



SunOpta Announces Fiscal 2011 and Fourth Quarter 2011 Results

TORONTO, March 6, 2012 (GLOBE NEWSWIRE) -- SunOpta Inc. ("SunOpta" or "the Company") (Nasdaq:STKL) (TSX:SOY), a leading global company focused on natural, organic and specialty foods, today announced financial results for the quarter and year ended December 31, 2011. All amounts are expressed in U.S. dollars and results are reported in accordance with U.S. GAAP, except where specifically noted.

For the quarter ended December 31, 2011 the Company reported quarterly revenues of \$258.5 million versus revenues of \$230.6 million for the quarter ended January 1, 2011, a year over year increase of 12.1%. This increase is indicative of continued strength in the natural, organic and specialty foods sectors. Revenues increased 8.8% excluding the impact of acquisitions.

For the quarter ended December 31, 2011 the Company incurred a loss per diluted common share from continuing operations of \$0.06 or \$4.2 million, compared to earnings from continuing operations of \$2.6 million or \$0.04 per diluted common share for the quarter ended January 1, 2011. Included in the results for the quarter ended December 31, 2011 was a primarily non-cash charge of approximately \$8.7 million after tax or \$0.13 per diluted common share, reflecting the write-down of intangible and other long-lived assets and certain inventory at the Company's Purity Life Health Products and Frozen Foods operations. Adjusting for these items, adjusted earnings from continuing operations¹ in the fourth quarter of 2011 were \$4.5 million or \$0.07 per diluted common share.

For the quarter ended December 31, 2011 the Company realized EBITDA¹ of \$10.1 million as compared to \$15.3 million for the quarter ended January 1, 2011.

For the year ended December 31, 2011 the Company realized revenues of \$1,082.1 million versus revenues of \$898.3 million for the year ended January 1, 2011, a year over year increase of 20.5%. Revenues increased 11.6% excluding the impact of acquisitions.

For the year ended December 31, 2011 the Company realized earnings per diluted common share from continuing operations of \$0.14 or \$9.6 million, compared to \$0.20 or \$13.2 million for the year ended January 1, 2011. Adjusted earnings from continuing operations¹ for the year ended December 31, 2011 were \$20.2 million or \$0.30 per diluted common share, after excluding the effect of the aforementioned write-downs of intangible and other long-lived assets and certain inventory at the Company's Purity Life Health Products and Frozen Foods operations of approximately \$8.7 million after tax or \$0.13 per diluted common share, as well as the effect of specific net costs of \$2.0 million after tax or \$0.03 per diluted common share which we believe are not reflective of normal operations, including severance, rationalization and curtailment charges. The severance, rationalization and curtailment charges were partially offset by gains realized during the year on the sale of the Company's Mexican fruit processing assets and recognition of decreased contingent consideration liabilities.

For the year ended December 31, 2011 the Company realized EBITDA¹ of \$52.6 million as compared to \$60.8 million for the year ended January 1, 2011.

At December 31, 2011, the Company's balance sheet reflected a current ratio of 1.35 to 1.00, long-term debt to equity ratio of 0.17 to 1.00 and total debt to equity ratio of 0.54 to 1.00. At December 31, 2011 the Company had total debt outstanding of \$162.0 million, an increase of \$21.3 million from the period ended January 1, 2011. At December 31, 2011 the Company had total assets of \$631.5 million and a net book value of \$4.55 per outstanding share.

Steve Bromley, President and Chief Executive Officer of SunOpta commented, "Our results from continuing operations reflect continued growth in the core natural and organic foods categories within which we operate, and also reflect the impact of the difficult commodity environment over the course of this past year. We have recently undertaken to streamline our operations and organization structure, addressing underperforming food based operations and targeting improved earnings predictability and return on assets. We continue to be confident in our strategy and are encouraged by the number of new initiatives and opportunities we have in the pipeline. We believe we are well positioned in the natural and organic foods sector and are confident in our future prospects."

