

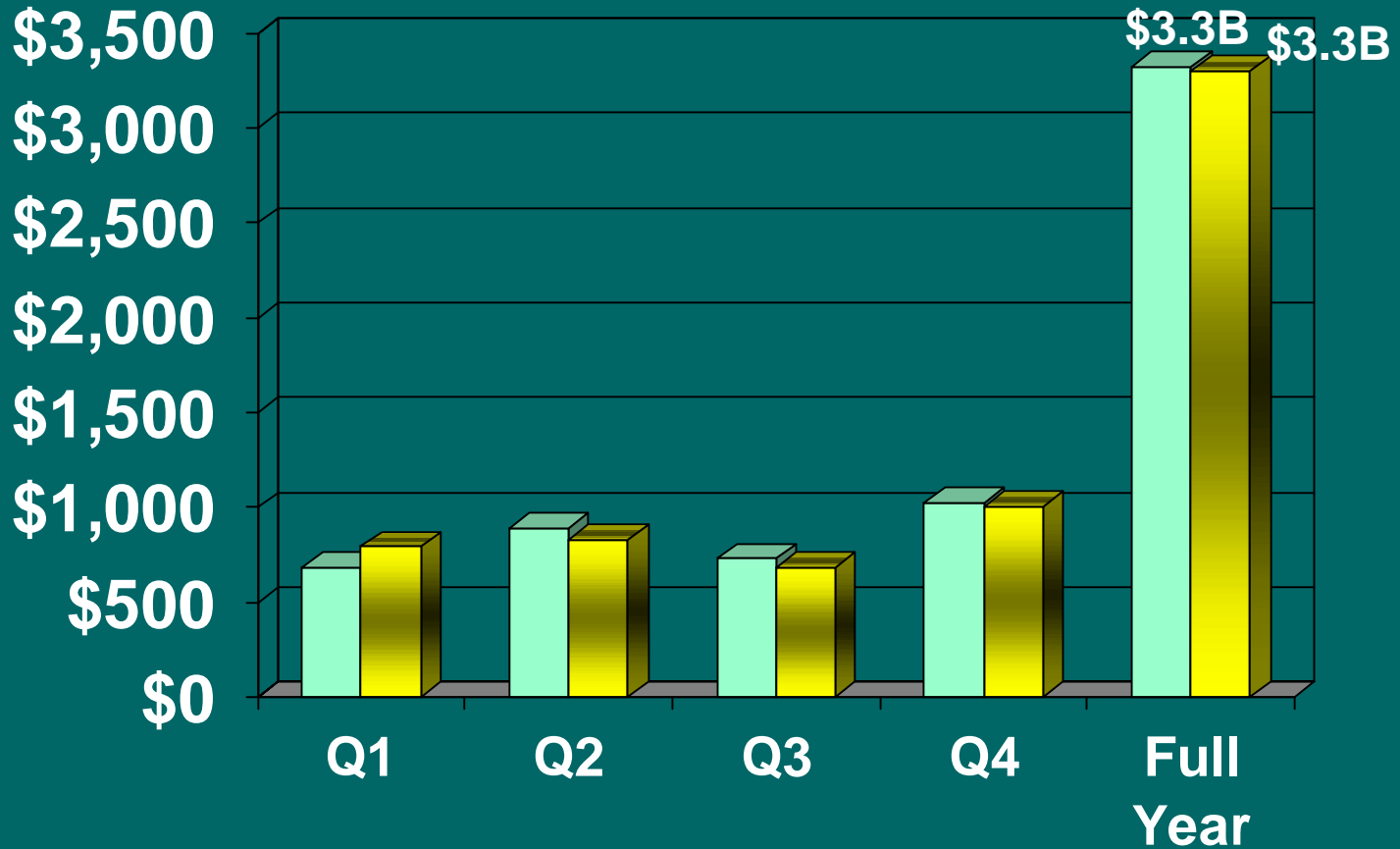


Financial Performance

Fiscal 2001
4th Quarter Report

Sales and Operating Revenue

(\$ millions)





F2000 F2001

Gross Margins

- Gross margins in the 4th quarter were \$96.2M vs \$80.1M last year.
- F2001 gross margins were \$247.6M vs \$190.9M last year.
- The \$56.7 million improvement primarily reflects \$25 million in savings from consolidation initiative (target: \$21 million) and an overall focus on cost containment

Costs

-  Cost of sales and operating expenses were down \$41M in Q4 and \$81M for the year.
-  Selling and Admin. expenses down \$6.6M for the year.

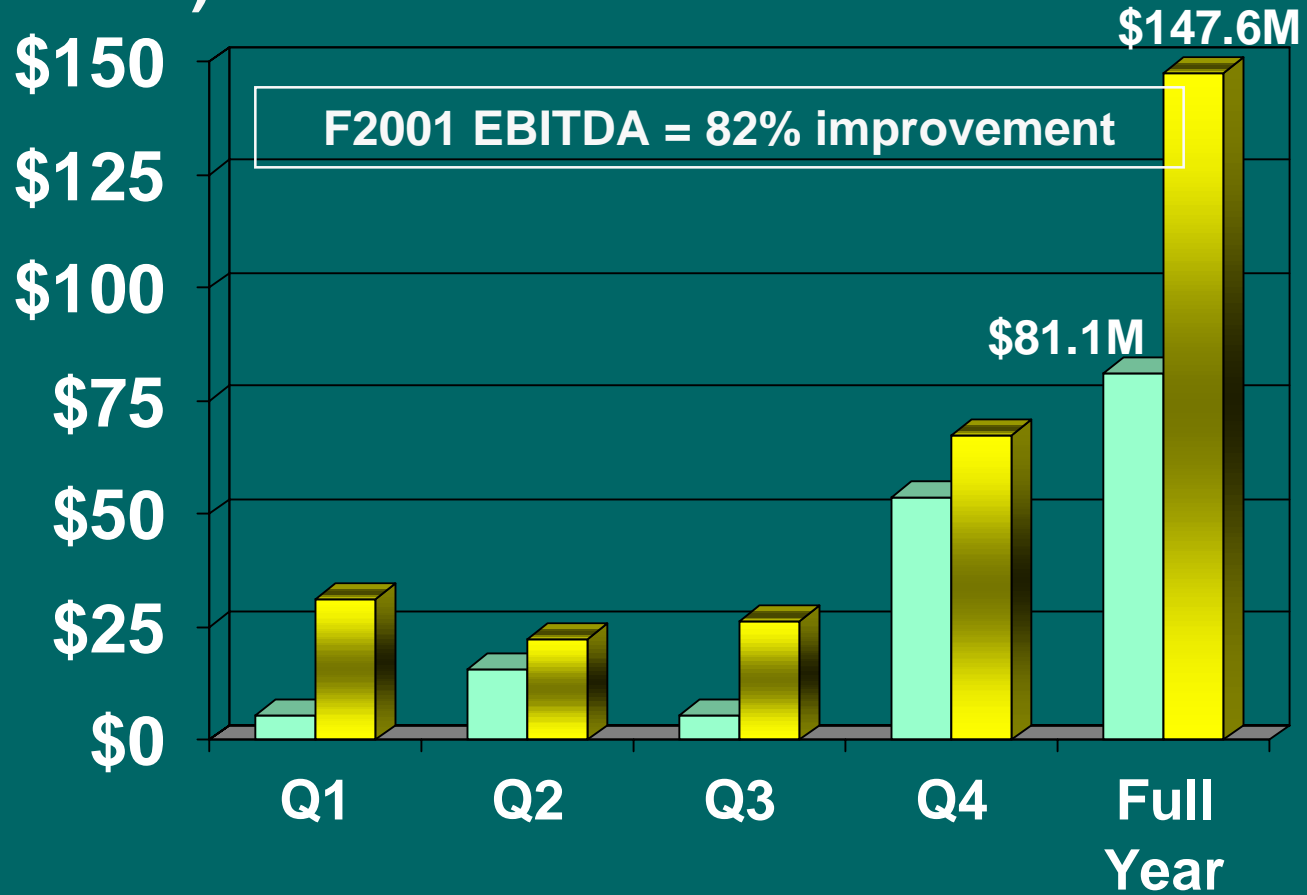
Depreciation/Amortization

Depreciation and Amortization decreases

	<u>F2001</u>	<u>F2000</u>
4th quarter	\$18.4M	vs. \$23.6M
Full year	\$75.7M	vs. \$77.0M

