AGT FOOD AND INGREDIENTS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

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The following Management's Discussion and Analysis ("**MD&A**") of financial condition and results of operations has been prepared by management to help readers interpret AGT Food and Ingredients Inc.'s ("**AGT**" or the "**Company**") consolidated financial results for the three and six months ended June 30, 2016 and should be read in conjunction with AGT's audited consolidated financial statements and related notes thereto for the year ended December 31, 2015. The consolidated financial statements have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("**IFRS**"). Additional information related to AGT, including periodic quarterly and annual reports and the Annual Information Form ("**AIF**"), filed with Canadian securities regulatory authorities and certain production and market information as prepared periodically by management, is available on SEDAR at www.sedar.com and / or on AGT's website at www.agtfoods.com.

This MD&A has been prepared as at August 8, 2016. All references to AGT or the Company include its subsidiaries, as appropriate. All amounts are in Canadian dollars unless otherwise stated.

Highlights for the quarter ended June 30, 2016

- **Adjusted EBITDA*** was $25.3 million for the three months ended June 30, 2016, an increase of 14.0% over $22.2 million for the three months ended June 30, 2015.
- **Adjusted EBITDA*** was $112.9 million for the trailing twelve months ended June 30, 2016, an increase of 25.0% over $90.3 million from the trailing twelve months ended June 30, 2015.
- **Cash flow from operating activities** was $56.2 million for the three months ended June 30, 2016 compared to $44.2 million for the three months ended June 30, 2015 and compared to cash used in operating activities of $11.6 million for the three months ended March 31, 2016.
- **Food ingredients and packaged foods** Adjusted Gross Profit* was $197.38 per metric tonne ("**mt**") for the six months ended June 30, 2016, compared to $189.27 per mt for the six months ended June 30, 2015.
- **Food ingredients and packaged foods** segment represented 13.8% of total tonnes invoiced and 30.9% of Adjusted EBITDA* for the six months ended June 30, 2016, compared to 17.3% of total tonnes invoiced and 34.6% of Adjusted EBITDA* for the six months ended June 30, 2015.
- **Dividend** of $0.15 per share for the quarter ($0.60 per share on an annualized basis).

Business Overview

AGT operates with three reporting segments: (1) pulse and grain processing, (2) food ingredients and packaged foods, and (3) trading and distribution. The pulse and grain processing segment includes subsidiaries and facilities in Canada, the United States ("**U.S.**"), Australia, China and a portion of the operations in Turkey. The trading and distribution segment includes operations in Europe, Russia, India and a portion of the operations in Turkey, Canada and Australia. The food ingredients and packaged foods segment includes subsidiaries and facilities in the U.S., Canada, South Africa and a portion of the operations in Turkey.

Through its three segments, AGT handles a full range of pulses and specialty crops including lentils, peas, chickpeas, beans, popcorn, canary seed, flax and other specialty seeds packed for domestic and export markets as well as in dry small package and canned products for both domestic consumption and export markets. In North America, AGT produces pulses proteins, fibres, starches and flours for food ingredient and industrial uses. AGT's operations in Turkey produce milled durum wheat products such as semolina, pasta (under the *Arbella* brand) and bulgur wheat, as well as medium grain and long grain milled rice. These products are sold for both domestic consumption and export markets. AGT also offers retail and foodservice dry packaged and canned foods in Canada and the U.S. under the *CLIC* brand and in Southern Africa under the *Pouyoukas* and *Freshpop* brands.

AGT is among the world's largest value-added processors and splitters of pulse crops and an international producer, processor and exporter of staple food products to over 120 countries. The Company's common shares are currently listed for trading on the Toronto Stock Exchange under the symbol "AGT".

Business Outlook

Summary

Western Canada and the northern tier of the U.S. are preparing for harvest of pulses and grains, with large volumes of pulses expected to be produced. With demand in end consumption markets strong in the later part of 2015 and early 2016, raw material stocks in production origins in Canada and the U.S. have been depleted or nearly depleted.

Overall, these low stock conditions have affected AGT's processing, shipment volumes and margins as commodity prices in North American pulses have remained higher than seasonal averages with continued demand and constrained supply. With the large quantity of pulses expected from 2016 harvest, volumes and margins are expected to return to the levels AGT has reported in other periods.

Global pulses and staple foods markets traditionally reset in the Q2 period, when local production availability in key consumption markets increases and harvest in North America has not yet occurred, resulting in slower sales programs and temporarily lower margins in AGT's pulses and grains processing segment. This temporary slowdown and margin constraint was partially offset by volumes in the trading and distribution segment which assisted AGT in delivering its earnings.

AGT's food ingredients and packaged foods segment performed as expected in the quarter as sales programs for pulse ingredients continues to ramp up and products from AGT's new enhancement deflavoring production line in the Minot, North Dakota pulse ingredient processing facility (the "**Minot Facility**") are distributed to customers for evaluation and inclusion in test products.

In the upcoming periods, management expects volume increases from harvest production and a return to margins in line with results of past quarters as customers in key consumption markets commence to restock local supplies for distribution and consumption.

Reporting Segments

AGT's chief operating decision maker reviews AGT's operations and resource allocation by multiple business segments. Business segments are strategic business units with different products, processes and marketing strategies.

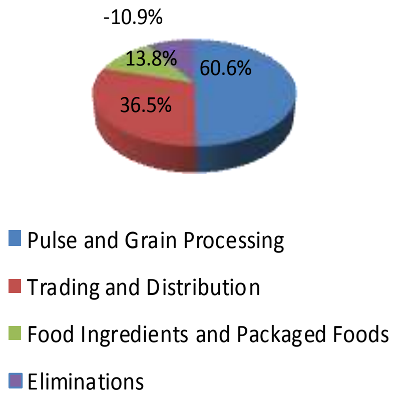
AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA*. Management believes that Adjusted EBITDA* is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose.

The accounting policies used within each segment are consistent with the policies outlined in the notes to AGT's December 31, 2015 annual audited consolidated financial statements. Segmented revenues, expenses and results include transactions between segments that occurred during the ordinary course of business with normal market terms and conditions. Certain estimates and assumptions were made by management in the determination of segment composition.

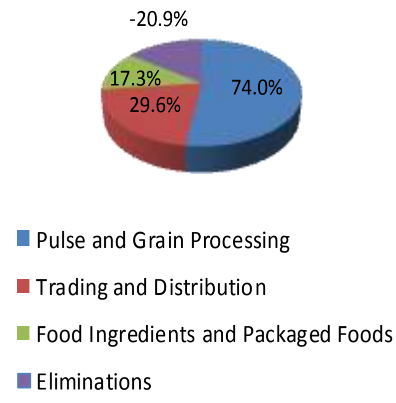
A review of the outlook for each of AGT's business segments is below.

In the following charts, eliminations relate to mt that were sold from one AGT subsidiary to another for further manufacturing, further packaging and/or for sale to a final customer.

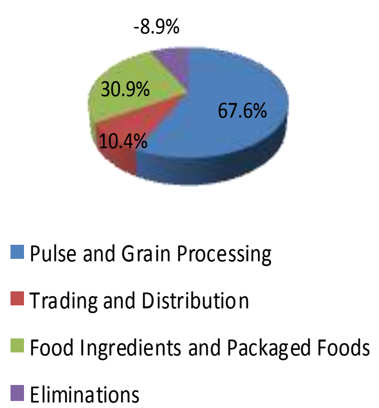
June 30, 2016 YTD MT Invoiced



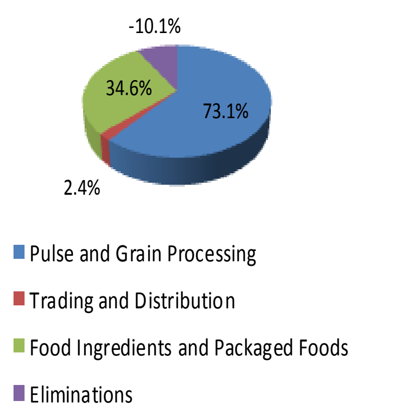
June 30, 2015 YTD MT Invoiced



June 30, 2016 YTD Adjusted EBITDA*



June 30, 2015 YTD Adjusted EBITDA*



Pulse and Grain Processing

Selected Results by Reporting Segment [1][2]
(in thousands of Cdn. $ except as indicated,
unaudited for the three and six month periods ended)

