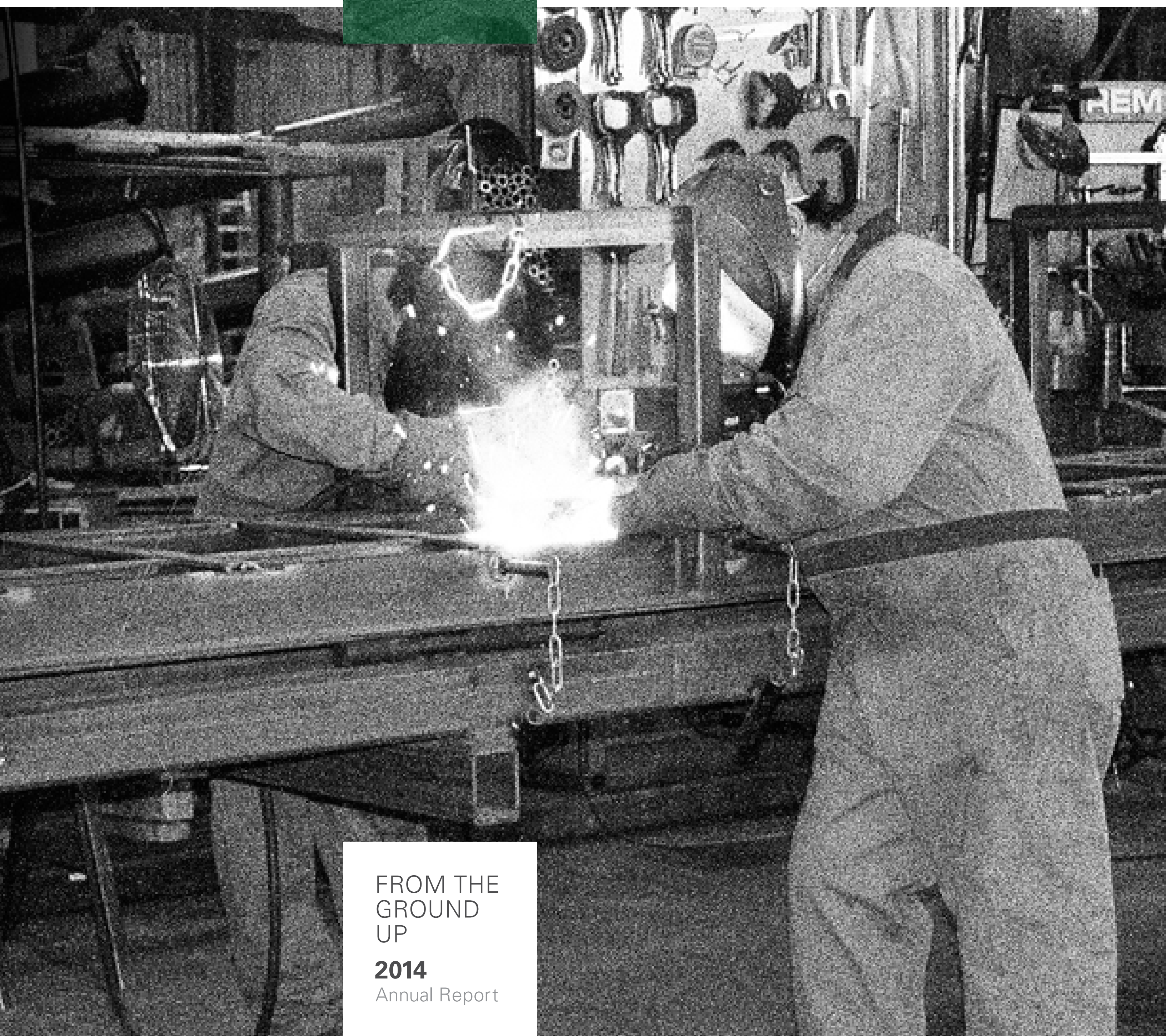
AG GROWTH INTERNATIONAL



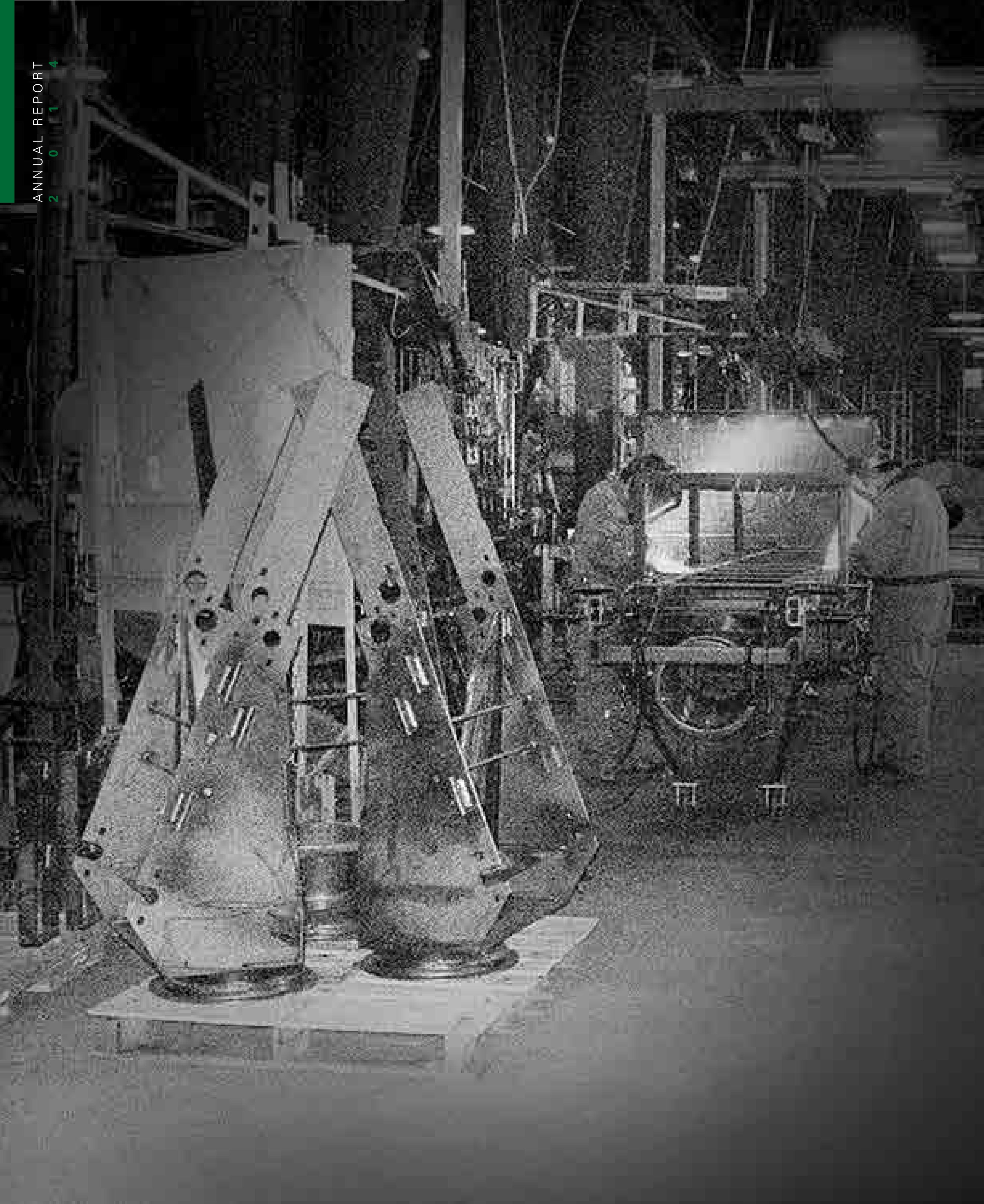
FROM THE GROUND UP

2014

Annual Report

AG GROWTH INTERNATIONAL

ANNUAL REPORT 2014



FROM THE GROUND **UP**

2015	
2014	REM
2011	AIRLANCO
2010	TRAMCO FRANKLIN MEPU
2008	APPLEGATE
2007	TWISTER UNION IRON
2006	HI ROLLER
2005	GRAIN GUARD
2004	AGI AG GROWTH INTERNATIONAL
2000	WESTFIELD
1998	WHEATHEART
1997	BATCO
1996	Founded November 1996

CE

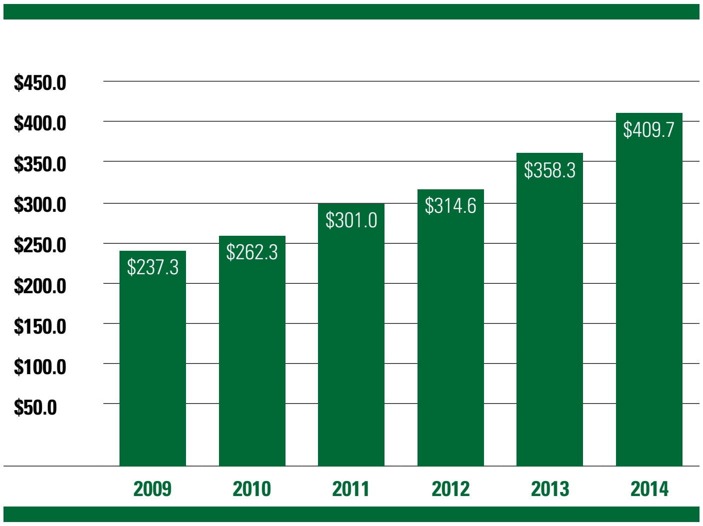
MESSAGE

Photography by Mary Anderson; In-House Creative Design by Kacey Tran

On behalf of the Board of Directors and everyone at AGI, I am pleased to welcome you to our 2014 Annual Report. This year's theme, *From the Ground Up*, pays tribute to all of the hard working men and women on our shop floors across Canada, the United States, the United Kingdom and Finland. It is their performance, day in and day out, that enabled us to serve our customers worldwide in a manner that generated record Trade Sales and Adjusted EBITDA for our shareholders in 2014. These records were largely related to robust demand in North America, as we successfully leveraged our brands and market position on the back of another strong harvest. Consolidated Trade Sales of $409.7m surpassed 2013's record Trade Sales by 14%, while Adjusted EBITDA of $78.2m outpaced 2013's record Adjusted EBITDA by 22%.

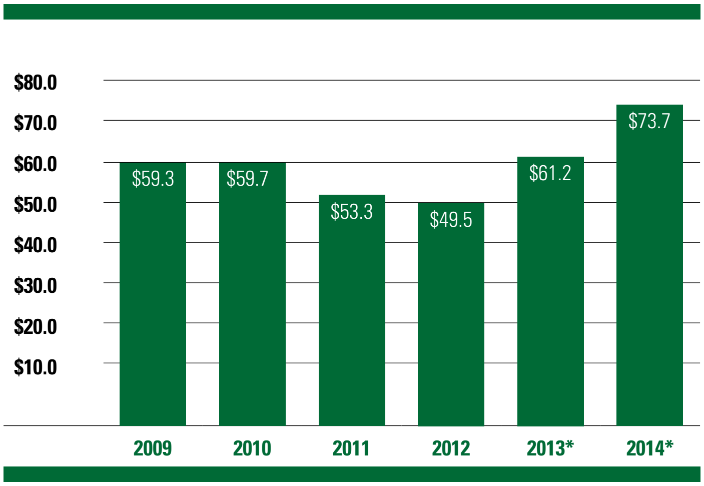
TRADE SALES

(in C$ millions)



ADJUSTED EBITDA

(in C$ millions)

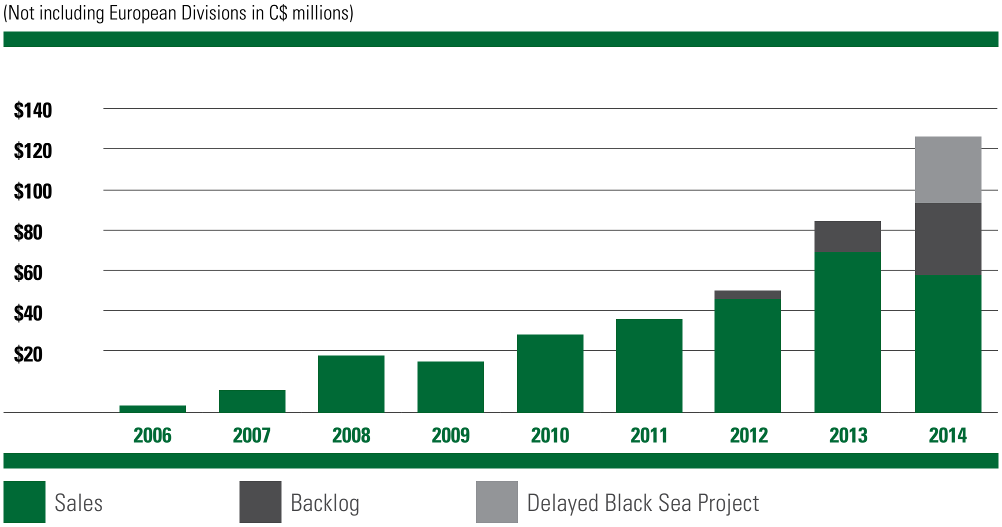


** net of expenses related to non-cash share-based compensation*

Offshore, 2014 was a year of mixed results. After achieving exceptional growth over a six year period, in which sales grew from approximately $6m in 2007 to slightly over $90m in 2013, we saw overall international sales decline in 2014 to slightly under $80m. The two factors that accounted for the decrease in international sales were a drop of $6.5m in revenue at Mepu as EU subsidies impacted producer investments in that region and a pause in the build out of the grain infrastructure in Ukraine, directly attributable to the conflict in the eastern part of the country. Sales in RUK (Russia, Ukraine, Kazakhstan), declined by $21.1m to $36.7m, but the lower sales in RUK and at Mepu were partially offset by increases in other international markets that grew a combined $13m. Considering all that was thrown our way, I am very proud of our international sales team's performance. They responded quickly to these external factors and modified their strategies accordingly. Despite all the turmoil, our large customers in RUK continue to push forward with their long-term plans. Their resolve speaks loudly to the enormous generational potential in this region.

INTERNATIONAL TOTAL SALES & BACKLOG

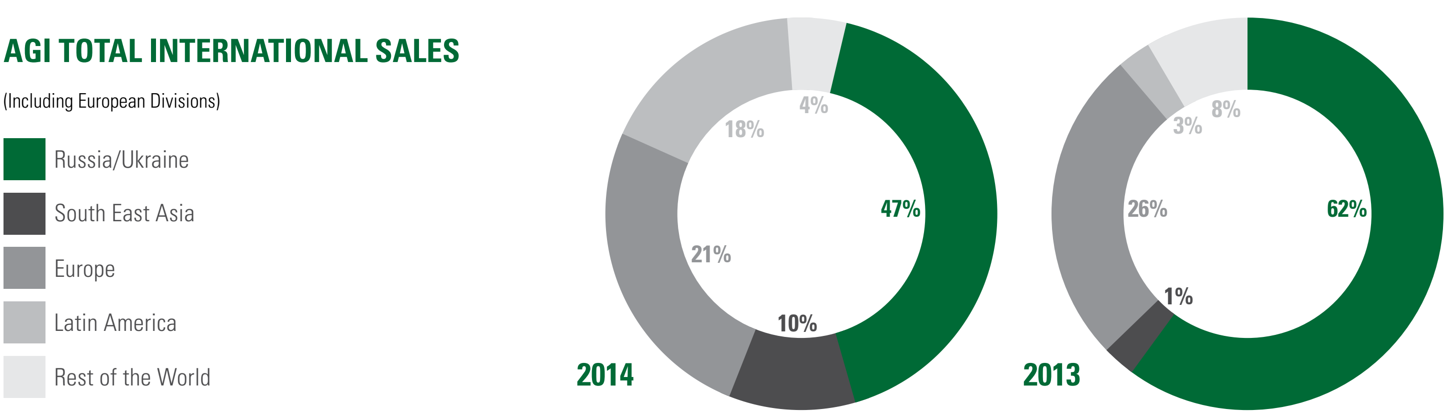
(Not including European Divisions in C$ millions)



Recent initiatives in Latin America, designed to achieve greater global diversification, have begun to pay off. At the end of December 2014, sales for the year, plus order backlog, totalled an encouraging $22.5m. We launched an organic growth plan in Brazil and have been able to attract a very strong core team, bringing with them many years of industry experience in Brazil. They have been busy immersing themselves in AGI product training and are already building a promising quote log. We will continue to add to this team throughout 2015. Remember, this is a country where total grain production rivals the USA, yet has but a fraction of the grain infrastructure that has developed in North America. We will continue to work hard at leveraging the enormous potential in the Brazilian market.

AGI TOTAL INTERNATIONAL SALES

(Including European Divisions)



In 2014, we undertook an aggressive Capex program to prepare AGI for future growth. We initiated construction of two new production facilities, at our Hi Roller division in Sioux Falls, South Dakota and at our Union Iron division in Decatur, Illinois. Both projects are expected to come on line in H-2/2015. This past year, Union Iron experienced a drop in margin associated with the introduction of a new product line that bottlenecked engineering resources and in turn impacted production efficiencies. While it may take us a couple quarters to flush through the remaining changes and improvements, we believe this new product line of structural towers and trusses will complement our entire commercial catalogue. Efficiencies will also improve for Union Iron with the move to our new production facility.

2014 was a very active year for M&A. We started off by acquiring the REM Grain Vac, a nice addition for our new Batco facility in Swift Current. I would like to commend the leadership and the entire team at Batco-REM for their efforts in making the integration tight and timely. We also took a hard look at several other M&A opportunities, both in North America and Brazil, giving us further insight into new opportunities, even though in the end, we did not proceed with either transaction.

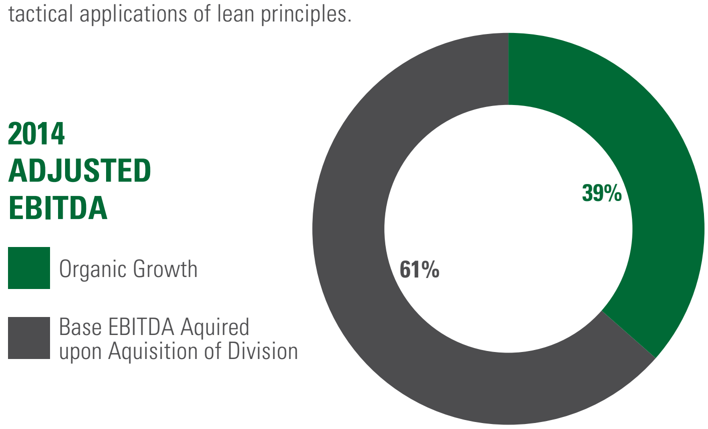
We capped the year off with the announcement of our largest acquisition to date, Westeel, a division of Vicwest Inc. Westeel provides a complementary product offering that expands our growth platform within North America and around the world. Combined, we have an expansive North American platform to leverage globally. This also reduces AGI's overall risk portfolio as we pursue further emerging market development. We had been hopeful of a Q-1/2015 close, however it now appears to be moving into early Q-2 as we await regulatory approval. We remain very excited about this transaction and the opportunities that it will present to our shareholders.

We chose the theme for this year's Annual Report, *From the Ground Up*, because it speaks aptly to our history, who we are today and where we are taking the business forward. It acknowledges the growing pains of a dozen acquisitions, transitions and integrations; as well as the significant growth we have achieved organically, post acquisitions. It distinguishes ourselves as an entrepreneurial culture, still evident in so many ways. It pays tribute to the hard working men and women on our shop floors who drive our performance. When we get it right with the customer, it is an exhilarating feeling and when we don't, it leaves us with a hunger to do better next time.

Last summer, I had the exceptional pleasure of touring some of our operations with my daughter, a professional photographer. The photographs in this report came from that wonderful road trip, as she chronicled the shop floors of many of our North American plants, and where our theme really took hold. *From the Ground Up* captures the inflection point of organic growth, where entrepreneurial dreams meet the realities of performance. It isn't always perfect, but the pursuit of perfection drives continuous improvement…and through that we realize the full value of organic initiatives.

In recent years, we have developed new markets in Eastern Europe and Latin America, and will soon be participating in the enormous Brazilian market. On the new product side, we have recently introduced larger storage bins, higher capacity augers and conveyors, seed treating equipment and a new line of structural towers and trusses. This summer, we will open a new Innovation Centre to enhance our abilities to drive new product development. We know from experience that organic growth, both in new markets and with new products, requires investment in advance of certainty. It can be somewhat unpredictable at first, but most often delivers sustainable, profitable results. Going forward, we will benefit from this month's promotion of Tim Close to the position of President. His strategic eye will enrich our organic growth initiatives, whether it be market or product driven. Tim will also lead our "Lean as a Culture" initiative, establishing common AGI lean fundamentals at all of our operations and set targets that will take us beyond tactical applications of lean principles.

2014 ADJUSTED EBITDA

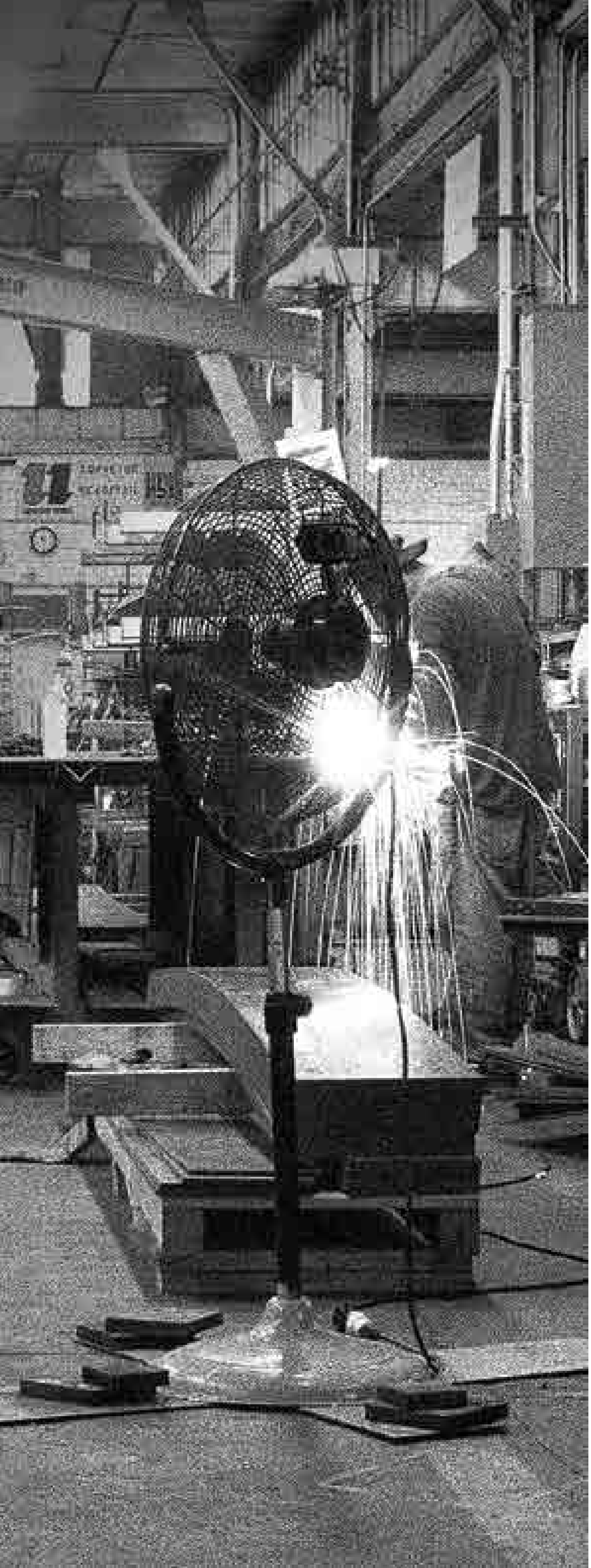


In closing, I would like to thank all of our shareholders for their trust and support in helping us build our company from the ground up. We are sometimes challenged with predicting results at a single point in time given the many moving parts of our business, especially evident in new and emerging markets. Yet it remains abundantly clear, with the team we have assembled and the opportunities abound, that AGI has a bright and prosperous runway ahead. Along this journey, we will continue to call upon the men and women on the shop floors of our manufacturing plants to deliver what is asked of them, on behalf of our customers and our shareholders.

Sincerely,

Gary Anderson, CEO

Management’s Discussion & Analysis



This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements and accompanying notes of Ag Growth International Inc. ("AGI", the "Company", "we", "our" or "us") for the year ended December 31, 2014. Results are reported in Canadian dollars unless otherwise stated.

The financial information contained in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian currency, unless otherwise noted.

Throughout this MD&A references are made to "trade sales", "EBITDA", "adjusted EBITDA", "gross margin", "funds from operations", "payout ratio", "adjusted payout ratio", "adjusted profit" and "diluted adjusted profit per share". A description of these measures and their limitations are discussed below under "Non-IFRS Measures".

This MD&A contains forward-looking statements. Please refer to the cautionary language under the heading "Risks and Uncertainties" and "Forward-Looking Statements" in this MD&A and in our most recently filed Annual Information Form.

SUMMARY OF RESULTS

A brief summary of our operating results can be found below. A more detailed narrative is included later in this MD&A under "Explanation of Operating Results".

(thousands of dollars, other than per share data)	Year ended December 31	
	2014 $	**2013 $**
Trade sales [1]	**409,700**	358,348
Adjusted EBITDA [1] [2]	**78,228**	64,270
Net profit	**4,100**	22,591
Diluted profit per share	**0.31**	1.77
Adjusted net profit [1]	**35,331**	22,221
Diluted adjusted profit per share [1] [3]	**2.64**	1.74

[1] *See "Non-IFSR Measures"*

[2] *To better align the Company's Adjusted EBITDA metric with operating cash flow AGI has amended its calculation of Adjusted EBITDA to exclude non-cash share based compensation expenses. For the year ended December 31, 2014, this non-cash expense was $4.5 million (2013 - $3.1 million).*

[3] *See table under "Diluted profit per share and Diluted adjusted profit per share" below in Summary of Results.*

Trade sales and adjusted EBITDA for the year ended December 31, 2014 both represent record highs for AGI and were primarily the result of a strong performance in AGI's core North American market. Demand for AGI's industry leading grain handling brands was stimulated by record crop volumes in the U.S. and continued investment in the North American commercial grain handling infrastructure. A favourable product mix, high production volumes and the continued benefit of lean manufacturing contributed to a strong operational performance across all business lines, a higher gross margin compared to 2013, and record adjusted EBITDA of $78.2 million in 2014.

