



Maple Leaf Foods Investor Presentation

Second Quarter Ended June 30, 2006

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 2005 Annual Consolidated Financial Statements and other public filings for a description of operations and factors that could impact the Company's financial results.



Agenda

■ Highlights

- Financial & Operating Overview
- Commodity Market Updates
- Questions



Highlights – a major currency challenge to face

- **Operating earnings decline of 23%**
 - Down 39% in protein; up 8% in bakery
- **EPS decline of 35% from \$0.26/share in 2005 to \$0.17/share in 2006**
- **The single most significant issue is longer term currency shift**
- **Commodity markets were substantially unfavorable, but our portfolio is performing satisfactorily in these conditions**
 - Excellent results from our processed meats and meals operations, offsetting unfavorable hog production and primary processing commodity performance
 - Substantial and unexpected rise in wheat markets; higher energy costs
- **In aggregate we are substantially out performing pure-play commodity players, due to our portfolio balance, brand strength, synergy and value-added products mix; under performing pure play branded packaged meats and meals players**
- **Currency influence (greater than \$100 million annualized) has resulted in structural challenges; we are deep into planning for restructuring to respond to this shift**
 - Expect restructuring charges in the second half of 2006



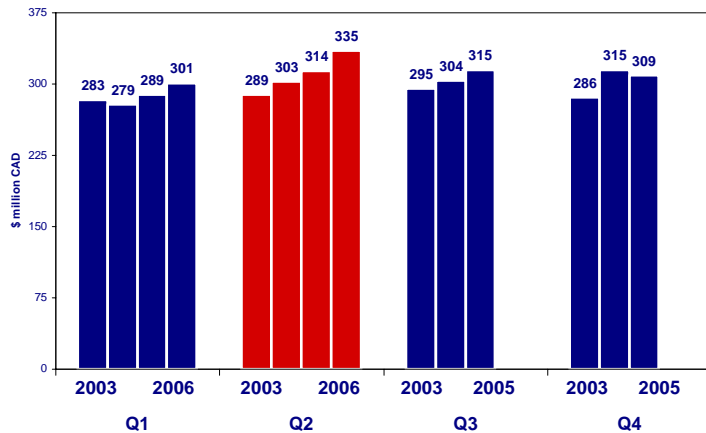
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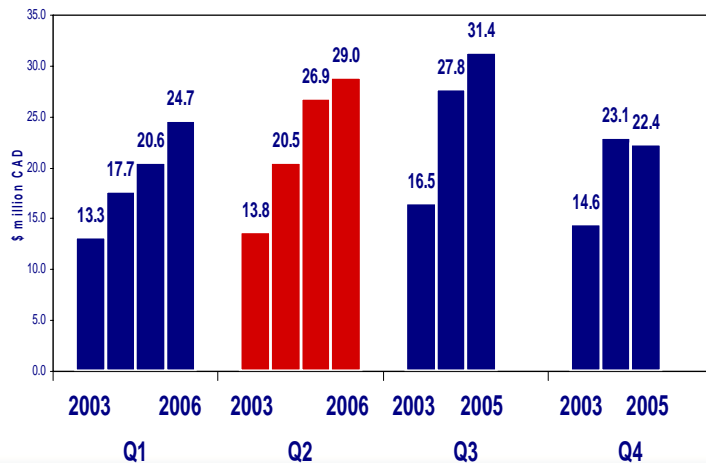
Excellent bakery results, considering rapid rise in wheat markets, due to strong U.K. and innovation performance

Sales Up 7%



- Bakery Group sales up 7% to \$335 million driven by increased sales of higher value products and price increases
- Some market softness in commercial bread consumption is evident in volumes; brand market shares holding well
- Operating earnings up 8% to \$29 million due to a significant increase in UK bakery contribution, benefiting from increased bagel production at Rotherham and the new par-baked acquisition in Walsall

