1st Quarter 2013 Results · Investor and Analyst Conference Call

15 May 2013, 3:00 p.m. CEST

Highlights Q1/13

- Operating result EBIT I +12% YoY
- Strong performance in both business units
  - Potash and Magnesium Products: Best first quarter ever
  - Salt: Volume rebound
- Legacy: Increased capex partly leads to lower opex

Revenue and EBIT guidance for 2013 confirmed

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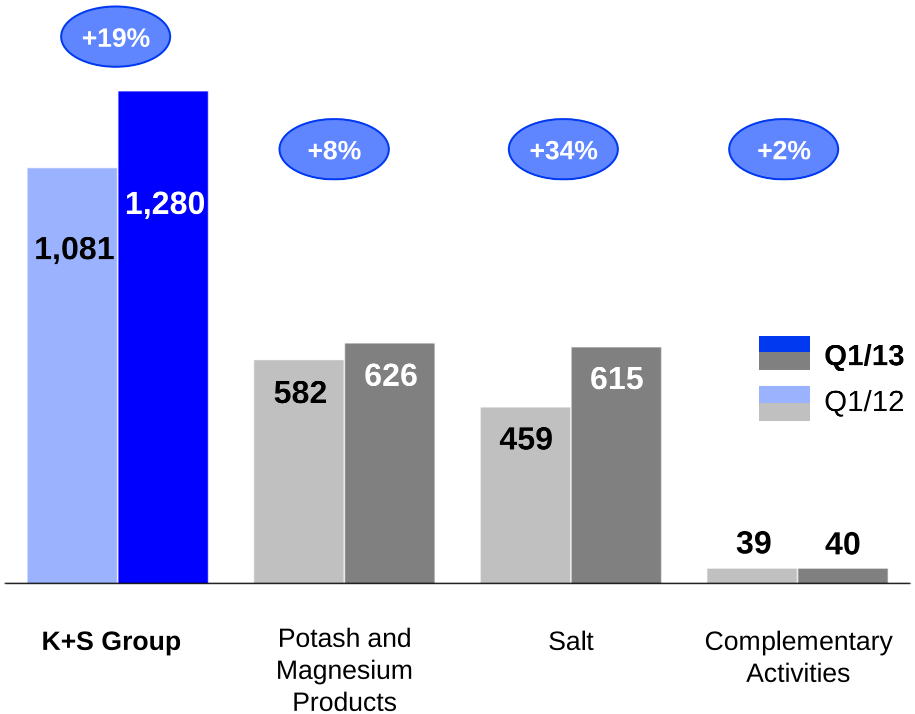
K+S Group
Revenues and EBIT I in Q1/13

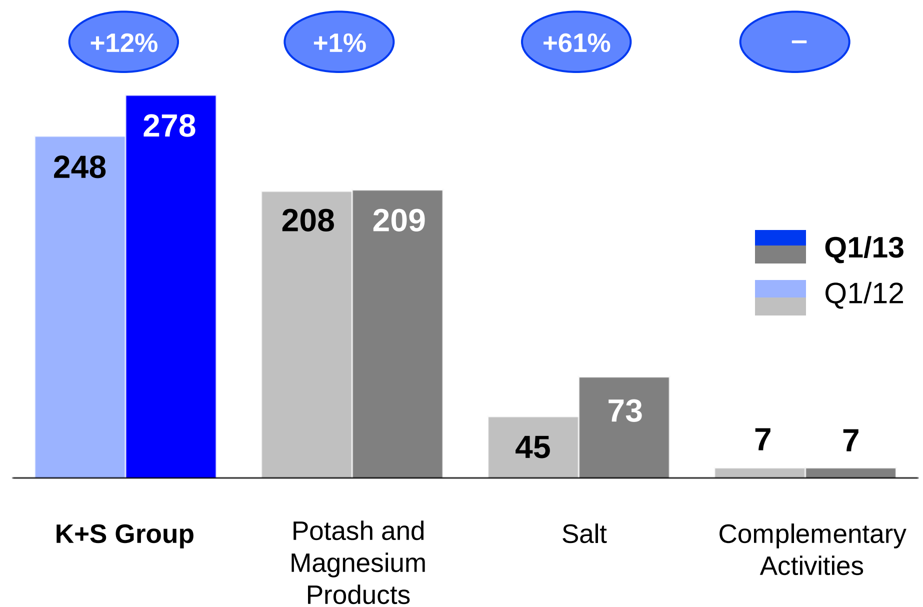
Revenues [1] (€ million)

