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VITERRA'S THIRD QUARTER EARNINGS RISE ON STRONG AGRI-PRODUCTS RESULTS

Viterra Inc. ("Viterra") today announced an increase in its third quarter financial results over the same period last year, reflecting strong contributions from its agri-products operations and continued solid performances from its grain handling and processing operations. Favourable weather across the Canadian Prairies resulted in good growing conditions for this year's crop and, when combined with healthy commodity prices, these factors motivated growers to invest in agri-products.

For the three months ended July 31, 2011, EBITDA increased 28% to $252 million compared to $197 million in the same quarter last year. On a year-to-date basis, EBITDA was up 56% to $591 million. All three business segments posted earnings improvements over the same period last year. Agri-products' year-to-date results have increased 55% on strong fertilizer volumes and pricing; Grain Handling and Marketing's EBITDA is up 49% due to record receivals and shipments in Australia as well as strong results from North American and International Grain; and Processing's earnings have risen 37% reflecting the new pasta and oat businesses acquired in the latter half of fiscal 2010.

Financial Highlights *(in thousands - except per share items)*	**Three Months ended July 31,** **2011**	2010	*Better (Worse)*	**Nine Months ended July 31,** **2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$3,554,061**	$ 2,493,119	*$ 1,060,942*	**$ 8,726,458**	$ 6,304,588	*$ 2,421,870*
Gross profit and net revenues from services	**485,691**	392,667	*93,024*	**1,221,634**	938,656	*282,978*
EBITDA [1]	**251,884**	196,614	*55,270*	**591,328**	379,625	*211,703*
Net earnings	**123,249**	63,538	*59,711*	**255,947**	92,601	*163,346*
Earnings per share	**$ 0.33**	$ 0.17	*$ 0.16*	**$ 0.69**	$ 0.25	*$ 0.44*
Cash flow provided by operations [1]	**147,857**	162,221	*(14,364)*	**426,947**	273,229	*153,718*
Per share	**$ 0.40**	$ 0.44	*$ (0.04)*	**$ 1.15**	$ 0.74	*$ 0.41*
Free Cash Flow [1]	**94,851**	130,186	*(35,335)*	**291,689**	188,867	*102,822*

[1] *See Non-GAAP Measures in Section 11.0 of the attached Management's Discussion and Analysis.*

Net earnings for the quarter almost doubled, increasing to $123 million or $0.33 per share compared to $64 million or $0.17 per share generated in the same period last year. For the nine months ended July 31, 2011, net earnings have increased 176% to $256 million or $0.69 per share versus the $93 million or $0.25 per share in the same period last year.

Cash flow provided by operations for the quarter was $148 million and lower than the same quarter last year due to higher current income taxes and timing differences. On a year-to-date basis, cash flow provided from operations increased by 56% to $427 million reflecting higher EBITDA and lower cash financing costs offset in part by higher current taxes.

Mayo Schmidt, Viterra's President and Chief Executive Officer, commented, "Viterra has consistently delivered strong financial results for the first nine months of this fiscal year, far exceeding our earnings last year. Operationally, we also continue to perform well and in South Australia Viterra recently set a new record for grain shipped through our ports. We continue to strengthen our operational performance around the globe, which is generating higher returns for our shareholders. Looking forward, there is a lot of opportunity for Viterra with a promising harvest in both Western Canada and South Australia, and strong market fundamentals supporting our agri-business. To capitalize on these opportunities and drive value through our integrated worldwide pipeline, Viterra implemented a new global operating model around our three business lines of grain, agri-products and processing. This new model will strengthen and support our strategic vision now and into the future as Viterra continues to provide key agricultural ingredients to a growing world."

Consolidated sales and other operating revenues for the quarter increased 43% to $3.6 billion compared to $2.5 billion in the third quarter of fiscal 2010. For the nine months ended July 31, 2011, revenues increased 38% to $8.7 billion, compared to $6.3 billion in the same period of fiscal 2010. The sales improvement for both the third quarter and first nine months of fiscal 2011 was the result of increased revenues in all three business segments. Grain Handling and Marketing's revenues increased due to higher commodity prices, a more established International Grain group and higher Australian receivals and shipments following a record crop in South Australia. Agri-products' revenues increased as a result of robust fertilizer contributions and Processing's revenues increased due to solid contributions from the pasta and oat processing businesses, which were purchased in the latter half of fiscal 2010.

Segment EBITDA[1] Contributions by Geography
(in thousands)

	Three Months ended July 31, 2011					Nine Months ended July 31, 2011				
	Grain Handling and Marketing	Agri-Products	Processing	Total	*% Contribution [2]*	Grain Handling and Marketing	Agri-Products	Processing	Total	*% Contribution [2]*
North America	$ 54,258	$ 158,579	$ 24,144	$ 236,981	*80%*	$ 162,854	$ 181,008	$ 71,648	$ 415,510	*58%*
Australia	40,904	3,323	5,010	49,237	*17%*	220,728	11,162	21,618	253,508	*36%*
International	9,075	-	(102)	8,973	*3%*	40,499	-	(382)	40,117	*6%*
Segment EBITDA [1]	$ 104,237	$ 161,902	$ 29,052	$ 295,191	*100%*	$ 424,081	$ 192,170	$ 92,884	$ 709,135	*100%*

[1] *See Non-GAAP Measures in Section 11.0 of the attached Management's Discussion and Analysis.*
[2] *Percentage Contribution based on Segment EBITDA, prior to Corporate Expenses.*

The Grain Handling and Marketing segment generated $104 million in EBITDA for the quarter compared to $101 million in the third quarter of last year. On a year-to-date basis, this segment's EBITDA was $424 million compared to $284 million a year earlier. The majority of the increase relates to Viterra's Australian operations that contributed $220.7 million (2010 - $129.0 million) for the first nine months of the fiscal year due to record receivals, shipments and additional storage and handling revenues. The remaining increase is attributable to strong results from the North American team and from the International Grain group which has generated year-to-date EBITDA of $41 million, after a solid third quarter contribution of $9 million. The year-to-date consolidated pipeline margin was $36.33 per tonne compared to $29.52 per tonne last year. In North America, margins benefited from increased merchandising and blending opportunities, additional pulse sales and increased earnings throughout the terminal operations. In South Australia, margins increased due to high volumes, increased storage and handling fees, solid blending contributions and lower costs. Viterra has implemented a number of initiatives throughout the region that have not only lowered its costs per tonne but have resulted in sustainable cost reductions throughout the operation.

In Viterra's Agri-products segment, EBITDA increased over 50% in the third quarter to $162 million compared to $106 million in the corresponding period a year earlier. These positive results were driven by robust fertilizer contributions and timing differences as a result of the late seeding in North America that moved earnings from the second quarter into the third quarter. Fertilizer contributions were robust as market fundamentals continue to support strong demand and pricing. High commodity prices and increased nutrient requirements caused by excess moisture in 2010 and 2011, continue to encourage farmers to maximize their fertilizer applications. As a result, North American fertilizer sales volumes increased 26% for the quarter. Australian sales volumes were also up 20% during the quarter and the Company's consolidated fertilizer gross margin improved to $143.92 per tonne versus $118.56 per tonne a year earlier. Strong third quarter results increased year-to-date EBITDA 55% to $192 million compared to $124 million in fiscal 2010.

The Processing segment's EBITDA was $29 million for the third quarter compared to $22 million in the same period last year. The increase was due to the new oat processing business purchased in the fourth quarter of last year and stronger pasta margins. Viterra's North American food processing contributed $23 million (2010 - $17 million), while the Company's Australian malt and global feed operations contributed $6 million and $1 million, respectively. On a year-to-date basis, the segment's EBITDA was $93 million, compared to $68 million a year earlier. Year over year, the new pasta and oat processing businesses added $35 million while the Company experienced weaker results from canola processing and feed operations due to short-term challenges in both of these industries. Year to date, the Company's Australian malt operations have contributed $23 million to EBITDA, which is on par with the previous year.

New Crop Update

Across the Canadian Prairies, harvest is well underway and higher than average yields are expected from this year's crop due to favourable weather for much of the growing season. In its August 24, 2011 field crop reporting series release, Statistics Canada is predicting that western Canadian production of the six major grains will be 47.5 million tonnes, with an additional 2.5 million tonnes of lentils and other crops. This would represent an increase of 5.6% from the 45.0 million tonnes produced in the 2010 harvest, but a decrease from the 5-year historical average production of about 50.0 million tonnes. The quality of the crop in Western Canada looks promising, however, it is dependent on favourable harvest weather for the next couple of months.

In South Australia seeding finished in late June and good growing conditions exist throughout the majority of the state. The Australian Bureau of Agriculture and Resources Economics and Sciences ("ABARES") is predicting that the current crop will produce 7.6 million tonnes. This represents a 21% increase from the 10-year average for the state, but a decrease from the record 9.8 million tonnes produced last harvest. Based on current growing conditions, the Company believes there may be upside to ABARES's estimate. Crop quality in the state is good at this time. Approximately 80% of the crop is currently expected to be wheat and barley. Viterra's harvest preparations are well underway to ensure growers can deliver their grain in a timely and efficient manner during the next harvest.

Outlook

Grain Handling and Marketing

Viterra remains optimistic that the industry will see relatively strong volumes through the remaining portion of the fiscal year and into fiscal 2012, particularly if weather conditions are favourable into the fall. Strong demand and robust prices are expected to motivate farmers to actively market their grains through the next crop year. The Canadian Wheat Board ("CWB") is forecasting an export target of 18.0 million tonnes of wheat and barley out of Canada for the upcoming crop year compared to 15.8 million tonnes for the 2011 crop year.

The Company has increased its estimate for fiscal 2011 Canadian Grain Commission ("CGC") receipts for the six major grains in Western Canada to approximately 32.0 to 33.0 million tonnes, from its previous range of 31.0 to 32.0 million tonnes. As expected, producers have drawn down on-farm carryout stocks. For fiscal 2012, assuming production estimates hold, Viterra anticipates CGC receipts to be in the 30.0 to 32.0 million tonne range, which compares to the 32.0 million tonnes that is typically available.

For Viterra's South Australia grain handling operations, the Company expects shipments to remain strong into the last quarter of the fiscal year given the significant quantity of grain previously received into the system, the favourable commodity price environment and strong global demand. To complement the 8.5 million tonnes received into the Company's system during the first nine months of fiscal 2011, there were approximately 1.2 million tonnes of carry-in stocks from fiscal 2010. The Company currently estimates carry-over stocks into fiscal year 2012 for the Company's Australian system to range between 1.7 and 2.0 million tonnes, up from last year due to the record crop produced in the state.

The Company expects the global pipeline margin for fiscal 2011 to be at the high end of its guidance range of $33 to $36 per tonne.

From a regulatory perspective, the majority Conservative Government in Canada announced in May that it intends to provide western Canadian producers with marketing choice for wheat, durum and barley, which will eliminate the CWB's monopoly control as of August 2012. The federal government has created an industry working group to address transitional items and a report is expected in the fourth quarter. It is still early in the process and Viterra will await further details on how this new market will function before quantifying the benefits to the Company's operations. Viterra is supportive of the Government's direction and committed to working with the Government, industry, and the CWB, to ensure the Canadian grain industry remains a vibrant and competitive source for agricultural products.

In Australia, Viterra is in the process of renewing its accreditation from Wheat Exports Australia and has revised its access undertaking in response to feedback from the Australian Competition and Consumer Commission. The current accreditation and undertaking both expire on September 30, 2011 and renewals are required so that Viterra can continue to export bulk wheat out of Australia and operate its port terminals. Viterra remains confident that it will obtain these renewals

by September 30, 2011, which will be effective from October 1, 2011 to September 30, 2014.

Agri-products

Looking to the remainder of the fiscal year, assuming good fall weather across the Prairies, demand for crop inputs in Western Canada is expected to remain favorable as producers undertake post harvest application work due to the following:

- strong commodity prices and market fundamentals that increase return prospects for farmers; and
- strong fertilizer demand as growers replenish soil nutrients following excess moisture this spring.

In Western Canada, fertilizer pricing remains high relative to historic levels. Given high commodity prices and significant nutrient requirements, the Company expects continued strong fundamentals for fertilizer pricing. For fiscal 2011, the Company expects its fertilizer margin to range between $110 to $130 per tonne, an increase from the previous guidance of $100 to $120 per tonne.

Processing

The Company remains focused on its diversification strategy to grow its portfolio of food and feed ingredients businesses. Looking forward, the Company expects similar contributions from the Processing segment during the last quarter of fiscal 2011 and into 2012 relative to prior periods as there are no significant near-term changes expected to the underlying fundamentals that support this business segment.

Strong demand for whole grain, nutritional food ingredients and healthy, economical pasta products, is expected to support continued solid results from the oat and pasta processing businesses.

Canola crush capacity in Western Canada has increased approximately 70% over the past 24 months and outpaced increasing demand. While this has resulted in short-term challenges, the Company believes the long-term outlook for canola processing is positive given ongoing demand for healthy oils.

Global malt markets remain challenged in the near term due to sluggish beer sales in North America and Europe causing excess capacity and margin pressure around the globe. For Viterra's malt operations in Australia, the Company believes that margins will remain compressed, below pre-recession levels, into the first half of fiscal 2012. However, the Company remains confident in the long-term outlook for this industry.

The Company expects the combined annual food processing margin for fiscal 2011 to range between $100 and $120 per tonne, an increase from its previous guidance of $90 to $110 per tonne.

Challenges in feed products are expected to continue due to excess capacity causing intense competition and margin pressure. The Company continues to take steps to mitigate the effects of these issues.

Third Quarter and Year-to-Date Segment Highlights

The following table provides various key financial highlights for the three and nine months ended July 31, 2011 compared to July 31, 2010. The Company's unaudited Consolidated Financial Statements and accompanying Management's Discussion & Analysis ("MD&A") for the three and nine months ended July 31, 2011 are incorporated fully into this news release. Readers are encouraged to review the following pages for a full description of the Company's current financial performance. Viterra will be hosting a conference call for interested parties on September 7, 2011 at 1:15 p.m. ET (11:15 a.m. MT) to discuss its third quarter and year-to-date financial results. Details are available on Viterra's website, under "Newsroom" at www.viterra.com.

Third Quarter Segment Highlights *(in thousands - except margins)*	**Three Months ended July 31,**			**Nine Months ended July 31,**		
	2011	2010	*Better (Worse)*	**2011**	2010	*Better (Worse)*
Grain Handling and Marketing Segment						
Gross profit and net revenues from services	**$ 207,213**	$ 181,748	*$ 25,465*	**$ 719,826**	$ 537,211	*$ 182,615*
EBITDA [1]	**104,237**	100,853	*3,384*	**424,081**	284,121	*139,960*
Sales and other operating revenues	**2,186,810**	1,469,073	*717,737*	**6,174,685**	4,230,374	*1,944,311*
Operating Highlights *(tonnes)* :						
North American Shipments	**4,156**	4,382	*(226)*	**11,282**	11,993	*(711)*
Australian Receivals	**20**	6	*14*	**8,529**	6,206	*2,323*
Total pipeline	**4,176**	4,388	*(212)*	**19,811**	18,199	*1,612*
Consolidated pipeline margin (per tonne)	**N/A**	N/A	*N/A*	**$ 36.33**	$ 29.52	*$ 6.82*
Agri-products Segment						
Gross profit and net revenue from services	**$ 229,184**	$ 167,754	*$ 61,430*	**$ 349,304**	$ 277,329	*$ 71,975*
EBITDA [1]	**161,902**	105,750	*56,152*	**192,170**	123,806	*68,364*
Sales and other operating revenues	**1,134,746**	817,887	*316,859*	**1,861,058**	1,471,475	*389,583*
Fertilizer	**535,503**	342,914	*192,589*	**864,892**	627,629	*237,263*
Crop Protection	**317,664**	296,978	*20,686*	**340,686**	338,787	*1,899*
Seed	**120,321**	82,306	*38,015*	**233,064**	205,934	*27,130*
Wool	**115,352**	58,462	*56,890*	**339,821**	215,929	*123,892*
Equipment sales and other revenue	**39,753**	31,575	*8,178*	**68,363**	65,596	*2,767*
Financial Products	**6,153**	5,652	*501*	**14,232**	17,600	*(3,368)*
Fertilizer volume *(tonnes)*	**876**	699	*177*	**1,528**	1,380	*148*
Fertilizer margin *(per tonne sold)*	**$ 143.92**	$ 118.56	*$ 25.36*	**$ 126.46**	$ 93.97	*$ 32.49*
Processing Segment						
Gross profit and net revenue from services	**$ 49,294**	$ 43,165	*$ 6,129*	**$ 152,504**	$ 124,116	*$ 28,388*
EBITDA [1]	**29,052**	21,943	*7,109*	**92,884**	67,836	*25,048*
Sales and other operating revenues	**387,683**	329,791	*57,892*	**1,136,208**	927,866	*208,342*
Processing sales volumes *(tonnes)*						
Malt [2]	**131**	140	*(9)*	**376**	403	*(27)*
Pasta	**54**	55	*(1)*	**164**	55	*109*
Oats	**90**	55	*35*	**284**	163	*121*
Canola	**38**	61	*(23)*	**118**	180	*(62)*
Combined food processing margin *(per tonne sold)*	**$ 120.77**	$ 83.45	*$ 37.32*	**$ 122.70**	$ 88.79	*$ 33.91*
Feed sales volumes *(tonnes)*						
North America	**419**	443	*(24)*	**1,305**	1,494	*(189)*
New Zealand	**29**	33	*(4)*	**104**	100	*4*
Combined feed processing margin *(per tonne sold)*	**$ 25.66**	$ 36.16	*$ (10.50)*	**$ 26.20**	$ 33.24	*$ (7.04)*
Corporate Expenses						
EBITDA [1]	**$ (43,307)**	$ (31,932)	*$ (11,375)*	**$ (117,807)**	$ (96,138)	*$ (21,669)*

[1] *See Non-GAAP Measures in Section 11.0 of the attached Management's Discussion and Analysis*
[2] *Includes contributions from Viterra's 42% ownership interest in Prairie Malt and its wholly owned Australian malt business*

Forward-Looking Statements

Certain statements in this news release are forward-looking statements that reflect Viterra's expectations regarding future results of operations, financial condition and achievements and are subject to important risks and uncertainties. The words "anticipate", "expect", "believe", "may", "should", "estimate", "project", "outlook", "forecast" or other similar words are used to identify such forward-looking information. Forward-looking statements in this document are intended to provide Viterra security holders and potential investors with information regarding Viterra and its subsidiaries, including Management's assessment of Viterra's and its subsidiaries' future financial and operational plans and outlook. All statements included or incorporated by reference in this news release that address activities, events or developments that Viterra or its Management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates and

expectations regarding future capital resources and liquidity of Viterra and other such matters, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements of Viterra to be materially different from any future results, performance and achievements expressed or implied by those forward-looking statements. The risks include, but are not limited to, those factors discussed in Viterra's MD&A for the year ended October 31, 2010 under the heading "Risks and Risk Management". This MD&A can be found on Viterra's website at www.viterra.com as well as on SEDAR at www.sedar.com under Viterra Inc.

