



Maple Leaf Foods Investor Presentation

Third Quarter Ended September 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.



Third Quarter Highlights

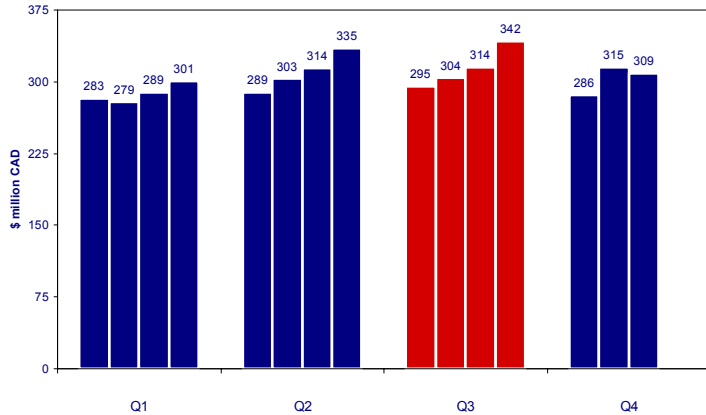
- ⌘ **Operating earnings* declined 35% from Q3 last year due to some near term factors, and ongoing challenges that reinforce our strategy to focus our protein operations in the higher margin value added meats and meals business**
- ⌘ **Bakery Group achieved strong top line growth, but earnings were impacted by short-term issues**
 - Increased volumes and success of new product innovation offset by significant rise in flour prices and operating issues at Roanoke bakery
- ⌘ **Protein businesses impacted by currency and other factors**
 - Increased investment in advertising and promotion behind innovation and brands
- ⌘ **Lower realized price for hogs impacted profitability of Agribusiness operations**
- ⌘ **We are implementing a major reorganization of our protein value chain operations to increase earnings, and reduce currency and commodity exposure**

* Before restructuring and other costs

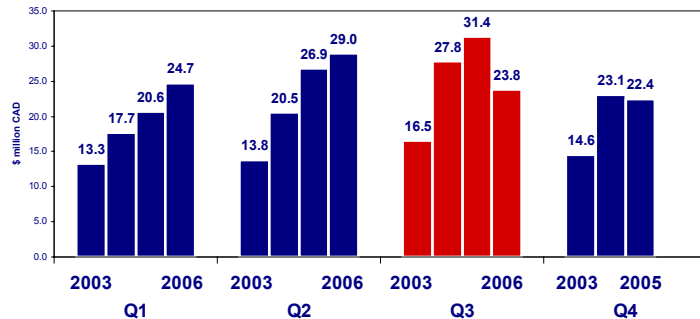


Operations Overview – Bakery Group

Sales Up 9%



Operating Earnings Down 24%



⌘ Bakery Group sales up 9% to \$342 million driven by increased sales of higher value products and price increases

