

K+S Aktiengesellschaft

Q3/16 – Conference Call

November 10th, 2016

Dr. Burkhard Lohr, CFO



Experience growth.

- MOP prices stabilizing at significantly lower levels than last year
- Production standstills at Werra plant due to limited deep-well injection permit
- 1st ton from Legacy in Q2/17
 - Repair work on site making good progress
- Salt business ready for the season
- Outlook 2016: EBIT I between € 200 and 260 million



Weak Quarter as Expected

€ million	Q3/15	Q3/16	YoY
Revenues	891	688	-23%
EBITDA	199	56	-72%
EBIT I	132	-31	n.m.
t/o Potash and Magnesium	93	-49	n.m.
t/o Salt	43	18	-58%

■ Potash and Magnesium Products

- Lower average selling price (€ 239/ton vs. € 310/ton in Q3/15)
 - Overall pricing environment
 - Product mix due to missing permit
- Sales volumes down due to production standstills (1.26 million tons; -17% YoY)

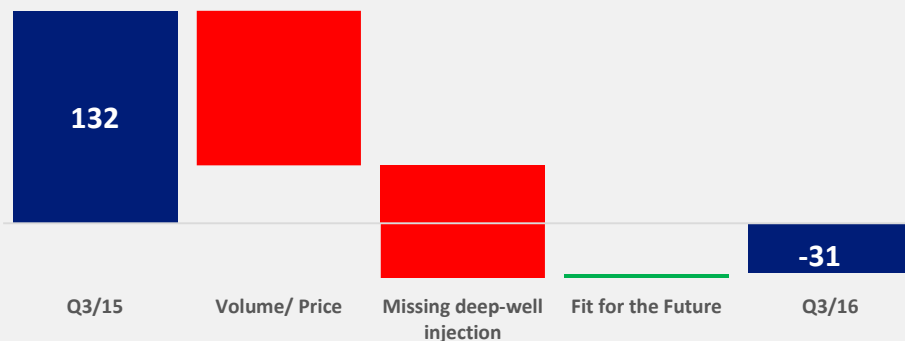
■ Salt

- Mild winter 2015/2016 affecting de-icing development

EBIT I bridge

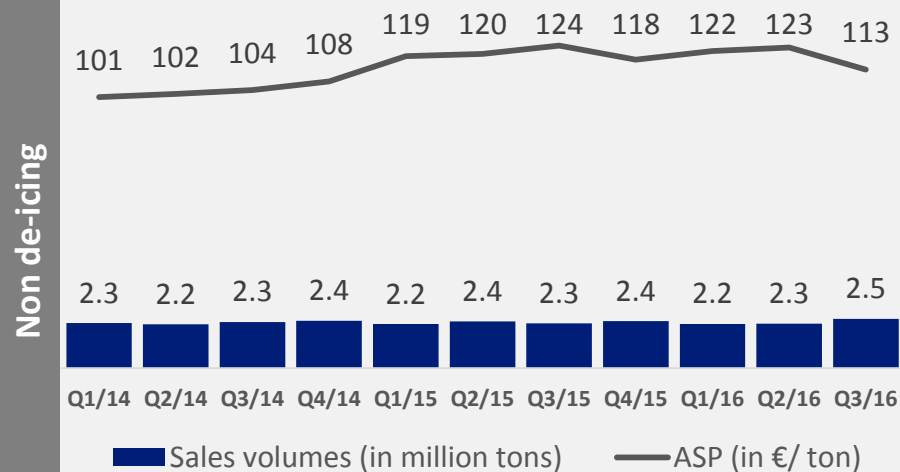
Main effects:

- Potash prices
- De-icing salt prices and volumes



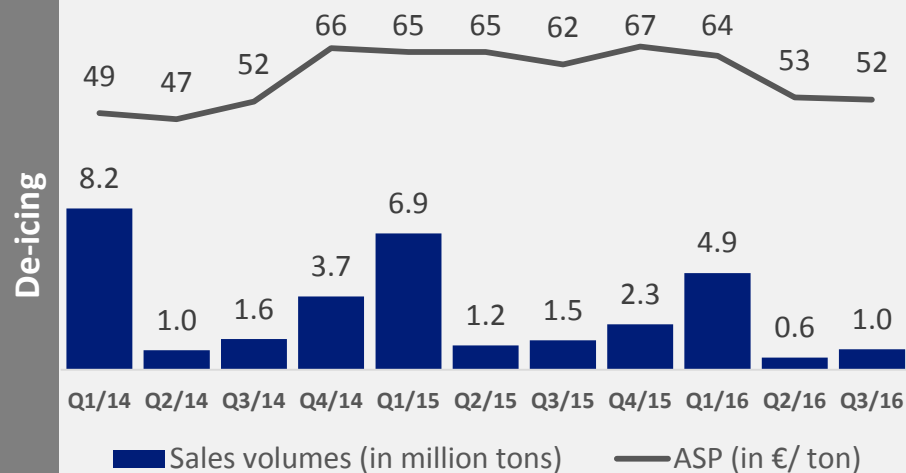
(1) (Revenues – EBIT I excl. Legacy OpEx) / Sales volumes

