

FINAL TRANSCRIPT

High Liner Foods Incorporated

Fourth Quarter and Fiscal 2015 Results

Event Date/Time: February 17, 2016 — 2:00 p.m. E.T.

Length: 29 minutes

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

CORPORATE PARTICIPANTS**Heather Keeler-Hurshman**

High Liner Foods Incorporated — Director, Investor Relations

Paul Jewer

High Liner Foods Incorporated — Executive Vice President and Chief Financial Officer

Keith Decker

High Liner Foods Incorporated — President and Executive Officer

CONFERENCE CALL PARTICIPANTS**George Doumet**

Scotiabank — Analyst

Marc Robinson

Cormark Securities — Analyst

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

PRESENTATION**Operator**

Good afternoon, ladies and gentlemen, and thank you for standing by. Welcome to the High Liner Foods Incorporated Conference Call for the Fourth Quarter and Fiscal 2015 Results. At this time, all participants are in a listen-only mode.

Following management's prepared remarks, we will conduct a question-and-answer session. Instructions will be provided at that time for you to queue up to questions.

If anyone has difficulties hearing the conference, please press the * key, followed by 0 for Operator assistance at any time.

This conference call is being recorded today, Wednesday, February 17, 2016, at 2:00 p.m. Eastern Time for replay purposes.

I would now like to turn the call over to Heather Keeler-Hurshman, Director of Investor Relations for High Liner Foods. Miss Keeler-Hurshman, please go ahead.

Heather Keeler-Hurshman — Director, Investor Relations, High Liner Foods Incorporated

Thank you, and good afternoon, everyone. Thank you for joining High Liner Foods conference call to discuss our fourth quarter and fiscal 2015 financial results.

On the call today from High Liner Foods are Keith Decker, President and Chief Executive Officer, and Paul Jewer, Executive Vice President and Chief Financial Officer.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Today's call will start with Paul reviewing the Company's financial performance for the fourth quarter and fiscal 2015, followed by Keith, who will discuss key developments in the business and provide an update on our strategic goals before opening the call up for questions.

Before turning the call over to management, listeners are reminded that certain statements made in today's call may be forward-looking statements that are subject to risks and uncertainties. Management may use forward-looking statements as they discuss the Company's strategy and business in the future.

Actual operating or financial results could differ materially from those anticipated in these forward-looking statements. High Liner Foods includes a thorough discussion of the risk factors that can cause its anticipated outcomes to differ from actual outcomes in its publicly available disclosure documents, including its annual MD&A and Annual Information Form.

Please note that High Liner Foods is under no obligation to update any forward-looking statements discussed today.

Earlier today, High Liner Foods reported its financial results for the fourth quarter and fiscal year ended January 2, 2016. That news release, along with the Company's MD&A and audited financial statements for fiscal 2015 have been filed on SEDAR, and can also be found in the Investor Information section of High Liner Foods' website.

If you'd like to receive our new releases in the future, please visit the Company's website to register.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Lastly, please note that the Company reports its financial information in US dollars, and the results to be discussed today are stated in US dollars, unless otherwise noted. High Liner Foods' common shares trade on the Toronto Stock Exchange and are quoted in Canadian dollars.

I will now turn the call over to Paul. Paul, please go ahead.

Paul Jewer — Executive Vice President and Chief Financial Officer, High Liner Foods Incorporated

Thank you, Heather, and good afternoon, everyone. Before beginning my financial review of the fourth quarter of 2015, I'd like to remind listeners that we use certain non-IFRS measures and ratios when discussing our results, as we believe these are useful when assessing the Company's financial performance.

These measures are fully described and reconciled to IFRS measures in our MD&A.

Please note that all comparisons provided during my financial review of the fourth quarter of 2015 are relative to the fourth quarter of 2014, and comparisons of fiscal 2015 are to fiscal 2014.

The Company has a floating fiscal year-end, with the last day of the fiscal year being the Saturday closest to December 31st. While most fiscal years include 52 weeks, like fiscal 2015, occasionally they include 53 weeks, like fiscal 2014 did. As a result, 2014 fourth quarter results reflect 14 weeks of operations compared to 13 weeks in the fourth quarter of 2015.

