K+S Aktiengesellschaft

FY/Q4 2015 – Conference Call

Frankfurt, March 10th, 2016

Norbert Steiner, CEO
Dr. Burkhard Lohr, CFO

Experience growth.

Complex Market Environment

- **Major decline in broader commodities markets**
  - No structural imbalance in agriculture
  - Demand for soft commodities remains strong
- **Potash prices under pressure**
  - Macroeconomic uncertainties
  - Pressure on soft commodity prices
  - Lack of major contracts (e.g. China, India)
  - Fierce competition for market share
- **Mild winter on top of that**
- **Underlying long-term trends intact**
  - Cycles are part of our business
  - Know-how to deal with them

Weathering Difficult Situations

- **2015 a solid year**
  - Lower end of guidance due to mild winter in Q4
- **Dividend of € 1.15 proposed (2014: € 0.90)**
- **We cannot decouple from the overall market development**
  - 2016 earnings will be significantly below last year
  - First tentative signs of recovery
- **But we are doing our utmost to prepare the company for the future**
  - Management agenda with clear focus
  - ‘Fit for the Future’ on track - additional savings beyond 2016 resolved
  - Werra situation currently manageable
  - Potash portfolio with European footprint and specialties more resilient
  - Salt continues to be a strong cash contributor
- **Legacy on budget**
  - Commissioning in summer
  - First ton of potash by end of 2016

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Management Task List

Opening Legacy this summer – production of 1st ton end of 2016	Managing environmental challenges particularly in Germany	Enhancing portfolio of higher yielding products	Successful implementation of "Salt 2020" Strategy	Keeping cost discipline above and beyond "Fit for the Future"

Low cost commodity production with Legacy in Canada ensuring cost competitiveness and participation in future growth in the potash markets

German mines remaining attractive with broad specialty portfolio and close proximity to customers

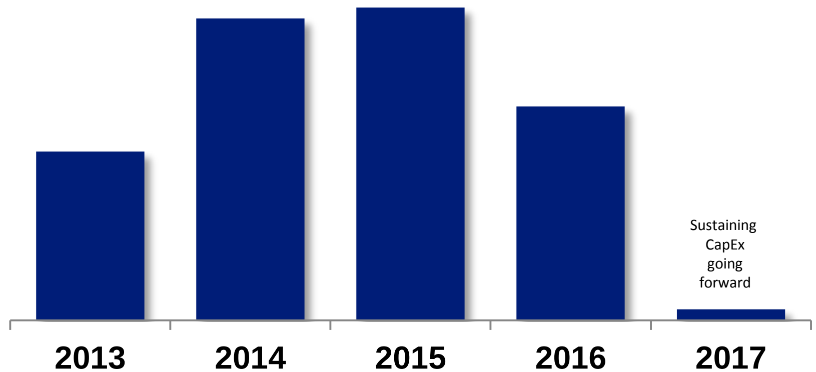
Salt with unrivalled footprint and product range

