SCHNEIDER CORPORATION

Continuous Improvement

J.M. SCHNEIDER INC.

HORIZON POULTRY PRODUCTS INC.

CHARCUTERIE ROY INC.

MOTHER JACKSON'S
OPEN KITCHENS LIMITED

NATIONAL MEATS INC.

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 3,300 employees manufacturing and selling a wide variety of meat, poultry, cheese and baked goods products. These products are sold throughout Canada, and to the United States, Japan and other foreign markets.

The majority of the Corporation's meat processing is done through its subsidiary, J.M. Schneider Inc. which operates plants in Winnipeg, Manitoba, and Kitchener, Ontario. Meat products are also manufactured by a joint venture company, National Meats Inc. in Toronto, Ontario. Subsequent to the 1992 fiscal year end, the Corporation acquired Fleetwood Sausage Ltd. which manufactures specialty meat products in Surrey, B.C.

Cheese products are manufactured at J.M. Schneider Inc. processing plants in Millbank and Winchester, Ontario.

The Corporation has a 50% joint venture interest in Horizon Poultry Products Inc. Operations include a major hatchery in Hanover, Ontario, and manufacturing and processing facilities in Paris, Ayr and Kitchener, Ontario.

Mother Jackson's Open Kitchens Limited, also a subsidiary of the Corporation, manufactures a variety of baked goods products at its facility in Port Perry, Ontario. Charcuterie Roy Inc. of St-Anselme, Quebec, manufactures baked goods and meat products.

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

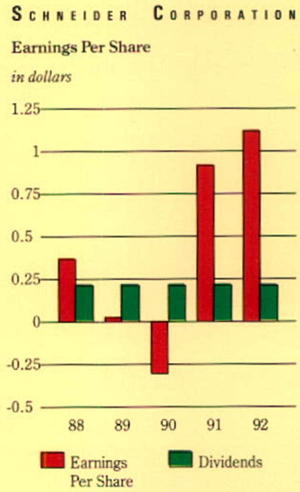
In 1992, Schneider Corporation had sales of $649,877,000 and assets of $171,561,000. The Corporation's most valuable asset is its reputation for providing consumers with the finest quality food products available in the marketplace.

SCHEDULE OF FINANCIAL HIGHLIGHTS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990 (in thousands of dollars, except per share amounts)

	1992	1991	1990
Operating results:			
Sales	**$649,877**	$630,966	$627,797
Net earnings (loss)	**6,279**	5,064	(1,677)
Financial position:			
Working capital	**26,670**	20,751	12,568
Total assets	**171,561**	175,466	166,520
Long-term debt	**42,171**	44,900	30,490
Shareholders' equity	**71,913**	66,946	61,223
Per share (dollars):			
Net earnings (loss):			
First quarter	**.35**	.10	(.30)
Second quarter	**.23**	.15	.22
Third quarter	**.37**	.38	(.10)
Fourth quarter	**.17**	.30	(.13)
	1.12	.93	(.31)
Dividends paid	**.23**	.22	.22
Shareholders' equity, end of year	**12.88**	11.99	11.28
Key ratios:			
Return on sales	**.97%**	.80%	(.27)%
Return on opening shareholders' equity	**9.38%**	8.27%	(2.67)%
Current ratio	**1.54:1**	1.38:1	1.19:1
Debt to equity ratio*	**.60:1**	.74:1	.87:1
Long-term debt to equity ratio	**.59:1**	.67:1	.50:1

* 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.



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

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THIS CHANGE HAS PLAYED A LARGE PART IN HELPING THE CORPORATION KEEP COSTS IN LINE

In many ways, 1992 was a year of Continuous Improvement for the Corporation. Net earnings were $6,279,000, an increase of 24% over fiscal 1991 earnings of $5,064,000. Earnings per share were $1.12 compared to $.93 the previous year. (Earnings per share figures reflect a two-for-one stock split effective August 11, 1992.) Sales for the year were $649,877,000, an increase of 3% over fiscal 1991 sales of $630,966,000. These results were achieved despite sustained overcapacity in the industry, the recession, and unfavourable weather during our strongest selling season.

We credit our Continuous Improvement and strong showing in 1992 to:

- *our ability to manage and offset the conditions that have threatened our industry, including exposure to commodity markets, changing consumer preferences, and a regulatory system which has not been market responsive;*
- *our efforts to diversify our business and discontinue unprofitable areas of operations;*
- *our sustained and successful efforts to control and reduce costs;*
- *a stronger balance sheet and substantially lower interest costs as a result of our initiatives to retire debt.*

Diversity and Strength

Our 1992 results reflect the first full year of operations of Charcuterie Roy Inc. and the increased investment in Mother Jackson's Open Kitchens Limited. Both of these subsidiaries improved their contribution to the Corporation's operating earnings.

Similarly, National Meats Inc., our joint venture with Maple Leaf Foods Inc., met our expectation as a valuable supplier to the Corporation.

Subsequent to the year end, the Corporation acquired 100% of Fleetwood Sausage Ltd. of Surrey, British Columbia. Fleetwood manufactures and markets a wide range of processed meat products and provides the Corporation with geographic and product line diversification and a manufacturing presence in the important market of western Canada.

To strengthen our position in the poultry industry we have entered into an agreement to purchase a majority interest in Schneider Horizon Inc., increasing our equity investment to 75%. This increase in investment is a reflection of our commitment to pursue new business growth in poultry. Our strategy to build strength through diversity is not simply to acquire companies in related sectors of the food industry but also to continually assess all aspects of existing operations. Such assessments indicated that over the long term we would not be able to stay competitive in the production of lard and shortening, and as a result, we are in the process of discontinuing these operations.

Based on the same measures and in particular, changes in the marketplace and operating changes in both companies, it was decided to forego a possible distribution arrangement with Maple Leaf Foods Inc.

Continuous Improvement and Efficiency

In 1992, we extended our efforts to integrate the principles of Continuous Improvement into our corporate culture in all aspects of our operations. Through Continuous Improvement, Schneider Corporation has been able to involve and empower employees to a point where it is becoming the way we do business. This change in our approach to management and decision making has played a large part in helping the Corporation keep costs in line during difficult economic times and in an extremely competitive market.

