

The Mosaic Company

Earnings Conference Call – Second Quarter 2016
August 2, 2016

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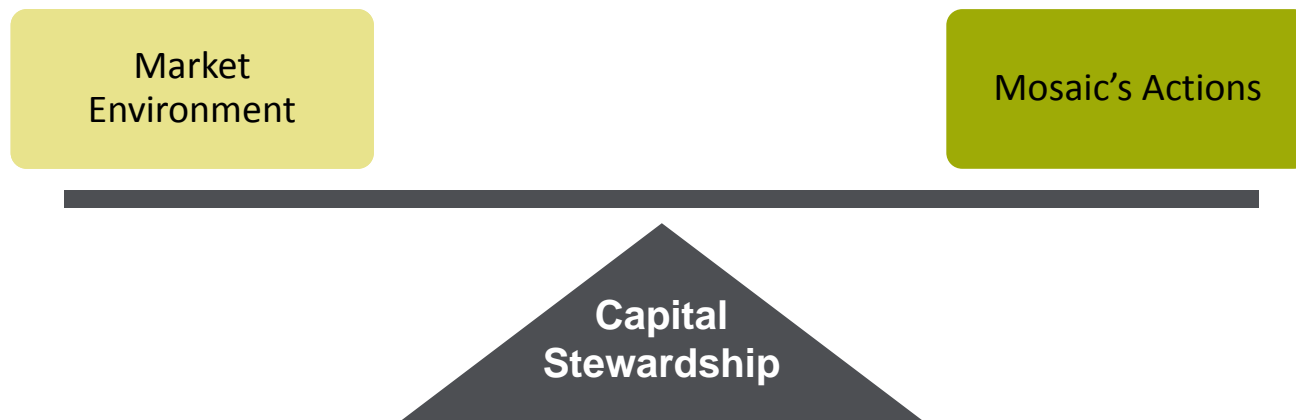


Safe Harbor Statement

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 Wa'ad Al Shamal Phosphate Company (also known as MWSPC) and 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 MWSPC to obtain additional planned funding in acceptable amounts and upon acceptable terms, the timely development and commencement of operations of production facilities in the Kingdom of Saudi Arabia, the future success of current plans for MWSPC—and any future changes in those plans; difficulties with realization of the benefits of our long term natural gas based pricing ammonia supply agreement with CF Industries, Inc., including the risk that the cost savings initially anticipated from the agreement may not be fully realized over its term or that the price of natural gas or ammonia during the term are at levels at which the pricing is 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; the effect of future product innovations or development of new technologies on demand for our products; 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 expansion of the types and extent of water resources regulated under federal law, greenhouse gas regulation, implementation of numeric water quality standards for the discharge of nutrients into Florida waterways or efforts to reduce the flow of excess nutrients into the Mississippi River basin, the Gulf of Mexico or elsewhere; 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, 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, or the costs of the MWSPC, 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 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, sinkholes or releases of hazardous or volatile chemicals; and risks associated with cyber security, including reputational loss, 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.



Summary

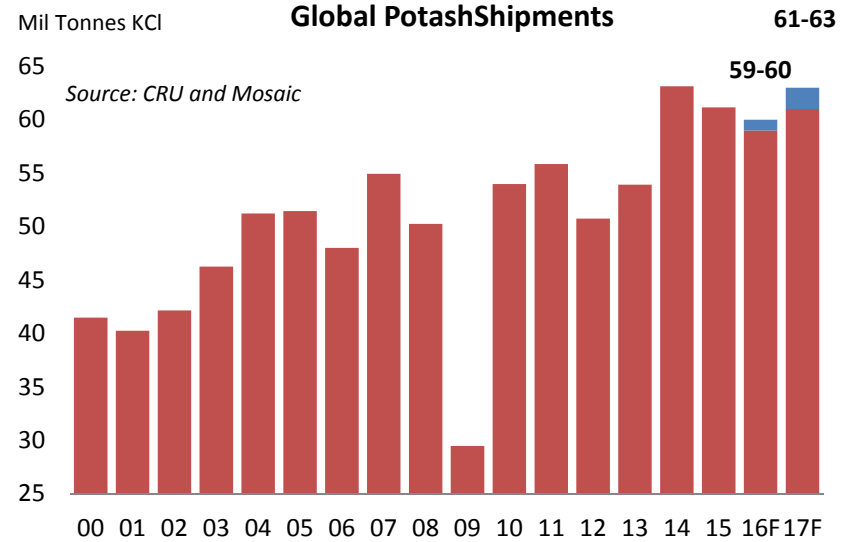
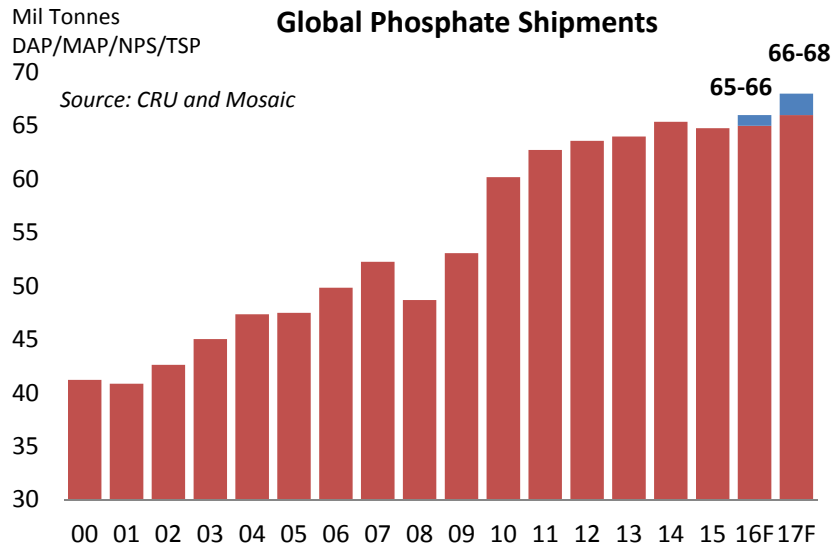