	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015
Revenue	**$ 263,369**	$ 300,513	$ 260,400	$ 563,882	$ 532,758
Cost of sales	**243,056**	271,496	240,551	514,552	492,214
Gross profit	**20,313**	29,017	19,849	49,330	40,544
Adjusted Gross Profit*	**23,849**	32,916	21,872	56,765	44,804
Adjusted EBITDA*	**$ 14,310**	$ 24,039	$ 15,808	$ 38,349	$ 32,781
Total tonnes invoiced	**247,891**	333,381	254,304	581,272	555,903
Gross profit per mt	**$ 81.94**	$ 87.04	$ 78.05	$ 84.87	$ 72.93
Adjusted gross profit* per mt	**96.21**	98.73	86.01	97.66	80.60
Adjusted EBITDA* per mt	**57.73**	72.11	62.16	65.97	58.97

(1) See table on page 15 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

Adjusted Gross Profit* per mt showed improvement when comparing the three months ended June 30, 2016 to the same quarter in the prior year due to improved margins on red lentil and bean sales. Adjusted EBITDA* per mt decreased for the three months ended June 30, 2016 when compared to the three months ended June 30, 2015 due to higher fixed costs in the current year relating to bulk handling acquisitions that have limited contributions in non-peak periods. Adjusted Gross Profit* and Adjusted EBITDA* per mt were lower when compared to the three months ended March 31, 2016 due to lower stock availability following strong sales earlier in the year, and increased costs leading up to the new crop season.

Adjusted Gross Profit* per mt and Adjusted EBITDA* per mt increased when comparing the six months ended June 30, 2016 to the same period in the prior year. This is due largely to product mix and stronger margins early in 2016 as a result of strong demand from India and the Middle East, compared to the prior year.

The pulse and grain processing segment represents the legacy business of AGT in the origination and processing (including cleaning, calibrating, sizing, splitting, packaging, bulk loading, shipping and export) of pulses and staple foods in AGT owned and operated facilities around the globe. This segment has represented the largest segment of AGT's business and provided advantages with regard to AGT's other segments of operation, including origination of raw materials, processing and logistics support of pulse and grain products.

In this quarter, the segment was impacted by low or depleted raw materials stocks resulting from strong exports of Canadian and U.S. pulses, particularly lentils and peas, in the late 2015 and Q1 2016 periods. However, while volumes were lower, margins were reported as reasonably flat, when compared to previous Q2 periods. With end use market customers waiting for new crop 2016 products expected to come to market in August and September, customers filled short-term demand through lower-cost local production from consumption markets, including Turkey and India. This was supplemented by what North American products remained. North American product margins were constrained as the spread between spot sales and new crop sales remained quite wide and with raw material supplies constrained, AGT was unable to pass through all of the costs resulting in tight margins. This margin constraint is viewed as temporary and new crop sales to be executed in 2016 are projected to deliver margins consistent with previous years comparative periods.

Management expects to see a return to seasonal patterns in the global pulse sector, with Q2 representing the reset point between local harvests in India and Turkey coming to market and visibility into North American production for the fall.

According to a report dated July 25, 2016, the majority of crops in Western Canada are reported by the Saskatchewan Ministry of Agriculture in "Good to Excellent" condition, and, given proximity, management estimates that the northern tier states are in similar condition. Harvest is expected in Saskatchewan to begin in the last half of August, largely due to early seeding of crops as a result of good weather conditions throughout the growing season, with the exception of some Southeastern areas of Saskatchewan that reported wet conditions that may immaterially affect some production. The rains reported in July are expected to have an effect on production with acres lost to disease and flood outs in fields reducing certain outputs. However, the large seeded acreage and expectation of yield improvements over 2015 is expected to result in a large crop for this season. This will further result in new crop products being delivered to AGT facilities throughout Western Canada ahead of previous years, allowing AGT to get an early start on processing and shipment activities.

The 2016 harvest may be one of the largest pulse harvests in North America, with almost 10 million mt of lentils and peas expected to be produced and over 11 million mt of pulses overall according to a late April 2016 forecast by STAT Publishing.

The outlook for this segment is highlighted below.

- Based on a report by Agriculture and Agri-food Canada, production is estimated at 3.7 million mt of lentils and 4.1 million mt of peas, the two primary pulses grown in Canada.

This represents the highest acreage levels for both of these crops in Canadian history. Quality is expected to be good, and the projected early harvest may provide logistics advantages to AGT operations in Canada and the U.S. with respect to AGT's ability to ship volumes of pulses, both value-added containerized and bulk machine cleaned, to end use markets, filling some portion of customer demand not filled from remaining 2015 harvest product.

- In the past two years, raw material supply in North America has diminished to near depleted levels in the late Q1 periods, resulting in lower volumes in Q2 and shifting some shipment volumes into the post-harvest Q3 and Q4 periods of new crop product. This is viewed by management as a return to the traditional seasonality of global pulse markets. Furthermore, management expects higher levels of production in North America to continue given the rotational and agronomic advantages of growing pulses.

- Export programs are expected by management to recover in late 2016 and into 2017. These volumes are expected to positively impact capacity utilization of AGT assets, particularly in AGT's traditional value-added processing system, and provide gains from the investments in bulk handling and logistics, allowing AGT to tailor sales programs to market requirements for bagged and containerized pulses or for bulk vessel shipments, maximizing volumes and margins on these sales.

- Markets in India and the subcontinent and Turkey and the Middle East/North Africa ("**MENA**") region are expected to continue to represent the largest markets for North American pulses. In past years, India and Turkey have represented number one and two for Canadian lentil exports and India and China as number one and two for Canadian pea exports. These are trends that management expects will continue in future periods as local production in these markets is not adequate to fill local market demand.

- In the case of Turkey, local production has been stagnant for a number of years, as local farmers turn to higher value crops with the knowledge that lentils may be imported to fill local market demand.

- In India, deficient monsoons have resulted in decreasing production over time with supply-demand gap growing as a result of population growth and growth of the middle class. Variance in monsoon rains and variable local production are expected to result in

India continuing to be a net importer of pulses to meet local pulse demand, even in conditions where local production increases.

- Following the attempted coup in Turkey on July 15, 2016 by certain factions of the military, global media is reporting relative stability in the country. The duly elected government has quickly regained control and no material adverse effects are expected at this time by AGT on either operations or on sales activities to this key region for Canadian pulses. AGT operations in Turkey are located in the southern port city of Mersin, removed from the incidents in Istanbul, the largest city in Turkey, and Ankara, the capital. Both local management in Turkey and management in Canada continue to monitor the situation closely.

In the high fixed-cost environment in which AGT operates, significant volumes moving through AGT's system can have a positive impact on earnings. The positive performance of this segment is expected by management to continue, as pulses and staple foods markets demonstrate strong demand fundamentals for imported pulses and staples foods in the near term periods.

Food Ingredients and Packaged Foods

Selected Results by Reporting Segment (1)(2)
(in thousands of Cdn. $ except as indicated, unaudited for the three and six month periods ended)

	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015
Revenue	**$ 74,773**	$ 66,583	$ 68,041	$ 141,356	$ 130,771
Cost of sales	**63,697**	55,014	56,477	118,711	109,557
Gross profit	**11,076**	11,569	11,564	22,645	21,214
Adjusted Gross Profit*	**12,807**	13,271	13,245	26,078	24,543
Adjusted EBITDA*	**$ 8,350**	$ 9,170	$ 8,554	$ 17,520	$ 15,512
Total tonnes invoiced	**70,774**	61,349	70,250	132,123	129,669
Gross profit per mt	**$ 156.50**	$ 188.58	$ 164.61	$ 171.39	$ 163.60
Adjusted gross profit* per mt	**180.96**	216.32	188.54	197.38	189.27
Adjusted EBITDA* per mt	**117.98**	149.47	121.77	132.60	119.63

(1) See table on page 15 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

Food ingredients and packaged foods showed a decrease in Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended June 30, 2016 compared to the three months ended March 31, 2016 and compared to the three months ended June 30, 2015. This is due partially to low stock levels in durum wheat resulted in compressed margins in pasta sales. Also impacting margins in the three months ended June 30, 2016 was reduced availability of peas and higher prices paid to growers in order to continue production and sales of food ingredients as well as drought conditions in South Africa resulting in higher prices paid to growers to maintain sales.

Adjusted Gross Profit* per mt and Adjusted EBITDA* per mt increased when comparing the six months ended June 30, 2016 to the same period in the prior year. This is due to strong margins in the early part of the year, partially offset by low product availability and resulting compressed margins during the three months ended June 30, 2016.

