



P.O. Box 30029
Regina, SK CANADA S4N 7K9 Phone: (306) 525-4490
www.agtfoods.com Fax: (306) 525-4463

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**FOR IMMEDIATE RELEASE
DEC 21, 2016**

SYMBOL: TSX: AGT

**AGT Food and Ingredients Inc. Announces Closing of Offering of \$200 Million Senior Notes
and Redemption of 2013 Senior Secured Second Lien Notes**

REGINA, DEC 21, 2016 – AGT Food and Ingredients Inc. (TSX:AGT) ("AGT" or the "Company") announced today the closing of its previously announced offering of \$200 million in aggregate principal amount of senior notes (the "Notes"). The Notes are due December 21, 2021 and bear interest at an annual rate of 5.875% and were sold at a price of 100.0% of principal for gross proceeds of \$200 million.

"We are pleased that our offering was well-received by investors. The Note offering of \$200 million allows us to redeem our existing senior secured notes, improves our financial flexibility, and extends our maturity profile. This transaction, along with our previously announced amended and extended credit facilities at one of our main operating companies, Alliance Pulse Processors, positions us with the capital to execute our business plan to expand the utilization of our global asset base in our core facility and bulk handling business, commercialize our new pulses-based food ingredient platform and seek to drive earnings and value for our shareholders and bondholders," said Mr. Murad Al-Katib, President and CEO of AGT.

"AGT operates in a working capital-intensive business, and access to capital is an important component of our business. AGT's past positive performance and future outlook is resulting in AGT being viewed favourably by credit markets. We have implemented a management strategy aimed at growing our business while managing our costs and working capital. With demand for pulses and staple foods strong in our traditional markets and growth potential in our new business lines for pulses ingredient markets, we look forward to the continued growth of our business and the strengthening of our balance sheet," added Mr. Huseyin Arslan, Executive Chairman of the AGT Board.

The Notes were offered in all provinces of Canada and in the United States by a syndicate of underwriters led by Scotia Capital Inc., CIBC World Markets Inc., and National Bank Financial Inc., and including Cormark Securities Inc., GMP Securities L.P., AltaCorp Capital Inc., BMO Nesbitt Burns Inc., Raymond James Ltd., RBC Dominion Securities Inc. and TD Securities Inc., by way of a private placement under applicable securities laws.

AGT intends to apply the net proceeds of the Offering to the early redemption (the "**Redemption**") in full of the Company's currently outstanding 9% senior secured second lien notes due 2018 (the "**2013 Notes**") and to the repayment of indebtedness under certain credit facilities, including certain revolving credit indebtedness, which will be available for future reborrowings that may be used for general corporate purposes.

The Notes will not be qualified for distribution to the public under the securities laws of any province or territory of Canada and may not be offered or sold in Canada, directly or indirectly, other than pursuant to



applicable private placement exemptions. The Notes have not and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction.

The 2013 Notes will be redeemed on the following terms:

- Redemption Date: February 14, 2017
- Redemption Price: \$1,000 per \$1,000 principal amount
- Accrued and Unpaid Interest: \$45 per \$1,000 principal amount
- Total Redemption Price and Accrued and Unpaid Interest: \$1,045 per \$1,000 principal amount

The redemption price of the 2013 Notes has been determined in accordance with the provisions of the trust indenture dated February 14, 2013, between the Company and Equity Financial Trust Company, as trustee and collateral agent for the holders of the 2013 Notes, and the supplemental trust indenture dated September 14, 2016, between the Company, Equity Financial Trust Company, and TSX Trust Company, as trustee and the collateral agent for the holders of the 2013 Notes (the “**Trustee**”). Interest accrued on the 2013 Notes up to, but not including, the redemption date of the 2013 Notes (the “**Redemption Date**”) will also be paid on the Redemption Date. Interest on the principal amount of the 2013 Notes shall cease to be payable from and after the Redemption Date.

A notice of redemption will be delivered today to CDS Clearing and Depository Services Inc. (“**CDS**”) who is the registered holder of the 2013 Notes. Non-registered holders who maintain their interests in the 2013 Notes through CDS should contact their CDS customer services representatives with any questions about the redemption. Alternatively, beneficial holders with any questions about the redemption should contact their respective brokerage firm or financial institution, which holds interests in the 2013 Notes on their behalf. The Trustee may also be contacted toll free at 1-866-393-4891 or by email at tmxeinvestorservices@tmx.com.

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. (AGT) is a processor of value-added pulses, staple foods and ingredients for export and domestic markets as well as a supplier of retail packaged and canned foods to retail and food service sectors. Through its offices and processing facilities located in some of the best agricultural growing regions in Canada, the U.S., Turkey, China, Australia and South Africa, merchandising and sales offices in the U.K., the Netherlands, Spain, Switzerland and India and origination offices in Russia, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina.



Cautionary Statements

Certain statements in this press release are forward-looking statements. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. 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, uncertainties relating to the Redemption, as well as those factors referred to in the section entitled “Risk Factors” in the Annual Information Form of AGT dated March 24, 2016 which is available on SEDAR at www.sedar.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. AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For further information:

Investor Relations

Omer Al-Katib

(306) 244-1318

ir@agtfoods.com