Maple Leaf Foods Investor Presentation

Fourth Quarter and Fiscal 2007 Financial Results

Some of the statements in this presentation may constitute forward-looking information and future results could differ materially from what is included. Please refer to Maple Leaf's 2007 Annual Consolidated Financial Statements and other public filings for a description of operations and factors that could impact the Company's financial results.

Overview

Operations Overview

Market Factors

Financial Highlights

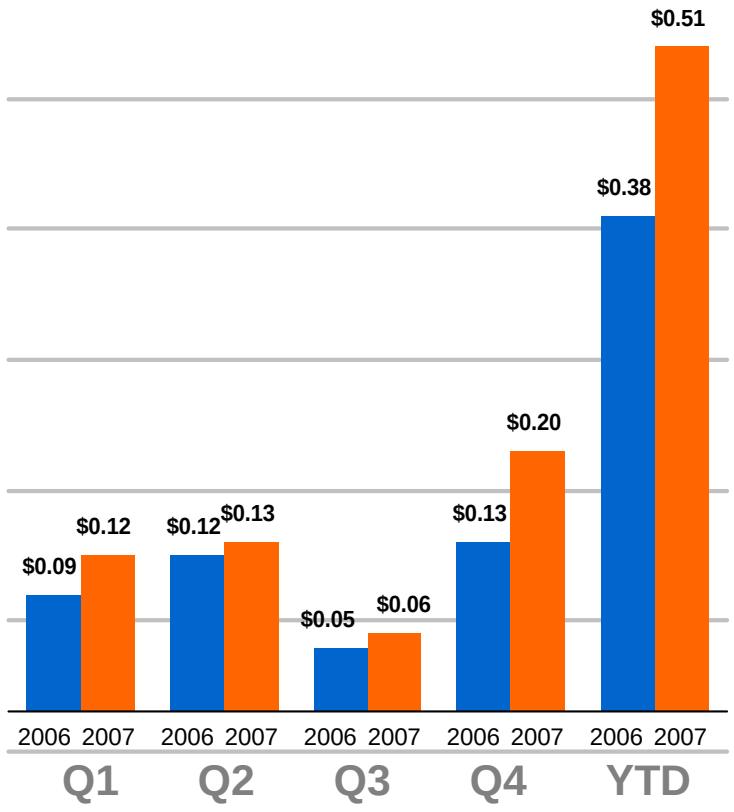
Q4 2007 Summary

- Operating earnings (before restructuring costs) up 11% to $57.9 million despite unprecedented cost inflation
  - Protein Group up 15%; Bakery Group up 5%
  - Cost reduction initiatives, early contribution from protein restructuring, and price increases contributed to stronger earnings
  - Higher costs in hog production, rising input costs and investments in new products partly offset positive factors
  - Feed business sold during 2007; in discontinued operations
- Significant milestones achieved in protein strategy execution
  - Successfully double shifted front-end processing at the Brandon plant
  - Completed sale of non-core hog production operations in early 2008
- Unprecedented rise in commodity grain costs continues
  - Will continue to manage through cost reduction and pricing; however there may be some short-term impact in 2008 depending on the precise timing of matching price action with cost increases

Earnings Per Share up 54% in Q4; up 34% for full year

- **Fourth quarter**
  - Operating earnings increased 11% to $57.9 million
  - Earnings per share of $0.20 compared to $0.13 last year
- **Full year**
  - Operating earnings increased 15% to $199.1 million
  - Earnings per share $0.51; up 34% compared to last year

Earnings Per Share ($CAD)

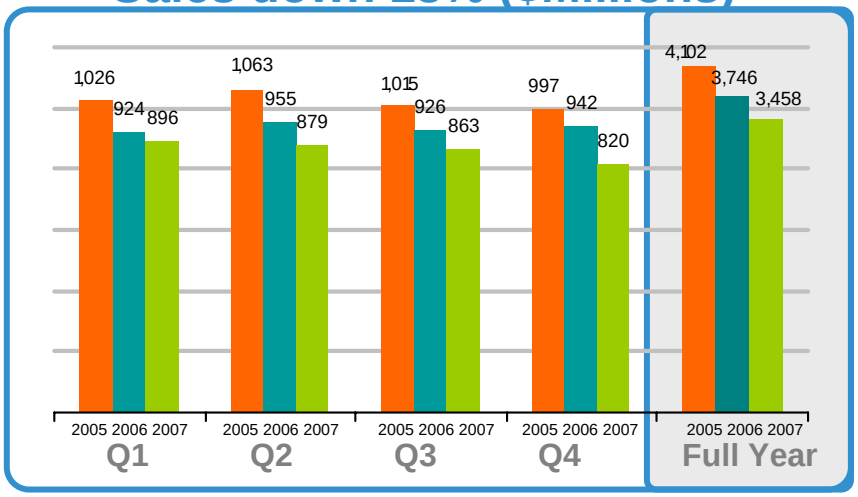


All operating earnings measures are defined as earnings from continuing operations before restructuring and other related costs. All earnings per share measures are defined as earnings per share from continuing operations before restructuring and other related costs and certain tax adjustments.

