K+S Aktiengesellschaft

Annual General Meeting

on 11 May 2010

in Kassel

Norbert Steiner,
Chairman of the Board of Executive Directors

– The spoken word is binding –
Dear Shareholders,
Dear Shareholder Representatives,
Dear Guests,
Ladies and Gentlemen,

On behalf of the Board of Executive Directors of K+S Aktiengesellschaft and all our employees, I welcome you warmly to our Annual General Meeting.

I also extend a warm welcome to all those who are following my report on the Internet as well the representatives of the media. Your interest in the K+S Group is very much appreciated.

Ladies and Gentlemen,

Behind me, you can see the motto of our current Financial and Corporate Report. It shows part of the “genuine substance” from our potash district on the Werra, one that is 240 million years old. “Substance” is what truly mattered and matters – especially in a difficult year for the economy such as 2009.
Our strategy is aimed at achieving sustainable business and creating value.

The raw materials sector and related areas will continue to be the focal point of our operations and growth in the future too.

- K+S’s motto is: “A source of growth and life through nutrients and minerals”

Our strength lies in the depth of our value chain and our worldwide presence in the fertiliser and salt sectors.

It is also a question of “substance” in the literal meaning of the word. Because it means according to its Latin origin “what something consists of”. Everything, that is, every natural as well as every synthetic product is based on raw materials. Raw materials are at the start of value creation. Raw materials are needed. It is the reason why the raw materials industry, even in times of crisis, does not run out of breath that quickly.

This applies to us too. As a raw materials company – we have been extracting, processing and distributing raw materials for more than 100 years – our strategy cannot be – and is not – based on the pursuit of short-term return goals, but is geared towards sustainable economic activity and the creation of value.

That should also remain so in future: this is reflected in the vision that we formulated for the K+S Group last year: “Source of growth and life through nutrients and minerals”. The source is the natural origin of our crude salts, while the goal remains the manufacture of a range of products that create the basis for growth and life: the nutrients in our fertilizers provide for rich harvests and, in this way, make a contribution to feeding the growing population of the world, and our minerals serve as the basis for many products and applications that are important to life and that enrich life.
We are convinced that the strategic direction of the K+S Group has proven its worth: the special depth of our value chain – from the crude salt extracted underground to the finished product – makes us strong, as does our global presence in the Fertilizers and Salt business sectors.

Nevertheless, the past year presented us with particular challenges too; we also were unable to escape the impact of the global financial and economic crisis.

In the following, I will inform you about the performance of your Company in 2009 and show you what we have done to steer your K+S Group safely through what was, in part, very difficult terrain.

I shall then report on the start to the current year and, from today’s perspective, present our goals and expectations for 2010 as a whole. At the end of my speech, I shall explain the main resolutions proposed to today’s Annual Meeting by the Board of Executive Directors and the Supervisory Board.
Dear Shareholders,

First let me turn to our performance in 2009.

### Global Agricultural and Fertilizer Markets

**2009: Correction after Boom**

- Continued strong uncertainty in agriculture as a result of agricultural prices not recovering
- Strong slump of fertilizer demand
- Sharp price reductions – but differentiated situation on individual fertilizer markets
- Significant production cutback necessary at all fertilizer producers

**Global potash sales volume**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Volume (Mil. t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>54.2</td>
</tr>
<tr>
<td>2005</td>
<td>54.4</td>
</tr>
<tr>
<td>2006</td>
<td>50.7</td>
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<tr>
<td>2007</td>
<td>58.7</td>
</tr>
<tr>
<td>2008</td>
<td>54.5</td>
</tr>
<tr>
<td>2009</td>
<td>32.0</td>
</tr>
</tbody>
</table>

**Potassium chloride prices (€)**

- Brazil
- South-East Asia (SEA)

Sources: FMB; NOP standard, cfr; as of End of April 2010
Today we know that those developments, which characterised the past year almost up to its end, began in autumn 2008: after the first nine months of that year, demand and prices on the agricultural and fertilizer markets had known only one direction, and that was up, a sharp reversal of direction followed in the autumn. In the wake of the financial crisis, the speculative bubble that had emerged on the agricultural commodity futures exchanges burst, and prices, which had previously risen strongly, suddenly tumbled. This triggered a feeling of great uncertainty among our customers in agriculture and substantial purchasing restraint, which also continued into 2009 as agricultural prices failed to recover. And this trend continued for far longer than had generally been expected by the fertilizer producers and also by us at our last Annual Meeting.

