AGT FOOD AND INGREDIENTS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 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 nine months ended September 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 November 6, 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 September 30, 2016

- **Adjusted EBITDA*** was $27.4 million for the three months ended September 30, 2016, an increase of 18.1% over $23.2 million for the three months ended September 30, 2015.

- **Adjusted EBITDA*** was $117.0 million for the trailing twelve months ended September 30, 2016, an increase of 26.6% over $92.4 million from the trailing twelve months ended September 30, 2015.

- **Cash flow from operating activities** was $8.7 million for the three months ended September 30, 2016 compared to cash used of $2.7 million for the three months ended September 30, 2015.

- **Bulk handling and distribution** segment contributed $8.6 million Adjusted EBITDA* for the nine months ended September 30, 2016 compared to $1.7 million Adjusted EBITDA* for the nine months ended September 30, 2015.

- **Food ingredients and packaged foods** Adjusted EBITDA* was $135.23 per metric tonne ("**mt**") for the nine months ended September 30, 2016, compared to $126.07 per mt for the nine months ended September 30, 2015 an increase of 7.3%.

- **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) bulk handling and distribution (formerly 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 bulk handling and distribution segment includes operations in Europe, Russia, India, Switzerland 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

North American harvest is effectively completed, with SaskAg reporting that pulse harvest was 97% completed by the week of September 26, 2016 and management estimating that harvest is also complete for the rest of production in Western Canada and the Northern Tier U.S. Record production volumes for pulses were expected from Statistics Canada ("**StatsCan**") and the United States Department of Agriculture ("**USDA**") for both Canada and the U.S. While harvested volumes appear slightly lower than the mid-season estimates, due to lower yields resulting from late season and harvest weather, North America is positioned to report the largest pulse harvest in history at approximately 7.8 million mt of lentils and peas.

With the short supply coming out of the second quarter of 2016 ("**Q2**") period resulting from high volume export programs to key consumption markets, production at these levels is needed to ensure that Canada is able to meet consumption demand in the last half and early part of the following year before local production in consumption markets and other product harvested from other origins comes into the market and AGT's production system. As a result of variable timing on harvest, product receipt, processing, shipping and revenue recognition can vary. This is normal course and may result in revenue from North American origins shifting from the third quarter of 2016 ("**Q3**") to the fourth quarter of 2016 ("**Q4**").

Late season and harvest period rains affected harvest yields and quality somewhat, reducing previously reported industry expectations from various statistical outlets earlier in the season. The quality and quantity of the North American pulse harvest is well within customer expectations in consumption markets and is expected to meet market requirements through the balance of 2016 and into 2017. The Canadian chickpea crop is estimated at 35% harvested. The crop area is quite limited and the quality of the remaining crop will be affected by the fall weather. The crop availability is not expected to have a material effect on AGT's earnings and utilization and it will utilize its available capacity for upgrading off grades as available. The durum wheat harvest in Canada is expected to be materially larger than 2015 harvest. The crop size is estimated at nearly 7 million mt, up from under 5 million mt in 2015. Management estimates that approximately one third of the crop is affected by disease and quality issues that will make it challenging to market. AGT has secured the majority of its needed supply for its global pasta business from other origins such as Turkey, Mexico and the European Union.

Increased production volumes have also had the result of reducing prices for lentils in the short term, which is expected to further stimulate import demand to consumption markets. Management expectations are that supply and prices will positively impact AGT's sales and merchandising programs with support for margins in a high volume, lower price environment resulting in positive affect on AGT earnings as local markets restock local supplies for distribution and consumption.

Australian pulse acres are also up year over year and moisture conditions have been favorable. Like Canada the harvest is expected to be delayed but at this point harvest pulse production is still expected to be to above average.

AGT's food ingredients and packaged foods segment performed as expected in the quarter as sales programs for pulse ingredients continue to ramp up and products from AGT's new enhancement deflavouring production line in the Minot pulse ingredient processing facility (the "**Minot Facility**") are distributed to customers for evaluation and inclusion in test products. The bulk handling and distribution segment also performed well, with the development of AGT's distribution business from AGT Foods India and AGT Foods Switzerland on products not specifically processed in AGT facilities advancing.

Reporting Segments

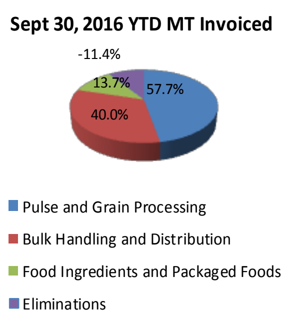
AGT's chief operating decision maker reviews AGT's operations and resource allocation by multiple business segments. Business segments are strategic business units with different products, processes and marketing strategies.

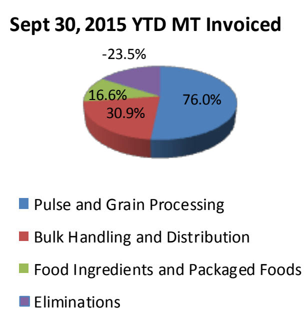
AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA*. Management believes that Adjusted EBITDA* is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and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

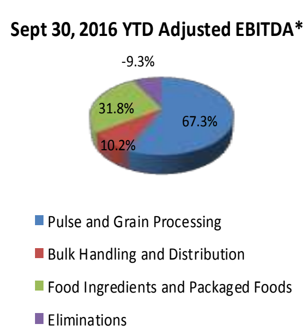
The accounting policies used within each segment are consistent with the policies outlined in the notes to AGT's December 31, 2015 annual audited consolidated financial statements. Segmented revenues, expenses and results include transactions between segments that occurred during the ordinary course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

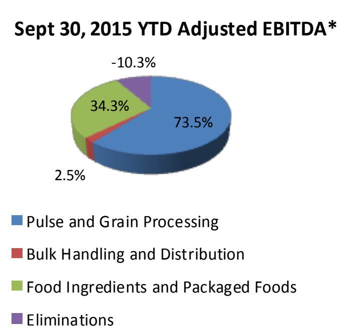
A review of the outlook for each of AGT's business segments is below.

