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Q1 2012

QUARTERLY FINANCIAL REPORT OF THE K+S GROUP / JANUARY TO MARCH

Best first quarter in the Potash and Magnesium Products business segment / De-icing salt business unusually weak due to weather conditions / Quarterly revenues of € 1.44 billion, about 12 % below previous year's quarter / Operating earnings EBIT I reach € 281.1 million in the first quarter ((24)%) / Adjusted earnings per share at € 1.01 (Q1/11: € 1.37) / Outlook for fiscal year 2012 unchanged: stable revenues and moderate decline in operating earnings expected

KEY DATA BUSINESS DEVELOPMENT

KEY FIGURES (IFRS)[1]

		Q1/12	Q1/11	%
Revenues	€ million	1,438.1	1,626.9	(11.6)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	€ million	337.0	424.9	(20.7)
EBITDA margin	%	23.4	26.1	—
Operating earnings (EBIT I)	€ million	281.1	368.4	(23.7)
EBIT margin	%	19.5	22.6	—
Result after operating hedges (EBIT II)	€ million	307.4	398.6	(22.9)
Earnings before income taxes	€ million	292.4	383.4	(23.7)
Earnings before income taxes, adjusted[2]	€ million	266.1	353.2	(24.7)
Group earnings from continued operations	€ million	212.2	283.3	(25.1)
Group earnings from continued operations, adjusted[2]	€ million	193.4	261.6	(26.1)
Group earnings after taxes[3]	€ million	212.2	293.6	(27.7)
Group earnings after taxes, adjusted[2, 3]	€ million	193.4	271.9	(28.9)
Return on Capital Employed (LTM)[4]	%	24.0	23.5	—
Gross cash flow	€ million	292.6	332.4	(12.0)
Net indebtedness as of 31 March	€ million	592.6	726.6	(18.4)
Capital expenditure[5]	€ million	41.4	28.0	+47.9
Depreciation and amortisation[5]	€ million	55.9	56.5	(1.1)
Working capital as of 31 March	€ million	1,047.4	879.1	+19.1

KEY FIGURES (IFRS)[1] (CONTINUED)

		Q1/12	Q1/11	%
Earnings per share from continued operations, adjusted[2]	€	1.01	1.37	(26.3)
Earnings per share, adjusted[2, 3]	€	1.01	1.42	(28.9)
Gross cash flow per share	€	1.53	1.74	(12.1)
Book value per share as of 31 March	€	16.92	14.70	+15.1
Total number of shares as of 31 March	million	191.40	191.40	—
Outstanding shares as of 31 March[6]	million	191.40	191.15	—
Average number of shares[7]	million	191.40	191.20	—
Employees as of 31 March[8]	number	14,482	14,173	+2.2
Average number of employees[8]	number	14,485	14,196	+2.0
Personnel expenses[9]	€ million	246.8	245.8	+0.4
Closing price as of 31 March	XETRA, €	39.23	53.27	(26.4)
Market capitalisation as of 31 March	€ billion	7.5	10.2	(26.4)
Enterprise value as of 31 March	€ billion	8.1	10.9	(25.7)

FINANCIAL CALENDAR

	2012/2013
Half-yearly Financial Report 30 June 2012	14 August 2012
Quarterly Financial Report 30 September 2012	13 November 2012
Report on business in 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

← Footnotes Key Figures (IFRS)

[1] Unless stated otherwise, information refers to the continued operations of the K+S Group. Due to its divestment, the COMPO business is in accordance with IFRS disclosed as "discontinued operation" since Q2/11. The income statement and the cash flow statement of Q1/11 were adjusted accordingly, while the balance sheet and therefore the key figures of working capital, net indebtedness and the book value per share of Q1/11 were not adjusted and also include discontinued operations.
[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. Related effects on deferred and cash taxes are also eliminated; tax rate for Q1/12: 28.4% (Q1/11: 28.3%).
[3] Earnings from continued and discontinued operations.
[4] Return on capital employed of the last twelve months as of 31 March.
[5] Capital expenditure in or depreciation on property, plant and equipment, intangible and investment properties as well as depreciation on financial assets.
[6] Total number of shares less the number of own shares held by K+S as of the balance sheet date.
[7] Total number of shares less the average number of own shares held by K+S.
[8] FTE: Full-time equivalents; part-time positions are weighted in accordance with their respective share of working hours.
[9] Personnel expenses also include expenditures connected with partial and early retirement.