Preliminary forecasts suggest farmers in North America will seed a significant number of acres again in 2015 and accordingly there is potential for another year of high levels of crop production. The potential for a strong North American crop along with a growing international backlog and the tailwind of a weaker Canadian dollar provides AGI with a positive bias as the Company enters 2015 (see also "Outlook").

Trade Sales (see "Non-IFRS Measures")

Trade sales were at record levels in the year ended December 31, 2014 due to the carryover effect of a strong 2013 North American crop, record 2014 crop volumes in the U.S., higher sales of grain storage and conditioning equipment in Canada and the continued expansion of the commercial grain handling infrastructure in North America.

(thousands of dollars) Year ended December 31

	2014 $	2013 $	Change
Canada	**105,851**	74,818	31,033
US	**225,947**	191,039	34,908
International	**77,902**	92,491	(14,589)
TOTAL	**409,700**	**358,348**	**51,352**

AGI posted record sales in Canada for the year ended December 31, 2014 of $105.9 million, an increase of 41% over 2013. A very strong 2013 harvest stimulated demand for on-farm grain handling, storage and aeration products and contributed to an increase in the levels of grain stored on-farm that also resulted from low commodity prices and transportation logistic issues earlier in the year. Demand for commercial grain handling equipment remained strong in part due to increased activity related to the dissolution of the Canadian Wheat Board monopoly.

Sales in the United States were also at record levels in 2014 and exceeded prior year sales by 18%. The primary demand driver for grain handling equipment is crop production volume and accordingly sales of on-farm portable equipment significantly exceeded the prior year due to the carryover effect of a large harvest in 2013 and record crop volumes in 2014. Sales of commercial handling equipment also increased substantially as the trend towards higher crop production volumes continues to spur investment in commercial grain handling infrastructure.

AGI's international sales for the year ended December 31, 2014 were $77.9 million (2013 - $92.5 million). The $14.6 million decrease from the prior year was largely due to a $6.6 million decline in sales at AGI's Finland-based Mepu division, the result of weakness in its regional market that was partially caused by the timing of EU subsidies. In addition, economic and political uncertainty in Ukraine resulted in delays on certain projects and a large decrease in sales in the country compared to a very strong 2013. Lower sales at Mepu and in Ukraine were partially offset by continued growth in Latin America where sales were $14 million in the current year compared to $2 million in the year prior. The Company's international business gained additional momentum later in 2014 and AGI exited the year with a significantly higher and more geographically diverse backlog compared to 2013 (see also "Outlook").

Gross Margin (see "Non-IFRS Measures")

The Company's gross margin percentage for the year ended December 31, 2014 was 34.1% (2013 – 33.2%). The increase in gross margin was primarily the result of higher margins on portable grain handling equipment that resulted from production volume efficiencies and the integration of the Rem GrainVac product line. Sales product mix, price increases and the benefit of a weaker Canadian dollar also contributed to the increase over 2013.

Adjusted EBITDA (see "Non-IFRS Measures")

Adjusted EBITDA for the year ended December 31, 2014 was $78.2 million (2013 - $64.3 million). The record results in 2014 and significant increase over the prior year was primarily the result of high levels of demand for portable grain handling equipment as the carryover effect of a large crop in 2013 and record crop volumes in 2014 stimulated demand for these volume driven product lines. Higher sales of storage and aeration equipment in Canada, strong North American demand for commercial grain handling equipment and a weaker Canadian dollar also contributed to the record adjusted EBITDA in 2014.

Diluted Profit Per Share and Diluted Adjusted Profit Per Share

Diluted profit per share for the year ended December 31, 2014 was $0.31 (2013 - $1.77). The decrease was primarily the result of the Company's settlement agreement with the Canada Revenue Agency ("CRA") regarding the CRA's objection to the tax consequences of AGI's 2009 conversion from an income trust into a corporation (see "AGI Conversion - Agreement with CRA" under Deferred Income Taxes). Also impacting profit and profit per share were foreign exchange losses, transaction costs that were largely related to the pending acquisition of Westeel (see "Pending Transaction") and a non-cash loss on an available for sale investment.

(thousands of dollars, other than per share data)	Year ended December 31	
	2014 $	**2013 $**
Profit as reported	**4,100**	22,591
Diluted profit per share as reported	**0.31**	1.77
Non-cash CRA settlement	**16,889**	0
Loss on foreign exchange	**11,963**	3,977
Transaction costs	**1,801**	286
Non-cash loss on available-for-sale investment	**1,100**	0
Gain on sale of property, plant and equipment	**(522)**	(4,633)
ADJUSTED PROFIT [1]	**35,331**	**22,221**
DILUTED ADJUSTED PROFIT PER SHARE [1]	**2.64**	**1.74**

[1] *See "Non-IFRS Measures".*

CORPORATE OVERVIEW

AGI is a manufacturer of agricultural equipment with a focus on grain handling, storage and conditioning products. Our products service most agricultural markets including the individual farmer, corporate farms and commercial operations. Our business is affected by regional and global trends in grain volumes, on-farm and commercial grain storage and handling practices, and to a lesser extent crop prices. Our business is seasonal, with higher sales occurring in the second and third calendar quarters compared with the first and fourth quarters. We manufacture in Canada, the U.S. and Europe and we sell products globally, with most of our sales in the U.S.

Our business is sensitive to fluctuations in the value of the Canadian and U.S. dollars as a result of our exports from Canada to the U.S. and as a result of earnings derived from our U.S. based divisions. Fluctuations in currency impact our results even though we engage in currency hedging with the objective of partially mitigating our exposure to these fluctuations. The Company's average rate of foreign exchange per USD $1.00 in the year ended December 31, 2014 was CAD $1.10 (2013 - $1.03).

Our business is also sensitive to fluctuations in input costs, especially steel, a principal raw material in our products, which represented approximately 26% of the Company's production costs in 2014. Short-term fluctuations in the price of steel impact our financial results even though we strive to partially mitigate our exposure to such fluctuations through the use of long-term purchase contracts, bidding commercial projects based on current input costs and passing input costs on to customers through sales price increases.

OUTLOOK

Overview

Demand for portable grain handling equipment is driven primarily by the volume of grains grown. A record crop in the U.S. in 2014 combined with an average crop in Canada resulted in relatively low post-harvest dealer inventory levels, albeit slightly elevated from the year prior. Commodity prices are not considered a key demand driver for portable equipment and should not impact ultimate end user demand. However, as a portion of AGI's independent dealer network also sell commodity price sensitive mainline equipment, cash flow considerations may result in these dealers deferring purchases until later in the year. On balance, portable grain handling equipment backlogs are strong however are not at the levels of a year ago. Based on current conditions, first quarter sales are expected to be strong while demand later in the second quarter and especially in the second half of 2015 will be influenced by the number of acres planted, dealer buying behavior, weather patterns, crop conditions and the timing of harvest and conditions during harvest.

Commercial grain handlers generate profits via volume throughput and handling efficiencies and accordingly the longer-term trend towards increasing amounts of grain grown continues to drive demand for commercial handling equipment in North America. Although the domestic business climate remains positive and quoting levels are high, compared to a year ago customers are not committing to projects as early in the season. Because AGI's commercial handling business is project based the magnitude of backlog for this equipment at a point in time is subject to volatility based on the addition or subtraction of a few projects. As a result, although domestic backlogs for commercial handling equipment remain strong, as at the time of writing, they have decreased against the very high levels of a year ago.

AGI's international business decreased in 2014 as a result of the conflict in Ukraine and lower sales at Mepu. Although AGI has made significant progress in its efforts to geographically diversify its international business, a significant portion of its 2014 business plan was directed towards Ukraine and as a result of political and economic volatility there were project delays, most significantly to a port project on the Black Sea. Although management continues to anticipate a favourable outcome with regards to this delayed Ukrainian order it is uncertain when the project will restart. In Ukraine, AGI has added significant new business and continues to quote on new projects, primarily with multinational grain handlers. Similar to most other export credit agencies, EDC is reviewing new business in Ukraine on a case by case basis which will temper AGI's growth in the country. However, as noted above, the vast potential of the country continues to attract considerable interest from multi-national grain traders and other entities with access to financing and accordingly AGI expects to continue to transact significant business in Ukraine.

Excluding the delayed Ukrainian Black Sea project discussed above, AGI entered 2015 with an international sales backlog in excess of $40 million [2014 - $16 million] with close to half of the business in regions outside of Ukraine and Russia. AGI expects sales in 2015 to increase in a number of its international markets, including Latin America where AGI's backlog entering 2015 is approximately $9 million. Projects in the backlog, though subject to change based on customer requirements, are expected to ship in 2015.

AGI's financial results are impacted by the rate of exchange between the Canadian and U.S. dollars and a weaker Canadian dollar relative to the U.S. dollar positively impacts adjusted EBITDA. For the year ended December 31, 2014, AGI's average rate of exchange was $1.10 and accordingly based on the current rate of exchange AGI's financial results in 2015 may significantly benefit from a weaker Canadian dollar compared to the prior year. A portion of the Company's foreign exchange exposure has been hedged through forward foreign exchange contracts.

Sales in 2015 will be influenced by weather patterns, crop conditions and the timing of harvest and conditions during harvest. Changes in global macro-economic factors as well as sociopolitical factors in certain local or regional markets, including the ongoing uncertainty and volatility in Ukraine, and the availability of credit and export credit agency support in offshore markets, also may influence sales, primarily of commercial grain handling and storage products. Results may also be impacted by changes in steel prices and other material input costs and the rate of exchange between the Canadian and U.S. dollars.

On balance, results in the first quarter of 2015 are expected to benefit from strong North American demand and management anticipates adjusted EBITDA will approximate the record level achieved in the first quarter of 2014. Strong demand is expected to continue in the second quarter and the second half of 2015 however management has somewhat less visibility into the balance of the year compared to a year ago. Based on current backlogs and high levels of quoting activity our international business is expected to increase significantly compared to 2014 and have a more diverse geographic base. Based on current conditions and the factors discussed above, and with the favourable tailwind of a weaker Canadian dollar, management maintains a positive outlook towards fiscal 2015.

DETAILED OPERATING RESULTS

(thousands of dollars, other than per share data) Year ended December 31

	2014 $	2013 $
Trade sales [1]	**409,700**	358,348
Loss on FX	**(9,555)**	(1,561)
SALES	**400,145**	**356,787**
Cost of inventories	**269,817**	239,348
Depreciation / amortization	**6,721**	5,755
Cost of sales	**276,538**	245,103
General & administrative	**66,980**	58,936
Transaction costs	**1,801**	286
Depreciation / amortization	**5,000**	4,287
Impairment of available for sale investment [2]	**1,100**	0
Other operating income	**(1,305)**	(5,727)
Finance costs	**11,450**	14,883
Finance expense	**2,382**	2,388
Profit before income taxes	**36,199**	36,631
Current income taxes	**4,757**	7,595
Deferred income taxes	**27,342**	6,445
PROFIT FOR THE PERIOD	**4,100**	**22,591**
NET PROFIT PER SHARE		
BASIC	**0.31**	**1.80**
DILUTED	**0.31**	**1.77**

[1] *See "Non-IFRS Measures".*
[2] *See "Impairment of Investment" below.*

EBITDA RECONCILIATION

(thousands of dollars) Year ended December 31

	2014 $	2013 $
Profit before income taxes	**36,199**	36,631
Impairment of available for sale investment	**1,100**	0
Finance costs	**11,450**	14,883
Depreciation / amortization in costs of sales	**6,721**	5,755
Depreciation / amortization in SG&A expenses	**5,000**	4,287
EBITDA [1]	**60,470**	**61,556**
Loss on FX in sales	**9,555**	1,561
Loss on FX in finance income	**2,408**	2,416
Non-cash share based compensation	**4,516**	3,084
Transaction costs	**1,801**	286
Gain on sale of property, plant & equipment	**(522)**	(4,633)
ADJUSTED EBITDA[1]	**78,228**	**64,270**
ADJUSTED EBITDA as a % of trade sales	**19%**	**18%**

[1] *See "Non-IFRS Measures".*

ASSETS & LIABILITIES

(thousands of dollars) As at December 31

	2014 $	2013 $
Total assets	**447,116**	485,636
Total liabilities	**237,390**	288,658

EXPLANATION OF OPERATING RESULTS

Trade Sales

(thousands of dollars) Year ended December 31

	2014 $	2013 $	Change
Canada	**105,851**	74,818	31,033
US	**225,947**	191,039	34,908
International	**77,902**	92,491	(14,589)
TOTAL	**409,700**	**358,348**	**51,352**

Canada

AGI posted record sales in Canada for the year ended December 31, 2014 of $105.9 million, an increase of 41% over 2013. A very strong 2013 harvest stimulated demand for on-farm grain handling, storage and aeration products and contributed to an increase in the levels of grain stored on-farm that also resulted from low commodity prices and transportation logistic issues earlier in the year. Demand for commercial grain handling equipment remained strong in part due to increased activity related to the dissolution of the Canadian Wheat Board monopoly.

United States

Sales in the United States were also at record levels in 2014 and exceeded prior year sales by 18%. The primary demand driver for grain handling equipment is crop production volume and accordingly sales of on-farm portable equipment significantly exceeded the prior year due to the carryover effect of a large harvest in 2013 and record crop volumes in 2014. Sales of commercial handling equipment also increased substantially as the trend towards higher crop production volumes continues to spur investment in commercial grain handling infrastructure.

International

AGI's international sales for the year ended December 31, 2014 were $77.9 million (2013 - $92.5 million). The $14.6 million decrease from the prior year was largely due to a $6.6 million decline in sales at AGI's Finland-based Mepu division, the result of weakness in its regional market that was partially caused by the timing of EU subsidies. In addition, economic and political uncertainty in Ukraine resulted in delays on certain projects and a large decrease in sales in the country compared to a very strong 2013. Lower sales at Mepu and in Ukraine were partially offset by continued growth in Latin America where sales of $14 million in the current year compare to $2 million in the year prior. The Company's international business gained additional momentum later in 2014 and AGI exited the year with a significantly higher and more geographically diverse backlog compared to 2013 (see also "Outlook").

Gross Profits & Gross Margin

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Trade sales [1]	**409,700**	358,348
Cost of inventories [2]	**269,817**	239,348
GROSS MARGIN	**139,883**	**119,000**
Gross margin [1][2] (as a % of trade sales)	**34.1%**	33.2%
Gross margin [1][3], excluding goods purchased of resale	**35.1%**	34.3%

(1) See "Non-IFRS Measures".
(2) Excludes depreciation and amortization included in cost of sales.
(3) As per (1) but excluding goods purchased for resale and services provided by third parties. See explanation below.

The Company's gross margin percentage for the year ended December 31, 2014 was 34.1% (2013 – 33.2%). The increase in gross margin was primarily the result of higher margins on portable grain handling equipment that resulted from production volume efficiencies and the integration of the Rem product line. Sales product mix, price increases and the benefit of a weaker Canadian dollar also contributed to the increase over 2013.

On an earnings basis, AGI benefits from a weaker Canadian dollar as its U.S. dollar denominated sales significantly exceed costs denominated in that currency. On a gross margin percentage basis however, the benefit of a weaker Canadian dollar relates only to AGI's Canadian divisions that derive U.S. dollar revenues in excess of U.S. dollar costs.

AGI will often provide complete grain storage and handling systems when selling internationally and these projects may include equipment not currently manufactured by the Company or services not provided by the Company. AGI outsources this equipment and the services and passes through the cost to the customer at a low gross margin percentage. Excluding these items, the Company's gross margin for the year ended December 31, 2014 was 35.1% (2013 – 34.3%).

General and Administrative Expenses

For the year ended December 31, 2014, selling, general & administrative expenses were $67.0 million (16% of sales) compared to $58.9 million (16% of sales) in 2013. The increase from 2013 is largely due to the following:

- Sales and marketing expenses in 2014 increased $2.4 million due largely to higher sales commissions, additional personnel at the divisional level to support growth as well as continued investment to support the Company's international sales team.

- Share based compensation increased $1.6 million over 2013 as additional awards were granted in 2013 and 2014 and in 2014 the Company raised its estimate of achievement under the plan, resulting in a $0.5 million charge related to employee service periods in 2013. There were 349,000 shares based awards outstanding at December 31, 2014 (2013 – 314,000). Based on current participation and achievement expectations the expense going forward will approximate $1.0 million per quarter until awards begin to vest. The expense in future periods may change in the event of a change in the achievement assumption.
- Salaries and wages increased $1.3 million in the year ended December 31, 2014 as engineering and other resources were added to accommodate growth and due to higher bonus accruals compared to the prior year.
- Third party commissions expense in 2014 increased $1.0 million primarily due to higher sales of on-farm distributed products and international customer sales mix.
- Utility expenses increased $0.6 million due primarily to higher production volumes and increases in some input costs.
- The remaining variance is the result of a number of offsetting factors with no individual variance larger than $0.5 million.

EBITDA & Adjusted EBITDA

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
EBITDA [1]	**60,470**	**61,556**
ADJUSTED EBITDA [1]	**78,228**	**64,270**

[1] *See the EBITDA reconciliation table above and "Non-IFRS Measures".*

Adjusted EBITDA increased significantly compared to 2013 as a substantial increase in sales and a higher gross margin were partially offset by an increase in SG&A expenses. EBITDA decreased compared to 2013 due to losses on foreign exchange, a higher expense related to share based compensation and because the comparative 2013 EBITDA included a $4.7 million gain on the sale of a redundant manufacturing facility. See "EBITDA Reconciliation" above for a reconciliation between these measures.

Impairment of Investment

In 2009 AGI invested $2 million in a privately held Canadian farming company ("Investco"). In conjunction with AGI's investment, Investco made a $2 million deposit to AGI for future purchases of grain handling and storage equipment to support their farming operations and AGI was to become a strategic supplier to Investco. In 2014 AGI concluded this investment was impaired and recorded a $1.1 million charge to reflect management's estimate of fair value.

Finance Costs

The Company's bank indebtedness as at December 31, 2014 was nil (December 31, 2013 – nil) and its outstanding long-term debt was $28.9 million (December 31, 2013 - $26.4 million). The increase from December 31, 2013 is the result of movement in foreign exchange rates. Long-term debt at December 31, 2014 and 2013 is comprised of U.S. $25.0 million of non-amortizing secured notes that bear interest at 6.80% and mature October 29, 2016. See "Capital Resources" for a description of the Company's credit facilities. As at December 31, 2014 the Company had outstanding $138 million aggregate principal amount of 5.25% convertible unsecured subordinated debentures (see "Capital Resources").

Finance costs for the year ended December 31, 2014 were $11.5 million (2013 - $14.9 million). The lower expense in 2014 is primarily the result of AGI's lower cost of debt subsequent to the refinancing of its 2009 debentures in the first quarter of 2014. Finance costs also include non-cash interest related to debenture accretion and the amortization of deferred finance costs related to AGI's debentures, stand-by fees and other sundry cash interest.

Finance Expense

Finance expense in both periods relates primarily to a non-cash loss on the translation of the Company's U.S. dollar denominated long-term debt at the rate of exchange in effect at the end of the quarter.

Other Operating Income

Other operating income in the year ended December 31, 2014 was primarily related to interest income and a gain on the sale of a redundant manufacturing facility in Swift Current, SK. Other operating income in 2013 was comprised of a gain on the sale of a redundant manufacturing facility in Saskatoon, SK and earnings related to AGI acting as agent on certain goods and services provided by third parties and passed through to international customers.

Depreciation and Amortization

Depreciation of property, plant and equipment and amortization of intangible assets are categorized on the income statement in accordance with the function to which the underlying asset is related. Total depreciation and amortization is summarized below:

Depreciation

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Depreciation in cost of sales	**6,167**	5,470
Depreciation in G&A	**614**	533
TOTAL DEPRECIATION	**6,781**	**6,003**

Amortization

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Amortization in cost of sales	**554**	285
Amortization in G&A	**4,386**	3,754
TOTAL AMORTIZATION	**4,940**	**4,039**

Current Income Tax Expense

For the year ended December 31, 2014 the Company recorded current tax expense of $4.8 million (2013 – $7.6 million). Current tax expense relates primarily to Ag Growth U.S. subsidiaries.

Deferred Income Tax Expense

For the year ended December 31 2014, the Company recorded deferred tax expense of $27.3 million (2013 – $6.4 million). Deferred tax expense in 2014 includes a charge of $16.9 million related to AGI's agreement with the CRA regarding the tax consequences of its conversion to a corporation (see "AGI Conversion – Agreement with CRA" below) as well as the utilization of deferred tax assets plus a decrease in deferred tax liabilities that related reversals of temporary differences between the accounting and tax treatment of depreciable assets.

Upon conversion to a corporation from an income trust in June 2009 (the "Conversion") the Company received certain tax attributes that may be used to offset tax otherwise payable in Canada. The Company's Canadian taxable income is based on the results of its divisions domiciled in Canada, including the corporate office, and realized gains on foreign exchange. For the year ended December 31, 2014, the Company offset $7.8 million of Canadian tax otherwise payable (2013 - $4.3 million) through the use of these attributes and since the date of Conversion a cumulative amount of $37.0 million has been utilized. Utilization of these tax attributes is recognized in deferred income tax expense on the Company's income statement.

AGI Conversion – Agreement with CRA

On February 25, 2015 AGI announced that it had entered into an agreement with the CRA regarding the CRA's objection to the tax consequences of the conversion of AGI from an income trust structure into a business corporation in June 2009. The agreement resulted in a non-cash charge of $16.9 million in AGI's consolidated statement of earnings related to the adjustment of certain tax pools and the write-off of a portion of the Company's deferred tax assets. The agreement did not give rise to any cash outlay by AGI and subsequent to the settlement AGI had unused tax attributes remaining of $16.3 million and these are recorded as an asset on the Company's balance sheet.

Effective Tax Rate

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Current tax expense	**4,757**	7,595
Deferred tax expense	**27,342**	6,445
AGI Conversion – Agreement with CRA	**(16,889)**	0
TOTAL TAX EXCLUDING AGREEMENT WITH CRA	**15,210**	**14,040**
Profit before taxes	**36,199**	36,631
Total tax %	**42%**	38%

The relatively high tax rates in both years are primarily the result of non-cash losses on foreign exchange that lower profit before taxes but do not impact the calculation of income tax expense. Excluding the non-cash foreign exchange loss the total tax percentage in 2014 was 37% (2013 – 35%).

Profit and Profit Per Share

For the year ended December 31, 2014, the Company reported net profit of $4.1 million (2013 - $22.6 million), basic net profit per share of $0.31 (2013 - $1.80) and fully diluted net profit per share of $0.31 (2013 - $1.77). Although sales and adjusted EBITDA increased compared to the prior year, profit and profit per share in 2014 decreased primarily as a result of the items in the table below:

(thousands of dollars, other than per share data) Year ended December 31

	2014 $	2013 $
Profit as reported	**4,100**	22,591
Diluted profit per share as reported	**0.31**	1.77
Non-cash CRA settlement	**16,889**	0
Loss on foreign exchange	**11,963**	3,977
Transaction costs	**1,801**	286
Non-cash loss on available-for-sale investment	**1,100**	0
Gain on sale of property, plant & equipment	**(522)**	(4,633)
ADJUSTED PROFIT [1]	**35,331**	**22,221**
DILUTED ADJUSTED PROFIT PER SHARE [1]	**2.64**	**1.74**

[1] *See "Non-IFRS Measures".*

Selected Annual Information

(thousands of dollars, other than per share data) Twelve months ended December 31

	2014 $	2013 $	2012 $
Sales	**409,700**	358,348	314,616
EBITDA [1]	**60,470**	61,556	49,971
Adjusted EBITDA [1]	**78,228**	61,186	49,492
Net Profit	**4,100**	22,591	17,188
Profit per share - basic	**0.31**	1.80	1.38
Profit per share - fully diluted	**0.31**	1.77	1.37
Funds from operations [1]	**55,549**	52,793	32,306
Payout ratio [1]	**57%**	57%	93%
Dividends declared per common share	**2.40**	2.40	2.40
Total assets	**447,116**	485,636	370,482
Total long-term liabilities	**123,415**	116,346	153,515

[1] *See "Non-IFRS Measures".*

The following factors impact comparability between years in the table above:

- Net profit and profit per share in 2014 was significantly impacted by an expense of $16,889 related to the Company's agreement with the CRA regarding its conversion to a corporation (see "AGI Conversion – Agreement with CRA").
- Sales, gain (loss) on foreign exchange, net earnings, and net earnings per share are significantly impacted by the rate of exchange between the Canadian and U.S. dollars.
- A widespread drought in the U.S. impacted sales and profit in the third and fourth quarters of 2012 and the first and second quarters of 2013.

QUARTERLY FINANCIAL INFORMATION

(thousands of dollars, other than per share data and exchange rate)

	2014				
	Average USD/CAD Exchange Rate $	**Sales $**	**Profit $**	**Basic Profit per Share $**	**Diluted Profit per Share $**
Q1	1.09	84,278	1,218	0.09	0.09
Q2	1.10	112,838	13,638	1.04	0.98
Q3	1.09	114,915	8,653	0.66	0.65
Q4	1.13	88,114	(19,409)	(1.48)	(1.45)
YTD	**1.10**	**400,145**	**4,100**	**0.31**	**0.31**

	2013				
	Average USD/CAD Exchange Rate $	**Sales $**	**Profit $**	**Basic Profit per Share $**	**Diluted Profit per Share $**
Q1	1.01	59,547	3,399	0.27	0.26
Q2	1.02	93,320	5,956	0.47	0.46
Q3	1.04	116,447	12,718	1.01	0.95
Q4	1.04	87,473	518	0.04	0.04
YTD	**1.03**	**356,787**	**22,591**	**1.80**	**1.77**

Interim period sales and profit historically reflect seasonality. The second and third quarters are typically the strongest primarily due to the timing of construction of commercial projects and high in-season demand at the farm level. Due to the seasonality of AGI's working capital movements, cash provided by operations will typically be highest in the fourth quarter. The seasonality of AGI's business may be impacted by a number of factors including weather and the timing and quality of harvest in North America.

The following factors impact the comparison between periods in the table above:

- Net profit and profit per share in fourth quarter of 2014 was significantly impacted by an expense of $16,889 related to the Company's agreement with the CRA regarding its conversion to a corporation (see "AGI Conversion – Agreement with CRA").
- Sales, gain (loss) on foreign exchange, profit, and profit per share in all periods are impacted by the rate of exchange between the Canadian and U.S. dollars.
- A widespread drought in the U.S. impacted sales and profit in the third and fourth quarters of 2012 and the first and second quarters of 2013.

