



# The Mosaic Company

Earnings Conference Call – 4th Quarter Fiscal 2012  
July 17th, 2012

Jim Prokopanko, President and Chief Executive Officer

Larry Stranghoener, Executive Vice President and Chief Financial Officer

Laura Gagnon, Vice President Investor Relations



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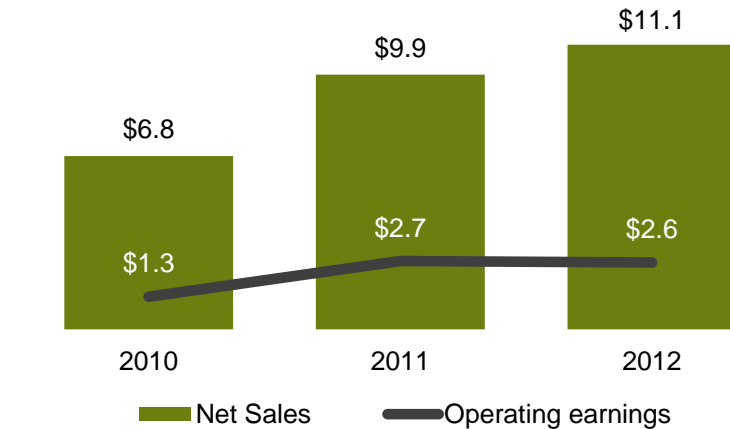


## Safe Harbor Statement

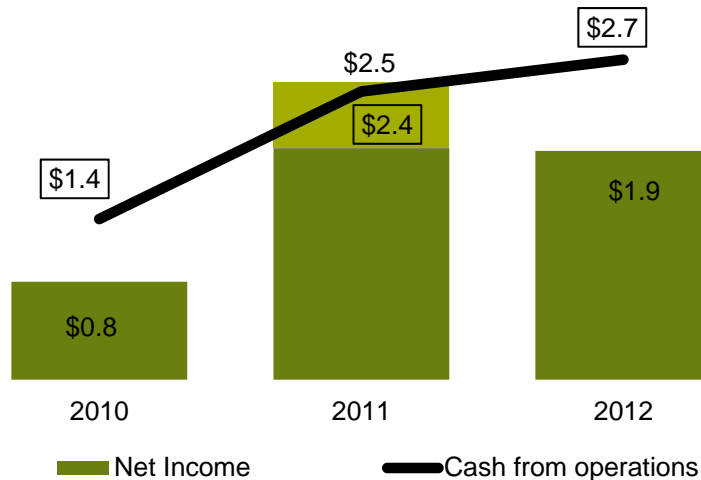
*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results. Such statements are based upon the current beliefs and expectations of The Mosaic Company's management and are subject to significant risks and uncertainties. These risks and uncertainties include but are not limited to 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; changes in government policy; changes in environmental and other governmental regulation, including greenhouse gas regulation, implementation of the U.S. Environmental Protection Agency's numeric water quality standards for the discharge of nutrients into Florida lakes and streams or possible efforts to reduce the flow of excess nutrients into the Gulf of Mexico; further developments in judicial or administrative proceedings; difficulties or delays in receiving, increased costs of or challenges to necessary governmental permits or approvals; or increased financial assurance requirements; the effectiveness of the Company's processes for managing its strategic priorities; adverse weather conditions affecting operations in Central Florida or the Gulf Coast of the United States, including potential hurricanes or excess rainfall; actual costs of various items differing from management's current estimates, including, among others, asset retirement, environmental remediation, reclamation or other environmental regulation, or Canadian resources taxes and royalties; accidents and other disruptions involving Mosaic's operations, including brine inflows at its Esterhazy, Saskatchewan potash mine and other 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.*



## Mosaic had an excellent year, despite macro challenges



Net Sales and Operating Earnings  
\$ in billions



Net Income and Operating Cash Flow  
\$ in billions

\*FY11 includes \$569 million gain from sale of Fosfertil

### DIVIDEND INCREASE

- 400% increase in targeted dividend since February
- \$1.00 per share

### MACRO CHALLENGES

- European uncertainty
- Distributor de-stocking
- Indian government subsidy change

### MOSAIC RESULTS

- Records set in FY 12
  - Highest Revenue
  - Highest Operating Cash Flow
- ROIC<sup>(1)</sup> of 15%
- >65% shareholder payout ratio



## A Year of Progress



- All-time best safety performance
- Operational efficiencies
- Expansion on plan



- Premium products
- Operational processes



- South Fort Meade resolution
- Potash Tolling agreement resolution
- Formation offering completed



- Debt restructure
- Share repurchase
- Dividend increase



# Financial Results Review

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## Performance Reflects Grower Demand

Consolidated	Q4 FY12	Q4 FY12 vs. Q4 FY11	Q4 FY12 vs. Q3 FY12
Revenue	\$2.8 billion	(1)%	29%
Gross Profit	\$834 million	(16)%	60%
Operating Cash Flow	\$1.2 billion	28%	208%

