Unaudited condensed consolidated interim financial statements of

ROGERS SUGAR INC.

Three and six months ended March 30, 2013 and March 31, 2012

ROGERS SUGAR INC.

(Unaudited)

Condensed consolidated statements of earnings and comprehensive income

(In thousands of dollars except per share amounts)

Condensed consolidated statements of earnings		**For the three months ended March 30, 2013**		March 31, 2012		**For the six months ended March 30, 2013**		March 31, 2012
Revenues (note 15)	**$**	**131,819**	$	144,132	**$**	**274,195**	$	319,937
Cost of sales (note 4)		**108,968**		126,209		**220,705**		278,360
Gross margin		**22,851**		17,923		**53,490**		41,577
Administration and selling expenses (note 4)		**5,217**		4,652		**9,829**		9,230
Distribution expenses		**1,613**		1,688		**3,942**		3,995
		6,830		6,340		**13,771**		13,225
Results from operating activities		**16,021**		11,583		**39,719**		28,352
Net finance costs (note 5)		**1,841**		2,092		**4,043**		4,984
Earnings before income taxes		**14,180**		9,491		**35,676**		23,368
Income tax expense :								
Current		**3,615**		1,331		**6,628**		5,454
Deferred		**131**		1,632		**2,481**		1,506
		3,746		2,963		**9,109**		6,960
Net earnings	**$**	**10,434**	$	6,528	**$**	**26,567**	$	16,408
Net earnings per share (note 10):								
Basic	**$**	**0.11**	$	0.07	**$**	**0.28**	$	0.18
Diluted	**$**	**0.11**	$	0.07	**$**	**0.27**	$	0.17

Condensed consolidated statements of comprehensive income		**For the three months ended March 30, 2013**		March 31, 2012		**For the six months ended March 30, 2013**		March 31, 2012
Net earnings	**$**	**10,434**	$	6,528	**$**	**26,567**	$	16,408
Other comprehensive income		**–**		–		**–**		–
Net earnings and comprehensive income for the period	**$**	**10,434**	$	6,528	**$**	**26,567**	$	16,408

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

ROGERS SUGAR INC.

(Unaudited)
Condensed consolidated statements of financial position
(In thousands of dollars)

	March 30 2013	September 29 2012	March 31 2012
Assets			
Current assets:			
Cash and cash equivalents	**$ 3,584**	$ 27,895	$ 27,144
Trade and other receivables	**42,679**	51,071	48,546
Income taxes recoverable	**–**	760	–
Inventories	**122,703**	78,286	98,120
Prepaid expenses	**1,227**	1,689	1,609
Derivative financial instruments (note 6)	**901**	–	308
Total current assets	**171,094**	159,701	175,727
Non-current assets:			
Property, plant and equipment	**178,486**	180,132	181,229
Intangible assets	**2,231**	2,347	1,711
Other assets	**50**	142	234
Deferred tax assets	**17,542**	21,778	20,153
Derivative financial instruments (note 6)	**13**	15	–
Goodwill	**229,952**	229,952	229,952
Total non-current assets	**428,274**	434,366	433,279
Total assets	**$ 599,368**	$ 594,067	$ 609,006
Liabilities and Shareholders' Equity			
Current liabilities:			
Revolving credit facility (note 7)	**$ 105,000**	$ 60,000	10,000
Trade and other payables	**42,365**	46,795	45,552
Income taxes payable	**665**	2,824	1,046
Provisions	**1,321**	1,363	1,523
Finance lease obligations	**63**	69	89
Derivative financial instruments (note 6)	**3,384**	7,922	9,886
Total current liabilities	**152,798**	118,973	68,096
Non-current liabilities:			
Revolving credit facility (note 7)	**–**	–	60,000
Employee benefits	**56,407**	57,857	53,946
Provisions	**2,899**	2,899	2,744
Derivative financial instruments (note 6)	**751**	2,283	5,220
Finance lease obligations	**10**	46	78
Convertible unsecured subordinated debentures (note 8)	**105,421**	104,988	104,555
Deferred tax liabilities	**27,921**	29,676	30,385
Total non-current liabilities	**193,409**	197,749	256,928
Total liabilities	**346,207**	316,722	325,024
Shareholders' equity:			
Share capital	**133,812**	133,737	133,455
Contributed surplus	**200,128**	200,143	200,116
Equity portion of convertible unsecured subordinated debentures (note 8)	**1,188**	1,188	1,188
Deficit	**(81,967)**	(57,723)	(50,777)
Total shareholders' equity	**253,161**	277,345	283,982
Total liabilities and shareholders' equity	**$ 599,368**	$ 594,067	$ 609,006

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

ROGERS SUGAR INC.