'Salt 2020' Strategy On Track



■ Non de-icing

- Focus on strong brands
- Lower average selling price due to product mix effects

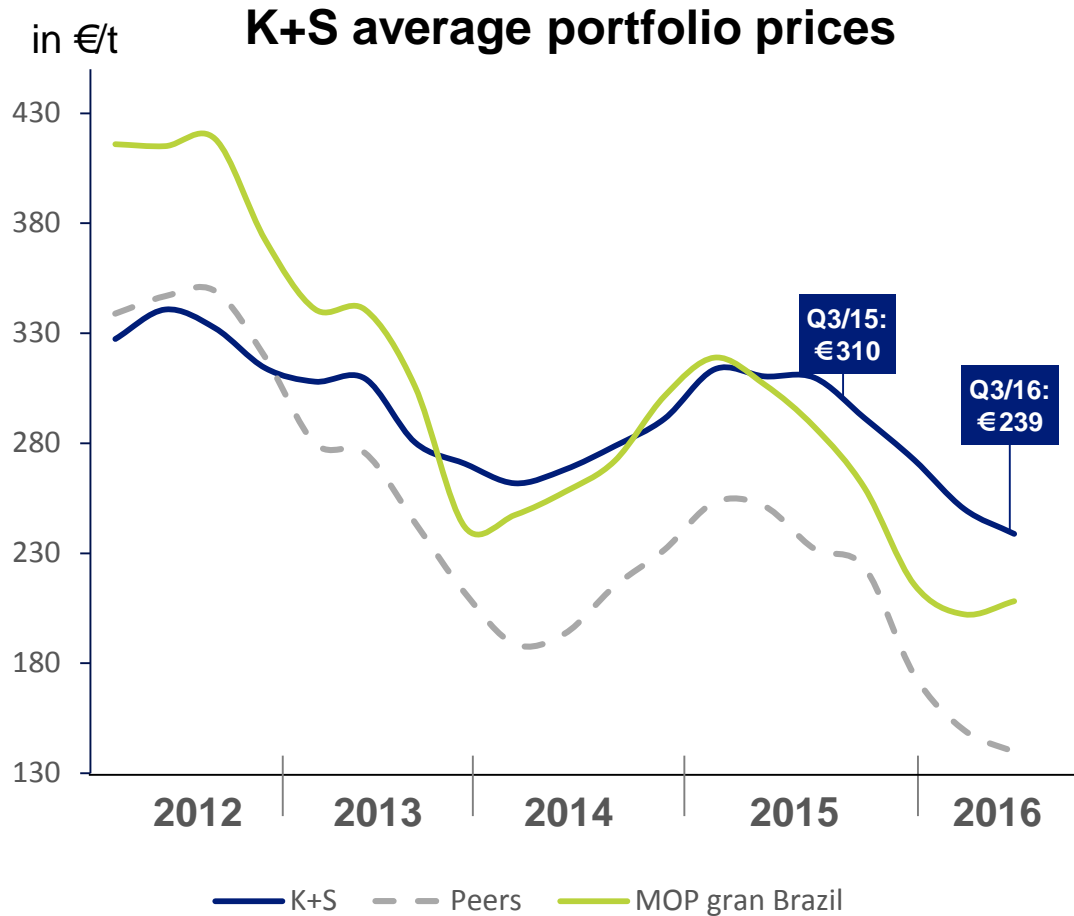


■ De-icing

- Low early fills due to mild winter season in Europe and North America
- Bidding season almost complete

Potash and Magnesium Products

Markets Revitalized



- ➔ China/ India contracts stimulated potash demand
- ➔ MOP prices stabilized
- ➔ K+S overseas price lower YoY, but stable QoQ
- ➔ Unfavorable product mix due to Werra issue
- ➔ SOP prices remain at high level overall, but declining QoQ

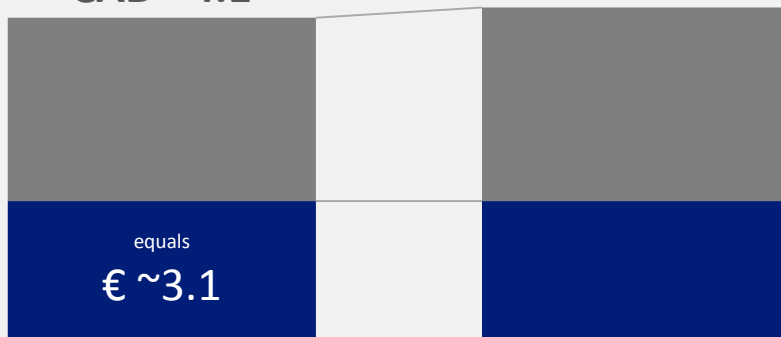
Prices in USD converted into Euro with quarterly average Fx-rates.



