Alliance GRAIN TRADERS Inc.

(formerly Alliance Grain Traders Income Fund)

Q3

Management's Discussion and Analysis

September 30, 2009

ALLIANCE GRAIN TRADERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

Business Overview

The following discussion and analysis should be read in conjunction with the unaudited interim consolidated financial statements and related notes of Alliance Grain Traders Inc. ("**AGTI**") for the three month and nine month periods ending September 30, 2009 and related notes thereto , which have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles for interim financial statements, and which include the financial results for AGTI's predecessor, Alliance Grain Traders Income Fund (the "**Fund**"). The reader should also refer to the audited consolidated financial statements and Management's Discussion and Analysis of the Fund for the year ended December 31, 2008 and the Fund's Annual Information Form dated May 28 2009. This Management's Discussion and Analysis has been prepared as of November 16, 2009. All dollar amounts are in Canadian dollars unless otherwise indicated.

AGTI is the successor to the Fund (formerly, the Agtech Income Fund). The Fund was a limited purpose open-ended trust established on June 25, 2004. AGTI was incorporated on July 2, 2009 under the *Business Corporations Act* (Ontario). On September 15, 2009, the Fund was converted on a tax deferred basis from an open-ended unit trust to a corporation pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario) whereby AGTI acquired all of the outstanding trust units of the Fund ("**Units**"), and certain shares of the Fund's operating company Alliance Pulse Processors Inc. ("**Alliance**") which were exchangeable for Units of the Fund (the "**Exchangeable Shares**"), in exchange for common shares of AGTI, such that AGTI became the sole holder of the outstanding Units of the Fund. On September 21, 2009, the Fund was terminated and all of its assets were transferred to its sole Unitholder, AGTI. For the purposes of this discussion and analysis, AGTI and the Fund are treated as one entity and referred to interchangeably when discussing the results for the period ended September 30, 2009, since AGTI is the successor to all of the property and undertaking of the Fund. Additional information relating to AGTI and the Fund and its operating companies is available on the System for Electronic Data Analysis and Retrieval ("**SEDAR**") at www.sedar.com, under the profiles for Alliance Grain Traders Inc and Alliance Grain Traders Income Fund.

AGTI, through its subsidiaries, is engaged in the business of sourcing and processing (cleaning, splitting, sorting and bagging) specialty crops, primarily for export markets. AGTI's subsidiaries in Canada, U.S., Turkey and Australia handle the full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed. Its durum wheat milling operations in Turkey also produce semolina, pasta and bulgur wheat. The common shares of AGTI are currently listed for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "AGT". The Units of AGTI's predecessor, the Fund, were listed for trading on the TSX Venture Exchange until AGTI acquired all of them.

Through Alliance, AGTI owns six processing plants in Canada, one in the U.S. and one in Australia. Canadian operating divisions include Saskcan Pulse Trading, Saskcan Rosetown, Saskcan Agtech, Saskcan Milestone, Saskcan Horizon and Saskcan Pulse Depot. Wholly owned foreign subsidiaries include United Pulse Trading Inc. ("**United Pulse**") in North Dakota, USA and Australia Milling Group Pty Ltd. ("**Australia Milling Group**") in Victoria, Australia, each with one plant. Through Alliance, AGTI is among the world's largest value-added processors/splitters of pulse crops.

On September 15, 2009, AGTI acquired Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş. ("**Arbel**"), Durum Gida Sanayi ve Ticaret A.Ş. ("**Durum**"), and Turkpulse Diş Ticaret A.Ş. ("**Turkpulse**", and collectively, the "**Arbel Group**"), such that AGTI now owns, directly and indirectly, 100% of the outstanding shares of the Arbel Group. Arbel, Durum and Turkpulse were three private Turkish companies engaged in the business of buying, processing and marketing lentils and grain (Arbel), producing and selling pasta and semolina (Durum), and producing and selling bulgur (Turkpulse). The Arbel Group has a 50-year operating history and has grown to become a leading processor of pulses and grains and a leading exporter of pulses and pasta in Turkey. The Arbel Group operates state-of-the-art processing and production facilities in Mersin, Turkey, and currently exports to over 50 countries in Asia, Africa, Europe and the Americas.

Summary of Quarterly Results

The following table presents selected financial information for AGTI taken from the financial statements mentioned above.

The results of operations for the period ended September 30, 2009 presented in this discussion and analysis reflect the results of operations of: (i) Alliance, which includes all of AGTI's Canadian operating divisions (including Saskcan Horizon), (ii) United Pulse, (iii) Australia Milling Group, and (iv) the Arbel Group. The results of operations for the Arbel Group are consolidated into the results of AGTI for the period that commenced on September 15, 2009 and ended on September 30, 2009.

