SCHNEIDER CORPORATION

OUR BRANDS GIVE US STRENGTH

1993 ANNUAL REPORT

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JAN 17 1994
Annual Reports
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Corporate Profile

Schneider Corporation of Kitchener, Ontario is one of Canada's largest producers of premium quality food products. The Corporation was founded in 1890 by John Metz Schneider who began making pork sausage in his home. Today, as a publicly owned corporation, Schneider Corporation has over 3,700 employees manufacturing and selling its products. These products are sold throughout Canada, and to the United States, Japan and other foreign markets.

The Corporation participates in the red meat sector through J.M. Schneider Inc., Fleetwood Sausage Ltd. and National Meats Inc. J.M. Schneider Inc. produces fresh and processed meat products at its facilities in Kitchener, Ontario and Winnipeg, Manitoba. Fleetwood Sausage Ltd. in Surrey, British Columbia manufactures specialty European sausage products for delicatessens. National Meats Inc., a joint venture in which the Corporation has a 50% interest, manufactures meat products in Toronto, Ontario.

Participation in the baked goods sector is accomplished through Mother Jackson's Open Kitchens Limited of Port Perry, Ontario, and Charcuterie Roy Inc. of St. Anselme, Quebec.

Poultry sector operations are conducted by Horizon Poultry Products Inc. which has breeder flocks, owns a major hatchery in Hanover, Ontario, grows broiler chickens, carries out slaughter operations at St. Mary's, Ontario, and conducts further processing at Ayr, Ontario.

The Corporation participates in the dairy sector through J.M. Schneider Inc.'s cheese processing plants in Winchester and Millbank, Ontario.

Schneider products are warehoused and shipped through major distribution centres in Surrey, British Columbia, Calgary, Alberta, Winnipeg, Manitoba and Kitchener, Ontario.

In 1993, Schneider Corporation had sales of $727,487,000 and assets of $213,691,000. The Corporation's most valuable asset is its reputation for providing consumers with the finest quality food products available in the marketplace.

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Schedule of Financial Highlights

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (in thousands of dollars, except per share amounts)

	1993	1992	1991
Operating results:			
Sales	**$727,487**	$649,877	$630,966
Net earnings	**7,688**	6,279	5,064
Financial position:			
Working capital	**30,171**	26,670	20,751
Total assets	**214,086**	171,561	175,466
Long-term debt	**59,514**	42,171	44,900
Shareholders' equity	**82,536**	71,913	66,946
Per share (dollars):			
Net earnings:			
First quarter	**.23**	.35	.10
Second quarter	**.27**	.23	.15
Third quarter	**.46**	.37	.38
Fourth quarter	**.35**	.17	.30
	1.31	1.12	.93
Dividends paid	**.27**	23	.22
Shareholders' equity, end of year	**14.03**	12.88	11.99
Key ratios:			
Return on sales	**1.06%**	.97%	.80%
Return on opening shareholders' equity	**10.69%**	9.38%	8.27%
Current ratio	**1.49:1**	1.54:1	1.38:1
Debt to equity ratio*	**.76:1**	.60:1	.74:1
Long-term debt to equity ratio	**.72:1**	.59:1.	.67:1

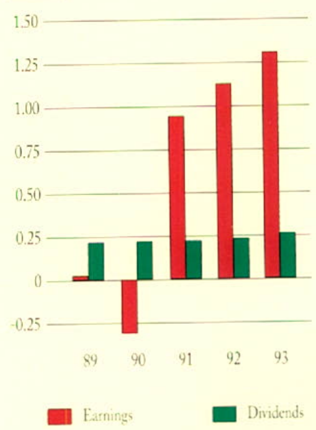
* Debt is defined as debentures and loans and bank advances.

Comparative ratios restated for effect of two-for-one stock split effective August 11, 1992.

SCHNEIDER CORPORATION

Per Share

(in dollars)



The above data reflect a two-for-one stock split effective August 11, 1992.

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The events of 1993 were the result of corporate strategies established several years ago and executed consistently ever since.

Schneider Corporation is pleased to report record sales and earnings for fiscal 1993. Sales were $727,487,000, an increase of 11.9% over fiscal 1992. Net earnings increased by 22.4% to $7,688,000. This represents the third consecutive year that the Corporation has reported an increase in earnings.

The events of 1993 and their consequences were the result of corporate strategies that were established several years ago and have been executed consistently ever since.

Several factors influenced the Corporation's increased sales and earnings: volume growth in our core processed meat business, new product introductions, the acquisition of Fleetwood Sausage Ltd. in Surrey, B.C. and strong performances from our subsidiary companies. Continuing improvement in the Corporation's operating efficiency also had a favourable impact on earnings.

The increase in our branded core business in 1993 was a positive sign, not only because of the difficult economic environment, but also because it demonstrated the strength of our brands in the face of the emergence of private label products as brand categories in themselves. Growing the core business while the Corporation expanded and diversified its business base has been a cornerstone of our strategy since it was enunciated several years ago.

Fleetwood Sausage Ltd. was purchased as part of a broad strategy of growth designed to give the Corporation a stronger geographic presence in the growing Western Canadian market. This acquisition also enables us to expand our delicatessen product line, add another strong, regional brand to the corporate family and reinforce our commitment to premium, branded products.

Horizon Poultry Products Inc. improved its operating earnings in 1993. In February 1993, we increased our ownership from 50% to 75% as both a commitment to the business and a reflection of the importance of poultry to the Corporation's future. We also took steps to improve our operational capabilities with the acquisition of a poultry processing plant in St. Mary's, Ontario. As a result, our poultry processing operation, previously carried out in two different locations, is now done entirely in St. Mary's and we have gained additional capacity to support future growth.

Mother Jackson's Open Kitchens Limited continued to grow and increase its contribution to corporate earnings. During the year the company commissioned a new, efficient pie and tart shell line to respond to business opportunities, the full benefits of which will be felt in subsequent years. The Corporation's capital investment, along with sound, capable management, have made this company a solid competitor in the frozen meat pie and tart shell categories and helped us to achieve our strategic objective of product line diversification.

The Corporation has taken steps to re-enter the American market following a two year suspension of our marketing efforts south of the border. The two year period provided time to evaluate our initial entry into that market and determine where we wanted to focus in the future. Two major steps were taken as a result. First, we have established warehousing facilities in New York state to inventory sufficient product to meet customer service demands. Secondly, we have refined our product line to include only those items that allow us to be a truly 'niche' marketer selling products with immediate growth potential.

New products were developed in all business sectors in 1993 led by the successful introduction of new items to our popular line of boxed meat products. In addition, the entire line now has the look of the 90s with redesigned graphics and new packaging.

LIFESTYLE, the leading line of alternative meat products, continued to grow and took on exciting new contemporary products such as Stir Fry and Fajitas.

During 1993, the Corporation secured $20,000,000 in long term financing to fund acquisition and capital expenditure programs. Securing funds at this time reflects the steady, progressive development path management is following and takes advantage of current low, long term interest rates.

