

THE FOOD CHALLENGE



Investors' Factbook - May 2012



Experience growth.

Source of growth and life through nutrients and minerals.

On the basis of our core values, we want:

- to mine and process raw materials and improve nutrition, health and quality of life with our products and services
- to occupy leading positions in the markets
- to be customers' preferred partner
- to strengthen our raw material and production base and expand it globally
- to further increase the value added by developing new products and more efficient processes
- to achieve a fair balance of economic, ecological and social concerns
- to create sustainable values for our stakeholders and take on responsibility in society
- to be an attractive employer for employees from all over the world



Norbert Steiner
CEO



Joachim Felker



Gerd Grimmig



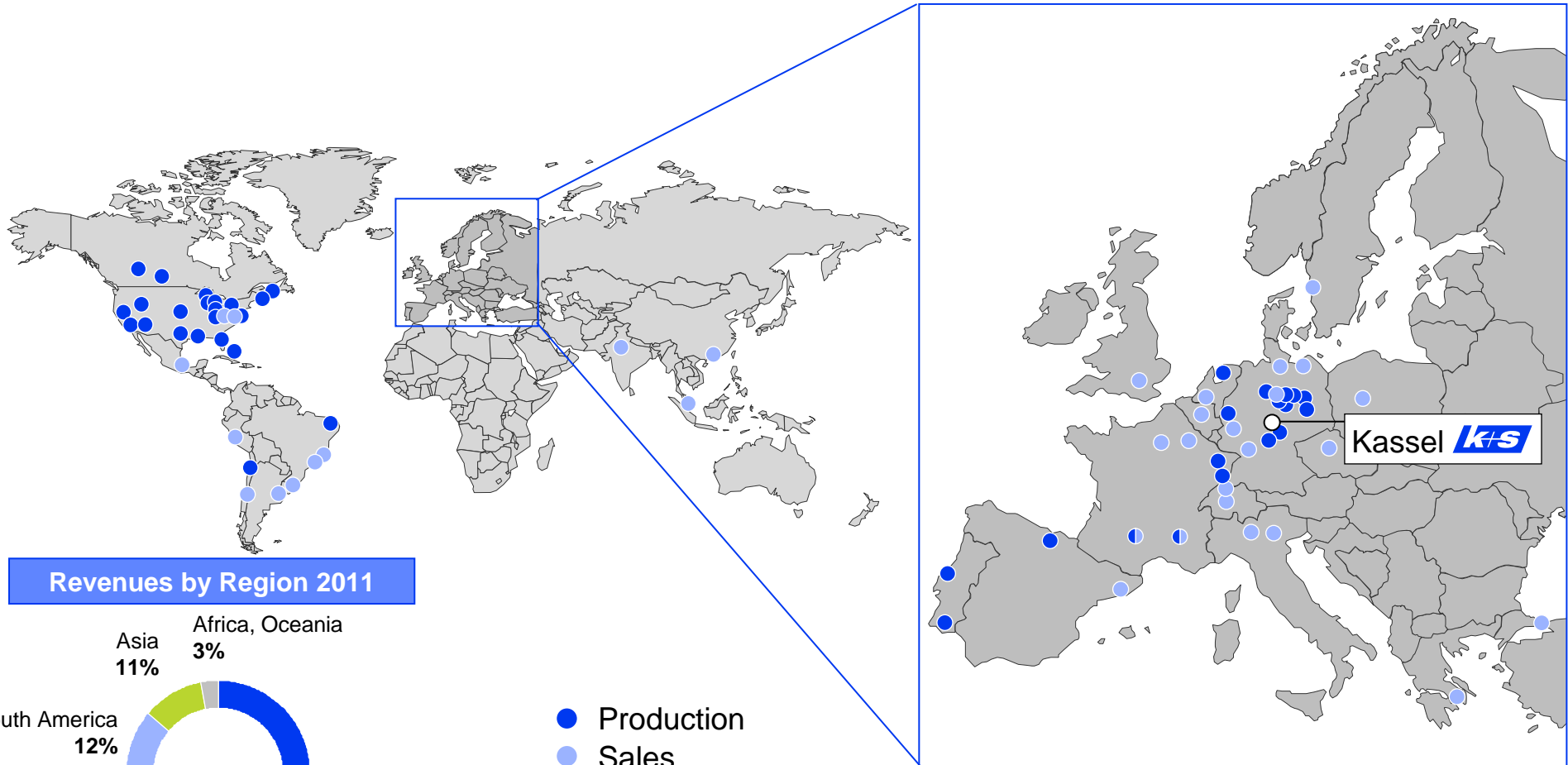
Dr. Thomas Nöcker

1889	Formation of „Aktiengesellschaft für Bergbau und Tiefbohrung“, the eldest predeceasing company of today's K+S Aktiengesellschaft
1970/71	Merger of all three West-German potash producers to Kali und Salz GmbH; BASF is majority shareholder / change of corporate form into Kali und Salz AG
1993	Merger of the potash and rock salt activities of Kali und Salz AG and the East-German Mitteldeutsche Kali AG into the Kali und Salz GmbH (Kali und Salz AG share: 51%)
1997	BASF reduces its stake of Kali und Salz AG below 50%
1998	Purchase of the remaining share capital (49%) of Kali und Salz GmbH; K+S is included in the MDAX
1999	Change of company name to K+S Aktiengesellschaft; acquisition of COMPO and fertiva;
2000/2001	K+S cancelled 10% own shares (2000); expansion of the business segments COMPO and salt by further acquisitions
2002	Foundation of salt joint venture esco - european salt company (K+S stake: 62%)
2003	K+S cancelled 5.6% own shares
2004	Acquisition of Solvay's 38% share in esco
2005	Share buyback of 1.25 million shares; Cooperation between COMPO and Syngenta in the area of plant protection products
2006	Acquisition of the Chilean salt producer Sociedad Punta de Lobos
2008	Inclusion in the DAX
2009	Acquisition of the North American salt producer Morton Salt
2011	Acquisition of the Canadian potash exploration company Potash One; sale of COMPO

