MAPLE LEAF FOODS INC.

ANNUAL INFORMATION FORM

March 20, 2009

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Unless otherwise indicated, the information in this Annual Information Form is given as of December 31, 2008 and all amounts are in Canadian dollars. Unless the context otherwise requires, references herein to "Maple Leaf Foods" or the "Company" are to Maple Leaf Foods Inc. and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains, and the Company's oral and written public communications often contain, forward-looking statements that are based on current expectations, estimates, forecasts and projections about the industries in which the Company operates and beliefs and assumptions made by the Management of the Company. Such statements include, but are not limited to, statements with respect to our objectives and goals, as well as statements with respect to our beliefs, plans, objectives, expectations, anticipations, estimates and intentions. Specific forward-looking statements in this document include, but are not limited to, statements with respect to the timing of the completion of, and the expected benefits of, the Company's protein transformation strategy, the timing and execution of planned network optimization activities and new product innovation, the timing, cost and expected benefits of the Company's new planned shared services platform software, the expected amount of write-downs in systems made redundant by the Company's new shared services platform software, expectations regarding the timing of volume and margin recovery from the product recall, the expected number of finished pigs produced by the Company, the expectations regarding the timing of the opening of the food innovation centre in Mississauga, Ontario, the expected reduction in the level of cyclicality of the Meat Products Group, the continued growth of the Company's position in the specialty bakery market, the expected cost reduction from the Company's expansion of the plant in Roanoke, Virginia and expectations regarding environmental expenditures. Words such as "expect", -"anticipate", "intend", "attempt", "may", "will", "plan", "believe", "seek", "estimate" and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

In particular, these forward-looking statements are based on a variety of factors and assumptions that are discussed throughout this document. In addition, these statements and expectations concerning the performance of the Company's business in general are based on a number of factors and assumptions including, but not limited to: the condition of the Canadian and United States economies; the rate of exchange of the Canadian dollar to the U.S. dollar and the Japanese yen; expected recovery of sales following the product recall; the availability and prices of raw materials, energy and supplies; product pricing; the availability of insurance; the competitive environment and related market conditions; improvement of operating efficiencies whether as a result of the protein business transformation or otherwise; continued access to capital; the cost of compliance with environmental and health standards; no adverse results from ongoing litigation; no unexpected actions of domestic and foreign governments; and the general assumption that none of the risks identified below or elsewhere in this document will materialize. All of these assumptions have been derived from information currently available to the Company including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied or forecasted in such forward-looking statements, which reflect the Company's expectations only as of the date hereof.

Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking statements include, among other things:

- the risks associated with implementing and executing the protein business transformation;
- the risks associated with changes in the Company's shared systems and processes;
- the risks posed by food contamination, consumer liability and product recalls;
- the risks associated with the Company's outstanding indebtedness;
- the impact on pension expense and funding requirements of fluctuations in the market prices of fixed income and equity securities and changes in interest rates;

- the cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the risks related to the health status of livestock;
- the Company's exposure to currency exchange risks;
- the ability of the Company to hedge against the effect of commodity price changes through the use of commodity futures and options;
- the impact of international events on commodity prices and the free flow of goods;
- the risks posed by compliance with extensive government regulation;
- the impact of changes in consumer tastes and buying patterns;
- the impact of extensive environmental regulation and potential environmental liabilities;
- the risks associated with a consolidating retail environment;
- the impact of a pandemic on the Company's operations; and
- the risks associated with complying with differing employment laws and practices globally and the potential for work stoppages due to non-renewal of collective agreements.

The Company cautions the reader that the foregoing list of factors is not exhaustive. These factors are referred to in more detail under the heading "Risk Factors" on page 16 of this document. The reader should review such section and the other documents it references in detail. The Company does not intend, and the Company disclaims any obligation to update any forward-looking statements, whether written or oral, or whether as a result of new information, future events or otherwise except as required by law.

Additional information concerning the Company, including the Company's Management Discussion and Analysis, is available on SEDAR at www.sedar.com or at www.mapleleaf.ca .

OVERVIEW OF THE BUSINESS

Maple Leaf Foods is a leading Canadian food processing company with revenues of approximately $5.2 billion in fiscal 2008. The Company's business is divided into three operating and reportable segments: the Meat Products Group, the Agribusiness Group, and the Bakery Products Group. The combination of the Meat Products Group and the Agribusiness Group comprises the Protein Group, which is involved in producing and marketing animal protein-based products.

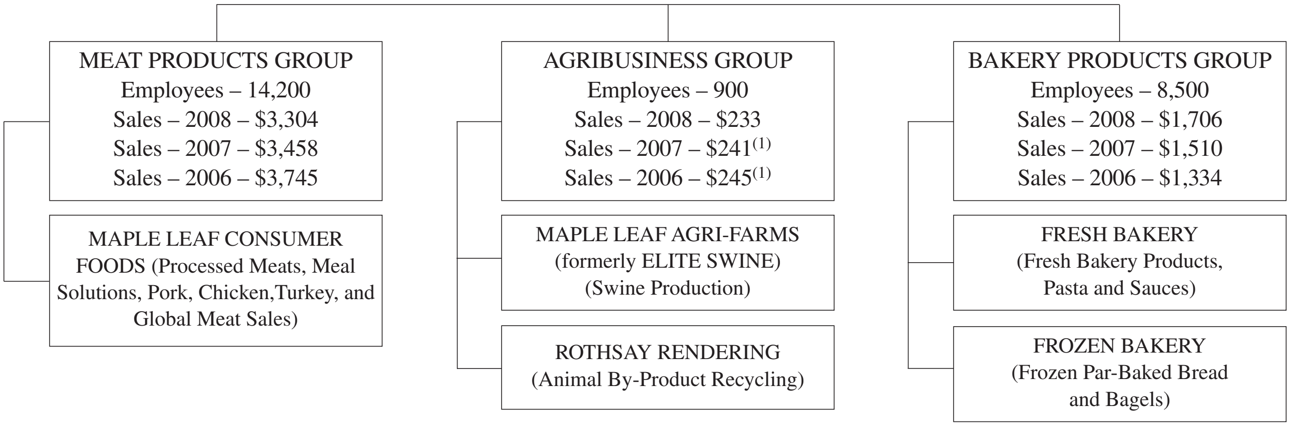
The Meat Products Group comprises value-added processed packaged meats, chilled meal entrees and lunch kits; value-added pork, poultry and turkey products; and, global meat sales. Meat products are sold under the Company's premium brands as well as through private label, food service and industrial channels. In connection with the restructuring of the Company's operations commenced in 2006 (described on page 3 under the heading "General Development of the Business – Three Year History"), the operating divisions of the Meat Products Group, namely Maple Leaf Fresh Foods, Maple Leaf Consumer Foods and Maple Leaf Global Foods, were combined and operate as one unit under the name Maple Leaf Consumer Foods.

The Agribusiness Group supplies the Company with hog feeds, manages hog production and recycles a wide variety of animal and poultry by-products, including bones, trim, fat, offal and feathers, into a broad range of commercial tallow and protein products and biodiesel. The Agribusiness Group consists of two operating divisions, Maple Leaf Agri-Farms (formerly Elite Swine Inc.) and Rothsay Rendering.

The Bakery Products Group is comprised of Maple Leaf Foods' 89.8% indirect ownership (as at March 20, 2009) in Canada Bread Company, Limited ("Canada Bread"), a leading manufacturer and marketer of value-added flour-based products including fresh bread in Canada, frozen partially baked ("par-baked") bread in the United States and Canada, specialty bakery products including fresh pasta and sauces, prepared sandwiches and snack cakes in Canada, and bagels, croissants and other specialty baked goods in the United Kingdom. The Bakery Products Group consists of the two operating divisions, the Fresh Bakery Group and the Frozen Bakery Group.

Organizational Structure

The following chart summarizes the Company's current organizational structure by operating segment as at December 31, 2008 (sales figures are in millions):



1) The Agribusiness Group's sales for 2007 and 2006 do not include sales from the Maple Leaf Animal Nutrition business sold by the Company in July 2007. Prior to the sale by the Company, Maple Leaf Animal Nutrition had sales of $343 and $570 in 2007 and 2006, respectively.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

During the year ended December 31, 2008, the Company continued to focus on improving its operating efficiencies, improving its sales mix by increasing the proportion of value-added and higher margin products, and increasing its market share through acquisitions and capital expansions. In 2008, the Company's operations were impacted by three factors: (1) a product recall in August 2008 of sliced meats produced at the Company's Bartor Road facility in Toronto, Ontario; (2) unprecedented increases in the price of key inputs including wheat, corn and fuel costs, resulting in margin compression in a number of business units; and (3) operating costs and benefits related to the execution of the Company's three-year strategy to refocus on its value-added meat, meals and bakery businesses.

In 2006, in response to poor financial performance of the protein value chain operations resulting from the impact of the rise in the Canadian dollar against the U.S. dollar and the Japanese yen, the Company completed a comprehensive strategic review of its protein-related businesses and operations with the objective of maximizing the profitability of its meat businesses and recovering the loss in competitiveness due to adverse currency movements. In October 2006, the Company announced a strategy to reorganize its protein operations to focus on growth in higher margin, value-added meats and meals businesses where the Company has brand and market leadership (the "Transformation Strategy"). This was intended to mitigate the significant impact of currency fluctuations and increasing global competition in the hog and fresh pork areas of the business, where the Company has relatively little control or pricing power. Significant components of the strategy include:

1. simplifying the organization by the consolidation of six operating units into one;
2. focusing the organization by the sale of non-core business units;
3. lowering exposure to currency and commodity market fluctuations by downsizing the pork supply chain to quantities consumed in the Company's value-added meat and meals operations; and,
4. increasing margins and growth by directing meat into value-added channels.

In 2007, in conjunction with the protein business transformation, the Company began a process to standardize core operational and financial processes and supporting systems across the Company as a foundation to establish a multi-functional shared service organization designed to provide lower cost, value-added services for all the Company's business operations.

In this regard, the Company embarked on an initiative to consolidate all of its information technology systems on to a single platform. During 2008, management initiated a plan to upgrade its existing software to achieve this goal. After further study, management decided that it was in the best interests of the Company to completely replace, as opposed to upgrade, its current systems and selected software by SAP as its new information technology ("IT") platform and engaged an implementation consultant. Management expects to begin initial installations of this software in early 2009, and that the full installation will be complete in less than four years. Management had previously estimated that the cost of replacing or upgrading its systems and moving to a shared services centre would cost up to approximately $170 million in combined operating and capital expenditures over the next three to four years, not including write offs or accelerated depreciation of existing system assets that will be made redundant by the new system. Based on the current project plan, management has no reason to change this estimate at this point in the project.

During 2007 and 2008, in addition to significant internal change activities related to execution of its strategy, the Company was affected by unprecedented increases in the price of key inputs to its manufacturing operations, including wheat, corn, other grains and fuel costs.

The Company was also negatively impacted in 2008 by the product recall of sliced meats produced at its Bartor Road facility in Toronto, Ontario. For a detailed description of the product recall, see the description contained under "Development of the Business – Three-Year History – Meat Products Group" below.

