



For Immediate Release

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Weather impacts Saskatchewan Wheat Pool's third quarter

Severe drought last summer and prolonged dryness through the spring period this year took its toll on the Pool's core operation in the third quarter of fiscal 2002.

Earnings before interest, securitization, taxes, depreciation and amortization (EBITDA) for the third quarter were \$2.7 million compared to \$26.2 million in the previous year's quarter. Year-to-date EBITDA was \$37.4 million compared to \$80.1 million a year earlier. Drought conditions throughout western Canada have persisted since the summer of 2001, particularly in Saskatchewan, resulting in an EBITDA decline of approximately \$30 million. In addition, there was a year-over-year net reduction of approximately \$13 million in EBITDA from businesses that have been sold as part of the Pool's divestiture program. These results overshadowed the Pool's success in reducing costs and continued strong results generated by Can-Oat Milling and Prairie Malt Limited.

Chief Executive Officer, Mayo Schmidt, says, "Despite the weather, the Pool remained committed to managing those areas within our control. We have already reduced costs in our core operations by \$25 million this year and have more than surpassed all of our original restructuring estimates. In fact, in just 24 months we have reduced our cost base by over \$50 million. Those dollars, which directly impact the bottom line, would become much more apparent under normal growing conditions. We've also worked aggressively to reduce the leverage of this organization and our results today clearly illustrate that success. Balance sheet debt at April 30, 2002 declined by \$168.5 million or over 20% compared to April 30, 2001."

The third quarter operating loss, prior to interest, securitization and taxes (EBIT) and one-time items was \$14.7 million compared to earnings of \$6.8 million a year earlier. On a year-to-date basis, EBIT was a loss of \$16.6 million compared to earnings of \$22.7 million last year.

The consolidated net loss for the quarter was \$12.7 million or \$0.34 per share compared to an \$9.9 million loss or \$0.26 per share in the third quarter of fiscal 2001. On a year-to-date basis, the net loss was \$51.1 million (\$1.36 per share) compared to a \$34.0 million loss (\$0.91 per share) for the same period last year. The fiscal 2002 net loss includes \$3.9 million in one-time after-tax provisions from the sale of non-core assets.

The Pool's primary shipments for the first nine months were only 7.4% below last year's level in spite of severe production declines in Saskatchewan of nearly 30% last year. In contrast, industry shipments were down sharply, declining 21% in the first nine months of fiscal 2002. However, EBITDA from Grain Handling and Marketing was 35% lower on a year-to-date basis. In addition to an 18% decline in volumes during the quarter, last summer's drought caused significant declines in the production of high margin commodities like canola and special crops. As a result, year-to-date volumes reflect a higher proportion of lower margin products.

Nine Month Volumes to April 30 (000's of tonnes)			
	Increase (Decrease)	F2002	F2001
Primary Elevator Shipments	-7.4%	5,698	6,151
Terminal Operations			
Vancouver	- 9.7%	1,766	1,955
Thunder Bay	-22.7%	799	1,033
Share of Affiliates	-49.7%	580	1,153
Total Terminal Operations	-24.1%	3,145	4,141

In the Agri-products segment, sales and EBITDA were impacted by unusually cold weather throughout western Canada in April, which kept producers off the land and delayed seeding by over four weeks. In addition, prolonged drought carried over from last year and poor topsoil moisture levels throughout most of Saskatchewan have caused producers to delay their agri-products purchases until growing conditions improve.

In the Agri-food segment, sales reductions largely reflect the divestiture of agri-food processing assets that are no longer contributing to segment results. Can-Oat Milling continued with record results generating substantial EBITDA growth in the quarter and first nine months of the year. Prairie Malt also strengthened results for the period. CanAmersa's contribution, prior to the May 31 divestiture, improved slightly in the quarter but remained sharply lower than the previous year reflecting dramatic reductions in Canadian canola supplies and higher seed prices.

Looking forward, the Company expects exports to decline significantly this year because of low production levels from last year's drought impacting wholly owned port terminal volumes. In the primary business, the Pool has been able to maximize volumes in the first nine months but expects significant reductions in the fourth quarter as stocks deplete. The lack of higher valued commodities in the system and increased pressure as competition for remaining stocks accelerates, is expected to reduce EBITDA from grain handling and marketing to less than half of last year's level by July 31.

