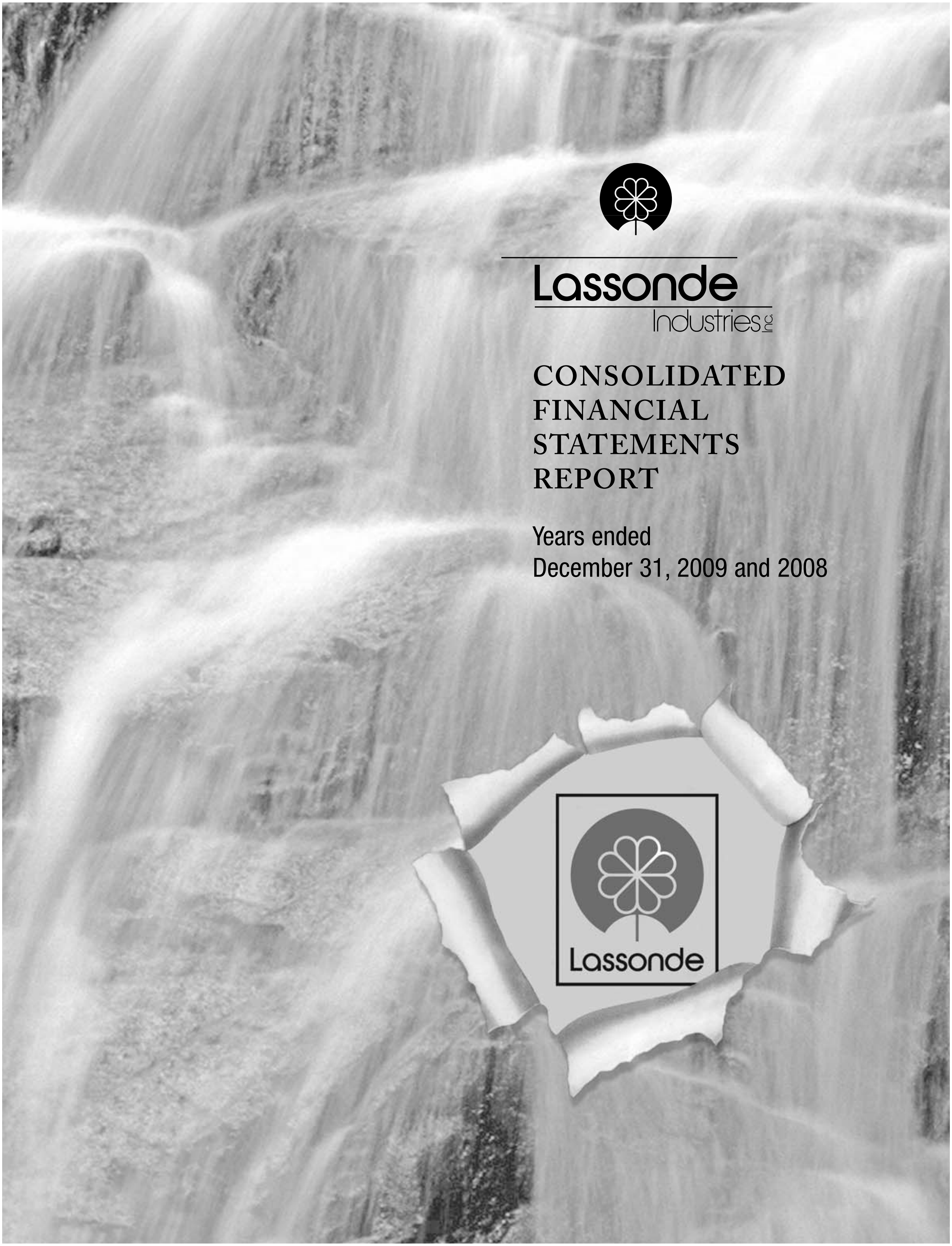

Lassonde Industries inc.

CONSOLIDATED FINANCIAL STATEMENTS REPORT

Years ended
December 31, 2009 and 2008

Message to Shareholders

Dear Shareholders,

As Chairman of the Board and Chief Executive Officer of Lassonde Industries Inc., I am pleased to present the financial results of Lassonde Industries Inc. for fiscal 2009. Despite the volatile economic conditions prevailing in the fiscal year that just ended, we successfully achieved most of our 2009 business objectives, demonstrating the soundness of our prudent management approach.

For the year ended December 31, 2009, Lassonde Industries Inc. posted net sales of $524.2 million, up $18.7 million (3.7%) from net sales of $505.5 million in the previous fiscal year. This net sales growth was largely due to good performance by the Company's national brands in the retail segment. In 2009, Lassonde Industries Inc. saw market share increases in most of its geographic markets. The positive impact of higher sales of national brands was partly offset by lower sales of private label products and by a decrease in sales to food services in the Western Canada market. Price adjustments did not have a significant impact on net sales growth in fiscal 2009, as the selling price increases of 2009 were offset by higher year-over-year trade spending.

Combined with the positive effect of higher net sales, cost reductions mainly involving raw material and transportation expenses, drove operating income to $47.4 million, a $5.2 million (12.4%) increase from the $42.2 million in operating income recorded in fiscal 2008. Operating income grew faster than net sales partly due to the favourable impact of lower raw material costs. Lower fuel prices reduced transportation costs, which also contributed to the improvement in operating income for the fiscal year. The beneficial impact of these factors was partly offset by: (i) a higher exchange rate affecting purchases made in U.S. dollars; (ii) higher costs of metal containers; (iii) a higher amortization expense due mainly to the Company's fixed asset investment program and (iv) higher selling and marketing expenses resulting from targeted efforts to promote some of the Company's products.

The Company's net earnings totalled $30.6 million in 2009, up $1.3 million (4.6%) from the $29.3 million in net earnings reported in 2008. It should be noted that the 2008 net earnings had benefited from the reversal of a $1.0 million interest expense provision combined with the reversal of a $1.3 million provision for income taxes, due to the settlement of notices of assessment related to Bill 15. Excluding the impact of these reversals, net earnings for fiscal 2009 would have increased $3.6 million or 13.4% from the net earnings recorded for fiscal 2008.

Basic and diluted earnings per share for fiscal 2009 stood at $4.62, up 5.2% from the $4.39 per share recorded in fiscal 2008. Excluding the favourable impact of the settlement of notices of assessment related to Bill 15, basic and diluted earnings per share for fiscal 2008 would have been $4.05. It should be noted that the higher percentage of growth in basic and diluted earnings per share compared to net earnings for the fiscal year results from a 0.7% reduction in the weighted average number of shares outstanding, which declined from 6,663,000 in 2008 to 6,619,000 in 2009. This decrease in the number of shares outstanding results from share repurchases for cancellation under the Company's normal course issuer bid program.

Turning to the financial results for the fourth quarter, net sales for the last three months of 2009 totalled $139.4 million, a $6.2 million (4.7%) increase from the $133.2 million in net sales recorded in the same quarter of 2008. This increase in net sales was mainly due to higher sales of the Company's national brands resulting in increased market shares. The Company's net sales were, however, affected by higher trade spending resulting from significant competitive pressures in the fourth quarter of 2009.

Cost of goods sold and operating expenses before amortization rose from $118.2 million in the fourth quarter of 2008 to $118.9 million in the same period of 2009. This 0.6% increase is lower than the 4.7% growth in net sales, mainly due to lower raw material and transportation costs. As a result, fourth quarter operating income went from $11.1 million in 2008 to $15.5 million in 2009, a $4.4 million increase.

The Company's financial expenses rose from $0.7 million in the fourth quarter of fiscal 2008 to $1.3 million in the

Message to Shareholders (continued)

fourth quarter of 2009. The higher financial expense is due to a rise in interest expense of $0.4 million resulting from a higher level of long-term debt added to a $0.2 million unfavourable variance between the 2009 and the 2008 exchange gains.

Income taxes for the fourth quarter of 2009 stood at $4.0 million (effective tax rate of 28.0%), up $1.3 million from $2.7 million in the same quarter of fiscal 2008 (effective tax rate of 25.8%). The effective tax rate for 2008 was reduced by future income tax adjustments resulting from accelerated capital cost allowances generated by the Company's fixed asset investment program.

Fourth quarter net earnings therefore increased from $7.7 million in 2008 to $10.2 million in 2009, and basic and diluted earnings per share increased from $1.15 per share in 2008 to $1.55 per share in 2009.