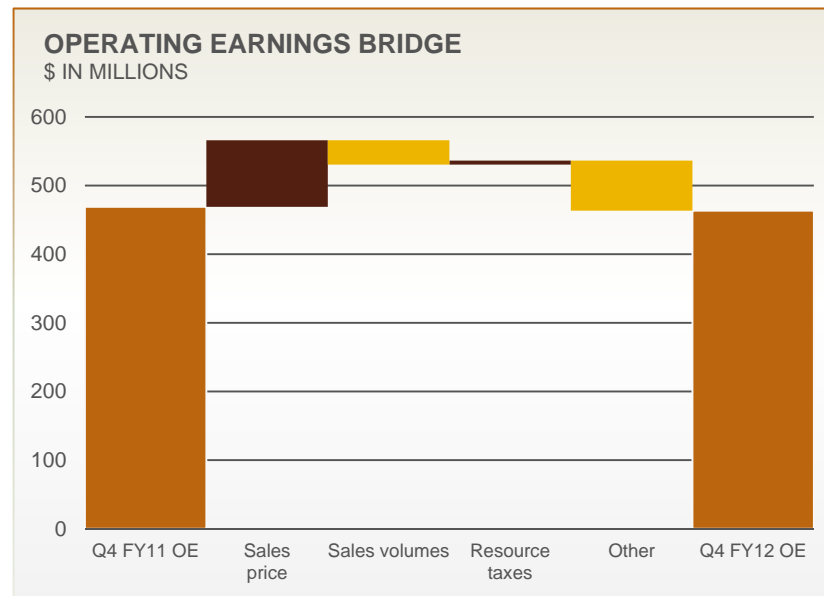


## Earnings

Reported Earnings (\$ in million except per share)	Q4 FY12
Earnings Before Taxes	\$689
Net Earnings	\$507
Earnings per share (diluted)	\$1.19
Impact of Notable Items	\$(0.06)

# Potash Segment Highlights

In millions, except MOP price	Q4 FY12	Q3 FY12	Q4 FY11
Net sales	\$1,037	\$553	\$982
Gross Margin	\$514	\$270	\$516
Percent of net sales	50%	49%	53%
Operating earnings	\$464	\$234	\$469
Sales volumes	2.0	1.1	2.2
Production volume	1.9	1.8	2.2
Production operating rate	85%	79%	95%
Avg MOP selling price	\$455	\$453	\$404



## Fourth quarter highlights:

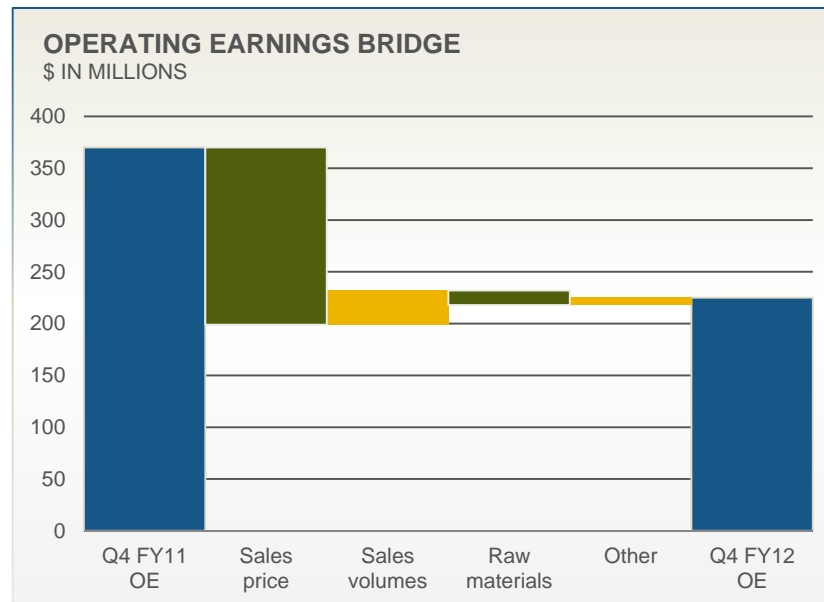
- Volumes and prices reflect long North American spring season offset by limited dealer restocking
  - Sales volumes negatively impacted by Canadian rail strike – approximately 100,000 tonnes (timing issue)
- Operating rates increased later in the quarter to prepare for normal summer maintenance
  - Mosaic inventory levels are primarily standard grades, while blend grades remains limited
- Gross margins were impacted by increased brine management expenses, mark-to-market on derivatives and higher depreciation





# Phosphates Segment Highlights

In millions, except DAP price	Q4 FY12	Q3 FY12	Q4 FY11
Net sales	\$1,789	\$1,652	\$1,882
Gross Margin	\$322	\$259	\$479
Percent of net sales	18%	16%	25%
Operating earnings	\$224	\$190	\$370
Sales volumes	2.9	2.6	2.8
NA production volume <sup>(a)</sup>	2.1	2.0	2.1
Finished product operating rate	86%	81%	86%
Avg DAP selling price	\$494	\$536	\$574



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

## Fourth quarter highlights:

- Average realized price declined, with upward trends during the quarter
- Very strong volumes, with shipments to South and Central America replacing Indian sales
- North America sales included summer fill volumes
- Margins exceeded guidance due to intra-quarter demand-driven price increases
- Operating earnings includes an asset retirement obligation adjustment of \$21 million



