

Fundamentals of Growth

Agrium & the Crop Input Market

March 2010

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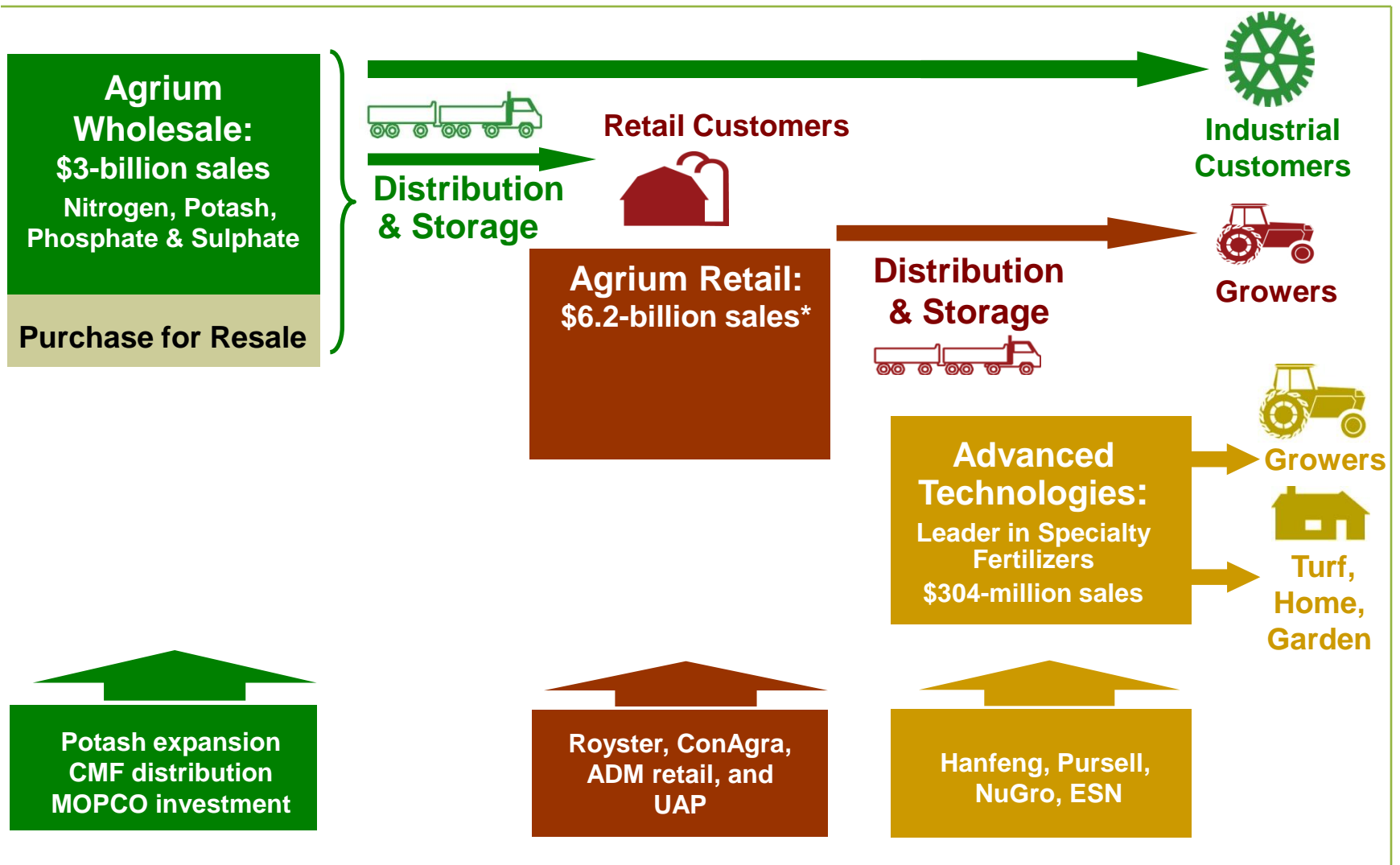


Agrium Across the Agricultural Value Chain

- **Market cap of >\$US10 billion, sales of >\$US9 billion**
Global operations with 3 separate business units,
+10,000 employees, +50 years in crop input business
 - Largest agricultural retail in North America, including almost \$3-billion in sales of seed and crop protection products
 - One of the worlds largest producers/marketers of crop nutrients
 - The leading innovator and producer of environmentally-friendly, controlled release fertilizers for the turf and golf course business, as well as agriculture markets