On Time and Budget

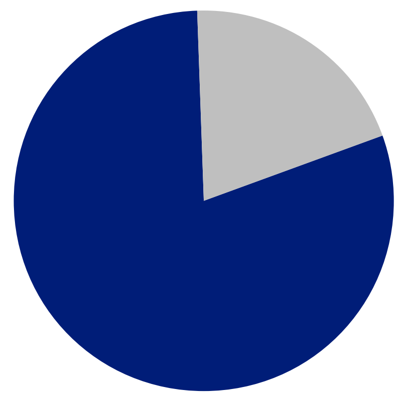
October 2015

February 2016

Total CapEx of CAD 4.1 billion



~ 80% of total CapEx spent

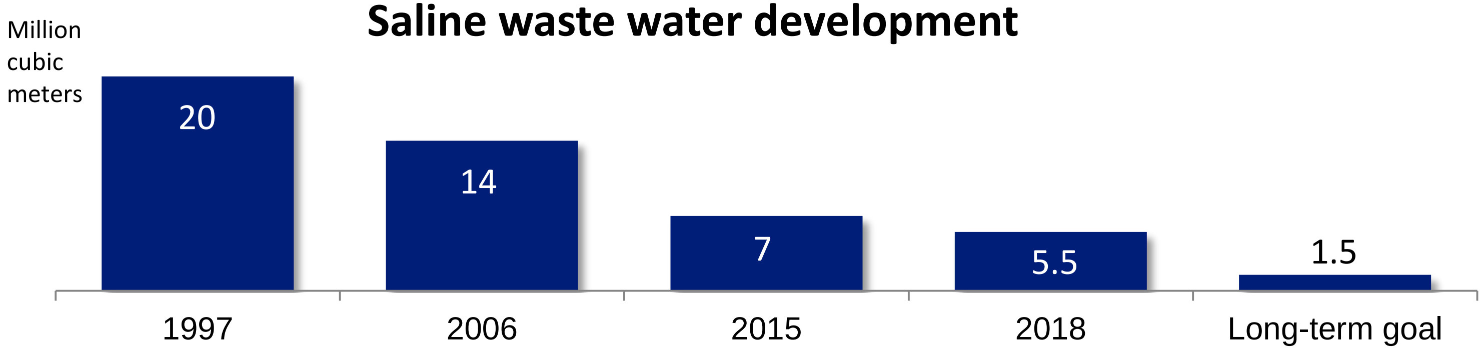


Environment

Saline Waste Water Halved

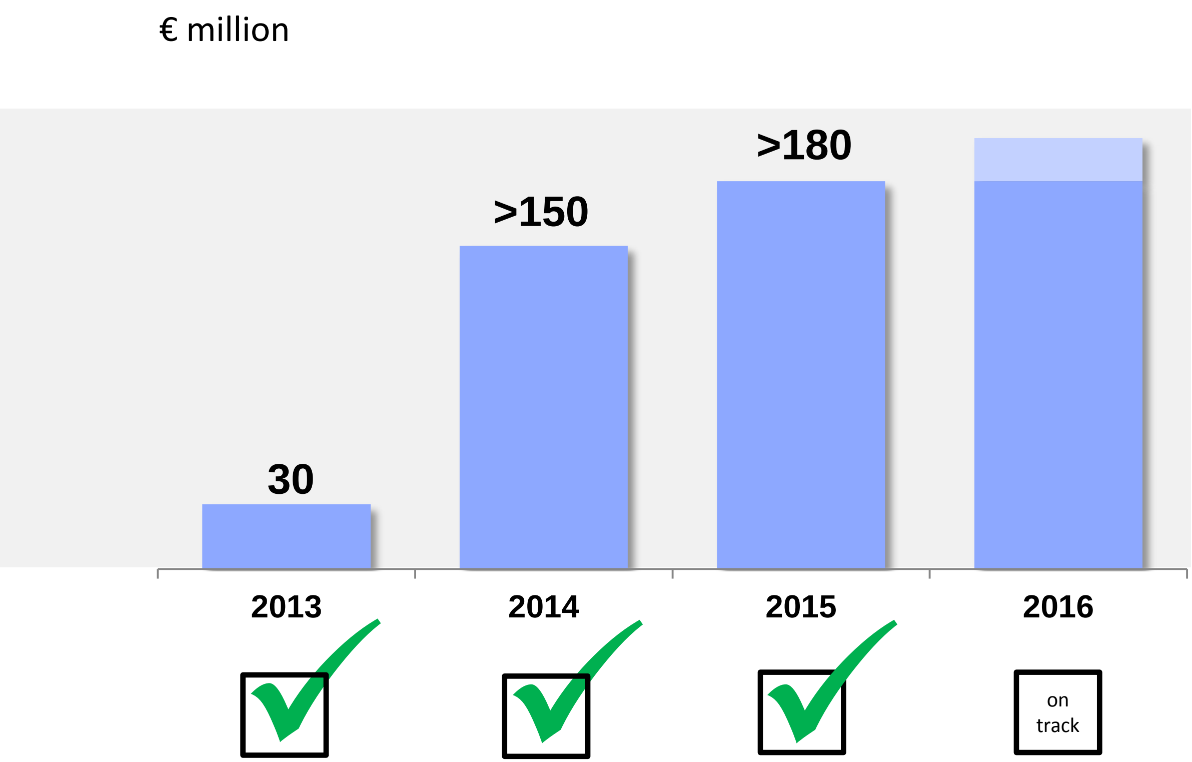
- Package of measures successfully concluded
  - Initiated 2008
  - CapEx: € ~400 million
- Reduction of saline waste water by more than 65% since 1997

Saline waste water development



- Further investments and reduction of saline waste water according to Four-Phase-Plan (communicated in 2014)
- Transitional permit for deep-well injection (Werra plant)
  - Permit until end of 2021 expected by this summer

