AGT FOOD AND INGREDIENTS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 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 twelve months ended December 31, 2015 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 March 17, 2016. All references to AGT or the Company include its subsidiaries, as appropriate. All amounts are in Canadian dollars unless otherwise stated.

Highlights for 2015

- **Adjusted EBITDA*** was $101.0 million for the year ended December 31, 2015, an increase of 16.1% over $87.0 million for the year ended December 31, 2014, and compared to $92.4 million for the trailing twelve months ended September 30, 2015.

- **Adjusted EBITDA*** was $32.9 million for the unaudited three months ended December 31, 2015, an increase of 41.8% over $23.2 million from the unaudited three months ended September 30, 2015, and an increase of 34.8% over $24.4 million for the unaudited three months ended December 31, 2014.

- **Revenue** was $1.70 billion for the year ended December 31, 2015 compared to $1.36 billion for the year ended December 31, 2014.

- **Adjusted net earnings per share*** increased to $2.04 ($2.02 fully diluted) for the year ended December 31, 2015 compared to $1.76 ($1.75 fully diluted) for the year ended December 31, 2014.

- **Food ingredients and packaged foods** segment represented 14.2% of total tonnes invoiced and 32.1% of Adjusted EBITDA* for the year ended December 31, 2015 compared to 13.9% of total tonnes invoiced and 27.4% of Adjusted EBITDA* for the year ended December 31, 2014.

- **Mobil Capital Holdings Ltd. ("Mobil")** share purchase and acquisition of **West Central Road and Rail Ltd. ("WCRR")** assets occurred during the year, augmenting AGT's pulses shipping capacity.

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

Business Overview

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

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

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

Business Outlook

Summary

In the fourth quarter of 2015 AGT reported consistent performance as it has for the full year 2015. As a result of acquisitions during the year in logistics, specifically short-line rail infrastructure and the bulk grain loading and handling assets added to AGT's Canada system, a significant number of metric tonnes ("**mt**") were moved through AGT's Canada operations with slightly lower margins per mt reported as compared to the third quarter of 2015, although ahead of the fourth quarter of 2014. Similar performance of AGT's global operations was reported as well, with higher mt's and slightly decreased margins. The margins reported in the Q4 2015 and F2015 period are consistent with management's expectations as AGT's business continues to see strong demand for pulses, staple foods and ingredient products as well as the transition and integration periods of new business units within the *Pulse and Grain Processing* segment. Management views the significant mt's invoiced to be providing AGT with additional operating leverage with regard to operations in the key Canada origin, as well as for supply of lentils and durum wheat to AGT customers in end-use markets and AGT's own operations in Turkey and India and the regions that each supplies.

Volumes continue to increase in AGT's *Food Ingredients and Packaged Foods* segment, with a return to seasonal demand for pasta and other packaged and canned retail food products and continuing gains in the pulses ingredient business unit, supported by capacity additions and process enhancements in AGT's Minot pulse ingredient processing facility (the **"Minot Facility**") and AGT's marketing agreement with Ingredion Incorporated ("**Ingredion**") and Cargill Inc. ("**Cargill**").

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 has three segments: (1) pulse and grain processing, (2) food ingredients and packaged foods and (3) trading and distribution.

The pulse and grain processing segment includes the operations of AGT factories across its global platform. The activities in this segment are viewed by management as the traditional and regular business of AGT: to source pulses and grains from producers, process them through its factories and sell these products to its network of clients in over 100 countries in the world. The segment includes all pulses processed in AGT factories in Canada, the United States, Australia, Turkey and China.

Trading and distribution relates to AGT's activities aimed at bringing its range of pulses and specialty crops direct to wholesale and retail markets. The segment currently captures AGT operations in the United Kingdom ("**UK**"), the Netherlands, Spain, Russia, Ukraine, India, Switzerland and part of Canada, Turkey and Australia.

Food ingredients and packaged foods includes the results from the pulse fractionation plant at the Minot Facility, as well as the results from the pasta, bulgur and semolina plants in Turkey and the operations in South Africa. This segment also includes the retail packaging and distribution business in Canada.

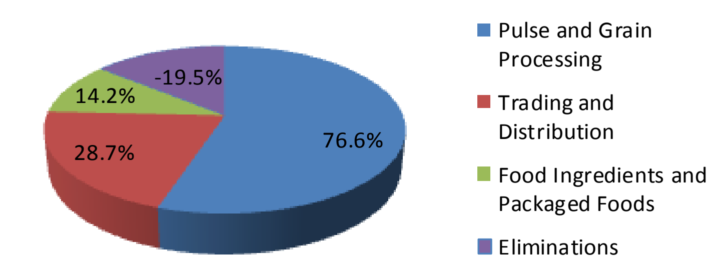
AGT's chief operating decision maker evaluates segment performance on the basis of Adjusted EBITDA*. Management believes that Adjusted EBITDA* is an important indicator of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and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

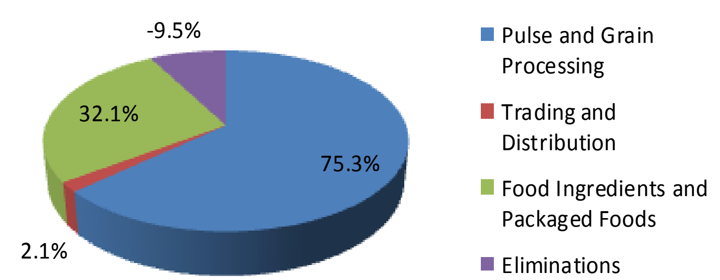
A review of the outlook for each of AGT's business segments is below.

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.

December 31, 2015 YTD MT Invoiced



December 31, 2015 YTD Adjusted EBITDA*



Pulse and Grain Processing

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

	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	**Year to Date Dec 31, 2015**	Year to Date Dec 31, 2014
Revenue	**$ 454,951**	$ 259,479	$ 262,255	**$ 1,247,189**	$ 919,580
Cost of sales	**423,524**	236,880	239,506	**1,152,619**	840,905
Gross profit	**31,427**	22,599	22,749	**94,570**	78,675
Adjusted gross profit*	**34,881**	24,855	24,975	**104,540**	87,620
Adjusted EBITDA*	**$ 25,986**	$ 17,229	$ 19,832	**$ 75,996**	$ 65,639
Total tonnes invoiced	**483,596**	290,941	327,195	**1,330,440**	1,182,296
Gross profit per metric tonne	**$ 64.99**	$ 77.68	$ 69.53	**$ 71.08**	$ 66.54
Adjusted gross profit* per metric tonne	**72.13**	85.43	76.33	**78.58**	74.11
Adjusted EBITDA* per metric tonne	**53.73**	59.22	60.61	**57.12**	55.52

(1) See table on page 14 for consolidated segmented results

Adjusted Gross Profit* and Adjusted EBITDA* per mt decreased when comparing the three months ended December 31, 2015 to the three months ended September 30, 2015 and the three months ended December 31, 2014 due to increased volumes of bulk product shipped through the Canadian bulk handling facilities in the latter half of 2015. The increase in bulk shipments of pulse crops utilized available rail capacity and allowed increased through-put of product for value-added processing at other facilities.

The pulse and grain processing segment showed improved Adjusted Gross Profit* and Adjusted EBITDA* per mt when comparing the year ended December 31, 2015 to the year ended December 31, 2014. World carry in stock levels were largely depleted during 2014 and the start of 2015, resulting in stronger margins as 2015 progressed.