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.









Pulse and Grain Processing

The pulse and grain processing segment represents the principal core 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 represents the largest segment of AGT's business and provides the core infrastructure that enables AGT's other segments of operation, including origination of raw materials, processing and logistics support of pulse and grain products.

Results are as follows:

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

	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015
Revenue	**$ 248,460**	$ 263,369	$ 259,479	$ 812,342	$ 792,238
Cost of sales	**224,961**	243,056	236,880	739,513	729,095
Gross profit	**23,499**	20,313	22,599	72,829	63,143
Adjusted Gross Profit*	**27,204**	23,849	24,855	83,969	69,659
Adjusted EBITDA*	**$ 18,264**	$ 14,310	$ 17,229	$ 56,613	$ 50,009
Total tonnes invoiced	**254,259**	247,891	290,941	835,531	846,845
Gross profit per mt	**$ 92.42**	$ 81.94	$ 77.68	$ 87.16	$ 74.56
Adjusted gross profit* per mt	**106.99**	96.21	85.43	100.50	82.26
Adjusted EBITDA* per mt	**71.83**	57.73	59.22	67.76	59.05

(1) See table on page 14 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

Adjusted Gross Profit* and Adjusted EBITDA* per mt showed improvement when comparing the three months ended September 30, 2016 to the same quarter in the prior year and when comparing to the three months ended June 30, 2016. This is due largely to positive margins on government contracts sold out of Turkey and opportunities for product shipped from Canada and sold through AGT's pipeline. Invoiced mt were down when compared to the same period in the prior year due to a later harvest and inventory remaining in transit at September 30, 2016 and available for sale during the final months of 2016.

Adjusted Gross Profit* per mt and Adjusted EBITDA* per mt increased when comparing the nine months ended September 30, 2016 to the same period in the prior year. This is due largely to opportunities resulting in stronger margins from Turkish sales throughout 2016 compared to the prior year.

The mid and late season weather affected harvest quality in some areas of Western Canada and the Northern Tier U.S. Based on harvest samples provided by growers to AGT's facilities for evaluation and grading, harvest quality is well within customer expectations in consumption markets and is expected to meet market requirements through the balance of 2016 and into 2017 with a distribution of qualities throughout the top and bottom grades. Additionally, AGT's value-added processing facilities have systems, equipment and technology to deal with quality variability to achieve customer specifications supporting sales programs to consumption markets around the globe.

Consumption markets typically require product that is grade number 1 or 2, which in a typical harvest will account for approximately two-thirds of the harvested products with the balance in the bottom grades of number 3 and sample. Sample grade is sometimes referred to as feed, however this should not imply "fed to animals" but rather 10% damage and in a typical harvest may be very low in quantity and may have a reduced market potential.

Import demand is viewed by management to continue to be strong in the key India and sub-continent markets and Turkey and Middle East and North Africa regions ("**MENA**") in the later 2016 and 2017 traditional shipping periods. While local production is expected in these regions, it is forecast that crops will remain on trend with the five year average production ranges in India and Turkey resulting in both jurisdictions being net importers. Monsoon rain variability and volatile weather in the harvest periods have affected the ability of these sectors to rebound production. Local price volatility in a downward trend will also put more pressure on acres as farmers see pulses as potentially lagging other alternatives in India and Turkey. The opposite is true in Canada, the U.S. and Australia, where even at current lower pulses prices, pulses are tracking with positive returns when comparing to cereal grains and oilseeds.

A variety of conditions, including urbanization resulting in decrease in available agricultural land, water availability and water use priorities, and value of crops to local farmers and increasing populations, are expected to result in the trend of consumption markets to be larger net importers of pulses to supplement local production and assist to maintain food security to meet their domestic and regional supply.

Prices for pulses to consumption markets have trended down in recent weeks post-harvest, as would be expected with significant supply volumes coming into the market. However, after a prolonged period of higher prices for pulses, with significant import volumes moving to market and low global stocks, a return to normal or average pricing may stimulate demand further, resulting in increased import volumes to consumption markets over the already high expected volumes.

AGT's investments in transportation, bulk loading and port facilities are expected by management to further benefit the pulse and grain processing segments and volumes shipped to key consumption markets with efficient modes of bulk transport of goods available. The 2016 harvest will mark the first significant opportunity for AGT's bulk handling and short-line rail assets to contribute in a significant way to this segment. Mobile loading locations, able to be placed at any point along AGT's short-line rail system for loading of bulk hopper cars destined for bulk vessel or container shipments, provide an advantage for AGT in that value-added facilities can now be returned back to more intensive processing operations and margin opportunities such as bulk red lentil and pea mt may move through AGT's bulk system instead of through its processing infrastructure.

