

# The Mosaic Company

Earnings Conference Call – Fourth Quarter and Full Year 2014  
February 11, 2015

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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 the Ma'aden 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 Ma'aden joint venture to obtain additional planned funding in acceptable amounts and upon acceptable terms, the future success of current plans for the Ma'aden joint venture and any future changes in those plans; difficulties with realization of the benefits of the transactions with CF, including the risk 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 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, the liabilities Mosaic assumed in the Florida phosphate assets acquisition, or the costs of the Ma'aden 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; 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.

# Key Messages

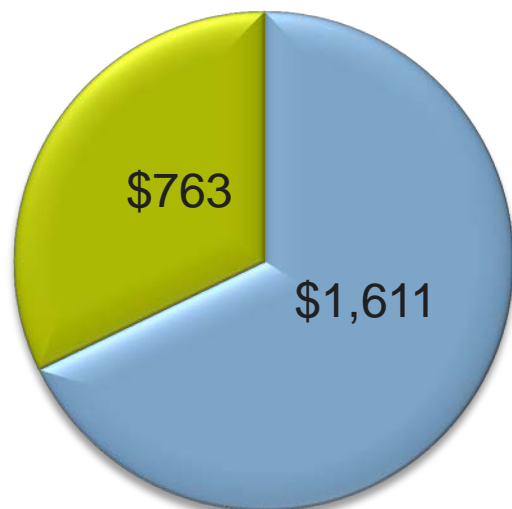


- A strong finish to 2014
- Results reflect leverage to upside
- Strategic initiatives on track

