Unaudited condensed consolidated interim financial statements of

ROGERS SUGAR INC.

Three and nine months ended June 27, 2015 and June 28, 2014

ROGERS SUGAR INC.

(Unaudited)
Condensed consolidated interim statements of earnings and comprehensive income
(In thousands of dollars except per share amounts)

Condensed consolidated interim statements of earnings	For the three months ended **June 27, 2015**	June 28, 2014	For the nine months ended **June 27, 2015**	June 28, 2014
Revenues (note 15)	**$ 130,592**	$ 128,432	**$ 386,438**	$ 392,607
Cost of sales (note 4)	**119,738**	120,079	**333,818**	324,745
Gross margin	**10,854**	8,353	**52,620**	67,862
Administration and selling expenses (note 4)	**4,873**	4,852	**15,448**	15,066
Distribution expenses	**2,233**	2,024	**6,455**	6,668
	7,106	6,876	**21,903**	21,734
Results from operating activities	**3,748**	1,477	**30,717**	46,128
Net finance costs (note 5)	**2,272**	2,675	**8,633**	8,064
Earnings (loss) before income taxes	**1,476**	(1,198)	**22,084**	38,064
Income tax expense (recovery):				
Current	**2,165**	2,939	**7,061**	8,770
Deferred	**(1,739)**	(3,251)	**(1,209)**	939
	426	(312)	**5,852**	9,709
Net earnings (loss)	**$ 1,050**	$ (886)	**$ 16,232**	$ 28,355
Net earnings (loss) per share (note 10):				
Basic	**$ 0.01**	$ (0.01)	**$ 0.17**	$ 0.30
Diluted	**$ 0.01**	$ (0.01)	**$ 0.17**	$ 0.29

Condensed consolidated interim statements of comprehensive income	For the three months ended **June 27, 2015**	June 28, 2014	For the nine months ended **June 27, 2015**	June 28, 2014
Net earnings (loss)	**$ 1,050**	$ (886)	**$ 16,232**	$ 28,355
Other comprehensive income	**–**	1,464	–	1,464
Net earnings (loss) and comprehensive income for the period	**$ 1,050**	$ 578	**$ 16,232**	$ 29,819

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

ROGERS SUGAR INC.

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

	June 27, 2015	September 27, 2014	June 28, 2014
Assets			
Current assets:			
Cash and cash equivalents	**$ 10,450**	$ 106	$ 1,005
Trade and other receivables	**42,017**	52,195	43,617
Income taxes recoverable	**2**	119	582
Inventories	**102,898**	86,351	90,618
Prepaid expenses	**2,893**	2,132	2,986
Derivative financial instruments (note 6)	**3,156**	2,262	143
Total current assets	**161,416**	143,165	138,951
Non-current assets:			
Property, plant and equipment	**174,644**	177,014	174,564
Intangible assets	**1,754**	1,902	1,953
Other assets (note 7)	**637**	523	550
Deferred tax assets	**19,201**	15,666	14,419
Derivative financial instruments (note 6)	**–**	112	1,377
Goodwill	**229,952**	229,952	229,952
Total non-current assets	**426,188**	425,169	422,815
Total assets	**$ 587,604**	$ 568,334	$ 561,766
Liabilities and Shareholders' Equity			
Current liabilities:			
Bank overdraft (note 7)	**$ –**	$ 833	$ –
Revolving credit facility (note 7)	**75,000**	35,000	34,000
Trade and other payables	**39,323**	51,009	38,346
Income taxes payable	**531**	–	30
Provisions	**760**	919	1,063
Finance lease obligations	**–**	7	15
Derivative financial instruments (note 6)	**3,192**	990	2,138
Total current liabilities	**118,806**	88,758	75,592
Non-current liabilities:			
Revolving credit facility (note 7)	**40,000**	50,000	50,000
Employee benefits	**43,877**	43,592	39,999
Provisions	**2,417**	2,417	2,273
Derivative financial instruments (note 6)	**5,488**	495	409
Convertible unsecured subordinated debentures (note 8)	**107,399**	106,735	106,514
Deferred tax liabilities	**28,583**	26,257	28,043
Total non-current liabilities	**227,764**	229,496	227,238
Total liabilities	**346,570**	318,254	302,830
Shareholders' equity:			
Share capital	**133,825**	133,712	133,712
Contributed surplus	**200,150**	200,148	200,146
Equity portion of convertible unsecured subordinated debentures (note 8)	**1,188**	1,188	1,188
Deficit	**(94,129)**	(84,968)	(76,110)
Total shareholders' equity (note 9)	**241,034**	250,080	258,936
Total liabilities and shareholders' equity	**$ 587,604**	$ 568,334	$ 561,766

