

**SUNOPTA INC.**

**Moderator: Jeremy Kendall**  
**May 14, 2009**  
**3:00 pm CT**

Operator: Good day and welcome to the SunOpta, Inc. Annual and Special Meeting of Shareholders conference call. Today's conference is being recorded.

At this time, I would like to turn the conference over to Mr. Jeremy Kendall. Please go ahead, sir.

Jeremy Kendall: Thank you very much. Good afternoon, ladies and gentlemen, and welcome to the Annual and Special Meeting of the Shareholders of SunOpta, Inc. My name is Jeremy Kendall; I am Chairman of the Board of Directors of our corporation and will act as chairman of the meeting.

I would like to introduce the persons joining me today, Cyril Ing, one of our Directors -- Thank you, Cyril --- and also Board Secretary; Steve Bromley, President and Chief Executive Officer; Eric Davis, Vice President and Chief Financial Officer; John Dietrich, Vice President, Business Development; and Ben Chhiba, Vice President, General Counsel and Corporate Secretary.

So I'd now like to call this meeting into order. Our Corporate Secretary is Benjamin Chhiba and he'll act as secretary of the annual and special meeting. We'll now proceed with the business of the meeting.

If there are any proxies not yet deposited, I would ask that those who are holding such proxies deposit them with the Secretary now.

As Chairman, I rule that all proxies deposited with the Secretary are valid proxies.

With the permission of the meeting, I will appoint Jeri Trotter and Evelyn Ligias of Broadridge Financial Solutions from Broadridge Proxy Services as Scrutineer of the meeting.

The Scrutineer has certified that a quorum of shareholders is in attendance in person and by proxy. The Scrutineer's formal report will not be available for some moments, and when available, I direct that it be annexed to the minutes of the meeting.

A declaration of mailing of the notice calling the Annual and Special Meeting has been duly filed and since you've received the notice of meeting and accompanying materials, I would suggest that a resolution be moved dispensing the reading of the notice and accompanying materials and that the same be taken as read.

Female: I move that the reading of the notice and accompanying materials be and the same are hereby dispensed and that for all purposes of this meeting, the same notice and accompanying materials be taken as having been read in full at this meeting.

Female: I second the motion.

Jeremy Kendall: All those in favor so signify by raising their right hands. Contrary?

I declare the motion carried.

Service of notice calling the Annual and Special Meeting has been duly approved, and a quorum being present, the meeting is regularly called and properly constituted for the transaction of business as set out in the said notice.

Previous meeting of shareholders was held on September 25, 2008. At the same time I suggested a resolution be moved dispensing with the reading of the minutes of the said meeting and taking them as read and approved.

Male: I move that the reading of the minutes of the previous meeting of shareholders held on September 25, 2008 be and the same is hereby dispensed with and that the minutes be taken as read and approved.

Male: I second the motion.

Jeremy Kendall: All those in favor, please so signify by raising their right hands. Contrary?

I declare the motion carried.

I have before me the annual report on the audited consolidated financial statements of SunOpta, Inc. for the year ended December 31, 2008 approved on behalf of the Board of Directors of the corporation. Should any shareholder wish to receive a copy, it may be accessed on our Web site at [www.sunopta.com](http://www.sunopta.com) under the Investor Relations tab. Should you wish to receive it in hard copy, please send your request to <http://investor.sunopta.com/InvestorKit.cfm>.

It's now in order to proceed with the election of directors for the ensuing year and to declare the nominations open.

Male: I nominate Jay Amato, Steve Bromley, Douglas Greene, Victor Hepburn, Katrina Houde, Cyril Ing, Jeremy Kendall, Allan Routh, a majority of whom are resident Canadians, as directors of the corporation to hold office until the next annual meeting of shareholders or until the successors are elected subject to the provisions of the corporation's bylaws.

Jeremy Kendall: All directors have been nominated, are there any other nominations?

