Management's Discussion and Analysis

For the year ended October 31, 2011

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1. RESPONSIBILITY FOR DISCLOSURE

This Management's Discussion and Analysis ("MD&A") is the responsibility of management and is as of January 18, 2012. The Board of Directors carries out its responsibility for review of the MD&A primarily through its Audit Committee, which is comprised of independent directors. The audit committee reviews and recommends its approval of the MD&A to the Board of Directors.

Throughout the MD&A, references to "Viterra" and "the Company" refer collectively to Viterra Inc. and its subsidiaries and joint ventures.

This MD&A includes key financial information of the Company for the 12 months ended October 31, 2011, compared to the 12 months ended October 31, 2010. Readers are directed to the Consolidated Financial Statements and related notes for further information. Except if otherwise stated, all financial information reflected herein is expressed in Canadian dollars ("CAD") and determined on the basis of Canadian generally accepted accounting principles ("GAAP").

Certain statements and other information included in this MD&A constitute forward-looking statements and reflect Viterra's expectations regarding future results of operations, financial condition and achievements. Readers are directed to consider the cautionary notes regarding forward-looking statements (see Section 20).

2. COMPANY OVERVIEW

Viterra is a vertically integrated global agri-business headquartered in Canada. The Company was founded in 1924 and has extensive operations across Western Canada and Australia, with facilities in the United States ("U.S."), New Zealand and China. The Company's business is managed and reported through three interrelated segments: Grain Handling and Marketing, Agri-products and Processing. In addition, a Corporate non-operating segment is reported.

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 grain commodities directly to customers in more than 50 countries around the world.

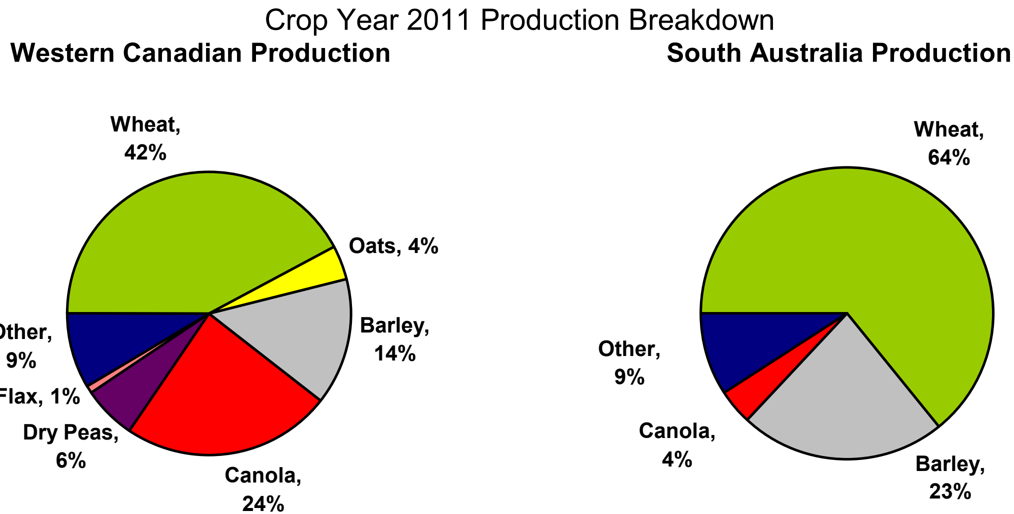
Viterra's shares trade on the Toronto Stock Exchange ("TSX") under the symbol "VT". Viterra's CHESS Depositary Interests ("CDIs"), issued in connection with the acquisition of ABB Grain Ltd. ("ABB") (see Section 11 of this MD&A), began trading on the Australian Securities Exchange ("ASX") under the symbol "VTA" on September 14, 2009.

3. UNDERSTANDING THE BUSINESS

Viterra's business model is designed to optimize the Company's position in the agri-food value chain by connecting producers and their commodities with destination customers around the world. This model allows the Company to generate revenue at each stage of the value chain by providing crop inputs, handling grain, marketing grain, and processing.

Viterra's relationship with producers is extremely important as they are both Viterra's customers and suppliers of products. The Company sells a wide variety of agri-products such as proprietary and public seed varieties, fertilizer, private label and third-party crop protection products, and small agricultural equipment. When grain is delivered to one of Viterra's grain handling facilities the Company cleans, dries, blends and stores grains, oilseeds and specialty

crops before they are sold to the domestic or export market. Viterra markets grain directly to destination customers through its commodity merchandisers, international trading offices or through the Canadian Wheat Board ("CWB" or "Board"). The products are shipped either by truck or by rail to various markets domestically or through port positions to export destinations. Viterra's Processing operations provide another source of demand for the grains the Company handles.



Source: Australian Bureau of Agricultural and Resource Economics, Statistics Canada.

3.1 Grain Handling and Marketing

Grain Handling and Marketing mainly handles wheat, durum, barley, canola and pulses. It derives its revenue from accumulating, storing, blending, transporting and marketing these grains from the producer's farm to end-use markets. This segment includes grain storage facilities and special crop processing plants strategically located in the prime agricultural growing regions of North America (primarily Western Canada) and southern Australia. It also has port export terminals located in Canada and South Australia and marketing offices located throughout North America, Australia, Europe and Asia.

Grain handling begins with the movement of the commodity from the producer's farm to Viterra's geographically dispersed and strategically located country elevator network, where the product is quality tested, weighed, graded and prepared for shipment. Grain is then shipped from the country elevator to domestic end-users (such as a flour mill, oilseed crusher, maltster, feed grain consumer, or biofuel plant) or to a port terminal, usually for shipment to an offshore destination customer. Margins are earned from fees generated at the primary elevator, the port terminal and, where applicable, for rail incentives and merchandising.

In North America, Viterra's grain handling operations include 82 licensed primary grain elevator locations, eight special crop processing facilities in Western Canada and three special crop processing facilities in the northern U.S. In addition, the Company has seven port terminals located in Vancouver, British Columbia, Thunder Bay, Ontario, Montreal, Quebec and Prince Rupert, British Columbia. The Company has a long-term lease for the Port of Montreal facility and a 52.4% ownership interest in the terminal at Prince Rupert. Viterra has about 45% of the grain handling market share in Western Canada based on receipts (producers' deliveries into the system) and operates over 50% of Canada's port terminal grain handling capacity. This is

important as approximately 75% of the grains the Company receives into its western Canadian system are exported offshore.

In southern Australia, Viterra has 109 primary grain elevators and is the sole owner and operator of eight bulk export terminals. Unlike the Canadian system, there is very little on-farm storage in southern Australia. Viterra has aggregate storage capacity of 10.4 million tonnes, which represents the vast majority of storage capacity in South Australia. Producers in this region use Viterra's storage and handling system and pay storage fees until such time as they choose to sell their grain into the market. Various marketers bid on producers' grain through the year. Viterra owns all bulk export terminals in South Australia, which is important as virtually all of the grains the Company receives into its system are exported offshore.

Viterra has extensive access to domestic and international markets, developed through its marketing relationships with destination customers. The Company markets its grains, oilseeds and special crops to more than 50 countries through its sales offices across Western Canada, South Australia and its International Grain group locations, with offices in Vancouver, Singapore, New Delhi, Naples, Geneva, Barcelona, Tokyo, Kiev, Hamburg, Shanghai, Beijing, and Ho Chi Minh City. The International Grain group is responsible for merchandising grains and oilseeds between origination and offshore destination customers and also sources commodities from locations where Viterra has no assets.

The key drivers in Viterra's Grain Handling and Marketing segment are volumes and export demand. Volume is a key driver of profitability due to the high fixed costs associated with the grain storage, handling and transportation infrastructure combined with the fee-for-service nature of the business. Fees (or tariffs) are typically adjusted annually and are fairly predictable once export targets and destination customer demands have been determined.

The volume of grain shipments each year correlates with crop production volumes in the previous growing season, adjusted for changes in on-farm inventories. Factors that may influence the timing and amount of shipments in a given year include producers' expectations of commodity prices in the near and longer term, the timing and quality of the crop harvested, export demand, foreign exchange rates, rail transport capabilities, financial needs of producers, and direct sales by producers to domestic end-users.

Export volumes are also important to profitability, as increased activity at Viterra's port terminals and export-accredited inland terminals generates additional revenue from services such as cleaning, drying and blending. As a fee-for-service business, maximum margins are earned on those commodities that Viterra receives into its primary system, ships through a port terminal and manages directly to the destination. Worldwide supply and demand, and the quality and price of grains, oilseeds and other commodities, influence export levels and are factors that can impact volumes and profitability.

The following table illustrates the gross profit and net operating revenues ("gross profit") sensitivities for the North American grain handling and marketing operation:

	Change	Annual Gross Profit Impact (millions)
Production volumes	1%	$3 - $4
Market share	1%	$8 - $9
Gross margin (CAD/tonne)	$1	$15 - $16

The following table illustrates the gross profit sensitivities for the Australian grain handling and marketing operations:

	Change	Annual Gross Profit Impact (millions)*
Production volumes**	1%	$2 - $3
Gross margin (CAD/tonne)	$1	$5 - $6

**Assuming an Australian Dollar/CAD conversion rate of 1.00*
***Assumes corresponding change in grain receipts and shipping*

3.2 Agri-products

Viterra is engaged in the sale of seed, crop protection products, fertilizer, and small agricultural equipment through a network of retail locations. The agri-products operation includes seed research and development, nitrogen fertilizer manufacturing, and crop protection product formulation and packaging**.** Subsequent to the end of fiscal 2011, the Company added bulk fuel distribution to its agri-products offerings in Western Canada.

Viterra operates 258 retail locations in Western Canada and, based on internal estimates, this represents about a 35% share of the market. Independent retailers are the Company's largest competitor group and collectively comprise approximately 30% of the market. In addition to the retail locations, the Company has an ownership interest in a nitrogen fertilizer manufacturing plant in Canada, which provides the Company with approximately one-third of its North American fertilizer sales volume requirements. The remaining volume is purchased from other fertilizer manufacturers. Approximately 66% of the Company's western Canadian fertilizer nutrient sales volumes are nitrogen-based, 21% are phosphate-based, and the remainder is split between sulphur, potash and other nutrients.

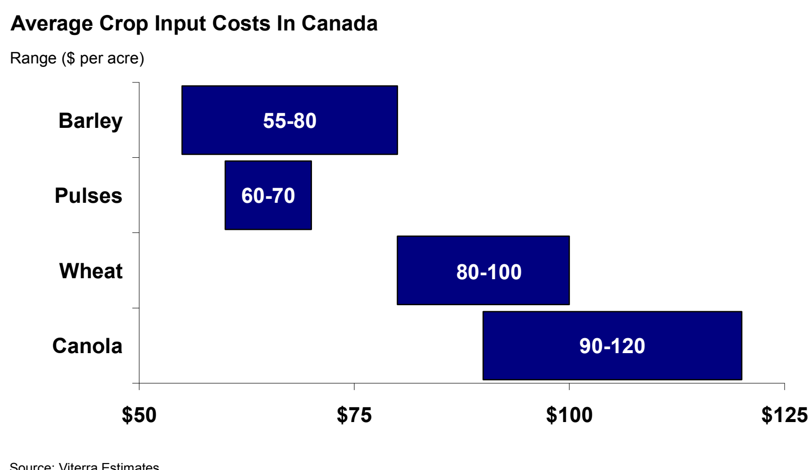
In South Australia and Victoria, Viterra operates 17 retail depot locations through which it sells seed, crop protection products and fertilizer. In South Australia, Victoria and New South Wales, the Company has six fertilizer warehouses, which represent approximately 5% of the retail and wholesale fertilizer business in these states. Viterra also operates a wool accumulation and sales business as part of its agri-products operations in Australia and New Zealand and is the largest wool exporter in the country, with China being the primary export destination. The wool business is an important link in developing relationships with producers in South Australia, Western Australia and Victoria.

Key profit drivers for Agri-products include seeded acreage, weather, crop mix, and fertilizer pricing and demand. Demand for crop inputs is correlated to grain pricing as strong grain commodity prices will motivate producers to maximize yield by investing in crop inputs.

Seeded acreage in Western Canada has averaged about 60 million acres per year over the last decade, but can be impacted by weather. In both 2010 and 2011, significant moisture in Saskatchewan and Manitoba resulted in an estimated 10% to 15% reduction in overall seeded acreage. In South Australia, seeded acreage has averaged about 10 million acres per year over the last decade.

In addition to seeded acreage, weather can also influence the timing and quantity of sales. Producers regularly purchase crop inputs in the spring and fall periods. Extremely wet or dry conditions can alter the timing and type of input purchases, depending on the level of plant

disease and insect infestations. Favourable weather patterns can enhance seed, fertilizer, and crop protection product sales as producers strive to optimize crop yields.
Crop mix may influence both the level of sales and margins. For example, canola requires more inputs than wheat and barley, resulting in greater seed, fertilizer and crop protection product sales. Major drivers of change in crop mix include commodity price outlooks, input costs, crop rotation requirements and weather conditions. Weather may delay spring seeding and influence the producer to shift to products with earlier germination and shorter maturation characteristics. Crop mix also affects margins as some seed varieties attract higher margins than others.



Fertilizer demand is primarily dependent upon adequate moisture and soil nutrient levels, weather and the producers' views on future commodity prices. Producers trying to capitalize on higher grain prices in the short term will try to increase grain production by using better seed genetics and more fertilizer to maximize plant yield potential. Thus, when grain prices move higher, demand for fertilizer usually follows.

The Company is exposed to the impact of natural gas prices in the production of nitrogen-based fertilizer which, at 60% to 75% of the total cost of production, is the largest cost component of urea (granular nitrogen fertilizer). The Company uses derivatives to limit its exposure to natural gas costs at its nitrogen production facility. Selling prices for urea are impacted by the NOLA (New Orleans, Louisiana) port pricing, foreign exchange between the CAD and the U.S. dollar ("USD"), imports, freight and many other variable factors.

The following table illustrates Management's estimate of gross profit sensitivity for a given change in the profitability drivers for the North American agri-products business, assuming that all other relevant factors remain constant:

	Change	Annual Gross Profit Impact (millions)
Retail sales revenue	1%	$2 - $4
Gross margin	1%	$14 - $18
Natural gas cost (CAD/Gigajoule)	$1	$9 - $12

3.3 Processing

Viterra's Processing segment extends the Company's value chain by producing food ingredients for consumer products companies and food processors around the world.

Viterra's food processing operations are comprised of:

- five oat and specialty grain milling facilities located in Canada and the U.S.,
- two pasta processing facilities in Carrington, North Dakota and New Hope, Minnesota,
- a canola processing facility in Ste. Agathe, Manitoba,
- a 49% ownership interest in a canola processing facility in southern China,
- a 42% ownership interest in Prairie Malt, located at Biggar, Saskatchewan, and
- six malt processing facilities in Australia, with an additional facility near Sydney under construction.

This segment also consists of feed manufacturing operations that provide feed and nutritional ingredients to the feed industries, primarily in Canada, the U.S. and New Zealand.

Oats and Specialty Grain Milling

Viterra is one of the world's largest industrial oat millers and operates approximately 39% of the total North American oat milling capacity and approximately 46% of the industrial ingredient supply market. It processes raw oats into food ingredients and has a total milling capacity of 540,000 tonnes of oats per year. The Company's customers are primarily North American food manufacturers who are consistent brand leaders in breakfast cereals, whole grain and healthy food choices.

The Company also has a wheat mill in the U.S. with total milling capacity of 100,000 tonnes per year. This facility primarily services bakery and tortilla producing customers in the Texas panhandle and American southwest.

Western Canada is the largest oat production area in the world for milling quality oats. Viterra estimates that at least 50% of the oats grown in Western Canada can be used for milling in an average year, of which the Company purchases approximately 25% annually for its oat operations.

Oat margins are impacted by yield, foreign exchange, oat pricing and product mix. A low-value hull encases raw oats and it takes more than one tonne of raw oats to produce one tonne of oat ingredients. Depending on the quality of raw oats in a particular year, this yield equation can vary. Deterioration in yield can add to the cost of production.

Oats, as an international commodity, are priced in USD. Prices for raw oats are driven mainly by the world feed grain market and can be volatile. Prices of finished goods move up and down on a contract-to-contract basis, with the price of oats and the milling margin typically negotiated as a separate component.

Pasta

Viterra's pasta operations are located in the U.S., where Processing operates a vertically integrated durum wheat milling and pasta production facility, as well as a second pasta production facility. The primary raw material input for pasta products is durum wheat, which is

processed through its milling facility into semolina and wheat flours that are then used by Viterra to produce dry pasta products. The milling facility has a durum grind capacity of 340,000 tonnes per year. The two production plants have a combined capacity of 254,000 tonnes of pasta per year.

Viterra's pasta products are distributed on a broad basis throughout the U.S. to customers in all markets, including retail and institutional. In addition to our manufactured pasta, Processing also purchases additional dry pasta shapes from other manufacturers and resells them under private label contracts.

Margins for pasta products are dependent on several factors, the most significant of which is the spread between the price of durum wheat and the price of finished pasta products in the market. Margins are dependent on the Company's ability to pass changes in raw input costs onto consumers. Changes in raw material costs are typically passed on to consumers; however, there is usually a time lag between a change in raw materials pricing and a subsequent change in pasta product pricing.

Margins are also impacted by product and customer mix. Most markets for pasta and semolina/durum wheat flour are highly competitive. The intensity of competition varies from time to time as a result of a number of factors, including the degree of industry capacity utilization, comparative product distribution costs and the ability to provide consistent product quality in line with customer specifications.

Canola Processing

In Western Canada, Viterra operates a canola processing plant with an annual processing capacity of 340,000 tonnes. Canola oil and meal from this plant are produced using a double expeller-press process, which does not use solvents, as opposed to the North American standard whereby hexane (a solvent) is used to maximize oil yields.

The Company's joint venture canola processing facility in southern China began operating during the fourth quarter of fiscal 2011, providing oil and meal to end-use customers located in the region. This facility utilizes the hexane oil extraction method to process about 680,000 tonnes of canola annually. The majority of the canola seed requirements for this facility are sourced from Viterra's grain handling and marketing operation.

