#### ALL AMOUNTS ARE STATED IN U.S.\$

Agrium Inc. (TSX:AGU) (NYSE:AGU) announced today 2015 fourth quarter net earnings from continuing operations of \$200-million (\$1.45 diluted earnings per share), compared to \$70-million (\$0.46 diluted earnings per share) in the fourth quarter of 2014. The increased net earnings were driven by strong performance from our Wholesale business unit, which achieved reduced cost of produced and higher overall sales volumes for all three nutrients. Retail's fourth quarter earnings were also higher than last year, despite the weather in the U.S. during the fall application season. On an annual basis, 2015 net earnings from continuing operations were \$988-millon (\$6.98 diluted earnings per share) compared to \$798-millon (\$5.51 diluted earnings per share) in 2014.

#### Highlights:

- Fourth quarter adjusted net earnings of \$209-million or \$1.52 per share (see page 2 for adjusted net earnings reconciliation)<sup>1</sup>, second highest fourth quarter results on record.
- Our results include an \$18-million restructuring expense (\$0.10 per share) associated with the portfolio review and cost reduct measures undertaken, which was not included in the adjusted net earnings reconciliation on page 2.
- Wholesale's fourth quarter Adjusted EBITDA<sup>2</sup> of \$372-million demonstrates improved nitrogen and potash production perform delivering higher sales volumes and significantly lower production costs.
- The Canpotex proving run for the Vanscoy expansion was highly successful. We demonstrated our nameplate capacity within year of mechanical completion, which increased our allocation to 10.3 percent of total Canpotex shipments starting in 2016.
   Retail EBITDA<sup>2</sup> was higher than the same quarter last year as a result of strong year-end rebates for crop protection products
- Retail EBITDA2 was higher than the same quarter last year as a result of strong year-end repates for crop protection production seed as well as lower operating expenses as a result of cost reduction initiatives implemented in 2015.
- On an annual basis, Retail U.S. normalized comparable store sales was up 2 percent versus a 2 percent decline in 2014.
- On an annual basis, 2015 free cash flow<sup>3</sup> increased to \$1.2-billion, or \$8.59 per share, compared to \$841-million, or \$5.85 per share in 2014.
- Agrium has announced a 2016 annual guidance range of \$5.50 to \$7.00 diluted earnings per share (see page 3 for further det

"Agrium achieved a strong finish to 2015, despite lower nutrient prices and challenging commodity markets. A key differentiator for t company was our integrated strategy, which helped provide stability in our earnings. We also benefited from the proactive steps we to further strengthen the company over the past year, including a renewed focus on execution and controlling our controllables. The benefits flowed through to our bottom line, helped us to generate \$8.59 of free cash flow per share and drive increased returns to shareholders, while still investing in future earnings growth," commented Chuck Magro, Agrium's President and CEO.

<sup>1</sup> Quarter effective tax rate of 20 percent used for adjusted net earnings and per share calculations. These are non-IFRS measures which represent net earnings adjusted for certain income (expenses) that are considered to be non-operational in nature. We believ these measures provide meaningful comparison to the earnings of other companies by eliminating share-based payments expense (recovery), gains (losses) on foreign exchange and related gains (losses) on non-qualifying derivative hedges and significant non-operating, non-recurring items. These should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS and may not be directly comparable to similar measures presented by other compa

<sup>2</sup> EBITDA is earnings (loss) from continuing operations before finance costs, income taxes, depreciation and amortization while Adju EBITDA is EBITDA before finance costs, income taxes, depreciation and amortization of joint ventures. These are non-IFRS measures refer to section "Non-IFRS Measures".

"Nutrient prices have been under pressure globally but we are optimistic we will see a strong spring application season across North America. We remain focused on Operational Excellence and our growth strategy, controlling what we can in order to reduce our cosposition, while continuing to optimize and grow our more stable Retail operations," added Mr. Magro.

# ADJUSTED NET EARNINGS RECONCILIATION

|  |   | Three mo          | Twelve months er |         |                  |                                 |  |  |  |
|--|---|-------------------|------------------|---------|------------------|---------------------------------|--|--|--|
|  |   | December 31, 2015 |                  |         |                  |                                 |  |  |  |
| (millions of U.S. dollars, except per share amounts) |   | Expense (income)  |                  |         | Expense (income) | Net earr<br>impact<br>(post-tax |  |  |  |
|  |   |                   | 200              | 1.45    |                  | 988                             |  |  |  |
|  | Adjustments:  |                   |                  |         |                  |                                 |  |  |  |
|  | Share-based payments  | 15                | 12               | 0.09    | 51               | 37                              |  |  |  |
|  | Foreign exchange (gains) loss net of related non-qualifying derivatives | (5                | ) (4             | ) (0.03 | 8 (              | 6                               |  |  |  |
|  | Gain on sale of assets  | (17               | ) (14            | ) (0.10 | ) (55            | (40                             |  |  |  |
|  | Goodwill impairment   | 19                | 15               | 0.11    | 19               | 14                              |  |  |  |
|  |   |                   |                  |         |                  |                                 |  |  |  |

<sup>&</sup>lt;sup>3</sup> This is a non-IFRS measure. Refer to section "Non-IFRS Measures".

 Tax rate adjustment (b)
 21
 21

 Adjusted net earnings (c)
 209
 1.52
 1,026

- (a) Represents diluted per share information attributable to equity holders of Agrium
- (b) Tax rate adjustment mainly relates to the increase in current and deferred taxes due to an increase in the Alberta corporate income tax rate effective July 1, 2015.
- (c) Quarter and annual effective tax rates of 20 percent and 27.6 percent used for adjusted net earnings and per share calculations

#### MARKET OUTLOOK

The macroeconomic environment has continued to be challenging for commodities, resulting in many commodities trading at multi-ylows in early 2016. While agricultural commodities are driven by unique supply and demand fundamentals, prices have not escaped general negative sentiment toward commodities. In addition to this, the prices of most crops have been pressured by another year of high global crop yields in 2015, allowing the global inventories of many major grains and oilseeds to increase. Furthermore, the stre in the U.S. dollar relative to most other global currencies has increased the competitiveness of non-U.S. growers, which has led to let than expected U.S. grain and oilseed exports and added pressure on prices.

Despite the weak macroeconomic environment, we expect growers within North America and other major agricultural markets will phistorically high crop acreage again in 2016, supporting robust crop input demand. In the U.S., growers are expected to increase overop acreage, including a one to three million acre increase in corn area, as significant crop acreage was lost in 2015 due to excess moisture in parts of the U.S. Corn Belt. Outside of the U.S., the weakness in domestic currencies has led to relatively attractive domorop prices, which is expected to support planted acreage. Analysts project that North American corn, soybean, cotton and canola acreage could increase in 2016 if weather cooperates, which is supportive of overall seed demand, but like 2015, growers may be no discerning in trait selection to optimize for yield depending on field locations. Crop protection prices are expected to be relatively stated and we expect that lower year-over-year cash rents and significantly lower fuel and crop nutrient prices will provide support for North American crop input expenditures in 2016.

Crop nutrient prices have declined over the past few months, driven by a combination of supply and demand factors. The fall applicates season in the U.S. was expected to be supported by the relatively early end of the harvest season; however the same warm weather supported a rapid harvest delayed fall ammonia applications because soil temperatures were too high. Following the warm start, the ability of growers to apply nutrients was constrained by persistent wet weather. November 2015 was the wettest November in the U since 1985 and December 2015 was the wettest December on record in addition to being the warmest. The combination of wet and warm weather meant that application equipment could not get into the field to apply crop nutrients, resulting in below-expected fall applications. The lower than expected fall applications left crop nutrient inventories at higher than expected levels throughout the su chain and pressured prices of all crop nutrients. The combination of expected increase in U.S. corn acreage and the poor fall applications and in the first half of 2016. Based on expected crop acreage, North American crop nutrient demand is expected to increase by 1 to 3 percent in 2015/2016, but phosphate and potash demand may fall below that range as volumes lost due to the poor fall season may not be fully made up in the first half of 2016.

Global urea prices have declined significantly below the cost of production of the high-cost Chinese producers. Even so, Chinese ure production has remained surprisingly strong. While Chinese urea production has not declined as much as expected, Chinese urea exports declined by 26 percent year-over-year in the second half of 2015. Chinese urea costs have declined due to lower coal price the weakened yuan, but costs have not declined as much as urea prices. As a result of the continued price weakness and increased non-Chinese urea supplies, Chinese urea exports are projected to decline from 2015 levels to between 12.5 and 13.5 million tonnes 2016. We expect that the combination of poor Chinese urea profitability and strong North American demand will support urea prices entering the spring season. Chinese phosphate supplies have also pressured that market. Chinese diammonium phosphate and monoammonium phosphate exports reached a record 10.6 million tonnes in 2015 and are expected to remain relatively flat in 2016. the demand side, the Brazilian market for crop nutrients continued to fall short of expectations in late 2015 as credit constraints and weak value of the Brazilian real pressured demand for all nutrients. Given that these challenges remain, we expect 2016 Brazilian in demand for all products to remain relatively flat to 2015. The below-average Indian monsoon and weak rupee value pressured demand for phosphate and potash in late 2015, while 2015 urea imports set a record, all of which has led to building inventories and the belief that Indian import demand will be relatively low to start 2016.

Global potash markets have been under pressure recently due to a combination of factors, including the sizeable shift in global currencies, a build-up of global inventories due to strong shipments earlier in the year, Indian demand impacted by the below average monsoon and buyers delaying purchases due to the current price uncertainty. We anticipate solid potash demand in global markets 2016, with global shipments expected to come in between 58 to 60 million tonnes in 2016, relative to the 58.5 million tonnes shipped 2015.

We expect macroeconomic challenges in combination with current crop prices to be a risk in 2016. However, the arrival of the North Hemisphere's spring application season over the next couple of months is expected to result in improved demand, particularly in light the poor fall season in the U.S. and the fact declining crop nutrient prices have caused buyers around the world to sit back and wait stability. We also expect there will be a supply response across all three major nutrients in reaction to current price levels - some of which we have seen already in the form of production cuts and closures.

Based on our Market Outlook, Agrium expects to achieve annual diluted earnings per share of \$5.50 to \$7.00 in 2016. We have maintained a range encompassing approximately \$300-million of EBITDA variability to reflect the risk and opportunity associated with crop nutrient prices and demand for crop inputs. We are assuming normal spring and fall application seasons, recognizing there is always a risk that inclement weather could affect the timing and duration of each season. Our earnings per share guidance assumes some recovery from current nitrogen prices during the key application seasons.

Based on these and other assumptions regarding crop nutrient prices and demand for crop nutrients set out under the heading "Market Outlook", we expect Retail EBITDA to be \$1.075-billion to \$1.175-billion, and Retail nutrient sales volumes to be 9.8 to 10.2 million tonnes in 2016.

Based on our expected increase in utilization rate for our nitrogen assets, we anticipate nitrogen production to total 3.5 to 3.7 million tonnes. Agrium has continued its active hedging program for our gas requirements in 2016 as we expect natural gas prices to remain at levels consistent with 2015. Our earnings per share guidance assumes NYMEX gas prices will be between \$2.05 and \$2.85 per MMBtu in 2016.

