Q3
2015

QUARTERLY FINANCIAL REPORT
OF THE K+S GROUP
JULY TO SEPTEMBER

+ Outlook for 2015: Significant increase in EBIT I to between € 780 and € 830 million expected
+ Salt business unit result up significantly on previous year
+ Robust development in the Potash and Magnesium Products business unit
+ Operating earnings (EBIT I) of € 132 million in the third quarter at the same level as in the previous year; after the first nine months € 628 million (+ 23%)
+ 'Fit for the Future' delivers expected results

+ K+S sees favourable long-term prospects as an independent company
+ Attractive earnings forecast confirmed: EBITDA of around € 1.6 billion in 2020

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)

		Q3/15	Q3/14	%	9M/15	9M/14	%
Revenues	€ million	891.4	826.9	+ 7.8	3,182.9	2,801.6	+ 13.6
– of which Potash and Magnesium Products business unit	€ million	471.4	451.0	+ 4.5	1,580.3	1,419.5	+ 11.3
– of which Salt business unit	€ million	381.8	335.0	+ 14.0	1,482.8	1,263.2	+ 17.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	199.3	187.0	+ 6.6	829.6	690.3	+ 20.2
– of which Potash and Magnesium Products business unit	€ million	127.2	133.6	−4.8	523.4	495.5	+ 5.6
– of which Salt business unit	€ million	70.6	50.3	+ 40.4	311.0	190.4	+ 63.3
Operating earnings (EBIT I)	€ million	132.1	134.0	−1.4	628.0	510.9	+ 22.9
– of which Potash and Magnesium Products business unit	€ million	92.5	110.8	−16.5	419.7	404.4	+ 3.8
– of which Salt business unit	€ million	43.2	24.7	+ 74.9	227.8	115.5	+ 97.2
EBIT I margin	%	14.8	16.2	–	19.7	18.2	–
– Potash and Magnesium Products business unit	%	19.6	24.6	–	26.6	28.5	–
– Salt business unit	%	11.3	7.4	–	15.4	9.1	–
Group earnings from continued operations, adjusted [1]	€ million	89.2	76.3	+ 16.9	406.2	298.9	+ 35.9
Earnings per share from continued operations, adjusted [1]	€	0.46	0.40	+ 16.9	2.12	1.56	+ 35.9
Capital expenditure [2]	€ million	349.9	294.8	+ 18.7	905.2	731.1	+ 23.8
Depreciation and amortisation [2]	€ million	67.2	53.0	+ 26.8	201.6	179.4	+ 12.4
Cash flow from operating activities	€ million	190.9	107.2	+ 78.1	630.4	623.6	+ 1.1
Adjusted free cash flow	€ million	−171.0	−176.2	−3.0	−263.9	−22.4	> 100
Net debt as of 30 September	€ million	–	–	–	2,224.2	1,305.0	+ 70.4
Net debt/EBITDA (LTM)		–	–	–	2.1	1.5	–
Equity ratio	%	–	–	–	50.6	51.7	–
Return on Capital Employed (LTM) [3]	%	–	–	–	13.1	13.0	–
Book value per share as of 30 September	€	–	–	–	21.60	20.14	+ 7.3
Average number of shares	million	191.4	191.4	–	191.4	191.4	–
Employees as of 30 September [4]	Number	–	–	–	14,378	14,334	+ 0.3
Market capitalisation as of 30 September	€ billion	–	–	–	5.7	4.3	+ 33.2
Enterprise value (EV) as of 30 September	€ billion	–	–	–	8.0	5.6	+ 41.9

[1] The adjusted key figures include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate in Q3/15: 28.6 % (Q3/14: 28.6%).

[2] Capital expenditure in or depreciation and amortisation affecting net income on property, plant and equipment, intangible assets, investment properties and financial assets.

[3] Return on capital employed over the last twelve months as of 30 September.

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

Rounding differences may arise in the percentages and numbers shown in this Quarterly Financial Report.

CONTENTS

MANAGEMENT REPORT

1

1.1 GROUP STRUCTURE AND BUSINESS OPERATIONS

Please see the relevant sections of our 2014 Financial Report (starting on page 25) for a full description of our Group's legal and organisational structure and business operations, including products and services.

The section 'Changes in the scope of consolidation' can be found on page 36 in the Notes to this Quarterly Financial Report. There was no change to the Group structure and business operations described in the 2014 Financial Report.

1.2 CORPORATE STRATEGY AND ENTERPRISE MANAGEMENT

There were no changes to corporate strategy or enterprise management in the third quarter. Please see the sections 'Declaration on Corporate Governance' (starting on page 32) and 'Corporate Strategy' (starting on page 55) of the 2014 Financial Report for a detailed description of corporate strategy and enterprise management.

1.3 OVERVIEW OF THE COURSE OF BUSINESS

MACROECONOMIC ENVIRONMENT

The following discussion on the macroeconomic situation is based on forecasts by the KIEL INSTITUTE FOR THE WORLD ECONOMY and the INTERNATIONAL MONETARY FUND.

Global economic growth slowed during the first nine months of 2015. Expansion rates remained low in the developed economies and emerging market countries.

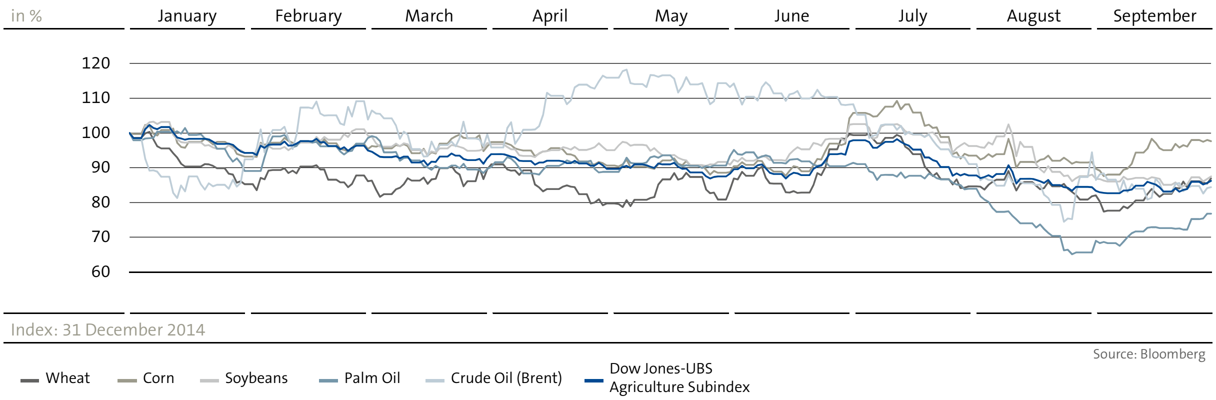
Economic recovery forged ahead in the European Union. There were positive trends in private consumer spending and investment activity whereas the unemployment rate remained high at 9.5%. The relative weakness of the euro against the US dollar boosted exports.

Following a short-lived economic weakness in the United States at the beginning of the year, better weather conditions and the end of the strike by dock workers on the West Coast ultimately led to a slight increase in macroeconomic production. While private consumer spending has grown strongly in recent months, employment levels have fallen slightly.

In the emerging market countries, economic development continued to be restrained. The slower rate of expansion in China and the significant drop in commodity prices placed a strain on the economy and had a particularly negative effect on growth in the raw material exporting countries.

The industrialised countries continued to pursue expansionary monetary policies during the third quarter of 2015. The EUROPEAN CENTRAL BANK (ECB) and the FEDERAL RESERVE BANK (FED) kept their respective key interest rate at 0.05% and between 0% and 0.25%. The ECB has been purchasing a large volume of bonds from European countries since March 2015 in order to reach its self-imposed inflation target.

DEVELOPMENT OF PRICES FOR AGRICULTURAL PRODUCTS AND CRUDE OIL FIG: 1.3.1

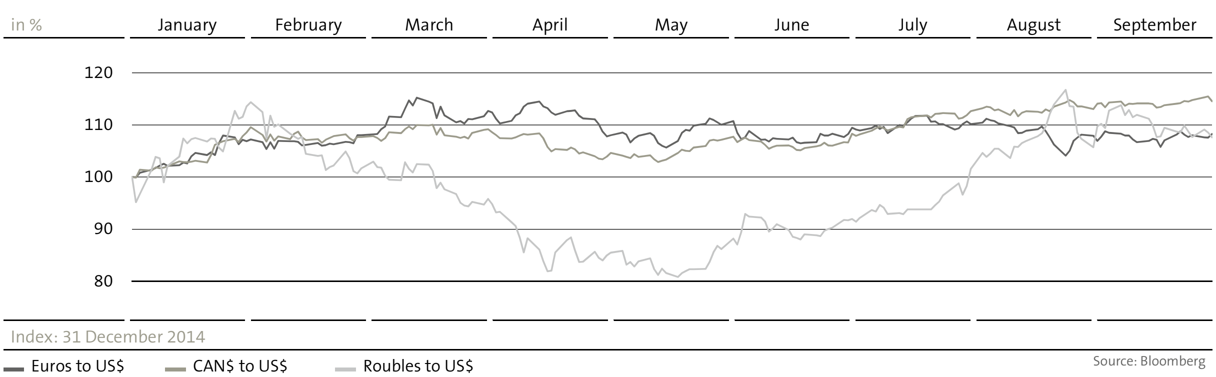


The prices of major soft commodities continued to fall tangibly in the third quarter as the result of significantly higher harvest estimates. The DOW JONES-UBS AGRICULTURE SUBINDEX, which tracks trends in the prices for corn, soybeans, sugar, wheat, soy oil, cotton and coffee, fell by around 13% during the quarter under review.

The price of Brent Crude fell significantly in the third quarter and was around USD 48 a barrel at the end of September. In all probability, the drop in price compared with the same quarter in the previous quarter (30 June 2015: USD 64 a barrel) was due to significant oversupply. The average price in the third quarter of 2015 of around USD 51 was more or less half the previous year's figure (Q3/14: USD 103). The NCG-Natural-Gas-Year-Future, which focuses primarily on Western and Southern Germany, experienced a demand-related fall from around € 22/MWh to € 19/MWh during the quarter under review. There was a significant decrease in the average figure to around € 20/MWh compared with the same quarter in the previous year (Q3/14: € 25/MWh).

The US dollar remained more or less stable against the euro over the quarter under review and was trading at 1.12 EUR/USD as of 30 September. In terms of the average for the quarter, the exchange rate of 1.11 EUR/USD was significantly lower than the figure in the previous year (Q3/14: 1.37 EUR/USD).

DEVELOPMENT OF EXCHANGE RATES FIG: 1.3.2



IMPACT ON K+S

Changes in the general economic environment had the following key effects on the course of business of K+S:

+ The K+S GROUP's energy costs are particularly affected by the cost of purchasing gas. Our purchasing agreements give us a high degree of flexibility in terms of our procurement source. Overall, we were able once again to reduce our energy costs year-to-date compared with the previous year.
+ In addition to the EUR/USD exchange rate, the relative comparison between our competitors' currencies (Canadian dollar, Russian rouble) and the US dollar is important for us. A strong US dollar generally has a positive impact on the profitability of most of the world's potash producers in their respective local currency. This is due to the fact that the bulk of worldwide potash production lies outside the US dollar zone, while almost all sales, with the exception of those in Europe, are invoiced in US dollars. Figure 1.3.2 shows that the US dollar was up against the Canadian dollar and the Russian rouble and remained stable against the euro during the quarter under review. Overall, this did not result in any noteworthy effect for the K+S GROUP.
+ Foreign currency hedging system: The application of hedging instruments for the Potash and Magnesium Products business unit resulted in an average exchange rate in the third quarter of 1.19 EUR/USD, including hedging costs (Q3/14: 1.34 EUR/USD). In comparison to the same quarter in the previous year, the strength of the US dollar against the euro thus again had positive results.
+ Pressure on soft commodity prices is beginning to have a negative impact on farmers' earnings prospects, prompting them to implement cost savings. Overall, expenditure on fertilizers accounts for around 30% of a farm's total costs, with expenditure on potash products accounting for just 2–4%. Demand for potash is likely to be affected, however, particularly if this trend increases in a sustained manner. The basic growth drivers for potassium chloride demand remain intact: A global population that is growing by around 80 million people each year as well as changing eating habits with a shift towards higher meat and protein consumption, and not least a limited supply of agricultural land, represent a huge challenge. The resulting earnings prospects should give the agriculture industry sufficient incentive to increase yield per hectare by making greater use of plant nutrients.

/ **FURTHER DETAILS ON THE FOREIGN CURRENCY HEDGING SYSTEM** can be found on page 73 of the 2014 Financial Report.

INDUSTRY-SPECIFIC FRAMEWORK CONDITIONS

The conditions in the key sales regions and the competitive positions of the individual business units described in the 'Group Structure and Business Operations' section of the 2014 Financial Report (page 25) have remained virtually unchanged.

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

After demand for potassium chloride proved largely robust at the beginning of the year and consequently also the price level, the first drops in price were noted in the second quarter in the overseas regions owing to declining demand, due, for example, to reduced lending to farmers in Brazil. The increasing depreciation of currencies in the emerging market countries and lower prices for soft commodities also led to significant purchasing restraint in the third quarter. Potassium chloride prices continued to come under pressure.

On the other hand, the general conditions in the fertilizer specialties segment were more or less stable. Farmers cultivating chloride-sensitive crops, such as vegetables or wine, have a strong incentive to start using appropriate plant nutrients, such as potassium sulphate (SOP), on account of the attractive margins that can be achieved with these crops.

