



Agrium, Inc.

Assumptions							
10-Yr T-Bill	3.78%	Beta	1.51	Terminal Beta	1	Intrinsic Share Price	80.81
Risk Premium	4.91%	WACC	10.1%	Terminal WACC	7.9%	Current Share Price	70.85
		Tax Rate	40.0%			Upside Potential	14.1%

	Historical							Projected						Terminal
	2001	2002	2003	2004	2005	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E
<i>(all amts in millions USD)</i>														
Revenues by Segment														
Wholesale	1,231	1,236	1,581	1,846	2,196	2,269	2,845	3,841	5,185	6,741	8,426	10,111	11,627	12,067
<i>Growth</i>		0.4%	27.9%	16.8%	19.0%	3.3%	25.4%	35.0%	35.0%	30.0%	25.0%	20.0%	15.0%	3.8%
Retail	914	929	1,015	1,114	1,242	1,975	2,466	3,083	3,853	4,624	5,549	6,381	7,338	7,615
<i>Growth</i>		1.6%	9.3%	9.8%	11.5%	59.0%	24.9%	25.0%	25.0%	20.0%	20.0%	15.0%	15.0%	3.8%
Advanced Technologies						101	249	448	807	1,412	2,118	2,647	3,309	3,434
<i>Growth</i>							146.5%	80.0%	80.0%	75.0%	50.0%	25.0%	25.0%	3.8%
Other	(82)	(82)	(97)	(122)	(144)	(152)	(290)	(261)	(235)	(200)	(170)	(144)	(123)	(118)
<i>Growth</i>		0.0%	-18.3%	-25.8%	-18.0%	-5.6%	-90.8%	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	3.8%
Total Revenues	2,063	2,083	2,499	2,838	3,294	4,193	5,270	7,110	9,610	12,576	15,922	18,994	22,152	22,998
<i>Growth</i>		1.0%	20.0%	13.6%	16.1%	27.3%	25.7%	34.9%	35.2%	30.9%	26.6%	19.3%	16.6%	3.8%
COGS	1,516	1,564	1,760	1,933	2,256	3,237	3,672	4,906	6,439	8,175	10,349	12,156	14,177	14,719
<i>COGS Margin</i>	73.5%	75.1%	70.4%	68.1%	68.5%	77.2%	69.7%	69.0%	67.0%	65.0%	65.0%	64.0%	64.0%	64.0%
Gross Profit	547	519	739	905	1,038	956	1,598	2,204	3,171	4,402	5,573	6,838	7,975	8,279
<i>Gross Margin</i>	26.5%	24.9%	29.6%	31.9%	31.5%	22.8%	30.3%	31.0%	33.0%	35.0%	35.0%	36.0%	36.0%	36.0%
Less SG&A	268	246	286	300	333	486	596	803	1,057	1,321	1,592	1,899	2,215	2,300
<i>SG&A Margin</i>	13.0%	11.8%	11.4%	10.6%	10.1%	11.6%	11.3%	11.3%	11.0%	10.5%	10.0%	10.0%	10.0%	10.0%
Less D&A	141	148	140	156	146	169	173	356	480	629	796	950	1,108	1,150
<i>D&A Margin</i>	6.8%	7.1%	5.6%	5.5%	4.4%	4.0%	3.3%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Less Other Expenses	107	61	292	-18	59	229	114	156	211	277	350	418	487	690
<i>Other Expenses Margin</i>	5.2%	2.9%	11.7%	-0.6%	1.8%	5.5%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	3.0%
EBIT	31	64	21	467	500	72	715	889	1,422	2,176	2,834	3,571	4,165	4,140
<i>EBIT Margin</i>	1.5%	3.1%	0.8%	16.5%	15.2%	1.7%	13.6%	12.5%	14.8%	17.3%	17.8%	18.8%	18.8%	18.0%
EBIT*(1-tax rate)	19	38	13	280	300	43	429	533	853	1,305	1,700	2,143	2,499	2,484
Plus D&A	141	148	140	156	146	169	173	356	480	629	796	950	1,108	1,150
Operating Cash Flow	172	212	161	623	646	241	888	1,244	1,903	2,805	3,630	4,521	5,272	5,290
Less ΔNWC		195	99	367	-28	-157	1,722	-543	625	742	836	-182	631	169
Net Working Capital	123	318	417	784	756	599	2,321	1,778	2,402	3,144	3,981	3,799	4,430	4,600
<i>% Revenue</i>	6.0%	15.3%	16.7%	27.6%	23.0%	14.3%	44.0%	25.0%	25.0%	25.0%	25.0%	20.0%	20.0%	20.0%
Less CapEx														
Capital Expenditures	164	52	99	82	175	209	454	640	865	1,132	1,433	1,140	1,329	920
<i>% Revenue</i>	7.9%	2.5%	4.0%	2.9%	5.3%	5.0%	8.6%	9.0%	9.0%	9.0%	9.0%	6.0%	6.0%	4.0%
Free Cash Flow to Firm (FCFF)	8	-35	-37	174	499	189	829	1,148	413	931	1,361	3,563	3,312	4,200
PV Factor								1.10	1.21	1.33	1.47	1.62	1.78	1.11
PV of FCFF								1,043	341	698	927	2,206	1,863	3,787

PV of Projected Cash Flows	7,078
PV of Terminal Growth	3,787
PV of Firm	10,865
Plus Cash	1,509
Less Debt	1,545
Total Value	10,829
Divided by Diluted Shares Outstanding	134
Intrinsic Price per Share	80.81
Current Price per Share	70.85
Upside Potential	14.1%