The Industry Environment

Although we have been able to accomplish a great deal by managing our operations more effectively, it would be naive to overlook the larger regulatory and economic environment in which we must operate. There remains the problem of overcapacity throughout the manufacturing and retail levels of our industry. We are confident that market forces will eventually resolve this imbalance but we do not see any dramatic change in the near term.

On the poultry side of our business, government quota systems and supply management programs regulate various sectors. Some serve the industry well, while others are deficient in that they reward one sector of the industry at the expense of another. The Corporation remains committed to work with all participants in developing a more market responsive environment which will benefit all sectors of the business.

Stronger Balance Sheet and Less Debt

The Corporation's balance sheet is stronger than it has been in a number of years and it reflects the Continuous Improvement we have made in managing all areas of our business. During 1992, the Corporation reduced its debt to 60% of equity and retired virtually all of its short term debt. It is worth noting that the Corporation's sales increase of 3% was accomplished within a market and an industry that remained flat throughout the year. Although sales growth was significant, our ability to generate savings internally through careful management and Continuous Improvement was the primary difference in our improved balance sheet.

We would like to report changes to our Board of Directors. At our 1992 Annual Shareholders' meeting, Mr. Walter Hachborn retired from the Board and Mr. Daniel F. Sullivan was elected. Later in the year we accepted with regret the resignation of Mr. Brian Segal. Mr. Hachborn and Mr. Segal had been board members for several years and made valuable contributions during their respective tenures. Also at the Annual Meeting, Mr. Herbert J. Schneider was appointed Chairman of the Board, while his cousin and former Chairman, Mr. Frederick P. Schneider, was appointed Vice Chairman. The presence and participation of both gentlemen represent the Schneider family's active interest in the business.

Following the operational review of the Corporation in this Report is a summary of some of the highlights of our Continuous Improvement journey. On behalf of the Board of Directors, we wish to thank and congratulate the hundreds of employees who have embraced the principles and practices of Continuous Improvement and by doing so have been crucial to the Corporation's success.

Douglas W. Dodds
President and Chief Executive Officer

Herbert J. Schneider
Chairman of the Board

WE CANNOT LOSE SIGHT OF OUR FUNDAMENTAL OBJECTIVE OF BEING THE LOW COST PRODUCER

Operations

Our operating emphasis in fiscal 1992 was Continuous Improvement (CI). Everything – from day to day operations to the Corporation's approach to organization – was drawn into the process and shaped by its principles. The way in which changes were made – the spirit and cooperation that marked each improvement – can be attributed directly to CI which seeks to empower employees and make them part of the decision making process. There is little doubt that the Corporation's employees have "taken ownership" of the processes for which they are responsible. By giving employees more authority and responsibility, forming problem solving teams, and using other proven CI techniques, the Corporation benefited in many areas of its operations.

In our Suggestion Program, employees submitted over 5,200 suggestions and cash awards of $566,000 were paid out. Most gratifying was the increase in team awards in 1992. Because of the nature of the industry in which we participate, the Corporation will always face stiff competition from regional producers with lower overheads and proximity to local markets. Therefore, we cannot lose sight of our fundamental objective of being the low cost producer while adhering to our high quality specifications. Over the past few years, the need to reduce costs has driven operations and with the continuing overcapacity in the industry and consequent pressure on margins, that trend will most likely continue.

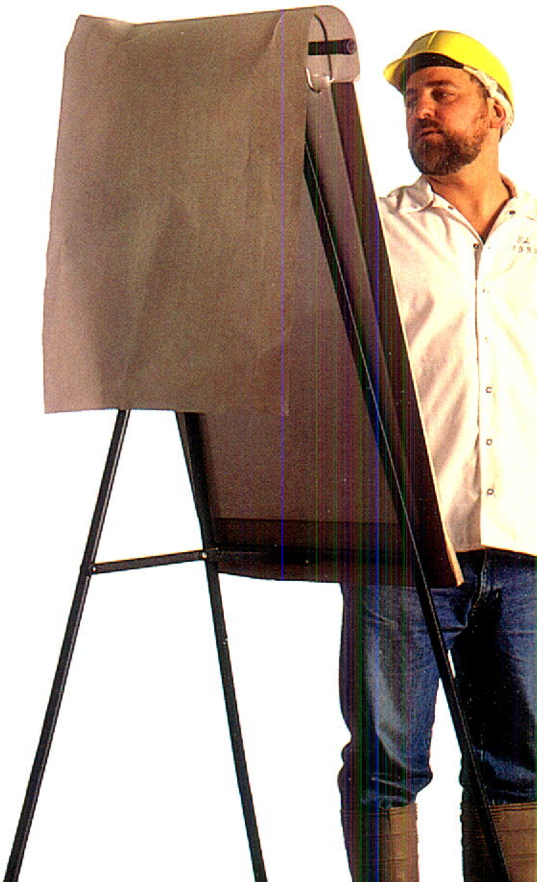
Sales and Marketing

Throughout 1992, the marketplace continued to suffer from the lingering effects of the recession and the ongoing shift in consumer eating patterns. Demand was also adversely affected by poor summer weather in many major markets. Despite these conditions, the Corporation achieved a 3% increase in sales and increased its market share in some categories.

Our ability to remain competitive and increase market share in this environment is a result of our richly earned reputation for quality, our strong distribution network and presence, and our ability to concentrate on managing – rather than reacting to – change.

Processed Meat

To respond to change in consumer demand, Schneiders continued to expand its Lifestyle line, adding ten new products in 1992. Our experience shows that consumers are unwilling to sacrifice taste for foods that offer health benefits only. Our recognition of these two consumer needs has been the guiding principle behind the continuing development and success of all Lifestyle products.



From left to right: Ed Hammer at flip chart, Poldi Tuka, Mike Brazeau, Linda Becker, Bill Szasz and Ben Cook.

New packaging for Lifestyle – a white label, clear film, a larger logo – reflects both quality and health and builds a stronger association between Lifestyle products and the Schneiders Dutch Girl, which has always represented quality.