About Viterra

Viterra provides premium quality ingredients to leading global food manufacturers. Headquartered in Canada, the global agri-business has extensive operations across Canada, the United States, Australia, and New Zealand. Our growing international presence also extends to offices in Japan, Singapore, China, Vietnam, Switzerland, Italy, Ukraine, Germany and India. Driven by an entrepreneurial spirit, we operate in three distinct businesses: grain handling and marketing, agri-products, and processing. Viterra's expertise, close relationships with producers, and superior logistical assets allow the Company to consistently meet the needs of the most discerning end-use customers, helping to fulfill the nutritional needs of people around the world.

Media Inquiries:
Peter Flengeris
Media Relations
Viterra Inc.
(306) 569-4810

Investor Inquiries:
Colleen Vancha
Senior Vice-President
Investor Relations and Corporate Affairs
Viterra Inc.
(403) 718-3827

Lavonne Zdunich, CA
Director Investor Relations
Viterra Inc.
(403) 718-6254

www.viterra.com
Audio webcast:
http://www.gowebcasting.com/2808

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1.0 Responsibility for Disclosure

Management's Discussion and Analysis ("MD&A") was prepared based on information available to Viterra Inc. (referred to herein as "Viterra" or the "Company") as of September 6, 2011. Management prepared this report to help readers interpret Viterra's unaudited Consolidated Financial Statements for the three months and nine months ended July 31, 2011.

Please read this report in conjunction with the audited Consolidated Financial Statements and MD&A contained in the Company's Annual Financial Review for the year ended October 31, 2010, which is available on Viterra's website at www.viterra.com, as well as on SEDAR at www.sedar.com, under Viterra Inc.

This MD&A and the unaudited Consolidated Financial Statements for the three months and nine months ended July 31, 2011 have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and are presented in Canadian dollars unless specifically stated to the contrary.

2.0 Company Overview

Viterra is a vertically integrated global agri-business headquartered in Canada. The Company was founded in 1924 and has extensive operations across Canada and Australia, with facilities in the United States ("U.S.") and New Zealand. Viterra has offices in Canada, the U.S., Australia, New Zealand, Japan, Singapore, China, Vietnam, Switzerland, Italy, Ukraine, Germany and India.

As a major participant in the value-added agri-food supply chain, the Company operates in three interrelated segments: Grain Handling and Marketing, Agri-products, and Processing. Geographically, Viterra's operations are diversified across Canada, Australia, New Zealand and throughout the U.S. Viterra wholly owns pasta production, malt production, oat milling, canola processing and livestock feed manufacturing operations. Viterra's North American operations also participate in malt production through a 42% ownership interest in Prairie Malt Limited ("Prairie Malt") and in fertilizer manufacturing through its 34% ownership in Canadian Fertilizers Limited ("CFL").

Viterra is involved in other commodity-related businesses through strategic alliances and supply agreements with domestic and international grain traders and food processing companies. The Company markets commodities directly to customers in more than 50 countries around the world.

On May 5, 2010, Viterra completed the acquisition of Dakota Growers Pasta Company, Inc. ("Dakota Growers"), a U.S.-based durum miller and leading producer and marketer of dry pasta products in North America. Dakota Growers' financial contributions are included in Viterra's results as of May 5, 2010.

On August 17, 2010, Viterra completed the acquisition of 21C Holdings, L.P. ("21st Century") a premier U.S.-based processor of oats, wheat and custom-coated grains. Contributions from this business are included in Viterra's results as of August 17, 2010.

Viterra's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "VT" and its CHESS Depositary Interests trade on the Australian Securities Exchange ("ASX") under the symbol "VTA".

3.0 Summary and Analysis of Consolidated Results

Selected Consolidated Financial Information
(in thousands - except per share amounts)

	Three Months ended July 31, 2011	Three Months ended July 31, 2010	Better (Worse)	Nine Months ended July 31, 2011	Nine Months ended July 31, 2010	Better (Worse)
Sales and other operating revenues	$ 3,554,061	$ 2,493,119	$ 1,060,942	$ 8,726,458	$ 6,304,588	$ 2,421,870
Gross profit and net revenues from services	$ 485,691	$ 392,667	$ 93,024	$ 1,221,634	$ 938,656	$ 282,978
Operating, general and administrative expenses	(233,807)	(196,053)	(37,754)	(630,306)	(559,031)	(71,275)
EBITDA [1]	251,884	196,614	55,270	591,328	379,625	211,703
Amortization	(50,671)	(63,706)	13,035	(149,670)	(137,909)	(11,761)
EBIT [1]	201,213	132,908	68,305	441,658	241,716	199,942
Integration expenses	(1,167)	(1,059)	(108)	(2,468)	(4,233)	1,765
Gain on disposal of assets	169	241	(72)	743	616	127
Acquisition derivative	-	2,208	(2,208)	-	(866)	866
Financing expenses	(28,802)	(44,851)	16,049	(86,637)	(112,437)	25,800
	171,413	89,447	81,966	353,296	124,796	228,500
Recovery of (provision for) corporate taxes						
Current	(78,258)	(577)	(77,681)	(82,446)	(11,974)	(70,472)
Future	30,094	(25,332)	55,426	(14,903)	(20,221)	5,318
Net earnings	$ 123,249	$ 63,538	$ 59,711	$ 255,947	$ 92,601	$ 163,346
Earnings per share	$ 0.33	$ 0.17	$ 0.16	$ 0.69	$ 0.25	$ 0.44

[1] *See Non-GAAP Measures in Section 11.0*

Consolidated sales and other operating revenues ("sales" or "revenues") for the third quarter of fiscal 2011 increased 43% to $3.6 billion compared to $2.5 billion in the third quarter of fiscal 2010. For the first nine months ended July 31, 2011, revenues increased 38% to $8.7 billion, compared to $6.3 billion in the same period of fiscal 2010. The sales improvement for both the third quarter and first nine months of fiscal 2011 was the result of increased revenues in all three business segments. Grain handling and marketing revenues increased due to higher commodity prices, a more established International Grain group and higher Australian receivals and shipments following a record crop in South Australia. Agri-products revenues increased as a result of robust fertilizer contributions and processing revenues increased due to solid contributions from the pasta and oat processing businesses, which were purchased in the third and fourth quarters of fiscal 2010, respectively.

Quarterly gross profit and net revenues from services ("gross profit") increased 24% to $485.7 million compared to $392.7 million in the same quarter last year due to a continued strong shipping program for the Australian operations and higher results from the agri-products operations. Improved commodity prices, increased nutrient requirements, and favourable seeding conditions throughout much of the Canadian Prairies, supported robust fertilizer demand and pricing into the third quarter, and more than offset the effects of unseeded acres in Western Canada. These factors, along with contributions from the pasta and oat operations acquired in the latter half of fiscal 2010, increased year-to-date gross profit 30% to $1,221.6 million versus $938.7 million in the comparable period of fiscal 2010.

Operating, general and administrative ("OG&A") expenses were $233.8 million in the third quarter compared to $196.1 million in the comparable period of fiscal 2010. For the first nine months of fiscal 2011, OG&A expenses were $630.3 million, compared to $559.0 million in fiscal 2010. The increases primarily reflect the additional seasonal labour required by Viterra's Australian operations to handle the record harvest earlier in the fiscal year, a full complement of costs for the International Grain group, which was not fully established by this time last year, new costs related to the

pasta and oat businesses acquired last fiscal year and higher accruals for incentive and transformational programs.

In both the third quarter and first nine months of fiscal 2011, EBITDA (see Non-GAAP Measures in Section 11.0) contributions from all business segments increased relative to the prior year. EBITDA increased 28% to $251.9 million in the third quarter compared to the same period a year earlier while on a year-to-date basis, EBITDA increased 56% to $591.3 million compared to $379.6 million in the corresponding period of the previous fiscal year. Agri-products' EBITDA increased 55% on strong fertilizer volumes and pricing; Grain Handling and Marketing's year-to-date results increased 49% due to record receivals and shipments in Australia and strong results from North American and International Grain; and Processing's earnings have risen 37% reflecting the new pasta and oat businesses acquired in the latter half of fiscal 2010.

Viterra's Australian operations contributed $37.0 million to consolidated EBITDA for the quarter, compared to $37.8 million a year earlier. Quarterly contributions were affected by higher demurrage expenses. A significant increase in shipments resulted in some logistical challenges during this period. In addition, last year's third quarter results included contributions from the International Grain group and atypical merchandising margins from domestic sales as commodity prices increased sharply during that period. On a year-to-date basis, the Australian operations contributed EBITDA of $218.2 million, an increase of 65% from the corresponding period a year earlier. The year-to-date results reflect the benefits of record grain volumes received and shipped over the last nine months, as well as a number of initiatives that have resulted in operational improvements and sustainable cost reductions.

For further information on segment performance, see Section 4.0 Segment Results.

Amortization for the three months ended July 31, 2011 was $50.7 million and consistent with the first two quarters of the year. For the first nine months of the fiscal year, amortization was $149.7 million compared to $137.9 million in fiscal 2010. The increase for the year-to-date period relates to the finalization of the purchase price allocations for Dakota Growers and 21st Century.

EBIT (see Non-GAAP Measures in Section 11.0) was $201.2 million for the quarter, compared to $132.9 million in the third quarter of fiscal 2010. For the first nine months EBIT was $441.7 million compared to $241.7 million in fiscal 2010.

Financing Expenses *(in thousands)*	**Three Months ended July 31,**			**Nine Months ended July 31,**		
	2011	2010	*Change*	**2011**	2010	*Change*
Interest on debt facilities	**$ 28,100**	$ 21,400	$ 6,700	**$ 89,898**	$ 87,337	$ 2,561
Interest accretion	**824**	373	451	**2,085**	2,217	(132)
Amortization of deferred financing costs	**1,361**	1,039	322	**4,019**	5,545	(1,526)
Financing Costs	**$ 30,285**	$ 22,812	$ 7,473	**$ 96,002**	$ 95,099	$ 903
Interest income	**(983)**	(2,470)	1,487	**(2,956)**	(6,270)	3,314
CWB carrying charge recovery	**(500)**	(371)	(129)	**(1,420)**	(1,272)	(148)
Net financing costs for debt facilities	**$ 28,802**	$ 19,971	$ 8,831	**$ 91,626**	$ 87,557	$ 4,069
Net investment hedge	**-**	-	-	**(4,989)**	-	(4,989)
One-time Refinancing costs	**-**	24,880	(24,880)	**-**	24,880	(24,880)
Total financing and associated expenses	**$ 28,802**	$ 44,851	(16,049)	**$ 86,637**	$ 112,437	(25,800)

As noted in the above table, net financing costs associated with the Company's debt facilities were $28.8 million in the third quarter, compared to $20.0 million a year

earlier. On a year to date basis, net financing costs for debt facilities were $91.6 million, compared to $87.6 million a year earlier. The increase in both the three and nine-month periods was due to higher levels of non-cash working capital, primarily driven by higher commodity prices.

Total financing and associated expenses for the nine months ended July 31, 2011 include the recognition of a non-cash gain on a net investment hedge relating to working capital funds advanced to the Australian operations. In fiscal 2010, total financing and associated expenses for the third quarter and year-to-date periods included one-time refinancing costs of $24.9 million related to debt restructuring.

Viterra recorded a net corporate income tax provision of $48.2 million for the third quarter, representing an effective tax rate of 28.1%. The Company's year-to-date effective tax rate was 27.6%.

Net earnings for the third quarter were $123.2 million or $0.33 per share, almost double the $63.5 million or $0.17 per share recorded in the same three-month period last year. For the first nine months of fiscal 2011, net earnings were $255.9 million or $0.69 per share, a significant increase from $92.6 million or $0.25 per share in the comparable period of fiscal 2010.

3.1 Select Quarterly Information

Select Quarterly Financial Information *For the quarters ended* *(in millions - except per share amounts)*	July 31 2011 Q3[1]	April 30, 2011 Q2[1]	January 31, 2011 Q1[1]	October 31, 2010 Q4[1]	July 31, 2010 Q3[1]	April 30, 2010 Q2[1]	January 31, 2010 Q1[1]	October 31, 2009 Q4[2]
Sales and other operating revenues	$ 3,554.1	$ 2,701.9	$ 2,470.5	$ 1,951.7	$ 2,493.2	$ 2,048.1	$ 1,784.5	$ 1,417.1
Net earnings (loss)	$ 123.2	$ 33.1	$ 99.6	$ 52.7	$ 63.5	$ 18.4	$ 10.7	$ (0.9)
Basic earnings per share	$ 0.33	$ 0.09	$ 0.27	$ 0.14	$ 0.17	$ 0.05	$ 0.03	$ -
Diluted earnings per share	$ 0.33	$ 0.09	$ 0.27	$ 0.14	$ 0.17	$ 0.05	$ 0.03	$ -

[1] *Includes results for Viterra's Australian operations.*
[2] *Includes results for Viterra's Australian operations from September 24, 2009 to October 31, 2009.*

A discussion of the factors that cause seasonal variations by quarter is found in Sections 6.1 and 6.2 of the MD&A for the fiscal year ended October 31, 2010 and in Section 4.0 Segment Results below. These sections discuss, among other things, the trends and seasonality of the Company's three operating segments: Grain Handling and Marketing, Agri-products and Processing.

4.0 Segment Results

4.1 Grain Handling and Marketing

The Grain Handling and Marketing operations accumulate, store, transport and market grains, oilseeds, pulses and special crops. This business includes grain storage facilities and processing plants strategically located in the prime agricultural growing regions of North America and Australia. In its North American operations, the Company has 82 storage and handling facilities located throughout Western Canada, 11 special crop facilities located throughout Western Canada and the northern U.S., as well as seven port export terminals (including one joint venture facility and one leased facility) located in major port locations throughout Canada. In southern Australia, the Company has 108 storage and handling facilities, which work

in conjunction with its eight wholly owned port export terminals. The International Grain group, through its sales offices, handles the merchandising of grains and oilseeds between origination and offshore destination customers. In addition, the International Grain group sources commodities from locations where Viterra has no accumulation and storage assets.

Seasonality

Receipts and subsequent shipments in any given fiscal year are dependent upon production levels and carry-over stocks from the prior year. Grain flows can fluctuate depending on global demand, crop size, prices of competing commodities, as well as other factors noted in the following discussion on volumes and shipments. In North America, grain shipments are fairly consistent from quarter to quarter, as are port terminal activities off the West Coast of Canada and at the Company's Port of Montreal facility. At Thunder Bay, shipments through the Company's port terminals end in late December, when the St. Lawrence Seaway closes for the winter months, and typically resume near the beginning of April.

In South Australia, the majority of grain flows into the system during the first quarter as this is the harvest period, which begins in October and continues through until the end of January. During the remaining quarters, the operations typically receive the last of the grower grain deliveries, with the exception of a small amount that remains on farm. Viterra owns and operates approximately 95% of South Australia's storage and all of its port terminal capacity. The grain that is delivered into the Company's grain storage and handling facilities is classified and blended in preparation for export. Viterra and other marketers then buy these grains and oilseeds and market them directly to destination customers. Shipping from the Company's port terminals typically commences in harvest and continues throughout the year. Income is derived from storage and handling fees including receivals and monthly carrying and out-turn (shipping) fees. Additional income is derived through handling and shipping of non-grain commodities year-round from select port terminals.

In addition, the Company's International Grain group earns merchandising and trading margins for commodities that it acquires from Viterra's origination assets as well as third parties and sells those commodities to destination customers around the world.

Industry Shipments

In the third quarter, western Canadian industry shipments of the six major grains were 8.3 million tonnes compared to 8.7 million tonnes during the corresponding period of 2010. For the nine months ended July 31, 2011, industry shipments of the six major grains were 24.0 million tonnes, about 6% lower than the 25.6 million tonnes shipped by this time last year. The variances reflect the smaller production from the 2010 fall harvest, which was approximately 15% lower than the previous year.

Total wheat export shipments out of Australia for the period from October 1, 2010 to June 30, 2011 totaled 14.0 million tonnes, an increase of 36% from the corresponding prior period a year earlier. South Australian wheat shipments in this

period of 2011 were about 30% of the total, compared to about 15% of the total in the corresponding nine-month period of 2010.

Viterra's North American Volumes

Viterra's North American shipments for the three months ended July 31, 2011, were 4.2 million tonnes compared to 4.4 million tonnes in the third quarter of fiscal 2010. For the nine months ended July 31, 2011, the Company shipped 11.3 million tonnes, compared to 12.0 million tonnes a year earlier. Viterra's shipments of the six major grains in the third quarter were in line with Management's expectations given the crop size this year. Viterra's split between CWB grains and open market grain shipments for the third quarter and first nine months of fiscal 2011 was 50/50 and 46/54 respectively. This compares to a 52/48 split in the third quarter and a 50/50 split in the first nine months of last year.

Viterra's port terminal receipts for the third quarter were 2.9 million tonnes compared to 3.0 million tonnes in the third quarter of 2010. For the first nine months, port terminal receipts were 7.5 million tonnes versus 7.6 million tonnes in fiscal 2010. For the quarter and year-to-date periods, over 70% of these volumes moved to West Coast port terminals to support continued strong demand from Asian-Pacific countries.

Viterra's Australian Volumes

Viterra's Australian Volume *(in thousands of tonnes)*	**Three Months ended July 31,**		*Better*	**Nine Months ended July 31,**		*Better*
	2011	2010	*(Worse)*	**2011**	2010	*(Worse)*
Total shipments	**2,270**	1,689	*581*	**6,257**	3,549	*2,708*
Merchandised volumes						
South Australia	**667**	390	*277*	**2,013**	1,050	*963*
Rest of Australia	**720**	1,210	*(490)*	**2,441**	3,450	*(1,009)*
Total merchandised volumes	**1,387**	1,600	(213)	**4,454**	4,500	(46)

As of the end of the second quarter, the vast majority of the available crop in South Australia was received into Viterra's system. Aggregate receipts into the south Australian system for the first nine months of fiscal 2011 were 8.5 million tonnes, compared to 6.2 million tonnes in fiscal 2010.

From a shipments perspective, the strength of the Company's shipping program continued, with a total of 2.3 million tonnes moving through its south Australian port system in the third quarter, compared to 1.7 million tonnes in fiscal 2010. On a year-to-date basis, the Company shipped a record 6.3 million tonnes, compared to 3.5 million tonnes in the corresponding period of fiscal 2010. High commodity prices and strong demand have motivated industry participants to utilize Viterra's system to ship a significant amount of grain this year.

