

EXPERIENCE GROWTH



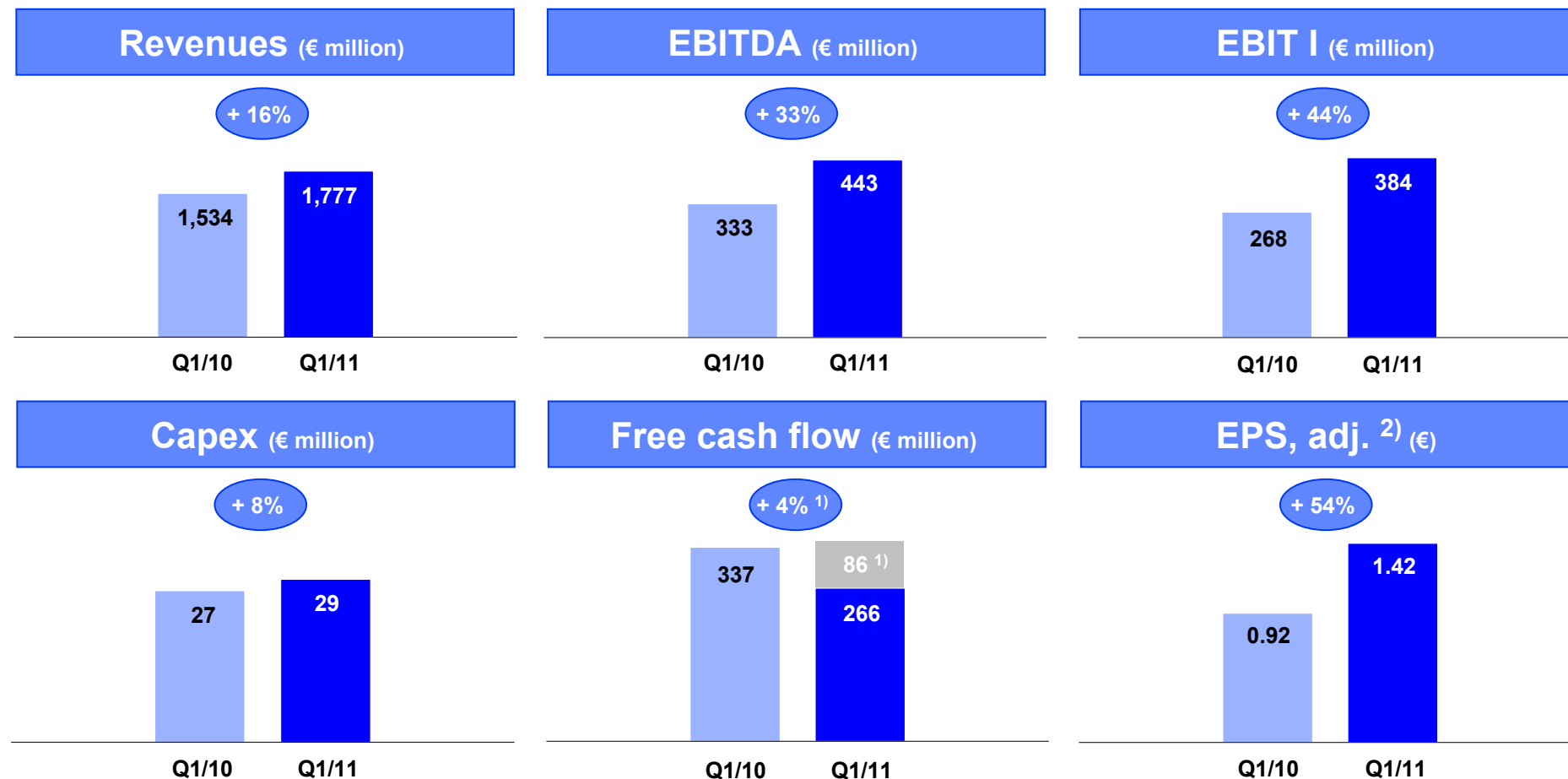
Experience growth.