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

ROGERS SUGAR INC.

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

For the nine months ended June 27, 2015						
	Number of shares	**Common shares**	**Contributed surplus**	**Equity portion of convertible debentures**	**Deficit**	**Total**
		$	**$**	**$**	**$**	**$**
Balance, September 27, 2014	**94,028,860**	**133,712**	**200,148**	**1,188**	**(84,968)**	**250,080**
Dividends (note 9)	**–**	**–**	**–**	**–**	**(25,393)**	**(25,393)**
Issuance of shares (note 11)	**30,000**	**113**	**(5)**	**–**	**–**	**108**
Share-based compensation (note 11)	**–**	**–**	**7**	**–**	**–**	**7**
Net earnings and comprehensive income for the period	**–**	**–**	**–**	**–**	**16,232**	**16,232**
Balance, June 27, 2015	**94,058,860**	**133,825**	**200,150**	**1,188**	**(94,129)**	**241,034**

For the nine months ended June 28, 2014						
	Number of shares	Common shares	Contributed surplus	Equity portion of convertible debentures	Deficit	Total
		$	$	$	$	$
Balance, September 28, 2013	94,114,260	133,833	200,135	1,188	(80,283)	254,873
Dividends (note 9)	–	–	–	–	(25,395)	(25,395)
Purchase and cancellation of shares (note 9)	(85,400)	(121)	–	–	(251)	(372)
Share-based compensation (note 11)	–	–	11	–	–	11
Net earnings and comprehensive income for the period	–	–	–	–	29,819	29,819
Balance, June 28, 2014	94,028,860	133,712	200,146	1,188	(76,110)	258,936

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

ROGERS SUGAR INC.

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

	For the three months ended June 27, 2015	June 28, 2014	For the nine months ended June 27, 2015	June 28, 2014
Cash flows from operating activities:				
Net earnings (loss)	**$ 1,050**	$ (886)	**$ 16,232**	$ 28,355
Adjustments for:				
Depreciation of property, plant and equipment (note 4)	**3,489**	2,979	**9,450**	8,978
Amortization of intangible assets (note 4)	**47**	51	**148**	164
Changes in fair value of derivative financial instruments included in cost of sales	**5,562**	5,119	**5,827**	(3,246)
Income tax expense	**426**	(312)	**5,852**	9,709
Pension contributions	**(2,435)**	(2,482)	**(6,286)**	(9,947)
Pension expense	**2,194**	3,131	**6,571**	7,580
Net finance costs (note 5)	**2,272**	2,675	**8,633**	8,064
Loss (gain) on disposal of property, plant and equipment	**17**	(1)	**(9)**	(19)
Share-based compensation	**2**	3	**7**	11
Other	**–**	1	**(105)**	–
	12,624	10,278	**46,320**	49,649
Changes in:				
Trade and other receivables	**7,908**	6,450	**10,178**	6,509
Inventories	**(12,748)**	13,085	**(16,547)**	(18,244)
Prepaid expenses	**(1,221)**	(1,415)	**(761)**	(939)
Trade and other payables	**(1,355)**	(1,703)	**(11,855)**	1,952
Provisions	**(133)**	(1)	**(159)**	(87)
	(7,549)	16,416	**(19,144)**	(10,809)
Cash flows from operating activities	**5,075**	26,694	**27,176**	38,840
Interest paid	**(2,327)**	(3,765)	**(7,156)**	(8,331)
Income taxes paid	**(2,134)**	(2,954)	**(6,413)**	(9,963)
Net cash from operating activities	**614**	19,975	**13,607**	20,546
Cash flows (used in) from financing activities:				
Dividends paid	**(8,466)**	(8,461)	**(25,391)**	(25,402)
Increase (decrease) in revolving credit facility	**19,000**	(6,000)	**30,000**	9,000
Payment of financing fees	**(90)**	–	**(90)**	(90)
Decrease in bank overdraft	**–**	–	**(833)**	–
Issuance (cancellation) of shares (note 9 and 11)	**–**	–	**108**	(372)
Cash flow used in financing activities	**10,444**	(14,461)	**3,794**	(16,864)
Cash flows used in investing activities:				
Additions to property, plant and equipment, net of proceeds on disposal	**(2,119)**	(3,464)	**(7,057)**	(5,881)
Cash flow used in investing activities	**(2,119)**	(3,464)	**(7,057)**	(5,881)
Net increase (decrease) in cash and cash equivalents	**8,939**	2,050	**10,344**	(2,199)
Cash and cash equivalents, beginning of period	**1,511**	(1,045)	**106**	3,204
Cash and cash equivalents, end of period	**$ 10,450**	$ 1,005	**$ 10,450**	$ 1,005