# Fourth Quarter Financial Highlights

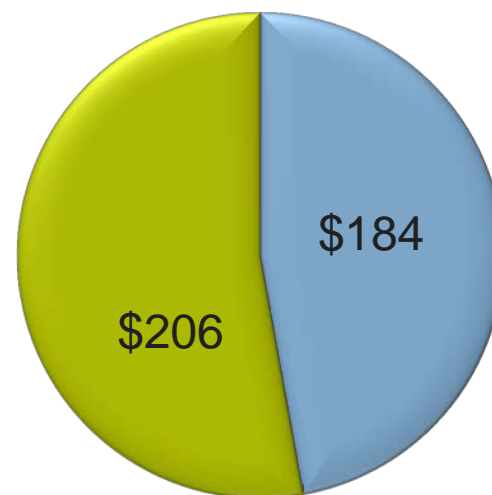


## Net Sales



\$2.4 billion

## Operating Earnings



\$365 million

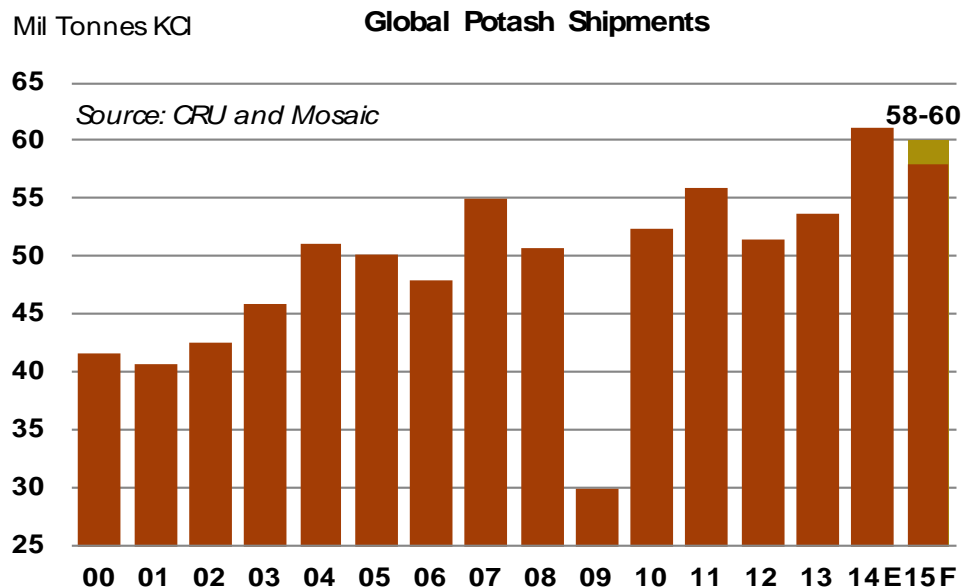
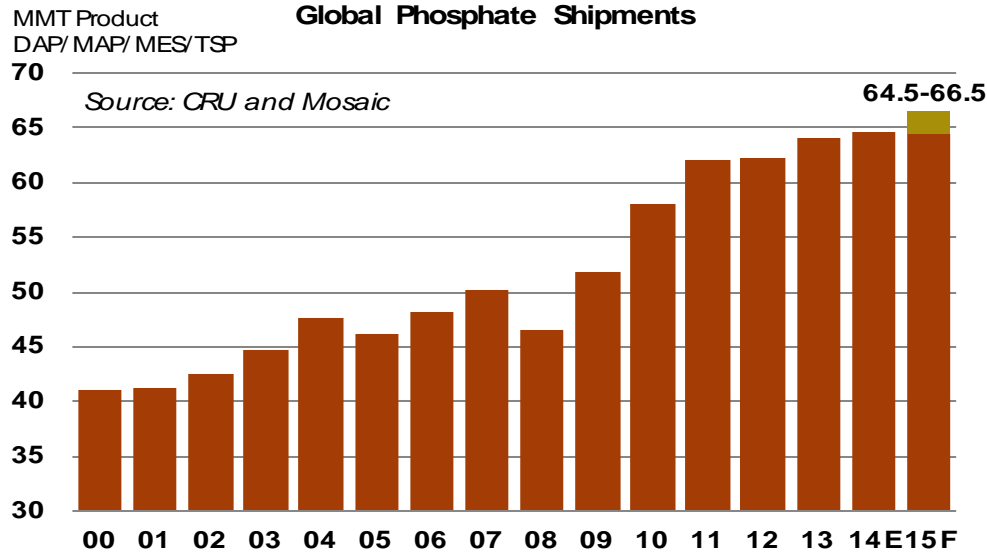
■ Phosphates

■ Potash

- \$0.97 diluted earnings per share
  - ✓ Includes \$0.10 positive impact of notable items
- \$382 million in cash from operations