Agrium's expectation for potash production in 2016 includes incremental production from the completed expansion at our Vanscoy mine. We expect to produce between 2.4 and 2.6 million tonnes of potash in 2016.

Total capital expenditures are expected to be in the range of \$800-million to \$900-million, of which approximately \$500-million to \$550-million is expected to be sustaining capital expenditures. Our investing capital program planned for 2016 includes the completion of our Borger brownfield urea expansion.

Agrium's annual effective tax rate for 2016 is expected to be 27 to 28 percent, consistent with 2015.

This guidance and updated additional measures and related assumptions are summarized in the following table. Guidance excludes the impact of share-based payments expense (recovery), gains (losses) on foreign exchange and related non-qualifying derivative hedges and significant non-operating, non-recurring items.

#### 2016 ANNUAL GUIDANCE RANGE AND ASSUMPTIONS

| Low       High         Diluted EPS (in U.S. dollars)       \$5.50       \$7.00         Guidance assumptions:       ****       ****         Wholesale:       ****       ****         Production tonnes:       ****       ****         Nitrogen (millions)       3.5       3.7         Potash (millions)       2.4       2.6         Retail:       ***       ****         EBITDA (millions of U.S. dollars)       \$1,075       \$1,175         Crop nutrient sales tonnes (millions)       9.8       10.2         Other:       ***       ***         Tax rate       28%       27%         Sustaining capital expenditures (millions of U.S dollars)       \$500       \$550 |   | Annual  |         |
|--|---|---------|---------|
| Guidance assumptions:  Wholesale: Production tonnes: Nitrogen (millions) Potash (millions) Retail:  EBITDA (millions of U.S. dollars) Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%   |   | Low     | High    |
| Wholesale: Production tonnes: Nitrogen (millions) Potash (millions) Retail: EBITDA (millions of U.S. dollars) Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%   | Diluted EPS (in U.S. dollars)                             | \$5.50  | \$7.00  |
| Production tonnes: Nitrogen (millions) Potash (millions) Retail: EBITDA (millions of U.S. dollars) Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%  | Guidance assumptions:                                     |         |         |
| Nitrogen (millions) 3.5 3.7 Potash (millions) 2.4 2.6 Retail: EBITDA (millions of U.S. dollars) \$1,075 \$1,175 Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%   | Wholesale:  |         |         |
| Potash (millions)  Retail:  EBITDA (millions of U.S. dollars)  Crop nutrient sales tonnes (millions)  Other:  Tax rate  2.4  2.6  **Tax rate**  \$1,075 \ \$1,175  9.8  10.2  28%  27%   | Production tonnes:  |         |         |
| Retail:  EBITDA (millions of U.S. dollars) \$1,075 \$1,175 Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%  | Nitrogen (millions)                                       | 3.5     | 3.7     |
| EBITDA (millions of U.S. dollars) \$1,075 \$1,175 Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%   | Potash (millions)   | 2.4     | 2.6     |
| Crop nutrient sales tonnes (millions) 9.8 10.2 Other: Tax rate 28% 27%   | Retail:   |         |         |
| Other: Tax rate 28% 27%  | EBITDA (millions of U.S. dollars)                         | \$1,075 | \$1,175 |
| Tax rate 28% 27%   | Crop nutrient sales tonnes (millions)                     | 9.8     | 10.2    |
| 2070 2770  | Other:  |         |         |
| Sustaining capital expenditures (millions of U.S dollars) \$500 \$550  | Tax rate  | 28%     | 27%     |
|  | Sustaining capital expenditures (millions of U.S dollars) | \$500   | \$550   |
| Total capital expenditures (millions of U.S. dollars) \$800 \$900  | Total capital expenditures (millions of U.S. dollars)     | \$800   | \$900   |
| Canada/U.S. foreign exchange rate \$1.37 \$1.42  | Canada/U.S. foreign exchange rate                         | \$1.37  | \$1.42  |
| NYMEX gas price (\$/MMBtu) \$2.85 \$2.05   | NYMEX gas price (\$/MMBtu)                                | \$2.85  | \$2.05  |

February 9, 2016

All comparisons of results for the fourth quarter of 2015 (three months ended December 31, 2015) and for the twelve months ended December 31, 2015 are against results for the fourth quarter of 2014 (three months ended December 31, 2014) and twelve months ended December 31, 2014. All dollar amounts refer to United States ("U.S.") dollars except where otherwise stated. This news release should be read in conjunction with our audited annual financial statements and related notes, prepared in accordance with IFRS, contained in our 2014 Annual Report, available at www.agrium.com.

The financial measures EBITDA, Adjusted EBITDA, free cash flow, and cash cost of product manufactured used in this news release are not prescribed by, and do not have any standardized meaning under International Financial Reporting Standards (IFRS). Our method of calculation may not be directly comparable to that of other companies. We consider these non-IFRS financial measures to provide useful information to both management and investors in measuring our financial performance and financial condition. 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. Please refer to the section entitled "Non-IFRS Financial Measures" for further details, including a reconciliation of such measures to their most directly comparable measure calculated in accordance with IFRS.

The Board of Directors carries out its responsibility for review of this disclosure principally through its Audit Committee, comprised exclusively of independent directors. The Audit Committee reviews, and prior to publication, approves this disclosure, pursuant to the authority delegated to it by the Board of Directors. In respect of Forward-Looking Statements, please refer to the section entitled "Forward-Looking Statements".

2015 Fourth Quarter Operating Results

#### CONSOLIDATED NET EARNINGS

#### **Financial Overview**

|  | Three | month | s ended [ | December 31 | , |
|--|-------|-------|-----------|-------------|---|
| (millions of U.S. dollars, except per share amounts and where noted) | 2015  | 2014  | Change    | % Change    | ) |
| Sales  | 2,407 | 2,705 | (298      | ) (11       | ) |
| Gross profit   | 900   | 732   | 168       | 23          |   |
| Expenses   | 576   | 625   | (49       | ) (8        | ) |
| Earnings before finance costs and income taxes (EBIT)                | 324   | 107   | 217       | 203         |   |
| Net earnings from continuing operations                              | 200   | 70    | 130       | 186         |   |
| Net loss from discontinued operations                                | -     | (19   | ) 19      | (100        | ) |
| Net earnings   | 200   | 51    | 149       | 292         |   |
| Diluted earnings per share from continuing operations                | 1.45  | 0.46  | 0.99      | 215         |   |
| Diluted loss per share from discontinued operations                  | -     | (0.13 | 0.13      | (100        | ) |
| Diluted earnings per share   | 1.45  | 0.33  | 1.12      | 339         |   |
| Effective tax rate (%)   | 20    | (4    | ) N/A     | N/A         |   |

#### Sales and Gross Profit

| Three  | months     | ended | December 31. |
|--------|------------|-------|--------------|
| 111166 | 1110111113 | CHUCU | December 51, |

| (millions of U.S. dollars) | 2015  |   | 2014  |   | Change |   |
|----------------------------|-------|---|-------|---|--------|---|
| Sales                      |       |   |       |   |        |   |
| Retail                     | 1,765 |   | 2,057 |   | (292   | ) |
| Wholesale                  | 888   |   | 897   |   | (9     | ) |
| Other                      | (246  | ) | (249  | ) | 3      |   |
|                            | 2,407 |   | 2,705 |   | (298   | ) |
| Gross profit               |       |   |       |   |        |   |
| Retail                     | 599   |   | 614   |   | (15    | ) |
| Wholesale                  | 320   |   | 130   |   | 190    |   |
| Other                      | (19   | ) | (12   | ) | (7     | ) |
|                            | 900   |   | 732   |   | 168    |   |

- Improved utilization rates in our nitrogen and potash segments led to an increase in product available for sale and higher over Wholesale sales volumes. Realized selling prices, on the other hand, decreased as a result of weaker market conditions. Red sales of product purchased for resale contributed to the decrease in sales as Agrium exited non-core, low return portions of th business.
- Wholesale's gross profit significantly increased due to manufacturing cost efficiencies associated with higher production volum reduced overall fixed costs and lower natural gas input costs for the fourth quarter compared to the same periods last year.
- Retail's sales and gross profit decreased for the fourth quarter compared to the same period last year primarily due to unfavor weather conditions and the closure of one of our livestock export businesses in Australia. A decrease in gross profit was partial offset by higher rebates received in the fourth quarter of 2015.

#### **Expenses**

- General and administrative expenses decreased by \$4-million (5 percent) for the fourth quarter compared to the same period year as a result of reduced payroll and office expenses related to our ongoing Operational Excellence program.
- Our share-based payments expense was lower by \$10-million due primarily to a slight decrease in our share price in the fourth quarter of 2015 compared to a share price increase in the fourth quarter of 2014.

#### Other expenses breakdown

|  | Three months e | ended |
|--|----------------|-------|
| (millions of U.S. dollars)   | 2015           | 2     |
| (Gain) loss on foreign exchange and related derivatives and commodity derivatives not designated as hedges | (5             | ) 3   |
| Interest income  | (16            | ) (   |
| Gain on sale of assets   | (17            | ) -   |
| Goodwill impairment  | 19             | -     |
| Environmental remediation and asset retirement obligations   | 1              | 3     |
| Bad debt expense (recovery)  | 4              | (     |
| Potash profit and capital tax  | 3              | 1     |
| Other  | 38             | 7     |
|  | 27             | ξ     |

In the fourth quarter of 2015, other expenses increased by \$18-million due to the following:

- Costs of \$18-million were incurred in the implementation of our Operational Excellence initiatives in the current quarter relating primarily to severance and closure costs.
- We recorded a goodwill impairment of \$19-million for our Wholesale Europe operations.
- We recognized a \$17-million gain from the sale of our West Sacramento nitrogen upgrade facility.
- We had losses of \$15-million on natural gas derivatives in the fourth quarter of 2014, which we recorded directly to other expe 2015 did not have comparable results, as effective January 1, 2015, we began to designate all of our natural gas derivatives a qualifying hedges for accounting purposes. Related gains or losses are now recorded as part of cost of product sold when we the related product, while unrealized gains or losses are recorded in equity.
- Bad debt recovery of \$11-million was recorded in the fourth quarter of 2014.

#### Depreciation and Amortization

| Three  | months      | andad | December | 31  |
|--------|-------------|-------|----------|-----|
| 111100 | 11101111113 | CHUCU | December | JI. |

| (millions of U.S. dollars) | 2015            |         |                |       | 2014            |         |                |       |
|----------------------------|-----------------|---------|----------------|-------|-----------------|---------|----------------|-------|
|                            | Cost of product |         | General<br>and |       | Cost of product |         | General<br>and |       |
|                            | sold            | Selling | administrative | Total | sold            | Selling | administrative | Total |
| Retail                     | 1               | 64      | 1              | 66    | 1               | 75      | 1              | 77    |
| Wholesale                  |                 |         |                |       |                 |         |                |       |
| Nitrogen                   | 18              |         |                | 18    | 21              |         |                | 21    |
| Potash                     | 28              |         |                | 28    | 15              |         |                | 15    |
| Phosphate                  | 14              |         |                | 14    | 14              |         |                | 14    |
| Other (a)                  | 4               |         | 1              | 5     | 5               |         | 3              | 8     |
|                            | 64              | -       | 1              | 65    | 55              | -       | 3              | 58    |
| Other                      | -               | -       | 4              | 4     | -               | -       | 3              | 3     |
| Total                      | 65              | 64      | 6              | 135   | 56              | 75      | 7              | 138   |

<sup>(</sup>a)Includes product purchased for resale, ammonium sulfate, Environmentally Smart Nitrogen® (ESN) and other products

#### Effective Tax Rate

• The effective tax rate on continuing operations of 20 percent for the fourth quarter was higher than the tax rate of (4) percent for comparative quarter in 2014 due to the recognition of previously unrecognized tax assets in the fourth quarter of 2014. Exclud the recognition of the one-time previously unrecognized tax assets, the effective tax rate would have been 19 percent.