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← Key Data Business Development U2

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1.1 GROUP STRUCTURE AND BUSINESS OPERATIONS

For a comprehensive description of our Group structure and business operations, including our products and services, please see the relevant passages in our Financial Report 2011 on page 59. Changes in the scope of consolidation are presented in the Notes on page 31 of this quarterly financial report. Furthermore, in the first quarter, there were no significant changes in the Group structure and business operations described in the Financial Report 2011.

CHANGES TO THE BOARD OF EXECUTIVE DIRECTORS

At its meeting of 14 March 2012, the Supervisory Board of K+S AKTIENGESELLSCHAFT appointed Dr. Burkhard Lohr (49) as Member of the Board of Executive Directors of the Company. Dr. Lohr will take over his position as CFO with effect from 1 June 2012. From 2006, Dr. Lohr was CFO and from May 2008 additionally Personnel Director of HOCHTIEF AG, Essen.

Furthermore, on 14 March 2012, it was announced that after 38 successful years in business, of which the last seven years were spent on the Board of Executive Directors of K+S AKTIENGESELLSCHAFT, Joachim Felker will retire when his contract expires on 30 September 2012.

1.2 CORPORATE STRATEGY AND ENTERPRISE MANAGEMENT

There were no changes in the strategy of the Company and its enterprise management in the first quarter. For a detailed description of the corporate strategy and enterprise management, please see the relevant passages in our Financial Report 2011 on page 70.

1.3 OVERVIEW OF COURSE OF BUSINESS

MACROECONOMIC ENVIRONMENT

Together with the slight improvement in the macroeconomic development in the first quarter of 2012, there is a lesser likelihood that the global economy will slide into recession. / TAB: 1.3.1

However, against the background of the sovereign debt crisis, the European Union was in recession in the first quarter; but the KIEL INSTITUTE FOR THE WORLD ECONOMY believes that it may be overcome as early as the middle of 2012.

In the USA, the property sector and the banking system stabilised. Consumption by private households also increased due to positive signals from the labour market. This led to a slight increase in gross domestic product.

In the emerging market countries, economic development slowed down, partly due to reduced demand from industrial nations.

As before, monetary policy was strongly oriented towards expansion, after the EUROPEAN CENTRAL BANK (ECB) reduced the key interest rate in December 2011 to 1%. The FEDERAL RESERVE BANK (FED) also followed a low interest-rate policy.

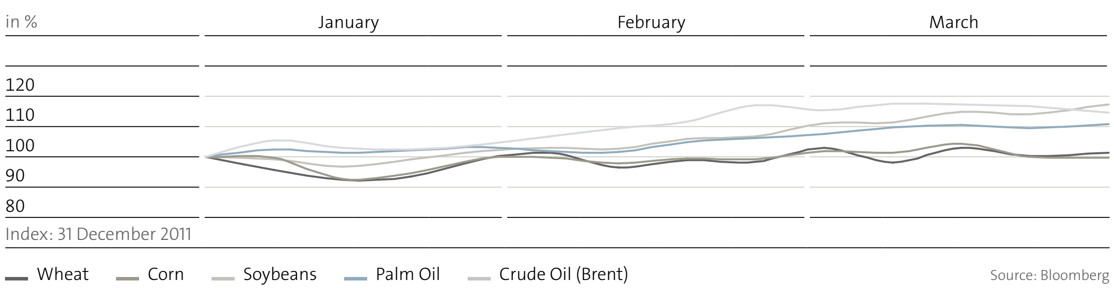
Prices of raw materials increased in the first quarter or stabilised at their high level. The price of oil (Brent) showed a significant increase due to the moratorium on oil exports from Iran to Europe and a European ban on imports of Iranian oil, effective from 1 July 2012. On 31 March 2012, one barrel cost approximately US$ 123.