SALT BUSINESS UNIT

Demand for de-icing salt in North America was largely positive once again in the third quarter of 2015. Inventories were at a very low level, primarily on the East Coast, due to the wintry weather at the beginning of the year. Price increases were achieved to some extent in the course of public tenders in North America for the coming winter season. In Europe, inventories held by both suppliers and customers were comparatively high following a mild 2014/2015 winter.

High salt inventories among European producers led also in the third quarter of 2015 to greater competition in the industrial salt business. The salt for chemical use and food grade salt segments, however, continued to show stable trends. In South America, price levels were under pressure as a result of the weak Brazilian real, although demand remained constant compared with the same quarter in the previous year. In contrast, the North American industrial salt and salt for chemical use market showed positive trends in demand during the quarter under review. Demand remained at the same level in the food grade salt segment.

K+S ON THE CAPITAL MARKET

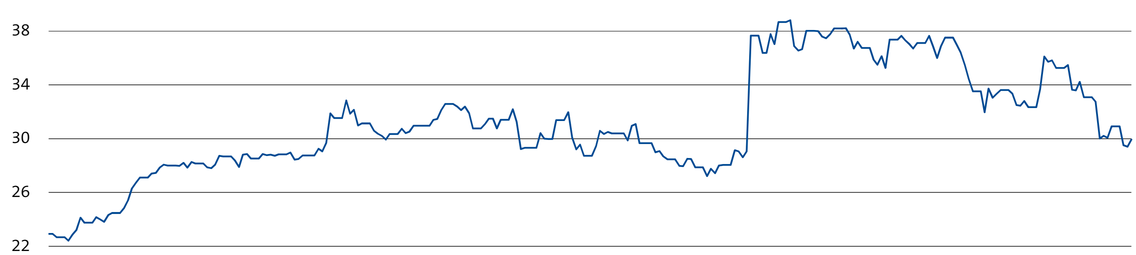
PERFORMANCE OF THE K+S SHARE PRICE IN THE THIRD QUARTER

/ THE CURRENT SHARE PRICE AND FURTHER INFORMATION ON SHARES IS AVAILABLE AT www.k-plus-s.com/de/ks-aktie.

+ The K+S share was trading at around € 38 at the beginning of the third quarter in the wake of speculation over a potential takeover by Canadian company POTASHCORP.
+ In the following weeks, the declining prices of potassium chloride in overseas placed a strain on the performance of the K+S share.
+ The fact that a public offering by POTASHCORP to take over K+S shares failed to materialise also created increased volatility and further pressure company on the share price.
+ On 30 September 2015, K+S shares closed at around € 29.93 or roughly 31% above the closing price in 2014. In the same period, the DAX and MSCI WORLD indexes fell by around 2% and 8% respectively; the DJ STOXX EUROPE 600 gained just under 2%.

In relation to the withdrawal of the unsolicited takeover proposal by POTASHCORP the K+S share dropped to € 23.36 and followed a sideways trend subsequently.

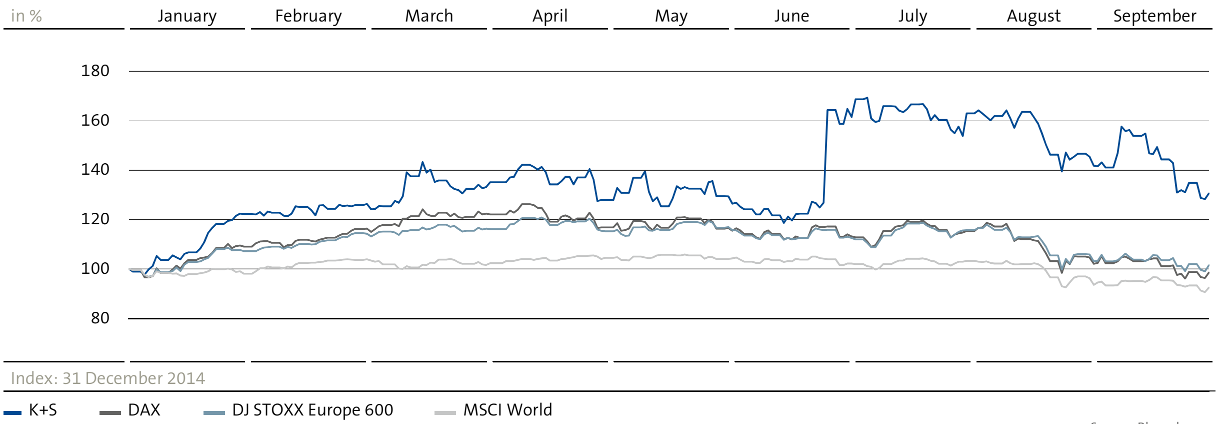
K+S SHARE PRICE PERFORMANCE/MONTHLY HIGHS AND LOWS FIG: 1.3.3



in €	January	February	March	April	May	June	July	August	September
Highest price	28.07	28.86	32.84	32.57	31.97	37.66	38.81	37.64	36.11
Lowest price	22.40	27.81	28.44	29.23	28.73	27.20	35.26	31.97	29.41

Source: Bloomberg

K+S SHARE PERFORMANCE IN COMPARISON WITH THE DAX, DJ STOXX EUROPE 600 AND MSCI WORLD FIG: 1.3.4



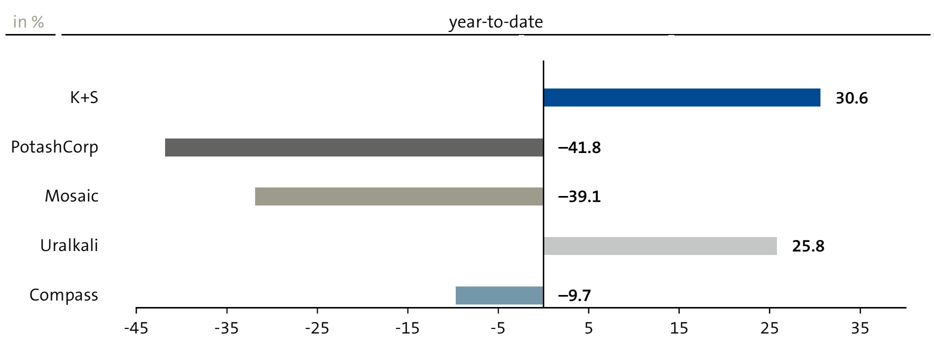
Source: Bloomberg

CAPITAL MARKET DATA TAB: 1.3.1

		Q3/15	Q3/14	%	9M/15	9M/14	%
Closing price as of 30 September	XETRA, €	–	–	–	29.93	22.46	+ 33.3
Highest price	XETRA, €	38.81	24.86	+ 56.1	38.81	26.60	+ 45.9
Lowest price	XETRA, €	29.41	22.26	+ 32.1	22.40	21.61	+ 3.7
Average price	XETRA, €	35.29	23.66	+ 49.2	31.19	23.95	+ 30.2
Market capitalisation as of 30 September	€ billion	–	–	–	5.7	4.3	+ 33.2
Enterprise value (EV) as of 30 September	€ billion	–	–	–	8.0	5.6	+ 41.9

Source: Bloomberg

K+S SHARE PRICE PERFORMANCE IN COMPARISON WITH COMPETITORS FIG: 1.3.5



Source: Bloomberg

According to Bloomberg, 14 banks assigned to our stock a 'buy/accumulate', 12 a 'hold/neutral' and 5 a 'reduce/sell' recommendation as of 30 September. The average target price was € 38.43.

SHAREHOLDER STRUCTURE

The following shareholder has informed us of a shareholding above the legal reporting threshold:

+ BLACKROCK INC.: 5.21% (as announced on 3 July 2015).

Under the free float definition applied by DEUTSCHE BÖRSE AG, the free float is 100%.

K+S BONDS

As a result of the continued high liquidity supply from the ECB and other leading central banks, bond prices for borrowers with good credit ratings remained high on the capital market, while yields were comparatively low. Speculation surrounding a potential takeover by Canadian company POTASHCORP led to increased volatility in bond prices during the quarter under review.

BOND PRICES AND YIELDS TAB: 1.3.2

	30 September 2015	
in %	Price	Yield
K+S bond (December 2018); coupon: 3.125%	106.9	0.9
K+S bond (December 2021); coupon: 4.125%	115.0	1.6
K+S bond (June 2022); coupon: 3.000%	107.6	1.8

Source: Bloomberg

POTASHCORP WITHDRAWS TAKEOVER PROPOSAL – K+S SEES POSITIVE LONG-TERM PROSPECTS AS AN INDEPENDENT COMPANY

On 4 October 2015, Canadian company POTASHCORP announced the withdrawal of its takeover plans. From our perspective, this move brings clarity. K+S will continue its previous, very successful product and regional diversification as part of the two-pillar strategy.

As a listed company, we have a duty to our shareholders, our employees and other stakeholders. We are aware of this responsibility. It was our duty to scrutinise all aspects of the proposal thoroughly. Having considered it carefully, we came to the conclusion that the proposal of POTASHCORP neither reflected the fundamental value of K+S nor provided a reliable basis for a merged company. As a consequence, a basis for talks was not given.

We have laid the foundations for a successful future for K+S and are focussing on achievement of the following key aspects:

+ The Legacy Project, our new potash plant in Canada, will be commissioned next year. The plant will be the main growth driver for our Potash and Magnesium Products business unit. This means we will be in a position in the medium term to reduce our average costs significantly and participate in the growth of the potash market by increasing capacity and exploiting other development potential.
+ Our existing production facilities in Germany will continue to supply our customers in Europe and in selected growth regions across the world at competitive prices. The uniqueness of our crude salt deposits also allows us to produce specialties that many of our competitors are not able to offer in the same way.
+ Measured in terms of production capacity, the K+S GROUP is the largest salt producer in the world. With our MORTON SALT and WINDSOR SALT brands, we are also strongly represented in North America and we see further potential here. Our salt business is well on track towards achieving its self-imposed target of generating annual EBIT I of more than € 250 million by 2020, assuming normalised winter business.
+ Continuation of consistent cost management: K+S continues its considerable efforts to make the cost and organisational structures of the entire Group more efficient as part of the ‘Fit for the Future’ programme. We are striving for total cost savings of € 500 million between 2014 and 2016 compared with previous planning for this period.

Collectively we are not just working on our existing structures. We want to continue to grow both in the potash and salt segments and increase our activities in attractive growth markets.

With a view to the development of earnings in the medium-term, this means in practice: In spite of the current dip in the potash market, the medium-term growth trends remain intact. Based on this assumption, we are expecting a gradual increase in EBITDA to around € 1.6 billion by 2020 (2014: € 896 million). With a view to the development of cash flow, we are expecting average annual growth of at least 10%.

AFFILIATED COMPANIES AND RELATED PARTIES

Please see the relevant sections in the Notes on page 39 for a detailed description of significant transactions with affiliated companies and related parties.

1.4 EARNINGS, FINANCIAL AND ASSET POSITION

DEVELOPMENT OF ORDERS

Most of the K+S GROUP's business is not covered by longer-term agreements on fixed volumes and prices.

In the Potash and Magnesium Products business unit, the share of orders on hand in relation to revenues of less than 10% is low. The business is characterised by long-term customer relationships as well as revolving framework agreements with non-binding volume and price indications.

In the Salt business unit, de-icing salt contracts for the public sector in Europe, Canada and the United States are awarded through public tenders. We generally participate in these tenders from the second quarter for the coming winter season, but also, in some cases, for subsequent winter seasons. The contracts include agreements on both prices and maximum volumes. Where actual sales volumes are subject to fluctuations from the agreed volumes permitted by law according to weather conditions, these cannot be classified as orders on hand. This also applies if volumes can be carried forward to the following winter if demand is weak in a particular season.

For the reasons mentioned above, the reporting of orders on hand for the K+S GROUP is not relevant for the assessment of short-term and medium-term profitability.

EARNINGS POSITION

KEY FIGURES — TAB: 1.4.1

in € million	Q3/15	Q3/14	%	9M/15	9M/14	%
Revenues	891.4	826.9	+ 7.8	3,182.9	2,801.6	+ 13.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	199.3	187.0	+ 6.6	829.6	690.3	+ 20.2
Operating earnings (EBIT I)	132.1	134.0	–1.4	628.0	510.9	+ 22.9
Capital expenditure	349.9	294.8	+ 18.7	905.2	731.1	+ 23.8
Employees as of 30 September (number)	–	–	–	14,378	14,334	+ 0.3

QUARTERLY REVENUES OF THE K+S GROUP MODERATELY ABOVE PREVIOUS YEAR

The K+S GROUP generated revenues of € 3,182.9 million in the first nine months of 2015 (9M/14: € 2,801.6 million); this corresponds to an increase of just under 14% compared with the same period in the previous year. Both business units profited mainly from higher average prices and a favourable EUR/USD exchange rate. At € 891.4 million, revenues in the third quarter were up € 64.5 million or around 8% on the previous year's figure; the Salt business unit made a significant currency- and price-related contribution here.

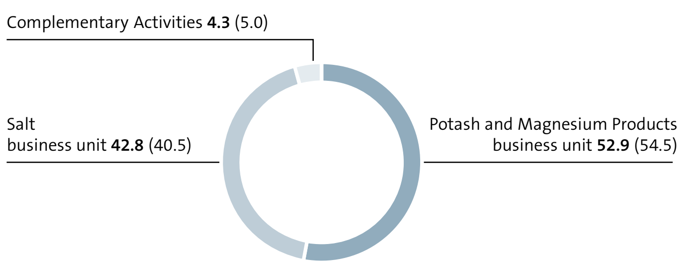
In the quarter under review, just under 53% of revenues was generated by the Potash and Magnesium Products business unit, followed by Salt with around 43% and Complementary Activities (4%). Europe accounted for a share in revenues of just under 39%, followed by North America (31%), South America (15%) and Asia (11%).