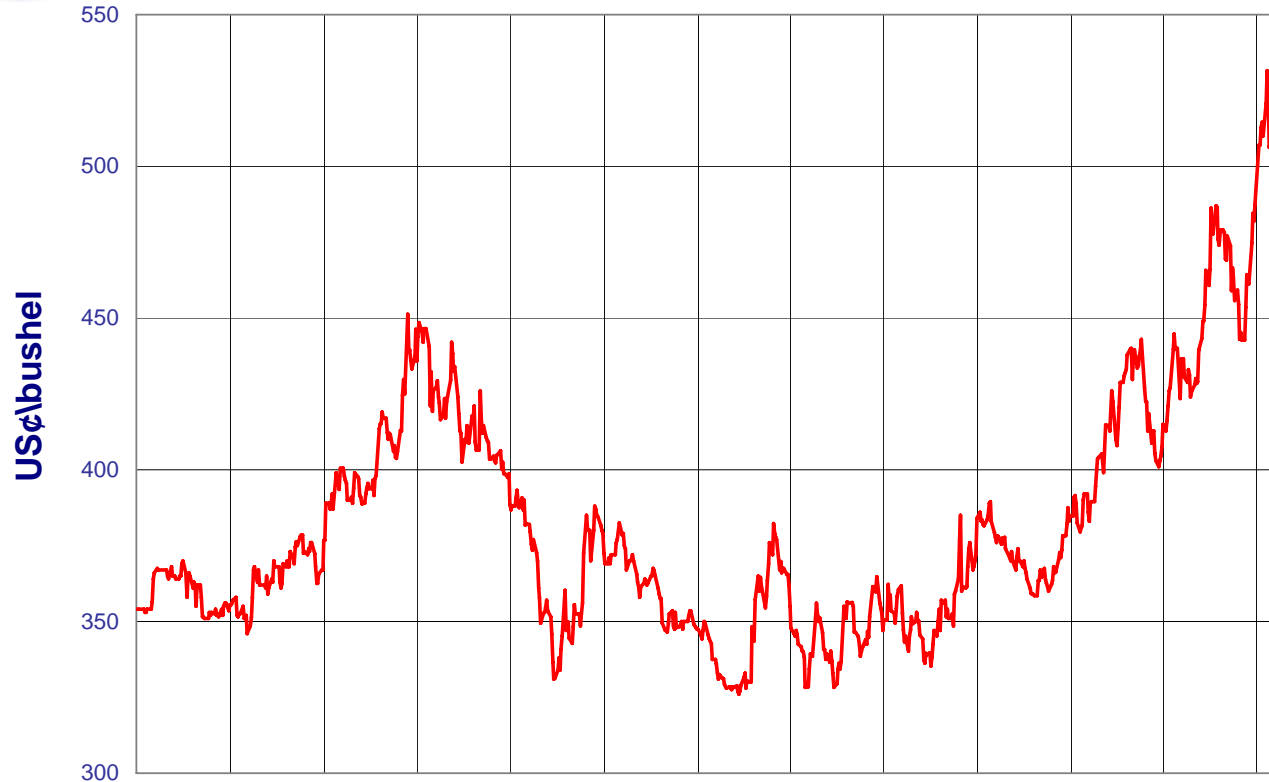
Operating Earnings Up 8%



- Successfully launched *Dempster's Smart* bread nationally, which is delivering strong results
 - Only white bread in Canada made with whole grain
- Frozen bakery challenged with greater difficulty passing on rising flour and fuel costs
- Continued growth in fresh pasta sales and profits, supported by expansion of whole grain filled and flat pasta products



Unexpected rapid rise in wheat markets; planning on price increase to offset rising flour and energy prices



US¢\bushel

	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06 QTD
Average QTR Price	359	365	405	418	366	361	347	345	354	372	411	453	508
Close Price	356	377	436	389	373	348	355	347	384	385	415	493	487