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 nine month periods ended June 27, 2015 and June 28, 2014 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 consolidated annual financial statements other than the adoption of the amendments of IAS 36 and IFRIC 21 as described in note 3a). 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 consolidated financial statements and the notes thereto for the year ended September 27, 2014.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on July 30, 2015.

(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 net total of 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 as noted and 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 consolidated financial statements for the year ended September 27, 2014.

3. Significant accounting policies:

The significant accounting policies as disclosed in the Company's audited annual consolidated financial statements for the year ended September 27, 2014 have been applied consistently in the preparation of these unaudited condensed consolidated interim financial statements, except as noted below.

(a) New standards and interpretations adopted:

(i) IAS 36, *Impairment of assets*:

The IASB has issued amendments to IAS 36, *Impairment of assets*, to reverse the unintended requirements in IFRS 13, *Fair value measurements*, to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual years beginning on or after January 1, 2014. The Company adopted the amendment in the first quarter of the year ending October 3, 2015. The adoption of IAS 36, *Impairment of assets*, did not have an impact on the unaudited condensed consolidated interim financial statements.

(ii) IFRIC 21, *Levies*:

In May 2013, the IASB issued IFRIC 21, *Levies*. The IFRIC provides guidance on accounting for levies in accordance with the requirements of IAS 37, *Provisions, contingent liabilities and contingent assets*.

The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements.

The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs.

3. Significant accounting policies (continued):

(a) New standards and interpretations adopted (continued):

(ii) IFRIC 21, *Levies (continued)*:

The Company adopted the amendment in the first quarter of the year ending October 3, 2015. The adoption of IFRIC 21, *Levies*, did not have an 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 nine months ended June 27, 2015 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:

(i) IFRS 9, *Financial instruments*:

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows.

IFRS 9 (2010) introduces additional changes relating to financial liabilities.

IFRS 9 (2013) includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness. However, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship.

Special transitional requirements have been set for the application of the new general hedging model.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new “expected credit loss” model for calculating impairment, and new general hedge accounting requirements.

The Company does not intend to early adopt IFRS 9 (2009), IFRS 9 (2010), IFRS 9 (2013) and/or IFRS 9 (2014) in its consolidated financial statements for the annual period ending on October 3, 2015. The extent of the impact of adoption of IFRS 9 *Financial instruments* on the consolidated financial statements of the Company has not yet been determined.

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

3. Significant accounting policies (continued):

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

(ii) IAS 19, *Employee benefits*:

In November 2013, the IASB issued amendments to pension accounting under IAS 19, *Employee benefits*. The amendments introduce a relief (practical expedient) that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning on October 4, 2015. The extent of the impact of adoption of IAS 19 *Employee benefits* on the consolidated financial statements of the Company has not yet been determined.