The Company plans to host a conference call at 10:00 A.M. Eastern Time on Wednesday, March 7th, 2012 to discuss the fourth quarter and year ended December 31, 2011 results and recent corporate developments. The conference call can be

accessed via a link at the Company's website at www.sunopta.com. Additionally, the call may be accessed with the toll free dial-in number 1-877-312-9198 or 631-291-4622. A replay number can also be accessed between March 7th and 14th with the toll free dial-in number 1-855-859-2056 or 404-537-3406 followed by pass code: 46853475#.

¹ See discussion of non-GAAP measures

About SunOpta Inc.

SunOpta Inc. is a leading global company focused on natural, organic and specialty foods products. The company specializes in sourcing, processing and packaging of natural and organic food products, integrated from seed through packaged products; with a focus on strategically vertically integrated business models. The Company's core natural and organic food operations focus on value-added grains, fiber and fruit based product offerings, supported by a global infrastructure. The company has two non-core holdings, a 66.2% ownership position in Opta Minerals Inc., listed on the Toronto Stock Exchange, a producer, distributor, and recycler of environmentally friendly industrial materials; and a minority ownership position in Mascoma Corporation, an innovative biofuels company.

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

Forward-Looking Statements

Certain statements included in this press release may be considered "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation, which are based on information available to us on the date of this release. These forward-looking statements include, but are not limited to, statements regarding our continued growth in core categories, our efforts to streamline our operations and organization structure to address underperforming food based operations, statements regarding new initiatives and opportunities we have in the pipeline, and statements regarding the expected impact of these efforts and initiatives on annual operating expenses, future cash flows and future earnings. The terms and phrases "continued", "improved", "positioned", "believe" and other similar terms and phrases are intended to identify these forward looking statements. Forward looking statements are based on information available to us on the date of this release and are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors the Company believes are appropriate in the circumstances including, but not limited to, general economic conditions, consumer interest in health and wellness, product pricing levels, current customer demand, planned facility and operational expansions, competitive intensity, cost rationalization and product development initiatives. Whether actual timing and results will agree with expectations and predications of the Company is subject to many risks and uncertainties including, but not limited to, global economic conditions, consumer spending patterns and changes in market trends, decreases in customer demand, potential failure of product development, working capital management and continuous improvement initiatives, availability and pricing of raw materials and supplies, and other risks described from time to time under "Risk Factors" in the Company's Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q (available at www.sec.gov). 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.

SunOpta Inc.

Consolidated Statements of Operations

For the quarter ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars, except per share amounts)

	Quarter ended December 31, 2011	Quarter ended January 1, 2011	Change
	\$	\$	%
Revenues	258,514	230,582	12.1%
Cost of goods sold	229,021	194,886	17.5%
Gross profit	29,493	35,696	-17.4%
Selling, general and administrative expenses	22,928	24,816	-7.6%

Intangible asset amortization	1,321	1,201	10.0%
Other expense, net	7,603	2,133	256.4%
Foreign exchange gain	(65)	(158)	58.9%
Earnings from continuing operations before the following	(2,294)	7,704	-129.8%
Interest expense, net	2,302	2,124	8.4%
Earnings from continuing operations before income taxes	(4,596)	5,580	-182.4%
(Recovery of) provision for income taxes	(519)	2,781	-118.7%
Earnings from continuing operations	(4,077)	2,799	-245.6%
Discontinued operations			
(Loss) earnings from discontinued operations, net of taxes	(3,362)	4	n/a
Gain on sale of discontinued operations, net of taxes	--	(726)	100.0%
Loss from discontinued operations, net of taxes	(3,362)	(722)	-365.7%
(Loss) earnings	(7,439)	2,077	-458.2%
Earnings attributable to non-controlling interests	113	157	-28.0%
(Loss) earnings attributable to SunOpta Inc.	(7,552)	1,920	-493.3%
(Loss) earnings per share - basic			
-from continuing operations	(0.06)	0.04	
-from discontinued operations	(0.05)	(0.01)	
	(0.11)	0.03	
(Loss) earnings per share - diluted			
-from continuing operations	(0.06)	0.04	
-from discontinued operations	(0.05)	(0.01)	
	(0.11)	0.03	

SunOpta Inc.

