



Condensed Consolidated Interim Financial Statements

Three Month Periods ended March 31, 2012 and March 31, 2011

These unaudited condensed consolidated interim financial statements have been prepared by management of Alliance Grain Traders Inc. ("AGT") and have not been reviewed by AGT's auditors

Consolidated Statement of Financial Position
as at

(Stated in Canadian Dollars)
 (Unaudited)

	Note	Mar 31, 2012	Dec 31, 2011
Assets			
Current			
Cash and cash equivalents	\$	\$ 35,626,096	\$ 56,220,307
Accounts receivable		163,755,151	171,522,366
Inventory	4	163,005,058	183,309,771
Prepaid expenses and deposits		5,470,743	4,427,192
Income tax receivable		4,510,247	3,713,439
Total current assets		372,367,295	419,193,075
Property, plant and equipment	5	203,688,072	197,321,213
Intangible assets		8,490,592	8,405,945
Goodwill		60,912,394	59,552,016
Long term receivable		750,000	801,943
Investment		1,250,000	1,250,000
Deferred income taxes		3,593,235	2,988,292
Total non-current assets		278,684,293	270,319,409
Total assets	\$	\$ 651,051,588	\$ 689,512,484
Liabilities			
Current			
Bank indebtedness	\$	\$ 185,781,700	\$ 197,868,017
Short term financing		40,435,869	42,370,877
Accounts payable and accrued liabilities		57,104,625	82,312,029
Income taxes payable		2,927	104,412
Current portion of long-term debt and finance leases	6	4,470,961	6,203,319
Dividends payable		2,961,461	2,961,461
Total current liabilities		290,757,543	331,820,115
Long-term debt and finance leases	6	72,997,002	74,561,817
Deferred income taxes		13,555,048	12,165,161
Total liabilities		377,309,593	418,547,093
Shareholders' equity			
Share capital		267,965,885	267,965,885
Contributed surplus		300,505	300,505
Accumulated other comprehensive loss		(22,042,095)	(25,012,972)
Retained earnings		27,517,700	27,711,973
Total shareholders' equity		273,741,995	270,965,391
Total liabilities and shareholders' equity	\$	\$ 651,051,588	\$ 689,512,484
Commitments and contingencies (Note 10)			

The accompanying notes are an integral part of these condensed consolidated interim financial statements.



Consolidated Statement of Comprehensive Income
For the periods ended March 31

(Stated in Canadian Dollars)

(Unaudited)

	2012	2011
Revenues	\$ 197,404,839	\$ 168,053,361
Cost of sales	183,275,429	146,763,242
Gross profit	14,129,410	21,290,119
General administrative expenses	6,737,924	4,611,854
Marketing, sales and distribution expenses	4,769,069	4,759,506
Earnings from operations	2,622,417	11,918,759
Other expenses (income):		
Unrealized foreign exchange gain	(5,473,172)	(606,009)
Finance income	(317,250)	-
Finance expense	4,447,934	2,527,711
Earnings before income tax	3,964,905	9,997,057
Current income tax	479,111	2,178,865
Deferred income tax	718,606	635,713
Net earnings	2,767,188	7,182,479
Other comprehensive income (loss)	2,970,877	(5,020,586)
Total comprehensive income	\$ 5,738,065	\$ 2,161,893
Basic net earnings per share	\$ 0.14	\$ 0.36
Diluted net earnings per share	\$ 0.14	\$ 0.36
Basic weighted average number of shares	19,743,077	19,706,078
Diluted weighted average number of shares	19,923,059	19,999,109

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 For the periods

(Stated in Canadian Dollars)
 (Unaudited)

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total
Balance at January 1, 2012	\$ 267,965,885	\$ 300,505	\$ (25,012,972)	\$ 27,711,973	\$ 270,965,391
Net earnings	-	-	-	2,767,188	2,767,188
Other comprehensive income due to changes in foreign exchange	-	-	2,970,877	-	2,970,877
Total comprehensive income	-	-	2,970,877	2,767,188	5,738,065
Dividends to shareholders	-	-	-	(2,961,461)	(2,961,461)
Balance at March 31, 2012	\$ 267,965,885	\$ 300,505	\$ (22,042,095)	\$ 27,517,700	\$ 273,741,995
Balance at January 1, 2011	\$ 267,499,165	\$ 383,357	\$ (12,507,259)	\$ 47,714,709	\$ 303,089,972
Net earnings	-	-	-	7,182,479	7,182,479
Other comprehensive loss due to changes in foreign exchange	-	-	(5,020,586)	-	(5,020,586)
Total comprehensive income (loss)	-	-	(5,020,586)	7,182,479	2,161,893
Issuance of shares pursuant to stock option plan	-	12,719	-	-	12,719
Dividends to shareholders	-	-	-	(2,660,321)	(2,660,321)
Balance at March 31, 2011	\$ 267,499,165	\$ 396,076	\$ (17,527,845)	\$ 52,236,867	\$ 302,604,263

The accompanying notes are an integral part of these condensed consolidated interim financial statements.