- Volume-related increase in both business units overcompensates lower average prices in Potash and Magnesium Products



EBIT I [1] (€ million)

- Potash and Magnesium Products slightly above last year due to higher revenues and improved unit costs
- Volume-related increase in Salt



15 May 2013 [1] Continued operations

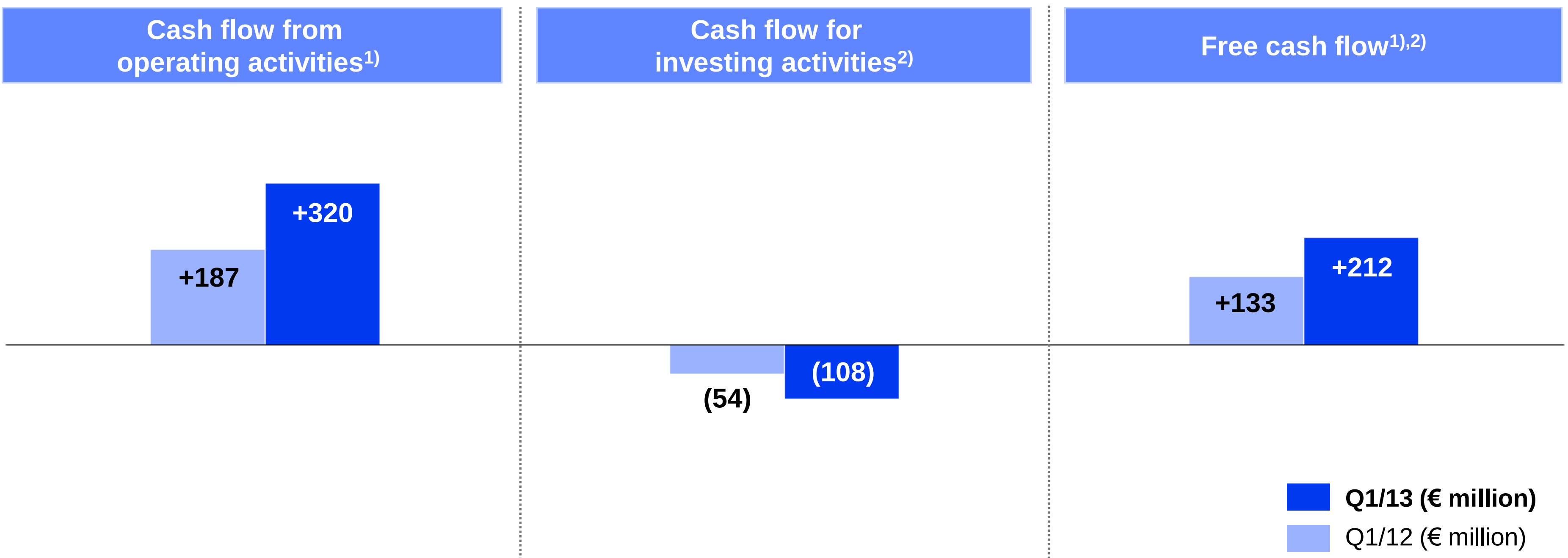
K+S Group
P&L[1)]