The Company has established *Think Food!*™, a food innovation centre in the Meadowvale Business Park in Mississauga, Ontario adjacent to the Company's existing office towers that is expected to be open in the second quarter of 2009 assuming no construction delays. The Company has invested approximately $12 million in *Think Food!*™. The centre is home to the Company's product innovation and culinary strategy experts, and is designed to foster collaborative product development across the Company's global bakery and protein businesses. Resources located at the centre include culinary facilities, a designated foodservice kitchen, sensory and product development areas, teaching facilities, and a global culinary insight and trend library. It is designed to be a central hands-on learning environment for sales, marketing and product development staff to develop and share new food concepts, recipe ideas, and evaluate preparation and display techniques with food service and retail customers. It is also expected to support consumer research and product testing.

The specific acquisitions, dispositions, capital expansions and conditions that have influenced the general development of the business in each of the operating segments over the last three fiscal years are discussed below.

Meat Products Group

General

The Company continues to progress with its strategic reorganization, commenced in 2006, of its protein operations, to increase profitability and reduce currency and commodity exposure by reducing the Company's fresh pork processing operations and focusing growth in its higher margin packaged meat and meals businesses.

In the last three years, the Meat Products Group has developed through the integration of acquisitions and elimination of minority interests of other subsidiaries made or completed since 2004. This included the acquisition of Schneider Foods (a national producer of value-added processed meat products acquired in 2004), and purchases of the remaining minority interests in Mitchell's Gourmet Foods Inc. (a producer of value-added processed meat products acquired in 2004 and 2005), Cappola Food Inc. (a producer of value added prepared meats acquired in 2005) and Cold Springs Farm Limited (an integrated turkey producer and processor acquired in 2004 through 2008). These operations have been integrated in one business unit under single management with the Company's other fresh meats, value-added meats and meals operations in accordance with the Company's Transformation Strategy.

On March 31, 2007, the Company completed two transactions to sell its small convenience and seafood trading businesses in Germany, as those businesses were not aligned with the Company's new protein strategy. These sales did not have a material impact on the Company's ongoing earnings or cash flows.

In the area of value-added meats and meals manufacturing, the Company continues to rationalize and make efficiency improvements. In 2006, the Company acquired a new 185,000 square foot facility in Brampton, Ontario for the production of a new line of refrigerated, branded meal solution products. These products were launched in the first quarter of 2007 under the *Maple Leaf Simply Fresh®* brand name. The Company has closed a red meat facility in Etobicoke, Ontario and consolidated the products previously made there into the Brampton facility. The Company consolidated and upgraded its Western distribution network with two new distribution centres in Saskatoon and in the lower mainland in B.C. which came online in 2008. These centres allowed the consolidation of existing warehouses and third party storage facilities.

The Transformation Strategy for pork production is to downsize pork supply to the quantities consumed by the Company in its value-added meats and meals operations. The Company had seven pork plants in 2006. Once the strategy is fully implemented, the Company will have only one plant in Brandon, Manitoba operating on a double shift basis processing approximately 4.3 million hogs annually and a ham boning operation in Winnipeg, Manitoba. Accordingly, in 2006, the Company announced that its existing plant in Saskatoon, Saskatchewan would be closed rather than be replaced with a new plant as had been announced in 2005. In 2006, a pork plant in the Montreal area was divested and in 2007, the Company closed two pork plants in Saskatoon, Saskatchewan and Winnipeg, Manitoba and a poultry primary processing facility in Atlantic Canada. The Company also double-shifted the front-end processing at the plant in Brandon, Manitoba in early September 2007 and reached its target of 75,000 hogs per week during the fourth quarter of 2007. At the end of 2008, the plant was processing approximately 83,000 hogs per week. Further capital investments were made in the Brandon facility to expand and double-shift the back-end "cut" operations, and a dedicated competitive ham boning operation was established in Winnipeg, Manitoba. The two remaining pork plants in Burlington, Ontario and Lethbridge, Alberta that are surplus to the Company's fresh pork requirements have yet to be divested. The Company continues to process a limited number of hogs at its multi-purpose plant in Nova Scotia to supply its value-added products at the plant.

August 2008 Product Recall

In August 2008, the Company voluntarily recalled all product produced since January 1, 2008 at its Bartor Road facility in Toronto, Ontario because of a concern that these products may be contaminated with *Listeria monocytogenes*. In the end, the *Listeria* strain identified in Maple Leaf products has been linked to 57 cases of illness including 21 deaths where Listeriosis was a contributing factor. While there was no evidence of *Listeria* contamination in products beyond two of the 8 production lines at the facility, the Company recalled all products produced at the facility to ensure that all precautionary steps were being followed to protect consumers. The Bartor Road facility was closed for sanitization, comprehensive environmental testing and verification, and the completion of comprehensive pre-operation inspections by the Canadian Food Inspection Agency ("CFIA").

On September 17, 2008, the Company resumed production at the plant. In conjunction with the re-opening of the factory, the Company reviewed its protocols and made further enhancements to its food safety protocols at all of its 24 packaged meat plants. This included regular disassembly and deep sanitation of slicing equipment, enhanced environmental testing and additional employee training relating to new operating procedures and control of food-borne pathogens.

Throughout October and November 2008, efforts focused on normalizing operations at the Bartor Road facility. The ramp-up process was very gradual as the factory was operating in a highly controlled and monitored environment with daily on-site inspection and oversight by CFIA to ensure the effectiveness of the Company's enhanced food safety protocols. On November 17, 2008, the plant received approval to resume shipping products to customers.

Due to the non-availability of recalled products, overall declines in the deli and sliced meats category and lower sales of other non-recalled Maple Leaf branded products early in the recall, the Company experienced sales declines in deli-products, most significantly in August and September 2008, with sales improving through the fourth quarter. The Company has been making steady progress in rebuilding its packaged meat business and brand. Volumes continue to recover, reflecting a return in consumer confidence, and the packaged meat supply chain has largely stabilized.

A comprehensive volume recovery plan is being implemented to restore and grow the base business. The plan focuses on growing sales through various marketing and sales initiatives such as product displays and in-store activities to drive sales volume, major promotional activities and new product launches. Margins in the deli-products category have also suffered from the effects of the recall.

On January 20, 2009, the Federal Government commissioned an independent investigation into the August 2008 Listeriosis outbreak, specifically the factors that contributed to the outbreak and the effectiveness of the response of federal organizations.

In February 2009 the Corporation conducted a voluntary recall of approximately 1,100 cases of wieners produced at its plant in Hamilton, Ontario for possible contamination with *Listeria* as a precautionary measure, because the products were shipped in violation of the Corporation's food safety protocols. Subsequent testing by the CFIA found no *Listeria monocytogenes* in the recalled products.

Agribusiness Group

An element of the Company's new protein strategy was to restructure the Manitoba hog production operations towards wholly-owned balanced operations concentrated in proximity to the Brandon primary processing plant, reducing both the total number of hogs produced and the cost and complexity of the existing operations. This goal was materially achieved in Manitoba in 2007. In 2008, management focused on streaming operations and administration and further reducing costs.

The Company completed the sale of all of its ownership interests in hog production assets in Alberta and Ontario in 2008, and in November 2008 also completed the divesture of its hog genetics operations.

As a result of these changes, the annualized number of finished pigs produced by the Company is currently 810,000 hogs. This compares with 1.0 million produced in 2008 and 1.3 million produced in 2007. At the end of 2008, the Company effectively owned 14.5% of the hogs that it processed in its facilities. Maple Leaf Foods had effective ownership of approximately 20% of the hogs it processed in 2007 and 2006.

On July 20, 2007, the Company completed the sale of its animal nutrition business to Nutreco Holding BV for gross proceeds of $524.8 million and recognized a gain on the sale of $207.2 million, net of income taxes of $77.3 million. The sale included feed milling operations in Canada and the U.S., feed mills in Ontario acquired with the acquisition of a controlling interest in Cold Springs Farm, a multi-species research farm located in Burford, Ontario, dry pet food operations, a grain trading operation in the U.S. and operations in Eastern Canada for the production of hatching eggs, hatching of broiler and leghorn chicks and the growing of chickens and turkeys. The Company retained ownership of two feed mills in western Canada to service the Company's internal needs for hog feed. The feed mills now form part of Maple Leaf Agri-Farms.

In late 2007, the Company completed a review of the role of its Rothsay rendering operations in the Company's new protein business model and decided to retain the business in its entirety, as the business is an integral part of managing the disposition of by-products from its primary processing operations.

On January 14, 2008, the Company completed the purchase of Central By-Products, a by-products recycling business located near London, Ontario, for $18.0 million subject to adjustments.

Bakery Products Group

In July 2008, the Company increased its ownership of Canada Bread by acquiring 458,800 shares of Canada Bread on the open market at the price of $71.15 per share for an aggregate consideration of $32,643,620, raising the Company's ownership to 22,818,515 common shares (89.8%) of Canada Bread. Over the past three years, Canada Bread has made a number of acquisitions to expand the global market for its products, and undertaken capital expansions at plants and locations.

In 2006, Canada Bread made three acquisitions in the United Kingdom. On March 24, 2006, it acquired the assets and operations of the Harvestime specialty bakery product plant in Walsall, England for £1.0 million ($2.0 million). On November 27, 2006, Canada Bread, purchased two bakeries, The French Croissant Company Limited, a croissant bakery, and Avance (U.K.) Limited, a specialty bakery products manufacturer, for a total of £ 29.2 million ($64.0 million). It made a further acquisition in the United Kingdom on August 17, 2007 by purchasing the assets and operations of La Fornaia Ltd., a leading United Kingdom producer of an extensive range of quality, specialty and handcrafted breads for a total consideration of £18.9 million ($40.3 million). With these acquisitions and additional capital expansions, the United Kingdom operation has grown to now comprise eight plants producing a variety of breads including bagels, croissants and other specialties. In 2008, the Company optimized its network of bakery operations in the U.K. by consolidating the production of two small facilities producing primarily croissants and bagels, into the production of two larger, more efficient plants in Maidstone and Rotherham. At the end of 2008, several new products were launched in the Italian specialty bread and Viennoiserie categories.

The U.K. bakery operations suffered an oven fire in its principal bagel line at the Rotherham plant early in the year. Although bagels were sourced from the Company's North American operations during the time a new oven was commissioned, nonetheless the operations were impacted. The Rotherham, UK plant also commissioned a cold store expansion in 2008 and invested in a new Modified Atmosphere Packaging (MAP) line. MAP is a technique used to prolong the shelf life period of fresh or minimally processed foods, whereby the air surrounding the food in the package is converted to another composition so that the natural deterioration of perishable products is slowed.

On October 2, 2006, the Company transferred its 50% interest in Royal Touch Foods Inc. ("Royal Touch"), a pre-packaged sandwich supplier based in Etobicoke, Ontario, to Canada Bread. Also in 2006, Canada Bread purchased the remaining 50% interest in Royal Touch from an unrelated third party at a net cost for the third party purchased shares of approximately $4.0 million.

On February 26, 2007, Canada Bread made one acquisition in Quebec being the assets and operations of Patisserie Chevalier Inc., a producer of single-portion snack cake products in Quebec, for a total cost of $8.2 million.

On January 29, 2008, Canada Bread closed the acquisition of Aliments Martel Inc. ("Martel"), a privately held Quebec-based manufacturer and distributor of sandwiches, meals and sweet goods. Canada Bread paid an initial purchase price of $42 million and in addition, may pay an earn-out of up to $23 million based on financial performance of the acquired business over the next three years.

