

K+S Q2/16 FACTS & FIGURES

HIGHLIGHTS

- + EBIT in Q2 significantly below previous year:
 - + Lower average selling price in potash
 - + Absence of deep-well injection permit and dry weather led to considerable production limitations
 - + Lower de-icing volumes as a result of the mild winter season
- + Legacy:
 - + Commissioning continues
 - + Production of first ton delayed into Q2/17
 - + Production volume 2017 below previously planned "up to 1 million tons"
 - + Capacity of 2 million tons p.a. will be reached by the end of 2017 as planned from today's point of view
- + Management Agenda:
 - + Two acquisitions in both potash and salt to increase our footprint in Asia

OUTLOOK 2016

- + EBIT I between € 200 and 300 million
- + Potash
 - + Lower average selling prices
 - + Execution of countermeasures
 - + Hydrological normal year
 - + Sales volumes 6.2 – 6.4 million tons
- + Salt
 - + Moderate decline of de-icing volumes
 - + Slight increase of non de-icing volumes may not offset this

MIDTERM GUIDANCE

- + Despite the challenging environment, mid-term potash fundamentals remain intact
- + Aim to increase Group EBITDA to around € 1.6 billion by 2020 (2015: € 1.1 billion)⁵

KEY FIGURES (IFRS)

		Q2/15	Q2/16	%	H1/15	H1/16	%
Revenues	€ million	914.4	732.1	-19.9	2,291.5	1,827.6	-20.2
– thereof Potash and Magnesium Products business unit	€ million	500.5	370.9	-25.9	1,108.9	831.4	-25.0
– thereof Salt business unit	€ million	374.0	319.2	-14.7	1,101.0	913.8	-17.0
– thereof Complementary Activities	€ million	39.6	41.8	+5.6	80.9	81.8	+1.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	247.3	83.4	-66.3	630.3	368.8	-41.5
– thereof Potash and Magnesium Products business unit	€ million	179.0	50.4	-71.8	396.2	187.4	-52.7
– thereof Salt business unit	€ million	70.8	32.8	-53.7	240.4	182.8	-24.0
– thereof Complementary Activities		9.0	8.4	-6.7	19.0	16.0	-15.8
Operating earnings (EBIT I)	€ million	179.2	15.0	-91.6	495.9	233.3	-53.0
– thereof Potash and Magnesium Products business unit	€ million	143.9	14.7	-89.8	327.2	117.0	-64.2
– thereof Salt business unit	€ million	42.6	4.9	-88.5	184.5	127.4	-30.9
– thereof Complementary Activities	€ million	6.7	6.2	-7.5	14.4	11.6	-19.4
EBIT I-margin	%	19.6	2.0	-	21.6	12.8	-
– Potash and Magnesium Products business unit	%	28.8	4.0	-	29.5	14.1	-
– Salt business unit	%	11.4	1.5	-	16.8	13.9	-
– Complementary Activities	%	16.9	14.8	-	17.8	14.2	-
Group earnings, adj.¹	€ million	118.7	-0.2	-	317.0	147.7	-53.4
Earnings per share, adj.¹	€	0.6	-	-	1.66	0.77	-53.4
Capital expenditure ²	€ million	355.5	362.8	+2.1	555.4	642.6	+15.7
Depreciation and amortisation ²	€ million	68.1	68.4	+0.4	134.4	135.5	+0.8
Operating cash flow	€ million	124.3	65.4	-47.4	423.2	359.2	-15.1
Free cash flow, adjusted³	€ million	-190.5	-227.9	-	-92.9	-177.5	-
Net debt as of 30 June	€ million	-	-	-	1,967.8	2,860.4	+45.4
Net debt/EBITDA (LTM)		-	-	-	1.9	3.5	-
Equity ratio	%	-	-	-	51.9	49.2	-
Return on Capital Employed (LTM)	%	-	-	-	13.8	7.6	-
Book value per share as of 30 June	€	-	-	-	22.54	22.82	+1.2
Average number of shares	million	191.4	191.4	-	191.4	191.4	-
Employees as of 30 June ⁴	number	-	-	-	14,201	14,415	+1.5
Market capitalisation as of 30 June	€ billion	-	-	-	7.0	3.5	-49.5
Enterprise Value as of 30 June	€ billion	-	-	-	9.8	5.5	-44.2

¹ The adjusted key figures only include the result from operating forecast hedges of the respective reporting period, 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.

² Capital expenditure in or depreciation and amortisation affecting net income on property, plant and equipment, intangible assets, investment properties and financial assets.

³ Adjusted for acquisitions and disposals of securities and other financial investments.

⁴ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

⁵ Main assumptions: Unaffected potash production in Germany and Canada; Potash price level of summer 2015; USD/EUR 1.10; normal winter in North America and Europe.

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BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹

		Q1/15	Q2/15	H1/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	H1/16
Revenues	€ million	608.4	500.5	1,108.9	471.4	511.0	2,091.3	460.5	370.9	831.4
Europe	€ million	363.3	283.6	646.9	221.9	274.3	1,143.1	316.3	217.1	533.4
Overseas	US\$ million	276.1	239.4	515.6	277.2	259.4	1,052.1	158.9	173.7	332.6
Sales volumes	t million (product)	1.94	1.61	3.55	1.52	1.75	6.82	1.69	1.48	3.17
Europe	t million (product)	1.21	0.90	2.11	0.70	0.92	3.73	1.05	0.78	1.82
Overseas	t million (product)	0.73	0.72	1.45	0.82	0.82	3.09	0.64	0.70	1.35
Average prices	€/t (product)	313.6	310.4	312.2	309.8	291.5	306.5	272.4	250.1	262.0
Europe	€/t (product)	301.4	315.1	307.3	317.7	297.7	306.3	302	279.1	292.4
Overseas	US\$/t (product)	375.6	336.3	356.3	337.0	315.8	340.3	246.6	246.4	246.5

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.

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ²

		Q1/15	Q2/15	H1/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	H1/16
De-icing salt										
Revenues	€ million	449.3	79.7	529.0	91.7	152.7	773.4	313.1	33.8	346.9
Sales volumes	t million	6.89	1.22	8.11	1.48	2.29	11.88	4.89	0.64	5.53
Average prices	€/t	65.2	65.3	65.2	61.9	66.7	65.1	64.0	52.8	62.7
Consumer, food processing, industrial and salt for chemical use										
Revenues	€ million	266.0	285.2	551.2	280.1	279.4	1,110.7	271.7	276.8	548.5
Sales volumes	t million	2.23	2.37	4.60	2.26	2.38	9.23	2.24	2.25	4.49
Average prices	€/t	119.4	120.5	120.0	124.1	117.5	120.3	121.5	123.1	122.2

² 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. 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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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.