FOURTH QUARTER

(thousands of dollars, other than per share data)	Three months ended December 31	
	2014	**2013**
Trade sales [1]	**92,278**	88,016
Adjusted EBITDA [1]	**12,997**	14,751
Net profit (loss)	**(19,409)**	518
Diluted profit (loss) per share	**(1.45)**	0.04
Adjusted net profit [1]	**3,677**	2,350
Adjusted diluted profit per share [1]	**0.27**	0.18

[1] *See "Non-IFRS Measures".*

Trade Sales

Trade sales in North America exceeded the records established in 2013 as strong demand for portable grain handling equipment more than offset a decrease in commercial equipment sales that was expected due to an exceptionally strong Q4 2013 comparative. Offshore sales benefited from significant growth in Latin America but were $4.5 million lower than the prior year due to a $2.0 million decline in sales at Finland-based Mepu, the result of weakness in its regional market, and the timing of sales in 2013 where in the fourth quarter a single customer in Ukraine accounted for sales of $14 million.

(thousands of dollars)	Three months ended December 31			
	2014 $	**2013 $**	**Change $**	**Change %**
Canada	**24,013**	16,541	7,472	45
US	**47,517**	46,214	1,303	3
International	**20,748**	25,261	(4,513)	(18)
TOTAL	**92,278**	**88,016**	**4,262**	**5**

Gross Margin

Gross margin as a percentage of sales for the three months ended December 31, 2014 was 30.7%, (2013 – 32.8%). Gross margin percentages in the fourth quarter of 2014 decreased primarily due to product mix, a $0.6 million warranty charge related to specialized aeration flooring and a lower gross margin at AGI's Union Iron division as higher demand for structural products challenged engineering resources and consequently disrupted normal work flows. The lower margin at Union Iron is being addressed through a full product line review including lean initiatives in both engineering and production. Historically, gross margin percentages are low in the fourth quarter of a fiscal year due to lower sales volumes and preseason sales discounts.

AGI will often provide complete grain storage and handling systems when selling internationally and these projects may include equipment not currently manufactured by the Company or services not provided by the Company. AGI outsources this equipment and the services and resells it to the customer at a low gross margin percentage. Excluding these goods purchased for resale, the Company's gross margin in the fourth quarter of 2014 was 32.1% (2013 – 34.1%).

General and Administrative Expenses

For the three months ended December 31, 2014, general and administrative expenses were $16.7 million or 18% of sales (2013 - $16.0 million and 18%). As a percentage of sales, general and administrative expenses in the fourth quarter of a fiscal year are generally higher than the annual percentage due to seasonally lower sales volumes. The 4% increase from $16.0 million in 2013 to $16.7 million in the fourth quarter of 2014 was due to a number of offsetting variances, none of which exceeded $0.25 million.

Adjusted EBITDA, EBITDA and Net Earnings

Adjusted EBITDA for the three months ended December 31, 2014 was $13.0 million (2013 - $14.8 million). The decrease was primarily the result of a lower gross margin compared to the prior year that related to product mix and the lower margin at the Union Iron division discussed above, and a decrease in international sales in the fourth quarter of 2014 against a very strong 2013 comparative.

EBITDA for the three months ended December 31, 2014 was $5.8 million, compared to $12.1 million in 2013. EBITDA decreased compared to 2013 due to losses on foreign exchange, a higher expense related to share based compensation and because the comparative 2013 EBITDA included a $4.7 million gain on the sale of a redundant manufacturing facility.

For the three months ended December 31, 2014, the Company reported a net loss of $19.4 million (2013 - net earnings of $0.5 million), a basic net loss per share of $1.48 (2013 - net earnings per share of $0.04), and a fully diluted net loss per share of $1.45 (2013 – net earnings per share of $0.04). The net loss in the fourth quarter was primarily the result of a write-down of certain tax assets that resulted from the Company's agreement with the CRA regarding its 2009 conversion to a corporation (see "AGI Conversion – Agreement with CRA" under Deferred Income Taxes). The impact on profit and profit per share of the CRA agreement as well as certain other significant items is illustrated below:

(thousands of dollars, other than per share data)	Three months ended December 31	
	2014 $	**2013 $**
Profit (loss) as reported	**(19,409)**	518
Diluted profit (loss) per share as reported	**(1.45)**	0.04
Non-cash CRA settlement	**16,889**	0
Loss on foreign exchange	**5,147**	1,766
Transaction costs	**642**	33
Loss on sale of property, plant & equipment	**408**	33
ADJUSTED PROFIT [(1)]	**3,677**	**2,350**
DILUTED ADJUSTED PROFIT PER SHARE [(1)]	**0.27**	**0.18**

[(1)] *See "Non-IFRS Measures".*

CASH FLOW & LIQUIDITY

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Profit before income taxes	**36,199**	36,631
Add charges (deduct credits) to operations not requiring a current cash payment:		
Depreciation / amortization	**11,721**	10,042
Translation loss on FX	**11,644**	7,790
Non-cash interest expense	**3,211**	4,071
Share based compensation	**4,516**	3,084
Non-cash impairment of available-for-sale investment	**1,100**	0
Gain on sale of assets	**(522)**	(4,633)
	67,869	**56,985**
Net change in non-cash working capital balances related to operations:		
Accounts receivable	**(25,688)**	(6,722)
Inventory	**(11,835)**	967
Prepaid expenses	**(441)**	(580)
Accounts payable	**4,508**	13,521
Customer deposits	**(6,106)**	13,668
Provisions	**319**	980
	(39,243)	**21,834**
Income tax paid	**(8,014)**	(6,181)
CASH PROVIDED BY OPERATIONS	**20,612**	**72,638**

For the year ended December 31, 2014, cash provided by operations was $20.6 million (2013 – $72.6 million). Profit before taxes after adjusting for non-cash items increased from $57.0 million in 2013 to $67.9 million in the current year due to an increase in sales and adjusted EBITDA. Cash provided by operations after adjusting for the net change in non-cash working capital balances and for income tax paid decreased significantly compared to 2013. The most significant variances to 2013 are discussed below:

- Accounts receivable – negative net change of $25.7 million (2013 – negative $6.7 million)
  - Primarily the result of an EDC approved extension of $27.2 million in A/R related to a large customer in Ukraine. This account remains 90% EDC insured and management does not believe the account represents a significant bad debt risk.
  - As at December 31, 2014, 70% of AGI's accounts receivable are classified as not past due (2013 – 67%) and 9% are past due by over 90 days (2013 – 9%).
- Inventory – negative net change of $11.8 million (2013 – positive $1.0 million)
  - The increase in inventory was widespread amongst the manufacturing plants and related in part to an increase in certain input costs compared to the prior year.
  - A portion of the increase relates to inventory purchased for specific international projects that were delayed.
- Accounts payable – positive net change of $4.5 million (2013 – positive $13.5 million)
  - The change from 2013 is largely the result of timing. The positive movement in 2013 of $13.5 million was unusually high and is to an extent due to a low ending A/P balance in 2012 as the 2012 U.S. drought impacted certain year-end accruals including performance bonuses.
- Customer deposits – negative net change of $6.1 million (2013 – positive $13.7 million)
  - Largely due to timing as a number of deposits were received in late 2013 for 2014 commercial projects. In particular, a USD deposit of $7.5 million was received at the end of December 2013 for an international project to be shipped early in 2014.

Working Capital Requirements

Interim period working capital requirements typically reflect the seasonality of the business. AGI's collections of accounts receivable are weighted towards the third and fourth quarters. This collection pattern, combined with historically high sales in the third quarter that result from seasonality, typically lead to accounts receivable levels increasing throughout the year and peaking in the third quarter. Inventory levels typically increase in the first and second quarters and then begin to decline in the third or fourth quarter as sales levels exceed production. As a result of these working capital movements, historically, AGI begins to draw on its operating lines in the first or second quarter. The operating line balance typically peaks in the second or third quarter and normally begins to decline later in the third quarter as collections of accounts receivable increase. AGI has typically fully repaid its operating line balance by early in the fourth quarter. Working capital movements in 2014 differed from historical seasonal patterns as both accounts receivable and inventory increased in the fourth quarter. Requirements for fiscal 2015 are expected to be generally consistent with historical patterns. Growth in international business may result in an increase in the number of days accounts receivable remain outstanding and result in increased usage of working capital in certain quarters. Working capital may also be deployed to secure steel supply and pricing.

Capital Expenditures

Maintenance capital expenditures in the year ended December 31, 2014 were $4.8 million (1.2% of trade sales) compared to $2.6 million (0.7%) in 2013. Management generally expects maintenance capital expenditures to approximate 1.0% - 1.5% of sales. Maintenance capital expenditures in 2014 relate primarily to purchases of manufacturing equipment and building repairs and were funded through cash on hand and cash from operations.

AGI defines maintenance capital expenditures as cash outlays required to maintain plant and equipment at current operating capacity and efficiency levels. Non-maintenance capital expenditures encompass other investments, including cash outlays required to increase operating capacity or improve operating efficiency. AGI had non-maintenance capital expenditures of $12.5 million in the year ended December 31, 2014 (2013 - $11.7 million). In 2014, expenditures of $9.7 million were made towards two new commercial grain handling facilities in the U.S. The total project costs for these facilities is estimated at $30 million with the majority of the remaining spend to occur in the first half of 2015. Maintenance and non-maintenance capital expenditures are expected to be financed through bank indebtedness, cash on hand or through the Company's credit facility (see "Capital Resources").

Cash Balance

The Company's cash balance at December 31, 2014 was $25.3 million (December 31, 2013 - $108.7 million) and its outstanding long-term debt was $28.9 million (December 31, 2013 - $26.4 million). In December 2014, AGI issued a tranche of 5.25% convertible debentures ("2014 Debentures") with proceeds designated for the pending acquisition of Westeel (see "Pending Transaction"). As at December 31, 2014 approximately $25 million related to the 2014 debentures were included in cash on AGI's balance sheet. The large cash balance at December 31, 2013 was primarily the result of $82.8 million net proceeds related to the issuance of AGI's 5.25% convertible debentures in December 2013 ("2013 Debentures"). The net proceeds formed a component

CONTRACTUAL OBLIGATIONS

(thousands of dollars)

	Total $	2015 $	2016 $	2017 $	2018 $	2019+ $
2013 Debentures	**86,250**	0	0	0	86,250	0
2014 Debentures [(1)]	**51,750**	51,750	0	0	0	0
Long-term debt	**29,902**	0	29,902	0	0	0
Operating leases	**6,308**	1,498	1,256	949	701	1,904
TOTAL OBLIGATIONS	**174,210**	**53,248**	**31,158**	**949**	**86,951**	**1,904**

[(1)] *See "Pending Transaction" for description of the 2014 Debentures. Upon closing of the pending acquisition of Westeel, provided that such closing occurs on or before April 30, 2015, the maturity date of the 2014 Debentures will automatically be extended to the December 31, 2019.*

of the funds used to redeem AGI's 7.0% debentures in January 2014 (see "Convertible Debentures").

2013 and 2014 Debentures relate to the aggregate principal amount of the Debentures (see "Convertible Debentures" below) and long-term debt is comprised of U.S. $25.0 million of non-amortizing secured notes.

CAPITAL RESOURCES

Cash

Cash and cash equivalents at December 31, 2014 were $25.3 million (December 31, 2013 - $108.7 million). In December 2014, AGI issued the 2014 Debentures with proceeds designated for the pending acquisition of Westeel (see "Pending Transaction"). As at December 31, 2014 approximately $25 million related to the 2014 Debentures were included in cash on AGI's balance sheet. The large cash balance at December 31, 2013 was primarily the result of $82.8 million net proceeds related to the issuance of the 2013 Debentures in December 2013. The net proceeds formed a component of the funds used to redeem AGI's 7.0% debentures in January 2014 (see "Convertible Debentures").

Debt Facilities

On October 29, 2009, the Company issued US $25.0 million aggregate principal amount of secured notes through a note purchase and private shelf agreement. The notes are non-amortizing, bear interest at 6.80% and mature October 29, 2016. Under the note purchase agreement, AGI is subject to certain financial covenants, including a maximum leverage ratio and a minimum debt service ratio. The Company is in compliance with all financial covenants.

The Company also has a credit facility (the "Credit Facility") with a syndicate of Canadian chartered banks that includes committed revolver facilities of $73.0 million and U.S. $22.5 million. As at December 31, 2014, no amounts were drawn under this facility (2013 – nil). Amounts drawn under the facility bear interest at rates of prime plus 0.0% to prime plus 1.0% based on performance calculations and matures on March 8, 2016. AGI is subject to certain financial covenants, including a maximum leverage ratio and a minimum debt service ratio, and is in compliance with all financial covenants.

In conjunction with the pending Westeel Acquisition and for the purposes of partially funding the purchase price (see "Pending Transaction"), AGI has obtained an underwritten financing commitment from one of the Canadian chartered banks that is a lender under its Credit Facility, as sole lead arranger and sole bookrunner (the "Arranger") providing for (i) a 4-year extendible revolving credit facility in the maximum amount of $125 million (the "Canadian Revolver Facility"), (ii) a 4-year extendible revolving credit facility in the maximum amount of US$50 million (the "U.S. Revolver Facility" and together with the Canadian Revolver Facility, the "Revolver Facilities") and (iii) a 4-year non-amortizing term loan in the maximum amount of $50 million (the "Term Loan"). The New Credit Facilities are to be provided by a syndicate of financial institutions (collectively, the "Lenders") to be identified by the Arranger in consultation with AGI prior to the Westeel Acquisition Closing Date. The New Credit Facilities are subject to customary conditions including completion of definitive documentation and the absence of any material adverse change in the Westeel Business.

Short-term Debt

Short-term debt is comprised of the proceeds related to the issuance of convertible debentures in December 2014, net of costs (see "Debentures (2014)" below). The initial maturity date of the 2014 Debentures is April 30, 2015, provided that if the closing of AGI's pending acquisition of Westeel is completed by April 30, 2015, the maturity date of the 2014 Debentures will automatically be extended to the December 31, 2019 (see "Pending Transaction"). Accordingly, until such time as the maturity date is extended, the proceeds from the 2014 debentures is considered a current liability and has been classified as short-term debt.

Convertible Debentures

Debentures (2009)

In 2009 the Company issued $115 million aggregate principal amount of convertible unsecured subordinated debentures (the "2009 Debentures") at a price of $1,000 per 2009 Debenture. On and after December 31, 2013, at the option of the Company, the 2009 Debentures could be redeemed at a price equal to their principal amount plus accrued and unpaid interest. In December 2013 the Company announced its intention to redeem the 2009 Debentures effective January 20, 2014. In January 2014, holders of $19.0 million principal amount of the 2009 Debentures exercised the conversion option and were issued 422,897 common shares. The Company redeemed all remaining outstanding 2009 Debentures on January 20, 2014.

Debentures (2013)

In December 2013 the Company issued $86.2 million aggregate principal amount of convertible unsecured subordinated debentures (the "2013 Debentures") at a price of $1,000 per 2013 Debenture. The 2013 Debentures bear interest at an annual rate of 5.25% payable semi-annually on June 30 and December 31. Each 2013 Debenture is convertible into common shares of the Company at the option of the holder at a conversion price of $55.00 per common share. The maturity date of the 2013 Debentures is December 31, 2018.

On and after December 31, 2016 and prior to December 31, 2017, the 2013 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the common shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On and after December 31, 2017, the 2013 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2013 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable common shares obtained by dividing $100 by 95% of the volume weighted average trading price of the common shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2013 Debentures by delivering sufficient freely tradeable common shares to satisfy its interest obligation.

The 2013 Debentures trade on the TSX under the symbol AFN.DB.A.

Debentures (2014)

In December 2014 the Company issued $51.8 million aggregate principal amount of extendible convertible unsecured subordinated debentures (the "2014 Debentures") at a price of $1,000 per 2014 Debenture. The 2014 Debentures bear interest at an annual rate of 5.25% payable semi-annually on June 30 and December 31 with the first payment due on June 30, 2015. Each 2014 Debenture is convertible into common shares of the Company at the option of the holder at a conversion price of $65.57 per common share. The initial maturity date of the 2014 Debentures is April 30, 2015, provided that if the closing of AGI's pending acquisition of Westeel is completed by April 30, 2015, the maturity date of the 2014 Debentures will automatically be extended to the December 31, 2019. (see "Pending Transaction").

On and after December 31, 2017 and prior to December 31, 2018, the 2014 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the common shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On and after December 31, 2018, the 2014 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, subject to regulatory approval and provided that no event of default has occurred, elect to satisfy its obligation to pay the principal amount of the 2014 Debentures, in whole or in part, by issuing and delivering for each $100 due that number of freely tradeable common shares obtained by dividing $100 by 95% of the volume weighted average trading price of the common shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. Any accrued and unpaid interest thereon will be paid in cash. The Company may also elect, subject to any required regulatory approval and provided that no event of default has occurred, to satisfy all or part of its obligation to pay interest on the 2014 Debentures by delivering sufficient freely tradeable common shares to satisfy its interest obligation.

The 2014 Debentures trade on the TSX under the symbol AFN.DB.B.

COMMON SHARES

The following number of common shares were issued and outstanding at the dates indicated:

	# Common Shares
December 31, 2013	12,628,291
Share issues under Dividend Reinvestment Plan (The "DRIP")	114,439
Shares issued on Conversion of 2009 Debentures	422,897
December 31, 2014	13,165,627
Shares issued under DRIP in January and February 2015	15,252
MARCH 13, 2015	**13,180,879**

The administrator of the LTIP acquired 317,304 common shares to satisfy its obligations with respect to awards under the LTIP for fiscal 2007, 2008, 2009 and 2010. There was no LTIP award related to fiscal 2011 or fiscal 2012. The common shares purchased are held by the administrator until such time as they vest to the LTIP participants. As at December 31, 2013, a total of 300,307 common shares related to the LTIP had vested to the participants and 1,766 awards were forfeited. All remaining common shares related to the LTIP vested on January 1, 2014. No further awards are available under the LTIP subsequent to 2012.

A total of 465,000 common shares are available for issuance under the Company's Share Award Incentive Plan (the "2012 SAIP"). As at December 31, 2014, a total of 239,000 restricted Share Awards ("RSUs") and 110,000 performance Share Awards ("PSUs") have been granted.

A total of 49,642 deferred grants of common shares have been granted under the Company's Director's Deferred Compensation Plan and 7,502 common shares have been issued.

A total of 2,357,416 common shares are issuable on conversion of the outstanding 2013 and 2014 Debentures.

A total of 1,112,050 common shares are issuable upon the exercise of 1,112,050 outstanding Subscription Receipts (as defined below) (See "Pending Transaction").

AGI's common shares trade on the TSX under the symbol AFN.

DIVIDENDS

In the year ended December 31, 2014, AGI declared dividends to shareholders of $31.5 million, (2013 - $30.2 million). AGI's policy is to pay monthly dividends. The Company's Board of Directors reviews financial performance and other factors when assessing dividend levels. An adjustment to dividend levels may be made at such time as the Board determines an adjustment to be appropriate. Dividends in a fiscal year are typically funded entirely through cash from operations, although due to seasonality dividends may be funded on a short-term basis by the Company's operating lines, and through the DRIP. Dividends in the year ended December 31, 2014 were financed $5.1 million by the DRIP (2013 – $2.6 million) and $26.4 million (2013 - $27.5 million) from cash on hand and cash from operations or bank indebtedness.

FUNDS FROM OPERATIONS AND PAYOUT RATIO

Funds from operations ("FFO"), defined under "Non-IFRS Measures", is cash flow from operating activities before the net change in non-cash working capital balances related to operations and stock-based compensation, less maintenance capital expenditures and adjusted for gains or losses on the sale of property, plant & equipment. The objective of presenting this measure is to provide a measure of free cash flow. The definition excludes changes in working capital as they are necessary to drive organic growth and have historically been financed by the Company's operating facility (See "Capital Resources"). Funds from operations should not be construed as an alternative to cash flows from operating, investing, and financing activities as a measure of the Company's liquidity and cash flows.

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
EBITDA [1]	**60,470**	61,556
Shared based compensation	**4,516**	3,084
Non-cash interest expense	**3,211**	4,071
Translation loss on foreign exchange	**11,644**	7,790
Interest expense	**(11,450)**	(14,883)
Income taxes paid	**(8,014)**	(6,181)
Maintenance CAPEX	**(4,828)**	(2,644)
FUNDS FROM OPERATIONS [1]	**55,549**	**52,793**

Funds from operations can be reconciled to cash provided by operating activities as follows:

(thousands of dollars)	Year ended December 31	
	2014 $	**2013 $**
Cash provided by operating activities	**20,612**	72,638
Change in non-cash working capital	**39,243**	(21,834)
Maintenance CAPEX	**(4,828)**	(2,644)
Gain on sale of assets	**522**	4,633
FUNDS FROM OPERATIONS [1]	**55,549**	**52,793**

Dividends to shareholders	**31,476**	30,186
PAYOUT RATIO [1]	**57%**	**57%**

Dividends to shareholders	**31,476**	30,186
Dividends paid under DRIP	**(5,127)**	(2,648)
Dividends paid in cash	**26,349**	27,538
ADJUSTED PAYOUT RATIO [1]	**47%**	**52%**

[1] *See "Non-IFRS Measures".*

FINANCIAL INSTRUMENTS

Foreign Exchange Contracts

Risk from foreign exchange arises as a result of variations in exchange rates between the Canadian and the U.S. dollars and to a lesser extent to variations in exchange rates between the Euro and the Canadian dollar. AGI has entered into foreign exchange contracts with three Canadian chartered banks to partially hedge its foreign currency exposure and as at December 31, 2014, had outstanding the following foreign exchange contracts:

Forward Foreign Exchange Contracts

Settlement Dates	Face Amount USD (000's)	Average Rate CAD	CAD Amount (000's)
2015	**65,000**	1.06	**69,030**
2016	**62,500**	1.13	**70,819**
Settlement Dates	**Face Amount Euros (000's)**	**Average rate CAD**	**CAD Amount (000's)**
2015	**500**	1.52	**760**

The fair value of the outstanding forward foreign exchange contracts in place as at December 31, 2014 was a loss of $8.9 million. Consistent with prior periods, the Company has elected to apply hedge accounting for these contracts and the unrealized loss has been recognized in other comprehensive income for the periods ended December 31, 2014.

Subsequent to December 31, 2014, the Company entered into the following forward foreign exchange contracts:

Forward Foreign Exchange Contracts

Settlement Dates	Face Amount USD (000's)	Average Rate CAD	CAD Amount (000's)
2015	**22,500**	1.2511	**28,150**
2016	**25,000**	1.2490	**31,225**
2017	**5,000**	1.2461	**6,231**

PENDING WESTEEL ACQUISITION AND ASSOCIATED FINANCINGS

AGI entered into an arrangement agreement (the "Arrangement Agreement") dated November 10, 2014, with, among others, Vicwest Inc. ("Vicwest") and Kingspan Group Limited ("Kingspan") pursuant to which, in accordance with a court approved plan of arrangement (the "Arrangement"), Kingspan will acquire all of the issued and outstanding shares of Vicwest and AGI will acquire substantially all of the assets of Vicwest's Westeel Division, a provider of grain storage solutions, (the "Westeel Business") for an aggregate purchase price of approximately $221.5 million in cash (the "Westeel Acquisition"). Completion of the Arrangement including the closing of the Westeel Acquisition (the "Westeel Acquisition Closing") is subject to a number of customary conditions including regulatory approvals.

In conjunction with the Westeel Acquisition and for the purposes of partially funding the purchase price, in December 2014, AGI issued 1,112,050 subscription receipts ("Subscription Receipts") at a price of $46.55 per subscription receipt for gross proceeds of approximately $51.76 million and $51.75 million aggregate principal amount of 2014 Debentures (collectively, the "Offering") pursuant to a bought deal public offering. The remainder of the purchase price will be funded through expanded credit facilities that have been fully committed by the Company's lenders. See "Capital Resources".

Each Subscription Receipt represents the right of the holder to receive, upon closing of the Transaction, without payment of additional consideration, one common share of AGI plus an amount equal to the amount per common share of any dividends declared for which record dates have occurred during the period from closing of the Offering to the date immediately preceding the closing date of the Transaction. Net proceeds from the offering of the Subscription Receipts were deposited in escrow pending the closing of the Transaction. If the Transaction closes on or before April 30, 2015, the escrowed proceeds from the offering of Subscription Receipts will be released to AGI and used to finance, in part, the Transaction. If the Transaction does not close on April 30, 2015, the Arrangement Agreement is terminated at any earlier time, or AGI advises the Underwriters or announces to the public that it does not intend to proceed with the Transaction, holders of the Subscription Receipts will be refunded their purchase price.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS 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 amount of revenues and expenses during the period. By their nature, these estimates are subject to a degree of uncertainty and are based on historical experience and trends in the industry. Management reviews these estimates on an ongoing basis. While management has applied judgment based on assumptions believed to be reasonable in the circumstances, actual results can vary from these assumptions. It is possible that materially different results would be reported using different assumptions.

AGI believes the accounting policies that are critical to its business relate to the use of estimates regarding the recoverability of accounts receivable and the valuation of inventory, intangibles, goodwill, convertible debentures and deferred income taxes. AGI's accounting policies are described in the notes to its December 31, 2014 audited financial statements.

Allowance for Doubtful Accounts

Due to the nature of AGI's business and the credit terms it provides to its customers, estimates and judgments are inherent in the on-going assessment of the recoverability of accounts receivable. AGI maintains an allowance for doubtful accounts to reflect expected credit losses. A considerable amount of judgment is required to assess the ultimate realization of accounts receivable and these judgments must be continuously evaluated and updated. AGI is not able to predict changes in the financial conditions of its customers, and the Company's judgment related to the recoverability of accounts receivable may be materially impacted if the financial condition of the Company's customers deteriorates.

Valuation of Inventory

Assessments and judgments are inherent in the determination of the net realizable value of inventories. The cost of inventories may not be fully recoverable if they are slow moving, damaged, obsolete, or if the selling price of the inventory is less than its cost. AGI regularly reviews its inventory quantities and reduces the cost attributed to inventory no longer deemed to be fully recoverable. Judgment related to the determination of net realizable value may be impacted by a number of factors including market conditions.

Goodwill and Intangible Assets

Assessments and judgments are inherent in the determination of the fair value of goodwill and intangible assets. Goodwill and indefinite life intangible assets are recorded at cost and finite life intangibles are recorded at cost less accumulated amortization. Goodwill and intangible assets are tested for impairment at least annually. Assessing goodwill and intangible assets for impairment requires considerable judgment and is based in part on current expectations regarding future performance. The classification of assets into cash generating units requires significant judgment and interpretations with respect to the integration between assets, the nature of products, the way in which management allocates resources and other relevant factors. Changes in circumstances including market conditions may materially impact the assessment of the fair value of goodwill and intangible assets.