Cash flows from operating activities totalled $47.3 million in 2009 compared to $31.9 million in 2008. A $1.3 million increase in net income and a $1.6 million increase in amortization were added to the change in non-cash operating working capital items, which used $11.1 million less cash than during the previous year.

As at December 31, 2009, the Company had total assets of $345.2 million compared to $312.2 million as at December 31, 2008, an increase of 10.6%. Our working capital stood at $109.7 million compared to $80.3 million at the end of the previous fiscal year.

Even though the economic outlook is still a cause of concern in Canada and the U.S., the food industry in which Lassonde Industries Inc. operates appears to be less affected by the economic turbulence than other, more cyclical industries. We nevertheless note that our clients remain cautious in their outlooks, with some even pointing to a risk of deflation when reporting their most recent financial results.

We intend to drive growth by launching several new products in the first two quarters of 2010. Concentrating these product launches in the first quarters of 2010 is expected to result in higher slotting fees for these periods. However, the Company expects that, on a full-year basis, the 2010 slotting fees will be comparable to those of fiscal 2009.

Lassonde Industries Inc. is well positioned to benefit from the economic recovery, once it has been confirmed. We therefore plan on maintaining our management approach and our business model for the coming year. Barring any major external shocks, we remain optimistic about our ability to maintain the 2010 net sales growth at a level similar to that experienced in fiscal 2009.

Finally, and on behalf of the management team, the Board of Directors, and the shareholders of Lassonde Industries Inc., I would like to thank our 1,300-plus employees for their committed and dedicated work. The unfailing support of our employees and all our associates was a key contributor to the achievement of the Company's 2009 business objectives. We intend to deploy the same level of effort in fiscal 2010 to ensure that the Company's performance meets your expectations.

Pierre-Paul Lassonde
Chairman of the Board
and Chief Executive Officer

Lassonde Industries inc.

755 Principale Street, Rougemont, Quebec J0L 1M0

Management's responsibility for financial reporting

The preparation and presentation of the consolidated financial statements of Lassonde Industries Inc. and the other financial information contained in the MD&A for years ended December 31, 2009 and 2008 are the responsibility of management.

This responsibility is based on a judicious choice of appropriate accounting principles and methods, the application of which requires making estimates and informed and careful judgments. It also includes ensuring that the financial information in the MD&A is consistent with the consolidated financial statements. The consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles and were examined and approved by the Board of Directors.

The Company maintains disclosure controls and procedures which, in the opinion of management, provide reasonable assurance regarding the disclosure of important information relating to the Company, as well as to its subsidiaries, and the safeguarding of assets, and the well-ordered, efficient management of the Company's business activities. Management recognizes its responsibility for conducting the Company's business activities to comply with the requirements of applicable laws and established financial standards and principles. Management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's system of internal control over financial reporting was effective as at December 31, 2009.

The Board of Directors fulfills its duty, to oversee management in the performance of its financial reporting responsibilities and to review the consolidated financial statements and MD&A, principally through its Audit Committee. The Committee is comprised solely of directors who are independent of the Company and is also responsible for making recommendations for the nomination of external auditors. Also, it holds periodic meetings with members of management as well as external auditors, to discuss internal controls, auditing matters and financial reporting issues. The external auditors have access to the Committee without management. The Audit Committee has reviewed the consolidated financial statements of Lassonde Industries Inc. and the annual management's discussion and analysis and recommended their approval to the Board of Directors.

The enclosed consolidated financial statements were audited by Samson Bélair/Deloitte & Touche s.e.n.c.r.l., Chartered Accountants, and their report indicates the extent of their audit and their opinion on the consolidated financial statements.

Rougemont, Canada
March 10, 2010

Pierre-Paul Lassonde
Chairman of the Board
and Chief Executive Officer

Guy Blanchette
Vice-President
and Chief Financial Officer

Auditors' report

To the Shareholders of
Lassonde Industries Inc.

We have audited the consolidated balance sheets of Lassonde Industries Inc. as at December 31, 2009 and 2008 and the consolidated statements of earnings, comprehensive income, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Samson Bélair/Deloitte & Touche s.e.n.c.r.l.[1]

Montreal, Canada
March 10, 2010

[1] Chartered accountant auditor permit nº 7889

Consolidated statements of earnings

years ended December 31, 2009 and 2008

(in thousands of dollars, except basic and diluted earnings per share)

	2009	2008 (Restated, Note 3a)
	$	$
Net sales	**524,179**	505,500
Cost of goods sold and operating expenses before amortization	**459,957**	449,104
Amortization (Note 15)	**15,789**	14,227
Reduction in value of fixed assets (Note 6)	**1,017**	—
	476,763	463,331
Operating income	**47,416**	42,169
Financial expenses (Notes 16 and 17)	**4,024**	2,400
Earnings before income taxes	**43,392**	39,769
Income taxes (Note 17)	**12,792**	10,519
Net earnings	**30,600**	29,250
Basic and diluted earnings per share	**4.62**	4.39
Weighted average number of shares outstanding	**6,619**	6,663

Additional information regarding earnings is presented in Notes 12 to 14.

Consolidated statements of comprehensive income

years ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008 (Restated, Note 3a)
	$	$
Net earnings	**30,600**	29,250
Other comprehensive (loss) income:		
Gains and (losses) on derivatives designated as cash flow hedges	**(13,192)**	18,098
Income taxes	**3,919**	(5,615)
	(9,273)	12,483
(Gains) and losses on derivatives designated as cash flow hedges transferred to earnings	**(2,861)**	(6,669)
Income taxes	**939**	2,067
	(1,922)	(4,602)
	(11,195)	7,881
Comprehensive income	**19,405**	37,131

Consolidated statements of retained earnings

years ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008 (Restated, Note 3a)
	$	$
Balance, beginning		
As previously reported	**144,747**	121,600
Adjustment related to the adoption of a new accounting policy (Note 3a)	**(1,272)**	(1,467)
Restated	**143,475**	120,133
Net earnings	**30,600**	29,250
	174,075	149,383
Excess of purchase price of Class A shares repurchased over stated capital (Note 10)	**(1,698)**	(779)
Dividends	**(6,782)**	(5,129)
Balance, end	**165,595**	143,475

Consolidated balance sheets

as at December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008 (Restated, Note 3a)
	$	$
Assets		
Current assets		
Cash and cash equivalents	**20,512**	—
Accounts receivable	**52,805**	42,163
Income taxes	**—**	1,456
Inventories (Note 5)	**101,252**	98,967
Prepaid expenses	**1,689**	1,812
Future income taxes (Note 17)	**1,445**	—
Derivative instruments	**88**	12,050
	177,791	156,448
Fixed assets (Note 6)	**144,628**	132,475
Goodwill	**5,776**	5,455
Intangible assets (Note 7)	**11,543**	12,982
Net accrued benefit asset (Note 13)	**5,482**	4,864
	345,220	312,224
Liabilities		
Current liabilities		
Bank overdraft	**—**	388
Bank indebtedness (Note 8)	**—**	15,880
Accounts payable and accrued liabilities	**60,015**	53,756
Income taxes	**980**	—
Future income taxes (Note 17)	**—**	3,213
Derivative instruments	**5,740**	154
Current portion of long-term debt (Note 9)	**1,381**	2,790
	68,116	76,181
Long-term debt (Note 9)	**78,833**	50,745
Future income taxes (Note 17)	**16,253**	13,981
	163,202	140,907
Shareholders' equity		
Capital stock (Note 10)	**18,793**	19,010
Contributed surplus	**1,386**	1,393
Retained earnings	**165,595**	143,475
Accumulated other comprehensive (loss) income (Note 11)	**(3,756)**	7,439
	161,839	150,914
	182,018	171,317
	345,220	312,224

Commitments and contingencies (Note 21)

Approved by the Board

Director *Director*

Consolidated statements of cash flows

years ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008 (Restated, Note 3a)
	$	$
Operating activities		
Net earnings	**30,600**	29,250
Adjustments		
Amortization	**15,789**	14,227
Future income taxes	**2,497**	2,257
Change in net accrued benefit asset	**(618)**	(752)
Gain on disposal of fixed assets	**(11)**	(3)
Reduction in value of fixed assets	**1,017**	—
Non-cash interest expense on long-term debt (Note 16)	**304**	298
	49,578	45,277
Change in non-cash operating working capital items (Note 19)	**(2,308)**	(13,404)
	47,270	31,873
Financing activities		
Change in bank indebtedness	**(15,880)**	2,540
Increase in long-term debt	**25,000**	673
Repayment of long-term debt	**(1,259)**	(619)
Dividends paid	**(6,782)**	(5,129)
Repurchase of Class A shares (Note 10)	**(1,922)**	(891)
	(843)	(3,426)
Investing activities		
Business acquisitions (Note 4)	**(1,603)**	(2,397)
Acquisition of fixed assets	**(23,725)**	(24,298)
Acquisition of intangible assets	**(233)**	(265)
Disposal of fixed assets	**34**	203
	(25,527)	(26,757)
Increase in cash and cash equivalents	**20,900**	1,690
Cash and cash equivalents, beginning	**(388)**	(2,078)
Cash and cash equivalents, end	**20,512**	(388)

Additional information regarding cash flows is presented in Note 19.