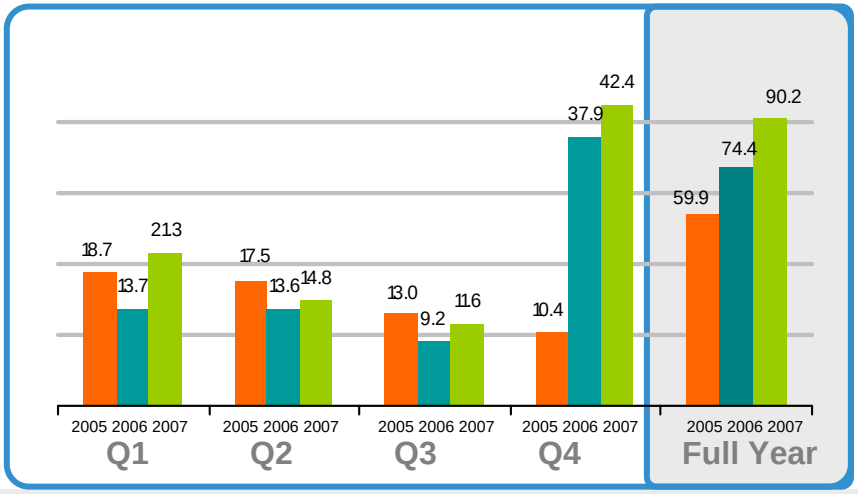
Meat Products Group

- Sales down 13% principally due to sale/exit of non-core global businesses and stronger CDN dollar
- Fourth quarter operating earnings increased 12% from Q4 last year
  - Higher fresh meat input costs in the processed meat business were offset by price increases
  - Benefited from the closure of an inefficient poultry plant and a pork processing plant in the second quarter, and the commencement of a second shift at the Brandon processing plant
  - Industry pork processor margins improved in Q4, outweighing a decline in poultry processor margins
  - Increased investment in innovation and advertising and promotion

Sales down 13% ($Millions)



Operating Earnings up 12% ($Millions)



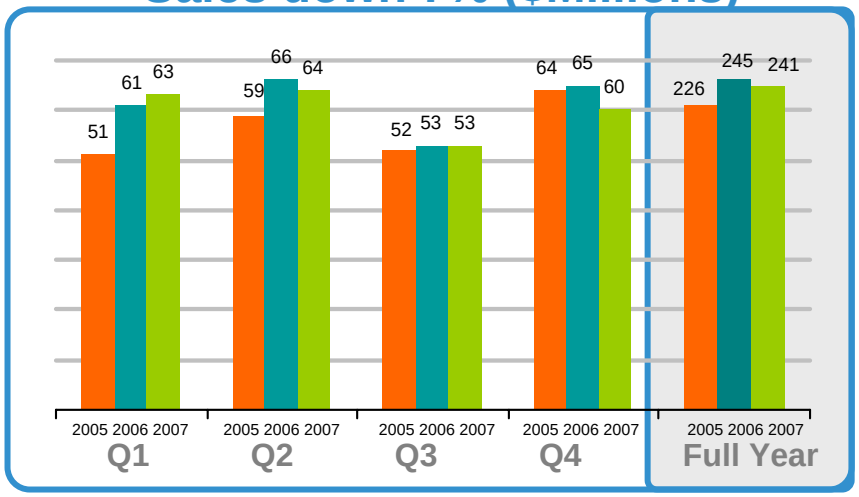
New Products Update

- *Maple Leaf Simply Fresh ®*
  - Major expansion in high growth chilled category growing at 24% annually
  - Introduced 11 entrees in 2007; 5 new entrees and a new Meal Kit launched in Q4
  - Recently won a Best New Product Award based on a survey of 10,000 Canadian consumers
  - Further line extensions planned in 2008

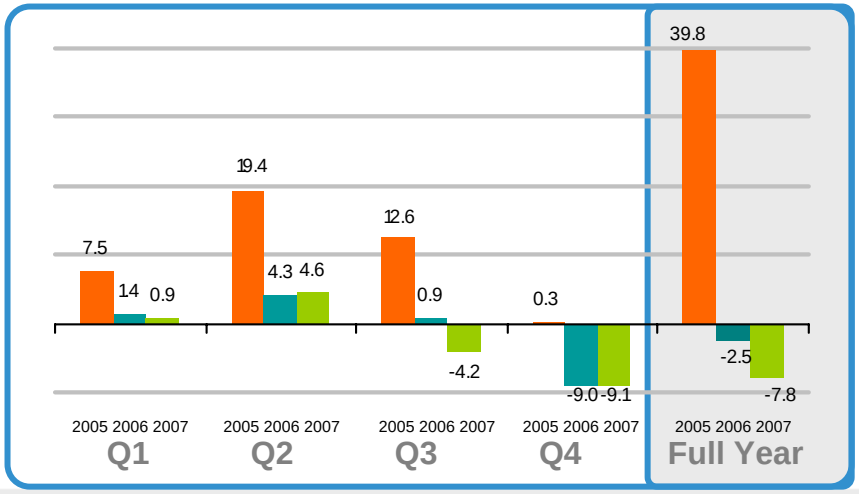
Agribusiness Group[1]

- Sales were down 7% due to restructuring of hog operations
- Significant rise in feed costs driven by increases in corn and other grains drove up hog production costs
  - Lower Canadian hog price realization due to a 14% decline in the US dollar from Q4/06, and lower industry hog prices
  - Hog production losses were mitigated in part by short-term risk management programs
- Higher costs in hog production were partly offset by strong results in the rendering business
  - Value of rendered products tracked higher commodity prices
  - Purchase of Central By-Products expands Ontario business

Sales down 7% ($Millions)



Operating Earnings flat ($Millions)

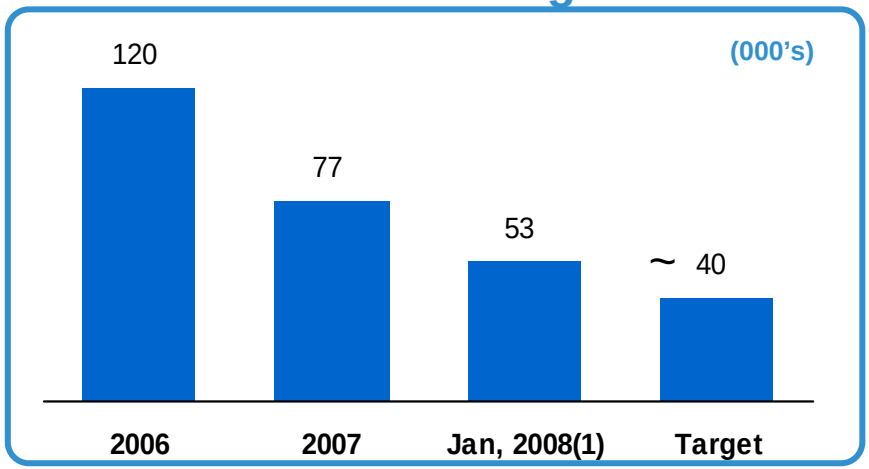


(1) Excluding results of the animal nutrition business.

