NEWS RELEASE
FOR IMMEDIATE RELEASE

Agrium reports fourth quarter net earnings of $124-million and record year

February 11, 2009 - ALL AMOUNTS ARE STATED IN U.S.$

CALGARY, Alberta -- Agrium Inc. (TSX and NYSE: AGU) announced today net earnings for the fourth quarter of $124-million ($0.79 diluted earnings per share), compared with the net earnings of $172-million in the fourth quarter of 2007 ($1.24 diluted earnings per share). On an annual basis, 2008 was a record year for Agrium, with net earnings of $1.3-billion ($8.34 diluted earnings per share) versus the previous record of $441-million in net earnings ($3.25 diluted earnings per share) set in 2007.

"Our fourth quarter margins were excellent again this quarter, even with the challenges of reduced sales volumes and write-downs in inventories due to the unprecedented changes in phosphate and nitrogen prices over the past four months. We ended 2008 with earnings that were three times our previous record, and our strong balance sheet and positive earnings outlook places us in an excellent financial position for the future. Much of this success is a result of our disciplined growth strategy of diversifying across the entire agricultural value chain," said Mike Wilson, Agrium President and CEO.

"Despite the economic turmoil and uncertainty the world has been facing, we believe that 2009 will prove to be a year where Agrium can again deliver strong annual results. We believe the reduced crop nutrient use experienced over the past four months is not sustainable and that it will ultimately impact grain production and support crop prices and crop input demand. Recent growth initiatives have positioned our Wholesale, Retail, and Advanced Technologies businesses to continue to benefit from what we believe will be robust demand for crop inputs in the coming year."

The fourth quarter results include non-cash foreign exchange gains of $98-million (0.53 diluted earnings per share), non-qualifying natural gas and power hedge losses of $87-million ($0.47 diluted earnings per share) and a recovery in stock-based compensation of $36-million ($0.19 diluted earnings per share). The results also include net write-downs net of non-controlling interests totaling $261-million ($1.40 diluted earnings per share), primarily related to changes in valuations of Wholesale inventory and Retail purchase commitments.

KEY RESULTS AND DEVELOPMENTS

- Cash generated from operations was $671-million this quarter. Net earnings before interest expense, income taxes, depreciation, amortization and asset impairment ("EBITDA") for the year was a record $2.3-billion due to strong results across all business units. EBITDA for the quarter was a fourth-quarter record of $306-million, while consolidated EBITDA excluding inventory write-downs was $522-million.

- Wholesale per tonne margins for all three nutrients were excellent again this quarter, remaining at or above the 2008 average and illustrating our competitive advantages, particularly in nitrogen and phosphate. The start of the spring application season in most of the U.S. is still a few months away, but we expect a strong spring season, particularly for nitrogen.

- The final share swap for the MOPCO nitrogen facility was finalized on January 26, 2009, providing Agrium with a 26 percent interest in this existing facility. We took a $45-million write-down net of non-controlling interests to our $295-million EAgrium investment in the fourth quarter of 2008 to reflect the difference in the estimated fair value of our MOPCO equity interest and the cost of our investment in EAgrium.

2008 Fourth Quarter Operating Results

NET EARNINGS

Agrium's fourth quarter consolidated net earnings were $124-million, or $0.79 diluted earnings per share, compared to net earnings of $172-million, or $1.24 diluted earnings per share, for the same quarter of 2007. Net earnings before interest expense and income taxes ("EBIT") was $172-million for the fourth quarter of 2008 compared with EBIT of $250-million for the fourth quarter of 2007. The decrease in EBIT was primarily due to a decrease in gross profit from an inventory write-down and an investment write-down for our EAgrium investment, as well as certain material items noted below.

Consolidated gross profit in the fourth quarter of 2008 was $522-million, slightly lower compared to $533-million in the fourth quarter of 2007. Contributions from the UAP business and increase in fertilizer selling prices, partially offset by a $93-million write-down primarily associated with future inventory purchase commitments, resulted in a $49-million increase in gross profit in our Retail business segment. Wholesale gross profit decreased $60-million due to a decrease in sales volume and a $121-million write-down of inventory for our purchase for resale business, partially offset by higher selling prices. Our Advanced Technologies business segment contributed an additional $2-million increase to the change in our quarter-over-quarter gross profit. In accordance with our accounting standards, we referenced the current and expected future market conditions at December 31, 2008 and made write-downs on our inventory and future purchase commitments.

