

2014 Annual Financial Statements*

K+S Aktiengesellschaft
Kassel, Germany

*The Management Report of K+S Aktiengesellschaft and the Group Management Report for the 2014 financial year are combined in the 2014 Financial Report.

Income Statement

In € thousand	2014	2013
Revenues	115,425	78,439
Cost of sales	111,011	81,316
Gross profit	4,414	-2,877
Selling expenses	3,354	4,129
General and administrative expenses	28,307	27,408
Research costs	3,130	4,070
Other operating income	81,711	41,271
Other operating expenses	98,294	71,673
Income from investments, net	552,369	593,998
Net interest income	-120,061	-54,638
Write-downs of long-term financial assets and securities classified as current assets	-82	-3,999
Result from ordinary activities	385,266	466,475
Earnings before income taxes	385,266	466,475
Taxes on income	123,424	154,369
Net income	261,842	312,106
Profit carried forward	-	26,255
Allocation from net income to other revenue reserves	79,509	156,012
Accumulated profit	182,333	182,349

Balance Sheet

In € thousand	31.12.2014	31.12.2013
Intangible assets	14,001	56
Property, plant and equipment	60,713	39,232
Financial assets	4,623,824	4,101,182
Fixed assets	4,698,538	4,140,470
Inventories	1,469	1,377
Receivables and other assets	891,814	756,853
Securities	245,096	653,836
Cash on hand and bank balances	150,284	355,418
Current assets	1,288,663	1,767,484
Prepaid expenses	15,023	15,793
Positive consolidation difference arising from offsetting of assets	8,347	17,889
ASSETS	6,010,571	5,941,636

In € thousand	31.12.2014	31.12.2013
Subscribed capital	191,400	191,400
Capital reserve	701,616	701,616
Retained income	1,103,000	889,000
Accumulated profit	182,333	182,349
Equity	2,178,349	1,964,365
Tax provisions	17,130	21,078
Other provisions	172,989	184,330
Provisions	190,119	205,408
Liabilities	3,641,278	3,771,313
Deferred expenses	825	550
EQUITY AND LIABILITIES	6,010,571	5,941,636

Development of Fixed Assets

In € thousand	Gross carrying amounts					Depreciation, amortisation and write-downs						Net carrying amounts		
	Balance as of 1 January 2014	Merger	Additions	Disposals	Reclassification	Balance as of 31 December 2014	Balance as of 1 January 2014	Merger	Additions	Disposals	Reclassification	Balance as of 31 December 2014	Balance as of 31 December 2014	Balance as of 31 December 2013
Intangible assets														
Other acquired concessions, industrial property rights, similar rights and assets, and licences for such rights and assets	2,603	23,049	1,359	3,019	355	24,347	2,547	8,533	4,406	3,002	-	12,484	11,863	56
Prepayments	-	1,723	974	-	-559	2,138	-	-	-	-	-	-	2,138	-
	2,603	24,772	2,333	3,019	-204	26,485	2,547	8,533	4,406	3,002	-	12,484	14,001	56
Property, plant and equipment														
Land, land rights and buildings including buildings on third-party land	65,389	-	255	543	10	65,111	43,132	-	944	540	2	43,538	21,573	22,257
Plant and machinery	31,802	-	6,758	1,025	3,117	40,652	26,319	-	1,285	1,017	-2	26,585	14,067	5,483
Other equipment, operating and office equipment	22,395	41,153	1,730	12,672	188	52,794	16,763	36,184	5,537	12,643	-	45,841	6,953	5,632
Prepayments and assets under construction	5,860	-	15,633	262	-3,111	18,120	-	-	-	-	-	-	18,120	5,860
	125,446	41,153	24,376	14,502	204	176,677	86,214	36,184	7,766	14,200	-	115,964	60,713	39,232
Financial assets														
Shares in affiliated companies	3,778,476	-5,050	835,567	-	-	4,608,993	26,956	-	-	-	-	26,956	4,582,037	3,751,520
Equity interests	66	-	-	-	-	66	-	-	-	-	-	-	66	66
Loans to companies in which we hold equity investments	130	-	-	130	-	-	-	-	-	-	-	-	-	130
Securities held as long-term investments	320,869	-	49,034	337,211	-	32,692	4,386	-	2	4,377	-	11	32,681	316,483
Other loans and financial assets	32,983	16	48,082	71,961	-	9,120	-	-	80	-	-	80	9,040	32,983
	4,132,524	-5,034	932,683	409,302	-	4,650,871	31,342	-	82	4,377	-	27,047	4,623,824	4,101,182
Fixed assets	4,260,573	60,891	959,392	426,823	-	4,854,033	120,103	44,717	12,254	21,579	-	155,495	4,698,538	4,140,470

Notes

General principles

The annual financial statements of K+S Aktiengesellschaft as of 31 December 2014 have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch - HGB) and the German Stock Corporation Act (Aktiengesetz – AktG). In the interests of clearer presentation, individual items on the balance sheet and on the income statement have been grouped together. These items are listed separately in the Notes and comments made. The individual items in the annual financial statements are presented in € thousands (T€).

Significant changes

The merger of K+S Aktiengesellschaft with K+S IT Services GmbH became effective upon entry in the Companies' Register on 29 July 2014. The merger became effective retrospectively on 1 January 2014 and consequently both the balance sheet values as of 31 December 2014 compared with the same reporting date in the previous year, and the items on the income statement, can only be compared with the same period in the previous year to a limited degree. The profit resulting from the merger was T€ 551 and is reported under Other operating income. The fixed assets recognised at carrying amounts are listed separately in the statement of asset additions and disposals ('Merger' column).

Accounting and valuation principles

Intangible assets

Acquired intangible assets are recognised at acquisition cost and systematically amortised on a straight-line basis over their expected useful lives. Software is reported as a disposal after it has been amortised in full. Unscheduled amortisation to the lower fair value is recorded in the event of a probable permanent impairment in value. Self-generated intangible assets are not capitalised.

Property, plant and equipment

Tangible assets are valued at acquisition or manufacturing cost less scheduled depreciation and amortisation. Besides directly attributable costs, the manufacturing costs of capital goods also include a pro rata share of material and production overheads, including depreciation and amortisation. Interest on debt is not capitalised.

Movable assets acquired before 1 January 2010 are depreciated largely on a sliding scale. Movable assets acquired after 31 December 2009, as well as immovable assets, are depreciated using the straight-line method.

Depreciation and amortisation rates depend on expected useful lives. For buildings these are usually 14 to 33 years, for plant and machinery 5 to 25 years, and for Other equipment, operating and office equipment 3 to 13 years. Low-value assets are completely written off in the year of purchase and reported as disposals after five years.

