

K+S Q4/12 FACTS & FIGURES

14 MARCH 2013



2012 Highlights

- At € 3.9 billion, 2012 revenues approximate the previous year's level
- Operating earnings EBIT I of € 809 million very close to forecast
- Second best year-end results with potash and magnesium products
- Mild winter adversely affects salt business
- Divestment of nitrogen business successfully completed
- Higher dividend proposal of € 1.40 per share intended for 2012
- Forecast for 2013 confirmed: Revenues and operating earnings should rise slightly

Key Data Business Development

KEY FIGURES (IFRS) ¹⁾

€ million	Q4/12	Q4/11	%	Consensus Q4/12 ⁷⁾	2012	2011	%	Consensus 2012 ⁷⁾
Revenues	941.6	1,021.5	(7.8)	964.6	3,935.3	3,996.8	(1.5)	3,958.3
EBITDA	243.9	281.2	(13.3)	250.4	1,037.7	1,146.0	(9.5)	1,044.3
EBITDA margin (%)	25.9	27.5	-	26.0	26.4	28.7	-	26.4
EBIT I	183.2	207.8	(11.8)	188.3	808.5	906.2	(10.8)	814.1
EBIT margin (%)	19.5	20.3	-	19.5	20.5	22.7	-	20.6
EBIT II	192.3	198.0	(2.9)	-	846.5	882.8	(4.1)	-
EBT	173.7	178.3	(2.6)	-	766.9	818.6	(6.3)	-
EBT, adjusted ²⁾	164.6	188.1	(12.5)	163.3	728.9	842.0	(13.4)	728.7
Group earnings from continued operations	138.1	142.9	(3.4)	-	568.0	608.8	(6.7)	-
Group earnings from continued operations, adjusted ²⁾	131.6	149.9	(12.2)	117.8	540.8	625.6	(13.6)	527.3
Group earnings after taxes ³⁾	137.1	151.1	(9.3)	-	667.6	564.3	+ 18.3	-
Group earnings after taxes, adjusted ^{2), 3)}	130.6	158.9	(17.8)	114.0	639.7	581.8	+ 10.0	625.0
EPS from continued operations (€)	0.72	0.74	(2.7)	-	2.97	3.18	(6.6)	-
EPS from continued operations (€), adjusted ²⁾	0.69	0.78	(11.5)	0.62	2.83	3.27	(13.5)	2.75
EPS (€) ³⁾	0.72	0.79	(8.9)	-	3.49	2.95	+ 18.3	-
EPS, adjusted (€) ^{2), 3)}	0.68	0.83	(18.1)	0.60	3.34	3.04	+ 9.9	3.27
ROCE (LTM) in %	-	-	-	-	20.0	25.2	-	-
Capex ⁴⁾	244.1	123.5	+ 97.7	-	465.5	293.1	+ 58.8	-
Gross cash flow	187.9	210.7	(10.8)	-	813.0	859.0	(5.4)	-
Delta net working capital ⁵⁾	(12.3)	(152.3)	-	-	(162.4)	(115.6)	-	-
Operating cash flow ⁵⁾	175.6	58.4	+ 200.7	-	650.6	743.4	(12.5)	-
Investing cash flow ⁶⁾	(185.0)	(89.7)	(106.2)	-	(408.1)	(494.7)	+ 17.5	-
- thereof acquisitions / divestments	-	-	-	-	(4.2)	(242.8)	-	-
- thereof cash-effective capex	(191.2)	(95.7)	(99.8)	-	(424.6)	(274.7)	(54.6)	-
Free Cash Flow ^{5), 6)}	(9.4)	(31.3)	(70.0)	-	242.5	248.7	(2.5)	-
Net debt	-	-	-	-	756.0	610.8	+ 23.8	-
- thereof net financial liabilities	-	-	-	-	(39.4)	(65.1)	-	-

¹⁾ Unless stated otherwise, information refers to the continued operations of the K+S Group.