Cost Discipline Will Remain High



- **‘Fit for the Future’ on track**
  - More than 2/3 of total aspiration achieved
  - Measures implemented will continue beyond 2016 with full effects from 2018
- **Further top-down measures on top of ‘Fit for the Future’ initiated**
  - Effects coming through in 2017 and 2018

‘Salt 2020’ Strategy – On Track

Priority areas

GROWTH

- Market share growth
- New segments
- New regions

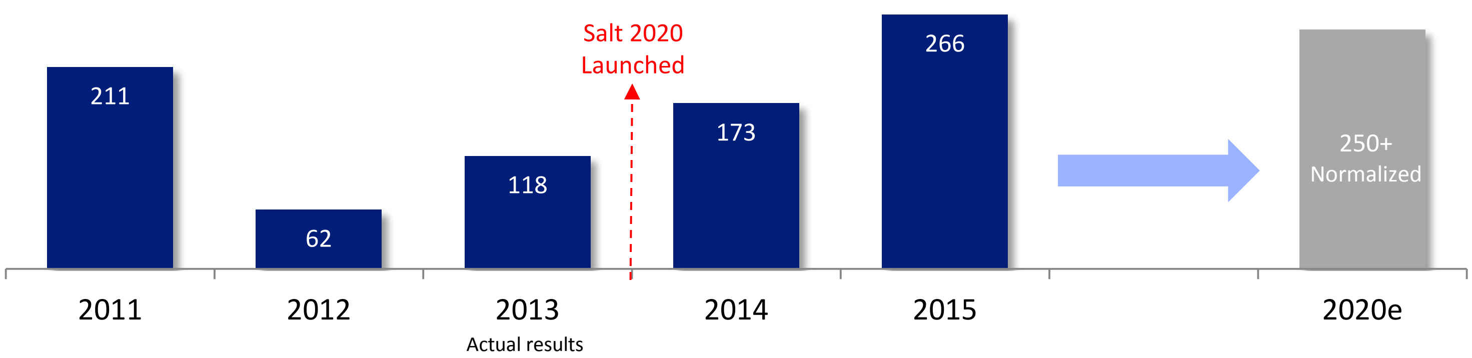
EFFICIENCY

- Fit for the Future
- Business and technical processes
- Supply chain and distribution network improvements

CULTURE

- Safety first!
- Remove silo thinking
- Transparency/trust
- High performance and engaged workforce

Expected EBIT development



Equals more than € 400 million EBITDA

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P&L Q4/15: EBIT I Significantly Improved

€ million	Q4/14	Q4/15	YoY
Revenues	**1,020**	**993**	***-3%***
EBITDA	**205**	**228**	***+11%***
D&A	-75	-74	
EBIT I	**130**	**154**	***+18%***
Margin	*13%*	*16%*	
Financial result	-26	+27	
EBT, adjusted	104	181	*+74%*
Tax rate, adjusted	35%	25%	
Net income, adjusted	68	136	*+100%*
EPS, adjusted	0.35	0.71	

➔ Higher volumes in potash, better pricing in salt and positive Fx-effects offsetting mild winter

➔ Mainly upward adjustment of interest rates on mining provisions and capitalization of interest costs for Legacy

➔ Decrease mainly due to lower profit in North America (Q4/14 included deferred tax liabilities due to tax reform in Chile)

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.

