

# Q2 2013 Earnings Conference Call

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August 8, 2013

Agrium®



# 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 conditions, are forward-looking statements, including, but not limited to, statements as to management's expectations with respect to: future crop and crop input volumes, demand, margins, prices and sales; business and financial prospects; and other plans, strategies, objectives and expectations, including with respect to future operations of Agrium and proposed acquisitions and divestitures and the growth and stability of our earnings. 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.*

*All of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions listed below. Although Agrium believes that these assumptions are reasonable, this list is not exhaustive of the factors that may affect any of the forward-looking statements and the reader should not place an undue reliance on these assumptions and such forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include Agrium's ability to successfully integrate and realize the anticipated benefits of its already completed and future acquisitions, including the proposed acquisition of the Agri-products Business of Viterra.*

*Events or circumstances that could cause actual results to differ materially from those in the forward-looking statements 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. There is a risk that the Egyptian Misr Fertilizer Production Company nitrogen facility in Egypt may not be allowed to proceed with the completion of the two new facilities. Additionally, there are risks associated with Agrium's acquisition of AWB, including litigation risk resulting from AWB having been named in litigation commenced by the Iraqi Government relating to the United Nations Oil-For-Food Programme. Furthermore, there are risks associated with Agrium's proposed acquisition of the Agri-products Business of Viterra including that completion of the acquisition of the assets proposed to be purchased by Agrium as well as the timing thereof is dependent on the receipt of the necessary regulatory approvals and the satisfaction of other conditions precedent to closing and there can be no assurances that such regulatory approvals will be received, and that the other conditions to closing will be satisfied, in a timely fashion, or at all; potential liabilities associated with the assets proposed to be assumed by Agrium, which may not be known to Agrium at this time, due in part, to the fact that the nature of the transaction did not allow for Agrium to complete customary due diligence prior to entering into the agreement to purchase the assets.*

*Agrium disclaims any intention or obligation to update or revise any forward-looking statements 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.*