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT TAB: 1.3.1

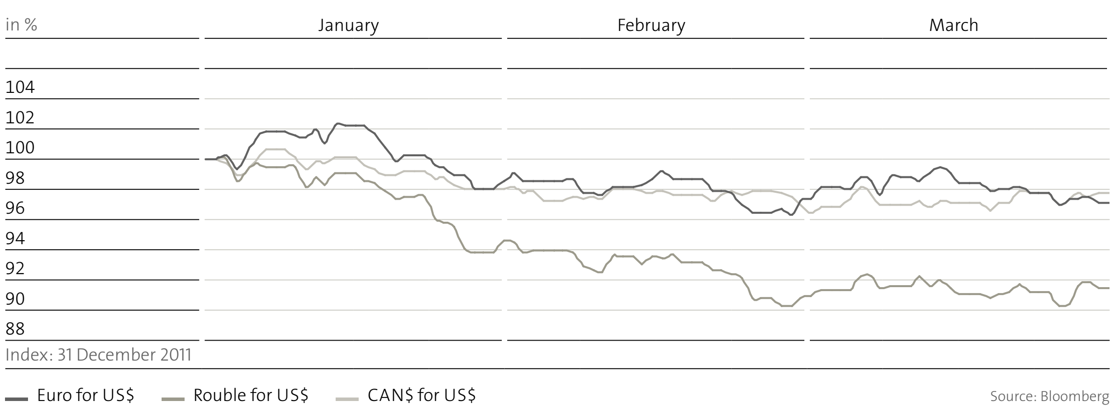
real; in %	2012e	2011	2010	2009	2008
Germany	+ 0.5	+ 3.0	+ 3.7	(4.7)	+ 1.3
European Union (EU-27)	+ 0.0	+ 1.6	+ 1.9	(4.2)	+ 1.2
World	+ 3.3	+ 3.7	+ 5.1	(0.8)	+ 3.1

Source: Deka Bank

DEVELOPMENT OF PRICES FOR AGRICULTURAL PRODUCTS AND CRUDE OIL FIG: 1.3.1



DEVELOPMENT OF EUR/USD VS. CAD/USD AND RUB/USD FIG: 1.3.2



The price was therefore significantly higher than the value at the end of 2011 (31 December 2011: US$ 107) and slightly higher than the figure for the previous year (31 March 2011: US$ 117). On average, in the first quarter, the crude oil price of US$ 118 tangibly exceeded the figure for the same quarter of the previous year of US$ 105. With regard to agricultural raw materials, the prices of wheat and corn initially decreased slightly at the beginning of the year due to higher inventory estimates by the US agricultural authority, but recovered over the course of the quarter. / **FIG: 1.3.1**

The US dollar weakened somewhat against the euro over the course of the first quarter of 2012, and as at 31 March 2012, the euro exchange rate was 1.33 USD/EUR (31 December 2011: 1.30 USD/EUR; 31 March 2011: 1.42 USD/EUR). Among other factors, this development can be attributed to the support measures for Greece and the resulting feeling of reassurance with regard to the European sovereign debt crisis. In terms of the average for the quarter, at 1.31 USD/EUR, the US dollar was stronger than in the same quarter of the previous year (Q1/11: 1.37 USD/EUR). In addition to the USD/EUR exchange rate, the relative comparison between the euro and the currencies of our competitors (Canadian dollar, Russian rouble) each in relation to the US dollar is also of importance to us. A strong US dollar normally has a positive impact on the earnings capacity of most of the world's potash producers in their respective local currency; this is due to the fact that the bulk of worldwide potash output lies outside the US dollar zone while all revenues, with the exception of the European market, are invoiced in US dollar.

Figure 1.3.2 shows that in the course of the first quarter, the US dollar weakened somewhat against the euro, but also in comparison to the currencies of our competitors from Canada and Russia. / **FIG: 1.3.2**

IMPACT ON K+S

The changes in the macroeconomic environment had the following main effects on the course of business for K+S in the first quarter:

+ The energy costs of the K+S GROUP are particularly affected by the purchase of gas. As a result of the energy supply clauses agreed with our suppliers, for example, changes in energy prices in the energy-intensive Potash and Magnesium Products business segment are normally reflected in our cost accounting only with a delay of six to nine months. Against this background, the rising energy price level in the course of 2011 led to a significant price-related increase in the energy costs of the K+S GROUP in the first quarter of 2012.
+ Options and futures are used to hedge the expected incoming US dollar payments, which for 2012 define a worst-case scenario of about 1.36 USD/EUR including costs for planned revenues of the Potash and Magnesium Products business segment (exchange rate including hedging costs for 2011: 1.35 USD/EUR). Within the framework of translation hedging in the Salt business segment, hedging transactions exist which guarantee a worst-case translation of the hedged net position at 1.36 USD/EUR (exchange rate for 2011 including hedging costs: 1.37 USD/EUR). The selected instruments also provide the K+S GROUP with the opportunity to participate to a certain extent in a stronger US dollar.

