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### **IMPROVED WASTEWATER TREATMENT MEANS CLEANER ASSINIBOINE RIVER License amendments allow work to proceed on upgrades**

December 21, 2006, Brandon, Manitoba —The City of Brandon’s industrial wastewater treatment facility and Maple Leaf Foods’ pork processing operation in Brandon have received approval of license amendments from Manitoba Conservation to begin upgrades that will result in a cleaner Assiniboine River and Lake Winnipeg.

The Manitoba Conservation licenses set limits based on the new provincial environmental requirements of one milligram of phosphorus per litre of wastewater and 15 milligrams of nitrogen per litre. These limits will be achieved by December 31, 2007 once construction and commissioning of the expanded City of Brandon industrial wastewater treatment facility is completed. Both license amendments were required to accommodate an increase in hog processing at Maple Leaf’s Brandon plant to 75,000 hogs per week from the current 50,000 hogs. The Company expects to commission a second shift at the plant commencing in the third quarter of 2007.

The City of Brandon and Maple Leaf participated in extensive Clean Environment Commission (CEC) hearings in 2003 and the CEC’s recommendations arising from that hearing have been incorporated into the planned upgrades to the facilities. These standards are among the most stringent in North America and will result in significantly cleaner wastewater discharged to the Assiniboine River. By year end 2007, phosphorous concentrations entering the river will decline by more than 90% and nitrogen concentrations will be reduced by more than 85%, compared to today.

Once these limits are achieved, Maple Leaf Foods' Brandon plant in partnership with the City of Brandon will be among the leaders in environmental performance in the meat processing industry in North America.

Maple Leaf Foods expects to invest approximately \$11 million to support the first phase of wastewater treatment upgrades. Maple Leaf plans to further increase processing capacity to approximately 85,000 hogs per week by the end of 2009 which will coincide with the City of Brandon's planned construction of a centralized wastewater treatment facility that would combine municipal and industrial waste, and also comply with the new environmental requirements.

Maple Leaf is Brandon's largest employer, with approximately 1,300 employees. The Company plans to hire another 250 workers beginning next spring to support the expanded processing requirements scheduled by mid to late 2007. These will be the first of the additional 1,000 jobs Maple Leaf expects to create in a double shifted operation, which is scheduled to be fully operational by the end of 2009.