(in thousands of Cdn. $ except as indicated, unaudited)	3 Months Ended September 30, 2009	3 Months Ended June 30, 2009	3 Months Ended March 31, 2009	3 Months Ended December 31, 2008 (1)	3 Months Ended September 30, 2008	3 Months Ended June 30, 2008	3 Months Ended March 31, 2008	3 Months Ended December 31, 2007 (1)
Sales......................	73,320	72,951	86,818	100,855	107,886	72,314	47,618	42,744
Cost of sales(2)......	59,736	62,886	70,644	85,716	91,669	60,267	40,751	35,716
Gross margin...........	13,584	10,065	16,174	15,139	16,217	12,047	6,867	7,028
Selling, general and administration expenses(3)...................	5,781	5,315	5,697	4,830	5,509	4,399	3,322	3,646
Amortization in cost of sales and ending inventory(2)...............	391	249	307	990				
Compensation option expense(4).................	111	111	207	75	134	118		
EBITDA(5)...............	8,305	5,110	10,991	11,374	10,842	7,766	3,545	3,382
Interest.....................	841(9)	280	332	454	409	333	320	108
Depreciation and amortization............	812	707	672	698	472	437	419	365
Provision for income taxes.........................	1,999	973	2,629	2,573	3,184	1,614	645	686
Add back extra-ordinary gain(6)	-	-	-	562	-	-	-	-
Less compensation option expense(4)	111	111	207	75	134	118	-	-
NET INCOME........	**4,542**	**3,039**	**7,151**	**8,136**	**6,643**	**5,264**	**2,161**	**2,223**
Basic net earnings per share / unit and unit equivalent (7)………..	0.47	0.38	1.20	0.95	0.92	0.83	0.48	0.33
Diluted net earnings per share / unit and unit equivalent (7).....	0.46	0.37	0.90	0.89	0.83	0.73	0.34	0.19
Total assets………..	332,936	135,041	145,171	148,381	160,104	99,857	84,292	74,071
Bank indebtedness (short-term debt).......	29,244	8,412	29,571	17,448	34,625	20,483	20,960	6,541
Long-term debt.........	25,987	16,094	16,556	14,903	8,872	7,844	8,065	6,892
Shareholders' / Unitholders' equity...	221,944	77,319	75,098	68,823	60,978	39,990	35,358	33,978
Cash dividends / distributions declared per share / unit…...	0.135	0.135996	0.137511	0.137511	0.13264(8)	0.138766	0.13898	0.135

Notes:

(1) Calculated from the audited annual financial statements of the Fund for the years ending December 31, 2008 and December 31, 2007, and the unaudited financial statements of the Fund for the periods ended September 30, 2008 and September 30, 2007.

(2) Cost of sales for the quarters ended June 30, 2009, March 31, 2009 and December 31, 2008 include amortization on equipment used to process inventory. Total amortization is added back for the EBITDA. Periods prior to the aforementioned quarters had all amortization reported in one line item without the reclassification of amortization-related to processing costs. Cost of sales for the quarter ended September 30, 2009 include amortization on equipment used to process inventory as well as amortization allocated to ending inventory.

(3) Excluding interest and amortization, but including the performance bonus payable to non-management employees. Non-controlling interest is also included in this number, up to and including the period ended September 30, 2008 (related to the Saskcan Horizon minority interest mentioned above)

(4) Due to the non-cash nature of the compensation option expense, this amount is included in the net income figure, but added back for the EBITDA calculation.

(5) EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) is a financial measure used by many investors to compare companies on the basis of operating results, asset value and the ability to incur and service debt. EBITDA is used because AGTI's net income alone does not give an accurate picture of AGTI's cash-generating potential. Management believes that EBITDA is an important measure in evaluating the performance of AGTI and in determining whether to invest in AGTI. However EBITDA is not a recognized earnings measure under GAAP and does not have a standardized meaning prescribed by GAAP. It is not intended to represent cash flow or results of operations in accordance with GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with GAAP as an indicator of AGTI's performance or to cash flows from operating, investing and financing activities of liquidity and cash flows.

(6) The December 8, 2007 fire at the Williston North Dakota facility (owned through United Pulse) resulted in total loss and subsequent replacement of certain equipment. Proper insurance was in place to cover any repairs and replacement as well as business interruption. The additional value associated with the replaced equipment resulted in an extraordinary gain in the amount of $561,426. This gain was recognized during the year when the final insurance settlement was completed. Regular plant operations commenced in February of 2008.

(7) Before September 15, 2009, the entity whose results are reported in the table above was the Fund. "Units and unit equivalents" refers to the Units of the Fund and to the Exchangeable Shares. The Fund paid distributions on its outstanding Units each quarter. From and after September 15, 2009, the entity whose results are reported in the table above is AGTI. "Shares" refers to the common shares of AGTI (the only class of shares which are outstanding). AGTI's policy is to pay dividends on its outstanding shares each quarter. For the periods reported on above, there were only distributions paid by the Fund, and no dividends were paid by AGTI. Basic and diluted earnings per unit and unit equivalent are calculated using net income before other comprehensive income of $456,893 and extraordinary gain of $561,426 in the quarter ended December 31, 2008.

(8) The distributions paid by the Fund consisted of the quarterly interest payments made to the Fund under a consolidated promissory note issued by Alliance to the Fund (the "**Alliance Note**") and another promissory note issued by Alliance to the holders of the exchangeable shares of Alliance. The principal amount of the Alliance Note would be increased each time the Fund issued Units. The distribution per Unit for the third quarter of 2008 was below the Fund's target of $0.135 per Unit because the Fund issued additional Units during the quarter and since the additional Units were issued after the beginning of the quarter the promissory notes issued by Alliance in respect of such additional Units (subsequently consolidated into the Alliance Note) did not earn a full quarter's interest income for the Fund.

