VITERRA INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JULY 31, 2012

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Management's Discussion and Analysis

The following interim Management's Discussion and Analysis ("MD&A") for Viterra Inc. ("Viterra" or the "Company") updates the Company's annual MD&A and should be read in conjunction with the Condensed Consolidated Financial Statements ("condensed financial statements") and related notes for the three and nine month periods ended July 31, 2012, as well as the annual MD&A included in Viterra's 2011 Annual Report. No update has been provided where an item is not material or there has been no material change from the discussion in the annual MD&A. Unless otherwise noted, all financial information reflected herein is expressed in Canadian dollars ("CAD") and in accordance with International Financial Reporting Standards ("IFRS"). Previously, the Company prepared its condensed and annual financial statements in accordance with Canadian generally accepted accounting principles ("CGAAP").

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

Readers are directed to consider the cautionary notes regarding forward-looking statements (see Section 8).

Proposed Acquisition of Viterra by Glencore International PLC

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

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

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

The Arrangement Agreement provides that Viterra will, and will cause its subsidiaries to, use commercially reasonable efforts to effect a reorganization of their business, operations and assets and integration of other affiliated businesses, as Glencore (through Subco) may reasonably request. Glencore and Subco have advised Viterra that they will request that Viterra effect a reorganization in connection with the completion of the Arrangement, but the details of that reorganization, and any effect that such a reorganization may have on the financial condition, financial performance and cash flows of Viterra and its subsidiaries, are still being finalized. Viterra expects the reorganization will involve the transfer of certain of Viterra's assets to a number of newly formed Viterra subsidiaries. These transfers include the packaging of certain assets in subsidiaries to be sold to Richardson International Limited ("Richardson") and to Agrium Inc. ("Agrium") following the completion of the Arrangement pursuant to separate agreements between Glencore and each of Richardson and Agrium, which agreements are described in Viterra's management information circular dated April 26, 2012 under the heading "Information Concerning the Agrium Support and Purchase Agreement, Richardson Purchase Agreement and Reorganization of Viterra". The reorganization will also include certain other additional internal asset transfers.

Viterra anticipates that Viterra's Global Credit Facility (as defined herein) will be repaid on Glencore's acquisition of Viterra. Upon completion of the Arrangement, Viterra and/or its subsidiaries may become liable for: (a) a material amount of indebtedness to affiliates of Glencore; and (b) indebtedness of approximately $1.775 billion to Agrium and approximately $796 million to Richardson (which will remain outstanding until the completion of the asset transfers to Agrium and Richardson referred to above (or is otherwise repaid in cash in accordance with its terms), which transfers are not expected to occur immediately after the closing of the Arrangement).

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

1. Operating Results

1.1 Analysis of Third Quarter Consolidated Results

Selected Condensed Consolidated Financial Results *(in thousands - except per share amounts)*	**Three Months ended July 31, 2012**	Three Months ended July 31, 2011	*Better (Worse)*	**Nine Months ended July 31, 2012**	Nine Months ended July 31, 2011	*Better (Worse)*
CONTINUING OPERATIONS						
Revenue	**$ 3,643,037**	$ 3,409,143	*$ 233,894*	**$ 10,754,033**	$ 8,297,377	*$ 2,456,656*
Cost of sales	**3,128,845**	2,943,201	*(185,644)*	**9,456,835**	7,140,433	*(2,316,402)*
Gross profit	**$ 514,192**	$ 465,942	*$ 48,250*	**$ 1,297,198**	$ 1,156,944	*$ 140,254*
Operating, general and administrative expenses	**282,714**	262,318	*(20,396)*	**796,379**	707,854	*(88,525)*
Loss (gain) on disposal of assets	**46**	(155)	*(201)*	**(2,939)**	(485)	*2,454*
Transaction costs	**4,933**	-	*(4,933)*	**13,890**	-	*(13,890)*
Finance costs	**48,061**	30,503	*(17,558)*	**106,577**	96,105	*(10,472)*
Earnings before income taxes	**$ 178,438**	$ 173,276	*$ 5,162*	**$ 383,291**	$ 353,470	*$ 29,821*
Income tax expenses	**66,886**	48,062	*(18,824)*	**114,780**	96,410	*(18,370)*
Net earnings from continuing operations	**$ 111,552**	$ 125,214	*$ (13,662)*	**$ 268,511**	$ 257,060	*$ 11,451*
DISCONTINUED OPERATIONS						
Net loss from discontinued operations	**$ (488)**	$ (1,727)	*1,239*	**$ (12,644)**	$ (2,733)	*(9,911)*
Net earnings	**$ 111,064**	$ 123,487	*$ (12,423)*	**$ 255,867**	$ 254,327	*$ 1,540*
Basic and diluted earnings per share from continuing operations	**$ 0.30**	$ 0.34	*$ (0.04)*	**$ 0.72**	$ 0.69	*$ 0.03*
Basic and diluted earnings per share	**$ 0.30**	$ 0.34	*$ (0.04)*	**$ 0.69**	$ 0.68	*$ 0.01*

In the third quarter of fiscal 2012 consolidated revenues increased 7% to $3.6 billion from $3.4 billion in the corresponding period of fiscal 2011. The increase was attributable to all three business segments. Grain Handling and Marketing revenues increased due to higher commodity prices and additional origination and merchandising activity from the International Grain group. Agri-Products revenues increased over the prior year due to strong fertilizer pricing, the new fuel business in Western Canada and higher crop protection product sales. Processing revenues increased due to the new canola crush facility in China. On a year-to-date basis, these same factors plus increased shipping volumes from the Company's assets in Canada increased revenues to $10.8 billion from $8.3 billion a year earlier.

Gross profit for the third quarter increased to $514 million compared to $466 million in the comparable period of fiscal 2011. Under current reporting, gross profit includes depreciation expense of $11 million in both periods. The majority of the gross profit increase related to Agri-Products, whose contribution improved $44 million as a result of higher fertilizer pricing and increased contributions from crop protection products (see Section 2.2). Grain Handling and Marketing's third quarter contribution was comparable quarter over quarter (see Section 2.1). The Processing segment's quarterly results improved $5 million due to new contributions from the Company's canola crush plant in China and improvements in the malt and oat operations. These increases were in part offset by lower contributions from the pasta operation (see Section 2.3). For the first nine months of fiscal 2012, all segments increased gross profit bringing the year-to-date total to $1.3 billion compared to $1.2 billion in the corresponding period a year earlier. Gross profit for the first nine months of fiscal 2012 includes depreciation of $33 million, on par with the corresponding period a year earlier.

Consolidated operating, general and administrative ("OG&A") expenses for the quarter were $283 million compared to $262 million a year earlier. This increased OG&A expenses for the first nine months to $796 million versus $708 million a year earlier. Under current reporting, OG&A expenses include $45 million (2011 - $37

million) in depreciation and amortization expense for the third quarter and $128 million (2011 - $108 million) in the first nine months of the fiscal year. The increase in depreciation and amortization for both the third quarter and first nine months of fiscal 2012 reflects the addition of new assets. The majority of the remaining OG&A increase is related to the Grain Handling and Marketing and Agri-Product segments. Grain Handling and Marketing expenses increased due to additional labour costs required to handle the higher shipments in Canada and Australia and provide an increased level of service to growers in Australia. OG&A expenses for this segment also increased due to costs for new operations such as the Montreal port facility and marketing offices added during the latter half of fiscal 2011. Increased sales activity and the new fuel business in the Agri-Products segment increased its OG&A expenses.

Transaction costs of $5 million were recorded in the third quarter, bringing the year-to-date total to $14 million. These costs are attributable to the Arrangement Agreement with Glencore.