Mosaic is Well Positioned to Weather the Cycle

Market Update



Good Demand Fundamentals



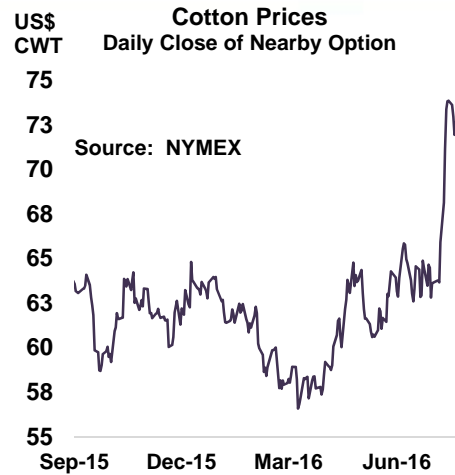
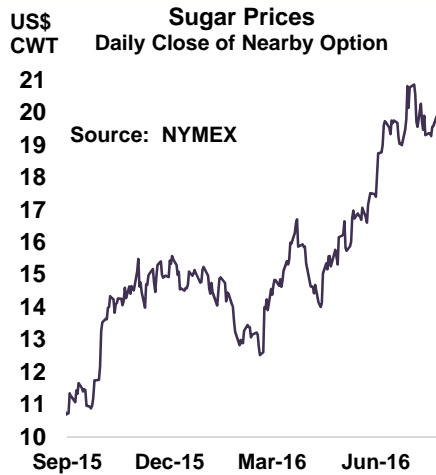
No change in 2016 forecast ranges

Bunching of demand expected in second half 2016

Shipments projected to accelerate in 2017



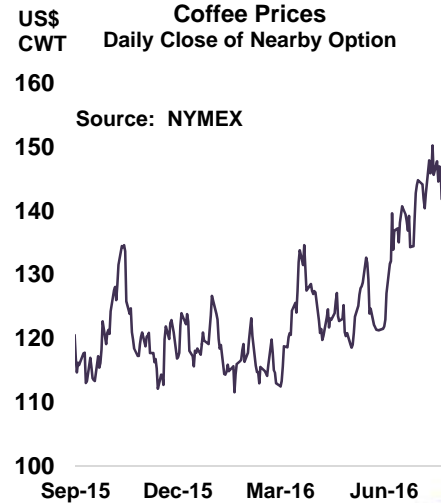
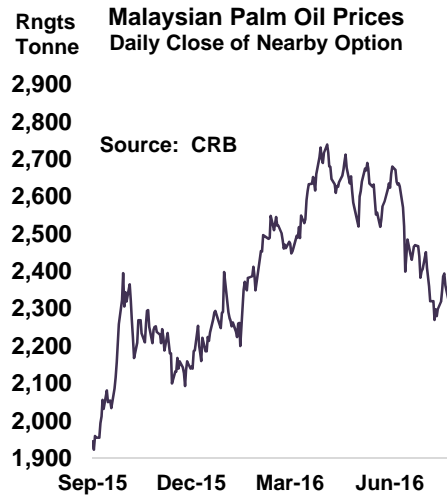
Good Demand Fundamentals



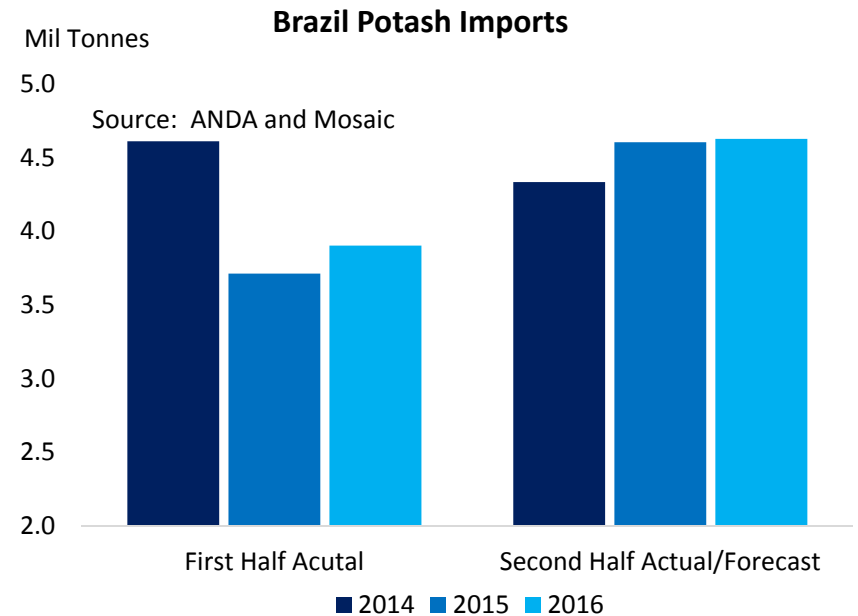
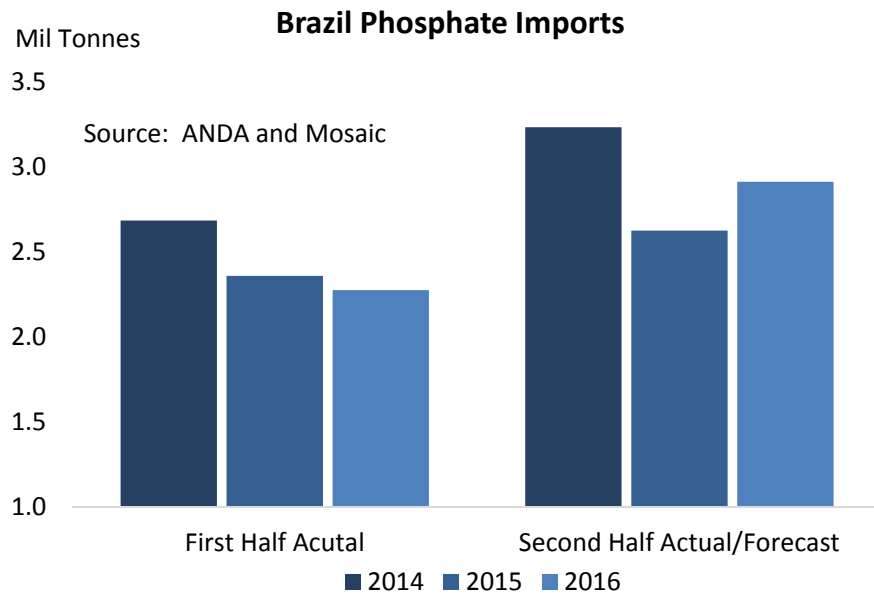
Corn, soybeans and wheat prices are making headlines

