

K+S Q4/11 FACTS & FIGURES

15 MARCH 2012



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2011 Highlights

- High fertilizer demand resulting from attractive framework conditions
- Again strong salt business due to above-average sales volumes of de-icing salt
- Group revenues up 11% to € 5.2 billion
- Significant rise in operating earnings EBIT I to € 976 million (+ 37%)
- Important strategic steps: Start of Legacy Project, disposal of COMPO business
- K+S Group with attractive prospects for 2012 and 2013

Key Data Business Development

KEY FIGURES (IFRS) ¹⁾

€ million	Q4/11	Q4/10	%	Consensus Q4/11 ⁸⁾	2011	2010	%	Consensus 2011 ⁸⁾
Revenues	1,300.2	1,285.4	+ 1.2	1,277.6	5,150.9	4,632.7	+ 11.2	5,128.3
EBITDA	290.8	261.4	+ 11.3	265.6	1,217.7	953.0	+ 27.8	1,192.2
EBITDA margin (%)	22.4	20.3	-	20.8	23.6	20.6	-	23.2
EBIT I	216.9	198.6	+ 9.2	204.7	975.7	714.5	+ 36.6	963.5
EBIT margin (%)	16.7	15.5	-	16.0	18.9	15.4	-	18.8
EBIT II	206.0	187.0	+ 10.2	-	951.2	719.1	+ 32.3	-
EBT	186.5	168.4	+ 10.8	-	887.3	599.1	+ 48.1	-
EBT, adjusted ²⁾	197.4	180.0	+ 9.7	187.6	911.8	594.5	+ 53.4	902.9
Group earnings from continued operations	145.5	140.3	+ 3.7	-	656.1	457.1	+ 43.5	-
Group earnings from continued operations, adjusted ²⁾	153.3	148.7	+ 3.1	139.8	673.6	453.8	+ 48.4	661.3
Group earnings after taxes ³⁾	151.1	123.2	+ 22.7	-	564.3	448.6	+ 25.8	-
Group earnings after taxes, adjusted ^{2),3)}	158.9	131.6	+ 20.7	137.1	581.8	445.3	+ 30.7	559.7
EPS from continued operations (€)	0.76	0.73	+ 4.1	-	3.43	2.39	+ 43.5	-
EPS from continued operations (€), adjusted ²⁾	0.80	0.78	+ 2.6	0.73	3.52	2.37	+ 48.5	3.46
EPS (€) ³⁾	0.79	0.64	+ 23.4	-	2.95	2.34	+ 26.1	-
EPS, adjusted (€) ^{2),3)}	0.83	0.69	+ 20.3	0.72	3.04	2.33	+ 30.5	2.92
ROCE (LTM) in % ⁴⁾	-	-	-	-	27.5	22.0	-	-
Capex ⁵⁾	123.8	88.6	+ 39.7	-	294.1	188.6	+ 55.9	-
Gross cash flow	215.1	249.7	(13.9)	-	910.6	812.7	+ 12.0	-
Delta net working capital ⁶⁾	+ 117.1	+ 113.2	-	-	+ 88.4	(16.4)	-	-
Operating cash flow ⁶⁾	98.0	136.5	(28.2)	-	822.2	829.1	(0.8)	-
Investing cash flow ⁷⁾	(89.9)	(78.4)	(14.7)	-	(495.6)	(177.7)	(178.9)	-
- thereof acquisitions / divestments	-	-	-	-	(242.8)	-	-	-
- thereof cash-effective capex	(95.7)	(85.2)	(12.3)	-	(274.7)	(196.7)	(39.7)	-
Free Cash Flow ^{6),7)}	8.1	58.1	(86.1)	-	326.6	651.4	(49.9)	-
Net debt	-	-	-	-	610.8	732.5	(16.6)	-
- thereof net financial liabilities	-	-	-	-	(65.1)	19.3	-	-

¹⁾ Unless stated otherwise, information refers to the continued operations of the K+S Group. Due to its disposal, the COMPO business is in accordance with IFRS disclosed as "discontinued operation". The income statement and the cash flow statement of the previous year were restated accordingly, while the balance sheet was not restated and also includes discontinued operations.

²⁾ The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges. Related effects on deferred and cash taxes are also eliminated; tax rate for 2011: 28.4% (2010: 28.2%).

³⁾ Earnings from continued and discontinued operations.