VARIANCE COMPARED WITH PREVIOUS YEAR — TAB: 1.4.2

in %	Q3/15	9M/15
Change in revenues	+ 7.8	+ 13.6
- volume/structure-related	–4.3	–3.7
- price/pricing-related	+ 2.6	+ 6.6
- currency-related	+ 9.5	+ 10.7
- consolidation-related	–	–

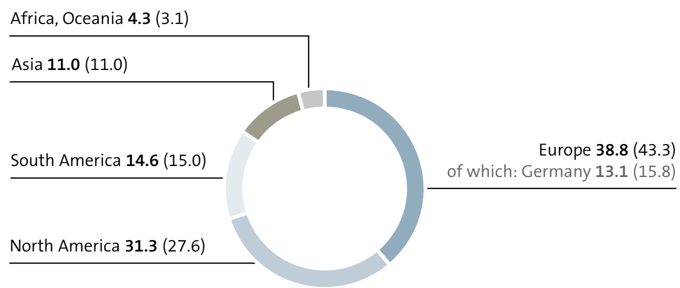
Detailed figures for average prices and sales volumes can be found in Tables 1.5.3 and 1.5.6.

REVENUES BY SEGMENT JULY – SEPTEMBER 2015 (IN %) — FIG: 1.4.1



Previous year's figures in brackets

REVENUES BY REGION JULY – SEPTEMBER 2015 (IN %) FIG: 1.4.2



Previous year's figures in brackets

'FIT FOR THE FUTURE'

K+S continued its considerable efforts in the third quarter to make the cost and organisational structures of the entire Group even more efficient. We are striving for total cost savings of € 500 million between 2014 and 2016 compared with previous planning for this period. In addition to actual savings, this figure also includes expenses that were originally planned, but have been avoided. The beginning of the programme was very successful. In 2013, we were able to reduce actual costs by around € 30 million. We exceeded our targets for 2014: Compared with the 2013 financial year, we achieved a further improvement in earnings of a good € 120 million with the programme. We are assuming a slightly higher contribution to the result for 2015.

OPERATING EARNINGS EBITDA AND EBIT I

Earnings before interest, taxes and depreciation and amortisation (EBITDA) amounted to € 829.6 million after the first nine months and consequently were up around 20% on the high figure in the previous year (9M/14: € 690.3 million). The operating earnings (EBIT I) of the K+S GROUP reached € 628.0 million thus exceeding the previous year's figure by € 117.1 million or around 23% (9M/14: € 510.9 million). This improvement in earnings is due primarily to price increases in the Salt business unit in North America and the higher average prices in the Potash and Magnesium Products business unit compared with the previous year. The EUR/USD exchange rate had a positive effect alongside this. The 'Fit for the Future' programme continued to contribute to the Company's success as expected. Depreciation and amortisation to be taken into account in the first nine months was € 201.6 million (9M/14: € 179.5 million).

EBITDA reached € 199.3 million during the quarter under review (Q3/14: € 187.0 million). Depreciation and amortisation of € 67.2 million to be taken into account was higher than the figure in the previous year (Q3/14: € 53.0 million). The reason for this increase was most notably capital expenditure in water protection, particularly in 2013 and 2014. EBIT I amounted to € 132.1 million accordingly (Q3/14: € 134.0 million). Positive price and currency effects in the Salt business unit were able to more than offset declining sales volumes in the Potash and Magnesium Products business unit. The same quarter in the previous year was boosted by a special item relating to an insurance payment of € 6 million following the business interruption at the Unterbreizbach site.

RESULT AFTER OPERATING HEDGES (EBIT II)

An operating profit EBIT II of € 572.8 million after operating hedges was generated in the first nine months of 2015, compared to a figure of € 539.5 million in the previous year. The earnings effect from fluctuations in market value from open hedging positions included in this figure was € – 55.2 million (9M/14: € + 28.6 million). At € 77.0 million, EBIT II in the quarter under review, which was adversely affected by effects arising from fluctuations in market value from open hedging positions of € – 55.1 million (Q3/14: € + 17.8 million), was down € 74.8 million on the previous year's figure (Q3/14: € 151.8 million).

Negative earnings effects resulted mainly from fluctuations in market value from open hedging positions. Main reason for this effect was the depreciation of the Canadian Dollar compared to the euro.

In accordance with IFRS, fluctuations in market value from hedging transactions are reported in the income statement. EBIT II includes all results from hedging transactions, i.e., both reporting date-related valuation effects and results from any hedging derivatives realised. Any effects on earnings arising from the hedging of underlying transactions relating to financing that are not reflected in EBIT are reported in the financial result.

FINANCIAL RESULT

/ **FURTHER DETAILS OF THE FINANCIAL RESULT AND INTEREST RATE FOR PROVISIONS** can be found in the Notes on page 37.

The financial result after nine months amounted to € – 61.0 million, compared with € – 99.8 million in the previous year. The improvement resulted notably from the omission of interest expenses (€ 28 million) for the bond due in September 2014. In the quarter under review, the financial result amounted to € 6.8 million (Q3/14: € – 24.1 million). In addition to the bond effect, the main reason for the improvement compared with the previous year was the capitalisation of interest on debt in the context of the Legacy Project. Along with the interest expenses for mining obligations (Q3/15: € – 7.4 million), the interest expenses for pension provisions (Q3/15: € – 1.2 million) are also taken into account in the financial result; both of these are non-cash expenses.

GROUP EARNINGS AND EARNINGS PER SHARE

Group earnings after taxes and minority interests reached € 366.8 million in the first nine months of the year (9M/14: € 319.3 million). Tax expenses for this period amounted to € 144.9 million, including a deferred, i.e., non-cash yield of € 8.4 million (income tax expense 9M/14: € 120.0 million; of which € 4.1 million deferred tax expenses). In terms of earnings per share, this represents an increase of € 0.25 to € 1.92 compared with the previous year (9M/14: € 1.67). An average number of 191.4 million outstanding no-par value shares was used as the basis for the calculation.

Group earnings after taxes and minority interests were € 49.9 million (Q3/14: € 89.0 million); tax expenses amounted to € 20.4 million (of which € 10.6 million deferred tax income) compared with € 38.5 million in the previous year (of which € 3.5 million deferred tax expenses). In terms of earnings per share, this gives a figure of € 0.26 (Q3/14: € 0.47).

ADJUSTED GROUP EARNINGS AND ADJUSTED EARNINGS PER SHARE

Group earnings after taxes adjusted in accordance with changes in the market value of derivatives were € 406.2 million after the first nine months (9M/14: € 298.9 million); this corresponds to an increase of € 107.3 million or 35.9%. Adjusted earnings per share reached € 2.12 in the same period compared with € 1.56 in the previous year. An average number of 191.4 million outstanding no-par value shares was used as the basis for the calculation. Adjusted Group earnings after taxes amounted to € 89.2 million (Q3/14: € 76.3 million), resulting in a figure of € 0.46 per share compared with € 0.40 for the same quarter in the previous year.

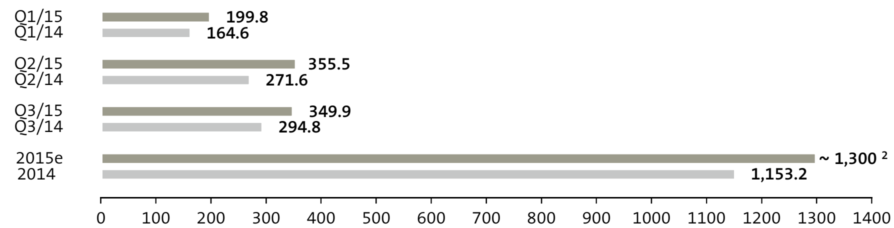
FINANCIAL POSITION

INCREASE IN CAPITAL EXPENDITURE IN THIRD QUARTER AS PLANNED

/ **FURTHER INFORMATION ON THE LEGACY PROJECT** can be found on page 18 under 'Potash and Magnesium Products business unit'.

The K+S GROUP invested € 349.9 million in the third quarter of 2015, roughly equivalent to a 19% increase on the same period in the previous year (Q3/14: € 294.8 million). Most of the capital expenditure was in the Potash and Magnesium Products business unit. It applied mainly to the Legacy Project in Canada. We also invested in the package of measures for water protection in the Hesse-Thuringia potash district. In the Salt business unit, the focus was on measures to open up a deeper mining level at the rock salt site at Weeks Island, USA, the expansion of the site at Port Canaveral, USA to include production facilities and storage areas as well as measures to secure production at the Borth salt mine in North Rhine-Westphalia.

CAPITAL EXPENDITURE [1] (IN € MILLION) FIG: 1.4.3



[1] Capital expenditure in property, plant and equipment, intangible and financial assets of continued operations.
[2] Further information regarding future capital expenditure can be found on page 26.

CASH FLOW FROM OPERATING ACTIVITIES ABOVE PREVIOUS YEAR'S FIGURE

CASH FLOW OVERVIEW TAB: 1.4.3

in € million	9M/15	9M/14
Cash flow from operating activities	630.4	623.6
Cash flow from investment activities	−519.7	−488.2
Free cash flow	**110.7**	**135.4**
Adjustment for acquisitions and disposals of securities and other financial investments	−374.6	−157.8
Adjusted free cash flow	**−263.9**	**−22.4**

Cash flow from operating activities was € 630.4 million in the first nine months (9M/14: € 623.6 million). This increase was mainly the result of higher operating earnings EBIT I compared with the previous year. These were offset by greater working capital commitments.

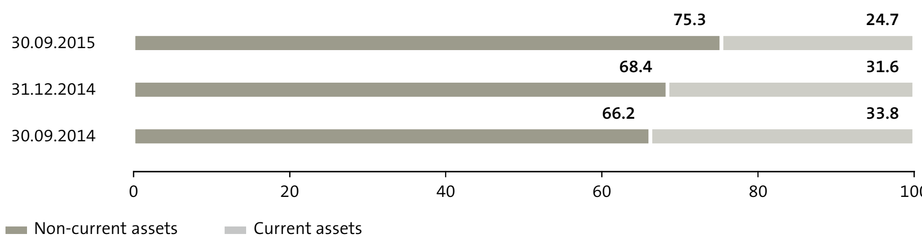
Cash flow from investment activities (excluding acquisitions/disposals of securities and other financial investments) amounted to € – 894.3 million (9M/14: € – 646.0 million). The increase is mainly the result of planned increases in capital expenditure for the Legacy Project. Adjusted free cash flow reached € – 263.9 million compared with € – 22.4 million in the previous year.

Cash flow from financing activities was € – 174.3 million (9M/14: € – 793.0 million). The previous year was negatively affected by the repayment of the bond due in September 2014. As of 30 September 2015, net cash and cash equivalents amounted to € 303.4 million (30 September 2014: € 363.1 million; 31 December 2014: € 370.3 million). These relate to cash investments, essentially bank balances as well as money market and comparable securities with a residual term of less than three months.

ASSET POSITION

The balance sheet total of the K+S GROUP was € 8,164.2 million as of 30 September 2015 (31 December 2014: € 7,855.2 million). Fixed assets increased by € 712.6 million to € 4,825.3 million, mainly due to capital expenditure in the Legacy Project (31 December 2014: € 4,112.7 million). Cash and cash equivalents fell slightly (down € 66.4 million) as well as accounts receivable (down € 91.7 million). Consequently, the ratio of non-current to current assets shifted to 75:25. Cash and cash equivalents, current and non-current securities and other financial investments fell on account of capital expenditure in the Legacy Project to € 492.3 million, which corresponds to a drop of around 48% since the start of the year (31 December 2014: € 943.3 million).

ASSETS (IN %) FIG: 1.4.4

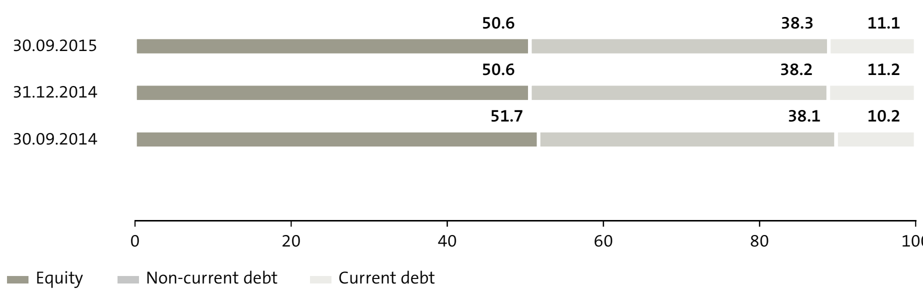


/ FURTHER DETAILS OF THE MAIN CHANGES IN INDIVIDUAL BALANCE SHEET ITEMS AND DISCOUNT FACTORS can be found in the Notes on page 37-38.

At € 4,135.1 million, equity was € 160.6 million higher than the value as of 31 December 2014 (€ 3,974.5 million). The increase stemmed primarily from the Group net income for the period. The equity ratio was 50.6% as of the reporting date.

As of 30 September 2015, the K+S GROUP's debt consisted mainly of financial liabilities (38%), provisions (43%) and trade payables (6%). As of 30 September 2015, financial liabilities amounted to € 1,518.7 million; of this, € 4.8 million had to be classified as current. As of 30 September 2015, the most significant provisions of the K+S GROUP related to mining provisions of € 1,055.5 million (up € 130.2 million compared with 31 December 2014) as well as pensions and similar obligations of € 163.9 million (up € 1.1 million compared with 31 December 2014). The increase in mining obligations was mainly due to the further reduction in the discount rate in the first quarter.

