Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

MAPLE LEAF FOODS INC.

Three and twelve months ended December 31, 2007 and 2006

MAPLE LEAF FOODS INC.

Consolidated Balance Sheets
(In thousands of Canadian dollars)

	As at December 31,	
	2007	2006
ASSETS		
Current assets		
Cash and cash equivalents	**$ 28,222**	$ 64,494
Accounts receivable	**202,285**	201,743
Inventories	**351,064**	376,216
Future tax asset – current	**25,409**	2,128
Prepaid expenses and other assets	**16,529**	11,158
Assets held for sale	**10,092**	311,172
	$ 633,601	$ 966,911
Investments in associated companies	**1,207**	15,499
Property and equipment	**1,126,727**	1,080,293
Other long-term assets	**303,360**	279,001
Future tax asset – non-current	**22,837**	23,464
Goodwill	**817,477**	829,641
Other intangibles	**92,635**	80,917
	$ 2,997,844	$ 3,275,726
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	**$ 9,845**	$ 9,130
Accounts payable and accrued charges	**550,528**	594,685
Income and other taxes payable	**12,881**	18,056
Current portion of long-term debt	**17,945**	81,954
Liabilities related to assets held for sale	**-**	74,474
	$ 591,199	$ 778,299
Long-term debt	**855,281**	1,185,970
Future tax liability – non-current	**61,935**	29,867
Other long-term liabilities	**248,448**	196,911
Minority interest	**79,554**	90,237
Shareholders' equity	**1,161,427**	994,442
	$ 2,997,844	$ 3,275,726

MAPLE LEAF FOODS INC.

Consolidated Statements of Earnings
(In thousands of Canadian dollars, except share amounts)

	Three months ended December 31,		Twelve months ended December 31,	
	2007	2006	**2007**	2006
	(Unaudited)	(Unaudited)		
Sales	**$ 1,273,633**	$ 1,361,361	**$ 5,209,640**	$ 5,324,756
Earnings from continuing operations before restructuring and other related costs	**$ 57,941**	$ 52,241	**$ 199,056**	$ 172,802
Restructuring and other related costs	**(71,907)**	(43,662)	**(122,304)**	(63,230)
Earnings (loss) from continuing operations	**(13,966)**	8,579	**76,752**	109,572
Other income	**2,244**	732	**4,578**	2,647
Earnings (loss) from continuing operations before interest and income taxes	**(11,722)**	9,311	**81,330**	112,219
Interest expense	**21,093**	22,611	**94,122**	90,204
Earnings (loss) from continuing operations before income taxes	**(32,815)**	(13,300)	**(12,792)**	22,015
Income taxes	**(11,772)**	2,763	**801**	35,799
Earnings (loss) from continuing operations before minority interest	**(21,043)**	(16,063)	**(13,593)**	(13,784)
Minority interest	**2,695**	1,816	**9,639**	6,208
Net earnings (loss) from continuing operations	**(23,738)**	(17,879)	**(23,232)**	(19,992)
Net earnings from discontinued operations – net of income tax	**1,666**	6,255	**230,376**	24,517
Net earnings (loss) for the period	**$ (22,072)**	$ (11,624)	**$ 207,144**	$ 4,525
Basic earnings (loss) per share				
From continuing operations	**$ (0.19)**	$ (0.14)	**$ (0.18)**	$ (0.16)
From discontinued operations	**0.01**	0.05	**1.81**	0.19
	$ (0.17)	$ (0.09)	**$ 1.63**	$ 0.04
Diluted earnings (loss) per share				
From continuing operations	**$ (0.19)**	$ (0.14)	**$ (0.18)**	$ (0.16)
From discontinued operations	**0.01**	0.05	**1.77**	0.19
	$ (0.17)	$ (0.09)	**$ 1.59**	$ 0.03
Weighted average number of shares (millions)	**127.0**	127.0	**127.3**	127.5

MAPLE LEAF FOODS INC.

Consolidated Statements of Retained Earnings
(In thousands of Canadian dollars)

	Twelve months ended December 31,	
	2007	2006
Retained earnings, beginning of year	**$ 204,415**	$ 231,807
Net earnings for the year	**207,144**	4,525
Dividends declared $0.16 per share; (2006: $0.16 per share)	**(20,775)**	(20,387)
Premium on repurchase of share capital	**-**	(11,530)
Retained earnings, end of year	**$ 390,784**	$ 204,415

Consolidated Statements of Comprehensive Income (Loss)

(In thousands of Canadian dollars)

	Three months ended December 31,		Twelve months ended December 31,	
	2007	2006	**2007**	2006
	(Unaudited)	(Unaudited)		
Net earnings (loss) for the period	**$ (22,072)**	$ (11,624)	**$ 207,144**	$ 4,525
Other comprehensive income (loss)				
Change in accumulated foreign currency translation adjustment	**(2,314)**	6,131	**(16,036)**	8,749
Change in net unrealized derivative loss on cash flow hedges	**4,347**	-	**22,620**	-
	$ 2,033	$ 6,131	**$ 6,584**	$ 8,749
Comprehensive income (loss)	**$ (20,039)**	$ (5,493)	**$ 213,728**	$ 13,274

MAPLE LEAF FOODS INC.

Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)

	Three months ended December 31, 2007	Three months ended December 31, 2006	Twelve months ended December 31, 2007	Twelve months ended December 31, 2006
CASH PROVIDED BY (USED) IN	**(Unaudited)**	(Unaudited)		
Operating activities				
Net earnings (loss)	**$ (23,738)**	$ (17,880)	**$ (23,232)**	$ (19,992)
Add (deduct) items not affecting cash:				
Depreciation and amortization	**35,477**	33,194	**141,181**	130,736
Stock-based compensation	**4,866**	3,367	**15,340**	10,384
Minority interest	**2,695**	1,816	**9,639**	6,208
Future income taxes	**(35,274)**	(15,774)	**(46,290)**	75
Gain on sale of property and equipment	**(2,086)**	(1,781)	**(2,341)**	(2,051)
Loss (gain) on sale of investments	**(14)**	57	**(176)**	202
Change in other long-term receivables	**(2,071)**	2,460	**(1,957)**	4,546
Increase in net pension asset	**(11,308)**	(20,925)	**(48,034)**	(55,322)
Asset impairments and change in restructuring provision	**69,917**	6,810	**101,348**	20,621
Other	**16,503**	4,604	**7,999**	7,185
Change in non-cash operating working capital	**44,176**	48,365	**(30,643)**	4,827
Cash provided by operating activities of continuing operations	**$ 99,143**	$ 44,313	**$ 122,834**	$ 107,419
Cash provided by (used in) operating activities of discontinued operations	**-**	14,017	**(17,086)**	24,592
	$ 99,143	$ 58,330	**$ 105,748**	$ 132,011
Financing activities				
Dividends paid	**(5,384)**	(5,081)	**(20,775)**	(20,387)
Dividends paid to minority interest	**(183)**	(191)	**(801)**	(1,602)
Net increase (decrease) in long-term debt	**(75,935)**	85,836	**(335,474)**	109,680
Increase in share capital	**600**	1,454	**20,944**	15,556
Shares repurchased for cancellation	**-**	-	-	(23,056)
Purchase of treasury stock	**(25,362)**	-	**(30,054)**	-
Other	**909**	-	**8,200**	2,357
Cash provided by (used in) financing activities of continuing operations	**$ (105,355)**	$ 82,018	**$ (357,960)**	$ 82,548
Cash provided by (used in) financing activities of discontinued operations	**-**	1	**(389)**	403
	$ (105,355)	$ 82,019	**$ (358,349)**	$ 82,951
Investing activities				
Additions to property and equipment	**(66,424)**	(60,060)	**(236,660)**	(155,935)
Proceeds from sale of property and equipment	**6,668**	2,597	**9,788**	7,605
Acquisition of business – net of cash Acquired	**(390)**	(70,663)	**(65,013)**	(80,986)
Proceeds on sale of investments	-	-	**3,713**	-
Proceeds on disposal of business	-	-	**5,470**	-
Purchase of Canada Bread shares	-	-	**(6,521)**	-
Other	**138**	5,125	**1,521**	1,956
Cash provided by (used in) investing activities of continuing operations	**$ (60,008)**	$ (123,001)	**$ (287,702)**	$ (227,360)
Cash provided by (used in) investing activities of discontinued operations	**-**	(4,591)	**503,316**	(12,740)
	$ (60,008)	$ (127,592)	**$ 215,614**	$ (240,100)
Increase (decrease) in cash and cash equivalents	**(66,220)**	12,757	**(36,987)**	(25,138)
Cash and cash equivalents, beginning of period	**84,597**	42,607	**55,364**	80,502
Cash and cash equivalents, end of period	**$ 18,377**	$ 55,364	**$ 18,377**	$ 55,364

MAPLE LEAF FOODS INC.

Segmented Financial Information
(In thousands of Canadian dollars)

	Three months ended December 31, 2007	Three months ended December 31, 2006	Twelve months ended December 31, 2007	Twelve months ended December 31, 2006
	(Unaudited)	(Unaudited)		
Sales				
Meat Products Group	**$ 820,402**	$ 941,557	**$ 3,458,055**	$ 3,745,654
Agribusiness Group	**60,449**	64,813	**240,956**	245,438
Bakery Products Group	**392,782**	354,991	**1,510,629**	1,333,664
	$ 1,273,633	$ 1,361,361	**$ 5,209,640**	$ 5,324,756
Earnings from operations, before restructuring and other related costs				
Meat Products Group	**$ 42,399**	$ 37,855	**$ 90,193**	$ 74,400
Agribusiness Group	**(9,064)**	(8,950)	**(7,841)**	(2,475)
Bakery Products Group	**24,606**	23,336	**116,704**	100,877
	$ 57,941	$ 52,241	**$ 199,056**	$ 172,802
Additions to property and equipment				
Meat Products Group	**$ 39,074**	$ 35,869	**$ 132,220**	$ 91,271
Agribusiness Group	**4,652**	7,584	**15,068**	15,210
Bakery Products Group	**22,698**	16,607	**89,372**	49,454
	$ 66,424	$ 60,060	**$ 236,660**	$ 155,935
Depreciation and amortization				
Meat Products Group	**$ 16,595**	$ 16,657	**$ 68,806**	$ 66,987
Agribusiness Group	**5,552**	4,438	**20,536**	17,323
Bakery Products Group	**13,330**	12,099	**51,839**	46,426
	$ 35,477	$ 33,194	**$ 141,181**	$ 130,736

	As at December 31, 2007	As at December 31, 2006
Total assets		
Meat Products Group	**$ 1,560,244**	$ 1,551,502
Agribusiness Group	**302,999**	702,534
Bakery Products Group	**823,137**	810,940
Non-allocated assets	**311,464**	210,750
	$ 2,997,844	$ 3,275,726
Goodwill		
Meat Products Group	**$ 450,929**	$ 457,039
Agribusiness Group	**2,058**	19,885
Bakery Products Group	**364,490**	352,717
	$ 817,477	$ 829,641