



**CULTIVATING
EXCELLENCE**



Agrium's Q2 2016 Earnings Conference Call

August 4, 2016

Advisory



Forward-Looking Statements

Certain statements and other information included in this presentation constitute "forward-looking information" or "forward-looking statements" (collectively, "FLS"). All statements in this presentation, other than those relating to historical information or current conditions, are FLS, including, but not limited to, 2016 guidance, including diluted earnings per share range guidance, 2016 capital spending expectations, operational excellence targets; 2020 targets and our market outlook for the remainder of 2016, including anticipated supply and demand for our products and services, expected market and industry conditions with respect to planted acres, prices and the impact of currency fluctuations and import and export volumes. The FLS included in this presentation are based on certain assumptions made by us and all FLS are qualified by the assumptions that are stated or inherent in such FLS. Investors should not place undue reliance on these assumptions and such FLS. The key assumptions that have been made include, among other things assumptions with respect to Agrium's ability to successfully integrate and realize the anticipated benefits of its already completed and future acquisitions, that future business, regulatory and industry conditions will be within normal parameters, including with respect to prices, margins, product availability and supplier agreements; the completion of our expansion projects on schedule, as planned and on budget; assumptions with respect to global economic conditions; and our ability to access our credit facilities or capital markets for additional sources of financing. Also refer to the discussion under the heading "Key Assumptions and Risks in Respect of Forward-Looking Statements" in Agrium's Management's Discussion & Analysis for the year ended December 31, 2015 (the "2015 MD&A") with respect to the material assumptions and risks associated with the FLS.

FLS are subject to various risks and uncertainties which could cause Agrium's anticipated results and experience to differ materially from the anticipated results or expectations expressed. The key risks and uncertainties include, but are not limited to: general economic, market and business conditions, weather conditions including impacts from regional flooding and/or drought conditions; crop prices; the supply and demand and price levels for our major products; governmental and regulatory requirements and actions by governmental authorities, including changes in government policy, government ownership requirements, changes in environmental, tax and other laws or regulations and the interpretation thereof, and political risks, including civil unrest, actions by armed groups or conflict, as well as counterparty and sovereign risk; and other risk factors detailed from time to time in Agrium reports filed with the Canadian securities regulators and the Securities and Exchange Commission in the United States. We also refer you to the risks set forth in the 2015 MD&A under the headings "Enterprise Risk Management" and "Key Assumptions and Risks in Respect of Forward-Looking Statements".

Agrium disclaims any intention or obligation to update or revise any FLS in this presentation as a result of new information or future events, except as may be required under applicable U.S. federal securities laws or applicable Canadian securities legislation.

IFRS Advisory

Historical financial information relating to Agrium in this presentation is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Non-IFRS Financial Measures Advisory

We consider adjusted net earnings per share, cash cost of product manufactured, cash operating coverage ratio and normalized comparable store sales all of which are non-IFRS financial measures, to provide useful information to both management and investors in measuring our financial performance and financial condition. Refer to the disclosure under the heading "Non-IFRS Financial Measures" in our 2015 MD&A, to the disclosure under the heading "Adjusted Net Earnings Reconciliation" included in our press release dated August 3, 2016 announcing our second quarter 2016 results and to the disclosure under the heading "Non-IFRS Financial Measures" in our Management's Discussion and Analysis for the three and six months ended June 30, 2016, each as filed on SEDAR at www.sedar.com and EDGAR at www.sec.gov under our corporate profile and to our 2016 Q2 Supplemental Information available on our website (www.agrium.com), for a reconciliation of these non-IFRS measures to the most directly comparable measures calculated in accordance with IFRS and for a further discussion of how these measures are calculated and their usefulness to users including management. Non-IFRS financial measures are not recognized measures under IFRS and our method of calculation may not be comparable to that of other companies. These non-IFRS financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS. For the periods ended June 30, 2016, we revised our definition of normalized comparable store sales to reflect the impact of foreign exchange. We have restated our comparative information.

Q2 2016 Results Summary



Agrium Results

- Retail reported second highest Q2 earnings in history - in line with guidance
 - Margins supported by strength of proprietary products, lower costs and increased normalized comparable store sales
- Wholesale delivered solid operational results
 - Industry leading nitrogen margins
 - Higher overall sales volumes and lower fixed costs
- Agrium on track to acquire NA retail assets with well over \$500-million in annual sales.
 - We have acquired 33 locations with expected annual sales in excess of \$230-million.
 - Also working on completion of the Cargill, and another retail acquisition, which would add over 30 more locations and over \$300-million of expected annual sales.
- Investment in Finistere Ventures Fund II, a leading AgTech venture fund focused on identifying and investing in world-class technologies across the agricultural sector.