EBITDA

(\$ millions)

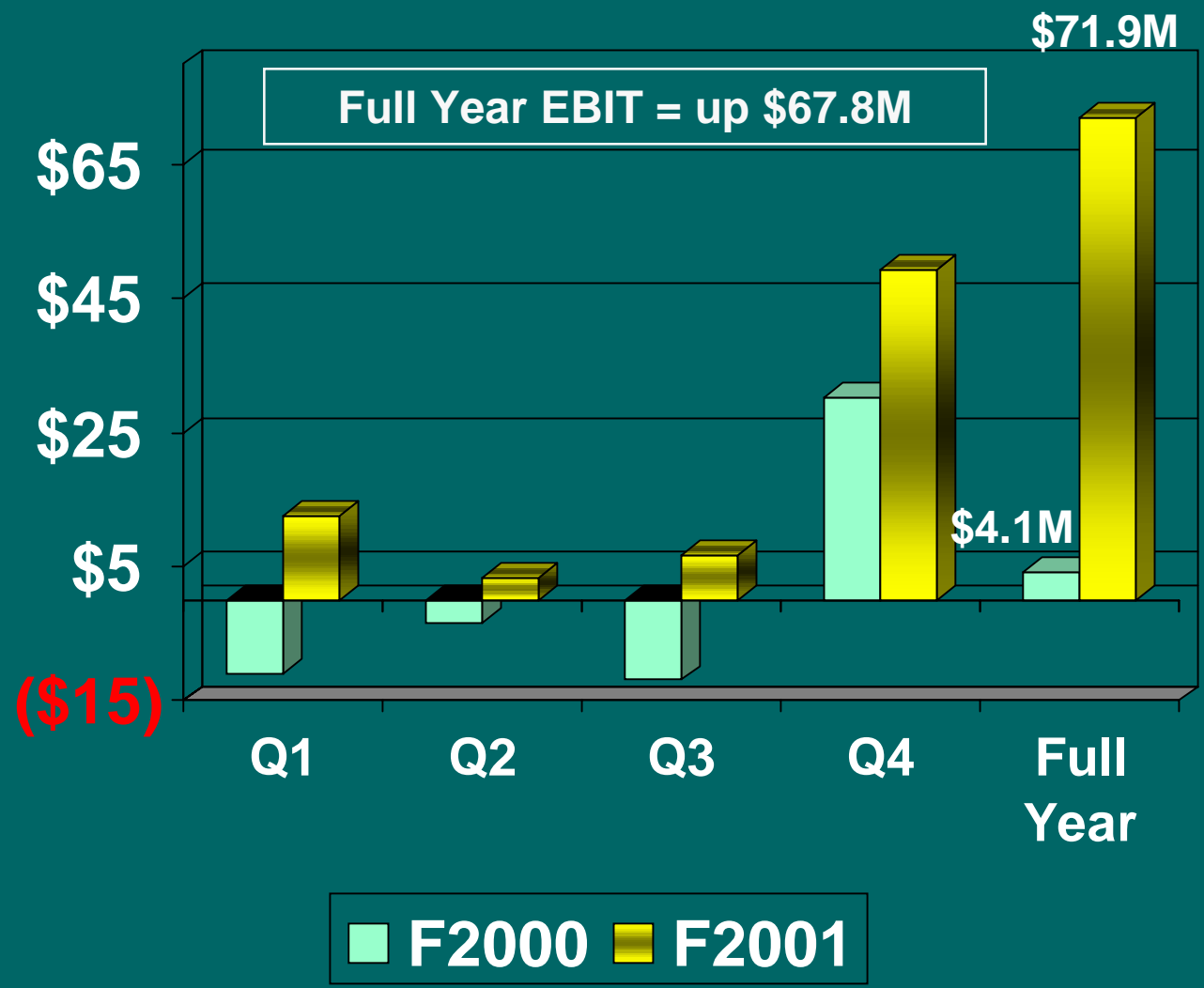


■ F2000 ■ F2001

EBIT

(\$ millions)

(Prior to provisions)



Interest

	F2001	F2000
4th Quarter	\$17.5	\$13.8
Full Year	\$65.1	\$46.5

- Less interest capitalized, increased financing costs and higher borrowings

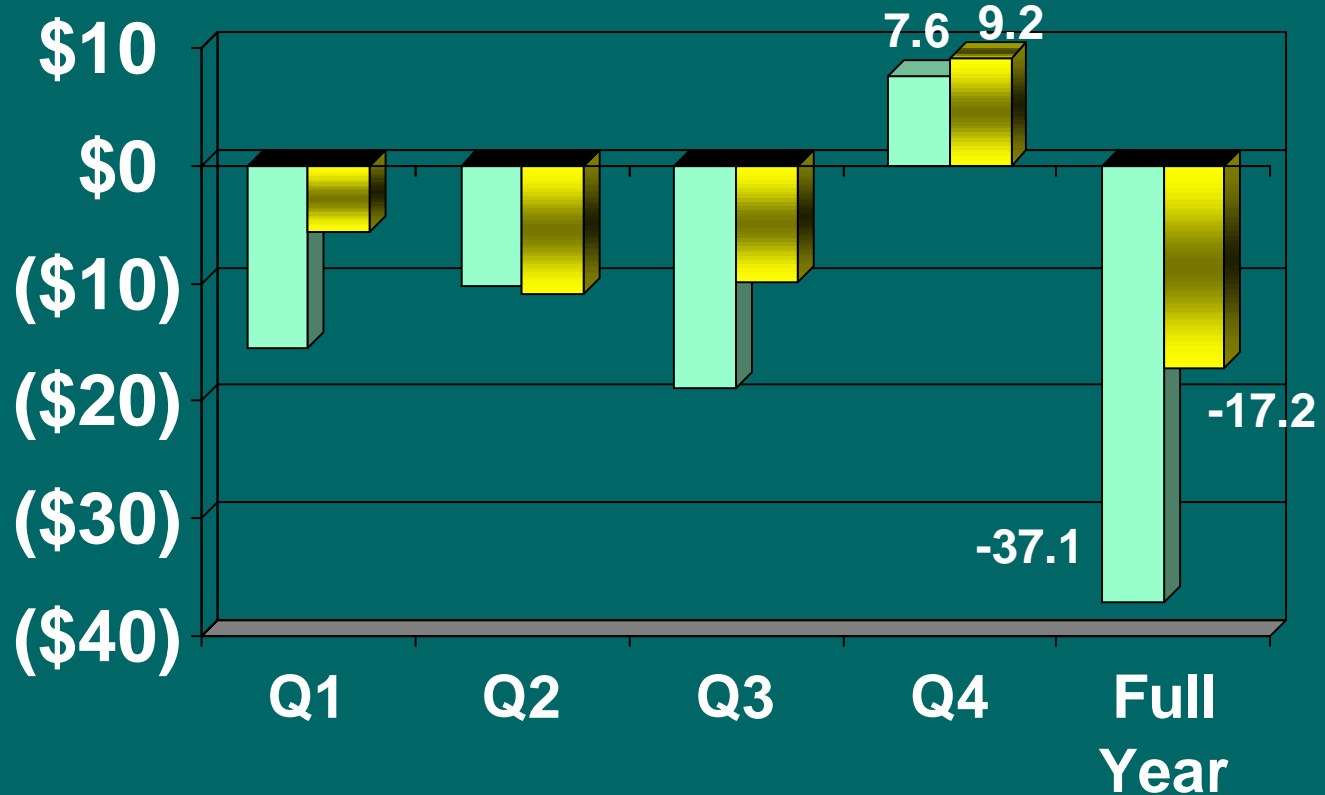
Securitization

	F2001	F2000
4th Quarter	\$ 5.3	\$ 3.9
Full Year	\$21.4	\$11.9

Pre-provision Loss

(\$ millions)

