



Saskatchewan Wheat Pool

For Immediate Release
June 24, 2003
Regina, Saskatchewan
Listed: TSX
Symbol: SWP.B

FRESH START FOR THE POOL

Saskatchewan Wheat Pool today announced its third quarter results for fiscal 2003, which fully reflect the company's financial reorganization that was completed during the quarter. The Pool's restructuring has been accounted for under the principles of comprehensive revaluation, or fresh start accounting, which revalues the balance sheet based on fair values. Readers should refer to the company's Quarterly Report for a complete description of the adjustments.

"We have completed our reorganization relieving the Pool of the heavy burden that comes with excessive debt levels," said CEO Mayo Schmidt. "We now have the financial capacity and operating flexibility to restore profitability as production levels normalize."

The Pool's consolidated sales and operating revenues for the quarter were \$310 million, down from \$550 million in the third quarter last year. The reduction directly relates to the 45-per-cent drop in 2002 grain production due to drought, along with the absence of sales this year from companies that were sold in fiscal 2002. The Agri-products Segment and Can-Oat Milling improved sales to partially offset the decline.

Third quarter EBITDA, or earnings before interest, securitization, taxes, depreciation and amortization, was a loss of \$7.8 million, approximately \$10 million lower than the previous year due to lower grain volumes, lower volumes of finished hogs sold during the quarter and poor pork prices. Interest costs were \$14.1 million, which includes \$3.3 million of non-cash interest expense. The non-cash expense relates to the accretion of long-term debt from the fair value at January 31, 2003, to the face value at November 2008. Depreciation and amortization was \$6.7 million, significantly lower than historical levels, and indicative of the company's quarterly depreciation costs going forward. Operating costs on a year-to-date basis dropped \$21.6 million compared to the previous period.

The net loss for the quarter was \$30.4 million, which equates to a loss per share of \$0.46. After the accretion related to the equity component of the convertible notes, which does not form part of interest expense, the EPS loss is \$0.56 per share.

The Pool's primary shipments in the quarter were 0.8 million tonnes for a total to-date of 3.6 million tonnes, or 37 per cent behind the previous year, reflecting the impact of drought on volumes and the availability of quality commodities this year. Port terminal volumes were 1.6 million tonnes in the first nine months, just over half of last year's level. Thunder Bay volumes were comparable on strong exports out of Manitoba, however volumes through Vancouver declined substantially. No volumes flowed to that port from mid-August to December due to a labour dispute. In addition, Vancouver's draw areas of Alberta and western Saskatchewan were heavily hit by drought, substantially reducing the amount and quality of grain available for export off the West Coast.

Nine Month Volumes April 30, 2003
(000's of tonnes)

	Increase/ (Decrease)	F2003	F2002
Primary Elevator Shipments	-37%	3,607	5,698
Terminal Operations			
Vancouver	-78%	382	1,766
Thunder Bay	-0.5%	795	799
Share of Affiliates	-27%	424	580
Total Terminal Operations	-49%	1,601	3,145

EBITDA for the Grain Handling and Marketing Segment was a loss of \$5.3 million in the quarter, reflecting drought-related volume declines, partly offset by higher margins, additional cost savings and a grain insurance recovery recorded in the period.

The Agri-products Segment generated sales growth of 30 per cent and EBITDA increased 26 per cent from the same quarter last year, reflecting stronger fertilizer, seed and crop protection sales, as the industry geared up for the spring sales season.

The Agri-food Processing Segment generated sales in the third quarter of \$31 million, up slightly from the comparable quarter last year after excluding sales from companies sold last year. EBITDA from Can-Oat Milling and Prairie Malt Limited combined was \$5.7 million for the quarter, down from the previous year due to depleted supplies of quality malt barley in Western Canada because of drought. The company's feed mill and aquaculture had similar results to last year, while sales in the Pool's pork operations dropped on lower volumes and sales prices.

"We are looking forward to next year with a renewed sense of optimism. Our spring selling season has been strong," said Schmidt. "Insects have become an issue in some areas and we still require timely rains to meet the initial production estimates of a normal crop. However, drought relief has come in many parts of Western Canada, which signals the potential for a significant earnings recovery for the Pool in fiscal 2004."

Saskatchewan Wheat Pool is a publicly traded agribusiness headquartered in Regina, Saskatchewan. Anchored by a prairie-wide grain handling and agri-products marketing network, the Pool channels prairie production to end-use markets in North America and around the world. These operations are complemented by value-added businesses and strategic alliances, which allow the Pool to leverage its pivotal position between prairie farmers and destination customers. The Pool's Class B shares are listed on the Toronto Stock Exchange under the symbol SWP.B.