Profitability in canola processing is driven by volumes, due to high fixed costs, and by crush margins. Crush margins are a function of the cost of canola seed, processing yields and the selling price of the oil and meal produced.

Due to surplus canola processing capacity in Western Canada, Viterra's canola margins in the region are also correlated to the Company's ability to differentiate its unique canola oil products from the other commodity canola oil. In order to take advantage of its double expeller-press facility, the Company is in the ongoing process of selling its canola oil products into the higher margin specialty oil and natural oil markets.

Key drivers for crush margins for the joint venture facility in southern China include the regional market for canola oil and meal products, as well as the Company's ability to leverage procurement efficiencies from its global grain marketing operations.

Malt

In Australia, Viterra is the largest malt processor with six processing plants that account for 53% of Australia's malt production capacity. The Company's Australian malt operation has an annual production capacity of about 440,000 tonnes, of which 340,000 tonnes are destined for export markets and 100,000 tonnes are consumed domestically. Viterra supplies malt to major domestic and international brewers that supply key global markets predominantly in the Asia-Pacific region. Viterra's malt operations require approximately 530,000 tonnes of malt barley per year, representing 25% of the Australian malt barley crop. The Company is currently building a 110,000 tonne malt facility near Sydney, Australia, which is expected to be completed in the first half of fiscal 2012.

Viterra has an ownership interest in Prairie Malt, one of North America's largest single-site malting plants, with an annual capacity of 220,000 tonnes. This facility produces malt that is shipped to customers throughout Canada, the U.S., South Africa, Pacific Rim and Latin American countries. The Company has a supply agreement that requires this facility to purchase the majority of its barley requirements from Viterra, subject to quality, cost and availability.

Primary market drivers in the malt barley industry include the quantity and quality of the malt barley crop, global pricing and destination demand. Malt margins are also significantly impacted by key manufacturing inputs, including natural gas, labour and the processing yield achieved from malt barley. Reliable quality is a significant factor in maintaining sales relationships with international customers. Only high-quality malt barley is selected for the malting process, so crop quality can affect supply and increase production costs.

Feed

Feed includes the manufacture, sale and distribution of feed products and other related products for commercial and acreage-based livestock producers. Specialty feed formulations and feed product manufacturing is well diversified between dairy cattle, beef cattle, poultry, swine and other specialty livestock feed varieties.

In Canada, feed is manufactured at six feed mills and one pre-mix manufacturing facility. The Company owns an additional six feed mills and commodity blending sites in the U.S. that manufacture complete feeds, supplements, pre-mixes and commodity ingredients for ranchers and dairy farmers in those states and other south central U.S. markets.

In New Zealand, the Company operates three storage facilities in close proximity to the prime dairy regions and deepwater ports. 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.

The key drivers for feed are volume and demand for higher valued ingredients versus lower margin commodities. Regionally, demand for livestock feed products can be influenced by a number of local factors such as dairy and poultry quotas, market share, the availability and cost of feed grains and other ingredients, the local farm ranching infrastructure and climatic events within our trading areas.

4. STRATEGIC DIRECTION

Viterra strives to be a leading global company in the origination, distribution and reliable supply of nutritional food grains, oilseeds and specialty ingredients to export markets and global food companies.

Viterra's geographic and operational diversification has been a key factor in the Company's strategy. Its integrated business segments allow the Company to generate margins throughout the entire commodity value chain and maximize value for shareholders.

Providing safe and healthy work environments is part of being a responsible employer and a good corporate citizen. Viterra recognizes that superior safety, health and environment performance is also integral to maintaining the Company's competitive advantage.

Viterra will pursue its vision through capitalizing on major consumer and growth trends and implementing the following key objectives:

- Optimizing core businesses through improved efficiencies,
- Growing shareholder value by maintaining and improving the quality of its earnings, managing risk, and keeping a strong balance sheet,
- Optimizing scale and influence in the grains the Company sources and transports to export markets,
- Building sustainable competitive advantages , and
- Seeking balance between business segments to mitigate risk through diversity.

Optimizing core businesses through improved efficiencies

Continuous improvement of the core businesses is a primary focus for Viterra. Throughout 2011, the Company has implemented several initiatives to improve the efficiency of the organization and maximize the profitability of the core operations. These have included implementing a revised global operating model for its three distinct yet interrelated business segments, continuous review of business performance within the segments and ongoing implementation of the Business Excellence through Strategic Transformation ("BEST") program designed to deliver margin enhancements and cost reduction strategies. The Company has prepared for the new regulatory environment in Western Canada following the elimination of the CWB's monopoly on the sale of wheat, barley and durum. This new environment should allow the Company to operate its global marketing network more effectively and increase market share in Western Canada.

Growing shareholder value by maintaining and improving the quality of its earnings, managing risk, and keeping a strong balance sheet

As the Company pursues its strategic vision, the foremost consideration is utilizing capital where it can add the most value for shareholders. When assessing potential opportunities, Viterra will pursue only those with acceptable risk-adjusted return profiles. The Company intends to invest in assets that will generate returns exceeding its weighted average cost of capital. Acquisitions are expected to increase Cash Flow Return on Assets ("CFROA") (see Non-GAAP measures in Section 18) and those that have higher risk profiles should generate commensurately higher returns.

The Company has successfully increased its consolidated CFROA (as demonstrated in the table below), and through continued discipline and the implementation of its strategies strives to

increase its CFROA to a level that on average exceeds the weighted average cost of capital by a margin of 2% and results in increasing earnings per share and operating cash flow per share over time (prior to working capital changes - see Non-GAAP measures in Section 18.0).

For the fiscal year ended October 31,	2011 [1]	2010 [1]	2009 [2]
CFROA[3]	9.0%	8.7%	7.7%

[1] *Includes results for Viterra Australia's operations for the entire period*

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

[3] *See Non-GAAP Measures in Section 18*

At all times, Viterra intends to maintain certain credit quality metrics that are consistent with a goal of investment grade credit ratings from North American credit rating agencies.

Metric	Target
Total Debt-to-Capital	30% - 40%
Total Debt-to-EBITDA *	< 3X
EBITDA Interest Coverage*	>5X

** See Non-GAAP Measures in Section 18*

Optimizing scale and influence for grains it sources and transports to export markets

Since fiscal 2009, Viterra has implemented a transformational strategy, building out an asset footprint in key origination areas in connection with its expanding global network of marketing offices, which work together to efficiently source, transport and market the grains, oilseeds and special crops that Viterra handles. The Company now operates a global network that allows it to have increasing influence over its core commodities and will continue to pursue this strategy.

Viterra applies a disciplined approach to entering new and emerging markets where it sees long-term growth opportunities. By leading with a local office, the Company can build up a team and develop local market experience with minimal capital investment at risk. From this foundation, the Company is in a position to invest in assets in the region to provide access to emerging market growth while effectively managing risk. The market dynamics and trade flows associated with the region will determine the Company's further investment strategy.

For example, this strategy has been implemented in the Black Sea region, which the Company views as an area of significant growth opportunity. Building on the opening of a marketing office in Kiev, Ukraine in 2010, the Company continues to develop market presence while looking for opportunities to invest further in the region. The Black Sea region is a strong strategic fit with Viterra's existing footprint, as it is a key growing region for Viterra's core commodities, and it is expected to increase exports of wheat and coarse grains by nearly 40% over the next decade.

Building sustainable competitive advantages

One of Viterra's competitive advantages is its three interrelated business segments. Its agri-products customers are also suppliers to its grain operations, and its grain operations are suppliers to both its processing businesses as well as other destination customers. Operating in these segments provides logistics and arbitrage opportunities, stabilizes earnings, and allows the Company to maximize the profitability from the value chain.

Viterra is committed to enhancing its market strength in its key product lines by building out existing parts of the value chain and expanding into adjacent activities. By effectively deploying

capital in this way, the Company can further leverage its existing competencies in its core business activities and maintain its competitive advantages.

Seeking balance between business segments to mitigate risk through diversity

Viterra is committed to building out its business segments to minimize risk through diversification and reduce seasonality of earnings. The Company will continue to invest in Processing where Viterra has the advantage of sourcing inputs through its grain collection system and grain merchandising operations. For example, the oat processing business provides significant demand for oats originated through the Viterra network and generates attractive returns, which add to the Company's overall margin for the oat volumes it handles. A similar opportunity is represented by the pasta business, which provides demand for Canadian sourced durum and creates opportunities for the Company at the consumer end of the value chain.

5. QUARTERLY FINANCIAL INFORMATION

There are seasonal trends in certain aspects of Viterra's businesses that are centred on the growing season and the harvest period.

The seasonality of the Company's North American business is most pronounced in the Company's agri-products operation because of the relationship of sales to the life cycle of the crop. Generally, more than 75% of the segment's annual sales are generated between mid-April and the end of June, when the crop is first planted and begins maturing (although 80% of seed orders are typically placed prior to January 1). Depending on weather and harvest conditions, the fall season, which typically runs from August to November, can represent about 15% of annual agri-products sales volumes in Western Canada, the majority of which are typically fertilizer sales.

For the grain handling and marketing operation, the new crop in North America is harvested from late August to the end of October. Grain deliveries, shipments and exports occur fairly steadily throughout each of the quarters. There can be some variation from quarter to quarter depending on demand from destination customers, weather conditions, rail interruptions, harvest pressures, commodity pricing and producer cash flow requirements. Shipments through the Company's port terminals in Thunder Bay end in late December, when the St. Lawrence Seaway is closed for the winter months, and typically resume near the end of April. The Company's four other Canadian port terminals remain open all year and, therefore, export shipments occur throughout the year from these terminals.

In Viterra's Australian operations, seasonality is most notable in the Company's grain handling and marketing operation as the majority of the grain flows into the system during the harvest period, which begins in October and continues through until the end of January. During this period, income is earned on all grain received into the Company's facilities. Shipping from the Company's port terminals in South Australia typically commences during harvest and continues throughout the year.

In the food processing operations, volumes typically remain consistent with few seasonal variations. Similarly, the feed products sales volumes are also fairly steady during the year, but tend to peak during the winter months as feed consumption increases.

Select Quarterly Financial Information *For the quarters ended* *(in millions - except per share amounts)*	October 31, 2011 Q4	July 31, 2011 Q3	April 30, 2011 Q2	January 31, 2011 Q1	October 31, 2010 Q4	July 31, 2010 Q3	April 30, 2010 Q2	January 31, 2010 Q1
Sales and other operating revenues	$ 3,064	$ 3,554	$ 2,702	$ 2,471	$ 1,952	$ 2,493	$ 2,027	$ 1,785
Gross profit and net operating revenues	327	486	324	412	320	393	270	276
Operating general and administrative expenses	216	234	196	200	182	196	177	186
EBITDA [1]	111	252	128	211	138	197	93	90
Net earnings	9	123	33	100	53	64	18	11
Basic and diluted earnings per share	$ 0.03	$ 0.33	$ 0.09	$ 0.27	$ 0.14	$ 0.17	$ 0.05	$ 0.03

1 See Non-GAAP Measures in Section 18

6. CONSOLIDATED QUARTERLY OPERATING RESULTS

Select Consolidated Financial Information *(in thousands - except per share amounts)*	**Three Months ended October 31,**		
	2011	2010	*Better (Worse)*
Sales and other operating revenues	**$ 3,064,000**	$ 1,951,692	*$ 1,112,308*
Gross profit and net operating revenues	**$ 326,685**	$ 319,911	*$ 6,774*
Operating, general and administrative expenses	**216,107**	181,953	*(34,154)*
EBITDA [1]	**$ 110,578**	$ 137,958	*$ (27,380)*
Goodwill impairment	**7,681**	-	*(7,681)*
Amortization	**55,866**	54,767	*(1,099)*
EBIT [1]	**$ 47,031**	$ 83,191	*$ (36,160)*
Integration expenses	**2,133**	1,216	*(917)*
Loss (gain) on disposal of assets	**1,032**	(7,162)	*(8,194)*
Net foreign exchange (gain) on acquisition	**-**	(707)	*(707)*
Financing expenses	**29,047**	25,670	*(3,377)*
	$ 14,819	$ 64,174	*$ (49,355)*
Provision for (recovery of) corporate taxes			
Current	**$ 2,816**	$ 15,748	*$ 12,932*
Future	**2,541**	(4,245)	*(6,786)*
Net earnings	**$ 9,462**	$ 52,671	*$ (43,209)*
Earnings per share	**$ 0.03**	$ 0.14	*$ (0.11)*
Operating cash flow prior to working capital changes [1]	**$ 70,209**	$ 88,020	*$ (17,811)*
Per share	**$ 0.19**	$ 0.24	*$ (0.05)*
Free cash flow (loss) [1]	**$ (26,879)**	$ 50,554	*$ (77,433)*

1 See Non-GAAP Measures in Section 18

In the final quarter of fiscal 2011, Viterra generated $3.1 billion in sales and other operating revenues (“sales” or “revenues”), an increase of $1.1 billion or 57% from the fourth quarter of fiscal 2010. The increase was primarily attributable to commodity-price driven increases in contributions from the Grain Handling and Marketing segment, as well as higher revenues from the agri-products operation due to a successful fall fertilizer application season in Western Canada.

Gross profit contributions for the fourth quarter totalled $327 million, a slight increase from $320 million a year earlier. Strong fertilizer sales volumes and pricing increased Agri-product’s gross profit contributions by $33 million for the quarter (see Section 6.2). This increase was partially offset by lower contributions from Grain Handling and Marketing (see Section 6.1) and Processing (see Section 6.3).

Operating, general, and administrative (“OG&A”) expenses for the quarter totalled $216 million, compared to $182 million last year. The increase was primarily due to the Grain Handling and Marketing segment as a result of the new operations added in the year and the timing of expenses. The Agri-products segment had increased costs associated with the strong sales in the quarter and corporate expenses increased due to additional investments in information technology resources.

Consolidated EBITDA (see Non-GAAP Measures in Section 18) for the three months ended October 31, 2011 was $111 million, compared to $138 million last year. Record fourth quarter results from Agri-products were more than offset by lower contributions from the Grain Handling and Marketing and Processing segments.

During the quarter, the Company recorded a goodwill impairment of $8 million for the western Canadian feed operations. The impairment reflects the continued intense competition and overcapacity in the feed market.

Consolidated EBIT (see Non-GAAP Measures in Section 18) for the quarter was $47 million compared to $83 million in the last quarter of fiscal 2010.

The loss on disposal of assets totalled $1 million in the quarter, compared to a gain of $7 million in 2010 when Viterra sold one of its North American grain facilities.

Financing Expenses *(in thousands)*	**Three Months ended October 31,**		
	2011	2010	*Change*
Interest on debt facilities	**$ 25,334**	$ 25,586	$ (252)
Interest accretion	**846**	527	319
Amortization of deferred financing costs	**1,206**	1,337	(131)
Financing costs	**$ 27,386**	$ 27,450	$ (64)
Interest income	**(130)**	(1,359)	1,229
CWB carrying charge recovery	**(741)**	(421)	(320)
Net financing costs for debt facilities	**$ 26,515**	$ 25,670	$ 845
Net investment hedge	**2,532**	-	2,532
Total financing and associated expenses	**$ 29,047**	$ 25,670	$ 3,377

Total financing and associated expenses were $29 million in the fourth quarter of 2011, and slightly higher than the fourth quarter of fiscal 2010.

Viterra recorded a net corporate tax provision of $5 million, with an effective tax rate of 36.1% for the three months ended October 31, 2011, compared to a provision of $12 million with an effective tax rate of 17.9% for the same period last year. The effective tax rate in fourth quarter of 2011 has increased primarily due to startup losses in our European marketing offices and the goodwill impairment recorded in the period, for which no tax asset has been recognized. In the fourth quarter of 2010, a tax asset was recognized for domestic losses.

Consolidated net earnings for the final quarter of fiscal 2011 were $9 million ($0.03 per share), compared to $53 million last year ($0.14 per share).

Operating cash flow prior to working capital changes ("operating cash flow") (see Non-GAAP Measures in Section 18) was $70 million ($0.19 per share) for the three months ended October 31, 2011, compared to $88 million ($0.24 per share) in the same three months of fiscal 2010 (see Section 9.1.1).

Free cash flow (see Non-GAAP Measures in Section 18) was negative $27 million in the quarter, compared to $51 million in the corresponding period of fiscal 2010. The decrease in free cash flow was primarily due to a $60 million increase in capital expenditures during the period, primarily attributable to the ongoing construction of the malt facility near Sydney,

Australia, grain infrastructure improvements and information technology initiatives (see Section 9.1.1).

6.1 Grain Handling and Marketing

Grain Handling and Marketing *(in thousands)*	**Three Months ended October 31, 2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$ 2,279,256**	$ 1,421,025	*$ 858,231*
Gross profit and net operating revenues	**168,878**	186,916	*(18,038)*
Operating, general and administrative expenses	**99,834**	84,932	*(14,902)*
EBITDA [1]	**$ 69,044**	$ 101,984	*$ (32,940)*
North american industry statistics *(tonnes)*			
Western Canadian receipts - six major grains	**9,039**	7,945	*1,094*
Western Canadian shipments - six major grains	**8,991**	8,241	*750*
Canadian industry terminal receipts	**7,132**	6,427	*705*
Viterra - North American operations *(tonnes)*			
Elevator receipts	**4,279**	3,622	*657*
Elevator shipments	**4,054**	3,841	*213*
Port terminal receipts	**3,309**	2,623	*686*
Viterra - Australian operations *(tonnes)*			
Shipments	**1,712**	1,665	*47*
Receipts	**84**	20	*64*
Consolidated global pipeline *(tonnes)*			
North American shipments	**4,054**	3,841	*213*
Australian receipts	**84**	20	*64*
Total pipeline	**4,138**	3,861	*277*

[1] *See Non-GAAP Measures in Section 18*

Viterra's North American Volumes

In the fourth quarter of 2011, total western Canadian industry shipments for wheat, barley, canola, oats, dry peas and flax ("the six major grains") were 9.0 million tonnes, an increase from 8.2 million tonnes in the comparable period of 2010. Viterra's shipments for the fourth quarter were 4.1 million tonnes, an increase from 3.8 million tonnes in the same period of fiscal 2010. This increase in volume was driven by solid commodity values and favourable weather during harvest.