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

Volume increases in the period are in part attributed to strong market demand for pulses and staple foods as well as AGT's investments in logistics, specifically short-line rail infrastructure and the bulk grain loading and handling assets added to AGT's Canada system. These investments provide AGT with additional value with regard to operations in the key Canadian origin in addition to the supply of lentils and durum wheat to AGT customers in end-use markets, as well as AGT's own operations in Turkey and India and the regions that each supplies. These investments have the additional benefit of returning portions of AGT's value-added processing capacity at traditional facilities back to the relatively higher margin bagged and containerized business for which they are intended.

Harvest production in North America and Australia were reported by the relevant statistical outlets in Canada, the U.S. and Australia as increased, with significant production levels reaching record or near record levels over the past three growing seasons. In particular, production of Canadian lentils reached record levels in 2015 and is estimated to increase again in 2016. North America and Australia have become the principal supply origins for global pulse export markets as local production in India and Turkey, historically major production origins and suppliers for high domestic and regional demand, has been lower than requirements for the past several years.

Canadian pulses exports in 2014 and 2015 have been at very high levels, a trend that is expected to continue in 2016 and is supported by estimates of higher production levels in 2016 as well. India and the subcontinent markets and the Turkey and Middle East/North Africa region are principal destinations for Canadian pulses. These trends regarding local production are due to deficient monsoon rains reducing pulses output in recent periods in India, as well as lower production in Turkey, where producers tend to grow relatively higher-value crops with the knowledge that domestic pulse requirements can be met through importation of lentils and chickpeas. Imports of pulses to these destination markets are expected by management to continue in 2016/17 and be a contributor to the relative strength of AGT's legacy segments in these periods. These export programs are expected to be positively impacted by AGT's recent investments in bulk handling and logistics, allowing AGT to tailor sales programs to market requirements for bagged and containerized pulses or for bulk vessel shipments, maximizing volumes and margins on these sales.

AGT's investments in logistics, specifically short-line rail infrastructure and bulk grain loading and handling assets, are expected to provide AGT with significant advantages. AGT's loading and handling facilities from the two key growing regions for lentils, peas and durum wheat in Saskatchewan, specifically the Regina plains and west central Saskatchewan regions, allow AGT to effectively take control of its logistics and integrated supply chain for the efficient transportation of lentils and durum wheat, with ownership of handling facilities, rail logistics assets and short line rail infrastructure. The integration of the former WCRR operations into AGT's bulk handling system, coupled with the integration of the Mobil short-line rail system and Thunder Bay terminal, will benefit both AGT customers and AGT's global operations, supplying pulses and durum wheat worldwide, particularly lentils to Turkey for processing and distribution and durum wheat for the production of pasta and other milled wheat products.

Demand visibility and order book sales for the spring 2016 and fall new crop 2016 have already begun, well ahead of the normal cycle and signaling that concern with regard to 2016/17 supply is driving importers to buy forward. Management forecasts that there may be supply constraints in the second quarter of 2016 ("**Q2 2016**") and the early part of the third quarter of 2016 ("**Q3 2016**"), as North American harvest products are depleted with current sales programs and import demand. This demand may be filled in Q2 2016 as much as supply allows, with the balance of unmet demand filling the late Q3 2016 period with the completion of 2016 harvest in August or September depending on conditions. Strong prices in the world marketplace are likely to drive additional production in 2016 in Canada, the U.S. and Australia, setting the stage for the margin gains and utilization gains expected by management in the past year to continue to contribute positively in subsequent quarters. Management expects that pea and lentil acres will increase materially in 2016 in Canada with acreage expected to rise to between nine and ten million acres, the largest lentil and pea acreage in Canadian production history.

In the high fixed-cost environment in which AGT operates, increases in prices with the 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

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

	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	**Year to Date Dec 31, 2015**	Year to Date Dec 31, 2014
Revenue	**$ 64,730**	$ 58,432	$ 58,964	**$ 253,933**	$ 236,063
Cost of sales	**53,174**	48,113	50,215	**210,845**	203,863
Gross profit	**11,556**	10,319	8,749	**43,088**	32,200
Adjusted gross profit*	**13,142**	11,961	10,192	**49,645**	38,000
Adjusted EBITDA*	**$ 8,997**	$ 7,853	$ 6,149	**$ 32,361**	$ 23,882
Total tonnes invoiced	**60,781**	55,653	55,000	**246,103**	226,507
Gross profit per metric tonne	**$ 190.13**	$ 185.42	$ 159.07	**$ 175.08**	$ 142.16
Adjusted gross profit* per metric tonne	**216.22**	214.92	185.31	**201.72**	167.77
Adjusted EBITDA* per metric tonne	**148.02**	141.11	111.80	**131.49**	105.44

(1) See table on page 14 for consolidated segmented results

Food ingredients and packaged foods showed consistent Adjusted Gross Profit* per mt for the three months ended December 31, 2015 compared to the three months ended September 30, 2015 and increased when compared to the three months ended December 31, 2014. The increase when compared to the same period in the prior year is due largely to product mix invoiced as well as continued opportunities and resulting improved margins. Increased volumes are due largely to ramping back up following pasta machine maintenance that decreased production as well as seasonal maintenance of customer facilities that affected demand for food ingredients, both affecting third quarter volumes.

Adjusted EBITDA* per mt increased when comparing the three months ended December 31, 2015 to the same period in the prior year and to the prior quarter. General and administrative and marketing sales and distribution expenses remained relatively constant while mt invoiced increased.

Year over year, the food ingredients and packaged foods contribution to Adjusted EBITDA* per mt increased from 27.4% to 32.1% while mt invoiced increased from 13.9% to 14.2%. Adjusted Gross Profit* and Adjusted EBITDA* per mt both increased when comparing the year ended December 31, 2015 to the year ended December 31, 2014 due primarily to continued strong margins in protein sales as well as gradual improvements in starch margins and increased pasta sales.

AGT's food ingredients and packaged foods segment continues to report incremental growth and positive performance as the business unit matures. The segment has benefited from AGT's pulses ingredient products, including flour, protein, starch and fibre products derived from pulses, for human food and petfood applications and marketed to food companies and petfood manufacturers. Growth in mt's invoiced in the business unit has also benefited this segment. The food ingredient business unit is centered around AGT's Minot Facility, where the third production line has been installed and commissioned, maximizing the current production capacity of the Minot Facility.

The segment has reported increased volumes in mt invoiced in the quarter and positive results overall, with margins tracking slightly higher than the Q3 2015 period and ahead of Q4 2014. This segment has been a focus for AGT in recent periods, with expansions in the Minot Facility completed and production enhancement programs to increase the expansion potential for the facility with the construction of a new 30,000 square foot production building nearing completion, as well as the addition of a new de-flavouring line and new packaging infrastructure to the facility. The business units contained in this segment continue ongoing targeting of food retailer and retail consumer customers for listing of AGT brands and private label business in North America, Europe, Turkey, MENA and Southern Africa. The segment is advancing as expected by management with regard to margins and mt's shipped in Q4 2015 and in F2015.

