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PRESENTATION

Unidentified Company Representative

Ladies and gentlemen, we are starting. Okay, now I'm on the speaker. That's fine. I welcome you to the K+S annual conference of the results of 2010. Now we are all in the room, that's fine. And I certainly also welcome everyone outside this room who's listening over the telephone or who's listening in front of his computer, following our webcast. I hand over to our CEO, Mr. Norbert Steiner of K+S.

Norbert Steiner - *K+S AG - CEO*

Hello. Welcome also from my side, and also directly in the name of my two colleagues; Joachim Felker, Member of the Board responsible for our fertilizer business; and Jan Peter Nonnenkamp, our CFO, so far for those who are listening just via the telephone and cannot see us.

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First, I would like to present to you the major developments in the financial year 2010, then discuss the result of the salt core business sector, which is a part of my responsibility. Next, Joachim Felker will report on the fertilizer core business sector, followed by Jan Peter Nonnenkamp, who will provide you with the key financial data. Finally, I would like to present to you our goals and expectations for 2011.

But let's start with the highlights of the financial year 2010. The K+S Group is on a growth course. Experience growth, our guiding claim and also the title of our -- this year's financial report, is, from my point of view, completely accurate. Also, with regard to our earnings position, we have emerged from the crisis in a strengthened condition and are looking back to a very successful financial year 2010.

In the fertilizer business, we have profited from the normalization of demand, especially in Europe. Consumption rose markedly against the previous year, with the result that we could again utilize our production capacity to a high degree. We impressively experienced what we have never doubted, not even at times of crisis. Mineral fertilizers are needed and indispensable in an agriculture that is geared to earnings optimization.

Our salt business too performed excellently in all in all. In Europe, both at the beginning and at the end of the year, we experienced a winter that has not been seen, so far, so intense for a long time. But in North America too we had plenty of reasons to be happy. There, our new subsidiary, Morton Salt, provided us with substantially positive value contributions, quarter by quarter.

Also in North America, in the Potash and Magnesium Product business segment we took a decisive, strategic step to develop new production capacities. Through the acquisition of Potash One, we acquired very promising license areas in the Canadian province of Saskatchewan. Together with our existing domestic potash mines, this will significantly increase our international competitiveness, thus benefiting the whole K+S Group in Europe and overseas.

The highest earnings growth was noted by the Potash and Magnesium Products business segment, which achieved its second-best result so far. The Nitrogen Fertilizer business segment too achieved positive earnings, following last year's painful loss, whilst the Salt business segment even attained a new record. Of course, the first-time inclusion of Morton Salt for a whole year contributed to this.

Regarding the revenues, the acquisition of Morton Salt considerably contributed to the fact that there is now a relatively even balance between the revenues of the Potash and Magnesium Products business segment and those of the Salt business segment. With 37%, the revenues of the Potash and Magnesium Products business segment last year were only slightly above those of the Salt segment, which accounted for 35% of total revenues.

Also, Group revenues are now very well balanced between Europe and overseas. In 2010, revenues on the overseas' market, at 47%, accounted for almost half of overall Group revenues. With such a balanced distribution of revenues, our business risk is more evenly spread.

Ladies and gentlemen, let us now take a closer look at significant events and developments in our core business segments in 2010. As announced, I would like to begin with the Salt core business sector.

The past year saw an extraordinary high level of ice control business in Europe. Maybe you remember that the winter of 2009/2010 had already set a new standard for the European producers of de-icing salt. But the winter that came over the continent in December 2010 clearly exceeded even the previous year's experience. While the long-term sales volume average, and therefore the normal sales budget for our European subsidiary, esco, is about 2m tonnes of de-icing salt, in 2010, here alone more than double that amount was sold. Although our German rock salt site had consistently, and with extra personnel, been working at full capacity since December 2009 and we had considerably increased our warehouse capacities, de-icing salt remained a very scarce commodity for many weeks in view of the enormous demand.

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There was much complaining about the German salt producers and much talk about the national salt reserve. My statement is if all the purchasers of de-icing salt had done their homework, the situation would have been different. Last summer, the Conference of the Ministers of Transportation recommended that they should build up reserves early and establish adequate warehouse capacities in good time. And they explicitly reconfirmed this in October. But apparently not enough has happened since then, at least, by far, not everywhere. According to a survey by the Dusseldorf-based newspaper, Rheinische Post, last December only 20% of the cities surveyed had the required minimum stocks, and some municipalities did not even stock half the recommended levels.

The conclusion we draw from all this is that our storage facilities in Europe will be stocked up with up to 200,000 tonnes within the next one or two years. And we are curious to see what the de-icing salt purchasers will do.

The winter in North America in 2010 was different. In the US, the first quarter was relatively normally. And Canada even experienced very mild weather. Therefore, the position of suppliers on the East Coast, taking part in tenders was made difficult by the relatively high stocks. The relative late start of winter in the final quarter, nevertheless, improved demand in relation to the weak demand the year before; however, it remained below the average.

In the case of food grade and industrial salts, we noted an overall stable level of demand. Various demand for salts for industrial use presented a varied picture. In Europe, sales volumes normalized against the background of the stabilizing economy of economic recovery. But in North America, demand still remained below expectation.

With EUR101.8m, Morton Salt contributed almost half of our salt earnings. And I believe this is a result we can be very proud of.

Ladies and Gentlemen, Morton Salt is an optimal addition to our existing businesses. Not least, this acquisition has also further improved our portfolio in a regional dimension. All in all, with esco, SPL, ISCO and Morton Salt, we are in a very good position in Europe, North and South America as the world's largest salt manufacturer. But thanks to our unique network of production sites on three continents, we can react to volatility and the demand for de-icing salts more flexibly than local competitors.

This paid off already in the past season, when we experienced regional bottlenecks in Europe. We have talked about that. Within a few weeks only we had 15 ships loaded by de-icing salt sent over to Europe from Chile and the Bahamas. In this way, we were generally able to supply our customers as agreed upon, despite the enormous demand, and we thus stood out against the competition and could do additional business. The shipment of such quantities in a short space of time was an enormous effort, but not only did we manage this challenge, we also benefited from this peak demand. After all, it's not without reason that over the past ten years we have become not only the world's largest salt producer, but also one -- the one with the broadest regional presence.

This table should only be understood as providing a rough indication of how prices have developed. Factors like freight costs, cross0exchange rates and product mix usually distort that picture.

Quarter on quarter, Q4 of December 2010, de-icing salt volumes and prices were higher than in Q4 '09, mainly due to exceptionally good business with de-icing salt in Europe. Q4 2010, non de-icing pricing was higher due to the exchange rate effect and positive product mix effect. Year on year, volumes in the salt business increased significantly due to the consolidation of Morton Salt for the full-year 2010. Salt prices were higher for the non-de-icing salt products due to positive product mix effects within the business unit, along with the full-year consolidation effect of Morton Salt. And, in addition, the US dollar/euro exchange rate had a positive effect.