The highly successful Continuous Improvement process, which was reported in the 1992 Annual Report, continued to yield worthwhile savings in 1993. Much of the success was due to the interest and efforts of literally hundreds of employees who participated in Continuous Improvement and by doing so, helped meet our primary objective of being a low cost producer with the ability to compete profitably in the changing markets of the 90s.

Within the industry there is considerable debate about the future of major, branded products in the retail sector. As a major, branded manufacturer, we have a great deal of experience in the marketplace and have developed our own assessment of what we must do to prosper in a changing market. These issues and their implications for the Corporation are discussed in more detail in the special section on page 4 of this Report.

At the 1993 Annual Shareholders' Meeting, two new members were elected to the Board of Directors, Mr. John M. Cassaday and Mr. Frederick D. Morash. Mr. Cassaday is President and Chief Executive Officer of CTV Television Network Ltd. Mr. Morash is President and Chief Executive Officer, The Island Telephone Company Limited of Charlottetown, Prince Edward Island.

Fiscal 1993 was a very satisfying year. The Corporation met its primary objectives of achieving geographic growth, diversifying its product line and making significant progress toward being the low cost producer in all categories of its business. These objectives, and the strategies which we have successfully used to accomplish them, will remain the same for the foreseeable future. Despite facing a variety of challenges, your Corporation expects to improve on its fiscal 1993 performance in 1994. On behalf of the Board of Directors, we wish to thank the hundreds of employees across Canada whose efforts continue to be an integral part of the Corporation's success.

Douglas W. Dodds
President and Chief Executive Officer
(Above Left)

Herbert J. Schneider
Chairman of the Board
(Above Right)

Schneider Corporation and the Future of Branded Products

In recent years, a growing number of private label products, in a variety of consumer categories, have been vying with traditional branded products for space on retail grocery shelves.

This trend is changing retailing in the 90s. In some food and non-edible product categories, private label products have achieved significant market share. According to some observers, there will be fewer national brands left on grocery shelves in any given category by the turn of the century, along with higher quality private label products and their generic counterparts (traditionally at the lower end of the price/quality spectrum).

The limits of this trend are unknown, but there is no doubt that the traditional relationship among branded manufacturers, consumers and retailers is changing. A closer look behind these changes reveals a number of factors at work:

- the proliferation of similar products
- the shift to value
- changing lifestyles
- the emergence of higher quality private label products.

The Proliferation of Products

During the 70s and 80s, the number of national brands proliferated with countless 'me too' line extensions that added little value to the consumer. By the end of the expansionist 80s, many consumers found there were simply too many brands from which to choose, with little or no difference between them. Some private label products stood out from their branded counterparts because they offered consumers distinctive alternatives, often with comparable quality and slightly lower prices.

The Shift to Value

After past recessions – when prosperity returned – consumers returned to the preferred national brands. But with the recession of the 90s, the situation is different. Today consumers seeking value may return to national brands, but manufacturers' competition will continue to include private label products whose identity has become a brand in itself.

People will need more than prosperity to encourage them back into old shopping habits. They have rejected that approach and are taking a harder look at all their purchasing decisions, demanding both quality and value. This new consumer attitude is something manufacturers and marketers must understand and respect.

The Consumer Paradigm Shift

In the 90s, people have chosen to devote less time to shopping and preparing food. They want their choices simplified and their food easy to prepare and serve. In the process they have created a demand for specialty and niche products that, in many cases, manufacturers of branded products have been slow to recognize. The retailer who deals daily with consumers has been in a position to anticipate their needs and develop

National brands will continue to set standards of price and quality.

appropriate products.

In a sense, that is the key change in the manufacturer-retailer-consumer relationship. Whereas retailers used to be intermediaries – the means of getting manufacturers' products to consumers – competition has led them to develop a more personal, customer-oriented approach. Meeting consumer needs and earning consumer loyalty has become the retailers' marketing objective, with private label products being used as their 'point of difference'.

The New Look Grocery Shelves

Analysts charting the success of private label brands agree that the premium national brands in most categories are not about to disappear. Similarly some food and non-edible categories are more prone to private label competition than others. Meat products, for instance, are less likely to be challenged because margins are traditionally thinner and the road to quality is unavoidable.

In those retail grocery chains that embrace the private label concept, national

Fleetwood's strong regional brands give additional strength to western Canadian markets.

The traditional relationship among branded manufacturers, consumers and retailers is changing.

brands will share shelf space and compete with private label brands. In other retailing formats, those not wanting to manage product quality or be held responsible for consumer disappointment, will stay with national brands. In either case, national brands will continue to set standards of price and quality.

Schneider Corporation and the Private Label Opportunity

While some brand manufacturers might be threatened by the changes in the marketplace, Schneider Corporation is well prepared. We are uniquely positioned to take advantage of the forces at work and use them to prosper and grow because of:

- the enduring strength of our brands
- our ability to develop new products to fill market niches
- our ability to manufacture quality private label products.

The Enduring Strength of Our Brands

That national brands will still be on grocery shelves in the future is good news for us. Our flagship brand, the Dutch Girl, is recognized as a premium brand and has become even stronger in recent years. Branded products have provided us with a platform from which to expand and diversify. For example, your Corporation's ability to move effectively into the Foodservice market was based to a considerable extent on our

The Charcuterie Roy brand is being introduced to markets outside Quebec.

What is new is the emphasis being placed on quality in the private label sector.

retail, branded reputation for quality.

Our New Products

At a time when other companies have been under pressure to rationalize brands, we established a new line: the LIFESTYLE products that appeal to a growing number of consumers.

Like those now developing private label products, we studied the market, consumer buying habits and lifestyle changes. Our strong Research and Development department gives us the capability to build products to the niche specs of virtually any consumer. The result was the LIFESTYLE line, which today is a recognized and respected brand with an identity all its own.

Opportunities In Private Label

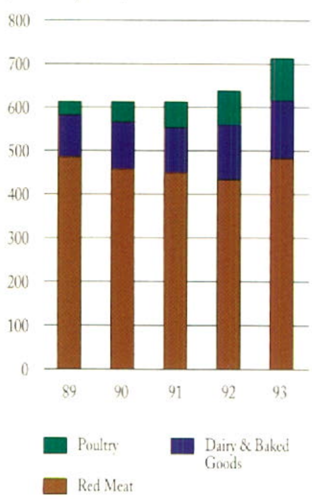
Being in the private label business is not new to Schneider Corporation. Our reputation is well established in popular boxed meat programs, baked goods, cheese and processed meats. What is new is the emphasis being placed on quality in the private label sector.

Schneider Corporation is strategically positioned on both sides of the equation, with quality as the common denominator. As a quality leader among branded products, our position in consumers' minds is well established. By the same token, our quality reputation also holds the key to countless private label opportunities for today and tomorrow.

Results of Operations

Sales for the year were $727,487,000 compared to $649,877,000 in 1992, an increase of 11.9%. Approximately one-half of the sales increase is the result of the acquisition of Fleetwood Sausage Ltd. The balance of the increase reflects the growth in sales of red meat at J. M. Schneider Inc., new pastry shell business at Mother Jackson's Open Kitchens Limited and increased consumer demand for poultry products produced by Horizon Poultry Products Inc.

