



Experience growth.

K+S Group
Q3/15 Results

11 November 2015

Dr. Burkhard Lohr, CFO

→ Q3/15 results

- EBIT I of € 132 million on last year's level - EBITDA up 7% to € 199 million
- Impressive performance of Salt continues
- Robust performance of Potash and Magnesium Products despite tough market environment
- 'Fit for the Future' delivers expected results

→ Legacy Project

- On track – on time – on budget

→ Guidance FY 2015: Significant increase confirmed

- EBIT I expected between € 780-830m

→ Attractive mid-term perspective as independent company

- 2020 EBITDA goal of ~ €1.6bn reaffirmed

EBIT I significantly improved

€ million	Q3/14	Q3/15	YoY
Revenues	827	891	+8%
EBITDA	187	199	+7%
D&A	-53	-67	
EBIT I	134	132	-1%
t/o insurance payment	6	-	
EBIT I w/o insurance payment	128	132	+3%
<i>Margin</i>	16%	15%	
Financial result	-24	-7	
EBT, adjusted	110	125	+14%
Tax rate, adjusted	31%	29%	
Net income, adjusted	76	89	+17%
EPS, adjusted	0.40	0.46	

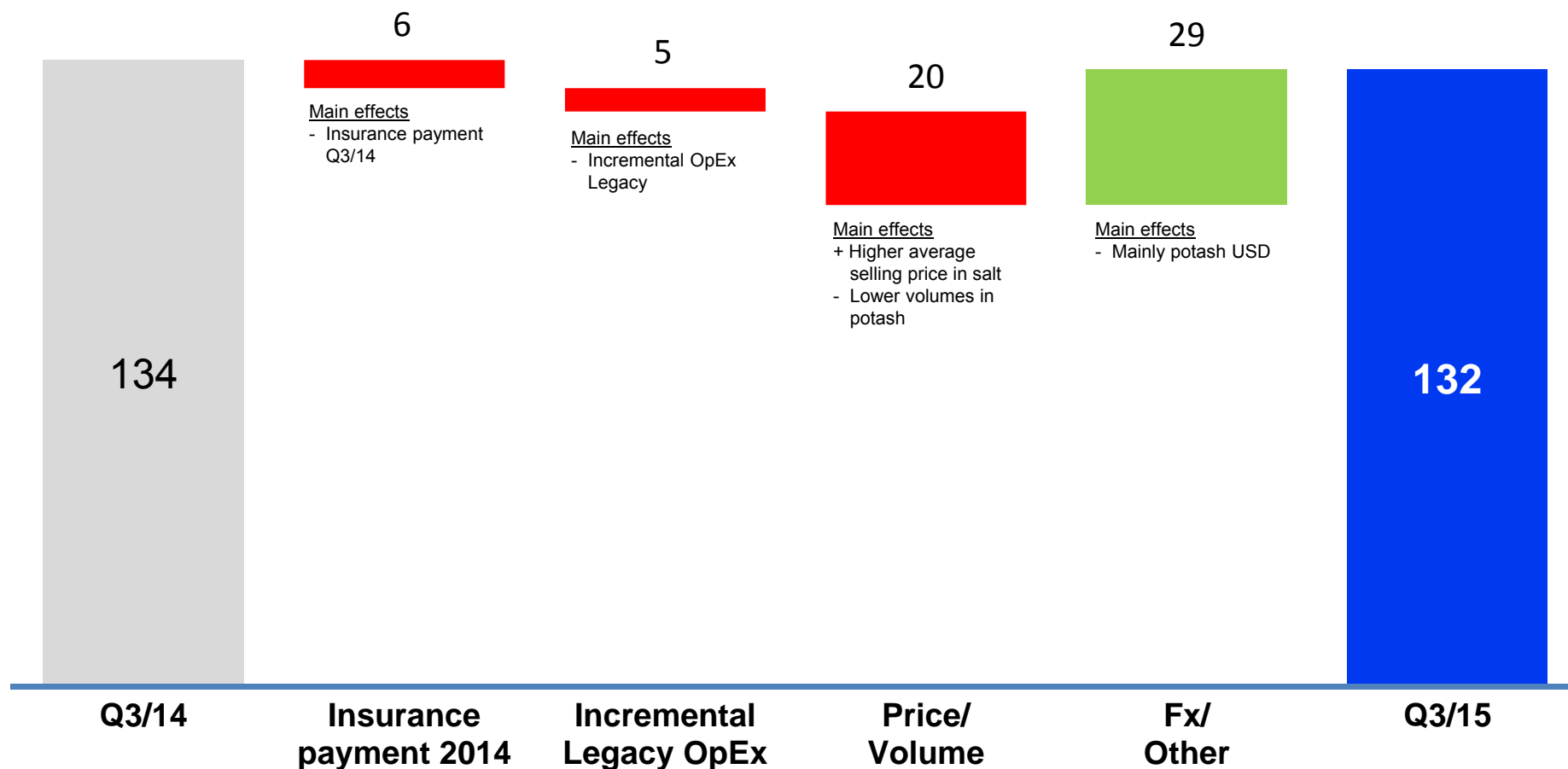
→ Improved pricing in Salt and positive Fx-effects offset lower sales volumes in potash

→ Bond repayment in September 2014 and capitalization of interest costs for Legacy

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.