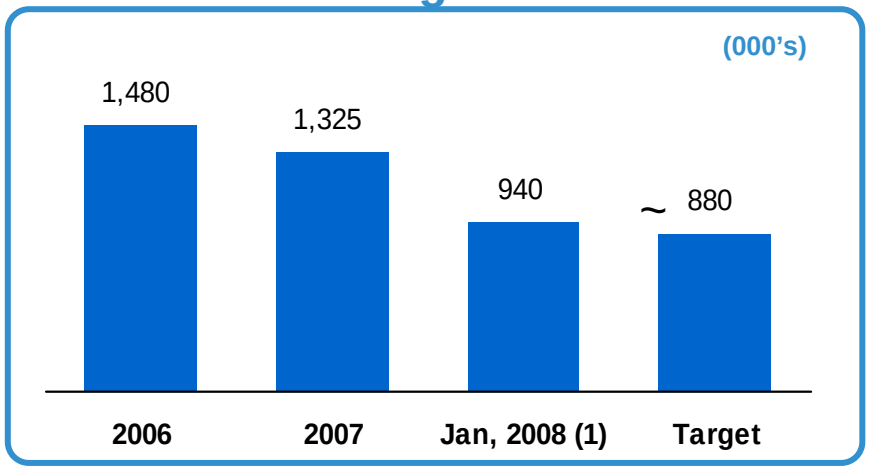
Hog Production Restructuring

- In January 2008 most of Ontario and Alberta hog production operations were sold, **a major milestone** in the protein reorganization
- Manitoba operations are now substantially aligned to the new integrated business model
- After the first quarter of 2008, management estimates that finished pigs produced by the Company will decline to approximately 750,000 hogs per year, compared to 1.3 million produced in 2007

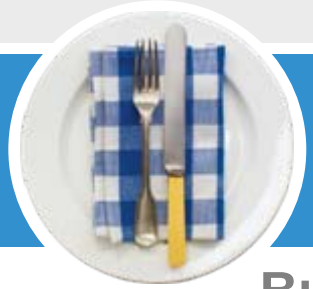
Sows Under Management



Effective Hogs Produced



(1) Jan 2008 figures are annualized estimates based on current hog and sow ownership.



Protein Reorganization

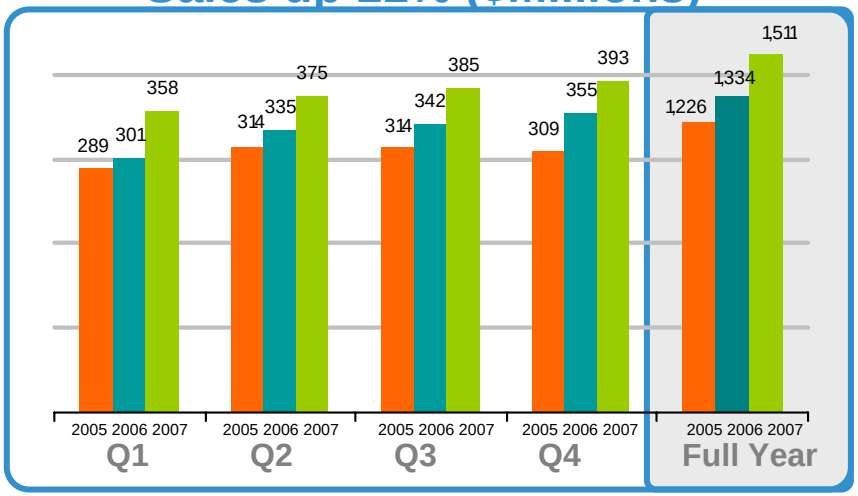
Building a Value-Added Meat and Meals Business

Activity	Description	Status
2007		
Reducing fresh pork processing	• Closed primary pork processing operations in Saskatoon (15,000-17,000 hogs per week)	Closed Jun/07
	• Closed primary pork processing operations in Winnipeg (15,000 – 20,000 hogs/week)	Closed Oct/07
	• Double shifted front-end processing in Brandon fresh pork plant (from 50,000 to 75,000 hogs per week)	Q4/07
Optimize meat & meals network	• Closed Toronto red meat plant, consolidated operations into newly constructed factory in Brampton Ontario	Oct/07
	• Commenced major expansion at Winnipeg ham plant	Q4/07
2008		
Continue protein strategy execution	• Continue double-shift expansion at Brandon plant	
	• Divest Burlington pork plant (>2 million hogs processed per year)	
	• Continue network optimization in processed meats business	
	• Begin implementing new systems and shared services	

