



NEWS RELEASE

FOR IMMEDIATE RELEASE

Agrium earns \$4 per share and over \$1-billion in EBITDA in second quarter 2008

August 6, 2008 - ALL AMOUNTS ARE STATED IN U.S.\$

CALGARY, Alberta -- Agrium Inc. (TSX and NYSE: AGU) announced today its highest ever quarterly earnings, with net earnings for the second quarter of 2008 of \$636-million (\$4.00 diluted earnings per share) more than double the previous quarterly earnings record of \$229-million (\$1.70 diluted earnings per share) achieved in the second quarter of 2007. The recent UAP acquisition is estimated to have contributed approximately \$0.70 diluted earnings per share for the reported period of May 5 to June 30, 2008. Net earnings for the first six months of the year were a record \$831-million (\$5.24 diluted earnings per share), almost four times the previous first half record of \$218-million (\$1.63 diluted earnings per share) set in 2007.

“Agrium’s exceptional second quarter earnings are a result of strong performance across all business units and the outlook for all our product lines continues to strengthen. I am especially pleased with the contribution from our UAP acquisition. The timing of this acquisition couldn’t be better given continued strength in the industry fundamentals. This quarter’s results are a reflection both of the quality of our assets and the benefit of diversifying throughout the agricultural value chain,” said Mike Wilson, Agrium President and CEO.

“We anticipate continued strong demand for our products and services that help farmers around the world improve both crop quality and yield. Specifically, the outlook for the second half of the year remains solid with corn, wheat and soybean prices at two to three times historic levels. This should support crop input demand and continued strength in the nutrient markets benefiting our Retail, Wholesale and Advanced Technologies businesses.”

Similar to last year, we intend to provide earnings guidance for the second half of the year when we release our third quarter earnings.

KEY RESULTS AND DEVELOPMENTS

- Agrium’s EBITDA reached \$1,035-million for the quarter and \$1,376-million for the first half of 2008 due to higher realized seed, chemical and nutrient prices, supported by solid Wholesale production and sales for all major products and improved Retail margins and ESN volumes. Hedge gains accounted for \$161-million (\$0.68 diluted earnings per share) net of non-controlling interests in the second quarter of 2008, while stock-based compensation expense for the quarter was \$115-million (\$0.49 diluted earnings per share). Net of these two factors our earnings would have been \$3.81 diluted earnings per share. Our June 11, 2008 earnings guidance assumed we would realize approximately \$0.16 diluted earnings per share in hedging gains and \$0.21 diluted earnings per share in stock-based compensation expense.

- Agrium Wholesale EBITDA in the second quarter was an all-time high at \$682-million due to exceptional crop nutrient pricing and margins for all three major nutrients. Gross margins on a per tonne basis more than tripled for potash and phosphate versus the same quarter last year. Agrium's Retail EBITDA more than doubled to \$431-million compared to the same period last year. Our legacy Retail operations reported a 69 percent increase in EBITDA year-over-year. UAP's EBITDA was \$177-million, 25 percent higher than the same reported period last year, and their EBITDA for the first half of 2008 was approximately \$260-million. Agrium Advanced Technologies EBITDA was 50 percent or \$5-million higher than last year reaching \$15-million, due to increased ESN sales volumes.
- In July, Agrium announced that it successfully concluded the purchase of a 70 percent equity position in Common Market Fertilizers S.A. ("CMF"), one of Western Europe's largest fertilizer distribution companies, which will further expand our Purchase For Resale business. CMF has annual nutrient sales volumes of 2 to 2.5 million tonnes and operates through subsidiaries across much of Europe.
- Agrium is currently in discussions with the Egyptian government pertaining to the government's decision to force the relocation of the EAgrium nitrogen project. The options proposed by the Government include a merger of EAgrium with an existing fertilizer company, relocation and/or a buy-out of EAgrium's shareholders. We expect to be in a position to provide further information by early September, 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 6, 2008

The following interim management's discussion and analysis (MD&A) updates our annual MD&A included in our 2007 Annual Report to Shareholders, to which our readers are referred. No update is provided where an item is not material or there has been no material change from the discussion in our annual MD&A.

2008 Second Quarter Operating Results

NET EARNINGS

Agrium's second quarter consolidated net earnings were \$636-million, or \$4.00 diluted earnings per share, compared to consolidated net earnings of \$229-million, or \$1.70 diluted earnings per share, for the comparable quarter of 2007. EBIT improved by \$609-million over the second quarter of 2007. This improvement in EBIT was made up of the combination of an increase in gross profit of \$689-million offset by an increase in expenses of \$80-million.

Consolidated gross profit in the second quarter of 2008 was \$1,261-million compared to the second quarter of 2007 gross profit of \$572-million. This increase in gross profit, reported in all three business units, was driven by increased realized selling prices and margins attributable to a tight nutrient supply/demand balance. During the quarter we completed the acquisition of UAP Holding Corp. (UAP), a large distributor of a full range of crop protection products, nutrients, seeds and services in the United States and Canada. UAP's contribution to Retail gross profit from the date of acquisition was \$257-million.

Expenses have increased \$80-million versus the second quarter of 2007, primarily driven by the following items:

- (\$188)-million increase in gains on non-qualifying derivative positions, the majority related to our energy hedging program as well as an additional \$75-million (before non-controlling interest) on derivative instruments associated with the Egypt Nitrogen Project;
- \$103-million increase in stock-based compensation expense mainly due to an increase in our share price from \$62.11 at March 31, 2008 to \$107.54 at June 30, 2008;
- \$93-million increase in Retail's selling expenses as a result of increased sales activity, including sales resulting from the newly acquired UAP business; and,
- \$45-million increase in Royalties and other taxes driven by increased potash sales margins year-over-year.

BUSINESS SEGMENT PERFORMANCE

Retail

Retail's second quarter net sales were \$2,506-million compared to \$1,147-million in the second quarter of 2007. Gross profit was \$667-million, a \$389-million increase over the \$278-million gross profit earned in the same quarter last year. EBIT was \$409-million compared to 2007 second quarter EBIT of \$142-million.

Retail's second quarter results are not directly comparable to previous quarters as a result of the UAP acquisition for which earnings are reported from May 5, 2008. The UAP acquisition contributed \$257-million and \$165-million in gross profit and EBIT for this period, respectively, representing an increase of over seven percent in gross profit and a 20 percent increase in EBIT compared to the similar nine week period in May to June of 2007. Agrium's legacy retail operations gross profit rose by 47 percent or \$132-million over the same period last year, while EBIT increased by 72 percent to \$244-million.