Expenses have increased $117-million quarter-over-quarter, primarily reflecting a combination of the following items:

- $115-million increase in Retail's selling expense resulting in Retail's selling expense of $242-million primarily as a result of the addition of the UAP business;

- $90-million increase in losses on non-qualifying derivative positions resulting in a $87-million hedging loss;

- $87-million write-down in our EAgrium investment before non-controlling interests of $42-million, resulting in a net write-down to Agrium of $45-million;

- $28-million increase in Potash profit and capital tax resulting in a $37-million expense driven by increased potash sales margins;

- $86-million decrease in stock-based compensation expense resulting in a $36-million recovery of stock-based compensation driven by a decrease in our share price; and

- $96-million increase in foreign exchange gains primarily related to the weakening of the Canadian dollar, resulting in $98-million of foreign exchange gain.

The effective tax rate was 15 percent for this quarter and 31 percent for the year. The decline in the rate compared to the same quarter last year was principally due to foreign exchange losses for Canadian tax purposes on our U.S. dollar denominated debt resulting from the weakening of the Canadian dollar during the quarter.

BUSINESS SEGMENT PEFORMANCE

Retail

Retail results are not directly comparable to the same period last year due to the inclusion of UAP, which was acquired in May of 2008. Retail's 2008 fourth quarter net sales were $1-billion, which almost doubled the $555-million in the fourth quarter of 2007. Gross profit was $228-million in the fourth quarter of 2008, which included a $93-million write-down primarily for purchase commitments of crop nutrients, compared to gross profit of $179-million for the same period last year. While gross profit was $49-million higher this quarter than the same period last year, Retail EBIT was lower due to higher expenses associated with the acquired infrastructure of the UAP business. Retail EBIT was a loss of $54-million in the fourth quarter of 2008, after the inventory write-down, versus a positive EBIT of $39-million in the same quarter last year.

The UAP acquisition contributed $92-million in gross profit and $(19)-million in EBIT for the fourth quarter, excluding the impact of the write-down in Retail crop nutrients. This represents an increase of 80 percent in gross profit, and a significant improvement in

EBIT compared to a similar 13-week period in 2007, given that UAP historically has EBIT losses in the fourth quarter. Agrium's legacy Retail operations gross profit rose by 27 percent, or $50-million, over the same period last year, while EBIT from legacy operations was 49 percent higher than the same period last year, before taking into account the impact of the write-down.

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

Crop nutrients net sales reached $631-million this quarter, an increase of $238-million compared to the fourth quarter of 2007, due to the addition of UAP business and higher average selling prices. Gross profit was $60-million this quarter compared to $83-million in the fourth quarter of 2007. The decrease was due entirely to a $93-million write-down resulting principally from changes in valuations of future purchase commitments. This resulted in crop nutrients margins declining to 10 percent in the fourth quarter of 2008, compared to 21 percent in the fourth quarter of 2007. Excluding the write-down, nutrient margins would have been 24 percent in the fourth quarter of 2008, slightly higher compared to the same period last year. Nutrient sales volumes in the fourth quarter declined slightly compared to the same period last year, even with the addition of UAP's nutrient business. Nutrient sales volumes at Agrium's legacy North American operations declined by 46 percent compared to the same period last year due to the deferral of crop nutrient applications from the fall of 2008 into 2009 and the late harvest in the Cornbelt. Sales volumes at our South American operations were also significantly lower this quarter than the same period last year due to dry conditions in Argentina, the reduction in global crop prices leading up to their planting season and uncertainty over future government agricultural policies.

Crop protection net sales increased to $288-million this quarter, compared to $87-million in the fourth quarter of 2007. Our gross profit this quarter reached $133-million, more than double last year's level. The strength of earnings from this product line illustrates the benefits of the diversity in our Retail business. Most of the increase in sales and profits was due to the addition of UAP's significant crop protection business, including a broad range of private label products. Crop protection product margins were 46 percent for the fourth quarter of 2008 versus 64 percent for the fourth quarter of 2007. The decline in margins compared to the same period last year was primarily due to the inclusion of UAP's lower margin crop protection wholesale business and the timing and nature of UAP supplier rebates.

Net sales for seed, services and other increased to $103-million this quarter, up from $75-million in the fourth quarter of 2007. Gross profit was $35-million in the fourth quarter of 2008, compared to $40-million for the same period last year. The reduction in gross profit this year was primarily due to lower sales of wheat seed compared to the strong demand last fall and charges associated with the discontinuation of our Vigoro private label seed brand in order to concentrate sales under the Dynagro private label brand previously sold only by UAP. Seed net sales were $44-million this quarter, with sales from both our legacy and UAP operations decreasing compared to the same period last year.

Retail selling expenses for the fourth quarter of 2008 were $242-million, almost double last year's level. Selling expenses as a percentage of net sales in the fourth quarter of 2008 were 24 percent, relatively unchanged from 23 percent for the same period last year.