Deferred Income Taxes

Deferred income taxes are calculated based on assumptions related to the future interpretation of tax legislation, future income tax rates, and future operating results, acquisitions and dispositions of assets and liabilities. AGI periodically reviews and adjusts its estimates and assumptions of income tax assets and liabilities as circumstances warrant. A significant change in any of the Company's assumptions could materially affect AGI's estimate of deferred tax assets and liabilities. See "Risks and Uncertainties – Income Tax Matters".

Future Benefit of Tax-loss Carryforwards

AGI should only recognize the future benefit of tax-loss carryforwards where it is probable that sufficient future taxable income can be generated in order to fully utilize such losses and deductions. We are required to make significant estimates and assumptions regarding future revenues and profit, and our ability to implement certain tax planning strategies, in order to assess the likelihood of utilizing such losses and deductions. These estimates and assumptions are subject to significant uncertainty and if changed could materially affect our assessment of the ability to fully realize the benefit of the deferred income tax assets. Deferred tax asset balances would be reduced and additional income tax expense recorded in the applicable accounting period in the event that circumstances change and we, based on revised estimates and assumptions, determined that it was no longer probable that those deferred tax assets would be fully realized. See "Risks and Uncertainties – Income Tax Matters".

RISKS AND UNCERTAINTIES

The risks and uncertainties described below are not the only risks and uncertainties we face. Additional risks and uncertainties not currently known to us or that we currently consider immaterial also may impair operations. If any of the following risks actually occur, our business, results of operations and financial condition, and the amount of cash available for dividends could be materially adversely affected. See also "Risks and Uncertainties" in AGI's most recent Annual Information Form, which is available on SEDAR (www.sedar.com).

Industry Cyclicality and General Economic Conditions

Our success depends substantially on the health of the agricultural industry. The performance of the agricultural industry, including the grain handling, storage and conditioning business, is cyclical. Sales of agricultural equipment generally are related to the health of the agricultural industry, which is affected by farm income, farm input costs, debt levels and land values, all of which reflect levels of agricultural commodity prices, acreage planted, crop yields, agricultural product demand, including crops used as renewable energy sources such as ethanol, government policies and government subsidies. Sales also are influenced by economic conditions, interest rate and exchange rate levels, and the availability of distributor and customer financing. Trends in the agricultural industry, such as farm consolidations, may affect the agricultural equipment market. In addition, weather conditions, such as floods, heat waves or droughts, can affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors could vary by market and are likely to result in decreases in demand for agricultural equipment, which would adversely affect our sales, growth, results of operations and financial condition.

To the extent that the agricultural industry declines or experiences a downturn, this is likely to have a negative impact on the grain handling, storage and conditioning business, and the business of AGI. Among other things, the agricultural sector has in recent years benefited from an increase in crop production and investment in agricultural infrastructure including outside of North America. To the extent crop production declines or economic conditions result in a decrease in agricultural investment including in offshore markets, this is likely to have a negative impact on the agricultural industry in those markets and the business of AGI. In addition, if the ethanol industry declines or experiences a downturn, due to changes in governmental policies or otherwise, this is may have a negative impact on the demand for and prices of certain crops which may have a negative impact on the grain handling, storage and conditioning industry, and the business of AGI.

Future developments in the North American and global economies may negatively impact the demand for our products. Management cannot estimate the level of growth or contraction of the economy as a whole or of the economy of any particular region or market that we serve. Adverse changes in our financial condition and results of operations may occur as a result of negative economic conditions, declines in stock markets, contraction of credit availability, political instability or other factors affecting economic conditions generally.

Risk of Decreased Crop Yields

Decreased crop yields due to poor or unusual weather conditions, natural disasters or other factors are a significant risk affecting AGI. Both reduced crop volumes and the accompanying decline in farm incomes can negatively affect demand for grain handling, storage and conditioning equipment.

Potential Volatility of Production Costs

Our products include various materials and components purchased from others, some or all of which may be subject to wide price variation. Consistent with industry practice, AGI seeks to manage its exposure to material and component price volatility by planning and negotiating significant purchases on an annual basis, and through the alignment of material input pricing with the terms of contractual sales commitments. AGI endeavours to pass through to customers, most, if not all, material and component price volatility. There can be no assurance, however, that industry conditions will allow AGI to continue to reduce its exposure to volatility of production costs by passing through price increases to its customers. A significant increase in the price of any component or material, such as steel, could adversely affect our profitability.

Foreign Exchange Risk

AGI generates the majority of its sales in U.S. dollars and Euros, but a materially smaller proportion of its expenses are denominated in U.S. dollars and Euros. In addition, AGI may denominate its long term borrowings in U.S. dollars. Accordingly, fluctuations in the rate of exchange between the Canadian dollar and the U.S. dollar and Euro may significantly impact the Company's financial results. Management has implemented a foreign currency hedging strategy and the Company regularly enters hedging arrangements to partially mitigate the potential effect of fluctuating exchange rates. To the extent that AGI does not adequately hedge its foreign exchange risk, changes in the exchange rate between the Canadian dollar and the U.S. dollar and Euro may have a material adverse effect on AGI's results of operations, business, prospects and financial condition. Conversely, to the extent that we enter into hedging arrangements, we potentially forego the benefits that might result from favourable fluctuations in currency exchange rates.

Acquisition and Expansion Risk

AGI may expand its operations by increasing the scope or changing the nature of operations at existing facilities or by acquiring or developing additional businesses, products or technologies in existing or new markets. There can be no assurance that the Company will be able to identify, acquire, develop or profitably manage additional businesses, or successfully integrate any acquired business, products, or technologies into the business, or increase the scope or change the nature of operations at existing facilities without substantial expenses, delays or other operational or financial difficulties. The Company's ability to increase the scope or change the nature of its operations or acquire or develop additional businesses may be impacted by its cost of capital and access to credit.

Acquisitions and expansions, including the acquisition of businesses or the development of manufacturing capabilities outside of North America, may involve a number of special risks including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, unanticipated market dynamics in new agricultural markets, added political and economic risk in other jurisdictions, risks associated with new market development outside of North America, and legal liabilities, some or all of which could have a material adverse effect on AGI's performance. In emerging markets some of these (and other) risks can be greater than they might be elsewhere. In addition, there can be no assurance that an increase in the scope or a change in the nature of operations at existing facilities or that acquired or newly developed businesses, products, or technologies will achieve anticipated revenues and income. The failure of the Company to manage its acquisition or expansion strategy successfully could have a material adverse effect on AGI's results of operations and financial condition.

INTERNATIONAL SALES AND OPERATIONS

A portion of AGI's sales are generated in overseas markets (approximately $78 million or 19% in 2014) the majority of which are in emerging markets such as countries in Eastern Europe, including most significantly Ukraine and also Russia and Romania, as well as countries in Central and South America, the Middle East and Southeast Asia. An important component of AGI's strategy is to increase its offshore sales and operations in the future. Sales and operations outside of North America, particularly in emerging markets, are subject to various additional risks, including: currency exchange rate fluctuations; foreign economic conditions; trade barriers; competition with North American and international manufacturers and suppliers; exchange controls; restrictions on dividends and the repatriation of funds; national and regional labour strikes; political risks; limitations on foreign investment; sociopolitical instability; fraud; risk of trade embargoes and sanctions prohibiting sales to specific persons or countries; risks of increases in duties; taxes and changes in tax laws; expropriation of property, cancellation or modification of contract rights, unfavourable legal climate for the collection of unpaid accounts; unfavourable political or economic climate limiting or eliminating support from export credit agencies; changes in laws and policies governing operations of foreign-based companies; as well as risks of loss due to civil strife and acts of war.

There is no guarantee that one or more of these factors will not materially adversely affect AGI's offshore sales and operations in the future, which could have a material adverse effect on AGI's results of operations and financial condition.

There have also been instances of political turmoil and other instability in some of the countries in which AGI operates, including most recently in Ukraine, which has and is currently experiencing political changes, civil unrest and military action, which are contributing to significant economic uncertainty and volatility. AGI continues to closely monitor the political, economic and military situation in Ukraine, and will seek to take actions to mitigate its exposure to potential risk events. However, the situation in Ukraine is rapidly developing and AGI has no way to predict outcome of the situation. Continued unrest, military activities, or broader-based trade sanctions or embargoes, should they be implemented, could have a material adverse effect on our sales in Ukraine and Russia and other countries in the region, and a material adverse effect on our sales, growth, results of operations and financial condition.

Anti-Corruption Laws

The Company's business practices must comply with the Corruption of Public Foreign Officials Act (Canada) and other applicable similar laws. These anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to improperly influence government officials or private individuals for the purpose of obtaining or retaining a business advantage regardless of whether those practices are legal or culturally expected in a particular jurisdiction. These risks can be more acute in emerging markets. Recently, there has been a substantial increase in the global enforcement of anti-corruption laws. If violations of these laws were to occur, they could subject us to fines and other penalties as well as increased compliance costs and could have an adverse effect on AGI's reputation, business and results of operations and financial condition.

Agricultural Commodity Prices, International Trade and Political Uncertainty

Prices of agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of AGI, including weather, government (Canadian, United States and other) farm programs and policies, and changes in global demand or other economic factors. A decrease in agricultural commodity prices could negatively impact the agricultural sector, and the business of AGI. New legislation or amendments to existing legislation, including the Energy Independence and Security Act in the U.S. of 2007 or the 2014 Farm Bill, may ultimately impact demand for the Company's products. The world grain market is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions.

Competition

AGI experiences competition in the markets in which it operates. Certain of AGI's competitors have greater financial and capital resources than AGI. AGI could face increased competition from newly formed or emerging entities, as well as from established entities that choose to focus (or increase their existing focus) on AGI's primary markets. As the grain handling, storage and conditioning equipment sector is fragmented, there is also a risk that a larger, formidable competitor may be created through a combination of one or more smaller competitors. AGI may also face potential competition from the emergence of new products or technology.

Seasonality of Business

The agricultural equipment business is highly seasonal, which causes our quarterly results and our cash flow to fluctuate during the year. Our sales historically have been higher in the second and third calendar quarters compared with the first and fourth quarters and our cash flow has been lower in the first three quarters of each calendar year, which may impact the ability of the Company to make cash dividends to shareholders, or the quantum of such dividends, if any. No assurance can be given that AGI's credit facility will be sufficient to offset the seasonal variations in AGI's cash flow.

Business Interruption

The operation of AGI's manufacturing facilities are subject to a number of business interruption risks, including delays in obtaining production materials, plant shutdowns, labour disruptions and weather conditions/natural disasters. AGI may suffer damages associated with such events that it cannot insure against or which it may elect not to insure against because of high premium costs or other reasons. For instance, AGI's Rosenort facility is located in an area that is often subject to widespread flooding, and insurance coverage for this type of business interruption is limited. AGI is not able to predict the occurrence of business interruptions.

Litigation

In the ordinary course of its business, AGI may be party to various legal actions, the outcome of which cannot be predicted with certainty. One category of potential legal actions is product liability claims. Farming is an inherently dangerous occupation. Grain handling, storage and conditioning equipment used on farms or in commercial applications may result in product liability claims that require insuring of risk and management of the legal process.

Dependence on Key Personnel

AGI's future business, financial condition, and operating results depend on the continued contributions of certain of AGI's executive officers and other key management and personnel, certain of whom would be difficult to replace.

Labour Costs and Shortages and Labour Relations

The success of AGI's business depends on a large number of both hourly and salaried employees. Changes in the general conditions of the employment market could affect the ability of AGI to hire or retain staff at current wage levels. The occurrence of either of these events could have an adverse effect on the Company's results of operations. There is no assurance that some or all of the employees of AGI will not unionize in the future. If successful, such an occurrence could increase labour costs and thereby have an adverse impact on AGI's results of operations.

Distribution, Sales Representative and Supply Contracts

AGI typically does not enter into written agreements with its dealers, distributors or suppliers in North America. As a result, such parties may, without notice or penalty, terminate their relationship with AGI at any time. In addition, even if such parties should decide to continue their relationship with AGI, there can be no guarantee that the consideration or other terms of such contracts will continue on the same basis.

AGI often enters into supply agreements with customers outside of North America. These contracts may include penalties for non-performance including in relation to product quality, late delivery and in some cases project assembly services. In addition, contractual commitments negotiated with foreign customers conducted in languages other than English may increase the likelihood of disputes with respect to agreed upon commitments. In the event AGI fails to perform to the standards of its contractual commitments it could suffer a negative financial impact which in some cases could be material.

Availability of Credit

AGI's credit facility matures on March 8, 2016 and is renewable at the option of the lenders. There can be no guarantee the Company will be able to obtain alternate financing and no guarantee that future credit facilities will have the same terms and conditions as the existing facility. This may have an adverse effect on the Company, its ability to pay dividends and the market value of its Common Shares and other securities. In addition, the business of the Company may be adversely impacted in the event that the Company's customers do not have access to sufficient financing to purchase AGI's products and services. Sales related to the construction of commercial grain handling facilities, sales to developing markets, and sales to North American farmers may be negatively impacted.

Interest Rates

AGI's term and operating credit facilities bear interest at rates that are in part dependent on performance based financial ratios. The Company's cost of borrowing may be impacted to the extent that the ratio calculation results in an increase in the performance based component of the interest rate. To the extent that the Company has term and operating loans where the fluctuations in the cost of borrowing are not mitigated by interest rate swaps, the Company's cost of borrowing may be impacted by fluctuations in market interest rates.

Uninsured and Underinsured Losses

AGI uses its discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance coverage on its assets and operations at a commercially reasonable cost and on suitable terms. This may result in insurance coverage that, in the event of a substantial loss, would not be sufficient to pay the full current market value or current replacement cost of its assets or cover the cost of a particular claim.

AGI obtains insurance for certain of its accounts receivables outside of North America while assuming a percentage of the risk, most often 10% of the insured amount. In the event that AGI is unable to collect on its accounts receivables outside of North America, the Company will incur financial losses related to the uninsured portion.

Income Tax Matters; Tax Consequences of Conversion

Income tax provisions, including current and deferred income tax assets and liabilities, and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which AGI operates and judgments as to their interpretation and application to AGI's specific situation. The amount and timing of reversals of temporary differences also depends on AGI's future operating results, acquisitions and dispositions of assets and liabilities. The business and operations of AGI are complex and AGI has executed a number of significant financings, acquisitions, reorganizations and business combinations over the course of its history including the Conversion. The computation of income taxes payable as a result of these transactions involves many complex factors as well as AGI's interpretation of and compliance with relevant tax legislation and regulations. While AGI believes that its' existing and proposed tax filing positions are probable to be sustained, there are a number of existing and proposed tax filing positions that are or may be the subject of review by taxation authorities. Therefore, it is possible that additional taxes could be payable by AGI and the ultimate value of AGI's income tax assets and liabilities could change in the future and that changes to these amounts could have a material adverse effect on AGI and its financial results.

Leverage, Restrictive Covenants

The degree to which AGI is leveraged could have important consequences to shareholders, including: (i) the ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; (ii) a material portion of AGI's cash flow from operations may need to be dedicated to payment of the principal of and interest on indebtedness, thereby reducing funds available for future operations and to pay dividends; (iii) certain of the borrowings under the Company's credit facility may be at variable rates of interest, which exposes AGI to the risk of increased interest rates; and (iv) AGI may be more vulnerable to economic downturns and be limited in its ability to withstand competitive pressures. AGI's ability to make scheduled payments of principal and interest on, or to refinance, its indebtedness will depend on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The ability of AGI to pay dividends or make other payments or advances will be subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness, including the Company's credit facility and note purchase agreement. AGI's credit facility and note purchase agreement contain restrictive covenants customary for agreements of this nature, including covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of AGI to incur additional indebtedness, to pay dividends or make certain other payments and to sell or otherwise dispose of material assets. In addition, the credit facility and note purchase agreement contain a number of financial covenants that will require AGI to meet certain financial ratios and financial tests. A failure to comply with these obligations could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness and trigger financial penalties including a make-whole provision in the note purchase agreement. If the indebtedness under the credit facility and note purchase agreement were to be accelerated, there can be no assurance that the assets of AGI would be sufficient to repay in full that indebtedness. There can also be no assurance that the credit facility or any other credit facility will be able to be refinanced.

Information Systems, Privacy and Data Protection

Security breaches and other disruptions to AGI's information technology infrastructure could interfere with AGI's operations and could compromise AGI's and its customers' and suppliers' information, exposing AGI to liability that would cause AGI's business and reputation to suffer.
In the ordinary course of business, AGI relies upon information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities, including supply chain, manufacturing, distribution, invoicing and collection of payments from dealers or other purchasers of AGI equipment. AGI uses information technology systems to record, process and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal and tax requirements.

Additionally, AGI collects and stores sensitive data, including intellectual property, proprietary business information and the proprietary business information of AGI's customers and suppliers, as well as personally identifiable information of AGI's customers and employees, in data centers and on information technology networks. The secure operation of these information technology networks and the processing and maintenance of this information is critical to AGI's business operations and strategy. Despite security measures and business continuity plans, AGI's information technology networks and infrastructure may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers or breaches due to employee error or malfeasance or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. The occurrence of any of these events could compromise AGI's networks, and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disrupt operations, and damage AGI's reputation, which could adversely affect AGI's business.

RISKS RELATED TO THE POST-WESTEEL ACQUISITION BUSINESS AND OPERATIONS OF AGI

Similar Risk Factors in the Business and Operations of AGI and the Westeel Business

The risk factors relating to AGI's business generally also apply in respect of the Westeel Business and will continue to affect AGI following the Westeel Acquisition. Additionally, investors should carefully consider the following risk factor in relation to the Westeel Business:

Labour Relations

The Westeel Business workforce is comprised of both unionized and non-union employees. With respect to those employees that are covered by collective bargaining agreements, there can be no assurance as to the outcome of any negotiations to renew such agreements on satisfactory terms. Failure to renegotiate collective bargaining agreements could result in strikes, work stoppages or interruptions, and if any of these events were to occur, they could have a material adverse effect on AGI's reputation, operations and financial performance. If non-unionized employees, whether those of the Westeel Business or AGI, become subject to collective agreements, the terms of any new collective agreements would have implications for the affected operations, and those implications could be material.

CHANGES IN ACCOUNTING POLICIES AND FUTURE ACCOUNTING CHANGES

Where applicable, the Company has adopted the following new and revised standards along with any consequential amendments effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32 Financial Instruments: Presentation

In December 2011, the IASB amended IAS 32 to clarify certain requirements for offsetting financial assets and liabilities. The amendment addresses the meaning and application of the concepts of legally enforceable right of set-off and simultaneous realization and settlement. The amendment will affect presentation and disclosures but will not have an impact on financial results.

IAS 36 Impairment of Assets

In May 2013, the IASB amended IAS 36 to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique. This amendment may affect disclosures but is not anticipated to have a material impact on financial results.

IFRIC 21 Levies

IFRIC 21 provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation. It also notes that levies do not arise from executory contracts or other contractual arrangements. The interpretation also confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The application of IFRIC 21 has not materially impacted the interim financial statements.

IFRS 9 Financial Instruments

In July 2014, on completion of the impairment phase of the project to reform accounting for financial instruments and replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the final version of IFRS 9 Financial Instruments. IFRS 9 includes guidance on the classification and measurement of financial assets and financial liabilities, impairment of financial assets (i.e. recognition of credit losses), and a new hedge accounting model. Under the classification and measurement requirements for financial assets, financial assets must be classified and measured at either amortized cost or at fair value through profit or loss or through OCI, depending on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The classification requirements for financial liabilities are unchanged from IAS 39. IFRS 9 requirements address the problem of volatility in net earnings arising from an issuer choosing to measure certain liabilities at fair value and require that the portion of the change in fair value due to changes in the entity's own credit risk be presented in OCI, rather than within net earnings. The new general hedge accounting model is intended to be simpler and more closely focus on how an entity manages its risks, replaces the IAS 39 effectiveness testing requirements with the principle of an economic relationship, and eliminates the requirement for retrospective assessment of hedge effectiveness. The new requirements for impairment of financial assets introduce an expected loss impairment model that requires more timely recognition of expected credit losses. IAS 39 impairment requirements are based on an incurred loss model where credit losses are not recognized until there is evidence of a trigger event. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early application permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for

those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including AGI's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management of AGI is responsible for designing internal controls over financial reporting for the Company as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. Management has designed such internal controls over financial reporting, or caused them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

There have been no material changes in AGI's internal controls over financial reporting that occurred in the three month period ended December 31, 2014, that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

NON-IFRS MEASURES

In analyzing our results, we supplement our use of financial measures that are calculated and presented in accordance with IFRS, with a number of non-IFRS financial measures including "EBITDA", "Adjusted EBITDA", "gross margin", "funds from operations", "payout ratio", "adjusted payout ratio", "trade sales", "adjusted profit", and "diluted adjusted profit per share". A non-IFRS financial measure is a numerical measure of a company's historical performance, financial position or cash flow that excludes (includes) amounts, or is subject to adjustments that have the effect of excluding (including) amounts, that are included (excluded) in the most directly comparable measures calculated and presented in accordance with IFRS. Non-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with other companies' non-IFRS financial measures having the same or similar businesses. We strongly encourage investors to review our consolidated financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

We use these non-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our IFRS results and the accompanying reconciliations to corresponding IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business.

In this MD&A, we discuss the non-IFRS financial measures, including the reasons that we believe that these measures provide useful information regarding our financial condition, results of operations, cash flows and financial position, as applicable, and, to the extent material, the additional purposes, if any, for which these measures are used. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are contained in this MD&A.

Management believes that the Company's financial results may provide a more complete understanding of factors and trends affecting our business and be more meaningful to management, investors, analysts and other interested parties when certain aspects of our financial results are adjusted for the gain (loss) on foreign exchange and other operating expenses and income. These measurements are non-IFRS measurements. Management uses the non-IFRS adjusted financial results and non-IFRS financial measures to measure and evaluate the performance of the business and when discussing results with the Board of Directors, analysts, investors, banks and other interested parties.

References to "EBITDA" are to profit before income taxes, finance costs, depreciation, amortization, impairment charges related to goodwill, intangibles or available for sale assets.. References to "adjusted EBITDA" are to EBITDA before the Company's gain or loss on foreign exchange, gains or losses on the sale of property, plant & equipment, non-cash share based compensation expenses and expenses related to corporate acquisition activity. Management believes that, in addition to profit or loss, EBITDA and adjusted EBITDA are useful supplemental measures in evaluating the Company's performance. Management cautions investors that EBITDA and adjusted EBITDA should not replace profit or loss as indicators of performance, or cash flows from operating, investing, and financing activities as a measure of the Company's liquidity and cash flows.

References to "trade sales" are to sales net of the gain or loss on foreign exchange. Management cautions investors that trade sales should not replace sales as an indicator of performance.

References to "gross margin" are to trade sales less cost of sales net of the depreciation and amortization included in cost of sales.

References to "funds from operations" are to cash flow from operating activities before the net change in non-cash working capital balances related to operations and stock-based compensation, less maintenance capital expenditures and adjusted for the gain or loss on the sale of property, plant & equipment. Management believes that, in addition to cash provided by (used in) operating activities, funds from operations provide a useful supplemental measure in evaluating its performance.

References to "payout ratio" are to dividends declared as a percentage of funds from operations. References to "adjusted payout ratio" are to declared dividends paid in cash as a percentage of funds from operations.

References to "adjusted profit" and "diluted adjusted profit per share" are to profit for the period and diluted profit per share for the period adjusted for profit before the non-cash CRA settlement, losses on foreign exchange, transaction costs, non-cash loss on available-for-sale investment and gain on sale of property, plant and equipment.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements that reflect our expectations regarding the future growth, results of operations, performance, business prospects, and opportunities of the Company. Forward-looking statements may contain such words as "anticipate", "believe", "continue", "could", "expects", "intend", "plans", "will" or similar expressions suggesting future conditions or events. In particular, the forward looking statements in this MD&A include statements relating to our business and strategy, including our outlook for our financial and operating performance including our expectations for adjusted EBITDA in 2015. Such forward-looking statements reflect our current beliefs and are based on information currently available to us, including certain key expectations and assumptions concerning anticipated grain production in our market areas, financial performance, business prospects, strategies, product pricing, regulatory developments, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, foreign exchange rates and the cost of materials, labour and services. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from results discussed in the forward-looking statements, including changes in international, national and local business conditions, weather patterns, crop planting, crop yields, crop conditions, the timing of harvest and conditions during harvest, seasonality, industry cyclicality, volatility of production costs, agricultural commodity prices, the cost and availability of capital, foreign exchange rates, and competition. These risks and uncertainties are described under "Risks and Uncertainties" in this MD&A and in our most recently filed Annual Information Form. These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. We cannot assure readers that actual results will be consistent with these forward-looking statements and we undertake no obligation to update such statements except as expressly required by law.

ADDITIONAL INFORMATION

Additional information relating to AGI, including AGI's most recent Annual Information Form, is available on SEDAR (www.sedar.com).