#### **BUSINESS SEGMENT PERFORMANCE**

#### Retail

|  | Three months ended December 31 |       |        |   |  |  |  |
|--|--------------------------------|-------|--------|---|--|--|--|
| (millions of U.S. dollars, except where noted) | 2015                           | 2014  | Change |   |  |  |  |
| Sales  | 1,765                          | 2,057 | (292   | ) |  |  |  |
| Cost of product sold                           | 1,166                          | 1,443 | (277   | ) |  |  |  |
| Gross profit                                   | 599                            | 614   | (15    | ) |  |  |  |
| EBITDA   | 199                            | 181   | 18     |   |  |  |  |

- Retail sales and gross profit during the quarter were lower than the same period last year due to lower crop input prices and w
  weather across the U.S. impacting the fall application season.
- Total Retail selling expenses decreased by 10 percent compared to the prior year due to lower depreciation and amortization, impact of currency valuations in our international businesses and cost reduction measures taken across the business in 2015.
- Total EBITDA increased 10 percent over the fourth quarter of 2014 primarily due to lower selling expenses, strong margins for protection products and improved seed results. Regionally, all key geographies performed well. Canada and the U.S. both sho higher fourth quarter EBITDA figures. Australian EBITDA was down slightly compared to the prior year; however, EBIT in Aust increased compared to the prior quarter due to a reduction in depreciation and amortization. Our U.S. Retail business also repart an annual 2 percent increase in normalized comparable store sales versus a decrease of 2 percent in 2014.

|  | Three months ended December 31, |       |        |   |              |      |        |   |                  |      |  |
|--|---------------------------------|-------|--------|---|--------------|------|--------|---|------------------|------|--|
|  | Sales                           | Sales |        |   | Gross profit |      |        |   | Gross profit (%) |      |  |
| (millions of U.S. dollars, except where noted) | 2015                            | 2014  | Change | ) | 2015         | 2014 | Change | ! | 2015             | 2014 |  |
| Crop nutrients                                 | 843                             | 972   | (129   | ) | 154          | 156  | (2     | ) | 18               | 16   |  |
| Crop protection products                       | 541                             | 552   | (11    | ) | 268          | 260  | 8      |   | 50               | 47   |  |
| Seed   | 75                              | 91    | (16    | ) | 54           | 50   | 4      |   | 72               | 55   |  |
| Merchandise                                    | 156                             | 211   | (55    | ) | 27           | 30   | (3     | ) | 17               | 14   |  |
| Services and other                             | 150                             | 231   | (81    | ) | 96           | 118  | (22    | ) | 64               | 51   |  |

#### Crop nutrients

- Total crop nutrient sales were 13 percent lower compared to the same period last year due to weaker global pricing and lower
  application volumes due to weather challenges. However, crop nutrient margins per tonne improved, which offset the lower vo
  and resulted in only a 1 percent decline in gross profit.
- Total crop nutrient volumes were 6 percent lower this quarter across our Retail operations compared to the same period last y
  Volumes were lower in the U.S. due to excess rain in the fall application window, while in Canada and Australia, growers were
  conservative given the uncertainty over nutrient and agricultural markets.
- Total crop nutrient margins increased slightly on a per tonne basis and gross profit as a percentage of sales rose from 16 percent the fourth quarter of 2014 to 18 percent this quarter reflecting a focus on inventory management.

### Crop protection products

- Total crop protection sales were down 2 percent this quarter, as slightly higher sales in North America were offset by lower sales our International operations. U.S. sales were driven by a strong herbicide application season, while Canadian growers purchability higher volumes ahead of the weakening Canadian dollar. In Australia, sales were lower due to the weakening of the Australian dollar against the U.S. dollar; in local currency, Australian sales were higher in the current quarter.
- Crop protection margins as a percentage of sales increased 3 percent, primarily due to year-end rebate reconciliation and a hi margin product mix in the current quarter.
- Proprietary product sales as a percentage of total sales increased 2 percent compared to the same period in the prior year.

#### Seed

- Seed sales were down 18 percent this quarter compared to the same period last year, primarily due to the significant reduction planted wheat acres in the U.S. due to wet weather and lower wheat prices.
- Despite lower sales, seed margins increased 8 percent compared to the prior year due to strong supplier rebates and seed sa mix.

# Merchandise

- Merchandise sales decreased compared to the same period last year as a result of lower fuel pricing and demand in Canada a lower animal health and fencing product sales in Australia due to dry conditions.
- Gross profit as a percentage of sales increased 3 percent this quarter, primarily due to a reduction in the lower-margin Canadi fuel business compared to the prior year.

#### Services and other

Sales for services and other was down 35 percent this quarter, due mainly to the closure of one of our livestock export busines
in Australia. Application and other services were down in North America, due to the wet conditions in the U.S. during the fall
application season.

#### Wholesale

|  | Three months ended December 31, |       |        |   |  |  |
|--|---------------------------------|-------|--------|---|--|--|
| (millions of U.S. dollars, except where noted) | 2015                            | 2014  | Change |   |  |  |
| Sales  | 888                             | 897   | (9     | ) |  |  |
| Sales volumes (tonnes 000's)                   | 2,292                           | 1,999 | 293    |   |  |  |
| Cost of product sold                           | 568                             | 767   | (199   | ) |  |  |
| Gross profit                                   | 320                             | 130   | 190    |   |  |  |
| Adjusted EBITDA                                | 372                             | 150   | 222    |   |  |  |
| Expenses                                       | 33                              | 46    | (13    | ) |  |  |

- Wholesale successfully completed its Canpotex proving run for the Vanscoy potash expansion at the end of the fourth quarter resulting in our annual Canpotex allocation increasing to 10.3 percent in 2016 from 7.3 percent in 2015. Higher operating prod rates at our nitrogen facilities also supported increased sales volumes this quarter. Total sales were slightly lower this quarter lower global nutrient prices and our decision to sell non-core, lower-return purchase for resale facilities in 2015 related to our a portfolio review.
- Adjusted EBITDA increased by \$222-million this quarter, and more than doubled compared to the same quarter last year. The
  increase was primarily due to lower production costs per tonne and higher utilization rates from our potash and nitrogen opera

#### Wholesale product information

|                                     | Three months ended December 31, |      |        |          |      |        |         |          |      |        |          |          |
|-------------------------------------|---------------------------------|------|--------|----------|------|--------|---------|----------|------|--------|----------|----------|
|                                     | Nitro                           | gen  |        |          | Pota | sh     |         |          | Phos | sphate | <b>:</b> |          |
|                                     | 2015                            | 2014 | Change | <b>;</b> | 2015 | 2014   | Change  | <b>;</b> | 2015 | 2014   | Change   | <b>;</b> |
| Gross profit (U.S. dollar millions) | 186                             | 113  | 73     |          | 63   | (50    | ) 113   |          | 37   | 37     | -        |          |
| Sales volumes (tonnes 000's)        | 912                             | 879  | 33     |          | 656  | 19     | 637     |          | 325  | 305    | 20       |          |
| Selling price (\$/tonne)            | 403                             | 459  | (56    | )        | 267  | 482    | (215    | )        | 610  | 656    | (46      | )        |
| Cost of product sold (\$/tonne)     | 199                             | 331  | (132   | )        | 171  | 2,992  | (2,821  | )        | 495  | 534    | (39      | )        |
| Gross margin (\$/tonne)             | 204                             | 128  | 76     |          | 96   | (2,510 | ) 2,606 |          | 115  | 122    | (7       | )        |

# Nitrogen

- Nitrogen gross profit increased by 65 percent over the same period last year as a result of higher sales volumes and significar lower cost of production.
- Sales volumes increased by 4 percent over the same period last year, driven by stronger urea and ammonia sales volumes. T
  increase was due to strong demand in our core markets and higher on-stream time at our production facilities, creating additio
  product availability compared to the same period last year. Sales volumes were partly impacted by a narrow window for ammo
  application in the U.S. and lower nitrogen solution sales volumes due to the closure and subsequent sale of our West Sacram
  upgrading facility in 2015.
- Cost of product sold per tonne was 40 percent lower than the same period last year. Operational improvements and higher on-stream time compared to the same period last year decreased fixed costs per tonne, while lower natural gas costs reduced variable costs. The weaker Canadian dollar also reduced operating costs at our Canadian plants.
- Nitrogen margins were \$204 per tonne, a \$76 per tonne increase over the same period last year, despite a 12 percent reduction average selling prices.

Natural gas prices: North American indices and North American Agrium prices

|   | Three months end | ded December 31, |
|---|------------------|------------------|
| (U.S. dollars per MMBtu)                              | 2015             | 2014             |
| Overall gas cost excluding realized derivative impact | \$2.15           | \$3.47           |
| Realized derivative impact                            | \$0.31           | \$0.15           |
| Overall gas cost                                      | \$2.46           | \$3.62           |
| Average NYMEX   | \$2.28           | \$3.94           |
| Average AECO  | \$2.00           | \$3.17           |

As of January 1, 2015, we have designated all of our natural gas derivatives as accounting hedges<sup>1</sup>, with realized gains and losses now recorded to cost of product sold (which also includes transportation and administration costs).

<sup>&</sup>lt;sup>1</sup> In the prior year, unrealized and realized gains and losses on derivatives not designated as hedges were included in other expenses.

#### Potash

- Potash gross profit this quarter was \$113-million higher than the same period last year. The significant increase was due to high production volumes and lower costs this quarter after the completion of the Vanscoy expansion project as compared to the significant outage in the fourth quarter of 2014 in order to tie-in the expansion, which resulted in a negative gross profit of \$50-million.
- Sales volumes were 637,000 tonnes higher compared to the same period in the prior year. Production volumes this quarter we 691,000 tonnes and the Canpotex proving run was completed successfully before the end of 2015. We expect Agrium's new Canpotex allotment will be 10.3 percent of Canpotex's total annual international shipments.
- Realized selling prices were lower than the same period last year due to slow spot market demand in both domestic and international markets.
- Cost of product sold was reduced as a result of cost efficiencies associated with the ramp-up of the Vanscoy expansion composite to the outage last year for the final tie-in of the expansion project. The significant weakening of the Canadian dollar also reduce production costs reported in U.S. dollars. As a result, cash cost of product manufactured continues to improve and was \$64 per tonne this quarter compared to \$89 per tonne in the third quarter of 2015.

#### Phosphate

- Sales volumes were slightly higher than last year, while reduced selling prices were largely offset by lower cost of production. result, phosphate margin per tonne was only 6 percent lower than the same quarter last year.
- Phosphate gross profit was unchanged from the prior year.

