12 March 2015, Frankfurt am Main

Financial Statements Press Conference

Fiscal year 2014

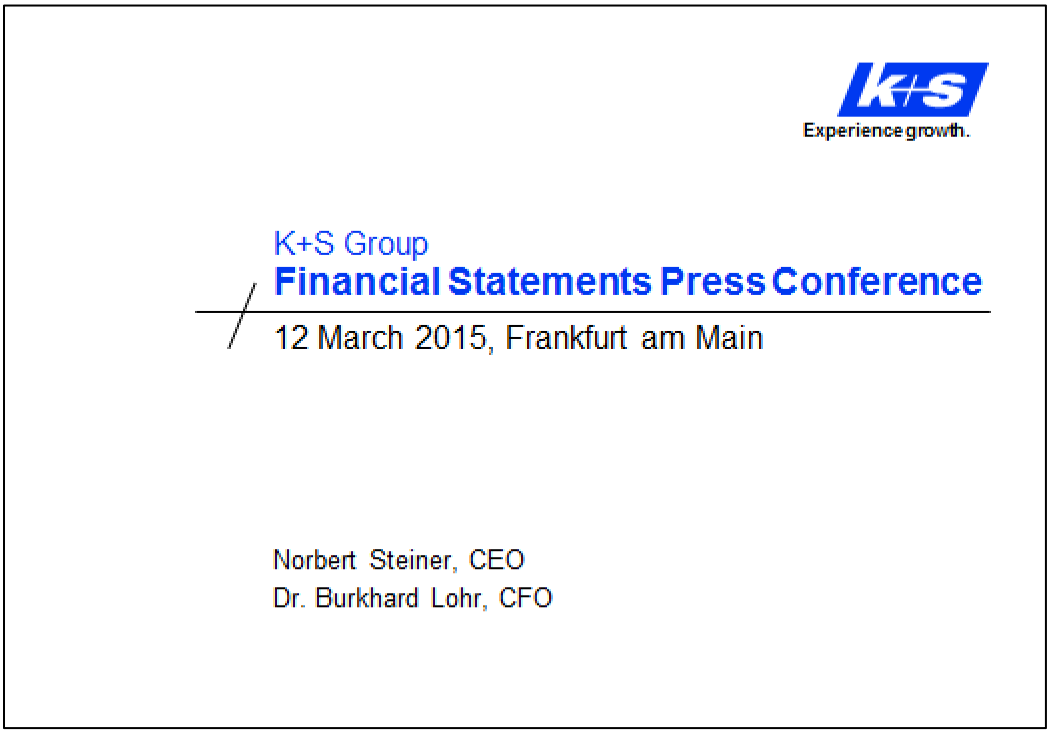
Norbert Steiner

Chairman of the Board of Executive Directors

Dr. Burkhard Lohr

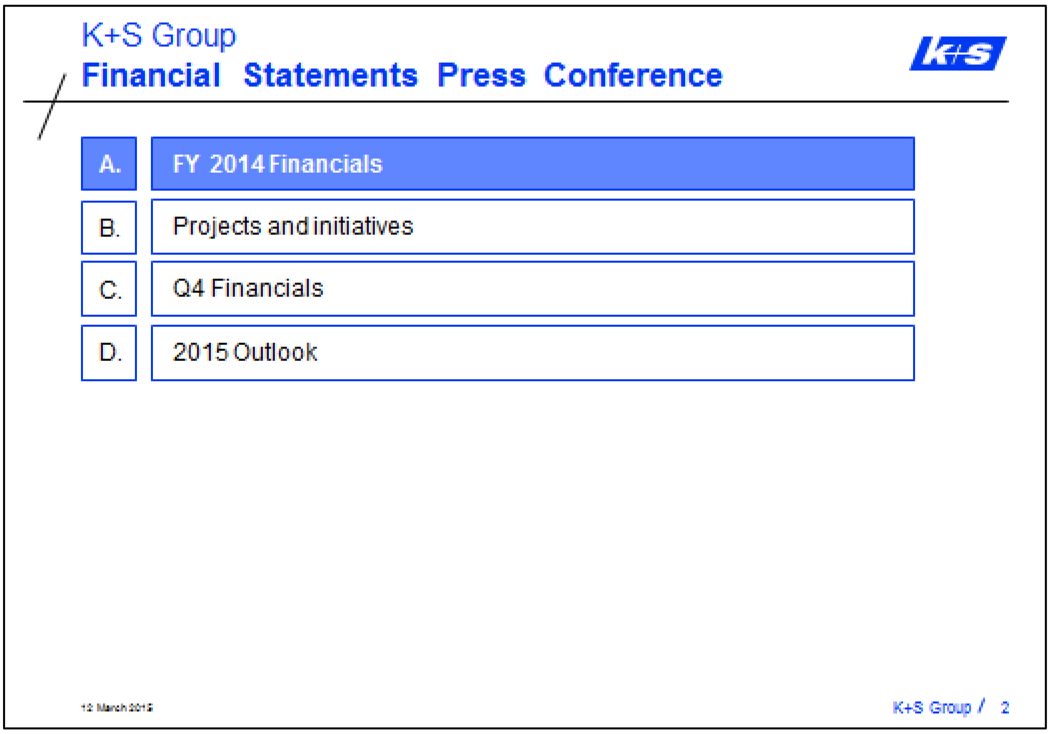
Chief Financial Officer

The spoken word is binding.