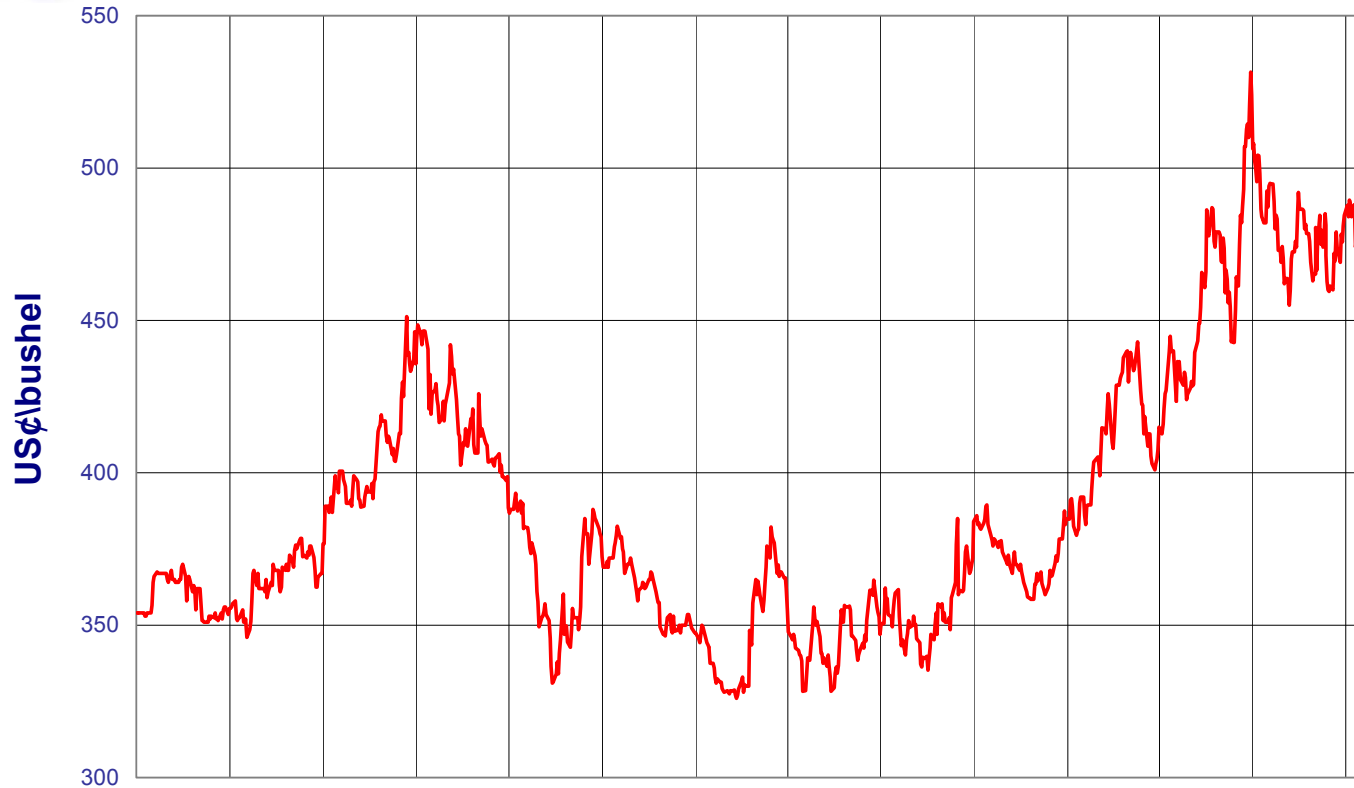
- Volumes up in frozen business, pasta, and UK bakery due to the contribution from the recently acquired Walsall plant
- *Dempster's Smart* bread, a white bread with the nutritional qualities of whole grain, has delivered strong results since its launch in early 2006
- Offset some market softness in Canadian fresh bread market

⌘ Operating earnings down 24% to \$23.8 million

- 35% rise in flour costs pressured margins; price increases implemented in early Q4
- Frozen bakery faced start up costs related to the launch of a new product line for a major foodservice customer
- Operating issues at the Roanoke, Virginia bakery caused manufacturing variances and increased warehousing and distribution costs



10 Year High in Wheat Prices



US¢\bushel

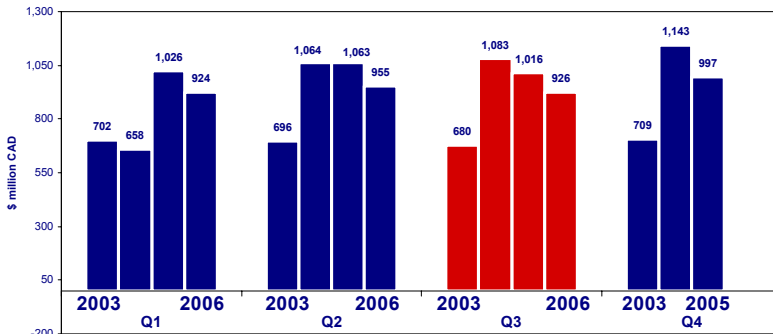
	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06
Average QTR Price	359	365	405	418	366	361	347	345	354	372	411	460	479	481
Close Price	356	377	436	389	373	348	355	347	384	385	415	524	485	474

Source: Bloomberg (Oct. 12)



Operations Overview – Meat Group

Sales down 9%



⌘ Sales down 9% to \$926 million, primarily due to a currency related decline in the value of export sales

