EXPERIENCE GROWTH

3rd Quarter 2011 Results
Investor and Analyst Conference Call

10 November 2011, 3:00 p.m. CET

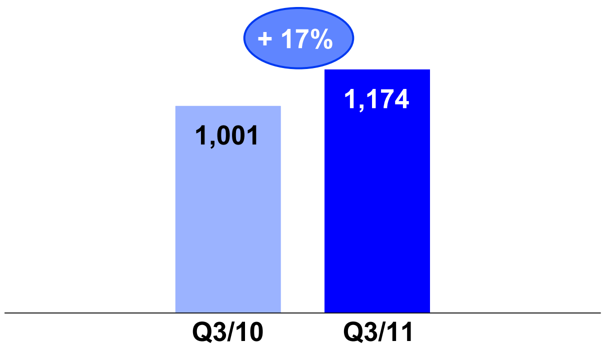
K+S

Experience growth.

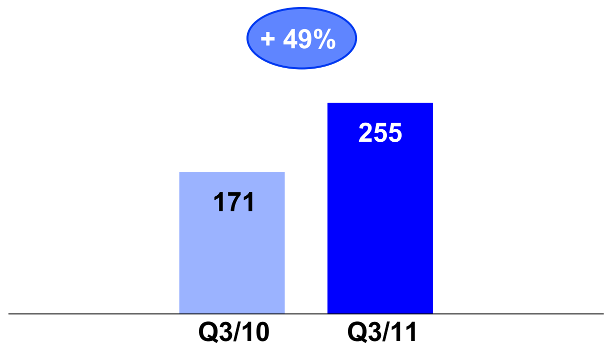
Content

Strong Performance in Q3/11[1)]

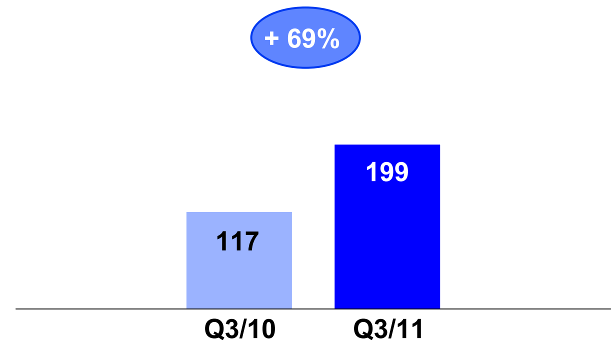
Revenues (€ million)



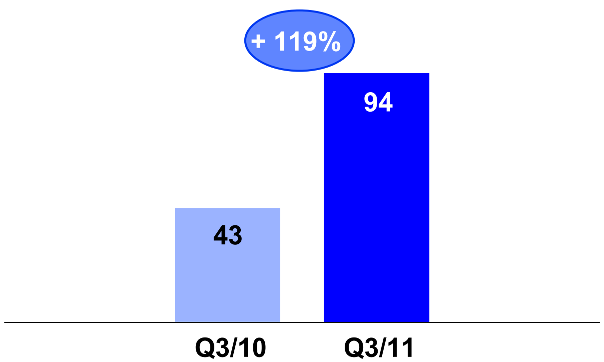
EBITDA (€ million)



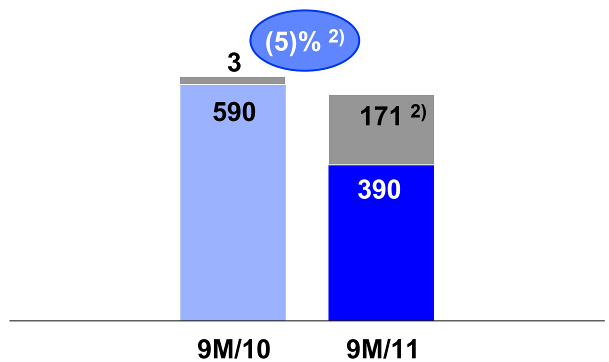
EBIT I (€ million)



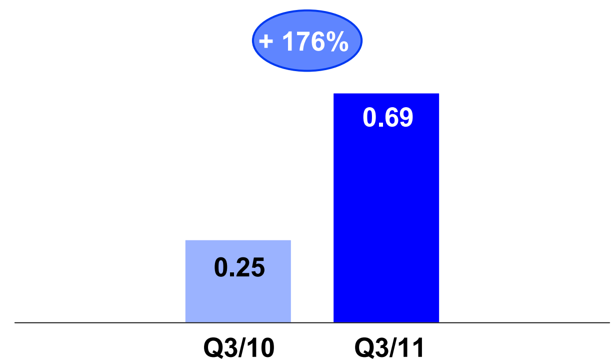
Capex (€ million)