Cash Flow and Net Debt

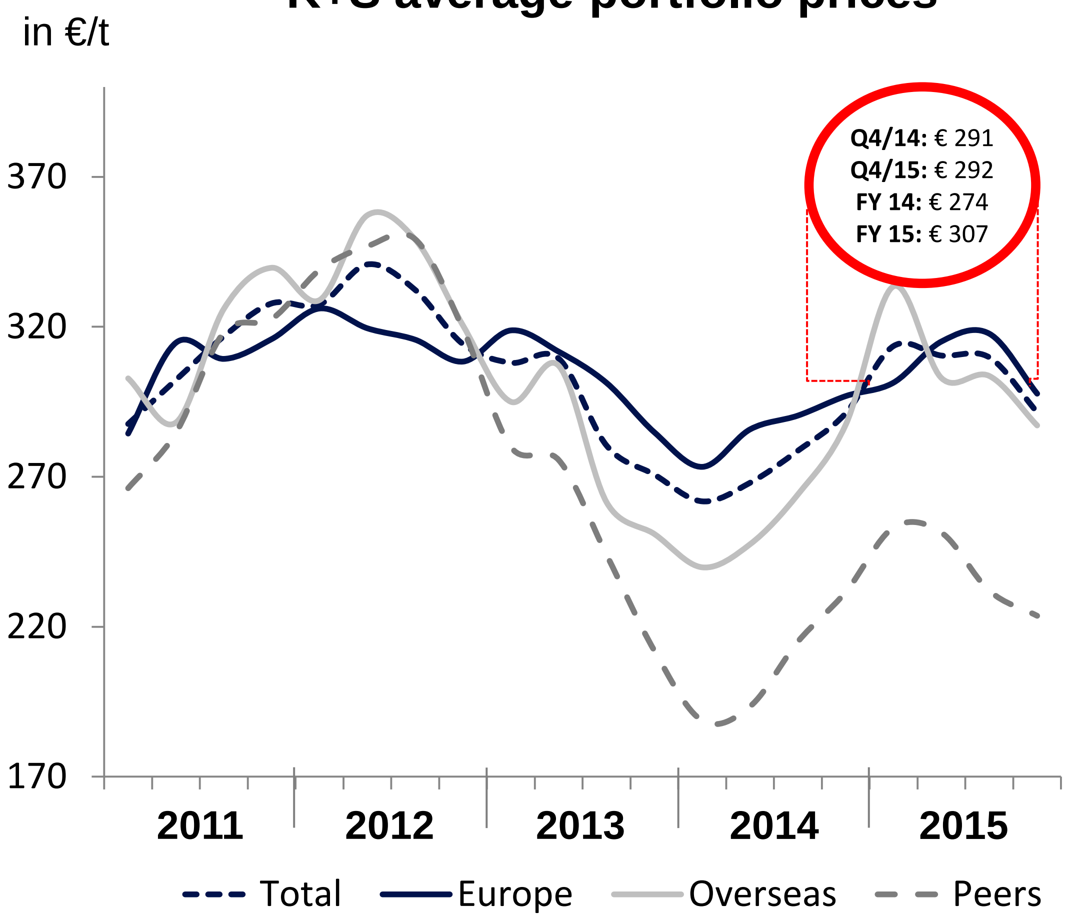
€ million	FY/14	FY/15	YoY
Operating cash flow	719	669	*-7%*
- Investing cash flow (pre sale/ purchase of securities)	-1.025	-1.305	*+27%*
Adjusted free cash flow	**-306**	**-636**	***>100%***
CapEx	**1,153**	**1,279**	***+11%***

	31/12/14	31/12/15	
Net debt	**-1,626**	**-2,400**	**+47%**
t/o Net financial debt (-)	-591	-1,364	>100%

Mainly Legacy investments

Markets Waiting for Direction

K+S average portfolio prices



➔ Market

- Low trading activity
- Markets are waiting for direction by major contracts
- European prices stable with spring season not started yet
- Significant production curtailments announced

➔ K+S product portfolio

- European average selling price driven by product mix
- Overseas feels decline in MOP price
- SOP premium remains high

Prices in USD converted into Euro with quarterly average Fx-rates.

Considerable Year-End Performance

€ million	Q4/14	Q4/15	YoY
Revenues	465	511	*+10%*
EBITDA	**123**	**166**	***+35%***
EBIT I	**84**	**127**	***+51%***
Margin	*18%*	*25%*	
t/o Legacy OpEx	-13	-20	
Average selling price (€/ton)	291	292	
Sales volumes (million tons)	1.6	1.8	*+13%*

→ Higher sales volumes and Fx

Costs/ton [1,2]	FY/13	Q4/14	FY/14	Q4/15	FY/15
Excl. Legacy	211	231	203	208	217
Incl. Legacy	214	239	208	220	227

[1] (Revenues – EBIT)/ Sales volumes [2] Excl. insurance payment

→ Costs per ton YoY driven by higher sales volumes and cost savings

Salt

Mild Winter

€ million	Q4/14	Q4/15	*YoY*
Revenues	515	442	*-14%*
EBITDA	**86**	**70**	***-19%***
EBIT I	**57**	**39**	***-32%***
Margin	*11%*	*9%*	
Sales volumes (million tons)	6.1	4.7	*-23%*
De-icing	3.7	2.3	*-38%*
Non de-icing	2.4	2.4	-
Average selling prices (€)			
De-icing	66.1	66.5	*+1%*
Non de-icing	107.9	117.6	*+9%*