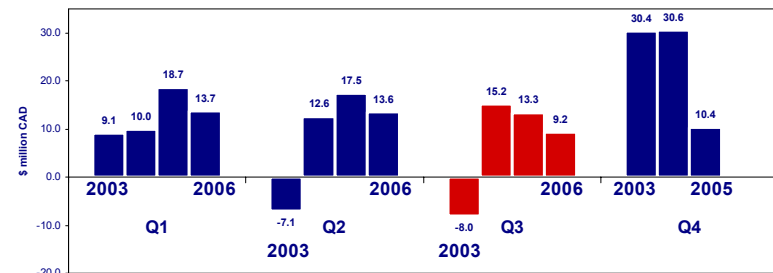
⌘ Operating earnings down 31% to \$9.2 million

➤ Continued currency impact

➤ Reduced earnings from pork sales to Japan

➤ Increased ad and promotional spending to support launch of family size *Fully Cooked Roasts*, new *Maple Leaf* pre-cooked breakfast sausages, and extension of *Schneiders Smart Lunch Kits*

Operating Earnings down 31%



⌘ Increase in fresh poultry earnings due to improved industry poultry processor margins

⌘ Fresh pork results consistent with last year, offsetting decline in underlying industry commodity processor margins

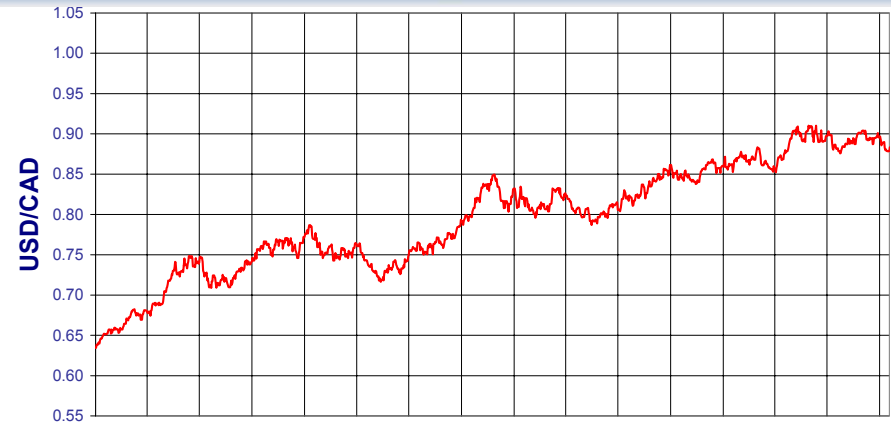
⌘ Focus on innovation and investment in brands



Currency Headwind Continues...

⌘ USD/CAD

- CDN\$ gained 7% in value in Q3/06 compared to Q3/05
- Gained 34% since Q1 2003



CAD/USD

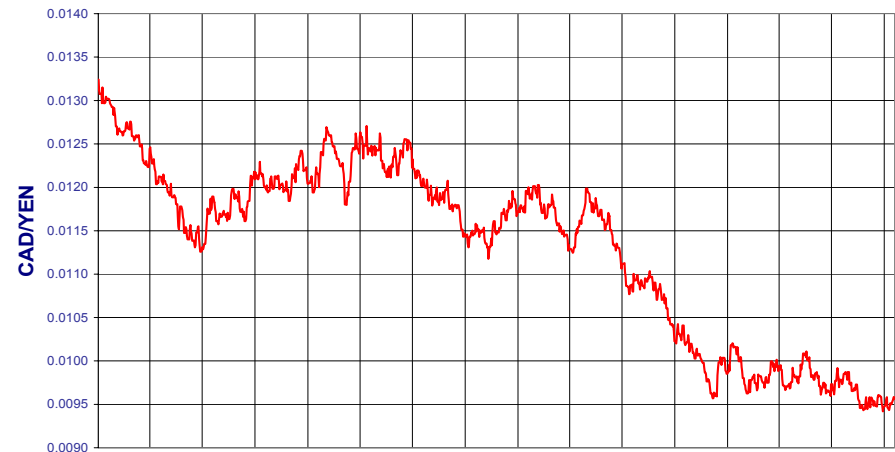
Average QTR Price	Q1-03	Q2-03	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06 (QTD)
Close Price	1.469	1.354	1.349	1.297	1.310	1.337	1.260	1.202	1.210	1.227	1.161	1.162	1.167	1.114	1.117	1.132

Source: Bloomberg

Effective Date: Oct 18th, 2006

⌘ CAD/YEN

- Yen declined 11% against the CDN dollar in Q3/06 compared to Q3/05
- Declined 24% since Q1 2003