AGT's food ingredients and packaged foods segment continues to report incremental growth and progress. The food ingredient business unit is centered around the Minot Facility, with three production lines in operation and new enhancements processes, such as deflavouring and heat-treatment, installed and commissioned, along with other announced expansions underway, including a fourth production line and additional flour capacity, maximizing the current production capacity and output of the Minot Facility. These additional expansions and enhancements are anticipated to be commissioned in the first quarter of 2017.

The segment has reported increased volumes in mt invoiced in the quarter and results overall have benefited from growth in mt's of AGT's pulses ingredient products, including flour, protein, starch and fibre products derived from pulses, for human food and petfood applications and marketed to food companies and petfood manufacturers.

The business units contained in this segment continue ongoing targeting of food retailer and retail consumer customers for listing of AGT brands and private label business in North America, Europe, Turkey, MENA and Southern Africa. The segment is advancing as expected by management with regard to margins and mt's shipped, and further growth in the segment is expected as new enhanced products are available to meet customer requests and demand.

- Food industry and petfood manufacturing customers continue to incorporate pulses ingredients, including flour, protein, starch and fibre, into their products and increase inclusion rates for these ingredients. This trend is expected to continue as a positive catalyst for the food ingredient business unit, particularly as deflavoured products become available to customers for a broad range of applications. This trend is further expected to drive potential decisions to add additional production lines or conversion of existing plant capacity to ingredients in 2017 to meet the growth in demand in food and pet food applications.

- At the Minot Facility, commercial production on line three continues ramping up as the line is brought to full capacity. Management estimates that utilization on the first three lines at the Minot Facility are running at approximately 90%, resulting in the announcement of a fourth line, with this project underway and planned for installation late in 2016. Additional fibre processing and granulated pulse flour production is planned to commence installation in August 2016, with all projects planned to be completed in Q1 2017.

- Commercial production for products from the deflavouring and enhancement line has commenced late in Q2 2016, with customers taking sample quantities to evaluate and test the products in their own production systems and application research. Feedback on output products has been positive, with product meeting management's targets on capacity, flavor profile and functionality.

- AGT's global packaged foods business continues to grow as market opportunities and sales and distribution efficiencies are realized and the units contribute positively to this segment. This business segment includes Arbella brand pasta, sold in over 90 countries around the globe; *Arbel* brand packaged pulses and staple foods, sold in many markets in Turkey, Central Asia, Europe and the MENA region; *CLIC* brand, with retail and food service listings providing canning, small packaging and distribution in Canada and the U.S.; and the *Pouyoukas* brand of packaged foods, widely available in Southern Africa, as well as distribution of other brands in key markets.

- The Arbella pasta business in particular continues to perform strongly, where facilities have been operating at full capacity. In recent periods, AGT has expanded pasta production and capacity to include a sixth traditional long-cut pasta production line and associated packaging equipment as well as production and dies to produce specialty pasta such as American lasagna and specialty vermicelli nests and noodle pasta.

- Management also continues to investigate new specialty pasta categories, particularly pulse protein and fibre enhanced pasta and gluten-free pasta produced entirely from pulse ingredients or nutrient-enriched pasta products produced through a blend of durum wheat and pulse ingredients and other ingredients, as well as other varieties such as tri-colour, high-fibre and other specialty dry pasta products. These expansions and new product introductions are required to augment sales and production programs and grow this business unit by capitalizing on new category, specialty and gourmet market segments, leveraging AGT's investment in semolina production as well as ingredient application research, development and production.

- AGT's pasta and semolina business is expected to benefit from AGT's investments in logistics, bulk handling and port loading assets for durum wheat which are expected to improve margins in this line of business in the coming years by more efficiently supplying raw material durum wheat for milling from Canada.

- Return to normalized margin gains in this segment are expected by management, with margins and volumes expected to trend positively in the second half 2016 and into 2017. Margin contraction in Q2 2016 is seen by management as temporary and new longer term contracts concluded in the quarter were hampered by high material costs to deliver the quantities in the May and June 2016 period. These contracts are typically six months to one year in duration. AGT will benefit in the second half of 2016 by having access to reduced costs in its raw material purchases for its protein and starch business.

- Margins in the quarter were also temporarily affected by product mix. Invoicing and shipment were heavier for starch contracts in June 2016, affecting the product mix. As margins in starch and flour are typically lower, protein sales made will simply slide into the subsequent periods providing positive margin momentum in these periods.

- Additionally, Turkish pasta margins were hampered by limited new local stocks in the quarter and limited Canadian stocks available in the markets for durum. This will also be rectified in the coming periods. South African packaged foods business was also constrained by a severe drought in Southern Africa. New crops in North America will potentially see an increased opportunity in South Africa to import to replace local products not available as a result of the drought conditions.

Success in this segment is a key component to AGT's diversification initiatives to higher margin, value-added products as AGT transforms from its focus on being a commodity shipper of pulses and grains to a balanced retail packaged food and food ingredient supplier. The temporary margin constraint is expected to recover materially in the second half of 2016. Management concludes that the effects on margin will largely rectify with the resolution of North American crop shortages.

Trading and Distribution

Selected Results by Reporting Segment (1)(2)
(in thousands of Cdn. $ except as indicated,
unaudited for the three and six month periods ended)

	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015
Revenue	**$ 138,146**	$ 127,052	$ 79,874	$ 265,198	$ 175,739
Cost of sales	**131,124**	121,684	76,029	252,808	167,740
Gross profit	**7,022**	5,368	3,845	12,390	7,999
Adjusted Gross Profit*	**7,022**	5,368	3,852	12,390	8,021
Adjusted EBITDA*	**$ 4,079**	$ 1,846	$ 602	$ 5,925	$ 1,090
Total tonnes invoiced	**177,992**	171,950	86,155	349,942	222,479
Gross profit per mt	**$ 39.45**	$ 31.22	$ 44.63	$ 35.41	$ 35.95
Adjusted gross profit* per mt	**39.45**	31.22	44.71	35.41	36.05
Adjusted EBITDA* per mt	**22.92**	10.74	6.99	16.93	4.90

(1) See table on page 15 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

The trading and distribution segment showed improved Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended June 30, 2016 compared to the three months ended March 31, 2016. Product shipped in the current quarter included significant volumes through AGT's Indian operations. In addition, durum shipments from Canada contributed to utilization of rail assets. Adjusted Gross Profit* per mt for the three months ended June 30, 2016 decreased when compared to the three months ended June 30, 2015; however Adjusted EBITDA* per mt improved due to higher volumes shipped with only small incremental costs. Margins depend on the product mix that is invoiced in each quarter.

Adjusted Gross Profit* per mt was relatively consistent when comparing the six months ended June 30, 2016 to the same period in the prior year. Adjusted EBITDA* per mt improved when comparing the same periods due to increased volumes with small incremental costs.

AGT continues to offer other commodities to its global network of existing clients. These sales are reported through AGT's trading and distribution segment, which is made up of products not specifically processed in AGT facilities, such as some non-core commodity sales of AGT to aid programs and cross-selling of other commodities to pulse and staple foods business customers. Some mt's of grains carried in AGT's new bulk handling system are included in this segment, and it is further planned to redefine this segment's composition to capture the bulk handling of non-pulse commodities as this business unit transforms and the Canadian bulk handling business grows and develops.

Products traded in this segment include durum, sorghum, coffee, canola, sugar, rice, spices and a variety of seeds. Within the bulk handling system, non-agricultural products or services handled for other customers on rail or port loading terminals are included within this segment. While relative margins are potentially lower in this segment, they are expected to continue to be a positive contributor to AGT's earnings due to the fact that they do not require processing and facility infrastructure nor capital investments or are providing utilization of assets during periods where they are not contributing to support AGT's core and legacy business segments. The working capital requirements are largely financed on relatively short trade finance terms with the utilization of structured trade finance instruments and supplier credits.

With constrained opportunities in North America, AGT ramped up activities in this segment to augment earnings with capital available and processing capacity constrained due to lack of Canadian supplies. This segment will continue to add earnings as AGT further develops bulk and other commodity opportunities with its global client base.