Agrium's Growth Across the Value Chain



* 2009 actual results

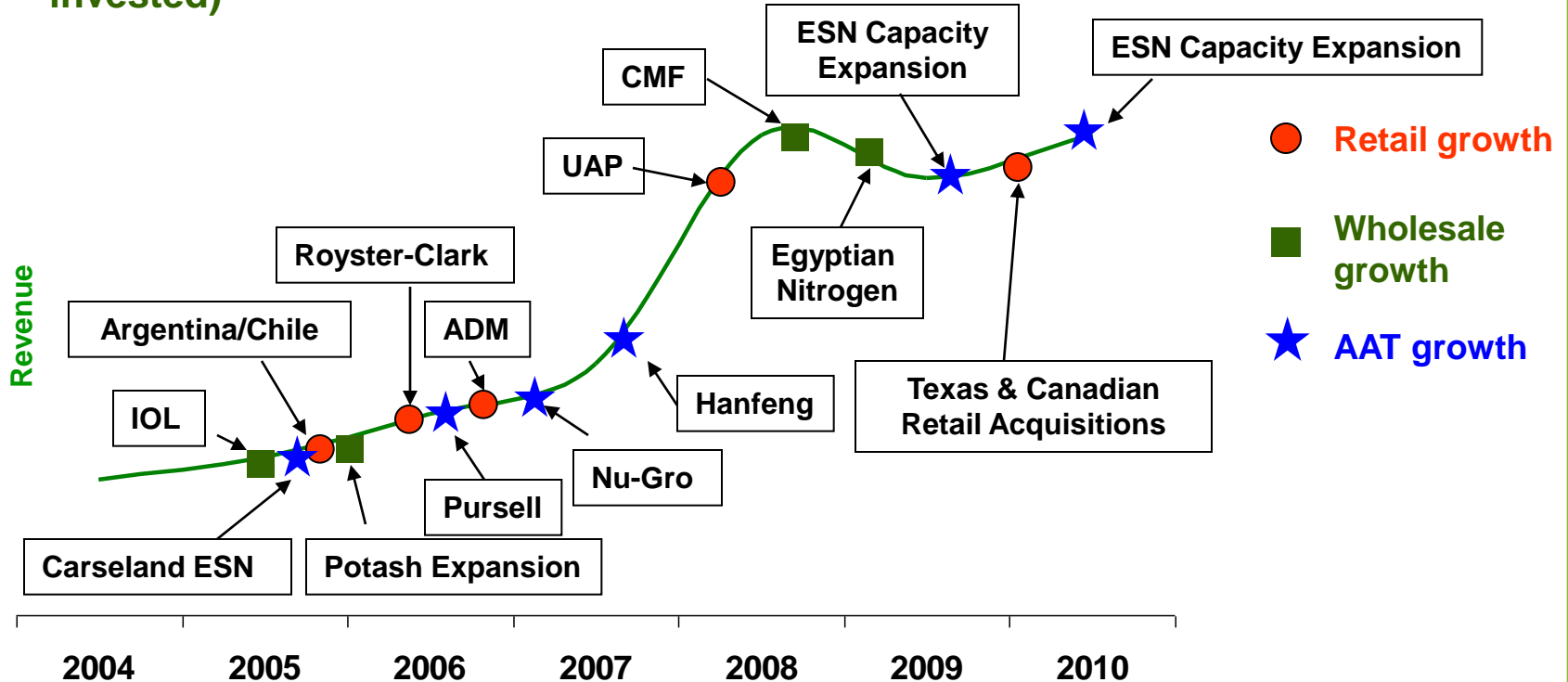


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Agrium's Strategy: Grow Across Value Chain

- 9 acquisitions (\$3.5-billion invested) and other growth initiatives (Potash expansion, ESN expansion, Egypt) in past 5 years
- Retail: 6 acquisitions in North & South America (over \$3-billion invested)
- Wholesale: 2 acquisitions (over \$400-million invested)
- AAT: 3 large acquisitions and other expansion initiatives (over \$280-million invested)



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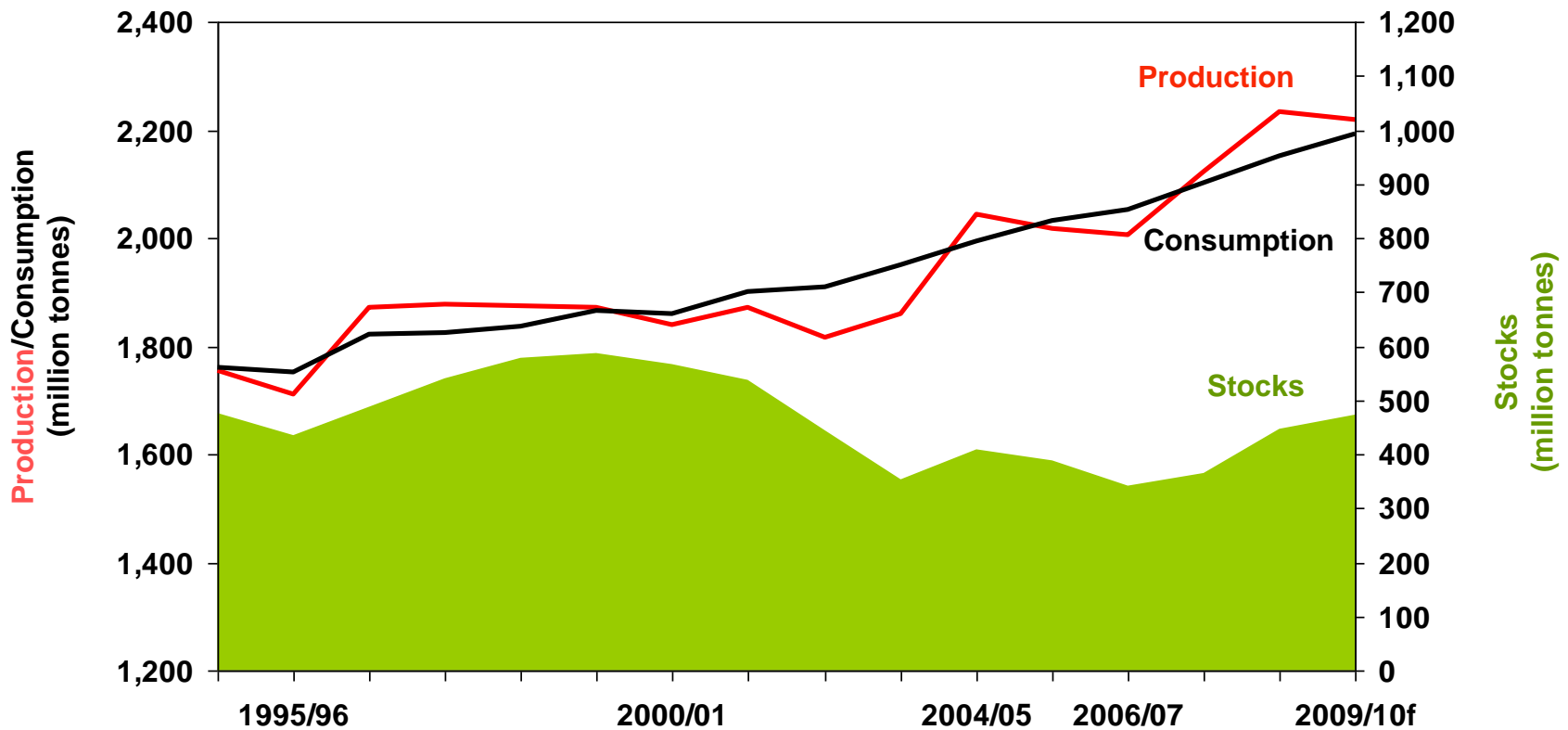
Agrium's 5-year Growth Objectives