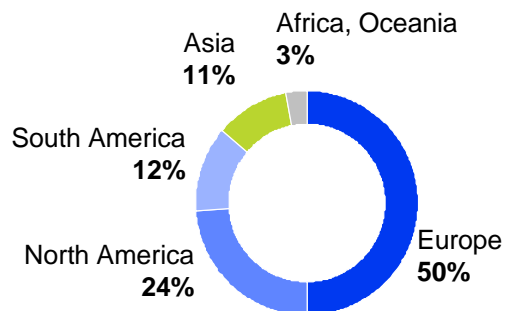
K+S Group Worldwide Presence



Production Sites and Sales Offices



Revenues by Region 2011



● Production
● Sales

Our Business Model – Our Structure (1)

Two-pillar strategy

In comparison to our international competitors, thanks to the combination of potash and salt, the K+S Group is almost unique in the world, since it offers e.g. considerable synergies on the production side in terms of technology, mining and geology, and is almost perfectly complementary on the sales side: Thus, the fertilizer business, which is dependent on the economic cycle, is balanced by the relatively crisis-proof, but weather-dependent salt business. We find this combination is so convincing that we want to proceed further with our two-pillar strategy. This provides for growth in the Potash and Magnesium Products and the Salt business segments in particular and for focussing our management resources and financial means on this.



* On 8 May 2012, K+S Nitrogen was sold to EuroChem, the transaction is likely to be closed at the end of the second quarter.



Potash and Magnesium Products: €2,131.9 million

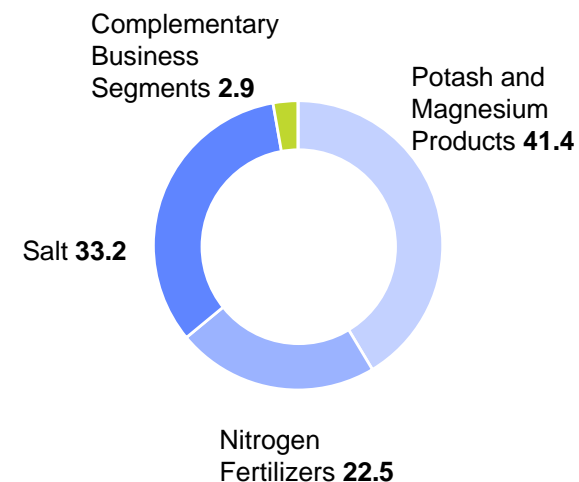
Potash and magnesium raw salts are extracted at six mines. We use them to produce a wide range of fertilizers and in addition, we process our raw materials into products for industrial applications, high-purity potash and magnesium salts for the pharmaceuticals, cosmetics and food industries as well as elements of feed.

Nitrogen Fertilizers: €1,156.8 million

The Nitrogen Fertilizers business segment markets nitrogenous fertilizers with a focus on bulk customers in agriculture and special crops such as fruit, vegetables and grapes. In addition to the fertilizers produced exclusively by BASF, goods of other reputable European fertilizer producers are also marketed.



Revenues by business segments for the year 2011 in %





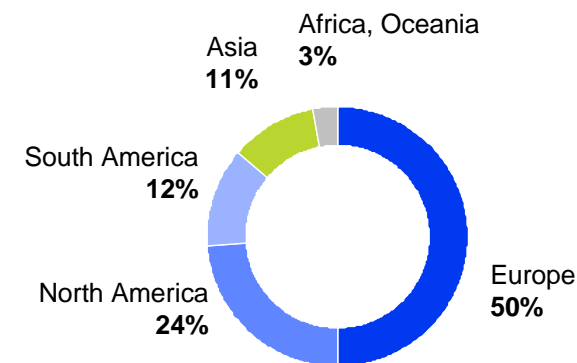
Salt: €1,710.1 million

Salt products of the highest purity and quality are used as food grade salt, industrial salt and salt for chemical use as well as de-icing salt by winter road clearance services to ensure safety on the roads. They are produced in Germany and in other Western European countries as well as in North America and South America.

Complementary Business Segments: €150.4 million

In addition to recycling activities and the disposal of waste at potash and rock salt mines as well as the granulation of CATSAN®, the term “Complementary Business Segments” bundles together further activities of importance to the K+S Group. With K+S Transport GmbH, Hamburg, the K+S Group possesses its own logistics service provider. Chemische Fabrik Kalk GmbH (CFK) trades in different basic chemicals.

Revenues by region for the year 2011 in %



K+S is the Leading Player in its Markets

Fertilizers

- Potash
- Sulphate of potash and magnesium sulphate
- Nitrogen

→ One of the leading suppliers worldwide

Leader in Europe and fifth-largest producer worldwide
Leading position in the world
Very well positioned with K+S Nitrogen

Salt

- esco
- SPL
- Morton Salt

→ The leading supplier worldwide

No. 1 in Europe
No. 1 in South America and one of the leading suppliers of de-icing salt in the U.S
One of the leading suppliers in North America

K+S has a well-defined strategy

- Differentiation and sustainable margin growth through specialisation
- Increasing efficiency and exploiting synergies
- Expansion of the balanced regional portfolio
- Setting standards for quality, reliability and service
- Expansion of strategic business sectors through acquisitions and cooperations

K+S Group

Business Segments at a Glance



in € million	2011 IFRS	2010 IFRS	2009 IFRS	2008 IFRS	2007 IFRS
Revenues					
Potash and Magnesium Products	2,131.9	1,867.0	1,421.7	2,397.4	1,408.0
Nitrogen Fertilizers	1,156.8	902.4	1,016.2	1,652.4	1,265.5
Salt	1,710.1	1,728.8	1,014.6	618.6	545.1
Complementary Business Segments	150.4	134.0	120.7	125.3	125.1
Reconciliation	1.7	0.5	0.6	0.7	0.5
K+S Group	5,150.9	4,632.7	3,573.8	4,794.4	3,344.1
Operating EBIT I / EBIT					
Potash and Magnesium Products	739.5	475.9	231.7	1,203.2	177.9
Nitrogen Fertilizers	69.4	43.3	(108.1)	121.4	57.3
Salt	211.4	238.1	140.4	45.2	47.8
Complementary Business Segments	17.9	21.2	15.2	25.1	37.7
Reconciliation	(62.5)	(64.0)	(41.2)	(52.2)	(35.0)
K+S Group	975.7	714.5	238.0	1,342.7	285.7

At all our domestic and foreign sites, we are committed to production and use that is safe and minimizes harm to the environment. This involves economising on resources, reducing emissions and avoiding waste.