EBIT I
€million



K+S Group

Cash flow and net debt



CapEx increased as planned

€ million	9M/14	9M/15	YoY
Operating cash flow	624	630	+1%
- Investing cash flow (pre sale/ purchase of securities)	-646	-894	
Adjusted free cash flow	-22	-264	
CapEx	731	905	+24%

→ Mainly investments Legacy

	30/09/14	31/12/14	30/09/15
Net debt	-1,305	-1,676	-2,224
t/o Net financial debt (-)	-275	-588	-1,005

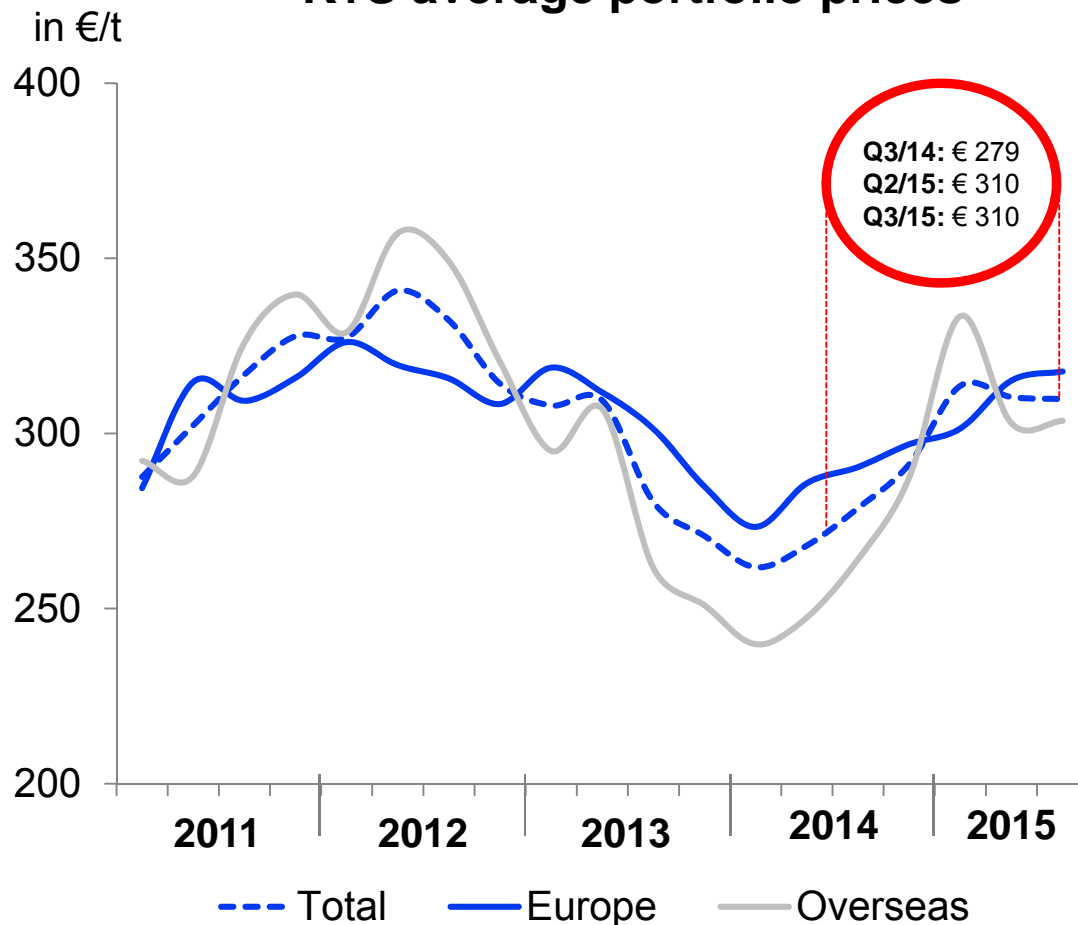
→ Planned CapEx for the Legacy Project and adjustment of interest rates on provisions (€ -115 million) in Q1/15

Potash and Magnesium Products

Average selling price up YoY – stable QoQ



K+S average portfolio prices



→ Market

- Low soft commodity prices and liquidity issues for farmers in Brazil limiting fertilizer offtakes
- South East Asia seasonally quiet
- Europe with solid pricing but sluggish demand