During the first nine months of fiscal 2011, Viterra purchased for its own account 32% of the grain shipped through its south Australian system. There are a large number of marketers competing for south Australian growers' grain and, of this number, more than 10 of them were responsible for the remaining 68% of grain shipped from the Company's port system in South Australia.

Viterra also originated and merchandised 0.7 million tonnes of grains and oilseeds from third-party facilities throughout the rest of Australia during the quarter. On a year-to-date basis, Viterra has merchandised 2.4 million tonnes from the rest of Australia, which is down from the prior year due to a smaller crop in Western Australia and logistical issues caused by wet weather and availability of freight in the eastern states.

Operating Results

Grain Handling and Marketing *(in thousands - except margins)*	**Three Months ended July 31, 2011**	Three Months ended July 31, 2010	*Better (Worse)*	**Nine Months ended July 31, 2011**	Nine Months ended July 31, 2010	*Better (Worse)*
Gross profit and net revenues from services	**$ 207,213**	$ 181,748	*$ 25,465*	**$ 719,826**	$ 537,211	*$ 182,615*
Operating, general and administrative expenses	**(102,976)**	(80,895)	*(22,081)*	**(295,745)**	(253,090)	*(42,655)*
EBITDA [1]	**104,237**	100,853	*3,384*	**424,081**	284,121	*139,960*
Amortization	**(25,310)**	(37,259)	*11,949*	**(76,596)**	(72,884)	*(3,712)*
EBIT [1]	**$ 78,927**	$ 63,594	*$ 15,333*	**$ 347,485**	$ 211,237	*$ 136,248*
Total sales and other operating revenues	**$ 2,186,810**	$ 1,469,073	*$ 717,737*	**$ 6,174,685**	$ 4,230,374	*$ 1,944,311*
North American Industry Statistics *(tonnes)*						
Canadian Industry Receipts - six major grains	**8,503**	8,899	*(396)*	**24,420**	25,887	*(1,467)*
Canadian Industry Shipments - six major grains	**8,331**	8,738	*(407)*	**24,033**	25,615	*(1,582)*
Canadian Industry Terminal Receipts	**6,607**	6,676	*(69)*	**17,772**	18,267	*(495)*
Viterra - North American Operations *(tonnes)*						
Elevator receipts	**4,135**	4,254	*(119)*	**11,111**	11,656	*(545)*
Elevator shipments	**4,156**	4,382	*(226)*	**11,282**	11,993	*(711)*
Port terminal receipts	**2,906**	2,959	*(53)*	**7,483**	7,648	*(165)*
Viterra - Australian Operations *(tonnes)*						
Shipments	**2,270**	1,689	*581*	**6,257**	3,549	*2,708*
Receivals	**20**	6	*14*	**8,529**	6,206	*2,323*
Consolidated Global Pipeline *(tonnes)*						
North American shipments	**4,156**	4,382	*(226)*	**11,282**	11,993	*(711)*
Australian receivals	**20**	6	*14*	**8,529**	6,206	*2,323*
Total pipeline	**4,176**	4,388	*(212)*	**19,811**	18,199	*1,612*
Consolidated pipeline margin *(per tonne)*	**N/A**	N/A	*N/A*	**$ 36.33**	$ 29.52	*$ 6.82*

[1] *See Non-GAAP Measures in Section 11.0*

Gross profit for the Grain Handling and Marketing segment totaled $207.2 million in the third quarter compared to $181.7 million in the comparable period of fiscal 2010. The strong third quarter results brought gross profit to $719.8 million for the first nine months of fiscal 2011, compared to $537.2 million in the previous year. A significant portion of both the third quarter and year-to-date increases were due to the performance of Viterra's Australian operations. South Australia harvested a large crop this year, which resulted in significant volumes moving into Viterra's system in the first quarter and record shipments year to date.

On a consolidated basis, the year-to-date pipeline margin per tonne was $36.33 compared to $29.52 last year due to stronger margins in both the North American and Australian operations as well as the incremental contributions from the International Grain group, which was not yet fully established in the comparable period of the preceding year. North American margins have benefited from increased merchandising and blending opportunities, additional pulse sales and increased earnings throughout the terminal operations, which includes the Company's interest in the Prince Rupert port terminal. In South Australia, margins increased due to high volumes, increased storage and handling fees, solid blending contributions and lower costs. Viterra has implemented a number of initiatives throughout the region that have not only lowered its costs per tonne but have resulted in sustainable cost reductions throughout the operation. The Company believes its fiscal year 2011 global pipeline margin will come in at the higher end of its guidance range of $33 to $36 per tonne.

OG&A expenses for the Grain Handling and Marketing segment were $103.0 million in the third quarter of fiscal 2011 compared to $80.9 million in the third quarter of last year. This brings OG&A expenses for the first nine months to $295.7 million compared to $253.1 million a year earlier. The increase primarily relates to additional seasonal labour hired in Australia during the first quarter to handle the record crop, a full complement of costs for the International Grain group, which was not fully established by this time last year, and costs associated with new operations added during the quarter.

The Grain Handling and Marketing segment generated $104.2 million in EBITDA for the quarter compared to $100.9 million in the third quarter of last year. The third quarter results include $40.9 million in contributions from the Australian grain handling and marketing operations (2010 - $42.9 million). Australia's quarterly contributions were affected by higher demurrage expenses as a significant increase in shipments resulted in some logistical challenges during this period. In addition, Australia's third quarter results last year included contributions from the International Grain group and atypical merchandising margins from domestic sales as commodity prices increased sharply during that period. On a year-to-date basis, Grain Handling and Marketing's EBITDA was $424.1 million compared to $284.1 million a year earlier. The significant year-over-year increase in EBITDA is attributable to Viterra's Australian operations that generated $220.7 million (2010 - $129.0 million) for the first nine months of the fiscal year, along with strong results from the North American operation.

The International Grain group generated EBITDA of $9.1 million in the quarter, bringing its year-to-date contribution to $40.5 million. The positive third quarter and year-to-date contributions are a result of this group utilizing the Company's integrated grain pipeline model and prudent risk management strategies to successfully manage through adverse geopolitical and macro events. In the corresponding periods of fiscal 2010, the International Grain group was not fully established and its contributions were included within North American and Australian results. This group's activities are driven by opportunities that arise in the market and therefore results can fluctuate quarter to quarter depending upon varying market dynamics.

EBIT for the segment was $78.9 million in the third quarter of fiscal 2011, compared to $63.6 million in the third quarter of fiscal 2010. On a year-to-date basis, EBIT was $347.5 million compared to $211.2 million a year earlier.

Outlook

The Company has increased its estimate for fiscal 2011 Canadian Grain Commission ("CGC") receipts for the six major grains in Western Canada to approximately 32.0 to 33.0 million tonnes, from its previous range of 31.0 to 32.0 million tonnes. As expected, producers have drawn down on-farm carryout stocks.

Across the Canadian Prairies, harvest is well underway and higher than average yields are expected from this year's crop due to favourable weather for much of the growing season. In its August 24, 2011 field crop reporting series release, Statistics Canada is predicting that western Canadian production of the six major grains will be 47.5 million tonnes, with an additional 2.5 million tonnes of lentils and other crops expected. This would represent an increase of 5.6% from the 45.0 million tonnes

produced in the 2010 harvest, but a decrease from the 5-year historical average production of about 50.0 million tonnes. The quality of the crop in Western Canada looks promising, but is dependent on favourable harvest weather for the next couple of months.

For fiscal 2012, assuming production estimates hold, Viterra anticipates CGC receipts for the six major grains in Western Canada to be in the 30.0 to 32.0 million tonne range, which compares to the 32.0 million tonnes that is typically available.

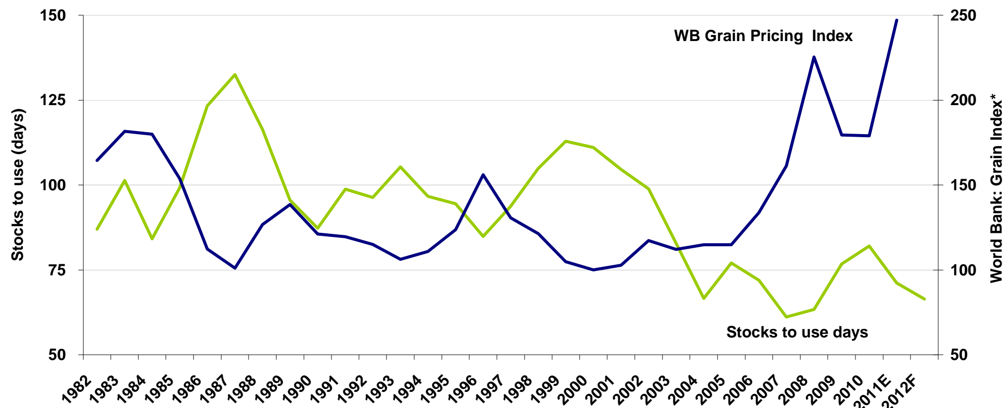
Viterra remains optimistic that the industry will see relatively strong volumes through the remaining portion of the fiscal year and into fiscal 2012, particularly if weather conditions remain favorable into the fall. Strong demand and robust prices are expected to motivate farmers to actively market their open market grains through the next crop year. The CWB is forecasting an export target of 18.0 million tonnes of wheat and barley out of Canada for the upcoming crop year compared to 15.8 million tonnes for the 2011 crop year.

For Viterra's South Australia grain handling operations, the Company expects shipments to remain strong into the last quarter of the fiscal year given the significant quantity of grain previously received into the system, the favourable commodity price environment and strong demand. To complement the 8.5 million tonnes received into the Company's system during the first nine months of fiscal 2011, there were approximately 1.2 million tonnes of carry-in stocks from fiscal 2010. The Company currently estimates carry-over stocks into fiscal year 2012 for the Company's Australian system to range between 1.7 and 2.0 million tonnes, up from last year due to the record crop produced in the state.

In South Australia, seeding finished in late June and good growing conditions exist throughout the majority of the state. The Australian Bureau of Agriculture and Resources Economics and Sciences ("ABARES") is predicting that the current crop will produce 7.6 million tonnes. This represents a 21% increase from the 10-year average for the state, but a decrease from the record 9.8 million tonnes produced last harvest. Based on current growing conditions, the Company believes there may be upside to ABARES's estimate. Crop quality in the state is good at this time. Approximately 80% of the crop is currently expected to be wheat and barley.

The last few months have seen upward revisions in global production and export volume forecasts, particularly for the Black Sea region where growing conditions have vastly improved since last season's drought. Fundamentals for agri-commodity pricing and trade remain strong. The United States Department of Agriculture ("USDA") is predicting that, despite significant volumes from upcoming harvests in several key growing regions, by the end of July 2012, global stocks-to-use days for wheat and coarse grains are to be below 70 days, a sharp reduction from 82 days in 2010. Pricing trends are driven largely by global stockpiles of essential grains.

Global Wheat and Course Grains Stockpiles and Pricing



Source: USDA and the World Bank

From a regulatory perspective, in Canada the majority Government announced in May that it intends to provide western Canadian producers with marketing choice for wheat, durum and barley, which will eliminate the CWB's monopoly control. The federal government has also indicated it expects measures to be taken to allow for a redefined CWB to continue functioning as a voluntary marketing agency. To this end, the federal government has created an industry working group to address transitional items such as:

- access to elevators, rail and ports;
- access to producer cars;
- organizing and funding market development and research activities for wheat and barley;
- delivery of an advance payment program; and
- any other business related transition issues concerning the grain marketing and transportation systems as well as the supply chains.

The industry working group is consulting with interested parties, including the members of the Western Grain Elevator Association. A report is expected in the fourth quarter and will be submitted to the Minister of Agriculture. It is still early in the process and Viterra will await further details on how this new market will function before quantifying the benefits to the Company's operations. It is anticipated that legislation to repeal the CWB Act, along with associated transitional measures, will be introduced during the fall session of Parliament, with these legislative changes taking effect as of August 2012.

Viterra is supportive of the Government's direction and is confident in the Company's ability to operate effectively in an open wheat and barley market, to serve the needs of farmers, other industry participants, and the redefined CWB. Viterra believes it has the necessary expertise today to provide these additional services to the industry. The Company is committed to working with the Government, industry, and the CWB, to ensure the Canadian grain industry remains a vibrant and competitive source for agricultural products. Viterra continues to participate in the process to promote an orderly transition with positive, sustainable change for the benefit of the western Canadian agricultural industry.

In order for companies such as Viterra to export bulk wheat from Australia, they must retain accreditation from Wheat Exports Australia ("WEA") under Australian law. Viterra currently holds accreditation until September 30, 2011 and is in the process of attaining renewal from WEA for the period October 1, 2011 until September 30, 2014. Companies that own or operate port terminals are required by WEA to also have in place an access undertaking approved by the Australian Competition and Consumer Commission ("ACCC"), relating to the provision of access to its port terminal services to other accredited wheat exporters. The current undertaking expires on September 30, 2011 for all operators.

In December 2010, Viterra lodged a proposed access undertaking for the period October 1, 2011 to September 30, 2014. The ACCC has not yet made a final decision on whether to accept the proposed undertaking. However, as outlined in its draft decision on August 11, 2011, the ACCC's preliminary view is that an auction system would address its main areas of concern. As part of its regulatory approval process, the ACCC is engaging in public consultation on its draft decision. Viterra continues to work with the ACCC to ensure a timely decision is made and has issued a revised undertaking, which includes the implementation from mid-2012 of an auction system for managing the allocation of bookings on the shipping stem. Viterra remains confident that it will gain approval for its revised undertaking by September 30, 2011, in order to attain renewal of its bulk wheat export accreditation from WEA as of October 1, 2011.

In Australia, Viterra is currently participating in two separate parliamentary inquiries relating to the grain industry, in both the House of Assembly of the Parliament of South Australia (state) and the Senate of the Australian Parliament (federal). The state inquiry is focused on the efficiency of grain handling operations in South Australia, while the Federal inquiry is centered on grain export capabilities within the country. As a major stakeholder in the Australian grain industry, Viterra is committed to working with governments and industry and has appeared before the inquiries and provided public written submissions.

In South Australia, Viterra has been pro-actively implementing enhancements to its service delivery model as a result of a post-harvest review that the Company conducted after the January 2011 harvest. A number of issues arose during that time given the record crop production, coupled with widespread rain during harvest. Viterra established a Post Harvest Review working group consisting of industry, government, senior company employees, and farm group representatives and launched a full performance review. Viterra released the recommendations of the review in June and is implementing enhancements in the areas of grain grading, logistics, infrastructure investment, safety and skills development.

4.2 Agri-products

North America

Viterra operates a network of 261 agri-products retail locations throughout Western Canada, which are geographically dispersed throughout the growing regions of the Canadian Prairies. Retail locations offer fertilizer, crop protection products, seed and equipment to growers. The Company's operations in Western Canada represent an approximate 34% share of the market.

For fertilizer, Viterra has a 34% investment in CFL, a nitrogen fertilizer manufacturing plant in Medicine Hat, Alberta. The Company is entitled to receive 34% of approximately 1.4 million tonnes of merchantable product, split between granular urea and anhydrous ammonia. The Company also buys and sells fertilizer from third-party manufacturers.

Viterra offers a comprehensive line of crop protection and seed products through its western Canadian retail network. The Company offers a line of 22 private label crop protection products as well as third-party products in conjunction with leading manufacturers. For seed, the Company has a network of research facilities and is involved in various collaborative agreements, which result in an extensive offering of proprietary and exclusive varieties, as well as third-party varieties.

The Agri-products segment includes contributions from the Company's financial products business. As an agent for a Canadian chartered bank, Viterra Financial™, extends unsecured and secured trade credit at competitive rates to the Company's agri-products and feed products customers.

Australia

In Australia, Viterra operates 16 agri-products depots and six fertilizer warehouses in South Australia and Victoria, through which it sells and distributes seed, fertilizer and crop protection products.

Viterra also operates a domestic wool network extending across the agricultural areas of Western Australia, South Australia and Victoria and is the largest buyer of Australian wool, exporting to key international markets such as China, India and Italy. Viterra recently expanded its wool export business to New Zealand.

Seasonality

North America

Retail sales of agri-products are seasonal and correlate directly to the life cycle of the crop. About 60% of Viterra's annual agri-products sales are typically generated during the third quarter as producers purchase crop inputs such as seed, fertilizer and crop protection products. Prior to seeding, Viterra receives prepayments from farm customers who want to order a portion of their agri-product requirements for the spring. Actual sales are recorded when product is delivered. Prepayments, seed bookings, and discussions with customers provide Viterra with an early indication of seeding intentions.

Australia

In Australia, most crop inputs are purchased during the seeding period, which begins in April and extends into June. Additional sales occur throughout the growing season to support crop development.

Operating Results

Agri-products *(in thousands - except margins)*	**Three Months ended July 31, 2011**	**2010**	*Better (Worse)*	**Nine Months ended July 31, 2011**	**2010**	*Better (Worse)*
Gross profit and net revenues from services	$ 229,184	$ 167,754	$ 61,430	$ 349,304	$ 277,329	$ 71,975
Operating, general and administrative expenses	(67,282)	(62,004)	(5,278)	(157,134)	(153,523)	(3,611)
EBITDA [1]	161,902	105,750	56,152	192,170	123,806	68,364
Amortization	(11,381)	(11,832)	451	(30,189)	(34,388)	4,199
EBIT [1]	$ 150,521	$ 93,918	$ 56,603	$ 161,981	$ 89,418	$ 72,563
Operating Highlights						
Sales and other operating revenues	$ 1,134,746	$ 817,887	$ 316,859	$ 1,861,058	$ 1,471,475	$ 389,583
Fertilizer	535,503	342,914	192,589	864,892	627,629	237,263
Crop Protection	317,664	296,978	20,686	340,686	338,787	1,899
Seed	120,321	82,306	38,015	233,064	205,934	27,130
Wool	115,352	58,462	56,890	339,821	215,929	123,892
Equipment sales and other revenue	39,753	31,575	8,178	68,363	65,596	2,767
Financial Products	6,153	5,652	501	14,232	17,600	(3,368)
Fertilizer volume *(tonnes)*	876	699	177	1,528	1,380	148
Fertilizer margin *(per tonne)*	$ 143.92	$ 118.56	$ 25.36	$ 126.46	$ 93.97	$ 32.49

[1] *See Non-GAAP Measures in Section 11.0*

Sales and other operating revenues ("sales" or "revenues") for the Agri-products segment rose significantly during the third quarter of fiscal 2011 to $1,134.7 million versus $817.9 million for the same three-month period last year due to strong fertilizer pricing and sales volumes in Western Canada as well as higher wool sales in Australia. In addition, late seeding across the Canadian Prairies moved a portion of the Company's agri-product sales from the second quarter into the third quarter. On a year-to-date basis, Agri-products segment sales were up $389.6 million over the prior year due to higher volumes and pricing for both fertilizer and wool.

