

Press Release

Kassel, Germany, May 9, 2017

1st Quarter of 2017

K+S Starts the New Fiscal Year with an Increase in Revenues

- **Group revenues up around 3 %; strong demand for fertilizer specialties in Europe and Asia as well as repeated strong performance in non de-icing salt business**
- **EBIT I of €137 million adversely affected mainly by special items and hence significantly lower than previous year, as expected**
- **Outlook for 2017 confirmed: Tangible increase in EBIT I expected**
- **Start of production in ‘Bethune’ (previously: Legacy Project); first tonne of potash end of June**

The new “Bethune” potash mine (previously: Legacy Project) was officially opened on May 2 and handed over to the operating team. “The opening of the mine is a fantastic and at the same time historical moment in the history of K+S,” says Norbert Steiner, Chairman of the Board of Executive Directors of K+S Aktiengesellschaft. “This new site represents a huge step forward with respect to the internationalisation of the Potash and Magnesium Products business unit. The Bethune mine allows us to take part in anticipated market growth, while also reducing our average production costs and increasing our competitiveness. As a result, it will benefit our entire company.” The first tonne of potash will be produced at the end of June 2017. K+S also expects to achieve the desired production capacity of two million tonnes by the end of 2017. The euro budget of about €3.1 billion planned in 2013 was met.

Revenues and earnings development in the first quarter

“We have started the new fiscal year with an increase in revenues. High demand for our fertilizer specialties and repeated strong performance in non

de-icing salt business demonstrate that focusing on our two pillars is working," says Norbert Steiner, Chairman of the Board of Executive Directors of K+S Aktiengesellschaft. "Furthermore, for the second quarter in a row, we have seen positive development in the average prices for potash and magnesium products as compared to the previous quarter," Steiner continues.

Thanks to increased sales of fertilizer specialties and positive development in sales of non de-icing salt, K+S Group revenues rose by around 3 % to €1.13 billion in the first quarter of the current fiscal year (Q1/2016: €1.10 billion). Lower prices as compared to the previous year in the Potash and Magnesium Products business unit and in the North American de-icing salt business, as well as special items such as weather-related production limitations at the Werra plant and the one-time payment to our employees following the collective 2017 salary review, caused EBIT I operating earnings to decrease by 37 % to €137 million (Q1/2016: €218 million).

Development in the business units

After an heavily burdened second half of 2016, the business unit's earnings position improved in the Potash and Magnesium Products business unit, primarily due to the aforementioned increase in sales of fertilizer specialties. Operating earnings (EBIT I) reached €42 million in the quarter under review, compared to €-49 million in the third and €-35 million in the fourth quarter of 2016. However, there was a significant decrease compared to the same period in the previous year (Q1/2016: €102 million) due to the influencing factors described above.

In the Salt business unit, strong winter business in Europe and Canada was offset by mild weather conditions and declining prices in sales of de-icing salt in the US. By contrast, salt business for food processing and industrial and chemical use once again showed positive results. The business unit's operating earnings (EBIT I) decreased by around 14 % to €106 million (Q1/2016: €123 million).

Environmental issues remain challenging

The permit obtained to continue deep-well injection of saline wastewater was an important step towards further securing production at the Werra plant. However, the Werra will remain the primary discharge route, because a lower annual injection volume than requested was approved and the daily quantity is limited to 5,000 m³. The lower water levels in the river made it necessary to cease production at the Hattorf site for 25 days during the quarter under review. Further weather-related production limitations cannot be ruled out for the rest of the year. K+S is constantly working to come up with additional wastewater disposal measures. Since mid-February, saline wastewater has also been transported to Bernburg (Saxony-Anhalt), where it is being used to permanently secure a gas cavern. Furthermore, production was further stabilised by expanding the basin facilities by 130,000 m³ to a total of 530,000 m³. From 2018 onward, the commissioning of the new KCF facility will significantly improve the disposal situation on the Werra plant.

Further extensive approval procedures are currently under way, including the plan approval procedures/permit procedure initiated in 2011 to expand the tailings pile capacity at the Hattorf site, which continues to be very challenging both in terms of content and time. Further information on this and other approval procedures can be found in the [quarterly report Q1/17](#) on pages 5 to 7.

Outlook for 2017 and medium-term target confirmed

K+S still aims for a tangible increase in revenues and operating earnings (EBIT I) in the 2017 fiscal year compared to the previous year. As indicated above, further production limitations at the Werra plant during longer periods of low water levels in the Werra cannot be ruled out for the rest of the year. This could lead to a significant deviation from our forecast.

Norbert Steiner: “Even though production is not yet running entirely smoothly this year at our important Werra plant, we look optimistically to the future. The commissioning of the KCF facility next year will significantly increase

production security at the Werra plant. And Bethune, our new potash mine in Canada, will make an important contribution to the company's success".

Additionally, K+S confirms the target to achieve a Group EBITDA of around € 1.6 billion in 2020. The Salt business unit's 'Salt 2020' strategy is still on track to achieve the EBITDA target of over € 400 million, assuming a normal winter. The potential of the new Bethune potash plant will have a positive effect on the Potash and Magnesium Products business unit. Furthermore, in making this medium-term forecast, K+S continues to assume higher potash prices compared to current levels. The Company is also developing a large number of strategic initiatives, which should contribute towards achieving this target.

Information for Editorial Departments

Further information and data on development in the first quarter of 2017 can be found in the Quarterly Report on our website at www.k-plus-s.com/2017q1en. An interview on business development with K+S CFO Dr. Burkhard Lohr is also available there.

A conference call with Norbert Steiner for investors and analysts will also take place today in English at 10:00 am. Press representatives and interested parties from the general public are invited to follow the conference via a live webcast (www.k-plus-s.com/en/audio-und-video/cc.html). The conference will be recorded and made available as a podcast.

This year's Annual General Meeting of K+S Aktiengesellschaft will be held on Wednesday, 10 May in Kassel, Germany. More information about this is available at www.k-plus-s.com/en/hv-2017.

About K+S

K+S is an international resources company. We have been mining and processing mineral raw materials for more than 125 years. The products we produce from them are used worldwide in agriculture, food and road safety and are important elements in numerous industrial processes. Potash and salt are integral nutrients for the megatrend of a constantly growing and increasingly prosperous global population striving for a higher standard of living. This will result in increasing consumption of mineral resources. We serve the resulting growth in demand from production sites in Europe, North America and South America as well as through a global distribution network. K+S is the world's largest salt producer and one of the top potash providers worldwide. With more than 14,000 employees, K+S achieved revenues in financial year 2016 of about € 3.5 billion and an EBIT of € 229 million. Learn more about K+S at www.k-plus-s.com.

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Forward-looking Statements

This press release 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 incorrect or should certain risks – such as those referred to in the Risk Report – materialise, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this press release, save for the making of such disclosures as required by law.