# 2Q13 Highlights

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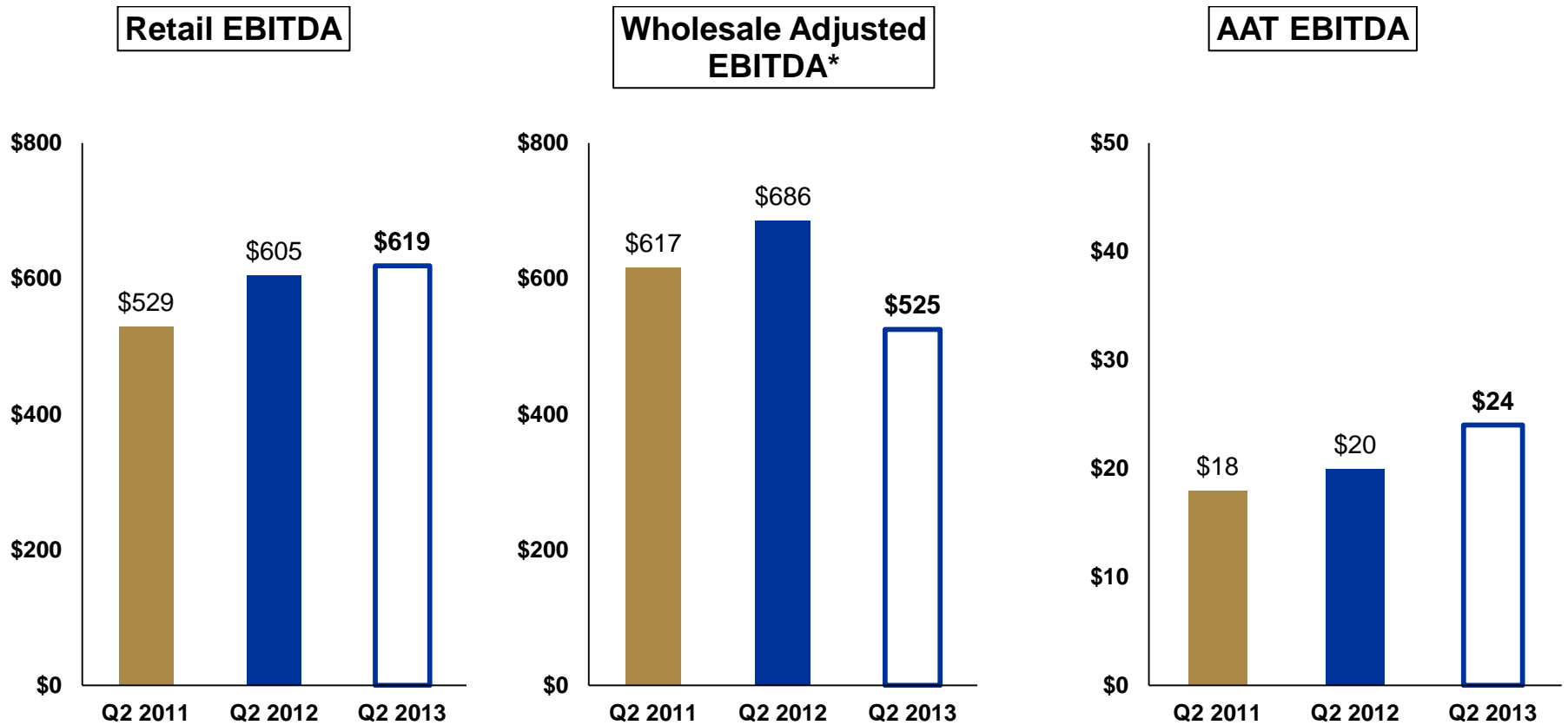
- Achieved strong 2Q13 consolidated net earnings with the highest sales in history and the second highest gross profit and quarterly Adjusted EBITDA
  - Retail achieved record second quarter sales and EBITDA, reporting \$5.6-billion and \$619-million, respectively
  - Reported outstanding results from our Wholesale nitrogen business, which delivered its second highest second quarter margin per tonne of \$267
- Creating shareholder value under current normal course issuer bid by purchasing approximately 2 million shares for total consideration of approximately \$179-million as of July 31, 2013
  - Average share price of approximately \$88 U.S. per share

*\*All figures in U.S. dollars; Adjusted EBITDA is defined as EBITDA before finance costs, income taxes, depreciation, and amortization from our joint ventures*

Source: Agrium

# 2Q13 Earnings

- Record second quarter results for Retail and AAT.



\*All figures in millions of U.S. dollars; Adjusted EBITDA is defined as EBITDA before finance costs, income taxes, depreciation, and amortization from our joint ventures

Source: Agrium

# Financial Results

Millions of U.S. dollars, except per share amounts	Q2 2013	Q2 2012
Sales	\$7,016	\$6,772
Gross Profit	\$1,722	\$1,851
EBITDA	\$1,199	\$1,326
Adjusted EBITDA*	\$1,207	\$1,335
Consolidated Net Earnings	\$747	\$860
Diluted Earnings Per Share**	\$5.02	\$5.44

\* Adjusted EBITDA is defined as EBITDA before finance costs, income taxes, depreciation, and amortization from our joint ventures

