



Third Quarter Conference Call
September 10, 2008, 11:45 (Regina Time)

Colleen Vancha:

Good afternoon ladies and gentlemen. Welcome to Viterra's 3rd quarter conference call. Our financial report and accompanying statements were issued this morning. Copies are on SEDAR and posted on the Website. Please read the report in its entirety. We will be summarizing the information on this call.

Investors are cautioned that today's discussion and responses to questions may contain forward-looking statements. Such statements are based on certain assumptions and involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied.

Additional information about these assumptions and factors can be found in our disclosures under the sections titled forward-looking information. The information presented today is current as of today's date and will not be updated.

With the acquisition of Agricore United as of May 29, 2007, last year's three month and nine-month results include:

- Contributions from the Pool for the entire period
- June and July results for AU
- As well as one month of contributions from those assets that we sold to JRI and Cargill on June 30.

I would like to invite Mayo Schmidt, President and CEO of Viterra to provide an overview of our results. We will follow his commentary with a question and answer session. Our corporate management team has joined us today to participate in that discussion.

Mayo.....

Good afternoon everyone. Thank you for being here today. It is my pleasure to present to you Viterra's results for the 3rd quarter and first nine months of fiscal 2008.

The May to July period is the strongest for Viterra as our front line staff work hard to provide the products and services our farm customers need to grow their crops. Our grain merchants are kept busy matching the needs of our destination customers with the commodities available on farm. Our port terminals are working together to meet our export commitments. It has been an exceptionally busy year.

Viterra's products are in great demand and we are fortunate to have the expertise and the integrated asset base to execute. The pipeline management model that we employ throughout our operations allows us to squarely focus on our key business drivers, leveraging the expertise and market position to deliver superior financial results.

Our financial performance has been exceptional.

- Quarterly sales rose to \$2.2 billion bringing YTD sales to \$5.1 billion - more than double last year
- Quarterly EBITDA was up \$119 million to \$273 million and for the nine months was \$432 million, more than twice the level of last year
- Viterra's net earnings for the quarter were \$167M, or 0.71 per share. On a year to date basis we earned \$242 million or a \$1.13 per share. That compares to \$116 million or a \$1.05 last year.
- Cash flow was \$261 million for the quarter - \$383 million or \$1.79 per share for the nine months. That is an increase of over \$211 million compared to last year.
- We have achieved total synergies of \$87 million to date through our integration of AU and the Pool. Our Agri-products segment has extracted an additional \$8 million in revenue synergies and as a result, we now expect gross synergies of \$104 million. We are

confident we will deliver the full benefit ahead of schedule - by the middle of fiscal 2009.

- It is also important to note that given our solid financial performance, our consolidated tax loss carry forwards have declined to \$63 million. Based on current expectations, we now expect those loss carry-forwards to be fully utilized by the end of fiscal 2009.

We are operating in a demand driven market. Certainly a factor in our earnings growth can be attributable to our larger network of assets. However, our results also reflect the continued strong demand for agricultural products worldwide and the efficiencies that we have been successful in bringing to bear, here at home, through our pipeline management strategy.

Our programs are working. Market share for the quarter was 45% - and over 43% on a year to date basis – solid evidence that we are providing the competitive pricing and value that our farm customers have come to expect.

At the same time, we have continued to generate strong grain margins. For the quarter we earned \$34.47 per tonne, reflecting operational efficiencies and more revenue associated with handling, cleaning, drying, freight incentives, and blending.

We have spoken over the last several quarters about the opportunity that exists during periods of volatile commodity prices. Even though we saw commodity prices retreat somewhat during the quarter, volatility remained high and allowed us to apply our merchandizing expertise to deliver strong results. This illustrates that it is not just higher prices that create additional margin potential. It is volatility and the Company's position at both ends of the value chain that are key.

On a year to date basis, the gross margin per tonne was \$32.22 including approximately \$1.50 per tonne of synergies. We are leveraging the Company's logistics expertise to take advantage of rail efficiencies and ocean freight opportunities.

We expect gross margins per tonne for the year to be in the \$30 to \$32 range.

In our Agri-products segment, sales during the quarter increased \$422 million to \$1 billion. For the first nine-months Viterra's Agri-products sales reached \$1.4 billion.

Fertilizer sales increased by \$297 million in the third quarter, bringing the total to date to \$784 million. Fertilizer prices strengthened on tight world supplies, significant reductions in exports from China and heightened demand from India, Brazil, and the U.S. Domestically, higher commodity prices drove greater demand as producers purchased additional volumes to maximize the yield potential of their crops.

