



SunOpta Announces First Quarter 2008 Results

TORONTO, Jul 29, 2008 (PrimeNewswire via COMTEX News Network) -- SunOpta Inc. (Nasdaq:STKL) (TSX:SOY) today announced financial results for the first quarter ended March 31, 2008. All amounts are expressed in U.S. dollars.

The Company achieved its highest ever quarterly revenues for the three months ended March 31, 2008, realizing its 42nd consecutive quarter of increased revenue growth versus the same quarter in the previous year. Revenues in the first quarter increased by 25.6% to \$230,444,000 as compared to \$183,500,000 in the first quarter ("Q1") of 2007. First quarter revenues in the SunOpta Food Group increased 25.6% to \$208,942,000 versus \$166,322,000 in Q1 2007, including internal revenue growth of 21.9%. Revenues in Opta Minerals Inc. increased 29.8% to \$21,370,000 for the quarter and revenues in the SunOpta BioProcess Group declined 81.5% to \$132,000 versus \$715,000 in 2007. Consolidated internal revenue growth for the quarter was 20.9%.

Earnings for the quarter were \$1,486,000 or \$0.02 per diluted common share as compared to 2007 first quarter earnings of \$1,055,000 or \$0.02 per diluted common share. First quarter 2008 results include professional fees of \$1,368,000 related to the Company's investigation and related activities into the write-down in the SunOpta Fruit Group Berry Operations and the resulting delay in filing Annual Report 10-K for the year ended December 31, 2007.

Without these professional fees, adjusted earnings(2) for the quarter would have been \$2,423,000, representing an increase in earnings of approximately 130% versus Q1 2007. Without the impact of both the one time professional fees and the segment operating loss of (\$3,974,000) incurred within the SunOpta Fruit Group Berry Operations, 2008 adjusted earnings would have been \$4,847,000 versus \$3,041,000 in Q1 2007, an increase of approximately 59%.

Operating income for the quarter increased by 41.2% to \$5,398,000 as compared to \$3,822,000 in Q1 2007. Segment operating income(1) within the SunOpta Food Group increased 64.7% to \$6,228,000 and segment operating income in Opta Minerals Inc. increased 38.5%. Offsetting these increases were operating losses in the combined BioProcess & Corporate segment, largely driven by an increase in costs in this segment of \$1,428,000, which includes the impact of the incremental professional fees as noted above. Excluding these professional fees, adjusted operating income would have increased approximately 77% reflecting strong results in the Company's operations.

The SunOpta Food Group reported segment operating income of \$6,228,000 versus \$3,781,000 in Q1 2007, an increase of 64.7%; these results include the impact of \$879,000 in increased corporate cost allocations. The improved segment operating income was driven by strong results in the SunOpta Grains and Foods Group which realized an 86.9% increase in segment operating income due to strong sales and margins of non-GMO and organic grains and grains based ingredients and continued growth in packaged soymilk products. The SunOpta Ingredients Group realized an increase in segment operating income of 45.4% or \$318,000 due in most part to stable revenues and margins offset by reduced administrative costs. The SunOpta Distribution Group realized an increase in segment operating income of 24.1%, due primarily to continued strong demand for natural and organic grocery and natural health products as well as the impact of cost rationalization initiatives. Offsetting these improvements was decreased segment operating income in the SunOpta Fruit Group of \$1,109,000, of which \$718,000 relates to lower results in the Berry Operations as the Group focuses on turnaround efforts resulting from the significant issues in 2007. On a consolidated basis the SunOpta Fruit Group realized a segment operating loss of (\$3,808,000) versus (\$2,699,000) in 2007. The Company expects results in the SunOpta Fruit Group's Berry Operations to show continued improvement over the course of the year as inventories that were written down in 2007 to net realizable value are sold through and improved pricing and reduced storage costs are realized in hand with the benefits of the new management team and improved internal processes which have been put in place.

