

# The Mosaic Company

Investor Presentation  
August 2014

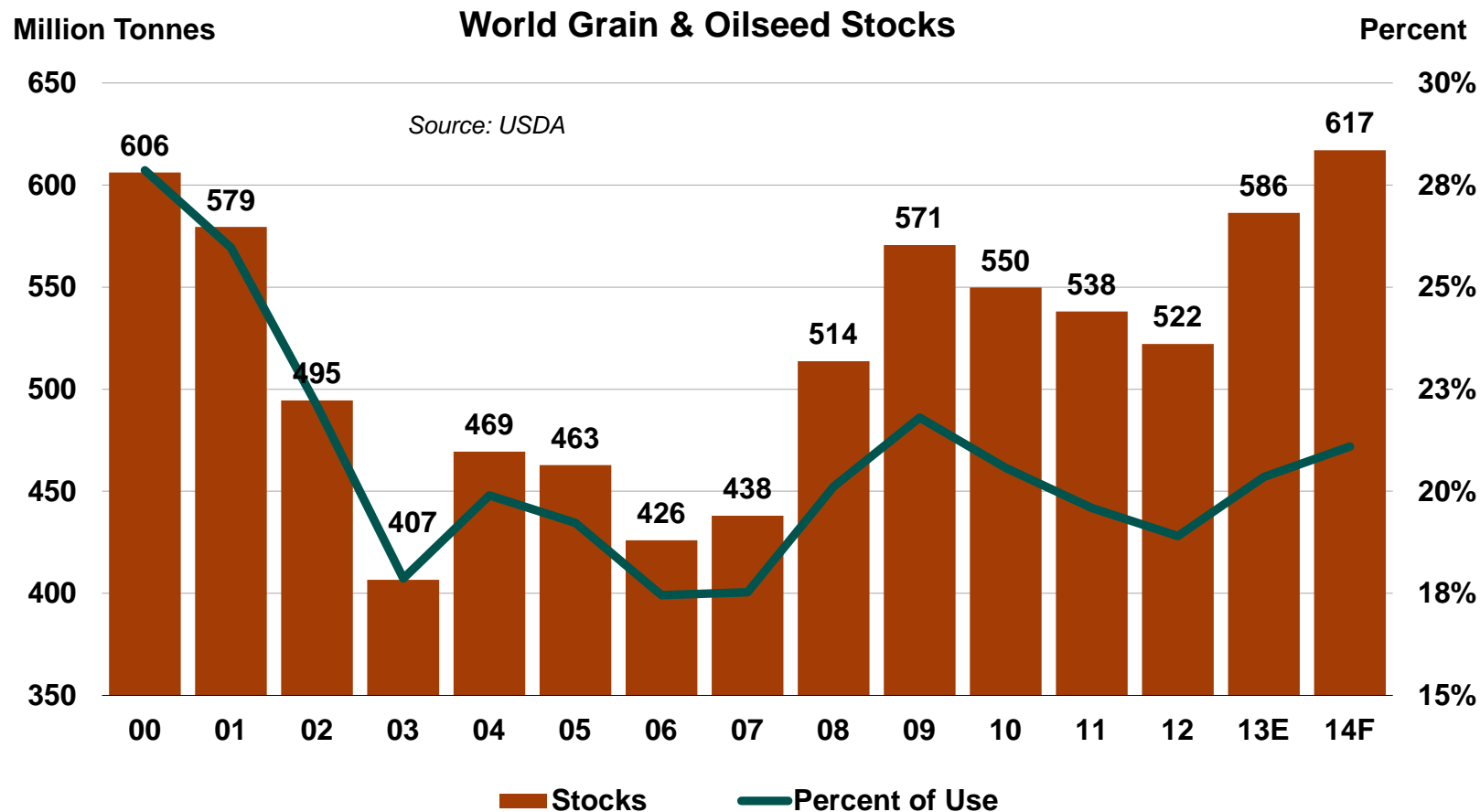


# Safe Harbor Statement

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the Northern Promise Joint Venture, the acquisition and assumption of certain related liabilities of the Florida phosphate assets of CF Industries, Inc. ("CF") and Mosaic's ammonia supply agreements with CF; repurchases of stock; other proposed or pending future transactions or strategic plans and other statements about future financial and operating results. Such statements are based upon the current beliefs and expectations of The Mosaic Company's management and are subject to significant risks and uncertainties. These risks and uncertainties include but are not limited to risks and uncertainties arising from the ability of the Northern Promise Joint Venture to obtain additional planned funding in acceptable amounts and upon acceptable terms, the future success of current plans for the Northern Promise Joint Venture and any future changes in those plans; difficulties with realization of the benefits of the transactions with CF, including the risks that the acquired assets may not be integrated successfully or that the cost or capital savings from the transactions may not be fully realized or may take longer to realize than expected, or the price of natural gas or ammonia changes to a level at which the natural gas based pricing under one of the long term ammonia supply agreements with CF becomes disadvantageous to Mosaic; customer defaults; the effects of Mosaic's decisions to exit business operations or locations; the predictability and volatility of, and customer expectations about, agriculture, fertilizer, raw material, energy and transportation markets that are subject to competitive and other pressures and economic and credit market conditions; the level of inventories in the distribution channels for crop nutrients; changes in foreign currency and exchange rates; international trade risks and other risks associated with Mosaic's international operations and those of joint ventures in which Mosaic participates, including the risk that protests against natural resource companies in Peru extend to or impact the Miski Mayo mine; changes in government policy; changes in environmental and other governmental regulation, including greenhouse gas regulation, implementation of numeric water quality standards for the discharge of nutrients into Florida waterways or possible efforts to reduce the flow of excess nutrients into the Mississippi River basin or the Gulf of Mexico; further developments in judicial or administrative proceedings, or complaints that Mosaic's operations are adversely impacting nearby farms, business operations or properties; difficulties or delays in receiving, increased costs of or challenges to necessary governmental permits or approvals or increased financial assurance requirements; resolution of global tax audit activity; the effectiveness of Mosaic's processes for managing its strategic priorities; adverse weather conditions affecting operations in Central Florida, the Mississippi River basin or the Gulf Coast of the United States, or Canada, and including potential hurricanes, excess heat, cold snow, rainfall or drought; actual costs of various items differing from management's current estimates, including, among others, asset retirement, environmental remediation, reclamation or other environmental regulation, Canadian resources taxes and royalties, the liabilities Mosaic assumed in the Florida phosphate assets acquisition, or the costs of the Northern Promise Joint Venture, its existing or future funding and Mosaic's commitments in support of such funding; reduction of Mosaic's available cash and liquidity, and increased leverage, due to its use of cash and/or available debt capacity to fund share repurchases, financial assurance requirements and strategic investments; brine inflows at Mosaic's Esterhazy, Saskatchewan, potash mine or other potash shaft mines; other accidents and disruptions involving Mosaic's operations, including potential mine fires, floods, explosions, seismic events or releases of hazardous or volatile chemicals, as well as other risks and uncertainties reported from time to time in The Mosaic Company's reports filed with the Securities and Exchange Commission. Actual results may differ from those set forth in the forward-looking statements.

