

The Mosaic Company

Earnings Conference Call – Fourth Quarter 2016

Presenters: Joc O'Rourke, President and Chief Executive Officer
Rich Mack, Executive Vice President and Chief Financial Officer
Dr. Mike Rahm, Vice President Market and Strategic Analysis
Laura Gagnon, Vice President Investor Relations

Date: February 7, 2017



Forward Looking Statements

Forward-Looking Statements

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 our proposed acquisition of the global phosphate and potash operations of Vale S.A. (“Vale”) conducted through Vale Fertilizantes S.A. (the “Transaction”) and the anticipated benefits and synergies of the proposed Transaction, 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 possibility that the closing of the proposed Transaction may be delayed or may not occur, including delays or risks arising from any inability to obtain governmental approvals of the Transaction on the proposed terms and schedule, any inability of Vale to achieve certain other specified regulatory and operational milestones or to successfully complete the transfer of the Cubatão business to Vale and its affiliates in a timely manner, and the ability to satisfy any of the other closing conditions; our ability to secure financing, or financing on satisfactory terms and in amounts sufficient to fund the cash portion of the purchase price without the need for additional funds from other liquidity sources; difficulties with realization of the benefits of the proposed Transaction, including the risks that the acquired business may not be integrated successfully or that the anticipated synergies or cost or capital expenditure savings from the Transaction may not be fully realized or may take longer to realize than expected, including because of political and economic instability in Brazil or changes in government policy in Brazil; 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, the ability of the Wa’ad Al Shamal Phosphate Company (also known as 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; 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, carbon taxes or other 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.



Executive Summary

Excellent Execution

Confident Markets
Bottomed

Committed to
Maintaining a Strong
Financial Position



*Reduced Targeted
Annual Dividend by
\$0.50 to \$0.60 Per
Share*

Q4 2016 Highlights and 2017 Outlook

Q4 2016 Highlights

2017 Outlook

Potash

- MOP Cash Costs of **\$74/tonne**, including **\$18/tonne** of brine management expenses
- Belle Plaine proving run expected to exceed design capacity

Phosphates

- Rock costs reverted to normalized levels
- Record MicroEssentials® production
- Progress on sinkhole at New Wales

Other

- Brazil volumes up **~20%**
- Aggressive capital and expense management
- Record safety performance