For Agri-products, expectations for this year have been adjusted to reflect the late spring and switch to crops that require fewer crop inputs. Rain through the southern part of the Prairies over the last week will be positive for crop development. However, central and northern Saskatchewan precipitation levels are still below average. As a result, the Agri-products segment is not expected to reach the sales or EBITDA levels of the previous year.

"Shareholders should take comfort that this year's performance is not a reflection on our core businesses, which are operating very efficiently. Rather, results reflect the severe drought situation and restructuring charges associated with our divestiture program," says Schmidt. "We continue to have strong support from our lenders, recognizing the fact that the remainder of the year will be challenging due to non-controllable weather events. We have been there before and we will continue our efforts to minimize costs, strengthen the balance sheet and improve our risk profile. In addition, since we have virtually completed our restructuring efforts, we will be further assessing the valuation of our ongoing core assets at year-end based on their performance for the full year. We are confident that we will withstand current industry conditions. Whatever temporary setbacks Mother Nature holds in store, we continue to take the necessary steps to protect the long-term interests of our investors, customers and employees, to provide the foundation for a solid recovery."

CONSOLIDATED BALANCE SHEETS

	As at April 30		As at July 31
	2002	2001	2001
	(in thousands)		(in thousands)
	(unaudited)	(unaudited) (restated)	(audited)
ASSETS			
Current Assets			
Cash	\$ -	\$ -	\$ 13,238
Note receivable	5,000	-	5,000
Accounts receivable	149,303	249,436	241,410
Inventories	331,661	336,587	271,920
Prepaid expenses	9,823	7,266	13,055
	495,787	593,289	544,623
Investments	10,551	76,587	13,838
Property, Plant and Equipment	715,996	812,850	797,951
Other Long-Term Assets	202,563	188,641	186,485
	\$ 1,424,897	\$ 1,671,367	\$ 1,542,897
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank indebtedness	\$ 35,775	\$ 8,730	\$ -
Short-term borrowings	33,349	76,776	8,080
Members' demand loans	26,717	34,334	35,204
Accounts payable	256,507	252,086	216,890
Long-term debt due within one year	92,533	168,719	156,514
	444,881	540,645	416,688
Long-Term Debt	474,673	543,001	549,225
Other Long-Term Liabilities	58,216	76,413	75,685
Non-Controlling Interest	2,757	5,808	5,863
	980,527	1,165,867	1,047,461
Shareholders' Equity			
Share capital	457,697	457,701	457,699
Retained Earnings/(Deficit)	(13,327)	47,799	37,737
	444,370	505,500	495,436
	\$ 1,424,897	\$ 1,671,367	\$ 1,542,897

On behalf of the Board of Directors



Marvin D. Wiens
Director



Thaddeus P. Trefiak
Director

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

	Three months ended		Nine months ended	
	April 30		April 30	
	2002	2001	2002	2001
	(in thousands)		(in thousands)	
	(unaudited)	(unaudited) (restated)	(unaudited)	(unaudited) (restated)
Sales and Other Operating Revenues	\$ 549,791	\$ 682,744	\$ 1,997,193	\$ 2,301,630
Cost of Sales and Expenses				
Cost of sales and operating expenses	530,299	638,859	1,901,209	2,150,252
Selling and administrative expenses	16,756	23,220	59,237	73,889
Depreciation and amortization	17,358	19,429	53,911	57,372
(Gain) loss on disposals	(7,718)	-	9,722	13,323
	556,695	681,508	2,024,079	2,294,836
Earnings (Loss) Before the Undernoted	(6,904)	1,236	(26,886)	6,794
Equity (loss) earnings of significantly influenced companies	(90)	5,731	(54)	2,692
Non-controlling interest	36	(167)	666	(122)
Earnings (Loss) Before Interest and Taxes	(6,958)	6,800	(26,274)	9,364
Interest expense	13,142	15,261	45,988	47,554
Securitization fees and expense	1,273	9,636	6,887	16,096
Earnings (Loss) Before Corporate Taxes	(21,373)	(18,097)	(79,149)	(54,286)
Recovery of corporate taxes	8,677	8,199	28,085	20,250
Net Earnings (Loss)	(12,696)	(9,898)	(51,064)	(34,036)
Retained Earnings, Beginning of Period				
As previously reported	(631)	57,697	37,737	85,900
Changes in accounting policies				
Income taxes	-	-	-	1,940
Revenue recognition	-	-	-	(6,005)
As restated	(631)	57,697	37,737	81,835
Retained Earnings, End of Period	\$ (13,327)	\$ 47,799	\$ (13,327)	\$ 47,799
Earnings (Loss) Per Share	\$ (0.34)	\$ (0.26)	\$ (1.36)	\$ (0.91)

