% after adjusting for the weaker Canadian dollar that benefited pork exports. The increase was driven by higher values for fresh pork as well as price increases implemented in the prepared meats business during the second quarter of 2014 in response to higher raw material costs. As expected, the business is experiencing a period of lower demand and volume in response to this pricing action.

For the first nine months, sales increased 7.5% to $2,345.7 million, or 6.5% after adjusting for the impact of foreign exchange, largely due to the same factors noted above.

Adjusted Operating Earnings for the third quarter improved to a loss of $18.2 million compared to a loss of $21.6 million last year, as a result of increased margins in the Meat Products Group, which benefited from price increases in the prepared meats business and higher earnings in the fresh pork business, reflecting increased pork processing margins which more than offset a decline in volume resulting from lower hog supply in Western Canada. Earnings in the poultry business increased slightly as a result of improved poultry processing margins.

The prepared meats business incurred transitional costs of approximately $25.2 million during the third quarter of 2014, consistent with the second quarter of 2014 and an increase from $14.6 million in the third quarter last year. These costs largely related to commissioning activities at the new prepared meats facility in Hamilton, the largest in the Company's network, and duplicative overhead costs from legacy plants scheduled to be closed.

For the first nine months, Adjusted Operating Earnings was a loss of $61.3 million compared to a loss of $43.6 million last year. The decline in earnings was due to the same factors noted above, including higher transitional costs and increased raw material costs, which had not been fully offset by price increases implemented in the second quarter. Raw material prices continued to remain higher than last year due to the outbreak of disease in hog production herds in the U.S.

Agribusiness Group

Includes Canadian hog production operations that primarily supply the Meat Products Group with livestock as well as toll feed sales.

Agribusiness Group sales for the third quarter declined to $5.4 million compared to $6.3 million last year, due to lower pricing on toll feed sales. Sales for the first nine months declined to $17.6 million from $24.4 million.

Adjusted Operating Earnings in the third quarter declined to a loss of $1.6 million compared to a gain of $1.6 million last year as the hog production operations experienced additional costs related to prevention of the PED virus. In addition, there was a nonrecurring gain in the third quarter last year related to a reversal of a provision for a hog supply arrangement no longer required. For the first nine months, Adjusted Operating Earnings increased to $3.3 million from a loss of $28.3 million last year, as the higher market prices for hogs, net of hedging activities, exceeded higher hog production costs.

Non-allocated Costs

There is no amount included in Adjusted Operating Earnings and not allocated to segmented operating earnings in the third quarter of 2014 (2013: an expense of $0.2 million).

Non-allocated amounts that are excluded from the computation of Adjusted Operating Earnings in the third quarter comprise a $15.4 million loss due to changes in the fair value of biological assets (2013: gain of $0.9 million), a $5.0 million unrealized gain in the third quarter on commodity futures contracts (2013: loss of $3.7 million), and a second quarter realized loss of $16.1 million on commodity futures contracts which offset third quarter deliveries (2013: $0.0 million).

For the first nine months of 2014, the amount included in Adjusted Operating Earnings and not allocated to segmented operating earnings is an expense of $3.7 million (2013: an expense of $8.6 million). The 2014 amount and the majority of the 2013 amount ($7.1 million) are related to corporate costs that are not allocated to any reportable segment.

Non-allocated amounts that are excluded from the computation of Adjusted Operating Earnings for the first nine months of 2014 comprise a $6.1 million gain due to changes in the fair value of biological assets (2013: loss of $4.6 million), a $4.7 million unrealized loss on commodity futures contracts (2013: loss of $3.7 million) and an $8.7 million expense related to the modification of a long-term incentive compensation plan (2013: $0.0 million) as described in Note 24 of the 2014 third quarter unaudited condensed consolidated interim financial statements.

The changes in the fair value of biological assets and unrealized and realized (gains) losses on commodity futures contracts have been excluded from Adjusted Operating Earnings, as the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. The long-term incentive plan expense is excluded from Adjusted Operating Earnings, as this modification was a decision made as a result of the then planned sale of the Company's interest in Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.

DIVESTITURE OF CANADA BREAD AND DISCONTINUED OPERATIONS

On May 23, 2014, Grupo Bimbo, S.A.B. de C.V. of Mexico ("Grupo Bimbo") acquired the 90.0% of issued and outstanding shares of Canada Bread owned by the Company, by way of a statutory plan of arrangement under the Business Corporations Act (Ontario) (the "Arrangement"). The Company received gross proceeds of approximately $1,657.0 million (which includes its share of the dividend paid upon closing of the Arrangement) for its 90.0% interest in Canada Bread, resulting in a pre-tax gain of $999.4 million for the nine months ended September 30, 2014. Upon the sale of the business, the net assets of Canada Bread have been de-recognized from assets held for sale. For the nine months ended September 30, 2014, the Canada Bread operations have been classified as discontinued operations on the Consolidated Statements of Net Earnings (Loss), and are presented as part of Bakery Products Group for segmented reporting.

Discontinued operations for the three and nine months ended September 30, 2014, pertain to the Bakery Products Group and transaction costs associated with previous disposals. Discontinued operations in the three and nine months ended September 30, 2013, were restated to include Canada Bread, as well as the Rothsay and Olivieri businesses that were sold during the fourth quarter of 2013.

There were no sales from discontinued operations for the third quarter of 2014. Sales from discontinued operations for the third quarter of 2013 were $461.9 million and included $372.6 million relating to Canada Bread, $69.3 million related to Rothsay, and $20.0 million related to Oliviieri.

Sales from discontinued operations for the first nine months of 2014 were $567.9 million related to Canada Bread. Sales from discontinued operations for the first nine months of 2013 were $1,347.7 million and included $1,093.9 million related to Canada Bread, $188.5 million related to Rothsay, and $65.3 million related to Olivieri.

Net loss from discontinued operations for the third quarter was $0.1 million related to Canada Bread. Net earnings from discontinued operations for the third quarter of 2013 was $40.0 million and included $23.8 million in earnings from Canada Bread, $15.5 million related to Rothsay, and $0.7 million related to Olivieri.

