



Essential ingredients. Global success.



# Forward-Looking Statements



This presentation contains forward-looking statements that reflect Viterra's expectations regarding future results of operations, financial condition and achievements. All statements included or incorporated by reference in this presentation that address activities, events or developments that Viterra or its management expects or anticipates will or may occur in the future, including such things as growth of its business and operations, competitive strengths, strategic initiatives, planned capital expenditures, plans and references to future operations and results, critical accounting estimates and expectations regarding future capital resources and liquidity of Viterra and other such matters, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and achievements of Viterra to be materially different from any future results, performance and achievements expressed or implied by those forward-looking statements. The risks include, but are not limited to, those factors discussed in Viterra's Management's Discussion and Analysis ("MD&A") for the year ended October 31, 2010 under the heading "Risks and Risk Management". This MD&A can be found on SEDAR at [www.sedar.com](http://www.sedar.com) under Viterra's name.

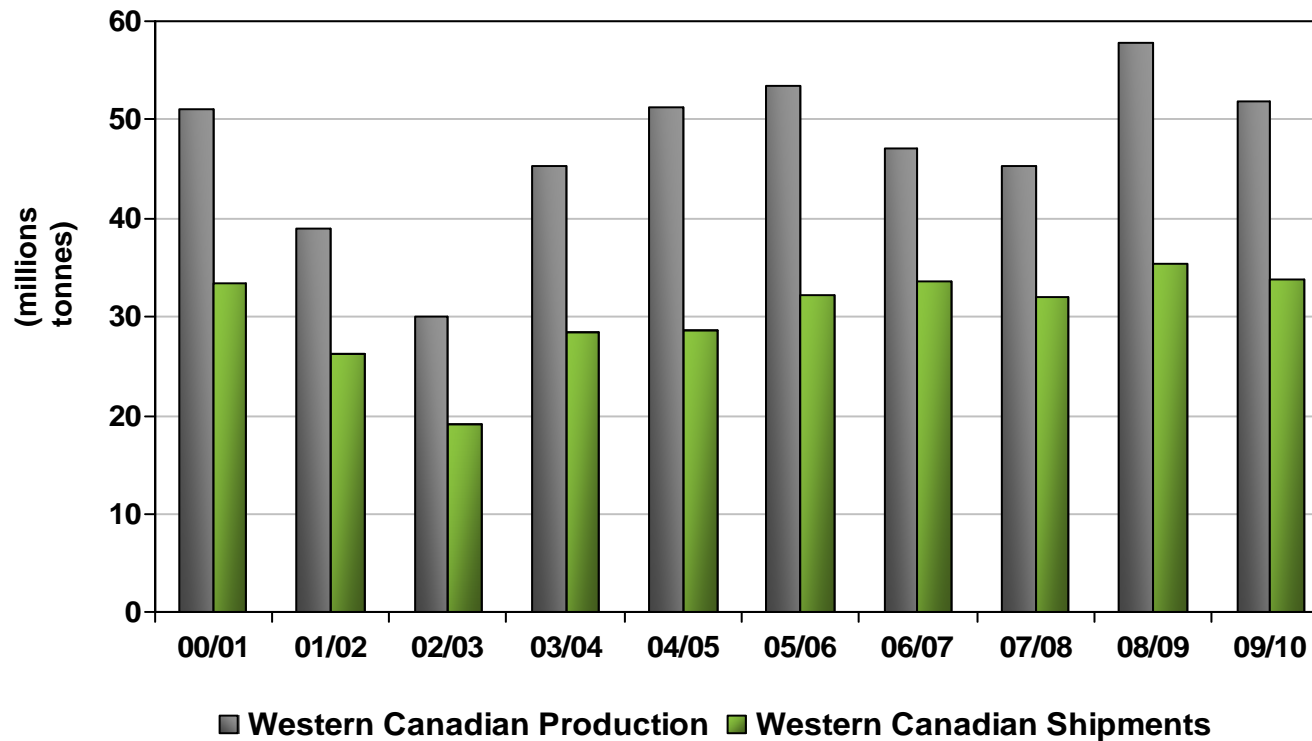
Many of these risks, uncertainties and other factors are beyond the control of Viterra. All of the forward-looking statements made in this presentation are qualified by these cautionary statements and the other cautionary statements and factors contained in Viterra's MD&A for the year ended October 31, 2010 and there can be no assurance that the actual developments or results anticipated by Viterra and its management will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, Viterra. Although Viterra believes the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this presentation. 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.

## **Non-GAAP Measures**

The following non-GAAP measures should not be considered in isolation from or as a substitute for GAAP measures such as (i) net earnings (loss), as an indicator of Viterra's profitability and operating performance, or (ii) cash flow from or used in continuing operations, as



