SUGAR VOLUME MORE THAN 14,000 METRIC TONNE HIGHER THAN LAST YEAR

INTEGRATION EFFORTS HELP DELIVER IMPROVED ADJUSTED GROSS MARGIN PERCENTAGE AND ADJUSTED EBITDA FOR MAPLE PRODUCTS

COMPLETION OF MAPLE PRODUCTS CANADIAN FOOTPRINT OPTIMIZATION ANALYSIS SETS TABLE FOR FUTURE GROWTH

Rogers Sugar Inc.'s ("the Company") first quarter results of fiscal 2019 benefitted from increased sugar volume and improved results from the Maple products segment. Highlights of the segmented and consolidated results are as follows:

Segmented and Consolidated results (In thousands of dollars)	First Quarter Fiscal 2019 **Sugar**	**Maple Products**	**Total**	First Quarter Fiscal 2018 Sugar	Maple Products	Total
Revenues	**$ 151,139**	**$ 54,883**	**$ 206,022**	$ 155,764	$ 49,119	$ 204,883
Gross margin	**$ 29,352**	**$ 5,197**	**$ 34,549**	$ 36,027	$ 7,086	$ 43,113
Results from operating activities	**$ 21,090**	**$ 1,892**	**$ 22,982**	$ 28,644	$ 3,041	$ 31,685
Non- GAAP results:						
Total adjustment to the cost of sales (1) (2)	**(122)**	**2,582**	**2,460**	(4,823)	(987)	(5,810)
Adjusted Gross Margin (1)	**$ 29,230**	**$ 7,779**	**$ 37,009**	$ 31,204	$ 6,099	$ 37,303
Adjusted results from operating activities (1)	**$ 20,968**	**$ 4,474**	**$ 25,442**	$ 23,821	$ 2,054	$ 25,875
Adjusted EBITDA (1)	**$ 24,459**	**$ 5,772**	**$ 30,231**	$ 27,076	$ 4,202	$ 31,278

(1) See "Non-GAAP measures" section of the MD&A.

(2) See "Adjusted results" section of the MD&A.

Refer to the MD&A for additional details on the consolidated results of the Company.

With the mark-to-market of all derivative financial instruments and embedded derivatives in non-financial instruments at the end of each reporting period, our accounting income does not represent a complete understanding of factors and trends affecting the business. Consistent with previous reporting, we prepared adjusted gross margin and adjusted earnings results to reflect the performance of the Company during the period without the impact of the mark-to-market of derivative financial instruments and embedded derivatives in non-financial instruments. Earnings before interest and income taxes ("EBIT") included a mark-to-market loss of $2.5 million for the first quarter of fiscal 2019, which was added to calculate the adjusted EBIT and adjusted gross margin results. Adjusted EBITDA represents EBIT, adjusted for the total adjustment to cost of sales for mark-to-market of derivative financial instruments, depreciation and amortization expenses, the Sugar segment acquisition costs and the Maple products segment non-recurring costs. See "Non-GAAP measures" section in the MD&A.

Free cash flow on a rolling twelve month basis was $46.4 million, which represents an increase of $3.0 million versus the comparable period last year. The variation is mainly explained by an increase in adjusted EBIT of $13.3 million, adjusted for depreciation and amortization expenses and lower financing charges paid of $0.6 million. This positive variation was somewhat offset by $4.0 million paid to purchase and cancel common shares, as opposed to $0.1 million received to issue shares in the prior comparative period. Also reducing the positive variance is an increase in interest and income taxes paid of $4.3 million and $1.8 million, respectively, as well as higher pension contributions and capital and intangible assets spending, net of operational excellence capital expenditure of $0.4 million each.

Sugar

During the first quarter, the industrial market segment increased by approximately 5,900 metric tonnes when compared to the same quarter last year as a result of opportunistic sales demand related to competitor's production issues as well as growth from existing accounts.

Volume in the consumer market increased by approximately 1,500 metric tonnes when compared to the same quarter last year, mainly explained by timing in customers' promotional activities.

Liquid volume was approximately 3,800 metric tonnes higher than the first quarter of last year mainly due to the recapture of some business temporarily lost to high fructose corn syrup ("HFCS") as well as additional demand from new and existing customers.

Exports were approximately 3,000 metric tonnes higher than the first quarter of fiscal 2018 due to additional sales to Mexico and U.S. high tier sales.

Adjusted gross margin for the quarter was $29.2 million compared to $31.2 million for the same quarter last year. Fiscal 2018 included a non-cash pension income of $1.5 million recorded as a result of an amendment to the Alberta hourly pension plan and therefore, excluding this non-cash income, adjusted gross margin decreased by approximately $0.5 million. The increase in sales volume was more than offset by the lower #11 raw sugar values when compared to last year, which has a negative impact on Taber's domestic sales gross margin rate. In addition, installation and commissioning issues of an energy saving capital project in Vancouver resulted in incremental operating expenses during the quarter. Adjusted gross margin per metric tonne amounted to $155.16 for the current quarter versus $179.19 for the same period last year, or $170.70 when excluding the non-cash pension plan income of $8.49 per metric tonne. The decrease is due mainly to lower #11 raw sugar values which, as mentioned above, had a negative impact on Taber's domestic sales gross margin. The slightly unfavorable sales mix also had an impact on adjusted gross margin per metric tonne as most of the increase in volume versus last fiscal period was in typically lower margin rate segments such as industrial, liquid and export sales. Finally, higher operating costs in Vancouver also had a negative impact on adjusted gross margin per metric tonne.