⁴⁾ Information for the years 2010 and 2011 refers to the continued operations of the K+S Group. Taking into account the discontinued operations of COMPO, ROCE in 2011 amounts to 24.1% (2010: 20.9%).

⁵⁾ Investments in or depreciation on property, plant and equipment, intangible and investment properties as well as depreciation on financial assets.

⁶⁾ Without out-financing of pension obligations in the amount of: 2011: € (110.0) million, 2010: € (2.7) million, Q4/11: € (4.2) million, Q4/10: € 0.2 million.

⁷⁾ Without investments in securities and other financial investments in the amount of: 2011: € (372.4) million, 2010: € 0.0 million, Q4/11: € (306.7) million, Q4/10: € 0.0 million.

⁸⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

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Earnings Forecast

FORECASTS FOR THE YEARS 2011 AND 2012

	Unit	Actual 2010	Development of forecasts for 2011			Actual 2011	Consensus 2011 ²⁾	Forecasts for 2012	Consensus 2012 ²⁾	
			Forecast Financial Report 2010 ³⁾	Forecast Q1/11 ⁴⁾	Forecast H1/11					Forecast 9M/11
K+S Group										
Revenues	€ billion	4.63	tangible increase	significant increase	5.00 to 5.30	5.00 to 5.25	5.15	5.13	stable	5.07
EBITDA	€ million	953.0	significant increase	strong increase	1,150 to 1,300	1,150 to 1,250	1,217.7	1,192.2	moderate decrease	1,157.9
Operating Earnings (EBIT I)	€ million	714.5	significant increase	strong increase	950 to 1,050	950 to 1,000	975.7	963.5	moderate decrease	914.1
Financial result	€ million	(120.0)	significant improvement	significant improvement	significant improvement	significant improvement	(63.9)	(60.1)	stable	(60.0)
Group tax rate, adjusted	%	23.7	26 to 27	26 to 27	26 to 27	about 27	26.1	26.8	27 to 28	27.4
Group earnings from continued operations, adjusted	€ million	453.8	significant increase	strong increase	650 to 720	650 to 690	673.6	661.3	moderate decrease	619.4
Earnings per share from continued operations, adjusted	€	2.37	significant increase	strong increase	3.40 to 3.75	3.40 to 3.60	3.52	3.46	moderate decrease	3.24
Group earnings after taxes, adjusted ³⁾	€ million	445.3	significant increase	strong increase	560 to 630	550 to 590	581.8	559.7	–	–
Earnings per share, adjusted ³⁾	€	2.33	significant increase	strong increase	2.95 to 3.30	2.90 to 3.10	3.04	2.92	–	–
Dividend	€	1.00	significant increase	strong increase	strong increase	strong increase	1.30 ⁴⁾	1.30	at least stable	1.35
Capital expenditure ⁵⁾	€ million	188.6	>300 ⁶⁾	>300 ⁶⁾	280 ⁶⁾	300 ⁷⁾	294.1	–	a good 600 ⁸⁾	–
Depreciation and amortisation ⁵⁾	€ million	238.5	250	250	230	230	242.0	228.7	240	243.8
Energy costs	€ million	259.6	tangible increase	tangible increase	tangible increase	tangible increase	277.2	–	significant increase	–
Personnel expenses	€ million	944.4	tangible increase	tangible increase	moderate increase	moderate increase	976.1	–	slight increase	–
Freight costs	€ million	838.5	stable	stable	stable	stable	813.7	–	moderate decrease	–
Potash and Magnesium Products business segment										
Sales volume	t million	7.06	7.0	7.0	7.0	about 7	6.93	6.90	at about the level of 2011	6.9
Salt business segment										
Sales volume crystallised salt	t million	22.53	22 to 23	22 to 23	about 23	a good 23	22.73	–	a good 19	–
- of which de-icing salt	t million	13.49	13 to 14	13 to 14	about 14	about 14	13.31	–	about 10	–

¹⁾ Forecast still included the discontinued operations of COMPO.

²⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

³⁾ Earnings from continued and discontinued operations.

⁴⁾ The figure for 2011 corresponds to the dividend proposal.

⁵⁾ Capital expenditure in and depreciation on property, plant and equipment, intangible and financial assets and investment properties as well as depreciation on financial assets.

⁶⁾ Plus investments for the Legacy Project.

⁷⁾ Including investments for the Legacy Project of € 40 million in 2011.

⁸⁾ Of this, CAD 230 million (about € 170 million) should be accounted for by expenditure on the Legacy Project.