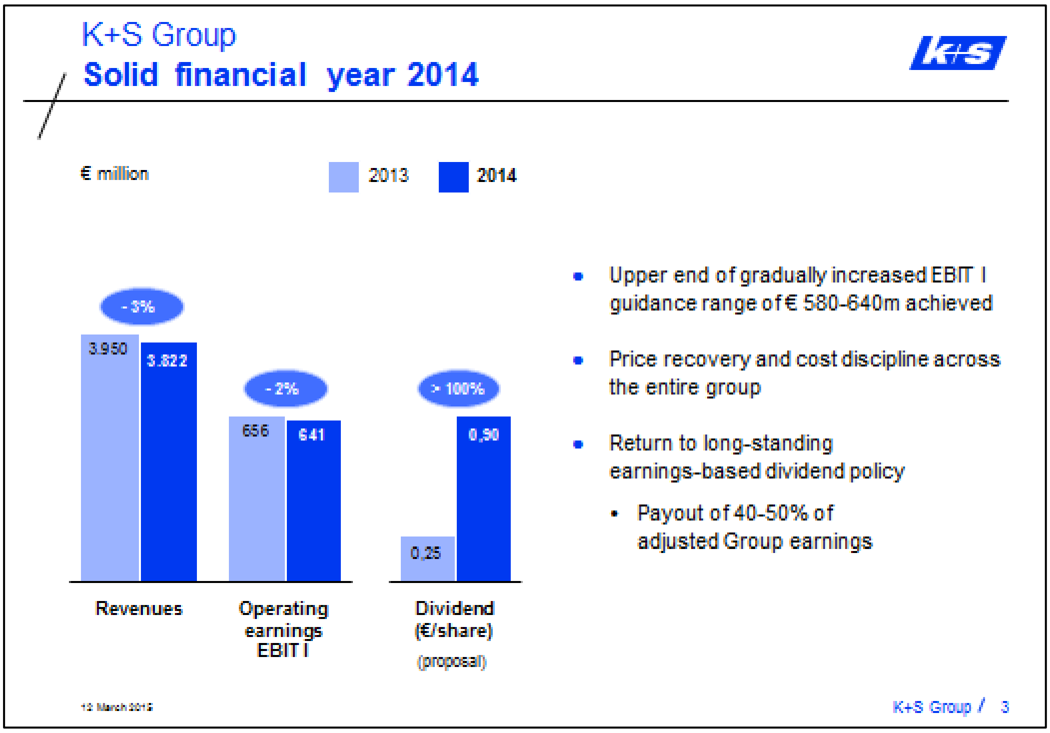


Ladies and Gentlemen,

we warmly welcome you to this year's financial statements press conference.



I will first tell you about the basic data for fiscal year 2014 and then address ongoing projects and initiatives. Dr. Lohr will explain to you business development in the fourth quarter of 2014 as well as important financial indicators, and will present our forecast for 2015. After our presentation we will have sufficient time for your questions.



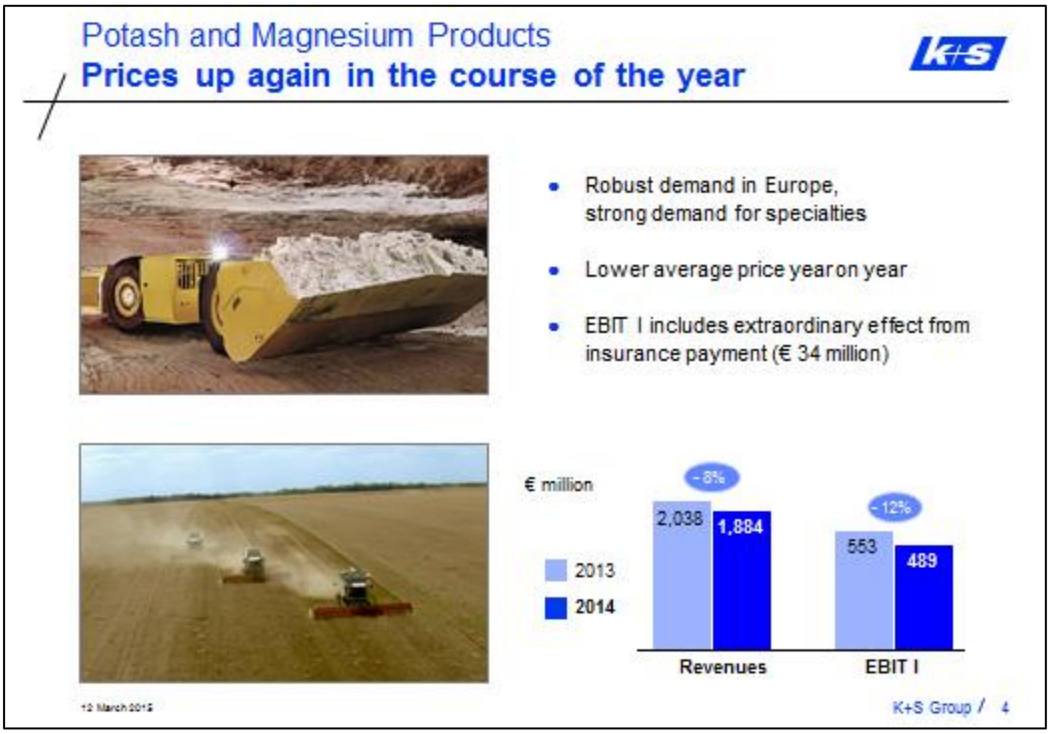
First the indicators for 2014, which began in an atmosphere of considerable uncertainty for us. The after-effects of July 30, 2013 – the “black Tuesday” of the potash industry – could still be clearly felt. Quite a few people even wrote us off at that time.

We rose to this challenge, and generated **annual revenues** of € 3.8 billion despite the adverse conditions. However, **operating earnings** still clearly show the marks of the upheavals on the potash market when compared over several years. However, with an EBIT I of € 641 million we achieved respectable earnings and exceeded some original expectations for 2014 – not least, our own.

As a result, we are returning to our long-standing **dividend policy**, which we had temporarily suspended: You will remember that in the previous year we had paid out a dividend of only 11 % of the net profit. This decision was taken in view of the still very tangible uncertainties on the potash market at that time, and with regard to the high capital expenditure bound up particularly with the Legacy Project.

Now we are one year further on. The potash market is still not back to where it was before “black Tuesday”. Capital expenditure also continues to remain high. But today we are more confident than we were a year ago. We want and are able to keep our promise and propose a dividend distribution of 90 cents to the Annual General Meeting, which would again lie clearly within our payout corridor of 40% to 50% of adjusted Group earnings.