Q2 Financial Results



(\$USD millions, except per share amounts)	Q2 2016	Q2 2015
Sales	\$6,415	\$6,992
Gross Profit	\$1,525	\$1,708
Net Earnings	\$565	\$675
EBITDA	\$993	\$1,145
Adjusted Net Earnings Per Share	\$4.18	\$4.90

Source: Agrium

Q2 Wholesale Operational Excellence Performance



- Strong Wholesale utilization rates and reductions in fixed costs in Q2 versus the same period in 2015.

Wholesale Metrics	2014 Actuals	2015 Actuals	Rolling Four Quarters ended June 30, 2016	2016 Target ¹	2020 Target ¹
Capacity utilization (%)					
Ammonia ²	83%	94%	94%	98%	100%
Phosphoric Acid	92%	94%	96%	96%	98%
Potash	52%	94%	93% ⁵	100%	100%
Cash Cost of Product Manufactured (USD/MT)³					
Urea (excludes natural gas) ⁴	\$128	\$77	\$72	\$76	\$69
Potash	\$157	\$96	\$77	\$84	\$69
SG&A (USD/MT)	\$10	\$9	\$8	\$7	\$5

¹ Represents annual targets.

² Excludes results from Joffre nitrogen facility. Ammonia capacity has been adjusted for normal outages and planned maintenance.

³ Excludes depreciation and amortization.

⁴ Using calculated ammonia cash cost and excludes natural gas and steam costs.

⁵ Adjusting for our lower production related to Canpotex's 1.5 million tonne export reduction, our capacity utilization would have been 99%.

Notes: 2020 target assumes an FX rate of 1.34.

2016 potash target capacity utilization adjusted to reflect 2016 production ramp-up. Target based on 2016 Annual Guidance from Aug 2016 Q2 press release.

Q2 Retail Operational Excellence Performance



- Retail continues to improve upon all metrics in 2016 with improved gross profit margins supported by proprietary products and reduced SG&A costs.

Retail Metrics	2013 to 2015 Average	Rolling Four Quarters ended June 30, 2016	2016 Target	2020 Target
Cash Operating Coverage Ratio	62%	60%	59%	59% to 57%
EBITDA Margin	8.5%	9%	9%	9.5% to 10.5%
Average Non-cash Working Capital to Sales	18%	18%	17%	16% to 17%
Normalized Comparable Store Sales ¹	3%	2%	1% to 3%	1% to 3%

¹Comparable Stores adjusted for fertilizer, FX and new Agrium Financial Services offering.

2nd Half Outlook and Annual Guidance



Outlook

- Potential record NA crop this year, has pressured crop prices.
- Anticipating solid fungicide and herbicide demand due to wet conditions and delayed applications across NA.
- Nitrogen and phosphate prices pressured due to slow demand from India and seasonal factors.
- Potash demand is expected to improve in the 2nd half due to recent supply agreements with China and India adding certainty to the market.