INDUSTRY-SPECIFIC FRAMEWORK CONDITIONS

The conditions on important markets and the competitive positions of the individual business segments described in the section ‘Group Structure and Business Operations’ of the Financial Report 2011 on page 59 essentially remained unchanged.

FERTILIZER BUSINESS SECTOR

In the wake of the European sovereign debt crisis, the trade sector was more cautious in its early stocking-up of fertilizers at the end of 2011 and the beginning of 2012. Moreover, winterkill resulting from very dry and cold weather led to a postponement of the European spring season. However, throughout the first quarter, the price level for agricultural raw materials continued to offer attractive income prospects for farmers and therefore an incentive to increase yields per hectare also through the optimal use of fertilizers. Against this background, at the end of the first quarter, there was an upturn in demand for potash fertilizers, especially after the contractual negotiations with China for the first half of 2012 were concluded with unchanged terms in mid-March. The global market price level for potassium chloride was tangibly higher in the first quarter of 2012 than in the same quarter of the previous year. In comparison to the average of the fourth quarter 2011, prices moderately decreased in some regions; however, since the conclusion of the contracts in China, international potash prices tend to get stronger again.

For nitrogen fertilizers too, in Europe, the first two months of the year were marked by a certain buying restraint, until demand recovered at the end of the first quarter. The prices for nitrogen fertilizers were moderately higher than the average for the same quarter of the previous year, but they decreased slightly compared to the average for the fourth quarter of 2011 as a result of lower input costs for ammonia.

SALT BUSINESS SECTOR

DE-ICING SALT – WESTERN EUROPE

As a result of the very mild and partly dry weather conditions at the beginning of the year, the demand for de-icing salt was unusually weak, particularly compared to the above-average first quarter of 2011, but also compared to the long-term average sales volume. In the first quarter of 2012, the price level was slightly higher than in the same quarter of the previous year and was relatively stable compared to the average for the fourth quarter of 2011.

DE-ICING SALT – NORTH AMERICA

On the East Coast of the USA, too, the demand for de-icing salt was very weak due to the unusually mild winter, and it was below average in the de-icing salt regions of Canada. Most producers responded to high inventories by cutting back production. A slight reduction in price was noted particularly on the US East Coast and in other de-icing salt regions of the USA.

INDUSTRIAL SALT

The demand for industrial salt remained relatively stable both in Europe and in North and South America.

FOOD GRADE SALT

The demand for food grade salt in Europe as well as in South and North America was at a good level in the first quarter too.

SALT FOR CHEMICAL USE

The demand for salt for chemical use in Europe decreased somewhat in the course of the first quarter, so that following tangible increases in the previous year prices stabilised at the level reached at the end of 2011. North and South American demand for salt for chemical use remained stable.