Net earnings from discontinued operations for the first nine months of 2014 was $930.9 million and included $933.4 million in earnings from Canada Bread, a loss of $1.9 million from Rothsay, and a loss of $0.6 million from Olivieri. Net earnings from discontinued operations for the first nine months of 2013 was $94.3 million and included $49.4 million in earnings from Canada Bread, $43.0 million related to Rothsay, and $1.9 million related to Olivieri.

For additional information on discontinued operations please see Note 22 of the third quarter 2014 unaudited condensed consolidated interim financial statements.

GROSS MARGIN

Gross margin in the third quarter was $60.1 million (7.3% of sales) compared to $50.5 million (6.7% of sales) last year. The increase in gross margin as a percentage of sales is largely attributable to margin expansion in the Meat Products Group. This was driven primarily by the price increases implemented in the second quarter of 2014 in the prepared meats business in response to increased raw material and inflationary costs. In addition margin benefited from higher market prices and lower procurement costs in the fresh pork business, and higher market prices in the poultry business. Negatively impacting margins were ongoing transitional costs related to the network transformation projects in the prepared meats business. Also included in gross margin was an $8.8 million increase in the fair value of unrealized mark-to-market commodity contracts and a $16.3 million decrease in the fair value of biological assets.

For the first nine months, gross margin was $167.4 million (7.1% of sales) compared to $138.6 million (6.3% of sales) last year. The increase in gross margin was a result of similar factors noted above. Included in gross margin was a $10.6 million increase in the fair value of biological assets, partially offset by a $1.0 million decrease in the fair value of unrealized mark-to-market commodity contracts.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

In the third quarter of 2014, selling, general and administrative expense increased by $0.6 million to $74.2 million (9.0% of sales) compared to $73.6 million (9.7% of sales) last year. The increase was primarily driven by the timing of advertising and promotional activities.

For the first nine months of 2014, selling, general and administrative expense increased by 4.1% to $236.6 million (10.0% of sales) compared to $227.3 million (10.3% of sales) last year. The increase was largely driven by an $8.7 million expense related to the modification of a long-term incentive compensation plan, as described in Note 24 of the 2014 third quarter unaudited condensed consolidated interim financial statements. The long-term incentive plan expense is excluded from Adjusted Operating Earnings as this modification was a decision made as a result of the then planned sale of the Company's interest in Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.

OTHER (EXPENSE) INCOME

Other expense for the third quarter of 2014 was $5.5 million (2013: income of $19.2 million) and included a $5.3 million depreciation charge on assets servicing divested businesses**.** Other income in 2013 included a gain on the sale of certain assets within the Company's turkey agricultural operations of $10.6 million, a gain $4.0 million due to a pension curtailment, and a $4.7 million gain related to the de-designation of interest rate swaps. Partly offsetting these gains were $7.1 million of legal and other professional fees, primarily relating to the sale of Rothsay.

For the first nine months, other expense was $8.1 million (2013: income of $68.6 million) and included a $7.1 million depreciation charge on assets servicing divested businesses. Other income in 2013 primarily consisted of a gain on sale of the Company's potato processing business of $45.4 million and $10.6 million on the sale of certain assets within the Company's turkey agricultural operations.

Certain items in other (expense) income are excluded from the calculation of Adjusted EBITDA[(i)] and Adjusted Earnings per Share as they are not considered representative of ongoing operational activities of the business. Other (expense) income used in the calculation of Adjusted Earnings per Share for the third quarter of 2014 is an expense of $0.3 million (2013: income of $3.7 million). Other (expense) income used in the calculation of Adjusted Earnings per Share for the first nine months of 2014 is an expense of $0.7 million (2013: income of $6.2 million).

[(i)] *Adjusted EBITDA is calculated as earnings from continuing operations 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. Please refer to the section entitled Non-IFRS Financial Measures on page 12.*

RESTRUCTURING AND OTHER RELATED COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	**2014**	2013
		(Restated)[(i)]		*(Restated)*[(i)]
MEAT PRODUCTS GROUP				
Management structure changes				
Severance	**$ —**	$ 303	**$ 440**	$ 2,651
Site closing and other costs	**—**	—	**(32)**	—
	$ —	$ 303	**$ 408**	$ 2,651
Strategic value creation initiatives				
Severance	**$ 682**	$ (1,667)	**$ (919)**	$ 22,201
Site closing and other costs	**394**	284	**(131)**	835
Asset impairment and accelerated depreciation	**4,062**	5,671	**17,325**	19,266
Retention	**1,878**	6,744	**12,942**	15,452
	$ 7,016	$ 11,032	**$ 29,217**	$ 57,754
Plant closure				
Severance	**$ —**	$ 8	**$ (63)**	$ 111
Pension	**—**	36	**—**	460
	$ —	$ 44	**$ (63)**	$ 571
Total Meat Products Group	**$ 7,016**	$ 11,379	**$ 29,562**	$ 60,976
NON-ALLOCATED				
Management structure changes				
Severance	**$ —**	$ —	**$ 421**	$ 1,745
	$ —	**$ —**	**$ 421**	**$ 1,745**
Organization structure changes				
Severance[(i)]	**$ 6,965**	$ —	**$ 25,660**	$ —
Asset impairment and accelerated depreciation	**306**	—	**306**	—
Pension	**$ —**	$ —	**$ 100**	$ —
	$ 7,271	**$ —**	**$ 26,066**	**$ —**
Total Non-Allocated	**$ 7,271**	$ —	**$ 26,487**	$ 1,745
Total restructuring and other related costs	**$ 14,287**	$ 11,379	**$ 56,049**	$ 62,721

[(i)] *Includes share based payments as described in Note 24 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

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. This category only includes plant closures not related to the company's Strategic Value Creation Initiatives described above.

Organizational Structure Changes

The Company has recorded restructuring and other related costs related to changes in corporate and management structure that are required following the sale of Canada Bread, as further described in Note 22 of the unaudited condensed consolidated interim financial statements.

Impairment

During the three months ended September 30, 2014 and 2013, the Company did not record any impairments or reversals of impairments of fixed assets through restructuring and other related costs.