As there are no further nominations, I declare the nominations closed and direct the Secretary of the Meeting to cast a single ballot for the election of those nominated. I declare those nominated to be duly elected directors of the corporation to hold office until the next annual election of directors or until their successors are elected subject to the provisions of the corporation's bylaws.

Next item on the agenda is the appointment of the auditors of the corporation. I believe John Dietrich has a resolution in this regard.

John Dietrich: I move that Deloitte & Touche, chartered accountants, be and the same are hereby appointed auditors of the corporation until the next annual meeting or until the successor is appointed and that the remuneration as such be fixed by the Board of Directors.

Female: I second the motion.

Jeremy Kendall: All those in favor, please so signify by raising your right hand. Contrary?

I declare the motion carried.

The next item on the agenda is the recommendation for the approval of the resolution to amend the company's employee stock purchase plan to authorize an additional two million common

shares to be reserved for purchase by eligible employees as described in Exhibit A of the information circular. I believe Rob McKeracher has a resolution in this regard.

Rob McKeracher: Mr. Chairman, I move that the amendments to the company's employee stock purchase plan as described in Exhibit A in the information circular be adopted as presented.

Male: I second the motion.

Jeremy Kendall: All those in favor, please so signify by raising your right hand. Contrary?

I declare the motion carried.

There being no further and upon motion duly made, may I have a motion for the termination of the legal portion of our meeting?

Female: Mr. Chairman, I move that the Annual and Special Meeting of Shareholders be and the same should hereby be terminated.

Male: I second the motion.

Jeremy Kendall: Thank you. I declare the motion carried. And I thank you for attending the legal portion of our meeting today.

We're now going to follow this with a short presentation by Steve Bromley, our President and Chief Operating Officer, on the state of the nation, and as I mentioned earlier, he has just recently completed a – quite an extensive discussion with shareholders at the end of the first quarter, that was just last week. So we have a somewhat abridged version today but we're open to questions of course at the end off, we'll welcome any questions that you have.

Steve?

Steven Bromley: Great. Thanks, Jeremy and welcome everyone to the meeting.

Before I begin, I would like to remind you that except for historical information, the matters discussed during this conference call and meeting may include forward-looking statements including without limitation statements relating to our operating results, market and economic conditions, expected incremental volumes and contributions, cost improvements, improved operating margins, additional expected revenues from new products, and potential changes in working capital. All forward-looking statements reflect our current views with respect to future events and are subject to risks and uncertainties and assumptions we have made in drawing these conclusions and such forward-looking information.

Many factors could cause our actual results, performance or achievements to be materially different from those expressed or implied by our forward-looking statements including those factors and assumptions set forth in the company's quarterly report on Form 10-Q for the quarter ended March 31, 2009 which was filed last week and annual report on Form 10-K for the fiscal year ended December 31, 2008 in the sections in those reports entitled "Forward-Looking Statements" and "Risk Factors." Both of these reports have now been filed with the SEC and Canadian securities regulators.

As Jeremy mentioned, we did report our first quarter results last week, so we will keep this update relatively short and then open it up for questions.

I would like to begin though by expressing our sincere appreciation to our shareholders, our customers, our suppliers for their continued support of our company as we continue to focus on our mission of building a strong, sustainable and values-driven healthy products company. We

also want to express our gratitude and appreciation to our fellow employees and team members for their hard work, dedication and support as we build our company.

We began 2008 with great confidence and optimism. We had realized 35% growth versus the prior year and we've continued to execute on our strategic objectives which expanded our global footprint in the natural, organic and specialty foods and natural health products markets.

Unfortunately this excitement and optimism was impacted early last year, as you will recall, by our discoveries that inventories within the SunOpta Fruit Group were overstated. This finding led to our need to restate earnings for the first three quarters of 2007 and delayed the filing of our annual financial statements pending an exhaustive internal review by – internal review of the root causes of the issue. As a result, much of 2008 was focused on completing the restatement process and implementing numerous process control enhancements and corporate governance enhancements across the organization.