The split between wheat, including durum, and barley for human consumption and export ("CWB grains" or "board grains"), and open market grains for the quarter was 44/56 compared to 47/53 for the same three-month period in fiscal 2010.

During the fourth quarter, port terminal receipts for the industry were 7.1 million tonnes, an increase from 6.4 million tonnes in the corresponding period a year earlier. Viterra's port terminal receipts were 3.3 million tonnes, compared to 2.6 million tonnes in the fourth quarter of 2010. The volume for the quarter included the Montreal port terminal facility receipts, which were originated from eastern Canadian producers as well as volumes transferred from the Company's Thunder Bay port terminal facilities.

Viterra's South Australia Volumes

In the fourth quarter of fiscal 2011, Viterra's Australian grain handling and marketing operations shipped 1.7 million tonnes of grains, which was consistent with the prior year even with the larger crop in 2011. Shipment volumes in fiscal 2011 were weighted toward the first nine months of the fiscal year, in contrast to fiscal 2010 when shipments were weighted to the last half of the fiscal year.

During the quarter, Viterra merchandised approximately 27% of the total shipments out of its south Australian system, similar to the corresponding period of fiscal 2010. Viterra originated and merchandised an additional 0.7 million tonnes from third-party facilities throughout the rest of Australia, on par with the fourth quarter of 2010.

Segment Operating Results

Gross profit contributions totalled $169 million in the fourth quarter compared to $187 million in the corresponding period of fiscal 2010. While volumes in the period remained solid due to strong underlying demand fundamentals, gross profit was lower due to reduced contributions from the International Grain group. During the fourth quarter, although underlying global demand fundamentals remained strong, results were negatively impacted as sovereign debt concerns in the European Union (“E.U.”) and political instability in the Middle East created uncertainty and volatility in commodity markets. As this group’s activities are driven by opportunities that arise in the market, results can fluctuate quarter to quarter depending on varying market dynamics and should be examined on an annualized basis.

OG&A expenses for the Grain Handling and Marketing segment were $100 million, compared to $85 million in the fourth quarter of 2010. The higher expenses were mainly attributable to timing of maintenance and incentive costs from the record volumes handled throughout the year in the Australian system as well as incremental costs associated with newly established international marketing offices and the addition of the Montreal port terminal facility.

Segment EBITDA for the quarter was $69 million compared to the $102 million generated in the same period last year. North America contributed $52 million in the quarter (2010 - $56 million), the Australian operation contributed $28 million (2010 - $33 million) while the International Grain group had an EBITDA loss of $11 million (2010 - $12 million contribution).

6.2 Agri-products

Agri-products *(in thousands - except margins)*	Three Months ended October 31, **2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$ 518,967**	$ 325,062	*$ 193,905*
Gross profit and net operating revenues	**105,811**	72,773	*33,038*
Operating, general and administrative expenses	**53,882**	42,757	*(11,125)*
EBITDA [1]	**$ 51,929**	$ 30,016	*$ 21,913*
Operating highlights:			
Sales and other operating revenues breakdown:			
Fertilizer	**258,467**	163,495	*94,972*
Crop protection	**47,543**	45,399	*2,144*
Seed	**4,357**	1,461	*2,896*
Wool	**129,868**	48,970	*80,898*
Equipment sales and other revenue	**72,175**	57,605	*14,570*
Financial products	**6,557**	8,132	*(1,575)*
Fertilizer volume *(tonnes)*	**411**	370	*41*
Fertilizer margin *(per tonne)*	**$ 159.78**	$ 110.02	*$ 49.76*

[1] *See Non-GAAP Measures in Section 18*

Revenues for the Agri-products segment increased 60% to $519 million from $325 million in the corresponding period in fiscal 2010. Revenues from the North American operations increased $110 million for the quarter, primarily reflecting increased fertilizer sales volumes and pricing. Equipment sales and other revenue was also up due to sales of grain storage equipment. The Australian agri-products operations increased by $84 million in the period, as wool sales increased by $81 million from the fourth quarter of fiscal 2010.

North American fertilizer sales volumes increased to 382,000 tonnes from 341,000 tonnes in 2010. Increased fertilizer volumes in the quarter were the result of a strong fall NH_3 season in Western Canada, made possible by favourable weather conditions and driven by strong commodity prices that enticed producers to maximize nutrient inputs. In Australia, fertilizer sales volumes were 29,000 tonnes in the quarter, comparable to the corresponding period in fiscal 2010.

Gross profit for the Agri-products segment increased 45% for the fourth quarter to $106 million compared to $73 million a year earlier. The increase was primarily attributable to North American fertilizer contributions as higher sales volumes and increased margins per tonne resulted in higher gross profits. Fertilizer margins in the quarter were $159.78 per tonne, a significant increase from $110.02 per tonne in fiscal 2010. The most significant driver of increased margins in the period was higher selling prices on fertilizer products, particularly the portion which is manufactured, combined with low natural gas pricing. Higher equipment sales and other revenue contributed $3 million to the increase for the quarter, while wool's gross margin contribution for the quarter was comparable year-over-year. The North American agri-products business contributed $100 million (2010 - $68 million) to gross profit in the quarter while the Australian agri-products business contributed $6 million (2010 - $5 million).

In the fourth quarter, OG&A expenses totalled $54 million, an increase of $11 million from fiscal 2010. The North American operations experienced higher costs, primarily attributable to expenses associated with increased sales activity and increased asset retirement obligations ("ARO").

EBITDA for the Agri-products segment for the quarter was $52 million compared to $30 million in the final three months of fiscal 2010, mainly due to higher fertilizer contributions.

6.3 Processing

Processing *(in thousands - except margins)*	**Three Months ended October 31, 2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$ 472,649**	$ 368,305	*$ 104,344*
Gross profit and net operating revenues	**51,996**	60,222	*(8,226)*
Operating, general and administrative expenses	**20,475**	23,802	*3,327*
EBITDA [1]	**$ 31,521**	$ 36,420	*$ (4,899)*
Operating highlights:			
Food sales volumes *(tonnes)*			
Malt	**153**	159	*(6)*
Pasta	**58**	57	*1*
Oats	**100**	94	*6*
Canola	**66**	49	*17*
Average margin per tonne - food processing	**$ 102.53**	$ 130.98	*$ (28.45)*
Feed sales volumes *(tonnes)*			
Feed - North America	**469**	424	*45*
Feed - New Zealand	**43**	45	*(2)*
Average margin per tonne - feed processing	**$ 26.06**	$ 28.15	*$ (2.09)*

[1] *See Non-GAAP Measures in Section 18*

Sales in the Processing segment for the fourth quarter increased to $473 million from $368 million in the comparable period of 2010 due to higher selling prices and new canola crush volumes following the start-up of the plant in southern China. Higher raw material prices drove increased selling prices for end products.

Gross profit in the fourth quarter totalled $52 million compared to $60 million a year earlier. While contributions from the feed products operations remained on par with the prior year at $13 million, food processing contributed $39 million compared to $47 million in the same period last

year. This was due to lower malt and pasta margins that reduced the fourth quarter gross margin for the food processing operation to $102.53 per tonne, compared to $130.98 per tonne in the corresponding period of fiscal 2010.

Malt operations contributed $13 million in gross profit during the quarter, compared to $21 million a year earlier. For the quarter, both volumes and margins decreased from the comparable period of 2010 as global malt markets continued to be challenged by overcapacity and tight competition.

Pasta operations generated gross profit of $10 million for the quarter compared to $19 million a year earlier. Sales volumes were 58,000 tonnes and on par with the corresponding period of fiscal 2010. However, margins decreased as price increases for finished products lagged increasing raw materials costs.

Oat processing operations contributed $11 million in gross profit for the quarter, an increase of 13% from fiscal 2010. Both margins and volumes increased from the same period last year, mainly due to a full period of contributions from the coated oat business purchased last year.

Canola operations contributed $4 million in gross profit compared to a loss of $3 million in the corresponding period of fiscal 2010. The St. Agathe facility in Western Canada achieved improved margins compared to a year earlier as the Company was able to secure more sales into the higher margin specialty oil market and meal sales into the U.S. market. However, due to ongoing overcapacity in this market, production from this facility remains below capacity. The Company's joint venture facility in southern China contributed volumes of 21,000 tonnes during the quarter.

The feed business in North America earned a gross profit of $9 million in the fourth quarter compared to $11 million a year ago. New Zealand feed generated gross profit of $4 million during the quarter, compared to $2 million in fiscal 2010.

Overall segment OG&A expenses for the quarter fell to $20 million, compared to $24 million in the prior year, due to a number of cost reduction initiatives.

EBITDA for the Processing segment in the quarter was $32 million, compared to $36 million in the fourth quarter of fiscal 2010. With lower malt and pasta margins food processing generated EBITDA of $27 million, compared to $37 million a year earlier. Feed generated EBITDA of $4 million, compared to a loss of $1 million in the fourth quarter of fiscal 2010.

6.4 Corporate

Corporate expenses were $42 million for the fourth quarter of 2011, compared to $31 million in the same period of fiscal 2010. The increase of $11 million in corporate costs was due primarily to an increase in information technology ("IT") expenses, which are a needed investment to achieve continuous improvements in operating efficiency and build competitive advantage. In addition, employee costs were higher as a result of the global restructuring that took place during the period.

7. ANNUAL FINANCIAL INFORMATION

7.1 Summary of Consolidated Results

Selected Consolidated Financial Information *(in thousands - except per share amounts)*	**Twelve Months ended October 31, 2011**	2010	*Better (Worse)*	**Three Months ended October 31, 2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$ 11,790,458**	$ 8,256,280	*$ 3,534,178*	**$ 3,064,000**	$ 1,951,692	*$ 1,112,308*
Gross profit and net operating revenues	**$ 1,548,319**	$ 1,258,567	*$ 289,752*	**$ 326,685**	$ 319,911	*$ 6,774*
Operating, general and administrative expenses	**846,413**	740,984	*(105,429)*	**216,107**	181,953	*(34,154)*
EBITDA [1]	**$ 701,906**	$ 517,583	*$ 184,323*	**$ 110,578**	$ 137,958	*$ (27,380)*
Goodwill impairment	**7,681**	-	*(7,681)*	**7,681**	-	*(7,681)*
Amortization	**205,536**	192,676	*(12,860)*	**55,866**	54,767	*(1,099)*
EBIT [1]	**$ 488,689**	$ 324,907	*$ 163,782*	**$ 47,031**	$ 83,191	*$ (36,160)*
Integration expenses	**4,601**	5,449	*848*	**2,133**	1,216	*(917)*
Loss (gain) on disposal of assets	**289**	(7,778)	*(8,067)*	**1,032**	(7,162)	*(8,194)*
Net foreign exchange loss (gain) on acquisition	**-**	159	*159*	**-**	(707)	*(707)*
Financing expenses	**115,684**	138,107	*22,423*	**29,047**	25,670	*(3,377)*
	$ 368,115	$ 188,970	*$ 179,145*	**$ 14,819**	$ 64,174	*$ (49,355)*
Provision for (recovery of) corporate taxes						
Current	**85,262**	27,722	*(57,540)*	**2,816**	15,748	*12,932*
Future	**17,444**	15,976	*(1,468)*	**2,541**	(4,245)	*(6,786)*
Net earnings	**$ 265,409**	$ 145,272	*$ 120,137*	**$ 9,462**	$ 52,671	*$ (43,209)*
Earnings per share	**$ 0.71**	$ 0.39	*$ 0.32*	**$ 0.03**	$ 0.14	*$ (0.11)*

[1] *See Non-GAAP Measures in Section 18*

Consolidated sales and other operating revenues for the year were $11.8 billion, an increase of 43% from fiscal 2010. The increase in sales was attributable to higher revenues from all business segments, but particularly the Australian grain handling and marketing operations following a record crop and North American agri-products due to robust fertilizer sales.

Gross profit increased 23% to $1.5 billion compared to $1.3 billion in fiscal 2010 due to higher volumes and stronger margins in the Grain Handling and Marketing segment and the Agri-products segment. Improved commodity prices, increased nutrient requirements and favourable weather conditions throughout much of the Canadian Prairies supported robust fertilizer demand and pricing for the year, and more than offset the effects of unseeded acres in Western Canada.

OG&A expenses were $846 million for the 12 months ended October 31, 2011, compared to $741 million for the corresponding period last year. The increase primarily reflects the additional seasonal labour required by Viterra's Australian operations 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, new costs related to the pasta and oat businesses acquired last fiscal year, increased IT expenses to support new business initiatives and higher accruals for short-term incentives.

Viterra's EBITDA increased 36% to $702 million in fiscal 2011, compared to the $518 million in fiscal 2010. All business segments increased contributions relative to the previous year. EBITDA for the Agri-products segment increased 59% on strong fertilizer volumes and pricing; the Grain Handling and Marketing segment's EBITDA increased 28% due to record grain receipts and shipments in Australia and strong results from North American grain. Processing segment EBITDA rose 19%, reflecting the new pasta and oat businesses acquired in the latter half of fiscal 2010. Viterra's Australian operations contributed $239 million to consolidated EBITDA, an increase of 36% from 2010. The results reflect the benefits of record grain volumes

received and shipped during the year, as well as a number of initiatives that have resulted in operational improvements and sustainable cost reductions.

Breakdown of EBITDA By Segment [1] *(in thousands)*	**Twelve Months ended October 31, 2011**	Twelve Months ended October 31, 2010	*Better (Worse)*	**Three Months ended October 31, 2011**	Three Months ended October 31, 2010	*Better (Worse)*
Grain Handling and Marketing	**$ 493,125**	$ 386,105	$ 107,020	**$ 69,044**	$ 101,984	$ (32,940)
Agri-products	**244,099**	153,822	90,277	**51,929**	30,016	21,913
Processing	**124,405**	104,256	20,149	**31,521**	36,420	(4,899)
Corporate expenses	**159,723**	126,600	(33,123)	**41,916**	30,462	(11,454)
	$ 701,906	$ 517,583	$ 184,323	**$ 110,578**	$ 137,958	$ (27,380)

[1] *See Non-GAAP Measures in Section 18*

A complete description of each segment's operating performance begins in Section 7.2.

During the fourth quarter of the fiscal year, the Company recorded a goodwill impairment of $8 million for the western Canadian feed operations. This reflects the continued intense competition and overcapacity in the feed market.

Amortization for the year was $206 million, an increase of $13 million from the prior year, primarily due to the addition of the pasta and oat operations acquired in the latter half of fiscal 2010.

Integration expenses incurred during the year were $5 million, on par with fiscal 2010. Most of the expenses in fiscal 2011 were attributable to the integration of the pasta and oat processing businesses acquired in fiscal 2010.

The Company recorded no material gain on disposal of assets in fiscal 2011, compared to an $8 million gain on disposal of assets related primarily to the sale of one of its North American grain handling facilities in fiscal 2010.

Financing Expenses *(in thousands)*	**Twelve Months ended October 31, 2011**	Twelve Months ended October 31, 2010	*Change*
Interest on debt facilities	**$ 115,232**	$ 112,923	$ 2,309
Interest accretion	**2,931**	2,744	187
Amortization of deferred financing costs	**5,225**	6,882	(1,657)
Financing costs	**$ 123,388**	$ 122,549	$ 839
Interest income	**(3,086)**	(7,629)	4,543
CWB carrying charge recovery	**(2,161)**	(1,693)	(468)
Net financing costs for debt facilities	**$ 118,141**	$ 113,227	$ 4,914
Net investment hedge	**(2,457)**	-	(2,457)
One-time refinancing costs	**-**	24,880	(24,880)
Total financing and associated expenses	**$ 115,684**	$ 138,107	$ (22,423)

As noted in the above table, net financing costs associated with the Company's debt facilities were $118 million for the year, compared to $113 million a year earlier. This net increase is the result of higher average working capital levels, which resulted in higher short-term interest costs offset by lower interest paid on long-term debt facilities due to lower average interest rates.

Total financing and associated expenses for the fiscal year were $116 million, or $22 million lower than the prior year as fiscal 2010 included $25 million of one-time refinancing costs associated with debt restructuring.

Viterra recorded a net corporate tax provision of $103 million, with an effective tax rate of 27.9% for the fiscal year ended October 31, 2011, compared to a provision of $44 million with an effective tax rate of 23.1% for the same period last year. The effective tax rate for fiscal 2011 has increased primarily due to start-up losses in our European marketing offices and the goodwill impairment recorded for which no tax asset has been recognized, as well as increased earnings in higher tax rate jurisdictions. In fiscal 2010, a tax asset was recognized for domestic losses.

At October 31, 2011, the Company had consolidated non capital loss carry forwards of $65 million, compared to $132 million at October 31, 2010. No future tax benefit has been recognized for $47 million of these losses associated with certain international operations. The Company also has capital loss carry forwards of $15 million that can only be used to offset capital gains in future periods. No future tax benefit has been recognized for the capital losses.

Viterra's net earnings and earnings per share for the year were up 83% to $265 million ($0.71 per share) compared to $145 million ($0.39 per share) in fiscal 2010.

7.2 Grain Handling and Marketing

Grain Handling and Marketing *(in thousands - except margins)*	**Twelve Months ended October 31, 2011**	**2010**	*Better (Worse)*	**Three Months ended October 31, 2011**	**2010**	*Better (Worse)*
Sales and other operating revenues	**$ 8,453,941**	$ 5,651,399	*$ 2,802,542*	**$ 2,279,256**	$ 1,421,025	*$ 858,231*
Gross profit and net operating revenues	**888,704**	724,127	*164,577*	**168,878**	186,916	*(18,038)*
Operating, general and administrative expenses	**395,579**	338,022	*(57,557)*	**99,834**	84,932	*(14,902)*
EBITDA [1]	**$ 493,125**	$ 386,105	*$ 107,020*	**$ 69,044**	$ 101,984	*$ (32,940)*
North american industry statistics *(tonnes)*						
Western Canadian receipts - six major grains	**33,459**	33,832	*(373)*	**9,039**	7,945	*1,094*
Western Canadian shipments - six major grains	**33,024**	33,856	*(832)*	**8,991**	8,241	*750*
Canadian industry terminal receipts	**24,904**	24,694	*210*	**7,132**	6,427	*705*
Viterra - North American operations *(tonnes)*						
Elevator receipts	**15,390**	15,278	*112*	**4,279**	3,622	*657*
Elevator shipments	**15,336**	15,834	*(498)*	**4,054**	3,841	*213*
Port terminal receipts	**10,792**	10,271	*521*	**3,309**	2,623	*686*
Viterra - Australian operations *(tonnes)*						
Shipments	**7,969**	5,214	*2,755*	**1,712**	1,665	*47*
Receipts	**8,613**	6,226	*2,387*	**84**	20	*64*
Consolidated global pipeline *(tonnes)*						
North American shipments	**15,336**	15,834	*(498)*	**4,054**	3,841	*213*
Australian receipts	**8,613**	6,226	*2,387*	**84**	20	*64*
Total pipeline	**23,949**	22,060	*1,889*	**4,138**	3,861	*277*
Consolidated pipeline margin *(per tonne)*	**$ 37.11**	$ 32.83	*$ 4.28*	**N/A**	N/A	*N/A*

[1] *See Non-GAAP Measures in Section 18*

7.2.1 Industry Volumes

For the 12 months ended October 31, 2011, total industry shipments for the six major grains in Western Canada were down slightly to 33.0 million tonnes, compared to the 33.9 million tonnes shipped in the comparable period in 2010. Crop production in Western Canada from the harvest of 2010 was down approximately 15% compared to the fall of 2009 (production from each fall is generally handled in the following year). However, the lower crop size was offset by a significant draw down of on-farm stocks in fiscal 2011 as higher commodity prices throughout the period provided a strong incentive for growers to deliver stored grain into the system.

Total wheat export shipments out of Australia through fiscal 2011 were up 16% to 18.1 million tonnes from 15.6 million tonnes in the same period in 2010. Wheat exports from the state of South Australia increased to 5.5 million tonnes, from 3.3 million tonnes in fiscal 2010. The

primary reason for increased exports was an increase in overall crop production of 20% and 35% for Australia and South Australia, respectively, from the previous year's harvest.

7.2.2 Viterra Volumes – North America

Viterra's primary elevator shipments of western Canadian grains totalled 15.3 million tonnes in fiscal 2011 compared to 15.8 million in fiscal 2010. A significant draw down of on-farm stocks during fiscal 2011 partially offset the effects of a smaller crop in the period. The split between CWB grains and open market grain shipments for Viterra was 45/55 in the 12 months ended October 31, 2011, compared to 49/51 in the corresponding period ended October 31, 2010.

Viterra's port terminal receipts were 10.8 million tonnes compared to 10.3 million tonnes in 2010. In fiscal 2011, nearly 80% of these volumes moved to West Coast port terminals to support continued strong demand from Asia-Pacific countries. The remaining volumes were moved through the Thunder Bay and Montreal port facilities. The Company began operating the Montreal port facility on July 4, 2011.

7.2.3 Viterra Volumes – South Australia

In fiscal 2011, Viterra received 8.6 million tonnes of grains in its South Australian system. Shipments increased by 53% to 8.0 million tonnes in fiscal 2011 due to strong receipts into the system and ample carry over stocks from fiscal 2010.

Viterra's Australian Volume Breakdown *(in thousands of tonnes)*	**Twelve Months ended October 31,**		*Better (Worse)*	**Three Months ended October 31,**		*Better (Worse)*
	2011	2010		**2011**	2010	
Total shipments	**7,969**	5,214	*2,755*	**1,712**	1,665	*47*
Merchandised volumes						
South Australia	**2,452**	1,460	*992*	**459**	410	*49*
Rest of Australia	**3,163**	4,110	*(947)*	**701**	660	*41*
Total merchandised volumes	**5,615**	5,570	45	**1,160**	1,070	90

Viterra merchandised approximately 31% of the total shipments out of its south Australian system in fiscal 2011, an increase from 28% in the previous year. Viterra originated and merchandised an additional 3.2 million tonnes from third-party facilities in the rest of Australia, compared to 4.1 million tonnes a year earlier. The decrease was primarily due to lower crop production in Western Australia in the preceding harvest and decreased access to freight and shipping slots on the east coast. In total, about 5.6 million tonnes of grains and oilseeds were traded from throughout Australia, on par with fiscal 2010.

7.2.4 Segment Results

Gross profit for the Grain Handling and Marketing segment totalled $889 million for fiscal 2011, an increase of $165 million from the $724 million generated in fiscal 2010. A significant portion of this increase was attributable to the Australian operations as a record crop in the state of South Australia led to record receipt and shipment volumes. Fiscal 2011 results also benefited from incremental contributions from the International Grain group and stronger margins in both the North American and Australian operations.

The International Grain group had increased contributions to gross profit in fiscal 2011 as the Company utilized its global pipeline model and prudent risk management strategies to successfully manage through adverse geopolitical and macro events. Significant market

volatility and unpredictable trends in commodity markets were experienced, particularly in the fourth quarter, which largely resulted from political events in the Middle East combined with sovereign debt concerns in major economies. In fiscal 2010, the International Grain group was not fully established and its contributions were included within the North American and Australian results for the first nine months of the year.

The consolidated global pipeline margin for fiscal 2011 increased 13% to $37.11 per tonne from $32.83 per tonne in fiscal 2010. North American margins 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 Australia, margins increased due to high volumes, increased storage and handling fees, solid blending contributions, and the implementation of substantial cost reduction and efficiency measures. The continued expansion of the International Grain group in the period added incremental margin and value to the Company's global pipeline.

OG&A expenses for the Grain Handling and Marketing segment were $396 million compared to $338 million in fiscal 2010. The increase reflects the expansion of grain operations, including the costs associated with the expansion of the International Grain group and the new North American port and special crop facilities. In addition, despite lower costs on a per-tonne basis, the Australian operations incurred higher overall OG&A expenses associated with handling the record crop.

The Grain Handling and Marketing segment generated EBITDA of $493 million in the fiscal year, an increase of 28% or $107 million from fiscal 2010. The significant year-over-year increase was attributable to Viterra's Australian operations that increased by $86 million to $249 million for fiscal 2011, due to record volumes, higher margins and a more efficient cost structure. The North American operations were also strong and generated EBITDA of $215 million (2010 - $204 million) while the International Grain group contributed $30 million in fiscal 2011.

7.3 Agri-products

Agri-products *(in thousands - except margins)*	**Twelve Months ended October 31, 2011**	**Twelve Months ended October 31, 2010**	*Better (Worse)*	**Three Months ended October 31, 2011**	**Three Months ended October 31, 2010**	*Better (Worse)*
Sales and other operating revenues	**$ 2,380,025**	$ 1,796,537	*$ 583,488*	**$ 518,967**	$ 325,062	*$ 193,905*
Gross profit and net operating revenues	**455,115**	350,102	*105,013*	**105,811**	72,773	*33,038*
Operating, general and administrative expenses	**211,016**	196,280	*(14,736)*	**53,882**	42,757	*(11,125)*
EBITDA [1]	**$ 244,099**	$ 153,822	*$ 90,277*	**$ 51,929**	$ 30,016	*$ 21,913*
Operating highlights						
Sales and other operating revenues breakdown:						
Fertilizer	**$ 1,123,359**	$ 791,124	*$ 332,235*	**$ 258,467**	$ 163,495	*$ 94,972*
Crop protection	**388,229**	384,186	*4,043*	**47,543**	45,399	*2,144*
Seed	**237,421**	207,395	*30,026*	**4,357**	1,461	*2,896*
Wool	**469,689**	264,899	*204,790*	**129,868**	48,970	*80,898*
Equipment sales and other revenue	**140,538**	123,201	*17,337*	**72,175**	57,605	*14,570*
Financial products	**20,789**	25,732	*(4,943)*	**6,557**	8,132	*(1,575)*
Fertilizer volume *(tonnes)*	**1,939**	1,750	*189*	**411**	370	*41*
Fertilizer margin *(per tonne)*	**$ 133.53**	$ 97.36	*$ 36.17*	**$ 159.78**	$ 110.02	*$ 49.76*

[1] *See Non-GAAP Measures in Section 18*

Agri-products sales for fiscal 2011 were $2.4 billion, an increase of 32% from sales of $1.8 billion in the prior fiscal year. The increase in sales for the year was primary attributable to strong fertilizer pricing and sales volumes in the North American operation as well as higher wool revenues in the Australian operation.

Fertilizer sales were $1.1 billion for the year, compared to $791 million for fiscal 2010. Fertilizer sales were bolstered by higher volumes and pricing throughout the growing season and during the fall application period in Western Canada.

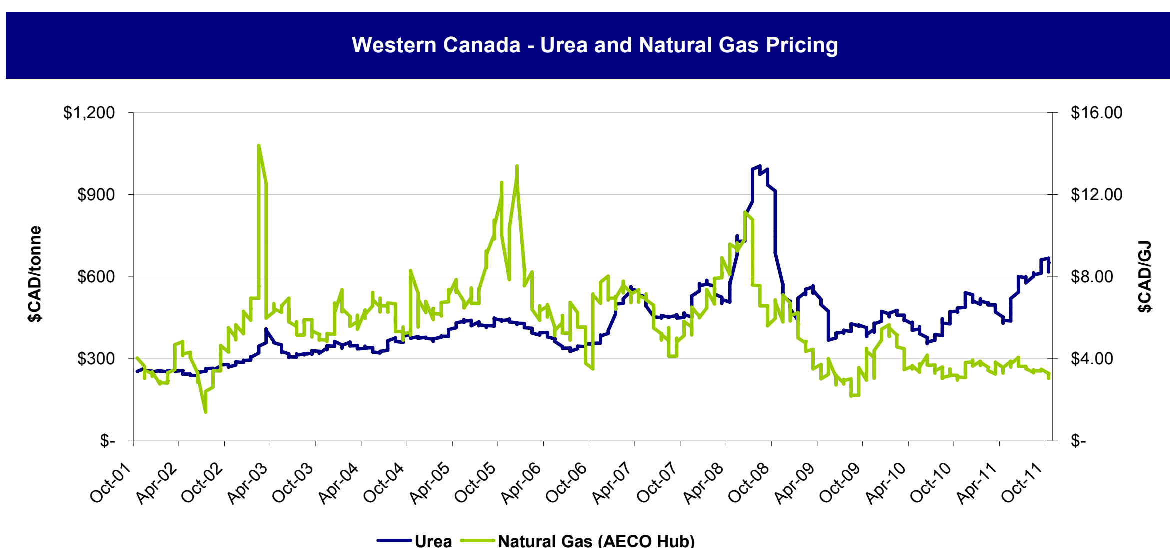
Consolidated Fertilizer Volumes by Quarter *(in thousands of tonnes)* *For the quarter ended*					
Fiscal year	31-Jan	30-Apr	31-Jul	31-Oct	Total
2011	373	279	876	411	1,939
2010	310	371	699	370	1,750

For the 12 months ended October 31, 2011, fertilizer sales volumes totalled 1.9 million tonnes, compared to 1.8 million tonnes from fiscal 2010. Robust demand for fertilizer in Western Canada was driven by strong commodity prices, nutrient requirements and favourable weather conditions in the fourth quarter. Australian fertilizer demand for the fiscal year was also strong with sales volumes of 135,000 tonnes (2010 – 118,000 tonnes).

Crop protection product sales were $388 million in fiscal 2011, on par with fiscal 2010. Higher seeded canola acres in Western Canada increased sales volumes for crop protection products and offset price devaluation in herbicide products. Statistics Canada estimates that about 18.5 million acres of canola were planted in Western Canada this year compared to 16.7 million a year earlier. This also increased seed sales for the year by about 14% to $237 million.

Revenues from the wool operations in Australia and New Zealand totalled $470 million for fiscal 2011, an increase from $265 million a year earlier. The increase resulted from an expansion of domestic market share as well as strong demand from key export markets such as India and China.

Gross profit for the segment increased 30% or $105 million to $455 million for the year. The majority of the increase was driven by strong fertilizer volumes and margins. Fertilizer margins were $133.53 per tonne in fiscal 2011, compared to $97.36 per tonne in fiscal 2010. In addition to the incrementally higher pricing demonstrated in the chart below, the Company also earned higher margins from its manufactured nitrogen products due to low natural gas pricing in Western Canada throughout fiscal 2011.



Source: Viterra Company Reports, Bloomberg

Higher wool sales contributed $22 million to gross profit for the fiscal year versus $16 million in the previous year.

OG&A expenses for the fiscal year were $211 million, compared to $196 million a year earlier. The majority of the increase for the period is attributable to costs associated with greater sales activity, the Company's asset retirement obligation and restructuring costs.

EBITDA for the year was up 59% to $244 million compared to $154 million in the prior year, due to strong fertilizer contributions.

7.4 Processing

Processing *(in thousands - except margins)*	**Twelve Months ended October 31, 2011**	2010	*Better (Worse)*	**Three Months ended October 31, 2011**	2010	*Better (Worse)*
Sales and other operating revenues	**$ 1,608,857**	$ 1,296,171	*$ 312,686*	**$ 472,649**	$ 368,305	*$ 104,344*
Gross profit and net operating revenues	**204,500**	184,338	*20,162*	**51,996**	60,222	*(8,226)*
Operating, general and administrative expenses	**80,095**	80,082	*(13)*	**20,475**	23,802	*3,327*
EBITDA [1]	**$ 124,405**	$ 104,256	*$ 20,149*	**$ 31,521**	$ 36,420	*$ (4,899)*
Operating highlights:						
Sales volumes *(tonnes)*						
Malt	**529**	562	*(33)*	**153**	159	*(6)*
Pasta	**222**	112	*110*	**58**	57	*1*
Oats	**384**	257	*127*	**100**	94	*6*
Canola	**184**	229	*(45)*	**66**	49	*17*
Feed - North America	**1,774**	1,918	*(144)*	**469**	424	*45*
Feed - New Zealand	**147**	145	*2*	**43**	45	*(2)*
Operating margin ($ per tonne sold)						
Malt	**$ 91.23**	$ 97.99	*$ (6.76)*			
Pasta	**270.53**	320.76	*(50.23)*			
Oats	**112.76**	96.19	*16.57*			
Canola	**14.23**	10.62	*3.61*			
Average margin - food processing	**$ 116.94**	$ 101.85	*$ 15.09*	**$ 102.53**	$ 130.98	*$ (28.45)*
Feed - North America	**$ 23.39**	$ 29.91	*$ (6.52)*			
Feed - New Zealand	**59.67**	60.88	*(1.21)*			
Average margin - feed processing	**$ 26.16**	$ 32.09	*$ (5.93)*	**$ 26.06**	$ 28.15	*$ (2.09)*

[1] *See Non-GAAP Measures in Section 18*

Sales in the Processing segment for the fiscal year were $1.6 billion compared to $1.3 billion during the comparable period of fiscal 2010. The increase primarily reflects the new pasta and coated oat processing operations acquired in the latter half of fiscal 2010.

Gross profit for the segment totalled $205 million, an increase from the $184 million earned in fiscal 2010. This increase is due to having a full year of contributions from the new pasta and oat operations and having generated a higher combined food processing margin. The food processing margin averaged $116.94 per tonne compared to $101.85 per tonne last year, as stronger oat and canola margins more than offset lower malt and pasta margins.

Global malt operations contributed $48 million in gross profit for the year, compared to $55 million a year earlier. Contributions were lower as global malt markets continued to struggle with increased competition caused by overcapacity and sluggish demand in mature markets. As a result, total sales volumes were 529,000 tonnes compared to 562,000 tonnes in fiscal 2010, and margins averaged $91.23 per tonne versus $97.99 per tonne in fiscal 2010.

The pasta operations generated gross profit of $60 million during the year. In fiscal 2010, these operations contributed $36 million from the time the operations were acquired early in the third quarter. Sales volumes remained strong in fiscal 2011; however margins were temporarily eroded as there was a time lag in passing the raw commodity price increases onto customers.

Oat processing earned $43 million in gross profit for the year compared to $25 million a year ago. The increase is mainly attributable to a full year of contributions from the coated oat processing operations, which were acquired in the fourth quarter of 2010 and increased sales to 384,000 tonnes in fiscal 2011 compared to 257,000 tonnes in fiscal 2010. Margin per tonne improved to $112.76 per tonne compared to $96.19 per tonne in fiscal 2010 as the new coated oat operations earns a higher margin on its products.

The canola operations recorded a gross profit of $2 million in fiscal 2011, on par with fiscal 2010. Increased specialty oil sales, combined with access to the U.S. meal market, improved margins for the western Canadian canola processing operations in the later half of fiscal 2011.

Viterra's feed business contributed $50 million to gross profit during the year, compared to $66 million in fiscal 2010. Margins were $23.39 per tonne compared to $29.91 per tonne in fiscal 2010, reflecting challenging market conditions in both Western Canada and New Zealand, which more than offset better margins in the U.S. operations. Excess capacity has caused intense competition in the western Canadian market, which has resulted in lower volumes and margins in western Canadian feed products. In the U.S., strong dairy and beef prices have increased purchases of higher margin complex feeds.

Processing segment OG&A expenses for fiscal 2011 totalled $80 million, on par with the previous fiscal year. Synergies and efficiency measures that lowered costs throughout these operations offset incremental costs added by a full period of OG&A expenses from the new pasta and oat operations.

EBITDA for the Processing segment for the year increased 19% to $124 million. Food processing contributed $114 million compared to $87 million generated in 2010 due to the addition of the new pasta and oat operations. These businesses contributed EBITDA of $58 million in fiscal 2011 compared to $32 million in fiscal 2010. The Australian malt operation contributed $32 million in the fiscal year, compared to $39 million in the previous year. Feed products generated EBITDA of $10 million in the fiscal year compared to $17 million in fiscal 2010.