In 2008, Canada Bread closed a bagel manufacturing facility in Toronto, Ontario, and moved production to other regional facilities. An expansion at the Company's Roanoke, Virginia plant was commissioned during the second half of 2008, improving product costs and reducing freight and distribution costs to supply regional customers. Overall, these strategic closures and expansions are designed to allow the Company to better balance its North American production network to provide the best possible service to its North American customers.

DESCRIPTION OF THE BUSINESS

General

Maple Leaf Foods believes that its portfolio of food assets and selling channels provides the Company with a diversified revenue stream. The Meat Products Group, the Agribusiness Group and the Bakery Products Group are complementary. While the primary processing operations in the Meat Products Group are somewhat cyclical, the consumer foods operations of the Meat Products Group and the operations of the Bakery Products Group are not. As a result, the results of the non-cyclical operations provide an offset to the results of the cyclical operations. Furthermore, the markets and customers of the Meat Products Group and the Bakery Products Group are similar, allowing for the sharing of management and professional expertise. The implementation of the Transformation Strategy for the protein businesses described under "General Development of the Business – Three Year History" above has substantially reduced the Company's hog production and primary pork processing.

Prior to the announced change in strategy in 2006, Maple Leaf Foods used a business model premised on the "vertical coordination" of its Meat Products Group and Agribusiness Group. This model of "vertical coordination" is different from the Company's new business model of "vertical integration". As part of the old "vertical coordination" strategy, the Company did not own 100% of all of the production assets used in the "protein value chain" but rather took minority ownership interests in, or entered into partnerships or contracts with, producers and provided them with genetics, animal nutrition, production management services and links to processing and marketing. To advance the "vertical integration" model, the Company has restructured its hog production business such that it currently consists of a substantially wholly-owned sow and nursery operation in close proximity to the Brandon, Manitoba pork processing plant.

The Company's customers are located in over 50 countries worldwide. While domestic sales in Canada represent the majority of the Company's revenues, a significant portion of the Company's sales are derived from international markets such as sales to the United States, the United Kingdom and Japan. Maple Leaf Foods' customers include retail and food service stores, and other food processors. No single customer accounted for more than15% of Maple Leaf Foods' consolidated revenues for the year ended December 31, 2008. Maple Leaf Foods' largest customers typically purchase many different food products from the Company.

MEAT PRODUCTS GROUP

General

The Meat Products Group, operating through the Maple Leaf Consumer Foods division, includes the Company's branded and customer-branded value-added prepared meat products; fresh, frozen and branded value-added pork products; fresh, frozen and branded value-added chicken and turkey products; further processed meats and grocery products; and, global food marketing, distribution and trading. Meat products are sold under the Company's premium brands such as *Maple Leaf®* and *Schneider®* as well as through private label, food service and industrial channels. Maple Leaf Consumer Foods also operates an international export business through a network of five offices located in Canada, Mexico, Korea, Japan and Hong Kong that is focused on the sale of value-added meats and meals and on serving the needs of the Company's strategic international customers.

As stated above, the Company's strategy is to centralize its primary pork processing operations in Brandon, Manitoba. The Brandon, Manitoba pork processing plant is operating on a two-shift basis processing approximately 83,000 hogs per week. The Company has not completed the divestiture of its primary pork operations in Lethbridge, Alberta and Burlington, Ontario. In poultry, the Company operates plants in Ontario and Alberta which process chicken and turkey.

Maple Leaf Consumer Foods has processing plants and distribution centres across Canada with a sales organization across both Canada and the United States.

Principal Products and Markets

Maple Leaf Consumer Foods' products include bacon, hams, wieners, meat snacks, a wide variety of European delicatessen products, processed chicken products such as fully cooked chicken breasts and wings, processed turkey products such as fully cooked turkey breast roasts, specialty sausage and deli products, a complete line of cooked meats, sliced meats, cooked sausage products, frozen entrees, lunch kits, lard and canned meats. Maple Leaf Consumer Foods produces and markets a line of refrigerated, branded meal solution products and other products under the name "*Maple Leaf Simply Fresh®*". Maple Leaf Consumer Foods markets its products to major grocery store chains, independent grocery outlets, and retail and wholesale buying groups. Products are sold primarily in Canada and the United States. In addition, processed meats, pork and poultry products, frozen french fries and other potato products are sold to food service distributors for subsequent sale to restaurants, institutions and other food service establishments. Frozen french fries, potato croquettes and other potato products are sold internationally.

Maple Leaf Consumer Foods' products also include fresh primal and value-added pork cuts, fresh cut-up and whole chicken and turkey products and frozen whole birds and turkey parts. Chickens are sold under the Prime brand as a value-added branded line of fresh poultry products, fed with only 100% *NutriPrime®*, a proprietary blend of all vegetable grains, minerals and vitamins, with no animal by-products. Most of the chicken produced is sold in fresh form while turkey is sold in both fresh and frozen formats. Primary customers are retail grocery store chains, the food service industry, institutional buyers and other food processors. There are significant sales of pork products outside of Canada, principally in the United States and Japan. The Company also processes turkey meat into cooked and non-cooked value-added turkey products. The processed value-added turkey products are sold to retailers, distributors and food service companies.

Within its integrated turkey operations, Cold Springs Farm produces eggs from its breeder flock, a majority of which are sold to its hatchery which in turn produces poults. A majority of eggs not used to produce poults are sold in Canada and for export. While some poults produced in the hatchery are transferred to commercial turkey farms owned by Cold Springs Farm, the majority are sold to third parties. Cold Springs Farm also further processes the meat into cooked and non-cooked value-added turkey products. The fresh turkeys, turkey parts and further processed value-added turkey products are sold to retailers, distributors and food service companies.

The trading operations products are sold to customers around the world with an emphasis on Pacific Rim countries. Products imported into Canada are sold to food service distributors and wholesalers as well as directly to retail grocery store chains.

Raw Materials

The majority of the hogs procured by Maple Leaf Consumer Foods are sourced through direct contracts with producers with terms from one to five years with varying pricing mechanisms and premiums for livestock with specific quality characteristics. Under the contracts, producers gain access to risk management tools. Poultry processing operations in Canada function within a highly regulated environment where live supply is controlled by marketing boards and other government agencies. All of the Company's live chicken and turkey supply for its processing operation is purchased through supply marketing boards that regulate both the supply and the cost of the Company's primary raw material. Maple Leaf Consumer Foods' raw material requirements (other than the significant amount of fresh pork and poultry produced in its own plants) are purchased as commodities on the open market, either directly from suppliers or through brokers in Canada or the United States with prices fluctuating based on demand and available supply. As part of the revised protein strategy of the Company, more of Maple Leaf Consumer Foods' raw materials will be sourced internally for pork and poultry, but there will still be a requirement for purchases of these raw materials externally as well. A number of finished products are purchased through co-packing agreements with outside suppliers.

Markets and Competition – Meat Products Group

The Meat Products Group holds the number one or number two national market share position in each of its core product segments. While the number of competitors and the degree of competition varies by product and region, the meat industry in Canada is highly competitive, including competition from foreign manufacturers. Major competitors include several multinational food companies, and national and regional manufacturers. The markets for fresh pork are international, and the Company competes with large pork processors located in the United States and throughout the world. The international trading operations compete with other food trading organizations located throughout the world and with international sales organizations that are aligned with food processors. The Company is a significant purchaser of live hogs in Canada and competes with both Canadian and United States processors for hog supply. In the fresh pork and poultry operations, the Company's financial results are influenced by market prices for live chickens and hogs.

The Company is continuing in its efforts to minimize the influence of underlying commodity prices through adding value to its products, and by increasing operating efficiencies in order to improve its competitive position. The Company also attempts to minimize the overall impact of these commodity prices through its balanced portfolio of production and processing operations, as its hog production operations benefit from high hog prices and profits are usually countercyclical to the fresh pork operations. The announced protein strategy change, and in particular the reduction in the amount of primary pork processing, is expected to reduce the level of cyclicality further.

Consumer demand for meat products is seasonal, with demand increasing during the summer months for barbecue products and during the winter months for fully cooked ready-to-serve products. The market for turkey products is seasonal with a higher level of sales of turkey products in the festive seasons (September to December and to a lesser extent, in March and April).

AGRIBUSINESS GROUP

The Agribusiness Group manages and produces live hogs, including providing its own hog feed, and provides a valuable environmental service by recycling a wide variety of animal and poultry by-products, including bones, trim, fat, offal and feathers, into a broad range of commercial tallow, protein products, and biodiesel. The Agribusiness Group is divided into two operating divisions: Maple Leaf Agri-Farms (formerly called Elite Swine) and Rothsay Rendering.

Maple Leaf Agri-Farms

General

Maple Leaf Agri-Farms is a hog production company with approximately 250 production locations in Manitoba, and with approximately 34,500 sows under management at the end of 2008 (down from 77,395 at the end of 2007). This reduction in the number of sows under management was carried out as part of the planned restructuring of the Company's operations which is described above in the section entitled "General Development of the Business – Three-Year History." Maple Leaf Agri-Farms produces feed for its operations in two feed mills located in Manitoba. The Company owns the sow barns which produce weanlings and a number of the Company owned nursery barns where weanlings are converted to feeder pigs. The Company grows additional weanlings in nursery barns owned and operated by third party barn owners under contracts of up to five years. Most of the feeder pigs are converted to market hogs in third party owned and operated finishing barns under contracts of up to five years.

In 2008, the Company produced 1.0 million hogs compared to 1.3 million produced in 2007. As the divestiture of the Ontario and Alberta hog growing assets was completed in 2008, the annualized number of finished pigs produced by the Company is currently 810,000 hogs. At the end of 2008, the Company effectively owned 14.5% of the hogs that it processed in its hog slaughter facilities.

Principal Products and Markets

Maple Leaf Agri-Farms' market hogs are sold to the Company's pork processing plant in Brandon, Manitoba. Since completion of the restructuring, Maple Leaf Agri-Farms no longer provides services to hog producers (such as production facility design, facilities construction management, genetics, health and nutrition, production management, transportation, marketing of hogs and employee training).

Raw Materials

Maple Leaf Agri-Farms purchase breeding stock, feeds and medication, each of which is readily available at competitive prices. The Company sold its animal nutrition business but retained two feed mills in Manitoba to service the internal animal feed requirements of the Maple Leaf Agri-Farms hog production operations. While Maple Leaf Agri-Farms has sold its hog genetics supply operations, it continues to hold one line of breeding stock from which it partially supplies Maple Leaf Agri-Farms own internal requirements.

Rothsay Rendering

General

Maple Leaf Foods' rendering business, operating as Rothsay, is one of the largest animal by-product recycling operations in Canada. In Canada, Rothsay owns six rendering plants which process inedible products, of which one plant also produces edible products. Rothsay also owns a biodiesel plant which processes animal fat and recycled cooking oils into a diesel fuel substitute.

In late 2007, the Company completed a review of the role of its Rothsay rendering operations in the Company's new protein business model and decided to retain the business in its entirety, as the business is an integral part of managing the disposition of by-products from its primary processing operations.

Principal Products and Markets

Rothsay's principal products are inedible tallow, protein meals and edible lard. Its principal customers are feed mills and pet food manufacturers for protein meal and soap, and chemical and cosmetic manufacturers for most of the inedible tallow produced. Edible lard is sold through brokers for export and directly to domestic customers in Canada.