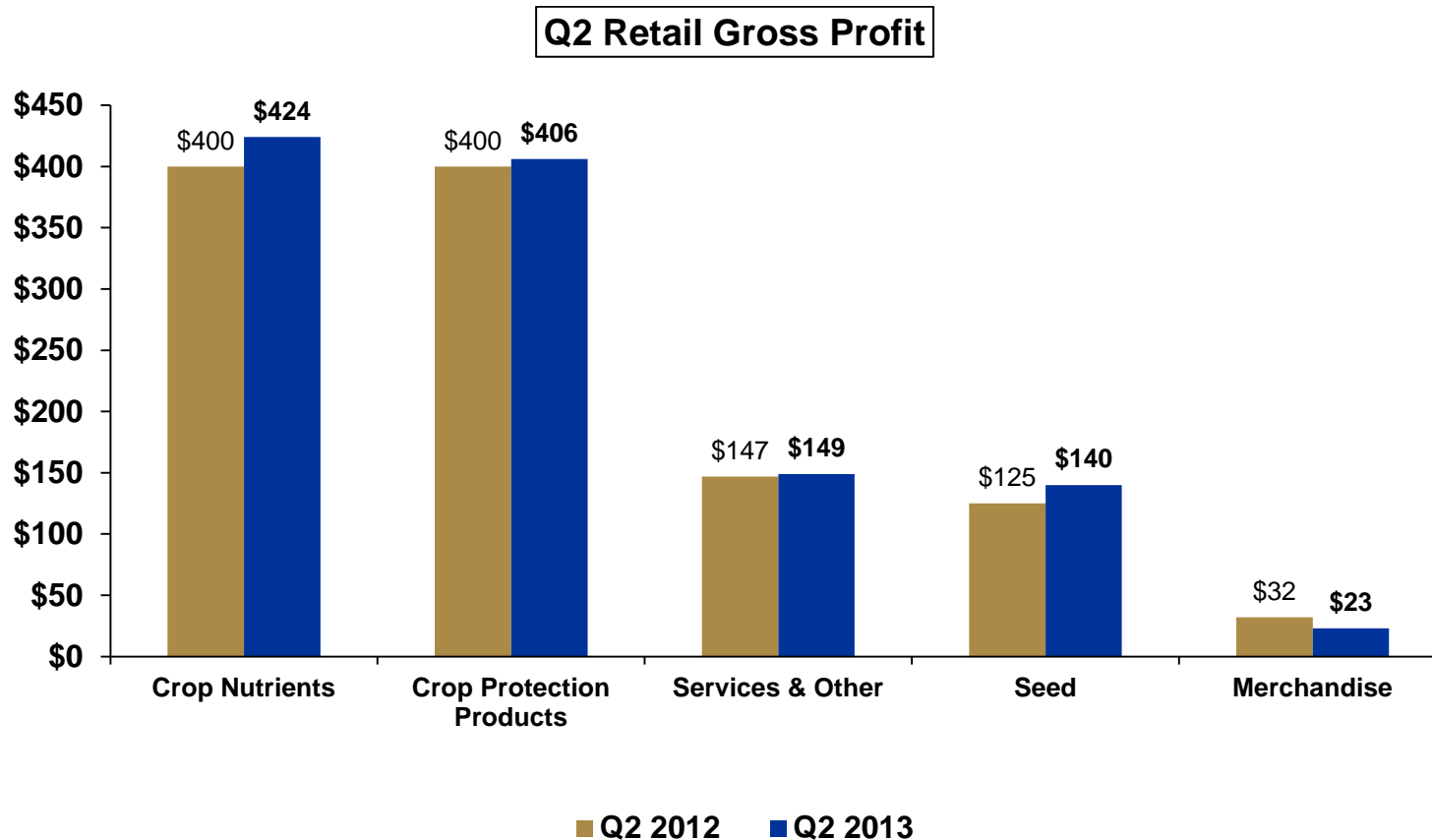
\*\*Diluted EPS calculations based on weighted average shares outstanding of 149 million in Q2 2013 and 158 million in Q2 2012

