Alliance GRAIN TRADERS Inc.

(formerly Alliance Grain Traders Income Fund)

Consolidated Financial Statements
(unaudited)

September 30, 2009

ALLIANCE GRAIN TRADERS INC.

Interim Consolidated Balance Sheets (unaudited)

[See Corporate Conversion - note 1]

		Sept 30, 2009 (unaudited)		Dec 31, 2008 (audited)
Assets				
Current				
Accounts receivable	$	82,796,277	$	69,868,704
Income taxes recoverable (Note 7)		252,768		-
Inventory		62,834,154		16,739,971
Prepaid expenses and deposits		4,555,543		1,325,549
		150,438,742		87,934,224
Property, plant and equipment (Note 4)		119,217,328		48,383,867
Intangible assets (Note 3)		4,166,291		-
Goodwill (Note 3)		57,223,180		12,062,499
Future income tax asset		1,890,537		-
	$	332,936,078	$	148,380,590
Liabilities				
Current				
Bank indebtedness (Note 5)	$	29,244,359	$	17,447,581
Accounts payable and accruals		45,756,322		31,957,633
Income taxes payable		660,298		8,928,612
Current portion of long term debt and capital leases (Note 6)		990,098		1,369,010
Dividends and distributions payable		2,302,815		1,098,069
		78,953,892		60,800,905
Long term debt and capital leases (Note 6)		25,986,657		14,903,029
Reserve for employee termination benefits		242,991		-
Future income tax liability		5,808,994		3,853,404
		110,992,534		79,557,338
Shareholders' equity (Note 7)				
Common shares		192,115,045		53,737,874
Contributed surplus		755,794		327,132
Accumulated other comprehensive income (loss)		(136,449)		456,891
Retained earnings		29,209,154		14,301,355
Total shareholders' equity		221,943,544		68,823,252
	$	332,936,078	$	148,380,590

Commitments (Note 11)
Contingencies (Note 13)
Measurement uncertainty (Note 2)

Approved by the Board of Directors

Murad Al-Katib
Director

Denis Arsenault
Director

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

ALLIANCE GRAIN TRADERS INC.

Consolidated Statements of Income (unaudited)

For the periods ended September 30

	3 Months Ended		9 Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Sales	$ 73,320,223	$ 107,886,461	$ 233,089,370	$ 227,818,695
Cost of sales	59,735,962	91,669,256	193,265,785	192,686,881
Gross margin	13,584,261	16,217,205	39,823,585	35,131,814
Operating expenses				
Amortization	421,103	471,738	1,243,970	1,327,420
Interest and bank charges	718,446	243,895	1,044,257	681,912
Interest on long term debt	122,726	165,479	409,161	380,152
Salaries, wages and benefits	3,289,299	2,343,546	9,987,694	6,774,149
Amortization of fair value of stock options	110,867	133,883	428,663	251,825
General and administration	2,381,097	2,827,844	6,377,282	5,632,586
	7,043,538	6,186,385	19,491,027	15,048,044
Income before income taxes and non-controlling interest	6,540,723	10,030,820	20,332,558	20,083,770
Provision for (recovery of) income taxes (Note 10)				
Current	2,280,294	3,213,541	6,124,846	5,526,695
Future	(281,606)	(29,195)	(525,024)	(82,560)
	1,998,688	3,184,346	5,599,822	5,444,135
Income before non-controlling interest	4,542,035	6,846,474	14,732,736	14,639,635
Non-controlling interest (Note 7)	-	(203,268)	-	(571,414)
Net income	4,542,035	6,643,206	14,732,736	14,068,221
Other comprehensive income				
Foreign currency translation on self-sustaining foreign operations	(427,588)	-	(593,340)	-
Total comprehensive income	4,114,447	6,643,206	14,139,396	14,068,221
Retained earnings, beginning of period	26,969,934	15,516,872	18,972,292	9,859,011
Dividends to shareholders	(2,302,815)	(1,055,857)	(4,495,874)	(2,823,011)
Net income	4,542,035	6,643,206	14,732,736	14,068,221
Retained earnings, end of period	$ 29,209,154	$ 21,104,221	$ 29,209,154	$ 21,104,221
Basic net income per share / unit and unit equivalent	$ 0.47	$ 0.92	$ 1.73	$ 2.11
Diluted net income per share / unit and unit equivalent	$ 0.46	$ 0.83	$ 1.68	$ 1.89
Basic weighted average number of shares / units outstanding	9,617,919	7,240,735	8,536,836	6,667,832
Diluted weighted average number of shares / units outstanding	9,908,769	8,001,751	8,745,275	7,435,662

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

ALLIANCE GRAIN TRADERS INC.

