

K+S Aktiengesellschaft

Mission not completed (yet)

Capital Markets Day

Merkers - November 12th, 2015

Norbert Steiner, CEO



Experience growth.

A Word on the PotashCorp Proposal

Proposal did not adequately reflect the fundamental value of K+S

- Legacy not adequately considered
- Potential of Salt not fully valued



Proposal was not in the best interest of the company

- Employees
- Communities

- **What the public does not know:**

- Since May, PotashCorp has never amended its proposal
- Answers to our long lists of questions were only rephrased versions of the initial proposal
- Commitments in proposed BCA did not provide reliability and were foiled by far-reaching restrictions

- **Convinced we have taken the right decisions:**

- Management Board and Supervisory Board are obliged to look at all stakeholders equally
- Never blocked a transaction or talks
- A solid basis for talks was a prerequisite and this was never provided

A Clear Message to Our Shareholders

- **Rest assured:**
 - Management team focusses on “what is best for K+S”
 - Shareholder value creation is one of our top priorities
 - We strongly believe that acting in the best interest of K+S is in the long-run also in the best interest of our shareholders
 - Do not expect desperate short-term moves
- **We clearly have a long-term horizon and do not jump on any occasion**

**The K+S management team is aware that the K+S Group
has to deliver on its promises**

We will!

