

HIGH LINER FOODS INCORPORATED

As at December 29, 2012
(with comparative figures as at December 31, 2011)

UNAUDITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of United States dollars)

	December 29, 2012	December 31, 2011 (Restated)
ASSETS		
Current:		
Cash and cash equivalents	\$ 65	\$ 3,205
Accounts receivable	75,191	83,590
Income taxes receivable	5,145	3,498
Other financial assets	533	1,323
Inventories	222,313	256,324
Prepaid expenses	2,991	2,969
Assets classified as held for sale	4,819	-
Total current assets	311,057	350,909
Non-current:		
Property, plant and equipment	89,268	105,808
Deferred income taxes	7,207	1,667
Other receivables and miscellaneous assets	1,847	1,190
Investment in equity accounted investee	96	271
Employee future benefits	92	92
Intangible assets	110,631	116,594
Goodwill	111,085	110,816
Total non-current assets	320,226	336,438
Total assets	631,283	687,347
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current:		
Bank loans	59,704	118,958
Accounts payable and accrued liabilities	100,897	106,856
Provisions	1,614	1,013
Other current financial liabilities	550	780
Income taxes payable	1,165	2,024
Current portion of long-term debt	34,237	2,500
Current portion of finance lease obligations	1,039	1,046
Liabilities directly associated with the assets held for sale	1,604	-
Total current liabilities	200,810	233,177
Non-current:		
Long-term debt	213,359	227,246
Other long-term financial liabilities	2,662	6,466
Long-term finance lease obligations	2,181	2,555
Deferred income taxes	45,126	47,991
Employee future benefits	13,791	11,085
Total non-current liabilities	277,119	295,343
Total liabilities	477,929	528,520
Shareholders' Equity:		
Common shares	75,169	73,931
Contributed surplus	7,719	7,969
Retained earnings	66,373	73,928
Accumulated other comprehensive income	4,093	2,999
Total Shareholders' equity	153,354	158,827
Total liabilities and shareholders' equity	631,283	687,347

HIGH LINER FOODS INCORPORATED

For the thirteen and fifty-two weeks ended December 29, 2012
(with comparative figures for the thirteen and fifty-two weeks ended December 31, 2011)

UNAUDITED CONSOLIDATED STATEMENT OF INCOME (in thousands of United States dollars, except per share amounts)

	Thirteen weeks ended, December 29, 2012	Thirteen weeks ended, December 31, 2011 <i>(Restated)</i>	Fifty-two weeks ended, December 29, 2012	Fifty-two weeks ended, December 31, 2011 <i>(Restated)</i>
Revenues	\$ 218,280	\$ 172,475	\$ 942,631	\$ 675,539
Cost of sales	168,693	135,581	733,105	522,009
Gross profit	49,587	36,894	209,526	153,530
Distribution expenses	11,735	9,216	46,308	35,382
Selling, general and administrative expenses	24,806	17,462	101,891	72,898
Impairment of property, plant and equipment	(493)	-	13,230	-
Business acquisition, integration and other expenses	3,409	10,036	10,741	11,049
Results from operating activities	10,130	180	37,356	34,201
Finance costs	14,349	2,169	36,624	6,019
Share of loss of equity accounted investee, net of income tax	145	87	196	52
Income before income taxes	(4,364)	(2,076)	536	28,130
Income taxes				
Current	908	751	5,442	5,762
Deferred	(2,589)	114	(7,109)	3,708
Total income tax (recovery) expense	(1,681)	865	(1,667)	9,470
Net income	\$ (2,683)	\$ (2,941)	\$ 2,203	\$ 18,660
PER SHARE EARNINGS				
Earnings per common share				
Basic	\$ (0.18)	\$ (0.19)	\$ 0.15	\$ 1.24
Diluted	\$ (0.18)	\$ (0.19)	\$ 0.14	\$ 1.22
Weighted average number of shares outstanding				
Average shares outstanding for the period				
Basic	15,120,830	15,086,846	15,118,752	15,108,823
Diluted	15,562,287	15,289,777	15,460,417	15,340,963

HIGH LINER FOODS INCORPORATED
For the thirteen and fifty-two weeks ended December 29, 2012
(with comparative figures for the thirteen and fifty-two weeks ended December 31, 2011)

UNAUDITED
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of United States dollars)