7.5 Corporate

Corporate Expenses *(in thousands)*	**Twelve Months ended October 31, 2011**	2010	*Better (Worse)*	**Three Months ended October 31, 2011**	2010	*Better (Worse)*
Operating, general and administrative expenses excluding information technology costs	**$ 101,114**	$ 76,632	*$ (24,482)*	**$ 26,707**	$ 19,138	*$ (7,569)*
Information technology expenses	**58,609**	49,968	*(8,641)*	**15,209**	11,324	*(3,885)*
Total Operating, general and administrative expenses	**$ 159,723**	$ 126,600	*$ (33,123)*	**$ 41,916**	$ 30,462	*$ (11,454)*

Corporate expenses were $160 million for fiscal 2011 compared to $127 million in fiscal 2010. IT expenses increased by $9 million as the Company continued to invest in transformational programs to support new business initiatives and the global operating model.

The remaining increase was due to higher short-term compensation incentive programs related to the Company's strong financial results and one-time expenses related to restructuring.

7.6 Select Three-Year Annual Financial Information

Select Annual Financial Information For the years ended *($millions - except per share amounts)*	**Oct 31, 2011** [1]	Oct 31, 2010 [1]	Oct 31, 2009 [2]
Sales and other operating revenues	**$ 11,790**	$ 8,256	$ 6,632
Gross profit and net operating revenues	**1,548**	1,259	839
Operating, general and administrative expenses	**846**	741	515
EBITDA	**702**	518	324
EBIT	**489**	325	215
Net earnings	**265**	145	113
Basic and diluted earnings (loss) from continuing operations per share	**$ 0.71**	$ 0.39	$ 0.45
Total assets	**7,013**	6,117	6,423
Total long-term liabilities	**1,384**	1,150	1,508
Cash dividends declared per share	**$ 0.10**	$ -	$ -

[1] *Includes results for Viterra Australia's operations for the entire period*
[2] *Includes results for Viterra Australia's operations from September 24, 2009 to Oct 31, 2009*

Sales, gross profit, EBITDA and EBIT are significantly higher for fiscal 2011 compared to previous years due to strong commodity prices throughout the period, robust fertilizer contributions and record receipts and shipments in the Australian operations.

Fiscal 2010 financial results are generally higher relative to the previous year, primarily due to a full year of contributions from the Australian operations acquired in the fourth quarter of fiscal 2009.

For a more complete discussion on the results of the 2010 fiscal year relative to 2009 please see the Company's MD&A in its 2010 Annual Financial Review.

8. OUTLOOK

8.1 Grain Handling and Marketing

Global Fundamentals

Strong fundamentals are expected to hold for global agri-commodity markets. In 2012, stocks to use ratios for wheat and coarse grains are expected to remain tight compared to historical averages, with the United States Department of Agriculture ("USDA") projecting stocks to use days of about 74 days at the end of the crop year.

Global trade in wheat and coarse grains is projected to increase by over 30% over the next decade. This rise in global trade will be fuelled mainly by emerging market demand and supplied largely by origination from the Black Sea region. Russia and Ukraine are expected to increase their exports of wheat and coarse grains by nearly 40% over the next decade.

These strong fundamentals in the global trade of grain commodities combined with Viterra's origination capabilities add stability to the Company's grain handling and marketing operations. These should continue to ensure that Viterra's underlying grain handling and marketing pipeline

is relatively insulated from the effects of macro-economic difficulties caused by sovereign debt concerns in the Eurozone and ongoing tepid growth prospects in the U.S. economy.

Global Grain Handling and Marketing Pipeline

The Company currently estimates that its global pipeline margin for fiscal 2012 will be in the range of $38 to $41 per tonne, an increase from the $37.11 per tonne generated in fiscal 2011. The increase primarily reflects increased grain marketing activity, increased blending and special crop handling in the North American operations and increased handling fees in its Australian operations.

The western Canadian harvest was essentially complete by the end of October 2011. Favourable conditions throughout much of Western Canada during the growing season led to significant gains in quality and yields, and offset the effects of unseeded acreage in the region. Statistics Canada estimates that production of the six major grains from the 2011 harvest was 49.3 million tonnes, with an additional 3.8 million tonnes of lentils and other crops expected. This represents an increase of 10% from the 45.0 million tonnes of the six major grains produced a year earlier and is on par with the five-year average of 50.0 million tonnes.

Given this production level, the Company believes that Canadian Grain Commission (“CGC”) receipts for the six major grains in Western Canada for fiscal 2012 will be in the 31.0 to 33.0 million tonne range, on par with the historical average of 32.0 million tonnes.

The CWB has set its export target for wheat and barley out of Canada at 18.0 million tonnes for the crop year ended July 31, 2012 compared to 15.8 million in 2011. The Company concurs with this estimate given recent western Canadian production estimates.

Viterra’s southern Australian grain handling and marketing operations should have ample volumes available in fiscal 2012. ABARES currently estimates that production from South Australia’s current harvest will total an estimated 7.9 million tonnes, a reduction from last year’s record production but well above the historical average of about 6.2 million tonnes. With the current harvest virtually complete, Viterra estimates receipts for this business, which primarily occur in the first quarter of the fiscal year, to be about 6.5 to 6.8 million tonnes. Additionally, there were about 1.8 million tonnes of carry over stocks in Viterra’s system at the end of fiscal 2011.

The timing of shipments out of Viterra's Australian system is dependent on several factors, including world commodity markets and producers’ willingness to sell. Based on current fundamentals, including a favourable commodity pricing environment, it is the Company’s view that shipments out of its system in Australia will be very strong throughout fiscal 2012.

Regulatory Environment

On December 15, 2011, the Marketing *Freedom for Grain Farmers Act* became law in Canada after receiving Royal Assent. Despite a legal challenge from opponents of the legislation, Viterra remains confident that as of August 1, 2012, growers in Western Canada will market their wheat, barley and durum to buyers of their choice. Viterra has already commenced purchasing grain for delivery after that date. With greater marketing choice, there will be new contracting opportunities and additional risk management tools, which is beneficial for growers and the broader sector.

In this new regulatory environment, Viterra expects to increase its earnings by attracting additional volumes and optimizing its operational efficiencies. Viterra expects to begin realizing modest benefits in the fourth quarter of 2012, with more significant impacts in 2013. In fiscal 2014 and beyond, the Company anticipates its EBITDA to increase by $40 million to $50 million per annum. This guidance is based on the assumption of an increase in the consolidated global pipeline margin of $2.00 to $2.50 per tonne which includes a 1.0% to 2.5% market share increase. Viterra is well prepared for this new environment with assets, people and a global marketing network in place and therefore does not expect to incur any additional growth capital expenditures to achieve this earnings benefit. Additional grain purchases will require $150 million to $200 million of incremental working capital, which will be provided by operating cash flows and existing credit facilities.

In late fiscal 2011, the Company attained a further three-year accreditation from Wheat Exports Australia ("WEA"). This accreditation was conditional on having the Company's port access undertaking approved by the Australian Competition and Consumer Commission ("ACCC"). As part of this accreditation an auction system for shipping capacity will be implemented in Viterra's Australian ports in mid-fiscal 2012 and will promote a market-based allocation of shipping capacity. The implementation and operation of this auction system for shipping capacity will be cost neutral for the Company. In Addition, Viterra conducted its own internal post-harvest review following the record 2010 crop and implemented a number of operational improvements that have been well received by stakeholders in the region. This is also key information for the parliamentary reviews that continue to investigate the grain handling industry and operational issues arising in the export grain market.

8.2 Agri-products

Industry Fundamentals

Fundamentals for the Agri-products segment are expected to remain strong into fiscal 2012. Historically high grain prices should continue to drive solid returns for producers and demand for crop inputs. In addition, demand for crop inputs is expected to benefit from increased seeded acreage in Western Canada and additional canola acres.

Demand and pricing for fertilizer products are expected to be solid throughout fiscal 2012 due to historically high grain commodity prices and increased nutrient requirements from excess moisture in the last two years. Recent fertilizer price softening in global commodity markets due to continued global economic uncertainty should further increase demand as current commodity prices still support historical usage rates. To complement the positive demand fundamentals, western Canadian natural gas costs are expected to remain relatively low throughout fiscal 2012, which positively impacts the Company's fertilizer manufacturing margins. For fiscal 2012, Viterra currently estimates that its fertilizer margin per tonne will be in the range of $100 to $120 per tonne. This estimate assumes typical spring and fall fertilizer sales volumes, stability of natural gas prices, and continued strong grain prices.

In Western Canada, the majority of the 6.0 to 8.0 million acres that were affected by excess moisture in the spring of 2011 are expected to return to production in the upcoming season. Barring further widespread adverse weather events, Viterra is forecasting that western Canadian seeded acreage will total approximately 57.0 to 59.0 million acres in 2012, an increase of about 8% to 10% from last season.

In addition, sales of crop inputs will benefit from significant canola acreage next season. Canola acreage is expected to increase to about 18.5 to 19.5 million acres in 2012, potentially exceeding the previous record of 18.5 million acres set in 2011.

Early indicators support these expectations as farmers continue to secure product for the spring planting season. Seed bookings and customer prepayments for crop inputs for the spring season have been progressing well, with $299 million of prepayments as of December 31, 2011, compared to $313 million at the same point in 2010.

8.3 Processing

Solid contributions from the global processing operations are expected in fiscal 2012 as procurement advantages from the Company's global commodities pipeline and other efficiency initiatives are expected to mitigate the short-term challenges presented by macro conditions in some of this segment's operating environments.

Viterra believes strong demand for healthy and economical pasta and oat products will continue, supported by uncertainty in the U.S. economy. The Company expects contributions from the oat and pasta operations will remain consistent with historical levels in fiscal 2012 as margins will be preserved by effective procurement strategies, improved product mix, and operational efficiency initiatives.

Despite ongoing overcapacity and margin pressure in the western Canadian market, contributions from the canola processing operations are expected to improve in fiscal 2012. The Company will continue to pursue niche marketing of its specialty oil products from its facility in Western Canada to the natural food market. In addition, the Company's 680,000 tonne joint venture canola processing facility in southern China is expected to reach full production capacity in the middle of fiscal 2012. The facility was commissioned in the latter part of fiscal 2011.

Global malt markets are expected to remain challenged through much of fiscal 2012 due to sluggish beer sales in mature economies. This has created a situation where Northern Hemisphere malt has been redirected for sale into markets not traditionally targeted, such as Southeast Asia. For Viterra's malt operations in Australia, the Company believes that margins will remain consistent with fiscal 2011 in fiscal 2012. The Company has taken steps to streamline the Australian malt operations by closing some of the less efficient capacity in its network ahead of the start-up of the highly efficient new malt plant near Sydney, Australia in the first half of fiscal 2012. The facility will have annual production capacity of 110,000 tonnes. It is expected that further rationalization of less efficient global capacity will continue into fiscal 2012 and 2013.

The Company is currently estimating a combined food processing margin for fiscal 2012 of $90 to $110 per tonne, down from the $117 per tonne reported in fiscal 2011, due to lower global malt margins and a change in product mix.

Challenges in the feed products operations 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.

9. LIQUIDITY AND CAPITAL RESOURCES

9.1 Cash Flow Information

9.1.1 Operating Activities

Operating Cash Flow Prior to Working Capital Changes [1] *(in thousands - except per share amounts)*	**Twelve Months ended October 31, 2011**	Twelve Months ended October 31, 2010	*Better (Worse)*	**Three Months ended October 31, 2011**	Three Months ended October 31, 2010	*Better (Worse)*
EBITDA [1]	**$ 701,906**	$ 517,583	*$ 184,323*	**$ 110,578**	$ 137,958	*$ (27,380)*
Less:						
Employee future benefits	**7,100**	4,939	*(2,161)*	**11,449**	9,175	*(2,274)*
Other items	**(2,198)**	(1,814)	*384*	**(492)**	(7)	*485*
Integration expenses	**4,601**	5,449	*848*	**2,133**	1,216	*(917)*
Cash financing expense	**109,985**	120,038	*10,053*	**24,463**	23,806	*(657)*
Pre-tax cash flow	**$ 582,418**	$ 388,971	*$ 193,447*	**$ 73,025**	$ 103,768	*$ (30,743)*
Current income tax expense	**85,262**	27,722	*(57,540)*	**2,816**	15,748	*12,932*
Operating cash flow prior to working capital changes [1]	**$ 497,156**	$ 361,249	*$ 135,907*	**$ 70,209**	$ 88,020	*$ (17,811)*
Per share	**$ 1.34**	$ 0.97	*$ 0.37*	**$ 0.19**	$ 0.24	*$ (0.05)*

[1] *See Non-GAAP Measures in Section 18*

For the fiscal year ended October 31, 2011, Viterra generated operating cash flow prior to working capital changes ("operating cash flow") (see Non-GAAP Measures in Section 18) of $497 million, an increase of $136 million over the comparable period last year. On a per share basis, the Company generated operating cash flow of $1.34 per share compared to $0.97 per share in the corresponding period last year. The improved cash flow from operations primarily reflects higher EBITDA and lower cash interest costs offset by a higher current income tax expense.

Free Cash Flow [1] *(in thousands)*	**Twelve Months ended October 31, 2011**	Twelve Months ended October 31, 2010	*Better (Worse)*	**Three Months ended October 31, 2011**	Three Months ended October 31, 2010	*Better (Worse)*
Operating cash flow prior to working capital changes [1]	**$ 497,156**	$ 361,249	*$ 135,907*	**$ 70,209**	$ 88,020	*$ (17,811)*
Property, plant and equipment expenditures	**206,654**	105,313	*(101,341)*	**83,924**	33,504	*(50,420)*
Intangible assets expenditures	**25,692**	16,515	*(9,177)*	**13,164**	3,962	*(9,202)*
Free cash flow (loss) [1]	**$ 264,810**	$ 239,421	*$ 25,389*	**$ (26,879)**	$ 50,554	*$ (77,433)*

[1] *See Non-GAAP Measures in Section 18*

In 2011, the $136 million increase in operating cash flow funded a $111 million increase in capital investments for sustaining and growth projects (see Section 9.1.2 Investing Activities). For the 12 months ended October 31, 2011, free cash flow increased by $25 million from the previous year to $265 million.

9.1.2 Investing Activities

Viterra's total capital expenditures (excluding business acquisitions) were $232 million, with growth expenditures representing approximately $100 million. Growth spending was concentrated on the construction of the new Australian malt facility, enhancements to the Australian and North American grain handling systems, and the completion of the canola processing facility in China.

Capital spending for fiscal 2012 is expected to total $260 million to $280 million, including currently approved growth projects and costs related to transformational IT initiatives. Capital expenditures are expected to be funded by cash flow from operations.

Fiscal 2011 saw a significant decrease in business acquisition activity compared to 2010. In June 2011, Viterra acquired Premier Pulses International Inc. in Minot, North Dakota for a purchase price of $8 million, which represented the sole business acquisition during the year, compared to $288 million in acquisitions for 2010. See Note 3 of the Consolidated Financial Statements for further details.

9.2 Non-Cash Working Capital

Non-cash Working Capital *(in thousands)*	**As at October 31,** **2011**	 2010	*Change*
Inventories	**$ 1,568,410**	$ 1,211,887	$ 356,523
Accounts receivable	**1,277,739**	955,885	321,854
Prepaid expenses and deposits	**111,934**	107,638	4,296
Accounts payable and accrued liabilities	**(1,462,975)**	(1,119,912)	(343,063)
	$ 1,495,108	$ 1,155,498	*$ 339,610*

Inventory values at October 31, 2011 increased $357 million over the previous year end. This was primarily due to higher fertilizer inventory levels and prices along with higher grain inventory levels. The higher balances of inventory were primarily experienced in the Australian grain handling and marketing operations and in the Company's International Grain group.

Accounts receivable increased by $322 million, primarily due to the expansion of international grain marketing operations in the year.

Accounts payable and accrued liabilities at October 31, 2011 increased $343 million over 2010, primarily due to increased inventory levels.

9.3 Financing Activities

Key Financial Information [1] *(in thousands - except ratios and percentages)*	**As at October 31,** **2011**	 2010	*Change*
Cash and cash equivalents	**$ 298,060**	$ 154,793	*$ 143,267*
Total debt	**1,213,224**	960,806	*252,418*
Total debt, net of cash and cash equivalents	**915,164**	806,013	*109,151*
Ratios			
Current ratio	**2.07 x**	2.08 x	*(0.01 x)*
Debt-to-total capital	**23.1%**	20.6%	*2.5 pt*
Long-term debt-to-total capital	**20.7%**	19.2%	*1.5 pt*

[1] *See Non-GAAP Measures in Section 18*

Viterra's balance sheet remained strong at October 31, 2011, with total debt-to-capital of 23.1% (October 31, 2010 - 20.6%). At year end, Viterra had $298 million in cash and cash equivalents with no cash drawings on its $2.1 billion Global Credit Facility.

On February 15, 2011, the Company issued $200 million of Senior Unsecured Notes with a maturity date of February 16, 2021 and a yield of 6.41%. The notes were issued pursuant to the Company's $500 million short-form base shelf prospectus dated August 6, 2010 and a prospectus supplement dated February 10, 2011. Proceeds from these Notes were used to partially repay drawings on its Global Credit Facility and for general corporate purposes.

On September 26, 2011, the Company extended and amended its Global Credit Facility agreement, initially entered into on May 17, 2010. The amended agreement increased the facility from $1.6 billion to $2.1 billion while reducing the borrowing costs. The agreement was extended by two years to September 25, 2015. The additional borrowing capacity provides for expected higher peak working capital requirements in future years as a result of the removal of the CWB monopoly. The facility will continue to be used to support the Company's global working capital requirements.