Consolidated Statements of Cash Flows (unaudited)

For the periods ended September 30

	3 Months Ended		9 Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Cash from (used for) the following:				
Operating Activities				
Net income	$ 4,542,035	$ 6,643,206	$ 14,732,736	$ 14,068,221
Items not involving cash:				
- Amortization	421,103	471,738	1,243,970	1,327,420
- Amortization in cost of sales	391,181	-	947,413	-
- Recovery of current and future income taxes	(534,374)	(29,195)	(777,792)	(82,560)
- Amortization of fair value of stock options	110,867	133,883	428,662	251,825
Non-cash operating working capital (Note 9)	3,724,198	(20,182,830)	6,724,415	(38,911,579)
	8,655,010	(12,963,198)	23,299,404	(23,346,673)
Financing Activities				
Proceeds (repayment) of bank indebtedness	(33,277,832)	14,142,490	(42,313,073)	28,084,470
Cash acquired in business combination	1,323,574		1,323,574	
Net proceeds from the issuance of units	94,230,778	14,191,519	94,358,759	14,427,475
Units redeemed	-	-	(25,000)	-
Proceeds from long term debt	-	460,274	2,046,754	3,612,602
Repayment of long term debt	(7,798,874)	(91,991)	(8,483,031)	(2,227,749)
	54,477,646	28,702,292	46,907,983	43,896,798
Investing Activites				
Purchase of property, plant and equipment	(1,939,678)	(15,739,094)	(6,818,271)	(18,782,971)
Acquisition of Arbel Group	(60,097,988)	-	(60,097,988)	-
Dividends and distributions	(1,094,990)	-	(3,291,128)	(1,767,154)
	(63,132,656)	(15,739,094)	(70,207,387)	(20,550,125)
Increase (decrease) in cash position	-	-	-	-
Cash position, beginning of period	-	-	-	-
Cash position, end of period	$ -	$ -	$ -	$ -
Supplemental cash flow information:				
Interest paid	$ 133,853	$ 294,697	$ 746,099	$ 903,759
Income taxes paid	$ 1,568,748	$ 66,856	$ 12,267,595	$ 1,193,345

1. Operations and Corporate Conversion

On September 15, 2009 Alliance Grain Traders Income Fund (the "Fund") and Alliance Grain Traders Inc. ("AGTI") completed the conversion of the Fund on a tax deferred basis from an open-ended unit trust to a dividend-paying corporation by means of a plan of arrangement between the Fund and AGTI under the Business Corporations Act (Ontario) (the "Conversion"). The Fund was a limited purpose open-ended trust established on June 25, 2004. The Fund was created for the purpose of acquiring all of the voting securities of Agtech Processors Inc. ("Agtech"), which transaction was completed on March 22, 2005. The Fund subsequently acquired Saskcan Pulse Trading Inc. ("Saskcan") on August 1, 2007 and amalgamated it with Agtech to form Alliance Pulse Processors Inc. ("Alliance"). AGTI and its subsidiaries in Canada, USA, Australia 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 and pasta.

As a result of the Conversion, all of the outstanding units of the Fund are now owned by AGTI, which was originally a wholly-owned subsidiary of the Fund incorporated for this purpose. All of the holders of outstanding Units have been issued common shares of AGTI on the basis of one Common share for each Unit. The Units of the Fund were delisted from the TSX Venture Exchange as of the close of business on September 17, 2009. The Fund was dissolved on September 21, 2009. The Common shares of AGTI are listed on the Toronto Stock Exchange as of September 18, 2009

Pursuant to the plan of arrangement, AGTI acquired all of the outstanding Units of the Fund and Exchangeable Shares of Alliance in exchange for one common share of AGTI (a "Common Share") for each Unit or Exchangeable Share, In addition, AGTI adopted an incentive stock option plan for the directors, officers and employees of AGTI and its subsidiaries that has substantially the same terms as the Fund's previous incentive option plan, and each incentive option of the Fund will be exchanged for one incentive stock option of AGTI which will entitle its holder to acquire one Common Share on the same terms (including the same exercise price per share and duration) as the Fund incentive option in exchange for which it was issued. Immediately before the completion of the Conversion, AGTI completed a private placement for special warrants to acquire up to 40,000 Common Shares at $16.25 per special warrant, and at the effective time of the Conversion, each such special warrant of AGTI exchanged for one Common Share. The sole Common Share currently held by the Fund was cancelled upon the completion of the Conversion.