Notes to the consolidated financial statements

years ended December 31, 2009 and 2008

(tabular amounts are in thousands of dollars unless otherwise indicated)

1. Description of business

The Company develops, manufactures and markets an innovative and distinctive line of fruit and vegetable juices and drinks as well as specialty food products such as fondue broths and fondue sauces, beans in sauces, soups, sauces and gravies, canned corn-on-the-cob, bruschetta toppings, tapenades, pestos and pasta sauces. The Company imports selected wines from several countries of origin for packaging and marketing purposes. It also imports and markets olive oil.

2. Accounting policies

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of the subsidiaries.

REVENUE RECOGNITION

Sales are recorded when products are delivered, which is when ownership title is passed to the buyer and recovery of the consideration is reasonably assured.

The Company presents trade marketing costs under the form of rebates or allowances related to the promotion of its products as a reduction of sales.

EARNINGS PER SHARE

Basic earnings per share is determined by dividing net earnings by the weighted average number of shares outstanding for the year. Diluted earnings per share is determined using the same method as basic earnings per share, except that the weighted average number of shares outstanding includes the potential dilutive effect of stock options granted by the Company.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank overdraft and short-term investments, if any, with maturities upon acquisition of generally three months or less or which are redeemable at any time at full value.

INVENTORIES

Raw materials, supplies and finished goods are valued at the lower of cost and net realizable value. Cost is determined using the first in, first out method.

FIXED ASSETS

Fixed assets are recorded at acquisition cost, net of government assistance. Amortization is calculated over the useful lives of the assets using the following methods and rates:

Parking	declining balance	10%
Buildings	declining balance	3%
Machinery and equipment	declining balance	10%
	and straight-line	from 3 to 40 years
Furniture and fixtures	declining balance	20%
	and straight-line	from 3 to 10 years
Laboratory equipment	declining balance	10%
	and straight-line	5 years
Automotive equipment	declining balance	15% and 20%
	and straight-line	7 years
Computer system	declining balance	30%
	and straight-line	3 years
Leasehold improvements	straight-line	lease term

Fixed assets in progress are not amortized until the asset is put into service.

2. Accounting policies (continued)

LEASES

The Company recognizes leased assets as a capital lease when substantially all of the benefits and risks inherent to ownership of the assets are transferred to it. The acquisition cost corresponds to the present value of future minimum lease payments in accordance with the lease at inception date, net of executory costs.

All other leases are recognized as operating leases. The leasing costs for these leases are reported in earnings as incurred.

GOODWILL

Goodwill represents the excess of the acquisition price over the fair value of the net assets of entities acquired at the date of acquisition. Goodwill is not amortized but is subject to an annual impairment test or more frequently if impairment indicators arise. Any excess of the carrying amount over the fair value of goodwill is charged to earnings for the year.

INTANGIBLE ASSETS

Intangible assets consist of the following items:

a) Technologies and software

Technologies and software are comprised of, among other things, software licences for in-house use and leading edge technologies and are recorded at acquisition cost. They are amortized using the straight-line method over their estimated useful lives varying from three to ten years.

b) Trademarks

Trademarks are comprised of, among other things, trademarks and a right of use. They are recorded at acquisition cost and amortized using the straight-line method over periods varying from two to twenty years.

c) Client relationships

Client relationships, recorded at acquisition cost, are amortized using the straight-line method over periods varying from five to seven years.

d) Certifications

Certifications are comprised of, among other things, *Hazard Analysis and Critical Control Points* (HACCP) and *Food and Drug Administration* (FDA) accreditations. They are recorded at acquisition cost and amortized using the straight-line method over ten years.

EMPLOYEE FUTURE BENEFITS

The cost of pension and other retirement benefits earned by employees is determined from actuarial calculations according to the projected benefit method prorated on service, based on management's best estimate assumptions of expected returns on plans' assets, salary projections and the retirement ages of employees. Pension costs recognized are charged to earnings and include:

- The cost of pension benefits provided in exchange for services rendered by employees during the year;
- The amortization of actuarial gains or losses on the accrued benefit obligations;
- The interest cost of pension obligations, the return on pension fund assets and the amortization of cumulative unrecognized net actuarial gains and losses in excess of 10% of the greater of the projected benefit obligation or market value of plan assets over the expected average remaining service life of the employee group covered by the plans;
- The excess or deficiency of the return on plan assets over the expected return;
- Plan settlement and plan amendments; and
- The amortization of the initial transitional obligation, past service costs and amendments using the straight line method over the expected average remaining service period of plan members over periods ranging from nine to twenty-two years.

2. Accounting policies (continued)

INCOME TAXES

The asset and liability method is used in accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

RESEARCH AND DEVELOPMENT

The research and development expense that does not satisfy the capitalization criteria is included in cost of goods sold and operating expenses before amortization, net of the related income tax credits.

GOVERNMENT ASSISTANCE

Government assistance, including investment tax credits, related to the acquisition of fixed assets, is applied against the cost of these assets. Government assistance, related to current expenses, is applied against the related expenses.

CURRENCY TRANSLATION

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect on the balance sheet date, whereas non-monetary assets and liabilities are translated using historical exchange rates. Revenue and expenses are translated at the exchange rates in effect at the date of the transaction except for amortization, which is translated at historical rates.

FINANCIAL INSTRUMENTS

The Company has made the following classifications:

- Cash and cash equivalents are classified as assets held for trading and are measured at fair value. Gains and losses arising from periodic revaluation are recorded in net earnings.
- Accounts receivable are classified as loans and receivables and are measured at amortized cost.
- Bank indebtedness, accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities and are measured at amortized cost.
- Derivative financial instruments are classified as assets or liabilities held for trading.

a) Non-interest-bearing debt

Non-interest-bearing debt is measured at amortized cost using the effective interest rate method. When a non-interest-bearing loan is obtained, the difference between the fair value of the loan and the consideration received is accounted for as a grant applied against the corresponding asset.

b) Derivative instruments

The Company uses certain derivative instruments to eliminate or reduce the risks related to currency fluctuations having an influence on its purchases in foreign currencies. Management is responsible for establishing standards of acceptable risk and does not use derivative instruments for speculative purposes. The Company uses these financial instruments solely for purposes of hedging probable future transactions and existing commitments or obligations.

The Company formally documents all relationships between hedging instruments and hedged items as well as its risk management objectives and strategy for undertaking various hedging transactions. This process includes linking all derivatives to specific assets and liabilities in the balance sheet or to specific future transactions. The Company also systematically determines, at inception of the hedge and over the term of the hedging relationship, whether changes in the cash flows of the hedged items can be effectively offset by the derivatives used in the hedging transactions.

The change in fair value related to the effective portion of the hedge of derivative financial instruments denominated in foreign currencies used as a cash flow hedge of anticipated purchases denominated in foreign currencies, is recognized in other comprehensive income and reported as an adjustment to inventories when the purchase is recognized.

2. Accounting policies (continued)

FINANCIAL INSTRUMENTS (CONTINUED)

b) Derivative instruments (continued)

When a hedging relationship ceases to be effective, the corresponding gains and losses presented in accumulated other comprehensive income are reclassified to the statement of earnings of the period during which the underlying hedged transaction was recognized. If a hedged item is sold, extinguished or matures before the end of the related derivative instrument, the corresponding gains or losses presented in accumulated other comprehensive income are reclassified to the statement of earnings of the current period.