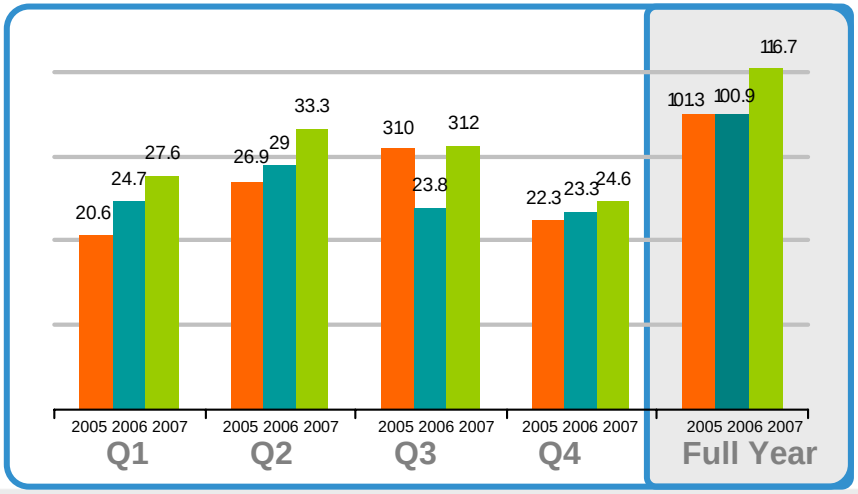
Bakery Products Group

- Sales up 11%; 3% excluding acquisitions
- Operating earnings increased 5% due to acquisitions in the U.K. and improved results in frozen bakery operations
  - Significantly higher wheat and dairy costs impacted margins across the business
  - Marginally softer industry volumes in fresh bread
  - Inflationary costs were materially offset through price increases and cost reduction initiatives, although significant cost increases impacted fourth quarter earnings in fresh bakery and pasta
  - North American Frozen bakery volumes increased, manufacturing efficiencies improved, and third party storage and distribution costs were lower due to the completion of a warehouse expansion in Roanoke, Virginia
  - Continued organic growth in bagels and specialty bakery products in the UK

Sales up 11% ($Millions)



Operating Earnings up 5% ($Millions)



Bakery Products Group (cont'd)

- Acquisitions continue to drive growth in the Bakery Group
  - La Fornaia: premium artisan bakery in the UK, acquired in Q3/07
  - Aliments Martel, a Quebec-based manufacturer and distributor of sandwiches, meals and sweet goods; acquired in Q1/08
    - Significant step in supporting strategy to grow in sandwich business
    - Became national leader in the Canadian pre-packaged sandwich market
- Innovation
  - Olivieri Nutriwise Prebiotic Broccoli and Cheese Ravioli represents the first prebiotic pasta in Canada

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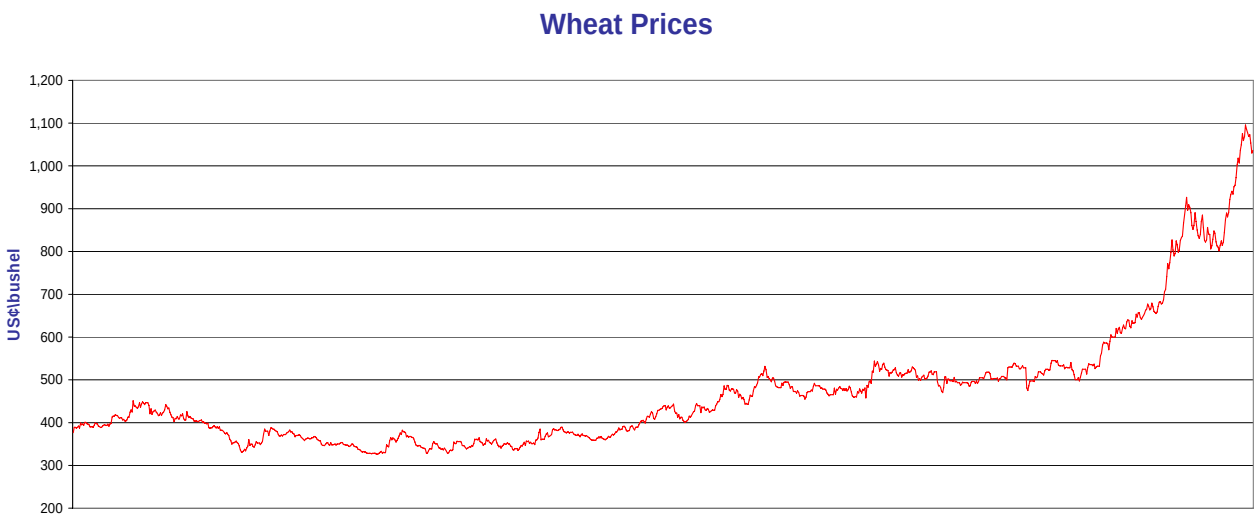
Wheat Prices Climbed 76% in Q4[1]

US Wheat Price/Bushel



US¢\bushel

Average	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
QTR Price	406	418	366	361	347	345	354	372	411	460	478	517	505	537	705	911
Close Price	436	389	373	348	355	347	384	385	415	524	458	519	528	623	927	1,036