Over 80% of second half 2016 earnings expected in Q4

Guidance

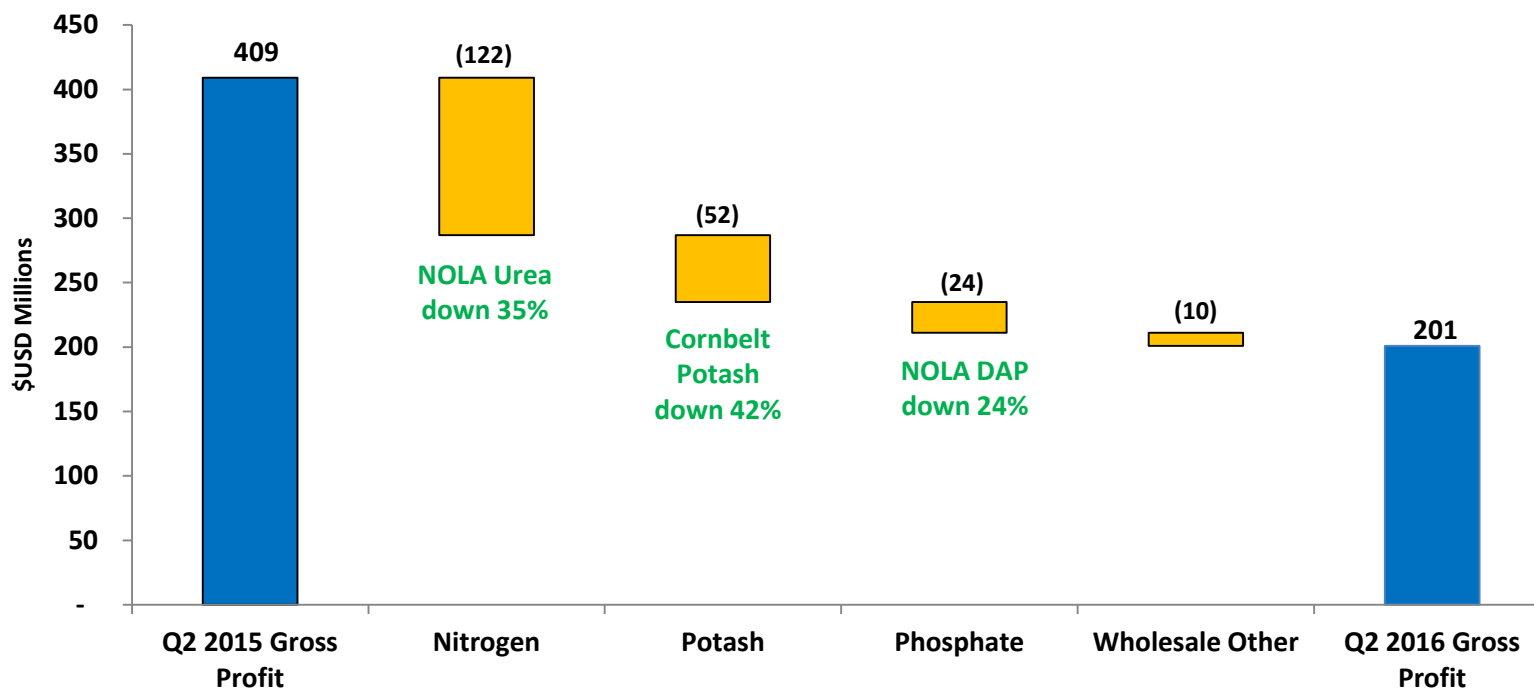
Period	Guidance	
Annual 2016	\$5.00 to \$5.30 EPS	
	Guidance Assumptions ¹	
	Low	High
Wholesale Production Tonnes:		
Nitrogen (millions)	3.5	3.7
Potash (millions)	2.3	2.4
Retail:		
EBITDA (USD millions)	\$1,100	\$1,150
Crop nutrient sales tonnes (millions)	9.8	10.2
Other:		
Tax rate	28%	27%
Sustaining capital expenditures (USD millions)	\$500	\$550
Total capital expenditures (USD millions)	\$800	\$900
Canada/U.S. foreign exchange rate	1.30	1.34
NYMEX gas price (\$/MMBtu)	\$2.65	\$2.25

¹ For further assumptions related to our guidance, see disclosure in the section "Market Outlook" in our 2016 second quarter press release dated August 3, 2016.

Q2 2016 Wholesale Gross Profit Bridge



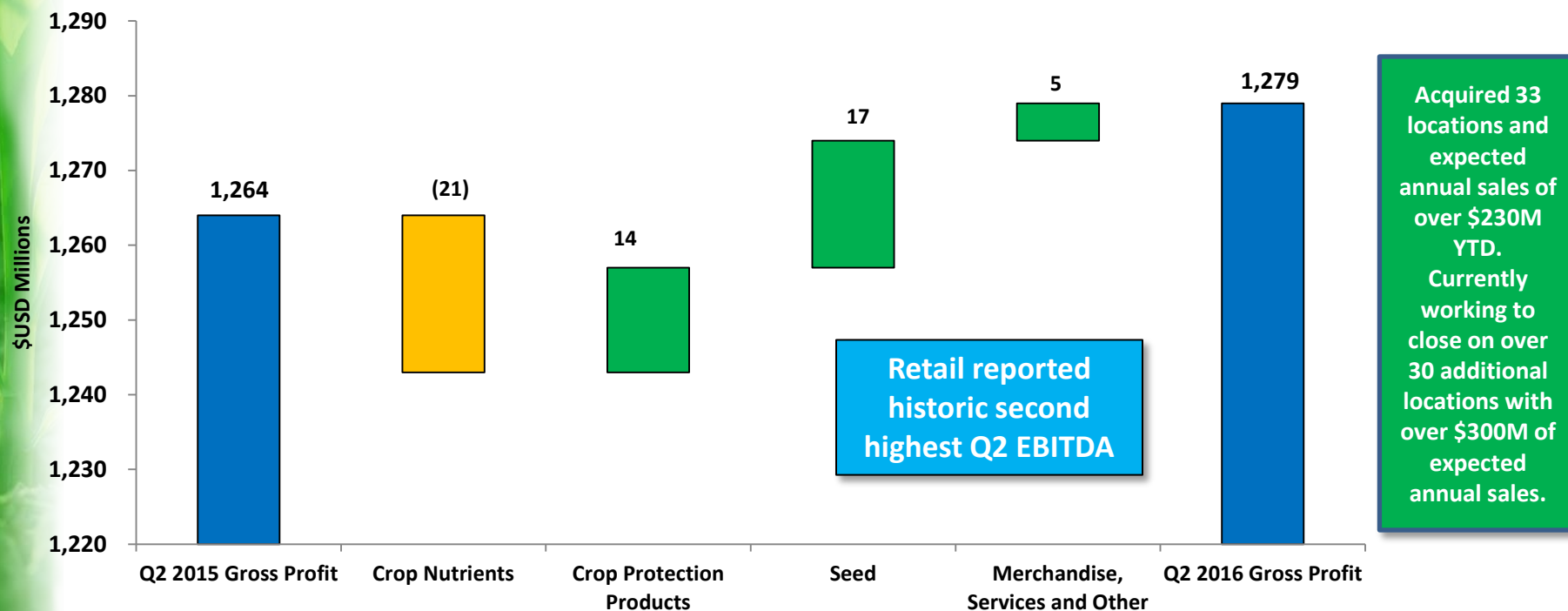
- Nitrogen gross profit decreased 45 percent due to significantly lower global benchmarks for nitrogen, partially offset by lower cost of production. Excluding the planned turnaround at Borger in Q2, utilization rates remained high for nitrogen.
- Potash gross profit decreased in Q2 2016 due to downward pressure on potash benchmark prices. This was partially offset by higher sales volumes compared to last year when the Vanscoy expansion was being ramped-up.
- Phosphate gross profit decreased 83 percent due to lower benchmark selling prices, partially offset by higher sales volumes and lower production costs.
- Ammonium sulfate and ESN margins were impacted by lower realized prices tied to weaker nitrogen prices, partially offset by higher sales volumes and lower costs.





