



Experience growth.

K+S Group
Q3/14 Results

13 November 2014

Dr. Burkhard Lohr, CFO

→ Group

- Another solid quarter with EBIT I of € 134 million driven by positive pricing in both business units and cost discipline across the entire group

→ Potash and Magnesium Products

- Recovery of prices and lower costs
- Legacy well on track

→ Salt

- Encouraging pre-season volumes in North America

→ Fit for the Future

- 70% of intended savings for 2014 achieved

EBIT I above last year

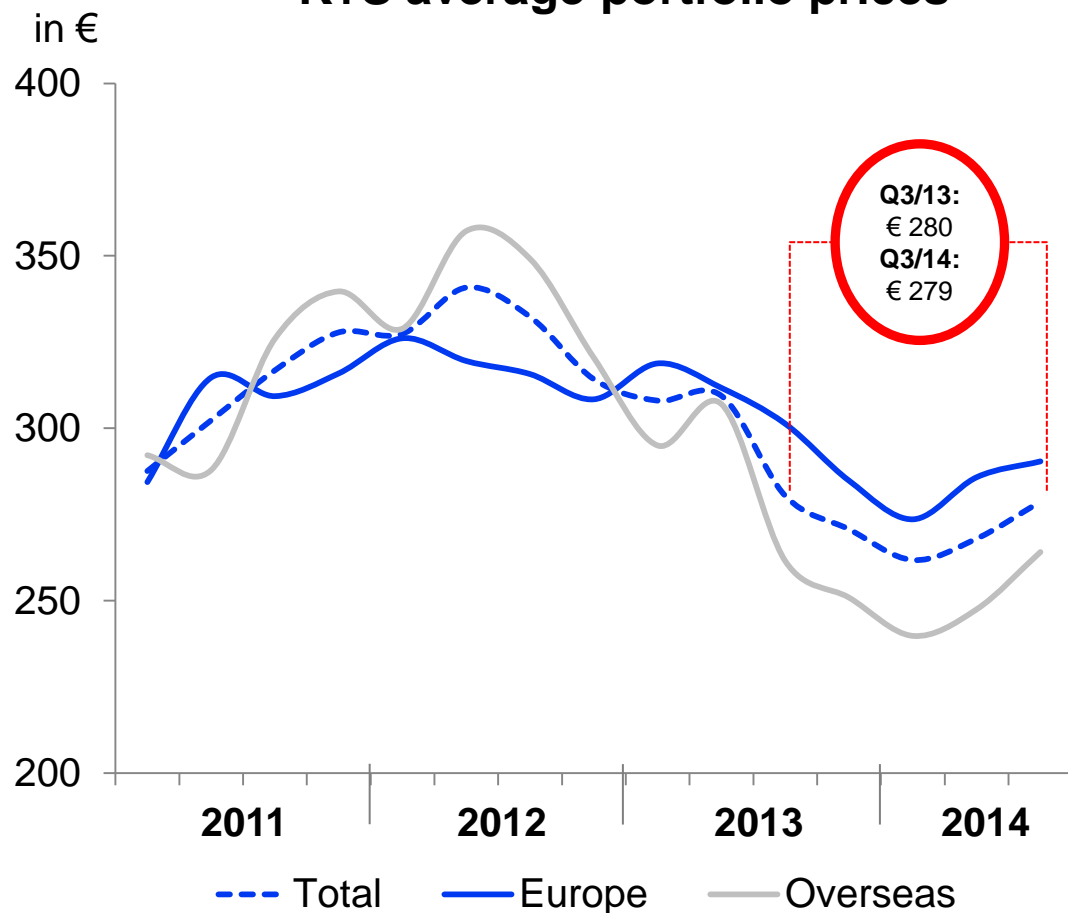
€ million	Q3/13	Q3/14	YoY	
Revenues	818	827	+1%	→ Higher revenues in Salt due to encouraging pre-season volumes
EBITDA	176	187		
D&A	-60	-53		
EBIT I	116	134	+16%	
t/o insurance claim	-	6		
EBIT I w/o insurance gain	116	128	+10%	→ Driven by positive pricing in both business units and cost discipline across the entire group
<i>Margin</i>	<i>14%</i>	<i>15%</i>		
Financial result	-21	-24		
EBT, adjusted	95	110	+17%	
Tax rate, adjusted	24%	31%		→ Increase mainly due to higher EBT portion of Potash and Magnesium Products (earnings in Germany) and tax reform in Chile
Net income, adjusted	72	76	+6%	
EPS, adjusted	0,37	0,40		

The adjusted key figures only include operating forecast hedges of the respective reporting period in EBIT I. In addition, related effects on deferred and cash taxes are also excluded.

Solid cash flow – CapEx increased as planned

€ million	9M/13	9M/14	YoY	
Operating cash flow (pre funding plan assets)	631	629	-	→ Down-payment of € 20 million from insurance gain in Q3/14 received
- Investing cash flow (pre sale/ purchase of securities)	-458	-646	-	
Adjusted free cash flow	173	-17	-	→ Free cash flow decreased due to CapEx mainly for the Legacy Project
CapEx	489	731	+50%	
Financing cash flow	-271	-793	-	→ Financing cash flow: repayment of € 750 million bond in September
	31/12/13	30/09/14		
Net debt	-1,037	-1,305		→ Net debt increased along with higher CapEx and adjustment of interest rates on mining provisions in Q2/14
t/o Net financial debt (-)	-190	-275		

K+S average portfolio prices



→ Market

- Brazil: Continued good demand with prices tending higher
- Europe: Low season with prices remaining stable
- South East Asia: competitive pressure easing

→ K+S product portfolio

- Europe remained in good shape
- Overseas benefiting from improved pricing trends
- Strength of specialties continued

Prices in USD converted into Euro with quarterly average fx-rates.