What sustainable development means to us in the context of potash and rock salt mining is the integrated pursuit and coordination of the goals of economic efficiency, supply security and environmental friendliness. In view of the world demand for raw materials, the most sparing use of raw materials must be the objective. We are developing new deposits using state-of-the-art exploration and extraction processes while using existing deposits efficiently and conserving our resources.

Environmental figures*	Changes within the last 5 years
Input:	Total energy (19.9)%
	Total water (11.1)%
	Raw materials used (19.2)%
Output:	Carbon dioxide (27.2)%
	Nitro oxide NO ₂ (29.9)%
	Total tailing piles (42.9)%
	Saline waste water discharge (60.0)%
	Saline waste water injections (33.3)%

* Basis: specific values per tonne of product

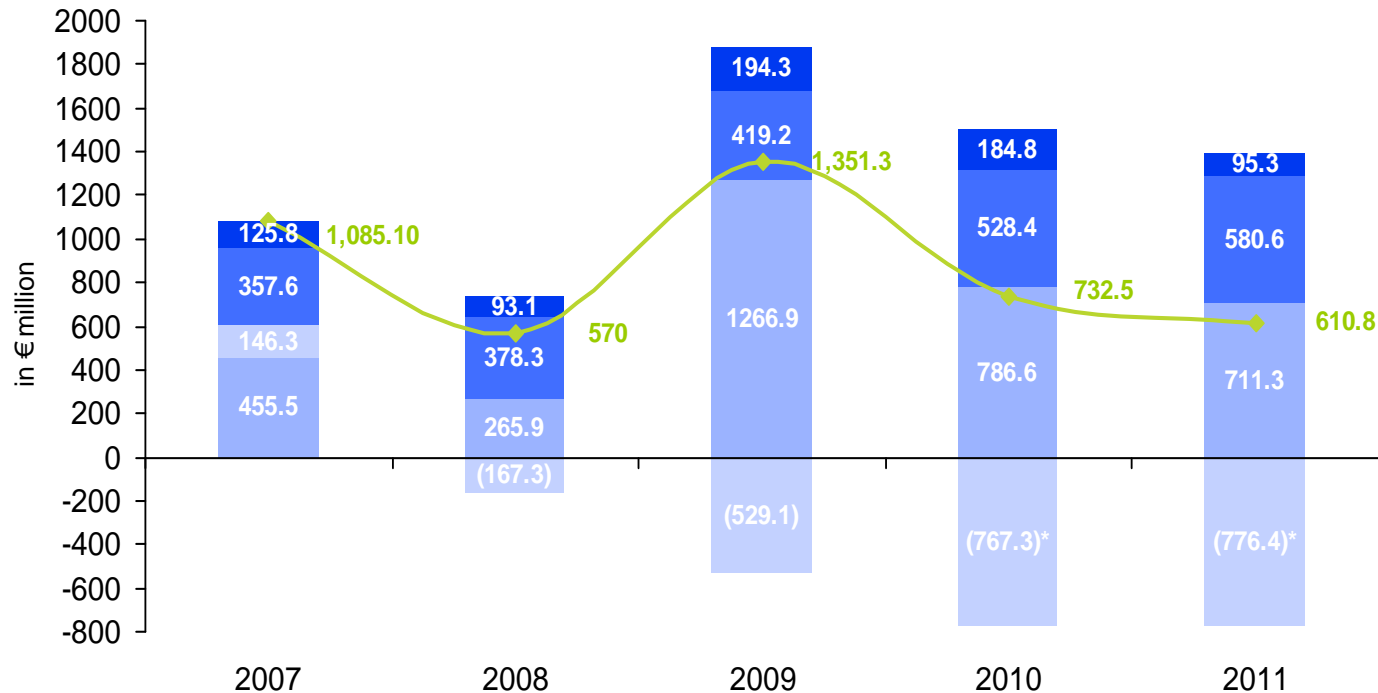
in € million	2011 IFRS	2010 IFRS	2009 IFRS	2008 IFRS	2007 IFRS
Revenues	5,150.9	4,632.7	3,573.8	4,794.4	3,344.1
Operating earnings EBIT I	975.7	714.5	238.0	1,342.7	285.7
Group earnings from continued operations, adj. ²	673.6	453.8	-	-	-
Group earnings, adjusted ^{2,3}	581.8	445.3	93.6	979.3	175.3
Gross cash flow	910.6	812.7	323.9	1,177.9	372.1
Capital expenditure	294.1	188.6	177.6	197.5	171.6
Depreciation	242.0	238.5	173.8	141.7	128.2
Net indebtedness	610.8	732.5	1,351.3	570.0	1,085.1
Equity ²	3,084.6	2,651.6	2,094.6	1,718.3	931.8
Balance sheet total	6,056.9	5,573.7	5,217.1	3,473.8	2,964.8
Employees (number as of 31 Dec.)	14,496	14,186	15,208	12,368	12,033
in %	2011	2010	2009	2008	2007
EBITDA margin	23.6	20.6	11.5	31.0	12.4
EBIT margin	18.9	15.4	6.7	28.0	8.5
Return on revenues ²	13.1	9.8	2.6	20.4	5.2
Return on equity after taxes ³	20.2	18.7	8.4	68.6	16.1
Return on total investment ³	16.4	14.7	6.9	44.9	11.0
Return on Capital Employed (ROCE)	27.5	22.0	9.3	64.0	15.5

¹ Information for the years 2011 and 2010 refers to the continued operations of the K+S Group. Due to its disposal, the COMPO business is disclosed as "discontinued operations". Balance sheet key figures were not adjusted and also include the discontinued operations.

² The adjusted key figures include only the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges. Related effects on deferred and cash taxes are also eliminated.

³ Information refers to the continued and discontinued operations of the K+S Group.

Net indebtedness per 31.12.



*Including reimbursement claim bond Morton Salt (2011: € 19.4 million; 2010: € 18.9 million)

- Provisions for pensions
- Provisions for mining obligations
- Cash on hand and balances with bank + current securities - non current liabilities
- Non-current securities - non-current liabilities
- ◆ Total net debt

K+S Group net indebtedness continued to decline in 2011, which can be attributed to the strong free cash flow. Despite the acquisition of Potash One, K+S was able to further reduce its financial liabilities.

