Experience growth.

Press Release

Kassel, 10 March 2016

2015 Financial Year

K+S Group Significantly Increases Operating Earnings

- **Revenues up 9 % to € 4.2 billion**
- **Operating earnings (EBIT I) up 22 % to € 782 million (Forecast 2015: € 780–830 million)**
- **‘Fit for the Future’ programme exceeds targets**
- **Legacy Project remains on schedule and within budget**
- **Higher proposed dividend: € 1.15 per share (2014: € 0.90 per share)**
- **Prudent outlook for 2016 despite tentative signs of recovery: Significant decline in earnings expected**
- **Attractive mid-term prospects: EBITDA of around € 1.6 billion in 2020 (2015: € 1.1 billion)**

K+S Group operating earnings (EBIT I) were up 22 % this past financial year, representing a significant increase over the previous year. Revenues also rose by 9 % year on year. “Despite weaker conditions in the potash market, we performed well in 2015 and met our earnings forecast, thanks to our broad product portfolio. Due to significantly higher Group earnings, we are proposing a 28 % higher dividend for the 2015 financial year,” said K+S Board of Executive Directors’ Chairman, Norbert Steiner, at the company’s annual financial press conference today.

Group revenues surpass € 4 billion mark, EBIT I up significantly

In 2015, K+S Group revenues rose to € 4.2 billion (2014: € 3.8 billion). Earnings before interest, taxes, depreciation and amortisation (EBITDA) for 2015 were up by around 18 % on the figure for the previous year at

€ 1.1 billion. During the same period, operating earnings (EBIT I) increased by roughly 22 % to € 782 million, and therefore fell within the forecasted range of € 780–830 million. These increases are primarily due to the rise in average prices in the Potash and Magnesium Products and Salt business units compared with the previous year, as well as the increased strength of the US dollar against the euro.

The Salt business unit was able to increase operating earnings (EBIT I) by 54 % in 2015 to € 266 million. EBIT I in the Potash and Magnesium Products business unit were up by just under 12 % to € 546 million in the past financial year.

In the fourth quarter, K+S Group EBITDA reached € 228 million (Q4/2014: € 205 million) and EBIT I rose to € 154 million (Q4/2014: € 130 million).

‘Fit for the Future’ programme exceeds expectations

In the 2015 financial year, extensive efforts to make the cost and organisational structures of the entire K+S Group more efficient and were continued and once again, the planned savings goal were exceeded. Cost savings were made particularly in the areas of production, materials management, logistics and IT. K+S is striving for total cost savings of € 500 million between 2014 and 2016 compared with previous planning for this period. A good two-thirds of the announced savings were already achieved.

Adjusted Group earnings significantly higher than in previous year

Adjusted Group earnings increased to € 542 million last year (2014: € 367 million). In the year under review, adjusted earnings per share reached € 2.83 (2014: € 1.92).

Significantly higher proposed dividend

On account of the significantly improved adjusted Group earnings after taxes, a dividend of € 1.15 per share will be suggested by the Board of Executive Directors and Supervisory Board to the Annual General Meeting on 11 May

2016 (previous year: € 0.90 per share), which corresponds to an increase of 28 % and a payout ratio of 41 % (previous year: 47 %).

Investments up as planned

In 2015, the K+S Group invested around € 1.3 billion, representing an increase of around 11 % compared with the previous year. The increase was due mainly to capital expenditure for the Legacy Project in Canada.

Legacy Project continues to make good progress

With regards to the construction of the new potash site in Canada (Legacy Project), K+S remains well on the way to commissioning the plant as scheduled in summer 2016, producing the first tons of potash towards the end of the year, and meeting the investment budget of 4.1 billion Canadian dollars. Just under 80 % of the total budget has been spent to date.

The main focus in 2015 was the construction of the steel structure of the factory and the installation of main components. A total of four so-called pads were also commissioned for cavern development in the brine field. Pile foundations were laid and initial foundation work for the planned warehouse and loading facilities was carried out in the port of Vancouver.

Outlook for 2016: Significantly lower result expected

A downturn in the potash market, which first became apparent in the second half of 2015, may continue this year. Along with intense competition, an ongoing difficult economic situation in the emerging market countries is expected, continued low agricultural prices, and less availability of credit for farmers, particularly in Latin America. Moreover, given the restrictions placed on the permit to inject saline wastewater at the Hattorf site, temporary production cuts at the Werra plant cannot be ruled out. Consequently, a significant drop in average prices in the Potash and Magnesium Products business unit, as well as sales volumes slightly below those of the previous year is anticipated. The Salt business unit experienced a mild winter so far, and although moderately higher sales volumes for industrial salt, salt for chemical use and food grade salt are planned, this cannot offset the lower sales volumes for de-icing salt.

Overall, K+S Group revenues in the 2016 financial year should therefore decrease moderately year over year, while operating earnings EBITDA and EBIT I are expected to be significantly lower than in the same period in the previous year. Adjusted Group earnings after taxes should follow developments in operating earnings and thus also be significantly below last year’s numbers.

Further details on the outlook can be found in the 2015 Annual Report from page 114.