On September 15, 2009, AGTI acquired ("Acquisition") all of the outstanding shares of Arbel Bakliyat Hububat Sanayi ve Ticaret A.Ş., ("Arbel"), Durum Gida Sanayi ve Ticaret A.Ş., ("Durum"), and Turkpulse Diş Ticaret A.Ş., "Turkpulse", (collectively, the "Arbel Group"). As a result of the Acquisition, AGTI owns all of the issued and outstanding shares of the Arbel Group Companies. The aggregate purchase price for the Acquisition was of $104,141,400, of which $60,097,988 was paid in cash and $44,043,412 was paid by the issuance of 2,850,448 common shares of AGTI ("Common Shares") at a deemed price of CDN $15.4514 per Common Share.

10% of the purchase price (including both cash and shares) has been withheld in escrow as security for any claims for indemnity which AGTI may make against the former principal shareholders of the Arbel Group. All of the remaining Common Shares issued pursuant to the Acquisition have been placed in escrow for a period of two years, with 25% to be released every six months.

These Interim Consolidated financial statements reflect AGTI as a corporation on and subsequent to September 15, 2009 and as an Income Fund prior thereto.

2. Accounting policies

Basis of presentation

The accompanying unaudited consolidated balance sheet as at September 30, 2009 the audited consolidated balance sheet as of December 31, 2008, and the unaudited consolidated statements of income, shareholders' equity and comprehensive income and cash flows for the periods ended September 30, 2009 and 2008 have been prepared by management of the Fund in accordance with Canadian generally accepted accounting principles ("GAAP") for interim financial information and are expressed in Canadian dollars unless otherwise stated. Accordingly, the interim consolidated financial statements of AGTI do not include all information and note disclosure as required under Canadian GAAP for annual financial statements, and should be read in conjunction with AGTI's 2008 audited consolidated financial statements and corresponding notes thereto. These unaudited consolidated financial statements have been reviewed by the independent auditors of AGTI.

These Interim Consolidated financial statements reflect the consolidated results of AGTI as a corporation on and subsequent to September 15, 2009 and as an Income Fund prior thereto.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the 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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property, plant and equipment. The fair value of net assets acquired in business combinations are determined based on available market information and analysis that is subjective in nature.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method.

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are recorded at cost. Amortization is provided using the straight-line method at annual rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Buildings and site improvements	Straight-line	20 to 50 years
Storage bins	Straight-line	25 to 39 years
Automotive	Straight-line	5 to 10 years
Equipment	Straight-line	5 to 20 years
Intangible assets	Straight-line	10 years

Goodwill

Goodwill is not subject to amortization. Goodwill is tested for impairment at least annually by comparing the fair value of its reporting unit to its carrying value. The carrying value of goodwill is written down to fair value if the carrying value of the reporting unit's goodwill exceeds its fair value. Any impairment write down is charged to income during the period of impairment.

Income taxes

AGTI converted to a publicly traded corporation from a publicly traded income trust on September 15, 2009 (note 1). Accordingly, AGTI's calculation of current and future income taxes for the periods ended September 30, 2009 is based on the conversion to a corporate structure, whereas the calculation of current and future income taxes for the periods prior to this date are based on AGTI being a publicly traded income trust.

AGTI and its subsidiaries follow the asset and liability method of accounting for future income taxes. Under this method, future income tax assets and liabilities are recorded based on temporary differences between the carrying amount of balance sheet items and their corresponding tax bases. In addition, the future benefits of income tax assets, including unused tax losses, are recognized, subject to a valuation allowance, to the extent that it is more likely than not that such future benefits will ultimately be realized. Future income tax assets and liabilities are measured using enacted tax rates and laws expected to apply when the tax liabilities or assets are either settled or realized.

Exchangeable securities issued by subsidiaries of AGTI

Exchangeable securities were recorded in unitholders' equity as unit equivalents when the holders of the exchangeable shares were entitled to receive distributions of earnings economically equivalent to unitholders. The disposition of exchangeable shares occurred when the exchangeable shares were converted to common shares of AGTI (note 1).

Revenue recognition

Revenue is recognized when the customer has substantially taken title and substantially assumed the risks and rewards of ownership of the products specified in the purchase order or sales agreement. Typically this occurs when product is delivered to the customer's delivery site (if the terms of the sale are "FOB destination") or when a product is shipped to the customer (if the terms are "FOB shipping point"). The sale price is fixed in a purchase order before shipment. Product cannot be returned. In cases where the terms of sale are "FOB destination" at a destination outside of Canada, the United States, Australia or Turkey, payment is typically required in advance, or a deposit, letter of credit or receivable insurance is required. Payments in advance and deposits are accounted for as deposits rather than revenue. Letters of credit are not recorded until drawn upon. These revenue recognition policies are followed whether the sale is under a long-term contract or a spot contract.