The increase in net sales and gross profit in the second quarter of 2008 versus the same quarter of 2007 was attributed to:

Crop nutrient sales increased \$592-million and gross profit increased \$176-million to \$1,250-million and \$335-million, respectively, primarily due to increased selling prices and the contribution from UAP's business. Crop nutrient margins rose to 27 percent in the second quarter of 2008 from 24 percent in the second quarter of 2007. Agrium's legacy margins increased by over six percent and UAP's margins were up slightly. Crop nutrient sales volume increased 36 percent over the same quarter of last year due entirely to the UAP acquisition. Legacy Retail fertilizer sales volume was down approximately 18 percent compared to the same period last year primarily as a result of wet weather conditions throughout most of the U.S. Corn Belt, lower corn acreage and favourable weather conditions in the fall of 2007 allowing optimal application rates at that time. We anticipate strong demand this fall due to high grain prices and an expected increase in corn acreage next year.

Crop protection sales increased almost three-fold to \$860-million and gross profit increased over four-fold to \$223-million compared the same quarter last year, with the addition of UAP accounting for \$559-million in sales and \$145-million in gross profit. Margins improved significantly for both UAP and Agrium legacy operations. Increased sales and gross profit was due to the UAP acquisition and inventory appreciation on certain crop protection products that are in tight supply. Crop protection product margins were 26 percent for the second quarter of 2008 versus 18 percent for the second quarter of 2007.

Seed, services and other gross profit increased by 63 percent year over year, which was due to increased profitability on seed sales. Seed sales increased \$179-million and gross profit increased \$34-million to \$309-million and \$49-million, respectively, primarily due to the UAP acquisition. Second quarter seed sales for our legacy retail operations also continued to grow with a 20 percent increase over the prior year.

Retail expenses increased by \$122-million to \$258-million primarily due to higher selling expenses associated with the increases in sales. Selling expenses as a percentage of net sales were approximately eight percent, which was lower than the second quarter of 2007 due to the addition of the UAP business. Our legacy retail operations selling expenses as a percent of sales were similar to last year's level.

Wholesale

Wholesale's second quarter net sales were \$1,397-million compared to \$890-million in the second quarter of 2007. Gross profit was \$582-million this quarter, an increase of \$305-million compared to the same quarter last year. EBIT was \$647-million, an almost three-fold increase compared with a second quarter 2007 EBIT of \$232-million. These exceptional results were primarily due to the significant increase in realized crop nutrient prices across all product lines.

Nitrogen gross profit was \$82-million higher than the second quarter of 2007, due to higher realized sales prices for all nitrogen products. Nitrogen cost of product sold increased \$78 per tonne over the same period last year primarily due to higher North American gas prices and the inclusion of \$15 per tonne in depreciation expenses for the second quarter of 2008. Domestic nitrogen sales volumes were similar to last year with some reductions in ammonia volumes, as a result of wet weather that delayed the spring season, offset by an increase in UAN solutions and urea sales volumes. International nitrogen volumes decreased by approximately 152,000 tonnes versus the same quarter last year as the Kenai nitrogen facility is no longer in operation and our Argentine facility was down 41 days during the quarter due almost equally to mechanical issues and gas supply disruptions. Nitrogen margins on a per tonne basis were up more than 60 percent over the same period last year, or by more than \$78 per metric tonne to \$196 per tonne in the second quarter of 2008. Domestic ammonia and urea margins were almost equal to one another this quarter on a per tonne basis.

Agrium's overall natural gas cost was \$7.36/MMBtu in the second quarter of 2008 versus \$5.79/MMBtu in the second quarter of 2007, due to higher North American gas costs. The U.S. benchmark (NYMEX) natural gas price for the second quarter of 2008 was \$10.80/MMBtu versus \$7.56/MMBtu in the same quarter last year. The AECO (Alberta) basis differential averaged \$1.58/MMBtu lower than NYMEX for the second quarter of 2008.

Phosphate gross profit was an all-time record of \$96-million, almost triple last year's levels. Realized sales prices were over 80 percent higher than last year, which more than offset an increase in cost of product sold and a slight decrease in sales volumes. Phosphate sales volumes were down versus the same period last year due to a planned turnaround at Conda. Cost of product sold increased by about \$139 per tonne over the same quarter in 2007, with \$31 per tonne of the increase due to the addition of depreciation expenses this quarter in addition to significantly higher sulphur costs. Cost of product per tonne increased approximately 11 percent over the first quarter of 2008, while the benchmark Tampa Florida sulphur prices increased 79 percent over the same period. Gross margins for phosphate reached \$323 per tonne, more than triple the same period last year.

Potash gross profit more than tripled to a record \$184-million, \$133-million higher than the second quarter of 2007. The year-over-year increase in gross profit was due to a combination of average realized prices more than doubling last year's levels and a seven percent increase in sales volumes. Our cost of product sold was \$22 per tonne higher than the same period last year, with most of this increase due to the \$9 per tonne depreciation expense included in the cost of goods sold and higher maintenance costs.

Wholesale's operating expenses decreased by \$110-million in the second quarter of 2008 versus the second quarter of 2007. The decrease was primarily due to an increase in net gains on non-qualifying derivatives of \$142-million, including realized and unrealized gains on our energy hedging program and our 60 percent interest in derivative instruments associated with the Egypt Nitrogen Project. This is partially offset by an increase in royalties and other taxes of \$44-million driven by increased potash margins, and increased stock-based compensation expense of \$19-million.

Advanced Technologies

Advanced Technologies' second quarter 2008 sales were \$107-million compared to \$81-million in the second quarter of 2007. Gross profit was \$20-million in the second quarter of 2007, or \$2-million higher than the second quarter of 2007. EBIT was \$11-million versus \$7-million for the comparative period. These increases were primarily due to higher ESN sales volumes which are up 67 percent quarter-over-quarter and on a year-to-date basis.

Other

EBIT for our Other non-operating business segment for the second quarter of 2008 was a loss of \$95-million compared to a loss of \$18-million for the second quarter of 2007. The increase in the EBIT loss of \$77-million quarter-over-quarter is mainly due an increase in stock-based compensation expense of \$84-million driven by our increased stock price at June 30, 2008 in comparison to March 31, 2008.

FINANCIAL POSITION AND LIQUIDITY

Cash used in operating activities was \$317-million in the second quarter of 2008, of which \$1,184-million was an increase in operating non-cash working capital over the first quarter of 2008. Agrium's second quarter working capital position is not directly comparable to the previous quarter as a result of growth in the Retail business unit and the working capital associated with the newly acquired UAP business. The operating non-cash working capital

change does not include the effect of opening non-cash working capital of \$623-million acquired in the UAP acquisition. Excluding the effect of this opening working capital, our inventory levels decreased and our accounts receivable increased from the prior quarter due to significantly increased sales and selling prices in the period. We paid down our trade accounts payable balance, and also reduced seasonally-driven prepaid sales liabilities in Retail and Wholesale in comparison to the first quarter.

Cash used in investing activities was \$2,849-million for the second quarter of 2008. The acquisition of UAP resulted in a net cash outlay of \$2,741-million. In addition, \$115-million was spent on capital expenditures in the quarter.

Cash provided by financing activities was \$1,582-million during the quarter. This consisted of an issuance of long term debt, comprised mainly of UAP financing credit facilities of \$1,024-million and an increase in bank indebtedness of \$542-million used to finance the UAP acquisition and the associated increase in working capital. We continue to not utilize our accounts receivable securitization facility.