## 6 Major Grains - Western Canada

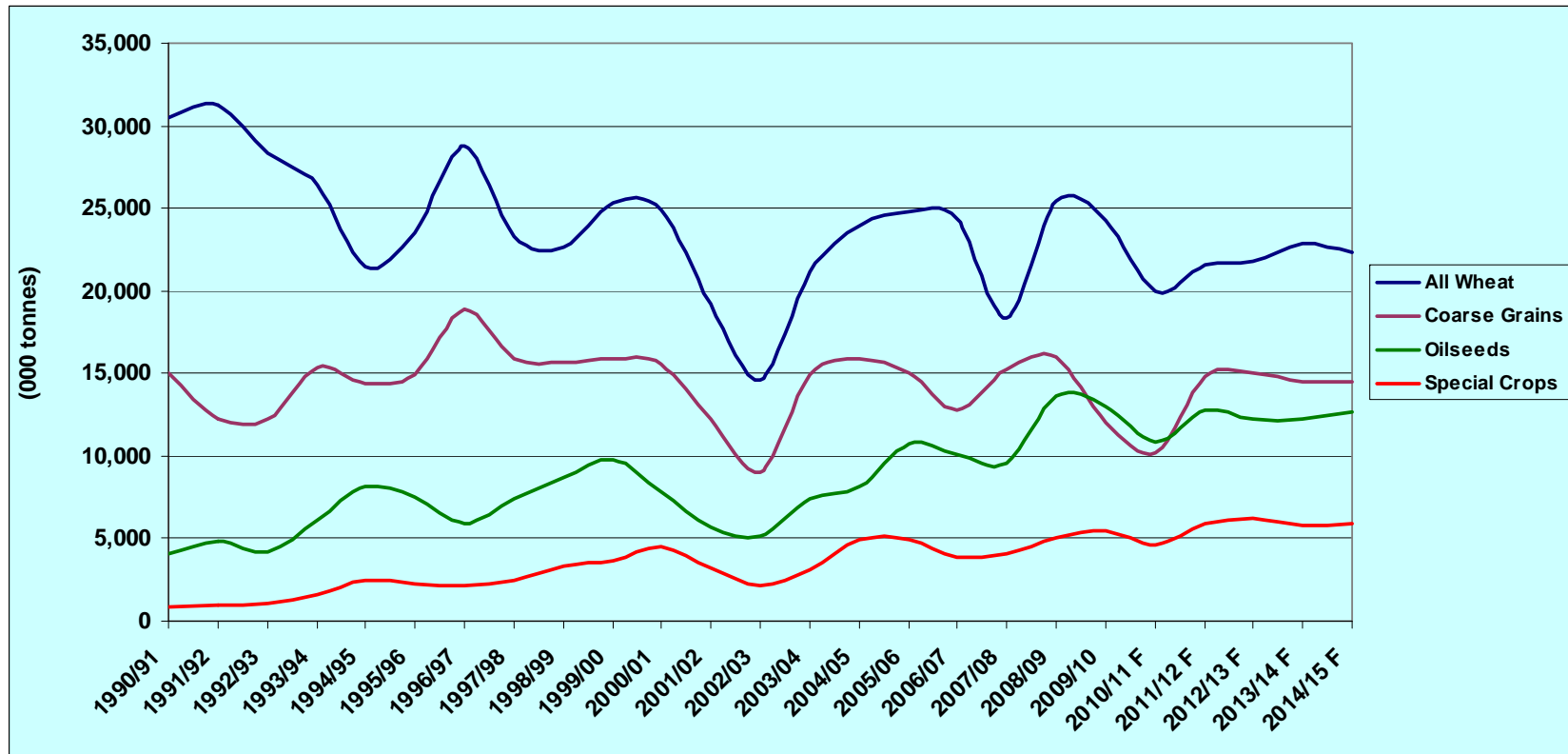


Source: Statistics Canada and the Canadian Grain Commission

- Average production of approximately 50 million tonnes.
- Typically about 32 million tonnes of Western Canadian production is moved through the primary elevator System.



