



SUSTAINING A GROWING WORLD

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# Q4 2011 Earnings Conference Call

February 8, 2012



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# Forward-Looking Statements

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*Certain statements and other information included in this presentation constitute “forward looking information” within the meaning of applicable Canadian securities legislation or constitute “forward-looking statements” within the meaning of applicable U.S. securities legislation (collectively, the “forward-looking statements”). All statements in this presentation, other than those relating to historical information or current condition, are forward-looking statements, including, but not limited to, estimates, forecasts and statements as to management’s expectations with respect to, among other things, business and financial prospects, financial multiples and accretion estimates, future trends, plans, strategies, objectives and expectations, including with respect to future operations of Agrium. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements, and are qualified by the assumptions that are stated or inherent in such forward-looking statements.*

*Events or circumstances that could cause actual results to differ materially from those in the forward-looking statements, include, but are not limited to, the expected combination benefits and costs savings from recent transactions not being fully realized or not being realized within the expected time frame, disruptions from the transactions making it more difficult to maintain relationships with customers, employees and suppliers, recent or proposed business acquisitions not being integrated successfully or such integration being more difficult, time-consuming or costly than expected, delays or difficulties with the planned increase in potash production capabilities or expansion of the Egyptian nitrogen facility, general business and economic conditions, interest rates, exchange rates and tax rates, weather conditions, crop prices, the supply, demand and price level for our major products, gas prices and gas availability, operating rates and production costs, 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, changes in development plans, construction progress, political risks, including civil unrest, actions by armed groups or conflict, 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 and other risk factors detailed from time to time in Agrium reports filed with the Securities and Exchange Commission (the “SEC”) or Canadian securities regulators.*

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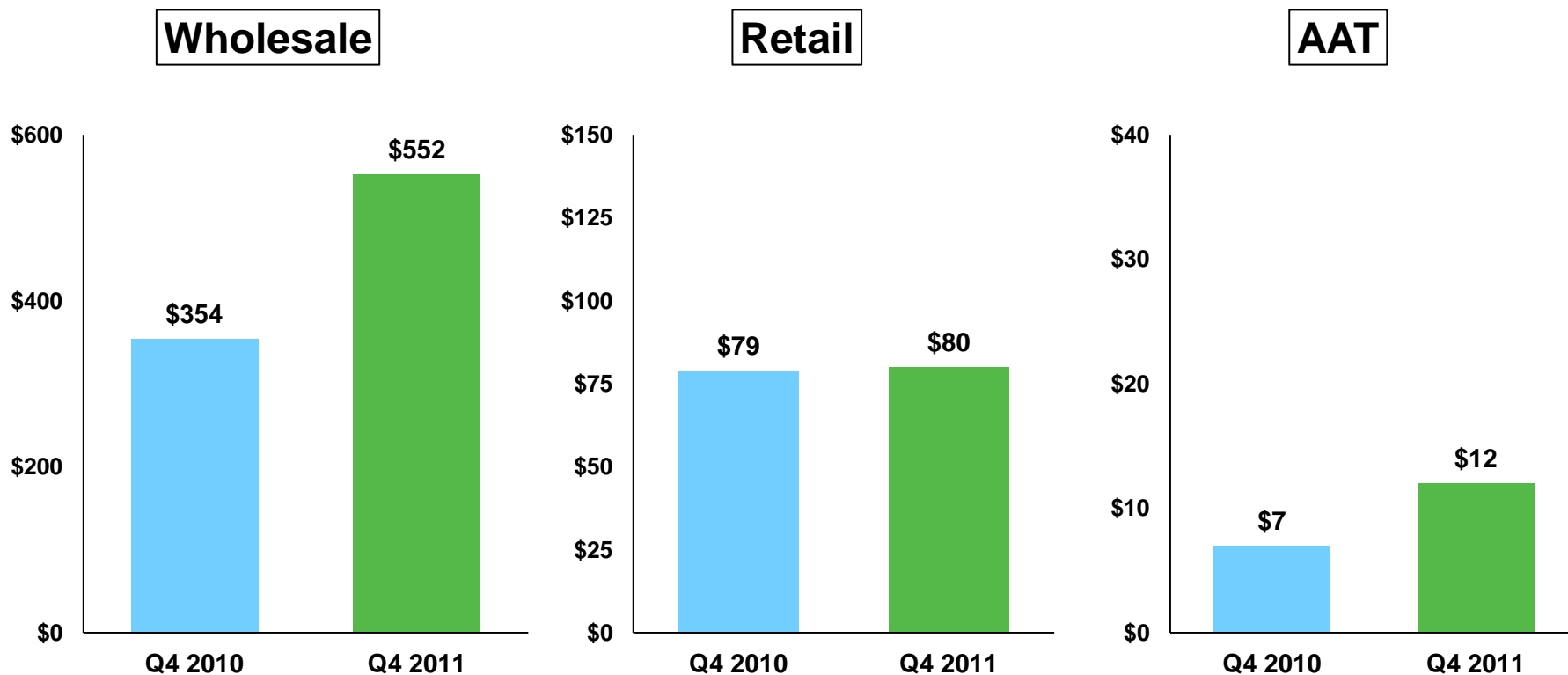
## Q4 2011 Highlights