Margin outlook for this segment is for continued steady performance of both Adjusted Gross Profit* and Adjusted EBITDA* per mt. Changes to product mix and the pursuit of more opportunities for processed and bagged mt is expected to assist AGT in its continued positive performance in this segment. Boosting utilization of the Canadian asset platform will be the focus of the Q4 2016 and Q1 2017 periods with ample volume available and sales pipelines full with anticipated strong demands from India and the demand that is forecast to accompany regional aid programs in Syria, Iraq and Turkey from the current refugee crisis. In the high fixed-cost environment in which AGT operates, significant volumes moving through AGT's system can have 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

AGT's food ingredients and packaged foods segment includes operations out of AGT's Minot Facility which produces pulse ingredient flours, starches, proteins and fibres for human food consumption as well as petfood, animal feed and acquaculture. In addition, business units focused on retail packaged foods production, packaging, canning and distribution in many markets for listing of AGT brands and private label business in North America, Europe, Turkey, MENA and Southern Africa.

Results are as follows:

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

	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015
Revenue	**$ 72,252**	$ 74,773	$ 58,432	$ 213,608	$ 189,203
Cost of sales	**60,671**	63,697	48,113	179,382	157,671
Gross profit	**11,581**	11,076	10,319	34,226	31,532
Adjusted Gross Profit*	**13,509**	12,807	11,961	39,587	36,503
Adjusted EBITDA*	**$ 9,187**	$ 8,350	$ 7,853	$ 26,707	$ 23,364
Total tonnes invoiced	**65,376**	70,774	55,653	197,499	185,322
Gross profit per mt	**$ 177.14**	$ 156.50	$ 185.42	$ 173.30	$ 170.15
Adjusted gross profit* per mt	**206.64**	180.96	214.92	200.44	196.97
Adjusted EBITDA* per mt	**140.53**	117.98	141.11	135.23	126.07

(1) See table on page 14 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 an increase in Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended September 30, 2016 compared to the three months ended June 30, 2016 due to mix of protein sales compared to starch. In addition, margins on pasta sales were stronger during the current quarter. The effects of higher raw material costs in pulses in the U.S. reflected temporary margin compression in Q2 2016. Margin recovery in Q3 2016 is reflective of new crop peas being received against longer term contracts that were signed in spring 2016.

Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended September 30, 2016 decreased when compared to the three months ended September 30, 2015. This is due to reduced availability of peas and higher prices paid to growers in order to continue production and sales of food ingredients which only began to recover in the last month of Q3.

Adjusted Gross Profit* per mt and Adjusted EBITDA* per mt increased when comparing the nine months ended September 30, 2016 to the same period in the prior year. This is due to strong margins in the early part of the year as well as during the latter part of the quarter. In addition, pasta margins were strong.

AGT's Minot Facility, located in Minot, North Dakota features three production lines in operation and new enhancements processes, such as deflavouring and heat-treatment, installed and commissioned and currently in ramp-up of commercial production. Other announced expansions are 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 completed and commissioned in the first quarter of 2017 with a period of ramp-up in commercial production to follow.

The food ingredient business unit has reported stable volumes in mt invoiced in the quarter. This quarter is a seasonally slower period as a number of plants in the petfood and processing sector are conducting summer maintenance programs. In addition, crop volumes into facilities were slowed by delayed harvests in August. However, a strong forward book for fall deliveries has management optimistic that results overall may benefit from growth in mt of AGT's pulses ingredient products production capabilities as 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.

The three production lines at AGT's Minot Facility are currently operating at approximately 90%, with targeted sales programs for commercial production quantities from the fourth production line in 2017 expected to continue to ramp up volumes. Decisions regarding additional commercial production will be determined by management based on ongoing pace and success of AGT's food ingredient and petfood sales.

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 and test quantities continue to convert to production quantities.

Margins in this segment have shown a return to more normalized margins as product prices in new crop deliveries began to arrive in the latter weeks of the quarter. Corn and feed prices have continued their decline as have peas and pulses overall, ensuring that pulse ingredients remain a competitive alternative for ingredient users. Opportunities in fibre, flour and starch sales have continued in their development to complement the growing book of protein sales as customers ramp up their requirements for protein. It is essential to maintain growing uses for all fractions to ensure that as subsequent production lines are added that AGT is able to market all product streams of the mill.

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 unit 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.

Packaged foods mt were down for the quarter in pasta; however, this is consistent with usual seasonal trends. Volume recovery is anticipated in subsequent periods, as new pasta capacity is available for sale and AGT Foods Africa is expected to benefit from the receipt of materials from North America and Australia for its growing packaging and distribution business in Africa. Management is forecasting positive demand in Africa as a result of continued drought and famine aid programs for the continent.

The segment is advancing as expected by management with regard to margins and mt shipped, and further growth in the segment is expected as new enhanced products are available to meet customer requests and demand.

Bulk Handling and Distribution

AGT continues to offer other commodities to its global network of existing clients. These sales are reported through AGT's bulk handling 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. This segment is transforming as new business units in diversified geographies grow and expand into regular business in supply and distribution, such as sugar and other products from India to Europe and other markets. During the quarter AGT rebranded this segment as bulk handling and distribution to better reflect the business operations undertaken within it. No changes to reporting or operations occurred within this segment.