(Unaudited)
Condensed consolidated statements of changes in shareholders' equity
(In thousands of dollars except number of shares)

						For the six months ended March 30, 2013
	Number of shares	**Common shares**	**Contributed surplus**	**Equity portion of convertible debentures**	**Deficit**	**Total**
		$	**$**	**$**	**$**	**$**
Balance, September 29, 2012	**94,090,760**	**133,737**	**200,143**	**1,188**	**(57,723)**	**277,345**
Dividends (note 9)	–	–	**–**	**–**	**(50,811)**	**(50,811)**
Share-based compensation (note 11)	**–**	**–**	**(12)**	**–**	**–**	**(12)**
Issuance of shares (note 11)	**20,000**	**75**	**(3)**	**–**	**–**	**72**
Net earnings and comprehensive income for the period	**–**	**–**	**–**	**–**	**26,567**	**26,567**
Balance, March 30, 2013	**94,110,760**	**133,812**	**200,128**	**1,188**	**(81,967)**	**253,161**

						For the six months ended March 31, 2012
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Deficit	Total
		$	$	$	$	$
Balance, October 1, 2011	88,842,333	105,542	203,910	–	(53,232)	256,220
Dividends (note 9)	–	–	–	–	(15,981)	(15,981)
Share-based compensation (note 11)	–	–	2	–	–	2
Conversion of convertible debentures into shares	5,148,427	27,819	(1,562)	–	–	26,257
Redemption of convertible debentures	–	–	(2,230)	–	2,028	(202)
Issuance of convertible debentures –	–	–	1,188	–	1,188	
Issuance of shares (note 11)	25,000	94	(4)	–	–	90
Net earnings and comprehensive income for the period	–	–	–	–	16,408	16,408
Balance, March 31, 2012	94,015,760	133,455	200,116	1,188	(50,777)	283,982

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

ROGERS SUGAR INC.

(Unaudited)
Condensed consolidated statements of cash flows
(In thousands of dollars)

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
Cash flows from operating activities:				
Net earnings	**$ 10,434**	$ 6,528	**$ 26,567**	$ 16,408
Adjustments for:				
Depreciation of property, plant and equipment (note 4)	**3,116**	2,883	**6,181**	5,724
Amortization of intangible assets (note 4)	**58**	42	**116**	84
Changes in fair value of derivative financial instruments included in cost of sales	**(2,619)**	3,730	**(5,540)**	4,368
Income tax expense	**3,746**	2,963	**9,109**	6,960
Pension contributions	**(2,694)**	(2,871)	**(5,395)**	(6,091)
Pension expense	**2,289**	2,056	**3,945**	3,374
Net finance costs (note 5)	**1,841**	2,092	**4,043**	4,984
(Gain)/loss on disposal of property, plant and equipment	**(42)**	–	**(219)**	21
Other	**–**	126	**–**	146
Share-based compensation	**1**	2	**(12)**	2
	16,130	17,551	**38,795**	35,980
Changes in:				
Trade and other receivables	**(3,115)**	881	**8,392**	9,302
Inventories	**(12,091)**	29,191	**(44,417)**	(7,087)
Prepaid expenses	**(340)**	126	**462**	595
Trade and other payables	**(6,344)**	(6,585)	**(5,219)**	(6,690)
Provisions	**(29)**	(77)	**(42)**	(77)
Cash (used in) from operating activities	**(21,919)**	23,536	**(40,824)**	(3,957)
Interest paid	**(913)**	(991)	**(4,909)**	(5,503)
Income taxes paid	**(2,594)**	(1,970)	**(8,027)**	(11,585)
Net cash (used in) from operating activities	**(9,296)**	38,126	**(14,965)**	14,935
Cash flows (used in) from financing activities:				
Dividends paid	**(42,341)**	(7,990)	**(50,809)**	(15,542)
Revolving credit facility borrowings	**45,000**	(6,000)	**45,000**	–
Issuance of shares (note 11)	**72**	90	**72**	90
Issuance of convertible unsecured subordinated debentures	**–**	–	**–**	60,000
Redemption of convertible unsecured subordinated debentures	**–**	–	**–**	(51,679)
Payment of financing fees		(16)	**–**	(2,716)
Repurchase of convertible debentures	**–**	–	**–**	(9)
Cash flow from (used in) financing activities	**2,731**	(13,916)	**(5,737)**	(9,856)
Cash flows used in investing activities:				
Additions to property, plant and equipment, net of proceeds on disposal	**(2,642)**	(2,611)	**(3,609)**	(3,261)
Cash flow used in investing activities	**(2,642)**	(2,611)	**(3,609)**	(3,261)
Net (decrease) increase in cash and cash equivalents	**(9,207)**	21,599	**(24,311)**	1,818
Cash and cash equivalents, beginning of period	**12,791**	5,545	**27,895**	25,326
Cash and cash equivalents, end of period	**$ 3,584**	$ 27,144	**$ 3,584**	$ 27,144