Based on yesterday’s stock exchange closing price, this distribution would bring a dividend yield of 3.1 % and therefore even be more than the long-term yield of the K+S distribution to shareholders.

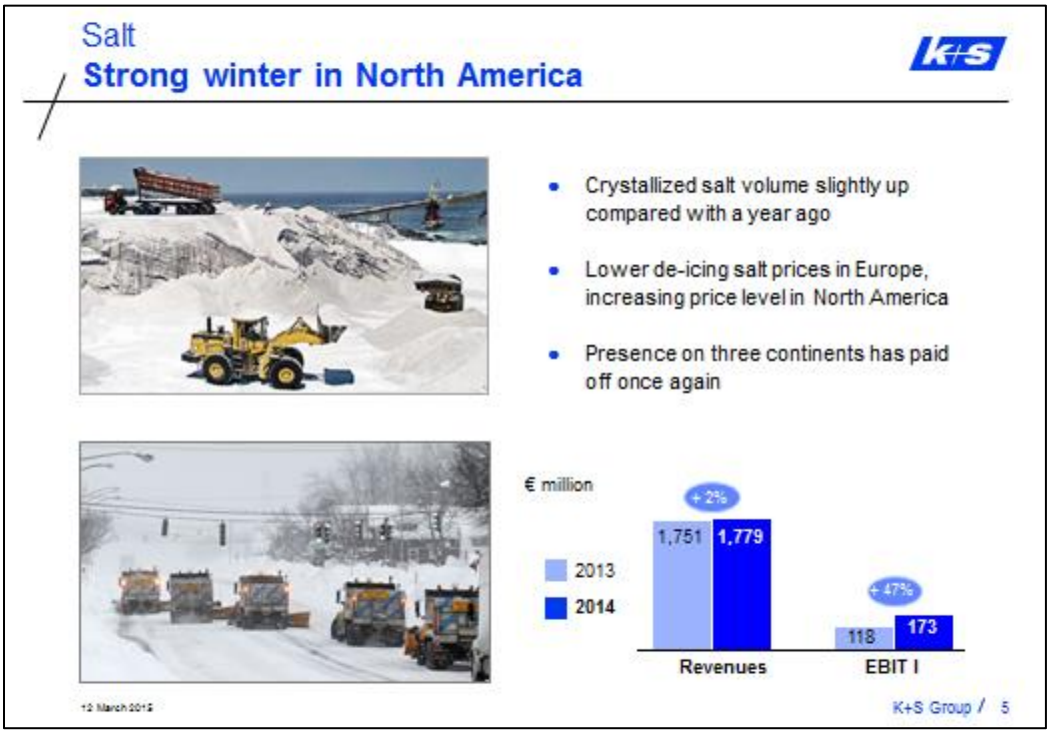


Taking a look now at the indicators of our **Potash and Magnesium Products business unit**, there are decreases both in revenues and operating earnings.

The decisive reason for this was mainly the lower average sale price of our strongest product in terms of volume – potassium chloride: Prices did gradually increase in the course of the year after bottoming out in the first quarter of 2014. However, due to the significantly lower starting point compared with the previous year, this increase was not enough to again reach the 2013 average.

We were able to maintain our sales volume at the high level of the previous year. We benefited in this from our long-standing stable customer relations and our well diversified regional and product portfolio. Particularly in Europe, we enjoyed robust demand. Our specialties were in high demand as well, and here we were also able to achieve higher average prices for the full year due to in part poor availability worldwide.

Our cost discipline also had a positive effect on earnings; I will shortly address the effects of our “Fit for the Future” program in greater detail. In addition, EBIT I of the business unit includes an extraordinary effect of € 34 million from an insurance payment due to the suspension of operations at the Unterbreizbach site at the end of 2013 and the beginning of 2014.



In our **Salt business unit**, our strategy of being represented in not only one important region has again paid off: The strong winter in North America – above all in the first quarter of 2014 – helped to offset the weak European de-icing salt business.

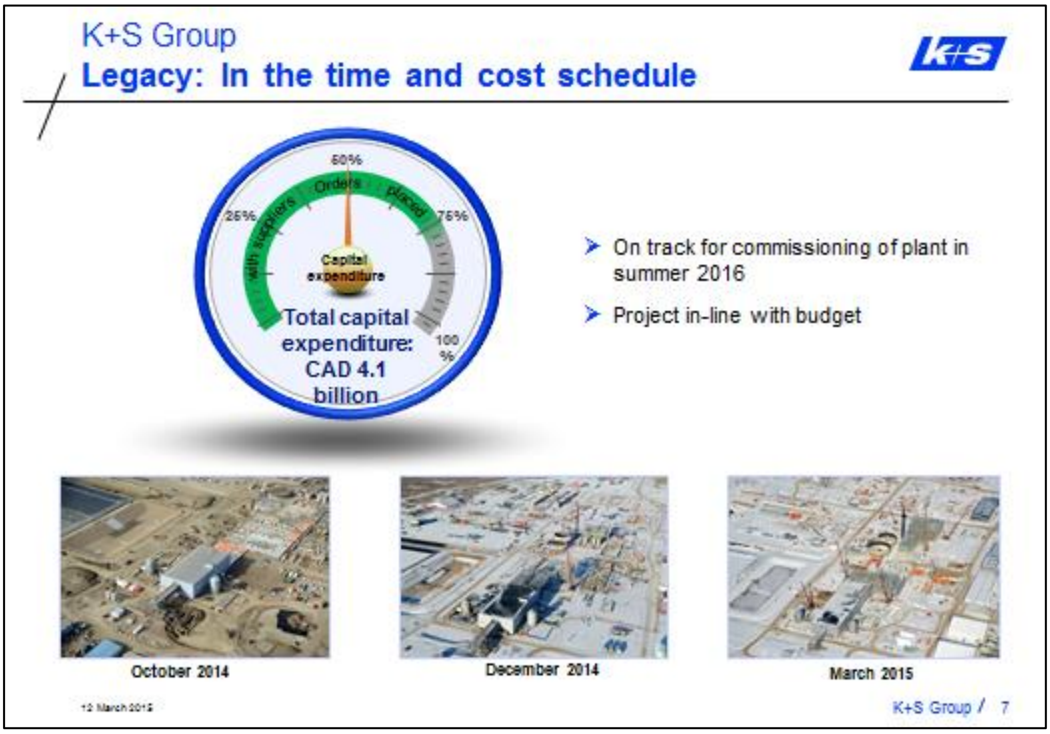
As we in Europe had already recorded one “green winter” in the previous year, the de-icing salt stocks at our customers on the home continent were still well filled; the price level accordingly came under pressure. The development in North America was entirely different, where low stocks led to increasing prices in the second half of 2014 as a result of the previous year’s already strong winter.

