



**CERES GLOBAL AG CORP. ANNOUNCES  
RESULTS FOR THE QUARTER ENDED JUNE 30, 2013**

**FOR IMMEDIATE RELEASE**

**TORONTO, ON, (August 13, 2013)** – Ceres Global Ag Corp. (“Ceres” or the “Corporation”) is announcing it has released its financial results for the quarter ended June 30, 2013.

Commenting on the Company’s quarterly results, Ceres’ President Michael Detlefsen said, “Ceres continues to diligently execute its strategies to deliver value for shareholders. Results for the quarter were in line with expectations, despite ongoing challenges at Riverland Ag, and we are pleased with the continued growth of the SSR, which has the potential to play a more important role in Saskatchewan commodity logistics as it seeks to move into other key areas beyond grain and crude oil by rail. In addition, the Northgate Commodity Logistics Hub continues to progress on schedule.

Mr. Detlefsen added, “We continue to work closely with Barclays to harvest or joint venture many of our grain storage and handling assets, as we assemble and grow a compelling mix of commodity logistics assets, all to create maximum value for Ceres shareholders.”

The following summarizes the financial results for the fiscal quarter ended June 30, 2013, and certain figures reporting the financial position as at that date, for Ceres on a consolidated basis, and for its operating subsidiaries Riverland Ag Corp. and Riverland Agriculture, Ltd. (collectively referred to as “Riverland Ag”). Figures for 2012 are for the quarter ended June 30, 2012, as applicable:

- Revenues:
  - Consolidated and Riverland Ag revenues for the quarter ended June 30, 2013 were \$69.7 million (2012: \$42.9 million).
- Gross profit (loss):
  - Consolidated and Riverland Ag gross profit for the quarter was a loss of \$2.1 million (2012: gross profit of \$1.4 million).
- EBITDA:
  - Consolidated EBITDA for the quarter was a loss of \$4.1 million (2012: loss of \$2.6 million).
  - Riverland Ag EBITDA for the quarter was a loss of \$2.6 million (2012: EBITDA income of \$1.1 million).

- Net loss:
  - Consolidated net loss for the quarter was \$5.8 million, representing basic and fully diluted loss per share of \$0.41 (2012: net loss of \$4.0 million, basic and diluted loss per share of \$0.28).
  - Riverland Ag's net loss for the quarter was \$4.4 million, representing basic and fully diluted loss per share of \$0.31 (2012: net loss of \$0.4 million, basic and fully diluted loss per share of \$0.03).
- Cash and portfolio investment assets (consolidated):
  - As at June 30, 2013, cash and portfolio investments totalled \$24.1 million, representing \$1.68 per common share (March 31, 2013: \$26.9 million, \$1.88 per share; June 30, 2012: \$35.4 million, \$2.45 per share).
- Shareholders' equity per common share (consolidated):
  - As at June 30, 2013, consolidated shareholders' equity per common share was \$9.96 (March 31, 2013: \$10.11; December 31, 2012: \$9.89; September 30, 2012: \$10.29; June 30, 2012: \$10.61).

“Ceres continues to enjoy a strong balance sheet, which allows it to pursue both the recently announced Normal Course Issuer Bid and the Northgate opportunity” said Jason Gould, Chief Financial Officer of Ceres. Mr. Gould continued “As we roll out the Riverland Ag strategy, we expect that this should further increase our strong flexibility, which should further strengthen our ability to fund these initiatives going forward.”

The major factors contributing to operating results for the quarter ended June 30, 2013 (“Q1 2014”), and in comparison to the quarter ended March 31, 2013 (“Q4 2013”) and the quarter ended June 30, 2012 (“Q1 2013”), were as follows:

- Revenues and gross profit: For Q1 2014, revenues were \$69.7 million (Q1 2013: \$42.9 million) and gross loss was (\$2.1 million) (Q1 2013: gross profit of \$1.4 million). For Q1 2014, the gross profit percentage was negative 2.95 per cent (Q1 2013: 3.32 per cent). The decrease in the gross profit percentage for Q1 2014 is attributable primarily to continued reduced carrying charges, reduced basis revenue and lower trading gains, which are due to significantly lower levels of grain inventories. On a quarter over quarter basis, revenues increased due to an increase in the grain inventory bushels sold. In Q1 2014, the gross profit percentage and EBITDA amounts deteriorated compared to Q1 2013, due to lower overall inventory levels at our facilities coupled with reduced carrying charges, reduced basis revenue and lower trading gains. During Q1 2014, Riverland Ag dealt with lower facility utilization and related lower carrying charge revenues by selling grain inventories as we enter into the new crop year.
- General and administrative expenses: For Q1 2014, general and administrative expenses totalled \$2.9 million (Q1 2013: \$2.4 million). Although this represents an increase of \$0.5 million over Q1 2013, the level of such expenses in Q1 2014 is consistent with that for Q4 2013 of \$3.0 million. General and administrative expenses remain higher in Q1 2014 primarily due to legal fees and other expenses related to corporate initiatives concerning the Northgate Commodities Logistics Hub and responding to a shareholder's request for a special shareholders' meeting.
- Early debt repayment and reduced interest expense: In Q3 2013, Riverland Ag repaid the entire balance of its long-term debt. For Q1 2014, finance expenses totalled \$1.4 million, as opposed to finance expenses totalling \$1.8 million for each of Q4 2013 and Q1 2013. This savings of \$0.4 million reflects the lower interest rates currently applicable to