Source: Bloomberg

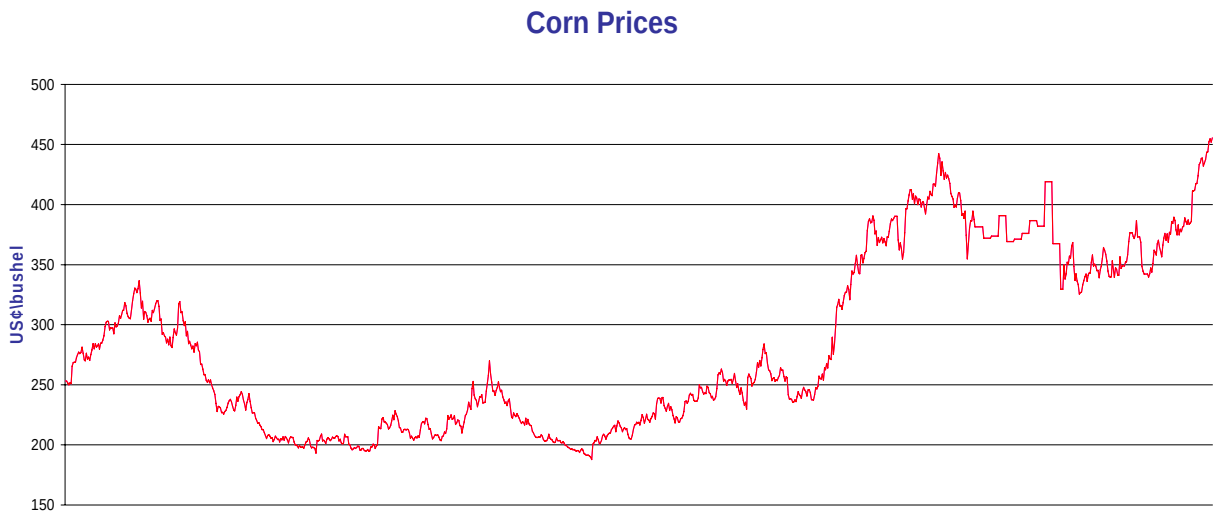
Effective Date: Dec 31, 2007

- Significant rise in flour costs for the fresh and frozen bakery and pasta businesses
- Increased hog feed costs, as Canadian producers lose a wheat cost advantage over corn

[1] Compared to Q4/06

Corn Prices Up 12% in Q4 [1]

US Corn Price/Bushel



US¢\bushel

Average	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
QTR Price	287	300	233	203	207	217	228	202	222	247	253	345	403	380	351	388
Close Price	320	267	206	205	213	232	206	216	236	260	263	390	375	330	343	456

Effective Date: Dec. 31, 2007

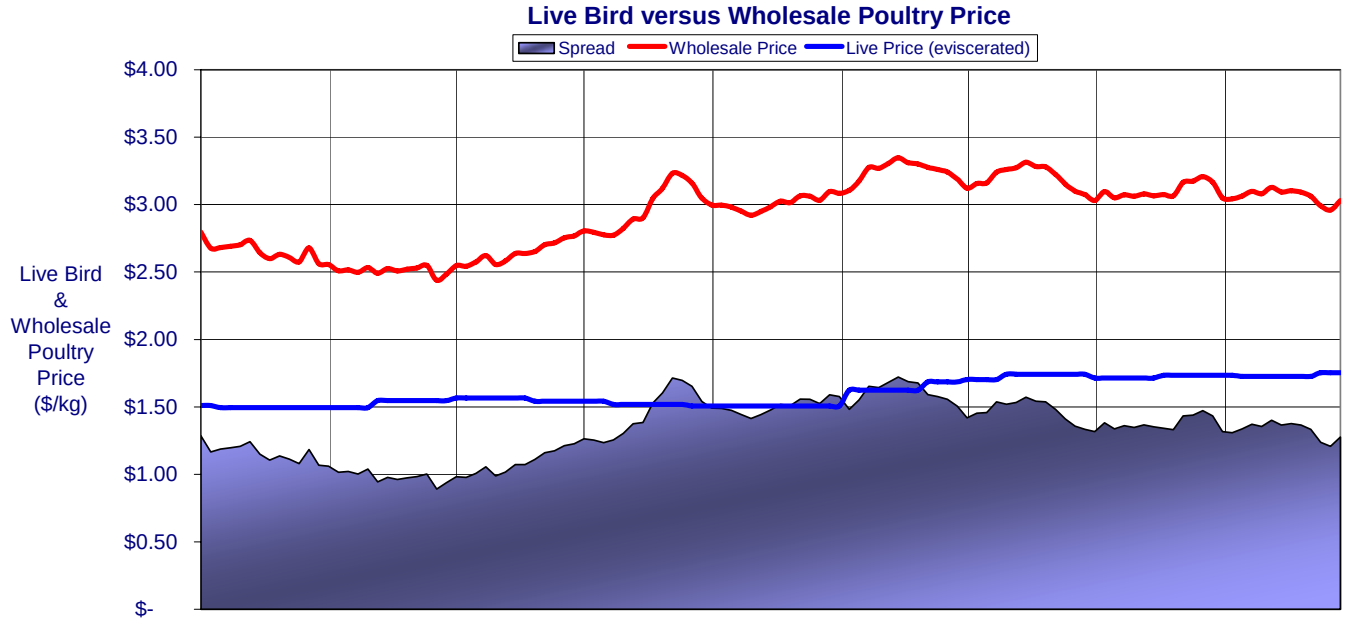
- Increased feed prices and hog production costs
- Higher fresh meat prices and input costs for processed meats business
- Related rise in wheat and dairy costs

[1] Compared to Q4/06

Q 4 Poultry Processor Spread Down 11% [1]

Spread declined as rising feed costs increased live bird prices

Live Bird Versus Wholesale Poultry Price



	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
Wholesale Poultry	$ 2.66	$ 2.51	$ 2.64	$ 2.97	$ 3.01	$ 3.24	$ 3.20	$ 3.10	$ 3.06
Live Bird (evisc.)	$ 1.50	$ 1.53	$ 1.56	$ 1.52	$ 1.51	$ 1.63	$ 1.73	$ 1.72	$ 1.73
Spread	$ 1.16	$ 0.98	$ 1.08	$ 1.45	$ 1.50	$ 1.61	$ 1.47	$ 1.38	$ 1.33