But El Niño left its mark on several commodities

Brazil especially benefits from high sugar, cotton and coffee prices



Good Demand Fundamentals



Strong demand drivers: record or near-record local currency prices for soybeans, corn, sugar and coffee

2016 DAP/MAP/NPS/TSP imports forecast to total 5.1-5.3 million tonnes

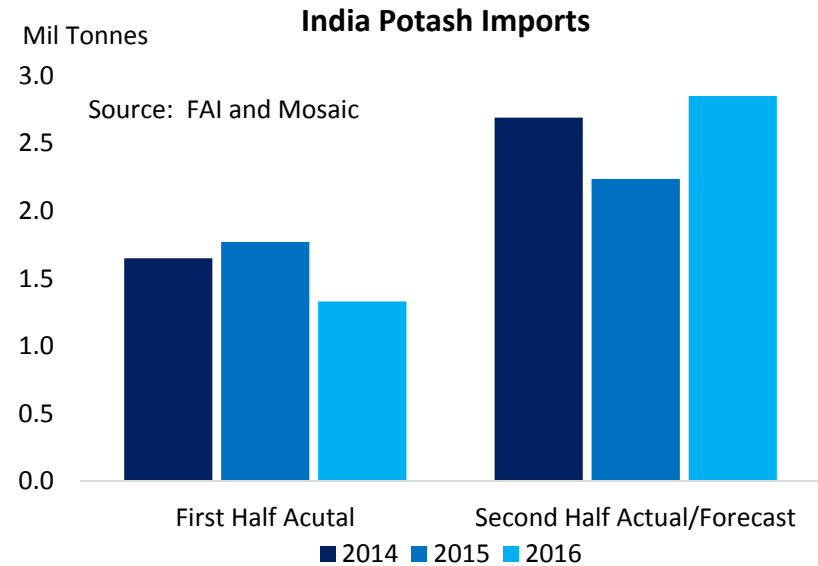
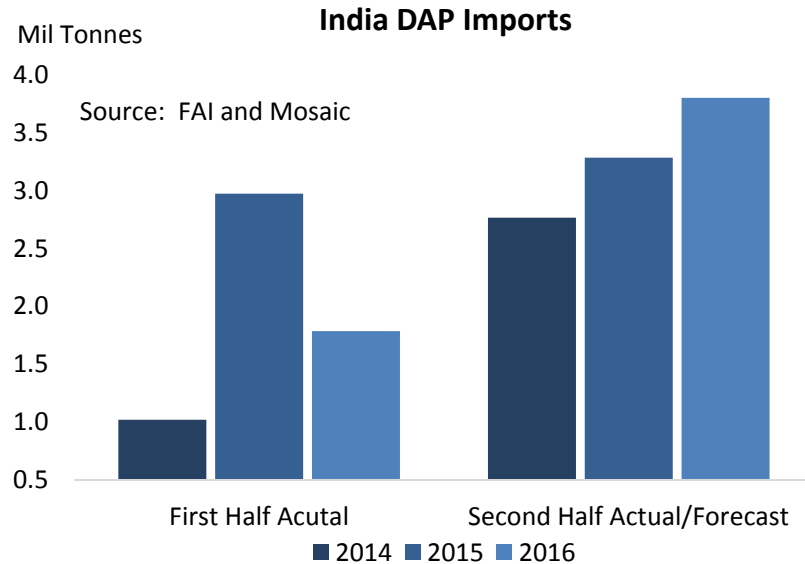
2H Phosphate imports of 2.9 million tonnes up ~300,000 tonnes from last year

2016 MOP imports forecast to total 8.4-8.6 million tonnes

2H MOP imports of 4.6 million equal to the 2015 record



Good Demand Fundamentals



Strong demand drivers: above-average monsoon, lower retail P&K prices, profitable import economics

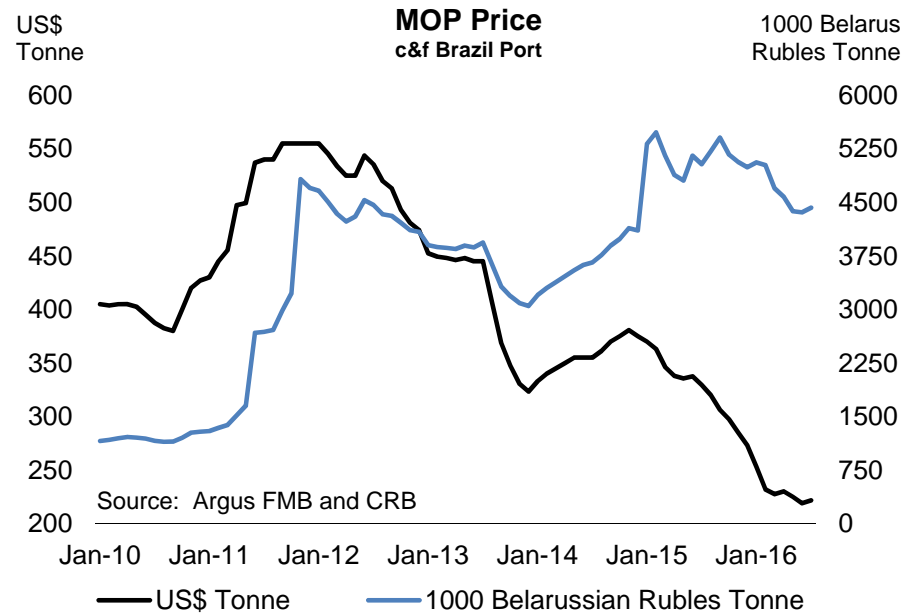
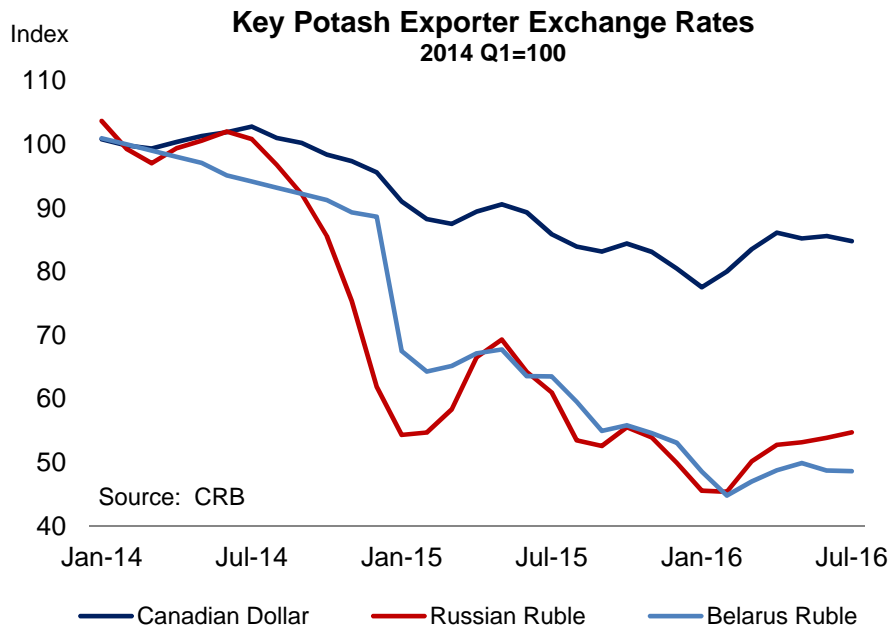
2016 DAP imports forecast to total 5.5-5.7 million tonnes