Unscheduled depreciation and amortisation is performed in the event of a probable permanent impairment in value. If the reasons for unscheduled depreciation and amortisation cease to exist, the asset is written back. Gallery and excavation work is not capitalised.

Financial assets

Shares in affiliated companies, Equity interests and Securities held as long-term investments are valued at acquisition cost or, in the case of a probable permanent impairment in value, at the lower fair value on the balance sheet date.

Loans are recognised at acquisition cost or, in the case of non-interest-bearing or low-interest loans, at present value. Identifiable risks are taken into account through unscheduled depreciation and amortisation.

Inventories

Inventories are recognised at acquisition or manufacturing cost, observing the lower-of-cost-or-market principle. Besides direct costs, manufacturing costs include appropriate portions of the necessary material and production overheads as well as the depreciation and amortisation of fixed assets.

Receivables and other assets

Receivables are recognised at nominal or present value, depending on their maturity term. Individual risks are reflected by depreciation and amortisation and general credit risk is reflected by a flat-rate value adjustment.

Other assets are recognised at the lower of cost or fair value.

Current-asset securities

Current-asset securities are valued at acquisition cost or at the lower of stock market price or fair value as of the balance sheet date.

Deferred expenses

Use is made of the option provided by Section 250 (3) of the German Commercial Code (HGB) to form accruals for discounts arising from raising liabilities.

Offsetting of assets, income and expenses

Assets that are used solely to discharge pension obligations and fulfilment shortfalls from partial retirement obligations and to which all other creditors have no access (cover fund within the meaning of Section 246 (2) (2) of the German Commercial Code (HGB)) are valued at their fair value. In the income statement, income and expenses from these assets are offset against expenses arising from accumulation of the relevant liabilities, and the balance is shown under Net interest income. In the balance sheet, these assets are offset against the respective underlying liabilities. The resulting surpluses are shown under Provisions for pensions and similar obligations (pension obligations) and under Other provisions (fulfilment shortfalls from partial retirement

obligations). A surplus of assets is shown as a positive consolidation difference arising from the offsetting of assets.

Provisions for pensions and similar obligations

The amount required to fulfil pension obligations is determined using the projected unit credit method, applying actuarial principles. The option provided by Section 253 (2) (2) of the German Commercial Code (HGB) is used to determine the maturity-congruent discount factor. Pension obligations are discounted on a lump-sum basis according to the average market interest rate over the previous seven years determined by the German Bundesbank, which results from an expected residual maturity of 15 years. This discount rate is 4.55% as of the balance sheet date.

The salary and pension trends assumed each amount to 1.8%. The probabilities of death are based on the Heubeck mortality tables (2005G).

Other provisions

Other provisions are created for uncertain liabilities and for contingent losses from pending transactions, taking into account expected future price and cost increases. Provisions with a residual term of more than one year accrue interest according to the maturity-congruent average market interest rate for the previous seven years determined and announced by the German Bundesbank.

Provisions for mining obligations related to mine and shaft backfilling are stated at the present value of expected future expenses. The present value is calculated based on the current average discount factor for mining obligations of 4.1% and an annual price increase of 1.5%. The discount factor is based on the weighted average of the discount factors announced by the German Bundesbank. Mining provisions also include restoration obligations. Provisions for mining damage are determined on the basis of past instances of damage in order to take account of the actual risk. The provisions for length-of-service bonuses are determined for completed periods of service in accordance with the modified entry age actual method, applying actuarial principles. The amount required to fulfil partial retirement obligations is determined according to the present value method.

Insofar as the revaluation of provisions due to the first-time application of the BilMoG on 1 January 2010 would have resulted in a reversal of a certain amount which would have to be appropriated again by 31 December 2024 at the latest, the provisions existing as of 31 December 2009 have been retained in full in compliance with Article 67 (1) (2) of the Introductory Act to the German Commercial Code (EGHGB). The surplus amount as of the balance sheet date is stated in the explanations for Other provisions.

Liabilities

Liabilities are recognised at their settlement amount.

Deferred taxes

Deferred taxes are set aside to cover the temporary differences between the commercial law values and the tax values of assets, debts and prepaid expenses. Apart from the differences among its own balance sheet items, K+S Aktiengesellschaft also takes into account reporting and valuation differences in tax group subsidiaries. Losses and interest carried forward are taken into account as long as offsetting against taxable income within the next five years is realisable. Deferred taxes are measured on the basis of the combined income tax rate of 28.6% for the tax group companies of K+S Aktiengesellschaft. In addition to the corporate income tax rate of 15.0% and the solidarity surcharge of 5.5%, this takes into account an average trade tax rate of 12.78%.

The total resulting tax burden is reported in the balance sheet as a deferred tax liability. In the event of overall tax relief, the option of capitalisation in Section 274 (1) (2) of the German Commercial Code (HGB) is not used.

As of the balance sheet date, negative consolidation differences arise as a result of differences in reporting and measuring Accounts receivable - trade. Positive consolidation differences result primarily from differences in the carrying amounts of Other provisions (in particular mining law provisions), Intangible assets and Fixed assets. After offsetting positive and negative consolidation differences, there was an asset surplus for the reporting year that was not recognised in the balance sheet.

Valuation units and derivative financial instruments

No valuation units within the meaning of Section 254 of the German Commercial Code (HGB) were created during the financial year. Derivative financial instruments are carried unequally in the balance sheet in accordance with general accounting principles under commercial law. Asset-side financial derivatives are shown in the balance sheet up to their acquisition cost. If their fair value is less than their acquisition cost, the derivatives are written down to the lower fair value. In the case of a negative fair value, a provision is formed for anticipated losses. Liability-side financial derivatives are shown at least with the amount of the option premium received. If the negative fair value exceeds the value of the liability, a provision is formed for anticipated losses.

Foreign currency conversion

The acquisition costs of assets purchased in a foreign currency and proceeds from sales in foreign currencies are recorded at the reference euro exchange rates prevailing on the transaction date.

Liabilities in a foreign currency with a residual term of no more than one year are valued at the mean spot exchange rate on the balance sheet date. All other liabilities in a foreign currency are valued at the conversion rate on the transaction date or the higher mean spot exchange rate on the balance sheet date.

Receivables in a foreign currency with a residual term of no more than one year are valued at the mean spot exchange rate on the balance sheet date. All other receivables in a foreign currency are valued at the exchange rate on the transaction date or the lower mean spot exchange rate on the balance sheet date.