²⁾ The adjusted key figures only include the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges (see also 'Notes to the income statement and the statement of comprehensive income' on page 182). Related effects on deferred and cash taxes are also eliminated; tax rate for 2012: 28.5% (2011: 28.4%).

³⁾ Earnings from continued and discontinued operations.

⁴⁾ Investments in property, plant and equipment, intangible and investment properties.

⁵⁾ Without out-financing of pension obligations in the amount of: Q1/12: € (3.7) million, Q2/12: € (3.2) million, Q3/12: € (3.2) million, Q4/12: € (33.3) million, 2012: € (43.4) million, 2011: € (110.0) million.

⁶⁾ Without investments in/sales of securities and other financial investments in the amount of: Q1/12: € (59.0) million, Q2/12: € (145.0) million, Q3/12: € (360.3) million, Q4/12: € +5.8 million, 2012: € (558.5) million, 2011: € (372.4) million.

⁷⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1 March 2013; 26 analysts participated.

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Earnings Forecast

FORECASTS FOR THE YEARS 2012 AND 2013

	Unit	Actual 2011	Development of forecasts for 2012				Actual 2012	Consensus 2012 ²⁾	Forecasts for 2013	Consensus 2013 ²⁾
			Forecast							
			Forecast Report 2011 ¹⁾	Forecast Q1/12 ¹⁾	Forecast H1/12	Forecast Q3/12				
K+S Group										
Revenues	€ billion	4.0	stable	stable	3.9 to 4.2	good 3.9	3.94	3.96	slight increase	4.03
EBITDA	€ million	1,146.0	moderate decrease	moderate decrease	1,050 to 1,130	about 1,050	1,037.7	1,044.3	slight increase	1,037.0
Operating Earnings (EBIT I)	€ million	906.2	moderate decrease	moderate decrease	820 to 920	about 820	808.5	814.1	slight increase	785.6
Financial result	€ million	(64.2)	stable	stable	tangible decrease	significant decrease	(79.6)	(83.4)	stable	(72.0)
Group tax rate, adjusted	%	25.7	27 to 28	27 to 28	27 to 28	27 to 28	25.8	27.6	26 to 27	27.6
Group earnings from continued operations, adjusted	€ million	625.6	moderate decrease	moderate decrease	540 to 600	about 530	540.8	527.3	slight increase	526.0
Earnings per share from continued operations, adjusted	€	3.27	moderate decrease	moderate decrease	2.85 to 3.15	about 2.75	2.83	2.75	slight increase	2.75
Group earnings after taxes, adjusted ³⁾	€ million	581.8	moderate decrease	moderate decrease	630 to 690	about 630	639.7	625.0	–	–
Earnings per share, adjusted ³⁾	€	3.04	moderate decrease	moderate decrease	3.30 to 3.60	about 3.30	3.34	3.27	–	–
Dividend ⁴⁾	€	1.30	at least stable	at least stable	chance to increase	chance to increase	1.40	1.38	below the level of 2012	1.20
Capital expenditure ⁵⁾	€ million	293.1	a good 600	a good 600	a good 600	about 520	465.5 ⁶⁾	–	just under 1,100 ⁷⁾	–
Depreciation and amortisation ⁵⁾	€ million	239.9	240	230	230	230	229.2	230.2	240 to 250	251.4
Energy costs	€ million	277.0	significant increase	significant increase	significant increase	significant increase	314.1	–	moderate decrease	–
Personnel expenses	€ million	962.0	slight increase	slight increase	slight increase	slight increase	981.9	–	stable	–
Freight costs	€ million	742.1	moderate decrease	moderate decrease	moderate decrease	tangible decrease	660.7	–	moderate increase	–
Potash and Magnesium Products business segment										
Sales volume	t million	6.94	at the level of 2011	at the level of 2011	at the level of 2011	6.9	6.95	6.93	about 7	7.00
Salt business segment										
Sales volume crystallised salt	t million	22.73	a good 19	less than 19	18 to 19	18 to 19	17.56	–	a good 22	–
- of which de-icing salt	t million	13.31	about 10	less than 10	a good 9	a good 9	8.33	–	12 to 13	–

¹⁾ Forecast still includes the discontinued operations of the nitrogen business.

²⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1 March 2013; 26 analysts participated.

³⁾ Earnings from continued and discontinued operations.

⁴⁾ The figure for 2012 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⁾ Of this, about € 142.8 million is accounted for by expenditure on the Legacy Project.

⁷⁾ Of this, about CAD 830 million (about € 625 million) should be accounted for by expenditure on the Legacy Project.

Our estimates are based, among other things, on a number of factors, including:

- the expectation of consistently attractive agricultural prices;
- a sales volume for potash and magnesium products of about 7 million tonnes (2012: 6.95 million tonnes) and, compared with 2012, lower average prices in the Potash and Magnesium Products business unit. It should be taken into consideration that an average exchange rate of 1.33 USD/EUR underlying this forecast, in 2013 overall compares, particularly in months with high overseas volumes, with a stronger US dollar in 2012;
- average and – compared to the below-average sales volume of the previous year 2012 (17.56 million tonnes) – significantly higher sales volume of crystallised salt of a good 22 million tonnes (of which de-icing salt: 12 to 13 million tonnes, 2012: 8.33 million tonnes);
- a stable financial result, as the absence of the non-cash, unplanned interest expenses for provisions for mining obligations resulting from the lowering of the average weighted discount factor should be offset higher interest expense related to the first-time inclusion of the bond issued in June 2012 for the year as a whole;
- at 26% to 27%, a slightly higher adjusted Group tax ratio (2012: 25.8%).

Attractive prospects for 2014

In **2014**, revenues of the K+S Group should increase slightly once again in comparison to 2013. In both the Potash and Magnesium Products and the Salt business unit, we assume an increase in revenues. As regards operating earnings too, we see chances of a slight increase in comparison to 2013. This should also have a correspondingly positive effect on the adjusted Group earnings after taxes.

Future industry situation

Fertilizer business sector

For **2013**, we expect a tangible increase in global potash sales volumes to about 59 million tonnes (2012e: about 54 million tonnes), including about 3 million tonnes of potassium sulphate and potash grades with lower active ingredients. The estimate is based primarily on a price level for agricultural raw materials which remains attractive for the income prospects of the agricultural sector, and on the expectation of a significant increase in demand in China and India after the buying restraint in 2012. In our Potash and Magnesium business unit, for 2013, we assume a sales volume of about 7 million tonnes (2012: 6.95 million tonnes), which would make us the fifth largest single producer in the world with a market share of about 10 %.

Salt business sector

Over the coming years too, the situation of the industry and competition in Europe will be shaped by pressure to consolidate in the salt industry. A low level of freight costs could exacerbate the highly competitive market situation for European producers due to rising imports from non-EU countries. As Europe's largest salt producer, we are well prepared to meet the challenges arising in this market environment. In the case of Europe, we assume long-term average sales volume figures for de-icing salt in **2013**. After the below-average demand in 2012 as a result of the exceptionally mild weather conditions at the start of the year, the de-icing salt sales volume should again increase accordingly. Demand in the food grade and industrial salt segments should remain largely stable in **2013**, while the sales volume of salt for chemical use in Europe should normalise.

Potash and Magnesium Products Business Unit

- The prospects for the development of demand for fertilizers containing potash and magnesium continue to be attractive particularly in the markets relevant to us, so that, from today's perspective, we are anticipating a sales volume of approximately 7 million tonnes for **2013** (2012: 6.95 million tonnes).

- After international prices for potassium chloride came under pressure during the fourth quarter of 2012 due to the absence of the conclusion of agreements of North American and Russian producers with Chinese and Indian customers at that time, the average price level for the product portfolio of the Potash and Magnesium Products business unit in 2013 should be below that of 2012.
- On this basis, **revenues** of the Potash and Magnesium Products business unit should decrease due to price factors year on year.
- On a stable cost level, we expect operating earnings that should be below the level achieved in 2012.
- From the perspective of today, we expect a slightly increasing sales volume as well as a revenue increase, which should also lead to an improvement in earnings in 2014.