EQUITY AND LIABILITIES (IN %) FIG: 1.4.5



The net debt of the K+S GROUP was € 2,224.2 million as of the reporting date (31 December 2014: € 1,676.0 million). Net financial liabilities, i.e., not including provisions, amounted to € 1,004.8 million as of the reporting date, compared with € 274.5 million in the previous year.

NET DEBT		TAB: 1.4.4
in € million	9M/15	9M/14
Cash on hand and balances with banks as of 30 September	308.8	368.0
Non-current securities and other financial investments as of 30 September	78.2	86.2
Current securities and other financial investments as of 30 September	105.3	763.8
Financial liabilities	−1,518.7	−1,512.0
Reimbursement claim Morton Salt bond	21.6	19.5
Net financial liabilities as of 30 September	**−1,004.8**	**−274.5**
Provisions for pensions and similar obligations	−163.9	−161.8
Provisions for mining obligations	−1,055.5	−868.7
Net debt as of 30 September	**−2,224.2**	**−1,305.0**

OFF-BALANCE SHEET FINANCING INSTRUMENTS/ ASSETS NOT SHOWN ON THE BALANCE SHEET

We use operating leases, for example, for vehicles, storage capacity and IT accessories. Due to the chosen contractual structures, these items are not carried under fixed assets.

1.5 PRESENTATION OF SEGMENTS

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

KEY FIGURES — TAB: 1.5.1

in € million	Q3/15	Q3/14	%	9M/15	9M/14	%
Revenues	471.4	451.0	+ 4.5	1,580.3	1,419.5	+ 11.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	127.2	133.6	−4.8	523.4	495.5	+ 5.6
Operating earnings (EBIT I)	92.5	110.8	−16.5	419.7	404.4	+ 3.8
Capital expenditure	322.1	269.2	+ 19.7	837.7	674.1	+ 24.3
Employees as of 30 September (number)	–	–	–	8,363	8,334	+ 0.3

REVENUES

/ **A DESCRIPTION OF THE MARKET ENVIRONMENT IN THE POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT** can be found in the section 'Industry-specific framework conditions' on page 5.

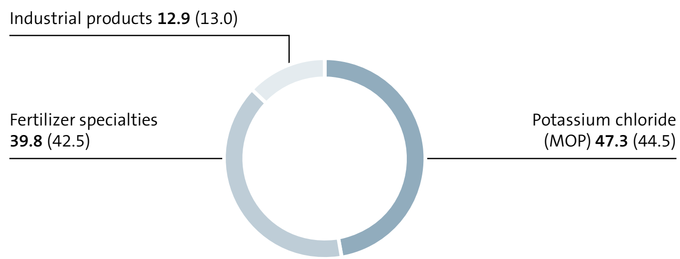
At € 1,580.3 million, revenues in the first nine months of 2015 were up tangibly on the figure for the same period in the previous year (9M/14: € 1,419.5 million). The main reason for the increase in revenues was a stronger US dollar in relation to the euro and a higher price level. In the quarter under review, however, only a slight increase in revenues to € 471.4 million was achieved (Q3/14: € 451.0 million). While average prices remained robust, there was reduced availability of volumes on account of weather-related production constraints. Due mainly to production constraintsduring the unusually warm summer in Germany, sales of 1.52 million tonnes in the quarter under review, were moderately below the figure in the previous year (Q3/14: 1.62 million tonnes).

Revenues for potassium chloride saw mainly a currency-related increase of around 11% to € 222.9 million (Q3/14: € 200.5 million). Revenues remained virtually unchanged in the fertilizer specialties segment and reached € 187.5 million compared with € 191.8 million in the previous year. It was possible to offset a volume-related drop in revenues to a large extent by positive currency and price effects. Revenues for industrial products increased slightly and amounted to € 61.0 million (Q3/14: € 58.7 million).

VARIANCE COMPARED WITH PREVIOUS YEAR — TAB: 1.5.2

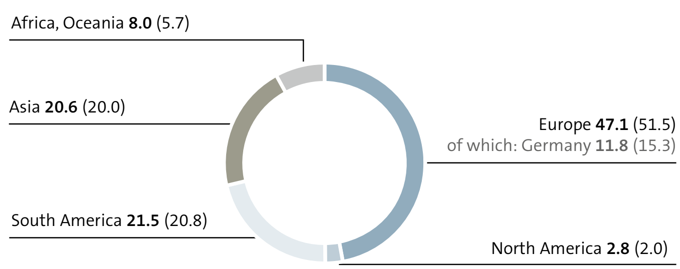
in %	Q3/15	9M/15
Change in revenues	**+ 4.5**	**+ 11.3**
- volume/structure-related	−5.5	−3.1
- price/pricing-related	+ 0.7	+ 5.9
- currency-related	+ 9.3	+ 8.5
- consolidation-related	–	–
Potassium chloride	+ 11.2	+ 18.2
Fertilizer specialties	−2.3	+ 6.3
Industrial products	+ 3.9	+ 6.9

REVENUES BY PRODUCT GROUP JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.1



Previous year's figures in brackets

REVENUES BY REGION JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.2



Previous year's figures in brackets

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION [1] TAB: 1.5.3

		Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Revenues	**€ million**	**507.4**	**461.1**	**451.0**	**1,419.5**	**464.5**	**1,884.0**	**608.4**	**500.5**	**471.4**	**1,580.3**
Europe	€ million	347.5	263.6	232.3	843.4	263.3	1,106.7	363.3	283.6	221.9	868.8
Overseas	US$ million	219.0	270.8	290.7	780.5	252.1	1,032.6	276.1	239.4	277.2	792.8
Sales volumes	**t million (product)**	**1.94**	**1.72**	**1.62**	**5.28**	**1.59**	**6.87**	**1.94**	**1.61**	**1.52**	**5.07**
Europe	t million (product)	1.27	0.92	0.80	2.99	0.89	3.88	1.21	0.90	0.70	2.80
Overseas	t million (product)	0.67	0.80	0.82	2.29	0.70	2.99	0.73	0.72	0.82	2.27
Average price	**€/t (product)**	**261.8**	**268.1**	**278.7**	**269.0**	**291.2**	**274.1**	**313.6**	**310.4**	**309.8**	**311.5**
Europe	€/t (product)	273.3	285.8	290.4	282.6	294.0	285.3	301.4	315.1	317.7	309.9
Overseas	US$/t (product)	328.5	339.3	351.2	340.5	360.3	345.0	375.6	336.3	337.0	349.3

[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. Hedging transactions were concluded for most of these sales revenues. Prices are also affected by the respective product mix and should therefore be taken as a rough indication only.

DEVELOPMENT OF EARNINGS

Operating earnings EBIT I amounted to € 419.7 million after the first nine months (9M/14: € 404.4 million); these include depreciation and amortisation of € 103.7 million (9M/14: € 91.1 million). First and foremost, a recovery in our average prices and advantageous exchange rate trends had a positive impact. The 'Fit for the Future' programme has also helped generate these positive results. EBIT I of € 92.5 million in the quarter under review was significantly below the figure in the previous year (Q3/14: € 110.8 million). In addition to the volume effects described, higher depreciation and amortisation and the planned rising operating costs in the context of the Legacy Project were the cause of this drop. The same quarter in the previous year was boosted by a special item relating to an insurance payment of € 4 million following the business interruption at the Unterbreizbach site.

/ A SHORT FILM ABOUT THE LEGACY PROJECT is available at www.k-plus-s.com/legacy15en.

LEGACY PROJECT ON TRACK TO COMMISSIONING NEXT YEAR

Legacy is a greenfield project to set up solution mining-based potash production in the southern part of the Canadian province of Saskatchewan. Following its scheduled commissioning next summer, the plant will reach an annual potash production capacity of 2.86 million tonnes over the long-term. This will make K+S the only potash producer with its own large production sites on two continents. The new potash plant will expand the German production network significantly, reduce average production costs and extend the average useful life of the K+S potash mines. The Legacy Project will also increase competitiveness on the international market considerably, which will bring about a positive outcome for the whole of the K+S GROUP.

The focus in the quarter under review was the construction of the steel structure of the factory, the installation of main components, starting work on the interior, including pipeline construction and initial electrical installations, as well as excavations for the rail link. Two further so-called pads were also commissioned for cavern development in the brine field. Pile foundations were laid and initial foundation work carried out in the port of Vancouver.

K+S is well on the way to commissioning the plant as scheduled from summer 2016 onwards thus meeting the investment budget of 4.1 billion Canadian dollars. Just under 70% of the total budget has been spent to date. All key building contracts for the plant have been awarded.

PERMANENT SOLUTION FOR DISPOSAL OF SALINE WASTEWATER

In September 2014, K+S agreed on guidelines with the Hessian Ministry for the Environment for a Four-Phase Plan for the permanent disposal of saline wastewater in the Werra potash district. The drafts of the management plans for Werra/Weser for the years 2015 to 2021 published in mid-March 2015 by the German states in the Weser River Basin Association (FGG Weser) for the purpose of a hearing essentially confirm the measures agreed to for this period between the state of Hesse and K+S.

The drafts of the management plans include the objectives and target values for the Werra/Weser river system for the period from 2021 to 2027, but there are currently no feasible measures for realising these objectives. Currently, it is therefore still unclear as to whether or not and how these targets can be achieved. K+S has indicated its opinion in relation to the draft plans and will review alternative measures with FGG Weser and the states affected.

This Four-Phase Plan continues to represent a plausible long-term solution for the disposal of saline wastewater in the Werra potash district. The aim of these measures, particularly the significant investments on the part of K+S, is to further reduce pressure on the environment in the unspoilt Werra/Weser area in line with European water legislation, to ensure the future viability of jobs and to secure the potash-producing locations in North Hesse and Thuringia.

SALT BUSINESS UNIT

/ A DESCRIPTION OF THE MARKET ENVIRONMENT IN THE SALT BUSINESS UNIT can be found in the 'Industry-specific framework conditions' section on page 6.

KEY FIGURES TAB: 1.5.4

in € million	Q3/15	Q3/14	%	9M/15	9M/14	%
Revenues	381.8	335.0	+ 14.0	1,482.8	1,263.2	+ 17.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	70.6	50.3	+ 40.4	311.0	190.4	+ 63.3
Operating earnings (EBIT I)	43.2	24.7	+ 74.9	227.8	115.5	+ 97.2
Capital expenditure	26.3	19.8	+ 32.8	57.0	43.0	+ 32.6
Employees as of 30 September (number)	–	–	–	5,098	5,070	+ 0.6

REVENUES

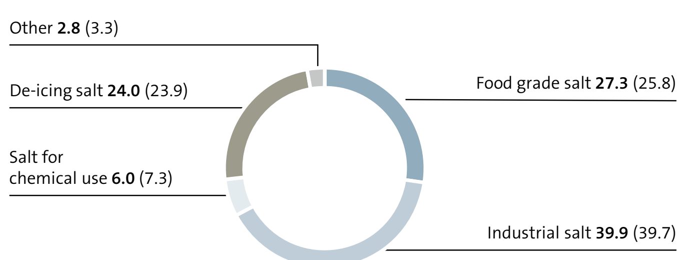
In the first nine months of the year, revenues for the Salt business unit were up significantly on the figure for the previous year at € 1,482.8 million (9M/14: € 1,263.2 million); in addition to a favourable EUR/USD exchange rate, higher prices in North America also had a positive effect. In Europe, there was also a volume-related increase in revenues in the de-icing salt business compared with the same period in the previous year. For industrial salt, salt for chemical use and food grade salt, revenues amounted to € 829.4 million thus showing a significant price and currency-related increase over the previous year (9M/14: € 701.4 million). The sales volumes of 16.45 million tonnes for crystallised salt were around 6% below the unusually high figure for the previous year (9M/14: 17.52 million tonnes).

Revenues rose by 14% to € 381.8 million in the quarter under review compared with € 335.0 million in the previous year. The reasons for the rise in revenues were positive price effects in addition to the favorable EUR/USD relationship. The sales volumes for crystallised salt of 3.74 million tonnes were slightly below the high figure in the previous year (Q3/14: 3.89 million tonnes).

VARIANCE COMPARED WITH PREVIOUS YEAR TAB: 1.5.5

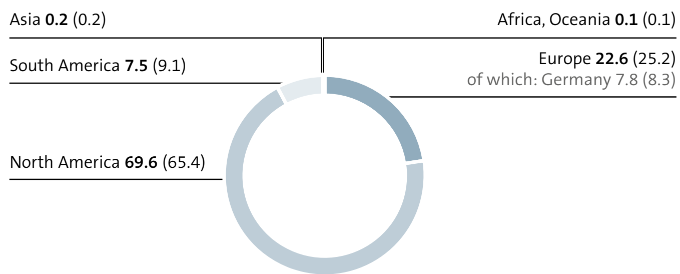
in %	Q3/15	9M/15
Change in revenues	**+ 14.0**	**+ 17.4**
- volume/structure-related	−2.1	−4.6
- price/pricing-related	+ 5.1	+ 7.7
- currency-related	+ 11.0	+ 14.3
- consolidation-related	–	–
Food grade salt	+ 20.5	+ 22.1
Industrial salt	+ 14.7	+ 21.1
Salt for chemical use	−6.1	−10.9
De-icing salt	+ 14.4	+ 18.5
Other	−4.5	−13.6

REVENUES BY PRODUCT GROUP JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.3



Previous year's figures in brackets

REVENUES BY REGION JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.4



Previous year's figures in brackets

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY PRODUCT GROUP [1] TAB: 1.5.6

		Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
De-icing salt											
Revenues	€ million	396.6	46.0	80.1	522.7	245.2	767.9	448.5	79.5	91.6	619.6
Sales volumes	million tonnes	8.15	0.98	1.55	10.67	3.70	14.38	6.89	1.22	1.48	9.59
Average price	€/t	48.7	47.1	51.8	49.0	66.1	53.4	65.1	65.1	61.8	64.6
Industrial salt, salt for chemical use and food grade salt											
Revenues	€ million	230.4	227.3	243.7	701.4	258.5	959.9	264.9	285.0	279.9	829.4
Sales volumes	million tonnes	2.28	2.22	2.34	6.85	2.40	9.24	2.23	2.37	2.26	6.86
Average price	€/t	100.9	102.4	104.1	102.5	107.9	103.9	118.8	120.3	124.0	120.9

[1] Revenues include prices both inclusive and exclusive of freight costs. Prices are also affected by exchange rate changes and the respective product mix and should therefore be taken as a rough indication only.

