

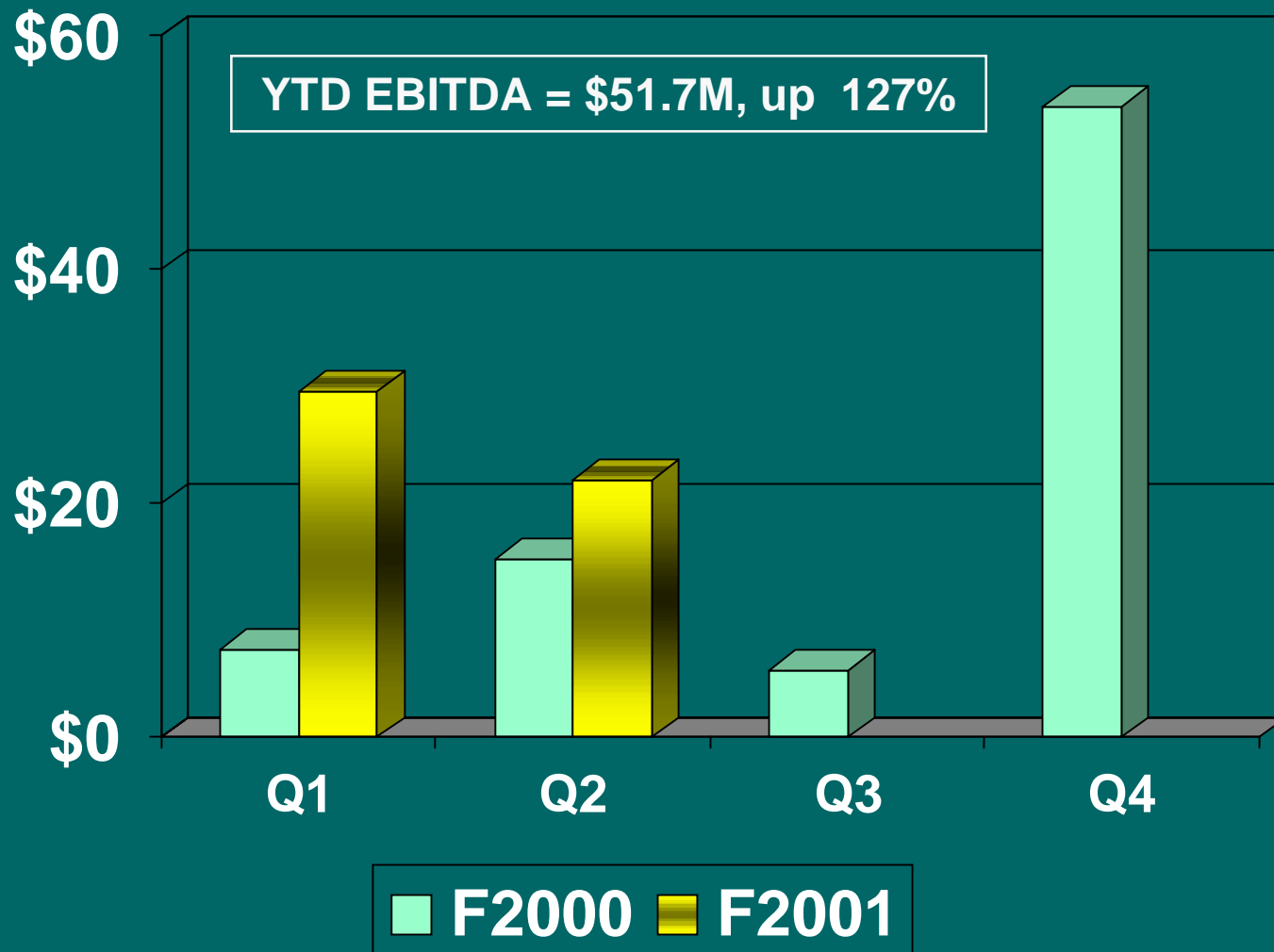


Financial Performance

Fiscal 2001
2nd Quarter Report

EBITDA

(\$ millions)



Costs

- Cost of sales and operating costs down due to restructuring initiatives and cost reduction focus across the Company
- Selling and Administrative expenses were down \$4.8 million or 15.6% in the 2nd Quarter and \$6.9 million or 12% for the six months

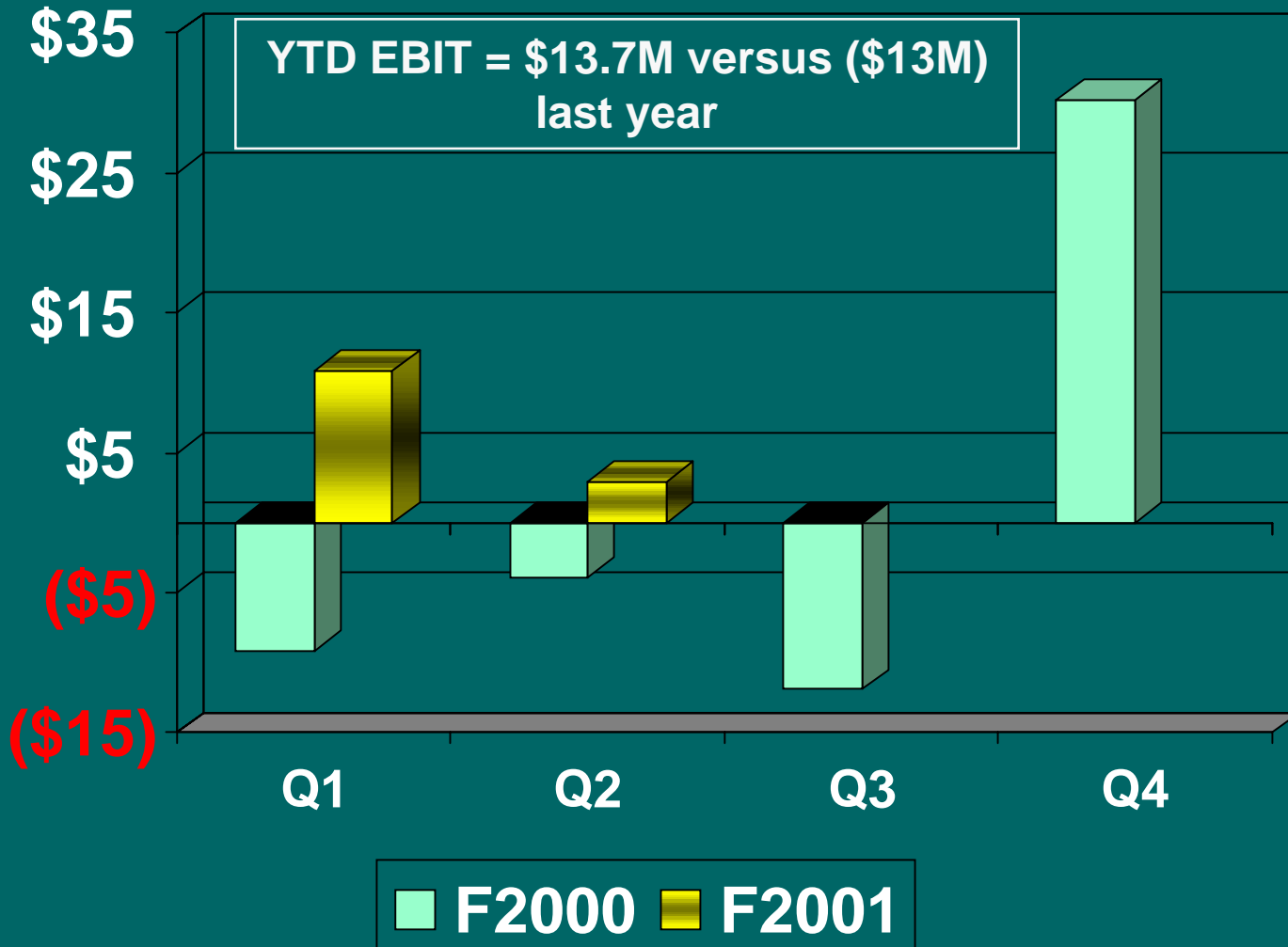
Depreciation/Amortization

Depreciation and Amortization increases

- 2nd quarter - \$19.2M vs. \$19.1M
- Year to date - \$37.9M vs. \$35.8M

EBIT

(\$ millions) (Prior to provisions)