Consolidated Statement of Cash Flow
For the period ended March 31

(Stated in Canadian Dollars)

	Note	2012	2011
Cash from (used for) the following:			
Operating activities			
Net earnings		\$ 2,767,188	\$ 7,182,479
Items not involving cash:			
- Depreciation		726,437	827,574
- Depreciation in cost of sales		2,400,972	1,760,650
- Unrealized foreign exchange gain		(5,473,172)	(628,799)
- Deferred income taxes		718,606	635,713
- Loss on disposal of property, plant and equipment		14,349	17,766
- Current income taxes		479,111	2,178,865
Interest paid		(1,215,447)	(2,327,261)
Income taxes paid		(596,759)	(1,813,066)
Non-cash working capital	7	5,576,207	(55,303,556)
		5,397,492	(47,469,635)
Financing activities			
Increase (decrease) in bank indebtedness		(12,031,267)	17,035,647
Decrease in short term financing		(1,007,343)	(14,831,824)
Proceeds from long term debt		-	37,002,758
Repayment of long term debt	10	(3,366,208)	(195,950)
Dividends paid		(2,961,461)	-
		(19,366,279)	39,010,631
Investing activities			
Decrease in long term receivables		53,478	-
Purchase of property, plant and equipment and intangible assets	6	(7,412,980)	(7,371,821)
Proceeds from the sale of property, plant and equipment	6	124,127	7,508
		(7,235,375)	(7,364,313)
Effect of exchange rate changes on cash		609,951	(521,213)
Decrease in cash position		\$ (20,594,211)	\$ (16,344,530)
Cash position, beginning of the year		\$ 56,220,307	\$ 23,628,472
Cash position, end of the year		\$ 35,626,096	\$ 7,283,942

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

1. Reporting entity

Alliance Grain Traders Inc. ("AGT") is located in Canada. The address of AGT's registered office is 199 Bay Street, Suite 5300, Toronto, Ontario, M5L 1B9. The management of day-to-day operations is carried out at P.O. Box 30029 No. 1 Highway East, South Tower Road, Regina, Saskatchewan S4N 7K9. The condensed consolidated interim financial statements of AGT are comprised of AGT and its subsidiaries. AGT through its subsidiaries in Canada, USA, China, Europe, Australia, South Africa and Turkey are engaged in the business of sourcing and processing (cleaning, splitting, sorting and bagging) a full range of specialty crops, including lentils, peas, chickpeas, beans and canary seed, primarily for export markets along with wheat, bulgar, rice and pasta. The results included in the condensed consolidated interim financial statements should not be taken as indicative of the performance to be expected for the full year due to the seasonal nature of AGT's business.

2. Basis of presentation**(a) Statement of compliance**

The condensed consolidated interim financial statements and the notes thereto have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with AGT's annual consolidated financial statements as at and for the year ended December 31, 2011. All financial statements are expressed in Canadian dollars, AGT's functional currency, unless otherwise stated.

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 8, 2012.

(b) Basis of measurement

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(c) Use of estimates and judgements

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates and judgement are used when accounting for items such as collectability of receivables, depreciation and amortization, net realizable value of inventory, estimated useful lives and impairment of long-lived assets, valuation of goodwill, valuation of intangible assets, allocation of

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

2. Basis of presentation – continued**(d) Use of estimates and judgements - continued**

acquisition purchase prices, stock-based compensation, accounting for income taxes, fair value of financial assets and liabilities and amounts and likelihood of contingencies.

Estimates and judgements that have the most significant impact on the amounts recognized in the condensed consolidated interim financial statements are as follows:

- **Impairment of Long-Lived and Intangible Assets**

AGT assesses the carrying values of property, plant and equipment, intangibles assets, and goodwill annually, or more frequently if warranted by circumstances. Recoverability is determined through assumptions and judgements regarding future cash flows, sustaining capital requirements, discount rates, and asset lives. A material change in assumptions may impact the potential recoverability of these assets, resulting in amounts charged against current earnings.