# Strong Demand Persists



## P&K Demand

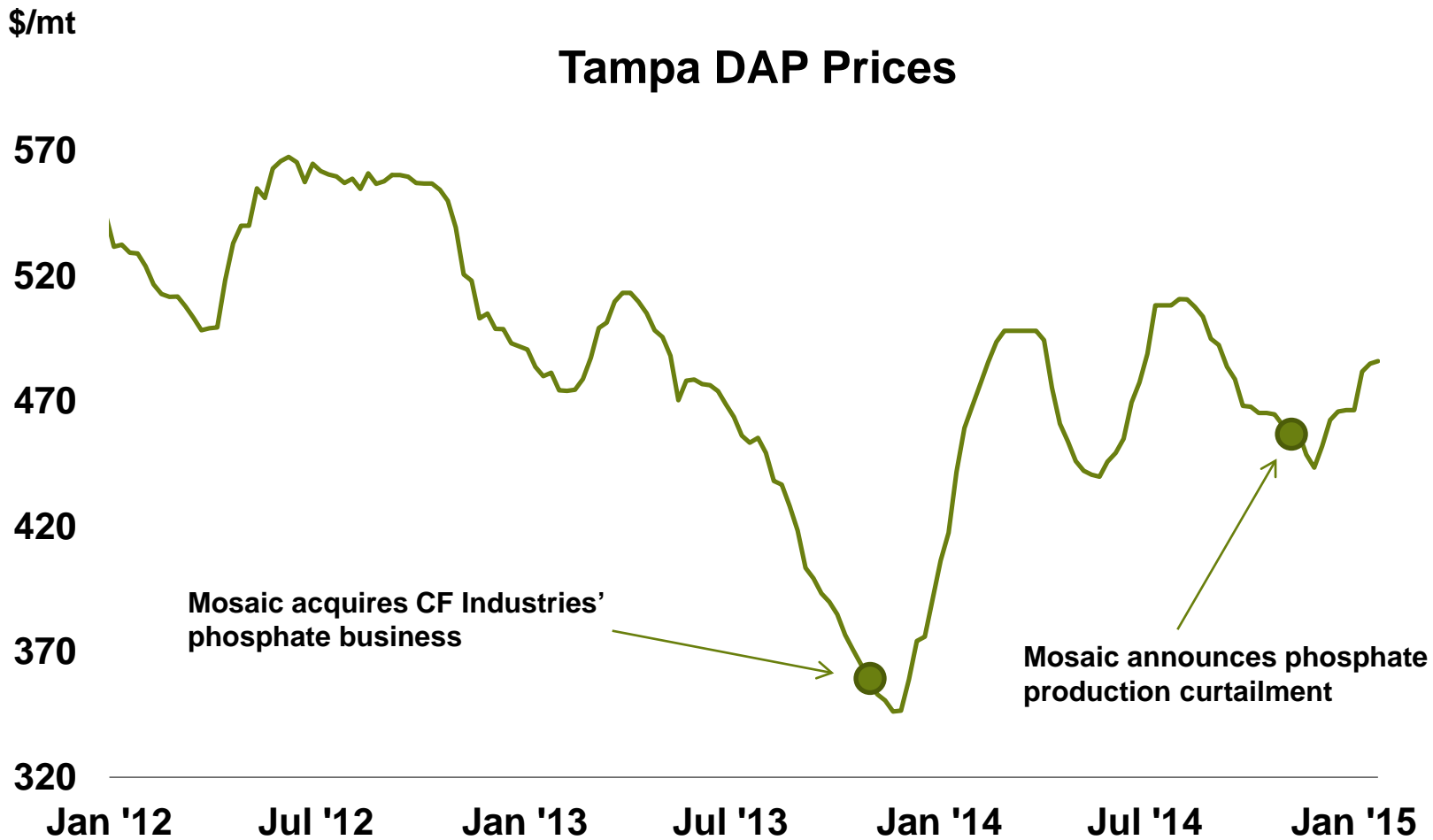
- Industry finished 2014 with record potash and phosphate shipments.
- Lean producer inventories.
- Expect solid fundamentals in 2015.

## Factors to watch

- Ag commodity prices
- Currency trends



# Phosphate Price History



Source: Multiple Weekly Publications



# Strategic Accomplishments

## Completed in fourth quarter 2014:

- Successful proving run at Colonsay:
  - ✓ Exceeded expected capacity increase by over 40%
  - ✓ New Canpotex entitlement 40.6%, up from 38.8%
- CF Industries' phosphate integration completed:
  - ✓ Realizing full targeted synergies
- Closed ADM acquisition
- Approved acceleration of K3 optionality (more at analyst day)
- Sold Argentina business, closed Carlsbad MOP production
- Ahead of plan on expense savings initiatives

## On-going:

- Ma'aden phosphate joint venture is progressing well
- Repurchased shares totaling \$2.8 billion in 2014
- MicroEssentials® New Wales expansion is on time and on budget
- Faustina NH3 plant de-bottlenecking evaluation is on-going







