CONDENSED CONSOLIDATED BALANCE SHEETS

(thousands of Canadian dollars)
(unaudited)

As at	**July 31, 2012**	July 31, 2011	October 31, 2011	November 1, 2010 (note 20)
ASSETS				
Current assets				
Cash	**235,032**	68,336	106,296	66,589
Short-term investments	**356,310**	94,357	191,764	88,204
Accounts receivable (note 9)	**1,042,335**	1,036,870	1,123,258	738,603
Derivative assets (note 18)	**452,310**	196,875	154,481	217,282
Inventories (note 10)	**1,397,280**	1,418,680	1,568,410	1,211,887
Prepaid expenses and deposits	**64,264**	61,328	107,871	107,374
	3,547,531	2,876,446	3,252,080	2,429,939
Property, plant and equipment (note 11)	**2,539,684**	2,566,275	2,561,836	2,518,709
Other assets	**47,660**	49,472	48,990	50,490
Long-term derivative assets (note 18)	**4,296**	14,613	21,297	35,393
Intangible assets	**167,255**	152,246	155,515	154,915
Goodwill	**789,127**	778,764	772,527	772,233
Deferred tax assets	**12,256**	29	1,551	16,730
	7,107,809	6,437,845	6,813,796	5,978,409
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Short-term borrowings and long-term debt due within one year (note 12)	**665,377**	19,527	127,544	63,972
Accounts payable and accrued liabilities (note 13)	**1,034,340**	981,891	1,298,680	900,538
Derivative liabilities (note 18)	**431,328**	144,799	134,928	193,572
Decommissioning and other provisions	**12,986**	18,461	22,720	16,431
	2,144,031	1,164,678	1,583,872	1,174,513
Long-term debt	**595,966**	1,068,737	1,085,680	896,834
Decommissioning and other provisions	**50,792**	47,448	48,430	47,005
Other liabilities	**89,458**	67,089	85,491	64,663
Long-term derivative liabilities (note 18)	**3,410**	4,279	7,022	27,362
Deferred tax liabilities	**159,542**	163,367	136,626	163,385
	3,043,199	2,515,598	2,947,121	2,373,762
Shareholders' equity				
Share capital	**3,027,818**	3,026,578	3,026,711	3,025,491
Equity settled employee benefits reserve	**10,272**	8,921	9,550	8,099
Retained earnings	**937,631**	793,330	737,521	576,168
Accumulated other comprehensive income (loss)	**88,889**	93,418	92,893	(5,111)
	4,064,610	3,922,247	3,866,675	3,604,647
	7,107,809	6,437,845	6,813,796	5,978,409

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(thousands of Canadian dollars, except per share amounts)
(unaudited)

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	**2012**	2011
CONTINUING OPERATIONS				
Revenues	**3,643,037**	3,409,143	**10,754,033**	8,297,377
Cost of sales	**3,128,845**	2,943,201	**9,456,835**	7,140,433
Gross profit	**514,192**	465,942	**1,297,198**	1,156,944
Operating, general and administrative expenses	**282,714**	262,318	**796,379**	707,854
Loss (gain) on disposal of assets	**46**	(155)	**(2,939)**	(485)
Transaction costs (note 1)	**4,933**	-	**13,890**	-
Finance costs (note 7)	**48,061**	30,503	**106,577**	96,105
Earnings before tax	**178,438**	173,276	**383,291**	353,470
Income tax expense	**66,886**	48,062	**114,780**	96,410
Net earnings from continuing operations	**111,552**	**125,214**	**268,511**	**257,060**
DISCONTINUED OPERATIONS				
Net loss from discontinued operations (note 6)	**(488)**	(1,727)	**(12,644)**	(2,733)
NET EARNINGS	**111,064**	123,487	**255,867**	254,327
Earnings (loss) per share (note 8)				
Basic and diluted earnings per share from continuing operations	**0.30**	0.34	**0.72**	0.69
Basic and diluted loss per share from discontinued operations	**-**	-	**(0.03)**	(0.01)
Basic and diluted earnings per share	**0.30**	0.34	**0.69**	0.68

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(thousands of Canadian dollars)
(unaudited)

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	**2012**	2011
Net earnings	**111,064**	123,487	**255,867**	254,327
Other comprehensive (loss) income, net of tax				
Exchange differences on translating foreign operations				
Unrealized effect of foreign currency translation of foreign operations	**57,994**	31,169	**1,458**	67,081
Unrealized (loss) gain on hedging instruments designated as hedges of the net assets of foreign operations	**(7,928)**	(4,436)	**(1,713)**	23,702
	50,066	26,733	**(255)**	90,783
Available for sale financial assets				
Unrealized gain on available for sale assets	**-**	6	**-**	5
	-	6	**-**	5
Cash flow hedges				
Unrealized (loss) gain on cash flow hedges	**(1,815)**	(3,366)	**(2,360)**	6,917
Reclassification to earnings of loss (gain) on cash flow hedges	**331**	1,431	**(1,389)**	824
	(1,484)	(1,935)	**(3,749)**	7,741
TOTAL COMPREHENSIVE INCOME	**159,646**	148,291	**251,863**	352,856

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(thousands of Canadian dollars)
(unaudited)

				Accumulated Other Comprehensive Income (Loss)						
	Number of Common Shares, (millions) [a]	**Share Capital**	**Equity Settled Employee Benefits Reserve**	**Foreign Currency Translation**	**Net Investment Hedge**	**Available for Sale Financial Assets**	**Cash Flow Hedges**	**Total Accumulated Other Comprehensive Income (Loss)**	**Retained Earnings**	**Total Shareholders' Equity**
As at November 1, 2010	**372**	3,025,491	8,099			(3)	(5,108)	(5,111)	576,168	3,604,647
Net earnings									254,327	254,327
Other comprehensive income, net of income tax				67,081	23,702	5	7,741	98,529		98,529
Total comprehensive income for the period				67,081	23,702	5	7,741	98,529	254,327	352,856
Share capital issued		1,087								1,087
Options exercised			(280)							(280)
Share-based compensation transactions			1,102							1,102
Dividends									(37,165)	(37,165)
As at July 31, 2011	**372**	**3,026,578**	**8,921**	**67,081**	**23,702**	**2**	**2,633**	**93,418**	**793,330**	**3,922,247**
As at October 31, 2011	**372**	**3,026,711**	**9,550**	**90,443**	**4,599**		**(2,149)**	**92,893**	**737,521**	**3,866,675**
Net earnings									255,867	255,867
Other comprehensive income (loss), net of income tax				1,458	(1,713)		(3,749)	(4,004)		(4,004)
Total comprehensive income for the period				1,458	(1,713)		(3,749)	(4,004)	255,867	251,863
Share capital issued		1,107								1,107
Options exercised			(292)							(292)
Share-based compensation transactions			1,014							1,014
Dividends									(55,757)	(55,757)
As at July 31, 2012	**372**	**3,027,818**	**10,272**	**91,901**	**2,886**	**-**	**(5,898)**	**88,889**	**937,631**	**4,064,610**

[a] Authorized share capital consists of unlimited common shares

See accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(thousands of Canadian dollars)
(unaudited)

	Nine months ended July 31, **2012**	2011
Cash flows from operating activities		
Net earnings	**255,867**	254,327
Adjustments for non-cash items		
Depreciation and amortization	**173,541**	149,823
Income tax expense	**111,116**	95,792
Employee benefits	**(4,545)**	(172)
Finance costs	**106,578**	98,487
Gain on disposal of property, plant and equipment	**(62)**	(743)
Other	**2,336**	1,706
	644,831	599,220
Changes in non-cash working capital		
Increase in accounts receivable	**(5,200)**	(257,949)
(Increase) decrease in derivative assets	**(297,829)**	20,407
Decrease (increase) in inventories	**163,608**	(182,649)
Decrease in prepaid expenses and deposits	**47,655**	44,640
(Decrease) increase in accounts payable and accrued liabilities	**(220,219)**	8,976
Increase (decrease) in derivative liabilities	**296,400**	(48,773)
(Decrease) increase in decommissioning and other provisions	**(9,734)**	443
Net changes in non-cash working capital	**(25,319)**	(414,905)
Cash provided by operations	**619,512**	184,315
Interest paid	**(94,495)**	(91,761)
Income taxes paid	**(92,565)**	(28,672)
Net cash provided by operating activities	**432,452**	63,882
Cash flows from financing activities		
Proceeds from issuance of long-term debt	**-**	200,525
Repayment of long-term debt	**(301,947)**	(1,194)
Net proceeds from (repayment of) short-term borrowings	**342,755**	(59,286)
Proceeds from (repayment of) other long-term indebtedness	**5,876**	(149)
Increase in share capital	**1,107**	807
Debt finance costs	**(58)**	(14,070)
Dividends paid	**(55,757)**	(37,164)
Cash (used in) provided by financing activities	**(8,024)**	89,469
Investing		
Additions to property, plant and equipment	**(143,077)**	(122,730)
Proceeds on disposal of property, plant and equipment	**5,887**	2,678
Proceeds on disposal of assets held for sale	**81,775**	-
Business acquisitions (note 5)	**(63,140)**	(7,830)
Proceeds on disposal of investments	**-**	1,429
Additions to intangible assets	**(16,196)**	(12,528)
Other	**188**	-
Cash used in investing activities	**(134,563)**	(138,981)
Increase in cash and cash equivalents	**289,865**	14,370
Cash and cash equivalents, beginning of period	**298,060**	154,793
Effect of exchange rate changes on cash and cash equivalents	**3,417**	(6,470)
Cash and cash equivalents, end of period	**591,342**	162,693
Cash and cash equivalents consist of:		
Cash	**235,032**	68,336
Short-term investments	**356,310**	94,357
	591,342	162,693