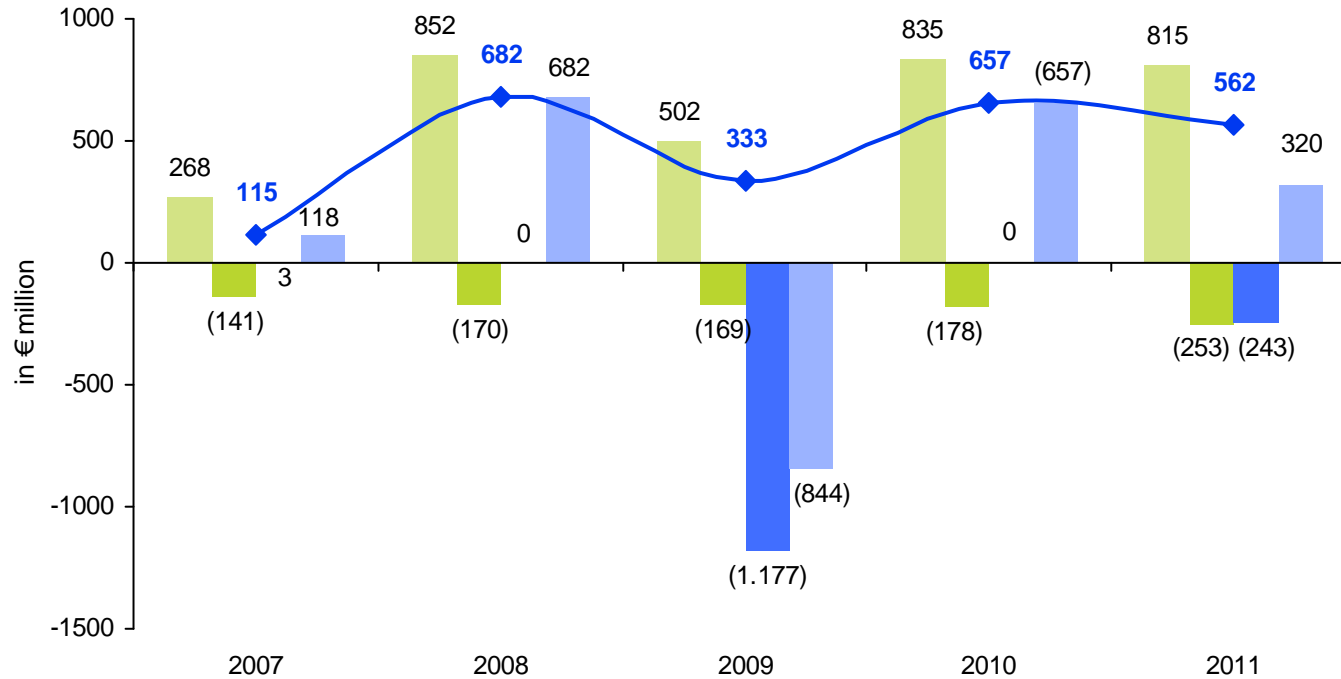
The international rating agencies Standard & Poor's and Moody's have given K+S Aktiengesellschaft an "investment grade" rating. Standard & Poor's rates K+S as **"BBB+"** (outlook: stable), while Moody's rates it as **"Baa2"** (outlook: stable).

K+S Group

Strong Cash Flow Generation



Free Cash Flow



K+S Group is characterised by its generally high operating and free cash flow generation. Even in the difficult year 2009, K+S achieved a substantially positive free cash flow.

■ Cash flow provided by operating activities*

■ Cash flow used in investing activities**

■ Acquisitions

■ Free cash flow after acquisitions*

◆ Free cash flow before acquisitions*

* Adjusted for the tying up of funds for premium payments for hedging transactions