F2001 Improvement of 54%

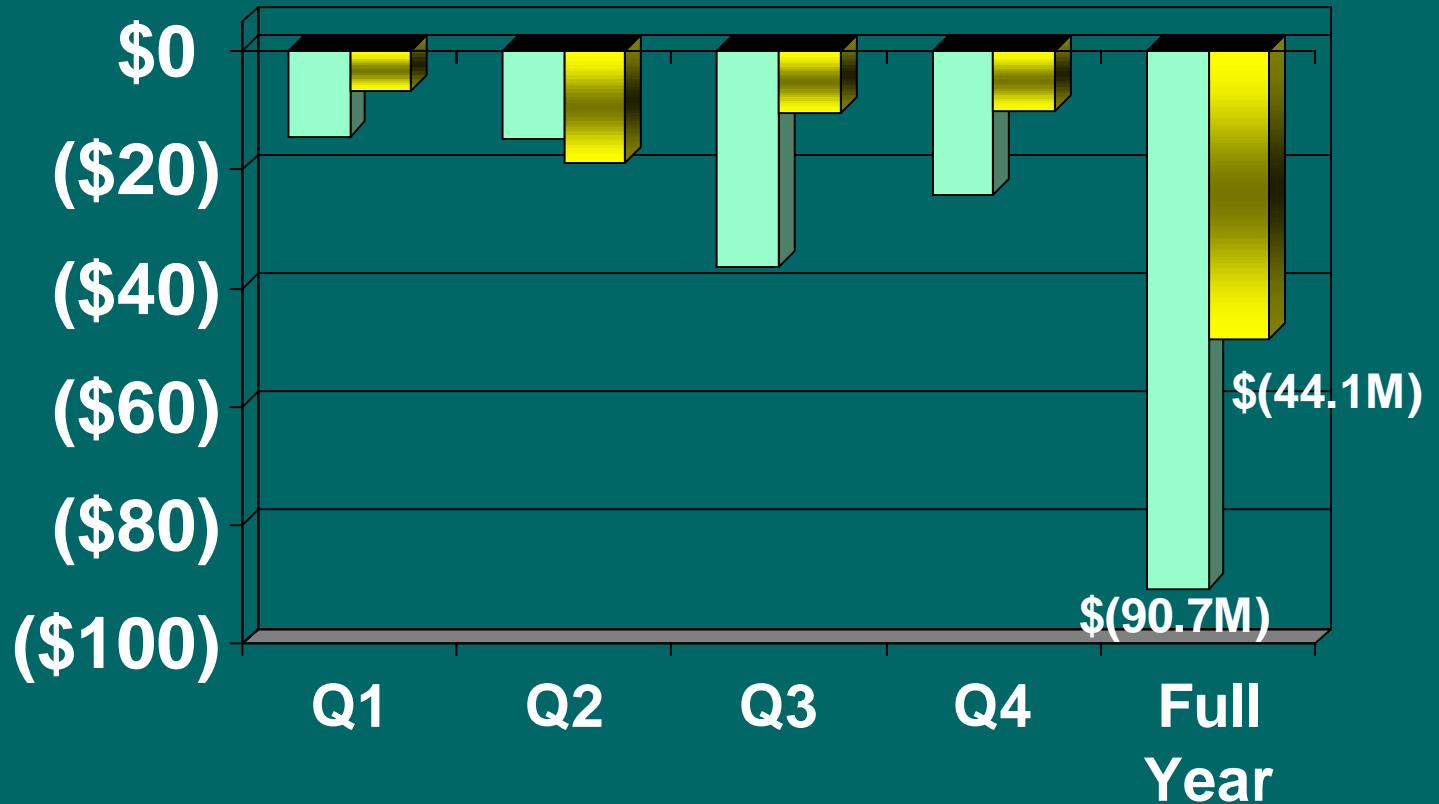


F2000 F2001

Net Loss

(\$ millions)

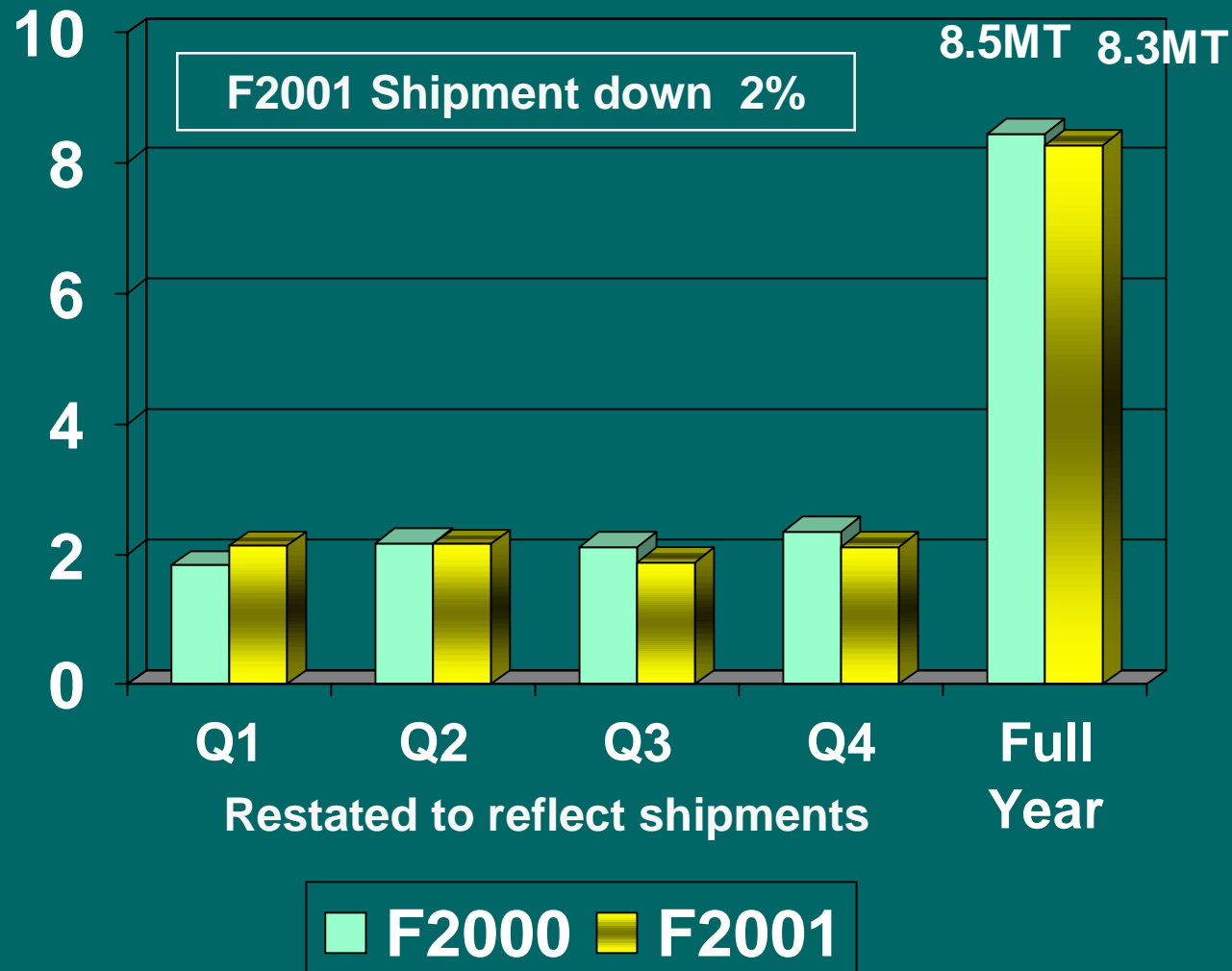
F2001 Improvement of \$46.6M



F2000 F2001

Primary Shipments

(millions of tonnes)