- **Strategic acquisitions and other expansion/growth initiatives across the agricultural value chain**
 - Acquisitions, capacity expansions, & optimizing base business
- **Grow Retail EBITDA to \$1-billion through:**
 - Acquisitions, market share expansion
 - Broaden private label product offering and penetration
 - Continued growth in seed business
- **Potash**
 - Brownfield, 40% increase in capacity by 2013/2014
- **Double earnings from Advanced Technologies**
 - ESN growth
 - Global expansion of controlled release products



Consecutive Record Yields Boosts Grain Inventory

- Robust grain production in consecutive years
- Second highest grain production in history barely exceeds consumption



Source: USDA

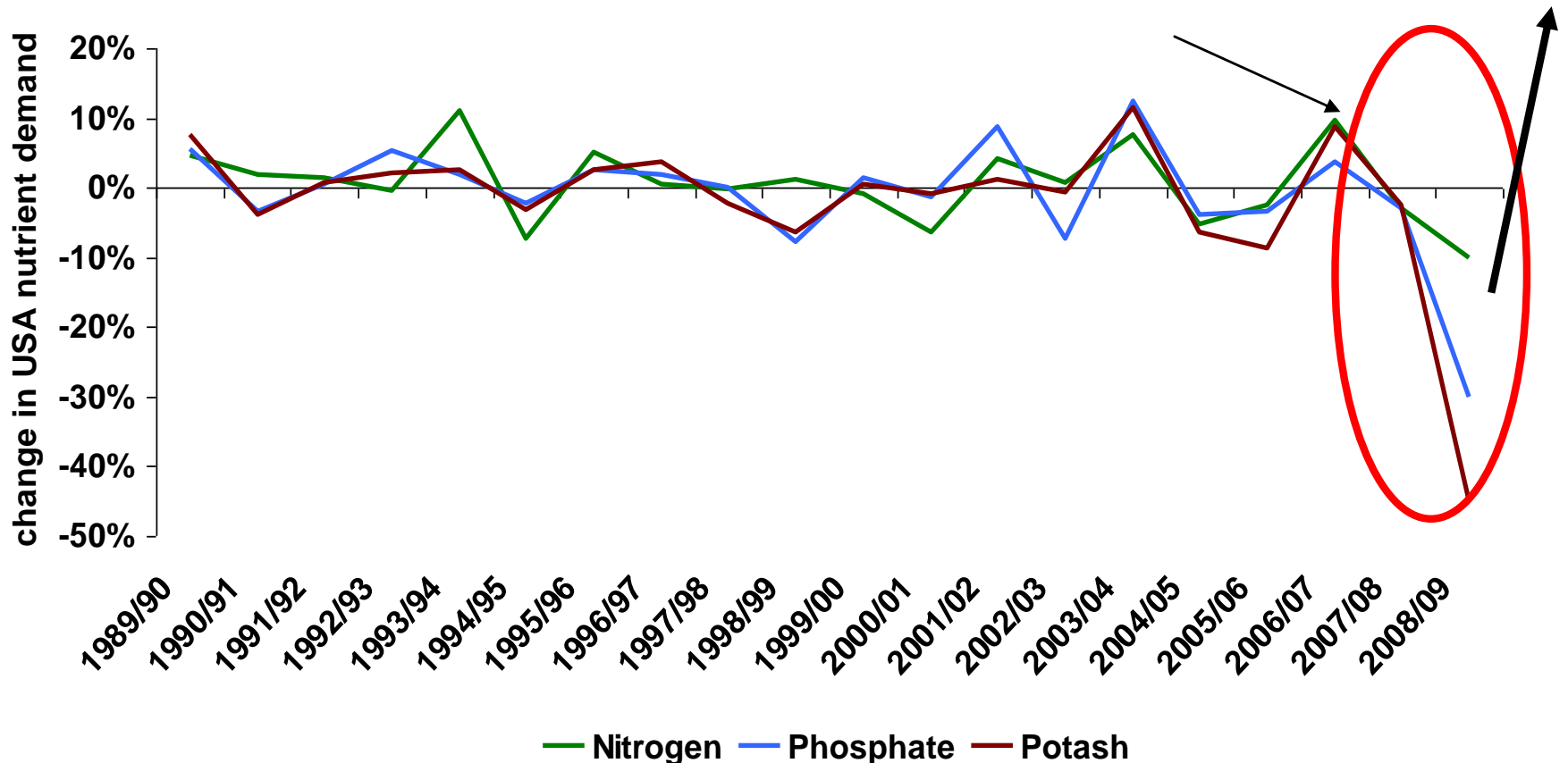


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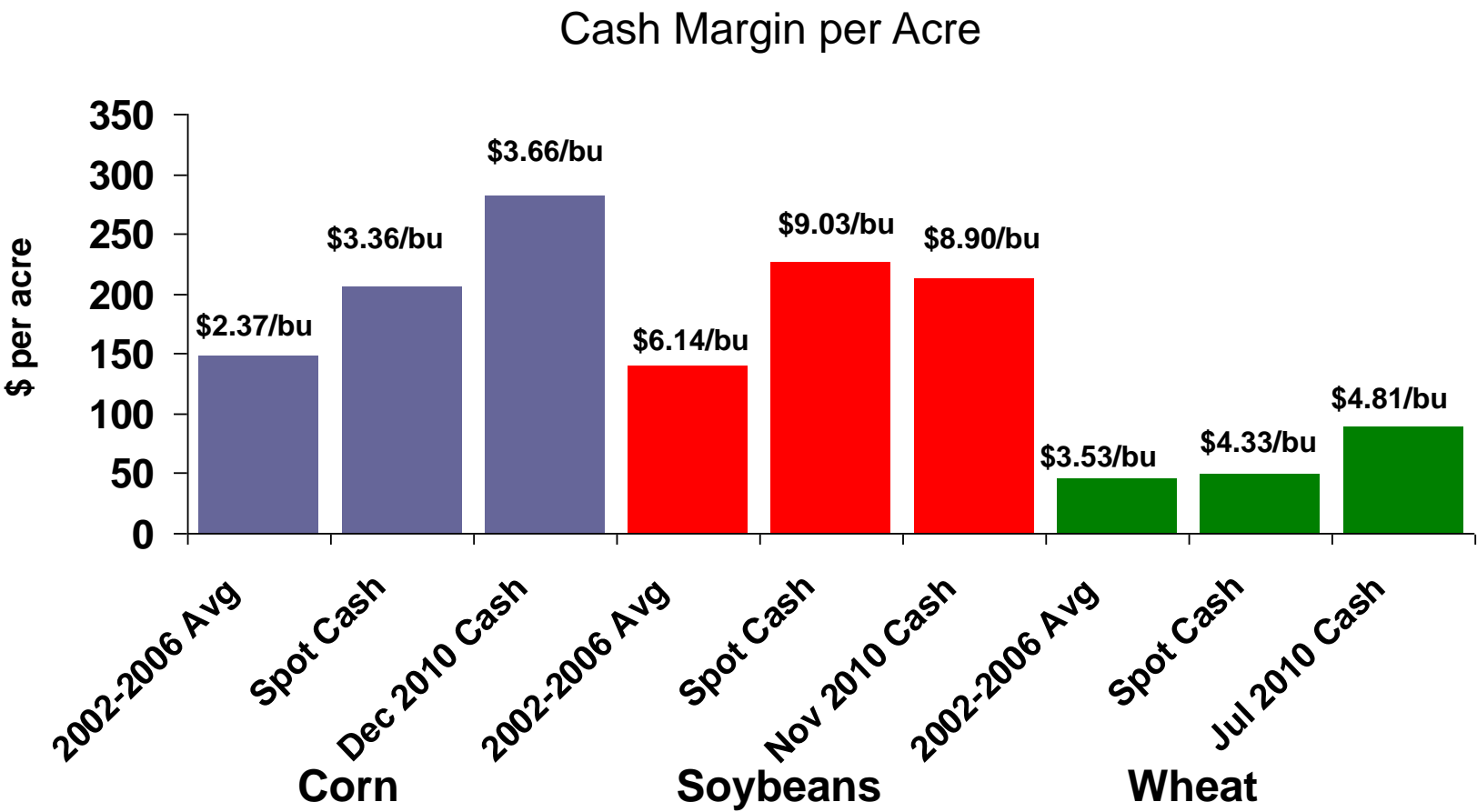


Unprecedented Decline in U.S. Nutrient Demand in 2008/09

- Input pipeline from dealers to soils depleted in 2008/09
- Significant increase in wholesale P and K deliveries indicated in 2H 2009
- Farm-level fertilizer demand weighted to 1H 2010 due to delayed harvest