Source: EMI Composite Market Indicator

Updated: December 29, 2007

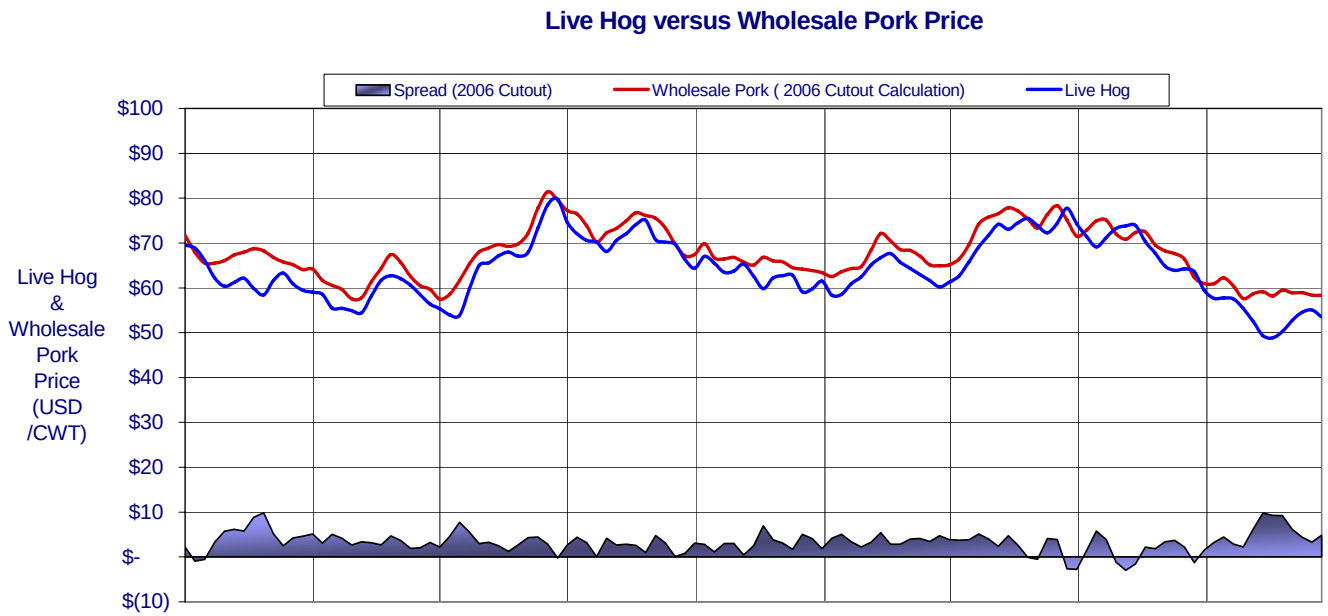
[1] **Compared to Q4/06**

Q4 USDA Pork Processor Margins up 66% [1]

…benefited fresh pork operations in the quarter

Live Hog versus Wholesale Pork Price

USDA Pork Processor Margins



	Q4-05*	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07
Wholesale Pork	$ 66.99	$ 61.76	$ 69.20	$ 73.61	$ 66.10	$ 66.43	$ 73.95	$ 70.49	$ 59.40
Live Hog	$ 62.61	$ 58.31	$ 65.79	$ 71.11	$ 62.96	$ 62.78	$ 71.24	$ 69.36	$ 54.20
Spread	$ 4.38	$ 3.45	$ 3.41	$ 2.50	$ 3.14	$ 3.65	$ 2.71	$ 1.13	$ 5.20

[1] Compared to Q4/06

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Financial Highlights

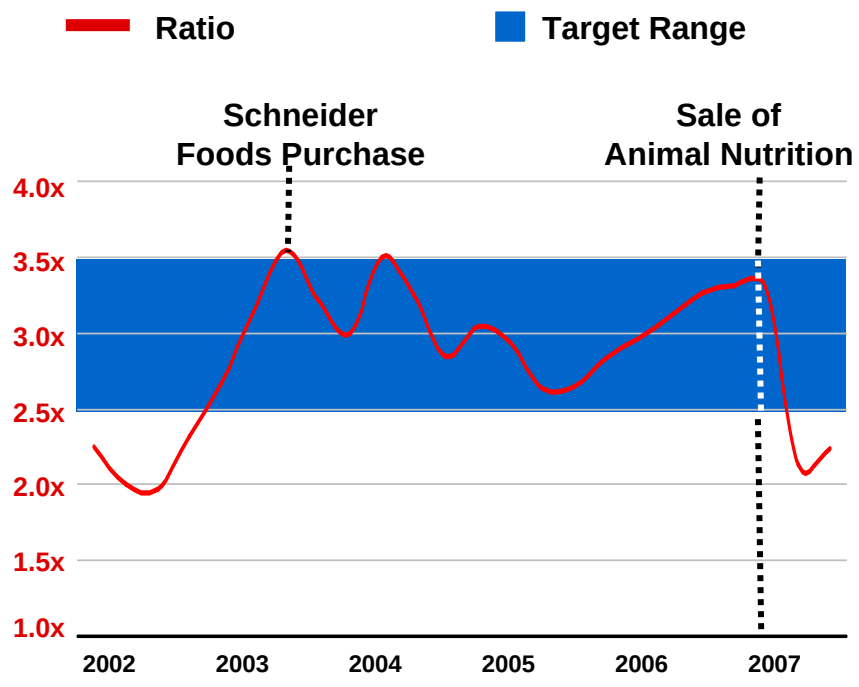
Capital Resources and Liquidity

Balance Sheet Performance

- Strong balance sheet at year end evidenced by improvements in key cash flow measures
- Net debt to EBITDA is 2.2x at December 2007 compared to 3.2x at December 2006, due to asset sales and strong underlying cashflow
- Total debt declined by $357 million over 2006 primarily due to application of cash received from sale of the animal nutrition business, partly offset by capital investments and acquisitions
- Operating cash flow [1] increased by $15.4 million as improved earnings were partially offset by increased investment in working capital