We're really pleased with the progress that has been realized and truly believe that our company is much better positioned for the future as a result of these efforts. In fact these efforts led directly to a receipt of a clean opinion from our auditors with regards to our 2008 financial statements, as well as an unqualified opinion on the effectiveness of our internal controls over financial reporting. This was a great accomplishment.

In spite of the tough economic conditions gripping the global economy, we have remained focus on our business and at the same time have undertaken many cost reduction rationalization, efficiency and product development initiatives. With these initiatives underway and an extensive global platform now in place, we are expecting improvements to operating margin and return on assets employed.

While 2008 and the first quarter of 2009 were perhaps the toughest year in our company's history, we're moving forward with a cautious sense of optimism, aware of the difficulties in the current global economic environment but extremely confident that our core positioning as a key player in health conscious food categories leaves us well positioned for the future.

Interest in health and wellness continues to increase due to rapid rise in the chronic health issues that we're dealing with today such as heart disease and obesity, cancer and diabetes. Projected long-term healthcare costs to treat these conditions are staggering. As a matter of fact, the other day I read, in the United States, they spent \$2 trillion on healthcare in 2005. That's projected to go to \$4 trillion by 2015. These are staggering costs and that's a – does create an opportunity for healthy living and healthy food products. The systems are just going to be burdened trying to deal with that at a time when money is not falling off the trees.

So it's really the combination of these worrisome health and economic trends combined with the growing understanding of the relationship between the foods consumed and the quality of our lives that support of our belief that core health conscious foods and our portfolio are really relevant in today's society.

And it's not solely health benefits that consumers are seeking. There's also a heightened consumer awareness and demand for products that are supplied using sustainable and environmentally-responsible practices, reducing both our company's and the consumer's impact on the environment.

Our company continues to take steps to reduce its environmental footprint, consistent with one of our core values which pledges respect for the environment, supporting sustainable agricultural practices and providing our customers with high-quality food products, free of genetic modification and chemical treatment. We are committed to sustainability through social and environmental leadership throughout our business.

As we grow, we realize that our everyday decisions impact the world and its inhabitants. Through active green teams across our organization, we have made progress and remain committed to ensuring that our business practices support our values and commitment to sustainable and environmentally-responsible practices.

Quite frankly, not only is it good for the environment, it just makes good business sense. When you reduce waste, you reduce cost, you improve your earnings.

To review, in fiscal 2008 we realized revenues of \$1.055 billion, an increase of 31.5% versus 2007 revenues of \$804.2 billion – million. Billion, I'm getting ahead of ourselves now. This increase reflected the consolidated internal growth rate of approximately 16%, indicative of the demand for health conscious natural, organic and specialty foods and natural health products. While this growth rate slowed later in 2008 and into the first quarter of 2009 due to poor macroeconomic conditions, we're just now starting to see some improvement and we believe that the demand for natural and organic foods and natural health products will continue to grow going forward as consumers focus on healthy lifestyles.

A number of years ago, we set the strategic objective of building a healthy products company with revenues in excess of \$1 billion and we're really proud that we've achieved this objective. From revenues of less than \$200,000 in 1994, our company has grown and transformed itself into a key supplier of health conscious products with personnel, operations and key supply and customer relationships around the globe. It is a solid base that we intend to leverage going forward to improve our operating results and return on assets.

For fiscal 2008 we had a loss of \$10.9 million or 17 cents per diluted share. And that included the expensing of non-cash charges for goodwill impairment non-cash tax valuation allowances

totaling \$13.7 million or 21 cents per share. I want to emphasize that these were non-cash charges.

Adjusted earnings for fiscal 2008 were \$13.3 million or 21 cents per diluted common share after adjusting for professional fees, severance and related costs incurred during the year relating to the investigation into the issues in the Fruit Group plus the non-recurring startup operation on legal costs and of course the non-cash goodwill and tax valuation charges.