2H DAP import arrivals projected at ~3.8 million tonnes, up ~500,000 tonnes from last year

2016 MOP imports forecast to total 4.1-4.3 million tonnes

2H MOP import arrivals projected at ~2.9 million tonnes, up ~600,000 tonnes from last year

FX Impact on Supply



FSU exporters have benefited from a collapse of local currencies

Russian ruble and Belarussian ruble are down 45% and 50% since 2014 Q1

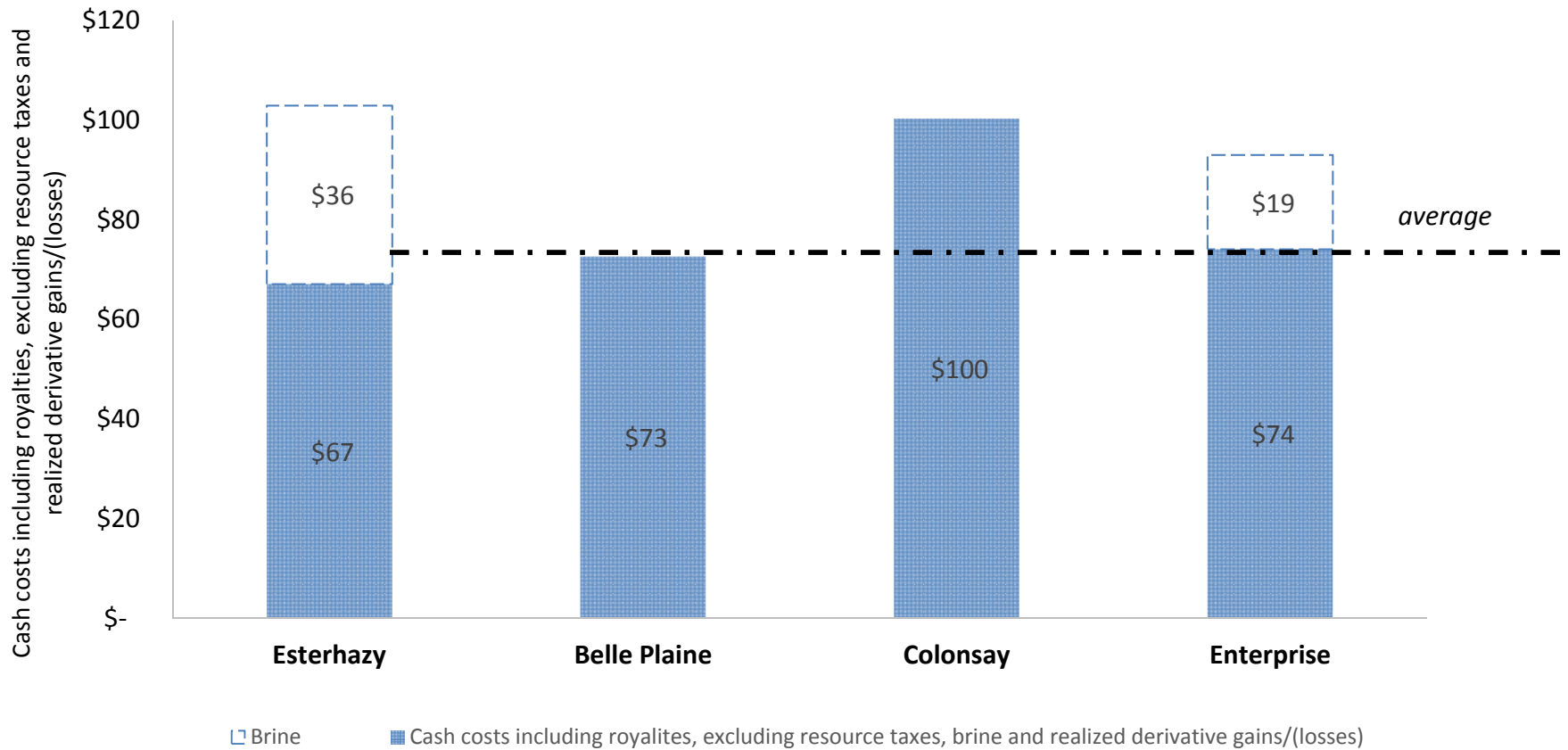
Brazil potash price has declined 60% in dollars but is off just 5% in Belarussian rubles since January 2012

Managing Costs and Capital

- \$500 million Expense Reduction
- +\$75 million from Support Functions
- Asset Optimization
- Lower Capital Spending