Total finance costs were $48 million in the third quarter of 2012, an increase of $18 million from the corresponding period a year earlier. The increase during the quarter is primarily due to $15 million in redemption premiums and $6 million in accelerated amortization of transaction costs recorded for the payout of $300 million long-term notes on July 12, 2012 and $200 million on August 01, 2012. On a year-to-date basis, finance costs increased $10 million from last year. The redemption premium was in part offset by lower short-term interest costs due to lower average borrowings and interest rates.

Viterra recorded a net corporate tax provision from continuing and discontinued operations of $67 million for the quarter, including a one-time item of $31 million reflecting the impact of a change in Australia tax law enacted during the quarter. The effective tax rate for the third quarter is 37.5% (2011 – 27.7%), or 20.5% without the Australian one-time item. The year to date effective tax rate is 29.9% (2011 – 27.3%), or 21.8% excluding the Australian one-time item. The effective tax rate excluding the Australian discrete item for both periods is lower than the estimated annual effective tax rate of 23.2% as the quarterly rate reflects increased earnings in lower tax jurisdictions.

Earnings from discontinued operations include the Company's North American feed assets as Viterra disposed of these assets in the second quarter.

Viterra's third quarter net earnings were $111 million ($0.30 per share) compared to $123 million ($0.34 per share) in the same three-month period last year. Net earnings for the nine months ended July 31, 2012 were $256 million ($0.69 per share) compared to $254 million ($0.68 per share) in the corresponding period of fiscal 2011.

Selected Condensed Segment Financial Information

(in thousands)

	Three Months ended July 31, 2012					
	Consolidated	Inter-segment Elimination	Grain Handling and Marketing	Agri-Product	Processing	Corporate
CONTINUING OPERATIONS						
Revenue	**$ 3,643,037**	**$ (205,962)**	**$ 2,213,403**	**$1,308,928**	**$ 326,668**	**$ -**
Cost of sales	**3,128,845**	**(205,962)**	**2,006,171**	**1,038,208**	**290,428**	**-**
Gross profit	**$ 514,192**	**$ -**	**$ 207,232**	**$ 270,720**	**$ 36,240**	**$ -**
Operating, general and administrative expenses	**282,714**	**-**	**135,155**	**88,594**	**14,255**	**44,710**
Loss (gain) on disposal of assets	**46**	**-**	**31**	**(129)**	**145**	**(1)**
Transaction costs	**4,933**	**-**	**-**	**-**	**-**	**4,933**
Finance costs	**48,061**	**-**	**1,840**	**809**	**285**	**45,127**
Pre-tax earnings (loss) from continuing operations	**$ 178,438**	**$ -**	**$ 70,206**	**$ 181,446**	**$ 21,555**	**$ (94,769)**
DISCONTINUED OPERATIONS						
Pre-tax loss from discontinued operations	**$ (572)**	**$ -**	**$ -**	**$ -**	**$ (572)**	**$ -**

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	Three Months ended July 31, 2011					
	Consolidated	Inter-segment Elimination	Grain Handling and Marketing	Agri-Product	Processing	Corporate
CONTINUING OPERATIONS						
Revenue	$ 3,409,143	$ (155,178)	$ 2,186,811	$ 1,134,746	$ 242,764	$ -
Cost of sales	2,943,201	(155,178)	1,979,597	908,282	210,500	-
Gross profit	$ 465,942	$ -	$ 207,214	$ 226,464	$ 32,264	$ -
Operating, general and administrative expenses	262,318	-	126,363	75,139	13,456	47,360
Loss (gain) on disposal of assets	(155)	-	(3)	(164)	12	-
Transaction costs	-	-	-	-	-	-
Finance costs (recovery)	30,503	-	1,511	384	(749)	29,357
Pre-tax earnings (loss) from continuing operations	$ 173,276	$ -	$ 79,343	$ 151,105	$ 19,545	$ (76,717)
	$ -					
DISCONTINUED OPERATIONS	$ -					
Pre-tax loss from discontinued operations	$ (2,261)	$ -	$ -	$ -	$ (2,261)	$ -

	Differences Better (Worse)					
	Consolidated	Inter-segment Elimination	Grain Handling and Marketing	Agri-Product	Processing	Corporate
CONTINUING OPERATIONS						
Revenue	$ 233,894	$ (50,784)	$ 26,592	$ 174,182	$ 83,904	$ -
Cost of sales	(185,644)	(50,784)	(26,574)	(129,926)	(79,928)	-
Gross profit	48,250	-	18	44,256	3,976	-
Operating, general and administrative expenses	$ (20,396)	$ -	$ (8,792)	$ (13,455)	$ (799)	$ 2,650
Loss (gain) on disposal of assets	(201)	-	(34)	(35)	(133)	1
Transaction costs	(4,933)	-	-	-	-	(4,933)
Finance costs (recovery)	(17,558)	-	(329)	(425)	(1,034)	(15,770)
Pre-tax earnings (loss) from continuing operations	$ 5,162	$ -	$ (9,137)	$ 30,341	$ 2,010	$ (18,052)
DISCONTINUED OPERATIONS						
Pre-tax loss from discontinued operations	$ 1,689	$ -	$ -	$ -	$ 1,689	$ -

Selected Condensed Segment Financial Information
(in thousands)

	Nine Months ended July 31, 2012					
	Consolidated	**Inter-segment Elimination**	**Grain Handling and Marketing**	**Agri-Product**	**Processing**	**Corporate**
CONTINUING OPERATIONS						
Revenue	**$10,754,033**	**$ (614,269)**	**$ 7,987,305**	**$ 2,416,947**	**$ 964,050**	**$ -**
Cost of sales	**9,456,835**	**(614,269)**	**7,234,326**	**1,970,882**	**865,896**	**-**
Gross profit	**$ 1,297,198**	**$ -**	**$ 752,979**	**$ 446,065**	**$ 98,154**	**$ -**
Operating, general and administrative expenses	**796,379**	**-**	**413,208**	**208,501**	**43,187**	**131,483**
Loss (gain) on disposal of assets	**(2,939)**	**-**	**(3,121)**	**(173)**	**354**	**1**
Transaction costs	**13,890**	**-**	**-**	**-**	**-**	**13,890**
Finance costs	**106,577**	**-**	**5,273**	**1,526**	**1,059**	**98,719**
Pre-tax earnings (loss) from continuing operations	**$ 383,291**	**$ -**	**$ 337,619**	**$ 236,211**	**$ 53,554**	**$ (244,093)**
DISCONTINUED OPERATIONS						
Pre-tax loss from discontinued operations	**$ (16,307)**	**$ -**	**$ -**	**$ -**	**$ (16,307)**	**$ -**

	Nine Months ended July 31, 2011					
	Consolidated	Inter-segment Elimination	Grain Handling and Marketing	Agri-Product	Processing	Corporate
CONTINUING OPERATIONS						
Revenue	$ 8,297,377	$ (445,493)	$ 6,174,685	$ 1,861,058	$ 707,127	$ -
Cost of sales	7,140,433	(445,493)	5,454,859	1,519,863	611,204	-
Gross profit	$ 1,156,944	$ -	$ 719,826	$ 341,195	$ 95,923	$ -
Operating, general and administrative expenses	$ 707,854	$ -	$ 366,780	$ 176,406	$ 37,789	$ 126,879
Loss (gain) on disposal of assets	(485)	-	(529)	23	351	(330)
Transaction costs	-	-	-	-	-	-
Finance costs (recovery)	96,105	-	4,104	1,042	(2,412)	93,371
Pre-tax earnings (loss) from continuing operations	$ 353,470	$ -	$ 349,471	$ 163,724	$ 60,195	$ (219,920)
DISCONTINUED OPERATIONS						
Pre-tax loss from discontinued operations	$ (3,352)	$ -	$ -	$ -	$ (3,352)	$ -