1st Quarter 2011 Results Analysts' Conference Call

12 May 2011, 3:00 p.m. CEST

A.	Key figures
B.	Core Business Sector Fertilizers
C.	Core Business Sector Salt
D.	Outlook

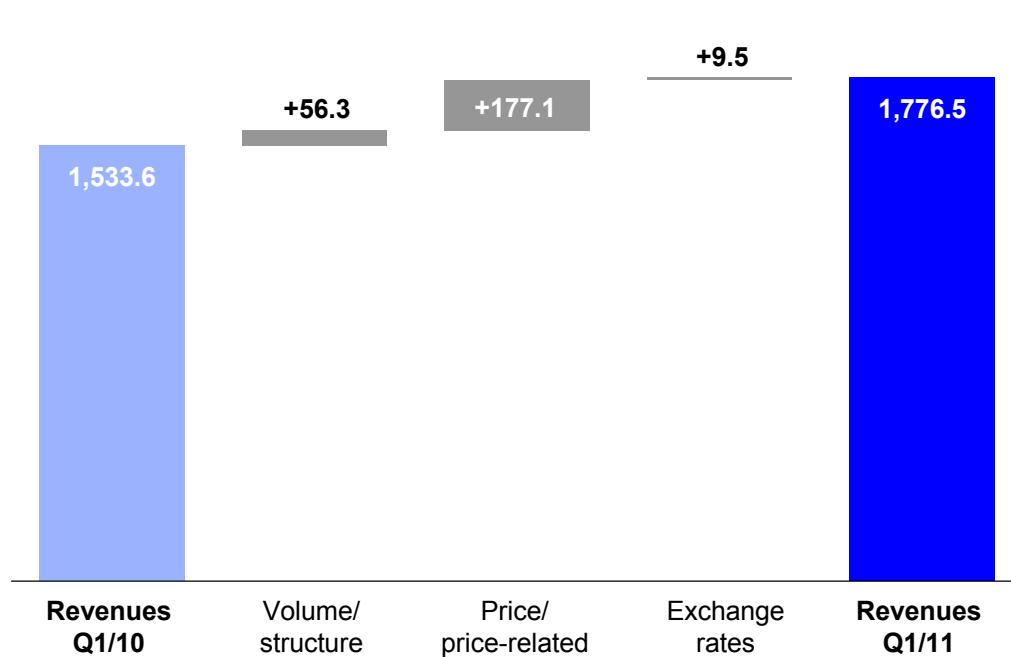




1) Free cash flow before acquisitions/divestments; adjusted for the out-financing of pension provisions within the framework of the CTA programme in the amount of € 86.3 million in Q1/11 (Q1/10: € 1.9 million).

2) The adjusted key figures only contain the earnings actually realised on operating forecast hedges for the respective reporting period. The changes in the market value of operating forecast hedges still outstanding, however, are not taken into account. Any resulting effects on deferred and cash taxes are also eliminated; tax rate Q1/11: 28.3% (Q1/10: 27.9%).

Changes in Revenues Q1/11 (€ million)



- **Volume/structure effects**

Volumes increased primarily in the Salt business segment as well as in the Potash and Magnesium Products business segment.

- **Price/price-related effects**

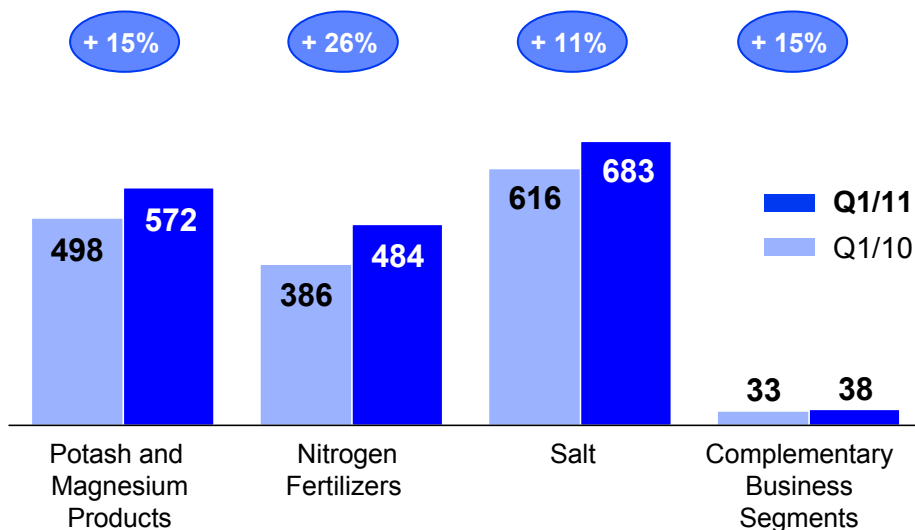
The positive market environment favoured prices in the Fertilizer and Salt business sectors.