Free cash flow (€ million)

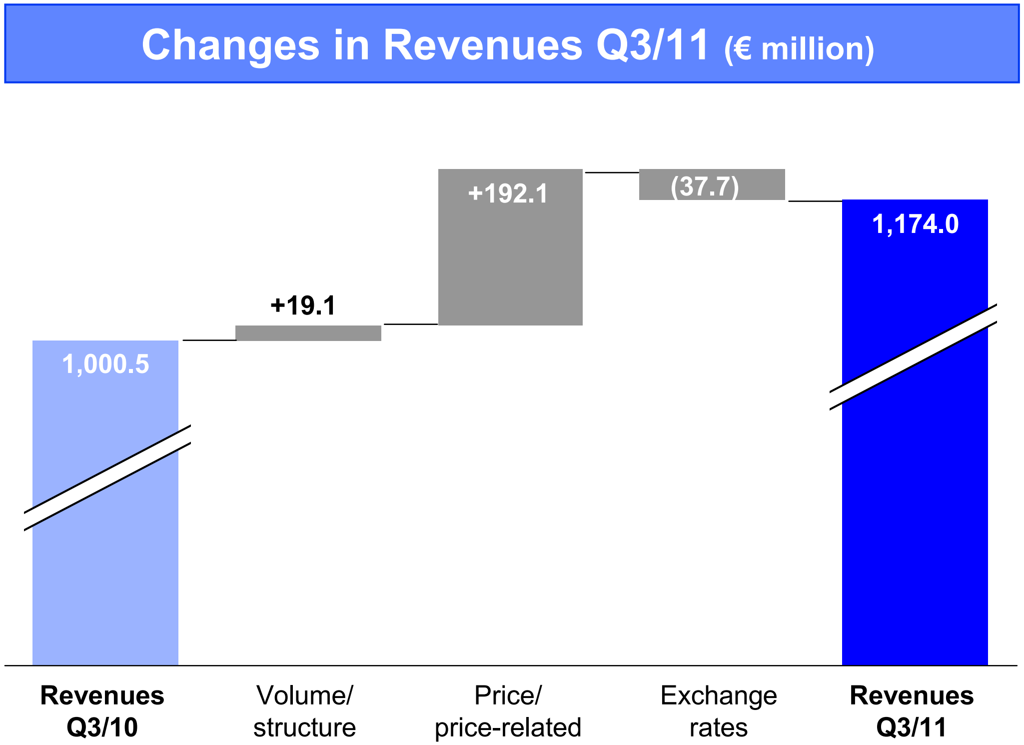


EPS, adj. 3) (€)



1) Information refers to the continued operations of the K+S Group. Due to its sale, COMPO is in accordance with IFRS disclosed as "discontinued operations". While the income statement and the cash flow statement of the previous year were restated, the balance sheet was not restated.
2) Free cash flow before acquisitions/divestments; adjusted for the out-financing of pension provisions in the amount of € 105.8 million (9M/10: € 2.9 million) as well as the purchase of securities and other financial investments in the amount of € 65.7 million in 9M/11 (9M/10: € 0).
3) The adjusted key figures only include the result actually realised from 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 Q3/11: 28.3% (Q3/10: 27.9%).

Growth in Revenues in Q3/11 mainly Price-driven



- **Volume/structure effects**

  While volumes in the Salt business segment increased moderately, sales volumes of the Potash and Magnesium Products as well as of the Nitrogen Fertilizers business segments remained fairly stable.

- **Price/price-related effects**

  The positive market environment favoured prices in the Fertilizer business sector.