YEN/CAD

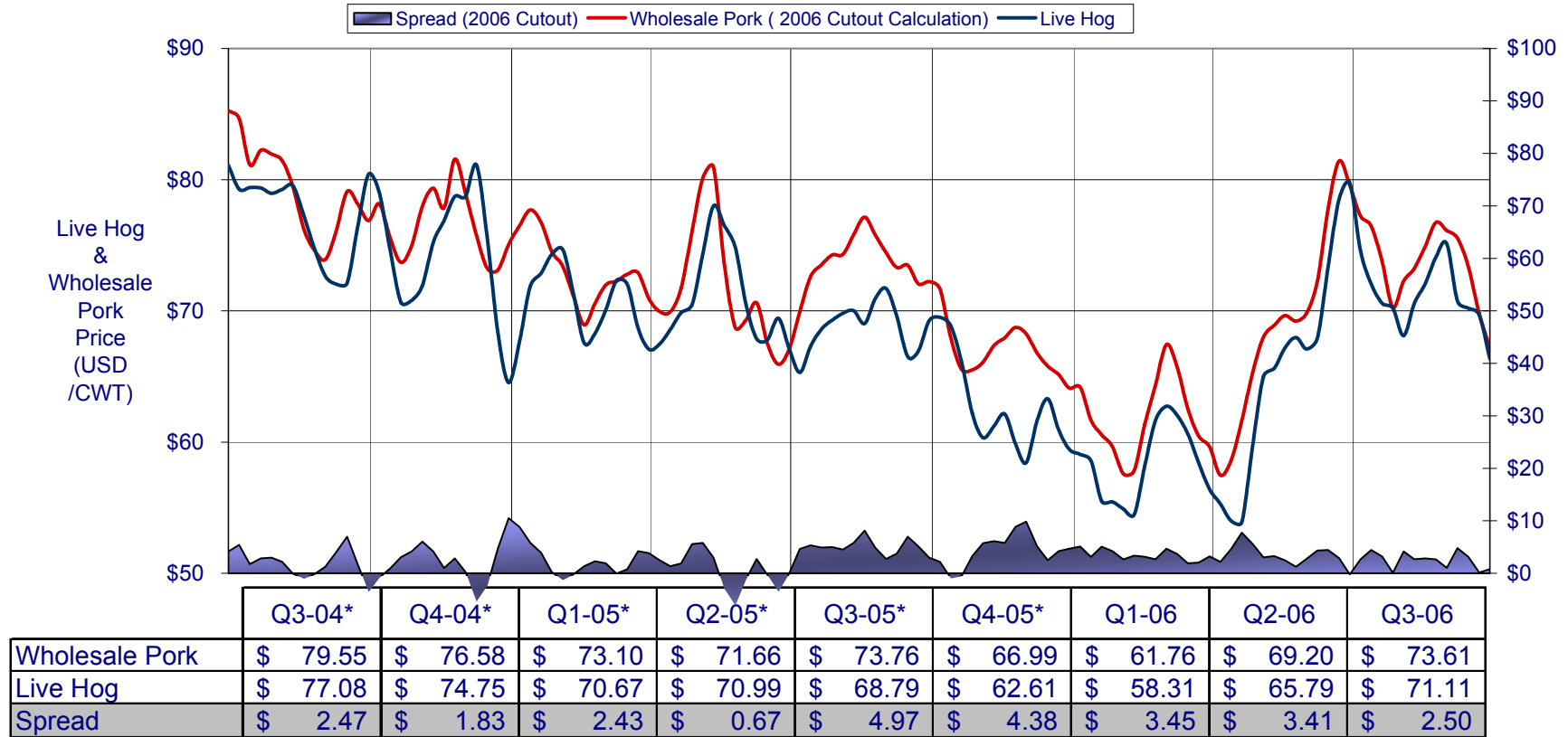
Average QTR Price	Q1-03	Q2-03	Q3-03	Q4-03	Q1-04	Q2-04	Q3-04	Q4-04	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06 (QTD)
Close Price	80.35	88.72	82.70	83.04	79.51	81.79	87.26	85.31	88.60	90.40	97.79	101.49	100.78	102.75	105.69	104.47