Ammonia Substation Building

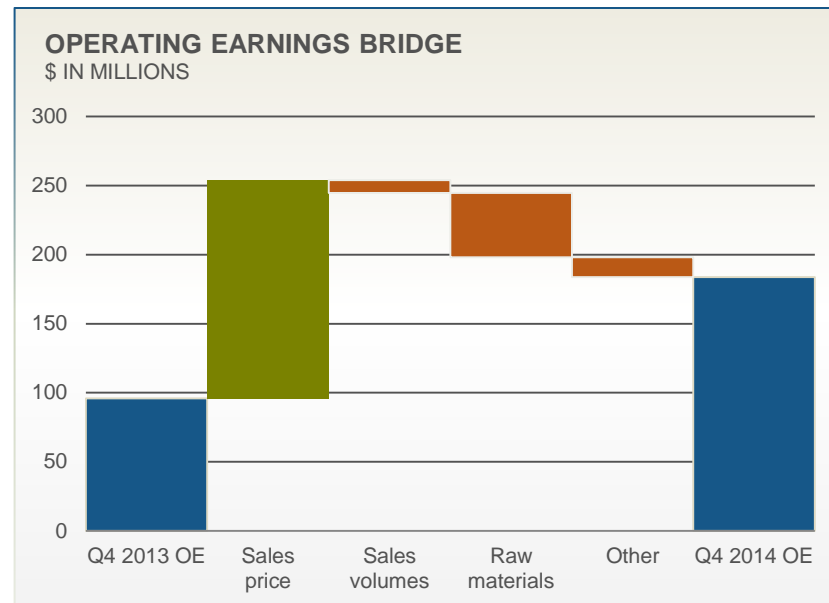
## Progress on Ma'aden Joint Venture



# Financial Results Review

# Phosphates Segment Highlights

\$ In millions, except DAP price	Q4 2014	Q3 2014	Q4 2013
Net sales	\$1,611	\$1,658	\$1,556
Gross margin	\$286	\$294	\$188
Percent of net sales	18%	18%	12%
Operating earnings	\$184	\$239	\$96
Sales volumes	3.3	3.3	3.4
NA production volume <sup>(a)</sup>	2.4	2.5	2.0
Finished product operating rate	81%	85%	81%
Avg DAP selling price	\$448	\$461	\$381
Avg Blends selling price	\$428	\$470	\$460



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

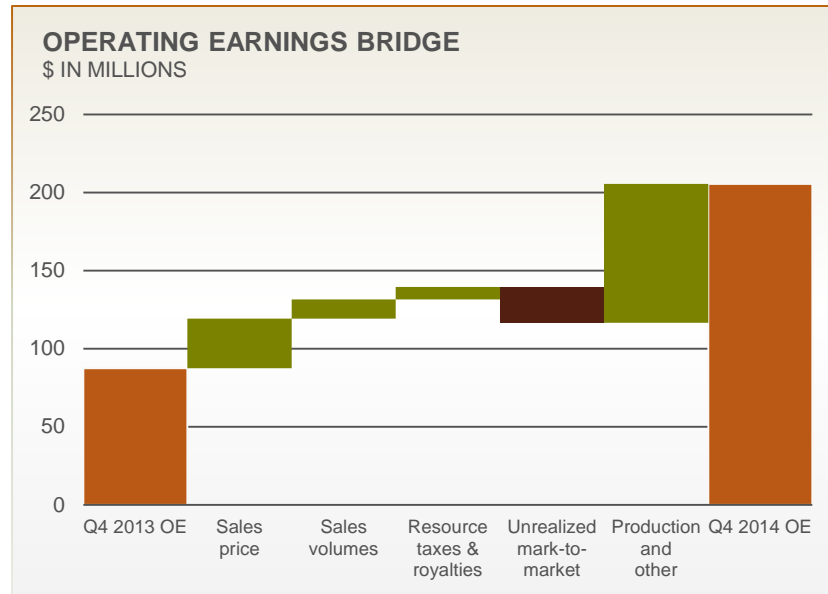
## Fourth Quarter Highlights:

- The year-over-year increase in net sales is driven by higher realized finished product prices, partially offset by lower sales volumes.
- The year-over-year increase in earnings reflects higher finished product selling prices and lower phosphate rock costs, partially offset by higher ammonia and sulfur costs.