- Sales and distribution agreements with Ingredion and Cargill are progressing as management has forecast. Sales volumes are anticipated to continue to increase in 2016 and 2017, with continued market focus on North America, Europe and China.
- Commissioning activities for the addition of the third line at the Minot Facility have been completed in late Q4 2015, with production ramping up to bring the line to full capacity. Management estimates that utilization is running at approximately 90%.
- The addition of production capacity for increased fibre processing and granulated pulse flour production is planned to commence installation in June 2016 and an additional line (the fourth production line) is planned to commence installation in the third quarter 2016, allowing the production facility to meet its growing obligations in the food sector for pulse ingredient flours, fibre, protein and starch. The fourth production line is expected to ensure that the volume business built with the first three production lines focused on pea products for the pet food sector may continue uninterrupted as our human food business for conventional and organic flours, fibre and proteins primarily from a full range of pulses builds in 2016. Both lines are expected to be commissioned

by first quarter of 2017. Management is also examining the feasibility of adding a pulse flour and fibre processing capacity to its production facility in Turkey to add logistics advantages to the food ingredient business unit to satisfy anticipated growing demand in Turkey and Europe for pulse food ingredients. This feasibility study is expected to be completed by third quarter 2016.

- Construction, installation and commissioning activities for the de-flavouring and enhancement line at the Minot Facility is ongoing, with the project anticipated to be completed late in the first quarter of 2016. Commissioning activities are expected to commence in April 2016 with production to be available for sale in Q2 2016. The related construction projects also included infrastructure and space for the future installation of the possible four additional processing lines and related packaging, warehouse and infrastructure for future expansions.
- Food industry and petfood manufacturing customers continue to incorporate pulses ingredients, including flour, protein, starch and fibre, into their products and increase inclusion rates for these ingredients. This trend is expected to continue as a positive catalyst for the food ingredient business unit, particularly as de-flavoured products become available to customers for a broad range of applications. This trend is further expected to drive potential decisions to add additional production lines or conversion of existing plant capacity to ingredients in 2016 to meet the growth in demand in food and pet food applications.
- 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.
- The Arbella pasta unit particularly continues to perform strongly, where facilities have been operating at full capacity, necessitating investments in a sixth traditional long-cut pasta production line that is currently in commissioning with the line beginning test production in April 2016 and packaging equipment installation scheduled for completion in June 2016. In addition, AGT has added a seventh line to produce specialty pasta including American lasagna, vermicelli nests and noodle specialty pasta. This line is expected to be completed in mid-2016. Semolina production capacity is in place to supply raw materials for increased pasta production from past expansions. Investments in bulk loading and transportation by AGT through acquisition of the durum wheat handling and rail transportation assets in west central Saskatchewan and terminal

capacity in some Canadian ports are also expected to improve margins in this line of business in the coming years by more efficiently supplying raw material durum wheat for milling from Canada.

- Additional expansions and introduction of new specialty pasta categories, particularly gluten-free pasta produced entirely from pulse ingredients or nutrient-enriched pasta products produced through a blend of durum wheat and pulse ingredients and other ingredients, as well as other varieties such as tri-colour, high fibre and other specialty dry pasta products, continue to be investigated by management. These new categories are expected to augment sales and production programs by capitalizing on specialty or gourmet market segments, leveraging AGT's investments in ingredient application research and development.

Margin gains in this segment are expected by management and margins and volumes are expected to trend positively in 2016/17 and are a key component to AGT's diversification initiatives to higher margin, value-added products as AGT transforms from its focus on being a commodity shipper of pulses and grains to a balanced retail packaged food and food ingredient supplier.

Trading and Distribution

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

	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	**Year to Date Dec 31, 2015**	Year to Date Dec 31, 2014
Revenue	**$ 116,953**	$ 90,708	$ 101,531	**$ 383,399**	$ 360,350
Cost of sales	**113,517**	86,952	96,052	**368,207**	340,878
Gross profit	**3,436**	3,756	5,479	**15,192**	19,472
Adjusted gross profit*	**3,436**	3,767	5,493	**15,224**	19,531
Adjusted EBITDA*	**$ 396**	$ 589	$ 1,462	**$ 2,076**	$ 5,856
Total tonnes invoiced	**154,476**	122,296	130,249	**499,251**	488,899
Gross profit per metric tonne	**$ 22.24**	$ 30.71	$ 42.07	**$ 30.43**	$ 39.83
Adjusted gross profit* per metric tonne	**22.24**	30.80	42.17	**30.49**	39.95
Adjusted EBITDA* per metric tonne	**2.56**	4.82	11.22	**4.16**	11.98

(1) See table on page 14 for consolidated segmented results

The trading and distribution segment showed decreased Adjusted Gross Profit* and Adjusted EBITDA* per mt for the three months and year ended December 31, 2015 compared to the same period in the prior year and compared to the prior quarter. Product shipped in the current quarter included increased volumes of durum, and contributed to utilization of rail assets. Management views this business as incremental margin with little commodity risk taken, as almost all sales are taken on a back-to-back basis. The sales in this segment augment AGT's ability to be a complete one-stop supplier for its key customers while providing opportunities to reduce AGT's fixed cost base. Margins depend entirely on the product mix that is invoiced in each quarter.

For the three months ended December 31, 2015 inter-company shipments were 76,291 tonnes and for the year ended December 31, 2015 inter-company shipments were 338,489 tonnes, meaning that they were sold from one AGT subsidiary to another for further manufacturing, further packaging and/or for sale to a final customer. Management continues in its efforts to increase the margin of its international business in all segments by capturing additional margins by encouraging AGT wholly owned subsidiaries to work collaboratively to increase trade that utilizes the sourcing advantage of one company and the distribution advantage of another.

AGT continues to offer other commodities to its global network of existing clients. These sales are reported through AGT's trading and distribution segment, which is made up of products not specifically processed in AGT facilities. These include popcorn, coffee, canola, flax, 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 do not require processing and facility infrastructure nor capital investments, with the working capital requirements largely financed on relatively short trade finance terms with the utilization of structured trade finance instruments and supplier credits.

Consolidated Segmented Results

Selected Results by Reporting Segment
(in thousands of Cdn. $ except as indicated, unaudited for the three months ended periods)

	Pulse and Grain Processing			Trading and Distribution			Food Ingredients and Packaged Foods			Corporate and Eliminations			Consolidated		
	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended Dec 31, 2014
Quarterly comparisons															
Revenue	$ 454,951	$ 259,479	$ 262,255	$ 116,953	$ 90,708	$ 101,531	$ 64,730	$ 58,432	$ 58,964	$ (58,364)	$ (45,864)	$ (24,740)	$ 578,270	$ 362,755	$ 398,010
Cost of sales	423,524	236,880	239,506	113,517	86,952	96,052	53,174	48,113	50,215	(58,364)	(45,864)	(24,740)	531,851	326,081	361,033
Gross profit	31,427	22,599	22,749	3,436	3,756	5,479	11,556	10,319	8,749	-	-	-	46,419	36,674	36,977
Adjusted gross profit*	34,881	24,855	24,975	3,436	3,767	5,493	13,142	11,961	10,192	-	-	-	51,458	40,583	40,660
Adjusted EBITDA*	**$ 25,986**	**$ 17,229**	**$ 19,832**	**$ 396**	**$ 589**	**$ 1,462**	**$ 8,997**	**$ 7,853**	**$ 6,149**	**$ (2,441)**	**$ (2,463)**	**$ (3,043)**	**$ 32,938**	**$ 23,208**	**$ 24,400**
Total tonnes invoiced	483,596	290,941	327,195	154,476	122,296	130,249	60,781	55,653	55,000	(76,291)	(105,555)	(53,943)	622,562	363,335	458,501
Gross profit per metric tonne	$ 64.99	$ 77.68	$ 69.53	$ 22.24	$ 30.71	$ 42.07	$ 190.13	$ 185.42	$ 159.07				$ 74.56	$ 100.94	$ 80.65
Adjusted gross profit* per metric tonne	72.13	85.43	76.33	22.24	30.80	42.17	216.22	214.92	185.31				82.66	111.70	88.68
Adjusted EBITDA* per metric tonne	53.73	59.22	60.61	2.56	4.82	11.22	148.02	141.11	111.80				52.91	63.87	53.22