See accompanying notes to the condensed consolidated financial statements

1. Proposed Acquisition of Viterra by Glencore

On March 20, 2012, Viterra Inc. (the "Company" or "Viterra"), Glencore International plc ("Glencore") and 8115222 Canada Inc. ("Subco"), an indirect wholly-owned subsidiary of Glencore, entered into an arrangement agreement (the "Arrangement Agreement"). The Arrangement Agreement provides that, upon the terms and subject to the conditions set forth in the Arrangement Agreement, Subco will acquire all of the outstanding common shares of Viterra for $16.25 in cash per common share and Viterra will become an indirect wholly-owned subsidiary of Glencore under a plan of arrangement ("the Arrangement") pursuant to the provisions of applicable corporate legislation.

The Arrangement was approved by the shareholders of Viterra at a special meeting of the holders of common shares on May 29, 2012 and by the Ontario Superior Court of Justice at a hearing held on May 31, 2012. Consummation of the Arrangement is subject to customary conditions for a transaction of this nature, which include regulatory approvals. The sole remaining approval is the approval of the Ministry of Commerce of the People's Republic of China (MOFCOM) under Chinese *Anti-Monopoly Law*. Viterra and Glencore will update the market in due course when they expect the closing of the Arrangement to occur.

The Arrangement Agreement provides that the Arrangement Agreement may be terminated and, in certain circumstances, Viterra will be required to pay to Subco a termination payment of $185 million in connection with such a termination. In certain other circumstances, including a termination in connection with a failure to obtain certain regulatory approvals, Subco will be required to pay Viterra a termination payment of $50 million.

Full details concerning the Arrangement are included in the Company's management information circular dated April 26, 2012 available on SEDAR at www.sedar.com and on the ASX company announcements platform at www.asx.com.au.

2. Corporate Information

Viterra Inc. is incorporated under the laws of Canada with common shares listed under the symbol "VT" on the Toronto Stock Exchange and CHESS Depository Interests ("CDIs") listed under the symbol "VTA" on the Australian Securities Exchange. Viterra's registered and head office is located at 2625 Victoria Avenue, Regina, Saskatchewan, Canada.

Description of the Business

Viterra is a vertically integrated international agri-business with four reporting segments: Grain Handling and Marketing, Agri-Products, Processing and Corporate.

Grain Handling and Marketing operates grain storage and processing facilities strategically located in the prime agricultural growing regions of North America, Australia and New Zealand, port terminal facilities located in Canada and Australia, and merchandising offices in Europe and Asia. Revenue is derived from the sale of grain commodities and related ancillary services such as grain handling, blending, cleaning and storage. 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.

Agri-Products operates a network of retail locations and fertilizer distribution assets in North America and Australia. The segment also has an ownership interest in a fertilizer manufacturing facility in Canada. Revenue is derived from the sale of fertilizer, crop protection products, seed and seed treatments, equipment, general merchandise, wool, and various financial services. Agri-Products' sales peak during the growing season, supplemented by additional crop nutrient sales in the late fall.

Processing operates in North America, Australia, China and New Zealand, manufacturing and marketing value-added food products associated with oats, canola, wheat and malt barley, as well as feed products. Processing earnings are relatively unaffected by seasonal fluctuations.

Corporate is a non-operating segment for corporate functions.

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

3. Significant Accounting Policies

These condensed consolidated financial statements ("condensed financial statements") of Viterra as at and for the three and nine months ended July 31, 2012 and 2011 were approved by the Board of Directors on September 5, 2012. The Company prepared the condensed financial statements in accordance with IAS 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as adopted by the Canadian Institute of Chartered Accountants ("CICA").

These condensed financial statements are Viterra's third issued financial statements after its transition to reporting in accordance with IFRS and before the issuance of its first consolidated annual financial statements prepared in accordance with IFRS for the year ending October 31, 2012. These condensed financial statements use the accounting policies which the Company expects to adopt in its annual consolidated financial statements for the year ending October 31, 2012 and which are described in note 2 of the Company's condensed financial statements for the three months ended January 31, 2012.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 20. These condensed financial statements do not include all disclosures normally provided in consolidated annual financial statements and should be read in conjunction with our audited consolidated financial statements for the year ended October 31, 2011, prepared in accordance with pre-changeover Canadian generally accepted accounting principles ("CGAAP").

4. Critical Accounting Judgments and Estimates

The preparation of condensed financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

In preparing these condensed financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the condensed financial statements for the three months ended January 31, 2012 and six months ended April 30, 2012.

5. Business Acquisitions

Fiscal 2012

On April 23, 2012, the Company acquired a container packing operation in Australia. Total consideration paid was $11 million for property, plant and equipment and $19 million for goodwill and intangible assets. The net assets are included in the Grain Marketing and Handling reporting segment. The results of operations are included in the Company's consolidated financial statements commencing from the date of acquisition.

On January 19, 2012, the Company acquired a commercial and farm fuel business in Western Canada. Total consideration paid was $7 million for property, plant and equipment, $13 million for intangible assets, and $12 million for working capital. The net assets are included in the Agri-Products reporting segment. The results of operations are included in the Company's consolidated financial statements commencing from the date of acquisition.

Fiscal 2011

On June 20, 2011, the Company purchased a pulse processing plant for total consideration of $8 million. The net assets, including goodwill, are included in the Grain Handling and Marketing reporting segment. The results of the operations are included in the Company's consolidated financial statements commencing from the date of acquisition.

6. Discontinued Operations

On April 2, 2012, Viterra disposed of the Company's North American feed processing operations for proceeds of $89 million, including working capital. Assets and liabilities related to this disposition had been classified as held for sale as at January 31, 2012 and revenues and expenses associated with these operations were presented as discontinued operations.

The results of discontinued operations are set out below. The comparative net earnings and cash flows from discontinued operations have been revised to include those operations classified as discontinued in the current period.

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	**2012**	2011
Revenues	**-**	144,918	**284,534**	429,081
Expenses	**-**	147,178	**287,782**	432,432
Loss before tax	**-**	(2,260)	**(3,248)**	(3,351)
Attributable income tax recovery	**-**	533	**1,568**	618
	-	(1,727)	**(1,680)**	(2,733)
Loss on re-measurement to fair value less costs to sell	**-**	-	**(9,473)**	-
Loss on disposition of assets held for sale	**(572)**	-	**(3,587)**	-
Attributable income tax recovery	**84**	-	**2,096**	-
Net loss from discontinued operations	**(488)**	(1,727)	**(12,644)**	(2,733)

	Nine months ended July 31,	
	2012	2011
Net cash outflows from operating activities	**(33,257)**	(6,216)
Net cash inflows (outflows) from investing activities	**28,431**	(2,666)
Net cash inflows (outflows)	**4,826**	(8,882)

7. Finance Costs

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	**2012**	2011
Interest on long-term debt	**33,361**	19,575	**72,892**	54,690
Interest on short-term debt	**7,095**	7,737	**21,425**	32,826
Amortization of debt finance costs	**7,458**	2,350	**11,035**	6,033
Accretion of decommissioning obligations	**147**	841	**1,225**	2,556
	48,061	30,503	**106,577**	96,105

8. Earnings per Share

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	**2012**	2011
Net earnings from continuing operations	**111,552**	125,214	**268,511**	257,060
Net loss from discontinued operations	**(488)**	(1,727)	**(12,644)**	(2,733)
Net earnings	**111,064**	123,487	**255,867**	254,327
Weighted average number of shares outstanding	**371,729**	371,685	**371,712**	371,656
Dilutive effect of stock options	**1,550**	766	**1,222**	656
Weighted average number of shares outstanding, assuming dilution	**373,279**	372,451	**372,934**	372,312
Earnings per share from continuing operations[(a)]				
Basic	**0.30**	0.34	**0.72**	0.69
Diluted	**0.30**	0.34	**0.72**	0.69
Loss per share from discontinued operations[(a)]				
Basic	**-**	-	**(0.03)**	(0.01)
Diluted	**-**	-	**(0.03)**	(0.01)
Earnings per share[(a)]				
Basic	**0.30**	0.34	**0.69**	0.68
Diluted	**0.30**	0.34	**0.69**	0.68

(a) Earnings per share not in thousands.