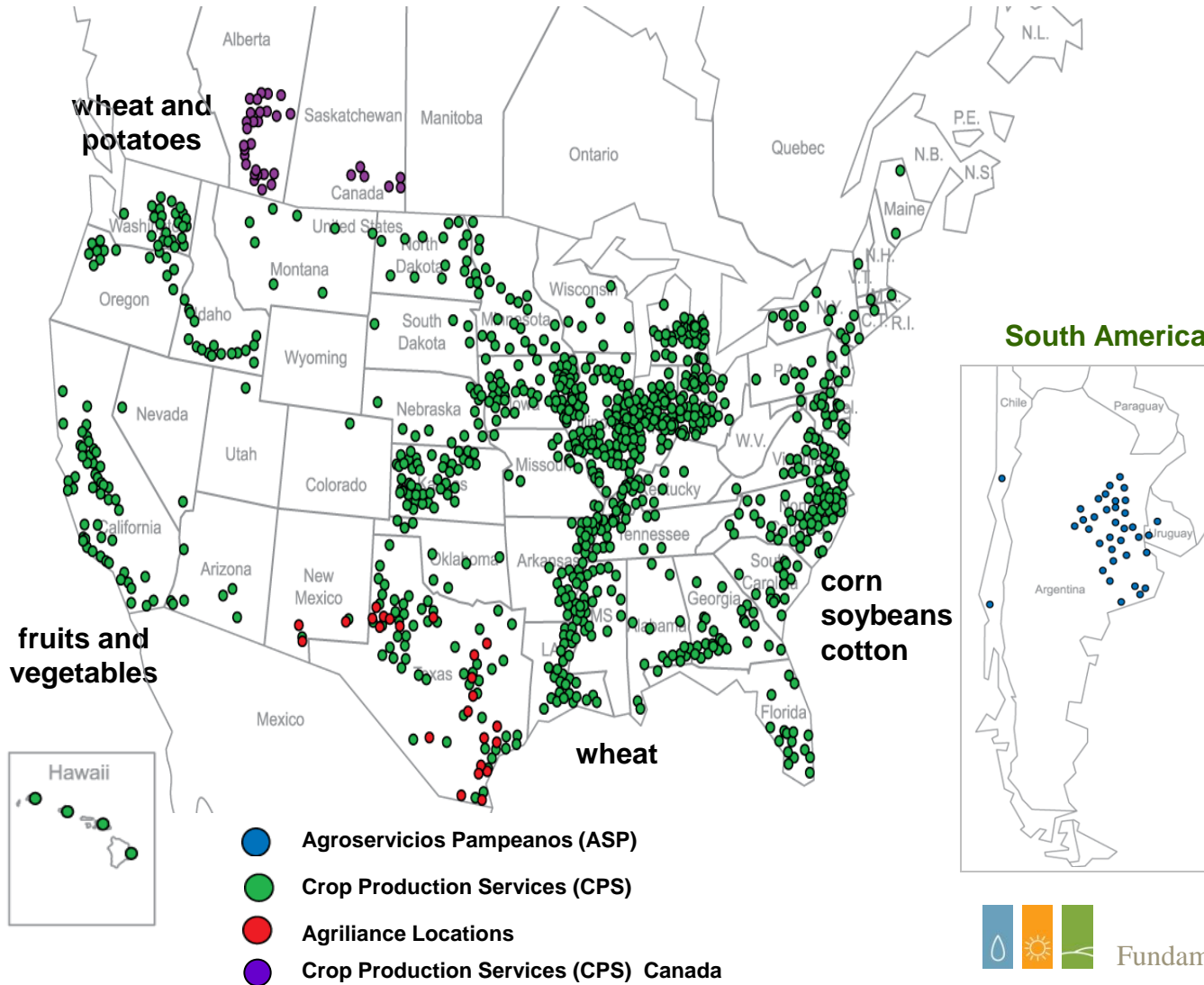


Historically strong corn and soybean margins



Agrium Retail Has Significant Geographic Diversity and Scale

North America



South America



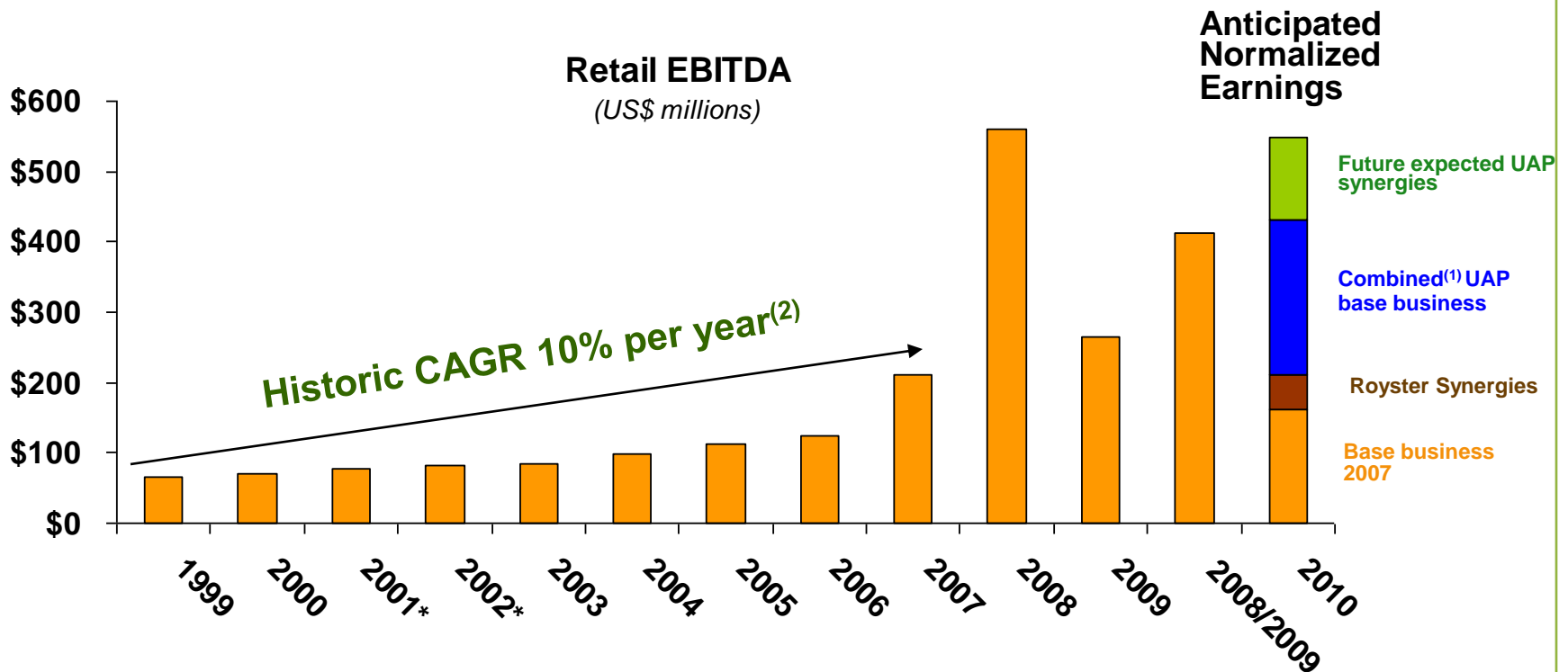
- Addition of approximately 380 UAP locations nearly doubled Agrium's retail business
- Increased geographic presence in Texas and New Mexico with acquisition of 24 Agrilience centers in late 2009
- Added 33 locations in Western Canada in late 2009/early 2010.
- Further geographic, crop and product diversity



