

/ Press Release

Kassel, Germany, March 15th, 2018

Financial year 2017: Foundations laid for growth

- **Revenues for 2017: €3.6 billion (2016: €3.5 billion)**
- **EBITDA for 2017: €577 million (2016: €519 million)**
- **EBIT I for 2017: €271 million (2016: €229 million)**
- **Exceptional charge resulting from closure of Sigmundshall potash mine taken into account**
- **New mine in Canada already increasing revenues**
- **Outlook for 2018: revenues and EBITDA will continue to grow; indebtedness will fall**

The K+S Group has improved in all of its key indicators in the 2017 financial year: revenues rose to €3.6 billion (previous year: €3.5 billion), operating earnings EBIT I increased to €271 million (previous year: €229 million) and earnings before interest, taxes, depreciation and amortisation (EBITDA) were lifted to €577 million (previous year: €519 million). “Even though 2017 was a year shaped by transition, we reached our targets, laying a strong foundation for our future,” said Dr Burkhard Lohr, CEO of K+S AG.

The Board of Executive Directors and the Supervisory Board intend to propose a dividend of € 0.35 per share (previous year: € 0.30 per share) at the Annual General Meeting on May 15th, 2018; this corresponds to a pay-out ratio of 46% (previous year: 44%) of the adjusted Group earnings after taxes.

Robust business in our core markets

Greater product availability in the Potash and Magnesium Products business unit, especially of fertilizer specialties at the Werra plant along with the first sales volumes from the new mine in Canada had a positive effect on revenue growth in the past financial year. In contrast, the unfavourable exchange rate developments in both business units negatively impacted revenues. Once again, the Salt business unit was the top segment in of the K+S Group in terms of revenues. The positive trend in industrial salt and salt for chemical use was particularly encouraging. Revenues from de-icing salt remained at a stable level.

Capital expenditure in Canada increasing international competitiveness

The potash mine put into operation in Bethune, Canada, in May 2017 is already having a positive impact: around 500,000 tonnes of potash were produced by the end of the financial year. "With Bethune we now have potash operations on two continents. The plant will complement our German production network and reduce average production costs in the medium term. This provides us with very positive long-term perspectives," Dr Burkhard Lohr explained. "Bethune will make the Group much more competitive internationally."

Business activity focusing on commitment to the environment and sustainability

The K+S Group's reinforced commitment to the environment is also having a positive effect. Additional resources will be secured with the kainite crystallisation and flotation (KCF) facility put into operation at the Hattorf site at the beginning of this year. At the same time, the Werra plant's wastewater will be reduced by around 20% per year. With an investment volume of €180 million, the KCF facility constitutes the K+S Group's largest individual project to date for water protection.

In addition, legal disputes have been resolved by the agreements reached with nature conservation organisation BUND and the municipality of

Gerstungen on the deep-well injection and buffer storage of Gerstunger Mulde.

“We are increasingly focusing on dialogue with all groups of stakeholders,” Dr Burkhard Lohr confirmed. “After all, appropriate resolution of environmental issues and a clear commitment to sustainability are essential for K+S.”

Outlook for 2018

For the 2018 financial year the K+S Group estimates that revenues will be tangibly higher and earnings before interest, taxes, depreciation and amortisation (EBITDA) significantly higher than the figures for the previous year. The rise in production volumes in Bethune, Canada, will give a boost to the Potash and Magnesium Products business unit. Production at the Werra plant will also increase again due to the absence of wastewater-related production outages, which will likewise improve earnings. The Salt business unit anticipates a tangible increase in EBITDA on the strength of rising sales volumes and a further improvement in profitability. “We expect to see a significant improvement in free cash flow in 2018,” Dr Burkhard Lohr added.

The K+S Group presented its ‘Shaping 2030’ strategy in fall 2017. This includes the clear focus on the four customer segments of Agriculture, Industry, Consumers, and Communities. “Based on our expertise in the mining and processing of minerals, we will make use of the opportunities provided by customers’ specific needs and harness global megatrends,” said Dr Burkhard Lohr. This will create attractive growth options for the existing business as well as new areas of business, for example liquid fertilisation. Initial projects from the K+S InnovationLab – such as the aquaponic containers unveiled in March – are already in the test phase.

Information for Editorial Departments

The 2017 Annual Report and the K+S Q4/17 Facts & Figures are available on our website at www.k-plus-s.com/2017q4en. An interview on business development with CEO Dr Burkhard Lohr is also available on the website. Starting at 11 am (CET), the presentations by Dr Burkhard Lohr, and CFO

Thorsten Boeckers for today’s K+S annual press conference in Frankfurt am Main on the company’s financial statements will also be available on the website, along with press photos.

A conference call in English for investors and analysts with Dr Burkhard Lohr will take place today at 9 am (CET). 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.

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.