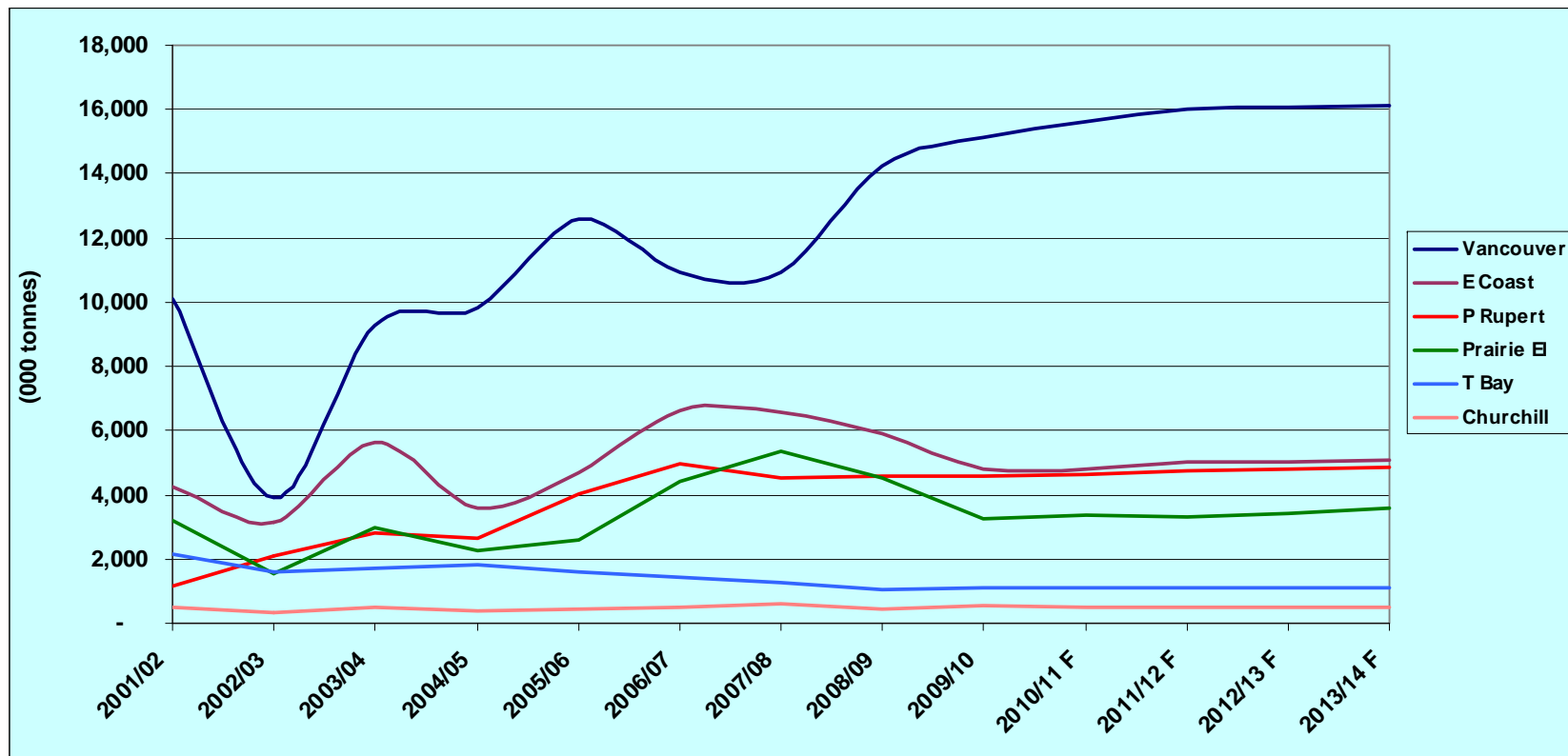
# Western Canada Production by Crop



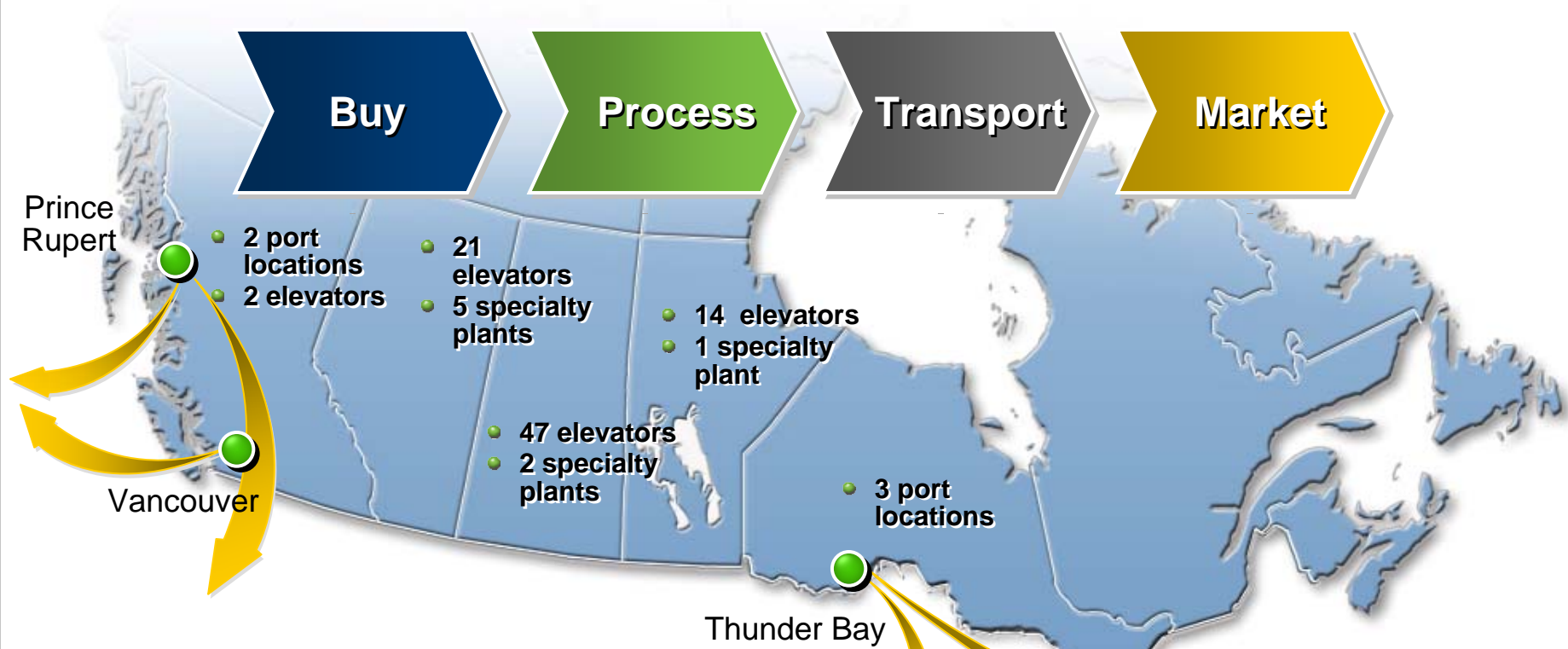
Source: Statistics Canada and Viterra's forecast 10/11