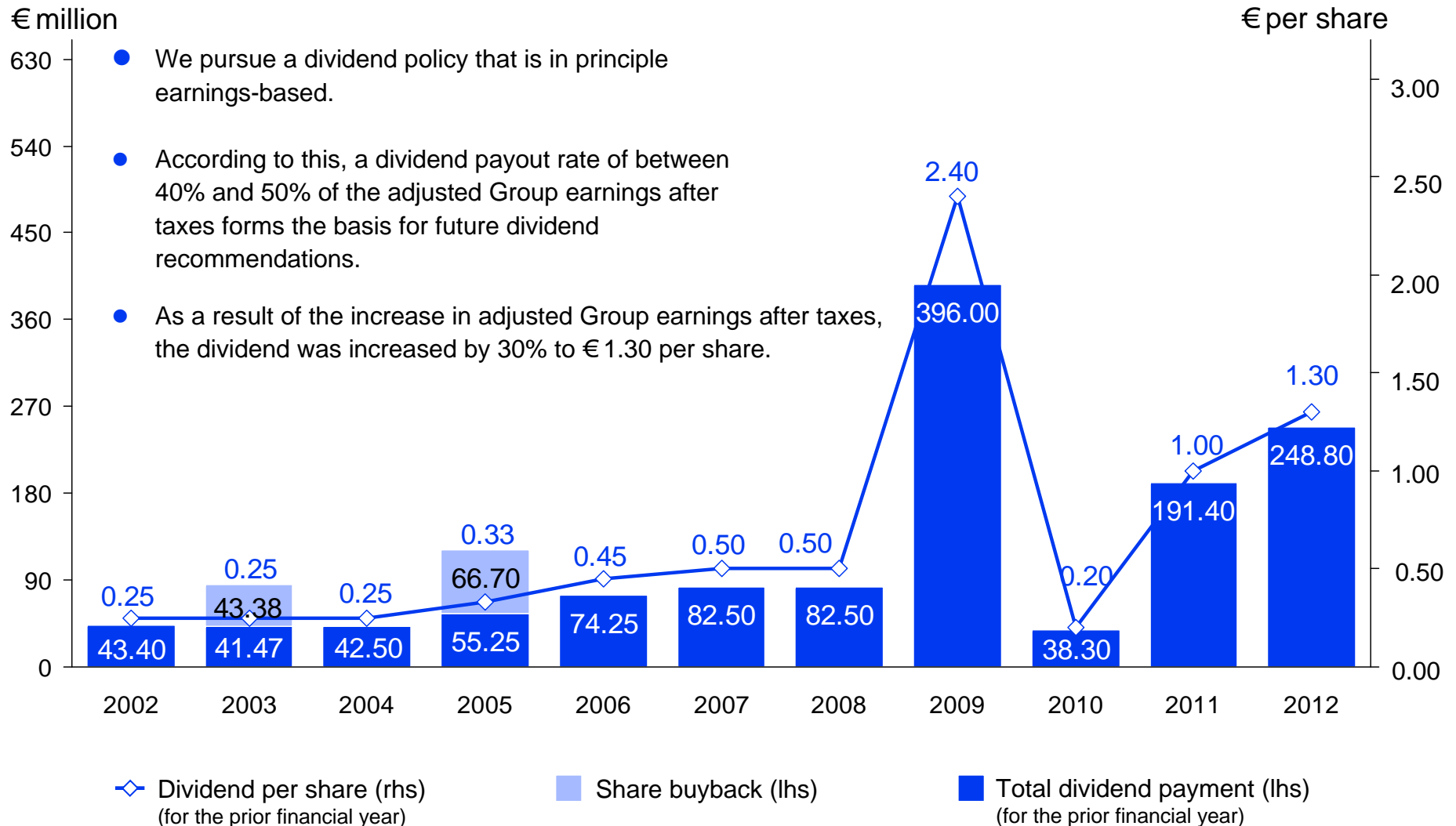
** Without acquisitions

K+S Aktiengesellschaft

Fair Dividend Payout Policy



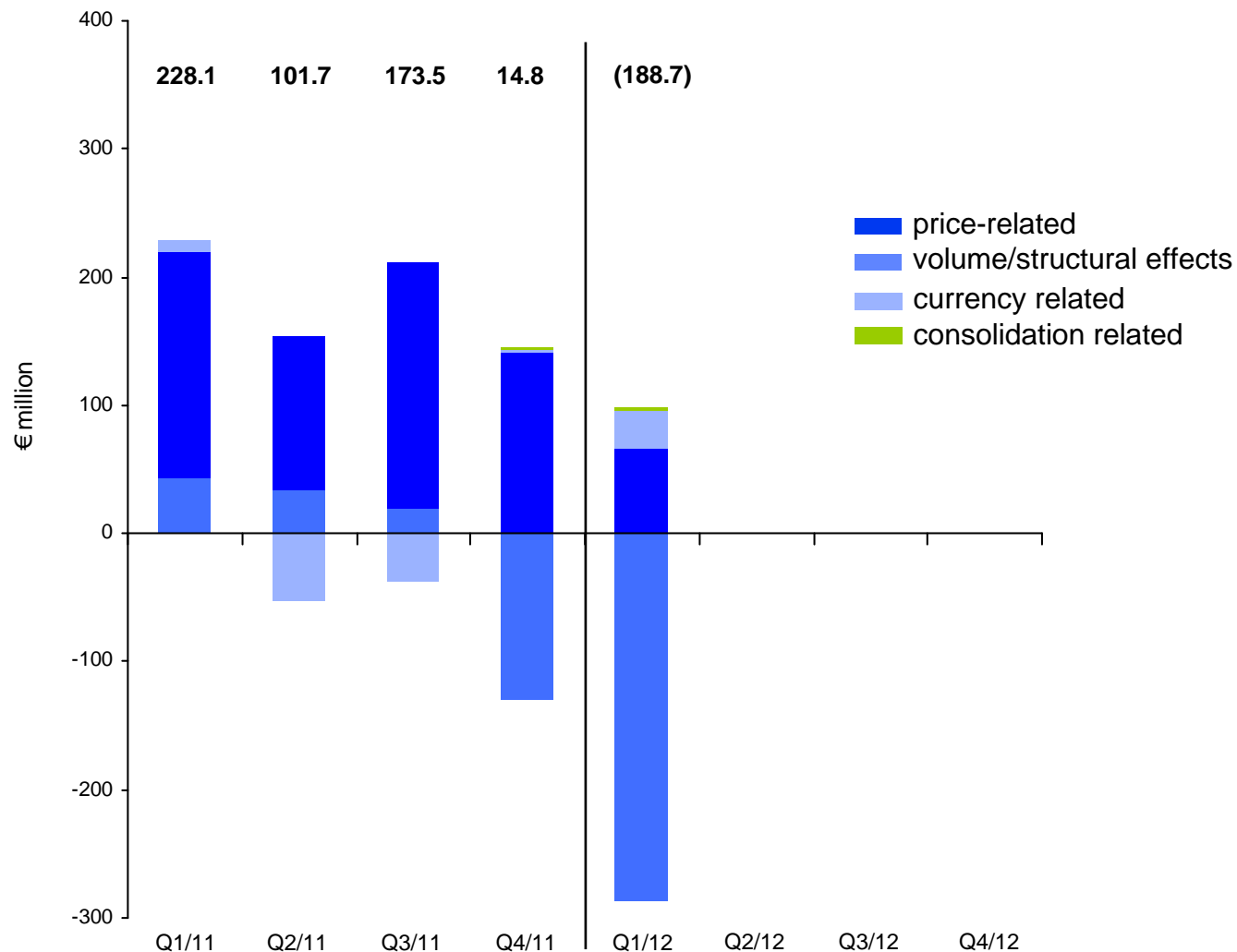
Dividend History, Share Buyback and Dividend Policy



in €million, IFRS	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12
Potash and Magnesium Products	578.0	502.4	508.8	542.7	2,131.9	580.1
Nitrogen Fertilizers	328.1	228.5	320.8	279.4	1,156.8	359.5
Salt	682.5	282.4	306.5	438.7	1,710.1	458.5
Complementary business segments	38.2	36.4	37.7	38.1	150.4	39.1
Reconciliation	0.1	0.1	0.2	1.3	1.7	0.9
Revenues K+S Group	1,626.9	1,049.8	1,174.0	1,300.2	5,150.9	1,438.1
in €million, IFRS	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12
Potash and Magnesium Products	202.4	184.4	171.3	181.4	739.5	208.5
Nitrogen Fertilizers	33.7	9.9	16.8	9.0	69.4	32.2
Salt	139.1	11.0	13.3	48.0	211.4	45.5
Complementary business segments	8.1	4.6	6.6	(1.4)	17.9	6.9
Reconciliation	(14.9)	(18.0)	(9.5)	(20.1)	(62.5)	(12.0)
Operating Earnings K+S Group	368.4	191.9	198.5	216.9	975.7	281.1

* based on continued operations, IFRS

Variance analysis of changes in revenues by quarter



In the year **2011**, revenues increased in particular because of positive price increases.