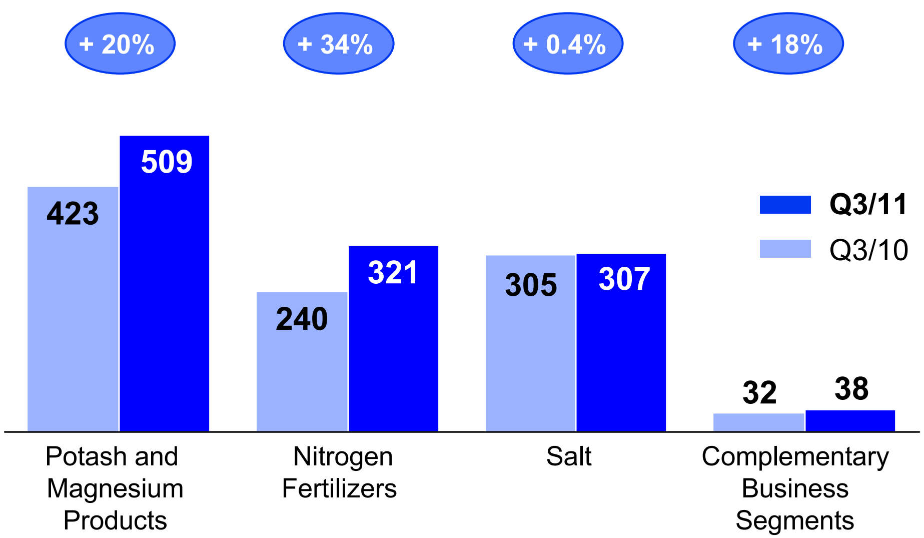
- **Exchange rate effects**

  A weaker US dollar led to negative effects in revenues in all business sectors (Ø Q3/11: 1.41 USD/EUR; Ø Q3/10: 1.29 USD/EUR).

K+S Group
Strong Performance in Potash and Magnesium Products

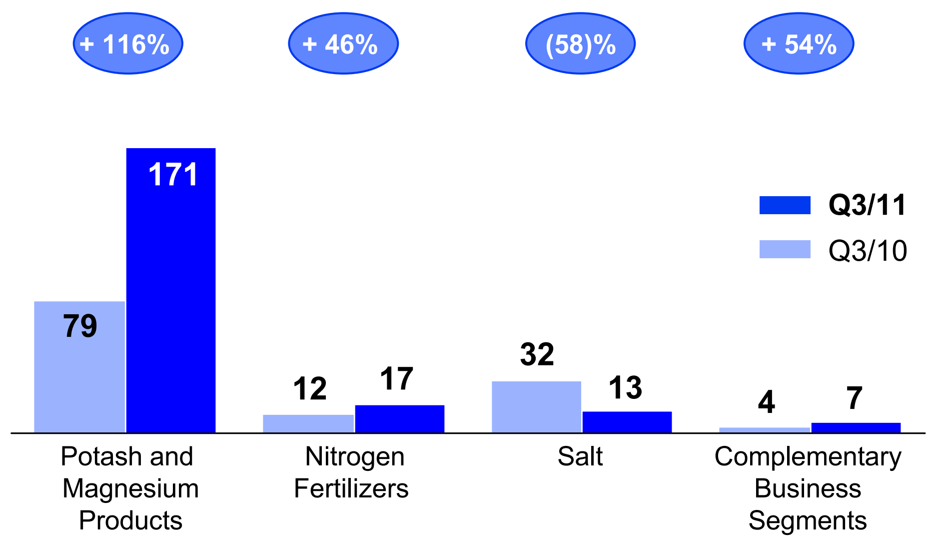
Revenues 1) (€ million)

- All business segments contributed to a total Group revenue growth of 17%.



Operating earnings EBIT I 1) (€ million)

- The Potash and Magnesium Products business segment showed the strongest earnings improvement year on year.
- Salt earnings were burdened by weather-related production losses and higher costs for demurrage charges due to the maintenance of our port terminal in Chile.