This brings us to our Fertilizer core business sector. Joachim Felker, I hand over to you.

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Joachim Felker - *K+S AG - Member of the Board*

Thank you very much, Mr. Steiner. Ladies and gentlemen, we have heard from Mr. Steiner that in the financial year 2010 the demand for fertilizers normalized and was therefore considerably higher than in the previous year. What had happened? Two factors are mainly responsible for this. First, at the start of the year 2010 there was a large backlog demand for the trade sector in the northern hemisphere to replenish the very low stocks in time for the spring season. And second, agriculture, to a large extent, reverted to sustainable consumption patterns and during the course of the year again displayed a high (inaudible) for a balanced application of mineral fertilizers.

From the farmers' angle, this return to normality was necessary because the major reduction in the use of fertilizers in 2009 had reduced the nutrient content of the soil and thus increased the yield risk for future harvests. In addition, the strong increase in the international prices for agricultural products started in the second half of 2010 and the resulting improvement in income in farmers provided an additional boost to fertilizer demand.

If we take a look at the world potash market, the effects of this development are obvious. Low potash sales last year rose from 31m tonnes to an estimated 57m tonnes, just under 2m tonnes less than in the year 2007. Against this background and in view of clearly declining stock levels, utilization of capacity of most potash producers again reached a relatively high level during the year. Potash prices did not remain unaffected by this. Prices bottomed out, and later, in 2010, prices again rose moderately. However, there is no rapid return to the potash prices experienced in the boom year of 2008. From our point of view, a sustainable price policy is more important than drastic price increases that could jeopardize the market balance.

Ladies and gentlemen, we too of course benefited very much from the worldwide increase in the demand of potash. Sales volumes of potash and magnesium products in our business segment rose by over 60% in 2010. However, one should bear in mind that in the same period in the previous year, that the same previous -- the same period in the previous year was still affected by the world financial and economic crisis. In other words, the previous year provides a rather low point of departure.

In 2009, our potash sales had fallen to 4.35m tonnes, which we only -- and we only used half of our production capacity. In 2010, we sold about 7m tonnes of potash and used our capacity almost to the full in the business segment.

The sales volumes increased, especially in Europe, by more than double. In the case of our most important product in terms of volume, potassium chloride, the sales volume increased by as much as 260%. Overseas total sales volumes of Potash and Magnesium Products rose almost by one quarter. And the previous sales volumes there had fallen much less than in Europe.

All in all, the business segment produced significantly higher revenues, outnumbering the increase in overall cost attributed mainly to volume. However, this increase was disproportionate to the fixed cost [correction] common in the mining sector. Against this background, operating EBIT I could rise faster than revenues and almost double year on year to almost EUR476m, despite lower average prices.

We show you a table now, as always this table should only be understood as providing a rough indication of how prices have developed. Factors like trade cost, exchange rate and product mix usually distort this picture.

On a quarter-to-quarter basis European demand normalized at Q4 2009, which was still affected by the financial crisis. While the price level in Europe was almost on a similar level as one year ago, our average prices in overseas markets were significantly lower, caused by lower MOP prices and negative product mix effects.

On a year-on-year view, we saw a strong increase in volumes sold especially in Europe. As sales volumes in 2009 had dropped more drastically in Europe than in the overseas markets, average prices decreased to the same extent in Europe and in overseas on lower MOP prices compared to the previous year.

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This slide was presented for the first time at our Capital Markets Day in Berlin last December. We have updated it so that it shows -- it should provide you with rough indications of the cost structure of the Potash and Magnesium Product business segment and the development of select cost items.

Rising energy, personnel and freight costs, as well as lower sales volumes lead to a compound annual growth rate in total unit cost of approximately 10% over the last three years.

Unit costs are expected to rise moderately in 2011 with the exception of energy costs. The major cost items are expected to rise moderately, while sales volumes are forecasted on a stable level.

Ladies and gentlemen, the Nitrogen Fertilizer business developed positively last year. Because of the recovery in demand already in the first half of the year, European production sites for nitrogen fertilizers producers had a high capacity again, and the second half of the year we were running at full capacity.

Therefore, prices rose remarkably over the year, also on account of rising input costs. In such a market environment, it comes as no surprise that we achieved a turnaround with our Nitrogen Fertilizer business segment last year, with which we are, of course, very satisfied.

After negative value of EUR108.1m in 2009, operating earnings EBIT I rose to a positive EUR55.7m in 2010. Apart from higher sales, it was attributable to price increases of straight nitrogen fertilizers and ammonium sulfate which more than made up for increases of raw materials, as well as to a clear decrease in the input costs of complex fertilizers. The fact that in the previous year, one-off effects influenced our results must also be taken into consideration.

Ladies and gentlemen, as you know, we obtained most of the business segment products from BASF manufacturing plant. On March 1 of this year, BASF announced that they intend to sell a major part of their fertilizer production assets by the first quarter 2012. In this connection, we would like to inform you that the supply of K+S Nitrogen from the plant in Antwerp will continue unchanged. The contract can only be terminated no earlier than by December 31, 2014.

As the fertilizer assets in Ludwigshafen are not included in the planned sale, the existing supply relations between COMPO and BASF are not effective. I would like to add that a purchase of the BASF plant by K+S has been ruled out because of our company's two-pillar strategy, which calls for growth especially in the Potash and Magnesium Products and Salt business segments, which means concentrating management and financial resources on this growth.

For the same reason, in mid-2010, we announced that we initiated an examination for the sale of COMPO. To pave the way for this, we developed a carve-out concept in the second half 2010. We have been in contact with potential buyers from the beginning of this year and these buyers have received detailed information in February. An outcome of the review we intend to announce by the middle of this year.

I will now pass on to my colleague, Mr. Nonnenkamp.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Thank you, Mr. Felker. Ladies and gentlemen, I now have the pleasure to go into more details of the financial performance of K+S in 2010. As my colleagues have already mentioned, K+S Group considerably increased its revenues and earnings in 2010. This can be derived from the figures for the fourth quarter and for the whole of 2010.

First, let's take a look at the fourth quarter. Here, we were able to continue the positive trend of our business development with a 26% rise in revenues and a quadruple rise in operating earnings to EUR155m (sic -see presentation), and a good EUR90m capital expenditure in the fourth quarter, normally a focus of our capital expenditure activity, was clearly above the level of

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previous last year's quarter. Nevertheless, we managed to generate such a high cash flow from operating business that the free cash flow reached a good EUR50m in the fourth quarter.