- Crane for removal of damaged equipment on site
- Production of 1st ton expected in Q2/17
- Capacity of 2 million tons p.a. will be reached by the end of 2017

Budget development (in CAD and € billion)

CAD ~4.1

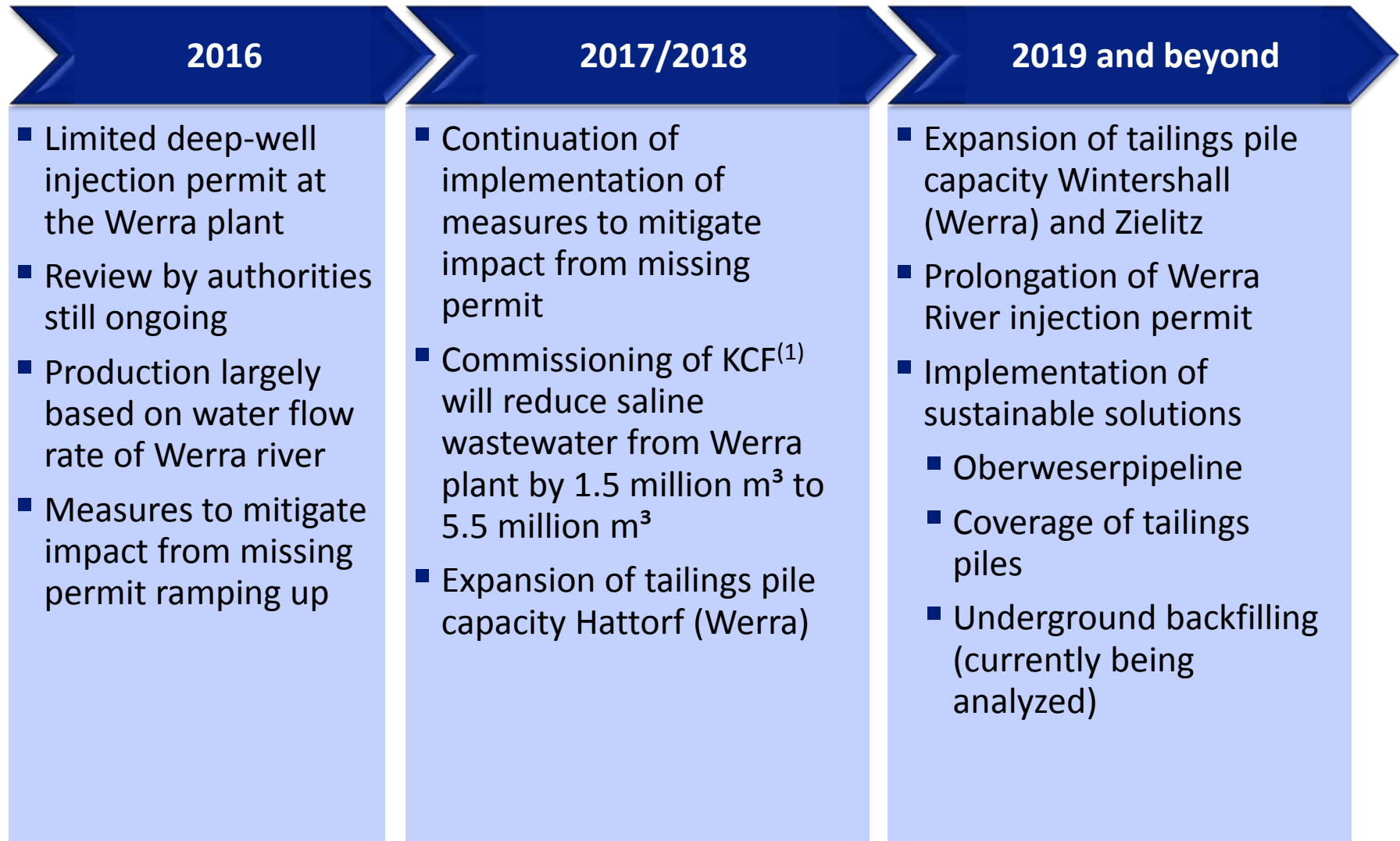


2013

Final

- Budget of CAD 4.1 billion will be moderately exceeded due to incident
- Positive currency development led to unchanged budget in EUR terms since review in 2013