#### Wholesale Other

Wholesale Other: gross profit breakdown

|                              | Three months ended Decem |      |        |   |  |  |  |
|------------------------------|--------------------------|------|--------|---|--|--|--|
| (millions of U.S. dollars)   | 2015                     | 2014 | Change |   |  |  |  |
| Ammonium sulfate             | 16                       | 14   | 2      |   |  |  |  |
| ESN                          | 15                       | 13   | 2      |   |  |  |  |
| Product purchased for resale | 1                        | 3    | (2     | ) |  |  |  |
| Other                        | 2                        | -    | 2      |   |  |  |  |
|                              | 34                       | 30   | 4      |   |  |  |  |

• Gross profit for Wholesale's Other product category increased this quarter primarily due to higher ammonium sulfate sales vol and higher ESN margins resulting from lower cost of product sold. This was partly offset by lower ESN realized selling prices.

#### Expenses

• Expenses in the current quarter were \$13-million lower than the same period last year as a result of lower selling and general administrative expenses and a \$17-million gain on sale of the West Sacramento upgrading facility. Partially offsetting this is a \$19-million goodwill impairment in our European purchase for resale business resulting from ongoing portfolio review in 2015.

## Other

EBITDA for our Other non-operating business unit for the fourth quarter of 2015 had a net expense of \$92-million, compared to a net expense of \$78-million for the fourth quarter of 2014. The variance was due to the following:

- \$7-million higher gross profit elimination expense as a result of higher inter-segment inventory held at the end of the fourth quantum of 2015
- Increase of \$12-million in other expenses of our Other business unit primarily due to costs incurred in implementing our Opera Excellence initiatives including severance and closure costs
- \$10-million lower share-based payments expenses due primarily to a slight decrease in our share price in the fourth quarter of compared to a share price increase in the same period last year

#### NORMAL COURSE ISSUER BID

In January 2015, the Toronto Stock Exchange (TSX) accepted Agrium's notice of intention to make a normal course issuer bid (NCIB) whereby Agrium may purchase up to 7,185,866 common shares on the TSX and New York Stock Exchange from January 26, 2015 to January 25, 2016. In 2015, we purchased for cancellation 5,574,331 shares at an average share price of

\$100.25 for total consideration of \$559-million. No shares were repurchased in 2016 to the date of expiry.

#### **OUTSTANDING SHARE DATA**

Agrium had 138,169,000 outstanding shares at January 31, 2016.

#### SELECTED QUARTERLY INFORMATION

| (millions of U.S. dollars,  | 2015   | 2015  | 2015  | 2015  | 2014  | 2014    | 201    |
|---|--------|-------|-------|-------|-------|---------|--------|
| except per share amounts)   | Q4     | Q3    | Q2    | Q1    | Q4    | Q3      | Q2     |
| Sales   | 2,407  | 2,524 | 6,992 | 2,872 | 2,705 | 2,920   | 7,3    |
| Gross profit  | 900    | 696   | 1,708 | 584   | 732   | 665     | 1,5    |
| Net earnings from continuing operations   | 200    | 99    | 675   | 14    | 70    | 91      | 625    |
| Net loss from discontinued operations   | -      | -     | -     | -     | (19   | ) (41   | ) (9   |
| Net earnings  | 200    | 99    | 675   | 14    | 51    | 50      | 616    |
| Earnings per share from continuing operations attributable to equity holders of Ag  | grium: |       |       |       |       |         |        |
| Basic and diluted   | 1.45   | 0.72  | 4.71  | 80.0  | 0.46  | 0.63    | 4.3    |
| Loss per share from discontinued operations attributable to equity holders of Agric | um:    |       |       |       |       |         |        |
| Basic and diluted   | -      | -     | -     | -     | (0.13 | ) (0.28 | ) (0.0 |
| Earnings per share attributable to equity holders of Agrium:                        |        |       |       |       |       |         |        |
| Basic and diluted   | 1.45   | 0.72  | 4.71  | 80.0  | 0.33  | 0.35    | 4.2    |

The agricultural products business is seasonal. Consequently, year-over-year comparisons are more appropriate than quarter-over-quarter comparisons. Crop input sales are primarily concentrated in the spring and fall crop input application seasons. Crop nutrient inventories are normally accumulated leading up to each application season. Our cash collections from accounts receivables generally occur after the application season is complete, and our customer prepayments are concentrated in December and January.

#### NON-IFRS FINANCIAL MEASURES

Non-IFRS financial measures

Certain financial measures in this news release are not prescribed by IFRS. We consider these financial measures discussed herein to provide useful information to both management and investors in measuring our financial performance and financial condition.

IFRS requires that we provide and include subtotals and other financial measures in our Consolidated Financial Statements. Such measures become IFRS measures by virtue of being included in the Consolidated Financial Statements. Other measures that are not specifically defined under IFRS and may not be comparable are non-IFRS measures. These non-IFRS measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with IFRS.

The following table outlines our non-IFRS financial measures, their definitions and why management uses each measure.

Definition

| E  | SITDA                                  | Earnings (loss) from continuing operations before finance costs, income taxes, depred   |
|----|--|---|
| Ac | justed EBITDA                          | EBITDA before finance costs, income taxes, depreciation and amortization of joint ver   |
| Ca | sh cost of product manufactured (COPM) | All fixed and variable costs are accumulated in cost of product manufactured excludin and direct freight.   |
|    |  | When COPM costs are divided by the production tonnes for the period, the result is a standard COPM per tonne is multiplied by the production tonnes for the period, and the |
|    |  | Direct freight is a transportation cost to move the product from an Agrium location to the  |
|    |  | There is no directly comparable IFRS measure for cash cost of product manufactured  |

Free cash flow

Cash provided by operating activities excluding the impact of net changes in non-cash expenditures. In 2015, we revised our definition of free cash flow to simplify the calcul metric for management and other users. We have restated our 2014 comparative info

|                                   | Three      | months en   | ded   |      |              | Three  | months en   | ded   |              |
|-----------------------------------|------------|-------------|-------|------|--------------|--------|-------------|-------|--------------|
|                                   | Dece       | mber 31, 20 | 15    |      |              | Decer  | mber 31, 20 | 14    |              |
| (millions of U.S. dollars)        | Retai      | Wholesale   | Othe  | er   | Consolidated | Retail | Wholesale   | Other | Consolidated |
| Adjusted EBITDA                   | 199        | 372         | (92   | )    | 479          | 181    | 150         | (78   | ) 253        |
| Equity accounted joint ventures:  |            |             |       |      |              |        |             |       |              |
| Finance costs and income taxes    | s <b>-</b> | 13          | -     |      | 13           | -      | 4           | -     | 4            |
| Depreciation and amortization     | -          | 7           | -     |      | 7            | -      | 4           | -     | 4            |
| EBITDA                            | 199        | 352         | (92   | )    | 459          | 181    | 142         | (78   | ) 245        |
| Depreciation and amortization     | 66         | 65          | 4     |      | 135          | 77     | 58          | 3     | 138          |
| EBIT                              | 133        | 287         | (96   | )    | 324          | 104    | 84          | (81   | ) 107        |
| Free cash flow                    |            |             |       |      |              |        |             |       |              |
|                                   |            | Twelve m    | onth  | s er | nded         |        |             |       |              |
|                                   |            | Decembe     | r 31, |      |              |        |             |       |              |
| (millions of U.S. dollars)        |            | 2015        | 20    | 014  |              |        |             |       |              |
| Cash provided by operating active | /ities     | 1,663       | 1,    | ,312 | 2            |        |             |       |              |
| Net changes in non-cash working   | g capita   | al 93       | 95    | 5    |              |        |             |       |              |
| Sustaining capital expenditures   |            | (541        | ) (5  | 66   | )            |        |             |       |              |
| Free cash flow                    |            | 1,215       | 84    | 41   |              |        |             |       |              |

Forward-Looking Statements

Certain statements and other information included in this news release constitute "forward-looking information" and/or "financial outlook" 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 news release 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: 2016 annual guidance, including expectations regarding our nitrogen and potash production volumes; capital spending expectations for 2016; expectations regarding 2016 production volumes at our Vanscoy potash facility; and our market outlook for the 2016, including anticipated supply and demand for our products and services, expected market and industry conditions with respect to crop nutrient application rates, planted acres, crop mix, prices and the impact of currency fluctuations and import and export volumes. These forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such forward-looking statements. As such, undue reliance should not be placed on these forward-looking statements. The purpose of the outlook provided herein is to assist readers in understanding our expected and targeted financial and operating results, and this information may not be appropriate for other purposes.

All of the forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions referred to below and elsewhere in this news release. 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 additional 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 and that we will be able to implement our standards, controls, procedures and policies at any acquired businesses to realize the expected synergies; that future business, regulatory and industry conditions will be within the parameters expected by Agrium, 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 the accuracy of our market outlook expectations for 2016 and in the future; the adequacy of our cash generated from operations and our ability to access our credit facilities or capital markets for additional sources of financing; our ability to identify suitable candidates for acquisitions and negotiate acceptable terms; our ability to maintain our investment grade rating and achieve our performance targets; and our receipt, on time, of all necessary permits, utilities and project approvals with respect to our expansion projects and that we will have the resources necessary to meet the projects' approach. Also refer to the discussion under the heading "Key Assumptions and Risks in Respect of Forward-Looking Statements" in our 2014 annual MD&A and under the heading "Market Outlook" in our third quarter 2015 MD&A, with respect to further material assumptions associated with our 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: general global economic, market and business conditions; weather conditions, including impacts from regional flooding and/or drought conditions; crop planted acreage, yield and prices; the supply and demand and price levels for our major products may vary from what we currently anticipate; 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, regional natural gas supply restrictions, as well as counterparty and sovereign risk; delays in completion of turnarounds at our major facilities; gas supply interruptions at the Egyptian Misr Fertilizers Production Company S.A.E. nitrogen facility expansion in Egypt; the risk of additional capital expenditure cost escalation or delays in respect of our Borger nitrogen expansion project and the ramp-up of production following the tie-in of our Vanscoy potash expansion project;

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 U.S. including those disclosed under the heading "Risk Factors" in our Annual Information Form for the year ended December 31, 2014 and under the headings "Enterprise Risk Management" and "Key Assumptions and Risks in respect of Forward-Looking Statements" in our 2014 annual MD&A.

The purpose of our expected diluted earnings per share guidance range is to assist readers in understanding our expected and targeted financial results, and this information may not be appropriate for other purposes.

Agrium disclaims any intention or obligation to update or revise any forward-looking statements in this press release 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.

#### **OTHER**

Agrium Inc. is a major producer and distributor of agricultural products and services in North America, South America, Australia and Egypt through its agricultural retail-distribution and wholesale nutrient businesses. Agrium supplies growers with key products and services such as crop nutrients, crop protection, seed, and agronomic and application services, thereby helping to meet the ever growing global demand for food and fiber. Agrium produces nitrogen, potash and phosphate fertilizers, with a combined wholesale nutrient capacity of over ten million tonnes and with competitive advantages across all product lines. Agrium retail-distribution has an unmatched network of over 1,400 facilities and approximately 3,800 crop consultants. We partner with over half a million grower customers globally to help them increase their yields and returns on more than 50 different crops. With a focus on sustainability, the company strives to improve the communities in which it operates through safety, education, environmental improvement and new technologies such as the development of precision agriculture and controlled release nutrient products. Agrium is focused on driving operational excellence across our businesses, pursuing value-enhancing growth opportunities and returning capital to shareholders. For more information visit: www.agrium.com.

