

K+S Q1/14 FACTS & FIGURES

Q1/14 HIGHLIGHTS

- + Robust demand in the Potash and Magnesium Products business unit
- + Price level for potash fertilizers has bottomed out
- + De-icing salt sales volume up significantly on previous year
- + At € 1,189 million, quarterly revenues down moderately on previous year
- + Operating earnings EBIT I at € 220 million
- + “Fit for the Future” displays first successes

OUTLOOK 2014

- + Revenues should be moderately below previous year
- + EBIT I expected to be significantly lower than 2013

Underlying assumptions:

- + **Potash and Magnesium Products**
 - + Sales volumes of about 60 million tonnes globally
 - + Despite evidence of stabilisation, average prices tangibly below previous year's average
- + **Salt** sales volumes slightly above the level of 2013, thereof about 14 million tonnes of de-icing salt

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)		TAB: 1.1.1			
		Q1/14	Q1/13	%	Consensus Q1/14 ¹
Revenues	€ million	1,189.0	1,280.3	(7.1)	1,199.0
– thereof Potash and Magnesium Products business unit	€ million	507.4	625.5	(18.9)	516.8
– thereof Salt business unit	€ million	641.0	614.5	+ 4.3	630.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	279.8	336.3	(16.8)	260.1
– thereof Potash and Magnesium Products business unit	€ million	165.5	236.0	(29.9)	141.7
– thereof Salt business unit	€ million	113.7	100.2	+ 13.5	114.5
Operating earnings (EBIT I)	€ million	219.6	277.9	(21.0)	200.6
– thereof Potash and Magnesium Products business unit	€ million	134.4	209.2	(35.8)	111.0
– thereof Salt business unit	€ million	89.1	73.1	+ 21.9	85.1
EBIT I-margin	%	18.5	21.7	–	16.7
– thereof Potash and Magnesium Products business unit	%	26.5	33.4	–	21.5
– thereof Salt business unit	%	13.9	11.9	–	13.5
Group earnings from continued operations, adjusted²	€ million	141.5	190.2	(25.6)	128.4
Earnings per share from continued operations, adjusted²	€	0.74	0.99	(25.6)	0.67
Capital expenditure ³	€ million	164.6	110.8	+ 48.6	–
Depreciation and amortisation ³	€ million	60.2	58.4	+ 3.1	–
Operating cash flow	€ million	379.3	314.0	+ 20.8	–
Free cash flow	€ million	(361.6)	134.8	–	–
Free cash flow, adjusted^{4,5}	€ million	203.6	212.2	(4.1)	–
Net debt as of 31 March	€ million	831.9	618.8	+ 34.4	–
Net debt/EBITDA (LTM)		1.0	0.6	–	–
Equity ratio (%)	%	46.1	53.1	–	–
Return on Capital Employed (LTM) ⁶	%	13.9	20.9	–	–
Book value per share as of 31 March	€	18.20	19.05	(4.5)	–
Average number of shares	million	191.40	191.40	–	–
Employees as of 31 March ⁷	number	14,330	14,300	+ 0.2	–
Market capitalization as of 31 March	€ billion	4.6	6.9	(34.3)	–
Enterprise Value as of 31 March	€ billion	5.4	7.6	(28.7)	–

¹ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 22 April 2014; 22 analysts participated.

² The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollar (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate for Q1/14: 28.6 % (Q1/13: 28.5 %).

³ Capital expenditure in or depreciation on property, plant and equipment, intangible assets and investment properties as well as depreciation on financial assets.

⁴ Without out-financing of pension obligations in the amount of € (0.4) million in Q1/14 (Q1/13: € (5.8) million).

⁵ Without purchases/disposals of securities and other financial investments in the amount of € (564.8) million net in Q1/14 (Q1/13: € (71.6) million).

⁶ Return on capital employed of the last twelve months as of 31 March.

⁷ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

Forward-looking statements

This document 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 not to be correct or should certain risks – such as those referred to in the recent Risk Report – materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements contained in this document.

BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹							TAB: 1.1.2
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Revenues	€ million	625.5	548.3	456.7	407.1	2,037.6	507.4
Europe	€ million	354.4	276.3	233.1	250.1	1,113.9	347.5
Overseas	US\$ million	358.0	355.3	296.5	216.9	1,226.7	219.0
Sales volumes	t eff. million	2.03	1.77	1.63	1.51	6.94	1.94
Europe	t eff. million	1.11	0.89	0.77	0.88	3.65	1.27
Overseas	t eff. million	0.92	0.88	0.86	0.63	3.29	0.67
Average prices	€/t eff.	308.0	309.4	280.4	270.7	293.8	261.9
Europe	€/t eff.	318.8	311.7	301.3	284.8	305.2	273.5
Overseas	US\$/t eff.	389.5	401.0	346.3	346.8	373.3	328.5

- + Revenues of the business unit decreased due to negative price effects in a year over year comparison
- + Sales volumes in Q1/14 totalled 1.94 million tonnes and were slightly down compared to high level of the previous year
- + Average portfolio prices tangibly lower year over year; price level has bottomed out in Q1/14
- + Operating earnings EBIT I for first quarter decreased by 36% to € 134.4 million due to lower price level

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ¹							TAB: 1.1.3
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
De-icing salt							
Revenues	€ million	359.4	40.4	73.3	280.3	753.4	396.6
Sales volumes	t million	6.53	0.77	1.41	5.07	13.79	8.15
Average prices	€/t	55.1	52.1	51.9	55.2	54.6	48.7
Industrial salt, salt for chemical use and food grade salt							
Revenues	€ million	236.5	233.2	233.6	228.4	931.6	230.4
Sales volumes	t million	2.38	2.19	2.24	2.21	9.02	2.28
Average prices	€/t	99.5	106.5	104.4	103.2	103.3	100.9

- + Higher revenues mainly driven by positive volume development in the de-icing salt business in North America
- + Sales volumes of crystallized salt rose by 17.1% to 10.43 million tonnes year over year
- + At € 89.1 million, operating earnings EBIT I in Q1/14 were up versus Q1/13

¹ Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective EUR/USD spot rates. For most of these revenues, hedging transactions have been concluded. The price information is also affected by the respective product mix and is therefore to be understood as providing a rough indication only.

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