

GOVERNMENT/INDUSTRY ASSOCIATION KEY POINTS

Maple Leaf Foods is reorganizing its protein operations to focus its growth in the value-added, further processed meats and meals business, a strategy that will improve its competitiveness and secure a strong future as Canada's leading food processor.

- Our vision is to add value to consumer meat and meal products within a vertically integrated, balanced and optimized pork and poultry value chain.
- All other components of our value chain, including feed, hog production, primary pork processing and rendering, will be aligned to meet the requirements of our further processed business.
- We will expand our leadership in the high growth, higher margin value-added meats and meals market through investments that will create new jobs in this fast growing segment of the food industry.
- Our Bakery business will continue to be a core component of our overall business and growth.

Maple Leaf Foods will have a simpler, more focused, more profitable business model, with significantly less exposure to commodity markets.

- We will retain a small number of feed mills to support our future hog production requirements and identify the best path to maximize value and opportunity for the rest of our other animal nutrition business.
- Ultimately, we expect to meet our future requirements for fresh pork by expanding our Brandon, Manitoba pork plant to a double shift.
- Over time, we will identify growth opportunities to maximize the full value and potential of our other primary pork processing operations.

There is much to be done to move from strategy to implementation. We expect it will take three years to significantly implement the new strategy.

- As we proceed, we will balance the pace of change with our commitment to treating our people fairly and respectfully, maintaining business stability, and minimizing any impact on our business relationships and the communities where we operate.
- We will keep our stakeholders informed of our progress and decisions as they are made.