Derivative instruments that are economic hedges but that do not qualify for hedge accounting, are recorded at their fair value and changes are charged to earnings.

c) Non-financial derivative instruments and embedded derivatives

An embedded derivative is a component of a financial instrument or another contract with characteristics similar to a derivative financial instrument.

COMPREHENSIVE INCOME

Comprehensive income is the change in shareholders' equity that results from transactions and events from sources other than the Company's shareholders. These transactions and events include gains and losses resulting from changes in the fair value of certain financial instruments.

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the assets may not be recoverable. Impairment is recognized when the carrying amount of a long-lived asset exceeds the undiscounted cash flows expected to result from its use and eventual disposal. The recognized impairment is measured as the excess of the carrying amount of the asset over its fair value.

USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates, notably with respect to the allowance for doubtful accounts, inventories, the useful lives and amortization of fixed assets and intangible assets, the valuation of goodwill, the purchase price allocation of business acquisitions, accounts payable and accrued liabilities (notably the provision for trade marketing costs), future income tax assets and liabilities and actuarial assumptions. These estimates affect the recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of sales and expenses during the reporting period. Since the financial reporting process presupposes the use of estimates, the actual results of items requiring the use of estimates could differ from those estimates.

3. New accounting policies and future accounting changes

NEW ACCOUNTING POLICIES

a) Goodwill and intangible assets

The Canadian Institute of Chartered Accountants (CICA) issued CICA Handbook Section 3064, "Goodwill and Intangible Assets," replacing Section 3062, "Goodwill and Intangible Assets," and Section 3450, "Research and Development." This Section applies to fiscal years beginning on or after October 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to initial recognition and intangible assets.

The Company applied these new recommendations as of January 1, 2009. Application of this new standard is retroactive with restatement of prior periods consolidated financial statements.

Acquisitions of deferred charges, representing incentives granted to customers related to the marketing of new products, are now charged directly to earnings as a reduction to the Company's sales, whereas they were previously capitalized to the balance sheet item "Intangible assets and other assets" and amortized over periods of 12 to 24 months, beginning with the marketing of new products. This amortization was presented as a reduction of the Company's sales. In addition, the balance sheet item "Intangible assets and other assets" now reads "Intangible assets."

(tabular amounts are in thousands of dollars unless otherwise indicated)

3. New accounting policies and future accounting changes (continued)

NEW ACCOUNTING POLICIES (CONTINUED)

a) Goodwill and intangible assets (continued)

The restatement of the prior periods consolidated financial statements is presented as follows:

	Year ended December 31, 2008 (As reported)	Adjustments upon adoption of a new accounting policy	Year ended December 31, 2008 (Restated)
	$	$	$
Consolidated statements of earnings			
Net sales	505,149	351	505,500
Income taxes	10,363	156	10,519
Net earnings	29,055	195	29,250
Basic and diluted earnings per share	4.36	0.03	4.39
Consolidated statements of comprehensive income			
Net earnings	29,055	195	29,250
Comprehensive income	36,936	195	37,131

	As at December 31, 2008 (As reported)	Adjustments upon adoption of a new accounting policy	As at December 31, 2008 (Restated)
	$	$	$
Consolidated balance sheets			
Assets			
Intangible assets	14,763	(1,781)	12,982
Liabilities and Shareholders' equity			
Long-term future income taxes	14,490	(509)	13,981
Retained earnings	144,747	(1,272)[i]	143,475

[i] The net decrease in retained earnings of $1,272,000 consisted of a $1,467,000 reduction in opening retained earnings less a favourable impact of $195,000 from restating net earnings.

	Year ended December 31, 2008 (As reported)	Adjustments upon adoption of a new accounting policy	Year ended December 31, 2008 (Restated)
	$	$	$
Consolidated statements of cash flows			
Operating activities			
Net earnings	29,055	195	29,250
Amortization of deferred charges	4,098	(4,098)	—
Future income taxes	2,101	156	2,257
Investing activities			
Acquisition of intangible assets	(4,012)	3,747	(265)

3. New accounting policies and future accounting changes (continued)

NEW ACCOUNTING POLICIES (CONTINUED)

b) Financial instruments – disclosures

In June 2009, the CICA amended Section 3862 of the CICA Handbook, "Financial instruments – Disclosures," in order to enhance disclosures about fair value measurements and the liquidity risk of financial instruments.

All financial instruments measured at fair value in the consolidated balance sheet must be classified according to a hierarchy comprising three levels:

- Level 1: valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;
- Level 2: valuation based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable; and inputs that are derived principally from or corroborated by observable market data using correlation or other forms of relationship;
- Level 3: valuation techniques based on a significant portion of inputs not observable in the market.

Information on the application of these new recommendations is provided in Note 18 to these consolidated financial statements.

c) Credit risk and the fair value of financial assets and financial liabilities

In January 2009, the CICA issued EIC-173 of the CICA Handbook, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities," in order to specify the items to be considered in determining the fair value of financial assets and financial liabilities for presentation and disclosures required under Section 3855 "Financial Instruments – Recognition and Measurement." These recommendations apply to interim and annual financial statements for periods ending on or after January 20, 2009. Earlier adoption is permitted.

EIC-173 specifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account, in addition to the credit risk of the financial instrument, in determining the fair value of the financial assets and financial liabilities, including derivative instruments.

The Company implemented these new recommendations as of March 28, 2009. This new standard, applied retroactively without restatement of prior periods consolidated financial statements, had no impact on the Company's consolidated financial statements.

FUTURE ACCOUNTING CHANGES

a) Business combinations

The CICA issued CICA Handbook Section 1582, "Business Combinations," which replaces Section 1581, "Business Combinations." These recommendations apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. This Section establishes standards for accounting for a business combination and represents the Canadian equivalent to IFRS 3 (Revised), "Business Combinations." Earlier application is permitted.

b) Consolidated financial statements

The CICA issued CICA Handbook Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests," which together replace Section 1600, "Consolidated Financial Statements." These recommendations apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements prepared subsequent to a business combination. These standards are equivalent to IAS 27 (Revised), "Consolidated and Separate Financial Statements." Earlier adoption is permitted at the beginning of a fiscal year.

(tabular amounts are in thousands of dollars unless otherwise indicated)

3. New accounting policies and future accounting changes (continued)

FUTURE ACCOUNTING CHANGES (CONTINUED)

c) International Financial Reporting Standards

The Accounting Standards Board of Canada (AcSB) has announced that the accounting standards used by public companies will converge with International Financial Reporting Standards (IFRS) during a transition period that should end by 2011. On February 13, 2008, the AcSB confirmed that 2011 would be the changeover year from Canadian GAAP to IFRS. The Company will adopt these new standards according to the established timeline for these new rules.

The Company has completed the diagnostic analysis and scoping phases of the project. It is currently in the conversion and implementation phase. The Company expects to have completed most of the activities leading up to the changeover by September 30, 2010.

The Company is evaluating the impact of adopting these new standards on its consolidated financial statements.

4. Business acquisitions

During the last quarter of 2009, the Company completed the accounting treatment of the acquisition carried out on June 23, 2009 of substantially all of the assets of Apple Valley Juices LP, which is active in apple processing.

The assets purchased are presented at fair value and allocated as follows:

	$
Assets purchased	
Inventories	**537**
Machinery and equipment	**420**
Client relationships	**300**
Goodwill	**321**
Long-term future income tax assets	**25**
	1,603
Consideration	
Cash	**1,603**

In 2008, the Company had finalized the acquisition of the assets related to the manufacture and marketing of ready-to-drink fruit juices and fruit drinks of McCain Foods (Canada), a division of McCain Foods Limited carried out on November 2, 2007. The Company received, in this regard, an amount of $292,000 during 2008.

The Company had also finalized, in 2008, the acquisition of substantially all of the assets and the working capital of Mondiv Food Products Inc., a Canadian manufacturer of specialty food products, carried out on November 26, 2007. The Company disbursed, in this regard, an amount of $2,689,000 during 2008.