	Differences Better (Worse)					
	Consolidated	Inter-segment Elimination	Grain Handling and Marketing	Agri-Product	Processing	Corporate
CONTINUING OPERATIONS						
Revenue	$ 2,456,656	$ (168,776)	$ 1,812,620	$ 555,889	$ 256,923	$ -
Cost of sales	(2,316,402)	(168,776)	(1,779,467)	(451,019)	(254,692)	-
Gross profit	140,254	-	33,153	104,870	2,231	-
Operating, general and administrative expenses	$ (88,525)	$ -	$ (46,428)	$ (32,095)	$ (5,398)	$ (4,604)
Loss (gain) on disposal of assets	2,454	-	2,592	196	(3)	(331)
Transaction costs	(13,890)	-	-	-	-	(13,890)
Finance costs (recovery)	(10,472)	-	(1,169)	(484)	(3,471)	(5,348)
Pre-tax earnings (loss) from continuing operations	$ 29,821	$ -	$ (11,852)	$ 72,487	$ (6,641)	$ (24,173)
DISCONTINUED OPERATIONS						
Pre-tax loss from discontinued operations	$ (12,955)	$ -	$ -	$ -	$ (12,955)	$ -

1.2 Non-GAAP and Segment Measures Related to Operations

Selected Condensed Consolidated Financial Information *(in thousands - except per share amounts)*	Three Months ended July 31, 2012	2011	Better (Worse)	Nine Months ended July 31, 2012	2011	Better (Worse)
Revenue	**$ 3,643,037**	$ 3,409,143	*$ 233,894*	**$ 10,754,033**	$ 8,297,377	*$ 2,456,656*
Cost of sales	**3,128,845**	2,943,201	*(185,644)*	**9,456,835**	7,140,433	*(2,316,402)*
Gross profit	**$ 514,192**	$ 465,942	*$ 48,250*	**$ 1,297,198**	$ 1,156,944	*$ 140,254*
Add back: Depreciation	**11,446**	10,537	*909*	**33,044**	32,591	*453*
Adjusted gross profit	**$ 525,638**	$ 476,479	*$ 49,159*	**$ 1,330,242**	$ 1,189,535	*$ 140,707*
Operating, general, and administrative expenses	**282,714**	262,318	*(20,396)*	**796,379**	707,853	*(88,526)*
Add back: Depreciation and amortization	**45,040**	37,103	*7,937*	**127,961**	108,358	*19,603*
EBITDA	**$ 287,964**	$ 251,264	*$ 36,700*	**$ 661,824**	$ 590,040	*$ 71,784*
Depreciation and amortization	**56,486**	47,640	*(8,846)*	**161,005**	140,949	*(20,056)*
EBIT	**$ 231,478**	$ 203,624	*$ 27,854*	**$ 500,819**	$ 449,091	*$ 51,728*

Non-GAAP measures include:

- Adjusted gross profit – Gross profit before depreciation on manufacturing assets.
- Adjusted EBITDA ("EBITDA") – Earnings from continuing operations before finance costs, income taxes, depreciation and amortization, transaction costs and loss (gain) on disposal of assets.
- Adjusted EBIT ("EBIT") – Earnings before finance costs, income taxes, transaction costs and loss (gain) on disposal of assets.

Those items excluded in the determination of EBITDA and EBIT represent items that are non-cash in nature, income taxes, finance costs 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 performance and to supplement information on earnings (losses) as determined in accordance with IFRS.

Adjusted gross profit, which excludes depreciation on manufacturing assets, is used by Management to assess the results of operations. EBITDA is used by Management to assess the cash generated by operations, and EBIT is used by Management to assess earnings from operations prior to finance costs, transaction costs, (gain) loss on disposal of assets and income taxes. All three of these measures also provide important management information concerning reportable segment performance since the Company does not allocate finance costs, income taxes or other excluded items to these individual reportable segments.

These non-GAAP measures should not be considered in isolation of, or as a substitute for, GAAP measures such as net earnings (loss) as an indicator of the Company's profitability and operating performance or 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.

EBITDA was $288 million for the quarter compared to $251 million in the third quarter of fiscal 2011. The solid results for the period were driven by robust

contributions from the Agri-Products segment for the third consecutive quarter. For the nine months ended July 31, 2012, the Agri-Products segment has delivered record results and helped increased the Company's EBITDA to $662 million compared to $590 million a year earlier.

For further information on reportable segment performance, see Section 2 Reportable Segment Results.

1.3 Summary of Quarterly Financial Information

Select Quarterly Financial Information
For the quarters ended
(in millions - except per share amounts)

	IFRS[1]							CGAAP[1]
	July 31, 2012 Q3	April 30, 2012 Q2	January 31, 2012 Q1	October 31, 2011 Q4	July 31, 2011 Q3	April 30, 2011 Q2	January 31, 2011 Q1	October 31, 2010 Q4
Revenue	$ 3,643	$ 3,548	$ 3,563	$ 2,896	$ 3,409	$ 2,558	$ 2,330	$ 1,952
Gross profit	514	398	385	306	466	302	389	320
Operating, general and administrative expenses	283	266	248	264	262	220	226	182
Net earnings from continuing operations	112	72	85	12	125	31	101	138
Net earnings from discontinued operations	(0.5)	(5)	(7)	(45)	(1.7)	(0.6)	(0.4)	-
Net earnings	111	67	78	(33)	123	30	101	53
Basic and diluted earnings per share, from continuing operations	$ 0.30	$0.19	$ 0.23	$ 0.03	$ 0.34	$ 0.08	$ 0.27	$ 0.14
Basic and diluted earnings per share	$ 0.30	$0.18	$ 0.21	$ (0.09)	$ 0.33	$ 0.08	$ 0.27	$ 0.14

1 Prior to the 2012 fiscal year end, the Company's finanical statements were prepared in accordance with CGAAP. In the first quarter of 2012, the Company adopted IFRS with an effective transition date of November 1, 2010 and restated the 2011 fiscal year financial results to be in accordance with IFRS. Details regarding the Company's transition to IFRS are included in the Condensed Consolidated Financial Statements for the three months and nine months ended July 31, 2012.

A discussion of the factors that have caused variations over the quarters is found in Section 5 Other Matters, of the MD&A for the fiscal year ended October 31, 2011 and Section 2 Reportable Segment Results presented below. These sections discuss, among other things, the trends and seasonality of the Company's three operating reportable segments: Grain Handling and Marketing, Agri-Products and Processing.

2. Reportable Segment Results

2.1 Grain Handling and Marketing

Industry and Viterra Receipts and Shipments *(in thousands)*	**Three Months ended July 31,** 2012	2011	*Better (Worse)*	**Nine Months ended July 31,** 2012	2011	*Better (Worse)*
North American industry statistics *(tonnes)*						
Western Canadian receipts - six major grains	**7,449**	8,503	*(1,054)*	**26,095**	24,420	*1,675*
Western Canadian shipments - six major grains	**7,459**	8,331	*(872)*	**26,381**	24,033	*2,348*
Canadian industry terminal receipts	**5,762**	6,607	*(845)*	**18,818**	17,772	*1,046*
Viterra - North American operations *(tonnes)*						
Elevator receipts	**3,403**	4,023	*(620)*	**11,521**	10,999	*522*
Elevator shipments	**3,730**	4,156	*(426)*	**12,430**	11,282	*1,148*
Port terminal receipts	**2,322**	2,858	*(536)*	**7,843**	7,435	*408*
Viterra - Australian operations *(tonnes)*						
Shipments	**1,708**	2,271	*(563)*	**6,340**	6,258	*82*
Receipts	**17**	20	*(3)*	**6,626**	8,529	*(1,903)*
Merchandised volumes:						
South Australia	**281**	647	*(366)*	**1,958**	1,993	*(35)*
Rest of Australia	**1,146**	741	*405*	**3,061**	2,462	*599*

In the third quarter of fiscal 2012, western Canadian industry shipments of the six major grains totalled 7.5 million tonnes, down slightly compared to 8.3 million tonnes in the same period of fiscal 2011. For the nine months ended July 31, 2012, industry shipments of the six major grains increased to 26.4 million tonnes compared to 24.0 million tonnes in the corresponding period of the previous year. Industry shipments have benefited from a number of factors including strong export demand, a successful and timely harvest, and strong commodity prices. A mild winter also allowed for more grower deliveries and a fluid rail and vessel pipeline.