To assist listeners with assessing the Company's year-over-year performance, the estimated benefit associated with an additional week of operations in the fourth quarter of 2014

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

was 5.5 million pounds of sales volume, \$20 million of sales in domestic currency, and \$1.6 million of adjusted EBITDA in domestic currency.

One final note: we purchased Atlantic Trading Company on October 7, 2014, and this is the first fiscal year being reported that includes a full year of results from that acquisition.

Sales volume decreased in the fourth quarter of 2015 by 10.4 million pounds, or 13.6 percent to 66.2 million pounds. Volumes declined by 8.1 million pounds in the US and 2.3 million pounds in Canada due in part to the additional week of sales in 2014.

Also, as explained on our last two quarterly conference calls, significant price increases have been passed on to customers over the last year to recover increased raw material costs, including higher foreign exchange in our Canadian business. Management believes these cumulative price increases have adversely impacted sales volume.

The organization was very focused in the second half of 2015 on improving sales volume through more effective and increased promotional activity. And we did see an improvement in year-over-year sales volume trends compared to those experienced in the first half of the year.

Sales in US dollars decreased in the fourth quarter of 2015 by \$42 million, or 15.7 percent to \$224.9 million. The weaker Canadian dollar in 2015 decreased the value of reported sales in the quarter by approximately \$10.5 million relative to the conversion impact in the same period last year.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

In domestic currency, which is before the impact of converting our Canadian dollar-denominated operations to US dollars, sales decreased by \$32.6 million, or 11.7 percent to \$244.9 million. This decrease reflects lower sales volumes, partially offset by the impact of price increases net of increased promotional spending.

Promotional spending was higher in the fourth quarter of 2015 compared to the same period last year in an effort to improve sales volume trends.

Adjusted EBITDA decreased in the fourth quarter of 2015 by \$2.6 million, or 12.7 percent to \$17.8 million. Approximately 700,000 reflects of this decrease reflects a unfavorable change in the US dollar/Canadian dollar exchange rate, and the remaining decrease reflects lower sales volume, partially offset by higher adjusted EBITDA as a percentage of sales.

Adjusted EBITDA as a percentage of sales increased to 7.9 percent compared to 7.7 percent, reflecting the impact of supply chain optimization savings, lower fuel costs, and lower SG&A expenses, including lower sales commission and incentive expenses, along with savings related to restructuring activities. Adjusted EBITDA for the fourth quarter of 2015 reflected approximately \$3 million of net benefit associated with supply chain optimization, primarily in our US operations.

Reported net income increased in the fourth quarter of 2015 by \$1.4 million, or 25 percent to \$7.4 million, with diluted earnings per share of \$0.23. This increase in net income reflects lower

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

unusual and onetime costs and lower finance costs, partially offset by lower adjusted EBITDA, as just explained, and higher income tax expense.

Lower onetime costs reflect fees paid in the fourth quarter of 2014 related to supply chain optimization activities and the write-off of assets in that period related to the cessation of operations at a previously leased plant in Malden, Massachusetts.

Excluding the impact of certain items, which are explained in our MD&A, adjusted net income decreased in the fourth quarter of 2015 by \$1 million, or 11 percent, to \$8.1 million, and correspondingly adjusted diluted earnings per share decreased by \$0.03 to \$0.26.

Now turning to our results for the full year, sales volume decreased in 2015 by 23.2 million pounds, or 7.5 percent, to 284.4 million pounds compared to 307.6 million pounds in 2014. The addition of sales volume from the Atlantic Trading acquisition was offset by lower volumes from both our US and Canadian operations. Lower sales volume reflects an additional week of sales in fiscal 2014.

In addition, significant price increases have been passed on to customers over the past year to recover increased cost, which management believes has had an adverse effect on sales volume. Management also believes certain internal sales execution and promotional challenges were a contributing factor to volume declines earlier in 2015 and has taken action to address this, including restructuring activities and the recruitment of new talent to certain key positions.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Sales in US dollars decreased in 2015 by \$50.1 million, or 4.8 percent. The weaker Canadian dollar in 2015 decreased the value of reported US dollar sales from our Canadian dollar-denominated operations by approximately \$40.9 million relative to the conversion impact last year.