5. Inventories

	2009	2008
	$	$
Raw materials and supplies	**53,267**	54,212
Finished goods	**47,985**	44,755
	101,252	98,967

(tabular amounts are in thousands of dollars unless otherwise indicated)

6. Fixed assets

	2009		2008	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	$	**$**	$	$
Land and parking	**9,055**	**556**	7,588	469
Buildings	**57,701**	**14,716**	48,741	13,597
Machinery and equipment	**194,693**	**107,884**	180,204	96,531
Furniture and fixtures	**3,900**	**3,035**	3,661	2,781
Laboratory equipment	**908**	**585**	793	538
Automotive equipment	**3,195**	**2,345**	3,171	2,034
Computer system	**10,691**	**9,140**	10,060	8,337
Leasehold improvements	**2,693**	**601**	2,477	391
Fixed assets in progress	**654**	**—**	458	—
	283,490	**138,862**	257,153	124,678
Net book value		**144,628**		132,475

The machinery and equipment class includes an asset leased under a capital lease for which the total cost and accumulated amortization are $2,502,000 and $192,000, respectively, for a net book value of $2,310,000 (nil in 2008).

In 2009, the Company reduced the value of certain equipment (machinery and equipment) by an amount of $1,017,000. This obsolete equipment is no longer in use.

In 2009, the Company recorded a capital tax credit in an amount of $25,000 and an investment tax credit in an amount of $401,000 as a reduction to fixed assets as provincial government assistance obtained upon the acquisition of fixed assets satisfying certain eligibility criteria.

7. Intangible assets

	2009		2008 (Restated, Note 3a)	
	Cost	Accumulated amortization	Cost	Accumulated amortization
	$	**$**	$	$
Technologies and software	**4,525**	**2,623**	4,292	2,206
Trademarks	**6,231**	**1,953**	6,231	1,511
Client relationships	**5,844**	**2,787**	5,544	1,964
Certifications	**2,900**	**594**	2,900	304
	19,500	**7,957**	18,967	5,985
Net book value		**11,543**		12,982

In 2009, the Company acquired technologies and software for an amount of $233,000 ($265,000 in 2008).

(tabular amounts are in thousands of dollars unless otherwise indicated)

8. Bank indebtedness

As at December 31, 2009 and 2008, the Company had various authorized credit facilities at its disposal, the amount of which could at no time exceed $80,150,000. The Company may, among other things, use revolving credit facilities up to a maximum of US$10,000,000. The Company may also use forward financial instruments for a maximum risk-equivalent amount of US$25,000,000. Furthermore, the Company may convert a portion of these credit facilities into a non-revolving term credit facility not exceeding CA$5,000,000.

Amounts drawn on these credit facilities in the form of bank indebtedness were nil as at December 31, 2009 and $15,880,000 as at December 31, 2008. In addition, as at December 31, 2009 and 2008, the Company is committed under foreign exchange forward contracts, the risk-equivalent of which reduces the credit facilities that can be used. The bank indebtedness bears interest at the bank's prime rate and/or at the bankers' acceptance rates prevailing on the markets plus stamping fees. As at December 31, 2009, the bank's prime rate was 2.25%.

The authorized credit facilities are renewable annually during the fourth quarter. Bank indebtedness is secured by trade accounts receivable and inventories. The credit facilities contain restrictive covenants that require the Company to maintain a financial ratio. As at December 31, 2009 and 2008, this financial ratio was respected.

9. Long-term debt

	2009	2008
	$	$
Loan, 5.8%, secured by a movable and immovable hypothec on certain equipment and buildings, payable through 2029 by the following monthly principal instalments starting in July 2014: 1 instalment of $140,000, 59 instalments of $100,000, 60 instalments of $141,000 and 60 instalments of $175,000. The rate is renewable on July 23, 2024. i) ii) iii) iv)	**25,000**	—
Loan, 6.5%, secured by a movable and immovable hypothec on certain equipment and buildings, payable through 2029 by the following monthly principal instalments starting in August 2014: 48 instalments of $79,750, 48 instalments of $135,000, 48 instalments of $203,000, 35 instalments of $40,000 and one final instalment of $48,000. The rate is renewable on August 23, 2021. i) ii) iii)	**21,500**	21,500
Loan, 5.9%, secured by a movable and immovable hypothec on certain equipment and buildings, payable through 2022 by the following monthly principal instalments starting in July 2014: 29 instalments of $112,000, 30 instalments of $194,000 and 40 instalments of $222,200. The rate is renewable on September 23, 2014. i) ii) iii)	**17,956**	18,180
Loan, 5.5%, secured by a movable and immovable hypothec on certain equipment and buildings, payable through 2020 by the following monthly principal instalments starting in July 2014: 23 instalments of $50,760, 24 instalments of $93,000 and 29 instalments of $120,000. The rate is renewable on May 23, 2015. i) ii) iii)	**6,880**	6,981
Loan, 6.5%, secured by a movable and immovable hypothec on certain equipment and buildings, payable through 2021 by the following monthly principal instalments starting in July 2014: 23 instalments of $25,920, 24 instalments of $40,000 and 32 instalments of $51,000. The rate is renewable on May 23, 2014. i) ii) iii)	**3,188**	3,240
Amount carried forward	**74,524**	49,901

(tabular amounts are in thousands of dollars unless otherwise indicated)

9. Long-term debt (continued)

	2009	2008
	$	$
Amount carried forward	**74,524**	49,901
Loan, non-interest-bearing, payable starting in 2006 in five equal and consecutive annual instalments through 2010. The effective interest rates range from 7.6% to 9.0%.	**505**	970
Loan, non-interest-bearing, payable starting in 2012 in five equal and consecutive annual instalments through 2016. The effective interest rates are 7.65% and 7.9%. i)	**1,535**	1,443
Obligation related to the acquisition of equipment, non-interest-bearing, payable in eight equal annual instalments of $182,025 through 2012. The effective interest rate is 7.8%.	**471**	606
Obligation related to the acquisition of equipment, non-interest-bearing, payable starting in December 2008 in eight equal annual instalments of $81,387 through 2015. The effective interest rate is 7.55%.	**410**	430
Purchase price balance related to the acquisition of real estate assets, non-interest-bearing, secured by an immovable hypothec, payable starting in August 2010 in five equal annual instalments of $116,800. The effective interest rate is 5.8%.	**504**	—
Obligation under a capital lease, 5.5%, payable starting in December 2009 in six equal annual instalments of $500,850, including capital and interest, through 2014.	**2,139**	—
Loan, non-interest-bearing, payable in monthly instalments of $5,952 through 2011. The effective interest rate is 8.2%.	**126**	185
	80,214	53,535
Current portion	**1,381**	2,790
	78,833	50,745

i) These loans are subject to a restrictive covenant requiring the Company to maintain a financial ratio. As at December 31, 2009 and 2008, this financial ratio was respected.

ii) These loans include a payment holiday of principal instalments for 60 months, starting in July and August 2009.

iii) The Company has the option to reimburse, without penalty, up to a maximum of 15% of the balance of the loan on each anniversary date.

iv) The Company undertakes not to assign or pledge as security certain trademarks without the prior written consent of the lending institution.

In January 2009, the Company obtained a right to use equipment under a capital lease. A fixed asset and an obligation were recognized in an amount of $2,502,000.

On August 27, 2009, the Company acquired real estate assets for an amount of $700,000. A cash consideration of $116,000 was paid on the date the bill of sale was signed. The $584,000 balance of the purchase price, non interest bearing, is payable starting in August 2010. A decrease of $89,000 in long-term debt and fixed assets was recognized.

On July 6, 2009, the Company agreed to a loan offer of $25,000,000 with one of its lending institutions. In July 2009, the Company cashed an amount of $10,000,000 and the balance of $15,000,000 in December 2009.

(tabular amounts are in thousands of dollars unless otherwise indicated)

9. Long-term debt (continued)

During 2008, the Company had received the final payment, in the amount of $673,000, of the non-interest-bearing loan offer from a lending institution accepted on July 3, 2006. A decrease of $235,000 in long-term debt and fixed assets had been accounted for.

The Company had also obtained, during 2008, a $651,000 non-interest-bearing financing related to the acquisition of equipment. A decrease of $158,000 in long-term debt and fixed assets had been accounted for.

The net book value of the fixed assets provided as security for certain long-term debts as at December 31, 2009 is $114,205,000 ($83,636,000 in 2008).

The principal payments on long-term debt in each of the next five years, taking into account the principal payment holiday, and the minimum payments required under the capital lease, are as follows:

	Loans, obligations and purchase price balance	Obligations under a capital lease		Total principal payments
	Principal	Principal	Interest	
	$	$	$	$
2010	**998**	**383**	**118**	**1,381**
2011	**444**	**404**	**97**	**848**
2012	**805**	**427**	**74**	**1,232**
2013	**624**	**450**	**51**	**1,074**
2014	**2,794**	**475**	**26**	**3,269**

Total future minimum payments related to obligations under the capital lease are $2,505,000. This amount includes a total interest charge of $366,000.