Salt Business Unit

- As a result of the normalisation of the de-icing salt business, we expect higher revenues due to volume factors in 2013 for the Salt business unit in comparison to the previous year. This forecast assumes long term averages for the early stocking-up business and the 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.
- At a good 22 million tonnes, our assessment is based on average and – compared with the below-average sales volume of the previous year 2012 (17.56 million tonnes) – significantly higher sales of crystallised salt (of which de-icing salt: 12 to 13 million tonnes; 2012: 8.33 million tonnes).
- Against the background of the higher proportion of fixed costs customary in the mining industry, the significantly higher capacity utilisation should lead to an improvement in operating earnings.
- After prices for de-icing salt came under pressure in the tenders for the 2012/13 winter season due to higher stocks on the part of customers both in Europe and North America, a normalisation of the de-icing business and stocks on the part of customers should have a correspondingly positive effect on tenders for the 2013/14 winter season. For 2014, on the basis of a normal winter business that follows the long-term average of historical de-icing salt volumes, we are anticipating a price-related increase in revenues and a further improvement of operating earnings compared to 2013.

Complementary Activities

- For 2013 and 2014, from today's perspective, we assume stable revenues and stable operating earnings.

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Business Segment Performance

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

€ million	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	Q2/12	Q3/12	Q4/12	2012	Consensus 2012 ¹⁾
Potash and Magnesium Products	579.1	502.4	508.9	543.2	2,133.6	581.9	669.5	560.5	478.7	2,290.6	2,296.8
Salt	682.5	282.4	306.5	438.7	1,710.1	458.5	287.7	318.5	420.1	1,484.8	1,504.8
Complementary Activities	38.2	36.4	37.7	38.1	150.4	39.1	38.1	36.4	40.1	153.7	151.3
Reconciliation	0.3	0.5	0.4	1.5	2.7	1.1	1.2	1.2	2.7	6.2	3.5
Revenues K+S Group	1,300.1	821.7	853.5	1,021.5	3,996.8	1,080.6	996.5	916.6	941.6	3,935.3	3,958.3
Potash and Magnesium Products	224.2	205.9	192.8	210.9	833.8	231.4	263.7	182.4	192.7	870.2	845.8
Salt	169.9	40.9	43.6	83.5	337.9	74.4	18.0	35.1	52.8	180.3	211.0
Complementary Activities	9.7	6.2	8.2	4.9	29.0	8.5	8.3	7.7	3.8	28.3	32.4
Reconciliation	(13.2)	(16.0)	(7.4)	(18.1)	(54.7)	(10.1)	(14.2)	(11.4)	(5.4)	(41.1)	(48.4)
EBITDA K+S Group	390.6	237.0	237.2	281.2	1,146.0	304.2	275.8	213.8	243.9	1,037.7	1,044.3
Potash and Magnesium Products	202.4	184.4	171.3	181.4	739.5	208.5	240.7	158.8	165.9	773.9	749.7
Salt	139.1	11.0	13.3	48.0	211.4	45.5	(11.4)	5.1	23.2	62.4	94.5
Complementary Activities	8.1	4.6	6.6	(1.4)	17.9	6.9	6.7	6.0	1.5	21.1	24.9
Reconciliation	(14.9)	(18.1)	(9.4)	(20.2)	(62.6)	(12.1)	(16.2)	(13.2)	(7.4)	(48.9)	(56.8)
EBIT I K+S Group	334.7	181.9	181.8	207.8	906.2	248.8	219.8	156.7	183.2	808.5	814.1

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1. March 2013; 26 analysts participated.