In domestic currency, sales decreased by \$9.7 million, or 0.9 percent, reflecting lower sales volume, partially offset by the impact of price increases net of increased promotional spending.

As already mentioned, promotional spending was higher in 2015 compared to 2014 in an effort to improve sales volume trends. Adjusted EBITDA decreased in 2015 by \$5.1 million, or 6.1 percent, to \$78.2 million. Approximately 3.6 million of this decrease reflects an unfavourable change in the US dollar/Canadian dollar exchange rate, and the remaining decrease reflects lower sales volume and lower adjusted EBITDA as a percentage of sales.

Adjusted EBITDA as a percentage of sales decreased to 7.8 percent compared to 7.9 percent, reflecting price increases that did not fully recover cost increases, partially offset by the impact of supply optimization savings, lower fuel costs, and lower SG&A expenses, including lower sales commissions and incentive expenses along with savings related to restructuring activities.

In addition, adjusted EBITDA in 2015 reflects the impact of foreign exchange gains related to favorable hedging activities in 2015.

Reported net income decreased in 2015 by \$700,000, or 2.3 percent, to \$29.6 million with diluted earnings per share of \$0.95. This decrease in net income reflects lower adjusted EBITDA, as just explained, partially offset by lower finance costs and lower income tax expense.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Excluding the impact of certain items, which are explained in our MD&A, adjusted net income decreased in 2015 by \$3.2 million, or 8.2 percent, to \$35.6 million, and correspondingly, adjusted diluted earnings per share decreased by \$0.10 to \$1.14.

Turning now to the balance sheet. The net working capital balance was \$219.6 million at the end of fiscal 2015. This was \$40.3 million lower than the balance a year ago, due primarily to higher payables.

Net interest bearing debt was \$313.1 million at the end of fiscal 2015, which was \$51.7 million lower than the balance at the end of fiscal 2014. This decrease reflects the repayment of debt with cash flow provided by operating activities, which was \$60.3 million higher in 2015 than 2014.

As a result of the decrease in net interest bearing debt, partially offset by a lower adjusted EBITDA in 2015 compared to 2014, our ratio of net interest bearing debt to adjusted EBITDA decreased to 4 times at the end of fiscal 2015 compared to 4.4 times at the end of fiscal 2014. We expect this ratio to continue to improve in 2016, as adjusted EBITDA is expected to increase and free cash flow will be used to reduce debt.

That concludes my financial review for 2015.

I would now like to turn the call over to Keith to discuss key developments in the business, and provide an update on our strategic goals.

Keith Decker — President and Executive Officer, High Liner Foods Incorporated

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Thank you, Paul, and good afternoon, everyone. Earlier today, in conjunction with the release of our fourth quarter and fiscal 2015 financial results, the Company announced it will cease value-added fish operations at its production facility in New Bedford, Massachusetts by the end of the third quarter of this year.

This change will reduce excess capacity across our North American production network, thereby improving manufacturing efficiency and helping the Company achieve its supply chain optimization objectives.

This change does not impact the Company's scallop processing operations, which are also located at the New Bedford facility.

We recognize this is a very difficult day for the employees impacted in New Bedford, and want to thank them for their contribution to the American Pride business and to High Liner Foods. The decision to cease these operations was necessary to ensure High Liner Foods' continued ability to compete and grow.

The New Bedford plant is currently the Company's most underutilized manufacturing facility, with annual production of approximately 40 million pounds. The supply chain optimization activities completed to date have sufficiently increased capacity at our Lunenburg, Portsmouth, and Newport News facilities such that they are able collectively to absorb the production from New Bedford and still provide sufficient capacity to meet our growth objectives going forward.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

The estimated annual ongoing pretax reduction in operating costs or EBITDA resulting from this consolidation is \$7 million, with a nominal amount of this to be realized in the last quarter of this year. We expect to incur approximately \$5 million in pretax onetime costs related to the transfer of assets; cessation of employment at the New Bedford plant; write-down of inventories; and other costs.