1

Positive Pricing Momentum

2

Good Buyer Engagement

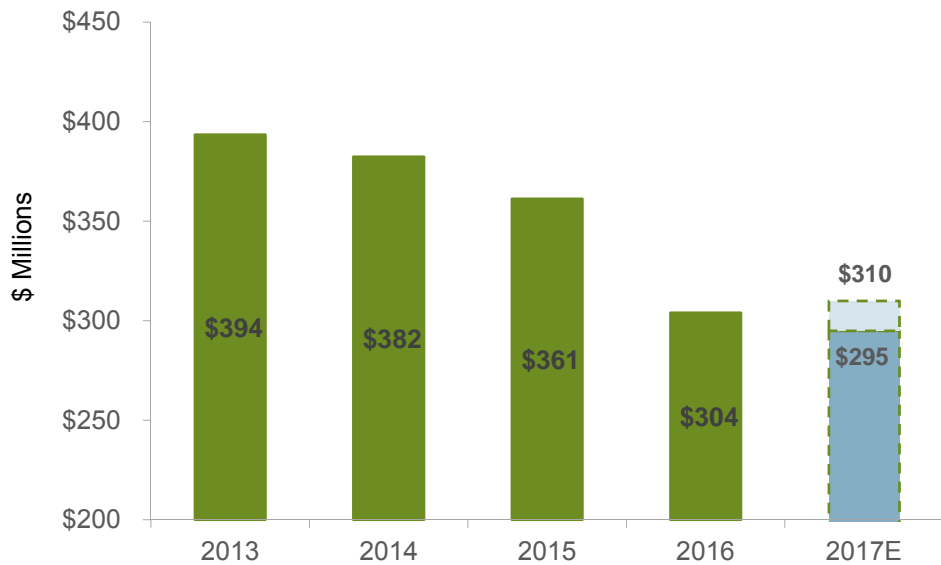
3

On-going Cost and Capital Discipline

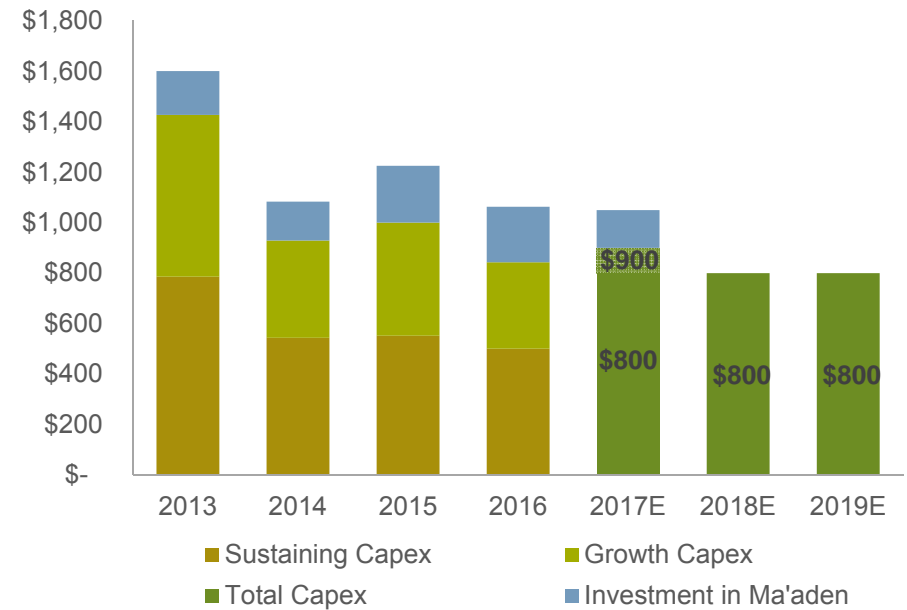


Maintaining Expense and Capital Discipline...

SG&A



CAPEX



...Even as Market Dynamics Continue to Improve in 2017

Market Update



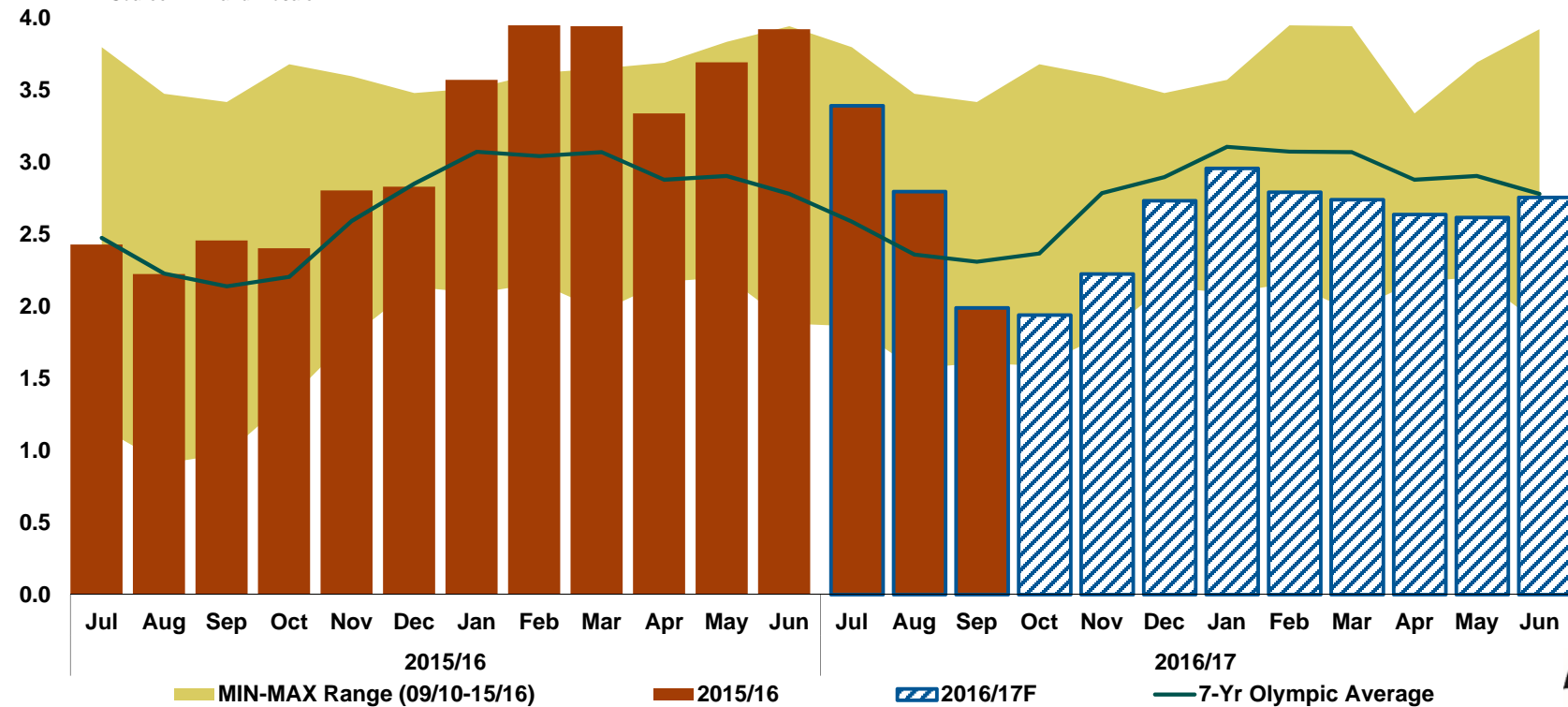
Potash: Very Different Dynamics vs. Last Year