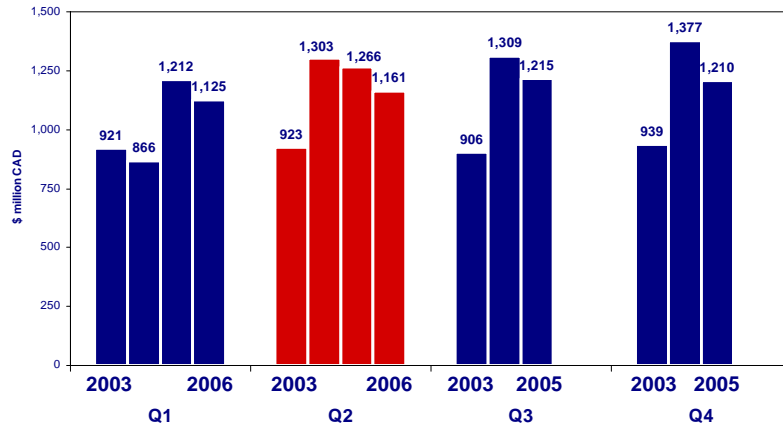
Source: Bloomberg

Effective Date: July 25th, 2006

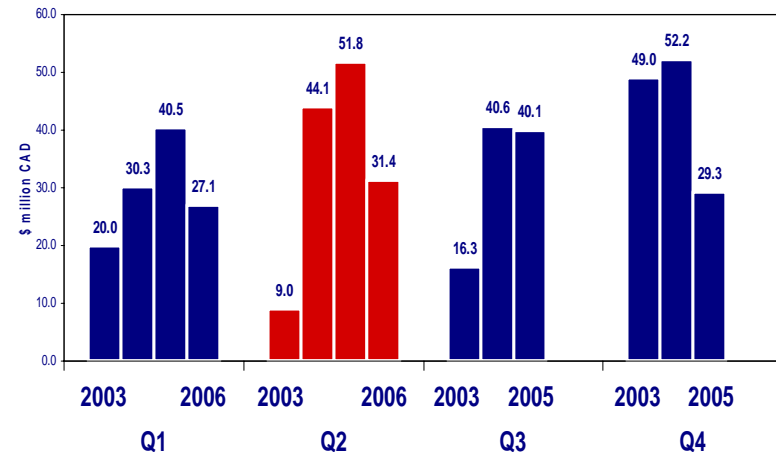


In difficult protein markets – currency and commodity influenced – achieved operating earnings of \$31 million

Sales down 8%



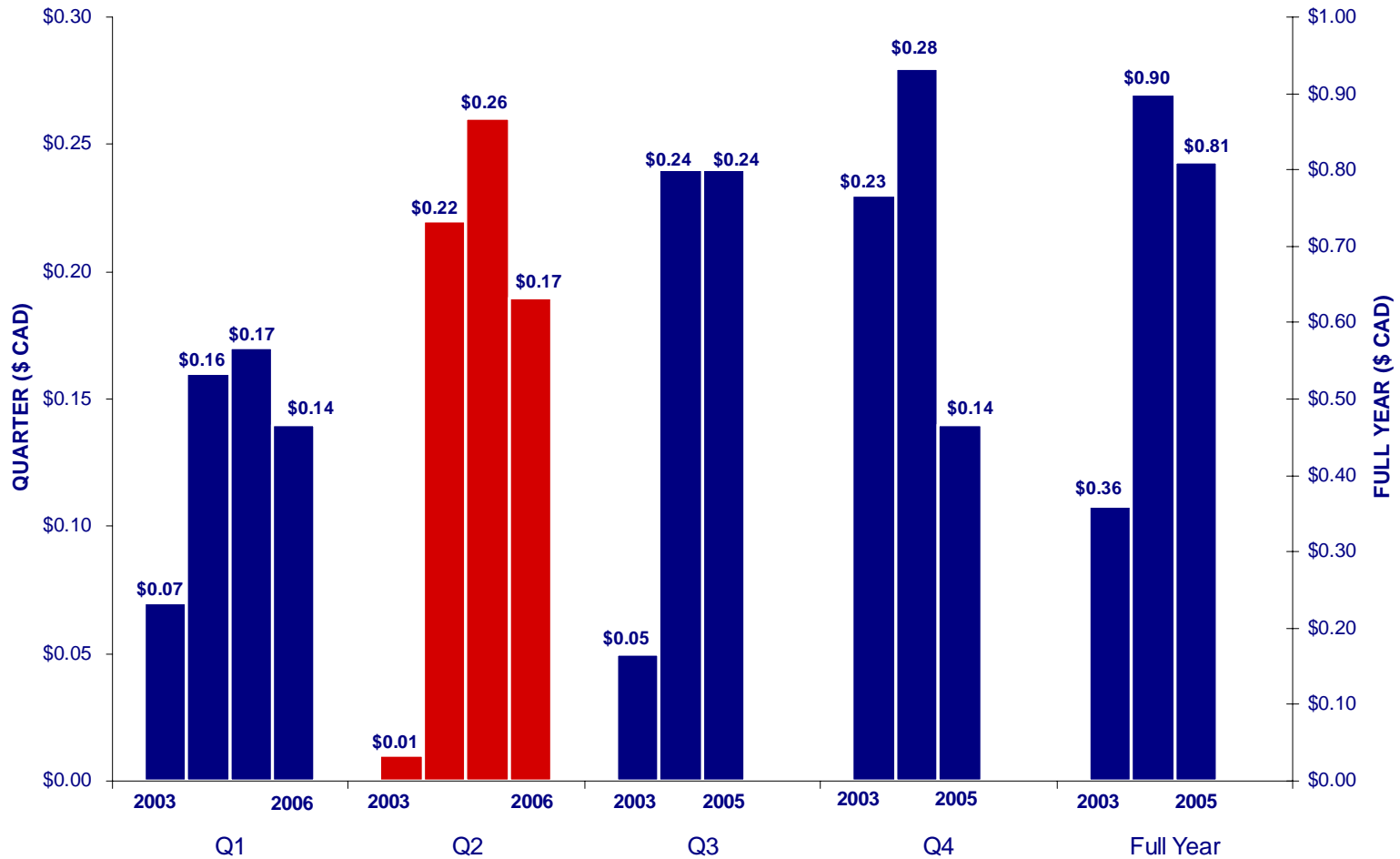
Operating Earnings down 39%



- Sales down 10% to \$955 million in Meat Group, primarily due to lower sales values resulting from currency shifts and lower commodity values
- Operating earnings in Meat Group down 22% to \$13.6 million driven by margin pressure from US\$ and Yen influenced currency shifts, specifically in Japan but also reflected broadly
- Protein oversupply having more negative effect on export markets than North American markets
- Some improvements seen in Poultry earnings
- Excellent performance in packaged meats and meals, reflecting synergies, brand strength, value-added product mix and lower raw materials input costs
- Agribusiness sales increased 2% to \$207 million; operating earnings declined 48% to \$17.8 million due to significant decline in hog production profits
- Combined impact of currency shift, lower US market hog pricing, higher feed costs, and a one-time adjustment in inventory values following the implementation of a new costing and tracking system
- Effective hog ownership of 19% in the quarter



Second quarter EPS of \$0.17; down from \$0.26 in Q2 2005



Note: before restructuring costs



Responding to structural currency challenges

- **Deep into planning stages of restructuring to respond to currency shift**
 - Substantial cost reduction opportunities
- **Considering new hog production business models to reduce costs**
- **Will likely result in redundant assets; supply chain strategy development underway in each operating company**
- **Potential to expedite movement to second shift operations**
- **Seeking closer alignment between primary and secondary processing operations**
- **Approximately \$70 million investment to support expansion in valued added meats and meals**
 - Including the acquisition of a new 185,000 sq.ft. facility in Brampton to produce new line of chilled meal solutions and increase cooking capacity
- **Expect restructuring charges commencing in the second half of 2006**



Other Financial Highlights

- **Cash from operations of \$15.1 million compared to \$70.7 million in Q2/05 due to increased investment in working capital and lower earnings**
 - Investment in working capital increased in the quarter primarily because of lower payable balances and a draw down in income taxes payable
 - This was partially offset by improved receivable balances
- **Strengthened medium term liquidity through renewal of revolving credit facility and increased borrowing capacity to \$870 million**
 - Total debt at the end of Q2, net of cash balances, was \$1.1 billion
 - Interest expense of \$24.9 million compared to \$26.0 million last year
- **Capital expenditures of \$45.9 million compared to \$44.9 million in Q2/05**
- **Share buy-backs of 150,900 shares in the quarter at an average price of \$13.44 per share or \$2.0 million (\$8.3 million YTD)**