We are assessing the opportunities associated with the scallop business, and given the uncertainty regarding the long-term plans for this business are unable at this time to estimate the full impact this transaction will have on our financial statements. However, we have disclosed that the net book value of equipment associated with the value-added fish operations at the New Bedford facility was approximately \$6.1 million at the end of fiscal 2015.

In regards to financial performance in the fourth quarter of 2015 as expected, we only started to realize the benefit of raw material cost savings toward the end of the quarter. Therefore, previous raw material cost increases, along with the weaker Canadian dollar, continue to have a negative impact on year-over-year financial performance.

We were pleased that the fourth quarter results reflect operational improvements, including increased benefit from supply chain optimization activities, which as Paul mentioned earlier, contributed \$3 million in pretax cost savings compared to the fourth quarter of 2014. These savings helped to offset the impact of lower product margins and contributed to an increase in

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

adjusted EBITDA as a percentage of sales when expressed in domestic currency compared to the fourth quarter of 2014.

In 2016, we will continue to focus on growing the business, operating it as efficiently as possible, and ensuring that we have the right talent. Our primary focus will continue to be on increasing sales volume and managing cost to improve earnings.

Increasing sales volume will be supported by lower seafood raw material prices; however, we do not expect to see volume growth on a year-over-year comparative basis until after the first quarter. This is due in part to a shortened promotional period associated with Lent in 2016 compared to 2015.

We will complete outstanding supply chain optimization activities in 2016, which will now include transferring the New Bedford plant's production to achieve the full benefit associated with these activities. We continue to believe that a minimum of \$20 million in annual cost savings on a run rate basis can be achieved related to all of our supply chain optimization activities by the end of 2016.

Before opening up the call for questions, I'd like to share with you that earlier today the Company's Board of Directors approved a quarterly dividend of CAD \$0.12 per share on the Company's common shares payable on March 15, 2016, to holders of record on March 1, 2016.

Operator, I would like now to open the call for questions. Thank you.

Q&A**Operator**

And at this time, if you would like to ask a question, please press *, then the number 1 on your telephone keypad.

And your first question comes from George Doumet with Scotiabank. Your line is now open.

George Doumet — Scotiabank

Hey. Good afternoon, guys.

Paul Jewer

Hey, George.

George Doumet

I'm just focusing on the cost side. The cod prices remain pretty elevated, and we've seen, however, some meaningful, I guess, decline in other species. Just putting it all together, can you give us a sense of magnitude on what you expect on average or by a weighted basis for prices in general to come down next year? Or 2016?

Paul Jewer

Well, we're certainly starting to see at the end of the fourth quarter that improvement in raw material prices, which will flow into our first quarter of 2016. The couple things I'd highlight

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

there though, George, you've got to remember in Canada that raw material benefit gets offset entirely by the currency move, so the benefit really will materialize in the US.

And we're right now in the process of making determinations on how much of that benefit will get reinvested in promotional activity to shore up volume growth in the category, and how much of it will flow directly to the bottom line.

George Doumet

Okay. Can you just—appreciate the colour, but can you give us a sense of magnitude there in terms of how much are prices down on a weighted basis?

Paul Jewer

Across the—I mean haddock...

George Doumet

Yeah. Across—yeah.

Paul Jewer

Yeah. Haddock is the species that's the most significant decline where, frankly, prices have over the last year halved. You're right, cod really hasn't seen a benefit. Salmon had seen a benefit, but is now starting to move a little in the opposite direction.

But I mean, George, it's millions of dollars of cost benefit. The question is, again, how much of that will we reinvest back into promotional activity in the business in the first couple of quarters to drive volume.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

George Doumet

Okay. On that note, can we—is it possible through promotional activities—activity that we’re expecting in 2016—can we still see continued margin expansion through the higher volumes for the US margin side of things?

Paul Jewer

Yeah. Certainly the expectation for the full year of 2016 is that we would see margin expansion even with the promotional activity to try for some volume growth.