SCHNEIDER CORPORATION
Sales
(in millions of dollars)



Red meat sales increased 12.4% in 1993. Of the increase, sales of processed meat products produced by Fleetwood Sausage in Western Canada accounted for 8.6%, while 3.5% came as a result of expansion of production at the J. M. Schneider pork slaughter facility in Winnipeg. A substantial portion of the production from the Winnipeg plant is exported to markets in Japan and the United States.

An increase of 25.7% in poultry sales over the prior year was the combined result of a number of factors. First, an overall increase in consumer demand for poultry coincided with our launch of a large number of new products. Secondly, the availability of raw material supply increased during the year along with our increased production capability. Thirdly, with our acquisition of control of Horizon Poultry Products Inc., our 1993 financial statements include the total amount of hatchery sales, compared to 50% of sales in 1992 when results were proportionately consolidated.

Dairy and baked goods sales increased by approximately 1%. Increases in sales of baked goods were partially offset by decreased sales of cheese products due to the very competitive nature of the private label cheese market.

Gross margins increased .4% overall due to higher returns in poultry and baked goods. The performance in poultry reflects improvements in internal operating efficiencies effected by management and more stability in the pricing and marketing system in Ontario. Our bakery business performed consistently throughout the year and is meeting contribution targets. Margins in our red meat business were affected negatively by high raw material costs and intense competition. This was offset somewhat by manufacturing efficiency improvements through our Continuous Improvement process and other cost reduction measures. In certain product categories, however, the savings achieved were returned to the marketplace in order to maintain market share.

On November 13, 1993, the Schneider Employees' Association (SEA) ratified a new three year collective agreement. The SEA is the largest of our bargaining units representing approximately 1,700 hourly employees at the main J. M. Schneider plant on Courtland Avenue, Kitchener. The new collective agreement provides for pension improvements and hourly rate increases totalling 4% over the term of the agreement, while providing the Corporation with improved operating flexibility and a mechanism to manage health care costs. Pension improvements increased the estimated pension obligations of the Corporation by approximately $6.6 million, and this will be amortized over 13 years.

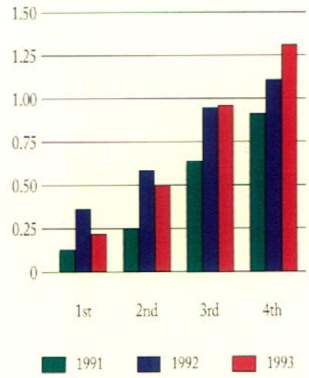
Selling, marketing and administrative expenses increased by $6,903,000 due largely to the full consolidation of Horizon Poultry Products Inc. and the acquisition of Fleetwood Sausage Ltd. These expenses decreased by 1.0% for all continuing operations, an indication of the strict cost containment achieved in all operating companies within the group.

Earnings from operations were $19,955,000 compared to $16,971,000 in 1992, an increase of 17.6%. This increase is attributable to improved performance in the processed meat sector as a result of the acquisition of Fleetwood Sausage Ltd. and the substantial improvement in operations in poultry and baked goods. Earnings from operations in our fresh red meat business declined due to the cost of escalating hog prices during the year which could not be recovered from the marketplace.

Interest expense for the year increased by $1,052,000 to $7,138,000. This resulted from the increased financing required to purchase Fleetwood Sausage Ltd. and an additional 25% interest in Horizon Poultry Products Inc.

Net earnings for 1993 amounted to $7,688,000 compared to $6,279,000 in 1992, an increase of 22.4%. These are record earnings for the Corporation. Per share earnings were $1.31 in 1993 and $1.12 in 1992, and take into account the issuance from treasury of 296,600 Class A shares in 1993.

Schneider Corporation
Cumulative Quarterly Results
Earnings Per Share
(in dollars)



The above data reflect a two-for-one stock split effective August 11, 1992.

Inflation

The Corporation is in a very competitive industry where pricing is dependent on the availability of raw material supply. Therefore, the effects of general inflation have a relatively minor impact on selling prices. Many of the Corporation's fixed costs, largely salaries, are affected by inflation. The Corporation's Continuous Improvement process was very successful in reducing fixed and variable costs in 1993. The Corporation is forecasting inflation of approximately 2.5% in 1994, but is confident that cost increases can be contained below this level.

Financial Position

The Corporation had bank advances of $3,369,000 as at October 30, 1993, compared to bank advances of $723,000 at the end of the previous year. Cash of $20,157,000 was provided from operations compared to $15,445,000 in the prior year. Cash required to fund working capital amounted to $4,789,000 resulting primarily from the acquisition of Fleetwood Sausage Ltd., and the full consolidation of Horizon Poultry Products Inc.

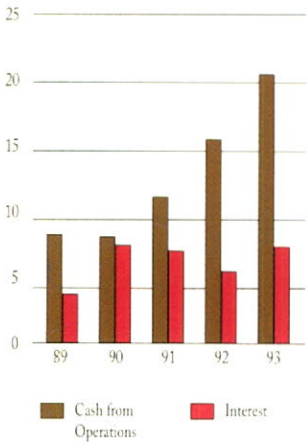
The Corporation acquired 100% of Fleetwood Sausage Ltd., and increased its interest in Horizon Poultry Products Inc. from 50% to 75%. These transactions required cash of $19,272,000 for the purchase price and the bank obligations assumed. Additions to property, plant and equipment amounted to $12,931,000. These investments were funded by the private placement of ten year 8.56% sinking fund debentures in the amount of $20,000,000, by the issuance from treasury of 296,600 Class A shares at $15.25 per share and by the use of cash provided from operations.

The Corporation took advantage of early payment privileges in retiring $3,600,000 in 10.75% sinking fund debentures scheduled to mature in 1997. A portion of the cash from the new 8.56% debentures was used to make this payment. The Corporation intends to fund principal payments due in 1994 on debentures and loans from cash generated from operating activities.

Interest coverage (cash generated from operations divided by total interest) improved to 2.8 times from 2.5 times in 1992. This is well within existing debenture covenants, and puts the Corporation in a position to obtain future financing, although none is contemplated at this time.

The Corporation took advantage of the availability of historically favourable long-term financing, with the result that the total debt to equity ratio increased from .60:1 to .76:1. The Corporation maintains lines of credit in excess of cash needs of the business. The current bank lines are unsecured except for certain advances of a subsidiary company. The Corporation continues to operate comfortably within all performance covenants of its bank advances, loans and debentures.

Schneider Corporation
Cash from Operations & Interest
(in millions of dollars)



Capital Expenditures

Expenditures on property, plant and equipment amounted to $12,931,000 in 1993 compared to $5,685,000 in 1992.

We continued to execute our long-term strategy to emphasize growth in the white meat sector of our business, including the integration of our supply and manufacturing capabilities with the acquisition of a poultry processing facility in St. Mary's, Ontario. The cost of the plant and the upgrading of equipment which was completed in September, 1993, was $5,600,000. This allowed the Corporation to consolidate its slaughter in one facility, sell its Paris, Ontario, facility, and close its Kitchener poultry slaughter operations. The benefits from this technology and the efficiencies from a consolidated slaughter will begin to be realized in fiscal 1994.

