

# K+S Q4/14 FACTS & FIGURES

## Q4/14 HIGHLIGHTS

- + Upper end of increased FY EBIT I guidance achieved
- + **Potash:**
  - + Higher YoY average selling prices and cost discipline
  - + Legacy well on track
- + **Salt:**
  - + Better pricing in North America and effects from 'Fit for the Future'
- + Dividend proposal for FY 2014: € 0.90 per share (47% payout ratio)

## OUTLOOK 2015

- + Significant increase in EBIT I compared to FY 2014
- + Higher average prices in both business units and exchange rate effects in Potash and Magnesium Products business unit
- + 'Fit for the Future' is set to continue making a positive contribution in 2015
- + Capital expenditure will remain at a high level mainly due to planned investments for the Legacy Project

## KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)		TAB: 1.1.1					
		Q4/14	Q4/13	%	2014	2013	%
<b>Revenues</b>	€ million	1,020.1	977.9	+ 4.3	3,821.7	3,950.4	-3.3
– thereof Potash and Magnesium Products business unit	€ million	464.5	407.1	+14.1	1,884.0	2,037.6	-7.5
– thereof Salt business unit	€ million	515.3	530.7	-2.9	1,778.5	1,751.4	+1.5
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA) <sup>1</sup></b>	€ million	205.2	168.3	+ 21.9	895.5	907.2	-1.3
– thereof Potash and Magnesium Products business unit <sup>1</sup>	€ million	123.0	86.9	+41.5	618.5	667.5	-7.3
– thereof Salt business unit	€ million	85.6	80.1	+6.9	276.0	235.9	+17.0
<b>Operating earnings (EBIT I)</b>	€ million	130.4	99.6	+30.9	641.3	655.9	-2.2
– thereof Potash and Magnesium Products business unit	€ million	84.4	54.3	+55.4	488.8	552.5	-11.5
– thereof Salt business unit	€ million	57.4	49.0	+17.1	172.9	117.8	+46.8
<b>EBIT I-margin</b>	%	12.8	10.0	-	16.8	16.6	-
– Potash and Magnesium Products business unit	%	18.2	13.3	-	25.9	27.1	-
– Salt business unit	%	11.1	9.2	-	9.7	6.7	-
<b>Group earnings from continued operations, adj. <sup>2</sup></b>	€ million	67.7	69.4	-2.6	366.6	437.1	-16.0
<b>Earnings per share from continued operations, adj. <sup>2</sup></b>	€	0.35	0.36	-2.6	1.92	2.28	-16.0
<b>Capital expenditure <sup>3</sup></b>	€ million	422.2	254.0	+66.2	1,153.2	742.5	+55.3
<b>Depreciation and amortisation <sup>3</sup></b>	€ million	74.85	68.64	+9.0	254.3	251.3	+ 1.2
<b>Operating cash flow</b>	€ million	82.9	138.1	-40.0	706.5	755.7	-6.5
<b>Free cash flow, adjusted <sup>4</sup></b>	€ million	-283.9	-110.9	>-100	-306.3	48.7	-
Net debt as of 31 December	€ million	-	-	-	1,676.0	1,037.0	+61.6
Net debt/EBITDA		-	-	-	1.9	1.1	+72.7
Equity ratio	%	-	-	-	50.6	45.3	-
Return on Capital Employed	%	-	-	-	12.7	15.2	-
Book value per share as of 31 December	€	-	-	-	20.77	17.75	+17.0
Average number of shares	million	191.4	191.4	-	191.4	191.4	-
Employees as of 31 December <sup>5</sup>	number	-	-	-	14,295	14,421	-0.9
Market capitalisation as of 31 December	€ billion	-	-	-	4.4	4.3	+2.3
Enterprise Value as of 31 December	€ billion	-	-	-	6.1	5.3	+15.1

<sup>1</sup> 2014 is adjusted by the depreciation and amortisation amount not recognised in profit and loss in the context of own work capitalized.

<sup>2</sup> The adjusted key figures only include the result from operating forecast hedges of the respective reporting period, which eliminates effects from changes in the market value of the hedges as well as effects from the exchange rate hedging of future capital expenditure in Canadian dollar (Legacy Project). Related effects on deferred and cash taxes are also eliminated.

<sup>3</sup> Investments in or earnings-effective depreciation on property, plant and equipment, intangible assets and investment properties as well as depreciation on financial assets.

<sup>4</sup> Adjusted for acquisitions and disposals of securities and other financial investments.

<sup>5</sup> FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

### 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.

# K+S Q4/14 FACTS & FIGURES

## BUSINESS SEGMENT INFORMATION

### POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION <sup>1</sup>											TAB: 1.1.2
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	Q3/14	Q4/14	2014
<b>Revenues</b>	€ million	625.5	548.3	456.7	407.1	2,037.6	507.4	461.1	451.0	464.5	1,884.0
Europe	€ million	354.4	276.3	233.1	250.1	1,113.9	347.5	263.6	232.3	263.3	1,106.7
Overseas	US\$ million	358.0	355.3	296.5	216.9	1,226.7	219.0	270.8	290.7	252.1	1,032.6
<b>Sales volumes</b>	t million (product)	2.03	1.77	1.63	1.51	6.94	1.94	1.72	1.62	1.59	6.87
Europe	t million (product)	1.11	0.89	0.77	0.88	3.65	1.27	0.92	0.80	0.89	3.88
Overseas	t million (product)	0.92	0.88	0.86	0.63	3.29	0.67	0.80	0.82	0.70	2.99
<b>Average prices</b>	€/t (product)	308.0	309.4	280.4	270.7	293.8	261.8	268.1	278.7	291.2	274.1
Europe	€/t (product)	318.8	311.7	301.3	284.8	305.2	273.3	285.8	290.4	294.0	285.3
Overseas	US\$/t (product)	389.5	401.0	346.3	346.8	373.3	328.5	339.3	351.2	360.3	345.0

<sup>1</sup> Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective EUR/USD 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.

- + In Q4/14 revenues of the business unit increased tangibly YoY due to better pricing
- + Sales volumes in Q4/14 totalled 1.59 million tonnes, moderately above the previous year's figure (Q4/13: 1.51 million tonnes)
- + Sequential price improvement continued. The average selling price of the business unit was € 291 per tonne in Q4/14, 7% above the quarter of the previous year

### SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES <sup>1</sup>											TAB: 1.1.3
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	Q3/14	Q4/14	2014
<b>De-icing salt</b>											
Revenues	€ million	359.4	40.4	73.3	280.3	753.4	396.6	46.0	80.1	245.2	767.9
Sales volumes	t million	6.53	0.77	1.41	5.07	13.79	8.15	0.98	1.55	3.70	14.38
Average prices	€/t	55.1	52.1	51.9	55.2	54.6	48.7	47.1	51.8	66.1	53.4
<b>Industrial salt, salt for chemical use and food grade salt</b>											
Revenues	€ million	236.5	233.2	233.6	228.4	931.6	230.4	227.3	243.7	258.5	959.9
Sales volumes	t million	2.38	2.19	2.24	2.21	9.02	2.28	2.22	2.34	2.40	9.24
Average prices	€/t	99.5	106.5	104.4	103.2	103.3	100.9	102.4	104.1	107.9	103.9

<sup>1</sup> Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective EUR/USD 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.

- + Revenues in Q4/14 slightly below previous year's figure
- + Price increases in North American de-icing salt business more than offset lower prices in Europe
- + De-icing salt sales volumes below Q4/13's record level since North American volumes normalised

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