Forecast for 2013 promising

In 2013, revenues of the K+S Group should increase slightly in comparison to 2012. Moderately higher revenues in the Potash and Magnesium Products and Salt business segments will probably face a moderate decline in revenues in the Nitrogen Fertilizers business segment. Owing to the high profitability of the Potash and Magnesium Products business segment and on the basis of an again assumed normal winter business in line with the long-term average historical volumes of de-icing salt, we foresee realistic opportunities of a moderate increase in operating earnings in comparison to the year 2012. This should also positively impact the adjusted Group earnings after taxes.

Our estimates for 2012 and 2013 are based, among other things, on a number of factors, including:

- the expectation of consistently attractive agricultural prices,
- our customary, purely technical forecast policy, which maintains the currently achieved potash price level unchanged,
- a sales volume in 2012 at about the level of the previous year (2011: 6.9 million tonnes) in the Potash and Magnesium Products business segment and a slight increase in 2013,
- a sales volume of crystallised salt of a good 19 million tonnes in 2012 (2011: 22.7 million tonnes), of which about 10 million tonnes will be de-icing salt (2011: 13.3 million tonnes). In 2013, we are again expecting a sales volume of crystallised salt of about 22 million tonnes, of which de-icing salt will account for just under 13 million tonnes (normal year),
- a US dollar exchange rate of 1.32 USD/EUR for both years and an oil price level of USD 115 per barrel in 2012 and USD 110 per barrel in 2013,
- a largely unchanged financial result,
- a slightly higher adjusted Group tax rate of 27% to 28% (2011: 26.1%).

Future industry situation

Fertilizer business sector

In light of the sovereign debt crisis, the fertilizer trade sector has been acting more cautiously since the beginning of the fourth quarter of 2011, and the potash producers mainly involved in the contract negotiations with China and India do not expect contracts to be concluded soon. Overall, for **2012** as a whole, we are expecting global potash sales volumes of up to 58 million tonnes (2011 estimate: 58.7 million tonnes). As the contract volumes with China and India make up a relatively small proportion of our total sales volume, for the Potash and Magnesium Products business segment, we assume that we can keep our sales volume at about the level of the previous year (2011: 6.9 million tonnes).

The framework conditions should have a positive effect on global demand for nitrogenous fertilizers. Due to lower input costs for ammonia, the price level will probably remain below the high level of the second half of 2011, but, overall, be higher than the average of recent years.

Salt business sector

Considering the exceptionally mild weather conditions in North America at the start of the year and assuming average winter weather conditions for the coming 2012/13 season, the demand for de-icing salt in North America should decrease significantly in **2012** after having been somewhat above the long-term average in the previous year. Early stocking-up over the summer months will probably be rather below average, considering the mild winter weather at the start of the year. The consumption of food grade and industrial salts should continue to be stable. The demand of the chemical industry for salt for chemical use will probably rise slightly.

Potash and Magnesium Products Business Segment

- The prospects for the development of demand for fertilizers in **2012** containing potash and magnesium continue to be attractive particularly in the markets relevant to us, so that, from today's perspective, we regard a sales volume close to that of last year to be probable (2011: 6.9 million tonnes).

- In line with our purely technical forecast policy, which maintains the currently achieved potash price level unchanged, an average price level that is moderately higher than that of the previous year is to be expected.
- On this basis, **revenues** of the Potash and Magnesium Products business segment too should increase moderately in comparison to a year ago.
- On the costs side, both a strong increase in energy costs and a negative currency result are to be expected, after last year had profited from a positive hedging result. Personnel costs will probably rise slightly.
- Against this backdrop, we expect **operating earnings** that should again approach the good earnings achieved last year.
- From the perspective of today, with a slightly higher sales volume, we assume a moderate improvement of our revenue and earnings figures for **2013**.

Nitrogen Fertilizers Business Segment

- In financial year **2012**, we assume a slightly positive trend for the **revenues** of the Nitrogen Fertilizers business segment.
- However, this will probably face higher input costs, so that, in comparison to last year, stable **operating earnings** are expected.
- In **2013**, from today's perspective, revenues and operating earnings should decrease moderately.