We increased our manufacturing capabilities at Mother Jackson's Open Kitchens with the installation of new pie and tart shell equipment at a cost of $1,000,000. This initiative was undertaken to respond to new business and in-store bakery opportunities.

The balance of expenditures of approximately $6,300,000 was spent to upgrade manufacturing technology to current standards in our red meat and poultry processing operations.

The Board of Directors approved a capital budget of $10,000,000 for 1994. Sixty percent of this amount will be used to upgrade manufacturing technology to sustain growth in profitability. The balance of the expenditures will be made to maintain current efficiency and meet statutory requirements. The capital expenditure budget for 1994 is less than the depreciation expense, therefore cash from operations will be available for the reduction of debt.

Strategies and Risks

Schneider Corporation achieved record sales and earnings in fiscal 1993. These results were achieved by executing five basic strategies:

– Pursuing growth through geographic expansion

– Pursuing growth through private label business

– Pursuing growth through new products

– Enhancing management and employee effectiveness

– Being the low cost producer within defined quality specifications.

We expanded our sales in Western Canada with the acquisition of Fleetwood Sausage Ltd. of Surrey, British Columbia. Fleetwood Sausage manufactures and markets a wide variety of hams, sausages, salamis and other delicatessen products under the Fleetwood brand and an Italian line of meat products under the Fiorentina label. We also introduced a processed meat product line under the Charcuterie Roy Inc. label in the province of Quebec. This initiative has allowed us to expand our sales in this important market.

Private label and controlled brands are acquiring a share of the retail market at the expense of some national brands, as explained in detail on page 4 of this report. We are working to position the Corporation to take advantage of the growing opportunities in this market. We have expanded our capabilities at our poultry processing plant, cheese facility, and pastry operations to accommodate more private label business. In 1993, we increased private label sales, securing contracts with four major chains.

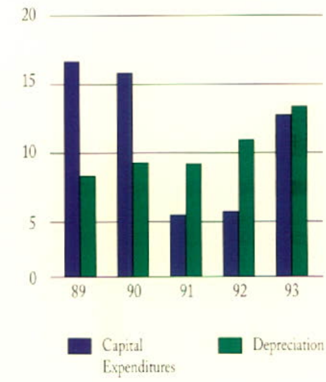
Consumer preferences are continuing to change to white meat and protein substitutes and to new products offering convenience and ease of preparation. The retail market that constitutes a major portion of our customer base continues to consolidate, making direct access to the consumer more difficult. As a result, the Corporation must be innovative to capture shelf space. We have responded by introducing new products, expanding geographically, and developing private label business. We continued to shift our emphasis to poultry with the acquisition of a new poultry production facility, and we increased our manufacturing capabilities at Mother Jackson's Open Kitchens with the installation of new pie and tart shell equipment.

Food processing is characterized by rapid inventory turnover, constantly changing raw material costs and variability of supply. In the current economic environment, intense competition prevents increases in raw material costs from being readily passed on to the customer. For supply-regulated materials such as eggs, poultry and cheese, supply and cost are not always responsive to market conditions. Because of this, the Corporation must strive for internally generated cost reductions to ensure that positive earnings trends continue.

Employee effectiveness was improved by broadening the Continuous Improvement process to include all staff and subsidiary companies. More resources were directed to training, skills management, goal setting and performance measurement. We focused on being a low cost producer by expanding our activity based costing system to more departments, by utilizing benchmarking and competitive analysis, and by enhancing our logistics and distribution systems. These initiatives resulted in manufacturing and distribution cost reductions of over $6 million.

We have deliberately focused on a strategy of diversifying our business to include significant contributions from the red meat, bakery and poultry sectors. This strategy served us well

Schneider Corporation
Capital Expenditures & Depreciation
(in millions of dollars)



in 1993 as we experienced substantial improvement in results from both our poultry and baked goods businesses.

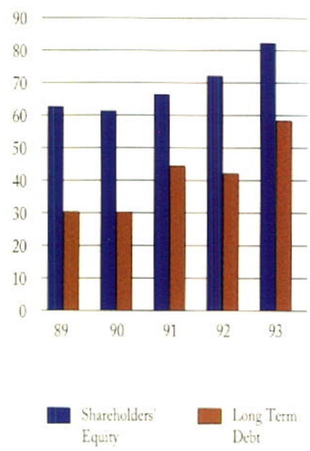
Environment

The Corporation is committed to conducting its operations in an environmentally responsible manner. Procedures to monitor compliance with all applicable environmental laws and regulations are being implemented.

The Corporation, through its Continuous Improvement process, has achieved significant reductions in water consumption and solid waste generation. Packaging improvements consistent with high product quality and long shelf life are being pursued internally, through our packaging suppliers, and through trade associations and governmental programs.

Management is of the opinion that current environmental initiatives and requirements will not have a material effect on the earnings or the financial or competitive position of the Corporation.

Schneider Corporation
Shareholders' Equity & Long Term Debt
(in millions of dollars)



Shareholders' Position

Shareholders' equity as at October 30, 1993, amounted to $82,536,000 compared to $71,913,000 one year earlier. The Board of Directors increased the dividend by 17.4% in 1993 to 27 cents per share which amounted to $1,588,000 in dividends paid. The Board intends to continue to increase dividends as net earnings and cash generated from operations increase.

During the year, the Corporation issued 296,600 Class A shares from treasury at $15.25 per share as partial consideration for the acquisition of Fleetwood Sausage Ltd.

At the annual meeting on March 31, 1993, the shareholders approved a Stock Option Plan for senior managers. As at November 1, 1992, 113,400 Class A shares were reserved for issuance under the terms of the plan. Options are exercisable at a price of $14.75 per share, one-third after each of the fiscal years 1995 to 1997, and the options expire on October 31, 2002. The Plan is designed to provide a meaningful incentive to link management performance with share value.

The Board of Directors is recommending that the shareholders pass a Special Resolution at the upcoming annual and special meeting to allow discretion in the Board to issue Class A shares up to the authorized number. Currently there are restrictions on the issuance of shares. Removal of these restrictions will facilitate the financing of future opportunities with the issuance of equity rather than debt, if the Board determines this to be in the best interests of the Corporation.

The Toronto Stock Exchange reported trading values of $13.50 per Common share and $13.875 per Class A share as at fiscal 1993 year end. This current market price is lower than the values of $15.00 and $14.50 per Common and Class A shares respectively reported one year earlier, and does not reflect the substantial improvements in earnings, cash flow and shareholders' equity. The book value of Common and Class A shares was $14.03 at year end. The closing TSE values reflect no premium to book value.

Outlook

Fiscal 1994 will present many challenges for the Corporation. We expect an intensely competitive business environment. Chain stores will continue to increase their demands on manufacturers as they respond to new competition, and introduce more private label products to differentiate themselves from competitors. We do not expect significant growth in consumer demand, but we do expect increased competition from new manufacturing entries in the processed meat sector. We also anticipate higher raw material costs than those experienced in fiscal 1993, which will put further pressure on our operating margins in all product categories. These negative factors, however, will be offset by new business and operating improvements in our bakery and poultry businesses, the continued growth that will be achieved in our newest acquisition, Fleetwood Sausage, and the commitment of $10 million in capital expenditures.