# Western Canada Exports by Corridor



# Canada's #1 Grain Handler and Marketer

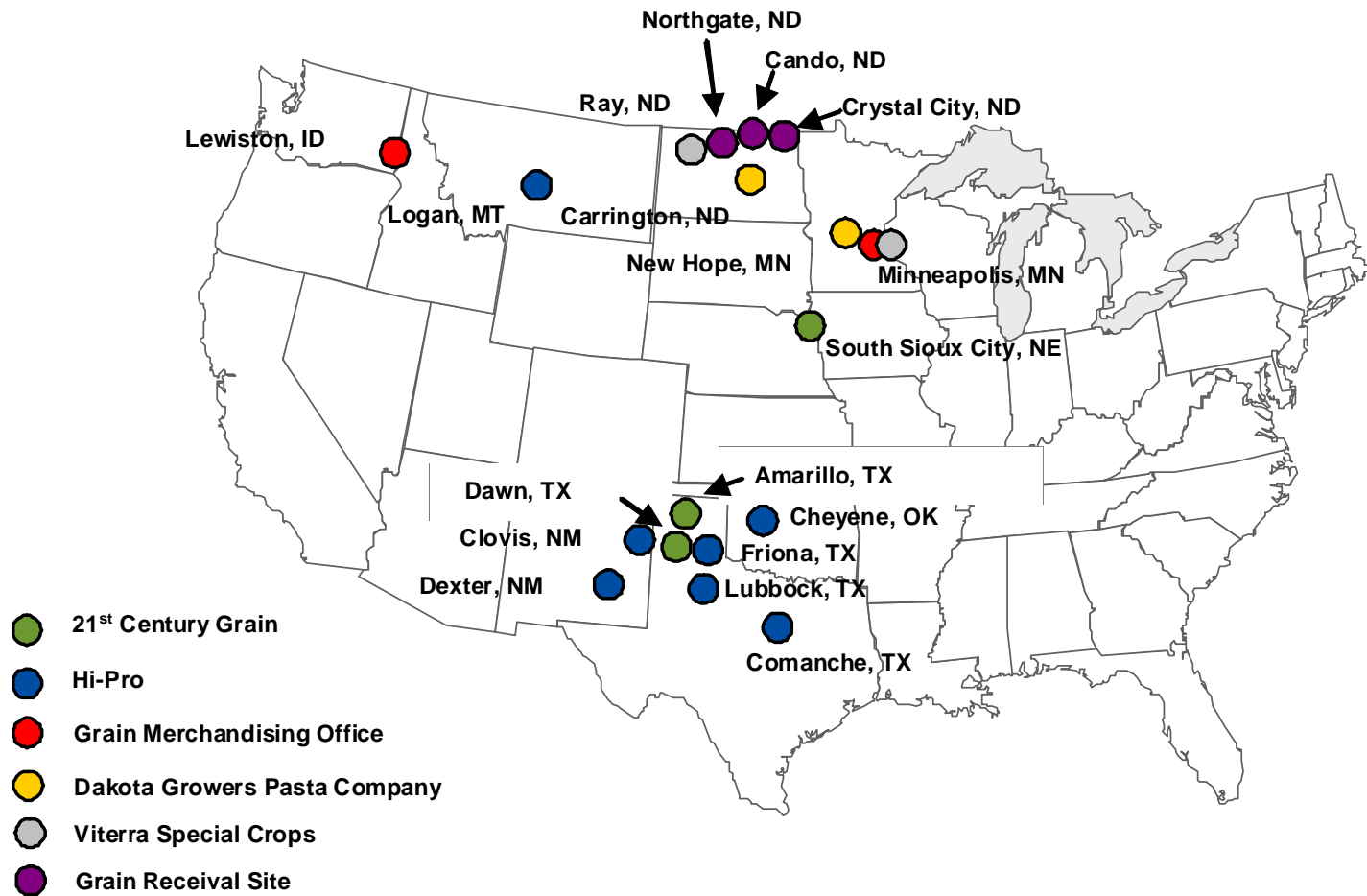


● 2 special crop plants in US

- Up to 45% share of western Canada
- 84 grain elevators and 10 special crop facilities
- 1.9 million tonne capacity

- 6 port facilities
- Strategically located in the heart of the growing region
- Grain merchandising offices in Regina, Calgary and Vancouver

# USA Operations



# How We Buy Grain



Companies monitor harvest progress/volumes/quality



Grain samples submitted to companies for grading



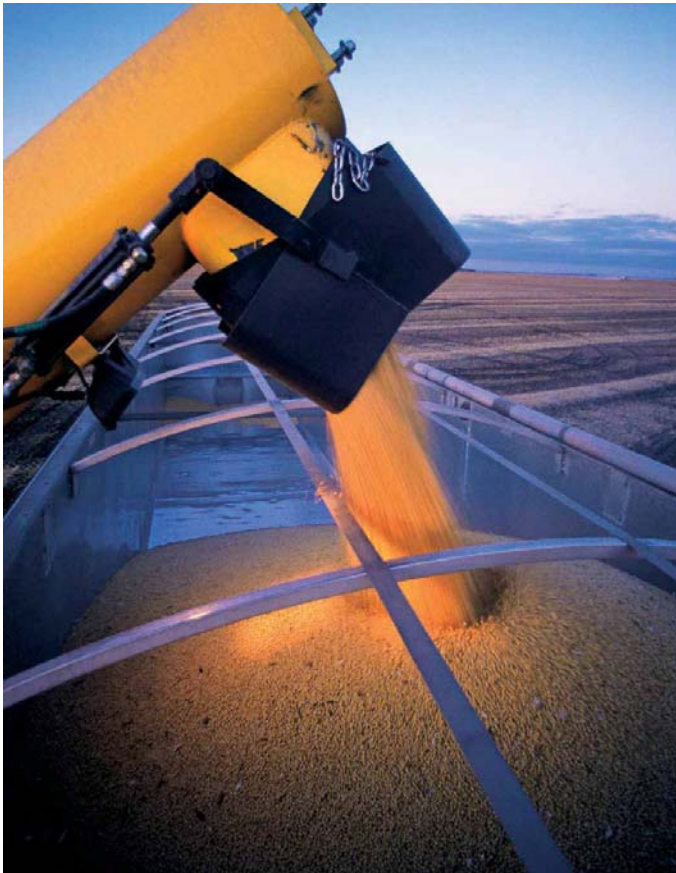
Grain held in farm storage pending sale/movement



Grain called into elevators. The "pull system"



# How We Buy Grain



- Spot delivery
- Deferred delivery contracts
- Target Price Agreements
- Production contracts
- Identity-preserved production contracts
- CWB contracts/contract calls
- Futures/basis contracts
- Risk management contracts



# Competitive Advantages



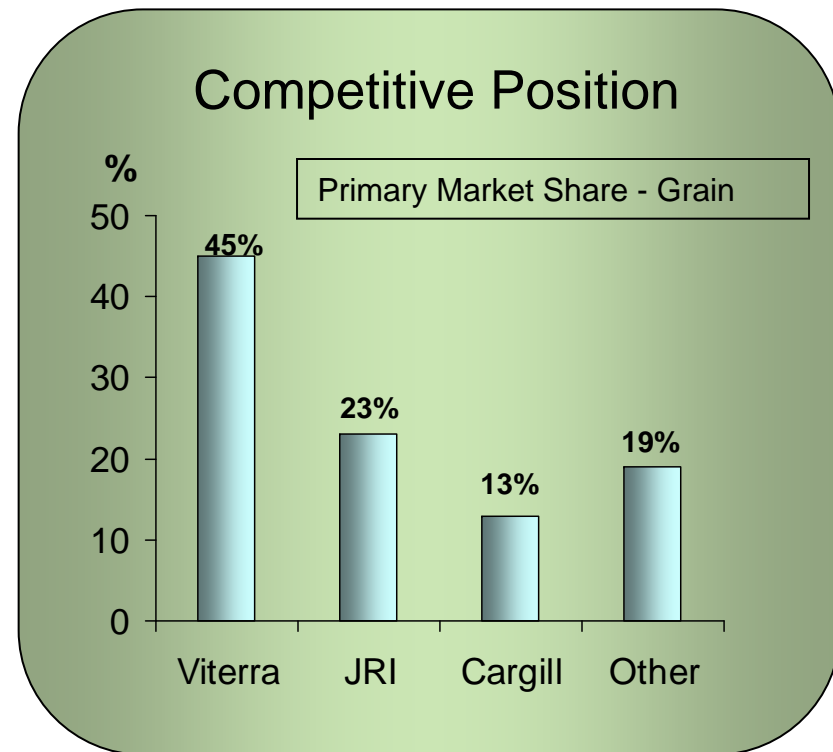
- Leading Market Position
- Merchant Driven Pipeline
- High Barriers to Entry
- Superior Assets
- Volume Based Business
- Strong Export Position



# Leading Market Share Position



- About 80% of western Canada's primary market share is in the hands of three players creating a disciplined market
- Viterra's market share is 45%