CONSOLIDATED BALANCE SHEETS

	As at April 30 2003	As at January 31 2003
	(in thousands)	
	(unaudited)	(unaudited)
ASSETS		
Current Assets		
Cash	\$ 1,489	\$ 2,382
Cash in trust	513	13,898
Short-term investments	20,057	29,088
Accounts receivable	88,956	94,381
Inventories	317,997	286,575
Prepaid expenses	8,864	8,469
Future income taxes	921	782
	438,797	435,575
Investments	4,552	4,945
Property, Plant and Equipment	298,630	314,413
Other Long-Term Assets	6,798	7,476
Future Income Taxes	80,324	80,324
	\$ 829,101	\$ 842,733
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness	\$ 15,509	\$ 15,674
Short-term borrowings	123,459	122,174
Members' demand loans	7,361	6,178
Members' shares	1,793	1,797
Accounts payable	203,402	181,484
Long-term debt due within one year	7,525	7,155
	359,049	334,462
Long-Term Debt	265,447	273,407
Other Long-Term Liabilities	47,674	47,300
Future Income Taxes	8,781	8,909
Non-Controlling Interest	-	54
	680,951	664,132
Shareholders' Equity		
Share capital	28,439	22,335
Convertible notes- equity component	156,160	156,266
Retained earnings (deficit)	(36,449)	-
	148,150	178,601
	\$ 829,101	\$ 842,733

**CONSOLIDATED STATEMENTS OF EARNINGS
AND RETAINED EARNINGS**

	Three months ended April 30 2003	Pre-reorganization		
		Six months ended January 31 2003	Three months ended April 30 2002	Nine months ended April 30 2002
(in thousands)				
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales and Other Operating Revenues	\$ 310,042	\$ 970,247	\$ 549,701	\$ 1,997,139
Cost of Sales and Expenses				
Cost of sales and operating expenses	305,256	949,118	530,299	1,901,209
Selling and administrative expenses	12,590	24,519	16,756	59,237
Depreciation and amortization	6,655	25,793	17,358	53,911
(Gain) Loss on disposals	-	-	(7,718)	9,722
	324,501	999,430	556,695	2,024,079
Loss Before the Undernoted	(14,459)	(29,183)	(6,994)	(26,940)
Non-controlling interest	53	1,233	36	666
Loss Before Interest and Taxes	(14,406)	(27,950)	(6,958)	(26,274)
Interest expense	14,116	23,650	13,142	45,988
Securitization expense	-	3,016	1,273	6,887
Loss Before Corporate Taxes	(28,522)	(54,616)	(21,373)	(79,149)
(Expense) Recovery of corporate taxes	(1,930)	20,180	8,677	28,085
Net Loss	(30,452)	(34,436)	(12,696)	(51,064)
Retained Earnings, Beginning of Period	-	(54,422)	(631)	37,737
Accretion of equity component of convertible long-term debt	(5,997)	-	-	-
Retained Earnings, End of Period	\$ (36,449)	\$ (88,858)	\$ (13,327)	\$ (13,327)
Earnings (Loss) Per Share after Accretions	\$ (0.56)	\$ (0.92)	\$ (0.34)	\$ (1.36)

SALES AND OPERATING REVENUE BY SEGMENT

	Three months ended April 30 2003	Pre-reorganization		
		Six months ended January 31 2003	Three months ended April 30 2002	Nine months ended April 30 2002
(in thousands)				
SALES	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Grain Handling and Marketing	\$ 225,554	\$ 769,441	\$ 384,814	\$ 1,352,112
Agri-products	43,899	123,198	33,755	150,983
Agri-food Processing	31,101	65,142	125,672	448,072
Other	17,147	30,460	21,298	81,019
Intersegment sales	(7,659)	(17,994)	(15,838)	(35,047)
	\$ 310,042	\$ 970,247	\$ 549,701	\$ 1,997,139

SEGMENT EARNINGS FROM OPERATIONS

	Three months ended April 30 2003 (in thousands) (unaudited)				Pre-reorganization Six months ended January 31 2003 (in thousands) (unaudited)			
	EBITDA	D&A	(Gain)/ Loss on Disposals	EBIT	EBITDA	D&A	(Gain)/ Loss on Disposals	EBIT
	Grain Handling and Marketing	\$ (5,323)	\$ 2,740	\$ -	\$ (8,063)	\$ 7,169	\$ 14,883	\$ -
Agri-products	(2,136)	2,138	-	(4,274)	(5,926)	3,677	-	(9,603)
Agri-food Processing	5,671	1,292	-	4,379	6,327	2,542	-	3,785
Other	(2,059)	485	-	(2,544)	(1,873)	4,438	-	(6,311)
Segment Results	(3,847)	6,655	-	(10,502)	5,697	25,540	-	(19,843)
Corporate expenses	(3,904)	-	-	(3,904)	(7,854)	253	-	(8,107)
Per Financial Statements	\$ (7,751)	\$ 6,655	\$ -	\$ (14,406)	\$ (2,157)	\$ 25,793	\$ -	\$ (27,950)

