



SunOpta Announces Second Quarter Results; Reports Record Revenues and Earnings

TORONTO--Aug. 9, 2004--SunOpta Inc. (SunOpta or the Company) (Nasdaq:STKL) (TSX:SOY) today announced results for the three months and six months ended June 30, 2004. All amounts are expressed in U.S. dollars.

The Company achieved record revenues for the three months ended June 30, 2004, realizing its 27th consecutive quarter of record revenue growth compared to the same quarter in the previous year, and the first quarter in the Company's history with revenues in excess of \$80 million. Revenues in the quarter increased by 54% to \$80,946,000 as compared to \$52,641,000 in the second quarter of the prior year. These results were driven by internal growth of 16% and the impact of acquisitions completed in late 2003 and the first six months of 2004. For the six months ended June 30, 2004, revenues increased 53% to \$143,448,000 from \$94,052,000 in the prior year.

Net earnings for the second quarter increased by 146% to \$6,024,000, or \$0.11 per diluted common share, as compared to \$2,448,000 or \$0.05 per diluted common share in the second quarter of 2003 (adjusted to U.S. GAAP). For the six months ended June 30, 2004 net earnings were a record \$7,894,000, an increase of 121% over the same period in 2003.

The growth in revenues and earnings in 2004 resulted from the following key factors:

- Significant increase in sales of oat fiber products resulting from the successful expansion projects at the Company's Cambridge, Minnesota facility and the recent purchase and escalating production of the Cedar Rapids, Iowa facility;
- Improvement in the Company's Canadian Distribution operations as acquired businesses are integrated into the national distribution system and synergies are realized;
- Improved results in the Opta Minerals Group, as the demand for silica-free abrasives increased in the Eastern United States;
- Net earnings in the quarter included a judgment awarded to the Company in a lawsuit against a former supplier for breach of contract. Excluding this judgment, net earnings per diluted common share would have been \$0.07 in the second quarter.

The Company continues to maintain a strong balance sheet with working capital of \$48,496,000 and total assets of \$188,898,000. The long-term debt to equity ratio for the Company as at June 30, 2004 was 0.18 to 1.00. In July, the Company renegotiated its credit agreement with its existing lenders, which included an increase to the Company's term loan to \$35,000,000 from \$18,700,000, and an increase to existing Canadian and U.S. operating lines of credit. In addition, a \$10,000,000 revolving acquisition facility was added to facilitate financing future acquisitions and internal capital growth projects.

Jeremy N. Kendall, Chairman and CEO of SunOpta, commented that "We are very pleased with our second quarter results, both from our base operations and recent additions. We continue to effectively expand on our healthy products business and our second quarter results reflect these efforts."

SunOpta Inc. is an owner/operator of high-growth ethical businesses, focusing on integrated business models in the natural and organic food markets. For the last six consecutive years, SunOpta was included in Profit magazine's 'Profit 100' list of the 100 fastest growing companies in Canada. 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; the Opta Minerals Group, a producer, distributor, and recycler of environmentally friendly industrial materials; and the StakeTech Steam Explosion Group that engineers and markets clean pulping systems using patented steam explosion technology. Each of these business units has proprietary products and services that give it a solid competitive advantage in its sector.

Note: This news release may contain forward-looking information. Actual future results may differ materially. The risks, uncertainties, and other factors that could influence actual results are described in the Company's annual report to shareholders and in SEC filings.

SunOpta Inc.

Consolidated Statements of Earnings

For the three months ended June 30, 2004 and 2003

Unaudited

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

	June 30, 2004 \$	June 30, 2003 \$	% Change
Revenues	80,946	52,641	54%
Cost of goods sold	64,690	43,536	49%
Gross profit	16,256	9,105	79%
Warehousing and distribution expenses	1,442	229	530%
Selling, general and administrative expenses	8,964	5,575	61%
	10,406	5,804	79%
Earnings before the following	5,850	3,301	77%
Interest expense	(152)	(493)	-69%
Interest and other income	2,499	173	1345%
Foreign exchange gain	389	254	53%
	2,736	(66)	
Earnings before income taxes	8,586	3,235	165%
Provision for income taxes	2,562	787	226%
Net earnings for the period	6,024	2,448	146%
Net earnings per share for the period			
- Basic	0.11	0.06	
- Diluted	0.11	0.05	

SunOpta Inc.