Corporate and Eliminations

For the three months ended June 30, 2016, inter-company shipments were 39,016 tonnes, meaning that they were sold from one AGT subsidiary to another for further manufacturing, further packaging and/or for sale to a final customer. Management continues in its efforts to increase the margin of its international business in all segments by capturing additional margins by encouraging AGT wholly owned subsidiaries to work collaboratively to increase trade that utilizes the sourcing advantage of one company and the distribution advantage of another.

Consolidated Segmented Results

Selected Results by Reporting Segment [(1)]
(in thousands of Cdn. $ except as indicated,
unaudited for the three and six month periods ended)

	Pulse and Grain Processing			Trading and Distribution			Food Ingredients and Packaged Foods			Corporate and Eliminations			Consolidated		
	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended June 30, 2015
Quarterly comparisons															
Revenue	$ 263,369	$ 300,513	$ 260,400	$ 138,146	$ 127,052	$ 79,874	$ 74,773	$ 66,583	$ 68,041	$ (37,628)	$ (52,755)	$ (30,090)	$ 438,660	$ 441,393	$ 378,225
Cost of sales	243,056	271,496	240,551	131,124	121,684	76,029	63,697	55,014	56,477	(37,628)	(52,755)	(30,090)	400,249	395,439	342,967
Gross profit	20,313	29,017	19,849	7,022	5,368	3,845	11,076	11,569	11,564	-	-	-	38,411	45,954	35,258
Adjusted Gross Profit*	23,849	32,916	21,872	7,022	5,368	3,852	12,807	13,271	13,245	-	-	-	43,678	51,555	38,969
Adjusted EBITDA*	**$ 14,310**	**$ 24,039**	**$ 15,808**	**$ 4,079**	**$ 1,846**	**$ 602**	**$ 8,350**	**$ 9,170**	**$ 8,554**	**$ (1,417)**	**$ (3,665)**	**$ (2,758)**	**$ 25,322**	**$ 31,390**	**$ 22,206**
Total tonnes invoiced	247,891	333,381	254,304	177,992	171,950	86,155	70,774	61,349	70,250	(39,016)	(65,669)	(83,786)	457,641	501,011	326,923
Gross profit per mt	$ 81.94	$ 87.04	$ 78.05	$ 39.45	$ 31.22	$ 44.63	$ 156.50	$ 188.58	$ 164.61				$ 83.93	$ 91.72	$ 107.85
Adjusted Gross Profit* per mt	96.21	98.73	86.01	39.45	31.22	44.71	180.96	216.32	188.54				95.44	102.90	119.20
Adjusted EBITDA* per mt	57.73	72.11	62.16	22.92	10.74	6.99	117.98	149.47	121.77				55.33	62.65	67.92

	Pulse and Grain Processing		Trading and Distribution		Food Ingredients and Packaged Foods		Corporate and Eliminations		Consolidated	
	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015	6 Months Ended June 30, 2016	6 Months Ended June 30, 2015
Year to date comparisons										
Revenue	$ 563,882	$ 532,758	$ 265,198	$ 175,739	$ 141,356	$ 130,771	$ (90,383)	$ (75,813)	$ 880,053	$ 763,455
Cost of sales	514,552	492,214	252,808	167,740	118,711	109,557	(90,383)	(75,813)	795,688	693,698
Gross profit	49,330	40,544	12,390	7,999	22,645	21,214	-	-	84,365	69,757
Adjusted gross profit*	56,765	44,804	12,390	8,021	26,078	24,543	-	-	95,233	77,368
Adjusted EBITDA*	**$ 38,349**	**$ 32,781**	**$ 5,925**	**$ 1,090**	**$ 17,520**	**$ 15,512**	**$ (5,082)**	**$ (4,560)**	**$ 56,712**	**$ 44,823**
Total tonnes invoiced	581,272	555,903	349,942	222,479	132,123	129,669	(104,685)	(156,643)	958,652	751,408
Gross profit per mt	$ 84.87	$ 72.93	$ 35.41	$ 35.95	$ 171.39	$ 163.60			$ 88.00	$ 92.84
Adjusted gross profit* per mt	97.66	80.60	35.41	36.05	197.38	189.27			99.34	102.96
Adjusted EBITDA* per mt	65.97	58.97	16.93	4.90	132.60	119.63			59.16	59.65

(1) Certain estimates and assumptions were made by management in the determination of segment composition

Summary of Quarterly Results (1)(3)
(in thousands of Cdn. $ except as indicated, unaudited)

	3 Months Ended June 30, 2016	3 Months Ended Mar 31, 2016	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended June 30, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Sept 30, 2014
Revenue	$ 438,660	$ 441,393	$ 578,270	$ 362,755	$ 378,225	$ 385,230	$ 398,010	$ 287,710
Adjusted Gross Profit*	**43,678**	**51,555**	**51,458**	**40,583**	**38,969**	**38,399**	**40,660**	**34,403**
Adjusted EBITDA (*)	**25,322**	**31,390**	**32,938**	**23,208**	**22,206**	**22,617**	**24,400**	**21,100**
Adjusted net earnings (*)	**13,285**	**4,722**	**15,192**	**11,860**	**10,325**	**9,864**	**14,903**	**9,260**
Adjusted basic net earnings per share*	**0.56**	**0.20**	**0.64**	**0.51**	**0.45**	**0.43**	**0.68**	**0.46**
Adjusted diluted net earnings per share*	**0.55**	**0.20**	**0.64**	**0.51**	**0.44**	**0.42**	**0.68**	**0.45**
Net (loss) earnings per financial statements	(2,193)	27,006	19,238	(7,232)	3,493	546	(6,540)	4,106
Basic net (loss) earnings per share	(0.09)	1.13	0.82	(0.31)	0.15	0.02	(0.30)	0.20
Diluted net (loss) earnings per share	(0.09)	1.12	0.81	(0.31)	0.15	0.02	(0.30)	0.20
Pulse and grain processing mt invoiced (2)	247,891	333,381	483,596	290,941	254,304	301,599	327,195	234,409
Trading and distribution mt invoiced (2)	177,992	171,950	154,476	122,296	86,155	136,324	130,249	112,046
Food ingredients and packaged foods mt invoiced (2)	70,774	61,349	60,781	55,653	70,250	59,419	55,000	56,707
Inter-company mt	(39,016)	(65,669)	(76,291)	(105,555)	(83,786)	(72,857)	(53,943)	(59,697)
Total mt invoiced	457,641	501,011	622,562	363,335	326,923	424,485	458,501	343,465
Gross profit per mt	$ 83.93	$ 91.72	$ 74.56	$ 100.94	$ 107.85	$ 81.27	$ 80.65	$ 89.09
Adjusted Gross Profit* per mt	95.44	102.90	82.66	111.70	119.20	90.46	88.68	100.16
Adjusted EBITDA (*) per mt	55.33	62.65	52.91	63.87	67.92	53.28	53.22	61.43

Notes:

(1) Calculated from the condensed consolidated unaudited interim financial statements for the quarters ended June 30, 2016, March 31, 2016, September 30, 2015, June 30, 2015, March 31, 2015 and September 30, 2014, and the audited annual financial statements for the year ended December 31, 2015 and 2014.

(2) For a breakdown on segmented information, see the table entitled "Consolidated Segmented Results".

(3) Key things to note:
- AGT's financial results are strongly influenced by the performance of our pulse and grain processing segment which accounted for 60.0% of consolidated revenue in the three months ended June 30, 2016.
- the timing of customer shipments, which tend to vary from quarter to quarter, drives revenue in the segments; meaning quarterly results are not necessarily a good indication of annual results due to seasonal variability.
- net earnings do not trend directly with revenue due to foreign exchange volatility and transactions that occur from time to time. AGT uses Adjusted Net Earnings*, a non-IFRS measure, as a more meaningful way to compare our results from period to period.

Discussion of Quarterly Results

(in Thousands of Cdn. $ except as indicated, unaudited for the three and six month ended periods)

Revenue, Gross Profit and Adjusted Gross Profit*

	3 Months Ended June 30			6 Months Ended June 30		
	2016	2015	Change	2016	2015	Change
Revenue	438,660	378,225	60,435	880,053	763,455	116,598
Less: cost of sales	400,249	342,967	57,282	795,688	693,698	101,990
Gross profit	38,411	35,258	3,153	84,365	69,757	14,608
Add back: depreciation in cost of sales	5,267	3,711	1,556	10,868	7,611	3,257
Adjusted Gross Profit*	43,678	38,969	4,709	95,233	77,368	17,865
Gross profit percentage	8.8%	9.3%	-0.5%	9.6%	9.1%	0.5%
Adjusted Gross Profit* percentage	10.0%	10.3%	-0.3%	10.8%	10.1%	0.7%

Revenue for the three and six months ended June 30, 2016 increased over the same periods in the prior year due to significant increases in tonnes invoiced in the trading and distribution segment as well as higher commodity prices.