9. Accounts Receivable

	July 31, **2012**	July 31, 2011	October 31, 2011	November 1, 2010
Trade receivables	**507,274**	704,433	798,317	471,949
Allowance for doubtful accounts	**(8,958)**	(12,012)	(9,943)	(9,907)
CWB	**168,264**	168,722	189,996	77,700
Income and other taxes	**72,097**	32,001	49,335	45,240
Other receivables	**303,658**	143,726	95,553	153,621
	1,042,335	1,036,870	1,123,258	738,603

10. Inventories

	July 31, **2012**	July 31, 2011	October 31, 2011	November 1, 2010
Commodity inventories at fair value				
Grain Handling and Marketing	**804,905**	757,059	896,018	724,157
Agri-Products	**52,454**	74,039	103,290	61,369
	857,359	831,098	999,308	785,526
Inventories at cost				
Agri-Products [(a) (b)]	**386,132**	429,541	403,874	324,584
Processing				
Raw materials and supplies	**49,049**	67,731	76,523	40,393
Work in progress	**33,210**	19,532	15,394	14,366
Finished goods [(b)]	**71,530**	70,778	73,311	47,018
	539,921	587,582	569,102	426,361
	1,397,280	1,418,680	1,568,410	1,211,887

(a) Adjustments to the lower of cost and net realizable value at July 31, 2012 of $4 million (July 31, 2011 - $3 million, October 31, 2011 - $4 million) have been included in cost of sales. As at July 31, 2012, no reversals of previous adjustments were made (July 31, 2011 - $nil, October 31, 2011 - $nil).

(b) Depreciation expense of $11 million for the three months ended July 31, 2012 (July 31, 2011 - $11 million) and $33 million for the nine months ended July 31, 2012 (July 31, 2011 - $33 million) related to the manufacture of inventories that has now been sold is included in cost of sales.

11. Property, Plant and Equipment

July 31, 2012	**Land**	**Site and Leasehold Improvements**	**Buildings**	**Machinery and Equipment**	**Construction In Progress ("CIP")**	**Total**
Cost						
October 31, 2011	148,270	132,749	790,812	2,003,773	172,716	**3,248,320**
Additions [a]	-	-	-	-	148,880	**148,880**
Transfers from CIP	3,483	8,169	5,038	136,821	(153,511)	**-**
Disposals	(10,541)	(6,752)	(29,640)	(97,347)	(12,614)	**(156,894)**
Business acquisitions	1,274	74	8,725	6,030	1,578	**17,681**
Foreign currency translation	416	38	1,092	5,533	518	**7,597**
July 31, 2012	142,902	134,278	776,027	2,054,810	157,567	**3,265,584**
Accumulated depreciation						
October 31, 2011	-	(26,618)	(160,184)	(499,682)	-	**(686,484)**
Depreciation	-	(5,030)	(26,588)	(105,924)	-	**(137,542)**
Disposals	-	2,288	22,667	74,333	-	**99,288**
Foreign currency translation	-	(11)	(66)	(1,085)	-	**(1,162)**
July 31, 2012	-	(29,371)	(164,171)	(532,358)	-	**(725,900)**
Carrying amount	**142,902**	**104,907**	**611,856**	**1,522,452**	**157,567**	**2,539,684**

(a) Includes capitalized borrowing costs for the period of $4 million.

July 31, 2011	**Land**	**Site and Leasehold Improvements**	**Buildings**	**Machinery and Equipment**	**Construction In Progress ("CIP")**	**Total**
Cost						
November 1, 2010	143,516	98,105	766,037	1,888,947	91,042	2,987,647
Additions [b]	-	-	-	-	196,067	196,067
Transfers from CIP	5,991	6,529	27,472	100,910	(140,902)	-
Disposals	(117)	(14)	(1,587)	(7,740)	(179)	(9,637)
Foreign currency translation	(69)	(283)	(3,543)	(7,789)	(826)	(12,510)
July 31, 2011	149,321	104,337	788,379	1,974,328	145,202	3,161,567
Accumulated depreciation						
November 1, 2010	-	(16,091)	(110,626)	(342,221)	-	(468,938)
Depreciation	-	(5,773)	(26,929)	(101,102)	-	(133,804)
Disposals	-	11	754	4,978	-	5,743
Foreign currency translation	-	66	224	1,417	-	1,707
July 31, 2011	-	(21,787)	(136,577)	(436,928)	-	(595,292)
Carrying amount	149,321	82,550	651,802	1,537,400	145,202	2,566,275

(b) Includes capitalized borrowing costs for the period of $3 million.

October 31, 2011	Land	Site and Leasehold Improvements	Buildings	Machinery and Equipment	Construction In Progress ("CIP")	Total
Cost						
November 1, 2010	143,516	98,105	766,037	1,888,947	91,042	2,987,647
Additions (c)	-	-	-	-	241,782	241,782
Transfers from CIP	5,084	33,802	17,789	104,209	(160,884)	-
Disposals	(1,414)	(15)	(1,947)	(12,581)	-	(15,957)
Foreign currency translation	1,084	857	8,933	23,198	776	34,848
October 31, 2011	148,270	132,749	790,812	2,003,773	172,716	3,248,320
Accumulated depreciation						
November 1, 2010	-	(16,091)	(110,626)	(342,221)	-	(468,938)
Depreciation	-	(10,538)	(35,579)	(130,822)	-	(176,939)
Impairment	-	-	(15,446)	(30,841)	-	(46,287)
Disposals	-	86	2,673	6,648	-	9,407
Foreign currency translation	-	(75)	(1,206)	(2,446)	-	(3,727)
October 31, 2011	-	(26,618)	(160,184)	(499,682)	-	(686,484)
Carrying amount	148,270	106,131	630,628	1,504,091	172,716	2,561,836

(c) Includes capitalized borrowing costs for the period of $5 million.

12. Short-Term Borrowings and Long-term Debt Due Within One Year

	July 31,		October 31,	November 1,
	2012	2011	2011	2010
Global credit facility (a)	**300,000**	-	-	51,116
Trade facility agreements (b)	**72,320**	17,757	83,207	10,561
Other(c)	**91,380**	-	41,931	-
Short-term borrowings	**463,700**	17,757	125,138	61,677
Long-term debt due within one year	**201,677**	1,770	2,406	2,295
	665,377	19,527	127,544	63,972

(a) The Company has an unsecured revolving credit facility ("Global Credit Facility") through a syndicate of financial institutions. The facility is available in Canadian dollars ("CAD"), Australian dollars ("AUD"), United States dollars ("USD"), Euros ("EUR") and New Zealand dollars ("NZD") at LIBOR plus a margin of 1.85%. The margin is based on the Company's current credit rating. The Company has the right to increase the facility by up to $400 million, subject to sufficient existing and/or new lenders agreeing to provide commitments for such increase. The Global Credit Facility, which includes sub-tranches of $1.2 billion in Canada and $850 million in Australia, was effective May 18, 2010, amended September 26, 2011, and expires September 25, 2015.

At July 31, 2012, cash drawings were $300 million CAD on the Canadian tranche (July 31, 2011 – $nil million CAD) and $nil million AUD on the Australian tranche (July 31, 2011 - $nil million AUD).

(b) Certain subsidiaries and joint ventures have entered into trade facility agreements and other short-term borrowings with financial institutions to facilitate financing of international trade in agricultural commodities. These trade facilities are available to subsidiaries and joint ventures on an uncommitted basis and any drawings are secured by inventories and the proceeds from the sale of the inventories.

(c) Other unsecured facilities and short-term borrowings.