Wholesale

Wholesale's net sales were a fourth-quarter record of $982-million for the fourth quarter of 2008 compared to $908-million for the fourth quarter of 2007. The increase was due to higher sales prices for all three crop nutrients, which more than offset the decrease in sales volumes for all nutrients compared to the same period last year. The decrease in sales volumes in the fourth quarter of 2008 were primarily due to: the significant reduction in domestic nutrient sales volumes resulting from a condensed fall application season as a result of the late harvest across most of North America; the expectation by growers that crop nutrients prices would be lower in the spring of 2009 than the fall of 2008; and, uncertainty created by the rapid changes in crop prices in the fall of 2008. Looking forward, we anticipate strong application rates for all nutrients in the U.S. this spring, with particular strength in the demand for nitrogen products and some recovery in nitrogen pricing.

Gross profit was $283-million in the fourth quarter of 2008, a $60-million reduction from the $343-million recorded for the same period last year. Excluding the $121-million inventory write-down in our purchase for resale business, total gross profit from our production facilities was higher than last year. EBIT of $106-million in the fourth quarter of 2008 was also lower than the $277-million for the same period last year due primarily to an inventory write-down, an increase in operating expenses as noted below, and a $45-million impairment of our interest in nitrogen facility assets in Egypt net of non-controlling interests.

Gross profit for nitrogen was $136-million this quarter, compared to $211-million in the same quarter last year. Nitrogen prices and margins remained higher than the same period last year but a significant reduction in sales volumes resulted in lower overall gross profit compared to the fourth quarter of 2007. Cost of product was $317 per tonne this quarter, a $93 per tonne increase over the same period last year partly due to the inclusion of $11 per tonne in depreciation this quarter, production shutdowns and curtailments, and higher gas costs partly due to a higher proportion of production and sales coming from our domestic rather than international nitrogen operations. The rapid decline in North American gas costs in the later part of the fourth quarter of 2008 was not reflected in our average gas cost this quarter due to higher cost of product drawn from inventory. Both domestic ammonia and urea sales volumes were approximately 32 percent below the previous year. The reduced volumes were due to the delayed harvest and the grower's decision to defer nutrient application from 2008 into 2009.

International nitrogen sales volumes were 228,000 tonnes lower than the same quarter last year due to the closure of the Kenai nitrogen facility, the extended turnaround at our Argentine facility, and low nutrient demand in South America. Agrium's nitrogen margins averaged $197 per tonne this quarter, compared with $162 per tonne in the fourth quarter of last year, but were $46 per tonne lower than the third quarter of 2008 due to lower realized prices given the significant reduction in benchmark nitrogen prices in the fourth quarter.

Agrium's overall natural gas cost was $7.41/MMBtu in the fourth quarter of 2008 versus $5.68/MMBtu in the fourth quarter of 2007. The U.S. benchmark (NYMEX) natural gas price for the fourth quarter of 2008 was $6.82MMBtu, versus $7.03/MMBtu in the same quarter last year and $10.09/MMBtu in the third quarter of 2008. The AECO (Alberta) basis differential was $0.98/MMBtu for the fourth quarter of 2008.

Gross profit for our phosphate operations was the third highest quarter on record at $86-million, compared to $47-million for the same quarter last year. Realized sales prices remained strong again this quarter at $1,117 per tonne, due in large part to forward sales made earlier in the year. This price was more than double the $523 per tonne achieved in the fourth quarter of 2007. Sales volumes were 48 percent lower than the same quarter last year. Phosphate cost of product on a per tonne basis was $489 per tonne, a $143 per tonne increase over the same period last year but slightly lower than the third quarter of 2008. The increase in cost over the same period last year was due to $36 per tonne of depreciation expenses and higher sulphur and ammonia costs. Gross margins for phosphate were $628 per tonne compared with $177 per tonne in the fourth quarter of 2007. Benchmark phosphate prices declined by over 70 percent between the start and end of the fourth quarter of 2008.

Gross profit for potash increased significantly to $159-million versus $57-million in the fourth quarter of 2007. Potash accounted for 42 percent of Wholesale's gross profit from manufactured product. Realized selling prices were more than triple last year's levels. The higher sales prices more than offset a 39 percent decrease in sales volumes and higher production costs. Sales volumes decreased by 179,000 tonnes compared to the same period last year with international and domestic sales volumes declining by 41 percent and 37 percent, respectively. Global tightening of credit availability impacted international demand in the fourth quarter, while domestic volumes were primarily impacted by the late harvest and purchase deferrals. Cost of product was down 6 percent from the third quarter of 2008 but was $38 per tonne higher than the same period last year, due in part to higher equipment repair expense and a $13 per tonne depreciation expense included in the cost of product. Gross margin on a per tonne basis rose to $562 per tonne compared with $123 per tonne in the fourth quarter of last year.

Net sales for product purchased for resale was double last year's levels. However, gross profit in the fourth quarter of 2008 was $122-million lower than the same period last year due in part to a $121-million inventory write-down, caused by anticipated lower nutrient sales prices for inventories that will be carried over from the fall of 2008 to the spring of 2009. Adjustments to inventory valuations were required for product purchased for resale within North America, Europe and Argentina.

Wholesale operating expenses (gross profit less EBIT) were $177-million in the fourth quarter of 2008, an increase of $111-million over the same period last year. This change was due to an increase in net mark-to-market losses of $64-million from natural gas, power and foreign exchange derivatives; $26-million increase in realized losses on non-qualifying natural gas and power derivatives; and, an increase in Potash profit and capital taxes of $28-million driven by increased potash margins. This was partially offset by a decrease in stock-based compensation expense of $19-million.

Advanced Technologies

Advanced Technologies' fourth quarter 2008 net sales were $76-million compared to $70-million in the fourth quarter of 2007. Gross profit was $17-million for the quarter, compared with $15-million for the same period last year, while EBIT increased by $8-million over the fourth quarter of 2007. These strong results were achieved despite some challenges in the turf and ornamental business resulting in a $2-million inventory write-down. ESN® gross profit in the fourth quarter represented 44 percent of Advanced Technologies' gross profit, slightly higher than the same period last year. Similar to other crop nutrient volumes, ESN® sales volumes this quarter were significantly lower than the fourth quarter of 2007 however this was more than offset by higher margins. On a combined basis our other acquired businesses excluding ESN® gross profits are at similar levels to the same quarter last year and are $6-million higher for the year, despite some challenges from the non-agricultural market resulting from the significant downturn in the economy. Cost of product included $1-million of depreciation for the fourth quarter of 2008 and $7-million for the year. Depreciation was not included in cost of product in 2007. The Reese micronutrient facility, acquired from our Wholesale operations at the beginning of the fourth-quarter 2007, contributed $1-million in gross profit this quarter and $6-million for the year.

Other

EBIT for our Other non-operating business segment for the fourth quarter of 2008 was $114-million compared to a loss of $64-million for the fourth quarter of 2007. The increase in EBIT of $178-million quarter-over-quarter is mainly due to an increase in foreign exchange gain of $116-million as a result of the weakening of the Canadian dollar and a significant decrease in stock-based compensation expense of $67-million, driven by the decline in our share price in the fourth quarter of 2008.

FINANCIAL POSITION AND LIQUIDITY

Cash provided by operating activities was $671-million in the fourth quarter of 2008, of which $238-million was an improvement in non-cash working capital over the third quarter of 2008. Accounts receivable decreased by $1.1-billion, due primarily to the reduction in sales over the prior quarter, a $200-million draw on our accounts receivable securitization facility, and a reduction in Retail rebates receivable as the majority of supplier rebates were received in the fourth quarter. As our customers have generally indicated that they have not had significant difficulty in obtaining credit, we anticipate collection performance on accounts receivable to be within normal parameters. Inventories increased by $461-million, primarily due to reduction in sales volumes over the prior quarter, partially offset by a $121-million inventory write-down for Wholesale.

Inventories:	December 31, 2008
(millions of U.S. dollars)	Total
Raw materials	**189**
Finished goods	**370**
Product for resale	**2,488**
	3,047

Accounts payable and accrued liabilities decreased by $64-million due to a reduction in Wholesale customer prepaid sales and trade payables from decreased market demand, lower inventory purchases and plant turnaround costs previously accrued in the third quarter and paid in the fourth quarter. This was partially offset by Retail write-down on future inventory purchase commitments and seasonal increases in customer deposits.

Cash used in investing activities was $124-million for the fourth quarter of 2008, which included $91-million on capital expenditures.

Cash used in financing activities was $381-million during the quarter due to a pay-down of our bank indebtedness as a result of lower financing required for reduced working capital, repayment of long-term debt, as well as funds used for share repurchase. As at December 31, 2008, Agrium repurchased approximately 1.2 million shares under its normal course issuer bid at an average price per share of $29.03.

Short-term credit facilities available at December 31, 2008	Total	Unutilized	Utilized
(millions of U.S. dollars)			
Revolving credit facilities expiring 2012	775	475	**300**
Accounts receivable securitization[a)]	200	-	**n/a**
	975	475	**300**
CMF credit facilities expiring in 2009	264	144	**120**
South American credit facilities expiring 2009 to 2012	226	156	**70**
EAgrium bridge loan[b)]	120	-	**120**
	1,585	775	**610**

[a)] As of December 31, 2008, we drew $200-million on our accounts receivable securitization facility.
[b)] EAgrium loan is guaranteed by MISR Oil Processing Company, S,A,E. (“MOPCO”) of Egypt and a MOPCO shareholder.

Egypt Nitrogen Project

On August 11, 2008, we entered into an agreement with MOPCO, whereby MOPCO would acquire EAgrium and all related contractual rights and obligations through a share exchange and Agrium will own 26 percent of MOPCO as a result. The share exchange was completed on January 26, 2009. Since we do not control MOPCO on completion of the agreement, we will cease consolidation of Egypt operations and will record our investment using the equity method. MOPCO has commenced commercial production at its 675,000 tonne urea facility and plans to construct two additional urea trains on its existing site subject to securing sufficient financing, which is not assured in the current environment.

SELECTED QUARTERLY INFORMATION

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

	2008				2007				2006
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	**$1,941**	3,113	3,870	1,107	1,426	989	2,034	821	899
Gross profit	**522**	1,048	1,261	392	533	305	572	188	231
Net earnings (loss)	**124**	367	636	195	172	51	229	(11)	(62)
Earnings (loss) per share									
-basic	**$0.79**	2.32	4.03	1.24	1.25	0.38	1.71	(0.08)	(0.47)
-diluted	**$0.79**	2.31	4.00	1.23	1.24	0.38	1.70	(0.08)	(0.47)

The fertilizer and agricultural retail businesses are 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 EBIT (net earnings before interest expense and income taxes) and EBITDA (net earnings before interest expense, income taxes, depreciation, amortization and asset impairment). We consider EBIT and EBITDA to be useful measures 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.

EBIT and EBITDA are not recognized measures under GAAP, and our methods 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

There is a high degree of uncertainty about growers' cropping decisions for the spring of 2009 within North America. Grower cash margins remain historically strong for most grains and oilseeds, despite crop prices retreating from their summer highs. The drought conditions in Argentina and lower fertilizer use within Brazil this year due to tight credit conditions are expected to impact South American crop yields which may lend further support to crop prices. Volatile market conditions in the fall of 2008, combined with a delayed corn harvest, contributed to U.S. winter wheat growers planting over 4 million fewer wheat acres this year. Given current crop prices there is continued economic incentive to optimize yields in the upcoming crop season.

Demand for crop protection products, seed and application services by North American growers is expected to be strong in the spring of 2009. We anticipate solid demand for most crop protection products again this year, with potential for some further price increases in a number of crop protection products, excluding glyphosate. The late North American harvest reduced crop input application services in the fall of 2008 and demand is expected to be robust as grower's attempt to catch-up this spring. Seed sales are expected to be strong as well, as new seed varieties with multiple traits have been introduced again this year, which are expected to support higher seed prices in 2009.

The nitrogen market faced significant downward pressure in the fourth quarter of 2008, but has shown some improvement over the past month. Reduced demand in the fourth quarter as a result of unprecedented purchase deferrals contributed to a significant build in nitrogen inventories. The Fertilizer Institute reported that North American urea inventories at the end of December 2008 were 83 percent higher than the previous five year average. U.S. urea imports in the fourth quarter of 2008 are estimated to be down over 30 percent. The increased inventory levels, coupled with prices below European production costs and a natural gas supply dispute between Ukraine and Russia all led to the curtailment of over 10 percent of global urea capacity, excluding any undisclosed under-utilized capacity.

We expect U.S. nitrogen demand to be strong this spring given the reduction in use in the fall of 2008 and the fact that lower nitrogen application rates have a more immediate impact on crop yields than for phosphate or potash. India will continue to be a significant factor in 2009 as analysts forecast urea imports may increase by 20 percent over 2008 levels as they attempt to replenish stocks. China has re-imposed prohibitive export tariffs on urea beginning in February, 2009 but future actions by the Chinese government will remain an uncertainty for the market.

North American potash inventories were at historically low levels throughout most of 2008, but began to rise in the fourth quarter of the year as buyers postponed purchases, partly resulting from reduced global credit availability. International and domestic potash demand is expected to start improving in the spring of 2009, after significant purchasing delays in many importing regions of the world in the second half of 2008. North

American potash inventories in December of 2008 were 22 percent above the five year average. Contract renewals at prevailing spot prices in both Japan and South Korea supported potash prices through the end of the year and into 2009.

The outlook for global potash demand will be impacted by the relative strength of crop prices, farmer economics and credit availability, and any progress on contract negotiations between China and India and their key suppliers for 2009. The majority of China's potash supply contracts expired at the end of 2008 and negotiations are expected to continue through the first quarter of 2009. Similar to the other two nutrients, global potash supplies were reduced significantly starting in the fourth quarter of 2008 and into early 2009, due to global production curtailments as a result of delayed purchases from major importers. It is estimated that at the beginning of the year, over 30 percent of global potash production was curtailed. We anticipate spring demand for potash to improve compared to last fall, but it is difficult to indicate the extent of the improvement.