Gross profit and Adjusted Gross Profit* increased in absolute dollars when comparing the three and six months periods ended June 30, 2016 to the same periods in the prior year. This is due to overall increased volumes invoiced.

Gross profit and Adjusted Gross Profit* percentage decreased when comparing the three months ended June 30, 2016 to the three months ended June 30, 2015. This is due to a significant increase in invoiced mt originating from the trading and distribution segment, in addition to a decrease in pulses and grain processing mt invoiced and a minimal increase in food ingredients and packaged foods mt invoiced. The trading and distribution margins relate largely to bulk product sales with decreased margins; however, many of these sales supplement AGT's platform, especially during times when on farm inventory is typically at the lowest levels.

Gross profit and Adjusted Gross Profit* percentage increased when comparing the six months ended June 30, 2016 to the six months ended June 30, 2015. This is due to increased invoiced tonnes originating from each segment. While the trading and distribution mt invoiced increased significantly due to the bulk transportation platform, there were also increases in both the pulses and grain processing and food ingredients and packaged foods segments when compared to the prior year.

Adjusted EBITDA*

	3 Months Ended June 30			6 Months Ended June 30		
	2016	2015	Change	2016	2015	Change
Adjusted EBITDA*	25,322	22,206	3,116	56,712	44,823	11,889
Adjusted EBITDA* percentage of revenue	5.77%	5.87%	-0.10%	6.44%	5.87%	0.57%

Adjusted EBITDA* as a percentage of revenue for the three months ended June 30, 2016 decreased slightly over the same period in the prior year. This is a result of the high fixed cost nature of AGT's business and lower margin sales recognized in the period. This is partially offset by increased volumes.

Adjusted EBITDA* as a percentage of revenue for the six months ended June 30, 2016 increased slightly over the same period in the prior year due to increased volumes, as well as sales mix, and resulting improved margins compared to the prior year.

Expenses

	3 Months Ended June 30			6 Months Ended June 30		
	2016	2015	Change	2016	2015	Change
General and administrative and marketing, sales and distribution expenses	20,997	19,537	1,460	44,405	37,187	7,218
Finance expense	6,250	7,289	(1,039)	15,350	15,680	(330)
Depreciation and amortization	6,344	4,428	1,916	12,953	9,051	3,902
Recovery of (provision for) income taxes	(557)	164	(721)	10,402	(97)	10,499
Unrealized foreign exchange loss (gain)	13,914	4,775	9,139	(10,605)	12,948	(23,553)

General and administrative and marketing, sales and distribution expenses for the three and six months ended June 30, 2016 increased over the same periods in the prior year. This is due to additional costs related to operating West Central Road and Rail ("**WCRR**") as well as expansions in India and Switzerland.

Finance expenses for the three and six months ended June 30, 2016 were consistent to the same periods in the prior year when excluding foreign exchange impact and fair value adjustment.

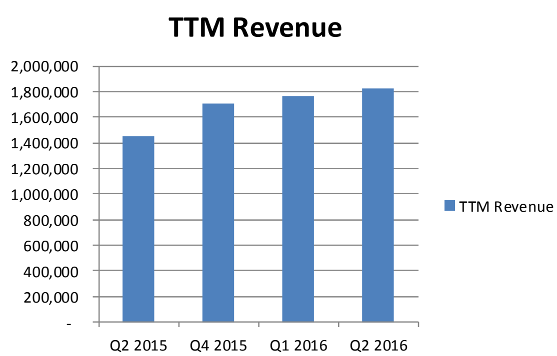
Depreciation expenses for the three and six months ended June 30, 2016 increased over the same period in the prior year due to additional assets being put into use. These include bulk processing assets, rail assets and pasta and food ingredient asset improvements.

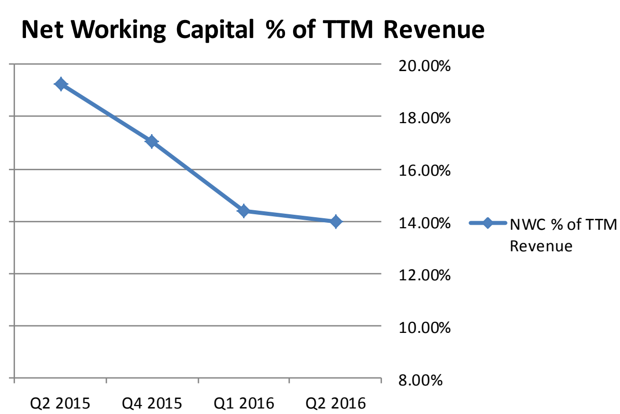
The income tax expense is calculated for each subsidiary at the individual rate for that country and therefore can fluctuate depending on the earnings reported for each tax jurisdiction.

AGT estimates an average tax rate in the range of 25% to 26%, depending on which jurisdiction has earnings or losses, and the tax treatment of various revenues or expenses.

Non-cash foreign exchange results from changes in foreign exchange rates associated with certain foreign denominated loans, receivables, payables and derivative contracts and includes the cross currency swap related to the high yield debt offering of $125 million. Adjustments to foreign exchange on foreign investments are recorded in other comprehensive income (loss) on AGT's Consolidated Statements of Comprehensive Income and are recorded in accumulated other comprehensive income (loss) on AGT's Consolidated Statements of Financial Position.

Trailing Twelve Month ("**TTM**") Revenue and Net Working Capital as a percentage of TTM Revenue:





Net working capital* was $254.7 million at June 30, 2016, consistent to $253.5 million at March 31, 2016 (see table on page 24). Net working capital as a percentage of TTM revenue has decreased from 17.1% at December 31, 2015 and 14.4% at March 31, 2016 to 13.99% at June 30, 2016.

Net Debt* is comprised of bank indebtedness, long term debt and current portion of long term debt, less cash and totaled $480.4 million at June 30, 2016 compared to $506.5 million at March 31, 2016 and compared to $473.5 million at December 31, 2015 (see table on page 24). Net debt decreased from March 31, 2016 due primarily to decreased bank indebtedness resulting from cash collections as well as lower inventory receipts. The ratio of net debt to TTM Adjusted EBITDA* has improved to 4.26 at June 30, 2016 compared to 4.62 at March 31, 2016. This is due to earnings benefits from operations acquired in the latter part of 2015.

Current assets (excluding derivative assets) were $594.9 million at June 30, 2016 compared to $677.0 million at March 31, 2016 and compared to $790.4 million at December 31, 2015 (see table on page 24). The current asset base is largely accounts receivable and inventory. It is important to note that accounts receivables are largely insured by Export Development Canada ("**EDC**"), significantly reducing the risks associated with accounts receivable collection, since buyer risk is being replaced by Government of Canada risk through the export insurance.

Trade accounts receivable increased to $186.1 million at June 30, 2016, compared to $182.6 million at March 31, 2016 and decreased when compared to $284.5 million at December 31, 2015 (see table on page 24). This is due to the timing of sales as well as increased volumes from Turkey and India during the three months ended June 30, 2016 and partially offset by cash collections in North America and Australia. The decrease when compared to December 31, 2015 is due to a reduction in mt invoiced as a result of lower raw material availability.

Inventory decreased to $341.2 million at June 30, 2016, compared to $423.0 million at March 31, 2016 and compared to $436.2 million at December 31, 2015 (see table on page 24). During the quarter, Australian and North American inventory decreased due to lower product receipts following strong sales early in 2016 and decreased in Turkey due to lower stocks leading up Turkish harvest period. The decreases were partially offset by increased inventory in India, resulting from rice and sugar sales opportunities.

Working capital management in the areas of accounts receivable and inventory continue to be a focus of AGT management. While the inventory value is $341.2 million at June 30, 2016, this value represents a number of different commodities globally. Much of this inventory is also earmarked for sales contracts and will remain as inventory until substantial risks transfer from seller to buyer under AGT's revenue recognition policy. AGT management continues the practice of examining stock levels at each of its foreign operations to achieve an optimization of inventory levels. In addition, inventory management practices include book to physical inventory reconciliations monthly to ensure accurate recording of inventory values.