During the nine months ended September 30, 2014, the Company recorded $0.0 million (2013: $0.2 million) of impairment of fixed assets and reversals of impairment of $0.0 million (2013: $0.0 million) through restructuring and related costs.

INTEREST EXPENSE AND OTHER FINANCING COSTS

Interest expense and other financing costs for the third quarter of 2014 was $2.5 million compared to $18.7 million last year. The decrease was due to the repayment of the Company's outstanding debt in the second quarter of 2014.

Year to date interest expense and other financing costs was $128.2 million compared to $51.4 million last year. The increase was due to financing costs of $98.6 million, which was comprised of a $76.3 million early repayment premium to lenders, a $12.7 million financing fee, and a $9.6 million loss transferred from accumulated other comprehensive income into earnings due to the settlement of interest rate swaps that are no longer designated as hedging instruments.

INCOME TAXES

The Company's income tax recoverable relating to continuing operations for the third quarter of 2014 resulted in an effective tax rate of 23.1%, (2013: 26.7%). The lower effective rate of taxes recoverable in 2014 is primarily the result of the lower rate of tax expense applicable to the gain in 2013 on the sale of the Ontario turkey operations. For 2014, the effective tax rates used in the computation of Adjusted Earnings per Share is 26.2% (2013: 24.7%) on restructuring charges, and 25.8% (2013: 23.7%) on items not considered representative of ongoing operations. The higher effective tax rate in 2014 on items not considered representative of ongoing operations is due to the lower rate of tax expense applicable to the gain in 2013 on the sale of the Ontario turkey operations.

The Company's income taxes recoverable relating to continuing operations for the nine months ended September 30, 2014, results in an effective tax rate of 25.7%. (2013: 29.4%). The lower effective rate of taxes recoverable in 2014 is the result of the lower rates of tax expense applicable to the gains in 2013 on the sales of the potato processing operations and Ontario turkey operations. For the first nine months of 2014, the effective tax rate used in the computation of Adjusted Earnings per Share is 25.8% (2013: 25.5%) on restructuring charges, and 27.5% (2013: 16.2%) on items not considered representative of ongoing operations. The higher effective tax rate in 2014 on items not considered representative of ongoing operations is due to the lower rates of tax expense applicable to the gains in 2013 on the sales of the potato processing operations and Ontario turkey operations.

ACQUISITIONS AND DIVESTITURES

Acquisitions and divestitures relating to continuing operations are as follows:

In the third quarter of 2013, the Company sold certain assets within its Ontario turkey agricultural operations for net proceeds of $47.1 million, resulting in a final pre-tax gain of $9.7 million.

During the third quarter of 2013, the Company sold the remaining assets of a poultry farm and related production quota in Brooks, Alberta, originally purchased on February 1, 2012, and immediately classified it as assets held for sale. The Company purchased the operations and production quotas for a cash purchase price of $31.1 million. The acquisition was accounted for as a business combination. In 2012, the Company sold $8.0 million of the production quotas which resulted in a pre-tax gain of $0.5 million. In the second quarter of 2013, the Company sold assets for proceeds of $8.3 million which approximated the carrying value of the assets. In the third quarter of 2013, the Company sold the remaining assets for proceeds of $12.9 million, which resulted in a 2013 pre-tax loss of $0.0 million.

During the third quarter of 2013, the Company sold an investment property located in Aurora, Ontario, for $1.8 million, which resulted in a pre-tax gain of $1.0 million.

During the second quarter of 2013, the Company sold an investment property located in Ayr, Ontario, for $2.0 million, which resulted in a pre-tax gain of $0.2 million.

On January 4, 2013, the Company sold all the assets related to its Lethbridge, Alberta, potato processing facility to Cavendish Farms Corporation for net proceeds of $58.1 million resulting in a pre-tax gain of $45.4 million ($38.7 million after-tax) recorded in other income.

Acquisitions and divestitures relating to discontinued operations are as follows:

During the second quarter of 2014, the Company sold 90.0% of the issued and outstanding shares of Canada Bread, resulting in gross proceeds of $1,657.0 million (which includes its share of the dividend paid upon closing of the Arrangement) and a pre-tax gain of $999.4 million for the nine months ended September 30, 2014.

During the first quarter of 2014, the Company sold a bakery in Toronto, Ontario, that was closed in June 2013, for gross proceeds of $6.4 million, resulting in a pre-tax gain of $1.7 million.

During the fourth quarter of 2013, the Company sold all of the net assets of its Olivieri Fresh Pasta and Sauce business to Catelli Foods Corporation for net proceeds of $115.8 million, which resulted in a pre-tax gain of $78.9 million.

During the fourth quarter of 2013, the Company sold substantially all of the net assets of its Rothsay By-product Recycling business to Darling International Inc. for net proceeds of $628.5 million, which resulted in a pre-tax gain of $526.5 million.

During the fourth quarter of 2013, the Company sold a bakery in Toronto, Ontario that was closed in the first quarter of 2012 for gross proceeds of $12.4 million, resulting in a pre-tax gain of $11.4 million.

CAPITAL RESOURCES

The food industry segments in which the Company operates are generally characterized by high sales volume and rapid turnover of inventories and accounts receivable. In general, accounts receivable and inventories are readily convertible into cash. Investment in working capital is affected by fluctuations in the price of raw materials, seasonal and other market-related fluctuations. For example, although an increase or decrease in pork or grain commodity prices may not affect margins, the pricing change can have a material effect on investment in working capital (primarily inventory and accounts receivable). The Company has in the past consistently generated a strong base level of operating cash flow, even in periods of higher commodity prices and restructuring of its operations. These operating cash flows provide a base of underlying liquidity that the Company supplements with credit facilities and cash on hand to provide longer-term funding and to finance fluctuations in working capital levels.