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Content

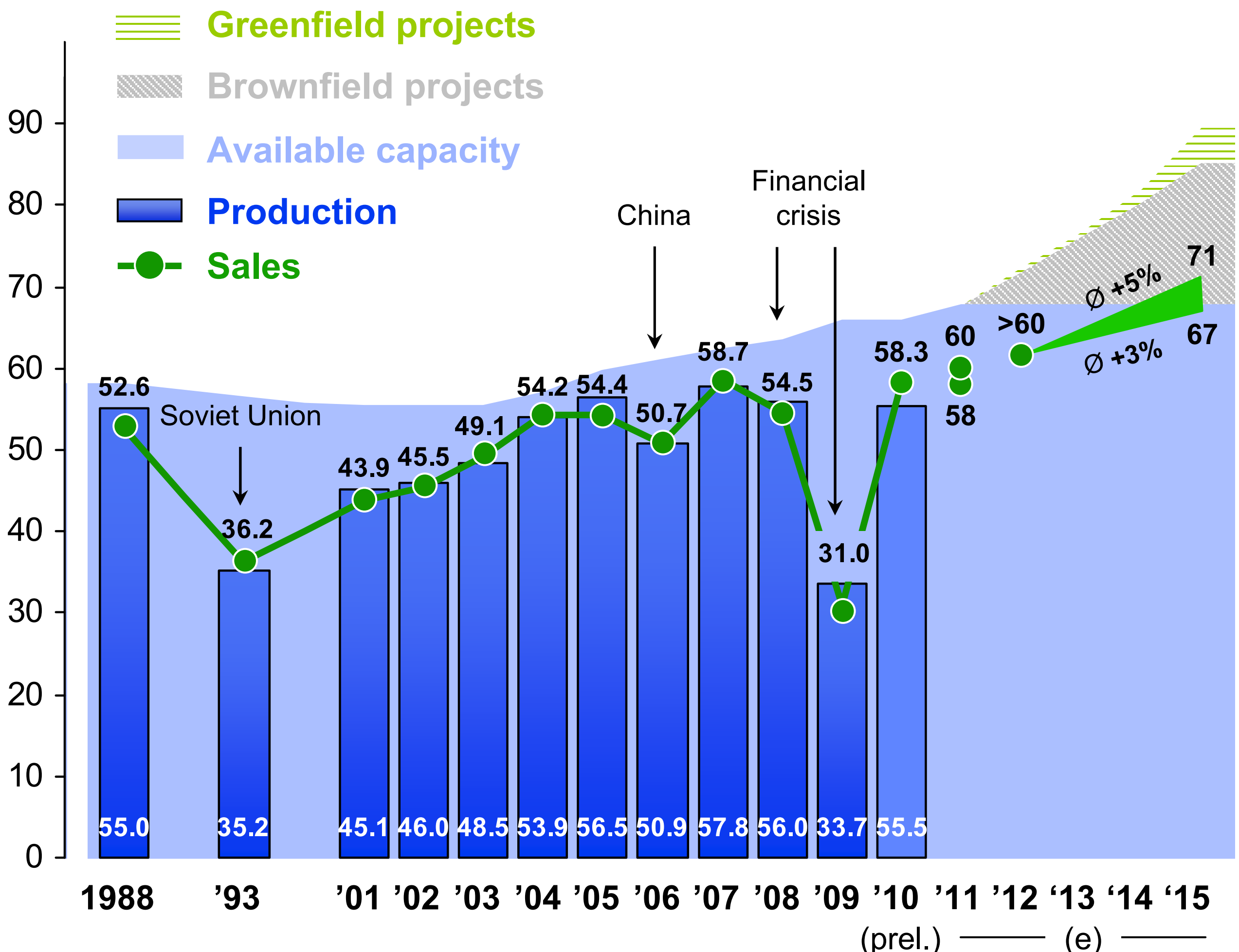
Market Environment during Q3/11

- **Strong fertilizer demand in Q3/11**
  - Supported by the attractive level of agricultural prices.
  - High utilisation of potash and nitrogen fertilizer production capacities.

- **Global price level advanced**
  - *India:* At the start of August, BPC agreed contracts regarding the supply of potassium chloride standard at 490 US$/t until the end of Q1/12 and Canpotex at 470 US$/t for Q4/11 and at 530 US$/t for Q1/12 (previous contract: 370 US$/t).
  - *Asia and Latin America:* In mid-August, BPC announced a price increase for potassium chloride standard to 535 US$/t in Asia and at the end of September a price increase to 580 US$/t for granulated potassium chloride for the Brazilian market, starting from Q4/11.
  - *Europe:* Mid-September, K+S announced a price increase of 12 €/t to 375 €/t for granulated potassium chloride.

World Potash Capacity, Production and Sales

Million tonnes



- As of 2012, long-term growth rates expected to range between 3 and 5% p.a.
- Based on IFA data and "announced" capacity expansions, utilisation rates are estimated to slightly decrease.
- As the future world potash supply increasingly depends on the realisation of capital-intensive greenfield projects, the connected and elevated risk of project delays reduces the forecast quality.

Incl. sulphate of potash and low-grade potash
Capacity development 2010-2015 based on IFA supply capability data.

