

/ Press Release

Kassel, 14 November 2013

Business development in the third quarter

K+S Group achieves lower revenues and earnings

- **Global potash market characterised by considerable uncertainty and by decreasing international potash prices in the quarter under review**
- **Potash and Magnesium Products business unit therefore with lower average price level**
- **Salt business sales volume a good 9% above the previous year**
- **Quarterly revenues down 11% to €818 million**
- **Operating earnings EBIT I at €116 million (Q3/12: €156 million)**
- **“Fit for the Future” programme commenced**
- **Outlook: EBIT I of more than €600 million expected for 2013**

From July to September 2013, the K+S Group could not attain the previous year's figures with regard to both revenues and operating earnings. Lower prices prompted by the uncertainties on the market for products containing potassium as well as lower sales volumes in the Potash and Magnesium Products business unit were substantially responsible for this.

In the first nine months of the current year, K+S achieved almost stable revenues of € 2,972.5 million when compared with the same period a year ago. Operating earnings EBIT I decreased by 10.6% to € 556.3 million in this period.

"Fit for the Future" programme commenced

To make sustainable improvements to cost and organisational structures, K+S has been working on an array of projects for some time with the aim of increasing efficiency of production and administrative and sales functions. In order to further strengthen competitiveness, it has compiled the plans with additional activities in the "Fit for the Future" programme.

K+S strives a total in the magnitude of € 500 million over the next three years in comparison with the cost planning for the same period. The Company expects a cost reduction of a good € 150 million in the year 2014.

"Our objective is to increase the international competitiveness of K+S in a sustainable way", says Norbert Steiner, chairman of the Board of Executive Directors of K+S Aktiengesellschaft. "With 'Fit for the Future', we are making our Company more robust in a changed market environment with larger price fluctuations", Steiner continues. "We are improving our cost position, strengthening our earnings and financial capacity, and, in the medium term, creating the preconditions for further growth in revenues and earnings."

The planned savings will primarily stem from material costs, but also include considerations that could lead to reductions in the number of employees.

Revenues almost stable after nine months, lower in the third quarter

Overall, the revenues of the K+S Group in the first nine months were almost stable at € 2,972.5 million. In particular due to the high first quarter sales volumes in both business units, negative price and volume effects in the Potash and Magnesium Products business unit could almost be compensated. The revenues for the third quarter fell by € 98.9 million to € 817.7 million, mainly prompted by price factors.

For the first nine months, the Potash and Magnesium Products business unit saw revenues decrease by 10% to € 1,630.5 million. At 5.43 million tonnes, sales volumes nevertheless remained on the level of a year ago. In the third quarter of 2013, revenues fell by 18.5% to € 456.7 million. The lower price

level on the global potash markets and negative exchange rate effects in the overseas business were decisive factors here. While revenues from potassium chloride were significantly lower in the period under review, those from fertilizer specialities decreased only slightly.

However, in the Salt business unit, revenues in the first nine months increased by 14.7% to € 1,220.7 million due to volume and price factors. At € 321.0 million, third quarter revenues were somewhat above the previous year's level, because positive volume effects were almost completely cancelled out by revenue decreases attributable to currency factors. In this period, a good early stocking-up business in Europe ensured increased revenues by about 28% for de-icing salt.

Operating earnings EBIT I at €556.3 million after nine months

For the first nine months of 2013, the K+S Group achieved operating earnings of € 556.3 million which corresponds to a decrease by 10.6% year on year. Operating earnings EBIT I for the third quarter were down by €39.9 million to € 115.8 million.

In the Potash and Magnesium Products business unit, at € 498.2 million, operating earnings EBIT I for the first nine months were down 17.8% on the same period a year ago. In the third quarter, lower prices prompted by the uncertainties on the market for products containing potash as well as lower sales volumes resulted in earnings declining by 32.3%.

However, operating earnings EBIT I in the Salt business unit for the first nine months rose to € 68.8 million (9M/12: € 38.6 million). At € 9.2 million for the third quarter, this key figure was up € 4.3 million on a year ago. Higher volume-related earnings contributions from the early stocking-up business could more than offset increased maintenance costs.

Capital expenditure rises significantly as planned

In the first nine months, the capital expenditure incurred by the K+S Group totalled € 488.5 million, i.e. more than twice as much as in the same period a year ago (€ 221.4 million). In the third quarter of 2013, the volume of capital expenditure came to € 186.4 million (+ 82%). The majority of the capital expenditure was accounted for by the Potash and Magnesium Products business unit. In this business unit, the increase is mainly attributable to the package of measures for water protection in the Hesse-Thuringia potash district and the Legacy Project, which is advancing as planned in terms of cost and time.

Outlook for 2013: EBIT I expected to be over €600 million

Russian Uralkali's exit from the BPC sales organisation operated jointly with Belarusian Belaruskali along with Uralkali's related statement that it wants to expand production and sales created considerable uncertainty about future volume and price developments on the market for potash fertilizers, and that continues to be the case. It was and is obvious that the announcement caused tangible purchasing restraint on the customers' side. From today's perspective, the duration of this phase of uncertainty is difficult to assess reliably.

Regarding the de-icing salt business, as usual, multi-year average sales volumes for de-icing salt over the remaining months of the year are assumed. This results in the expectation of significantly higher sales volumes this year, considering the positive development of sales volumes in the first quarter and the good early stocking-up business in the second and third quarter.

The revenues of the K+S Group for financial year 2013 should be on the same level as last year (2012: € 3,935 million). While a volume- and price-related revenue decrease can be assumed in the Potash and Magnesium Products business unit, this should be almost offset by the expected increase in revenues in the Salt business unit.