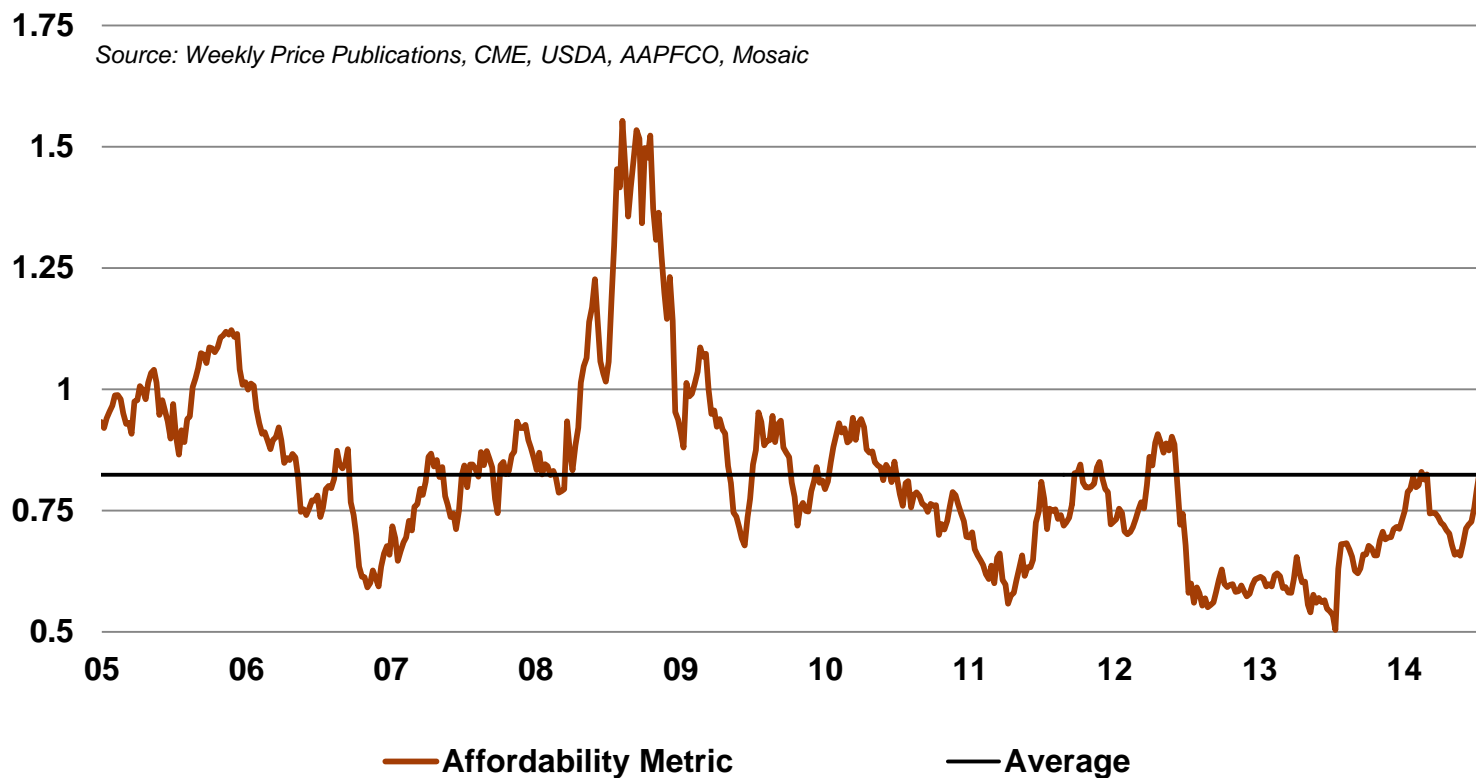
# Industry Overview

# Global Grain and Oilseeds



# Crop Nutrient Affordability Index

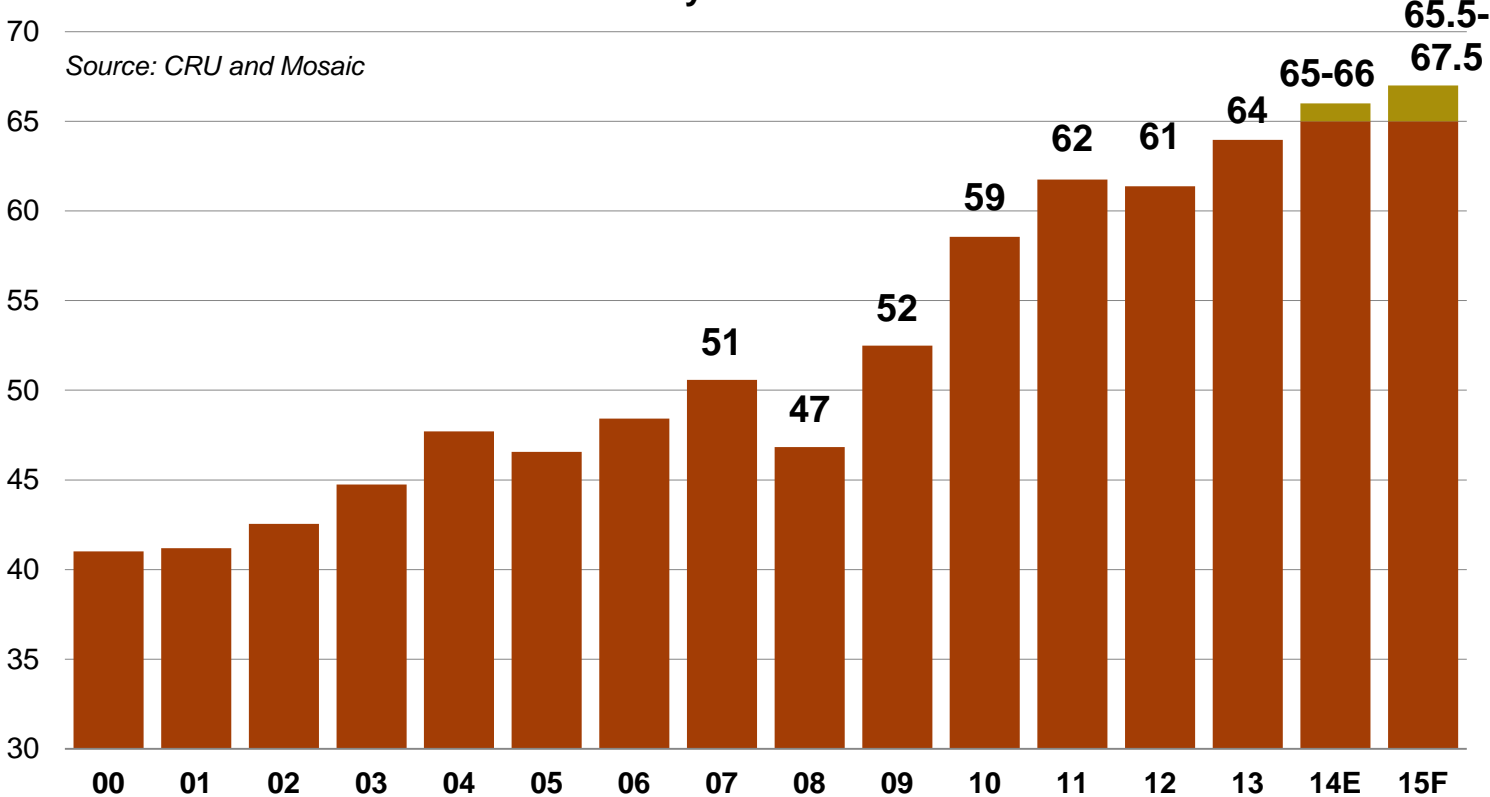
**Plant Nutrient Affordability**  
**Plant Nutrient Price Index / Crop Price Index**



# Global Phosphate Shipments Outlook

MMT Product  
DAP/MAP/MES/TSP

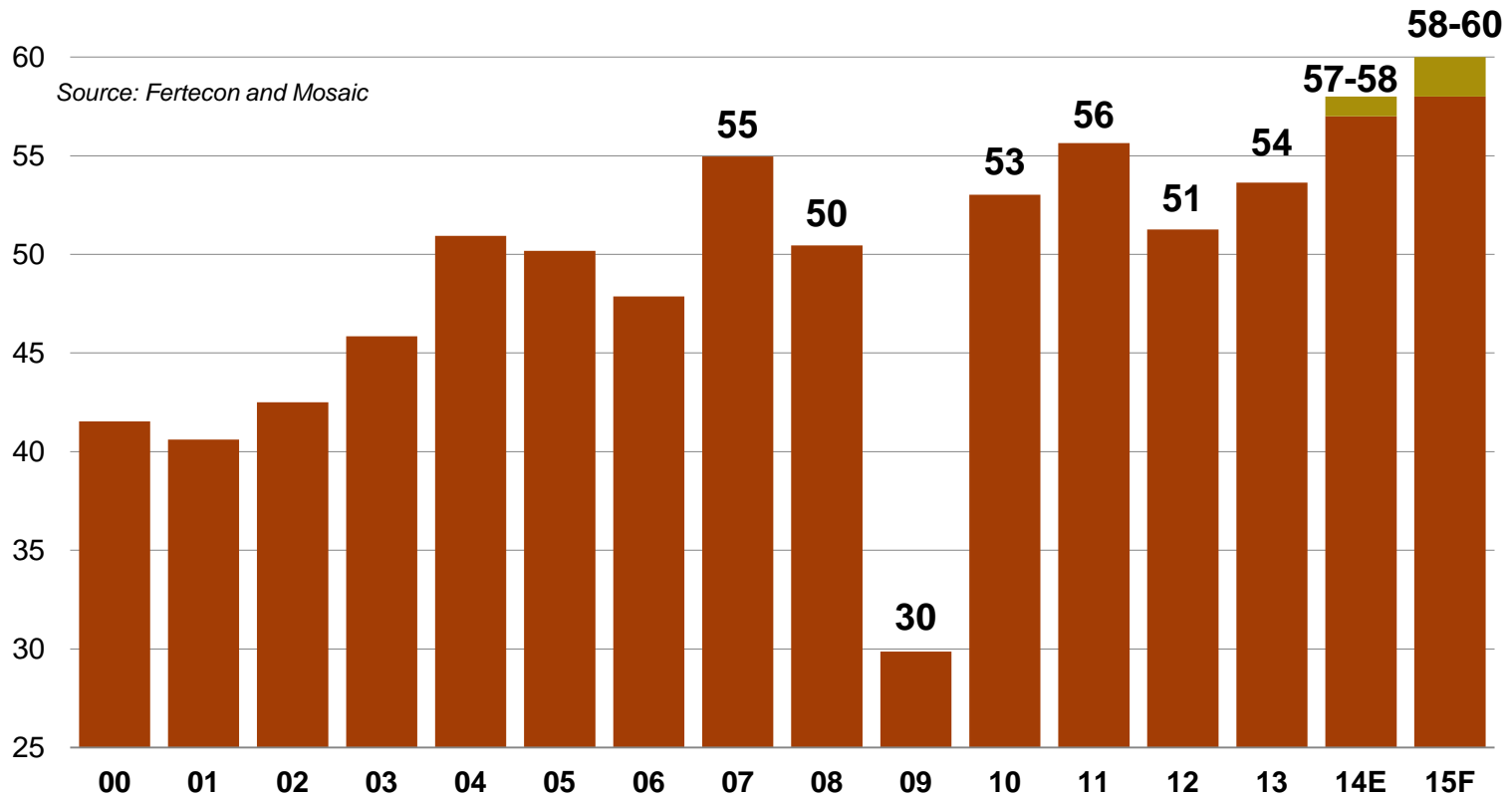
### Global Phosphate Shipments Likely Scenario