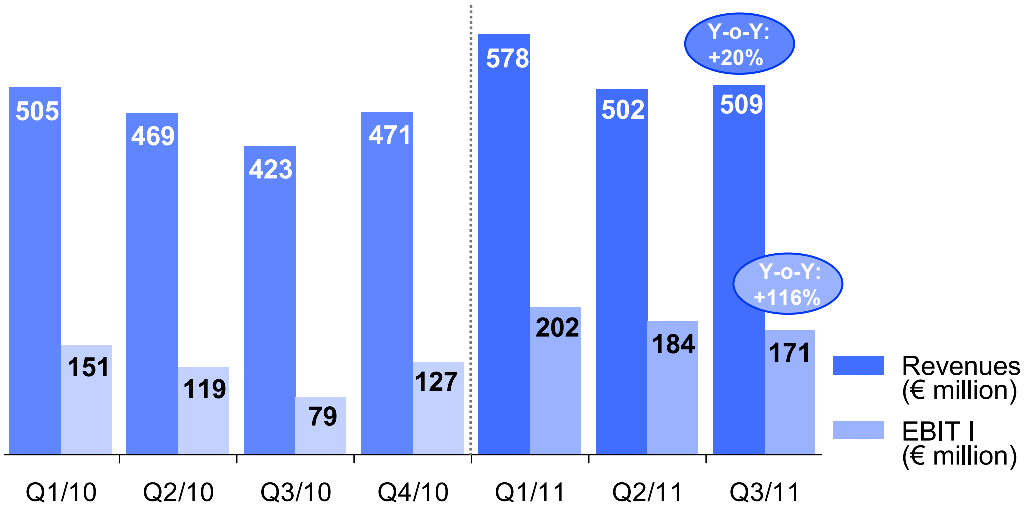
Sources: IFA, K+S

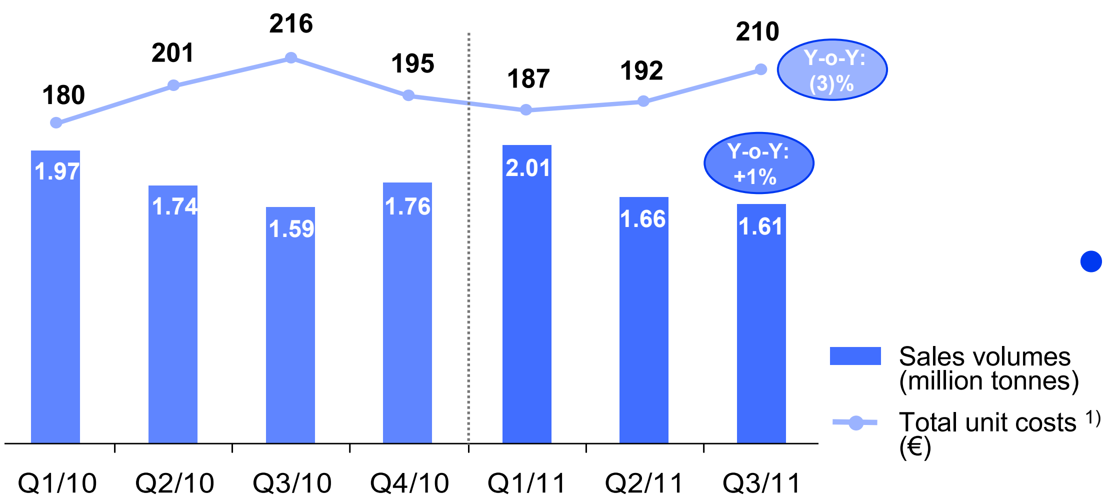
Potash and Magnesium Products
Volumes and Average Prices in Q3/11

	Year on Year			Quarter on Quarter		
	Q3/11	**Q3/10**	**%**	**Q3/11**	**Q2/11**	**%**
Volume (million t)	1.61	1.59	+ 1.3	1.61	1.66	(3.0)
- Europe	0.86	0.84	+ 2.4	0.86	0.87	(1.1)
- Overseas	0.75	0.75	-	0.75	0.79	(5.1)
Average price (€ per t)	316.8	266.2	+ 19.0	316.8	302.3	+ 4.8
- Europe (€ per t)	309.3	273.8	+ 13.0	309.3	314.7	(1.7)
- Overseas (US$ per t)	459.6	332.6	+ 38.2	459.6	414.9	+ 10.8

- Y-o-Y: Sales volumes rose slightly thanks to higher sales volumes in Europe. Average overseas prices increased more than the European price, as the European price level in Q3/10 was on a higher basis than in overseas markets. The overall increase of the average price in euro-terms was lowered by negative currency effects (Q3/11: 1.41 USD/EUR, Q3/10: 1.29 USD/EUR).
- Q-o-Q: European as well as overseas volumes slightly declined due to seasonal effects. While the average price level rose on higher MOP prices worldwide, the European price slightly decreased because of negative product mix effects (less higher priced MOP/SOP, more specialities and Kieserite).

Potash and Magnesium Products
Quarterly Revenues, Earnings and Cost Position





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

Business seasonality

- Business seasonality is clearly observable in the development of revenues, sales volumes, operating earnings as well as total unit costs.
- Compared to one year ago, the cost base improved primarily due to a better currency result which more than compensated higher energy and personnel costs and resulted in a moderate decrease in total unit costs to € 210 compared to € 216 in Q3/10.
- Compared to Q2/11, total unit costs in Q3/11 increased by about 9% due to higher maintenance and material costs.