In comparison to the second quarter of 2007, our consolidated non-cash working capital has increased by \$1,630-million. UAP contributed \$1,169-million of the increase, including \$1,311-million in accounts receivable, \$967-million in inventory and \$1,163-million in accounts payable. The remainder of the growth in non-cash working capital is primarily driven by the increase in selling prices year-over-year.

Business Acquisition

On May 5, 2008, Agrium acquired 100 percent of the outstanding shares of UAP Holding Corp., a large distributor of a full range of crop protection products, nutrients, seed and services to growers across North America. Results of operations of the acquired business have been included in the consolidated financial statements from the date of acquisition, in the Retail business unit. The preliminary allocation of fair value to assets acquired and liabilities assumed will change as additional information regarding fair values becomes available.

On completion of the acquisition, we repaid UAP's long-term debt of \$396-million, short-term debt of \$246-million and current liabilities of \$28-million. The acquisition was financed from cash on hand, proceeds from an offering of common shares in December 2007, drawings on existing revolving credit facilities, and bank loans.

Bank loans drawn to fund the acquisition totaled \$1,015-million, are unsecured and are repayable \$55-million on May 5, 2009, \$500-million on November 5, 2009, and \$460-million on May 5, 2013.

Egypt Nitrogen Project

During the quarter, the Egyptian government halted construction of the Egypt nitrogen project and the Egyptian People's Assembly voted to recommend the relocation of the project to an unnamed location. Our activities in Egypt are carried out by a subsidiary, known as EAgrium. The options proposed by the Government include a merger of EAgrium with an existing fertilizer company, relocation and/or a buy-out of EAgrium's shareholders. We are currently discussing these options with the Egyptian government. To date, discussions have not resulted in an agreement and the net impact of this matter on our financial results cannot be reasonably

determined. EAgrium's obligations with respect to the Egypt nitrogen project are on a non-recourse basis to Agrium. Accordingly Agrium's maximum exposure to EAgrium, net of non-controlling interests, is not expected to exceed approximately \$280-million plus cumulative realized and unrealized net hedging gains of \$45-million.

Forward contracts and interest rate swap contracts related to construction and financing of the project no longer qualify for hedge accounting given the decision by the Egyptian Government to halt construction of the Egypt nitrogen project. As a result, cumulative realized and unrealized net hedging gains of \$75-million have been recognized in earnings of which \$30-million have been credited to non-controlling interest.

During July, 2008, EAgrium repaid all but \$8-million of outstanding project-related non-recourse long-term debt. Repayment of the remaining debt is anticipated in the third quarter of 2008.

International Accounting Standards

International Financial Reporting Standards - The CICA's Accounting Standards Board has published its strategic plan for convergence of Canadian generally accepted accounting standards with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The changeover date for Canadian publicly accountable enterprises is January 1, 2011 and will require restatement of comparative figures. We are currently completing an analysis of the impact of the transition from Canadian GAAP to IFRS on our consolidated financial statements. Upon completion we will develop our IFRS changeover plan, which will include project structure and governance, resource planning and training, and a phased plan to assess accounting policies under IFRS.

SELECTED QUARTERLY INFORMATION

(Unaudited, in millions of U.S. dollars, except per share information)

	2008		2007				2006		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	\$3,870	\$1,107	1,426	989	2,034	821	899	821	1,816
Gross profit	1,261	392	533	305	572	188	231	196	397
Net earnings (loss)	636	195	172	51	229	(11)	(62)	1	142
Earnings (loss) per share									
-basic	\$4.03	\$1.24	1.25	0.38	1.71	(0.08)	(0.47)	0.01	1.08
-diluted	\$4.00	\$1.23	1.24	0.38	1.70	(0.08)	(0.47)	0.01	1.06

The agricultural product business is seasonal in nature. Consequently, quarter-to-quarter results are not directly comparable. For purposes of comparison, fertilizer sales volumes are best measured on a half-year basis, corresponding to the post-harvest application and the spring planting application seasons.

NON-GAAP MEASURES

In the discussion of our performance for the quarter, in addition to the primary measures of earnings and earnings per share, we make reference to EBITDA (earnings before interest expense, income taxes, depreciation, amortization and asset impairment). We consider EBITDA

to be a useful measure of performance because income tax jurisdictions and business segments are not synonymous and we believe that allocation of income tax charges distorts the comparability of historical performance for the different business segments. Similarly, financing and related interest charges cannot be allocated to all business segments on a basis that is meaningful for comparison with other companies.

EBITDA is not a recognized measure under GAAP, and our method of calculation may not be comparable to other companies. Similarly, EBITDA should not be used as an alternative to cash provided by (used in) operating activities as determined in accordance with GAAP.

OUTLOOK, KEY RISKS AND UNCERTAINTIES

Grain and oilseed prices have been volatile over the past few months given the weather challenges in the U.S. this spring and the tight global grain markets. Grain prices have pulled back from highs reached earlier this spring but major crop prices remain two to three times historic levels. Given that global and U.S. grain inventories remain very tight, grain prices will continue to reflect growing conditions and yield potential for both U.S. and global crop production. The United States Department of Agriculture (USDA) June World Agricultural Supply and Demand Estimates (WASDE) projected global grain and oilseed stocks-to-use ratios would decline to thirty-five year lows in 2008/09. The USDA forecasts U.S. corn production will be down about ten percent this year and that domestic use and exports are projected to exceed production by 780 million bushels, resulting in ending stocks dropping by 48 percent to 833 million bushels. Soybean supplies are also forecast to remain relatively tight in 2008/09. Though the 2008/09 crop is a few months from being harvested, the stage is set for intense competition for seeded area among major crops in 2009. Globally, Argentine farmers received good news recently as the Senate rejected the proposed increase in the export tax on soybeans.

Market developments in the global nitrogen market have been very positive over the past four months, with U.S. urea prices having more than doubled since the start of the second quarter and trading at record levels. North American natural gas prices rose significantly in the second quarter and were \$13.35/MMBtu as of June 30, 2008, but have subsequently declined. We have locked in approximately 75 percent of our natural gas requirements for the second half of 2008. U.S. urea inventories at the end of June were reported by The Fertilizer Institute (TFI) to be 20 percent lower than in June 2007. The tightness in U.S. nitrogen supplies has been caused in part by reduced imports. Strong demand from India and other regions of the world, combined with the export tariff on urea exports from China, has resulted in a very tight global market. The export tariff is expected to continue at least through the end of the third quarter and may be extended into next year. A risk to the nitrogen market, and other nutrient markets, continues to be uncertainty around the size and duration of the Chinese export tariff and/or the size of the future import requirements by India.

