

K+S Q2/14 FACTS & FIGURES

Q2/14 HIGHLIGHTS

- + Good demand continues in the Potash and Magnesium Products business unit
- + Prices for potash fertilizers stabilise on a low level
- + Salt business stable
- + At € 786 million, quarterly revenues down tangibly on a year ago
- + EBIT I at € 157 million; special item of approx. € 30 million
- + Good progress on “Fit for the Future”

OUTLOOK 2014

- + Revenues should amount to between € 3.65 billion and € 3.85 billion
 - + For EBITDA a range of € 770 million to € 850 million and EBIT I of € 490 million to € 570 million (including special item)
- Underlying assumptions:
- + **Potash and Magnesium Products**
 - + Sales volumes of about 60 million tonnes globally
 - + A tangible decline in average prices YoY
 - + **Salt** sales volumes slightly above the level of 2013, there-of a good 14 million tonnes of de-icing salt

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)

		Q2/14	Q2/13	%	Consensus Q2/14 ¹	H1/14	H1/13	%
Revenues	€ million	785.7	874.5	-10.2	797.9	1,974.7	2,154.8	-8.4
– thereof Potash and Magnesium Products business unit	€ million	461.1	548.3	-15.9	473.0	968.5	1,173.8	-17.5
– thereof Salt business unit	€ million	287.2	285.2	+0.7	287.0	928.2	899.7	+3.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	223.5	227.0	-1.5	167.7	503.3	563.3	-10.7
– thereof Potash and Magnesium Products business unit	€ million	196.4	209.8	-6.4	141.5	361.9	445.8	-18.8
– thereof Salt business unit	€ million	26.4	18.6	+41.9	27.2	140.1	118.8	+17.9
Operating earnings (EBIT I)	€ million	157.3	162.6	-3.3	104.0	376.9	440.5	-14.4
– thereof Potash and Magnesium Products business unit	€ million	159.2	182.0	-12.5	110.6	293.6	391.2	-24.9
– thereof Salt business unit	€ million	1.7	-13.5	-	-2.3	90.8	59.6	+52.3
EBIT I-margin	%	20.0	18.6	-	13.0	19.1	20.4	-
– thereof Potash and Magnesium Products business unit	%	34.5	33.2	-	23.4	30.3	33.3	-
– thereof Salt business unit	%	0.6	-4.7	-	-0.8	9.8	6.6	-
Group earnings from continued operations, adjusted²	€ million	81.1	105.9	-23.4	58.7	222.6	296.1	-24.8
Earnings per share from continued operations, adjusted²	€	0.42	0.56	-25.0	0.31	1.16	1.55	-25.2
Capital expenditure ³	€ million	271.6	191.3	+42.0	-	436.2	302.1	+44.4
Depreciation and amortisation ³	€ million	66.2	64.4	+2.8	-	126.4	122.8	+2.9
Operating cash flow	€ million	137.1	230.1	-40.4	-	516.4	544.1	-5.1
Free cash flow	€ million	14.7	198.8	-92.6	-	-346.9	333.6	-
Free cash flow, adjusted^{4,5}	€ million	-46.4	68.3	-	-	157.2	280.5	-44.0
Net debt as of 30 June	€ million	-	-	-	-	1,098.2	791.1	+38.8
Net debt/EBITDA (LTM)		-	-	-	-	1.3	0.8	-
Equity ratio	%	-	-	-	-	45.6	52.5	-13.0
Return on Capital Employed (LTM) ⁶	%	-	-	-	-	13.4	18.7	-
Book value per share as of 30 June	€	-	-	-	-	18.68	17.86	+4.6
Average number of shares	million	191.40	191.40	-	-	191.40	191.40	-
Employees as of 30 June ⁷	number	-	-	-	-	14,248	14,255	-
Market capitalisation as of 30 June	€ billion	-	-	-	-	4.6	5.4	-15.5
Enterprise Value as of 30 June	€ billion	-	-	-	-	5.7	6.2	-8.6

¹ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 18 July 2014; 18 analysts participated.