Business Segment Information

K+S Group

€ million	Q4/12	Q4/11	%	Consensus ¹⁾	2012	2011	%	Consensus ¹⁾
Revenues	941.6	1,021.5	(7.8)	964.6	3,935.3	3,996.8	(1.5)	3,958.3
- volume/structure (%)	-	-	(10.1)	-	-	-	(8.0)	-
- prices/price-related (%)	-	-	+ 0.1	-	-	-	+ 2.5	-
- exchange rates (%)	-	-	+ 2.1	-	-	-	+ 3.8	-
- consolidation (%)	-	-	+ 0.3	-	-	-	+ 0.2	-
EBITDA	243.9	281.2	(13.3)	250.4	1,037.7	1,146.0	(9.5)	1,044.3
EBIT I	183.2	207.8	(11.8)	188.3	808.5	906.2	(10.8)	814.1

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1. March 2013; 26 analysts participated.

- At € 3,935.3 million, **revenues** for financial year 2012 were almost on the same level as a year ago (€ 3,996.8 million). A certain seasonality can generally be recognised from the quarterly revenue figures posted during the course of the year; thus, the first and fourth quarters tend to be stronger, and the second and third somewhat weaker. In terms of volumes, the first quarter for the Potash and Magnesium business unit usually profits from the start of spring fertilization in Europe. The de-icing salt business is normally focused on the first and fourth quarters of a year, while during the second and third quarters, customers stock up early at prices that are usually more favourable. In 2012, the Potash and Magnesium Products business unit saw shifts into the second quarter as the early stocking-up of fertilizers at the start of the year was still marked by caution. In addition, less de-icing salt was sold in the first and fourth quarters of 2012 given mild and dry weather conditions.
- In 2012, **operating earnings EBIT I**, fell by € 97.7 million or 11% to € 808.5 million (2011: € 906.2 million). These include depreciation of € 229.2 million, which decreased by € 10.6 million in comparison to the previous year. At 20.5%, the EBIT

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margin reached a very good level. Operating earnings were especially influenced by the following effects: The Potash and Magnesium Products business unit was able to increase its earnings mainly as a result of higher average prices. The earnings of the Salt business unit fell strongly compared to the previous year, as the de-icing salt business was below average due to dry and mild weather conditions, having benefited from an above-average winter in the previous year. Complementary Activities were able to increase earnings by € 3.2 million. The balance of expenses and income, which cannot be allocated to the business units (reconciliation), improved in the year under review especially as a result of lower performance-related remuneration for the Board of Executive Directors and employees, to € (48.9) million (2011: € (62.6) million).

Potash & Magnesium Business Unit

€ million	Q4/12	Q4/11	%	Consensus ¹⁾	2012	2011	%	Consensus ¹⁾
Revenues	478.7	543.2	(11.9)	484.9	2,290.6	2,133.6	+ 7.4	2,296.8
- volume/structure	–	–	(8.1)	–	–	–	+ 0.7	–
- prices/price-related	–	–	(5.1)	–	–	–	+ 3.3	–
- exchange rates	–	–	+ 1.3	–	–	–	+ 3.4	–
- consolidation	–	–	–	–	–	–	–	–
EBITDA	192.7	210.9	(8.6)	169.7	870.2	833.8	+ 4.4	845.8
EBIT I	165.9	181.4	(8.5)	141.7	773.9	739.5	+ 4.7	749.7
Revenues	478.7	543.2	(11.9)	484.9	2,290.6	2,133.6	+ 7.4	2,296.8
- Potassium chloride	213.4	255.0	(16.3)	–	1,171.8	1,035.1	+ 13.2	–
- Fertilizer specialities	198.3	210.9	(6.0)	–	835.6	807.1	+ 3.5	–
- Industrial products	67.0	77.3	(13.3)	–	283.2	291.4	(2.8)	–

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1. March 2013; 26 analysts participated.