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Agrium's Retail Transformation



1) Last 12 month EBITDA from UAP as of February 24, 2008 as disclosed in UAP's public disclosure documents

2) Compounded Annual Growth Rate was accomplished without an increase in the number of retail centers between 1999 and 2005

* 2001 excludes negative impact of the Argentine currency devaluation,

* 2002 excludes an estimate of one-time benefit of Argentine currency devaluation of US\$15-million



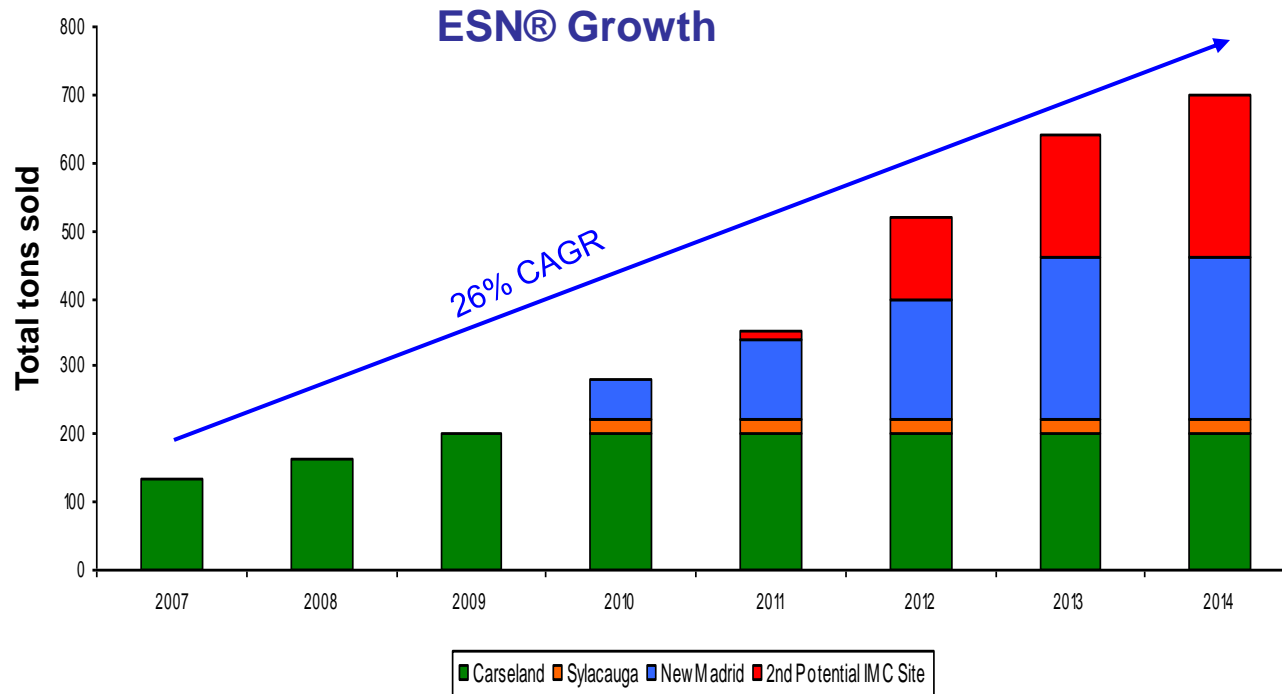
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Advanced Technologies