The operating earnings EBIT I of the K+S Group for the year 2013 as a whole should exceed € 600 million (2012: € 804.1 million). In line with this development, adjusted Group earnings after taxes in 2013 should be just under € 400 million (2012: € 637.4 million).

Capital expenditure increases as planned because of the Legacy Project

The K+S Group's anticipated volume of capital expenditure for 2013 amounts to about € 800 million (2012: € 465.5 million), of which the Potash and Magnesium Products business unit accounts for about € 620 million. Of this figure, the Legacy Project will account for about € 375 million (about CAD 500 million). The remaining increase can essentially be attributed to the implementation of the package of measures on water protection in the Hesse-Thuringia potash district (about € 110 million).

Experience growth

K+S is one of the world's leading suppliers of standard and speciality fertilizers. In the salt business, K+S is the world's leading producer, with sites in Europe as well as North and South America. K+S offers a comprehensive range of goods and services for agriculture, industry and private consumers, which provides growth opportunities in virtually every sphere of daily life. The K+S Group employs more than 14,000 people worldwide. The K+S share – the commodities stock on the German DAX index – is listed on all German stock exchanges (ISIN: DE000KSAG888, symbol: SDF). More information about K+S can be found at www.k-plus-s.com.

Note to editors

The quarterly financial report (Q3/2013), a video webcast by Norbert Steiner, chairman of the Board of Executive Directors of K+S Aktiengesellschaft, and up-to-date press photos relating to the K+S Group are available under <http://www.k-plus-s.com/2013q3en>.

We are offering a conference call for analysts in English today at 2 p.m. Norbert Steiner, chairman of the Board of Executive Directors, and Dr. Burkhard Lohr, member of the Board of Executive Directors, will participate in the conference call. Shareholders, investors, representatives of the press and all other interested parties are invited to follow the conference via a live webcast at (<http://www.k-plus-s.com/2013q3en>) or by phone on +49-69-71044-5598. The conference is being recorded and will then also be available as a podcast.

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Forward-looking statements

This press release 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 - materialise, actual developments and events may deviate from current expectations. The Company assumes no obligation to update the statements contained in this press release, save for the making of such disclosures as are required by the provisions of statute.

K+S Group Summary Q3/2013¹⁾

All figures in accordance with IFRS

	Q3 July-Sept. 2013 € million	Q3 July-Sept. 2012 € million	Change in %
Revenues	817.7	916.6	(10.8)
Potash and Magnesium Products	456.7	560.5	(18.5)
Salt	321.0	318.5	0.8
Complementary Activities	39.6	36.4	8.8
Reconciliation	0.4	1.2	(66.7)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	175.6	212.8	(17.5)
Operating earnings (EBIT I)	115.8	155.7	(25.6)
Potash and Magnesium Products	107.0	158.1	(32.3)
Salt	9.2	4.9	87.8
Complementary Activities	5.3	6.0	(11.7)
Reconciliation	(5.7)	(13.3)	57.1
Financial result	(21.4)	(21.7)	1.4
Earnings before income taxes	93.5	155.4	(39.8)
Group earnings after taxes, adjusted^{2), 3)}	71.6	164.5	(56.5)
Group earnings from continued operations, adjusted²⁾	71.6	98.1	(27.0)
Earnings per share, adjusted (€)^{2), 3)}	0.37	0.86	(57.0)
Earnings per share from continued operations, adjusted (€)²⁾	0.37	0.52	(28.8)
Capital expenditure⁴⁾	186.4	102.5	+ 81.9

1) Unless stated otherwise, information refers to the continued operations of the K+S Group. The income statement and the cash flow statement were adjusted in accordance with IFRS following the divestment of the nitrogen business. The balance sheet and therefore the key figures of working capital, net indebtedness and book value per share as of 30 September 2012 were not adjusted and also include the discontinued operations of the nitrogen business.

2) The adjusted key figures only include 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 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; tax rate for Q3/13: 28.5% (Q3/12: 28.5%).

3) Earnings from continued and discontinued operations.

4) Capital expenditure in or depreciation/amortisation on property, plant and equipment, intangible assets and investment properties as well as depreciation of financial assets.

K+S Group Summary January-September 2013¹⁾

All figures in accordance with IFRS

	9M Jan.-Sept. 2013 € million	9M Jan.-Sept. 2012 € million	Change in %
Revenues	2,972.5	2,993.7	(0.7)
Potash and Magnesium Products	1,630.5	1,811.9	(10.0)
Salt	1,220.7	1,064.7	14.7
Complementary Activities	119.7	113.6	5.4
Reconciliation	1.6	3.5	(54.3)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	739.0	790.6	(6.5)
Operating earnings (EBIT I)	556.3	622.1	(10.6)
Potash and Magnesium Products	498.2	605.8	(17.8)
Salt	68.8	38.6	78.2
Complementary Activities	18.3	19.5	(6.2)
Reconciliation	(29.0)	(41.8)	30.6
Financial result	(56.8)	(60.9)	6.7
Earnings before income taxes	489.3	590.1	(17.1)
Group earnings after taxes, adjusted^{2), 3)}	367.7	507.2	(27.5)
Group earnings from continued operations, adjusted²⁾	367.7	406.9	(9.6)
Earnings per share, adjusted (€)^{2), 3)}	1.92	2.65	(27.5)
Earnings per share from continued operations, adjusted (€)²⁾	1.92	2.13	(9.9)
Capital expenditure⁴⁾	488.5	221.4	> 100
Employees as of 30 September (number) of which trainees (number)	14,473 603	14,352 610	0.8 (1.1)

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