² The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollar (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate for Q2/14: 28.6 % (Q2/13: 28.5 %).

³ Capital expenditure in or depreciation on property, plant and equipment, intangible assets and investment properties as well as depreciation on financial assets.

⁴ Without out-financing of pension obligations in the amount of €- 3.0 million in Q2/14 (Q2/13: €- 4.2 million); €- 3.4 million in H1/14 (H1/13: €- 10.0 million)

⁵ Without purchases/disposals of securities and other financial investments in the amount of €+64.1 million net in Q2/14 (Q2/13: € 134.7 million); €- 500.7 million net in H1/14 (H1/13: € 63.1 million)

⁶ Return on capital employed of the last twelve months as of 30 June

⁷ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

Forward-looking statements

This document contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the recent Risk Report – materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements contained in this document.

K+S Q2/14 FACTS & FIGURES

BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹										
		Q1/13	Q2/13	H1/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	H1/14
Revenues	€ million	625.5	548.3	1,173.8	456.7	407.1	2,037.6	507.4	461.1	968.5
Europe	€ million	354.4	276.3	630.7	233.1	250.1	1,113.9	347.5	263.6	611.1
Overseas	US\$ million	358.0	355.3	713.3	296.5	216.9	1,226.7	219.0	270.8	489.8
Sales volumes	t eff. million	2.03	1.77	3.80	1.63	1.51	6.94	1.94	1.72	3.66
Europe	t eff. million	1.11	0.89	2.00	0.77	0.88	3.65	1.27	0.92	2.19
Overseas	t eff. million	0.92	0.88	1.80	0.86	0.63	3.29	0.67	0.80	1.47
Average prices	€/t eff.	308.0	309.4	308.6	280.4	270.7	293.8	261.8	268.1	264.7
Europe	€/t eff.	318.8	311.7	315.7	301.3	284.8	305.2	273.3	285.8	278.6
Overseas	US\$/t eff.	389.5	401.0	395.2	346.3	346.8	373.3	328.5	339.3	334.4

- + Mainly due to price factors, revenues for the Q2 were down significantly on the figure of a year ago
- + Sales volumes for the second quarter were 1.72 million tonnes, compared with 1.77 million tonnes a year ago
- + Price stabilisation continued in the second quarter of 2014 with demand remaining high
- + Operating earnings EBIT I in Q2 at € 159.2 million was down tangibly on the figure of a year ago (Q2/13: € 182.0 million); special item of about € 30 million relating to an anticipated insurance payment due to the suspension of operations at the Unterbreizbach site impacted favourably

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ¹										
		Q1/13	Q2/13	H1/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	H1/14
De-icing salt										
Revenues	€ million	359.4	40.4	399.8	73.3	280.3	753.4	396.6	46.0	442.6
Sales volumes	t million	6.53	0.77	7.30	1.41	5.07	13.79	8.15	0.98	9.13
Average prices	€/t	55.1	52.1	54.7	51.9	55.2	54.6	48.7	47.1	48.5
Industrial salt, salt for chemical use and food grade salt										
Revenues	€ million	236.5	233.2	469.7	233.6	228.4	931.6	230.4	227.3	457.7
Sales volumes	t million	2.38	2.19	4.57	2.24	2.21	9.02	2.28	2.22	4.50
Average prices	€/t	99.5	106.5	102.8	104.4	103.2	103.3	100.9	102.4	101.7

- + In the second quarter, revenues remained more or less constant at € 287.2 million (Q2/13: € 285.2 million)
- + EBIT I in Q2 amounted to € 1.7 million (Q2/13: € -13.5 million), with special items weighing on the previous year's figure

¹ Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective EUR/USD spot rates. For most of these revenues, hedging transactions have been concluded. The price information is also affected by the respective product mix and is therefore to be understood as providing a rough indication only.

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