SALES AND OPERATING REVENUE BY SEGMENT

	Three months ended		Nine months ended	
	April 30		April 30	
	2002	2001	2002	2001
	(in thousands)		(in thousands)	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
SALES				
Grain Handling and Marketing	\$ 384,905	\$ 414,526	\$ 1,352,167	\$ 1,452,613
Agri-products	33,755	61,494	150,983	226,729
Agri-food Processing	125,672	148,199	448,072	455,067
Livestock Production and Marketing	21,416	66,030	76,025	193,434
Publishing and Other	-	6,132	5,112	12,772
Intersegment sales	(15,957)	(13,637)	(35,166)	(38,985)
	\$ 549,791	\$ 682,744	\$ 1,997,193	\$ 2,301,630

SEGMENT EARNINGS FROM OPERATIONS

	Three months ended April 30 2002 (in thousands) (unaudited)				Three months ended April 30 2001 (in thousands) (unaudited) (restated)			
	EBITDA	D&A	Provisions	EBIT	EBITDA	D&A	Provisions	EBIT
Grain Handling and Marketing	\$ (1,012)	\$ 8,509	\$ -	\$ (9,521)	\$ 7,775	\$ 9,428	\$ -	\$ (1,653)
Agri-products	(2,883)	2,603	(7,818)	2,332	3,100	2,554	-	546
Agri-food Processing	7,866	3,688	100	4,078	14,480	4,210	-	10,270
Livestock Production and Marketing	3,349	2,262	-	1,087	5,168	2,817	-	2,351
Publishing and Other	-	-	-	-	2,496	87	-	2,409
Segment Results	7,320	17,062	(7,718)	(2,024)	33,019	19,096	-	13,923
Reconciling differences:								
Corporate expenses	(4,638)	296	-	(4,934)	(4,816)	333	-	(5,149)
Tax Provision on Equity Earnings	-	-	-	-	(1,974)	-	-	(1,974)
Per Financial Statements	\$ 2,682	\$ 17,358	\$ (7,718)	\$ (6,958)	\$ 26,229	\$ 19,429	\$ -	\$ 6,800

SEGMENT EARNINGS FROM OPERATIONS

	Nine months ended April 30 2002 (in thousands) (unaudited)				Nine months ended April 30 2001 (in thousands) (unaudited) (restated)			
	EBITDA	D&A	Provisions	EBIT	EBITDA	D&A	Provisions	EBIT
Grain Handling and Marketing	\$ 21,057	\$ 24,705	\$ -	\$ (3,648)	\$ 32,149	\$ 26,613	\$ 12,153	\$ (6,617)
Agri-products	(3,042)	8,629	(7,818)	(3,853)	9,330	8,256	-	1,074
Agri-food Processing	26,043	12,248	21,579	(7,784)	32,965	12,720	-	20,245
Livestock Production and Marketing	6,259	7,276	6,995	(8,012)	16,528	8,490	-	8,038
Publishing and Other	589	142	(11,034)	11,481	3,627	280	-	3,347
Segment Results	50,906	53,000	9,722	(11,816)	94,599	56,359	12,153	26,087
Reconciling differences:								
Corporate expenses	(13,547)	911	-	(14,458)	(15,006)	1,013	1,170	(17,189)
Tax Provision on Equity Earnings	-	-	-	-	466	-	-	466
Per Financial Statements	\$ 37,359	\$ 53,911	\$ 9,722	\$ (26,274)	\$ 80,059	\$ 57,372	\$ 13,323	\$ 9,364