K+S ON THE CAPITAL MARKET

COURSE OF THE K+S SHARE PRICE IN THE FIRST QUARTER

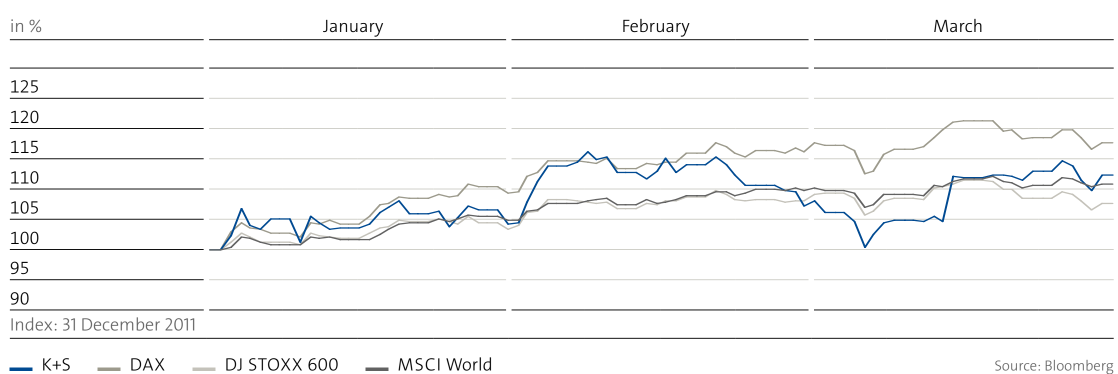
+ Starting from € 35, the K+S share showed a lateral to slightly rising trend at the beginning of January. While positive comments by analysts indicated a recovery in demand in the run-up to the spring season, fears of delays in the conclusion of contracts with India and China weighed on the share price.
+ At the beginning of February, the price of the K+S share rose tangibly against the background of an overall positive stock market environment. Following lateral movement in subsequent weeks, at the end of February, one of our potash competitors announced further production cuts, which led to concerns in the capital market regarding global demand for potash.
+ Due to share analysts lowering their profit estimates for the figures for the financial year 2011 in view of the expected lower demand for de-icing salt as a result of the unusually mild winter weather in both Europe and North America, the K+S share price decreased to approximately € 36 before reporting.
+ However, the figures for the financial year 2011 announced on 15 March and the outlook for 2012 were better than expected, causing the share price to increase by 7 % on the day of the publication.
+ Furthermore, at the end of the quarter, positive stimuli were generated due to the conclusion of a contract between the potash producers and Chinese importers regarding the supply of potassium chloride in the first half of 2012 at a price of US$ 470/tonne.
+ The K+S share closed on 31 March at about € 40, i.e. 12 % over the closing price of 2011. DAX, MSCI WORLD and STOXX 600 increased in the same period by 18 %, 11 % and 8 % respectively.

/ FIG: 1.3.3

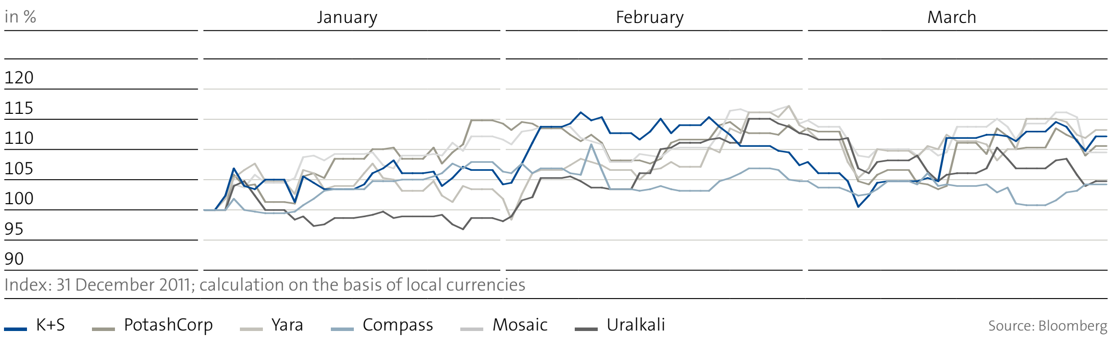
In the first quarter, the share prices of the international fertilizer producers also developed positively. Expectations of a recovery in demand for fertilizers in the course of the year, the still attractive level of agricultural prices and the contracts concluded in mid-March with Chinese importers on the supply of potassium chloride contributed to this. Since the beginning of the year, the share of our competitor YARA has gained 13 %, followed by POTASHCORP (+11 %), MOSAIC (+10 %), URALKALI (+5 %) and COMPASS (+4 %). The K+S share increased in the first three months by 12 %. / FIG: 1.3.4

In the last of the research surveys (26 April 2012) that we regularly carry out, 13 banks gave us a "buy/accumulate" recommendation, 8 a "hold/neutral" recommendation and 6 a "reduce/sell" recommendation. The average target price was about € 45.