# Global Potash Shipments Outlook

Million Tonnes KCl

## Global Potash Shipments

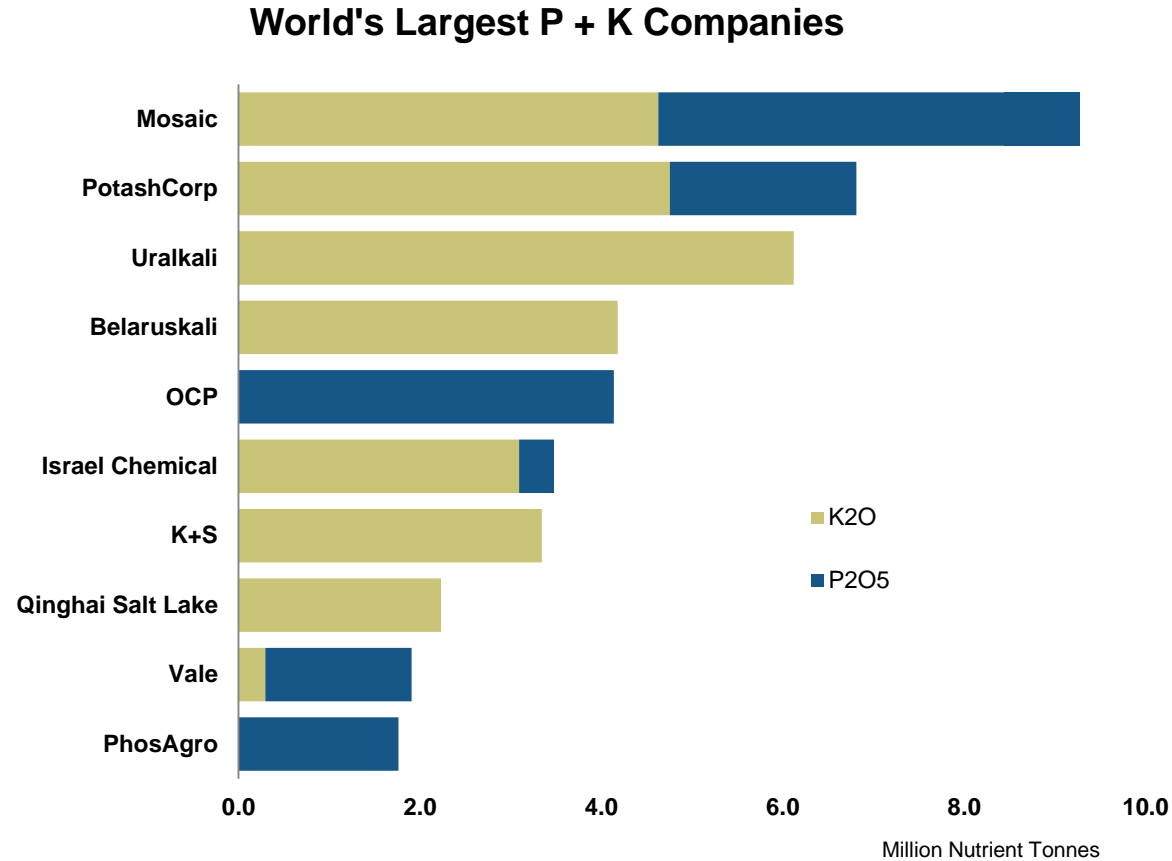


# What Differentiates Mosaic





# The Largest Potash and Phosphates Company



Source: IFA, CRU, Fertecon and Mosaic

Based on 2013 production

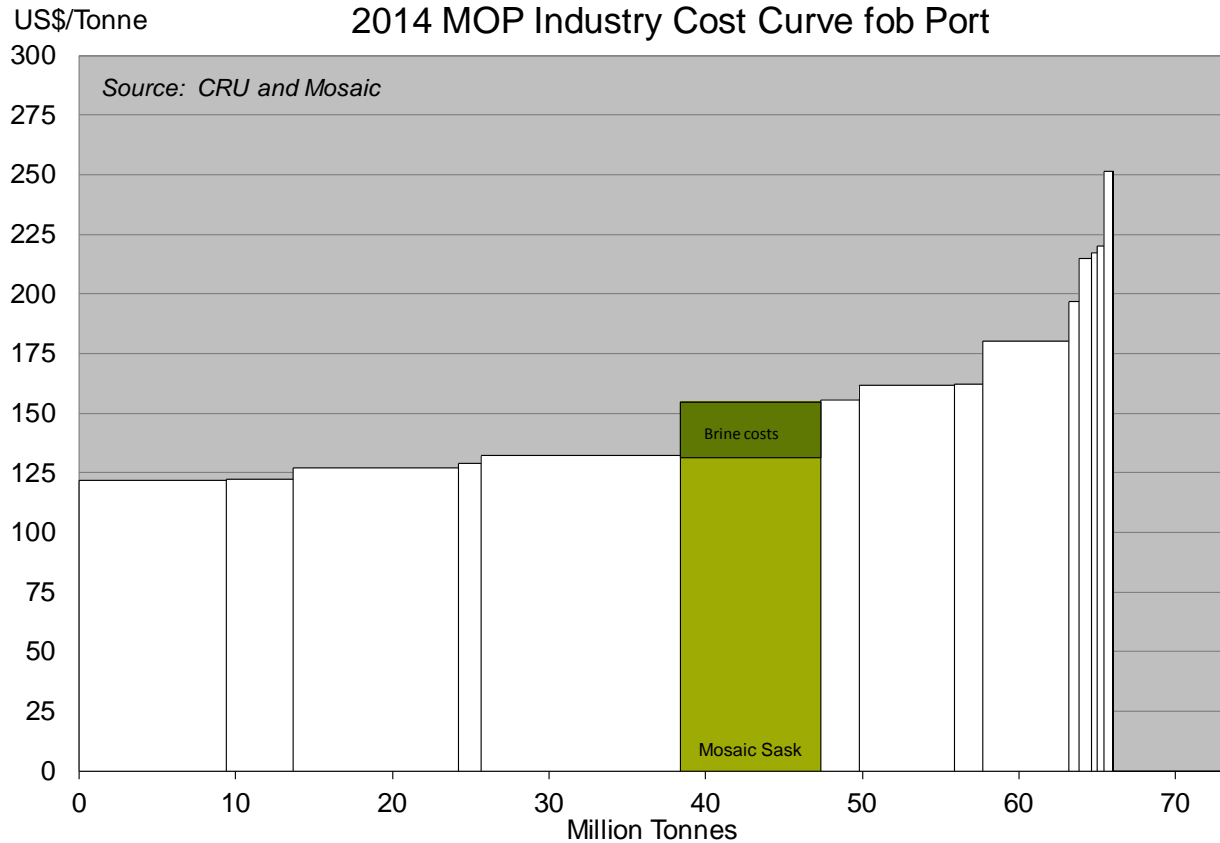
Mosaic's P<sub>2</sub>O<sub>5</sub> production includes CF Industries Phosphate Unit

P<sub>2</sub>O<sub>5</sub> production based on PACID and SSP production

K<sub>2</sub>O production based on MOP, SOP, and KMS production



# Competitive Cost Position - Potash



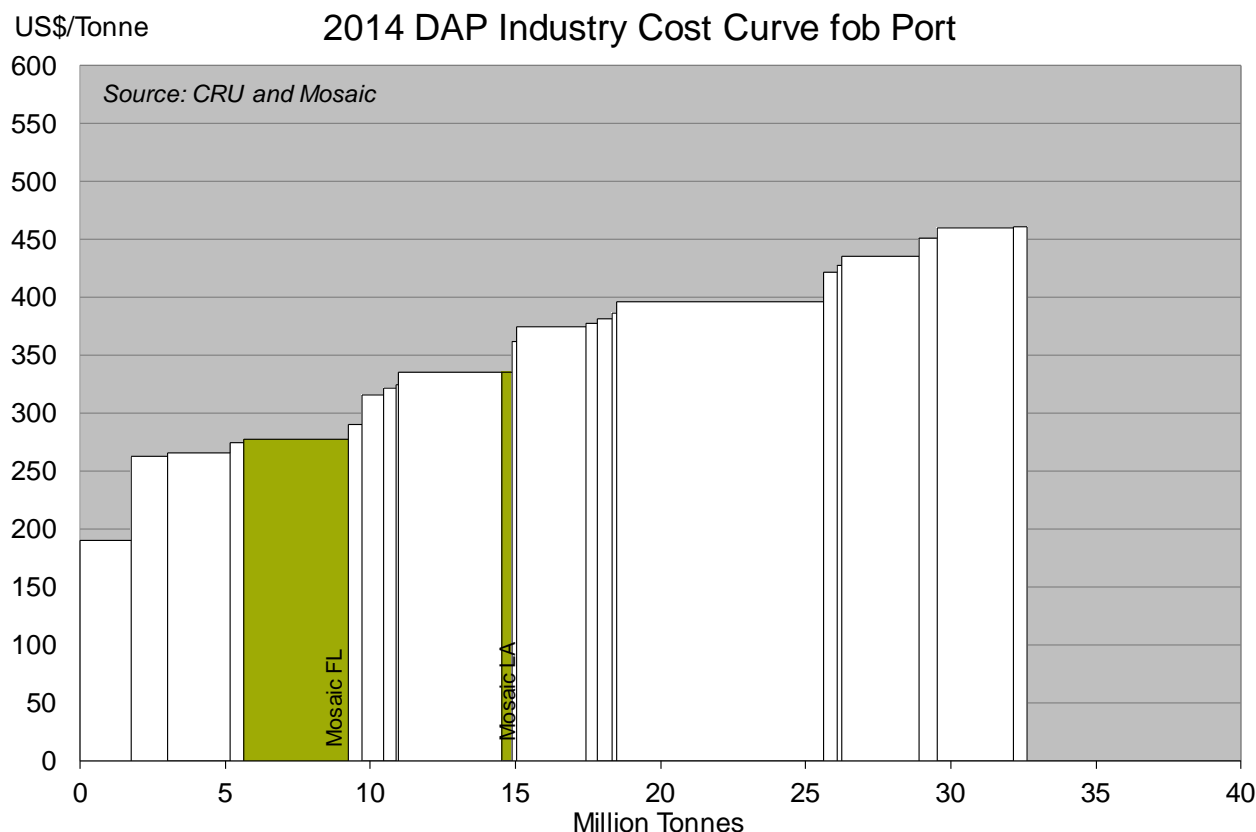
## Mosaic Advantage:

- Competitive cash cost position on relatively flat cost curve
- New K3 shaft at Esterhazy provides the option of eliminating brine management costs
- Potential savings of up to \$30 per tonne

Relatively Flat Cost Curve



# Strong Cost Position - Phosphates



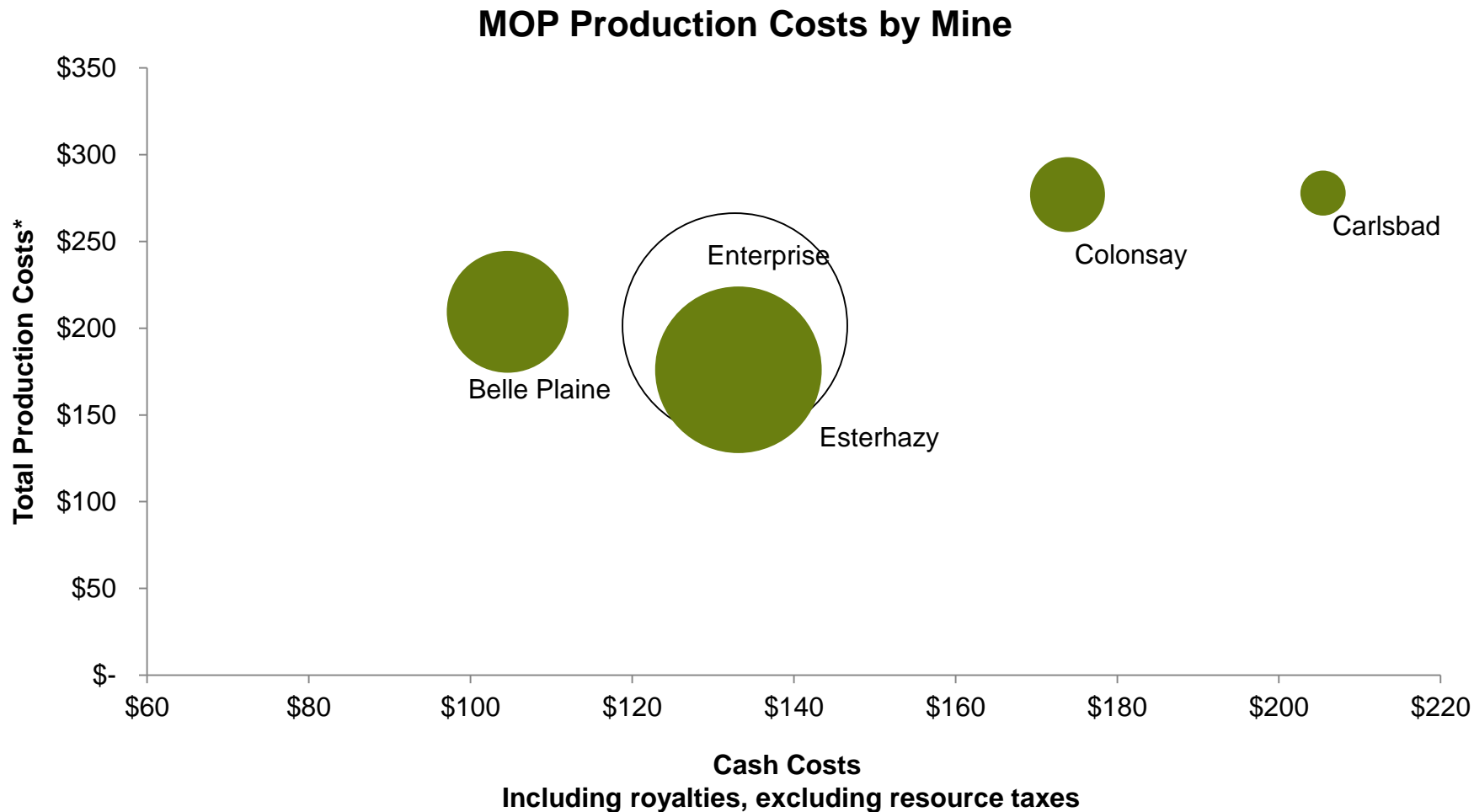
## Mosaic Advantage:

- **Vertically integrated** with phosphate rock sources from Florida and Miski Mayo JV.
- **Saudi Arabian JV** is expected to be low cost with advantaged access to India
- **CF phosphate** business acquisition provides access to more phosphate rock and ability to realize significant synergies
- **Long term ammonia supply agreement** based on U.S. natural gas prices