	Thirteen weeks ended, December 29, 2012	Thirteen weeks ended, December 31, 2011 <i>(Restated)</i>	Fifty-two weeks ended, December 29, 2012	Fifty-two weeks ended, December 31, 2011 <i>(Restated)</i>
Cash provided by (used in) operations:				
Net income for the period	(2,683)	(2,941)	2,203	18,660
Charges (credits) to income not involving cash from operations:				
Depreciation and amortization	4,117	2,802	19,381	9,821
Share based payment expense	5,142	995	10,255	737
Loss on asset disposals, and impairment	(57)	96	13,589	273
Payments of employee future benefits in excess of expense	(434)	(307)	(1,728)	(118)
Finance costs	14,349	2,169	36,624	6,019
Income tax expense (recovery)	(1,681)	865	(1,667)	9,470
Share of loss of equity accounted investee, net of income taxes	145	87	196	52
Movement in provisions	(6,873)	(4,792)	904	412
Unrealized foreign exchange (gain) loss	688	(263)	683	209
Cash flow provided by operations before changes in non-cash working capital:	12,713	(1,289)	80,440	45,535
Net change in non-cash working capital balances:				
Accounts receivable	1,283	15,146	5,502	5,126
Inventories	(3,539)	(20,201)	35,258	(34,126)
Prepays	418	178	(423)	(356)
Accounts payables and accrued liabilities	17,955	1,070	(15,118)	4,336
Net change in non-cash working capital balances	16,117	(3,807)	25,219	(25,020)
Interest paid	(5,364)	(1,577)	(19,145)	(5,241)
Income taxes paid	(2,342)	(1,623)	(7,530)	(10,865)
Net cash flows provided by (used in) operating activities	21,124	(8,296)	78,984	4,409
Cash provided by (used in) financing activities:				
Increase (decrease) in current working capital facilities	(14,205)	73,999	(59,673)	75,852
Repayment of finance lease obligations	(252)	(237)	(1,009)	(903)
Long-term debt deferred charges	-	(14,721)	-	(14,721)
Proceeds from long-term debt	-	250,000	-	250,000
Repayment of long-term debt	-	(45,384)	(1,875)	(48,627)
Common share dividends paid	(1,687)	(1,450)	(6,379)	(5,912)
Share Repurchase	-	-	(497)	(1,252)
Stock options exercised	99	-	650	248
	(16,045)	262,207	(68,783)	254,685
Cash provided by (used in) investing activities:				
Purchase of property, plant and equipment, net of investment tax credits	(5,852)	(1,603)	(12,709)	(7,047)
Net proceeds on disposal of assets	12	13	232	146
Acquisition of business, net of cash acquired	-	(249,665)	-	(249,665)
Change in other receivables and miscellaneous assets	13	(220)	(247)	(378)
	(5,827)	(251,475)	(12,724)	(256,944)
Foreign exchange increase on cash and cash equivalents	54	177	25	166
Change in cash during the period	(694)	2,613	(2,498)	2,316
Translation adjustment	1	276	63	288
Less: Cash directly associated with assets held for sale	(705)	-	(705)	-
Cash, beginning of period	1,463	316	3,205	601
Cash, end of period	65	3,205	65	3,205

HIGH LINER FOODS INCORPORATED
For the thirteen weeks ended December 29, 2012
(with comparative figures for the thirteen weeks ended December 31, 2011)

UNAUDITED
SEGMENTED INFORMATION
(in thousands of United States Dollars)

<i>Amounts in (\$000s)</i>	Thirteen weeks ended December 29, 2012			Thirteen weeks ended December 31, 2011 <i>(Restated)</i>		
	Canada	U.S.	Total	Canada	U.S.	Total
Sales within geographic region*	\$ 80,059	\$ 136,732	\$ 216,791	\$ 74,745	\$ 96,975	\$ 171,720
Sales outside of geographic region*	3,444	4,185	7,629	2,397	3,389	5,786
	83,503	140,917	224,420	77,142	100,364	177,506
Intercompany sales outside of geographic region*	(3,444)	(2,696)	(6,140)	(2,397)	(2,635)	(5,032)
Revenue (excluding intercompany sales)	80,059	138,221	218,280	74,745	97,730	172,475
Cost of sales (excluding intercompany sales)	(61,282)	(107,411)	(168,693)	(59,135)	(76,446)	(135,581)
Gross profit	18,777	30,810	49,587	15,610	21,284	36,894
Distribution expenses	(3,690)	(8,045)	(11,735)	(3,757)	(5,459)	(9,216)
Selling, general and administrative expenses	(11,109)	(13,697)	(24,806)	(7,304)	(10,158)	(17,462)
Impairment of property plant and equipment	493	-	493	-	-	-
Business acquisition integration (costs) and other expenses	(1,107)	(2,302)	(3,409)	(1,192)	(8,844)	(10,036)
Financing costs	(547)	(13,802)	(14,349)	(443)	(1,726)	(2,169)
(Loss) gain from equity accounted investee	(72)	(73)	(145)	(43)	(44)	(87)
Income before income tax	2,745	(7,109)	(4,364)	2,871	(4,947)	(2,076)
Income taxes	(1,334)	3,015	1,681	(1,592)	727	(865)
Net income	\$ 1,411	\$ (4,094)	\$ (2,683)	\$ 1,279	\$ (4,220)	\$ (2,941)
Add back:		-			-	
Depreciation included in:		-			-	
Cost of sales	589	2,695	3,284	575	1,032	1,607
Distribution	42	107	149	46	116	162
Selling, general and administrative expenses	360	123	483	280	46	326
Total depreciation	991	2,925	3,916	901	1,194	2,095
Amortization included in:		-			-	
Selling, general and administrative expenses	28	173	201	52	655	707
Total depreciation and amortization	1,019	3,098	4,117	953	1,849	2,802
Financing costs	547	13,802	14,349	443	1,726	2,169
Income taxes	1,334	(3,015)	(1,681)	1,592	(727)	865
Income before depreciation, amortization, financing and income taxes	\$ 4,311	\$ 9,791	\$ 14,102	\$ 4,267	\$ (1,372)	\$ 2,895