Consolidated Statements of Earnings

For the six months ended June 30, 2004 and 2003

Unaudited

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

	June 30, 2004 \$	June 30, 2003 \$	% Change
Revenues	143,448	94,052	53%
Cost of goods sold	114,921	77,829	48%
Gross profit	28,527	16,223	76%
Warehousing and distribution expenses	2,597	407	538%
Selling, general and administrative expenses	16,944	10,792	57%
	19,541	11,199	74%
Earnings before the following	8,986	5,024	79%
Interest expense	(360)	(984)	-63%
Interest and other income	2,384	210	1035%
Foreign exchange gain	248	595	-58%
	2,272	(179)	
Earnings before income taxes	11,258	4,845	132%
Provision for income taxes	3,364	1,270	165%
Net earnings for the period	7,894	3,575	121%
Net earnings per share for the period			
- Basic	0.15	0.08	
- Diluted	0.14	0.08	

SunOpta Inc.

Segmented Information

For the three months ended June 30, 2004

Unaudited

(expressed in thousands of U.S. dollars)

Three months ended
June 30, 2004

StakeTech

	SunOpta Food Group \$	Opta Minerals Group \$	Steam Explosion Technology Group and Corporate \$	Consolidated \$
External revenues by market				
U.S.	44,825	3,570	290	48,685
Canada	21,123	5,270	-	26,393
Other	5,716	152	-	5,868

Total revenues to external customers	71,664	8,992	290	80,946

Segment net earnings (loss) before interest expense and income taxes	8,000	1,717	(979)	8,738

Interest expense	-	-	152	152

Provision for income taxes	-	-	2,562	2,562

Segment net earnings (loss)	8,000	1,717	(3,693)	6,024

The SunOpta Food Group has the following segmented reporting:

	Three months ended June 30, 2004				
	Grains and Soy Products Group \$	Ingredients Group \$	Distribution Group \$	Packaged Products Group \$	SunOpta Food Group \$
External revenues by market					
U.S.	20,102	14,766	-	9,957	44,825
Canada	341	443	19,403	936	21,123
Other	4,187	1,479	-	50	5,716

Total revenues from external customers	24,630	16,688	19,403	10,943	71,664

Segment net earnings before interest expense and income taxes	1,140	2,043	1,421	3,396	8,000

SunOpta Inc.

Segmented Information
For the three months ended June 30, 2003
Unaudited
(expressed in thousands of U.S. dollars)

	Three months ended June 30, 2003			
	SunOpta Food Group \$	Opta Minerals Group \$	StakeTech Steam Explosion Technology Group and Corporate \$	Consolidated \$
External revenues by market				
U.S.	37,858	2,543	76	40,477
Canada	6,523	4,070	-	10,593
Other	1,520	51	-	1,571
Total revenues to external customers	45,901	6,664	76	52,641
Segment net earnings (loss) before interest expense and income taxes	3,292	963	(527)	3,728
Interest expense	-	-	493	493
Provision for income taxes	-	-	787	787
Segment net earnings (loss)	3,292	963	(1,807)	2,448

The SunOpta Food Group has the following segmented reporting:

	Three months ended June 30, 2003				
	Grains and Soy Products Group \$	Ingredients Group \$	Distribution Group \$	Packaged Products Group \$	SunOpta Food Group \$
External revenues by market					
U.S.	18,616	11,082	-	8,160	37,858
Canada	75	289	5,346	813	6,523
Other	338	1,182	-	-	1,520
Total revenues from external customers	19,029	12,553	5,346	8,973	45,901

Segment net earnings before interest expense and income taxes	1,309	1,067	207	709	3,292
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SunOpta Inc.
Segmented Information
For the six months ended June, 30 2004
Unaudited
(expressed in thousands of U.S. dollars)