The consequence: the fertilizer markets shrank at an unprecedented speed and to a previously unimaginable extent. Within one year, the sales volumes of globally operating potash producers plunged by more than 40 per cent – the sharpest decrease ever recorded within a 12-month period.

The picture was similar for producers of nitrogenous fertilizers: in the case of straight nitrogen fertilizers, strong price reductions due to falling gas prices and a high availability of ammonia in the second half of the year resulted in a revival of demand. With regard to complex fertilizers, demand was, however, weak throughout the year 2009. Steep price reductions, albeit delayed because of high raw material costs, could not change anything about that.

In the case of potash fertilizers too, price levels, which had reached record highs in 2008, eased continually from about the middle of last year. Nevertheless, demand continued to be weak.

Significant reductions in output were therefore necessary on the part of all fertilizer producers: most potash producers worldwide scaled back their output very substantially, and utilisation of European production capacity for complex fertilizers amounted to less than 60 per cent.
We also had to respond to weak fertilizer demand with reductions in output: we cut back output of potash and magnesium products last year by about 4 million tonnes; this corresponds to about one half of our capacity.

What did this mean for our workforce?

Initially, we consistently worked off the credit collected on working hour accounts as well as claims for remaining days of vacation in order to cushion the under-utilisation of capacity in the plants. Having exhausted this possibility, we had to resort to short-time working. About 5,900 employees – that means around 80 per cent of the workforce at the German sites in the Potash and Magnesium Products business segment – were temporarily affected; and the conveyor belts at our potash sites were still for about 100 weeks in total. However, this does not mean that we were idle during this time – we used that time intensively for exploratory and pre-processing works, but also for training.

Our complex fertilizer production capacity at our COMPO Krefeld site too, only was utilized at approximately 50 per cent last year. That is why short-time working was also necessary there – for about 15 weeks.
This, in part, long phase of short-time working was not pleasant for our employees and their families. Nevertheless, we are pleased that we were able to keep our employees in the Company in this way. Because we need them – we will continue to be reliant on a skilled workforce in the future too.

Ladies and Gentlemen,

We also need qualified and dedicated employees in our Salt business segment. Not only because of a winter that was longer than average here in Europe, one that is still fresh in our memories and, in particular, pushed people and equipment at our salt subsidiary esco to the limits.

But not only last winter was marked by a strong business with de-icing salt, but also at the start of 2009, the road clearance services in Western Europe and in large parts of the United States were almost continuously in action. Our de-icing salt was much sought-after. In some regions of North America, strong demand in the first quarter even resulted in supply bottlenecks. Here we were able to help out with the volumes we could deliver from South America - and profited from above-average prices.
In the fourth quarter, we have included our new US subsidiary Morton Salt for the first time. However, the winter in these new “de-icing salt regions” for us was characterised by what was generally mild weather at the end of the year, especially in Canada. That does not make us fearful – on the contrary: That is because less susceptibility in our de-icing salt revenues, which will in future come with further regions with different climate. This is one of the goals being pursued with the acquisition of Morton Salt.

However, food-grade and industrial salts also made a contribution to the overall very positive development of the Salt business segment. In the case of salt for chemical use, however, we noted decreases due to the economic situation, especially in Europe.

Ladies and Gentlemen,

Even if we are very pleased that our salt business has at least partially filled the decline in our fertilizer sector – ultimately there was a marked decline in revenues and earnings in 2009:
Revenues of the K+S Group decreased by approximately 26 per cent compared with the previous year; this is due to significantly lower sales volumes and price declines in the Potash and Magnesium Products as well as Nitrogen Fertilizers business segments.