Selected Results by Reporting Segment
(in thousands of Cdn. $ except as indicated)

	Pulse and Grain Processing		Trading and Distribution		Food Ingredients and Packaged Foods		Corporate and Eliminations		Consolidated	
	Year to Date Dec 31, 2015	Year to Date Dec 31, 2014	Year to Date Dec 31, 2015	Year to Date Dec 31, 2014	Year to Date Dec 31, 2015	Year to Date Dec 31, 2014	Year to Date Dec 31, 2015	Year to Date Dec 31, 2014	Year to Date Dec 31, 2015	Year to Date Dec 31, 2014
Year to date comparisons										
Revenue	$ 1,247,189	$ 919,580	$ 383,399	$ 360,350	$ 253,933	$ 236,063	$ (180,041)	$ (159,175)	$ 1,704,480	$ 1,356,818
Cost of sales	1,152,619	840,905	368,207	340,878	210,845	203,863	(180,041)	(159,175)	1,551,630	1,226,471
Gross profit	94,570	78,675	15,192	19,472	43,088	32,200	-	-	152,850	130,347
Adjusted gross profit*	104,540	87,620	15,224	19,531	49,645	38,000	-	-	169,409	145,151
Adjusted EBITDA*	**$ 75,996**	**$ 65,639**	**$ 2,076**	**$ 5,856**	**$ 32,361**	**$ 23,882**	**$ (9,464)**	**$ (8,372)**	**$ 100,969**	**$ 87,005**
Total tonnes invoiced	1,330,440	1,182,296	499,251	488,899	246,103	226,507	(338,489)	(269,829)	1,737,305	1,627,873
Gross profit per metric tonne	$ 71.08	$ 66.54	$ 30.43	$ 39.83	$ 175.08	$ 142.16			$ 87.98	$ 80.07
Adjusted gross profit* per metric tonne	78.58	74.11	30.49	39.95	201.72	167.77			97.51	89.17
Adjusted EBITDA* per metric tonne	57.12	55.52	4.16	11.98	131.49	105.44			58.12	53.45

Summary of Annual Results (in thousands of Cdn. $ except as indicated)	Year Ended Dec 31, 2015	Year Ended Dec 31, 2014	Year Ended Dec 31, 2013
Revenue	$ 1,704,480	$ 1,356,818	$ 1,138,802
Less: cost of sales (1)	1,551,630	1,226,471	1,042,760
Gross profit	152,850	130,347	96,042
Add back: depreciation cost of sales	16,559	14,804	11,605
Adjusted gross profit*	**169,409**	**145,151**	**107,647**
Deduct: General and administrative expenses	(49,937)	(41,555)	(35,478)
Deduct: Marketing, sales and distribution expenses	(28,913)	(26,140)	(19,198)
Deduct: Non cash foreign exchange effect	(23,927)	(9,793)	(27,674)
Add: Amortization in general and administrative expense	3,141	2,946	3,463
EBITDA	69,773	70,609	28,760
Add: Non-recurring and other expenses (2)	7,269	6,603	3,605
Add: Non cash foreign exchange effect	23,927	9,793	27,674
Adjusted EBITDA (*)	**100,969**	**87,005**	**60,039**
Deduct: Finance expense	(31,617)	(27,022)	(25,910)
Deduct: Depreciation and amortization	(19,700)	(17,750)	(15,068)
(Deduct) Add: Provision for income taxes	(2,411)	(6,078)	2,503
Adjusted net earnings (*)	**47,241**	**36,155**	**21,564**
Adjusted basic net earnings per share*	2.04	1.76	1.09
Adjusted diluted net earnings per share*	2.02	1.75	1.08
Deduct: Non-recurring and other expenses (2)	(7,269)	(6,603)	(3,605)
Deduct: Non cash foreign exchange effect	(23,927)	(9,793)	(27,674)
Net earnings (loss) per financial statements	**16,045**	**19,759**	**(9,715)**
Basic net earnings (loss) per share	0.69	0.96	(0.49)
Diluted net earnings (loss) per share	0.68	0.96	(0.49)
Total assets	1,296,568	928,853	773,792
Bank indebtedness	139,102	91,218	110,805
Long-term debt including current portion	356,701	251,173	230,605
Shareholders' equity	356,918	322,070	234,339
Dividends declared per share	$ 0.600	$ 0.600	$ 0.600
Basic weighted average shares outstanding	23,195,523	20,503,748	19,850,589
Fully diluted weighted average shares outstanding	23,424,860	20,687,449	20,028,887
Total tonnes invoiced	1,737,305	1,627,873	1,443,369
Gross profit per metric tonne	$ 87.98	$ 80.07	$ 66.54
Adjusted gross profit* per metric tonne	97.51	89.17	74.58
Adjusted EBITDA (*) per metric tonne	58.12	53.45	41.60

Notes:

(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.

Summary of Quarterly Results (1)(5)
(in thousands of Cdn. $ except as indicated, unaudited)