While the industrial salts sales volume tangibly exceeded the previous year’s figure, salt for chemical use volumes were lower. Our crystallized salt sales volume increased slightly to 23.6 million tons overall, compared with the previous year; it was therefore again above the long-term average.

In conclusion, the business unit’s operating earnings improved significantly. What must also be taken into account here is the absence of extraordinary effects which adversely affected the previous year’s earnings, for example the transition to SAP and the closure of a production site at Morton Salt. And: In the Salt business unit too, savings connected with the “Fit for the Future” program had a very positive effect on earnings.

Ladies and Gentlemen,

let’s now move on to our projects and initiatives:



As you know, we are building a new potash plant in Canada – our “Legacy” major project. As the word “legacy” indicates, We not only aim to increase our competitiveness considerably in the medium term, but also to pass on a healthy, stable company to future generations, with attractive prospects for the long term. After coming of age, Legacy worldwide will be at the forefront among plants with the lowest production costs. K+S will also be the only potash producer to be able to produce flexibly on two continents. We are therefore strengthening K+S as a whole and also the cost position of our German sites.

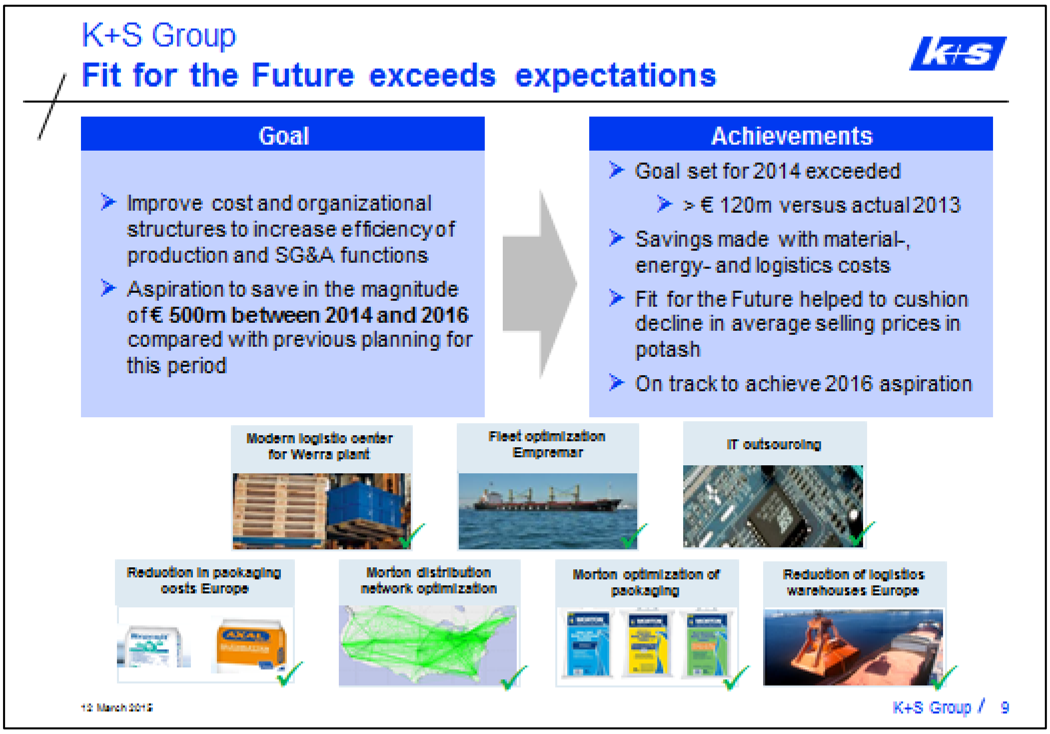
We have invested considerably in planning and organization and are well on the way to commission the plant in summer 2016 as planned, and staying within the capital expenditure budget of 4.1 billion Canadian dollars in the process. Half of the budget is “installed”, and three quarters of the total capital expenditure amount is tied up in orders for our suppliers, so that the procurement risk is significantly reduced.

Now, a few words on the current status of the project: The detail engineering – in other words, planning the specific construction – has been completed, and the preparation of works for the train connection and our loading facilities in the port of Vancouver is also progressing to our satisfaction. Material contracts, for example the contract with *Canadian Pacific Railway* or with *Pacific Coast Terminals* for the operation of our port facilities, have been signed.

The test cavern was already successfully connected about a year ago, and in the meantime two cavern fields – so-called “pads” – are ready for solution mining, while in the case of three others drilling works have been completed. Six pads each having nine caverns will be operational by commissioning, each of which is roughly the size of the Allianz Arena in Munich.

The further development of Legacy will occupy us intensively, particularly this year. Important milestones in 2015 are the site’s energy supply, the preparation of further pads, and the completion of the tank storage facility. In the spring, the focus is on steel construction works and the completion of the main components for evaporation, purification and crystallization, as well as on the transition to stable operation of the facilities for developing the caverns. In summer 2016 we aim to start the gradual commissioning of the plant.

On the right-hand side of the slide, you will recognize a sketch of the final facility and can see that there is still a lot to do. But, as I said, we remain on target.



Our “Fit for the Future” program is also making steady progress. I remain convinced that we’ll reach our target of saving a total of 500 million euros by 2016.