10. Capital stock

Authorized

An unlimited number of first and second rank preferred shares, non-voting, issuable in one or several series, the attributes of which will be determined by the directors before their issuance. First preferred shares rank prior to second preferred shares with respect to the payment of dividends and reimbursement of capital, without par value.

An unlimited number of Class A subordinate voting shares, without par value

An unlimited number of Class B multiple voting shares, without par value

		2009	2008
		$	$
Issued			
2,843 900	Class A shares	**12,811**	13,078
(900)	Class A shares treasury stock (12,000 in 2008)	**(4)**	(54)
2,843 000	Class A shares (2,891,200 in 2008)	**12,807**	13,024
3,752 620	Class B shares	**5,986**	5,986
		18,793	19,010

During the year ended December 31, 2009, the Company repurchased for cancellation a total of 48,200 Class A subordinate voting shares, including 900 treasury stock shares, at an average price of $39.88 per share for a cash consideration of $1,922,000, of which $217,000 was applied against capital stock, $1,698,000 against retained earnings, and $7,000 against contributed surplus.

10. Capital stock (continued)

During the year ended December 31, 2008, the Company had repurchased for cancellation 24,000 Class A subordinate voting shares, including 12,000 treasury stock shares, at an average price of $37.12 per share for a cash consideration of $891,000, of which $108,000 was applied against capital stock, $779,000 against retained earnings, and $4,000 against contributed surplus.

From January 1 to March 10, 2010, the Company repurchased 5,400 Class A subordinate voting shares for a consideration of $275,000.

STOCK OPTION PLAN

The Company established a stock option plan pursuant to which it may grant stock options for Class A shares to its employees and those of its subsidiaries. The exercise price of each stock option is equal to the closing price of the Company's shares on the day preceding the grant date.

These stock options generally vest at the annual rate of 20% and expire five to six years following the grant date. As at December 31, 2009 and 2008, 150,000 stock options for Class A shares were available under the stock option plan, but none were granted.

EARNINGS PER SHARE

For the years ended December 31, 2009 and 2008, there were no dilutive items.

CAPITAL MANAGEMENT

The Company's capital is defined as shareholders' equity as presented in the Company's financial statements plus debt as defined below.

The Company's main objectives for managing capital are as follows:

- Manage capital in order not to exceed, all other factors being equal, a percentage of debt to the total of combined debt and shareholders' equity (debt-to-capital ratio) of 55% while keeping the business's capital cost competitive with its peers;
- Maintain financial flexibility so that opportunities may be seized when they arise;
- Support business growth while maintaining a dividend payment level of approximately 25% of previous year net earnings before certain unusual items, subject to approval by the Company's Board of Directors.

The Company manages its capital structure and can adjust it in light of changes in economic conditions and the risk characteristics of the underlying assets. The share redemption plan and usage of long-term debt are the main tools that the Company uses to adjust its capital level and the relationship between shareholders' equity and debt levels.

The Company monitors its capital using the debt-to-capital ratio. To calculate this ratio, debt is defined as long-term debt, the current portion of long-term debt, and bank indebtedness.

As at December 31, 2009, the debt-to-capital ratio was 30.6% (28.7% in 2008). The objectives, policies and procedures for managing capital have not changed since the previous period.

Dividends paid over the last three quarters of 2009 and declared during the first quarter of 2010 represent, on an annualized basis, approximately 25% of the 2008 net earnings.

(tabular amounts are in thousands of dollars unless otherwise indicated)

11. Accumulated other comprehensive (loss) income

	2009	2008
	$	$
Balance, beginning	**7,439**	(442)
Other comprehensive (loss) income	**(11,195)**	7,881
Balance, end	**(3,756)**	7,439

The accumulated other comprehensive (loss) income is comprised of unrealized gains and losses on cash flow hedges, net of income taxes. This amount will be transferred to net earnings during the next 12 months.

12. Cost of goods sold

	2009	2008
	$	$
Cost of goods sold before obsolete inventories and amortization	**354,686**	342,682
Obsolete inventories	**2,251**	1,800
Amortization	**11,348**	10,022
Cost of goods sold	**368,285**	354,504

13. Employee future benefits

DEFINED CONTRIBUTION PENSION PLANS

The Company has several defined contribution plans. Most of them are contributory plans and include a Company contribution that varies depending on the employee contribution in accordance with the specific rules to each plan.

The assets of the defined contribution pension plans are kept by trustees on behalf of the employees. The contributions paid by the Company to the pension fund become the immediate property of the employees. No liability is recorded in the Company's balance sheet.

The pension cost is equal to the contributions made by the Company and is as follows:

	2009	2008
	$	$
Defined contribution pension plans [i)]	**2,142**	1,918

DEFINED BENEFIT PENSION PLANS AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

The Company offers three defined benefit pension plans and a supplemental executive retirement plan.

The three defined benefit pension plans provide pension benefits that are calculated based on years of service and a pay rate that varies according to the terms of each of the plans. For two of the three defined benefit pension plans, the pension benefits are not indexed, whereas the third defined benefit pension plan provides for an indexation of 50% of the consumer price index up to a maximum of 4%. The pension cost recognized for these three defined benefit pension plans amounts to $98,300 in 2009 ($390,000 in 2008).

The supplemental executive retirement plan is a defined benefit plan that provides for payment of an annual annuity of 2.5% of the annual base salary at the time of retirement multiplied by the credited and vested years of service with the Company up to a maximum of 50% of the annual base salary at the time of retirement.

(tabular amounts are in thousands of dollars unless otherwise indicated)

13. Employee future benefits (continued)

DEFINED BENEFIT PENSION PLANS AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (CONTINUED)

Combined information relating to the defined benefit pension plans is as follows:

	2009	2008
	$	$
Accrued benefit obligations		
Balance, beginning	**12,168**	14,423
Transferred obligations	**15**	—
Current service cost	**510**	494
Interest cost of accrued benefit obligations	**929**	808
Benefits paid	**(572)**	(325)
Plan settlement	**—**	(1,265)
Actuarial losses (gains)	**1,829**	(1,967)
Balance, end	**14,879**	12,168
Assets of the pension plans		
Balance, beginning	**14,750**	14,870
Transfer of assets	**15**	—
Actual return on plan assets	**1,536**	(1,019)
Employer contributions [i)]	**20**	79
Employee contributions	**12**	12
Benefits paid	**(572)**	(325)
Plan settlement	**—**	(1,265)
Employer funding to the plans [i)]	**2,038**	2,398
Balance, end	**17,799**	14,750
Excess of assets over accrued benefit obligations	**2,920**	2,582
Unamortized initial transitional obligation	**155**	367
Unamortized actuarial losses	**1,870**	979
Unamortized amendments to pension plans	**537**	936
Net accrued benefit asset	**5,482**	4,864

[i)] These amounts are the amounts paid by the Company to the various pension plans.

(tabular amounts are in thousands of dollars unless otherwise indicated)

13. Employee future benefits (continued)

DEFINED BENEFIT PENSION PLANS AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (CONTINUED)

	2009	2008
	$	$
Defined benefit pension cost recognized		
Current service cost, net of employees' contributions	**498**	482
Interest cost of accrued benefit obligations	**929**	808
Return on plan assets	**(1,536)**	1,019
Actuarial losses (gains) on the accrued benefit obligations	**1,829**	(1,967)
Defined pension cost for the period	**1,720**	342
Adjustments to recognize the long-term nature of this cost:		
Excess (insufficiency) of actual over expected return on the plans' assets	**938**	(1,577)
Actuarial (gains) losses	**(1,829)**	2,131
Plan settlement	**—**	220
Amendments to pension plans	**399**	397
Amortization of the initial accrued benefit transitional obligation	**212**	211
Defined benefit pension cost recognized	**1,440**	1,724

The composition of the pension plans' assets is as follows:		
	%	%
Bonds	**20.0**	19.5
Shares	**26.4**	20.2
Mutual funds	**4.7**	4.7
Treasury bills	**4.0**	11.8
Deposits in trust*	**44.7**	42.0
Other	**0.2**	1.8
	100.0	100.0

* *Deposits in trust prescribed by the Canada Revenue Agency for funded supplemental employee retirement plans, are non-interest-bearing.*

During the year ended December 2009, the Company provided funding to the plans in the amount of $2,038,000 ($2,398,000 in 2008). Furthermore, the Company made a plan contribution to the supplemental executive retirement plan subsequent to fiscal year-end in an amount of $95,000.