Interest/Securitization

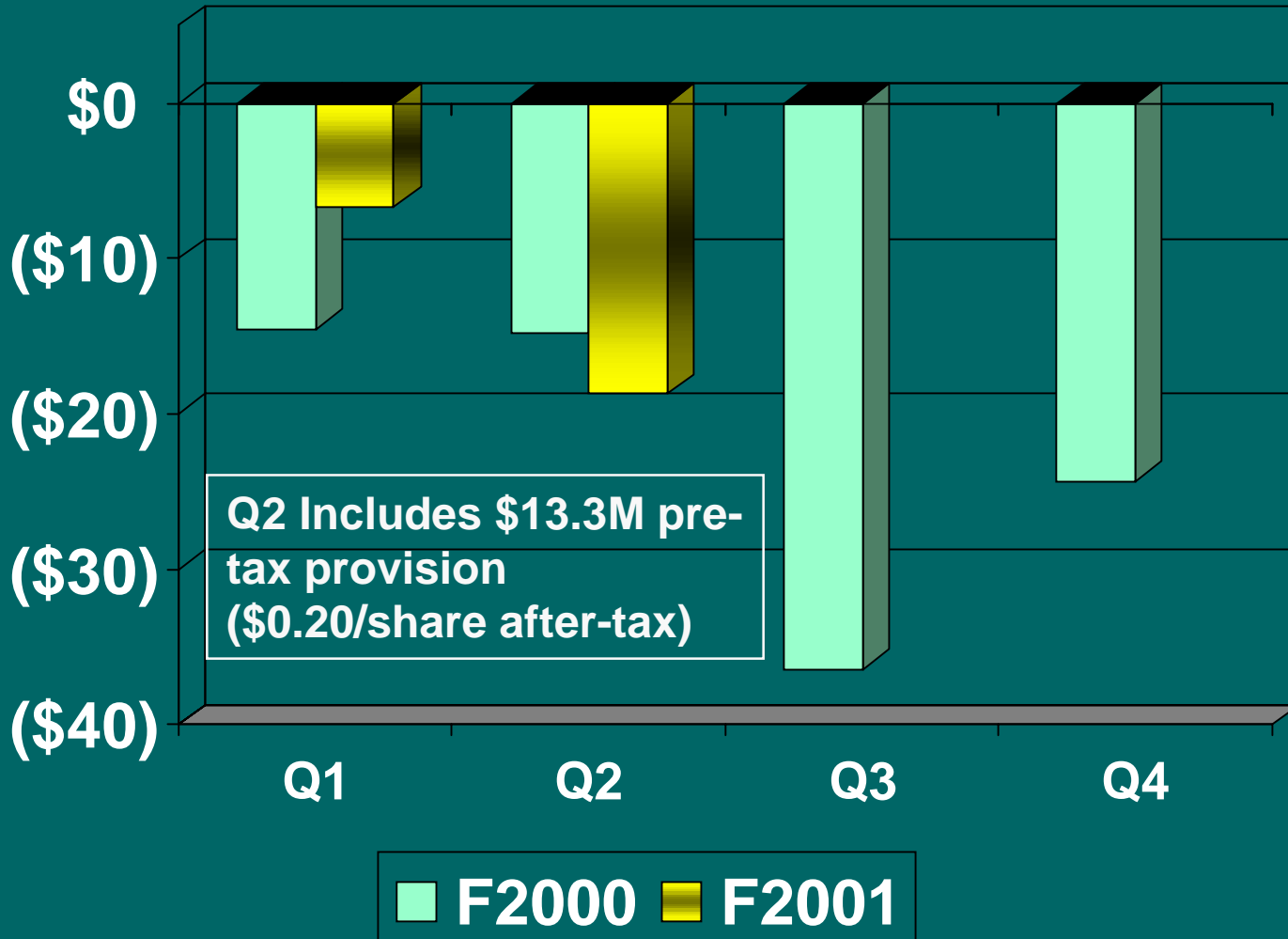
Interest and Securitization Expenses

- F2001 - YTD \$38.7 million
- F2000 - YTD \$26.3 million
- Increased rates and less interest capitalized

Net Loss

(\$ millions)

YTD Loss \$25.5M, a 13% improvement



Restructuring Provision

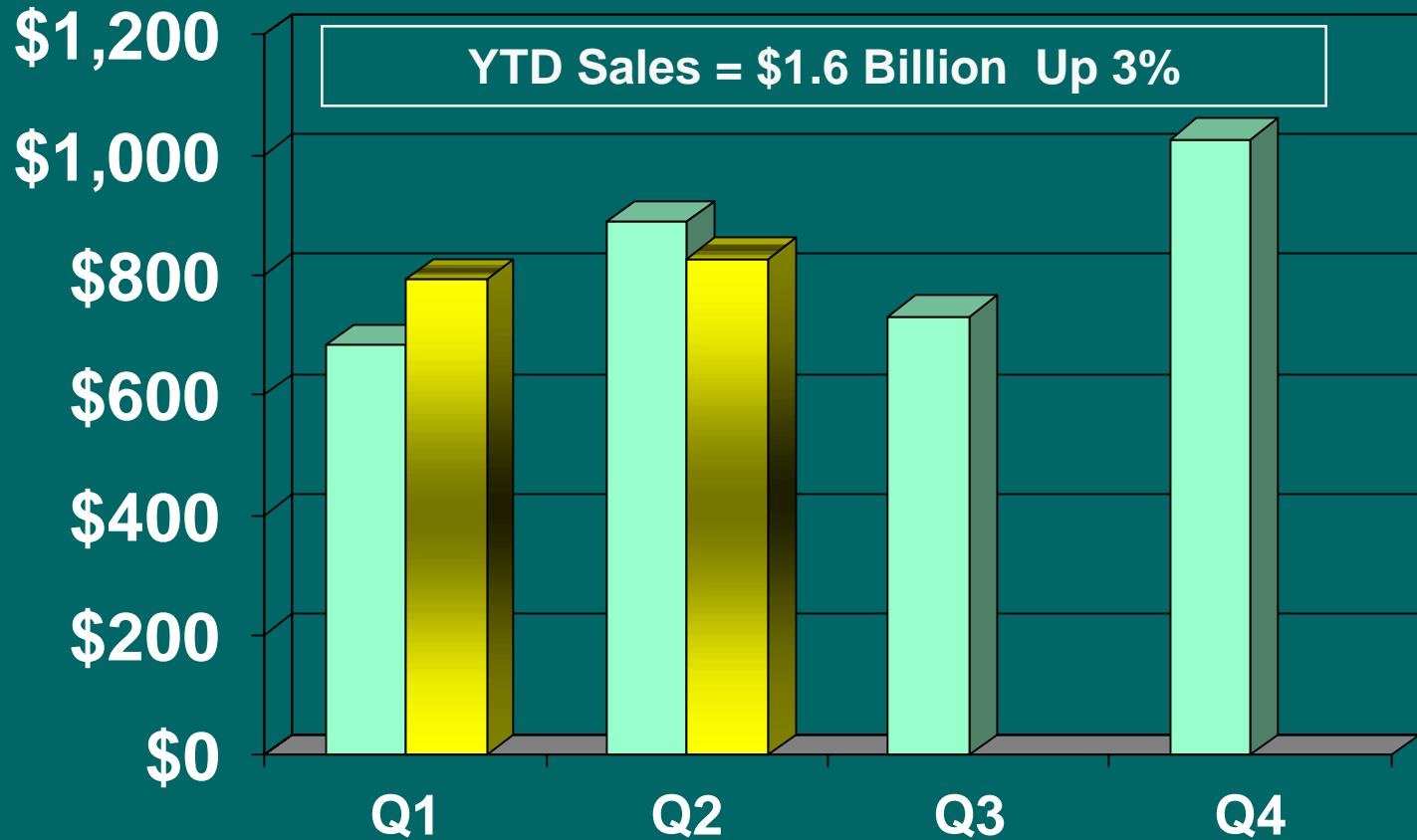
- \$13.3 million pre-tax provision reflecting further consolidation of grain and agri-products locations - November 2000
- Initiative generates an additional \$6 million in cost savings in F2001
- Total expected cost savings from restructuring initiatives in F2001 = \$21 million - To date = \$7.2 million