During fiscal 2008, very important, we realized cash from operating activities of \$33.7 million versus utilization in 2007 of \$35.1 million. That's an improvement in cash of \$68.8 million, really indicative of the efforts that we had and continue to have to reduce working capital and to control spending across the organization. Excluding the impact of increased credit facilities resulting from acquisitions, which was Tradin Organics completed in 2008, we reduced bank indebtedness by \$24.6 million versus an increase of \$18 million in 2007. Needless to say, we really do remain focus on the preservation of working capital and the reduction of bank indebtedness through every facet of our operations.

As Jeremy mentioned, last week we reported our earnings – our financial statements for the first three months of 2009. During that period we realized our 46th consecutive quarter of increased revenues versus the same quarter end the previous year. Revenues in the first quarter of 2009 were \$232.1 million versus \$230.4 million in the first quarter of 2008. These results reflect an \$8.4 million increase in revenues from the SunOpta Food Group offset by declines in revenues in our non-core businesses, Opta Minerals and SunOpta BioProcess of \$6.7 million.

The main driver of the increase in revenues in the SunOpta Food Group in the quarter was the positive contribution of the April 2008 acquisition of The Organic Corporation, our European operation based out of Amsterdam which totaled \$25.5 million, offset by year-over-year foreign

exchange rate changes versus the U.S. dollar and the impact of declines in commodity prices that are directly related in the eventual selling price of a given product.

Revenues in the quarter were really impacted by inventory deleveraging and we've seen inventory deleveraging at the consumer level, at the retailer level, at the brand ownership level and at the food manufacturer level. Frankly you see it in our numbers as well. Everyone is doing their utmost to reduce inventories and we have certainly seen that. We have seen inventory reductions from major brand and food companies where their purchases from us have declined but they've indicated to us that a lot of that is due to inventory. And we're starting to see that come to an end. So we feel pretty good about that.

For the first quarter we realized a loss of \$1.7 million or 3 cents per diluted common share versus earnings of \$1.5 million or 2 cents per share in the first quarter of 2008. These results include an increase in foreign exchange losses of \$1 million versus the first quarter of 2008 plus approximately \$2.4 million in additional costs which were realized during the quarter which are all focused on improving our operations going forward. Adjusted earnings for the quarter after adjusting for these additional costs were essentially breakeven. We expect these additional costs, as I said, to generate significant future benefits to the company.

These costs included approximately \$1 million in startup costs related to our Modesto, California soy milk processing and packaging facility which is scheduled to begin production next week. Once operational, we expect to have annual capacity for the production of aseptic soy milk and alternative beverages of between 250 million and 300 million quarts. And accordingly, we will be able to provide our customers with production from multiple facilities, reducing transport costs and producing the product closer to end-markets.

We also incurred severance and facility rationalization costs of approximately \$750,000 as we continued to position operations for improved performance.

Also during the quarter, we incurred costs of approximately \$400 million investing in new packaging, new formulations and new products intended to revitalize a number of our company-owned natural health product brands. These new products will come to market during the second quarter of 2009 and are expected to also drive incremental volumes and contribution thereafter.

And for the folks who are in the room, we have samples of a number of the brands that have been repositioning beyond John, David, and I'd encourage you to take a look at them. We're really excited by what we can do with these products and it's really one of our first efforts to expand our own branded product focus and improve margins going forward.

At March 31, 2009, the company's balance sheet is strong, reflecting a current working capital ratio of 1.7 to 1, with accounts receivable and inventory values of approximately \$292 million. Our long-term debt to equity ratio at year end was 0.48 to 1 and total debt to equity was 0.83 to 1. Our company had total assets of \$573.7 million at the end of the quarter and a net book value of \$3.42 per share.