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **Ag Growth International Inc.**

We have audited the accompanying consolidated financial statements of **Ag Growth International Inc.**, which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Ag Growth International Inc.** as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Winnipeg, Canada
March 12, 2015

Ernst & Young LLP

Chartered Accountants

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets *[note 22]*

(in thousands of Canadian dollars) As at December 31

	2014 $	2013 $
CURRENT ASSETS		
Cash and cash equivalents *[note 15]*	**25,295**	108,731
Cash held in trust *[note 6]*	**250**	—
Restricted cash *[notes 16 and 21]*	**—**	112
Accounts receivable *[note 17]*	**86,764**	58,578
Inventory *[note 18]*	**71,031**	57,546
Prepaid expenses and other assets *[note 32]*	**6,852**	2,225
Income taxes recoverable	**3,375**	9
	193,567	**227,201**
NON-CURRENT ASSETS		
Property, plant and equipment, net *[notes 9 and 32]*	**99,612**	88,416
Goodwill *[note 11]*	**71,356**	65,322
Intangible assets, net *[note 10]*	**75,618**	71,487
Available-for-sale investment *[note 14]*	**900**	2,000
Income taxes recoverable	**3,812**	5,487
Deferred tax asset *[notes 25 and 33]*	**—**	23,327
	251,298	**256,039**
Assets held for sale *[note 13]*	**2,251**	2,396
TOTAL ASSETS	**447,116**	**485,636**

See accompanying notes

Liabilities

(in thousands of Canadian dollars) As at December 31

	2014 $	2013 $
CURRENT LIABILITIES		
Accounts payable and accrued liabilities *[note 24]*	**35,460**	30,872
Customer deposits	**12,864**	18,651
Dividends payable	**2,633**	2,525
Acquisition, transaction and financing costs payable	**2,266**	—
Income taxes payable	**93**	151
Subscription receipts commission payable *[note 32[e]]*	**1,036**	—
Current portion of long-term debt *[note 22]*	—	5
Current portion of derivative instruments *[note 27]*	**6,618**	3,348
Short-term debt *[notes 22[d] and 32[e]]*	**49,176**	—
Convertible unsecured subordinated debentures *[note 23]*	—	113,360
Provisions *[note 19]*	**3,829**	3,400
	113,975	**172,312**
NON-CURRENT LIABILITIES		
Long-term debt *[note 22]*	**28,949**	26,367
Due to vendor *[note 7]*	**671**	615
Convertible unsecured subordinated debentures *[note 23]*	**79,433**	77,987
Derivative instruments *[note 27]*	**2,290**	1,144
Deferred tax liability *[note 25]*	**12,072**	10,233
	123,415	**116,346**
TOTAL LIABILITIES	**237,390**	**288,658**

See accompanying notes

Shareholders' Equity

(in thousands of Canadian dollars) As at December 31

	2014 $	2013 $
SHAREHOLDERS' EQUITY *[note 20]*		
Common shares	**184,771**	158,542
Accumulated other comprehensive income	**14,838**	3,365
Equity component of convertible debentures	**3,135**	8,240
Contributed surplus	**12,954**	4,984
Retained earnings (deficit)	**(5,972)**	21,847
TOTAL SHAREHOLDERS' EQUITY	**209,726**	**196,978**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**447,116**	**485,636**

See accompanying notes

On behalf of the Board of Directors:

Bill Lambert
Director

David A. White, CA, ICD.D
Director

CONSOLIDATED STATEMENTS OF INCOME

(in thousands of Canadian dollars, except per share amounts) Year ended December 31

	2014 $	2013 $
SALES	**400,145**	356,787
Cost of goods sold *[note 8[d]]*	**276,538**	245,103
GROSS PROFIT	**123,607**	**111,684**
EXPENSES		
Selling, general and administrative *[note 8[e]]*	**73,781**	63,509
Other operating income *[note 8[a]]*	**(1,305)**	(5,727)
Impairment of available-for-sale investment *[note 14]*	**1,100**	—
Finance costs *[note 8[c]]*	**11,450**	14,883
Finance expense *[note 8[b]]*	**2,382**	2,388
	87,408	**75,053**
Profit before income taxes	**36,199**	36,631
Income tax expense *[notes 25 and 33]*		
Current	**4,757**	7,595
Deferred	**27,342**	6,445
	32,099	**14,040**
PROFIT FOR THE YEAR	**4,100**	**22,591**
PROFIT PER SHARE - BASIC *[note 30]*	**0.31**	**1.80**
PROFIT PER SHARE - DILUTED *[note 30]*	**0.31**	**1.77**

See accompanying notes

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of Canadian dollars) Year ended December 31

	2014 $	2013 $
PROFIT FOR THE YEAR	**4,100**	**22,591**
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may be reclassified subsequently to profit or loss		
Change in fair value of derivatives designated as cash flow hedges	**(9,159)**	(6,341)
Losses on derivatives designated as cash flow hedges recognized in net earnings in the current period	**4,743**	234
Income tax effect on cash flow hedges	**1,177**	1,622
Exchange differences on translation of foreign operations	**14,712**	10,440
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**11,473**	**5,955**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**15,573**	**28,546**

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars)

	Common shares $	Equity component of convertible debentures $	Contributed surplus $	Retained earnings (deficit) $	Cash flow hedge reserve $	Foreign currency reserve $	Total equity $
AS AT JANUARY 1, 2014	**158,542**	**8,240**	**4,984**	**21,847**	**(3,306)**	**6,671**	**196,978**
Profit for the year	—	—	—	4,100	—	—	**4,100**
Other comprehensive income (loss)	—	—	—	—	(3,239)	14,712	**11,473**
Share-based payment transactions *[notes 20 and 21]*	749	—	4,210	—	—	—	**4,959**
Dividends reinvestment plan *[note 20[d] and [e]]*	5,127	—	—	—	—	—	**5,127**
Dividends to shareholders *[note 20]*	—	—	—	(31,476)	—	—	**(31,476)**
Dividend reinvestment plan costs *[note 20[d] and [e]]*	(16)	—	—	—	—	—	**(16)**
Dividends on share-based compensation awards	—	—	—	(443)	—	—	**(443)**
Redemption of 2009 convertible unsecured subordinated debentures	20,369	(5,105)	3,760	—	—	—	**19,024**
AS AT DECEMBER 31, 2014	**184,771**	**3,135**	**12,954**	**(5,972)**	**(6,545)**	**21,383**	**209,726**

See accompanying notes

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars)

	Common shares $	Equity component of convertible debentures $	Contributed surplus $	Retained earnings $	Cash flow hedge reserve $	Foreign currency reserve $	Total equity $
AS AT JANUARY 1, 2013	**153,447**	**5,105**	**4,108**	**29,626**	**1,179**	**(3,769)**	**189,696**
Profit for the year	—	—	—	22,591	—	—	**22,591**
Other comprehensive income (loss)	—	—	—	—	(4,485)	10,440	**5,955**
Share-based payment transactions *[notes 20 and 21]*	2,479	—	876	—	—	—	**3,355**
Dividend reinvestment plan *[note 20[d] and [e]]*	2,648	—	—	—	—	—	**2,648**
Dividends to shareholders *[note 20]*	—	—	—	(30,186)	—	—	**(30,186)**
Dividend reinvestment plan costs *[note 20[d] and [e]]*	(32)	—	—	—	—	—	**(32)**
Dividends on share-based compensation awards	—	—	—	(184)	—	—	**(184)**
Issuance of convertible unsecured subordinated debentures *[note 23]*	—	3,135	—	—	—	—	**3,135**
AS AT DECEMBER 31, 2013	**158,542**	**8,240**	**4,984**	**21,847**	**(3,306)**	**6,671**	**196,978**

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars) — Year ended December 31

	2014 $	2013 $
OPERATING ACTIVITIES		
Profit before income taxes for the year	**36,199**	**36,631**
Add (deduct) items not affecting cash		
Depreciation of property, plant and equipment	**6,781**	6,003
Amortization of intangible assets	**4,940**	4,039
Impairment of available-for-sale investment	**1,100**	—
Translation loss on foreign exchange	**11,644**	7,790
Non-cash component of interest expense	**3,211**	4,071
Share-based compensation expense	**4,516**	3,084
Loss (gain) on sale of property, plant and equipment	**583**	(4,633)
Gain on disposal of asset held for sale	**(1,105)**	—
	67,869	**56,985**
Net change in non-cash working capital balances related to operations *[note 15]*	**(39,243)**	21,834
Income tax paid	**(8,014)**	(6,181)
CASH PROVIDED BY OPERATING ACTIVITIES	**20,612**	**72,638**

(in thousands of Canadian dollars) — Year ended December 31

	2014 $	2013 $
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(17,373)**	(14,327)
Acquisition of REM product line	**(13,144)**	—
Changes to deposits related to property, plant and equipment	**(2,252)**	—
Transfer from (to) cash held in trust and restricted cash	**(250)**	(78)
Proceeds from sale of property, plant and equipment	**48**	6,089
Proceeds from disposal of assets held for sale	**2,400**	—
Development and purchase of intangible assets	**(1,721)**	(1,620)
Transaction costs paid and payable	**3,231**	—
CASH USED IN INVESTING ACTIVITIES	**(29,061)**	**(9,936)**

	2014 $	2013 $
FINANCING ACTIVITIES		
Repayment of long-term debt	**(3)**	(11,182)
Redemption of convertible unsecured subordinated debentures, net	**(95,861)**	—
Proceeds from short-term debt	**49,176**	—
Issuance of convertible unsecured subordinated debentures	—	82,610
Subscription receipts financing costs	**(1,934)**	—
Dividends paid in cash *[note 20[d]]*	**(26,349)**	(27,538)
Dividend reinvestment plan costs incurred	**(16)**	(32)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**(74,987)**	**43,858**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR	**(83,436)**	**106,560**
Cash and cash equivalents, beginning of year	**108,731**	2,171
CASH AND CASH EQUIVALENTS, END OF YEAR	**25,295**	**108,731**
Supplemental cash flow information - Interest paid	**7,870**	10,751

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands of Canadian dollars, except where otherwise noted and per share data)
December 31, 2014

1. ORGANIZATION

The consolidated financial statements of Ag Growth International Inc. ["Ag Growth Inc."] for the year ended December 31, 2014 were authorized for issuance in accordance with a resolution of the directors on March 12, 2015. Ag Growth International Inc. is a listed company incorporated and domiciled in Canada, whose shares are publicly traded at the Toronto Stock Exchange. The registered office is located at 198 Commerce Drive, Winnipeg, Manitoba, Canada.

2. OPERATIONS

Ag Growth Inc. conducts business in the grain handling, storage and conditioning market.

Included in these consolidated financial statements are the accounts of Ag Growth Inc. and all of its subsidiary partnerships and incorporated companies; together, Ag Growth Inc. and its subsidiaries are referred to as "AGI" or the "Company".

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ["IFRS"] as issued by the International Accounting Standards Board ["IASB"].

The Company adopted IFRIC 21 and amendments to IAS 32 on January 1, 2014. There was no material impact other than disclosure to the Company's consolidated financial statements as a result of the adoption of these standards and amendments.

Basis of preparation

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company, Ag Growth International Inc. All values are rounded to the nearest thousand. They are prepared on the historical cost basis, except for derivative financial instruments and available-for-sale investment, which are measured at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Principles of consolidation

The consolidated financial statements include the accounts of Ag Growth International Inc. and its wholly owned subsidiaries, Ag Growth Industries Partnership, AGX Holdings Inc., Ag Growth Holdings Corp., AGI Alpha Holdings Corp., AGI Bravo Holdings Corp., Westfield Distributing (North Dakota) Inc., Hansen Manufacturing Corp. ["Hi Roller"], Union Iron Inc. ["Union Iron"], Applegate Trucking Inc., Applegate Livestock Equipment, Inc. ["Applegate"], Airlanco Inc. ["Airlanco"], Tramco, Inc. ["Tramco"], Tramco Europe Limited, Euro-Tramco B.V., Ag Growth Suomi Oy, Mepu Oy ["Mepu"], AGI Comercio de Equipamentos E Montagens Ltda and AGI Latvia Inc. as at December 31, 2014. Subsidiaries are fully consolidated from the date of acquisition, it being the date on which AGI obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-company balances, income and expenses and unrealized gains and losses resulting from intra-company transactions are eliminated in full.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments and liabilities incurred or assumed at the date of exchange. Acquisition costs for business combinations are expensed and included in selling, general and administrative expenses. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition.

Goodwill is initially measured at cost, being the excess of the cost of the business combination over AGI's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Any negative difference is recognized directly in the consolidated statement of income. If the fair values of the assets, liabilities and contingent liabilities can only be calculated on a provisional basis, the business combination is recognized using provisional values. Any adjustments resulting from the completion of the measurement process are recognized within 12 months of the date of acquisition ["measurement period"].

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of AGI's CGU that are expected to benefit from the synergies of the combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those CGUs. Where goodwill forms part of a CGU and part of the operating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of operation. If the Company reorganizes its reporting structure in a way that changes the composition of one or more CGUs to which goodwill has been allocated, the goodwill is reallocated to the units affected. Goodwill disposed of or reallocated in these cases is measured based on the relative values of the operation disposed of and the portion of the CGU retained, or the relative fair value of the part of a CGU allocated to a new CGU compared to the part remaining in the old organizational structure.

Foreign currency translation

Each entity in AGI determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by AGI entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary items are translated at the functional currency spot rate as of the reporting date. Exchange differences from monetary items are recognized in the consolidated statements of income. Non-monetary items that are not carried at fair value are translated using the exchange rates as at the dates of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their consolidated statements of income are translated at the monthly rates of exchange. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of any accumulated depreciation and any impairment losses determined. Cost includes the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary and, where relevant, the present value of all dismantling and removal costs. Where major components of property, plant and equipment have different useful lives, the components are recognized and depreciated separately. AGI recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred and if it is probable that the future economic benefits embodied with the item can be reliably measured. All other repair and maintenance costs are recognized in the consolidated statements of income as an expense when incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and building components	20 - 60 years
Manufacturing equipment	10 - 20 years
Computer hardware	5 years
Leasehold improvements	Over the lease period
Equipment under finance leases	10 years
Furniture and fixtures	5 - 10 years
Vehicles	4 - 16 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statements of income when the asset is derecognized.

The assets' useful lives and methods of depreciation of assets are reviewed at each financial year-end, and adjusted prospectively, if appropriate. No depreciation is taken on construction in progress until the asset is placed in use. Amounts representing direct costs incurred for major overhauls are capitalized and depreciated over the estimated useful life of the different components replaced.

Leases

The determination of whether an arrangement is, or contains, a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to AGI substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statements of income.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that AGI will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time, which AGI considers to be 12 months or more, to get ready for its intended use or sale, are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives, which include brand names, are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Internally generated intangible assets are capitalized when the product or process is technically and commercially feasible and AGI has sufficient resources to complete development. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Expenditures incurred to develop new demos and prototypes are recorded at cost as internally generated intangible assets. Amortization of the internally generated intangible assets begins when the development is complete and the asset is available for use and it is amortized over the period of expected future benefit. Amortization is recorded in cost of goods sold. During the period of development, the asset is tested for impairment at least annually.

Finite life intangible assets are amortized on a straight-line basis over the estimated useful lives of the related assets as follows:

Patents	4 - 10 years
Distribution networks	8 - 25 years
Demos and prototypes	3 - 15 years
Order backlog	3 - 6 months
Non-compete agreement	7 years
Software	8 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of income when the asset is derecognized.

Impairment of non-financial assets

AGI assesses at each reporting date whether there is an indication that an asset may be impaired. If such an indication exists, or when annual testing for an asset is required, AGI estimates the asset's recoverable amount. The recoverable amount of goodwill as well as intangible assets not yet available for use is estimated at least annually on December 31. The recoverable amount is the higher of an asset's or CGU group's fair value less costs to sell and its value in use.

Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. The recoverable amount of assets that do not generate independent cash flows is determined based on the CGU group to which the asset belongs.

AGI bases its impairment calculation on detailed budgets and forecast calculations that are prepared separately for each of AGI's CGU group to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For periods after five years, a terminal value approach is used.

An impairment loss is recognized in the consolidated statement of income if an asset's carrying amount or that of the CGU group to which it is allocated is higher than its recoverable amount. Impairment losses of a CGU group are first charged against the carrying value of the goodwill balance included in the CGU group and then against the value of the other assets, in proportion to their carrying amount. In the consolidated statements of income, the impairment losses are recognized in those expense categories consistent with the function of the impaired asset.

For assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, AGI estimates the asset's or CGU group's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset or CGU group in prior years. Such a reversal is recognized in the consolidated statements of income.

Goodwill is tested for impairment annually as at December 31 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU group to which the goodwill relates. Where the recoverable amount of the CGU group is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, either individually or at the CGU group level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Cash and cash equivalents

All highly liquid temporary cash investments with an original maturity of three months or less when purchased are considered to be cash equivalents. For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of cash and money market funds, net of outstanding bank overdrafts.

Inventory

Inventory is comprised of raw materials and finished goods. Inventory is valued at the lower of cost and net realizable value, using a first-in, first-out basis. For finished goods, costs include all direct costs incurred in production, including direct labour and materials, freight, directly attributable manufacturing overhead costs based on normal operating capacity and property, plant and equipment depreciation.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage or declining selling prices. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. When the circumstances that previously caused inventories to be written down below cost no longer exist, or when there is clear evidence of an increase in selling prices, the amount of the write-down previously recorded is reversed.

Financial instruments

Financial assets and liabilities

AGI classifies its financial assets as [i] financial assets at fair value through profit or loss, [ii] loans and receivables or [iii] available-for-sale, and its financial liabilities as either [i] financial liabilities at fair value through profit or loss ["FVTPL"] or [ii] other financial liabilities. Derivatives are designated as hedging instruments in an effective hedge, as appropriate. Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified in the consolidated statements of financial position.

All financial instruments are recognized initially at fair value plus, in the case of investments and liabilities not at fair value through profit or loss, directly attributable transaction costs. Financial instruments are recognized on the trade date, which is the date on which AGI commits to purchase or sell the asset.

Financial assets at fair value through profit or loss

Financial assets at FVTPL include financial assets held-for-trading and financial assets designated upon initial recognition at FVTPL. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes cash and cash equivalents and derivative financial instruments entered into that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with changes in the fair value recognized in finance income or finance costs in the consolidated statements of income.

AGI has currently not designated any financial assets upon initial recognition as FVTPL.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held-for-trading. These embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated statements of income. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category include receivables. Loans and receivables are initially recognized at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment.

The effective interest amortization is included in finance income in the consolidated statements of income. The losses arising from impairment are recognized in the consolidated statements of income in finance costs.

Available-for-sale financial investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held-for-trading nor designated at FVTPL. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the consolidated statements of income and removed from the available-for-sale reserve.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the effective interest method. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the effective interest method. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the consolidated statements of income.

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or when AGI has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

AGI assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset [an incurred "loss event"] and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Trade receivables and other assets that are not assessed for impairment individually are assessed for impairment on a collective basis. Objective evidence of impairment includes the Company's past experience of collecting payments as well as observable changes in national or local economic conditions.

For financial assets carried at amortized cost, AGI first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If AGI determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the consolidated statements of income.

Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the consolidated statement of income.

For available-for-sale financial investments, AGI assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statements of income – is removed from other comprehensive income and recognized in the consolidated statements of income. Impairment losses on equity investments are not reversed through the consolidated statements of income; increases in their fair value after impairment are recognized directly in other comprehensive income. In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in the consolidated statements of income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statements of income, the impairment loss is reversed through the consolidated statements of income.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at FVTPL. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Gains or losses on liabilities held-for-trading are recognized in the consolidated statements of income.

AGI has not designated any financial liabilities upon initial recognition as FVTPL.

Other financial liabilities

Financial liabilities are measured at amortized cost using the effective interest rate method. Financial liabilities include long-term debt issued, which is initially measured at fair value, which is the consideration received, net of transaction costs incurred, net of equity component. Transaction costs related to the long-term debt instruments are included in the value of the instruments and amortized using the effective interest rate method. The effective interest expense is included in finance costs in the consolidated statements of income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of income.

Interest income

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the consolidated statements of income.

Derivative instruments and hedge accounting

AGI uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risk and interest rate risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

AGI analyzes all of its contracts, of both a financial and non-financial nature, to identify the existence of any "embedded" derivatives. Embedded derivatives are accounted for separately from the host contract at the inception date when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value.

Any gains or losses arising from changes in the fair value of derivatives are recorded directly in the consolidated statements of income, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment [except for foreign currency risk].
- Cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, AGI formally designates and documents the hedge relationship to which AGI wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statements of income in other operating income or expenses. Amounts recognized as other comprehensive income are transferred to the consolidated statements of income when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognized in equity is transferred to the consolidated statements of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

AGI uses primarily forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

Fair value is the estimated amount that AGI would pay or receive to dispose of these contracts in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques that are recognized by market participants. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

Provisions

Provisions are recognized when AGI has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where AGI expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognized when the product is sold or service provided. Initial recognition is based on historical experience.

Profit per share

The computation of profit per share is based on the weighted average number of shares outstanding during the period. Diluted profit per share is computed in a similar way to basic profit per share except that the weighted average shares outstanding are increased to include additional shares assuming the exercise of share options, share appreciation rights and convertible debt options, if dilutive.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to AGI and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. AGI assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. With the exception of third-party services, AGI has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from the sale of goods is in general recognized when significant risks and rewards of ownership are transferred to the customer. AGI generally recognizes revenue when products are shipped, free on board shipping point; the customer takes ownership and assumes risk of loss; collection of the related receivable is probable; persuasive evidence of an arrangement exists; and, the sales price is fixed or determinable. Customer deposits are recorded as a current liability when cash is received from the customer and recognized as revenue at the time product is shipped, as noted above.

In transactions involving the sale of specific customer products, AGI applies layaway sales accounting. Under layaway sales, AGI recognizes revenue prior to the product being shipped, provided the following criteria are met as at the reporting date:

- The goods are ready for delivery to the customer; this implies the goods have been produced to the specifications of the customer and AGI has assessed, through its quality control processes, that the goods comply with the specifications;
- A deposit of more than 80% of the total contract value for the respective goods has been received;
- The goods are specifically identified for the customer in AGI's inventory tracking system; and
- AGI does not have any other obligation than to ship the product, or to store the product until the customer picks it up.

Bill and hold

AGI applies bill and hold sales accounting. Under bill and hold sales, AGI recognizes revenue when the buyer takes title, provided the following criteria are met as of the reporting date:

- It is probable that delivery will be made;
- The item is on hand, identified and ready for delivery to the buyer at the time the sale is recognized;
- The buyer specifically acknowledges the deferred delivery instructions; and
- The usual payment terms apply.

Third-party services

AGI from time to time enters into arrangements with third-party providers to provide services for AGI's customers. Where AGI acts as agent the revenue and costs associated with these services are recorded on a net basis and disclosed under other operating income.

Construction contracts

AGI from time to time enters into arrangements with its customers that are considered construction contracts. These contracts [or a combination of contracts] are specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

AGI principally operates fixed price contracts. If the outcome of such a contract can be reliably measured, revenue associated with the construction contract is recognized by reference to the stage of completion of the contract activity at period-end [the percentage of completion method].

The outcome of a construction contract can be estimated reliably when: [i] the total contract revenue can be measured reliably; [ii] it is probable that the economic benefits associated with the contract will flow to the entity; [iii] the costs to complete the contract and the stage of completion can be measured reliably; and [iv] the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

When the outcome of a construction contract cannot be estimated reliably [principally during early stages of a contract], contract revenue is recognized only to the extent of costs incurred that are expected to be recoverable. In applying the percentage of completion method, revenue recognized corresponds to the total contract revenue [as defined above] multiplied by the actual completion rate based on the proportion of total contract costs [as defined above] incurred to date and the estimated costs to complete.

Income taxes

AGI and its subsidiaries are generally taxable under the statutes of their country of incorporation.

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where AGI operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

AGI follows the liability method of accounting for deferred taxes. Under this method, income tax liabilities and assets are recognized for the estimated tax consequences attributable to the temporary differences between the carrying value of the assets and liabilities on the consolidated financial statements and their respective tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in the consolidated statements of income, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill if it occurred during the measurement period or in profit or loss, when it occurs subsequent to the measurement period.

Indefinite life intangible assets are measured on an "on sale" basis for tax purposes.

Sales tax

Revenue, expenses and assets are recognized net of the amount of sales tax, except where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and where receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

Share-based compensation plans

Employees of AGI may receive remuneration in the form of share-based payment transactions, whereby employees render services and receive consideration in the form of equity instruments [equity-settled transactions, long-term incentive plan, share award incentive plan and directors deferred compensation plan] or cash [cash-settled transactions]. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, the unidentified goods or services received are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identifiable goods or services received at the grant date and are capitalized or expensed as appropriate.

Equity-settled transactions

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves, in equity, over the period in which the performance and/or service conditions are fulfilled.

The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting period reflects the extent to which the vesting period has expired and AGI's best estimate of the number of the shares that will ultimately vest. The expense or credit recognized for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in the consolidated statements of income in the respective function line. When options and other share-based compensation awards are exercised or exchanged, the amounts previously credited to contributed surplus are reversed and credited to shareholders' equity. The amount of cash, if any, received from participants is also credited to shareholders' equity.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation and any expense not yet recognized for the award [being the total expense as calculated at the grant date] is recognized immediately. This includes any award where vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes model. This fair value is expensed over the period until the vesting date, with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized in the consolidated statement of income in the line of the function the respective employee is engaged in.

Post-retirement benefit plans

AGI contributes to retirement savings plans subject to maximum limits per employee. AGI accounts for such defined contributions as an expense in the period in which the contributions are required to be made. Certain of AGI's plans classify as multi-employer plans and would ultimately provide the employee a defined benefit pension. However, based upon the evaluation of the available information, AGI is not required to account for the plans in accordance with the defined benefit accounting rules, and accounts for such plans as it does defined contribution plans.

Research and development expenses

Research expenses, net of related tax credits, are charged to the consolidated statement of income in the period they are incurred. Development costs are charged to operations in the period of the expenditure unless they satisfy the condition for recognition as an internally generated intangible asset.

Government grants

Government grants are recognized at fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to an asset, the fair value is credited to the cost of the asset and is released to the consolidated statement of income over the expected useful life in a consistent manner with the depreciation method for the relevant assets.

Investment tax credits

Federal and provincial investment tax credits are accounted for as a reduction of the cost of the related assets or expenditures in the year in which the credits are earned and when there is reasonable assurance that the credits can be used to recover taxes.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and the disclosure of contingent liabilities. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form the basis of making the assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

Impairment of financial assets

Assessments about the recoverability of financial assets, including accounts receivable, require significant judgment in determining whether there is objective evidence that a loss event has occurred and estimates of the amount and timing of future cash flows. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect on its trade receivables. A portion of the Company's sales are generated in overseas markets, a significant portion of which are in emerging markets such as countries in Eastern Europe, including most significantly Ukraine and Russia. Emerging markets are subject to various additional risks, including: currency exchange rate fluctuations; foreign economic conditions; foreign business practices; unfavourable legal climate for the collection of unpaid accounts; as well as unfavourable political or economic climate limiting or eliminating support from export credit agencies. One or more of these factors could have a material effect on the future collectability of such receivables. In assessing whether objective evidence of impairment exists at each reporting period the Company considers its past experience of collecting payments, historical loss experience, customer credit ratings and financial data as available, collateral on amounts owing including insurance coverage from export credit agencies, as well as observable changes in national or local economic conditions. As at December 31, 2014, the Company has $34 million in trade receivables owing from customers located in Russia and Ukraine including a significant balance with one customer in Ukraine *[note 27]*. Following consideration of the aforementioned factors the Company concluded there was no objective evidence of impairment of the accounts receivables in Russia and Ukraine as at the reporting period end. Future collections of accounts receivables that differ from the Company's current estimates would affect the results of the Company's operations in future periods as well as the Company's trade receivables and general and administrative expenses and amounts may be material.