Multiple Actions to Reduce Costs

Cash Costs by Mine H1 2016

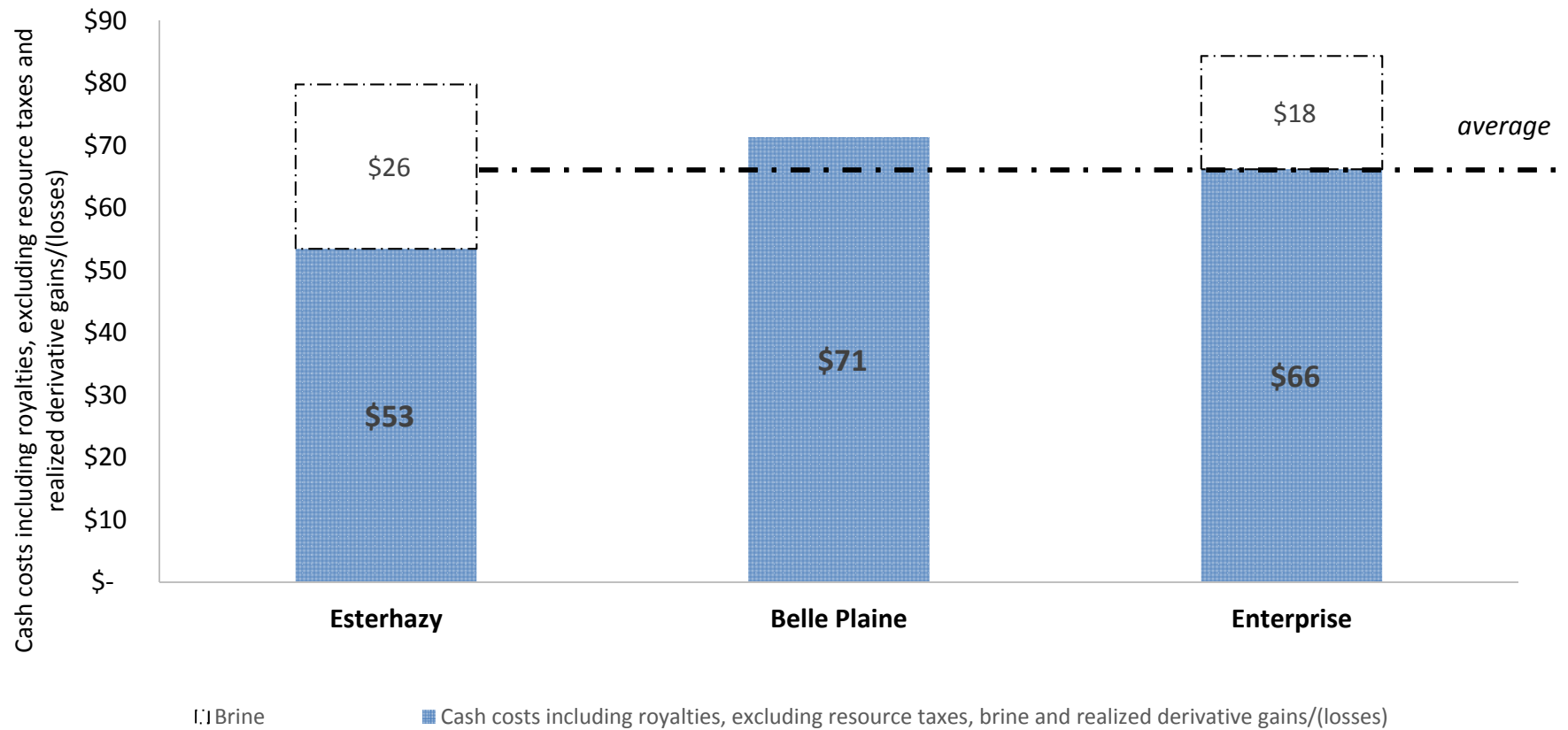


*Production costs are reflective of actual costs, excluding realized mark-to-market gains and losses. These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.



Low Cash Cost Opportunity

Cash Costs by Mine (95% Operating Rate)



*Production costs are reflective of actual costs, excluding realized mark-to-market gains and losses. These costs are captured in inventory and are not necessarily reflective of costs included in costs of goods sold for the period.

*Assumes 1.30: 1 CAD to USD.



Financial Results Review



Potash Guidance

Potash	2016
Q3 Sales Volumes	1.8 to 2.1 million tonnes
Q3 MOP Selling Price	\$160 to \$175 per tonne
Q3 Gross Margin Rate	Mid-single digits
Q3 Operating Rate	Around 65 percent
Full Year Sales Volumes	7.5 to 8.0 million tonnes
Global Shipments	59 to 60 million tonnes

Phosphates Guidance

Phosphates	2016
Q3 Sales Volumes	2.4 to 2.7 million tonnes
Q3 DAP Selling Price	\$310 to \$340 per tonne
Q3 Gross Margin Rate	Around 10 percent
Q3 Operating Rate	Around 85 percent
Full Year Sales Volumes	9.0 to 9.75 million tonnes
Global Shipments	65 to 66 million tonnes

International Distribution Guidance

International Distribution	2016
Q3 Sales Volumes	2.1 to 2.4 million tonnes
Q3 Gross Margin per Tonne	\$15 to \$20 per tonne
Full Year Sales Volumes	6 to 7 million tonnes

Full-Year Guidance Summary

Consolidated Full-Year	2016
Total SG&A	\$330 to \$350 million
Capital Expenditures and Equity Investments	\$1.0 to \$1.1 billion
Effective Tax Rate	Approximately 10 percent

Potash	2016
Full-Year Canadian Resources Taxes (CRT)	\$95 to \$110 million
Full-Year Brine Management Costs	\$150 to \$170 million