Global and North American potash prices have also continued to rise, as production has not been able to keep pace with escalating demand. North American potash inventories have tightened significantly over the past couple of months and were reported by TFI to be 30 percent lower at the end of June than for the same period in 2007, and 41 percent below the five-year average. Import demand has been strong to date; for example, Brazil's imports were up over 12 percent from 2007 through May at 2.4 million tonnes. An uncertainty in the potash market is how global

potash users will respond to the unprecedented high level of global prices, although in most regions of the world the focus is expected to continue to be on optimizing crop yields. There is also a risk that potash markets could tighten further if an extended strike were to occur at certain non-Agrium Saskatchewan potash mines.

Global phosphate prices remained strong in the second quarter, following the 80 percent increase in prices experienced in the first quarter of 2008. Indian import demand has been important to world markets as India accounted for a large majority of U.S. DAP exports in June. Industry analysts believe there may be pent-up demand elsewhere that will need to be filled going forward, particularly from Latin America. U.S. phosphate inventories have fallen 19 percent in the past two months and are 18 percent below the five-year average, due to strong export demand. Fall demand is expected to be robust for phosphates, notably in South America where some planting of summer crops will begin in Argentina in a couple months. There is a potential for reduced application rates in North America, which may be offset by an expected increase in corn acreage. There is also a risk that any short-term slow down in India's import demand may not be matched by an increase in other destinations.

Forward-Looking Statements

Certain statements in this press release constitute forward-looking statements. Such forward-looking statements involve known and unknown risks and uncertainties, including those referred to in the management discussion and analysis section of the Corporation's most recent annual report to shareholders, which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. A number of factors could cause actual results to differ materially from those in the forward-looking statements, including, but not limited to, weather conditions, crop prices, the future supply, demand and price level for our major products, future gas prices and gas availability in key markets, future operating rates and production costs at Agrium's facilities, the exchange and tax rates for U.S., Canada, Argentina, and Egypt, the rate of inflation in Western Canada in particular and in other regions in which we operate facilities, domestic fertilizer consumption and any changes in government policy in key agriculture markets, including the application of price controls and tariffs on fertilizers and the availability of subsidies or changes in their amounts, the potential inability to integrate and obtain anticipated synergies for recent or new business acquisitions as planned or within the time predicted, including the timely integration of the UAP acquisition, as well as risks the success and timing of negotiations of any possible recovery of Agrium's losses and any possible litigation under the project agreements and possible non-compliance with international investment treaties, changes in development plans, capital construction costs, construction progress, and potential delays in building the Egyptian facility and related infrastructure, availability of equipment and labor, performance of other parties, political risks, including civil unrest, actions by armed groups or conflict, general economic, market and business condition, Egyptian governmental and regulatory requirements and actions by governmental authorities, including changes in government policy, changes in environmental, tax and other laws or regulations and the interpretation thereof. Agrium disclaims any intention or obligation to update or revise any forward-looking information as a result of new information or future events.

OTHER

Agrium Inc. is a major Retail supplier of agricultural products and services in North and South America, a leading global Wholesale producer and marketer of all three major agricultural nutrients and the premier supplier of specialty fertilizers in North America through our Advanced Technologies business unit. Agrium's strategy is to grow across the value chain through acquisition, incremental expansion of its existing operations and through the development, commercialization and marketing of new products and international opportunities. Our strategy places particular emphasis on growth opportunities that both increase and stabilize our earnings profile in the continuing transformation of Agrium.

A WEBSITE SIMULCAST of the 2008 2nd Quarter Conference Call will be available in a listen-only mode beginning Wednesday, August 6th at 9:30 a.m. MT (11:30 a.m. ET). Please visit the following website: www.agrium.com

FOR FURTHER INFORMATION:

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AGRIUM INC.
Consolidated Statements of Operations
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Sales	\$ 3,942	\$ 2,095	\$ 5,103	\$ 2,956
Direct freight	72	61	126	101
Net sales	3,870	2,034	4,977	2,855
Cost of product	2,609	1,462	3,324	2,095
Gross profit	1,261	572	1,653	760
Expenses				
Selling	220	125	323	225
General and administrative	53	34	86	56
Depreciation and amortization	26	42	39	84
Royalties and other taxes	55	10	76	19
Other (income) expenses (note 4)	(65)	(2)	(148)	13
Earnings before interest expense and income taxes	972	363	1,277	363
Interest on long-term debt	17	13	28	26
Other interest	8	4	10	7
Earnings before income taxes	947	346	1,239	330
Current income taxes	150	64	224	60
Future income taxes	161	53	184	52
Income taxes	311	117	408	112
Net earnings	\$ 636	\$ 229	\$ 831	\$ 218
Earnings per share (note 6)				
Basic	\$ 4.03	\$ 1.71	\$ 5.27	\$ 1.63
Diluted	\$ 4.00	\$ 1.70	\$ 5.24	\$ 1.63

See accompanying notes

AGRIUM INC.
Consolidated Statements of Cash Flows
(Millions of U.S. dollars)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Operating				
Net earnings	\$ 636	\$ 229	\$ 831	\$ 218
Items not affecting cash				
Depreciation and amortization	63	42	99	84
Gain on disposal of assets	(9)	-	(9)	-
Future income taxes	161	53	184	52
Stock-based compensation	115	12	109	40
Unrealized gains on derivative contracts	(119)	(3)	(182)	(1)
Unrealized foreign exchange gain	(9)	(25)	(5)	(24)
Other	29	2	47	(1)
Net change in non-cash working capital	(1,184)	(239)	(1,001)	(132)
Cash (used in) provided by operating activities	(317)	71	73	236
Investing				
Acquisition, net of cash acquired	(2,741)	-	(2,741)	-
Capital expenditures	(115)	(158)	(196)	(184)
Investment in equity affiliate	-	(63)	-	(63)
Proceeds from disposal of assets	14	(1)	21	(1)
Other	(7)	(42)	(73)	(43)
Cash used in investing activities	(2,849)	(264)	(2,989)	(291)
Financing				
Common shares issued	1	-	3	8
Bank indebtedness	542	126	456	(77)
Long-term debt issued	1,024	-	1,120	-
Transaction costs on long-term debt	(4)	-	(6)	-
Common share dividends paid	-	-	(9)	(7)
Issue of common shares by subsidiary to non-controlling interest	20	77	20	77
Other	(1)	-	1	-
Cash provided by financing activities	1,582	203	1,585	1
(Decrease) increase in cash and cash equivalents	(1,584)	10	(1,331)	(54)
Cash and cash equivalents – beginning of period	1,762	45	1,509	109
Cash and cash equivalents – end of period	\$ 178	\$ 55	\$ 178	\$ 55

See accompanying notes

AGRIUM INC.
Consolidated Balance Sheets
(Millions of U.S. dollars)
(Unaudited)