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- Achieved record fourth quarter EBITDA across all three business units
- Record fourth quarter and annual net earnings from continuing operations
- Announced the quadrupling of our semi-annual dividend from \$0.055/share to \$0.225/share
- Proceeding with 1 million tonne Vanscoy potash expansion project

# Record Q4 EBITDA by all 3 Business Units

- Record annual EBITDA achieved by Wholesale and Retail in 2011



\*All figures in millions of U.S. dollars, AAT EBITDA excludes Hanfeng impairment

4 Source: Agrium

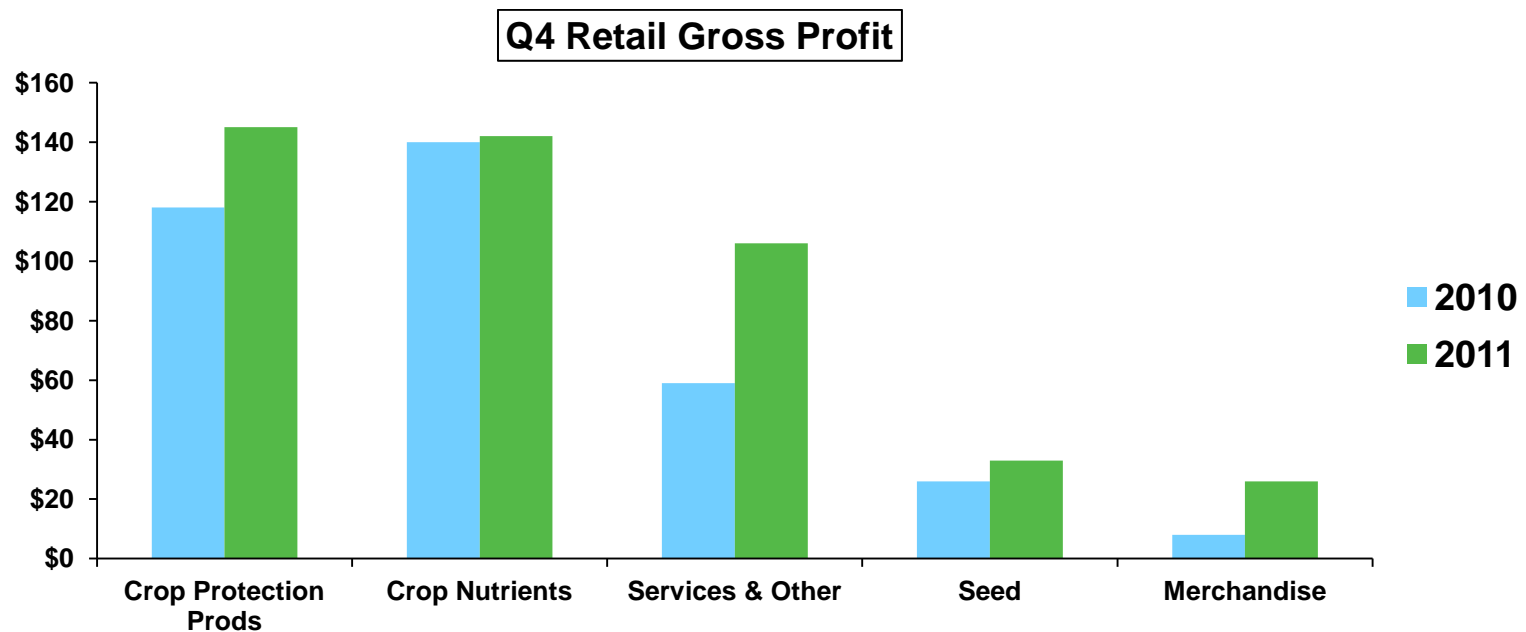
# Financial Results

Millions of U.S. dollars, except per share amounts	Q4 2011	Q4 2010	2011	2010
Sales	<b>\$3,177</b>	\$2,398	<b>\$15,470</b>	\$10,743
Gross Profit	<b>\$1,045</b>	\$725	<b>\$4,333</b>	\$2,648