Closing Commentary



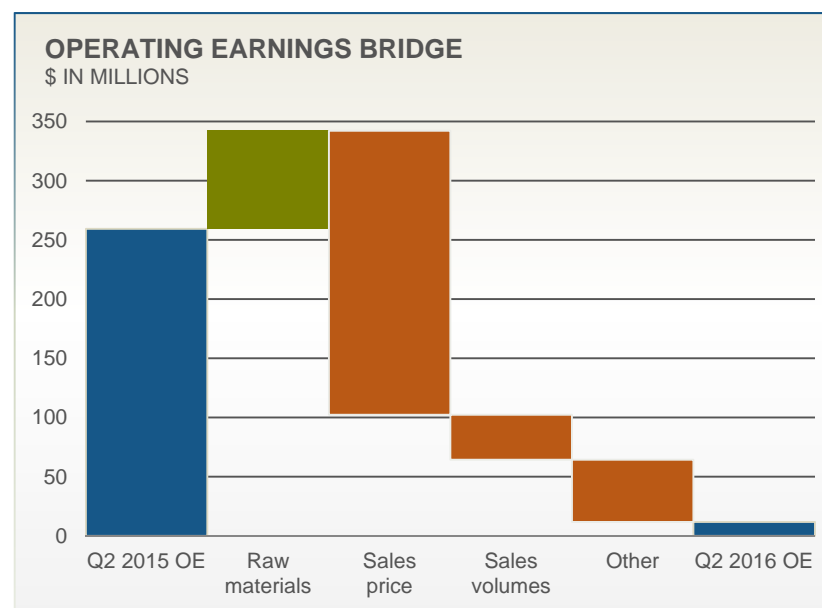
Appendix



Phosphates Segment Highlights

\$ In millions, except DAP price	Q2 2016	Q1 2016	Q2 2015
Net sales	\$976	\$909	\$1,385
Gross margin	\$100	\$65	\$296
Percent of net sales	10%	7%	21%
Operating earnings	\$12	\$18	\$259
Sales volumes	2.4	2.2	2.8
Production volume ^(a)	2.4	2.2	2.5
Finished product operating rate	82%	75%	86%
Avg DAP selling price	\$343	\$355	\$450

^(a) Includes crop nutrient dry concentrates and animal feed ingredients

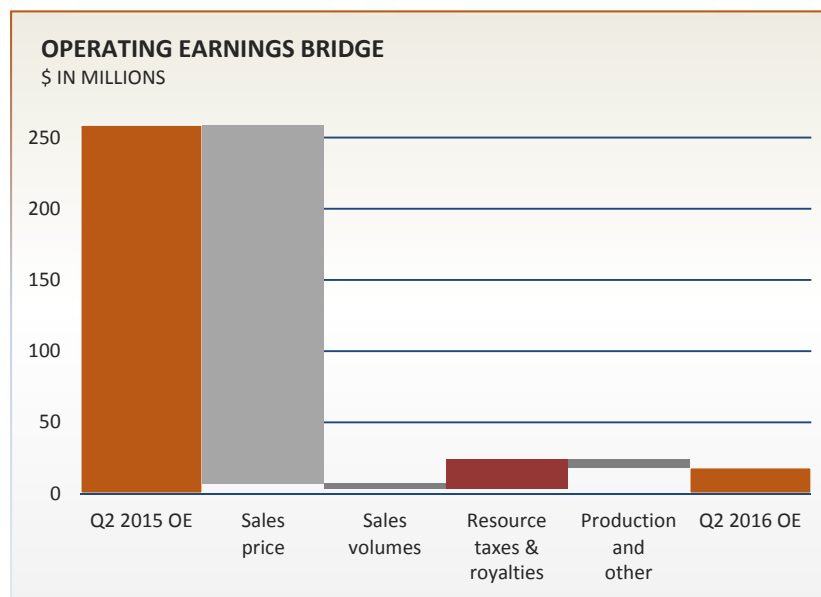


Key Drivers:

- The year-over-year decrease in net sales is driven by lower prices and sales volumes of finished product.
- The year-over-year change in gross margin primarily reflects lower finished product selling prices, partially offset by lower realized ammonia and sulfur costs.

Potash Segment Highlights

\$ In millions, except MOP price	Q2 2016	Q1 2016	Q2 2015
Net sales	\$457	\$394	\$730
Gross margin	\$53	\$98	\$295
Percent of net sales	12%	25%	40%
Canadian resource taxes (CRT)	\$38	\$18	\$55
Gross margin (excluding CRT)	\$91	\$116	\$350
Percent of net sales (excluding CRT)	20%	30%	48%
Operating earnings	\$18	\$86	\$259
Sales volumes	2.0	1.5	2.3
Production volume	1.8	2.0	2.4
Production operating rate	67%	77%	90%
Avg MOP selling price	\$178	\$207	280



Key Drivers:

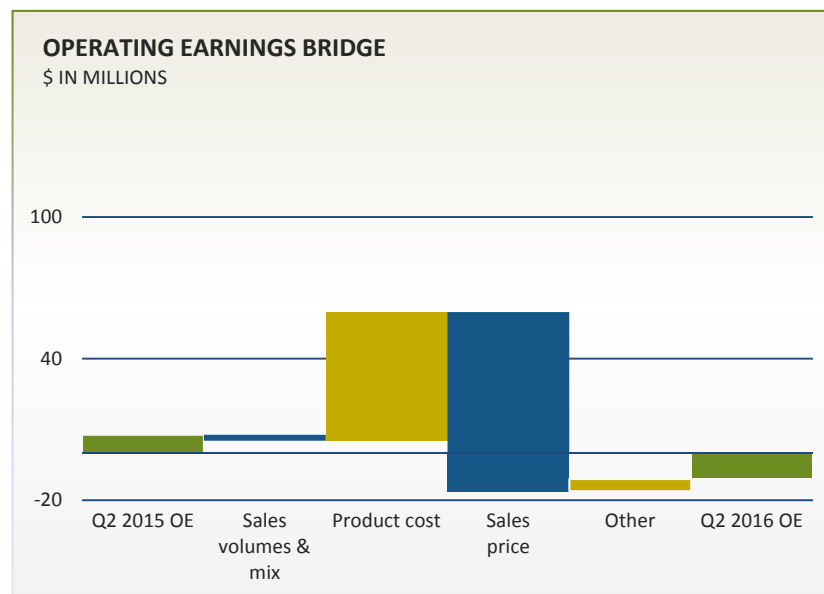
- The decrease in net sales compared to prior year was driven primarily by lower average realized prices.
- The year-over-year decrease in gross margin was driven by lower selling prices and volumes. The negative impact of a lower operating rate was offset by benefits from foreign currency and cost savings.