Source: Agrium



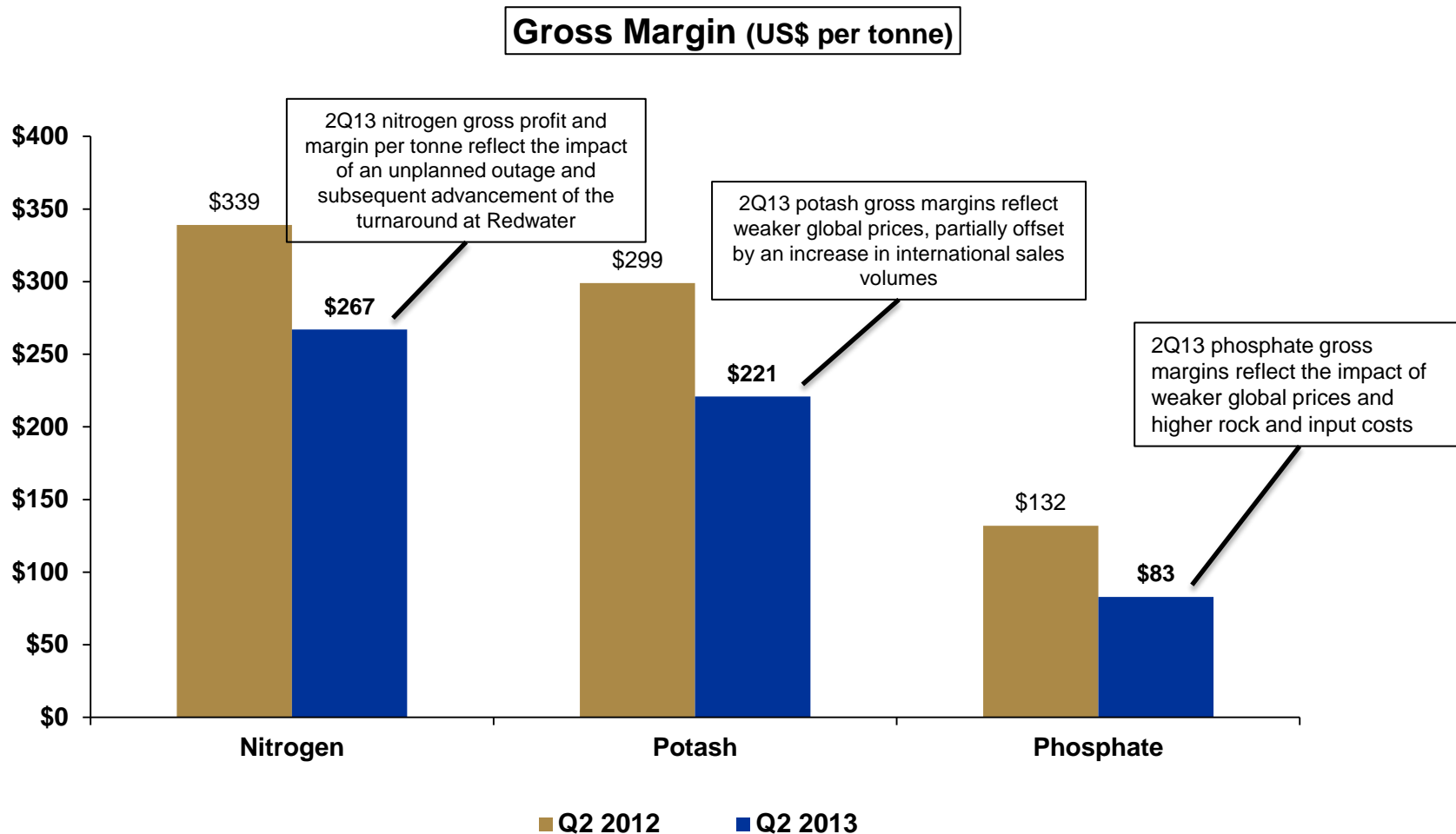
# Retail Highlights

- Retail EBITDA of \$619-million was the highest on record for a second quarter
- Higher Retail earnings were driven by a return to a more regular seasonal crop input demand for the first half of 2013 in North America, as compared to the exceptionally early planting season experienced in 2012