In 2008, the Company had settled a defined benefit pension plan allowing the beneficiary to obtain an annuity, thereby ending the Company's obligation. Accordingly, on the settlement date, the Company charged to earnings the unamortized actuarial losses related to the pension plan in question.

The initial accrued benefit obligation of $2,029,000, at the inception of the plans, is amortized over the average remaining service life of active employees.

(tabular amounts are in thousands of dollars unless otherwise indicated)

13. Employee future benefits (continued)

DEFINED BENEFIT PENSION PLANS AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN (CONTINUED)

The significant actuarial assumptions used by the Company to measure its accrued benefit obligations are as follows:

	2009	2008
	%	%
Accrued benefit obligations as at December 31		
Discount rate	**6.0 to 7.0**	7.0 to 7.5
Expected rate of compensation increase	**3.3 to 5.0**	3.3 to 5.0
Benefit costs for the years ended December 31		
Discount rate	**7.0 to 7.5**	5.0 to 5.5
Expected rate of return on plan assets	**3.5 to 7.3**	3.5 to 7.5
Expected rate of compensation increase	**3.3 to 5.0**	3.5 to 5.0

The expected return of pension plan assets is based on the fair value of those assets.

The accrued benefit obligations, the fair value of plan assets and the composition of pension plans' assets are measured at the date of the annual financial statements. The most recent actuarial valuations, for funding purposes, were performed on December 31, 2008 and September 30, 2009 and the next actuarial valuations are to be performed no later than September 30, 2010 and December 31, 2011.

14. Additional information regarding earnings

As at December 31, 2009, the research and development expense amounted to $997,000 ($1,291,000 in 2008) and the research and development income tax credit amounted to $374,000 ($484,000 in 2008).

15. Amortization

	2009	2008
	$	$
Fixed assets	**13,817**	12,281
Technologies and software	**417**	402
Trademarks	**442**	463
Client relationships	**823**	791
Certifications	**290**	290
	15,789	14,227

16. Financial expenses

	2009	2008
	$	$
Interest on long-term debt	**3,551**	3,065
Non-cash interest expense on long-term debt	**304**	298
Interest – other	**245**	(547)
Interest – income	**(96)**	(181)
Exchange loss (gain)	**20**	(235)
	4,024	2,400

(tabular amounts are in thousands of dollars unless otherwise indicated)

17. Income taxes

The components of the provision for income taxes for the years ended December 31 are as follows:

	2009	2008 (Restated, Note 3a)
	$	$
Current	**10,295**	8,262
Future	**2,497**	2,257
	12,792	10,519

The components of future income taxes on the balance sheet are as follows:

	2009	2008 (Restated, Note 3a)
	$	$
Short-term future income tax assets		
Inventories	**(92)**	—
Research and development	**(72)**	—
Loss carry-forward and provision	**39**	—
Derivative instruments	**1,570**	—
	1,445	—
Short-term future income tax liabilities		
Accounts payable and accrued liabilities	**—**	(165)
Derivative instruments	**—**	3,288
Research and development	**—**	90
	—	3,213
Long-term future income tax liabilities		
Fixed assets	**14,953**	12,171
Goodwill and intangible assets	**(447)**	(445)
Net accrued benefit asset	**1,514**	1,898
Long-term debt	**233**	357
	16,253	13,981

(tabular amounts are in thousands of dollars unless otherwise indicated)

17. Income taxes (continued)

Reconciliation of the statutory income tax rate and the effective income tax rate on earnings is as follows:

	2009	2008 (Restated, Note 3a)
	%	%
Combined basic federal and provincial income tax rate	**30.9**	30.9
Adjustment of future income taxes related to rate changes	**(1.8)**	(1.0)
Settlement of provincial notices of assessment i)	**—**	(3.9)
Adjustment related to the restatement of financial statements	**—**	0.2
Other items	**0.4**	0.3
Effective income tax rate on earnings	**29.5**	26.5

i) On June 16, 2008, the Company reached an agreement to resolve matters arising from the notices of assessment issued following the Quebec government's enactment of Bill 15 in June 2006, which amended the *Taxation Act* with retroactive effect. Therefore, the Company recorded a $1,255,000 decrease in current income tax expense and a net decrease of $923,000 in financial expenses.

18. Financial instruments

The Company is exposed to various risks with respect to its financial assets and liabilities. The following analysis provides a measure of the risks as at the balance sheet date of December 31, 2009.

CREDIT RISK

The Company's credit risk stems mainly from its cash and cash equivalents, accounts receivable, and derivative instruments. Cash and cash equivalents and derivative instruments are held in reputable financial institutions, and management deems the risk of loss to be negligible. The credit risk of accounts receivable stems from the potential inability of clients to meet their obligations as agreed. The accounts receivable are presented on the balance sheet net of the allowance for doubtful accounts, which is estimated by the Company's management based on past experience and its assessment of current economic conditions. The Company may also be exposed to credit risk when it has important discounts receivable from certain suppliers.

As at December 31, 2009, three clients account for 62.2% (48.6% as at December 31, 2008) of the accounts receivable balance. Although the Company has a geographically diverse client list, 51.4% of the Company's net sales during the year 2009 are carried out with three clients compared with 51.3% for 2008.

The Company analyzes and reviews the financial position of its current clients on an ongoing basis and applies rigorous procedures to assess the creditworthiness of new clients. It sets a specific credit limit per client and regularly reviews this limit. The Company manages its credit risk as follows:

- Credit limits are established and analyzed by internal credit specialists based on information collected from relevant sources and on the Company's own experience with its clients;
- The Company takes out credit insurance on sales made outside of Canada;
- The terms of credit may vary according to the client's credit risk.

(tabular amounts are in thousands of dollars unless otherwise indicated)

18. Financial instruments (continued)

CREDIT RISK (CONTINUED)

As at December 31, 2009, approximately 96% of trade accounts receivable were aged less than 61 days. The table below shows the Company's accounts receivable aging net of the allowance for doubtful accounts:

	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	$	$	$	$	$
Trade accounts receivable					
Within the terms	43,065	2,066	—	—	
Past due	—	469	624	1,378	
Total trade accounts receivable	43,065	2,535	624	1,378	47,602
Other receivables					
Sales tax					3,161
Supplier discounts					390
Other					1,652
Total accounts receivable					52,805

As at December 31, 2008, approximately 96% of trade accounts receivable were aged less than 61 days. The table below shows the Company's accounts receivable aging net of the allowance for doubtful accounts:

	0 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total
	$	$	$	$	$
Trade accounts receivable					
Within the terms	31,834	1,315	—	—	
Past due	—	659	400	1,154	
Total trade accounts receivable	31,834	1,974	400	1,154	35,362
Other receivables					
Sales tax					3,993
Supplier discounts					1,932
Other					876
Total accounts receivable					42,163

The Company recognizes an allowance for doubtful accounts when management believes that the expected recoverable amount is lower than the actual amount it is entitled to receive. The Company records a bad debt expense when the recovery of accounts receivable is not reasonably assured. The Company generally considers trade accounts receivable to be past due when they exceed 45 to 60 days according to the client's terms of credit. As at December 31, 2009 and 2008, the allowance for doubtful accounts was not material.

(tabular amounts are in thousands of dollars unless otherwise indicated)

18. Financial instruments (continued)

LIQUIDITY RISK

Liquidity risk refers to the possibility of the Company not being able to meet its financial obligations when they become due. The Company has contractual and fiscal obligations as well as financial liabilities and therefore is exposed to liquidity risk.

The Company manages this risk by maintaining detailed financial forecasts as well as long-term operating and strategic plans. Managing consolidated liquidity requires constant monitoring of projected cash inflows and outflows using forecasts of the Company's consolidated financial position for purposes of ensuring adequate and efficient use of cash resources. The adequate liquidity level is established based on historical volatility and seasonal requirements as well as on planned investments and the debt maturity profile.

The Company has credit facilities that are renewed annually in order to make sure that sufficient funds are available to meet its financial needs. The Company has various authorized credit facilities at its disposal, the amount of which may at no time exceed $80,150,000.