The Corporation's capacity for product research and development, its ability to respond quickly to product trends, and its initiatives to be the low cost producer has positioned us to prosper in recession-sensitive markets. Both foodservice and private label businesses rely heavily on a close working relationship with customers and an ability to develop and tailor products to meet clients' distinct needs. Both of these areas will continue to grow and provide new business opportunities for the Corporation in the future.

Poultry

During 1992, we concentrated on increasing throughput and efficiency of our production plants and continued the development of new value added convenience products designed to meet the needs of the consumer of the nineties. Poultry consumption held steady as consumers became more selective in favour of products that are convenient and easy to prepare. The Corporation recognizes that growth in this market will be dependent on the ability to develop and offer products the way consumers want them. With our well developed research and development skills and marketing network, this trend presents an opportunity for Schneider Corporation to strengthen its position in this market of the future.

Baked Goods

All of the Corporation's baked goods are produced by either Mother Jackson's Open Kitchens Limited or Charcuterie Roy Inc. The former underwent a major capital expansion in 1991 which added significantly to its overall capacity. In 1992, its first full year of operations, Mother Jackson's exceeded all of its operating targets.

During the past year, Charcuterie Roy Inc. began to make its presence felt outside Quebec. For the first time, Roy products were sold in significant quantities in other parts of the country. This trend will continue as Charcuterie Roy continues its ambitious program of new product development and geographic expansion.

As it is now constituted, Schneider Corporation is considerably stronger than it was a few short years ago. During 1993, we will continue to pursue the strategies that have repositioned and strengthened the Corporation and allowed us to stay competitive even in difficult economic times. We will continue to work closely with our new subsidiaries looking carefully for opportunities to consolidate our strengths and rationalize our weaknesses. We believe the Corporation now has the fiscal strength and focus to take advantage of opportunities as they arise.

In the late 1980's, Schneider Corporation realized that, in order to stay competitive, it had to become one of the most cost effective manufacturers in the industry.

As an agent of change, the Corporation introduced Continuous Improvement (CI), a process which involves goal setting, collective problem solving and skills development training for employees at all levels. CI is an attitude toward work. It represents a profound shift in corporate thinking that opens channels of communication, reassigns responsibilities, identifies accountabilities and inspires confidence through an employee empowerment process.

Over the past two years, employees have worked together to redefine how business is done and to identify projects that could lead to improvements. The proposed projects are reviewed by the Approval Team – a group that includes senior representatives from virtually every area of

EMPLOYEES HAVE WORKED TOGETHER TO REDEFINE HOW BUSINESS IS DONE

Standing left to right: Don Fancourt, Bob Tiffin, Steve Parkhill, Brian Keller, Jim Kearns, Bill Kreutzweiser, Bruce Cowper, John Haupert, Dale Maksymyk, Frank Dingethal, Doug Gingrich.

Seated left to right: John Schneider, Jim Gordon, Wayne Short, Charlie Losier, David (Jack) George, Dean Evans, Rich Mondoux, Mark Hanley.

On right, presenting to Approval Team: Jeff Lanteigne.

production, sales, marketing, finance, human resources and administration. The Approval Team prioritizes and assigns resources to projects, monitors progress, and assists in removing obstacles to achieving the desired results. In this way, solutions are found and problems solved by people working together at every level of the organization – people who have a say in the solution and a stake in the outcome.

CI is not a one-time or time limited program. It has become the way the Corporation thinks and operates – "a way of life". The following pages tell a small part of the CI story, and show how it is working in the Corporation's processes, how it affects our training efforts, and its impact on the environment.

Processes

CI practices are being introduced throughout the Corporation. Within the plants, the workforce is reorganized into teams responsible for the entire manufacturing process for a product. Within these focused teams, employees can relate to the process, identify the root causes of problems, understand why change is necessary, and play an active and recognized role in improving operations.

The Corporation provides the CI "tools" and training, while employees contribute their day-to-day knowledge and expertise.

Product teams are given the definition of a "quality" product and its tolerances. Their primary responsibility is to forward #1 quality product to the next stage in the process. Employees have responded with great interest and commitment. In 1991, there was a 33% reduction in the amount of #2 product produced; in 1992, #2 product dropped another 41%.

Successful Projects

Within the plant, CI has been particularly effective helping to reduce production plan changes and in ensuring correct order picking.

To help improve overall plant decision making, the Corporation moved to a system of Activity Based Costing. This system allows us to determine accurate production costs and the costs of activities which do not add value to products. From this information significant modifications have been made to processes to eliminate non-value adding activity and reduce costs.

Training

Because CI is an ongoing journey, not a one-time quick fix, it must be maintained with significant training and information. When it first introduced the concept, the Corporation provided extensive training at all levels, and it is now at the stage where employees familiar with, and committed to, the principles train their peers.

Skills development training is ongoing, teaching all of us how to be effective members in this new team environment. Many employees are receiving training on approaches to problem solving, statistical process control, cost benefit analysis, identification and elimination of waste and non-value added activity, and how to hold effective meetings. We are starting to understand the strong linkage between

From left to right:
Bruce Hundt,
Brad Lawton,
Bev Moore

skills training and successfully empowering employees. We are totally convinced that this CI journey entails a continuous training journey as well.

The Environment

At Schneider Corporation, CI has been good for business, but it has also been good for the environment.

As part of CI, employees were asked to find ways to conserve water and hydro and ways to create less waste. They responded enthusiastically by forming teams from various areas of the operations. Each team had a leader to coordinate the project, and each team set its own new goals and targets.

The "greening" of Schneiders is well under way. By creating awareness and making many small changes to processes and equipment – such as changing the nozzles in our smokehouses – the employees' efforts reduced water consumption 37% from 471 million gallons in 1989 to 308 million gallons in 1992. They also reduced the amount of solid waste going to landfill 45% in the same time period. In both cases, these reductions led to substantial cost avoidance.

The Corporation has embarked on an electrical energy conservation program which includes converting to new electrical motor technology and energy efficient lighting and revising operating procedures and controls to reduce energy consumption.