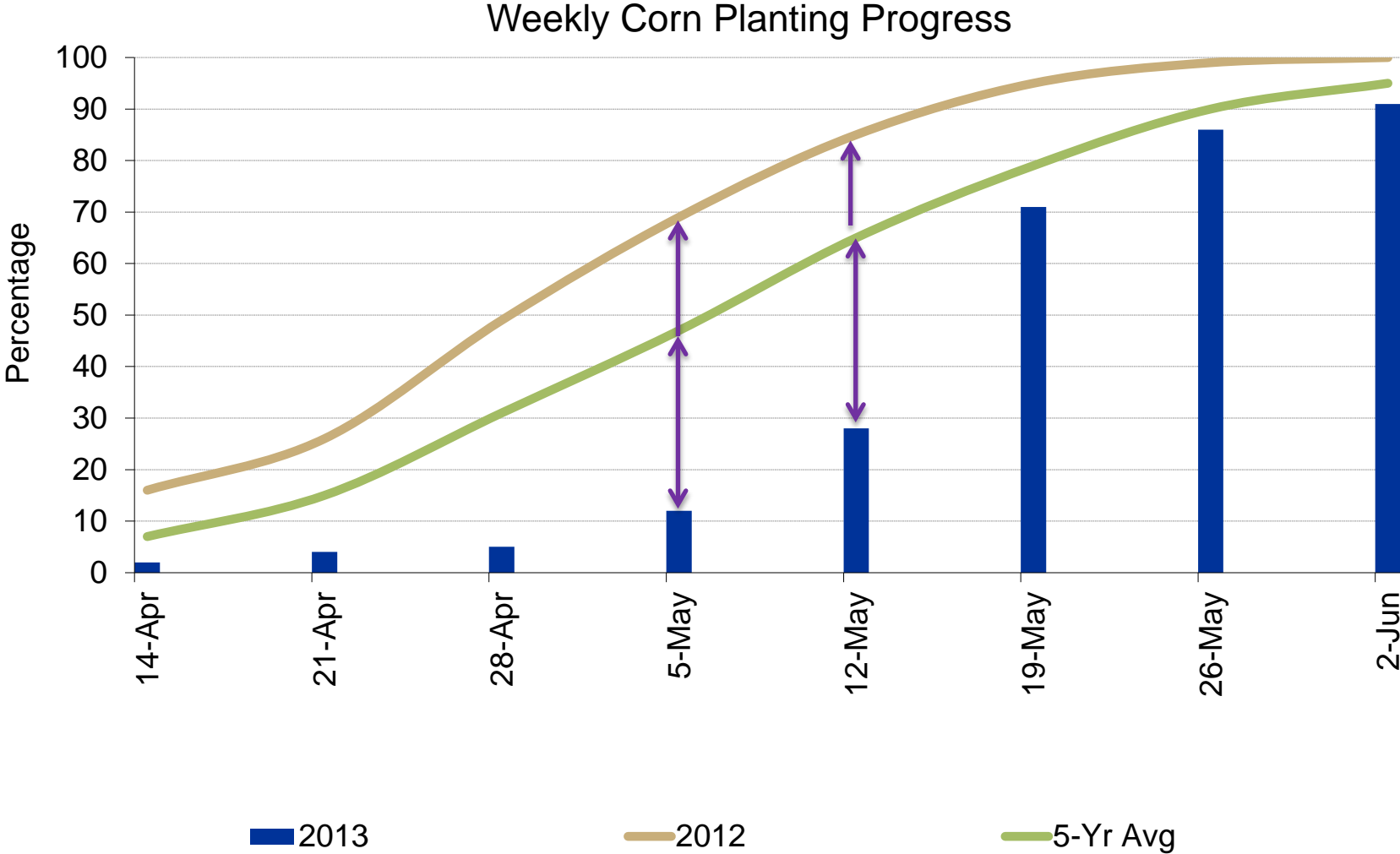
# Wholesale Highlights

- Lower Wholesale earnings driven by lower realized sales prices for urea, potash and phosphate and an unplanned outage at our Redwater nitrogen facility