Derivative financial instruments

AGTI enters into forward foreign exchange contracts to minimize its operating exposures to fluctuations in foreign exchange rates. These contracts are recorded on the balance sheet and marked-to-market at each reporting date. Any mark-to-market gains or losses are included in the statement of earnings.

Financial instruments

All significant financial assets, financial liabilities and equity instruments of AGTI are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows and interest rate, currency or credit risk.

Per Share amounts

Net income per share is based on the consolidated net income for the period divided by the weighted average number of shares outstanding during the period. Diluted net income per share is computed in accordance with the treasury stock method and based on the weighted average number of shares and dilutive share equivalents.

2. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the operations of AGTI's 100% owned subsidiaries Alliance Pulse Processors Inc., United Pulse Trading Inc., Australian Milling Group Pty Ltd., Pulse Depot Rosetown Inc., Saskcan Horizon Trading Inc. and the Arbel Group (see note 1).

Foreign exchange - self-sustaining foreign operations

AGTI's foreign operations, which are self-sustaining, are translated using the current rate method. Under this method, all assets and liabilities are translated at period-end exchange rates with income statement items translated at average exchange rates for the year. Translation adjustments arising from changes in exchange rates form part of the change in the accumulated other comprehensive income component of shareholders' equity. These adjustments are not included in operating income until realized through a reduction in AGTI's net investment.

Change in accounting policies

Effective January 1, 2008, AGTI adopted the accounting recommendations for capital disclosures (Canadian Institute of Chartered Accountants (CICA) Handbook Section 1535) in accordance with the transition provisions of the section. This section requires disclosure of information related to the objectives, policies and processes for managing capital, and particularly whether externally imposed capital requirements have been complied with. As this standard only addresses disclosure requirements, there is no impact on AGTI's operating results.

Effective January 1, 2008, AGTI adopted the accounting recommendations for financial instruments - disclosures (CICA Handbook Section 3862) and financial instruments - presentation (CICA Handbook Section 3863) in accordance with the transition provisions of the sections. These sections replace the existing disclosure and presentation recommendations contained in financial instruments - disclosure and presentation (CICA Handbook Section 3861). The new disclosure standards increase the disclosures related to financial instruments, and the nature, extent and management of AGTI's risks arising from financial instruments. The presentation standards carry forward unchanged the former presentation requirements. As these standards only address disclosure and presentation requirements, there is no impact on AGTI's operating results.

The CICA also issued new accounting standards which became effective for AGTI on January 1, 2009. These changes include:

Section 3064, Goodwill and Intangible Assets, replaces Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of Section 3064 did not have any impact on AGTI's consolidated financial statements.

Emerging Issues Committee ("EIC") Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities provides guidance on evaluating credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. This standard is effective for the fiscal year beginning January 1, 2009. The adoption of EIC-173 did not have a significant impact on AGTI's consolidated financial statements.

The Canadian Accounting Standards Board has announced that publicly accountable enterprises will be required to convert from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS for use in the preparation of their financial statements. Alliance will be required to adopt IFRS for its interim and annual financial statements effective January 1, 2011. Accordingly, management of Alliance has initiated a project to address the conversion from Canadian GAAP to IFRS.

AGTI has engaged consultants to assist with conversion to IFRS, including: performance of a gap analysis and resulting disclosure differences between IFRS and GAAP, providing technical advice and interpretation of IFRS, assisting in the preparation of systems and processes likely to be impacted by the conversion, evaluating alternatives and training of Alliance personnel as required.

3. Business combinations

The purchase price for business combinations is as follows:

Purchase price comprised of:	**15-Sep-09 Arbel Group**	**1-Aug-08 Pulse Depot**
Cash	$ 60,097,988	$ 7,208,569
Issuance of units and exchangeable shares	-	715,000
Issuance of share capital	44,043,412	-
Total purchase price	104,141,400	7,923,569
Allocation of purchase price:		
Cash	1,854,524	242,146
Accounts receivable	31,669,438	291,681
Inventory	34,588,392	413,674
Prepaid expenses	6,053,352	45,787
Property, plant and equipment	65,849,575	8,500,000
Other long term assets	45,815	-
Identifiable tangible assets	140,061,096	9,493,288
Accounts payable and accruals	(66,186,805)	(71,211)
Long term debt	(17,646,638)	(1,498,508)
Deferred tax asset	1,932,723	
Future income tax liability	(4,008,820)	(2,024,004)
Intangible and other assets	4,126,626	-
Goodwill	45,863,218	2,024,004
	$ 104,141,400	$ 7,923,569

The consolidated goodwill amount shown on the balance sheets are as a result of the amalgamation with Saskcan Pulse Trading Inc. in 2007, the acquisition of Pulse Depot Rosetown Inc. in 2008 and the acquisition of the Arbel Group in 2009 using the purchase method. The change in the goodwill balance from the December 31, 2008 financial statements to the September 30, 2009 financial statements is a result of the finalization of the purchase price allocation of 2008 and prior acquisitions and the Arbel Group acquisition in 2009.