Rothsay operates in a highly regulated industry and is required to comply with a wide range of regulations, including environmental standards and regulations relating to the use of raw materials in finished products.

Changes to these regulations can require significant investments to be made in order to comply with them. Regulatory change can also impact decisions of the Company concerning whether or not to pursue a particular market for its finished products.

Rothsay produces biodiesel, a renewable alternative fuel produced from animal fat and recycled cooking oils in a Company owned biodiesel production facility near Montreal in Ville Ste. Catherine, Quebec. Biodiesel is sold primarily to refiners and distributors of diesel fuels in Canada for export to the United States and is also used in Rothsay's truck fleet.

Raw Materials

The primary sources of raw materials are from primary and further meat processors, butcher shops, restaurants and grocery store chains. Availability of raw materials is determined by levels of hog, beef and poultry processing in Canada. Approximately 23% of Rothsay's raw material is supplied by Maple Leaf Consumer Foods' businesses, primarily the pork and poultry slaughter plants in the Meat Products Group. Rothsay maintains a fleet of approximately 190 specially-equipped vehicles to pick up raw materials for the rendering process and deliver finished products to customers.

Energy is a significant component of Rothsay's costs. Energy price increases cannot necessarily be passed on to finished goods customers as the prices for its finished products are priced on a global basis.

Markets and Competition – Agribusiness Group

The Rothsay business faces competition for raw material supplies from other renderers and competes in the sale of its finished products with both domestic and foreign suppliers and from suppliers of substitute commodities such as vegetable protein and vegetable oils. Rothsay also faces competition for customers from other biodiesel manufacturers.

The hogs produced by Maple Leaf Agri-Farms are sold to the Company's pork plants for processing. Maple Leaf Agri-Farms faces competition from other sow barns for nursery and finishing barn spaces.

Demand for rendered products is not affected by seasonal factors; however, available supplies of beef and poultry raw materials increase during the summer months as a result of increased beef and poultry consumption.

BAKERY PRODUCTS GROUP

The Bakery Products Group is comprised of Maple Leaf Foods' 89.8% indirect ownership (as at March 20, 2009) in Canada Bread, which is a leading manufacturer and marketer of value-added flour-based products in its various markets, including fresh bread in Canada, frozen par-baked bread in the United States and Canada, specialty bakery products including fresh pasta and sauces in Canada, and bagels and specialty baked goods in the United Kingdom. The Bakery Products Group complements the operations of the Meat Products Group and the Agribusiness Group by diversifying Maple Leaf Foods' asset portfolio. The Bakery Products Group is divided into two operating divisions: the Fresh Bakery Group and the Frozen Bakery Group.

Bakery Products Group – General

Canada Bread has generally focused on attempting to increase the consumption of flour-based bread, rolls and bagels by creating more varieties and more premium products, while expanding distribution channels to make these products more widely available. The product mix is currently weighted towards premium whole-grain and healthy bakery products.

Canada Bread's customer base in the retail and food service sectors has been consolidating for some time, resulting in larger and more sophisticated customers who demand national solutions and cost effectiveness over a national distribution area. Canada Bread has undertaken strategic acquisitions in the past to build its business including the acquisition of Multi-Marques Inc. in 2001 (Quebec-based fresh bakery), Ben's Bakery in 2002 (Atlantic Canada-based fresh bakery) and Olafson's in 2002 (Western Canada-based bakery). In 2002, Canada Bread purchased Grace Baking, a manufacturer of frozen par-baked artisan bread products which is based in California and that sells products across the Western United States. Grace Baking products allowed the Bakery Products Group to service its frozen bakery customers with a full line of artisan par-baked products. In 2006, Canada Bread made three acquisitions in the United Kingdom: the assets and operations of the Harvestime specialty bakery product plant in Walsall, England; The French Croissant Company Limited, a croissant bakery; and Avance (U.K.) Limited, a specialty bakery products manufacturer. Canada Bread also purchased 100% of the shares of Royal Touch, a manufacturer and distributor of sandwiches in 2006. On February 26, 2007, Canada Bread acquired Patisserie Chevalier Inc. a producer of single-portion snack cake products in Quebec. On August 17, 2007, Canada Bread acquired La Fornaia Ltd., a leading U.K. producer of an extensive range of quality, specialty and handcrafted breads. On January 29, 2008, Canada Bread closed the acquisition of Aliments Martel Inc. ("Martel"), a privately held Quebec-based manufacturer and distributor of sandwiches, meals and sweet goods. In 2008, the Martel operations, which are primarily in Quebec and the Maritime provinces, were integrated with the Royal Touch operations which are in Ontario.

All of these acquisitions were targeted to enable Canada Bread to manufacture and distribute its products more broadly (both par-baked and fresh products in Canada; par-baked and specialty products in the United States; and bagels, croissants and specialty products in the United Kingdom) and to expand its product offerings to consumers.

A trend that has affected all companies in the food industry is a growing consumer focus on food safety and healthy diets. Furthermore, consumers appear to be expanding food choices to include more diversity, such as ethnic diversity and bakery products with specialty flavours and toppings. In response, Canada Bread has attempted to ensure that its range of products and food preparation standards are responsive to these trends. Over the past several years, whole grains have become increasingly popular as consumers become more aware of consuming healthier products and including whole grains in their diets. Canada Bread has experienced significant volume growth in the sale of its whole-grain products including *Dempster's® Whole Grains™* and *Ancient Grains™* breads. In 2006, Canada Bread launched the *Dempster's Smart™ White Bread,* with the flavour profile of white bread but the nutritional profile of whole-grain bread. In 2007, Canada Bread extended the line to include *Dempster's Smart™ White Bagels, Dempster's Smart™ White Tortillas and Dempster's Smart™ White English Muffins*. Reinforcing its leadership in the growing higher nutrition market, Canada Bread launched *Dempster's WholeGrains Prebiotik™ ,* a bread that contains inulin, a unique prebiotic source that promotes digestive health, becoming the first major brand in Canada to offer the benefits of prebiotics. In 2008, the Company launched Smart 100% Whole Grain Wheat bread nationally and Smart Snack Cakes in Eastern Canada. Canada Bread also launched Dempster's Indian Naan bread and Dempster's BodyWise diet breads, along with Nature's Path, a national line of branded organic breads. Olivieri launched new gourmet flavour filled pasta in the U.S. and Canada and expanded its offering in sauces for pasta and pizza.

In November 2006, Canada Bread announced the closure of its bakery in Langley, British Columbia. The decision to close the bakery was based on the need to improve manufacturing efficiencies in Western Canada and was completed in 2007. This closure allowed Canada Bread to consolidate its manufacturing facilities.

In 2007, Canada Bread announced an investment to further expand capacity at its Rotherham bagel facility that is designed to allow the business to pursue further opportunities in the frozen bagel market in the U.K. and Europe. The expansion is substantially complete. The expansion, together with investments in croissant capacity at the French Croissant Company Ltd. and its acquisition of La Fornaia, have created additional capacity for volume growth in the specialty bakery market.

In 2007, Canada Bread undertook a major warehouse expansion of its Roanoke plant in Virginia, Canada Bread's largest par-baked facility, significantly expanding its storage capacity.

Fresh Bakery Group

General

The Fresh Bakery Group comprises fresh bakery products, specialty fresh pasta and sauces. The Fresh Bakery Group operates bakeries and facilities producing fresh pasta and sauces, sweet goods, sandwiches and meals. Management of the Fresh Bakery Group is organized into four regions: Ontario, Quebec, Atlantic Canada and Western Canada.

Principal Products and Markets

Canada Bread's primary brands include *Dempster's®*, a leading brand of fresh bread in Ontario and available nationally; *POM®,* a leading brand of fresh breads and rolls in Quebec; *Ben's®,* a leading bakery brand in Atlantic Canada; and *Healthy Way®* and *Olafson's®,* leading brands in Western Canada. Fresh bread and rolls are distributed and sold primarily across Canada and also in the Northeastern and Northwestern United States to retail grocery store chains, retail outlets and the food service industry. While Canada Bread manufactures the majority of its branded products, a small selection of products is produced by other manufacturers under co-pack agreements.

The Fresh Bakery Group has a network of bakery plants in Canada with approximately 1,000 distributors. Canada Bread manufactures and distributes a full line of fresh bread and rolls and specialty bakery products. The Company has introduced many new products appealing to consumers tastes for specialty and ethnic products including whole grain, flat breads (such as tortillas) and pita bread, naan bread, and also many product offerings with enhanced health and nutritional value such as whole grains, multi-grains and probiotics. The Fresh Bakery Group manufactures and distributes private label bakery products to major grocery store chains and fast food outlets. Most fresh products have a short shelf life; therefore, effective product distribution is an important element of ensuring high customer satisfaction and minimizing costs associated with product expirations. Manufacturing facilities and distribution centres are located as close as practicable to the market areas being served. Canada Bread's distribution and routing system has been designed to ensure that fresh products are delivered on a timely and cost-efficient basis. Fresh products are generally delivered directly to the retail store, either by Canada Bread employees or by franchisees that own their own distribution routes and equipment.

The Fresh Bakery Group also manufactures fresh pasta and sauces under its Olivieri® brand. Canada Bread distributes these products to large retail customers across Canada and in the United States. Pasta and sauces are also manufactured for private label brands.

Through Royal Touch and Martel, the Fresh Bakery Group manufactures and distributes fresh sandwiches and sweet goods to Ontario, Quebec and Maritime province convenience stores and food service channels. Martel also manufactures and distributes ready-to-eat meals in Quebec.

Raw Materials

The Fresh Bakery operations purchase a range of ingredients and packaging material, the major ingredients being flour, yeast, vegetable oil and sugar. These raw materials are primarily priced on a North American basis (except for sugar, which is priced on a worldwide basis) and have historically been readily available.

The cost of flour, the largest component of product cost, is responsive to changes in wheat prices and quality. Exposures to these price movements exist to the extent that cost changes cannot always be reflected in final selling prices on a timely basis, although raw material costs are a relatively small component of overall product costs.

Frozen Bakery Group

General

The Frozen Bakery Group consists of Canada Bread Frozen Bakery Ltd. in Canada, Maple Leaf Bakery Inc. in the United States and Maple Leaf Bakery UK Limited in the United Kingdom. Each of Canada Bread Frozen Bakery Ltd., Maple Leaf Bakery Inc. and Maple Leaf Bakery UK Limited are wholly-owned subsidiaries of Canada Bread. Together, Canada Bread Frozen Bakery Ltd. and Maple Leaf Bakery Inc. are leading North American manufacturers of frozen par-baked bakery products. Par-baked products are baked to approximately 90% of completion, quick-frozen and shipped to retail customers for final baking. The par-baked market is among the fastest growing in the bakery industry. Production of par-baked products is designed to reduce labour, waste and cycle time and improve product freshness for customers. Products include frozen par-baked breads, rolls, baguettes, specialty rye and hearth breads, artisan breads, croissants and specialty sourdough bread. The Frozen Bakery Group operates nine bakeries in North America and eight in the United Kingdom.

Principal Products and Markets

The Frozen Bakery Group serves major retail grocery, food service and club store operators across Canada and the United States. It produces private label products as well as a select range of branded offerings including California Goldminer® Sourdough Bread, Grace™ artisan breads and Maison Cousin® crusty breads.