Based on CGC Receipts (approximate)



# Industry Capacity

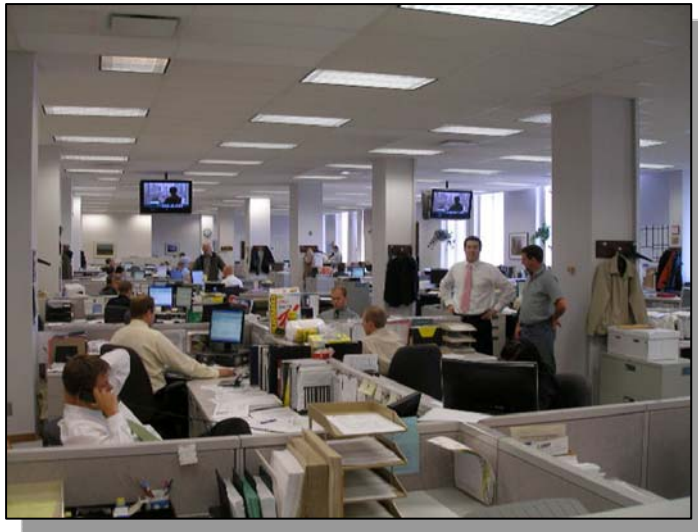


Western Canada – Capacity by Province			
Provincial Capacities	Total Capacity (MT)	Number of Facilities	% of Total Capacity
<b>MB</b>	965,720	64	18.11%
<b>SK</b>	2,839,340	140	53.26%
<b>AB</b>	1,478,630	69	27.73%
<b>BC</b>	47,640	5	0.89%
<b>Total</b>	5,331,330	278	100.00%

Western Canada – Car spots by number				
	25 & under	50	100	Total
VITERRA	17	26	40	83
JRI/Pioneer	9	6	31	46
Cargill	9	12	14	35
Louis Dreyfus	0	0	10	10
Parrish & Heimbecker	6	8	5	19
Paterson	24	3	6	33
Producer Terminal	4	2	6	12
Independent	33	4	0	37
ADM	0	1	1	2
<b>Total</b>	103	63	112	278



# Merchant Driven Pipeline



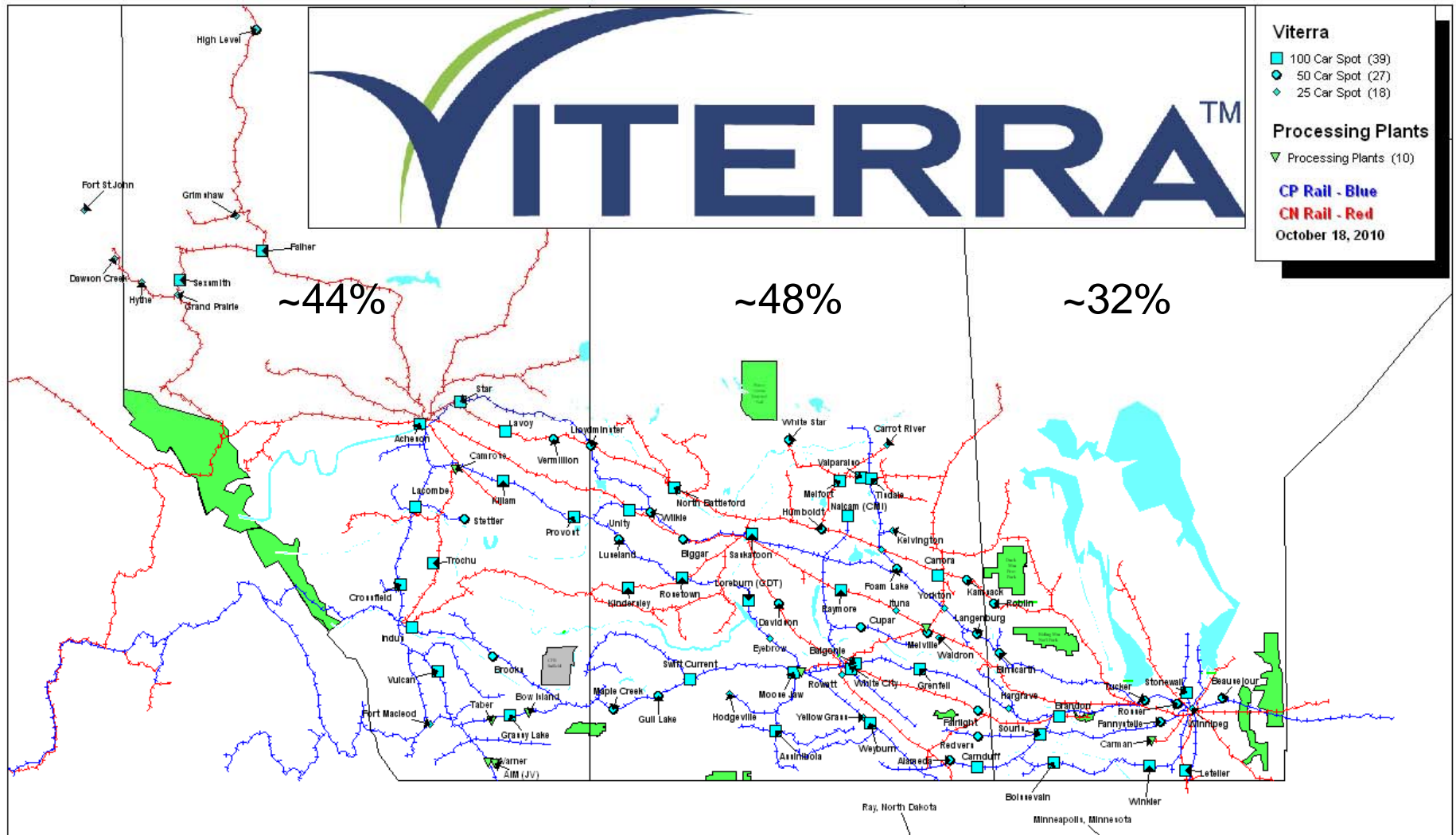
Merchants oversee the sale, price paid to the farmer, logistics and risk management



Constant communication with country network to maximize grain origination and movement opportunities