- **Accounting for Income Taxes**

AGT operates in a number of tax jurisdictions and is required to estimate its income taxes in each of these jurisdictions in preparing its financial statements. Significant judgement is required in determining income tax provisions and the recoverability of deferred income tax assets. In calculating income taxes consideration is given to items such as tax rates in each jurisdiction, deductibility of expenses, valuation allowances, changing tax laws and management's expectations about future results. AGT estimates deferred income taxes based on temporary differences income and losses for financial reporting purposes and income and losses determined under the substantively enacted tax laws and rates. The tax effect of these temporary differences is recorded as a deferred tax asset or liability in the financial statements. The calculation of income taxes requires the use of judgement and estimates. If these judgements and estimates prove to be inaccurate, future earnings may be materially impacted.

3. Significant accounting policies

These condensed consolidated interim financial statements and notes thereto have been prepared using accounting policies consistent with those used in preparing AGT's 2011 annual consolidated financial statements. While management believes that the disclosures presented are adequate to make the information not misleading, these unaudited condensed consolidated interim financial statements and notes thereto should be read in conjunction with AGT's interim management's discussion and analysis (MD&A) and the 2011 annual consolidated financial statements and notes thereto.

The accounting policies set out below have been applied consistently by AGT and its subsidiaries to all periods presented in these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

3. Significant accounting policies- continued
(a) New standards and interpretations

The International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards and amendments that have not been applied in preparing these consolidated financial statements as their effective dates fall in periods beginning subsequent to the current reporting period.

Proposed standards	Description	Previous Standard	Effective Date
IFRS 10 - Consolidated Financial Statements	Builds on the existing principles of control and elaborates on the definition of control when determining whether an entity should be consolidated or not.	SIC-12 -Consolidation - Special Purpose Entities IAS 27 -Consolidated and Separate Financial Statements	January 1, 2013
IFRS 11 - Joint Arrangements	Focuses on the rights and obligations of an arrangement rather than its legal form and requires a single method to account for interests in jointly controlled entities.	IAS 31 - Interests in Joint Ventures SIC 13 - Jointly Controlled Entities - Non-Monetary Contributions by Venturers	January 1, 2013
IFRS 12 - Disclosure of Interest in Other Entities	A new standard detailing disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose entities and other off-statement of financial position vehicles.	Various - no direct replacement	January 1, 2013
IFRS 13 - Fair Value Measurement	Sets out a single framework for measuring fair value and disclosure requirements surrounding the inputs and assumptions used in determining fair value.	Various - no direct replacement	January 1, 2013
IAS 32 - Financial Instruments: Presentation and IFRS 7 - Financial Instruments: Disclosures	Issued in December 2011. Clarifies the presentation and disclosure requirements related to the offsetting of financial assets and liabilities.	IAS 32 - Financial Instruments: Presentation and IFRS 7 - Financial Instruments: Disclosures	IFRS 7- January 1, 2013 IAS 32- January 1, 2014
IFRS 9 - Financial Instruments	Initially issued in November 2009 to address the classification and measurement of financial assets. Additional guidance issued in October 2010 on the classification and measurement of financial liabilities.	IAS 39 - Financial Instruments: Recognition and Measurement	January 1, 2015

Management continues to assess the potential impact of standards and amendments effective in future years for impacts on both quantitative and qualitative disclosure.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

4. Inventory

	Mar 31, 2012	Dec 31, 2011
Raw materials	\$ 48,171,720	\$ 53,581,696
Processed product	38,286,767	36,428,285
Split production	16,769,116	19,264,868
Packaged product	56,415,640	71,191,443
Other	3,361,815	2,843,479
	\$ 163,005,058	\$ 183,309,771

	Mar 31, 2012	Mar 31, 2011
Inventory expensed in cost of goods sold	\$ 126,371,418	\$ 71,676,556

5. Property, plant and equipment

Cost	Land	Building and site improvement	Plant and Equipment	Motor Vehicles	Fixtures and Fittings	Construction in Progress	Total
Balance at December 31, 2011	\$ 17,813,127	\$ 65,433,732	\$ 123,475,080	\$ 6,700,687	\$ 4,044,596	\$ 18,473,685	\$ 235,940,907
Additions	208	115,482	1,382,155	185,686	137,236	5,592,213	7,412,980
Disposals	-	-	(116,198)	(93,020)	-	-	(209,218)
Transfer from construction in progress	-	1,124,182	1,162,198	43,003	-	(2,329,383)	-
Effects of movements in exchange rates	339,902	594,756	1,588,904	88,774	52,692	41,317	2,706,345
Balance at March 31, 2012	\$ 18,153,237	\$ 67,268,152	\$ 127,492,139	\$ 6,925,130	\$ 4,234,524	\$ 21,777,832	\$ 245,851,014