Opta Minerals realized segment operating income in the first quarter of \$2,004,000 as compared to \$1,447,000 in Q1 2007, an increase of 38.5%, driven by strong sales of abrasive products in the U.S. combined with increased sales of magnesium desulphurization products and the 2007 acquisition of Newco, the Company's industrial minerals operation located in Slovakia. Opta Minerals continues to pursue strategic transactions and new product development to complement its existing product portfolio, and on July 10, 2008 announced the acquisition of 67% of MCP Mg-Serbian SAS ("MCP") of France. MCP sells ground magnesium products to a variety of industries in Europe and further expands the Company's European operating platform.

There continues to be a strong interest in the SunOpta BioProcess Group's technology and equipment for the pre-treatment of biomass for the production of cellulosic ethanol. Segment operating results for the first quarter reflect continued investment

and development spending as the group works on a number of projects that are expected to utilize its technology in the production of cellulosic ethanol.

At March 31, 2008, the Company's balance sheet reflects a current working capital ratio of 1.89 to 1.00, long term debt to equity ratio of 0.40 to 1.00 and total debt to equity ratio of 0.65 to 1.00. The Company has total assets of \$578,295,000 and a net book value of \$3.98 per outstanding share. The Company has obtained a waiver from its lending syndicate for the quarter ended March 31, 2008 and amendments to certain covenants for the fiscal quarters ended June 30, 2008, September 30, 2008, December 31, 2008 and March 31, 2009.

The Company plans to file its Form 10-Q for the period ended March 31, 2008 by no later than July 30, 2008 and anticipates filing results for the second quarter ended June 30, 2008 by August 11, 2008. An update regarding timing of the release of the second quarter results and subsequent shareholder conference call will be provided in advance.

Steve Bromley, President and Chief Executive Officer of SunOpta commented, "The completion of our 2007 year end and related internal investigation precipitated the delay in the filing of our first quarter 2008 financial results. We are now pleased to report these financial results and, with the planned filing of our Q1 2008 10-Q, we will be up to date with our financial filings. The results of the first quarter reflect strong growth and operating earnings in the Company's core operations and incorporate the impact of the turnaround efforts in the Berry Operations and the costs to date of the Company's independent investigation. These results are consistent with our expectations for the first quarter and based on this we reconfirm our preliminary annual revenue guidance for 2008 of in excess of \$1 billion and preliminary net earnings guidance in the range of \$0.25 to \$0.30 per diluted common share, before the impact of one time professional fees and severance costs related to the independent investigation and related recommendations and legal costs to defend the class action lawsuits."

SunOpta's Chairman, Jeremy Kendall and President and Chief Executive Officer, Steve Bromley, plan to host a conference call at 9:00 AM Eastern Time on Wednesday, July 30, 2008, to discuss the first quarter 2008 financial results and recent corporate developments. After opening remarks, there will be a question and answer period. This conference call can be accessed with the toll free dial-in number 1 (866) 321 - 6651 or (416) 642 - 5212 followed by pass code: 4881903#. Additionally, the call may be accessed via a link at the Company's website at www.sunopta.com. To listen to the live call over the Internet, please go to the Company's website at least 15 minutes early to register, download and install any necessary audio software. If you are unable to listen live, the conference call will be archived and can be accessed for approximately 90 days at the website. A replay number can also be accessed between July 30 and August 9, 2008 with the toll free dial-in number (888) 203 - 1112 or (647) 436 - 0148 followed by pass code: 4881903#.

About SunOpta Inc.

SunOpta Inc. is an operator of high-growth ethical businesses, focusing on integrated business models in the natural and organic food and natural health markets. The Company has three business units: the SunOpta Food Group, which specializes in sourcing, processing and distribution of natural and organic food products integrated from seed through packaged products; Opta Minerals Inc. (TSX:OPM) (66.6% owned by SunOpta), a producer, distributor, and recycler of environmentally friendly industrial materials; and SunOpta BioProcess Inc. which engineers and markets proprietary steam explosion technology systems for the bio-fuel, pulp and food processing industries. Each of these business units has proprietary products and services that give it a solid competitive advantage in its sector.

