Alliance GRAIN TRADERS Inc.

QUARTER THREE 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010 AS AT NOVEMBER 13, 2011

ALLIANCE GRAIN TRADERS INC.
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The following management's discussion and analysis ("MD&A") of financial condition and results of operation has been prepared to help readers interpret Alliance Grain Traders Inc.'s ("AGT" or the "Company") consolidated financial results for three and nine months ended September 30, 2011 and September 30, 2010 and should be read in conjunction with AGT's audited consolidated financial statements and related notes thereto for the year ended December 31, 2010 (the "Annual Financial Statements") which have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles ("GAAP") as at December 31, 2010 and in accordance with International Financial Reporting Standards ("IFRS") as at September 30, 2011. In addition, the most recent Annual Information Form ("AIF") is on file with provincial regulatory authorities and is available, together with additional information relating to AGT, on SEDAR at www.sedar.com and on AGT's website at www.alliancegrain.com.

This MD&A has been prepared as at November 13, 2011. All references to AGT, include its subsidiaries and its predecessor, Alliance Grain Traders Income Fund (the "Fund"), as applicable. All funds are in CDN$ unless otherwise stated, and in thousands, except for share data, unless otherwise stated.

To enhance the discussion, this MD&A includes information with respect to the agriculture business industry, the markets in which AGT operates and trends that may affect operating and financial performance in the future.

Forward Looking Statements

This MD&A contains certain forward-looking statements. Forward-looking statements include, but are not limited to, those with respect to the price of lentils and other crops, the estimated size and quality of future harvests of lentils and other crops, costs of production, currency fluctuations, the growth of AGT's business, strategic initiatives, planned capital expenditures, plans and reference to future operations and results, critical accounting estimates and expectations regarding future capital resources and liquidity of the Company. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGT (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents or labour disputes, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section entitled “Risk Factors” in AGT’s most recent AIF, which is available on SEDAR at www.sedar.com and on AGT’s website at www.alliancegrain.com and which should be reviewed in conjunction with this document. Although AGT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Although AGT believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as at the date of this MD&A. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things, Western Canadian, U.S. Northern Plains and Southern Australian crop and Turkey production quality in 2011 and subsequent crop years; the volume and quality of crops held on-farm by producer customers in North America; demand for and supply of open market pulses; movement and sale of pulses in Australia and Turkey, particularly in the Australian states of South Australia and Victoria; agricultural commodity prices; demand for lentils, peas, chickpeas and bean crop products and the market share of these products that will be achieved; general financial conditions for Western Canadian, U.S. Northern Plains, Turkish and Southern Australian agricultural producers; market share of pulse deliveries and sales that will be achieved by AGT; the ability of the railways to ship pulses to port facilities for export without labour or other service disruptions; the ability to maintain existing customer contracts and relationships; the impact of competition; the ability to obtain and maintain existing financing on acceptable terms, and currency, exchange and interest rates.

AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Non-IFRS Financial Measures

AGT provides some non-IFRS measures as supplementary information that Management believes may be useful to investors to explain AGT's financial results. These non-IFRS measures include EBITDA* (earnings before interest, income taxes, depreciation and amortization), Adjusted EBITDA* (earnings before interest, income taxes, depreciation and amortization, one time acquisition costs and any effects of non-cash foreign exchange adjustment) and Adjusted Net Earnings* (earnings before any effects of one time acquisition costs and non-cash foreign exchange adjustments). Management believes that these are important measures in evaluating performance and in determining whether to invest in AGT. However, EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* are not recognized measures under IFRS and do not have standardized meanings prescribed by IFRS. In addition, AGT may calculate these measures differently than other companies; therefore such measures may not be comparable. Investors are cautioned that EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* should not be construed as an alternative to net earnings or loss or cash flows as determined in accordance with IFRS as an indicator of AGT's performance or liquidity. For a reconciliation of net earnings determined in accordance with IFRS to EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings*, see the table on page 35.

Market Share, Industry Data and Other Statistical Information

This MD&A includes market share, industry data and other statistical information that AGT has obtained from independent industry publications, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although AGT believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources and cannot, and does not, provide any representation or assurance as to the accuracy or completeness of the information or data, or the appropriateness of the information or data for any particular analytical purpose and, accordingly, disclaims any liability in relation to such information and data. AGT has no intention and undertakes no obligation to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as required by law.

Highlights of Quarter Ending September 30, 2011

This quarter is the third interim reporting period under IFRS. AGT transitioned to IFRS effective January 1, 2010, and all comparative figures have been restated from Canadian GAAP to IFRS.

• **Adjusted Net Earnings*** for the three months ended September 30, 2011 were $10.5 million or $0.53 per share ($0.53 on a diluted basis).

• **Adjusted EBITDA*** for the quarter ended September 30, 2011 was $15.026 million.

• **Consolidated revenues** for the quarter ended September 30, 2011 were $190.6 million.

• **Capital expenditures** were $9.8 million for the quarter ended September 30, 2011, which included enhancements to buildings and equipment at facilities in Canada, the United States, Turkey and Australia as well as the acquisition of Canz Commodites in Australia.

• **Dividend** of $0.15 per share for the quarter ($0.60 per share on an annualized basis).

Business Overview

AGT's subsidiaries and facilities in Canada, the U.S., Turkey, the UK, Australia, South Africa and China handle the full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed. Its durum wheat milling operations in Turkey also produce semolina, pasta (under the brand Arbella) and bulgur wheat. AGT is also involved in milling medium grain rice and long grain rice in Turkey.

AGT owns twelve processing plants in Canada, two in the U.S., four in Australia, one in China, nine in Turkey, and one in South Africa. Canadian locations include Saskcan Pulse Trading, Saskcan Rosetown, Saskcan Agtech, Saskcan Milestone, Saskcan Horizon, Saskcan Pulse Depot, Saskcan Parent, Saskcan Assiniboia, Saskcan Gibbons and Saskcan Wilkie. Wholly owned foreign subsidiaries include the Arbel Group in Turkey ("Arbel"); Advance Seed and its subsidiary Pouyoukas Foods (collectively "Advance Seed") in South Africa; United Pulse Trading Inc. ("United Pulse") in Williston and Minot, North Dakota, U.S.A.; Australia Milling Group Pty Ltd. ("Australia Milling Group") in Victoria, South Australia and New South Wales, Australia; A. Poortman (London) Limited in London, UK ("Poortman") with merchandising offices in the Netherlands and Spain; and Alliance Grain Tianjin Co ("AGT China").

AGT is among the world's largest value-added processors/splitters of pulse crops and an international exporter of staple food products to over 100 countries. The Company's common shares are currently listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "AGT".

On November 3, 2011, AGT announced that it had acquired certain real property, storage and related handling equipment from C & F Foods, Inc., a California corporation, Real Partner Investments, LLC, a California limited liability company, and MCL Ag Investments Partnership, LLP ("MCL"), a North Dakota limited liability partnership. The acquired assets are located in Minot, North Dakota. AGT has committed $12 million for the acquisition and build-out of the facility, which has an estimated August 2012 completion date. The facility will be operated by United Pulse.

The planned build-out will include the installation of pulse processing equipment for beans, chickpeas, peas and lentils to augment AGT's U.S. processing capacity at the Williston, North Dakota production facility. The new facility will also add additional capacity for value-added pulses and the production of food ingredient pulses flours, proteins, starches and fibres. Pulses and grains processing and handling equipment were included in the purchase and are in "ready for installation" condition. The site, originally constructed as a pulse processing facility, was never completed or commissioned by the previous owners. It is expected that the new facility, once commissioned, will provide origination reach into central and eastern North Dakota, which is a region of substantial acreage of beans, peas and pulses. The site also provides transportation advantages for both export and domestic shipments with inbound containers being driven by inbound shipments of equipment for the oil and gas sector in North Dakota.

On October 11, 2011, AGT acquired an 82% controlling interest in South Africa based Advance Seed, from Euro-Africa Trading, a European based holding company. AGT has also entered into a binding option agreement to acquire the remaining 18% of Advance Seed from the Brian Lever Family Trust. The assets acquired include real property, storage and related handling equipment and a processing plant for pulses, popcorn, grains and grass seeds. In addition, AGT acquired three warehouses and small packaging plants operated by Advance Seed in Johannesburg, Cape Town and Durban, which supply the wholesale and retail markets with a range of pulses, grains and popcorn. The total investment, including the cash acquisition price and a budget for improvements and working capital is estimated at $7 million. The Johannesburg processing facility, as well as the warehouses and small packaging plants, are currently operational. Advance Seed will continue to be run with the existing management team and business in place.

On October 7, 2011, AGT announced its intention to invest $50 million towards the construction of a pasta and pulse processing and logistics complex. The complex is planned as a milling site for wheat and pulses, where durum wheat will be processed into semolina and used to produce the Arbella pasta brand in Canada. The complex is expected to be used for pulse processing capacity, and for production of food ingredient pulse flours, proteins, starches and fibres. Canada is a major producer of durum wheat and AGT management has identified this location as favourable to construct its first pasta facility outside of Turkey. The facility will be located at the Global Transportation Hub ("GTH"), a distribution centre located in Regina with tenants including CP Rail, Canadian Logistics Services/Loblaws and the Yanke Group. It is expected that AGT will capitalize on the availability of ocean containers, trucks and intermodal units at the GTH site for domestic and export shipments of pasta and other retail packaged goods. From this facility, AGT management expects to supply domestic pasta markets in Canada and the U.S. as well as export markets currently being served by AGT facilities in Turkey. This strategy is similar to that used in the past with pulses production whereby freight advantaged lentil and pulse markets were serviced by facilities in Canada rather than facilities in Turkey.