The majority of AGT sales are insured through EDC providing coverage on receivables in the event of customer default on payment. In addition, ownership of the original documents for the cargo in transit remains with AGT in most cases, due to the terms of sale. If a customer defaults on the contract, AGT can choose to resell the cargo to another customer or divert the cargo to another market. With extensive market reach and facilities or warehouses in key consumption markets, AGT has numerous options available to minimize or mitigate risk and exposure in these areas. AGT also has the option to make a claim to EDC to cover up to 90% of the receivable in question. AGT has extended its EDC coverage to all foreign operations, excluding China, to ensure that additional financial risks are largely mitigated in the current macro-economic environment.

Working capital and short-term debt are typically used by AGT to finance its export program and customer orders due to the long transit times. In addition, costs associated with the goods, such as processing costs, payments to the farmer from whom raw materials were purchased and freight costs, must be paid prior to receiving payment for sale. Customer purchases are typically backed by irrevocable letters of credit or cash against document terms and therefore payment risk is mitigated. The EDC policy remains in place to ensure that a catastrophic loss in any particular region will not hinder payment. Management has implemented steps to monitor accounts receivable aging and inventory turns at each facility. Metrics are calculated for each facility and correlate to facility compensation.

In addition, much of the bank financing availability is determined based on a borrowing base calculation and therefore this financing is backed by the inventory and accounts receivable.

AGT management will continue in its efforts to optimize capital utilization and debt levels to ensure a predictable return on deployed capital for shareholders.

Dividends - AGT paid a dividend in July 2016 of $3.6 million ($0.15 per share) in the aggregate to its shareholders of record on June 30, 2016.

It is currently anticipated that, going forward, AGT will continue to pay a quarterly dividend, the amount of which will be determined by AGT's 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. AGT and its predecessors have declared and paid the quarterly dividend each quarter since its inception in 2005. Management does not anticipate a reduction of the current dividend in the coming periods.

AGT's financial statements are presented in Canadian dollars, but AGT's operating subsidiaries earn revenues and incur expenses in several currencies, including U.S. dollars ("**USD**"), Turkish lira ("**TL**"), Australian dollars ("**AUD**"), Pounds Sterling ("**GBP**"), Euros ("**EUR**"), South African rand ("**ZAR**"), Renminbi of the People's Republic of China ("**RMB**") and the Indian Rupee ("**INR**").

Balance sheet accounts of subsidiaries are valued at June 30, 2016 and December 31, 2015 foreign exchange rates as follows [Source: Bank of Canada]:

	June 30, 2016	Dec 31, 2015
USD/CDN	1.29170	1.38400
AUD/CDN	0.96700	1.00830
TL/CDN	0.45140	0.47440
GBP/CDN	1.72250	2.04070
EUR/CDN	1.43540	1.50290
ZAR/CDN	0.08802	0.08946
RMB/CDN	0.19570	0.21310
INR/CDN	0.01927	0.02091

For each subsidiary, any difference between the June 30, 2016 exchange rate and the average exchange rate used to record revenues and expenses is recorded as other comprehensive income (loss) on AGT's Consolidated Statements of Comprehensive Income and Consolidated Statement of Changes in Equity.

Liquidity and Capital Resources

Liquidity risk is the risk that AGT cannot meet a demand for cash or fund its obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price.

AGT has been able to generate sufficient cash from its operations and through access to equity, operating lines and other facilities to maintain its operations and development activities, and pay its declared dividends. AGT's ability to generate sufficient cash resources from its operations will depend, among other things, on future harvests of and demand for pulses and special crops. Please see "Dividends" and "Business Outlook" above for a discussion of these factors. Further information relating to the risks and uncertainties to which AGT and its subsidiaries are subject to 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.agtfoods.com.

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 June 30, 2016, AGT had total operating lines available of $226.1 million (December 31, 2015 - $251.1 million). Included in these facilities is a syndicated debt facility of $181.5 million (December 31, 2015 – $207.0 million) secured by a general security agreement and security interests against real property owned by AGT and certain of its subsidiaries, maturing in January 2018. The weighted average interest rate on available operating lines at June 30, 2016 is 3.3% (December 31, 2015 – 3.3%). The decrease in operating line availability when compared to December 31, 2015 is due to allocation of a portion of the facility to long term debt.

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 short term banker's acceptances from time to time 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.

At June 30, 2016, 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 USD, 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 currency receipts with local currency requirements and borrowings, 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. The calculation of shareholders' equity, Net Debt* and capital is set out in the following table:

Net Debt and Capital

(in thousands of Cdn. $)	June 30, 2016 (unaudited)	Mar 31, 2016 (unaudited)	Dec 31, 2015
Long term debt	$ 367,295	$ 344,301	$ 344,339
Bank indebtedness and current portion of long term debt	137,596	190,156	151,464
Cash	(24,493)	(27,995)	(22,306)
Net Debt*	**$ 480,398**	**$ 506,462**	**$ 473,497**
Shareholders' equity	351,205	366,529	356,918
Capital	**$ 831,603**	**$ 872,991**	**$ 830,415**
Trailing twelve months Adjusted EBITDA*	112,858	109,742	100,969
Net Debt to Adjusted EBITDA*	4.26	4.62	4.69

Selected asset and liability information

(in thousands of Cdn. $)	June 30, 2016 (unaudited)	March 31, 2016 (unaudited)	Dec 31, 2015
Cash	$ 24,493	$ 27,995	$ 22,306
Trade accounts receivable	186,103	182,581	284,539
Inventory	341,246	422,994	436,181
Bank indebtedness and current portion of long term debt	137,596	190,156	151,464
Accounts payable, accrued liabilities and deferred revenue	188,456	220,564	343,321
Long-term debt	367,295	344,301	344,339
Total current assets[(1)]	594,886	676,980	790,443
Total current liabilities[(1)]	340,193	423,519	499,448
Net working capital*	254,693	253,461	290,995

[(1)] Excludes derivative assets and liabilities

Consolidated capitalization information

Consolidated capitalization information of AGT includes information on the operations of AGT Foods Canada "(**APP**"), AGT Foods USA, Australia Milling Group, AGT CLIC, Mobil and Poortmans, together (the "**APP Group**") as well as information on AGT and other entities, and is set out in the following table:

Capital Structure
(in thousands of Cdn. $)

	June 30, 2016	Dec 31, 2015	Financial Statement Caption
APP Group			
Senior secured APP bank facility	$ 111,308	$ 127,425	bank indebtedness
Senior secured APP bank facility	206,700	184,177	long term debt
Poortman facility (GBP 17.25 million)	3,207	3,324	bank indebtedness
AGT CLIC mortgage on building and other	8,156	8,166	long term debt
Mobil mortgage and debt	24,999	24,056	long term debt
Other	39	30	long term debt
	$ 354,409	$ 347,178	
Arbel/Other Entities (excluding AGT)			
Senior secured Advance Seed facility	$ 9,441	$ 8,353	bank indebtedness
Other	97	66	long term debt
	$ 9,538	$ 8,419	
AGT			
Note payable related to Mobil purchase	$ 17,959	$ 17,779	long term debt
Notes outstanding	122,985	122,427	long term debt
	$ 140,944	$ 140,206	
Total debt	$ 504,891	$ 495,803	
June 30, 2016 financial statements			
Bank indebtedness	$ 123,956	$ 139,102	
Long term debt, including current portion	380,935	356,701	
	$ 504,891	$ 495,803	

Cash flow summary (unaudited for the three month period ended)
(in thousands of Cdn. $)

Cash flow from (used in)	3 months ended June 30, 2016	3 months ended Mar 31, 2016	3 months ended June 30, 2015	Difference June 30, 2016 to June 30, 2015
Operating activities	$ 56,182	$ (11,584)	$ 44,204	$ 11,978
Financing activities	(33,236)	35,737	2,241	(35,477)
Investing activities	(23,199)	(19,261)	(35,923)	12,724
Effect of exchange rate changes on	(3,249)	797	(1,072)	(2,177)
Change in cash	$ (3,502)	$ 5,689	$ 9,450	$ (12,952)

	3 months ended June 30, 2016	3 months ended Mar 31, 2016	3 months ended June 30, 2015	Difference June 30, 2016 to June 30, 2015
Non-cash working capital	$ 37,377	$ (31,282)	$ 26,859	$ 10,518

Cash flow from operating activities for the three months ended June 30, 2016 was an increase of $56.2 million compared to a decrease of $11.6 million for the three months ended March 31, 2016 and compared to an increase of $44.2 million for the three months ended June 30, 2015. The change when comparing the three months ended June 30, 2016 to the three months ended March 31, 2016 is due to a decrease in inventory during the quarter, partially offset by increased accounts receivable. The increase over the same period in the prior year is due to increased earnings.