Agenda

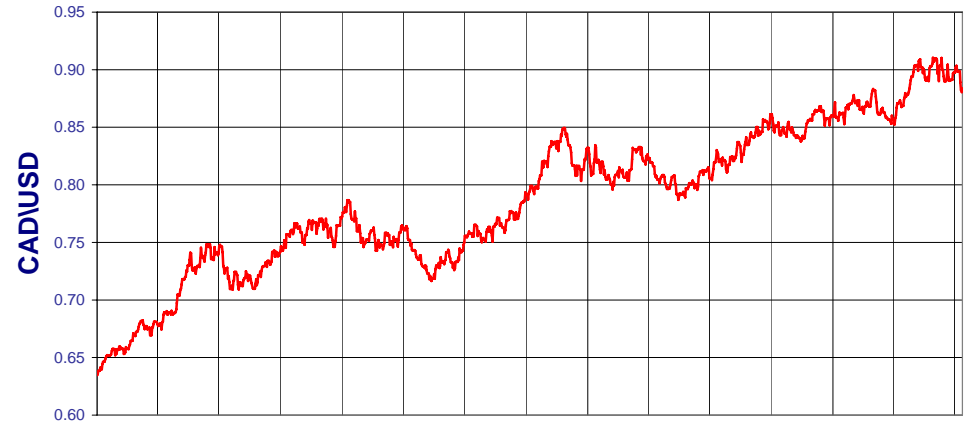
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The Currency Headwind

■ USD\CAD

- CDN\$ gained 11% in value in Q2/06 compared to Q2/05
- Gained 41% since 2002



CADIUSD

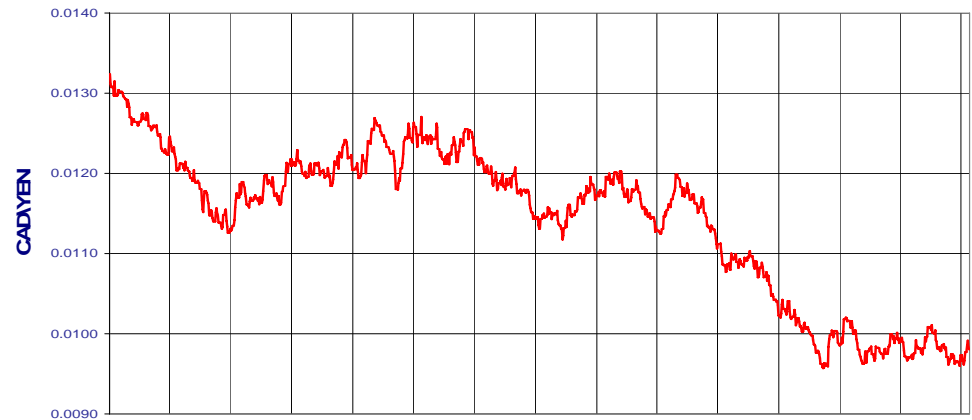
	Q1-03	Q2-03	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06
Average QTR Price	1.511	1.398	1.379	1.316	1.318	1.359	1.307	1.220	1.226	1.244	1.203	1.174	1.155	1.123	1.126
Close Price	1.469	1.354	1.349	1.297	1.310	1.337	1.260	1.202	1.210	1.227	1.161	1.162	1.167	1.114	1.131

Source: Bloomberg

Effective Date: July 13th, 2006

■ YEN\CAD

- Yen declined 15% against the CDN dollar in Q2/06 compared to Q2/05
- Declined 26.7% since 2002



YENCAD

	Q1-03	Q2-03	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06
Average QTR Price	78.78	84.90	85.10	82.69	81.43	80.73	84.08	86.64	85.23	86.47	92.50	99.90	101.27	101.97	102.55
Close Price	80.35	88.72	82.70	83.04	79.51	81.79	87.26	85.31	88.60	90.40	97.79	101.49	100.78	102.75	102.02