# High Barriers to Entry



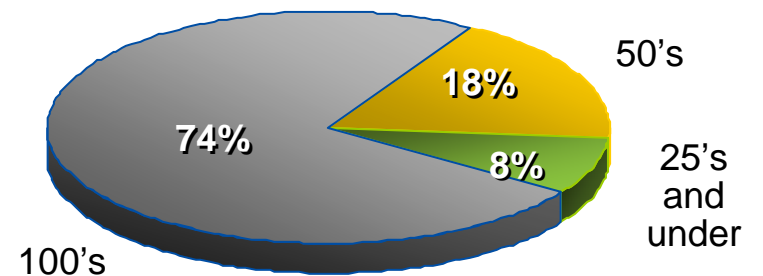
# Superior Assets



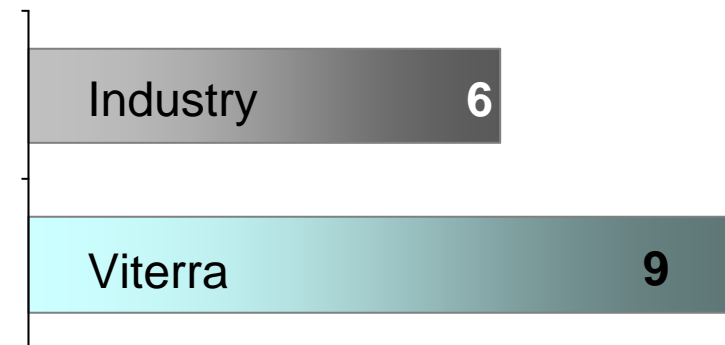
- Superior logistics
- 160,000 railcars loaded annually
- 92% of capacity in 100 or 50 cars
- Railways pay financial incentives up to \$8/tonne
- Industry leading inventory turns



## Multi-car Loading Capacity



## Inventory Turns – Primary Capacity



# Predictable Revenue Stream



Margins are earned on cleaning/  
drying/blending/elevating/storing grain



Railways pay incentives for moving  
grain in efficient multi-car units



At the port grain is unloaded,  
processed and loaded onto vessels



Grains & oilseeds are sold to international  
traders and food processing companies



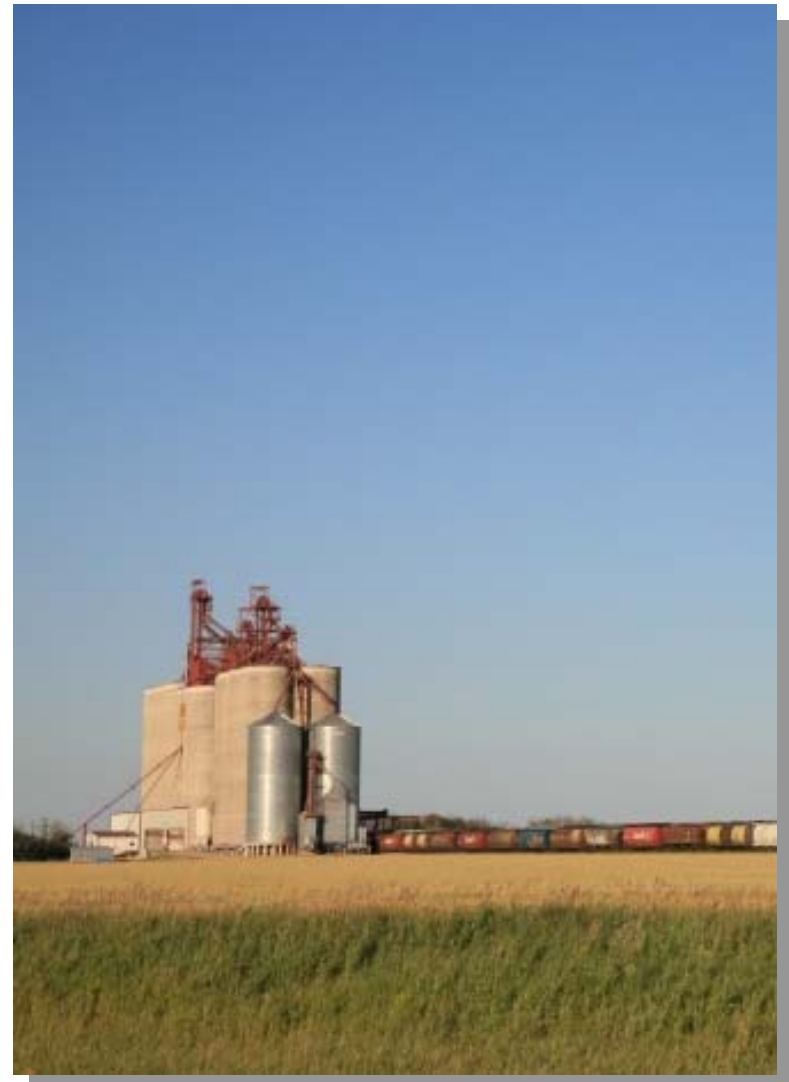
# Quality Predictable Earnings



- Viterra earns average gross margins of \$26 per tonne in North America
- Volume is the key driver – not commodity prices

## Pipeline Margin Components

- ✓ Elevation tariff
- ✓ Blending gains
- ✓ Freight incentives
- ✓ Export terminal elevation fees
- ✓ Export terminal storage fees
- ✓ CWB Carrying charges
- ✓ Cleaning and processing
- ✓ Sales of by-product screenings
- ✓ Marketing and Logistics



# Unmatched Export Capabilities



- 8mmt of throughput in Vancouver
- Important gateway to Pacific Rim
- Increasing exports to growing Asian market