On July 29, 2011, AGT acquired all of the assets of Canz Commodities (previously owned by Bodana Pty Ltd. and the Pars Ram Punj Family), a chickpea and pulse processor in Narrabri, New South Wales, Australia, located approximately 500 km from Sydney. The assets acquired include real property, storage and related handling equipment and a processing plant for pulses and grains, specializing in desi and kabuli chickpeas, faba beans, mung beans and albus lupins. The total investment, including the cash acquisition price and a budget for improvements, is $8.0 million. The Narrabri facility is currently operational, with capital expansions and improvements planned to commence immediately. The acquired company is owned and operated by AGT's wholly owned subsidiary, Australia Milling Group Pty Ltd.

Market Outlook

A return to more normalized production conditions and an "on-time" North American harvest has provided optimism for the return to normal conditions in North American supply. Favourable conditions at harvest, which followed a near-optimal end to the growing season in Western Canada and the Northern Plains states, have resulted in a return to normalized conditions with regard to timing, grade and quality for 2011 crop year pulses harvested in the August through September period.

While the supply side fundamentals in North America and other regions are improved with ample stocks available from production, there remains a sense that global demand is materializing slower than expected, in part due to global economic uncertainty. A percentage of global consumers are opting to take a very cautious approach to stocking inventory, which tends to back-up/defer demand. An expected return to normalized buying in many regional markets, which is viewed by Management as the start of replenishment of long-standing depleted local market stocks that has been seen in many local markets through 2010 and 2011, is expected to materialize in 2012. The resetting of buying patterns in Q3 as the world lentil market annually recalibrates price expectations and strategies for buying as a result of Canadian crop data, harvest reports from India and Turkey coupled with the end of Ramadan (August 29, 2011) and the positive view of supply from North America, is expected by AGT management to result in a resumption of sales opportunities in 2012 for AGT.

Based on these market conditions, results for the three and nine months ended September 30, 2011 appear to support AGT management's views toward a gradual resumption of more normal business operations in 2012. Results of significant North American production, with projections for 2011 for the second highest number of acres of production, estimated remaining 2010 crop year carry-in stocks and slightly higher than average estimated yields for 2011, are expected to provide ample stocks for AGT processing and export activities.

Based on reported export data from a number of origins, Management expects to continue to capture market share and margin opportunities by using its value-added asset base in Canada, the U.S., Turkey and Australia to satisfy consumer demands internationally at prices those customers may find acceptable for 2011/2012 new crop products. Of course, the global economic situation continues to be a source of uncertainty and has driven significant volatility in commodity prices, including agricultural commodities, and short-term liquidity issues for importers around the world. While agricultural supply and demand fundamentals are relatively immune to short-term macroeconomic events, the uncertainty has contributed to significant volatility as non-commercial traders have significantly lowered their positions in commodity markets.

Market and production conditions in the various origins and key markets AGT is active in are as follows:

North America - Canada and U.S.

Reports following completion of the North American crop season have harvested crop quality estimated to return to normal in 2011 from the low or highly variable quality product produced in 2010. Estimated lentil production levels in Canada at 1.596 million metric tonnes ("mt"), an 18% decrease over 2010 at 1.947 million mt, are viewed by Management as a return to the growth pattern in production levels seen from 2006 to 2009. These levels, combined with the remaining carry-in stocks from 2010, are expected to provide ample stock for AGT merchandising activities in North America for balance of 2011 and early 2012 when the new crop harvest in Australia is expected.

In the September 29, 2011 Crop Report, Saskatchewan Agriculture reported effective completion of pulses harvests with slight yield increases over averages for all pulses. With these conditions, a return to the 80/20 average (approximately 80% of crop in the top two grades with remaining 20% in the bottom grades) is expected by Management. The return to these conditions is an important development after 2010, where the ratios were reversed due to the extended weather issues in many origins decreasing product quality. This contributed to the resulting lower sales volumes as international customers bought only the limited quantities of these low or highly variable quality products needed for local market stocks based on quality concerns.

Current production levels for pulses in Canada for the 2011 crop year are estimated by Statistics Canada to be as follows:

- Lentils at 2.65 million acres for resulting production of 1.596 million mt based on 1,328 lbs yield
- Peas at 2.265 million acres for resulting production of 2.008 million mt based on 1,955 lbs yield
- Edible beans 155,000 acres for resulting production of 130,200 mt based on 1,852 lbs yield
- Chickpeas at 75,000 acres for resulting production of 53,900 mt based on 1,584 lbs yield

Following the trends seen in Canada, estimates of U.S. lentil production by the USDA reported a return to similar levels as 2009. Estimates for 2011 are reported at 448,000 acres resulting in 213,871 mt of production, down from the 658,000 acres in 2010, with yields reporting as slightly below average. U.S. chickpea production reported at 119,300 acres with resulting production estimated at 70,164 mt. U.S. pulse growers in the Northern Plains states were significantly affected by the wet conditions during seeding periods which impacted their ability to seed their fields as intended. The majority of U.S. lentil production was reported in Montana, the Pacific Northwest and Western North Dakota, with a significant amount of production within the drawing area of AGT facilities in Williston, North Dakota. A significant drop in U.S. bean production, similar to that seen in Canada, was also reported by the USDA National Agricultural Statistics Service ("NASS"). These production decreases are attributable to the wet conditions throughout the entire season in eastern North Dakota, Minnesota and the Red River Valley in Manitoba.

Management's opinion is that the reported production decreases in Canada and the U.S. for the 2011 crop year, are expected to be offset somewhat by higher than average yield increases in Canada resulting in ample new crop stocks combined with carry-in stocks from 2010 in Canada and the expected continuation of increased production levels in Australia. The earlier seeding intentions, while affected by weather resulting in lower seeding and therefore lower production levels, indicates to Management that the U.S. will be a significant and growing origin for pulse crop production in the future. This continues to reaffirm Management's belief in the ongoing potential of its operations in the U.S. and its planned growth through expansion and acquisition of U.S. capacity in the Northern Plains states. As pulses are a rotational crop option with nitrogen fixing properties for farmers, it is expected that a movement of acres from summer fallow to pulses will continue in the U.S. as it has in Canada over the past number of years.

International markets, where hand-to-mouth buying to keep estimated depleted local market stocks steady at the low levels they have been at for some time has continued, are projected to begin more active replenishment of local market stocks with new crop North American supply. This new crop product coming into the market is viewed as a return to historical quality expectations for local markets. Because of these expected increased buying activities, Management expects that demand conditions will continue to improve into 2012.

Export statistics available from StatsCan for the July to August 2011 period show significant increases on a year-on-year basis with lentil exports increasing by 187% in July, 224% in August and 55% in September over the same months in 2010 (Statistics Canada). This export data reaffirms Management's belief that international importers, who had decreased buying activities of available 2010 crop year products, are actively purchasing remaining stocks in Canada as well as 2011 new crop products for shipments in the last half of 2011. Much of the exported product in this period would be from carry-in stocks of the low or highly variable quality products from 2010, as limited new crop product would have been available in the July and August periods. These carry-in products may be purchased at highly competitive levels and upgraded through splitting, colour-sorting and sizing by AGT's value-added facilities, providing potential margin gain opportunities for these shipments. The U.S. Department of Commerce statistics for U.S. exports show a continued decreasing trend on exports to an average of 7,300 mt per month in this period, largely attributable to higher prices for U.S. lentils and limited stocks available for export. New crop exports are expected to continue for both Canada and the U.S. later in 2011.

Management believes that the significant increases in export quantities from Canada result from lower production levels and high demand in Turkey and India, combined with confidence in the marketplace on the part of international buyers in the quality and quantity of new crop North American stocks as well as the positive outlook for Australian harvest at the end of 2011. Even in a climate of increasing prices, due in part to projections of ongoing shortfalls on local production in India and Turkey for the foreseeable future, export levels are expected to return to normalized patterns. Management once again reiterates that the short-term supply fundamentals are positive and that global economic uncertainty may have a temporary effect on demand as importers liquidity and access to capital is tight due to global banking sector credit affects. Longer-term demand fundamentals for staple foods are intact for AGT's product offerings.

AGT's business operations in the pulses area have traditionally been very focused on North American production. While the bias towards production in this region is being diversified and decreased somewhat through expansions and a focus on other origins, a good quantity and quality crop in Canada and the U.S. are important factors to AGT's success in executing on its sales strategy. With well-positioned assets in Western Canada, added capacity, facilities and distribution channels in the U.S. are being evaluated by Management to capitalize on possible future increases to U.S. acres and domestic business opportunities for lentils, peas, chickpeas and beans. AGT's market reach and ability to leverage its international distribution channels is expected to assist in capitalizing on marketing opportunities for all grades and types of pulses and specialty crops. Additionally, other origins like Australia and Southern Africa are rapidly emerging as significant producers of pulses. With AGT's stated strategy with respect to diversification of origination, decreases in North American production may be offset in this manner, over time, which is expected to lead to an ability to smooth earnings volatility due to weather events.

With the announcement of its intention to build a new pasta and pulses processing facility in Regina, Saskatchewan, Management has been following reports on durum wheat production in Western Canada and the Northern Plains states. Construction on the announced facility is expected to begin in 2012, with a 2013 completion date. Access to quality durum wheat is an essential component for the production of semolina flour, the principal ingredient in the production of pasta. With the introduction of legislation by the Government of Canada to remove the monopoly of the Canadian Wheat Board, it is the view of Management that this will assist in the creation of the necessary economic and origination conditions to make the proposed pasta and pulses facility viable.

Management views the ability to buy products, in this case durum wheat, directly from farmers as a critical component of the ability to successfully build any facility in any origin. Current durum production levels for 2011-12 are estimated by Agriculture Canada in its October Grains and Oilseeds Outlook report at 3.94 million mt, up 30% from 2010-11 levels with quality viewed as better than normal. World production is estimated at approximately 35.5 million mt with low carry-in stocks reported from production origins around the world, including Canada and the U.S. Higher prices and exports are expected to continue.

