

April 15, 2009

**CUSTOMIZED FINANCIAL ANALYSIS
DAIRY SECTOR**

Client No.:

Dear Sir, Madam,

Further to the receipt of your 2008 financial statements, we are pleased to send you your customized financial analysis report. The analysis shows your operation's financial evolution over a five-year period, using variables and financial ratios representing your farm's liquidity, solvency, profitability and effectiveness. Explanations on the ratios can be found at the end of the document, along with targets to reach. In addition, you can compare your data with that of a peer group of businesses in your main production sector, and with a group of businesses with sound financial footing, i.e. the lead group. If there are not enough businesses in your main production sector, your data has been compared with that of all farm businesses.

If you have any questions or comments concerning your customized financial analysis, please feel free to contact us.

We trust this report fully meets with your approval.

**La Financière
agricole**

Québec 

Toujours là quand ça compte

EXPLANATIONS

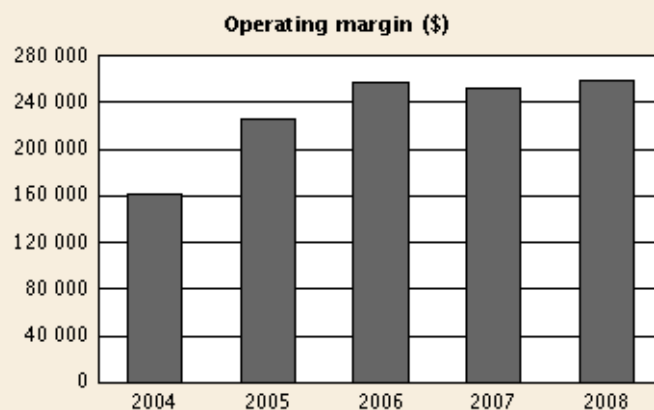
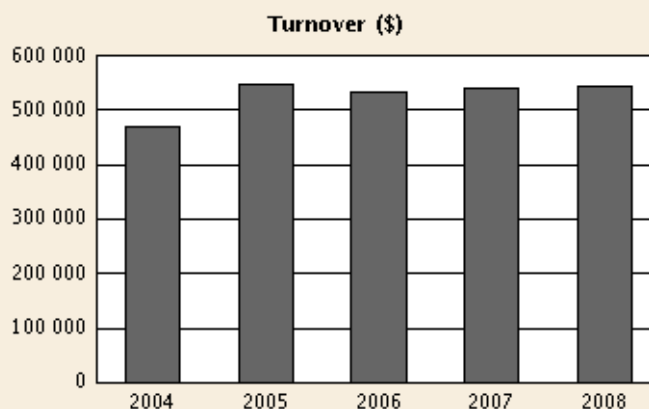
- Ratios are calculated using financial data based on cost at acquisition.
- Businesses forming the peer group "Your sector" were selected using certain criteria, including that of not having any major secondary production.
- The lead group is composed of 25% of the sector's businesses with the best repayment capacity.
- Since not all 2008 financial statements have been received, the groups "Your sector" and "Lead sector" have not yet been created for 2008, which is why we have used the 2007 financial statements for comparison purposes.
- Data should be interpreted with caution, since the information stems from the business clients of La Financière agricole, and not from businesses in the entire sector.
- This customized financial analysis was produced based on financial statements sent to La Financière agricole. Adjustments may have been made.

YOUR FIVE- YEAR HISTORICAL DATA

The following table and graphs show your operation's financial evolution over the past five years. Please see the final page of the document for more information on the variables used and targets to reach.

	2004	2005	2006	2007	2008
Turnover	468 967 \$	548 271 \$	534 736 \$	539 306 \$	542 355 \$
Operating margin	161 488 \$	225 666 \$	256 793 \$	251 817 \$	259 228 \$
Monetary surplus	- 1 579 \$	83 924 \$	42 755 \$	52 857 \$	37 287 \$
Liquidity ratio	0.42	0.63	0.88	0.87	0.60
Financial autonomy	49.5 %	52.1 %	55.7 %	56.9 %	60.2 %
Return on assets	5.8 %	5.5 %	5.0 %	5.4 %	5.2 %
Rate of expenses	65.6 %	58.8 %	52.0 %	53.3 %	52.2 %

N/A : financial statements not available.



COMPARISON WITH YOUR SECTOR IN 2007

The following table compares the value of three indicators and four financial ratios for your business, with the sector's average for the businesses in your main field of production and for the businesses in the lead group. Your business has been compared with those of the dairy sector.

