

VITERRA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JULY 31, 2011

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1.0 Responsibility for Disclosure

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

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

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

2.0 Company Overview

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

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

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

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

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

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

3.0 Summary and Analysis of Consolidated Results

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

¹ See Non-GAAP Measures in Section 11.0

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.1 Select Quarterly Information

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

¹ Includes results for Viterra's Australian operations.

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

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

4.0 Segment Results

4.1 Grain Handling and Marketing

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

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

Seasonality

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

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

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

Industry Shipments

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

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

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

Viterra's North American Volumes

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

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

Viterra's Australian Volumes

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

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

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

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

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

Operating Results

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

¹ See Non-GAAP Measures in Section 11.0

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

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

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

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

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

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

Outlook

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

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

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

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

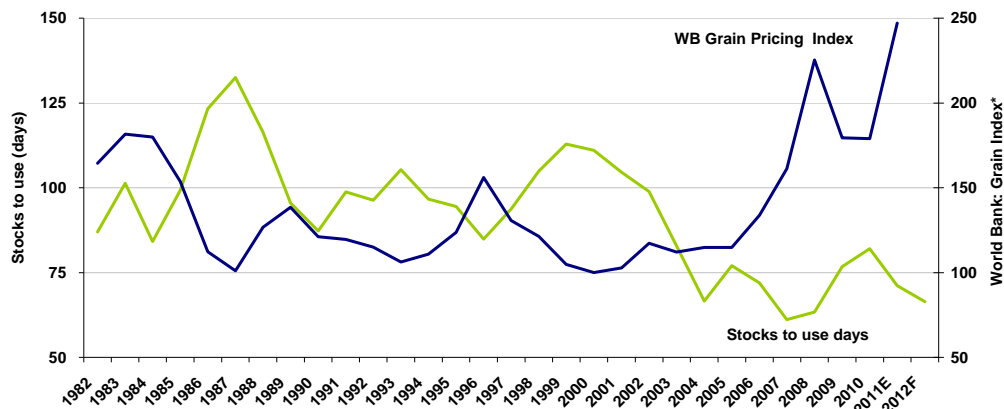
Viterra remains optimistic that the industry will see relatively strong volumes through the remaining portion of the fiscal year and into fiscal 2012, particularly if weather conditions remain favorable into the fall. Strong demand and robust prices are expected to motivate farmers to actively market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

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

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

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

Global Wheat and Course Grains Stockpiles and Pricing



Source: USDA and the World Bank

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

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

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

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

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

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

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

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

4.2 Agri-products

North America

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

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

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

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

Australia

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

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

Seasonality

North America

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

Australia

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

Operating Results

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

¹ See Non-GAAP Measures in Section 11.0

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

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

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

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

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

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

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

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

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

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

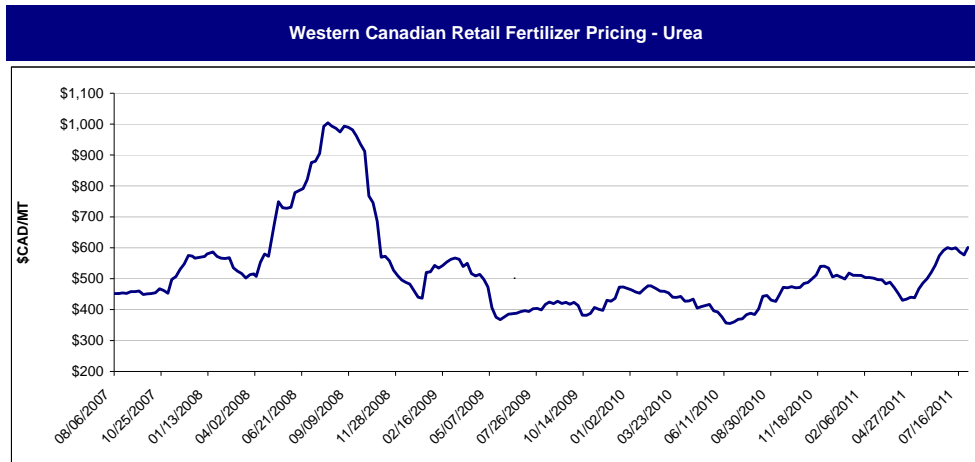
EBIT for the third quarter was \$150.5 million compared to \$93.9 million in the third quarter of fiscal 2010. For the first nine months of the fiscal year, EBIT was \$162.0 million, compared to \$89.4 million in the corresponding period of fiscal 2010.

Outlook

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

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

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



Source: Viterra Company Reports

4.3 Processing

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

North America

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

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

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

Australia

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

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

Operating Results

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

¹ See Non-GAAP Measures in Section 11.0

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

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

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

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

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

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

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

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

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

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

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

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

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

Outlook

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

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

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

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

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

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

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

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

4.4 Corporate Expenses

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

¹ See Non-GAAP Measures in Section 11.0

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

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

5.0 Liquidity and Capital Resources

5.1 Cash Flow Information

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

¹ See Non-GAAP Measures in Section 11.0

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

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

5.2 Investing Activities

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

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

5.3 Non-Cash Working Capital

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

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

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

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

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

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

5.4 Financing Activities

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

¹ See Non-GAAP Measures in Section 11.0

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

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

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

5.5 Debt Ratings

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

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

5.6 Contractual Obligations

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

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

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

5.7 Off-Balance Sheet Arrangements

5.7.1 Viterra Financial™

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

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

6.0 Outstanding Share Data

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

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

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

7.0 Related Party Transactions

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

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

8.0 Other Matters

8.1 Accounting Policy Changes

8.1.1 International Financial Reporting Standards

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

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

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

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

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

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

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

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

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

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

8.2 Critical Accounting Estimates

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

8.2.1 Future Income Taxes

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

9.0 Restructuring and Integration Matters

Dakota Growers

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

21st Century

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

Processing Segment Synergies

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

Montreal Port Terminal

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

ABB

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

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

10.0 Risks and Risk Management

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

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

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

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

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

11.0 Non-GAAP Measures

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

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

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

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

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

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

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

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

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

12.0 Evaluation of Disclosure and Procedures

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

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

13.0 Forward-Looking Information

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

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

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

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

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

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

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

14.0 Annual Management's Discussion and Analysis

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