Supplemental cash flow information (note 12)

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements.

1. Reporting entity:

Rogers Sugar Inc. ("Rogers" or the "Company") is a company domiciled in Canada, incorporated under the *Canada Business Corporations Act*. The head office of Rogers is located at 123 Rogers Street, Vancouver, British Columbia, V6B 3V2. The unaudited condensed consolidated interim financial statements of Rogers for the three and six month periods ended March 30, 2013 and March 31, 2012 comprise Rogers and its subsidiary, Lantic Inc., (together referred to as the "Company"). The principal business activity of the Company is the refining, packaging and marketing of sugar products.

2. Basis of presentation and statement of compliance:

(a) Statement of compliance:

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* on a basis consistent with those accounting policies followed by the Company in the most recent audited annual financial statements. Certain information, in particular the accompanying notes, normally included in the audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") has been omitted or condensed. Accordingly, these unaudited condensed consolidated interim financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual financial statements and the notes thereto for the year ended September 29, 2012.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on May 1, 2013.

(b) Basis of measurement:

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the unaudited condensed consolidated statements of financial position:

(i) financial instruments at fair value through profit or loss are measured at fair value; and

(ii) the defined benefit liability is recognized as the present value of the defined benefit obligation less the total of the fair value of the plan assets and the unrecognized past service costs.

(c) Functional and presentation currency:

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars since it is the Company's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousands, except per share amounts.

2. Basis of presentation and statement of compliance (continued):

(d) Use of estimates and judgements:

The preparation of these unaudited condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are as those applied and described in the Company's audited annual financial statements for the year ended September 29, 2012.

3. Significant accounting policies:

The significant accounting policies as disclosed in the Company's audited annual financial statements for the year ended September 29, 2012 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements, except for IAS 1, *Presentation of Financial Statements*.

(a) New standards and interpretations adopted:

(i) IAS 1, *Presentation of financial statements:*

Amendments to IAS 1, *Presentation of Financial Statements* enhance the presentation of Other Comprehensive Income ("OCI") in the financial statements, primarily by requiring the components of OCI to be presented separately for items that may be reclassified to the statement of earnings in the future from those that would never be reclassified to the statement of earnings. The amendments are effective for annual periods beginning on or after July 1, 2012. The adoption of the amendments had no impact on the unaudited condensed consolidated interim financial statements.

(b) New standards and interpretations not yet adopted:

A number of new standards,and amendments to standards and interpretations are not yet effective for the three and six months ended March 30, 2013 and have not been applied in preparing these unaudited condensed consolidated interim financial statements. New standards and amendments to standards and interpretations that are currently under review include:

3. Significant accounting policies (continued):

(b) New standards and interpretations not yet adopted (continued):

(i) IAS 19, *Employee Benefits*:

Amendments to IAS 19, *Employee Benefits*, include the elimination of the option to defer the recognition of gains and losses, enhancing the guidance around measurement of plan assets and defined benefit obligations, streamlining the presentation of changes in assets and liabilities arising from defined benefit plans and the introduction of enhanced disclosures for defined benefit plans. The amendments are effective for annual periods beginning on or after January 1, 2013.

(ii) IFRS 9, *Financial Instruments*:

IFRS 9 is a new standard which will ultimately replace IAS 39, *Financial Instruments: Recognition and Measurement*, with a proposed single model for only two classification categories: amortized cost and fair value. This standard becomes mandatory for the years commencing on or after January 1, 2015 with earlier application permitted.

(iii) IFRS 10, *Consolidated Financial Statements*:

This standard provides additional guidance to determine whether an entity should be included within the consolidated financial statements of the Company. IFRS 10 replaces SIC 12, *Consolidation - Special Purpose Entities*, and parts of IAS 27, *Consolidated and Separate Financial Statements*. This standard is required to be adopted for annual periods beginning January 1, 2013.