Q2 2016 Retail Gross Profit Bridge

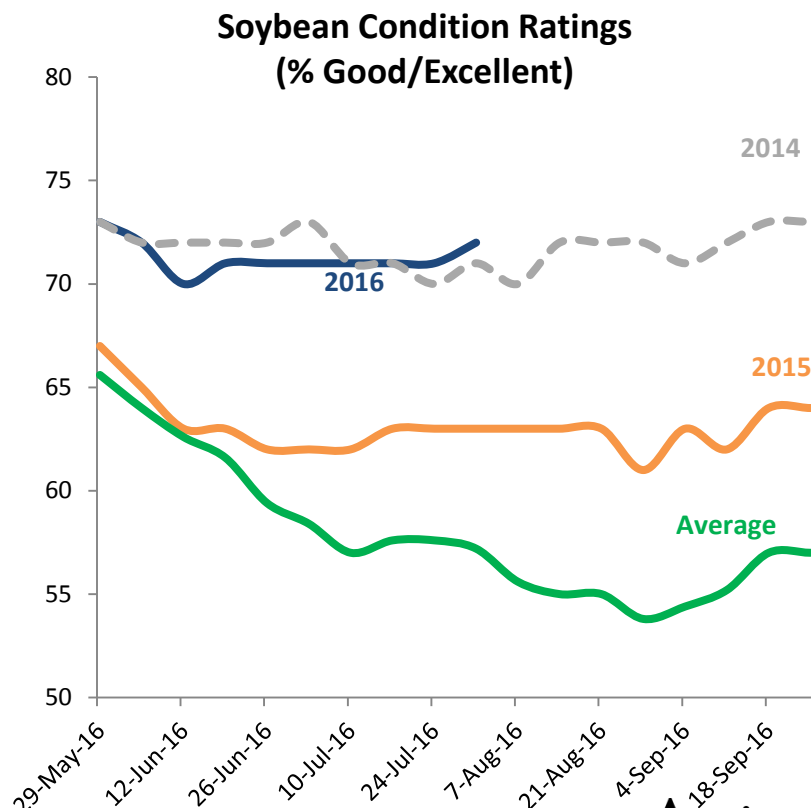
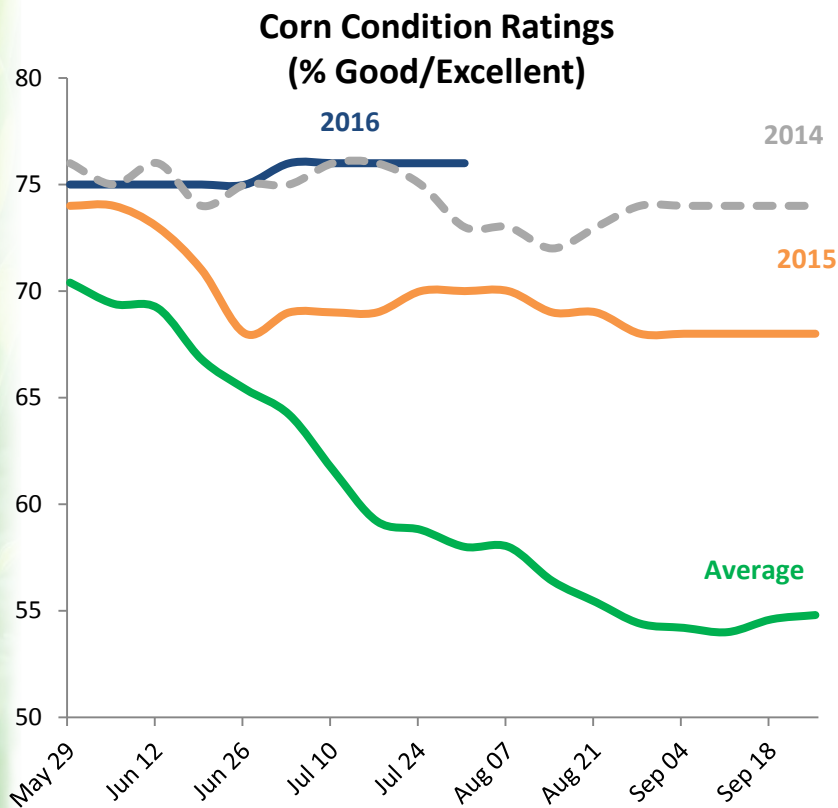
- Crop nutrient gross profit down 5 percent compared to last year due to a slight reduction in per tonne margins and an early start to the spring season which shifted volumes into the first quarter.
- Crop protection gross profit was up 3 percent compared to last year as wet weather supported crop protection applications in North America. Margins were supported by a higher proportion of sales from our proprietary products.
- Seed gross profit and margins were higher in Q2 due to strong demand for our proprietary corn and cotton seed products and increased seed treatments. Shift to corn/cotton acreage also supported higher margins.



