

Second quarter sales reached \$764 million, an increase of \$78.2 million compared to last year. All business units contributed to the increase. Our U.S. acquisitions, i.e. Trega Foods in February 2008 and Schröder Milk last December, accounted for \$46.6 million of the increase. Sales from the Cheese and Functional Products Division's Canadian operations rose by \$13 million, primarily due to higher cheese sales. Fine Cheese Division sales continued to climb despite the recession, which appears to be affecting imported cheese sales. Ultima Foods once again recorded higher yogurt sales despite highly competitive market conditions. As for Division Natrel, milk sales volumes were stable.

Compared with the same quarter last year, earnings from operations showed an increase of \$7.1 million, reaching \$57.1 million. The new acquisitions accounted for \$3.1 million of the increase. Division Natrel and Ultima Foods both posted better results. The Cheese and Functional Products Division continued to perform well despite low whey product selling prices and a 3.1% drop in available milk volumes. Net earnings after taxes of subsidiaries and joint ventures were \$33.0 million, compared to \$29.1 million last year, representing an increase of \$3.9 million.

After six months, sales amounted to \$1.522 billion, an increase of \$226 million compared to last year. Net earnings reached \$61.4 million, a decrease of \$0.7 million. Depreciation expenses have risen by \$8.6 million as a result of the new acquisitions.

In keeping with Agropur's overall performance, cash flows from operations also rose by \$7.7 million to reach \$101.4 million. Working capital increased by \$56.9 million since the beginning of the financial year, mostly due to the \$22.2 million in patronage dividends paid out in December 2008, and a \$24.4 million reduction in accounts payable for milk purchases, resulting from the cut-off date. The figure also includes the payment of income taxes.

The long-term debt was reduced by \$29.1 million, primarily due to the subsequent repayment of the debt assumed during the Schröder acquisition. Investments totalled \$65.9 million, including the Schröder acquisition and the purchase of new equipment, offset by a \$10 million redemption of commercial paper. In addition to this redemption, interest amounts of nearly \$3 million were also received since the beginning of the financial year.

Equity rose to \$683 million, an increase of \$75 million over the last 12 months.



Serge Riendeau, Chairman



Pierre Claprod, Chief Executive Officer

CONSOLIDATED EARNINGS*

(in thousands of dollars)	Second quarter		26 weeks	
	2009	2008	2009	2008
Sales	763,998	685,817	1,521,789	1,295,416
Operating expenses	706,948	635,835	1,417,173	1,198,201
Earnings from operations before the following items	57,050	49,982	104,616	97,215
Depreciation and amortization	21,139	17,569	41,159	32,539
Net financial expenses (revenues)	333	77	(972)	(732)
Loss (gain) on disposal of assets	7	(202)	(124)	(912)
Income taxes of subsidiaries and joint ventures	2,611	3,446	3,183	4,255
Net earnings**	32,960	29,092	61,370	62,065

CONSOLIDATED CASH FLOWS*

(in thousands of dollars)	26 weeks	
	2009	2008
Operating activities		
Net earnings	61,370	62,065
Items not involving use of funds	40,035	31,640
	101,405	93,705
Change in non-cash items	(56,902)	(60,322)
	44,503	33,383
Financing activities		
Long-term debt	(29,120)	(1,112)
Investing activities		
Acquisition of fixed assets and other assets, net of proceeds	(65,946)	(147,284)
Activities with members and on share capital		
Issuance of shares	7	11
Redemption of shares	(21,570)	(11,962)
	(21,563)	(11,951)
Effect of exchange rate fluctuations on cash position	697	(3,200)
Net change in cash position	(71,429)	(130,164)

CONSOLIDATED BALANCE SHEET*

(in thousands of dollars)	May 2	May 3
	2009	2008
Assets		
Current assets	446,076	458,161
Investments	49,097	74,329
Fixed and other assets	594,995	521,131
	1,090,168	1,053,621
Liabilities		
Current liabilities	370,732	410,472
Long-term debt	10,078	10,103
Future income taxes	26,232	25,360
	407,042	445,935
Equity		
Share capital	389,457	345,561
Reserve and others	293,669	262,125
	683,126	607,686
	1,090,168	1,053,621

* Unaudited

** Patronage dividends and income taxes of the Cooperative based on the current net earnings are accounted for at year end.