# Potash Segment Highlights

\$ In millions, except MOP price	Q4 2014	Q3 2014	Q4 2013
Net sales	\$763	\$593	\$652
Gross margin	\$304	\$131	\$134
Percent of net sales	40%	22%	21%
Operating earnings	\$206	\$46	\$88
Sales volumes	2.3	1.8	1.9
Production volume	2.6	1.7	1.7
Production operating rate	91%	62%	65%
Avg MOP selling price	\$295	\$291	\$303



## Fourth Quarter Highlights:

- The increase in net sales was driven by higher sales volumes, partially offset by higher mix of international sales.
- The year-over-year increase in operating earnings was driven by higher sales volumes and lower plant spending, partially offset by higher mix of international sales.

Record quarterly production and one of the lowest cash costs in Company history



# Balance Sheet and Capital Update

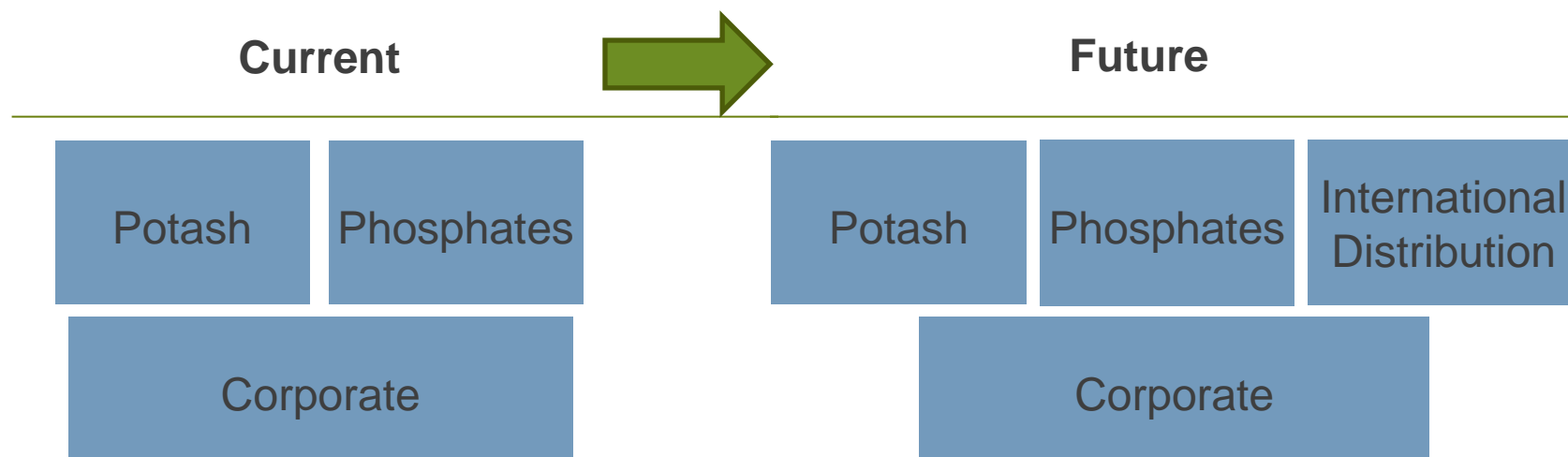


## Transformed Balance Sheet:

- Returned \$3.2B in 2014
- ~\$190 million remaining under current share repurchase authorization as of February 6, 2015
- Committed to maintaining targets

Expect to continue to generate strong cash flow and excess cash

# New Segment Reporting Update



## Process:

- Historical financials first part of March
- Q1'15 Guidance under old structure
- Incremental Q1'15 color provided with historical financials

## Expected Outcomes/Benefits:

- Increased transparency
- Improved peer benchmarking
- Ease of modeling

# Financial Guidance Summary



<b>Phosphates</b>	<b>Guidance – 2015</b>
	Q1 Sales volume 2.8 to 3.1 million tonnes Q1 DAP selling price \$440 to \$465 per tonne Q1 Gross margin rate in the mid-teens Q1 Operating rate in the 80 to 85 percent range
<b>Potash</b>	<b>Guidance – 2015</b>
	Q1 Sales volume 2.0 to 2.3 million tonnes Q1 MOP selling price \$270 to \$295 per tonne Q1 Gross margin rate in the high 30 percent range Q1 Operating rate in the 85 to 90 percent range
Canadian Resource Taxes and Royalties	\$215 to \$275 million
Brine Management Expenses	\$180 to \$200 million