	As at June 30,		As at December 31,
	2008	2007	2007
ASSETS			
Current assets			
Cash and cash equivalents	\$ 178	\$ 55	\$ 1,509
Accounts receivable (note 7)	2,556	811	821
Inventories (note 8)	2,222	716	961
Prepaid expenses and deposits	297	215	297
	<u>5,253</u>	<u>1,797</u>	<u>3,588</u>
Property, plant and equipment	2,029	1,381	1,772
Intangibles	716	73	73
Goodwill	1,665	180	178
Other assets	276	174	221
Future income tax assets	-	10	-
	<u>\$ 9,939</u>	<u>\$ 3,615</u>	<u>\$ 5,832</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Bank indebtedness	\$ 622	\$ 150	\$ 166
Accounts payable and accrued liabilities	2,451	748	1,100
Current portion of long-term debt			
Recourse	56	1	1
Non-recourse	223	-	-
	<u>279</u>	<u>1</u>	<u>1</u>
	<u>3,352</u>	<u>899</u>	<u>1,267</u>
Long-term debt			
Recourse	1,621	664	664
Non-recourse	-	-	119
	<u>1,621</u>	<u>664</u>	<u>783</u>
Other liabilities	343	288	358
Future income tax liabilities	603	188	237
Non-controlling interests	143	81	99
	<u>6,062</u>	<u>2,120</u>	<u>2,744</u>
Shareholders' equity	3,877	1,495	3,088
	<u>\$ 9,939</u>	<u>\$ 3,615</u>	<u>\$ 5,832</u>

See accompanying notes

AGRIUM INC.

Consolidated Statements of Comprehensive Income and Shareholders' Equity

(Millions of U.S. dollars, except share data)

(Unaudited)

	Millions of common shares	Common share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income	Total shareholders' equity
December 31, 2007	158	\$ 1,972	\$ 8	\$ 1,024	\$ 84	\$ 3,088
Transition adjustment for inventory standard (net of tax) (note 1)				4		4
January 1, 2008	158	1,972	8	1,028	84	3,092
Net earnings				831		831
Unrealized gains on cash flow hedges (a)					9	9
Realized gains on cash flow hedges					(1)	(1)
Reclassification of unrealized gains on cash flow hedges (b)					(19)	(19)
Foreign currency translation adjustments					(30)	(30)
Comprehensive income						790
Common share dividends				(9)		(9)
Stock compensation exercise and grants	-	3	1			4
June 30, 2008	158	\$ 1,975	\$ 9	\$ 1,850	\$ 43	\$ 3,877
December 31, 2006	133	\$ 617	\$ 5	\$ 602	\$ 9	\$ 1,233
Transition adjustments for net deferred gains on cash flow hedges (net of tax)				(3)	5	2
January 1, 2007	133	617	5	599	14	1,235
Net earnings				218		218
Unrealized gains on cash flow hedges (c)					5	5
Unrealized losses on available for sale assets					(1)	(1)
Foreign currency translation adjustments					36	36
Comprehensive income						258
Common share dividends				(7)		(7)
Stock compensation exercise and grants	1	9	-			9
June 30, 2007	134	\$ 626	\$ 5	\$ 810	\$ 54	\$ 1,495

Notes to accumulated other comprehensive income:

(a) Net of non-controlling interest of \$6-million.

(b) Reclassification of amounts to net earnings (net of non-controlling interest of \$13-million) relating to the Egypt nitrogen project.

(c) Net of tax of \$2-million.

See accompanying notes

AGRIUM INC.
Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

The Corporation's accounting policies are in accordance with accounting principles generally accepted in Canada and are consistent with those outlined in the annual audited financial statements except where stated below. These interim consolidated financial statements do not include all disclosures normally provided in annual financial statements and should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2007. In management's opinion, the interim consolidated financial statements include all adjustments necessary to present fairly such information.

Certain comparative figures have been reclassified to conform to the current year's presentation.

Significant accounting standard and policy changes

Description	Date and method of adoption	Impact on adoption
<i>Financial Instruments – Disclosures</i> requires enhanced disclosures of the significance of financial instruments on financial position and performance, and the nature and extent of financial instrument risk exposure and risk management strategy.	January 1, 2008; prospective	Additional disclosure provided
<i>Capital Disclosures</i> requires disclosure of objectives, policies and processes for managing capital and quantitative data about capital.	January 1, 2008; prospective	Additional disclosure provided
<i>Inventories</i> provides enhanced guidance for the measurement, costing, and disclosures of inventories. Specifically, the standard states that inventories be measured at the lower of cost and net realizable value, permits write-ups of subsequent increases in net realizable value of previously impaired inventories, and prohibits the use of the LIFO costing method. On adoption, and in accordance with the transitional provisions of the standard, the Corporation reclassified depreciation related to production facilities and equipment to be included in the cost of inventory.	January 1, 2008; prospective	No material impact on earnings or financial position
<i>Pension and Postretirement Benefits – Measurement Date</i> – The Corporation voluntarily changed the measurement date of its defined benefit pension and postretirement benefit plans from September 30 to December 31.	January 1, 2008; retrospective	No material impact on earnings or financial position

Recent accounting pronouncements not yet adopted

Description	Date and method of adoption	Impact on adoption
<i>Goodwill and Intangible Assets</i> establishes guidance for the recognition, measurement, presentation and disclosure of goodwill and intangible assets, including guidance on pre-production and start-up costs, requiring that these costs be expensed as incurred. The current goodwill standards are carried forward unchanged.	January 1, 2009; prospective	Currently being reviewed
<i>International Financial Reporting Standards (IFRS)</i> – the CICA's Accounting Standards Board has published its strategic plan for convergence of Canadian generally accepted accounting standards with IFRS as issued by the International Accounting Standards Board. The changeover date for Canadian publicly accountable enterprises is January 1, 2011 and will require restatement of comparative figures.	January 1, 2011; in accordance with IFRS 1	Currently being reviewed

AGRIUM INC.
Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

2. BUSINESS ACQUISITION

On May 5, 2008, the Corporation acquired 100% of the outstanding shares of UAP Holding Corp., a distributor of a full range of crop protection products, nutrients, seed and services to growers across North America. Results of operations of the acquired business from the date of acquisition have been included in the Corporation's consolidated financial statements and are reflected in the Retail business unit.

The following are estimated fair values of assets acquired and liabilities assumed. This preliminary allocation of fair value may change when the Corporation completes its evaluation of fair value information.

Current assets	\$ 2,288
Property, plant and equipment	164
Intangibles	652
Goodwill	1,490
Current liabilities	(1,578)
Other liabilities	(34)
Short-term debt	(246)
Long-term debt	(396)
Future income tax liabilities	(182)
	<u>2,158</u>
Amounts repaid on closing	
Other liabilities	28
Short-term debt	246
Long-term debt	396
	<u>670</u>
Cash	(87)
	<u>\$ 2,741</u>
Consideration and acquisition costs	
Cash	\$ 190
Bank indebtedness	199
Bank loans	1,015
Cash proceeds from share offering in December 2007, net of issue costs	1,322
Transaction costs	15
	<u>\$ 2,741</u>

Bank loans are unsecured and bear interest at LIBOR plus a margin (at June 30, 2008, 3.05 percent per annum) and are repayable \$55-million on May 5, 2009, \$500-million on November 5, 2009, and \$460-million on May 5, 2013.