EBITDA	<b>\$629</b>	\$326	<b>\$2,665</b>	\$1,447
Consolidated net earnings (from continuing operations)	<b>\$327</b>	\$152	<b>\$1,508</b>	\$730
Diluted EPS (from continuing operations)	<b>\$2.04</b>	\$0.97	<b>\$9.52</b>	\$4.62
Diluted EPS (excluding HF impairment)	<b>\$2.34</b>	-	<b>\$9.82</b>	-
Effective tax rate	<b>23%</b>	29%	<b>27%</b>	27%
Cash provided by operating activities	<b>\$1,101</b>	\$575	<b>\$1,350</b>	\$589

<sup>5</sup> Source: Agrium

# Retail Highlights

- Q4 gross profit improvement across all Retail product lines
- Annual EBITDA of \$769-million in 2011, almost 50% above last year
- Proprietary crop protection sales grew 19% this quarter while private label seed more than doubled in Q4



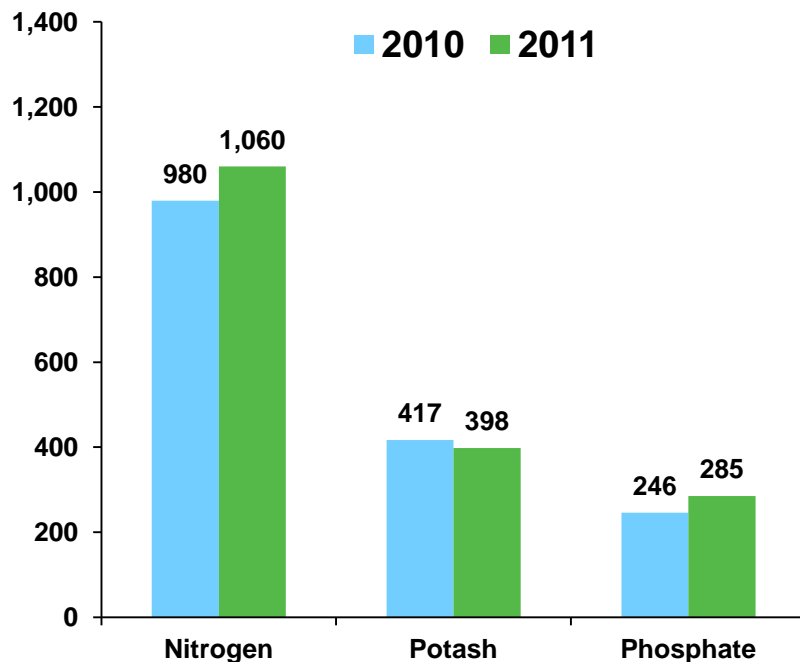
*\*All figures in millions of U.S. dollars*

