

# creating connections



from  
Areas of  
Abundance

**TO**

Areas  
of Need

from  
Farmers

**TO**

Destination  
Customers



Essential ingredients. Global success.

# why invest

Food fuels us, and nutritious, safe ingredients support the quality of our lives. Viterra Inc. (Viterra) is in a unique position to fulfil rising demands for food ingredients now and well into the future.

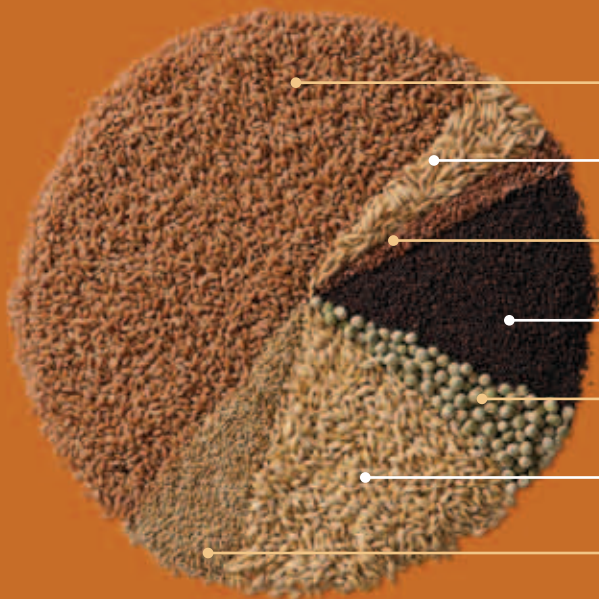
## VITERRA HAS:

- THE BEST CONNECTIONS TO THE WORLD
- DUAL ORIGATION CAPABILITIES
- THE MOST EFFICIENT ASSET BASE
- PREDICTABLE EARNINGS AND CASH FLOW
- A SOLID BALANCE SHEET
- EXPERIENCED MANAGEMENT



● TRADING OFFICES

## PRODUCTION ESTIMATES FOR WESTERN CANADIAN AND AUSTRALIAN CROPS



WHEAT 46.3 MMT

OATS 3.8 MMT

FLAX 0.9 MMT

CANOLA 13.6 MMT

PEAS 3.8 MMT

BARLEY 17.2 MMT

SPECIAL CROPS 3.6 MMT

Viterra expanded its origination capabilities in 2009 through its purchase of ABB Grain Ltd. ("ABB") of South Australia. Today, Viterra is in the enviable position of operating the most efficient assets in Western Canada, the prime growing region in

Canada, and the majority of assets in South Australia, a key region for production of canola, wheat and barley. The chart above illustrates the estimated combined 2010 crop production from Western Canada and Australia.

SOURCES: Statistics Canada, December 3, 2009 Field Crop Reporting Series and Australian Bureau of Agricultural and Resource Economics (ABARE), December, 2009



## at Viterra,

we recognize the growing global demand for food and the increased opportunity to connect farmers with destination customers around the world.

By extending our reach, we are better positioned to capitalize on the growing global market for grains and oilseeds.

With connections to farmers on both sides of the equator, we have geographically diverse sources of supply.

And by enhancing and establishing new relationships with destination customers in more than 50 countries, we are able to recognize and address the specific needs of food processors worldwide.



Viterra provides premium-quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agri-business has extensive operations across Western Canada, Australia, and New Zealand, with Adelaide, Australia as the base for Viterra's Southeast Asia operations. Our growing international presence also extends to operations in the United States, offices in Japan, Singapore, China, Switzerland and a marketing joint venture in India. We operate businesses in grain handling and marketing, agri-products, food and feed processing, and financial services. Our expertise, close relationships with farmers, and superior logistical assets ensure the Company consistently meets the needs of the most discerning destination customers, helping to fulfil the nutritional needs of people around the world.

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# creating connections



**Fiscal 2009 was a defining year for Viterra, one that broadened our global presence and established our leadership position in the supply of high-quality food ingredients to customers around the world.**

Through our combination with ABB Grain Ltd (“ABB”) in Australia, we gained a strong and strategically important foothold with new sources of supply in close proximity to growing markets in Asia. Viterra now has facilities and offices on four continents, giving us a greater ability to meet the growing demand for food ingredients throughout the world.

Our growth in 2009 represents another significant step in the transformation of our Company. Over the past decade, we have shown great resilience and discipline, establishing a reputation for efficiently run operations and the delivery of high-quality products and services. The benefits have translated into significant growth in market capitalization, which, since January 2005, has increased from approximately \$80 million to nearly \$4 billion today, demonstrating the steady progress of our operational excellence and growth strategies and the continuing support of our investors.

Now we are focused on the further expansion of our enterprise, and we are creating connections that add to our ability to serve shareholders, destination customers, farmers, and employees.

With urbanization in many countries reducing the amount of arable land, food producers are being asked to do more with less. This rising demand for agricultural productivity must be achieved without compromising the land and resources needed for long-term, sustainable production.

Viterra’s people bring a range of knowledge and perspectives that are ideally suited to address this challenge, and our commitment to innovation and performance excellence will amplify our opportunities.

**Driven by an entrepreneurial spirit, we will build on our position of strength and enhance our brand as a leading provider of high-quality food ingredients.**

## COMBINING PERFORMANCE WITH GROWTH

While commodity prices declined in 2009 relative to 2008, the demand for food – and the value of food ingredients – is expected to increase over the long term. The Food and Agriculture Organization (“FAO”) of the United Nations estimates that prices for food commodities will be at least 25% higher in the decade ahead.

These projections are in keeping with our analysis and are the foundation upon which we are identifying our future path for growth. At the same time, we remain firmly focused on optimizing operational performance to ensure that we are delivering value from our strategic position in the marketplace.

In fiscal 2009, our consolidated sales and other operating revenues reached \$6.6 billion, which compared to \$6.8 billion in 2008. Operationally,

Viterra performed well in an environment of declining commodity prices, particularly in our grain operations, where we shipped 17.0 million tonnes of grains and oilseeds, a record for our North American operations. In Agri-products, we stayed focused on delivering to our customers' specific needs, even while experiencing some challenging weather early in the growing season. We saw fertilizer pricing and margins significantly impact financial performance in that segment.

Net earnings were \$113.1 million for 2009, or \$0.45 per share compared to \$288.3 million or \$1.31 per share in 2008. Cash flow from operations remained strong at \$223.4 million, while free cash flow (prior to working capital changes and after capital expenditures) was \$148.1 million.

I invite readers to review Management's Discussion and Analysis, which is contained in our Financial Review, for a thorough discussion of our 2009 performance.

We executed our transaction with ABB and, as promised, retained a very strong balance sheet. The total value of this transaction was \$1.4 billion, achieved through an offering to ABB shareholders of a combination of equity and cash, in which ABB shareholders elected the maximum share consideration. The transaction was completed on September 23, 2009. At October 31, 2009, our total debt-to-capital ratio was 31%, and we had over \$1 billion of cash and short-term investments on the balance sheet.

The integration of our Australian operations will create cross-pollination – bringing together the best systems, ideas and people from two distinct agricultural regions. We anticipate benefits on both sides, making Viterra a stronger Company globally. Current expectations are for synergies of approximately \$30 million, delivered we believe, over the next 24 months.

We completed the year as a more geographically diverse Company, yet we maintained the financial stability that has become our hallmark. It is this discipline that will allow us to explore additional opportunities as we move forward, while being careful stewards of the financial resources entrusted to us by our shareholders and lenders.

Our investment guidelines and profile are clear: we strive for profitable growth by investing to earn more than our cost of capital. We intend to maintain a healthy balance sheet with a debt-to-capital ratio of between 30% and 40%. We prefer existing businesses with a low risk profile and that naturally fit our core competencies. Where we see a strategic fit or opportunities to acquire companies that are scalable and are consistent with our value-chain approach, we will act.

## **THE GROWING FOCUS ON FOOD**

**There is a fundamental driver behind our business: the world is going to need more food.**

The global population is expected to increase from its current 6.8 billion people to 9.0 billion by 2050. To meet the needs of this burgeoning population, it is estimated that food production must increase by 70%, with an additional 1 billion tonnes of cereal crops and 200 million tonnes of meat requirements.

While these are long-term projections, it is important to note that the impact is a reality today. It is an ongoing story – and one that is unfolding at an increasingly rapid rate.

Countries around the world will be required to significantly increase their investment in seed technology, fertilizer and infrastructure to support additional food production. Viterra's value chain is built around these growing needs.

**\$1 billion**

as at October 31, 2009

Viterra has over \$1 billion of cash and short-term investments.

**\$80 million**

2005  
January 31

Viterra's market capitalization has grown to nearly \$4 billion.

**\$4 billion**

2009  
October 31

**31%**

as at October 31, 2009

Debt-to-capital ratio.

The key, however, is our ability to collect and market grain to geographically diverse areas. Our high throughput port terminals on Canada's West Coast are an important gateway to the Pacific Rim, while Thunder Bay, Ontario serves Europe and the United States ("U.S."). Our Australian operations optimize movement of grain and non-grain commodities to Asian countries and provide another source by which we can satisfy customers.

Our global operations provide access to the largest export origination for the core ingredients we handle. Canada and Australia comprise over 40% market share of the world's aggregate wheat, barley and canola exports. With our geographic diversity, multiple originations and shipping capabilities, we can arbitrage vessel logistics, a valuable advantage as we build relationships with destination customers around the world.

In November, we opened an international trading office in Geneva, Switzerland. It is strategically located in the commodity trading capital of the world. Our team is responsible for developing new relationships and identifying opportunities in European regions where a large portion of the world's new grain production will be grown in the future.

Some areas, like the Black Sea region of eastern Europe, will play an increasingly important role in addressing global food demand, but the area also presents greater risk. According to the U.S. Food and Agriculture Policy Research Institute ("FAPRI"), net trade exports of wheat, barley and canola from this region alone will increase by 7.6 million tonnes over the next 10 years. That makes it important for us to start building relationships in this area. We will approach the region with the same patience and diligence that has characterized our previous actions.

In other areas of the world, our trading offices in Japan, Singapore and China put us closer to destination customers, providing us better insights and understanding of their needs and challenges, while accessing better market intelligence on a global scale.

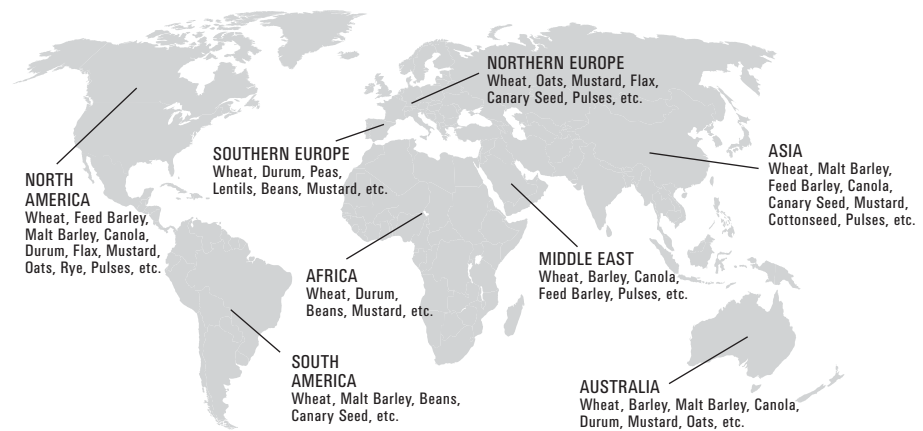
Much change is occurring around the world, and we must be prepared. For instance, it has been reported that Saudi Arabia will end domestic wheat production by 2016 to conserve water. This could result in imports of more than 2.5 million tonnes of wheat per year. In order to be competitive, Canada – and Viterra as the largest grain company in this nation – must ensure that we are efficient, competitive, and have high-quality products available to meet these growing appetites.

**Given the anticipated rise in global food consumption, we believe our activities now position us for growth and success in the years ahead.**



## VITERRA'S GLOBAL MARKETS

Viterra exports premium-quality ingredients to over 50 countries worldwide.



## A LEVEL OF TRUST

**While our physical assets are essential for our success, Viterra is also distinguishing itself through our commitment to reliable supply, food quality and food safety.**

Viterra has transformed from a handler of raw commodities to become a preferred supplier of high-quality food ingredients, with operations tailored to meet the specific needs of destination customers around the world. We have designed systems and processes that protect the integrity of the ingredients supply, allowing us to build stronger connections to world-class business partners and enabling us to receive a premium for our products.

In short, we have established a level of trust that is deeply valued by customers, employees and our communities.

This begins with our commitment to Viterra's core values of integrity, trust, respect and high performance. By remaining steadfast in our commitment to these values, we have given our people the ability to take pride in their Company – and they, in turn, have made us exceedingly proud of their efforts.

This becomes an important point of differentiation – one that helps us attract the brightest employees and the best customers. This is an important building block for our Company, one we will defend vigorously as we continue to grow.

## A PLATFORM FOR GROWTH

As we look ahead to fiscal 2010 and beyond, we believe we are well positioned to continue to deliver results for our stakeholders.

We have the infrastructure to compete on a global level and the relationships to fuel future growth. Most importantly, we have built a team of people who are committed to our vision and goals, who are motivated to help Viterra achieve new levels of success and who are relentlessly focused on creating value.

Given the increasing importance of food ingredients, we expect considerable opportunities to generate additional value for our stakeholders, particularly in the value-added sector. In North America, we intend to expand our service offerings and agri-products retail presence and bring more proprietary products to farmers to reduce their risk. In our processing operations, we will look for acquisitions that enable us to capitalize on core capabilities while addressing the growing demand for healthy food ingredients.

**Our ability to achieve this will always be closely linked to our core values and our continued commitment to serving the farmers, destination customers and communities who view Viterra as a trusted business partner.**

Creating connections is about building on these relationships. It is about connecting supply and demand and farmers to consumers to build a successful, enduring and prosperous future for our Company.

**MAYO SCHMIDT**

President and Chief Executive Officer

# financial highlights

# 2009

## SELECT CONSOLIDATED FINANCIAL INFORMATION

(in thousands – except per share amounts)

	Actual 12 Months Ended October 31,	
	2009 <sup>1</sup>	2008
Sales and other operating revenues	\$ 6,635,572	\$ 6,777,566
Gross profit and net revenues from services	\$ 849,963	\$ 1,026,831
Operating, general and administrative expenses	(526,265)	(494,227)
EBITDA*	323,698	532,604
Amortization	(109,141)	(106,832)
EBIT*	214,557	425,772
Gain (loss) on disposal of assets	(10,314)	1,263
Integration expenses	(10,191)	(14,622)
Net foreign exchange gain on acquisition	24,105	0
Recovery of pension settlement	0	3,356
Financing expenses	(61,163)	(37,785)
Earnings before taxes	156,994	377,984
Provision for corporate taxes		
Current portion	(14,144)	(19,422)
Future portion	(29,723)	(70,280)
Net earnings	\$ 113,127	\$ 288,282
Earnings per share	\$ 0.45	\$ 1.31

<sup>1</sup> These results include the operations of Viterra Australia effective September 24, 2009.

\* See Non-GAAP Measures in Section 18 of Viterra's Annual Financial Review or online at Viterra.ca

## CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES

(in thousands)

	Actual 12 Months Ended October 31,	
	2009 <sup>1</sup>	2008
Net earnings	\$ 113,127	\$ 288,282
Adjustments for items not involving cash	110,296	167,984
Cash flow provided by operations*	\$ 223,423	\$ 456,266
Changes in non-cash working capital items	233,940	(172,545)
Cash flow provided by (used in) operating activities	\$ 457,363	\$ 283,721
Free Cash Flow*		
Cash flow provided by operations*	\$ 223,423	\$ 456,266
Property, plant and equipment expenditures	(75,283)	(55,583)
Free Cash Flow	\$ 148,140	\$ 400,683

<sup>1</sup> These results include the operations of Viterra Australia effective September 24, 2009.

\* See Non-GAAP Measures in Section 18 of Viterra's Annual Financial Review or online at Viterra.ca

Geographically expand core capabilities, focusing on regions that originate wheat, canola and barley

Establish an integrated marketing and trading group to extend origination pipeline and expand international trading and logistics

Invest in grain handling and agri-products to establish Viterra as the supplier of choice

Invest in value-added businesses to increase contributions from processing

Enhance operational excellence to reduce costs and improve efficiency

Establish Corporate Responsibility framework/commitment



# strategic objectives scorecard

1

- Acquired ABB for \$1.4 billion, establishing Viterra as the leading South Australia agri-business
- Completed \$450 million subscription receipt offering for ABB acquisition



2

- Opened marketing office in Geneva, Switzerland
- Added trading and chartering expertise to Viterra's portfolio
- Established Indian joint venture to extend pulses and special crops pipeline

24

**GLOBAL TRADING EXPERTS**  
supporting Viterra's international activities and expansion

3

- Introduced 11 private label crop protection products in Western Canada
- Expanded western Canadian equipment sales network
- Invested \$37 million to upgrade North American infrastructure
- Acquired eight agri-product retails for a total of 259 locations in Western Canada

45%

**WESTERN CANADIAN MARKET SHARE**  
Six major grains

4

- Acquired a canola crush facility with annual processing capacity of 345,000 tonnes
- Acquired ABB's malting business increasing Viterra's malt processing capacity by 500,000 tonnes

\$1.5 billion

**VALUE OF ASSETS ACQUIRED IN 2009**

5

- Created an integrated global information technology platform
- Centralized oat procurement into Viterra
- Launched Viterra brand corporate-wide

9.5 days

**VITERRA'S AVERAGE RAIL CYCLE TIME**  
versus industry standard of 15 days

6

- Completed comprehensive baseline assessment of Viterra's sustainability practices against global assessment criteria
- Established a Safety, Health and Environment committee of the Board
- Donated \$1.2 million to charities and organizations focused on health, wellness and safety



Viterra Ironman 70.3 Calgary raised funds for the **Shock Trauma Air Rescue Society (STARS)**, a non-profit charitable organization dedicated to airborne intensive care to critically ill or injured patients.

# Viterra at-a-glance

In fiscal 2010, Viterra will be reorganized into three distinct business units: Grain Handling and Marketing; Agri-products, which will include Financial Products; and Processing (Food and Feed).



## GRAIN HANDLING AND MARKETING

As the largest grain handler in Canada and one of the largest grain exporters in South Australia, Viterra's sourced and marketed grain is delivered to customers in more than 50 destination countries. Our industry leading elevator network across Western Canada and port facilities in Vancouver, British Columbia, Prince Rupert and Thunder Bay, Ontario have helped us achieve 45% of Western Canada's market share. With more than 100 elevators in Australia and eight export shipping terminals, we hold a significant share of the Australian grain market.



## AGRI-PRODUCTS

Through our retail locations, Viterra provides thousands of farmers with the inputs they require to optimize their crop investment. Products and services include seed, fertilizer, crop protection products, equipment and expert agronomic advice. Our dedicated research and development focuses on new seed varieties tailored to meet the needs of destination customers and farmers.

Viterra's wool operation, an important link in our Company's relationship with farmers in Australia, extends to the states of South Australia, Western Australia and Victoria. Viterra acts as a broker, direct buyer, and exporter in this industry.

### Shipments millions of tonnes



### Segment EBITDA \$ millions



### Sales \$ millions

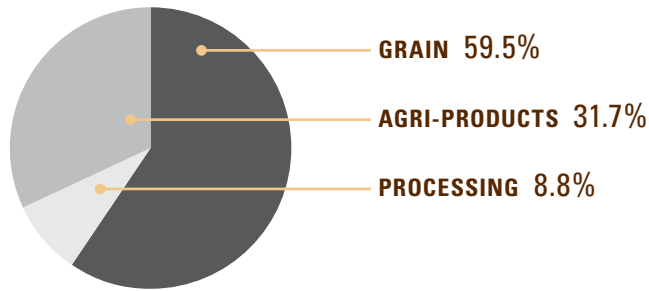


### EBITDA \$ millions



## FISCAL 2009 EBITDA BREAKDOWN

(Prior to corporate expenses)  
Includes contributions from ABB from  
September 24 to October 31, 2009



### FOOD PROCESSING

Viterra is involved in oat and canola processing in North America and malt processing in Canada and Australia. As one of the world's largest industrial oat processors, we produce quality oat products for all the major cereal and breakfast bar brands. We are the largest maltster in Australia with 63% of that country's malt production, supplying major brewers in Asia and Australia.



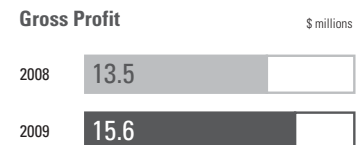
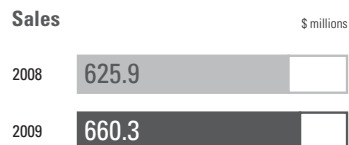
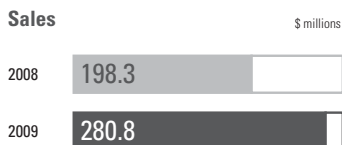
### FEED PRODUCTS

With custom mills and operations throughout Canada, the U.S. and New Zealand, Viterra provides animal feed products and nutrients to the dairy, beef, poultry, sheep and swine industries. This provides stable, non-seasonal margins, creates end-markets for our grain, and diversifies our customer base.



### FINANCIAL PRODUCTS

To support the purchase of critical crop inputs and feed, Viterra also provides the means for our customers to finance those purchases. Through our growing credit programs and alliance with a major Canadian financial institution, we extend up to \$1.5 billion in farmer loans annually. This diversifies our revenue streams and deepens our relationship with our customers.



# connecting... the global food story

**With growing demand in developing regions, Viterra plays an integral role in moving food ingredients to where they have the greatest value.**

The long-term picture of global food demand – and the challenges facing food producers and suppliers – is becoming increasingly clear. We are at a time when international organizations are recommitting their efforts to advance agriculture. Both population and economic growth in developing regions are forecast to outpace those of wealthier regions.

Within the global context, trade flows of agricultural commodities are about to shift. According to the FAO of the United Nations, the world's population is expected to grow by approximately 40% over the next four decades, with the vast majority of that growth occurring in Asia and Africa. In fact, 80% of the world's population is expected to be found on these two continents.

Asia, Africa and the Middle East will experience significant economic growth, with current projections targeting annual growth of up to 5% in many countries. With more money, their people are expected to spend more on nutritious food.

With consumption in these regions doubling over the next 40 years, increased production of cereal crops and meat will be required.

At the same time, the average amount of arable land per person is expected to decline from approximately 0.23 hectares per person in 2002 to 0.19 per person by 2025. In addition to feeding more people, we must find ways to improve the productivity of the land used to grow commodities. It will require education and investment in developing nations. It will require new technologies, appropriate fertilizer application rates and improved infrastructures to ensure our commodities reach their markets.

Growth on this scale will reshape crop production and distribution, with increased competition for high-quality, nutritious food ingredients.

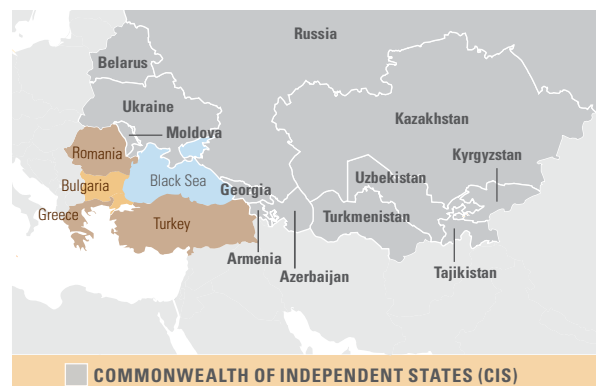
This creates a new global challenge: moving food ingredients from areas of high production to areas of need.

## THE SHIFT IN GLOBAL GRAIN TRADE

The anticipated increase in demand for grains and oilseeds in Asia and Africa is expected to have an equally significant impact on countries that export food ingredients.

**According to the FAPRI, world trade in wheat, barley and canola is expected to increase by 14% over the next 10 years. This includes a 14% increase in wheat trade, a 21% increase in canola and a 6% increase in barley.**

There are new opportunities for Australia and eastern Europe, which benefit from their proximity to rapidly expanding markets. Australia's infrastructure and productivity is more advanced than eastern Europe, particularly the Black Sea region. However, there is room for significant yield enhancements with the introduction of new seed technologies and increases in crop input application rates.



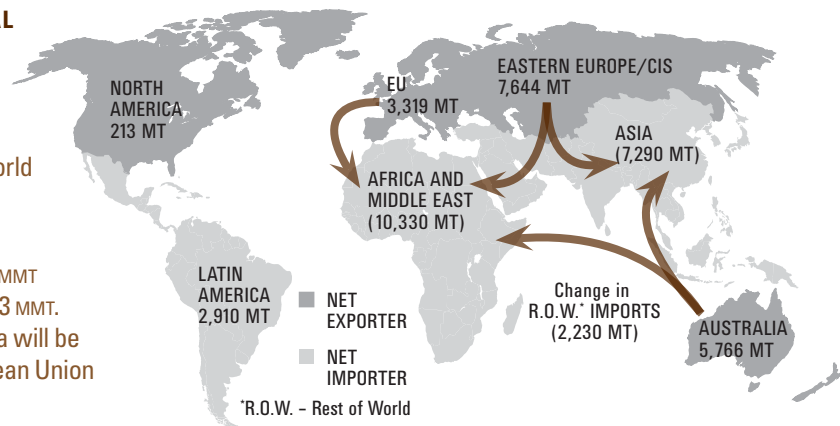


## CHANGE IN GLOBAL INTRA-REGIONAL TRADE FLOWS, 2009 TO 2019

Wheat, Barley and Canola (000s)

This map indicates the change in net trade flows between 2009 to 2019 in world regions for Viterra's core commodities – wheat, barley and canola.

In 2019, a total net trade increase of 17 MMT is expected from the current level of 123 MMT. Increased demand from Asia and Africa will be satisfied by eastern Europe, the European Union ("EU") and Australia.



SOURCE: FAPRI 2009 U.S. and World Agricultural Outlook

In the Commonwealth of Independent States ("CIS"), there are vast tracts of land out of production. The balance of land, as well as the agricultural marketplace, is operating well below its capacity.

The Black Sea region holds more potential for the production of grains and oilseeds than anywhere else on the planet. Despite political uncertainty, this region simply cannot be ignored.

As an example, growth in wheat yields from 1.5 to 2.2 tonnes per hectare in Russia, Ukraine and other CIS countries from 2000 to 2019 represents a 43% increase; whereas growth in western Europe from 5.0 to 5.8 tonnes per hectare is only a 16% increase. As a result, wheat production from these nations is forecast to grow from about 65 million tonnes in the year 2000 to 114 million tonnes by 2019. Barley production is forecast to grow from 21 million tonnes to 35 million tonnes over the same period, and canola production is expected to grow from 350,000 tonnes to 5.7 million tonnes by 2019.

By increasing production, largely through capital investment in infrastructure and improved agricultural practices, these regions are in the best position to capitalize in the years ahead.

## REACHING PEOPLE

While many agriculture companies are focused on corn, which is largely used as feed for animal production, Viterra is uniquely positioned as a global leader in food ingredients for human consumption, specializing in wheat, barley, canola, oats and peas, to name a few.

Viterra is strategically located in the world's top grain exporting countries, a significant competitive advantage that allows us access to the origination needed by global food companies.

Viterra can ship up to 24 million tonnes annually from Australia and Canada, providing a secure supply to food processors who rely on ingredients.

## OPEN FOR BUSINESS – IN MANY LANGUAGES

A global company needs to reflect its global customer base, which is why Viterra has aggressively established a market presence in the areas we intend to do business.

Our success in attracting and retaining customers around the world depends on our ability to build relationships with people who understand the unique advantages of doing business with Viterra.



Fanta Bernath Mace, Operations Manager, Geneva, Switzerland.

Joining Viterra in 2009, Fanta's years of global commodity trading experience deepens the connections to our customers. Speaking six languages, she represents Viterra's growing multilingual diversity.

# connecting... to the world

**Around the world, around the clock: Viterra's strategic expansion has created a platform to capitalize on growth in global food demand.**

We connect farmers and destination customers of grains, oilseeds and other food ingredient commodities through origination, processing, marketing and logistics capabilities and services.

Our growing presence in North America, Australia and New Zealand is complemented by our position in the world's key trading hubs.

Our International Grain Group has extended our ability to manage global trade flows of food ingredients, as well as global freight activities and arbitrage opportunities, while managing price risk.



**Don Chapman**, Senior Vice-President, International Grain; **Christian Joerg**, Vice-President and Managing Director, Europe; **Eiichi Satoh**, President, Viterra Japan; and **Stephen Yu**, Vice-President and Managing Director, Asia.

The network developed by the International Grain Group has them in communication with destination customers daily. The knowledge Viterra gains is relayed back to our origination markets, where teams work to source the quality agricultural ingredients required to position the right products at the right time.

Through our integrated network, we have increased our ability to capture greater margins from each



tonne of grain grown, and we have strategically located Viterra in regions where new origination markets can be tapped and value-added opportunities explored. Viterra has established Singapore as its regional marketing hub in Asia to support and extract additional value from its acquisition of ABB. The Company's trading leads for wheat and pulses are located there. In addition to securing new sales for these important ingredients, they are responsible for developing trading opportunities for oils and proteins, as well as freight logistics.

Our presence in China offers greater opportunities to import, trade and distribute food ingredients throughout the country, while our 60% owned joint venture in India provides a centre for marketing and distribution.

Management of our key Japanese accounts occurs from Tokyo, where marketers deal with all commodities. Established in 1975, Viterra's office leverages our long-standing connections in this region, matching needs to our origination capabilities in North America and Australia.

In November, we opened our trading office in Geneva, Switzerland, gaining an important foothold in the heart of the world grain trade. The Geneva team is responsible for all of the trade in central and eastern Europe, as well as in the Middle East, Africa and the Black Sea region.

Global canola accounts, freight risk management, feed grains and the protein trade for Japan, Latin America and South America are managed from Vancouver, British Columbia, our North American gateway to world markets.

Viterra has established a global multilingual team of experts in key agricultural markets around the world, who are connecting our operations to the growing demand for quality food ingredients, expanding Viterra's integrated pipeline and enhancing our value proposition for all stakeholders.

As one family sits down for dinner in Canada, another is waking for breakfast in Japan.

All day, every day – demand for healthy, nutritious food ingredients continues somewhere in the world.

That is the nature of the global food industry and the nature of Viterra.



Viterra opened its new state-of-the-art deep-sea grain terminal at South Australia's Outer Harbor in the fall of 2009.

The new facility, which is capable of loading Panamax-size vessels, will significantly boost South Australia's competitiveness in exporting premium grain to the world.

In the past, the grain industry in South Australia lacked a terminal capable of fully loading these large-sized vessels. The opening of our deep-sea port ensures Australia maintains its competitive shipping advantage to the Middle East and Asia.

Viterra's site, which is expected to become the preferred grain export facility for all grain on the eastern side of St. Vincent's Gulf, will provide cost and time efficiencies to all industry participants.

Outer Harbor features include:

- 10 steel storage bins, with a total capacity of 65,000 tonnes.
- A 3.5 kilometre rail loop encircling the storage bins allows for continuous unloading of trains. Trains can be unloaded at a rate of 2,400 tonnes per hour.

- The site can simultaneously receive grain by truck and train, with the unloading rate for trucks at 800 tonnes per hour.
- Grain takes just five minutes to be conveyed from the site's storage to the ship's hold at the wharf, approximately one kilometre away.

Securing the future of South Australia's grain industry, the opening of Viterra's Outer Harbor was celebrated in January 2010.





# connecting... with our customers

Viterra is creating a secure supply chain between farmers and destination customers, capturing the value that comes from providing safe, nutritious food ingredients.

The foods that line the shelves of your local grocery store or the tables of an open-air market no longer reflect the simple processing of raw commodities.

For many food processors, the art of cooking begins with the right seed varieties and crop development practices.

Our relationships with farmers are an integral part of Viterra's value equation, reflecting our ability to deliver nutritional ingredients that meet the exact specifications requested by destination customers.

Take, for example, the path that exists between a farmer's vibrant green durum crop in Western Canada and an Italian pasta maker – a path that is shaped by Viterra.

## Barilla's Bucatini all'Amatriciana

The pasta is made from Viterra's AC Navigator Durum

This is a fast simple country recipe. It is one of the most famous in the Italian cuisine. It comes from Amatrice, a small village in the area of Rieti in the Lazio region.

350 g	Bucatini Barilla	1. In a pan fry the chopped onion, bacon cut into thin strips, and then the hot pepper. Aside dip the tomatoes in boiling water, then peel them removing seeds and then cut them into small chunks.
600 g	Fresh tomatoes, peeled and chopped	
100 g	Bacon, cut thinly	
1	Small onion	2. When the onion and bacon are brown, add tomatoes. Then season with the salt and pepper. Stir. Add a couple of tablespoons of water if the sauce is too thick.
30 g	Pecorino cheese	
6 T	Extra virgin olive oil	3. Cook Bucatini Barilla in plenty of salted water. Drain al dente. Mix together with sauce. Sprinkle with grated Romano cheese before serving.
	Red hot pepper	
	Salt and pepper	
	to taste	

### GROWING THE RIGHT INGREDIENTS

As consumers become increasingly aware of the quality and nutritional value in the foods they choose, these attributes provide a significant point of differentiation for farmers, destination customers and Viterra.

Viterra's strength in research and development, and its connection to food processors around the world, places it in a unique position in the value chain. For example, over 10 years ago, Viterra recognized that the market was looking for a durum wheat with better gluten strength. Viterra worked with Agriculture and Agri-Food Canada in the research and development of AC Navigator, a high-yielding, identity preserved ("IP") durum seed variety.

During fiscal 2009, Viterra contracted farmers to grow about 430,000 acres of AC Navigator. Along with receiving contracting premiums for the acres of AC Navigator that are grown, this seed variety gives Viterra's farm customers access to unique international marketing opportunities.





**Barilla, one of Viterra's premium Italian pasta-processing customers, relies on AC Navigator as a main ingredient in its semolina pasta varieties. Barilla has developed a reputation for quality-finished pasta products that meet its customers' discerning standards for taste and nutritional value.**

For Viterra, because it has exclusive marketing rights on this variety, all AC Navigator must be delivered to and shipped from one of its facilities. It is a strategy that generates margins at each touch point in the value chain.

#### **DELIVERING QUALITY**

The special connection between farmers and destination customers goes beyond seed technology. Viterra works with farmers to optimize yields and, through our IP programs, handles their raw commodity and segregates it through the system so that Barilla receives only the ingredients that are suitable for its pasta-making operations.

**Viterra maintains certification to internationally recognized standards for quality and food safety in its grain handling operations in both North America and Australia. These standards include ISO 9001, a Quality Management System that focuses on product quality, consistency, continual improvement and meeting our destination customers' requirements. ISO 22000, a Hazard Analysis Critical Control Points ("HACCP") based food safety management system, is designed to protect the food supply from biological, chemical and physical hazards through controls such as Good Operating Practices and Critical Control Points.**

These standards allow Viterra to analyze critical control points throughout the processing and shipping cycles, and establish limits, preventive measures and monitoring systems to ensure the integrity of the processes and products. As a result, farmers can be assured that the integrity of their crop quality is maintained and the value of their premium crop is protected. Destination customers like Barilla have the confidence they are consistently sourcing ingredients through a trusted supplier – a key connection required to build consumer loyalty.



**Viterra's quality management and food safety systems follow the highest standards. Marla Orcherton, Grain Inspector III, Quality Control Lab, assesses a sample of grain in Regina, Saskatchewan.**



**Viterra's durum varieties provide farmers with excellent yield potential and access to unique market opportunities.**

# connecting... the links in our value chain

Viterra's integrated value chain strengthens our connections to farmers and destination customers, presenting opportunities to generate returns at every stage.

Farmers and food processors look to Viterra to do more than market raw commodities. We are active throughout the food production process, from developing innovative seed technologies to financing farm input purchases and processing finished food ingredients.

By connecting with our customers across this value chain, we identify areas where we can create and capture more value – through the sale of proprietary farm inputs, blending and marketing of grains and oilseeds, and processing of primary commodities into quality-specific feed and food products.

With this comes the additional benefit derived from our relationships with farmers, who depend on Viterra to identify the best markets for their production, and from destination customers, who gain a secure supply to support their businesses.

## OFFERING SOLUTIONS THROUGH THE PRODUCTION CYCLE

The broad reach of our agri-products business allows us to build relationships with farmers at each stage of their crop planning and production cycle.

Viterra operates 259 retail locations throughout Western Canada and six in Australia, selling our seed, crop protection products, fertilizers, equipment, and providing agronomic services and financing. We are exploring new opportunities to expand these services in Australia.

We recently introduced our proprietary seed variety, *Brassica juncea* canola, which is sold under the trademark XCEED™ in Canada and was launched last year in Australia. This product was developed to increase production in hotter and drier non-traditional canola production areas. We expect to similarly benefit in Canada from the substantial investment that the Australian operation has made in the development of barley and malt barley varieties.

More than 50% of the seeds we sell in Canada are proprietary varieties that earn higher margins than public varieties.



RESEARCH AND DEVELOPMENT



FINANCIAL PRODUCTS



AGRI-PRODUCTS



GRAIN HANDLING

Volume and efficiency are critical to Viterra's profit profile in grain handling and marketing.

Viterra is a leading supplier of oats used in breakfast cereals and healthy snacks.



**FOOD PROCESSING**

**ADDING VALUE TO FOOD INGREDIENTS**

Adding value to raw commodities – either at the point of production or near the point of delivery – allows Viterra to deliver the ingredients used by brand-name food manufacturers.

Viterra has:

- 21% of North American oat milling capacity
- 36% of industrial ingredient supply market
- Processing capabilities in canola and barley
- Viterra is now Australia's largest malt processor, with 500,000 metric tonnes capacity in eight plants



**FEED PRODUCTS**

**CREATING NUTRITIOUS FEED FOR ANIMALS**

In Canada, the United States and New Zealand, we manufacture, sell and distribute feed products, nutritional supplements and commodity ingredients to livestock producers.

Viterra has:

- 15 feed mills in North America and Australia
- Construction of an additional mill in South Auckland, New Zealand with a total capacity of 180,000 tonnes

**CONNECTING FARMGATE TO CONSUMER**

Grain handling and marketing remain fundamental components of our value chain, as we earn revenues from farmgate to delivery to destination customers in domestic and foreign markets.

In Canada and Australia, we operate:

- 190 grain handling facilities
- 13 dedicated port facilities
- 11.4 million tonnes of storage capacity



**LOGISTICS**

Viterra's marketing and logistics expertise allows us to generate additional margins, while maximizing efficiencies.



**MARKETING/MERCHANDISING**

**CONNECTING FARMERS TO DESTINATION CUSTOMERS**

The commodities purchased from farmers are cleaned, blended and stored by Viterra. Each process adds value for our stakeholders. Merchandisers trade producers' commodities into domestic and international markets, matching supply with demand. Our merchandising teams work closely with those who manage our logistical requirements through trucking, rail, vessel and intermodal freight.

# connecting... behaviour and performance

Viterra's core values shape our approach to working with customers, communities, employees and investors, allowing us to build relationships for long-term growth.

In fulfilling Viterra's business mandate to supply nutritious food ingredients around the world, we recognize that our long-term success is tied to our ability to have a positive impact on the lives of our customers, employees and people in the communities where we operate.

This requires a balanced approach to our financial, social and environmental responsibilities – three pillars that support our success today and our potential for the future. We strive to continuously improve our performance in each of these areas, knowing that strong performance in all is essential to creating a stable platform for growth.

**At the heart of this are Viterra's corporate values:**

- Integrity
- Trust
- Respect
- High Performance

By shaping our corporate culture and decision-making processes around these values, we generate further investment, deeper trust and, ultimately, stronger financial results that enable us to deliver even more to our stakeholders.

## **A PLATFORM FOR SUSTAINABLE GROWTH**

### **Setting the Bar on Social Responsibility**

Viterra recognizes its growing role in helping to address key societal issues such as global food security and potential impacts from climate change. These are far-reaching issues that require clear goals, strategies, and action plans.

While operating in a socially responsible manner has always been a part of Viterra's culture, in 2009 we embarked on a formalized process to assess our sustainability practices in North America, beginning with the establishment of a full-time management position dedicated to a long-term strategy in this area.

To ensure we focus our energies on the most important areas, we have reviewed sustainability-related impacts, initiatives and investments, and initiated discussions with stakeholders. That has helped to identify key drivers and issues to be addressed and forms the basis for long-term strategies related to sustainability. We are building on this by assessing the contributions and impacts of our Australian operations.

With a clear picture of the challenges and opportunities before us, we are developing a comprehensive framework to further embed sustainability within our growing global business.

This will include establishing standards within our operational model to ensure we are acting in a manner that considers our influence on social and environmental issues.

We intend to share our progress on this process with our stakeholders on an ongoing basis.



Seed technologies bring new potential to sustainable agriculture. Our XCEED canola, developed by Canadian researchers, is designed to grow in hot, dry growing conditions improving yields and reducing weather-related risks.



In 2010, we intend to introduce a new flax seed, Nulin, that can deliver increased amounts of omega-3 oils, dietary fibre and protein while reducing saturated fat.



## THE MODERN VIEW OF AGRICULTURE

A sustainable approach to agriculture is fundamental to maintaining a healthy, productive and peaceful global society. Accordingly, Viterra's perspective on agriculture extends beyond any single growing season and recognizes the long-term need to maintain and increase production of healthy food ingredients.

To achieve this, we work with farm customers to encourage the adoption of sustainable, high-yield agricultural practices. This involves every stage of Viterra's value chain, from research and development to seed technologies, animal feed products and food processing.

With more than 225 agronomists and certified crop advisors in Western Canada, we work with farmers to assess soil fertility, identify ways to maximize yields, and stay abreast of farming best practices and innovations to minimize impacts on their land. Similar programs are being explored in Australia and New Zealand, allowing us to share information that can improve agricultural production on a global basis.

## PUTTING FOOD SAFETY FIRST

Food safety and quality are increasingly important issues to global customers. Viterra has established extensive quality management systems to ensure our products meet all applicable standards.

Viterra works with partners and customers across our supply chain – as well as scientists and government experts – to evaluate and improve upon practices that impact food safety or quality.

## WORKING WITH STAKEHOLDERS

In 2009, we were actively engaged on multiple levels with stakeholders, including shareholders, employees, communities, customers, suppliers and other key stakeholders.

Through this process, we have identified a number of key expectations of our performance:

- To be trustworthy and to operate responsibly, and in accordance with all applicable laws
- To be profitable and successful over the long term
- To provide high-quality products and exceptional service
- To be proud stewards of our shared natural environment
- To provide fair compensation, meaningful career opportunities, and a safe and respectful work environment



Vitterra launched its brand to more than 5,000 employees in 2009.



### Malt processing in Australia

Optimizing water usage is of particular importance in Australia, where supplies are under pressure and recent drought has created additional challenges for farmers. To minimize the impact of our operations, Vitterra has become involved with several water conservation projects and continues our support of activities initiated by ABB.

At Vitterra's Australian malt operations, water use is being reduced by installing water recycling plants and developing efficiency plans.

Longer term, we are supporting scientific research that could lead to new malting processes designed to use less water. One of these projects is exploring new barley varieties and industrial malting systems that could lead to malt with only one steep (soaking) process. That could reduce water usage by as much as 40%.



Doug Berry of Cypress River, Manitoba (r.) discusses his XCEED canola crop with Viterra's Kent Klimpke, Regional Manager, Manitoba (l.).

**ADDRESSING THE CLIMATE CHANGE CHALLENGE**

Climate change and climate change regulations are important to agriculture. Issues related to greenhouse gas emissions and water usage could influence farm practices and productivity. Viterra is actively developing a global approach to preparing for any potential impacts on our business as one step in protecting food production capability into the future.

As an example, Viterra is pursuing opportunities to reduce energy use and greenhouse gas emissions at its facilities. This includes installation of a new kiln at Port Adelaide in Australia, several new grain dryers in Canada's Prairie provinces, as well as assessments of all the Australian malt plants to identify energy savings and, in turn, minimize greenhouse gas emissions.

**AGRICULTURE MEETS ENVIRONMENT**

Environmental responsibility is at the heart of sustainable food production, which is why Viterra has aggressively pursued a program designed to encourage no-till agriculture and reduce greenhouse gas emissions.

No-till (or reduced-till) farming helps retain moisture in the soil, reduce erosion, and sequester carbon within soils. Through our Carbon Credit program, we educate farmers on best agricultural practices and provide an avenue for them to monetize their efforts.

Viterra has purchased 500,000 Carbon Credit offsets from our farmers, representing the equivalent of 500,000 metric tonnes of carbon dioxide captured in the soil and not released into the atmosphere.

This initiative provides an incentive for farmers to get involved in solutions related to climate change and to share in Viterra's commitment to environmentally responsible and sustainable agriculture.