€ million	Q1/13	Q1/12	%
Revenues	**1,280.3**	**1,080.6**	**+18.5**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**336.3**	**303.1**	**+11.0**
Operating earnings (EBIT I)	**277.9**	**247.7**	**+12.2**
Financial result	(17.9)	(15.1)	(18.5)
Earnings before income taxes, adjusted[2)]	**260.7**	**232.6**	**+12.1**
Adjusted Group tax rate (%)	27.0	27.6	–
Group earnings from continued operations, adjusted[2)]	**190.2**	**168.3**	**+13.0**
Earnings after taxes from discontinued operations	–	25.1	–
Group earnings after taxes, adjusted[2), 3)]	**190.2**	**192.6**	**(1.2)**

[1)] Information refers to the continued operations of the K+S Group.
[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. Related effects on deferred and cash taxes are also eliminated; tax rate for Q1/12: 27.6% (Q1/13: 27.0%).
[3)] Earnings from continued and discontinued operations.

K+S Group

Cash Flow in Q1/13



- Increase driven by lower tying up of working capital due to a decrease in inventories
- Investing cash flow impacted by capex for package of measures for water protection and ramp-up of Legacy both as expected

➔ Higher free cash flow

1) The figures of the previous year were adjusted due to the change of IAS 19. Without out-financing of pension obligations in the amount of € (5.8) million in Q1/13 (Q1/12: € (3.7) million).
2) Without purchases/disposals of securities and other financial investments in the amount of € (71.6) million net in Q1/13 (Q1/12: € (59.0) million).

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Potash and Magnesium Products
Market Environment Q1/13

- Demand for Potash and Magnesium Products picked up after the North American and Russian producers concluded contracts with Chinese and Indian customers in time for the spring season in Europe and North America as well as South America and South-East Asia

- Against this background, international prices for potassium chloride stabilised over the course of the quarter, but overall were below those of Q1/12

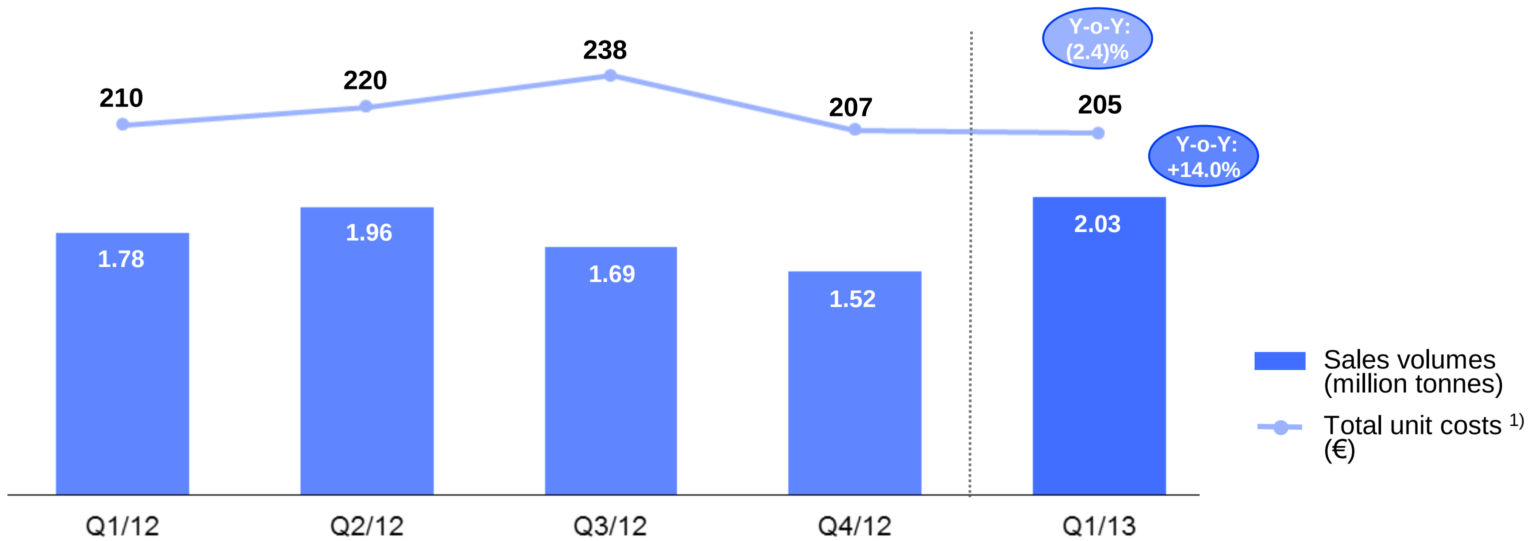
- Price level for agricultural raw materials continued to offer attractive income prospects for farmers and therefore an incentive to use fertilizers