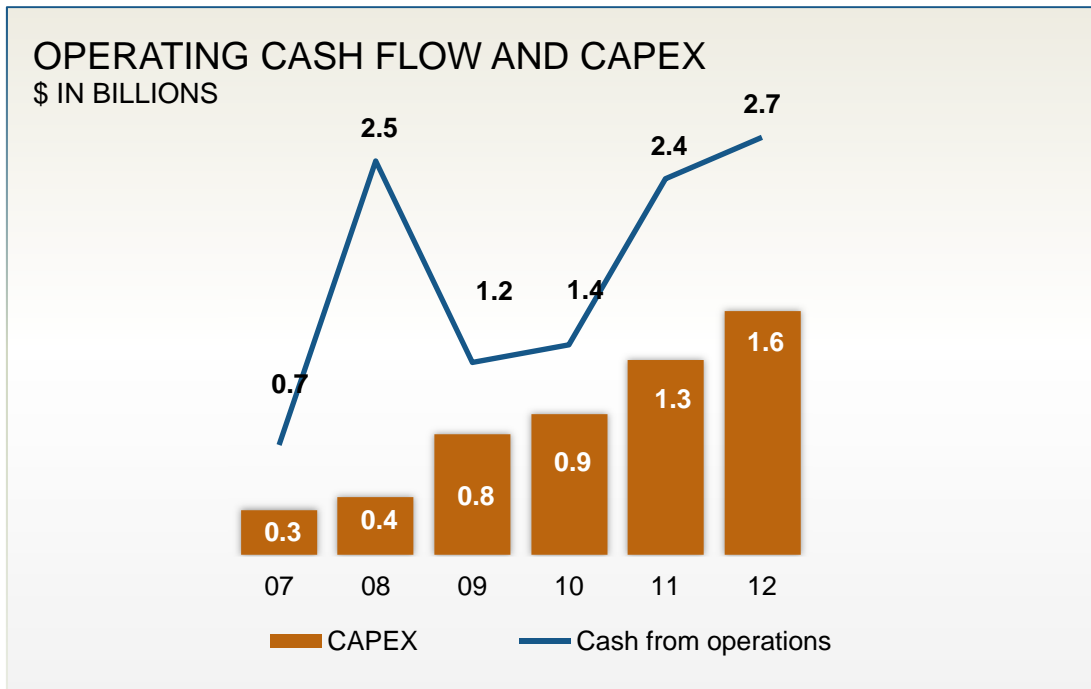
## Financial Guidance Summary

Category	Guidance – Fiscal 2013
Potash	Q1 Sales volume 1.8 – 2.2 million tonnes Q1 MOP selling price \$415 – \$440 per tonne Q1 Operating rate above 70 percent
Phosphates	Q1 Sales volume 2.5 – 2.8 million tonnes Q1 DAP selling price \$510 - \$535 per tonne Q1 Operating rate above 75 percent
Capital Expenditures	\$1.5 - \$1.8 billion
Canadian Resource Taxes and Royalties	\$320 – \$380 million
SG&A	\$420 – \$445 million
Effective Tax Rate	Upper 20 percent range

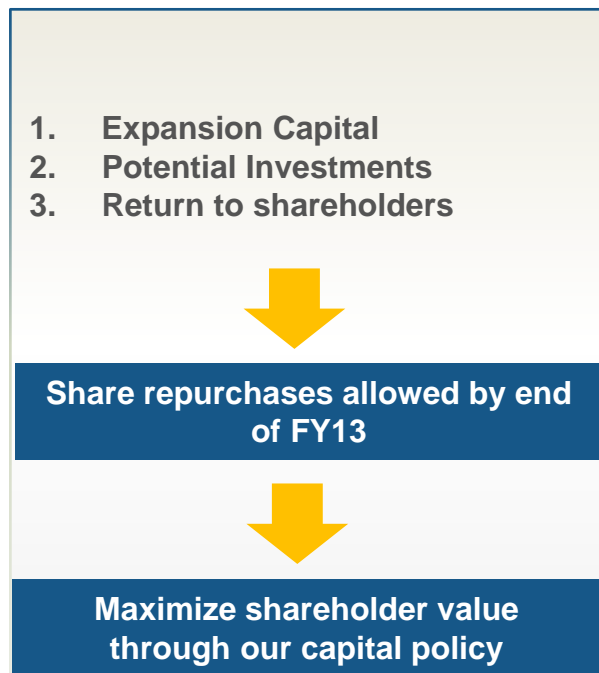




## Disciplined Capital Allocation



### CAPITAL MANAGEMENT



We are confident in our ability to generate significant cash for investment in our business and shareholder distributions.



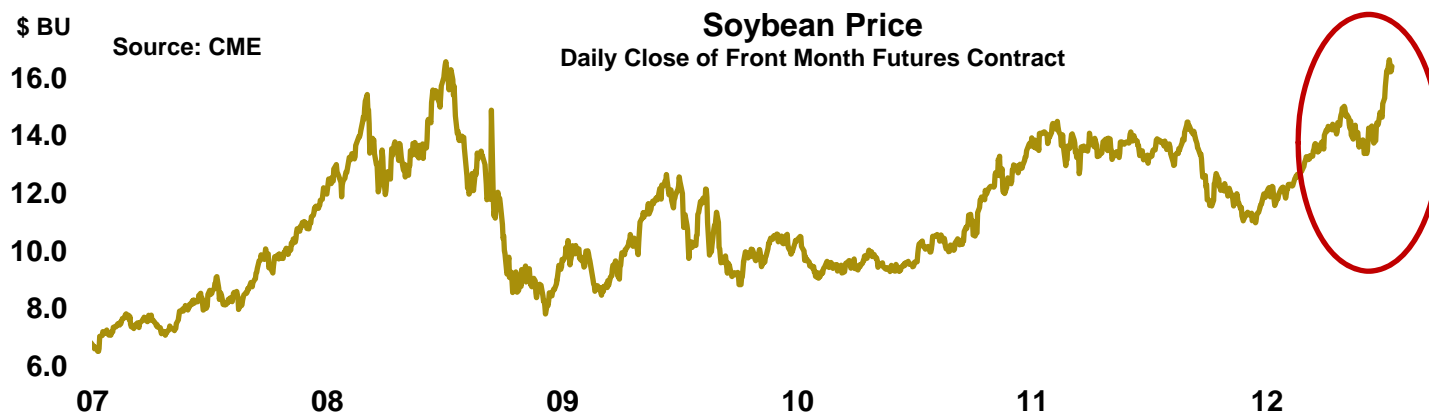
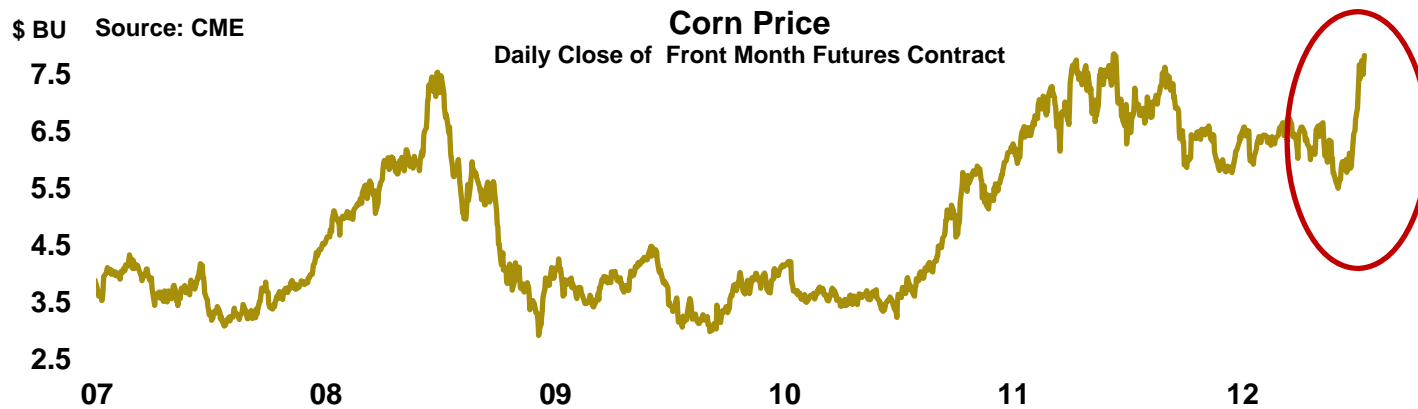
# Fiscal FY13 Outlook