(9) Interest expense for the quarter ending September 30, 2009 includes one-time balloon interest payments on the retirement of Arbel Group credit facilities with Turkish banks that bore interest rates higher than existing Alliance credit facilities.

Discussion of Quarterly Results

AGTI's sales performance during the quarter ended September 30, 2009 met management expectations despite challenging market conditions. Since lentil inventories remaining on farms in Canada from the 2008-2009 crop year were at very low levels, management anticipated that the volumes processed during the quarter would be reduced and that product mix would move towards those products which are available, specifically more chickpeas, peas and canary seeds. Sales volumes were reduced approximately 6% while revenues remained consistent when comparing the third quarter of 2009 to the second quarter of 2009. With strong exports in 2008 and 2009, available stocks from the 2008-2009 crop year were used by domestic producers to maintain their export levels, leaving fewer lentils for AGTI to buy during the third quarter of 2009. While crop prices this year have remained below the levels they attained in 2008, they have been increasing significantly over the last two quarters. In the lead-up to the 2009 harvest season, crop prices continued to increase at both the grower price level and the export market level. As a result, available pulse stocks were in tight supply leading to improved local prices in destination consumption markets. Export price levels escalated, leading to margin improvement for Q3 compared to Q2.

AGTI was able to deal relatively well with the crop shortage of this quarter. Management attributes this success to its strategy of diversifying markets for AGTI's products coupled with a continued push on product mix and crop origin diversification. Even with depleted stocks, AGTI was able to source and process adequate volume to deliver positive earnings to its shareholders.

AGTI's sales were $ 73,320,223 for the three months ended September 30, 2009, compared to sales of $ 72,951,127 for the three months ended June 30, 2009, and $ 107,886,461 for the three months ended September 30, 2008. The cost of sales was $ 59,735,962 for the three months ended September 30, 2009, compared to cost of sales of $ 62,885,653 for the three months ended June 30, 2009, and $ 91,669,256 for the three months ended September 30, 2008. Gross margin for the three months ended September 30, 2009 was $ 13,584,261 compared to gross margin of $ 10,065,474 for the three months ended June 30, 2009 and $ 16,217,205 for the three months ended September 30, 2008. When comparing gross margin and EBITDA percentages, the period ended September 30, 2009 showed an overall improvement in relation to June 30, 2009 and September 30, 2008. This expected improvement is directly attributable to Management's ability to preserve dollar margins per metric tonne processed and exported.

While sales and cost of sales in the third quarter of 2009 were dramatically lower than in the third quarter of 2008, EBITDA decreased only 23.4%. This compares favourably with the sales revenue decrease of 32% and a decline in cost of goods sold of 34.8%, further illustrating management's margin improvement. The decline in sales and cost of sales from 2008 to 2009 is attributed to two main factors: a significant decrease in global commodity prices and decreased volume of product sold due to the restriction in supply. Margins improved due to management's strategy of diversifying markets, product mix and crop origins. When comparing the results for the third quarter of 2009 to those for the second quarter of 2009, sales were consistent, EBITDA increased by 62.5%, and cost of sales decreased by 5%.

Selling, general and administration expenses increased by 8.8% over the quarter ended June 30, 2009, and increased 5% over the quarter ended September 30, 2008. This is largely due to additional overhead costs resulting from acquisitions and the inclusion of the Arbel Group results. When reviewing other expense categories, interest expense for the quarter ending September 30, 2009 was $ 841,172 compared to $ 409,374 in the quarter ending September 30, 2008. Interest expense for the quarter ending September 30, 2009 includes one-time balloon interest payments on the retirement of Arbel Group credit facilities with Turkish banks that bore interest rates higher than Alliance credit facilities. The interest expense also reflects higher levels of bank indebtedness due to the acquisitions. Provision for income taxes have declined as a result of corporate tax rates reductions in all of the origins in which AGTI has operations. Depreciation and amortization expenses have increased as expected with significant additions to capital assets.

When comparing the nine months ended September 30, 2009 to the nine months ended September 30, 2008, the results illustrate that management's strategy is on track. Sales in the nine months ended September 30, 2009 were $ 233,089,370 compared to sales of $ 227,818,695 in the nine months ended September 30, 2008, a slight increase of 2% attributable primarily to increasing volumes during declining commodity prices in 2009. Cost of sales was $193,265,785 in the nine months ended September 30, 2009 compared to $ 192,686,881 in the nine months ended September 30, 2008, a slight increase of less than 1% attributable primarily to the lower cost of raw materials (particularly lentils). This has led to gross margin of $ 39,823,585 in the nine months of 2009, compared to $ 35,131,814 in same period in 2008, an increase of $4,691,771. EBITDA increased to $ 24,406,021 in the nine months ended September 30, 2009 compared to $ 22,153,000 in the nine months ended September 30, 2008, an increase of 10.2%. The positive gain in results from the quarter ending September 30, 2009 compared with the quarter ending June 30, 2009 is largely accounted for by improved margins across all product categories and the inclusion of the Arbel Group's results for the period from September 15 to 30, 2009. Poor crop availability in Canada, USA and Australia in Q2 and Q3 2009 have inhibited the growth of AGTI's earnings. With the tight supplies of raw materials expected to come to an end with a good 2009 crop in Canada and the USA, and a better crop expected in the fourth quarter of 2009 in Australia, management remains confident of its ability to continue to increase capacity utilization and financial performance.

