

**HIGH LINER FOODS INCORPORATED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*(in thousands of U.S. dollars)*

	June 30, 2012	September 29, 2012
<b>ASSETS</b>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Current:</b>		
Cash	\$ 936	\$ 1,463
Accounts receivable	74,129	79,324
Income taxes receivable	7,212	2,126
Other financial assets	1,015	667
Inventories	224,340	220,161
Prepaid expenses	3,135	3,860
<b>Total current assets</b>	<b>310,767</b>	<b>307,601</b>
<b>Non-current:</b>		
Property, plant and equipment	90,632	90,479
Deferred income taxes	3,517	5,028
Other receivables and miscellaneous assets	1,189	1,467
Other long-term assets	249	249
Intangible assets	113,023	111,314
Goodwill	112,444	113,019
<b>Total non-current assets</b>	<b>321,054</b>	<b>321,556</b>
<b>Total assets</b>	<b>\$ 631,821</b>	<b>\$ 629,157</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current:</b>		
Bank loans	\$ 88,564	\$ 73,846
Accounts payable and accrued liabilities	76,278	82,214
Provisions	6,550	8,861
Other current financial liabilities	603	1,401
Income taxes payable	1,448	949
Current portion of long-term debt	17,000	15,438
Current portion of finance lease obligations	1,006	998
<b>Total current liabilities</b>	<b>191,449</b>	<b>183,707</b>
<b>Non-current:</b>		
Long-term debt	213,357	214,685
Other long-term financial liabilities	8,720	10,695
Long-term finance lease obligations	2,534	2,344
Deferred income taxes	47,051	44,961
Employee future benefits	11,180	14,658
<b>Total non-current liabilities</b>	<b>282,842</b>	<b>287,343</b>
<b>Total liabilities</b>	<b>474,291</b>	<b>471,050</b>
<b>Shareholders' equity</b>		
Common shares	74,864	74,864
Contributed surplus	7,698	7,698
Retained earnings	72,698	70,478
Accumulated other comprehensive income	2,270	5,067
<b>Total shareholders' equity</b>	<b>157,530</b>	<b>158,107</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 631,821</b>	<b>\$ 629,157</b>

**HIGH LINER FOODS INCORPORATED**  
**CONSOLIDATED STATEMENT OF INCOME**  
*(in thousands of U.S. dollars, except per share information)*

	Thirteen weeks ended June 30, 2012 <i>(Unaudited)</i>	Thirteen weeks ended September 29, 2012 <i>(Unaudited)</i>	Twenty six weeks ended June 30, 2012 <i>(Unaudited)</i>	Thirty nine weeks ended September 29, 2012 <i>(Unaudited)</i>
<b>Revenues</b>	\$ 216,831	\$ 219,940	\$ 504,411	\$ 724,351
Cost of sales	172,686	170,520	394,048	564,568
<b>Gross profit</b>	44,145	49,420	110,363	159,783
Distribution expenses	9,922	11,077	23,421	34,498
Selling, general and administrative expenses	23,879	24,416	52,588	77,004
Impairment of property, plant and equipment	271	-	13,723	13,723
Business acquisition, integration and other expenses	2,886	2,101	5,231	7,332
<b>Results from operating activities</b>	7,187	11,826	15,400	27,226
Finance costs	7,579	8,031	14,244	22,275
Share of loss from equity accounted investee, net of income tax	60	76	(25)	51
<b>Income before income taxes</b>	(452)	3,719	1,181	4,900
<b>Income taxes</b>				
Current	(496)	4,042	492	4,534
Deferred	(945)	(2,492)	(2,028)	(4,520)
<b>Total income tax (recovery) expense</b>	(1,441)	1,550	(1,536)	14
<b>Net income</b>	\$ 989	\$ 2,169	\$ 2,717	\$ 4,886
<b>PER SHARE EARNINGS</b>				
<b>Earnings per common share</b>				
Basic	\$ 0.07	\$ 0.14	\$ 0.18	\$ 0.32
Diluted	\$ 0.06	\$ 0.14	\$ 0.18	\$ 0.32
<b>Weighted average number of shares outstanding</b>				
Basic	15,131,254	15,118,968	15,117,601	15,118,055
Diluted	15,449,522	15,441,186	15,419,094	15,426,457