Potash and Magnesium Products
Development of Selected Cost Types

	2005	2006	2007	2008	2009	2010	CAGR 05-10	2011e	2012e
Revenues (€ million)	1,198.2	1,238.9	1,408.9	2,397.4	1,421.7	1,867.0	+ 9%	+++	++
– EBIT (€ million)	151.8	158.6	177.9	1,203.2	231.7	475.9	+ 26%	+++	+
= Costs (€ million)	1,046.4	1,080.3	1,231.0	1,194.2	1,190.0	1,391.1	+ 6%	+	++
therof personnel (€ million)	427	426	435	465	440	506	+ 3%	+	++
thereof freight (€ million)	216	236	250	227	155	264	+ 4%	+	≈
thereof freight (€/t)	*28*	*30*	*30*	*33*	*36*	*37*	*+ 6%*	+	≈
thereof material (€ million)	193	202	210	265	183	229	+ 3%	++	+
thereof energy (€ million)	118	155	141	186	144	172	+ 8%	+++	+++
thereof depreciation (€ million)	85	80	80	85	88	89	+ 1%	+	++
÷ Sales Volumes (million t)	7.86	7.99	8.22	6.99	4.35	7.06	(2%)	~7	~7
= Total Unit Costs (€/t)	**133.0**	**135.2**	**149.6**	**170.8**	**273.6**	**197.0**	**+ 8%**	**200-205**	**++**

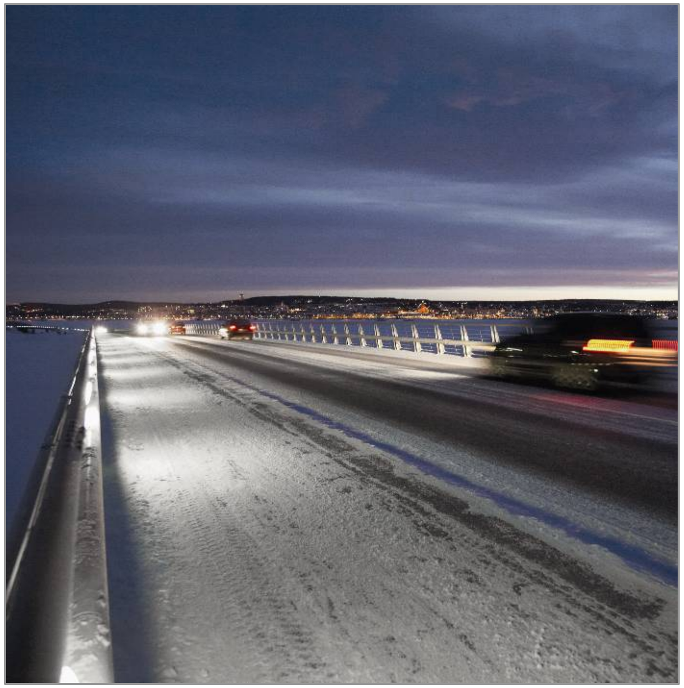
- With the exception of energy and material costs major cost types are expected to rise moderately. => Unit costs are expected between 200 and 205 €/t in 2011.
- In 2012, average unit costs are expected to rise tangible, mainly because of rising energy, personnel costs and depreciation.

≈: stable; -/+: slight to moderate; --/++: tangible; ---/+++: significant to strong

Content

Salt

Market Environment During Q3/11



- **European de-icing salt business**
  In the Western European pre-stocking business, the above-average wintry weather conditions in the 2010/11 season led to continued high pre-stocking demand for de-icing salt in Q3 too. The price level has risen tangibly for the winter season 2011/12.
- **North American de-icing salt business**
  As a result of lower freight rates for salt imports, moderate price declines occurred in the local tenders on the East Coast of the US. In the other de-icing salt regions of the US important for K+S and in Canada too, the pre-stocking demand for de-icing salt improved in Q3 in comparison to the previous year. Prices were stable in the Midwest, while a slight price increase was to be observed in Canada.
- **Industrial salt**
  Stable demand and slight price increases in Europe and South America. In the North American market and in particular in the case of water-softening products, the muted economic situation in the US resulted in reluctance to purchase.
- **Food grade salt**
  Demand in good shape in Europe, South and North America.
- **Salt for chemical use**
  Persistent high demand in Europe facilitated tangible price increases in Q3. Demand in the US and South America continued to be stable.