6 Source: Agrium

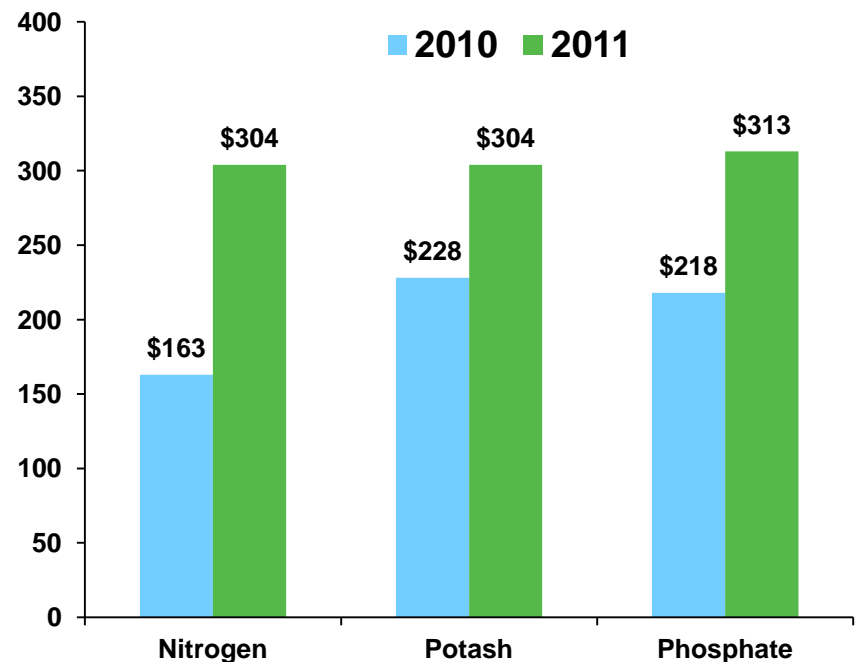
# Wholesale: Excellent Q4 Margins & Volumes

- Record margins: first time margins are >\$300/mt for all 3 nutrients
- Wholesale delivered strong sales volumes despite significant slow down in demand in the second half of the fourth quarter

Q4 Sales Volumes (000's of tonnes)