During 2011, the Company paid a total of $0.10 per share in dividends to its common shareholders. These were paid on February 10, 2011 and July 28, 2011. On January 18, 2012, the Board of Directors ("Board") approved a 50% increase in Viterra's dividend rate to $0.15 per share annually compared to the previous rate of $0.10 per share. In conjunction with this new dividend rate, the Board declared the first semi-annual cash dividend for the year of $0.075, payable February 22, 2012 to shareholders of record on January 30, 2012. The Board will continue to review the dividend semi-annually, taking into account the Company's cash flow, earnings, financial position and other relevant factors.

The Company maintains an active role in all decisions affecting cash distributions from principal subsidiaries. The Company does not rely on distributions from joint ventures to fund its capital spending programs or to meet its financial obligations.

Short-term debt is used during the year to finance operating requirements, which primarily consist of inventory purchases, financing of accounts receivable and capital expenditures. Levels of short-term debt fluctuate based on changes in underlying commodity prices and the timing of grain purchases in the Grain Handling and Marketing segment. In the Agri-products segment, changes in fertilizer prices can impact inventory values and customer and inventory prepayments.

The Company believes that cash flow from operations and its access to undrawn credit facilities will provide Viterra with sufficient financial resources to fund its working capital requirements, planned capital expenditure programs and debt servicing requirements. This belief is predicated upon the Company's expectations of future commodity and crop input prices, and the expected turnover of inventory and accounts receivable components of working capital. (See Forward-Looking Information in Section 20 of this MD&A.)

9.4 Debt Ratings

The following table summarizes the Company's current credit ratings, which are unchanged from the previous year:

	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

9.5 Contractual Obligations

Contractual Obligations as at October 31, 2011 (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					
Short-term borrowings	$ 125,138	$ 125,138	$ -	$ -	$ -
Long-term debt	1,103,403	1,091	301,453	1,031	799,828
Other long-term obligations	162,860	14,403	41,602	6,215	100,640
	$ 1,391,401	$ 140,632	$ 343,055	$ 7,246	$ 900,468
Other Contractual Obligations					
Operating leases	$ 116,077	$ 40,573	$ 51,209	$ 12,151	$ 12,144
Purchase obligations [1]	2,492,075	2,449,796	40,875	1,404	-
	$ 2,608,152	$ 2,490,369	$ 92,084	$ 13,555	$ 12,144
Total Contractual Obligations	$ 3,999,553	$ 2,631,001	$ 435,139	$ 20,801	$ 912,612

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

9.6 Pension Funding Obligations

The Company maintains both defined benefit and defined contribution pension plans, as well as other retirement and post-employment benefits for its employees.

The following table compares the values of pension plan assets and liabilities for accounting purposes to the estimated values for pension funding purposes (solvency basis) at October 31, 2011:

(in thousands)	Accounting Basis	Solvency Funding
Market value of pension assets	$ 561,871	$ 561,871
Pension liabilities	574,524	593,735
Funded status - surplus (deficit)	$ (12,653)	$ (31,864)
Unamortized accounting differences	131,733	
Consolidated accrued benefit asset	$ 119,080	

Based on current estimates, the Company has a $119 million accrued benefit asset net of valuation allowance in its plans for accounting purposes. However, from a solvency perspective (for pension funding purposes), it is estimated that the plans had a combined deficit of $32 million as at October 31, 2011. The Company funds its defined benefit pension plans in accordance with actuarially determined amounts based on federal pension regulations. The Company currently estimates payments made on a monthly basis totaling $2 million per quarter in 2012. The Company will be required to provide letters of credit of $15 million. Funding requirements may increase or decrease depending upon future actuarial valuations. The Company's projection is based on funding plan deficits over a period of up to eight years. These payments may change in the future to reflect formal valuations as at December 31, 2011, which the Company expects to receive in April 2012. Note 18 to the Consolidated Financial Statements describes in detail the Company's pension plan obligations.

Funding obligations are generally dependent on a number of factors, including the assumptions used in the most recently filed actuarial valuation reports for current service (including the applicable discount rate used or assumed in the actuarial valuation), the plan demographics at the valuation date, the existing plan provisions, existing pension legislation and changes in economic conditions (mainly the return on fund assets and changes in interest rates). Actual contributions that are determined on the basis of future valuation reports filed annually may vary

significantly from projections. In addition to changes in plan demographics and experience, actuarial assumptions and methods may be changed from one valuation to the next, including by reason of changes in plan experience, financial markets, future expectations, and other factors.

10. OUTSTANDING SHARE DATA

The market capitalization of the Company's 371.7 million issued and outstanding shares at January 16, 2012 was $4.1 billion or $11.06 per share.

The issued and outstanding shares at January 16, 2012, together with securities convertible into common shares, are summarized in the following table:

As at January 16, 2012	
Issued and outstanding common shares	371,695,145
Securities convertible into common shares - stock options	2,441,699
Securities redeemable for common shares - share units	473,665
	374,610,509

As at October 31, 2011, there were 22.2 million outstanding CDIs, which trade on the ASX.

11. ACQUISITION AND INTEGRATION MATTERS

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 achieving its targeted $30 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 million. As of October 31, 2011 there is approximately $3 million of remaining integration costs to be capitalized related to the completion of information technology integration projects and other transformational programs.

Grain Handling and Marketing Segment

Montreal Port Terminal

Viterra has been operating the Montreal Port Grain Terminal since July 4, 2011 under a long-term lease arrangement. All integration activities were completed in the fourth quarter of 2011.

Agri-Products Segment

Esso Branded Reseller

On November 8, 2011, Viterra and Imperial Oil announced an Agreement that saw the Company enter the commercial and farm fuel market. Viterra has acquired bulk fuel assets and has entered into a long-term Agreement to serve as a branded reseller, hauler and card lock operator of Esso fuels within Canada's Prairie region. Fuel is a strategic fit into Viterra's existing agri-products operations in Western Canada as the Company currently provides rural distribution to growers and fuel will be added as another product to this service. In addition, fuel presents great opportunity for Viterra as it is one of the largest expenses in crop production. These additional operations are expected to help build deeper relationships with growers and leverage the Company's experience in providing rural distribution, credit services and handling of hazardous materials.

In total 31 bulk fuel sites will be integrated within Viterra's Agri-products segment. Of these 31 facilities, Viterra has purchased six bulk fuel sites and has the right to access the remainder. Over the next three years, Viterra plans to transition from these right to access sites by building its own modernized bulk fuel sites.

Processing Segment

The Company should benefit from annual estimated gross synergies within Processing of approximately $6 million, relating to the acquisition of Dakota Growers and 21st Century. To date, the Company has realized about 90% of these synergies, and expects to deliver the full annualized benefit mid-way through fiscal 2012.

Dakota Growers

The Company's integration activities for Dakota Growers, which was acquired on May 5, 2010, were complete as of October 31, 2011. Full run rate synergies are on track to be achieved in fiscal 2012, with the majority of the annualized benefit being captured in fiscal 2011.

21st Century

After acquiring 21st Century on August 17, 2010, Viterra began formal integration initiatives in January 2011. Significant milestones in regard to aligning employee programs took place in the fourth quarter of fiscal 2011. Synergies were realized slightly ahead of schedule in 2011, with the most significant benefits to date being in the areas of grain procurement and corporate expense savings. Attainment of full run rate synergies is on track for fiscal 2012.

12. OFF BALANCE SHEET ARRANGEMENTS

12.1 Viterra Financial™

Viterra Financial™ provides grain and oilseed producers with unsecured working capital financing, through a Canadian chartered bank, to purchase the Company's fertilizer, crop protection products, seed and equipment. Outstanding credit was $605 million at October 31, 2011, compared to $520 million at October 31, 2010. Over 88% 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 October 31, 2011, Viterra has provided $7 million for past 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 is sold. Viterra Financial™ approved $96 million in credit applications for Viterra's feed products customers during fiscal 2011, compared to $87 million in fiscal 2010. These customers had drawn $40 million at October 31, 2011 (October 31, 2010 - $36 million). The Company has indemnified the bank for aggregate credit losses of up to $9 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 October 31, 2011, the Company had provided about $1 million for past and expected future losses.

13. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company has transactions with related parties measured at exchange amounts, which are comparable to commercial rates and terms.

In addition to subsidiaries, joint ventures, and equity investments, related parties also include Directors, investees in Prince Rupert Grain and grain pools operated by the Company.

The Company engaged in numerous transactions with related parties during fiscal 2011. Such transactions are disclosed in Note 21 to the Consolidated Financial Statements.

14. 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. A summary of the Company's significant accounting policies can be found in Note 2 to the Consolidated Financial Statements. The following discussion is an analysis of the critical accounting estimates that depend most heavily on such Management estimates, assumptions and judgments and 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 Forward-Looking Information in Section 20 of this MD&A.

14.1 Fair values in a business acquisition

The acquisition of a company requires Viterra to estimate the fair values of the assets acquired and the liabilities assumed on the effective date of an acquisition. For significant acquisitions, the Company may use the work of third-party valuation experts; otherwise, Management

determines the fair value of net assets acquired based on internally prepared estimates of market value.

14.2 Inventory

Grain Handling and Marketing Inventories

Grain Handling and Marketing inventories are recorded at fair value on the basis of closing market quotations less handling costs and any applicable freight costs. Observable inputs are used along with quoted prices in active markets. Given the short-term nature of these inventories, these estimates are evaluated frequently.

Agri-products and Processing Inventories

The Company reviews the carrying value of Agri-products and Processing inventories to determine if write-downs are required to state the inventory at the lower of cost and net realizable value. The determination of net realizable value reflects Management's best estimate of the expected selling price and Management's expectation that inventory will eventually be sold. Wool inventories are recorded at fair value on the basis of closing market quotations less estimated costs to sell.

14.3 Income Taxes

Future income tax assets and liabilities are recognized for the future income tax consequences attributable to loss carry forwards and temporary differences between the financial statement carrying values of assets and liabilities and their respective income tax bases. Future income tax assets or liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The calculation of current and future income taxes requires Management to make estimates and assumptions and to exercise a certain amount of judgment concerning the carrying values of assets and liabilities. The current and future income tax assets and liabilities are also impacted by expectations about future operating results and the timing of reversal of temporary differences, as well as possible audits of tax filings by regulatory agencies. Management regularly assesses the Company's ability to realize net future income tax assets based on all relevant information available. Changes or differences in these estimates or assumptions may result in changes to the current and future income tax assets and liabilities on the Consolidated Balance Sheets and a charge to, or recovery of, income tax expense.

14.4 Amortization

The Company has made significant estimates related to the amortization policies for property, plant and equipment and determinable lived intangible assets. Factors used to determine the estimates include, but are not limited to, the economic life of the asset and the salvage value of the asset at the end of its economic life. The Company makes an estimate based on the best information on these factors that it has at the time these estimates are performed.

14.5 Impairment of Property, Plant and Equipment and Intangible Assets

The Company periodically assesses the recoverability of values assigned to property, plant and equipment and intangible assets after considering potential impairment, indicated by such

factors as business and market trends, future prospects, current market value and other economic factors. Where an indication of impairment exists, an estimate of the recoverable amount is made to determine the extent of any impairment loss.

In performing its review of recoverability, Management estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows is less than the carrying value of the asset, an impairment loss would be recognized based on the excess of the carrying value of the asset over the fair market value calculated using discounted future cash flows.

14.6 Goodwill

Goodwill represents the excess of the purchase price over the fair values assigned to identifiable net assets on a business acquisition. Goodwill is assigned to the reporting units expected to benefit from the acquisition. Goodwill is not amortized. The Company assesses impairment of goodwill on an annual basis, or more often should events or circumstances warrant.

Goodwill impairment is measured as the excess of the carrying amount of the reporting unit's goodwill over the implied fair value of the goodwill based on the fair value of the assets and liabilities of the reporting unit. The process of determining fair value is subjective and requires Management to exercise a significant amount of judgment in determining future growth, discount and tax rates, as well as other factors.

14.7 Stock-Based Compensation Plans

The Company provides stock-based compensation plans that are equity settled and which are expensed over the vesting period of options granted, based on the fair value method at the grant date using the Black-Scholes option pricing model. This pricing model includes underlying assumptions related to the risk-free interest rate, average expected option life, vesting period and estimated volatility of the Company's share prices. Changes in quoted market value and assumptions about vesting would affect the recorded expenses and related liabilities.

14.8 Pension and Other Post-Employment Benefits

Pension and other post-employment benefit obligations are measured based on actuarial valuations performed using the projected accrued benefit actuarial cost method pro-rated on service. The assets are valued at market value on September 30, 2011 with extrapolations as required to October 31, 2011. Complex actuarial calculations based on certain estimates and assumptions are used in determining the Company's defined benefit pension and other post-employment benefit obligations. Assumptions include the discount rate, the expected long-term rate of return on plan assets, expected growth rate of health care costs, projected salary increases and average remaining service periods. These assumptions depend on various underlying factors such as economic conditions, investment performance, employee demographics and mortality rates. These assumptions may change in the future and may result in material changes in the pension and employee benefit plans expense. Changes in financial market returns and interest rates could also result in changes to the funding requirements of the Company's defined benefit pension plans.

14.9 Asset Retirement Obligations

The Company provides for site restoration and reclamation costs relating to closed facilities and current leases (“asset retirement obligations”) (“ARO”). Reclamation involves the demolition of facilities and the reclamation of land. In determining the ARO, the Company uses the most current information available, including similar past experiences, available technology, regulations in effect, the timing of remediation and cost-sharing arrangements. The fair value of the obligation is based on estimated future costs for demolition of facilities and reclamation of land, discounted at a credit-adjusted risk-free rate. In subsequent periods, the ARO is adjusted for the passage of time and any changes in the amount or timing of the underlying future cash flows through charges to earnings. Management estimates include the period to complete projects, cash flows required and discount rates. By their nature, these estimates are subject to measurement uncertainty, and their impact on the financial statements could be material.

14.10 Fair Value of Financial Assets and Liabilities

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future due to changes in market conditions and other relevant factors. Fair value of financial instruments, including derivative instruments, takes into account the Company’s own credit risk and the credit risk of the counterparty.

15. CHANGES IN ACCOUNTING POLICY

The Company did not adopt any new significant accounting policies for the fiscal year ended October 31, 2011.

16. FUTURE ACCOUNTING STANDARDS

16.1 International Financial Reporting Standards

On January 1, 2011, International Financial Reporting Standards ("IFRS") became the generally accepted accounting principles in Canada for profit-oriented publicly accountable enterprises for their fiscal years beginning on or after January 1, 2011. Therefore, IFRS will be applicable for Viterra’s first quarter of fiscal 2012 and will require the restatement, for comparative purposes, of amounts reported by Viterra for the year ended October 31, 2011, including the opening balance sheet as at November 1, 2010.

Viterra is executing a conversion project plan for transition from GAAP to IFRS, including the preparation of required comparative information relating to the 2011 fiscal year. As part of the IFRS conversion project, the Company has engaged external consultants to assist and advise in the Company’s transition to IFRS. The conversion project plan consists of the following phases:

Initial Detailed Assessment Phase
This phase involves the high-level identification and assessment of the differences between IFRS and GAAP that will impact the Company.

Design Phase
This phase involves performing a detailed impact assessment of the differences between IFRS and GAAP, reviewing and approving accounting policy choices, identifying impact on systems and business processes, preparing position papers for areas of significant judgment, drafting

the transition date consolidated statement of financial position and drafting illustrative IFRS consolidated financial statements and notes.

Execution Phase
This phase involves embedding changes to systems, processes and internal controls, and preparing IFRS consolidated interim and annual consolidated financial statements for the year ended October 31, 2012, including comparatives.

16.1.1 Status of Key Elements of Viterra's IFRS Project Plan

Key elements of IFRS Project Plan	Key activities	Status
Accounting Policies and Financial Statement Preparation	▪ Analysis of accounting policy differences. ▪ Selection of IFRS accounting policies and elections that can be made on first-time adoption of IFRS. ▪ Development of draft illustrative IFRS consolidated financial statements and notes. ▪ Quantification of IFRS impacts on transition.	The Company is finalizing work related to accounting policies and financial statement preparation. The Company has prepared draft illustrative IFRS consolidated financial statements and notes. A preliminary opening balance sheet with quantified impacts has been prepared.
Control Environment	▪ Assessment of the impact of accounting policy changes and procedures on the design and effectiveness of Internal Control Over Financial Reporting ("ICFR") and Disclosure Controls and Procedures ("DC&P") and implementation of any appropriate changes. ▪ Design and implementation of controls for the preparation of the opening balance sheet and the recording of IFRS adjustments for the comparative periods. ▪ Design and implementation of controls for new or changed procedures arising as a result of changes to accounting policies.	There have been no significant changes required to ICFR and no significant changes required to DC&P as their processes have not been significantly impacted by the change to IFRS. Controls have been implemented for the preparation of the opening balance sheet and the recognition, measurement and recording of IFRS adjustments for the 2011 comparative periods that will be presented under IFRS in 2012. New process controls or changes to existing process controls have been designed and implemented for those processes affected by the adoption of IFRS accounting policies.
Training Requirements	▪ Development of targeted IFRS expertise where roles and work are affected by the transition to IFRS. ▪ Formation of working teams to ensure compliance with accounting policy changes and related process and internal control changes. ▪ External and internal education and communication.	The Company continues to provide targeted training for Finance staff and Management as well as other key employees and stakeholders. Working teams, the steering committee and the Audit Committee continue to be actively involved in the transition project. Communication of identified differences, their implementation and impact is ongoing. Such communication includes the external communication and updates in the Company's Management Discussion and Analysis for each quarterly period.

Business Impacts	▪ Identification of impact on financial covenants, business practices, contracts, hedging and compensation arrangements. ▪ Assessment of impact on budgeting, forecasting, performance measurements and long-range business plans and strategy. ▪ Analysis of impact on key internal performance indicators.	The impact assessment on financial covenants, business practices, contracts, hedging and compensation arrangements as well as key internal performance indicators has been completed. The budget and long-range business plans and strategy for the year ending October 31, 2012 were completed using IFRS financial reports and balances. No significant changes are expected to be required in relation to business activities.
Information Systems	▪ Information systems changes to support IFRS requirements and ensure readiness for capturing comparative data and required data on a go-forward basis.	Changes to information system processes for IFRS adjustments in the comparative year have been established and implemented effective from the date of transition to IFRS. Data capture for information required by the draft IFRS accounting policies has been tested. No significant changes were required to the Company's information technology and data systems.