- In financial year 2012, **revenues** of the business unit increased by € 157.0 million or 7% to € 2,290.6 million; this is attributable to a significant increase in the average price of the product range as well as to a positive development of the exchange rate. Sales volumes in 2012 totalled 6.95 million tonnes and were on a par with the high level of the previous year (6.94 million tonnes). The proportion of revenues generated in Europe in the year under review amounted to 49%; this revenue share is largely free of any direct foreign exchange risk. A large part of the remaining revenues was generated in South America and Asia. During the year under review, revenues for potassium chloride – our most significant product in terms of volume – rose by € 136.7 million or 13% to € 1,171.8 million; increased sales volumes, positive exchange rate effects as well as higher average prices compared with the previous year resulted in this rise. In Europe, we sold 1.03 million tonnes of potassium chloride; this figure was down about 8% on the previous year (2011: 1.12 million tonnes). Overseas sales amounted to 2.22 million tonnes and were thus 14% up on the previous year (2011: 1.95 million tonnes). With fertilizer specialities, we achieved revenues of € 835.6 million during the past financial year, an increase of almost 4% (2011: € 807.1 million). In this product group too, the decisive factor were higher prices on average, which, in conjunction with positive currency effects, were able to more than make up for decreases in sales volumes in Europe. While the European sales volume reached 1.97 million tonnes (5%), at 0.99 million tonnes, the sales volume overseas was 1% higher than in the previous year. In the industrial products area, revenues decreased by 3% to € 283.2 million (2011: € 291.4 million); positive price and currency effects were not able to make up for negative volume effects. Sales volumes amounted to 0.51 million tonnes (7%) in Europe and to 0.23 million tonnes (12%) overseas.
- It proved possible to increase **operating earnings EBIT I** by € 34.4 million or 5% to € 773.9 million. This includes depreciation of € 96.3 million, which increased by € 2.0 million in comparison to those for the previous year. The improvement in earnings is particularly attributable to higher average prices across the overall product range; these were able to more than make up for increased costs, especially in the case of personnel, energy, costs for the Legacy Project as well as the effect of the reduction in stocks. Earnings for 2012 benefited by about € 8 million from the stronger US dollar.

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

		Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	Q2/12	Q3/12	Q4/12	2012	Consensus 2012 ²⁾
Revenues	€ million	579.1	502.4	508.9	543.2	2,133.6	581.9	669.5	560.5	478.7	2,290.6	2,296.8
Europe	€ million	338.6	276.4	263.6	261.3	1,139.9	318.7	273.0	268.4	258.6	1,118.7	–
Overseas	US\$ million	329.0	325.6	346.1	380.1	1,380.8	345.0	508.1	365.2	285.4	1,503.7	–
Sales volumes	t eff. million	2.01	1.66	1.61	1.66	6.94	1.78	1.96	1.69	1.52	6.95	6.93
Europe	t eff. million	1.19	0.87	0.86	0.83	3.75	0.98	0.85	0.85	0.84	3.52	–
Overseas	t eff. million	0.82	0.79	0.75	0.83	3.19	0.80	1.11	0.84	0.68	3.43	–
Average prices	€/t eff.	287.8	302.2	316.1	327.2	307.6	327.4	340.8	332.3	314.2	329.4	331.5
Europe	€/t eff.	284.7	315.0	310.1	314.8	304.2	326.1	319.5	315.7	308.4	317.8	–
Overseas	US\$/t eff.	399.7	414.9	459.8	457.9	432.8	431.1	457.7	436.5	415.4	437.9	–

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 1. March 2013; 26 analysts participated.

Salt Business Unit

€ million	Q4/12	Q4/11	%	Consensus ¹⁾	2012	2011	%	Consensus ¹⁾
Revenues	420.1	438.7	(4.2)	440.1	1,484.8	1,710.1	(13.2)	1,504.8
- volume/structure (%)	–	–	(14.2)	–	–	–	(19.7)	–
- prices/price-related (%)	–	–	+ 6.3	–	–	–	+ 1.7	–
- exchange rates (%)	–	–	+ 3.2	–	–	–	+ 4.5	–
- consolidation (%)	–	–	+ 0.5	–	–	–	+ 0.3	–
EBITDA	52.8	83.5	(36.8)	84.9	180.3	337.9	(46.6)	211.0
EBIT I	23.2	48.0	(51.7)	55.3	62.4	211.4	(70.5)	94.5
Revenues	420.1	438.7	(4.2)	440.1	1,484.8	1,710.1	(13.2)	1,504.8
- Food grade salt	81.3	80.4	+ 1.1	–	339.4	314.7	+ 7.8	–
- Industrial salt	126.1	126.1	+ 0.0	–	502.4	489.4	+ 2.7	–
- Salt for chemical use	32.2	28.6	+ 12.6	–	117.4	99.6	+ 17.9	–
- De-icing salt	161.7	185.2	(12.7)	–	456.0	739.7	(38.4)	–
- Other	18.8	18.4	+ 2.2	–	69.6	66.7	+ 4.3	–

