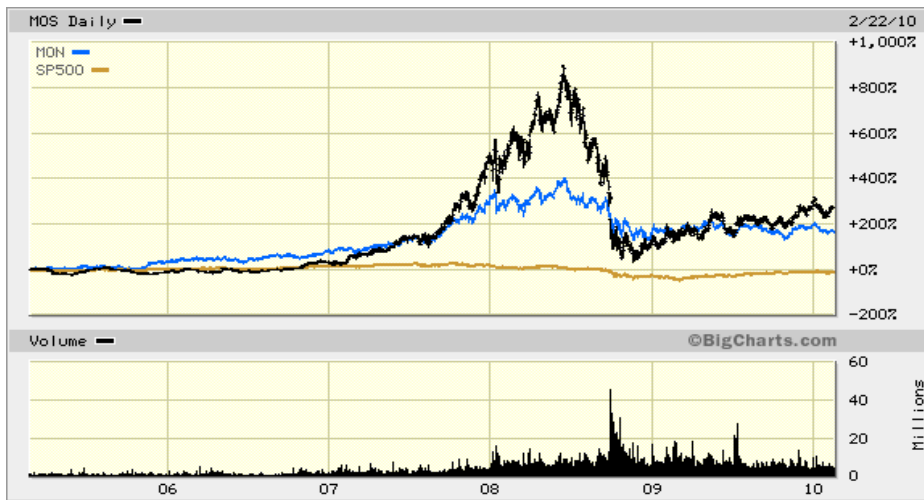


Mosaic Co. (MOS) 2/22/10

MOS operates in the production and distribution of phosphate and potash as agricultural fertilizers. The company has about a 10% global market share of potash and phosphate sales. MOS is a subsidiary of Cargill, was founded in 2004 and is headquartered in Plymouth, Minnesota.

Current Price	\$60.68
52 Week High	\$68.28
52 Week Low	\$35.75
One Yr Target	n/a
Market Cap (in billions)	\$27.01
P/E (Trailing)	65.39
P/E(1 Yr Forward)	15.40
P/E/G	2.71
ROA	3.31%
ROE	5.15%
EPS	\$0.93
Beta	1.78
Annualized Dividend	\$0.20
Dividend Yield	0.33%
Analyst Consensus	2.60
Debt to Equity	1.19



Annual EPS

2006	-\$0.31	
2007	\$0.95	405.74%
2008	\$4.69	392.78%
2009	\$5.29	12.69%
ttm	\$0.93	-82.45%

Annual Revenue (in millions)

2006	\$5,305.80	
2007	\$5,773.70	8.82%
2008	\$9,812.60	69.95%
2009	\$10,298.00	4.95%

Annual Net Income (in millions)

2006	-\$121.40	
2007	\$419.70	445.72%
2008	\$2,082.80	396.26%
2009	\$2,350.20	12.84%

Free Cash Flows (in millions)

2006	-\$110.00	
2007	\$415.80	478.00%
2008	\$2,174.50	422.97%
2009	\$461.50	-78.78%

Required Rate of Return

15.54%

Dividend Growth Model

Present Value of 2015 Price	\$1.70
Holding Period Return (5 years)	-34.23%

Expected Annualized Return Model

Present Value of 2015 Price	\$68.46
Holding Period Return (5 years)	2.08%

Residual Income Model

Intrinsic Stock Price	\$60.91
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Analysis

Positives

Decent financial ratios, nice low Debt levels

Negatives

Valuations of the P/E and PEG ratios make the stock price look high

Financial Statements

Income Statement shows great revenue growth and great margins

Balance Sheet is good with reducing levels of Debt and growing Retained Earnings

Cash Flows show growing Operating Cash and little worry about Capital Expenditures

Industry Analysis

The Ag Chemicals industry has had a good run lately and should continue to do well

MOS's financial ratios are not as strong as some competitors

Summary

MOS is a decently run company and operates in an intriguing industry. Its financial ratios are a bit on the weak side but its financial statements are pretty strong overall and seem to be accelerating. MOS has a nice share of the global market for commercial fertilizers and the industry as a whole is dominated by a few large companies. This in turn helps to explain and lead MOS's high margins. Factors effecting MOS's revenue include gas prices (positive relationship), food prices (positive relationship), and biofuels (positive). The EAR and RI valuation models say that the current stock price is about fairly valued, and this seems to be the case. MOS is not a buy and if one is inclined to have an Ag Chemicals stock we suggest a company like AGU or MON.