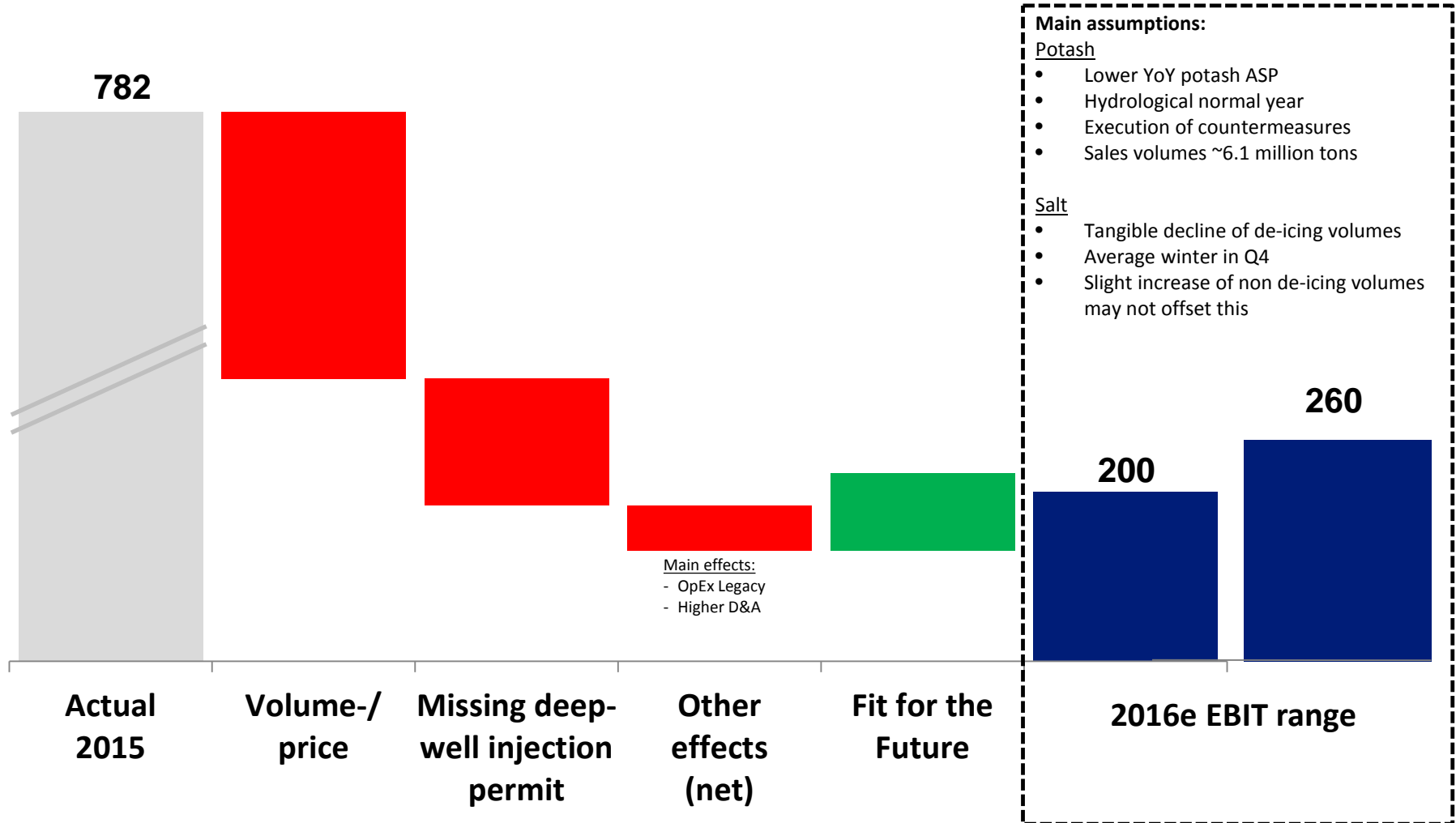
Environmental Roadmap



⁽¹⁾ Kainite Crystallization and Flotation Facility

Guidance FY 2016: EBIT I Bridge

€million



- **EBITDA of € 1.6 billion by 2020**
 - 'Salt 2020' well on track
 - Legacy will contribute positively
 - Mid-/ long-term potash fundamentals remain intact
 - Current low potash prices not sustainable
 - Development of strategic initiatives to support the goal