13. Accounts Payable and Accrued Liabilities

	July 31,		October 31,	November 1,
	2012	2011	2011	2010
Trade payables	**508,727**	500,016	853,708	547,330
Customer deposits and prepayments	**69,464**	57,071	79,560	77,145
Accrued liabilities	**236,673**	256,923	183,925	144,259
Employee related	**89,115**	83,044	100,346	84,748
Miscellaneous	**49,356**	47,992	41,289	35,598
Income and other taxes	**81,005**	36,845	39,852	11,458
	1,034,340	981,891	1,298,680	900,538

14. Long-Term Debt

	July 31,		October 31,	November 1,
	2012	2011	2011	2010
Senior Unsecured Notes (a)				
Series 2011-1 Notes	**200,000**	200,000	200,000	-
Series 2010-1 Notes (USD)	**401,160**	382,200	398,680	408,080
Series 2009-1 Notes	**-**	300,000	300,000	300,000
Series 2007-1 Notes	**200,000**	200,000	200,000	200,000
Members' term loans	**-**	674	617	1,114
	801,160	1,082,874	1,099,297	909,194
Subsidiaries' and proportionate share of joint ventures' debt (b)	**5,640**	4,998	5,515	5,669
	806,800	1,087,872	1,104,812	914,863
Less unamortized debt costs	**9,157**	17,365	16,726	15,734
Total long-term debt	**797,643**	1,070,507	1,088,086	899,129
Less portion due within one year:				
Series 2007-1 Notes	**200,000**	-	-	-
Members' term loans	**-**	484	429	497
Subsidiaries' and proportionate share of joint ventures' debt (b)	**1,677**	1,286	1,977	1,798
Long-term debt due within one year	**201,677**	1,770	2,406	2,295
Long-term debt due in excess of one year	**595,966**	1,068,737	1,085,680	896,834

(a) Senior Unsecured Notes

Terms(1)	**Series 2011-1**(2)	**Series 2010-1**(2)	**Series 2009-1**(3)	**Series 2007-1**(3)
Issue date	February 15, 2011	August 4, 2010	July 7, 2009	August 1, 2007
Principal amount	$200,000	$400,000 USD	$300,000	$200,000
Interest rate	6.41%	5.95%	8.5%	8.5%
Maturity date	February 16, 2021	August 1, 2020	July 7, 2014	August 1, 2017
Effective interest rate	7.45%	6.19%	9.05%	8.85%

(1) The Senior Unsecured Notes, Global Credit Facility and Member Term Loans are unsecured and rank *pari passu* with each other.

(2) The Series 2011-1 and 2010-1 Notes may be redeemed prior to maturity at the Company's option in whole or in part at any time at a redemption price equal to the greater of 100% of the principal amount to be redeemed or a "make-whole" redemption price, in either case, plus accrued and unpaid interest.

(3) On June 11, 2012 the Board of Directors of the Company approved redemption of all of its 8.50% Unsecured Senior Notes Series 2009-1 due July 7, 2014. The Notes were redeemed at 102.125% on July 12, 2012 for $306 million plus accrued interest, which includes a redemption premium of $6 million. The redemption was funded by cash on hand.
On June 22, 2012 the Board of Directors of the Company approved redemption of all of its 8.50% Unsecured Senior Notes Series 2007-1 due August 1, 2017. The Notes were redeemed at 104.25% on August 1, 2012 for $209 million plus accrued interest, which includes a redemption premium of $9 million. The redemption was funded by cash on hand and a draw on available credit facilities.

(b) Subsidiaries’ and Proportionate Share of Joint Ventures’ Borrowings

Subsidiaries’ and the proportionate share of joint ventures’ borrowings bear interest at fixed and variable rates. The weighted average interest rate of subsidiaries’ and the proportionate share of joint ventures’ borrowings is 6.1% (2010 – 5.5%) based on the face value of the debt instrument. The debt matures in 2012 to 2020.

15. Share-based Payments

As a result of the Arrangement Agreement between Viterra and Glencore (note 1), the trading price of Viterra’s common shares increased from $10.79 at January 31, 2012 to $15.91 at April 30 and to $16.06 at July 31, 2012. This change in share price increased the liability related to all share-based payment plans by $9 million for the second quarter and additionally $nil for the quarter ended July 31, 2012. Additional vestings contributed $4 million to the liability at July 31, 2012. The share-based payment liability as at July 31, 2012 was $41 million (July 31, 2011- $22 million) for all plans and the share-based payment expense was $5 million for the three months ended July 31, 2012 (July 31, 2011 - $2 million) and $21 million for the nine months ended July 31, 2012 (July 31, 2011 - $7 million).

16. Segmented Information

Net Earnings by Reporting Segment

Three months ended July 31, 2012	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Continuing Operations						
Revenues [a]	**3,643,037**	(205,962)	2,213,403	1,308,928	326,668	-
Cost of sales	**3,128,845**	(205,962)	2,006,171	1,038,208	290,428	-
Gross profit	**514,192**	-	207,232	270,720	36,240	-
Operating, general and administrative expense	**282,714**	-	135,155	88,594	14,255	44,710
Loss (gain) loss on disposal of assets	**46**	-	31	(129)	145	(1)
Transaction costs	**4,933**	-	-	-	-	4,933
Finance costs	**48,061**	-	1,840	809	285	45,127
Earnings (loss) before tax	**178,438**	-	70,206	181,446	21,555	(94,769)
Income tax expense	**66,886**	-	-		-	66,886
Net earnings (loss) from continuing operations	**111,552**	-	70,206	181,446	21,555	(161,655)
Discontinued Operations						
Net loss from discontinued operations	**(488)**	-	-	-	(488)	-
Net earnings (loss)	**111,064**	-	70,206	181,446	21,067	(161,655)

Adjusted EBITDA[b] by Reporting Segment – Continuing Operations

Three months ended July 31, 2012	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Revenues [a]	**3,643,037**	(205,962)	2,213,403	1,308,928	326,668	-
Cost of sales	**3,128,845**	(205,962)	2,006,171	1,038,208	290,428	-
Gross profit	**514,192**	-	207,232	270,720	36,240	-
Add back: Depreciation	**11,446**	-	-	2,908	8,538	-
Adjusted gross profit	**525,638**	-	207,232	273,628	44,778	-
Operating, general and administrative expense	**282,714**	-	135,155	88,594	14,255	44,710
Add back: Depreciation and amortization	**45,040**	-	30,734	9,487	954	3,865
Adjusted EBITDA [b]	**287,964**	-	102,811	194,521	31,477	(40,845)

Other Reporting Segment Information

As at July 31, 2012	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Assets	**7,107,809**	-	3,944,278	1,123,390	1,171,121	869,020
Intangible assets	**167,255**	-	69,971	23,927	35,936	37,421
Goodwill	**789,127**	-	247,488	299,826	241,813	-

[a] Revenues between segments are accounted for at current market prices under normal trade terms.

[b] Adjusted EBITDA – Earnings before finance costs, depreciation and amortization, transaction costs, loss (gain) on disposal of assets, and income taxes.

Net Earnings by Reporting Segment

Three months ended July 31, 2011	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Continuing Operations						
Revenues [(a)]	3,409,143	(155,178)	2,186,811	1,134,746	242,764	-
Cost of sales	2,943,201	(155,178)	1,979,597	908,282	210,500	-
Gross profit	465,942	-	207,214	226,464	32,264	-
Operating, general and administrative expense	262,318	-	126,363	75,139	13,456	47,360
(Gain) loss on disposal of assets	(155)	-	(3)	(164)	12	-
Finance costs (recovery)	30,503	-	1,511	384	(749)	29,357
Earnings (loss) before tax	173,276	-	79,343	151,105	19,545	(76,717)
Income tax expense	48,062	-	-	-	-	48,062
Net earnings (loss) from continuing operations	125,214	-	79,343	151,105	19,545	(124,779)
Discontinued Operations						
Net loss from discontinued operations	(1,727)	-	-	-	(1,727)	-
Net earnings (loss)	123,487	-	79,343	151,105	17,818	(124,779)

Adjusted EBITDA[(b)] by Reporting Segment – Continuing Operations

Three months ended July 31, 2011	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Revenues [(a)]	3,409,143	(155,178)	2,186,811	1,134,746	242,764	-
Cost of sales	2,943,201	(155,178)	1,979,597	908,282	210,500	-
Gross profit	465,942	-	207,214	226,464	32,264	-
Add back: Depreciation	10,537	-	-	2,720	7,817	-
Adjusted gross profit	476,479	-	207,214	229,184	40,081	-
Operating, general and administrative expense	262,318	-	126,363	75,139	13,456	47,360
Add back: Depreciation and amortization	37,103	-	25,310	8,661	881	2,251
Adjusted EBITDA [(b)]	251,264	-	106,161	162,706	27,506	(45,109)

Other Reporting Segment Information

As at July 31, 2011	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Assets	6,437,845	-	3,173,646	1,254,604	1,133,667	875,928
Intangible assets	152,246	-	71,414	12,938	39,816	28,078
Goodwill	778,764	-	231,800	300,998	245,966	-

(a) Revenues between segments are accounted for at current market prices under normal trade terms.