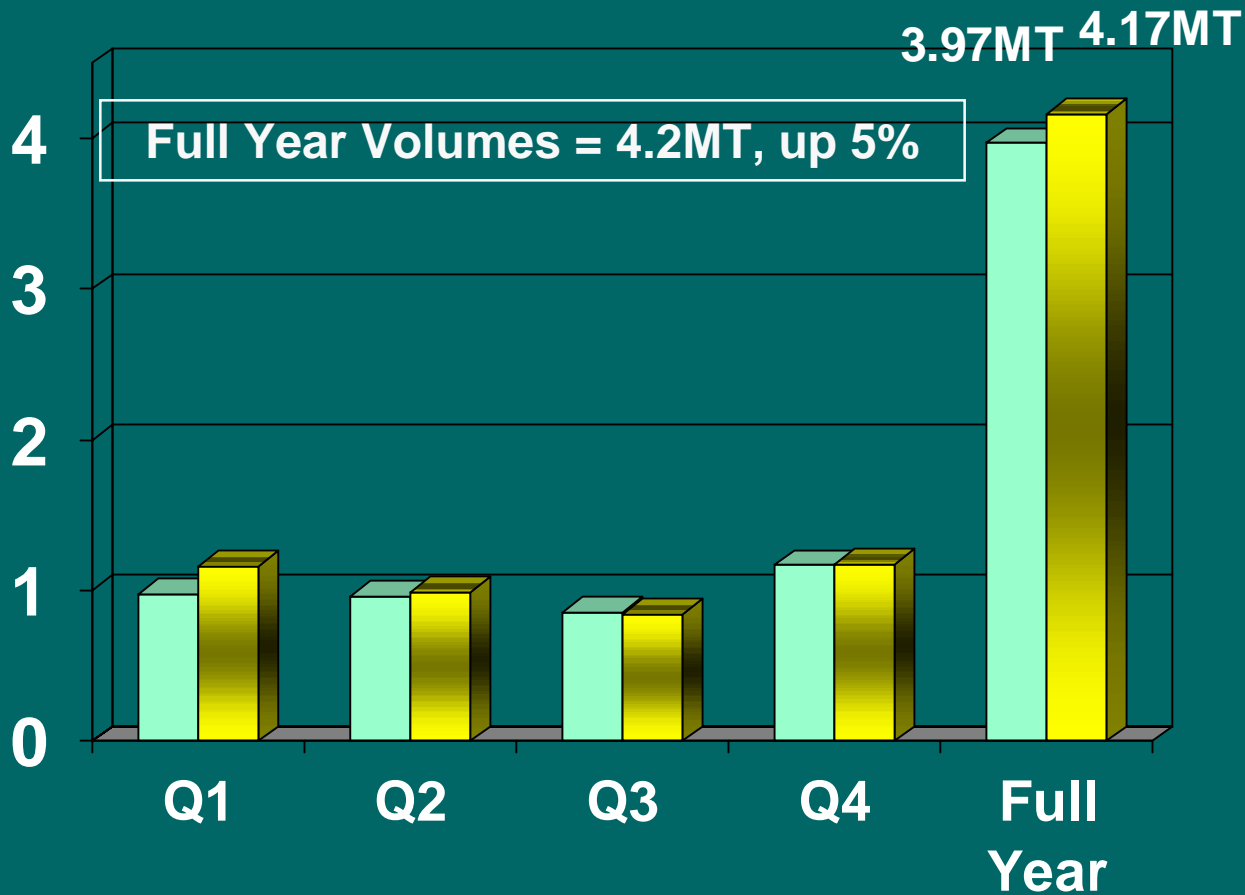


Primary Volumes

- Full Year Board/Non-Board Shipments - 58/42 v.s. 66/34 in Fiscal 2000
- Non-Board grains up 21%
- Smaller CWB program, increased competition and tendering issues primarily responsible for decline in CWB volumes

Wholly-owned Port Terminal Volumes

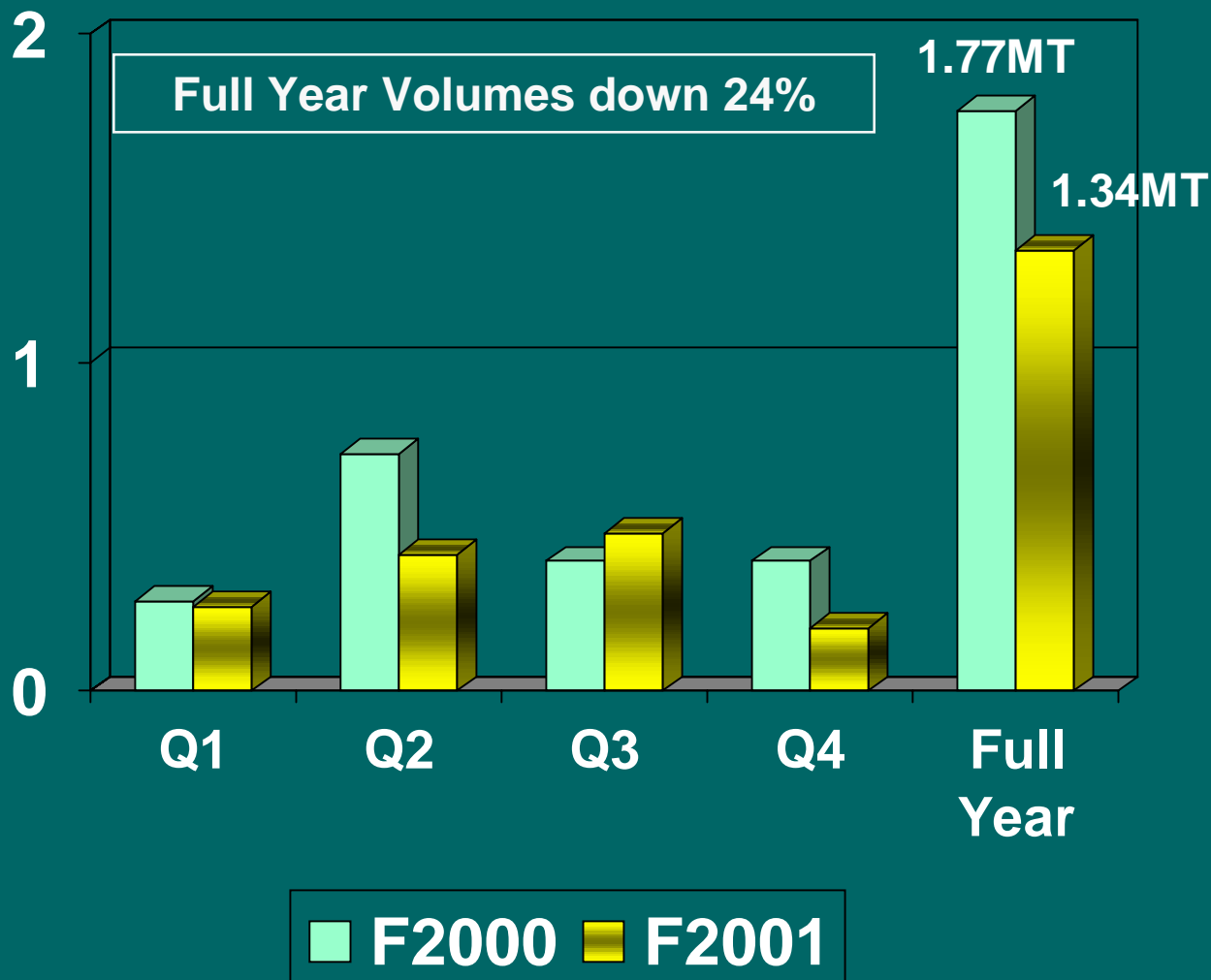
(millions of tonnes)