Even more marked than the decline in revenues was that in operating earnings and Group earnings after taxes: these figures are 82 and even 90 per cent below the previous year’s figures. However, we must take into account the fact that 2008 was an exceptional year which, because of the adverse external circumstances alone, could not be repeated last year.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>Δ</th>
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<tbody>
<tr>
<td>Potash and Magnesium Products</td>
<td>231.7</td>
<td>1,203.2</td>
<td>(81%)</td>
</tr>
<tr>
<td>Nitrogen Fertilizers</td>
<td>(108.1)</td>
<td>121.4</td>
<td>(-)</td>
</tr>
<tr>
<td>Salt</td>
<td>140.4</td>
<td>45.2</td>
<td>+ 211%</td>
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</tbody>
</table>

* Including Morton Salt in Q4/2009

Let us turn to the operating earnings of our two Fertilizers and Salt core business sectors:

If we glance at the Potash and Magnesium Products business segment, it is noticeable that its earnings of 231.7 million euros were still its second best ever, despite a sharp decrease. The high price level in the first half of the year contributed very significantly to this, and only fell gradually as the year went on. Also helpful was a relatively stable overseas business.
The **Nitrogen Fertilizers business segment** also tangibly felt the consequences of the decline in demand in 2009. Apart from the negative volume and price effects, high raw material costs in the production of complex fertilizers as well as the adverse impact of extraordinary effects in particular resulted in a loss of 108.1 million euros for the business segment.

The **Salt business segment** paints a totally different picture: Because of the robust de-icing salt business, the segment’s operating earnings of 140.4 million euros roughly tripled in comparison with the previous year.

The effect from the first-time inclusion of Morton Salt was 9.8 million euros in the fourth quarter. In addition to integration costs, extraordinary effects from revaluation of inventories according to IFRS and depreciation of assets which had to be increased within the framework of purchase price allocation required by IFRS reduced this contribution to earnings. The “actual” earnings of Morton Salt, which are more expressive for the cash flow, amounted to a pleasing 52.0 million euros in the fourth quarter.

### Indicators of Margins and Rates of Return

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<thead>
<tr>
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<tbody>
<tr>
<td>EBIT margin</td>
<td>6.7%</td>
<td>28.0%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Return on equity</td>
<td>8.4%</td>
<td>68.6%</td>
<td>16.1%</td>
</tr>
<tr>
<td>Return on total investment</td>
<td>6.9%</td>
<td>44.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Return on capital employed (ROCE)</td>
<td>9.3%</td>
<td>64.0%</td>
<td>15.5%</td>
</tr>
<tr>
<td>Cost of capital before taxes</td>
<td>9.9%</td>
<td>10.4%</td>
<td>10.7%</td>
</tr>
</tbody>
</table>

- Except for Nitrogen Fertilizers all business segments earned their cost of capital
- Adjusted for integration costs and one-off effects from the revaluation and consolidation of Morton Salt, ROCE would have generated the cost of capital
Ladies and Gentlemen,

In light of the sharp decline in the figures of the K+S Group it is no surprise that, in comparison to record year 2008, the returns achieved were also significantly lower last year. However, I believe that against the backdrop of the economic conditions prevailing in the year of crisis that was 2009, the figures achieved are presentably.

This can be seen, for example, from the ROCE (Return on Capital Employed), which, at 9.3 per cent, almost reached our cost of capital before taxes of 9.9 per cent. Here it should be emphasised that the operating returns for 2009 both in the Potash and Magnesium Products and Salt business segments exceeded the cost of capital and that these were not earned only in the Nitrogen Fertilizers business segment.

It should also be noted that the return figures are adversely affected by extraordinary effects such as the aforementioned revaluation of the assets of Morton Salt according to IFRS. If these extraordinary effects are not taken into consideration, this results in a ROCE for 2009 for the K+S Group that would even have been slightly higher than the cost of capital.

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**K+S Aktiengesellschaft**

**Significant Reduction of the Dividend**

- Earnings-based dividend policy
- Dividend payout rate generally between 40% and 50% of adjusted Group earnings after taxes

<table>
<thead>
<tr>
<th>Dividend (€ per share)</th>
<th>0.45</th>
<th>0.50</th>
<th>0.50</th>
<th>2.40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend payout rate * (%)</td>
<td>47.2</td>
<td>46.8</td>
<td>47.1</td>
<td>40.4</td>
</tr>
</tbody>
</table>

* Based on adjusted earnings after taxes

11 May 2010

K+S Group / 10
The sharp decline in earnings in 2009 leads to an equally significant reduction in the proposed dividend: On the basis of our essentially earnings-based dividend policy, under agenda item 2 the Board of Executive Directors and the Supervisory Board propose a dividend of 20 cents per share for the past financial year to the Annual General Meeting.

As we do not hold any own shares as on this day, this would result in a dividend payment of 38.3 million euros. With a dividend payout rate of 41 per cent, this is within the payout corridor of 40 to 50 per cent of the adjusted K+S Group earnings that we essentially seek to achieve.