SEGMENT EARNINGS FROM OPERATIONS

	Three months ended April 30 2002 (in thousands) (unaudited)				Pre-reorganization Nine months ended April 30 2002 (in thousands) (unaudited)			
	EBITDA	D&A	(Gain)/ Loss on Disposals	EBIT	EBITDA	D&A	(Gain)/ Loss on Disposals	EBIT
	Grain Handling and Marketing	\$ (1,012)	\$ 8,509	\$ -	\$ (9,521)	\$ 21,057	\$ 24,705	\$ -
Agri-products	(2,883)	2,603	(7,818)	2,332	(3,042)	8,629	(7,818)	(3,853)
Agri-food Processing	7,866	3,688	100	4,078	26,043	12,248	21,579	(7,784)
Other	3,349	2,262	-	1,087	6,848	7,418	(4,039)	3,469
Segment Results	7,320	17,062	(7,718)	(2,024)	50,906	53,000	9,722	(11,816)
Corporate expenses	(4,638)	296	-	(4,934)	(13,547)	911	-	(14,458)
Per Financial Statements	\$ 2,682	\$ 17,358	\$ (7,718)	\$ (6,958)	\$ 37,359	\$ 53,911	\$ 9,722	\$ (26,274)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended April 30 2003 (in thousands) (unaudited)	Pre-reorganization		
		Six months ended January 31 2003 (in thousands) (unaudited)	Three months ended April 30 2002 (in thousands) (unaudited)	Nine months ended April 30 2002 (in thousands) (unaudited)
Cash From (Used In) Operating Activities:				
Net loss	\$ (30,452)	\$ (34,436)	\$ (12,696)	\$ (51,064)
Add (deduct) items not involving cash				
Depreciation and amortization	6,655	25,793	17,358	53,911
Loss on disposals	-	-	(7,718)	9,722
Future income taxes (recovery)	175	(22,827)	(10,379)	(31,984)
Pension	425	760	(1,901)	(6,714)
Interest accretion and bank refinancing amortization	3,331	5,616	3,212	9,901
Non-controlling interest	(53)	(1,233)	(36)	(666)
Other items	(1,035)	(77)	(1,095)	(1,131)
Cash flow used in operations	(20,954)	(26,404)	(13,255)	(18,025)
Changes in non-cash working capital items				
Accounts receivable	3,879	48,181	12,338	201,229
Securitization of accounts receivable	-	(8,875)	(14,680)	(129,856)
Inventories	(32,570)	(11,946)	(84,337)	(94,835)
Securitization of inventories	-	14,277	2,741	3,706
Accounts payable	25,242	(31,931)	57,141	26,720
Prepaid expenses	(431)	(991)	939	2,685
Changes in non-cash working capital	(3,880)	8,715	(25,858)	9,649
Cash used in operating activities	(24,834)	(17,689)	(39,113)	(8,376)
Cash From (Used in) Financing Activities				
Proceeds of long-term debt	-	72,969	503	5,488
Repayment of long-term debt	(9,998)	(2,966)	(45,893)	(144,505)
Proceeds of short-term borrowings	1,285	4,917	9,828	25,269
Increase (repayment) of members' demand loans	1,183	(18,446)	(3,743)	(8,487)
Repayment of members' shares	(4)	-	-	-
(Decrease) increase in other long-term liabilities	(1,010)	(260)	1,021	(392)
(Decrease) increase in share capital	-	(11)	1	(2)
Cash (used in) from financing activities	(8,544)	56,203	(38,283)	(122,629)
Cash From (Used in) Investing Activities				
Property, plant and equipment expenditures	(1,045)	(3,357)	(2,209)	(11,507)
Proceeds on sale of property, plant and equipment	9,753	1,390	2,860	9,227
Divestitures	-	-	42,495	85,254
Decrease (increase) in cash in trust	13,385	(13,898)	-	-
Decrease in investments	378	3,168	74	2,553
Decrease (increase) in other long-term assets	1,148	(6,201)	(2,620)	(3,535)
Cash from (used in) investing activities	23,619	(18,898)	40,600	81,992
(Decrease) Increase in Cash and Cash Equivalents	(9,759)	19,616	(36,796)	(49,013)
Cash and Cash Equivalents, Beginning of Period (a)	15,796	(3,820)	1,021	13,238
Cash and Cash Equivalents, End of Period (a)	\$ 6,037	\$ 15,796	\$ (35,775)	\$ (35,775)
Supplemental disclosure of cash (paid) recovered during the year:				
Interest	(21,421)	(11,439)	(10,089)	(34,679)
Securitization	-	(3,016)	(1,273)	(6,887)
Income Taxes	(189)	(3,418)	(677)	21,798

(a) Cash and cash equivalents consist of cash, short-term investments and bank indebtedness.

This release contains forward looking statements that involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such statements. Important factors that could affect these statements include, without limitation, producer's decisions regarding total planted acreage, crop selection, and utilization levels of farm inputs such as fertilizers and pesticides; weather conditions, including drought; Canadian grain export levels; changes in government policy and transportation deregulation; world agricultural commodity prices and markets; changes in competitive forces including pricing pressures; and global political and economic conditions, including grain subsidy actions of the United States and European Union.

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Media Contact: Media may contact Dawn Blaus at 306-569-4291 to arrange individual interviews regarding today's announcement.

Investor Contact: Investors who have comments or questions about today's announcement may contact the Investor Relations Division at 306-569-4525.