The contribution of the Arbel Group to AGTI's results for the period ended September 30, 2009 was very limited, since only the results for the period from September 15 to 30, 2009 are included in AGTI's consolidated financial statements. For that reason, the Arbel Group's results cannot be meaningfully discussed at this time. Discussion of the consolidated results of AGTI and the Arbel Group for the fourth quarter of 2009 will be provided in the management's discussion and analysis for the year ending December 31, 2009.

Dividends

AGTI paid a dividend of $ 2,302,816 in the aggregate to its shareholders of record as of September 30, 2009 ($0.1350 per share). It is anticipated that going forward, AGTI will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGTI's dividend policy will be subject to the discretion of the board of directors and may vary depending on, among other things, AGTI'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.

Liquidity and Capital Resources

As the historical information presented above shows, AGTI (including its predecessor, the Fund, and its operating subsidiary, Alliance) has not had difficulty in generating from its operations sufficient cash to maintain its operations, fund development, and, to pay its declared dividends and distributions. AGTI's ability to generate sufficient cash in the future to pay dividends will depend on future harvests of and demand for pulses and special crops. Please see "Outlook" below for a discussion of these factors.

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

At September 30, 2009, AGTI and its subsidiaries had total operating credit available of $CDN 50,000,000, bearing interest at the rate of prime plus 0.25% secured by a general security agreement on all the assets of AGTI and $USD 95,579,252 with an average interest rate of 6.13%. USD bank borrowings of the Arbel Group are currently secured by personal guarantees of the former owners of Arbel Group, the Arslan family and a corporate guarantee of Arbel. These personal guarantees will be discharged and replaced by AGTI's corporate guarantee. Bank borrowings and credit terms are currently being re-negotiated due to the improved financial strength of AGTI.

Transactions with Related Parties

AGTI, the successor to the Fund, acquired certain companies in the Arbel Group in which a trustee and Unitholder of the Fund was a shareholder and officer. Please see "Recent Events", below.

Critical Accounting Estimates

Note 2 to AGTI's consolidated financial statements for the three month and nine month period ended September 30, 2009, describes AGTI's significant accounting policies.

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

Accounts Receivable

Accounts receivable are measured at amortized cost and due within contractual payment terms and are stated at amounts due from customers net of an allowance for doubtful accounts. Credit is extended based on an evaluation of a customer's financial condition. Accounts outstanding longer than the contractual payment terms are considered past due. AGTI determines its allowance by considering a number of factors, including the length of time trade accounts receivable are past due, the Fund's previous loss history and the customer's current ability to pay its obligation to AGTI. AGTI writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are credited to the bad debt expense.

Inventories

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

Income Taxes

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

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

Property and Equipment

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

Property and equipment are depreciated to estimated residual values based on the straight-line method over their estimated service lives. Property and equipment under capital leases within variable interest entities are depreciated to estimated residual values over the life of the lease.

Property and equipment located in Turkey is subject to fair value assessment on an annual basis.

Intangible Assets and Goodwill

The intangible assets of AGTI were recorded at their estimated fair values at September 30, 2009 and amortized over their estimated useful life. Intangible assets and goodwill are subject to impairment tests under GAAP when events or circumstances indicate a potential impairment. If the carrying value of such assets exceeds the fair values, the assets are written down to fair value. The treatment of intangible assets such as trademarks, brands and licenses are subject to separate impairment testing from the values contained in goodwill. No write down was required as at September 30, 2009.

Changes in Accounting Policies

The Canadian Institute of Chartered Accountants ("**CICA**") issued new accounting standards which became effective for the Fund (and now, AGTI) on January 1, 2008. These changes include:

Section 3031 Inventory replaces Section 3030 Inventories, and establishes standards on the definition of 'cost' to include all costs of the purchase as well as transportation costs incurred in bringing the inventories to their present location and condition. As a result, companies are required to systematically allocate variable and fixed input costs that are incurred in converting raw product into finished goods. The allocation of fixed production overheads is based on normal production capacity of the production facilities. In addition, the standard requires companies to assess the recoverability of inventory costs in comparison to net realizable value. Declines in replacement cost below carrying values for raw materials inventories do not require write-downs if the finished goods in which they will be utilized are expected to be sold at or above cost. The standard requires disclosing, in the current period, the amount recognized as an expense and the amount recognized as a reversal of previous write-downs.

Section 1535 Capital Disclosures now requires disclosure of qualitative and quantitative information to enable financial statement users to evaluate the objectives, policies and processes used by the Fund to manage capital.

Section 3862 Financial Instruments – Disclosures now requires additional disclosures about the significance of financial instruments for the Fund's financial position and performance. Also, the Fund will be required to disclose the nature and extent of risks arising from financial instruments, to which the Fund is exposed, and how those risks are managed.

Section 3863 Financial Instruments – Presentation now requires disclosure of certain aspects of financial instruments, such as classification and circumstances where financial instruments may be offset.

The CICA also issued new accounting standards which became effective for the Fund (and now, AGTI) on January 1, 2009. These changes include:

Section 3064, Goodwill and Intangible Assets, replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not have any impact on the Fund's consolidated financial statements.

Emerging Issues Committee ("EIC") Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities provides guidance on evaluating credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for the fiscal year beginning January 1, 2009. The adoption of EIC-173 did not have a significant impact on the Fund's consolidated financial statements.