Salt Business Segment

- As a result of the extraordinarily weak start of the de-icing salt business due to weather conditions, we expect moderately lower revenues in **2012** for the Salt business segment in comparison to the previous year. This forecast assumes an average de-icing salt business in the fourth quarter as well as a largely stable overall development in **revenues** in the food grade and industrial salt segments as well as the salt for chemical use segment.
- We currently assume a sales volume of crystallised salt of a good 19 million tonnes (2011: 22.7 million tonnes), of which about 10 million tonnes de-icing salt (2011: 13.3 million tonnes).
- Against this backdrop and in view of the higher share of fixed costs customary in the mining industry, from today's perspective, a strong decrease in **earnings** is to be expected.
- To cope with the weaker demand of de-icing salt, we are reacting with measures like extended production breaks, adjustment of working shifts and the usage of workforce flex accounts.
- In comparison to the revenue level of 2012, on the basis of a normal winter business that follows the long-term average of historical de-icing salt volumes, we are anticipating moderately higher revenues and strongly higher operating earnings for **2013** (assumption for crystallised salt sales volume 2013: about 22 million tonnes, of which de-icing salt: just under 13 million tonnes).

Complementary Business Segments

- For **2012** and from today's perspective, we assume stable **revenues** and moderately higher **earnings** after last year had been adversely affected by impairments (€ 4.6 million).
- In **2013**, we expect a stable development for both revenues and earnings of the Complementary Business Segments.

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Business Segment Performance

DEVELOPMENT OF REVENUES, EBITDA & OPERATING EARNINGS (EBIT I)

€ million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11	Q2/11	Q3/11	Q4/11	2011	Consensus 2011 ¹⁾
Potash and Magnesium Products	504.7	468.9	422.7	470.7	1,867.0	578.0	502.4	508.8	542.7	2,131.9	2,110.7
Nitrogen Fertilizers	244.3	171.5	240.3	246.3	902.4	328.1	228.5	320.8	279.4	1,156.8	1,173.1
Salt	616.4	275.3	305.2	531.9	1,728.8	682.5	282.4	306.5	438.7	1,710.1	1,728.0
Complementary Business Segments	33.3	32.3	31.9	36.5	134.0	38.2	36.4	37.7	38.1	150.4	145.7
Reconciliation	0.1	0.1	0.4	-	0.5	0.1	0.1	0.2	1.3	1.7	0.5
Revenues K+S Group	1,398.8	948.1	1,000.5	1,285.4	4,632.7	1,626.9	1,049.8	1,174.0	1,300.2	5,150.9	5,128.3
Potash and Magnesium Products	171.5	139.9	100.0	155.7	567.1	224.2	205.9	192.8	210.9	833.8	804.8
Nitrogen Fertilizers	6.9	10.0	12.0	16.3	45.2	34.2	10.4	17.5	9.5	71.6	76.2
Salt	146.4	56.3	60.8	106.2	369.7	169.9	40.9	43.6	83.5	337.9	333.7
Complementary Business Segments	7.9	7.8	5.8	6.2	27.7	9.7	6.2	8.2	4.9	29.0	30.4
Reconciliation	(10.1)	(15.8)	(7.8)	(23.0)	(56.7)	(13.1)	(15.9)	(7.6)	(18.0)	(54.6)	(52.5)
EBITDA K+S Group	322.6	198.2	170.8	261.4	953.0	424.9	247.5	254.5	290.8	1,217.7	1,192.2
Potash and Magnesium Products	150.6	119.2	79.4	126.7	475.9	202.4	184.4	171.3	181.4	739.5	718.5
Nitrogen Fertilizers	6.4	9.4	11.5	16.0	43.3	33.7	9.9	16.8	9.0	69.4	72.7
Salt	107.9	21.8	31.8	76.6	238.1	139.1	11.0	13.3	48.0	211.4	210.5
Complementary Business Segments	6.4	6.2	4.3	4.3	21.2	8.1	4.6	6.6	(1.4)	17.9	24.0
Reconciliation	(11.7)	(17.7)	(9.6)	(25.0)	(64.0)	(14.9)	(18.0)	(9.5)	(20.1)	(62.5)	(60.5)
EBIT I K+S Group	259.6	138.9	117.4	198.6	714.5	368.4	191.9	198.5	216.9	975.7	963.5

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

Business Segment Information

K+S Group

€ million	Q4/11	Q4/10	%	Consensus ¹⁾	2011	2010	%	Consensus ¹⁾
Revenues	1,300.2	1,285.4	+ 1.2	1,277.6	5,150.9	4,632.7	+ 11.2	5,128.3
- volume/structure (%)	-	-	(10.1)	-	-	-	(0.8)	-
- prices/price-related (%)	-	-	10.9	-	-	-	+ 13.6	-
- exchange rates (%)	-	-	0.3	-	-	-	(1.6)	-
- consolidation (%)	-	-	0.1	-	-	-	-	-
EBITDA	290.8	261.4	+ 11.3	265.6	1,217.7	953.0	+ 27.8	1,192.2
EBIT I	216.9	198.6	+ 9.2	204.7	975.7	714.5	+ 36.6	963.5