→ K+S product portfolio

- Overall average selling price still at high level
- Europe driven by Q3 production constraints and reluctance of markets
- Overseas emerging demand pressure mainly in MOP
- SOP pricing and demand resistant

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

Potash and Magnesium Products

Business unit performance



Underlying result robust

€ million	Q3/14	Q3/15	YoY
Revenues	451	471	+4%
EBITDA	134	127	-5%
EBIT I	111	93	-16%
t/o insurance payment	4	-	
EBIT I w/o insurance payment	107	93	-13%
<i>Margin</i>	22%	20%	
t/o Legacy OpEx	-10	-15	
Average selling price (€/ton)	279	310	+11%
Sales volumes (million tons)	1.62	1.52	



Higher depreciation, increase in Legacy costs, missing insurance payment and lower sales volumes due to production constraints

Costs/ton ^(1,2)	FY/13	FY/14	Q1/15	Q2/15	Q3/15	LTM
Excl. Legacy	211	203	212	209	239	223
Incl. Legacy	214	208	219	221	249	232

→ Costs per ton mainly affected by lower volumes, higher depreciation and maintenance

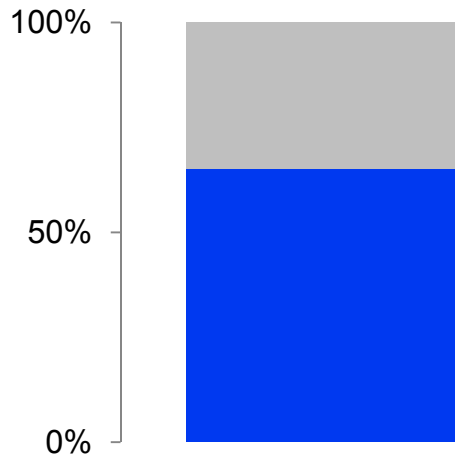
⁽¹⁾ (Revenues – EBIT) / Sales volumes ⁽²⁾ Excl. insurance payment

Potash and Magnesium Products

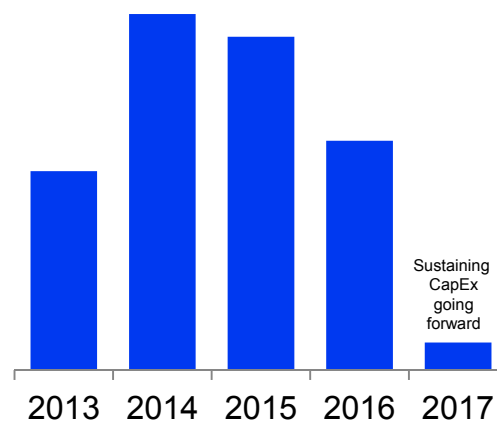
Legacy Project status: On time and budget



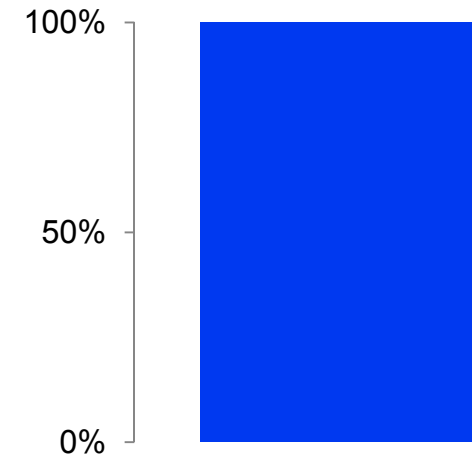
**~70% of
CapEx spent**



**2014 and 2015 years
of main construction
and CapEx**



**Main parts awarded
to suppliers**



August 2015



September 2015



October 2015

Salt Business unit performance



EBIT I driven by improved pricing

€ million	Q3/14	Q3/15	YoY
Revenues	335	382	+14%
EBITDA	50	71	+40%
EBIT I	25	43	+72%
<i>Margin</i>	7%	11%	

→ Better pricing

Sales volumes (million tons)	3.9	3.8	
De-icing	1.6	1.5	
Non de-icing	2.3	2.3	

→ Base effect after record Q3/14

Average selling prices (€)			
De-icing	51.8	61.8	+19%
Non de-icing	104.1	124.0	+19%