As an origin-based processor, AGT buys its raw materials directly from farmers in order to establish and maintain relationships as well as ensure that expected quality standards for these raw materials are met. This is combined with the freight advantages that may be realized with the location of the facility in the GTH, located west of Regina. With other tenants like CP Rail, Canadian Logistics Services/Loblaws and the Yanke Group, access to freight equipment is expected to assist AGT in shipping finished goods to market. Because of these announced expansions, Management expects to continue to report on durum wheat production in the North American region in future reports.

On November 3, 2011, AGT announced the acquisition of property, storage and related handling equipment located in Minot, North Dakota which is expected to complement the existing U.S. processing operations in its Williston production facility as well as further bolster Management's ability to focus on food ingredient production for pulses flours, proteins, starches and flours. With the planned installations and expansions to be completed in 2012, this new facility is well-located to extend AGT origination reach in the central and eastern North Dakota area in time for the 2012 U.S. harvest. The site is located at the Minot's Value-Added Agricultural Complex which features North Dakota Port Services Inc ("NDPS") as an anchor tenant. NDPS provides, through Burlington Northern Santa Fe ("BNSF") Logistics and BNSF's Northern Tier Intermodal line, container services to the complex through its facility adjacent to BNSF's main-line switch yard featuring daily service and four-lane highway access. This location is expected to provide freight advantages for containerized shipments from North Dakota in addition to the rail shipments currently being done from the Williston facility.

Currently, Management reiterates its view that estimates regarding crop quality and quantity in North America are as per expectations. With carry-in stocks from 2010 to be processed in addition to new crop 2011 product, ample stock for AGT sales programs exist in the late 2011 period to early 2012 when Australian new crop is typically available. Additionally, AGT's significant value-added processing infrastructure throughout its facilities in Western Canada and North Dakota is expected to continue to provide efficient use of available capacity and continued upgrade opportunities on remaining 2010 carryover stocks.

Turkey

Speculation about the potential size of Turkish pulses production continues. Production levels in 2011 were lower than expected to approximately 400,000 mt with small decreases expected in lentil production for the 2012 year and a further decrease expected in Turkish chickpea production. In the upcoming 2012 season, similar to slightly decreased production levels of red lentils and chickpeas are expected (U.S. Ag Attaché, USDA, StatPub, TMO, TurkStat, private trade sources) as well as continued high demand, both domestically and within the region. With the strong demand for these core pulses products expected, Management estimates imports of pulses to Turkey to continue through 2012 to meet domestic and export requirements.

The majority of available Turkish lentil and chickpea production is projected to go directly into the domestic and regional consumption markets, with opportunities for AGT to utilize available capacity in its Arbel facilities and free zone facilities for import/processing/re-export activities, as shipment and freight option advantages exist from Turkey to many core consumption markets in the Middle East and North Africa. Turkey is typically looked to as an origination point in the region for agri-product commodities. The lower supply levels locally in Turkey are viewed by Management as providing opportunities which can be supported by the Company's global origination strategy. This entails shipping quantities of lentils and chickpeas from other origins such as Canada, the U.S. and Australia for processing and distribution into regional end-use markets.

The realization of this strategy does give AGT an advantage over its local competitors in Turkey, as these companies may not have the global origination reach that AGT does, due to its operations in all major pulse producing regions. Results for the first three quarters of 2011 indicate AGT's ability to increase capacity utilization at its pulses assets in Turkey towards the end of 2011 through the use of strategy. In August and September 2011, AGT shipped its first two bulk conventional vessels of lentils to Turkey via the Port of Thunder Bay in Ontario totalling approximately 10,800 mt and 21,800 mt. These vessels contained lentils cleaned and processed in AGT's facilities in Canada destined for Turkey for splitting and distribution throughout regional markets. These vessels allowed AGT to complement its global container shipments program with bulk conventional shipments.

Chickpea production is estimated to drop below 500,000 mt, the lowest production level since 2007. With decreases in North American production, production from other origins, such as Australia, and the ability to execute on its global origination strategy are expected to be key drivers to AGT's expanding chickpea business, allowing access to products for import/processing/re-export activities into consumption markets. Turkey and the surrounding region is a significant consumption market for chickpeas, both for hummus and other uses such as flour. Management expects in the near term to grow its global chickpea business to regions of Europe, the Middle East and North Africa in part by utilization of its Turkish assets through its existing global origination strategy as it has in the past in relation to other pulses. Turkish assets are also being used to process chickpeas originated and imported unprocessed from Russia and the Ukraine, imported in containers, and sold throughout Turkey and neighbouring markets. Turkish asset utilization for AGT's chickpeas, beans and peas program is growing in significance with approximately 20% of product passing through plants originating unprocessed process from former Soviet Union countries (Russia, Ukraine, Kyrgyzstan, Uzbekistan, Kazakhstan). Turkey is a becoming a key regional processing and distribution hub for raw materials in this region. Arbel assets in close proximity to port facilities provides an advantage for import and processing activities.

With respect to durum wheat, the raw material for the production of pasta, bulgur and semolina, Turkey has seen good growing and harvest conditions for the durum wheat crop following a late harvest period caused by rain (U.S. Agricultural Attaché Grain, TMO). A decrease in seeded acres, due to competition from corn and cotton, is being reported; however, yield increases are expected to result in production estimated to be close to the short-term average. With reported decreases in durum wheat production in Canada and the U.S., as well other origins, the sharp rise in durum wheat prices for new crop raw materials are expected to continue through 2012 (Canadian Wheat Board). Stable supply from Turkey is a key driver for AGT's growing global pasta and milled wheat business. Sufficient local stocks of Turkish durum have ensured that AGT's pasta business is able to secure its supplies to back its sales commitments without significant risks to margin. This is seen as a possible advantage for the Arbella pasta business for the remainder of the 2011 year and into 2012, as Turkey is expected to remain competitive as an origin for pasta as North American durum wheat markets are expected to remain strong. A governmental ban on the export of raw durum wheat will ensure that local supplies remain available for durum wheat millers of pasta and bulgur to continue their exports of value-added food products in 2011 and 2012.

Rice paddy production is estimated to rise to 900,000 mt for the new crop harvest, an increase over the approximately 850,000 mt reported in 2010 and 2011 (TMO). Rice paddy planting takes place in the early-May period, with harvest commencing in the mid-September to early October period and completing in mid-November. Rainfall in the harvest period is an important component for rice production. Growing conditions in Turkey have been reported as favourable for the harvest period assuming a continuation of normal growing conditions (TMO, Turkish Rice Millers Association). With estimated production levels for paddy production in 2011 in this range, imports of rice are forecast to continue for 2011 and 2012 at strong levels, particularly from U.S. origins (U.S. Agricultural Attaché Grain and Feed Update Report, TMO, Turkish Rice Millers Association). This is expected to continue to create opportunities for AGT's rice business and ample raw material stocks for its new 65,000 mt per annum rice processing mill in Edirne, Turkey, which was commissioned for operations in mid-2011. This new facility is expected to bolster AGT's growth in this business platform with the potential of additional production through enhanced irrigation systems for the area. Rice harvest is expected to be completed early in the Q4 period, which is projected to provide a positive outlook for this business segment in 2012.

Pasta facilities are running at effective peak capacity, which is projected to continue with strong demand for Arbella pasta in new markets in the near term. To meet the continuing estimated demand for AGT pasta products, the fifth pasta line has been commissioned for production and has been partially operational through third quarter of 2011. The line will add 36,000 mt of additional short cut pasta capacity in 2012.

To keep pace with increased pasta production, expansions for semolina production were required. These expansions are currently underway, with about 50% capacity increase in semolina production targeted for completion in early 2012 to keep pace with demand for pasta and other milled wheat productions in 2012. Overall, Management expects pasta facility expansions to begin earnings contribution in Q4 2011, with additional contribution expected in early 2012 with the commissioning of these semolina expansions. This is a positive development in AGT's cross-selling approach for pasta where customers in most markets buying long-cut pasta (spaghetti and other long noodle varieties) request supplemental short-cut shapes to complement the overall variety they are able to provide to their customers in local markets. With expected strong long-cut demand continuing, customer requests for additional short-cut varieties have grown and are expected to continue, providing growth opportunities for the pasta segment overall. Continued offerings to new and existing markets will be a focus through 2011 and into 2012. Continued demand for other milled wheat products such as semolina and durum in the domestic Turkish market is also expected during this period.

Based on available reports, Management anticipates favourable conditions in key growing areas and ample production and supply levels for most Turkish commodities. With continued positive indicators through 2011 and expected positive results in 2012, Management expects Turkish operations to provide increases to capacity utilization and related earnings contribution. As it has done in the past, where local production shortfalls were experienced, Management expects to utilize available capacity in its Arbel facilities, coupled with free zone facilities, for import/processing/re-export activities with products being shipped to Turkey from other origins. More normalized or slightly lower production of new crop supply and global carry-in stocks are expected to further stabilize supply of product for processing and assist in continuing to smooth the seasonality of AGT business in Turkey. This is estimated to be assisted by ample forecasted supplies in Canada and Australia, supplying Arbel with a more predictable and stable supply and price environment in pulses throughout the year as harvest is completed in other origins. This is expected to allow for a return to normalized processing and distribution margins in the pulses business segment from Turkey, halting the margin erosions due to price volatility experienced in 2010. Regular imports from Canada and Australia will assist Arbel in meeting its sales obligations without being subjected to local pulses price fluctuations and fluctuations in physical product deliveries arriving into the pulses market in Mersin, Turkey. As farmers physically deliver products into a spot market for purchase, supplies can be variable and short deliveries can cause price variances according to demand outpacing available supplies. Regular import supplies provide a degree of insulation from these upward price pressures and allow for more consistent margins.

AGT will also continue to develop its distribution platform using Arbel as the base for green lentils, chickpeas, white beans, speckled beans, faba beans, mung beans, popcorn and rice. Transit and trade business to neighbouring countries are important revenue generators for AGT. Utilization of newly-erected cold storage warehouses at Arbel will allow AGT branded bagged product to achieve further market penetration as AGT has positioned warehouse stocks in Turkey to capitalize on immediate delivery opportunities.