Restructuring Provision

- 350 closures in total
- The majority of grain facilities closed by January 31
- Agri-products locations to close July 31

Sales and Operating Revenue

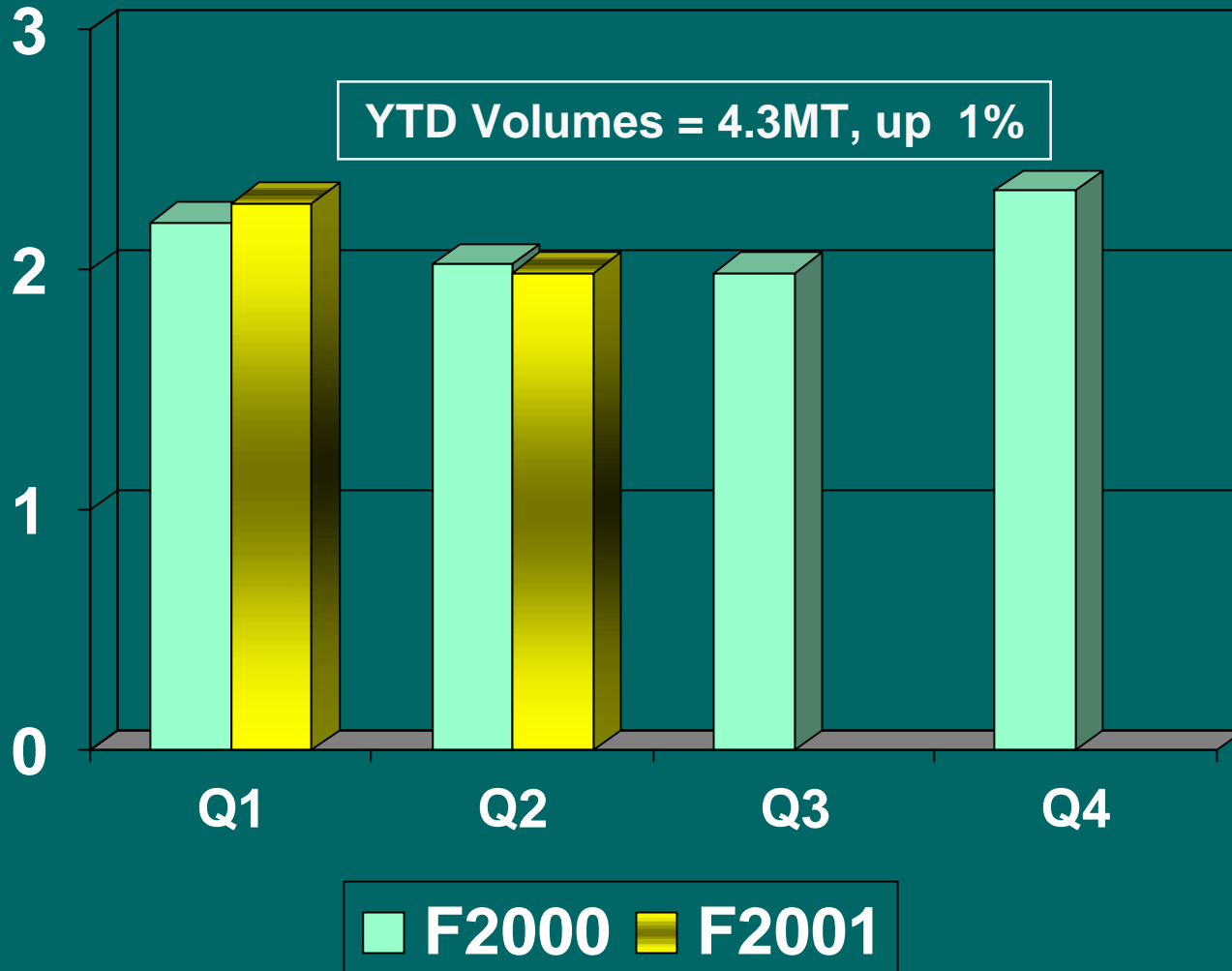
(\$ millions)



F2000 F2001

Primary Volumes

(millions of tonnes)

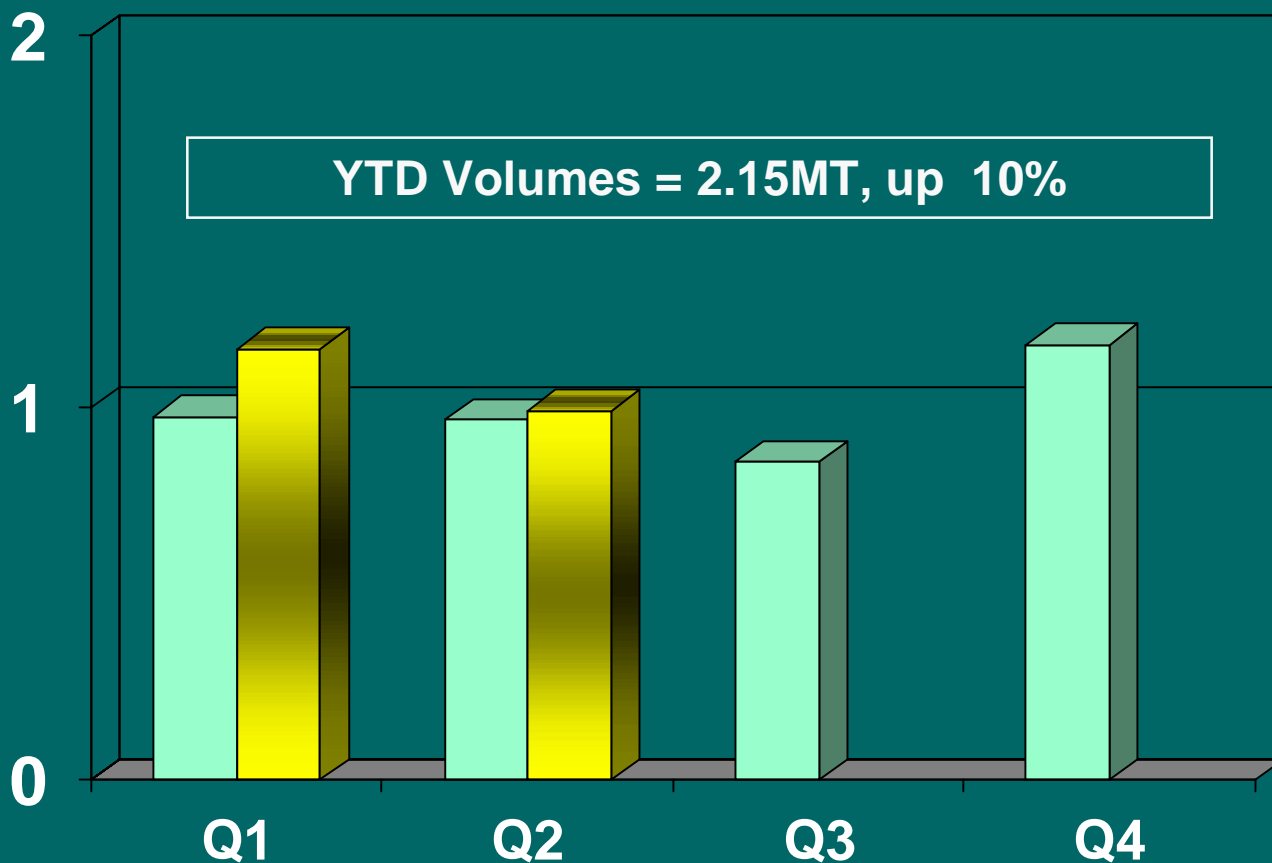


Primary Volumes

- Board/Non-Board Split - 56/44
v.s. 63/37 in Q2 Fiscal 2000
- Non-Board grains up 19%
- Pool received 25% of CWB shipments