(iv) IFRS 13, *Fair Value Measurement*:

This standard provides new guidance on fair value measurement and disclosure requirements, which becomes effective for annual periods commencing on or after January 1, 2013.

The extent of the impact of adoption of the above noted standards and interpretations on the financial statements of the Company has not yet been determined.

(In thousands of dollars except as noted and amounts per share)

4. Depreciation and amortization expense:

Depreciation and amortization expense were charged to the unaudited condensed consolidated statements of earnings as follows:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Depreciation of property, plant and equipment:				
Cost of sales	**2,997**	2,770	**5,943**	5,498
Administration and selling expenses	**119**	113	**238**	226
	3,116	2,883	**6,181**	5,724
Amortization of intangible assets:				
Administration and selling expenses	**58**	42	**116**	84
Total depreciation and amortization expense	**3,174**	2,925	**6,297**	5,808

5. Finance income and finance costs:

Recognized in net earnings:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Net change in fair value of interest rate swap	**951**	674	**1,429**	1,459
Finance income	**951**	674	**1,429**	1,459
Interest expense on convertible unsecured subordinated debentures	**1,611**	1,618	**3,222**	3,460
Interest on revolving credit facility	**954**	922	**1,797**	1,882
Amortization of deferred financing fees	**227**	226	**453**	505
Loss on early redemption of convertible unsecured subordinated debentures	**–**	–	–	596
Finance costs	**2,792**	2,766	**5,472**	6,443
Net finance costs recognized in net earnings	**1,841**	2,092	**4,043**	4,984

(In thousands of dollars except as noted and amounts per share)

6. Financial instruments:

Disclosures relating to risks exposures, in particular credit risk, liquidity risk, foreign currency risk, interest rate risk and equity risk were provided in the September 29, 2012 annual financial statements and there have been no significant changes in the Company's risk exposures during the six months ended March 30, 2013.

Details of recorded gains (losses) for the quarter, in marking-to-market all derivative financial instruments and embedded derivatives that are outstanding at quarter end, are noted below. For sugar futures contracts (derivative financial instruments), the amounts noted below are netted with the variation margins paid or received to/from brokers at the end of the reporting period. Natural gas forwards and sugar futures have been marked-to-market using published quoted values for these commodities, while foreign exchange forward contracts have been marked-to-market using rates published by the financial institution which is counter-party to these contracts. The fair value of natural gas contracts, foreign exchange forward contracts and interest rate swap calculations include a credit risk adjustment for the Company's or counterparty's credit, as appropriate.

As at March 30, 2013, financial derivatives outstanding and their mark-to-market impact on the unaudited condensed consolidated statements of earnings were as follows:

	Financial Assets		**Financial Liabilities**	
	Current	**Non-Current**	**Current**	**Non-Current**
	March 30, 2013		**March 30, 2013**	
	$	**$**	**$**	**$**
Sugar futures contracts	**–**	**–**	**276**	**63**
Natural gas futures contracts	**–**	**–**	**2,668**	**658**
Foreign exchange forward contracts	**490**	**–**	**–**	**30**
Embedded derivatives	**411**	**13**	**–**	**–**
Interest rate swap	**–**	**–**	**440**	**–**
	901	**13**	**3,384**	**751**

(In thousands of dollars except as noted and amounts per share)

6. Financial instruments (continued):

	Gain / (Loss)			
	For the three months ended		**For the six months ended**	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31,2012
	$	$	**$**	$
Sugar futures contracts	**(2,310)**	1,537	**(6,259)**	(2,314)
Natural gas futures contracts	**397**	(1,956)	**128**	(4,564)
Foreign exchange forward contracts	**868**	(1,099)	**1,063**	(925)
Embedded derivatives	**502**	(618)	**1,263**	(2,152)
Interest swap	**951**	674	**1,429**	1,459
	408	(1,462)	**(2,376)**	(8,496)
Charged to:				
Cost of sales	**(543)**	(2,136)	**(3,805)**	(9,955)
Net finance costs	**951**	674	**1,429**	1,459
	408	(1,462)	**(2,376)**	(8,496)

As at September 29, 2012 and March 31, 2012, financial derivatives outstanding were as follows:

	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
	September 29, 2012				March 31, 2012			
	$	$	$	$	$	$	$	$
Sugar futures contracts	–	15	263	–	308	–	–	72
Natural gas futures contracts	–	–	3,754	1,974	–	–	6,787	4,341
Foreign exchange forward contracts	–	–	1,261	243	–	–	957	2
Embedded derivatives	–	–	775	66	–	–	418	–
Interest rate swap	–	–	1,869	–	–	–	1,724	805
	–	15	7,922	2,283	308	–	9,886	5,220

(In thousands of dollars except as noted and amounts per share)

7. Bank overdraft and revolving credit facility:

The Company has a revolving credit facility of $200.0 million from which it can borrow at prime rate, Libor rate or under Bankers' Acceptances, plus 0 to 162.5 basis points based on achieving certain financial ratios. Certain assets of the Company, including trade receivables, inventories and property, plant and equipment have been pledged as security for the credit facility. The following amounts were outstanding as of:

	March 30, 2013	September 29, 2012	March 31, 2012
	$	$	$
Outstanding amount on revolving credit facility:			
Current	**105,000**	60,000	10,000
Non-current	**–**	–	60,000
	105,000	60,000	70,000

The credit facility expires on June 30, 2013 and as a result, the full amount outstanding is shown as current.

The fair value of the outstanding amount on the revolving credit facility was equal to the carrying amount for all above-mentioned periods.

8. Convertible unsecured subordinated debentures:

The outstanding convertible debentures, all recorded as non-current liabilities, are as follows:

	March 30, 2013	September 29, 2012	March 31, 2012
	$	$	$
Fourth series	**50,000**	50,000	50,000
Fifth series	**60,000**	60,000	60,000
Total face value	**110,000**	110,000	110,000
Less deferred financing fees	**(3,578)**	(3,939)	(4,300)
Less equity component	**(1,188)**	(1,188)	(1,188)
Accretion expense on equity component	**187**	115	43
Total carrying value	**105,421**	104,988	104,555

(In thousands of dollars except as noted and amounts per share)

9. Capital and other components of equity:

During the second quarter, 20,000 common shares (September 29, 2012 – 100,000; March 31, 2012 – 25,000) were issued pursuant to the exercise of share options under the Share Option Plan.

As of March 30, 2013, a total of 94,110,760 common shares (September 29, 2012 - 94,090,760; March 31, 2012 – 94,015,760) were outstanding.

On January 30, 2013, the Company declared an additional dividend of $0.36 per share to Shareholders of record on February 8, 2013 and paid on February 28, 2013. The following dividends were declared by the Company:

	March 30, 2013	March 31, 2012
Dividends	**50,811**	15,981
	50,811	15,981

10. Earnings per share:

Reconciliation between basic and diluted earnings per share is as follows:

	For the three months ended		**For the six months ended**	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Basic earnings per share:				
Net earnings	**10,434**	6,528	**26,567**	16,408
Weighted average number of shares outstanding	**94,094,716**	93,999,002	**94,092,738**	91,878,769
Basic earnings per share	**0.11**	0.07	**0.28**	0.18
Diluted earnings per share:				
Net earnings	**10,434**	6,528	**26,567**	16,408
Plus impact of convertible unsecured subordinated debentures	**1,344**	1,296	**2,686**	2,790
	11,778	7,824	**29,253**	19,198
Weighted average number of shares outstanding:				
Basic weighted average number of shares outstanding	**94,094,716**	93,999,002	**94,092,738**	91,878,769
Plus impact of convertible unsecured subordinated debentures	**16,025,641**	16,025,641	**16,025,641**	18,127,902
	110,120,357	110,024,643	**110,118,379**	110,006,671
Diluted earnings per share	**0.11**	0.07	**0.27**	0.17

(In thousands of dollars except as noted and amounts per share)

11. Share-based compensation:

The Company has reserved and set aside for issuance an aggregate of 850,000 shares at a price equal to the average market price of transactions during the last five trading days prior to the grant date. Options are exercisable to a maximum of 20% of the optioned shares per year, starting after the first anniversary date of the granting of the options and will expire after a term of ten years. Upon termination, resignation, retirement, death or long-term disability, all share options granted under the Share Option Plan not vested shall be forfeited.

On March 19, 2012, a total of 230,000 share options were granted at a price of $5.61 to certain executives.

During the second quarter of 2013, a total of 20,000 common shares (September 29, 2012 – 100,000; March 31, 2012 – 25,000) were issued pursuant to the exercise of share options under the Share Option Plan for total cash proceeds of $72 (September 29, 2012 - $361; March 31, 2012 - $90), which was recorded to share capital as well as an ascribed value from contributed surplus of $3 (September 29, 2012 – $15; March 29, 2012 – $4).