(iii) IFRS 15, *Revenue from contracts with customers*:

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Company intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on October 1, 2017. The extent of the impact of adoption of IFRS 15, *Revenue from contracts with customers* on the consolidated financial statements of the Company has not yet been determined.

4. Depreciation and amortization expense:

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

	For the three months ended		**For the nine months ended**	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Depreciation of property, plant and equipment:				
Cost of sales	**3,386**	2,901	**9,118**	8,684
Administration and selling expenses	**103**	78	**332**	294
	3,489	2,979	**9,450**	8,978
Amortization of intangible assets:				
Administration and selling expenses	**47**	51	**148**	164
Total depreciation and amortization expense	**3,536**	3,030	**9,598**	9,142

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

5. Finance income and finance costs:

Recognized in net earnings:

	For the three months ended		For the nine months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Net change in fair value of interest rate swap	**456**	–	**–**	–
Finance income	**456**	–	**–**	–
Interest expense on convertible unsecured subordinated debentures	**1,616**	1,614	**4,848**	4,841
Interest on revolving credit facility	**905**	717	**2,576**	2,057
Amortization of deferred financing fees	**207**	207	**623**	625
Net change in fair value of interest rate swap	**–**	137	**586**	541
Finance costs	**2,728**	2,675	**8,633**	8,064
Net finance costs recognized in net earnings (loss)	**2,272**	2,675	**8,633**	8,064

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 27, 2014 annual consolidated financial statements and there have been no significant changes in the Company's risk exposures during the three and nine months ended June 27, 2015.

Details of recorded gains (losses) for the year, 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.

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

6. Financial instruments (continued):

As at June 27, 2015, financial derivatives outstanding and their mark-to-market impact on the unaudited condensed consolidated interim statements of earnings were as follows:

	Financial Assets		**Financial Liabilities**	
	Current	**Non-Current**	**Current**	**Non-Current**
	June 27, 2015		**June 27, 2015**	
	$	**$**	**$**	**$**
Sugar futures contracts	**18**	**–**	**–**	**325**
Natural gas futures contracts	**–**	**–**	**2,543**	**4,407**
Foreign exchange forward contracts	**2,380**	**–**	**–**	**118**
Embedded derivatives	**758**	**–**	**–**	**25**
Interest rate swap	**–**	**–**	**649**	**613**
	3,156	**–**	**3,192**	**5,488**

	Gain / (Loss)			
	For the three months ended		**For the nine months ended**	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Sugar futures contracts	**(1,707)**	(863)	**(2,904)**	2,149
Natural gas futures contracts	**(88)**	(376)	**(8,287)**	1,436
Foreign exchange forward contracts	**(1,785)**	(1,084)	**3,686**	1,650
Embedded derivatives	**(2,008)**	(1,664)	**(3)**	(519)
Charged to cost of sales	**(5,588)**	(3,987)	**(7,508)**	4,716

As at September 27, 2014 and June 28, 2014, 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 27, 2014				June 28, 2014			
	$	$	$	$	$	$	$	$
Sugar futures contracts	1,171	–	–	319	–	1,079	1,306	–
Natural gas futures contracts	–	–	519	11	143	298	–	–
Foreign exchange forward contracts	409	58	–	–	–	–	39	44
Embedded derivatives	682	54	–	–	–	–	332	100
Interest rate swap	–	–	471	165	–	–	461	265
	2,262	112	990	495	143	1,377	2,138	409

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

6. Financial instruments (continued):

For its financial assets and liabilities measured at amortized cost as at June 27, 2015, the Company has determined that the carrying value of its short-term financial assets and liabilities approximates their fair value because of the relatively short periods to maturity of these instruments.