Maple Leaf Bakery UK Limited specializes in the production of bagels and value-added specialty bakery products including soft pretzels and other hand-held snacks, and is the United Kingdom's largest producer of bagels, a growing market in both the United Kingdom and Europe. The business also produces specialty bread products for the United Kingdom and European market. Over the past few years, Maple Leaf Bakery UK Limited has grown substantially through a number of acquisitions including the acquisition of the

Harvestime operations (specialty and sliced bread products), The French Croissant Company Limited (croissants), Avance (U.K.) Limited (specialty bread products) and La Fornaia (specialty Italian style bakery products).

Raw Materials

The Frozen Bakery operations purchase a range of ingredients and packaging material, the major ingredients being flour, yeast, vegetable oil, sugar and butter. These raw materials for North American production are primarily priced on a North American basis (except for sugar, which is priced on a worldwide basis), independent of European pricing, and have historically been readily available. Ingredients for UK operations are sourced locally.

The cost of flour, the largest component of product cost, is responsive to changes in wheat prices and quality. Exposures to these price movements exist to the extent that cost changes cannot always be reflected in final selling prices on a timely basis, although raw material costs are a relatively small component of overall product costs.

Markets and Competition – Bakery Products Group

Markets for fresh bakery products tend to be regional in nature, due to the cost and timeliness of transporting fresh bread. Canada Bread competes with other national, local and regional bakers, as well as the in-store bakeries of large grocery stores. Canada Bread believes it has a competitive advantage in fresh bakery as a result of being one of two bakers with a national production and distribution network. This national network allows it to service its large national customers on a cost effective and timely basis. In pasta and sauces, Canada Bread competes with local and regional Canadian manufacturers and manufacturers in the United States. The market for fresh pasta and sauces is less regional as the products can be shipped longer distances economically. There are many small and medium sized competitors in the fresh pasta and sauce market place.

Frozen bakery products, due to lower perishability, can be transported more efficiently over longer distances. The Frozen Bakery Group operations compete with other baked goods manufacturers and with retail grocery store chains that have their own in-store frozen dough or “from scratch” bakeries. Sales of certain fresh products such as rolls and Tenderflake® baking products are affected by seasonality. Canada Bread’s customer base in the retail and food service segments has been consolidating for some time, resulting in larger and more sophisticated customers who demand national solutions and cost effectiveness over a national distribution area. Canada Bread has the capacity to manufacture and distribute its products nationally (in Canada, both par-baked and fresh products; par-baked products in the United States; and bagels, croissants and specialty products in the United Kingdom) and is continually seeking to expand its product offerings to consumers. In both North America and the U.K., in its principal product lines, the Company has a number of small to medium sized competitors.

FOREIGN OPERATIONS

The Company derives approximately 74% of its revenue from sales in Canada, approximately 13% from sales in the United States and the balance from sales in other global markets, principally the United Kingdom, Japan, Europe, and Mexico. Maple Leaf Consumer Foods operates an international export business through a network of five offices located in Canada, Mexico, Korea, Japan and Hong Kong that is focused on the sale of value-added meats and meals and on serving the needs of the Company’s strategic international customers. Maple Leaf Consumer Foods markets and trades a number of products including pork products, grain and soy products, pre-cooked meat and poultry products and potato products outside of Canada. Frozen french fries and other potato products are sold internationally and there are significant sales of pork products principally in the United States and Japan. The Company’s performance is affected by global market demand and prices, as well as trade barriers.

The Company’s Bakery Products Group is one of the largest par-baked manufacturers in North America and England. The Bakery Products Group operates three frozen par-baked plants in the United States, one in Virginia and two in California, and also services the United States market from six plants in Canada. It also operates eight bakery facilities in the United Kingdom, making it the largest producer of bagels and specialty bakery products in the country. The Company’s Frozen Bakery operations in the United States and the

United Kingdom generated 26.6% (2007: 27.5%) of the Bakery Group's total revenue for the fiscal year ended December 31, 2008.

INTANGIBLE PROPERTY – TRADEMARKS AND PATENTS

As a food products company, Maple Leaf Foods relies heavily on brand recognition and loyalty, and places a great deal of emphasis on its established range of trademarks. The Company believes its brands to be recognized by consumers for quality and reliability.

The Company's key trademarks in each of its operating segments are presented below.

Operating Segment	Key Trademarks
Meat Products Group	*Maple Leaf®, Schneiders®, Maple Leaf Prime®, Lunchmate®, Top Dogs®, Shopsy's®, Mitchell's Gourmet Foods®, Hygrade® Maple Leaf Simply Fresh®, Larsen®, Maple Leaf Simply Savour™*
Bakery Products Group	*Dempster's®, POM®, Ben's®, Bon Matin®, Healthy Way®, Olafson's®, McGavins®, Olivieri®, ®, Villaggio®, Smart™ , WholeGrains™*

Patents and other forms of intellectual property such as industrial designs and copyright are of less importance to the business activities of the Company.

ENVIRONMENTAL MATTERS

Each business of Maple Leaf Foods operates within the framework of an environmental policy entitled "Our Environmental Commitment" that is approved by the Environment, Health and Safety Committee of the Board of Directors. The Company's environmental program is monitored on a regular basis by the Committee, including compliance with regulatory requirements, the use of internal environmental specialists and independent, external environmental analyses. The Company continues to invest in environmental infrastructure related to water, waste and air emissions to ensure that environmental standards continue to be met or exceeded, while implementing procedures to reduce the impact of operations on the environment. Expenditures related to current environmental requirements are not expected to have a material adverse effect on the financial position or earnings of the Company. There can be no assurance, however, that certain events will not occur that will cause expenditures related to the environment to be significant and have a material adverse effect on the Company's financial condition or results of operations. Such events could include, but not be limited to additional environmental regulation or the occurrence of an adverse event at one of the Company's locations.

EMPLOYEE RELATIONS

As of December 31, 2008, the Company employed approximately 24,000 people, of which about 16,000 were covered by some 103 collective agreements. These agreements are normally negotiated for varying terms, and in any given year, a number of these agreements expire and are re-negotiated; most renew without significant issue. However, if a collective agreement covering a significant number of employees or involving certain key employees were to expire leading to a work stoppage, there can be no assurance that such work stoppage would not have a material adverse effect on the Company's financial condition and results of operations.

Thirty-eight (38) collective agreements are currently expired or will expire in 2009. Negotiations are currently ongoing in respect of fifteen (15) of these agreements. Key collective agreements to be negotiated in 2009 include: three (3) Ontario Poultry agreements; Fresh Bakery plants in Hamilton (Ontario), Vincent Massey (Quebec), Laval (Quebec), Halifax (Nova Scotia) and Annacis (B.C.); Frozen Bakery plants in Rivermede (Ontario) and Viceroy (Ontario); and the Olivieri Pasta plant in Annacis (B.C.)

RISK FACTORS

The Company operates in the food processing and agricultural sectors, and is therefore subject to risks and uncertainties related to these businesses that may have adverse effects on the Company's results of operations and financial condition.

These risks and uncertainties are described under the heading "Risk Factors" in the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the fiscal year ended December 31, 2008 and incorporated by reference herein. The Company has filed the MD&A with the Canadian securities regulators and it is available on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

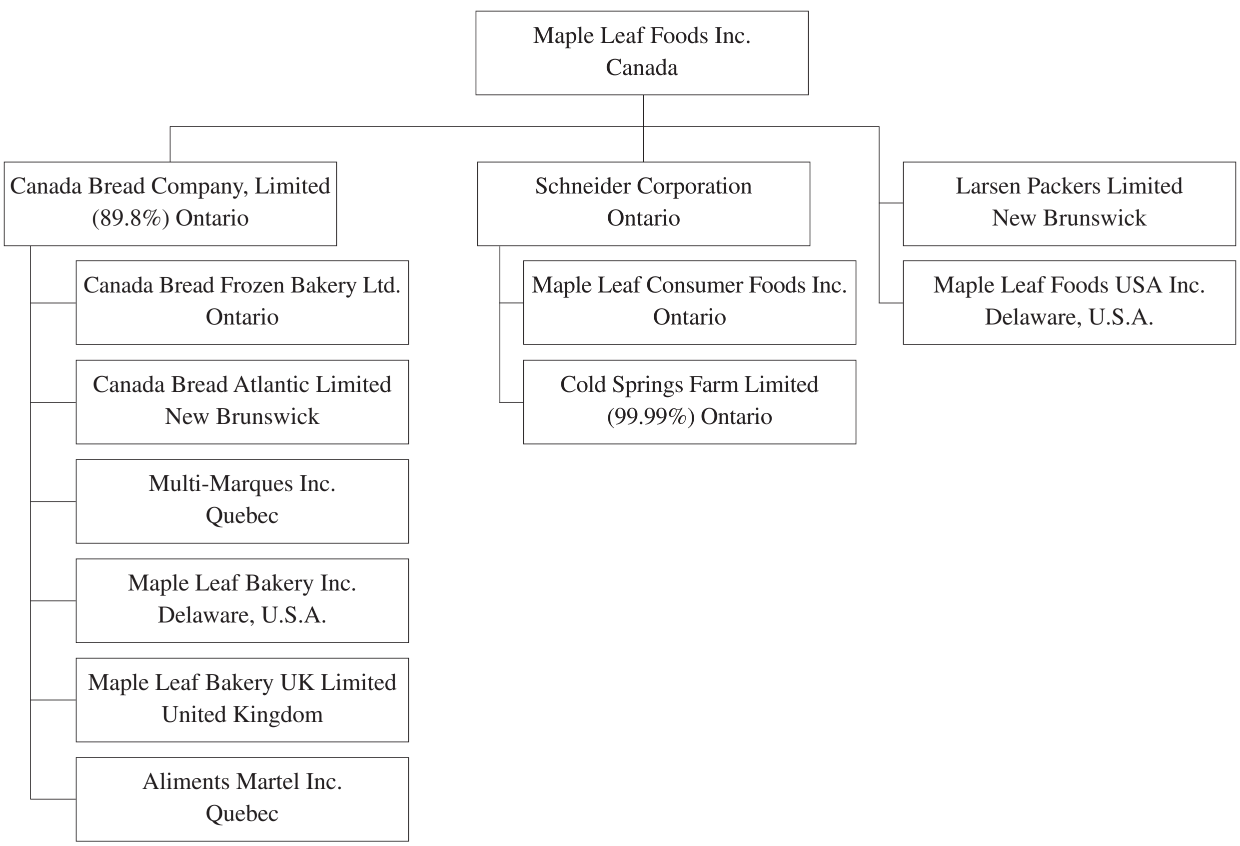
Name, Address and Incorporation

Maple Leaf Foods Inc./Les Aliments Maple Leaf Inc. is incorporated under the Canada Business Corporations Act. It was incorporated on August 13, 1927, although portions of the business originated before 1900. The Company's registered and principal office is located at 30 St. Clair Avenue West, Toronto, Ontario, Canada M4V 3A2.

Intercorporate Relationships

The only operating subsidiaries of the Company whose total assets constitute more than 10% of the consolidated assets of the Company, or whose total consolidated sales and operating revenues exceed 10% of the consolidated sales and operating revenues of the Company, are: Canada Bread Company, Limited, Schneider Corporation and its subsidiary, Maple Leaf Consumer Foods Inc. (formerly J.M. Schneider Inc.), each of which was incorporated under the Business Corporations Act (Ontario). As at March 20, 2009, Maple Leaf Foods owned, directly or indirectly, an 89.8% voting and equity interest in Canada Bread and a 100% voting and equity interest in Schneider Corporation and its subsidiaries.