→ Lower volumes due to mild winter partly offset by better pricing and positive Fx-effects

→ Mild winter on both sides of the Atlantic

→ Higher average selling prices in Europe and Fx

→ Non de-icing up due to pricing structure and positive Fx-effects

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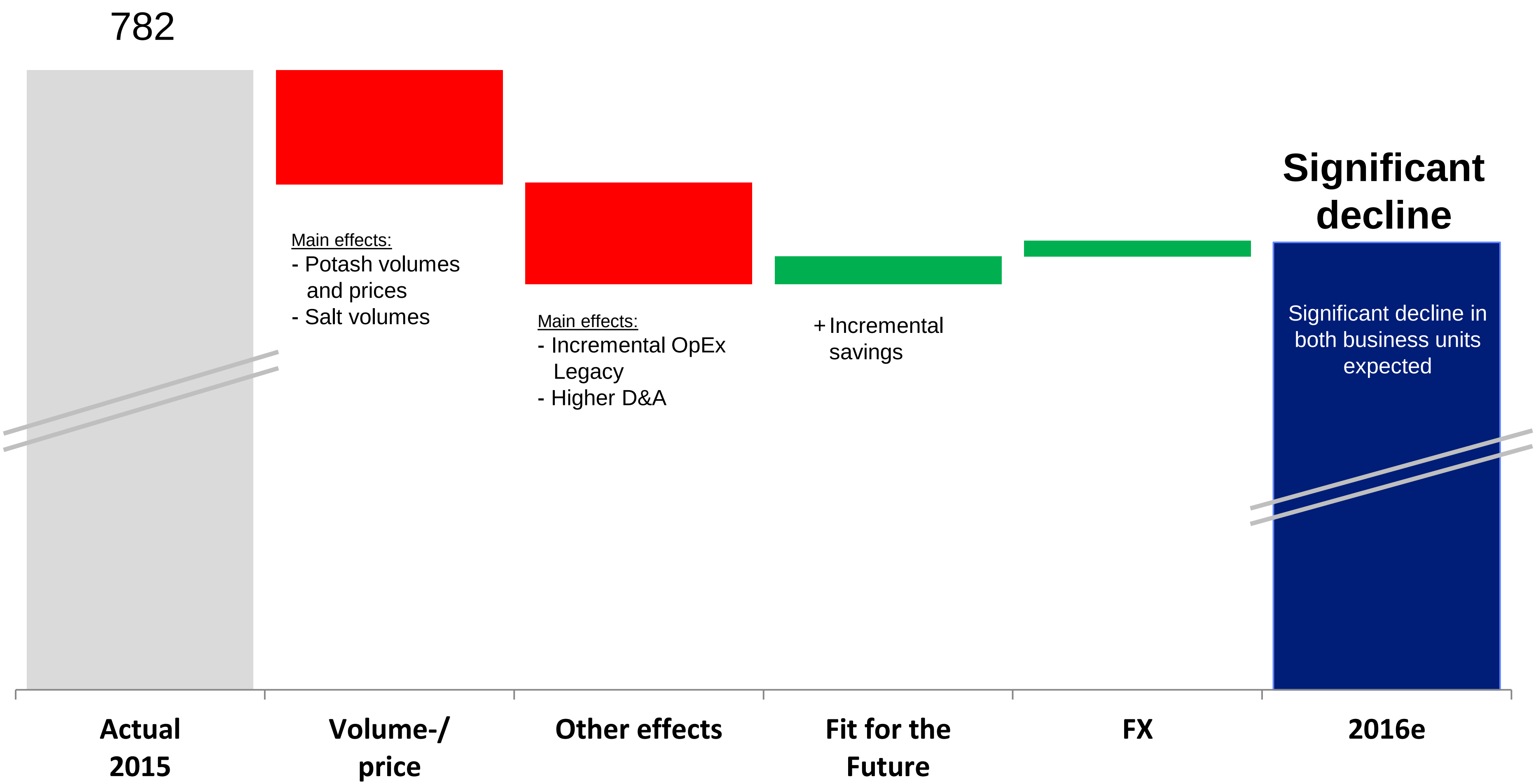
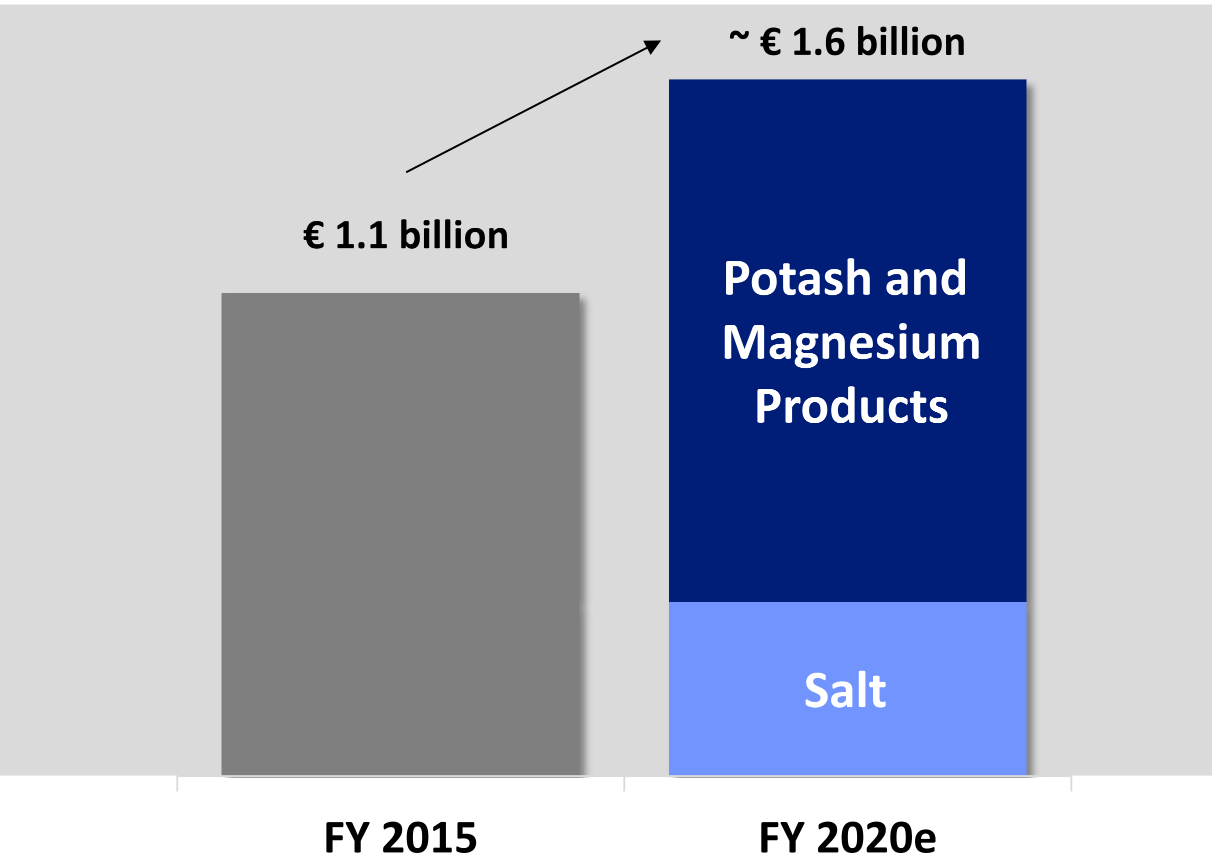
Guidance FY 2016: EBIT I Bridge

€ million



Mid-Term Goal

Group EBITDA



- Despite current market turmoil, mid-term fundamentals of the potash business remain intact
- Legacy will significantly contribute to the mid-term earnings goal
- Our salt business continues to increase in profitability

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Guidance FY 2016: Underlying Assumptions

	FY 2016e YoY	FY 2015
Potash and Magnesium Products		
Global sales volumes[1]	On last year's level	~ 64 million tons
K+S sales volumes	Slight decline	6.8 million tons
Average selling price	Significant decline	€ 307/ ton
Salt		
K+S sales volumes	Moderate decline	21 million tons
t/o non de-icing	Moderate increase	9 million tons
Group		
Revenues	Moderate decline	€ 4.2 billion
EBITDA	**Significant decline**	**€ 1.06 billion**
EBIT I	**Significant decline**	**€ 782 million**
Free Cash flow, adjusted	Significantly negative	-€ 636 million
Capex	Moderate decline	€ 1.3 billion
Average Fx spot-rate (EUR/USD)	1.10	1.11
Dividend policy	40-50% payout ratio	41% payout ratio

(1) Incl.~4mt of potassium sulphate and potash grades with lower mineral content