Consolidated Statements of Operations

For the year ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars, except per share amounts)

	Year ended December 31, 2011	Year ended January 1, 2011	Change
	\$	\$	%
Revenues	1,082,076	898,309	20.5%

Cost of goods sold	950,345	756,818	25.6%
Gross profit	131,731	141,491	-6.9%
Selling, general and administrative expenses	92,078	95,486	-3.6%
Intangible asset amortization	5,512	4,675	17.9%
Other expense, net	5,097	10,945	-53.4%
Goodwill impairment	--	1,654	-100.0%
Foreign exchange loss (gain)	947	(1,652)	157.3%
Earnings from continuing operations before the following	28,097	30,383	-7.5%
Interest expense, net	8,839	9,749	-9.3%
Earnings from continuing operations before income taxes	19,258	20,634	-6.7%
Provision for income taxes	8,047	6,058	32.8%
Earnings from continuing operations	11,211	14,576	-23.1%
Discontinued operations			
Loss from discontinued operations, net of taxes	(4,350)	(15,092)	71.2%
Gain on sale of discontinued operations, net of taxes	71	62,950	-99.9%
(Loss) earnings from discontinued operations, net of taxes	(4,279)	47,858	-108.9%
Earnings	6,932	62,434	-88.9%
Earnings attributable to non-controlling interests	1,636	1,368	19.6%
Earnings attributable to SunOpta Inc.	5,296	61,066	-91.3%
Earnings (loss) per share — basic			
-from continuing operations	0.15	0.20	
-from discontinued operations	(0.07)	0.73	
	0.08	0.94	
Earnings (loss) per share — diluted			
-from continuing operations	0.14	0.20	
-from discontinued operations	(0.06)	0.72	
	0.08	0.92	

SunOpta Inc.

Consolidated Balance Sheets

As at December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars, except per share amounts)

Accumulated other comprehensive income	<u>2,382</u>	<u>2,833</u>
	299,132	291,042
Non-controlling interest	<u>15,816</u>	<u>14,085</u>
Total equity	<u>314,948</u>	<u>305,127</u>
	<u>631,503</u>	<u>609,300</u>

SunOpta Inc.

Consolidated Statements of Cash Flows

For the quarter ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars, except per share amounts)

	Quarter ended December 31, 2011	Quarter ended January 1, 2011
	\$	\$
Cash provided by (used in)		
Operating activities		
(Loss) earnings	(7,439)	2,077
Loss from discontinued operations	<u>(3,362)</u>	<u>(722)</u>
(Loss) earnings from continuing operations	(4,077)	2,799
Items not affecting cash		
Depreciation and amortization	4,839	5,492
Unrealized gain on foreign exchange	(246)	(388)
Deferred income taxes	(3,383)	2,627
Stock-based compensation	554	897
Loss on disposal of property, plant and equipment	39	59
Impairment of long-lived assets	7,868	89
Unrealized loss (gain) on derivative instruments	4,111	(1,831)
Other	384	616
Changes in non-cash working capital	<u>(12,998)</u>	<u>(25,946)</u>
Net cash flows from operations - continuing operations	(2,909)	(15,586)
Net cash flows from operations - discontinued operations	<u>--</u>	<u>(566)</u>
	<u>(2,909)</u>	<u>(16,152)</u>
Investing activities		
Acquisition of business, net of cash acquired	(2,961)	(43,761)
Purchases of property, plant and equipment, net	(1,999)	(6,089)
Proceeds on sale of property, plant and equipment	1,755	36
Payment of deferred purchase consideration	(233)	(667)
Purchases of patents, trademarks and other intangible assets	--	(262)
Other	<u>(910)</u>	<u>290</u>
Cash flows from investing activities - continuing operations	(4,348)	(50,453)
Cash flows from investing activities - discontinued operations	<u>--</u>	<u>(326)</u>
	<u>(4,348)</u>	<u>(50,779)</u>
Financing activities		