Potash Inventories Held by North American Producers

Mil Tons KCl

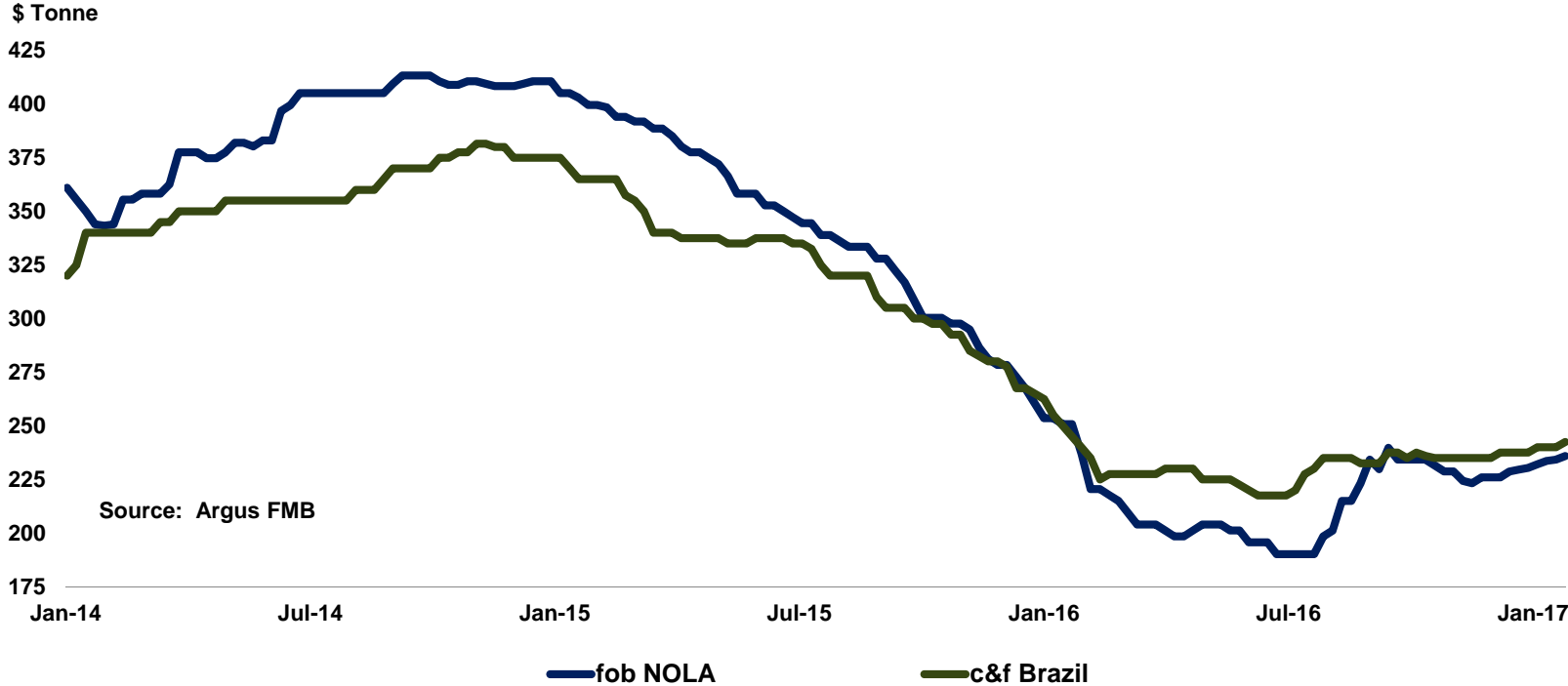
4.5

Source: IPNI and Mosaic