Wholly-owned Port Terminal Volumes

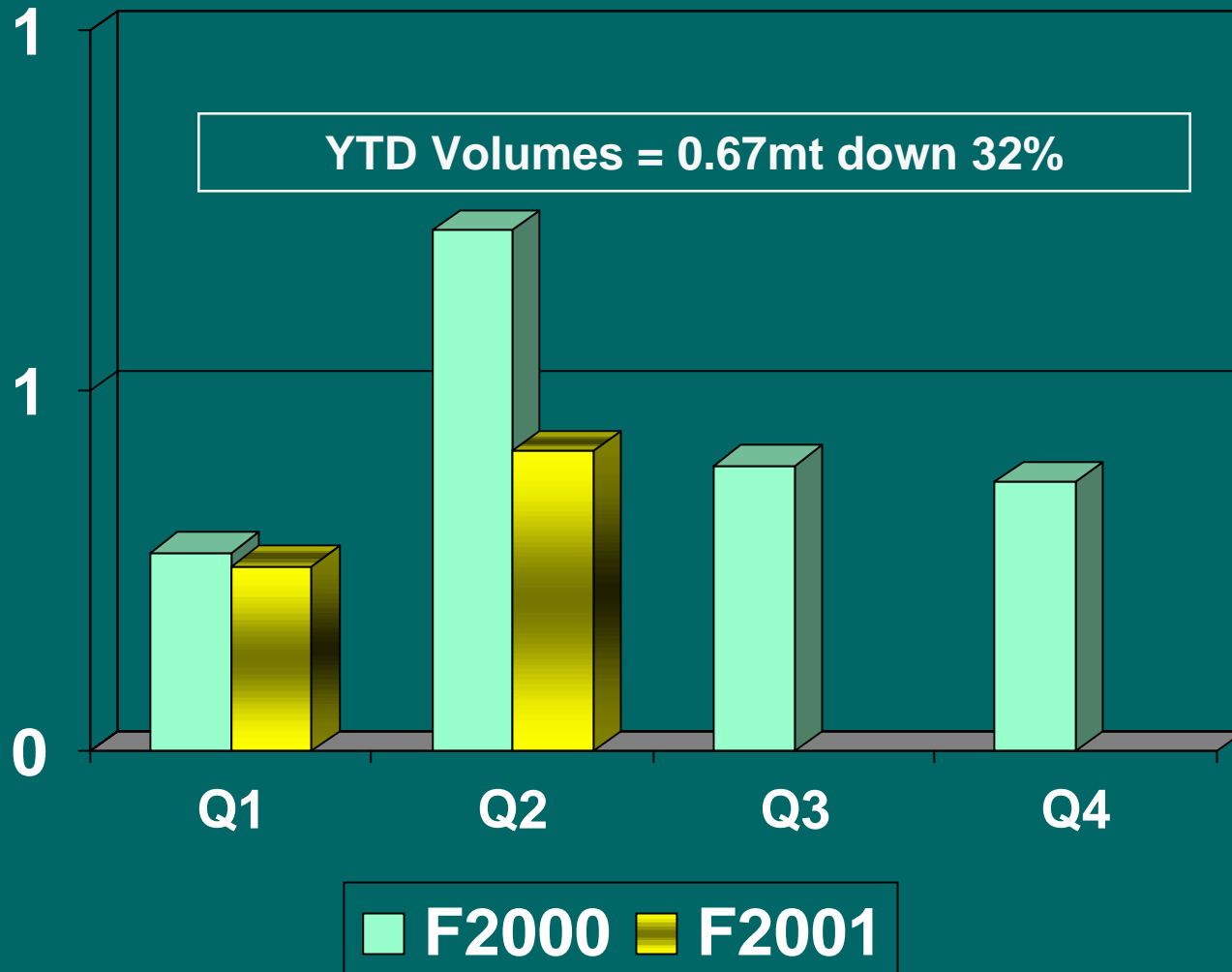
(millions of tonnes)



F2000 F2001

Affiliated Port Terminal Volumes

(millions of tonnes)