4. Property, plant and equipment

	Cost	*Accumulated amortization*	*Sept 30, 2009 Net book Value*	*Dec 31, 2008 Net book Value*
Land	$ 3,897,195	$ -	$ 3,897,195	$ 5,104,829
Buildings and Site Improvements	46,373,344	2,633,187	43,740,158	20,669,165
Automotive	3,387,036	1,415,564	1,971,471	1,036,004
Equipment	86,187,092	16,578,588	69,608,504	21,573,868
	$ 139,844,667	$ 20,627,339	$ 119,217,328	$ 48,383,867

During the year, various construction programs and costs related to past acquisitions were finalized. As a result, fixed assets were reclassified into the appropriate categories.

5. Bank indebtedness

At September 30, 2009, AGTI and its subsidiaries had total operating credit available of $CDN 50,000,000, bearing interest at the rate of prime plus 0.25% secured by a general security agreement on all the assets of AGTI and $USD 95,579,252 with an average interest rate of 6.13%. USD bank borrowings of the Arbel Group are currently secured by personal guarantees of the former whole owners of Arbel Group, the Arslan family and corporate guarantee of Arbel. These personal guarantees will be discharged and replaced by AGTI's corporate guarantee. Bank borrowings and credit terms are currently being re-negotiated to reflect the financial strength of AGTI.

6. Long term debt and capital leases

Long term debt		*Sept 30, 2009 Balance*		*Dec 31, 2008 Balance*
Advancer loan payable bearing interest at the rate of prime plus 1%, no fixed repayment terms.	$	-	$	7,000,000
Loan payable, due December 11, 2023, blended payments of principal plus interest at the rate of prime plus 1% per month		5,670,177		3,892,821
United Pulse Trading Inc. loan payable, various due dates and interest rate buy downs provided by the State of North Dakota, secured by property, plant and equipment of United Pulse Trading Inc.		2,612,533		3,154,777
Pulse Depot Rosetown Inc. loan payable, due October 15, 2010, payments of $12,500 per month plus interest at the rate of Canadian Bankers Acceptance rate plus 2.5%		563,891		676,391
Saskcan Horizon Trading Inc. loan payable, due November 6, 2013, payments of $8,670 per month, principal and interest, at the rate of prime plus 1.5%, secured by property, plant and equipment of Saskcan Horizon Trading Inc.		-		398,106
Pulse Depot Rosetown Inc. loan payable, due October 15, 2010, payments of $6,900 per month plus interest at the rate of Canadian Bankers Acceptance rate plus 3.75%		671,300		733,400
United Pulse Trading Inc. vehicle debt payable, due May 2011, payments of $858.28 per month, including interest of .9%, secured by vehicle.		19,691		32,005
Arbel Group operating credits and facilities with repayment terms greater than one year, various due dates and interest rates, secured by personal guarantees of the shareholders of the Arbel Group.		17,140,993		-
Capital leases				
Capital lease payable in monthly installments of $3,859, including interest at 9.5%, secured by sale leaseback asset, due August 2011.		98,605		120,490
Capital lease payable in monthly installments of $2,025, including interest at 9.1%, secured by sale leaseback asset, due February 2013.		66,329		82,377
Capital lease payable in monthly installments of $1,819, including interest at 10.25%, secured by sale leaseback asset, due January 2012.		51,779		67,446
Capital lease payable in monthly installments of $1,863, including interest at 8.5%, secured by sale leaseback asset, due June 2010.		42,605		58,488
Capital lease payable in monthly installments of $1,052, including interest at 9.536%, secured by sale leaseback asset, due July 2012.		31,801		46,152
Capital lease payable in monthly installments of $119 including interest at 14.5%, secured by sale leaseback asset, due July 2012		3,857		5,233
Capital lease payable in monthly installments of $97 including interest at 9.5%, secured by sale leaseback asset, due July 2012.		3,195		4,353
		26,976,755		16,272,039
Total current portion		990,098		1,369,010
	$	25,986,657	$	14,903,029

The estimated principal repayments for long term debt and future minimum payments for capital leases in each of the next five years are as follows:

		Long term debt		Capital Leases		Total
2009	$	877,326	$	119,411	$	996,737
2010		9,000,396		108,233		9,108,628
2011		7,982,857		45,269		8,028,126
2012		2,251,811		11,976		2,263,787
2013 and later		6,566,195		-		6,566,195
		26,678,585		284,888		26,963,472
Interest portion		-		13,283		13,283
Total	$	26,678,585	$	298,171	$	26,976,755

7. Shareholders equity

Common shares

Authorized - Unlimited number of voting common shares without par value
Issued - 17,057,896 common shares

	Units and Unit Equivalents	Total Share Capital	Shares and Share Capital	Total Share Capital
Balance, December 31, 2007	4,802,470	$ 26,942,090		$ -
Private placement of Fund units	2,503,334	22,508,504		
Warrants exercised	43,941	237,281		
Units redeemed	(2,021)	(25,000)		
Units issued for acquisitions	82,047	1,074,996		
Performance options converted to Fund units	555,556	3,000,002		
Balance, December 31, 2008	7,985,327	53,737,874	-	-
Warrants exercised	69,367	374,582		
Units redeemed	(3,086)	(25,000)		
Balance prior to Conversion to common shares	8,051,608	54,087,455		
Conversion to common shares	(8,051,608)	(54,087,455)	8,051,608	54,087,455
Issuance of common shares for Arbel Group acquisition	-	-	2,850,448	44,043,412
Subscription receipts converted to common shares pursuant to Plan of Arrangement	-	-	6,118,840	99,431,150
Private placement of shares pursuant to Plan of Arrangement	-	-	37,000	601,250
Issuance costs			-	(6,048,223)
Balance, September 30, 2009	$ -	$ -	$ 17,057,896	$ 192,115,045

Proceeds of share issuances are recorded net of issuance costs.

Contributed surplus

	3 Months Ended		9 Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Contributed surplus - beginning of period	$ 644,927	$ 117,942	$ 327,132	$ -
Amortization of fair value of stock options	110,867	133,883	428,662	251,825
Contributed surplus - end of period	$ 755,794	$ 251,825	$ 755,794	$ 251,825

Accumulated other comprehensive income

	3 Months Ended		9 Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
Accumulated other comprehensive income - beginning of period	$ 291,139	$ -	$ 456,891	$ -
Other comprehensive income	(427,588)	-	(593,340)	-
Accumulated other comprehensive income - end of period	$ (136,449)	$ -	$ (136,449)	$ -

7. Share capital (continued)

Non-controlling interest in earnings and purchase of non-controlling interest

On September 30, 2008, AGTI signed an agreement to purchase the 45% non-controlling interest of Saskcan Horizon Trading Inc. Non-controlling interest in earnings attributable to the non-owned share of Saskcan Horizon Inc. is nil for the current year (quarter ended September 30, 2008 - $203,268 and year to date - $571,414).

Changes in shareholders equity and non-controlling interest

Third quarter cash dividends to shareholders of $0.135 per common share, totaling $2,302,816, were accrued at September 30, 2009.

On September 15, 2009, AGTI acquired all of the outstanding shares of the Arbel Group (note 1). The aggregate purchase price for the Acquisition was of CDN $104,141,400, of which CDN $60,097,988 was paid in cash and CDN $44,043,412 was paid by the issuance of 2,850,448 common shares of AGTI at a deemed price of CDN $15.4514 per Common Share.

On July 21, 2009, the Fund completed its previously announced public offering of 6,118,840 subscription receipts ("Subscription Receipts") at a price of $16.25 per Subscription Receipt for gross proceeds of $99,431,150 (the "Offering"), pursuant to a bought deal with a syndicate of underwriters led by Genuity Capital Markets and including Wellington West Capital Markets Inc., Macquarie Capital Markets Canada Ltd., and GMP Securities L.P. (the "Underwriters"). The Underwriters were entitled to a fee equal to 4% of the gross proceeds of the Offering. Each Subscription Receipt entitled its holder to receive one trust unit of the Fund (an "Underlying Unit"), which were converted to common shares of AGTI once all conditions of the conversion were satisfied.

On June 23, 2009 69,367 compensation options valued at $374,582 were exchanged for 69,367 units of the Fund.

On April 21, 2008 the Fund issued options to acquire 595,000 units of the Fund, each exercisable for one unit of the Fund at a price of $9.00 per unit until April 21, 2013. Subsequently 75,000 options were cancelled and never exercised. The fair value of unit options, estimated at the date of grant using the Black-Scholes option pricing model with the assumptions below resulted in a charge of $110,867 to current period income and a charge of $428,663 year to date September 30, 2009.