For the whole of 2010, our revenues rose to EUR5b and operating earnings improved to EUR727m. The earnings per share also rose considerably, reaching EUR2.33 per share. The very good earnings are also reflected in the free cash flow, which almost doubled to EUR667m in 2010.

Following this brief overview, I would now like to discuss some of the financial data for 2010 in greater detail.

The development of revenues was attributable mainly to the major increases in volumes, as Mr. Felker and Mr. Steiner have already mentioned, and particularly by the recovery of fertilizer markets in 2010. This lead to a rise in revenues of almost EUR1b, counteracting both a decline of about EUR230m due to price sectors. This can be attributed to the base effect of still relatively high potash prices at the start of 2009.

Currency developments contributed a good EUR70m rise in revenues, mainly due to somehow stronger US dollar through the course of the year. In 2010, about 45% of our revenues were invoiced in US dollars.

The consolidation increase in revenue by EUR582m is a result of the first time inclusion of Morton Salt for the whole year. As you know we acquired Morton Salt at October 1, 2009, so that we had included their sales only for three months in 2009.

Our liquidity position improved significantly in 2010, mainly in line with business operations. Having started 2010 with net cash and cash equivalents amounting to EUR520m, during the course of the year we attained cash inflows of EUR858m which means that we even beat 2008 record levels. On the other hand, there were capital expenditures of EUR190m and dividends of EUR38m.

We have used this strong liquidity to repay outstanding bank debts of over EUR400m. The remaining surplus has increased net cash and cash equivalents by about EUR220m to EUR741m at the end of the year. Thus, and together with our unused syndicated credit line of EUR800m and further bilateral credit lines and expected free cash flows from this year, we have a sufficient liquidity reserve which enables us to comfortably finance major growth projects such as the Legacy Project of Potash One in Canada.

The good earnings and cash flow development is also reflected in our balance sheet structure at the end of the year. The assets increased mainly due to the increase in cash and due to a much lesser extent, a revenue increase to higher receivables and inventories. Thus our working capital performance measured in proportion to our sales has improved strongly.

On the liability side, increase in equity is noticeable. This is mainly because of the very good annual earnings for 2010, which was much higher than the dividend payout for the previous year. In consequence, financial liabilities have fallen and net indebtedness has come to a very low level, as can be seen from the next chart.

As you can see here, at the end of 2009, our net debt has been a good EUR1.3b. This included a good EUR600m of long-term provisions for pensions and mining obligations which we generally include in our calculation of net debt.

Due to the very good development of earnings and cash flows already mentioned, net debt at the end of 2010 fell to EUR733m although long term provisions rose by about EUR100m. The latter is attributable mainly to reduction in the discount rates that are used to calculate provisions.

Net financial liabilities with our provisions, and in this chart please look at the red line, fell to a mere EUR38m at the end of last year. Practically K+S Group is free of net financial debt at the end of last year.

All the key figures that relate to debt are extraordinarily solid. At the end of 2010, gearing was below 30% and the equity ratio reached almost 48%. At 0.8, net debt to EBITDA is on a very low level and already exceeds our own target.

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These financial key figures support our investment grade credit rating, and even leave room for possible better ratings in 2011. Thus from this angle too, we have sufficient support to pursue our company strategy which is geared for long-term profitable growth.

In conclusion with our [acclaimed] profitable growth, I would finally have a look at the returns achieved. In 2010, in line with earnings development, we attained significantly better returns than in the previous year. All returns have more than doubled against the previous year; in other words, from the point of view of our investors, the capital employed has clearly paid off.

With ROCE of 20.9% in 2010, we exceeded the 9.5% cost of capital before taxes by far. Furthermore, we reached a value added of almost EUR400m. I should also stress that in every business segment returns were higher than cost of capital, so that every business segment contributed to the overall strong group performance.

Ladies and gentlemen, I will now hand back to Mr. Steiner who will go into the K+S Group's prospects for 2011.

Norbert Steiner - *K+S AG - CEO*

Thank you. Ladies and gentlemen, as you know, the development on the world agricultural market is of great importance for our business. The forward contracts for agricultural products being traded on the stock exchanges indicate that also in the future the prices of agricultural products should remain at a very attractive level for farmers.

The resultant very good income prospects should encourage farmers all over the world to increase their yields per hectare. A more intensive balanced application of mineral fertilizers is necessary, especially in the emerging markets countries.

Against this background, the demand for potash fertilizer should increase further. World potash sales volumes of 57m to 60m tonnes already in 2011 seem quite realistic to us. That will bring us back to the level of sales volumes prior to the economic and financial crisis.

Based on this assumption, we expect annual growth rates of 3% to 5% in the coming years. The capacities of potash producers will therefore continue to be used to a high degree.

I have mentioned Potash One, our new big potash project in Canada already in my initial remarks. Those of you who have known us for longer are aware that in view of the increasing world demand for potash, we have been striving since long to expand our potash capacity in the medium term.

We have carefully examined many projects all over the world in recent years, and finally have selected Potash One. The successful takeover of that company took place in February with the tendering of over 90% of all the shares, and the squeeze-out process for the taking over of the remaining shares should be completed by mid-May at the latest.

Potash One holds several potash exploration licenses in the Canadian province of Saskatchewan, including the Legacy Project, an advanced greenfield project to establish a solution mine. This technology, which is not applicable everywhere due to geological reasons, allows a faster production launch, a more flexible starting curve of production and the mining of deeper deposits than conventional mining methods would allow.

So in Saskatchewan we will build a new potash plant which will commence operations in 2015. Initial work on the infrastructure and preparation for the first drillings will start shortly. A review to optimize the existing feasibility study should be completed during the second half of this year, 2011.

Based on available resources and the environmental permit that has been granted, the Legacy Project has the potential to gradually increase the potash output, notably in excess of 2.7m tonnes of potassium chloride per year.

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This Legacy Project is 100% in line with our two-pillar strategy which, apart from the expansion of our potash capacities, is directed to increase the average life of our potash mines. Moreover, the new raw materials deposit, together with our domestic potash mines will considerably strengthen our international competitiveness, thus benefitting the whole K+S Group in Europe and overseas.

Finally, what are the prospects for 2011? The year ahead should again be another good year for the K+S Group. We expect a continued positive development of demand, not just for Potash and Magnesium Products, but also for the Nitrogen Fertilizers.

In the Salt business, based on the positive start of our de-icing salt business in both Europe and North America, we expect a stable high volume of business, compared to the peak year 2010. Therefore, from today's perspective, we expect a tangible increase in revenues for the whole of 2011.

While we assume that revenues will increase tangibly in the Potash and Magnesium Product business segment, and significantly in the Nitrogen Fertilizer business segment, we expect revenues in the Salt business segment to remain stable, however on a high level.