Overall, we expect to improve on our fiscal 1993 performance. Sales increases in the processed meat area will be achieved as Fleetwood Sausage expands its business in Western Canada and as Charcuterie Roy builds on the success of its processed meat product line introduced in fiscal 1993. Our bakery sales will increase as a result of new business in the pie and tart shell area and poultry sales will grow as the consumer trend to eating more poultry continues.

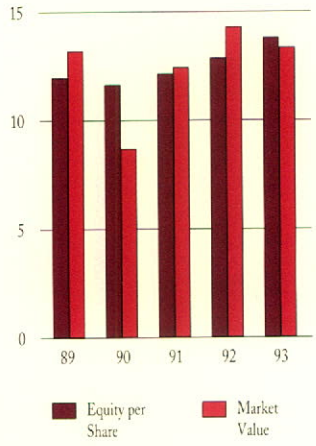
Our strategies and action plans for 1994 are similar to those for 1993 in that we will be pursuing growth through product line and geographic diversification, through the pursuit of increased business in the private label and foodservice areas, and by expanding our thrust into the United States with a limited line of Schneider products. We will also continue to execute strategies that enhance the effectiveness of our employees, and we will work toward our goal of being a low cost producer within our high quality standards. We have added a new strategy to enhance efficient customer response. In this regard, we have instituted a major information and communications project to integrate logistics and distribution information systems to improve response times, and fine tune production flow with consumption levels.

Fiscal 1993 has been a very satisfying year. The Corporation achieved record sales and earnings, broadened its base of business through acquisitions, increased its efficiency, and improved its effectiveness. The confidence the organization has gained in successfully managing in the difficult economic environment of 1993 bodes well for the Corporation as we address the challenging business issues of 1994.

SCHNEIDER CORPORATION

Shareholders' Equity Per Share and Class A Market Value

(in dollars as at year end)



The above data reflect a two-for-one stock split effective August 11, 1992.

Management's Report

Management of Schneider Corporation is responsible for the integrity and objectivity of the financial statements and all other information contained in the Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles and are based on management's best information and judgments.

In fulfilling its responsibilities, management has developed internal control systems and procedures designed to provide reasonable assurance that the Corporation's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the Corporation's business transactions. To augment the internal control systems, the Corporation maintains an internal audit department which evaluates company operations and formally reports on the adequacy and effectiveness of the controls and procedures to the Audit Committee of the Board of Directors.

The Audit Committee of the Board of Directors is composed of a majority of outside directors. The committee meets periodically and independently with management, the internal auditors and the shareholders' auditors to discuss the Corporation's financial reporting and internal controls. Both the internal auditors and the independent external auditors have unrestricted access to the Audit Committee.

Management recognizes its responsibility for conducting the Corporation's affairs in the best interest of its shareholders. The responsibility is characterized in the Code of Conduct signed by each management employee which provides for compliance with laws of each jurisdiction in which the Corporation operates and for observance of rules of ethical business conduct.

Douglas W. Dodds
President and Chief Executive Officer

Gerald A. Hooper
Vice President and Chief Financial Officer

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Schneider Corporation as at October 30, 1993 and October 31, 1992 and the consolidated statements of earnings, retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Schneider Corporation at October 30, 1993 and October 31, 1992 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Peat Marwick Thorne

Chartered Accountants, Waterloo, Canada, December 3, 1993

Consolidated Balance Sheets

October 30, 1993, and October 31, 1992 (in thousands of dollars)

ASSETS	1993	1992
Current assets:		
Accounts receivable	$ 39,595	$ 31,780
Inventories	48,907	40,804
Current portion of loans receivable	443	372
Other	3,073	3,396
Total current assets	92,018	76,352
Property, plant and equipment	103,382	83,872
Other assets:		
Loans receivable	2,496	2,666
Deferred pension	395	–
Production licences and rights	7,376	3,649
Intangible assets	8,419	5,022
Total other assets	18,686	11,337
Total assets	$214,086	$171,561

LIABILITIES AND SHAREHOLDERS' EQUITY	1993	1992
Current liabilities:		
Bank advances	$ 3,369	$ 723
Outstanding cheques	7,845	7,085
Accounts payable and accrued liabilities	42,714	37,197
Income taxes payable	435	1,006
Principal due within one year on debentures and loans	7,484	3,671
Total current liabilities	61,847	49,682
Debentures and loans	59,514	42,171
Other liabilities:		
Deferred income taxes	3,640	4,352
Deferred gains	1,530	1,656
Deferred pension	–	1,200
Minority interest	5,019	587
Total other liabilities	10,189	7,795
Shareholders' equity:		
Capital stock	16,052	11,529
Retained earnings	66,484	60,384
Total shareholders' equity	82,536	71,913
Total liabilities and shareholders' equity	$214,086	$171,561

On behalf of the Board:

Director　　　　Director

The accompanying notes are an integral part of these statements.

Consolidated Statements of Earnings

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (in thousands of dollars, except per share amounts)

	1993	1992	1991
Sales	**$727,487**	$649,877	$630,966
Expenses:			
Cost of products sold	**635,700**	570,835	559,458
Selling, marketing and administrative	**58,206**	51,303	46,091
Depreciation and amortization	**13,626**	10,768	9,419
	707,532	632,906	614,968
Earnings from operations	**19,955**	16,971	15,998
Interest expense	**7,138**	6,086	6,951
Earnings before income taxes and minority interest	**12,817**	10,885	9,047
Income taxes	**4,471**	4,587	3,971
Earnings before minority interest	**8,346**	6,298	5,076
Minority interest	**658**	19	12
Net earnings	**$ 7,688**	$ 6,279	$ 5,064
Earnings per share	**$ 1.31**	$ 1.12	$ .93

Consolidated Statements of Retained Earnings

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (in thousands of dollars)

	1993	1992	1991
Balance, beginning of year	**$ 60,384**	$ 55,417	$ 51,555
Net earnings	**7,688**	6,279	5,064
	68,072	61,696	56,619
Dividends:			
Class A shares	**1,386**	1,137	1,037
Common shares	**202**	175	165
	1,588	1,312	1,202
Balance, end of year	**$ 66,484**	$ 60,384	$ 55,417

The accompanying notes are an integral part of these statements.