Potash and Magnesium Products
Volumes and Average Prices in Q1/13

		Year on Year		Quarter on Quarter	
	Q1/13	**Q1/12**	**%**	**Q4/12**	**%**
Volume (million t)	2.03	1.78	+14.1	1.52	+33.6
- Europe	1.11	0.98	+13.4	0.84	+32.4
- Overseas	0.92	0.80	+14.9	0.68	+35.1
Average price (€ per t)	308.0	327.4	(5.9)	314.2	(2.0)
- Europe (€ per t)	318.8	326.1	(2.2)	308.4	+3.4
- Overseas (US$ per t)	389.5	431.1	(9.6)	415.4	(6.2)

- Y-o-Y: Sales volumes increased due to strong Overseas demand and a pleasant start into the European spring season despite long-lasting wintry weather conditions. Prices dropped in both regions, however, stronger in Overseas due to lower prices after the China and India settlements and changes in regional portfolio.
- Q-o-Q: Demand picked up quickly after conclusion of Asian contracts but led to reduction of prices in Overseas. In Europe, prices stabilised earlier and increased slightly by changes in product portfolio.

Potash and Magnesium Products
Quarterly Cost Position



- Higher revenues, price-related cost reductions and positive currency effects offset for the effect of the change in inventories and higher depreciation and amortisation

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

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Market Environment Q1/13

- **European de-icing salt business**
  Long-lasting wintry weather conditions resulted in above-average demand, which was significantly above the low level of Q1/12. Pricing remained constrained due to the mild winter weather in the previous season and subsequently higher inventories.

- **North American de-icing salt business**
  Demand in the US and Canada normalised following an extraordinary mild winter in Q1/12. Pricing remained constrained due to the mild winter weather in the previous season and subsequently higher inventories.

- **Industrial and food grade salt**
  Demand for industrial salt showed a stable development in Europe and South America. While prices declined slightly in North America, European prices could increase slightly. Food grade salt showed good demand in Europe and the Americas while prices in Europe remained stable. However, a slight decline in North America could be observed.

- **Salt for chemical use**
  Demand remained weak in Europe but was stable in the Americas.

Salt
Volumes and Average Prices in Q1/13

		Year on Year		Quarter on Quarter	
	Q1/13	**Q1/12**	**%**	**Q4/12**	**%**
Volume (million t)	8.91	6.18	+44.2	5.06	+76.1
- De-icing salt	6.53	4.02	+62.4	2.60	+151.1
- Non de-icing salt	2.38	2.16	+10.2	2.46	(3.3)
Average price (€ per t)					
- De-icing salt	55.1	51.5	+7.0	62.2	(11.4)
- Non de-icing salt	99.5	105.8	(6.0)	97.5	+2.1

- Y-o-Y: Salt volumes recovered strongly versus Q1/12 mainly driven by a normal winter with overall higher de-icing salt volumes. Pricing benefitted from a portion of long-term contracts with price-adjustment clauses along with a favourable mix of de-icing salt products.
- Q-o-Q: De-icing volumes in a quarter-on-quarter comparison increased significantly due to the usual seasonal pattern resulting in stronger winter conditions in Q1/13 compared with Q4/12. Average prices per unit of de-icing salt decreased mainly due to product and regional mix effects.