	Six months ended June 30, 2004			
	SunOpta Food Group \$	Opta Minerals Group \$	StakeTech Steam Explosion Technology Group and Corporate \$	Consolidated \$
External revenues by market				
U.S.	80,061	7,705	437	88,203
Canada	36,690	7,974	-	44,664
Other	10,429	152	-	10,581
Total revenues to external customers	127,180	15,831	437	143,448
Segment net earnings (loss) before interest expense and income taxes	11,221	2,224	(1,827)	11,618
Interest expense	-	-	360	360
Provision for income taxes	-	-	3,364	3,364
Segment net earnings (loss)	11,221	2,224	(5,551)	7,894

The SunOpta Food Group has the following segmented reporting:

	Six months ended June 30, 2004				
	Grains and Soy Products Group \$	Ingredients Group \$	Distribution Group \$	Packaged Products Group \$	SunOpta Food Group \$
External revenues by market					
U.S.	34,483	28,043	-	17,535	80,061

Canada	500	936	33,404	1,850	36,690
Other	7,330	2,994	-	105	10,429

Total revenues from external customers	42,313	31,973	33,404	19,490	127,180
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Segment net earnings before interest expense and income taxes	1,662	3,829	2,579	3,151	11,221
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SunOpta Inc.
Segmented Information
For the six months ended June 30, 2003
Unaudited
(expressed in thousands of U.S. dollars)

Six months ended
June 30, 2003

	SunOpta Food Group \$	Opta Minerals Group \$	StakeTech Steam Explosion Technology Group and Corporate \$	Consolidated \$
External revenues by market				
U.S.	67,682	4,536	301	72,519
Canada	11,031	7,452	-	18,483
Other	2,972	75	3	3,050

Total revenues to external customers	81,685	12,063	304	94,052
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Segment net earnings (loss) before interest expense and income taxes	4,980	1,435	(586)	5,829
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Interest expense	-	-	984	984
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Provision for income taxes	-	-	1,270	1,270
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Segment net earnings (loss)	4,980	1,435	(2,840)	3,575
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The SunOpta Food Group has the following segmented reporting:

Six months ended
June 30, 2003

	Grains and Soy Products Group \$	Ingredients Group \$	Distribution Group \$	Packaged Products Group \$	SunOpta Food Group \$
External revenues by market					
U.S.	31,161	20,848	-	15,673	67,682
Canada	128	578	9,269	1,056	11,031
Other	594	2,378	-	-	2,972

Total revenues from external customers	31,883	23,804	9,269	16,729	81,685
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Segment net earnings before interest expense and income taxes	1,646	1,455	256	1,623	4,980
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SunOpta Inc.
Consolidated Balance Sheets
As at June 30, 2004 and December 31, 2003
Unaudited
(expressed in thousands of U.S. dollars)

	June 30, 2004 \$	December 31, 2003 \$	% Change
Assets			
Current assets			
Cash and cash equivalents	1,609	21,990	-93%
Accounts receivable - trade	38,487	26,241	47%
Inventories	40,288	34,778	16%
Prepaid expenses and other current assets	5,877	2,524	133%
Income taxes recoverable	-	1,686	-100%
Future income taxes	667	1,172	-43%
	86,928	88,391	-2%
Assets held for sale	193	6,007	-97%
Property, plant and equipment, net	54,535	44,761	22%
Goodwill and intangibles, net	40,198	25,084	60%
Future income taxes	6,715	9,023	-26%
Other assets	329	490	-33%
	188,898	173,756	9%

Liabilities

Current liabilities			
Bank indebtedness	3,515	-	
Accounts payable and accrued liabilities	29,962	24,670	21%
Customer and other deposits	-	1,778	-100%
Current portion of long-term debt	4,104	3,840	7%
Current portion of long-term payables	851	740	15%
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	38,432	31,028	24%
Long-term debt			
Long-term payables	19,787	21,196	-7%
	1,294	1,591	-19%
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	59,513	53,815	11%
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Shareholders' Equity			
Capital stock	98,590	96,636	2%
Contributed surplus	3,384	3,384	0%
Retained earnings	23,673	15,779	50%
Accumulated other comprehensive income	3,738	4,142	-10%
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	129,385	119,941	8%
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	188,898	173,756	9%
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