



News release

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**OLYMEL PORK PROCESSING PLANT IN ST-HYACINTHE
DISCONTINUATION OF HAM DEBONING OPERATIONS**

St-Hyacinthe, Friday, August 5, 2016 - Olymel management has announced its decision to cease ham deboning operations at the firm's plant in St-Hyacinthe, which unfortunately will result in the elimination of 340 positions. However, the company will maintain rendering operations for lard production at this facility, as well as frozen product storage operations, which will make it possible to maintain 70 positions.

Ham deboning will now be done at facilities where there are slaughtering and butchering operations, thus improving operational efficiency and reducing costs considerably, in terms of both fixed costs and shipping. Plants that do slaughtering and butchering (St-Esprit, Yamachiche, Vallée-Jonction) are now geographically closer to the further processing plants they supply with raw materials. In addition to maintaining rendering operations, Olymel is studying various options to find a new vocation for the plant, which would enable it to fulfill other needs for the company.

"We regret to announce that ham deboning operations at the plant in St-Hyacinthe will be terminated within about a one-year time frame. This solution was deemed necessary after a thorough analysis of processing costs with a view to making all our operations more efficient. I have requested that everything be done to facilitate the transition for employees assigned to another position, or their relocation to another Olymel facility. I would like to express our gratitude to them for the years they have spent with the company. This is a difficult decision, but a necessary one if we are to achieve the conditions of efficiency and profitability that will enable us to maintain the bulk of other jobs across all our operations, and even create new ones," said Mr. Réjean Nadeau, President and CEO of Olymel L.P.

RELOCATION PLAN

Employees assigned to deboning and related activities in this plant have been informed of this decision, which takes effect in accordance with the provisions of the Labour Standards Act. However, they have the advantage of being notified well in advance, given that operations are expected to continue until September 2017. A relocation committee will be formed and a plan to relocate employees to other Olymel facilities situated within 70 km of St-Hyacinthe has been formulated. The relocation plan will ensure that years of service by employees of the plant in St-Hyacinthe who are affected by the termination of deboning operations will be recognized for purposes of compensation and benefits if they agree to be relocated in order to meet manpower needs in another Olymel facility. The company operates large food processing plants at sites such as Drummondville, Ste-Rosalie, St-Damase and St-Jean-Baptiste, and facilities that perform other types of operations in St-Bruno, Boucherville and St-Valérien.

ABOUT OLYMEL

Olymel L.P. is Canada's leader in the production, processing and distribution of pork and poultry meats. The company, which celebrates its 25th anniversary in 2016, has made feeding the world its mission, which it pursues passionately with products of impeccable quality. In carrying out its mission every day, Olymel relies on its tradition of maintaining a strong link between farm and table, as well as on innovation and attention to customer and consumer needs. The company employs close to 11,000 persons, including more than 8,000 in Quebec, and has large facilities in Ontario, Alberta, New Brunswick and Saskatchewan. Olymel exports nearly a third of its total sales, mainly to the United States, Japan and Australia, as well as over 65 other countries. Its annual sales are on the order of 3 billion dollars.

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