The CICA has also approved a plan to transition Canadian generally accepted accounting standards to the International Financial Reporting Standards ("IFRS") by 2011. The Fund's management has begun the transition to adopting these standards. As a first step, management and the Fund's Auditors performed a thorough review to determine the effect of IFRS on operations and financial reporting. The review included significant accounts such as Property, Plant and Equipment, Inventory and Revenue.

AGTI continues to assess the impact of the transition to IFRS on its financial statements and has now developed a plan for the transition. AGTI has engaged consultants to assist with conversion to IFRS, including: performance of a gap analysis and resulting disclosure differences between IFRS and GAAP, providing technical advice and interpretation of IFRS, assisting in the preparation of systems and processes likely to be impacted by the conversion, evaluating alternatives and training of Alliance personnel as required.

Controls and Procedures

There have been no changes in our internal control over financial reporting during the nine months ended September 30, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Recent Events

On September 15, 2009, AGTI acquired all of the outstanding shares of Arbel, Durum Gida, and Turkpulse, other than the shares of Durum which are owned by Arbel, such that AGTI now owns, directly and indirectly, 100% of the outstanding shares of the Arbel Group (the "**Acquisition**"). The aggregate purchase price was CDN $104,141,400, of which CDN $60,097,988 was paid in cash and CDN $44,043,412 was paid by the issuance of 2,850,448 common shares of AGTI ("**Common Shares**") at a deemed price of CDN$15.4514 per Common Share.

The purpose of the Acquisition was to improve AGTI's positioning within the international pulse and grain markets, further diversify its product offerings, product sources and customer base, open new marketing opportunities, and significantly increase the size of its current operations.

In connection with the Acquisition, on July 21, 2009, the Fund completed a public offering of 6,118,840 subscription receipts ("**Subscription Receipts**") at a price of $16.25 per Subscription Receipt for gross proceeds of $99,431,150 (the "**Offering**"), pursuant to a bought deal with a syndicate of underwriters led by Genuity Capital Markets and including Wellington West Capital Markets Inc., Macquarie Capital Markets Canada Ltd., and GMP Securities L.P. (the "**Underwriters**"). The Underwriters were paid a fee equal to 4% of the gross proceeds of the Offering. The net proceeds of the Offering were used to satisfy the cash portion of the purchase price for the Acquisition and the balance of the net proceeds are being used for general corporate purposes. Each Subscription Receipt was converted into one Unit immediately before the completion of the Acquisition, and each such Unit was exchanged for one Common Share upon the completion of the Conversion.

The Acquisition was a "related party transaction" for AGTI under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), since Huseyin Arslan, who was a trustee and a Unitholder of the Fund, was also a significant shareholder and officer of several of the Arbel Group Companies. A special committee (the "**Special Committee**") of the board of trustees of the Fund, consisting of independent trustees, was established to, among other things, consider the Acquisition and make a recommendation to the Board of Trustees as to, among other things, whether the Acquisition was in the best interest of the Fund. In connection with its mandate, the Special Committee retained Campbell Valuation Partners Limited (the "**Valuator**"), an independent valuator, to provide a formal valuation in respect of the Acquisition of the Arbel Group Companies in accordance with MI 61-101. The Special Committee also retained the Valuator to deliver a fairness opinion. The Valuator delivered the valuation and the fairness opinion to the Special Committee. Based upon and subject to the assumptions, limitations, analyses and other matters set forth in its valuation report, the Valuator concluded that, as of June 17, 2009 (the date the Acquisition was announced), the fair market value of the aggregate of the shares of the Arbel Group Companies was in the range of CDN$95 million to CDN$120 million. The aggregate purchase price for the Acquisition of CDN$104,141,400 was approximately in the middle of the range identified by the Valuator. Based upon and subject to the assumptions, limitations, analyses and other matters set forth in its fairness opinion, the Valuator concluded that, as of June 17, 2009, the consideration to be paid for the aggregate of the shares of the Arbel Group Companies under the terms of the Acquisition was fair, from a financial perspective, to the Unitholders (other than those Unitholders who are also shareholders of the Arbel Group Companies). After considering and reviewing, among other things, the terms of the Acquisition Agreements, the conditions for the completion of the Acquisition (including the requirement for disinterested unitholder approval), and the valuation and fairness opinion, the Special Committee concluded that the Acquisition, and the consideration to be paid in connection with the Acquisition, was fair to the Unitholders and was in the best interests of the Fund, and unanimously recommended that the Board of Trustees approve the Acquisition. The Board of Trustees subsequently approved the Acquisition. On August 14, 2009, the Fund held a special meeting of its Unitholders and holders of Special Voting Rights (under the Fund's declaration of trust, the holders of the Exchangeable Shares were entitled one Special Voting Right for each outstanding Exchangeable Share). At the meeting: (i) the Acquisition was approved by 99.99% of the votes cast by the Unitholders and holders of Special Voting Rights (other than those who were also shareholders of the Arbel Group Companies) present in person or represented by proxy at the meeting; and (ii) the Conversion was approved by 99.99% of the votes cast by the Unitholders and holders of Special Voting Rights present in person or represented by proxy at the meeting.