- **Exchange rate effects**

A slightly stronger US dollar led to positive effects in revenues.

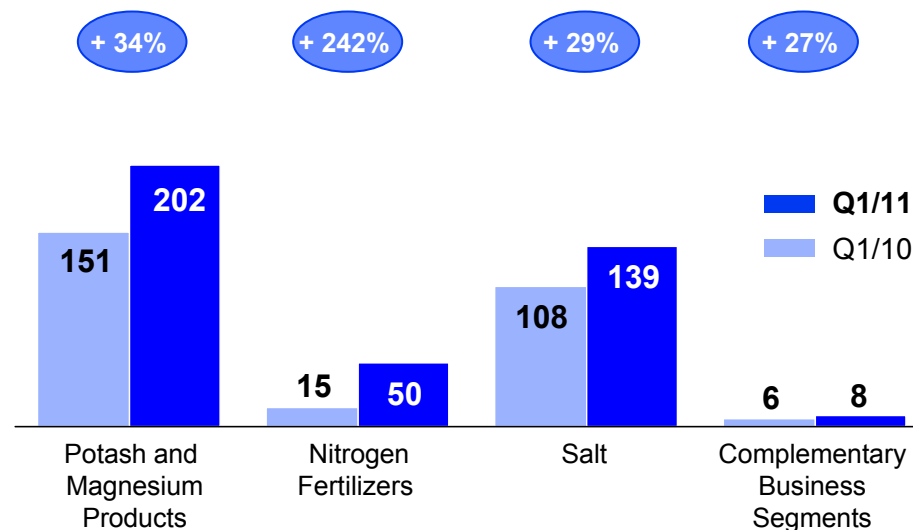
Revenues (€ million)

- All business segments contributed to the significant revenue growth



Operating earnings EBIT I (€ million)

- Strong improvement in operating earnings in all business segments
- Salt earnings on record level in line with last year when adjusting for one-off effects in the first quarter 2010



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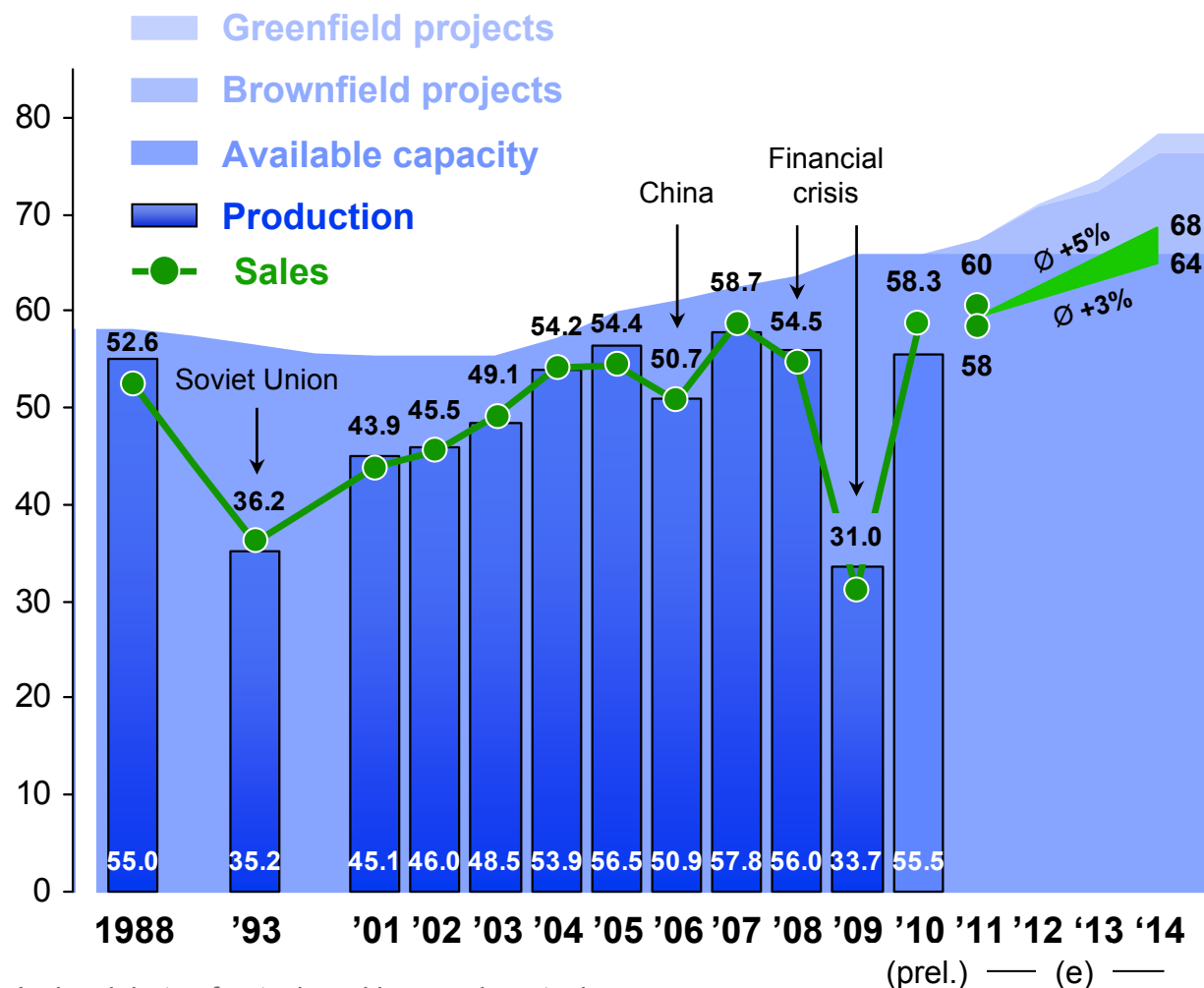