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Capex of CAD 4.1 Billion Partly Leads to Lower Opex

Results of further advanced Basic Engineering

- Investments into own infrastructure
- Modifications of plant components and infrastructure

Partly leading to lower logistics and production costs

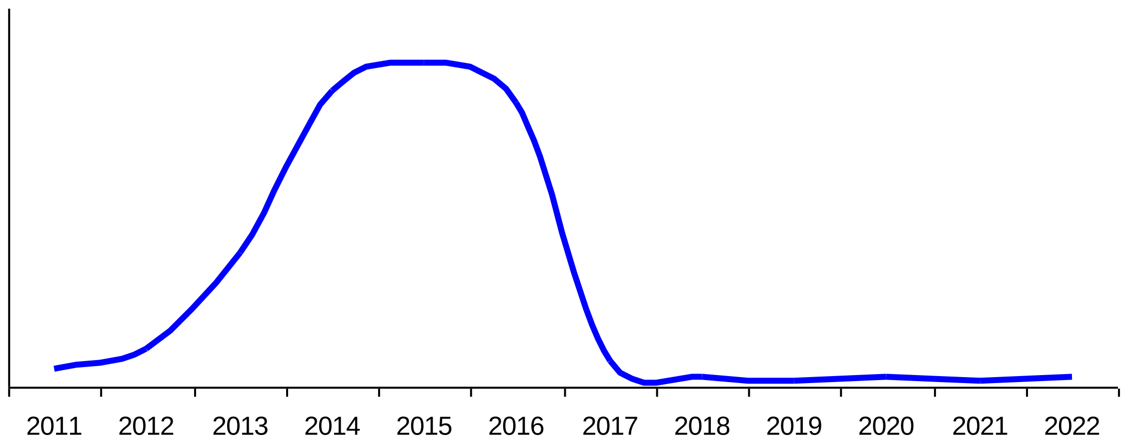
- Increased material and labour costs

Higher overall capex

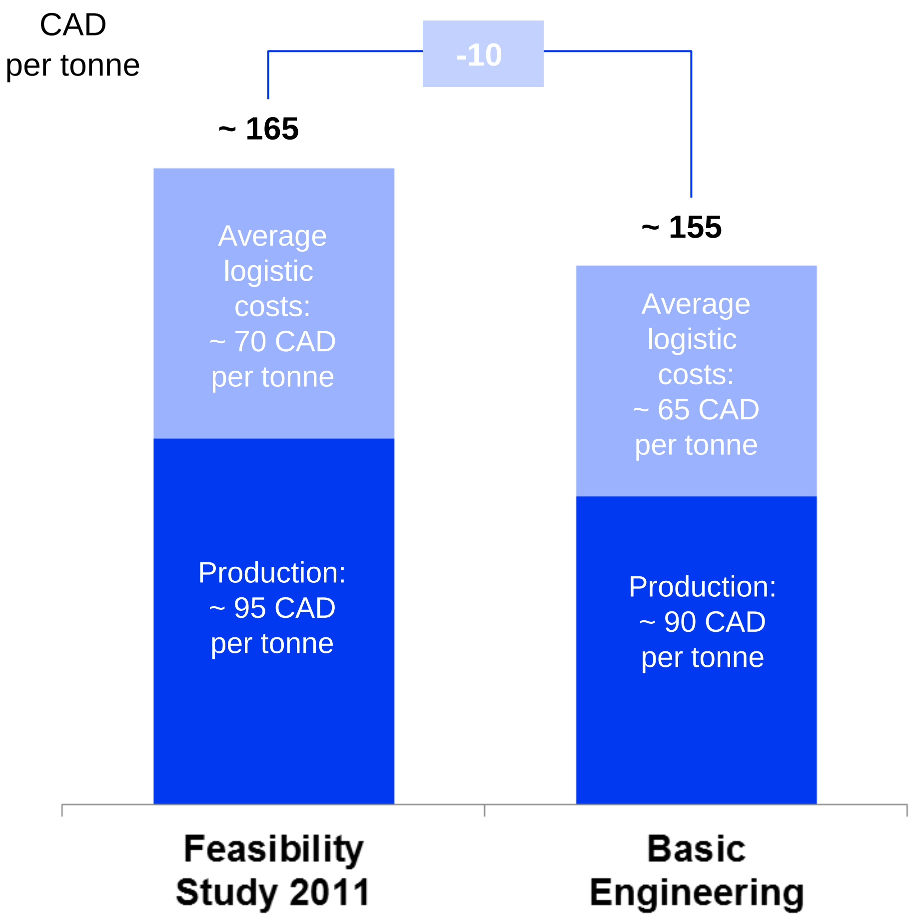
Legacy Project
Capex to Peak 2014 - 2016