	3 Months Ended Dec 31, 2015	3 Months Ended Sept 30, 2015	3 Months Ended June 30, 2015	3 Months Ended Mar 31, 2015	3 Months Ended Dec 31, 2014	3 Months Ended Sept 30, 2014	3 Months Ended June 30, 2014	3 Months Ended March 31, 2014
Revenue	$ 578,270	$ 362,755	$ 378,225	$ 385,230	$ 398,010	$ 287,710	$ 359,811	$ 311,287
Less: cost of sales (2)	531,851	326,081	342,967	350,731	361,033	257,109	324,315	284,014
Gross profit	46,419	36,674	35,258	34,499	36,977	30,601	35,496	27,273
Add back: depreciation in cost of sales	5,039	3,909	3,711	3,900	3,683	3,802	3,703	3,615
Adjusted gross profit*	**51,458**	**40,583**	**38,969**	**38,399**	**40,660**	**34,403**	**39,199**	**30,888**
Deduct: General and administrative expenses	(14,935)	(11,615)	(12,433)	(10,954)	(12,207)	(9,090)	(10,573)	(9,685)
Deduct: Marketing, sales and distribution expenses	(8,089)	(7,024)	(7,104)	(6,696)	(7,080)	(6,892)	(6,278)	(5,890)
Add (deduct): Non cash foreign exchange effect	7,627	(18,606)	(4,775)	(8,173)	(19,204)	(3,291)	5,553	7,149
Add: Amortization in general and administrative expense	923	778	717	723	788	816	696	646
EBITDA	36,984	4,116	15,374	13,299	2,957	15,946	28,597	23,108
Add: Non-recurring and other expenses (3)	3,581	486	2,057	1,145	2,239	1,863	1,386	1,116
(Deduct) Add: Non cash foreign exchange effect	(7,627)	18,606	4,775	8,173	19,204	3,291	(5,553)	(7,149)
Adjusted EBITDA (*)	**32,938**	**23,208**	**22,206**	**22,617**	**24,400**	**21,100**	**24,430**	**17,075**
Deduct: Finance expense	(5,621)	(10,316)	(7,289)	(8,391)	(6,994)	(5,128)	(6,969)	(7,931)
Deduct: Depreciation and amortization	(5,962)	(4,687)	(4,428)	(4,623)	(4,472)	(4,618)	(4,399)	(4,261)
(Deduct) Add: Provision for income taxes	(6,163)	3,655	(164)	261	1,969	(2,094)	(4,249)	(1,704)
Adjusted net earnings (*)	**15,192**	**11,860**	**10,325**	**9,864**	**14,903**	**9,260**	**8,813**	**3,179**
Adjusted basic net earnings per share*	0.64	0.51	0.45	0.43	0.68	0.46	0.44	0.16
Adjusted diluted net earnings per share*	0.64	0.51	0.44	0.42	0.68	0.45	0.43	0.16
Non-recurring and other expenses (3)	(3,581)	(486)	(2,057)	(1,145)	(2,239)	(1,863)	(1,386)	(1,116)
Add (deduct): Non cash foreign exchange effect	7,627	(18,606)	(4,775)	(8,173)	(19,204)	(3,291)	5,553	7,149
Net earnings (loss) per financial statements	**19,238**	**(7,232)**	**3,493**	**546**	**(6,540)**	**4,106**	**12,980**	**9,212**
Basic net earnings (loss) per share	0.82	(0.31)	0.15	0.02	(0.30)	0.20	0.64	0.46
Diluted net earnings (loss) per share	0.81	(0.31)	0.15	0.02	(0.30)	0.20	0.64	0.46
Total assets	1,296,568	1,032,646	965,258	951,389	928,853	826,265	788,022	799,237
Bank indebtedness	139,102	101,403	92,464	118,337	91,218	123,194	118,660	141,320
Long-term debt including current portion	356,701	282,292	282,190	250,230	251,173	245,770	247,010	248,332
Shareholders' equity	356,918	291,918	316,207	322,902	322,070	254,036	257,065	251,300
Dividends declared per share	$ 0.150	$ 0.150	$ 0.150	$ 0.150	$ 0.150	$ 0.150	$ 0.150	$ 0.150
Pulse and grain processing tonnes invoiced (4)	483,596	290,941	254,304	301,599	327,195	234,409	344,971	275,721
Trading and distribution tonnes invoiced (4)	154,476	122,296	86,155	136,324	130,249	112,046	115,368	131,236
Food ingredients and packaged foods tonnes invoiced (4)	60,781	55,653	70,250	59,419	55,000	56,707	61,585	53,215
Inter-company tonnes	(76,291)	(105,555)	(83,786)	(72,857)	(53,943)	(59,697)	(82,632)	(73,557)
Total tonnes invoiced	622,562	363,335	326,923	424,485	458,501	343,465	439,292	386,615
Gross profit per metric tonne	$ 74.56	$ 100.94	$ 107.85	$ 81.27	$ 80.65	$ 89.09	$ 80.80	$ 70.54
Adjusted gross profit* per metric tonne	82.66	111.70	119.20	90.46	88.68	100.16	89.23	79.89
Adjusted EBITDA (*) per metric tonne	52.91	63.87	67.92	53.28	53.22	61.43	55.61	44.17

Notes:

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

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

(3) 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.

(4) For a breakdown on segmented information, see the section entitled "Net earnings by reporting segment".

(5) Key things to note:

- AGT's financial results are strongly influenced by the performance of our pulse and grain processing segment which accounted for 73.2% of consolidated revenue in 2015

- 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 and Year to Date Results

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

Revenue, Gross Profit and Adjusted Gross Profit*

	3 Months Ended Dec 31			Year Ended Dec 31			3 Months Ended Dec 31	3 Months Ended Sept 30	
	2015	2014	Change	2015	2014	Change	2015	2015	Change
Revenue	578,270	398,010	180,260	1,704,480	1,356,818	347,662	578,270	362,755	215,515
Less: cost of sales	531,851	361,033	170,818	1,551,630	1,226,471	325,159	531,851	326,081	205,770
Gross profit	46,419	36,977	9,442	152,850	130,347	22,503	46,419	36,674	9,745
Add back: depreciation in cost of sales	5,039	3,683	1,356	16,559	14,804	1,755	5,039	3,909	1,130
Adjusted gross profit*	51,458	40,660	10,798	169,409	145,151	24,258	51,458	40,583	10,875
Gross profit percentage	8.0%	9.3%	-1.3%	9.0%	9.6%	-0.6%	8.0%	10.1%	-2.1%
Adjusted gross profit percentage*	8.9%	10.2%	-1.3%	9.9%	10.7%	-0.8%	8.9%	11.2%	-2.3%

Revenue for the year ended December 31, 2015 increased over the prior year due to increased tonnes invoiced as well as higher commodity prices, particularly in red lentils and beans. Revenue for the three months ended December 31, 2015 increased when compared to the three months ended September 30, 2015 and to the three months ended December 31, 2014. This was due to significantly higher volumes during the fourth quarter due to harvest sales and the addition of the bulk loading facilities and rail capacity acquired during the year.

Gross Profit and Adjusted Gross Profit* percentage for the three months and year ended December 31, 2015 decreased over the prior quarter and the same period in the prior year due to increased shipments of durum wheat and lentils in bulk, at lower margins. These shipments allowed available capacity at processing facilities to be used for value added shipments.

Gross Profit and Adjusted Gross Profit* in absolute dollars for the three months year ended December 31, 2015 improved when compared to the same period last year and to the prior quarter. This is due to overall increased volumes shipped.

Adjusted EBITDA*

	3 Months Ended Dec 31			Year Ended Dec 31			3 Months Ended		
	2015	2014	Change	2015	2014	Change	Dec 31 2015	Sept 30 2015	Change
Adjusted EBITDA*	32,938	24,400	8,538	100,969	87,005	13,964	32,938	23,208	9,730
Adjusted EBITDA* percentage of revenue	5.70%	6.13%	-0.43%	5.92%	6.41%	-0.49%	5.70%	6.40%	-0.70%

Adjusted EBITDA* as a percentage of revenue for the three months and year ended December 31, 2015 decreased over the prior quarter and the same period in the prior year due largely to higher sales prices for many commodities. The higher sales prices were offset by higher commodity purchase costs, therefore Adjusted EBITDA* as a percentage of revenue decreased slightly. Adjusted EBITDA* in absolute dollars for the year ended December 31, 2015 increased over the year ended December 31, 2014 due to higher volumes. Adjusted EBITDA* in absolute dollars for the three months ended December 31, 2015 increased over the same period in the prior year and increased over the prior quarter due to a large growth in sales volume while general and administrative and marketing, sales and distribution expenses decreased in relation to the higher volumes.

General and administrative and marketing, sales and distribution expenses

	3 Months Ended Dec 31			Year Ended Dec 31			3 Months Ended		
	2015	2014	Change	2015	2014	Change	Dec 31 2015	Sept 30 2015	Change
General and administrative expenses	14,935	12,207	2,728	49,937	41,555	8,382	14,935	11,615	3,320
Marketing, sales and distribution expenses	8,089	7,080	1,009	28,913	26,140	2,773	8,089	7,024	1,065
	23,024	19,287	3,737	78,850	67,695	11,155	23,024	18,639	4,385

General and administrative and marketing, sales and distribution expenses for the three months and year ended December 31, 2015 increased over the same period in the prior year and the prior quarter. This is due partly to acquisition costs included in general and administrative expenses. In addition, share based compensation expense included in general and administration and in marketing, sales and distribution expenses increased due to higher average share prices throughout 2015.