Best Quartile Producer



# 2013 MOP Production by Mine



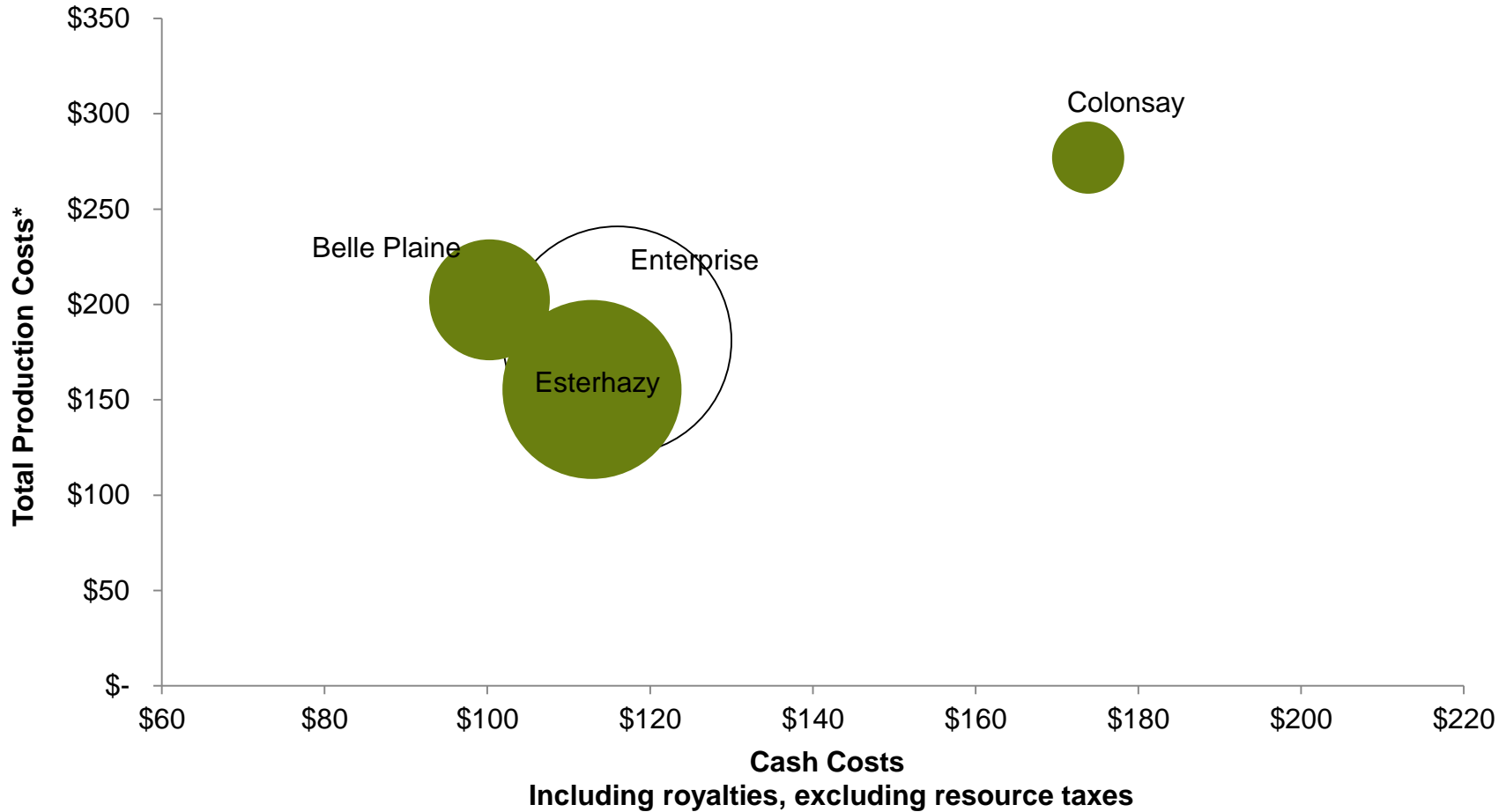
Size of bubble = 2013 production volume.

\* Production costs are reflective of actual costs during the quarter. These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.



# Scenario I – Optimize Production Across Mines

## MOP Production Costs by Mine



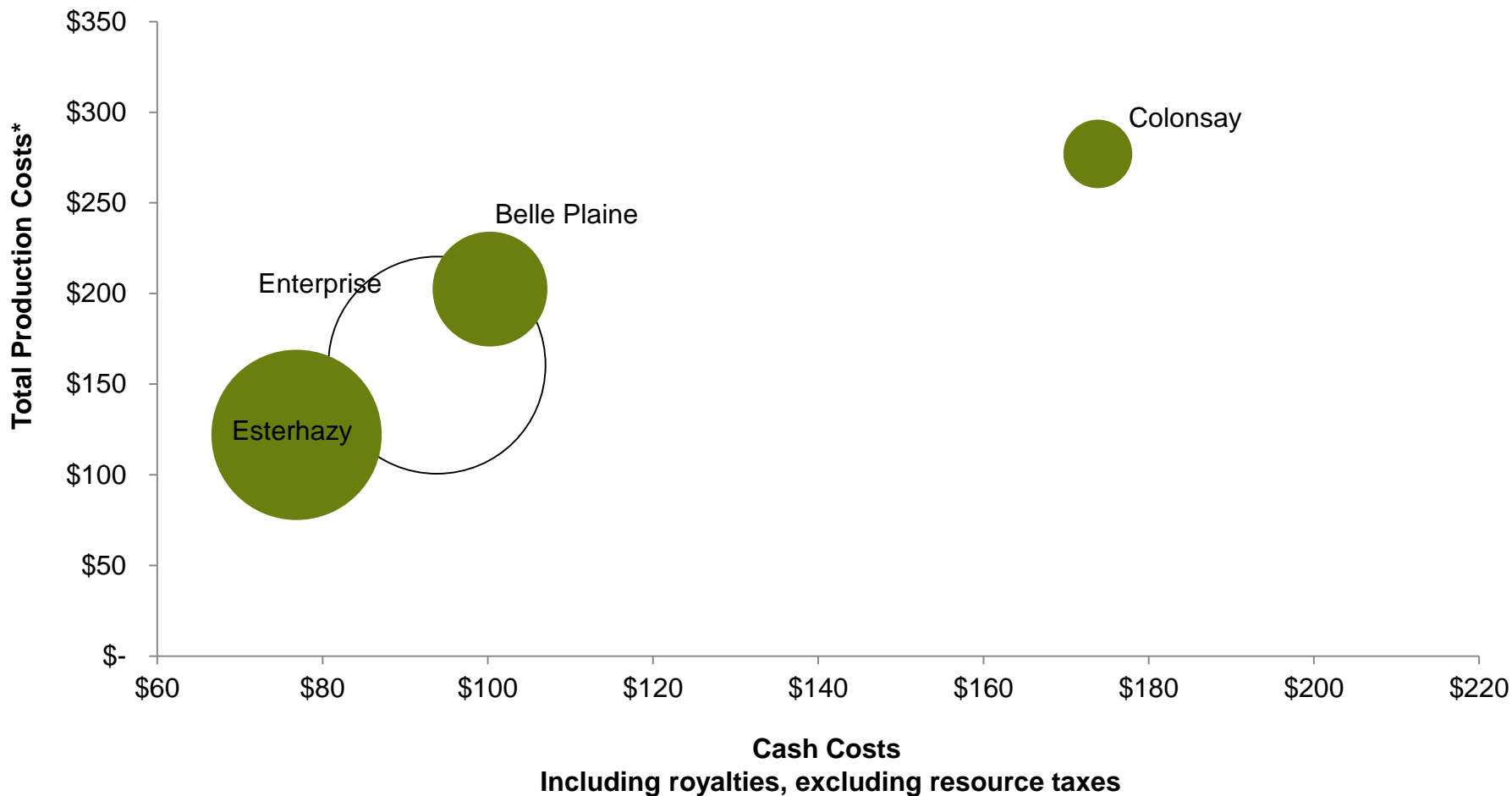
Size of bubble = 2013 production volume.

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# Scenario II – Impact of K3 Optionality

## MOP Production Costs by Mine

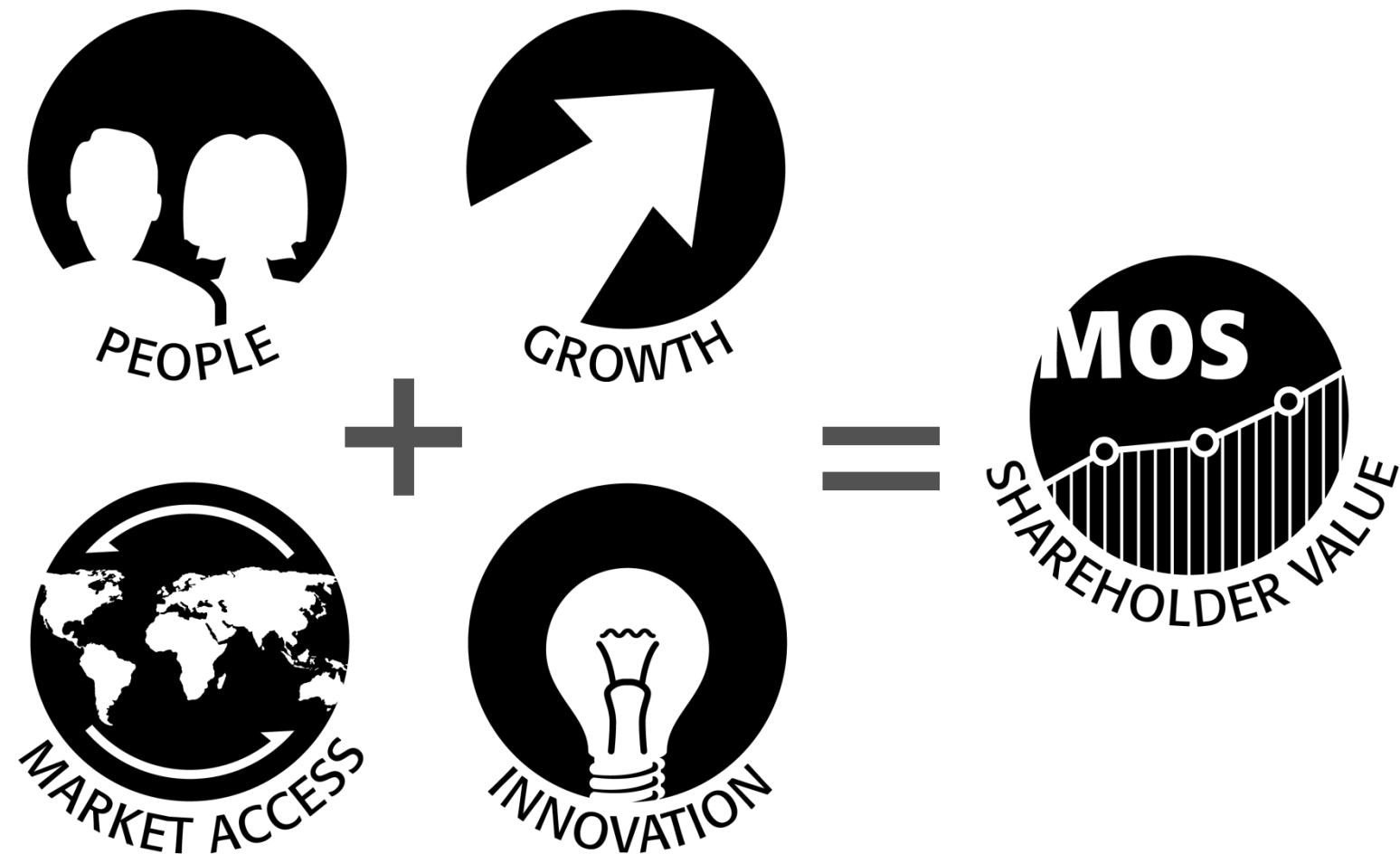


Size of bubble = 2013 production volume.

\* Production costs are reflective of actual costs during the quarter. These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.



# Our Strategic Priorities



# Strategic Accomplishments

- ❑ Potash expansions continue to be on time and on budget.
- ❑ Received Brazil antitrust clearance for ADM acquisition.
- ❑ Made significant progress on CF Industries phosphates integration:
  - ❑ High confidence in announced \$40-50 million in annual pre-tax synergies
- ❑ Executing well on MicroEssentials® expansion at New Wales.
- ❑ Finalized \$5 billion project financing for Ma'aden phosphate joint venture.
- ❑ Sold decommissioned potash mine in Hersey, Michigan.
- ❑ Announced decision to close Carlsbad MOP production.
- ❑ Continued strong safety performance.