A WEBSITE SIMULCAST of the 2015 4th Quarter Conference Call will be available in a listen-only mode beginning Tuesday, February 9th, 2016 at 9:30 a.m. MST (11:30 a.m. ET). Please visit the following website: www.agrium.com.

Consolidated Statements of Operations (Unaudited)

|  | Three months ended |     | ed    | Twelve months er |         |        |
|--|--------------------|-----|-------|------------------|---------|--------|
|  | Decem              | ber | 31,   |                  | Decembe | er 31, |
| (millions of U.S. dollars, unless otherwise stated)                                    | 2015               |     | 2014  |                  | 2015    | 2014   |
| Sales  | 2,407              |     | 2,705 |                  | 14,795  | 16,04  |
| Cost of product sold   | 1,507              |     | 1,973 |                  | 10,907  | 12,49  |
| Gross profit   | 900                |     | 732   |                  | 3,888   | 3,552  |
| Expenses   |                    |     |       |                  |         |        |
| Selling  | 465                |     | 515   |                  | 1,921   | 2,048  |
| General and administrative   | 74                 |     | 78    |                  | 268     | 299    |
| Share-based payments   | 15                 |     | 25    |                  | 51      | 50     |
| (Earnings) loss from associates and joint ventures                                     | (5                 | )   | (2    | )                | 4       | (23    |
| Other expenses   | 27                 |     | 9     |                  | 28      | 18     |
| Earnings before finance costs and income taxes   | 324                |     | 107   |                  | 1,616   | 1,160  |
| Finance costs related to long-term debt  | 53                 |     | 19    |                  | 181     | 62     |
| Other finance costs  | 20                 |     | 21    |                  | 71      | 70     |
| Earnings before income taxes   | 251                |     | 67    |                  | 1,364   | 1,028  |
| Income taxes   | 51                 |     | (3    | )                | 376     | 230    |
| Net earnings from continuing operations  | 200                |     | 70    |                  | 988     | 798    |
| Net loss from discontinued operations  | -                  |     | (19   | )                | -       | (78    |
| Net earnings   | 200                |     | 51    |                  | 988     | 720    |
| Attributable to  |                    |     |       |                  |         |        |
| Equity holders of Agrium   | 201                |     | 47    |                  | 988     | 714    |
| Non-controlling interest   | (1                 | )   | 4     |                  | -       | 6      |
| Net earnings   | 200                |     | 51    |                  | 988     | 720    |
| Earnings per share attributable to equity holders of Agrium                            |                    |     |       |                  |         |        |
| Basic and diluted earnings per share from continuing operations                        | 1.45               |     | 0.46  |                  | 6.98    | 5.51   |
| Basic and diluted loss per share from discontinued operations                          | -                  |     | (0.13 | )                | -       | (0.54  |
| Basic and diluted earnings per share   | 1.45               |     | 0.33  |                  | 6.98    | 4.97   |
| Weighted average number of shares outstanding for basic and diluted earnings per share | 138                |     | 144   |                  | 142     | 144    |

See accompanying notes.

# Consolidated Statements of Comprehensive Income (Unaudited)

|   | Three mo | ths ended<br>31, | Twelve m | iths ended<br>31, | b |      |   |
|---|----------|------------------|----------|-------------------|---|------|---|
| (millions of U.S. dollars)  | 2015     |                  | 2014     | 2015              |   | 2014 |   |
| Net earnings  | 200      |                  | 51       | 988               |   | 720  |   |
| Other comprehensive loss  |          |                  |          |                   |   |      |   |
| Items that are or may be reclassified to earnings                     |          |                  |          |                   |   |      |   |
| Cash flow hedges  |          |                  |          |                   |   |      |   |
| Effective portion of changes in fair value                            | (15      | )                | (29      | ) (45             | ) | (36  | ) |
| Deferred income taxes on changes in fair value                        | 4        |                  | 7        | 12                |   | 9    |   |
| Share of comprehensive income (loss) of associates and joint ventures | 1        |                  | (2       | ) (6              | ) | (4   | ) |
| Foreign currency translation  |          |                  |          |                   |   |      |   |
| Losses  | (85      | )                | (142     | ) (617            | ) | (341 | ) |
| Reclassifications to earnings   | 7        |                  | -        | 8                 |   | -    |   |
|   | (88)     | )                | (166     | ) (648            | ) | (372 | ) |
| Items that will never be reclassified to earnings                     |          |                  |          |                   |   |      |   |
| Post-employment benefits  |          |                  |          |                   |   |      |   |
| Actuarial gains (losses)  | 14       |                  | (11      | ) 14              |   | (31  | ) |
| Deferred income taxes   | (5       | )                | 3        | (4                | ) | 9    |   |
|   | 9        |                  | (8       | ) 10              |   | (22  | ) |
| Other comprehensive loss  | (79      | )                | (174     | ) (638            | ) | (394 | ) |
| Comprehensive income (loss)   | 121      |                  | (123     | ) 350             |   | 326  |   |
| Attributable to   |          |                  |          |                   |   |      |   |
| Equity holders of Agrium  | 124      |                  | (127     | ) 350             |   | 320  |   |
| Non-controlling interest  | (3       | )                | 4        | -                 |   | 6    |   |
| Comprehensive income (loss)   | 121      |                  | (123     | ) 350             |   | 326  |   |
| See accompanying notes.   |          |                  |          |                   |   |      |   |

# Consolidated Balance Sheets

(Unaudited)

|  | Decemb | er 31, |
|--|--------|--------|
| (millions of U.S. dollars)                   | 2015   | 2014   |
| Assets                                       |        |        |
| Current assets                               |        |        |
| Cash and cash equivalents                    | 515    | 848    |
| Accounts receivable                          | 2,053  | 2,075  |
| Income taxes receivable                      | 4      | 138    |
| Inventories                                  | 3,314  | 3,505  |
| Prepaid expenses and deposits                | 688    | 710    |
| Other current assets                         | 144    | 122    |
|  | 6,718  | 7,398  |
| Property, plant and equipment                | 6,333  | 6,272  |
| Intangibles                                  | 632    | 695    |
| Goodwill                                     | 1,980  | 2,014  |
| Investments in associates and joint ventures | 607    | 576    |
| Other assets                                 | 54     | 78     |
| Deferred income tax assets                   | 53     | 75     |
|  | 16,377 | 17,108 |
| Liabilities and shareholders' equity         |        |        |
| Current liabilities                          |        |        |
| Short-term debt                              | 835    | 1,527  |
| Accounts payable                             | 3,919  | 4,197  |
| Income taxes payable                         | 82     | 5      |
| Current portion of long-term debt            | 8      | 11     |
|  |        |        |

| Current portion of other provisions  | 85      | 113    |
|--------------------------------------|---------|--------|
|                                      | 4,929   | 5,853  |
| Long-term debt                       | 4,513   | 3,559  |
| Post-employment benefits             | 124     | 151    |
| Other provisions                     | 336     | 367    |
| Other liabilities                    | 85      | 69     |
| Deferred income tax liabilities      | 383     | 422    |
|                                      | 10,370  | 10,421 |
| Shareholders' equity                 |         |        |
| Share capital                        | 1,757   | 1,821  |
| Retained earnings                    | 5,533   | 5,502  |
| Accumulated other comprehensive loss | (1,287) | (643)  |
| Equity holders of Agrium             | 6,003   | 6,680  |
| Non-controlling interest             | 4       | 7      |
| Total equity                         | 6,007   | 6,687  |
|                                      | 16,377  | 17,108 |
|                                      |         |        |

See accompanying notes.

# Consolidated Statements of Cash Flows (Unaudited)

|  | Three months ended |   |      | Twelve months ended |    |        |   |
|--|--------------------|---|------|---------------------|----|--------|---|
|  | December 31,       |   |      | Decemb              | er | 31,    |   |
| (millions of U.S. dollars)                                 | 2015               |   | 2014 | 2015                |    | 2014   |   |
| Operating  |                    |   |      |                     |    |        |   |
| Net earnings from continuing operations                    | 200                |   | 70   | 988                 |    | 798    |   |
| Adjustments for  |                    |   |      |                     |    |        |   |
| Depreciation and amortization                              | 135                |   | 138  | 480                 |    | 550    |   |
| (Earnings) loss from associates and joint ventures         | (5                 | ) | (2   | ) 4                 |    | (23    | ) |
| Share-based payments                                       | 15                 |   | 25   | 51                  |    | 50     |   |
| Unrealized (gain) loss on derivative financial instruments | (28                | ) | 14   | (21                 | )  | (32    | ) |
| Unrealized foreign exchange (gain) loss                    | (12                | ) | 8    | (35                 | )  | 56     |   |
| Interest income  | (16                | ) | (22  | ) (68               | )  | (83    | ) |
| Finance costs  | 73                 |   | 40   | 252                 |    | 132    |   |
| Income taxes   | 51                 |   | (3   | ) 376               |    | 230    |   |
| Other  | 2                  |   | 5    | (20                 | )  | 20     |   |
| Interest received  | 16                 |   | 23   | 70                  |    | 85     |   |
| Interest paid  | (51                | ) | (37  | ) (212              | )  | (105   | ) |
| Income taxes paid  | (30                | ) | (37  | ) (111              | )  | (320   | ) |
| Dividends from associates and joint ventures               | -                  |   | 1    | 2                   |    | 49     |   |
| Net changes in non-cash working capital                    | 743                |   | 757  | (93                 | )  | (95    | ) |
| Cash provided by operating activities                      | 1,093              |   | 980  | 1,663               |    | 1,312  |   |
| Investing  |                    |   |      |                     |    |        |   |
| Business acquisitions, net of cash acquired                | (42                | ) | (32  | ) (127              | )  | (179   | ) |
| Proceeds from sale of discontinued operations              | -                  |   | -    | -                   |    | 94     |   |
| Capital expenditures                                       | (278               | ) | (504 | ) (1,188            | )  | (2,021 | ) |
| Capitalized borrowing costs                                | (8                 | ) | (28  | ) (45               | )  | (111   | ) |
| Purchase of investments                                    | (18                | ) | (19  | ) (128              | )  | (116   | ) |
| Proceeds from sale of investments                          | 18                 |   | 55   | 83                  |    | 123    |   |
| Proceeds from sale of property, plant and equipment        | 27                 |   | -    | 104                 |    | -      |   |
| Other  | (11                | ) |      | ) (4                | )  | (20    | ) |
| Net changes in non-cash working capital                    | (9                 | ) | 42   | (198                | )  | 162    |   |
| Cash used in investing activities                          | (321               | ) | (491 | ) (1,503            | )  | (2,068 | ) |
| Financing  |                    |   |      |                     |    |        |   |
| Short-term debt  | (932               | ) | •    | ) (514              | )  | 845    |   |
| Long-term debt issued                                      | -                  |   | 500  | 1,000               |    | 512    |   |
| Transaction costs on long-term debt                        | -                  |   | (8   | ) (14               | )  | (8     | ) |
| Repayment of long-term debt                                | (2                 | ) |      | ) (19               | )  | (64    | ) |
| Dividends paid   | (123               | ) | (107 | ) (468              | )  | (430   | ) |
|  |                    |   |      |                     |    |        |   |

| Shares issued   | -      | -     | 1    | 1     |   |
|---|--------|-------|------|-------|---|
| Shares repurchased  | -      | -     | (559 | ) -   |   |
| Cash (used in) provided by financing activities             | (1,057 | ) 85  | (573 | ) 856 |   |
| Effect of exchange rate changes on cash and cash equivalent | 2      | 80    | (35  | )     |   |
| (Decrease) increase in cash and cash equivalents from       |        |       |      |       |   |
| continuing operations                                       | (238   | ) 576 | (333 | ) 65  |   |
| Cash and cash equivalents used in discontinued operations   | -      | (2    | ) -  | (18   | ) |
| Cash and cash equivalents - beginning of period             | 753    | 274   | 848  | 801   |   |
| Cash and cash equivalents - end of period                   | 515    | 848   | 515  | 848   |   |
| See accompanying notes.                                     |        |       |      |       |   |