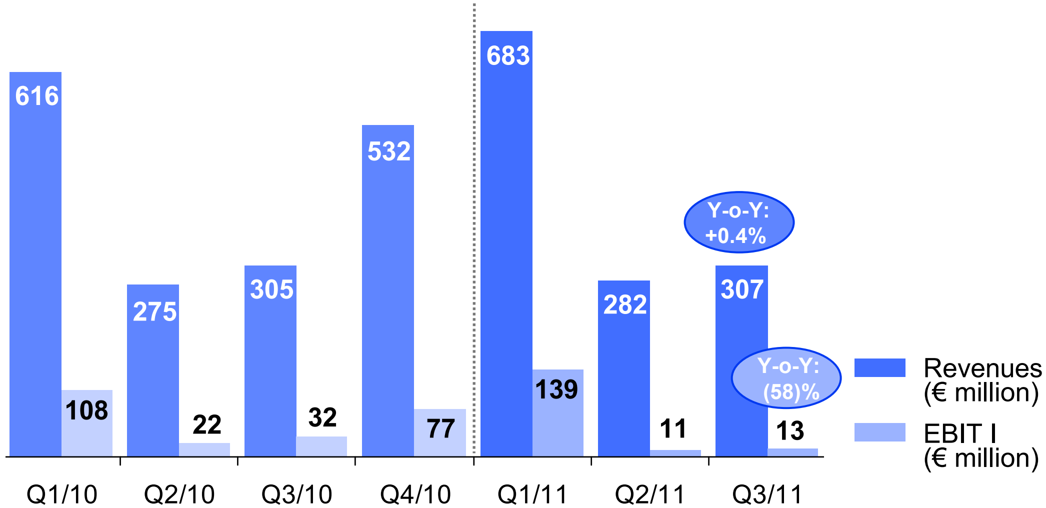
Salt
Volumes and Average Prices in Q3/11

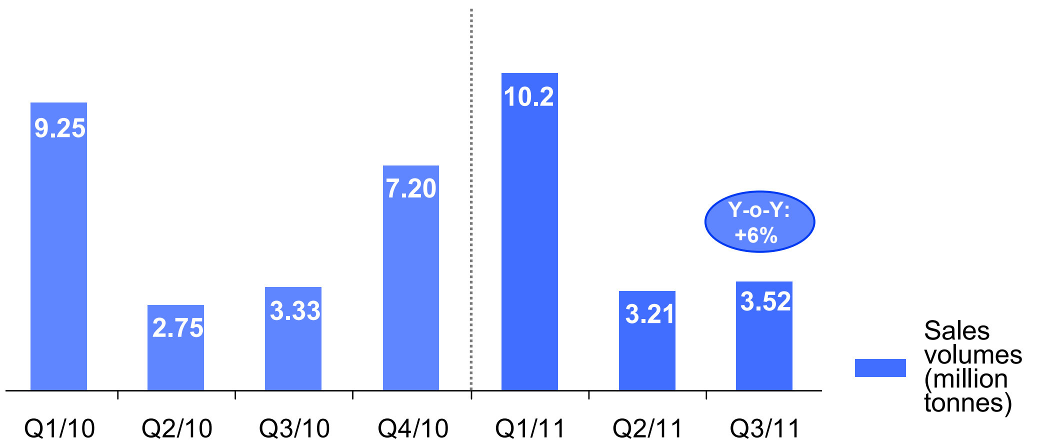
	Year on Year			Quarter on Quarter		
	Q3/11	**Q3/10**	**%**	**Q3/11**	**Q2/11**	**%**
Volume (million t)	3.52	3.33	+ 5.7	3.52	3.21	+ 9.7
- De-icing salt	1.35	1.10	+ 22.7	1.35	0.74	+ 82.4
- Non de-icing salt	2.17	2.23	(2.7)	2.17	2.47	(12.2)
Average price (€ per t)						
- De-icing salt	55.0	52.8	+ 4.2	55.0	61.0*	(9.8)*
- Non de-icing salt	100.7	102.4	(1.7)	100.7	90.3	+ 11.5

* Adjusted for € 6.7 million of additional claims against customers in Europe booked in Q2/11, which had exceeded their contractually agreed volumes in Q1/11, the average price for Q2/11 would have been € 52.2 (%Δ Q-o-Q: +5.4)

- Y-o-Y: Q3/11 de-icing salt volumes were significantly higher year on year with pre-season sales continuing strongly in all de-icing regions allowing higher average prices, particularly in Europe and Canada. While volumes slightly declined for non de-icing salt, price increases were counteracted by negative currency effects.
- Q-o-Q: Following the normal seasonal patterns, Q3/11 de-icing salt volumes increased due to early season procurement, particularly in Europe as a result of last year's heavy winter. Based on the Q2/11 normalised prices, pricing slightly increased. The other product group's volume declined but price increases along with an improved regional product mix resulted in a higher average price.