Accumulated Depreciation

Balance at December 31, 2011	\$ -	\$ 5,653,599	\$ 28,677,535	\$ 2,508,129	\$ 1,780,431	\$ -	\$ 38,619,694
Depreciation for the period	-	478,233	2,213,061	223,558	133,404	-	3,048,256
Disposals	-	-	(28,081)	(42,660)	-	-	(70,741)
Effects of movements in exchange rates	-	40,109	479,123	25,005	21,496	-	565,733
Balance at March 31, 2012	\$ -	\$ 6,171,941	\$ 31,341,638	\$ 2,714,032	\$ 1,935,331	\$ -	\$ 42,162,942

Net Book Value at December 31, 2011 \$ 17,813,127 \$ 59,780,133 \$ 94,797,545 \$ 4,192,558 \$ 2,264,165 \$ 18,473,685 \$ 197,321,213

Net Book Value at March 31, 2012 \$ 18,153,237 \$ 61,096,211 \$ 96,150,501 \$ 4,211,098 \$ 2,299,193 \$ 21,777,832 \$ 203,688,072

Assets under finance lease, December 31, 2011 \$ - \$ - \$ 4,815,844 \$ 102,894 \$ 190,714 \$ - \$ 5,109,452

Assets under finance lease, March 31, 2012 \$ - \$ - \$ 4,001,096 \$ 128,241 \$ 182,281 \$ - \$ 4,311,618

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

6. Long term debt

	Mar 31, 2012	Dec 31, 2011
<u>Term Debt</u>		
Loan payable, bearing an interest rate of 8.7%, with a maturity date of February 2012, secured by inventory and accounts receivable.	\$ -	\$ 2,554,218
Loan payable, bearing an interest rate of prime plus 1.1%, with monthly payments of interest only, due November 2025, secured by certain property, plant and equipment.	49,998,471	49,998,471
Loan payable, bearing an interest rate of prime plus 1.1% with monthly interest payments to November 2012 and combined principal and interest payments of \$368,921 CAD to October 2017 secured by property, plant and equipment.	20,000,000	20,000,000
Loan payable, bearing interest rates varying from 4% to 8%, with monthly payments of \$89,069 USD, due dates ranging from April 2012 to July 2022, secured by property, plant and equipment.	4,381,277	4,681,118
Loan payable, bearing an interest rate of Canadian Bankers Acceptance rate plus 3.75%, monthly principal payments of \$6,900 CAD, due October 2012, secured by certain property, plant and equipment.	464,300	485,000
<u>Finance Leases</u>		
Leases payable, bearing interest rates ranging from 3.2% to 6.5% in total monthly payments of 259,466 EUR and \$1,334 USD, secured by equipment, due dates ranging from April 2012 to June 2014.	2,245,068	2,628,750
Leases payable, bearing variable interest rates from 8.5% to 9.75%, with monthly payments of 58,269 ZAR, secured by equipment due on dates varying from April 2012 to December 2015.	207,801	189,683
Lease payable bearing 0% interest with monthly payments of \$16,091 CAD secured by equipment, due date is November 2012.	128,725	176,997
Leases payable, bearing variable interest rates from 9.1% to 10.25%, with monthly payments of \$4,027 CAD, secured by equipment, due on dates varying from April 2012 to February 2013.	21,246	30,374
Leases payable, bearing interest rates varying from 8% to 9% with monthly payments of \$1,463 USD currency, secured by equipment, due dates between July 2012 and November 2015.	21,075	20,525
	\$ 77,467,963	\$ 80,765,136
Total current portion	(4,470,961)	(6,203,319)
	\$ 72,997,002	\$ 74,561,817

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

6. Long term debt - continued

The estimated principal repayments for term loans and future minimum payments for finance leases in each of the next five years and thereafter are as follows:

	Term debt	Finance leases	Total
2012-2013	\$ 2,718,022	\$ 1,752,939	\$ 4,470,961
2013-2014	4,539,976	732,049	5,272,025
2014-2015	4,662,098	112,536	4,774,634
2015-2016	4,417,357	25,092	4,442,449
2016-2017	4,609,657	1,299	4,610,956
thereafter	53,896,938	-	53,896,938
	<u>\$ 74,844,048</u>	<u>\$ 2,623,915</u>	<u>\$ 77,467,963</u>

The fair value of the finance lease obligations are estimated as \$2,623,915 (Dec 31 2011 - \$3,046,329). The carrying value of variable and fixed interest rate debt approximates fair value.