Consolidated Statements of Shareholders' Equity (Unaudited)

|   |                                    |               |                   | Other c                | ome (loss)  |  |                              |
|---|------------------------------------|---------------|-------------------|------------------------|---|--|------------------------------|
| (millions of U.S. dollars, except per share data) | Millions<br>of<br>common<br>shares | Share capital | Retained earnings | Cash<br>flow<br>hedges | Comprehensive loss of associates and joint ventures | Available for sale financial instruments | Foreign currency translation |
| December 31, 2013                                 | 144                                | 1,820         | 5,253             | -                      | (7  | ) (8                                     | ) (264                       |
| Net earnings                                      | -                                  | -             | 714               | -                      | -   | -  | -                            |
| Other comprehensive income (loss), net of tax     |                                    |               |                   |                        |   |  |                              |
| Post-employment benefits                          | -                                  | -             | (22               | ) -                    | -   | -  | -                            |
| Other   | -                                  | -             | -                 | (27                    | ) (4  | ) -                                      | (341                         |
| Comprehensive income (loss), net of tax           | -                                  | -             | 692               | (27                    | ) (4  | ) -                                      | (341                         |
| Dividends   | -                                  | -             | (435              | ) -                    | -   | -  | -                            |
| Non-controlling interest transactions             | -                                  | -             | -                 | -                      | -   | -  | -                            |
| Share-based payment transactions                  | -                                  | 1             | -                 | -                      | -   | -  | -                            |
| Impact of adopting IFRS 9 at January 1, 2014      | -                                  | -             | (8                | ) -                    | -   | 8  | -                            |
| December 31, 2014                                 | 144                                | 1,821         | 5,502             | (27                    | ) (11   | ) -                                      | (605                         |
| Net earnings                                      | -                                  | -             | 988               | -                      | -   | -  | -                            |
| Other comprehensive income (loss), net of tax     |                                    |               |                   |                        |   |  |                              |
| Post-employment benefits                          | -                                  | -             | 10                | -                      | -   | -  | -                            |
| Other   | -                                  | -             | -                 | (33                    | ) (6  | ) -                                      | (609                         |
| Comprehensive income (loss), net of tax           | -                                  | -             | 998               | (33                    | ) (6  | ) -                                      | (609                         |
| Dividends   | -                                  | -             | (478              | ) -                    | -   | -  | -                            |
| Non-controlling interest transactions             | -                                  | -             | -                 | -                      | -   | -  | -                            |
| Shares repurchased                                | (6                                 | ) (70         | ) (489            | ) -                    | -   | -  | -                            |
| Share-based payment transactions                  | -                                  | 6             | -                 | -                      | -   | -  | -                            |
| Reclassification of cash flow hedges, net of tax  | -                                  | -             | -                 | 4                      | -   | -  | -                            |
| December 31, 2015                                 | 138                                | 1,757         | 5,533             | (56                    | ) (17   | ) -                                      | (1,214                       |

See accompanying notes.

Summarized Notes to the Consolidated Financial Statements

For the twelve months ended December 31, 2015

(millions of U.S. dollars, unless otherwise stated)

(Unaudited)

1. Corporate Management

Corporate information

Agrium Inc. ("Agrium") is incorporated under the laws of Canada with common shares listed under the symbol "AGU" on the New York Stock Exchange (NYSE) and the Toronto Stock Exchange (TSX). Our Corporate head office is located at 13131 Lake Fraser Drive S.E., Calgary, Canada. We conduct our operations globally from our Wholesale head office in Calgary and our Retail head office in Loveland, Colorado, United States. In these financial statements, "we", "us", "our" and "Agrium" mean Agrium Inc., its subsidiaries and joint arrangements.

Agrium operates two business units:

- Retail: Distributes crop nutrients, crop protection products, seed, merchandise and services directly to growers through a netw farm centers in two geographical segments:
  - North America: including the United States and Canada
  - International: including Australia and South America
- Wholesale: Operates in North and South America and Europe producing, marketing and distributing crop nutrients and industriproducts through the following businesses:
  - Nitrogen: Manufacturing in Alberta, Texas and Argentina
  - Potash: Mining and processing in Saskatchewan
  - Phosphate: Mining and production facilities in Alberta and Idaho
  - Other: Purchasing and reselling crop nutrient products from other suppliers to customers in the Americas and Europe, are producing blended crop nutrients and Environmentally Smart Nitrogen (ESN®) polymer-coated nitrogen crop nutrients.

Additional information on our operating segments is included in note 2.

Seasonality in our business results from increased demand for our products during planting seasons. Sales are generally higher in spring and fall.

#### Basis of preparation

These unaudited consolidated interim financial statements ("interim financial statements") were approved for issuance by the Audit Committee on February 8, 2016. These interim financial statements do not include all information and disclosures normally provided in annual or quarterly financial statements. Accordingly, they should be read in conjunction with our audited annual financial statements and related notes, prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, contained in our 2014 Annual Report, available at www.agrium.com. The accounting policies applied in these interim financial statements are the same as those applied in our audited annual financial statements, with the exception of the accounting changes described in note 9 to our interim financial statements for the three months ended March 31, 2015.

# 2. Operating Segments

| Segment information by business unit                 | Three  | months end | ed Decem  | ber 31, |        |           |           |         |
|--|--------|------------|-----------|---------|--------|-----------|-----------|---------|
|  | 2015   |            |           |         | 2014   |           |           |         |
|  | Retail | Wholesale  | Other (a) | Total   | Retail | Wholesale | Other (a) | Total   |
| Sales - external                                     | 1,758  | 649        | -         | 2,407   | 2,054  | 651       | -         | 2,705   |
| - inter-segment                                      | 7      | 239        | (246      | ) -     | 3      | 246       | (249      | ) -     |
| Total sales  | 1,765  | 888        | (246      | ) 2,407 | 2,057  | 897       | (249      | ) 2,705 |
| Cost of product sold                                 | 1,166  | 568        | (227      | ) 1,507 | 1,443  | 767       | (237      | ) 1,973 |
| Gross profit   | 599    | 320        | (19       | ) 900   | 614    | 130       | (12       | 732     |
| Gross profit (%)                                     | 34     | 36         |           | 37      | 30     | 14        |           | 27      |
| Expenses   |        |            |           |         |        |           |           |         |
| Selling  | 462    | 7          | (4        | ) 465   | 514    | 10        | (9        | ) 515   |
| General and administrative                           | 29     | 12         | 33        | 74      | 30     | 15        | 33        | 78      |
| Share-based payments                                 | -      | -          | 15        | 15      | -      | -         | 25        | 25      |
| (Earnings) loss from associates and joint ventures   | (2     | ) (2       | ) (1      | ) (5    | ) 1    | (1        | ) (2      | ) (2    |
| Other (income) expenses                              | (23    | ) 16       | 34        | 27      | (35    | ) 22      | 22        | 9       |
| Earnings (loss) before finance costs and income taxe | s 133  | 287        | (96       | ) 324   | 104    | 84        | (81       | ) 107   |
| Finance costs  | -      | -          | 73        | 73      | -      | -         | 40        | 40      |
| Earnings (loss) before income taxes                  | 133    | 287        | (169      | ) 251   | 104    | 84        | (121      | ) 67    |
| Depreciation and amortization                        | 66     | 65         | 4         | 135     | 77     | 58        | 3         | 138     |
| Finance costs  | -      | -          | 73        | 73      | -      | -         | 40        | 40      |
| EBITDA (b)   | 199    | 352        | (92       | ) 459   | 181    | 142       | (78       | ) 245   |
| Share of joint ventures                              |        |            |           |         |        |           |           |         |
| Finance costs and income taxes                       | -      | 13         | -         | 13      | -      | 4         | -         | 4       |
| Depreciation and amortization                        | -      | 7          | -         | 7       | -      | 4         | -         | 4       |
| Adjusted EBITDA                                      | 199    | 372        | (92       | ) 479   | 181    | 150       | (78       | ) 253   |

<sup>(</sup>a) Includes inter-segment eliminations.

(b) EBITDA is earnings (loss) from continuing operations before finance costs, income taxes, depreciation and amortization.