Riverland Ag's debt as a whole and to lower debt principal balances outstanding during Q1 2014.

- Portfolio investments: An unrealized gain of \$0.6 million on the portfolio investments in Q1 2014, compared to an unrealized loss of \$1.5 million in Q4 2013, and compared to an unrealized loss of \$1.4 million in Q1 2013.
- Canadian Dollar: A loss of \$0.5 million on currency hedging transactions in Q1 2014, compared to a loss of \$0.6 million in Q4 2013, and compared to a loss of \$1.0 million in Q1 2013.

As at June 30, 2013, the Corporation's net book value per share was \$9.96, down from \$10.11 as at March 31, 2013. The decrease in net book value per share during the quarter is attributable to the consolidated net loss of \$5.8 million for Q1 2014, which was partially offset by a currency translation gain in Q1 2014 of \$3.8 million related to the Ceres' investment in the net assets of Riverland Ag. The currency translation gain was caused by the decline in Q1 2014 of 3.52% in the value of the Canadian dollar against the U.S. dollar.

Financial and Operational Highlights for the quarter include:

- Implementation of the operating plan derived from the strategic review is proceeding well, with discussions being advanced with multiple parties on long-term storage agreements.
- Riverland Ag has merchandised a significant amount of inventory over the quarter and is well positioned to take advantage of what appears to be a very strong volume crop year.
- Ceres' 25% share in the net earnings of Stewart Southern Railway Inc. ("SSR") in Q1 2014 was \$0.3 million, which represents a 17.4% return for Q1 2014 on the original investment, and was down slightly from the previous quarter due to an adjustment to SSR's provision for income taxes. EBITDA for the past 12 months was approximately \$7.0 million, which represents a tremendous achievement for SSR and its employees. During the quarter, the SSR handled, on average, 28,000 barrels of oil per day.
- During this quarter, the SSR continued to build out its rail car storage program, and is looking to diversify its customer base to include oilfield services products.
- During this quarter, site preparation began at the proposed Northgate Logistics Hub on approximately 1,500 acres of land acquired in Northgate, Saskatchewan, in conjunction with Scoular Grain. Ceres continues to work on multiple agreements with potential shippers and once in place, along with required approvals, construction will begin.

As mentioned previously, Ceres, in conjunction with Barclays Capital, has also completed its strategic review of the assets and operations of Riverland Ag.

- Going forward, Riverland Ag will develop a more balanced business model incorporating more customer-focused merchandising, long-term third party storage contracts, more strategic use of its position in the regular delivery markets of oats and spring wheat, and limited carrying income participation. In addition, certain assets have been identified as being non-core to this strategy or may have higher value to other industry participants than to Riverland Ag, and steps are being taken to maximize the value of these assets.

- Divisional management at Riverland Ag will be focused on implementing the operational components of this strategy, while Ceres management will continue to work with Barclays to unlock the value of these assets.

This past quarter's results for Riverland Ag represent the tail of the previous strategy of the company. The new operational direction in place will take a number of quarters until management efforts are reflected in increased earnings and net asset value growth. Recent macro environment events such as the removal of the Canadian Wheat Board's monopoly, reduced North American oats carryover inventory and strong worldwide wheat production and what appears to be strong corn production provide a more favourable environment in which to implement this new strategic direction.