AGTI was created to be the successor entity to the Fund following its conversion on a tax deferred basis from an open-ended unit trust to a dividend-paying corporation (the "**Conversion**")pursuant to a plan of arrangement under the *Business Corporations Act* (Ontario). On September 15, 2009, pursuant to the plan of arrangement, AGTI acquired all of the outstanding Units of the Fund and Exchangeable Shares of Alliance in exchange for one Common Share for each Unit or Exchangeable Share, In addition, AGTI adopted an incentive stock option plan for the directors, officers, employees and consultants of AGTI and its subsidiaries that has substantially the same terms as the Fund's current incentive option plan, and each incentive option of the Fund was exchanged for one AGTI incentive stock option entitling its holder to acquire one Common Share on the same terms (including the same exercise price per share and duration) as the Fund incentive option in exchange for which it was issued. Immediately before the completion of the Conversion, AGTI completed a private placement for special warrants to acquire 37,500 Common Shares at $16.25 per special warrant, and at the effective time of the Conversion, each special warrant of AGTI was automatically exchanged for one Common Share. The sole Common Share held by the Fund was cancelled upon the completion of the Conversion.

After the completion of the Conversion, on September 21, 2009, the Fund was terminated and all of its assets were transferred to its sole Unitholder, AGTI.

AGTI is now acting as the holding company for Alliance, its subsidiaries and the Arbel Group companies. Alliance, its subsidiaries and the Arbel Group will continue the business which they are currently carrying on, namely the buying, processing and selling of pulse and grain crops, primarily red and green lentils, and the production and sale of pasta, semolina and bulgur. The Arbel Group Companies will continue to operate their business under the same name that it used prior to the Acquisition, as the Arbel Group Companies are recognized in Turkey and abroad, and have built a significant amount of goodwill over their years of operation. Alliance and its subsidiaries will likewise continue to operate their business under the same names that they used prior to the Acquisition. Management does not anticipate making any significant changes in the operating processes of the combined business from the processes used by Alliance and the Arbel Group now, except as may be required to integrate the two businesses and realize savings from synergies.

A full description of the Offering, the Acquisition and the Conversion, including a description of the Arbel Group and its historical and pro forma financial statements, is provided in the final short form prospectus of the Fund dated July 16, 2009 (the "**Prospectus**") and in the management information circular of the Fund dated July 20, 2009 for the special meeting held on August 14, 2009 (the "**Information Circular**"), copies of which are available under the Fund's profile on SEDAR.

Outstanding Share Data

As of the date hereof, there are issued and outstanding 17,057,896 common shares of AGTI. There are also outstanding incentive options to acquire 520,000 common shares of AGTI, each exercisable for one common share at a price of $9.00 per share until April 21, 2013, which were granted to the directors and officers of AGTI and key employees of AGTI and its subsidiaries, and vest in equal annual increments over a three year period, beginning April 21, 2011 (April 21, 2009 for independent directors).

Risks and Uncertainties

AGTI, through its subsidiaries is a buyer, processor and exporter of a full range of pulses and special crops and milled durum wheat, and is exposed to a number of risks and uncertainties that are common to other companies in the same business. The following is a summary of the risks specific to AGTI's business and its industry. Included in the discussion of risks and uncertainties below are details of how management seeks to mitigate such risks and uncertainties wherever possible. For additional discussion of these and other risk factors, please refer to the section titled "Risk Factors" in the Fund's Annual Information Form, the Fund's prospectus dated July 16, 2009, and the management information circular of the Fund dated July 20, 2009, all of which are available under the Fund's profile on www.sedar.com.

Weather conditions, which can vary substantially from year to year, have a significant impact on the size and quality of the pulses and special crops and durum wheat harvests. Significant increases or decreases in the total harvest may impact the volume of crops that AGTI sells and the gross profits realized on sales of its product and, consequently, on the results of its operations.

The pulses and special crops processing industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale prices of raw material caused by changes in supply, taxes, price controls and/or other market conditions, all of which are factors beyond AGTI's control.

A portion of AGTI's purchases are made through production contracts, which fix a price at which AGTI may purchase crops from a producer. This production contract system assists the fund in mitigating price and supply risk on forward sales.

AGTI's revenues are dependent on the continued operation of its facilities. The operation of facilities involves certain risks, including the failure or substandard performance of equipment, natural disasters, labour problems, spoilage, as well as other hazards incidental to the production, use, handling, processing, storage and transportation of pulses and special crops. Also, as an industrial operation, AGTI is exposed to workplace health and safety and workers' compensation claims but mitigates these risks through a comprehensive safety program.

AGTI's operations are dependent on the abilities, experience and efforts of its senior management team, an experienced team of grain industry specialists assembled within AGTI and its subsidiaries.

AGTI's operations are dependent on container availability. Logistics will be a major consideration this season as container availability and vessel space will be challenging to move the expected large 2009-2010 crop from North America. AGTI mitigates this risk by being a leader in containerized agri-shipments and maintaining direct relationships with international steamship lines. The Arbel Group acquisition provides AGTI with a key regional seaport presence with facilities located 8 km from the Port of Mersin, Turkey, a key export and import seaport on the Mediterrean Sea.

AGTI hedges against currency fluctuation risk for all of its sales by entering into forward exchange contracts. AGTI also borrows and matches currency exposures in the functional currencies with which it conducts its global business with bank credits in US dollars, Canadian dollar and Turkish Lira.