Cash flow from financing activities for the three months ended June 30, 2016 was a decrease of $33.2 million compared to an increase of $35.7 million for the three months ended March 31, 2016 and compared to an increase of $2.2 million for the three months ended June 30, 2015. The decrease compared to the three months ended March 31, 2016 and June 30, 2015 is due to pay down of bank indebtedness as a result of lower inventory levels and cash collections. In addition, the three months ended June 30, 2015 included financing related to the WCRR acquisition.

Cash flow used in investing activities for the three months ended June 30, 2016 includes improvements to the Minot Facility as well as rail and storage facility improvements and costs associated with Turkish pasta facilities.

Cash Flow Information – Non-Cash Working Capital

Non-cash working capital was an increase of $37.4 million for the three months ended June 30, 2016 compared to a decrease of $31.3 million for the three months ended March 31, 2016 and compared to an increase of $26.9 million for the three months ended June 30, 2015. The change compared to the three months ended March 31, 2016 is due largely to cash collection and lower inventory levels, partially offset by sales later in the quarter and resulting accounts receivable as well as a reduction in accounts payable.

Accounts Payable, accrued liabilities and deferred revenue

Accounts payable, accrued liabilities and deferred revenue decreased from $343.3 million at December 31, 2015 and $220.6 million at March 31, 2016 to $188.5 million at June 30, 2016. This is due largely to lower product receipts later in the quarter.

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.

Transactions with other related parties

AGT has defined key management personnel as senior executive officers, as well as the Board of Directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of AGT. The following table outlines the total compensation expense for key management personnel:

	June 30, 2016	June 30, 2015
Short term benefits (wage, bonus, vacation paid out, directors fees)	$ 2,082	$ 2,058
Post employment benefits (RRSP)	32	32
Other long term benefits including stock based compensation (long term incentive plan)	1,690	2,283
	$ 3,804	$ 4,373

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. The transactions were conducted in the normal course of business and were accounted for at the exchange amount.

Transactions with key management and corporations significantly influenced or controlled by AGT directors or key management

	June 30, 2016	Dec 31, 2015
Accounts receivable	$ 705	$ 134
Accounts payable	603	3,383

	June 30, 2016	June 30, 2015
Purchases	$ -	$ 2,515

(b) Transactions with other related parties

	June 30, 2016	Dec 31, 2015
Accounts payable	$ 170	$ 404
Current portion of long-term debt	3,789	3,789
Long-term debt	13,433	13,433

	June 30, 2016	June 30, 2015
Purchases	$ 375	$ 550

The table above relates primarily to note payable commitments arising from business combinations.

Off Balance Sheet Arrangements

The nature of AGT's derivatives are disclosed in note 10 of AGT's December 31, 2015 annual audited consolidated financial statements. AGT has no other off balance sheet arrangements.

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires AGT management to make judgments, estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates, judgments and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity or where assumptions and estimates are significant to the consolidated financial statements are as follows:

Impairment of long-lived and intangible assets

In assessing the recoverability of long-lived and intangible assets, judgment is required in the determination of the appropriate grouping of assets that generate cash inflows or cash generating units ("**CGU's**"). The determination of CGU's is based on management's assessment of independence of revenue earned, operating asset utilization, shared infrastructure, geographic proximity and similarity of risk exposures. AGT also uses significant judgment in evaluating if a triggering event occurs which would warrant an evaluation of impairment of long-lived and intangible assets based on the identified CGU's.

AGT assesses the carrying values of property, plant and equipment, intangibles assets, and goodwill annually. Recoverability is determined through assumptions and estimates regarding future cash flows, sustaining capital requirements, discount rates, and asset lives. A material change in assumptions may impact the potential recoverability of these assets, resulting in amounts charged against current earnings.

Income Taxes

AGT operates in a number of tax jurisdictions and is required to estimate its income taxes in each of these jurisdictions in preparing its financial statements. Significant judgment is required related to the classification of transactions and assessment of probable outcomes as well as timing of future results. Significant estimates are required in determining income tax provisions and the recoverability of deferred income tax assets. In calculating income taxes, consideration is given to items such as tax rates in each jurisdiction, deductibility of expenses, changing tax laws and management's expectations about future results. AGT estimates deferred income taxes based on temporary differences, income and losses for financial reporting purposes and income and losses determined under the substantively enacted tax laws and rates. The tax effect of these temporary differences is recorded as a deferred tax assets or liabilities in the financial statements. If these estimates prove to be inaccurate, future earnings may be materially impacted.

Derecognition of accounts receivable

Significant judgment is applied when determining whether financial instruments qualify for derecognition and whether substantially all of the risks, as well as the rights, control and ownership of the accounts receivable and their cash flows were transferred to a third party. AGT has removed the related accounts receivable from the statement of financial position and recognizes any costs in finance expense.

Fair value of derivative instruments

The fair value of derivative instruments is estimated using inputs, including foreign exchange rates and interest rates (Level 2), as described in note 10 of AGT's December 31, 2015 annual audited consolidated financial statements. These inputs are subject to change on a regular basis based on the interplay of various market forces. Consequently, the fair value of AGT's derivative instruments is subject to change each reporting period.

Functional Currency

The identification of functional currency for each of the legal entities involves significant judgment. AGT has assessed the factors in determining the appropriate functional currency and summarized the results in note 3(c) of AGT's December 31, 2015 annual audited consolidated financial statements.

Business Combinations

The purchase price related to a business combination or asset acquisition is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination of fair value requires AGT to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts AGT's reported assets and liabilities and future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Significant Accounting Policies

Financial Instruments:

Non-derivative financial assets

AGT initially recognizes loans and receivables and deposits on the date that they are originated at fair value and subsequently measured at amortized cost. All other financial assets are recognized initially on the trade date at which AGT becomes a party to the contractual provisions of the instrument.

AGT derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interests in transferred financial assets that are created or retained by AGT are recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, AGT has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets at fair value through profit and loss

A financial asset is classified at fair value through profit and loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit and loss if AGT manages such investments and makes purchase and sale decisions based on their fair value in accordance with AGT's documented risk management or investment strategy. Upon initial recognition relevant transaction costs are recognized in net earnings as incurred. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognized in net earnings.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

AGT initially recognizes short term debt securities on the date that they are originated at fair value and expenses related transaction costs. Debt associated with long term agreements is initially recognized at fair value less any directly attributable transaction costs. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognized initially on the trade date at which AGT becomes a party to the contractual provisions of the instrument. AGT derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Subsequent to initial recognition, liabilities are categorized as fair value through profit and loss or other liabilities measured at amortized cost using the effective interest method. Refer to note 10 of AGT's December 31, 2015 annual audited consolidated financial statements for current year presentation of financial liabilities by category.

Derivative financial instruments

AGT holds derivative financial instruments to mitigate its foreign currency risk exposures. Embedded derivatives are separated from the host contracts and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through net earnings.

Derivatives are recognized initially at fair value with attributable transaction costs recognized in net earnings as incurred. AGT has not elected to follow hedge accounting and subsequent to initial recognition, derivatives are measured at fair value, and changes in fair value are recognized immediately in net earnings.

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 AGT 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*" ("**National Instrument 52-109**"), 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. AGT's CEO and the CFO evaluated the design and operating effectiveness of AGT's Disclosure Controls as at June 30, 2016 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 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.

Management, under the supervision of the CEO and the CFO, has evaluated the ICFR using the framework and criteria established in the 2013 Internal Controls – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management, including the CEO and CFO, evaluated the design effectiveness of AGT's ICFR. Based on this evaluation, the CEO and the CFO have concluded that as at June 30, 2016, ICFR were designed effectively.

There were no changes in our ICFR during the six month period ended June 30, 2016 that have materially affected, or are reasonably likely to affect our 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 consolidated financial statements, as their effective dates fall in annual periods beginning subsequent to the current reporting period.