Goodwill is attributed to the strategic and financial benefits expected to be realized, including the increased post-acquisition scale of operations, purchasing and distribution capability, and the assembled workforce. Goodwill is assigned to the Retail business unit and is not deductible for income tax purposes.

AGRIUM INC.

Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

3. EGYPT NITROGEN PROJECT

During the quarter, the Egyptian government halted construction of the Egypt nitrogen project and the Egyptian People's Assembly voted to recommend the relocation of the project to an unnamed location. The Corporation's activities in Egypt are carried out by a subsidiary known as EAgrium. The options proposed by the Egyptian government include a merger of EAgrium with an existing fertilizer company, relocation and/or a buy-out of EAgrium's shareholders. The Corporation is currently discussing these options with the Egyptian government. To date, discussions have not resulted in an agreement and the net impact of this matter on the Corporation's financial results cannot be reasonably determined. EAgrium's obligations with respect to the Egypt nitrogen project are on a non-recourse basis to the Corporation. Accordingly the Corporation's maximum exposure to EAgrium, net of non-controlling interests, is not expected to exceed approximately \$280-million plus cumulative realized and unrealized net hedging gains of \$45-million.

Forward contracts and interest rate swap contracts related to construction and financing of the project no longer qualify for hedge accounting given the decision by the Egyptian government to halt construction of the Egypt nitrogen project. As a result, cumulative realized and unrealized net hedging gains of \$75-million have been recognized in earnings of which \$30-million have been credited to non-controlling interest.

During July, 2008, EAgrium repaid all but \$8-million of outstanding project-related non-recourse long-term debt. Repayment of the remaining debt is anticipated in the third quarter of 2008.

4. OTHER (INCOME) EXPENSES

	Three months ended		Six months ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Interest income	\$ (11)	\$ (6)	\$ (31)	\$ (11)
Stock-based compensation	115	12	109	40
Environmental remediation and accretion of asset retirement obligation	6	1	7	(8)
Net realized and unrealized gain on non- qualifying derivatives	(191)	(3)	(258)	(2)
Foreign exchange gain	(11)	(17)	(11)	(18)
Provision for doubtful accounts	9	4	10	6
Other	18	7	26	6
	<u>\$ (65)</u>	<u>\$ (2)</u>	<u>\$ (148)</u>	<u>\$ 13</u>

AGRIUM INC.
Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

5. EMPLOYEE FUTURE BENEFITS

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Pension plans				
Defined benefit				
Service cost	\$ 1	\$ 2	\$ 2	\$ 4
Interest cost	2	3	5	5
Expected return on plan assets	(3)	(3)	(6)	(5)
Amortization of actuarial losses	1	1	1	1
	<u>1</u>	<u>3</u>	<u>2</u>	<u>5</u>
Defined contribution	7	3	17	9
	<u>8</u>	<u>6</u>	<u>19</u>	<u>14</u>
Post-retirement benefit plans				
Service cost	1	1	2	2
Interest cost	2	1	3	2
Amortization of actuarial losses	-	-	-	1
	<u>3</u>	<u>2</u>	<u>5</u>	<u>5</u>
	<u>\$ 11</u>	<u>\$ 8</u>	<u>\$ 24</u>	<u>\$ 19</u>

6. EARNINGS PER SHARE

The following table summarizes the computation of net earnings per share:

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Numerator				
Net earnings	\$ 636	\$ 229	\$ 831	\$ 218
Denominator				
Weighted average number of shares outstanding for basic earnings per share	158	134	158	133
Dilutive instruments ^(a)				
Stock options	1	1	1	1
Weighted average number of shares outstanding for diluted earnings per share	<u>159</u>	<u>135</u>	<u>159</u>	<u>134</u>
Basic earnings per share	\$ 4.03	\$ 1.71	\$ 5.27	\$ 1.63
Diluted earnings per share	\$ 4.00	\$ 1.70	\$ 5.24	\$ 1.63

(a) For diluted earnings per share, conversion or exercise is assumed only if the effect is dilutive to earnings per share.

As at June 30, 2008, the Corporation has outstanding approximately three million (June 30, 2007 – four million) options and options with tandem stock appreciation rights to acquire common shares.

7. ACCOUNTS RECEIVABLE

At June 30, 2008, the Corporation had sold nil (June 30, 2007 – \$184-million; December 31, 2007 – nil) under its accounts receivable securitization facility.

AGRIUM INC.

Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
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(Unaudited)

8. INVENTORIES

	June 30,		December 31,
	2008	2007	2007
Raw materials	\$ 180	\$ 140	\$ 160
Finished goods	175	154	147
Product for resale	1,867	422	654
	<u>\$ 2,222</u>	<u>\$ 716</u>	<u>\$ 961</u>

9. FINANCIAL INSTRUMENTS

Risk management

The Corporation manages the risks associated with natural gas, power, fuel, interest rates and foreign exchange in accordance with its Exposure Management Policy. The objective of the policy is to reduce volatility in cash flow and earnings. The Board of Directors sets upper limits on the transactional exposure to be managed and the time periods over which exposures may be managed. The Board of Directors monitors compliance with risk management policies and reviews risk management policies and procedures on an annual basis.

The Corporation has exposure to the following risks associated with its financial instruments. Sensitivity analysis to the specified risks is provided where the effect on net earnings or shareholders equity could be material. Sensitivity analysis is performed by relating the reasonably possible changes in the risk variables at June 30, 2008 to financial instruments outstanding on that date.

Market risk

(a) Currency risk

The Corporation operates internationally and is exposed to foreign exchange risk as certain revenues and expenditures are denominated in non-U.S. dollar currencies. The exposure is predominantly to the Canadian dollar (CAD), the Euro (EUR), and the Argentine Peso (ARP). The Corporation purchases foreign currency forward contracts to fix the exchange rates relating to the purchase or construction of certain capital assets denominated in foreign currencies. U.S. dollar denominated balances in Canadian operations generate foreign exchange gains and losses that are reported in net earnings. The U.S. dollar denominated balances in Canadian operations is \$489-million. A strengthening of \$0.01 in the U.S. dollar against the Canadian dollar would have increased net earnings by \$3-million.

Balances in non-U.S. dollar currencies are as follows:

	Canadian dollars
Cash and cash equivalents	\$ 16
Accounts receivable	180
Accounts payable and accrued liabilities	(309)
	<u>\$ (113)</u>

AGRIUM INC.

Summarized Notes to the Consolidated Financial Statements

For the six months ended June 30, 2008

(Millions of U.S. dollars, except per share amounts)

(Unaudited)

A strengthening of \$0.01 of the Canadian dollar against the U.S. dollar would have decreased Other comprehensive income by \$1-million. This analysis assumes that all other variables remain constant. A \$0.01 weakening of the Canadian dollar would have an equal but opposite effect.

(b) Natural gas and power price risk

The Corporation enters into natural gas and power options and swaps to manage exposure to changes in cash flows related to fluctuations in market prices. The Board of Directors authorizes upper limits on the percentage of annual requirements, and the number of years over which exposure may be managed using derivative financial instruments.