- **Strong fertilizer demand in Q1/11**
 - Supported by the unchanged high level of agricultural prices
 - Very high utilisation of potash and nitrogen fertilizer production capacities
- **Global price level advanced**
 - *China*: BPC and Canpotex agreed to 400 US\$/t for potassium chloride standard including freight
 - *Asia and Latin America*: At the start of February, Canpotex announced prices of 460 US\$/t for standard and 475 US\$/t for granulated potassium chloride for Asia and Latin America
 - *Europe*: 335 €/t implemented for granulated potassium chloride; in mid-March, K+S announced a further price increase to 353 €/t

World Potash Capacity, Production and Sales

Million tonnes



- As of 2011, long-term growth rates again expected at 3% to 5% p.a.
- Utilisation levels are estimated to be about 85% annually until 2014 and will thus reach a good level
- Risk: announced new capacity could be delayed, postponed or cancelled due to technological/geological challenges and/or an inadequate price level

Incl. sulphate of potash and low grade potash

Capacity development 2010-2014 based on IFA supply capability data

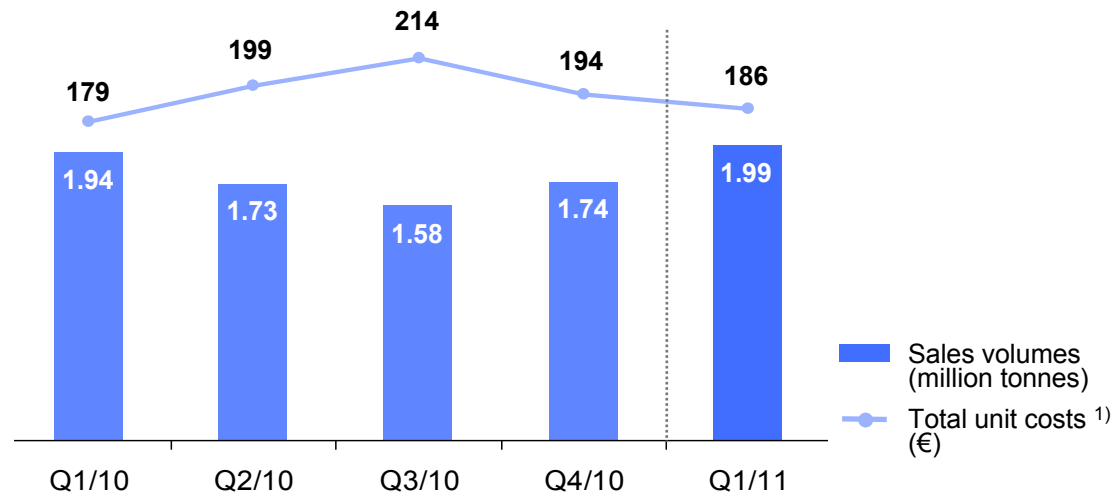
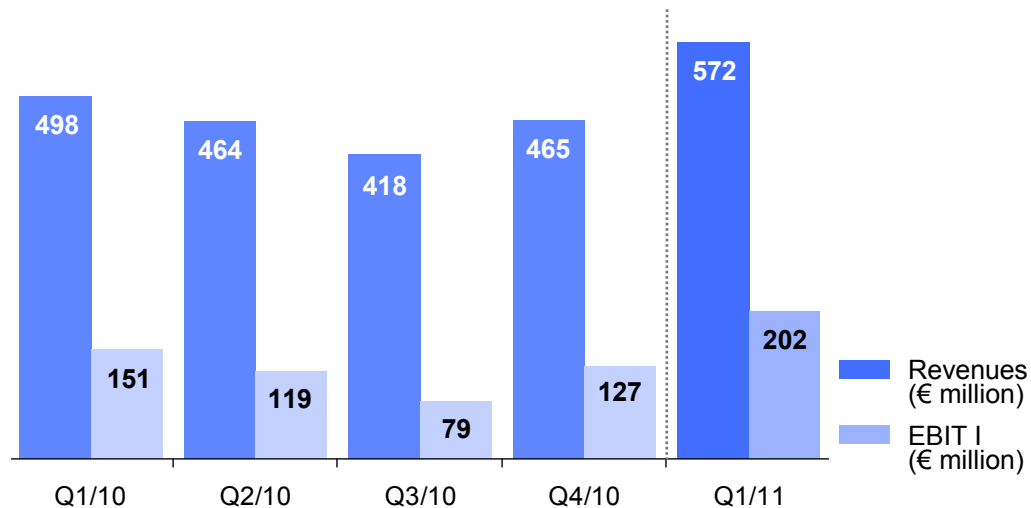
Sources: IFA, K+S

12 May 2011

Volumes and Average Prices in Q1/11

	Quarter on Quarter			Year on Year		
	Q1/11	Q4/10	%	Q1/11	Q1/10	%
Volume (million t)	1.99	1.74	+ 14.4	1.99	1.94	+ 2.6
- Europe	1.17	0.94	+ 24.5	1.17	1.26	(7.1)
- Overseas	0.82	0.80	+ 2.5	0.82	0.68	+ 20.6
Average price (€ per t)	287.1	266.6	+ 7.7	287.1	256.2	+ 12.1
- Europe (€ per t)	283.5	263.5	+ 7.6	283.5	250.6	+ 13.1
- Overseas (US\$ per t)	399.7	367.0	+ 8.9	399.7	367.5	+ 8.8

- Q-o-Q: European demand increased significantly because of seasonal effects; overseas demand was flat compared with the previous quarter. Average prices advanced in Europe and overseas generally to the same extent.