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended April 30		Nine months ended April 30	
	2002 (in thousands)	2001 (in thousands)	2002 (in thousands)	2001 (in thousands)
	(unaudited)		(unaudited)	
	(restated)		(restated)	
CASH FROM (USED IN) OPERATING ACTIVITIES:				
Net loss	\$ (12,696)	\$ (9,898)	\$ (51,064)	\$ (34,036)
Add/(deduct) items not involving cash				
Depreciation and amortization	17,358	19,429	53,911	57,372
(Gain) loss on disposals	(7,718)	(24)	9,722	13,299
Recovery of future income taxes	(10,379)	(9,537)	(31,984)	(23,843)
Equity loss (earnings) of significantly influenced companies	90	(5,731)	54	(2,692)
Pension and other items	(3,086)	(1,941)	(7,899)	(3,385)
Bank refinancing amortization	3,212	-	9,901	-
Non-controlling interest	(36)	167	(666)	122
Cash flow (used in) from operations	(13,255)	(7,535)	(18,025)	6,837
Changes in non-cash working capital items				
Accounts receivable	12,338	(8,633)	201,229	196,684
Securitization of accounts receivable	(14,680)	(14,873)	(129,856)	(224,856)
Inventories	(84,337)	(22,213)	(94,835)	(55,765)
Securitization of inventories	2,741	(27,683)	3,706	(21,450)
Accounts payable	57,141	84,452	26,720	22,415
Prepaid expenses	939	1,827	2,685	9,371
Changes in non-cash working capital	(25,858)	12,877	9,649	(73,601)
Cash (used in) from operating activities	(39,113)	5,342	(8,376)	(66,764)
CASH FROM (USED IN) FINANCING ACTIVITIES:				
Proceeds of long-term debt	503	345,559	5,488	352,028
Repayment of long-term debt	(45,893)	(170,829)	(144,505)	(189,300)
Proceeds of short-term borrowings	9,828	95,064	25,269	189,198
Repayment of short-term borrowings	-	(254,000)	-	(254,000)
Repayment of members' demand loans	(3,743)	(2,821)	(8,487)	(14,500)
Increase (decrease) in other long-term liabilities	1,021	(946)	(392)	1,613
Amounts received from minority interest parties of a subsidiary	-	-	-	129
Increase (decrease) in share capital	1	(2)	(2)	(11)
Cash (used in) from financing activities	(38,283)	12,025	(122,629)	85,157
CASH FROM (USED IN) INVESTING ACTIVITIES:				
Property, plant and equipment expenditures	(2,209)	(3,017)	(11,507)	(20,436)
Proceeds on sale of property, plant and equipment	2,860	1,811	9,227	6,751
Divestitures	42,495	-	85,254	11,000
Decrease (increase) in investments	74	(47)	2,553	1,163
Increase in other long-term assets	(2,620)	(11,660)	(3,535)	(16,403)
Cash from (used in) investing activities	40,600	(12,913)	81,992	(17,925)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(36,796)	4,454	(49,013)	468
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,021	(13,184)	13,238	(9,198)
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ (35,775)	\$ (8,730)	\$ (35,775)	\$ (8,730)
Supplemental disclosure of cash (paid) recovered during the year:				
Interest	(10,089)	(15,529)	(34,679)	(47,522)
Income Taxes	(677)	(3,520)	21,798	8,028

Cash and cash equivalents are comprised of cash and bank indebtedness.

Saskatchewan Wheat Pool is Canada's largest publicly traded agri-business co-operative headquartered in Regina, Saskatchewan. Its core business operations are grain handling and marketing, and agri-product sales. These operations are complemented by livestock, food processing and value-added businesses that allows the Pool to leverage its pivotal position between prairie farmers and destination customers in North America and around the world. The Pool's Class B shares are listed on the Toronto Stock Exchange under the symbol SWP.B.

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Readers are encouraged to review the Quarterly Report, and Management Discussion and Analysis in conjunction with this release. The Report will be available on www.swp.com at 7:30 a.m. CST, June 14, 2002.