Port Terminal Volumes

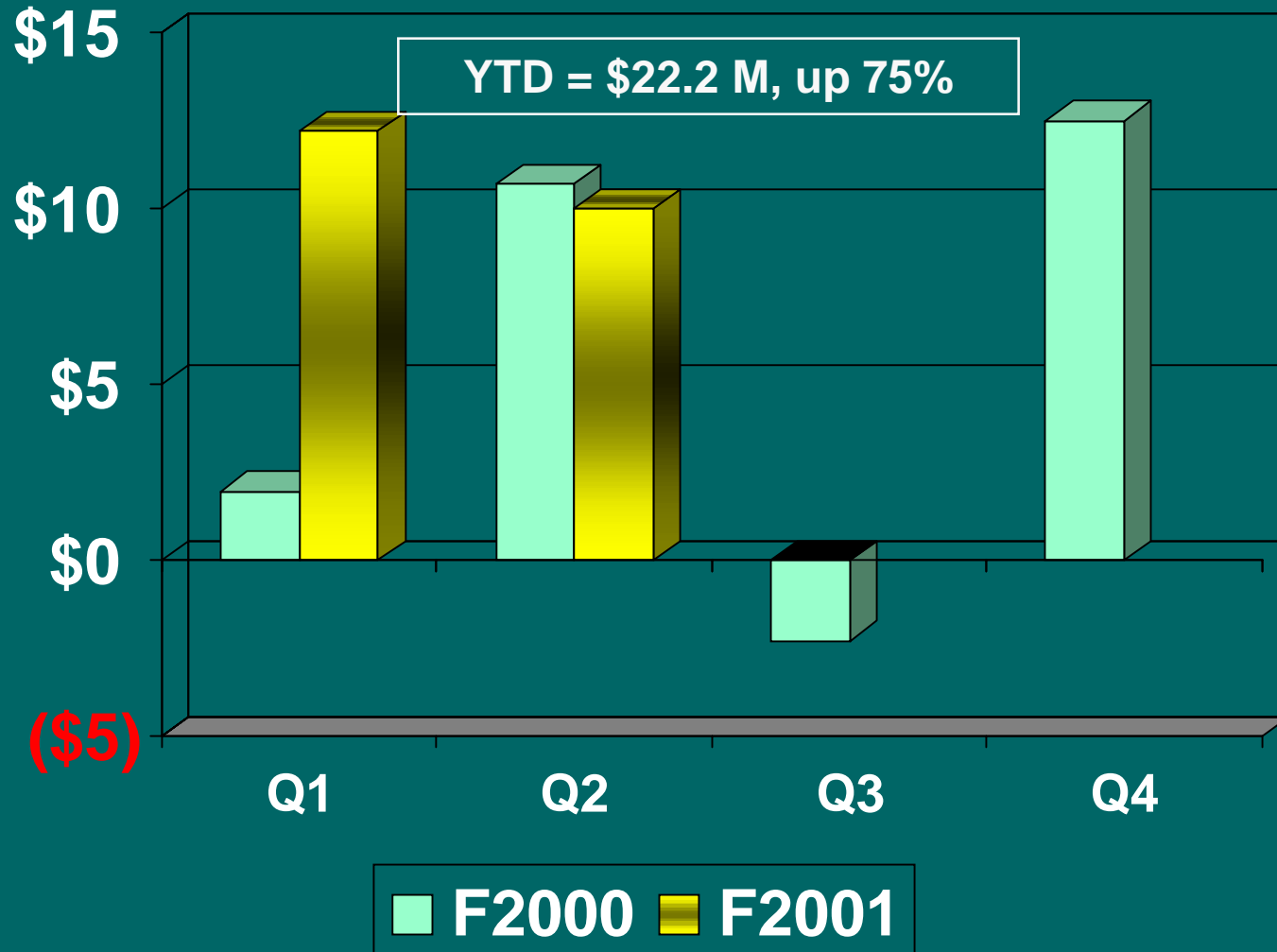
Wholly owned terminals up 10%

- Vancouver volumes up 236,000t - 22%
- Thunder Bay down 33,000t - 3.7%

Affiliates down 32% as a result of decline at PRG offsetting gains at other port terminal affiliates

Grain Handling EBITDA

(\$ millions)

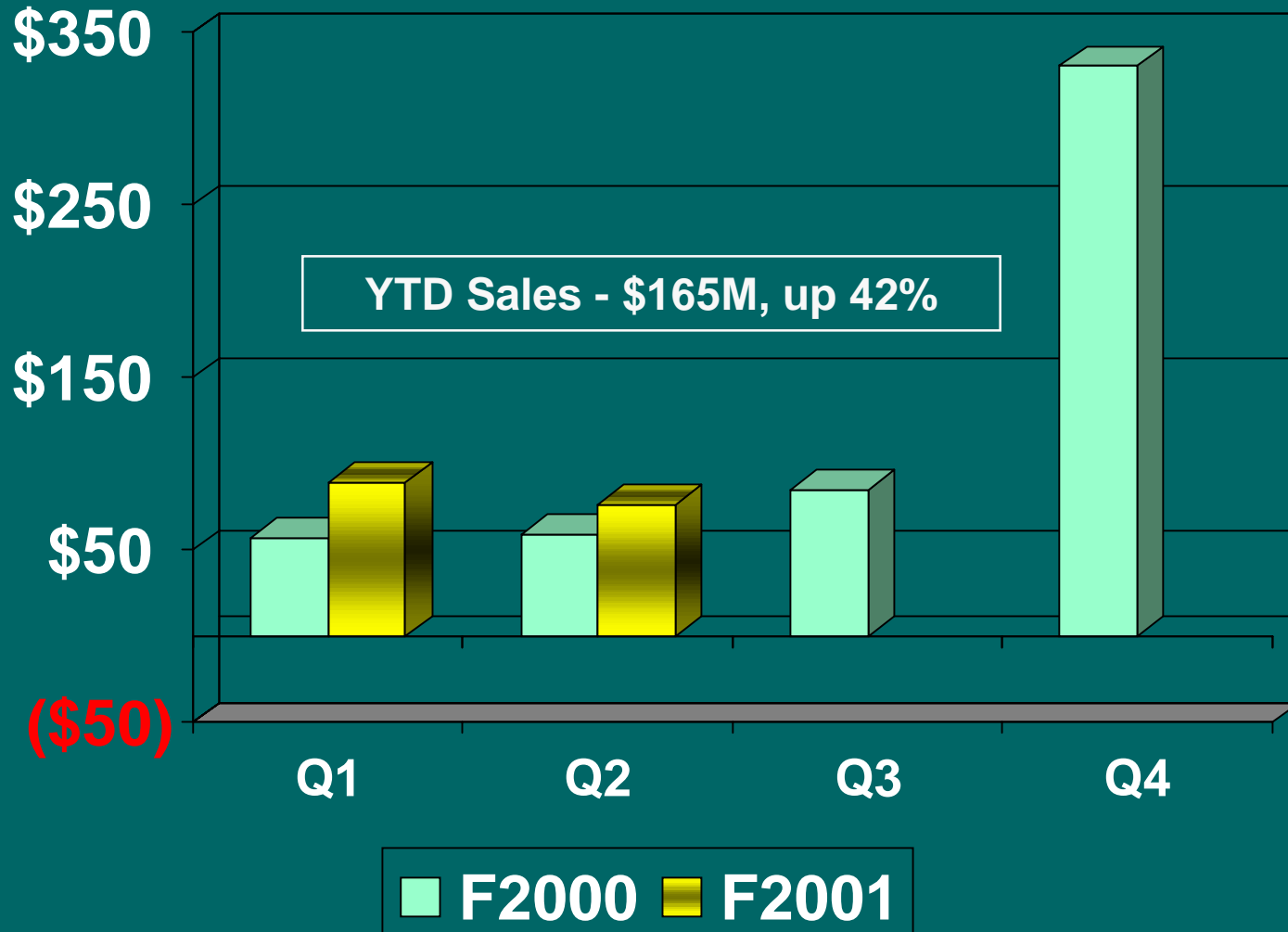


Multi-car Incentives

- 77% of Pool shipments were in multi-cars versus 61% last year
- 56% of Pool shipments were in 50-car or 100-car units versus 35% last year

Agri-Products Sales

(\$ millions)



Agri-Products

Strong Fertilizers Sales - YTD

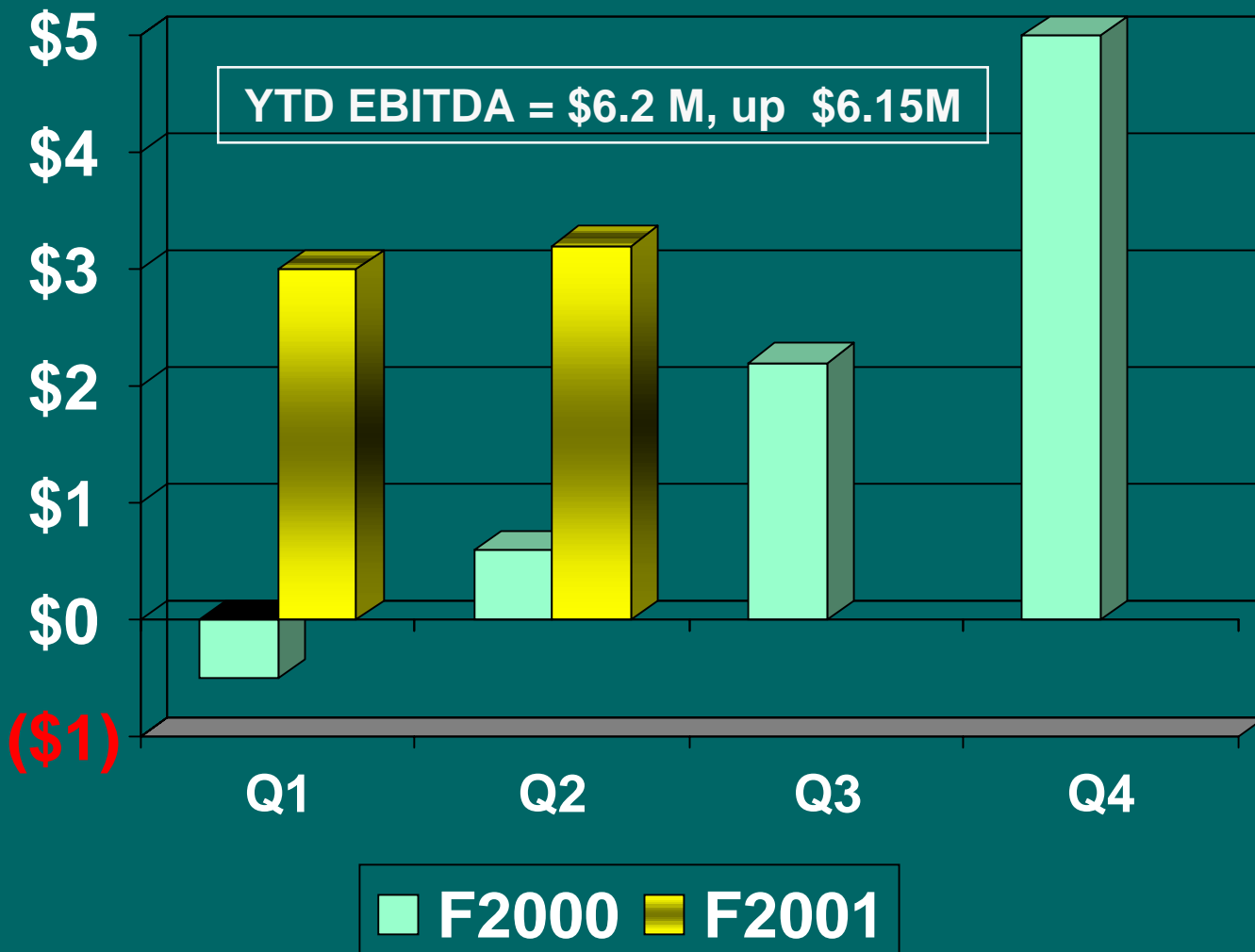
- strong retail sales resulting from good applications in the Fall and some pre-buying due to anticipated higher fertilizer prices