■ F2000 ■ F2001

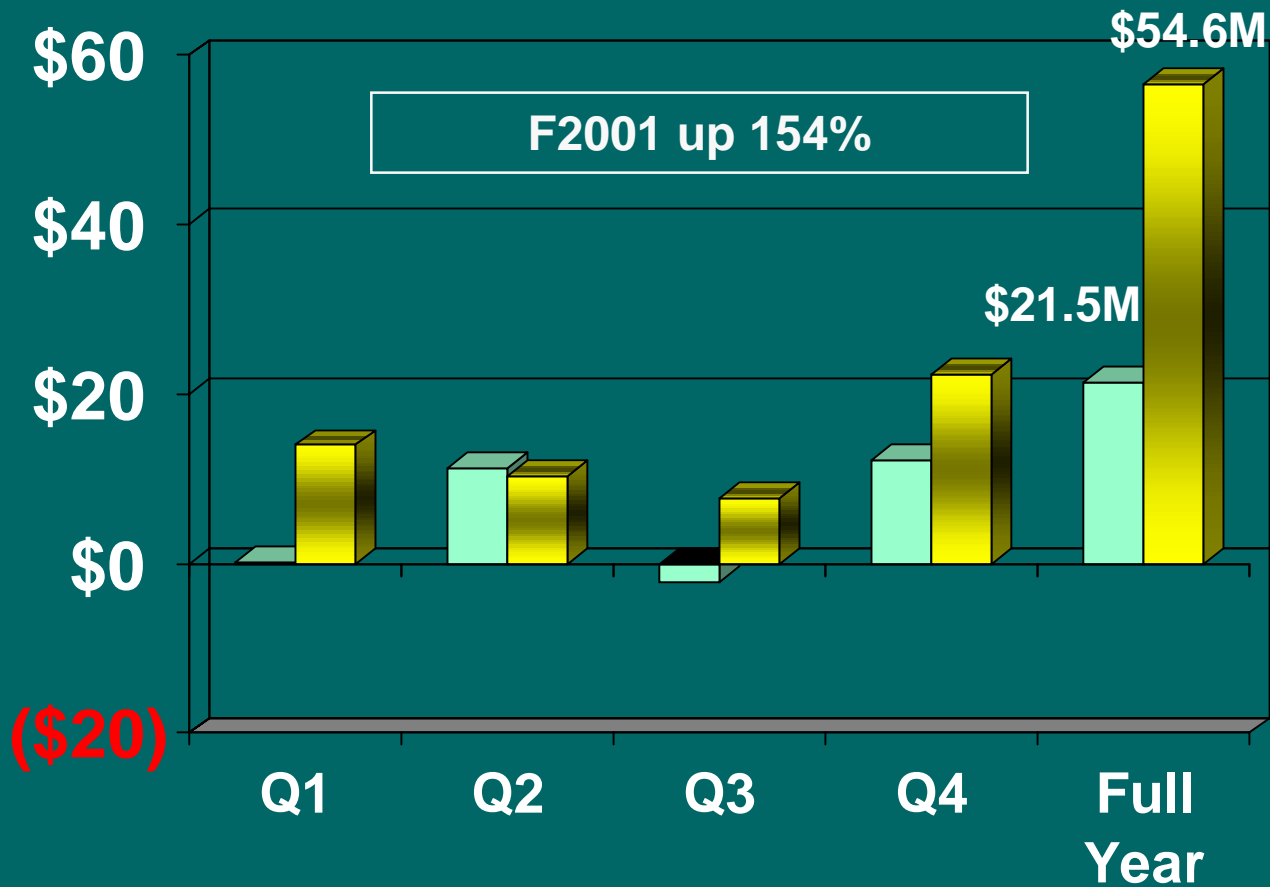
Affiliated Port Terminal Volumes

(millions of tonnes)



Grain Handling EBITDA

(\$ millions)



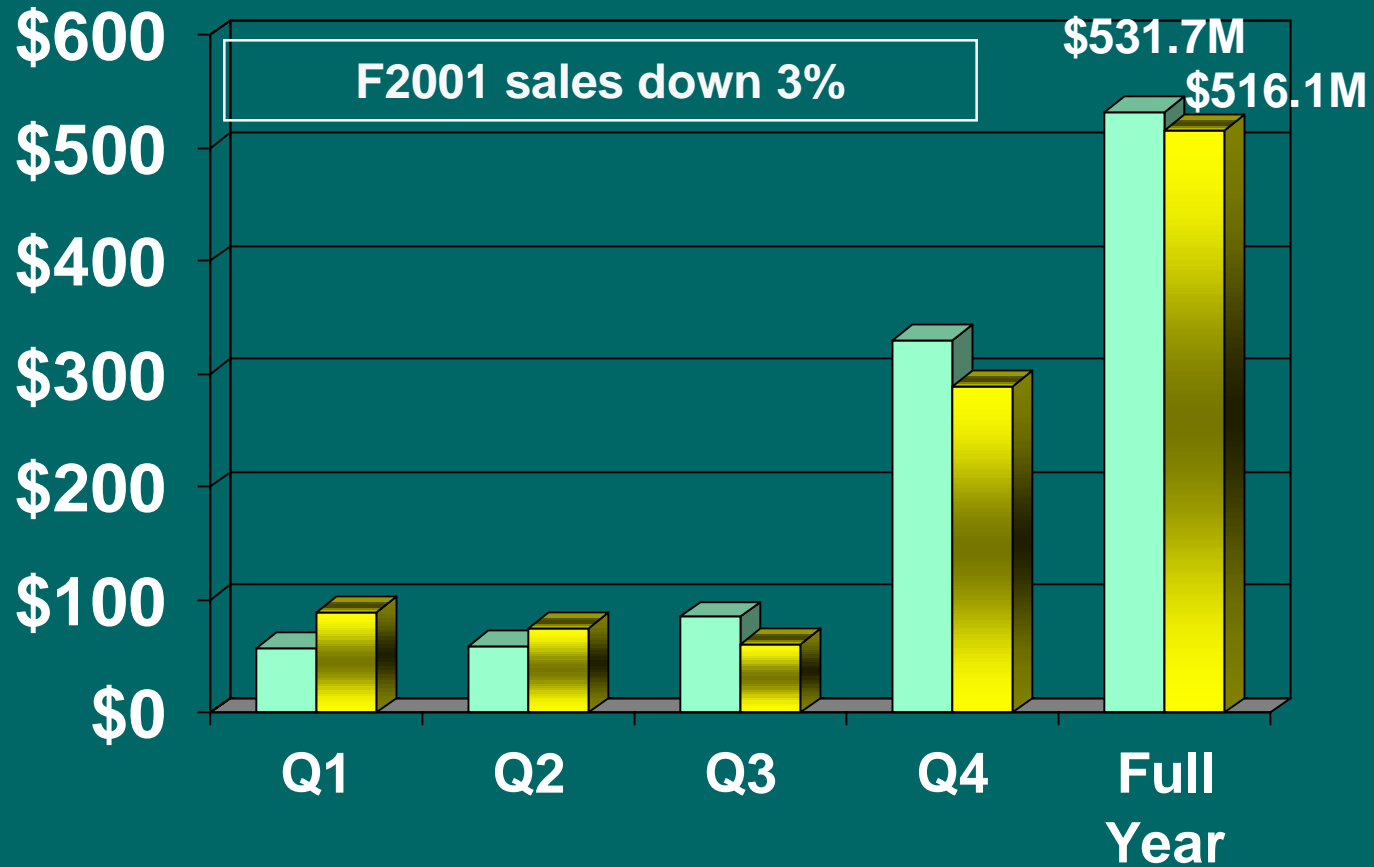
■ F2000 ■ F2001

Multi-car Incentives

- 78% of Pool shipments were in multi-cars versus a target of 75% (61% last year)
- 57% of Pool shipments were in 50-car or 100-car units versus 36% last year