An increase of \$0.10 per mmBTU would have increased net earnings by \$3-million. This analysis assumes that all other variables, in particular interest rates, remain constant. A \$0.10 decrease per mmBTU would have an equal but opposite effect.

(c) Interest rate risk

The Corporation manages interest rate risk by having a combination of fixed and floating instruments and by entering into interest rate swaps. The Board of Directors authorizes upper limits on the amount of debt or investment that may be hedged. The Corporation's exposure to floating rate risk is generally limited to short-term debt and certain cash and cash equivalents. Fixed rate risk is generally limited to the Corporation's long-term debt.

The Corporation's cash and cash equivalents include highly liquid investments that earn interest at market rates. The Corporation manages its interest rate risk on these investments by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash and cash equivalents do not have a significant impact on the Corporation's results of operations due to the short term to maturity of the investments.

The effect of a one basis point increase or decrease on the interest rate swaps, net of non-controlling interests, to net earnings is not material.

Credit risk

The Corporation manages credit risk using credit approval and monitoring practices. The Wholesale business unit sells mainly to large agribusinesses representing a small number of customers. Letters of credit and credit insurance are used to mitigate risk where appropriate. The Retail business unit sells to a large customer base dispersed over wide geographic areas in the United States, Argentina and Chile. The Advanced Technologies business unit mitigates counterparty credit risk by selling to a diversified customer base including large suppliers in the North American professional turf application market. The above noted policies and geographic and industry diversity mitigates credit risk. There were no significant uncollectible trade receivable balances at June 30, 2008.

AGRIUM INC.

Summarized Notes to the Consolidated Financial Statements

For the six months ended June 30, 2008

(Millions of U.S. dollars, except per share amounts)

(Unaudited)

The Corporation manages counterparty credit risk with policies requiring that counterparties to short-term investments and derivative contracts have an investment grade or higher credit rating. Policies also limit the investing of excess funds to liquid instruments with a maximum term of one year and limit the maximum exposure to any one counterparty. The Corporation may be exposed to certain losses in the event that counterparties to derivative contracts are unable to meet their contractual obligations. The Corporation anticipates that all counterparties will meet their obligations under derivative contracts.

The following table illustrates the Corporation's maximum credit exposure based on derivative contracts in an asset position:

	June 30,		December 31,
	2008	2007	2007
Forward foreign exchange contracts	81	3	47
Forward natural gas and power contracts	144	27	21
	<u>225</u>	<u>30</u>	<u>68</u>

Liquidity risk

The Corporation manages its liquidity risk by preparing and monitoring detailed forecasts of cash flows from operations and anticipated investing and financing activities and through maintenance of its credit facilities.

The Corporation's bank indebtedness and accounts payable and accrued liabilities generally have contractual maturities of six months or less.

Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. Independent quoted market prices in active markets, if they exist, are the best evidence of fair value. In the absence of an active market, the Corporation estimates fair value using valuation techniques such as option pricing models and discounted cash flow analysis, making maximum use of market-based inputs including gas and power prices, interest rates, and foreign exchange rates, and makes assumptions about the amount and timing of estimated future cash flows. Fair value estimates are made at a point in time and may not be reflective of future fair values.

The fair values of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable approximate carrying value due to their short-term nature. The fair value of floating-rate loans approximates their carrying value.

The fair value of derivative instruments is recorded as the estimated amount that the Corporation would receive (pay) to terminate the contracts. Fair values are determined based on quoted market prices available from active markets or are otherwise determined using a variety of valuation techniques and models.

AGRIUM INC.
Summarized Notes to the Consolidated Financial Statements
For the six months ended June 30, 2008
(Millions of U.S. dollars, except per share amounts)
(Unaudited)

With the exception of long-term debt, the fair value of the Corporation's financial assets and liabilities correspond to their carrying values. The fair value of the Corporation's financial assets and liabilities are as follows:

	<u>June 30,</u>		<u>December 31,</u>
	<u>2008</u>	<u>2007</u>	<u>2007</u>
Forward foreign exchange contracts			
Assets	81	3	47
Liabilities	(20)	-	-
Interest rate contracts			
Liabilities	(25)	-	(30)
Forward natural gas and power contracts			
Assets	144	27	21
Liabilities	(6)	(15)	(13)
Long term debt ^(a)	(1,964)	(703)	(854)

(a) The carrying value of long-term debt at June 30, 2008 was \$1,921-million (June 30, 2007 – \$669-million; December 31, 2007 – \$801-million).

10. CAPITAL MANAGEMENT

The Corporation's primary objectives when managing capital are to provide for (a) an appropriate rate of return to shareholders in relation to the risks underlying the Corporation's assets, and (b) a prudent capital structure for raising capital at a reasonable cost for the funding of ongoing operations, capital expenditures, and new growth initiatives.

The Corporation manages capital by monitoring various ratios, including a ratio of debt to debt-plus-capital, where debt includes bank indebtedness and long-term debt, including the current portion, and capital includes shareholders' equity net of amounts in Accumulated Other Comprehensive Income relating to hedging activities, plus non-controlling interests. The Corporation monitors various versions of this ratio and adjusts the components of debt and capital to include or exclude the carrying value or fair value of other financial statement components, depending on the purpose of the ratio.

11. SEASONALITY

The agricultural products business is seasonal in nature. Sales are concentrated in the spring and fall planting seasons, while produced inventories are accumulated throughout the year. Cash collections generally occur after the planting seasons in North and South America.

AGRIUM INC.
Segmentation
(Unaudited – millions of U.S. dollars)

Schedule 1

	Three Months Ended June 30									
	Wholesale		Retail		Advanced Technologies		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Sales – external	\$ 1,279	\$ 819	\$ 2,504	\$ 1,147	\$ 87	\$ 68	\$ -	\$ -	\$ 3,870	\$ 2,034
– inter-segment	118	71	2	-	20	13	(140)	(84)	-	-
Total net sales	1,397	890	2,506	1,147	107	81	(140)	(84)	3,870	2,034
Cost of product	815	613	1,839	869	87	63	(132)	(83)	2,609	1,462
Gross profit	\$ 582	\$ 277	\$ 667	\$ 278	\$ 20	\$ 18	\$ (8)	\$ (1)	\$ 1,261	\$ 572
Gross profit (%)	42	31	27	24	19	22			33	28
Selling expenses	\$ 8	\$ 6	\$ 212	\$ 119	\$ 2	\$ 2	\$ (2)	\$ (2)	\$ 220	\$ 125
EBITDA ⁽¹⁾	\$ 682	\$ 261	\$ 431	\$ 150	\$ 15	\$ 10	\$ (93)	\$ (16)	\$ 1,035	\$ 405
EBIT ⁽²⁾	\$ 647	\$ 232	\$ 409	\$ 142	\$ 11	\$ 7	\$ (95)	\$ (18)	\$ 972	\$ 363