	Phase 1	Phase 2
Activity	Primary mining: Development of first caverns and construction of production and infrastructure facilities	Development of secondary mining, expansion of production and logistics facilities
Production capacity after implementation	as of 2017: 2.00 million tonnes KCl/a	as of 2023: 2.86 million tonnes KCl/a
Capex	2011 to 2022: CAD 4.10 billion	

Indicative course of investment



Legacy Project
Specific Cash Costs* Lower Than Previously Expected



- Sustainable **cash costs** of production will be CAD 10/tonne lower than previously assumed due to
  - Investments into own infrastructure and
  - Modifications and optimisation of plant components
- **Mining taxes/royalties** of approx. CAD 60/tonne on the basis of an exemplary potash price of US$ 400/tonne ex works
- Over the long term, **D&A** of about CAD 40/tonne after initially higher values at the start of production

** At full utilisation of 2.86 million tonnes KCl/a (Phases 1+2)*
No increase in prices and costs after the construction phase

Legacy Project
Premium of at least 15% on Group Cost of Capital

- All relevant variables included and monitored regularly
- Leeway in all components including price assumptions

Model assumptions:

CapEx	Potash price	Logistics	Production	Taxes
• Purchase price for PotashOne of CAD 434m • CAD 4.1bn for Phase 1+2 • Including amounts spent in 2011 and 2012 • Maintenance	• On CFR basis to various destinations • Planned product portfolio	• Port facility operations • Railroad infrastructure • Railcars • Freight rates including averages to different destinations	• Energy prices • Personnel costs	• Mining taxes • Royalties

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Market Outlook

Potash and Magnesium Products Business Unit

- With demand having developed positively over the course of the first quarter as a result of the conclusion of contracts with China and India, we assume that 2013 as a whole will see a tangible increase in the volume of global potash sales to 59(*) million tonnes.
- The estimate is based primarily on a price level for agricultural raw materials which is continuously attractive for the earnings prospects of the agricultural sector
- Demand in China and India should increase after the buying restraint in 2012

Salt Business Unit

- Taking the good de-icing salt business in Q1 into consideration and expected long-term averages for the rest of the year, we expect significantly higher volumes in 2013 in Europe, especially after demand in 2012 was below average
- Also in North America demand for de-icing salt should normalise compared to the mild wintry weather conditions in 2012 assuming multi-year average sales volumes for the remaining months of 2013

* Incl. potassium sulphate and potash grades with lower K_2O content of around 3 million tonnes eff.

Revenues and EBIT I Outlook 2013 Confirmed

- **Slight increase in revenues**
  - Price-related decline in Potash and Magnesium Products
  - Volume-related increase in Salt
- **Slight increase in EBIT I**
  - Decrease in Potash and Magnesium Products should be more than offset by normalisation of Salt de-icing business
- **Stable financial result**
- **Adjusted tax rate of 26-27%**
- **Slight increase of Group net profit**

- **Update: Capex ~EUR 820m (~ EUR 1.1bn before)**

Underlying assumptions

Potash and Magnesium Products

- Sales volumes of 7 million tonnes (vs. 6.95 million tonnes in 2012)
- Lower average price level for the product portfolio

Salt

- Significantly higher volume of crystalised salt of a good 22 million tonnes (2012: 17.6 million tonnes)
- Thereof de-icing salt of about 13 million tonnes (2012: 8.3 million tonnes)
- Stable development of non-de-icing business

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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