# Financial Guidance Summary

	<b>Guidance – 2015</b>
Total SG&A	\$360 - \$380 million
Capital Expenditures and Equity Investments	\$1.1 - \$1.4 billion
Effective Tax Rate	Low to mid 20 percent range
Phosphates Sales Volumes	14.5 to 15.0 million tonnes
Potash Sales Volumes	8.5 to 9.0 million tonnes



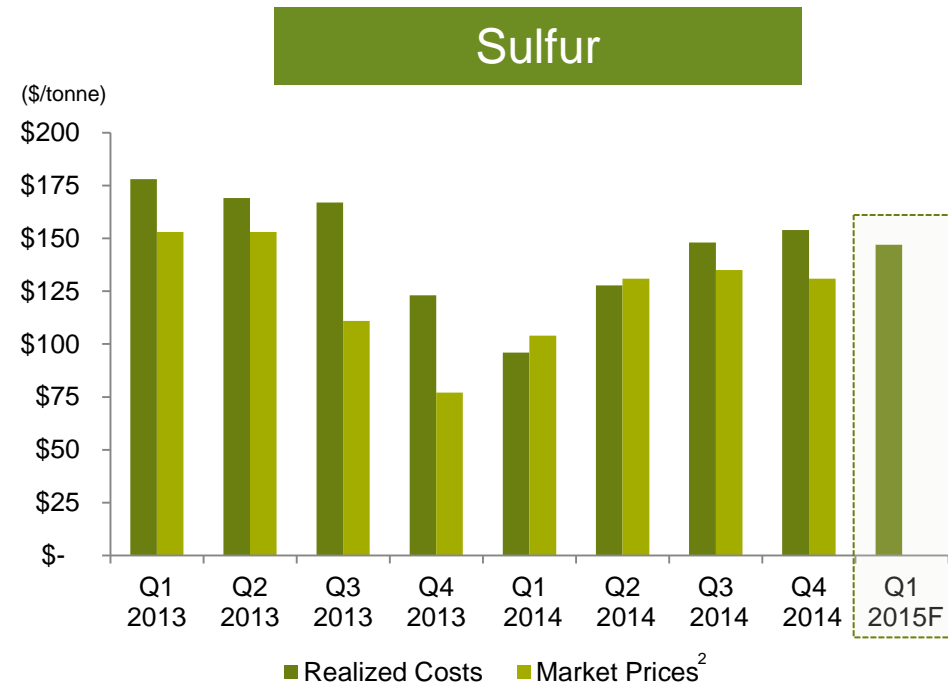
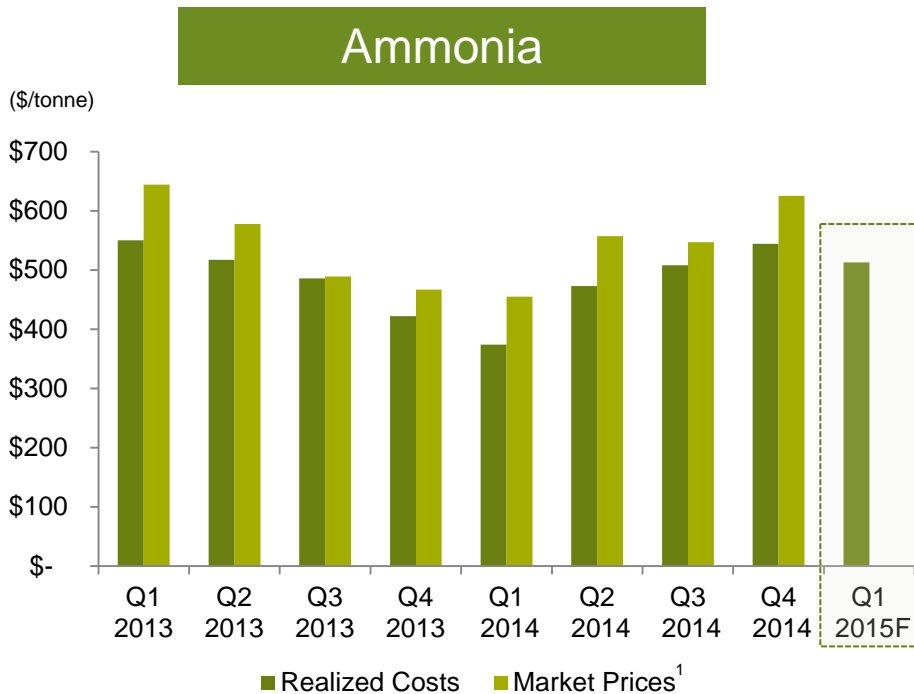
# Helping the World Grow the Food it Needs