The first quarter of 2012, however, was impacted by significant volume effects since a weak winter led to strongly declining de-icing salt sales compared to one year ago.

Fertilizer Business Sector

- In the first two months of 2012, the demand for fertilizers initially was somewhat restrained. Due to the sovereign debt crisis, the trade sector rather cautiously managed its early stocking-up, and as a result of winterkill attributable to the very dry and cold weather conditions, there was a delay in the European spring season. Furthermore, in the case of potash fertilizers, the volumes from contracts with Indian customers were shifted to the second quarter.
- Against the background of potash supply contracts concluded with China in the middle of March 2012 at unchanged conditions, and continued attractive agricultural prices, demand for potash fertilizers improved towards the end of the first quarter.
- This development should continue in the following months, so that we assume global potash sales volumes of up to 58 million tonnes* for 2012 as a whole (2011e: 60.2 million tonnes*).

Salt Business Sector

- Due to the unusually mild weather conditions at the beginning of the year, in 2012, the demand for de-icing salt in Europe as well as in North America will be reduced accordingly.
- In the food grade salt area, we expect demand to remain largely stable in the sales markets relevant for K+S, and in the industrial salt area, we expect it to decline somewhat, especially in North America.
- While the sales volume for salt for chemical use should fall moderately due to the economic cooling in Europe, the demand of the chemical industry for salt for chemical use in North America is likely to climb slightly and to remain stable in South America.

* Incl. potassium sulphate and potash grades with lower K₂O content of around 3 million tonnes eff.

Outlook 2012

Potash and Magnesium Products:

- Sales volumes probably close to that of last year (2011: 6.9 million t); moderately increasing average price level²⁾ → moderately increasing revenues
- Tangibly higher unit costs, mainly because of strongly rising energy costs and slightly increasing personnel costs → Operating earnings could again approach the good level of 2011

Nitrogen Fertilizers:

- Slightly positive trend for the revenues, higher input costs and stable operating earnings expected

Salt:

- As a result of the unusually weak start of the de-icing salt business, a significant reduction of sales volumes expected
- Tangible decrease in revenues and strong decrease in operating earnings compared to an above-average 2011

K+S Group:

- Revenues should develop stable
- Moderately decreasing operating earnings

¹⁾ Outlook as of 2 May 2012;

²⁾ In line with our customary, purely technical forecast policy, which maintains the currently achieved potash price level unchanged for the remainder of 2012

K+S Group

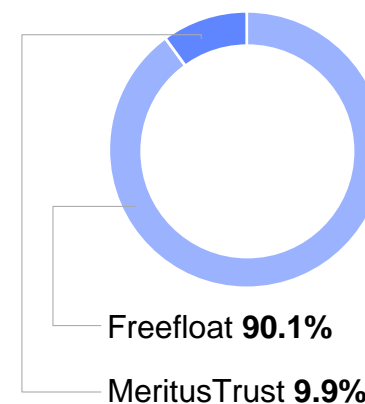
The K+S Share (1)



Shareholder structure

- **Meritus Trust Company Limited via Eurochem Group SE: 9.88%**
(notification of 12 July 2011)
- **BlackRock Inc.: 4.98%**
(notification of 4 May 2012)
- **Prudential Plc. via M&G Investment Management Limited: 3.00%**
(notification of 2 November 2011 and correction of 8 February 2012)
- Under the free float definition applied by Deutsche Börse AG, **the free float amounts to a good 90%.**

Shareholder structure in %



Analysts' estimate as of 26 April 2012

Consensus – Median	2012e	2013e
Revenues (€ million)	5,041.7	5,352.6
Operating earnings EBIT I (€ million)	885.9	1,016.5
Group earnings after taxes, adj. (€ million)	596.8	680.3
Earnings per share adjusted (€)	3.12	3.55
Dividend per share (€)	1.35	1.46