Many of the market variables and conditions are similar for all three nutrients. For phosphate, reduced demand in the fourth quarter of 2008 resulted in a building of inventories. The TFI reported that U.S. DAP and MAP inventories at the end of December were 86 percent higher than the previous five year average. U.S. DAP and MAP production in the fourth quarter of 2008 was 41 percent lower than a year ago. U.S. phosphate producers contribute approximately 35 percent of global DAP and MAP trade. Reduced export demand in the fourth quarter resulted in increased inventories, which pressured phosphate producers to significantly lower their operating rates starting in the fourth quarter of 2008. At the beginning of 2009, capacity equivalent to at least 30 percent of global DAP and MAP demand was shut-down globally.

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 MD&A 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, particularly crop and nutrient sales prices in the spring of 2009 for our Retail and Wholesale operations, seasonal fertilizer consumption given the significant decline in consumption in the fall of 2008, 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 and Argentina 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, current global financial crisis and changes in credit markets; the potential inability to integrate and obtain anticipated synergies for recent or new business acquisitions as planned or within the time predicted, a potential inability for MOPCO to raise the required capital or the failure of the Egyptian government to issue all necessary approvals to complete the MOPCO expansion as planned, Egyptian and Argentinean 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. Except as required by law, 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 4th Quarter Conference Call will be available in a listen-only mode beginning Wednesday, February 11th at 9:30 a.m. MT (11:30 a.m. ET). Please visit the following website: www.agrium.com

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

	Three months ended December 31,		Twelve months ended December 31,	
	2008	**2007**	**2008**	**2007**
Sales	**1,985**	1,492	**10,268**	5,491
Direct freight	**44**	66	**237**	221
Net sales	**1,941**	1,426	**10,031**	5,270
Cost of product	**1,203**	893	**6,592**	3,672
Inventory and purchase commitment write-down	**216**	-	**216**	-
Gross profit	**522**	533	**3,223**	1,598
Expenses				
Selling	**249**	137	**815**	471
General and administrative	**40**	39	**192**	125
Depreciation and amortization	**27**	45	**110**	173
Potash profit and capital tax	**37**	9	**162**	28
Asset impairment	**87**	-	**87**	-
Other (income) expenses	**(40)**	53	**(129)**	89
Earnings before interest, income taxes and non-controlling interests	**122**	250	**1,986**	712
Interest on long-term debt	**28**	13	**82**	52
Other interest	**7**	6	**23**	18
Earnings before income taxes and non-controlling interests	**87**	231	**1,881**	642
Income taxes	**13**	59	**589**	204
Non-controlling interests	**(50)**	-	**(30)**	(3)
Net earnings	**124**	172	**1,322**	441
Earnings per share				
Basic	**0.79**	1.25	**8.39**	3.28
Diluted	**0.79**	1.24	**8.34**	3.25
Weighted average number of shares outstanding (millions)				
Basic	**157**	140	**158**	135
Diluted	**158**	141	**159**	136

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

	Three months ended December 31,		Twelve months ended December 31,	
	2008	**2007**	**2008**	**2007**
Operating				
Net earnings	**124**	172	**1,322**	441
Items not affecting cash				
Inventory and purchase commitment write-down	**216**	-	**216**	-
Depreciation and amortization	**47**	45	**218**	173
Asset impairment	**87**	-	**87**	-
Stock-based compensation	**(35)**	50	**(25)**	113
Unrealized loss (gain) on derivative contracts	**49**	(13)	**77**	6
Unrealized foreign exchange loss (gain)	**9**	(3)	**(6)**	(50)
Gain on disposal of property, plant, equipment and investments	**-**	(4)	**(8)**	(4)
Future income taxes	**91**	50	**363**	119
Non-controlling interests	**(50)**	-	**(30)**	(3)
Other	**(105)**	36	**(73)**	51
Net change in non-cash working capital	**238**	2	**(1,097)**	(352)
Cash provided by operating activities	**671**	335	**1,044**	494
Investing				
Acquisitions, net of cash acquired	**-**	-	**(2,740)**	-
Capital expenditures	**(91)**	(157)	**(506)**	(454)
Proceeds from disposal of property, plant, equipment and investments	**4**	9	**27**	17
Investment in equity investee	**-**	-	**-**	(63)
Other	**(37)**	(7)	**(156)**	(61)
Cash used in investing activities	**(124)**	(155)	**(3,375)**	(561)
Financing				
Bank indebtedness	**(292)**	(152)	**261**	(61)
Long-term debt issued	**-**	114	**1,620**	132
Transaction costs on long-term debt	**-**	-	**(12)**	(13)
Repayment of long-term debt	**(58)**	-	**(795)**	-
Contributions from non-controlling interests	**-**	-	**171**	86
Share dividends paid	**-**	-	**(18)**	(15)
Shares issued, net of issuance costs	**-**	1,326	**4**	1,337
Shares repurchased	**(35)**	-	**(35)**	-
Other	**4**	-	**-**	1
Cash (used in) provided by financing activities	**(381)**	1,288	**1,196**	1,467
Increase (decrease) in cash and cash equivalents	**166**	1,468	**(1,135)**	1,400
Cash and cash equivalents – beginning of period	**208**	41	**1,509**	109
Cash and cash equivalents – end of period	**374**	1,509	**374**	1,509