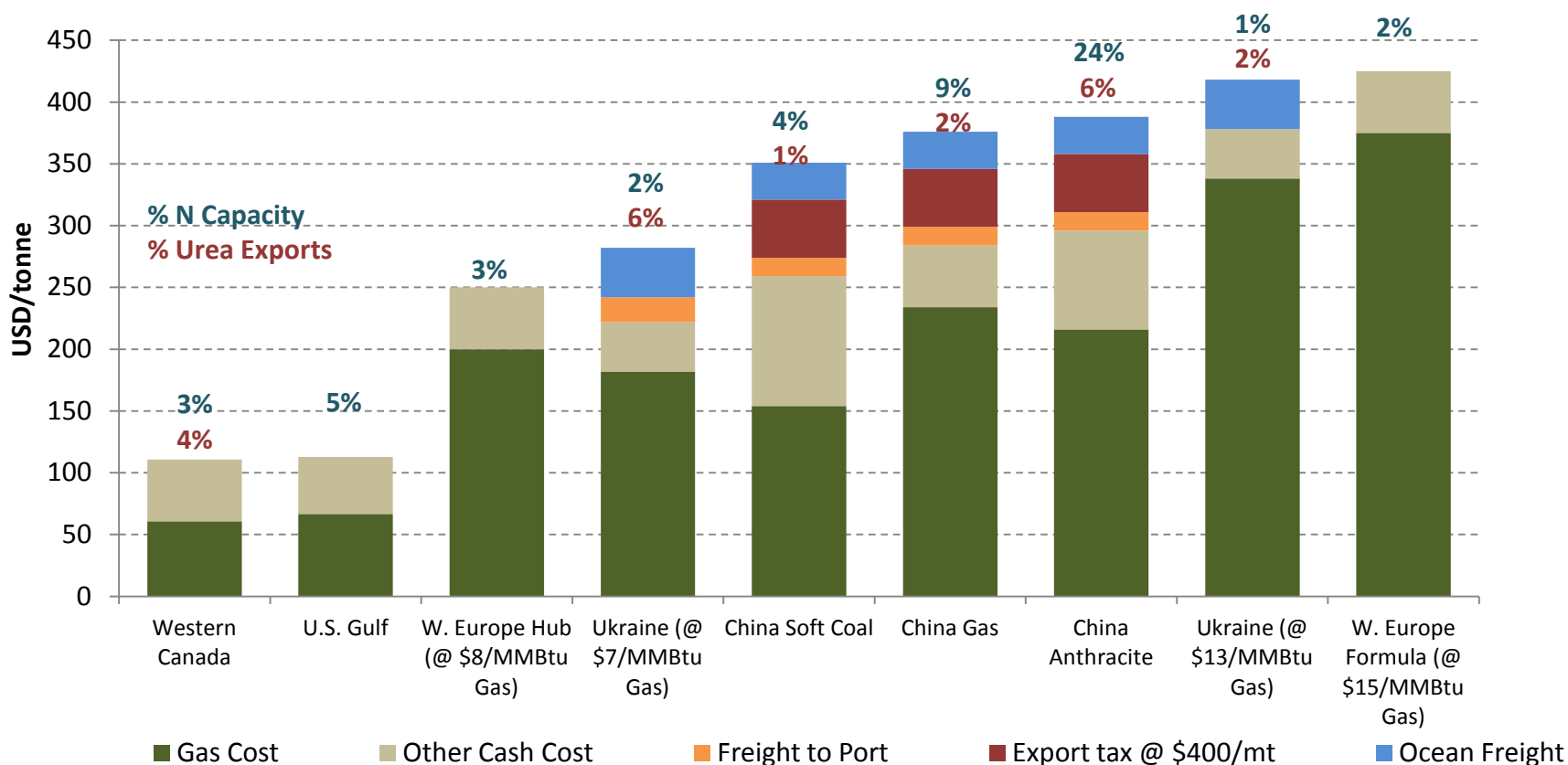


Q4 Gross Margin US\$ per tonne



# North American Natural Gas Continues to Drop...

- North American producer margin advantage continues to grow
- Q4 NYMEX - \$3.81/MMBtu (February 2012 settled @ \$2.67/MMBtu)
- Q4 AECO - \$3.57/MMBtu (February 2012 settled @ \$2.44/MMBtu)