|   |                  | 2015           |             |       |               | ,   _         |               | 2014        |              |         | • ( )     |             |
|---|------------------|----------------|-------------|-------|---------------|---------------|---------------|-------------|--------------|---------|-----------|-------------|
| Calaa aatamad   |                  | Retail         |             |       | Other (       |               | otal          | Retail      | Whole        |         | Other (a) |             |
| Sales - external  |                  | 12,168         | 2,627       |       | -             |               | 4,795         | 12,967      | 3,075        |         | -         | 16,04       |
| - inter-segment   |                  | 31             | 975         |       | (1,006        | ,             | 4 70 <i>c</i> | 14          | 898          |         | (912      | ) -         |
| Total sales   |                  | 12,199         | 3,602       |       | (1,006        | ,             |               | 12,981      | 3,973        |         | (912      | ) 16,04     |
| Cost of product sold  |                  | 9,471<br>2,728 | 2,421       |       | (985<br>(21   | ,             |               | 10,089      | 3,318<br>655 |         | (917<br>5 | ) 12,49     |
| Gross profit Gross profit (%)                                 |                  | 2,728<br>22    | 1,181<br>33 |       | (21           | 2             |               | 2,892<br>22 | ინნ<br>16    |         | 5         | 3,552<br>22 |
| Expenses  |                  |                | 55          |       |               | 2             | J             |             | 10           |         |           | ~~          |
| Selling   |                  | 1,902          | 36          |       | (17           | ) 1           | ,921          | 2,023       | 44           |         | (19       | ) 2,048     |
| General and administrative                                    |                  | 112            | 39          |       | 117           | •             | ,32 i<br>68   | 124         | 48           |         | 127       | 299         |
| Share-based payments  |                  | -              | -           |       | 51            | 5             |               | -           | -            |         | 50        | 50          |
| (Earnings) loss from associates and joint vei                 | ntures           | (5             | ) 10        |       | (1            | ) 4           |               | (6          | ) (18        | Y       | 1         | (23         |
| Other (income) expenses                                       |                  | (60            | ) 23        |       | 65            | 2             |               | •           | ) 28         | ,       | 53        | 18          |
| Earnings (loss) before finance costs and inco                 | me taxes         | •              | 1,073       |       | (236          |               |               | 814         | 553          |         | (207      | ) 1,160     |
| Finance costs   |                  | -              | -           |       | 252           | •             | 52            | -           | -            |         | 132       | 132         |
| Earnings (loss) before income taxes                           |                  | 779            | 1,073       |       | (488          | ) 1           | ,364          | 814         | 553          |         | (339      | ) 1,028     |
| Depreciation and amortization                                 |                  | 254            | 211         |       | 15            | 4             | 80            | 305         | 230          |         | 15        | 550         |
| Finance costs   |                  | -              | -           |       | 252           | 2             | 52            | -           | -            |         | 132       | 132         |
| EBITDA  |                  | 1,033          | 1,284       |       | (221          | ) 2           | ,096          | 1,119       | 783          |         | (192      | ) 1,710     |
| Share of joint ventures                                       |                  |                |             |       |               |               |               |             |              |         |           |             |
| Finance costs and income taxes                                |                  | -              | 19          |       | -             | 1             |               | -           | 24           |         | -         | 24          |
| Depreciation and amortization                                 |                  | -              | 19          |       | -             | 1             |               | -           | 14           |         | -         | 14          |
| Adjusted EBITDA   |                  | 1,033          | 1,322       |       | (221          | ) 2           | ,134          | 1,119       | 821          |         | (192      | ) 1,748     |
| Segment information - Retail                                  | Th               | ree mont       | ths end     | ed De | ecembe        | er 31,        |               |             |              |         |           |             |
|   | 20               |                | _           |       | -             |               | )14           |             |              |         |           |             |
|   |                  | rth            |             |       |               |               | orth          |             |              |         |           |             |
|   |                  |                | nternati    | ional | Retai         |               | merica        |             | ational      |         |           |             |
| Sales - external  |                  | 333 4          | 125         |       | 1,758         |               | 482           | 572         |              | 2,05    | 54        |             |
| - inter-segment   | 7                | -              |             |       | 7             | 3             |               | -           |              | 3       | _         |             |
| Total sales   |                  |                | 125         |       | 1,765         |               | 485           | 572         |              | 2,05    |           |             |
| Cost of product sold  | 85               |                | 313         |       | 1,166         |               | 008           | 435         |              | 1,44    |           |             |
| Gross profit  | 48               | / 1            | 112         |       | 599           | 47            | 7             | 137         |              | 614     |           |             |
| Expenses  | 0.7              | <b>.</b>       | 7           |       | 400           | 00            | 7             | 447         |              | EA A    |           |             |
| Selling   | 37               |                | 37<br>7     |       | 462           | 39            |               | 117<br>10   |              | 514     |           |             |
| General and administrative                                    | 22<br>oturos (1  | 7              |             |       | 29            | 20            | J             | 10          |              | 30<br>1 |           |             |
| (Earnings) loss from associates and joint ver<br>Other income | 11 (17<br>(17    |                |             |       | ) (2<br>) (23 | ) 1           | 2             | ) (3        |              | ) (35   | )         |             |
| Earnings before income taxes                                  | 10               |                | 0<br>25     |       | ) (23<br>133  | ) (S.<br>91   |               | 13          |              | 104     | ,         |             |
| Depreciation and amortization                                 | 61               | 5              |             |       | 66            | 54            |               | 23          |              | 77      |           |             |
| EBITDA  | 16               |                | 30          |       | 199           | 14            |               | 36          |              | 181     |           |             |
| Adjusted EBITDA   | 16               |                | 30          |       | 199           | 14            |               | 36          |              | 181     |           |             |
| ·   |                  |                |             |       |               |               |               |             |              | ٠.      |           |             |
| Segment information - Retail                                  | Twelve n         | nonths e       | nded D      | ecem  |               |               |               |             |              |         |           |             |
|   | 2015             |                |             |       |               | )14           |               |             |              |         |           |             |
|   | North<br>America | Interna        | tional      | Reta  |               | orth<br>meric | a Int         | ternation   | al Re        | tail    |           |             |
| Sales- external   | 10,093           | 2,075          |             | 12,10 |               | ),449         |               | 518         |              | 967     |           |             |
| - inter-segment   | 31               | <u>-</u> ,070  |             | 31    | 14            |               | <b>-</b> ,\   |             | 14           | 551     |           |             |
| Total sales   | 10,124           | 2,075          |             | 12,19 |               | ,<br>9,463    | 2.            | 518         |              | 981     |           |             |
| Cost of product sold  | 7,826            | 1,645          |             | 9,47  |               | 080           |               | 009         |              | 089     |           |             |
| Gross profit  | 2,298            | 430            |             | 2,728 |               | 383           | 50            |             | 2,8          |         |           |             |
| Expenses  | ,                |                |             | ,     | _,            | . =           |               |             | -,•          |         |           |             |
| Selling   | 1,571            | 331            |             | 1,902 | 2 1,          | 622           | 40            | )1          | 2,0          | 23      |           |             |
| General and administrative                                    | 79               | 33             |             | 112   | 80            |               | 44            |             | 124          |         |           |             |
| Familian from acceptate and tall the set of                   | 10               | ١ (٥           | `           | /-    | \             |               | \ (0          |             | \ (0         | `       |           |             |

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) (63

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)

)

Earnings from associates and joint ventures (3

Other income

Earnings before income taxes

| Depreciation and amortization                 | 229       | 25         |           | 254      | 257                         | 48        | 305      |          |           |     |  |  |
|---|-----------|------------|-----------|----------|-----------------------------|-----------|----------|----------|-----------|-----|--|--|
| EBITDA  | 915       | 118        |           | 1,033    | 980                         | 139       | 1,1      |          |           |     |  |  |
| Adjusted EBITDA                               | 915       | 118        | •         | 1,033    | 980                         | 139       | 1,1      | 19       |           |     |  |  |
| Segment information - Wholesale               | Three mo  | nths end   | ded Dece  | ember 31 | 1,                          |           | 0044     |          |           |     |  |  |
|   | 2015      |            |           | 14/1     |                             |           | 2014     |          |           |     |  |  |
|   | Nitrogen  | Potash     | Phosph    |          | lesale<br>er <sup>(a)</sup> | Wholesale | Nitroger | ı Potash | Phosphate | · C |  |  |
| Sales - external                              | 270       | 137        | 127       | 115      |                             | 649       | 311      | 7        | 135       | 1   |  |  |
| - inter-segment                               | 97        | 38         | 72        | 32       |                             | 239       | 93       | 2        | 65        | 8   |  |  |
| Total sales                                   | 367       | 175        | 199       | 147      |                             | 888       | 404      | 9        | 200       | 2   |  |  |
| Cost of product sold                          | 181       | 112        | 162       | 113      |                             | 568       | 291      | 59       | 163       | 2   |  |  |
| Gross profit                                  | 186       | 63         | 37        | 34       |                             | 320       | 113      | (50      | ) 37      | 3   |  |  |
| Expenses                                      |           |            |           |          |                             |           |          |          |           |     |  |  |
| Selling                                       | 3         | 1          | 1         | 2        |                             | 7         | 5        | -        | 2         | 3   |  |  |
| General and administrative                    | 5         | 2          | 1         | 4        |                             | 12        | 4        | 3        | 3         | 5   |  |  |
| Earnings from associates and joint ventures   |           | -          | -         | (2       |                             | ) (2      | ) -      | -        | -         | (1  |  |  |
| Other (income) expenses                       | (12       | 7          | 1         | 20       |                             | 16        | 3        | 11       | 4         | 4   |  |  |
| Earnings (loss) before income taxes           | 190       | 53         | 34        | 10       |                             | 287       | 101      | (64      | ) 28      | 1   |  |  |
| Depreciation and amortization                 | 18        | 28         | 14        | 5        |                             | 65        | 21       | 15       | 14        | 8   |  |  |
| EBITDA  | 208       | 81         | 48        | 15       |                             | 352       | 122      | (49      | ) 42      | 2   |  |  |
| Share of joint ventures                       |           |            |           |          |                             |           |          |          |           |     |  |  |
| Finance costs and income taxes                | 13        | -          | -         | -        |                             | 13        | 5        | -        | -         | (1  |  |  |
| Depreciation and amortization                 | 7         | -          | -         | -        |                             | 7         | 4        | -        | -         | -   |  |  |
| Adjusted EBITDA                               | 228       | 81         | 48        | 15       |                             | 372       | 131      | (49      | ) 42      | 2   |  |  |
| (a) Includes product purchased for resale, ar | mmonium s | sulfate, l | ESN and   | other pr | oducts                      |           |          |          |           |     |  |  |
| Segment information - Wholesale               |           | Twel       | lve montl | hs ended | d Decei                     | mber 31,  |          |          |           |     |  |  |
| -   |           | 2015       | 5         |          |                             | 2014      |          |          |           |     |  |  |
|   |           |            |           |          |                             | Wholesale |          |          |           |     |  |  |

| Segment information - wholesale                    | Twelve months ended December 31, |        |           |           |           |          |        |    |  |  |  |  |
|--|----------------------------------|--------|-----------|-----------|-----------|----------|--------|----|--|--|--|--|
|  | 2015                             |        |           |           |           | 2014     |        |    |  |  |  |  |
|  |                                  |        |           | Wholesale |           |          |        |    |  |  |  |  |
|  | Nitrogen                         | Potash | Phosphate | Other (a) | Wholesale | Nitrogen | Potash | Ph |  |  |  |  |
| Sales - external                                   | 1,129                            | 364    | 471       | 663       | 2,627     | 1,124    | 274    | 45 |  |  |  |  |
| - inter-segment                                    | 401                              | 151    | 270       | 153       | 975       | 358      | 117    | 24 |  |  |  |  |
| Total sales  | 1,530                            | 515    | 741       | 816       | 3,602     | 1,482    | 391    | 70 |  |  |  |  |
| Cost of product sold                               | 801                              | 335    | 599       | 686       | 2,421     | 1,101    | 321    | 62 |  |  |  |  |
| Gross profit                                       | 729                              | 180    | 142       | 130       | 1,181     | 381      | 70     | 76 |  |  |  |  |
| Expenses   |                                  |        |           |           |           |          |        |    |  |  |  |  |
| Selling  | 15                               | 5      | 4         | 12        | 36        | 16       | 6      | 7  |  |  |  |  |
| General and administrative                         | 15                               | 7      | 5         | 12        | 39        | 13       | 10     | 10 |  |  |  |  |
| Loss (earnings) from associates and joint ventures | <b>3</b> -                       | -      | -         | 10        | 10        | -        | -      | -  |  |  |  |  |
| Other expenses (income)                            | -                                | 25     | 17        | (19       | 23        | (15      | ) 26   | 14 |  |  |  |  |
| Earnings before income taxes                       | 699                              | 143    | 116       | 115       | 1,073     | 367      | 28     | 45 |  |  |  |  |
| Depreciation and amortization                      | 72                               | 71     | 51        | 17        | 211       | 86       | 65     | 52 |  |  |  |  |
| EBITDA   | 771                              | 214    | 167       | 132       | 1,284     | 453      | 93     | 97 |  |  |  |  |
| Share of joint ventures                            |                                  |        |           |           |           |          |        | ŀ  |  |  |  |  |
| Finance costs and income taxes                     | 19                               | -      | -         | -         | 19        | 24       | -      | -  |  |  |  |  |
| Depreciation and amortization                      | 19                               | -      | -         | -         | 19        | 14       | -      | -  |  |  |  |  |
| Adjusted EBITDA                                    | 809                              | 214    | 167       | 132       | 1,322     | 491      | 93     | 97 |  |  |  |  |
|  |                                  |        |           |           |           |          |        |    |  |  |  |  |