(b) Adjusted EBITDA – Earnings before finance costs, depreciation and amortization, transaction costs, loss (gain) on disposal of assets, and income taxes.

Net Earnings by Reporting Segment

Nine months ended July 31, 2012	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Continuing Operations						
Revenues [(a)]	**10,754,033**	(614,269)	7,987,305	2,416,947	964,050	-
Cost of sales	**9,456,835**	(614,269)	7,234,326	1,970,882	865,896	-
Gross profit	**1,297,198**	-	752,979	446,065	98,154	-
Operating, general and administrative expense	**796,379**	-	413,208	208,501	43,187	131,483
(Gain) loss on disposal of assets	**(2,939)**	-	(3,121)	(173)	354	1
Transaction costs	**13,890**	-	-	-	-	13,890
Finance costs	**106,577**	-	5,273	1,526	1,059	98,719
Earnings (loss) before tax	**383,291**	-	337,619	236,211	53,554	(244,093)
Income tax expense	**114,780**	-	-	-	-	114,780
Net earnings (loss) from continuing operations	**268,511**	-	337,619	236,211	53,554	(358,873)
Discontinued Operations						
Net loss from discontinued operations	**(12,644)**	-	-	-	(12,644)	-
Net earnings (loss)	**255,867**	-	337,619	236,211	40,910	(358,873)

Adjusted EBITDA[(b)] by Reporting Segment – Continuing Operations

Nine months ended July 31, 2012	Consolidated	Eliminations	Grain Handling and Marketing	Agri-Products	Processing	Corporate
Revenues [(a)]	**10,754,033**	(614,269)	7,987,305	2,416,947	964,050	-
Cost of sales	**9,456,835**	(614,269)	7,234,326	1,970,882	865,896	-
Gross profit	**1,297,198**	-	752,979	446,065	98,154	-
Add back: Depreciation	**33,044**	-	-	8,435	24,609	-
Adjusted gross profit	**1,330,242**	-	752,979	454,500	122,763	-
Operating, general and administrative expense	**796,379**	-	413,208	208,501	43,187	131,483
Add back: Depreciation and amortization	**127,961**	-	87,472	27,441	2,734	10,314
Adjusted EBITDA [(b)]	**661,824**	-	427,243	273,440	82,310	(121,169)

[(a)] Revenues between segments are accounted for at current market prices under normal trade terms.

[(b)] Adjusted EBITDA – Earnings before finance costs, depreciation and amortization, transaction costs, loss (gain) on disposal of assets, and income taxes.

Net Earnings by Reporting Segment

Nine months ended July 31, 2011	**Consolidated**	**Eliminations**	**Grain Handling and Marketing**	**Agri-Products**	**Processing**	**Corporate**
Continuing Operations						
Revenues [(a)]	8,297,377	(445,493)	6,174,685	1,861,058	707,127	-
Cost of sales	7,140,433	(445,493)	5,454,859	1,519,863	611,204	-
Gross profit	1,156,944	-	719,826	341,195	95,923	-
Operating, general and administrative expense	707,854	-	366,780	176,406	37,789	126,879
(Gain) loss on disposal of assets	(485)	-	(529)	23	351	(330)
Finance costs (recovery)	96,105	-	4,104	1,042	(2,412)	93,371
Earnings (loss) before tax	353,470	-	349,471	163,724	60,195	(219,920)
Income tax expense	96,410	-	-	-	-	96,410
Net earnings (loss) from continuing operations	257,060	-	349,471	163,724	60,195	(316,330)
Discontinued Operations						
Net loss from discontinued operations	(2,733)	-	-	-	(2,733)	-
Net earnings (loss)	254,327	-	349,471	163,724	57,462	(316,330)

Adjusted EBITDA[(b)] by Reporting Segment – Continuing Operations

Nine months ended July 31, 2011	**Consolidated**	**Eliminations**	**Grain Handling and Marketing**	**Agri-Products**	**Processing**	**Corporate**
Revenues [(a)]	8,297,377	(445,493)	6,174,685	1,861,058	707,127	-
Cost of sales	7,140,433	(445,493)	5,454,859	1,519,863	611,204	-
Gross profit	1,156,944	-	719,826	341,195	95,923	-
Add back: Depreciation	32,591	-	-	8,109	24,482	-
Adjusted gross profit	1,189,535	-	719,826	349,304	120,405	-
Operating, general and administrative expense	707,853	-	366,780	176,406	37,789	126,878
Add back: Depreciation and amortization	108,358	-	76,596	22,080	2,789	6,893
Adjusted EBITDA [(b)]	590,040	-	429,642	194,978	85,405	(119,985)

(a) Revenues between segments are accounted for at current market prices under normal trade terms.

(b) Adjusted EBITDA – Earnings before finance costs, depreciation and amortization, transaction costs, loss (gain) on disposal of assets, and income taxes.

17. Joint Ventures

The consolidated balance sheets and statements of earnings include, on a proportionate basis, the Company's interests in joint ventures operating in Canada, India, Australia and China, as follows:

Balance Sheets

As at	July 31, 2012	July 31, 2011	October 31, 2011	November 1, 2010
Cash and cash equivalents	**57,506**	35,317	40,980	15,301
Other current assets	**96,800**	18,597	70,106	31,423
Long-term assets	**109,317**	102,844	107,642	93,366
Total assets	**263,623**	156,758	218,728	140,090
Current liabilities	**124,467**	32,713	90,783	29,341
Long-term liabilities	**23,133**	20,754	22,760	22,665
Total liabilities	**147,600**	53,467	113,543	52,006
Net assets in joint ventures	**116,023**	103,291	105,185	88,084

Statements of Earnings

	Three months ended July 31,		**Nine months ended July 31,**	
	2012	2011	**2012**	2011
Revenues	**105,872**	61,208	**432,036**	210,328
Expenses	**100,393**	60,580	**422,003**	208,750
	5,479	628	**10,033**	1,578

18. Financial and Other Instruments and Hedging

Fair Values

	Classification	Level	July 31, 2012	July 31, 2011	October 31, 2011	November 1, 2010
Cash and short-term investments	FVTPL	1	**591,342**	162,693	298,060	154,793
Accounts receivable	Loans and receivables	n/a	**1,042,335**	1,036,870	1,123,258	738,603
Derivative assets						
Exchange-traded derivatives	FVTPL	1	**76,647**	8,445	30,635	22,040
Commodity forward contracts	FVTPL	2	**336,167**	128,785	91,401	131,283
Foreign exchange contracts (OTC)	FVTPL	2	**39,496**	59,645	32,445	63,959
Long term derivative assets						
Exchange-traded derivatives	FVTPL	1	**2,368**	-	10	974
Commodity forward contracts	FVTPL	2	**1,371**	9,497	18,899	26,465
Foreign exchange contracts (OTC)	FVTPL	2	**557**	5,116	2,388	7,954
Short-term borrowings	FVTPL	1	**463,700**	17,757	125,138	61,677
Accounts payable and accrued liabilities	Other financial liabilities	n/a	**1,034,340**	981,891	1,298,680	900,538
Derivative liabilities						
Exchange-traded derivatives	FVTPL	1	**172,977**	11,563	10,260	57,102
Commodity forward contracts	FVTPL	2	**242,550**	93,895	100,369	90,601
Foreign exchange contracts (OTC)	FVTPL	2	**9,839**	25,237	17,429	15,591
Cross-currency swaps	FVTPL	2	**5,331**	13,498	5,932	8,896
Natural gas swaps	FVTPL	2	**631**	606	938	1,418
Bond forward contracts	FVTPL	2	**-**	-	-	19,964
Long-term debt	Other financial liabilities	n/a	**861,017**	1,152,869	1,088,086	899,129
Other liabilities	Other financial liabilities	n/a	**89,458**	22,019	25,484	51,351
Long term derivative liabilities						
Exchange-traded derivatives	FVTPL	1	**-**	86	59	3,402
Commodity forward contracts	FVTPL	2	**3,120**	1,842	4,785	21,829
Foreign exchange contracts (OTC)	FVTPL	2	**290**	2,351	2,178	2,131

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.

Commodity Price Risk

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 Value at Risk ("VaR") limits. 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. 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.

	July 31,	
	2012	2011
Historical VaR (95%, five-day):		
Agricultural commodity price VaR	**25,400**	12,093

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 operations. 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. Maturity dates for the foreign exchange forward contracts on anticipated transactions extend for approximately twelve months. As at July 31, 2012, 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 twelve months is an after tax gain of $6 million.