Notes to the balance sheet

Fixed assets

The development of the gross carrying amounts and depreciation, amortisation and write-downs of individual fixed asset items are presented separately.

Financial assets

The statement of shareholdings according to Section 285 (11) of the German Commercial Code (HGB) is presented separately in the 'List of shareholdings'.

INVENTORIES

In € thousand	2014	2013
Raw materials and supplies	1,462	1,377
Unfinished goods, work in progress	7	-
	1,469	1,377

RECEIVABLES AND OTHER ASSETS

In € thousand	2014	2013
Accounts receivable – trade	14,642	8,975
Receivables from affiliated companies	828,918	614,789
Other assets	48,254	133,089
	891,814	756,853

Of the Receivables from affiliated companies, T€ 131,820 (previous year: T€ 11,194) were receivables from payment transactions within the Group and T€ 552,291 (previous year: T€ 593,994) were receivables from profit and loss transfer. Moreover, T€ 132,450 were current receivables arising from the financing of securities transactions. They consist primarily of trade receivables of T€ 12,357 (previous year: T€ 9,597).

Other assets amounting to T€ 59 (previous year: T€ 197) have a residual term of more than one year.

Prepaid expenses

Prepaid expenses consist of discounts of T€ 5,035 (previous year: T€ 6,300) within the meaning of Section 250 (3) of the German Commercial Code (HGB).

Positive consolidation differences arising from offsetting of assets and provisions for pensions and similar obligations

There are no deficits in the Provisions for pensions and similar obligations. In the balance sheet, pension provisions are offset against assets to which creditors have no access and which are intended solely for the fulfilment of pension obligations.

As of the balance sheet date, the amount required to fulfil pensions and similar obligations was T€ 112,514 (without taking into account liabilities from deferred compensation). Offset against the fair value of the cover fund amounting to T€ 120,860, this results in a positive consolidation difference shown on the balance sheet of T€ 8,347. In addition, there are liabilities from deferred compensation of T€ 1,651, which are covered by concurrent insurance policies. The settlement amount was offset in full against the fair value of the insurance policies (T€ 1,651).

The cover fund comprises securities, reinsurance policies and bank balances. The securities are valued at their market prices and cash and bank balances at their par value as of the balance sheet date. The fair value of the reinsurance policies was determined on the basis of the cover fund of the insurance policies, plus any available excess from profit sharing. The acquisition costs of the cover fund were T€ 121,949.

Subscribed capital

The subscribed capital of K+S Aktiengesellschaft is € 191.4 million and is divided into 191.4 million no-par value registered shares.

Details of own shares

During the 2014 financial year, the Company acquired 90,521 own shares for employee share programmes at an average price of € 23.36. The maximum arithmetical proportion of the acquired shares in the share capital was 0.05%, and the amount of the share capital allocated to the acquired shares was T€ 91. All the shares acquired were issued to employees as part of the employee share programme. The resulting difference of T€ 8 was offset against revenue reserves in accordance with Section 272 (1b) (3) of the

German Commercial Code (HGB). The Company holds no shares of its own as of the balance sheet date.

According to the resolution passed by the Annual General Meeting on 11 May 2010, the Board of Executive Directors was authorised to acquire own shares up to 10% of the share capital by 10 May 2015. Purchases may be made on a stock exchange or by means of a public purchase offer directed to all shareholders. In the case of a purchase effected on a stock exchange or a public purchase offer addressed to all shareholders, the purchase price per share (exclusive of ancillary purchase costs) paid by the Company may not exceed or undercut the relevant exchange price by more than 10%.

CAPITAL RESERVE

In € thousand	2014	2013
Balance as of 1 January	701,616	701,616
Balance as of 31 December	701,616	701,616

OTHER RETAINED INCOME

In € thousand	2014	2013
Balance as of 1 January	889,000	733,000
Differential amount from the disposal of own shares	-8	-12
Allocation in accordance with resolution passed by the 2014 Annual General Meeting	134,499	-
Allocation from net income for the year	79,509	156,012
Balance as of 31 December	1,103,000	889,000

ACCUMULATED PROFIT

In € thousand	2014	2013
Accumulated profit as of 1 January	182,349	294,215
Dividend payment for previous year	-47,850	-267,960
Net income	261,842	312,106
Allocation to other revenue reserves (resolution passed by the 2014 Annual General Meeting)	-134,499	-
Allocation from net income to other revenue reserves	-79,509	-156,012
Accumulated profit as of 31 December	182,333	182,349

Other provisions

Other provisions adequately take all identifiable risks from pending transactions and uncertain liabilities into account. They arise mainly from mining obligations. In addition, there are primarily provisions for pending losses from hedging transactions and for personnel obligations.

The surplus amount of other provisions within the meaning of Article 67 (1) (4) of the Introductory Act to the German Commercial Code (EGHGB), resulting from the change-over to the BilMoG, was T€ 642 as of the balance sheet date (previous year: T€ 1,523).

In the balance sheet, provisions for fulfilment shortfalls from partial retirement obligations were offset against assets to which creditors have no access and which are intended solely for the fulfilment of partial retirement obligations.

PROVISIONS FOR PARTIAL RETIREMENT

In € thousand	2014	2013
Fulfilment amount for partial retirement obligations	1,154	1,920
Fair value of cover fund	874	1,513
Net value of partial retirement obligations (provision)	280	407
Acquisition cost of cover fund	874	1,513

The cover fund includes bank balances. Bank balances are valued at their par value as of the balance sheet date.

LIABILITIES

In € thousand	2014	2013
Bonds	1,500,000	2,250,000
Liabilities to banks	32,881	-
Accounts payable – trade	9,733	8,806
Liabilities to affiliated companies	2,081,671	1,489,230
Other liabilities	16,993	23,277
	3,641,278	3,771,313

Of the liabilities to affiliated companies, liabilities from Group financing account for T€ 2,064,269 (previous year: T€ 1,466,913). Of the liabilities to affiliated companies, T€ 0 (previous year: T€ 687,272) have a residual term of more than five years.

The liabilities with a residual term of up to one year consist of:

In € thousand	2014	2013
Liabilities to banks	32,881	-
Accounts payable – trade	9,733	8,806
Liabilities to affiliated companies	1,342,285	802,055
Other liabilities	16,430	22,630
	1,401,329	833,491

Other liabilities of T€ 111 (previous year: T€ 166) have a residual term of more than five years.