Strong improvement in fertilizers sales at

WCFL

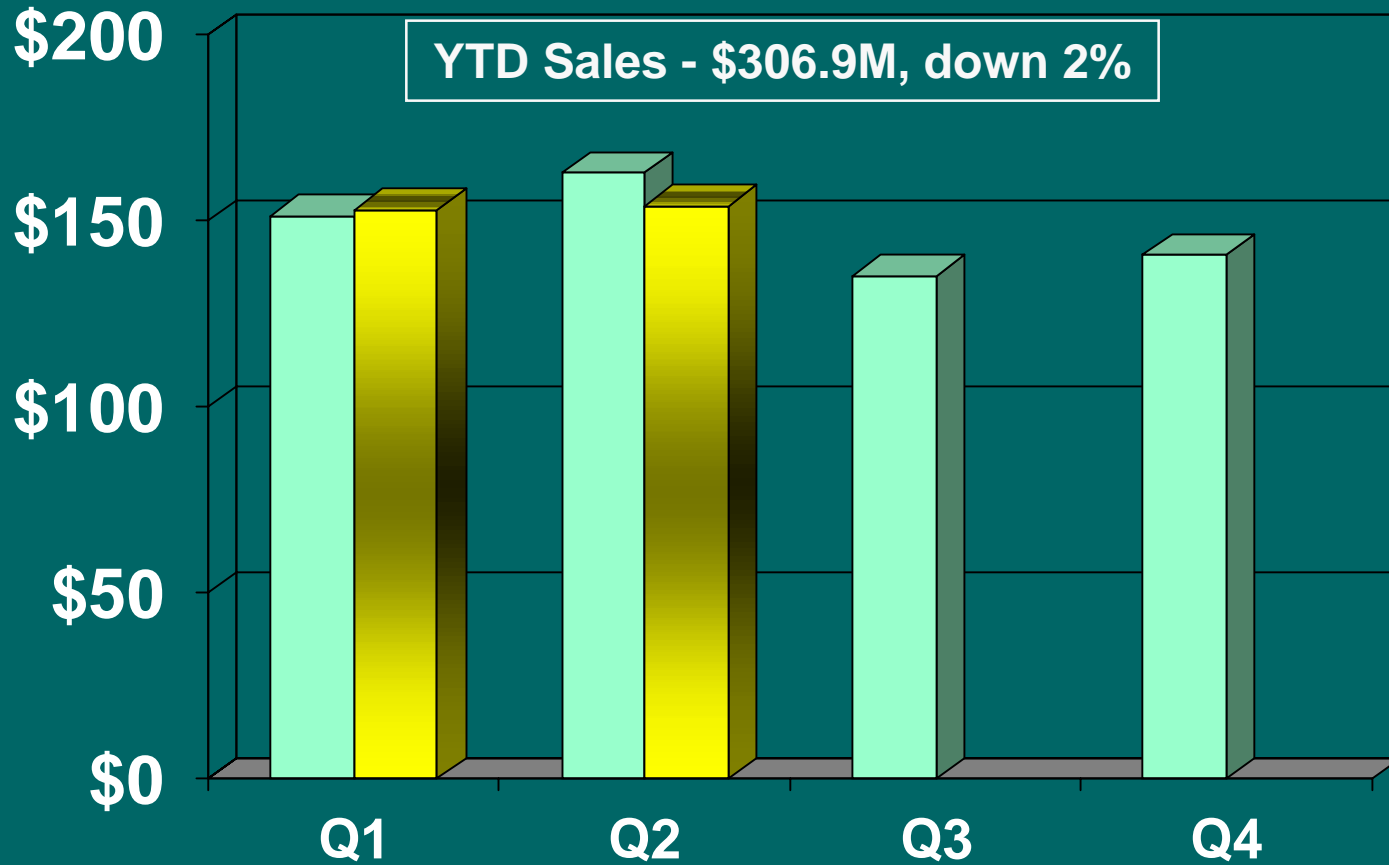
Agri-Products EBITDA

(\$ millions)



Agri-Food Processing Sales

(\$ millions)