Consolidated Fertilizer Volumes by Quarter *(in thousands of tonnes)* *For the quarter ended*					
Fiscal year	31-Jan	30-Apr	31-Jul	31-Oct	Total
2011	373	279	876	-	1,528
2010	310	371	699	370	1,750

Over the last nine months ended July 31, fertilizer demand has been strong due to high commodity prices and increased nutrient requirements caused by excess moisture in 2010 and 2011, which encouraged farmers to maximize their fertilizer applications. As a result, North American fertilizer sales volumes increased 26% for the quarter and 10% year-to-date relative to the corresponding periods in fiscal 2010. Similar fundamentals have also driven strong Australian fertilizer demand, with sales increasing 20% to 55,000 tonnes for the third quarter compared to 46,000 tonnes a year earlier, bringing its year-to-date volumes to 106,000 tonnes versus 89,000 tonnes in fiscal 2010.

Crop protection product sales were $317.7 million in the third quarter, an increase of 7% from the corresponding period in the previous year. This increase was primarily attributable to a shift in sales from the second quarter following the delayed seeding in North America due to cool and wet weather across the Canadian Prairies. On a year-to-date basis, crop protection product sales were $340.7 million, on par with the previous year as devalued herbicide prices were offset by increased sales volumes due to higher seeded acreage. Statistics Canada estimates that about 18.5 million acres of canola were planted in Western Canada this year, compared to 16.7 million acres a year earlier. This also increased seed sales 46% and 13% respectively for the third quarter and first nine months of the fiscal year. Third quarter seed sales also benefited from late seeding in North America that pushed sales forward.

According to Statistics Canada the total seeded area for Western Canada this year is estimated at 54.9 million acres. This compares to the 10-year historical average of approximately 60.0 million acres in the region.

Wool sales increased 97% in the third quarter and 57% in the first nine months of fiscal 2011 relative to the corresponding periods a year earlier. These increases resulted from an expansion of domestic market share for these operations as well as strong export demand from key markets such as India and China.

Gross profit increased $61.4 million to $229.2 million in the third quarter, compared to $167.8 million in the corresponding period of fiscal 2010. On a year-to-date basis, gross profit rose to $349.3 million, from the $277.3 million generated in the corresponding period of fiscal 2010. These increases relate primarily to higher fertilizer sales volumes and consolidated margins that have risen to $126.46 per tonne in the first nine months of fiscal 2011 compared to $93.97 per tonne a year earlier. Higher average selling prices and lower natural gas costs on manufactured product have generated this increase.

For fiscal 2011, the Company expects its fertilizer margin to range between $110 to $130 per tonne, an increase from previous guidance of $100 to $120 per tonne. Quarterly margins per tonne can vary outside of this range due to product mix and timing of purchases for manufactured versus resale tonnes. Maintaining the guidance range of $110 to $130 per tonne, beyond fiscal 2011, will be dependent upon North American commodity markets, weather conditions and crop mix.

OG&A expenses for the third quarter were $67.3 million compared to $62.0 million in the prior year. The majority of the increase is attributable to the timing of expenses as late spring seeding moved a portion of the agri-products business from the second quarter to the third quarter as well as higher costs related to the Company's short-term incentive programs. On a year-to-date basis OG&A expenses were $157.1 million, compared to $153.5 million a year earlier.

EBITDA for the third quarter was $161.9 million, up from the $105.8 million in the corresponding period a year earlier due to strong fertilizer contributions and timing differences caused by the late seeding in North America. Strong third quarter results increased EBITDA for the first nine months of the fiscal year by $68.4 million to $192.2 million compared to $123.8 million in fiscal 2010.

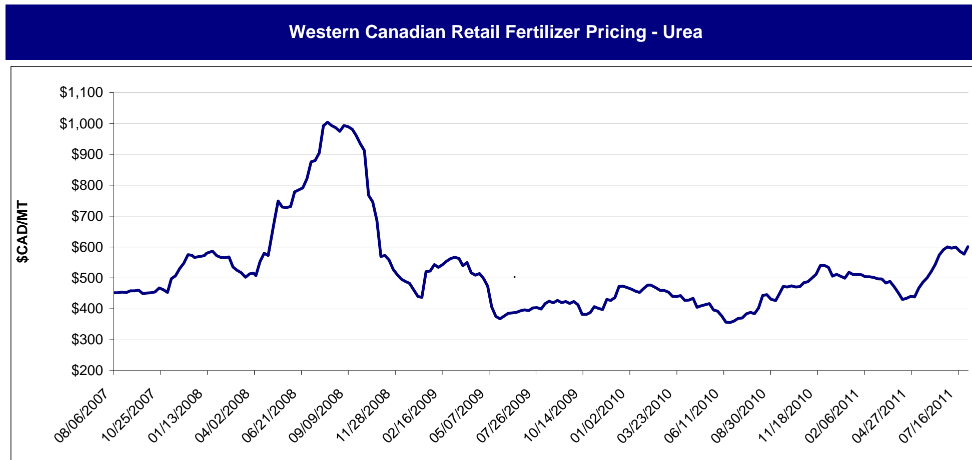
EBIT for the third quarter was $150.5 million compared to $93.9 million in the third quarter of fiscal 2010. For the first nine months of the fiscal year, EBIT was $162.0 million, compared to $89.4 million in the corresponding period of fiscal 2010.

Outlook

Looking to the remainder of the fiscal year, should the Prairies experience good fall weather conditions, producers are expected to undertake post harvest application work to replenish soil conditions and improve the productivity of the land in advance of the spring season. Farmers will assess soil nutrient levels to determine the impact of the excess moisture in the spring and, weather permitting, will apply anhydrous ammonia fertilizer during the fourth quarter to prepare the soil for the following crop year. Typically, about 13% to 18% of total agri-products sales in Western Canada

occur during the fourth quarter, as farmers purchase crop protection products, fertilizer, and equipment and storage for the harvest.

In Western Canada fertilizer pricing remains high relative to historic levels, excluding the record levels experienced in 2008. Within the current environment of high commodity prices and significant nutrient requirements caused by excess moisture this year, the Company believes there is a strong incentive for producers to maximize fertilizer use and expects these strong fertilizer pricing fundamentals to continue.



Source: Viterra Company Reports

4.3 Processing

Viterra's Processing segment is an important aspect of the Company's value chain. Overall, this segment extends the Company's pipeline by producing food ingredients for consumer products companies and food processors around the world. This segment also consists of feed manufacturing operations that provide feed and nutritional supplements to the feed industries, primarily in Canada, the U.S. and New Zealand.

North America

Viterra's North American food processing operations consist of oat and specialty grain milling, pasta manufacturing, canola crushing and a 42% interest in Prairie Malt, a single-site malt operation located in Saskatchewan. There are four oat milling facilities with the capacity to process 540,000 tonnes of raw oats into 335,000 tonnes of food ingredients annually. The wheat flour mill operation has the capacity to grind about 100,000 tonnes of grains into 75,000 tonnes of flour and bran, while the two pasta manufacturing facilities have the capacity to grind 340,000 tonnes of durum wheat and process 254,000 tonnes of pasta annually. The Company's canola crush facility has the capacity to process 340,000 tonnes of canola into 323,000 tonnes of oil and meal on an annual basis. In southern China, Viterra is expecting to commission its joint venture canola processing facility, with 680,000 tonnes of annual crush capacity, in the fourth quarter of fiscal 2011.

Viterra is a major player in the North American feed markets. In Canada, feed manufacturing is conducted at six feed mills and one pre-mix manufacturing facility.

In the U.S., the operations include six feed mills and commodity blending sites in Texas, Oklahoma, and New Mexico. The Company distributes about 1.8 million tonnes of feed from its North American operations annually.

Australia

In Australia, Viterra is the largest malt processor, operating seven processing plants strategically positioned across Australia, with production capacity of 470,000 tonnes annually. Approximately 370,000 tonnes are destined for export markets and 100,000 tonnes are consumed domestically. Viterra supplies malt to major domestic brewers and international brewers that predominantly supply the Asian-Pacific region. The Company is currently building an 110,000 tonne malt facility in Sydney, Australia, which is expected to be completed in fiscal 2012.

In New Zealand, the Company has a presence across the feed supply chain, from marketing and accumulation to storage, freight, milling and the sale of end-use products. It is a key importer and distributor of grains and meals to the New Zealand market. The Company operates three storage facilities in close proximity to the prime dairy regions. It is involved in maize processing and also operates a feed manufacturing and distribution business with three feed mills representing production capacity of approximately 240,000 tonnes annually.

Operating Results

Processing *(in thousands - except margins)*	**Three Months ended July 31, 2011**	2010	*Better (Worse)*	**Nine Months ended July 31, 2011**	2010	*Better (Worse)*
Gross profit and net revenues from services	**$ 49,294**	$ 43,165	*$ 6,129*	**$ 152,504**	$ 124,116	*$ 28,388*
Operating, general and administrative expenses	**(20,242)**	(21,222)	*980*	**(59,620)**	(56,280)	*(3,340)*
EBITDA [1]	**29,052**	21,943	*7,109*	**92,884**	67,836	*25,048*
Amortization	**(11,729)**	(10,866)	*(863)*	**(35,992)**	(26,070)	*(9,922)*
EBIT [1]	**$ 17,323**	$ 11,077	*$ 6,246*	**$ 56,892**	$ 41,766	*$ 15,126*
Sales and other operating revenues	**$ 387,683**	$ 329,791	*$ 57,892*	**$ 1,136,208**	$ 927,866	*$ 208,342*
Operating Highlights - Food						
Sales volumes *(tonnes)*						
Malt [2]	**131**	140	*(9)*	**376**	403	*(27)*
Pasta	**54**	55	*(1)*	**164**	55	*109*
Oats	**90**	55	*35*	**284**	163	*121*
Canola	**38**	61	*(23)*	**118**	180	*(62)*
Combined food processing margin *(per tonne sold)*	**$ 120.77**	$ 83.45	*$ 37.32*	**$ 122.70**	$ 88.79	*$ 33.91*
Operating Highlights - Feed						
Feed sales volumes *(tonnes)*						
North America	**419**	443	*(24)*	**1,305**	1,494	*(189)*
New Zealand	**29**	33	*(4)*	**104**	100	*4*
Combined feed processing margin *(per tonne sold)*	**$ 25.66**	$ 36.16	*$ (10.50)*	**$ 26.20**	$ 33.24	*$ (7.04)*

[1] *See Non-GAAP Measures in Section 11.0*

[2] *Includes contributions from Viterra's 42% ownership interest in Prairie Malt and its wholly owned Australian malt business*

Sales and other operating revenues for the Processing segment for the third quarter were $387.7 million, up $57.9 million or 18% from the comparable period of 2010. On a year-to-date basis, sales were $1,136.2 million representing a 22% increase over the comparable period of fiscal 2010. Sales from the food processing operations were $657.2 million, compared to $479.4 million for the same year-to-date period last year, reflecting the addition of new pasta and coated oats processing in the latter half of fiscal 2010. Sales from the feed manufacturing operations were $161.4 million in the third quarter versus $137.3 million a year earlier, bringing the year-to-date total to $479.0 million versus $448.4 million a year earlier.

Third quarter sales volumes from the pasta business were 54,000 tonnes and reflect continued strong demand. In the oat business, volumes reached 90,000 tonnes in

the third quarter and 284,000 tonnes for the first nine months of the year. The quarterly and year-to-date oat volume increases of 64% and 74% are due to the addition of the 21st Century oat business, which complemented consistent sales from the existing oat operations.

Canola crush volumes in the third quarter were 38,000 tonnes, a reduction of about one-third from the prior year's quarter. For the first nine months, crush volumes decreased to 118,000 tonnes, compared to 180,000 tonnes a year earlier. The Company has reduced production at its Manitoba crush facility to about 60% of capacity to manage the impact of difficult margins and has developed a specialty oil strategy that is expected to build upon its expeller-press processing methodology and deliver sustainable margins over time.

Viterra's malt operations generated sales of $74.0 million for the third quarter of fiscal 2011 compared to $70.3 million for the same period last year. On a year-to-date basis, sales were $199.8 million, compared to $235.6 million a year earlier. While sales in Canada were comparable year-over-year, in Australia malt sales volumes were down 8% in the quarter and 10% year to date reflecting sluggish customer demand and softening world malt prices.

On a combined basis, gross margins for the food processing operations increased to $120.77 per tonne for the third quarter from $83.45 per tonne a year ago. Pasta margins improved during the quarter as the operation is now fully integrated and synergies are being realized, which includes efficiencies around Viterra's procurement model. In addition, third quarter margins increased due to the incremental contributions of the new higher-margin coated oat business acquired in the fourth quarter of fiscal 2010. These increases were offset in part by lower canola margins. Fluctuations in quarterly margins are expected given product mix, timing of pricing and the impact of supply and demand fundamentals.

On a year-to-date basis, incremental contributions from the new pasta and oat businesses, acquired in the latter half of fiscal 2010, more than offset lower margins in the Canadian canola operations and drove year-to-date gross margin to $122.70 per tonne, from $88.79 per tonne in fiscal 2010. The Company expects the combined annual food processing margin for fiscal 2011 to range between $100 and $120 per tonne, an increase from its previous guidance of $90 to $110 per tonne.

Viterra's feed products generated a gross margin of $25.66 per tonne in the third quarter, compared to $36.16 per tonne a year ago. On a year-to-date basis, the margin was $26.20 per tonne compared to $33.24 per tonne in the previous year. The year-over-year decreases reflect challenging market conditions in both Western Canada and New Zealand, which more than offset better margins in Viterra's U.S. operations. Excess capacity has caused intense competition in the western Canadian market and some competitors are reducing price to buy market share. This has resulted in lower volumes and margins in Western Canada feed products. Viterra is currently implementing operational restructuring initiatives to reduce costs and improve margins in its Canadian operations. In New Zealand, the Company continues to integrate its new feedmill by improving operating efficiencies and securing sales. In the U.S., margins were better than the prior year as strong dairy and beef prices have increased purchases of higher margin complex feeds.

OG&A expenses for the Processing segment were $20.2 million for the third quarter compared to $21.2 million in fiscal 2010 and for the nine months were $59.6 million compared to $56.3 million a year earlier. The increase in OG&A expenses on a year-to-date basis reflects the addition of the new pasta and oat businesses purchased in the second half of fiscal 2010. These increases in OG&A expenses were partially offset by integration efforts, which have led to lower costs and improved efficiencies in the new oat and pasta businesses as well as the North American feed operations.

The Processing segment's EBITDA was $29.1 million for the third quarter compared to $21.9 million for the same period in fiscal 2010. Viterra's North American food processing businesses contributed $22.6 million to quarterly EBITDA, up from the $17.1 million contribution in the third quarter of last year. Viterra's Australian malt operation contributed $5.5 million in the third quarter, compared with $0.6 million in 2010. Last year's third quarter Australian malt results were negatively affected by raw materials costs and a foreign exchange loss. The Company's global feed operations contributed $1.1 million versus $4.2 million last year.

On a year-to-date basis, the segment's EBITDA was $92.9 million, compared to $67.8 million a year earlier. The North American food processing businesses contributed $64.2 million compared to $27.1 million in the comparable period of fiscal 2010. The pasta and oat businesses, which were acquired in the latter half of fiscal 2010, contributed $49.1 million. The Australian malt and the Company's global feed operations generated $23.1 million (2010 - $22.9 million) and $6.0 million (2010 - $17.9 million), respectively.

Segment EBIT was $17.3 million for the quarter compared to $11.1 million in the third quarter of fiscal 2010. For the first nine months of fiscal 2011, segment EBIT was $56.9 million compared to $41.8 million in the comparable period a year earlier.

Outlook

The Company remains focused on its diversification strategy to grow its portfolio of food and feed ingredients businesses. Looking forward, the Company expects similar contributions from the Processing segment during the last quarter of fiscal 2011 and into 2012 relative to prior periods as there are no significant near-term changes expected to the underlying fundamentals that support this business segment.

Demand for whole grain, nutritional food ingredients is strong. As well, Viterra believes uncertainty in the U.S. economy will continue to support strong demand for healthy and economical pasta products. The Company expects margins in the pasta business will remain consistent with historical levels moving into fiscal 2012 due to effective procurement strategies, improved product mix, and operational efficiency initiatives.

In the Canadian canola processing operation, the Company is pursuing operational efficiencies and ongoing cost control measures to offset the impact of poor margins due to overcapacity. In Western Canada, canola crush capacity has increased approximately 70% over the past 24 months and outpaced increasing demand. Despite these short-term challenges, the Company believes the long-term outlook for canola processing is positive given ongoing demand for healthy oils. Viterra is working to differentiate its oil products and is pursuing opportunities to leverage its

double expeller-press process that produces specialty oils, non-genetically modified oil and Hi Oleic oil for the natural food market. Viterra remains confident that food manufacturers will value specialty, natural canola oil ingredients, and to that end has been successful in securing high-margin sales with marquee North American companies. The Company expects a modest improvement in contributions from the canola processing operation in the final quarter of fiscal 2011 and into the first quarter of fiscal 2012.

In southern China, the Company's new joint venture canola crush facility is expected to be commissioned next quarter. The Company will focus on ramping up production at the facility and developing customer relationships to secure sales. The facility will have annual crush capacity of 680,000 tonnes.

Global malt markets are expected to remain challenged in the near term due to sluggish beer sales in North America and Europe. This has created excess capacity and has increased competition across the globe, which impacts industry margins. For Viterra's malt operations in Australia, the Company believes that margins will remain compressed, below pre-recession levels, into the first half of fiscal 2012. The Company has taken steps to streamline the Australian malt operations by closing some of the marginal capacity in its network ahead of the expected commissioning of the highly efficient Minto malt plant near Sydney, Australia in the first half of fiscal 2012. The facility will have annual production capacity of 110,000 tonnes.

For the North American feed business, western Canadian operations will be challenged by overcapacity, intense competition and margin compression in the near term. However, the Company expects a modest improvement in its results over the next 12 months as cost reduction initiatives are completed and sales personnel focus on higher margin sales. In the U.S., the Company expects the demand for complex feed products to improve in response to strong pricing and export demand for dairy and beef products. In addition, the recent drought in the U.S. should provide some relief from tight margins, as producers are required to purchase more manufactured feed products.

In the New Zealand feed market, the ongoing recovery in the global economy and demand from Southeast Asia for dried milk products is driving higher milk prices and a gradual recovery in this market. These trends are expected to move producers from commodity feeds to higher margin complex feed products over time.

