

Press Release

Kassel, Germany, November 15, 2017

Third Quarter of 2017

K+S Group lifts revenues and earnings once again

- **Revenues: +6% to €727 million; EBIT I: €12 million (Q3/16: €-31 million)**
- **Sharp rise in operating earnings EBITDA (+37%)**
- **Higher product availability at the Werra plant**
- **Initial shipments to customers from the Bethune (Canada) plant**
- **Approval received for early commencement of expansion of tailings pile capacity at the Hattorf site**
- **Settlement negotiations with Municipality of Gerstungen and BUND**
- **Outlook for 2017 confirmed: EBIT I of €260-360 million expected**
- **Full production at the Werra plant expected for the remainder of the year**
- **'Shaping 2030' corporate strategy: implementation started**

The K+S Group generated moderately higher revenues in the third quarter and operating earnings rose significantly compared with the prior-year period. Enhanced product availability of specialties and higher fertilizer prices contributed to the increase in earnings.

“Our earnings performance continued to improve in the third quarter and we made further progress with important environmental and regulatory issues. Nevertheless, 2017 will remain a transitional year in which we can't yet fully exploit our strengths,” said Dr. Burkhard Lohr, Chairman of the Board of Executive Directors of K+S. “With ‘Shaping 2030’, our new Group strategy, we have now addressed the challenges and opportunities that are arising and have set the course for a successful future for our Company.”

Revenues and operating earnings increased

K+S Group revenues rose by around 6% in the third quarter to € 727 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) climbed by as much as 37% in the same period to € 77 million. Operating earnings EBIT I improved to € 12 million, compared with € -31 million in the prior-year period.

In the **Potash and Magnesium Products business unit**, improved product availability at the Werra plant and higher average prices pushed up revenues and earnings. Stable disposal of saline wastewater lifted production and sales volumes of high-margin fertilizer specialties. EBIT I for this business unit therefore increased to € 1.7 million in the third quarter (Q3/16: € -49 million).

Initial shipments of potash for customers departed the new Bethune potash mine in Canada, which had begun production in June.

In the **Salt business unit**, revenues were moderately below the prior-year level. Higher sales volumes in salt for chemical use were offset by lower sales volumes in other market segments. Operating earnings EBIT I were also impacted by the effects of Hurricane Irma at the Inagua site (Bahamas) and at € 17 million were down 9% on the prior-year figure.

Outlook 2017: forecast confirmed

Primarily due to the positive effects of the additional measures for the disposal of saline wastewater at the Werra plant, no more wastewater-related production standstills are expected there for the remainder of the year. Annual production of around 500,000 tonnes is projected for the Bethune plant (previously: 600,000 to 700,000 tonnes). The sales volume of the **Potash and Magnesium Products business unit** is likely to be tangibly higher than in the previous year at 6.8 to 7.0 million tonnes (2016: 6.1 million tonnes).

A moderate increase in sales volumes is anticipated for the **Salt business unit** for full-year 2017 based on the expectation of normal winter weather in the fourth quarter.

In light of this situation, K+S is reiterating its forecast of a tangible increase in the **K+S Group’s** operating earnings and expects EBITDA of between € 560 and € 660 million (2016: € 519 million) and EBIT I in the range of € 260 to € 360 million for 2017 (2016: € 229 million).

Other assumptions on which this forecast is based are outlined on pages 7 to 8 of the [Quarterly Report](#).

Progress with environmental issues

Positive developments can now be reported concerning the approval process for the expansion of tailings pile capacity at the Hattorf site, which started in 2011. Based on the concept, which has been enhanced further to reduce the environmental impact, the licensing authorities arrived at a positive overall forecast with regards to the approvability. Accordingly, the application for “early commencement” was approved on November 9, 2017. K+S is therefore confident of being able to complete the approval process in a time and manner that results in no negative effects on production.

In relation to the disposal situation at the Werra plant, the commissioning of the new KCF facility envisaged for early next year will lead to a further significant reduction in the quantity of saline wastewater by around 20%.

Settlement negotiations with Gerstungen and BUND

To resolve long-running disputes, K+S is currently holding settlement talks with the [Municipality of Gerstungen](#) and [Bund für Umwelt und Naturschutz Deutschland e.V.](#) (BUND - Federation for Environment and Nature Conservation Germany). The objective is to end the legal dispute over the injection permit, which will then create legal certainty for the permit applicable for the Werra plant until the end of 2021.

Implementation of ‘Shaping 2030’ initiated

The new [‘Shaping 2030’](#) Group strategy unveiled in early October is putting K+S on a robust, sustainable course of growth. The core of this strategy is a

market- and customer-driven positioning by focusing on the four Product Market Segments of Agriculture, Industry, Consumers, and Communities.

In the transformation phase, which will last until 2020, the focus will be on strengthening K+S's balance sheet. The tapping of synergies should lead to a positive earnings effect of at least € 150 million per year from the end of 2020. The company will return to being free cash flow positive by 2019 and the indebtedness is to be halved by 2020. The requirements for an investment grade rating are expected to be fulfilled again in 2023.

A strategic roadmap with clear goals and strong growth options has been developed for the subsequent growth phase up to 2030.

The cornerstones of the future organisation required to support the new strategy will be developed by the end of this year. The processes and structures will be elaborated further in the course of next year and the implementation will begin step by step.

Information for Editorial Departments

Further information and data on development in the third quarter and the first nine months of 2017 can be found in the Quarterly Report at www.k-plus-s.com/2017q3en on our website. An interview on business development with K+S CEO Dr. Burkhard Lohr is also available there.

A conference call with Dr. Burkhard Lohr for investors and analysts will take place today in English at 10:00 am (CET). Press representatives and interested parties from the general public are invited to follow the conference via a [live webcast](#). The conference will be recorded and made available as a podcast.

About K+S

K+S considers itself as a customer-focused, independent minerals company for the segments of Agriculture, Industry, Consumers, and Communities and wants to grow the EBITDA to €3 billion in 2030. Our over 14,000 employees enable farmers to provide nutrition for the world, provide solutions that keep industries going, improve daily life for consumers and provide safety in the winter. We continually meet the growing demand for mineral products from production sites in Europe, North and South America as well as a worldwide sales network. We strive for sustainability because we are deeply committed to our responsibilities to people, environment, communities and economy of the regions in which we operate. 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.