During the nine months ended September 30, 2014, the Company amended its existing revolving credit facility to include additional shorter-term financing. This facility included a revolving component with an availability of $1,050.0 million and a non-revolving component of $330.0 million. However, upon the closing of the Canada Bread sale on May 23, 2014, the non-revolving component of the credit facility was fully repaid and expired. In addition, the revolving component availability was reduced to $200.0 million and expires on March 31, 2015. This facility bears interest at rates based on Banker's acceptance and prime rates for Canadian dollar loans, and U.S. prime rate and LIBOR for U.S. dollar loans. As at September 30, 2014, the Company had drawn letters of credit of $20.6 million on this facility. The facility is intended to meet the Company's funding requirements for general corporate purposes, and to provide appropriate levels of liquidity.

On August 6, 2014, the Company entered a new uncommitted credit facility for issuing up to a maximum of $120.0 million of letters of credit. As at September 30, 2014, $73.1 million of letters of credit had been issued thereon. These letters of credit have been collateralized with cash, as further described in Note 4 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.

Subsequent to the repayment of the outstanding balance of the credit facility from the proceeds from the Canada Bread sale, the Company's cash balance as at September 30, 2014, is $510.2 million. The Company has invested in short-term deposits in Canadian financial institutions with long-term debt ratings of A or higher.

The following table summarizes the Company's debt and available and drawn credit facilities as at September 30:

($ millions)	**2014**	2013
Credit facilities, including AR securitization		
Maple Leaf Foods Inc.	**$ 418.5**	$ 1,181.0
Subsidiaries	**—**	115.2
Total available	**$ 418.5**	$ 1,296.2
Drawn amount		
Maple Leaf Foods Inc.	**$ 98.3**	$ 933.0
Subsidiaries	**—**	56.6
Letters of credit	**93.7**	118.3
Total drawn	**$ 192.0**	$ 1,107.9
% drawn	**45.9%**	85.5%

($ millions)	**2014**	2013
Other Debt		
Maple Leaf Foods Inc.	**$ 12.1**	$ 714.5
Subsidiaries	**—**	3.3
Total	**$ 12.1**	$ 717.8

To access competitively priced financing, and to further diversify its funding sources, the Company operates accounts receivable securitization facilities, under which it has sold certain accounts receivable, with very limited recourse, to an entity owned by an international financial institution with a long-term AA- debt rating. The receivables are sold at a discount to face value based on prevailing money market rates. At the end of the third quarter of 2014, the Company had $184.8 million (2013: $175.7 million) of trade accounts receivable serviced under these facilities. In return for the sale of these receivables, the Company will receive cash of $64.0 million (2013: $51.7 million) and notes receivable in the amount of $120.8 million (2013: $124.0 million). Due to the timing of receipts and disbursements, the Company may, from time to time, record a receivable or payable related to the securitization facility, and as at September 30, 2014, this net payable amounted to $34.5 million (2013: $112.5 million net payable). Excluding discontinued operations the maximum cash advance available to the Company under this program is $110.0 million. These facilities were accounted for as an off-balance sheet transaction under International Financial Reporting Standards (“IFRS”). If these facilities were terminated, the Company would recognize the securitized amounts on the consolidated balance sheet and consider alternative financing if required.

The Company's securitization and other credit facilities are subject to certain restrictions, including the maintenance of certain covenants. The Company was in compliance with all of the requirements of these facilities during the third quarter of 2014.

CAPITAL EXPENDITURES

Capital expenditures for the third quarter were $41.7 million compared to $108.1 million in 2013. Excluding discontinued operations, capital expenditures were $41.7 million in the third quarter of 2014 compared to $89.6 million last year. Spending on base capital and the prepared meats network transformation project, which was primarily related to construction of the new meat processing facility in Hamilton, Ontario, was lower than last year as the facility approaches completion.

Year to date capital expenditures were $202.1 million compared to $273.5 million last year. Excluding discontinued operations, capital expenditures were $184.3 million in 2014 compared to $233.3 million last year, due to similar factors as noted above.

CASH FLOW AND FINANCING

Net Cash (Debt), a non-IFRS measure as described on page 15, was $500.0 million at the end of the third quarter of 2014, compared to net debt of $1,133.4 million in 2013, and net debt of $451.7 million as at December 31, 2013. The increase in cash for the nine months ended September 30, 2014 is largely due to the proceeds from the Canada Bread sale, partially offset by the repayment of the Company's debt balances and change in working capital.

Cash Flow from Operating Activities

Cash provided by operations for the quarter was $31.4 million compared to $118.4 million in the third quarter of 2013. The decrease was primarily due to lower earnings and lower cash flow from working capital.

Cash Flow from Financing Activities

Cash used in financing activities was $1.7 million for the quarter compared to cash provided of $192.2 million in the third quarter of 2013, as a result of lower net drawing on the Company's credit facility subsequent to sale of Canada Bread.

Cash Flow from Investing Activities

Cash used in investing activities was $59.1 million for the quarter compared to $48.2 million in the third quarter of 2013. The increase was mainly due to the purchase of treasury stock offset by lower capital expenditures and proceeds of $61.7 million from sale of assets in the same quarter last year.

Credit Risk

Credit risk refers to the risk of losses due to failure of the Company’s customers and counterparties to meet their payment obligations.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the retail, foodservice, industrial, and convenience channels. The Company performs ongoing credit evaluations of new and existing customers’ financial conditions and reviews the collectability of its trade accounts receivable and other receivables in order to mitigate any possible credit losses. As at September 30, 2014, approximately $0.0 million (2013: $0.4 million) of the Company’s accounts receivable were greater than 60 days past due. The Company maintains an allowance for doubtful accounts relating to specific losses estimated on individual exposures. As at September 30, 2014, the Company has recorded an allowance for doubtful accounts of $0.0 million (2013: $0.1 million). There are no significant impaired accounts receivable that have not been provided for in the allowance for doubtful accounts.

Management believes concentrations of credit risk with respect to accounts receivable is limited due to the generally high credit quality of the Company’s major customers, the large number and geographic dispersion of smaller customers, and the operation of the accounts receivable securitization facility as mentioned previously. The Company does, however, conduct a significant amount of business with a small number of large grocery retailers. During the third quarter, the Company’s two largest customers comprised approximately 26.7% (2013: 11% from one customer) of total sales before adjustments for discontinued operations. No other sales were made to any one customer that represented in excess of 10% of total sales from continuing operations (2013: 13.2% from one customer). During the nine months ended September 30, 2014, the Company’s two largest customers comprised approximately 25.9% (2013: 21.1%) of total sales before adjustments for discontinued operations. The Company reported sales to two customers representing 26.2% of total sales from continuing operations (2013: 13.8% from one customer).