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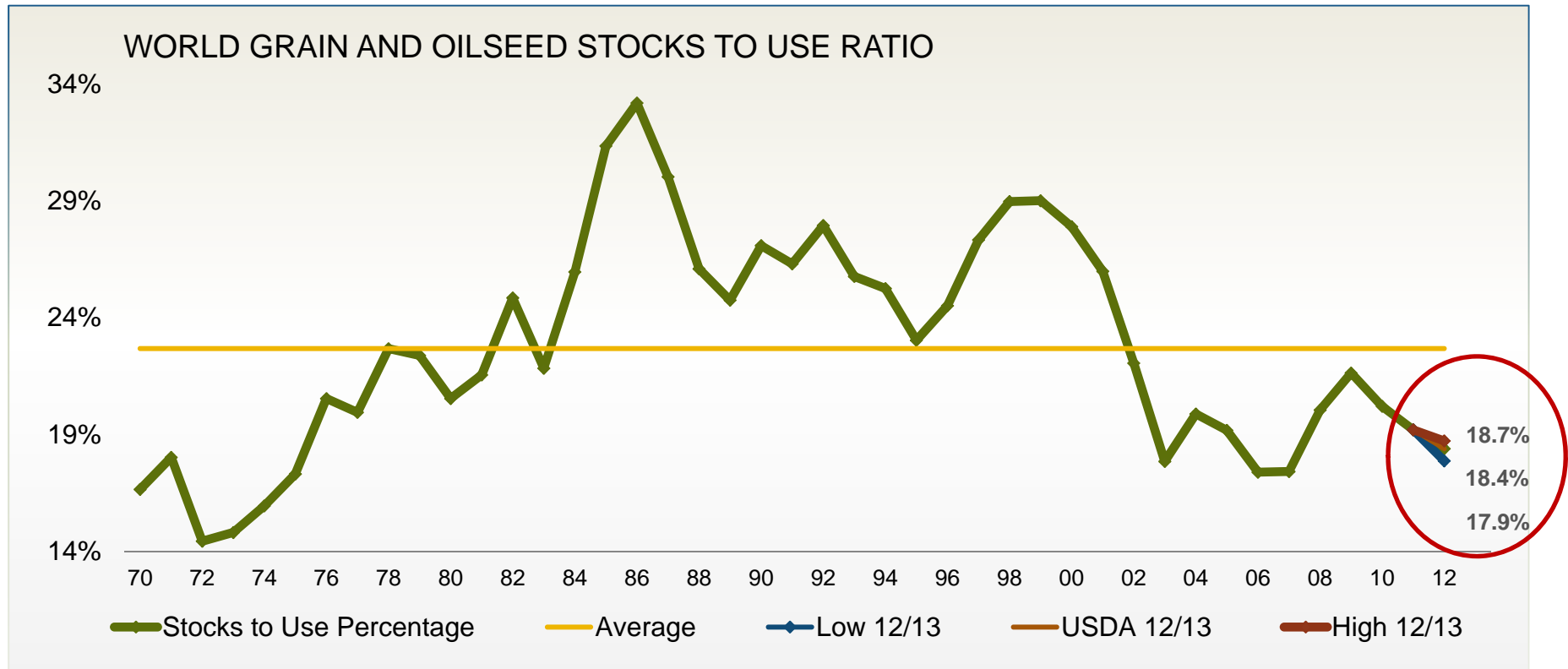




## Recent commodity price jumps highlight delicate nature of global food security



## Global stock to use below historical average



### 2012/13 Grain and Oilseed Scenario Assumptions

	Low	USDA	High
Harvested Area Change	1.35%	1.35%	1.35%
Yield Deviation from Trend *	-0.08	-0.06	-0.04
Demand Growth	1.43%	1.63%	1.83%