Consolidated Statements of Changes in Financial Position

Years ended October 30, 1993, October 31, 1992 and October 26, 1991

(in thousands of dollars)

	1993	1992	1991
Operating activities:			
Cash from operations	**$ 20,157**	$ 15,445	$ 12,285
Net change in non-cash working capital balances relating to operations	**(4,789)**	59	9,372
Cash provided by operating activities	**15,368**	15,504	21,657
Investment activities:			
Investment in subsidiaries	**(19,272)**	(637)	(13,874)
Additions to property, plant and equipment	**(12,931)**	(5,685)	(5,475)
Proceeds on sale of property, plant and equipment	**456**	897	168
Decrease in loans receivable	**963**	31	337
Cash used in investment activities	**(30,784)**	(5,394)	(18,844)
Financing activities:			
Proceeds from debentures and loans	**20,007**	658	15,450
Proceeds from issue of shares	**4,523**	–	1,861
Decrease in debentures and loans	**(10,172)**	(5,285)	(4,181)
Dividends	**(1,588)**	(1,312)	(1,202)
Transfer of assets to joint venture, net of deferred gains	**–**	–	3,060
Cash provided by (used in) financing activities	**12,770**	(5,939)	14,988
Increase (decrease) in bank advances	**2,646**	(4,171)	(17,801)
Bank advances, beginning of year	**723**	4,894	22,695
Bank advances, end of year	**$ 3,369**	$ 723	$ 4,894

Bank advances consist of bank loans of $10,644 (1992 - $8,197) net of cash of $7,275 (1992 - $7,474).

	1993	1992	1991
Cash from operations is derived as follows:			
Net earnings	**$ 7,688**	$ 6,279	$ 5,064
Adjustment for non-cash items:			
Depreciation and amortization	**13,626**	10,768	9,419
Deferred income tax reduction	**(853)**	(1,541)	(2,692)
Loss (gain) on sale of property, plant and equipment	**830**	(242)	387
Deferred pension expense (credit)	**(1,595)**	162	95
Minority interest in earnings of subsidiaries	**658**	19	12
Deferred charges	**(197)**	–	–
	$ 20,157	$ 15,445	$ 12,285

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Years ended October 30, 1993, October 31, 1992 and October 26, 1991
(tabular amounts only in thousands of dollars)

1. Significant accounting policies:

(a) Basis of consolidation:

The consolidated financial statements include the accounts of Schneider Corporation and its subsidiaries J.M. Schneider Inc., Fleetwood Sausage Ltd., Charcuterie Roy Inc., Mother Jackson's Open Kitchens Limited and Horizon Poultry Products Inc. and the Corporation's proportionate share of the joint venture company, National Meats Inc.

(b) Inventories:

Products are valued at the lower of cost and net realizable value. Since most products can be sold at any stage in their production, it is not practical to segregate them into raw materials, work in process or finished goods. Cost includes laid down material cost, manufacturing labour and certain elements of overhead to the stage of production completion. Net realizable value is based on the adjusted wholesale trading price at the balance sheet date.

Certain raw materials and supplies, which include packaging, maintenance and manufacturing materials, are valued at the lower of cost and replacement cost.

(c) Property, plant and equipment:

Property, plant and equipment are stated at cost which includes capitalized interest incurred on major projects during the period of construction. Depreciation is provided on a straight-line basis to amortize the cost of the assets over their estimated useful lives with estimated useful lives not to exceed certain limits. Depreciation is not provided on assets under construction.

	Maximum useful lives	Annual rates of depreciation
Buildings of solid construction	40 years	2.5% to 5%
Buildings of frame construction and improved areas	25 years	4% to 25%
Machinery and equipment	10 years	10% to 25%

(d) Other assets:

Production licences and rights and intangible assets are being amortized on a straight-line basis over their estimated lives, such amortization period not exceeding forty years. Intangible assets include the excess cost of shares over assigned values of net assets acquired, which assets are amortized over forty years. The Corporation recognizes permanent impairment in the value of assets by additional charges against earnings.

(e) Other liabilities:

Deferred gains, which relate to asset transfers to joint ventures, will be included in income when amounts receivable from a joint venture partner are paid or through amortization over the remaining estimated useful lives of the transferred assets.

Pension obligations are determined by independent actuarial valuation using the projected benefit method. Pension costs related to current service are charged to earnings as services are rendered, and past service costs, as well as variations between fund experience and the actuarial estimates, are amortized over the expected average remaining service life of each employee group.

The Corporation expenses other post employment benefit costs as incurred.

(f) Earnings per share:

Earnings per share are calculated on the weighted average number of all classes of shares outstanding during the year. 1991 earnings per share have been restated to reflect the two-for-one stock split of August, 1992.

Notes to Consolidated Financial Statements

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (tabular amounts only in thousands of dollars)

2. **Acquisitions:**

During fiscal 1993, the Corporation increased its investment in Horizon Poultry Products Inc. to a 75% interest and acquired Fleetwood Sausage Ltd.:

Company name	**Nature of business**	**Effective acquisition date**	**Voting interest acquired**
Fleetwood Sausage Ltd.	Deli/Specialty	November 1, 1992	100%
Horizon Poultry Products Inc.	Poultry	November 29, 1992	25%

Net assets acquired at assigned values:	
Property, plant and equipment	$ 20,917
Other assets	2,060
Net working capital deficiency	(3,232)
Other liabilities	(9,895)
Excess cost of shares over assigned values of net assets	6,360
	16,210
Less minority interest	(2,503)
	$ 13,707
Consideration given at fair value:	
Cash	$ 9,184
Shares (296,600 Class A)	4,523
	$ 13,707

The acquisitions have been accounted for by the purchase method with the results of operations included in these financial statements from the dates of acquisition.

The Corporation is committed until 1996, to pay additional consideration for the shares of Charcuterie Roy Inc. based on earnings of that company. Additional consideration of $264,000 for 1993 (1992 - $592,000) has been recorded as an additional cost of this acquisition. Total future additional consideration will not exceed $3,894,000.

3. **Joint ventures:**

The Corporation's proportionate share in the assets, liabilities, revenues and expenses of joint ventures is as follows:

	1993	1992	1991
Assets	**$ 6,093**	$ 20,259	$ 20,909
Liabilities	**2,561**	15,193	14,718
Sales	**21,743**	63,004	51,147
Expenses, excluding income taxes	**21,492**	63,835	52,225

As a result of the acquisition of the additional 25% interest in Horizon Poultry Products Inc., its results are fully consolidated in 1993. In 1992, it was accounted for as a joint venture and 50% proportionally consolidated.

4. **Property, plant and equipment:**

	Cost	Accumulated depreciation	**1993 Net book value**	1992 Net book value
Land and improved areas	$ 9,309	$ 755	**$ 8,554**	$ 6,735
Buildings	87,800	39,251	**48,549**	36,389
Machinery and equipment	119,264	73,962	**45,302**	39,952
Projects in progress	977	–	**977**	796
	$217,350	$113,968	**$103,382**	$ 83,872

The Board of Directors has approved capital expenditures on future projects of $10,000,000. Interest of $52,000 was capitalized in the year (1992 - nil).