Because the expected rise in costs will probably be below the increase in revenues, there is a good chance that operating earnings or EBIT I will be significantly higher year on year. This is primarily due to the expected significantly higher earnings in the Potash and Magnesium Product business segment, and to a moderate improvement to the operating earnings in the Nitrogen Fertilizer business segment. On the other hand, the operating earnings of the Salt business segment should decline by a moderate amount due to higher freight costs and the sales out of inventories.

The increase in the K+S Group's earnings, operating earnings EBIT I, and the improved financial result should also considerably boost the adjusted earnings per share and thus further increase the capacity to pay a dividend.

So far from our side, thank you for your attention and now we are looking forward to your questions. And the first one is already there.

QUESTIONS AND ANSWERS

Christian Faitz - *Macquarie Research - Analyst*

Thank you. Christian Faitz from Macquarie. I have a question on nitrogen. Mr. Felker, could you enlighten us again about your decision not to buy BASF nitrogen assets, production assets. What is the main rational behind that and if you got those assets at a great price would you still not go for them? If BASF had trouble getting rid of them other than giving them to their former subsidiary.

Then in terms of nitrogen market developments this year, what do you see? Is that what you communicated on the top line? Would you also see, let's say, a slightly less positive EBIT development than the top line development for nitrogen? What is the rationale behind that? Is that an operational reason because production costs are rising or does that also have to do with the carve-out of COMPO? Thank you.

Joachim Felker - *K+S AG - Member of the Board*

The first question to answer is relatively simple because it's a strategic decision. What we have developed over the recent years is a very clear two-pillar strategy and as Mr. Steiner said, we will concentrate our management capacity and also our financial capabilities on these two fields that is salt and potash.

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Now when you look at what have we achieved in the nitrogen business, you know that we have low production base with the exception of one smaller part in COMPO which is another issue and I think there will be also questions on that today.

But when you look strictly at your question, BASF, we are only doing the marketing of these products, but we are steering the production. So that means we tell BASF what to produce, when to produce, and then we do the marketing. Our share on a worldwide basis is very low. It's far below 1%. And if you compare it to our market position in the potash field or in the salt field, we would have to put so much money into this business to have a comparable position that we just say concentration is better than opening a third leg. That's the rationale behind it.

And the second one is?

Unidentified Company Representative

Very tempting price.

Joachim Felker - *K+S AG - Member of the Board*

I think so, yes, because if a tempting price for first step doesn't mean that you have the money for the second, third and fourth step doesn't change much.

And the second one was the?

Christian Faitz - *Macquarie Research - Analyst*

(inaudible - microphone inaccessible).

Joachim Felker - *K+S AG - Member of the Board*

To clarify I think you are referring to our outlook for the fertilizer action business. Previously in Q3 we said that we see tangible increase for the earnings, now we have lowered that to a moderate increase of earnings. The only reason for that is that compared to the level of Q3 we foresaw in the outlook for 2010 overall EBIT contribution was better than expected. That means the base effect is higher.

Christian Faitz - *Macquarie Research - Analyst*

Sorry to keep on about this, but can you still talk about production costs at the moment, rising production costs for nitrogen fertilizers which also does affect your P&L for the time being partly?

Joachim Felker - *K+S AG - Member of the Board*

Production costs, the situation is that we see at present increasing ammonia prices. On the other hand we see in some areas at least since few days a decrease in urea prices which is rather surprising. Because when you see how much production base is around the Mediterranean, the African part, but the market demand is still extremely strong, very good forecast. So I think what most nitrogen producers will do, and when you see recent price announcements of Yara, is not only to pass on the cost of raw material price increases but even more. So there's still quite some potential.

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There is one segment which could be a little bit more unclear and that's the NPK field. That has recovered very good in the last year, 2010, when you see the announcement of 2009 of the big NPK producers worldwide. There's a totally different picture now, but there is a lot of discussions on the phosphate situation. Because most of this phosphate or a lot of this phosphate is coming out of Morocco, Tunisia and so on at present. There are no disturbances yet, but there is of course a lot of time to see what could happen if something happens.

Unidentified Company Representative

Next question, Martin Roediger.

Martin Roediger - *CA Cheuvreux - Analyst*

Martin Roediger from Cheuvreux. On the potash market, when you compare the current 57m tonnes with the nameplate capacity of roughly 70m, you come up to a utilization rate of roughly 80%. But when you hear the statements of all potash producers in the market that everybody is having difficulties to supply enough potash volumes to the market and they're sold out until May and June, what is the bottleneck? Is it really the production or is it the supply chain?

And here in that connection if you are right with the potash market growth of 3%, 4%, 5% of demand, how will the potash producer be able to supply to this demand?

Norbert Steiner - *K+S AG - CEO*

I think chemical business and agricultural chemical business now, you wouldn't believe it 36 years. And one fascinating thing always for me is nameplate capacity. There's nothing more, I think there's only one field where there are as many lies traveling around than in nameplate and that is their salaries, personal income. I think that the transparency in this field is perhaps comparable.

Now what I mean to say is when you take the announced nameplate capacity and what we are doing at present, when you look at big producers like Belaruskali and there you have quite a good transparency, what their nameplate really is because you can see these numbers over many, many years how they develop. I think they run at full capacity.

We run at full capacity. The North Americans are running at full capacity because they announced that they have sold out in their home market until the end of May. And when you look at their statistics, and they are very transparent, you can look at the home page of TFI, the stocks are low, the capacities they run are very high. So 80% is a good number, perhaps it's 85%, I've no idea.

Now if we have 60m tonnes in 2011, who can satisfy a 3% demand increase in 2012? I sometimes don't know. I see no big capacities from greenfields coming in, because no greenfield is ready in the year 2012. There is still some maneuvering space most probably in North America with brownfield projects which have made quite some progress already, but don't expect miracles to happen. There can be 100,000 tonnes, 200,000 tonnes on one place or the other. There can be one producer who has a smooth production running meaning that in his mine he is in a field where the crude salt has a very good quality for a certain period and he can increase a little bit output.

But if 60m is reached and 2% or 3% is gained in 2012 the market is very tight. Logistics on top, but logistics for the distribution level means not that quantity is not available, it's not coming at the right time.

It's stress for them, they cannot pre-sell it, it's another complication on top.

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Unidentified Company Representative

Just to deal with your questions one by one. So Harald Gruber in the back and Lutz Gruten, at the front. So where the mic goes first. But please, just start you have the microphone.

Christian Faitz - *Macquarie Research - Analyst*

Lutz Gruten, Commerzbank. One question regarding Potash One and what was the cash flow and balance sheet impact so far in 2010? And what can we expect regarding 2011 on CapEx for Potash One acquisition, also the project you are pushing forward there.