With these factors in mind, Management expects the increased capacity utilization and business opportunities through the coming quarters at the Arbel operations to contribute in a positive manner and allow this operating division to be a strong contributor to future earnings. Regional credit availability for importers is key to demand materialization in 2012. The sales region of Arbel is influenced by the European banking sector as many regional banks have credit facilities and correspondent banking relationships with Europe. Credit access is a fundamental to normalized demand for AGT's products. Management is optimistic that strong importers will facilitate the flow of goods into countries to meet staple food demand.

Australia

Australia reports the period before harvest on a positive note, as it has throughout the 2011 crop season. While overall pulses production is estimated by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) to be at record levels for 2011 at 2.134 million mt, overall production is being redistributed among different products. Increases in production of lupins at 12% to 694,000 mt and chickpeas at 8% to 407,000 mt are being reported. Slight decreases of 1% on lentils to 303,000 mt, just off the 306,000 mt record production in 2010, and 4% on faba beans to 275,000 mt, off the 287,000 mt record in 2010 are also being reported. These production levels are viewed as positive from a global origination standpoint by Management.

Export levels for pulses have been reported by the Australian Bureau of Statistics as climbing steadily through the June to August 2011 period. Lentil exports from Australia climbed from 9,927 mt in June to 38,341 mt in August and 29,513 mt in September. Chickpea exports from Australia were also strong with an average of 47,000 mt exported in the same period.

With Australia expected to continue being a strong production origin in the 2011 crop year for 2012 marketing activities, Management is optimistic about the potential for its Australian business units in Victoria and its expanded South Australian facilities as well as the new acquisition in New South Wales. With opportunities around storage, blending, colour sorting and sizing, AGT's Victoria business at Horsham is fully equipped with splitting and value-added processing capacity, allowing it to process off-grade lentils and faba beans for the high quality demands in the Middle East and Indian subcontinent markets. The acquisitions and expansions at the grain handling facilities in Bowmans and Kadina in South Australia and the addition of a processing plant provide opportunities with regard to storage and containerized shipments to these markets as well. Owned and leased dedicated pulses storage with multiple segregations in Australia is in excess of 100,000 mt, giving AGT a significant competitive advantage over most of its global competitors. AGT's new acquisition in Narrabri, New South Wales is expected by Management to provide opportunities for exports of desi and kabuli chickpeas, faba beans, mung beans and lupins principally to North Africa, Middle East and Indian subcontinent markets in 2012. Container rail service to Adelaide and Sydney from AGT facilities and container shipments from Victoria via Melbourne are expected to bolster export opportunities for these products to nearby consumption markets, further expanding AGT's global chickpea and bean platforms.

Management expects its Australian expansion strategy to continue and contribute positively to earnings with strong origination, well-equipped and positioned assets and a growing loyal producer following in its origination areas. Management believes it is building a sustainable, competitive advantage for AGT in the pulses and specialty crops space in Australia. The Australian business unit, along with Turkey and the U.S., is a key component of AGT's efforts to diversify its earnings base and balance its concentration on Canadian operations.

Management expects that pulses acreage in Australia will continue to rise providing the basis on which to continue execution of its investment strategy in Victoria, South Australia and New South Wales with planned improvements of its existing asset bases in 2012-2013.

India and Subcontinent Markets

Ongoing reports from India regarding import and production levels have contributed to market questions on the impact of India on global pulse exports. Lower kharif production and uncertainty about rabi season seeding levels is expected to contribute to higher levels of imports to meet the significant domestic demand for pulses in India. However, it should be noted that accurate and reliable reporting on production, consumption and import levels in

India are difficult to verify. Statistical lag and regions that simply do not report production and consumption contribute to this. While this has translated in the short-term to a fluctuation in imports to the region as local production is consumed in the market, local importers are expected to look to import product available from North American and Australian harvest periods. Governmental policy and messaging aimed at curbing food inflation also contribute to messaging that Management sees as “overly optimistic” in the Indian production systems. Early in the Q4 period, Indian government tenders for desi chickpeas and lentils are viewed by Management as a positive indicator for the 2012 year with regard to potential for exports to India from AGT’s global origins.

Management notes that India is a major driver of regional production and consumption. However, Bangladesh, Sri Lanka and Pakistan are also positive demand points for AGT. Demand for lentils, chickpeas and beans are expected to continue in 2012 in these neighbouring markets regardless of India’s internal market dynamics.

Management expects the positive demand fundamentals for pulse imports to Indian subcontinent markets in 2012. Regional imports have lagged 2010 levels in 2011. Management is awaiting consistent demand from India and nearby markets as a key element of the resumption of normalized demand in 2012. In any production year, India and its regional markets are important contributors to demand to move global pulses supplies. The continued governmental ban on Indian origin exports is expected to allow AGT to benefit from opportunities to ship its products to this region and drive utilization of its North American, Australian and South African asset bases. Origination and export from Southern Africa (Mozambique, Tanzania, Kenya and Malawi) is also an opportunity that will be developed with the Advance Seed acquisition.

Opportunities for expanded presence in the region continue to be investigated, including local processing, warehousing and distribution. India is a key focus of AGT’s strategy to solidify its local presence with regard to distribution in key consumption markets. The gap in supply and demand in India is forecast to continue to rise in the coming years according to published reports by the Indian Government and other industry sources. Growth in consumption is estimated to continue its rise simply due to the growing population in India. Local production is stable to declining due to urbanization and weather volatility. The consumption of pulses, a staple food group, is prevalent across all income levels, from the richest to the poorest of consumers. This leaves India as a key driver for future demand prospects for the pulses markets. Resumption of this region’s demand is key to the prospects for AGT’s core product offerings.

South Africa

With the acquisition of Advance Seed, AGT’s long-time client and distributor in the Southern Africa region for pulses, grains and popcorn, entry into this key consumption region has begun. Processing facilities in Johannesburg and warehouse and packaging facilities in Cape Town and Durban provide AGT with existing markets for popcorn, pulses, pasta and seed grains in the Southern Africa region. It should be noted that AGT, with this acquisition, has acquired a fully functioning business with existing sales contracts and a branded retail product line, both for retailers and private label, which is expected by Management to begin contributing to earnings in the Q4 2011 period. Significant competition with corn acres, resulting in high levels of corn production at 11.2 million mt (South Africa Grain Information Service; SAGIS), is resulting in decreases in beans, lupins and other products. While this is an issue for local processors, AGT, with its global operations in other origins, is viewing similar import/process/re-export opportunities to cross-sell with the locally produced popcorn and other products. Southern Africa provides another outlet for driving sales opportunities for AGT's asset base in China, Canada, Turkey and Australia.

As well, Management has identified the potential for increased pulses production in neighbouring regions for import substitution particularly as growing and supply programs for local retail markets have potential duty and tax advantages for locally produced products. In many cases, farmers will grow crops that have marketing options for them. In the absence of processing infrastructure and marketing outlets, other crops are grown. However, if a marketing outlet does exist that provides competitive returns for crops; farmers may be able to grow other products as well. With the amount of farmland available in the Southern African region, Management estimates this potential may exist.

China

Although limited official data on pulses in China is available, a past report from the U.S. Agricultural Attaché to China in early 2011 estimates approximately 4.2 million mt of pulses production, largely consisting of broad beans, kidney beans, mung beans and adzuki beans, the latter two being varieties of pulses products not produced or produced in limited amounts in other AGT origins. The report also estimates high levels of pea imports for domestic starch extraction for vermicelli noodle production as well as moon cakes and snack foods. Management continues to proceed with its implementation of a strategy to utilize the new Chinese assets to provide an entry point for Canadian, U.S. and Australian peas for starch, green peas for snack foods, green pea powder and sprouting green peas as well as an origin for exports from China to major bean markets such as the U.S., Latin America, Europe, Southern Africa and India for light speckled kidney beans, black beans, navy beans, mung beans and white beans. Expansion plans for AGT's planned new bean processing plant have been slow as Management continues to evaluate options with respect to location, scope and scale of the investment. Plans continue for construction of a new facility in 2012.

Market Conditions

Management estimates adequate production levels of pulses in all of its origins in 2011 will allow stability in pricing and provide a return to more normalized business in the global pulse industry after the market volatility seen over the past periods. Under these normalized conditions, Management expects to be well-positioned to drive efforts to better utilize global capacity and execute its global sales plans supplying end-use markets with quality protein and staple foods.

New crop production in North America appears to have returned to a more normalized state, with slightly lower production due to rotational decisions by farmers and reduced acreage in the U.S. caused by flooding, but good quality and quantity nevertheless. The variable quality issues of the past year appear to have resolved themselves in new crop harvest, with estimates of a return to the expected approximately 80% of lentils grown falling into the top two grades. More consistent quality at harvest provides expected quality levels for international buyers. Availability of number “2” or better grade of green lentils is especially important for markets consuming these products, as buying decisions are made in part on colour and size of the product. Red lentils provide more opportunities for value-added processing and upgrade potential as most of this product is split and colour sorted before shipment to end-use markets.

Supply side fundamentals are intact. Demand from Indian Sub-continent and Middle East/North Africa are key to allowing AGT to return to normalized origination, processing and export activities in 2012 and beyond. Strong agricultural sector fundamentals are expected to drive robust demand for staple foods and protein. However, some pulses and food importers, distributors and retailers may delay purchases as late as possible to ensure they hold minimal inventories given the recent volatility and the economic situation in Europe and the rest of the world. Banking and the financial liquidity of customers continues to be a source of uncertainty. While agricultural supply and demand fundamentals are relatively immune to short-term macroeconomic events, the uncertainty has contributed to significant volatility as non-commercial traders have substantially lowered their positions in commodity markets. Management is hopeful that any delays in product purchase decisions will be temporary as markets need to replenish stock levels due to the staple nature of the products that AGT sells.