Salt
Quarterly Revenues and Earnings Position





Business seasonality

- De-icing salt seasonality clearly observable in the development of total salt revenues, sales volumes and operating earnings.

- Compared to one year ago, revenues slightly increased. The higher revenues were counteracted by weather-related production losses on the Bahamas, higher costs for demurrage charges due to the maintenance of our terminal in Chile, negative currency effects as well as higher maintenance and packaging costs in North America.

- Profitability of global salt business varies depending on the respective regional mix, the utilisation of capacity, the local margins and the exchange rates.

Content

Progress of Legacy Project

- With Potash One, we bought a very attractive potash deposit and a third-party, ready-made feasibility study.
- The project size requires us to review and customise the feasibility study of Potash One in detail.
- Results will be communicated in autumn/winter. Aspects like product mix, energy concept, ramp-up curve as well as a global procurement process require a thorough analysis.
- We envisage first production volumes from 2015 onwards.
- In 2011, we assume to spend just under € 40 million of capex, mainly for the following measures: water connection, site preparation, roads, drilling preparations and first drillings.

Revenues and Earnings Expectations for 2011[1)]

Outlook for the entire year of K+S Group:

- Revenues:	€ 5.00 - 5.25	billion	(2010: € 4.63 bn)
- EBITDA:	€ 1,150 - 1,250	million	(2010: € 953.0 m)
- Operating earnings (EBIT I):	€ 950 - 1,000	million	(2010: € 714.5 m)
- Group earnings from continued operations, adj.:	€ 650 - 690	million	(2010: € 447.8 m)
- Earnings per share from continued operations, adj.:	€ 3.40 - 3.60		(2010: € 2.34)
- Earnings per share, adjusted [2)]:	€ 2.90 - 3.10		(2010: € 2.33)

Underlying assumptions

Fertilizer Business Sector

Potash and Magnesium Products

Significant rise in revenues and strong growth in operating earnings

- Sales volume of about 7 million t of goods
- On the basis of the currently achieved potash price level, significant rise in FY average prices
- Moderate rise in total costs
- Continued attractive agricultural prices

Nitrogen Fertilizers

Strong increase in revenues and operating earnings

- Revenue increase due to price factors
- Increase in operating earnings despite higher input costs
- 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 a good 23 million t
- Operating earnings decrease moderately on the basis of a lower building-up of stocks
- Average de-icing salt business in Q4/11 assumed

Effects/Assumptions on Group Level

- An average US dollar exchange rate of 1.40 USD/EUR
- Significantly better financial result in comparison to 2010
- An adjusted Group tax rate of about 27%

Earnings-based Dividend Policy

- Dividend payout ratio of between 40% and 50% of adj. earnings after taxes (including discontinued operations)

1) Unless stated otherwise, information refers to continued operations; Outlook statement as of 3 November 2011
2) Earnings from continued and discontinued operations

Revenues and Earnings Expectations for 2012*

The currently omnipresent uncertainty regarding the future economic development of the global economy has prompted us to be somewhat more cautious in respect of our estimate for 2012 and therefore take the lower visibility into account.

K+S Group:
- **Stable revenues**
- **Stable operating earnings (EBIT I) and adjusted Group earnings after taxes**

Underlying assumptions

Fertilizer Business Sector

Potash and Magnesium Products

Tangible rise in revenues and slight growth in operating earnings
- Sales volume of about 7 million t of goods
- On the basis of the currently achieved potash price level, tangible rise in FY average prices
- Tangible rise in total costs
- Continued attractive agricultural prices

Nitrogen Fertilizers

Largely stable revenues and operating earnings
- Continued attractive agricultural prices

Salt Business Sector

Moderate decline in revenues and significant decline in operating earnings
- Sales volume of crystallised salt of about 22 million t, of which de-icing salt 12 million t
- Assumption: Average de-icing salt business

Effects/Assumptions on Group level

- A US dollar exchange rate of 1.40 USD/EUR
- A negative currency result (exchange rate after premiums weaker than the expected spot rate)
- A largely unchanged financial result
- A slightly higher adjusted Group tax rate of 27% to 28%

*Outlook statement as of 3 November 2011

Forward-looking Statements

This presentation 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 Risk Report – materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements, save for the making of such disclosures as are required by the provisions of statute.

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