→ Higher average selling prices in North America and Europe

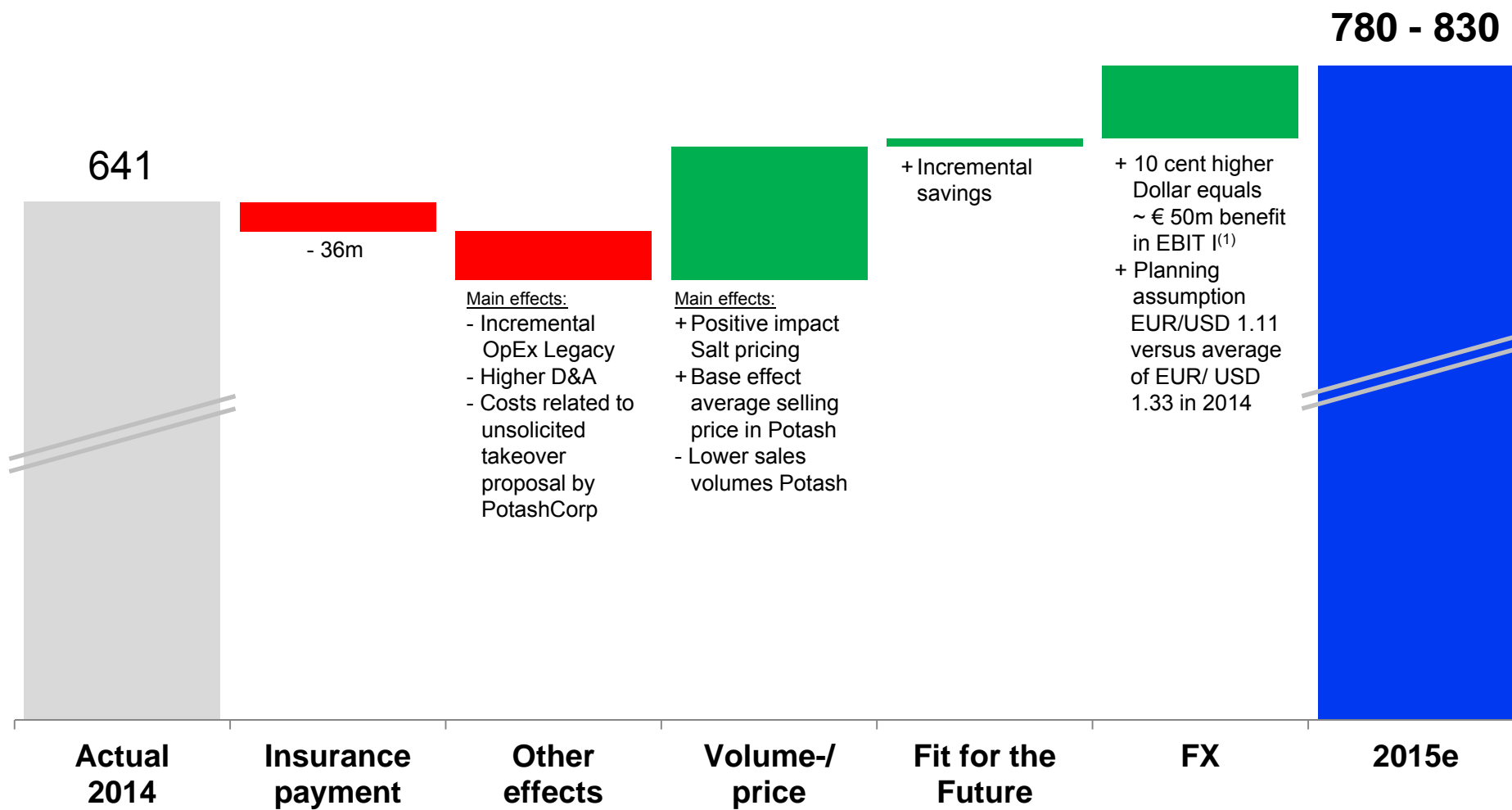
→ Non de-icing improved pricing structure and positive fx-effects

	FY 2015e YoY	Prev. guidance	FY 2014
Potash and Magnesium Products			
Global sales volumes ⁽¹⁾	Moderate decline	Moderate decline	~ 68m tons
K+S sales volumes	Slight decline	~ 7m tons	6.9m tons
Average selling price	Tangible increase	Tangible increase	€ 274
Salt			
K+S sales volumes	On last year's level	On last year's level	24m tons
t/o de-icing	~ 14m tons	~ 14m tons	14m tons
Group			
Revenues	€ 4.3 bn - 4.5 bn	€ 4.35 bn - 4.55 bn	€ 3.8bn
EBITDA	€ 1.06 bn - 1.11 bn	€ 1.06 bn - 1.14 bn	€ 896m ⁽²⁾
EBIT I	€ 780m – 830m	€ 780m – 860m	€ 641m ⁽²⁾
Financial result	Significant improvement	Significant improvement	€ -126m
Capex	~ € 1.3bn	~ € 1.3bn	€ 1.2bn
Average fx-rate (EUR/USD)	1.11	1.11	1.33
Dividend policy	40-50% payout ratio		

⁽¹⁾ Incl. ~4mt of potassium sulphate and potash grades with lower mineral content ⁽²⁾ Incl. insurance gain of € 36 m



€million



(1) Valid for 2015; no linear development in both ways, after hedging

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
Q3/15 Results

11 November 2015

Dr. Burkhard Lohr, CFO