DEVELOPMENT OF EARNINGS

Operating earnings EBIT I for the Salt business unit virtually doubled rising to € 227.8 million in the first nine months of the year compared with € 115.5 million in the previous year. These include depreciation and amortisation of € 83.2 million (9M/14: € 74.9 million). These improved results are primarily the result of the price-related higher margins in North America and positive currency effects.

Prices displayed very positive trends both in the de-icing salt product segment and in the industrial and food grade salt segments during the quarter under review. EBIT I of € 43.2 million was generated as a result (Q3/14: € 24.7 million). Savings associated with the 'Fit for the Future' programme also positively influenced the result.

'SALT 2020' STRATEGY ON THE RIGHT TRACK

The business unit has set itself the target of making significant improvements in its efficiency. We are also focussing on achieving further growth in selected regions and product segments. In this context, assuming normalised winter business, the Company is expecting an increase in operating earnings to over €250 million by 2020.

COMPLEMENTARY ACTIVITIES

KEY FIGURES TAB: 1.5.7

in € million	Q3/15	Q3/14	%	9M/15	9M/14	%
Revenues	38.0	40.9	−7.1	118.9	118.1	+ 0.7
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	8.0	9.9	−19.2	26.9	27.0	−0.4
Operating earnings (EBIT I)	5.7	7.9	−27.8	20.1	21.5	−6.5
Capital expenditure	2.2	2.2	–	3.4	3.4	–
Employees as of 30 September (number)	–	–	–	282	290	−2.8

REVENUES

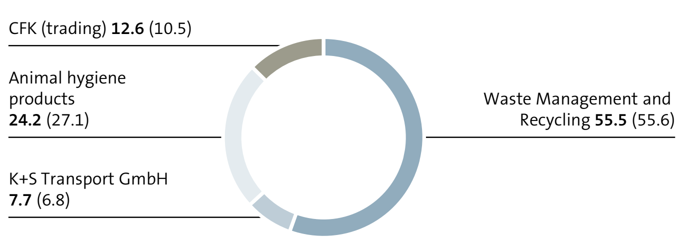
Complementary Activities posted third-party revenues of € 118.9 million in the first nine months of the year (9M/14: € 118.1 million). Total revenues amounted to € 142.7 million (9M/14: € 143.1 million). Third-party revenues generated by Complementary Activities amounted to € 38.0 million in the third quarter (Q3/14: € 40.9 million), while total revenues amounted to € 46.1 million (Q3/14: € 49.1 million).

Revenues fell from € 11.1 million to € 9.2 million in the Animal Hygiene Products segment in the quarter under review mainly as a result of lower volumes. Revenues for K+S TRANSPORT GMBH were up slightly at € 2.9 million (Q3/14: € 2.7 million). Revenues for the Waste Management and Recycling segment fell moderately to € 21.1 million (Q3/14: € 22.8 million). The CFK trading business posted revenues of € 4.8 million (Q3/14: € 4.3 million).

VARIANCE COMPARED WITH PREVIOUS YEAR TAB: 1.5.8

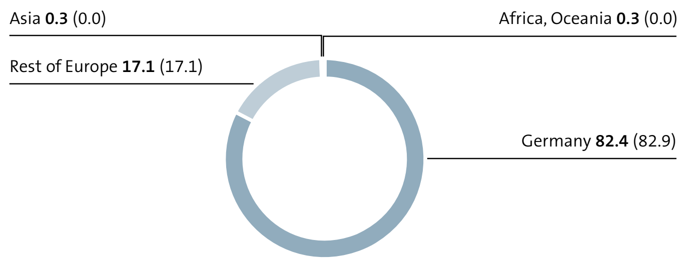
in %	Q3/15	9M/15
Change in revenues	**−7.1**	**+ 0.7**
- volume/structure-related	−9.5	−0.7
- price/pricing-related	+ 2.4	+ 1.4
- currency-related	–	–
- consolidation-related	–	–
Waste Management and Recycling	−7.5	−1.9
K+S Transport GmbH	+3.6	+ 10.7
Animal Hygiene Products	− 17.1	−0.3
CFK (Trading)	+ 11.6	+ 9.2

REVENUES BY SEGMENT JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.5



Previous year's figures in brackets

REVENUES BY REGION JULY – SEPTEMBER 2015 (IN %) FIG: 1.5.6



Previous year's figures in brackets

DEVELOPMENT OF EARNINGS

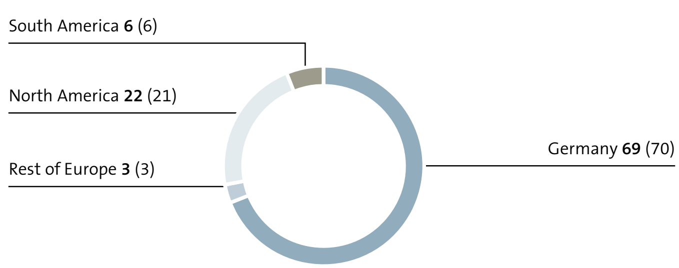
Operating earnings EBIT I fell slightly to € 20.1 million in the first nine months of the year (9M/14: € 21.5 million); these include depreciation and amortisation of € 6.8 million (9M/14: € 5.5 million). Operating earnings EBIT I amounted to € 5.7 million in the quarter under review, compared with € 7.9 million in the previous year. EBIT I included depreciation and amortisation of € 2.3 million (Q3/14: € 2.0 million). The drop in earnings is due mainly to lower volumes in the Waste Management and Recycling business and could not be offset by the other segments.

1.6 EMPLOYEES

NUMBER OF EMPLOYEES STABLE

As of 30 September 2015, the K+S GROUP employed a total of 14,378 people (full-time equivalents). The figure therefore remained more or less stable compared with 30 September 2014 (14,334 employees). The average number of people employed over the quarter was 14,269 (Q3/14: 14,230). As a result of the internationalisation of the K+S GROUP, just under a third of employees are located outside Germany and more than a quarter outside Europe. The number of trainees in Germany was 576 on 30 September 2015, representing a slight drop from the previous year (30 September 2014: 603).

EMPLOYEES BY REGION AS OF 30 SEPTEMBER 2015 (IN %) FIG: 1.6.1



Previous year's figures in brackets

PERSONNEL EXPENSES

The personnel expenses of the K+S GROUP reached € 250.4 million in the third quarter compared with € 243.1 million in the previous year. The personnel expenses of the North American subsidiary in particular were higher in our reporting currency due to the revised EUR/USD exchange rate. Personnel expenses totalled € 805.9 million in the first nine months (9M/14: € 725.8 million), higher personnel expenses resulting from adjustments in collective agreements in particular also had an effect here.

1.7 RESEARCH & DEVELOPMENT

Research costs after the first nine months amounted to € 10.8 million compared with € 8.6 million in the previous year; capitalised development-related expenditure amounted to € 1.2 million (9M/14: € 2.1 million). Research costs rose to € 3.4 million in the quarter under review compared with € 2.8 million in the previous year. This increase was due firstly to the stepping up of internal research efforts in the Potash and Magnesium Products business unit where particular focus was placed on optimisations in analytical and process technology. Secondly, our subsidiary MORTON SALT in North America stepped up its product development. Capitalised development-related capital expenditure of € 0.3 million (Q3/14: € 0.5 million) decreased as planned with the progress of the cavern development project in Canada and the successful completion of other development projects. The new K+S AKTIENGESELLSCHAFT Analytic and Research Center in Unterbreizbach was opened on 14 September. The Company's research skills are now concentrated at a new location.

Please see the relevant sections on page 59 of our 2014 Financial Report for a detailed description of research and development activities; the goals and areas of focus described there continue to apply.

1.8 RISK AND OPPORTUNITY REPORT

Please see the relevant comments from page 43 onwards and from page 86 onwards in our 2014 Financial Report for a detailed description of the risk and opportunity management system as well as potential risks. The risks and opportunities described there remain largely unchanged as of 30 September 2015.

The risks to which the K+S GROUP is exposed, both in isolation or in interaction with other risks, are limited and do not, according to current estimates, jeopardise the continued existence of the Company.

There is no mutual offsetting of opportunities and risks or their positive and negative changes.

1.9 OTHER EVENTS

On 9 and 10 September 2015, the Meiningen prosecutor searched premises of K+S AKTIENGESELLSCHAFT. Background of searches was a filed charged by the Thuringian municipality Gerstungen in 2008. This was directed against the injection of saline waste water into the dolomite layer near Gerstungen (Thuringia) and their return delivery in the years from 1999 to 2007. The company remains convinced that the permits issued are legal. Regardless of this the authorities are fully supported.

1.10 SUBSEQUENT EVENTS

On 4 October 2015, Canadian company POTASHCORP announced the withdrawal of its takeover plans. Please see the relevant sections on page 8 for a detailed description.

Other than this, the K+S GROUP has experienced no significant changes in the economic environment or the situation of its industry since the end of the quarter under review, and no events of material importance require disclosure.

1.11 FORECAST REPORT

FUTURE MACROECONOMIC SITUATION

The following discussion of the future macroeconomic situation is based on forecasts from the KIEL INSTITUTE FOR THE WORLD ECONOMY (Kiel Discussion Papers: Weltkonjunktur im Herbst 2015, September 2015) and of the INTERNATIONAL MONETARY FUND (World Economic Outlook, October 2015).

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT — TAB: 1.11.1

in %; real	2015e	2014	2013	2012	2011
Germany	+ 1.6	+ 1.6	+ 0.2	+ 0.9	+ 3.4
European Union (EU–28)	+ 1.8	+ 1.4	+ 0.1	–0.4	+ 1.8
World	+ 3.1	+ 3.4	+ 3.4	+ 3.2	+ 3.9

Source: IMF

In October, the INTERNATIONAL MONETARY FUND again reduced its growth forecast for global gross domestic product for 2015 from 3.3% to 3.1%. However, experts are assuming that the economic upturn in the developed countries will continue in view of the continued expansionary monetary policies, progress in reducing debt in the private sector and a drop in the price of crude oil. In the emerging market countries, the consistently low price level for commodities and certain structural problems may slow down prospects for growth. Moreover, a significant dip in the Chinese economy could place a strain on global economic growth.

FUTURE INDUSTRY SITUATION

The medium to long-term trends described on pages 99–100 of the 2014 Financial Report, which positively influence the demand for K+S GROUP products, still apply.

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

A moderate downward trend in global potash demand is expected in 2015 compared with the record level in 2014, which benefited from particularly low initial inventories in the value chain. We are expecting seasonally low demand in Europe in the fourth quarter. The in part difficult macroeconomic situation may lead to reduced buying interest and sustained price pressure in the overseas regions. Demand for processed special fertilizers should be largely stable.

SALT BUSINESS UNIT

Following high demand in the 2014/2015 season, inventories of de-icing salt were low at the beginning of the year, particularly on the US East Coast. This should have a positive impact there for the coming 2015/2016 winter season. In the Midwest, on the other hand, we are expecting a normalisation of de-icing salt prices, while still at a high level. In Europe, market shares were defended successfully during the tender season. Demand will now develop according to the weather conditions in the coming winter. Consumption should remain more or less stable for the year as a whole in the food grade salt and industrial salt segments. Demand for salt for chemical use in North America should continue to increase in the wake of the strengthening US economy and low energy costs.

FUTURE EARNINGS, FINANCIAL AND ASSET POSITION

The following forecasts relate to the expected organic development of revenues and earnings of the K+S GROUP.

Our assessment for 2015 as a whole is based mainly on the following assumptions:

+ Potash and Magnesium Products business unit
  + Following the record demand in 2014, which also benefited from catch-up effects, we are expecting a moderate drop in global potash sales volumes in 2015 (2014: around 68 million tonnes, including around 4 million tonnes of fertilizer specialties).
  + Sales volumes look set to be slightly below the previous year's figure of 6.9 million tonnes; previously we assumed sales volumes of around 7 million tonnes. We are assuming that we will not be able to make up for the weather-related production losses in the third quarter over the remainder of the year as demand is currently weak, particularly in the potassium chloride market.
  + The average price should be tangibly higher in 2015 than in the previous year (2014: 274 €/t).
+ Salt business unit
  + In 2015, sales volumes of de-icing salt should remain at the high level of the previous year due to the above-average winter in North America in the first quarter of the year and profitable early fills for the next winter season (2014: 14 million tonnes). At this juncture, we are assuming multi-year average volumes for the rest of the year. Sales of crystallised salt are also expected to reach the same level as in the previous year accordingly (2014: 24 million tonnes).
+ K+S GROUP
  + Average exchange rate for the year of 1.11 EUR/USD (2014: 1.33 EUR/USD) for the US dollar.