Price Momentum Reflects Fundamental Industry Changes

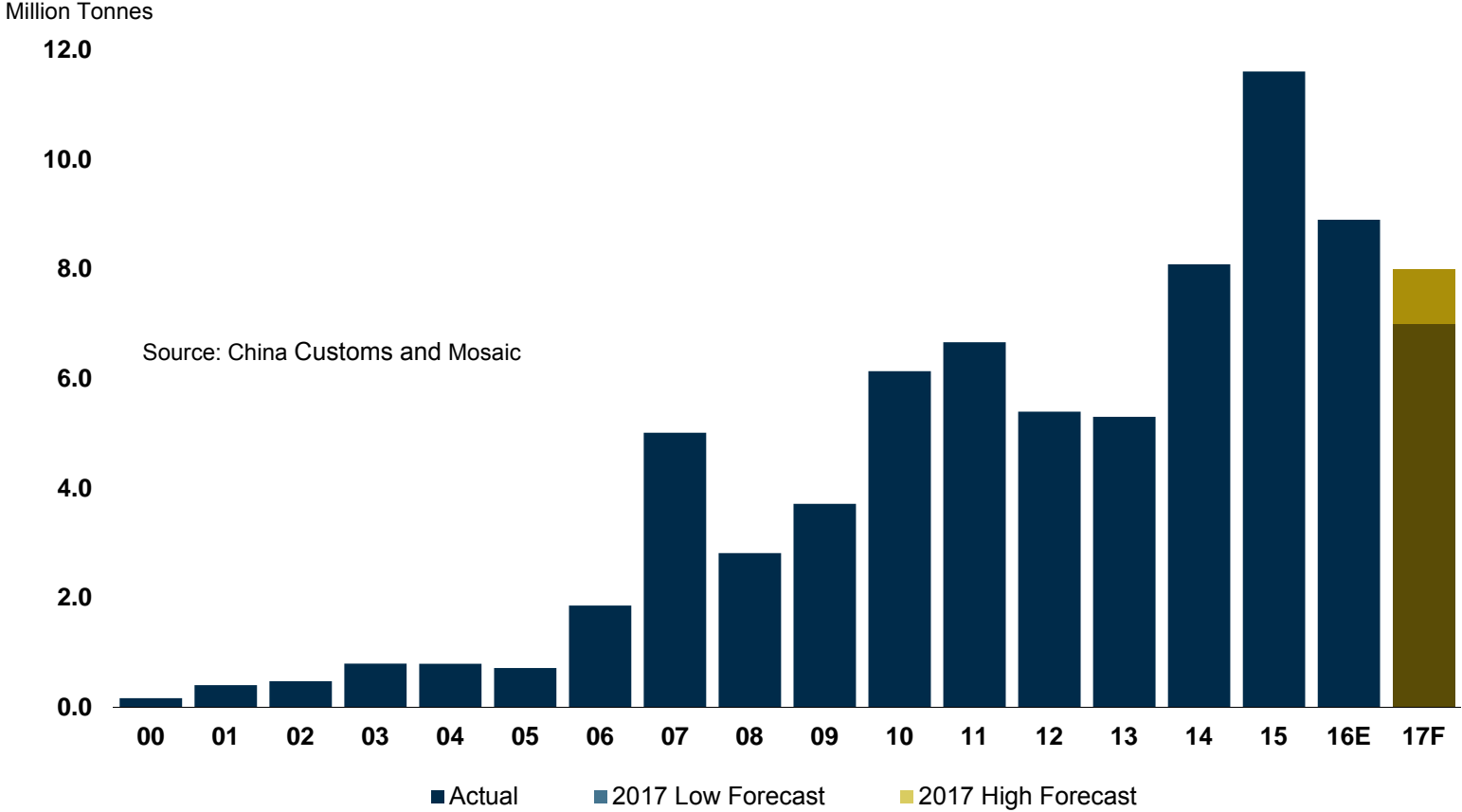
Potash Prices



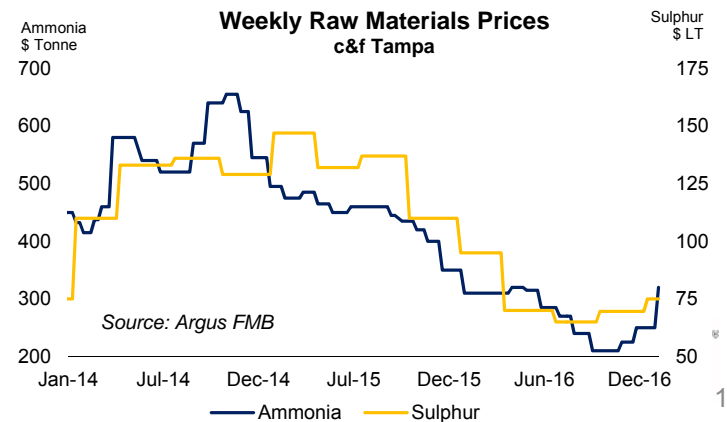