Other liabilities consist of:

In € thousand	2014	2013
Taxes	4,520	676
Liabilities relating to social security	387	443

TRANSACTIONS NOT DISCLOSED IN THE BALANCE SHEET AND OTHER FINANCIAL COMMITMENTS

In € thousand	2014	2013
Commitments from uncompleted capital expenditure projects	9,320	9,293
Commitments from long-term rental, leasing and service contracts		
due in the following year	4,380	7,634
- of which to affiliated companies	-	5,894
- due in years 2 to 5	11,923	26,964
- of which to affiliated companies	-	23,575
	25,622	43,891

There are control and profit transfer agreements with affiliated companies which also include a loss transfer.

Notes to the income statement

REVENUES BY OPERATING ACTIVITY

In € thousand	2014	2013
Animal hygiene products	39,533	39,021
IT	42,493	-
Other	33,399	39,418
	115,425	78,439

The revenues of the IT operating activity result from the business activity of K+S IT-Services GmbH which merged with K+S AG on 1 January 2014.

REVENUES BY REGION

In € thousand	2014	2013
Germany	102,933	76,465
Rest of Europe	1,990	334
Overseas	10,502	1,640
	115,425	78,439

COST OF SALES

Manufacturing costs were T€ 111,011 (previous year: T€ 81,316). Of this figure, T€ 38,475 were attributable to expenses from the IT operating activity.

OTHER OPERATING INCOME

In € thousand	2014	2013
Exchange rate gains	27,914	13,218
Income from exchange rate hedging transactions	22,876	11,573
Income from the reversal of provisions	17,690	2,042
Income from the charging of services to Group companies	4,042	5,536
Income from letting and leasing	2,739	2,975
Unrealised profits from the disposal of securities	3,389	926
Income from the merger of affiliated companies	551	-
Income from disposals of tangible assets	254	829
Income from the disposal of participating interests	-	1,346
Sundry income	2,256	2,826
	81,711	41,271

Income of T€ 18,174 (previous year: T€ 3,121) is to be assigned to other financial years and results mainly from the release of provisions.

Income from the foreign currency valuation of assets and debts amounts to T€ 8,245 (previous year: T€ 4,312).

OTHER OPERATING EXPENSES

In € thousand	2014	2013
Exchange rate losses	40,562	12,790
Expenses arising from exchange rate hedging transactions	16,387	10,849
Expenses for closed plants	11,355	1,481
Expenses related to approval processes	5,763	4,300
Expenses for pensions provisions	4,507	3,598
Losses from the disposal of securities	1,649	1,495
Expenses for pending losses from hedging transactions	1,829	25,680
Unscheduled depreciation and amortisation of fixed assets	1,093	-
Expenses for real estate	659	754
Consulting expenses	76	2,944
Sundry expenses	14,414	7,782
	98,294	71,673

Expenses of T€ 1,586 (previous year: T€ 491) are attributable to other financial years and result mainly from the release of a prepaid expense.

Exchange rate losses include expenses from the foreign currency valuation of assets and debts of T€ 29,036 (previous year: T€ 2,600).

INCOME FROM INVESTMENTS, NET

In € thousand	2014	2013
Income from transfer of profits	552,292	593,994
Income from participating interests	262	4
Expenses from transfer of losses from affiliated companies	-185	-
	552,369	593,998

Income from the transfer of profits consists mainly of the profit transfer of K+S KALI GmbH, K+S Entsorgung GmbH as well as K+S Transport GmbH.

INTEREST INCOME, NET

In € thousand	2014	2013
Other interest and similar income	9,269	4,421
- of which from affiliated companies	981	455
Income from other securities and loans classified as financial assets	4,763	13,230
- of which from affiliated companies	-	540
Interest expenses in allocations to pension provisions offset against income/expenses from cover fund	-	4,371
- of which interest expenses in allocations to pension provisions	-	-6,527
- of which income/expenses from cover fund for pension provisions	-	10,898
Interest and similar income	14,031	22,022
Interest expenses in allocations to pension and partial retirement provisions offset against income/expenses from cover fund	-6,847	-88
- of which interest expenses in allocations to pension provisions	-8,709	-
- of which income/expenses from cover fund for pension provisions	1,923	-
- of which interest expenses in allocations to partial retirement provisions	-65	-92
- of which income/expenses from cover fund for pension provisions	4	4
Expenses from the accumulation of other long-term provisions	-9,534	-6,469
Other interest and similar expenses	-117,711	-70,103
- of which to affiliated companies	-35,174	-3,075
Interest and similar expenses	-134,092	-76,660
	-120,061	-54,638

TAXES

In € thousand	2014	2013
Taxes on income	123,424	154,369
Other taxes	622	562
	124,046	154,931

Taxes on income of T€ 7,199 (previous year: T€ 5,232) relate to previous years.

Other taxes are allocated to individual operating areas.

COST OF MATERIALS

In € thousand	2014	2013
Cost of raw materials and supplies and goods purchased for resale	22,860	22,076
Cost of external services	34,922	32,561
	57,782	54,637

PERSONNEL EXPENSES

In € thousand	2014	2013
Wages and salaries	69,714	47,756
Social security contributions	9,814	6,939
Pension expenses	5,477	4,394
Other employee benefit costs	18	15
	85,023	59,104

Pension expenses do not include the interest portion of the allocations to pension provisions. This is reported as an interest expense in interest income, net.

EMPLOYEES

Annual average	2014	2013
Employees covered by collective wage agreements	450	365
Employees not covered by collective wage agreements	327	232
Trainees	24	19
	801	616

Other information

Derivative financial instruments

No valuation units within the meaning of Section 254 of the German Commercial Code (HGB) were created during the financial year.

The following currency derivatives were held as of 31 December 2014:

In € thousand	Nominal values ¹⁾	Fair values	Carrying amounts ²⁾
USD/EUR forward exchange transactions maturing in 2015			
- positive fair values	115,660	4,101	-
- negative fair values	7,530	780	780
CAD/EUR forward exchange transactions maturing in 2015			
- positive fair values	343,589	25,257	-
- negative fair values	253,837	1,674	1,674
CAD/EUR forward exchange transactions maturing in 2016			
- positive fair values	286,590	19,694	-
- negative fair values	-	-	-
CAD/EUR forward exchange transactions maturing in 2017			
- positive fair values	20,235	435	-
- negative fair values	-	-	-
Cross-currency swap			
- positive fair values	41,364	4,521	-
- negative fair values	-	-	-

¹⁾ Translated into euros using weighted hedging rates

²⁾ Reported under Other provisions, Other liabilities and Other assets

The fair values calculated correspond to the value upon early notional termination as of the balance sheet date. The values are calculated using recognised actuarial methods generally used by market participants. These calculations were based particularly on the following parameters that applied on the balance sheet date:

- the spot exchange rates for the currencies concerned,
- the agreed hedging rates and strike prices,
- the traded volatilities, i.e., the expected fluctuation range of the exchange rates in question,
- and the interest rate level applicable to the currencies concerned.