The Company has the following significant operating subsidiaries and affiliates as of December 31, 2008:



Note: All companies are 100% owned, directly or indirectly, unless otherwise indicated. The jurisdiction listed is the jurisdiction of incorporation.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company currently consists of an unlimited number of common shares and an unlimited number of non-voting common shares. On April 28, 2004, the articles of incorporation were amended to change the authorized number of non-voting common shares to an unlimited number. As of February 28, 2009 the issued capital of the Company consisted of 107,258,681 common shares and 22,000,000 non-voting common shares.

Holders of common shares are entitled to one vote at all meetings of shareholders. In addition, holders of common shares are entitled to dividends if, as and when declared by the Board of Directors of the Company and, in the event of the liquidation, dissolution or winding up of its affairs, to a pro rata share of the assets of the Company after payment of all liabilities and obligations of the Company. There are no pre-emptive, conversion or redemption rights attaching to the common shares.

The non-voting common shares (the "non-voting securities") carry rights identical to those of the common shares except as hereinafter described. Except as required by law, the holders of the non-voting securities as a class are not entitled as such to vote at any meeting of the shareholders of the Company. Further, the holders of the non-voting securities are not entitled to vote separately as a class, and are not entitled to dissent, upon a proposal to amend the articles to (a) increase or decrease any maximum number of authorized non-voting securities resulting from a subdivision or consolidation respectively; (b) increase any maximum number of authorized shares of a class or series of a class having rights or privileges equal or superior to the non-voting securities; (c) effect an exchange, reclassification or cancellation of the non-voting securities; or (d) create a new class or series of a class of shares equal or superior to the non-voting securities, unless the holders of non-voting securities are being affected by such amendment in a manner differently from the holders of common shares. The non-voting securities may be converted at any time by the holder or holders thereof into fully-paid common shares on the basis of one common share for one non-voting security. In addition, if, at any time, a current holder of non-voting securities transfers all or a portion of the non-voting securities held by such holder to another person, the shares being transferred shall be automatically converted upon such transfer into fully-paid common shares of the Company on the basis of one common share for each non-voting securities. The conversion will occur simultaneously upon the completion of such transfer, without any further action by the Company or any other person, so that the transferee will be a holder of common shares equal in number to the non-voting securities transferred by the transferor. **The holders of the non-voting securities have no express right to participate in a take-over bid made for the common shares of the Company.** Such holders however, may convert their non-voting securities into common shares and participate in a take-over bid in that manner. These non-voting securities may be considered "restricted securities" under National Instrument 51-102, as the common shares of the Company which are publicly traded carry a greater vote per security relative to the non-voting common shares (described above).

On December 16, 2008, the Company closed a private placement of 7,368,421 units at a price of $9.50 per unit for aggregate gross proceeds of $70 million. Each unit consists of one subscription receipt and 0.4 of a common share purchase warrant. Each subscription receipt entitles the holder to receive one common share of the Company on August 4, 2009 or, at the election of the Company, the return in cash of $9.50 per subscription receipt. Each whole common share purchase warrant is exercisable into one common share of the Company until December 16, 2010 at a price of $9.50 per common share. As part of the private placement, Ontario Teachers Pension Plan Board and McCain Capital Corporation purchased 5,484,784 units and 1,694,737 units, respectively.

The Company has an unsecured revolving debt facility with a principal amount of $870.0 million. The maturity date is May 31, 2011. This facility can be drawn in Canadian dollars, U.S. dollars or British pounds and bears interest based on bankers' acceptance rates for Canadian dollar loans and LIBOR for U.S. dollar and British pound loans. As at December 31, 2008, $559.8 million of the revolving facility was utilized of which $119.8 million was in respect of letters of credit and trade finance.

In addition to the amount drawn on its revolving debt facility, the Company had the following debt securities outstanding as at December 31, 2008: US$140 million 6.3% Notes due 2009, US$75 million 8.5% Notes due 2010, C$115 million 7.7% Notes due 2010, US$207 million 5.2% Notes due 2011, US$98 million 5.6% Notes due 2014, US$7 million 5.8% Notes due 2016, C$105 million 6.1% Notes due 2014 and C$20 million

6.2% Notes due 2016. All of the notes were issued in private placement transactions and are not convertible but may be prepaid in whole or in part.

Schneider Corporation has the following debt securities outstanding as at December 31, 2008: C$4.6 million 10.0% Debentures due 2010 and C$43.5 million 7.5% Debentures due 2016. The debentures were issued in private placement transactions and were assumed upon the Company's acquisition of Schneider Corporation. They are not convertible but may be prepaid in whole or in part.

The Company and its subsidiaries had various other debt facilities with banks and other lenders, all of which are not convertible. The interest rates on these facilities range from non-interest bearing to 7.3% and have maturity dates ranging from 2009 to 2016. At December 31, 2008, the total amount drawn pursuant to these facilities was $10.3 million.

DIVIDENDS

The declaration and payment of dividends is at the discretion of the Board of Directors. The Board of Directors intends to maintain a stable dividend and, where appropriate, change the dividend on the basis of the stability of the Company's earnings and stock price appreciation. During each of the fiscal years ended December 31, 2006, 2007 and 2008, the Company declared an aggregate yearly dividend of $0.16 per common share (voting and non-voting) payable quarterly. At present, there is no intention to change the Company's dividend policy; however, that is subject to market conditions.

Certain of the Company's covenants with its lenders restrict the aggregate amount of dividends that can be paid. Specifically, certain covenants place a limit on the amount of dividends, capital distributions and redemptions which the Company may make from a permitted amount, also known as a "specified pool". The specified pool increases over time with increases in earnings and is reduced over time by the amount of any restricted payments which includes dividends. This covenant is not currently an impediment to the amount of dividends being paid, but could conceivably become so depending on market conditions. The Company is also subject to a minimum net worth covenant, which ensures that the Company cannot pay dividends that would cause shareholder equity to decrease below a specified minimum. This covenant is not currently an impediment to the amount of dividends being paid, but is a technical limitation of the maximum amount that the Company can distribute to its shareholders.

MARKET FOR SECURITIES

The Company's common shares are listed on the Toronto Stock Exchange under the stock market symbol "MFI". The following table outlines the price range and trading volume of the common shares for each of the months of the last fiscal year:

Month	High ($)	Low ($)	Volume
December	11.50	8.55	4,880,711
November	9.38	8.30	2,850,551
October	9.44	6.54	4,566,379
September	9.80	8.00	6,129,134
August	11.14	7.60	8,658,356
July	11.15	9.50	2,755,516
June	12.00	10.51	3,365,673
May	12.32	11.11	4,307,222
April	13.64	11.05	5,674,946
March	13.51	11.87	3,050,073
February	14.47	12.65	1,987,257
January	15.00	12.65	2,134,553

DIRECTORS AND OFFICERS

The following table sets forth each director's name and municipality of residence, the year in which he or she became a director, and his or her principal occupation. Directors are elected to hold office until the next annual meeting of the shareholders or until a successor is elected or appointed. The information is given as of March 20, 2009.

Name and Municipality of Residence	Director Since	Principal Occupation
J. Geoffrey Beattie Toronto, Ontario, Canada	December 17, 2008	Director, President and Chief Executive Officer, The Woodbridge Company Limited *(privately-held investment company)*
John L. Bragg Collingwood, Nova Scotia, Canada	December 17, 2008	Chairman, President and Co-CEO, Oxford Frozen Foods Limited *(food manufacturing company)*
Purdy Crawford (2)(4) Toronto, Ontario, Canada	1995	Counsel, Osler, Hoskin & Harcourt LLP *(law firm)*
Jeffrey Gandz (3)(4) London, Ontario, Canada	1999	Professor, Managing Director – Program Design, Richard Ivey School of Business, University of Western Ontario
James F. Hankinson (1)(2) Toronto, Ontario, Canada	1995	President and Chief Executive Officer, Ontario Power Generation *(electricity generation company)*
Robert W. Hiller (1)(3) Waterloo, Ontario, Canada	1995	Corporate Director
Chaviva M. Hosek (2)(3) Toronto, Ontario, Canada	2002	President and Chief Executive Officer The Canadian Institute for Advanced Research *(not-for-profit research institute)*
Wayne A. Kozun Toronto, Ontario, Canada	February 24, 2009	Senior Vice President, Public Equities, Ontario Teachers Pension Plan Board *(public sector pension fund)*
Claude R. Lamoureux Toronto, Ontario, Canada	April 24, 2008	Corporate Director
Donald E. Loadman (1)(3) Vista, California, U.S.A	1995	Corporate Director and Business Consultant
J. Scott McCain Toronto, Ontario, Canada	1995	President and Chief Operating Officer, Agribusiness Group of the Company
G. Wallace F. McCain Toronto, Ontario, Canada	1995	Chairman of the Board of the Company
Michael H. McCain Toronto, Ontario, Canada	1995	President and Chief Executive Officer of the Company
Diane E. McGarry (1)(2) Fripp Island, South Carolina, U.S.A.	2005	Corporate Director

J. Edward Newall (3)(4) Calgary, Alberta, Canada	1997	Chairman, Newall & Associates (consulting firm) Chairman Emeritus, NOVA Chemicals *(petrochemicals company)*
Gordon Ritchie (2)(4) Ottawa, Ontario, Canada	1995	Chairman of Public Affairs, Hill & Knowlton Canada *(government and public relations company)*
William T. Royan Toronto, Ontario, Canada	February 24, 2009	Vice President, Relationship Investing, Ontario Teachers Pension Plan Board *(public sector pension fund)*

Notes:

(1) Member of Audit Committee. Ms. McGarry is the Committee Chairman.

(2) Member of Corporate Governance Committee. Mr. Hankinson is the Committee Chairman.

(3) Member of Environment, Health and Safety Committee. Dr. Gandz is the Committee Chairman.

(4) Member of Human Resources and Compensation Committee. Mr. Ritchie is the Committee Chairman.

During the last five years, all of the previously listed directors have been engaged in their present principal occupation, except for:

- Mr. J.F. Hankinson was President and C.E.O., New Brunswick Power Corporation (1997-2002) and Corporate Director (2002-2005);
- Mr. J.E. Newall was Chairman of the Board of NOVA Chemicals Corporation until his retirement (1999-2007);
- Ms. Diane E. McGarry was Chief Marketing Officer, Xerox Corporation (2001-2005); and
- Mr. William T. Royan was Portfolio Manager, Equity Strategies, Lehman Brothers Inc. (2004-2007).