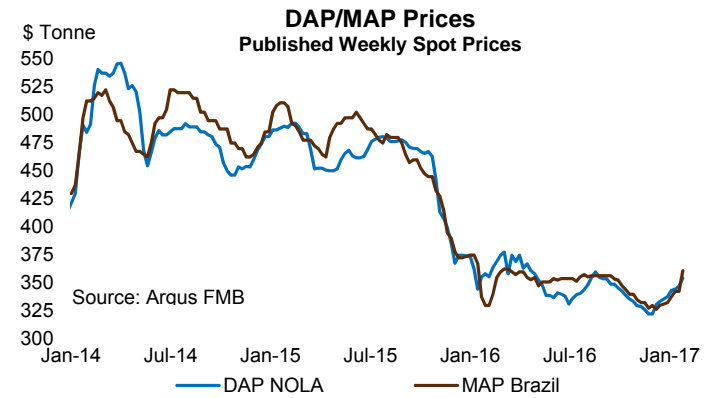
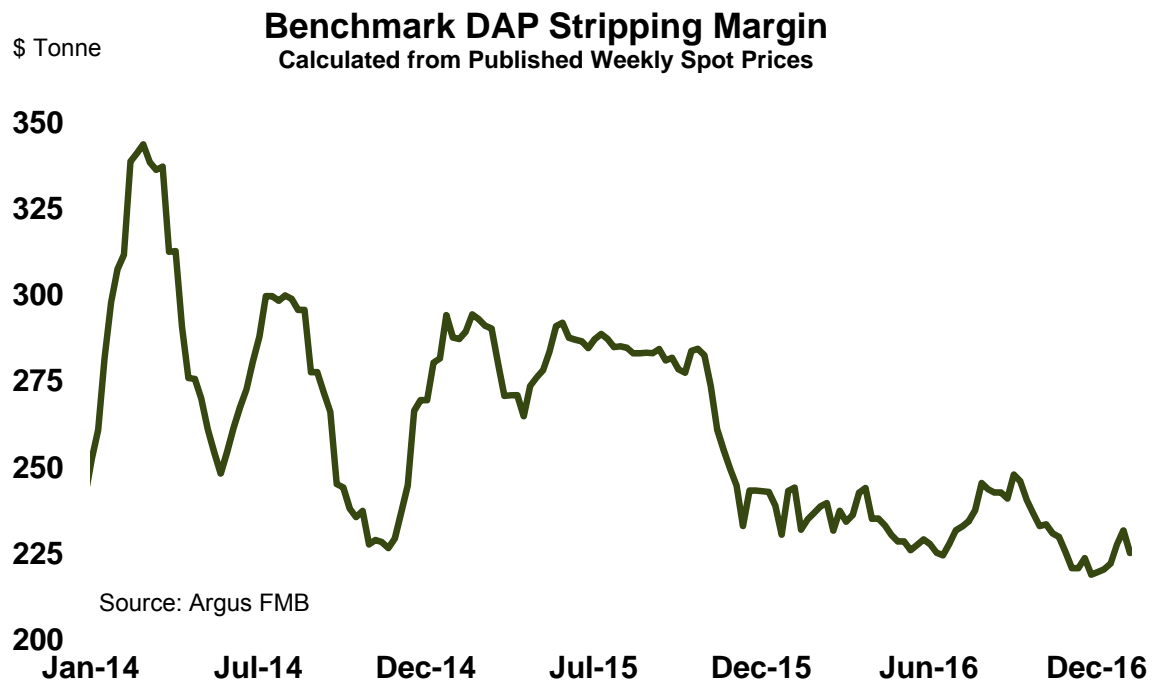
Phosphates: China Capacity Rationalization is Key Factor to Watch