Expenses

	3 Months Ended Dec 31 2015	3 Months Ended Dec 31 2014	Change	Year Ended Dec 31 2015	Year Ended Dec 31 2014	Change	3 Months Ended Dec 31 2015	3 Months Ended Sept 30 2015	Change
Finance expense	5,621	6,994	(1,373)	31,617	27,022	4,595	5,621	10,316	(4,695)
Depreciation and amortization	5,962	4,472	1,490	19,700	17,750	1,950	5,962	4,687	1,275
Provision for (recovery of) income taxes	6,163	(1,969)	8,132	2,411	6,078	(3,667)	6,163	(3,655)	9,818
Non-cash foreign exchange effect	(7,627)	19,204	(26,831)	23,927	9,793	14,134	(7,627)	18,606	(26,233)

Finance expenses for the three months December 31, 2015 decreased from the three months and year ended December 31, 2014 and from the three months ended September 30, 2015, however increased when compared to the year ended December 31, 2014. The change is due largely to costs associated with the cross currency swap on the high yield bond interest that are recorded in both unrealized foreign exchange and in finance expense, throughout the life of the contract. Though these costs affect unrealized foreign exchange and finance expense, these are non-cash adjustments which have no impact on Adjusted EBITDA*. The expense also includes a fair value adjustment on this instrument. In addition, AGT utilizes various trade finance instruments and the costs associated with these instruments are also recorded in finance expense. On a normalized basis, finance expense is in the range of $6.5 to $7.5 million per quarter when considering interest on bank indebtedness, long term debt, bond interest and various trade finance instruments.

Depreciation expenses for the three months and year ended December 31, 2015 increased over the prior quarter and over the same period in the prior year. This is due to additional assets being put into use, including assets related to bulk processing plant and rail acquisitions as well as pasta line additions. In addition, building and equipment improvements were done at facilities throughout the year and the AGT CLIC building was purchased from the vendor, increasing the depreciation expense.

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 was a recovery for the three months ended December 31, 2015. The change in non-cash foreign exchange for the three months and year ended December 31, 2015 compared to the same period in the prior year and compared to the prior quarter is due to 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. Average foreign exchange differences from CDN to USD currency fluctuated significantly throughout 2015 with the USD gaining approximately 13% over the CDN dollar, causing volatility in the foreign exchange category. 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 Positon.

Net working capital* increased to $291.0 million at December 31, 2015, compared to $271.4 million at September 30, 2015 (see table on page 25) due to increases in accounts receivable and inventory, partially offset by increased accounts payable. Contributing to the working capital position was record receipts in Australia and increased commodity prices, as well as a significant North American Harvest and high sales volumes in the fourth quarter.

Net debt* is comprised of bank indebtedness, long term debt and current portion of long term debt, less cash and totaled $473.5 million at December 31, 2015 compared to $341.8 million at September 30, 2015 (see table on page 25). Net debt increased from September 30, 2015 due primarily to increased bank indebtedness resulting from increased grain receipts in North America and Australia. In addition, long term debt increased largely due to various capital improvements as well as the acquisition of Mobil Grain.

Current assets were $790.4 million at December 31, 2015 compared to $666.4 million at September 30, 2015 (see table on page 25). 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 $284.5 million at December 31, 2015, compared to $171.3 million at September 30, 2015 (see table on page 25). Overall tonnes invoiced increased from the prior quarter due to harvest timing. Australian and Canadian product sales increased dramatically through the quarter, resulting in larger average accounts receivable balances.

Inventory increased by $18.8 million, to $430.3 million at December 31, 2015, compared to $411.5 million at September 30, 2015 (see table on page 25). During the quarter, Australian inventory increased by $62.0 million due to harvest period receipts and subsequent shipments later in the quarter and in the first quarter of 2016. This was partially offset by a reduction in North American inventory of $36.9 million. Inventory at other AGT subsidiaries decreased by $6.3 million.

The fourth quarter of the year is typically the quarter when working capital is consumed for inventory and accounts receivable and invoiced tonnes increased substantially in the three months ended December 31, 2015, compared to prior quarters in 2015 and 2014.

Working capital management in the areas of accounts receivable and inventory continue to be a focus of AGT management. While the inventory value is $430.3 million at December 31, 2015, 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 (LC) or cash against document (CAD) 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. It is anticipated that with a predicted return to more seasonal flows in the global pulse and staple foods markets, AGT management may observe a potential de-levering of the balance sheet with a gradual ramp up of working capital in the early months of the calendar year. This seasonal working capital trend has been observed in past years and reflects the normalized consumption patterns of markets for AGT's products.

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

It is currently anticipated that, going forward, AGT will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGT's dividend policy will be subject to the discretion of the Board of Directors and may vary depending on, among other things, AGT's earnings, financial requirements, the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors. 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 December 31, 2015 and December 31, 2014 foreign exchange rates as follows [Source: Bank of Canada]:

	Dec 31, 2015	**Dec 31, 2014**
USD/CDN	1.38400	1.16010
AUD/CDN	1.00830	0.94790
TL/CDN	0.47440	0.49660
GBP/CDN	2.04070	1.80710
EUR/CDN	1.50290	1.40380
ZAR/CDN	0.08946	0.10050
RMB/CDN	0.21310	0.18690
INR/CDN	0.02091	0.01840

For each subsidiary, any difference between the December 31, 2015 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.

The following are the contractual maturities of financial liabilities, including interest payments:

2015	Carrying Amount	Contractual cash flows	1 year	2 years	3 - 5 years	More than 5 years
Bank indebtedness	$ 139,102	$ 139,102	$ 139,102	$ -	$ -	$ -
Accounts payable and accrued liabilities	330,381	330,381	330,381	-	-	-
Long-term debt	356,701	402,885	28,841	29,128	323,992	20,924
Derivative liability	66,536	76,642	23,602	3,429	49,611	-
Dividend payable	3,571	3,571	3,571	-	-	-
	$ 896,291	$ 952,581	$ 525,497	$ 32,557	$ 373,603	$ 20,924

2014	Carrying Amount	Contractual cash flows	1 year	2 years	3 - 5 years	More than 5 years
Bank indebtedness	$ 91,218	$ 91,168	$ 91,168	$ -	$ -	$ -
Accounts payable and accrued liabilities	202,692	202,692	202,692	-	-	-
Long-term debt	251,173	303,820	21,799	21,888	260,133	-
Derivative liability	30,883	33,990	11,429	1,054	21,507	-
Dividend payable	3,460	3,460	3,460	-	-	-
	$ 579,426	$ 635,130	$ 330,548	$ 22,942	$ 281,640	$ -

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" above and "Outlook" 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 December 31, 2015, AGT had total operating lines available of $251.1 million (December 31, 2014 - $183.4 million). Included in these facilities is a syndicated debt facility of $207.0 million (December 31, 2014 – $153.0 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 December 31, 2015 is 3.3% (December 31, 2014 – 3.9%).

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 December 31, 2015, 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.

On June 2, 2015 AGT completed the purchase of the assets of WCRR by AGT's wholly owned subsidiary, APP. The acquisition includes bulk loading sites located in Saskatchewan.