Proposed standards	Description	Previous Standard	Effective Date
IFRS 15 Revenue from Contracts with Customers	Issued in May 2014. Standard creates a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. This standard may change how much and when revenue can be recognized.	IAS 18 Revenue, IFRIC 18 Transfer of Assets from Customers	Fiscal years beginning on or after January 1, 2018
IFRS 9 Financial Instruments	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	January 1, 2018
IFRS 2 Share-based Payment	This amendment clarifies how to account for and measure certain types of share-based payment transactions.	IFRS 2 Share-based Payment	Fiscal years beginning on or after January 1, 2018
IFRS 16 Leases	This new standard requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.	IAS 17 Leases	Fiscal years beginning on or after January 1, 2019

Management is assessing the potential impact of standards and amendments effective in future years for impacts on both quantitative and qualitative disclosure. AGT expects to adopt these standards on their respective effective dates. AGT does not expect any significant impact.

Outstanding Share Data

As at the date hereof, there are issued and outstanding 23,928,201 common shares and 308,335 options of AGT.

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.agtfoods.com. Potential risks and uncertainties include operating requirements, volume, transportation and transloading, distribution and supply contracts, customer retention and competitive environment, foreign operations, integration of acquisitions, realization of benefits from acquisitions, acquisition and expansion, reliance on key personnel, localized decision making, potential undisclosed liabilities, uninsured and underinsured losses, global financial crisis and general economic conditions, wholesale price volatility, capital markets, leverage and capital requirements, financing and credit liquidity, reduced dividend payment, international agricultural trade, foreign exchange, counterparty and export, geographic and political, environmental protection, energy price fluctuation, information technology, regulatory oversight, financial reporting, control of AGT and dilution of shareholders. To management's knowledge, no significant changes to these risks and uncertainties have occurred in the period ended June 30, 2016.

Commitments and Contingencies

AGT enters into 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.

At June 30, 2016, AGT had letters of credit in favour of the Canadian Grain Commission in the amount of $13.0 million (December 31, 2015 - $13.0 million). The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires on December 31, 2017.

At June 30, 2016, AGT had letters of guarantee in Turkey for the amount of $4.0 million (December 31, 2015 - $4.2 million).

At June 30, 2016, AGT had capital project commitments related to the food ingredients and packaged food segment for the amount of $nil (December 31, 2015 - $3.5 million).

AGT has various legal matters pending which, in the opinion of management, will not have a material effect on AGT's unaudited consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to AGT's financial position or results of operations could result. Should circumstances change, provisions could change materially.

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.

AGT is exposed to interest rate fluctuations on its variable-rate debt. Changes in market interest rates cause the fair value of long term debt with fixed interest rates to fluctuate but do not affect net earnings as AGT's debt is carried at amortized cost and the carrying value does not change as interest rate changes.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. AGT's sales are routinely denominated in the U.S. dollar while processing and production costs are largely denominated in the functional currency of the country in which the subsidiary operates.

AGT manages foreign currency risk by matching foreign currency denominated assets and liabilities. Management reviews the foreign currency open position and takes risk management measures if required. AGT has also entered into certain foreign exchange contracts with maturities of less than two years to manage risks associated with entering into new sales contracts denominated in USD, EUR, GBP and AUD. AGT's foreign exchange contracts are not designated as hedges and are recorded at fair value with changes in fair value recognized in earnings. AGT has also entered into a cross currency swap as part of the management of the senior secured second lien notes, which is disclosed in note 8 of AGT's December 31, 2015 annual audited consolidated financial statements.

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, working capital 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 protection against decreases in market price and retention of 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*, Adjusted Net Earnings Per Share* and Adjusted EBITDA*

(in thousands of CDN $ except as indicated, unaudited)

	3 Months Ended		6 Months Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Revenue	$ 438,660	$ 378,225	$ 880,053	$ 763,455
Less: cost of sales (1)	400,249	342,967	795,688	693,698
Gross profit	38,411	35,258	84,365	69,757
Add back: depreciation in cost of sales	5,267	3,711	10,868	7,611
Adjusted gross profit*	**43,678**	**38,969**	**95,233**	**77,368**
Deduct: General and administrative and marketing, sales and distribution expenses	(20,997)	(19,537)	(44,405)	(37,187)
(Deduct) add: Non cash foreign exchange effect	(13,914)	(4,775)	10,605	(12,948)
Add: Amortization in general and administrative expense	1,077	717	2,085	1,440
EBITDA	9,844	15,374	63,518	28,673
Add: Non-recurring and other expenses (2)	1,564	2,057	3,799	3,202
Add (deduct): Non cash foreign exchange effect	13,914	4,775	(10,605)	12,948
Adjusted EBITDA (*)	**25,322**	**22,206**	**56,712**	**44,823**
Deduct: Finance expense	(6,250)	(7,289)	(15,350)	(15,680)
Deduct: Depreciation and amortization	(6,344)	(4,428)	(12,953)	(9,051)
Add (deduct): Provision for income taxes	557	(164)	(10,402)	97
Adjusted net earnings (*)	**13,285**	**10,325**	**18,007**	**20,189**
Adjusted basic net earnings per share*	0.56	0.45	0.75	0.88
Adjusted diluted net earnings per share*	0.55	0.44	0.75	0.87
Non-recurring and other expenses (2)	(1,564)	(2,057)	(3,799)	(3,202)
(Deduct) add: Non cash foreign exchange effect	(13,914)	(4,775)	10,605	(12,948)
Net (loss) earnings per financial statements	**(2,193)**	**3,493**	**24,813**	**4,039**
Basic net earnings per share	(0.09)	0.15	1.04	0.18
Diluted net earnings per share	(0.09)	0.15	1.03	0.17
Basic weighted average number of shares outstanding	23,913,565	23,070,354	23,861,309	23,069,203
Diluted weighted average number of shares outstanding	24,118,306	23,306,106	24,064,301	23,299,424

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

(2) Non-recurring and other expenses deemed by management to be non-cash, non-recurring, relating to acquisitions, financing, severance costs, share-based payments or other, predominantly reported within General and Administrative Expenses.

Reconciliation of Net Working Capital* and Net Debt*

(in thousands of CDN $, unaudited)

	June 30, 2016	Dec 31, 2015
Current assets[1]	$ 594,886	$ 790,443
Current liabilities[1]	340,193	499,448
Net working capital*	$ 254,693	$ 290,995
Long term debt	$ 367,295	$ 344,339
Bank indebtedness and current portion of long term debt	137,596	151,464
Cash	(24,493)	(22,306)
Net Debt*	$ 480,398	$ 473,497

[1] excludes derivative assets and liabilities

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 Adjusted Gross Profit (gross profit plus depreciation in cost of sales), Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-cash, non-recurring and other costs and foreign exchange adjustment), Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Net Earnings Per Share *(earnings before any effects of non-cash, non-recurring and other costs, restructuring costs and foreign exchange adjustments), Net Debt* (bank indebtedness, short term financing and long term debt less cash) and Net Working Capital* (current assets less current liabilities). Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Net Earnings Per Share* do not include the tax effect of non-cash, non-recurring and other costs and foreign exchange. Management believes that Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share, Net Debt* and Net Working Capital* are important indicators of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. The exclusion of non-cash and foreign exchange adjustments eliminates the non-cash impact on Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share*. Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share*, Adjusted Diluted Net Earnings Per Share*, Net Debt* and Net Working Capital* are also used by investors and analysts for the purpose of valuing AGT. The intent of these measures is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted Gross Profit*, Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings Per Share*, Adjusted Diluted Net Earnings Per Share*, Net Debt* and Net Working Capital* should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. For a reconciliation of net earnings (loss) determined in accordance with IFRS to Adjusted EBITDA*, Adjusted Net Earnings* and Adjusted Basic Net Earnings Per Share* and Adjusted Diluted Earnings Per Share*, see the table on page 36.

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.

Caution about 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 performance of certain of AGT's segments, including without limitation, margin pressures, export levels, production quality, conditions, timing of harvest, demand, capacity utilization, capital expenditures utilization, yields, sales volumes, supply, capital expenditures and growth expectations, allocation of certain corporate and operating costs between segments and AGT's corporate cost structure, mt levels, and supply constraints; the Minot Facility, including without limitation, additional facilities that may be commissioned, sales volumes in 2016 and 2017, the requirement for additional capacity, capacity increases; expected synergies; global supplies; global demand; expected tax rates; sales opportunities; AGT's dividend policy; and internal controls over financial reporting. 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.agtfoods.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, production quality; 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; agricultural commodity prices; demand for 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; the ability of the railways to ship pulses to port facilities for export without labor 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 as may be required in accordance with applicable securities laws.