In order to fix the interest rate on a substantial portion of the expected drawdown of the revolving credit facility, the Company enters into interest rate swap agreements. In the third quarter of fiscal 2015, the Company entered into a forward start interest rate swap agreement effective for the period of June 28, 2018 to June 29, 2020 at a rate of 1.959% for a value of $30.0 million. The aggregate notional amount of all the interest rate swap agreements is as follows:

Date	Total Value
	$
June 30, 2014 to June 28, 2015	60,000
June 29, 2015 to June 27, 2016	50,000
June 28, 2016 to June 27, 2019	40,000
June 28, 2019 to June 29, 2020	30,000

7. Bank overdraft and revolving credit facility:

The Company has a revolving credit facility of $150.0 million of available working capital from which it can borrow at prime rate, Libor rate or under Bankers' Acceptances, plus 20 to 200 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:

	June 27, 2015	September 27, 2014	June 28, 2014
	$	$	$
Outstanding amount on revolving credit facility:			
Current	**75,000**	35,000	34,000
Non-current	**40,000**	50,000	50,000
	115,000	85,000	84,000

During the third quarter, the Company exercised its option to extend the revolving credit facility with the same terms and conditions of the credit agreement entered into on June 28, 2013. As a result, the Company paid $90 in deferred financing fees to extend the maturity date, which has now been extended to expire on June 29, 2020.

The carrying value of the bank overdraft and the revolving credit facility approximates fair value as the borrowings bear interest at variable rates.

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

8. Convertible unsecured subordinated debentures:

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

	June 27, 2015	September 27, 2014	June 28, 2014
	$	$	$
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	**(1,954)**	(2,495)	(2,676)
Less equity component	**(1,188)**	(1,188)	(1,188)
Accretion expense on equity component	**541**	418	378
Total carrying value	**107,399**	106,735	106,514

The fair value of the Fourth and Fifth series debentures as at June 27, 2015 were approximately $113.1 million based on market quotes.

9. Capital and other components of equity:

In November 2014, the Company received approval from the Toronto Stock Exchange to proceed with a normal course issuer bid ("2014 NCIB"). Under the 2014 NCIB, the Company may purchase up to 1,000,000 common shares. The 2014 NCIB commenced on November 27, 2014 and may continue to November 26, 2015.

During the second quarter of fiscal 2014, the Company purchased 85,400 common shares, having a book value of $121 for a total cash consideration of $372. The excess of the purchase price over the book value of the shares in the amount of $251 was charged to deficit. All shares purchased were cancelled.

During the second quarter of fiscal 2015, 30,000 common shares (September 27, 2014 – nil; June 28, 2014 – nil) were issued pursuant to the exercise of share options under the Share Option Plan.

As of June 27, 2015, a total of 94,058,860 common shares (September 27, 2014 - 94,028,860; June 28, 2014 – 94,028,860) were outstanding.

The following dividends were declared by the Company:

	June 27, 2015	June 28, 2014
	$	$
Dividends	**25,393**	25,395
	25,393	25,395

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

10. Earnings per share:

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

	For the three months ended		For the nine months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Basic earnings (loss) per share:				
Net earnings (loss)	**1,050**	(886)	**16,232**	28,355
Weighted average number of shares outstanding	**94,058,860**	94,028,860	**94,040,838**	94,070,196
Basic earnings (loss) per share	**0.01**	(0.01)	**0.17**	0.30
Diluted earnings (loss) per share:				
Net earnings (loss)	**1,050**	(886)	**16,232**	28,355
Plus impact of convertible unsecured subordinated debentures and share options	**–**	–	**–**	3,982
	1,050	(886)	**16,232**	32,337
Weighted average number of shares outstanding:				
Basic weighted average number of shares outstanding	**94,058,860**	94,028,860	**94,040,838**	94,070,196
Plus impact of convertible unsecured subordinated debentures and share options	**–**	–	**–**	16,025,641
	94,058,860	94,028,860	**94,040,838**	110,095,837
Diluted earnings (loss) per share	**0.01**	(0.01)	**0.17**	0.29

For the three months ended June 27, 2015 and June 28, 2014, the Fourth and Fifth series debentures were excluded from the calculation of diluted earnings per share as they were deemed anti-dilutive. For the nine months ended June 27, 2015, the Fourth and Fifth series debentures were excluded from the calculation of diluted earnings per share for the same reason.