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

	As at December 31,	
	2008	**2007**
ASSETS		
Current assets		
Cash and cash equivalents	**374**	1,509
Accounts receivable	**1,223**	821
Inventories	**3,047**	961
Prepaid expenses and deposits	**475**	297
	5,119	3,588
Property, plant and equipment	**2,036**	1,772
Intangibles	**653**	73
Goodwill	**1,783**	178
Investment in equity investee	**71**	78
Other assets	**156**	143
	9,818	5,832
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness	**610**	166
Accounts payable and accrued liabilities	**2,200**	1,100
Current portion of long-term debt	**1**	1
	2,811	1,267
Long-term debt	**1,621**	783
Other liabilities	**328**	358
Future income tax liabilities	**706**	237
Non-controlling interests	**242**	99
	5,708	2,744
Shareholders' equity	**4,110**	3,088
	9,818	5,832

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, 2006	133	617	5	602	9	1,233
Net earnings				441		441
Cash flow hedges [(a)]				(3)	20	17
Foreign currency translation					55	55
Comprehensive income						513
Dividends				(16)		(16)
Shares issued	24	1,338				1,338
Stock compensation exercise and grants	1	17	3			20
December 31, 2007	158	1,972	8	1,024	84	3,088
Transition adjustment [(b)]				4		4
January 1, 2008	158	1,972	8	1,028	84	3,092
Net earnings				1,322		1,322
Cash flow hedges [(c)]					(14)	(14)
Foreign currency translation					(242)	(242)
Comprehensive income						1,066
Dividends				(17)		(17)
Shares repurchased	(1)	(15)		(20)		(35)
Stock compensation exercise and grants		4				4
December 31, 2008	**157**	**1,961**	**8**	**2,313**	**(172)**	**4,110**

Notes to accumulated other comprehensive income:

(a) Net of tax of $5-million and non-controlling interest of $7-million.

(b) Adjustment at January 1, 2008 for adoption of accounting standards for inventory. Net of tax of $1-million.

(c) Net of tax of $2-million and non-controlling interest of $7-million.

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

Schedule 1

Three Months Ended December 31

	Wholesale		Retail		Advanced Technologies		Other		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Net Sales – external	**857**	814	**1,021**	554	**63**	58	**-**	-	**1,941**	1,426
– inter-segment	**125**	94	**1**	1	**13**	12	**(139)**	(107)	**-**	-
Total net sales	**982**	908	**1,022**	555	**76**	70	**(139)**	(107)	**1,941**	1,426
Cost of product	**578**	565	**701**	376	**57**	55	**(133)**	(103)	**1,203**	893
Inventory and purchase commitment write-down	**121**	-	**93**	-	**2**	-	**-**	-	**216**	-
Gross profit	**283**	343	**228**	179	**17**	15	**(6)**	(4)	**522**	533
Gross profit (%)	**29**	38	**22**	32	**22**	21			**27**	37
Selling expenses	**7**	7	**242**	127	**2**	4	**(2)**	(1)	**249**	137
EBITDA (1)	**214**	307	**(32)**	47	**8**	4	**116**	(63)	**306**	295
EBIT (2)	**106**	277	**(54)**	39	**6**	(2)	**114**	(64)	**172**	250

Twelve Months Ended December 31

	Wholesale		Retail		Advanced Technologies		Other		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Net Sales – external	**4,227**	2,595	**5,511**	2,458	**293**	217	**-**	-	**10,031**	5,270
– inter-segment	**459**	250	**5**	8	**59**	32	**(523)**	(290)	**-**	-
Total net sales	**4,686**	2,845	**5,516**	2,466	**352**	249	**(523)**	(290)	**10,031**	5,270
Cost of product	**2,774**	1,971	**3,997**	1,790	**271**	194	**(450)**	(283)	**6,592**	3,672
Inventory and purchase commitment write-down	**121**	-	**93**	-	**2**	-	**-**	-	**216**	-
Gross profit	**1,791**	874	**1,426**	676	**79**	55	**(73)**	(7)	**3,223**	1,598
Gross profit (%)	**38**	31	**26**	27	**22**	22			**32**	30
Selling expenses	**29**	27	**788**	442	**6**	10	**(8)**	(8)	**815**	471
EBITDA (1)	**1,670**	786	**560**	210	**50**	29	**41**	(137)	**2,321**	888
EBIT (2)	**1,478**	667	**480**	177	**33**	13	**25**	(142)	**2,016**	715

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

(2) Net earnings (loss) before interest expense and income taxes.