Virtually all of AGTI's production in Canada, USA and Australia is exported to all geographic regions of the world. The Arbel Group exports approximately 50% of its production and sells the remaining 50% within the Turkish domestic market. AGTI minimizes the risks involved with the export of goods to foreign countries by selling with internationally accepted documentary letters of credit, documentary collections and receivables insurance through Export Development Canada ("**EDC**"). Nonetheless, there is a residual risk that goods may be repudiated by a foreign buyer who may refuse delivery of the product after it has been shipped but before it has been paid for in full. Domestic sales are secured through bank guarantees and other payment securitization methods that safeguard AGTI from non-payments or insolvencies of domestic buyers. Risks on non-payment in export or domestic markets could lead to residual costs to AGTI affecting its profitability. Risk management programs are in place to minimize these risks of the international marketplace.

In addition, AGTI's profitability and its ability to continue paying dividends will depend on AGTI's success in generating profits, as discussed under "Liquidity and Capital Resources", above. For a more detailed discussion of AGTI's business, please refer to the Fund's Annual Information Form under the Fund's profile on www.sedar.com.

AGTI is also subject to various risks in connection with its acquisitions and growth strategy. Through its acquisitions, AGTI is exposed to challenges related to the integration of the combined businesses, dependence on key executives, risks related to localized decision making in the corporate structure, control of the combined business, leverage, restrictive covenants and capital requirements, results of operations and financing risks, management of expanding operations, factors affecting the likelihood of AGTI realizing the benefits of acquisitions, foreign exchange risk, counterparty risk, commodity exposure, geographic and political exposure, business interruption risk, the need for ongoing working capital funding, risks related to environmental protection requirements, potential undisclosed liabilities and risks for investors related to ownership of common shares.

Outlook

The new Canadian crop season (2009-2010) has begun, with much discussion in the industry and the markets about weather, drought on the Prairies, and crop variability. While drought conditions affected areas of Alberta and western Saskatchewan, lentils and pulse crops are relatively drought tolerant and performed well even in dry areas. Timely rains in June and July left a great majority of pulse acres in Saskatchewan, Montana and North Dakota with average to above average yield. The harvest was late, with cool weather delaying crop maturity, but weather conditions in September held up and the pulse harvest was virtually complete by the end of September.

With record pea and lentil exports from Canada in 2008-2009, surging commodity prices have resulted in significant changes to the farm gate returns of growers of pulses and specialty crops, making the crops that AGTI processes profitable crops for farmers to grow. Crop forecasts for lentils and peas for the 2009-2010 crop year in Canada showed an increase in the number of acres that farmers seeded. The increase in price of all lentil varieties led to a record planting in Canada and USA with acreage forecasts exceeding 2.8 million acres in western Canada and the United States, up from approximately 1.8 million acres in 2008[1]. Canadian production exceeded 1.4 million metric tonnes in 2009[2] with many industry sources pegging this figure over 1.5 million metric tonnes. U.S. production of lentils (up 144% from 2009 compared with 2008) and peas (up 42% from 2009 compared with 2008) also increased[3]. Australia is also forecasting a much better crop in 2009 as compared to 2008[4] and Turkey is forecast to return to normal plantings of pulses for 2010 harvest expected in May 2010[5]. It is anticipated that increased production globally will allow the global pulses industry to have sufficient stocks to satisfy strong export demands and still replenish a healthy annual carryover stock to stabilize supply.

Australian conditions are progressing well with excellent seasonal rains in May through July and good fall conditions with the absence of frost events leads management to believe that yields in Victoria and South Australia will return to average levels when the harvest comes in (expected in November and December, 2009). AGTI has completed its new splitting factory in Horsham, Victoria and the plant will come on stream in the fourth quarter of 2009, in time to capitalize on new crop sales expected in November and December 2009.

Continued adverse crop conditions in Turkey, India and Syria have created a continued global shortage of lentils, turning these regions from competitors to customers for the 2009-2010 crop year. Extra demand and the absence of regional competition in the Middle East is expected to allow the Fund's operating companies to benefit from an opportunity to ship more product to this region at continued good margins. The acquisition of the Arbel Group has been completed and its facilities, warehousing and distribution are expected to significantly assist AGTI's penetration of this regional market.

In pulses, demand remains strong led by Indian demand to fill the shortages from their last harvest and the expectation among analysts that the 2009 harvest will also be below average due to inadequate monsoon rains this year. This may further lead to 2010 March crop harvest shortfalls amplifying that pulse stocks are at low levels.

AGTI is well positioned to capitalize on the opportunities of the 2009-2010 crop year. The forecast for 2009-2010 stocks in North America is high, which leads management to be optimistic about the prospectus for AGTI's sales. Management has noted that sales volumes in the third quarter of 2009 were negatively affected by the late harvest of Canadian crops. This

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[1] Source: Management expectation based on Statistics Canada and USDA production statistics.

[2] Source: Statistics Canada Agricultural production statistics 2009.

[3] Source: U.S. Department of Agriculture production statistics November 2009.

[4] Source: Management expectation based on forecasts of Pulse Australia and ABARE.