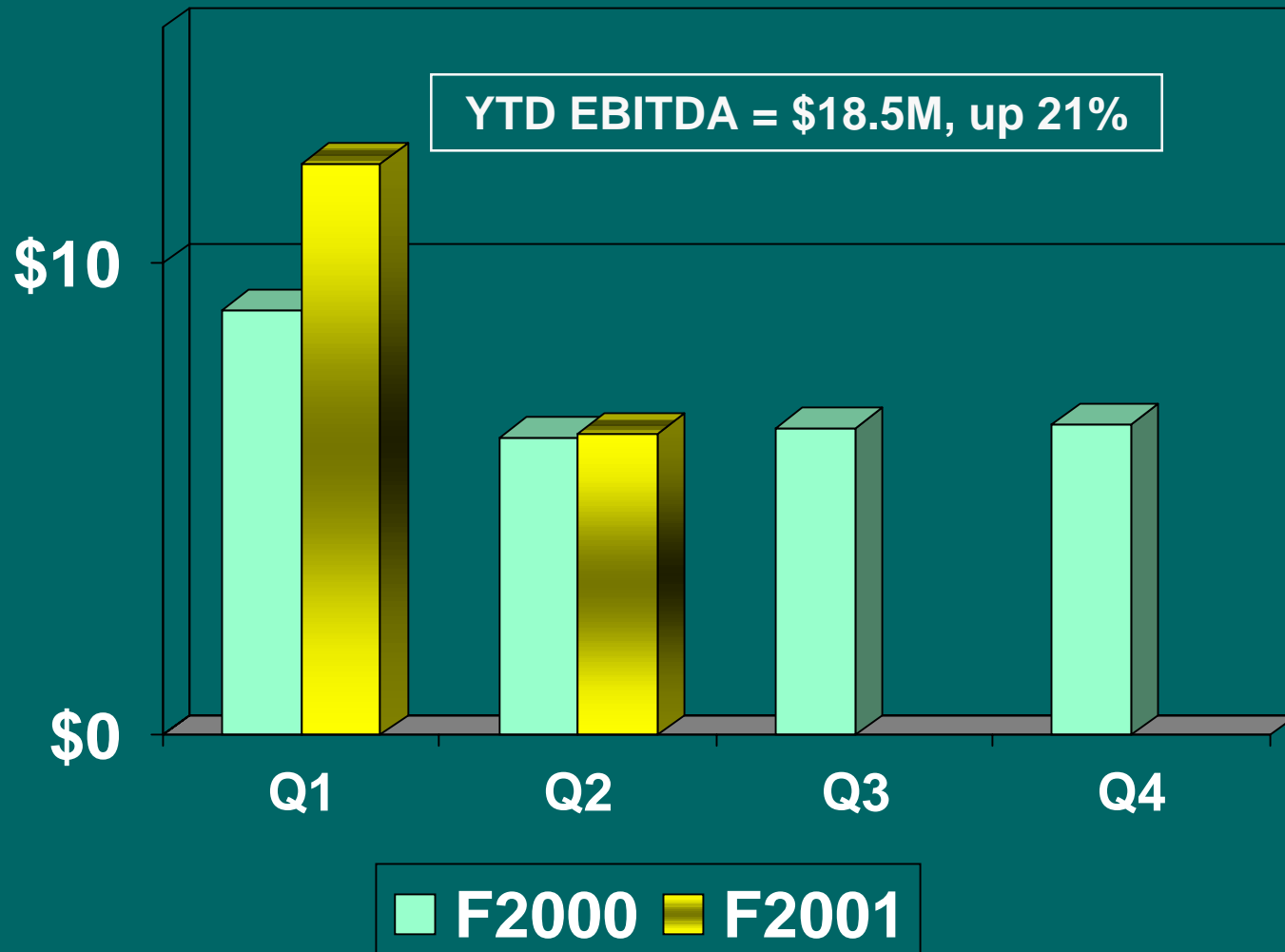
F2000 F2001

Agri-Food Processing

- CanAmera led improvement with slightly lower sales volumes but higher margins per tonne
- Can-Oat - higher sales volumes & margins
- CSP sales volumes up slightly. Sales values lower due to sale of lower margin products. Margins improved due to cost reduction initiatives

Agri-Food EBITDA

(\$ millions)



Agri-Food Processing

Projected loss from Premium Brands for
2nd quarter

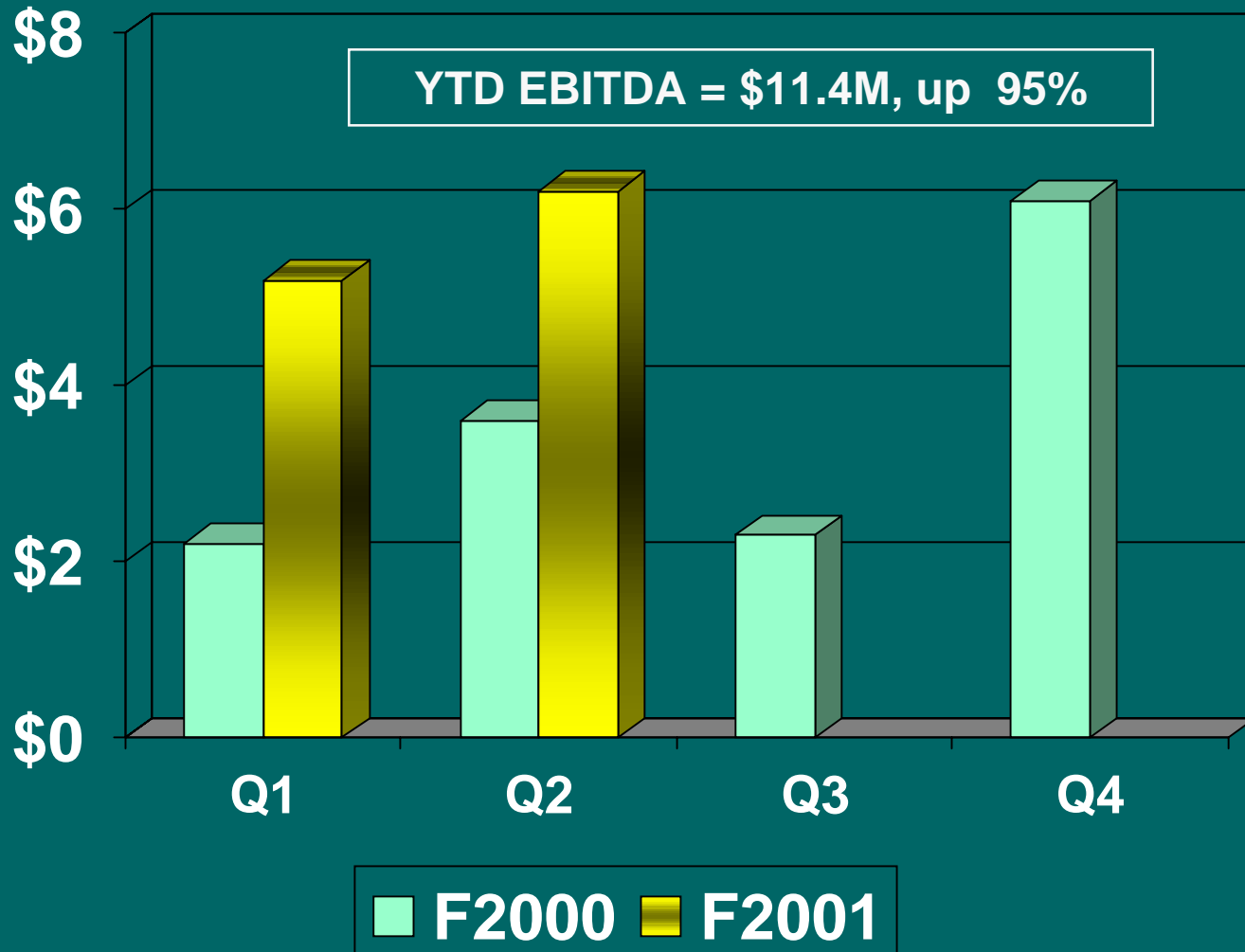
- Insufficient hog supplies meant Premium was unable to achieve cost efficiencies at the Red Deer plant
- Red Deer plant sold to Olymel on February 27 - closing March 2001

Livestock

- Year to date, Heartland Pork marketed 166,000 finished hogs v.s. 73,615 hogs
- Heartland Livestock increased # of head to 526,000 v.s. 508,000 last year
- Heartland Feeds increased sales to pork production units and to southern Alberta (drought put cattle into feedlots sooner)