As at December 31, 2009, the obligations and maturities of the Company's financial liabilities were as follows:

	2010	2011 and 2012	2013 and 2014	2015 and thereafter	Total
	$	$	$	$	$
Accounts payable and accrued liabilities	60,015	—	—	—	60,015
Long-term debt	1,381	2,080	4,343	73,286	81,090
Interest payments	4,610	9,156	9,025	27,632	50,423
Total	66,006	11,236	13,368	100,918	191,528

MARKET RISK

a) Interest rate risk

The Company is exposed to interest rate risk arising from its variable rate interest-bearing financial obligations, cash balance and short-term investments. With respect to its financial obligations, a negative impact on cash flows would occur if there were an increase in the reference rates such as the rate of bankers' acceptances (CDOR) and prime rate; the impact would be positive in relation to its cash balance or its short-term investments. A decrease in these same rates would have an opposite impact of similar magnitude.

The Company maintains a combination of fixed rate and variable rate debts. Fixed rate debt is used mainly in relation to the business's long-term obligations arising from acquisitions of long-term assets and business acquisitions. Bank indebtedness is used to finance the Company's working capital and fluctuates according to seasonal factors specific to the Company. As at December 31, 2009, the Company's long-term debt is primarily at fixed rates. As for the bank indebtedness, it bears interest at variable rates and stands as the Company's main source of interest rate risk. Its amount was nil as at December 31, 2009.

All other factors being equal, a 1.0% increase or decrease in the interest rate applied to the daily balances of the Company's bank indebtedness or cash for the period from January 1, 2009 to December 31, 2009 would not have had a significant impact on net earnings.

(tabular amounts are in thousands of dollars unless otherwise indicated)

18. Financial instruments (continued)

MARKET RISK (CONTINUED)

b) Foreign exchange risk

The Company concludes sales denominated in U.S. dollars. The Company also purchases raw materials (concentrates, fruit juices and packaging) as well as equipment in U.S. dollars and in Euros. The Company concludes approximately 9% of its sales and 39% of its purchases in foreign currencies. Consequently, it is exposed to the risk of exchange rate fluctuations both with respect to the foreign exchange contracts used to manage this risk and with respect to the receivable and payable balances denominated in U.S. dollars and other foreign currencies.

The Company employs various strategies to mitigate this risk, including the use of derivative financial instruments and natural hedge management techniques. Under its foreign exchange policy, the Company must identify any actual or potential foreign exchange exposure arising from its operations. A central treasury is providing the strategy to cover these risks. Foreign exchange risks are managed in accordance with the Company's foreign exchange risk management policy. The objective of the foreign exchange policy is to mitigate the impact of foreign exchange rate fluctuations on the Company's consolidated financial statements. The policy also prohibits speculative foreign exchange transactions.

As at December 31, 2009, the amounts, in Canadian dollars of receivables and payables denominated in U.S. dollars and in other foreign currencies totalled $5,213,000 ($4,003,000 in 2008) and $5,577,000 ($10,970,000 in 2008) respectively. The foreign exchange forward contracts available as at December 31, 2009 are described in Note 21. The hedging relationships were effective and in line with the foreign exchange risk management strategy and objective.

As at December 31, 2009, all other factors being equal, a 0.05 U.S. dollar rise per Canadian dollar would have had a favourable impact of $140,000 on net earnings and a favourable impact of $3,265,000 on other comprehensive income. A 0.05 U.S. dollar drop per Canadian dollar would have had the opposite effect on net earnings and other comprehensive income.

FAIR VALUE

Financial instruments recorded at fair value are classified using a hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified in the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the instruments measured at fair value on a recurring basis as at December 31, 2009, classified using the hierarchy described in Note 3b to these consolidated financial statements:

	Fair value measurement according to the following levels			Total at
	Level 1	Level 2	Level 3	fair value
	$	$	$	$
Financial liabilities				
Derivative instruments, net	—	5,652	—	5,652

The fair value of cash and cash equivalents, accounts receivable, bank overdraft, bank indebtedness and accounts payable and accrued liabilities approximates their book values because of their short-term maturities.

The difference between the book value and the fair value of long-term debt represents a negative value of approximately $69,000 (a positive value of approximately $23,000 in 2008). To determine this fair value, the Company uses an interest rate that it could have obtained on the market at the end of these years.

(tabular amounts are in thousands of dollars unless otherwise indicated)

19. Additional information regarding cash flows

	2009	2008
	$	$
Change in non-cash operating working capital items		
Accounts receivable	**(10,642)**	927
Inventories	**(1,748)**	(9,296)
Prepaid expenses	**123**	(425)
Accounts payable and accrued liabilities	**7,523**	3,664
Income taxes	**2,436**	(8,274)
	(2,308)	(13,404)
Interest paid	**3,645**	3,317
Income taxes paid	**7,859**	16,536

Cash and cash equivalents include short-term investments in the amount of $6,015,000 as at December 31, 2009 (nil in 2008). Short-term investments consist of term deposit receipts, redeemable at any time without penalty, bearing interest at annual rates of 0.2% and 1.0% and maturing no later than December 2010.

The Company acquired fixed assets for which an amount of $4,261,000 was unpaid as at December 31, 2009 ($1,307,000 as at December 31, 2008).

In 2009, the Company recorded an investment tax credit receivable of $150,000 (nil in 2008) related to its fixed asset investments.

20. Segmented information

The Company operates only one reportable segment: the processing, conditioning, packaging and marketing of food products. The Company's assets are located in Canada and substantially all of the net sales are conducted there. Net sales attributable to the processing, conditioning, packaging and marketing of food products sold to external clients totaled $523,256,000 in 2009 ($504,459,000 in 2008). Other net sales amounted to $923,000 in 2009 ($1,041,000 in 2008).

In 2009, three clients accounted for 51.4% of the Company's net sales (51.3% in 2008) in respective percentages of 24.4%, 13.5% and 13.5% of net sales (24.6%, 13.9% and 12.8% in 2008).

21. Commitments and contingencies

FOREIGN EXCHANGE FORWARD CONTRACTS

At year-end, outstanding foreign exchange forward contracts to hedge fluctuations in currencies with respect to future purchases amount to CA$108,702,000.

In order to reduce the potential negative impact of a decrease in the value of the Canadian dollar compared to the U.S. dollar, the Company entered into several transactions in order to hedge future purchases in U.S. dollars.

Forward contracts	Type	Rate (CA$)	Contractual amounts	Net negative fair value
From 1 to 12 months	Purchase	1.0282 to 1.2149	US$98,500,000	$5,652,000

Forward contracts are contracts whereby the Company is committed to purchase currencies at predetermined rates.

(tabular amounts are in thousands of dollars unless otherwise indicated)

21. Commitments and contingencies (continued)

OPERATING LEASES AND OTHER AGREEMENTS

The Company is committed under operating leases for equipment and office space. In addition, the Company entered into service agreements for its operations and marketing activities. The payments over the forthcoming years are as follows:

	Operating leases $	Other $
2010	2,053	2,886
2011	1,837	1,552
2012	1,485	1,003
2013	1,324	—
2014	1,083	—
2015 and thereafter	1,114	—

ASSET PURCHASE COMMITMENTS

a) On May 19, 2009, the Company entered into an agreement to purchase real estate assets for a cash consideration of $4,000,000. A $100,000 deposit was made on the signing date. The $3,900,000 balance will be payable on the closing date, at the latest on July 31, 2010.

b) The Company is committed under various contracts to purchase fixed assets to be delivered in 2010. The total amount payable is $1,381,000.

CONTRACTS TO PURCHASE RAW MATERIALS

The Company is committed under various contracts to purchase raw materials. The payments over the forthcoming years are as follows:

	$
2010	71,219
2011	2,641

Certain raw material purchase commitments were established based on market prices of December 31, 2009. They are therefore subject to fluctuations throughout 2010.

LETTERS OF CREDIT

As at December 31, 2009 and 2008, the Company has letters of credit outstanding totalling $141,000.

LEGAL PROCEEDINGS AND CLAIMS

During the normal course of business, various proceedings and claims are instituted against the Company. The Company contests the validity of these claims and proceedings, and management believes that any settlement will not have a material effect on the financial position or on the consolidated earnings of the Company.

22. Related party transaction

In August 2009, the Company entered into an agreement with a company related to a director and majority shareholder of the Company to purchase real estate assets for a consideration of $381,500. The transaction was measured at the exchange amount. The acquisition of this real estate has enabled the Company to expand its facilities.