PERFORMANCE OF THE K+S SHARE IN RELATION TO DAX, DJ STOXX 600 AND MSCI WORLD FIG: 1.3.3



PERFORMANCE OF THE K+S SHARE IN RELATION TO PEERS FIG: 1.3.4



Index: 31 December 2011; calculation on the basis of local currencies

Source: Bloomberg

SHAREHOLDER STRUCTURE

On 13 February 2012, CAPITAL RESEARCH AND MANAGEMENT COMPANY informed us that it had fallen below the threshold of 3 % of the voting rights in K+S AKTIENGESELLSCHAFT and at the time held 2.99 %. Also, subsidiaries of EUROCHEM GROUP SE informed us that their shares in the voting rights, at 1.03 %, had fallen below the thresholds of 5 % and 3 %. Because no notification was received from the parent company EUROCHEM GROUP SE, the notification of 11 July 2011 retains its validity, which means that a shareholding of between 5 % and 10 % can still be assumed. Otherwise, there were no changes in the shareholder structure exceeding the 3 % threshold in the first quarter.

In light of this, our shareholder structure is currently as follows:

+ MERITUS TRUST COMPANY LIMITED via EUROCHEM GROUP SE: 9.88 % (notification of 11 July 2011)
+ BLACKROCK INC.: 5.46 % (notification of 22 March 2011)
+ PRUDENTIAL PLC. through M&G INVESTMENT MANAGEMENT LIMITED: 3.00 % (notification of 2 November 2011 and revised notification of 8 February 2012)

Under the free float definition applied by DEUTSCHE BÖRSE AG, the free float is therefore unchanged and amounts to approximately 90 %.

THE K+S BOND

Against the background of the sovereign debt crisis in the eurozone, concerns about a relapse into recession and the strong supply of liquidity by the ECB, prices of debtors with good credit ratings on the bond market increased in the first quarter and yields fell. Thus, the yield of the K+S bond (issue volume: € 750 million; interest coupon: 5.00 % p.a.; maturity: September 2014) fell in the first quarter from 2.046 % p.a. to 1.533 % p.a. On 31 March 2012, the K+S bond stood at 108.340 %, compared to 107.732 % at the end of 2011. This therefore results in an increase in price of 0.608 percentage points.

1.4 EARNINGS, FINANCIAL AND ASSET POSITION

If not stated otherwise, the description of the earnings, financial and asset position relates to the continued operations of the K+S GROUP.

CURRENT AND FUTURE DEVELOPMENT OF ORDERS

Most of the business of the K+S GROUP is not covered by longer-term agreements concerning fixed volumes and prices.

In the Potash and Magnesium Products business segment, the proportion of the backlog of orders in relation to revenues is low, i.e. less than 10 %. This is customary in the industry. The business is characterised by long-term customer relationships as well as revolving framework agreements with non-binding volume and price indications.

In the Salt business segment, de-icing salt contracts for the public sector in Europe, Canada and the United States are issued by means of public invitations to tender. We take part in these every second and third quarter for the upcoming winter season, but also, to a certain extent, for the following winter. The contracts include both price and maximum volume agreements. However, as the actual volumes depend on the winter weather conditions and are therefore uncertain in advance, they cannot be classified as backlog of orders as such. This also applies to agreements with minimum purchasing obligations on the part of our customers, since they can normally be shifted to the following winter in the event of weak demand in a season.

For the above-mentioned reasons the disclosure of the backlog of orders of the K+S GROUP and its business segments is of no relevance for assessing the short- and medium-term earnings capacity.

REVENUES AND EARNINGS POSITION

Q1 REVENUES REACH € 1,438.1 MILLION

Revenues in the first quarter amounted to € 1,438.1 million, a decrease of € 188.8 million or 12 % relative to the figure for the previous year. This decrease is attributable exclusively to lower revenues in the Salt business segment due to weather conditions. Revenues in the Potash and Magnesium Products business segment were up slightly, revenues in the Nitrogen Fertilizers business segment increased by approximately 10 %. / TAB: 1.4.1, FIG: 1.4.1

In the first three months of the year, 40 % of revenues were generated in the Potash and Magnesium Products business segment, followed by Salt (32 %) and Nitrogen Fertilizers (25 %). In Europe, we generated a share in revenues of approximately 50 %, followed by North America (25 %), South America (12 %) and Asia (11 %). / FIG: 1.4.2

DEVELOPMENT OF SELECTED COST TYPES

In the quarter under review, total costs decreased by 8 %; due to the high share of fixed costs customary in the mining industry they declined disproportionately to revenues. The most important cost types developed as follows: personnel expenses amounted to € 246.8 million in the first quarter, or approximately 20 % of revenues, i.e. roughly the level as in the same quarter of the previous year (for an explanation see page 19). Material costs, measured in terms of revenues about 30 %, increased particularly due to higher input costs in the Nitrogen Fertilizers business segment. While freight costs, which amounted to approximately 15 % of revenues, were significantly lower than the level of the same quarter of the previous year due to lower transport volumes, energy costs (5 % of revenues) increased significantly due to prices.