4.4 Corporate Expenses

Corporate Expenses *(in thousands)*	**Three Months ended July 31, 2011**	2010	*Better (Worse)*	**Nine Months ended July 31, 2011**	2010	*Better (Worse)*
Operating, general and administrative expenses	**$ (43,307)**	$ (31,932)	*$ (11,375)*	**$ (117,807)**	$ (96,138)	*$ (21,669)*
Amortization	**(2,251)**	(3,749)	*1,498*	**(6,893)**	(4,567)	*(2,326)*
EBIT [1]	**$ (45,558)**	$ (35,681)	*$ (9,877)*	**$ (124,700)**	$ (100,705)	*$ (23,995)*

[1] *See Non-GAAP Measures in Section 11.0*

Corporate expenses were $43.3 million in the third quarter of fiscal 2011, compared to $31.9 million in the same period last year due to higher expenses related to short-term incentive and stock-based compensation programs and costs associated with transformational programs. On a year-to-date basis, corporate OG&A expenses were

$117.8 million versus $96.1 million for the first nine months of the fiscal year due to the factors noted earlier plus the impact of inflation on corporate expenses.

5.0 Liquidity and Capital Resources

5.1 Cash Flow Information

Cash Flow Provided by Operations [1] *(in thousands - except per share amounts)*	**Three Months ended July 31,**		*Better*	**Nine Months ended July 31,**		*Better*
	2011	2010	*(Worse)*	**2011**	2010	*(Worse)*
EBITDA [1]	**$ 251,884**	$ 196,614	*$ 55,270*	**$ 591,328**	$ 379,625	*$ 211,703*
Add						
Employee future benefits	**1,276**	1,255	*21*	**4,349**	4,236	*113*
Other items	**739**	984	*(245)*	**1,706**	1,807	*(101)*
Adjusted EBITDA	**253,899**	198,853	55,046	**597,383**	385,668	211,715
Integration expenses	**(1,167)**	(1,059)	*(108)*	**(2,468)**	(4,233)	*1,765*
Cash interest expense	**(26,617)**	(34,996)	*8,379*	**(85,522)**	(96,232)	*10,710*
Pre-tax cash flow	**226,115**	162,798	*63,317*	**509,393**	285,203	*224,190*
Current income tax expense	**(78,258)**	(577)	*(77,681)*	**(82,446)**	(11,974)	*(70,472)*
Cash flow provided by operations [1]	**$ 147,857**	$ 162,221	*$ (14,364)*	**$ 426,947**	$ 273,229	*$ 153,718*
Per share	**$ 0.40**	$ 0.44	*$ (0.04)*	**$ 1.15**	$ 0.74	*$ 0.41*

[1] *See Non-GAAP Measures in Section 11.0*

For the three months ended July 31, 2011, cash flow provided by operations (see Non-GAAP Measures in Section 11.0) was $147.9 million (0.40 per share) and down from the $162.2 million ($0.44 per share) last year. The decrease is mainly attributable to current income taxes. Current taxes increased primarily due to substantially higher quarterly and annual earnings. For the first nine months cash flow provided from operations increased by 56% to $426.9 million ($1.15 per share). Improved cash flow in fiscal 2011 reflects higher EBITDA and lower cash financing costs offset in part by higher current taxes.

Free cash flow is measured by cash flow provided by operations less capital expenditures and does not reflect changes in non-cash working capital (see Non-GAAP Measures in Section 11.0). For the three months ended July 31, 2011, the Company generated free cash flow of $94.9 million compared to $130.2 million in the corresponding period of the prior year due to higher capital expenditures and current income taxes. For the first nine months of the fiscal year, free cash flow was $291.7 million, an increase of $102.8 million from the corresponding period in the previous year. The increase reflects improved EBITDA and lower cash interest expense, offset in part by additional capital expenditures and higher current income tax expense.

5.2 Investing Activities

Viterra's property, plant and equipment expenditures for the three months ended July 31, 2011 were $49.1 million compared to $27.7 million for the comparable period of the prior year. On a year-to-date basis, property, plant and equipment expenditures were $122.7 million, compared to $71.8 million a year earlier. Capital expenditures reflect a number of improvements and upgrades undertaken in the ordinary course of business and additional expansionary projects associated with the Company's growth. In fiscal 2011, Viterra expects that currently approved growth capital expenditures will total approximately $95.0 to $110.0 million. These expenditures relate to the construction of the Minto malt facility in Australia and the canola crush joint venture in southern China, as well as other expansionary projects.

On an annualized basis, Viterra also expects consolidated sustaining capital expenditures will be approximately $120.0 to $130.0 million. All capital expenditures are expected to be funded by cash flow provided by operations.

5.3 Non-Cash Working Capital

Non-cash Working Capital *(in thousands)*	**As at July 31,** **2011**	2010	*Change*
Inventories	**$ 1,418,680**	$ 1,083,753	$ 334,927
Accounts receivable	**1,245,730**	999,205	246,525
Prepaid expenses and deposits	**63,869**	79,494	(15,625)
Accounts payable and accrued liabilities	**(1,154,828)**	(905,777)	(249,051)
	$ 1,573,451	$ 1,256,675	*$ 316,776*

Inventory levels at July 31, 2011 were up significantly to $1,418.7 million compared with $1,083.8 million at July 31, 2010. The majority of the increase related to grain inventory values due to higher commodity prices accompanied by higher volumes of grains on hand in Australia. Agri-product inventory also increased as higher fertilizer volumes and prices increased inventory values year over year.

The Company's inventory value is significantly influenced by commodity prices in the Grain Handling and Marketing segment and fertilizer prices in the Agri-products segment. Generally, inventories reach their peak in the January to April months as harvest in Australia is completed and the North American agri-products business is building inventory for the high-volume spring sales season.

Accounts receivable at July 31, 2011 were $1,245.8 million, $246.5 million higher than at July 31, 2010. The increase primarily reflects higher commodity prices.

Prepaid expenses and deposits at July 31, 2011 were $63.9 million, down from $79.5 million on July 31, 2010. This was mainly due to lower levels of prepaid expenses in the Grain segment.

Accounts payable and accrued liabilities increased by $249.1 million, primarily due to higher inventory levels.

5.4 Financing Activities

Key Financial Information [1] *(in thousands - except ratios and percentages)*	**As at July 31,** **2011**	2010	*Change*
Cash and cash equivalents	**$ 162,693**	$ 55,793	*$ 106,900*
Total debt	**1,088,264**	947,827	*140,437*
Total debt, net of cash and cash equivalents	**925,571**	892,034	*33,537*
Ratios			
Current ratio	**2.41 x**	1.61 x	*0.80 x*
Debt-to-total capital	**21.3%**	21.1%	*0.2 pt*
Long-term debt-to-total capital	**20.9%**	11.1%	*9.8 pt*

[1] *See Non-GAAP Measures in Section 11.0*

Viterra's balance sheet at July 31, 2011 remained strong with total debt-to-total capital of 21.3% (21.1% at July 31, 2010). Viterra had $162.7 million in cash and cash equivalents and no cash drawings on its $1.6 billion unsecured revolving credit facility ("Global Credit Facility").

On August 4, 2010, the Company issued a private placement of $400 million U.S. dollars of 5.95% Senior Unsecured Notes, maturing August 1, 2020. On February 15, 2011, the Company issued $200 million of 6.406% Senior Unsecured Notes, maturing February 16, 2021. The February 15, 2011 offering was made pursuant to the Company's short-form base shelf prospectus dated August 6, 2010 and a prospectus supplement filed on February 10, 2011. Proceeds from these Notes were used to partially repay drawings on its Global Credit Facility and for general corporate purposes.

On June 8, 2011, the Company declared a five-cent ($0.05) Canadian per share dividend, which was paid on July 28, 2011 to holders of record on July 7, 2011. This was the Company's second dividend payment during the year, following a five-cent ($0.05) Canadian per share dividend payment on February 10, 2011. The annual dividend rate is currently ten cents ($0.10) Canadian per share and will be reviewed semi-annually by the Board of Directors.

5.5 Debt Ratings

The following table summarizes the Company's current credit ratings:

	Corporate Rating	Senior Unsecured Notes	Trend
Standard & Poor's	BBB-	BBB-	Stable
DBRS Limited	BBB (Low)	BBB (Low)	Stable
Moody's Investors Service	Ba1	Ba1	Stable

5.6 Contractual Obligations

The following table summarizes the Company's outstanding contractual obligations as at July 31, 2011:

Contractual Obligations (in thousands)	Principal Payments Due by Period				
	Total	Less than 1 Year	1 to 3 Years	4 to 5 Years	After 5 Years
Balance Sheet Obligations					
Bank Indebtedness	$ 67,665	$ 67,665	$ -	$ -	$ -
Short-term borrowings	17,757	17,757	-	-	-
Long-term debt	1,087,897	1,770	1,447	300,988	783,692
Other long-term obligations	93,039	23,558	26,414	8,654	34,413
	1,266,358	110,750	27,861	309,642	818,105
Other Contractual Obligations					
Operating leases	$ 118,474	$ 39,109	$ 53,459	$ 10,643	$ 15,263
Purchase obligations [1]	2,040,401	1,938,394	100,045	1,062	900
	2,158,875	1,977,503	153,504	11,705	16,163
Total Contractual Obligations	$ 3,425,233	$ 2,088,253	$ 181,365	$ 321,347	$ 834,268

[1] *Substantially all of the purchase obligations represent contractual commitments to purchase commodities and products for resale.*

5.7 Off-Balance Sheet Arrangements

5.7.1 Viterra Financial™

Viterra Financial™ provides grain and oilseed producers with secured and unsecured financing, through a Canadian chartered bank, to purchase the Company's fertilizer, crop protection products, seed and equipment. Outstanding credit was $627.5 million at July 31, 2011, compared to $546.3 million at July 31, 2010. About 97% of the current outstanding credit relates to Viterra Financial™'s highest credit rating categories. The Company indemnifies the bank for 50% of future losses under Viterra Financial™ to a maximum limit of 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the size of the underlying portfolio. As at July 31, 2011, Viterra has provided $6.7 million for actual and future expected losses.

Viterra Financial™ also provides livestock producers with secured and unsecured financing through a Canadian chartered bank to purchase feeder cattle, and related feed inputs under terms that do not require payment until the livestock are sold. Viterra Financial™ approved $89.2 million, compared to $98.8 million in the third quarter of fiscal 2010, in credit applications for Viterra's Feed Products customers, of which these customers had drawn $47.9 million at July 31, 2011 (July 31, 2010 - $39.9 million). The Company has indemnified the bank for aggregate credit losses of up to $11.1 million based on the first 20% to 33% of new credit issued on an individual account as well as for credit losses, shared on an equal basis, of up to 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the credit rating of underlying accounts and the aggregate credit outstanding. As at July 31, 2011, the Company had provided about $0.5 million for actual and expected future losses.

6.0 Outstanding Share Data

The market capitalization of the Company's 371.7 million issued and outstanding shares at September 2, 2011 was $3.9 billion or $10.37 per share. The issued and outstanding shares at September 2, 2011, together with securities convertible into common shares are summarized in the following table:

As at September 2, 2011	
Issued and outstanding common shares	371,685,294
Securities convertible into common shares - stock options	2,524,148
Securities redeemable for common shares - share units	483,053
	374,692,495

As of July 31, 2011 there were 22.6 million CDIs, which trade on the ASX.

7.0 Related Party Transactions

The Company has transactions with related parties in the normal course of business measured at exchange amounts, which are comparable to commercial rates and terms. Related parties include investee Prince Rupert Grain, as well as grain pools operated by the Company.

There were related party sales for the nine months ended July 31, 2011 of $17.8 million (2010 - $11.5 million) and total purchases from related parties were $38.9 million for the same period in 2011 (2010 - $17.6 million). As at July 31, 2011, accounts receivable from related parties totalled $4.1 million (2010 - $13.9 million) and accounts payable to related parties totalled $9.4 million (2010 - $6.6 million). Related party sales, purchases and balances are due mainly to grain shipping and handling activities conducted through Prince Rupert Grain as well as marketing activities conducted in operation of the grain pools.

8.0 Other Matters

8.1 Accounting Policy Changes

8.1.1 International Financial Reporting Standards

In February 2008, the Accounting Standards Board ("AcSB") announced that 2011 is the changeover date for publicly accountable enterprises to replace current GAAP with International Financial Reporting Standards ("IFRS"). The date relates to interim and annual financial statements for fiscal years beginning on or after January 1, 2011, which will be applicable for Viterra's first quarter of fiscal 2012. Viterra will also be required to provide IFRS comparative information for the previous fiscal period and therefore recording under IFRS will commence on Viterra's transition date, which was November 1, 2010.

Viterra has undertaken a project to assess and record the potential impacts of its transition to IFRS.

Viterra has completed the Initial, Detailed Assessment and Design phases of its project plan. Viterra has started the Execution phase, which will culminate when the Company issues its first IFRS interim financial statements for the quarter ended January 31, 2012. For details on the key activities and the status of the transition see Section 16.1.1 of the MD&A for the fiscal year ended October 31, 2010.

In the third quarter ending July 31, 2011, progress continued to track the Company's communicated plan. Focus in the fourth quarter will be on the following key activities:

- ongoing recording of IFRS adjustments for the comparative year;
- the development of IFRS financial reports for both internal and external use;
- continuous monitoring and assessment of upcoming IFRS standards; and
- communication and training;

As communicated in Section 16.1.3 of the MD&A for the fiscal year ended October 31, 2010, we anticipated material opening balance sheet adjustments related to IFRS 1 - First-time Adoption of International Financial Reporting Standards elections for employee benefits and currency translation differences. In relation to employee benefits the cumulative actuarial loss that will be recorded in retained earnings is estimated to be $111.2 million before tax. In relation to currency translation differences, a cumulative unrealized gain of approximately $112.3 million from foreign currency translation of foreign operations and net investment hedges will be recorded in retained earnings.

As communicated in Section 8.1.1 of the MD&A for the second quarter ended April 30, 2011, a significant difference between current Canadian GAAP and IFRS was identified related to accounting for income taxes. Under IFRS, the tax basis used in computing deferred taxes of certain intangible and building assets that are not amortized or depreciated for Australian/New Zealand tax purposes is nil. Under Canadian GAAP, the tax basis used in computing deferred taxes for these assets is equal to the deductible amount upon disposal or retirement. This difference is expected to result in an approximate increase of $27.0 million in the Company's measurement of its deferred tax liability upon transition to IFRS with an equal reduction in opening retained earnings.

No additional significant differences between GAAP and IFRS have been identified. For details on the previously identified differences between GAAP and IFRS see Section 16.1.2 of the MD&A for the fiscal year ended October 31, 2010.

As described in Section 16.1.3 of the MD&A for the fiscal year ended October 31, 2010 and referred to above, the Company has performed an assessment regarding IFRS 1 - First-time Adoption of International Financial Reporting Standards. There have been no significant changes to the expected elections or their impact.

As Viterra continues to monitor IFRS standards changed or issued there may be changes to the Company's expectations regarding IFRS, IFRS 1 optional exemptions and the expected IFRS accounting policies. In addition, Viterra may identify circumstances or experience changes in its business that may have an impact on these expectations.

8.2 Critical Accounting Estimates

In preparing the Company's Consolidated Financial Statements, Management is required to make estimates, assumptions and judgments as to the outcome of future events that might affect reported assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Such assessments are made using the best information available to Management at the time. Although Management reviews its estimates on an ongoing basis, actual results may differ from these estimates as confirming events occur. The following is an analysis of the critical accounting estimates that depend most heavily on such Management estimates, assumptions and judgments, any changes, which may have a material impact on the Company's financial condition or results of operations. For more information about certain assumptions and risks that might affect these estimates, assumptions and judgments, refer to Section 13.0, Forward-Looking Information.

8.2.1 Future Income Taxes

As at July 31, 2011, the Company had non-capital loss carry-forwards of approximately $30.0 million, compared to $75.0 million at July 31, 2010. These non-capital loss carry-forwards are available to reduce income taxes otherwise payable in future periods. Of these losses, $16.5 million will expire between 2016 and 2030, and $13.5 million are not subject to expiry. A short-term future income tax asset of $1.5 million has been recorded as at July 31, 2011 in respect of the Company's unutilized losses. The Company recognizes the future tax benefit in respect of its losses to the extent it is more likely than not to be realized. No future tax benefit has been recognized for $24.9 million of the Company's non-capital losses. The Company also has capital loss carry-forwards of $14.5 million that can only be used to offset capital gains in future periods. No future tax benefit has been recognized for the capital losses.

9.0 Restructuring and Integration Matters

Dakota Growers

Viterra assumed control of Dakota Growers on May 5, 2010. All major milestones in the integration of this business are now complete. Attainment of full run rate synergies is on track for fiscal 2012, with the majority of the annualized benefit being captured in fiscal 2011.

21st Century

Following the acquisition on August 17, 2010, formal integration execution has been underway since January 2011. The Viterra operating model is in effect and employee programs continue to be aligned. Synergies are being realized on schedule with the most significant benefits to date being in the areas of grain procurement and corporate expense savings. The vast majority of integration milestones are projected for completion by the end of the first quarter of fiscal 2012, with most synergies being realized in fiscal 2011.

Processing Segment Synergies

Shareholders should benefit from annual estimated gross synergies within Processing of approximately $6.0 million, relating to the acquisition of Dakota Growers and 21st Century. To date, the Company has realized about two-thirds of these synergies, and expects to deliver the annualized benefit by the end of fiscal 2011.

Montreal Port Terminal

Viterra began operating the Montreal Port Grain Terminal on July 4, 2011 under a long-term lease arrangement. Most integration activities were completed in advance of this date to ensure the terminal was operational to Viterra standards on its first day of operations. Outstanding integration activities are mostly related to information technology functions and are all anticipated to be completed by the end of fiscal 2011.

ABB

On September 23, 2009, the Company acquired all of the issued and outstanding common shares of ABB, an Australian agri-business. Integration of the business was complete as of July 31, 2011 with the Company having achieved its targeted $30.0 million in gross synergies by April 30, 2011, six months ahead of schedule. These synergies were achieved primarily through revenue and cost efficiency in the Grain Handling and Marketing segment and through reduced corporate expenses.

On a pre-tax basis, estimated total net integration costs, which include share issuance costs and refinancing costs, are about $113.2 million. As of July 31, 2011 there is approximately $8.2 million of remaining integration costs to be expensed or capitalized relating to information technology integration projects and other transformational programs.

10.0 Risks and Risk Management

Viterra faces certain risks, which can impact its financial performance. For information on risks and risk management, readers should review the MD&A for the fiscal year ended October 31, 2010, which is available on Viterra's website at www.viterra.com, as well as on SEDAR at www.sedar.com, under Viterra Inc.