The names, municipalities of residence and principal occupations of the Company's executive officers and executive officers of principal subsidiaries as at March 20, 2008 are as follows:

Name and Municipality of Residence	**Position Held with the Company**
G. Wallace F. McCain Toronto, Ontario	Chairman of the Board
Michael H. McCain Toronto, Ontario	President and Chief Executive Officer
Richard A. Lan Chatham, New Jersey, U.S.A.	Chief Operating Officer, Food Group, and President and Chief Executive Officer, Canada Bread Company, Limited
J. Scott McCain Toronto, Ontario, Canada	President and Chief Operating Officer, Agribusiness Group
Michael H. Vels Toronto, Ontario, Canada	Executive Vice-President and Chief Financial Officer
J. Nicholas Boland Toronto, Ontario, Canada	Vice-President, Finance Projects
Rocco Cappuccitti Richmond Hill, Ontario, Canada	Senior Vice-President, Transactions & Administration, and Corporate Secretary
Maryanne D. Chantler Mississauga, Ontario, Canada	Vice-President, Purchasing and Supply Chain

Douglas W. Dodds Guelph, Ontario, Canada	Chief Strategy Officer
Kevin P. Golding Guelph, Ontario, Canada	President, Rothsay
Randall Huffman Toronto, Ontario, Canada	Chief Food Safety Officer
Wayne Johnson Pickering, Ontario, Canada	Senior Vice-President and Chief Human Resources Officer
Lynda J. Kuhn Acton, Ontario, Canada	Senior Vice-President, Communications & Consumer Affairs
Rory A. McAlpine Oakville, Ontario, Canada	Vice-President, Government & Industry Relations
C. Barry McLean Toronto, Ontario, Canada	President, Canada Bread Fresh Bakery
Natalie M. Marche Toronto, Ontario, Canada	Vice-President and Treasurer
Réal G. Ménard Laval, Quebec, Canada	President, Canada Bread Frozen Bakery
Bruce Y. Miyashita Toronto, Ontario, Canada	Vice-President, Six Sigma
H. Ray Shei, Jr. Chicago, Illinois, U.S.A.	Chief Information Officer
Deborah K. Simpson Toronto, Ontario, Canada	Vice-President, Finance
Peter C. Smith Vancouver, British Columbia, Canada	Vice-President, Corporate Engineering
Richard Young Toronto, Ontario, Canada	President, Maple Leaf Consumer Foods

The principal occupations within the last five years of the officers of the Company who have not held their present office for more than five years are as follows: **Mr. J.N. Boland** was Vice-President and Corporate Controller (to 2005) and Vice-President, Finance (2005-2007); **Ms. M.D. Chantler** was Vice-President, Merger in (to 2005); **Mr. D.W. Dodds** was President and Chief Executive Officer, Schneider Corporation (to 2004); **Ms. L.J. Kuhn** was Vice-President, Public and Investor Relations, Maple Leaf Foods Inc. (to 2008); **Mr. R. McAlpine** was Deputy Minister of the B.C. Ministry of Agriculture, Food and Fisheries (to 2005); **Mr. R.A. Lan** was President and Chief Operating Officer, Bakery Products Group, and President and Chief Executive Officer, Canada Bread Company, Limited (to 2006); **Ms. D.K. Simpson** was Director, Corporate Finance, Vincor (to 2006) and Executive Vice-President and Chief Financial Officer, Vincor (2006-2007); **Mr. R. Ménard** was Senior Vice-President and General Manager, Multi-Marques Inc. (to 2005) and Executive Vice-President, Canada Bread Fresh Bakery (2005-2007); **Mr. R. Shei** was Chief Information Officer, Kellogg USA (to 2005) and Senior Vice President, Kellogg Company (to 2005); and **Dr. R. Huffman** was Vice President, Scientific Affairs of the American Meat Institute (AMI) Foundation (to 2008) and President of the AMI Foundation (2008-2009).

Ownership of Voting Securities by Directors and Officers

As at February 29, 2009 the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or director over, directly or indirectly, an aggregate of 2,183,248 common shares, representing approximately 2.0% of the issued and outstanding voting common shares of the Company. The figure does not include the 41,518,153 common shares (38.7% of all voting shares) of the Company held by McCain Capital Corporation in which the G.W.F. McCain Family, including Messrs. G.W.F. McCain, J.S. McCain and M.H. McCain, has a controlling interest. The figure also does not include the 20,728,371 common shares (19.3% of all voting shares) and 22,000,000 non-voting shares of the Company (33.1% of all shares) held by Ontario Teachers' Pension Plan Board. Wayne A. Kozun and William T. Royan are the Senior Vice-President, Public Equities and the Vice-President, Relationship Investing, respectively of Ontario Teachers' Pension Plan.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Within ten years preceding the date of this Annual Information Form:

Mr. Purdy Crawford was Chairman of AT&T Canada when it voluntarily filed for protection under the Companies Creditors' Arrangement Act (Canada) in September 2002. Through a series of negotiations with bondholders and other creditors, it emerged from creditor protection under the *Companies Creditors' Arrangement Act (Canada)* and was restructured in April 2003 as Allstream Inc. Mr. Crawford is no longer a director of Allstream.

Mr. Gordon R. Ritchie was a director of Laidlaw Inc. at a time that the company was subject to proceedings under the *Companies Creditors' Arrangement Act (Canada)* and comparable legislation in the United States. On February 28, 2003, Laidlaw Inc. announced that the United States Bankruptcy Court for the Western District of New York had confirmed its Third Amended Plan of Reorganization and that the Ontario Superior Court of Justice had issued an order recognizing and implementing the Third Amended Plan of Reorganization in Canada. These orders cleared the way for the Company to emerge from bankruptcy in April 2003 as Laidlaw International, Inc., subject to the satisfaction of certain other conditions.

Mr. J. Edward Newall served as a director of Novelis Inc. during 2005 and for a portion of 2006. During 2006, Mr. Newall resigned from the board of directors. In his capacity as a director of Novelis, Mr. Newall was subject to management cease trade orders issued by certain of the Canadian provincial securities administrators against the directors and officers of Novelis by reason of Novelis' default in filing its interim unaudited financial statements for the period ended September 30, 2005. The cease trade orders were issued in December 2005 and precluded Mr. Newall from trading in securities of Novelis until the conditions in the orders were met. The conditions in the orders were met after the first quarter of 2006 and, therefore, the cease trade orders are no longer in effect.

AUDIT COMMITTEE

Composition of Audit Committee

The Audit Committee of Maple Leaf Foods consists of the following directors, each of whom has been a member of the committee since the year set out below.

D.E. McGarry (Chairman since 2007)	2006
J.F. Hankinson	2003
D.E. Loadman	2000
R.W. Hiller	1995

Each member of the Audit Committee is independent within the meaning of applicable securities legislation and none receives, directly or indirectly, any compensation from the Company other than for service as a member of the Board of Directors and its committees. Each member of the Audit Committee is financially literate as defined under National Instrument 52-110 – Audit Committees. In considering the criteria for determining financial literacy, the Board of Directors looks at the ability of a director to read and understand a balance sheet, an income statement and a cash flow statement of a company of a complexity comparable to that of the Company.

A copy of the charter of the Audit Committee is attached as Appendix A hereto.

Relevant Education and Experience of Audit Committee Members

J.F. Hankinson

Mr. Hankinson has a Bachelor of Commerce degree from Mount Allison University and a Master of Business Administration from McMaster University. He is also a Chartered Accountant. He is currently the President and CEO of Ontario Power Generation. He was President and COO of Canadian Pacific Limited and was President and CEO of New Brunswick Power Corporation. Mr. Hankinson is past chairman of the Maple Leaf Foods Audit Committee and is chairman of the Audit Committee of CAE Inc.

R.W. Hiller

Mr. Hiller is a Certified Management Accountant (CMA) and has lectured in accounting at the University of Waterloo. His business career has been primarily centered in financial management in the packaged goods/food industry segments. He has served as the Senior Vice President and Chief Financial Officer of General Foods Canada Inc., Vice President and Treasurer of General Foods Corporation and Senior Vice President and Chief Financial Officer of Campbell Soup Company Limited.

D.E. Loadman

Mr. Loadman has a Bachelor of Commerce degree from the University of Manitoba. His experience has been in the consumer packaged goods industry starting in marketing management and including executive management with Procter & Gamble Canada Limited, General Foods Canada (lastly, as President, Grocery Division) and Pillsbury Canada and Pillsbury International (lastly, as Chairman). Mr. Loadman was also (Non-Executive) Chairman of the Board of Ault Foods Canada.

D.E. McGarry

Ms. McGarry has a Bachelor of Science, Business Administration degree from the University of Redlands, CA. Her career includes over 30 years experience with Xerox Corporation including five years in Canada as Chairman, President and Chief Executive Officer from 1993 to 1998. Prior to retiring in 2005, Ms. McGarry held the position of Chief Marketing Officer of Xerox Corporation. Ms. McGarry was a director and audit committee member of Omnova Solutions Inc. (a NYSE listed company) until her retirement in 2007, and has served as a director of Canada Life Financial Corporation.

Fees paid to Auditors – KPMG LLP

For the years ended December 31, 2008 and 2007, the fees paid by the Company for the services performed by KPMG LLP are set out in the table below. Annually, the Audit Committee reviews a summary of the services provided by the auditors to the Company and its subsidiaries. In 2004, the Audit Committee established a policy requiring pre-approval of all non-audit services to be rendered by the external auditors. Any engagement of KPMG LLP by the Company for any non-audit services must be approved in advance by the Audit Committee. Between meetings of the Audit Committee, authority for approval is delegated to the Audit Committee Chairman. Approvals under the delegated authority are presented to the full Audit Committee at their next meeting. The policy also prohibits the engagement of KPMG LLP in a number of services that the Audit Committee believes may have the potential to impact KPMG LLP 's independence.

In the last two years, KPMG LLP has not provided any of following services to the Company: (i) bookkeeping services and other services related to accounting records or financial statements; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions; (vii) human resources; (viii) broker-dealer, investment advisor or investment banking services; and (ix) legal services and expert services unrelated to the audit.

Description	**2008**	2007
Audit fees [(1)]	**$ 2,487,173**	$ 2,409,242
Audit-related fees [(2)]	**557,584**	2,081,123
Tax Fees [(3)]	**778,954**	281,920
All other fees [(4)]	**37,000**	351,003
Total Fees	**$ 3,860,711**	$ 5,123,288

Notes:

(1) For the audit of Maple Leaf Foods' annual financial statements (including the audits of subsidiaries).

(2) Audit-related services consisting primarily of audit procedures related to business acquisition transactions, audits of financial statements of employee benefit plans that are not reported in (1), accounting consultations, comfort letters and various agreed upon procedures.

(3) For tax compliance, advice, planning and return preparation services.

(4) For products and services other than the fees reported in (1) to (3). In 2008 and 2007, the fees were primarily for financial investigations and other miscellaneous services.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is a defendant to certain claims arising in the normal conduct of its business. Management believes that the final resolution of these claims will not have a material adverse effect on the Company's earnings or financial position. The Company is not subject to any material legal or regulatory actions other than as set out below.

As a result of the product recall in August 2008, several class action lawsuits were filed against the Company on behalf of persons that consumed or purchased for consumption products that were subject to the recall due to possible contamination with *Listeria monocytogenes*. On December 18, 2008, the Company reached a settlement agreement with the plaintiffs of these class action lawsuits. The settlement amount is $25 million, increasing by up to $2 million to the extent claims and costs may exceed $25 million. The class counsel under the supervision of the court will administer the compensation paid from the settlement amount. The Company and the class counsel are of the opinion that settlement of the class action is fair, reasonable and in the best interests of the class. The settlement amount is fully funded by the Company's liability insurers. On March 9, 2009, the Ontario Superior Court of Justice and on March 10, 2009, the Court of Queen's Bench of Saskatchewan, respectively, certified the class action and approved the settlement agreement. The Quebec courts are expected to approve the settlement in March 2009.

