Ag Growth Announces Fourth Quarter and Annual 2015 Results; Declares Dividends

Winnipeg, MB, March 10, 2016 – Ag Growth International Inc. (TSX: AFN) ("AGI" or the "Company") today announced its financial results for the three and twelve month periods ended December 31, 2015, and declared dividends for March, April and May 2016.

Overview of Results

(thousands of dollars)	**Three Months Ended December 31**		**Year Ended December 31**	
	2015	**2014**	**2015**	**2014**
Trade sales(1)	122,159	92,278	474,279	409,700
Adjusted EBITDA(1)	12,971	12,997	72,642	78,228
Net (Loss) Profit	(21,355)	(19,409)	(25,229)	4,100
Adjusted profit (loss) (1)	$(1.48)	$(1.45)	$(1.81)	$0.31
Diluted (loss) profit per share	2,148	3,677	30,371	35,331
Diluted adjusted profit per share(1) (2)	$0.15	$0.27	$2.18	$2.64

(1) See "Non-IFRS Measures".
(2) See "Diluted profit per share and Diluted adjusted profit per share".

Trade sales increased over 2014 primarily due to the acquisition of Westeel on May 20, 2015. Excluding Westeel, trade sales decreased 6% compared to record 2014 sales as significant growth in international markets was more than offset by subdued demand in North America. The decline in adjusted EBITDA was largely due to sales mix as softness in North America most significantly impacted sales of AGI's higher margin Farm products, sales of which approximated the most recent five-year average but decreased roughly 15% compared to record 2014 levels. In addition, demand for Westeel product was constrained by a combination of high inventory levels entering the 2015 growing season and poor weather conditions early in the year and as a result Westeel's sales and adjusted EBITDA in 2015 were well below management expectations. Net loss per share in 2015 was significantly impacted by losses on foreign exchange that resulted from out of the money hedges and balance sheet translation and by an impairment of assets charge related to a management review of certain non-core assets. See "Diluted profit (per share) and Diluted adjusted profit (per share)", below.

Sales in Canada were negatively impacted by drought conditions in western Canada early in 2015 that lowered crop production expectations and negatively affected farmer sentiment. In the United States, sales of Farm equipment decreased in 2015 due to a slightly smaller crop, an extended replacement cycle for grain augers that resulted from a number of consecutive dry harvests, and cautious buying behaviour related to a rapid drop in year-over-year farmer net income. AGI's international sales, excluding the impact of acquisition, increased 26% in 2015. The significant increase reflects continued momentum in Latin America and strong sales in the Black Sea region, including Ukraine. In addition, international sales at Westeel were $21.7 million and these related primarily to Italian subsidiaries PTM and Frame and sales in the EMEA region.

"We were very pleased with the growth of our international, commercial business which served to lessen the impact from the drought in Canada and subdued demand in the U.S.", said Tim Close, President and CEO of AGI. "We saw significant business from new regions including the Middle East and Africa. The mixed results in Q4 highlight the benefits achieved through growing into new geographies and product lines which serve to mitigate risk from regional events. After a comprehensive analysis we decided to record an impairment charge for non-core divisions as we look to focus our efforts on strategic divisions which will have a positive effect on our business and results going forward. Looking into 2016, we anticipate improving conditions for our farm businesses and see continued momentum on the commercial side of the business both internationally and domestically."

Diluted profit (per share) and Diluted adjusted profit (per share)

A reconciliation of net profit (loss) and diluted profit (loss) per share to adjusted profit (loss) and adjusted diluted profit (loss) per share is below.

(thousands of dollars)	Three Months Ended December 31		Year Ended December 31	
	2015	**2014**	**2015**	**2014**
Profit (loss) as reported **Per share as reported**	**$(21,355)** **$(1.48)**	**$(19,409)** **$(1.45)**	**$(25,229)** **$(1.81)**	**$4,100** **$0.31**
Non-cash CRA settlement	0	16,889	0	16,889
Loss on foreign exchange	9,034	5,147	31,322	11,963
M&A Activity	699	642	5,405	1,801
Non-cash loss on available-for-sale investment	0	0	0	1,100
Non-cash loss on impairment of assets	13,439	0	13,439	0
Loss (gain) on sale of PP&E	6	408	3,154	(522)
Allowance for bad debt [2]	325	0	2,280	0
Adjusted profit [1] **Diluted adjusted profit per share [1]**	**$2,148** **$0.15**	**$3,677** **$0.27**	**$30,371** **$2.18**	**$35,331** **$2.64**

(1) See "Non-IFRS Measures"
(2) In 2015 the Company recorded a provision related to the net balance owing from an international customer that related to sales invoiced primarily in 2013.

OUTLOOK

AGI's Farm business, excluding Westeel which is discussed below, is comprised primarily of portable grain handling equipment and represents roughly 25% - 35% of AGI's revenue profile. Demand for Farm equipment is driven primarily by the amount of grain handled as this dictates farmer capacity requirements and the product replacement cycle. In February 2016 the USDA projected that U.S. farmers would plant 90 million acres of corn in 2016 (2015 – 88 million), as relative returns on U.S. crops are expected to favour corn. In addition, the USDA estimates corn stored on U.S. farms entering 2016 approximated 6.8 billion bushels or roughly one-half of the 2015 harvest, a reflection of low commodity prices and farmer hesitancy to move and sell grain at current prices. Market participants generally expect substantial corn movement to market prior to the 2016 harvest. The combination of these factors, along with a USDA projection that farmer net income has generally stabilized after a steep drop in 2015, provides an improved demand environment as the Company enters the 2016 crop year. Based on current conditions, management anticipates increased demand to appear with the new crop season. Management expects sales in the first quarter of 2016 to reflect the weak demand levels experienced in Q4 2015 that resulted from slightly elevated inventory levels and cautious buying behavior at the dealer and consumer levels. Nonetheless, existing indicators point towards higher demand for Farm equipment in fiscal 2016 compared to 2015.