Share price performance since 31 Dec. '11

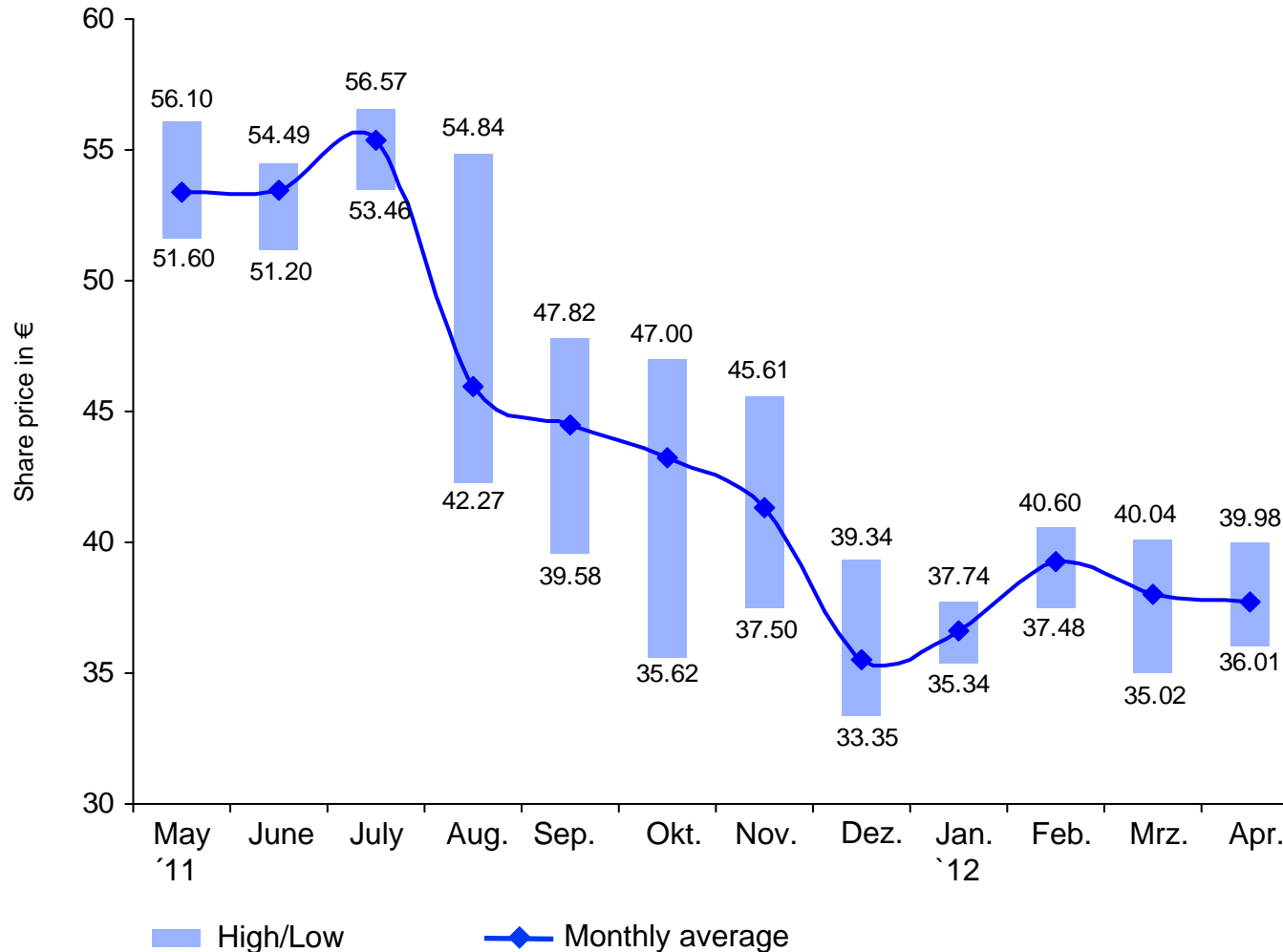
Performance as of 30 April 2012	in %
K+S share	8.1
DAX	14.6
STOXX	5.2
MSCI World	9.4

K+S Group

The K+S Share (2)



Share price – development during the last 12 months



The dept crisis results in falling european stock indices.

Fears of falling potash prices and a very mild winter in the fourth quarter with the associated below-average sales volume of de-icing salt had a dampening effect on our share performance.

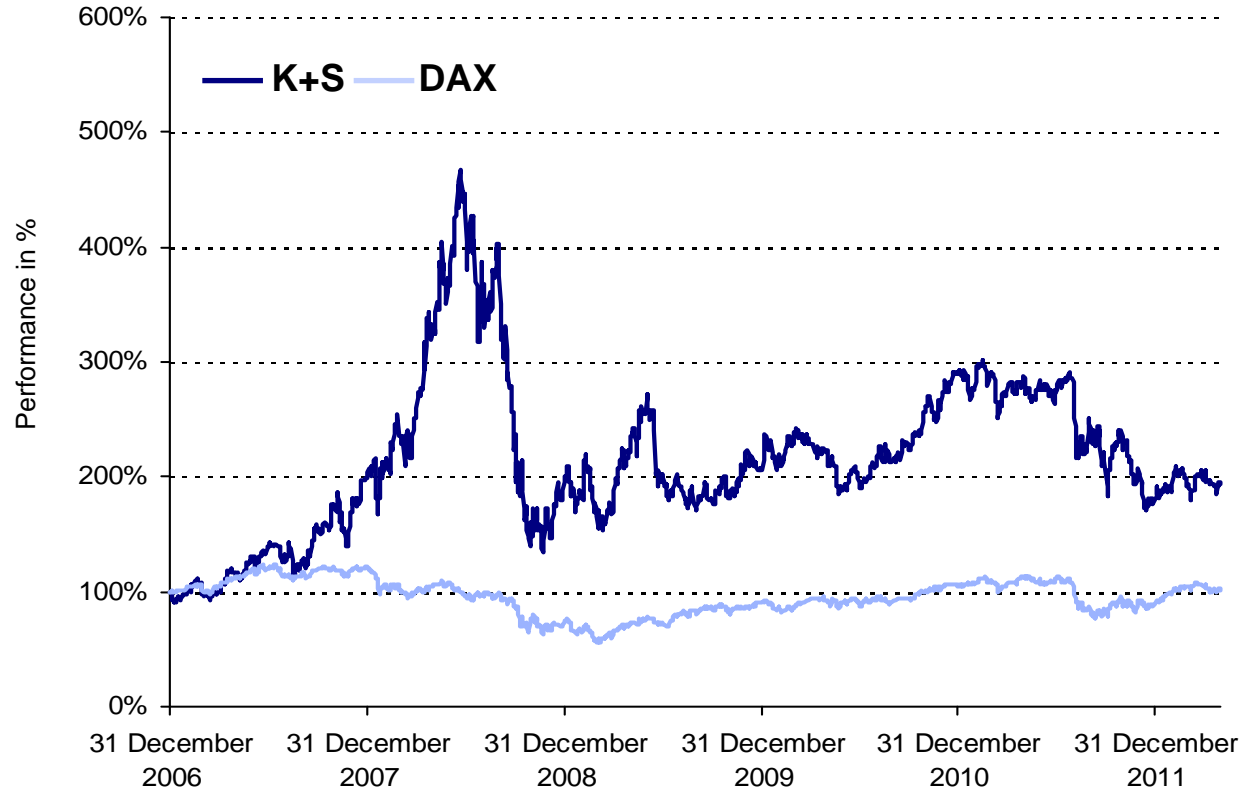
As of 30 April 2012, the share price reached € 37.76 and was thus 31% below the level on 30 April 2011.

K+S Group

The K+S Share (3)



Performance compared to DAX (Index: 31 December 2006 = 100)



With a long-term perspective, the K+S share showed a significant outperformance compared to DAX and MDAX.