16.2 Currently Identified Differences between GAAP and IFRS

Impacted Areas	Key Differences
Business Combinations	IFRS requires transaction costs in a business combination to be expensed whereas GAAP include such costs in the cost of the acquisition. Under IFRS, unlike GAAP, the treatment of adjustments to the measurement of the business combination that occur subsequent to the acquisition date are required to be recorded retrospectively and comparative figures revised. Depending on specific facts and circumstances, IFRS can differ from GAAP for identification of the acquisition date and measurement of certain acquired items such as contingent liabilities and future income taxes. These differences can increase the charges to earnings for acquisition-related costs when a business combination occurs.
Employee Benefits	IFRS presently permits a policy choice whether to recognize actuarial gains and losses immediately in equity, immediately in earnings or on a deferred basis to earnings. GAAP does not permit the immediate recognition in equity. IFRS also requires that vested past service costs be expensed immediately and any unvested costs be amortized on a straight-line basis over the remaining vesting period. GAAP requires amortization of past service costs for former employees over their average life expectancy and amortization of past service costs for still active employees over their expected average remaining service life.
Share-based Payments	Under IFRS, shared-based awards that vest in installments must be accounted for as though each installment is a separate award and be recognized using the graded vesting method. This requirement will result in accelerated recognition of the compensation expense in comparison to GAAP. IFRS also requires that forfeitures be estimated on the date of grant and the estimate be updated each reporting period to determine the period's compensation expense. GAAP allowed a choice between estimating forfeitures or accounting for them on an actual basis.
Impairment of Assets	Unlike GAAP, IFRS measures the impairment of assets, excluding financial assets and certain other assets, by comparing the value of an asset or cash generating unit to its recoverable amount. The recoverable amount is measured as the higher of fair value less cost to sell or value-in-use. Under IFRS previously recognized impairment losses, other than amounts relating to goodwill, are reversed when there is an increase in the recoverable amount of the related asset or cash generating unit. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated to cash generating units or groups of cash generating units that are expected to benefit from the synergies of the business combination for which goodwill was identified. IFRS requires that an impairment test be performed at the date of transition to IFRS which has been completed by the Company and for which there was no impairment loss. The difference in the testing for impairment of assets increases the potential for impairment losses and reversal of previously recorded losses.
Provisions	IFRS requires present obligations, such as asset retirement obligations, to be recognized based on the best estimate of the cash outflows required to settle the obligation at the end of each reporting period. The provision is to be discounted when the time value of money is material. IFRS requires the discount rate to be a pre-tax market rate reflecting the risks specific to the obligation being discounted. GAAP does not discount provisions unless specifically required by a standard or when a provision is required to be measured at fair value. The GAAP standard for asset retirement obligation differs in its requirement to continue measuring the obligation using the credit-adjusted discount rate that was applicable at the time of the initial recognition. The GAAP standard also differs in its requirement to measure the obligation at fair value. These differences can result in more frequent changes to the measurement of the asset retirement obligation if interest rates change in each reporting period or if changes in estimates are required in the reporting period.

Income Taxes	Both GAAP and IFRS follow the liability method of accounting for income taxes whereby tax liabilities and assets are recognized on temporary difference. However, some technical differences exist between IFRS and GAAP regarding recognition, measurement and presentation of income taxes. IFRS requires income tax to be charged directly to equity if the tax relates to items that are charged directly to equity either in the same or a different period. Under GAAP, income tax relating to items charged directly to equity in a different period is recognized through net income or loss. Under IFRS, the amounts reported for deferred tax expense and deferred tax assets and liabilities will vary from the amounts reported under GAAP in the Company's 2011 financial statement.
Hedging	There are differences in the accounting for hedges of net investments in foreign entities. Under GAAP, if a capital transaction occurs in relation to a foreign self-sustaining subsidiary, an entry to reclass cumulative translation adjustment and the net gain or loss from other comprehensive income to net earnings will be required. Under IFRS, this is only required if there is a disposal or partial disposal of a foreign operation.
Presentation and Disclosure	Under IFRS, the Consolidated Statements of Earnings must be presented either by function or by nature. The Company expects to report expenses by nature, which will result in gross profit no longer being presented. In addition, there will be certain line item changes in the Consolidated Balance Sheets and the Consolidated Statements of Cash Flow. The Company does not expect a significant impact to its reported cash from operating activities as a result of the transition to IFRS.

16.3 IFRS 1 - First-time Adoption of International Financial Reporting Standards

The adoption of IFRS requires the application of IFRS 1 - First-time Adoption of International Financial Reporting Standards. IFRS 1 requires that first time adopters of IFRS retrospectively apply all effective IFRS standards and interpretations to determine the opening balance sheet at the date of transition, November 1, 2011, but provides certain optional exemptions and mandatory exceptions.

Impacted Areas	Summary of Exemption Available
Business Combinations	The Company will elect to apply an IFRS 1 exemption from the requirement to restate all business combinations that occurred before the date of transition.
Fair Value	IFRS 1 allows an entity to measure an item of property, plant and equipment at its fair value on the date of transition and use that fair value as its deemed cost. The Company may elect to utilize fair value as deemed cost for certain of its property, plant and equipment on the date of transition.
Revaluation as Deemed Cost	IFRS 1 allows an entity to use a previous GAAP revaluation of an item of property, plant and equipment that occurred prior to or on the transition date to be used as deemed cost at the date of its revaluation if the revaluation was broadly comparable to fair value. The Company will elect to use a previous revaluation of an item of property, plant and equipment that occurred prior to the transition date as its deemed cost.
Employee Benefits	IFRS 1 provides an exemption by which actuarial gains and losses do not have to be recalculated from the inception of each defined benefit

	plan. Viterra will elect to recognize all of its cumulative actuarial gains and losses at the date of transition, which is expected to result in an adjustment to retained earnings for a cumulative actuarial loss of approximately $111 million with a corresponding decrease to other long-term assets of $111 million.
Foreign Currency Translation	Retrospective application of IFRS would require Viterra to determine the foreign currency translation differences in accordance with IFRS from the date a subsidiary or associate was formed or acquired. Viterra will elect to reset all cumulative translation gains and losses to zero at the transition date. The cumulative unrealized gain of approximately $112 million from foreign currency translation of foreign operations and net investment hedges will be reclassified from other comprehensive income to retained earnings.

17. RISKS AND RISK MANAGEMENT

17.1 Governance and Oversight

Successful risk management requires a prudent balance between risk, return and the cost of control to support Viterra's mission, vision and strategy. Corporate risk at Viterra is managed on a proactive, explicit basis through the identification and mitigation of risks within an Enterprise Risk Management ("ERM") framework. Viterra's ERM framework was developed under the standards of the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) "Enterprise Risk Management - Integrated Framework". Enterprise-wide risk management is a process effected by the Company’s Board of Directors, Management and personnel, applied in particular settings and across the Company. It is designed to identify potential events that may impact the Company, manage risk to be within the Company’s risk appetite, and to provide reasonable assurance regarding the achievement of the Company's objectives.

A structured and disciplined approach to ERM provides assurance that the Company’s strategic direction is not impeded through avoidable loss, and hampered by change and uncertainty. It enables Viterra to take advantage of opportunities where appropriate. The ERM framework supports Viterra’s strategy and reflects the appropriate risk appetite and risk tolerances as set out by Management and the Board of Directors.

The Board of Directors is responsible for overseeing the Company's ERM framework through its Audit Committee and a Risk Management Committee comprised of senior executive officers of the Company. Viterra’s Risk Management Committee is responsible for the ERM framework. This includes responsibility for ongoing reporting of significant risks to the Company’s Disclosure Committee and Audit Committee, as well as providing assurance that risk mitigation processes adequately reduce the likelihood and/or impact of material risks on business performance and corporate reputation.

Viterra's senior Management is responsible for ensuring that key corporate risks are identified, assessed, monitored and reported, and that mitigation strategies are developed where prudent. These corporate risks are documented and tracked as part of the ERM process through maintaining a Corporate Risk Register ("CRR"). This evaluation, monitoring and reporting is

ongoing and integrated into the Company's strategic planning processes. Senior managers update the ERM framework whenever significant new risks arise or there is a significant change in the likelihood or impact of an existing risk. In addition, the CRR is reviewed and updated as part of the annual strategic planning process.

17.2 Weather Risk

As an agri-business Company, Viterra's most significant risk is the weather. The effect of weather conditions on production volumes and crop quality present significant operating and financial risk to Viterra's Grain Handling and Marketing segment. Volumes are a key driver of earnings for Viterra's grain operations. Fixed costs in Viterra's primary elevator system represent approximately 75% to 80% of total costs and, as a result, reduced volume and inventory turns will negatively impact the achievable margin/earnings per tonne.

Crop quality is also an important factor because the majority of the higher quality grains and oilseeds are sent to port terminals for export. Accordingly, Viterra generates margins at each stage of its value chain through to its port terminals. Grains destined for domestic markets generate lower margins on average, particularly feed grains, which require little processing and handling. The mix of grains and oilseeds that Viterra manages in any given year is an important factor affecting margins and earnings. Viterra offers a number of programs to its primary customers, including drying and blending opportunities, in an attempt to mitigate some of the quality risk.

The level and mix of agri-products sales are also dependent on weather. Weather and moisture levels are a determining factor for, among other things, crop selection by producers at seeding time, the variety of seed sown, and the amount of proprietary seed purchased. Crop selection decisions also impact the amount of fertilizer and crop protection products Viterra sells since certain crops require significantly more inputs than others. During the growing season, weather determines the type and amount of agri-products applied to the land. Viterra's Agri-products segment works closely with its Grain Handling and Marketing segment to anticipate producers' intentions for seeding in order to manage agri-products inventories appropriately.

Viterra's elevators and agri-products distribution facilities in Canada are geographically dispersed throughout the Prairie provinces, diversifying the Company's exposure to localized growing conditions. In Australia, the majority of the facilities are located in South Australia.

Viterra has historically had grain volume insurance to protect the cash flow of the Company from significant declines in grain volumes as a result of drought or other weather-related events. For 2011, the Company had $75 million of coverage in place for Canadian and Australian exposure. The Company intends to place similar coverage for 2012.

17.3 Food and Feed Product Safety Risk

The Company is subject to potential liabilities connected to food and feed safety and product handling. A significant portion of the Company's sales are generated from food products and the Company could be vulnerable in the event of a significant outbreak of food-borne illness or increased public health concerns in connection with certain food products.

To address consumer concern over food and feed safety and product handling, Viterra has established a number of processes to track and identify crops at every stage of production: from seed to customer delivery. Viterra's processes meet international standards, including the

International Organization for Standardization's ("IOS") ISO 22000, the internationally recognized system for food safety, and ISO 9001:2008, the ISO registration for the processing and export of grains, oilseeds and special crops. ISO 22000/ISO 9001:2008 registrations are verified by third-party audits.

The Company's country elevator network in North America consists of 82 grain facilities, including two joint venture country facilities, and nine processing facilities that are registered ISO 9001:2008 and ISO 22000:2005 compliant. The Quality Control department in Regina, Saskatchewan is also ISO 9001:2008 registered. The food processing plants are FSSC 22000:2010, British Retail Consortium ("BRC") and Safe Quality Food ("SQF") registered, accreditations approved by the Global Food Safety Initiative ("GFSI").

The Company's six Canadian feed mills and pre-mix facilities comply with all federal regulations and are Hazard Analysis and Critical Control Points ("HACCP") certified or compliant. In addition, Canadian operations are inspected by the Canadian Food Inspection Agency and U.S. feed mills are inspected by state and federal agencies in the U.S. The Friona Feed Mill is ISO 22000:2005 registered with plans for all U.S. and Canadian plants to be registered in the next year.

In Australia, Viterra's grain handling and malt operations are registered to the ISO 22000:2005 as well as the ISO 9001:2008 standards. The ISO 9001:2008 and ISO 22000:2005 accreditations cover Viterra Australia's broader grain handling and malting operations. The New Zealand feed operations are in the process of achieving ISO 22000:2005 registration in fiscal 2012.

Even with precautions taken, there is still a risk to Viterra that a serious food and feed incident may occur resulting in financial and reputation loss.

17.4 Safety and Environment Risk

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.

17.5 Commodity Price and Trading Risk

A significant portion of Viterra's sales are derived from its Grain Handling and Marketing segment. Earnings for this segment fluctuate based on the volume of grain handled and the market price of open market grains.

Pursuant to the newly enacted Canadian legislation, the *Marketing Freedom for Grain Farmers Act*, as of August 1, 2012, the CWB will no longer have a marketing monopoly on board grains. As such, after August 1, 2012, Viterra will assume marketing activities for these grains in its system, in the same manner as open market grains.

In North America, board grains accounted for about 45% of total grain shipped by Viterra in fiscal 2011 versus about 49% in fiscal 2010. For these grains, the Company's risks are reduced in part through the terms of formal legal arrangements between Viterra and the CWB. The

arrangements provide for full reimbursement of the price paid to producers for grain as well as certain costs incurred by Viterra. Adverse impacts may be experienced by Viterra whereby handling of board grains results in a loss of grade or, in the case of the CWB's tendering program, Viterra fails to meet the requirements under the tendering contract. Viterra employs grain grading, handling procedures and quality testing across its value chain to help mitigate these risks.

For all grains, oilseeds and special crops handled and marketed by Viterra, including board grains after August 1, 2012, the Company is exposed to the risk of movement in price between the time the grain is purchased and when it is sold. Financial risk management activities commonly referred to as "hedging", where such opportunities exist, can reduce this risk. Hedging is the placing in the futures market of a position opposite to one held in the cash market in order to reduce the risk of financial loss from an adverse price change. In so doing, the Company assumes basis risk to the extent the futures market and the cash market do not change by directly equivalent amounts. The Company uses exchange-traded futures and options contracts as well as Over the Counter ("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.

Management has reviewed its risk assessment of commodity price risk and has implemented an updated Value at Risk ("VaR") method in order to standardize the risk assessment globally. All market risk associated with commodity price movement is measured using the 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. Management also regularly stress tests commodity risk positions for performance under low probability scenarios and against historical benchmarks. Management use this analysis to contextualize daily VaR results and to assess the impact that such scenarios may have on the Company's financial results.

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 grain handling and marketing operations 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.

17.6 International Trade and Compliance Risk

The Company conducts business with customers in over 50 countries, and its global sales and merchandising operations are conducted through its subsidiaries in many jurisdictions. Viterra's operations outside of Canada require the Company to comply with a number of Canadian and international regulations, including export control regulations and anti-corruption legislation. Violation of these could have a material adverse effect on our consolidated results, operations, or financial condition. To mitigate these risks, the Company has internal control policies and procedures and has implemented training and compliance programs for its employees. In addition, the Company has adopted international standard operating procedures with defined roles and responsibilities to mitigate risk from trade inception to execution.

17.7 Sovereign and Political Risk

The world grain market is subject to numerous risks and uncertainties, such as global political and economic conditions, which can affect the Company's ability to compete in the world grain market and importing countries' abilities to purchase grain and other agri-food products. Both of these factors affect export levels of board grains and open market grains and oilseeds, which in turn affect the Company's handling volumes and can have a material adverse effect on the Company's financial results, business prospects and financial condition.

International agricultural trade is affected by high levels of domestic support and global export subsidies, especially by the U.S. and the E.U. Such subsidies interfere with normal market demand and supply forces and generally put downward pressure on commodity prices. Tariffs and subsidies can restrict access to foreign markets and can prevent the expansion of the Canadian agri-food processing industry. The political influence of the farm sector in both the U.S. and the E.U. is very significant, and agricultural negotiations are driven as much by political needs as they are by economics.

Canada has been involved in negotiations through the World Trade Organization ("WTO") to address tariff, export subsidy and domestic support issues. Where appropriate, Canada will also enter into bilateral negotiations to address market access issues. Restrictive trade practices can and have been challenged through the "Dispute Resolution" mechanisms of the WTO. On non-tariff trade matters, Canada will engage the country imposing restrictions directly**.** Viterra works directly with the federal government and trade organizations to identify and resolve tariff issues and non-tariff trade barriers.

In addition, the Company's foreign operations may be subject to the risks normally associated with the conduct of business in certain foreign countries, including uncertain political and economic environments; strong governmental control and regulation; lack of an independent judiciary; war, terrorism and civil disturbances; crime; corruption; changes in laws, regulations or policies of a particular country, including those related to imports, exports, duties and currency; cancellation or renegotiation of contracts; tax increases or other claims by government entities, including retroactive claims; the risk of expropriation and nationalization; delays in obtaining or the inability to obtain or maintain necessary permits; currency fluctuations; high inflation; restrictions on the ability of such companies to hold USD or other foreign currencies in offshore bank accounts; import and export regulations; limitations on the repatriation of earnings; and

increased financing costs. The occurrence of one or more of these risks may have a material adverse effect on the Company's financial results, business prospects and financial condition.

17.8 Capital Market Risk

General economic and business conditions that impact global debt or equity markets can impact the availability of credit and the cost of credit for the Company. This capital market risk could have a material adverse effect on the Company's financial results, business prospects and financial condition.

The Company mitigates this risk by establishing long-term relationships with banks and capital market participants, maintaining the Company's debt at prudent levels and by diversifying the source and maturity dates of its capital.

17.9 Liquidity Risk

The Company's liquidity risk refers to its ability to settle or meet its obligations as they fall due. 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 requirements, planned 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. See Section 9.3 of this MD&A and Notes 13, 15 and 24 of the Notes to the Consolidated Financial Statements for further information on credit facilities in place and liquidity risk. Management believes that future cash flows from operations and availability under existing banking arrangements will be adequate to support these financial liabilities.

17.10 Financial Reporting Risk

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with GAAP. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation.