As at July 31, 2012	Carrying Value	Impact On Earnings, After Tax	Impact On Other Comprehensive Income, After Tax
10% increase			
CAD/USD	2,355	183	86
CAD/Euro	(21)	(2)	-
CAD/Great Britain pound	(161)	(12)	-
CAD/AUD	(175)	(13)	-
CAD/Swiss francs	(152)	(11)	-
AUD/USD	5,287	(472)	(1,777)
AUD/Euro	(772)	(10)	(31)
AUD/Japanese yen	251	(78)	(435)
AUD/NZD	(355)	32	-
AUD/Singapore dollars	(3)	-	-
10% decrease			
CAD/USD	2,355	(183)	(86)
CAD/Euro	(21)	2	-
CAD/ Great Britain pound	(161)	12	-
CAD/AUD	(175)	13	-
CAD/Swiss francs	(152)	11	-
AUD/USD	5,287	587	2,174
AUD/Euro	(772)	12	38
AUD/Japanese yen	251	96	532
AUD/NZD	(355)	(39)	-
AUD/Singapore dollars	(3)	-	-

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

Included in operating, general and administration expenses is a foreign exchange loss of $3 million for the three months ended July 31, 2012 (July 31, 2011 - $15 million loss) and $7 million for the nine months ended July 31, 2012 (July 31, 2011 - $30 million loss).

Interest Rate Risk

The Company manages interest rate risk on borrowings by using a combination of cash instruments, forwards and a mixture of fixed and floating rates.

Based on the July 31, 2012 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 impact after tax earnings by $1 million per annum (2011 - $1 million 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 during the quarter. As a result, each year approximately $1 million after tax will be reclassified from accumulated other comprehensive income to net earnings as finance costs over the term of the debt.

Credit Risk

The Company manages credit risk through credit approval policies and procedures, monitoring of credit balances and credit reviews. The lack of significant customer concentration of trade receivables also mitigates credit risk as does the use of limited recourse arrangement with a Canadian Schedule I chartered bank.

	July 31,		October 31,	November 1,
Aging of trade accounts receivable	**2012**	2011	2011	2010
Not past due	**471,646**	659,075	766,788	422,440
Past due:				
Past due ≤ 60 days	**7,633**	12,571	16,066	9,995
Past due ≥ 61 days and ≤ 90 days	**5,035**	4,600	4,988	2,626
Past due ≥ 91 days	**22,960**	28,187	10,475	36,888
Total trade accounts receivable	**507,274**	704,433	798,317	471,949
Allowance for doubtful accounts	**(8,958)**	(12,012)	(9,943)	(9,907)
	498,316	692,421	788,374	462,042

	July 31,		October 31,	November 1,
Allowance for doubtful accounts	**2012**	2011	2011	2010
Beginning balance	**(9,943)**	(9,907)	(9,907)	(8,081)
Disposition of assets held for sale	**1,001**	-	-	-
Provision for losses	**(1,720)**	(5,211)	(3,190)	(5,862)
Write-offs, net of recoveries	**1,704**	3,106	3,154	4,036
Ending balance	**(8,958)**	(12,012)	(9,943)	(9,907)

The Company has historically experienced minimal credit losses and, as a result, it considers the credit quality of the trade receivables at July 31, 2012 that are not past due to be high. Included in accounts receivable is $168 million (July 31, 2011 - $169 million) due from a single customer, the CWB.

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.

	July 31,		October 31,	November 1,
Maximum exposure to credit risk	**2012**	2011	2011	2010
Cash	**235,032**	68,336	106,296	66,589
Short-term investments	**356,310**	94,357	191,764	88,204
Accounts receivable	**1,042,335**	1,036,870	1,123,258	738,603
Derivative assets	**452,310**	196,875	154,481	217,282
Long-term derivative assets	**4,296**	14,613	21,297	35,393
	2,090,283	1,411,051	1,597,096	1,146,071

Liquidity Risk

The adequacy of Viterra's liquidity 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.

19. 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 adjusted EBITDA to cash interest, net. 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 to a range of 30% to 40%. Management uses the adjusted EBITDA to cash interest net ratio to assess interest coverage and the Company's ability to service its interest bearing debt. The Company's objective is to maintain a rolling 12-month adjusted EBITDA that is at least five times the level of cash interest paid.

	July 31,		October 31,
	2012	2011	2011
Debt to total capital [a]			
As at the balance sheet date	**24:76**	22:78	24:76
Four quarter average	**25:75**	26:74	26:74
Adjusted EBITDA to cash interest, net [b] [c] [d]	**6.7**	6.7	6.6

[a] Debt is defined as interest bearing debt which includes short-term borrowings and long-term debt due within one year, and long-term debt. Capital is defined as total interest bearing debt plus total shareholders' equity.

[b] Adjusted EBITDA is defined as earnings before finance costs, depreciation and amortization, transaction costs, loss (gain) on disposal of assets, and income taxes.

[c] The ratio is calculated on a rolling twelve-month basis.

[d] Cash interest, net is defined as interest expense on short-term and long-term debt less interest revenue and interest recovery as follows:

	Nine months ended July 31,		Year ended October 31,
	2012	2011	2011
Interest on short-term debt	**21,425**	32,826	37,585
Interest on long-term debt	**72,892**	54,690	74,447
Interest income	**(1,683)**	(2,956)	(3,086)
CWB carrying charge recovery	**(1,495)**	(1,420)	(2,161)
Cash interest, net	**91,139**	83,140	106,785

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 paying dividends. The Company's strategy for managing capital is unchanged from the previous year.

During the period, the Company was in compliance with external covenants relating to the management of capital. As per the terms of the Arrangement Agreement, Viterra is limited in its ability to enter into new financial indebtedness in excess of $200 million.

20. Transition to IFRS

The accounting policies in note 2 of the Company's condensed consolidated financial statements for the three months ended January 31, 2012 have been applied in preparing the condensed financial statements for the nine months ended July 31, 2012, the comparative information for the three and nine months ended July 31, 2011, the consolidated financial statements for the year ended October 31, 2011, and quarter ended July 31, 2011 and the preparation of the opening IFRS consolidated balance sheets at November 1, 2010, the Company's date of transition to IFRS ("transition date").

The adoption of IFRS requires the application of IFRS 1 – *First Time Adoption of International Financial Reporting Standards* ("IFRS 1"). IFRS 1 generally requires that an entity retrospectively apply all IFRS effective at the end of its first IFRS reporting period. However, IFRS 1 provides certain mandatory exceptions and permits limited optional exemptions. The IFRS 1 optional exemptions that have been applied are described in this note.

In preparing its opening IFRS consolidated balance sheets at November 1, 2010, its comparative information for the three and nine months ended July 31, 2011 and consolidated financial statements for the year ended October 31, 2011, and quarter ended July 31, 2011, the Company has adjusted amounts previously reported in consolidated financial statements prepared in accordance with CGAAP. An explanation of how the transition from CGAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of Condensed Consolidated Balance Sheets

	Note	November 1, 2010 CGAAP	November 1, 2010 Effect of Transition to IFRS	November 1, 2010 IFRS	October 31, 2011 CGAAP	October 31, 2011 Effect of Transition to IFRS	October 31, 2011 IFRS
ASSETS							
Current assets							
Cash		66,589	-	66,589	106,296	-	106,296
Short-term investments		88,204	-	88,204	191,764	-	191,764
Accounts receivable		738,603	-	738,603	1,123,258	-	1,123,258
Derivative assets		217,282	-	217,282	154,481	-	154,481
Inventories		1,211,887	-	1,211,887	1,568,410	-	1,568,410
Prepaid expenses and deposits	*a*	107,638	(264)	107,374	111,934	(4,063)	107,871
Deferred tax assets	*h*	30,067	(30,067)	-	29,359	(29,359)	-
		2,460,270	(30,331)	2,429,939	3,285,502	(33,422)	3,252,080
Property, plant and equipment	*d,f*	2,491,047	27,662	2,518,709	2,613,032	(51,196)	2,561,836
Other assets	*c*	132,797	(82,307)	50,490	149,244	(100,254)	48,990
Long-term derivative assets		35,393	-	35,393	21,297	-	21,297
Intangible assets		154,915	-	154,915	156,752	(1,237)	155,515
Goodwill		772,233	-	772,233	775,198	(2,671)	772,527
Deferred tax assets	*h*	25,010	(8,280)	16,730	11,606	(10,055)	1,551
		6,071,665	(93,256)	5,978,409	7,012,631	(198,835)	6,813,796
LIABILITIES							
Current liabilities							
Short-term borrowings and long-term debt due within one year		63,972	-	63,972	127,544	-	127,544
Accounts payable and accrued liabilities	*b*	900,021	517	900,538	1,298,000	680	1,298,680
Derivative liabilities		193,572	-	193,572	134,928	-	134,928
Decommissioning and other provisions	*a*	26,319	(9,888)	16,431	30,047	(7,327)	22,720
Deferred tax liabilities	*h*	391	(391)	-	122	(122)	-
		1,184,275	(9,762)	1,174,513	1,590,641	(6,769)	1,583,872
Long-term debt		896,834	-	896,834	1,085,680	-	1,085,680
Decommissioning and other provisions	*d*	16,030	30,975	47,005	46,415	2,015	48,430
Other liabilities	*a,b,c*	35,321	29,342	64,663	41,081	44,410	85,491
Long-term derivative liabilities		27,362	-	27,362	7,022	-	7,022
Deferred tax liabilities	*b-h*	201,580	(38,195)	163,385	203,997	(67,371)	136,626
		2,361,402	12,360	2,373,762	2,974,836	(27,715)	2,947,121
SHAREHOLDERS' EQUITY							
Share capital		3,025,491	-	3,025,491	3,026,711	-	3,026,711
Equity settled employee benefits reserve	*b*	6,567	1,532	8,099	9,053	497	9,550
Retained earnings	*a-h*	571,013	5,155	576,168	799,258	(61,737)	737,521
Accumulated other comprehensive income (loss)	*b,c,g*	107,192	(112,303)	(5,111)	202,773	(109,880)	92,893
		3,710,263	(105,616)	3,604,647	4,037,795	(171,120)	3,866,675
		6,071,665	(93,256)	5,978,409	7,012,631	(198,835)	6,813,796