Non-traditional pulse consumption in North America, coupled with new lines of North American business including a focus on chickpeas and beans, is expected to create further opportunities for the processing business from Canadian and U.S. origins. The completed acquisition of Poortmans, including its Dutch and Spanish sales offices and Chinese bean processing assets, will assist AGT in its growth strategy in Europe for its global bean and chickpea platforms. Continued growth in pasta and rice and the addition of more capacity for production in these business lines in Turkey, along with an active sourcing program in Russia, Ukraine and Central Asia and processing infrastructure growth in Australia, will assist AGT in boosting its global capacity utilization, resulting in the potential for smoothing the seasonality of its business and reducing its revenue concentration on its Canadian asset base. The lower lentil production volumes in Turkey are expected to have the positive effect of allowing AGT to focus domestic production on domestic markets, while utilizing the Arbel facilities for warehousing and distribution and a import/processing/re-export strategy to supply staple food items to regional markets such as the Middle East and North Africa with products originated in other AGT origins.

New initiatives, such as the announced pasta and pulse ingredient complex in Regina, Saskatchewan and the U.S pulses ingredient plant located in Minot, North Dakota, are expected to offer additional growth potential for AGT export and food ingredient platforms. A focus on pulses flours, proteins, starches and fibre for industrial and food ingredient markets is anticipated by Management to provide great potential growth of the non-traditional pulses consumption area.

In addition to this, AGT has continued its strategy of diversification of origins for its pulses business with expansions and acquisitions into other pulses growing origins including Australia, South Africa and the U.S. Management anticipates export opportunities for Arbella pasta, branded, as well as for private label markets, from its new Canadian facility. The selection of Regina as the location for this planned complex is in keeping with Management's philosophy of locating processing and production infrastructure at the origin of the growing regions for products where an inbound and outbound freight advantage can be realized for the export of finished staple food products to markets around the globe. The new Canadian processing focus will be on products and acreage not currently a main product focus for AGT such as durum wheat and peas.

Management is optimistic about its ability to develop sales opportunities in its four core platforms for growth: pulses, pasta and durum wheat milling, rice and other products (e.g. popcorn, sunflower seeds). Specifically, offerings include split and value-added lentils, peas and chickpeas and its newer offerings of beans, pasta, bulgur wheat, semolina and rice that are in place, as well as a planned pulses food ingredient business including flour, protein, starch and fibre. Management believes that the diversified operating divisions in virtually every pulse and staple food producing origin provided a position of strength vis-à-vis AGT's competitors both regionally and globally.

Historically, steady demand for pulses and staple foods in virtually all end-use markets sees buyers following a cycle to fill the relatively inelastic demand for pulses and staple foods with supply of new crops in North America (August/September harvest), as well as forward to Australia/South Africa (December harvest), India (March harvest) and Turkey (June harvest). Even with the global economic uncertainty, Management believes demand will resume through traditional shipping periods, with opportunities for the 2011 crop supply from all origins in 2012 to replenish local market stocks. The uncertainty regarding actual Indian production and supply levels has the potential to translate to strong import levels of pulses to India in 2012, which is an important component to moving available product from producing origins in any production year. Similar import opportunities for Turkey are estimated to exist as well; with the decreases in production of lentils and chickpeas in that origin creating high estimated domestic and regional consumption.

Importers and international buyers must complete buying decisions as stocks become available, bringing them into the markets to satisfy consumer demands for pulse products, staple foods and protein. Local importers who previously postponed portions of their buying due to volatile pulse markets appear to have started to come back into the market for new crop 2011 offerings from all origins shipping in late 2011 and early 2012, especially as quality is expected to return to normalized levels. The calming of political tensions and political reforms in the North Africa and Middle East regions are expected to have a positive effect on food import prospects as governments and aid agencies deal with political reforms, refugee crisis and food availability as a basic building block of civil society. Libya, Egypt, Algeria, Syria, Iraq and Sudan present opportunities for sales in 2012.

With regard to acquisition, Management reports that reviews in relation to potential acquisitions in key consumption markets and other origins are ongoing. With regard to integration of previous acquisitions, integration processes are continuing as planned. New additions to AGT's corporate management continue on programs aimed at bolstering administrative, corporate reporting and information technology standardization between all corporate subsidiaries. Completed improvements at a number of North American, Turkish and Australian facilities in advance of the 2011 harvest season position those facilities to provide a positive a contribution to AGT's business in future periods.

The previously announced U.S. acquisition and expansion in Minot, North Dakota is projected to be completed in 2012 with the anticipated origination, processing and freight advantages expected to contribute for the 2012 U.S. new crop harvest. As the facility in Minot was never commissioned as a pulses processing facility, AGT operations staff are able to setup and configure the facility in a manner that makes most efficient use of process and equipment for value-added processing of pulses and staple foods as well as the processing of pulses food ingredients including flours, proteins, starches and fibre. Once the facility is completed and commissioned, typical integration issues are expected; however Management, through the many "tuck-in" acquisitions completed, has developed efficient systems and processes for resolving these integration issues.

In Australia, Management is optimistic with regard to the growth potential of the existing and new Australian business units. Expansions at Horsham are completed. Integration of the Balco and Northern Yorke acquisitions are ongoing and on track, with these new facilities expected to continue to create opportunities to capture pulses into AGT's newly constructed storage and processing systems, which are scheduled for completion in November 2011. The newly acquired facility in Narrabri is expected to contribute for the 2011 harvest in Australia. This facility is well-positioned in a key growing area in New South Wales for desi and kabuli chickpeas, faba beans, mung beans and lupins. It is a fully operational facility, with three times weekly container rail service to the port of Sydney and freight advantages to North Africa and the Indian subcontinent, which are the principal markets for these products. Management is pleased with the opportunities this new facility may provide to the Australian operations.

Management is optimistic about the benefits the recent acquisition of Advance Seed in South Africa is expected to provide for AGT in the Southern African region. With a strong management team headed by Mr. Brian Lever and his decades-long experience in the agri-foods sector in the region, Management expects the existing facilities for processing and packaging in Johannesburg, as well as the packaging and distribution facilities in Cape Town and Durban, to begin to contribute positively to earnings in the short-term. Further, the seed grains and agronomical consulting services that Advance Seed provides to growers of pulses, grains and popcorn in Southern Africa is expected to assist in the increase of pulses acres in the region. Finally, the branded products and private label business through the Pouyoukas Foods brand is seen as a platform for growth of the AGT retail platform for popcorn, packaged pulses, rice and Arbella pasta in the region.

Management continues to reiterate that the key components to long-term value creation in its business are intact and that it will continue down the path of building a truly global and profitable origination, processing and distribution business for staple foods: lentils, chickpeas, peas, beans, faba beans, pasta, medium grain rice, bulgur and semolina with a continued focus on expansions and facility refurbishments providing capacity efficiency gains in Canada, the U.S., Turkey, Australia, China, India and Southern Africa.

Summary of Quarterly Results

(in thousands of Cdn. $ except as indicated unaudited)	**3 Months Ended September 30, 2011**[1]	**3 Months Ended June 30, 2011**[1]	**3 Months Ended March 31, 2011**[1]	**3 Months Ended December 31, 2010**[1]	**3 Months Ended September 30, 2010** [1]	**3 Months Ended June 30, 2010**[1]	**3 Months Ended, March 31, 2010**[1]	**3 Months Ended December 31, 2009**[1]
				*	*	*	*	**
Sales	190,556	169,915	168,053	169,003	137,559	149,222	186,356	154,799
Cost of sales[2]	165,001	153,011	146,763	154,767	122,142	136,882	156,774	124,455
Gross profit	**25,555**	**16,904**	**21,290**	**14,236**	**15,417**	**12,340**	**29,582**	**30,344**
Add: Non cash foreign exchange effect	(21,205)	(8,433)	606	(1,017)	5,467	(6,604)	1,433	815
Less: Operating expenses[3]	12,469	9,351	8,879	8,466	12,019	9,362	9,220	9,753
Add: Depreciation in cost of sales [2]	1,531	1,625	1,761	846	1,677	1,461	-	919
EBITDA [*]	**(6,588)**	**745**	**14,778**	**5,599**	**10,542**	**(2,165)**	**21,795**	**22,325**
Add (deduct): Non cash foreign exchange effect	21,205	8,433	(606)	1,017	(5,467)	6,604	(1,433)	(815)
Add (deduct): Acquisition costs [4]	409	-	-	667	-	-	-	-
Adjusted EBITDA [*]	**15,026**	**9,178**	**14,172**	**7,283**	**5,075**	**4,439**	**20,362**	**21,510**
Less: Interest	3,549	2,328	2,193	2,398	1,139	1,283	1,078	546
Less: Depreciation and amortization[2]	1,842	3,545	2,588	2,495	2,106	2,066	628	1,411
Less: Provision for (recovery of) income taxes	(905)	(1,252)	2,814	1,013	1,382	(1,186)	2,403	5,160
Adjusted net earnings [*]	**10,539**	**4,557**	**6,577**	**1,377**	**448**	**2,276**	**16,253**	**14,393**
Adjusted basic net earnings per share	0.53	0.23	0.33	0.05	0.02	0.02	0.95	0.81
Adjusted diluted net earnings per share	0.53	0.23	0.33	0.05	0.02	0.02	0.93	0.80
Add (deduct): Non cash foreign exchange effect	(21,205)	(8,433)	606	(1,017)	5,467	(6,604)	1,433	815
Add (deduct): Acquisition costs [4]	(409)	-	-	(667)	-	-	-	-
Net earnings (loss) per financial statements	**(11,075)**	**(3,876)**	**7,183**	**(307)**	**5,915**	**(4,328)**	**17,686**	**15,208**
Basic net earnings (loss) per share	(0.56)	(0.20)	0.36	(0.02)	0.30	(0.23)	1.03	0.89
Diluted net earnings (loss) per share	(0.56)	(0.20)	0.36	(0.02)	0.30	(0.23)	1.01	0.87
Total assets	615,556	575,397	566,609	527,268	453,274	445,398	459,439	424,445
Bank indebtedness (short-term debt)	129,493	116,397	99,150	80,336	-	-	64,755	30,105
Short term financing	37,093	28,958	9,703	24,925	25,005	26,261	50,975	26,385
Long term debt	66,203	56,484	56,993	22,893	17,637	23,508	36,255	36,624
Shareholders' equity	276,011	290,862	302,604	303,090	319,633	314,779	244,755	231,910
Dividends/distributions declared per share	0.1500	0.1500	0.1350	0.1350	0.1350	0.1350	0.1350	0.1350
Total tonnes invoiced	282,847	227,132	251,267					
Gross profit per metre tonne	90.35	74.42	84.73					
Adjusted EBITDA (*) per metric tonne	53.12	40.41	56.40					

* Certain Management estimates were employed to facilitate the reclassification of comparative cost of sales and operating expenses related to the allocation of wages and benefits for IFRS comparatives.