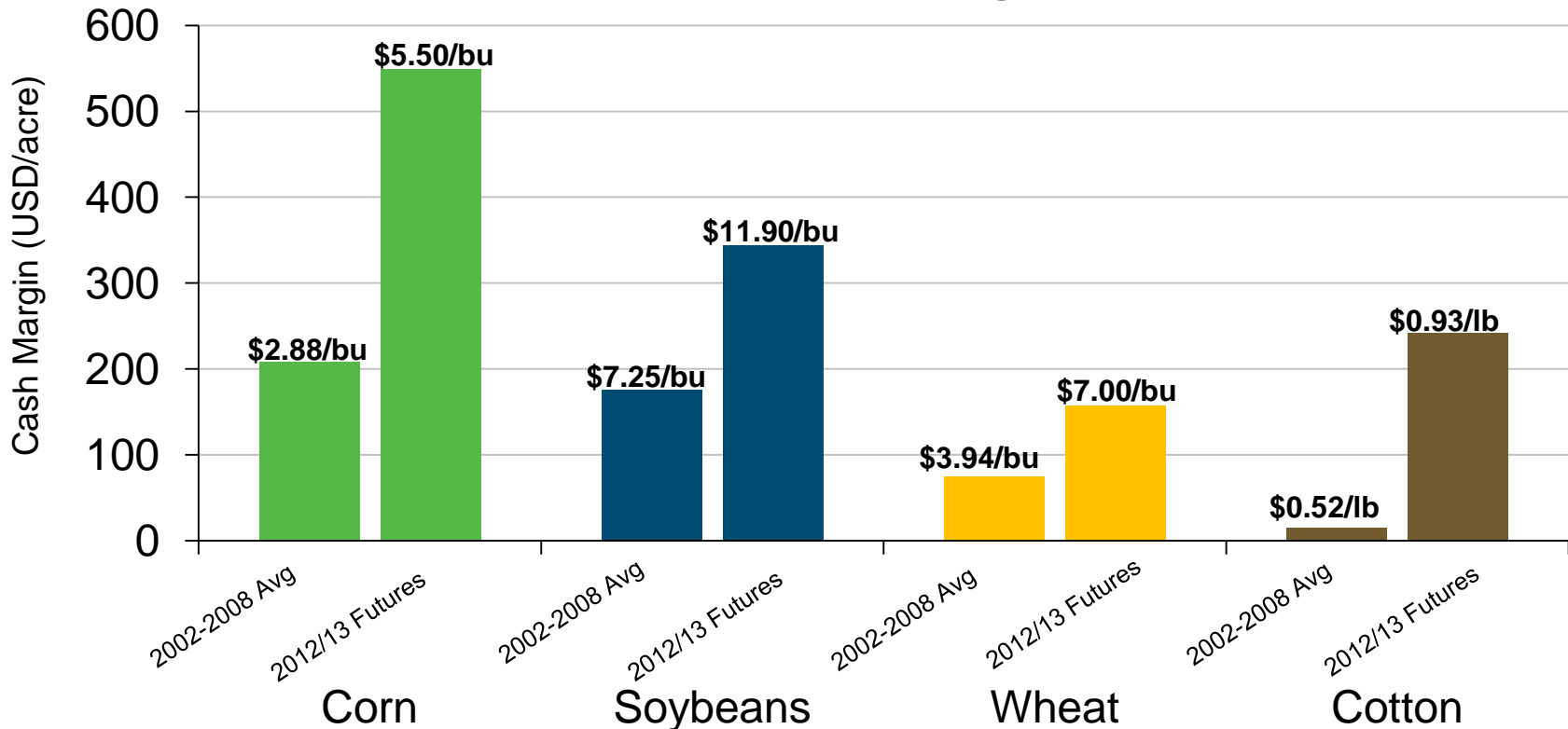


\*These countries account for over 50% of global N production and over 20% of global urea trade

# 2012 Outlook

- Current strong crop prices are expected to drive grower demand for all crop inputs for spring season in 2012