We’ve even exceeded the first milestone for 2014 – the amount saved is a good € 120 million. A large number of different cost items contributed to this, but it was also possible to make structural improvements, in the area of logistics, for example.

You will now ask yourselves: € 120 million in 2014 and € 500 million for the period from 2014 to 2016 – how does that go together? The answer is: A change of perspective has taken place here. The “500” savings target referred to planning from mid-2013, while the € 120 million for 2014 is *actual 2014* calculated “rigidly” against *actual 2013*. In the future, we will show the actual result in the figures as well.

Ladies and Gentlemen,

what is easily announced as the results of our efforts has also meant enormous exertion for our Company and its employees, and has been bound up with considerable cutbacks in part. The Board of Executive Directors would therefore like to thank all those who have contributed to this success with their ideas and commitment.

This is especially true because the measures to increase efficiency also lead to responsibilities being bundled or restructured. A reduction in functions is also achievable, which in turn affects staffing numbers. No one at K+S takes personnel cuts easily. However, more streamlined, flexible and therefore more responsive structures and processes are necessary; K+S will benefit from this.

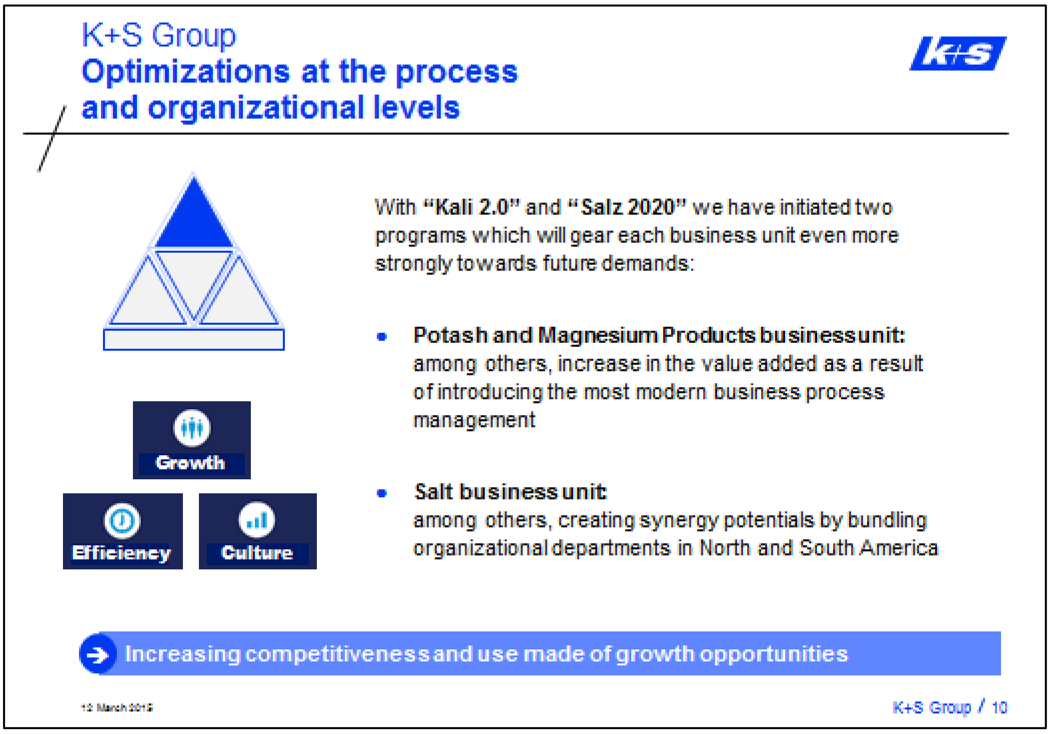
In all, the "Fit for the Future" program encompasses a variety of initiatives across the entire K+S Group. I will only mention three highlights, so that you can get some idea of where progress was made and what projects we are working on.

- In our **Werra potash plant,** a modern logistics center has been built to take over the handling for the entire plant: The center is almost entirely computer-controlled, with an annual saving of 180,000 euros.

- Our Chilean **Empremar shipping company** has reduced the number of its ships from three to two. If need be, additional ships are now chartered, which reduces daily fixed costs. Additionally, the administrative functions of Empremar have been integrated into the overall organization of K+S Chile – annual saving: over 4 million US dollars.

- At our US American salt subsidiary **Morton Salt**, the plastic packaging has been optimized: In order to reduce costs, it was tendered anew and possibilities of achieving savings were sought together with the suppliers – successfully. Annual saving: 3 to 4 million US dollars.

We have put together a few **more** examples for you on the slide.