Information on amounts excluded from distribution

An amount excluded from distribution of T€ 13,257 (previous year: T€ 17,444) arises from the capitalisation of assets at fair value (cover fund) in accordance with Section 268 (8) of the German Commercial Code (HGB) as of the balance sheet date. The avail-

able reserves exceeded the amount excluded from distribution. There was no dividend payment restriction in relation to accumulated profit.

Auditor's fees

The total auditor's fee for the financial year is included in the corresponding note to the consolidated financial statements of K+S Aktiengesellschaft.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD AND THE BOARD OF EXECUTIVE DIRECTORS

In € thousand	2014
Total remuneration of the Supervisory Board	1,995
- of which fixed	1,918
- of which performance-related	-
Total remuneration of the Board of Executive Directors	8,446
- of which fixed	2,560
- of which performance-related	3,840
- of which LTI programme	1,878
Total remuneration of former members of the Board of Executive Directors and their surviving dependents	1,549
Pension provisions for former members of the Board of Executive Directors and their surviving dependents	15,132

Declaration on conformity concerning the German Corporate Governance Code

The declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) concerning the recommendations made by the 'Government Commission on the German Corporate Governance Code' has been made by the Board of Executive Directors and the Supervisory Board of K+S Aktiengesellschaft for 2015/2014 and is available to shareholders on the K+S Group website (www.k-plus-s.com).

List of shareholdings

List of shareholdings of K+S Aktiengesellschaft in accordance with Section 285 (11) of the German Commercial Code (HGB) (in thousands):

Balance as of 31 December 2014

Company's name	Company's registered office		Capital share	Currency	Equity capital	Result for the year
1. K+S Verwaltungs GmbH	Kassel	Germany	100.00%	EUR	25	-1
1. K+S Verwaltungs GmbH & Co. Erwerbs KG	Kassel	Germany	100.00%	EUR	1	0
3. K+S Verwaltungs GmbH & Co. Erwerbs KG	Kassel	Germany	100.00%	EUR	1	0
4. K+S Verwaltungs GmbH	Kassel	Germany	100.00%	EUR	309	-1
Beienrode Bergwerks-GmbH	Kassel	Germany	89.80%	EUR	1,339	0
Börde Container Feeder GmbH	Haldensleben	Germany	33.30%	EUR	801	101 ³⁾
Canadian Brine Ltd.	Pointe Claire	Canada	100.00%	CAD	568	8 ⁵⁾
Chemische Fabrik Kalk GmbH	Cologne	Germany	100.00%	EUR	12,749	-65
Compania Minera Punta de Lobos Ltda.	Santiago de Chile	Chile	99.64%	USD	3,190	3,311 ⁵⁾
Deutscher Straßen-Dienst GmbH	Hanover	Germany	100.00%	EUR	60	12 ¹⁾
Empresa de Servicios Ltda.	Santiago de Chile	Chile	99.64%	USD	807	-38 ⁵⁾
Empresa Maritima S.A.	Santiago de Chile	Chile	48.67%	USD	33,058	6,521 ⁵⁾
esco - european salt company GmbH & Co. KG	Hanover	Germany	100.00%	EUR	286,827	12,939
esco benelux N.V.	Diegem	Belgium	100.00%	EUR	12,706	-378 ⁵⁾
esco france S.A.S.	Levallois-Perret	France	100.00%	EUR	11,379	1,463 ⁵⁾
esco Holding France S.A.S.	Dombasle sur Meurthe	France	100.00%	EUR	15,631	959 ⁵⁾
esco international GmbH	Hanover	Germany	100.00%	EUR	40,903	2,899 ¹⁾
esco Nordic AB	Gothenburg	Sweden	100.00%	SEK	7,850	6,196 ³⁾
esco Spain S.L.	Barcelona	Spain	100.00%	EUR	1,238	-1 ⁵⁾
esco Verwaltungs GmbH	Hanover	Germany	100.00%	EUR	55	2
Fachschule f. Wirtschaft und Technik Gem. GmbH	Clausthal	Germany	9.40%	EUR	531	62 ²⁾
Frisia Zout B.V.	Harlingen	Netherlands	100.00%	EUR	9,928	-686 ⁵⁾

German Bulk Chartering GmbH	Hamburg	Germany	100.00%	EUR	60	1,184	¹⁾
Glendale Salt Development, LLC	Chicago	USA	100.00%	USD	2,846	145	⁵⁾
Hubwoo.com S.A.	Paris	France	0.04%	EUR	39,562	-7,326	³⁾
Ickenroth GmbH	Staudt	Germany	100.00%	EUR	1,790	285	¹⁾
Imperial Thermal Products Inc.	Chicago	USA	100.00%	USD	0	0	⁴⁾
Inagua General Store Ltd.	Chicago	USA	100.00%	USD	-1,094	376	⁵⁾
Inagua Transports, Inc.	Chicago	USA	100.00%	USD	-1,696	-7	⁵⁾
Inversiones Columbus Ltda.	Santiago de Chile	Chile	2.00%	USD	307	900	⁵⁾
Inversiones Empremar Ltda.	Santiago de Chile	Chile	48.87%	USD	18,791	27	⁵⁾
Inversiones K+S Sal de Chile Ltda.	Santiago de Chile	Chile	100.00%	CLP	71,959,305	50,308	⁵⁾
ISX Oil & Gas Inc.	Calgary	Canada	100.00%	CAD	-494	-58	⁵⁾
K+S An-Instituts Verwaltungsgesellschaft mbH	Kassel	Germany	100.00%	EUR	227	25	
K+S Asia Pacific Pte. Ltd.	Singapore	Singapore	100.00%	SGD	1,256	689	³⁾
K+S Bahamas Salt Asset Management GmbH & Co. KG	Kassel	Germany	100.00%	EUR	52,055	783	
K+S Baustoffrecycling GmbH	Sehnde	Germany	100.00%	EUR	78	3,356	¹⁾
K+S Benelux B.V.	Breda	Netherlands	100.00%	EUR	654	215	³⁾
K+S Beteiligungs GmbH	Kassel	Germany	100.00%	EUR	210,752	-141	¹⁾
K+S Brasileira Fertilizantes e Produtos Industriais Ltda.	São Paulo	Brazil	100.00%	BRL	6,984	1,141	³⁾
K+S Canada Holdings Ltd.	Vancouver	Canada	100.00%	CAD	2,333,461	640	⁵⁾
K+S Chile S.A.	Santiago de Chile	Chile	99.64%	USD	400,395	61,657	⁵⁾
K+S Consulting GmbH	Kassel	Germany	100.00%	EUR	810	117	¹⁾
K+S Czech Republic a.s.	Prague	Czech Republic	100.00%	CSK	170,025	-8,086	⁵⁾
K+S Denmark Holding ApS	Hellerup	Denmark	100.00%	DKK	469	57	³⁾
K+S Entsorgung (Schweiz) AG	Delémont	Switzerland	100.00%	CHF	1,256	334	³⁾
K+S Entsorgung GmbH	Kassel	Germany	100.00%	EUR	7,506	12,059	¹⁾
K+S Fertilizers (India) Private Limited	New Delhi	India	100.00%	INR	3,511	484	³⁾
K+S Finance Belgium BVBA	Diegem	Belgium	100.00%	USD	2,569,391	74,578	⁵⁾
							⁵⁾
K+S Finance Ltd.	St. Julians	Malta	100.00%	EUR	665,710	10,710	⁶⁾
K+S Holding France S.A.S.	Reims	France	100.00%	EUR	2,886	-58	⁵⁾
K+S Investments Ltd.	St. Julians	Malta	100.00%	EUR	695,662	15,573	⁵⁾
K+S Italia S.r.L.	Verona	Italy	100.00%	EUR	1,308	509	³⁾⁵⁾
K+S KALI du Roure S.A.S.	Le Teil	France	100.00%	EUR	4,390	625	⁵⁾
K+S KALI France S.A.S.	Reims	France	100.00%	EUR	8,733	2,893	⁵⁾
K+S KALI GmbH	Kassel	Germany	100.00%	EUR	447,083	533,261	¹⁾
K+S KALI Rodez S.A.S.	Sainte Radegonde	France	97.45%	EUR	2,178	42	⁵⁾
K+S KALI Wittenheim S.A.S.	Wittenheim	France	100.00%	EUR	1,811	153	⁵⁾
K+S Legacy GP Inc.	Vancouver	Canada	100.00%	CAD	11	-1	⁵⁾
K+S Mining Argentina S.A.	Buenos Aires	Argentina	100.00%	ARS	238	-366	³⁾