The second question, you have mentioned that the interest rate discounting of provision has changed. Can you remind us what the old number and the new number is? Thank you.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Sure, the effect of Potash One in our 2010 figures, sum up only to EUR30m of loan we have given to them. You may remember that in December we gave this loan. So this is in our balance sheet and that was the only effect so far. Concerning 2011 we are right now in the process to calculate the CapEx we will need during this year. This process is not finalized and we will probably come up by the middle of the year with a figure for that. But remember that it has quite a long curve, ramp-up curve, so it will not be like hundreds of millions just in the first year. It will be a significant amount, yes, but a precise figure is not available before the summer of this year.

The second part, the discount rates for our provisions have changed, in Germany from 5.6% to 4.7% and in the United States from 5.8% to 5.1%, and in Canada where we also have provisions from 6.2% to 5.3%. So these are the interest rate changes which had an impact.

Harald Gruber - *Silvia Quandt Research - Analyst*

Harald Gruber, Silvia Quandt Researcher. Mr. Felker, can you please just tell us about current price structure for the standard grade and the specialties in the Potash and Magnesium division?

And also tell us what the price differential is, or would be, between the low volumes and the large volumes orders. And secondly, what is the current state of inventories at the bio side in Europe, especially in Germany, ahead of planting season. Thank you.

Joachim Felker - *K+S AG - Member of the Board*

Many, many questions. So prices, what you are referring to is definitely that two days ago we announced a price increase in Europe by EUR18 and I think we will have these first invoices written with this new price in April only, because what we are busy with is that we are still replenishing stocks and we have old orders. And as you know that we have quite some problems with transportation at present because the railway, Deutsche Bahn, cannot provide us with enough cars, rail cars, so that will mean that I think we really have this price into our cash box starting April.

The level of stocks in Europe, I think in average the distribution level is quite well prepared for the planting season. They are only waiting until they get delayed and then we usually have the situation that there is another small, I wouldn't call it seasonal but a small run for additional quantities for those distributors who are a little bit under stocked. Then there is a very hectic period of three or four weeks, not much more, and then they try to replenish stocks again, the aim being not to keep too much stock at the end of the season. So there is still work to be done for the spring application and you know that our stocks are low,

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transportation on top, we have very good sales overseas, the market is quite strongly demanding, so it looks very stable all in all.

Pricing policy worldwide, everybody is looking to India. China is fixed, the price is fixed. Some major parties have concluded quantities for the first half year. Their pricing policy is that they want to make half year prices only because they see an upward potential for the second half in China. In India, no conclusion yet because there is still discussion, how can the Indian government, the Department of Finance, how can they, how should I say, incorporate the new subsidy scheme and the idea of splitting the prices into two times six months into their budgeting, which is very, very complicated and they are very stubborn, saying that one-year prices is the tool they want to have. But what you could see is that they have announced in their official budget the price level for subsidies in potash from $350 to $390 which for a lot of players is so far still unacceptable so these discussions are going on.

When you see other regions of this world, North America, as I said, I think are well covered, sold out and price announcements which will only be effective in May. You see that the resistance of bigger buyers in Brazil are disappearing and you see that all the spot markets in South-East Asia are really accepting much higher prices.

So the market is very strongly in demand, availabilities are not like they been one year ago, it's rather short, so pricing policy seems to be quite firm.

And the other part was the difference between lead products and specialties products, or what was that? Yes, what we do in our calculations, it's quite transparent also to our European distributors, we always take, and that's what we also then announce, we announce always the price for MOP 60 granular and then you deduct and you come to standard products and then you deduct to all the other elements and that's quite a transparent method.

What we have done, we have another specialty, it's called SOP which goes into special cultures and SOP usually is an average $85 higher -- EUR85 higher than MOP. There we have done another EUR5 on top because this product is very strong in demand.

Unidentified Corporate Representative

Next question please. Ben Isaacson.

Ben Isaacson - *Scotia Capital - Analyst*

Thank you very much. I just have a question on the analysis that you did on your acquisition of Potash One and perhaps you can go into some detail on three of the following assumptions that you made. Number one, what were you thinking with respect to cash costs? Number two, long term price forecasts? And number three, the potential supply/demand imbalance 2015/'16/'17 time frame? Thank you.

Joachim Felker - *K+S AG - Member of the Board*

I will not comment on one, I will not comment on two, I can say something on number three. No, not joking. What we said also during our Capital Markets Day and many of you have been there and we have said that a few times already before. We are in the status, we have taken over the majority of the shares, we are delisting Potash One from the stock exchange in Canada. We are still looking at the feasibility study in a way that we think we have one or two areas that perhaps we can improve still a little bit. We have an existing team there, this year we will spend money already on infrastructure, again we will now tell you numbers now, but what we will do, we are preparing, let's say, another set of information for you, I would say middle of June, because only then we are ready to say something about the feasibility outcomes. But I can tell you already now we will not tell you something about cash costs, nobody's doing that.

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Ben Isaacson - *Scotia Capital - Analyst*

Perhaps I can rephrase my question. What kind of target rates of return do you look for at that level of risk for that type of project?

Jan Peter Nonnenkamp - *K+S AG - CFO*

Well, basically the same as we always apply and we have issued that in our annual report, and for many years we aim for 12% ROE and after a couple of years or some years start off period, but that's the long term rate we want to achieve or to exceed. That's basically it.

Ben Isaacson - *Scotia Capital - Analyst*

Thank you.

Unidentified Corporate Representative

Wolfgang Fickus please.

Wolfgang Fickus - *West LB - Analyst*

Wolfgang Fickus from West LB. I have a few questions, two actually, on the results, a little detail on 2010 purchase price allocation in Morton Salt, what's the amount which is in your EBIT number?

The second on Q4, you have a very high un-attributable cost item which is, I think, linked to COMPO fees, consulting fees and some performance fees.

Unidentified Corporate Representative

Reconciliation.

Wolfgang Fickus - *West LB - Analyst*

Yes, exactly, so the question is can we learn something about 2011 year on this charge maybe?

Then on your average price in Europe in your Potash and Magnesium division, which was stable in line with your guidance actually given in Q3, can we expect now higher potash pricing in granular and SOP, etc. although in Q1 already that we see some substantial price increase?

And on Brazil, that's the last question, do you think that's very strong, or generally do you think that the very strong demand also is driven a little bit by pre-buying and some stocking because people think that prices will substantially rise in the second half? That's it.

Norbert Steiner - *K+S AG - CEO*

So we hope that we've got all your questions. I'll make it easy, EUR54m was the PPA effect.

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Wolfgang Fickus - *West LB - Analyst*

Is that based in euros?

Norbert Steiner - *K+S AG - CEO*

Euros. We are still a euro-based company.

Unidentified Corporate Representative

I'll take the second one with regards to the reconciliation. The main reason for the rise of the reconciliation in 2010 compared to '09, was the rise of profitability and connected with that is a rise in bonus entitlement for the workforce. That was a major reason.