The SunOpta Inc. logo is available at <http://www.primenewswire.com/newsroom/prs/?pkgid=3958>

Forward Looking Statements

Certain statements included in this press release may constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to the timing for filing the Company's periodic report and release of financial results. Whether actual timing will agree with expectations and predications of the Company is subject to many risks and uncertainties including, but not limited to, completion of the Company's internal and the external accounting procedures, which is partially beyond the control of the Company. Consequently all forward-looking statements made herein are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized.

(1) Segment Operating Income is defined as "Earnings Before the Following" excluding the impact of "Other expense, net".

(2) Adjusted earnings is not a GAAP measure. SunOpta believes adjusted earnings (adjusted for the impact of the professional fees incurred in relation to the investigation and related activities and the loss incurred by the SunOpta Fruit Group Berry Operations in the first quarter) provides useful information to understand the underlying performance of the business and as a result these items have been adjusted.

SunOpta Inc.
Consolidated Statements of Earnings
For the three month periods ended March 31, 2008 and 2007
(Expressed in thousands of U.S. dollars, except per share amounts)
(Unaudited)

	March 31, 2008 \$	March 31, 2007 \$	% change
Revenues	230,444	183,500	25.6%
Cost of goods sold	190,243	152,780	24.5%
Gross profit	40,201	30,720	30.9%
Warehousing and distribution expenses	5,446	4,938	10.3%
Selling, general and administrative expenses	27,811	21,048	32.1%
Intangible asset amortization	1,258	983	28.0%
Other expense, net	--	189	(100.0%)
Foreign exchange loss (gain)	288	(71)	(505.6%)
Earnings before the following	5,398	3,633	48.6%
Interest expense, net	(2,900)	(1,911)	51.8%
Earnings before income taxes	2,498	1,722	45.1%
Provision for income taxes	649	464	39.9%
Earnings before minority interest	1,849	1,258	47.0%
Minority interest	363	203	78.8%
Earnings for the period	1,486	1,055	40.9%
Earnings per share for the period			
Basic	0.02	0.02	
Diluted	0.02	0.02	

SunOpta Inc.
Consolidated Balance Sheets
As at March 31, 2008 and December 31, 2007
(Expressed in thousands of U.S. dollars)
(Unaudited)

March 31, 2008 December 31, 2007

	\$	\$
Assets		
Current assets		
Cash and cash equivalents	33,001	30,302
Accounts receivable	101,518	87,729
Inventories	183,126	182,729
Prepaid expenses and other current assets	10,960	10,201
Current income taxes recoverable	901	1,491
Deferred income taxes	1,749	1,749
	-----	-----
	331,255	314,201
Property, plant and equipment	114,864	116,389
Goodwill	54,671	55,503
Intangible assets	61,882	62,076
Deferred income taxes	13,622	14,110
Other assets	2,001	2,261
	-----	-----
	578,295	564,540
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Liabilities		
Current liabilities		
Bank indebtedness	62,958	58,806
Accounts payable and accrued liabilities	95,980	93,462
Customer and other deposits	3,382	1,300
Current portion of long-term debt	11,423	13,119
Current portion of long-term liabilities	1,073	1,304
	-----	-----
	174,816	167,991
Long-term debt	91,805	85,595
Long-term liabilities	2,921	3,275
Deferred income taxes	11,430	11,430
	-----	-----
	280,972	268,291
	-----	-----
Minority interest	14,307	13,863
Preferred shares of a subsidiary company	27,505	27,409
Shareholders' Equity		
Capital stock		
64,206,533 common shares (December 31, 2007 -		
64,149,593)	176,766	176,547
Additional paid in capital	6,205	5,967
Retained earnings	53,331	51,845
Accumulated other comprehensive income	19,209	20,618
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	255,511	254,977
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	578,295	564,540
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For the three month periods ended March 31, 2008 and 2007
(Expressed in thousands of U.S. dollars)
(Unaudited)