We have reached agreement with our lending syndicate to extend the term on our core Food Group operating facilities which was scheduled for renewal on June 30 and now have been extended through December 31, 2009. As part of this agreement, we have negotiated a waiver of financial covenants for the first quarter of this year and amended covenants for the balance of the year. We are now working to convert these facilities to increase flexibility and better utilize our strong balance sheet. We intend to complete this process not later than the end of the year.

We're really fortunate to be operating in food segments with solid growth potential as health conscious consumers remain committed to natural, organic and specialty foods. In hand with this, we continue to streamline our company's operations aimed at improving systems and are – pardon me – improving earnings and the return on our assets that we're utilizing. We're

implementing Lean Enterprise Systems across our organization and we're really starting to realize the benefits of this. We've also leveraged our global supply chain and achieved cost reductions in areas such as energy, chemicals, packaging, new materials, and on.

At our non-core operations, Opta Minerals and the SunOpta BioProcess Group which are now less than 10% of our annual revenues, in fact almost 6% of our revenues at the end of the first quarter, are both strategically important businesses within sectors where they compete. Opta Minerals has obviously been quite impacted by the decline in the global economy and especially in the steel and foundry industries.

While we still feel they're well positioned, they've yet to feel the positive impact that's expected as the governments start to invest in infrastructure spending and you know they're really well positioned when that happens. Of course the question is, when are the government monies going to make it to the field? And interestingly enough, they're starting to see that that could be starting now with a number of customers suggesting that they should prepare to ramp up on certain products.

In the meantime, they've been focusing on new product introductions and cost rationalization initiatives and have established new operations in Florida and Texas which are expected to improve the company's sourcing and supply capabilities for Silica-free abrasives in the southern region of the United States.

SunOpta BioProcess remains focused on the utilization of its technology – technologies in the production of cellulosic ethanol. The opportunities in this sector are attractive as the world looks to reduce its dependence on fossil fuels and reduce greenhouse gas emissions. While production of cellulosic ethanol in North America is still really small, the renewable fuel standards in the U.S. are calling for 16 billion gallons by 2022, an incredibly large task but also a great opportunity for what BioProcess can bring to that – bring to that sector.

In fact, earlier last week, President Obama signed a memo directing the U.S.D.A., the DOE and the Environmental Protection Agency to form an inter-agency committee to expedite funding for renewal fuels and directed the U.S.D.A. to make available a number of the provisions in the new farm bill, including loan guarantees, grants for commercial facilities, cellulosic feedstock assistance, and support to retrofit corn ethanol plants for cellulosic production. In addition, the DOE announced another \$786 million to be invested in next-generation biofuels through the Recovery Act.

Obviously we're quite hopeful that this will provide a much-needed stimulus to a number of potential projects. In addition, the group continues to refine its technologies and applications around the world, has completed the expansion of a new pilot facility, and continues in its joint venture initiatives with central Minnesota Cellulosic Ethanol Partners on the development of commercial scale productivity – commercial scale production.

As we have said though, our company's primary focus remains on improvement of operating margins and return on assets employed, positioning the company to successfully emerge from these difficult economic conditions that we're in, poised for future growth and superior profitability.

What are we doing? First, we're investing in our most important asset, our people. The key component in the Lean Enterprise, Lean Green and Blue Ocean initiatives is doing best-in-training programs so that all SunOpta employees learn how to recognize waste in all its forms and have a process that enables them to act and make improvements within a structured framework.

We continue to make progress to lower our operating and general and admin costs through these Lean initiatives. The number of continuous improvement initiatives across the company is truly mushrooming as Lean takes a firm hold across more and more parts of our company.

The key to success in this area is to engage all of our employees on continuous improvement. It's truly the employees that know where the costs are and engaging them is very important. There's a no-blame culture and the focus on continuous improvement is really spreading.

We are extremely pleased with the progress in this regard and have seen impressive transformations in a number of our facilities. We're very much on track to deliver the \$10 million in run rate savings by the end of the year which we have committed to generate. And as a result of these savings, we expect that our operating margins will improve.

