K+S Group

Highlights

- MOP prices stabilizing at significantly lower levels than last year
- Production standstills at Werra plant due to limited deep-well injection permit
- 1st ton from Legacy in Q2/17
  - Repair work on site making good progress
- Salt business ready for the season
- Outlook 2016: EBIT I between € 200 and 260 million
Weak Quarter as Expected

**Potash and Magnesium Products**
- Lower average selling price ($239/ton vs. $310/ton in Q3/15)
- Overall pricing environment
- Product mix due to missing permit
- Sales volumes down due to production standstills (1.26 million tons; -17% YoY)

**Salt**
- Mild winter 2015/2016 affecting de-icing development

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q3/15</th>
<th>Q3/16</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>891</td>
<td>688</td>
<td>-23%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>199</td>
<td>56</td>
<td>-72%</td>
</tr>
<tr>
<td>EBIT I</td>
<td>132</td>
<td>-31</td>
<td>n.m.</td>
</tr>
<tr>
<td>t/o Potash and Magnesium</td>
<td>93</td>
<td>-49</td>
<td>n.m.</td>
</tr>
<tr>
<td>t/o Salt</td>
<td>43</td>
<td>18</td>
<td>-58%</td>
</tr>
</tbody>
</table>

(1) (Revenues – EBIT I excl. Legacy OpEx) / Sales volumes
Salt

`Salt 2020` Strategy On Track

- **Non de-icing**
  - Focus on strong brands
  - Lower average selling price due to product mix effects

- **De-icing**
  - Low early fills due to mild winter season in Europe and North America
  - Bidding season almost complete
Markets Revitalized

- China/India contracts stimulated potash demand
- MOP prices stabilized
- K+S overseas price lower YoY, but stable QoQ
- Unfavorable product mix due to Werra issue
- SOP prices remain at high level overall, but declining QoQ

K+S average portfolio prices

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

Cleanup After Incident in Progress

- Crane for removal of damaged equipment on site
- Production of 1st ton expected in Q2/17
- Capacity of 2 million tons p.a. will be reached by the end of 2017

Budget development (in CAD and € billion)

- Budget of CAD 4.1 billion will be moderately exceeded due to incident
- Positive currency development led to unchanged budget in EUR terms since review in 2013

<table>
<thead>
<tr>
<th>Year</th>
<th>CAD</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>~4.1</td>
<td>~3.1</td>
</tr>
<tr>
<td>Final</td>
<td></td>
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</tbody>
</table>
Environmental Roadmap

2016
- Limited deep-well injection permit at the Werra plant
- Review by authorities still ongoing
- Production largely based on water flow rate of Werra river
- Measures to mitigate impact from missing permit ramping up

2017/2018
- Continuation of implementation of measures to mitigate impact from missing permit
- Commissioning of KCF\(^{(1)}\) will reduce saline wastewater from Werra plant by 1.5 million m\(^3\) to 5.5 million m\(^3\)
- Expansion of tailings pile capacity Hattorf (Werra)

2019 and beyond
- Expansion of tailings pile capacity Wintershall (Werra) and Zielitz
- Prolongation of Werra River injection permit
- Implementation of sustainable solutions
  - Oberweserpipeline
  - Coverage of tailings piles
  - Underground backfilling (currently being analyzed)

\(^{(1)}\) Kainite Crystallization and Flotation Facility
Main assumptions:

**Potash**
- Lower YoY potash ASP
- Hydrological normal year
- Execution of countermeasures
- Sales volumes ~6.1 million tons

**Salt**
- Tangible decline of de-icing volumes
- Average winter in Q4
- Slight increase of non de-icing volumes may not offset this

Guidance FY 2016: EBIT I Bridge

<table>
<thead>
<tr>
<th>Actual 2015</th>
<th>Volume-/price</th>
<th>Missing deep-well injection permit</th>
<th>Other effects (net)</th>
<th>Fit for the Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>782</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

2016e EBIT range:

- **Potash**
  - Missing deep-well injection permit: €200 million
  - Other effects (net): €260 million
  - EBIT: €782 million

- **Other**
  - Fit for the Future: €200 million

Main effects:
- OpEx Legacy
- Higher D&A
EBITDA of € 1.6 billion by 2020

- ‘Salt 2020’ well on track
- Legacy will contribute positively
- Mid-/long-term potash fundamentals remain intact
- Current low potash prices not sustainable
- Development of strategic initiatives to support the goal