Some mt of grains carried in AGT's new bulk handling system are included in this segment, and it is further planned to redefine this segments composition to capture the bulk handling of non-pulse commodities as this business unit transforms and the Canadian bulk handling business grows and develops. There were limited mt in this segment from Canadian new crop harvest as product moved through the system but was in transit to ports, remaining in inventory to be recognized as revenue in the next quarter.

Products traded in this segment include durum, sorghum, popcorn, coffee, canola, sugar and spices and a variety of seeds. 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 require minimal processing, and facility infrastructure and capital investments. They provide utilization of assets during periods where they are not contributing to support AGT's core business segments, with the working capital requirements largely financed on relatively short trade finance terms with the utilization of structured trade finance instruments and supplier credits.

As this segment continues to grow as a contributor to earnings in a steady and regular fashion, it provides opportunity to augment earnings with minimal capital requirements.

Results are as follows:

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

	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015
Revenue	**$ 168,489**	$ 138,146	$ 90,708	$ 433,687	$ 266,447
Cost of sales	**162,254**	131,124	86,952	415,062	254,691
Gross profit	**6,235**	7,022	3,756	18,625	11,756
Adjusted Gross Profit*	**6,320**	7,022	3,767	18,710	11,789
Adjusted EBITDA*	**$ 2,680**	$ 4,079	$ 589	$ 8,605	$ 1,680
Total tonnes invoiced	**228,203**	177,992	122,296	578,145	344,775
Gross profit per mt	**$ 27.32**	$ 39.45	$ 30.71	$ 32.22	$ 34.10
Adjusted gross profit* per mt	**27.69**	39.45	30.80	32.36	34.19
Adjusted EBITDA* per mt	**11.74**	22.92	4.82	14.88	4.87

(1) See table on page 14 for consolidated segmented results
(2) Certain estimates and assumptions were made by management in the determination of segment composition

The bulk handling and distribution segment showed decreased Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months ended September 30, 2016 compared to the three months ended June 30, 2016. Product shipped in the current quarter once again included significant volumes through AGT's Indian operations. Durum shipments from Canada contributed to utilization of rail assets; however, the later harvest impacted the Canadian origin invoiced mt. Adjusted Gross Profit* per mt for the three months ended September 30, 2016 decreased when compared to the three months ended September 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 nine months ended September 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.

Corporate and Eliminations

Inter-company shipments were 59,661 mt for the three months ended September 30, 2016 and 164,346 mt for the nine months ended September 30, 2016. These mt 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 nine month periods ended)

	Pulse and Grain Processing			Bulk Handling and Distribution			Food Ingredients and Packaged Foods			Corporate and Eliminations			Consolidated		
	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015	3 Months Ended Sept 30, 2016	3 Months Ended June 30, 2016	3 Months Ended Sept 30, 2015
Quarterly comparisons															
Revenue	$ 248,460	$ 263,369	$ 259,479	$ 168,489	$ 138,146	$ 90,708	$ 72,252	$ 74,773	$ 58,432	$ (46,913)	$ (37,628)	$ (45,864)	$ 442,288	$ 438,660	$ 362,755
Cost of sales	224,961	243,056	236,880	162,254	131,124	86,952	60,671	63,697	48,113	(46,913)	(37,628)	(45,864)	400,973	400,249	326,081
Gross profit	23,499	20,313	22,599	6,235	7,022	3,756	11,581	11,076	10,319	-	-	-	41,315	38,411	36,674
Adjusted Gross Profit*	27,204	23,849	24,855	6,320	7,022	3,767	13,509	12,807	11,961	-	-	-	47,033	43,678	40,583
Adjusted EBITDA*	**$ 18,264**	**$ 14,310**	**$ 17,229**	**$ 2,680**	**$ 4,079**	**$ 589**	**$ 9,187**	**$ 8,350**	**$ 7,853**	**$ (2,735)**	**$ (1,417)**	**$ (2,463)**	**$ 27,396**	**$ 25,322**	**$ 23,208**
Total tonnes invoiced	254,259	247,891	290,941	228,203	177,992	122,296	65,376	70,774	55,653	(59,661)	(39,016)	(105,555)	488,177	457,641	363,335
Gross profit per mt	$ 92.42	$ 81.94	$ 77.68	$ 27.32	$ 39.45	$ 30.71	$ 177.14	$ 156.50	$ 185.42				$ 84.63	$ 83.93	$ 100.94
Adjusted Gross Profit* per mt	106.99	96.21	85.43	27.69	39.45	30.80	206.64	180.96	214.92				96.34	95.44	111.70
Adjusted EBITDA* per mt	71.83	57.73	59.22	11.74	22.92	4.82	140.53	117.98	141.11				56.12	55.33	63.87