Another key objective for Lean is the systematic reduction in working capital by lowering inventory as a result of more effective demand and sales planning and pulling versus pushing product through our value streams. We have done a value stream mapping for a large number of our operations and we are working on a number of opportunities. And we remain confident in achieving a \$20 million reduction in inventory this year.

We've also done a comprehensive review of all of our credit limits and credit terms, especially in this environment that we're in today. This combined with progress made with utilization of our Oracle Enterprise System and increased focus have resulted in our days sales outstanding being reduced by three days versus March 2008. In short, we describe all of this as doing more with less.

And we're also developing – we're also working in developing new products and new markets for existing products. The Blue Ocean strategy process has helped us to identify a number of opportunities and we expect to see a positive impact on sales in the second of the year. In fact, a number of the new fiber products which have been brought to market by the Ingredients Group over the last three to four months were the direct result of operations that were identified in our Blue Ocean strategic planning process.

Finally, I want to mention the investment we are making in a number of SunOpta natural health products brands which are on display here. Specifically, the Vivitas, Herbon and Quest brands currently offered in Canada by Purity Life, our natural health products business.

Our Vivitas supplement brand is being repositioned as Vivitas Woman, the only full-range line of health supplements formulated specifically for women.

The Quest supplement brand is being repositioned as a full life stages product line. We expect to have the only vitamin and health supplement line with formulations designed specifically for children, teen girls, teen boys and adults and mature men and women.

The Herbon natural throat lozenges product line and packaging has also been totally redesigned with specific products for children, teens and adults and new on-the-go pack formats. We believe these will be real winners with great growth potential.

Consistent with our environmental and sustainability goals, all of the product formats have been designed to use less packaging and utilize recyclable materials, all the while streamlining production processes. The packaging designs have been tested with consumers, a truly fresh and exciting new look across the board.

We are supporting the launches with extensive multimedia, print, television and Internet marketing programs coordinated with promotional activity. Consumer reaction has really been positive to these brands and we expect to have some great results from these in the second half of the year.

These branding initiatives really signal an evolutionary change for SunOpta. We aim to focus more attention going forward on developing and marketing unique products under our own brands, utilizing our own unique, vertically-integrated capabilities.

But having said this, we also fully expect to continue to grow our Private Label programs with our customers. Private Label Products continue to grow at retail and we fully intend to participate in and help drive that growth for our customers. We think we can really excel in both of those areas.

In closing, our company has transformed itself over the years from a small technology-based company to a truly global organization with operations around the world. We are grateful for the dedication and support of our valued customers, suppliers, business associates, approximately 2400 employees, our shareholders and our Board of Directors.

We want to thank Mr. Joe Riz, Mr. James Rifenberg, Mr. Steven Townsend and Mr. Robert Fetherstonhaugh for their advice and counsel over the years as members of our Board of Directors. We also want to sincerely thank everyone for their contributions as we continue on our mission of building an exciting, values-based and profitable healthy products company.

With that said, I would like to open the meeting to questions, but I want to remind you that we will not be commenting on the events that led to the restatement of our 2007 quarterly financial results. These events are before the courts in Canada and the United States and therefore it is not appropriate to comment further at this time. With that, I'd like to open up to questions.

Operator: Ladies and gentlemen, if you would like to ask a question, please press star 1 now. You may withdraw your question by pressing the pound key. And if you are using a speakerphone, please make sure and lift your handset before entering a request. We'll stand by just a moment for the first question.

Male: There is no one in queue.

Operator: We currently have no questions at this time. Please continue.

Jeremy Kendall: Great. We'll just turn off now and thank you very much and thank you to those that stayed to listen. So thanks very much.

Operator: OK, ladies and gentlemen, this does conclude the conference call for today and we thank you for your participation. You may now disconnect your lines. And have a great rest of the day.

Male: Thank you.

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