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

- In financial year 2011, we achieved **revenues** of € 5,150.9 million, which was 11% above the figure for the previous year. The increase is in particular attributable to positive price effects, which were able to more than make up for the slightly negative currency and volume effects. The Potash and Magnesium Products and Nitrogen Fertilizers business segments achieved significant revenue increases primarily due to higher prices. In the Salt business segment, revenues could be kept at about the high level of the previous year, after 2011 as a whole was characterised by an above-average sales volume of de-icing salt. In Europe, we achieved revenues of € 2.6 billion (+11%). Thus, this region accounted for half of total revenues. North America achieved a revenue share of 23% and South America of 12%. Of total revenues, 11% was accounted for by Asia.

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- In 2011, **operating earnings EBIT I** increased by € 261.2 million or 37% to € 975.7 million (2010: € 714.5 million). These include depreciation of € 242.0 million, which increased by € 3.5 million in comparison to the previous year. At 18.9%, the EBIT margin reached a very good level. The Potash and Magnesium Products and Nitrogen Fertilizers business segments increased their earnings primarily by means of fertilizer prices which rose during the course of the year. The earnings of the Salt business segment were below the figure for the previous year, since although the de-icing salt business was above average, due to a different regional mix it did not achieve the record level of the previous year. In the Complementary Business Segments there was a decrease in earnings due to non-scheduled depreciation. The balance of expenses and income, which cannot be allocated to the business segments (reconciliation), was largely stable and amounted to € (62.5) million in the year under review (2010: € (64.0) million).

Potash & Magnesium Business Segment

€ million	Q4/11	Q4/10	%	Consensus ¹⁾	2011	2010	%	Consensus ¹⁾
Revenues	542.7	470.7	+ 15.3	524.8	2,131.9	1,867.0	+ 14.2	2,110.7
- volume/structure	–	–	(3.8)	–	–	–	(0.2)	–
- prices/price-related	–	–	19.0	–	–	–	+ 16.1	–
- exchange rates	–	–	0.1	–	–	–	(1.7)	–
- consolidation	–	–	–	–	–	–	–	–
EBITDA	210.9	155.7	+ 35.5	181.9	833.8	567.1	+ 47.0	804.8
EBIT I	181.4	126.7	+ 43.2	160.4	739.5	475.9	+ 55.4	718.5
Revenues	542.7	470.7	+ 15.3	524.8	2,131.9	1,867.0	+ 14.2	2,110.7
- Potassium chloride	254.5	213.5	+ 19.2	–	1,034.1	880.4	+ 17.5	–
- Fertilizer specialities	210.8	194.2	+ 8.6	–	806.4	721.8	+ 11.7	–
- Industrial products	77.4	63.0	+ 22.9	–	291.4	264.8	+ 10.0	–

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

- In financial year 2011, **revenues** of the business segment increased by € 264.9 million or 14% to € 2,131.9 million; this is attributable to a significant increase in the average price of the product range. In 2011, the sales volume achieved 6.93 million tonnes, almost equal to the previous year's figure of 7.06 million tonnes. Thereby, at the end of the year, there was a more cautious management of early stocking-up by the trade sector, especially in Europe. During the year under review, revenues for potassium chloride – our most significant product in terms of volume – rose by € 153.7 million or almost 18% to € 1,034.1 million. The significant increase in price was able to more than make up for the slightly negative currency effects. In Europe, we sold 1.11 million tonnes of potassium chloride; this figure was about 2% less than the previous year's. Overseas, 1.95 million tonnes were sold. With fertilizer specialities, we achieved revenues of € 806.4 million during the past financial year, an increase of almost 12% (2010: € 721.8 million). The decisive factor in this product group too were significant increases in prices, which were able to more than make up for negative currency effects. While the European sales volume reached 2.08 million tonnes ((6)%), at 0.98 million tonnes, the sales volume overseas was 7% higher than in the previous year. In the industrial products area, revenues increased by 10% to € 291.4 million (2010: € 264.8 million); positive price and volume effects were able to more than compensate for negative currency effects. Especially the European and Asian regions made significant contributions to the increase in revenues. Sales volumes amounted to 0.55 million tonnes ((15)%) in Europe and to 0.26 million tonnes (+ 30%) overseas.
- It proved possible to increase **operating earnings EBIT I** in the Potash and Magnesium Products business segment by € 263.6 million or 55% to € 739.5 million. The improvement in earnings is particularly attributable to the higher average proceeds across the overall product range; these were able to more than make up for price- and volume-related higher costs, especially in the case of personnel, energy and materials. The hedging instruments used by us resulted in a stable USD/EUR exchange rate and a positive currency result (€ 24 million) for the business segment, despite the weaker US dollar in 2011.