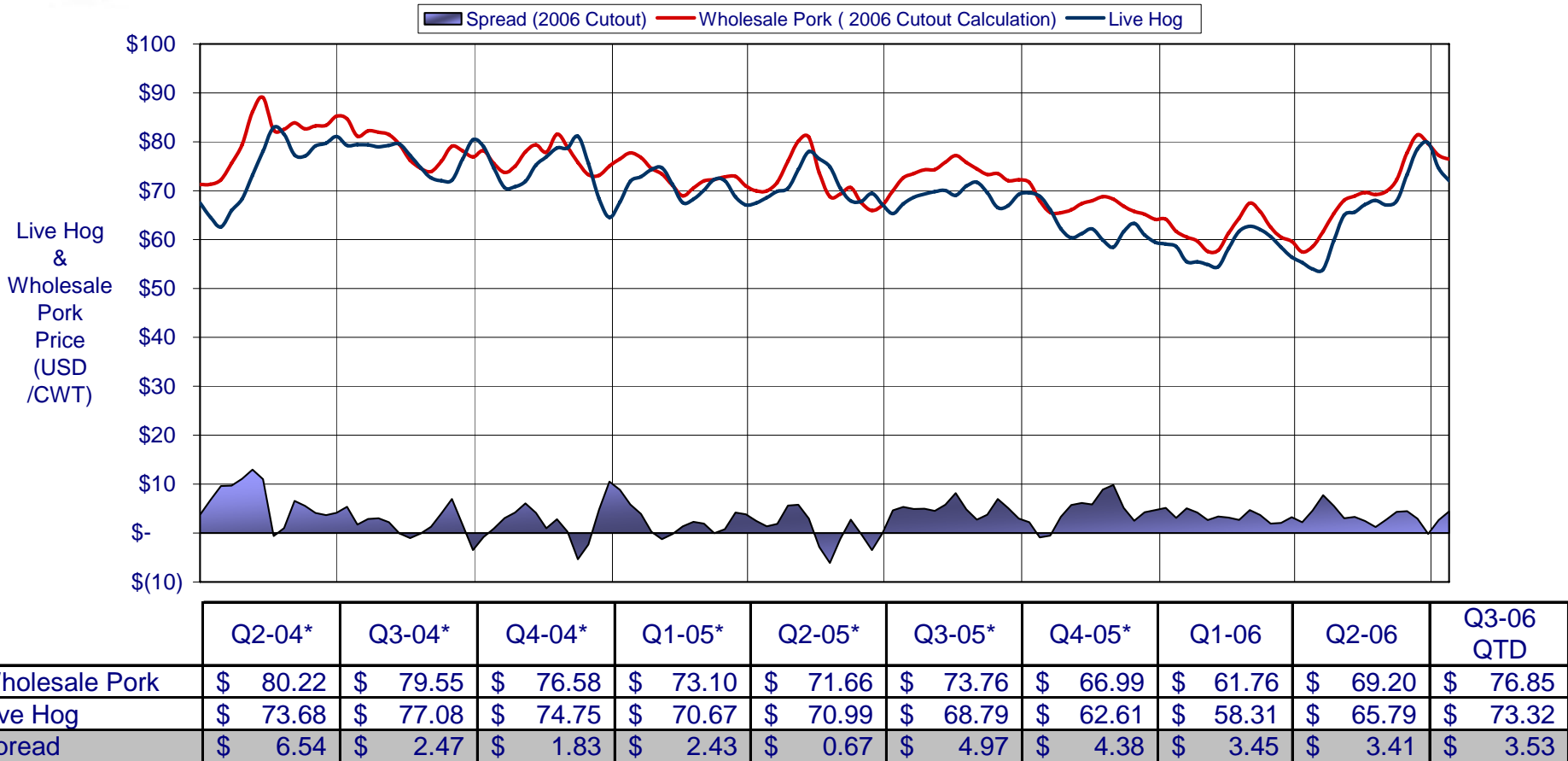
Source: Bloomberg

Effective Date: July 13th, 2006



USDA Commodity Pork Processor Margins

Live Hog versus Wholesale Pork Price



Source: USDA

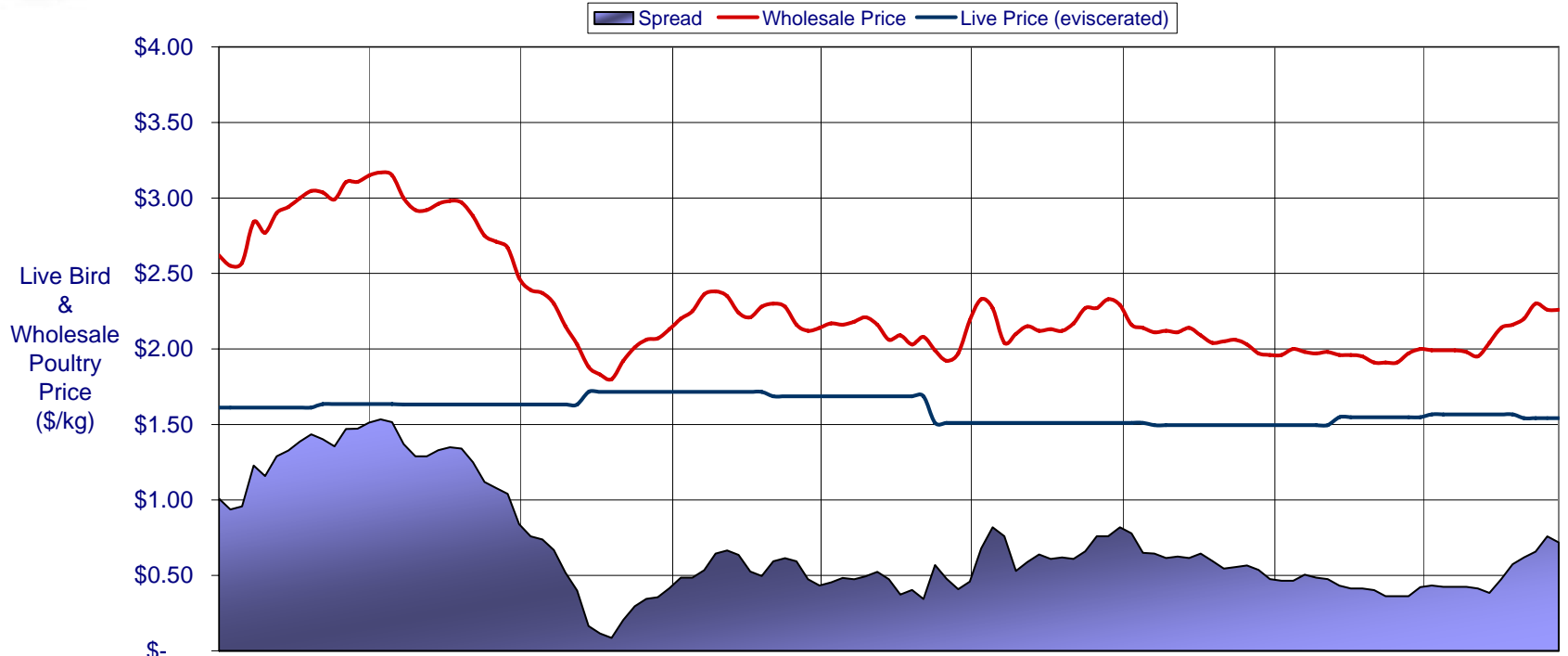
NOTE: Effective the first quarter of 2006 the USDA revised certain assumptions used in calculating the wholesale pork cutout . For comparative purposes, the 2004 and 2005 Wholesale Pork numbers have been adjusted to reflect the new calculation.

Effective date: July 13th, 2006



Commodity Poultry Processor Margins

Live Bird versus Wholesale Poultry Price



	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06
Wholesale Poultry	\$ 2.88	\$ 2.94	\$ 2.10	\$ 2.25	\$ 2.09	\$ 2.20	\$ 2.08	\$ 1.96	\$ 2.12
Live Bird (evisc.)	\$ 1.62	\$ 1.63	\$ 1.68	\$ 1.70	\$ 1.63	\$ 1.51	\$ 1.50	\$ 1.53	\$ 1.56
Spread	\$ 1.26	\$ 1.31	\$ 0.42	\$ 0.55	\$ 0.46	\$ 0.69	\$ 0.58	\$ 0.43	\$ 0.56