The following table represents an analysis of the components of Ceres' equity attributable to shareholders as at June 30, 2013 and reflects the value at which individual items are carried on Ceres' balance sheet (in millions of dollars, except Total equity attributable per share outstanding):

Cash and cash equivalents (note 1)	\$ 16.2
Portfolio investments	\$ 7.1
Other current assets	\$ 0.1
Investment in the SSR (note 2)	\$ 3.1
Investment in land and capitalized costs representing the future Northgate Commodities Logistics Hub ("Northgate") (note 3)	\$ 7.0
Investment in Riverland Ag (note 4)	
Net working capital, net of all debt (note 5)	\$ 43.7
Fixed assets, at net book value (note 6)	\$ 67.6
Investment in Canterra Seeds Holdings, Ltd. ("Canterra") (note 7)	\$ 1.6
Total investment in Riverland Ag	\$ 113.0
Less: All (Current) Liabilities	\$ (3.7)
Total Equity Attributable to Shareholders	\$ 142.8
Number of common shares issued and outstanding	14.3
Total Equity Attributable per share outstanding	\$ 9.96

Notes:

1. Cash and cash equivalents exclude cash held by subsidiaries.
2. SSR is 25% owned by Ceres and is accounted for using the equity method.
3. The investment in Northgate represents an investment in approximately 1,500 acres of land in Saskatchewan and North Dakota, plus capitalized costs incurred to ready the site for the future development of the commodities logistics hub.
4. Ceres owns 100% of Riverland Ag and consolidates the accounts of Riverland Ag in its financial statements. In this analysis, the investment in Riverland Ag is accounted for using the equity method.
5. The net working capital of Riverland Ag represents primarily the aggregate of owned inventory (which is marked to market) plus trade accounts receivable and amounts due from brokers, less all bank indebtedness. The aggregate of other current assets is substantially offset by the aggregate of other liabilities.
6. Represents approximately 52 million bushels of storage space at an average net book value of USD\$1.22 per bushel.
7. Canterra is 25% owned by Riverland Ag and is accounted for using the equity method.

## **Non-IFRS Financial Measures**

EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) is not a standardized financial measure prescribed by IFRS; however, management believes that most of its shareholders, creditors, other stakeholders and investment analysts benefit from using this performance measure in analyzing Ceres' results. Ceres also uses this measure internally to monitor the Corporation's performance.

In calculating EBITDA, Ceres excludes its share of the net income (loss) from investments in associates and the gain (loss) on sale or impairment of property, plant and equipment. Ceres may calculate EBITDA differently than other companies; therefore, Ceres' EBITDA may not be comparable to similar measures presented by other issuers. Investors are cautioned that EBITDA should not be construed as an alternative to net income or loss, or to other standardized financial measures determined in accordance with IFRS, and is not intended to represent cash flows or results of operations in accordance with IFRS.

## **About Ceres Global Ag Corp.**

Ceres Global Ag Corp. is a Toronto-based asset management corporation with two main investment areas: its Grain Handling and Storage unit, anchored by its 100% ownership of Riverland Ag Corp.; and its Commodity Logistics unit, containing its 25% interest in Stewart Southern Railway Inc. and its development of the Northgate, SK Commodity Logistics Hub. Ceres also has significant capital available to invest in these and related businesses. Riverland Ag Corp. is a collection of eleven (11) grain storage and handling assets in Minnesota, North Dakota, New York, Wisconsin and Ontario having aggregate storage capacity of approximately 52 million bushels. Riverland Ag also manages two (2) facilities in Wyoming on behalf of its customer-owner. Stewart Southern Railway Inc. is a short line rail company that operates in Southeastern Saskatchewan. The Northgate Commodity Logistics Hub is a \$90 million grain, oil and oilfield supplies transloading site being developed in conjunction with Scoular Grain and several potential energy company partners, connected to the Burlington Northern Santa Fe Railroad and expected to open in the fall of 2013. Ceres common shares trade on the Toronto Stock Exchange under the symbol "CRP".

*For further information, contact Jason Gould, Chief Financial Officer, at (416) 915-2426.*

*Cautionary Notice: This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation and United States securities laws. Forward-looking information may include, but is not limited to, statements regarding future operations and results, anticipated business prospects and financial performance of Ceres and its subsidiaries, expectations or projections about the future, strategies and goals for growth, expected and future cash flows, costs, planned capital expenditures, anticipated capital projects, construction and completion dates, operating and financial results, critical accounting estimates and the expected financial and operational consequences of future commitments. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information. Key assumptions upon which such forward-looking information is based are listed in the "Forward-Looking Information" section of the interim MD&A for the quarter ended June 30, 2013. Many such assumptions are based on factors and*

*events that are not within the control of Ceres and there is no assurance they will prove to be correct. Factors that could cause actual results to vary materially from results anticipated by such forward-looking information include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Ceres to successfully implement strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Corporation's assets, the availability and price of commodities and regulatory environment, processes and decisions. Although Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results that are not anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Ceres undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking information.*