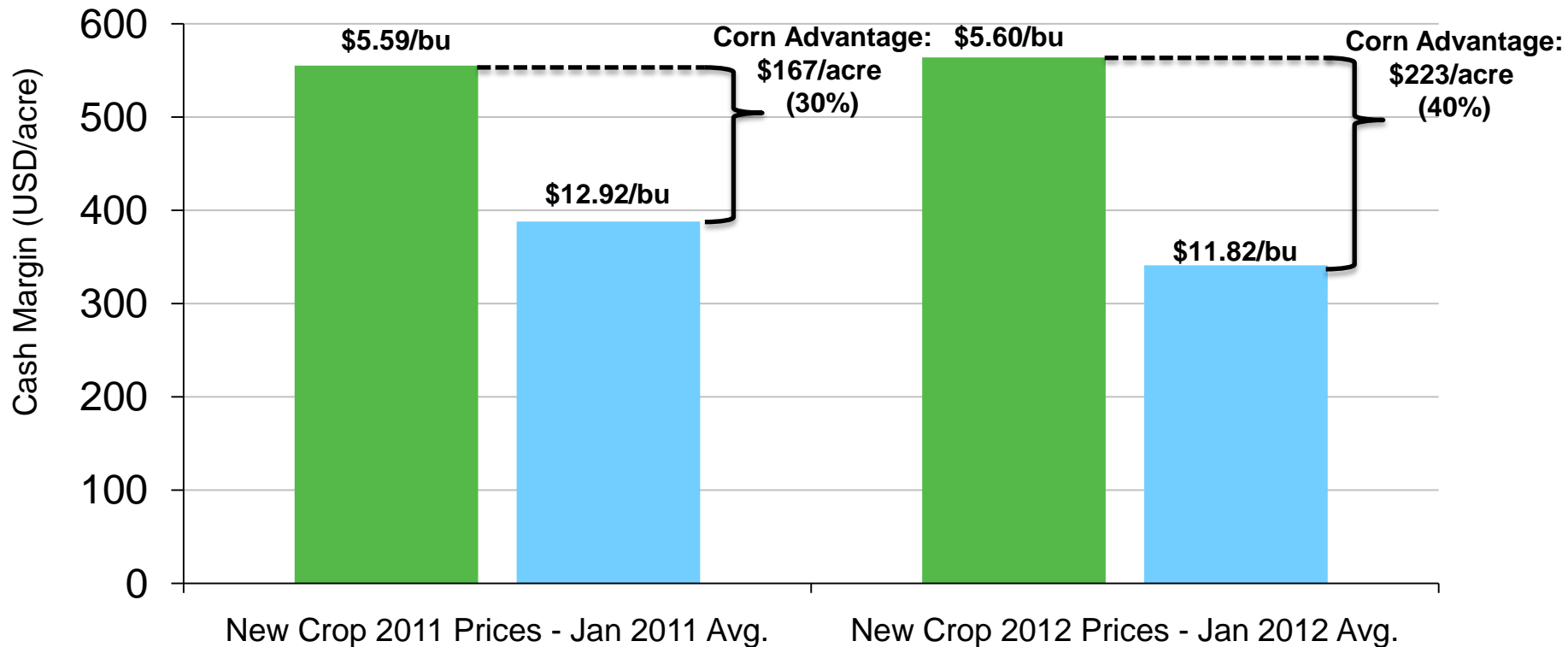
## U.S. Crop Cash Margins



# Corn Margin advantage over soybean widens

- New crop corn margins in Jan 2012 similar to record Jan 2011 levels
- New crop soybean margins historically high, but < Jan 2011 levels