AGRIUM INC.
Product Lines
Three Months Ended December 31
(Unaudited – millions of U.S. dollars)

Schedule 2a

	2008								2007						
	Net Sales	Cost of Product	Inventory and Purchase Commitment Write-down	Gross Profit	Sales Tonnes (000's)	Selling Price ($/Tonne)	Cost of Product and Inventory Write-down ($/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]	355	219	-	136	691	514	317	197	503	292	211	1,303	386	224	162
Potash	192	33	-	159	283	678	116	562	93	36	57	462	201	78	123
Phosphate	153	67	-	86	137	1,117	489	628	139	92	47	266	523	346	177
Other [1] [2]	31	21	-	10	69				52	38	14	185			
Product purchased for resale	251	238	121	(108)	388	647	925	(278)	121	107	14	276	438	387	51
	982	578	121	283	1,568	626	446	180	908	565	343	2,492	364	226	138
Retail [3]															
Crop nutrients	631	478	93	60					393	310	83				
Crop protection products	288	155	-	133					87	31	56				
Seed, services and other	103	68	-	35					75	35	40				
	1,022	701	93	228					555	376	179				
Advanced Technologies															
Controlled-release products	65	49	2	14					58	46	12				
Other	11	8	-	3					12	9	3				
	76	57	2	17					70	55	15				
Other inter-segment eliminations	(139)	(133)	-	(6)					(107)	(103)	(4)				
Total	1,941	1,203	216	522					1,426	893	533				

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

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

(3) International retail net sales were $106-million (2007 – $101-million) and gross profit was $6-million (2007 – $19-million).

AGRIUM INC.
Product Lines
Twelve Months Ended December 31
(Unaudited – millions of U.S. dollars)

Schedule 2b

	2008								2007						
	Net Sales	Cost of Product	Inventory and Purchase Commitment Write-down	Gross Profit	Sales Tonnes (000's)	Selling Price ($/Tonne)	Cost of Product and Inventory Write-down ($/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]	1,815	1,103	-	712	3,551	511	310	201	1,535	1,027	508	4,422	347	232	115
Potash	816	184	-	632	1,686	484	109	375	305	138	167	1,684	181	82	99
Phosphate	847	426	-	421	906	935	470	465	466	348	118	1,021	456	340	116
Other [1] [2]	237	169	-	68	583				200	147	53	772			
Product purchased for resale	971	892	121	(42)	1,781	545	569	(24)	339	311	28	968	350	321	29
	4,686	2,774	121	1,791	8,507	551	340	211	2,845	1,971	874	8,867	321	222	99
Retail [3]															
Crop nutrients	2,718	1,998	93	627					1,453	1,118	335				
Crop protection products	2,115	1,539	-	576					619	438	181				
Seed, services and other	683	460	-	223					394	234	160				
	5,516	3,997	93	1,426					2,466	1,790	676				
Advanced Technologies															
Controlled-release products	294	227	2	65					208	162	46				
Other	58	44	-	14					41	32	9				
	352	271	2	79					249	194	55				
Other inter-segment eliminations	(523)	(450)	-	(73)					(290)	(283)	(7)				
Total	10,031	6,592	216	3,223					5,270	3,672	1,598				

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

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

(3) International retail net sales were $331-million (2007 – $260-million) and gross profit was $73-million (2007 – $49-million).

AGRIUM INC.
Selected Sales Prices and Volumes
(Unaudited)

Schedule 3

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	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	**260**	**622**	375	455	**1,016**	**595**	1,135	413
Urea	**258**	**477**	378	416	**1,308**	**557**	1,482	373
Other	**113**	**377**	263	293	**865**	**379**	978	268
Total domestic nitrogen	**631**	**518**	1,016	399	**3,189**	**521**	3,595	357
International nitrogen	**60**	**463**	287	342	**362**	**424**	827	304
Total nitrogen	**691**	**514**	1,303	386	**3,551**	**511**	4,422	347
Potash								
Domestic	**154**	**782**	244	242	**907**	**525**	865	214
International	**129**	**563**	218	159	**779**	**437**	819	146
Total potash	**283**	**678**	462	201	**1,686**	**484**	1,684	181
Phosphate	**137**	**1,117**	266	523	**906**	**935**	1,021	456
Ammonium sulfate	**48**	**351**	111	225	**299**	**337**	368	204
Other [(1)]	**21**		74		**284**		404	
Product purchased for resale	**388**	**647**	276	438	**1,781**	**545**	968	350
Total Wholesale	**1,568**	**626**	2,492	364	**8,507**	**551**	8,867	321

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