Source: Bloomberg

Effective Date: Oct 18th, 2006



USDA Commodity Pork Processor Margins



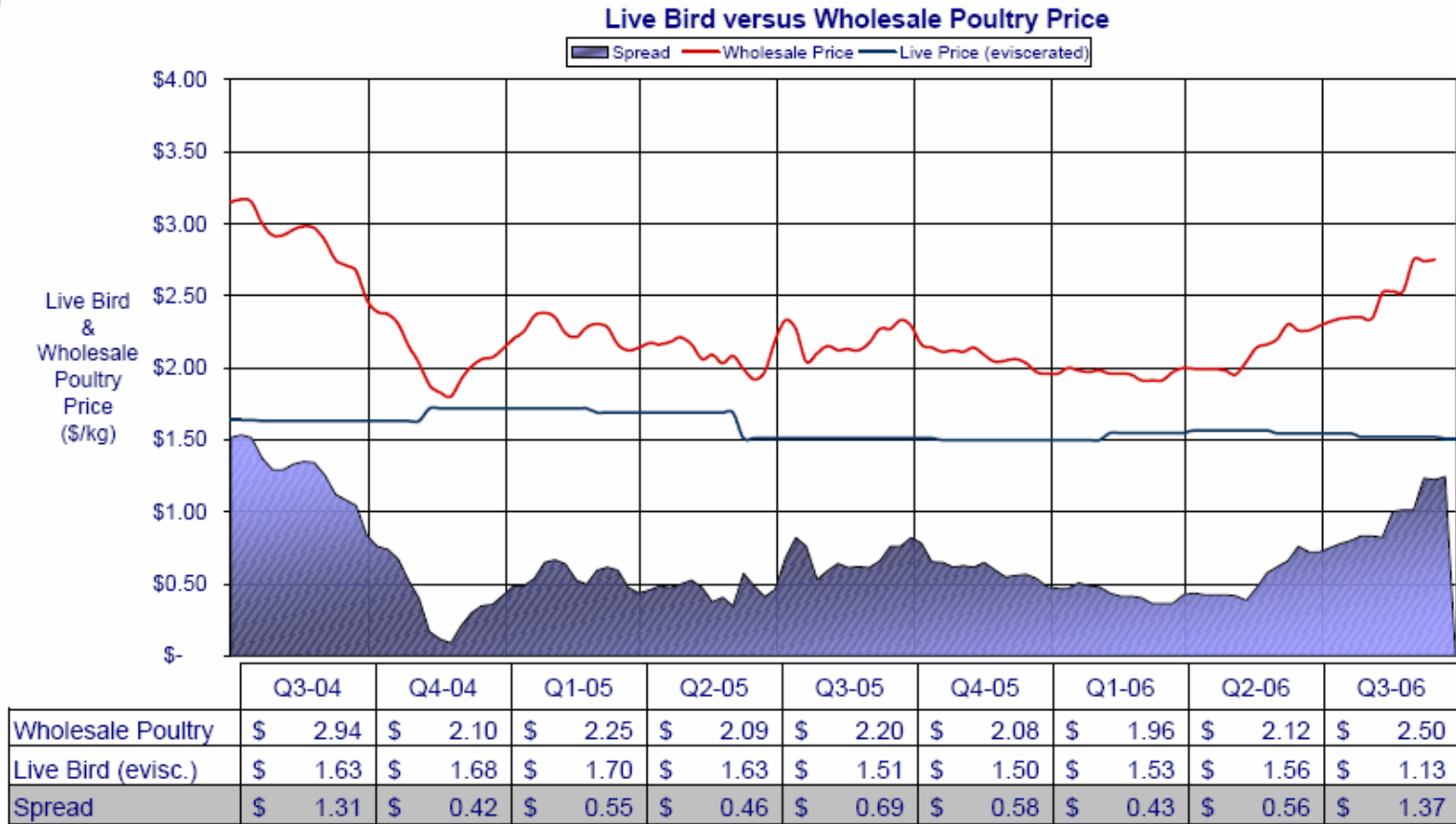
Source: USDA

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: Sept 30th, 2006



Commodity Poultry Processor Margins



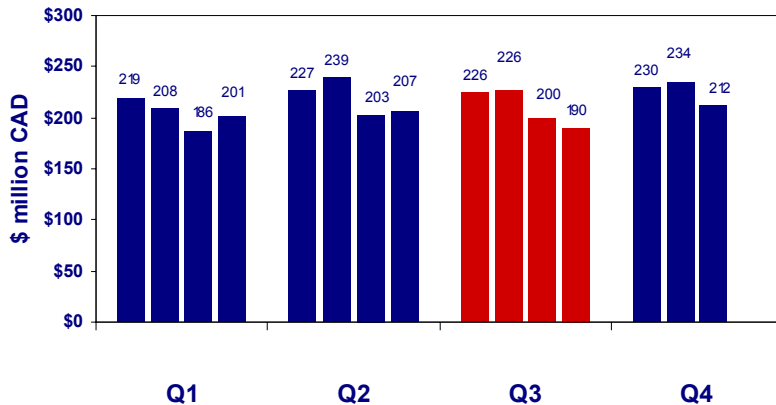
Source: AOCPI Indicator (Shapiro Consulting)

Effective date: Sept 30th, 2006

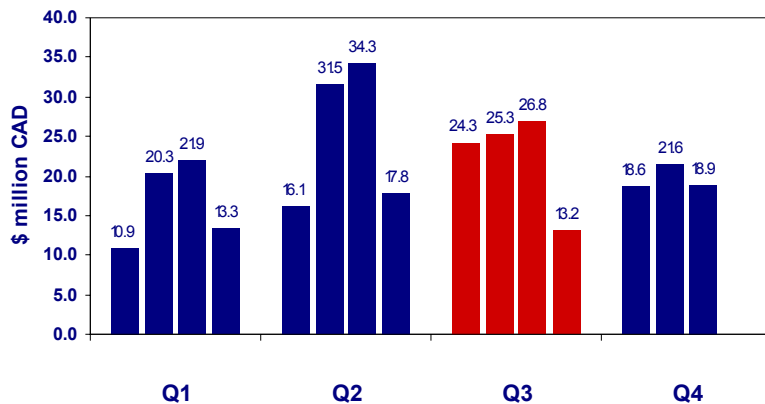


Operations Overview – Agribusiness Group