# Capital & Balance Sheet

# Unchanged Cash Use Priorities

Maintain ratings & financial strength

Sustain assets & recurring dividend

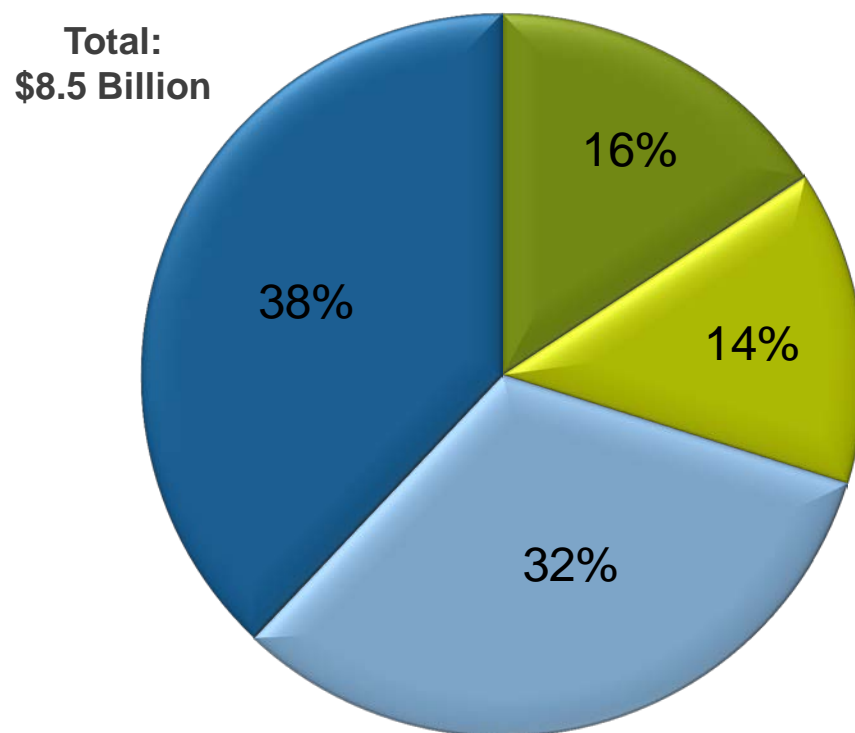
Investments to drive organic growth

Opportunistic strategic investments

Return excess to shareholders

# Capital and Balance Sheet Update

## Capital Allocation: 2 Year Summary\*



### ■ Maintenance

- \$520M P
- \$710M K
- \$120M Other

### ■ Organic Growth

- \$260M P
- \$740M K
- \$200M Other

### ■ Investment Commitments

- \$1B Ma'aden
- \$1.4B CF Phosphates acquisition
- \$350M ADM Fertilizer acquisition

### ■ Return to Shareholders\*\*

- ~\$2.4B share repurchases
- ~\$840M dividends

Capital Priorities



A balanced approach to capital allocation

\*June 30 2012 – June 30 2014.

\*\*Includes full 51.6 million share repurchase, and assumes dividends of \$1/share annually.

# Current Capital Resources

**July 30 completed \$2.4 billion share repurchase commitment;  
\$600 million in remaining share repurchase authorization**

**Annual dividend of \$1 / share**

<b>Available Resources</b>	<b>\$ in millions</b>
Estimated Excess Cash Balance	\$ 400
Expect continued strong operating cash flow generation	

<b>Targeted Leverage of 1.5 to 2.0 times</b>	<b>\$ in millions</b>
Adjusted Debt	\$ 3,636
5 year average EBITDA*	\$ 2,460
Adjusted Debt to EBITDA	1.5

\* Reconciliation on slide 38



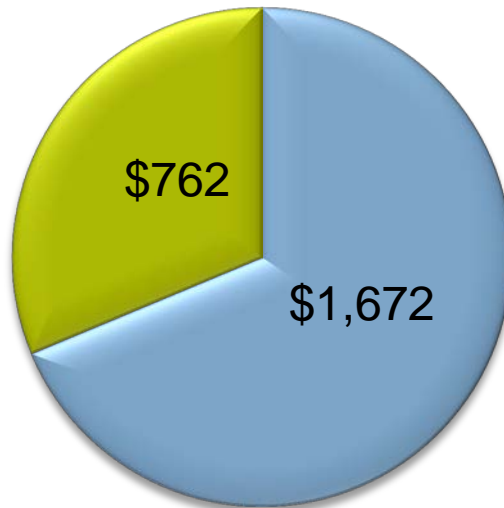
# Second Quarter 2014 Financial Results



# Second Quarter Financial Highlights

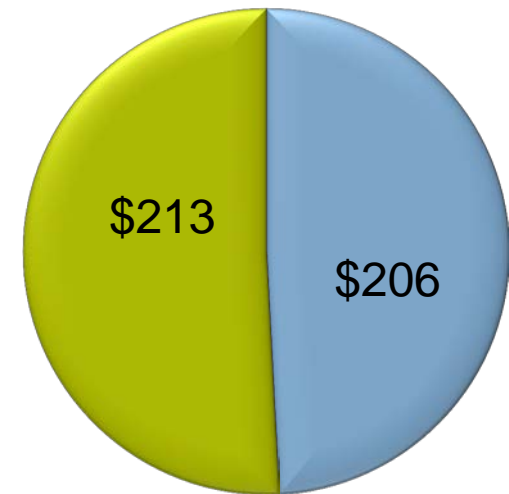


## Net Sales



\$2.4 billion

## Operating Earnings



\$403 million

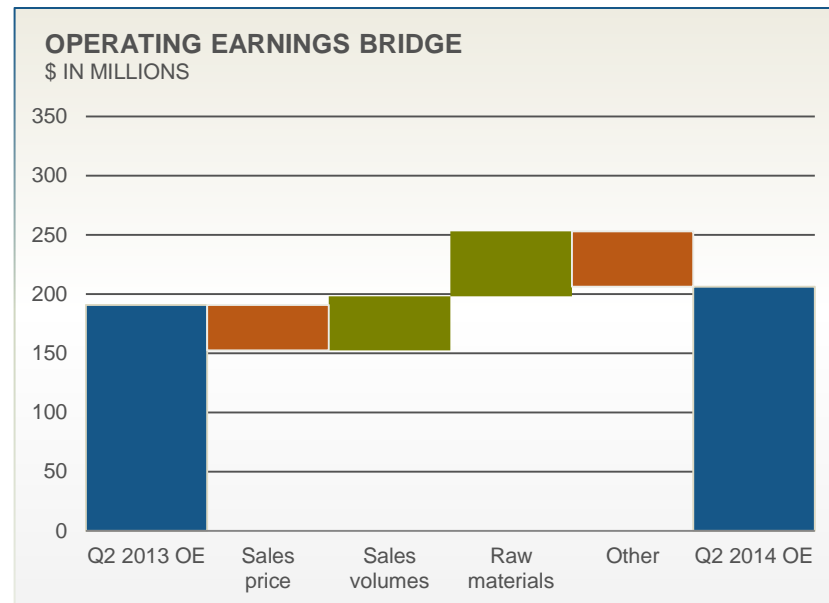
- \$0.64 diluted earnings per share
  - Includes \$0.06 negative impact of notable items
- \$796 million in cash from operations



# Phosphates Segment Highlights

\$ In millions, except DAP price	Q2 2014	Q1 2014	Q2 2013
Net sales	\$1,672	\$1,254	\$1,646
Gross Margin	\$284	\$207	\$279
Percent of net sales	17%	17%	17%
Operating earnings	\$206	\$138	\$191
Sales volumes	3.4	2.7	2.9
NA production volume <sup>(a)</sup>	2.5	2.0	2.1
Finished product operating rate	85%	79%	84%
Avg DAP selling price	\$465	\$414	\$477

<sup>(a)</sup> Includes crop nutrient dry concentrates and animal feed ingredients



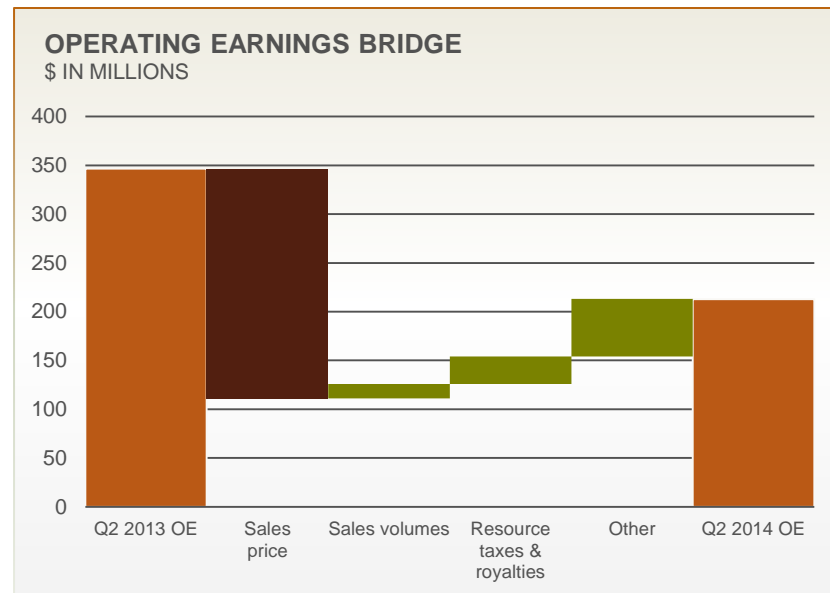
## Second quarter highlights:

- The year-over-year increase in net sales is driven by higher sales volumes, partially offset by lower finished product pricing.
- The year-over-year increase in gross margin dollars reflects higher sales volumes, lower raw material costs, partially offset by lower finished product pricing.
  - Three percentage point impact from acquisition accounting of CF Industries phosphates business.



# Potash Segment Highlights

\$ In millions, except MOP price	Q2 2014	Q1 2014	Q2 2013
Net sales	\$762	\$733	\$974
Gross Margin	\$250	\$212	\$389
Percent of net sales	33%	29%	40%
Operating earnings	\$213	\$166	\$346
Sales volumes	2.5	2.4	2.5
Production volume	2.0	1.9	2.2
Production operating rate	76%	70%	81%
Avg MOP selling price	\$267	\$267	\$366



## Second quarter highlights:

- Decline in net sales was driven by lower realized MOP prices, partially offset by higher sales volumes.
- The year-over-year decrease in operating earnings was driven by lower realized prices, a lower operating rate, and higher depreciation, partially offset by an unrealized gain on derivatives in costs of goods sold.