## Leading Wheat Exporting Nations 2009/10 crop year

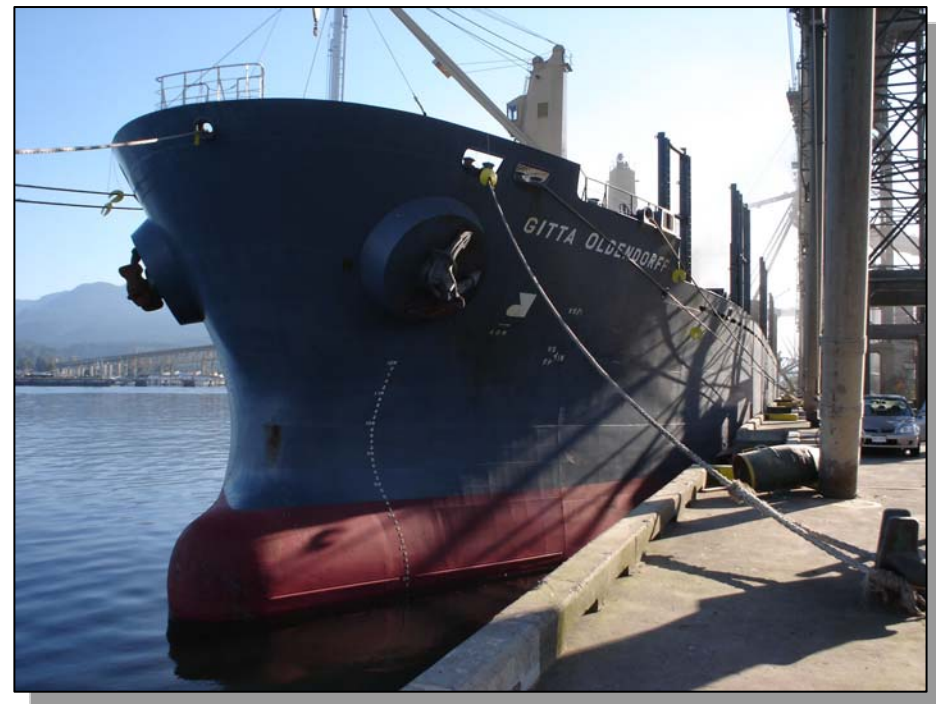
U.S.	19%
Europe	16%
Canada	14%
Australia	11%



# Export Markets



- Viterra markets to customers in over 50 countries
- Direct sales to end users
- Viterra's International trading office around the world enhance relationships with destination customers
- CWB sales or Accredited Exporter sales



# Viterra's Global Footprint



- The International Grain Group utilizes a network of global offices that serve to optimize the physical flow of grain from suppliers to end-use customers
- Commodities are divided into Global Books in order to consolidate risk and avoid intra-company competition
  - Canola is managed out of Vancouver
  - Barley is managed out of Geneva
  - Wheat, Peas, and Proteins are managed out of Singapore
- Trading Hubs are the link between origination points and end-use customers – the point at which the global supply and demand relationship is managed



# Operating Model



## Commodity Flow

- Domestic Grain Groups accumulate grain volumes based on supply and pricing

- Domestic Grain Groups consolidate purchased grain volumes for export or sale to domestic customer base

- International Grain Group optimizes commodity flow from origination geographies

- International Grain Group charters most cost effective method of delivery of grains

- By having “feet on the ground” in key demand markets, International Grain Group is able to turn key customer demand information into a leveragable asset in decision making process

## Supply Sources



## Domestic Logistics



NA Grain

Aus Grain

Other

## Viterra International Grain Group

## International Logistics



## Customer Demand



## Information Flow

- Using information from International Group, Domestic Traders optimize pricing in supply markets to maximize available volumes
- Logistics information is relayed to maximize throughput of up-country storage

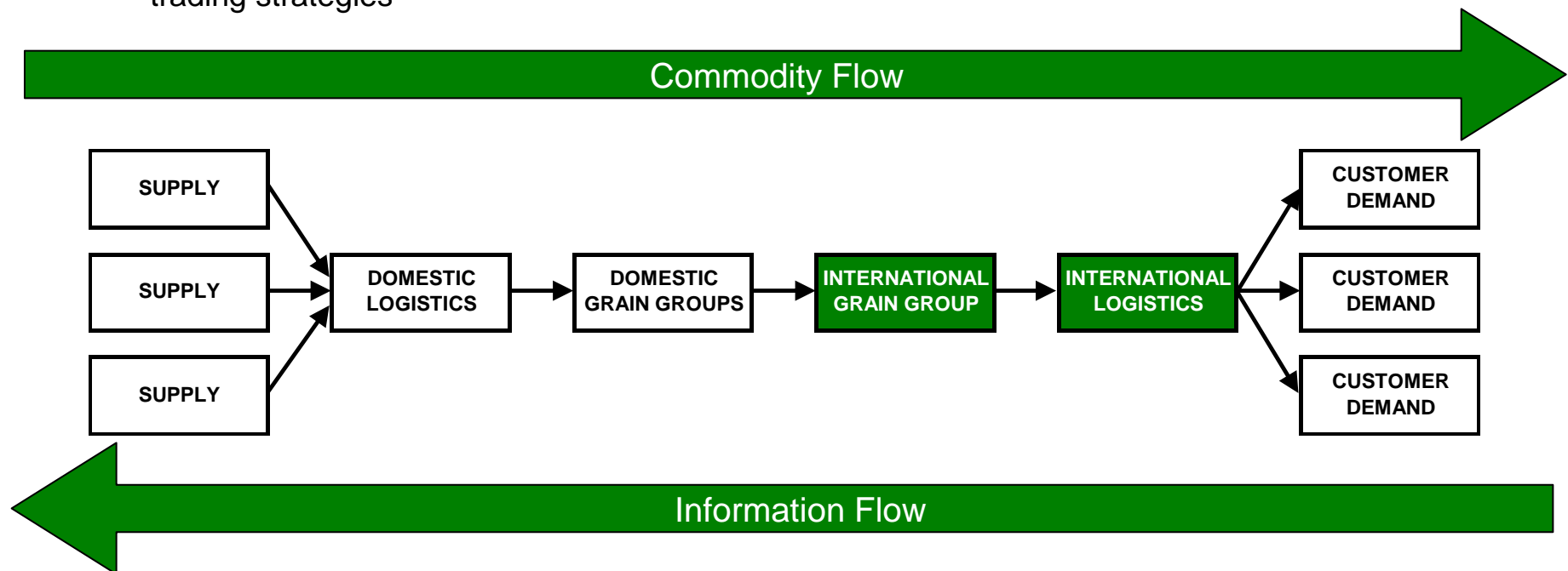
- International Grain Group analyzes fundamentals of available supply and demand to maximize Pipeline Margins

- Key customer information, including demand timing, growth, and price discovery points communicated back to International Grain Group
- Vessel availability, as well as cost to charter communicated back to International Grain Group