George Doumet

Appreciate that. And one last one, if I may; we’re about a week or so in Lent. Can you guys give us a sense of how it’s shaping up to be this year given, I guess, what you guys alluded to a shortened promotional window there?

Paul Jewer

Yeah. I think it’s—I mean it’s too early to say yet, to be honest, George. What we typically give people some perspective on is how we exited the last quarter versus how we started the last quarter. And we did have some more momentum as we exited 2015 than we started in the fourth quarter.

But I think we’ve also given a perspective that we still think volume growth in 2016’s first quarter is going to be a problem because of the fact that that promotional period for Lent is shorter.

Keith Decker

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

I mean effectively you're taking Lent from April, the finish it, (phon) in April, and you're pushing it all into March. And so typically we would see volumes start to drop off roughly two weeks before the Easter holiday.

So next year we're going to have a very late Lent, and we would expect to possibly see some benefit from that late Lent in comparison to this year.

George Doumet

Appreciate that. Thanks a lot, guys.

Operator

And again, if you'd like to ask a question, please press *, 1.

Your next question comes from Marc Robinson with Cormark Securities. Your line is now open.

Marc Robinson — Cormark Securities

Thanks. Just a few quick admin questions first. How much was the Atlantic Trading contribution in the quarter?

Paul Jewer

I don't—we haven't broken those numbers out separately, Marc. You'll recall when we purchased the business we disclosed an annual sales volume. We've had marginal growth over that sales volume, so that remains largely intact.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

And on the EBITDA basis, we haven't disclosed specific results for ATC, but I would tell you it remains absolutely in line with our expectations when we bought it.

Marc Robinson

Okay. And in the quarter you had \$3 million towards these cost savings. How much in total then in 2015 have you realized?

Paul Jewer

So in total it would be between 6 million and \$7 million...

Marc Robinson

Okay.

Paul Jewer

For the year, so it was clearly back-end loaded. And you'll see those savings now continue to grow as we move through 2016.

Marc Robinson

With respect to this plant closure, I guess given the economics of spending \$5 million to save 7 million, why is this something that you're just doing now? Why wasn't this something that was sort of core to your supply chain savings right from the outset?

Keith Decker

Clearly, the supply chain optimization process that we went through was necessary for us to be able to fit that production into our other facilities. And so as you're aware, we spent the last

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

year, year and a half, working on organizing our plants more efficiently, gaining capacity, which is now enabling us to make this transition.

It's been on our plan to try to do this from a capacity perspective raising the capacity. We knew that it would take place as part of our supply chain optimization.

Paul Jewer

And Marc, you'll recall a few years ago when we closed our Danvers plant we had challenges with that closure...

Marc Robinson

Mm-hmm. Yeah.

Paul Jewer

And we wanted to make sure we had the plan in place that would allow us to do this without any interruption to our customer service levels. And we're now very confident that we have the people and the processes in place in order to execute on this well.

And you're right. When you're ready to execute on it well, the opportunity is clearly very obvious in terms of the benefit.

Marc Robinson

Okay. And finally here, these lower input costs presumably are going to allow you to increase promotional spending and/or lower prices to try and drive enhanced volumes, but the entire protein complex is down materially in terms of price. So can you just talk about whether you

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

foresee any challenges in actually taking market share in the face of all proteins being down quite considerably year over year?

Keith Decker

Yeah. I would say that we see that it's a battle for share of stomach that you see corn prices driving lower chicken, beef, pork prices. And so really it's a focus on providing the correct price points and the correct promotional activities.

We put a lot of work into that over the last six months of the year to ensure that we are being more effective with our price points and our pricing. I would say that it will be a challenge because there is a lot of lower-cost proteins that are out there, but we believe that the benefits of the health of seafood will continue to enable us to promote.

Marc Robinson

Yeah. Okay. Thanks very much.

Operator

I'll now turn the call back over to the presenters for any concluding remarks.

Paul Jewer

Thank you, Operator, and thank you, everyone, for your participation in today's call. We look forward on updating you with the results of the first quarter on our next conference call in May.

Operator

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



This concludes today's conference. You may now disconnect.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »