Alliance GRAIN TRADERS Inc.

(Formerly Alliance Grain Traders Income Fund)

Management's Discussion and Analysis

Year Ended

December 31, 2009

ALLIANCE GRAIN TRADERS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009

The following management discussion and analysis of financial condition and results of operation should be read in conjunction with Alliance Grain Traders Inc's. ("AGTI") audited consolidated financial statements and related notes thereto for the years ended December 31, 2009 and 2008, which have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. This Management's Discussion and Analysis has been prepared as of March 19, 2010. All dollar amounts are in Canadian dollars unless otherwise indicated. Additional information relating to AGTI and Alliance Pulse Processors Inc. ("APP") is available on the System for Electronic Data Analysis and Retrieval ("SEDAR") at www.sedar.com, under the filings for Alliance Grain Traders Inc. and on AGTI's website at www.alliancegrain.com.

Forward Looking Statements

This discussion and analysis of financial position, results of operations, and cash flows of AGTI contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of lentils and other crops, the estimated size and quality of future harvests of lentils and other crops, costs of production, currency fluctuations, and requirements for additional capital. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGTI (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents, or labour disputes, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section entitled "Risk Factors" in the prospectus dated December 30, 2004 which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although AGTI has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. AGTI expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Non-GAAP Financial Measures

AGTI provided some non-GAAP (generally accepted accounting principles) measures as supplementary information that Management believes would be useful to investors to explain the AGTI's financial results. These non-GAAP measures include EBITDA* (Earnings Before Interest, Income Taxes, Depreciation and Amortization).

EBITDA* is a financial measure used by many investors to compare companies on the basis of operating results, asset value and the ability to incur and service debt. EBITDA* is used because AGTI's net income alone does not give an accurate picture of its' cash-generating potential. Management believes that EBITDA* is an important measure in evaluating performance and in determining whether to invest in AGTI. However, EBITDA* is not a recognized earnings measure under GAAP and does not have a standardized meaning prescribed by GAAP. It is not intended to represent cash flow or results of operations in accordance with GAAP. Therefore, EBITDA* may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA* should not be construed as an alternative to net income or loss determined in accordance with GAAP as an indicator of AGTI's performance or to cash flows from operating, investing and financing activities of liquidity and cash flows. For a reconciliation of net income determined in accordance with GAAP to EBITDA*, see the table on page 24.

Highlights of 2009

• **Net income** for 2009 was $29.9 million or $2.80 per share (or unit equivalent) ($2.74 on a diluted basis) compared to $22.2 million for 2008 or $3.10 per unit (or unit equivalent) ($2.91 on a diluted basis). The decrease in earnings per share is a result of a public offering in quarter three of 2009 and a resulting increase in the weighted average number of shares outstanding.

• **Consolidated sales** for 2009 were $387.9 million, up 18% from 2008 sales of $328.7 million. The increase in sales was a result of the integrations of acquisitions.

• **EBITDA*** for 2009 was $46.8 million, up 40% from 2008 EBITDA* of $33.5 million.

• **Capital expenditures** for 2009 of $30.3 million, which included acquisitions of $20 million in Canada. Enhancements to building, equipment and vehicles at facilities in Canada, the United States, Turkey and Australia totalled $10.3 million.

• **Transition** from an Income Trust to a dividend paying corporation and graduation from the Venture Exchange to the TSX Stock Exchange.

• **Dividend** of $0.54 per share per annum ($0.135 per quarter) maintained after conversion from an Income Trust.

• **Arbel Group** acquisition on September 15, 2009 with integration of marketing operations now substantially complete and administrative integration expected to be complete by the end of the first quarter of 2010.

• **Net equity** cash proceeds of $94 million received during the year.

• **Acquisitions** of Parent Seeds and Finora assets add to capacity and production availability.

Outlook

The North American crop season (2009-2010) is well under way. Saskatchewan lentil and pulse crops performed well even in dry areas leaving a significant increase in supplies in AGTI's entire crop drawing areas. Timely rains in June and July left a great majority of pulse acres in Saskatchewan, Montana and North Dakota with average to above average yield. The harvest was late, with cool weather delaying crop maturity, but weather conditions in September held up and the pulse harvest was virtually complete by the end of September. Export data shows that strong export performance by Canadian and US processors in Q4 has made up for a late start to the year with heavy shipping reported during this period. Supplies remain on farm for 2010 allowing AGTI to have supplies to continue on its shipping program for the balance of this crop year. However, strong demand thus far, is foreshadowing tight stock levels as we near the end of this crop year and transition to 2010-2011 harvest in August 2010.

With record pea and lentil exports from Canada in 2008-2009, surging commodity prices have resulted in significant changes to the farm gate returns of growers of pulses and specialty crops, making the crops that AGTI processes profitable crops for farmers to grow. Crop forecasts for lentils and peas for the 2010-2011 crop years in Canada show another significant growth in acres, especially in lentils in both Canada and the USA. In fact, acreage is projected to increase to over 3 million acres in Saskatchewan alone and lentil seedings in North Dakota and Montana are also forecast to jump. The strong price performance of all lentil varieties vis-à-vis other crops led to a record planting in Canada and USA in 2009 with acreage forecasts exceeding 2.8 million acres in western Canada and the United States, up from approximately 1.8 million acres in 2008[1]. Canadian production exceeded 1.4 million metric tonnes in 2009[2] with many industry sources pegging this figure over 1.5 million metric tonnes. U.S. production of lentils (up 144% from 2009 compared with 2008) and peas (up 42% from 2009 compared with 2008) also increased[3]. This trend is forecast to continue as the net cash crop return per acre of lentils is seen as a market leader when comparing to oilseed and cereal grain options.

Australian harvest in December 2009 continued the trend of disappointment for Australian farmers. The crop looked to be the best in nearly a decade when a heat wave hit early in the season, dramatically affecting both yields and crop quality. In Victoria, near AGTI's factory in Horsham, the lentil and pulse crops were hit hard with temperatures that were 18-20

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

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

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

degrees celcius above seasonal norms. However, crops in South Australia fared better with some yield losses and quality effects visible with the presence of green and shrivelled lentil kernels a norm. AGTI's splitting and colour sorting lines were commissioned in November 2009 allowing AGTI to address sub-standard quality and reduced yields by adding value and extracting margin from the limited crop supplies.

Turkey is forecast to return to normal plantings of pulses for 2010 harvest expected in May 2010[4]. With the acquisition of Arbel group, Management believes that AGTI is well positioned to ramp up its capacity utilization and capitalize on the opportunities in the Turkish domestic and international markets from Turkey. It is anticipated that increased production globally will allow the global pulses industry to have sufficient stocks to satisfy strong export demands and still replenish a healthy annual carryover stock to stabilize supply.

Continued adverse crop conditions in India have created a shortage of pulse crops. AGTI's multi-origin production strategy was developed to address such circumstances. With the increased acreage in Canada and USA and an improved crop in Turkey, Indian Sub-continent demand is essential to move a larger global crop. Positive demand fundamentals will allow AGTI to drive its efforts to better utilize its global capacity to execute its global sales plans. Extra demand and the absence of regional competition in the Indian sub-continent with a continued governmental ban on Indian origin exports is expected to allow AGTI to benefit from an opportunity to ship more product to this region at continued good margins. The acquisition of the Arbel Group has been completed and its facilities, warehousing and distribution are expected to significantly assist AGTI's penetration of this regional market.

AGTI is well positioned to capitalize on the opportunities of the 2009-2010 crop years. The forecast for 2009-2010 stocks in North America is high, which leads Management to be optimistic about future sales. With the acquisitions in Turkey, USA and Australia, AGTI has broadly expanded its global reach, client base and product mix. Increased capacity utilization of existing Canadian and Turkish assets is expected to boost the tonnage of product shipped. AGTI is offering a full range of split and value-added lentils, peas and chickpeas coupled with its new offerings of beans, pasta, bulgur wheat, semolina and rice. This puts AGTI's operating divisions in a position of strength vis-a-vis its competitors globally.

Through the acquisition of the Arbel Group, Management is optimistic about its ability to develop sales opportunities in its three core platforms for growth: pulses, durum wheat milling, and other products (e.g. rice, sunflower seeds). Management is pleased with the integration progress of AGTI and the Arbel Group, as management of these companies have worked together in the past and shared certain business methods. Integration of marketing operations is substantially complete and administrative integration is expected to be completed by the end of the first quarter of 2010.

Economic slowdown in the world is positively affecting consumption of pulse crops, pasta and rice; because consumption is rising in developing nations as consumers switch back to traditional lower cost vegetable proteins and starches. Demand for pulse crops, lentils, peas,

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

chickpeas and beans remains high, as the staple protein consumed by hundreds of millions of consumers daily in all corners of the globe. Logistics will be a major consideration this season as container availability and vessel space will be challenging to move the expected large 2009-2010 and the new crop 2010-2011. Slowdowns of imports into the USA and a decline in vessels in service (many shipping lines parked idle capacity in the global slowdown) create challenges in the North American logistics operations of AGTI. AGTI expects to address the challenges using its position as a leader in containerized agri-shipments and with its direct relationships with international steamship lines. The addition of the Arbel Group and its assets in Mersin Turkey, located 8 km from the Mersin container seaport, now allows AGTI access to one of the Mediterranean regions' important seaports for agri-products.

The late completion of the harvest this year and near-complete depletion of stocks in most crop-producing areas made it difficult to match available quantities to demand. However, as the largest value-added processor of pulses, AGTI leveraged existing relationships with producers and customers to find ways to maximize grain in its system and fill as much demand as possible to customers all over the world. This was in part achieved through product diversification, specifically from all types of lentils, to other specialty crops such as chickpeas, peas and canary seed. Continued efforts at diversification of products and markets are creating for AGTI the opportunity to strengthen its position in new and different markets, setting up diversified opportunities going forward. For example, AGTI's new investment in bean processing, through its acquisition of the assets of Parent Seeds, was an important strategic move allowing AGTI to establish itself as a premiere world shipper of high quality beans to the global canning, packing and ingredient markets.

With the recent additions of Arbel, Finora assets and Parent Seeds assets, AGTI now has 20 production plants located in the leading growing areas for pulses and grains in Canada, the USA, Australia and Turkey. Management remains confident in AGTI's business strategy and team. There are a number of key strategic drivers underlying this confidence:

1) **The acquisition strategy continues with success: Arbel Group followed by the "tuck-ins" of Parent Seeds and Finora:** The added capacity in these facilities and the diversification in terms of market access and product mix has helped to address risk and maximize shipments. These acquisitions were also important components of AGTI's global origin Strategy to take advantage of harvest seasons in the 4 major pulse producing countries where it operates. Operating in these producing regions also provides distinct advantages when shipping to the consuming regions (e.g. from Australia to the Indian subcontinent or from Turkey to North Africa). The Arbel acquisition gave AGTI a significant Turkish presence and Finora gives AGTI incremental capacity to capitalize on growing acreages in Western Canada in its core products. With lentil acreage forecast to grow in Saskatchewan by approximately 30% in 2010, AGTI needed capacity to react and maintain its competitive position. Parent Seeds allows AGTI to launch its global origin strategy in dry edible beans, a market four times the size of the global lentil market.

2) **Strong Global Growth Strategy and Management team with a track record:** Access to the public equity market, strong financial performance and steady demand for its

products, coupled with the ability to successfully integrate new acquisitions and bring them on-line as positive components to its business continues the path to a solid global foundation. The assets acquired in past acquisitions are on-line and Management continues to see positive returns on these investments. New assets recently acquired, such as the Arbel Group, Finora and Parent add 12 factory locations to AGTI, transforming AGTI into a leading global processor in size and capacity. Boosting capacity utilization will support AGTI's objective to have positive earnings growth in 2010 and beyond.

3) **The addition of new products and product lines:** small-packed consumer line of pulses and milled durum wheat products offered by Arbel and the Arbella brand of pasta: Taking a managed approach to integrating these commercial brands into AGTI's core lines of business is expected to bring continued growth and additional value-added business and margin. Arbella has proven to be a very successful product with sales in 2009 to 46 countries. AGTI leased its first rice mill near Istanbul in Turkey to allow it to process paddy rice into a premium branded medium grain rice for the retail industry.

4) **Demand fundamentals are strong**. Global populations continue to consume protein and staple food products. Consumers cannot simply wait on market projections like they might with other commodities that are in the "nice to have" category as opposed to the "need to have". With efficiencies in value-added processing, taking advantage of freight opportunities, diversified markets and origins and a well instituted risk-management program, AGTI seeks to capitalize on these opportunities at hand. Overall, the growth opportunities are substantial, and AGTI believes it has a significant advantage with strong assets, diversified product offerings, access to markets and logistics solutions. To assist in meeting requirements of its customers, AGTI is also embarking on a commercialization strategy for a number of new varieties of pulse crops: the KING RED lentil (a bold red lentil where AGTI was awarded the worldwide commercialization rights by the Crop Development Center of the University of Saskatchewan until 2018) and the B-90 small calibre chickpea (an agreement with the plant breeder giving AGTI the exclusive production and distribution rights for this chickpea targeted at the hummus and canning industry until 2020) are examples of this strategy adding branded and proprietary product offerings in the pulse processing segment of its business.

5) **Diversification Strategy is focused**: AGTI will seek to grow as it executes its strategy. AGTI Management is actively looking for new strategic acquisitions that will help it to grow and consolidate the global pulse industry, create new opportunities for itself in pasta and rice, and strengthen its competitive position in the key markets in which it is active. Management continues to seek to build international sales opportunities to bring its processing plants to capacity. AGTI continues to investigate opportunities for additional acquisitions, partnerships and alliances in the Americas, Turkey and globally. With its growth strategy defined as a staple food products strategy, the focus on beans, chickpeas, pasta and rice products will complement the current business strength in lentils and peas.

Business Overview

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

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

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

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

On December 31, 2009, AGTI acquired assets from Parent Seed Farms Ltd. ("Parent") and Finora Inc. The two acquisitions added six processing facilities for processing beans, lentils, peas, chickpeas and other specialty crops in four locations: St. Joseph, Manitoba (operating as Saskcan Parent), Wilkie, Saskatchewan (operating as Finora Wilkie), Assiniboia, Saskatchewan (operating as Saskcan Assiniboia) and Gibbons, Alberta (operating as Saskcan Gibbons). The Parent assets acquired include two plants with approximately 51,000 sq ft of bagged storage and approximately 15,000 metric tonnes of bulk product storage and certain land and equipment. The Finora Inc. assets acquired include four plants, approximately 20,000 metric tonnes of bulk product storage and certain land and equipment.

Selected Annual Information

The following table presents selected financial information for AGTI taken from the financial statements mentioned above. The results of operations for the period ended December 31, 2009 presented in this discussion and analysis reflect only the results of operations of: (i) APP, which includes all of AGTI's Canadian operating divisions (including Saskcan Horizon), (ii) United Pulse, (iii) Australia Milling Group, and (iv) the Arbel Group. The Saskcan Parent and Finora acquisitions, effective December 31, 2009, are included in the balance sheet, however no income and expenses from these divisions are included in these results.

(in thousands of Cdn. $ except as indicated - Audited)	**Year Ended December 31, 2009**	**Year Ended December 31, 2008**	**Year Ended December 31, 2007**
Sales	387,888	328,673	79,137
Cost of sales(1)	314,348	278,403	66,359
Gross margin	**73,540**	**50,270**	**12,778**
Operating expenses(2)	29,103	18,060	7,119
Amortization in cost of sales(1)	1,866	990	263
Compensation option expense(5)	539	327	-
EBITDA*	**46,842**	**33,527**	**5,922**
Interest	1,999	1,516	561
Depreciation and amortization(1)	3,602	2,026	705
Provision for income taxes	10,761	8,016	961
Add back gain on disposal of fixed assets (3)	-	562	
Less compensation option expense(5)	539	327	-
NET INCOME (4)	**29,941**	**22,204**	**3,695**
Basic net earnings per share/unit and unit equivalent (6)	2.80	3.10	1.07
Diluted net earnings per share/unit and unit equivalent (6)	2.74	2.91	0.91
Total assets	404,423	148,381	74,071
Bank indebtedness (short-term debt)	46,269	17,448	6,541
Long-term debt	36,624	14,903	6,892
Shareholders' / Unitholders' equity	231,910	68,823	33,978
Cash distributions declared per share/unit	.5435	0.5479	0.51

(1) Cost of sales for 2009 includes $1,866,285 of amortization on equipment used to process inventory. Amortization on other capital assets is $1,735,364. Total amortization of $3,601,649 is added back for the EBITDA* calculation.

(2) Excluding interest and amortization. Non-controlling interest in Saskcan Horizon is also included in this number, up to and including the period ended September 30, 2008.

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

(4) Net income for 2009 excludes non-controlling interest and other comprehensive income of $476,490. Net income for 2008 includes gain from disposal of fixed assets but excludes non-controlling interest and other comprehensive income of $456,893.

(5) EBITDA for the year ended December 31, 2009 includes amortization of compensation option expense of $539,530 (2008 - $327,132).

(6) Before September 15, 2009, the entity whose results are reported in the table above was the Fund. "Shares and unit equivalents" refers to the Units of the Fund, Shares of AGTI and to the Exchangeable Shares. AGTI paid distributions on its outstanding Shares each quarter. From and after September 15, 2009, the entity whose results are reported in the table above is AGTI. "Shares" refers to the Common Shares of AGTI (the only class of shares which are outstanding). AGTI's policy is to pay dividends on its outstanding shares each quarter. Basic and diluted earnings per unit and unit equivalent are calculated using net income before other comprehensive income and extraordinary.

Discussion of Annual Results

AGTI's sales were $ 387.9 million for the year ended December 31, 2009, compared to sales of $328.7 million for the year ended December 31, 2008. This increase from the previous year is due to AGTI's acquisition and integration of the Arbel Group of Companies in the third quarter of 2009 and also a full year of operations for acquisitions that occurred in August of 2008 and therefore did not contribute for the full year in 2008.

When comparing 2009 results to 2008 results, EBITDA* increased by 40%. AGTI's sales performance for the year ended December 31, 2009 was in line with Management expectations. Management attributes this success to its continued strategy of diversifying markets for AGTI's products, with significant market development in Latin America, the Middle East, North Africa and the Indian Subcontinent. Market diversification is being achieved and with a continued strategy of product mix diversification and origin diversification (through the acquisition of the US and Australian factories). The continued positive sales performance is due to deeper penetration into export markets and AGTI's success in delivering a higher quality product to its customers than that supplied by its competitors, allowing continued strong sales throughout the year. The additional capacity resulting from the Arbel acquisition as well as the two acquisitions in 2008 where a full year of capacity was available also contributed to the increase in EBITDA* from 2009 compared to 2008.

Expense categories tracked with the growth in facilities and operations with a significant increase in general and administrative expenses as new operations were acquired and integrated. The transformational acquisition of Arbel has added depth and breadth to the company. All expense items tracked as per Management expectations leading to a rise in net income from $22.2 million in 2008 to $29.9 million in 2009. Maintenance capital expenses tracked as per budget and capital expenditures were in line with Management plans.

Summary of Quarterly Results

(in thousands of Cdn. $ except as indicated unaudited)	3 Months Ended December 31, 2009(1)	3 Months Ended September 30, 2009	3 Months Ended June 30, 2009	3 Months Ended, March 31 2009	3 Months Ended December 31, 2008(1)	3 Months Ended September 30, 2008	3 Months Ended June 30, 2008	3 Months Ended March 31, 2008
Sales	154,799	73,320	72,951	86,818	100,855	107,886	72,314	47,618
Cost of sales(2)	121,082	59,736	62,886	70,644	85,716	91,669	60,267	40,751
Gross margin	**33,717**	**13,584**	**10,065**	**16,174**	**15,139**	**16,217**	**12,047**	**6,867**
Operating expenses(3)	12,310	5,781	5,315	5,697	4,830	5,509	4,399	3,322
Amortization in cost of sales (2)...............	919	391	249	307	990	-	-	-
Compensation option expense(4)...............	110	111	111	207	75	134	118	-
EBITDA (*)...........	**22,436**	**8,305**	**5,110**	**10,991**	**11,374**	**10,842**	**7,766**	**3,545**
Interest...........	546	841(8)	280	332	454	409	333	320
Depreciation and amortization(2)	1,411	812	707	672	698	472	437	419
Provision for income taxes	5,160	1,999	973	2,629	2,573	3,184	1,614	645
Add back gain on disposal of fixed assets (5)	-	-	-	-	562	-	-	-
Less compensation option expense (4)........	110	111	111	207	75	134	118	-
NET INCOME.......	**15,209**	**4,542**	**3,039**	**7,151**	**8,136**	**6,643**	**5,264**	**2,161**
Basic net earnings per share/unit and unit equivalent(6).........................	0.89	0.47	0.38	1.20	0.95	0.92	0.83	0.48
Diluted net earnings per unit and unit equivalent(6)	0.87	0.46	0.37	0.90	0.89	0.83	0.73	0.34
Total assets..........................	404,423	332,936	135,041	145,171	148,381	160,104	99,857	84,292
Bank indebtedness (short-term debt)	46,269	29,244	8,412	29,571	17,448	34,625	20,483	20,960
Long-term debt	36,624	25,987	16,094	16,556	14,903	8,872	7,844	8,065
Shareholders' Shareholders' equity	231,910	221,944	77,323	75,098	68,823	60,978	39,990	35,358
Cash distributions declared per share/unit	0.1350	0.1350	0.135996	0.137511	0.13264(7)	0.125	0.138766	0.13898

Notes:

(1) Calculated from the audited annual financial statements of for the years ending December 31, 2009 and December 31, 2008, and the unaudited financial statements of the Fund for the periods ended September 30, 2009 and September 30, 2008.

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

(3) Excluding interest and amortization. Non-controlling interest is also included in this number, up to and including the period ended September 30, 2008 (related to the Saskcan Horizon minority interest)

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

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

(6) Before September 15, 2009, the entity whose results are reported in the table above was the Fund. "Units and unit equivalents" refers to the Units of the Fund and to the Exchangeable Shares. The Fund paid distributions on its outstanding Units each quarter. From and after September 15, 2009, the entity whose results are reported in the table above is AGTI. "Shares" refers to the Common Shares of AGTI (the only class of shares which are outstanding). It is anticipated that going forward, AGTI will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGTI's dividend policy will be subject to the discretion of the Board of Directors and may vary depending on, among other things, AGTI's earnings, financial requirements, the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors.

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

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

Discussion of Quarterly Results

AGTI's sales were $154.8 million for the three months ended December 31, 2009, compared to sales of $73.3 million for the three months ended September 30, 2009 and sales of $72.9 million for the three months ended June 30, 2009. When comparing fourth quarter 2009 results to third quarter 2009 results, EBITDA* increased by 170%. Increased volumes due to acquisitions throughout the year contributed to the increase in sales. In addition, the late harvest in North America pushed earnings and resulting EBITDA* from the third quarter to the fourth quarter. Peak seasonal demand is also satisfied in Q4 as the Canadian and USA harvests are complete and AGTI is shipping to peak winter pulse consumption in North Africa, Middle East and Indian Sub-continent.

Operating expenses for the quarter ending December 31, 2009 are $12.3 million compared to $5.8 million in the third quarter. This increase is a result of the Arbel acquisition and the administration costs associated with the new division.

Interest expense of $0.546 million for the quarter ending December 31, 2009 is lower than the expense of $0.841 million recorded for the quarter ending September 30, 2009. This is due to the retirement of Arbel Group credit facilities with Turkish banks that bore interest rates higher than existing facilities. The retirement resulted in one-time balloon interest payments being made that inflated the interest expenses in Q3 2009.

Amortization expense of $1.4 million for the quarter ending December 31, 2009 (which includes amortization allocated to cost of goods sold in the amount of $0.92 million) is higher than the total expense of $0.81 million recorded for the quarter ending September 30, 2009 due to the additional amortization associated with new acquisitions.

Provision for income tax expense of $5.2 million for the quarter ending December 31, 2009 is higher than the expense of $2.0 million recorded for the quarter ending September 30, 2009 due to the large volume of sales and earnings in Q4 recognized in the later part of 2009.

Dividends

AGTI paid a dividend in January 2010 of $2.3 million ($0.135 per share) in the aggregate to its Shareholders of record as of December 31, 2009. A total of $6.8 million was distributed to shareholders and unitholders in 2009.

It is currently anticipated that going forward, AGTI will continue to pay a quarterly dividend, the amount of which will be determined by the Board of Directors. AGTI's dividend policy will be subject to the discretion of the Board of Directors and may vary depending on, among other things, AGTI's earnings, financial requirements and the satisfaction of solvency tests imposed by the *Business Corporations Act* (Ontario) for the declaration of dividends and other relevant factors.

Liquidity and Capital Resources

As the historical information presented above shows, AGTI (including its predecessor, the Fund) has historically generated sufficient cash to maintain its operations, fund development, and, to pay its declared dividends and distributions. AGTI's ability to generate sufficient cash in the future to pay dividends will depend on future harvests of, and demand for pulses and special crops and AGTI's other products. Please see "Outlook" below for a discussion of these factors.

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

At December 31, 2009 AGTI and its subsidiaries had total operating credit and other short term facilities available of $176.4 million secured by a general security agreement for Canadian, USA and Australian operations and unsecured credit lines in Turkey with six global financial institutions. AGTI also has one secured credit facility in Turkey in the amount of $10 million secured by inventory security to one international bank. Average funding rates for floating loans range from Canadian prime plus 0.15 and Canadian prime plus 0.50. One year fixed USD loans bear interest averaging between LIBOR plus 1.65 and LIBOR plus 2.0.

Capital Management

AGTI manages its capital to ensure that financial flexibility is present to increase shareholder value through a combination of acquisitions and organic growth. This allows AGTI to respond to changes in economic and/or marketplace conditions. AGTI also strives to maintain an optimal capital structure to reduce the overall cost of capital. In the management of capital, AGTI 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 AGTI's approach to capital management during the year.

APP, the operating subsidiary of AGTI, has externally imposed capital requirements through its lenders. As of December 31, 2009, APP was required to have a working capital ratio of not less than 1.25:1. Working capital is defined as current assets over current liabilities. In addition, APP is required maintain a minimum shareholders equity balance of $30 million and tangible net worth of $20 million. APP must also maintain a debt service coverage ratio of not less than 1.25:1. Debt service ratio is defined as earnings before interest, taxes, depreciation and amortization divided by senior lenders principal and interest payments and line of credit fees for all facilities. APP must also maintain a debt to equity ratio of less than 2.0:1. APP was in compliance with all covenants as at December 31, 2009.

Related party transactions

Prior to the acquisition of Arbel, Durum and Turkpulse, AGTI engaged in normal course business with related parties:

	2009	2008
Sales of grain to corporations whose shareholders are also AGTI shareholders	$ 7,286,038	$ 52,059,248
Accounts receivable from corporations whose shareholders are also AGTI shareholders	$ -	$ 24,645,061

These transactions were in the normal course of business and were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Due to the acquisition, there were no related party accounts receivable owing at the end of 2009. Please see "Recent Events", below.

Transactions with Related Parties

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

Critical Accounting Estimates

Note 2 to AGTI's consolidated financial statements for the year ended December 31, 2009, describes AGTI's significant accounting policies.

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

Accounts Receivable

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

Inventories

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

Income Taxes

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

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

Property and Equipment

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

Property and equipment are depreciated to estimated residual values based on a straight-line basis over their estimated service lives. Property and equipment under capital leases are depreciated to estimated residual values over the life of the lease.

Property and equipment located in Turkey is subject to fair value assessment on an annual basis. Adjustments to conform to Canadian GAAP are made on consolidation.

Intangible Assets and Goodwill

The intangible assets of AGTI were recorded at their estimated fair values at December 31, 2009 and amortized over their estimated useful life. Intangible assets and goodwill are subject to impairment tests under GAAP, at minimum, annually or more frequently if events or circumstances indicate a potential impairment. If the carrying value of such assets exceeds the fair values, the assets are written down to fair value. The treatment of intangible assets such as trademarks, brands and licenses are subject to separate impairment testing from the values contained in goodwill. No write down was required as at December 31, 2009.

Changes in Accounting Policies

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

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

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

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

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

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

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

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

International financial reporting standards

The Canadian Accounting Standards Board recently confirmed January 1, 2011 as the date International Financial Reporting Standards (IFRS) will replace Canadian standards and interpretations as Canadian Generally Accepted Accounting Principles (GAAP) for publicly accountable enterprises. The new Standards are effective for annual financial statements with fiscal years beginning January 1, 2011 with retrospective application.

AGTI commenced an IFRS conversion project in 2009 and retained an IFRS advisory firm to work with senior management to complete the conversion. The IFRS conversion project consists of four phases and is summarized below:

<u>Phase 1 – Initial Assessment - Completed in 2009</u>

This phase, which was completed in 2009, included the following:

- completion of high level diagnostic and qualitative assessment
- management/finance training session held in December
- development of initial project plan
- development of project wide communications strategy

<u>Phase 2 – Detailed Assessment - In progress 2009-2010</u>

- Identifying major differences between GAAP and IFRS. Thus far the priority areas are:
  - Accounting for Property, Plant and Equipment
  - Consolidation and accounting for subsidiaries

  - Compensation expense and share based payments
  - Accounting for Income taxes
  - Foreign exchange translation
- Assessing how these differences will impact accounting, reporting, systems and processes
- selecting AGTI's ongoing IFRS policies / one time exceptions

Phase 3 and 4 – Design and Implementation

AGTI has identified the resources required to properly transition to IFRS reporting. As such, outside expertise has been brought on to assist in the development and implementation of the IFRS strategy.

Training of key operations and accounting staff on potential IFRS impacts occurred in the third quarter of 2009. A detailed matrix has been established, which is enabling AGTI personnel to assess each area of the financial statements and determine implementation priorities.

A further meeting was held in the first quarter of 2010 which focused on IFRS – 1, First-time Adoption of International Financial Reporting Standards and the related one time exemptions that AGTI will exercise.

AGTI, along with its IFRS advisory firm have designed an implementation plan and timetable to address the following:

- develop a financial statement close process to generate IFRS compliant financial statements
- assess and modify IT systems to better meet IFRS requirements
- continue training AGTI staff, including outside of finance/accounting
- develop an effective strategy to communicate with all stakeholders (board members, shareholders, analysts and regulators)
- develop and execute any required changes in processes and controls

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Internal controls over financial reporting and disclosure controls and procedures

As a result of Alliance Grain Traders Inc. move from being listed on the TSX Venture Exchange to being listed the Toronto Stock Exchange in September 2009, AGTI must begin to certify the design and operating effectiveness of Internal controls over financial reporting ("ICOFR") and disclosure controls and procedures ("DC&P") for the fiscal year ended December 31, 2009 under NI 52-109. Previously, as a venture reporting issuer, AGTI produced "Venture Issue Basic Certificates" under NI 52-109, but this form of certificate does not require a certification of AGTI's ICOFR and DC&P.

DC&P are designed to provide reasonable assurance that all relevant information is gathered and reported to Management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure.

A precursor to Management's assessment of internal controls is the documentation of those controls in accordance with an accepted control framework. AGTI has adopted the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to assess internal control over financial reporting. The scope and extent of the documentation required under ICOFR rules is the subject of this document.

AGTI retained an advisory firm to work with Management to evaluate the reliability of the Company's DC&P. This evaluation concluded that as of December 31, 2009 AGTI's DC&P design provides reasonable assurance that information required to be disclosed in reports that are filed or submitted under Canadian securities legislation are recorded on a timely basis.

ICOFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. AGTI's Management, under the direction of a third party advisor firm, concluded that as at December 31, 2009, adequate ICOFR are in place.

The scope of the review was limited to business units acquired in excess of 365 days prior to December 31, 2009. As a result, the Arbel Group, Parent Seeds and Finora acquisitions were out of the scope of the review for the year end December 31, 2009.

Recent Events

AGTI has continued on its growth and acquisition strategy and has successfully negotiated additional debt and equity agreements to finance these initiatives.

On September 15, 2009, AGTI acquired all of the outstanding shares of Arbel, Durum Gida, and Turkpulse, other than the shares of Durum which are owned by Arbel, such that AGTI now owns, directly and indirectly, 100% of the outstanding shares of the Arbel Group. The aggregate purchase price was $104.1 million, of which $60.1 million was paid in cash and $44.0 million was paid by the issuance of 2,850,448 Common Shares of AGTI at a deemed price of $15.4514 per Common Share.

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

In connection with the Acquisition, on July 21, 2009, the Fund completed a public offering of 6,118,840 subscription receipts ("**Subscription Receipts**") at a price of $16.25 per Subscription Receipt for gross proceeds of $99.4 million (the "**Offering**"), pursuant to a bought deal with a syndicate of underwriters led by Genuity Capital Markets and including Wellington West Capital Markets Inc., Macquarie Capital Markets Canada Ltd., and GMP Securities L.P. (the

"**Underwriters**"). The Underwriters were paid a fee equal to 4% of the gross proceeds of the Offering. The net proceeds of the Offering were used to satisfy the cash portion of the purchase price for the Acquisition and the balance of the net proceeds are being used for general corporate purposes. Each Subscription Receipt was converted into one Unit immediately before the completion of the Acquisition, and each such Unit was exchanged for one Common Share upon the completion of the Conversion.

The Acquisition was a "related party transaction" for AGTI under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"), since Huseyin Arslan, who was a trustee and a Unitholder of the Fund, was also a significant shareholder and officer of several of the Arbel Group Companies. A special committee (the "**Special Committee**") of the board of trustees of the Fund, consisting of independent trustees, was established to, among other things, consider the Acquisition and make a recommendation to the Board of Trustees as to, among other things, whether the Acquisition was in the best interest of the Fund. In connection with its mandate, the Special Committee retained Campbell Valuation Partners Limited (the "**Valuator**"), an independent valuator, to provide a formal valuation in respect of the Acquisition of the Arbel Group Companies in accordance with MI 61-101. The Special Committee also retained the Valuator to deliver a fairness opinion. The Valuator delivered the valuation and the fairness opinion to the Special Committee. Based upon and subject to the assumptions, limitations, analyses and other matters set forth in its valuation report, the Valuator concluded that, as of June 17, 2009 (the date the Acquisition was announced), the fair market value of the aggregate of the shares of the Arbel Group Companies was in the range of $95 million to $120 million. The aggregate purchase price for the Acquisition of $104.1 million was approximately in the middle of the range identified by the Valuator. Based upon and subject to the assumptions, limitations, analyses and other matters set forth in its fairness opinion, the Valuator concluded that, as of June 17, 2009, the consideration to be paid for the aggregate of the shares of the Arbel Group Companies under the terms of the Acquisition was fair, from a financial perspective, to the Unitholders (other than those Unitholders who are also shareholders of the Arbel Group Companies). After considering and reviewing, among other things, the terms of the Acquisition Agreements, the conditions for the completion of the Acquisition (including the requirement for disinterested unitholder approval), and the valuation and fairness opinion, the Special Committee concluded that the Acquisition, and the consideration to be paid in connection with the Acquisition, was fair to the Unitholders and was in the best interests of the Fund, and unanimously recommended that the Board of Trustees approve the Acquisition. The Board of Trustees subsequently approved the Acquisition. On August 14, 2009, the Fund held a special meeting of its Unitholders and holders of Special Voting Rights (under the Fund's declaration of trust, the holders of the Exchangeable Shares were entitled one Special Voting Right for each outstanding Exchangeable Share). At the meeting: (i) the Acquisition was approved by 99.99% of the votes cast by the Unitholders and holders of Special Voting Rights (other than those who were also shareholders of the Arbel Group Companies) present in person or represented by proxy at the meeting; and (ii) the Conversion was approved by 99.99% of the votes cast by the Unitholders and holders of Special Voting Rights present in person or represented by proxy at the meeting.

AGTI was created to be the successor entity to the Fund following the Conversion. On September 15, 2009, pursuant to the plan of arrangement, AGTI acquired all of the outstanding

Units of the Fund and Exchangeable Shares of APP in exchange for one Common Share for each Unit or Exchangeable Share. The sole Common Share held by the Fund was cancelled upon the completion of the Conversion. In addition, AGTI adopted an incentive stock option plan for the directors, officers, employees and consultants of AGTI and its subsidiaries that has substantially the same terms as the Fund's current incentive option plan, and each incentive option of the Fund was exchanged for one AGTI incentive stock option entitling its holder to acquire one Common Share on the same terms (including the same exercise price per share and duration) as the Fund incentive option in exchange for which it was issued. Immediately before the completion of the Conversion, AGTI completed a private placement for special warrants to acquire 37,000 Common Shares at $16.25 per special warrant, and at the effective time of the Conversion, each special warrant of AGTI was automatically exchanged for one Common Share. After the completion of the Conversion, on September 21, 2009, the Fund was terminated and all of its assets were transferred to its sole Unitholder, AGTI.

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

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

On December 31, 2009, AGTI acquired assets from Parent Seed Farms Ltd. and Finora Inc. The two acquisitions add facilities for processing beans, lentils, peas, chickpeas and other specialty crops in four locations: St. Joseph, Manitoba (operating as Saskcan Parent), Wilkie, Saskatchewan (operating as Finora Wilkie), Assiniboia, Saskatchewan (operating as Saskcan Assiniboia) and Gibbons, Alberta (operating as Saskcan Gibbons). The purchase price for the Parent Seed Farms Ltd acquisition was of $10 million, of which $9 million was paid in cash and $1 million was paid by the issuance of 45,350 Common Shares at a deemed price of $22.05 per common Share. The tangible assets acquired include plants with approximately 51,000 sq ft of bagged storage and approximately 15,000 metric tonnes of bulk product storage and certain land and equipment. The purchase price for the Finora Inc. assets was USD $8.9 million, which was paid in cash. The tangible assets acquired include plants, approximately 20,000 metric tonnes of bulk product storage and certain land and equipment.

Outstanding Share Data

As of the date hereof, there are issued and outstanding 17,103,246 Common Shares. There are also outstanding incentive options to acquire 520,000 Common Shares, each exercisable for one Common Share at a price of $9.00 per Common Share until April 21, 2013, which were granted to the directors and officers of AGTI and key employees of AGTI and its subsidiaries, and vest in equal annual increments over a three year period, beginning April 21, 2011 (April 21, 2009 for independent directors).

Risks and Uncertainties

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

Weather conditions, which can vary substantially from year to year, have a significant impact on the size and quality of the pulses and special crops and durum wheat harvests. Significant increases or decreases in the total harvest may impact the volume of crops that AGTI sells and the gross profits realized on sales of its product and, consequently, on the results of its operations. AGTI's global origin diversification strategy is being implemented to mitigate this weather and crop volume risk by allowing AGTI to capitalize on available supplies in all of its production and processing origins. Also, the acquisition of Arbel gives AGTI a base from which it may import crops to process in case of shortages in Turkey. With its location 8km from the seaport of Mersin and its storage and handling facilities in Turkey, AGTI may optimize its production by importing raw materials as needed to supplement local supplies in this important region for its business.

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

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

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

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

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

AGTI enters into sales denominated in US currency for which the related revenue and accounts receivable balances are subject to exchange rate fluctuations. AGTI has entered into certain foreign exchange contracts with maturities of less than one year, to manage risks associated with entering into new sales contracts denominated in US dollars Euro dollars and Turkish Lira. For the Arbel Group, transactions in foreign currency expose AGTI to foreign currency risk, arising mainly from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Group manages this risk by matching foreign currency denominated assets and liabilities. Management reviews the foreign currency open position and takes risk management measures if required. At December 31, 2009 AGTI had unrealized gains on unsettled US and Australian dollar foreign exchange contracts and US dollar loans in the amount of $815,449.

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

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

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

Commitments and Contingencies

AGTI enters into production 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.

AGTI has in place a letter of credit in favor of the Canadian Grain Commission in the amount of $35.0 million. The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires October 31, 2010.

Liquidity Risk

Liquidity risk results from the requirement of AGTI to make cash payments against certain indebtedness over the course of upcoming years. The following are the contractual maturities of financial liabilities, including interest payments:

December 31, 2009	Carrying amount	Contractual cash flows	1 year	2 years	3 – 5 years	More than 5 years
Bank indebtedness	$ 46,269,344	$ 46,269,344	$ 46,269,344	$ -	$ -	$ -
Accounts payable	$ 70,146,865	$ 70,146,865	$ 70,146,865	$ -	$ -	$ -
Long-term debt	$ 37,623,939	$ 41,774,220	$ 6,908,049	$ 6,646,420	$ 8,465,964	$ 19,753,787
Distributions payable	$ 2,308,938	$ 2,308,938	$ -	$ -	$ -	$ -
	$ 156,349,086	$ 160,499,367	$ 123,324,258	$ 6,646,420	$ 8,465,964	$ 19,753,787

Future operational cash flows and sufficient assets are on hand to fund these obligations. In addition AGTI practices an accounts receivable management program that tracks cargo and documentation flows to ensure the timely receipt of payment from customers. AGTI's diversified customer base ensures that concentration risks are minimized and that inflows are more predictable. The cash flow management activities and the continued profitability of AGTI's operations allow for substantial mitigation of liquidity risk.

Reconciliation of Net Income to EBITDA*
(in thousands of Cdn. $ except as indicated)

	2009	2008
Net Income	29,941	22,204
Add:		
Income taxes	10,761	8,016
Amortization	3,602	2,026
Interest	1,999	1,516
Gain on disposal of fixed assets	-	(562)
Compensation option expense	539	327
EBITDA*	46,842	33,527

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