Long-term growth prospects remain intact

“The Legacy Project in particular, which we are commissioning this year, and also the high expectations of increased profitability in our Salt business in the context of the ‘Salt 2020’ strategy, are both very encouraging. In spite of the current dip in the potash market, the medium- to long-term growth trends remain intact. Based on these assumptions, we still aim to reach Group EBITDA of around € 1.6 billion (2015: € 1.1 billion) in 2020,” says Norbert Steiner.

Information for editorial departments

The 2015 Annual Report and the K+S Q4/15 Facts & Figures (in English) are available from our website at www.k-plus-s.com/2015q4en. Moreover, a video message on business development from Dr Burkhard Lohr, Chief Financial Officer, and from 10 am, the presentations by Norbert Steiner, Chairman of the Board of Executive Directors, and Dr Burkhard Lohr for today’s K+S annual financial press conference in Frankfurt am Main are also available on the website.

A conference call in English for investors and analysts with Norbert Steiner and Dr Burkhard Lohr will also take place today at 1 pm. Press representatives and interested parties from the general public are invited to follow the conference via a live webcast (www.k-plus-s.com/en/audio-und-video/cc.html). The conference will be recorded and made available as a podcast.

About K+S

K+S is an international resources company. We have been mining and processing mineral raw materials for more than 125 years. The products we produce from them are used worldwide in agriculture, food and road safety and are important elements in numerous industrial processes. Potash and salt are integral nutrients for the megatrend of a constantly growing and increasingly prosperous global population striving for a higher standard of living. This will result in increasing consumption of mineral resources. We serve the resulting growth in demand from production sites in Europe, North America and South America as well as through a global distribution network. K+S is the world’s largest salt producer and one of the top potash providers worldwide. With more than 14,000 employees, K+S achieved revenues in financial year 2015 of about € 4.2 billion and an EBIT of € 782 million. Learn more about K+S at www.k-plus-s.com.

Contact Persons:

Press:
Michael Wudonig
Phone: +49 561 9301-1262
michael.wudonig@k-plus-s.com

Investor Relations:
Thorsten Boeckers
Phone: +49 561 9301-1460
thorsten.boeckers@k-plus-s.com

Forward-looking Statements

This press release 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 this press release, save for the making of such disclosures as required by law.

Overview of K+S Group **Q4 2015** All figures in accordance with IFRS	**Q4 Oct–Dec 2015** € million	**Q4 Oct–Dec 2014** € million	**Difference** in %
Revenues	**992.6**	**1,020.1**	**-2.7**
Potash and Magnesium Products	511.0	464.5	+10.0
Salt	442.4	515.3	-14.1
Complementary Activities	38.8	40.2	-3.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**227.8**	**205.2**	**+11.0**
Operating earnings (EBIT I)	**153.6**	**130.4**	**+17.8**
Potash and Magnesium Products	126.5	84.4	+49.9
Salt	38.5	57.4	-32.9
Complementary Activities	6.3	2.7	+133.3
Group earnings after taxes, adjusted[1)]	**136.1**	**67.7**	**>100.0**
Earnings per share, adjusted (€)[1)]	**0.71**	**0.35**	**>100.0**
Capital expenditure (capex) [2)]	**373.6**	**422.2**	**-11.5**
Adjusted free cash flow	**-372.0**	**-283.9**	**+31.0**

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) (see also the “Explanation of the income statement and the statement of comprehensive income” on page 154 of the financial report 2015. Related effects on deferred and cash taxes are also eliminated; tax rate in 2015: 28.7% (2014: 28.6%).
2) Investments in or earnings-effective depreciation on property, plant and equipment, intangible assets, investment properties as well as depreciation on financial assets.

Overview of K+S Group
January–December 2015

All figures in accordance with IFRS	Jan–Dec 2015 € million	Jan–Dec 2014 € million	Difference in %
Revenues	**4,175.5**	**3,821.7**	**+9.3**
Potash and Magnesium Products	2,091.3	1,884.0	+11.0
Salt	1,925.2	1,778.5	+8.2
Complementary Activities	157.7	158.3	-0.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**1,057.5**	**895.5**	**+18.1**
Operating earnings (EBIT I)	**781.6**	**641.3**	**+21.9**
Potash and Magnesium Products	546.1	488.8	+11.7
Salt	266.3	172.9	+54.0
Complementary Activities	26.4	24.2	+9.1
Group earnings after taxes, adjusted[1)]	**542.3**	**366.6**	**+47.9**
Earnings per share, adjusted (€)[1)]	**2.83**	**1.92**	**+47.4**
Capital expenditure (capex) [2)]	**1,278.8**	**1,153.2**	**+10.9**
Adjusted free cash flow	**-635.9**	**-306.3**	**>100.0**
Employees as of 30 December[3)]	**14,383**	**14,295**	**+0.6**

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) (see also the “Explanation of the income statement and the statement of comprehensive income” on page 154 of the financial report 2015. Related effects on deferred and cash taxes are also eliminated; tax rate in 2015: 28.7% (2014: 28.6%).
2) Investments in or earnings-effective depreciation on property, plant and equipment, intangible assets, investment properties as well as depreciation on financial assets.
3) FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.