

K+S Q4/16 FACTS & FIGURES

Q4/FY 2016 HIGHLIGHTS

- + EBIT I of € 229 million within expected range of € 200-260 million
- + Significantly below 2015 due to lower ASP in potash, production standstills at the Werra plant and mild winter conditions
- + Dividend of € 0.30 per share proposed (44% payout ratio)

OUTLOOK 2017

- + Tangible increase in EBIT I compared to FY 2016
- + Legacy: Production start in Q2/17 – first time D&A overcompensating first sales
- + Higher volumes in both business units and price/price-mix improvements in potash
- + Based on average weather conditions for the rest of 2017
- + Dry periods could have severe impact on potash earnings

MIDTERM GUIDANCE

- + KCF facility will reduce volume of saline wastewater by 20% from 2018 on and thus have a positive impact on disposal situation
- + 'Salt 2020' strategy on track to achieve EBIT of more than € 250 million
- + Legacy is expected to deliver positive EBITDA by 2018
- + Mid-term and long-term growth trends remain intact
- + EBITDA of € 1.6 billion expected by 2020

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)							
		Q4/15	Q4/16	%	2015	2016	%
Revenues	€ million	992.6	941.4	- 5.2	4,175.5	3,456.6	- 17.2
– thereof Potash and Magnesium Products business unit	€ million	511.0	398.5	- 22.0	2,091.3	1,531.6	- 26.8
– thereof Salt business unit	€ million	442.4	502.0	+ 13.5	1,925.2	1,762.2	- 8.5
Earnings before interest, taxes, depreciation and amortisation (EBITDA) ¹	€ million	227.9	94.4	- 58.6	1,057.5	519.1	- 50.9
– thereof Potash and Magnesium Products business unit ¹	€ million	165.8	- 7.8	-	689.2	184.8	- 73.2
– thereof Salt business unit	€ million	70.0	92.6	+ 32.3	381.0	322.3	- 15.4
Operating earnings (EBIT I)	€ million	153.6	27.5	- 82.1	781.6	229.3	- 70.7
– thereof Potash and Magnesium Products business unit	€ million	126.4	- 34.6	-	546.1	33.6	- 93.8
– thereof Salt business unit	€ million	38.5	57.9	+ 50.4	266.3	203.7	- 23.5
EBIT I-margin	%	15.5	2.9	-	18.7	6.6	-
– Potash and Magnesium Products business unit	%	24.7	- 8.7	-	26.1	2.2	-
– Salt business unit	%	8.7	11.5	-	13.8	11.6	-
Group earnings, adjusted ²	€ million	136.1	10.2	- 92.4	542.3	130.5	- 76.0
Earnings per share, adjusted ²	€	0.71	0.05	- 92.4	2.83	0.68	- 76.0
Capital expenditure ³	€ million	373.6	267.1	- 28.5	1,278.8	1,170.8	- 8.4
Depreciation and amortisation ³	€ million	74.3	67.0	- 9.8	275.9	289.8	+ 5.0
Operating cash flow	€ million	39.0	55.1	+ 41.3	669.4	445.4	- 33.5
Free cash flow, adjusted	€ million	- 372.0	- 320.5	+ 13.8	- 635.9	- 776.8	- 22.2
Net debt as of 31 December	€ million	-	-	-	2,399.8	3,583.8	+ 49.3
Net debt/EBITDA (LTM)		-	-	-	2.3	6.9	> 100
Equity ratio	%	-	-	-	51.9	47.2	- 9.1
Return on Capital Employed (LTM)	%	-	-	-	12.5	3.0	- 76.0
Book value per share as of 31 December	€	-	-	-	22.44	23.78	+ 6.0
Average number of shares	million	191.40	191.40	-	191.40	191.40	-
Employees as of 31 December ⁴	number	-	-	-	14,383	14,530	+ 1.0
Market capitalisation as of 31 December	€ billion	-	-	-	4.5	4.3	- 4.4
Enterprise Value as of 31 December	€ billion	-	-	-	6.9	7.9	+ 14.9

¹ Adjusted for the depreciation and amortisation amount not recognised in profit and loss in the context of own work capitalized.

² 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.

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

⁴ FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.

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BUSINESS SEGMENT INFORMATION

POTASH AND MAGNESIUM PRODUCTS BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION ¹											
		Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16	Q4/16	2016
Revenues	€ million	608.4	500.5	471.4	511.0	2,091.3	460.5	370.9	301.7	398.5	1,531.6
Europe	€ million	363.3	283.6	221.9	274.3	1,143.1	316.3	217.1	167.5	244.2	945.1
Overseas	US\$ million	276.1	239.4	277.2	259.4	1,052.1	158.9	173.7	149.8	166.8	649.2
Sales volumes	t million (product)	1.94	1.61	1.52	1.75	6.82	1.69	1.48	1.26	1.62	6.06
Europe	t million (product)	1.21	0.90	0.70	0.92	3.73	1.05	0.78	0.65	0.95	3.42
Overseas	t million (product)	0.73	0.72	0.82	0.82	3.09	0.64	0.70	0.61	0.67	2.63
Average price	€/t (product)	313.6	310.4	309.8	291.5	306.5	272.4	250.1	238.8	246.1	252.9
Europe	€/t (product)	301.4	315.1	317.7	297.7	306.3	302.3	279.1	258.2	256.5	276.0
Overseas	US\$/t (product)	375.6	336.3	337.0	315.8	340.3	246.6	246.4	243.7	250.0	246.7

¹ 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.

SALT BUSINESS UNIT

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES ²											
		Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16	Q4/16	2016
De-icing salt											
Revenues	€ million	449.3	79.7	91.7	152.7	773.4	313.1	33.8	54.1	208.9	609.9
Sales volumes	t million	6.89	1.22	1.48	2.29	11.88	4.89	0.64	1.04	3.53	10.10
Average prices	€/t	65.2	65.3	61.9	66.7	65.1	64.0	52.8	52.3	59.2	60.4
Consumer products, industrial salt, food processing salt and salt for chemical use											
Revenues	€ million	266.0	285.2	280.1	279.4	1,110.7	271.7	276.8	283.0	281.4	1,112.9
Sales volume	t million	2.23	2.37	2.26	2.38	9.23	2.24	2.25	2.50	2.27	9.26
Average price	€/t	119.4	120.5	124.1	117.5	120.3	121.5	123.1	113.3	124.1	120.2

² 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. The price information is also affected by the respective product mix and is therefore to be understood as providing a rough indication only.

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Forward-looking statements

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