# Financial Guidance Summary



<b>Phosphates</b>	<b>Guidance – 2014</b>
	Q3 Sales volume 3.3 – 3.6 million tonnes Q3 DAP selling price \$440 - \$470 per tonne Q3 Gross margin rate in the mid to high teens Q3 Operating rate approaching 90 percent
<b>Potash</b>	<b>Guidance – 2014</b>
	Q3 Sales volume 1.8 – 2.0 million tonnes Q3 MOP selling price \$275 - \$295 per tonne Q3 Gross margin rate in the high 20 to low 30 percent range Q3 Operating rate in the low 70 percent range
Canadian Resource Taxes and Royalties - 2014	\$170 - \$210 million
Brine Management – 2014	Approximately \$200 million



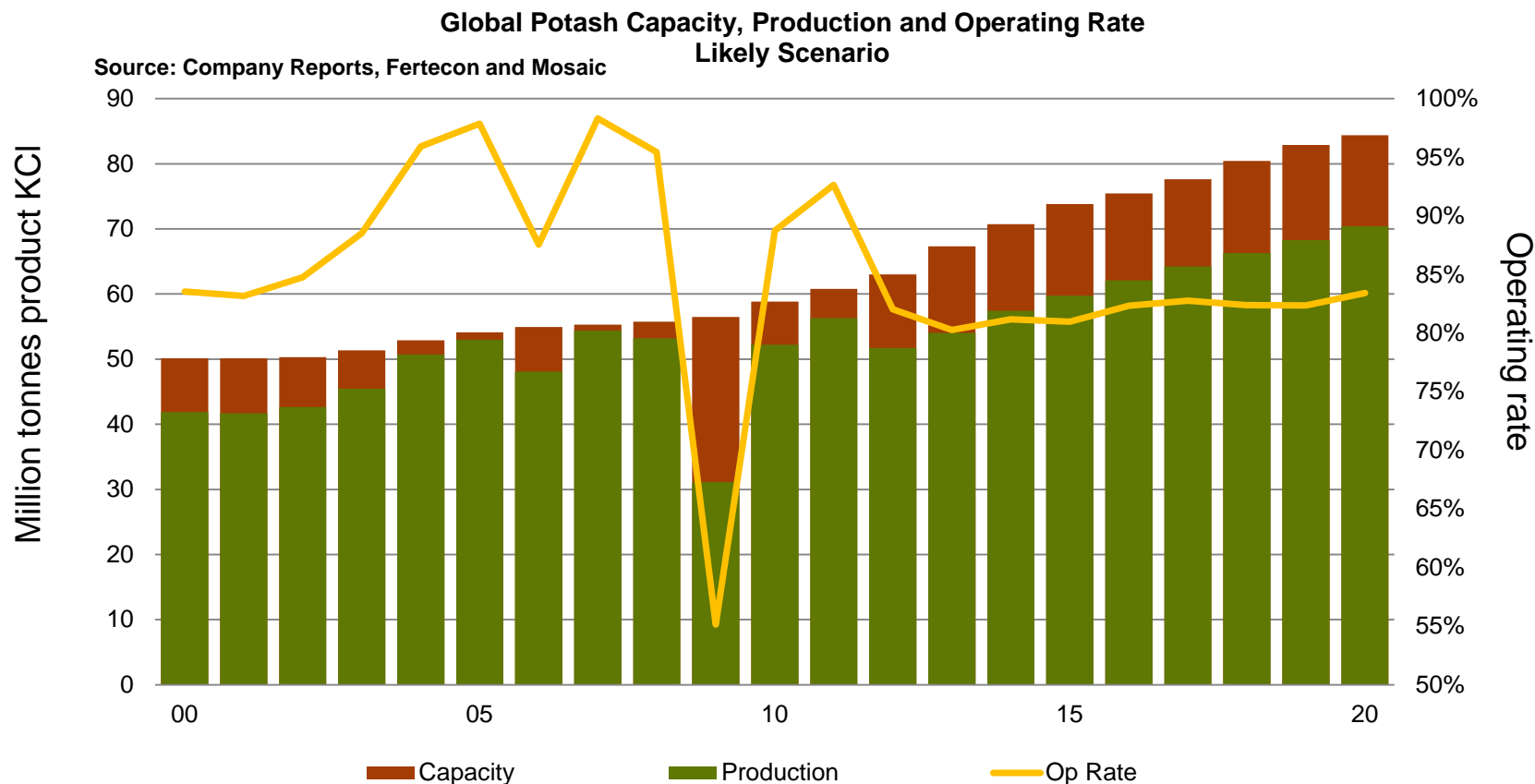
# Financial Guidance Summary

Corporate	Guidance – 2014
Total SG&A - 2014	\$390 - \$410 million
Capital Expenditures and Equity Investments - 2014	\$1.0 - \$1.2 billion
Effective Tax Rate - 2014	Mid to high 20 percent range

# Market Data

# Stable Long-term Supply and Demand Outlook

## Potash Production, Capacity and Operating Rate Forecast

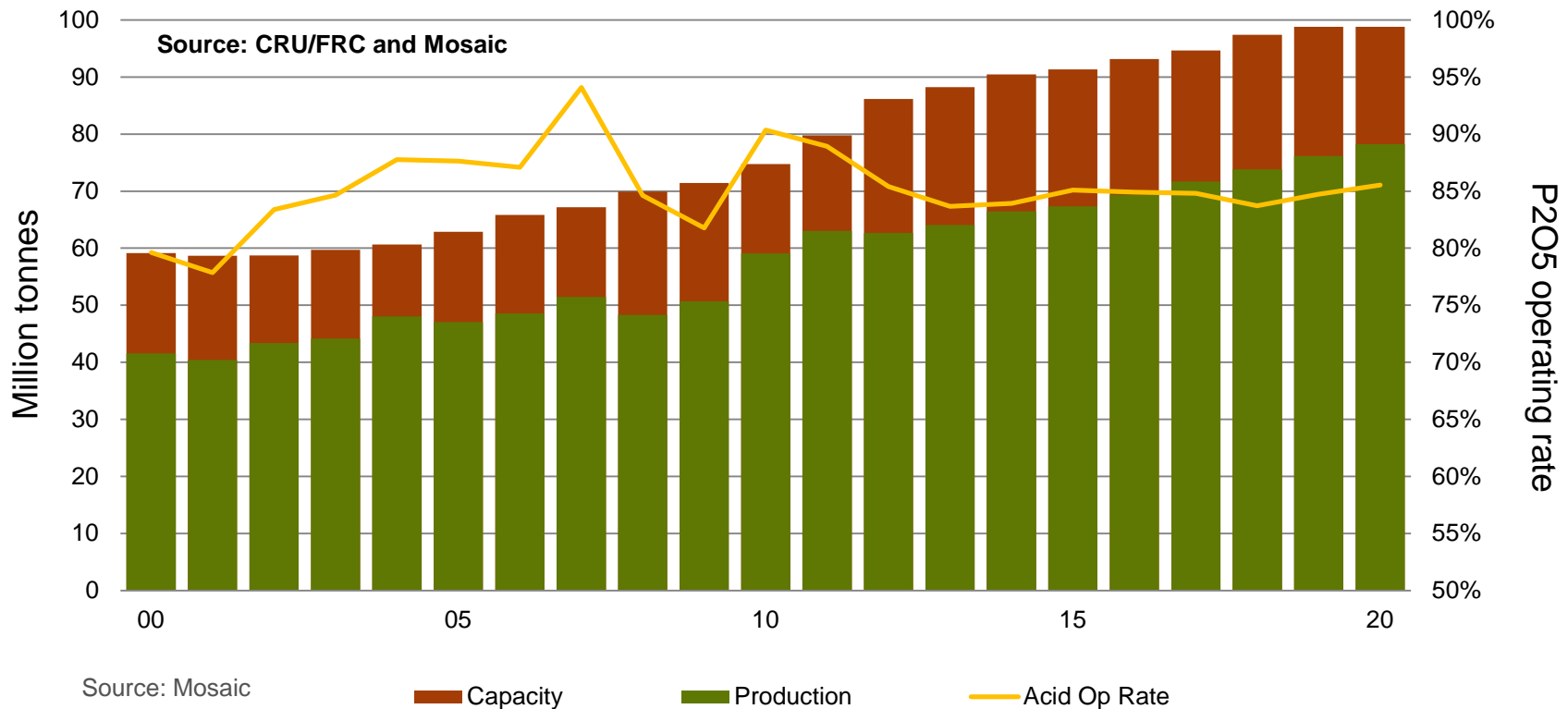


Source: Mosaic



# Positive Long-term Supply and Demand Outlook

## Phosphate Production, Capacity and Operating Rate Forecast



# Global Phosphate Shipments by Region

Million Tonnes DAP/MAP/TSP	2013	May	May	July	July	Comments
		Low	High	Low	High	
		2014E	2014E	2014E	2014E	
China	21.5	22	22.2	21.8	22	Forecast revised modestly lower, but continue to expect moderate growth as high analysis products capture most of the increase in P use and displace low analysis products.
India	8	9	9.2	8.7	9	Revised lower due to late monsoon and weaker import economics, but still expect a small increase in farm use and a drawdown of channel stocks (DAP imports = 4.5-5.0 mmt).
Other Asia/Oceania	6.7	6.7	6.8	7.1	7.4	Upward revisions made in both Pakistan and Australia. Demand is expected to show moderate growth across most countries in the region.
Europe and FSU	4.8	4.5	4.6	4.5	4.6	2013 shipments revised higher but this likely implies an increase in channel inventories. Our unchanged lower shipments this year assume a drawdown of pipeline stocks.
Brazil	7.1	7.2	7.5	7.1	7.4	Moderate increase forecast for 2014 after a big step up last year. Growth forecast has been pared back slightly due to lower prices for the main Brazilian crops.
Other Latin America	2.9	2.9	3	2.9	3.1	Relatively minor rebalancing changes made since the May forecast. Shipments are expected to increase about 100,000 tonnes this year due primarily to gains in Central America.
North America	9.3	8.8	9	8.8	9	Shipments are expected to drop slightly this year and next due to lower acreage, partly offset by lean channel stocks (preliminary 2015 corn area forecast is ~90 million acres).
Other	3.6	3.9	4.1	3.8	4	Minor changes made in several countries. Demand is expected to increase moderately in Africa and the Mideast as countries continue to develop their agricultural sectors.
Total	64	64.9	66.3	64.7	66.3	Our 2014 point estimate remains unchanged at 65.5 million tonnes and our initial range for 2015 is 65.5-67.5 tonnes.

# Global Potash Shipments by Region

Muriate of Potash		May	May	July	July	
Million Tonnes (KCI)	2013	Low	High	Low	High	Comments
		2014E	2014E	2014E	2014E	
China	11	11.7	11.9	11.7	11.9	Shipments are projected to total 11.8 mmt in 2014 including net imports of 6.3 mmt, production of 5.3 mmt and a 0.2 mmt drawdown of channel inventories.
India	3.2	3.8	4.3	3.9	4.3	India has contracted for ~4.0 mmt in 2014/15. Import economics work despite the subsidy cut due to lower potash prices, a more stable rupee and profitable farm economics.
Indonesia/Malaysia	4.1	4.5	4.6	4.5	4.6	The demand rebound is driven by still profitable palm oil economics and low standard-grade prices as suppliers compete to maintain or increase share in the region.
Other Asia/Oceania	4.2	4.4	4.5	4.4	4.5	Minor rebalancing changes since May forecast. Significant gains expected in Bangladesh, New Zealand, South Korea and Sri Lanka with use in other countries mostly stable.
Europe and FSU	10.2	10.7	10.9	10.7	10.9	Growth is due to increases in NPK production for domestic and export markets as well as greater on-farm direct application in the FSU and Eastern Europe.
Brazil	8.3	8.6	8.8	8.5	8.7	Demand prospects remain strong despite the recent softening of ag commodity prices. Net imports projected at 8.3 mmt with domestic deliveries of 0.3 mmt from Taquari.
Other Latin America	2.2	2.5	2.6	2.5	2.6	Continued strong growth led by Chile, Colombia, Mexico, Venezuela and several other Central American countries.
North America	8.9	9	9.1	9	9.1	Shipments are expected to increase modestly in 2014 due to a strong spring application, early fall fill, and low channel inventories, despite lower 2015 new crop prices.
Other	1.4	1.6	1.6	1.6	1.6	No changes since May forecast. Moderate growth expected in other regions such as Africa and the Mideast.
Total	53.6	56.7	58.1	56.7	58.3	Our 2014 point estimate is unchanged from the 57.4 million tonnes reported in May and our initial range for 2015 is 58-60 million tonnes.