U.S. Corn and Soybean Crops are in Good Condition



- U.S. corn and soybean conditions are similar to the historically high levels in 2014.
- Good crop conditions have put downward pressure on corn and soybean prices.
- Growers are keen to protect yields with timely crop protection applications and high yields will support nutrient demand in the 2nd half of 2016.



CULTIVATING EXCELLENCE



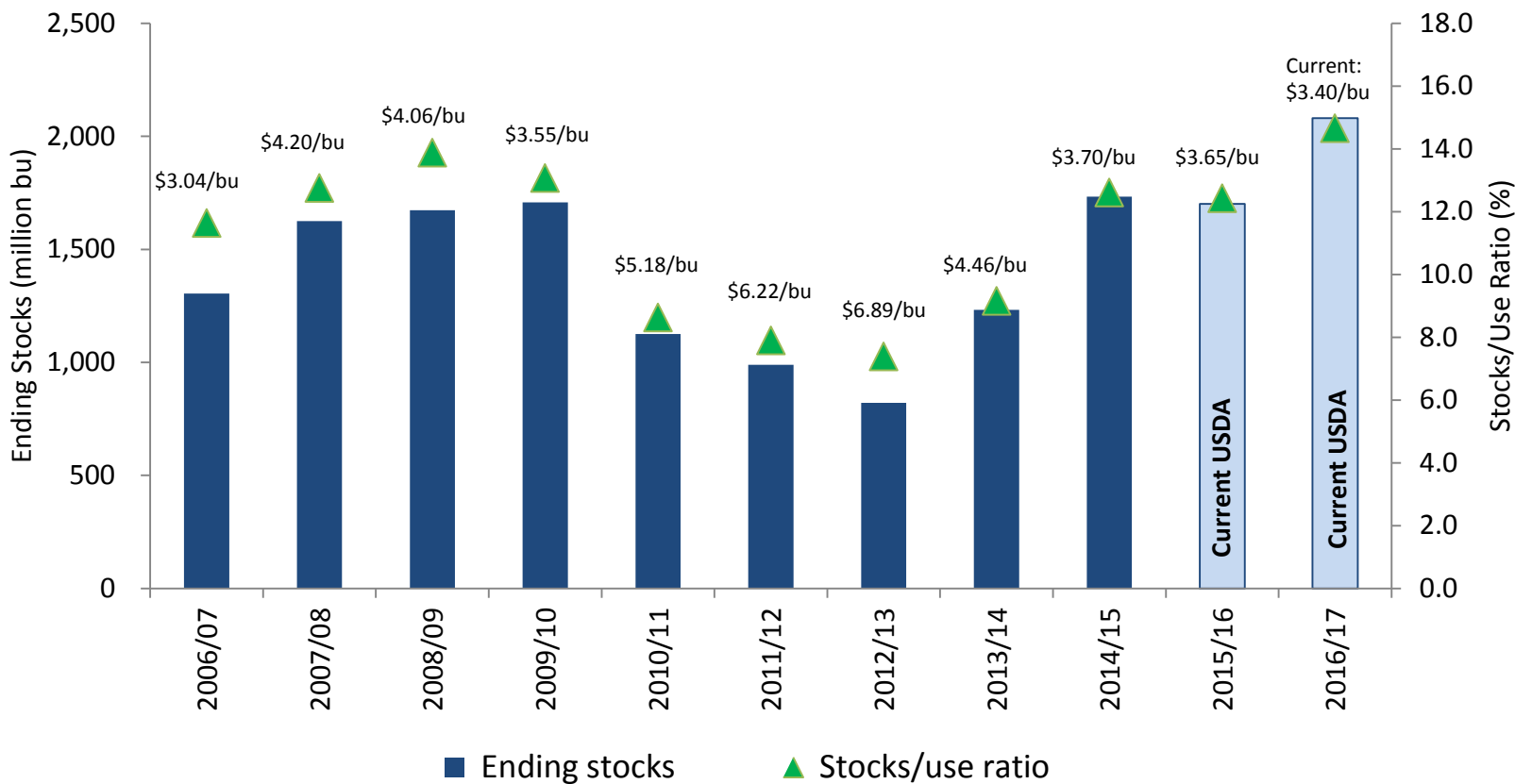
Source: USDA, Agrium

Corn Supply/Demand Balance Boosted by Acreage