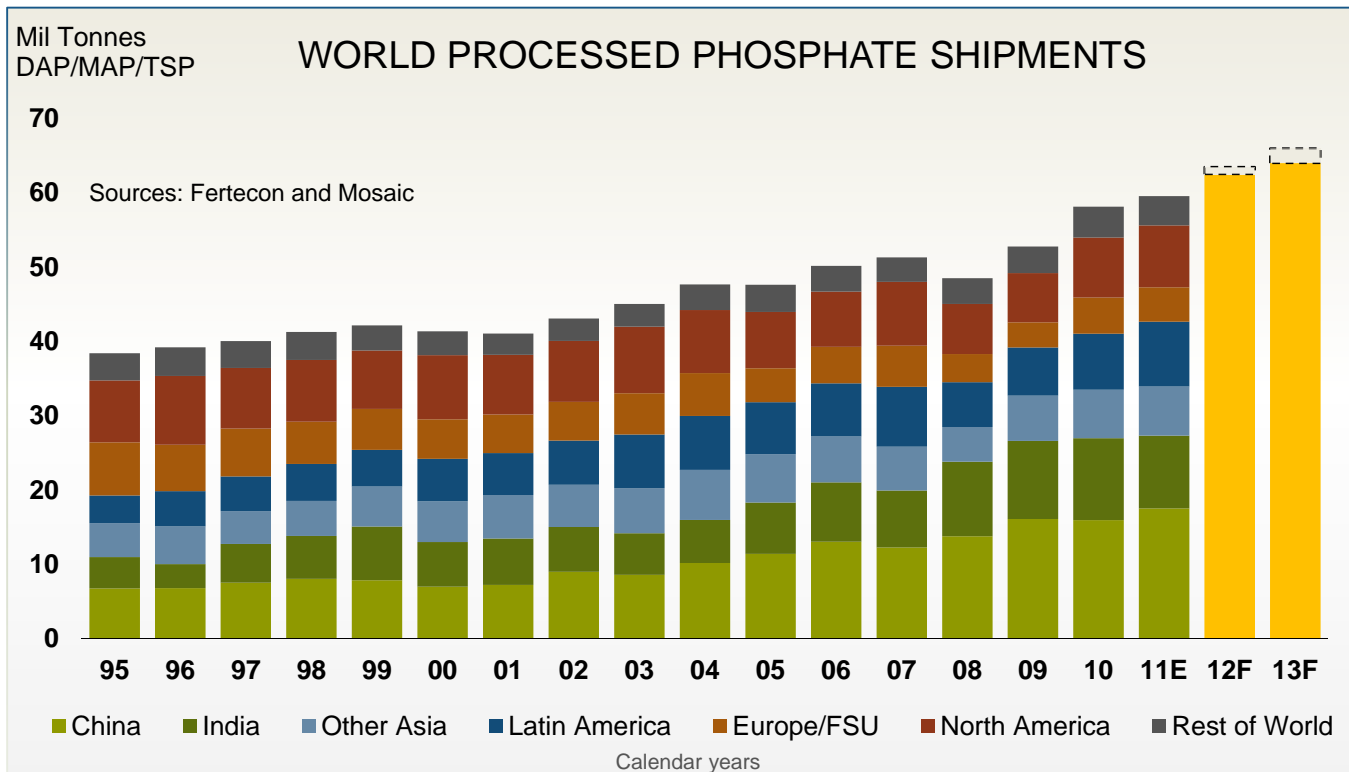
\* Largest deviation from the 12-year trend 2000-2011 in MT HA