*Geographic regions include Canada, US and Mexico

HIGHLINER FOODS INCORPORATED
For the fifty-two weeks ended December 29, 2012
(with comparative figures for the fifty-two weeks ended December 31, 2011)

UNAUDITED
SEGMENTED INFORMATION
(in thousands of United States Dollars)

<i>Amounts in (\$000s)</i>	Fifty-two weeks ended December 29, 2012			Fifty-two weeks ended December 31, 2011 <i>(Restated)</i>		
	Canada	U.S.	Total	Canada	U.S.	Total
	Sales within geographic region*	\$ 311,843	\$ 625,176	\$ 937,019	\$ 299,255	\$ 370,747
Sales outside of geographic region*	9,172	16,345	25,517	7,195	13,707	20,902
	321,015	641,521	962,536	306,450	384,454	690,904
Intercompany sales outside of geographic region*	(8,131)	(11,774)	(19,905)	(7,195)	(8,171)	(15,366)
Revenue (excluding intercompany sales)	312,884	629,747	942,631	299,255	376,284	675,539
Cost of sales (excluding intercompany sales)	(243,670)	(489,435)	(733,105)	(230,892)	(291,117)	(522,009)
Gross profit	69,214	140,312	209,526	68,363	85,167	153,530
Distribution expenses	(14,588)	(31,720)	(46,308)	(14,912)	(20,470)	(35,382)
Selling, general and administrative expenses	(38,354)	(63,537)	(101,891)	(31,640)	(41,258)	(72,898)
Impairment of property, plant and equipment	(4,407)	(8,823)	(13,230)	-	-	-
Business acquisition integration (costs) and other expenses	(2,321)	(8,420)	(10,741)	(1,238)	(9,811)	(11,049)
Financing costs	(1,512)	(35,112)	(36,624)	(1,095)	(4,924)	(6,019)
(Loss) gain from equity accounted investee	(98)	(98)	(196)	(26)	(26)	(52)
Income before income tax	7,934	(7,398)	536	19,452	8,678	28,130
Income taxes	(3,668)	5,335	1,667	(5,632)	(3,838)	(9,470)
Net income	\$ 4,266	\$ (2,063)	\$ 2,203	\$ 13,820	\$ 4,840	\$ 18,660
Add back:		-			-	
Depreciation included in:		-			-	
Cost of sales	2,369	8,428	10,797	2,340	3,849	6,189
Distribution	164	1,206	1,370	182	287	469
Selling, general and administrative expenses	1,304	359	1,663	1,159	164	1,323
Total depreciation	3,837	9,993	13,830	3,681	4,300	7,981
Amortization included in:		-			-	
Selling, general and administrative expenses	190	5,361	5,551	232	1,608	1,840
Total depreciation and amortization	4,027	15,354	19,381	3,913	5,908	9,821
Financing costs	1,512	35,112	36,624	1,095	4,924	6,019
Income taxes	3,668	(5,335)	(1,667)	5,632	3,838	9,470
Income before depreciation, amortization, financing and income taxes	\$ 13,473	\$ 43,068	\$ 56,541	\$ 24,460	\$ 19,510	\$ 43,970

*Geographic regions include Canada, US and Mexico

HIGH LINER FOODS INCORPORATED
For the thirteen and fifty-two weeks ended December 29, 2012
(with comparative figures for the thirteen and fifty-two weeks ended December 31, 2011)

UNAUDITED
SEGMENTED INFORMATION CONTINUED
(in thousands of United States dollars)

<i>Amounts in (\$000s)</i>	Thirteen weeks December 29, 2012			Thirteen weeks December 31, 2011 <i>(Restated)</i>		
	Canada	U.S.	Total	Canada	U.S.	Total
Capital Expenditures						
Financed by operations	994	4,858	5,852	774	829	1,603
Financed by finance leases	154	-	154	156	-	156
Total capital expenditures	\$ 1,148	\$ 4,858	\$ 6,006	\$ 930	\$ 829	\$ 1,759

<i>Amounts in (\$000s)</i>	Fifty-two weeks December 29, 2012			Fifty-two weeks December 31, 2011 <i>(Restated)</i>		
	Canada	U.S.	Total	Canada	U.S.	Total
Capital Expenditures						
Financed by operations	3,965	8,744	12,709	3,384	3,663	7,047
Financed by finance leases	738	-	738	628	-	628
Total capital expenditures	\$ 4,703	\$ 8,744	\$ 13,447	\$ 4,012	\$ 3,663	\$ 7,675

Total assets	\$ 147,286	\$ 483,997	\$ 631,283	\$ 157,596	\$ 529,751	\$ 687,347
Goodwill	\$ 12,534	\$ 98,551	\$ 111,085	\$ 12,265	\$ 98,551	\$ 110,816
Liabilities	\$ 307,825	\$ 170,104	\$ 477,929	\$ 312,311	\$ 216,209	\$ 528,520