The Company has sales to customers in over 50 countries and its global sales and merchandising operations are conducted through its subsidiaries in many jurisdictions. The Company very recently identified that export sales by one of its non-North American subsidiaries to a customer may have breached unilateral trade regulations of a non-North American regulator. The Company's subsidiary has terminated all further sales to this customer. The Company and its subsidiary are undertaking an investigation to gather more information about the transactions in question as expeditiously as possible and are in the process of preparing a disclosure to the relevant authorities once all of the facts have been gathered and assessed. Violations of the applicable regulations may be subject to potential financial penalties. Based on information and assessment to date, the Company

does not believe that there will be a material adverse impact on the business or financial position of the Company.

As part of Viterra's ongoing assessment of its risk management process, it believes that an increased focus on safety, health and environment as a separate risk within its Corporate Risk Register is appropriate.

The Company's exposure to safety, health and environmental risk relates primarily to the possibility that a serious safety or environmental incident could occur at one of its operating facilities. The Company manages this risk by adhering to strict safety, health and environment risk management systems and all applicable regulatory requirements. Even with precautions taken, there is still a risk to Viterra that a serious safety or environmental incident may result in financial and reputation loss.

11.0 Non-GAAP Measures

EBITDA – Earnings before financing expenses, taxes, amortization, gain on disposal of assets, integration expenses and acquisition derivative, and EBIT – Earnings before financing expenses, taxes, gain on disposal of assets, integration expenses and acquisition derivative are non-GAAP measures. Those items excluded in the determination of EBITDA and EBIT represent items that are non-cash in nature, income taxes, financing expenses or are otherwise not considered to be in the ordinary course of business. These measures are intended to provide further insight with respect to Viterra's financial results and to supplement information on earnings (losses) as determined in accordance with GAAP.

EBITDA is used by Management to assess the cash generated by operations, and EBIT is a measure of earnings from operations prior to financing costs and taxes. Both measures also provide important Management information concerning business segment performance since the Company does not allocate financing expenses, income taxes or other excluded items to these individual segments.

Total debt, net of cash and cash equivalents, is provided to assist investors and is used by Management to assess the Company's liquidity position and to monitor how much debt the Company has after taking into account its liquid assets, such as cash and cash equivalents. Such measures should not be used in isolation of, or as a substitute for, current liabilities, short-term borrowings, or long-term debt as a measure of the Company's indebtedness.

Cash flow provided by operations is the cash from (or used in) operating activities, excluding non-cash working capital changes. Viterra uses cash flow provided by operations and cash flow provided by operations per share as financial measures for the evaluation of liquidity. Management believes that excluding the seasonal swings of non-cash working capital assists its evaluation of long-term liquidity.

Free cash flow is cash flow provided by operations (prior to any changes in non-cash working capital) net of capital expenditures, excluding business acquisitions. Free cash flow is used by Management to assess liquidity and financial strength. This measurement is also useful as an indicator of the Company's ability to service its debt, meet other payment obligations and make strategic investments. Readers

should be aware that free cash flow does not represent residual cash flow available for discretionary expenditures.

These non-GAAP measures should not be considered in isolation of, or as a substitute for, GAAP measures such as (i) net earnings (loss), as an indicator of the Company's profitability and operating performance or (ii) cash flow from or used in operations, as a measure of the Company's ability to generate cash. Such measures do not have any standardized meanings prescribed by GAAP and are, therefore, unlikely to be comparable to similar measures presented by other corporations.

Reconciliations of each of these terms are provided in the table below:

Non-GAAP Terms, Reconciliations and Calculations
(in thousands - except percentages and ratios)

	For the Nine Months ended July 31,	**2011**	2010	*Better (Worse)*
	Gross profit and net revenues from services	**$ 1,221,634**	$ 938,656	*$ 282,978*
	Operating, general and administrative expenses	**(630,306)**	(559,031)	*(71,275)*
	EBITDA	**$ 591,328**	$ 379,625	*$ 211,703*
	Amortization	**(149,670)**	(137,909)	*(11,761)*
	EBIT	**$ 441,658**	$ 241,716	*$ 199,942*
	Net earnings	**$ 255,947**	$ 92,601	*$ 163,346*
	Amortization	**149,670**	137,909	*11,761*
	Non-cash financing expenses	**6,104**	16,205	*(10,101)*
	Employee future benefits	**4,349**	4,236	*113*
	Net investment hedge	**(4,989)**	-	*(4,989)*
	Acquisition derivative	-	866	*(866)*
	Future income taxes	**14,903**	20,221	*(5,318)*
	Gain on disposal of assets	**(743)**	(616)	*(127)*
	Other items	**1,706**	1,807	*(101)*
	Cash flow prior to working capital changes	**$ 426,947**	$ 273,229	*$ 153,718*
	Property, plant and equipment expenditures	**(122,730)**	(71,809)	*(50,921)*
	Intangible assets expenditures	**(12,528)**	(12,553)	*25*
	Free cash flow	**$ 291,689**	$ 188,867	*$ 102,822*
	As at July 31,			
	Current assets	**$ 2,989,673**	$ 2,281,283	*$ 708,390*
	Current liabilities	**1,243,066**	1,421,210	*178,144*
	Current Ratio (Current Assets/Current Liabilities)	**2.41 x**	1.61 x	*0.80 x*
	Short-term borrowings	**17,757**	450,153	*432,396*
[A]	Long-term debt due within one year	**1,770**	1,850	*80*
[A]	Long-term debt	**1,068,737**	495,824	*(572,913)*
[B]	Total debt	**$ 1,088,264**	$ 947,827	*$ (140,437)*
[C]	Cash and cash equivalents	**$ 162,693**	$ 55,793	*$ 106,900*
	Total debt, net of cash and cash equivalents	**$ 925,571**	$ 892,034	*$ (33,537)*
[D]	Total equity	**$ 4,025,547**	$ 3,532,593	*$ 492,954*
[E]	Total capital [B + D]	**$ 5,113,811**	$ 4,480,420	*$ 633,391*
	Debt-to-total capital [B]/[E]	**21.3%**	21.1%	*(0.2 pt)*
	Long-term debt-to-total capital [A]/[E]	**20.9%**	11.1%	*(9.8 pt)*

12.0 Evaluation of Disclosure and Procedures

Management, including the President and Chief Executive Officer and Chief Financial Officer, has evaluated the design of Viterra's disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of July 31, 2011. Management has concluded that, as of July 31, 2011, Viterra's disclosure controls and procedures and internal controls over financial reporting are designed effectively to provide reasonable assurance that material information relating to Viterra and its consolidated subsidiaries and joint ventures would be made known to them by others

within those entities, particularly during the period in which this report was being prepared.

13.0 Forward-Looking Information

Certain statements in Management's Discussion and Analysis are forward-looking statements and reflect Viterra's expectations regarding future results of operations, financial condition and achievements. All statements that address activities, events or developments that Viterra or its Management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates, and expectations regarding future capital resources and liquidity of the Company and other such matters, are forward-looking statements. In addition, when used in this Management's Discussion and Analysis the words "believes", "intends", "anticipates", "expects", "estimates", "plans", "likely", "will", "may", "could", "should", "would", "outlook", "forecast", "objective", "continue" (or the negative thereof) and words of similar import may indicate forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements of Viterra to be materially different from any future results, performance and achievements expressed or implied by those forward-looking statements. The risks include, but are not limited to, those factors discussed in the Company's Management's Discussion and Analysis for the fiscal year ended October 31, 2010 under the heading "Risk and Risk Management". The uncertainties and other factors include, but are not limited to, weather risk; food and feed product safety risk; safety, health and environment risk; commodity price and trading risk; sovereign and political risk; capital market risk; liquidity risk; financial reporting risk; credit risk; foreign exchange risk; interest rate risk; merger and acquisition risk; regulatory risk; corporate and social responsibility risk; third-party relationship risk; information technology risk; talent management and succession planning risk; and employees relations risk. Many of these risks, uncertainties and other factors are beyond the control of the Company. All of the forward-looking statements made in Management's Discussion and Analysis are qualified by these cautionary statements and the other cautionary statements and factors contained herein and there can be no assurance that the actual developments or results anticipated by the Company and its Management will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, the Company.

Although Viterra believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this Management's Discussion and Analysis. In addition to other assumptions identified in this Management's Discussion and Analysis, assumptions have been made regarding, among other things:

- western Canadian and southern Australian crop production and quality in 2011 and subsequent crop years;
- the volume and quality of grain held on-farm by producers in North America;
- movement and sales of Board grains by the CWB;
- changes with respect to CWB monopoly control of the marketing of western Canadian wheat and barley;
- the regulatory environment in Australia;

- the amount of grains and oilseeds purchased by other marketers in Australia;
- demand for and supply of open market grains;
- movement and sale of grain and grain meal in Australia and New Zealand, particularly in the Australian states of South Australia, Victoria and New South Wales;
- agricultural commodity prices;
- general financial conditions for western Canadian and southern Australian agricultural producers;
- demand for seed, fertilizer, chemicals and other agri-products;
- market share of grain deliveries and agri-products sales that will be achieved by Viterra;
- extent of customer defaults in connection with credit provided by Viterra, its subsidiaries or a Canadian chartered bank in connection with feed product and agri-products purchases;
- ability of the railways to ship grain to port facilities for export without labour or other service disruptions;
- demand for oat, pasta, canola and malt barley products, and the market share of sales of these products that will be achieved by Viterra;
- ability to maintain existing customer contracts and relationships;
- the availability of feed ingredients for livestock;
- cyclicality of livestock prices;
- demand for wool and the market share of sales of wool production that will be achieved by Viterra's subsidiaries in Australia;
- the impact of competition;
- environmental and reclamation costs;
- the ability to obtain and maintain existing financing on acceptable terms; and
- currency, exchange and interest rates.

The preceding list is not exhaustive of all possible factors. All factors should be considered carefully when making decisions with respect to Viterra.

To the extent any forward-looking statements constitute future-oriented financial information or financial outlooks, as those terms are defined under applicable Canadian securities laws, such statements are being provided to describe the current anticipated potential of the Company and readers are cautioned that these statements may not be appropriate for any other purpose, including investment decisions.

Viterra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by Canadian securities laws.

14.0 Annual Management's Discussion and Analysis

This Management's Discussion and Analysis relating to the third quarter ended July 31, 2011 should be read in conjunction with Viterra's Management's Discussion and Analysis for the fiscal year ended October 31, 2010. Additional information relating to Viterra, including the most recent Annual Information Form filed by the Company, is available under the Company's profile on SEDAR at www.sedar.com and on Viterra's website, www.viterra.com.

CONSOLIDATED BALANCE SHEETS

(in thousands)

AS AT	July 31, 2011	July 31, 2010	October 31, 2010
	(unaudited)	(unaudited)	(audited)
ASSETS			
Current Assets			
Cash	$ 136,001	$ 83,695	$ 107,428
Short-term investments	94,357	32,038	88,204
Accounts receivable	1,245,730	999,205	995,656
Inventories (Note 3)	1,418,680	1,083,753	1,211,887
Prepaid expenses and deposits	63,869	79,494	107,638
Future income taxes	31,036	3,098	30,067
	2,989,673	2,281,283	2,540,880
Investments	6,707	9,399	9,661
Property, Plant and Equipment	2,539,867	2,385,933	2,491,047
Other Long-Term Assets	119,584	108,650	123,136
Intangible Assets	152,246	142,815	154,915
Goodwill	778,764	738,313	772,233
Future Income Taxes	5,425	18,242	25,010
	$ 6,592,266	$ 5,684,635	$ 6,116,882
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank indebtedness	$ 67,665	$ 59,940	$ 40,839
Short-term borrowings	17,757	450,153	61,677
Accounts payable and accrued liabilities	1,154,828	905,777	1,151,652
Long-term debt due within one year	1,770	1,850	2,295
Future income taxes	1,046	3,490	391
	1,243,066	1,421,210	1,256,854
Long-Term Debt	1,068,737	495,824	896,834
Other Long-Term Liabilities	54,367	51,299	51,351
Future Income Taxes	200,549	183,709	201,580
	2,566,719	2,152,042	2,406,619
Shareholders' Equity			
Retained earnings	789,795	518,342	571,013
Accumulated other comprehensive income (loss) (Note 4)	200,718	(17,320)	107,192
	990,513	501,022	678,205
Share capital (Note 5)	3,026,578	3,025,491	3,025,491
Contributed surplus	8,456	6,080	6,567
	4,025,547	3,532,593	3,710,263
	$ 6,592,266	$ 5,684,635	$ 6,116,882

Commitments, contingencies and guarantees (Note 10)

CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2011 (unaudited)	Three Months Ended July 31, 2010 (unaudited)	Nine Months Ended July 31, 2011 (unaudited)	Nine Months Ended July 31, 2010 (unaudited)
Sales and other operating revenues	$ 3,554,061	$ 2,493,119	$ 8,726,458	$ 6,304,588
Cost of sales (excluding amortization see Note 3)	(3,068,370)	(2,100,452)	(7,504,824)	(5,365,932)
Gross profit and net revenues from services	485,691	392,667	1,221,634	938,656
Operating, general and administrative expenses	(233,807)	(196,053)	(630,306)	(559,031)
	251,884	196,614	591,328	379,625
Amortization	(50,671)	(63,706)	(149,670)	(137,909)
	201,213	132,908	441,658	241,716
Gain on disposal of assets	169	241	743	616
Integration expenses	(1,167)	(1,059)	(2,468)	(4,233)
Acquisition derivative	-	2,208	-	(866)
Financing expenses (Note 9)	(28,802)	(44,851)	(86,637)	(112,437)
	171,413	89,447	353,296	124,796
Recovery of (provision for) corporate taxes				
Current	(78,258)	(577)	(82,446)	(11,974)
Future	30,094	(25,332)	(14,903)	(20,221)
Net earnings	$ 123,249	$ 63,538	$ 255,947	$ 92,601
Basic and diluted earnings per share (Note 6)	$ 0.33	$ 0.17	$ 0.69	$ 0.25

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2011	Three Months Ended July 31, 2010	Nine Months Ended July 31, 2011	Nine Months Ended July 31, 2010
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net earnings	$ 123,249	$ 63,538	$ 255,947	$ 92,601
Other comprehensive income (loss), net of tax				
Reclassification of gain on dedesignated hedged contracts	-	-	-	(740)
Unrealized gain (loss) on cash flow hedges	(3,366)	(12,401)	6,917	(15,340)
Reclassification of loss on cash flow hedges	1,431	10,567	824	14,130
Net investment hedges	(4,436)	3,394	19,456	5,581
Reclassification of gain on net investment hedges	-	-	(743)	-
Unrealized gain (loss) on available for sale assets	6	1	5	(4)
Unrealized effect of foreign currency translation of foreign operations	31,164	(18,889)	71,196	(75,163)
Reclassification of gain on foreign currency translation	-	-	(4,129)	-
Other comprehensive income (loss)	24,799	(17,328)	93,526	(71,536)
Comprehensive income	$ 148,048	$ 46,210	$ 349,473	$ 21,065

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands)

(unaudited)	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Shareholders' Equity
	(Note 5)		(Note 4)		
As at October 31, 2009	$ 3,025,486	$ 3,476	$ 54,216	$ 425,741	$ 3,508,919
Share capital issued	5	-	-	-	5
Options exercised	-	(2)	-	-	(2)
Stock-based compensation	-	2,606	-	-	2,606
Other comprehensive income (loss), net of tax					
Reclassification of gain on dedesignated hedged contracts	-	-	(740)	-	(740)
Unrealized loss on cash flow hedges	-	-	(15,340)	-	(15,340)
Reclassification of loss on cash flow hedges	-	-	14,130	-	14,130
Net investment hedges	-	-	5,581	-	5,581
Unrealized loss on available for sale assets	-	-	(4)	-	(4)
Unrealized effect of foreign currency translation of foreign operations	-	-	(75,163)	-	(75,163)
Net earnings for the period	-	-	-	92,601	92,601
As at July 31, 2010	$ 3,025,491	$ 6,080	$ (17,320)	$ 518,342	$ 3,532,593
Stock-based compensation	-	487	-	-	487
Other comprehensive income (loss), net of tax					
Unrealized loss on cash flow hedges	-	-	(4,803)	-	(4,803)
Reclassification of loss on cash flow hedges	-	-	1,241	-	1,241
Net investment hedges	-	-	(5,416)	-	(5,416)
Unrealized gain on available for sale assets	-	-	7	-	7
Unrealized effect of foreign currency translation of foreign operations	-	-	133,483	-	133,483
Net earnings for the period	-	-	-	52,671	52,671
As at October 31, 2010	$ 3,025,491	$ 6,567	$ 107,192	$ 571,013	$ 3,710,263
Share capital issued	1,087	-	-	-	1,087
Options exercised	-	(280)	-	-	(280)
Stock-based compensation	-	2,169	-	-	2,169
Other comprehensive income (loss), net of tax					
Unrealized gain on cash flow hedges	-	-	6,917	-	6,917
Reclassification of loss on cash flow hedges	-	-	824	-	824
Net investment hedges	-	-	19,456	-	19,456
Reclassification of gain on net investment hedges	-	-	(743)	-	(743)
Unrealized gain on available for sale assets	-	-	5	-	5
Unrealized effect of foreign currency translation of foreign operations	-	-	71,196	-	71,196
Reclassification of gain on foreign currency translation	-	-	(4,129)	-	(4,129)
Dividends	-	-	-	(37,165)	(37,165)
Net earnings for the period	-	-	-	255,947	255,947
As at July 31, 2011	$ 3,026,578	$ 8,456	$ 200,718	$ 789,795	$ 4,025,547

CONSOLIDATED STATEMENTS OF CASH FLOW
(in thousands)

FOR THE PERIOD ENDED	Three Months Ended July 31, 2011 (unaudited)	Three Months Ended July 31, 2010 (unaudited)	Nine Months Ended July 31, 2011 (unaudited)	Nine Months Ended July 31, 2010 (unaudited)
Cash From (Used In) Operating Activities				
Net earnings	$ 123,249	$ 63,538	$ 255,947	$ 92,601
Adjustments for items not involving cash and/or operations				
Amortization	50,671	63,706	149,670	137,909
Future income tax provision (recovery)	(30,094)	25,332	14,903	20,221
Employee future benefits (Note 8)	1,276	1,255	4,349	4,236
Non-cash financing expenses (Note 9)	2,185	9,855	6,104	16,205
Gain on disposal of assets	(169)	(241)	(743)	(616)
Net investment hedge (Note 9)	-	-	(4,989)	-
Acquisiton derivative	-	(2,208)	-	866
Other items	739	984	1,706	1,807
Adjustments for items not involving cash and/or operations	24,608	98,683	171,000	180,628
	147,857	162,221	426,947	273,229
Changes in non-cash working capital items				
Accounts receivable	(121,722)	(32,098)	(237,542)	(23,088)
Inventories	590,996	204,926	(182,649)	(109,296)
Accounts payable and accrued liabilities	(245,700)	(157,561)	12,486	(205,981)
Prepaid expenses and deposits	130,056	54,945	44,640	6,579
Changes in non-cash working capital	353,630	70,212	(363,065)	(331,786)
Cash from (used in) operating activities	501,487	232,433	63,882	(58,557)
Cash From (Used in) Financing Activities				
Proceeds from long-term debt	-	2,431	200,525	4,085
Repayment of long-term debt	(259)	(779,160)	(1,194)	(793,542)
Proceeds (repayment) of short-term borrowings	(435,761)	377,880	(59,286)	165,016
Repayment of other long-term liabilities, net	(45)	(2)	(149)	(426)
Increase in share capital (Note 5)	-	-	807	3
Debt financing cost	(281)	(14,712)	(14,070)	(14,712)
Dividends paid	(18,584)	-	(37,164)	-
Cash from (used in) financing activities	(454,930)	(413,563)	89,469	(639,576)
Cash From (Used in) Investing Activities				
Property, plant and equipment expenditures	(49,112)	(27,711)	(122,730)	(71,809)
Proceeds on sale of property, plant and equipment	1,293	1,191	2,678	3,481
Business acquisitions	(7,830)	(214,282)	(7,830)	(217,502)
Business divestitures	-	-	-	19,557
Decrease in investments	-	5	1,429	106
Intangible assets expenditures	(3,894)	(4,324)	(12,528)	(12,553)
Cash used in investing activities	(59,543)	(245,121)	(138,981)	(278,720)
Increase (Decrease) in Cash and Cash Equivalents	(12,986)	(426,251)	14,370	(976,853)
Cash and Cash Equivalents, Beginning of Period	178,254	481,445	154,793	1,033,075
Impact on cash of unrealized effect of foreign currency translation of foreign operations	(2,575)	599	(6,470)	(429)
Cash and Cash Equivalents, End of Period	$ 162,693	$ 55,793	$ 162,693	$ 55,793
Cash and cash equivalents consist of:				
Cash	$ 136,001	$ 83,695	$ 136,001	$ 83,695
Short-term investments	94,357	32,038	94,357	32,038
Bank indebtedness	(67,665)	(59,940)	(67,665)	(59,940)
	$ 162,693	$ 55,793	$ 162,693	$ 55,793
Supplemental disclosure of cash paid (received) during the period from operations:				
Interest paid	$ 28,797	$ 35,416	$ 91,761	$ 103,985
Income taxes paid (received)	$ 5,434	$ (11,780)	$ 28,672	$ (1,919)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2011 (unaudited) - in thousands of Canadian dollars, except as noted

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1. NATURE OF BUSINESS

Viterra Inc. (the "Company") is a publicly traded, vertically integrated international agri-business. Business operations include four reporting segments: Grain Handling and Marketing, Agri-products, Processing and Corporate. The Company has operations across Canada, the United States ("U.S."), Australia and New Zealand, as well as marketing and trading offices in Japan, Singapore, China, Switzerland, Italy, Ukraine, Germany and India.