AGI's Commercial business represents roughly 35% - 45% of AGI's revenue and is comprised primarily of high capacity grain handling and conditioning equipment and Westeel's international businesses. In North America, demand for Commercial equipment is less sensitive to a specific harvest but rather is driven primarily by macro factors including the longer-term trend towards higher crop volumes, the drive towards improved efficiencies in a mature market and, more recently, the dissolution of the Canadian Wheat Board. Current activity in North America is reflective of these trends and existing backlogs approximate the levels at the same time in 2015. Offshore, the commercial infrastructure in both grain producing and grain importing countries remains vastly underinvested resulting in significant global opportunities for AGI. Our international business expanded significantly in 2015 due to increasing brand presence, continued momentum in Eastern Europe and Latin America and the acquisition of Westeel's international businesses. Current backlogs are slightly higher than at the same time a year ago. AGI's commercial business, both domestically and overseas, is expected to perform well in 2016 and sales are anticipated to exceed 2015 levels. Consistent with prior periods, realized sales are subject to the timing of customer commitment and delivery considerations.

Westeel's North American business is comprised of corrugated storage bins, smoothwall bins and liquid storage tanks and represents roughly 20% to 30% of AGI revenues. Demand drivers for storage include volume of grains grown, crop trends, fertilizer storage and handling practices and the consolidation of farms. The macro environment in Canada is supportive of these trends and management anticipates a return to more typical market conditions with the new crop cycle. Similar to the fourth quarter of 2015, demand in the first quarter of 2016 is expected to be negatively impacted by higher dealer inventories that resulted in lower participation in key preseason selling programs. Based on current conditions, sales and adjusted EBITDA for the balance of 2016 are anticipated to reflect an improvement over 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 its U.S. counterpart positively impacts profit and adjusted EBITDA. However, a portion of the Company's foreign exchange exposure has been hedged through forward foreign exchange contracts and based on current rates of exchange the Company expects to recognize a significant loss on these contracts in fiscal 2016.

Demand in 2016 will be influenced by, among other factors, weather patterns, crop conditions and the timing of harvest and conditions during harvest. Changes in global macroeconomic 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 2016 are expected to be negatively impacted by low Farm demand in North America and the impact of elevated inventory levels at Westeel. As a result, based on current conditions, management anticipates consolidated adjusted EBITDA in Q1 2016 will approximate 2015 levels. Management remains positively biased with respect to fiscal 2016 and anticipates results for the balance of the year will reflect a return to more typical buying patterns for Farm equipment, steady demand for domestic Commercial products and continued growth in offshore markets.

Acquisition of Entringer S.A.

Effective March 9, 2016, the Company acquired 100% of the outstanding shares of Entringer Industrial S.A. [“Entringer”] for cash consideration of $15.3 million. $10.2 million was paid on acquisition and the remaining $5.1 million is payable if Entringer achieves specified earnings targets. The acquisition and related transaction costs were funded from the Company’s cash balance.

Entringer sales in 2015 were R$43 million and normalized EBITDA over the previous six years has averaged approximately R$5.6m, with peak normalized EBITDA of R$9.9m in 2013 and negative normalized EBITDA of approximately R$1.3 million in 2015. Terms of the transaction included payment of R$30 million upon closing which represents a multiple of 5.4x against the previous six year average EBITDA. The agreement includes a R$15 million earn-out provision based on Entringer meeting certain EBITDA thresholds.

Dividends

AGI today announced the declaration of cash dividends of $0.20 per common share for the months of March 2016, April 2016 and May 2016. 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:

Monthly dividend	**Payable date**	**Record date**
March 2016	April 15. 2016	March 31 31, 2016
April 2016	May 13, 2016	April 29, 2016
May 2016	June 15, 2016	May 31, 2016

MD&A and Financial Statements

AGI's financial statements and MD&A for the three and twelve month periods ended December 31, 2015 can be obtained at http://media3.marketwire.com/docs/AFN0310Q45.pdf and will also be available electronically on SEDAR (www.sedar.com) and on AGI's website (www.aggrowth.com).

Conference Call

Management will host a conference call at 9:00 am (ET) on Thursday, March 10, 2016 to review the Company's results for the three and twelve month periods ended December 31, 2015. To participate in the conference call, please dial 1-866-303-8430 or for local access dial 416-641-6103. 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 passcode 8198193.

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 manufacturing facilities in Canada, the United States, Italy, the United Kingdom and Finland, and distributes its products globally.

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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 press release, 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 press release.

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 and impairment charges related to goodwill, intangibles or available for sale assets. References to "adjusted EBITDA" are to EBITDA before the gain or loss on foreign exchange, gains or losses on the sale of property, plant & equipment, non-cash share based compensation expenses, certain items considered by management to be unusual and non-recurring in nature and to 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 provided by 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 the Company's 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 the non-cash CRA settlement, loss on foreign exchange, transaction costs, non-cash loss on available-for-sale investment, certain items considered by management to be unusual and non-recurring in nature and gain (loss) on sale of property, plant and equipment**.**

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”, “expect”, “intend”, “plan”, “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 sales and EBITDA. 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, political events, tax laws, the sufficiency of budgeted capital expenditures in carrying out planned activities, currency 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, currency exchange rates, and competition. These risks and uncertainties are described under “Risks and Uncertainties” 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.