- **Leader in environmentally friendly specialty products, broad mix of products marketed to: Turf, Ornamental, Greenhouse, High Value Specialty Crops, Lawn and Garden**



- **New ESN plant at New Madrid, MO (120,000 tons) expected to be operational by Q1 2010, brings total capacity to 360,000 tons from 3 plant locations**
- **Equity position (19.6%) in Hanfeng (HF.TO), a leading producer of value-added fertilizer in China**



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Wholesale Advantages

Potash (K)



- Over 2.0 mmt of low cost production capacity
- Diverse global/NA customer base

Nitrogen (N)



- Over 5.0 mmt production capacity
- Natural gas and in-market advantages
- Diversified global production assets

Phosphate (P)



- Over 1.0 mmt production capacity
- Two integrated facilities with in-market and cost advantages

Purchase for Resale (PFR)



- Optimizes our extensive distribution and marketing capabilities
- CMF acquisition enhances annual PFR volumes by 2.5 mmt



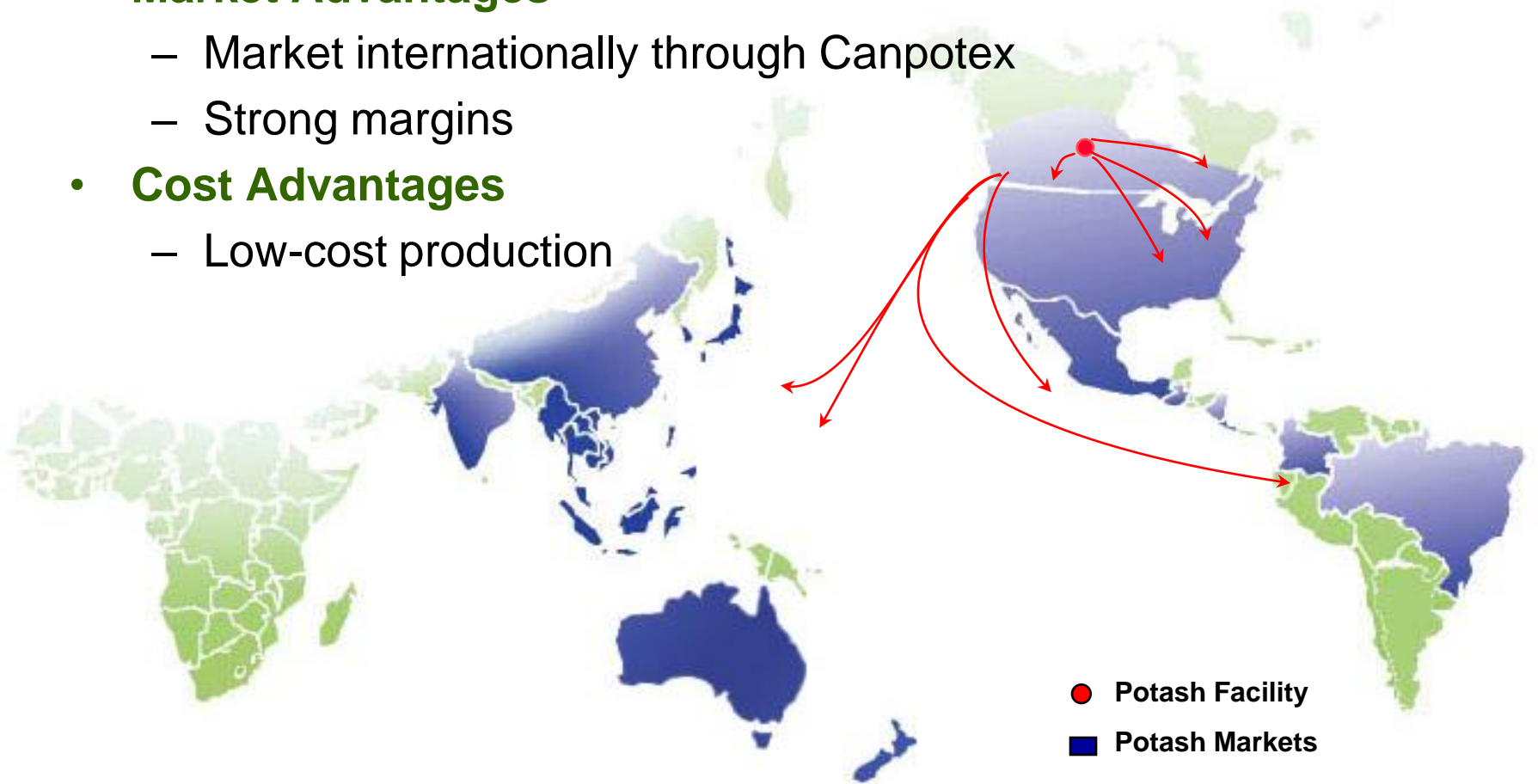
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Internationally Competitive Potash