That way we ensure that our shareholders are given a fair share of the profits, that the Company is able to build up a reserve for future growth but also for temporary crises, and that the financial basis of the K+S Group is not challenged.

Ladies and Gentlemen,

So much for the figures. What have we done to steer the K+S Group through this altogether difficult year?
I would like to mention the most important points:

In view of the slump in demand and in order to be able to use our capacities as efficiently as possible, we cut back very heavily on production, with stocks already full. This saves on costs, even though the high share of fixed costs customary in the mining industry naturally allows itself to be decreased to a limited extent only. We also curbed planned maintenance measures to the extent necessary and postponed capex programmes until subsequent years – certainly standard measures which can undoubtedly be expected from a business management point of view.

However, we did not want to stop there and also did further things which will, in the medium and long term, clearly take us forward:

After all, every crisis passes at some point; sometimes sooner than one thinks. We therefore deliberately used the first half of 2009 to bring back the underground infrastructure on which great demands had been made as a result of the high production requirements of previous years, to the standard customary at K+S.
In the second half of the year, we also strengthened our financial structure by issuing a corporate bond and by a capital increase. Both measures were received very positively by the capital market.

In everything we did, we also took pains to ensure honest communication. Because trust is built up particularly in times of crisis. We want at all times to inform our stakeholders immediately, realistically and plainly about current developments in the business of K+S – whether positive or negative.

And of course we have worked intensively to bring forward our 360 million euro package of measures designed to reduce saline wastewater from the Werra plant, which we presented in the autumn of 2008. To that effect, we concluded a public law agreement with the federal states of Thuringia and Hesse and did all the “homework” agreed in it – the preparation of short-, medium- and long-term strategies – in good time. If the necessary approvals are granted quickly, the concept will result in a 50 per cent reduction in the volume of saline water as of 2015 as well as a 30 per cent reduction in the salt concentration.
And we have worked intensively as a participant in the Round Table. It is in the nature of things, that discussions were occasionally heated, which is unsurprising when the participants involved lend different weight to the individual elements of the “magic triangle” of ecology, economics and social responsibility. Of course we respect that.

However, if at the beginning of this February, the Round Table for the most part has declared that K+S should completely and permanently discontinue the discharge of saline waste water into the Werra and its injection into the dolomite layer starting from 2020 at the latest, we could not agree to this because of the fact that, from today’s perspective, nobody can predict whether the framework conditions needed to achieve this will even exist.

With our package of measures, a concept has been presented which, we are convinced, solves the problem of saline waste water in a way that is acceptable to all parties. However, the majority of the Round Table participants and many others are additionally calling for the construction of a pipeline to the North Sea. We have promised the partners to the public law agreement that we will examine the concept of the construction of a pipeline. And I want to stress that we shall do so without prejudice. I give you my word on this! We are currently examining this at full stretch, and doing so on the basis of those criteria for which agreement exists with the federal states of Hesse and Thuringia and also with the Round Table. After the implementation of the local measures concept, a pipeline must also be ecologically feasible, it must be relatively and economically justifiable, a joint political will on the part of all parties involved and affected must be present, and the construction and operation of the pipeline and the discharge of salt solutions must be secured by long-term approvals.

Ladies and Gentlemen,

Many of these questions are currently open or, due to Lower Saxony’s “no” to the North Sea pipeline, even answered in the negative at least for the present. The preliminary investigations that have been carried out by the Round Table are helpful, but they are not enough, in relation not only to regulatory, but also ecological and
economic issues. I quote from the recommendation of the Round Table: “The assessment of the economic appropriateness, at present or at some point in the future, of the commissioning lies beyond … the assessment possibilities of the Round Table” (end of quote). At least one thing is clear in this respect: the examination of appropriateness must be based solely on what our Werra plant can achieve in relation to an additional pipeline, and obviously the plant, metaphorically speaking, must have “enough water under the keel”, that is, must be able to be operated in an economically viable and sustainable manner.

Ladies and Gentlemen,

The environmental committee of the Hessian parliament recently recommended that the Round Table continues its work, even after its previous commission from 2007 has been fulfilled with the submission of the recommendation. K+S is, in principle, open to this idea. Already last autumn, we adopted a positive attitude to the continued existence of the body, so that the Werra and Weser residents as well as the representatives of industry and the trades unions, remain involved.