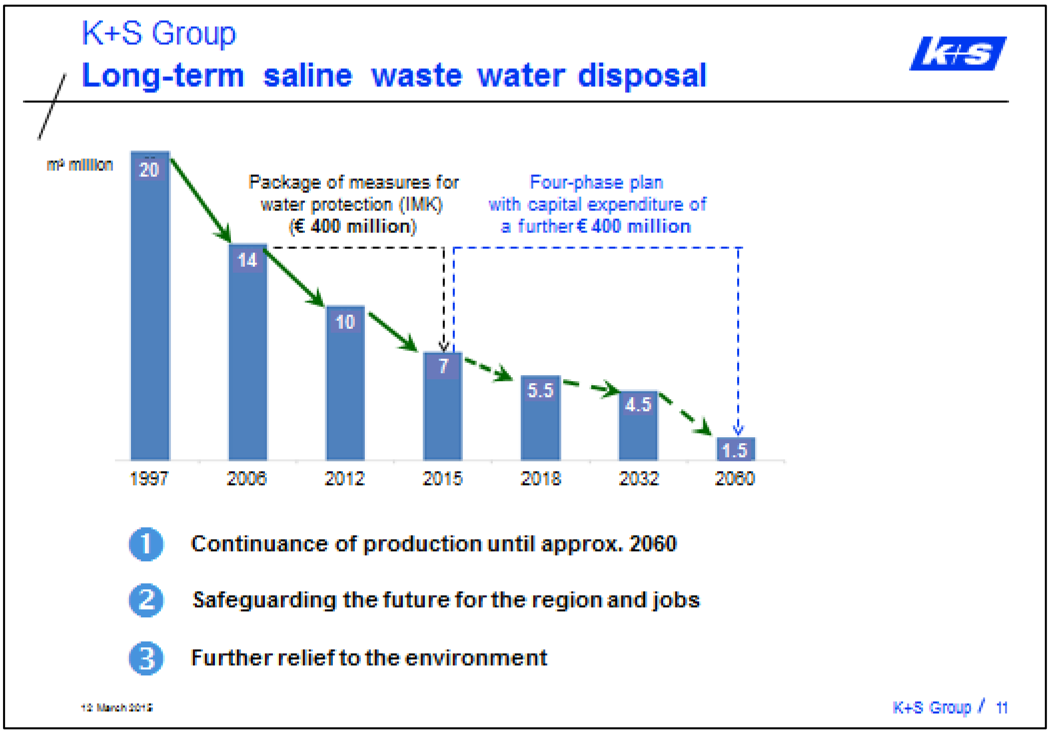


Ladies and Gentlemen,

in the medium and long term, we are continuing to place emphasis on healthy and sustainable growth. Our **strategic initiatives** in the Potash and Magnesium Products business unit and in the Salt business unit serve this goal: With “Kali 2.0” and “Salz 2020” we are pursuing two programs whose task is to gear each business unit even more strongly towards future requirements.

In the **Potash and Magnesium Products business unit**, we introduced a new structure at the beginning of this year that will help achieve stronger market orientation, higher efficiency and accelerated processes. The focus is on the introduction of the latest business process management, so as to increase the value added. This will give our potash business the necessary clout in a market environment that is becoming increasingly challenging. In the coming months we will focus on the specific arrangement of the processes and interfaces in the new structure, to find the ideal positioning for the business unit in a changed sales area, soon to be expanded by Legacy, and to be able to discern new opportunities for growth.

In the **Salt business unit**, we are continuing to concentrate on increasing revenues by strengthening our consumer brands and improving product quality and service. We are thus supporting our price strategies and promoting growth in our established markets. Additionally, we aim to further develop our business in promising regions where we are not yet sufficiently represented, for example in Eastern Europe, South America and Asia; we also wish to expand our position in growing market segments such as sea salt and pharmaceutical salt. At the same time, the Salt business unit will continue to grow together; already in the past year the South and North American distribution activities in the area of de-icing salt were combined organizationally and synergy potentials were realized. Further measures for internal as well as external growth will follow.

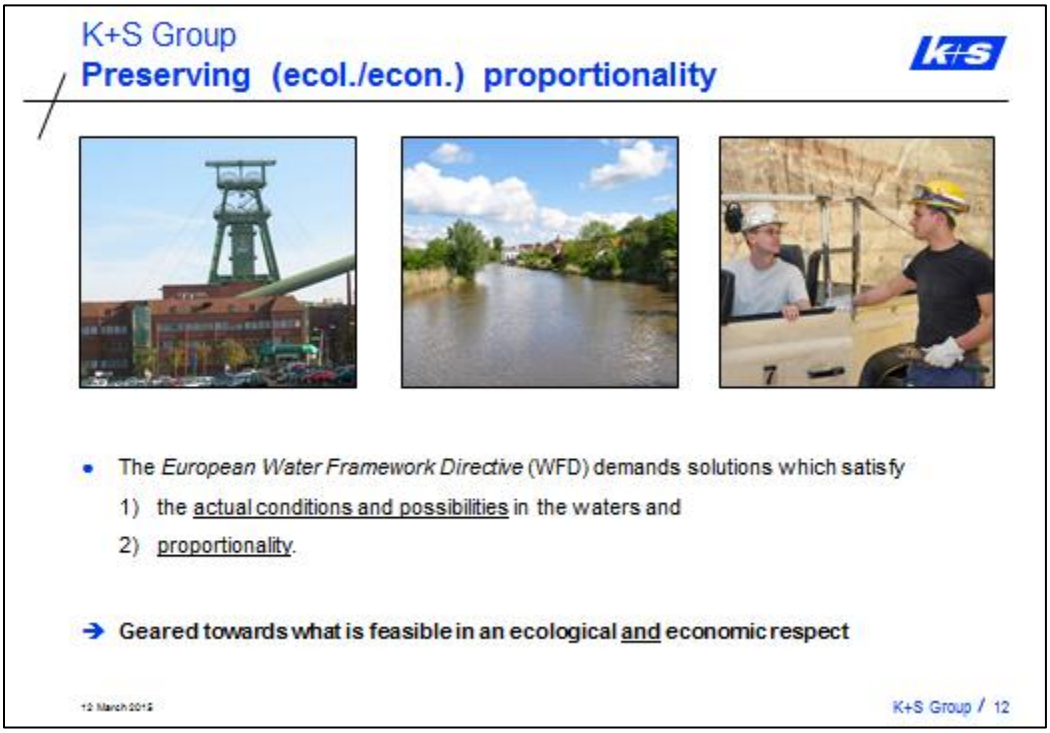


Ladies and Gentlemen,

the extraction of raw materials is inevitably bound up with encroachments on nature. We are aware of this. But we remain convinced that economic success and environmental protection are not mutually exclusive. In our analysis and research center, in the company management and at our production sites, we are therefore also highly committed in working to keep the effects of raw materials extraction on the environment as slight as possible and to reduce them further.

Against this background, in addition to our current comprehensive water protection package, in 2014 we developed a “four-phase plan” jointly with the Ministry of the Environment of the Federal State of Hesse, which combines economic feasibility with ecological expediency. As of 2015, K+S will invest a further € 400 million in this. We see this as a long-term road map for the future in the Hesse-Thuringia potash district, to achieve the following three goals in equal measure:

- Firstly: The continuation of potash production until the deposits are depleted, i.e. approx. until the year 2060.
- Secondly: Securing the future for an entire region, which involves retaining more than 7,000 jobs, of which 4,000 alone are at the Werra potash plant.
- And thirdly: The further easing of the environmental impact, with the prospect of restoring the freshwater quality in the Werra/Weser river system.