# International Grain's Role



- Suppliers and consumers of grain have opposing objectives (pricing, supply timing, etc.) – Viterra's Grain Groups act as intermediaries to bridge this gap
- VT Domestic Groups capture value through a toll business model, while International Group maximizes value through the entire pipeline – a process called optimization
- Maximize market share and throughput for domestic infrastructure by building strong end-use customer relationships
- Crucial to the optimization process is the linking of supply side and demand side information, which involves close coordination between the Domestic and International Groups
- Optimization is achieved by leveraging this information flow and executing on arbitrage and trading strategies



- International Grain Group integrates Viterra's grain pipeline, giving the company control over the entire supply chain
- Positions taken by the International Group in both the physical and futures markets (as well as the inherent risks they carry) are all taken with the goal of optimization in mind
- Risk taken on by the Group is mitigated via geographic diversification and through the application of standardized and centralized risk management techniques



# Optimization Versus Speculation



- Mandate of the International Grain Group is optimization; not speculation in commodity markets
  
- Consider two examples:
  - In a purely speculative trade a commodity is purchased with the hope that its price will rise so that it can be sold at a profit (earnings derived from fluctuations in commodity prices)
  
  - In optimization, International Grain coordinates with Domestic Grain to bring product into the pipeline and uses close customer relationships to achieve the best outcome at the time of sale – or vice versa, by coordinating with the customer to source grain from the optimal origin (earnings derived from information flows)
  
- Important to note that optimization is not without risk – the key difference between optimization and speculation is that optimization uses informational links to manage risk, while speculation involves an appetite for risk in order to generate profit



# Basis for Value Capture

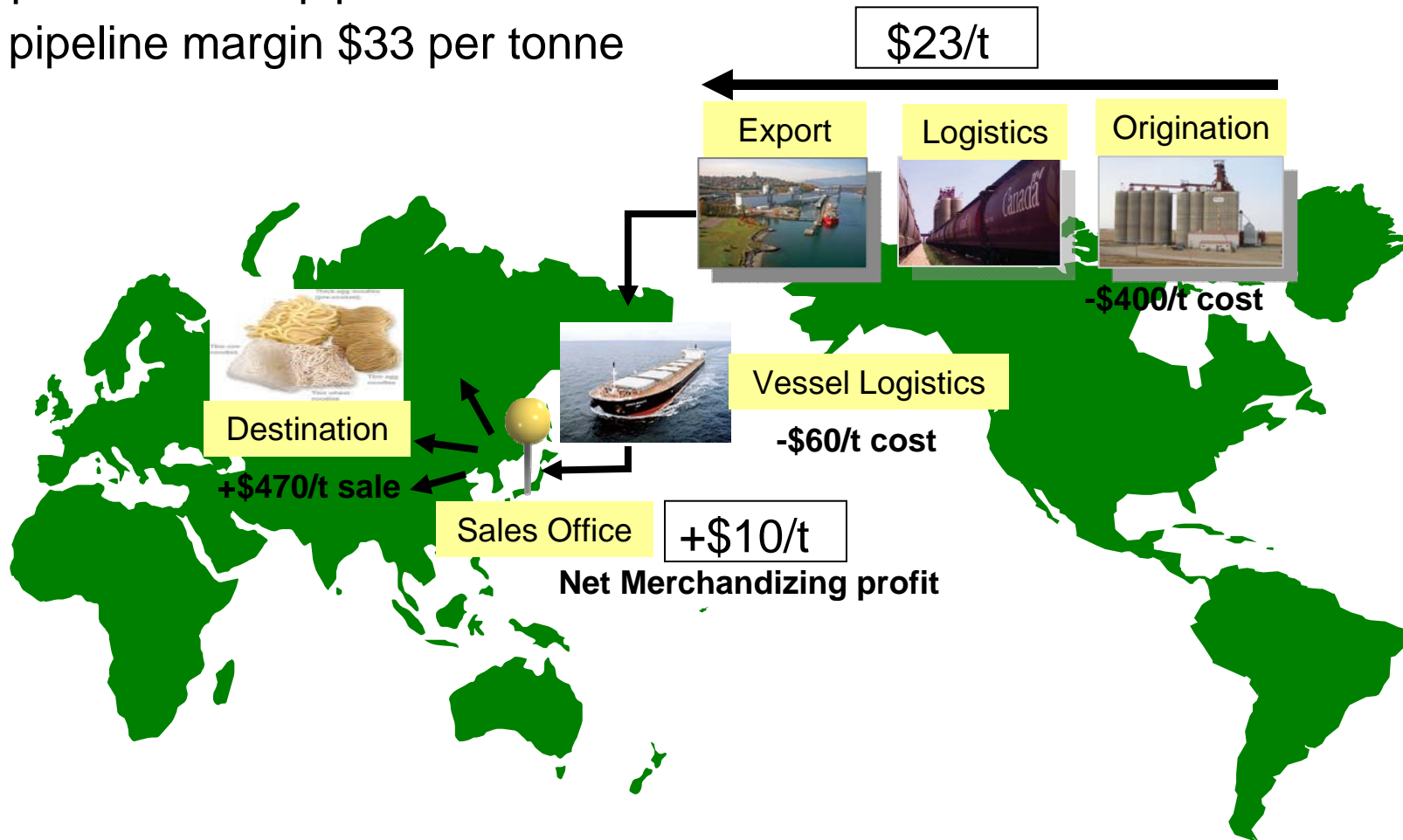


- The grain market is global, resulting in pricing relationships that exist between commodities across different grades, locations and times
- Changing trade flows that cause inconsistencies in these pricing relationships create opportunities to profit via optimization
- All trading strategies used by the International Grain Group have the same basic goal: to capture as much value as possible by taking advantage of such inconsistencies rather than speculate on directional movements of commodity prices
- The only way to capture this value effectively is to actively gather information at both ends of the supply chain – supply information from origination sources and demand information from customers via international offices



# Basic for Value Capture

- Example of Canola pipeline
- Total pipeline margin \$33 per tonne



*Margins generated at each touch point of the value chain*



- Optimize elevator footprint
- Geographic expansion - grains and pulses
- Maximize pipeline margins through to Viterra's value added business
- Maximize capability and use of port assets
- Expand our international relationships to drive sales





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# Questions?