** Amounts have not been restated to IFRS and are presented in accordance with Canadian GAAP.

Notes:

(1) Calculated from the unaudited interim financial statements for the quarters ending September 30, 2011 and 2010, June 30, 2011 and 2010 and March 31, 2011 and 2010, and the unaudited IFRS format annual financial statements for the year ending December 31, 2010; as well as the audited annual financial statements for the year ending December 31, 2009.

(2) Cost of sales includes depreciation on equipment used to process inventory. Total depreciation is added back for EBITDA*.

(3) Excluding interest, depreciation and amortization.

(4) Acquisitions costs relate to the purchase at Narrabri, New South Wales Australia. The new company is owned and operated by AGT's wholly owned subsidiary, Australia Milling Group.

Discussion of Quarterly Results

AGT's Revenues were $190.6 million for the three months ended September 30, 2011 compared to $137.6 million for the three months ended September 30, 2010 and $169.9 million for the three months ending June 30, 2011. AGT's revenues increased from $473.1 million year to date at September 30, 2010 compared to $528.5 million year to date at September 30, 2011. This is due largely to additional acquisitions in Australia as well as the Poortman purchase which was completed in November of 2010.

Gross Profit was $25.6 million for the three months ended September 30, 2011 compared to $15.4 million for the three months ended September 30, 2010 and $63.7 million for the nine months ended September 2011 compared to $57.3 million for the nine months ended September 30, 2010. Gross profit is higher than the same period last year for the quarter and for the nine months. This is due to better quality product being handled, and resultant lower processing costs. In addition, good quality product purchased in Q3 of 2010 had a higher cost since much of the crop was weather damaged.

AGT's Adjusted EBITDA* was $15.026 million for the three months ended September 30, 2011 compared to $5.1 million for the three months ended September 30, 2010 and $9.2 million for the three months ending June 30, 2011. Adjusted EBITDA* of $38.4 million increased for the nine months ended September 30, 2011 compared to $29.9 million for the nine months ended September 30, 2010. The increase in Adjusted EBITDA* from the quarter ended September 30, 2010 to the quarter ended September 30, 2011 was due to a change in product mix. In 2010, the volume of peas and canary seed increased due to the lack of availability of existing lentil stocks. In 2011, this volume was concentrated in lentils, chickpeas and beans, accounting for improved gross margins and Adjusted EBITDA*.

Operating expenses, excluding interest and depreciation in cost of sales, for the quarter ending September 30, 2011 were $12.5 million, compared to $12.0 million for the three months ending September 30, 2010 and higher than the $9.4 million for the three months ending June 30, 2011. Operating expenses for the nine months ended September 30, 2011 were $30.7 million compared to $30.6 million for the nine months ended September 30, 2010. Although additional facilities were added throughout the year the operating expenses remained consistent with the prior year. Included in operating expenses are marketing sales and distribution costs as well as general and administrative costs, certain finance costs and certain depreciation. Larger volumes shipped and new acquisitions resulted in higher costs. Also included in the current quarter were one time acquisition costs of $0.4 million related to assets purchased in Australia, one time listing costs of approximately $0.5 million and one-time costs of approximately $1.0 million resulting from an amended filing of value added tax returns due to a change in Turkish tax legislation.

Interest expenses for the quarter ending September 30, 2011 were $3.5 million compared to $1.1 million for the quarter ending September 30, 2010 and $2.3 million for the three months ending June 30, 2011. Interest expense increased from $3.5 million for the nine months ended September 30, 2010 to $8.1 million for the nine months ended September 30, 2011. Interest expense increased when comparing the quarter ended September 30, 2011 to the quarter ending September 30, 2010 due to increases in working capital requirements for all divisions, resulting in an increase in net debt. Interest expense increased for the nine months ended September 30, 2011 compared to the nine months ended September 30, 2010 due to utilization of share issuance proceeds for capital improvements and expansion, and resulting requirements for increased borrowings in 2011.

Provision for income tax shows a recovery of $0.9 million for the quarter ended September 30, 2011 as compared to a recovery of $1.3 million for the quarter ended June 30, 2011 and a $1.4 million expense for the quarter ended September 30, 2010. The recovery amounts for the quarter ended September 30, 2011 and the quarter ended June 30, 2011 are a result of net losses for these quarters attributable to unrealized foreign exchange loss. Provision for income tax for the nine months ended September 30, 2011 was $0.6 million compared to $2.6 million for the nine months ended September 30, 2010. This is due to higher net earnings in the nine months ended September 30, 2010 compared to the nine months ended September 30, 2011.

Depreciation expenses for the quarter ended September 30, 2011 were $1.8 million compared to $2.1 million for the quarter ended September 2010 and $3.5 million for the quarter ended June 30, 2011. The lower depreciation amount for the quarter ended September 30, 2011 is attributable to an analysis of componentization. Certain classes of assets were evaluated and, as a result, the useful lives of certain components were adjusted. This is reflected in the quarter ended September 30, 2011. Depreciation for the nine months ended September 30, 2011 was $8.0 million compared to $4.8 million for the nine months ended September 30, 2010. The increase in depreciation for the nine months ended September 30, 2011 is due primarily to additional depreciable assets resulting from acquisitions.

Unrealized foreign exchange was a loss for the quarter ended September 30, 2011 of $21.2 million compared to a gain of $5.5 million for the quarter ended September 30, 2010 and a loss of $29.0 million for the nine months ended September 30, 2011 compared to a gain of $0.30 million for the nine months ended September 30, 2010. This is primarily due to the devaluation of the Turkish Lira against the CDN and US dollar throughout the period January 1, 2011 to September 30, 2011. In addition there were US dollar fluctuations throughout 2011. As a result, when foreign currency denominated assets and liabilities and open foreign currency contracts were marked against September 30, 2011 foreign exchange values, an unrealized, non-cash foreign exchange loss was recorded for both the quarter ended September 30, 2011 and the nine months ended September 30, 2011. Foreign exchange fluctuations for the quarter ended September 30, 2010 and for the nine months ended September 30, 2010 resulted in unrealized foreign exchange gains for AGT for those periods.

Net debt – is comprised of bank indebtedness, short term financing and long term debt, less cash and cash equivalents totalled $223.3 million at September 30, 2011 compared to $117.7 million at December 31, 2010 and $174.9 million at June 30, 2011. Net debt rose as a result of the build-up of inventory and increased sales resulting in higher accounts receivable.

Current assets totalled $361.0 million at September 30, 2011 as compared to $279.7 million at December 31, 2010 and compared to $323.6 million at June 30, 2011. The current asset base is largely accounts receivable and inventory, reflecting the continued growth in sales and distribution that AGT has experienced in recent months. As the payables cycle is significantly shorter than the accounts receivable and inventory turns cycle, this drives the need for working capital to deliver revenue and earnings growth and sustainability for current and future periods.

Dividends - AGT paid a dividend in October 2011 of $2.9 million ($0.15 per share) in the aggregate to its shareholders of record as at September 30, 2011.

It is currently anticipated that, going forward, AGT will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGT's dividend policy will be subject to the discretion of the Board of Directors and may vary depending on, among other things, AGT's earnings, financial requirements, the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors.

Balance sheet accounts of subsidiaries are valued at September 30, 2011 foreign exchange rates as follows:

USD/CDN	1.04458
AUD/CDN	1.01664
TL/CDN	0.56195
GBP/CDN	1.62753
EUR/CDN	1.41050

For each subsidiary, any difference between the September 30, 2011 exchange rate and the average exchange rate is used to record revenues and expenses and is recorded as other comprehensive income (loss) on AGT's Consolidated Statements of Comprehensive Income and Consolidated Statements of Changes in Equity.

Liquidity and Capital Resources

AGT has been able to generate sufficient cash from its operations and through access to operating lines and other facilities, to maintain its operations, fund development, and to pay its declared dividends. AGT's ability to generate sufficient cash in the future to pay dividends will depend, among other things, on future harvests of and demand for pulses and special crops. Please see "Discussion of Quarterly Results - Dividends" above and "Outlook" for a discussion of these factors.

AGT's working capital requirements fluctuate from quarter to quarter as the supply of pulses and special crops fluctuates, since payments to suppliers form the largest item of the working capital requirements. AGT's working capital requirements are met from its earnings, with its credit facility providing bridge financing until payments for sales are received.

At September 30, 2011, AGT had total operating lines and other facilities available of $221.9 million (December 31, 2010 - $255.7 million), a portion of which is secured by a general security agreement. Interest rates range from 3% to 6.9% with varying maturity dates.