The aim of the EU Water Framework Directive adopted in 2000 is that all waters in Europe should already by the end of this year have achieved – as the Directive states – a “good ecological condition”. However, reality shows that approximately 90 % of the surface waters throughout Germany will not be in a good ecological condition. It also follows from the drafts – available since December 2014 – of the new management plans for the period from 2015 to 2021, that this goal cannot be achieved in Germany even by 2021 according to all available forecasts. It also remains questionable whether this will even be possible by 2027, in Germany as in other EU member states.

The important point is that the Water Framework Directive does not demand a good ecological condition “at all costs”. Rather, it demands action taken in compliance with the Directive, i.e. solutions which satisfy the real conditions and possibilities in the waters, and proportionality. Against this background, the solution can also involve using lower environmental targets and therefore still meeting the EU’s standards.

This aspiration – as long as it is not one-sided and “absolute” – is based on the realization that in an industrial society it is illusory to hope to fully restore all waters to an ecologically ideal condition. This does not of course mean that everything should stay as it is. Rather, it means: Exploiting the potential for improvement – being geared towards what is “feasible” as well as to ecological and economic proportionality.

It is precisely this aspiration that we want to meet with our four-phase plan.

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Ladies and Gentlemen,

I will now hand you over to Dr. Lohr, who will explain to you the business development in the fourth Quarter, several financial indicators of 2014 as a whole and the forecast for 2015.

Q4/2014

EBIT I increases strongly

€ m	Q4/13	Q4/14	YoY
Revenues	**978**	**1,020**	**+4%**
EBITDA	168	205	
D&A[1]	-68	-75	
EBIT I	**100**	**130**	***+30%***
Margin	*10%*	*13%*	
Financial result	-20	-26	
EBT, adjusted	**80**	**104**	***+30%***
Tax rate, adjusted	16%	35%	
Net income, adjusted	69	68	
EPS, adjusted	0.36	0.36	

→ Higher revenues in Potash and Magnesium products

→ Driven by positive pricing in both business units and cost discipline

→ Q4/13 benefited from a deferred tax income while Q4/14 includes deferred tax liabilities due to tax reform in Chile

[1] Includes earnings effective depreciation in 2014 only

The adjusted key figures only include operating forecast hedges of the respective reporting period in EBIT I. In addition, related effects on deferred and cash taxes are also excluded.

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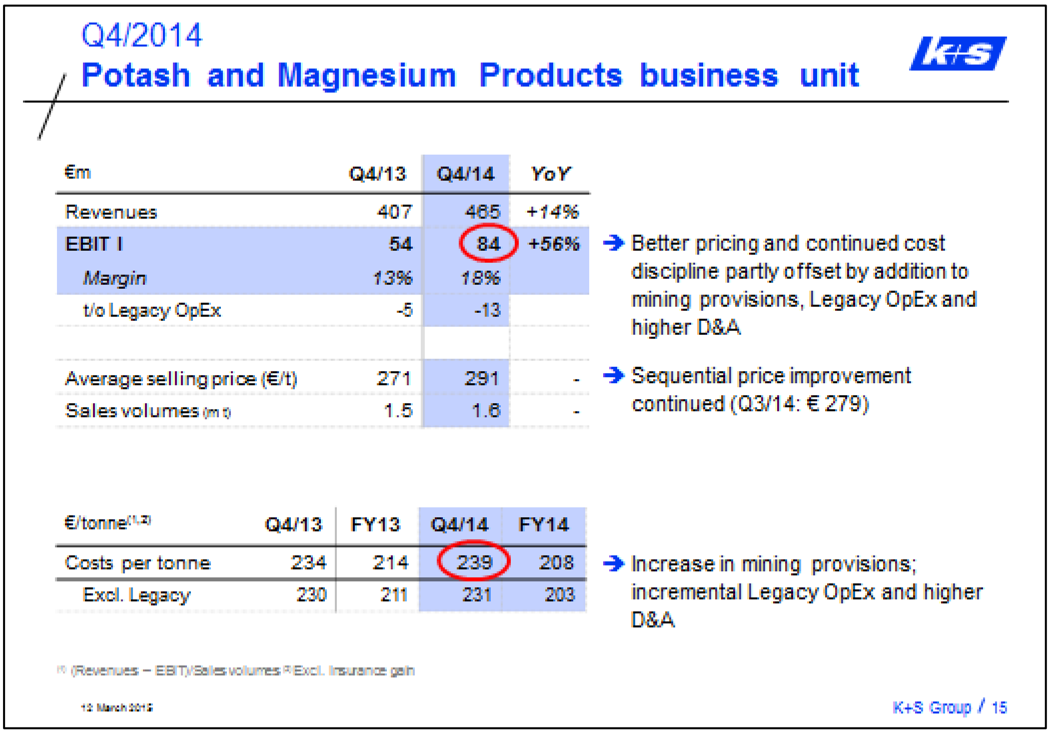
Ladies and Gentlemen,

a cordial “good morning” to you from me as well.

The first indicator to which I would like to draw attention in the fourth quarter is the operating earnings EBIT I, which increased by 30 % year on year. That’s considerable, particularly against the backdrop of contributions to mining provisions, the – as expected – increased start-up costs for the Legacy Project and higher depreciation.

Aside from increased average prices, our “Fit for the Future” program had a positive effect. There were also improvements as a result of the exchange rate, so that EBIT I rose to € 130 million in the fourth quarter.

Just a word about the tax rate: The tax rate of 35 % seems high, particularly compared with the very low income taxes in the previous year. The change results from the deferred taxes of both years: In 2013 we profited from tax income; in 2014 the tax rate was higher due to taxation reform in Chile, which was taken into account when measuring deferred taxes in the fourth quarter.