Source: USDA and Mosaic





# Phosphates: A tight market



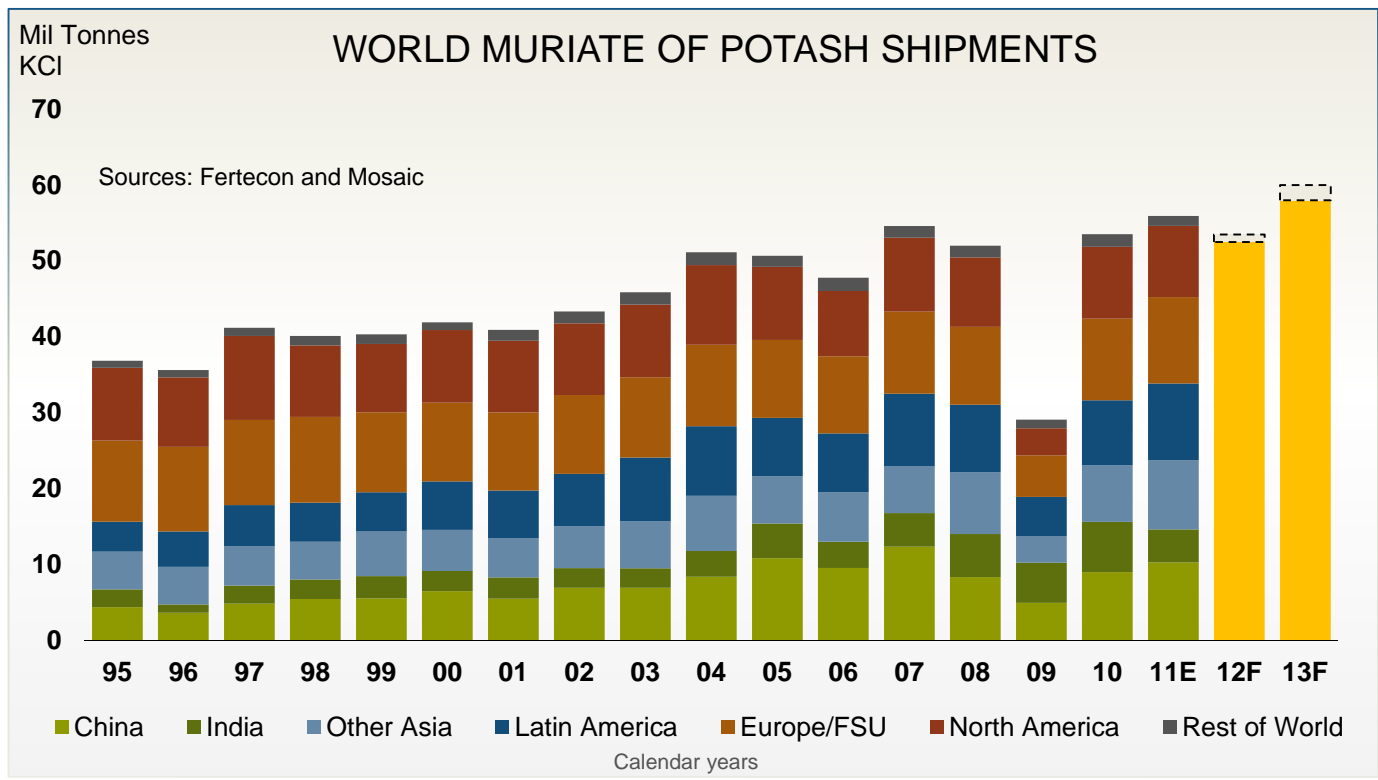
### INDUSTRY DYNAMICS

- Supply uncertainty
- Low inventories

### MOSAIC STRENGTHS

- Mine productivity
- Ammonia manufacturing
- Premium products

# Potash: Stable



### INDUSTRY DYNAMICS

- Uncertain Indian demand
- Growing emerging markets
- Muted dealer sentiment
- Low natural gas prices

### MOSAIC STRENGTHS

- Tolling agreement benefit
- New capacity online
- Solution mining







# The Mosaic Company

Thank you

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

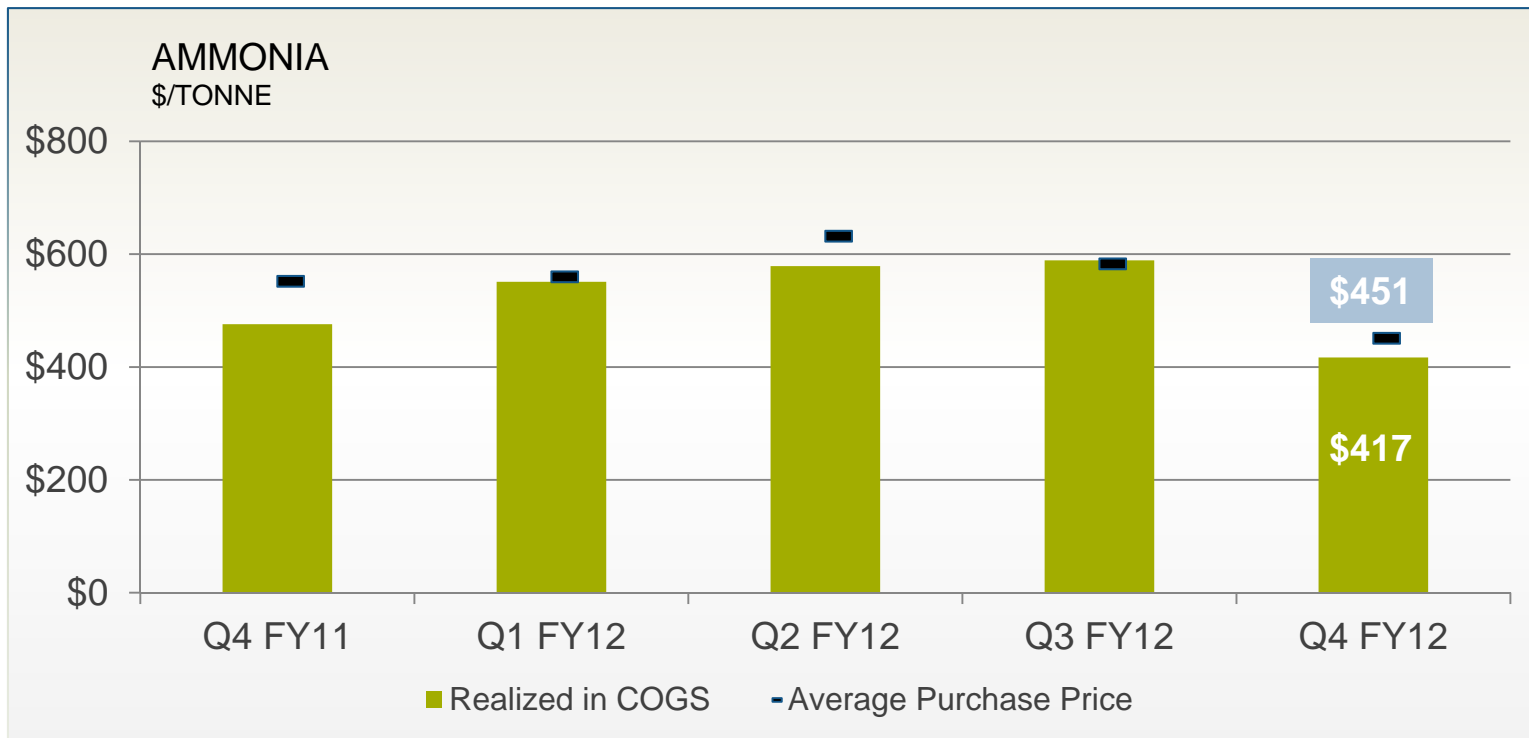
	FY12 Actual	Change	FY12 Margin % Actual	% Impact on Segment Margin	Pre-Tax Impact	EPS Impact
<b>Marketing</b>						
MOP Price (\$/tonne) (b)	\$448	\$50	49.1%	9.0%	\$299	\$0.50
Potash Volume (million metric tonnes)	6.7	500	49.1%	4.8%	\$158	\$0.26
DAP Price (\$/tonne)	\$555	\$50	18.7%	6.1%	\$474	\$0.79
Phosphate Volume (million metric tonnes)	11.8	500	18.7%	1.2%	\$91	\$0.15
<b>Raw Materials</b>						
Sulfur (\$/lt)	\$223	\$50	18.7%	2.2%	\$173	\$0.29
Ammonia (\$/tonne)	\$528	\$50	18.7%	1.3%	\$104	\$0.17