Viterra's North American shipments for the three months ended July 31, 2102 were 3.7 million tonnes compared to 4.2 million tonnes shipped in the same quarter of fiscal 2011. This decrease is consistent with industry volumes and mainly due to timing given a strong shipping program in the first half of the fiscal year. For the nine months ended July 31, 2012, Viterra's shipments were up 1.1 million tonnes to 12.4 million tonnes compared to 11.3 million tonnes in the corresponding period of fiscal 2011. The year over year increase reflects strong producer selling given high commodity prices and strong demand from export destinations. With higher shipments, Viterra's port terminal receipts into the West Coast and Thunder Bay facilities also increased. Approximately 79% of the export volumes were handled through Viterra's West Coast ports in the third quarter of fiscal 2012 bringing the year-to-date total to 83%.

In South Australia, crop production for the upcoming harvest is estimated at 6.9 million tonnes according to the Australian Bureau of Agricultural and Resource Economics and Sciences ("ABARES"). This is above the historical average of about 6.2 million tonnes but below last year's strong production of 7.7 million tonnes.

For the third quarter, the Company shipped 1.7 million tonnes (2011 – 2.3 million tonnes) through its port terminals in Australia, bringing fiscal year-to-date shipment volumes to 6.3 million tonnes, which is comparable to the same period last year. The strong shipping program has been supported by ample grain volumes from last year's harvest and carry-over stocks plus strong demand from destination customers. During the first nine months of fiscal 2012, Viterra received 6.6 million tonnes of grains, oilseeds and special crops into its South Australian storage and handling system compared to 8.5 million tonnes in the same period in fiscal 2011. The volumes received year to date represent the vast majority of the available crop from last year's harvest. In fiscal 2011, Viterra's grain receipt volumes benefitted from a strong crop.

During the three and nine month periods ended July 31, 2012, Viterra purchased for its own account approximately 19% and 31% of the volumes which moved through its South Australian system. While the year-to-date volume percent was on par with the corresponding period of fiscal 2011, the quarterly percent was down as more volumes were shipped from other areas in Australia.

Grain Handling and Marketing *(in thousands - except margins)*	**Three Months ended July 31,**		Better (Worse)	**Nine Months ended July 31,**		Better (Worse)
	2012	2011		**2012**	2011	
Revenue	**$ 2,213,403**	$ 2,186,811	*$ 26,592*	**$ 7,987,305**	$ 6,174,685	*$ 1,812,620*
Cost of sales	**2,006,171**	1,979,597	*(26,574)*	**7,234,326**	5,454,859	*(1,779,467)*
Gross profit	**$ 207,232**	$ 207,214	*$ 18*	**$ 752,979**	$ 719,826	*$ 33,153*
Operating, general and administrative expenses	**135,155**	126,363	*(8,792)*	**413,208**	366,780	*(46,428)*
Add back: Depreciation and amortization	**30,734**	25,310	*5,424*	**87,472**	76,596	*10,876*
EBITDA	**$ 102,811**	$ 106,161	*$ (3,350)*	**$ 427,243**	$ 429,642	*$ (2,399)*
Consolidated global pipeline *(tonnes)*						
North American shipments	**3,730**	3,652	*78*	**12,430**	10,778	*1,652*
Australian receipts	**5**	271	*(266)*	**6,614**	8,780	*(2,166)*
Total pipeline	**3,735**	3,923	*(188)*	**19,044**	19,558	*(514)*
Consolidated pipeline margin *(per tonne)*	**N/A**	N/A	*N/A*	**$ 39.54**	36.80	*$ 2.74*

Revenues for the Grain Handling and Marketing reportable segment increased to $2.2 billion during the quarter and $8.0 billion in the first nine months of the fiscal year mainly due to higher commodity prices and increased third-party origination and merchandising activity from the expanded International Grain group. On a global basis, grain production volumes are expected to be down due to dry weather in the United States effecting corn crops and unfavorable weather in the Black Sea impacting production in the Ukraine and Russia. This production forecast has resulted in an increase in commodity prices during the quarter.

Gross profit contributions for the Grain Handling and Marketing reportable segment totalled $207 million (2011 - $207 million) for the third quarter and $753 million (2011 - $720 million) year to date. During the third quarter, lower global shipping volumes were offset by stronger grain handling margins and solid results from the Company's international grain marketing activities. On a year-to-date basis, higher global grain shipments and grain handling margin were partially offset by lower grain receipts in South Australia as the prior year benefited from a strong crop there. The Company's grain handling and marketing margin for the first nine months of fiscal 2012 increased to $39.54 per tonne compared to $36.80 per tonne in the corresponding period of fiscal 2011 due to higher commodity prices, global shipments, higher carry-in stocks and increased handling fees.

OG&A expenses excluding depreciation and amortization for the segment were $104 million in the third quarter of fiscal 2012 compared to $101 million in the same period last year. The increase relates mainly to costs associated with new international marketing offices. On a year-to-date basis, OG&A expenses totalled $413 million compared to $367 million in the corresponding period of fiscal 2011. The increase relates to incremental costs associated with new operations (including the Port of Montreal, the Minot special crop processing facility and international marketing offices) plus costs associated with the increased global shipments and providing an increased level of service to Australian producers.

EBITDA was $103 million in the third quarter versus $106 million in the same period last fiscal year. The North American operations contributed $51 million (2011 - $55 million), Australia contributed $38 million (2011 - $41 million) and the International Grain group contributed $14 million (2011 - $9 million).

Year-to-date EBITDA for the segment was $427 million (2011 - $430 million) with North American operations contributing $190 million (2011 - $166 million), Australia

$207 million (2011 - $222 million) and the International Grain group $30 million (2011 - $42 million).

Outlook

Across the Canadian Prairies, harvest is in the early stages, and higher than average yields are expected, assuming favourable weather continues and there is no early frost. According to Statistics Canada's August 22, 2012 field crop reporting series release, western Canadian production of the six major grains is predicted to be 55.5 million tonnes. This represents an increase of 13% from the 49.3 million tonnes produced in the 2011 harvest and an increase from the 5-year historical average production of about 53.0 million tonnes. Statistics Canada is also estimating an additional 3.3 million tonnes of lentils and other crops. The quality of the crop in Western Canada looks promising but is dependent on favourable harvest weather for the next couple of months.

Given the strength of volumes shipped in the first nine months of the fiscal year, Viterra believes that Canadian Grain Commission ("CGC") marketings will be approximately 33.0 million to 35.0 million tonnes for the 12 months ended October 31, 2012. This is an increase from Viterra's previous estimate of 32.0 million to 34.0 million tonnes.

For fiscal 2013, assuming production estimates hold, Viterra anticipates CGC receipts for the six major grains in Western Canada to be in the 33.0 to 35.0 million tonne range, which is higher than the 32.0 million tonnes that is typically available.

For Viterra's South Australia grain handling operations, the Company expects shipments to be strong throughout the year given the volume of grain in its system and ongoing solid demand from key export markets. To complement the 6.6 million tonnes received into the Company's system during the first nine months of fiscal 2012, there was approximately 1.8 million tonnes of carry-in stocks from fiscal 2011. Viterra currently estimates carry-over stocks into fiscal 2013 to range between 0.7 million and 1.0 million tonnes.