11. Share-based compensation:

The Company has reserved and set aside for issuance an aggregate of 4,000,000 common shares (September 27, 2014 – 850,000 common shares; June 28, 2014 – 850,000 common 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.

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

11. Share-based compensation (continued):

On May 21, 2015 a total of 850,000 options were granted at a price of $4.59 to an executive.

During the second quarter, 30,000 common shares (September 27, 2014 – nil; June 28, 2014 – nil) were issued pursuant to the exercise of share options under the Share Option Plan for a total cash proceeds of $108, which was recorded to share capital as well as an ascribed value from contributed surplus of $5.

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 $2 and $7 was recorded for the three and nine months ended June 27, 2015 (an expense of $3 and $11 for the three and nine months ended June 28, 2014).

The following tables summarize information about the Share Option Plan as of June 27, 2015 and September 27, 2014:

Exercise price per option	**Outstanding number of options at September 27, 2014**	**Options granted during the period**	**Options exercised during the period**	**Options forfeited during the period**	**Outstanding number of options at June 27, 2015**	**Weighted average remaining life**	**Number of options exercisable**
$ 3.61	**30,000**	**–**	**30,000**	**–**	**–**	**–**	**–**
$ 5.61	**226,500**	**–**	**–**	**–**	**226,500**	**6.71**	**134,500**
$ 4.59	**–**	**850,000**	**–**	**–**	**850,000**	**9.90**	**–**

Exercise price per option	Outstanding number of options at September 28, 2013	Options granted during the period	Options exercised during the period	Options forfeited during the period	Outstanding number of options at September 27, 2014	Weighted average remaining life	Number of options exercisable
$ 3.61	30,000	–	–	–	30,000	1.17	30,000
$ 5.61	226,500	–	–	–	226,500	7.46	88,500

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 as at May 21, 2015 of the share-based payment plans granted this year are the following:

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

11. Share-based compensation (continued):

Fair value at grant date	$ 82
Share price at grant date	$ 4.62
Exercise price	$ 4.59
Expected volatility (weighted average volatility)	13.774% to 15.380%
Option life (expected weighted average life)	4 to 6 years
Expected dividends	7.8%
Risk-free interest rate (based on government bonds)	0.911% to 1.223%

As at June 27, 2015 and September 27, 2014, all of the options outstanding are held by key management personnel (see note 13).

12. Supplementary cash flow information:

	June 27, 2015	June 28, 2014	September 27, 2014	September 28, 2013
	$	$	$	$
Non-cash transactions:				
Additions of property, plant and equipment and intangibles included in trade and other payables	**730**	910	709	619

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 nine months ended**	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Salaries and short-term benefits	**582**	157	**1,817**	1,521
Attendance fees for members of the Board of Directors	**145**	114	**354**	314
Post-retirement benefits	**30**	29	**89**	92
Share-based compensation	**2**	3	**7**	11
	759	303	**2,267**	1,938

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

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

14. Personnel expenses:

	For the three months ended		For the nine months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Wages, salaries and employee benefits	**15,157**	14,994	**48,118**	50,681
Expenses related to defined benefit plans	**891**	1,890	**3,308**	4,382
Expenses related to defined contributions plans	**1,303**	1,241	**3,263**	3,198
Share-based compensation	**2**	3	**7**	11
	17,353	18,128	**54,696**	58,272

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

	For the three months ended		For the nine months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Cost of sales	**14,164**	14,718	**44,813**	47,961
Administration and selling expenses	**2,809**	2,865	**8,674**	9,019
Distribution expenses	**321**	357	**897**	1,019
	17,294	17,940	**54,384**	57,999
Property, plant and equipment	**59**	188	**312**	273
	17,353	18,128	**54,696**	58,272

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 nine months ended	
	June 27, 2015	June 28, 2014	**June 27, 2015**	June 28, 2014
	$	$	**$**	$
Canada	**125,725**	122,815	**369,660**	376,553
United States	**4,867**	5,617	**16,778**	16,054
	130,592	128,432	**386,438**	392,607

16. Comparative figures:

Certain of the 2014 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.