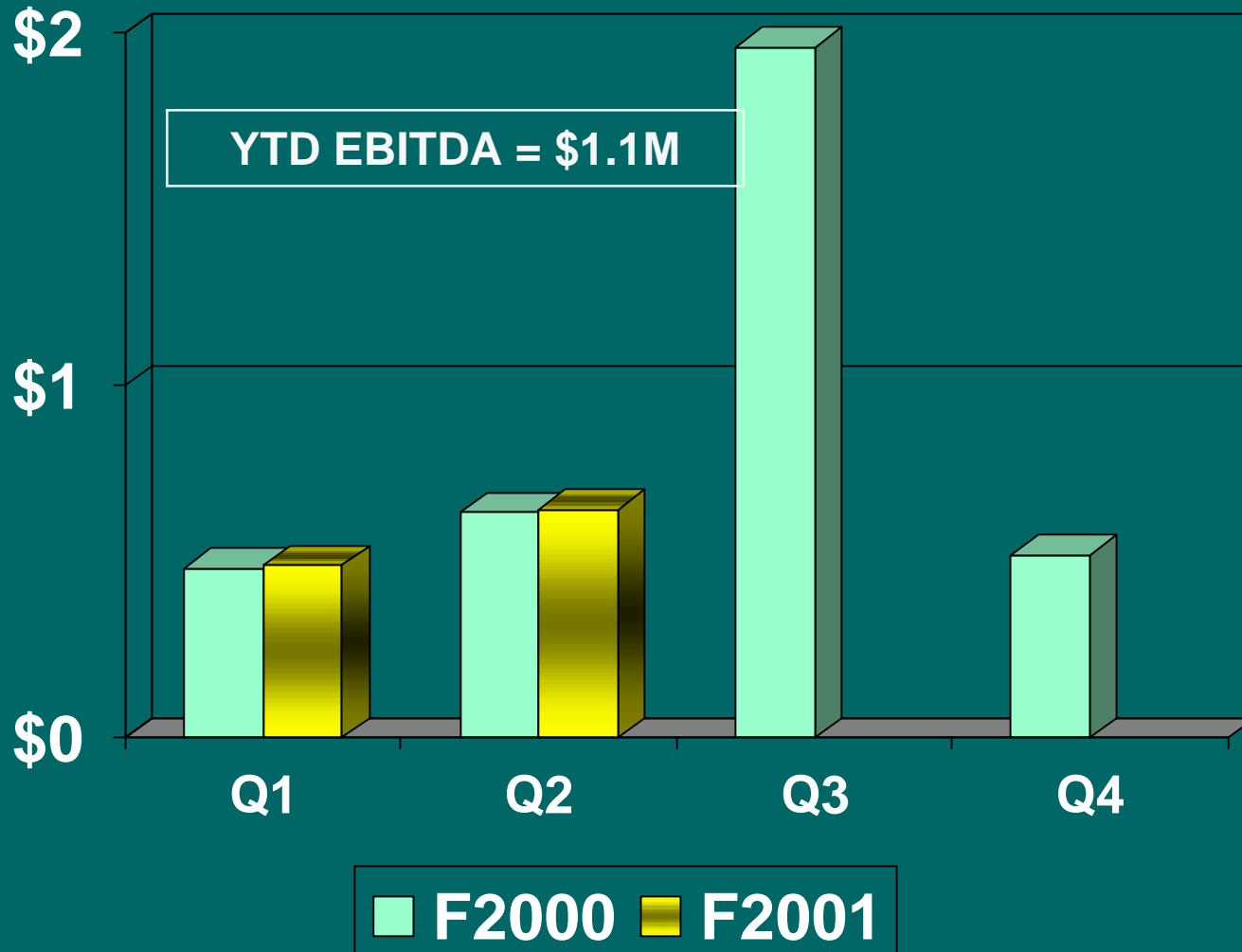
Livestock EBITDA

(\$ millions)



Publishing EBITDA

(\$ millions)



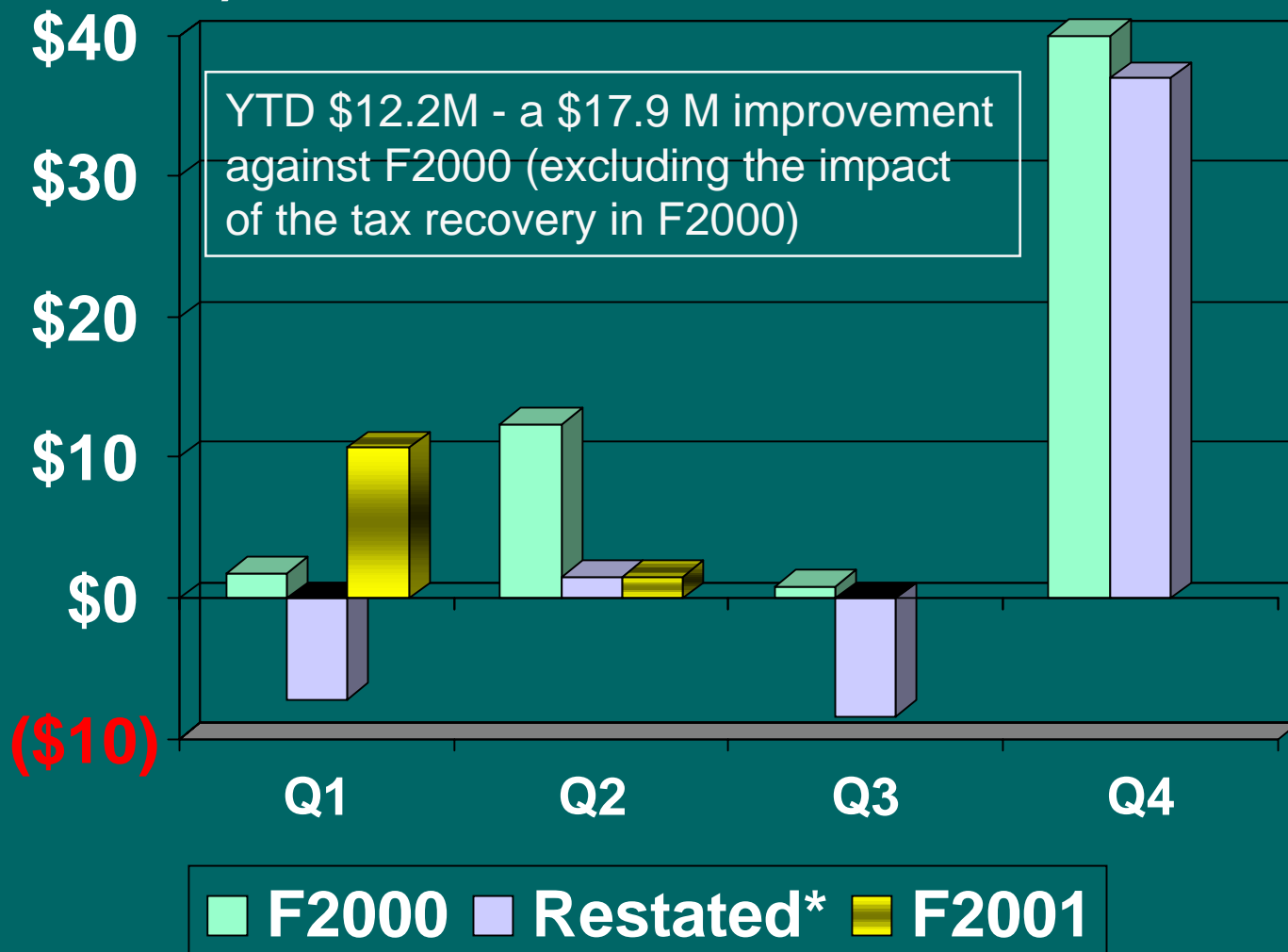
Costs

Corporate costs

- Down \$1.1 million in 2nd quarter to \$6.2 million
- Down \$2.5 million to \$10.2 million year-to-date

Cash flow from Operations

(\$ millions)



* Restated to reflect impact of tax recoveries on F2000

Cash Flow from Operations

- 3 Month cash flow in F2001 was \$1.5M, the same as the 2nd quarter F2000, prior to tax recoveries recorded in that period
- Cash flow for the six months improved \$17.9 million (prior to tax recoveries) as a result of improved EBITDA offset partly by increased interest & securitization costs

Working Capital

Working Capital - YTD

- F2001 - \$51.0 million
- F2000 - \$68.6 million

Current Ratio

- F2001 - 1.10
- F2000 - 1.12

Working Capital

	Jan/01	Jan/00
Current Assets	\$542M	\$631M
Current Liabilities	<u>\$491M</u>	<u>\$562M</u>
Working Capital	\$ 51M	\$ 69M
Reduction		\$(18M)

Working Capital

	Jan/01	July/00
Current Assets	\$542M	\$530M
Current Liabilities	<u>\$491M</u>	<u>\$453M</u>
Working Capital	\$ 51M	\$ 77M
Reduction		\$(26M)

Debt/Equity

Debt/Equity Ratio

- 1st Quarter F2001 - 61:39
- 1st Quarter F2000 - 59:41

Waivers received for interest coverage test



Financial Performance

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