Increase in line of credit facilities	3,317	53,453
Borrowings under long-term debt	2,913	30,125
Proceeds from the issuance of common shares	166	1,033
Repayment of long-term debt	(4,545)	(36,096)
Other	114	(56)
Cash flows from financing activities - continuing operations	1,965	48,459
Foreign exchange gain on cash held in a foreign currency	144	167
Decrease in cash and cash equivalents during the period	(5,148)	(18,305)
Discontinued operations cash activity included above:		
Add: Balance included at beginning of period	--	4
Less: Balance included at end of period	--	(308)
Cash and cash equivalents - beginning of the period	7,526	20,944
Cash and cash equivalents - end of the period	2,378	2,335

SunOpta Inc.

Consolidated Statements of Cash Flows

For the year ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars, except per share amounts)

	Year ended December 31, 2011	Year ended January 1, 2011
	\$	\$

Cash provided by (used in)

Operating activities

Earnings	6,932	62,434
(Loss) earnings from discontinued operations	(4,279)	47,858
Earnings from continuing operations	11,211	14,576
Items not affecting cash		
Depreciation and amortization	19,447	17,842
Unrealized gain on foreign exchange	(268)	(977)
Deferred income taxes	2,144	2,448
Stock-based compensation	2,090	2,764
(Gain) loss on disposal of property, plant and equipment	(3,201)	59
Goodwill impairment	--	1,654
Impairment of long-lived assets	7,868	7,984
Unrealized loss (gain) on derivative instruments	839	(1,503)
Other	693	24
Changes in non-cash working capital	(44,697)	(34,594)
Net cash flows from operations - continuing operations	(3,874)	10,277
Net cash flows from operations - discontinued operations	(1,718)	(8,969)

	<u>(5,592)</u>	<u>1,308</u>
Investing activities		
Acquisition of business, net of cash acquired	(5,461)	(43,761)
Purchases of property, plant and equipment, net	(17,312)	(19,372)
Proceeds on sale of property, plant and equipment	4,528	36
Payment of deferred purchase consideration	(233)	(1,388)
Purchases of patents, trademarks and other intangible assets	(81)	(662)
Other	(949)	328
Cash from investing activities - continuing operations	(19,508)	(64,819)
Cash from investing activities - discontinued operations	(308)	51,972
	<u>(19,816)</u>	<u>(12,847)</u>
Financing activities		
Increase in line of credit facilities	36,503	14,328
Borrowings under long-term debt	4,825	30,217
Proceeds from the issuance of common shares	1,155	1,883
Repayment of long-term debt	(17,968)	(52,423)
Financing costs	(186)	(642)
Other	916	(169)
Cash from financing activities - continuing operations	25,245	(6,806)
Foreign exchange (loss) gain on cash held in a foreign currency	(102)	265
Decrease in cash and cash equivalents during the period	(265)	(18,080)
Discontinued operations cash activity included above:		
Add: Balance included at beginning of period	308	18,971
Less: Balance included at end of period	--	(308)
Cash and cash equivalents - beginning of the period	<u>2,335</u>	<u>1,752</u>
Cash and cash equivalents - end of the period	<u><u>2,378</u></u>	<u><u>2,335</u></u>

SunOpta Inc.