Q1 EBITDA AT € 337.0 MILLION

In the first quarter of 2012, earnings before interest, taxes, depreciation and amortisation (EBITDA) fell by 21 % to € 337.0 million (Q1/11: € 424.9 million).

OPERATING EARNINGS REACH € 281.1 MILLION

In the first quarter of 2012, operating earnings EBIT I reached € 281.1 million and were thus € 87.3 million or 24 % lower than in the same quarter of the previous year. Depreciation taken into account in EBIT I amounted to € 55.9 million and was roughly at the level as in the same quarter of the previous year (Q1/11: € 56.5 million). The Potash and Magnesium Products business segment could slightly improve its result. By contrast, in the Nitrogen Fertilizers business segment, it was slightly below the figure for the previous year. As a result of the weak de-icing salt business, operating earnings of the Salt business segment decreased very sharply relative to the extraordinarily good result for the same quarter of the previous year.

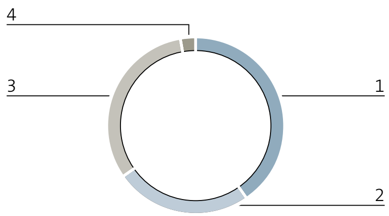
The result from operating forecast hedges included in EBIT I corresponds – due to the elimination of all fluctuations in the market value during the term – to the value of the hedge at the time of realisation (difference between the spot rate and hedged rate) less the premiums paid or plus the premiums received in the case of option transactions. The changes in the market value of the operating forecast hedges still outstanding are, however, only taken into consideration in the result after operating hedges (EBIT II).

VARIANCE ANALYSIS TAB: 1.4.1

in %	Q1/12
Change in revenues	**(11.6)**
volume/structure	(17.6)
prices/price-related	+4.1
exchange rates	+1.8
consolidation	+0.1

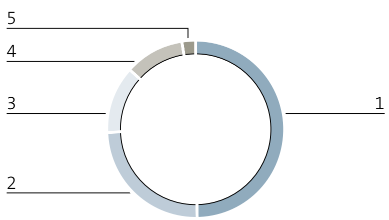
Detailed information on average prices and sales volumes can be found in tables 1.5.3 and 1.5.8.

REVENUES BY BUSINESS SEGMENT JANUARY – MARCH 2012 FIG: 1.4.1



	in %	Q1/12	Q1/11
1	Potash and Magnesium Products	40.4	35.5
2	Nitrogen Fertilizers	25.0	20.2
3	Salt	31.9	42.0
4	Complementary Business Segments	2.7	2.3

REVENUES BY REGION JANUARY – MARCH 2012 FIG: 1.4.2



	in %	Q1/12	Q1/11
1	Europe	49.8	47.9
	– of which Germany	13.5	14.7
2	North America	24.7	32.4
3	South America	12.2	9.8
4	Asia	10.8	7.6
5	Africa, Oceania	2.5	2.3

RESULT AFTER OPERATING HEDGES (EBIT II)

The result after operating hedges EBIT II reached € 307.4 million in the quarter under review, compared to € 398.6 million in the same quarter of the previous year. In the first quarter, EBIT II benefited, due to the weaker US dollar, from earnings effects resulting from operating forecast hedges in the amount of € 26.3 million (Q1/11: € 30.2 million).

Under IFRS, changes in the market value from hedging transactions have to be reported in the income statement. EBIT II includes all earnings arising from operating hedging transactions, i.e. both valuation effects as at the reporting date and earnings from realised operating hedging derivatives. Hedging transactions connected with financing activities, whose earnings effects have no impact on EBIT, are shown in the financial result.

STABLE FINANCIAL RESULT IN Q1

In the first quarter, the financial result was € (15.0) million, compared to € (15.2) million in the same period of the previous year. In addition to the interest expenses for pension provisions (Q1/12: € (1.7) million), the financial result also includes the interest expenses for other non-current provisions, mainly provisions for mining obligations (Q1/12: € (6.3) million); both are non-cash.