Impairment of non-financial assets

AGI's impairment test is based on value in use or fair value less cost to sell calculations that use a discounted cash flow model. The cash flows are derived from the forecast for the next five years and do not include restructuring activities to which AGI has not yet committed or significant future investments that will enhance the asset's performance of the CGU being tested. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market presence and trends, strength of customer relationships, strength of local management, strength of debt and capital markets, and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. The recoverable amount is most sensitive to the discount rate, as well as the forecasted margins and growth rate used for extrapolation purposes. A change in any of the significant assumptions or estimates used to evaluate goodwill and other non-financial assets could result in a material change to the results of operations. The key assumptions used to determine the recoverable amount for the different CGUs are further explained in note 12.

Cash generating units are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The classification of assets into cash generating units requires significant judgment and interpretations with respect to the integration between assets, the nature of products, the way in which management allocates resources and other relevant factors.

Development costs

Development costs are capitalized in accordance with the accounting policy described in note 3. Initial capitalization of costs is based on management's judgment that technical and economical feasibility is confirmed, usually when a project has reached a defined milestone according to an established project management model.

Useful lives of key property, plant and equipment and intangible assets

The depreciation method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by AGI. Refer to note 3 for the estimated useful lives.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position including the determination of the fair value of the Company's available for sale asset cannot be derived from active markets, it is determined using valuation techniques including the discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Share-based payments

AGI measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of equity instruments at the grant date, whereas the fair value of cash-settled share-based payments is remeasured at every reporting date. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of these instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded. AGI establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the respective company's domicile. As AGI assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognized. Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Acquisition accounting

For acquisition accounting purposes, all identifiable assets, liabilities and contingent liabilities acquired in a business combination are recognized at fair value at the date of acquisition. Estimates are used to calculate the fair value of these assets and liabilities as at the date of acquisition. Contingent consideration resulting from business combinations is valued at fair value at the acquisition date as part of the business combination. Where the contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

Operational segments ["IFRS 8"]

Amendments to IFRS 8, issued by the IASB in December 20l3, require an entity to disclose the judgments made by management in applying the aggregation criteria for reportable segments and provide a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendments will only affect disclosure and are effective for annual periods beginning on or after July 1, 2014. The Company does not expect this amendment to have a material impact on its financial statements.

Financial instruments: classification and measurement ["IFRS 9"]

In July 2014, on completion of the impairment phase of the project to reform accounting for financial instruments and replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the final version of IFRS 9 Financial Instruments. IFRS 9 includes guidance on the classification and measurement of financial assets and financial liabilities, impairment of financial assets [i.e. recognition of credit losses], and a new hedge accounting model. Under the classification and measurement requirements for financial assets, financial assets must be classified and measured at either amortized cost or at fair value through profit or loss or through OCI, depending on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The classification requirements for financial liabilities are unchanged from IAS 39. IFRS 9 requirements address the problem of volatility in net earnings arising from an issuer choosing to measure certain liabilities at fair value and require that the portion of the change in fair value due to changes in the entity's own credit risk be presented in OCI, rather than within net earnings. The new general hedge accounting model is intended to be simpler and more closely focus on how an entity manages its risks, replaces the IAS 39 effectiveness testing requirements with the principle of an economic relationship, and eliminates the requirement for retrospective assessment of hedge effectiveness. The new requirements for impairment of financial assets introduce an expected loss impairment model that requires more timely recognition of expected credit losses. IAS 39 impairment requirements are based on an incurred loss model where credit losses are not recognized until there is evidence of a trigger event. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early application permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Revenue from Contracts with Customers ["IFRS 15"]

IFRS 15, *Revenue from Contracts with Customers*, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively [for example, service revenue and contract modifications] and improve guidance for multiple element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2017 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its financial statements.

6. BUSINESS COMBINATIONS

Effective February 3, 2014, the Company acquired the assets related to the Rem Grain Vac product line ["Grain Vac"]. The acquisition of Grain Vac provides the Company with a complementary product line.

The purchase has been accounted for by the acquisition method with the results of Grain Vac included in the Company's net earnings from the date of acquisition. The assets acquired and liabilities assumed of Grain Vac on the date of acquisition have been recorded in the consolidated financial statements at their estimated fair values as follows:

	$
Accounts receivable	2,257
Inventory	1,650
Property, plant and equipment	120
Intangible assets	
Distribution network	2,566
Brand name	1,838
Intellectual property	1,266
Order backlog	35
Non-compete agreements	114
Goodwill	3,811
Accounts payable and accrued liabilities	(80)
Customer deposits	(319)
Provisions	(110)
PURCHASE CONSIDERATION	**13,148**

The goodwill of $3,811 comprises the value of expected synergies arising from the acquisition. Goodwill is expected to be deductible for income tax purposes.

From the date of acquisition, Grain Vac has contributed to the 2014 results $12,540 of revenue and the impacts on the cash flows on the acquisition of Grain Vac is as follows:

	$
Purchase consideration	13,148
Local taxes	246
Cash held in trust	(250)
PURCHASE CONSIDERATION TRANSFERRED	**13,144**

The acquisition of Grain Vac was an asset purchase and as such the Company does not have access to the books and records of Grain Vac for any periods prior to the acquisition date of February 3, 2014. Therefore, the impact on revenue and profit of the Company from the acquisition of Grain Vac at the beginning of 2014 cannot be reported. The Company has also integrated Grain Vac with one of its divisions and as a result, the operating results of Grain Vac cannot be separately reported from the date of acquisition.

The consideration transferred of $13,144 was paid in cash. The impact on the cash flow on the acquisition of Grain Vac is as follows:

	$
Transaction costs of the acquisition paid in 2013	119
Transaction costs of the acquisition paid in 2014	32
Purchase consideration transferred	13,144
NET CASH FLOW ON ACQUISITION	**13,295**

As at December 31, 2014, the Company had cash held in trust of $250 relating to the acquisition of Grain Vac. Transaction costs of $32 [2013 - $119] are included in selling, general and administrative costs.

7. DUE TO VENDOR

Tramco, Inc. ["Tramco"]

In the year ended December 31, 2013, the Company recorded a tax deduction in regards to the write-off of a receivable outstanding as at the date of the Tramco acquisition. Per the terms of the purchase agreement, the tax benefit related to this deduction, net of 15% which is to the benefit of the Company, is required to be paid to the vendor of Tramco once the deduction has become statute barred. The impact of this deduction from taxable income was to reduce current income tax expense by $118 and income tax payable by $780. The amount payable to the vendor upon the deduction becoming statute barred of $671 has been recorded as a long-term liability on the consolidated statements of financial position.

8. OTHER EXPENSES (INCOME)

		2014 $	2013 $
[A]	**OTHER OPERATING INCOME**		
	Net gain on disposal of property, plant and equipment and asset held for sale	**(522)**	(4,633)
	Other	**(783)**	(1,094)
		(1,305)	**(5,727)**
[B]	**FINANCE EXPENSES (INCOME)**		
	Interest income from banks	**(26)**	(28)
	Loss on foreign exchange	**2,408**	2,416
		2,382	**2,388**
[C]	**FINANCE COSTS**		
	Interest on overdrafts and other finance costs	**511**	193
	Interest, including non-cash interest, on debts and borrowings	**2,694**	2,605
	Interest, including non-cash interest, on convertible debentures *[note 23]*	**8,245**	12,085
		11,450	**14,883**

		2014 $	2013 $
[D]	**COST OF GOODS SOLD**		
	Depreciation	**6,167**	5,470
	Amortization of intangible assets	**554**	285
	Warranty provision	**429**	922
	Cost of inventories recognized as an expense	**269,388**	238,426
		276,538	**245,103**
[E]	**SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**		
	Depreciation	**614**	533
	Amortization of intangible assets	**4,386**	3,754
	Minimum lease payments recognized for operating leases	**1,662**	1,722
	Transaction costs	**1,801**	286
	Selling, general and administrative	**65,318**	57,214
		73,781	**63,509**
[F]	**EMPLOYEE BENEFITS EXPENSE**		
	Wages and salaries	**97,851**	82,949
	Share-based payment expense *[note 21]*	**4,516**	3,084
	Pension costs	**2,283**	2,156
		104,650	**88,189**
	Included in cost of goods sold	**69,269**	57,736
	Included in general and administrative expense	**35,381**	30,453
		104,650	**88,189**

9. PROPERTY, PLANT AND EQUIPMENT

	Land $	Grounds $	Buildings $	Leasehold improvements $	Furniture and fixtures $	Vehicles $	Computer hardware $	Manufacturing equipment $	Construction in progress $	Total $
COST										
Balance, January 1, 2014	4,798	1,006	43,380	2,375	1,490	6,173	2,996	54,233	43	116,494
Additions	1,793	27	730	55	90	116	666	5,750	8,146	17,373
Classification as held for sale	(443)	—	(870)	—	—	—	—	—	—	(1,313)
Disposals	—	—	—	—	(3)	(412)	(54)	(1,150)	—	(1,619)
Exchange differences	170	40	1,046	55	20	69	69	1,768	(1)	3,236
BALANCE, DECEMBER 31, 2014	**6,318**	**1,073**	**44,286**	**2,485**	**1,597**	**5,946**	**3,677**	**60,601**	**8,188**	**134,171**
DEPRECIATION										
Balance, January 1, 2014	—	322	4,326	601	688	3,417	2,085	16,639	—	28,078
Depreciation charge for the year	—	79	1,386	232	148	540	375	4,021	—	6,781
Classification as held for sale	—	—	(163)	—	—	—	—	—	—	(163)
Disposals	—	—	—	—	(2)	(299)	(52)	(635)	—	(988)
Exchange differences	—	5	104	36	9	34	46	617	—	851
BALANCE, DECEMBER 31, 2014	—	**406**	**5,653**	**869**	**843**	**3,692**	**2,454**	**20,642**	—	**34,559**
Net Book Value, January 1, 2014	4,798	684	39,054	1,774	802	2,756	911	37,594	43	88,416
NET BOOK VALUE, DECEMBER 31, 2014	**6,318**	**667**	**38,633**	**1,616**	**754**	**2,254**	**1,223**	**39,959**	**8,188**	**99,612**

	Land $	Grounds $	Buildings $	Leasehold improvements $	Furniture and fixtures $	Vehicles $	Computer hardware $	Manufacturing equipment $	Construction in progress $	Total $
COST										
Balance, January 1, 2013	4,707	649	37,590	2,023	1,363	6,155	2,649	47,978	39	103,153
Additions	247	419	7,194	314	105	298	289	5,460	1	14,327
Classification as held for sale	(82)	(82)	(1,336)	—	—	—	—	—	—	(1,500)
Disposals	(240)	—	(1,186)	—	(6)	(356)	(17)	(294)	—	(2,099)
Exchange differences	166	20	1,118	38	28	76	75	1,089	3	2,613
BALANCE, DECEMBER 31, 2013	**4,798**	**1,006**	**43,380**	**2,375**	**1,490**	**6,173**	**2,996**	**54,233**	**43**	**116,494**
DEPRECIATION										
Balance, January 1, 2013	—	264	3,540	373	537	2,918	1,741	12,926	—	22,299
Depreciation charge for the year	—	71	1,167	207	145	596	320	3,497	—	6,003
Classification as held for sale	—	(17)	(188)	—	—	—	—	—	—	(205)
Disposals	—	—	(278)	—	(5)	(123)	(17)	(220)	—	(643)
Exchange differences	—	4	85	21	11	26	41	436	—	624
BALANCE, DECEMBER 31, 2013	—	**322**	**4,326**	**601**	**688**	**3,417**	**2,085**	**16,639**	—	**28,078**
Net Book Value, January 1, 2013	4,707	385	34,050	1,650	826	3,237	908	35,052	39	80,854
NET BOOK VALUE, DECEMBER 31, 2013	**4,798**	**684**	**39,054**	**1,774**	**802**	**2,756**	**911**	**37,594**	**43**	**88,416**

Construction in progress is comprised primarily of building and equipment.

AGI regularly assesses its long-lived assets for impairment. As at December 31, 2014 and 2013, the recoverable amount of each CGU exceeded the carrying amounts of the assets allocated to the respective units.

Capitalized borrowing costs

No borrowing costs were capitalized in 2013 or 2014.

10. INTANGIBLE ASSETS

	Distribution networks $	Brand names $	Patents $	Software $	Order backlog $	Non-compete agreement $	Development projects $	Total $
COST								
Balance, January 1, 2014	56,547	34,827	1,203	1,711	—	—	4,384	98,672
Internal development	—	—	4	—	—	—	1,334	1,338
Acquired	2,566	1,838	1,266	387	35	114	—	6,206
Exchange differences	1,469	860	86	147	—	—	69	2,631
BALANCE, DECEMBER 31, 2014	**60,582**	**37,525**	**2,559**	**2,245**	**35**	**114**	**5,787**	**108,847**
AMORTIZATION								
Balance, January 1, 2014	25,377	—	873	510	—	—	425	27,185
Amortization charge for the year	3,970	—	213	290	32	15	420	4,940
Exchange differences	989	—	62	53	—	—	—	1,104
BALANCE, DECEMBER 31, 2014	**30,336**	—	**1,148**	**853**	**32**	**15**	**845**	**33,229**
NET BOOK VALUE, DECEMBER 31, 2014	**30,246**	**37,525**	**1,411**	**1,392**	**3**	**99**	**4,942**	**75,618**

	Distribution networks $	Brand names $	Patents $	Software $	Development projects $	Total $
COST						
Balance, January 1, 2013	55,269	34,105	1,141	1,283	3,397	95,195
Internal development	—	—	—	—	886	886
Acquisition	—	—	—	332	—	332
Exchange differences	1,278	722	62	96	101	2,259
BALANCE, DECEMBER 31, 2013	**56,547**	**34,827**	**1,203**	**1,711**	**4,384**	**98,672**
AMORTIZATION						
Balance, January 1, 2013	21,190	—	744	290	194	22,418
Amortization charge for the year	3,516	—	92	200	231	4,039
Exchange differences	671	—	37	20	—	728
BALANCE, DECEMBER 31, 2013	**25,377**	—	**873**	**510**	**425**	**27,185**
NET BOOK VALUE, DECEMBER 31, 2013	**31,170**	**34,827**	**330**	**1,201**	**3,960**	**71,487**

The Company is continuously working on research and development projects. Development costs capitalized include the development of new products and the development of new applications of already existing products and prototypes. Research costs and development costs that are not eligible for capitalization have been expensed and are recognized in selling, general and administrative expenses.

Intangible assets include patents acquired through business combinations, which have a remaining life between two and nine years. All brand names with a carrying amount of $37,525 [2013 – $34,827] have been qualified as indefinite useful life intangible assets, as the Company expects to maintain these brand names and currently no end point of the useful lives of these brand names can be determined. The Company assesses the assumption of an indefinite useful life at least annually. For definite life intangibles, the Company assesses whether there are indicators of impairment at subsequent reporting dates as a triggering event for performing an impairment test.

Intangible assets and research and development expenses for the year ended December 31, 2014, are net of combined federal and provincial scientific research and experimental development ["SR&ED"] tax credits in the amounts of $152 and $51, respectively. A number of specific criteria must be met in order to qualify for federal and provincial SR&ED investment tax credits. As at December 31, 2014, the Corporation had Federal investment tax credit carryforwards in the amount of $4,229 [2013 – $4,229], Federal SR&ED investment tax credit carryforwards in the amount of $865 [2013 – $703], Provincial SR&ED investment tax credit carryforwards in the amount of $199 [2013 – $139] and Provincial manufacturing or processing tax credits in the amount of $425 [2013 – $416]; these begin expiring in 2015.

Other significant intangible assets are goodwill *[note 11]* and the distribution network of the Company. The distribution network was acquired in past business combinations and reflects the Company's dealer network in North America and the dealer network of the Mepu operating division. The remaining amortization period for the distribution network ranges from 2 to 17 years.

With the exception of the acquisition of Westeel *[note 32[e]]*, the Company had no contractual commitments for the acquisition of intangible assets as of the reporting date.

11. GOODWILL

	2014 $	2013 $
BALANCE, BEGINNING OF YEAR	**65,322**	**63,399**
Acquisition *[note 6]*	**3,811**	—
Exchange differences	**2,223**	1,923
BALANCE, END OF YEAR	**71,356**	**65,322**

12. IMPAIRMENT TESTING

The Company performs its annual goodwill impairment test as at December 31. The recoverable amount of the Company's CGUs has been determined based on value in use for the year ended December 31, 2014, using cash flow projections covering a five-year period. The various pre-tax discount rates applied to the cash flow projections are between 12.6% and 13.2% [2013 – 12.6% and 13.2%] and cash flows beyond the five-year period are extrapolated using a 3% growth rate [2013 – 3%], which is management's estimate of long-term inflation and productivity growth in the industry and geographies in which it operates.

The Company's CGUs and goodwill and indefinite life intangible assets allocated thereto are as follows:

	2014 $	2013 $
On-Farm		
Goodwill	**42,045**	38,087
Intangible assets with indefinite lives	**25,986**	24,180
Commercial		
Goodwill	**29,311**	27,235
Intangible assets with indefinite lives	**11,539**	10,647
TOTAL		
GOODWILL	**71,356**	**65,322**
INTANGIBLE ASSETS WITH INDEFINITE LIVES	**37,525**	**34,827**

Key assumptions used in valuation calculations

The calculation of value in use or fair value less cost to sell for all the CGUs is most sensitive to the following assumptions:

- Gross margins;
- Discount rates;
- Market share during the budget period; and
- Growth rate used to extrapolate cash flows beyond the budget period.

Gross margins

Forecasted gross margins are based on actual gross margins achieved in the years preceding the forecast period. Margins are kept constant over the forecast period and the terminal period, unless management has started an efficiency improvement process.

Discount rates

Discount rates reflect the current market assessment of the risks specific to each CGU. The discount rate was estimated based on the weighted average cost of capital for the industry. This rate was further adjusted to reflect the market assessment of any risk specific to the CGU for which future estimates of cash flows have not been adjusted.

Market share assumptions

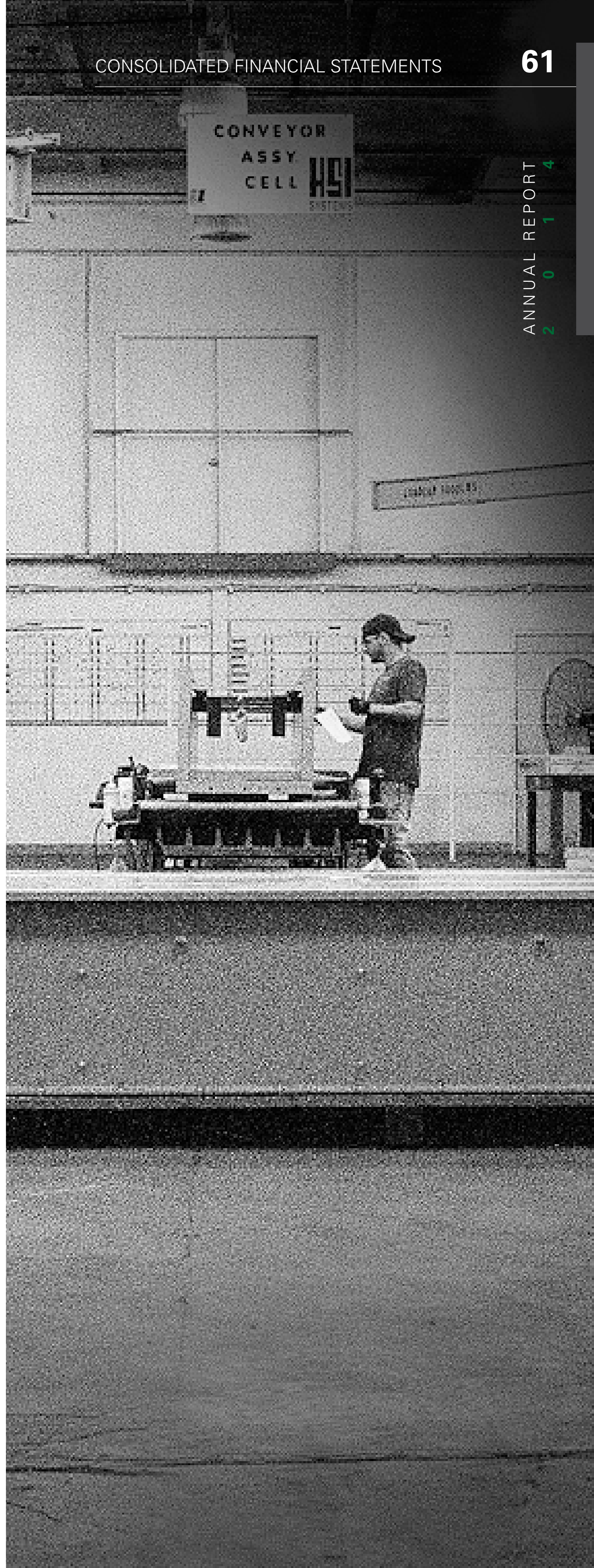
These assumptions are important because, as well as using industry data for growth rates [as noted below], management assesses how the CGU's position, relative to its competitors, might change over the forecast period.

Growth rate estimates

Rates are based on published research and are primarily derived from the long-term Consumer Price Index expectations for the markets in which AGI operates. Management considers Consumer Price Index to be a conservative indicator of the long-term growth expectations for the agricultural industry.

13. ASSETS HELD FOR SALE

In 2010, AGI transferred all production activities from its Lethbridge, Alberta facility to Nobleford, Alberta. In 2013, AGI transferred all production activities from its existing Swift Current, Saskatchewan facility to a new location in Swift Current, Saskatchewan. In 2014, AGI transferred certain production activities from one facility to another facility in Winnipeg, Manitoba. AGI concluded that the land and building in Lethbridge, Alberta and Winnipeg, Manitoba and the land, grounds, and building at the existing Swift Current, Saskatchewan facility met the definition of an asset held for sale. The carrying amounts of the assets presented in the consolidated statements of financial position solely consist of the land, grounds, and building.



In 2014, the land, grounds and building of the Swift Current, Saskatchewan facility included in assets held for sale were sold. As at December 31, 2014, only the land and building in both Lethbridge, Alberta and Winnipeg, Manitoba remain as assets held for sale. The land and building in Lethbridge, Alberta were sold subsequent to 2014.

As at December 31, 2014, the land carrying value is $589 [2013 – $228], the grounds carrying value is nil [2013 – $65] and the building carrying value is $1,662 [2013 – $2,103].

14. AVAILABLE-FOR-SALE INVESTMENT

In fiscal 2009 AGI invested $2 million in a privately held Canadian farming company ["Investco"]. In conjunction with AGI's investment, Investco made a $2 million deposit to AGI for future purchases of grain handling and storage equipment to support their farming operations and AGI was to become a strategic supplier to Investco. Prior to December 31, 2014, the deposit was fully utilized. AGI assesses at each reporting period whether there is any objective evidence that its investment is impaired. In 2014, AGI had concluded its investment in Investco was impaired based on external information available and observable conditions and as a result AGI recorded a $1.1 million charge to reflect management's estimate of the fair value of its investment in Investco.

15. CASH AND CASH EQUIVALENTS/CHANGES IN NON CASH WORKING CAPITAL

Cash and cash equivalents as at the date of the consolidated statements of financial position and for the purpose of the consolidated statements of cash flows relate to cash at banks and cash on hand. Cash at banks earns interest at floating rates based on daily bank deposit rates.

The change in the non-cash working capital balances related to operations is calculated as follows:

	2014 **$**	**2013** **$**
Accounts receivable	**(25,688)**	(6,722)
Inventory	**(11,835)**	967
Prepaid expenses and other assets	**(441)**	(580)
Accounts payable and accrued liabilities	**4,508**	13,521
Customer deposits	**(6,106)**	13,668
Provisions	**319**	980
	(39,243)	**21,834**

16. RESTRICTED CASH

Restricted cash of nil [2013 – $112] relates to the long-term incentive plan *[note 21]*.

17. ACCOUNTS RECEIVABLE

As is typical in the agriculture sector, AGI may offer extended terms on its accounts receivable to match the cash flow cycle of its customer. The following table sets forth details of the age of trade accounts receivable that are not overdue, as well as an analysis of overdue amounts and the related allowance for doubtful accounts:

	2014 $	2013 $
Total accounts receivable	**87,825**	59,389
Less allowance for doubtful accounts	**(1,061)**	(811)
TOTAL ACCOUNTS RECEIVABLE, NET	**86,764**	**58,578**
OF WHICH		
Neither impaired nor past due	**60,564**	39,217
Not impaired and past the due date as follows:		
Within 30 days	**10,501**	10,943
31 to 60 days	**5,524**	2,541
61 to 90 days	**3,103**	1,616
Over 90 days	**8,133**	5,072
Less allowance for doubtful accounts	**(1,061)**	(811)
TOTAL ACCOUNTS RECEIVABLE, NET	**86,764**	**58,578**

During 2014, accounts receivable in the amount of $23,741 owing from one customer in Ukraine that otherwise would have been past due have been renegotiated and extended to September 30, 2015. The accounts receivable owing from this customer are 90% insured with Export Development Canada.

Trade receivables assessed to be impaired are included as an allowance in selling, general and administrative expenses in the period of the assessment. The movement in the Company's allowance for doubtful accounts for the years ended December 31, 2014 and December 31, 2013 was as follows:

	2014 $	2013 $
BALANCE, BEGINNING OF YEAR	**811**	593
Additional provision recognized	**272**	324
Amounts written off during the period as uncollectible	**(34)**	(124)
Amounts recovered during the period	**(10)**	—
Exchange differences	**22**	18
BALANCE, END OF YEAR	**1,061**	**811**

18. INVENTORY

	2014 $	2013 $
Raw materials	**38,552**	32,324
Finished goods	**32,479**	25,222
	71,031	**57,546**

Inventory is recorded at the lower of cost and net realizable value.

During the year ended December 31, 2014, no provisions [2013 – nil] were expensed through cost of goods sold. There were no write-downs of finished goods and no reversals of write-downs included in cost of goods sold during the year.

19. PROVISIONS

Provisions consist of the Company's warranty provision. A provision is recognized for expected claims on products sold based on past experience of the level of repairs and returns. It is expected that most of these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns.