	Pulse and Grain Processing		Bulk Handling and Distribution		Food Ingredients and Packaged Foods		Corporate and Eliminations		Consolidated	
	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015	9 Months Ended Sept 30, 2016	9 Months Ended Sept 30, 2015
Year to date comparisons										
Revenue	$ 812,342	$ 792,238	$ 433,687	$ 266,447	$ 213,608	$ 189,203	$ (137,296)	$ (121,678)	$ 1,322,341	$ 1,126,210
Cost of sales	739,513	729,095	415,062	254,691	179,382	157,671	(137,296)	(121,678)	1,196,661	1,019,779
Gross profit	72,829	63,143	18,625	11,756	34,226	31,532	-	-	125,680	106,431
Adjusted gross profit*	83,969	69,659	18,710	11,789	39,587	36,503	-	-	142,266	117,951
Adjusted EBITDA*	**$ 56,613**	**$ 50,009**	**$ 8,605**	**$ 1,680**	**$ 26,707**	**$ 23,364**	**$ (7,817)**	**$ (7,022)**	**$ 84,108**	**$ 68,031**
Total tonnes invoiced	835,531	846,845	578,145	344,775	197,499	185,322	(164,346)	(262,198)	1,446,829	1,114,744
Gross profit per mt	$ 87.16	$ 74.56	$ 32.22	$ 34.10	$ 173.30	$ 170.15			$ 86.87	$ 95.48
Adjusted gross profit* per mt	100.50	82.26	32.36	34.19	200.44	196.97			98.33	105.81
Adjusted EBITDA* per mt	67.76	59.05	14.88	4.87	135.23	126.07			58.13	61.03

(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 Sept 30, 2016	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
Revenue	$ 442,288	$ 438,660	$ 441,393	$ 578,270	$ 362,755	$ 378,225	$ 385,230	$ 398,010
Gross profit	41,315	38,411	45,954	46,419	36,674	35,258	34,499	36,977
Adjusted Gross Profit*	**47,033**	**43,678**	**51,555**	**51,458**	**40,582**	**38,969**	**38,399**	**40,660**
Adjusted EBITDA (*)	**27,396**	**25,322**	**31,390**	**32,938**	**23,208**	**22,206**	**22,617**	**24,400**
Adjusted net earnings (*)	**12,024**	**13,285**	**4,722**	**15,192**	**11,861**	**10,325**	**9,864**	**14,903**
Adjusted basic net earnings per share*	**0.50**	**0.56**	**0.20**	**0.64**	**0.51**	**0.45**	**0.43**	**0.68**
Adjusted diluted net earnings per share*	**0.50**	**0.55**	**0.20**	**0.64**	**0.51**	**0.44**	**0.42**	**0.68**
Net earnings (loss) per financial statements	7,438	(2,193)	27,006	19,238	(7,232)	3,493	546	(6,540)
Basic net earnings (loss) per share	0.31	(0.09)	1.13	0.82	(0.31)	0.15	0.02	(0.30)
Diluted net earnings (loss) per share	0.31	(0.09)	1.12	0.81	(0.31)	0.15	0.02	(0.30)
Pulse and grain processing mt invoiced (2)	254,259	247,891	333,381	483,596	290,941	254,304	301,599	327,195
Bulk handling and distribution mt invoiced (2)	228,203	177,992	171,950	154,476	122,296	86,155	136,324	130,249
Food ingredients and packaged foods mt invoiced (2)	65,376	70,774	61,349	60,781	55,653	70,250	59,419	55,000
Inter-company mt	(59,661)	(39,016)	(65,669)	(76,291)	(105,555)	(83,786)	(72,857)	(53,943)
Total mt invoiced	488,177	457,641	501,011	622,562	363,335	326,923	424,485	458,501
Gross profit per mt	$ 84.63	$ 83.93	$ 91.72	$ 74.56	$ 100.94	$ 107.85	$ 81.27	$ 80.65
Adjusted Gross Profit* per mt	96.34	95.44	102.90	82.66	111.69	119.20	90.46	88.68
Adjusted EBITDA (*) per mt	56.12	55.33	62.65	52.91	63.87	67.92	53.28	53.22

Notes:

(1) Calculated from the condensed consolidated unaudited interim financial statements for the quarters ended September 30, 2016, June 30, 2016, March 31, 2016, September 30, 2015, June 30, 2015 and March 31, 2015, 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 56.2% of consolidated revenue in the three months ended September 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 nine month ended periods)

Revenue, Gross Profit and Adjusted Gross Profit*

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2016	2015	Change	2016	2015	Change
Revenue	442,288	362,755	79,533	1,322,341	1,126,210	196,131
Less: cost of sales	400,973	326,081	74,892	1,196,661	1,019,779	176,882
Gross profit	41,315	36,674	4,641	125,680	106,431	19,249
Add back: depreciation in cost of sales	5,718	3,909	1,809	16,586	11,520	5,066
Adjusted Gross Profit*	47,033	40,583	6,450	142,266	117,951	24,315
Gross profit percentage	9.3%	10.1%	-0.8%	9.5%	9.5%	0.0%
Adjusted Gross Profit* percentage	10.6%	11.2%	-0.6%	10.8%	10.5%	0.3%

Revenue, gross profit and Adjusted Gross Profit* increased in absolute dollars when comparing the three and nine months periods ended September 30, 2016 to the same periods in the prior year. This is due to overall increased volumes invoiced, particularly in the bulk handling and distribution segment.

Gross profit and Adjusted Gross Profit* percentage decreased when comparing the three months ended September 30, 2016 to the three months ended September 30, 2015. This is due to a significant increase in invoiced mt originating from the bulk handling and distribution segment, which have lower margins than the other segments.

Gross profit and Adjusted Gross Profit* percentage was consistent when comparing the nine months ended September 30, 2016 to the nine months ended September 30, 2015. This is due largely to recovering margins in the Pulse and Grain Processing segment.

Adjusted EBITDA*

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2016	2015	Change	2016	2015	Change
Adjusted EBITDA*	27,396	23,208	4,188	84,108	68,031	16,077
Adjusted EBITDA* percentage of revenue	6.19%	6.40%	-0.21%	6.36%	6.04%	0.32%

Adjusted EBITDA* as a percentage of revenue for the three months ended September 30, 2016 decreased slightly over the same period in the prior year. This is partially due to increased mt invoiced in the Bulk Handling and Distribution segment at slightly lower margins per mt.