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1. March 2013; 26 analysts participated.

- In the year under review, **revenues** generated by the Salt business unit amounted to € 1,484.8 million and were thus down € 225.3 million or 13% on the previous year's figure. Negative volume effects contrasted with positive currency and structural effects. Sales of crystallised salt during the year under review totalled 17.56 million tonnes and were thus down just under 23% on the high level of the previous year (22.73 million tonnes) as a result of the mild and dry weather conditions during the year under review. Last year, just under 25% of the revenues of the Salt business unit were generated in Europe and are therefore largely free of any direct foreign exchange risk. The largest share of revenues was achieved in North America at 64%; in South America the share was around 9%. At € 339.4 million, food grade salt revenues were up € 24.7 million or just under 8% for the year under review. Higher prices in North and South America as well as positive currency effects could more than make up for negative volume and structural effects. The sales volume amounted to 1.42 million tonnes and was down about 7% year on year. Revenues for industrial salts, e.g. fishery, feed and high-purity pharmaceutical salts, rose slightly to € 502.4 million for the past financial year, having amounted to € 489.4 million in the previous year. Positive currency and price effects could make up for lower sales volumes in Europe as well as

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in North and South America. Sales volumes amounted to 4.94 million tonnes and were thus down 6% on the previous year's figure (5.26 million tonnes) as a result of buying restraint with respect to water softening products in North America. At € 117.3 million, revenues in the salt for chemical use business were up € 17.8 million or 18% on the previous year's figure. The increase in revenues is attributable to positive volume and currency effects. The sales volume amounted to 2.87 million tonnes and was up 9% year on year (2.63 million tonnes). De-icing salt revenues for the year under review amounted to € 456.0 million; as a result of the exceptionally mild and dry weather conditions in both Europe and North America, this corresponds to a decrease of € 283.7 million or 38% compared with the high figure of € 739.7 million for the previous year. Positive currency effects could only slightly offset the effects of sharp volume decreases and moderate price declines. Sales volumes fell strongly year on year and amounted to 8.33 million tonnes (2011: 13.31 million tonnes). 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" rose by € 2.9 million to € 69.6 million; positive price and currency effects could more than make up for volume decreases as a result of lower transport volume at EMPREMAR.

- At € 62.4 million, **operating earnings EBIT I** of the Salt business unit were down € 149.0 million or about 70% on the figure for the preceding year (€ 211.4 million). Operating earnings EBIT I include depreciation of € 117.9 million (2011: € 126.5 million). The exceptionally strong decline in earnings compared with the above-average earnings for the previous year is due, in particular, to declining volumes in the de-icing salt business in Europe and North America, mainly prompted by the exceptionally mild and dry weather conditions. The non-recurrent expense arising from the disposal of three ships belonging to the Chilean shipping company EMPREMAR had an impact of € (10.7) million. The cost savings introduced as a result of the weaker demand for de-icing salt could only slightly offset the decrease in earnings. 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 2012 were adversely affected by between € 90 million and € 110 million as a result of the below-average de-icing salt business in comparison to the long-term average figure, while the earnings in 2011 had still benefited from a positive winter effect by between € 20 million and € 30 million.