Risk free interest rate	3%
Expected dividend yield	10%
Expected volatility	25%
Expected time until exercise	5 years

The options were issued to certain key managers and to the Trustees of AGTI that remain outstanding and vest in the hands of the holder as follows:

33,333 units	April 21, 2009
33,333 units	April 21, 2010
173,334 units	April 21, 2011
140,000 units	April 21, 2012
140,000 units	January 21, 2013

The Black-Scholes options valuation model used by AGTI to determine fair values was developed for use in estimating the fair value of freely traded options which are fully transferable and have no vesting restrictions. In addition, this model requires the input of highly subjective assumptions, including future unit price volatility and expected time until exercise. AGTI's outstanding unit options have characteristics which are significantly different from those of traded options and changes in any of the assumptions may have a material effect on the estimated value.

8. Financial instruments

Fair values:

Fair values approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal and remaining maturities. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgment and future-oriented information, aggregate fair values amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

AGTI, as part of its operations, carries a number of financial instruments that include bank indebtedness, accounts receivable, loans receivable, accounts payable and accruals, distributions payable, and long-term debt. The fair value of bank indebtedness, accounts receivable, accounts payable and accruals, and distributions payable approximate their carrying value given their short-term maturities. The fair value of loans receivable and long-term debt approximate their carrying value based on the terms of the agreements.

8. Financial instruments (continued)

Business risk:

As a result of the nature of AGTIs operations, it may be exposed to various forms of risk. Those forms of risk include commodity risk, credit risk, liquidity risk and foreign currency risk.

Commodity risk:

Commodity risk is the risk of financial loss resulting from changes in commodity prices. Commodity risk is inherent in the nature of the business as AGTI enters into commitments that involve a degree of speculative risk.

Credit risk:

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet obligations to be similarly affected by changes in economic or other conditions. AGTI minimizes this risk by having a diverse customer base and established credit policies, including the use of accounts receivable insurance.

The credit risk of AGTI relates to accounts receivable and loans receivable.

The carrying amount of financial assets represents the maximum credit exposure as follows:

	Sept 30, 2009	Dec 31, 2008
Accounts receivable	$ 82,796,277	$ 69,868,704
	$ 82,796,277	$ 69,868,704

The aging of customer receivables, which indicates potential impairment losses, is as follows:

	Sept 30, 2009	Dec 31, 2008
Current	$ 16,642,188	$ 9,199,552
0 - 30 days overdue	29,711,739	19,627,338
31 - 60 days overdue	19,708,482	23,908,803
Greater than 60 days overdue	16,733,869	17,133,011
	$ 82,796,277	$ 69,868,704

Provisions for credit losses are regularly reviewed based on an analysis of the aging of customer accounts. Amounts are written off if the accounts are deemed uncollectible. Details of the allowance account are as follows:

	Sept 30, 2009	Dec 31, 2008
Allowance for doubtful accounts - beginning	$ 11,406	$ -
Written off	(7,530)	
Recoveries	(3,876)	
Provision for losses	-	11,406
Allowance for doubtful accounts - ending		
	$ -	$ 11,406

Foreign currency risk:

AGTI enters into sales denominated in US currency for which the related revenue and accounts receivable balances are subject to exchange rate fluctuations. AGTI has entered into certain foreign exchange contracts with maturities of less than one year, to manage risks associated with entering into new sales contracts denominated in US dollars Euro dollars and Turkish Lira. For the Arbel Group, transactions in foreign currency expose AGTI to foreign currency risk, arising mainly from fluctuation of foreign currency used in conversion of foreign assets and liabilities into Turkish Lira. Foreign currency risk arises as a result of trading transactions in the future and the difference between the assets and liabilities recognized. In this regard, the Group manages this risk with a method of netting foreign currency denominated assets and liabilities. The management reviews the foreign currency open position and provide measures if required.

8. Financial instruments (continued)

Liquidity risk:

The following are the contractual maturities of financial liabilities, including interest payments:

September 30, 2009

	Carrying Amount	Contractual cash flows	1 year	2 years	3 - 5 years	More than 5 years
Bank indebtedness	$ 29,244,359	$ 29,244,359	$ 29,244,359	$ -	$ -	$ -
Accounts payable	45,756,320	45,756,320	45,756,320	-	-	-
Long-term debt	26,976,756	37,517,833	990,098	12,674,594	2,216,078	21,637,062
Dividends and distributions payable	2,302,816	34,976,539	6,781,147	9,211,264	9,492,064	9,492,064
	$ 104,280,252	$ 147,495,051	$ 82,771,925	$ 21,885,858	$ 11,708,142	$ 31,129,126

December 31, 2008

	Carrying Amount	Contractual cash flows	1 year	2 years	3 - 5 years	More than 5 years
Bank indebtedness	$ 17,447,581	$ 17,447,581	$ 17,447,581	$ -	$ -	$ -
Accounts payable	31,957,633	31,957,633	31,957,633	-	-	-
Long-term debt	16,272,039	18,551,156	1,563,904	1,571,499	4,169,785	11,245,967
Distributions payable	1,098,069	17,972,225	4,312,077	4,366,183	4,646,983	4,646,983
	$ 66,775,322	$ 85,928,595	$ 55,281,195	$ 5,937,682	$ 8,816,768	$ 15,892,950

Sufficient assets are on hand to fund these obligations.