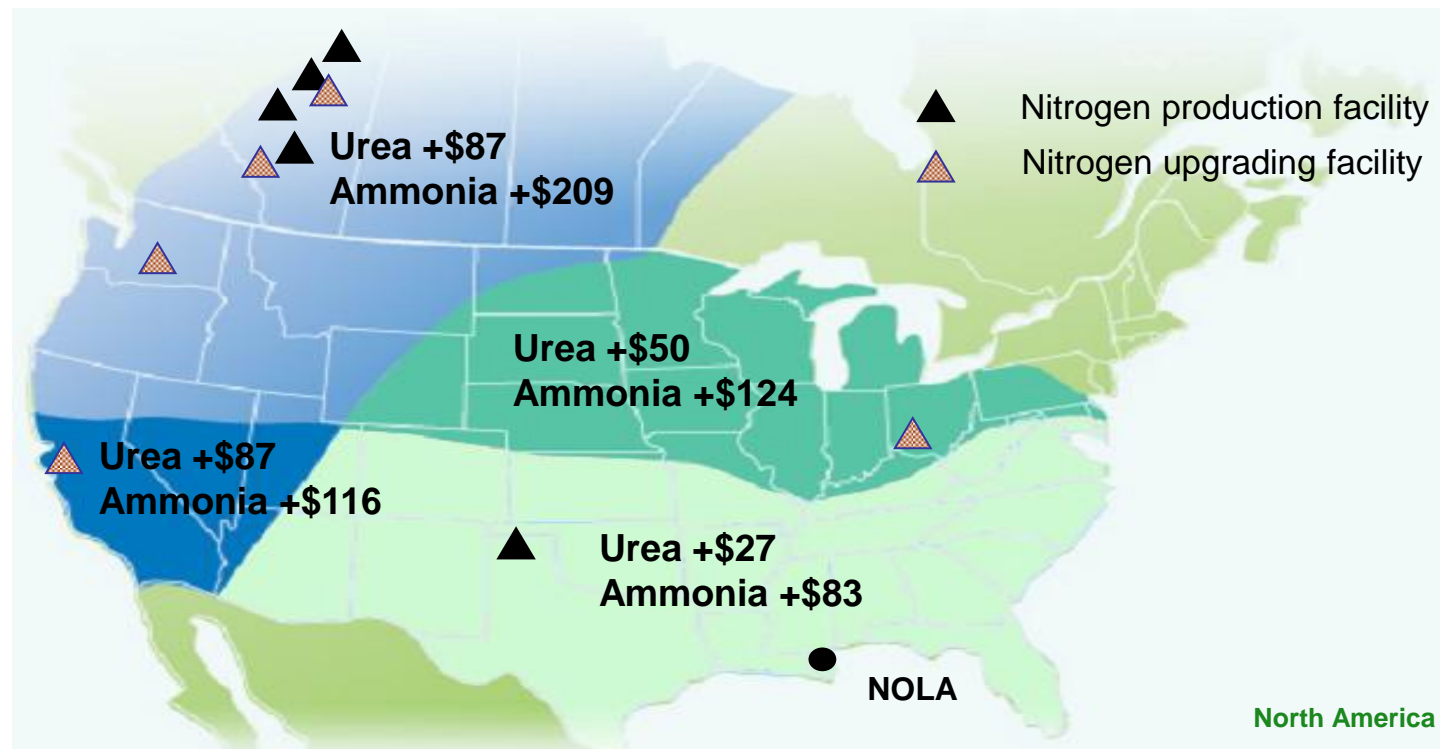
- **Potash Capacity over 2.0 mmt**
- **Market Advantages**
 - Market internationally through Canpotex
 - Strong margins
- **Cost Advantages**
 - Low-cost production

	% Sales*
NA sales	54%
International	46%



Nitrogen Competitive Advantage

- Selling price advantage over New Orleans benchmark (\$/mt)
- AECO gas advantage vis a vis NYMEX



Source: Green Markets: Spread equals regional reference price minus NOLA reference price.

Delivered prices adjusted by $-\$5/t$ for Urea and $-\$9/t$ for ammonia to estimate FOB prices. Based on a 10-year average from 2000-2009

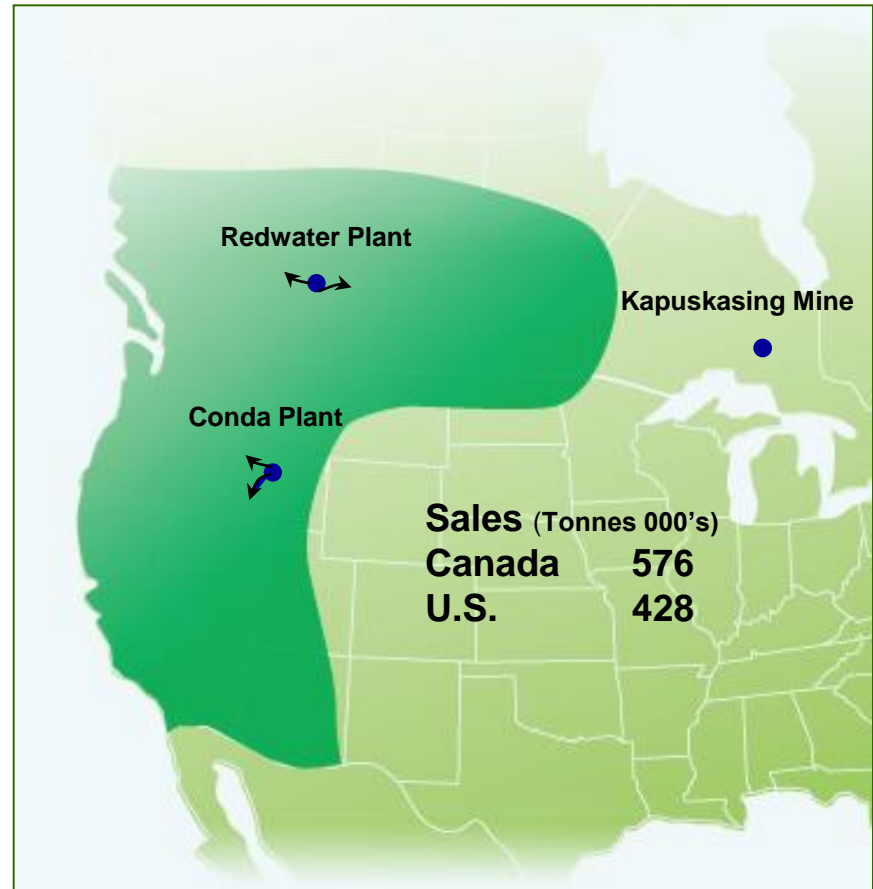


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Regional Phosphate Advantages

- **In - Market Advantage**
 - Lower freight costs
 - Higher selling prices
- **Vertically Integrated facilities**
 - Competitive advantage on Sulphur & Ammonia costs
 - Partially offset by rock costs and FX.