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ¹⁾

	Unit	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	Q2/12	Q3/12	Q4/12	2012
De-icing salt											
Revenues	€ million	435.0	45.3	74.1	185.3	739.7	207.3	29.6	57.4	161.7	456.0
Sales volumes	t million	7.94	0.74	1.35	3.28	13.31	4.02	0.60	1.11	2.60	8.33
Average price	€/t	55.6 ²⁾	52.2 ²⁾	55.0	56.6	55.6	51.5	49.6	51.7	62.2	54.7
Industrial salt, salt for chemical use and food grade salt											
Revenues	€ million	226.9	223.2	218.5	235.1	903.7	228.1	245.7	245.8	239.6	959.2
Sales volumes	t million	2.24	2.47	2.17	2.54	9.42	2.16	2.38	2.23	2.46	9.23
Average price	€/t	101.2	90.3	100.7	92.6	95.9	105.8	103.2	110.0	97.5	104.0
Other											
Revenues	€ million	20.6	13.9	13.9	18.3	66.7	23.1	12.4	15.3	18.8	69.6
Salt business segment											
Revenues	€ million	682.5	282.4	306.5	438.7	1,710.1	458.5	287.7	318.5	420.1	1,484.8

¹⁾ Revenues include prices both inclusive and exclusive of 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.

²⁾ Adjusted for additional claims against customers in Europe, which had exceeded their contractually agreed volumes for the icing salt in Q1/11. Unadjusted, the average prices in Q1/11 is € 54.8 per tonne and, in Q2/11, € 61.0 per tonne.

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Complementary Activities

€ million	Q4/12	Q4/11	%	Consensus ¹⁾	2012	2011	%	Consensus ¹⁾
Revenues	40.1	38.1	+ 5.2	37.7	153.7	150.4	+ 2.2	151.3
- volume/structure (%)	-	-	+ 8.3	-	-	-	+ 2.4	-
- prices/price-related (%)	-	-	(3.1)	-	-	-	(0.2)	-
- exchange rates (%)	-	-	-	-	-	-	-	-
- consolidation (%)	-	-	-	-	-	-	-	-
EBITDA	3.8	4.9	(22.4)	7.9	28.3	29.0	(2.4)	32.4
EBIT I	1.5	(1.4)	(207.1)	5.3	21.1	17.9	+ 17.9	24.9
Revenues	40.1	38.1	+ 5.2	37.7	153.7	150.4	+ 2.2	151.3
- Waste management &	22.5	21.8	+ 3.2	-	88.7	87.7	+ 1.1	-
- Logistics	4.1	3.9	+ 5.1	-	13.1	14.6	(10.3)	-
- Animal hygiene products	10.0	9.4	+ 6.4	-	36.9	35.3	+ 4.5	-
- Trading	3.5	3.0	+ 16.7	-	15.0	12.8	+ 17.2	-

¹⁾ Median estimate of consensus poll surveyed by K+S-Investor Relations as of 1 March 2013; 26 analysts participated.

- At € 153.7 million, **revenues** for Complementary Activities were a good 2% above the level of the previous year. According to IFRS, internal revenues deriving from services rendered to K+S Group companies are not included in these figures. Including these internal revenues, total revenues for the year under review amounted to € 187.1 million (2011: € 188.1 million). In the Waste Management and Recycling business unit, revenues rose slightly to € 88.7 million (2011: € 87.7 million), and in CFK (Trading), they rose to € 15.0 million (2011: € 12.8 million). Revenues in the Animal Hygiene Products business unit rose to € 36.9 million (2011: € 35.3 million) mainly as a result of volume factors while revenues for K+S Transport GmbH fell by just about 10% to € 13.1 million as a result of a change in the classification of third-party and internal revenues.
- **Operating earnings EBIT I** rose to € 21.1 million (2011: € 17.9 million). Depreciation normalised at a level of € 7.2 million in 2012, after 2011 had been burdened by € 4.6 million as a result of unscheduled depreciation on ship investments in the Logistics business unit. Higher contributions to earnings in K+S Transport GmbH, CFK (Trading) and Animal Hygiene Products could more than make up for the decrease in earnings in the Waste Management and Recycling business.

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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.