Beyond saving money, protecting the environment strikes a cord in everyone. So, while it is rewarding to save energy costs, it is equally gratifying to have our conservation efforts recognized by everyone from the local kindergarten class and the Chamber of Commerce to the federal Secretary of State for the Environment.

Motivation

The biggest challenge with CI is keeping the momentum going. Fortunately, keeping it alive is an integral part of the journey. For instance, CI calls for us to be more competitive on domestic, North American and world class scales. To learn what this really means, employees, on their own time and of their own initiative, are studying videos of other companies that are considered outstanding.

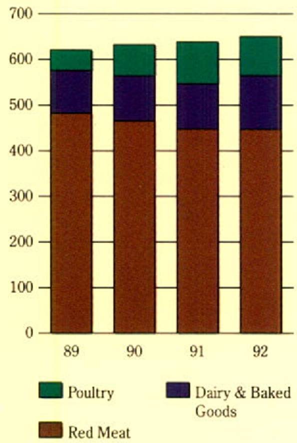
Probably the greatest motivating factor we have found for sustained momentum is achievement itself. Every CI success story builds on itself and inspires the desire to achieve higher levels of accomplishment among others.

CI has helped bring about a cultural change in the organization which depends on cooperation and understanding among all who have its interests at heart.

SCHNEIDER CORPORATION

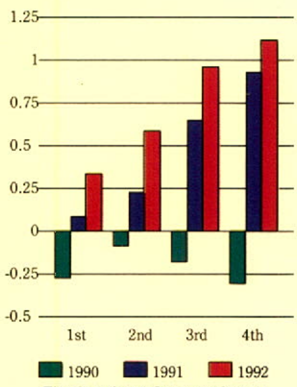
Sales

in millions of dollars



Cumulative Quarterly Results
Earnings Per Share

in dollars



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

Results of Operations

Sales for the year were $649,877,000 compared to $630,966,000 in 1991. Total sales increased by 3.0% in 1992, led by increases in the baked goods and poultry divisions. Baked goods sales increased by 13.7% reflecting the first full year of operations of Charcuterie Roy Inc. since its acquisition on August 2, 1991, and the full consolidation of results of Mother Jackson's Open Kitchens Limited since the acquisition of an additional 22% interest in that company on August 31,1991. Prior to August 31, 1991, results of operations of Mother Jackson's Open Kitchens Limited were accounted for as a 50% joint venture and proportionately consolidated. Poultry sales increased 5.1% primarily reflecting the addition of several new lines of value added poultry-based processed products. Although sales of red meat in dollars were relatively flat, volume increased by 4.7%. Lower selling prices reflected both intense competition for market share and lower raw material costs.

Gross margins increased by 0.9% overall, reflecting the higher return on the increased baked goods sales which traditionally achieve higher margins than red meat sales. The Corporation met its objectives for manufacturing efficiency improvements through Continuous Improvement (CI) and other cost reduction measures; however, these savings were returned to the marketplace through lower selling prices necessary to remain competitive.

Selling, marketing and administrative expenses increased by $5,212,000 due largely to the full consolidation of Charcuterie Roy Inc. and Mother Jackson's Open Kitchens Limited in 1992. These expenses increased by less than 1% for all continuing operations, an indication of the strict cost containment achieved in all operating companies within the group.

Earnings from operations were $16,952,000 compared to $15,986,000 in 1991, an increase of 6.0%. This increase is solely attributable to the acquisition of Charcuterie Roy Inc. and the substantial improvement in operations at Mother Jackson's Open Kitchens Limited. This was the first full year of operations at Mother Jackson's Open Kitchens Limited since the completion of the major plant expansion and equipment modernization. Earnings from operations in the red meat and white meat businesses were unchanged year over year. Interest expense for the year decreased by $865,000 to $6,086,000. This was achieved by reducing current bank borrowings steadily during the year to an amount of $723,000 at year end.

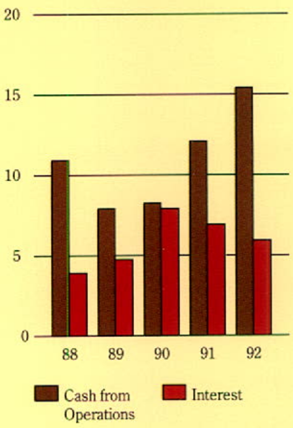
Net earnings for 1992 amounted to $6,279,000 or $1.12 per share compared to $5,064,000 or $ .93 per share in 1991. All per share data reflect the two-for-one split of common and Class A shares on August 11, 1992. First quarter earnings of $ .35 per share were very strong on a historical comparison. In the first quarter, J. M. Schneider Inc. performed well due to lower raw material costs. Results in the third and fourth quarters were adversely affected by the inclement summer weather across most of Canada during the seasonal peak for processed meat sales.

Our proportionate share of losses from our joint venture companies amounted to $831,000 compared to losses of $1,078,000 in 1991. Our poultry joint venture company, Schneider Horizon Inc., continued to perform unsatisfactorily. While we were encouraged by our progress in marketing value added poultry products, the overall performance of this business was overshadowed by significant losses in selling fresh poultry.

SCHNEIDER CORPORATION

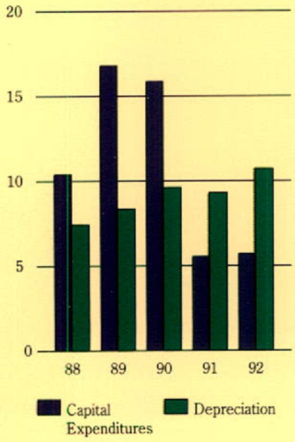
Cash from Operations & Interest

in millions of dollars



Capital Expenditures & Depreciation

in millions of dollars



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. In order to reduce costs, the Corporation has introduced a CI process. Due to the success of this process, cost increases in 1992 were held below the rate of inflation, and management is confident that cost increases in 1993 will again be held below the rate of inflation.