Seeding finished in late June in South Australia and good growing conditions exist throughout the majority of the state. ABARES is predicting that the current crop will produce 6.9 million tonnes. This represents a 12% increase from the 10-year average for the state. Crop quality in the state is good at this time. Approximately 85% of the crop is currently expected to be wheat and barley.

The Company reiterates its global pipeline margin guidance for fiscal 2012 at $38 to $41 per tonne.

As of August 1, 2012 the *Marketing Freedom for Grain Farmers Act* was implemented and producers in Western Canada will soon begin to benefit from the ability to market their wheat, barley and durum to buyers of their choice. In this new environment, Viterra expects to increase its earnings by leveraging its global grain marketing network, attracting additional volumes and optimizing its operational efficiencies.

2.2 Agri-Products

Agri-products *(in thousands - except margins)*	**Three Months ended July 31,**		Better (Worse)	**Nine Months ended July 31,**		Better (Worse)
	2012	2011		**2012**	2011	
Revenue	**$ 1,308,928**	$ 1,134,746	*$ 174,182*	**$ 2,416,947**	$ 1,861,058	*$ 555,889*
Cost of sales	**1,038,208**	908,282	*(129,926)*	**1,970,882**	1,519,863	*(451,019)*
Gross profit	**$ 270,720**	$ 226,464	*$ 44,256*	**$ 446,065**	$ 341,195	*$ 104,870*
Add back: Depreciation	**2,908**	2,720	*188*	**8,435**	8,109	*326*
Adjusted gross profit	**$ 273,628**	$ 229,184	*$ 44,444*	**$ 454,500**	$ 349,304	*$ 105,196*
Operating, general and administrative expenses	**88,594**	75,139	*(13,455)*	**208,501**	176,406	*(32,095)*
Add back: Depreciation and amortization	**9,487**	8,661	*826*	**27,441**	22,080	*5,361*
EBITDA	**$ 194,521**	$ 162,706	*$ 31,815*	**$ 273,440**	$ 194,978	*$ 78,462*
Operating highlights						
Revenue	**$ 1,308,928**	$ 1,134,746	*$ 174,182*	**$ 2,416,947**	$ 1,861,058	*$ 555,889*
Fertilizer	**610,488**	535,503	*74,985*	**1,135,154**	864,892	*270,262*
Crop protection	**360,893**	317,664	*43,229*	**405,476**	340,686	*64,790*
Seed	**119,019**	120,321	*(1,302)*	**291,843**	233,064	*58,779*
Wool	**90,883**	115,352	*(24,469)*	**357,180**	339,821	*17,359*
Fuel	**59,361**	-	*59,361*	**112,813**	-	*112,813*
Equipment sales and other revenue	**62,981**	39,753	*23,228*	**101,382**	68,363	*33,019*
Financial products	**5,303**	6,153	*(850)*	**13,099**	14,232	*(1,133)*
Fertilizer volume *(tonnes)*	**848**	876	*(28)*	**1,681**	1,528	*153*
Fertilizer margin *(per tonne)*	**$ 187.44**	$ 143.92	*$ 43.52*	**$ 157.74**	126.46	*$ 31.28*

Revenues for the Agri-Products reportable segment were $1.3 billion in the third quarter compared to $1.1 billion in the same three month period of fiscal 2011. The increase reflects stronger fertilizer pricing, the new fuel business in Western Canada, as well as higher crop protection product sales. Favourable weather across the Canadian prairies and strong commodity prices led to higher canola and overall seeded acreage which supported increased demand for agri-products. On a year-to-date basis, sales increased by 30% from the corresponding period of fiscal 2011 due to the same reasons mentioned above plus stronger seed sales and higher fertilizer volumes. Both seed and fertilizer sales have increased due to increased seeded canola acres. According to Statistics Canada, western Canadian canola plantings increased approximately 13% to 21.2 million acres compared to the record 18.7 million acres planted in 2011.

Adjusted gross profit from the reportable segment increased to $274 million compared to $229 million in the third quarter of fiscal 2011. The strong third quarter results brought 2012 fiscal year-to-date adjusted gross profit to $455 million, an increase of 30% from the corresponding period of fiscal 2011. The majority of the increase related to fertilizer contributions as fertilizer margins rose due to higher selling prices and contributions from manufactured product given lower natural gas prices. On a year-to-date basis the majority of the increase related to higher fertilizer contributions due to higher selling prices, contributions from manufactured product due to lower natural gas prices and higher selling prices. The quarterly fertilizer margin increased to $187.44 per tonne (2011 - $143.92 per tonne), bringing the year-to-date margin to $157.74 per tonne (2011 - $126.46 per tonne).

OG&A expenses, excluding depreciation and amortization, increased to $79 million (2011 - $66 million) for the third quarter and to $181 million (2011 - $154 million) in the first nine months of the fiscal year. Increases in both periods were primarily attributable to costs associated with greater sales activity and the new fuel business in Western Canada.

Robust fertilizer contributions and an increase in canola and overall seeded acreage across the Canadian prairies drove EBITDA for the third quarter to $195 million compared to $163 million from the same period last year. For the first nine months of fiscal 2012 segment EBITDA was a record $273 million, representing a 40% increase over the previous year's nine month EBITDA of $195 million.

Outlook

Fundamentals for the Agri-Products segment are expected to remain strong in the last quarter of fiscal 2012 due to relatively strong commodity prices that should continue to drive solid returns for producers and their demand for crop inputs. If good fall weather conditions occur across the Prairies, producers are expected to undertake post harvest application work to replenish soil conditions and improve the productivity of the land in advance of the spring season. Typically, about 13% to 18% of total agri-products sales in Western Canada occur during the fourth quarter, as growers purchase crop protection products, fertilizer, and equipment and storage for the harvest.

Viterra is increasing its fertilizer margin guidance to $140 to $160 per tonne for fiscal 2012 from its previous guidance range of $120 to $140 per tonne. Strong agri-commodity pricing, increased seeded acreage in Western Canada and higher nutrient requirements from excess moisture in the last two years have supported strong fertilizer demand in fiscal 2012.

2.3 Processing

Processing *(in thousands - except margins)*	Three Months ended July 31, 2012	Three Months ended July 31, 2011	*Better (Worse)*	Nine Months ended July 31, 2012	Nine Months ended July 31, 2011	*Better (Worse)*
Revenue	**$ 326,668**	$ 242,764	*$ 83,904*	**$ 964,050**	$ 707,127	*$ 256,923*
Cost of sales	**290,428**	210,500	*(79,928)*	**865,896**	611,204	*(254,692)*
Gross profit	**$ 36,240**	$ 32,264	*$ 3,976*	**$ 98,154**	$ 95,923	*$ 2,231*
Add back: Depreciation	**8,538**	7,817	*721*	**24,609**	24,482	*127*
Adjusted gross profit	**$ 44,778**	$ 40,081	*$ 4,697*	**$ 122,763**	$ 120,405	*$ 2,358*
Operating, general and administrative expenses	**14,255**	13,456	*$ (799)*	**43,187**	37,789	*$ (5,398)*
Add back: Depreciation and amortization	**954**	881	*73*	**2,734**	2,789	*(55)*
EBITDA	**$ 31,477**	$ 27,506	*$ 3,971*	**$ 82,310**	$ 85,405	*$ (3,095)*
Sales volumes *(tonnes)*						
Malt	**148**	131	*17*	**387**	376	*11*
Pasta	**57**	54	*3*	**167**	164	*3*
Oats	**95**	90	*5*	**267**	284	*(17)*
Canola	**129**	38	*91*	**387**	118	*269*
Feed - New Zealand	**21**	29	*(8)*	**85**	104	*(19)*
Operating margin ($ per tonne sold)						
Average margin - food processing	**$ 108.03**	$ 120.77	*$ (12.74)*	**$ 100.56**	$ 122.70	*$ (22.14)*
Average margin - feed processing	**$ 53.90**	$ 25.66	*$ 28.24*	**$ 35.26**	$ 26.20	*$ 9.06*

Revenues from continuing operations for the Processing reportable segment for the third quarter were $327 million, an increase of $84 million from the comparable period of 2011, bringing year-to-date contributions to $964 million (2011 - $707 million). These increases were driven by incremental revenue from the new canola crushing facility in southern China.