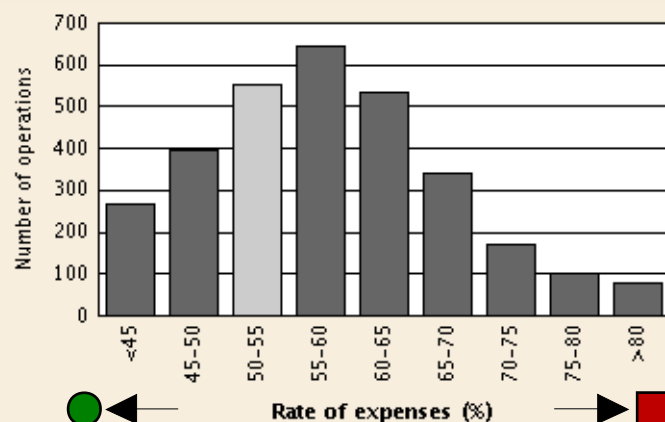
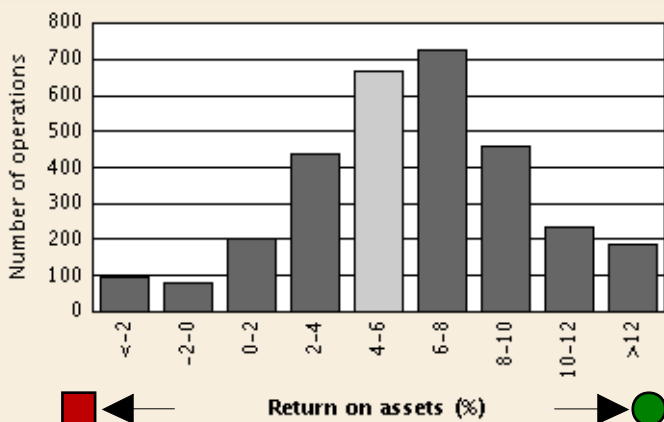
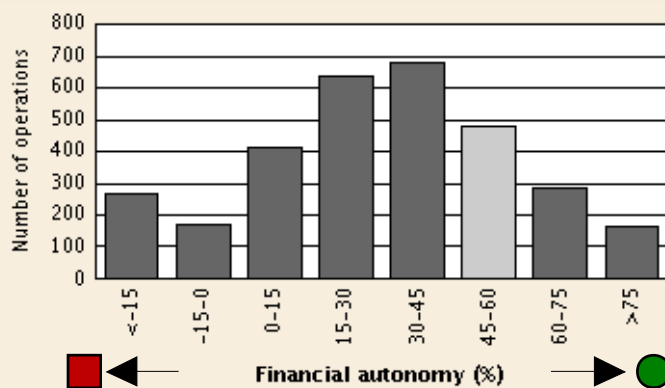
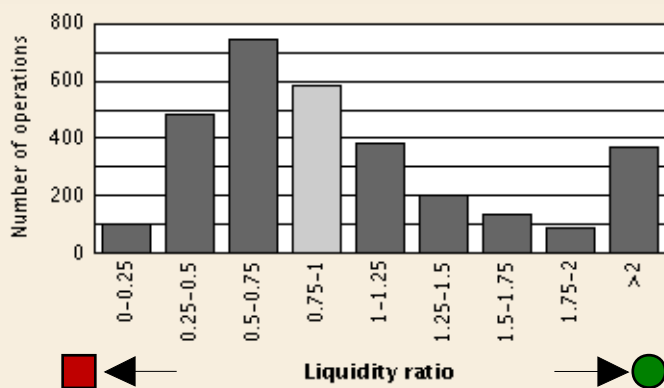
	Your sector	Lead group	Your farm	Signal ¹
Turnover	378 654 \$	361 146 \$	539 306 \$	
Operating margin	160 915 \$	170 002 \$	251 817 \$	
Monetary surplus	12 707 \$	48 997 \$	52 857 \$	
Liquidity ratio	0.81	1.17	0.87	▲
Financial autonomy	27.6%	48.4%	56.9 %	●
Return on assets	6.1%	8.4%	5.4 %	▲
Rate of expenses	57.5%	52.9%	53.3 %	▲

■ Below-average performance
 ▲ Average performance
 ● Above-average performance

¹ An "above-average performance" mark indicates that your farm is in the lead group, i.e. the group of the 25% of businesses having obtained the best results for the ratio, while a "below-average performance" mark means it is in the group of the 25% of businesses having obtained the least favourable results.

DISTRIBUTION OF THE SECTOR'S BUSINESSES IN 2007

The following graphs show the position of your business in relation to the other businesses in your sector for each of the four financial ratios. Your business is represented by the pale grey column.



DEFINITION OF VARIABLES USED

Variables	Explanations
Turnover Calculation : products	Indicates the total gross income earned by the business.
Operating margin Calculation : products - expenses Target : as high as possible	Indicates the money available to repay business expenses. Expenses do not include long-term interest, depreciation, certain deductions and other costs.
Monetary surplus Calculation : products - expenses - long-term interest - certain deductions - repay-ment of capital + net outside earnings	Indicates the amount of money remaining in the business after paying financial expenses. This calculation excludes depreciation and non-cash expenses.
Liquidity ratio Calculation : short-term assets/short-term liabilities Target : higher than 1	Measures the relation between the cash flow and the financial obligations in the coming year. In theory, a ratio of 1 means that the cash flow will be sufficient to cover the financial obligations. For sectors that earn regular income, like the dairy sector, a ratio of lower than 1 may be acceptable.
Financial autonomy Calculation : (assets - liabilities)/assets x 100 Target : as high as possible	Indicates the business share that belongs to the owners, or the asset percentage financed by one's own capital. The higher this ratio, the lower the financial risk. Like for the other ratios, it is calculated based on assets valued at the acquisition cost and not at market worth.
Return on assets Calculation : (net income* + long-term interest)/assets x 100 * Net income : products - expenses - long-term interest - depreciation - other expenses - certain deductions and taxes Target : as high as possible	Gives an indication of the profitability of the business, without including long-term interest. The higher it is, the more the business generates income in relation to the total assets employed to generate that income.
Rate of expenses Calculation : expenses/products x 100	Measures the capacity to control costs. The lower the ratio, the better the cost effectiveness is for the business.

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