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DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹⁾

		Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11	Q2/11	Q3/11	Q4/11	2011	Consensus 2011 ²⁾
Revenues	€ million	504.6	468.9	422.8	470.7	1,867.0	578.0	502.4	508.8	542.7	2,131.9	2,110.7
Europe	€ million	322.8	238.8	229.7	254.1	1,045.5	337.5	276.1	263.8	260.8	1,138.2	–
Overseas	US\$ million	250.5	292.4	249.2	294.3	1,086.4	329.0	325.6	346.1	380.1	1,380.8	–
Sales volumes	t eff. million	1.97	1.74	1.59	1.76	7.06	2.01	1.66	1.61	1.65	6.93	6.90
Europe	t eff. million	1.29	0.91	0.84	0.96	3.99	1.19	0.87	0.86	0.82	3.74	–
Overseas	t eff. million	0.68	0.84	0.75	0.80	3.07	0.82	0.79	0.75	0.83	3.19	–
Average prices	€/t eff.	256.6	269.0	266.2	267.1	264.4	287.6	302.3	316.8	327.8	307.5	306.6
Europe	€/t eff.	251.3	263.1	273.8	264.5	261.8	284.4	314.7	309.3	315.9	304.1	–
Overseas	US\$/t eff.	367.5	350.0	332.6	367.0	354.1	399.7	414.9	459.6	457.9	432.8	–

¹⁾ Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective USD/EUR spot rates. For most of these revenues, hedging transactions have been concluded. The price information is also affected by the respective product mix and is therefore to be understood as providing a rough indication only.

²⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

Nitrogen Fertilizers Business Segment

€ million	Q4/11	Q4/10	%	Consensus ¹⁾	2011	2010	%	Consensus ¹⁾
Revenues	279.4	246.3	+ 13.4	295.7	1,156.8	902.4	+ 28.2	1,173.1
- volume/structure	–	–	(10.9)	–	–	–	(4.6)	–
- prices/price-related	–	–	24.0	–	–	–	+ 33.8	–
- exchange rates	–	–	0.3	–	–	–	(1.0)	–
- consolidation	–	–	–	–	–	–	–	–
EBITDA	9.5	16.3	(41.7)	14.1	71.6	45.2	+ 58.4	76.2
EBIT I	9.0	16.0	(43.8)	12.3	69.4	43.3	+ 60.3	72.7
Revenues	279.4	246.3	+ 13.4	295.7	1,156.8	902.4	+ 28.2	1,173.1
- Complex fertilizers	100.5	97.6	+ 3.0	–	425.4	370.3	+ 14.9	–
- Straight nitrogen fertilizers	119.4	101.9	+ 17.2	–	486.6	355.5	+ 36.9	–
- Ammonium sulphate	59.5	46.8	+ 27.1	–	244.8	176.6	+ 38.6	–

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

- As a consequence of pricing, **revenues** in the Nitrogen Fertilizers business segment rose by 28% to € 1,156.8 million in the year under review. The sales volume in 2011 at 4.44 million tonnes was 4% below the figure for the previous year (2010: 4.62 million tonnes). Complex fertilizer revenues increased by about 15% or € 55.1 million to € 425.4 million in the year under review. Positive price effects were able to significantly make up for slightly negative volume effects. The total sales volumes of complex fertilizers in 2011 fell by 3% to 1.11 million tonnes. In the case of straight nitrogen fertilizers, price increases – above all in Europe – resulted in an increase in revenues of 37% to € 486.6 million (2010: € 355.5 million). The sales volume of straight nitrogen fertilizers remained more or less stable at 1.83 million tonnes. As a consequence of pricing, the ammonium sulphate revenues in 2011 rose by around 39% to € 244.8 million. It proved possible to achieve revenue growth in all regions. The sales volume of ammonium sulphate reached 1.50 million tonnes and thus fell by 8% in comparison to the previous year.
- **Operating earnings EBIT I** for the Nitrogen Fertilizers business segment increased by 60% to € 69.4 million (2010: € 43.3 million). The growth in earnings was attributable to price increases for straight nitrogen fertilizers, complex fertilizers as well as for ammonium sulphate, which were able to more than make up for the increases in input costs for ammonia, rock phosphate and potash.