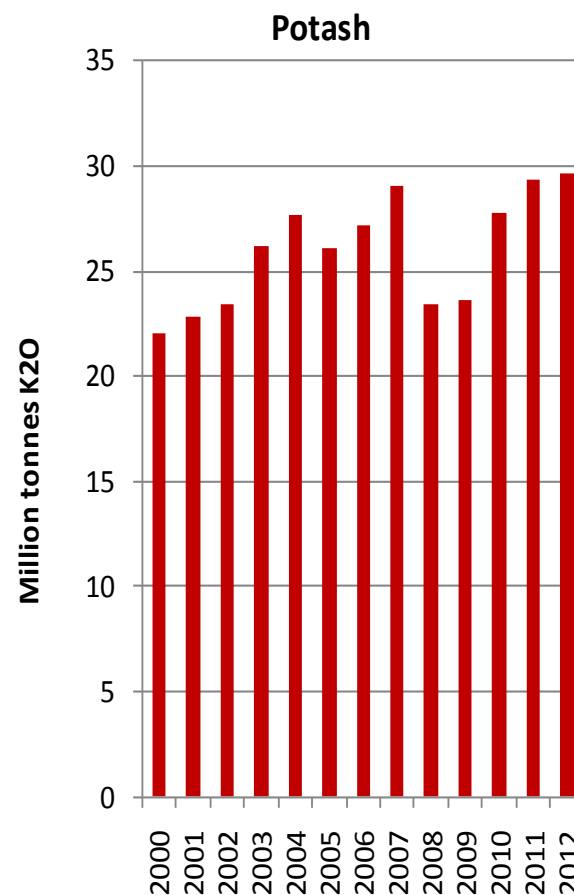
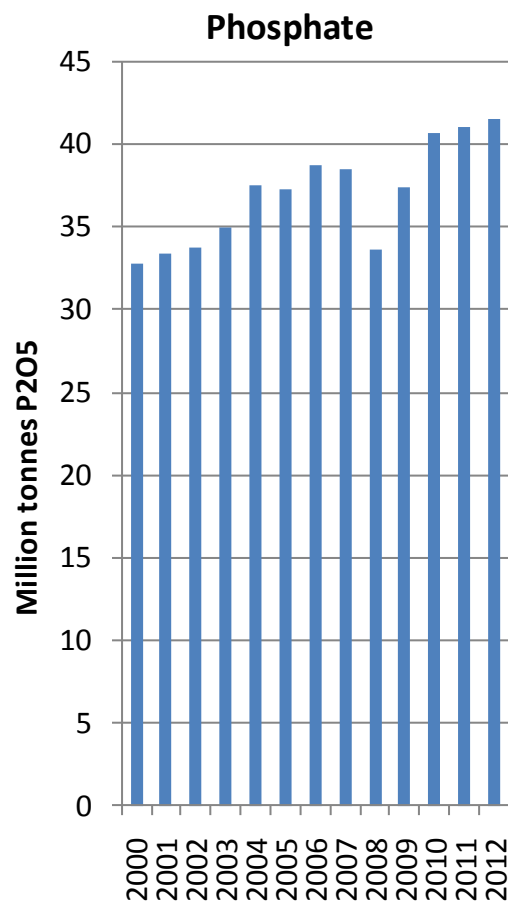
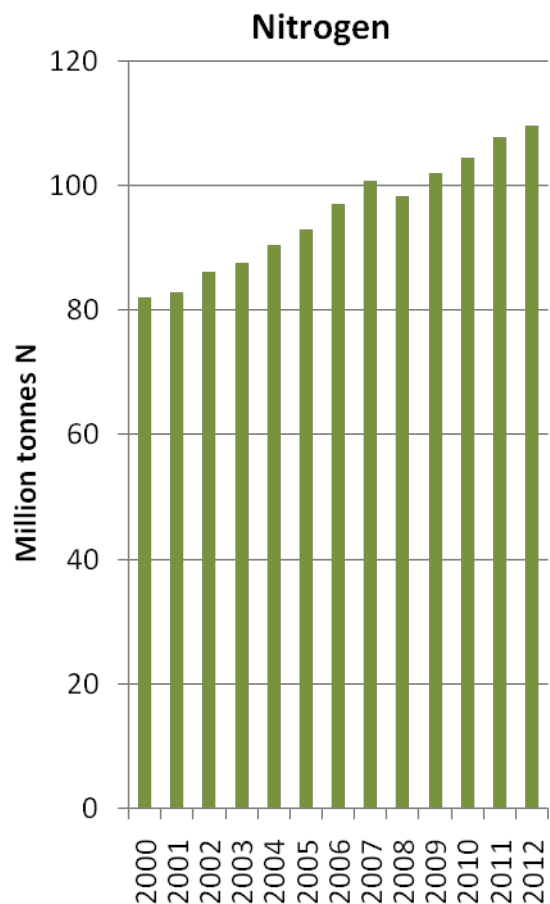
## U.S. Crop Cash Margins



*\*New crop futures have an estimated basis deducted*

*Source: CME Group, USDA, Doane, Agrium*

# Record Global Demand For Fertilizer



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## In Summary

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- Agrium sees continued strength in the underlying fundamentals that support the crop input sector
  - Crop inventories remain below normal levels
  - Crop prices and margins are well above historic levels
- We expect strong grower demand for all crop inputs this spring as growers maximize acreage & yields
- Agrium will continue to capitalize on these fundamentals through our quality assets and expertise across the agriculture value chain



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Thank you for your interest and time...

To learn more about Agrium visit us at [Agrium.com](http://Agrium.com)

Also available on-line or through e-mail are

Agrium's monthly

“Crop Input Market Report” &  
the new “Fact Book 2011-2012”

<http://www.agrium.com/investors.jsp>

A close-up photograph of several vibrant green corn leaves, showing their characteristic shape and vein structure, positioned at the bottom of the slide.