K+S Montana Holdings, LLC	Chicago	USA	100.00%	USD	899,618	2,258	⁵⁾
K+S Netherlands Holding B.V.	Harlingen	Netherlands	100.00%	EUR	2,144,212	-6,384	⁵⁾
K+S North America Asset Management GmbH	Kassel	Germany	100.00%	EUR	121	-4	
K+S North America Corporation	New York	USA	100.00%	USD	9,123	1,238	⁵⁾
K+S North America Salt Asset Management GmbH & Co. KG	Kassel	Germany	100.00%	EUR	712,281	32,553	
K+S Perú S.A.C.	Lima	Peru	100.00%	PEN	1,934	201	⁵⁾
K+S Polska Sp. z o.o.	Poznan	Poland	100.00%	PLN	6,022	2,172	³⁾
K+S Potash Canada General Partnership	Vancouver	Canada	100.00%	CAD	2,052,066	-65,198	⁵⁾
K+S Salz GmbH	Hanover	Germany	100.00%	EUR	2,273,074	-45	¹⁾
K+S Salt LLC	Chicago	USA	100.00%	USD	1,718,060	72,168	⁵⁾
K+S Transport GmbH	Hamburg	Germany	100.00%	EUR	2,686	6,433	¹⁾
K+S UK & Eire Ltd.	Hertford	United Kingdom	100.00%	GBP	818	478	³⁾
K+S Versicherungsvermittlungs GmbH	Kassel	Germany	100.00%	EUR	25	421	¹⁾
K+S Windsor Salt Ltd.	Vancouver	Canada	100.00%	CAD	2,610,406	75,354	⁵⁾
Kali (U.K.) Ltd.	Hertford	United Kingdom	100.00%	GBP	0	0	⁴⁾
Kali AG	Frauenkap- pen	Switzerland	100.00%	CHF	1,577	661	³⁾
Kali-Union Verwaltungsgesellschaft mbH	Kassel	Germany	100.00%	EUR	10,669	4,324	¹⁾
K plus S Africa (Pty) Ltd.	Johannesbur- g	South Africa	100.00%	ZAR	137	-2	³⁾
Lehrter Wohnungsbau GmbH	Lehrte	Germany	6.70%	EUR	14,075	235	³⁾
Montana US Parent Inc.	Chicago	USA	100.00%	USD	0	0	⁵⁾
Morton Bahamas Ltd.	Chicago	USA	100.00%	USD	28,089	16,330	⁵⁾
Morton China National Salt (Shanghai) Salt Co. Ltd.	Shanghai	China	45.00%	CNY	12,653	2,020	³⁾
Morton Salt, Inc.	Chicago	USA	100.00%	USD	1,419,163	-77,943	⁵⁾
MSW-Chemie GmbH	Langelsheim	Germany	68.50%	EUR	974	119	
Nieders. Gesellschaft zur Endablagerung von Sonderabfall mbH	Hanover	Germany	0.10%	EUR	10,382	1,732	³⁾
OOO K+S Rus	Moscow	Russian Federation	100.00%	RUB	6,132	-3,868	³⁾
Poldergemeinschaft Hohe Schaar	Hamburg	Germany	8.66%	EUR	0	12	³⁾
Salina Diamante Branco Ltda.	Rio de Janeiro	Brazil	100.00%	BRL	13,356	-14,158	⁵⁾
Salines Cérébos S.A.S.	Levallois- Perret	France	100.00%	EUR	6,191	301	⁵⁾
Servicios Maritimos Patillos S.A.	Santiago de Chile	Chile	49.82%	USD	1,715	1,508	⁵⁾
Servicios Portuarios Patillos S.A.	Santiago de Chile	Chile	99.53%	USD	38,421	-276	⁵⁾
Shenzhen K+S Trading Co. Ltd.	Shenzhen	China	100.00%	CNY	49,708	1,110	³⁾
Transporte por Containers S.A.	Santiago de Chile	Chile	48.04%	USD	5,715	-68	⁵⁾
VATEL Companhia de Produtos Alimentares S.A.	Alverca	Portugal	100.00%	EUR	1,481	372	⁵⁾
Verlagsgesellschaft für Ackerbau mbH	Kassel	Germany	100.00%	EUR	26	-1	¹⁾
Weeks Island Landowner, LLC	Chicago	USA	100.00%	USD	811	0	⁵⁾