Funded Debt Leverage Ratio

Net Debt/EBITDA



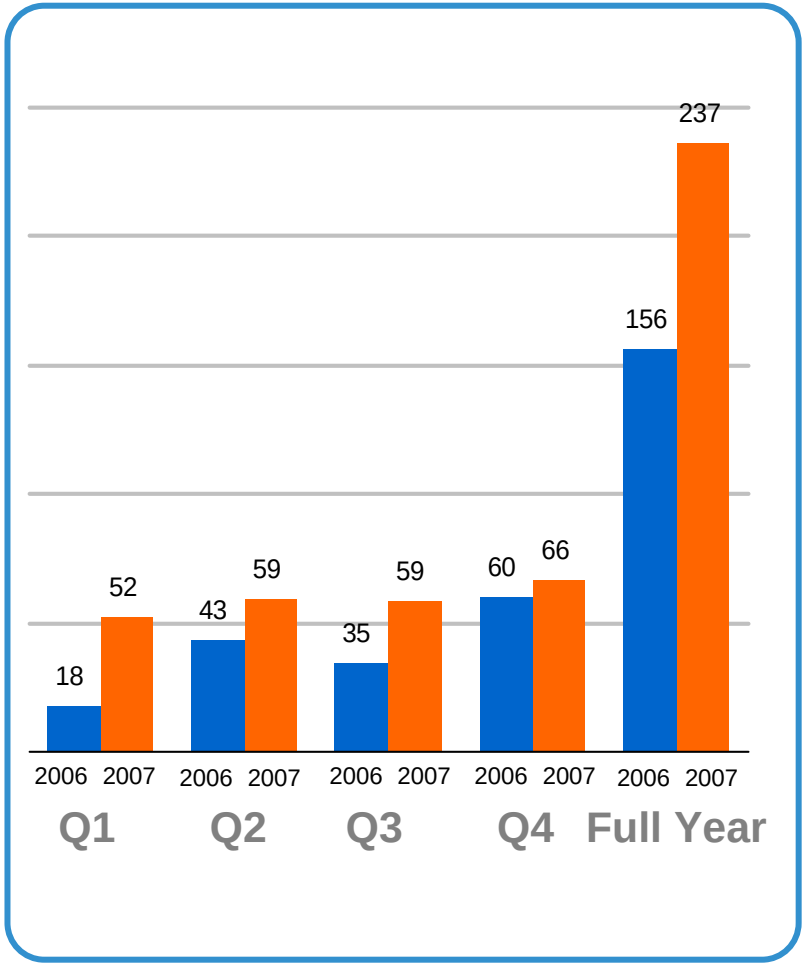
Ratio includes historical earnings from Animal Nutrition business

(1) Excluding discontinued operations

Capital Expenditures

- 2007 capital expenditures up 52%; investments in competitiveness and incremental capacity
  - Investment in new Brampton, Ontario plant to support chilled meals and value-added red meat processing, enabling closure of a Toronto red meat plant in October 2007
  - Warehouse expansion at Roanoke, VA bakery to increase storage capacity and reduce costs
  - Capacity expansion in the UK bagel and croissant facilities to support growth
  - Expansion of Brandon, MB plant to support consolidation of fresh pork processing operations
- 2008 capital expenditures estimated to be approximately $280 million to support continued plant optimization, capacity expansion and innovation

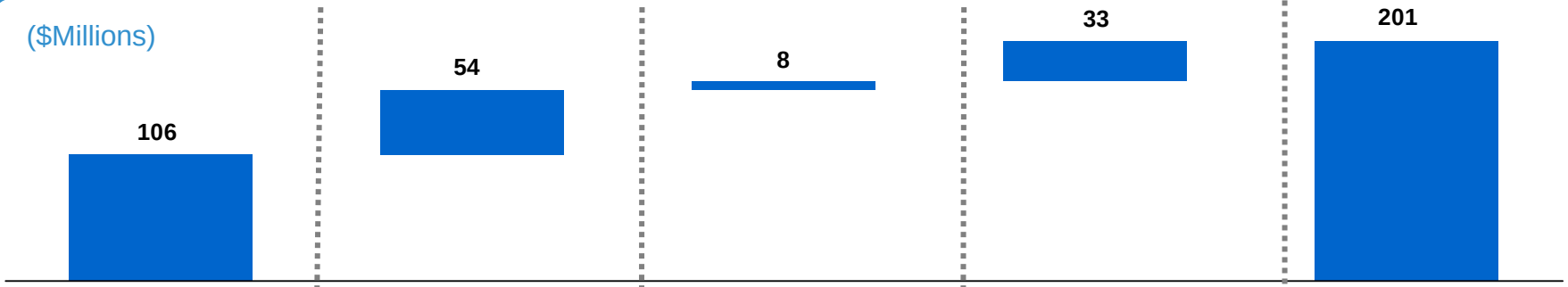
Capital Expenditures ($Millions)



Investing in Growth

Acquisitions (2006 – 2008)

($Millions)



UK Bakery	Fresh Bakery	Hog Production Investments	Other	Total Acquisitions
Harvestime (March 2006) **French Croissant Company** and **Avance U.K.** (November 2006) **La Fornaia** (August 2007)	**Patisserie Chevalier** (February 2006) **Royal Touch Foods** (October 2006) Aliments Martel Inc. (January 2008)	**Realignment of the hog production business**	**Cold Springs Farm** **Purchase of Canada Bread shares** **Other small acquisitions** **Central By-Products (January 2008)**	

Divestitures (2006 – 2008)