The Grain Handling and Marketing segment includes grain storage facilities, joint venture grain facilities, and processing plants strategically located in the prime agricultural growing regions of North America, Australia and New Zealand. This segment also includes port terminal facilities located in Canada and Australia and merchandising offices in Europe and Asia. Activity in this segment consists of the collection of grain through the Company's primary storage system, shipping to inland or port terminals, cleaning of grain to meet regulatory specifications, and sales to domestic or export markets. Earnings are volume driven. Revenue is also derived through grain handling, blending, storage and other ancillary services, as well as the sale of byproducts.

The Agri-products segment includes an ownership interest in a fertilizer manufacturer, fertilizer distribution and a network of retail locations, and offers financial services such as lending and cash management. Agri-products sales lines include fertilizer, crop protection products, seed and seed treatments, equipment, general merchandise and wool.

The Processing segment in North America includes the manufacturing and marketing of value-added food products associated with oats, canola, wheat and malt barley for domestic and export markets. This segment also includes activities relating to formulating and manufacturing of feed products at feed mills and pre-mix facilities across the western regions of Canada and the U.S. The Processing segment includes malting plants positioned across Australia and a feed business in New Zealand.

Weather conditions are the primary risk in the agri-business industry. Grain volumes, grain quality, the volume and mix of crop inputs sold and ultimately, the financial performance of the Company, are highly dependent upon weather conditions throughout the crop production cycle.

The Company's earnings follow the seasonal pattern of grain production in each geographic location. The volume of grain shipments is relatively stable through the quarters, but can be influenced by destination customer demand, customer export programs and producers' marketing decisions. Sales of the Company's agri-products peak during the growing season, supplemented by additional crop nutrient sales in the late fall.

2. ACCOUNTING POLICIES

These interim unaudited consolidated financial statements are based on accounting principles consistent with those used and described in the October 31, 2010 annual consolidated financial statements. The Company's accounting policies are in accordance with Canadian Generally Accepted Accounting Principles. However, these financial statements do not include all of the information and disclosures required for annual financial statement presentation. The interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended October 31, 2010. All amounts are reported in Canadian dollars unless specifically stated to the contrary.

Certain comparative figures have been reclassified to conform to the current year's presentation.

Future Accounting Changes – International Financial Reporting Standards

In January 2006, the Canadian Institute of Chartered Accountants Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards for public companies would be required to converge with International Financial Reporting Standards ("IFRS") for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis. In February 2008, the Accounting Standards Board confirmed the effective due date of the initial adoption of IFRS. The Company's transition date was November 1, 2010 with a conversion date of November 1, 2011. The annual and quarterly financial reporting for the year ending October 31, 2012 will be the first reported under IFRS.

3. INVENTORIES

As at	July 31, 2011	July 31, 2010	October 31, 2010
Grain	$ 757,058	$ 588,709	$ 724,157
Agri-products	503,581	382,600	385,953
Processing			
Raw materials and supplies	67,731	48,598	40,393
Work in progress	19,532	14,576	14,366
Finished goods	70,778	49,270	47,018
	$ 1,418,680	$ 1,083,753	$ 1,211,887

Grain cost of sales includes the cost of inventories, net realized and unrealized gains and losses on commodity contracts and exchange-traded derivatives, and freight.

Amortization of $13.3 million and $40.5 million for the respective three and nine month periods ended July 31, 2011 (2010 - $12.0 million and $33.3 million) related to the manufacture of inventory that has now been sold is included in amortization expense.

Write-downs related to Agri-products inventory of $0.5 million and $3.3 million for the respective three and nine month periods ended July 31, 2011 (2010 - nil and $1.5 million) have been included in cost of sales.

4. ACCUMULATED OTHER COMPREHENSIVE INCOME

As at		July 31, 2011		July 31, 2010		October 31, 2010
Cash flow hedges[(1)]	$	2,633	$	(1,546)	$	(5,108)
Net investment hedges[(2)]		19,621		5,581		165
Reclassification of gain on net investment hedges[(3)]		(743)		-		-
Unrealized gains (losses) on available for sale assets[(4)]		2		(10)		(3)
Unrealized effect of foreign currency translation of foreign operations		183,334		(21,345)		112,138
Reclassification of gain on foreign currency translation		(4,129)		-		-
	$	200,718	$	(17,320)	$	107,192

[(1)] Net of tax of $(1,859) (July 2010 - $446, October 2010 - $1,612).
[(2)] Net of tax of $(2,827) (July 2010 - $(2,279), October 2010 - $(68).
[(3)] Net of tax of $ 116 (July 2010 - nil, October 2010 - nil).
[(4)] Net of tax of $ (1) (July 2010 - $(7), October 2010 – $(8).

5. SHARE CAPITAL AND STOCK-BASED COMPENSATION PLANS

a) Common Voting Shares

Authorized

Unlimited Common Voting Shares

	Common Voting Shares	
	Number[(1)]	Amount
Balance, October 31, 2009	371,596,508	$ 3,025,486
Share issuance for cash	425	3
Adjustment to share capital from contributed surplus for options exercised	-	2
Balance, July 31, 2010 and October 31, 2010	371,596,933	$ 3,025,491
Share issuance for cash	88,361	807
Adjustment to share capital from contributed surplus for options exercised	-	280
Balance, July 31, 2011	371,685,294	$ 3,026,578

[(1)] Number of shares not shown in thousands.

b) Management Stock Option Plan

The maximum number of common shares that may be issued under options issued pursuant to the Stock Option Plan is approximately 4.2 million common shares. Once the 2.6 million common shares that can potentially be issued under currently granted and contingently granted options are deducted, approximately 1.6 million common shares have been reserved for subsequent option grants.

The expense related to stock options is recognized over the vesting period based on the fair value of options determined by the Black-Scholes option pricing model with the following weighted average assumptions: risk-free rate 2.5%, dividend yield 0%, a volatility factor of the expected market price of the Company's shares of 38%, and a weighted average expected option life of 4.7 years. The Company's compensation expense for the respective three and nine month periods ended July 31, 2011 was $0.5 million and $1.6 million (2010 - $0.9 million and $2.6 million).

	Number of Options[1]	Weighted Average Grant-Date Fair Value	Weighted Average Exercise Price	Number of Options Exercisable[1]	Weighted Average Exercise Price
Outstanding October 31, 2009	1,657,190		$ 12.67	384,391	$ 19.59
Options granted	1,066,914	$ 3.50	$ 9.97		
Forfeited	(1,088)		$ 59.07		
Expired	(18,050)		$ 134.82		
Exercised	(425)		$ 5.90		
Outstanding July 31, 2010	2,704,541		$ 10.76	999,239	$ 12.73
Options granted	-	$ -	$ -		
Forfeited	(57,127)		$ 9.59		
Expired	(11,880)		$ 68.40		
Exercised	-		$ -		
Outstanding October 31, 2010	2,635,534		$ 10.53	1,639,314	$ 11.05
Options granted	-	$ -	$ -		
Forfeited	(25)		$ 31.00		
Expired	(19,475)		$ 49.43		
Exercised	(88,361)		$ 9.13		
Outstanding July 31, 2011	2,527,673		$ 10.27	1,561,184	$ 10.65

[1] Number of options not shown in thousands.

The following table summarizes the options outstanding and exercisable as at July 31, 2011:

Range of Exercise Price	Number of Options Outstanding[1]	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable[1]	Weighted Average Exercise Price
$ 5.90 - $ 9.50	865,393	4.24	$ 9.00	567,780	$ 8.99
$ 9.51 - $11.05	1,019,390	5.49	9.97	350,514	9.97
$ 11.06 - $21.56	634,412	4.47	12.12	634,4123	12.12
$ 21.57 - $51.00	8,478	0.62	39.32	8,478	39.32
	2,527,673	4.79	$ 10.27	1,561,184	$ 10.65

[1] Number of options not shown in thousands.

c) Key Employee Share Units

The maximum number of common shares that may be issued pursuant to the Key Employee Share Unit Plan is 6.0 million common shares. Once the 0.5 million common shares that can potentially be issued under currently granted units are deducted, approximately 5.5 million common shares have been reserved for subsequent grants. The units vest at the end of various periods determined at issuance.

The weighted average grant-date fair value and vesting period of each unit granted during the year is $11.02 and 8 years respectively. The compensation costs recorded for the respective three and nine month periods ended July 31, 2011 were $0.2 million and $0.5 million (2010 – nil).

6. EARNINGS PER SHARE

	Three Months Ended July 31		Nine Months Ended July 31	
	2011	2010	2011	2010
Net earnings	$ 123,249	$ 63,538	$ 255,947	$ 92,601
Denominator for basic earnings per share amounts:				
Weighted average number of shares outstanding[1]	371,685	371,597	371,656	371,597
Basic earnings per share	$ 0.33	$ 0.17	$ 0.69	$ 0.25
Denominator for diluted earnings per share amounts:				
Weighted average number of shares outstanding[1]	371,685	371,597	371,656	371,597
Dilutive effect of stock options [1]	738	1	473	10
Weighted average number of shares outstanding, assuming dilution[1]	372,423	371,598	372,129	371,607
Diluted earnings per share	$ 0.33	$ 0.17	$ 0.69	$ 0.25

[1]Number of shares and options in thousands.

7. SEGMENTED INFORMATION

A description of the types of products and services from which the segments derive their revenue is included in the Nature of Business (Note 1). The segments' accounting policies are consistent with those described in Accounting Policies (Note 2). The Company accounts for inter-segment sales at current market prices under normal trade terms.

	Three Months Ended July 31		Nine Months Ended July 31	
	2011	2010	2011	2010
Sales and other operating revenues				
Grain Handling and Marketing	$ 2,186,810	$ 1,469,073	$ 6,174,685	$ 4,230,374
Agri-products	1,134,746	817,887	1,861,058	1,471,475
Processing	387,683	329,791	1,136,208	927,866
	3,709,239	2,616,751	9,171,951	6,629,715
Less: Inter-segment sales	155,178	123,632	445,493	325,127
	$ 3,554,061	$ 2,493,119	$ 8,726,458	$ 6,304,588
Inter-segment sales				
Grain Handling and Marketing	$ 145,102	$ 123,157	$ 420,063	$ 324,688
Processing	10,076	475	25,430	439
	$ 155,178	$ 123,632	$ 445,493	$ 325,127
Gross profit and net revenues from services				
Grain Handling and Marketing	$ 207,213	$ 181,748	$ 719,826	$ 537,211
Agri-products	229,184	167,754	349,304	277,329
Processing	49,294	43,165	152,504	124,116
	$ 485,691	$ 392,667	$ 1,221,634	$ 938,656

	Three Months Ended July 31		Nine Months Ended July 31	
	2011	2010	2011	2010
Operating, general and administrative expenses				
Grain Handling and Marketing	$(102,976)	$ (80,895)	$ (295,745)	$ (253,090)
Agri-products	(67,282)	(62,004)	(157,134)	(153,523)
Processing	(20,242)	(21,222)	(59,620)	(56,280)
Corporate	(43,307)	(31,932)	(117,807)	(96,138)
	$(233,807)	$ (196,053)	$ (630,306)	$ (559,031)
EBITDA[1]				
Grain Handling and Marketing	$ 104,237	$ 100,853	$ 424,081	$ 284,121
Agri-products	161,902	105,750	192,170	123,806
Processing	29,052	21,943	92,884	67,836
Corporate	(43,307)	(31,932)	(117,807)	(96,138)
	$ 251,884	$ 196,614	$ 591,328	$ 379,625

[1] EBITDA – Earnings before financing expenses, taxes, amortization, gain on disposal of assets, integration expenses and acquisition derivative.

	Three Months Ended July 31		Nine Months Ended July 31	
	2011	2010	2011	2010
Amortization				
Grain Handling and Marketing	$ (25,310)	$ (37,259)	$ (76,596)	$ (72,884)
Agri-products	(11,381)	(11,832)	(30,189)	(34,388)
Processing	(11,729)	(10,866)	(35,992)	(26,070)
Corporate	(2,251)	(3,749)	(6,893)	(4,567)
	$ (50,671)	$ (63,706)	$ (149,670)	$ (137,909)
EBIT[2]				
Grain Handling and Marketing	$ 78,927	$ 63,594	$ 347,485	$ 211,237
Agri-products	150,521	93,918	161,981	89,418
Processing	17,323	11,077	56,892	41,766
Corporate	(45,558)	(35,681)	(124,700)	(100,705)
	$ 201,213	$ 132,908	$ 441,658	$ 241,716

[2] EBIT – earnings before financing expenses, taxes, gain on disposal of assets, integration expenses and acquisition derivative.

8. EMPLOYEE FUTURE BENEFITS

a) Defined Benefit Plans and Future Benefits

The Company's net benefit costs related to defined benefit pension plans and other future benefits for the respective three and nine month periods ended July 31, 2011 were $1.3 million and $4.3 million (2010 - $1.3 million and $4.2 million).

b) Defined Contribution Plans

The Company, including subsidiaries and affiliates, contributes to several defined contribution plans including multi-employer plans. The Company's total consolidated defined contribution plan expense for the respective three and nine month periods ended July 31, 2011 was $5.5 million and $16.9 million (2010 - $3.8 million and $11.6 million).

9. FINANCING EXPENSES

	Three Months Ended July 31		Nine Months Ended July 31	
	2011	2010	2011	2010
Interest on:				
Long-term debt	$ 19,575	$ 13,143	$ 54,690	$ 62,902
Short-term debt	8,525	8,257	35,208	24,435
Interest income	(983)	(2,470)	(2,956)	(6,270)
Canadian Wheat Board ("CWB") carrying charge recovery	(500)	(371)	(1,420)	(1,272)
	26,617	18,559	85,522	79,795
Net investment hedge	-	-	(4,989)	-
Interest accretion	824	373	2,085	2,217
Amortization of deferred financing costs	1,361	1,039	4,019	5,545
Refinancing costs	-	24,880	-	24,880
	$ 28,802	$ 44,851	$ 86,637	$ 112,437

10. COMMITMENTS, CONTINGENCIES AND GUARANTEES

a) Letters of Credit and Bid Bonds

At July 31, 2011, the Company had outstanding letters of credit and similar instruments of $17.4 million related to operating an agri-business (October 31, 2010 - $15.9 million, July 31, 2010 - $29.6 million). The terms range in duration and expire at various dates through to August 31, 2015. The amounts vary depending on underlying business activity or the specific agreements in place with the third parties. At July 31, 2011, the Company had outstanding bid bonds and similar instruments of $6.0 million (October 31, 2010 - $5.7 million, July 31, 2010 – nil).

b) Indemnification of Accounts Receivable – Viterra Financial ™

The Company has a rolling five-year agreement with a Canadian Schedule I chartered bank to provide credit for qualifying agricultural producers to purchase crop inputs. The agreement may be terminated at an earlier date by mutual consent or by either party upon one year's written notice. The Company indemnifies the bank for 50% of future losses to a maximum of 5% of the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the size of the underlying portfolio. As at July 31, 2011, outstanding credit was $627.5 million (October 31, 2010 - $520.0 million, July 31, 2010 - $546.3 million), and the Company's obligation of $6.7 million (October 31, 2010 - $9.1 million, July 31, 2010 – $7.4 million) for past and future losses is current with the bank in accordance with the Agency Agreement.

The Company also has a rolling five-year agreement with a Canadian Schedule I chartered bank to provide loans to Processing customers to purchase feeder cattle, as well as related feed inputs, with terms that do not require payment until the livestock is sold. The agreement may be terminated at an earlier date by mutual consent or by either party upon one year's written notice. The Company indemnifies the bank for credit losses based on the first 20% to 33% of new credit issued on an individual account, dependent on the account's underlying credit rating, with losses in excess of these amounts shared on an

equal basis with the bank up to 5% on the aggregate qualified portfolio balance. The Company's aggregate indemnity will vary at any given time with the credit rating of the underlying accounts and the aggregate credit outstanding. As at July 31, 2011, outstanding credit was $47.9 million (October 31, 2010 - $36.1 million, July 31, 2010 - $39.9 million), and the Company's obligation of $0.5 million (October 31, 2010 - $0.6 million, July 31, 2010 - $0.5 million) for past and future losses is current with the bank in accordance with the Agency Agreement.

c) Guarantees

The Company's subsidiary in Australia has entered into a Deed of Cross Guarantee with certain controlled entities. The effect of this Deed is that the subsidiary and each of these controlled entities has guaranteed to pay any debts of any of the companies' party to the Deed in the event their debts cannot be paid as and when they fall due. The consolidated net assets of the entities party to the Deed of Cross Guarantee is $1.1 billion.