- Y-o-Y: Overall, volumes grew slightly compared to the high level achieved in Q1/10; overseas volumes saw a significant increase while European volumes declined somewhat against the background of restocking effects in the same quarter last year. Average overseas prices grew to a slightly lesser extent because of product mix effects.



● Business seasonality

- Business seasonality clearly observable in the development of revenues, sales volumes, operating earnings as well as total unit costs.
- The seasonally high volume in Q1/11 had a positive effect on total unit costs. Compared to one year ago, cost increases primarily in material, personnel and freight costs led to a moderate increase in total unit costs to € 186 compared to € 179 in Q1/10.

1) Total unit costs are defined as revenues minus EBIT I divided by sales volumes.

Potash and Magnesium Products

Development of Selected Cost Items



Selected Cost Items	2005	2006	2007	2008	2009	2010	CAGR 05-10	2011e**
Energy (€ million)	118	155	141	186	144	172	+ 8%	+++
Depreciation (€ million)	85	80	80	85	88	89	+ 1%	++
Personnel (€ million)	427	426	435	465	440	506	+ 3%	+
Material (€ million)	193	202	210	265	183	229	+ 3%	+
Freight (€ million)	216	236	250	227	155	264	+ 4%	+
Freight (€/t)	28	30	30	33	36	38	+ 6%	+
Sales Volumes (million t)	7.86	7.99	8.22	6.99	4.35	6.99	- 2%	o
Total Unit Costs* (€)	140.6	143.3	149.6	170.8	273.6	195.8	+ 7%	+

- Rising energy, personnel and freight costs as well as lower sales volumes lead to a compound annual growth rate in total unit costs of approx. 7% over the last five years.
- With the exception of energy costs and depreciation, major costs items are expected to rise moderately while sales volumes are forecast on a stable level => Unit costs are expected to rise moderately in 2011.