China DAP/MAP/TSP Exports



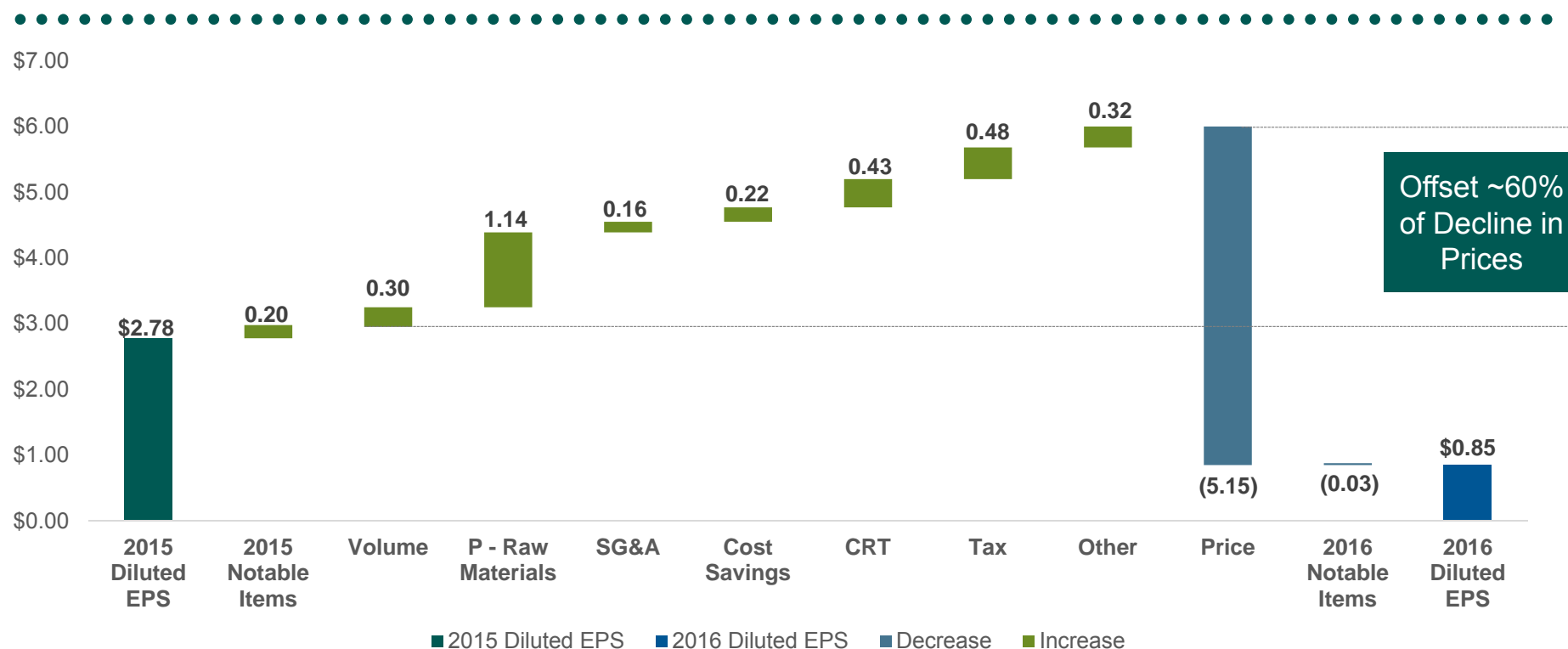
Price Momentum Bodes Well for Improving Industry Margins



Financial Results Review



Focused Execution, Cost and Capital Management



Full Year 2016 Financial Highlights

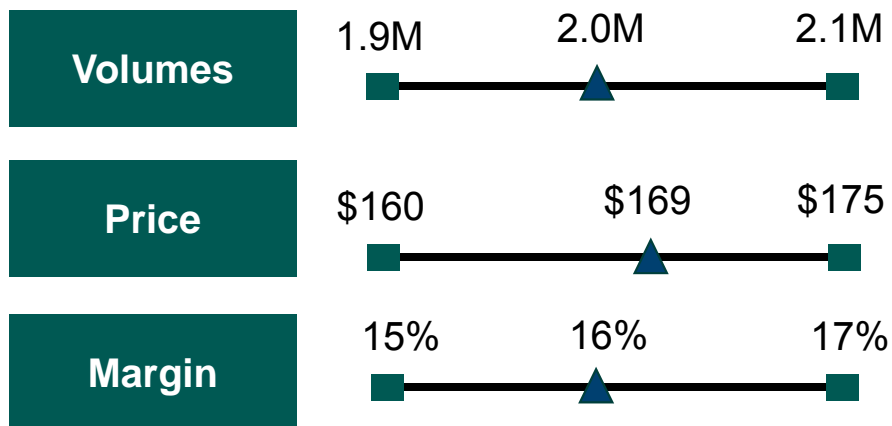
- Reported EPS of \$0.85
- \$1.26 billion in cash from operations
- \$843 million in CAPEX