1999

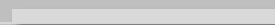
Aging and European centric company

€ 1.2 billion



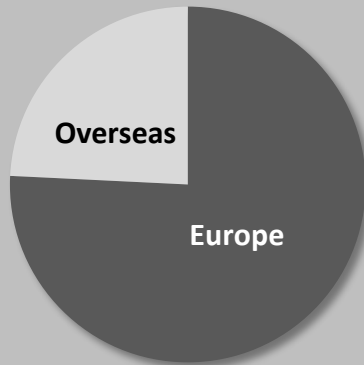
Revenues

€ 0.2 billion



EBITDA

Revenues by region



2015

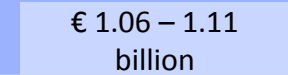
Leading international resources company

€ 4.3 – 4.5 billion



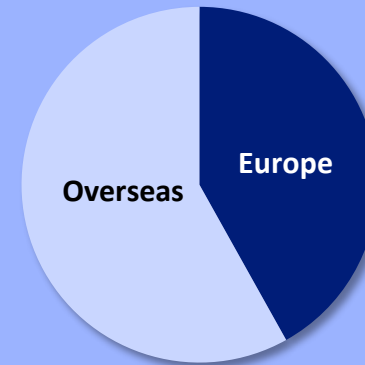
Revenues

€ 1.06 – 1.11 billion

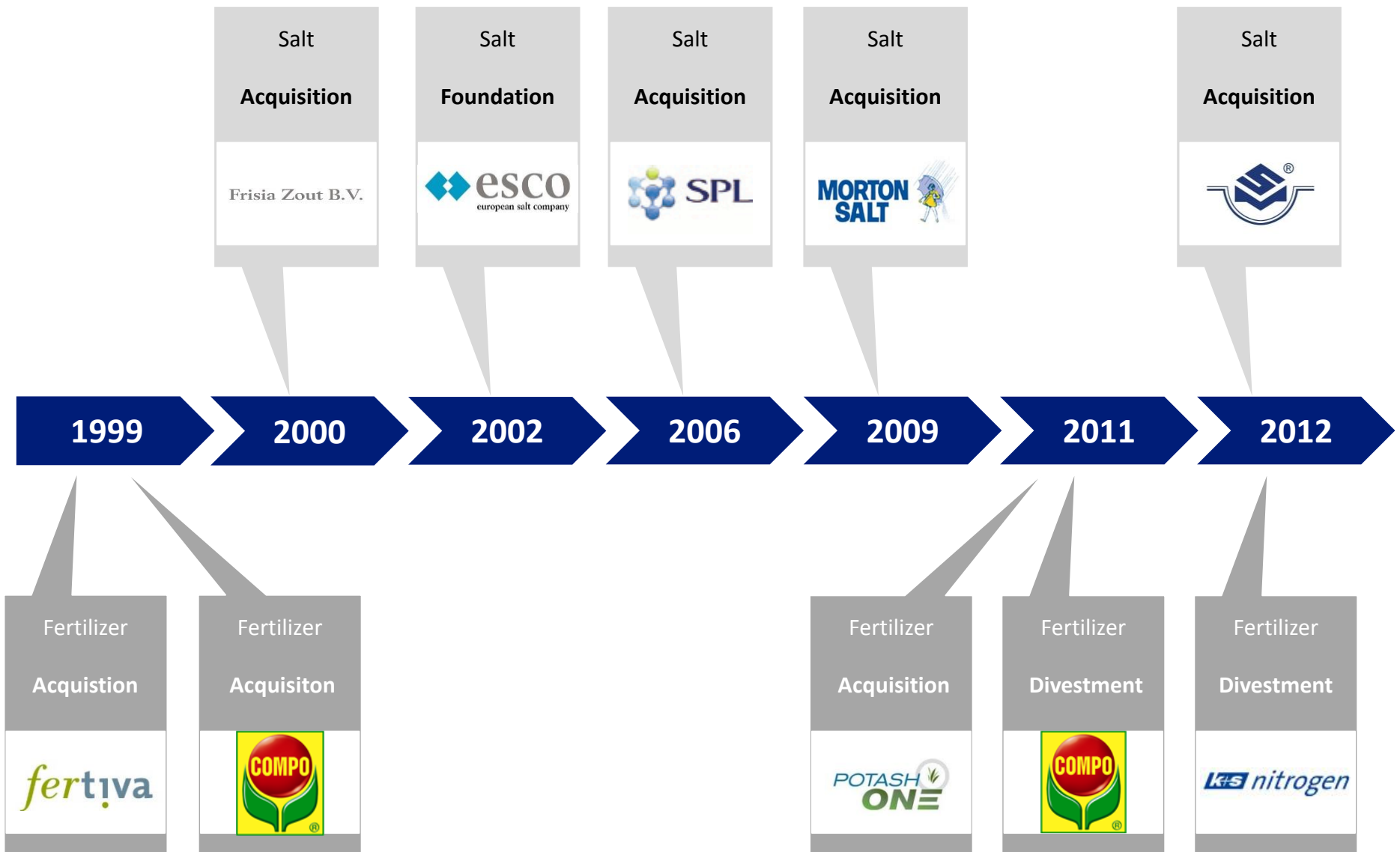


EBITDA

Revenues by region



Active Portfolio Management



K+S Group

Potash and Magnesium Products Business Unit

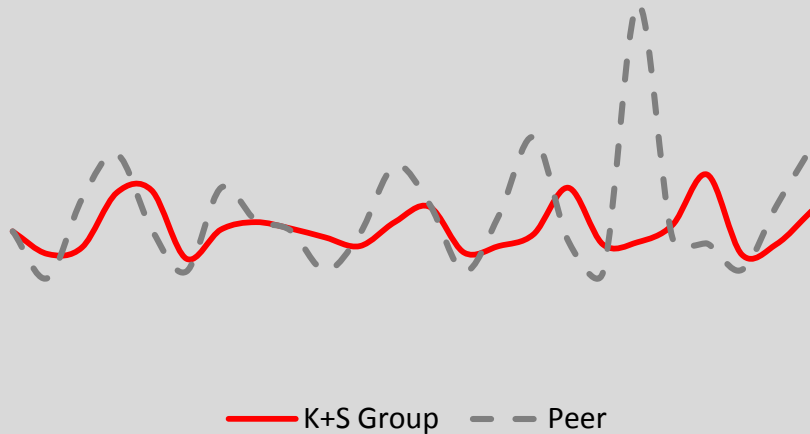


Salt Business Unit



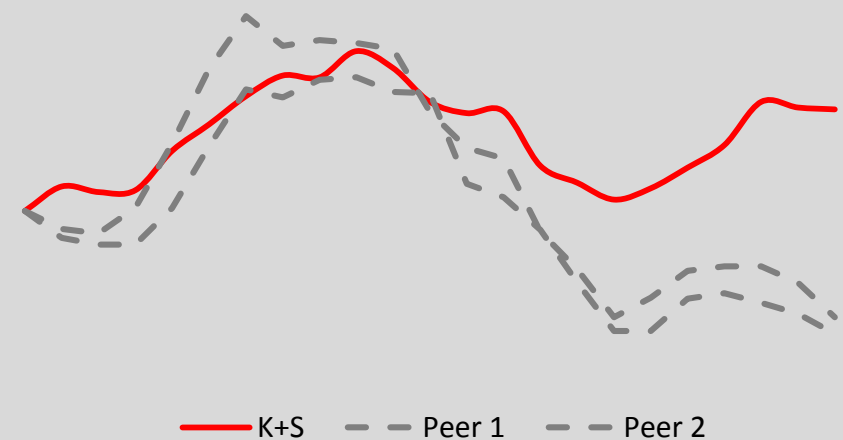
Complementary Activities