# ADM Fertilizer Brazil and Paraguay Acquisition



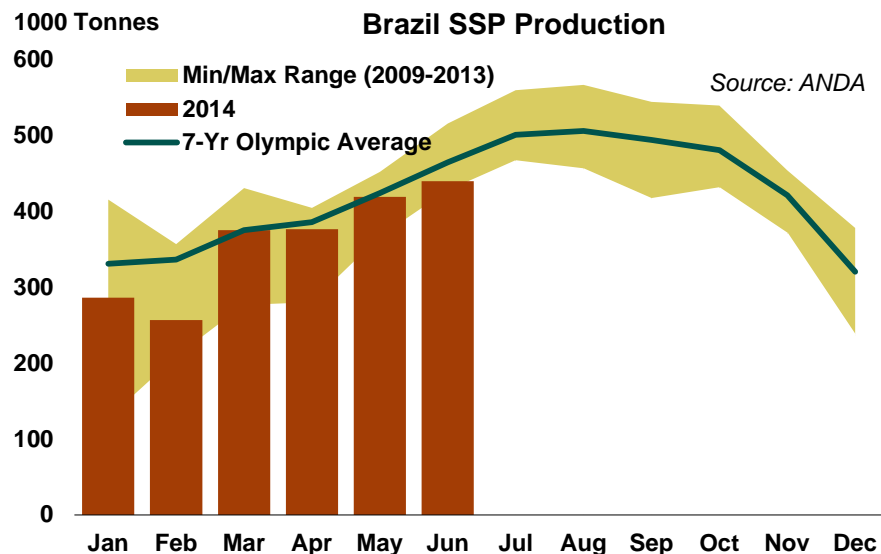
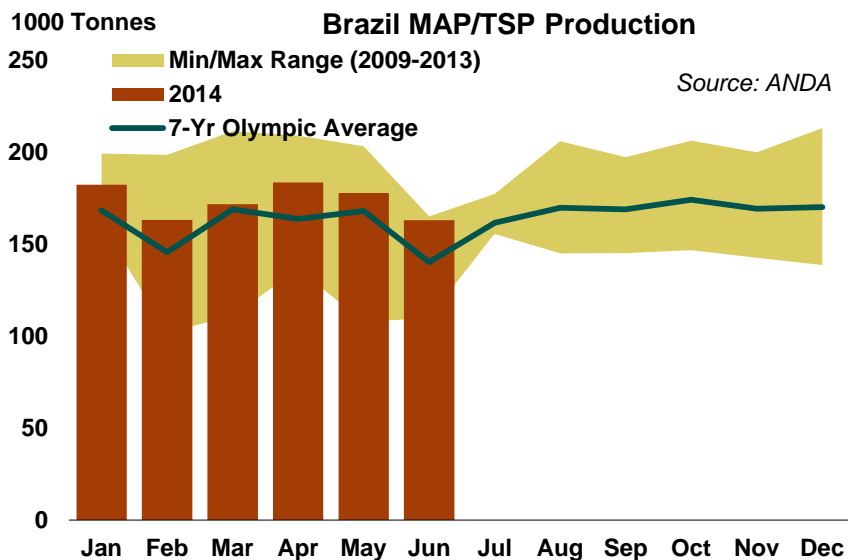
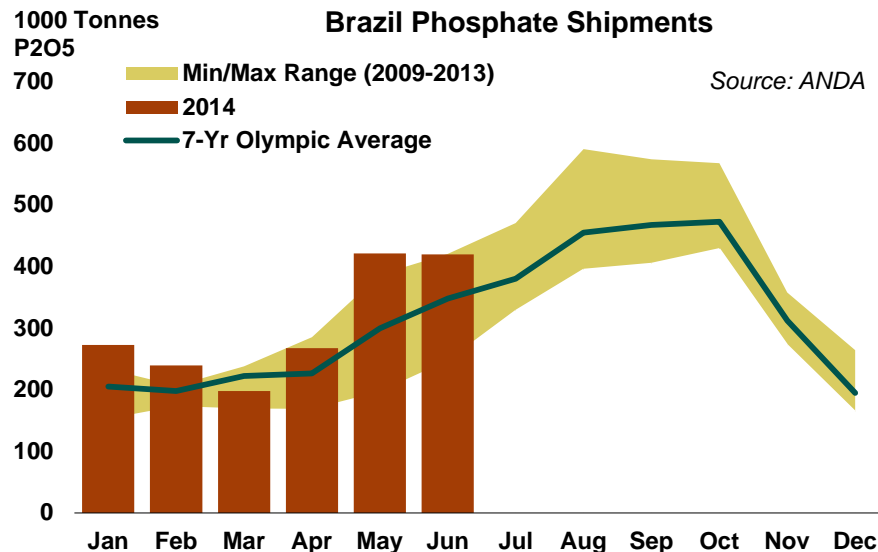
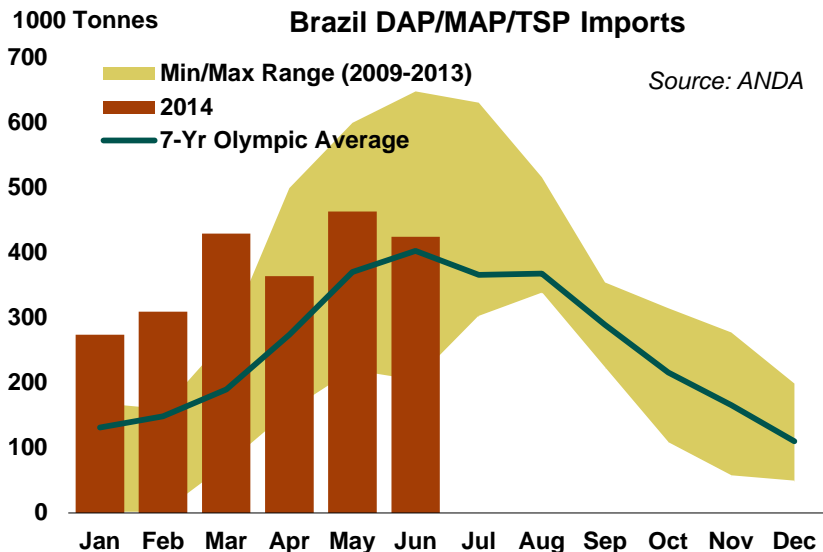
## Transaction Details:

- Accelerates strategy to expand distribution in key geographies
- Assets acquired:
  - 5 plants, 3 tolls
  - 2.3 million tonnes of blending capacity
- Total consideration:
  - \$350 million, includes \$150 million of working capital

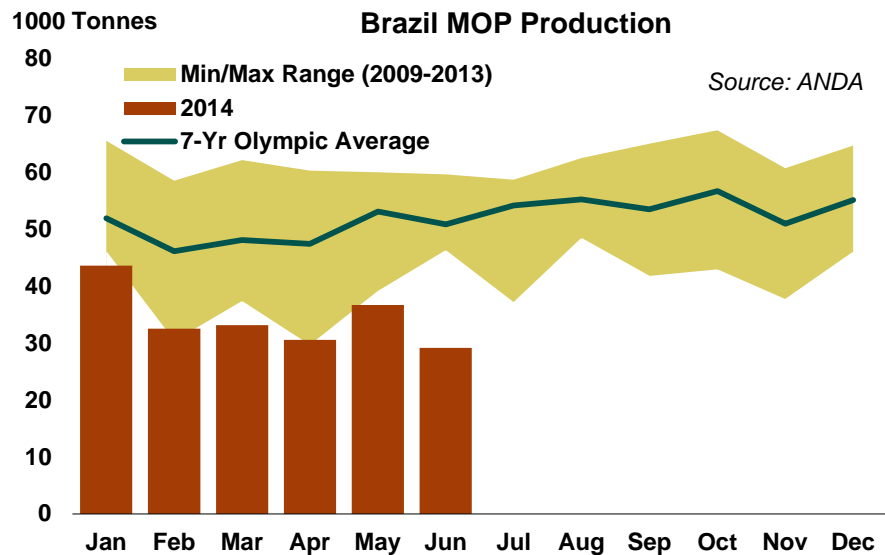
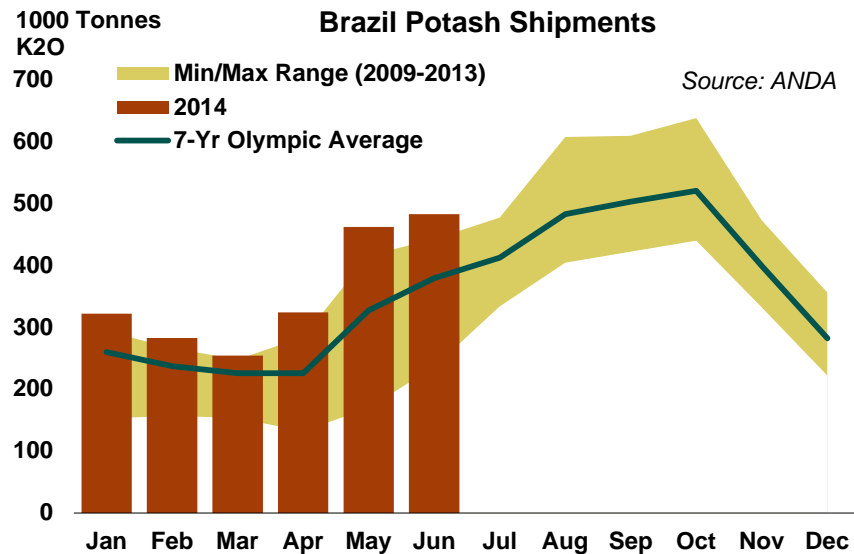
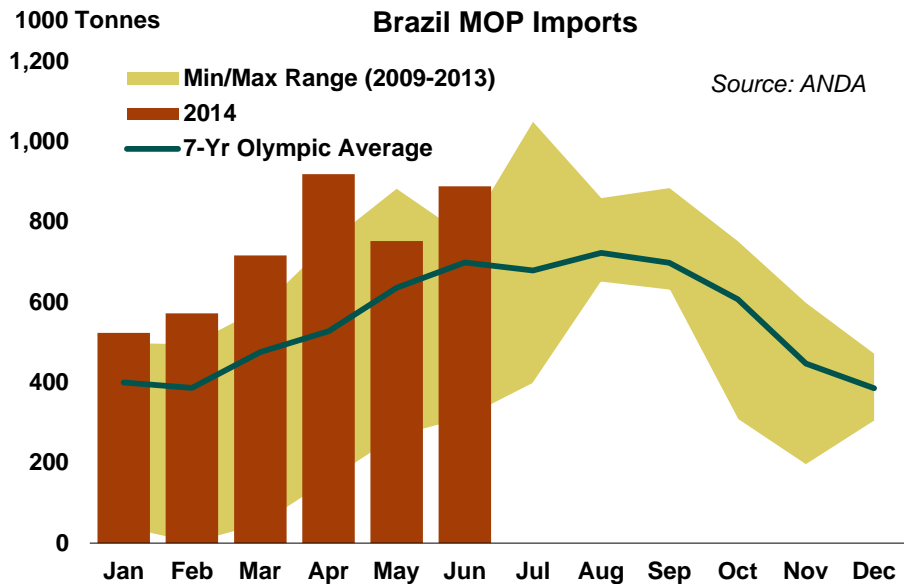




