



**FOR IMMEDIATE RELEASE**

**Ag Growth Announces Second Quarter Results; Declares Dividends**

Winnipeg, MB, August 14, 2013 – Ag Growth International Inc. (TSX: AFN) (“AGI” or the “Company”) today reported its financial results for the three and six month periods ended June 30, 2013, and declared dividends for September, October and November 2013.

**Overview of Results**

(thousands of dollars)	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Trade sales (1)	\$93,882	\$98,961	\$153,795	\$171,252
Adjusted EBITDA (1)	\$16,706	\$20,064	\$23,952	\$32,226
Net Profit	\$5,956	\$8,824	\$9,355	\$14,123
Diluted profit per share	\$0.46	\$0.70	\$0.73	\$1.12

(1) See “Non-IFRS Measures”.

Trade sales and adjusted EBITDA decreased compared to the prior year due primarily to the impact of the 2012 U.S. drought. As anticipated, the lingering effect of the drought was much less significant in the second quarter of 2013 compared to the first quarter of 2013 and management believes any future impact will be marginal. Favourable crop conditions in North America and a substantial increase in our international order book have resulted in a significant increase in order backlogs, supporting management’s positive outlook for the balance of 2013 (see “Outlook”).

“The final effects of the 2012 U.S. drought are now behind us and our business activity has accelerated rapidly, reflecting the excellent potential we see for the second half of 2013,” said Gary Anderson, President and Chief Executive Officer. “The 2013 crop in North America may be one of the largest ever and the growth in our backlogs reflect the positive sentiment related to the new crop season as well as the substantial increase in our international business.”

“We remain very enthusiastic with respect to AGI’s prospects in the second half of 2013 and beyond. Our substantial North American market share in portable and commercial grain handling equipment and our increasing presence in offshore markets positions us

well to benefit from what we believe are strong long-term fundamentals in grain storage, handling and conditioning.”

## **Outlook**

Favourable crop conditions, robust domestic demand for portable and commercial handling equipment and substantial growth in our international business have resulted in a significant increase in order backlogs and a positive outlook for the second half of 2013. Based on current conditions, management anticipates very strong adjusted EBITDA in the second half of 2013 that will significantly exceed the second half of the prior year.

Demand in the United States in the second half of 2013 is expected to benefit from an increase in corn production, the primary demand driver for the Company’s portable grain handling equipment. On August 12, 2013, the USDA released its World Agriculture Demand and Supply Estimates report and forecast a U.S. corn harvest of 13.8 billion bushels, which would represent an increase in the magnitude of 28% compared to 2012. Favourable weather conditions since planting have resulted in the U.S. corn crop being rated 64% Good or Excellent as at August 12, 2013, which compares to just 23% a year ago at the same time. As a result, sales of portable grain handling equipment at the dealer level are accelerating and the Company’s backlog for portable equipment has increased significantly. The Company’s commercial grain handling backlog in the U.S. has been increasing for several months, a reflection of the positive sentiment in the commercial handling space, and is now substantially higher than the previous year.

In Canada, crop conditions are generally favourable and management anticipates robust second half demand for grain handling equipment. Domestic sales of storage and aeration, however, may decrease compared to the prior year due in part to higher than typical on-farm storage capacity entering 2013. Based on current conditions, management anticipates strong overall second half sales but does not expect sales for the fiscal year to reach the record sales level achieved in 2012, which represented a 20% increase over the previous Canadian sales record achieved in 2011.

The Company’s international business continues to grow at an exceptional pace. Sales order backlogs are well above previous years’ levels and at June 30, 2013 include approximately \$33 million of the previously announced \$42 million agreement to supply grain handling, aeration and storage equipment and related services to a single customer in Ukraine. AGI was recently awarded an additional \$11 million project with the same customer that is expected to ship in the fourth quarter of 2013. Quoting activity in all offshore regions is at record highs and sales in the second half of 2013 are expected to significantly exceed the second half of the prior year.