Reconciliation of Condensed Consolidated Balance Sheets

		July 31, 2011		
	Note	CGAAP	Effect of Transition to IFRS	IFRS
Assets				
Current assets				
Cash		68,336	-	68,336
Short-term investments		94,357	-	94,357
Accounts receivable		1,036,870	-	1,036,870
Derivative assets		196,875	-	196,875
Inventories		1,418,680	-	1,418,680
Prepaid expenses and deposits	*a*	63,884	(2,556)	61,328
Deferred tax assets	*h*	31,036	(31,036)	-
		2,910,038	(33,592)	2,876,446
Property, plant and equipment	*d*	2,539,867	26,408	2,566,275
Other assets	*c*	126,289	(76,817)	49,472
Long-term derivative assets		14,613	-	14,613
Intangible assets		152,246	-	152,246
Goodwill		778,764	-	778,764
Deferred tax assets	*h*	5,425	(5,396)	29
		6,527,242	(89,397)	6,437,845
Liabilities				
Current liabilities				
Short-term borrowings and long-term debt due within one year		19,527	-	19,527
Accounts payable and accrued liabilities	*b*	981,419	472	981,891
Derivative liabilities		144,799	-	144,799
Decommissioning and other provisions	*a*	26,972	(8,511)	18,461
Deferred tax liabilities	*h*	1,046	(1,046)	-
		1,173,763	(9,085)	1,164,678
Long-term debt		1,068,737	-	1,068,737
Decommissioning and other provisions	*d*	15,018	32,430	47,448
Other liabilities	*a,b,c*	39,349	27,740	67,089
Long-term derivative liabilities		4,279	-	4,279
Deferred tax liabilities	*h*	200,549	(37,182)	163,367
		2,501,695	13,903	2,515,598
Shareholders' Equity				
Share capital		3,026,578	-	3,026,578
Equity settled employee benefits reserve	*b*	8,456	465	8,921
Retained earnings	*a-h*	789,795	3,535	793,330
Accumulated other comprehensive income (loss)	*b,c*	200,718	(107,300)	93,418
		4,025,547	(103,300)	3,922,247
		6,527,242	(89,397)	6,437,845

Reconciliation of Condensed Consolidated Statements of Earnings

		Three months ended July 31, 2011			Nine months ended July 31, 2011		
	Note	**CGAAP** *(Note f)*	**Effect of Transition to IFRS**	**IFRS**	**CGAAP** *(Note f)*	**Effect of Transition to IFRS**	**IFRS**
CONTINUING OPERATIONS							
Revenues		3,409,143	-	3,409,143	8,297,377	-	8,297,377
Cost of sales		2,943,201	-	2,943,201	7,140,433	-	7,140,433
Gross profit		465,942	-	465,942	1,156,944	-	1,156,944
Operating, general and administrative expenses	*a–e*	262,762	(444)	262,318	707,233	621	707,854
Gain on disposal of assets		(155)	-	(155)	(485)	-	(485)
Finance costs	*d*	29,662	841	30,503	93,549	2,556	96,105
Earnings before tax		173,673	(397)	173,276	356,647	(3,177)	353,470
Income tax expense (recovery)	*h*	48,697	(635)	48,062	97,967	(1,557)	96,410
Net earnings from continuing operations		124,976	238	125,214	258,680	(1,620)	257,060
DISCONTINUED OPERATIONS							
Net loss from discontinued operations	*f*	1,727	-	1,727	2,733	-	2,733
NET EARNINGS		123,249	238	123,487	255,947	(1,620)	254,327

Reconciliation of Condensed Consolidated Statements of Earnings

		Year ended October 31, 2011		
	Note	CGAAP *(Note f)*	Effect of Transition to IFRS	IFRS
CONTINUING OPERATIONS				
Revenues		11,193,182	-	11,193,182
Cost of sales		9,729,793	-	9,729,793
Gross profit		1,463,389	-	1,463,389
Operating, general and administrative expenses	*a–e*	961,583	10,323	971,906
Loss on disposal of assets		552	-	552
Finance costs	*d*	120,553	3,398	123,951
Earnings before tax		380,701	(13,721)	366,980
Income tax expense (recovery)	*h*	103,625	(5,735)	97,890
Net earnings from continuing operations		277,076	(7,986)	269,090
DISCONTINUED OPERATIONS				
Net loss from discontinued operations	*f*	11,667	36,014	47,681
NET EARNINGS		265,409	(44,000)	221,409

Reconciliation of Condensed Consolidated Statements of Comprehensive Income

	Note	Three months July 31, 2011	Nine months July 31, 2011
Comprehensive income as reported under CGAAP		148,048	349,473
IFRS Adjustments:			
Increase (decrease) in net earnings	*a-h*	238	(1,620)
Unrealized effect of foreign currency translation of foreign operations		5	14
Unrealized gain on hedging instruments designated as hedges of the net assets of foreign operations	*e*	-	4,989
Comprehensive income as reported under IFRS		148,291	352,856

Reconciliation of Condensed Consolidated Statement of Comprehensive Income

	Note	Twelve months October 31, 2011
Comprehensive income as reported under CGAAP		360,990
IFRS Adjustments:		
Decrease in net earnings	*a-h*	(44,000)
Unrealized effect of foreign currency translation of foreign operations		(34)
Unrealized gain on hedging instruments designated as hedges of the net assets of foreign operations	*e*	2,457
Employee benefits	*c*	(22,892)
Comprehensive income as reported under IFRS		296,521

Reconciliation of Condensed Consolidated Statements of Equity

	Note	July 31, 2011	October 31, 2011
Share capital			
As reported under CGAAP and IFRS		3,026,578	3,026,711
Equity settled employee benefits reserve			
As reported under CGAAP		8,456	9,053
IFRS transition date adjustments		1,532	1,532
IFRS adjustments in period:			
Share-based payments	*b*	(1,067)	(1,035)
As reported under IFRS		8,921	9,550
Retained earnings			
As reported under CGAAP		789,795	799,258
IFRS transition date adjustments		5,155	5,155
IFRS adjustments in period:			
Business combinations	*a*	(3,669)	(6,088)
Share-based payments	*b*	996	1,084
Employee benefits	*c*	7,194	(32,979)
Decommissioning obligations	*d*	(2,709)	(3,612)
Net investment hedge	*e*	(4,989)	(2,457)
Impairment	*f*	-	(50,652)
Income taxes	*h*	1,557	27,812
As reported under IFRS		793,330	737,521
Accumulated other comprehensive income			
As reported under CGAAP		200,718	202,773
IFRS transition date adjustments		(112,303)	(112,303)
IFRS adjustments in period:			
Foreign currency translation		14	(34)
Net investment hedge	*e*	4,989	2,457
As reported under IFRS		93,418	92,893
Shareholders' equity as reported under IFRS		**3,922,247**	**3,866,675**