As you can see, we espouse the goal of reconciling ecological, economic and social concerns to an equal extent, and will therefore continue to work unabated in order to achieve further significant improvements for the Werra/Weser river system and for the protection of groundwater in the medium and long term.
Ladies and Gentlemen,

One final major topic from last year now remains to be addressed, which I have already referred to more than once: the takeover of Morton Salt on 1 October last year. In retrospect, it is truer than ever that, without a certain dose of courage, in the midst of one of the worst economic crises ever, this step – with a company value of 1.675 billion US dollars the biggest acquisition of the K+S Group – as a result of which we have advanced to become the world’s largest salt producer, would probably not have occurred. It was a unique opportunity, and one that had to be taken.

With Morton Salt, we have opened ourselves new markets; in the de-icing salts sector in particular, we now have access to new and generally less fluctuating market regions in the USA and in Canada – where we want to expand our positions. In the industrial salt and food-grade salt segments too, North America is now among our most important sales regions. The acquisition has put our geographical presence on a wider footing.

Morton Salt has strengthened our salt business as part of our two-pillar strategy. As you know, Ladies and Gentlemen, our business basically rests on two pillars: fertilizers and salt. And in both core business sectors, it has been our strategy for
years to also grow externally, in order to be able to retain our present market positions in the future and, if possible, to expand them.

The increase in value added, which we are implementing with the acquisition, strengthens the entire K+S Group. At the same time, the acquisition diversifies our business risk, and the relationship between the two core business sectors of Fertilizers and Salt becomes more balanced. This too will benefit the K+S Group as a whole.

Ladies and Gentlemen,

Morton Salt has already transformed us considerably – not only, but also because we have now become even more international. One third of the K+S workforce is now employed abroad, more than one quarter work on the American continent. We are doing a lot to make our new employees feel at home quickly in the K+S Group, and we appear to be succeeding in this. Integration is progressing well.

But also all those people who have already been employed with us for a longer period of time are not left behind. Thus, in 2009, almost 7,000 employees completed
measures leading to qualifications, 25 per cent more than in the previous year. Because the specialist knowledge and skills of our employees are decisive factors in our success. We are therefore continuously further developing the abilities of our employees.

Moreover, we also further strengthened our commitment to training last year, in particular in Germany: at the end of the year, 639 young people in this country were being trained with K+S at 15 locations and in 17 apprentice professions in preparation for their careers. That’s a further increase, with 29 more than in the previous year. As far as our German sites are concerned, the trainee ratio has thus risen to 6.3%, after already having been a very high 6.0 per cent at the end of 2008.

Ladies and Gentlemen,

I am surely also speaking on your behalf when I take this opportunity to express my wholehearted thanks to our now 15,000 employees; for their commitment, single-mindedness and the great flexibility that they have demonstrated, particularly in this difficult crisis.
Ladies and Gentlemen,

Let us now take a look at 2010 – how did we start the current year?

To come to the point: The first quarter of 2010 was characterised by a significant revival in demand for fertilizers.

While the positive demand trend for straight nitrogen fertilizers, which had already continued since the middle of 2009, continued, demand for potash and complex fertilizers then also again picked up dramatically. Particularly in Europe and North America, far more potash fertilizers were ordered, but demand also normalised visibly in large parts of Asia and Brazil.

In the first few months, higher demand was mainly characterised by the needs of the trade sector, which again built up its previously sharply reduced stocks in preparation for the spring season in the northern hemisphere. In the meantime, it can be seen that European agriculture has clearly taken up the volumes requested by the trade sector.
However, the prices for potash fertilizers today are very much lower than they were a year ago: If they were still at about 750 US dollars per tonne at that time, today they are between 350 and 400 US dollars per tonne. The contracts concluded with the important import countries of China and India at the end of last year and the beginning of this one boosted confidence in the stability of prices and therefore supported demand. As far as nitrogen fertilizers are concerned, prices rose significantly against the backdrop of higher input costs. However, this did not damage demand.

As a consequence, it was possible for us, as it was for other potash producers, to again utilise our production capacities well, and the European production facilities for nitrogen fertilizers were also again operating at full capacity in the first quarter of 2010.