Agri-Products Sales

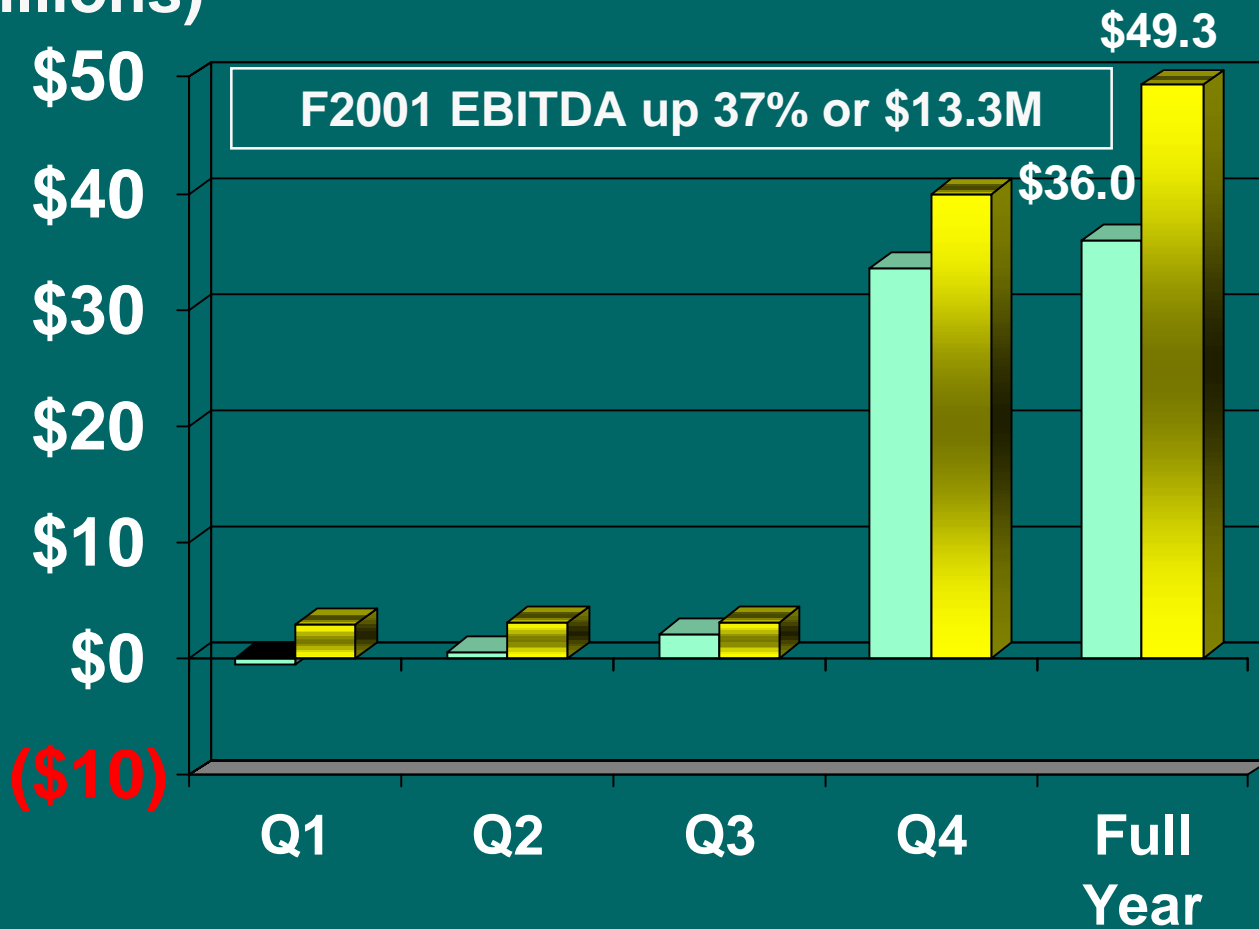
(\$ millions)



■ F2000 ■ F2001

Agri-Products EBITDA

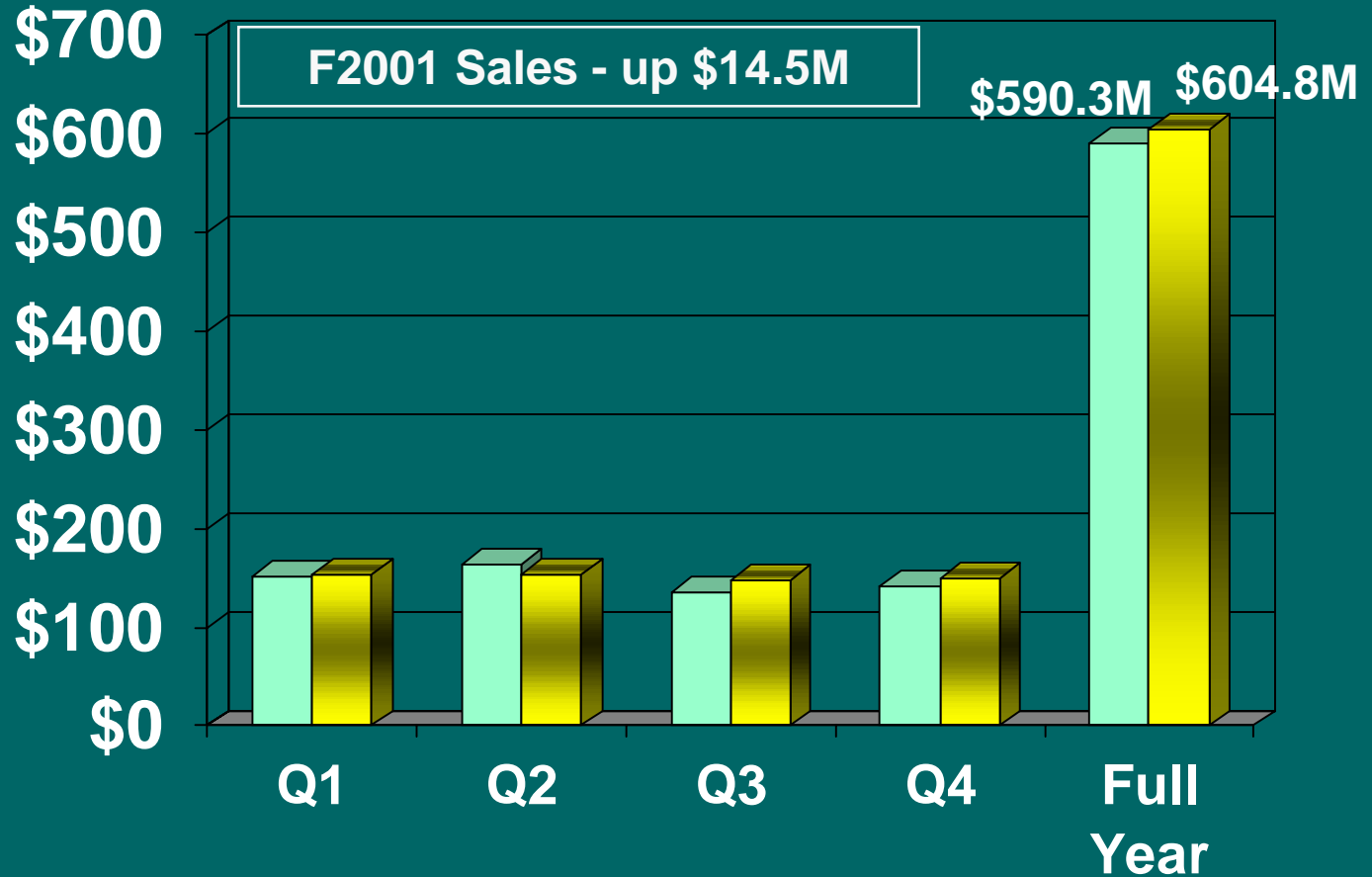
(\$ millions)