Potash Results and Guidance

Fourth Quarter 2016 Results

Guidance



Potash	2017
First Quarter Sales Volumes	2.15 to 2.3 million tonnes
First Quarter MOP Selling Price	\$165 to \$180 per tonne
First Quarter Gross Margin Rate	Approximately 20 percent
First Quarter Operating Rate	High 80 percent*
Full Year Sales Volumes	8.0 to 8.75 million tonnes
Global Shipments	61 to 63 million tonnes

■ Guidance Range

▲ Actuals

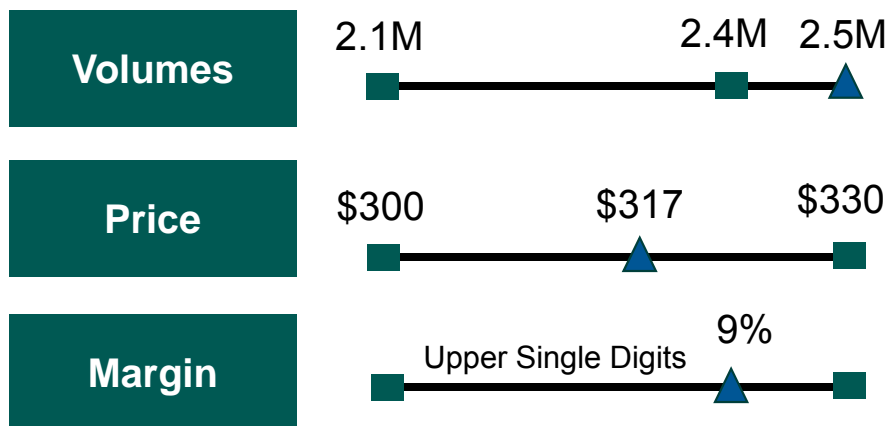
*Operating rate guidance reflects lower operational capacity at the Colonsay mine.



Phosphates Results and Guidance

Fourth Quarter 2016 Results

Guidance



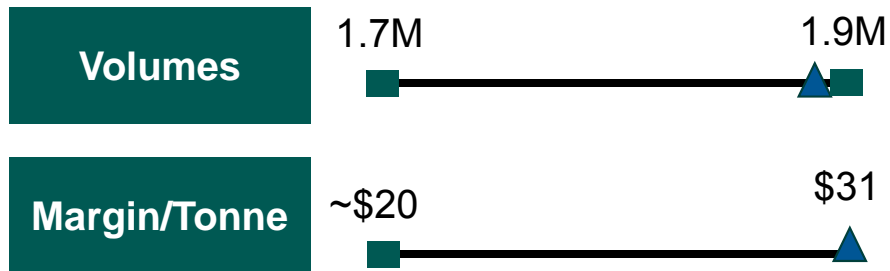
Phosphates	2017
Q1 Sales Volumes	2.0 to 2.3 million tonnes
Q1 DAP Selling Price	\$315 to \$335 per tonne
Q1 Gross Margin Rate	Upper single digits
Q1 Operating Rate	High 70 percent
Full Year Sales Volumes	9.5 to 10.25 million tonnes
Global Shipments	66 to 68 million tonnes

■ Guidance Range

▲ Actuals

International Distribution Results and Guidance

Fourth Quarter 2016 Results



Guidance

International Distribution	2017
Q1 Sales Volumes	1.2 to 1.5 million tonnes
Q1 Gross Margin per Tonne	Approximately \$20
Full Year Sales Volumes	7.0 to 7.5 million tonnes

■ Guidance Range

▲ Actuals

Other Full-Year Guidance

Consolidated Full-Year	2017
Total SG&A	\$295 to \$310 million
Capital Expenditures and Equity Investments	\$950 million to \$1.05 billion
Effective Tax Rate	Upper single digits