Seed sales were \$113 million, an increase of \$78 million over the three months ended July 31, 2007. We experienced higher selling prices for cereal seed and more canola seed sales - a factor of increased demand for hybrid varieties and an increase in canola acreages.. For the nine months, seed sales reach \$173 million.

Our position as a trusted seed provider allowed us to contract over 1 million acres of Identity-preserved wheat and durum. Growers agree to purchase our seed and agri-products and deliver their commodities to us at the end of the growing season. We then secure the necessary demand from our end-users. It is an example of the pipeline model at its finest. From farm to destination – delivering value to all stakeholders at each stage of the commodity process..

Favourable growing conditions and strong commodity prices encouraged farmers to apply more crop protection products as well. Sales prices increased because of global supply and demand pressures, particularly for those herbicides used to control weeds.

Sales in the Agri-food Processing segment for the quarter were up 11%. For the nine months, sales increased by 23% to \$144 million. Both Prairie Malt and Can-Oat saw solid demand for their products.

Prairie Malt continued to benefit from improved margins through the quarter due to higher selling prices. Can-Oat's margins also improved through the third quarter due to higher volumes and more favorable yields.

On the feed side of our business, sales reached \$421 million reflecting higher sales values. This quarter's results also include a loss related to our exit from the hog business.

Operationally, we are now in the midst of harvest season. Current production estimates suggest the crop could be 10-15% larger this year but it is too early to be definitive about crop quality. That will be dependent upon weather conditions over the coming weeks.

Certainly we believe that demand for our products will remain strong. Even though there is prospect for larger productions in other areas of the world, food stocks are low and there remains a significant food deficit.

World carryout stocks at the end of the 2008 year are projected to fall to the lowest level since 1982 with the stock-to-use ratio a record low of 18.7%. In the U.S. and Canada, the stock levels are the lowest in modern times. Even though stock levels are expected to rebuild in 2009, the ratio is still forecast to remain the second-lowest on record. This should support prices for the coming year at levels second to only those seen in 2008.

The growing demand for protein around the world is expected to translate into continued strong demand for agricultural commodities.

This, coupled with the demands of the biofuels market, is positive for our industry.

Producers too believe that the market will remain robust for some time. A strong illustration of this is the status of prepayments. Typically, little product is pre-paid at this time of year. For instance, at July 31 last year, Viterra had received just \$3 million in prepayments. This year, at the same time, Viterra had over \$89 million of prepayments – a reflection of producers' commitment to fall agri-products purchases. Producers will continue to invest in their crops in an effort to reap the benefits of strong market fundamentals.

AND Viterra is ready to serve its customers. As many of you know, the Company is in the midst of a labour dispute with the Grain Services Union with a number of their members picketing the Regina Office. The Company has implemented its contingency plans, and to date, the strike action has had minimal impact on operations. We have been told that the union intends to disrupt operations at Saskatchewan country facilities during the fall harvest. Again, to date, their actions have had no material impact. We are confident in our contingency plans and ability to operate effectively through this busy season.

Management remains firmly committed to controlled strategic growth. We are seeking opportunities for geographic diversification of our core business as well as diversification through downstream value-added food and industrial processing. Our focus is on assets that will allow us to be a leader ---- as one of the top three players in the industry.

We intend to leverage our core competencies by expanding into regions where we can access production with similar export profiles so that we continue to maximize full pipeline margins.

Our preference is to buy versus build. As a consolidator, we do not intend to create additional capacity in mature industries. We can acquire expertise and have access to immediate earnings and by applying our best practices, we will create incremental value . We are

focusing on regions that offer political stability and ease of access from a commercial and cultural perspective.

There are opportunities to create value. We are being aggressive, yet highly selective. We believe that our disciplined approach will allow us to put shareholders' money to good use and deliver superior returns on capital over the long term.

Our timing is good. Our balance sheet is strong. Our cash position is ideal. We look forward to extending our reach to provide value to all stakeholders.

Thank you.

That concludes my remarks.

Colleen.

Colleen Vancha: Thank you very much, Mayo.

Operator we will move to the question and answer portion of the call.

(End of question and answers)

Colleen Vancha: Thank you very much, Operator. We have recorded the call and it can be replayed by dialing 1-800-408-3053 pass code is 3268714. Again, thank you everyone for participating on this conference call.