■ F2000 ■ F2001

Agri-Food Processing Sales

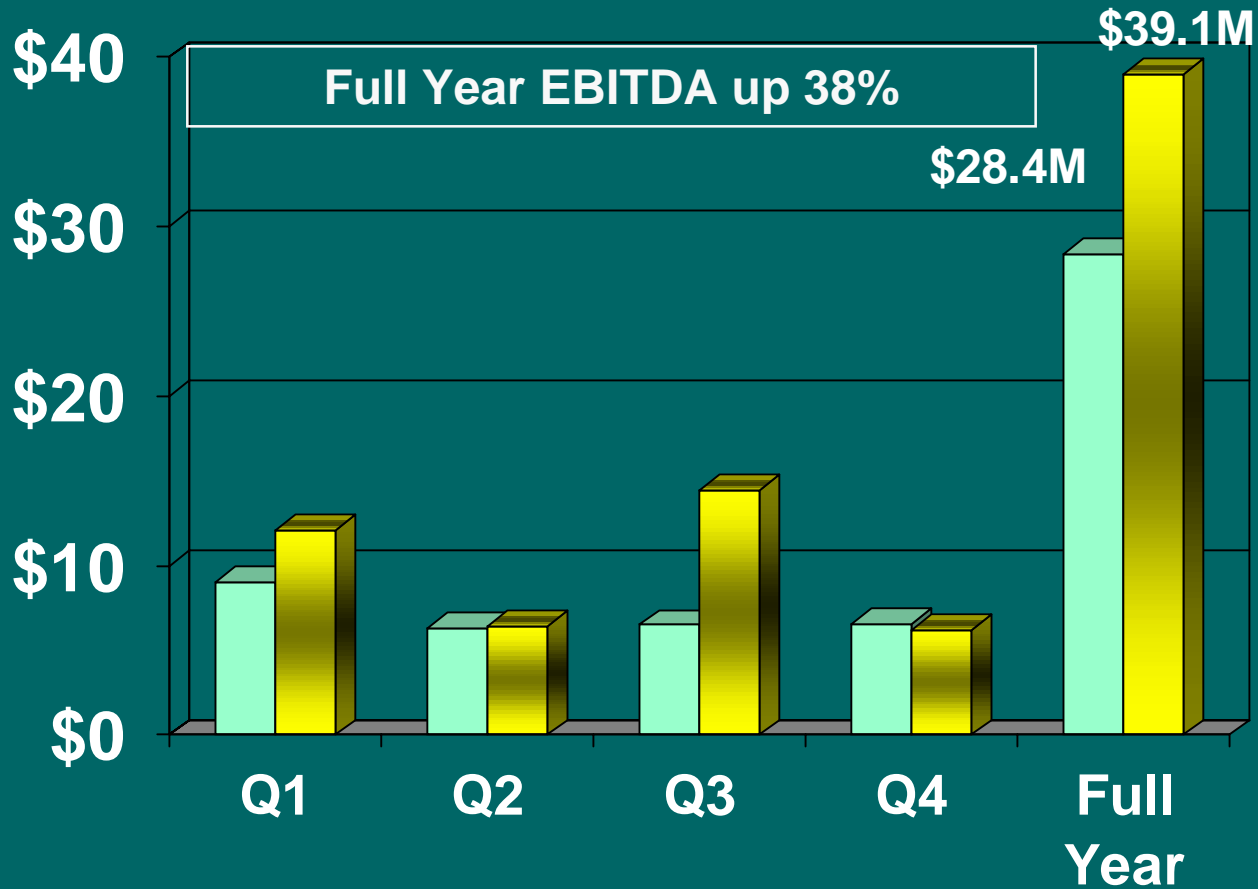
(\$ millions)



■ F2000 ■ F2001

Agri-food EBITDA

(\$ millions)



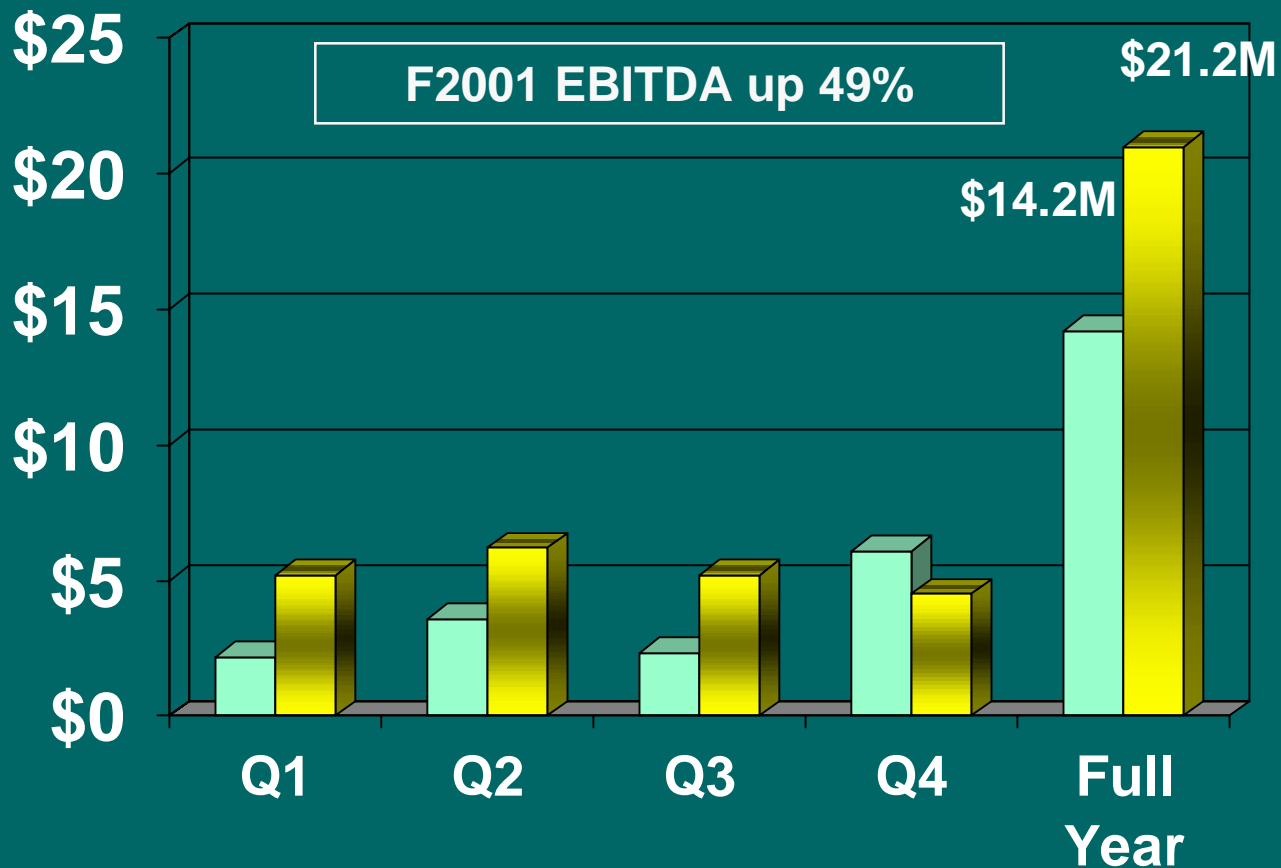
■ F2000 ■ F2001

Livestock

- Sales were up 14.4% to \$242.1 million
- Heartland Pork marketed 347,000 finished hogs v.s. 173,000 hogs
- Heartland Livestock handled 836,000 v.s. 824,000 last year
- Feed sales up 18.5% - increased sales into cattle feedlots and to Heartland pork