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Salt Business Segment

€ million	Q4/11	Q4/10	%	Consensus ¹⁾	2011	2010	%	Consensus ¹⁾
Revenues	438.7	531.9	(17.5)	456.6	1,710.1	1,728.8	(1.1)	1,728.0
- volume/structure (%)	-	-	(17.6)	-	-	-	(0.7)	-
- prices/price-related (%)	-	-	(0.2)	-	-	-	+ 1.5	-
- exchange rates (%)	-	-	0.3	-	-	-	(1.9)	-
- consolidation (%)	-	-	-	-	-	-	-	-
EBITDA	83.5	106.2	(21.4)	79.3	337.9	369.7	(8.6)	333.7
EBIT I	48.0	76.6	(37.3)	47.1	211.4	238.1	(11.2)	210.5
Revenues	438.7	531.9	(17.5)	456.6	1,710.1	1,728.8	(1.1)	1,728.0
- Food grade salt	80.4	82.5	(2.5)	-	314.7	328.2	(4.1)	-
- Industrial salt	126.1	120.9	+ 4.3	-	489.4	490.3	(0.2)	-
- Salt for chemical use	28.6	24.1	+ 18.7	-	99.6	86.5	+ 15.1	-
- De-icing salt	185.2	277.7	(33.3)	-	739.7	739.2	+ 0.1	-
- Other	18.4	26.7	(31.1)	-	66.7	84.6	(21.2)	-

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

- In the year under review, **revenues** generated by the Salt business segment amounted to € 1,710.1 million and were therefore only slightly down on the previous year's figure ((1.1)%). The negative currency and volume effects were offset by positive price effects. Sales of crystallised salt during the year under review totalled 22.73 million tonnes and were thus almost on a par with the high level of the previous year (22.53 million tonnes). De-icing salt revenues reached € 739.7 million for the year under review, practically the same high figure achieved in the previous year (2010: € 739.2 million). The somewhat weaker winter business in Europe could be compensated for by positive price effects in Canada and Europe. The sales volume was, at 13.31 million tonnes, only slightly down on the previous year (2010: 13.49 million tonnes). At € 314.7 million, food grade salt revenues were down € 13.5 million or 4% for the year under review. Slightly positive price effects in Europe and North America were unable to compensate for negative volume and currency effects. The sales volume amounted to 1.53 million tonnes and was down about 5% year on year. Revenues for industrial salts, e.g. fishery, feed and high-purity pharmaceutical salts, amounted to € 489.4 million for the past financial year and were thus on a par with the previous year's figure (€ 490.3 million). Higher sales volumes in North and South America more or less compensated for lower prices and negative currency effects. The sales volume amounted to 5.26 million tonnes and thus was up about 5% year on year (5.02 million tonnes). At € 99.6 million, revenues in the salt for chemical use business were up € 13.1 million or 15% in comparison to the previous year. The increase in revenues is attributable to positive volume and price effects. The sales volume amounted to 2.63 million tonnes and was up 9% year on year. In addition to the business with other de-icing agents, such as magnesium chloride solution, "Other" also includes the third-party logistics business of the shipping company EMPREMAR belonging to the Chilean SPL Group. The revenues recorded under "Other" fell by € 17.9 million to € 66.7 million; this is largely attributable to EMPREMAR's lower transport volume.
- In the Salt business segment, **operating earnings EBIT I** fell in 2011 by € 26.7 million or 11% to € 211.4 million (2010: € 238.1 million). The fall in earnings is attributable to a different regional mix in de-icing salt as well as to a somewhat lower price level on the east coast of the United States; higher sales volumes in North America were unable to compensate for this. We also temporarily incurred higher demurrage charges due to the maintenance work performed on our Patillos port terminal in Chile and weather-related production interruptions at the sea salt plant on the Bahamas. The profitability of our global salt business varies depending on the respective regional mix, the utilisation of capacity, the local margin as well as the exchange rates. Thus, for example, earnings for 2011 of between € 20 million and € 30 million were favourably affected by an above-average business with de-icing salt in comparison to the long-term average figure (positive winter effect 2010: between € 60 million and € 70 million).