The Company is exposed to credit risk on its notes receivable from a financial institution that holds an equity interest in an unconsolidated structured entity as described in Note 25 of the 2013 annual consolidated financial statements. Management believes that this credit risk is limited by the long-term AA- debt rating held by the counterparty. The Company is exposed to credit risk on its cash and cash equivalents (comprising primarily of deposits and short-term placements with Canadian chartered banks) and non-exchange-traded derivative contracts. The Company mitigates this credit risk by only dealing with counterparties that are major international financial institutions with long-term debt ratings of A or higher. The Company’s maximum exposure to credit risk at the balance sheet date consisted primarily of the carrying value of non-derivative financial assets and non-exchange-traded derivatives with positive fair values.

CHANGE IN FAIR VALUE OF NON-DESIGNATED INTEREST RATE SWAPS

In the third quarter of 2014, the Company recorded a gain of $1.6 million due to changes in the fair value of interest rate swaps. In the third quarter of 2013, the Company recorded a gain of $0.7 million due to changes in the fair value of interest rate swaps.

On March 14, 2014, the Company issued a notice of repayment for all outstanding U.S. and Canadian denominated notes payable, with a repayment date of April 14, 2014. 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 the Company has terminated the cross-currency swaps maturing in 2021, and hedge accounting on all of the cross-currency interest rate swaps has 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 nine months ended September 30, 2014. The remaining cross-currency swaps due to expire in 2014 were terminated in April 2014 for a payment of $29.6 million.

For the nine months ended September 30, 2014, the Company recorded a gain of $4.7 million due to changes in the fair value of interest rate swaps. In the nine months of 2013, the Company recorded a gain of $1.9 million due to changes in the fair value of interest rate swaps.

SHARE CAPITAL

As at October 21, 2014, there were 142,140,489 common shares issued and outstanding.

OTHER MATTERS

On October 29, 2014, the Company declared a dividend of $0.04 per share payable December 31, 2014, to shareholders of record at the close of business on December 5, 2014. Unless indicated otherwise by the Company in writing on 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".

SUMMARY OF QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information (in thousands of dollars except per share information):

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Sales[ii]	**2014**	**$ 711,347**	**$ 831,790**	**$ 820,097**	**$ —**	**$ —**
	2013	689,353	759,265	757,848	748,311	2,954,777
	2012	741,760	792,553	779,356	761,391	3,075,060
Net earnings (loss) from continuing operations[ii]	**2014**	**$ (124,606)**	**$ (39,544)**	**$ (26,671)**	**$ —**	**$ —**
	2013	(30,644)	(38,366)	(24,474)	(47,941)	(141,425)
	2012[iii]	(19,793)	(16,738)	(12,183)	17,300	(31,414)
Net earnings (loss)[i]	**2014**	**$ (131,994)**	**$ 898,855**	**$ (26,767)**	**$ —**	**$ —**
	2013	(14,742)	9	15,521	511,375	512,163
	2012[iii]	(5,775)	25,988	26,043	50,306	96,562
Earnings (loss) per share from continuing operations[ii]						
Basic[i][iv]	**2014**	**$ (0.89)**	**$ (0.28)**	**$ (0.19)**	**$ —**	**$ —**
	2013	(0.22)	(0.27)	(0.18)	(0.34)	(1.01)
	2012[iii]	(0.14)	(0.12)	(0.09)	0.12	(0.23)
Diluted[i][iv]	**2014**	**$ (0.89)**	**$ (0.28)**	**$ (0.19)**	**$ —**	**$ —**
	2013	(0.22)	(0.27)	(0.18)	(0.34)	(1.01)
	2012[iii]	(0.14)	(0.12)	(0.09)	0.12	(0.23)
Adjusted EPS[i][iv][v]	**2014**	**$ (0.24)**	**$ (0.13)**	**$ (0.13)**	**$ —**	**$ —**
	2013	(0.24)	(0.25)	(0.19)	(0.41)	(1.08)
	2012[iii]	(0.07)	(0.06)	(0.02)	0.10	(0.05)
Earnings (loss) per share[ii]						
Basic[i][iv]	**2014**	**$ (0.95)**	**$ 6.38**	**$ (0.19)**	**$ —**	**$ —**
	2013	(0.11)	(0.02)	0.09	3.58	3.55
	2012[iii]	(0.04)	0.17	0.17	0.35	0.64
Diluted[i][iv]	**2014**	**$ (0.95)**	**$ 6.38**	**$ (0.19)**	**$ —**	**$ —**
	2013	(0.11)	(0.02)	0.09	3.58	3.55
	2012[iii]	(0.04)	0.17	0.17	0.34	0.64

(i) *Net earnings (loss) and basic and diluted earnings (loss) per share, earnings (loss) per share from continuing operations and Adjusted Earnings (Loss) per Share are based on amounts attributable to common shareholders.*

(ii) *2013 and 2012 figures have been restated for the classification of the Rothsay business and The Bakery Products Group as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(iii) *2012 figures have been restated for the impact of adopting the revised International Accounting Standard 19 Employee Benefits ("IAS 19"). Refer to Note 32 of the Company's 2013 audited annual consolidated financial statements.*

(iv) *May not add due to rounding.*

(v) *Refer to Non-IFRS Financial Measures starting on page 12.*

Quarterly sales in 2014 were affected by the following significant items:

- favourable commodity prices for fresh pork;
- the benefit of price increases implemented in the prepared meats business during the second quarter of 2014 in response to higher raw material and inflationary costs;
- lower volume in the prepared meats, and fresh pork businesses;
- a weaker Canadian dollar relative to the U.S. dollar, which benefited fresh pork exports;
- lower toll feed pricing and higher sales volume to external parties in the hog production business; and