	2014 $	2013 $
BALANCE, BEGINNING OF YEAR	**3,400**	2,420
Costs recognized	**4,947**	3,351
Change in reserve	**111**	600
Amounts charged against provision	**(4,629)**	(2,971)
BALANCE, END OF YEAR	**3,829**	**3,400**

20. EQUITY

[a] Common shares

Authorized

Unlimited number of voting common shares without par value

Issued

13,165,627 common shares

	Number #	Amount $
BALANCE, JANUARY 1, 2013	**12,473,755**	**153,447**
Settlement of LTIP - vested shares *[note 21[a]]*	**57,351**	**2,286**
Forfeiture of LTIP awards	**1,766**	—
Exercise of grants under DDCP	**5,395**	**193**
Dividend reinvestment plan costs	—	**(32)**
Dividend reinvestment shares issued from treasury	**74,793**	**2,648**
BALANCE, DECEMBER 31, 2013	**12,613,060**	**158,542**
Settlement of LTIP – vested shares *[note 21[a]]*	**15,231**	**749**
Convertible unsecured subordinated debentures *[note 23]*	**422,897**	**20,369**
Dividend reinvestment plan costs	—	**(16)**
Dividend reinvestment shares issued from treasury	**114,439**	**5,127**
BALANCE, DECEMBER 31, 2014	**13,165,627**	**184,771**

The 12,613,060 common shares at December 31, 2013 are net of 15,231 common shares with a stated value of $680 that were being held by the Company under the terms of the LTIP until vesting conditions are met. The vesting conditions were met in 2014 and there are no shares being held by the Company under the terms of the LTIP as at December 31, 2014.

[b] Contributed surplus

	2014 $	2013 $
BALANCE, BEGINNING OF YEAR	**4,984**	4,108
Equity-settled director compensation *[note 21[c]]*	**308**	303
Obligation under LTIP	—	131
Obligation under 2012 SAIP *[note 21[b]]*	**4,208**	2,650
Exercise of grants under DDCP	—	(193)
Dividends on 2012 SAIP	**443**	188
Settlement of LTIP obligation - vested shares	**(749)**	(2,286)
Forfeiture of LTIP awards	—	83
Redemption of 2009 convertible unsecured subordinated debentures	**3,760**	—
BALANCE, END OF YEAR	**12,954**	**4,984**

[c] Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss) is comprised of the following:

Cash flow hedge reserve

The cash flow hedge reserve contains the effective portion of the cash flow hedge relationships incurred as at the reporting date.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Available-for-sale reserve

The available-for-sale reserve contains the cumulative change in the fair value of available-for-sale investment. Gains and losses are reclassified to the consolidated statements of income when the available-for-sale investment is impaired or derecognized.

[d] Dividends paid and proposed

In the year ended December 31, 2014, the Company declared dividends of $31,476 or $2.40 per common share [2013 – $30,186 or $2.40 per common share] and dividends on share compensation awards of $443 [2013 – $137]. In the year ended December 31, 2014, 114,439 common shares were issued to shareholders from treasury under the dividend reinvestment plan [the "DRIP"]. In the year ended December 31, 2014, dividends paid to shareholders were financed $26,349 [2013 – $27,538] from cash on hand and bank indebtedness and $5,127 [2013 – $2,648] by the DRIP.

AGI's dividend policy is to pay cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Company's current monthly dividend rate is $0.20 per common share. Subsequent to December 31, 2014, the Company paid dividends of $0.20 per common share to shareholders of record on January 30, 2015 and February 27, 2015.

[e] Dividend reinvestment plan

On March 5, 2013, the Company announced the adoption of the DRIP. Eligible shareholders who elect to reinvest dividends under the DRIP will initially receive common shares issued from treasury at a discount of 4% from the market price of the common shares, with the market price being equal to the volume-weighted average trading price of the common share on the Toronto Stock Exchange for the five trading days preceding the applicable dividend payment date. The Company incurred costs of $16 [2013 – $32] with respect to implementation of the DRIP.

[f] Shareholder protection rights plan

On December 20, 2010, the Company's Board of Directors adopted a Shareholders' Protection Rights Plan [the "Rights Plan"]. Specifically, the Board of Directors has implemented the Rights Plan by authorizing the issuance of one right [a "Right"] in respect of each common share [the "Common Shares"] of the Company. If a person or a Company, acting jointly or in concert, acquires [other than pursuant to an exemption available under the Rights Plan] beneficial ownership of 20 percent or more of the Common Shares, Rights [other than those held by such acquiring person which will become void] will separate from the Common Shares and permit the holder thereof to purchase that number of Common Shares having an aggregate market price [as determined in accordance with the Rights Plan] on the date of consummation or occurrence of such acquisition of Common Shares equal to four times the exercise price of the Rights for an amount in cash equal to the exercise price. The exercise price of the Rights pursuant to the Rights Plan is $150 per Right.

21. SHARE-BASED COMPENSATION PLANS

[a] Long-term incentive plan ["LTIP"]

The LTIP is a compensation plan that awards common shares to key management based on the Company's operating performance. Pursuant to the LTIP, the Company establishes the amount to be allocated to management based upon the amount by which distributable cash, as defined in the LTIP, exceeds a predetermined threshold. The service period commences on January 1 of the year the award is generated and ends at the end of the fiscal year. The award vests on a graded scale over an additional three-year period from the end of the respective performance year. The LTIP provides for immediate vesting in the event of retirement, death, termination without cause or in the event the participant becomes disabled. The cash awarded under the plan formula is used to purchase AGI common shares at market prices. All vested awards are settled with participants in common shares purchased by the administrator of the plan and there is no cash settlement alternative.

The amount owing to participants is recorded as an equity award in contributed surplus as the award is settled with participants with treasury shares purchased in the open market. The expense is recorded in the different consolidated statements of income lines by function depending on the role of the respective management member. For the year ended December 31, 2014, AGI expensed nil [2013 – $131] for the LTIP. Additionally, at December 31, 2014, there is nil in restricted cash related to the LTIP [2013 – $112]. Further awards under the LTIP ceased effective for the fiscal 2012 year.

[b] Share award incentive plan ["SAIP"]

The 2012 SAIP

On May 11, 2012 the shareholders of AGI approved a Share Award Incentive Plan [the "2012 SAIP"] which authorizes the Board to grant Restricted Share Awards ["Restricted Awards"] and Performance Share Awards ["Performance Awards"] to persons who are officers, employees or consultants of the Company and its affiliates. Share Awards may not be granted to Non-Management Directors.

A total of 465,000 common shares are available for issuance under the 2012 SAIP. At the discretion of the Board, the 2012 SAIP provides for cumulative adjustments to the number of common shares to be issued pursuant to Share Awards on each date that dividends are paid on the common shares. The 2012 SAIP provides for accelerated vesting in the event of a change in control, retirement, death or termination without cause.

Each Restricted Award will entitle the holder to be issued the number of common shares designated in the Restricted Award with such common shares to be issued as to one-third on each of the third, fourth and fifth anniversary dates of the date of grant, subject to earlier vesting in certain events.

The Company has an obligation to settle any amount payable in respect of a Restricted Award by common shares issued from treasury of the Company.

Each Performance Award requires the Company to deliver to the holder at the Company's discretion either the number of common shares designated in the Performance Award multiplied by a Payout Multiplier or the equivalent amount in cash after the third and prior to the fourth anniversary date of the grant. The Payout Multiplier is determined based on an assessment of the achievement of pre-defined measures in respect of the applicable period. The Payout Multiplier may not exceed 200%.

The Company intends to settle the Share Award by common shares.

As at December 31, 2014, 239,000 Restricted Awards and 110,000 Performance Awards have been granted. The Company accounted for the Share Awards as equity-settled plans. The fair values of the Restricted Awards and the Performance Awards were based on the share price as at the grant date and the assumption that there will be no forfeitures. In addition, the expense of the Performance Awards is based on the probability of achieving 145% of the Payout Multiplier. In the year ended December 31, 2014, AGI expensed $4,208 for the 2012 SAIP [2013 – $2,650].

[c] Directors' Deferred Compensation Plan ["DDCP"]

Under the DDCP, every Director receives a fixed base retainer fee, an attendance fee for meetings and a committee chair fee, if applicable, and a minimum of 20% of the total compensation must be taken in common shares. A Director will not be entitled to receive the common shares he or she has been granted until a period of three years has passed since the date of grant or until the Director ceases to be a Director, whichever is earlier. The Directors' common shares are fixed based on the fees eligible to him or her for the respective period and his decision to elect for cash payments for dividends related to the common shares; therefore, the Director's remuneration under the DDCP vests directly in the respective service period. The three-year period [or any shorter period until a Director ceases to be a Director] qualifies only as a waiting period to receive the vested common shares.

For the year ended December 31, 2014, an expense of $308 [2013 – $303] was recorded for the share grants, and a corresponding amount has been recorded to contributed surplus. The share grants were measured with the contractual agreed amount of service fees for the respective period.

The total number of common shares issuable pursuant to the DDCP shall not exceed 70,000, subject to adjustment in lieu of dividends, if applicable. During the year ended December 31, 2014, 8,934 common shares were granted under the DDCP [2013 – 8,304] and as at December 31, 2014, a total of 49,642 [2013 – 40,708] common shares had been granted under the DDCP and 7,502 [2013 – 7,502] common shares had been issued.

[d] Summary of expenses recognized under share-based payment plans

For the year ended December 31, 2014, an expense of $4,516 [2013 – $3,084] was recognized for employee and Director services rendered.

A summary of the status of the options under the 2012 SAIP is presented below:

	2012 SAIP	
	Restricted awards #	**Performanace awards #**
OUTSTANDING JANUARY 1, 2013	—	—
Granted	217,000	110,000
Forfeited	(3,000)	—
BALANCE, DECEMBER 31, 2013	**214,000**	**110,000**
Granted	**28,000**	—
Forfeited	**(3,000)**	—
BALANCE, DECEMBER 31, 2014	**239,000**	**110,000**

There is no exercise price on the 2012 SAIP awards.

A summary of the status of the rights to shares to be issued under the LTIP is presented below:

	2014 Shares #	**2013 Shares #**
OUTSTANDING, BEGINNING OF YEAR	**15,231**	74,348
Vested	**(15,231)**	(57,351)
Forfeited	—	(1,766)
OUTSTANDING, END OF YEAR	—	**15,231**

22. LONG-TERM DEBT AND OBLIGATIONS UNDER FINANCE LEASES

	Interest Rate %	Maturity	2014 $	2013 $
CURRENT PORTION OF INTEREST-BEARING LOANS AND BORROWINGS				
GMAC loans	0.0	2014	—	5
Short-term debt			**49,176**	—
TOTAL CURRENT INTEREST BEARING LOANS AND BORROWINGS			**49,176**	**5**
NON-CURRENT INTEREST-BEARING LOANS AND BORROWINGS				
Series A secured notes [U.S. dollar denominated]	6.8	2016	**29,003**	26,590
TOTAL NON-CURRENT INTEREST-BEARING LOANS AND BORROWINGS			**29,003**	**26,590**
			78,179	**26,595**
Less deferred financing costs			**54**	223
TOTAL INTEREST-BEARING LOANS AND BORROWINGS			**78,125**	**26,372**

[a] Bank indebtedness

AGI has operating facilities of $10.0 million and U.S. $2.0 million. The facilities bear interest at prime to prime plus 1.0% per annum based on performance calculations. The effective interest rate during the year ended December 31, 2014 on AGI's Canadian dollar operating facility was 3.0% [2013 – 3.0%] and on its U.S. dollar operating facility was 3.3% [2013 – 3.3%]. As at December 31, 2014, there was nil [2013 – nil] outstanding under these facilities. The facilities mature March 8, 2016.

Collateral for the operating facilities rank pari passu with the Series A secured notes and include a general security agreement over all assets, first position collateral mortgages on land and buildings, assignments of rents and leases and security agreements for patents and trademarks.

[b] Long-term debt

The Series A secured notes were issued on October 29, 2009. The non-amortizing notes bear interest at 6.8% payable quarterly and mature on October 29, 2016. The Series A secured notes are denominated in U.S. dollars. Collateral for the Series A secured notes and term loans rank pari passu and include a general security agreement over all assets, first position collateral mortgages on land and buildings, assignments of rents and leases and security agreements for patents and trademarks.

AGI has revolver facilities of $63.0 million and U.S. $20.5 million. The revolver facilities bear interest at prime to prime plus 1.0% per annum based on performance calculations. The effective interest rate during the year ended December 31, 2014 on AGI's Canadian dollar revolver facility was 3.0% [2013 – 3.0%] and on its U.S. dollar revolver facility was 3.3% [2013 – 3.3%]. As at December 31, 2014, there was nil [2013 – nil] outstanding under these facilities. The facilities mature March 8, 2016.

[c] Covenants

AGI is subject to certain financial covenants in its credit facility agreements which must be maintained to avoid acceleration of the termination of the agreement. The financial covenants require AGI to maintain a debt to earnings before interest, taxes, depreciation and amortization ["EBITDA"] ratio of less than 2.5 and to provide debt service coverage of a minimum of 1.0. The covenant calculations exclude the convertible unsecured subordinated debentures from the definition of debt. As at December 31, 2014 and December 31, 2013, AGI was in compliance with all financial covenants.

[d] Short-term debt

Short-term debt represents the current liability related to the convertible debentures issued in connection with the Arrangement Agreement with Vicwest Inc. ["Vicwest"] and Kingspan Group Limited ["Kingspan"], net of financing fees *[note 32[e]]*.

23. CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES

2009 Debentures

In 2009, the Company issued convertible unsecured subordinated debentures in the aggregate principal amount of $115 million [the "2009 Debentures"]. The maturity date of the 2009 Debentures was December 31, 2014 and accordingly as at December 31, 2013, they were classified as current

	2014		2013	
	2013 Debentures $	**2009 Debentures $**	**2013 Debentures $**	**2009 Debentures $**
Principal amount	**86,250**	—	86,250	114,885
Equity component	**(4,480)**	—	(4,480)	(7,475)
Accretion	**814**	—	29	6,538
Financing fees, net of amortization	**(3,151)**	—	(3,812)	(588)
CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES	**79,433**	—	**77,987**	**113,360**

liabilities. In January 2014, holders of $19.0 million principal amount of the 2009 Debentures exercised the conversion option and were issued 422,897 common shares. The Company fully redeemed all remaining outstanding 2009 Debentures on January 20, 2014. In 2014, the Company recorded interest expense on the 7.0% coupon of $440 and expensed all remaining unamortized accretion and finance fee balances in the amounts of $937 and $588, respectively.

2013 Debentures

On December 17, 2013, the Company issued convertible unsecured subordinated debentures in the aggregate principal amount of $75 million, and on December 24, 2013, the underwriters exercised in full their over-allotment option and the Company issued an additional $11.2 million of debentures [the "2013 Debentures"]. The net proceeds of the offering, after payment of the underwriters' fee of $3.5 million and expenses of the offering of $0.6 million, were approximately $82.2 million. The 2013 Debentures were issued at a price of $1,000 per debenture and bear interest at an annual rate of 5.25% payable semi-annually on June 30 and December 31 in each year commencing June 30, 2014. The maturity date of the 2013 Debentures is December 31, 2018.

Each 2013 Debenture is convertible into common shares of the Company at the option of the holder at any time on the earlier of the maturity date and the date of redemption of the 2013 Debenture, at a conversion price of $55.00 per common share being a conversion rate of approximately 18.1818 common shares per $1,000 principal amount of 2013 Debentures. No conversion options were exercised during the year ended December 31, 2014 [year ended December 31, 2013 – nil]. As at December 31, 2014, AGI has reserved 1,568,182 common shares for issuance upon conversion of the 2013 Debentures.

The 2013 Debentures are not redeemable before December 31, 2016. On and after December 31, 2016 and prior to December 31, 2017, the 2013 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the common shares during the 20 consecutive trading days ending on the fifth trading day preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. On and after December 31, 2017, the 2013 Debentures may be redeemed, in whole or in part, at the option of the Company at a price equal to their principal amount plus accrued and unpaid interest.

On redemption or at maturity, the Company may, at its option, elect to satisfy its obligation to pay the principal amount of the 2013 Debentures by issuing and delivering common shares. The Company may also elect to satisfy its obligations to pay interest on the 2013 Debentures by delivering common shares. The Company does not expect to exercise the option to satisfy its obligations to pay interest by delivering common shares. The number of any shares issued will be determined based on market prices at the time of issuance.

The Company presents and discloses its financial instruments in accordance with the substance of its contractual arrangement. Accordingly, upon issuance of the 2013 Debentures, the Company recorded a liability of $86,250, less related offering costs of $3,847. The liability component has been accreted using the effective interest rate method, and during the year ended December 31, 2014, the Company recorded accretion of $822 [2013 – $2,357], non-cash interest expense relating to financing costs of $707 [2013 – $1,499] and interest expense of $4,751 [2013 – $8,239]. The estimated fair value of the holder's option to convert the 2013 Debentures to common shares in the total amount of $4,480 has been separated from the fair value of the liability and is included in shareholders' equity, net of income tax of $1,134 and its pro rata share of financing costs of $211.

24. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014 $	2013 $
Trade payables	**17,016**	11,596
Other payables	**8,346**	9,518
Personnel-related accrued liabilities	**9,511**	8,894
Accrued outstanding service invoices	**587**	864
	35,460	**30,872**

Trade payables and other payables are non-interest bearing and are normally settled on 30- or 60 day terms. Personnel-related accrued liabilities include primarily vacation accruals, bonus accruals and overtime benefits. For explanations on the Company's credit risk management processes, refer to note 27.

25. INCOME TAXES

The major components of income tax expense for the years ended December 31, 2014 and 2013 are as follows:

Consolidated statements of income

	2014 $	2013 $
CURRENT TAX EXPENSE		
Current income tax charge	**4,757**	7,595
DEFERRED TAX EXPENSE		
Origination and reversal of temporary differences	**27,342**	6,445
INCOME TAX EXPENSE REPORTED IN THE CONSOLIDATED STATEMENTS OF INCOME	**32,099**	**14,040**

Consolidated statements of comprehensive income

	2014 $	2013 $
DEFERRED TAX RELATED TO ITEMS CHARGED OR CREDITED DIRECTLY TO OTHER COMPREHENSIVE INCOME DURING THE PERIOD		
Unrealized loss on derivatives	**(1,177)**	(1,622)
Exchange differences on translation of foreign operations	**906**	649
INCOME TAX CREDITED DIRECTLY TO OTHER COMPREHENSIVE INCOME	**(271)**	**(973)**

The reconciliation between tax expense and the product of accounting profit multiplied by the Company's domestic tax rate for the years ended December 31, 2014 and 2013 is as follows:

	2014 $	2013 $
ACCOUNTING PROFIT BEFORE INCOME TAX	**36,199**	**36,631**
At the Company's statutory income tax rate of 26.60% [2013 - 26.56%]	**9,629**	9,729
Tax rate changes	**(66)**	55
Non-taxable portion of capital gains	—	(600)
Additional deductions allowed in a foreign jurisdiction	**(619)**	(604)
Tax losses not recognized as a deferred tax asset	**624**	281
Foreign rate differential	**1,747**	1,729
Non-deductible SAIP expense	**548**	397
State income tax, net of federal tax benefit	**593**	522
Unrealized foreign exchange loss	**1,398**	1,008
Derecognition of deferred tax asset due to CRA settlement *[note 33]*	**16,889**	—
Permanent differences and others	**1,356**	1,523
AT THE EFFECTIVE INCOME TAX RATE 88.67% [2013 - 38.33%]	**32,099**	**14,040**

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	Consolidated statements of financial position		Consolidated statements of income	
	2014 $	**2013 $**	**2014 $**	**2013 $**
Inventories	**(88)**	(88)	—	—
Property, plant and equipment and other assets	**(14,239)**	(12,730)	**1,509**	1,181
Intangible assets	**(14,943)**	(13,202)	**1,741**	293
Deferred financing costs	**(261)**	(168)	**93**	51
Accruals and long-term provisions	**2,274**	1,730	**(544)**	(277)
Tax loss carryforwards expiring between 2020 to 2024	**483**	9,897	**9,414**	4,934
Investment tax credits	**(618)**	(1,123)	**(505)**	1,123
Canadian exploration expenses	**13,952**	29,176	**15,224**	22
Capitalized development expenditures	**(905)**	(779)	**126**	72
Convertible debentures	**(975)**	(1,431)	**(456)**	(571)
SAIP liability	**878**	307	**(571)**	(307)
Equity impact LTIP	—	312	**312**	—
Foreign exchange gains	—	—	—	573
Other comprehensive income	**2,370**	1,193	—	—
CRA settlement related to investment tax credits	—	—	**1,905**	—
Exchange difference on translation of foreign operations	—	—	**(906)**	(649)
DEFERRED TAX EXPENSE			**27,342**	**6,445**
NET DEFERRED TAX ASSETS (LIABILITIES)	**(12,072)**	**13,094**		
REFLECTED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS				
Deferred tax assets	—	23,327		
Deferred tax liabilities	**(12,072)**	(10,233)		
DEFERRED TAX ASSETS (LIABILITIES), NET	**(12,072)**	**13,094**		

Reconciliation of deferred tax assets (liabilities), net

	2014 $	2013 $
BALANCE, BEGINNING OF YEAR	**13,094**	19,700
Deferred tax expense during the period recognized in profit or loss	**(27,342)**	(6,445)
CRA settlement related to investment tax credits recorded in income tax recoverable	**1,905**	—
Deferred tax expense during the period recognized in shareholders' equity	—	(1,134)
Deferred tax recovery (expense) during the period recognized in other comprehensive income (loss)	**271**	973
BALANCE, END OF YEAR	**(12,072)**	**13,094**

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which these temporary differences, and loss carryforwards become deductible. Based on the analysis of taxable temporary differences and future taxable income, management of the Company is of the opinion that there is convincing evidence available for the probable realization of all deductible temporary differences of the Company's tax entities incurred other than losses in its Finnish operations of 2,646 Euros [2013 – 1,491 Euros]. Accordingly, the Company has recorded a deferred tax asset for all other deductible temporary differences as at December 31, 2014 and as at December 31, 2013.

As at December 31, 2014, there was no recognized deferred tax liability [2013 – nil] for taxes that would be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The temporary differences associated with investments in subsidiaries, for which a deferred tax asset has not been recognized, aggregate to $622 [2013 – $622].

Income tax provisions, including current and deferred income tax assets and liabilities, and income tax filing positions require estimates and interpretations of federal and provincial income tax rules and regulations, and judgments as to their interpretation and application to AGI's specific situation. The amount and timing of reversals of temporary differences will also depend on AGI's future operating results, acquisitions and dispositions of assets and liabilities. The business and operations of AGI are complex and AGI has executed a number of significant financings, acquisitions, reorganizations and business combinations over the course of its history. The computation of income taxes payable as a result of these transactions involves many complex factors, as well as AGI's interpretation of and compliance with relevant tax legislation and regulations. While AGI believes that its tax filing positions are probable to be sustained, there are a number of tax filing positions that may be the subject of review by taxation authorities. Therefore, it is possible that additional taxes could be payable by AGI and the ultimate value of AGI's income tax assets and liabilities could change in the future and that changes to these amounts could have a material effect on these consolidated financial statements.

There are no income tax consequences to the Company attached to the payment of dividends in either 2014 or 2013 by the Company to its shareholders.

26. POST-RETIREMENT BENEFIT PLANS

AGI contributes to group retirement savings plans subject to maximum limits per employee. The expense recorded during the year ended December 31, 2014 was $2,283 [2013 – $2,156]. AGI expects to contribute $2,351 for the year ending December 31, 2015.

AGI accounts for one plan covering substantially all of its employees of the Mepu division as a defined contribution plan, although it does provide the employees with a defined benefit [average pay] pension. The plan qualifies as a multi-employer plan and is administered by the Government of Finland. AGI is not able to obtain sufficient information to account for the plan as a defined benefit plan.

27. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

[a] Management of risks arising from financial instruments

AGI's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company has deposits, trade and other receivables and cash and short-term deposits that are derived directly from its operations. The Company also holds an available-for-sale investment and enters into derivative transactions.

The Company's activities expose it to a variety of financial risks: market risk [including foreign exchange and interest rate], credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to mitigate certain risk exposures. The Company does not purchase any derivative financial instruments for speculative purposes. Risk management is the responsibility of the corporate finance function, which has the appropriate skills, experience and supervision. The Company's domestic and foreign operations along with the corporate finance function identify, evaluate and, where appropriate, mitigate financial risks. Material risks are monitored and are regularly discussed with the Audit Committee of the Board of Directors. The Audit Committee reviews and monitors the Company's financial risk-taking activities and the policies and procedures that were implemented to ensure that financial risks are identified, measured and managed in accordance with Company policies.

The risks associated with the Company's financial instruments are as follows:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Components of market risk to which AGI is exposed are discussed below. Financial instruments affected by market risk include trade accounts receivable and payable, available-for-sale investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at December 31, 2014 and December 31, 2013.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on the carrying value of provisions and on the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analyses:

- The consolidated statements of financial position sensitivity relates to derivatives.
- The sensitivity of the relevant consolidated statements of income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2014 and December 31, 2013, including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at December 31, 2014 for the effects of the assumed underlying changes.

Foreign currency risk

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures and the resulting volatility of the Company's earnings, subject to liquidity restrictions, by entering into foreign exchange forward contracts. Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates and exposure.

A significant part of the Company's sales are transacted in U.S. dollars and Euros and as a result fluctuations in the rate of exchange between the U.S. dollar, the Euro and Canadian dollar can have a significant effect on the Company's cash flows and reported results. To mitigate exposure to the fluctuating rate of exchange, AGI enters into foreign exchange forward contracts and denominates a portion of its debt in U.S. dollars. As at December 31, 2014, AGI's U.S. dollar denominated debt totalled $29.0 million [2013 – $26.6 million] and the Company has entered into the following foreign exchange forward contracts to sell U.S. dollars and Euros in order to hedge its foreign exchange risk on revenue:

SETTLEMENT DATES	**Face value U.S. $**	**Average rate Cdn $**
January - December 2015	65,000	1.06
January - December 2016	62,500	1.13

SETTLEMENT DATES	**Face value Euro**	**Average rate Cdn $**
August - December 2015	500	1.52

The Company enters into foreign exchange forward contracts to mitigate foreign currency risk relating to certain cash flow exposures. The hedged transactions are expected to occur within a maximum 24-month period. The Company's foreign exchange forward contracts reduce the Company's risk from exchange movements because gains and losses on such contracts offset gains and losses on transactions being hedged. The Company's exposure to foreign currency changes for all other currencies is not material.