And Wolfgang, you also mentioned correctly that also with regards to special projects we had several fees in that amount as well.

With regards to 2011 the reconciliation will be slightly lower than in 2010, that's our current forecast.

Joachim Felker - *K+S AG - Member of the Board*

Brazil. I don't think that there's enough material available for Brazil to start stocking and speculate stocking. I think they are very happy to apply all the potash they get and there has never been any speculation there. In Brazil when you look back to 2009 in the crisis, our sales to Brazil were almost stable. Our sales have been stable in 2010, our sales will be stable in 2011 as long as the (inaudible) price and all these other commodities have such a world market price. They go for yields, they know what acreage they have, they know what to plant, they know the recipes how to do it and they will just do it. They will not speculate.

Unidentified Corporate Representative

That covers all your questions Wolfgang?

Wolfgang Fickus - *West LB - Analyst*

I had a question on the European average, sorry, what would be your guidance on a Q1 European average price for your Potash and Magnesium division?

Joachim Felker - *K+S AG - Member of the Board*

No, I think the -- in the first quarter, as I said, we are still busy with the old price because of supply and so on, the [$335]. The new price increase in Europe will only grab starting April. There's a small effect from overseas price increases which have been done because we have price increases in the running months in Brazil and so on, but not in Europe, not in Europe, Europe nothing.

Wolfgang Fickus - *West LB - Analyst*

But you have already had a price increase prior to your recent one.

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Joachim Felker - *K+S AG - Member of the Board*

Yes, we have, of course, yes.

Wolfgang Fickus - *West LB - Analyst*

(technical difficulty) the evolution of Q3 to Q4 in 2010 is that --

Norbert Steiner - *K+S AG - CEO*

To shorten it a little bit there is no preview.

Wolfgang Fickus - *West LB - Analyst*

Okay.

Unidentified Audience Member

Two questions. One is could you, or have you a guidance of the cost development in Potash and Magnesium Products, let's say like you had last year when you said that the average price per ton should be around EUR200 per ton. Is that a [weathered] number plus the increases you mentioned in your presentation? Is there a number available for that one?

And secondly, the result in the nitrogen fertilizer business was the second best Q4 results you've ever had in that part of your portfolio. Could you please elaborate where that came from? Is that mostly attributable to the COMPO business or is that the result of strongly improved economics in the old Fertiva business? Thank you.

Joachim Felker - *K+S AG - Member of the Board*

The second part, the result in the nitrogen division I think was a mixture of many things. The COMPO business, again, two of it, consumer was still in 2010 was difficult, especially in France, but we achieved a positive result and also with the new product portfolio now in Expert and that's something which is difficult to compare. In 2010 our product portfolio in COMPO is different than in 2009, but this also was very positive.

When you see also the demand for NPKs for complex fertilizers was very good and the raw material bases in NPK fertilizers was very favorable. So with this product line we could make some earnings, that is why there are three or four effects which are, in the end showing EUR55.7m in EBIT.

And the other one, I think --

Norbert Steiner - *K+S AG - CEO*

The cost guidance. We said it should be a moderate increase. Last year we had slightly below EUR200 and then it's your fantasy what is required here. But we are very early in the year and we have seen a lot of developments meanwhile, North Africa energy prices that might have an impact generally on the worldwide trading sector. So we leave it as it is, moderate increase, that means moderately above EUR200.

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Unidentified Corporate Representative

Next question please.

Unidentified Audience Member

Yes, (inaudible), ING. I have three questions. First of all on BASF, I'm going to continue on this one, because you are already selling, or in the process of selling COMPO and this means that your nitrogen unit is getting smaller and smaller and marginalized within your company. Does this mean we can expect further steps in the future with the rest of your nitrogen division, as soon as COMPO in sold?

On your guidance in Potash and Magnesium, do you expect to run at full capacity utilization in 2011 in your guidance?

And also with regards to capacity utilization rates back at high levels again, that's clear, do you see some room for the de-bottlenecking in your existing mines? That's it.

Norbert Steiner - *K+S AG - CEO*

I would like to take up the first question again. You're right that should the process of evaluating the potential divestment of COMPO come to the final end that we divest COMPO, then it is a fraction out of our nitrogen business top line and results is cut out and will not be there within the K+S Group anymore.

The rest, the bigger rest of the operations is connected with BASF and this is something which certainly was always regarded from us as a contractual business where the contracts on December 31, 2014 so that we needed anyway to discuss with BASF a further extension. Now BASF has decided to divest these operations are almost entirely connected with our K+S Nitrogen business, not with COMPO anymore, and we need to see what the outcome of that process will be.

So our contract is elapsing at the end of 2014 which normally should not be affected be a sale because this contract would then be necessarily transferred to whoever acquires these activities, but BASF has also announced that they want to have a so-called strategic buyer, and the strategic buyer will then most likely be a competitor of us as of today. That it is quite unlikely that this business is going to continue within our hands after 2014. So we will need to see what this all means to us and we will evaluate this, but a prognosis beyond 2014 is, for the time being, very difficult.

Joachim Felker - *K+S AG - Member of the Board*

So Potash division, how would we like to run and how will we run 2011? 100% and if possible more, which is not possible. And de-bottlenecking, it's just the opposite. We mentioned before, Mr. Steiner mentioned before, that we intend to invest EUR360m because of our salt water problems and this definitely is interfering in the process of the plants at the Werra. That is why this year in the guidance we also tell you that we will only product 7m tonnes, that's one of the effects. We come from much higher production. We have cut one production line which we also announced, that has been a product where purchased phosphate has played an important role, we cut this line, there was about 200,000 tonnes, and now we are in the position of investing and we are really influencing the infrastructure in the Werra and that means that de-bottlenecking in this situation is not possible. We stick to the 7m tonnes.

Unidentified Corporate Representative

Okay, next question please. Jesko Mayer-Wegelin.

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Jesko Mayer-Wegelin - *HSBC - Analyst*

Mayer-Wegelin from HSBC. I have two questions. First of all regarding the product mix in the Potash segment, I think in Q2 and Q3 in 2010 the product mix was relatively good which helped to increase the average price. How was the situation in Q4? Was the product mix returning to normal or was it still in fact, how will be the situation in 2011 because it's also your strategy to increase the sales of special products and will we already see some impact from this in 2011?

And the second question is regarding the 2012 outlook you give in your annual report, you are saying there that sales should remain more or less stable and EBIT increasing. What are the assumptions for this, because you also said the supply in 2012 for potash would remain tight? If you could give some details on your assumptions here.