- Sale of European seafood and convenience business in Germany (Q1, 2007)
- Sale of Animal Nutrition operations for gross proceeds of $525 million (Q2 2007)
- Sale of most of Ontario hog production operations and all of the wholly-owned investments in Alberta for proceeds of $10.2 million (January, 2008)

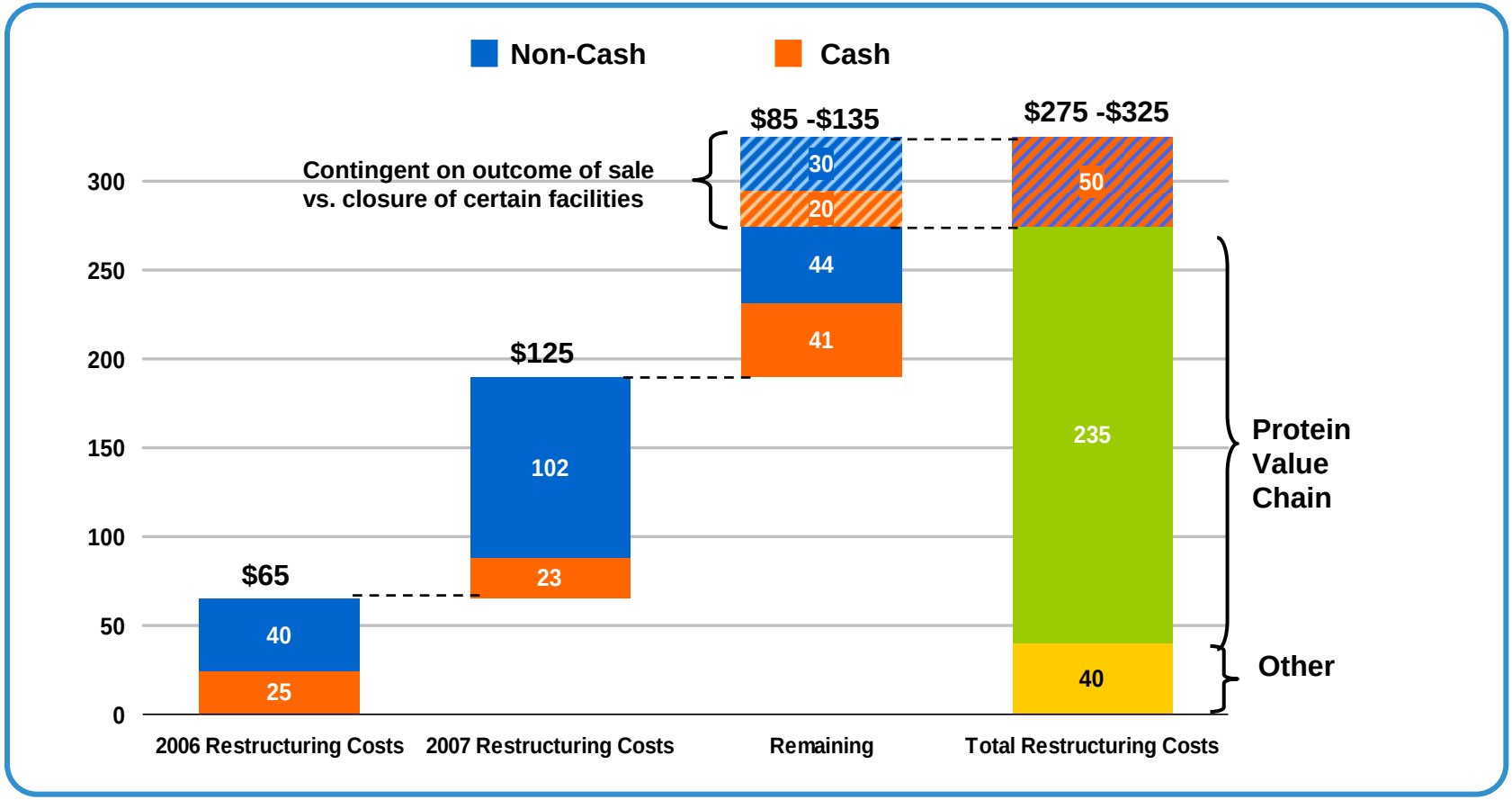
Q4 Restructuring Costs

Restructuring costs in Q4/07 of $71.9 million (Cash: $5 mill) relate primarily to the impairment of hog production assets classified as held for sale in Alberta and Ontario, and impairment in other hog-related long lived assets

($Millions)	Q4	Full Year
Refocus of protein operations	$5.1	$19.1
Impairment of Alberta and Ontario hog production	$27.0	$27.0
Impairment of long-lived hog production assets	$36.1	$36.1
Goodwill impairment related to sale of animal nutrition business		$20.7
Retention payments	$2.1	$9.3
Poultry plant closure		$6.3
Bakery plant closure	$1.6	$3.8
Discontinued operations		$2.7
Total	**$71.9**	**$125.0**

Restructuring Costs Overview ($ Millions)

Total restructuring costs estimate (2006-2009) increased from $165-$215 to $275-$325 million (Cash: $90 to $110 mill) related to losses on the sale of hog production assets.



Note: Excludes estimated gain on sale of MLAN of $204 million.

Summary

- **Solid operating performance** in quarter and the year in the face of unprecedented food inflation and rising currency
- **Rising input costs** are being managed through pricing; however there may be some short-term lag effect in 2008
- Excellent progress on **protein reorganization** with several important milestones achieved
- **Major capital projects** well underway to add capacity and reduce costs across protein and bakery operations
- **Strong balance sheet** and significant financial resources to reinvest in growing our core businesses

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Fourth Quarter and Year Ended December 31, 2007 Financial Results