Adjusted gross profit from continuing operations in the third quarter increased to $45 million from $40 million in fiscal 2011. The increase primarily reflects new contributions from the Company's canola crushing facility in China and improved

contributions from the Company's malt and oat operations. Margins improved in the Company's malt operation as Australia incurred lower raw material costs during the quarter. In the oat operation margins improved due a change in sales mix with proportionately more coated and cluster oat sales, which earn a higher margin. The positive results from canola, malt and oats were in part offset by the pasta operation which is experiencing competitive pricing pressures. Overall, the third quarter food processing margin was lower than the prior year, down due to lower pasta margins and a change in product mix as there were more canola volumes from the new facility in China. For the nine months ended July 31, 2012 adjusted gross profit was comparable to the prior year at $123 million (2011 - $120 million) while the food processing margin was $100.56 per tonne compared to $122.70 per tonne in the corresponding period of fiscal 2011. This decrease can be attributed to lower pasta margins as a result of increased competition and higher raw material costs as well as the change in product mix.

OG&A expenses from continuing operations excluding depreciation and amortization for the Processing segment were $13 million for the third quarter (2011 - $12 million) and $40 million year to date (2011 - $35 million). The year-to-date increase relates to one-time start-up costs associated with the new malt plant in Australia which began operating in the second quarter.

The Processing segment's EBITDA for the third quarter was $31 million (2011 - $28 million) and $82 million on a year-to-date basis (2011 - $85 million), which excludes North American feed operations. For the quarter this increase was driven by improved canola, malt, and oat contributions. On a year-to-date basis, higher contributions from the canola operations have been more than offset by lower contributions from the pasta operation. The New Zealand feed operations' EBITDA was comparable to the corresponding period of the prior year for both the three and nine months ended July 31.

Following a strategic review process, Viterra divestited its North American feed assets during the second fiscal quarter. Financial results from the North American feed operations have been recorded as discontinued operations. The transaction does not affect the New Zealand feed assets.

Outlook

The Company believes the long-term fundamentals for this business are solid despite some short-term challenges in its pasta and New Zealand feed operations. The pasta operation is experiencing competitive pricing pressures while good pasture conditions in New Zealand are reducing demand for feed. Viterra maintains its annual guidance range of $90 to $110 per tonne for its food processing operations in fiscal 2012.

2.4 Corporate Expenses

Corporate Expenses *(in thousands)*	**Three Months ended July 31,** **2012**	2011	*Better (Worse)*	**Nine Months ended July 31,** **2012**	2011	*Better (Worse)*
Operating, general and administrative expenses, excluding information technology costs and amortization	**$ 25,907**	28,561	*$ 2,654*	**$ 75,203**	77,626	*$ 2,423*
Amortization	**3,865**	2,251	*(1,614)*	**10,314**	6,893	*(3,421)*
Information technology expenses	**14,938**	16,548	*1,610*	**45,966**	42,359	*(3,607)*
Total operating, general and administrative expenses	**$ 44,710**	$ 47,360	*$ 2,650*	**$ 131,483**	$ 126,878	*$ (4,605)*

Corporate expenses including amortization were $45 million for the third quarter of 2012 compared to $47 million in the same period of fiscal 2011, as some information technology projects were put on hold pending the Glencore transaction. For the first nine months of fiscal 2012 corporate expenses were $131 million, an increase from $127 million in the corresponding period of fiscal 2011. Increased amortization costs and higher costs for share based compensation more than offset a foreign exchange gain related to transactions associated with inter-company financing.

3. Liquidity and Capital Resources

3.1 Cash Flow Information

The following summarizes the Company's cash flow provided by (used in) operating, financing and investing activities, as presented in the condensed financial statements.

Cash Flows *(in thousands)*	**Three Months ended July 31,** **2012**	2011	*Change*	**Nine Months ended July 31,** **2012**	2011	*Change*
Cash flow provided by operating activities	**$ 600,008**	$ 501,472	*$ 98,536*	**$ 432,452**	$ 63,882	*$ 368,570*
Cash flow (used in) provided by financing activities	**(165,829)**	(454,930)	*289,101*	**(8,024)**	89,469	*(97,493)*
Cash flow (used in) investing activities	**(50,488)**	(59,543)	*9,055*	**(134,563)**	(138,981)	*4,418*
	$ 383,691	$ (13,001)	*$ 396,692*	**$ 289,865**	$ 14,370	*$ 275,495*

Financing Activities

Key Financial Information *(in thousands - except ratios and percentages)*	**As at July 31,** **2012**	2011	*Change*
Cash and cash equivalents	**$ 591,342**	$ 162,693	*$ 428,649*
Total debt	**1,261,343**	1,088,264	*173,079*
Total debt, net of cash and cash equivalents	**670,001**	925,571	*(255,570)*
Ratios			
Current ratio	**1.65 x**	2.47 x	*(0.82 x)*
Debt-to-total capital	**23.7%**	21.7%	*2.0*
Long-term debt-to-total capital	**15.0%**	21.4%	*(6.4)*

Viterra's balance sheet at July 31, 2012 remained strong with total debt-to-capital of 23.7% (21.7% at July 31, 2011). Viterra had $591 million in cash and cash equivalents and cash drawings of $300 million on its $2.1 billion revolving credit facility ("Global Credit Facility").

On June 11, 2012, the Board approved the redemption of the Series 2009-1 Senior Unsecured Notes ("Notes"). The Notes were redeemed on July 12, 2012 for $306 million plus accrued interest, which included an early redemption premium of $6 million.

On June 22, 2012, the Board approved the redemption of the Series 2007-1 Senior Unsecured Notes ("Notes"). The Notes were redeemed on August 01, 2012 for $209 million plus accrued interest, which included an early redemption premium of $9 million. The two Series of Notes were funded utilizing cash on hand and available credit facilities

On June 11, 2012 the Board declared a semi-annual cash dividend of $0.075, which was paid on July 26, 2012 to shareholders of record on July 6, 2012. This was the Company's second dividend payment during the year, following a $0.075 per share dividend paid February 22, 2012. The dividend payment applied to holders of Viterra common shares, which trade on the Toronto Stock Exchange, and to holders of its CHESS depositary interests, which trade on the Australian Securities Exchange.

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 Section 8).

Investing Activities

For the third quarter Viterra's total capital expenditures (excluding business acquisitions) were $51 million (2011 - $53 million), bringing Viterra's total capital expenditures for the first nine months of fiscal 2012 to $159 million (2011 - $135 million). The Company invested in growth initiatives including its bulk fuel distribution business, the completion of the malt facility in Australia and grain infrastructure upgrades.

Capital spending for fiscal 2012 is expected to total between $235 million and $255 million, including currently approved growth projects. Capital expenditures are expected to be funded by cash flow from operations.

Operating Activities

For the third quarter of fiscal 2012 , Viterra generated operating cash flow prior to working capital changes ("operating cash flow") (see Non-GAAP Measures in Section 3.2) from continuing operations of $226 million ($0.60 per share) compared to $223 million ($0.59 per share) a year earlier. For the first nine months of fiscal 2012 the Company generated operating cash flow from continuing operations of $491 million ($1.32 per share), versus $485 million ($1.30 per share) in the corresponding period of fiscal 2011.