Werra Kombi Terminal Betriebsgesellschaft mbH	Philippsthal	Germany	50.00%	EUR	75	55	³⁾
	Bad						
Wohnbau Salzdettfurth GmbH	Salzdettfurth	Germany	100.00%	EUR	1,820	0	¹⁾
Zoll Pool Hamburg AG	Hamburg	Germany	1.43%	EUR	523	2	¹⁾³⁾

³⁾ Control and profit transfer agreement with parent company (net profit/loss for the year before profit or loss transfer)

²⁾ Financial year from 1 August to 31 July – annual financial statements as of 31 July 2013

³⁾ Annual financial statements as of 31 December 2013

⁴⁾ Inactive companies

⁵⁾ Data according to IFRS

⁶⁾ Net profit/loss for the year before profit or loss transfer

Members of the Supervisory Board

Dr Ralf Bethke (born 1942), Graduate in Business Administration, Chairman of the Supervisory Board

Shareholder representative

Entrepreneur (as member of the supervisory boards mentioned below)

Chairman of the Supervisory Board since 14 May 2008

In office until the end of the 2017 Annual General Meeting

First appointed: 1 July 2007

Other supervisory board appointments: Benteler International AG, Salzburg (Vice Chairman)
DJE Kapital AG, Pullach (Chairman), Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Stuttgart-Ochsenfurt (until 16 July 2014)
Südzucker AG Mannheim/Ochsenfurt, Mannheim (until 17 July 2014)

Michael Vassiliadis (born 1964), Chemical Laboratory Assistant, Vice Chairman

Employee representative

Chairman of the Mining, Chemicals and Energy Trade Union, Hanover

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Other supervisory board appointments: BASF SE, Ludwigshafen
Evonik Industries AG, Essen (Vice Chairman)
STEAG GmbH, Essen (Vice Chairman)
RAG Aktiengesellschaft (Vice Chairman, since 16 June 2014)
RAG DSK AG (Vice Chairman, since 16 June 2014)
RAG Stiftung, Essen

Ralf Becker (born 1960), Trade Union Secretary

Employee representative

Regional Manager North of the Mining, Chemicals and Energy Trade Union, Hanover

In office until the end of the 2018 Annual General Meeting

First appointed: 1 August 2009

Other supervisory board appointments: Continental Reifen Deutschland GmbH, Hanover (Vice Chairman) Chairman)

Deutsche Shell Holding GmbH, Hamburg
Deutsche Shell GmbH, Hamburg
Shell Deutschland Oil GmbH, Hamburg

Jella S. Benner-Heinacher (born 1960), Lawyer

Shareholder representative

Deputy General Manager of the Deutsche Schutzvereinigung für Wertpapierbesitz e.V.,
Düsseldorf

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Other supervisory board appointments: A.S. Création Tapeten AG, Gummersbach

George Cardona (born 1951), Economist

Shareholder representative

Entrepreneur (as member of the supervisory bodies mentioned below)

In office until the end of the 2015 Annual General Meeting

First appointed: 9 October 2009

Other supervisory bodies:

- Board of Donalink Ltd., Cyprus
- Board of EuroChem Group SE, Cyprus
- Board of Hamilton Art Ltd., Isle of Man
- Board of Hamilton Jets Ltd., Bermuda
- Board of Harewood House Ltd., Jersey, Channel Islands
- Board of Linea Ltd., Bermuda
- Board of Linetrust PTC Ltd., Bermuda
- Board of Madake Ltd., Cyprus
- Board of Sibenergy plc., Cyprus
- Board of Suek plc., Cyprus
- Board of Valise Ltd., Bermuda
- Board of Valton Ltd., Bermuda
- Board of Vostok PTC Ltd., Hong Kong
- Board of Westline PTC Ltd., Bermuda
- Board of Wishbone Gold plc., Gibraltar

Wesley Clark (born 1952), Master's Degree in Business Administration

Shareholder representative

Operating Partner of Advent International Private Equity Group, Boston, Massachusetts, USA

In office until the end of the 2018 Annual General Meeting

First appointed: 14 May 2013

Other supervisory board appointments: Board of Patriot Supply Holdings, Inc., Fort Worth, Texas, USA (Non-Executive Chairman)
Board of Morrison Supply Corporation, Fort Worth, Texas, USA (Non-Executive Chairman; until December 2014)
Board of ABC Supply Corporation, Beloit, Wisconsin, USA
Board of Clarcor Inc., Franklin, Tennessee, USA
Board of Distribution International, Inc., Fort Worth, Texas, USA (since December 2014)
Board of Stanford University Graduate School of Business, California, USA (until March 2014)

Harald Döll (born 1964), Energy Facility Electronics Engineer
Employee representative

Chairman of the Collective Works Council of the K+S Group
Chairman of the Works Council of K+S KALI GmbH's Werra plant

In office until the end of the 2018 Annual General Meeting
First appointed: 1 August 2009

Dr Rainer Gerling (born 1958), Graduate in Engineering
Employee representative

Head of K+S KALI GmbH's Werra plant

In office until the end of the 2018 Annual General Meeting
First appointed: 14 May 2008

Axel Hartmann (born 1958), Import and Export Merchant
Employee representative

Vice Chairman of the Collective Works Council of the K+S Group
Chairman of the Works Council of K+S KALI GmbH's Neuhof-Ellers plant

In office until the end of the 2018 Annual General Meeting
First appointed: 14 May 2013

Rüdiger Kienitz (born 1960), Mining Engineer
Employee representative

Member of the Works Council of K+S KALI GmbH's Werra plant

In office until the end of the 2018 Annual General Meeting
First appointed: 26 March 1998

Michael Knackmuß (born 1975), Car Mechanic

Employee representative

Chairman of the Works Council of K+S KALI GmbH's Zielitz plant

In office until the end of the 2018 Annual General Meeting

First appointed: 11 July 2014

Klaus Krüger (born 1954), Mining Engineer

Employee representative

Chairman of the Collective Works Council of the K+S Group

Chairman of the Works Council of K+S KALI GmbH's Zielitz plant

Resigned on 31 May 2014

First appointed: 9 August 1999

Dieter Kuhn (born 1958), Mining Mechanic

Employee representative

First Vice Chairman of the Collective Works Council of the K+S Group

Chairman of the Works Council of the Bernburg plant of esco european salt company GmbH & CO. KG

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Dr Bernd Malmström (born 1941), Lawyer

Shareholder representative

Solicitor

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Other supervisory board appointments: IFCO-Systems N.V., Amsterdam (Chairman, until 25 February 2014)

Lehnkering GmbH, Duisburg (Vice Chairman)