* Please refer to the press release issued August 2nd, 2016 for discussion of use of non GAAP measures



International Distribution Segment Highlights

\$ In millions, except Blends price	Q2 2016	Q1 2016	Q2 2015
Net sales	\$534	\$467	\$637
Gross margin	\$5	\$12	\$29
Percent of net sales	1%	3%	4%
Operating earnings (loss)	\$(11)	\$(4)	\$8
Sales volumes	1.4	1.3	1.5
Margin per tonne	\$3	\$9	\$19
Average realized price (FOB destination)	\$374	\$365	\$427



Key Drivers:

- The decrease in net sales was driven by lower average selling prices and sales .
- Operating earnings declined by \$19 million from last year, primarily reflecting the costs of carrying inventory in a declining price environment.

Raw Material Cost Detail

	Q2 2016	Percent
Ammonia (\$/tonnes)		
Realized in COGS	\$320	
Average Purchase Price	\$304	
Sulfur (\$/ton)		
Realized in COGS	\$112	
Average Purchase Price	\$98	
Phosphate rock (realized in COGS) ('000 tonnes)		
U.S. mined rock	4,013	92%
Purchased Miski Mayo Rock	349	8%
Other Purchased Rock	6	0%
Total	4,368	100%
Average cost / tonne consumed rock	\$65	

Earnings Sensitivity to Key Drivers^(a)

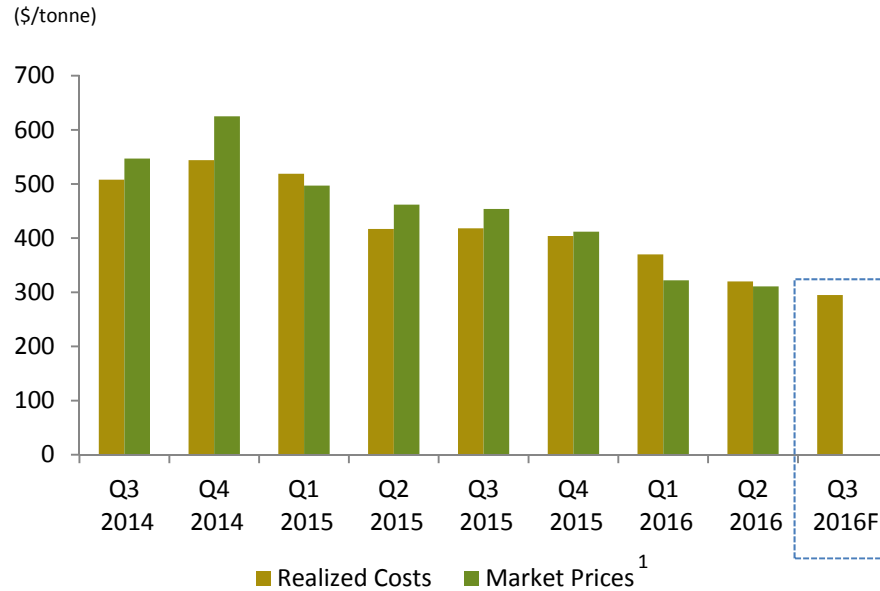
	2016 Q2 Actual	Change	2016 Q2 Margin % Actual	% Impact on Segment Margin	Pre-Tax Impact	EPS Impact
Marketing						
MOP Price (\$/tonne) ^(b)	\$178	\$50	12%	21%	\$97	\$0.24
Potash Volume (thousand tonnes)	2,040	500	12%	12%	\$55	\$0.14
DAP Price (\$/tonne)	\$343	\$50	10%	13%	\$122	\$0.31
Phosphate Volume (thousand tonnes)	2,449	500	10%	4%	\$41	\$0.10
Raw Materials						
Sulfur (\$/lt)	\$112	\$50	10%	5%	\$49	\$0.12
Ammonia (\$/tonne)	\$320	\$50	10%	3%	\$28	\$0.07

(a) These factors do not change in isolation; actual results could vary from the above estimates

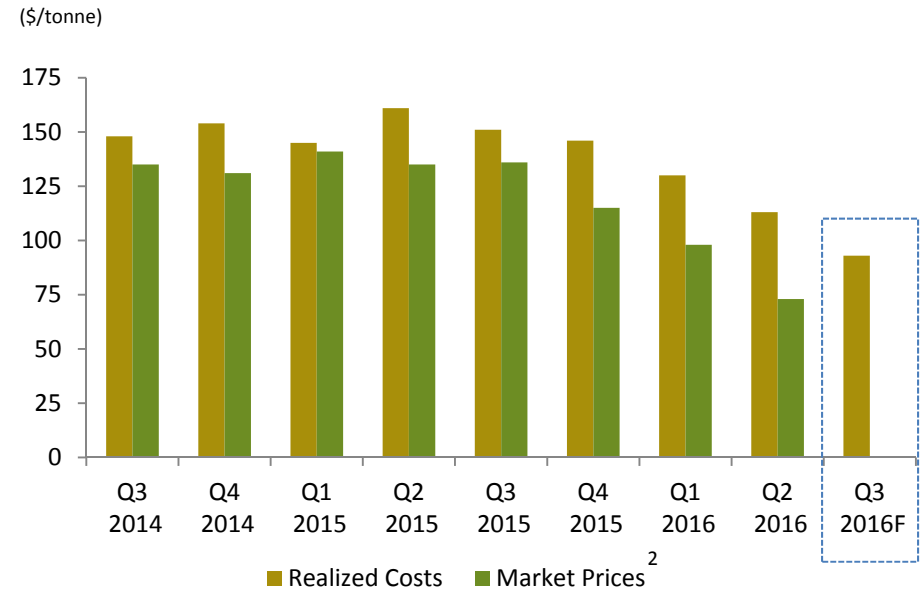
(b) Assumes no change to KMAG pricing

Phosphate Raw Material Trends

Ammonia



Sulfur



1. Market ammonia prices are average prices based upon Tampa C&F as reported by Fertecon
2. Market sulfur prices are average prices based upon Tampa C&F as reported by Green Markets
3. Realized raw material costs include:
 - ~\$20/tonne of transportation, transformation and storage costs for sulfur
 - ~\$35/tonne of transportation and storage costs for ammonia

Global Phosphate Shipment Forecasts by Region (August 2, 2016)