- Surprisingly high 2016 corn acreage and robust yield expectations have pressured corn prices.
- Very strong corn export demand has helped offset a portion of additional supplies.
 - Since the February Outlook Conference, USDA has increased its 2016/17 export forecast by 20%

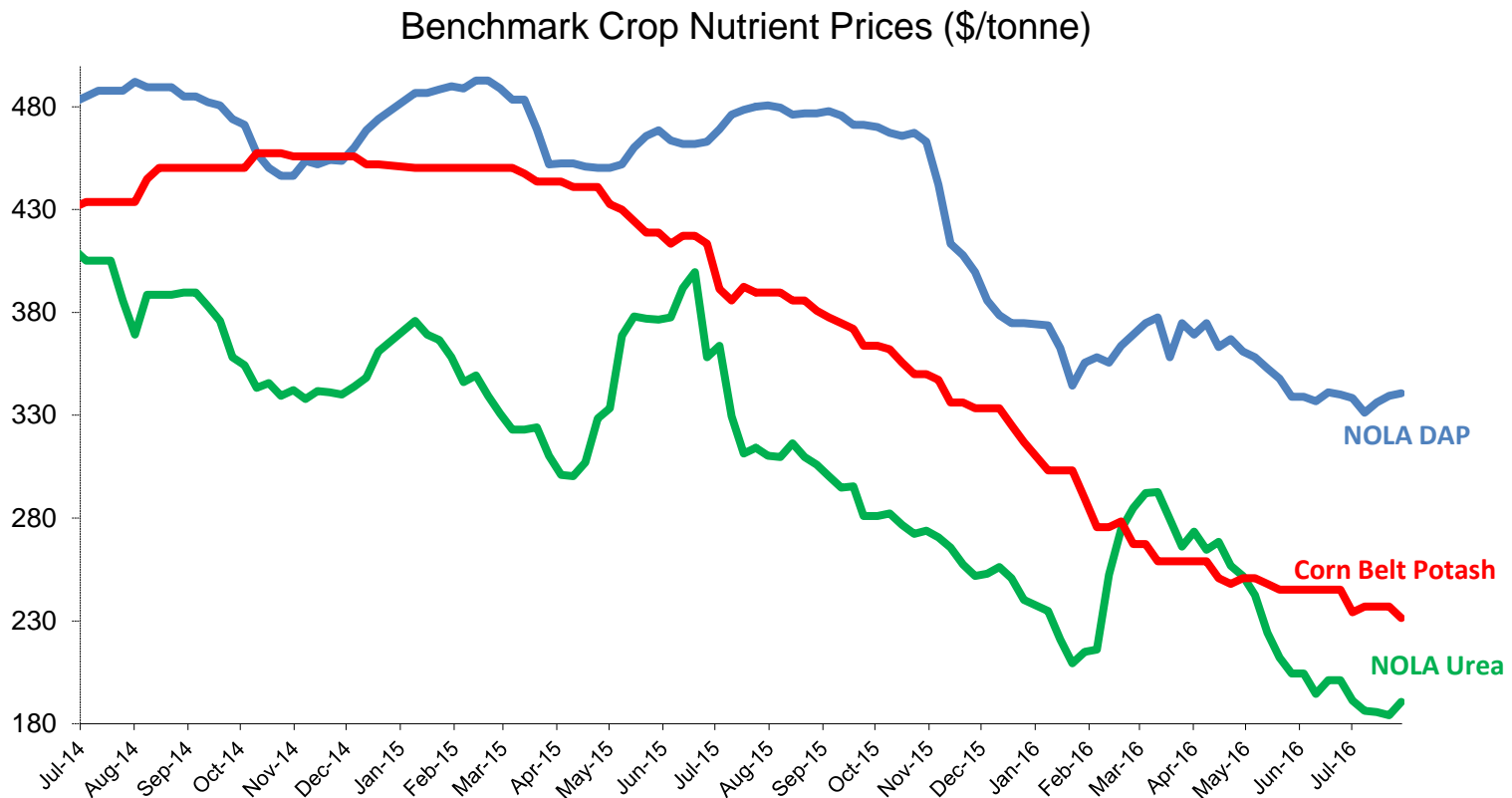
Corn Ending Stocks and Stocks/Use



Crop Nutrient Prices



- Benchmark crop nutrient prices declined throughout Q2 2016 as buyers managed inventories approaching the end of the spring season.
- Nutrient prices have shown stability in recent weeks.