The Canadian credit facilities have floating interest rates, and Management regularly monitors interest rates to make adjustments to its fixed versus floating interest rate management program. AGT also uses fixed rate banker's acceptances to mitigate a portion of its floating interest rate risk in its operating credit facilities. As a result of the low interest rates prevailing in Canada in recent years, Management has decided to leave its Canadian credit facilities largely at floating interest rates; the Turkish credit facilities are also largely floating due to the competitive LIBOR rates prevailing in international financial markets. Turkish Lira denominated borrowings are basis Turkish Central Bank rate and prevailing market premiums at the time of utilization. At September 30, 2011, AGT is in compliance with its financial covenants under all credit agreements.

AGT has implemented a global foreign exchange management program to effectively manage its net exposure to the U.S. dollar, while matching its local currency operations to minimize net exposure to any one foreign currency. AGT's operations in Canada, Australia and Turkey are managed such that net exposures to local currencies are mitigated through offsetting local transactions and hedging programs where appropriate.

Capital Management

AGT manages its capital to ensure financial flexibility and to increase shareholder value through a combination of acquisitions and organic growth. This allows AGT to respond to changes in economic and/or marketplace conditions. AGT also strives to maintain an optimal capital structure to reduce the overall cost of capital. In the management of capital, AGT includes bank indebtedness, long term debt and shareholders' equity. It may be difficult to accurately predict market requirements for attracting capital. There were no changes in AGT's approach to capital management during the year.

AGT includes net debt and shareholders' equity as components of its capital structure. AGT also monitors Adjusted EBIDTA*. The calculation of net debt, shareholders' equity, Adjusted EBITDA* and capital is set out in the following table:

		Sept 30, 2011		June 30, 2011		Dec 31, 2010
Long term debt and finance leases	$	66,203,205	$	56,484,764	$	22,892,916
Bank indebtedness and current portion of long term debt and finance leases		137,258,052		126,329,124		93,499,008
Short term financing		37,092,680		28,958,010		24,925,150
Cash and cash equivalents		(17,288,295)		(36,909,919)		(23,628,472)
Net debt		**223,265,642**		**174,861,979**		**117,688,602**
Shareholders' equity		276,011,686		290,861,913		303,089,972
Capital		**499,277,328**		**465,723,892**		**420,778,574**
Adjusted EBITDA*	**$**	**38,377,917**	**$**	**23,350,306**	**$**	**37,157,253**

Selected asset and liability information

	Sept 30, 2011	June 30, 2011	Dec 31, 2010
Cash and cash equivalents	$ 17,288,295	$ 36,909,919	$ 23,628,472
Accounts receivable	156,938,050	125,978,826	134,886,424
Inventory	175,968,043	139,720,744	110,782,630
Bank indebtedness and current portion of long term debt and finance leases	137,258,052	126,329,124	93,499,008
Accounts payable, accrued liabilities and short term financing	121,673,706	82,578,454	93,082,181
Long-term debt and finance leases	66,203,205	56,484,764	22,892,916

Cash Flow Information – Non Cash Working Capital:

The change in non-cash working capital for the nine months ended September 30, 2011 was a reduction of $92.2 million compared to an increase of $31.4 million for the nine months ended September 30, 2010. This is due primarily to increased inventory and accounts receivable levels. Further discussion is included below.

Inventory:

Inventory at September 30, 2011 was $175.9 million compared to $110.8 million at December 31, 2010 and $139.7 million at June 30, 2011. This is due to the large volume of harvested crops received in September. Australian inventory increased by $8.5 million due to good weather conditions and the resulting larger harvest. The product received is expected to be shipped during Q4 of 2011. Arbel's inventory increased by $30.0 million as at September 30, 2011 compared to December 2010. This is due to larger stock positions in durum wheat reflecting additional production capacity added when the fifth pasta line was installed. Poortman’s inventory increased by $7.7 million as at September 30, 2011 compared to December 2010 due to stock positions taken in Chinese beans for sales commitments to UK and

European canners from the September 2011 Chinese harvest.

Accounts Receivable:

Accounts receivable at September 30, 2011 was $156.9 million compared to $134.9 million at December 31, 2010 and $126.0 million at June 30, 2011. Canadian accounts receivable increased $17.4 million from December 2010 and US accounts receivable increased $3.0 million from December 2010. This is due to the large volume of sales that were executed in the month of September. Australian accounts receivable increased $11.0 million from December 2010. This is due to much larger sales volume. Arbel's accounts receivable dropped by $9.6 million as at September 30, 2011 compared to December 2010. This is due to reductions in commodity prices in durum wheat, lentils and other pulses business, which given similar tonnages shipped resulted in lower accounts receivable figures for collections.

Selected Financial Information:

AGT is in the business of sourcing and processing specialty crops, wheat, bulgar, rice and pasta, specializing in various markets for domestic and export market, and operates in one reporting segment. Management has determined that the business runs in one integrated operating segment. This reporting segment is involved in the milling, cleaning, sizing, color sorting and packaging for distribution to end use customers. Pasta, rice and pulses share common customers and therefore have a common platform and are managed as one reporting segment. Geographic information about AGT's revenues is based on the product shipment destination.

Sales by product line	September 30 3 months ended		September 30 9 months ended	
	2011	**2010**	**2011**	**2010**
Pulses and specialty crops	$ 156,711,541	$ 104,156,141	$ 436,739,638	$ 373,745,030
Pasta, semolina and bulgur	17,168,226	18,789,537	50,599,313	46,237,271
Rice	7,655,434	9,135,003	20,551,943	45,884,047
Other commodities	6,199,154	5,478,719	16,292,490	7,271,018
Miscellaneous revenue	2,821,882	-	4,340,881	-
Total	$ 190,556,237	$ 137,559,400	$ 528,524,265	$ 473,137,366

Sales were derived from customers located in the following geographic areas:

	September 30 3 months ended		September 30 9 months ended	
	2011	**2010**	**2011**	**2010**
Canada	$ 9,356,705	$ 2,467,837	$ 32,213,759	$ 31,075,096
Americas / Caribbean, excluding Canada	32,347,152	28,560,311	79,276,308	83,702,440
Asia / Pacific Rim	17,041,383	19,645,385	64,748,171	117,822,242
Europe / Middle East / North Africa	131,810,997	86,885,867	352,286,027	240,537,588
Total	$ 190,556,237	$ 137,559,400	$ 528,524,265	$ 473,137,366

Assets by country of origin:

Property, plant and equipment and goodwill by geographic areas are as follows:

	Property, plant and equipment	
	September 30, 2011	December 31, 2010
Canada	$ 61,799,925	$ 59,168,422
United States	15,945,375	14,185,230
Australia	30,988,587	20,748,920
Turkey	72,085,840	74,291,754
United Kingdom and China	615,510	291,107
Total	$ 181,435,237	$ 168,685,433

	Goodwill	
	September 30, 2011	December 31, 2010
Canada	$ 16,262,557	$ 16,262,557
United States	10,446	9,970
Australia	50,832	50,708
Turkey	39,316,531	45,040,395
United Kingdom	3,079,751	3,871,806
Total	$ 58,720,117	$ 65,235,436

Change in goodwill is due to foreign currency translation as well as the finalization of the 2010 purchase price equation for Poortman.

Operating Leases:

AGT classifies leases as either finance or operating. Leases that transfer substantially all of the benefits and risk of ownership to AGT are accounted for as finance leases. Assets under finance leases are depreciated on a straight-line basis over the term of the lease unless the terms contain a bargain purchase option in which case the asset is amortized over the asset's estimated economic life on a straight-line basis. Rental payments under operating leases are expensed as incurred.

Critical Accounting Estimates

Note 3 to AGT's consolidated financial statements for the quarter ending September 30, 2011, describes AGT's significant accounting policies.

The preparation of AGT's consolidated financial statements in accordance with IFRS requires Management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The following is a list of the accounting estimates that AGT believes are critical, due to the degree of uncertainty regarding the estimates or assumptions involved and the magnitude of the asset, liability, revenue or expense being reported.

Valuation of Inventory:

Inventories consist of raw materials, labour and overhead costs incurred less costs charged to cost of sales. Inventory on hand is valued at the lower of cost or market value which is determined as sales less estimated cost of completion and cost to sell. Cost of sales is based upon incurred costs. The cost of inventory purchased from third parties is valued at the lower of cost or market value which approximates replacement cost. The estimate relates to the net realizable value of the inventory based upon product quality and market factors.

Income Taxes:

AGT utilizes the assets and liability method of accounting for income taxes under which deferred income tax assets and liabilities are recognized for the estimated deferred income tax consequences attributable to differences between the financial statement carrying value amount and the tax basis of assets and liabilities. Management uses judgment and estimates in determining the appropriate rates and amounts in recording deferred taxes, giving consideration to timing and probability. Actual taxes could significantly vary from these estimates as a result of deferred events, including changes in income tax law or the outcome of reviews by tax authorities and related appeals. The resolution of these uncertainties and the associated final taxes may result in adjustment to AGT's tax assets and tax liabilities.

Deferred income tax assets are recognized to the extent that realization is considered more likely than not. AGT considers past results, current trends and outlooks for future years in assessing realization of income tax assets.

Estimate of Useful Life and Impairment Property, Plant and Equipment:

Property and equipment is recorded at cost. Property under finance leases and the related obligation for future lease payments are initially recorded at an amount equal to cost.

Property and equipment are depreciated to estimated residual values based on a straight-line basis over their estimated service lives. Property and equipment under finance leases are depreciated to estimated residual values over the life of the lease.

Valuation of Intangible Assets and Goodwill:

The intangible assets of AGT were recorded at their estimated fair values at their acquisition date and amortized over their estimated useful life. Indefinite life intangible assets and goodwill are subject to impairment tests under IFRS, at a minimum, annually or more frequently if events or circumstances indicate a potential impairment. If the carrying value of such assets exceeds the greater of value in use or fair value, the assets are written down to fair value. The treatment of intangible assets such as trademarks, brands and licenses is subject to separate impairment testing from the values contained in goodwill. No write down was required as at September 30, 2011.