Financial Position

Current bank advances decreased significantly to $723,000 from $4,894,000 at the end of the previous year. Cash of $15,445,000 was provided from operations compared to $12,285,000 in the prior year. Additions to plant and equipment of $5,685,000 were funded from cash provided by operating activities. Scheduled reductions in debentures and loans of $5,285,000 and dividends of $1,312,000 were also paid from cash provided by operating activities. The Corporation intends to fund principal repayments due in 1993 on debentures and loans from cash generated from operating activities.

Interest coverage (cash generated from operations divided by total interest) improved to 2.5 times from 1.8, putting the company in a strong position to obtain future financing.

Subsequent to the year end, the Corporation acquired 100% of Fleetwood Sausage Ltd. and a further 25% interest in Schneider Horizon Inc. at a cost of $14,200,000. The consideration will be paid $9,677,000 in cash, which the Corporation intends to finance with five year term debt taking advantage of the historically low current five year rates, and $4,523,000 with the issue of 296,600 Class A shares issued from treasury at $15.25 per share.

The Corporation's current ratio improved from 1.38:1 to 1.54:1, and the total debt to equity ratio improved from .74:1 to .60:1 due to improved cash generated from operations and the modest capital expenditure program. With the acquisitions of Fleetwood Sausage Ltd. and additional equity in Schneider Horizon Inc., these ratios are expected to decline to approximately 1.25:1 and .70:1 respectively in 1993. Improvement is again expected in 1994 as these companies begin to generate cash from operations.

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 subsidiary companies and a joint venture company. The Corporation continues to operate well within all performance covenants of its bank advances, loans and debentures.

Capital Expenditures

Capital expenditures of $5,685,000 in 1992 were comparable to 1991. This amount was expended mainly for the replacement of worn equipment. All operating companies are utilizing current technology, and this has enabled management to limit the amount of capital expenditures in order to use cash generated from operations to reduce the Corporation's debt load. The Board of Directors has approved a capital budget of $7,564,000 for 1993.

The Corporation ended talks with Maple Leaf Foods Inc. aimed at forming a national distribution joint venture. This action was taken as a result of a number of changes in the marketplace and operating changes in both companies. Management will continue to pursue opportunities to maximize distribution efficiencies through internal improvement, and no capital expenditure has been budgeted for distribution facilities in 1993.

Strategies and Risks

Fiscal 1992 was a year of many accomplishments for Schneider Corporation. Net earnings increased by 24% over 1991. We improved our management effectiveness by enhancing information systems, implementing Control Self-Assessment, and continuing to expand our CI style of management. These results are gratifying in that the Canadian economic environment has been particularly difficult, and the recovery from recession has been slow.

The foodservice industry has been particularly hurt by the current recession, and we see little improvement for 1993 in this important sector of our business.

We are experiencing changing markets with the consumption of red meats continuing to decline as consumers shift their preferences to white meat and protein substitutes. The retail market continues to concentrate its power, making direct access to the consumer more difficult. This has resulted in more dollars having to be spent with the trade to promote our products to the detriment of consumer marketing programs. Trade spending is offsetting the savings achieved through CI in productivity and yield gains.

Food processing is characterized by rapid inventory turnover, constantly changing raw material costs and variability of supply. In the current economic environment, cost increases in raw materials cannot be passed on to the customer because of intense competition. In supply-regulated materials such as eggs, poultry and cheese, supply and cost are not responsive to market conditions.

Our strategies and action plans for 1993 are similar to 1992 in that we will be pursuing growth through product line and geographic diversification, continuing to enhance the effectiveness of our employees, and working toward our goal of being a low cost producer within our high quality specifications.

In August, 1991, the Corporation acquired Charcuterie Roy Inc. of St-Anselme, Quebec. Our strategy was twofold: to use the excellent reputation and knowledge of Charcuterie Roy Inc. to expand our market base in Quebec, and to use J. M. Schneider Inc.'s national distribution network to market Roy products more widely. This strategy has yielded results equal to our expectations. Subsequent to the year end, the Corporation acquired 100% of Fleetwood Sausage Ltd. of Surrey, British Columbia. Fleetwood manufactures and markets a wide range of delicatessen products and an Italian line of meat products. This acquisition strengthens our processed meat business by providing geographic and product line diversification, and a manufacturing presence in the important market of western Canada.

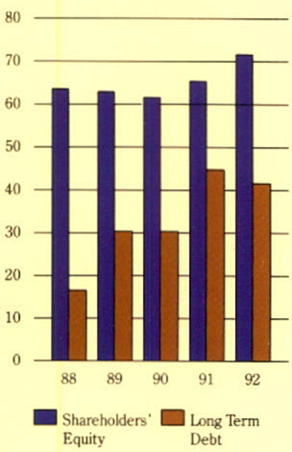
We continue to be disappointed by the financial performance of our poultry business, but we believe that the recently revised pricing and marketing system in Ontario will be more market responsive. We have acquired a further 25% interest in the joint venture, Schneider Horizon Inc., increasing our equity investment to 75%. This increase in investment is a reflection of our commitment to pursue new business growth in poultry.

The Corporation continues to study the United States market for future potential. Export of processed meat products to the United States was discontinued in September of 1990. Participation in this market must be made by an

SCHNEIDER CORPORATION

Shareholders' Equity & Long Term Debt

in millions of dollars



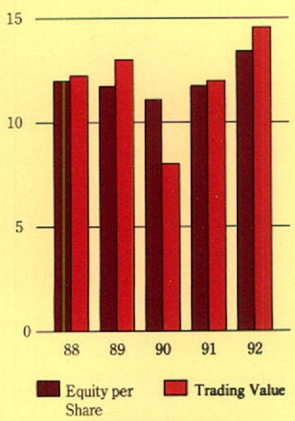
acquisition or some form of strategic alliance. Our efforts to date in seeking out an arrangement have not been fruitful.

We are working toward lowering costs and we have enhanced our logistics program to better schedule production and control inventory levels. Activity based cost systems are being implemented and will be completed during fiscal 1993. We have continued rigid control over fixed costs.