Adjusted EBITDA* as a percentage of revenue for the nine months ended September 30, 2016 increased slightly over the same period in the prior year due to largely to improved earnings in the Pulse and Grain Processing segment.

Expenses

	3 Months Ended Sept 30			9 Months Ended Sept 30		
	2016	2015	Change	2016	2015	Change
General and administrative and marketing, sales and distribution expenses	21,046	18,639	2,407	65,451	55,826	9,625
Finance expense	7,955	10,316	(2,361)	23,305	25,996	(2,691)
Depreciation and amortization	6,917	4,687	2,230	19,870	13,738	6,132
Provision for (recovery of) income taxes	500	(3,655)	4,155	10,902	(3,752)	14,654
Unrealized foreign exchange loss (gain)	4,376	18,606	(14,230)	(6,229)	31,554	(37,783)

General and administrative and marketing, sales and distribution expenses for the three and nine months ended September 30, 2016 increased over the same periods in the prior year. This is due to additional costs related to the bulk platform in addition to expansions in India, Switzerland and the food ingredient platform. In addition, non-recurring expenses relating to consulting work and share based compensation are included in this category.

Finance expenses related to interest on debt for the three and nine months ended September 30, 2016 increased when compared to the same periods in the prior year due to higher debt utilization. This was partially offset by the effect of the fair value adjustment of derivative instruments.

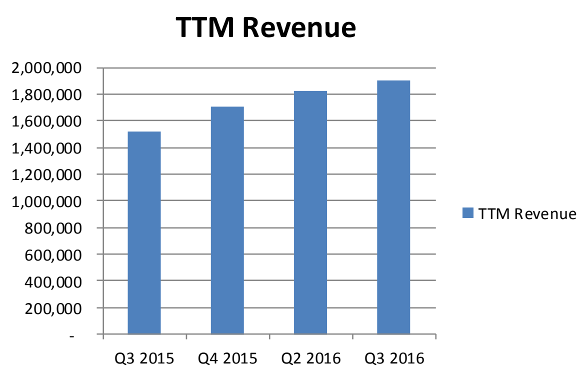
Depreciation expenses for the three and nine months ended September 30, 2016 increased over the same period in the prior year due to additional assets being put into use. These include bulk processing assets, rail assets and pasta and food ingredient asset improvements.

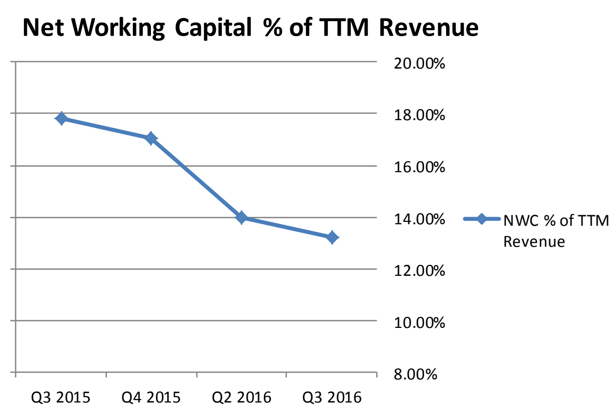
The income tax expense is calculated for each subsidiary at the individual rate for that country and therefore can fluctuate depending on the earnings reported for each tax jurisdiction.

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 $250.8 million at September 30, 2016, a decrease from $254.7 million at June 30, 2016 (see table on page 23). Net working capital as a percentage of TTM revenue has decreased from 17.1% at December 31, 2015 and 14.0% at June 30, 2016 to 13.2% at September 30, 2016.

Net Debt* is comprised of bank indebtedness, long term debt and current portion of long term debt, less cash and totaled $490.8 million at September 30, 2016 compared to $480.4 million at June 30, 2016 and compared to $473.5 million at December 31, 2015 (see table on page 23). Net debt increased from June 30, 2016 due primarily to increased bank indebtedness resulting from significant inventory receipts late in the quarter due to delayed harvest in North America and subsequent cash payments related to contract execution. The ratio of net debt to TTM Adjusted EBITDA* has improved to 4.19 at September 30, 2016 compared to 4.26 at June 30, 2016. This is due to harvest ramp up of sales as well as benefits from operations acquired in the latter part of 2015 and improving margins.

Current assets (excluding derivative assets) were $698.7 million at September 30, 2016 compared to $594.9 million at June 30, 2016 and compared to $790.4 million at December 31, 2015 (see table on page 23). 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 $219.3 million at September 30, 2016, compared to $186.1 million at June 30, 2016 and decreased when compared to $284.5 million at December 31, 2015 (see table on page 23). This is due to the timing of sales as well as increased volumes from India and Canada during the three months ended September 30, 2016 and partially offset by cash collections in Australia. The decrease when compared to December 31, 2015 is due to a reduction in mt invoiced largely as a result North American harvest just ramping up during the current quarter.