9. Non-cash operating working capital

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

	3 Months Ended		9 Months Ended	
	Sept 30, 2009	Sept 30, 2008	Sept 30, 2009	Sept 30, 2008
(Increase) decrease in current assets:				
Accounts receivable	$ (23,490,364)	$ (37,239,210)	$ (11,005,941)	$ (56,557,768)
Inventory	(50,064,280)	(5,355,031)	$ (46,094,183)	(8,804,433)
Prepaid expenses and deposits	(3,698,049)	533,076	$ (3,229,994)	(296,667)
	(77,252,693)	(42,061,165)	(60,330,119)	(65,658,868)
Increase (decrease) in current liabilities:				
Accounts payable and accruals	20,767,297	18,747,767	15,003,434	22,486,290
Income taxes payable	2,370,795	3,130,568	(5,787,700)	4,260,999
	23,138,092	21,878,335	9,215,736	26,747,289
Non-cash operating working capital acquired in business combination	57,838,799	-	57,838,799	-
	$ 3,724,198	$ (20,182,830)	$ 6,724,415	$ (38,911,579)

10. Income taxes

	3 Months Ended Sept 30, 2009	3 Months Ended Sept 30, 2008	9 Months Ended Sept 30, 2009	9 Months Ended Sept 30, 2008
Statutory income tax rate	29.50%	32.12%	29.50%	32.12%
Earnings before income taxes	$ 6,540,723	$ 9,827,553	$ 20,332,558	$ 19,512,356
Earnings taxed at unitholder level	-	(1,055,857)	-	(2,823,011)
Other costs of AGTI	(306,326)	(176,488)	(362,134)	(211,180)
Net earnings of subsidiaries	6,234,397	8,595,208	19,970,424	16,478,165
Income taxes at statutory rate	1,839,147	2,760,781	5,891,275	5,292,787
Change as result:				
Effective tax rate of subsidiaries and other	159,541	423,566	(291,452)	151,348
	1,998,688	3,184,347	5,599,823	5,444,135
Current	2,280,294	3,213,542	6,124,846	5,526,695
Future	(281,606)	(29,195)	(525,024)	(82,560)
	$ 1,998,688	$ 3,184,347	$ 5,599,823	$ 5,444,135

11. Commitments

AGTI enters into production 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.

AGTI has in place a letter of credit in favor of the Canadian Grain Commission in the amount of $17,500,000. The letter of credit is callable by the beneficiary in the event of a producer grain payment default. The letter of credit expires October 31, 2010.

The Arbel Group has in place various guarantee letters denominated in Turkish Lira, Euros and USD, totaling $CDN 2,766,728.

12. Segmented information

The subsidiaries and divisions of AGTI are in the business of sourcing and processing specialty crops, wheat, bulgar, rice and pasta, specializing in the lentil and pea markets for domestic and export markets, and operating in one business segment. Geographic information about AGTI's revenues is based on the product shipment destination.

Segmented sales:

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

	3 Months Ended Sept 30, 2009	3 Months Ended Sept 30, 2008	9 Months Ended Sept 30, 2009	9 Months Ended Sept 30, 2008
Americas / Caribbean	$ 19,927,497	$ 14,229,331	40,299,074	$ 47,291,886
Asia / Pacific Rim	13,586,103	27,290,204	42,118,125	47,830,732
Europe / Middle East / North Africa	39,806,623	66,366,926	150,672,171	132,696,077
Total	$ 73,320,223	$ 107,886,461	$ 233,089,370	$ 227,818,695

Segmented assets:

Fixed assets by geographic areas are as follows:

	Sept 30, 2009	Dec 31, 2008
Americas/Caribbean	$ 46,505,144	$ 43,350,221
Pacific Rim	7,374,440	5,033,646
Europe / Middle East / North Africa	65,337,744	-
Total	$ 119,217,328	$ 48,383,867

13. Contingencies

In the normal course of operations, AGTI may become involved in various legal matters, both claims by and against AGTI. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance. In the opinion of management, based on the information provided by its legal counsel, final determination of these litigations are not determinable and an estimate of the contingency cannot be made at this time.