Joachim Felker - *K+S AG - Member of the Board*

Rather complicated questions but, 2010, when you look at our product portfolio in 2010 we were still in the world economic crisis and, as I said before, at that time we has rather solid sales in overseas market. The European market collapsed, from our point of view, much, much harder than overseas markets. Our overseas product portfolio is basically driven by 60 granular, which means the high value product, a high price product, whereas in Europe we have a totally different product portfolio. We call it a specialty portfolio in the way that it's not only potash but also a mixture of magnesium and sulfur, but when you look specifically at these products they are lower in price, also we call them specialties.

So when the product mix in Europe, when the product quantity in Europe is increasing and the quantity in the overseas market is decreasing we talk of selling more specialties but the average prices worldwide is even decreasing, which has nothing to do with our profitability. But you have to be aware of that, how we define specialties and that only for one specialty line, that's why I said it's complicated, this price is higher than the standard product and that's the SOP. We also call this specialty, EUR80 to EUR90 margin on top. All the other specialties are lower in price. That's why when you're comparing price developments over quarters in regions you have to look at seasonality and product mix and regionality. That's why it's, unfortunately we cannot explain it much easier, or we have to go into so many details that a lot of you guys would say "Not interested."

Jesko Mayer-Wegelin - *HSBC - Analyst*

No that's fine.

Joachim Felker - *K+S AG - Member of the Board*

Shall we talk about (inaudible)? No, we don't do that.

Unidentified Corporate Representative

I think the second question was the assumptions for 2012. I think one major item and assumption for the year 2012 was that we never include in a public guidance price increases likely or potential price increases. What we always do is we take today's achieved average price of our potash portfolio and keep it for the future stable. And based on these assumptions we give you the outlook. That's very important. And, for example, for the year 2011 we made an assumption of the, at the end of February achieved potash price and the recent price increase we did just a few days ago was certainly not included in that outlook.

Mr. Schwartz?

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Oliver Schwarz - *Warburg Research. - Analyst*

Yes, once again. I'll try to tackle the cost structure a bit more, if I may. We heard from several suppliers be it Wingas or be it Ruhrgas that they have problems with the gas price due to the fact that they struck contracts with customers as well with suppliers and due to the change in the gas market, at least the customers are not longer happy with a coupling of the crude oil price to the gas price. I guess due to the fact that as far as I know your company sources most of its energy in the form of gas, that you are one of the not-so-happy recipients of contract gas prices. And as I saw that you expect the most price inflation from the energy I would be wondering whether you are currently in renegotiations of your gas sourcing prices? Or can you elaborate please on any movements in that regard, due to the fact that you would be one of the very few companies paying a lot for gas at the very moment.

And secondly, could you please elaborate on the tax rate you would expect in Canada from the Potash One project? Is there a tax exemption in the first years or is that just playing as we saw it from the other players already in the market there? Thank you.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Maybe I comment on your first question as follows. Generally our energy costs last year were roughly EUR250m in our P&L and clearly, of course, rising energy cost has an impact on our P&L. However, you should know that we have long-term supply agreements with our energy suppliers following a price gliding clause which means that price increases will only come into effect with a time lag for us, so for 2011 don't expect any big influence from rising energy prices.

It will have an effect in 2012. If energy prices continue to be as high as they currently are and as a thumb's rule you may take, if the average price for the year is 25% higher in comparison to the previous year, it has an effect of around EUR20m in our P&L.

However, there's also another factor which is interesting, that normally potash prices and energy prices have a high correlance so if potash prices rise, energy prices rise as well. So if that if that is true for the future we may see if potash prices ever come down energy prices may also come down, at least this was so in the past, and therefore ,there's always a counterbalancing in our P&L. But in general the effect should not be said, it's minor, but it has not that big effect in our P&L.

Oliver Schwarz - *Warburg Research. - Analyst*

But on your slide, number 13, the only thing, or the only item that has a double plus in it is energy prices, when we are talking about cost inflation. Now you're saying that you don't expect too much cost inflation in energy? How does that sum up?

Jan Peter Nonnenkamp - *K+S AG - CFO*

Okay, if you are referring back to 2010 you should have in mind, if you compare that with 2009 that, of course, the volume was much higher. In 2009 we had production at a much lower volume. In 2010 we had full recovery and therefore this is volume effect and not a price effect.

Oliver Schwarz - *Warburg Research. - Analyst*

That's the guidance of 2011 I'm talking, the one you gave. So that should not be affected by 2009/2010 price increases. It's, as I said, on slide 13 when you see the 2011 column, you see in energy you expect double plus, that means significant or something like that in your wording, price increases.

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Jan Peter Nonnenkamp - *K+S AG - CFO*

Sorry which slide are you referring to?

Oliver Schwarz - *Warburg Research. - Analyst*

So slide 13, 2011 expected energy, double plus. At least that's in my handout here.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Yes, yes, it's true we have a double plus there so this means in our nomenclature moderate rising and that is in line with what I have said.

Oliver Schwarz - *Warburg Research. - Analyst*

Because you said you don't expect too much from --

Jan Peter Nonnenkamp - *K+S AG - CFO*

Not too much. Now we can discuss what means not too much. If you compare this with an EBIT which we had last year of EUR727m I would still say it is not very much, but it depends on what you say is --

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Oliver Schwarz - *Warburg Research. - Analyst*

Fair enough, well, I always compare it to the price of energy from the year before because if I compare it, for example, to revenues it would be even less in regards to a percentage-wise increase.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Yes, so let's sum it up. Of course energy prices will rise moderately, or however you want to say it, but it does not have at the bottom line that big effect on our profitability.

Oliver Schwarz - *Warburg Research. - Analyst*

Thank you very much.

Lars Hettche - *Metzler Equities - Analyst*

It's Lars Hettche from Metzler. I've got a question on the expected potash volume development going forward because you say in your outlook that, okay, we've got this 7m tonnes in 2011 and then I read in the annual report that you say in 2012 it should be stable the volumes. Has this to do with the environmental restrictions that we still see them in 2012, because I thought we would now see a kind of sequential increase in volumes again coming back to this 7.5m then in, I don't know, 2013/'14. What is your expectation here?

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Joachim Felker - *K+S AG - Member of the Board*

You are right. Later if the Werra is done when we have made all these investments then we come back to what you say. Yes, as you said, then we'd try to go again back to the 7.5m, but for the time being we cannot make that. So we have to make investments at the Werra first, if all this is done and Werra is running normal because we are just influencing at the sites, we are disturbing the sites in work by doing this. But then we have solved this salt water issue and then we come back into normal working processes and then we come back to our target 7.5m. But that will be, as I said, 2013/'14, not earlier. And the longer we get decisions delayed from administration then it's continuing.

Unidentified Corporate Representative

Okay. Any more questions. In the front?