# Compressed Spring Season Due to Delayed Planting

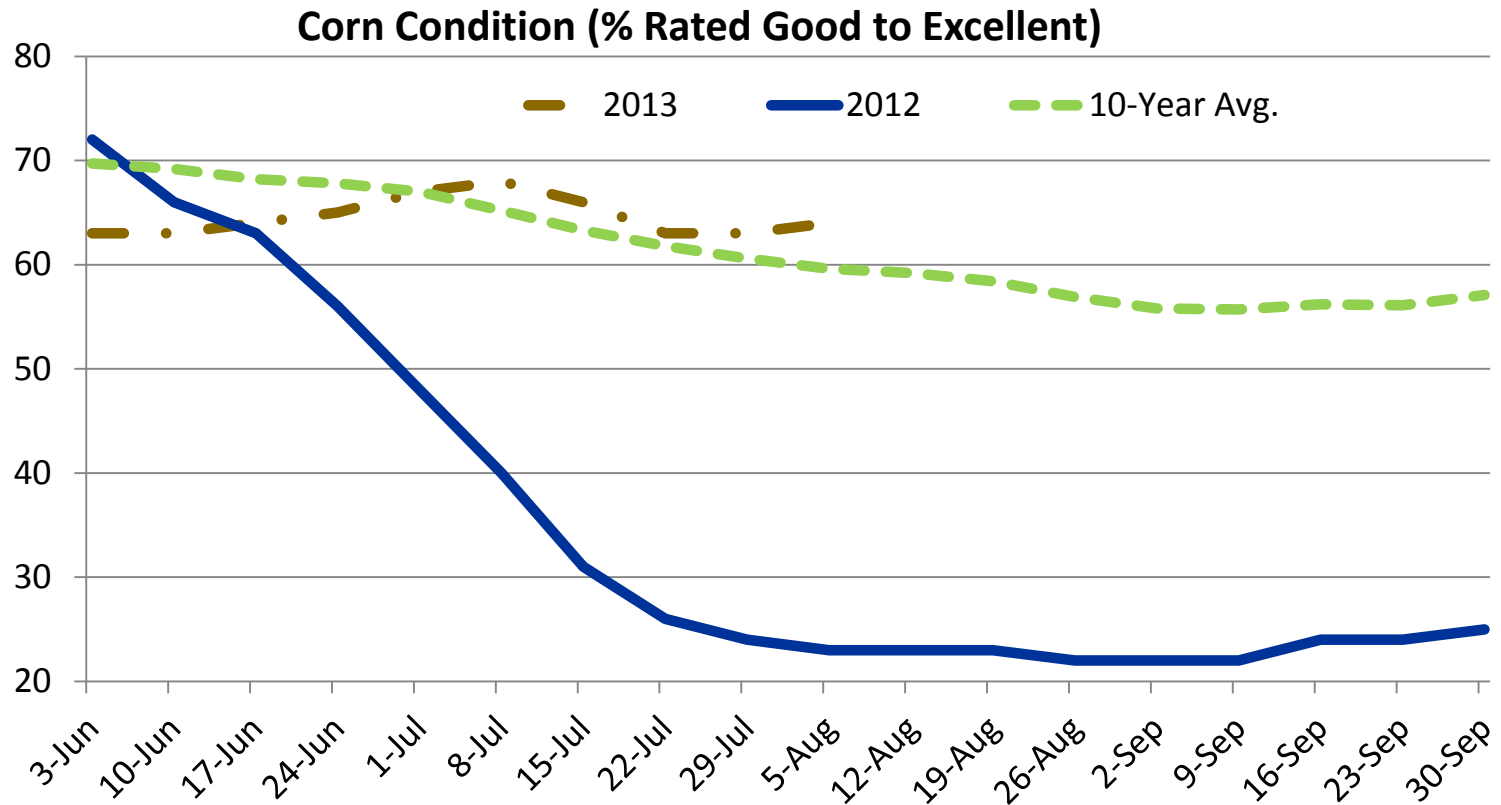
In mid-May, seeding was almost 60% behind last year & almost 40% behind normal