Schneider Corporation

Shareholders' Equity Per Share and Class A Trading Value

in dollars as at year end



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

Shareholders' Position

Shareholders' equity as at October 31, 1992, amounted to $71,913,000 compared to $66,946,000 one year earlier. The Board of Directors increased the dividend by 6.8% in 1992 to 23.5 cents per share which amounted to $1,312,000. Subsequent to the year end, the Board increased the dividend by 14.9% which will result in dividends of 27 cents per share in 1993.The Board intends to continue to increase dividends in step with improvements in net earnings and cash generated from operations.

Subsequent to the year end, 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. Management is confident that earnings of Fleetwood will more than offset any potential dilution in earnings per share.

By resolution of the Board of Directors on October 16, 1992, further purchases by key employees under the Employee Share Purchase Plan were prohibited, and a Stock Option Plan was introduced. As at November 1, 1992, 113,400 Class A shares were reserved for issue under the terms of the plan at $14.75. One-third of the options may be exercised to purchase Class A shares for cash on each of November 1, 1995, 1996 and 1997. The Board believes that the new plan will provide a more cost effective and meaningful incentive to link management performance with share value. The Stock Option Plan is subject to shareholder approval which will be sought March 31, 1993.

The Toronto Stock Exchange reported trading values of $15.00 per common share and $14.50 per Class A share as at fiscal 1992 year end. This is an improvement from the $12.25 per common share and $12.125 per Class A share reported as at fiscal 1991 year end, and reflects the improved profitability of the Corporation. The book value of common and Class A shares was $12.88 at year end.

Outlook

We expect a very competitive market in fiscal 1993 with little opportunity to expand margins. Operating income will show little improvement over 1992 in our red meat business. We expect to increase our net earnings as a result of improved profitability in the poultry and baked goods businesses and by lowering our financing costs.

We do not anticipate growth in the domestic marketplace, but we do expect stability in our raw material markets and more efficiency in the poultry marketing system. As in the past two years, our major thrusts will be our CI process and the rigid control of variable and fixed costs.

The course we have charted has resulted in a considerably stronger Corporation. During 1993, we will continue to pursue the strategies that have repositioned and strengthened the Corporation and allowed us to improve our competitiveness during a difficult economic time.

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 31, 1992 and October 26, 1991 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 as at October 31, 1992 and October 26, 1991 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 4, 1992

CONSOLIDATED BALANCE SHEETS

October 31, 1992 and October 26, 1991

(in thousands of dollars)

Assets	1992	1991
Current assets:		
Accounts receivable	$ 31,780	$ 33,379
Inventories	40,804	38,811
Current portion of loans receivable	372	463
Other	3,396	2,405
Total current assets	76,352	75,058
Property, plant and equipment	83,872	89,352
Other assets:		
Loans receivable	2,666	2,606
Production licences and rights	3,649	3,800
Intangible assets	5,022	4,650
Total other assets	11,337	11,056
Total assets	$171,561	$175,466

Liabilities and Shareholders' Equity	1992	1991
Current liabilities:		
Bank advances	$ 723	$ 4,894
Outstanding cheques	7,085	4,578
Accounts payable and accrued liabilities	37,197	34,808
Income taxes payable	1,006	4,458
Principal due within one year on debentures and loans	3,671	5,569
Total current liabilities	49,682	54,307
Debentures and loans	42,171	44,900
Other liabilities:		
Deferred income taxes	4,352	5,893
Deferred gains	1,656	1,814
Deferred pension liability	1,200	1,038
Minority interest	587	568
Total other liabilities	7,795	9,313
Shareholders' equity:		
Capital stock	11,529	11,529
Retained earnings	60,384	55,417
Total shareholders' equity	71,913	66,946
Total liabilities and shareholders' equity	$171,561	$175,466

On behalf of the Board:

Director   Director

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF EARNINGS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990 (in thousands of dollars, except per share amounts)

	1992	1991	1990
Sales	**$649,877**	$630,966	$627,797
Expenses:			
Cost of products sold	**570,854**	559,470	567,411
Selling, marketing and administrative	**51,303**	46,091	44,726
Depreciation and amortization	**10,768**	9,419	9,661
	632,925	614,980	621,798
Earnings from operations	**16,952**	15,986	5,999
Interest expense	**6,086**	6,951	7,910
Earnings (loss) before income taxes	**10,866**	9,035	(1,911)
Income taxes (recovery)	**4,587**	3,971	(234)
Net earnings (loss)	**$ 6,279**	$ 5,064	$ (1,677)
Earnings (loss) per share	**$ 1.12**	$ .93	$ (.31)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990 (in thousands of dollars)

	1992	1991	1990
Balance, beginning of year	**$55,417**	$51,555	$54,414
Net earnings (loss)	**6,279**	5,064	(1,677)
	61,696	56,619	52,737
Dividends:			
Class A shares	**1,137**	1,037	1,017
Common shares	**175**	165	165
	1,312	1,202	1,182
Balance, end of year	**$60,384**	$55,417	$51,555

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

Years ended October 31, 1992, October 26, 1991 and October 27, 1990

(in thousands of dollars)

	1992	1991	1990
Operating activities:			
Cash from operations	**$15,445**	$12,285	$ 8,327
Net change in non-cash working capital balances relating to operations	**59**	9,372	2,624
Cash provided by operating activities	**15,504**	21,657	10,951
Investment activities:			
Additions to property, plant and equipment	**(5,685)**	(5,475)	(15,952)
Proceeds on sale of property, plant and equipment	**897**	168	205
Investment in subsidiaries	**(637)**	(13,874)	-
Cash used in investment activities	**(5,425)**	(19,181)	(15,747)
Financing activities:			
Proceeds from loans	**658**	15,450	3,738
Decrease in debentures and loans	**(5,285)**	(4,181)	(2,397)
Dividends	**(1,312)**	(1,202)	(1,182)
Decrease (increase) in loans receivable	**31**	337	(80)
Transfer of assets to joint venture, net of deferred gains	**-**	3,060	-
Proceeds from issue of shares	**-**	1,861	1,229
Cash provided by (used in) financing activities	**(5,908)**	15,325	1,308
Increase (decrease) in bank advances	**(4,171)**	(17,801)	3,488
Bank advances, beginning of year	**4,894**	22,695	19,207
Bank advances, end of year	**$ 723**	$ 4,894	$22,695

Bank advances consist of bank loans of $8,197,000 net of cash of $7,474,000.