Logistics problems restricted the flow of goods to some extent. However, as you can see from the chart, the sharp increase in demand for potash also resulted in a considerable growth in volumes for us during the last quarter: at 1.94 million tonnes, we have more than doubled sales volumes of potash and magnesium products in comparison to the albeit very weak quarter in the previous year.
This positive reversal is directly reflected in the figures for the first quarter of 2010:

At 1.5 billion euros, **revenues** of the K+S Group surpassed the figure for the same period in 2008 by 43 per cent, while at 267.7 million euros, **operating earnings EBIT I** even increased by 54 per cent. Along with the positive effect of the consolidation of Morton Salt, primarily the far higher sales volumes of potash and nitrogen fertilizers were responsible for this.

Year on year, **adjusted Group earnings after taxes** rose by 44 per cent to 175.8 million euros in the first quarter. Here, the consolidation effect was positive to the tune of 12.2 million euros.

### Operating Earnings in the Core Business Sectors

**Significant Increase in Earnings for Fertilizers**

<table>
<thead>
<tr>
<th>EBIT I (in € million)</th>
<th>Q1/2010</th>
<th>Q1/2009</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potash and Magnesium Products</td>
<td>150.6</td>
<td>97.0</td>
<td>+ 55%</td>
</tr>
<tr>
<td>Nitrogen Fertilizers</td>
<td>14.5</td>
<td>8.1</td>
<td>+ 79%</td>
</tr>
<tr>
<td>Salt *</td>
<td>107.9</td>
<td>80.3</td>
<td>+ 34%</td>
</tr>
</tbody>
</table>

* Including Morton Salt in Q1/2010

11 May 2010

The welcome development of the fertilizer business becomes even more apparent when we look at the operating earnings in our core business sectors:

In the first quarter, the **Potash and Magnesium Products business segment** achieved operating earnings of 150.6 million euros, which were thus 55 per cent higher than the level of the previous year. The significantly higher revenues were
able to more than make up for the volume-related higher total costs, which, however, rose to a lesser extent as a result of the fixed cost degression.

The operating earnings of the **Nitrogen Fertilizers business segment** totalled 14.5 million euros in the first quarter, after 8.1 million euros in the same quarter of 2009. It should, however, be noted that the previous year was adversely affected by restructuring measures. Nevertheless, here too rising demand had a positive impact on the result.

The **Salt business segment** profited from a very good de-icing salt business in Europe, thanks to the prolonged winter. However, the weather in Canada was very mild, while winter in the USA passed relatively normally in the first quarter. Overall, the business segment achieved operating earnings of 107.9 euros and thus 27.7 million euros more than in the previous year, while the consolidation effect was 32.4 million euros. According to IFRS, extraordinary effects from the revaluation of inventories at Morton Salt totalling 12.0 million euros as well as the already mentioned higher depreciation of 16.2 million euros reduced the quarterly result at Morton Salt.

Furthermore, the earnings of esco in Europe were adversely affected by extraordinary effects totalling about a one-off 21 million euros: Essentially, these concern the closure of an uneconomic site in France and unscheduled depreciation of property, plant and equipment in the Netherlands.

Finally a short glance to our **Complementary business segments**: here as well, signs are pointing to normalisation of revenues and earnings, particularly in the case of our logistics activities including the small shipping activities as well as in the case of waste disposal and recycling.
Ladies and Gentlemen,

From today's perspective: what is our assessment of how the business of the K+S Group will develop in 2010 as a whole?

Confidence for whole year 2010
Significantly Higher Earnings Expected

- Recovery of fertilizer demand
- Significant volume increases for potash and magnesium products as well as nitrogen fertilizers
- Lower average fertilizer prices vs. previous year
- Inclusion of Morton Salt for whole year

⇒ Significant revenue increase expected
⇒ Operating earnings estimated as significantly higher
We have reason to be confident.

Against the backdrop of the demand and price trends emerging during the course of the first quarter of 2010, the revenues of the K+S Group should rise considerably in financial year 2010 against the previous year. While we assume a tangible increase in revenues in the Potash and Magnesium Products business segment, in the Nitrogen Fertilizers and Salt business segments we even expect significantly higher levels of revenues. Alone as a result of the first-time inclusion of Morton Salt for a whole year, a consolidation effect of over 500 million euros is anticipated.

For the financial year 2010, we are also forecasting significantly higher operating earnings EBIT I in comparison to last year’s figure. This is based on the already described consolidation effect in the Salt business segment, the incipient turnaround in earnings in the Nitrogen Fertilizers business segment, and the expected increase in earnings in the Potash and Magnesium Products business segment.