Inventory increased to $413.6 million at September 30, 2016, compared to $341.2 million at June 30, 2016 and decreased compared to $436.2 million at December 31, 2015 (see table on page 23). During the quarter, North American and Turkish inventory increased due to harvest receipts in North America and significant inter-company shipments that remained in the AGT pipeline at the end of the quarter. All product shipped from AGT's Canadian and Indian platforms to Turkey for regional processing and distribution remain in inventory until this product is ultimately transferred to the final customer. This product is sold and hedged. As a result of a late harvest in North America, inventory transfers were largely unable to transform into sales and receivables and will be booked in subsequent periods.

Working capital management in the areas of accounts receivable and inventory continue to be a focus of AGT management. While the inventory value is $413.6 million at September 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 October 2016 of $3.6 million ($0.15 per share) in the aggregate to its shareholders of record on September 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 September 30, 2016 and December 31, 2015 foreign exchange rates as follows [Source: Bank of Canada]:

	Sept 30, 2016	Dec 31, 2015
USD/CDN	1.31170	1.38400
AUD/CDN	1.00540	1.00830
TL/CDN	0.43790	0.47440
GBP/CDN	1.70690	2.04070
EUR/CDN	1.47410	1.50290
ZAR/CDN	0.09560	0.08946
RMB/CDN	0.19670	0.21310
INR/CDN	0.01970	0.02091

For each subsidiary, any difference between the September 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 September 30, 2016, AGT had total operating lines available of $226.7 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 September 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 reallocation 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 September 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. $)	Sept 30, 2016 (unaudited)	June 30, 2016 (unaudited)	Dec 31, 2015
Long term debt	$ 366,196	$ 367,295	$ 344,339
Bank indebtedness and current portion of long term debt	146,094	137,596	151,464
Cash	(21,507)	(24,493)	(22,306)
Net Debt*	**$ 490,783**	**$ 480,398**	**$ 473,497**
Shareholders' equity	352,670	351,205	356,918
Capital	**$ 843,453**	**$ 831,603**	**$ 830,415**
Trailing twelve months Adjusted EBITDA*	117,047	112,858	100,969
Net Debt to Adjusted EBITDA*	4.19	4.26	4.69

Selected asset and liability information

(in thousands of Cdn. $)	Sept 30, 2016 (unaudited)	June 30, 2016 (unaudited)	Dec 31, 2015
Cash	$ 21,507	$ 24,493	$ 22,306
Trade accounts receivable	219,268	186,103	284,539
Inventory	413,630	341,246	436,181
Bank indebtedness and current portion of long term debt	146,094	137,596	151,464
Accounts payable, accrued liabilities and deferred revenue	288,595	188,456	343,321
Long-term debt	366,196	367,295	344,339
Total current assets(1)	698,711	594,886	790,443
Total current liabilities(1)	447,938	340,193	499,448
Net working capital*	250,773	254,693	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. $)

	Sept 30, 2016	Dec 31, 2015	Financial Statement Caption
APP Group			
Senior secured APP bank facility	$ 121,464	$ 127,425	bank indebtedness
Senior secured APP bank facility	206,799	184,177	long term debt
Poortman facility (GBP 17.25 million)	-	3,324	bank indebtedness
AGT CLIC mortgage on building and other	8,122	8,166	long term debt
Mobil mortgage and debt	23,507	24,056	long term debt
Other	36	30	long term debt
	$ 359,928	$ 347,178	
Arbel/Other Entities (excluding AGT)			
Senior secured Advance Seed facility	$ 10,909	$ 8,353	bank indebtedness
Other	131	66	long term debt
	$ 11,040	$ 8,419	
AGT			
Note payable related to Mobil purchase	$ 18,044	$ 17,779	long term debt
Notes outstanding	123,278	122,427	long term debt
	$ 141,322	$ 140,206	
Total debt	$ 512,290	$ 495,803	
September 30, 2016 financial statements			
Bank indebtedness	$ 132,373	$ 139,102	
Long term debt, including current portion	379,917	356,701	
	$ 512,290	$ 495,803	

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

Cash flow from (used in)	3 months ended Sept 30, 2016	3 months ended June 30, 2016	3 months ended Sept 30, 2015	Difference Sept 30, 2016 to Sept 30, 2015
Operating activities	$ 8,733	$ 56,182	$ (2,726)	$ 11,459
Financing activities	2,201	(33,236)	5,708	(3,507)
Investing activities	(14,573)	(23,199)	(9,042)	(5,531)
Effect of exchange rate changes on	653	(3,249)	1,041	(388)
Change in cash	$ (2,986)	$ (3,502)	$ (5,019)	$ 2,033

	3 months ended Sept 30, 2016	3 months ended June 30, 2016	3 months ended Sept 30, 2015	Difference Sept 30, 2016 to Sept 30, 2015
Non-cash working capital	$ (7,201)	$ 37,377	$ (14,103)	$ 6,902

Cash flow from (used in)	9 months ended Sept 30, 2016	9 months ended Sept 30, 2015	Difference
Operating activities	$ 53,331	$ 29,363	$ 23,968
Financing activities	4,702	29,864	(25,162)
Investing activities	(57,033)	(48,943)	(8,090)
Effect of exchange rate changes on cash	(1,799)	2,310	(4,109)
Change in cash	$ (799)	$ 12,594	$ (13,393)

	9 months ended Sept 30, 2016	9 months ended Sept 30, 2015	Difference
Non-cash working capital	$ (1,106)	$ (7,963)	$ 6,857

Cash flow from operating activities for the three months ended September 30, 2016 was an increase of $8.7 million compared to an increase of $56.2 million for the three months ended June 30, 2016 and compared to a decrease of $2.7 million for the three months ended September 30, 2015. The change when comparing the three months ended September 30, 2016 to the three months ended June 30, 2016 is due to an increase in inventory and accounts receivable during the quarter, offset by increased accounts payable. The increase over the same period in the prior year is due to increased earnings.