VTG AG, Hamburg

Other appointments to supervisory bodies: DAL – Deutsche-Afrika-Linien GmbH & Co. KG, Hamburg

time:matters GmbH, Neu-Isenburg (Chairman), Colada

Acquico S.à.r.l, Luxembourg

Dr Annette Messemer (born 1964), Political Scientist

Shareholder representative

Divisional director of Commerzbank AG

In office until the end of the 2018 Annual General Meeting

First appointed: 14 May 2013

Other supervisory board appointments: Commerz Real AG, Eschborn (since 1 April 2014)

Dr Rudolf Müller (born 1943), Graduate in Agricultural Engineering

Shareholder representative

Retired (former member of the Board of Executive Directors of Südzucker AG Mannheim/Ochsenfurt, Mannheim)

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Dr Eckart Sünner (born 1944), Lawyer

Shareholder representative

Independent solicitor in Neustadt a.d. Weinstraße

In office until the end of the 2018 Annual General Meeting

First appointed: 28 April 1992

Other supervisory board appointments: Infineon Technologies AG, Neubiberg

Supervisory Board Committees

Audit Committee

- Dr Eckart Sünner (Chairman)
- Ralf Becker
- Dr Ralf Bethke
- Axel Hartmann (since 19 August 2014)
- Klaus Krüger (until 31 May 2014)
- Dr Annette Messemer
- Michael Vassiliadis

Nomination Committee

- Dr Ralf Bethke (Chairman)
- George Cardona
- Dr Bernd Malmström
- Dr Rudolf Müller

Personnel Committee

- Dr Ralf Bethke (Chairman)
- Jella S. Benner-Heinacher
- Harald Döll (since 19 August 2014)
- Klaus Krüger (until 31 May 2014)
- Michael Vassiliadis

Mediation Committee

- Dr Ralf Bethke (Chairman)
- Harald Döll (since 19 August 2014)
- Klaus Krüger (until 31 May 2014)
- Dr Eckart Sünner
- Michael Vassiliadis

Members of the Board of Executive Directors

Norbert Steiner (born 1954), Lawyer, Chairman

Corporate Communications
Corporate Development
Corporate Executive HR
Governance, Risk, Compliance; Corporate Secretary
Internal Auditing
Communication and Investor Relations

In office until 11 May 2017

First appointed: 12 May 2000

Supervisory Board appointments: Talanx AG, Hanover

HDI V.a.G., Hanover

K+S KALI GmbH (Chairman), Kassel¹

Gerd Grimmig (born 1953), Graduate in Engineering

Technical Center and sub-units²
Environment and Safety
Geology
Mining
Research and Development
Technics/Energy
Waste Management and Recycling²
Inactive Plants²
K+S Consulting GmbH²
MSW-Chemie GmbH²
Animal hygiene products²

The term of office ended on 30 September 2014.

First appointed: 1 October 2000

Supervisory board appointments: K+S KALI GmbH, Kassel^{1,2}

Dr Burkhard Lohr (born 1963), Graduate in Business Administration

Corporate Controlling
Corporate Finance and Accounting
Corporate Procurement
Corporate Tax
Technical Center and sub-units³
Environment and Safety
Geology
Mining
Research and Development
Technics/Energy

all direct shareholdings of the Company insofar as they are not assigned to another area of responsibility

In office until 31 May 2020

First appointed: 1 June 2012

Supervisory board appointments: K+S KALI GmbH, Kassel^{1,3}

Dr Thomas Nöcker (born 1958), Lawyer, Personnel Director

Business Center and sub-units:

Communication Services

Financial Accounting

HR Services

Insurance

IT Services

Legal

Logistics Europe

Procurement/Material Management Europe

Project Management

Real Estate & Facility Management

Corporate HR

Corporate IT

K+S Transport GmbH

K+S Versicherungsvermittlungs GmbH

Wohnbau Salzdetfurth GmbH

In office until 31 July 2016

First appointed: 1 August 2003

Supervisory board appointments: K+S KALI GmbH, Kassel¹

Dr Andreas Radmacher (born 1965), Graduate in Engineering

Potash and Magnesium Products

Waste Management and Recycling³

Inactive Plants³

In office until 31 August 2016

First appointed: 1 September 2013

Supervisory board appointments: K+S KALI GmbH, Kassel¹

Mark Roberts (born 1963), Bachelor of Science (Marketing)

Salt

Animal hygiene products³

In office until 30 September 2020

First appointed: 1 October 2012

¹Group appointment

²In office until 30 September 2014

³Since 1 October 2014

Shareholdings in the Company

Meritus Trust Company Limited, Bermuda, owns 4.92% (notice from 4 February 2015) of the shares via EuroChem Group SE and its attributable subsidiaries. Meritus manages the industrial shareholdings of Andrey Melnichenko on a fiduciary basis. On 20 November 2014, BlackRock Inc., New York (USA), notified us that its share of voting rights had fallen below the 5% threshold and that it held 4.85% of the Company.

Proposal on the appropriation of profits

The net profit generated by K+S Aktiengesellschaft in the 2014 financial year was T€ 261,842. Subject to the allocation to revenue reserves of T€ 79,509, accumulated profit was T€ 182,333. The Board of Executive Directors intends to propose the payment of a dividend of € 0.90 per no-par value share (T€ 172,260) from the accumulated profit and the allocation of the residual amount of T€ 10,073 to revenue reserves to the Annual General Meeting on 14 May 2015.

Kassel, 27 February 2015

K+S Aktiengesellschaft

Board of Executive Directors

Auditor's Report

We have audited the annual financial statements – consisting of the balance sheet, income statement and notes – including the accounting and the combined management report of K+S Group and K+S Aktiengesellschaft, Kassel, for the financial year from 1 January to 31 December 2014. The accounting as well as the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the Company's Board of Executive Directors. Our responsibility is to express an opinion of the annual financial statements, including the accounting, and the management report, on the basis of our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB) and the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer). Those standards require that we plan and perform the audit in such manner that material misstatements affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with the German Accepted Accounting Principles and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company as well as evaluations of possible misstatements are taken into account in the determination of the audit procedures. The effectiveness of the system of internal accounting control relating to the accounting system and the evidence supporting the disclosures in the accounting, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Board of Executive Directors, as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, which is based on our audit findings, the annual financial statements of K+S Aktiengesellschaft, Kassel, comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with the German Accepted Accounting Principles. The management report is consistent with the annual financial statements, provides a suitable understanding of the position of the Company and suitably presents the opportunities and risks of future development.

Hanover, 27 February 2015

Deloitte & Touche GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Beine
Auditor

Römgens
Auditor