The Company is contingently liable under several guarantees given to third-party lenders who have provided certain financing facilities to its wholly owned foreign subsidiaries. As at July 31, 2011, the maximum amounts of the guarantees are $111.2 million CAD, $190.5 million USD, $80.4 million AUD, EURO 50.0 million and Japanese Yen ("JPY") 2.0 billion or approximately $471.0 million CAD in aggregate. As at July 31, 2011, liabilities recorded that have been guaranteed would include subsidiary short-term borrowings of $10.4 million (October 31, 2010 – $10.6 million, July 31, 2010 – nil).

The Company is contingently liable under several guarantees given to third-party lenders who have provided long-term financing to certain independent hog producers. As at July 31, 2011, the current outstanding balance of these guarantees is $1.9 million (October 31, 2010 - $2.2 million, July 31, 2010 - $2.2 million). These guarantees diminish as the underlying loans are repaid and expire in 2014.

The Company's Australian operations self-insure in South Australia for workers' compensation liability and are subject to a bank guarantee for $1.8 million AUD (October 31, 2010 – $1.2 million AUD, July 31, 2010 - $1.2 million AUD).

The Company is contingently liable to a finance company for a portion of losses incurred related to potential producer delinquencies associated with equipment leases and credit provided for the purchase of fertilizer bins. Given historically low delinquent rates in conjunction with collateral values of assets, the Company has accrued no obligation.

d) Asset Retirement Obligations

The asset retirement obligations represent the best estimate by management of the legal obligations the Company would incur during the reclamation process relating to closed facilities and current leases. Reclamation involves the demolition of facilities and the reclamation of land. Uncertainty exists regarding the estimation of future decommissioning and reclamation costs.

At July 31, 2011, the Company estimated that the undiscounted cash flow required to settle the asset retirement obligations was approximately $39.0 million (October 31, 2010 - $38.6

million, July 31, 2010 - $41.0 million), which is expected to be settled over the 2011 through 2022 period. The credit adjusted risk-free rates at which the estimated cash flow has been discounted range from 4.0% to 8.0%.

The Company has a joint venture interest in a fertilizer manufacturer that has certain obligations with respect to plant decommissioning and land reclamation upon cessation of operations. The Company has not recorded an asset retirement obligation for these obligations at July 31, 2011 because it does not currently believe there is a reasonable basis for estimating a date or range of dates of cessation of operations.

e) Director and Officer Indemnification

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for its directors and officers as well as those of certain affiliated companies.

f) Other Indemnification Provisions

From time to time, the Company enters into agreements in the normal course of operations and in connection with business or asset acquisitions or dispositions. By their nature, these agreements may provide for indemnification of counterparties. The varying nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount it could incur. Historically, the Company has not made any significant payments in connection with these indemnification provisions.

g) Other Contingencies

As at July 31, 2011, there are claims against the Company in varying amounts for which a provision in the financial statements is not considered necessary. The occurrence of the confirming future event is not determinable or it is not possible to determine the amounts that may ultimately be assessed against the Company with respect to these claims. Management believes that any such amounts would not have a material impact on the business or financial position of the Company.

11. FINANCIAL AND OTHER INSTRUMENTS AND HEDGING

a) Fair Value

The following table presents the fair value of the Company's financial instruments and non-financial derivatives where fair value is recognized in the balance sheet. The table also identifies the financial instrument category and the level per the fair value hierarchy.

	July 31, 2011			July 31, 2010	
	Fair Value	Level	Financial Instruments Category	Fair Value	Level
Financial assets:					
Cash	$ 136,001	1	HFT	$ 83,695	1
Short-term investments	94,357	1	HFT-D	32,038	1
Exchange-traded derivatives	8,446	1	HFT	22,070	1
Commodity forward contracts	138,282	2	HFT	175,959	2
Foreign exchange forward contracts (over the counter ("OTC"))	64,761	2	HFT	37,514	2
Available for sale at fair value	26	1	AFS	1,762	1
Financial liabilities:					
Bank Indebtedness	67,665	1	HFT	59,940	1
Exchange-traded derivatives	11,649	1	HFT	46,285	1
Commodity forward contracts	95,737	2	HFT	179,927	2
Foreign exchange forward contracts (OTC)	28,838	2	HFT	19,142	2
Cross-currency swaps	12,247	2	HFT	-	2
Bond Forwards	-	2	HFT	13,494	2
Natural gas swaps	606	2	HFT	424	2

Financial instruments category/guide:		
	HFT	Held for trading
	HFT-D	Held for trading – designated
	AFS	Available for sale

The aggregate carrying value of financial instruments classified as loans and receivables is $1.1 billion (July 31, 2010 - $830.6 million). The aggregate carrying value of financial instruments classified as other financial liabilities is $2.1 billion (July 31, 2010 - $1.7 billion).

b) Financial Risks and Risk Management

The Company faces certain financial risks such as commodity price, foreign exchange, interest rate, credit and liquidity risk that can impact its financial performance. The Company is exposed to changes in commodity prices, foreign exchange rates and interest rates. The Company utilizes a number of financial instruments to manage these exposures. The Company mitigates risk associated with these financial instruments through Board-approved policies, limits on use and amount of exposure, internal monitoring and compliance reporting to senior management and the Board.

i. Commodity Price Risk

The Company's diverse range of services is spread across the agri-business supply chain. As a result, the Company is exposed to agricultural and other related commodity price movements within the market as part of its normal operations. The Company uses exchange-traded futures and options contracts as well as OTC contracts to minimize the effects of changes in the prices of hedgeable agricultural commodities on its agri-business inventories and agricultural commodities forward cash purchase and sales contracts. Derivative contracts are valued at the quoted market prices. The Company manages the risk associated with inventory and open contracts on a combined basis.

All market risk associated with commodity price movement is measured using a Value at Risk ("VaR") method. The VaR calculation quantifies potential changes in the value

of commodity positions as a result of potential market price movements from all sources of market risk, whether as a consequence of asset ownership, customer sales, hedging or position taking.

There is currently no uniform industry methodology for estimating VaR. The VaR calculation estimates the potential loss in pre-taxation profit over a given holding period for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognizing offsetting positions and correlations between products and markets. The use of VaR has limitations because it is based on historical correlations and volatilities in commodity prices and assumes that future price movements will follow a statistical distribution. The five-day VaR number used by the group reflects the 95% probability that the gain or loss in a five-day period will not exceed the reported VaR based on the previous pricing period. Although losses are not expected to exceed the statistically estimated VaR on 95% of occasions, losses on the other 5% of occasions could be substantially greater than the estimated VaR. The VaR at the balance sheet date is not representative of the risk throughout the period as the period-end exposure does not reflect the exposure during the period. In practice, as markets move, the Company actively manages its risk and adjusts hedging strategies as appropriate.

The Company's Risk Management Policy provides limits within which management may maintain inventory and certain long or short commodity positions. The Company has established policies that limit the amount of agricultural commodity positions permissible, which are a combination of quantity and VaR limits. VaR levels are reported daily and compared with approved limits. Limits are regularly reviewed to ensure consistency with risk management objectives, market developments and business activities.

As at	**July 31, 2011**	**October 31, 2010**
Historical VaR (95%, five-day):		
Agricultural commodity price VaR	$ 12,093	$ 16,333

ii. Foreign Exchange Risk

The Company undertakes certain transactions denominated in foreign currencies and, as a result is exposed to foreign exchange risk. The Company is exposed to foreign exchange risk on commodity contracts which are denominated in foreign currencies and on its investment in foreign subsidiaries. The Company uses derivative financial instruments, such as foreign currency forward contracts, cross-currency swaps, futures contracts and options to limit exposures to changes in foreign currency exchange rates with respect to its recorded foreign currency denominated assets and liabilities as well as anticipated transactions.

The Company uses hedge accounting to match the cash flow of some of its processed products to be sold in foreign funds with its foreign dollar currency hedging instruments. Maturity dates for the foreign exchange forward contracts on anticipated transactions extend for approximately 18 months. As at July 31, 2011, the portion of the forward contracts considered to be ineffective is insignificant. The estimated

amount reported in other comprehensive income that is expected to be reclassified to net earnings during the next 12 months is an after tax gain of $8.8 million.

The Company has an outstanding $100 million cross-currency swap arrangement in place in order to limit exposure to a change in the AUD on a portion of its net investment in its Australian operations. The derivative is used to mitigate the risk of economic loss arising from changes in the value of the AUD compared to the CAD. As at July 31, 2011, the portion of the cross-currency swap considered to be ineffective is nil. During the nine months ended July 31, 2011, $100 million of the net investment hedge was discontinued. The gain reclassified from other comprehensive income that was reported in net earnings relating to the net investment hedges was $0.7 million after tax and relating to the foreign currency translation of the net investment was approximately $4.1 million after tax.

The Company has $400 million USD Senior Notes outstanding the principal of which had been designated a hedge in order to limit exposure to a change in the USD on a portion of the Company's net investment in its U.S. operations. As at July 31, 2011, the portion of the hedge considered to be ineffective is nil.

Except as noted above, the foreign currency forward contracts, futures contracts and options used by the Company are marked-to-market and unrealized gains and losses are recognized in net earnings in the period in which they occur.

The following table details the Company's sensitivity on the net carrying value of financial instruments that are denominated in a foreign currency other than the functional currency in which they are measured as at the balance sheet date, had currencies moved as illustrated, with all other variables held constant.

	Carrying Value	Impact On Earnings, After Tax	Impact On Other Comprehensive Income, After Tax
10% increase			
CAD/USD	$ 9,424	$ 26	$ 443
CAD/EURO	(150)	(11)	-
CAD/AUD	12,710	(1,215)	-
CAD/GBP	40	3	-
CAD/CHF	(134)	(10)	-
AUD/USD	7,152	(512)	(3,599)
AUD/EURO	(3,923)	217	(55)
AUD/JPY	(13)	(23)	(240)
AUD/NZD	(257)	16	-
AUD/Singapore dollars	214	(16)	-
10% decrease			
CAD/USD	9,424	(26)	(443)
CAD/EURO	(150)	11	-
CAD/AUD	12,710	1,219	-
CAD/GBP	40	(3)	-
CAD/CHF	(134)	10	-
AUD/USD	7,152	648	4,410
AUD/EURO	(3,923)	(262)	67
AUD/JPY	(13)	28	295
AUD/NZD	(257)	(20)	-
AUD/Singapore dollars	214	21	-

The above sensitivity analysis for foreign currency risk does not take translation risk into account. Translation exposures arise from financial and non-financial items held by foreign entities determined to be self-sustaining operations. Sensitivity on net investments in self-sustaining foreign operations is therefore not included in the analysis. The sensitivity at the balance sheet date is not representative of the sensitivity throughout the year as the balance sheet date exposure does not necessarily reflect the exposure during the year.

iii. Interest Rate Risk

The Company's exposure to interest rate risk relates primarily to the Company's debt obligations. The Company manages interest rate risk and currency risk on borrowings by using a combination of cash instruments, forwards and a mixture of fixed and floating rates.

Based on the July 31, 2011 borrowings, the Company is exposed to interest rate risk on short-term variable rate borrowings. A 25 basis point change in short-term variable rates based on the Company's current credit ratings and the current borrowings would have an insignificant impact on after tax earnings per annum.

During the prior year, the Company entered into derivative contracts in connection with its plans to issue additional debt. Bond forward contracts were entered into in order to protect against the risk of economic loss arising from changes in the interest rates. The debt was issued on February 15, 2011 and the bond forwards were settled. As a result, each year approximately $1.0 million after tax will be reclassified from

other comprehensive income to net income as financing expense over the term of the debt.

iv. Credit Risk

The Company is exposed to credit risk in respect of its trade receivables. Credit approval policies and procedures are in place to guide internal credit specialists in granting credit to new customers as well as in continuing to extend credit to existing customers. The Company manages this credit risk through monitoring of credit balances, ongoing credit reviews of all significant contracts and analysis of payment and loss history. Customers that fail to meet specified credit requirements may transact with the Company on a prepayment basis or provide another form of credit support, such as letters of credit, approved by the Company.

The absence of significant financial concentration of trade receivables, except as noted below for receivables from the CWB, limits the Company's exposure to credit risk. Credit risk exposure for the Agri-products and Processing segments are also partially limited through an arrangement with a Canadian Schedule I chartered bank which provides for limited recourse to the Company for credit losses on producer accounts receivable under Viterra Financial™.

The Company is also exposed to credit risk in the event of non-performance of its counterparties on its derivative contracts. However, in the case of OTC derivative contracts, the Company only contracts with pre-authorized counterparties where agreements are in place and the Company monitors the credit ratings of its counterparties on an ongoing basis. Exchange-traded contracts used to hedge future revenues in the Company's grain business are not subject to any significant credit risk as the changes in contract positions are settled daily through a recognized exchange.

All bad debt write-offs are charged to operating, general and administrative expenses. The year-to-date changes in the allowances for losses against accounts receivable are as follows:

As at	**July 31, 2011**	**July 31, 2010**
Beginning balance	$ 9,907	$ 8,081
Provision for losses	4,164	1,284
Write-offs, net of recoveries	(3,106)	(3,262)
Ending balance	$ 10,965	$ 6,103

The Company has historically experienced minimal credit losses and, as a result, it considers the credit quality of the trade receivables at July 31, 2011 that are not past due to be high. The distribution of trade accounts receivable by credit quality as at the balance sheet is shown in the following table:

As at	July 31, 2011	July 31, 2010	October 31, 2010
Not past due	$ 683,293	$ 515,332	$ 422,440
Past due:			
Past due ≤ 60 days	12,571	10,254	9,995
Past due ≥ 61 days and < 90 days	4,600	3,816	2,626
Past due ≥ 91 days	28,187	23,962	36,888
Allowances for losses	(10,965)	(6,103)	(9,907)
	$ 717,686	$ 547,261	$ 462,042

Included in trade accounts receivable is $168.7 million due from the CWB, which represents a significant concentration of credit risk.

The Company's maximum credit exposure at the balance sheet date consists primarily of the carrying amounts of non-derivative financial assets such as cash, short-term investments, accounts receivable and long-term receivables as well as the fair value of commodity contracts, exchange-traded derivatives and other non-trade assets included in accounts receivable. Short-term investments are held with Schedule I (Canada) and A-rated (Australia) banks, and have maturities of less than three months.

v. Liquidity Risk

The Company's liquidity risk refers to its ability to settle or meet its obligations as they fall due and is managed as part of the risk strategy. Liquidity adequacy is continually monitored, taking into consideration estimated future cash flows including the amount and timing of cash generated from operations, working capital requirements, planned capital expenditure programs, debt servicing requirement, dividend policy and business acquisitions. The Company actively maintains credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements. Management believes that future cash flows from operations and availability under existing banking arrangements will be adequate to support these financial liabilities.

The following table approximates the Company's remaining contractual maturity for its financial liabilities and matching financial assets as well as matching cash flows in designated hedge relationships as at the balance sheet date. The table below details the undiscounted cash flows of financial instruments based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Contractual Cash Flows	Within 1 Year	1 to 2 Years	2 to 3 Years	Thereafter
Financial assets:					
Exchange-traded derivatives	$ 8,446	$ 8,446	$ -	$ -	$ -
Commodity forward contracts	138,282	128,785	9,497	-	-
Foreign exchange forward contracts (OTC)	70,177	65,061	5,116	-	-
Financial liabilities:					
Bank indebtedness	$ (67,665)	$ (67,665)	$ -	$ -	$ -
Short-term borrowings	(17,757)	(17,757)	-	-	-
Exchange-traded derivatives	(11,649)	(11,563)	(86)	-	-
Commodity forward contracts	(98,913)	(97,071)	(1,842)	-	-
Foreign exchange forward contracts (OTC)	(34,254)	(31,903)	(2,283)	(68)	-
Cross-currency swaps	(13,285)	(13,285)	-	-	-
Natural gas swaps	(606)	(606)	-	-	-
Other current liabilities	(1,005,751)	(1,005,751)	-	-	-
Long-term debt, including current position	(1,617,480)	(78,730)	(78,730)	(378,702)	(1,081,318)
Classified as other long-term liabilities	(11,912)	(652)	(3,824)	(2,403)	(5,033)

12. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to strive for a long-term manageable level of debt to total capital together with maintaining an acceptable ratio of EBITDA to cash interest. Due to the seasonal nature of the Company's short-term borrowing requirements, the Company's objective is to manage the level of debt to total capital between 30% to 40% and to maintain a rolling 12-month EBITDA that is at least five times the level of cash interest paid.

Debt to total capital is defined as total interest bearing debt divided by total interest bearing debt plus the book value of total shareholders' equity. Interest bearing debt is the aggregate of short-term borrowings, long-term debt due within one year and long-term debt.

As at		July 31, 2011		July 31, 2010		October 31, 2010
Short-term borrowings	$	17,757	$	450,153	$	61,677
Long-term debt due within one year	$	1,770	$	1,850	$	2,295
Long-term debt		1,068,737		495,824		896,834
Total long-term debt	$	1,070,507	$	497,674	$	899,129
Total interest bearing debt	$	1,088,264	$	947,827	$	960,806
Shareholders' equity	$	4,025,547	$	3,532,593	$	3,710,263
Total capital	$	5,113,811	$	4,480,420	$	4,671,069
Debt to total capital:						
As at the balance sheet date		21:79		21:79		21:79
Four quarter average		25:75		27:73		25:75

EBIT – earnings before financing expenses, taxes, gain on disposal of assets, integration expenses and acquisition derivative. Cash interest is net of financing expenses excluding refinancing costs and net investment hedge less non-cash financing expenses. The ratio is calculated on a rolling 12-month basis.

For the rolling twelve months ended July 31		2011		2010
EBITDA	$	729,286	$	419,861
Cash interest, net		109,327		101,693
EBITDA to cash interest:		6.7		4.1

Management uses EBITDA to cash interest to assess interest coverage and the Company's ability to service its interest bearing debt.

The Company monitors its capital structure and makes adjustments according to market conditions and seasonal requirements in an effort to meet its objectives. The Company may manage its capital structure by issuing new shares, obtaining additional financing, issuing unsecured notes, refinancing existing debt, repaying current debt, or by paying dividends.

During the period, the Company was in compliance with external covenants relating to the management of capital.