	Six Months Ended June 30									
	Wholesale		Retail		Advanced Technologies		Other		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Net Sales – external	\$ 1,925	\$ 1,257	\$ 2,897	\$ 1,484	\$ 155	\$ 114	\$ -	\$ -	\$ 4,977	\$ 2,855
– inter-segment	180	117	3	-	31	19	(214)	(136)	-	-
Total net sales	2,105	1,374	2,900	1,484	186	133	(214)	(136)	4,977	2,855
Cost of product	1,250	1,001	2,118	1,121	149	104	(193)	(131)	3,324	2,095
Gross profit	\$ 855	\$ 373	\$ 782	\$ 363	\$ 37	\$ 29	\$ (21)	\$ (5)	\$ 1,653	\$ 760
Gross profit (%)	41	27	27	24	20	22			33	27
Selling expenses	\$ 13	\$ 13	\$ 311	\$ 212	\$ 3	\$ 4	\$ (4)	\$ (4)	\$ 323	\$ 225
EBITDA ⁽¹⁾	\$ 1,017	\$ 353	\$ 444	\$ 137	\$ 25	\$ 18	\$ (110)	\$ (61)	\$ 1,376	\$ 447
EBIT ⁽²⁾	\$ 960	\$ 294	\$ 413	\$ 121	\$ 17	\$ 12	\$ (113)	\$ (64)	\$ 1,277	\$ 363

(1) Earnings (loss) before interest expense, income taxes, depreciation, amortization and asset impairment.

(2) Earnings (loss) before interest expense and income taxes.

AGRIUM INC.
Product Lines
Three Months Ended June 30, 2008
(Unaudited – millions of U.S. dollars)

Schedule 2a

	2008							2007						
	Net Sales	Cost of Product	Gross Profit	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Cost of Product (\$/Tonne)	Margin (\$/Tonne)	Net Sales	Cost of Product	Gross Profit	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Cost of Product (\$/Tonne)	Margin (\$/Tonne)
Wholesale														
Nitrogen ⁽¹⁾	\$ 635	\$ 389	\$ 246	1,254	\$ 506	\$ 310	\$ 196	\$ 488	\$ 324	\$ 164	1,395	\$ 350	\$ 232	\$ 118
Potash	244	60	184	574	425	105	321	95	44	51	535	178	83	95
Phosphate	235	139	96	297	791	468	323	145	110	35	335	433	329	104
Other ⁽¹⁾⁽²⁾	82	55	27	202				68	47	21	236			
Product purchased for resale	201	172	29	376	535	458	77	94	88	6	310	303	284	19
	1,397	815	582	2,703	\$ 517	\$ 302	\$ 215	890	613	277	2,811	\$ 317	\$ 218	\$ 99
Retail ⁽³⁾														
Crop nutrients	1,250	915	335					658	499	159				
Crop protection products	860	637	223					291	239	52				
Seed, services and other	396	287	109					198	131	67				
	2,506	1,839	667					1,147	869	278				
Advanced Technologies														
Controlled release products	87	72	15					68	53	15				
Other	20	15	5					13	10	3				
	107	87	20					81	63	18				
Other inter-segment eliminations	(140)	(132)	(8)					(84)	(83)	(1)				
Total	\$ 3,870	\$ 2,609	\$ 1,261					\$2,034	\$ 1,462	\$ 572				

(1) The current presentation has been revised from prior quarters to disclose amounts for other, previously included in nitrogen.

(2) Other includes ammonium sulphate, the Rainbow division and miscellaneous items.

(3) International retail net sales were \$84-million (2007 – \$60-million) and gross profit was \$30-million (2007 – \$12-million).

AGRIUM INC.
Product Lines
Six Months Ended June 30, 2008
(Unaudited – millions of U.S. dollars)

Schedule 2b

	2008							2007						
	Net Sales	Cost of Product	Gross Profit	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Cost of Product (\$/Tonne)	Margin (\$/Tonne)	Net Sales	Cost of Product	Gross Profit	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Cost of Product (\$/Tonne)	Margin (\$/Tonne)
Wholesale														
Nitrogen ⁽¹⁾	\$ 962	\$ 590	\$ 372	2,022	\$ 476	\$ 292	\$ 184	\$ 721	\$ 508	\$ 213	2,187	\$ 330	\$ 233	\$ 97
Potash	375	104	271	1,023	367	102	265	147	70	77	868	169	80	89
Phosphate	377	237	140	529	713	448	265	219	174	45	532	412	327	85
Other ⁽¹⁾⁽²⁾	139	102	37	370				114	88	26	455			
Product purchased for resale	252	217	35	488	516	444	72	173	161	12	571	303	282	21
	2,105	1,250	855	4,432	\$ 475	\$ 282	\$ 193	1,374	1,001	373	4,613	\$ 298	\$ 217	\$ 81
Retail ⁽³⁾														
Crop nutrients	1,499	1,092	407					859	655	204				
Crop protection products	953	701	252					371	296	75				
Seed, services and other	448	325	123					254	170	84				
	2,900	2,118	782					1,484	1,121	363				
Advanced Technologies														
Controlled release products	152	124	28					113	88	25				
Other	34	25	9					20	16	4				
	186	149	37					133	104	29				
Other inter-segment eliminations	(214)	(193)	(21)					(136)	(131)	(5)				
Total	\$ 4,977	\$ 3,324	\$1,653					\$ 2,855	\$ 2,095	\$ 760				

(1) The current presentation has been revised from prior quarters to disclose amounts for other, previously included in nitrogen.

(2) Other includes ammonium sulphate, the Rainbow division and miscellaneous items.

(3) International retail net sales were \$113-million (2007 – \$77-million) and gross profit was \$37-million (2007 – \$16-million).

AGRIUM INC.
Selected Sales Prices and Volumes
(Unaudited)

Schedule 3

	Three Months Ended June 30,				Six Months Ended June 30,			
	2008		2007		2008		2007	
	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Sales Tonnes (000's)	Selling Price (\$/Tonne)	Sales Tonnes (000's)	Selling Price (\$/Tonne)
Nitrogen								
Domestic								
Ammonia	390	\$ 632	420	\$ 421	552	\$ 582	568	\$ 399
Urea	411	538	405	382	736	502	746	349
Other	347	364	312	265	502	355	513	259
Total domestic nitrogen	1,148	517	1,237	365	1,790	485	1,827	339
International nitrogen	106	391	258	284	232	400	360	287
Total nitrogen	1,254	506	1,395	350	2,022	476	2,187	330
Potash								
Domestic	317	459	298	212	554	409	452	203
International	257	386	237	137	469	317	416	133
Total potash	574	425	535	178	1,023	367	868	169
Phosphate	297	791	335	433	529	713	532	412
Ammonium sulphate	100	331	115	200	175	310	179	196
Other ⁽¹⁾	102		121		195		276	
Product purchased for resale	376	535	310	303	488	516	571	303
Total Wholesale	2,703	\$ 517	2,811	\$ 317	4,432	\$ 475	4,613	\$ 298

(1) Other includes results from the Rainbow division and miscellaneous items.