Quarterly EBITDA change in %
vs Salt peer



Source: Bloomberg

Quarterly average selling price change
in % vs Potash peers

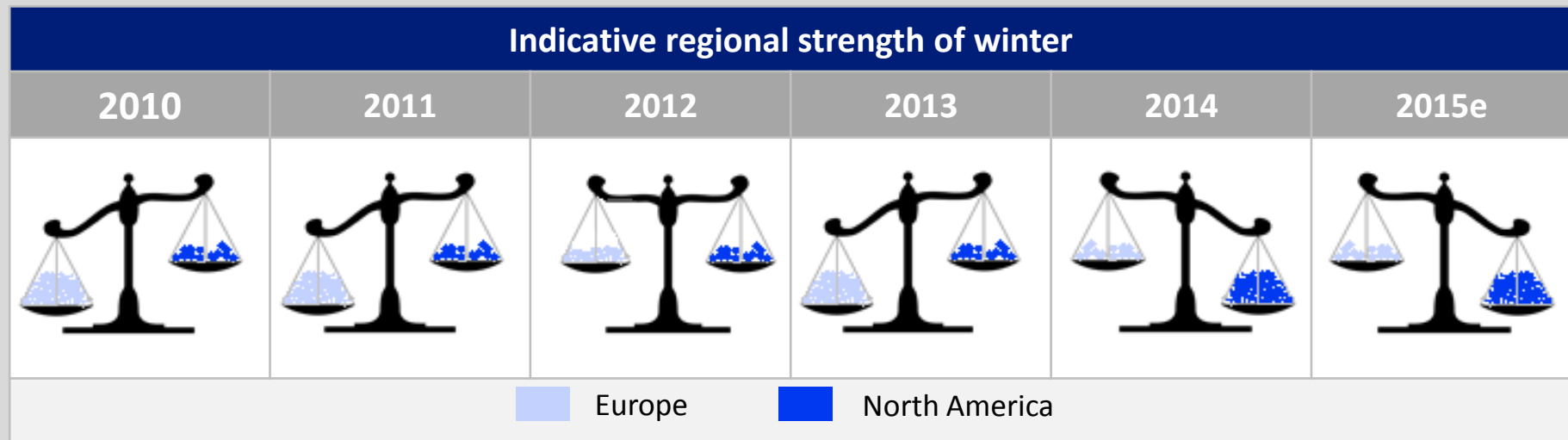


Source: Company reports

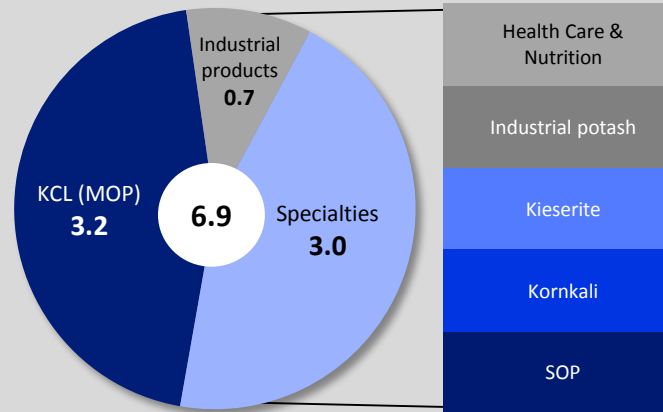
- Combination potash and magnesium and salt in various regions is more advantageous than being a NPK- or salt producer
 - Common production processes
 - Businesses follow different trends
 - MOP: Fertilizer seasons, external factors (e.g. soft commodity prices)
 - Specialties: Partly independent from ag-cycles
 - Non de-icing salt: Broad range of industries (e.g. GDP growth, pricing power)
 - De-icing: Winter weather

Unrivalled Footprint in Salt

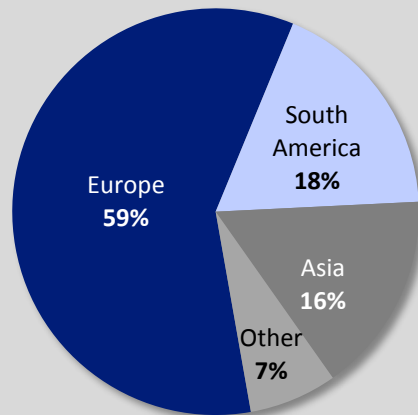
- Diverse regional and product portfolio
 - Non de-icing: Serving manifold industries
 - De-icing: Production on 3 continents provides unique sourcing advantages
- Brand equity support price premiums
- Unrivalled footprint provides close proximity to customers
- Cost leadership with low-cost production in Chile
- Market oriented and production related synergies with our potash and magnesium business



Unique Portfolio Makes us More Robust



Basis: 2014 Sales volumes in million tons



Basis: 2014 Revenues

- Broad portfolio of specialty products
 - MOP related/ not MOP related
 - Flexibility
 - Stability
 - Party following different trends and seasons

- Close proximity to our main customers provide logistical advantages
- Shipments to overseas customers at competitive costs from Hamburg harbor
- Strong and long-standing customer relationships

Mining Companies have a Long-Term Horizon

What the capital market criticized K+S for in 2007

- German mines too close to end of lifetime
- Production in Germany too expensive
- K+S will not benefit from growth in potash markets
 - Limited production capacities

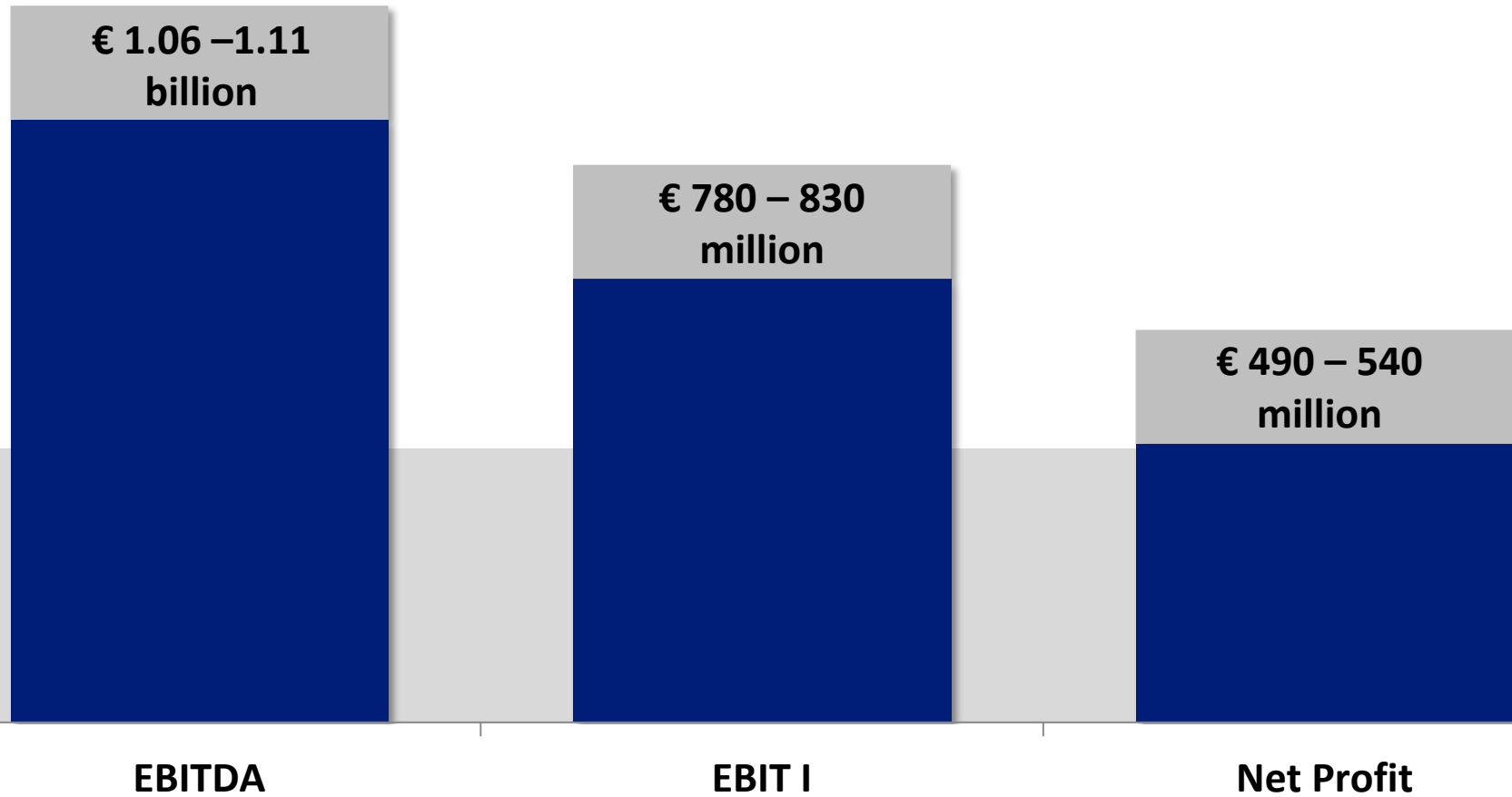


What we will deliver with Legacy from 2016 on

- Low cost commodity production
- Improved average cash costs for the entire business unit
- Higher share of variable costs to improve flexibility
- Substantial extension of average mine life
- Production on two continents
- Further strengthening of Specialty production
- On time and on budget

- There was no doubt about the markets view that K+S needed to unlock new potash resources back in 2007 -> Initiation of the Legacy Project
- Markets now seem to be concerned about Legacy in current market environment
- **We believe the Legacy Project will be essential for K+S' future development**

2015 Guidance – Significant Increase Confirmed



Attractive Mid-Term Guidance Confirmed

Group EBITDA expected to increase significantly by 2020

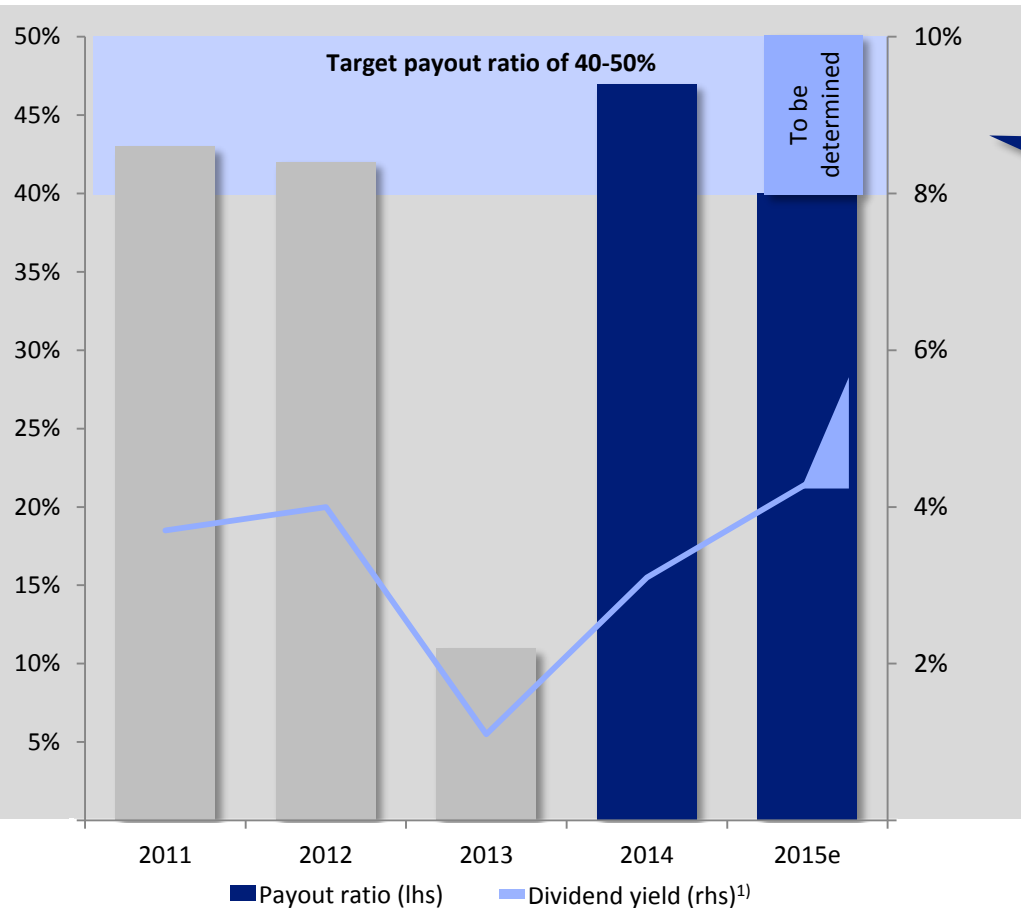
~ € 1.6 billion



FY 2020

- Despite current market turmoil, mid-term fundamentals of the potash business remain intact
- Legacy will significantly contribute to the mid-term earnings goal
- Our Salt business continues to grow its profitability

