

## **Press Release**

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Kassel (Germany) August 31, 2018

### **K+S Expands Activities in East Africa Enormous Growth Potential in Sub-Saharan Region**

The development of growth regions is an important component of the new K+S corporate “Shaping 2030” strategy. In doing so, K+S is focusing more closely on the sub-Saharan region which, because of the still underdeveloped agriculture, offers great potential. The use of fertilizers is comparatively low at only eight kilograms per hectare and crop yields are correspondingly low. By comparison, an average of 135 kilograms per hectare are used worldwide and in Europe, 150 kilograms are used. In addition, agriculture is characterized by small-scale farming structures without pronounced agricultural know-how. This is exactly where K+S comes in.

“Sub-Saharan Africa is a region with very high growth potential that reminds us of Brazil, India or China in recent decades,” explains K+S CEO Dr. Burkhard Lohr. The entry point to sub-Saharan Africa already happened through an aid program in Uganda in 2013. Since then, a lot has happened. “Of course, our activities in Uganda are also about being economically successful. At the same time, however, it is also capacity building and, in my opinion, an approach to show the people the prospects they have in their own country. This I see as a key to answering the refugee question.”

K+S is currently investing in agricultural infrastructure in Uganda, such as fertilizer blending plants, grain handling processing, and storage facilities near the Ugandan capital, Kampala.

In a second step, K+S, together with local partners, will set up a digital trading platform. In the process, a Ugandan partner obtains fertilizer through K+S and provides it to small-scale farmers in the required quantities. After the harvest, the small-scale farmer can then sell the finished products (coffee, corn, etc.) through the platform at transparent prices to local wholesalers, with whom K+S also cooperates in order to ensure quality and reliability. Likewise, the platform should be open to other products and providers, for example for financial and insurance services.

K+S plans to extend this business model later to other countries in the sub-Saharan region. "Our goal is to become the leading agricultural solutions provider in East Africa in a few years," says Dr. Burkhard Lohr. "Working closely with our local partners, we are becoming an integrated point of contact for farmers to provide them with optimal support in both the production and subsequent sale of their products."

One of the local partners of K+S is Grainpulse Ltd., the Ugandan agricultural trading company. Dr. Burkhard Lohr welcomed Hannington Karuhanga, the general manager of the company in Kassel today. "We're pleased to have found an ideal local partner with Grainpulse in order to develop this market together", says Dr. Lohr.

The expansion of K+S activities in East Africa stems from the company's experience with the "Growth for Uganda" project. K+S, together with the NGO Sasakawa Africa Association, launched the aid project in 2013. After just a few years of intensive agricultural training, the living conditions and income situation of nearly 650,000 people were significantly improved.

#### **Note to editors**

Pictures of the meeting today between the CEO of K+S, Dr. Burkhard Lohr, and the general manager of Grainpulse Ltd, Hannington Karuhanga, are available for download on our [website](#).

### **About K+S**

K+S considers itself a customer-focused, independent minerals company for the Agriculture, Industry, Consumers, and Communities segments and wants to grow the EBITDA to €3 billion by 2030. Our approximately 15,000 employees enable farmers to provide nutrition for the world, 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, the environment, the communities and the economy in the regions in which we operate. Learn more about K+S at [www.k-plus-s.com](http://www.k-plus-s.com).

### **Your contact person:**

#### **Press:**

Michael Wudonig

Phone: +49 561-9301-1262

[michael.wudonig@k-plus-s.com](mailto:michael.wudonig@k-plus-s.com)