Q4/2014

Potash and Magnesium Products business unit

€m	Q4/13	Q4/14	YoY
Revenues	407	465	+14%
EBIT I	54	84	+56%
Margin	*13%*	*18%*	
t/o Legacy OpEx	-5	-13	
Average selling price (€/t)	271	291	-
Sales volumes (m t)	1.5	1.6	-

→ Better pricing and continued cost discipline partly offset by addition to mining provisions, Legacy OpEx and higher D&A

→ Sequential price improvement continued (Q3/14: € 279)

€/tonne[1,2]	Q4/13	FY13	Q4/14	FY14
Costs per tonne	234	214	239	208
Excl. Legacy	230	211	231	203

→ Increase in mining provisions; incremental Legacy OpEx and higher D&A

[1] (Revenues – EBIT)/Sales volumes [2] Excl. Insurance gain

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If we look at the **Potash and Magnesium Products business unit,** it once again becomes clear how the average price improved compared with the same quarter a year ago, after bottoming out in the first quarter. The price for the fourth quarter of 2014, at € 291 per ton, was therefore 7 % above the previous year's quarter. EBIT I increased in the fourth quarter by 56 % to € 84 million.

This positive development was possible despite a few negative effects. As I have already mentioned in the case of the EBIT indicators for the K+S Group, the contributions for mining provisions slowed earnings down somewhat, as did the increased start-up costs for the Legacy Project and higher depreciation. This is naturally reflected in the costs per ton. In the fourth quarter, they came to € 239. Without contributions for mining provisions, the amount would have been € 220.

Q4/2014

Salt business unit

€ m	Q4/13	Q4/14	YoY	
Revenues	531	515	-3%	
EBIT I	49	57	+16%	Lower die-cing volumes after record Q4/13 offset by better pricing in North America and cost discipline
Margin	9%	11%		
Sales volumes (mt)	7.3	6.1	-16%	
De-icing	5.1	3.7	-27%	North American volumes normalizing after strong Q4/13
Non de-icing	2.2	2.4	+9%	
Average selling prices (€)				
De-icing	55.2	66.1	+20%	Price increases in North America more than offset lower prices in Europe
Non de-icing	103.2	107.9	+5%	

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In the case of the **Salt business unit,** the net operating profit increased in the fourth quarter by 16 % compared with the previous year, to € 57 million, despite the smaller volume.

The same quarter in 2013 was a record one with regard to volume, which couldn't be achieved again in 2014. However, the good run-up to the winter season in North

America depleted stocks significantly, having a positive impact on demand and prices in the current season.

Last but not least, our “Fit for the Future” program made a positive contribution to earnings in this case as well.

Financials 2014

Negative Cash flow, strong balance sheet

K+S

€m	FY13	FY14	YoY
Operating cash flow	756	707	-6%
- Investing cash flow (pre sale/ purchase of securities)	-707	-1,013	+43%
Adjusted free cash flow	**49**	**-306**	-
CapEx	**743**	**1,153**	**+55%**

→ Decrease mainly due to higher working capital

→ Free cash flow decreased due to CapEx for the Legacy Project

	31/12/13	31/12/14
Net debt[(1)]	-1,037	-1,676
t/o Net financial debt (-)	-191	-588

→ Net debt increased along with higher CapEx and adjustment of interest rates on non-current provisions

(1) Including pension and mining provisions

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Just a brief word now about the key financial indicators of the year taken as a whole:

Ongoing capital expenditure, particularly in the Legacy Project, led – as expected – to a negative adjusted free **cash flow**. **Net indebtedness** increased accordingly. The adjustment of interest rates for non-recurrent provisions also contributed to this; the increase in the debt from this effect was approximately € 230 million.

Incidentally: In talking about capital expenditure and particularly the Legacy Project, I’d like to point out that the capital expenditure in Canadian dollars is hedged at very favorable rates for the major part. This not only gives us planning security, but the capital expenditure amount in euros also becomes lower than originally planned as a result.

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I'd like to close our presentation with an outlook for 2015.

Outlook
Our expectations for 2015 as a whole

Premises 2015

Potash and Magnesium Products

- Global potash sales volume slightly down on previous year[1] (2014: > 65 million tons)
- K+S sales volume: ~ 7 million tons (2014: 6.9 million tons)
- Tangible increase of average price level (2014: € 274 / ton)

Salt

- Crystallized salt sales volume: Moderately below previous year's level, of which approx. 12m tons de-icing salt (2014: 24 million tons) (2014: 14 million tons)

Exchange rate: USD / EUR 1.15 (2014: USD / EUR 1.33)

Revenues	**Moderately up on previous year**	(2014: € 3.8 billion)
EBIT I	**Significantly up on previous year**	(2014: € 641[2] million

1) Incl. ~ 4 million tons SOP and potash varieties with smaller K_2O content 2) Incl. insurance payment of € 36 million

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You can see here the assumptions we are making. I would like to draw your attention to a few points:

We are expecting global **potash demand** in 2015 to be somewhat below the record level of 2014. Please note that our calculations include 4 million tons of potassium sulfate and other specialties.

We should again be in a position to sell about 7 million tons at an average sale price which is tangibly above the previous year's figure, as we are beginning the new year with a higher starting price.

In the **Salt business,** we are anticipating a slight decrease in the volume compared with the 24 million tons sold in 2014. The reason is that in our planning we always set the long-term average value. The first months of the year were slightly better than average, due to a good winter in North America.

One point which I would particularly like to stress is the **exchange rate** between the euro and the dollar. The average annual rate for 2015 in our forecasts is 1.15 US dollars to the euro, whereas the average for 2014 was 1.33 US dollars to the euro. The question of whether we can profit from a stronger US dollar will substantially help to determine to what extent our operating earnings will increase this year. We are assuming that a US dollar which is 10 cents stronger would mean an increase of € 50 million for our earnings.

All things considered, we expect **operating earnings EBIT I** to increase significantly in 2015 as compared with the previous year.

Ladies and Gentlemen,

thank you for your attention. We will now be pleased to answer your questions!

This presentation 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 Risk Report – materialize, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements, save for the making of such disclosures as are required by the provisions of statute.