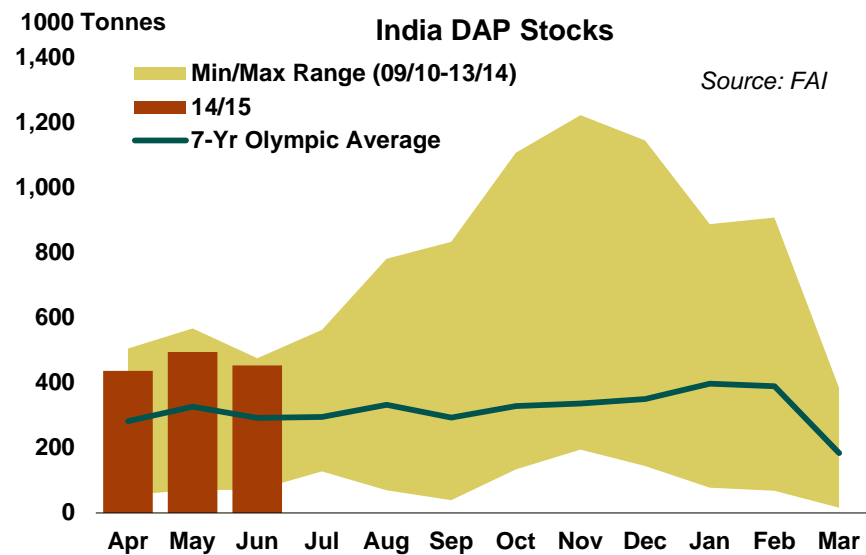
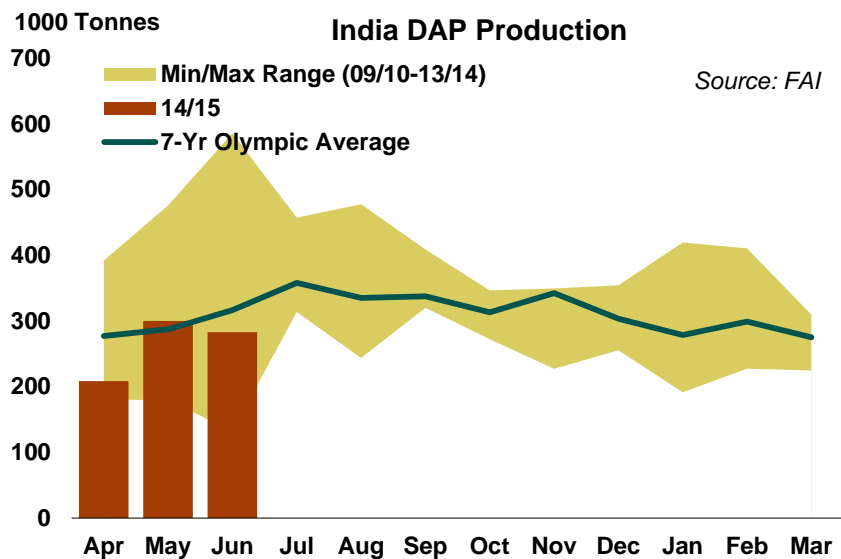
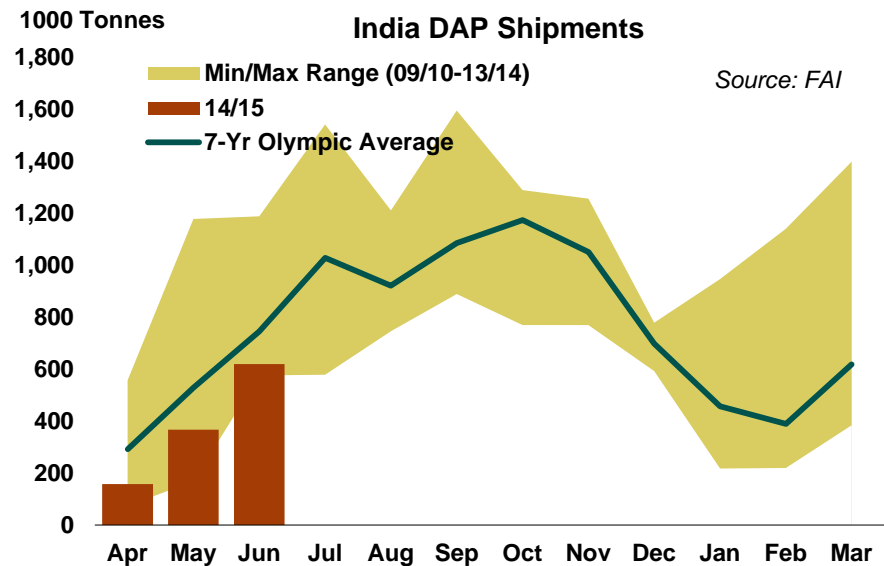
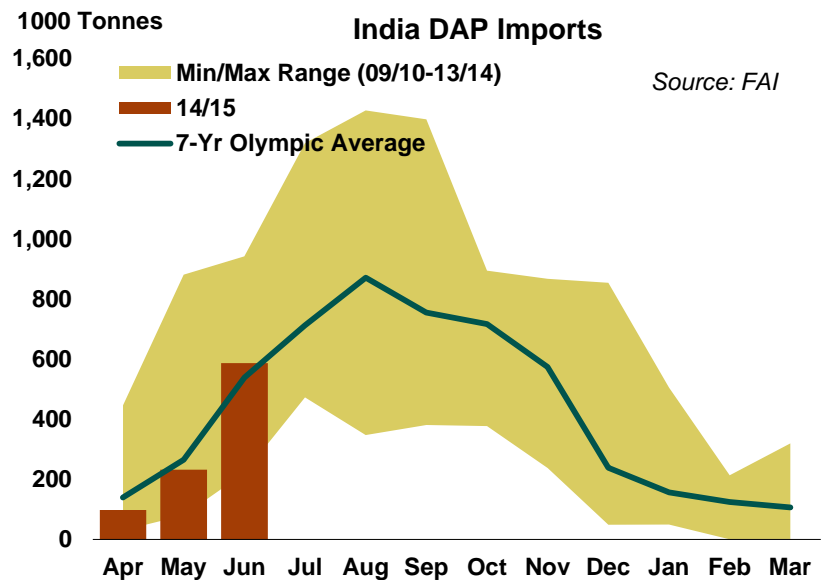
# Brazil Phosphates



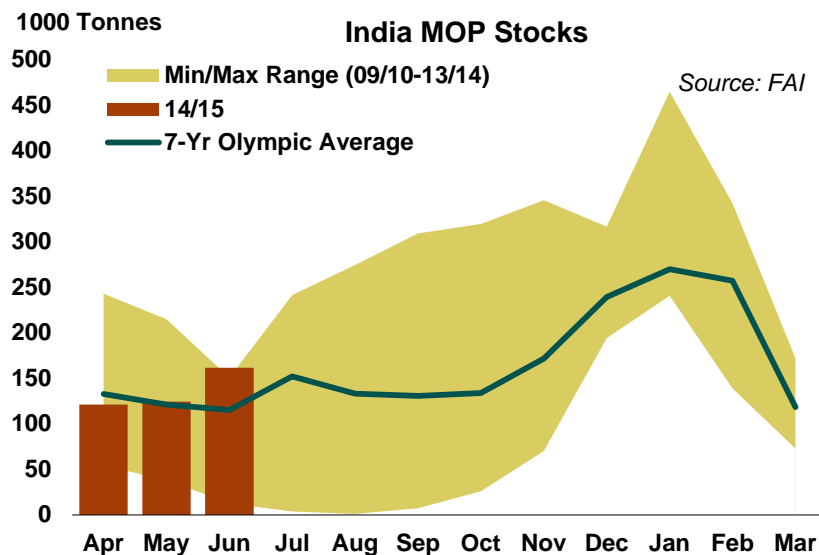
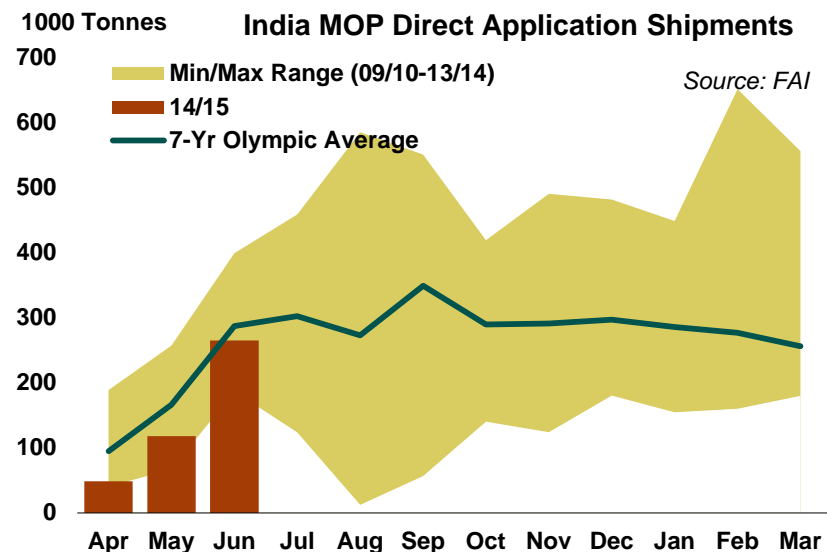
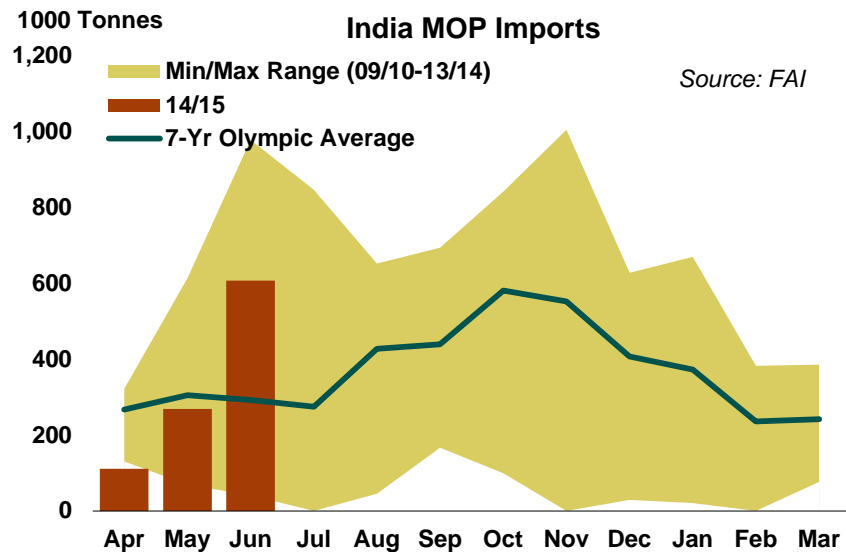
# Brazil Potash



# India Phosphate



# India Potash



# Appendix

# EBITDA Reconciliation

<i>US\$ Millions</i>	<u>Est. 16*</u>	<u>Est. 15*</u>	<u>Est. 14*</u>	<u>CY 13</u>	<u>CY 12</u>
Net earnings				\$ 1,063	\$ 1,852
+ Interest (income) expense, net				6	(20)
+ Income tax expense				385	348
+ Depreciation, depletion & amortization				656	562
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 2,688</b>	<b>\$ 2,531</b>	<b>\$ 2,231</b>	<b>\$ 2,110</b>	<b>\$ 2,742</b>

**EBITDA 5-Year Average** **\$ 2,460**

\* Based on FactSet estimates

## Adjusted Debt

As of June 30, 2014

Short Term Debt	\$ 13
Long Term Debt	3,014
Unfunded Pension and Postretirement Obligations	9
Lease Obligations (Annual Rental Expense x 6)	600
<b>Total Adjusted Debt **</b>	<b>\$ 3,636</b>

\*\* Estimated based on written description of rating agency methodology

**Adjusted Debt to EBITDA** **1.5**

<sup>(1)</sup> EBITDA is earnings before interest, taxes, depreciation and amortization.