Adjusted Group earnings after taxes should also be significantly higher in 2010, in line with the development of operating earnings. According to our principally earnings-oriented dividend policy, one could expect that this will also have a positive impact on the dividend payment for the year 2010.
Ladies and Gentlemen,

Allow me to now make a few comments regarding the main resolutions proposed on today’s agenda. I have already addressed agenda item 2, our dividend proposal. I shall restrict myself here to agenda items 8 to 10.

Under agenda item 8 of the agenda, we are again submitting an authorisation resolution for your decision, which, should you agree to it, would provide for the ability of the Board of Executive Directors with the consent of the Supervisory Board, to issue convertible and/or option bonds with an aggregate nominal value of up to 1.5 billion euros and to service bonds to access a conditional capital of up to 10 per cent of the share capital of the Company.

Furthermore, under agenda item 9 we are presenting a authorisation resolution regarding the creation of a new authorised capital.

We have already explained in detail the origins of, background to and objectives of these two resolution proposals in the published reports required by law of the Board
of Executive Directors regarding both agenda items. The reports are also printed in your invitations.

The proposed authorisations should enable K+S to access customary financing possibilities quickly and flexibly when these are needed, in particular in connection with acquisitions. Without corresponding authorisations, an extraordinary annual general meeting would have to be convened on each occasion in order to create the corresponding financing possibilities. However, the preparation and implementation of corresponding AGM resolutions take several months. This might create great problems for acquisitions, whose implementation the Board of Executive Directors and the Supervisory Board would have to decide on in a short period of time.

It is thus for a good reason that almost all DAX-registered companies possess corresponding authorisation resolutions. In some cases, the volume of these far exceeds that of the volumes proposed by us. We have deliberately remained well below the legally permitted maximum and thus restricted ourselves to, what is from our perspective, a necessary minimum framework.

I therefore sincerely ask you to approve the two proposed resolutions and thus support the Company in its intention to be able to, when necessary, quickly grasp any meaningful opportunities for growth on the basis of solid financing possibilities, not least for the benefit of its shareholders.

I thus turn to agenda item 10 – Acquisition of own shares:

Last year’s Annual General Meeting authorised the Board of Executive Directors to acquire, dispose of and cancel the treasury shares until 31 October 2010. We have not taken advantage of this so far; and the Company, as already mentioned, does not hold any treasury shares for the time being. We would like this standard instrument to be available to us beyond October 2010. After the legislator recognised that the previous period of 18 months was too short and the authorisation can now be granted for five years, it is proposed that this authorisation be prolonged until May 2015. The Company would thus be enabled to exploit the benefits associated with
this instrument in the interests of the Company and its shareholders, if the opportunity arose.

Ladies and Gentlemen,

Let me finally summarize once again. The year 2009 confronted us, as we have seen, with challenges, the like of which we have not experienced for a long time.

Against this backdrop, it can without doubt be regarded good success that, in spite of the historically exceptional collapse of the fertilizer markets, we have not made losses, that in the difficult year of 2009 the Company's second pillar, salt, made an important contribution to our earnings, that even in such a difficult year, we almost earned our cost of capital, and that we, apart from the already planned restructuring in the Nitrogen Fertilizer and Salt segments, were able to continue without operation-related redundancies.

The crisis has shown us the enormous extent to which our global economic system constantly presents us with new challenges and how quickly the apparently obvious becomes no longer true. But we have also seen the degree to which every crisis, at
the same time, presents an opportunity to do things better in future – in a value-based way and with a sense of proportion.

All this underlines what I said at the beginning: as a raw materials company, our strategy is not directed towards the pursuit of short-term profit, but towards “genuine substance” – towards sustainable economic actions that create value. We have also succeeded in this in 2009, and we plan to do so in future too.

The prerequisites for this exist. Both in the medium and long term, we believe we are properly positioned: Important, worldwide megatrends remain intact; global population growth, changes in dietary patterns in the emerging market countries and the greater importance of renewable raw materials should ensure increasing demand for fertilizers in the future as well. And the salt business too gives us reason to be optimistic. Our dual-pillar strategy fits.

Last but not least, through the high degree of commitment and the flexibility of all our employees, the K+S Group remains on course. We can look confidently into the future on this basis. Let us continue to do this together!

Thank you very much.