Million Tonnes DAP/MAP/NPS*/TSP	2015R	Aug Low 2016F	Aug High 2016F	Aug Low 2017F	Aug High 2017F	Comments
<small>Source: CRU and Mosaic. Numbers may not sum to total due to rounding.</small>						
China	19.6	18.8	19.0	19.1	19.5	<i>We again have lowered our 2016 forecast. Spring season shipments were less than expected due to a destocking of channel inventories and a slow start to summer stockpiling. Lower stocks and domestic prices (closer to export values) set the stage for a rebound next year.</i>
India	9.2	9.3	9.5	9.4	10.0	<i>Despite starting the year with a large overhang of channel inventories, the above-average monsoon, high domestic crop prices, and 15% drop in retail DAP prices (thanks to lower international prices, a workable subsidy, and stable rupee) boost our 2016 forecast. Strong demand drivers are expected to carry through to 2017, provided that the rupee remains stable.</i>
Other Asia/Oceania	8.7	8.1	8.2	8.3	8.5	<i>We revised modestly higher our expectations for 2016 last quarter due to higher crop prices, more moderate P prices, average to below-average channel inventories, improved weather prospects (La Niña), and more stable forex rates. Our 2017 forecast calls for a moderate rebound, as we expect the positive drivers to persist.</i>
Europe and FSU	5.1	5.1	5.2	5.1	5.3	<i>Our 2016 forecast is unchanged. Big harvests this year imply larger fertilizer replacement requirements, but macroeconomic uncertainties and weaker farm economics in Europe likely will be a drag on growth in 2017.</i>
Brazil	6.9	7.4	7.6	7.5	7.7	<i>Near-record local currency prices for soybeans, corn, sugar, cotton and coffee have led to a big demand pull (Jan-Jun fertilizer shipments set an all-time record). Phosphate shipments through the first half of the year are up 12% from a year ago. Volatility of the real remains an issue, but we expect that highly profitable farm economics will continue to drive strong phosphate demand in Brazil in the upcoming peak application season as well as next year.</i>
Other Latin America	2.7	3.4	3.5	3.6	3.7	<i>Higher local-currency ag commodity prices and more moderate fertilizer prices have boosted demand more than previously anticipated in 2016, leading to an upward revision to our forecast, notably in Argentina. Despite calls that Argentina's soybean export tariff will not be lowered in 2017, we believe that higher corn area will more than offset any impact on phosphate demand. Elsewhere in the region, we believe that solid farm economics will lead to modest to moderate shipment gains.</i>
North America	8.9	9.1	9.4	9.0	9.2	<i>2016 shipments were revised up as a result of larger-than expected spring shipments (including a large de-stocking of channel inventories) and prospects for a strong fall season. A small drop is projected next year mainly due to an expected decline in U.S. corn acreage.</i>
Other	3.6	3.7	3.8	3.8	4.0	<i>Our 2016 forecast is revised slightly higher. Modest growth is expected in the Middle East in 2017, with much stronger (~5% y-o-y) growth anticipated in Africa.</i>
Total	64.8	64.9	66.2	65.8	67.9	<i>Our 2016 point estimate of 65.6 million tonnes is unchanged from the May forecast. Our initial shipment forecast for 2017 calls for an increase to 66-68 million tonnes, with a point estimate in the middle of the range -- a gain of ~2% and in line with the long term trend rate.</i>

* NPS products included in this analysis are those with a combined N and P₂O₅ nutrient content of 45 units or greater.

Global Potash Shipment Forecasts by Region (August 2, 2016)

Muriate of Potash Million Tonnes (KCl)	2015	Aug Low 2016F	Aug High 2016F	Aug Low 2017F	Aug High 2017F	Comments
						Source: CRU and Mosaic. Numbers may not sum to total due to rounding.
China	15.9	12.8	13.0	13.7	14.1	Shipments this year are projected to drop more than previously anticipated due to the delayed settlement of 2016 contracts and a drawdown of channel stocks. 1H imports were down 11% from year-ago levels. We do not anticipate that changes to government support policies to discourage corn plantings will have a material adverse impact on demand in 2017, with a ~8% rebound to ~14 mmt.
India	4.0	4.4	4.6	4.4	4.7	Despite high inventories to start the year, we have upped our forecast for 2016 on the basis of the good monsoon underway, lower potash prices, workable subsidy (which was cut only notionally this year) and strong local ag commodity prices. Our forecast for 2017 calls for bullish demand drivers to continue, though the stability of the rupee remains a wildcard.
Indonesia/ Malaysia	4.3	4.5	4.7	5.0	5.2	The rebound in shipments we were expecting in 2016 has been muted, but we believe that fundamentals – better rainfall, lower K prices, and decent rice and palm oil prices – will deliver a more meaningful increase in 2017.
Europe and FSU	10.4	10.3	10.5	10.6	10.8	Shipments in 2016 have been revised slightly higher and are now expected to be flat y-o-y. Our 2017 forecast calls for a moderate expansion to replace big soil nutrient drawdowns this year and to meet the boost in production of NPKs for export.
Brazil	8.7	9.0	9.2	9.2	9.5	Near-record local currency prices for soybeans, corn, sugar, cotton and coffee have led to a big demand pull (Jan-Jun fertilizer shipments set an all-time record).. Potash shipments through the first half of the year are up 16% from a year ago. At the same time, imports are running just 3% ahead of last year and domestic production is off slightly, implying a sizable drawdown in channel inventories. We expect these constructive market conditions to carry over into 2017, underpinning our forecast for shipments to surpass the 2014 high of 9.3 mmt.
North America	8.9	8.9	9.1	8.8	9.0	We have trimmed our 2016 forecast slightly due to relatively high channel inventories, though we expect a very solid fall season as a result of large potash withdrawals this year and the low cost of rebuilding soil potassium levels. In 2017, we anticipate a pullback in corn acreage due to lower prices, but that is expected to result in a minor decrease in shipments as acres shift to other crops and the economic incentives to apply potash remain positive.
Other	8.9	9.0	9.2	9.4	9.7	Our 2016 forecast is revised slightly higher, as the lower reset in benchmark contract prices (i.e. in China and India) provides a floor in spot market pricing that drives strong demand in the second half of the year.
Total	61.2	58.9	60.3	61.1	63.0	Our 2016 global shipments point estimate is little-changed at 59.6 million tonnes within an unchanged range of 59-60 mmt. Our initial shipment forecast for 2017 calls for robust demand growth of over 4% to 61-63 mmt (following two years of negative growth), with a point estimate in the middle of the range.