Segmented Information

For the quarter ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars)

	Quarter ended December 31, 2011			
	SunOpta Foods	Opta Minerals	Corporate Services	Consolidated
	\$	\$	\$	\$
Total revenues from external customers	<u>235,889</u>	<u>22,625</u>	<u>--</u>	<u>258,514</u>
Segment Operating Income (Loss)	<u>5,295</u>	<u>1,361</u>	<u>(1,347)</u>	<u>5,309</u>

SunOpta Foods has the following segmented reporting:

	Quarter ended December 31, 2011				
	Grains and Foods Group	Ingredients Group	Fruit Group	International Foods Group	SunOpta Foods
	\$	\$	\$	\$	\$
Total revenues from external customers	117,224	12,991	33,977	71,697	235,889
Segment Operating Income (Loss)	6,851	443	(3,370)	1,371	5,295

	Quarter ended January 1, 2011				
	SunOpta Foods	Opta Minerals	Corporate Services	Consolidated	
	\$	\$	\$	\$	
Total revenues from external customers	209,207	21,375	--	230,582	
Segment Operating Income (Loss)	10,890	1,529	(2,582)	9,837	

SunOpta Foods has the following segmented reporting:

	Quarter ended January 1, 2011				
	Grains and Foods Group	Ingredients Group	Fruit Group	International Foods Group	SunOpta Foods
	\$	\$	\$	\$	\$
Total revenues from external customers	107,832	15,431	31,336	54,608	209,207
Segment Operating Income (Loss)	8,813	2,850	(26)	(747)	10,890

(Operating Income (Loss) is defined as "Earnings before the following" excluding the impact of "Other (income) expense, net" and "Goodwill impairment")

SunOpta Inc.

Segmented Information

For the year ended December 31, 2011 and January 1, 2011

Unaudited

(Expressed in thousands of U.S. dollars)

	Year ended December 31, 2011				
	SunOpta Foods	Opta Minerals	Corporate Services	Consolidated	
	\$	\$	\$	\$	
Total revenues from external customers	988,956	93,120	--	1,082,076	
Segment Operating Income (Loss)	33,386	7,577	(7,769)	33,194	

SunOpta Foods has the following segmented reporting:

	Year ended December 31, 2011				
	Grains and Foods Group	Ingredients Group	Fruit Group	International Foods Group	SunOpta Foods
	\$	\$	\$	\$	\$
Total revenues from external customers	479,195	56,356	148,162	305,243	988,956
Segment Operating Income (Loss)	22,813	4,611	(2,853)	8,815	33,386

	Year ended January 1, 2011			
	SunOpta Foods	Opta Minerals	Corporate Services	Consolidated
	\$	\$	\$	\$
Total revenues from external customers	817,441	80,868	--	898,309
Segment Operating Income (Loss)	46,442	7,753	(11,213)	42,982

SunOpta Foods has the following segmented reporting:

	Year ended January 1, 2011				
	Grains and Foods Group	Ingredients Group	Fruit Group	International Foods Group	SunOpta Foods
	\$	\$	\$	\$	\$
Total revenues from external customers	364,905	68,363	144,451	239,722	817,441
Segment Operating Income	28,003	13,172	4,095	1,172	46,442

(Operating Income (Loss) is defined as "Earnings before the following" excluding the impact of "Other (income) expense, net" and "Goodwill impairment")

¹Non-GAAP Measures

In addition to reporting financial results in accordance with generally accepted accounting principles ("GAAP"), the Company provides information regarding Operating Income and Earnings before interest, taxes, depreciation and amortization ("EBITDA") as additional information about its operating results, which are not measures in accordance with GAAP. The Company believes that these non-GAAP measures assist investors in comparing performance across reporting periods on a consistent basis by excluding items that are not indicative of the Company's core operating performance. The non-GAAP measures of operating income and EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

The Company defines Operating Income as "Earnings from continuing operations before the following" excluding the impact of "Other (income) expense, net" and "Goodwill impairment"; and EBITDA as Operating Income plus depreciation and amortization. The following is a tabular presentation of Operating income and EBITDA, including a reconciliation to GAAP earnings (loss) from continuing operations, which the Company believes to be the most directly comparable GAAP financial measure:

Quarter ended December 31, 2011	Quarter ended January 1, 2011
\$	\$

(Loss) earnings from continuing operations	(4,077)	2,799
(Recovery of) provision for income taxes	(519)	2,781
Interest expense, net	2,302	2,124
Other expense, net	7,603	2,133
Operating income	5,309	9,837
Depreciation and amortization	4,839	5,492
Earnings before interest, taxes, depreciation and amortization (EBITDA)	10,148	15,329

	Year ended December 31, 2011	Year ended January 1, 2011
	\$	\$
Earnings from continuing operations	11,211	14,576
Provision for income taxes	8,047	6,058
Interest expense, net	8,839	9,749
Other expense, net	5,097	10,945
Goodwill impairment	--	1,654
Operating income	33,194	42,982
Depreciation and amortization	19,447	17,842
Earnings before interest, taxes, depreciation and amortization (EBITDA)	52,641	60,824

The Company also reported Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share for the periods presented. Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share are also non-GAAP financial measures. During the quarter and year ended December 31, 2011, the Company recognized specific charges and recorded certain gains that we do not believe are reflective of normal business operations. We have adjusted the Loss attributable to SunOpta Inc. and the Loss Attributable on a per diluted share basis to exclude the effect of these charges and gains to arrive at Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share. The following is a tabular presentation of Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share, including a reconciliation to GAAP Loss attributable to SunOpta Inc. and GAAP Loss attributable to SunOpta Inc. on a per diluted share basis, which the Company believes to be the most directly comparable GAAP financial measures.

Following is a calculation of our Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share for the quarter ended December 31, 2011.

	Quarter ended December 31, 2011	Adjusted earnings per diluted share for the quarter
	\$	\$
Loss attributable to SunOpta Inc.	(7,552)	(0.11)
Loss from discontinued operations, net of taxes	3,362	0.05
Earnings from continuing operations attributable to SunOpta Inc.	(4,190)	(0.06)
Adjusted for:		
Write-down of intangible and other long-lived assets at Purity Life Health Products, net of taxes of \$1,615	5,895	0.09
Write-down of certain inventory and long-lived assets at Frozen Foods operations, net of taxes of \$1,507	2,668	0.04

Costs to curtail and/or retrofit facilities at the Ingredients Group, as well as integration costs at Lorton's, net of taxes of \$602	1,066	0.02
Reduction of fair value of contingent consideration liability for Dahlgren and Edner	<u>(945)</u>	<u>(0.01)</u>
Adjusted earnings from continuing operations	<u>4,494</u>	<u>0.07</u>

Following is a calculation of our Adjusted earnings from continuing operations and Adjusted earnings from continuing operations per diluted share for the year ended December 31, 2011.

	Year ended December 31, 2011	Adjusted earnings per diluted share for the year
	\$	\$
Earnings attributable to SunOpta Inc.	5,296	0.08
Loss from discontinued operations, net of taxes	<u>4,279</u>	<u>0.06</u>
Earnings from continuing operations attributable to SunOpta Inc.	9,575	0.14
Adjusted for:		
Write-down of intangible and other long-lived assets at Purity Life Health Products, net of taxes of \$1,615	5,895	0.09
Costs to curtail and/or retrofit facilities at the Ingredients Group, as well as integration costs at Lorton's, net of taxes of \$1,103	1,952	0.03
Other severance, rationalization, de-listing and acquisition-related costs, net of taxes of \$741	1,939	0.03
Write-down of certain inventory and long-lived assets at Frozen Foods operations, offset by gains on sale of Mexican processing assets, net of taxes of \$859	1,235	0.02
Costs to fill expeller pressed oil contracts at a loss due to dispute with Colorado Mills, net of taxes of \$486	861	0.01
Reduction of fair value of contingent consideration liability for Dahlgren and Edner	<u>(1,235)</u>	<u>(0.02)</u>
Adjusted earnings from continuing operations	<u>20,222</u>	<u>0.30</u>

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