* Defined as revenues minus EBIT I divided by sales volumes

** Percentage increase/decrease in cost items in 2011e versus 2010: -/+ : slight to moderate; --/++ : tangible; ---/+++ : significant

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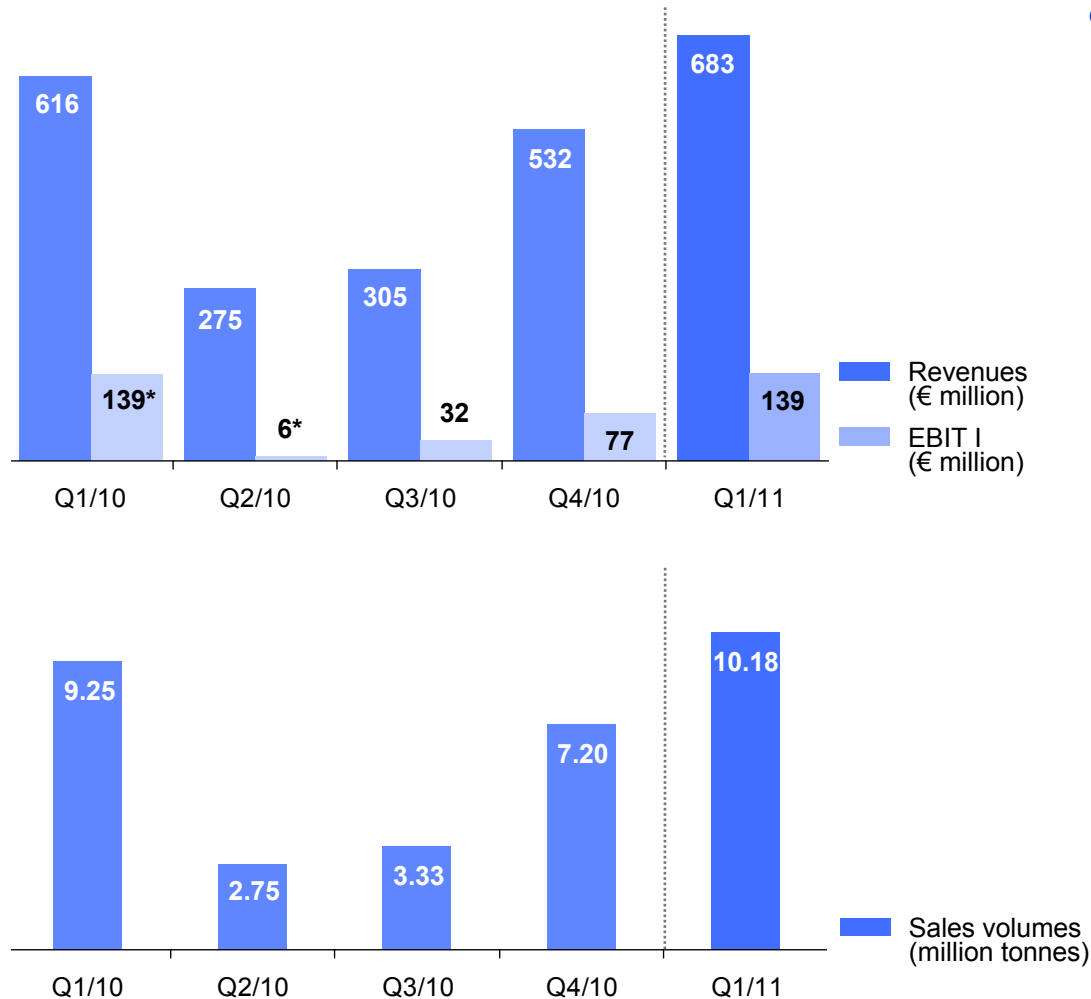