For the period 31 December 2006 to 30 April 2012 and including reinvested dividends and assuming an expense neutral exercise of received subscription rights in the context of the capital increase 2009, a shareholder achieved an annualized yield of 26.5%.

Source: Bloomberg; as of 30 April 2012. The K+S share price trades ex subscription rights after the capital increase in December 2009. Historical prices have been adapted.

(31 Dec. '06 – 30 April '12)	K+S	DAX
Ø- annualized yield incl. reinvestment of dividends/subscription rights	26.5%	4.3%

Kennzahlen		2011	2010	2009	2008	2007
Year-end closing price (XETRA) ²	€	34.92	56.36	39.99	39.97	40.69
Highest price (XETRA) ²	€	58.60	56.65	53.04	95.90	40.69
Lowest price (XETRA) ²	€	33.35	35.94	29.85	27.72	18.50
Earnings per share, adjusted ^{3, 4}	€	3.04	2.33	0.56	5.94	1.06
Gross cash flow per share	€	4.85	4.24	1.95	7.14	2.25
Book value per share	€	16.12	13.85	10.94	10.41	5.65
Dividend per share ⁵	€	1.30	1.00	0.20	2.40	0.50
Dividend yield ⁵	%	3.7	1.8	0.5	6.0	1.2
Total dividend payment ⁵	Mio. €	248.8	191.40	38.3	396.0	82.5
Total number of shares	Mio.	191.40	191.40	191.40	165.00	165.00
Outstanding shares ⁶	Mio.	191.40	191,40	191.40	165.00	165.00
Year-end market capitalisation	Mrd. €	6.7	10.8	7.7	6.6	6.7
Total stock exchange turnover (year)	Mrd. €	17.7	16.8	16.9	33.4	10.2
Average daily turnover	Mio. €	68.7	65.7	66.4	131.6	40.6
Index weighting as of 31 Dec.	%	1.2	1.3	1.1	1.2	5.9
DAX: 2008-2009; MDAX: 2005-2007						
Enterprise Value per 31.12.	Mrd. €	7.3	11.5	9.0	7.2	7.8
EV / Umsatz	X-fach	1.4	2.3	2.5	1.5	2.3
EV / EBITDA	X-fach	6.0	11.8	21.8	4.8	18.8
EV / EBIT I bzw. EV / EBIT	X-fach	7.5	15.8	37.8	5.3	27.3

¹ Information for the years 2011 and 2010 refers to the continued operations of the K+S Group. Due to its disposal, the COMPO business is disclosed as "discontinued operations". Balance sheet key figures were not adjusted and also include the discontinued operations.

² The price of the K+S share since the capital increase in December 2009 has been traded ex subscription right. Historical values were not adjusted.

³ The adjusted key figures include only the result from operating forecast hedges of the respective reporting period reported in EBIT I, which eliminates effects from changes in the market value of the hedges. Related effects on deferred and cash taxes are also eliminated.

⁴ Information refers to the continued and discontinued operations of the K+S Group.

⁵ The figure for 2011 corresponds to the dividend proposal, the dividend yield is based on the year-end closing price.

⁶ Total number of shares less the number of own shares held by K+S.

The K+S share is quoted in the following stock market index:

- DAX
- DJ STOXX 600
- DJ EURO STOXX
- HDAX
- CDAX Gesamtindex
- Prime Allshare Index
- Classic Allshare Index
- Prime Sector Chemicals
- Industry Group Chemicals / Commodity
- DJ STOXX TMI
- MSCI World Standard
- MSCI Europe Standard
- MSCI Germany Standard
- ECPI Ethical Index Global

Banks presently publishing reports on K+S:

- Bank of America / Merrill Lynch
- B. Metzler seel. Sohn & Co.
- Bankhaus Lampe
- Berenberg Bank
- BHF-Bank
- BMO Bank of Montreal
- CA Cheuvreux
- Citigroup
- Commerzbank
- Credit Suisse
- Deutsche Bank
- DZ Bank
- equinet
- Equita
- Euro Pacific Capital Inc.
- Exane BNP Paribas
- Goldman Sachs
- HSBC Trinkaus & Burkhardt
- Independent Research
- ING
- J.P. Morgan Cazenove
- LBBW
- Kepler Capital Markets
- Liberum
- Macquarie
- Main First Bank
- M.M. Warburg
- Morgan Stanley
- Nomura
- Redburn
- Sanford C. Bernstein
- Scotiabank
- Silvia Quandt Research
- Société Générale
- UBS Investment Research
- WestLB

Analysts' recommendations of the last 12 months and an always current consensus estimate you can find at <http://www.k-plus-s.com/en/ks-aktie/bewertungen/analysten.html>. Furthermore you can download all publications and presentations of our company from the Investor Relations section of our website (<http://www.k-plus-s.com/en/investor-relations/index.html>), where you also find answers to frequently asked questions.

The K+S share at a glance:

- Type of shares: Registered unit shares of no-par value
- Total number of shares: 191,400,000
- Stock identification number: KSAG88 / ISIN: DE000KSAG888
- Trading segments: Prime Standard
- Prime Sector: Chemicals / Industry group: Chemicals, Commodities
- Listings: all stock exchanges in Germany
- Ticker symbols: Bloomberg SDF / Reuters: SDFG
- Product codes for stock options:
 - EUREX: SDXF
 - Bloomberg: SDF GR Equity CT
 - Reuters: 0#SDFG.DE*.EX
- ADR symbol: KPLUY
- ADR CUSIP: 48265W108 / ISIN: US48265W1080
- ADR listing: OTC market in the US
- ADR ticker symbols:
 - Bloomberg: KPLUY
 - Reuters: KPLUY.PK
- ADR depositary bank: The Bank of New York Mellon

Financial calendar:

- | | |
|---|------------------|
| • Half-yearly Financial Report, 30 June 2012 | 14 August 2012 |
| • Quarterly Financial Report, 30 September 2012 | 13 November 2012 |
| • Report on business 2012 | 14 March 2013 |
| • Press and analyst conference, Frankfurt am Main | 14 March 2013 |
| • Annual General Meeting, Kassel | 14 May 2013 |
| • Quarterly Financial Report, 31 March 2013 | 14 May 2013 |
| • Dividend Payment | 15 May 2013 |

K+S Group

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THE FOOD CHALLENGE

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