- the benefit of a price increase implemented in prepared meats during the third quarter of 2013;

Quarterly net earnings in 2014 were affected by the following significant items:

- transitional costs in the prepared meats business related to executing its network transformation strategy;
- margin compression in the prepared meats business due to higher raw material, other input, and inflationary costs that were not fully offset by price increases;
- lower volume in the prepared meats business;
- improved primary pork processing margins and market values for pork byproducts and increased labour and yield efficiencies in the fresh pork business;
- higher pork exports;
- higher market prices for hogs, partly offset by hedging positions in the hog production business;
- lower feed costs in the hog production business;
- changes in fair value of non-designated interest rate swaps, biological assets, and (gains) losses on commodity futures contracts;
- one-time financing costs;
- restructuring and other related costs;
- the expense related to a modification of a long-term incentive plan, which was a decision made as a result of the then planned sale of Canada Bread;
- recognition of legal and other professional fees associated with divestitures; and
- the benefit of a price increase implemented in prepared meats during the third quarter of 2013;

Annual sales in 2013 were affected by the following significant items:

- lower sales volume in the prepared meats business in the first quarter, that improved for the remainder of the year;
- lower sales volume in the fresh pork business;
- price increases implemented during 2013 at the prepared meats business;
- favourable sales mix in the prepared meats business;
- divestiture of the Company’s potato processing facility in the first quarter of 2013;
- impact of a weaker Japanese yen on fresh pork export sales; and
- higher market pricing for pork products; and divestiture of the Company’s poultry agricultural operations in the third quarter of 2013.

Annual net earnings in 2013 were affected by the following significant items:

- gains on sales of the Company’s Rothsay and Olivieri businesses in the fourth quarter of 2013;
- adverse market conditions that reduced margins in primary pork and poultry processing, and hog production;
- price increases implemented during 2013 at the prepared meats business;
- higher raw material and inflationary costs in the prepared meats business;
- lower sales volume in the prepared meats business in the first quarter, that improved for the remainder of the year;
- lower sales volume in the fresh pork business;
- lower export margins, primarily to the Japanese market, in the fresh pork business;
- transitional costs associated with implementing the prepared meats strategy, including manufacturing and distribution inefficiencies associated with operating parallel legacy facilities scheduled to close in 2014;
- lower contributions from hedging programs in the hog production business;
- changes in fair value of non-designated interest rate swaps, biological assets and gains/losses on commodity futures contracts;
- lower selling, general and administrative expenses;
- restructuring and other related costs;
- divestiture of the Company’s potato processing facility during the first quarter of 2013;
- divestiture of the Company’s Rothsay business during the fourth quarter of 2013;
- impairment on poultry quota assets that were sold in the second quarter of 2013, and subsequent sale in the third quarter of 2013;
- sale of the turkey agricultural operations in the third quarter of 2013;
- gain related to the de-designation of interest rate swaps from a hedge accounting relationship in the third quarter of 2013;
- gain due to a pension curtailment related to the discontinued operations of the Rothsay business in the third quarter of 2013;
- recoveries from insurance claims;
- sale of an investment property in Aurora, Ontario in the third quarter of 2013; and
- recognition of legal and other professional fees associated with acquisitions and divestitures.

For an explanation and analysis of quarterly results, please refer to the Company's Management's Discussion and Analysis for each of the respective quarterly periods which is filed on SEDAR and also available on the Company's website at www.mapleleaffoods.com.

SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards Adopted During the Period

For the first time beginning on January 1, 2014, the Company adopted 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 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 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 adoption of the amendments to IAS 39 did not have a material impact on the Company's consolidated financial statements.

Accounting Pronouncements Issued But Not Yet Effective

Revenue Recognition

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers. IFRS 15 replaces the detailed guidance on revenue recognition requirements that currently exists under IFRS. IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers, unless the contracts are within the scope of other IFRSs. The standard also provides a model for the measurement and recognition of gains and losses on the sale of certain non-financial assets that are not an output of the Company's ordinary activities. Additional disclosure is required under the standard, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods, and key judgments and estimates. The standard is effective for annual periods beginning on or after January 1, 2017; early application is permitted either following a full retrospective approach or a modified retrospective approach. The modified retrospective approach allows the standard to be applied to existing contracts beginning the initial period of adoption and restatements to the comparative periods are not required. The Company is required to disclose the impact by financial line item as a result of the adoption of the new standard. The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning January 1, 2017. The extent of the impact of adoption of IFRS 15 has not yet been determined.

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 simplified 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 some 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 July 2014, the IASB issued the final version of IFRS 9 Financial Instruments with a mandatory effective date of January 1, 2018. The new standard brings together the classification and measurements, impairment and hedge accounting phases of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. The Company intends to adopt IFRS 9 in its consolidated financial statements for the annual period beginning January 1, 2018. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2014, and ended on September 30, 2014, that has materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

NON-IFRS FINANCIAL MEASURES

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, and Net Debt. Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted Operating Earnings

Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as earnings before income taxes from continuing operations 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 unaudited consolidated interim statements of earnings to Adjusted Operating Earnings for the three and nine months 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) (Unaudited)	Three months ended September 30, 2014			
	Meat Products Group	**Agribusiness Group**[(i)]	**Unallocated costs**	**Consolidated**
Net earnings (loss) from continuing operations				**$ (26,671)**
Income taxes				**(8,011)**
Earnings (loss) before income taxes from continuing operations				**$ (34,682)**
Interest expense and other financing costs				**2,500**
Change in the fair value of non-designated interest rate swaps				**(1,620)**
Other (income) expense	**458**	**(621)**	**5,617**	**5,454**
Restructuring and other related costs	**7,016**	**—**	**7,271**	**14,287**
Earnings (loss) from Continuing Operations	**$ (18,220)**	**$ (1,610)**	**$ 5,769**	**$ (14,061)**
Decrease (increase) in fair value of biological assets[(ii)]	**—**	**—**	**15,363**	**15,363**
Realized (gain) loss on commodity futures contracts[(iii)]	**—**	**—**	**(16,100)**	**(16,100)**
Unrealized (gain) loss on commodity futures contracts[(iii)]	**—**	**—**	**(5,032)**	**(5,032)**
Adjusted Operating Earnings[(iv)]	**$ (18,220)**	**$ (1,610)**	**$ —**	**$ (19,830)**