REVENUES AND EARNINGS FORECAST

In the 2015 financial year, the revenues of the K+S GROUP should be significantly above those in the previous year in spite of reduced availability of volumes in the Potash and Magnesium Products business unit and the current dip in the potassium chloride market (2014: € 3.82 billion). However, we have adjusted the expected range of revenues slightly downwards. At the same time, both business units will profit from a higher year-on-year average price level and positive exchange rate effects. Against this backdrop, the K+S GROUP is now expecting revenues of between € 4.3 and € 4.5 billion (previous forecast: between € 4.35 and € 4.55 billion).

The business activities of the K+S GROUP are based on two strong pillars, which complement each other in terms of market and production, but which are subject to different trends. The 2015 financial year confirms our strategy: A temporary dip in the potash market will be offset by a significant increase in earnings in the Salt business unit.

Consequently, we are anticipating EBITDA for the K+S GROUP of between € 1.06 and € 1.11 billion (2014: € 896 million) and an EBIT I of between € 780 and € 830 million (2014: € 641 million) therefore confirming our previous forecast of a significant increase in operating earnings. We have adjusted the previously assumed top end of the range slightly (EBITDA: € 1.14 billion/ EBIT I: € 860 million) on account of the effects already described.

Following a successful start, we continued with the 'Fit for the Future' programme. The sustained improvement of cost and organisational structures aims to increase the efficiency of production and administration and sales functions. Compared with the previous year, we are assuming a slightly higher contribution to the result for 2015 (2014: a good € 120 million).

Adjusted Group earnings after taxes will follow the development in operating earnings and thus also be significantly higher than in the previous year (2014: € 367 million). We are anticipating a profit of between € 490 million and € 540 million. A significantly improved financial result will also contribute to this (2014: € – 126 million). Relief came primarily from the low interest expenses following the repayment of a bond in September 2014 (around € 28 million) and the capitalisation of interest on debt in the context of the Legacy Project (around € 30 million).

ANTICIPATED FINANCIAL POSITION AND PLANNED CAPITAL EXPENDITURE

CAPITAL EXPENDITURE INCREASING AS PLANNED

The K+S GROUP's anticipated capital expenditure for 2015 is around € 1.3 billion (2014: € 1.2 billion). Expenditure connected with the Legacy Project accounts for most of this figure. A large amount of capital expenditure is still intended for the implementation of the package of measures for water protection in the Hesse-Thuringia potash district. Capital expenditure, particularly in the Potash and Magnesium Products business unit, should therefore moderately exceed the level in the previous year (2014: € 1.0 billion). Adjusted free cash flow (2014: € – 306 million) is therefore likely to be significantly negative again on account of this. The return on capital employed (ROCE) should be more or less the same as in the previous year in spite of a larger amount of capital being tied up (2014: 12.7%).

FUTURE NUMBER OF EMPLOYEES

NUMBER OF EMPLOYEES EXPECTED TO REMAIN AT PREVIOUS YEAR'S LEVEL

By the end of 2015, we expect the number of employees (full-time equivalents) to be roughly the same as in the previous year (31 December 2014: 14,295). This should also be the case for the average number of employees (2014: 14,295).

The anticipated increase in the number of personnel to implement the Legacy Project and maintain the extracted volumes of crude salt in the Potash and Magnesium Products business unit should be largely offset by the implementation of the 'Fit for the Future' and 'Kali 2.0' programmes.

EXPECTED DEVELOPMENT OF DIVIDENDS

HIGHER DIVIDENDS IN PROSPECT

The suggested dividend payment of € 0.90 per share for 2014 (previous year: € 0.25 per share), which corresponds to a payout ratio of 47% (previous year: 11%), was well received by the Annual General Meeting in May 2015.

Our profit-related dividend policy is basically reflected in a payout ratio of 40% to 50% of adjusted Group earnings after taxes (including discontinued operations). Subject to the approval of the Annual General Meeting, the expectation of Group earnings that are significantly up on the previous year should be reflected in a correspondingly high dividend payment.

MEDIUM-TERM FORECAST

ATTRACTIVE GROWTH PROSPECTS

The Legacy Project in particular, which we are commissioning next year, but also the high expectations of increased profitability in our Salt business in the context of the 'Salt 2020' strategy, encourage us in the belief that medium-term prospects will remain attractive for the K+S GROUP.

In spite of the current dip in the potash market, the medium-term growth trends remain intact. Overall, we are expecting a gradual increase in Group EBITDA of around € 1.6 billion by 2020 based on this assumption (2014: € 895.5 million). We are expecting average annual operating cash flow growth for the K+S GROUP of at least 10% by this date.

DEVELOPMENT OF FORECASTS FOR THE FULL YEAR 2015 TAB: 1.11.2

		Actual 2014	Forecast 2014 Financial Report	Forecast Q1/15	Forecast Q2/15	Forecast Q3/15
K+S Group						
Revenues	€ billion	3.82	moderate increase	significant increase	4.35 – 4.55	4.3 – 4.5
EBITDA	€ million	895.5	significantly above previous year	significantly above previous year	1.06 – 1.14	1.06 – 1.11
Operating earnings (EBIT I)	€ million	641.3	significantly above previous year	significantly above previous year	780 – 860	780 – 830
Group earnings after taxes, adjusted[1]	€ million	366.6	significantly above previous year	significantly above previous year	490 – 570	490 – 540
Capital expenditure[2]	€ million	1,153.2	about 1,300	about 1,300	about 1,300	about 1,300
Adjusted free cash flow	€ million	–306.3	significantly negative	significantly negative	significantly negative	significantly negative
ROCE	%	12.7	moderate decrease	at previous year's level	at previous year's level	at previous year's level
EUR/USD exchange rate	EUR/USD	1.33	1.15	1.10	1.11	1.11
Number of employees	FTE	14,295	at previous year's level	at previous year's level	at previous year's level	at previous year's level
Potash and Magnesium Products business unit						
Sales volumes	million tonnes	6.9	around 7	around 7	around 7	slightly below previous year
Salt business unit						
Sales volumes crystallised salt	million tonnes	23.6	moderately below previous year	at previous year's level	at previous year's level	at previous year's level
- of which de-icing salt	million tonnes	14.4	multi-year average	at previous year's level	at previous year's level	at previous year's level

[1] The adjusted key figures include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate in Q3/15: 28.6 % (Q3/14: 28.6%).

[2] Capital expenditure on property, plant and equipment, intangible assets and investment properties.

1.12 RESPONSIBILITY STATEMENT FROM THE LEGAL REPRESENTATIVES OF K+S AKTIENGESELLSCHAFT

To the best of our knowledge and in accordance with the applicable accounting principles for interim reporting, the interim consolidated financial statements give a true and accurate view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Kassel, 6 November 2015
K+S Aktiengesellschaft
Board of Executive Directors

FORWARD-LOOKING STATEMENTS
This report 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 incorrect or should certain risks – such as those referred to in the Risk Report – materialise, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in the Management Report, save for the making of such disclosures as required by law.

FINANCIAL SECTION

2

2.1 INCOME STATEMENT

INCOME STATEMENT [1] TAB: 2.1.1

in € million	Q3/15	Q3/14	9M/15	9M/14	LTM[2]/15	12M/14
Revenues	**891.4**	**826.9**	**3,182.9**	**2,801.6**	**4,203.0**	**3,821.7**
Cost of sales	505.4	487.5	1,712.5	1,592.5	2,331.0	2,211.0
Gross profit	**386.0**	**339.4**	**1,470.4**	**1,209.1**	**1,872.0**	**1,610.7**
Selling expenses	182.9	170.6	615.0	588.3	822.9	796.2
General administrative expenses	50.6	44.9	156.2	135.1	211.6	190.5
Research and development costs	3.4	2.8	10.8	8.6	14.4	12.2
Other operating income	32.5	51.9	121.3	119.8	198.4	196.9
Other operating expenses	34.6	40.0	137.7	93.7	214.3	170.3
Income from investments, net	0.5	2.6	3.1	3.9	4.0	4.8
Result from operating forecast hedges	−70.5	16.2	−102.3	32.4	−117.2	17.5
Result after operating hedges (EBIT II) [3]	**77.0**	**151.8**	**572.8**	**539.5**	**694.0**	**660.7**
Interest income	2.8	6.8	7.7	20.4	11.4	24.1
Interest expenses	15.3	32.2	76.7	120.9	108.7	152.9
Other financial result	5.7	1.3	8.0	0.7	10.1	2.8
Financial result	**−6.8**	**−24.1**	**−61.0**	**−99.8**	**−87.2**	**−126.0**
Earnings before income taxes	**70.2**	**127.7**	**511.8**	**439.7**	**606.8**	**534.6**
Taxes on income	20.4	38.5	144.9	120.0	178.3	153.4
– of which deferred taxes	−10.6	3.5	−8.4	4.1	13.1	25.6
Net income	**49.9**	**89.2**	**366.9**	**319.7**	**428.5**	**381.2**
Minority interests in overall result	–	0.2	0.1	0.4	0.4	0.7
Group earnings after taxes and minority interests	**49.9**	**89.0**	**366.8**	**319.3**	**428.1**	**380.5**
Earnings per share in € (undiluted ≙ diluted)	**0.26**	**0.47**	**1.92**	**1.67**	**2.24**	**1.99**
Average number of shares (in millions)	191.4	191.4	191.4	191.4	191.4	191.4
Operating earnings (EBIT I) [3]	**132.1**	**134.0**	**628.0**	**510.9**	**758.4**	**641.3**
Earnings before income taxes, adjusted [4]	**125.3**	**109.9**	**567.0**	**411.1**	**671.1**	**515.2**
Group earnings, adjusted [4]	**89.2**	**76.3**	**406.2**	**298.9**	**473.9**	**366.6**
Earnings per share in €, adjusted [4]	**0.46**	**0.40**	**2.12**	**1.56**	**2.47**	**1.92**

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months (Q4/14 + Q1/15 + Q2/15 + Q3/15).
[3] The K+S Group is managed, inter alia, on the basis of operating earnings (EBIT I). Reconciliation of EBIT II to operating earnings (EBIT I) is recorded in Table 2.1.3.
[4] The adjusted key figures include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate in Q3/15: 28.6 % (Q3/14: 28.6%).

STATEMENT OF COMPREHENSIVE INCOME [1]

TAB: 2.1.2

in € million	Q3/15	Q3/14	9M/15	9M/14	LTM[2]/15	12M/14
Net income	**49.9**	**89.2**	**366.9**	**319.7**	**428.4**	**381.2**
Items that may be reclassified subsequently as profit or loss	**−219.2**	**192.3**	**−35.9**	**226.7**	**31.5**	**294.1**
Financial assets available for sale	−0.4	−0.1	−1.0	0.9	−0.3	1.6
Difference resulting from foreign currency translation	−218.8	192.4	−34.9	225.8	31.8	292.5
– of which change in unrealised gains/ losses	−218.8	192.4	−34.9	225.8	31.8	292.5
– of which realised gains/losses	–	–	–	–	–	–
Items that will not be reclassified as profit or loss	**−9.5**	**−1.6**	**2.8**	**−38.7**	**−8.1**	**−49.6**
Revaluation of net debt/defined benefit pension plan assets	−9.5	−1.6	2.8	−38.7	−8.1	−49.6
Other income after taxes	**−228.7**	**190.7**	**−33.1**	**188.0**	**23.4**	**244.5**
Overall result for the period	**−178.8**	**279.9**	**333.8**	**507.7**	**451.8**	**625.7**
Minority interests in overall result	**–**	**0.2**	**0.1**	**0.4**	**0.4**	**0.7**
Overall Group result after taxes and minority interests	**−178.8**	**279.7**	**333.7**	**507.3**	**451.4**	**625.0**

OPERATING EARNINGS (EBIT I) [1]

TAB: 2.1.3

in € million	Q3/15	Q3/14	9M/15	9M/14	LTM[2]/15	12M/14
Result after operating hedges (EBIT II)[3]	**77.0**	**151.8**	**572.8**	**539.5**	**694.0**	**660.7**
Income (–)/expenses (+) arising from fluctuations in the market value of outstanding operating forecast hedges	57.5	−16.2	74.2	−35.5	85.6	−24.1
Neutralisation of fluctuations in market value recorded in prior periods of realised operating forecast hedging transactions	−5.8	0.5	−18.2	8.4	−17.6	9.0
Realised income (–)/expenses (+) arising from currency hedging for capital expenditure in Canada	3.4	−2.1	−0.8	−1.5	−3.6	−4.3
Operating earnings (EBIT I)[3]	**132.1**	**134.0**	**628.0**	**510.9**	**758.4**	**641.3**

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months (Q4/14 + Q1/15 + Q2/15 + Q3/15).
[3] The K+S Group is managed, inter alia, on the basis of operating earnings (EBIT I).