Consistent with prior years, demand in 2013, particularly in the second half, will be influenced by weather patterns, crop conditions, the timing of harvest and conditions during harvest. Yield per acre and the number of acres ultimately harvested may be

impacted by dry conditions that persist in some regions of the U.S. and by the impact of planting challenges that resulted from a very late spring in some areas, and may vary from the most recent USDA estimates. Changes in global macro-economic factors, including the availability of credit in new markets, also may influence demand, primarily for commercial grain handling and storage products. Results may also be impacted by changes in steel and other material input costs and the rate of exchange between the Canadian and U.S. dollars.

## **Dividends**

AGI today announced the declaration of cash dividends of \$0.20 per common share for the months of September, October and November 2013. The dividends are eligible dividends for Canadian income tax purposes. AGI's current annualized cash dividend rate is \$2.40 per share.

The table below sets forth the scheduled payable and record dates:

<b>Monthly dividend</b>	<b>Payable date</b>	<b>Record date</b>
September 2013	October 15, 2013	September 30, 2013
October 2013	November 15, 2013	October 31, 2013
November 2013	December 13, 2013	November 29, 2013

## **MD&A and Financial Statements**

AGI's financial statements and management's discussion and analysis for the three and six month periods ended June 30, 2013 can be obtained at <http://media3.marketwire.com/docs/AFN814Q2.pdf> and will also be available electronically from SEDAR ([www.sedar.com](http://www.sedar.com)) or from AGI's website ([www.aggrowth.com](http://www.aggrowth.com)).

## **Conference Call**

AGI will hold a conference call on Wednesday, August 14, 2013, at 11:00 a.m. EST to discuss its results for the three and six month periods ended June 30, 2013. To participate in the conference call, please dial 1-866-226-1792 or for local access dial 416-340-2216. An audio replay of the call will be available for seven days. To access the audio replay, please dial 1-800-408-3053 or for local access dial 905-694-9451. Please quote pass code 6977920.

## **Company Profile**

Ag Growth International Inc. is a leading manufacturer of portable and stationary grain handling, storage and conditioning equipment, including augers, belt conveyors, grain storage bins, grain handling accessories, grain aeration equipment and grain drying systems. AGI has eleven manufacturing facilities in Canada, the United States, the United Kingdom and Finland, and its sales, marketing, and distribution system distributes product in 48 states, nine provinces, and internationally.

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### ***Non-IFRS Measures***

*References to “EBITDA” are to profit before income taxes, finance costs, depreciation, amortization, and goodwill and intangible impairment. 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 and expenses related to corporate acquisition activity. References to “trade sales” are to sales excluding the gain or loss on foreign exchange. Management believes that, in addition to sales, profit or loss and cash flows from operating, investing, and financing activities, trade sales, EBITDA and Adjusted EBITDA are useful supplemental measures in evaluating the Company’s performance. Trade sales, EBITDA and Adjusted EBITDA are not financial measures recognized by International Financial Reporting Standards (“IFRS”) and do not have a standardized meaning prescribed by IFRS. Management cautions investors that trade sales, EBITDA and Adjusted EBITDA should not replace sales or 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. AGI’s method of calculating trade sales, EBITDA and Adjusted EBITDA may differ from the methods used by other issuers.*

### ***Forward-Looking Statements***

*This press release 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 press release include statements relating to our business and strategy, including our outlook for our financial and operating performance, growth in sales to offshore markets, the impact of crop conditions in our market areas, the impact of current economic conditions on the demand for our products, future sales and adjusted*

*EBITDA, and the payment of dividends. 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 yields, crop conditions, the timing of harvest and conditions during harvest, seasonality, industry cyclicality, volatility of production costs, commodity prices, foreign exchange rates, competition and the cost and availability of capital for our customers. These risks and uncertainties are described under “Risks and Uncertainties” in our 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.*