(i) *Figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Refer to Note 7 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets*

(iii) *Realized and unrealized gains/losses on commodity futures contracts are reported within cost of goods sold in the Company's 2014 third quarter unaudited condensed consolidated interim financial statements*

(iv) *Figures exclude the results from The Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

($ thousands) *(Unaudited)*	Three months ended September 30, 2013 Meat Products Group	Agribusiness Group[(i)]	Unallocated costs	Consolidated
Net earnings (loss) from continuing operations				$ (24,474)
Income taxes				(8,935)
Earnings (loss) before income taxes from continuing operations				$ (33,409)
Interest expense				18,746
Change in the fair value of non-designated interest rate swaps				(655)
Other (income) expense	(2,030)	(141)	(17,029)	(19,200)
Restructuring and other related costs	11,379	—	—	11,379
Earnings (loss) from Continuing Operations	$ (21,624)	$ 1,559	$ (3,074)	$ (23,139)
Decrease (increase) in fair value of biological assets[(ii)]	—	—	(894)	(894)
Unrealized (gain) loss on commodity futures contracts[(iii)]	—	—	3,735	3,735
Adjusted Operating Earnings[(iv)]	$ (21,624)	$ 1,559	$ (233)	$ (20,298)

(i) *Figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Refer to Note 7 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets*

(iii) *Realized and unrealized gains/losses on commodity futures contracts are reported within cost of goods sold in the Company's 2014 third quarter unaudited condensed consolidated interim financial statements*

(iv) *Figures exclude the results from The Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

($ thousands) (Unaudited)	**Nine months ended September 30, 2014** **Meat Products Group**	**Agribusiness Group[(i)]**	**Unallocated costs**	**Consolidated**
Net earnings (loss) from continuing operations				**$ (190,821)**
Income taxes				**(66,067)**
Earnings (loss) before income taxes from continuing operations				**$ (256,888)**
Interest expense and other financing costs				**128,243**
Change in the fair value of non-designated interest rate swaps				**(4,725)**
Other (income) expense	**985**	**(1,075)**	**8,184**	**8,094**
Restructuring and other related costs	**29,562**	**—**	**26,487**	**56,049**
Earnings (loss) from Continuing Operations	**$ (61,312)**	**$ 3,252**	**$ (11,167)**	**$ (69,227)**
Decrease (increase) in fair value of biological assets[(ii)]	**—**	**—**	**(6,059)**	**(6,059)**
Unrealized (gain) loss on commodity futures contracts[(iii)]	**—**	**—**	**4,744**	**4,744**
Modification impact to long-term incentive plan[(iv)]	**—**	**—**	**8,734**	**8,734**
Adjusted Operating Earnings[(v)]	**$ (61,312)**	**$ 3,252**	**$ (3,748)**	**$ (61,808)**

(i) *Figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Refer to Note 7 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets*

(iii) *Unrealized gains/losses on commodity futures contracts are reported within cost of goods sold in the Company's 2014 third quarter unaudited condensed consolidated interim financial statements*

(iv) *Relates to modification and mark-to-market changes of long-term incentive plan are reported within selling, general and administrative expenses on the Company's 2014 third quarter unaudited condensed consolidated interim financial statements*

(v) *Figures exclude the results from The Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

($ thousands) *(Unaudited)*	Nine months ended September 30, 2013 Meat Products Group	Agribusiness Group[(i)]	Unallocated costs	Consolidated
Net earnings (loss) from continuing operations				$ (93,483)
Income taxes				(38,868)
Earnings (loss) before income taxes from continuing operations				$ (132,351)
Interest expense and other financing costs				51,394
Change in the fair value of non-designated interest rate swaps				(1,930)
Other (income) expense	(46,913)	(709)	(20,951)	(68,573)
Restructuring and other related costs	60,976	—	1,745	62,721
Earnings (loss) from Continuing Operations	$ (43,568)	$ (28,255)	$ (16,916)	$ (88,739)
Decrease (increase) in fair value of biological assets[(ii)]	—	—	4,569	4,569
Unrealized (gain) loss on commodity futures contracts[(iii)]	—	—	3,743	3,743
Adjusted Operating Earnings[(iv)]	$ (43,568)	$ (28,255)	$ (8,604)	$ (80,427)

(i) *Figures exclude the results of the Rothsay business, which is reported as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Refer to Note 7 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements for further details regarding biological assets*

(iii) *Realized and unrealized gains/losses on commodity futures contracts are reported within cost of goods sold in the Company's 2014 third quarter unaudited condensed consolidated interim financial statements*

(iv) *Figures exclude the results from The Bakery Products Group. The Bakery Products Group results are reported as discontinued operations as disclosed in Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate ongoing financial operating results. It is defined as basic earnings per share from continuing operations attributable to common shareholders, and is 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 basic earnings per share from continuing operations as reported under IFRS in the unaudited consolidated interim statements of earnings to Adjusted Earnings per Share for the three and nine months 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) *(Unaudited)*	**Three months ended September 30,** **2014**	2013[(i)]	**Nine months ended September 30,** **2014**	2013[(i)]
Basic earnings (loss) per share from continuing operations	**$ (0.19)**	$ (0.18)	**$ (1.35)**	$ (0.67)
Restructuring and other related costs[(ii)]	**0.07**	0.06	**0.30**	0.33
Items included in other income not considered representative of on-going operations[(iii)]	**0.02**	(0.08)	**0.04**	(0.35)
Change in the fair value of non-designated interest rate swaps[(iv)]	**(0.01)**	—	**(0.02)**	(0.01)
Change in the fair value of unrealized (gain) / loss on commodity futures contracts[(iv)]	**(0.03)**	0.02	**0.02**	0.02
Change in the fair value of realized (gain) / loss on commodity futures contracts[(iv)]	**(0.08)**	—	**—**	—
Change in the fair value of biological assets[(iv)]	**0.08**	(0.01)	**(0.03)**	0.02
Other financing costs[(v)]	**—**	—	**0.51**	—
Modification impact to long-term incentive plan[(vi)]	**—**	—	**0.05**	—
Adjusted Earnings per Share[(vii)]	**$ (0.13)**	$ (0.19)	**$ (0.49)**	$ (0.66)