CONFLICTS OF INTEREST

To the best of the knowledge of the Company, no director or executive officer of Maple Leaf Foods Inc. has an existing or potential conflict of interest with the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRARS

The Company's transfer agent is Computershare Investor Services Inc. with transfer points for the common shares of the Company in Vancouver, British Columbia; Calgary, Alberta; Toronto, Ontario; and, Montreal, Quebec.

INTERESTS OF EXPERTS

The Company's independent auditors, KPMG LLP, have delivered an audit report to the Company concerning the consolidated balance sheets of the Company as at December 31, 2008 and 2007, and the consolidated statements of earnings, comprehensive income, retained earnings and cash flows for the years then ended. KPMG LLP is an independent auditor within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

MATERIAL AGREEMENTS

Except for the following and except as otherwise described in this Annual Information Form, since January 1, 2002, the Company did not enter into any material contracts, other than contracts in the ordinary course of business:

(a) a warrant indenture between the Company and Computershare Trust Company of Canada, dated as of December 16, 2008, providing for the issuance of up to 2,947,367 warrants, as further described on page 17 under the heading "Description of Capital Structure"; and

(b) a subscription receipt agreement between the Company and Computershare Trust Company of Canada, dated as of December 16, 2008, providing for the issuance of up to 7,368,421 subscription receipts, as further described on page 17 under the heading "Description of Capital Structure".

Copies of these documents are available on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's common shares, securities authorized for issuance under equity compensation plans and interest of insiders in material transactions, if applicable, will be contained in the Notice of Annual and Special Meeting of Shareholders and Management Proxy Circular to be issued in connection with the Annual and Special Meeting of Shareholders to be held on April 29, 2009. Additional financial information is also provided in the Company's Management Discussion & Analysis and consolidated financial statements for the years ended December 31, 2008 and December 31, 2007 contained in the Company's 2008 Annual Report. Copies of the foregoing documents may be obtained free of charge, upon request, from the Corporate Secretary of Maple Leaf Foods Inc., at 30 St. Clair Avenue West, Suite 1500, Toronto, Ontario M4V 3A2.

The above information and additional information relating to Maple Leaf Foods Inc. is available on SEDAR at www.sedar.com.

APPENDIX "A"

CHARTER OF THE AUDIT COMMITTEE

(THE "COMMITTEE") OF THE BOARD OF DIRECTORS OF MAPLE LEAF FOODS INC. (THE "CORPORATION")

Nature and Scope of the Committee

The Committee is a standing committee appointed by the Board of Directors, established to fulfill applicable public company obligations respecting audit committees and to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities in the following areas: (i) accounting policies and practices, (ii) the integrity of the Company's financial statements, (iii) compliance with legal and regulatory requirements, (iv) the qualifications, independence, and performance of the external auditors, and (v) the performance of the internal audit function.

The Committee Chair and members are members of the Board, appointed to the Committee to provide broad oversight of the financial reporting, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities.

Management is responsible for the preparation, presentation and integrity of the financial statements and for maintaining appropriate accounting and financial reporting principles and policies, systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations.

The internal auditor is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls.

The external auditors are responsible for planning and carrying out an audit of the annual consolidated financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles. The external auditors are accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and the Committee shall so instruct the external auditors and the external auditors shall report directly to the Committee.

Except as set out below, the Committee does not have decision-making authority but rather conveys its findings and recommendations to the Board of Directors for consideration and decision by the Board of Directors.

Procedures, Powers and Duties

In addition to the procedures and powers set out in the policy entitled "Composition, Appointment & Practices of Each Committee of the Board of Directors of Maple Leaf Foods Inc.", as amended, or in any resolution of the Board relating to the Committee, the Committee shall have the following procedures, powers and duties:

1. *Composition* – The Committee shall be comprised of a minimum of three members. Each member of the Committee shall be both an "unrelated" director and "independent" director as such terms are defined from time to time under the requirements or guidelines for Audit Committee service under applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading.

   All members of the Committee must be "financially literate" subject to any available exemption in applicable securities laws as that term is defined from time to time under the requirements or guidelines for Audit Committee service under securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading or if it is not so defined as that term is interpreted by the Board in its business judgment.

2. *In Camera Meetings* – At least annually, the Committee shall hold in camera meetings with each of the head of the internal audit function and the external auditors to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have unrestricted access to the Committee to bring forward matters requiring its attention.

3. *Professional Assistance* – The Committee may require the external auditors and internal auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants and determine their compensation as the Committee may determine to be necessary to carry out the Committee's duties at the Corporation's expense and will inform the Chair of the Corporate Governance Committee of any such retainer.

4. *Reliance* – Absent actual knowledge or belief to the contrary which shall be promptly reported to the Board, each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any non-audit services provided by the external auditors to the Corporation and its subsidiaries.

5. *Reporting to the Board* – The Committee will report through the Committee Chair to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

The Committee will:

1. *Internal controls* – Review and discuss with management, the external auditors and the internal auditors as it deems necessary and exercise oversight with respect to:

   (a) The adequacy and effectiveness of the system of internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors for the improvement of accounting practices and internal controls;

   (b) Any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and

   (c) Management's compliance with the Corporation's processes, procedures and internal controls.

2. *Regulatory agency reviews* – Review the findings of any examination by regulatory agencies concerning financial matters of the Corporation and make recommendations to the Board related thereto.

3. *Appointment of external auditors* – With respect to the appointment and oversight of the external auditors:

   (a) Make recommendations to the Board on the external auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services of the Corporation to be nominated in the Corporation's proxy circular for appointment or reappointment by shareholders;

   (b) Make a recommendation to the Board for the approval of compensation for the external auditors; and

   (c) Review, evaluate and approve the terms of engagement, performance, audit scope and approach to the conduct of the external auditors with respect to the annual audit.

4. *Independence of external auditors* – Review the independence of the external auditors and make recommendations to the Board on actions the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee:

   (a) Shall actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;

   (b) Shall require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation including its subsidiaries, and the external auditors including their affiliates;

(c) Shall review and approve clear policies for hiring by the Corporation of employees or former employees of the current or former external auditors;

(d) May approve policies and procedures for the pre-approval by a Committee member of any non-audit services to be rendered by the external auditors which the external auditors are not otherwise prohibited from providing and which policies and procedures shall include reasonable detail with respect to the services covered, provided that the pre-approval of non-audit services by a Committee member with delegated authority must be presented to the full Committee at its next scheduled meeting. For greater certainty, all non-audit services to be provided to the Corporation or any of its affiliates by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee; and

(e) Shall review and approve the disclosure in the annual information form and management proxy circular of the fees paid in the financial year to the external auditors by category.

5. *Internal auditors* – Review the organizational structure, independence and qualifications of the internal audit department and its resources, the internal audit plans and their implementation.

6. *Internal audit function* – Oversee and monitor the internal audit function including:

(a) Meeting periodically with the internal auditors to discuss the progress of their activities and any significant findings stemming from internal audits and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies; and

(b) Reviewing summaries of reports to management prepared by the internal auditors and have available the full reports, communicate with the internal auditors with respect to their reports and recommendations as necessary with respect to the extent to which prior recommendations have been implemented, management's responses to such reports and any other matters that the internal auditor brings to the attention of the Committee.

7. *External audits* – Oversee and monitor external audits, including:

(a) Reviewing with the external auditors, the internal auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements, the overall audit plans, the responsibilities of management, the internal auditors and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits;

(b) Discussing with the external auditors any difficulties or disputes that arose with management or the internal auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies and resolve any outstanding disputes;

(c) Taking such other reasonable steps as the Committee may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies; and

(d) Reviewing and resolve any disagreements between management and the external auditors regarding financial reporting or the application of any accounting principles or practice.

8. *Accounting principles and policies* – Oversee, review and discuss, as the Committee deems necessary, with management, the external auditors and the internal auditors, the Corporation's accounting principles and policies, including:

(a) *Selection* – the appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;

(b) *Significant financial reporting issues* – all significant financial reporting issues and judgments made in connection with the preparation of the financial statements and any "second opinions" sought by management from an independent auditor with respect to the accounting treatment of a particular item;

(c) *Disagreements* – disagreements between management and the external auditors or the internal auditors regarding the application of any accounting principles or practices;

(d) *Material change or proposed change* – any material change or proposed change to the Corporation's accounting principles and practices;

(e) *Changes in regulatory and accounting requirements* – the effect of changes in regulatory and accounting requirements;

(f) *Legal matters*, claims and contingencies – any legal matter, claim or contingency that could have a significant impact on the financial statements, the Corporation's compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the financial statements;

(g) *Pro forma or adjusted information* – the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles; and

(h) *Goodwill impairment* – management's determination of goodwill impairment, if any, as required by applicable accounting standards.

9. *Interim financial results* – Prior to the release of any summary of interim financial results, including any associated press release, or the filing of such reports with the applicable regulators, review with the external auditors and management the interim consolidated financial statements and related MD&A and associated press release and approve for release.

10. *Annual audited consolidated financial statements* – Review with the external auditors and management the annual audited consolidated financial statements and related MD&A and associated press release, and report on the results of such review to the full Board prior to the approval and release to shareholders of such results by the Board.

11. *Prospectuses and information circulars* – Review with the external auditors and management, financial information contained in any prospectus or information circular of the Corporation, and make recommendations regarding approval to the Board. The Committee shall also periodically assess the adequacy of the procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from financial statements and MD&A.

12. *Communications between management, the internal and external auditors* – Provide an open avenue of communication between management, the internal auditors, the external auditors and the Board.

13. *Independent investigations* – Conduct independent investigations into any matters which come under its scope of responsibilities.

14. *Pension plans* – With respect to pension plans:

(a) *Investment objectives, policies and asset investment mix* – Receive the recommendation of the Pension Investment Advisory Committee (of management) investment objectives, policies and asset investment mix and make recommendations to the Board of Directors.

(b) *Engage investment managers* – Receive the recommendation of the Pension Investment Advisory Committee and approve the engagement and termination of investment management suppliers.

(c) *Pension plan performance* – Receive reports from the Pension Investment Advisory Committee on pension fund performance and make reports to the Board.

(d) *SIP&P* – Receive the recommendation of the Pension Investment Advisory Committee and approve the filing of the SIP&P.

(e) *Pension Investment Advisory Committee* – Oversee the activities of the Pension Investment Advisory Committee.

15. *Other reports of the external auditors* – Review and discuss all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors and any other reports which the Committee may require with the external auditors.

16. *Complaints regarding accounting, controls or audit matters* – Establish and monitor procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal auditors these procedures and any significant complaints received.

17. *Financial risk exposures* – Meet periodically with management to review and discuss the Corporation's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

18. *Audit committees of material subsidiaries* – Receive and review the minutes of meetings of the audit committees of material subsidiaries of the Corporation.

19. *Other delegated matters* – Review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial matters.

The Charter

20. *Charter review* – The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Corporate Governance Committee.

21. *Committee performance* – Annually, the Committee shall evaluate its performance with reference to this Charter and the results of its evaluation shall be submitted to the Corporate Governance Committee.

22. *Disclosure of Charter* – The Committee shall ensure that this Charter is disclosed on the Corporation's website and that this Charter is disclosed in the annual information form of the Corporation in accordance with all applicable securities laws or regulatory requirements.

MAPLE LEAF FOODS INC.

30 St. Clair Avenue West
Toronto, Ontario, Canada
M4V 3A2
(416) 926-2000
www.mapleleaf.com