- **European de-icing salt business**
Above-average demand, although this was significantly below the record level seen in the previous year; tangible increase in the price level
- **North American de-icing salt business**
Above-average demand at the East Coast and average demand in Canada, price level below the comparable period following last year's weak season
- **Industrial salt**
Good demand in Europe, while South and North America saw stable business
- **Salt for chemical use**
Stable business in Europe and South America, North American demand rose

	Quarter on Quarter			Year on Year		
	Q1/11	Q4/10	%	Q1/11	Q1/10	%
Volume (million t)	10.18	7.20	+ 41.4	10.18	9.25	+ 10.1
-De-icing salt	7.94	4.85	+ 63.7	7.94	7.05	+ 12.6
-Non de-icing salt	2.24	2.35	(4.7)	2.24	2.20	+ 1.8
Average price (€ per t)						
-De-icing salt	54.8	57.3	(4.4)	54.8	53.4	+ 2.6
-Non de-icing salt	101.2	96.8	+ 4.5	101.2	98.9	+ 2.3

- Q-o-Q: Following usual winter patterns, Q1 de-icing salt volumes significantly exceeded Q4, driven by strong business overseas. Overall, average prices fell slightly with higher European prices and lower overseas prices. This is the result of a different regional mix.
- Y-o-Y: Q1/11 de-icing salt volumes were higher year on year, mainly due to higher volumes sold at the US East Coast and in Canada. Average prices for de-icing salt rose slightly as a result of higher European and Canadian prices but lower US prices.



* Adjusted for one-time effects.

- **Business seasonality**

- De-icing salt seasonality clearly observable in the development of total salt revenues, sales volumes and operating earnings.
- Revenues grew because of increasing overseas sales volumes. Operating earnings comparable to the result achieved in the same period last year when adjusting for one-time effects in Q1/10.
- Profitability of global salt business varies depending on the respective regional mix, the utilization of capacity, the local margin and the exchange rates.

A.

Key figures

B.

Core Business Sector Fertilizers

C.

Core Business Sector Salt

D.

Outlook



- K+S Group:**
- Significant increase in revenues
 - Strong increase in operating earnings (EBIT I) and adjusted Group earnings

Underlying assumptions

Fertilizers Business Sector

Potash and Magnesium Products

Significant rise in revenues and strong growth in operating earnings

- Sales volume of 7.0 million tonnes of goods
- Significant rise in average prices
- Moderate rise in total costs
- Assumption: Continued attractive agricultural prices

Nitrogen Fertilizers

Significant increase in revenues and tangible rise in operating earnings

- Revenue increase due to price factors
- Tangible increase in operating earnings despite higher input costs
- Assumption: Continued attractive agricultural prices

Salt Business Sector

Stable revenues at a high level and moderate decline in operating earnings

- Sales volume of crystallised salt of about 22-23 million t
- Operating earnings decrease on the basis of higher freight costs and sales from stocks
- Assumption: Average de-icing salt business in Q4/11

Effects/Assumptions on Group Level

- An USD exchange rate of 1.40 USD/EUR
- Significantly better financial result in comparison to the previous year
- A stable adjusted Group tax rate of 26% to 27%

	Project	Status	Timeline
NITROGEN	Examination of a sale of COMPO	At the start of this year, contact was made with interested parties, which received a detailed information memorandum	Last bidding round will start soon, result should likely be forthcoming at the end of Q2/beginning of Q3/11
	Nitrogen Fertilizer Business Segment	On 1 March 2011, BASF announced the intention to sell major parts of its fertilizer production facilities; K+S has ruled out to buy the assets	Supply of K+S Nitrogen is not affected as existing contract with BASF is terminable no earlier than by 31 December 2014
POTASH	Legacy Project, Canada	Infrastructural work and preparations for first drillings have already started; Review of the optimisation approaches in the existing feasibility study ongoing	Results of review will likely be communicated in autumn
	Reactivation Siegfried-Giesen	Feasibility study currently in process	Technical results of study will be available in summer, evaluated afterwards and likely communicated in autumn
	Reactivation Rossleben	Rossleben belongs to the German State, the sale of the mine is currently suspended	Negotiations likely to be resumed in summer 2011

This presentation contains facts and forecasts that relate to the future development of the K+S Group and its companies. Those 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 the 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 presentation, save for making such disclosures as are required by the provisions of law.

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