	1992	1991	1990
Cash from operations is derived as follows:			
Net earnings (loss)	**$ 6,279**	$ 5,064	$(1,677)
Adjustment for non-cash items:			
Depreciation and amortization	**10,768**	9,419	9,661
Deferred income taxes (reduction)	**(1,541)**	(2,692)	46
Loss (gain) on sale of property, plant and equipment	**(242)**	387	93
Deferred pension liability	**162**	95	204
Minority interest in earnings of subsidiary	**19**	12	-
	$15,445	$12,285	$ 8,327

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990

(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., Charcuterie Roy Inc. and Mother Jackson's Open Kitchens Limited and the Corporation's proportionate share of the joint venture companies, Schneider Horizon Inc. and 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. The Corporation recognizes permanent impairment in the value of these 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 accrued 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 and 1990 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 31, 1992, October 26, 1991 and October 27, 1990

(tabular amounts only in thousands of dollars)

2. **Acquisitions:**
The Corporation is committed to paying additional consideration for the shares of Charcuterie Roy Inc. acquired on August 2, 1991, in each of the next four years based on earnings of that company during the period. Additional consideration of $592,000 for 1992 has been recorded as an additional cost of this acquisition. Total additional consideration will not exceed $4,075,000.

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

	1992	1991	1990
Assets	**$20,259**	$20,909	$21,817
Liabilities	**15,193**	14,718	14,564
Sales	**63,004**	51,147	35,336
Expenses, excluding income taxes	**63,835**	52,225	33,738

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

	Cost	Accumulated depreciation	**1992 Net book value**	1991 Net book value
Land and improved areas	$ 7,395	$ 660	**$ 6,735**	$ 4,556
Buildings and leasehold improvements	67,811	31,422	**36,389**	37,358
Machinery and equipment	103,029	63,077	**39,952**	42,321
Assets under construction	796	-	**796**	5,117
	$179,031	$95,159	**$83,872**	$89,352

The Board of Directors has approved capital expenditures on future projects of $7,564,000.

No interest was capitalized in the year or in 1991.

5. **Loans receivable:**

	1992	1991
Loan receivable, interest at prime, less 1/4%, maturing August 6, 1996	**$1,771**	$2,213
Non-interest bearing loans receivable from companies which are related by virtue of common management with joint venture companies, due on demand but not expected to be repaid prior to October 30, 1993	**1,267**	856
	3,038	3,069
Principal included in current assets	**372**	463
	$2,666	$2,606

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990

(tabular amounts only in thousands of dollars)

6. **Debentures and loans:**

	1992	1991
Loans payable, interest at 9.25% to 12.13%, maturing at dates from October, 1993 to January, 1998	**$27,378**	$30,053
12.3% Sinking fund debentures, maturing August 15, 1995	**7,200**	8,500
Bank term loans, interest at bank prime rate, repayable in monthly principal instalments	**5,306**	5,576
10.75% Sinking fund debentures, maturing February 1, 1997	**4,050**	4,500
Other	**1,908**	1,840
	45,842	50,469
Principal included in current liabilities	**3,671**	5,569
	$42,171	$44,900
Interest for the year	**$ 4,889**	$ 4,957

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

1993	$ 3,671
1994	6,762
1995	6,549
1996	12,430
1997	5,909

The debentures are secured by fixed and specific charges on certain assets and floating charges on all assets of the Corporation.

A trust indenture securing the sinking fund debentures contains certain covenants some of which limit the creation of additional debt and the entering into of long-term leases and restricts 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 $50,000,000. In addition, the Corporation is required to maintain certain other financial ratios.

Bank term loans and certain bank advances are secured by an assignment of accounts receivable of a joint venture company as well as first fixed charge debentures, of which the Corporation's proportionate share is $9,500,000, covering all assets of the joint venture.

Loans payable of $4,400,000 and certain bank advances are secured by a fixed charge debenture in the amount of $3,500,000 covering property and plant of a subsidiary company, as well as an assignment of short-term investments and a general security agreement covering all assets of the subsidiary.

7. **Capital stock:**

On August 11, 1992, the Class A and common shares were split on a two-for-one basis. The following information has been adjusted to give effect to the stock split.

	1992	1991
Authorized:		
10,802,000 Class A non-voting shares		
747,254 common shares		
Issued:		
4,837,444 Class A shares	**$11,295**	$11,295
747,254 common shares	**234**	234
	$11,529	$11,529

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990

(tabular amounts only in thousands of dollars)

7. **Capital stock (continued):**

(a) Share attributes:

The holders of the Class A shares are entitled to a 12¢ cumulative annual dividend and equal participation with the holders of common shares in annual dividends in excess of 12¢ 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) Employee share plans:

By resolution of the Board of Directors on October 16, 1992, the Employee Share Purchase Plan was replaced with the Employees Stock Option Plan. 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, conditional upon obtaining shareholder approval. Subject to shareholder approval, options may be exercised to purchase Class A shares 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

After November 1, 1992, no further shares may be issued under the terms of the Employee Share Purchase Plan. During the year, no shares were issued by the Corporation under the Plan. In 1991, 24,000 Class A shares were issued under the Plan for cash consideration of $288,000.

8. **Income taxes:**

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

	1992 %	1991 %	1990 %
Combined basic Canadian federal and provincial rate (recovery)	**44.3**	44.3	(44.3)
Adjustment in income tax rate resulting from:			
Manufacturing and processing deduction	**(6.0)**	(5.3)	4.3
Ontario manufacturing and processing current cost adjustment	**(1.0)**	(2.0)	(4.1)
Non-deductible expenses	**2.2**	2.9	12.5
Large corporations tax in excess of federal surtax	**–**	–	9.0
Other	**2.7**	4.0	10.4
Effective income tax rate (recovery)	**42.2**	43.9	(12.2)

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:

	1992	1991
Pension plan assets at market value	**$121,247**	$115,634
Estimated present value of pension plan obligations	**132,167**	126,831

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years ended October 31, 1992, October 26, 1991 and October 27, 1990

(tabular amounts only in thousands of dollars)

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

1993	$4,257
1994	2,213
1995	1,159
1996	686
1997	510
Later years	1,456
	$10,281

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 $54,894,000 in 1992 (1991 - $47,520,000, 1990 - $64,533,000).