Reconciliation of Condensed Consolidated Statements of Equity

	Note	November 1, 2010
Share capital		
As reported under CGAAP and IFRS		3,025,491
Equity settled employee benefits reserve		
As reported under CGAAP		6,567
IFRS adjustments:		
Share-based payments	*b*	1,532
As reported under IFRS		8,099
Retained earnings		
As reported under CGAAP		571,013
IFRS adjustments:		
Business combinations	*a*	7,862
Share-based payments	*b*	(1,277)
Employee benefits	*c*	(111,230)
Decommissioning obligations	*d*	(3,313)
Foreign currency translation	*g*	112,303
Income taxes	*h*	810
As reported under IFRS		576,168
Accumulated other comprehensive income (loss)		
As reported under CGAAP		107,192
IFRS adjustments:		
Foreign currency translation	*g*	(112,303)
As reported under IFRS		(5,111)
Shareholders' equity as reported under IFRS		**3,604,647**

Reconciliation of Condensed Consolidated Statements of Cash Flows

	Note	Nine months July 31, 2011	Twelve months October 31, 2011
Net cash from operating activities as reported under CGAAP		63,882	192,724
IFRS Adjustments:			
Net earnings		(1,620)	(44,000)
Amortization	*d*	153	48,133
Goodwill impairment	*f*	-	2,733
Income tax expense	*h*	(1,557)	(20,373)
Employee benefits	*b,c*	(4,521)	1,564
Net investment hedge	*e*	4,989	2,457
Finance costs	*d*	2,556	3,398
Other		-	(302)
Net changes in non-cash working capital		-	6,390
Net cash from operating activities as reported under IFRS		63,882	192,724
Cash from financing activities as reported under CGAAP and IFRS		89,469	183,381
Cash used in investing activities as reported under CGAAP and IFRS		(138,981)	(234,382)
Increase in cash and cash equivalents reported under CGAAP and IFRS		14,370	141,723

The following discussion explains the effects of significant differences between Viterra's CGAAP accounting policies and those applied by the Company under its transition to IFRS. IFRS policies have been retrospectively and consistently applied, except where specific IFRS 1 optional and mandatory exemptions permitted an alternative treatment for first-time adopters. The descriptive note captions below correspond to the adjustments presented in the preceding reconciliations.

Note	Effect of Policy Changes
a	***Business Combinations***
	As part of its transition to IFRS, the Company elected the exemption under IFRS 1 to restate only those business combinations that occurred on or after November 1, 2010.
	Current liabilities of $9 million, recognized from previous business combinations and still outstanding at the date of transition, were derecognized and credited to retained earnings on transition date in accordance with the application of the IFRS 1 business combination exemption that prohibits the recognition of liabilities that would not be recognized under IFRS.
	Unlike CGAAP for business combinations, costs associated with an acquisition, whether completed or not, are expensed as incurred. There was an immaterial impact for this change at the date of transition. This change did, however, result in a $4 million reduction to prepaid expenses and deposits for the year ended October 31, 2011, with a corresponding increase to operating, general and administrative expenses.
b	***Share-based Payments***
	Under CGAAP, the Company recognized share-based payment expense related to its cash-settled and equity-settled plans on a straight-line basis until the date of full vesting and did not incorporate a forfeiture rate. Under IFRS, the Company is required to recognize the expense over the individual vesting periods for graded vesting awards and estimate a forfeiture rate. The difference in the amounts expensed for equity-settled plans is offset to the equity settled employee benefits reserve ("contributed surplus" under CGAAP). For cash-settled plans the liability and expense is adjusted for the fair value of the awards over the individual vesting periods.
	IFRS also requires measurement of the liability for cash-settled plans at fair value while CGAAP allows measurement of these awards at intrinsic value.
	As permitted by IFRS 1, Viterra elected not to apply *IFRS 2 - Share-based Payments* for those units which vested before November 1, 2010.
	On transition date, the overall effect of these policy changes was to increase the equity settled employee benefits reserve by $1.5 million and reduce retained earnings and other liabilities by $1.3 million and $0.2 million, respectively. For the year ended October 31, 2011, the effect of these policy changes was a reduction of the equity settled employee benefits reserve of $1 million with a corresponding increase to operating, general and administrative expenses.
c	***Employee Benefits***
	Viterra elected to use the IFRS 1 exemption whereby the cumulative unamortized net actuarial gains and losses of the Company's defined benefit plans in the amount of $111

million before tax were charged to retained earnings on transition date, reducing other assets by $82 million and increasing other liabilities by $29 million.

Under CGAAP, the corridor approach was applied for unamortized net actuarial gains and losses which were only recognized in net earnings after exceeding certain thresholds. IFRS permits a policy choice in the treatment of actuarial gains and losses. The Company elected to recognize the full amount of actuarial gains and losses before tax in other comprehensive income, offset by changes in other assets and other liabilities. IFRS requires that these amounts be recorded through retained earnings and not in accumulated other comprehensive income. For the year ended October 31, 2011, actuarial losses of $30 million before income tax were recorded in other comprehensive income and $3 million of other pension adjustments were recorded in net earnings.

d ***Decommissioning Obligations***

Viterra elected to use the IFRS 1 exemption where decommissioning obligations ("asset retirement obligations" under CGAAP) were recalculated with any change in the provision and related depreciation of assets charged to retained earnings.

Under CGAAP, asset retirement obligations were discounted at a credit-adjusted discount rate ranging from 5% - 8%, depending on the year in which additions were made. Under IFRS, the estimated cash flow to abandon and remediate facilities has been discounted at a risk free rate of 1.5% to 3.5%.

IFRS requires management to use its best estimate of cash outflows to settle the obligation, whereas CGAAP only requires that the asset retirement obligation be recorded at fair value when fair value can be reasonably measured. Under CGAAP a $31 million decommissioning obligation was recognized at October 31, 2011 which was when its fair value became reasonably measurable. However, under IFRS, using a best estimate, the Company was required to recognize $29 million for this decommissioning obligation on its transition date and reverse the CGAAP provision at October 31, 2011. An additional $2 million was also recognized on other decommissioning obligations.

As a result of the change in discount rate and the use of best estimates, on transition date, retained earnings was charged $3 million before tax, decommissioning obligations increased $31 million, and property, plant and equipment increased $28 million.

There were no significant changes to the estimated cash outflows or the discount rates during 2011.

As a result of the decommissioning obligations and related property, plant and equipment balances recognized on transition, accretion of the decommissioning obligation increased by $2 million and depreciation of the related assets increased by $2 million for the year ended October 31, 2011.

Under IFRS, accretion expense is no longer recorded as part of amortization but is included in finance costs.

e ***Net Investment Hedge***

Under CGAAP, a portion of a net investment hedge was recognized in net earnings when a reduction of the net investment occurred. Under IFRS, a reduction in the net investment does not result in recognition of a portion of the net investment hedge in net earnings unless there is a loss of control of the foreign entity.

There was no impact on the date of transition from this change in policy. However, for the year ended October 31, 2011, $2.5 million was reclassified from net earnings to other comprehensive income.

f ***Impairment***

Under CGAAP, assets are only impaired when their carrying value is less than their associated undiscounted cash flows. Under IFRS, assets or assets grouped into cash generating units are impaired based on their recoverable amounts, which are measured at the higher of their fair value less costs to sell or their value in use. Accordingly, a goodwill impairment of $8 million recognized in the North American feed processing operations in the fourth quarter of 2011 under CGAAP was adjusted under IFRS to include an additional $3 million impairment of the remaining goodwill in the cash generating unit, $1 million of impairment of intangible assets, and $47 million of impairment of property, plant and equipment before taxes. Under IFRS, a deferred tax recovery of $15 million was provided resulting in a net impairment after tax of $36 million. The recoverable amount was determined using value in use based on discounted cash flows using forecast revenues and expenses. The after-tax impairment is included in the net loss from discontinued operations for October 31, 2011.

CGAAP amounts have been reclassified to present the discontinued operations discussed in note 6 in order to illustrate the effects of IFRS adjustments on continuing operations and discontinued operations.

g ***Foreign Currency Translation***

The Company elected to apply the IFRS 1 exemptions to set the cumulative foreign currency translation adjustment balance to $nil upon transition to IFRS and thereby not have to retrospectively restate the Company's accounts since its inception using IFRS foreign currency principles. This reclassification increased retained earnings by $112 million and decreased accumulated other comprehensive income by the same amount on the transition date.

h ***Deferred and Current Income Taxes***

Under IFRS, deferred taxes ("future taxes" under CGAAP) are reported as a non-current asset or non-current liability on the balance sheet. IFRS does not permit tax assets and liabilities to be offset unless there is an enforceable right as well as the intention to do so. Deferred income taxes have been adjusted to reflect the tax effect arising from the differences between IFRS and CGAAP.

i ***Other Exemptions***

The remaining IFRS 1 optional exemptions were not applicable or material to the preparation of Viterra's Consolidated Balance Sheets at transition date.