# Raw Material Cost Detail

	Q4 2014	Percent
<b>Ammonia (\$/tonnes)</b>		
Realized in COGS	\$544	
Average Purchase Price	\$627	
<b>Sulfur (\$/ton)</b>		
Realized in COGS	\$154	
Average Purchase Price	\$146	
<b>Phosphate rock (realized in COGS) ('000 tonnes)</b>		
U.S. mined rock	3,839	93%
Purchased Miski Mayo Rock	236	6%
Other Purchased Rock	56	1%
Total	4,131	100%
Average cost / tonne consumed rock	\$58	

# 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
  - ~\$30/tonne of transportation and storage costs for ammonia



# Earnings Sensitivity to Key Drivers<sup>(a)</sup>

	2014 Q4 Actual	Change	2014 Q4 Margin % Actual	% Impact on Segment Margin	Pre-Tax Impact	EPS Impact
Marketing						
MOP Price (\$/tonne) <sup>(b)</sup>	\$295	\$50	40%	14%	\$110	\$0.21
Potash Volume (million tonnes)	2.3	0.5	40%	13%	\$98	\$0.19
DAP Price (\$/tonne)	\$448	\$50	18%	8%	\$134	\$0.26
Phosphate Volume (million tonnes)	3.3	0.5	18%	4%	\$72	\$0.14
Raw Materials						
Sulfur (\$/lt)	\$154	\$50	18%	4%	\$59	\$0.11
Ammonia (\$/tonne)	\$544	\$50	18%	2%	\$31	\$0.06

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

(b) Assumes no change to K MAG pricing



# Global Phosphate Shipment Forecasts by Region (February 2015)

Source: CRU and Mosaic.

Numbers may not sum to total due to rounding.

Million Tonnes DAP/MAP/TSP	2013R	2014E	Oct Low 2015F	Oct High 2015F	Feb Low 2015F	Feb High 2015F	Comments
China	21.5	21.6	21.8	22.1	21.8	22.1	Large but flat shipments in 2014. Forecast for 2015 unchanged. Moderate growth expected this year due in part to positive changes to agricultural commodity support policies.
India	8.0	7.6	9.0	9.4	8.3	9.0	2014 estimate lowered due to weak import economics, a shift to NP/NPKs, and inventory depletion. 2015 range lowered due to some of the same factors, but projected increase driven by low channel stocks, a stable rupee and expected subsidy changes.
Other Asia/Oceania	6.8	6.8	6.9	7.3	6.9	7.3	2014 demand came in at the low end of our forecast. Only minor rebalancing changes made to 2015 forecast, with demand projected flat to moderately higher in most countries.
Europe and FSU	5.4	5.8	4.5	4.7	5.1	5.3	Upward revisions made to historical EU demand, which carried through to 2014 and 2015, while a weaker Euro and challenging economic environment may weigh on 2015. FSU countries expected to show continued moderate growth.
Brazil	7.1	7.4	7.0	7.3	7.0	7.3	2014 estimate revised higher on strength of shipments through the end of the year. Forecast for 2015 unchanged. The sharp drop in the real boosts overall farm economics, but channel inventories expected to decline as well.
Other Latin America	2.9	3.0	2.8	3.0	2.8	3.0	Minor rebalancing changes made, with shipments expected to be flat to slightly lower in 2015.
North America	8.9	9.0	8.6	8.9	8.7	8.9	Expectations for 2015 are little changed with shipments ticking slightly lower on reductions in planted area (our 2015 corn and soybean area forecasts are 88-89 and 83-84 million acres).
Other	3.6	3.5	3.8	3.9	3.6	3.8	Middle East shipments revised down in 2014 and expected to grow modestly in 2015. Africa holds broadly flat.
<b>Total</b>	<b>64.1</b>	<b>64.6</b>	<b>64.5</b>	<b>66.5</b>	<b>64.4</b>	<b>66.5</b>	Our 2014 point estimate of 64.6 mmt sits squarely within our 64-65 mmt guidance. Downward revisions to India offset increases in Europe and Latin America. Our 2015 forecast is unchanged at 64.5-66.5 mmt, with a 65.4 mmt point estimate.