Notes to Consolidated Financial Statements

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (tabular amounts only in thousands of dollars)

5. **Loans receivable:**

	1993	1992
Loan receivable, interest at prime, less 1/4%, maturing August 6, 1996	$ 1,328	$ 1,771
Non-interest bearing loans receivable from companies which are related by virtue of common management due on demand but not expected to be repaid prior to October 29, 1994	1,611	1,267
	2,939	3,038
Principal included in current assets	443	372
	$ 2,496	$ 2,666

6. **Debentures and loans:**

	1993	1992
Loans payable, interest at 9.25% to 11.95%, maturing at dates from October, 1994 to January, 1998	$ 26,669	$ 27,378
8.56% Sinking fund debentures, maturing September 15, 2003	20,000	–
Bank term loans, interest at bank prime rate, repayable in semi-annual principal instalments maturing August 1997 to November 2000	9,400	5,306
12.3% Sinking fund debentures, maturing August 15, 1995	5,900	7,200
11% and 11.19% Mortgages payable, maturing July 1994 and July 1996	4,037	–
10.75% Sinking fund debentures, maturing February 1, 1997	–	4,050
Other	992	1,908
	66,998	45,842
Principal included in current liabilities	7,484	3,671
	59,514	$ 42,171
Interest for the year	5,885	$ 4,889

Principal due within each of the next five years is as follows:

1994	$ 7,484
1995	6,918
1996	14,594
1997	6,262
1998	13,324

The sinking fund debentures are secured by specific charges on certain assets of the Corporation.

A trust indenture securing the sinking fund debentures contains certain covenants, some of which limit the creation of additional debentures and the entering into of long-term leases, and restrict the use of proceeds from the sale of a substantial part of the Corporation's property, plant and equipment. The Corporation has undertaken not to declare or pay dividends or otherwise make changes in its capital which would have the effect of reducing the Corporation's equity below $70,000,000. In addition, the Corporation is required to maintain certain other financial ratios.

Bank term loans, mortgages payable, and certain bank advances are secured by an assignment of accounts receivable and inventories of certain subsidiary companies as well as fixed and floating charges covering all assets of the subsidiaries.

Loans payable of $3,700,000 are secured by a fixed charge debenture in the amount of $3,500,000 covering property and plant of a subsidiary company and a general security agreement covering all assets of the subsidiary.

Notes to Consolidated Financial Statements

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (tabular amounts only in thousands of dollars)

7. Capital stock:

	1993	1992
Authorized:		
10,802,000 Class A non-voting shares		
747,254 Common shares		
Issued:		
5,134,044 Class A shares (1992 - 4,837,444)	**$ 15,818**	$ 11,295
747,254 Common shares	**234**	234
	$ 16,052	$ 11,529

On August 11, 1992, the Class A and Common shares were split on a two-for-one basis.

(a) Share attributes:

The holders of the Class A shares are entitled to a 12¢ preferential cumulative annual dividend and equal participation with the holders of Common shares in annual dividends thereafter and in any distribution of assets of the Corporation to its shareholders.

The Class A shares are restricted shares in that they are generally non-voting and only vote in very limited circumstances on matters respecting the attributes of the class itself, or in relation to the Common shares where class approval is specifically required.

A "coat-tail" provision has been attached to the Class A shares which is designed to ensure that all holders of the Class A shares have an equal opportunity to participate with the holders of the Common shares in any premium paid on a take-over bid.

(b) Stock Option Plan:

The Stock Option Plan was established by resolution of the Board of Directors on October 16, 1992. As at November 1 1992, 113,400 Class A shares were reserved for issue under the terms of the plan. 113,400 options to purchase Class A shares were granted at the market price on the date of the grant. These options may be exercised for cash as follows:

Number	**Price**	**Exercise date**	**Expiry date**
37,800	$14.75	November 1, 1995	October 31, 2002
37,800	$14.75	November 1, 1996	October 31, 2002
37,800	$14.75	November 1, 1997	October 31, 2002

The outstanding options do not have a material dilutive effect on earnings per share.

8. Income taxes:

The Corporation's effective income tax rate on earnings is made up as follows:

	1993	1992	1991
	%	%	%
Combined basic Canadian federal and provincial rate	**44.3**	44.3	44.3
Adjustment in income tax rate resulting from:			
Manufacturing and processing deduction	**(7.7)**	(6.0)	(5.3)
Non-deductible expenses	**4.5**	2.2	2.9
Large corporations tax in excess of federal surtax	**2.2**	–	–
Utilization of subsidiaries' loss carry forward	**(6.6)**	–	–
Other	**(1.8)**	1.6	2.0
Effective income tax rate	**34.9**	42.1	43.9

Notes to Consolidated Financial Statements

Years ended October 30, 1993, October 31, 1992 and October 26, 1991 (tabular amounts only in thousands of dollars)

9. Pension plans:

The Corporation maintains defined benefit pension plans which provide pension benefits for most employees based on years of service and contributions. The comparison of benefit obligations with assets of the pension plans is as follows:

	1993	1992
Pension plan assets at market value	**$140,998**	$121,247
Estimated present value of pension plan obligations	**151,594**	132,167

10. Commitments:

The following is a schedule of future rental payments required under operating leases as of the year end:

1994	$ 3,993
1995	2,033
1996	1,960
1997	956
1998	692
Later years	1,124
	$ 10,758

11. Segmented information:

The Corporation's principal business activity is the processing and distribution of meat and related food products. All of the Corporation's operations, employees and assets are located in Canada.

Sales to customers in foreign countries amounted to $69,426,000 in 1993 (1992–$54,894,000, 1991–$47,520,000).

12. Other information:

(a) The Corporation is incorporated under the laws of Ontario.

(b) Depreciation and amortization are as follows:

	1993	1992	1991
Depreciation	**$ 13,050**	$ 10,510	$ 9,179
Amortization	**576**	258	240

(c) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

Ten Year Statistical Review

(in thousands of dollars except where noted)

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
Operations:										
Sales	**$727,487**	649,877	630,966	627,797	619,168	597,932	683,934	648,468	648,598	645,558
Depreciation and amortization	**13,626**	10,768	9,419	9,661	8,195	7,543	6,688	6,458	7,072	5,960
Salaries, wages and employee benefits	**160,361**	143,096	132,612	132,688	134,549	122,372	121,780	117,129	126,791	128,316
Interest expense	**7,138**	6,086	6,951	7,910	4,861	4,182	4,774	4,285	5,303	4,502
Income taxes (recovery)	**4,471**	4,587	3,971	(234)	516	1,790	4,502	883	832	4,245
Earnings (loss) before extraordinary items	**7,688**	6,279	5,064	(1,677)	20	2,007	5,612	1,102	2,009	5,766
Earnings (loss) before extraordinary items as a percent of sales	**1.06**	0.97	0.80	(0.27)	0.00	0.34	0.82	0.17	0.31	0.89
Net earnings (loss)	**7,688**	6,279	5,064	(1,677)	20	2,007	5,612	1,102	(2,036)	5,766
Net earnings (loss) as a percent of sales	**1.06**	0.97	0.80	(0.27)	0.00	0.34	0.82	0.17	(0.31)	0.89
Cash flow:										
Cash from operations	**20,157**	15,445	12,285	8,327	8,291	11,160	16,484	5,357	8,053	11,067
Property, plant and equipment expenditures	**12,931**	5,685	5,475	15,952	16,722	10,249	8,001	5,072	6,983	5,254
Dividends paid	**1,588**	1,312	1,202	1,182	1,167	1,167	1,167	1,167	1,167	1,167
Financial position:										
Working capital	**30,171**	26,670	20,751	12,568	19,782	23,219	25,604	21,995	22,786	24,336
Working capital ratio	**1.49**	1.54	1.38	1.19	1.28	1.43	1.45	1.42	1.41	1.49
Total assets	**214,086**	171,561	175,466	166,520	171,749	144,338	146,942	137,245	143,814	136,811
Long-term debt	**59,514**	42,171	44,900	30,490	30,251	17,350	19,538	23,063	24,999	19,259
Shareholders' equity, end of year	**82,536**	71,913	66,946	61,223	62,853	64,000	63,160	58,715	58,780	61,983
Percent return on equity, beginning of year	**10.69**	9.38	8.27	(2.67)	0.03	3.18	9.56	1.87	(3.28)	10.05
Per share statistics, in dollars:										
Earnings (loss) before extraordinary items	**1.31**	1.12	0.93	(0.31)	0.01	0.38	1.06	0.21	0.38	1.09
Net earnings (loss)	**1.31**	1.12	0.93	(0.31)	0.01	0.38	1.06	0.21	(0.39)	1.09
Dividends paid	**0.27**	0.23	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Equity, end of year	**14.03**	12.88	11.99	11.28	11.86	12.07	11.92	11.08	11.09	11.69