Potash and Magnesium Products

Business unit performance



Costs per tonne remained at a low level, despite seasonal uptick

€ million	Q3/13	Q3/14	YoY
Revenues	457	451	-1%
EBIT I	107	111	+4%
t/o insurance claim	-	4	
EBIT I w/o insurance gain	107	107	-
<i>Margin</i>	23%	24%	
t/o Legacy OpEx	-6	-10	
Average selling price (€/t)	280	279	-
Sales volumes (million tonnes)	1.63	1.62	-

→ Positive price trends and continued cost discipline

→ Sequential improvement continued

→ Balanced regional split

€/tonne ^(1,2)	Q3/13	FY/13	Q3/14	LTM
Costs per tonne	215	214	212	206
Excl. Legacy	211	211	206	202

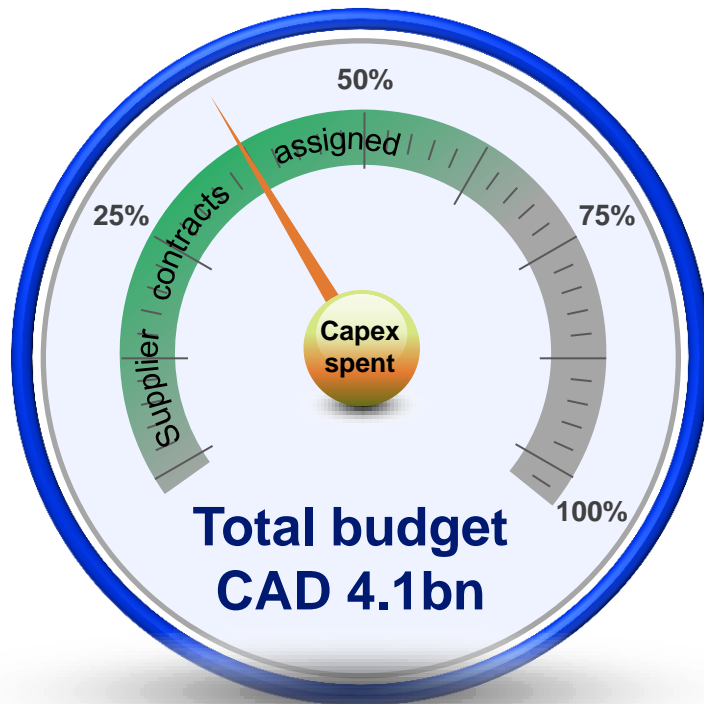
→ Improvement mainly due to lower energy costs and positive effects of 'Fit for the Future'

⁽¹⁾ (Revenues – EBIT)/ Sales volumes ⁽²⁾ Excl. insurance gain

Potash and Magnesium Products Status Legacy Project



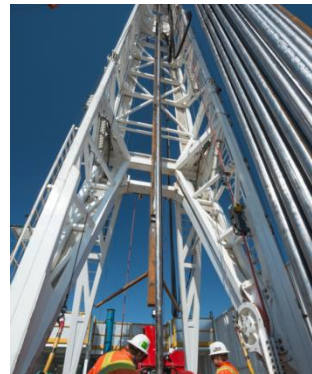
On track for commissioning in summer 2016



Legacy site (September 2014)



Off-load drum dryer at Legacy site



Test cavern connected -
90 drill holes and cavern
development facilities
completed



Pre-assembly vessels ECC started (on site)

Salt Business unit performance



Good EBIT I driven by cost discipline

€ million	Q3/13	Q3/14	YoY	
Revenues	321	335	+4%	
EBIT I	9	25	>100%	→ Early buying mainly in North America and cost reduction efforts
<i>Margin</i>	3%	7%		
<hr/>				
Sales volumes (million tonnes)	3.6	3.9	+8%	
De-icing	1.4	1.6	+14%	→ First early fills in North America
Non de-icing	2.2	2.3	+5%	
<hr/>				
Average selling prices (€)				
De-icing	51.9	51.8	-	→ Improving North American prices offset by regional mix in Europe
Non de-icing	104.4	104.1	-	

K+S Group Guidance FY 2014



	FY 2014	Versus prev. guidance	FY 2013
Potash and Magnesium Products			
Global sales volumes	62 million tonnes ⁽¹⁾	↑	59 million tonnes ⁽¹⁾
K+S sales volumes	At 2013 levels	→	6.9 million tonnes
Average selling price	Moderate decline	↑	€ 293.8
Salt			
K+S sales volumes	Moderate increase	↑	22.8 million tonnes
t/o de-icing	Good 14 million	↑	13.8 million tonnes
Group			
Revenues	€ 3.7–3.9 billion	↑	€ 3.95 billion
EBITDA	€ 820-880 million ⁽²⁾	↑	€ 907 million
EBIT I	€ 580–640 million⁽²⁾	↑	€ 656 million
Capex	~ € 1.1 billion	→	€ 0.7 billion

¹⁾ Incl. ~3 million tonnes of potassium sulphate and potash grades with lower mineral content ⁽²⁾ Incl. insurance gain of € 36 million

This presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates made on the basis of all the information available to us at this point. Should the assumptions underlying these forecasts prove not to be correct or should certain risks materialise, such as those referred to in the Risk Report, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements, with the exception of disclosures required by the provisions of statute.



Experience growth.

K+S Group
Q3/14 Results

13 November 2014

Dr. Burkhard Lohr, CFO