12. **Subsequent events:**
Subsequent to the year end, the Corporation acquired 100% of Fleetwood Sausage Ltd., a manufacturer of specialty European sausage products located in Surrey, British Columbia and entered into an agreement to acquire a further 25% interest in the 50% joint venture, Schneider Horizon Inc. The cost of the investments will be $14,200,000 and will be paid $9,677,000 in cash and 296,600 Class A shares of the Corporation issued from treasury at $15.25 per share.

13. **Other information:**
(a) The Corporation is incorporated under the laws of Ontario.

	1992	1991	1990
(b) Depreciation	**$10,510**	$9,179	$9,423
Amortization	**258**	240	238

TEN YEAR STATISTICAL REVIEW

(in thousands of dollars except where noted)

	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Operations:										
Sales	**$649,877**	630,966	627,797	619,168	597,932	683,934	648,468	648,598	645,558	590,074
Depreciation and amortization	**10,768**	9,419	9,661	8,195	7,543	6,688	6,458	7,072	5,960	5,978
Salaries, wages and employee benefits	**143,096**	132,612	132,688	134,549	122,372	121,780	117,129	126,791	128,316	108,508
Interest expense	**6,086**	6,951	7,910	4,861	4,182	4,774	4,285	5,303	4,502	3,557
Income taxes (recovery)	**4,587**	3,971	(234)	516	1,790	4,502	883	832	4,245	4,222
Earnings (loss) before extraordinary items	**6,279**	5,064	(1,677)	20	2,007	5,612	1,102	2,009	5,766	5,272
Earnings (loss) before extraordinary items as a percent of sales	**0.97**	0.80	(0.27)	0.00	0.34	0.82	0.17	0.31	0.89	0.89
Net earnings (loss)	**6,279**	5,064	(1,677)	20	2,007	5,612	1,102	(2,036)	5,766	5,272
Net earnings (loss) as a percent of sales	**0.97**	0.80	(0.27)	0.00	0.34	0.82	0.17	(0.31)	0.89	0.89
Cash flow:										
Cash from operations	**15,445**	12,285	8,327	8,291	11,160	16,484	5,357	8,053	11,067	10,834
Property, plant and equipment expenditures	**5,685**	5,475	15,952	16,722	10,249	8,001	5,072	6,983	5,254	5,741
Dividends paid	**1,312**	1,202	1,182	1,167	1,167	1,167	1,167	1,167	1,167	1,167
Financial position:										
Working capital	**26,670**	20,751	12,568	19,782	23,219	25,604	21,995	22,786	24,336	22,487
Working capital ratio	**1.54**	1.38	1.19	1.28	1.43	1.45	1.42	1.41	1.49	1.51
Total assets	**171,561**	175,466	166,520	171,749	144,338	146,942	137,245	143,814	136,811	126,867
Long-term debt	**42,171**	44,900	30,490	30,251	17,350	19,538	23,063	24,999	19,259	19,747
Shareholders' equity, end of year	**71,913**	66,946	61,223	62,853	64,000	63,160	58,715	58,780	61,983	57,384
Percent return on equity, beginning of year	**9.38**	8.27	(2.67)	0.03	3.18	9.56	1.87	(3.28)	10.05	9.90
Per share statistics, in dollars:										
Earnings (loss) before extraordinary items	**1.12**	0.93	(0.31)	0.01	0.38	1.06	0.21	0.38	1.09	1.00
Net earnings (loss)	**1.12**	0.93	(0.31)	0.01	0.38	1.06	0.21	(0.39)	1.09	1.00
Dividends paid	**0.23**	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Equity, end of year	**12.88**	11.99	11.28	11.86	12.07	11.92	11.08	11.09	11.69	10.82

DIRECTORS AND COMMITTEES OF THE BOARD

DIRECTORS – SCHNEIDER CORPORATION

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

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 – SCHNEIDER CORPORATION

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
H. J. Schneider

Compensation & Human Resources Committee
G. A. Mackay*
H. J. 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*
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
Wednesday, March 31, 1993
7:30 p.m. in the Ballroom of the Valhalla Inn,
Kitchener, Ontario

Proposed Dividend Dates
Payable April 15, 1993, July 15, 1993, October 15, 1993, and January 15, 1994

Record:
(Closest trading day preceding 21 days before payment date) March 24, 1993, June 23, 1993, September 23, 1993 and December 23, 1993

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 and General Counsel.

Auditors
Peat Marwick Thorne

Fiscal Quarter Endings:
1st Quarter: February 20, 1993
containing 16 weeks
2nd Quarter: May 15, 1993
containing 12 weeks
3rd Quarter: August 7, 1993
containing 12 weeks
4th Quarter: October 30, 1993
containing 12 weeks

Corporate Directory

SCHNEIDER CORPORATION

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
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, C.G.A.
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.

Specialty meat products and baked goods: St-Anselme, Quebec

Operating Officers:

Raymond Roy
President

Jean-Guy Roy
Vice President and
General Manager

Reneaud Cantin, C.A.
Controller

JOINT VENTURE COMPANIES *(50% owned)*

SCHNEIDER HORIZON INC. AND HORIZON POULTRY PRODUCTS INC.

Poultry operations: Hanover, Ayr and Paris, Ontario

Operating Officers:

Henry J. Lansink
President

Gerald S. Fischer
Chief Financial Officer

Donald R. Copeland
Operations Manager

Lorraine H. Arnett
Controller

NATIONAL MEATS INC.

Meat processing: Toronto, Ontario

Operating Officers:

Ronald R. Fleury
Vice President and
General Manager

Daniel R. McCourt, C.A.
Controller

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