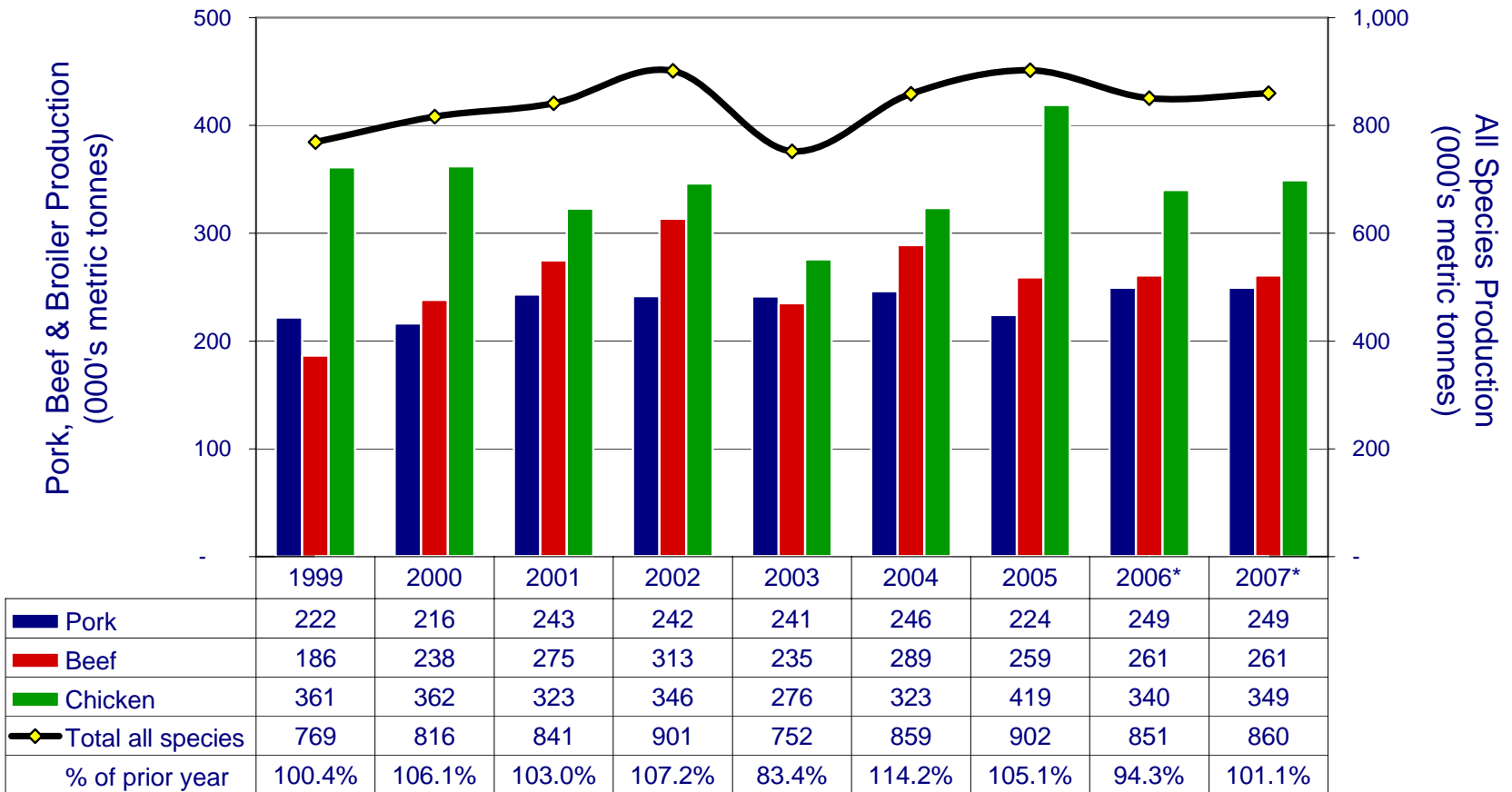
Source: AOCPI Indicator (Shapiro Consulting)

Effective date: July 13th, 2006



USDA Meat Cold Storage Stocks

US Commercial Pork, Beef and Chicken Cold Storage
(000's metric tonnes)



Source - WASDE / USDA

Effective date: July 13th, 2006



Summary

- **Difficult conditions driven by currency and protein markets**
- **Resulted in 35% decline in short term financial performance**
- **Long term restructuring required, commencing this year**
- **Anticipating very positive long term benefit**
- **Strategies are solid**
- **We are taking action**



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