

K+S Q3/14 FACTS & FIGURES

Q3/14 HIGHLIGHTS

- + Average prices for potash and magnesium products still below the previous year
- + Positive price effects in North American salt business
- + Quarterly revenues of € 827 million; EBIT I of € 134 million
- + 'Fit for the Future' delivers expected results

OUTLOOK 2014

- + Revenues should amount to € 3.70 – 3.90 billion
- + EBITDA expected in a range of € 820 million to € 880 million and EBIT I of € 580 million to € 640 million (including a special item of € 36 million)
- + Potash and Magnesium Products sales volumes of about 62 million tonnes globally; moderate decline in average prices year-on-year
- + Salt sales volumes moderately above the level of 2013, thereof a good 14 million tonnes of de-icing salt

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)								
		Q3/14	Q3/13	%	Consensus Q3/14 ¹	9M/14	9M/13	%
Revenues	€ million	826.9	817.7	+ 1.1	800.0	2,801.6	2,972.5	-5.7
– thereof Potash and Magnesium Products business unit	€ million	451.0	456.7	-1.2	440.0	1,419.5	1,630.5	-12.9
– thereof Salt business unit	€ million	335.0	321.0	+ 4.4	319.6	1,263.2	1,220.7	+ 3.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	187.0	175.6	+ 6.5	164.0	690.3	739.0	-6.6
– thereof Potash and Magnesium Products business unit	€ million	133.6	134.8	-0.9	126.0	495.5	580.6	-14.7
– thereof Salt business unit	€ million	50.3	37.0	+ 35.9	40.3	190.4	155.8	+ 22.2
Operating earnings (EBIT I)	€ million	134.0	115.8	+ 15.7	108.0	510.9	556.3	-8.2
– thereof Potash and Magnesium Products business unit	€ million	110.8	107.0	+ 3.6	95.5	404.4	498.2	-18.8
– thereof Salt business unit	€ million	24.7	9.2	> 100	12.7	115.5	68.8	+ 67.9
EBIT I-margin	%	16.2	14.2	-	13.5	18.2	18.7	-
– thereof Potash and Magnesium Products business unit	%	24.6	23.4	-	21.7	28.5	30.6	-
– thereof Salt business unit	%	7.4	2.9	-	4.0	9.1	5.6	-
Group earnings from continued operations, adjusted²	€ million	76.3	71.6	+ 6.5	52.4	298.9	367.7	-18.7
Earnings per share from continued operations, adjusted²	€	0.40	0.37	+ 8.1	0.27	1.56	1.92	-18.8
Capital expenditure ³	€ million	294.8	186.4	+ 58.2	-	731.1	488.5	+ 49.7
Depreciation and amortisation ³	€ million	53.1	59.8	-11.2	-	179.5	182.7	-1.8
Operating cash flow	€ million	107.2	73.5	+ 45.9	-	623.6	617.6	+ 1.0
Free cash flow	€ million	482.3	-68.8	-	-	135.4	264.8	-48.9
Free cash flow, adjusted^{4, 5}	€ million	-174.1	-107.1	-62.6	-	-16.9	173.4	-
Net debt as of 30 September	€ million	-	-	-	-	1,305.0	902.0	+ 44.7
Net debt/EBITDA (LTM)		-	-	-	-	1.5	0.9	-
Equity ratio	%	-	-	-	-	51.7	52.9	-
Return on Capital Employed (LTM) ⁶	%	-	-	-	-	13.0	17.5	-
Book value per share as of 30 September	€	-	-	-	-	20.14	17.93	+ 12.3
Average number of shares	million	191.40	191.40	-	-	191.40	191.40	-
Employees as of 30 September ⁷	number	-	-	-	-	14,334	14,473	-1.0
Market capitalisation as of 30 September	€ billion	-	-	-	-	4.3	3.7	+ 17.2
Enterprise Value as of 30 September	€ billion	-	-	-	-	5.6	4.6	+ 22.6

¹ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 17 October 2014; 19 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 Q3/14: 28.6 % (Q3/13: 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 financing of pension obligations in the amount of €-2.1 million in Q3/14 (Q3/13: €-3.8 million); €-5.5 million in 9M/14 (9M/13: €-13.8 million)

⁵ Without purchases/disposals of securities and other financial investments in the amount of €+ 658.5 million net in Q3/14 (Q3/13: €+ 42.1 million); €+ 157.8 million net in 9M/14 (9M/13: €+ 105.2 million).

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

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.

BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹											
		Q1/13	Q2/13	Q3/13	9M/13	Q4/13	2013	Q1/14	Q2/14	Q3/14	9M/14
Revenues	€ million	625.5	548.3	456.7	1,630.5	407.1	2,037.6	507.4	461.1	451.0	1,419.5
Europe	€ million	354.4	276.3	233.1	863.8	250.1	1,113.9	347.5	263.6	232.3	843.4
Overseas	US\$ million	358.0	355.3	296.5	1,009.8	216.9	1,226.7	219.0	270.8	290.7	780.5
Sales volumes	t million (product)	2.03	1.77	1.63	5.43	1.51	6.94	1.94	1.72	1.62	5.28
Europe	t million (product)	1.11	0.89	0.77	2.77	0.88	3.65	1.27	0.92	0.80	2.99
Overseas	t million (product)	0.92	0.88	0.86	2.66	0.63	3.29	0.67	0.80	0.82	2.29
Average prices	€/t (product)	308.0	309.4	280.4	300.2	270.7	293.8	261.8	268.1	278.7	269.0
Europe	€/t (product)	318.8	311.7	301.3	311.7	284.8	305.2	273.3	285.8	290.4	282.6
Overseas	US\$/t (product)	389.5	401.0	346.3	379.6	346.8	373.3	328.5	339.3	351.2	340.5

- + Revenues of € 451.0 million in the quarter under review (Q3/13: € 456.7 million)
- + Sales volumes for the third quarter at 1.62 million tonnes, on par with previous year (1.63 million tonnes)
- + Global price recovery also continued Q3/14 and demand proved robust, however still slightly below Q3/13
- + EBIT I of € 110.8 million was slightly up on the previous year's figure (Q3/13: € 107.0 million); special item of € 4 million in Q3 relating to an insurance gain due to the suspension of operations at the Unterbreizbach site

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ¹											
		Q1/13	Q2/13	Q3/13	9M/13	Q4/13	2013	Q1/14	Q2/14	Q3/14	9M/14
De-icing salt											
Revenues	€ million	359.4	40.4	73.3	473.1	280.3	753.4	396.6	46.0	80.1	522.7
Sales volumes	t million	6.53	0.77	1.41	8.72	5.07	13.79	8.15	0.98	1.55	10.67
Average prices	€/t	55.1	52.1	51.9	54.3	55.2	54.6	48.7	47.1	51.8	49.0
Industrial salt, salt for chemical use and food grade salt											
Revenues	€ million	236.5	233.2	233.6	703.2	228.4	931.6	230.4	227.3	243.7	701.4
Sales volumes	t million	2.38	2.19	2.24	6.81	2.21	9.02	2.28	2.22	2.34	6.85
Average prices	€/t	99.5	106.5	104.4	103.3	103.2	103.3	100.9	102.4	104.1	102.5

- + In the third quarter, revenues increased by approx. 4% to € 335.0 million (Q3/13: € 321.0 million)
- + Sales volume for crystallized salt in the third quarter amounted to 3.89 million tonnes compared with 3.65 million tonnes in the same period in the previous year (up 6.6%)
- + EBIT I amounted to € 24.7 million (Q3/13: € 9.2 million) due to early fills in North America and cost savings

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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