Livestock EBITDA

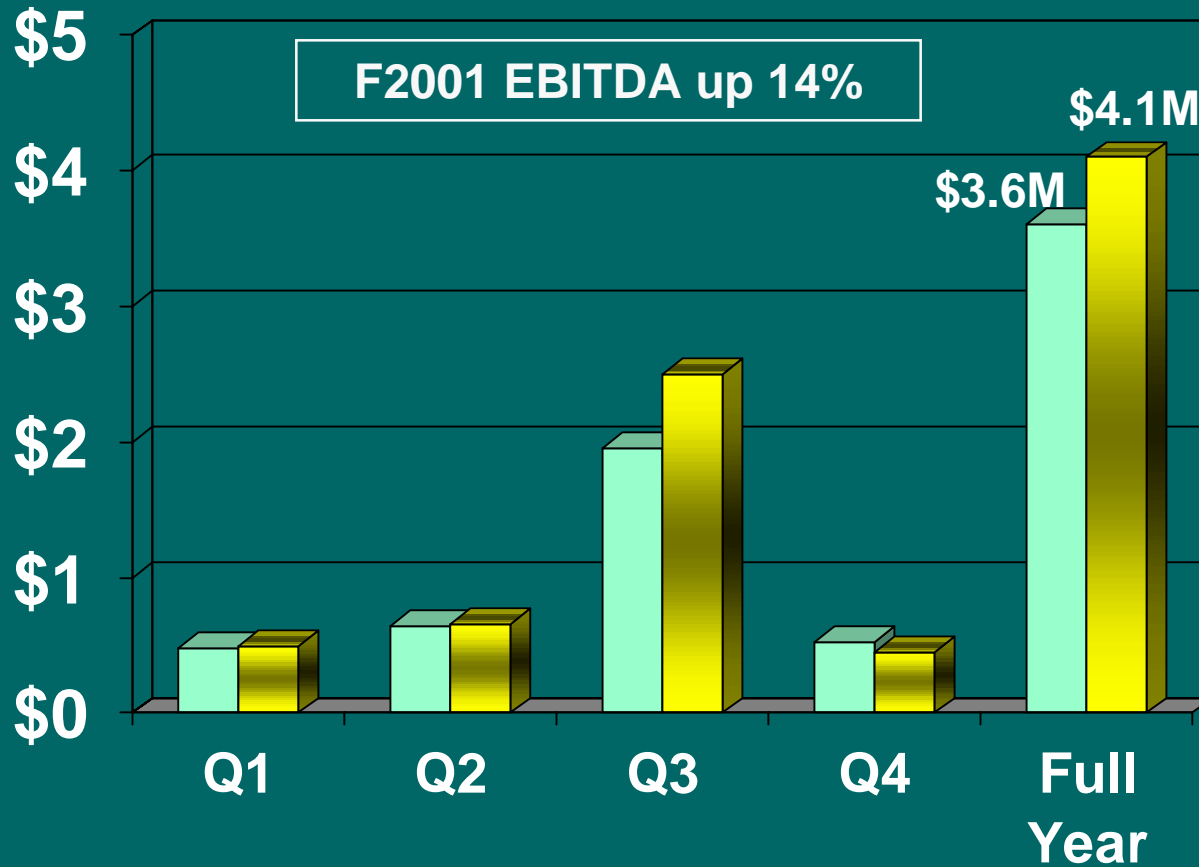
(\$ millions)



■ F2000 ■ F2001

Publishing EBITDA

(\$ millions)



■ F2000 ■ F2001

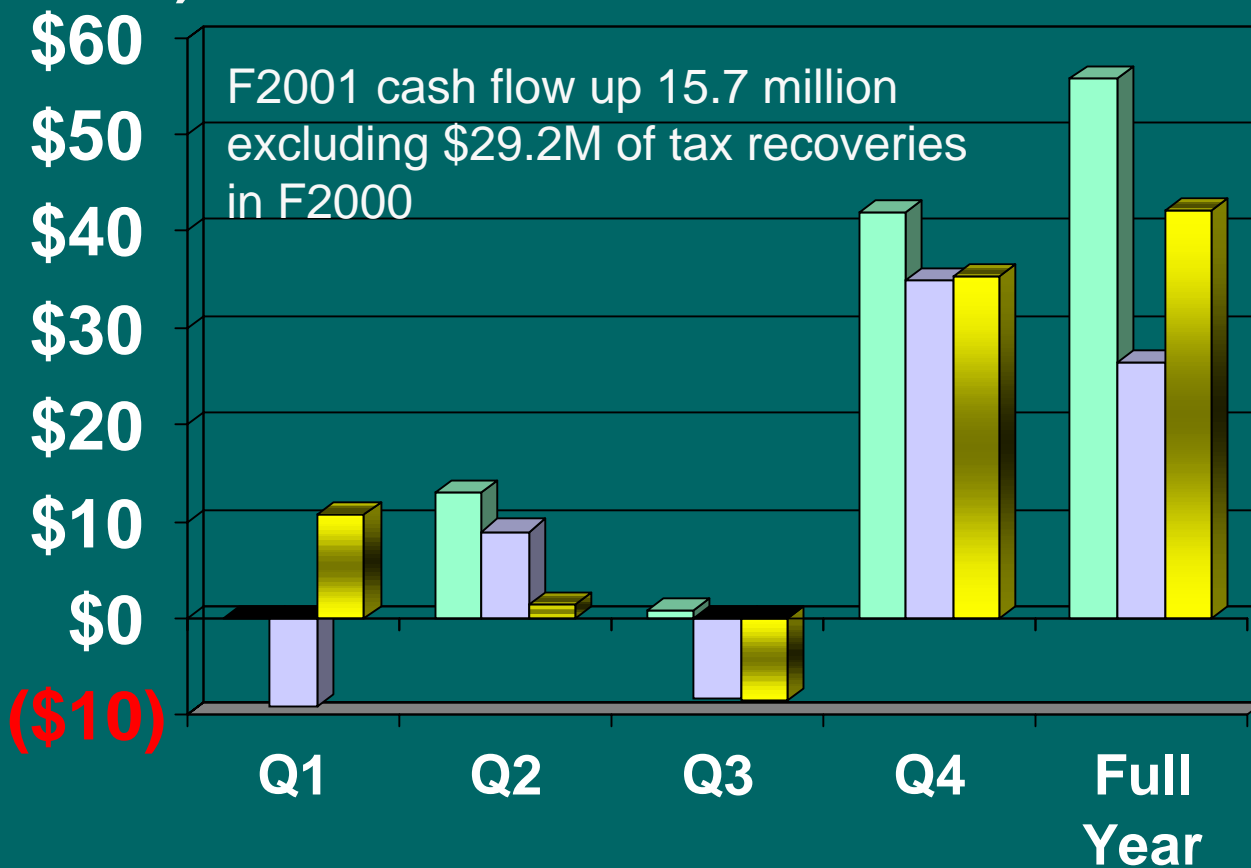
Corporate Costs



Corporate costs down \$2.5 million in F2001 reflecting organizational restructuring.

Cash flow from Operations



(\$ millions)



■ F2000 ■ Restated* ■ F2001

* Restated to reflect impact of tax recoveries on F2000

Free Cash Flow

	F2001	F2000
 Cash from Operations	\$ 42.2M	\$ 55.7M
 Capital Expenditures	<u>\$ (23.1)</u>	<u>\$(114.2)</u>
	<u>\$19.1M</u>	<u>\$ (58.5)M</u>

Working Capital



Working Capital - Full Year

- F2001 - \$127.9 million
- F2000 - \$71.6 million



Current Ratio

- F2001 - 1.31
- F2000 - 1.16

Working Capital

	Fiscal 2001	Fiscal 2000
Current Assets	\$545M	\$524M
Current Liabilities	<u>\$417M</u>	<u>\$452M</u>
Working Capital	\$128M	\$ 72M

Final Results

	<u>F2001</u>	<u>F2000</u>
EBITDA	\$147.6M	\$ 81.1M
EBIT	\$ 71.9M	\$ 4.1M
Loss before provision	\$(17.2M)	\$(37.1M)
Net Loss	\$(44.1M)	\$(90.7M)

Debt Reduction

Total debt including securitization amounts decreased by \$94 million year-over-year.

	<u>F01</u>	<u>F00</u>	<u>Change</u>
Short-term debt	8.1	143.2	(135.1)
Member loans	35.2	48.8	(13.6)
Long-term debt	705.7	550.4	155.3
Securitization	<u>238.0</u>	<u>339.0</u>	<u>(101.0)</u>
	\$987.0	\$1081.4	\$(94.4)M

Debt/Equity



Debt/Equity Ratio

- F2001 - 60:40
- F2000 - 58:42



Medium Term Target: 50:50; Long Term Target 40:60



Expect to substantially reduce debt levels over the next 18 months



Financial Performance

Fiscal 2001
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