## TAKING A LEADERSHIP ROLE

Viterra supports the education of farm customers in Canada to help them maximize the value of their operations, while protecting their land and minimizing the impact on the environment. In the past fiscal year, Viterra has contributed in excess of \$1.8 million for this initiative.

We have committed an additional \$1 million in funding to support grower training in Australia, drawing upon our experience in Canada and building on our combined research and development expertise. We envision a program that builds on industry-wide education, training and sustainability practices to encourage best practices in agriculture and that supports a continuous knowledge transfer between our two countries.

## BUILDING A CULTURE OF SUCCESS

Viterra's ability to achieve key goals and targets is directly tied to our ability to attract, retain and reward our employees – the people responsible for our success.

In 2009, Viterra launched the program, Your Total Rewards, a comprehensive package that includes an equitable approach to base compensation, a performance-based incentive program, a benefit and pension plan, and an employee share purchase plan to promote a stronger sense of ownership in Viterra's success.

In addition, we have adopted the same approach to nutrition inside Viterra that we encourage with customers around the world. By subsidizing fitness and health programs, and keeping free oatmeal and fruit available throughout our organization, we encourage our people to remain healthy and productive.

## ACHIEVING RECORD SAFETY PERFORMANCE

Just like farmers pursue record harvests, Viterra has put a priority on safety performance which protects our employees, serves customers and establishes strong relationships with our communities.

Guided by the Environment, Health and Safety policy adopted by the Company's Board of Directors, our people vigorously pursue best practices, and improved performance and results are reported in real time. This has been built into our Company's operating systems through mechanisms that include formal training, ongoing on-site assessments and monthly facility meetings. In 2009, we achieved our best-ever results for injury prevention, reflecting the strong commitment of our employees and contractors.

We use a similar approach to safeguarding communities, bringing industry-leading best practices to our management of fertilizers and other agricultural products. For example, we have worked collaboratively with the Canadian Fertilizer Institute ("CFI") on its Anhydrous Ammonia Code of Practice for Storage, Handling and Distribution. More of our facilities have completed the CFI National Code of Practice Audit than any other company. Viterra also has more than 80 specially trained personnel and 16 equipment depots strategically located across Western Canada ready to respond to railcar, highway or field incidents involving fertilizers or farm chemicals.

96%

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safety index measurement  
versus target of 90%



## SHARING OUR COMMITMENTS WITH COMMUNITIES

At the heart of our business is the desire to improve people's quality of life with food ingredients. We back this up in communities by supporting events and activities that encourage healthy lifestyles or agricultural development in the areas in which we work and live.

In total, we provided \$1.2 million in North America and Australia in support of our communities. We are always focused on identifying areas that are important to our stakeholders and that are consistent with the goals and values of our Company.

As an example, we partnered with the Canadian Paralympic Committee to launch the Power of the Prairies program in Western Canada. As part of the initiative, Paralympic athletes visit schools to educate youth about the importance of nutrition and physical activity. This provides a forum for discussion of the connection of proper nutrition and healthy lifestyles, while emphasizing the role Viterra plays in providing quality ingredients to produce the foods that nourish people across Canada and around the world.

In Australia, we have a Community Fund, which offers financial grants for community projects in the towns where Viterra conducts its business. These small communities are often missed in major funding projects. Therefore, the funding they receive from Viterra makes a big difference.

Additionally, Viterra donated \$83,000 AUD to the Royal Flying Doctor Service of Australia, a comprehensive aero medical organization that delivers extensive primary health care and 24-hour emergency service to those who live, work and travel throughout Australia, particularly in remote and regional areas.



In 2009, Viterra donated \$50,000 of proprietary seed and crop protection products to the Canadian Foodgrains Bank.



Eight-time Paralympian, para-nordic skier Colette Bourgonje joined Mayo Schmidt to launch Viterra's "Power of the Prairies", a nutrition and wellness education initiative targeting youth.



Royal Flying Doctor Service evacuate a patient in South Australia.

# Viterra's Board of Directors

	<b>Dallas Howe</b> Director 2, 3	<b>Kevin Osborn</b> Director 1, 4	<b>Max Venning</b> Director 2	<b>Vic Bruce</b> Director 1, 4	
		<b>Larry Ruud</b> Director 1, 4		<b>Bonnie DuPont</b> Director 2, 4	<b>Paul Daniel</b> Director 1
<b>Herb Pinder Jr.</b> Observer			<b>Thomas Chambers</b> Director 1, 2	<b>Tim Hearn</b> Director 2, 3	<b>Harold Milavsky</b> Retiring Director 3, 4



**Mayo Schmidt**  
President and  
Chief Executive Officer

**Thomas Birks**  
Chairman  
3

**Perry Gunner**  
Deputy Chairman  
3

Our Company has embraced the mantle of leadership in our operating philosophies, policies and governance practices. In addition to pursuing global growth and financial returns for our investors, we continue to be a responsible and caring employer and an active corporate citizen. The Board explicitly acknowledges its role as stewards of the Corporation and seeks to add value by working with management to build a successful, enduring enterprise.

## Board Committees

- AUDIT 1**
- HUMAN RESOURCES AND COMPENSATION 2**
- NOMINATING / CORPORATE GOVERNANCE 3**
- SAFETY, HEALTH AND ENVIRONMENT 4**

# Officers of Viterra

Viterra's management team has positioned Viterra as a leader, shaping the future of agriculture, and expanding our Company's reach and influence around the world.



**Mayo Schmidt**  
President and  
Chief Executive Officer



**Fran Malecha**  
Chief Operating Officer



**Rex McLennan**  
Chief Financial Officer



**Karl Gerrand**  
Senior Vice-President  
Food Processing



**Andrew Muirhead**  
Senior Vice-President  
Corporate Development



**Rob Gordon**  
President, Southeast Asia and  
Senior Vice-President



**Doug Wonnacott**  
Senior Vice-President  
Agri-products



**Robert Miller**  
Senior Vice-President  
North American Grain



**Don Chapman**  
Senior Vice-President  
International Grain



**William Mooney**  
Senior Vice-President  
Feed Products



**George Prosk**  
Senior Vice-President  
Financial Products



**Ray Dean**  
Senior Vice-President and  
General Counsel/  
Corporate Secretary



**Steven Berger**  
Senior Vice-President  
Human Resources  
and Transformation



**Colleen Vancha**  
Senior Vice-President  
Investor Relations and  
Corporate Affairs



**Mike Brooks**  
Chief Information Officer and  
Vice-President  
Information Technology



**Grant Theaker**  
Vice-President and Treasurer



**Ron Cameron**  
Vice-President and  
Group Controller



Essential ingredients. Global success.

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