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DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ¹⁾

	Unit	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11	Q2/11	Q3/11	Q4/11	2011
De-icing salt											
Revenues	€ million	376.5	26.8	58.1	277.8	739.2	435.0	45.3	74.1	185.3	739.7
Sales volumes	t million	7.05	0.49	1.10	4.85	13.49	7.94	0.74	1.35	3.28	13.31
Average price	€/t	53.4	54.5	52.8	57.3	54.8	54.8	61.0	55.0	56.6	55.6
Industrial salt, salt for chemical use and food grade salt											
Revenues	€ million	217.4	232.0	228.2	227.4	905.0	226.9	223.2	218.5	235.1	903.7
Sales volumes	t million	2.20	2.26	2.23	2.35	9.04	2.24	2.47	2.17	2.54	9.42
Average price	€/t	98.9	102.8	102.4	96.8	100.1	101.2	90.3	100.7	92.6	95.9
Other											
Revenues	€ million	22.5	16.5	18.9	26.7	84.6	20.6	13.9	13.9	18.3	66.7
Salt business segment											
Revenues	€ million	616.4	275.3	305.2	531.9	1,728.8	682.5	282.4	306.5	438.7	1,710.1

¹⁾ Revenues include prices both inclusive and exclusive freight costs. The price information is also affected by changes of the exchange rates and the respective product mix and is therefore to be understood as providing a rough indication only.

Complementary Business Segment

€ million	Q4/11	Q4/10	%	Consensus ¹⁾	2011	2010	%	Consensus ¹⁾
Revenues	38.1	36.5	+ 4.4	33.5	150.4	134.0	+ 12.2	145.7
- volume/structure (%)	-	-	22.5	-	-	-	+ 14.5	-
- prices/price-related (%)	-	-	(18.1)	-	-	-	(2.3)	-
- exchange rates (%)	-	-	-	-	-	-	-	-
- consolidation (%)	-	-	-	-	-	-	-	-
EBITDA	4.9	6.2	(21.0)	6.3	29.0	27.7	+ 4.7	30.4
EBIT I	(1.4)	4.3	(132.6)	4.7	17.9	21.2	(15.6)	24.0
Revenues	38.1	36.5	+ 4.4	33.5	150.4	134.0	+ 12.2	145.7
-Wastemanagement & recycling	21.8	20.6	+ 5.8	-	87.7	73.8	+ 18.8	-
- Logistics	3.9	3.6	+ 8.3	-	14.6	13.6	+ 7.4	-
- Animal hygiene products	9.4	9.0	+ 4.4	-	35.3	34.2	+ 3.2	-
- Trading	3.0	3.3	(9.1)	-	12.8	12.4	+ 3.2	-

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 2 March 2011; 30 analysts participated.

- At € 150.4 million, **revenues** of the Complementary Business Segments were a good 12% above the level of the previous year. According to IFRS, revenues deriving from services rendered to K+S GROUP companies are not included in these figures. Including these internal revenues, in the period under review, total revenues amounted to € 188.3 million (2010: € 175.4 million). In the Waste Management and Recycling segment, revenues increased by almost 19% to € 87.7 million (2010: € 73.8 million); due not least to the amended regulations concerning above-ground disposal of particular waste, these revenue increases related to sales increases in the underground disposal and the reutilisation areas. Revenues in the Logistics segment (€ 14.6 million) increased mainly due to volume factors, while the increases in Animal Hygiene Products (€ 35.3 million) and the trading business (€ 12.8 million) largely resulted from price factors.
- **Operating earnings EBIT I** reached € 17.9 million (2010: € 21.2 million). The depreciation included here amounted to € 11.1 million and, due to the unscheduled depreciation concerning ship investments in the Logistics segment (€ 4.6 million), were above the level of the previous year (2010: € 6.5 million). Higher contributions to earnings in the Waste Management and Recycling as well as Animal Hygiene Products segments were unable to compensate for the decline in earnings due to the slightly negative trading earnings and the unscheduled depreciation in the Logistics segment.

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Forward-looking statements

This document contains facts and forecasts that relate to the future development of the K+S Group and its companies. The forecasts are estimates that we have made on the basis of all the information available to us at this moment in time. Should the assumptions underlying these forecasts prove not to be correct or should certain risks – such as those referred to in the recent Risk Report – materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements contained in this document.