Free Cash Flow *(in thousands)*	**Three Months ended July 31,**		*Better (Worse)*	**Nine Months ended July 31,**		*Better (Worse)*
	2012	2011		**2012**	2011	
Operating cash flow prior to working capital changes from continuing operations[1]	**$ 226,414**	$ 222,726	*$ 3,688*	**$ 491,028**	$ 485,003	*$ 6,025*
Property, plant and equipment expenditures	**(46,702)**	(49,112)	*(2,410)*	**(143,077)**	(122,730)	*20,347*
Intangible assets expenditures	**(4,212)**	(3,894)	*318*	**(16,196)**	(12,528)	*3,668*
Free cash flow[1]	**$ 277,328**	$ 275,732	*$ 1,596*	**$ 650,301**	$ 620,261	*$ 30,040*

[1] *Please see section 3.2 Non-GAAP Measures Related to Liquidity and Capital Resources*

During the third quarter Viterra generated free cash flow from continuing operations of $277 million compared to $276 million in the corresponding period of fiscal 2011. For the first nine months of fiscal 2012, free cash flow from continuing operations was $650 million compared to $620 million in the corresponding period of fiscal 2011.

Non-Cash Working Capital

Non-cash Working Capital *(in thousands)*	**As at July 31,**		*Change*
	2012	2011	
Inventories	**$ 1,397,280**	$ 1,418,680	*$ (21,400)*
Accounts receivable	**1,042,335**	1,036,870	*5,465*
Derivatives assets	**452,310**	196,875	*255,435*
Prepaid expenses and deposits	**64,264**	61,328	*2,936*
Accounts payable and accrued liabilities	**(1,034,340)**	(981,891)	*(52,449)*
Derivatives liabilities	**(431,328)**	(144,799)	*(286,529)*
	$ 1,490,521	$ 1,587,063	*$ (96,542)*

Inventories at July 31, 2012 were $21 million lower than the corresponding date in fiscal 2011. Grain inventories remained relatively flat, while fertilizer inventories decreased primarily due to lower volumes on hand at the end of the period.

3.2 Non-GAAP Measures Related to Liquidity and Capital Resources

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 and current portion of long-term debt, or long-term debt as a measure of the Company's indebtedness.

Operating cash flow prior to working capital changes ("operating cash flow") from continuing operations is the cash from (or used in) operating activities, excluding non-cash working capital changes. Viterra uses cash flow provided by operations and cash flow provided by operations per share as a financial measure for the evaluation of liquidity. Management believes that excluding the seasonal swings of non-cash working capital assists their evaluation of long-term liquidity.

Free cash flow from continuing operations is operating cash flow from continuing operations, net of capital expenditures, excluding business acquisitions. Free cash flow is used by Management to assess liquidity and financial strength. This measurement is also useful as an indicator of the Company's ability to service its debt, meet other payment obligations and make strategic investments. Readers should be aware that free cash flow does not represent residual cash flow available for discretionary expenditures.

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

Reconciliations and Calculations *(in thousands - except percentages and ratios)*			*Better*
For the Nine months ended July 31,	**2012**	2011	*(Worse)*
Cash from operating activities	**$ 432,452**	$ 63,882	*$ 368,570*
Changes in non-cash working capital	**25,319**	414,905	*(389,586)*
Operating cash flow prior to working capital changes	**457,771**	478,787	*(21,016)*
Add: Net cash outflows from operating activities from discontinued operations	**33,257**	6,216	*27,041*
Operating cash flow prior to working capital changes from continuing operations	**$ 491,028**	$ 485,003	*$ 6,025*
Property, plant and equipment expenditures	**$ 143,077**	$ 122,730	*$ (20,347)*
Intangible assets expenditures	**16,196**	12,528	*(3,668)*
Free cash flow	**$ 331,755**	$ 349,745	*$ (17,990)*
As at July 31, 2012			
Current assets	**$ 3,547,531**	$ 2,876,446	*$ 671,085*
Current liabilities	**2,144,031**	1,164,678	*979,353*
Current ratio (current assets/current liabilities)	**1.65 x**	2.47 x	*(0.82 x)*
Short-term borrowings	**$ 463,700**	$ 17,757	*$ 445,943*
[A] Long-term debt due within one year	**$ 201,677**	$ 1,770	*$ 199,907*
[A] Long-term debt	**595,966**	1,068,737	*(472,771)*
[B] Total debt	**$ 1,261,343**	$ 1,088,264	*$ 173,079*
[C] Cash and cash equivalents	**$ 591,342**	$ 162,693	*$ 428,649*
Total debt, net of cash and cash equivalents	**$ 670,001**	$ 925,571	*$ (255,570)*
[D] Total equity	**$ 4,064,610**	$ 3,922,247	*$ 142,363*
[E] Total capital [B + D]	**$ 5,325,953**	$ 5,010,511	*$ 315,442*
Debt-to-total capital [B]/[E]	**23.7%**	21.7%	*(2.0)*
Long-term debt-to-total capital [A]/[E]	**15.0%**	21.4%	*6.4 pt*

3.3 Debt Ratings

The following table summarizes the Company's current credit ratings. The trend on all of Viterra's ratings has changed from those noted in the Company's annual MD&A.

Corporate Rating	Senior Unsecured Notes	Trend
BBB-	BBB-	Credit watch positive
BBB (Low)	BBB (Low)	Under review with developing implications
Ba1	Ba1	Under review for upgrade

4. Outstanding Share Data

The market capitalization of the Company's 371.8 million issued and outstanding shares at September 4, 2012 was $6.0 billion or $16.14 per share. The issued and

outstanding shares at September 4, 2012, together with securities convertible into common shares are summarized in the following table:

As at September 4, 2012	
Issued and outstanding common shares	371,784,764
Securities convertible into common shares - stock options	2,343,757
Securities redeemable for common shares - share units	1,137,364
	375,265,885

As of September 4, 2012, there were 18.9 million outstanding CHESS Depository Interests, which trade on the ASX.

5. Other Matters

5.1 Accounting Policy Changes

5.1.1 International Financial Reporting Standards

In February 2008, the Accounting Standards Board ("AcSB") announced that 2011 is the changeover date for publicly accountable enterprises to replace CGAAP with International Financial Reporting Standards ("IFRS"). The date relates to condensed and annual financial statements for fiscal years beginning on or after January 1, 2011.

Effective November 1, 2011, the Company began reporting under IFRS. The accounting policies, as described in detail in Note 3 of the condensed financial statements, have been applied in preparing the financial results for the three and nine months ended July 31, 2012 and are the same as those applied to the condensed financial statements for the three months ended January 31, 2012, three and six months ended April 30, 2012, the year ended October 31, 2011, and the Company's opening balance sheet as at November 1, 2010.

The impact of adopting IFRS on shareholders' equity, cash flows, net earnings and comprehensive income is disclosed in Note 20 to the condensed financial statements for the nine-months ended July 31, 2012. Accordingly, the Company's 2011 fiscal year comparative financial information, previously reported under CGAAP, has been restated to be in accordance with IFRS.

5.1.2 Future Accounting Changes

The following new accounting pronouncements have not been adopted as they apply to future periods. They may result in future changes to the Company's existing accounting policies and other note disclosure. The Company has not completed its evaluation of the effect of adopting these standards on its financial statements.

IFRS 9 - Financial Instruments, effective for fiscal years that begin on or after January 1, 2015, is the first phase of a multi-phase project to replace IAS 39

Financial Instruments: Recognition and Measurement, and applies to the classification and measurement of financial assets and liabilities. IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classifications; amortized cost and fair value. In addition, for financial liabilities that are measured at fair value, IFRS 9 requires that an entity present the portion of any change in its fair value that is due to changes in the entity's own credit risk in other comprehensive income, rather than through net earnings. Phases to address impairment methodology and hedge accounting remain under development.

IFRS 10 - Consolidated Financial Statements builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company.