**HIGH LINER FOODS INCORPORATED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
*(in thousands of U.S. dollars)*

	Thirteen weeks ended June 30, 2012 <i>(Unaudited)</i>	Thirteen weeks ended September 29, 2012 <i>(Unaudited)</i>	Twenty six weeks ended June 30, 2012 <i>(Unaudited)</i>	Thirty nine weeks ended September 29, 2012 <i>(Unaudited)</i>
<b>Cash provided by (used in) operations:</b>				
Net income for the period	\$ 989	\$ 2,169	\$ 2,717	\$ 4,886
<b>Charges (credits) to income not involving cash from operations:</b>			-	-
Depreciation and amortization	5,242	5,327	9,937	15,264
Share-based payment expense	956	2,577	2,536	5,113
Loss on disposal of assets, and impairment	19	13	13,633	13,646
Payments of employee future benefits in excess of expense	(845)	(429)	(865)	(1,294)
Finance costs	7,579	8,031	14,244	22,275
Income tax expense	(1,441)	1,550	(1,536)	14
Share of loss of equity accounted investee, net of income taxes	60	76	(25)	51
Movement in provisions	3,665	2,209	5,568	7,777
Unrealized foreign exchange loss	(163)	83	(88)	(5)
Cash flow provided by operations before changes in non-cash working capital	16,061	21,606	46,121	67,727
<b>Net change in non-cash working capital balances:</b>				
Accounts receivable	25,418	325	3,894	4,219
Inventories	16,275	6,789	32,008	38,797
Prepays	185	(662)	(179)	(841)
Accounts payable and accrued liabilities	(9,494)	(122)	(32,951)	(33,073)
<b>Net change in non-cash working capital balances</b>	<b>32,384</b>	<b>6,330</b>	<b>2,772</b>	<b>9,102</b>
Interest paid	(2,693)	(5,710)	(8,071)	(13,781)
Income taxes paid	(2,047)	(1,413)	(3,775)	(5,188)
<b>Net cash flows provided by operating activities</b>	<b>43,705</b>	<b>20,813</b>	<b>37,047</b>	<b>57,860</b>
<b>Cash provided by (used in) financing activities:</b>				
Increase (decrease) in current working capital facilities	(38,830)	(14,924)	(30,544)	(45,468)
Repayment of finance lease obligations	(237)	(268)	(489)	(757)
Repayment of long-term debt	(625)	(625)	(1,250)	(1,875)
Common share dividends paid	(1,476)	(1,702)	(2,990)	(4,692)
Shares repurchase	(497)	-	(497)	(497)
Stock options exercised	131	-	551	551
<b>Net cash flows (used in) provided by financing activities</b>	<b>(41,534)</b>	<b>(17,519)</b>	<b>(35,219)</b>	<b>(52,738)</b>
<b>Cash provided by (used in) investing activities:</b>				
Purchase of property, plant and equipment, net of investment tax credits	(2,607)	(2,525)	(4,332)	(6,857)
Net proceeds on disposal of assets	61	11	209	220
Change in other receivables and miscellaneous assets	-	(260)	-	(260)
<b>Net cash flows used in investing activities</b>	<b>(2,546)</b>	<b>(2,774)</b>	<b>(4,123)</b>	<b>(6,897)</b>
<b>Foreign exchange increase on cash and cash equivalents</b>	<b>1</b>	<b>7</b>	<b>26</b>	<b>33</b>
<b>Change in cash during the period</b>	<b>(374)</b>	<b>527</b>	<b>(2,269)</b>	<b>(1,742)</b>
<b>Cash, beginning of period</b>	<b>1,310</b>	<b>936</b>	<b>3,205</b>	<b>3,205</b>
<b>Cash, end of period</b>	<b>\$ 936</b>	<b>\$ 1,463</b>	<b>\$ 936</b>	<b>\$ 1,463</b>