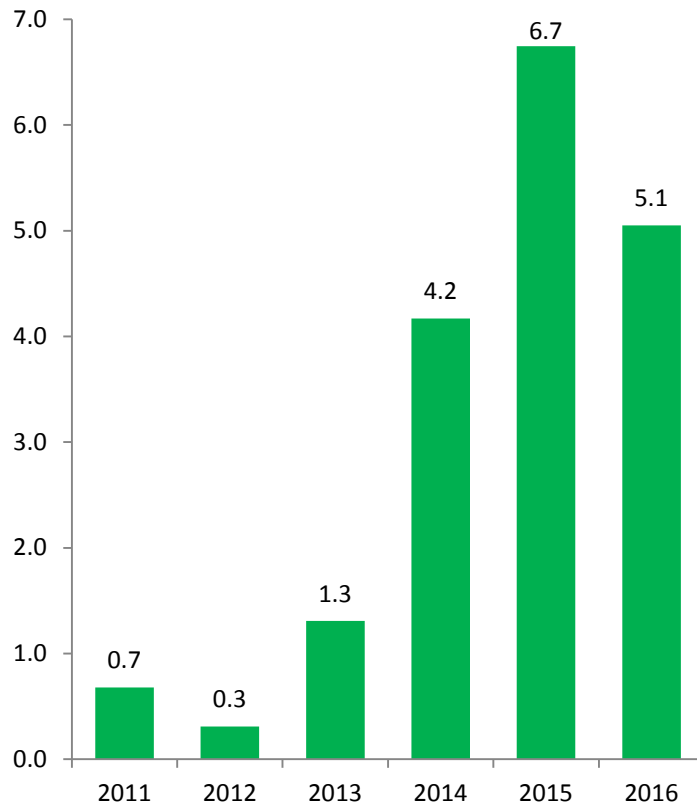


Chinese Urea Export Pace Slows

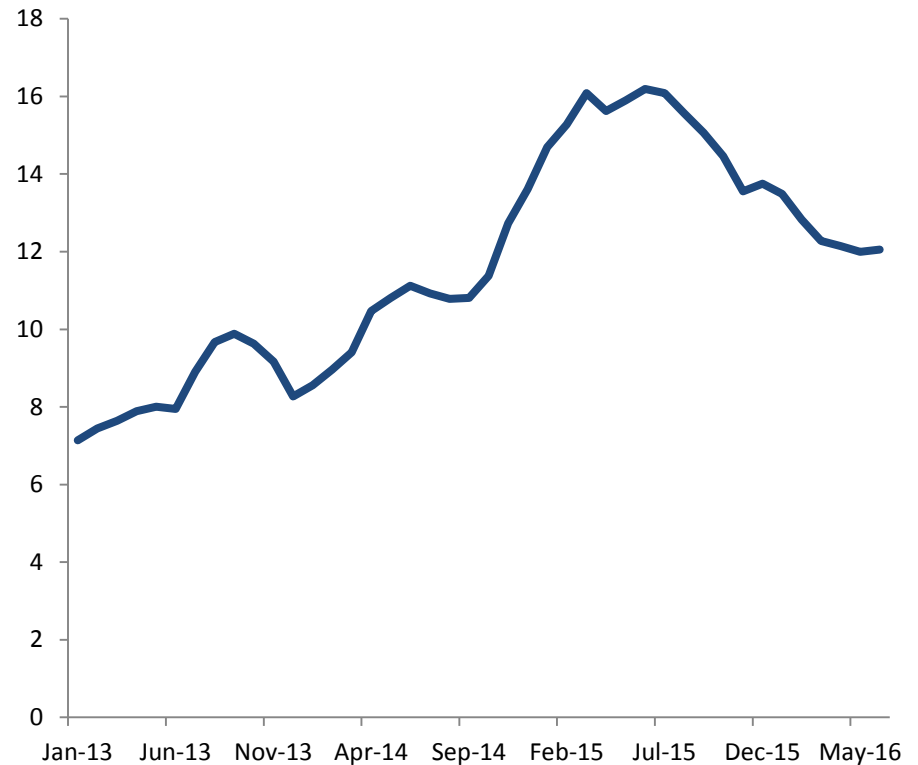


- YTD 2016 Chinese urea exports are down 25% year-over-year.
- Chinese urea capacity utilization has declined continuously since March 2016.
- In the last twelve months, China has exported 12 mmt of urea.