AGI's sales denominated in U.S. dollars for the year ended December 31, 2014 were U.S. $265 million, and the total of its cost of goods sold and its selling, general and administrative expenses denominated in that currency were U.S. $149 million. Accordingly, a 10% increase or decrease in the value of the U.S. dollar relative to its Canadian counterpart would result in a $26.5 million increase or decrease in sales and a total increase or decrease of $14.9 million in its cost of goods sold and its selling, general and administrative expenses. In relation to AGI's foreign exchange hedging contracts, a 10% increase or decrease in the value of the U.S. dollar relative to its Canadian counterpart would result in a $12.8 million increase or decrease in the foreign exchange gain and a $8.1 million increase or decrease to other comprehensive income.

The counterparties to the contracts are three multinational commercial banks and therefore credit risk of counterparty non-performance is remote. Realized gains or losses are included in net earnings and for the year ended December 31, 2014 the Company realized a loss on its foreign exchange contracts of $5.6 million [2013 – gain of $0.5 million].

The open foreign exchange forward contracts as at December 31, 2014 are as follows:

		Notional Canadian dollar equivalent		
	Notional amount of currency sold $	Contract amount $	Cdn $ equivalent $	Unrealized gain (loss) $
U.S. dollar contracts	**127,500**	**1.10**	**139,849**	**(8,958)**
Euro contracts	**500**	**1.52**	**701**	**50**

The open foreign exchange forward contracts as at December 31, 2013 are as follows:

		Notional Canadian dollar equivalent		
	Notional amount of currency sold $	Contract amount $	Cdn $ equivalent $	Unrealized gain (loss) $
U.S. dollar contracts	118,000	1.04	122,178	(4,418)
Euro contracts	500	1.33	664	(74)

The terms of the foreign exchange forward contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting has been claimed that have not occurred and no significant element of hedge ineffectiveness requiring recognition in the consolidated statements of income.

The cash flow hedges of the expected future sales were assessed to be highly effective and a net unrealized loss of $8,908, with a deferred tax asset of $2,370 relating to the hedging instruments, is included in accumulated other comprehensive income.

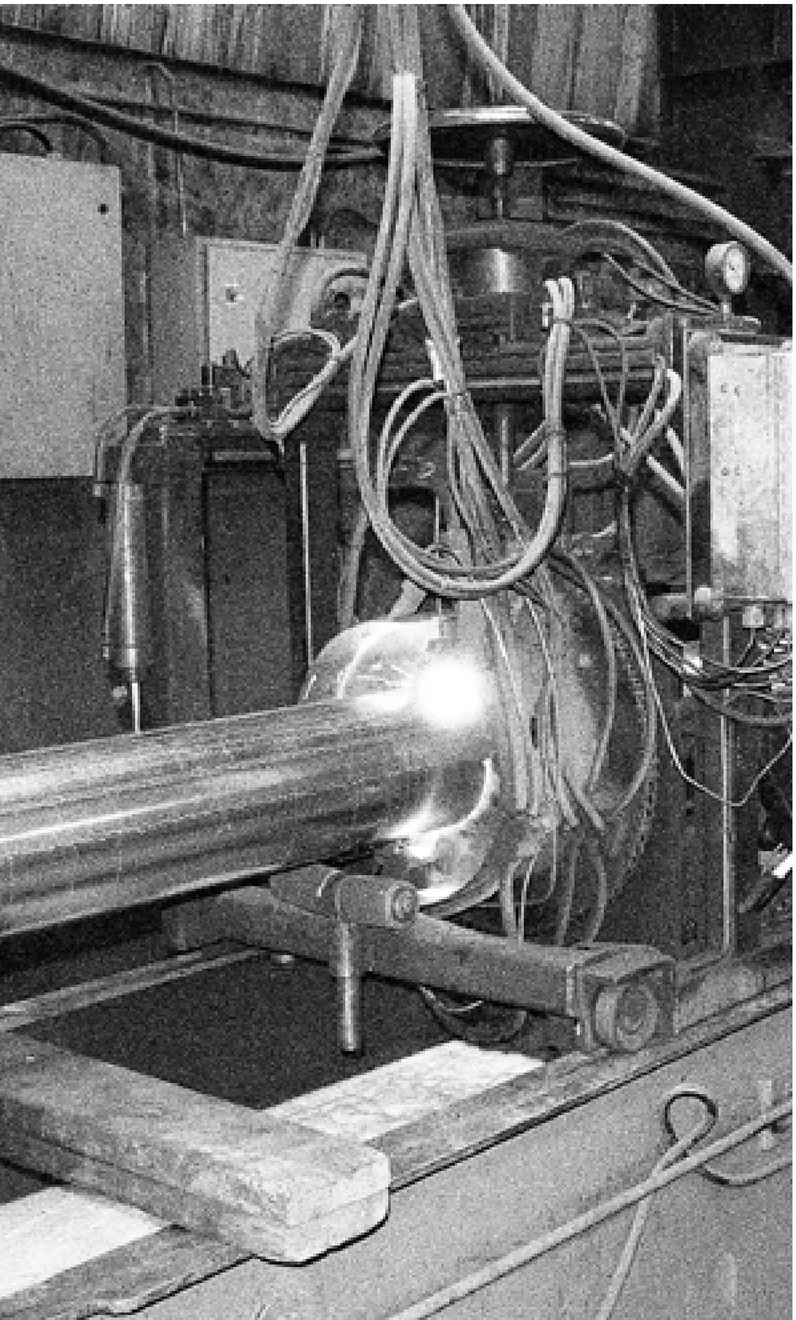
Subsequent to December 31, 2014, the Company entered a number of foreign exchange contracts for the period April 2015 to December 2015 totalling U.S. $22.5 million at an average rate of $1.2511, and for the period March 2016 to December 2016 totalling U.S. $25.0 million at an average rate of $1.2490 and for the period January 2017 to February 2017 following U.S. $5.0 million at an average rate of $1.2461.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Furthermore, as AGI regularly reviews the denomination of its borrowings, the Company is subject to changes in interest rates that are linked to the currency of denomination of the debt. AGI's Series A secured notes and convertible unsecured subordinated debentures outstanding at December 31, 2014 and December 31, 2013 are at a fixed rate of interest. As at December 31, 2014, the Company had no U.S. dollar term debt outstanding at a floating rate of interest.

Credit risk

Credit risk is the risk that a customer will fail to perform an obligation or fail to pay amounts due, causing a financial loss. A substantial portion of AGI's accounts receivable are with customers in the agriculture industry and are subject to normal industry credit risks. A portion of the Company's sales and related accounts receivable are also generated from transactions with customers in overseas markets, several of which are in emerging markets such as countries in Eastern Europe, including most significantly Ukraine and Russia. It is often common business practice for international customers to pay invoices over an extended period of time. Accounts receivable is subject to credit risk exposure and the carrying values reflect management's assessment of the associated maximum exposure to such credit risk. The Company regularly monitors customers for changes in credit risk. The Company's credit exposure is mitigated through the use of credit practices that limit transactions according to the customer's credit quality and due to the accounts receivable being spread over a large number of customers.



Trade receivables from international customers are often insured for events of non-payment through third-party export insurance. In cases where the credit quality of a customer does not meet the Company's requirements, a cash deposit or letter of credit is received before goods are shipped. AGI establishes a reasonable allowance for non-collectible amounts with this allowance netted against the accounts receivable on the consolidated statement of financial position.

At December 31, 2014, the Company had one international customer [2013 – one international, two Canadian customers] that accounted for approximately 30% [2013 – 28%] of all receivables owing. The requirement for an impairment provision is analyzed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The Company does not generally hold collateral as security on its accounts receivable but has received collateral from the one international customer in 2014.

The risk of non-collection of trade receivables is currently higher in Russia and Ukraine due to the current political and economic instability. The Company believes that its credit practices and regular monitoring of customer receivables with respect to their collectability reduces the concentration of credit risk.

The Company does not believe that any single customer group represents a significant concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that AGI will encounter difficulties in meeting its financial liability obligations. AGI manages its liquidity risk through cash and debt management. In managing liquidity risk, AGI has access to committed short- and long-term debt facilities as well as to equity markets, the availability of which is dependent on market conditions. AGI believes it has sufficient funding through the use of these facilities to meet foreseeable borrowing requirements.

The tables below summarize the undiscounted contractual payments of the Company's financial liabilities as at December 31, 2014 and 2013:

DECEMBER 31, 2014	Total $	0 - 6 months $	6 - 12 months $	12 - 24 months $	2 - 4 years $	After 4 years $
Bank debt [includes interest]	**85,257**	53,629	986	30,642	—	—
Trade payables and provisions	**39,289**	39,289	—	—	—	—
Dividends payable	**2,633**	2,633	—	—	—	—
Acquisition, transaction and financing costs payable	**2,266**	2,266	—	—	—	—
Subscription receipts commission payable	**1,036**	1,036	—	—	—	—
Convertible unsecured subordinated debentures [include interest]	**102,098**	2,264	2,264	4,528	93,042	—
TOTAL FINANCIAL LIABILITY PAYMENTS	**232,579**	**101,117**	**3,250**	**35,170**	**93,042**	—

DECEMBER 31, 2013	Total $	0 - 6 months $	6 - 12 months $	12 - 24 months $	2 - 4 years $	After 4 years $
Bank debt [includes interest]	**30,206**	904	904	1,808	26,590	—
Trade payables and provisions	**34,272**	34,272	—	—	—	—
Dividends payable	**2,525**	2,525	—	—	—	—
Convertible unsecured subordinated debentures [include interest]	**227,796**	121,170	2,264	4,528	9,056	90,778
TOTAL FINANCIAL LIABILITY PAYMENTS	**294,799**	**158,871**	**3,168**	**6,336**	**35,646**	**90,778**

[b] Fair value

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the consolidated financial statements:

	2014		2013	
	Carrying amount $	**Fair value $**	**Carrying amount $**	**Fair value $**
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents	**25,295**	**25,295**	108,731	108,731
Cash held in trust	**250**	**250**	—	—
Restricted cash	—	—	112	112
Accounts receivable	**86,764**	**86,764**	58,578	58,578
Available-for-sale investment	**900**	**900**	2,000	2,000
FINANCIAL LIABILITIES				
Other financial liabilities				
Interest-bearing loans and borrowings	**78,125**	**82,119**	26,372	28,602
Trade payables and provisions	**39,289**	**39,289**	34,272	34,272
Dividends payable	**2,633**	**2,633**	2,525	2,525
Acquisition transaction and financing costs payable	**2,266**	**2,266**	—	—
Subscription receipts commission payable	**1,036**	**1,036**	—	—
Derivative instruments	**8,908**	**8,908**	4,492	4,492
Convertible unsecured subordinated debentures	**79,433**	**74,900**	191,347	197,576

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, cash held in trust, restricted cash, accounts receivable, dividends payable, acquisition, transaction and financing costs payable, accounts payable and accrued liabilities, due to vendor, and other liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair value of unquoted instruments and loans from banks is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly foreign exchange forward contracts and one option embedded in each convertible debt agreement. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and foreign exchange spot and forward rates.
- AGI includes its available for sale investment which is in a private company in Level 3 of the fair value hierarchy as it trades infrequently and has little price transparency. AGI reviews the fair value of this investment at each reporting period and when recent arm's length market transactions are not available management's estimate of fair value is determined using a market approach based on external information and observable conditions where possible, supplemented by internal analysis as required. In 2014, AGI transferred the available for sale investment from Level 2 to Level 3 as direct observable market data was not available.

[c] Fair value ["FV"] hierarchy

AGI uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1

The fair value measurements are classified as Level 1 in the FV hierarchy if the fair value is determined using quoted, unadjusted market prices for identical assets or liabilities.

Level 2

Fair value measurements that require inputs other than quoted prices in Level 1, and for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly, are classified as Level 2 in the FV hierarchy.

Level 3

Fair value measurements that require unobservable market data or use statistical techniques to derive forward curves from observable market data and unobservable inputs are classified as Level 3 in the FV hierarchy.

The FV hierarchy of financial instruments recorded on the consolidated statements of financial position is as follows:

	2014			2013		
	Level 1 $	**Level 2 $**	**Level 3 $**	**Level 1 $**	**Level 2 $**	**Level 3 $**
FINANCIAL ASSETS						
Available-for-sale investment	—	—	**900**	—	2,000	—
FINANCIAL LIABILITIES						
Interest-bearing loans and borrowings	—	**78,125**	—	—	26,372	—
Derivative instruments	—	**8,908**	—	—	4,492	—
Convertible unsecured subordinated debentures	—	**79,433**	—	—	191,347	—

During the reporting years ended December 31, 2014 and December 31, 2013, there were no transfers between Level 1 and Level 2 fair value measurements.

As at December 31, 2014, AGI has $250 of restricted cash, which is classified as a current asset *[note 6]*.

Interest from financial instruments is recognized in finance costs and finance income. Foreign currency and impairment reversal impacts for loans and receivables are reflected in finance expenses (income).

28. CAPITAL DISCLOSURE AND MANAGEMENT

The Company's capital structure is comprised of shareholders' equity and long-term debt. AGI's objectives when managing its capital structure are to maintain and preserve its access to capital markets, continue its ability to meet its financial obligations, including the payment of dividends, and finance future organic growth and acquisitions.

AGI manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to any externally imposed capital requirements other than financial covenants in its credit facilities and as at December 31, 2014 and December 31, 2013, all of these covenants were complied with *[note 22]*.

The Board of Directors does not establish quantitative capital structure targets for management, but rather promotes sustainable and profitable growth. Management monitors capital using non-GAAP financial metrics, primarily total debt to the trailing twelve months earnings before interest, taxes, depreciation and amortization ["EBITDA"] and net debt to total shareholders' equity. There may be instances where it would be acceptable for total debt to trailing EBITDA to temporarily fall outside of the normal targets set by management such as in financing an acquisition to take advantage of growth opportunities or industry cyclicality. This would be a strategic decision recommended by management and approved by the Board of Directors with steps taken in the subsequent period to restore the Company's capital structure based on its capital management objectives.

29. RELATED PARTY DISCLOSURES

Relationship between parent and subsidiaries

The main transactions between the corporate entity of the Company and its subsidiaries is the providing of cash fundings based on the equity and convertible debt funds of Ag Growth International Inc. Furthermore, the corporate entity of the Company is responsible for the billing and supervision of major construction contracts with external customers and the allocation of sub-projects to the different subsidiaries of the Company. Finally, the parent company is providing management services to the Company entities. Between the subsidiaries there are limited inter-company sales of inventories and services. Because all subsidiaries are currently 100% owned by Ag Growth International Inc., these inter-company transactions are 100% eliminated on consolidation.

Other relationships

Burnet, Duckworth & Palmer LLP provides legal services to the Company and a Director of AGI is a partner of Burnet, Duckworth & Palmer LLP. The total cost of these legal services related to a debenture offering and general matters was $1.4 million during the year ended December 31, 2014 [2013 – $0.3 million] and $1.4 million is included in accounts payable and accrued liabilities as at December 31, 2014. These transactions are measured at the exchange amount and were incurred during the normal course of business.

Compensation of key management personnel of AGI

AGI's key management consists of 25 individuals including its CEO, CFO, its Officers and other senior management, divisional general managers and its Directors.

	2014 $	2013 $
Short-term employee benefits	**94**	93
Contributions to defined contribution plans	**173**	176
Salaries	**5,593**	4,776
Share-based payments	**4,516**	3,084
TOTAL COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL	**10,376**	**8,129**

Key management interests in an employee incentive plan

Key management employees have been granted the following LTIP awards for the different vesting dates without any exercise price:

		Shares outstanding	
ISSUE DATE	**Expiry date**	**2014 #**	**2013 #**
2009	2011-2013	—	—
2010	2012-2014	—	15,231
		—	**15,231**

30. PROFIT PER SHARE

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

The following reflects the income and share data used in the basic and diluted profit per share computations:

	2014 $	2013 $
PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR BASIC AND DILUTED PROFIT PER SHARE	**4,100**	**22,591**
Basic weighted average number of shares	**13,092,279**	12,558,435
Dilutive effect of DDCP	**36,902**	33,543
Dilutive effect of LTIP	—	16,552
Dilutive effect of RSU	**231,630**	174,373
DILUTED WEIGHTED AVERAGE NUMBER OF SHARES	**13,360,811**	**12,782,903**
BASIC PROFIT PER SHARE	**0.31**	**1.80**
DILUTED PROFIT PER SHARE	**0.31**	**1.77**

Subsequent to December 31, 2013, holders of $19.0 million principal amount of the 2009 Debentures exercised the conversion option and were issued 422,897 common shares, 114,439 shares were issued under the DRIP and an additional 28,000 shares were issued under the RSU. Other than the aforementioned, there have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

The 2009 and 2013 convertible unsecured subordinated debentures were excluded from the calculation of the above diluted net earnings per share because their effect is anti-dilutive.

31. REPORTABLE BUSINESS SEGMENT

The Company is managed as a single business segment that manufactures and distributes grain handling, storage and conditioning equipment. The Company determines and presents business segments based on the information provided internally to the CEO, who is AGI's Chief Operating Decision Maker ["CODM"]. When making resource allocation decisions, the CODM evaluates the operating results of the consolidated entity.

All segment revenue is derived wholly from external customers and as the Company has a single reportable segment, inter-segment revenue is zero.

	Revenue		**Property, plant and equipment, goodwill, intangible assets and available-for-sale investment**	
	2014 $	**2013 $**	**2014 $**	**2013 $**
Canada	**105,851**	74,818	**148,139**	144,095
United States	**216,392**	189,478	**90,315**	74,010
International	**77,902**	92,491	**9,032**	9,120
	400,145	**356,787**	**247,486**	**227,225**

The revenue information above is based on the location of the customer.

In the year ended December 31, 2014, the Company had no single customer representing 10% or more of the Company's revenue.

In the year ended December 31, 2013, the Company had one single customer representing 10% or more of the Company's revenue. It is an international customer with sales representing 12% of the Company's revenue.

32. COMMITMENTS AND CONTINGENCIES

[a] Contractual commitment for the purchase of property, plant and equipment

As of the reporting date, the Company has entered into commitments to purchase property, plant and equipment of $28,101 for which deposits of $10,401 were made.

[b] Letters of credit

As at December 31, 2014, the Company has outstanding letters of credit in the amount of $10,055 [2013 – $9,201].

[c] Operating leases

The Company leases office and manufacturing equipment, warehouse facilities and vehicles under operating leases with minimum aggregate rent payable in the future as follows:

	$
Within one year	1,498
After one year but no more than five	3,345
After five years	1,465
	6,308

These leases have a life of between one and nine years, with no renewal options included in the contracts.

During the year ended December 31, 2014, the Company recognized an expense of $1,771 [2013 – $1,722] for leasing contracts. This amount relates only to minimum lease payments.

[d] Legal actions

The Company is involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material adverse effect on the Company's financial position, results of operations or cash flows.

[e] Arrangement Agreement

On November 10, 2014, AGI entered into an arrangement agreement [the "Arrangement Agreement"] with Vicwest and Kingspan pursuant to which, in accordance with a court approved plan of arrangement [the "Arrangement"], Kingspan will acquire all of the issued and outstanding shares of Vicwest and AGI will acquire substantially all of the assets of Vicwest's Westeel Division ["Westeel"] a provider of grain storage solutions [AGI's acquisition of the Westeel assets, the "Transaction"] for an aggregate purchase price of approximately $221.5 million in cash.

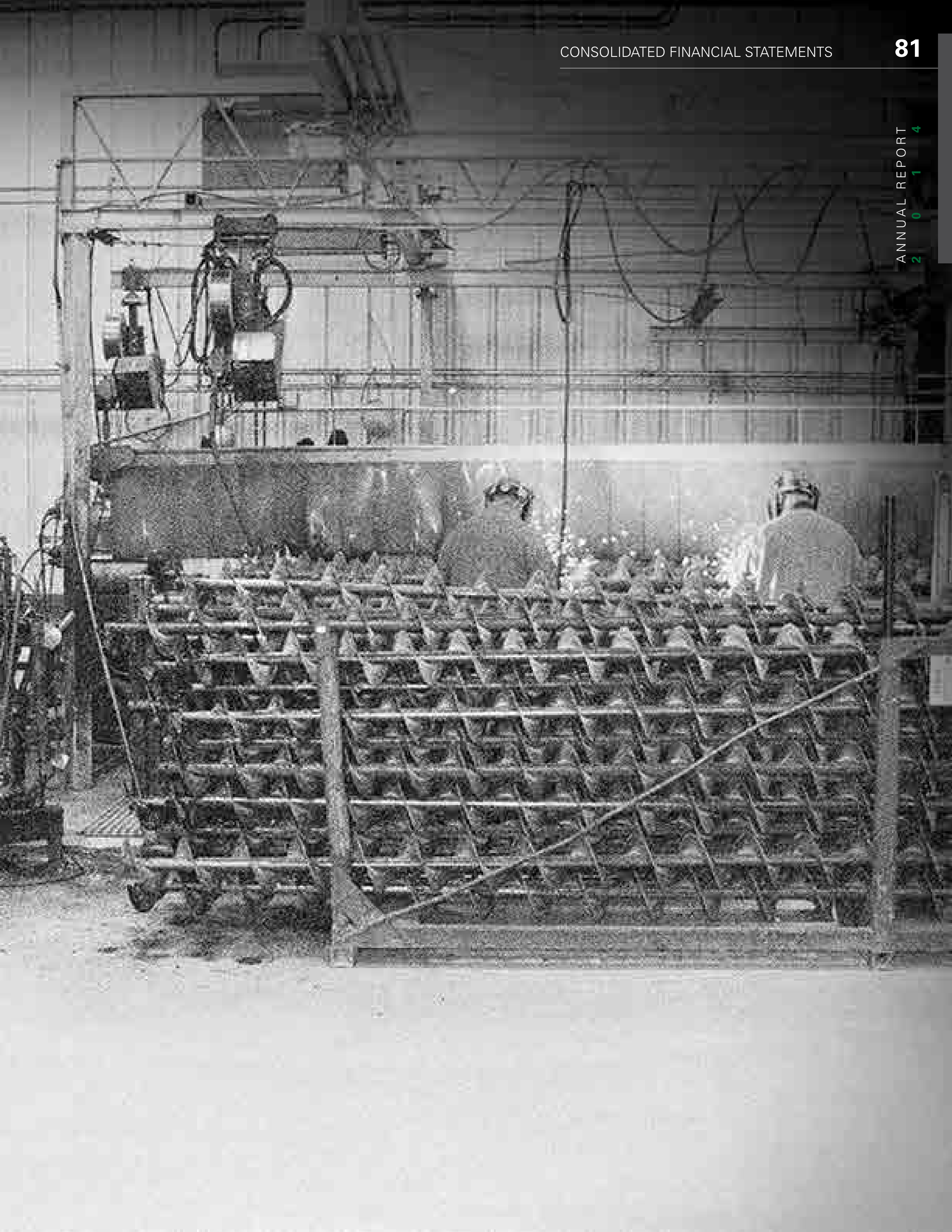
Completion of the Arrangement is subject to a number of customary conditions including court and regulatory approvals. In conjunction with the Transaction and for the purposes of partially funding the purchase price, AGI issued $51.75 million subscription receipts [the "Subscription Receipts"] and $51.75 million aggregate principal amount extendible convertible unsecured subordinated debentures [the "Debentures"] collectively, the "Offering"]. The remainder of the purchase price of the Transaction will be funded by AGI through expanded credit facilities that have been fully committed by the Company's lenders.

Each Subscription Receipt represents the right of the holder to receive, upon closing of the Transaction, without payment of additional consideration, one common share of AGI plus an amount equal to the amount per common share of any dividends declared for which record dates have occurred during the period from closing of the Offering to the date immediately preceding the closing date of the Transaction. Net proceeds from the offering of the Subscription Receipts were deposited in escrow pending the closing of the Transaction. If the Transaction closes on or before April 30, 2015, the escrowed proceeds from the offering of Subscription Receipts will be released to AGI and used to finance, in part, the Transaction. If the Transaction does not close on April 30, 2015, the Arrangement Agreement is terminated at any earlier time, or AGI advises the Underwriters or announces to the public that it does not intend to proceed with the Transaction, holders of the Debentures and the Subscription Receipts will be refunded their purchase price.

As noted above, on December 1, 2014, the Company issued convertible unsecured subordinated debentures in the aggregate principal amount of $45.0 million, and on December 3, 2014, the underwriters exercised in full their overallotment option and the Company issued an additional $6.8 million of debentures [the "2014 Debentures"]. The net proceeds of the offering, after payment of the underwriters' fee of $2.1 million and expenses of the offering of $0.5 million, were approximately $49.2 million. The 2014 Debentures were issued at a price of $1,000 per debenture and bear interest at an annual rate of 5.25% payable semi-annually on June 30 and December 31 in each year commencing June 30, 2015. Following the close of the transaction, the maturity date of the 2014 Debentures will be December 31, 2019. In the event that the Company's Arrangement Agreement with Vicwest Inc. is terminated, the maturity date of the 2014 Debentures is April 30, 2015. As the maturity date is subject to the close of the transaction, the 2014 Debentures have been recorded as a current liability as at December 31, 2014 *[note 22[d]]*.

33. SUBSEQUENT EVENTS

On February 25, 2015, AGI announced that it had entered into an agreement with the Canada Revenue Agency regarding their objection to the tax consequences of the conversion of AGI from an income trust structure into a business corporation in June 2009. The agreement resulted in a non-cash charge of $16.9 million in AGI's consolidated statement of income related to the adjustment of certain tax pools and the write-off of a portion of the Company's deferred tax assets. The agreement did not give rise to any cash outlay by AGI and subsequent to the settlement, AGI had unused tax attributes remaining of $16.3 million and these are recorded as an asset on the Company's statement of financial position.



DIRECTORS

Bill Lambert, Chairman of the Board of Directors
Gary Anderson, Director & Chief Executive Officer of AGI
Janet Giesselman, Director, Compensation & Human Resources Committee Chair
Bill Maslechko, Director
Mac Moore, Director, Governance Committee Chair
David White, CA, ICD.D, Director, Audit Committee Chair

OFFICERS

Gary Anderson, Chief Executive Officer & Director
Tim Close, CFA, President
Steve Sommerfeld, CA, Executive Vice President & Chief Financial Officer
Dan Donner, Senior Vice President, Sales & Marketing
Paul Franzmann, CA, Senior Vice President, Operations
Ron Braun, Vice President, Portable Grain Handling
Paul Brisebois, Vice President, Marketing
Shane Knutson, Vice President, International Sales
Gurcan Kocdag, Vice President, Storage & Conditioning
Craig Nimegeers, Vice President, Engineering
Nicolle Parker, Vice President, Finance & Integration
Eric Lister, Q.C., Counsel

Additional information relating to the Company, including all public filings, is available on SEDAR (www.sedar.com).

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