Sales down 5%



Operating Earnings down 51%



⌘ **Agribusiness sales declined 5% to \$190 million**

⌘ **Operating earnings declined 51% to \$13.2 million primarily due to a decline in hog production profitability**

- The Company didn't realize the benefit of sharp and unexpected rise in hog prices due to short-term hedging programs
- Ongoing currency impact

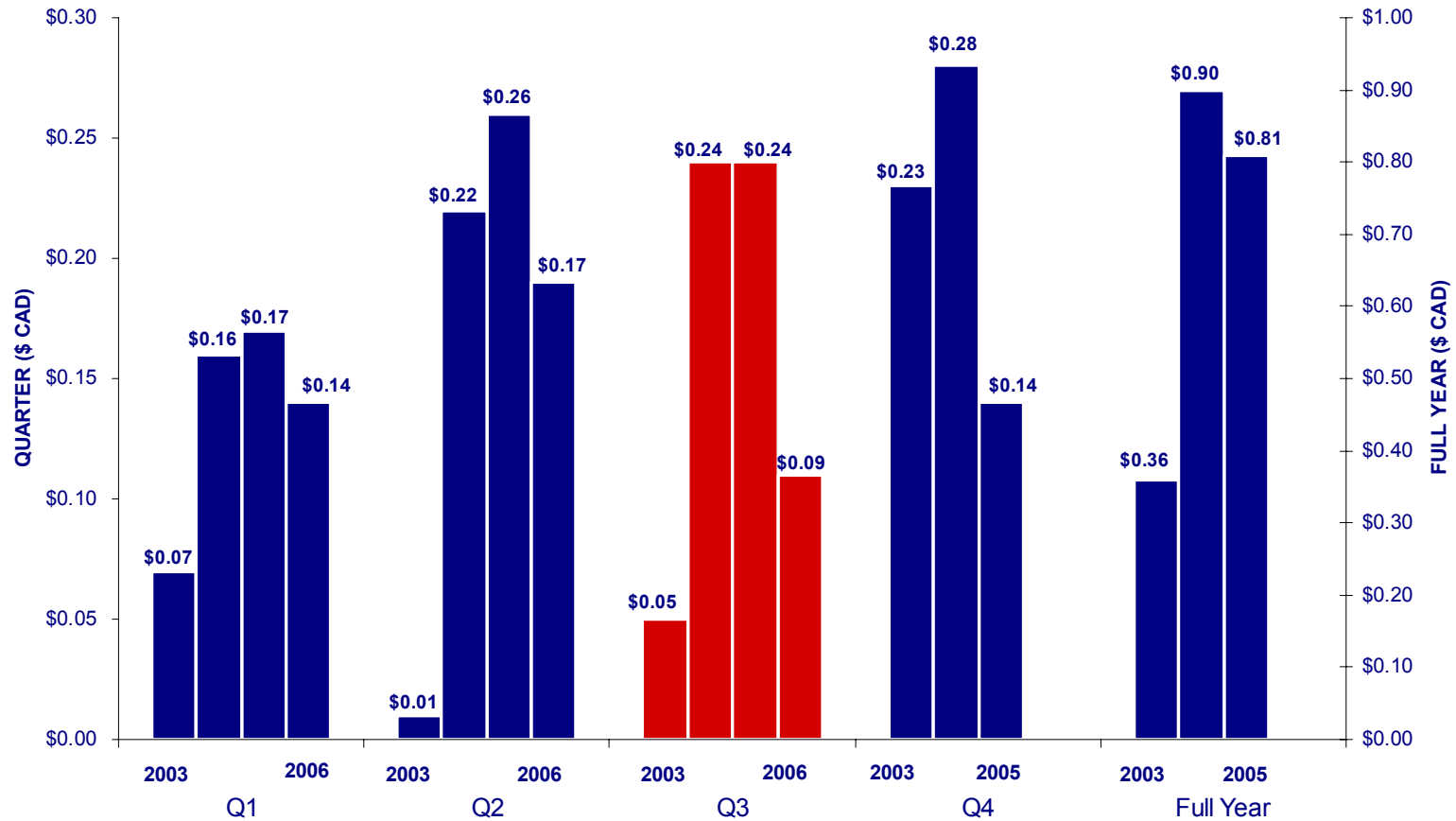
⌘ **Effective hog ownership of 19% in the quarter**