IFRS 11 - Joint Arrangements establishes the principles for financial reporting by entities when they have an interest in arrangements that are jointly controlled.

IFRS 12 - Disclosure of Interest in Other Entities provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities.

IFRS 13 - Fair Value Measurement defines fair value, requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 1 - Financial Statements Presentation, effective for fiscal years after July 1, 2012, was amended to address the presentation of other comprehensive income and requires the grouping of items within other comprehensive income that might eventually be reclassified to the net earnings section of other comprehensive income.

IAS 19 - Employee Benefits was amended and includes the requirement to recognize all changes in the net defined benefit liability (asset) when they occur such that service costs and net interest is recognized in net earnings while re-measurements are recorded in other comprehensive income.

IAS 28 - Investments in Associates and Joint Ventures revised the existing standard and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

IAS 32 - Financial Instruments: Presentation, effective for fiscal years that begin on or after January 1, 2014, was amended to clarify the meaning of certain terms used to decide when financial assets and financial liabilities can be offset.

5.2 Critical Accounting Judgments and Estimates

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

Areas which Management believes require the most critical accounting judgments and estimates are:

Decommissioning Obligations

Decommissioning obligations are recognized in the financial statements at the net present value of the estimated future expenditure required to settle the Company's restoration obligations. Estimates of decommissioning costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. Management applies judgment to determining probability weighted estimates of expected costs and anticipated timing of the decommissioning obligations. A risk free rate is applied to the expected costs to recognize the time value of money and the obligations are unwound over the life of the provisions through a charge to finance costs in net earnings.

Employee Benefits

The Company operates defined benefit pension and other employee benefit plans for which actuarial valuations are required. Pension and other future benefit costs are assessed with Management's best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuations. The assumptions are based on information supplied to the actuary by Management, supplemented by discussions between the actuary and Management. The principal assumptions are the discount rates used on the accrued benefit obligations and expenses, the expected long-term rate of return on plan assets, the rate of compensation increase, and assumed health care cost trend rates.

Cash Generating Units

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units). Management determines which groups of assets are capable of generating cash inflows that are largely independent of other operations within the Company. To create these groupings, Management makes critical judgments about where active markets exist including an analysis of the degree of autonomy various operations have in negotiating prices with customers.

Allowance for Doubtful Accounts

Provision is made against accounts that, in the estimation of Management, may not be collectible. Within each of the operating segments, a quarterly assessment is performed on the recoverability of accounts receivable based on a range of factors including the age of the receivable and the creditworthiness of the customer. Determining the recoverability of an account involves estimation as to the likely financial condition of the customer and their ability to subsequently make payment.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Where a valuation model is used to determine fair value, it makes maximum use of observable inputs, including valuations determined by unadjusted quoted prices in active markets and market standard pricing models that use observable inputs. Financial instruments whose fair value is determined, at least in part, using unobservable inputs require measurement that is more subjective in nature.

The methods and assumptions used by Management in estimating fair value of the Company's financial instruments where measurement is required are set out in note 3 of the condensed financial statements. An analysis of financial instruments carried at fair value by valuation technique, together with a sensitivity analysis of valuations, is included in note 17 of the condensed financial statements.

Inventories

Inventories, except for commodity inventories carried at fair value, are evaluated to ensure they are carried at the lower of cost or net realizable value.

Estimates and assumptions are required in the determination of fair values of commodity inventories, particularly for those commodity inventories where exchange-traded prices are not available. For these inventories, Management assesses the available quoted market prices and applies judgment in determining the effect of local market conditions on those prices.

Carrying Value of Property, Plant and Equipment and Intangible Assets with Definite Useful Lives

Estimated useful lives of property, plant and equipment and intangible assets are based on Management's judgment and experience. When Management identifies that the actual useful lives for these assets differ materially from the estimates used to calculate depreciation and amortization, that change is adjusted prospectively. Due to the significance of capital investment to the Company, variations between actual and estimated useful lives could impact operating results both positively and negatively. Asset lives, depreciation and amortization methods, and residual values are reviewed annually and, historically, changes to estimates of remaining useful lives have not been material.

Impairment of Goodwill and Intangible Assets with Indefinite Useful Lives

The Company records all assets and liabilities acquired in business acquisitions, including goodwill and intangible assets, at fair value. Goodwill and intangible assets with an indefinite useful life are assessed at least annually for impairment. The initial goodwill and intangible assets recorded and subsequent impairment analysis requires Management to make estimations of future cash flows, terminal values and an assessment of the long-term pre-tax discount rate to be applied to those cash flows which reflects an assessment of the cost of capital of the cash generating unit.

Income Taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and the Company's income tax provisions reflect Management's interpretation of country-specific tax law. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and may remain uncertain for several years after their occurrence. The Company recognizes assets and liabilities for taxation when it is probable that the relevant taxation authority will require the Company to receive or pay taxes. Where the final outcome of the determination of tax assets and liabilities is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provision in the period in which such determination is made.

Changes in tax law or changes in the way that tax law is interpreted may also impact the Company's effective tax rate as well as its business and operations. A one-time item of $31 million was accrued during the quarter relating to a change in Australian tax legislation substantially enacted June 29, 2012. The legislation amended, with retroactive effect, the "residual tax cost setting" rules which applied to Viterra's acquisition of ABB in 2009 and ABB's acquisition of Ausbulk in 2004.

Purchase Price Allocation

Accounting for business combinations requires the allocation of the Company's purchase price to the various assets and liabilities of the acquired business at their respective fair values. The Company uses all available information to make these fair value determinations, and for major acquisitions, may hire an independent appraisal firm to assist in making fair value estimates. In some instances, assumptions with respect to the timing and amount of future revenues and expenses associated with an asset may be used to determine its fair value. Actual timing and amount of net cash flows from revenues and expenses related to that asset over time may differ materially from those initial estimates, and if the timing is delayed significantly or if the net cash flows decline significantly, the asset could become impaired.

6. Risks and Risk Management

Viterra faces certain risks which can impact its financial performance. For information on risks and risk management, readers should review the MD&A for the fiscal year ended October 31, 2011, which is available on Viterra's website at www.viterra.com, as well as on SEDAR at www.sedar.com, under Viterra Inc. For information on risk factors relating to the Arrangement with Glencore, readers should also review the

Company's management information circular dated April 26, 2012 available on SEDAR at www.sedar.com and on the ASX company announcements platform at www.asx.com.au.

7. Evaluation of Disclosure and Procedures

Management, including the President and Chief Executive Officer and Chief Financial Officer, has evaluated the design of Viterra's disclosure controls and procedures and internal controls over financial reporting (as defined in National Instrument 52-109 of the Canadian Securities Administrators) as of July 31, 2012. There have been no significant changes required to internal controls over financial reporting and no significant changes required to disclosure controls and procedures. 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 are presented under IFRS in 2012. Management has concluded that, as of July 31, 2012, Viterra's disclosure controls and procedures and internal controls over financial reporting are designed effectively to provide reasonable assurance that material information relating to Viterra and its consolidated subsidiaries and joint ventures would be made know to them by others within those entities, particularly during the period in which this report was being prepared.

8. 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, contingent liabilities and information regarding the completion of the Arrangement with Glencore. 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. Several, but not all, key assumptions that have been made in connection with the forward-looking statements relate to the following:

- western Canadian and southern Australian crop production and quality in 2012 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, the ability of Viterra and Glencore to satisfy or waive the conditions to the completion of the Arrangement and consummate the Arrangement prior to the agreed upon outside date, and that the receipt of necessary regulatory approvals may not be obtained on the terms

expected. By its nature, forward-looking information is subject to various risks and uncertainties, including those risks discussed in Viterra's management information circular dated April 26, 2012 under the heading "Risk Factors Related to the Arrangement", 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.