17.11 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 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™. Credit defaults by Viterra's customers or counterparties could have a material adverse effect on Viterra's financial results and financial condition.

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.

Viterra's average bad debt write-offs over the past two fiscal years have averaged less than 0.05% of sales and other operating revenues. See Note 24 of the Notes to the Consolidated Financial Statements.

17.12 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 acquisition of foreign operations has exposed the Company to the impact of changes in the Australian Dollar ("AUD") to CAD exchange rate on its net investment in Viterra Australia and to the impact of changes in the USD to CAD exchange rate on its net investment in the U.S. For accounting purposes, these foreign operations are considered to be self-sustaining entities and, therefore, the impact of changes in the exchange rate will be recognized in the Accumulated Other Comprehensive Income section of the Company's Consolidated Statements of Shareholders' Equity.

To the extent that the Company has not fully hedged its foreign exchange risks, a fluctuation of the CAD against the USD, AUD or other relevant currencies could have a material effect on Viterra's financial results.

17.13 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. The Company has used interest rate swaps to manage variable interest rates associated with a portion of the Company's debt portfolio.

17.14 Merger and Acquisition Risk

Viterra has made a number of significant acquisitions since 2007 and is expected to continue to acquire assets that meet its criteria. The evaluation of such opportunities includes comprehensive pre-acquisition due diligence and post-acquisition integration. Any acquisition that Viterra may choose to complete may be of a significant size, may change the scale of Viterra's business and operations, and may expose Viterra to new geographic, industry, regulatory, operating and financial risks. Viterra's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of Viterra. Any acquisitions would be accompanied by risks that may include:

- adverse changes to the industry of the purchased company or asset,
- difficulty integrating the operations and personnel, realizing anticipated synergies, maximizing the financial and strategic position of the combined enterprise, and maintaining uniform policies, systems and controls across the organization,
- unexpected costs and liabilities which may be significant and not covered by an indemnity in the acquisition agreement,
- disruptions to Viterra's current businesses and its relationships with employees, customers and suppliers, and
- business risks that Viterra has not been previously engaged in and exposed to.

There can be no assurance that Viterra would be successful in overcoming these risks or any other difficulties encountered in connection with such acquisitions. These risks and difficulties, if they materialize, could disrupt the Company's ongoing business, increase expenses and adversely affect Viterra's financial results, business prospects and financial condition.

17.15 Regulatory Risk

As per the *Marketing Freedom for Grain Farmers Act*, as of August 1, 2012 the CWB will no longer have a marketing monopoly on board grains. Leading up to August 1, 2012, under the *CWB Act*, the CWB is established as the central selling agency for the export of board grains. Since board grains accounted for approximately 45% of the grain shipped by the Company for the fiscal year ended October 31, 2011, the size and scheduling of CWB's export program can significantly affect the quantity and timing of the Company's grain handling volumes leading up to August 1, 2012. Viterra works closely with the operations staff of the CWB on a daily basis to co-ordinate the quantity and timing of board and non-board grain movement to try and maximize efficiency of pipeline logistics.

In Australia, WEA administers a scheme under which all exporters of bulk wheat must be accredited. Viterra's Australian operations are currently accredited until September 30, 2014. To maintain its accreditation, Viterra must provide access to its port services to other exporters pursuant to access arrangements approved by the ACCC. A loss of its accreditation could have a material adverse effect on the Company's financial results, business prospects and financial condition.

Since March 2011, two separate parliamentary inquiries have been established to investigate issues arising from the operation of vertically integrated wheat export and bulk handling companies such as Viterra:

- in South Australia, the current inquiry by the Senate Select Committee of the House of Assembly of the Parliament of South Australia to investigate the Grain Handling Industry, and
- in federal Parliament, the current inquiry by the Senate Rural Affairs and Transport References Committee to investigate Operational Issues Arising in the Export Grain Storage, Transport, Handling and Shipping Network in Australia.

To date, Viterra has provided extensive written submissions and given evidence before public hearings at both inquiries, respectively. Viterra has placed on record its role in facilitating record shipments from South Australia, and outlined its substantial and continuing investment in the region. The 2010-11 Viterra Post Harvest Review has been a key reference to support Viterra's evidence, due to the strong overlap with the terms of reference of both parliamentary inquiries. Each inquiry is due to report to its respective Parliament in 2012.

In Australia, the Company is involved in a number of mandatory energy and carbon reporting programs regulated under the *Energy Efficiencies Opportunities Act* and the *National Greenhouse and Energy Reporting Act* ("NGER"). The recently passed *Clean Energy Act* will introduce a carbon pricing mechanism in the form of a Carbon Tax as of July 1, 2012. This will impose a set price on an equivalent tonne of carbon emitted with an initial price of $23.00 AUD per tonne, rising by 2.5% over the subsequent two years. From July 1, 2015 onward the market will set the price through an auction. Large emitters (greater than 25,000 tonnes of carbon) will be liable to pay the carbon price. Energy, fuel and other inputs are expected to become more expensive with the introduction of this carbon tax. The tax will impact Viterra both directly, with at least one facility exceeding the 25,000 tonne threshold, and indirectly through price increases for other inputs. However, preliminary Viterra estimates predict only a minor financial (non-material) effect on the Company.

In New Zealand, the financial obligations of an emissions trading scheme ("ETS") commenced on July 1, 2010. An external review of the New Zealand ETS (concluded on June 30, 2011) resulted in a recommendation to incrementally phase in the energy, transport and industrial sector obligations over 2012 to 2015 as opposed to the originally proposed 2013 deadline. There will be no direct impact on the Company with regard to the New Zealand ETS, and indirect impacts through increased energy prices for Viterra's feed mills are not expected to be material.

In North America, Viterra assesses emissions to monitor potential impacts to the business given pending and anticipated changes to the regulatory environment. The Company participates in mandatory reporting on emissions, such as the National Pollutant Release Inventory. Greenhouse gas ("GHG") emissions are also assessed, although reporting is not required as GHG emissions of existing operations are below existing or proposed North American GHG reporting thresholds. Emissions (particulates, ammonia, metals, GHG) monitored by Viterra are not currently subject to regulatory reduction criteria under current legislation. Apart from the resources that it takes to report and assess emissions, there is no direct financial impact to the business in relation to regulated emission reductions at this time. It is notable that emission reductions for particulates have the potential to be imposed in future and could have a material adverse impact on the Company's financial results, business prospects and financial condition.

17.16 Corporate Social Responsibility Risk

Increasingly, shareholders are looking for evidence that corporations are making reasoned decisions regarding sustainability issues, (environmental and social issues, even beyond what is

required for legal and regulatory compliance). The global agricultural and food ingredients markets are highly competitive. The industry is driven by various supply and demand fundamentals as well as by consumer expectations. Those involved in moving agricultural ingredients around the world have to demonstrate that they are doing so in consideration of sustainability and environmental factors in their business practices. The failure to meet sustainability requirements or expectations of the Company's shareholders, customers, suppliers and other key external stakeholders could result in the loss of acceptable supplier status, an inability to obtain required licenses or financing in new or existing markets, opposition from non-governmental organizations ("NGOs"), and reputational damage.

Viterra has implemented specific programs to mitigate these risks, including disclosure of environmental social and governance programs and performance via the corporate website (www.viterra.com), programs for stakeholder engagement through shareholder meetings, participation in customer audits, community investment, roundtable discussions with agricultural groups, and the launch of a web feedback tool. The Company has also adopted enhanced due diligence practices with a focus on corporate responsibility and sustainability for new market entries. In June, 2011, the Board and its Committees reviewed and revised their respective mandates against evolving needs of the Company and best practices of their peer group, to better define their objectives, roles and responsibilities, including giving higher prominence to safety, health and environmental matters. The mandate for the Safety, Health, Environment and Sustainability Committee was revised to provide specific duties for sustainability and for the Company's emergency response program and crisis management plan. The Board and Committee Mandates are available on the Company's website at www.viterra.com.

Despite these efforts, and notwithstanding the Company's belief that there is a limited risk of these concerns in existing markets, ever-changing consumer sentiments with respect to social responsibility could negatively impact the Company's reputation. Adverse publicity resulting from actual or perceived violations of environmental laws and regulations, from business practices considered environmentally irresponsible, or from damage to the environmental reputation of the Company's suppliers, may weaken the value of the Company's brand image, negatively impact customer attitudes and decrease demand for the Company's products. This may lead to a decrease in results of operations and the Company's share price. These impacts may occur even if the allegations are not directed against the Company or are not valid, and even if the Company is not found liable. Other companies in the global agricultural and food ingredients markets have encountered these issues, resulting in reduced demand for, or boycotts of, their products.

17.17 Third-party Relationship Risk

There is a risk to Viterra that third-party relationships may fail, resulting in the potential for operational disruptions, financial loss and reputational loss. These third-party relationships include:

- operational relationships with key customers and suppliers,
- railway companies and other transportation services to carry the Company’s products to market,
- banks that lend money to the Company directly and through lending syndicates, act as counterparties and provide banking services,
- rating agencies such as DBRS Limited, Standard & Poor’s and Moody’s,
- agent agreements,

- information system vendors,
- counterparty relationships with trading partners,
- futures exchanges, and
- government and regulatory agencies.

If any of these relationships should falter, Viterra may experience business disruption and financial loss. Depending upon the circumstance, there could also be a loss of reputation.

17.18 Information Technology Risk

Viterra places significant reliance on information technology for information and processing that support financial, regulatory, administrative, and commercial operations. In addition, the Company relies upon telecommunication services to interface with its global operations, customers and business partners. The failure of any such systems for a significant time period could have a material adverse effect on the Company's financial results, business prospects and financial condition. Viterra endeavours to mitigate the risk of interruption by contracting business resumption services to global third-party service providers. Viterra also has a disaster recovery plan in place for the technical recovery of information systems.

17.19 Tax Risk

Viterra is subject to ongoing tax audits and assessments in various jurisdictions. Accordingly, we may incur additional tax expense based upon our assessment of the probable outcomes of such matters. In addition, when applicable, Viterra adjusts the previously recorded tax expense to reflect audit results. The Company's ongoing assessments of the probable outcomes of the examinations and related tax positions require judgment and can materially increase or decrease our effective tax rate as well as impact our operating results. Changes in tax law or changes in the way that tax law is expected to be interpreted may also impact the Company's effective tax rate as well as its business and operations.

17.20 Talent Management and Succession Planning Risk

The Company is dependent on the continued services of its senior management team, and its ability to retain other key personnel. Although the Company believes that it could replace such key employees in a timely fashion should the need arise, the loss of such key personnel could have a material adverse effect on the Company. To address this risk, Management has a succession and development program. Management also reviews the Company's compensation programs on a regular basis to ensure they are competitive with the markets in which Viterra operates so that key positions can be recruited when internal candidates are not available.

17.21 Employee Relations Risk

A labour disruption could have a material adverse effect on the Company's financial results, business prospects and financial condition. There can be no assurance that labour difficulties will not arise at one or more of the Company's facilities or at any other company upon which Viterra is dependent for transportation or other services. To address this risk, Management has taken a consistent and transparent approach to labour discussions with all employees, regardless of representation. While this approach to collective bargaining has been successful in the past, there can be no assurance that the Company will be able to conclude new collective agreements or that labour disruptions will not occur in the future.

18. NON-GAAP MEASURES

Adjusted EBITDA ("EBITDA") – Earnings before financing expenses, taxes, goodwill impairment, amortization, (gain) loss on disposal of assets, integration expenses, and net foreign exchange gain (loss) on acquisition and Adjusted EBIT ("EBIT") – Earnings before financing expenses, taxes, (gain) loss on disposal of assets, integration expenses, and net foreign exchange gain (loss) on acquisition 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 its 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.

EBITDA to cash interest is defined as EBITDA divided by cash interest where cash interest is net financing expenses, excluding refinancing costs less non-cash financing expenses. The ratio is calculated on a rolling 12-month basis. This measure is intended to assess interest coverage and the Company's ability to service its interest bearing debt.

Total debt, net of cash and cash equivalents 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.

Operating cash flow prior to working capital changes ("operating cash flow") 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 a financial measure 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 operating cash flow, 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.

CFROA is calculated by the Company using operating cash flow excluding pre-tax cash interest less sustaining capital expenditures (net of proceeds) divided by average long-term assets plus average non-interest bearing working capital. The measure is used to assess the Company's ability to generate cash flow returns in relation to the Company's weighted average cost of capital. It is the Company's view that there is no comparable GAAP financial measure. The Company reports this ratio annually.

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 Twelve Months ended October 31,	**2011**	2010	*Better (Worse)*
	Gross profit and net operating revenues	**$ 1,548,319**	$ 1,258,567	*$ 289,752*
	Operating, general and administrative expenses	**846,413**	740,984	*(105,429)*
	Adjusted EBITDA	**$ 701,906**	$ 517,583	*$ 184,323*
	Goodwill impairment	**$ 7,681**	$ -	*$ (7,681)*
	Amortization	**205,536**	192,676	*(12,860)*
	Adjusted EBIT	**$ 488,689**	$ 324,907	*$ 163,782*
	Loss (gain) on disposal of assets	**$ 289**	$ (7,778)	*$ (8,067)*
	Integration expenses	**4,601**	5,449	*848*
	Net foreign exchange loss on acquisition	**-**	159	*159*
	Financing expenses	**115,684**	138,107	*22,423*
		$ 368,115	$ 188,970	*$ 179,145*
	Provision for corporate income taxes			
	Current	**$ 85,262**	$ 27,722	*$ (57,540)*
	Future	**17,444**	15,976	*(1,468)*
	Net earnings	**$ 265,409**	$ 145,272	*$ 120,137*
	Cash from operating activities	**$ 192,724**	$ 152,144	*$ 40,580*
	Changes in non-cash working capital	**304,432**	209,105	*95,327*
	Operating cash flow prior to working capital changes	**$ 497,156**	$ 361,249	*$ 135,907*
	Property, plant and equipment expenditures	**$ 206,654**	$ 105,313	*$ (101,341)*
	Intangible assets expenditures	**25,692**	16,515	*(9,177)*
	Free cash flow	**$ 264,810**	$ 239,421	*$ 25,389*
	As at October 31,			
	Current assets	**$ 3,285,502**	$ 2,460,270	*$ 825,232*
	Current liabilities	**1,590,641**	1,184,275	*(406,366)*
	Current ratio (current assets/current liabilities)	**2.07 x**	2.08 x	*(0.01 x)*
	Short-term borrowings	**$ 125,138**	$ 61,677	*$ (63,461)*
[A]	Long-term debt due within one year	**$ 2,406**	$ 2,295	*$ (111)*
[A]	Long-term debt	**1,085,680**	896,834	*(188,846)*
[B]	Total debt	**$ 1,213,224**	$ 960,806	*$ (252,418)*
[C]	Cash and cash equivalents	**$ 298,060**	$ 154,793	*$ 143,267*
	Total debt, net of cash and cash equivalents	**$ 915,164**	$ 806,013	*$ (109,151)*
[D]	Total equity	**$ 4,037,795**	$ 3,710,263	*$ 327,532*
[E]	Total capital [B + D]	**$ 5,251,019**	$ 4,671,069	*$ 579,950*
	Debt-to-total capital [B]/[E]	**23.1%**	20.6%	*(2.5 pt)*
	Long-term debt-to-total capital [A]/[E]	**20.7%**	19.2%	*(1.5 pt)*

19. EVALUATION OF CONTROLS AND PROCEDURES

Internal Controls and Procedures

Management, including the President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining appropriate internal controls over financial reporting. Management has evaluated the design and effectiveness of Viterra's internal controls over financial reporting (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of October 31, 2011. In doing so, Management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework

to evaluate the effectiveness of the Company's internal control over financial reporting. Based on the evaluation of design and operating effectiveness of the Company's internal controls over financial reporting, the President and Chief Executive Officer and the Chief Financial Officer concluded that the Company's internal controls over financial reporting were effective as at October 31, 2011.

It should be noted that all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting that occurred during the period that have materially affected or are reasonably likely to materially affect the Company's internal controls over financial reporting.

20. FORWARD-LOOKING INFORMATION

This MD&A contains certain information that is "forward–looking information", "forward-looking statements" and "future oriented financial information" (collectively herein referred to as "forward-looking statements") within the meaning of applicable securities laws. The words ''anticipate'', ''expect'', ''believe'', ''may'', "could", ''should'', ''estimate'', "plan", ''project'', "intend", ''outlook'', ''forecast'', "likely", "probably" 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. Forward-looking statements in this document may include, among others, statements regarding future operations and results, anticipated business prospects and financial performance of Viterra and its subsidiaries, expectations or projections about the future, strategies and goals for growth, expected and future cash flows, costs, planned capital expenditures, anticipated capital projects, construction and completion dates, operating and financial results, critical accounting estimates and expected impact of future commitments and contingent liabilities. All forward-looking statements reflect Viterra's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. All of the Company's forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions listed below. Although Viterra believes that these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include the following:

- litigation against the federal government regarding the amendment and repeal of the *Canadian Wheat Board Act* is resolved in favour of the Government of Canada and there is no delay in the implementation of the amendments;
- 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 producer customers in North America;
- movement and sales of board grains by the CWB;
- 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 grain, 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 agri-products and feed product 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. Factors that could cause actual results or events to differ materially from current expectations include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Viterra to successfully implement its strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Company's assets, the availability and price of commodities and regulatory environment, processes and decisions. By its nature, forward-looking information is subject to various risks and uncertainties, including those risks discussed in the Risks and Risk Management sections in this MD&A, and in the "Canadian Regulation" and "Environmental and Sustainability Matters" sections in the Company's Annual Information Form, any of which could cause Viterra's actual results and experience to differ materially from the anticipated results or expectations expressed. Additional information on these and other factors is available in the reports filed by Viterra with Canadian and Australian securities regulators. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this MD&A or otherwise, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. Viterra undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

21. ADDITIONAL INFORMATION

Additional information about Viterra, including its most recent Annual Information Form, can be found on the Company's website at www.viterra.com and under the Company's profile on SEDAR at www.sedar.com.