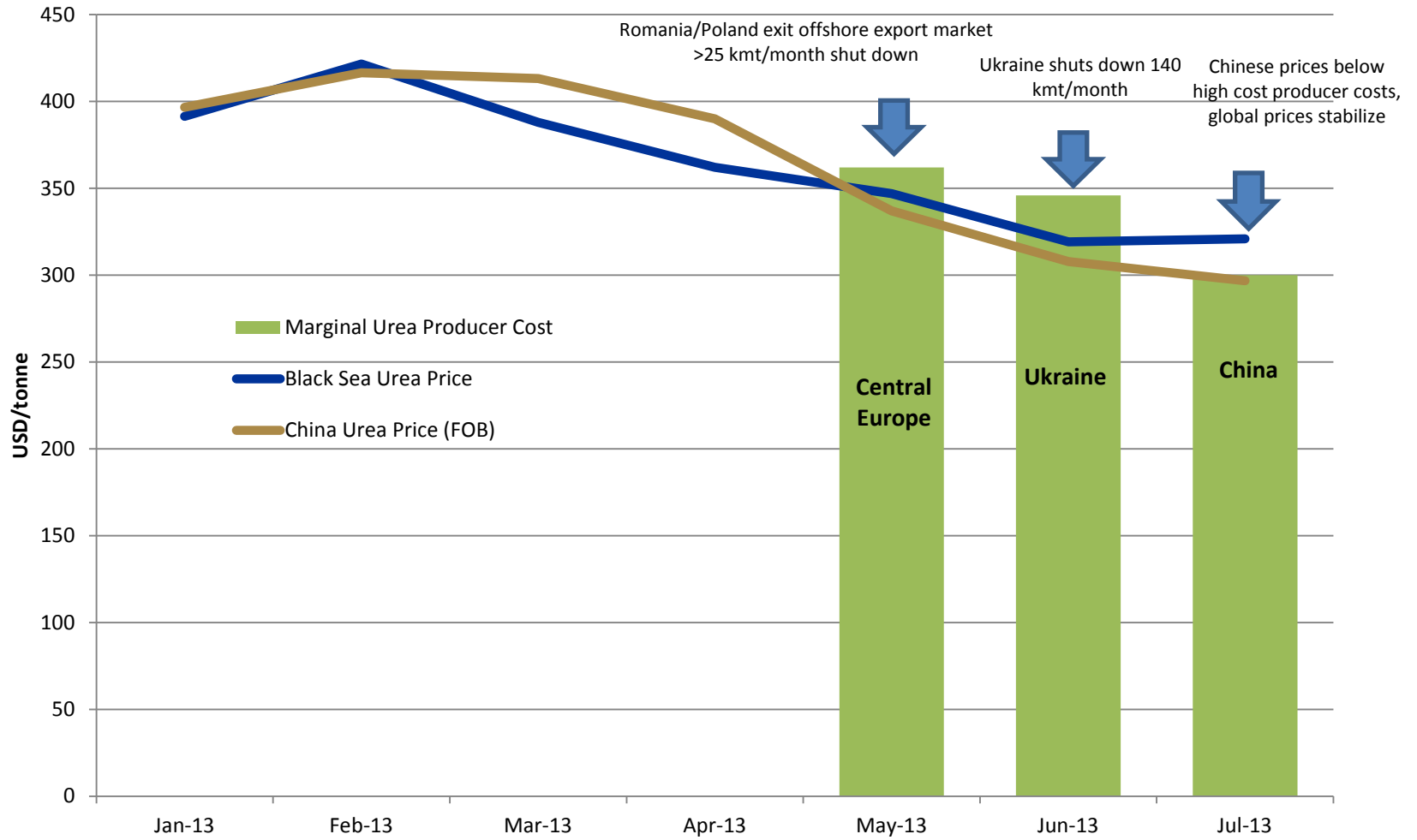


# Current Corn Crop Condition

- So far, corn condition ratings are near normal levels
- Currently seeing mild temperatures during pollination season



# Urea Prices Stabilized by Cost-Based Floor



## In Summary...

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- We expect solid demand for crop inputs in the second half of 2013 given positive grower sentiment:
  - Current crop margins remain above historical averages
  - Crop nutrients continue to be affordable
- We will continue to execute our integrated strategy and deliver value for our shareholders by driving continuous improvements to our base businesses, pursuing value-added growth opportunities across the crop input value chain, and returning capital to shareholders

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[agrium.com](http://agrium.com)

The Agrium logo features the word "Agrium" in a white serif font with a registered trademark symbol. A green leaf-like graphic element is positioned above the letter 'A'. The logo is set against a dark blue background that is part of a larger image of a farmer in a field.