2.2 CASH FLOW STATEMENT

CASH FLOW STATEMENT [1] TAB: 2.2.1

in € million	Q3/15	Q3/14	9M/15	9M/14	LTM[2]/15	12M/14
Result after operating hedges (EBIT II)	**77.0**	**151.8**	**572.8**	**539.5**	**694.0**	**660.7**
Income (–)/ expenses (+) from market value changes of operating anticipatory hedges still outstanding	57.5	−16.2	74.2	−35.5	85.6	−24.1
Neutralisation of fluctuations in market value recorded in prior periods of realised operating forecast hedging transactions	−5.8	0.5	−18.2	8.4	−17.6	9.0
Realised income (–)/expenses (+) arising from currency hedging for capital expenditure in Canada	3.4	−2.1	−0.8	−1.5	−3.6	−4.3
Operating earnings (EBIT I)	**132.1**	**134.0**	**628.0**	**510.9**	**758.4**	**641.3**
Write-downs (+)/write-ups (–) on intangible assets, property, plant and equipment and financial assets	67.2	53.1	201.6	179.5	276.5	254.4
Increase (+)/decrease (–) in non-current provisions (without interest rate effects)	−1.5	0.3	−15.2	−22.7	8.7	1.2
Interests and dividends received and similar income	2.3	7.7	8.1	20.5	15.4	27.8
Gains (+)/losses (–) from the realisation of financial assets/liabilities	−4.4	9.3	14.2	9.1	24.8	19.7
Interest paid (–)	−1.4	−41.7	−17.7	−58.8	−55.2	−96.3
Income taxes paid (–)	−38.8	−29.0	−120.9	−96.1	−188.6	−163.8
Other non-cash expenses (+)/income (–)	0.4	−1.5	1.0	−0.8	1.9	0.1
Gross cash flow	**155.9**	**132.2**	**699.1**	**541.6**	**841.9**	**684.4**
Gain (–)/loss (+) on the disposal of fixed assets and securities	3.3	−1.9	1.9	−2.1	2.1	−1.9
Increase (–)/decrease (+) in inventories	−70.2	−57.8	−55.3	22.0	−73.9	3.4
Increase (–)/decrease (+) in receivables and other assets from operating activities	47.6	26.0	47.1	136.6	−71.0	18.5
Increase (+)/decrease (–) in liabilities from operating activities	36.3	2.6	−59.8	−65.4	−3.2	−8.8
Increase (+)/decrease (–) in current provisions	18.3	8.2	0.3	−3.6	22.4	18.5
Out-financing of plan assets	−0.3	−2.1	−2.9	−5.5	−5.0	−7.6
Cash flow from operating activities	**190.9**	**107.2**	**630.4**	**623.6**	**713.3**	**706.5**
Proceeds from disposals of fixed assets	1.3	1.7	4.1	4.3	5.7	5.9
Disbursements for intangible assets	−1.0	−1.7	−2.6	−6.3	−4.9	−8.6
Disbursements for fixed assets	−361.4	−283.4	−894.8	−644.0	−1,260.8	−1,010.0
Disbursements for financial assets	−0.8	–	−1.0	–	−1.1	−0.1
Proceeds from the disposal of consolidated companies	–	–	–	–	–	–
Disbursements for the acquisition of consolidated companies	–	–	–	–	–	–
Proceeds from the disposal of securities and other financial investments	16.9	657.0	535.2	1,054.2	929.2	1,448.2
Disbursements for the purchase of securities and other financial investments	−0.2	1.5	−160.6	−896.4	−271.9	−1,007.7
Cash flow from investment activities	**−345.2**	**375.1**	**−519.7**	**−488.2**	**−603.8**	**−572.3**
Free cash flow	**−154.3**	**482.3**	**110.7**	**135.4**	**109.5**	**134.2**
continued on next page						

CASH FLOW STATEMENT [1] TAB: 2.2.2

in € million	Q3/15	Q3/14	9M/15	9M/14
Dividends paid	–	–	−172.3	−47.9
Disbursements for the acquisition of non-controlling interests	–	–	–	–
Payments from other allocations to equity	–	–	2.6	1.7
Purchase of own shares	–	–	−3.1	−2.1
Sales of own shares	–	–	–	–
Increase (+)/decrease (–) in liabilities from finance leases	−0.2	−0.3	−0.7	−0.7
Taking out (+)/repayment (–) of loans	−0.4	−0.9	−0.8	−0.8
Repayments (–) of bonds	–	−730.4	–	−743.2
Incoming payments (+) from the issuing of bonds	–	–	–	–
Cash flow from financing activities	**−0.6**	**−731.6**	**−174.3**	**−793.0**
Change in cash and cash equivalents affecting cash flow	**−154.9**	**−249.3**	**−63.6**	**−657.6**
Change in cash and cash equivalents resulting from exchange rates	−13.8	15.6	−3.3	15.7
Change in cash and cash equivalents resulting from consolidation	–	–	–	–
Change in cash and cash equivalents	**−168.7**	**−233.7**	**−66.9**	**−641.9**
Net cash and cash equivalents as of 1 January	**–**	**–**	**370.3**	**1,005.0**
Net cash and cash equivalents as of 30 September	**–**	**–**	**303.4**	**363.1**
– of which cash on hand and bank balances	–	–	308.8	368.0
– of which cash invested with affiliated companies	–	–	0.7	1.0
– of which account overdrafts	–	–	–	−0.2
– of which cash received from affiliated companies	–	–	−6.1	−5.7

[1] Rounding differences may arise in percentages and numbers.
[2] LTM = last twelve months (Q4/14 + Q1/15 + Q2/15 + Q3/15).

The notes to the cash flow statement can be found on page 13.

2.3 BALANCE SHEET

BALANCE SHEET – ASSETS [1] TAB: 2.3.1

in € million	30 September 2015	30 September 2014	31 December 2014
Intangible assets	1,049.7	992.4	1,015.6
– of which goodwill from acquisitions of companies	709.7	655.4	674.6
Property, plant and equipment	4,825.3	3,716.8	4,112.7
Investment properties	6.4	6.7	6.4
Financial assets	14.6	13.7	13.7
Other financial assets	113.8	106.6	114.0
Other non-financial assets	–	1.5	2.9
Securities and other financial investments	78.2	86.2	33.3
Deferred taxes	57.8	16.6	74.4
Claims for income tax refunds	–	0.1	0.2
Non-current assets	**6,145.8**	**4,940.6**	**5,373.2**
Inventories	645.2	553.6	578.8
Accounts receivable – trade	641.2	611.2	732.9
Other financial assets	137.0	104.1	82.6
Other non-financial assets	113.2	85.7	103.6
Claims for income tax refunds	67.7	33.8	74.1
Securities and other financial investments	105.3	763.8	534.8
Cash on hand and bank balances	308.8	368.0	375.2
Current assets	**2,018.4**	**2,520.2**	**2,482.0**
ASSETS	8,164.2	7,460.8	7,855.2

BALANCE SHEET – EQUITY AND LIABILITIES [1] TAB: 2.3.2

in € million	30 September 2015	30 September 2014	31 December 2014
Subscribed capital	191.4	191.4	191.4
Capital reserve	645.7	645.8	646.5
Other reserves and accumulated profit	3,296.9	3,013.6	3,131.8
Total K+S AG shareholders' equity	4,134.0	3,850.8	3,969.7
Minority interests	1.1	4.5	4.8
Equity	**4,135.1**	**3,855.3**	**3,974.5**
Financial liabilities	1,513.9	1,510.9	1,512.0
Other financial liabilities	38.3	9.0	14.3
Other non-financial liabilities	5.0	€5.1	3.8
Provisions for pensions and similar obligations	163.9	161.8	162.8
Provisions for mining obligations	1,055.5	868.7	925.3
Other provisions	93.5	102.9	105.8
Deferred taxes	256.7	182.2	275.8
Non-current debt	**3,126.8**	**2,840.6**	**2,999.8**
Financial liabilities	4.8	1.1	39.3
Accounts payable – trade	261.8	246.4	284.6
Other financial liabilities	105.8	80.7	67.4
Other non-financial liabilities	35.3	29.3	26.8
Income tax liabilities	89.5	74.9	58.1
Provisions	405.1	332.5	404.7
Current debt	**902.3**	**764.9**	**880.9**
EQUITY AND LIABILITIES	8,164.2	7,460.8	7,855.2

[1] Rounding differences may arise in percentages and numbers.

2.4 STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY [1] TAB: 2.4.1

in € million	Subscribed capital	Capital reserve	Accumu-lated profit/ revenue reserves	Differences from foreign currency conversion	Financial assets available for sale	Revaluations of defined benefit pension plans	Total Equity held by the shareholders of K+S AG	Shares held by other share-holders	Equity capital
Balance as of 1 January 2015	191.4	646.5	2,939.0	287.3	3.5	−98.0	3,969.7	4.8	3,974.5
Net income	–	–	366.8	–	–	–	366.8	0.1	366.9
Other income after taxes	–	–	–	−34.9	−1.0	2.8	−33.1	–	−33.1
Overall result for the period	**–**	**–**	**366.8**	**−34.9**	**−1.0**	**2.8**	**333.7**	**0.1**	**333.8**
Dividend for the previous year	–	–	−172.3	–	–	–	−172.3	–	−172.3
Issuance of shares to employees	–	−0.8	–	–	–	–	−0.8	–	−0.8
Transactions with non-controlling interests	–	–	3.8	–	–	–	3.8	−3.8	–
Other changes in equity	–	–	−0.1	–	–	–	−0.1	–	−0.1
Balance as of 30 September 2015	**191.4**	**645.7**	**3,137.2**	**252.4**	**2.5**	**−95.2**	**4,134.0**	**1.1**	**4,135.1**
Balance as of 1 January 2014	191.4	646.8	2,606.0	−5.2	1.9	−48.4	3,392.5	4.1	3,396.6
Net income	–	–	319.3	–	–	–	319.3	0.4	319.7
Other income after taxes	–	–	–	225.8	0.9	−38.7	188.0	–	188.0
Overall result for the period	**–**	**–**	**319.3**	**225.8**	**0.9**	**−38.7**	**507.3**	**0.4**	**507.7**
Dividend for the previous year	–	–	−47.9	–	–	–	−47.9	–	−47.9
Issuance of shares to employees	–	−1.0	–	–	–	–	−1.0	–	−1.0
Other changes in equity	–	–	−0.1	–	–	–	−0.1	–	−0.1
Balances as of 30 September 2014	**191.4**	**645.8**	**2,877.3**	**220.6**	**2.8**	**−87.1**	**3,850.8**	**4.5**	**3,855.3**

[1] Rounding differences may arise in percentages and numbers.

2.5 NOTES

EXPLANATORY NOTES

The interim report of 30 September 2015 has been prepared in accordance with the International Financial Reporting Standards (IFRS), insofar as these have been recognised by the European Union. The report is prepared as abridged financial statements with selected explanatory notes as stipulated by IAS 34.

Foreign currency assets and debts are translated at the exchange rate applicable on the balance sheet date. Income and expenses are translated applying the average exchange rates for the quarter.

AUDITOR'S REVIEW

The interim financial statements and the interim Management Report were not reviewed by the auditor (Section 37w (5) (1) of the German Securities Trading Act (WpHG)).

CHANGES IN THE SCOPE OF CONSOLIDATION

There were no material changes in the scope of consolidation in the third quarter of 2015.

SEASONAL FACTORS

There are seasonal differences over the course of the year that affect the sales of plant nutrients and salt products. In the case of plant nutrients, we generally achieve our highest sales volumes in the first half of the year because of the spring fertilization in Europe. Sales volumes of salt products – especially of de-icing salt – largely depend on wintry weather conditions during the first and fourth quarters. Overall, both these effects mean that revenues and particularly earnings are generally strongest during the first half of the year.

IMPORTANT KEY FIGURES (LTM [1]) TAB: 2.5.1

in € million	LTM 2015[1]	2014
Revenues	4,203.0	3,821.7
EBITDA	1,034.9	895.5
EBIT I	758.4	641.3
Group earnings, adjusted	473.9	366.6

[1] LTM = last twelve months (Q4/14 + Q1/15 + Q2/15 + Q3/15).

INFORMATION CONCERNING MATERIAL EVENTS SINCE THE END OF THE INTERIM REPORTING PERIOD

Any such information can be found in our Subsequent Events section on page 24.

OTHER OPERATING INCOME/EXPENSES

The following significant items are included in other operating income and expenses:

OTHER OPERATING INCOME/EXPENSES TAB: 2.5.2

in € million	Q3/15	Q3/14	9M/15	9M/14
Gains/losses on foreign exchange rates	−2.5	4.2	−2.2	4.3
Change in provisions	8.2	4.9	28.3	19.0
Other	−7.8	2.8	−42.5	2.8
Other operating income/expenses	**−2.1**	**11.9**	**−16.4**	**26.1**

FINANCIAL RESULT

The financial result includes the following significant items:

FINANCIAL RESULT TAB: 2.5.3

in € million	Q3/15	Q3/14	9M/15	9M/14
Interest income	2.8	6.8	7.7	20.4
Interest expenses	−15.3	−32.2	−76.7	−120.9
– of which: interest expenses for pension provisions	−1.2	−1.1	−3.8	−3.3
– of which: interest expenses for mining obligations	−7.4	−7.4	−45.8	−44.3
Interest income, net	**−12.5**	**−25.4**	**−69.0**	**−100.5**
Income from the realisation of financial assets/liabilities	−1.0	7.3	13.5	7.7
Income from the valuation of financial assets/debts	6.7	−6.0	−5.5	−7.0
Other financial result	**5.7**	**1.3**	**8.0**	**0.7**
Financial result	**−6.8**	**−24.1**	**−61.0**	**−99.8**

INTEREST RATE FOR PROVISIONS

The actuarial valuation of pension provisions uses the projected unit credit method in accordance with IAS 19. The average weighted interest rate for pensions and similar obligations was 3.1% on the reporting date (30 September 2014: 3.4%, 31 December 2014: 3.1%). The average weighted discount factor for mining obligations was 3.3% as of 30 September 2015 (30 September 2014: 3.8%, 31 December 2014: 3.6%).

TAXES ON INCOME

The following key items are included in taxes on income:

TAXES ON INCOME TAB: 2.5.4

in € million	Q3/15	Q3/14	9M/15	9M/14
Corporate income tax	14.5	14.5	67.9	51.8
Trade tax on income	10.4	14.3	53.7	44.1
Foreign taxes on income	6.1	6.2	31.7	20.0
Deferred taxes	−10.6	3.5	−8.4	4.1
Taxes on income	**20.4**	**38.5**	**144.9**	**120.0**

Non-cash deferred taxes result from tax loss carryforwards as well as from other temporary tax-related valuation differences.

FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of the Group's financial instruments:

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS TAB: 2.5.5

		30 September 2015		31 December 2014	
in € million	Valuation category according to IAS 39	Carrying amount	Fair value	Carrying amount	Fair value
Investments in affiliated companies and equity interests	Available for sale	14.1	14.1	13.1	13.1
Loans	Loans and receivables	0.5	0.5	0.6	0.6
Financial assets		**14.6**	**14.6**	**13.7**	**13.7**
Accounts receivable – trade	**Loans and receivables**	**641.2**	**641.2**	**732.9**	**732.9**
Derivatives	Held for trade	55.4	55.4	56.2	56.2
Other non-derivative financial assets	Loans and receivables	195.4	195.4	140.4	140.4
Other financial assets		**250.8**	**250.8**	**196.6**	**196.6**
Securities and other financial investments	**Loans and receivables**	**130.0**	**130.4**	**461.6**	**461.7**
Securities and other financial investments	**Available for sale**	**53.4**	**53.4**	**106.5**	**106.5**
Cash on hand and bank balances	**Loans and receivables**	**308.8**	**308.8**	**375.2**	**375.2**
Financial liabilities	**Financial liabilities at amortised cost**	**1,518.7**	**1,674.0**	**1,551.3**	**1,696.1**
Accounts payable – trade	**Financial liabilities at amortised cost**	**261.8**	**261.8**	**284.6**	**284.6**
Derivatives	Held for trade	81.3	81.3	39.9	39.9
Other non-derivative financial liabilities	Financial liabilities at amortised cost	60.1	60.1	38.7	38.7
Liabilities from finance leases	IFRS 7	2.7	2.7	3.0	3.0
Other financial liabilities		**144.1**	**144.1**	**81.6**	**81.6**

The fair values of the financial instruments were generally determined on the basis of the market information available on the balance sheet date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are classified based on prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are valued using input factors that can be derived from observable market data, or based on market prices for similar instruments. Level 3 financial instruments are calculated on the basis of input factors that cannot be derived from observable market data. As of 30 September 2015, financial assets held for trading amounting to € 55.4 million and financial liabilities held for trading amounting to € 81.3 million are to be allocated to Level 2 of the fair value hierarchy. Securities and other financial investments in the 'Available for sale' category are based on valuations at Level 1. There are no financial instruments at Level 3 of the fair value hierarchy.

MATERIAL CHANGES IN INDIVIDUAL BALANCE SHEET ITEMS

Compared with the 2014 consolidated financial statements, the balance sheet total as of 30 September 2015 increased by € 309.0 million.

On the asset side, non-current assets increased by € 772.6 million and current assets fell by € 463.6 million. The rise in non-current assets is due essentially to an increase in property, plant and equipment resulting from the increased investment in the Legacy Project. The fall in current assets is largely due to a reduction of securities and other financial investments. Accounts receivable – trade fell slightly as well as cash and cash equivalents. A reverse trend was noted to a lesser extent in Inventories and Other assets.

On the equity and liabilities side, equity rose by € 160.6 million. Non-current debt increased by € 127.0 million. This is mainly due to the increase in provisions for mining obligations following the reduction of the discount rate. Current debt increased by € 21.4 million. A decrease in Financial liabilities and Accounts payable – trade of € 57.3 million was countered by an increase in Other liabilities, Tax liabilities from income taxes and Provisions of € 78.7 million.

MATERIAL CHANGES IN EQUITY

Equity is influenced by transactions with and without recognition in profit or loss, as well as by capital transactions with shareholders. Compared with the 2014 annual financial statements, accumulated profit and other reserves increased by € 165.1 million. The increase is due to the positive net income for the first nine months of the 2015 financial year. Furthermore, changes in equity not recognised in profit or loss resulting from foreign currency translation by subsidiaries in functional currencies (primarily the Canadian dollar) had to be taken into account. Differences arising from foreign currency translation are recorded in a separate currency translation reserve; this reserve decreased by € 34.9 million as of 30 September 2015 because of exchange rate fluctuations. Dividend payments totalling at € 172.3 million had a particular impact on reducing equity.

CONTINGENT LIABILITIES

There have been no significant changes in contingent liabilities in comparison with the 2014 annual financial statements and they can generally be classified as immaterial.

AFFILIATED COMPANIES AND RELATED PARTIES

Within the K+S GROUP, deliveries are made and services provided in accordance with standard market terms. Besides transactions between K+S GROUP companies, business relations are maintained with non-consolidated subsidiaries as well as with companies over which the K+S GROUP can exercise a significant influence (associated companies). Such relationships have no significant influence on the consolidated financial statements of the K+S GROUP. In the K+S GROUP, related parties are mainly the members of the Board of Executive Directors and the Supervisory Board. There were no material transactions with this circle of persons.

TOTAL REVENUES Q3 TAB: 2.5.6

in € million	Third-party revenues	Intersegment revenues	Total revenues
Potash and Magnesium Products business unit	471.4	18.8	490.2
Salt business unit	381.8	1.4	383.2
Complementary Activities	38.0	8.0	46.1
Reconciliation	0.2	−28.2	−28.0
K+S Group Q3/15	**891.4**	**–**	**891.4**
Potash and Magnesium Products business unit	451.0	19.6	470.6
Salt business unit	335.0	1.6	336.6
Complementary Activities	40.9	8.2	49.1
Reconciliation	–	−29.4	−29.4
K+S Group Q3/14	**826.9**	**–**	**826.9**

TOTAL REVENUES 9M TAB: 2.5.7

in € million	Third-party revenues	Intersegment revenues	Total revenues
Potash and Magnesium Products business unit	1,580.3	58.9	1,639.2
Salt business unit	1,482.8	4.2	1,487.0
Complementary Activities	118.9	23.8	142.7
Reconciliation	0.9	−86.9	−86.0
K+S Group 9M/15	**3,182.9**	**–**	**3,182.9**
Potash and Magnesium Products business unit	1,419.5	54.1	1,473.6
Salt business unit	1,263.2	4.9	1,268.1
Complementary Activities	118.1	25.0	143.1
Reconciliation	0.8	−84.0	−83.2
K+S Group 9M/14	**2,801.6**	**–**	**2,801.6**

2.6 SUMMARY BY QUARTER

REVENUES AND OPERATING EARNINGS (IFRS) TAB: 2.6.1

in € million	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Potash and Magnesium Products business unit	507.4	461.1	451.0	1,419.5	464.5	1,884.0	608.4	500.5	471.4	1,580.3
Salt business unit	641.0	287.2	335.0	1,263.2	515.3	1,778.5	727.0	374.0	381.8	1,482.8
Complementary Activities	40.3	36.9	40.9	118.1	40.2	158.3	41.3	39.6	38.0	118.9
Reconciliation	0.3	0.5	–	0.8	0.1	0.9	0.4	0.3	0.2	0.9
K+S Group revenues	**1,189.0**	**785.7**	**826.9**	**2,801.6**	**1,020.1**	**3,821.7**	**1,377.1**	**914.4**	**891.4**	**3,182.9**
Potash and Magnesium Products business unit	165.5	196.4	133.6	495.5	123.0	618.5	217.2	179.0	127.2	523.4
Salt business unit	113.7	26.4	50.3	190.4	85.6	276.0	169.6	70.8	70.6	311.0
Complementary Activities	9.8	7.4	9.9	27.0	7.2	34.3	10.0	9.0	8.0	26,9
Reconciliation	−9.2	−6.7	−6.8	−22.7	−10.6	−33.3	−13.7	−11.5	−6.5	−31.7
K+S Group EBITDA	**279.8**	**223.5**	**187.0**	**690.3**	**205.2**	**895.5**	**383.1**	**247.3**	**199.3**	**829.6**
Potash and Magnesium Products business unit	134.4	159.2	110.8	404.4	84.4	488.8	183.2	143.9	92.5	419.7
Salt business unit	89.1	1.7	24.7	115.5	57.4	172.9	142.0	42.6	43.2	227.8
Complementary Activities	8.0	5.6	7.9	21.5	2.7	24.2	7.7	6.7	5.7	20.1
Reconciliation	−11.9	−9.2	−9.4	−30.5	−14.1	−44.6	−16.2	−14.0	−9.3	−39.6
K+S Group EBIT I	**219.6**	**157.3**	**134.0**	**510.9**	**130.4**	**641.3**	**316.7**	**179.2**	**132.1**	**628.0**

INCOME STATEMENT (IFRS)

TAB: 2.6.2

in € million	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Revenues	**1,189.0**	**785.7**	**826.9**	**2,801.6**	**1,020.1**	**3,821.7**	**1,377.1**	**914.4**	**891.4**	**3,182.9**
Cost of sales	668.6	436.4	487.5	1,592.5	618.5	2,211.0	728.9	478.2	505.4	1,712.5
Gross profit	**520.4**	**349.3**	**339.4**	**1,209.1**	**401.6**	**1,610.7**	**648.2**	**436.2**	**386.0**	**1,470.4**
Selling expenses	242.8	174.9	170.6	588.3	207.9	796.2	249.0	183.1	182.9	615.0
General administrative expenses	45.1	45.1	44.9	135.1	55.4	190.5	51.1	54.5	50.6	156.2
Research and development costs	3.0	2.8	2.8	8.6	3.6	12.2	3.1	4.3	3.4	10.8
Other operating income/expenses	−12.1	26.3	11.9	26.1	0.5	26.6	−14.8	0.5	−2.1	−16.4
Income from investments, net	1.0	0.3	2.6	3.9	0.9	4.8	0.3	2.3	0.5	3.1
Result from operating forecast hedges	−23.1	39.3	16.2	32.4	−14.9	17.5	−62.4	30.6	−70.5	−102.3
Result after operating hedges (EBIT II)	**195.3**	**192.4**	**151.8**	**539.5**	**121.2**	**660.7**	**268.1**	**227.7**	**77.0**	**572.8**
Financial result	−27.4	−48.3	−24.1	−99.8	−26.2	−126.0	−40.5	−13.7	−6.8	−61.0
Earnings before income taxes	**167.9**	**144.1**	**127.7**	**439.7**	**94.9**	**534.6**	**227.6**	**214.0**	**70.2**	**511.8**
Taxes on income	43.8	37.7	38.5	120.0	33.4	153.4	63.9	60.6	20.4	144.9
– of which deferred taxes	9.9	−9.3	3.5	4.1	21.5	25.6	−5.3	7.5	−10.6	−8.4
Net income	**124.1**	**106.4**	**89.2**	**319.7**	**61.5**	**381.2**	**163.7**	**153.3**	**49.8**	**366.9**
Minority interests in overall result	–	0.2	0.2	0.4	0.3	0.7	0.1	0.1	–	0.1
Group earnings after taxes and minority interests	**124.1**	**106.2**	**89.0**	**319.3**	**61.2**	**380.5**	**163.6**	**153.3**	**49.8**	**366.8**
Operating earnings (EBIT I)	**219.6**	**157.3**	**134.0**	**510.9**	**130.4**	**641.3**	**316.7**	**179.2**	**132.1**	**628.0**
Earnings before income taxes, adjusted[1]	**192.2**	**109.0**	**109.9**	**411.1**	**104.1**	**515.2**	**276.2**	**165.5**	**125.3**	**567.0**
Group earnings, adjusted[1]	**141.5**	**81.1**	**76.3**	**298.9**	**67.7**	**366.6**	**198.3**	**118.7**	**89.2**	**406.2**

OTHER KEY DATA (IFRS)

TAB: 2.6.3

in € million	Q1/14	Q2/14	Q3/14	9M/14	Q4/14	2014	Q1/15	Q2/15	Q3/15	9M/15
Capital expenditure [1]	164.6	271.6	294.8	731.1	422.2	1,153.2	199.8	355.5	349.9	905.2
Depreciation and amortisation [1]	60.2	66.2	53.1	179.5	74.7	254.3	66.4	68.1	67.2	201.6
Working capital	696.9	628.5	–	705.9	–	768.1	831.2	840.1	–	811.4
Net debt	831.9	1,098.2	–	1,305.0	–	1,676.0	1,653.1	2,019.1	–	2,224.2
Earnings per share, adjusted [2] (€)	0.74	0.42	0.40	1.56	0.36	1.92	1.04	0.62	0.46	2.12
Book value per share (€)	18.20	18.68	–	20.14	–	20.77	23.12	22.54	–	21.60
Average number of shares [3] (millions)	191.40	191.40	–	191.40	–	191.40	191.40	191.40	–	191.40
Closing price (XETRA, €)	23.85	24.02	–	22.46	–	22.92	30.41	36.37	–	29.93
Number of employees as of the reporting date [4]	14,330	14,248	–	14,334	–	14,295	14,248	14,201	–	14,378

[1] Capital expenditure in or depreciation and amortisation affecting net income on property, plant and equipment, intangible assets, investment properties and financial assets.
[2] The adjusted key figures include the result from operating forecast hedges in the respective reporting period, which eliminates effects from fluctuations in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollars (Legacy Project). Related effects on deferred and cash taxes are also eliminated; tax rate in Q3/15: 28.6 % (Q3/14: 28.6%).
[3] Total number of shares less the average number of own shares held by K+S.
[4] FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

FINANCIAL CALENDAR

FINANCIAL CALENDAR	TAB: 2.6.4
	2015/2016
Report on business in 2015	10 March 2016
Annual General Meeting, Kassel	11 May 2016
Quarterly Financial Report, 31 March 2016	11 May 2016
Dividend payment	12 May 2016
Half-yearly Financial Report, 30 June 2016	11 August 2016
Quarterly Financial Report, 30 September 2016	10 November 2016

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