Per share data reflect a two-for-one stock split effective August 1992.

Directors

John M. Cassaday
Toronto, Ontario
President and
Chief Executive Officer
CTV Television Network Ltd.

Douglas W. Dodds, FCMA
Waterloo, Ontario
President and
Chief Executive Officer

Anne C. Fontana, P.Eng.
Stratford, Ontario
Manufacturing Resources
Planning Manager
J.M. Schneider Inc.

Gerald A. Hooper, C.A.
Waterloo, Ontario
Vice President and
Chief Financial Officer

Gordon A. Mackay, Q.C.
Kitchener, Ontario
Counsel
Gowling, Strathy
& Henderson

Frederick D. Morash, FCMA
Charlottetown, PEI
President and
Chief Executive Officer
The Island Telephone
Company Limited

Brian J. Ruby, C.A.
Kitchener, Ontario
President
Krug Furniture Inc.

Frederick P. Schneider
Waterloo, Ontario
Vice Chairman

Herbert J. Schneider
Waterloo, Ontario
Chairman

Hugh W. Sloan
Birmingham, Michigan
President, Automotive Group
The Woodbridge Group

Daniel F. Sullivan
Toronto, Ontario
Deputy Chairman
ScotiaMcLeod Inc.

Committees of the Board

Executive Committee
D. W. Dodds*
B. J. Ruby
F. P. Schneider
H. J. Schneider
H. W. Sloan

Audit Committee
B. J. Ruby*
G. A. Mackay
F. D. Morash

Compensation & Human Resources Committee
H. J. Schneider*
J. M. Cassaday
G. A. Mackay
F. D. Morash
B. J. Ruby
F. P. Schneider
H. W. Sloan
D. F. Sullivan

Nominating Committee
H. J. Schneider*
D. W. Dodds
B. J. Ruby

Pension Fund Investment Committee
G. A. Hooper*
J. M. Cassaday
D. W. Dodds
A. C. Fontana
D. F. Sullivan

* *Chairman*

Shareholder Information

Corporate Head Office
Schneider Corporation
321 Courtland Avenue East
Kitchener, Ontario N2G 3X8

Annual Meeting
Thursday, February 17, 1994
7:30 p.m. in the Ballroom
of the Valhalla Inn,
Kitchener, Ontario

Proposed Dividend Dates
Payable April 15, 1994, July 15, 1994, October 15, 1994, and January 15, 1995

Record:
(Closest trading day preceding 21 days before payment date) March 24, 1994, June 23, 1994, September 23, 1994 and December 22, 1994

Corporate Donations
The Corporation is a supporter of the Imagine Corporate Program. "Imagine" encourages Canadian business to invest in improving the quality of life in the communities in which we operate. Our Corporation follows the Imagine guideline of making charitable donations of one per cent of earnings before income taxes based on the average three preceding years.

Registrar and Transfer Agent
The R-M Trust Company
Toronto, Ontario

Shareholder Inquiries
1-800-387-0825 or
(416) 813-4600

Shares Listed
The Toronto Stock Exchange
- Common - SCD
- Class A - SCD.A

Investor Relations
Inquiries about information for shareholders or corporate policy should be directed to the Corporate Head Office to the attention of the Secretary.

Auditors
Peat Marwick Thorne

Fiscal Quarter Endings:
1st Quarter: February 19, 1994
containing 16 weeks
2nd Quarter: May 14, 1994
containing 12 weeks
3rd Quarter: August 6, 1994
containing 12 weeks
4th Quarter: October 29, 1994
containing 12 weeks

Corporate Directory

Corporate Officers:

Herbert J. Schneider
Chairman

Frederick P. Schneider
Vice Chairman

Douglas W. Dodds, FCMA
President and
Chief Executive Officer

Gerald A. Hooper, C.A.
Vice President and
Chief Financial Officer

Eric N. Schneider
Vice President, Secretary
and General Counsel

David E. George, C.A.
Treasurer

Gordon A. Mackay, Q.C.
Assistant Secretary

SUBSIDIARY COMPANIES

J.M. SCHNEIDER INC.

Meat processing: Kitchener, Ontario and Winnipeg, Manitoba
Cheese processing: Millbank and Winchester, Ontario

Operating Officers:

Douglas W. Dodds, FCMA
President and
Chief Executive Officer

Gerald A. Hooper, C.A.
Vice President and
Chief Financial Officer

John A. Howard
Group Vice President

Paul E. Lang
Group Vice President

John E. Lauer
Group Vice President

Eric N. Schneider
Vice President, Secretary
and General Counsel

David E. George, C.A.
Treasurer

Mark A. Hanley, CGA
Controller

MOTHER JACKSON'S OPEN KITCHENS LIMITED

Baked goods: Port Perry, Ontario

Operating Officers:

Thomas H. Jermyn
President

David K. Jackson
Vice President and
General Manager

Terry J. Smith, C.A.
Controller

CHARCUTERIE ROY INC.

Baked goods and specialty meat products: St. Anselme, Quebec

Operating Officers:

Jean-Guy Roy
Vice President and
General Manager

Reneaud Cantin, C.A.
Controller

HORIZON POULTRY PRODUCTS INC.

Poultry operations: Hanover, Ayr and St. Mary's, Ontario

Operating Officers:

Henry J. Lansink
President

Gerald S. Fischer, CMA
Chief Financial Officer

Lorraine H. Arnett
Controller

FLEETWOOD SAUSAGE LTD.

Specialty European delicatessen meat products: Surrey, B.C.

Operating Officers:

Stephen G. Parkhill
General Manager

Jeffrey O. Joynes, C.A.
Controller

JOINT VENTURE COMPANY (50% owned)

NATIONAL MEATS INC.

Meat processing: Toronto, Ontario

Operating Officers:

Ronald R. Fleury
President and
General Manager

Daniel R. McCourt, C.A.
Controller

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Canada-based vegetable oil inks.