# Global Potash Shipment Forecasts by Region (February 6, 2015)

Muriate of Potash Million Tonnes (KCl)	2013R	2014E	Oct Low 2015F	Oct High 2015F	Feb Low 2015F	Feb High 2015F	Source: CRU and Mosaic. Numbers may not sum to total due to rounding. Comments
China	11.0	13.8	12.4	12.6	12.7	13.1	Shipments surged 2.8 mmt last year (+1.0 mmt production and +1.8 mmt net imports). We estimate ~1.0 mmt of the increase was inventory build. 2015 forecasts assume 4%-6% demand growth and a 0.5-0.6 mmt drawdown of channel inventories.
India	3.2	3.9	4.0	4.4	4.1	4.4	India contracted for ~4.3 mmt in 2014/15 and imported 3.9 mmt in CY 2014. Farm economics remain profitable and import economics continue to work. Potential upside if meaningful policy changes made – especially urea subsidy reform.
Indonesia/Malaysia	4.1	4.6	4.7	4.9	4.7	4.9	Demand growth to continue in 2015 due to still profitable palm oil economics (aided by biodiesel subsidy boost in Indonesia), low channel stocks, and continued moderate SMOP prices.
Other Asia/Oceania	4.2	4.5	4.5	4.7	4.5	4.7	Demand elsewhere in Asia/Oceania beat expectations in 2014 and modest gains expected in most countries again this year.
Europe and FSU	10.4	10.9	11.0	11.2	10.8	11.1	Upward revision in 2014 due to stronger-than-expected NPK output and direct application use. Forecast for 2015 pared back slightly due to net impact of lower crop prices and weaker Euro.
Brazil	8.3	9.1	8.4	8.7	8.4	8.7	Record shipments and imports in 2014 and modest inventory build. 2015 demand projected to remain at elevated levels as weaker real more than offsets lower crop prices.
Other Latin America	2.4	2.5	2.5	2.6	2.5	2.6	Flat to modest growth expected across most of the region.
North America	8.7	10.0	8.7	8.9	8.7	8.9	Shipments last year surged to the highest level since 2004 due to strong on-farm demand, the need to replenish low channel inventories, and ongoing concerns about rail logistics. Shipments expected to revert to a more normal level in 2015.
Other	1.3	1.7	1.5	1.6	1.5	1.6	Exceptional growth in other regions such as Africa and the Middle East in 2014 expected to moderate slightly in 2015.
<b>Total</b>	<b>53.7</b>	<b>61.1</b>	<b>57.9</b>	<b>59.9</b>	<b>57.9</b>	<b>60.0</b>	Large 2014 upward revision mainly due to increases in China and North America to meet strong demand and refill near-empty channel stocks. Shipments in 2015 are forecast at 58-60 mmt, with a point estimate of 59.0 mmt.