Potash	2017
Full Year Canadian Resources Taxes	\$85 to \$135 million
Full Year Brine Management Costs	\$160 to \$180 million

Closing Remarks and Appendix



Raw Material Cost Detail

**Fourth Quarter
2016** **Percent**

Ammonia
(\$/Tonne)

Realized in COGS \$259
Average Purchase Price \$241

Sulfur
(\$/Tonne)

Realized in COGS \$87
Average Purchase Price \$88

**Phosphate
Rock**
(realized in COGS)
('000 tonnes)

U.S. mined rock	4,029	89%
Purchased Miski Mayo Rock	476	11%
Other Purchased Rock	3	0%
Total	4,508	100%
Average cost / tonne consumed rock	\$58	

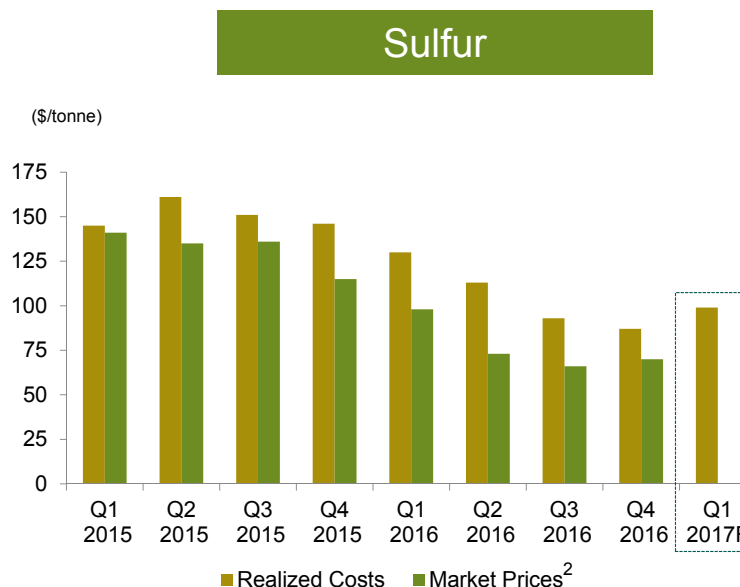
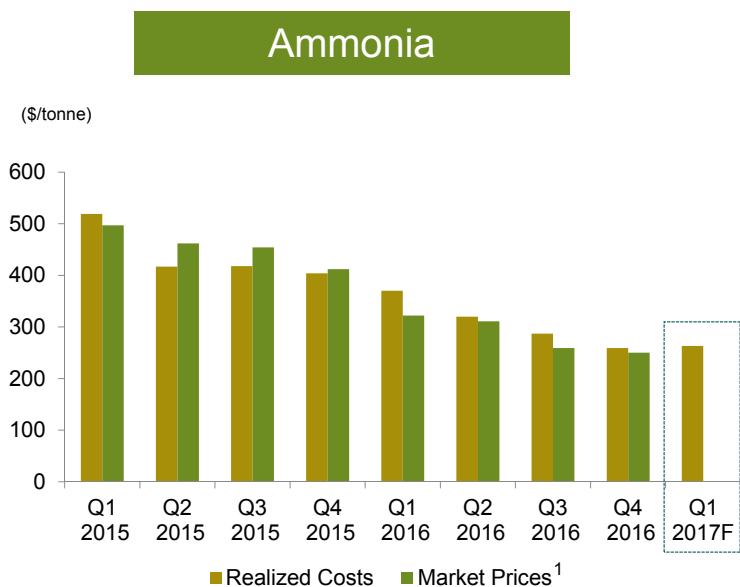
Earnings Sensitivity to Key Drivers^(a)

	2016 Q4 Actual	Change	2016 Q4 Margin % Actual	% Impact on Segment Margin	Pre-Tax Impact	EPS Impact
Marketing						
MOP Price (\$/tonne) ^(b)	\$169	\$50	16%	24%	\$99	\$0.31
Potash Volume (thousand tonnes)	1,984	500	16%	11%	\$43	\$0.13
DAP Price (\$/tonne)	\$317	\$50	9%	14%	\$125	\$0.39
Phosphate Volume (thousand tonnes)	2,504	500	9%	4%	\$32	\$0.10
Raw Materials						
Sulfur (\$/lt)	\$87	\$50	9%	6%	\$50	\$0.15
Ammonia (\$/tonne)	\$259	\$50	9%	3%	\$29	\$0.09

(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



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