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

(b) assumes no change to KMAG pricing



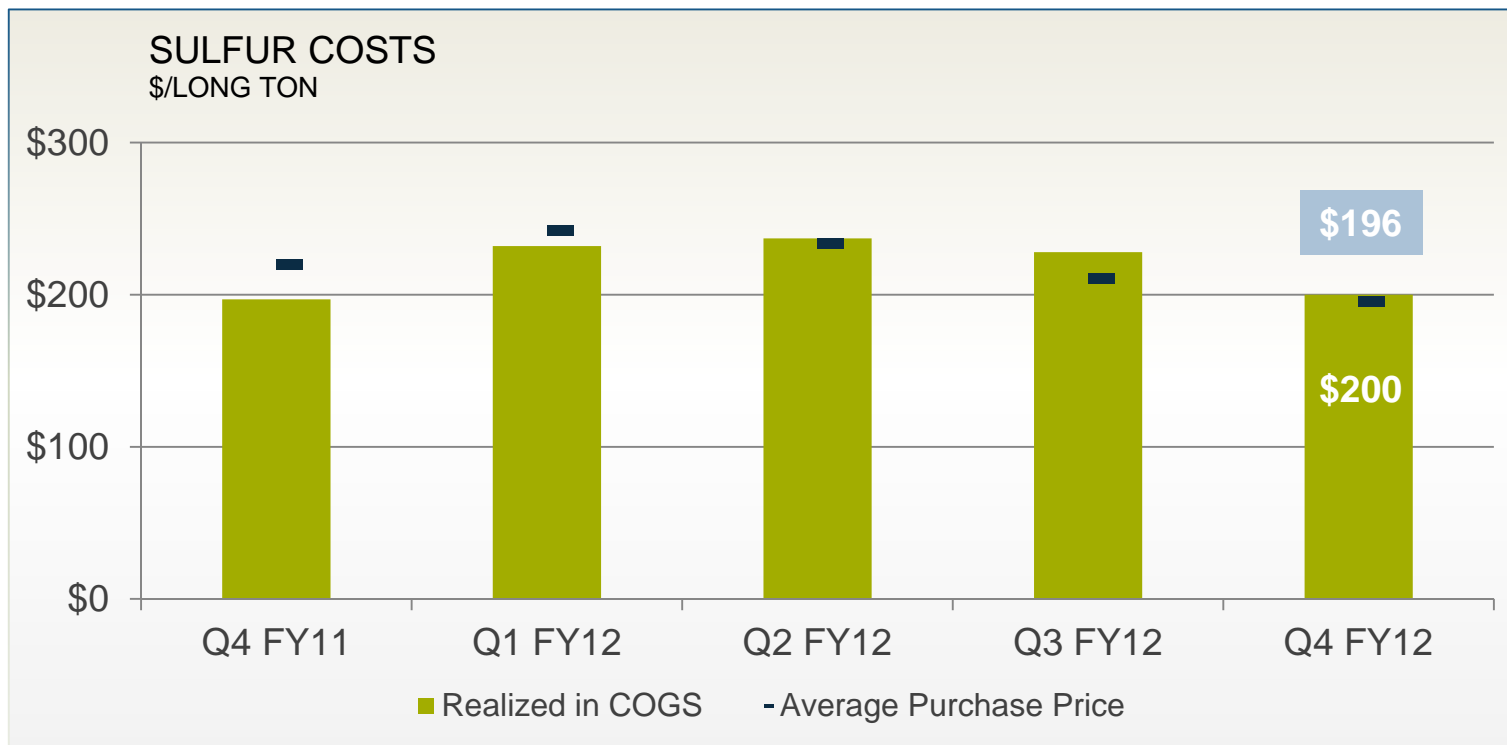
# Phosphate Raw Material Costs



Realized costs of raw materials in COGS lag spot prices by approximately 3 months. Realized ammonia costs, in most periods shown, include a benefit of our manufacture of ammonia at Faustina.