	March 31, 2008 \$	March 31, 2007 \$
Cash provided by (used in)		
Operating activities		
Earnings for the period	1,486	1,055
Items not affecting cash		
Amortization	4,378	3,431
Deferred income taxes	488	(1,031)
Minority interest	363	203
Other	62	236
Changes in non-cash working capital	(11,427)	(32,172)
	-----	-----
	(4,650)	(28,278)
Investing activities		
Purchases of property, plant and equipment, net	(2,366)	(5,377)
Purchase of patents, trademarks and other intangible assets	(90)	(799)
Decrease (increase) in other assets	52	(1,331)
	-----	-----
	(2,404)	(7,507)
Financing activities		
Borrowings under long-term debt	13,075	1,500
Repayment of long-term debt	(7,957)	(5,986)
Increase (decrease) in line of credit facilities	4,852	(10,572)
Proceeds from the issuance of common shares, net of issuance costs	219	51,729
Payment of deferred purchase consideration	(500)	(1,143)
Other	84	--
	-----	-----
	9,773	35,528
Foreign exchange loss on cash held in a foreign currency	(20)	(248)
	-----	-----
Increase (decrease) in cash and cash equivalents during the period	2,699	(505)
Cash and cash equivalents - beginning of the period	30,302	954
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Cash and cash equivalents - end of the period	33,001	449
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SunOpta Inc.

Segmented Information

For the three month periods ended March 31, 2008 and 2007
(Expressed in thousands of U.S. dollars)

(Unaudited)

Three months ended
March 31, 2008

	SunOpta Food Group \$	Opta Minerals \$	SunOpta BioProcess and Corporate \$	SunOpta Consolidated \$
Total revenues from external customers	208,942	21,370	132	230,444
Segment Operating Income(1)	6,228	2,004	(2,834)	5,398

The SunOpta Food Group has the following segmented reporting:

Three months ended
March 31, 2008

	SunOpta Grains and Foods \$	SunOpta Ingredients \$	SunOpta Fruit \$	SunOpta Distribution \$	SunOpta Food Group \$
Total revenues from external customers	72,555	16,948	49,897	69,542	208,942
Segment Operating Income(1)	5,493	1,018	(3,808)	3,525	6,228

Three months ended
March 31, 2007

	SunOpta Food Group \$	Opta Minerals \$	SunOpta BioProcess and Corporate \$	SunOpta Consolidated \$
Total revenues from external customers	166,322	16,463	715	183,500
Segment Operating Income(1)	3,781	1,447	(1,406)	3,822

The SunOpta Food Group has the following segmented reporting:

Three months ended
March 31, 2007

	SunOpta Grains and Foods \$	SunOpta Ingredients \$	SunOpta Fruit \$	SunOpta Distribution \$	SunOpta Food Group \$
Total revenues from external customers	53,028	16,900	41,494	54,900	166,322
Segment Operating Income(1)	2,939	700	(2,699)	2,841	3,781

(1) (Segment Operating Income is defined as "Earnings before the following" excluding the impact of "other expense, net")

SunOpta Inc.
Supplemental Information
For the three month periods ended March 31, 2008 and 2007
(Expressed in thousands of U.S. dollars)
(Unaudited)

	March 31, 2008 \$	March 31, 2007 \$
Earnings for the period (as reported)	1,486	1,055
Professional fees related to investigation incurred in the quarter, net of taxes of \$431 (2007 - \$nil)	937	--
	2,423	1,055
Impact of Berry Operations, net of taxes of \$1,550 (2007 - \$1,270)	2,424	1,986
Adjusted earnings	4,847	3,041

Adjusted earnings is not a GAAP measure. SunOpta believes adjusted earnings (adjusted for the impact of the professional fees incurred in relation to the investigation and related activities and the loss incurred by the SunOpta Fruit Group Berry Operations in the first quarter) provides useful information to understand the underlying performance of the business and as a result these items have been adjusted in the table above.

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