Michael Schaefer - *Equinet - Analyst*

Michael Schaefer, Equinet. Three questions if I may. One is referring to your financial, net financial position. Mr. Nonnenkamp, you mentioned that your virtually net financial debt free by year end and also adding pension and mining provisions on top you're significantly below your target range of 1.5 EBITDA, if I remember this correctly? So any kind of indication what you're intending to do going forward, primarily looking at Potash One is a rather, let's say, stretched CapEx time span here, so indication what you are planning there would be helpful.

The second question is on the food grade business and now with the Morton Salt five quarters in your hand, so to say and some lessons learned, any chance that we may see European food grade prices increasing going forward, would be my second question.

And the third one coming back to P&M and product mix effects on industrial production which my understanding, at least, it contains less potash product, we have seen a significant decline in ASP in the full year 2010 compared to '09, so any indication beyond '11 whether you have worked through rather bad prices may be signed in the weak year 2009, something, any indication here on the 2011 outlook would be helpful. Thanks.

Jan Peter Nonnenkamp - *K+S AG - CFO*

Okay, first of all, our target range is between 1 and 1.5 so 0.8 was significantly below our own target range. However, you are rightly mentioning that there are a couple of cash spendings ahead of us in this year. We want to pay out a decent dividend of almost EUR200m. We have normalized investment [structures] to pay. We will have first investments for Potash One. Earlier on we commented that we will not give a precise figure today. Therefore, we have good use for the cash.

On the other hand, if we expect the year to be as good -- at least as good as last year's, cash flow should also be very strong and therefore I'm pretty confident that also in 2011 we will stay comfortably within our range of net debt to EBITDA which we have as a long term target.

Norbert Steiner - *K+S AG - CEO*

Second question, food grade salt, if I'm not wrong. I'm a little bit puzzled because you mentioned Morton Salt and then European prices so I make it more or less a bit more global scale. We have always made clear that prices for food grade salt tend to be very stable and have only small growth rates by 1% or 2% a year under normal circumstances.

What we see right now is a discussion not so much in Germany but in other member states of the European Union and the United States for healthier salt. This means salt, reduced salt, where we replace generally 50% of the natrium chloride by

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potassium chloride or magnesium chloride and this is a product that is going to be stronger and stronger and more voluminous and this is, I do know which word is the right one, moderate, significant, I do not know, more expensive than the normal salt. But this is small fraction still and we are going to continue to support that.

So this might be the boost, the small boost, not to overstating too much, for the salt prices in the coming years and this is what is also based on different grades of mixtures, sometimes replacement of rock salt by sea salt, but we like to benefit from that development best and the charming effect behind that is that we have started our food grade potassium plant in the Zielitz plant in 2009, 2010 and we are increasing more or less the production there. So another two-pillar strategy in small terms.

Joachim Felker - *K+S AG - Member of the Board*

So your question about development, industrial products and agricultural products. When you look back to 2009 then the share of the industrial sales in our total sales was relatively high, meaning that the market reaction in the crisis was much, much harder in agriculture than in the chemical industry. Our sales in the chemical industry were rather stable.

When it comes to pricing, in average, all over the world, the industrial prices are higher than agriculture prices, but the contract mechanism is different. In industrial prices you have a longer contract period than in agriculture. To give an example, if you have a company who has an electrolysis producing in a (inaudible) system, they want to have a steady supply quantity wise and price wise so they usually make six months contracts. You wouldn't find a trader or a distributor in agricultural products in Europe who makes a six months contract; they are much, much shorter.

So what happens, if the agricultural prices go down, in the picture you see, the chemical prices still stay and then they fall and then by that time now agricultural prices are already increasing. So it's a question, we are just in discussions with big clients in this field what happens in the next six months. And, as you know, that the availability of products worldwide is quite low I think that again also there you will see a time effect in price development. So it's a little bit decoupled, it's not the same mechanism. Is that okay for you? Did you get it? Okay, thanks.

Unidentified Corporate Representative

With regards to timing we are running now already 90 minutes, I would like to conclude the meeting in the next I would say five or ten minutes, so please only two or three more questions and then we can follow this outside. Thank you.

Unidentified Audience Member

Yes, thank you. The first question is on potash inventories actually on your, so how high are your inventories end of 2010 of potash and actually how did it now develop into the season perhaps a little bit, the outlook.

Second question is on the global market. We obviously have seen the slump in 2009, partly drive by destocking of supply chain, of distributors. Have you any clue how much, let's say, of the 57m volume sales is, let's say, is it consumption in your view 100% or was it also a little bit filling up the distribution chain again?

Joachim Felker - *K+S AG - Member of the Board*

So our stocks at the end of the year, are below 800, I think 700, so below 800, so low. The second questions was how to, what was it? Oh, the destocking effect in the global market.

We made calculations once and I think it was in the first step which partly already was in 2010 second half of the year, we calculated that there could be an effect of 3m or 4m tonnes on a worldwide level, but we had, at that time, no clue what was

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the Chinese position. As you know, in the meantime the Chinese have concluded some contracts already and so we have a little bit a blurry picture, but there was an influence of course.

But I think the more important thing is to look how is the stock position now, at producers level, at distributors level and this destocking has taken part but it's all in application already so there's the, what we're talking now is more application than 2010 or 2009, there were some effects in there.

Unidentified Audience Member

Essentially was the 57m assumption volume, is it production or is it (multiple speakers).

Joachim Felker - *K+S AG - Member of the Board*

I would say if I draw 2010 half year and I will take 2011 half year, which is more a fertilizer way of thinking, then the 57m would be application.

Unidentified Corporate Representative

Anymore questions? Christian Faitz, last question.

Christian Faitz - *Macquarie Research - Analyst*

First and last, thanks. Christian Faitz, Macquarie again. Just can you give us an update from your analyst meeting in December on the two potential mining projects in Germany which you were eyeing and proposing? Is there an update?

Norbert Steiner - *K+S AG - CEO*

We have to fight it out. First is Siegfried-Giesen which belongs to us and where we have asked for a feasibility study where we expect the results to be on our table, let's say in the midst of the year, July/August, and then we will see where we stand from the economic and from the ecological situation there and we are hopeful that a positive outcome will be the consequence out of that study.

With regards to Rossleben, a 100% standstill and this I not a miracle since the owners of the mining rights there, this company belonging to the Federal Republic had announced that they want to come back to potential interested parties only in 2011. This has not happened yet so we are waiting.

Okay. This was more or less a very abrupt finalization of our meeting by Christian, but it was okay.

Christian Faitz - *Macquarie Research - Analyst*

Thank you.

Norbert Steiner - *K+S AG - CEO*

Thank you very much for participating here today, for listening to us, for putting the questions on the table. The next opportunity to meet with us via the telephone will be on the May 12 when we have the conference call for the first quarter and the one and the other will be seen for us certainly on one or the other occasion.

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Last but not least we would like you to invite for a small refreshment outside, cake and so on and if you want to travel home, have a safe trip home. Thank you very much.

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