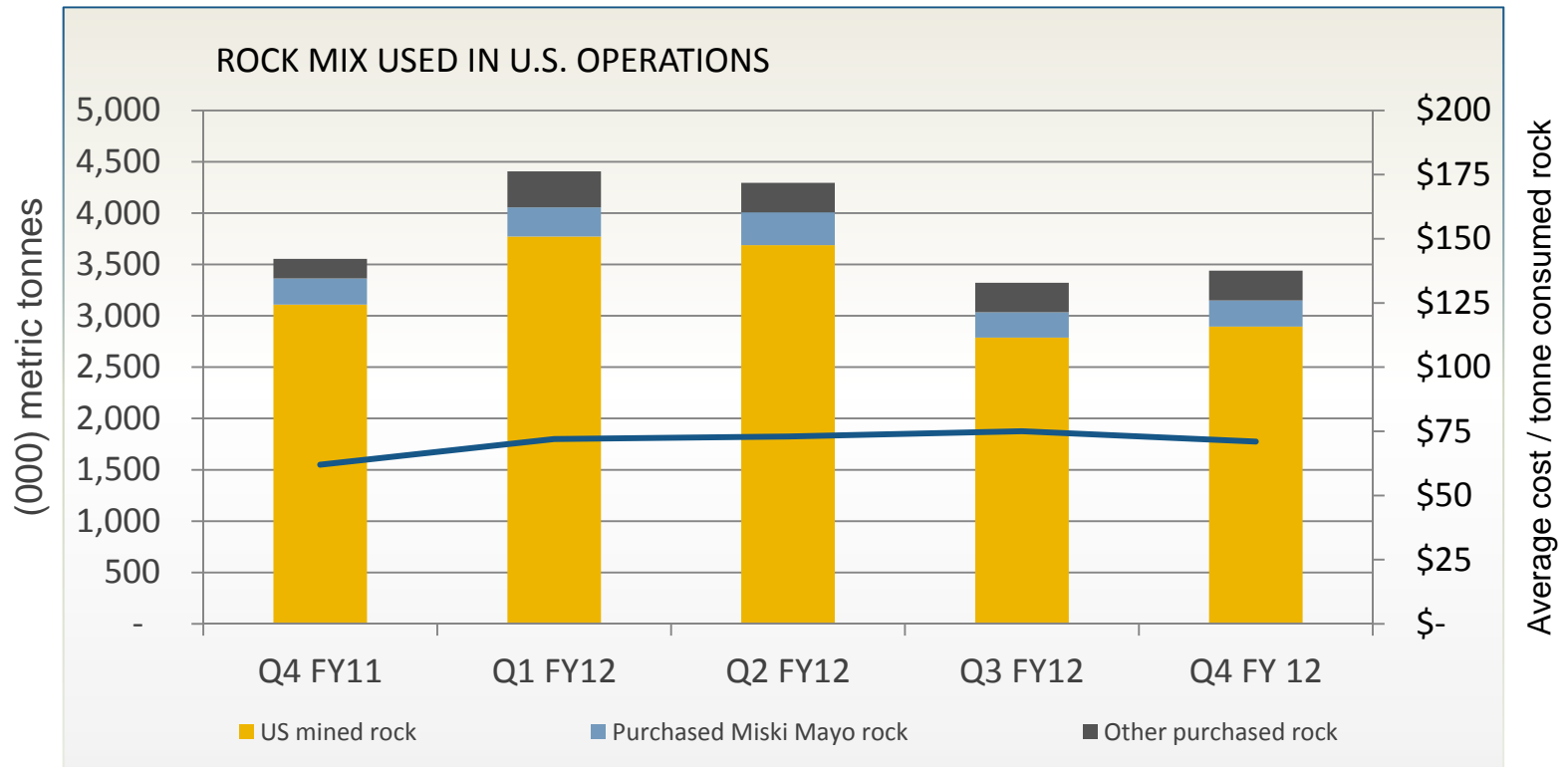
# Phosphate Raw Material Costs



Realized costs of raw materials in COGS lag spot prices by approximately 3 months. Sulfur realized prices include storage, conversion and transformation costs of \$10 - \$15 / ton.



# Phosphate Rock Sourcing



## Canadian Resource Taxes and Royalties

In millions	FY12 ACTUAL
Sales	\$3,302
Combined Royalty & Surcharge Rate	4.0%
Royalty & Surcharge	<u>132</u>
Potash Segment GM before CRT	1,950
Add back Depreciation	234
Subtract Capex	<u>1,171</u>
Estimated Taxable Profit	<u>1,012</u>
Estimate Profit Tax: 15% and 20% of taxable profit	
@ 15%	152
@ 20%	202
Total CRT (Royalty & Surcharge + Profit Tax)	
@ 15%	284
@ 20%	335
<b>Compare to actual Resource Tax &amp; Royalties</b>	<b>328</b>



## ROIC Reconciliation

(\$ in millions)	FY2011 Actual <u>Q4</u>	FY2012 Actual <u>Q1</u>	FY2012 Actual <u>Q2</u>	FY2012 Actual <u>Q3</u>	FY2012 Actual <u>Q4</u>
Operating Profit		729.6	797.0	413.7	670.8
Taxes		205.1	230.7	87.0	188.6
Equity Earnings		1.8	0.9	4.2	6.4
NOPAT		526.3	567.2	330.9	488.6
<b>NOPAT - Trailing 4 Quarters</b>					<b>1,913.0</b>
	<u>May-11</u>	<u>Aug-11</u>	<u>Nov-11</u>	<u>Feb-12</u>	<u>May-12</u>
Invested Capital: <sup>1</sup>					
Total assets	15,786.9	16,180.8	15,802.3	15,936.7	16,690.4
Accounts payable	(941.1)	(903.1)	(853.6)	(800.5)	(912.4)
Accrued liabilities	(843.6)	(723.0)	(635.1)	(657.9)	(899.9)
Deferred income taxes - current	(72.2)	(70.1)	(68.2)	(73.7)	(62.4)
Deferred income taxes - noncurrent	(580.1)	(579.7)	(589.4)	(611.2)	(787.9)
Other noncurrent liabilities	(855.1)	(841.1)	(785.1)	(869.8)	(975.4)
Total Invested Capital	12,494.8	13,063.8	12,870.9	12,923.6	13,052.4
<b>Invested Capital - 5 Quarter Average</b>	<b>11,290.9</b>	<b>11,885.2</b>	<b>12,381.2</b>	<b>12,649.9</b>	<b>12,881.1</b>
<b>ROIC (including goodwill)</b>					<b>14.9%</b>

We have presented ROIC, which is a non-GAAP financial measure. Generally, non-GAAP financial measures are supplemental numerical measures of a company's performance, financial position or cash flows that either exclude or include amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with U.S. generally accepted accounting principles ("GAAP"). ROIC is not a measure of financial performance under GAAP. Because not all companies use identical calculations, our calculation of ROIC may not be comparable to other similarly titled measures presented by other companies. In evaluating this measure, investors should consider that our methodology in calculating such measures may differ from that used by other companies. We consider ROIC to be a meaningful indicator of how effectively a company is investing its capital and deploying its assets."