On October 30, 2015, AGT acquired all of the issued and outstanding shares of Mobil for total consideration of $58.3 million. The consideration transferred consisted of $19.0 million cash, the issuance of $21.6 million of common shares in the capital of AGT (being 722,803 common shares) and a $17.7 million promissory note repayable in equal instalments for a period of five years from the date of closing.

The acquisition of Mobil complements AGT's previously completed investment in bulk loading and handling assets of WCRR. Efficient transportation options are essential to the growth and expansion of AGT's business and the Mobil acquisition helps ensure AGT maintains its dominant position in pulses and grains in Canada and the world.

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. $)	Dec 31, 2015	Sept 30, 2015 (unaudited)	Dec 31, 2014
Long term debt	$ 344,339	$ 276,165	$ 245,242
Bank indebtedness and current portion of long term debt	151,464	107,530	97,149
Cash	(22,306)	(41,913)	(29,319)
Net debt*	**$ 473,497**	**$ 341,782**	**$ 313,072**
Shareholders' equity	356,918	291,918	322,070
Capital	**$ 830,415**	**$ 633,700**	**$ 635,142**

Selected asset and liability information

(in thousands of Cdn. $)	Dec 31, 2015	Sept 30, 2015 (unaudited)	Dec 31, 2014
Cash	$ 22,306	$ 41,913	$ 29,319
Trade accounts receivable	284,539	171,340	191,751
Inventory	430,277	411,538	341,757
Bank indebtedness and current portion of long term debt	151,464	107,530	97,149
Accounts payable, accrued liabilities and deferred revenue	343,321	283,334	216,150
Long-term debt	344,339	276,165	245,242
Total current assets[1]	790,443	666,441	601,050
Total current liabilities[1]	499,448	395,019	320,026
Net working capital*	290,995	271,422	281,024

[1]Excludes derivative assets and liabilities

Consolidated capitalization information

Consolidated capitalization information of AGT includes information on the operations of AGT Foods Canada, AGT Foods USA, Australia Milling Group, AGT CLIC, Mobil and Poortmans, consolidated (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. $)

	Dec 31, 2015	Dec 31, 2014	Financial Statement Caption
APP Group			
Senior secured APP bank facility	$ 127,425	$ 76,741	bank indebtedness
Senior secured APP bank facility	184,177	128,652	long term debt
Poortman facility (GBP 11.25 million)	3,324	5,105	bank indebtedness
AGT CLIC mortgage on building	8,166	-	long term debt
Mobil mortgage and debt	24,056	-	long term debt
Other	30	1,080	long term debt
	$ 347,178	$ 211,578	
Arbel/Other Entities (excluding AGT)			
Senior secured Advance Seed facility	$ 8,353	$ 9,372	bank indebtedness
Other	66	52	long term debt
	$ 8,419	$ 9,424	
AGT			
Note payable related to Mobil purchase	$ 17,779	$ -	long term debt
Notes outstanding	122,427	121,389	long term debt
	$ 140,206	$ 121,389	
Total debt	$ 495,803	$ 342,391	
December 31, 2015 financial statements			
Bank indebtedness	$ 139,102	$ 91,218	
Long term debt, including current portion	356,701	251,173	
	$ 495,803	$ 342,391	

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

Cash flow from (used in)	3 months ended Dec 31, 2015	3 months ended Sept 30, 2015	3 months ended Dec 31, 2014	Difference Dec 31, 2015 to Dec 31, 2014
Operating activities	$ (40,589)	$ (2,726)	$ (38,794)	$ (1,795)
Financing activities	65,394	5,708	50,372	15,022
Investing activities	(46,305)	(9,042)	(11,318)	(34,987)
Effect of exchange rate changes on	1,893	1,041	(17)	1,910
Change in cash	$ (19,607)	$ (5,019)	$ 243	$ (19,850)

	3 months ended Dec 31, 2015	3 months ended Sept 30, 2015	3 months ended Dec 31, 2014	Difference Dec 31, 2015 to Dec 31, 2014
Non-cash working capital	$ (71,389)	$ (14,103)	$ (57,278)	$ (14,111)

Cash flow from (used in)	Year ended Dec 31, 2015	Year ended Dec 31, 2014	Difference
Operating activities	$ (11,226)	$ (27,115)	$ 15,889
Financing activities	95,124	67,886	27,238
Investing activities	(95,114)	(34,082)	(61,032)
Effect of exchange rate changes on cash	4,203	(263)	4,466
Change in cash	$ (7,013)	$ 6,426	$ (13,439)

	Year ended Dec 31, 2015	Year ended Dec 31, 2014	Difference
Non-cash working capital	$ (79,352)	$ (76,225)	$ (3,127)

Cash flow from operating activities for the three months ended December 31, 2015 was a decrease of $40.6 million compared to a decrease of $2.7 million for the three months ended September 30, 2015 and was consistent with the decrease of $38.8 million for the three months ended December 31, 2014. The change when comparing the three months ended December 31, 2015 to the three months ended September 30, 2015 is due to the seasonal decrease in non-cash working capital, relating mainly to an increase in inventory and in accounts receivable that will cycle through in the first quarter of 2016. This increase is partially offset by an increase in accounts payable, accrued liabilities and deferred revenue.

Cash flow from operating activities improved for the year ended December 31, 2015 compared to the prior year due to improved cash flow from earnings, which excludes items not involving cash, while non-cash working capital remained relatively consistent.

Cash flow from financing activities for the three months ended December 31, 2015 was an increase of $65.4 million compared to an increase of $5.7 million for the three months ended September 30, 2015 and compared to an increase of $50.4 million for the three months ended December 31, 2014. This is due largely to increased long-term debt associated with the Mobil acquisition, as well as increased bank indebtedness and debt associated with the purchase of the building in Laval, Quebec and higher commodity prices impact the operating line. The increase is partially offset by dividends paid in the quarter.

Cash flow from financing activities for the year ended December 31, 2015 was an increase of $95.1 million compared to an increase of $67.9 million for the year ended December 31, 2014. This is due to increased bank indebtedness resulting from higher commodity prices and North American and Australian harvest periods in the latter part of the year. In addition, long term debt increased due to acquisitions.

Cash flow used in investing activities for the three months ended December 31, 2015 was $46.3 million compared to $9.0 million for the three months ended September 30, 2015 and $11.3 million for three months ended December 31, 2014. The change from the three months ended December 31, 2015 compared to the three months ended September 30, 2015 is due to costs associated with the Mobil Grain acquisition as well as the de-flavouring line in Minot, the pasta line in Turkey and the building at the AGT retail building in Laval, Quebec.

Cash flow used in investing activities for the year ended December 31, 2015 was $95.1 million compared to $34.1 million for the year ended December 31, 2014. This is due largely to the Mobil share purchase and the acquisition of WCRR.

Cash Flow Information – Non-Cash Working Capital

Non-cash working capital for the three months ended December 31, 2015 decreased by $71.4 million compared to a decrease of $14.1 million for the three months ended September 30, 2015 and compared to a decrease of $57.3 million for the three months ended December 31, 2014. This is due to increased inventory and accounts receivable that is typical for the North American harvest period, as well as significant invoiced volumes out of Australia later in the quarter. This is partially offset by increased accounts payable, accrued liabilities and deferred revenue.

Non-cash working capital working capital decreased by $79.4 million for the year ended December 31, 2015 and was relatively consistent to a decrease of $76.2 million for the year ended December 31, 2014.