7. Non-cash working capital

Details of net change in each element of working capital relating to operations excluding cash are as follows:

	Mar 31, 2012	Mar 31, 2011
(Increase) decrease in current assets:		
Accounts receivable	\$ 8,403,972	\$ (1,475,355)
Inventory	23,036,253	(56,409,979)
Prepaid expenses and deposits	(1,058,822)	(1,757,026)
	<u>30,381,403</u>	<u>(59,642,360)</u>
Increase (decrease) in current liabilities:		
Accounts payable, accrued liabilities and income taxes payable	(24,805,196)	4,338,804
	<u>(24,805,196)</u>	<u>4,338,804</u>
	<u>\$ 5,576,207</u>	<u>\$ (55,303,556)</u>

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

8. Segmented information

AGT is in the business of sourcing and processing specialty crops, wheat, bulgar, rice and pasta, specializing in various markets for domestic and export, and operating in one reporting segment. This reporting segment is involved in the milling, cleaning, sizing, color sorting and packaging for distribution to end use customers. Pasta, rice and pulses share common customers and therefore have a common platform and are managed as one reporting segment. Geographic information about AGT's revenues is based on the product shipment destination.

Sales by product line

	Mar 31, 2012	Mar 31, 2011
Pulses and specialty crops	\$ 159,876,433	\$ 138,369,259
Pasta, semolina and bulgur	23,567,040	15,873,540
Rice	3,276,004	9,353,272
Other commodities	9,774,360	3,726,134
Miscellaneous revenue	911,002	731,156
Total	\$ 197,404,839	\$ 168,053,361

Sales were derived from customers located in the following geographic areas:

	Mar 31, 2012	Mar 31, 2011
Canada	\$ 10,467,901	\$ 11,562,515
Americas / Caribbean, excluding Canada	22,936,347	23,988,961
Asia / Pacific Rim	10,467,209	14,134,104
Europe / Middle East / Africa	153,533,382	118,367,781
Total	\$ 197,404,839	\$ 168,053,361

Segmented assets

Property, plant and equipment and goodwill by geographic area is as follows:

	Property, plant and equipment	
	Mar 31, 2012	Dec 31, 2011
Canada	\$ 61,804,420	\$ 62,519,106
North America, excluding Canada	24,358,642	22,551,380
Australia	34,202,699	33,700,950
Turkey	78,714,581	74,056,916
South Africa	4,012,635	3,898,123
China	595,095	594,738
Total	\$ 203,688,072	\$ 197,321,213

	Goodwill	
	Mar 31, 2012	Dec 31, 2011
Canada	\$ 18,399,191	\$ 18,399,191
North America, excluding Canada	9,974	10,213
Australia	51,790	51,934
Turkey	39,201,090	37,843,080
United Kingdom	3,250,349	3,247,598
Total	\$ 60,912,394	\$ 59,552,016

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

9. Related party transactions
(a) Key management personnel

AGT has defined key management personnel as senior executive officers, as well as the Board of Directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of AGT. The following table outlines the total compensation expense for key management personnel:

	Mar 31, 2012	Mar 31, 2011
Short term benefits (wage, bonus, vacation paid out, directors fees) \$	408,750	\$ 463,937
Post employment benefits (RRSP)	21,200	-
Other long term benefits (long term incentive plan)	228,750	-
Total	\$ 658,700	\$ 463,937

(b) Transactions with other related parties

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. As noted below, one of these entities transacted with AGT in the reporting period. The terms and conditions of the transactions were on an arm's length basis. The transactions were conducted in the normal course of business and were accounted for at the exchange amount.

Transactions with corporations whose directors are also AGT directors

	Mar 31, 2012	Mar 31, 2011
Revenues	\$ 59,045	\$ 207,747
Purchases	1,240,251	847,544

	Mar 31, 2012	Dec 31, 2011
Accounts receivable	\$ 474,084	\$ 772,645
Accounts payable	1,015,139	420,875

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the three months ended March 31, 2012 and 2011

(Stated in Canadian dollars)

10. Commitments and contingencies

AGT enters into contracts with producers. The contracts provide for delivery of specific quantities and include specific prices based on the grade that is delivered. The terms of the production contracts are not longer than one year.

At March 31, 2012, AGT had a letter of credit in favour of the Canadian Grain Commission in the amount of \$10,000,000, (December 31, 2011 - \$10,000,000). The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires December 31, 2012.

AGT has various legal matters pending which, in the opinion of management, will not have a material effect on AGT's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to AGT's financial position or results of operations could result.