Financial Instruments:

AGT, as part of its operations, carries a number of financial instruments that include cash and cash equivalents, bank indebtedness, short term financing, accounts receivable, investments, accounts payable and accrued liabilities, dividends payable, and long-term debt and finance leases. The fair value of bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and dividends payable approximate their carrying value given their short-term maturities. The fair value of long-term debt and finance leases are not materially different than their carrying value. Available for sale assets are measured at fair value with changes therein recognized directly in other comprehensive income (loss).

To mitigate risks associated with certain financial assets, AGT utilizes sales terms such as letters of credit, cash against documents, prepayments and accounts receivable insurance. Sales are made to customers that Management feel are creditworthy.

To mitigate risk associated with foreign currency, AGT enters into sales denominated in U.S. currency for which the related revenue and accounts receivable balances are subject to exchange rate fluctuations. AGT has entered into certain foreign exchange contracts with maturities of less than one year, to manage risks associated with entering into new sales contracts denominated in U.S. dollars, Euros and Turkish Lira. For Arbel, transactions in foreign currencies expose AGT to foreign currency risk, arising mainly from the fluctuation of foreign currency used in the conversion of foreign denominated assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. Management reviews the foreign currency open position and takes risk management measures if required.

To mitigate risk associated with fluctuations in the market price of the commodities AGT buys and sells, Management monitors inventory turns and overall grain position and enters into purchase contracts with suppliers and sales contracts with buyers.

Changes in Accounting Policies

International Financial Reporting Standards (IFRS)

As at January 1, 2011, IFRS has replaced Canadian GAAP for publicly accountable enterprises. The new Standards are effective for annual and interim financial statements with respect to fiscal years on or after January 1, 2011 with retrospective application.

AGT completed all phases of its project plan and transitioned to IFRS effective January 1, 2011, with comparative information disclosed for 2010. AGT retrospectively applied all effective IFRS standards and interpretations to determine the opening balance sheet as at January 1, 2010. This quarter is AGT's third interim reporting period under IFRS. The adoption of IFRS has not changed the business strategy of AGT nor has it impacted its primary business activities.

Disclosure Controls and Procedures

Disclosure Controls and Procedures ("Disclosure Controls") are designed to provide reasonable assurance that all relevant information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported on a timely basis, and is accumulated and communicated to Management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. Management, including the CEO and the CFO, do not expect that AGT's Disclosure Controls will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

National Instrument 52-109 - "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the Canadian Securities Administrators ("CSA"), requires CEOs and CFOs to certify that they are responsible for establishing and maintaining Disclosure Controls for the issuer, that Disclosure Controls have been designed to provide reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's Disclosure Controls, and that their conclusions about the effectiveness of those Disclosure Controls at the end of the period covered by the relevant annual filings have been disclosed by the issuer. The Company's CEO and the CFO evaluated the design of AGT's Disclosure Controls as at September 30, 2011 and concluded that AGT's Disclosure Controls were effective.

Internal Controls over Financial Reporting

National Instrument 52-109 also requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal controls over financial reporting ("ICFR"), as defined by the CSA, that the ICFR have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS, and that AGT has disclosed any changes in its ICFR during its most recent interim period that have materially affected, or are reasonably likely to materially affect, its financial reporting.

As discussed above, the inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, have been detected. Therefore, no matter how well designed, ICFR have inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As at September 30, 2011, Management, including the CEO and CFO, evaluated the design of AGT's ICFR. Based on the evaluation, the CEO and the CFO concluded that the Company's ICFR was effective as at September 30, 2011.

During the quarter, the Company successfully integrated Balco Holdings, Northern Yorke Processors and Poortman into the Company's existing control structure.

There have been no other changes in the Company's ICFR that occurred during the period that have materially affected or are reasonably likely to materially affect the Company's ICFR.

New standards and interpretations

The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and amendments that have not been applied in preparing these condensed consolidated interim financial statements as their effective dates fall in annual periods beginning subsequent to the current reporting period.

Proposed standards/amendments	Description	Old standard (if applicable)
IFRS 7 - Financial Instruments: Disclosures (Amendments regarding disclosures - transfers of financial assets)	Enhances the disclosure requirements for the transfer of financial assets to better understand the nature and timing of risk associated with these transfers.	IFRS 7 - Financial Instruments: Disclosures
IAS 12 - Income Taxes (Amendments regarding deferred tax: recovery of underlying assets)	Requires an entity to measure the deferred tax relating to an asset based on whether the entity expects to recover the carrying amount through use or sale.	IAS 12 - Income Taxes
IFRS 9 - Financial Instruments (New)	Initially issued in November 2009 to address the classification and measurement of financial assets. Additional guidance issued in October 2010 on the classification and measurement of financial liabilities.	IAS 39 - Financial Instruments: Recognition and Measurement
IAS 1 - Financial Statement Presentation (amendment)	Amendments to improve the presentation of other comprehensive income (OCI) by grouping together items in OCI that will be reclassified to the statement of earnings and those that will not.	IAS 1 - Financial Statement Presentation
IFRS 10 - Consolidated Financial Statements (new)	Builds on the existing principles of control and elaborates on the definition of control when determining whether an entity should be consolidated or not.	SIC-12 -Consolidation - Special Purpose Entities IAS 27 -Consolidated and Separate Financial Statements
IFRS 11 - Joint Arrangements (new)	Focuses on the rights and obligations of an arrangement rather than its legal form and requires a single method to account for interests in jointly controlled entities.	IAS 31 - Interests in Joint Ventures SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers
IFRS 12 - Disclosure of Interest in Other Entities (new)	A new standard detailing disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-statement of financial position vehicles.	Various - no direct replacement
IFRS 13 - Fair Value Measurement	Sets out a single framework for measuring fair value and disclosure requirements surrounding the inputs and assumptions used in determining fair value.	Various - no direct replacement

Management continues to assess the potential impact of standards and amendments effective in future years on both quantitative and qualitative disclosure.

Outstanding Share Data

As at the date hereof, there are issued and outstanding 19,743,077 Common Shares.

Risks and Uncertainties

Information relating to the risks and uncertainties to which AGT and its subsidiaries are subject is summarized in AGT's most recent AIF, which is available, together with additional information relating to AGT, on SEDAR at www.sedar.com and on AGT's website at www.alliancegrain.com. To Management's knowledge, no significant changes to these risks and uncertainties have occurred in the three months ending September 30, 2011.

Commitments and Contingencies

AGT enters into production contracts with producers. The contracts provide for delivery of specific quantities and include specific prices based on the grade that is delivered. The terms of the production contracts are not longer than one year.

AGT has in place a letter of credit in favour of the Canadian Grain Commission in the amount of $10 million. The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires December 31, 2012.

Interest Rate Risk

Fluctuations in interest rates impact the future cash flows and fair values of various financial instruments. With respect to its debt portfolio, AGT addresses interest rate risk by using various floating rate instruments. The exposure is also managed by aligning current and long term assets with outstanding debt and making use of global credit facilities.

Commodity Price Risk

AGT is a significant processor and supplier of pulse crops and bears significant exposure to changes in prices to these products. A substantial change in prices will affect the Company's net earnings and operating cash flows. Prices for AGT's products are volatile and are influenced by numerous factors beyond the Company's control, such as supply and demand fundamentals, geographical events and weather.

AGT's sales contracting strategy focuses on reducing the volatility in future earnings and cash flow while providing both protection against decreases in market price and retention to future market price increases. To mitigate the risks associated with the fluctuations in the market price for pulse crops, AGT maintains a portfolio of product sales contracts with a variety of delivery dates and pricing mechanisms that provide a degree of protection from pricing volatility.

Reconciliation of Net Earnings, Adjusted Net Earnings*, EBITDA* and Adjusted EBITDA* (In thousands of CDN $ except as indicated)

	For the Three Months Ended 30-Sep-11	For the Nine Months Ended 30-Sep-11	For the Three Months Ended 30-Sep-10	For the Nine Months Ended 30-Sep-10
Net earnings (loss)	(11,075)	(7,768)	5,915	19,273
Add:				
Income tax expense (recovery)	(905)	657	1,382	2,599
Depreciation and amortization	1,842	7,975	2,106	4,800
Interest	3,549	8,071	1,139	3,500
EBITDA*	(6,588)	8,935	10,542	30,172
Unrealized foreign exchange (gain) loss	21,205	29,032	(5,467)	(296)
Acquisition costs	409	409	-	-
Adjusted EBITDA*	15,026	38,376	5,075	29,876
Less:				
Interest	3,549	8,071	1,139	3,500
Depreciation and amortization	1,842	7,975	2,106	4,800
Income tax expense (recovery)	(905)	657	1,382	2,599
Adjusted net earnings*	10,539	21,673	448	18,977
Basic adjusted net earnings* per share	0.53	1.10	0.02	1.02
Diluted adjusted net earnings* per share	0.53	1.09	0.02	1.00
Basic weighted average number of shares outstanding	19,737,865	19,718,939	19,695,209	18,584,038
Diluted weighted average number of shares outstanding	19,978,756	19,971,840	19,995,131	18,890,368

EBITDA (earnings before interest, income taxes, depreciation and amortization), Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, one time acquisition costs and any effects of one time acquisition costs and non-cash foreign exchange adjustment) and Adjusted Net Earnings* (earnings before any effects of one time acquisition costs and non-cash foreign exchange adjustments) are financial measures used by many investors to compare companies on the basis of operating results, asset value and the ability to incur and service debt. Management believes that EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* are important measures in evaluating the performance of AGT and in determining whether to invest in AGT. However EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* are not recognized earnings measures under IFRS and do not have a standardized meaning prescribed by IFRS. They are not intended to represent cash flow or results of operations in accordance with IFRS. Therefore, EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA*, Adjusted EBITDA* and Adjusted Net Earnings* should not be construed as alternatives to net earnings or loss determined in accordance with IFRS as an indicator of AGT's performance or cash flows.