Administration and selling expenses were $0.4 million higher than the first quarter of fiscal 2018 due to timing.

Distribution costs for the current quarter were $0.5 million higher than the comparable period last year due to additional freight costs during the quarter as a result of additional sales volume and due to product transfers between locations. Adjusted EBITDA for the first quarter amounted to $24.5 million versus $27.1 million for the comparable period last year, representing a decrease of $2.6 million. The decrease for the quarter is mainly explained by lower adjusted gross margin, as explained above, and higher selling and administrative expenses and distribution costs.

Maple products

Adjusted gross margin for the current quarter was $7.8 million, representing an adjusted gross margin percentage of 14.2% of revenues, compared to $6.1 million or 12.4% of revenues in the comparable quarter last year. However, included in cost of sales for the first quarter of fiscal 2018, was an amount of $0.3 million due to an increase in value of the finished goods inventory at the date of acquisition of Decacer. Without this adjustment, adjusted gross margin for the first quarter of fiscal 2018 would have been $6.4 million or 13.0% of revenues, representing an increase of $1.4 million for the first quarter of fiscal 2019. The improvement versus last year is mostly due to the financial impact of Decacer for the full quarter of the current year, while the increase in adjusted gross margin percentage is mainly due to an increase in net selling price and savings from procurement initiatives.

Administration and selling expenses amounted to $2.4 million for the current quarter versus $3.2 million for the comparable period but the latter includes non-recurring costs of $0.3 million and $0.7 million in consulting fees and other costs incurred as a result of the acquisition of Decacer in the first quarter of fiscal 2018. Excluding these non-recurring costs, administration and selling expenses were higher than last year, mostly due to the impact of Decacer for the full quarter, additional amortization of intangible assets, somewhat offset by savings from operational excellence initiatives.

Distribution expenses were comparable quarter-over-quarter.

Adjusted EBITDA for the first quarter of fiscal 2019 amounted to $5.8 million, an increase of $1.6 million quarter-over-quarter. The increase is mainly explained by the financial impact of Decacer for the full quarter as well as savings attributable to procurement and operational excellence initiatives and an increase in net selling prices.

Outlook

Sugar

Volume is expected to increase by approximately 25,000 metric tonne, mostly explained by an increase in liquid and consumer volume of approximately 15,000 metric tonne and approximately 5,000 metric tonne, respectively. Industrial segment is also expected to increase slightly while the export segment should be comparable to the prior fiscal year. Additional information is provided in the MD&A.

In light of the additional volume, as well as the first quarter result, we expect that distribution costs should be approximately $1.0 million higher than fiscal 2018.

Consistent with previous communications, the Sugar segment’s capital expenditures for fiscal 2019 are expected to increase compared to fiscal 2018 as the Company will undertake the capital project in Taber to be fully compliant with air emission standards by fiscal 2020, with spending ranging between $6.5 million and $8.5 million left to be spent on this specific project this year, as approximately $1.5 million was spent in fiscal 2018. The remaining capital spend for the Sugar segment is expected to be similar to fiscal 2018, including a high proportion of return on investment capital expenditures.

Maple products

During the quarter, the Company completed its second phase of the footprint optimization analysis.

The first phase of the project was announced last fiscal year with the relocation from the current leased bottling facility in Granby, Québec, to a new built for purpose state of the art leased property. This move will allow us to better align production flow and install a new high capacity bottling line. The completion of the first phase is expected to occur at the end of fiscal 2019, early fiscal 2020. As a result of this decision, approximately $4.5 million will be spent on return on investment capital expenditures towards new equipment and leasehold improvements this fiscal year.

After a thorough analysis of our Canadian footprint, the Company concluded that plant specialization would be the most efficient approach to reduce costs and respond to industry growth. This analysis determined that the St-Honoré-de-Shenley bottling facility should be re-purposed to focus on the production of industrial products and the reception and storage of maple syrup barrels. The bottling production at this facility is being re-distributed to our Granby or Degelis operations. Granby will focus on plastic bottling production while Degelis will primarily produce glass bottles and cans. The transfer of production is expected to be completed by the end of the second quarter. To support this plan, approximately $1.8 million will be invested in Degelis to increase capacity of its bottling lines, increase automation and enhance site storage and logistics. The Degelis investment provides an attractive return the investment should be completed by the end of March 2019.

Once the optimization project is fully executed, the new manufacturing footprint will double our capacity, lower our costs and improve our overall manufacturing capabilities allowing us to participate fully in the maple syrup market growth. Each of the three Quebec facilities will continue to receive and store maple syrup barrels. No changes are expected in our Vermont facility.

With the optimization project behind us, we continue to expect that the Maple products segment Adjusted EBITDA for fiscal 2019 should be approximately $21.0 million, excluding non-recurring costs of approximately $1.1 million. Non-recurring costs are mostly attributable to lease payments for two locations, moving costs, severance costs and other additional miscellaneous costs. Management remains positive on the future outlook for this segment as the maple syrup market growth remains strong. As such, with a sales team that is now fully organized and a clear operational path forward, we are confident that we are well positioned to capture and participate in the market growth. In addition, operational savings are expected in fiscal 2020 from the move to a new Granby facility as well as the transfer of production from St-Honoré-de-Shenley.

FOR THE BOARD OF DIRECTORS,

Dallas H. Ross, Chairman
Vancouver, British Columbia – January 31, 2019

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