Compensation expense is amortized over the vesting period of the corresponding optioned shares and is expensed in the administration and selling expenses with an offsetting credit to contributed surplus. An expense of $1 and an income of $12 was recorded for the three and six months ended March 30, 2013, respectively (an expense of $2 for the three and six months ended March 31, 2012).

The following tables summarize information about the Share Option Plan:

As at March 30, 2012

Exercise price per option	**Outstanding number of options at September 29, 2012**	**Options granted during the period**	**Options exercised during the period**	**Options forfeited during the period**	**Outstanding number of options at March 30, 2013**	**Weighted average remaining life**	**Number of options exercisable**
$ 3.61	**50,000**	**-**	**(20,000)**	**-**	**30,000**	**2.67**	**30,000**
$ 5.61	**230,000**	**-**	**-**	**-**	**230,000**	**8.96**	**46,000**

As at September 29, 2012

Exercise price per option	Outstanding number of options at October 1, 2011	Options granted during the period	Options exercised during the period	Options forfeited during the period	Outstanding number of options at September 29, 2012	Weighted average remaining life	Number of options exercisable
$ 3.61	150,000	-	100,000	-	50,000	3.17	50,000
$ 5.61	-	230,000	-	-	230,000	9.46	-

(In thousands of dollars except as noted and amounts per share)

11. Share-based compensation (continued):

As at March 30, 2013 and September 29, 2012, all of the options outstanding are held by key management personnel (see note 13).

The grant date fair value was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of the fair values of the share-based payment plans granted this year are the following:

Fair value at grant date	$ 63
Share price at grant date	$ 6.07
Exercise price	$ 5.61
Expected volatility (weighted average volatility)	10.547 to 16.896
Option life (expected weighted average life)	3.17 to 5.17 years
Expected dividends	6%
Risk-free interest rate (based on government bonds)	1.274% to 1.521%

The fair values were calculated as of January 30, 2013.

12. Supplementary cash flow information:

	March 30, 2013	March 31, 2012	September 29, 2012	October 1, 2011
	$	$	$	$
Cash and cash equivalents	**3,584**	27,144	27,895	25,326
Non-cash transactions:				
Additions of property, plant and equipment and intangibles included in trade and other payables	**1,025**	550	276	590

(In thousands of dollars except as noted and amounts per share)

13. Key management personnel:

The Board of Directors as well as the President and all the Vice-Presidents are deemed to be key management personnel of the Company. The following is the compensation expense for key management personnel:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Salaries and short-term benefits	**668**	750	**1,379**	1,437
Attendance fees for members of the Board of Directors	**101**	128	**207**	224
Post-retirement benefits	**21**	15	**42**	31
Share-based compensation	**1**	2	**(12)**	2
	791	895	**1,616**	1,694

Further information about the remuneration of individual directors is provided in the annual Management Proxy Circular.

14. Personnel expenses:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Wages, salaries and employee benefits	**17,117**	16,780	**35,954**	34,215
Expenses related to defined benefit plans	**995**	909	**1,991**	1,819
Expenses related to defined contributions plans	**1,294**	1,147	**1,954**	1,555
Share-based compensation	**1**	2	**(12)**	2
	19,407	18,838	**39,887**	37,591

The personnel expenses were charged and capitalized to the unaudited condensed consolidated statements of earnings and statements of financial position, respectively, as follows:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Cost of sales	**15,944**	15,131	**32,631**	30,394
Administration and selling expenses	**3,018**	3,024	**6,107**	5,802
Distribution expenses	**319**	592	**898**	1,215
	19,281	18,747	**39,636**	37,411
Property, plant and equipment	**126**	91	**251**	180
	19,407	18,838	**39,887**	37,591

(In thousands of dollars except as noted and amounts per share)

15. Segmented information:

The Company has one operating segment and therefore one reportable segment.

Revenues were derived from customers in the following geographic areas:

	For the three months ended		For the six months ended	
	March 30, 2013	March 31, 2012	**March 30, 2013**	March 31, 2012
	$	$	**$**	$
Canada	**119,531**	127,416	**254,399**	274,294
United States	**12,288**	16,716	**19,796**	45,643
	131,819	144,132	**274,195**	319,937

16. Comparative figures:

Certain of the 2012 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.