1H Chinese Urea Exports (mmt urea)



China Urea Exports: Cumulative Last 12 Months (mmt)



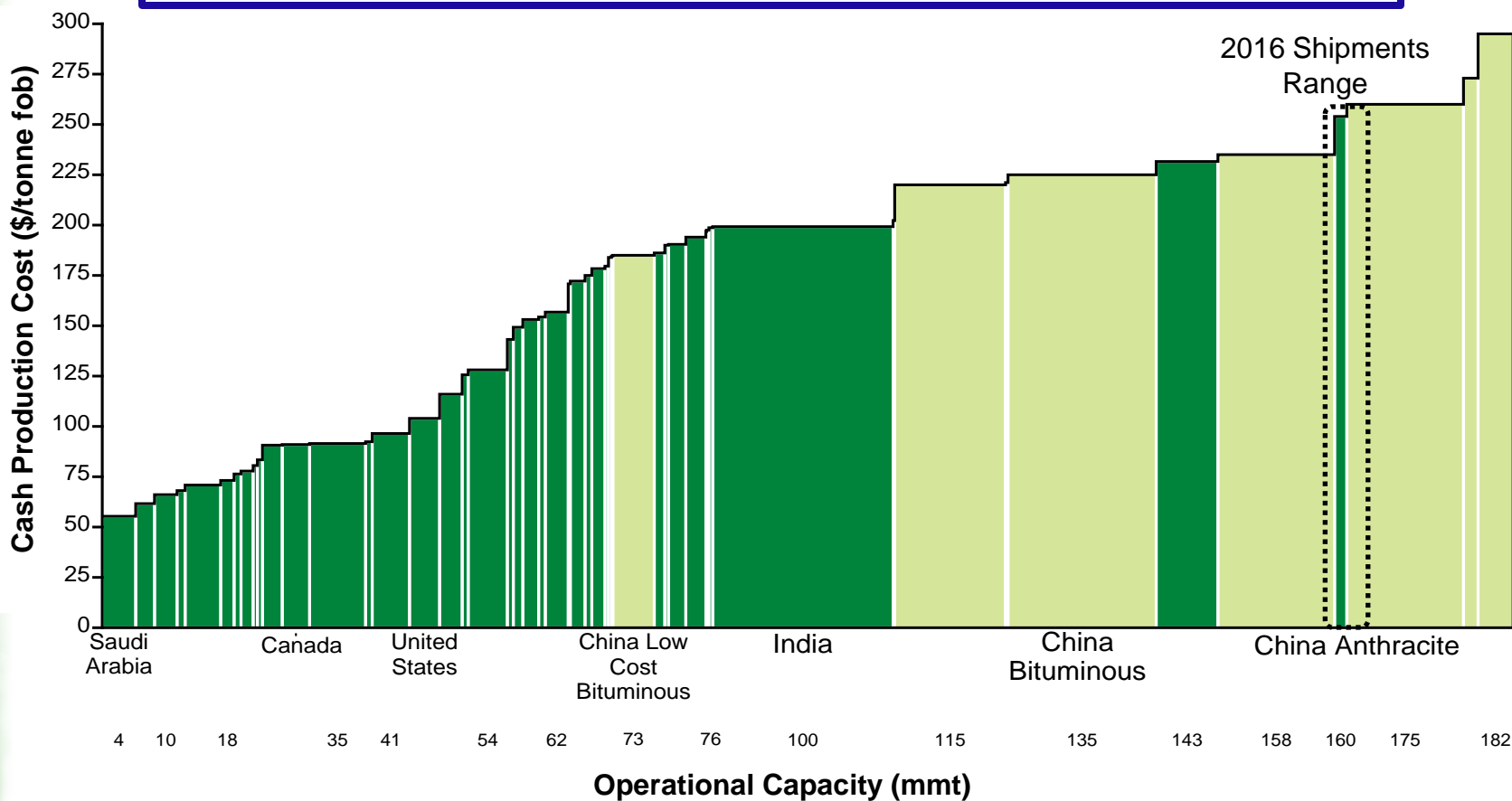
Source: CFMW, Agrium

Global Urea Cost Curve



- China and India have the majority of global nitrogen capacity and are high cost producers.
- Poor profitability of Chinese producers has led to significant closures.

>60% of global urea capacity has costs above \$180/tonne



CULTIVATING
EXCELLENCE



Agrium Inc.

13131 Lake Fraser Drive SE
Calgary, Alberta T2J 7E8
Telephone (403) 225-7000

NYSE and TSX: AGU
agrium.com