⌘ **Restructuring of the hog operations underway**

- Establishing 100% ownership of fewer barns, concentrated in Manitoba
- Will reduce exposure to the hog market and currency influences



Third Quarter EPS of \$0.09*



* Note: before restructuring costs and one-time tax adjustment



Other Financial Highlights

- ⌘ **Restructuring cost of between \$80 million to \$120 million expected over the next three years**
 - Cash portion estimated at \$40 million to \$50 million

- ⌘ **Pre-tax restructuring and other costs of \$19.7 million in the quarter**
 - Cash portion is \$5 million
 - Write-down of certain hog production assets
 - Consolidation of back office functions in the pork and poultry operations
 - Restructuring of Japanese operations
 - Exiting non-core trading businesses

- ⌘ **Non-recurring tax expense of \$21.2 million to write-down future tax assets related to U.S. frozen bakery business**
 - Triggered by poor financial results in the third quarter
 - Non-cash book-keeping entry
 - Management has confidence that tax losses incurred to date will be utilized



Other Financial Highlights

- ⌘ **Interest expense for the quarter \$25.1 million compared to \$23.6 million last year largely due to short-term interest rates**
 - Interest rates on 83% of Company's indebtedness was fixed
 - YTD interest expense was \$74.2 million

- ⌘ **Quarterly cash flow from operating activities was \$77.4 million, down from \$104.4 million due to lower earnings**
 - YTD cash flow of \$73.7 million compared to \$134.1 million last year

- ⌘ **Capital expenditures on plant and equipment in the quarter of \$32.8 million was consistent with last year**
 - Significant capital projects include expansion of capacity at *Olivieri* pasta facility in Vancouver and investments in pre-cooked meal facilities that are scheduled to be ready for production in early 2007

- ⌘ **Decision not to proceed with construction of new pork plant in Saskatoon will reduce estimated capital expenditures in 2007 and 2008**



Summary

- ⌘ **Earnings decline due to some near term factors, and longer term challenges that we are addressing**
- ⌘ **Strong top line growth in bakery; price increases have been implemented in early Q4 to offset higher input costs**
- ⌘ **Short-term issues in frozen bakery; significant focus on building long-term profitability in this business**
- ⌘ **Currency continued to pressure earnings in the protein value chain operations**
- ⌘ **Increased investment in new product innovation and branding**
- ⌘ **We are moving forward with a major reorganization to focus growth in the higher margin value added meats and meals business, expected to be complete within three years**



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