[5] Source: Management expectation based on TurkStat and Mersin Commodity Exchange statistics.

will lead to a shift in volumes shipped from the third quarter to the fourth quarter of 2009. With the acquisitions in Turkey, USA and Australia, AGTI has broadly expanded its global reach, client base and product mix. Increased capacity utilization of existing Canadian and Turkish assets is expected to boost the tonnage of product shipped. Offering a full range of split and value-added lentils, peas and chickpeas coupled with its new offerings of beans, pasta, bulgur wheat, semolina and rice puts AGTI's operating divisions in a position of strength among its competitors globally.

Through the acquisition of the Arbel Group, management is optimistic about its ability to develop sales opportunities in its three core platforms for growth: pulses, durum wheat milling, and other products (e.g. rice, sunflower seeds). At present management does not foresee any serious problems with the integration of Alliance and the Arbel Group, as management of these companies has worked together in the past and shared certain business methods. Integration of marketing operations is expected to be substantially completed by the end of 2009, and administrative integration is expected to be completed by the end of the first quarter of 2010.

Economic slowdown in the world is positively affecting consumption of pulse crops, pasta and rice, because consumption is rising in developing nations as consumers switch back to traditional lower cost vegetable proteins and starches. Demand for pulse crops, lentils, peas, chickpeas and beans, the staple protein consumed by hundreds of millions of consumers daily in all corners of the globe remains high. Logistics will be a major consideration this season as container availability and vessel space will be challenging to move the expected large 2009-2010 crop from North America. AGTI expects to benefit in this respect from its position as a leader in containerized agri-shipments and direct relationships with international steamship lines. The addition of the Arbel Group and its assets in Mersin Turkey now allows AGTI access to one of the Mediterranean regions' important seaports for agri-products. The Arbel Group's facilities are located 8 km from the Mersin container seaport.

AGTI continues to work to meet management expectations despite challenging market conditions. The late completion of the harvest this year and near-complete depletion of stocks in most crop-producing areas made it difficult to match available quantities to demand. However, as the largest value-added processor of pulses, AGTI leveraged existing relationships with producers and customers to find ways to maximize grain in its system and fill as much demand as possible to customers all over the world. This was in part achieved through product diversification, specifically from all types of lentils, to other specialty crops such as chickpeas, peas and canary seed. While this assisted in producing the expected results in this quarter, it also gave AGTI the opportunity to strengthen its position in new and different markets, setting up diversified opportunities going forward. For example, AGTI's new investment in chickpea processing was a key move allowing AGTI to establish itself as a premiere world shipper of high quality chickpeas to the global canning, packing and ingredient markets. Carry-over stocks of chickpeas were processed and marketed and this was a positive development for AGTI.

With limited stock availability in Q2 and Q3 2009, AGTI saw a significant decline in overall business volumes. However, AGTI is showing strength in a challenging environment. Management feels confident in its business strategy and team. There are a number of key strategic drivers for this confidence:

1) **The transformational acquisition of the Arbel Group is complete**. The added capacity in these facilities and the diversification in terms of market access and product mix has helped to minimize risk and maximize shipments. This acquisition was also an important

component of AGTI's Global Origin Strategy to take advantage of harvest seasons in the 4 major pulse producing countries where it operates. Operating in these producing regions also provides distinct advantages when shipping to the consuming regions (e.g. from Australia to the Indian subcontinent or from Turkey to North Africa).

2) **The continued strength AGTI shows with regard to management's abilities to execute on growth strategies and opportunities in the marketplace.** Access to the public equity market, strong financial performance and steady demand for its products, coupled with the ability to successfully integrate new acquisitions and bring them on-line as positive components to its business continues the path to a solid global foundation. The assets acquired in past acquisitions are on-line and management continues to see positive returns on these investments. New assets acquired, such as the Arbel Group acquisition, give AGTI an excellent growth platform for future earnings.

3) **The addition of new products and product lines**, such as the small-packed consumer line of pulses and milled durum wheat products offered by Arbel and the Arbella brand of pasta. Taking a managed approach to integrating these commercial brands into AGTI's core lines of business will bring continued growth and additional value-added business and margin.

4) **Demand fundamentals are strong**. Global populations continue to consume protein. Consumers cannot simply wait on market projections like they might with other commodities that are in the "nice to have" category as opposed to the "need to have". With efficiencies in value-added processing, taking advantage of freight opportunities, diversified markets and origins and a well instituted risk-management program, Alliance has capitalized on its opportunities at hand. Overall, the growth opportunities are substantial, and Alliance holds a large advantage with strong assets, diversified product offerings, access to markets and logistics solutions.

5) **Growth Strategy**: AGTI will grow as the business requires and utilize its assets in a manner that fits with its strategies. AGTI management is actively looking for new strategic acquisitions that will help it to grow and consolidate the global pulse industry and strengthen its competitive position in the key markets in which it is active. Management continues to build international sales opportunities to bring its processing plants to capacity. AGTI continues to investigate opportunities for additional acquisitions, partnerships and alliances in the Americas, Turkey and globally.

Forward Looking Statements

This discussion and analysis of financial position, results of operations, and cash flows of AGTI contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of lentils and other crops, the estimated size and quality of future harvests of lentils and other crops, costs of production, currency fluctuations, and requirements for additional capital. 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 state 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 AGTI (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 the Fund's Annual Information Form, the Fund's prospectus dated July 16, 2009, and the management information circular of the Fund dated July 20, 2009, all of which are available under the Fund's profile on www.sedar.com,, and which should be reviewed in conjunction with this document. Although AGTI 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. AGTI expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.