(a) Includes product purchased for resale, ammonium sulfate, ESN and other products.

| Gross profit by product line | Three months ended December 31, |                      |       |      |                      |       | Twelve months ended D |                      |       |  |  |
|------------------------------|---------------------------------|----------------------|-------|------|----------------------|-------|-----------------------|----------------------|-------|--|--|
|                              | 2015                            |                      |       | 2014 |                      |       | 2015                  |                      |       |  |  |
|                              | Sales                           | Cost of product sold | Gross |      | Cost of product sold | Gross |                       | Cost of product sold |       |  |  |
| Retail                       |                                 |                      |       |      |                      |       |                       |                      |       |  |  |
| Crop nutrients               | 843                             | 689                  | 154   | 972  | 816                  | 156   | 4,944                 | 4,097                | 847   |  |  |
| Crop protection products     | 541                             | 273                  | 268   | 552  | 292                  | 260   | 4,543                 | 3,476                | 1,067 |  |  |
|                              |                                 |                      |       |      |                      |       |                       |                      |       |  |  |

| Merchandise   | 130   | 123      | 21                 | 211     | 101                  | 30      | 030      | 559                | 99    | ч           |
|---|-------|----------|--------------------|---------|----------------------|---------|----------|--------------------|-------|-------------|
| Services and other  | 150   | 54       | 96                 | 231     | 113                  | 118     | 649      | 218                | 431   | 7           |
| Wholesole   | 1,765 | 1,166    | 599                | 2,057   | 1,443                | 614     | 12,199   | 9,471              | 2,728 | 1           |
| Wholesale<br>Nitrogen   | 367   | 181      | 186                | 404     | 291                  | 113     | 1,530    | 801                | 729   | 1           |
| Potash  | 175   | 112      | 63                 | 9       | 59                   | (50)    | 515      | 335                | 180   | 3           |
| Phosphate   | 199   | 162      | 37                 | 200     | 163                  | 37      | 741      | 599                | 142   | 7           |
| Product purchased for resale                                    | 53    | 52       | 1                  | 177     | 174                  | 3       | 398      | 387                | 11    | 9           |
| Ammonium sulfate, ESN and other                                 | 94    | 61       | 33                 | 107     | 80                   | 27      | 418      | 299                | 119   | 4           |
|   | 888   | 568      | 320                | 897     | 767                  | 130     | 3,602    | 2,421              | 1,181 | 3           |
| Other inter-segment eliminations                                | (246) | (227)    | (19)               | (249)   | (237)                | (12)    | (1,006)  | (985)              | (21)  | (9          |
| Total   | 2,407 | 1,507    | 900                | 2,705   | 5 1,973              | 732     | 14,795   | 10,907             | 3,888 | 1           |
| Wholesale share of joint ventures                               |       |          |                    |         |                      |         |          |                    |       |             |
| Nitrogen  | 71    | 59       | 12                 | 48      | 40                   | 8       | 194      | 178                | 16    | 1           |
| Product purchased for resale                                    | -     | -        | -                  | 40      | 37                   | 3       | 38       | 37                 | 1     | 1           |
|   | 71    | 59       | 12                 | 88      | 77                   | 11      | 232      | 215                | 17    | 2           |
| Total Wholesale including proportionate share in joint ventures | 959   | 627      | 332                | 985     | 844                  | 141     | 3,834    | 2,636              | 1,198 | 4           |
| Selected volumes and per tonne information                      | Three | months   | ended              | Decei   | mber 31,             |         |          |                    |       |             |
| <b>'</b>  | 2015  |          |                    |         | ,                    | 2014    |          |                    |       |             |
|   |       |          |                    | st of   |                      |         |          | Cost               |       |             |
|   |       | Selling  |                    | duct    | N 4 =                |         | Selling  |                    |       |             |
|   |       | s price  | solo<br>ne) (\$/to |         | Margin<br>(\$/tonne) |         | s price  | sold<br>ne) (\$/to |       | lar<br>S/tc |
| Retail  | (0000 | γ (φ, ισ | ιο) (φ/τ           | 011110) | (φ, ισισ)            | , (0000 | , (φ, ισ | ιο, (φ/το          |       | ,,,,        |
| Crop nutrients  |       |          |                    |         |                      |         |          |                    |       |             |
| North America   | 1,375 | 513      | 416                | ;       | 97                   | 1,436   | 556      | 465                | 9     | 1           |
| International   | 327   | 424      | 364                | . (     | 60                   | 367     | 475      | 406                | 6     | 9           |
| Total crop nutrients  | 1,702 | 496      | 406                | ;       | 90                   | 1,803   | 539      | 452                | 8     | 7           |
| Wholesale   |       |          |                    |         |                      |         |          |                    |       |             |
| Nitrogen  |       |          |                    |         |                      |         |          |                    |       |             |
| North America   |       |          |                    |         |                      |         |          |                    |       |             |
| Ammonia   | 374   | 499      |                    |         |                      | 333     | 565      |                    |       |             |
| Urea  | 386   | 356      |                    |         |                      | 342     | 431      |                    |       |             |
| Other   | 152   | 283      |                    |         |                      | 204     | 331      |                    |       |             |
| Total nitrogen  | 912   | 403      | 199                | )       | 204                  | 879     | 459      | 331                | 1     | 28          |
| Potash  |       |          |                    |         |                      |         |          |                    |       |             |
| North America   | 503   | 281      |                    |         |                      | 19      | 375      |                    |       |             |
| International   | 153   | 220      |                    |         |                      | -       | -        |                    |       |             |
| Total potash <sup>(a)</sup>                                     | 656   | 267      | 171                |         | 96                   | 19      | 482      | 2,99               | 2 (2  | 2,5         |
| Phosphate   | 325   | 610      | 495                | ;       | 115                  | 305     | 656      | 534                | 1.    | 22          |
| Product purchased for resale                                    | 148   | 362      | 356                | ;       | 6                    | 547     | 326      | 321                | 5     |             |
| Ammonium sulfate  | 96    | 293      | 125                | ,       | 168                  | 84      | 327      | 165                | 1     | 62          |
| ESN and other   | 155   |          |                    |         |                      | 165     |          |                    |       |             |
| Total Wholesale   | 2,292 | 387      | 248                | 3       | 139                  | 1,999   | 449      | 384                | 6     | 5           |
| Wholesale share of joint ventures                               |       |          |                    |         |                      |         |          |                    |       |             |
| Nitrogen  | 198   | 359      | 295                | ;       | 64                   | 103     | 463      | 384                | 7     | Э           |
| Product purchased for resale                                    | -     | -        | -                  |         | -                    | 62      | 650      | 605                | 4     | 5           |
|   | 198   | 359      | 295                | ,       | 64                   | 165     | 533      | 467                | 6     | ŝ           |
| Total Wholesale including proportionate share in joint ventures | 2,490 | 385      | 251                |         | 134                  | 2,164   | 455      | 390                | 6     | 5           |
| (a) Datach requite for the three months and ad Danamhar 24, 24  | 34.4  | ua !u    | -الممد             | 41      | الحدام مرمد          |         |          |                    |       |             |

(a) Potash results for the three months ended December 31, 2014 were impacted by the extended turnaround at our Vanscoy facility to complete the planned tie-in of the expansion project. This resulted in limited volumes for sale.

Selected volumes and per tonne information

Seed

Merchandise

Twelve months ended December 31,

1,425

1,141

|   | tonnes |     | Cost of product sold (\$/tonne) | Margin<br>(\$/tonne) | tonnes |     | Cost of product sold (\$/tonne) | Mar<br>(\$/to |
|---|--------|-----|---------------------------------|----------------------|--------|-----|---------------------------------|---------------|
| Retail  |        |     |                                 |                      |        |     |                                 |               |
| Crop nutrients  |        |     |                                 |                      |        |     |                                 |               |
| North America   | 7,731  | 537 | 436                             | 101                  | 7,782  | 549 | 441                             | 108           |
| International   | 1,843  | 431 | 393                             | 38                   | 1,937  | 492 | 445                             | 47            |
| Total crop nutrients  | 9,574  | 516 | 427                             | 89                   | 9,719  | 537 | 441                             | 96            |
| Wholesale   |        |     |                                 |                      |        |     |                                 |               |
| Nitrogen  |        |     |                                 |                      |        |     |                                 |               |
| North America   |        |     |                                 |                      |        |     |                                 |               |
| Ammonia   | 1,209  | 530 |                                 |                      | 1,042  | 553 |                                 |               |
| Urea  | 1,583  | 395 |                                 |                      | 1,287  | 443 |                                 |               |
| Other   | 864    | 305 |                                 |                      | 983    | 341 |                                 |               |
| Total nitrogen  | 3,656  | 418 | 219                             | 199                  | 3,312  | 447 | 332                             | 115           |
| Potash  |        |     |                                 |                      |        |     |                                 |               |
| North America   | 1,133  | 330 |                                 |                      | 821    | 359 |                                 |               |
| International   | 601    | 235 |                                 |                      | 443    | 217 |                                 |               |
| Total potash (a)  | 1,734  | 297 | 193                             | 104                  | 1,264  | 309 | 253                             | 56            |
| Phosphate   | 1,166  | 635 | 513                             | 122                  | 1,142  | 614 | 548                             | 66            |
| Product purchased for resale                                    | 1,089  | 366 | 356                             | 10                   | 2,490  | 370 | 360                             | 10            |
| Ammonium sulfate  | 336    | 330 | 140                             | 190                  | 349    | 332 | 175                             | 157           |
| ESN and other   | 656    |     |                                 |                      | 714    |     |                                 |               |
| Total Wholesale   | 8,637  | 417 | 280                             | 137                  | 9,271  | 429 | 358                             | 71            |
| Wholesale share of joint ventures                               |        |     |                                 |                      |        |     |                                 |               |
| Nitrogen  | 506    | 384 | 352                             | 32                   | 454    | 433 | 328                             | 105           |
| Product purchased for resale                                    | 117    | 321 | 309                             | 12                   | 287    | 356 | 324                             | 32            |
|   | 623    | 372 | 343                             | 29                   | 741    | 403 | 326                             | 77            |
| Total Wholesale including proportionate share in joint ventures | 9,260  | 414 | 285                             | 129                  | 10,012 | 427 | 356                             | 71            |

<sup>(</sup>a) Potash results for the twelve months ended December 31, 2014 were impacted by the extended turnaround at our Vanscoy facility to complete the planned tie-in of the expansion project. This resulted in limited volumes for sale.

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