Dividend Policy Implies Increase for 2015

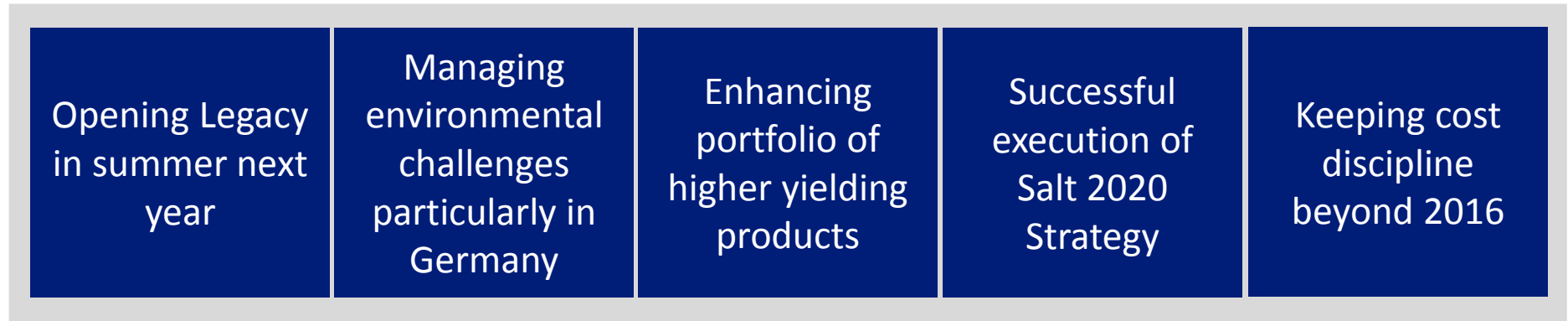


Current guidance implies dividend per share of **€ 1.02 – 1.41** (2014: € 0.90)

This represents a dividend yield of **4.3-5.9%²⁾**

1) Based on year-end share prices 2) Share price of € 24 assumed

Management's Task List



Low cost commodity production with Legacy in Canada ensuring cost competitiveness and participation in future growth in the potash markets

German mines remaining attractive with broad specialty portfolio and close proximity to customers

Salt with unrivalled footprint and product offering

Our Vision – Our Mission

Our Vision

A source of growth and life through nutrients and minerals

Our Mission

- To attain sustainable economic success while remaining focused on the social and ecological aspects that are tied to our business model
- To mine and process raw materials while using our products and services to improve nutrition, health, and quality of life
- To achieve a leading position in the markets we serve
- To be the preferred partner for our customers
- To strengthen our raw material and production base and expand it globally
- To increase added value by developing new products and more efficient processes
- To be recognized as an attractive employer for employees all over the world

Our Sustainability Strategy

**As an international resources company with a tradition going back over 125 years, we think and act in the longterm.
For us, sustainable development means future viability.**

- We seek to attain sustainable economic success while considering the social and ecological aspects that are tied to our business model
- We systematically identify and assess relevant issues and social trends early in order to incorporate them into our management processes. This helps us advance our existing business, take on new business opportunities and minimize risk
- We know from experience that sustainable corporate management is worth it. Sustainability strengthens openness to change and thus provides opportunities to broaden the corporate perspective

AGENDA

10:00	10:25	Message from the CEO	Norbert Steiner
10:25	10:50	Finance	Dr. Burkhard Lohr
10:50	11:10	Q&A Session	
11:10	11:35	Business Unit Salt	Mark Roberts
11:35	11:55	Q&A Salt Session	
11:55	12:15	Break	
12:15	12:40	Business Unit Potash and Magnesium Products	Dr. Andreas Radmacher
12:40	13:05	Legacy Project	Dr. Ulrich Lamp
13:05	13:30	Q&A Session Potash and Legacy	
13:30	13:45	Closing Remarks	Norbert Steiner
13:45	14:45	Lunch	
14:45		Mine tour Unterbreizbach	