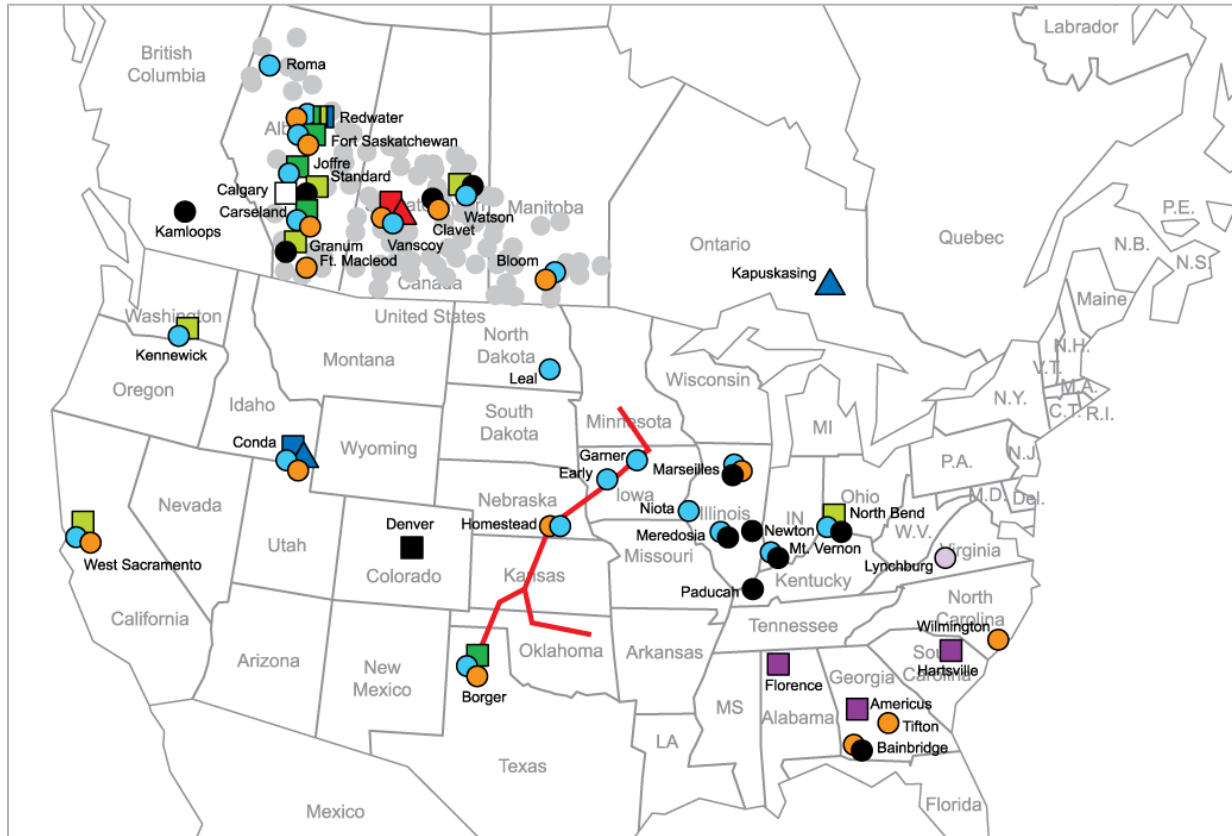
- Phosphate Facility
- Phosphate Markets



Agrium Wholesale

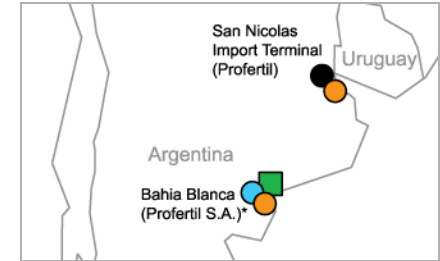
- * Profertil S.A. is 50 percent owned by Agrium Inc. and 50 percent owned by Repsol YPF, S.A. in Argentina
- ** 26 percent interest in MISR Oil Processing Company, S.A.E. (MOPCO) in Egypt.
- *** 70 percent equity position in Common Market Fertilizers S.A. (CMF) in Europe.

North America



- | | | | |
|---|--|---|--|
| ■ Nitrogen Production | ■ Potash Production | ● Anhydrous Ammonia Storage | ■ U.S. Sales Office |
| ■ Solution Production | ▲ Potash Mine | ● Solution Storage | Wholesale Head Office |
| ■ Phosphate Production | ■ Granulation Production | ● Dry Storage | CMF Subsidiary/Sales Office |
| ▲ Phosphate Mine | — Ammonia Pipeline System | ● Blend Storage | CMF Head Office |
| | | ● Engro Distribution | |

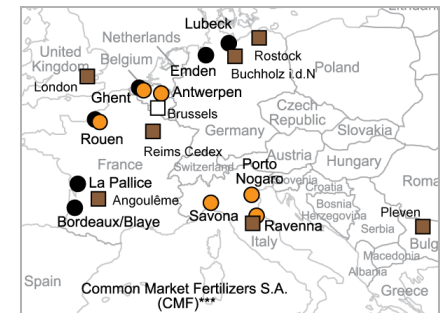
South America



Africa/Middle East



Europe



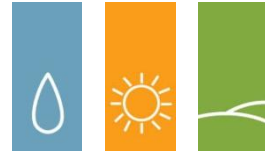
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Summary

- **Agrium continues to grow and expand across the value chain while optimizing earnings through the business cycle**
- **Agrium provides the best opportunity to benefit from positive agricultural outlook**
- **We expect a strong recovery in crop input use in 2010**





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The Future is Promising