Accounts Payable, accrued liabilities and deferred revenue

Accounts payable, accrued liabilities and deferred revenue increased by $60.0 million, from $283.3 million at September 30, 2015 to $343.3 million at December 31, 2015. This is due largely to increased deferred producer cheques which are typical as the end of the year approaches, as well as utilizing alternatives to improve cash flows with various instruments available to AGT.

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:

	2015	2014
Short term benefits (wage, bonus, vacation paid out, directors fees)	$ 4,110	$ 3,538
Post employment benefits (RRSP)	126	129
Other long term benefits including stock based compensation (long term incentive plan)	3,719	2,620
	$ 7,955	$ 6,287

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

	2015	2014
Accounts receivable	$ 134	$ 256
Accounts payable	2,852	2,668

	2015	2014
Purchases	$ 3,458	$ 6,084

AGT contracted labour and construction support for ongoing construction projects from entities owned or controlled by directors of AGT or its subsidiaries. The accounts payable in the table above relate primarily to deferred compensation for key management.

(b) Transactions with other related parties

	2015	2014
Accounts Payable	$ 404	$ 436
Current portion of long-term debt	3,789	-
Long-term debt	13,433	-

	2015	2014
Purchases	$ 1,138	$ 1,739

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.

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", 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 December 31, 2015 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 and operating effectiveness of AGT's ICFR. Based on this evaluation, the CEO and the CFO have concluded that as at December 31, 2015, ICFR (as defined in NI 52-109) were designed and operating effectively.

There were no changes in our ICFR during the year ended December 31, 2015 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
Amendments to IAS 1 Presentation of Financial Statements	Issued in December 2014. Amendments will not require a significant change to current practice, but expected to improve financial statement disclosure	IAS 1 Presentation of Financial Statements	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	Issued in May 2014. Standard creates a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. This standard may change how much and when revenue can be recognized.	IAS 18 Revenue, IFRIC 18 Transfer of Assets from Customers	Fiscal years beginning on or after January 1, 2018
IFRS 9 Financial Instruments	Initially issued in November 2009 to address the classification and measurement of financial assets. Additional guidance issued in October 2010 on the classification and measurement of financial liabilities.	IAS 39 Financial Instruments: Recognition and Measurement	January 1, 2018
IFRS 16 Leases	This new standard requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.	IAS 17 Leases	Fiscal years beginning on or after January 1, 2019

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

On January 1, 2015, AGT prospectively adopted the following new standards as issued by the IASB and IFRIC: IFRS 2 Share-based Payment, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, and IAS 24 Related Party Disclosure. These standards did not have a material impact on AGT's December 31, 2015 annual audited consolidated financial statements.

Outstanding Share Data

As at the date hereof, there are issued and outstanding 23,801,490 common shares and 403,334 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 December 31, 2015.

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 December 31, 2015, AGT had letters of credit in favour of the Canadian Grain Commission in the amount of $13.0 million (December 31, 2014 - $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, 2016.

At December 31, 2015, AGT had letters of guarantee in Turkey for the amount of $4.2 million (December 31, 2014 - $2.8 million).

At December 31, 2015, AGT had capital project commitments related to the food ingredients and packaged food segment for the amount of $3.5 million (December 31, 2014 - nil).

AGT has various legal matters pending which, in the opinion of management, will not have a material effect on AGT's audited 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 U.S. dollars, Euros, British Pounds and Australian dollars. 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.

AGT measures its exposure to foreign exchange risk on financial instruments as the change in carrying values that would occur as a result of reasonably possible changes in foreign exchange rates, holding all other variables constant. AGT has determined its pre-tax exposure to foreign currency exchange risk on significant financial instruments to be as follows based on a 5% strengthening of the significant currencies AGT is exposed to. A 5% weakening of these same currencies at December 31, 2015 would have had an equal but opposite effect on the amounts shown below, assuming all other variables remained constant:

	Currency	Carrying Value (CDN) December 31, 2015	Gain (loss) CDN
Cash and cash equivalents	USD	$ 10,883	$ 544
Accounts receivable	USD	177,697	8,885
Accounts receivable	EUR	8,779	439
Accounts payable and accrued liabilities	USD	13,001	(650)
Accounts payable and accrued liabilities	EUR	6,601	(330)
Net foreign currency derivative liabilities	USD	63,404	(31,127)
			$ (22,239)

	Currency	Carrying Value (CDN) December 31, 2014	Gain (loss) CDN
Cash and cash equivalents	USD	$ 7,172	$ 359
Accounts receivable	USD	112,577	5,629
Accounts receivable	EUR	9,336	467
Accounts payable and accrued liabilities	USD	16,068	(803)
Net foreign currency derivative liabilities	USD	30,883	(20,048)
			$ (14,396)

The above sensitivity analysis for foreign currency risk does not include translation risk. Translation exposures arise from financial and non-financial items of operations with functional currencies different from AGT's reporting currency. AGT recognizes currency translation adjustments in other comprehensive income. The sensitivity at the reporting date is not representative of the sensitivity throughout the year as the balance sheet date exposure does not reflect the exposure during the year.

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.

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, export levels, production quality, conditions, demand, capacity utilization, capital expenditures utilization, yields, sales volumes, supply, acreage, de-risking impact, capital expenditures and growth expectations, the Minot Facility, including without limitation, additional facilities that may be commissioned, sales volumes in 2015 and 2016, the requirement for additional capacity, the capital budget regarding expansion and capacity increases; expected synergies; global supplies; global demand; pasta production line at Mersin; 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, Western Canadian, U.S. Northern Plains, Southern

Australian crop and Turkish 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, particularly in the Australian states of South Australia, New South Wales and Victoria; agricultural commodity prices; demand for lentils, peas, chickpeas and bean crop products and the market share of these products that will be achieved; general financial conditions for Western Canadian, U.S. Northern Plains, Turkish and Southern Australian agricultural producers; market share of pulse deliveries and sales that will be achieved by AGT; the ability of the railways to ship pulses to port facilities for export without 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.

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 42.

Reconciliation of Net Earnings, Adjusted Net Earnings*, Adjusted Net Earnings Per Share* and Adjusted EBITDA*

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

	For the Year Ended Dec 31, 2015	For the Year Ended Dec 31, 2014
Net earnings	$ 16,045	$ 19,759
Add:		
Income tax expense	2,411	6,078
Depreciation and amortization expense	19,700	17,750
Finance expense	31,617	27,022
EBITDA	69,773	70,609
Non-cash foreign exchange loss	23,927	9,793
Non-recurring and other expenses (1)	7,269	6,603
Adjusted EBITDA*	**100,969**	**87,005**
Less:		
Finance expense	31,617	27,022
Depreciation and amortization expense	19,700	17,750
Income tax expense	2,411	6,078
Adjusted net earnings*	**$ 47,241**	**$ 36,155**
Adjusted basic net earnings* per share	2.04	1.76
Adjusted diluted net earnings* per share	2.02	1.75
Basic weighted average number of shares outstanding	23,195,523	20,503,748
Diluted weighted average number of shares outstanding	23,424,860	20,687,449

(1) Non-recurring costs 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)

	Dec 31, 2015	Dec 31, 2014
Current assets(1)	$ 790,443	$ 601,050
Current liabilities(1)	499,448	320,026
Net working capital*	$ 290,995	$ 281,024
Long term debt	$ 344,339	$ 245,242
Bank indebtedness and current portion of long term debt	151,464	97,149
Cash	(22,306)	(29,319)
Net debt*	$ 473,497	$ 313,072

(1) excludes derivative assets and liabilities

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.