(i) *2013 figures have been restated for the classification of the Rothsay business and the Bakery Products Group as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Includes per share impact of restructuring and other related costs, net of tax and non-controlling interest.*

(iii) *Includes gains/losses associated with non-operational activities, including gains/losses related to restructuring activities, business combinations, discontinued operations, assets held for sale, and hedge ineffectiveness recognized in earnings, all net of tax.*

(iv) *Includes per share impact of the change in fair value of non-designated interest rate swaps, unrealized and realized (gains) losses on commodity futures contracts and the change in fair value of biological assets, net of tax.*

(v) *Includes a $76.3 million early repayment premium to lenders, $12.7 million in financing costs, and a $9.6 million loss transferred from accumulated other comprehensive income into earnings related to the settlement of interest rate swaps that are no longer designated as hedging instruments*

(vi) *Relates to a $8.7 million modification and mark-to-market changes of long-term incentive compensation plan as a result of the costs been fixed and payments accelerated, which was a decision made conditional on the sale of Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.*

(vii) *May not add due to rounding.*

Adjusted Earnings Before Interest, Tax, Depreciation, and Amortization

Adjusted EBITDA is calculated as earnings from continuing operations 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 unaudited consolidated interim statements of earnings to Adjusted EBITDA for the three and nine months 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 September 30, 2014	Three months ended September 30, 2013(i)	Nine months ended September 30, 2014	Nine months ended September 30, 2013(i)
Net earnings (loss) from continuing operations	**$ (26,671)**	$ (24,474)	**$ (190,821)**	$ (93,483)
Income taxes	**(8,011)**	(8,935)	**(66,067)**	(38,868)
Earnings (loss) before income taxes from continuing operations	**$ (34,682)**	$ (33,409)	**$ (256,888)**	$ (132,351)
Interest expense and other financing costs	**2,500**	18,746	**128,243**	51,394
Items included in other income not representative of on-going operations(ii)	**5,112**	(15,390)	**7,406**	(62,415)
Restructuring and other related costs	**14,287**	11,379	**56,049**	62,721
Change in the fair value of non-designated interest rate swaps, biological assets and unrealized and realized (gains) losses on commodity futures contracts	**(7,389)**	2,186	**(6,040)**	6,382
Modification impact to long-term incentive plan(iii)	**—**	—	**8,734**	—
Depreciation and amortization	**24,467**	20,053	**65,078**	57,982
Adjusted EBITDA	**$ 4,295**	$ 3,565	**$ 2,582**	$ (16,287)

(i) *2013 figures have been restated for the classification of the Rothsay business and the Bakery Products Group as discontinued operations. Refer to Note 22 of the Company's 2014 third quarter unaudited condensed consolidated interim financial statements.*

(ii) *Includes gains/losses associated with non-operational activities, including gains/losses related to restructuring activities, business combinations, discontinued operations, assets held for sale, and interest income.*

(iii) *Relates to a $8.7 million modification and mark-to-market changes of long-term incentive compensation plan, which was a decision made as a result of the planned sale of Canada Bread, and is therefore not considered representative of ongoing operational activities of the business.*

Net Cash (Debt)

The following table reconciles Net Cash (Debt) to amounts reported under IFRS in the 2014 third quarter unaudited consolidated interim balance sheets as at the periods indicated below. The Company calculates Net Debt as long-term debt and bank indebtedness, less cash and cash equivalents. Management believes this measure is useful in assessing the amount of financial leverage employed.

($ thousands) (Unaudited)	**As at September 30, 2014**	As at September 30, 2013	As at June 30, 2014(i)	As at December 31, 2013
Bank indebtedness	**$ —**	$ —	$ —	$ (4,408)
Current portion of long-term debt	**(330)**	(641,306)	(407)	(209,780)
Long-term debt	**(9,948)**	(892,433)	(9,911)	(744,212)
Sub total	**$ (10,278)**	$ (1,533,739)	$ (10,318)	$ (958,400)
Cash and cash equivalents	**510,238**	400,306	539,610	506,670
Net Cash (Debt)	**$ 499,960**	$ (1,133,433)	$ 529,292	$ (451,730)

(i) *Per 2014 second quarter unaudited consolidated interim balance sheet.*

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 the 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: the anticipated benefits, timing, actions, costs, and investments associated with the Value Creation Plan; expectations regarding the use of derivatives, futures and options; expectations regarding improving efficiencies; the expected use of cash balances; source of funds for ongoing business requirements; capital investments and debt repayment; expectations regarding acquisitions and divestitures; the timing of new plant openings; old plant closures and job losses; LEED certification; expectations regarding the adoption of new accounting standards and the impact of such adoption on financial position; expectations regarding sufficiency of the allowance for uncollectible accounts; and expectations regarding pension plan performance and future pension plan liabilities and contributions. 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 and 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 whether as a result of the Value Creation Plan or otherwise; 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's Transition Services Agreement with Grupo Bimbo, S.A.B. de C.V. of Mexico
- risks associated with implementing and executing the Value Creation Plan;
- risks associated with the availability of capital;
- risks associated with changes in the Company's systems and processes;
- 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;
- 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" presented previously in the 2013 Annual Report. 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 EBITDA margins; capital expenditures; cash costs; and non-cash restructuring charges. These financial outlooks are presented to allow the Company to benchmark the results of the Value Creation Plan. These financial outlooks 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. Maple Leaf Foods Inc. is a focused consumer packaged meats company. Headquartered in Toronto, Canada, the Company employs approximately 12,000 people at its operations in Canada, the U.S., and Asia.

Maple Leaf Foods Inc.
30 St. Clair Avenue West, Suite 1500
Toronto, Ontario, Canada M4V 3A2
www.mapleleaf.com

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