Cash flow from operating activities improved when comparing the nine months ended September 30, 2016 to the same period in the prior year due largely to improved earnings and improved working capital.

Cash flow from financing activities for the three months ended September 30, 2016 was an increase of $2.2 million compared to a decrease of $33.2 million for the three months ended June 30, 2016 and compared to an increase of $5.7 million for the three months ended September 30, 2015. The increase compared to the three months ended June 30, 2016 and September 30, 2015 is due to utilization of bank indebtedness for inventory receipts.

Cash flow from financing activities decreased when comparing the nine months ended September 30, 2016 to the same period in the prior year due to a reduction in bank indebtedness and long term debt proceeds in period compared to the prior year.

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

Cash used in investing activities increased in the nine months ended September 30, 2016 compared to the same period in the prior year due to an increase in cash used for fixed assets, which was largely offset by a reduction in cash used for acquisitions.

Cash Flow Information – Non-Cash Working Capital

Non-cash working capital was a decrease of $7.2 million for the three months ended September 30, 2016 compared to an increase of $37.4 million for the three months ended June 30, 2016 and compared to a decrease of $14.1 million for the three months ended September 30, 2015. The change compared to the three months ended June 30, 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.

Non-cash working capital for the nine months ended September 30, 2016 was lower than the same period in the prior year due to accounts receivable collections and lower inventory growth period over period, which was offset by increased 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 increased from $188.5 million at June 30, 2016 to $288.6 million at September 30, 2016. This is due largely to the timing of North American harvest and the significant 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:

	Sept 30, 2016	Sept 30, 2015
Short term benefits (wage, bonus, vacation paid out, directors fees)	$ 3,157	$ 3,071
Post employment benefits (RRSP)	98	95
Other long term benefits including stock based compensation (long term incentive plan)	2,432	2,285
	$ 5,687	$ 5,451

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

	Sept 30, 2016	Dec 31, 2015
Accounts receivable	$ 264	$ 134
Accounts payable	1,153	3,383

	Sept 30, 2016	Sept 30, 2015
Revenue	$ -	$ 13
Purchases	98	3,382

Transactions with other related parties

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

	Sept 30, 2016	Sept 30, 2015
Purchases	$ 500	$ 746

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 September 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 September 30, 2016, ICFR were designed effectively.

There were no changes in our ICFR during the nine month period ended September 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	Fiscal years beginning on or after 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 and is continuing to assess the impact of the changes.

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

At September 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		9 Months Ended	
	Sept 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
Revenue	$ 442,288	$ 362,755	$ 1,322,341	$ 1,126,210
Less: cost of sales (1)	400,973	326,081	1,196,661	1,019,779
Gross profit	41,315	36,674	125,680	106,431
Add back: depreciation in cost of sales	5,718	3,908	16,586	11,519
Adjusted gross profit*	**47,033**	**40,582**	**142,266**	**117,951**
Deduct: General and administrative and marketing, sales and distribution expenses	(21,046)	(18,639)	(65,451)	(55,826)
(Deduct) add: Non cash foreign exchange effect	(4,376)	(18,606)	6,229	(31,554)
Add: Amortization in general and administrative expense	1,199	778	3,284	2,218
EBITDA	22,810	4,115	86,328	32,788
Add: Non-recurring and other expenses (2)	210	487	4,009	3,689
Add (deduct): Non cash foreign exchange effect	4,376	18,606	(6,229)	31,554
Adjusted EBITDA (*)	**27,396**	**23,208**	**84,108**	**68,031**
Deduct: Finance expense	(7,955)	(10,316)	(23,305)	(25,996)
Deduct: Depreciation and amortization	(6,917)	(4,686)	(19,870)	(13,737)
(Deduct) add: Provision for income taxes	(500)	3,655	(10,902)	3,752
Adjusted net earnings (*)	**12,024**	**11,861**	**30,031**	**32,050**
Adjusted basic net earnings per share*	0.50	0.51	1.26	1.39
Adjusted diluted net earnings per share*	0.50	0.51	1.25	1.38
Non-recurring and other expenses (2)	(210)	(487)	(4,009)	(3,689)
(Deduct) add: Non cash foreign exchange effect	(4,376)	(18,606)	6,229	(31,554)
Net earnings (loss) per financial statements	**7,438**	**(7,232)**	**32,251**	**(3,193)**
Basic net earnings per share	0.31	(0.31)	1.35	(0.14)
Diluted net earnings per share	0.31	(0.31)	1.34	(0.14)
Basic weighted average number of shares outstanding	23,928,201	23,070,354	23,883,769	23,069,591
Diluted weighted average number of shares outstanding	24,124,790	23,297,482	24,084,710	23,298,793

(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)

	Sept 30, 2016	Dec 31, 2015
Current assets[(1)]	$ 698,711	$ 790,443
Current liabilities[(1)]	447,938	499,448
Net working capital*	$ 250,773	$ 290,995
Long term debt	$ 366,196	$ 344,339
Bank indebtedness and current portion of long term debt	146,094	151,464
Cash	(21,507)	(22,306)
Net Debt*	$ 490,783	$ 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.