/ **FURTHER DETAILS OF THE FINANCIAL RESULT** can be found in the Notes on page 34.

(ADJUSTED) EARNINGS BEFORE INCOME TAXES LOWER THAN IN THE PREVIOUS YEAR

In the quarter under review, earnings before income taxes reached € 292.4 million (Q1/11: € 383.4 million). If the earnings are adjusted for the effects from operating forecast hedges which were not yet recorded in operating earnings EBIT I (€ 26.3 million), this results in adjusted earnings before income taxes of € 266.1 million, € 87.1 million or 25 % lower than the figure for the previous year.

(ADJUSTED) GROUP EARNINGS ALSO LOWER

Group earnings after taxes in the first quarter reached € 212.2 million (Q1/11: € 283.3 million). In the quarter under review, tax expenses totalling € 80.0 million were incurred. These include deferred, i.e. non-cash tax income of € 10.5 million (Q1/11: tax expenses of € 100.0 million, of which € 11.3 million were deferred tax expenses). Adjusted Group earnings decreased in the first quarter by € 68.2 million or 26 % to € 193.4 million.

ADJUSTED EARNINGS PER SHARE IN THE FIRST QUARTER AT € 1.01 (Q1/11: € 1.37)

For the quarter under review, adjusted earnings per share amounted to € 1.01 and were therefore approximately 26 % lower than the figure for the previous year of € 1. 37. They were computed on the basis of 191.40 million no-par value shares, being the average number of shares outstanding (Q1/11: 191.20 million no-par value shares).

We held no shares of our own as of 31 March 2012. At the end of March, the total number of shares outstanding of the K+S GROUP was 191.40 million no-par value shares.

The average domestic Group tax rate was 28.4 % in the first quarter (Q1/11: 28.3 %), and the adjusted Group tax rate from continued operations amounted to 27.3 %, compared to 25.9 % in the same quarter of the previous year.

Undiluted, adjusted earnings per share are computed by dividing adjusted Group earnings after taxes and minority interests by the weighted average number of shares outstanding. As none of the conditions resulting in the dilution of earnings per share exist in the case of K+S at the present time, undiluted earnings per share correspond to diluted earnings per share.

FINANCIAL POSITION

CAPITAL EXPENDITURE INCREASED STRONGLY IN THE FIRST QUARTER

In the first quarter of 2012, the K+S GROUP invested € 41.4 million in continued operations, i.e. almost 50 % more than in the same quarter of the previous year (Q1/11: € 28.0 million). Most of the capital expenditure was accounted for by the Potash and Magnesium Products business segment. The increase here is primarily attributable to the capital expenditure for the package of measures on water protection in the Hesse-Thuringia potash district and for the Legacy Project , there mainly for infrastructure, water supply and engineering work. In the Salt business segment, the volume of capital expenditure increased, particularly due to the renovation of an evaporated salt facility at MORTON SALT in Hutchinson, USA. Around 70 % of the capital expenditure made were in measures relating to replacement and ensuring production. This share of approximately € 30 million was significantly lower than the depreciation of € 55.9 million. / FIG: 1.4.3

CASH FLOW FROM OPERATING ACTIVITIES CHARACTERISED BY MORE FUNDS BEING TIED UP IN WORKING CAPITAL

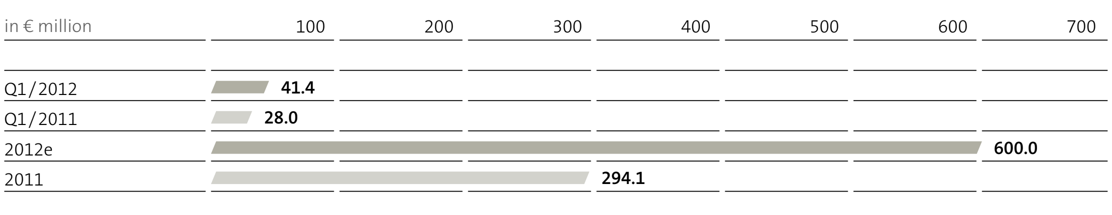
Gross cash flow reached € 292.6 million in the first quarter, down € 39.8 million on the figure for the same period of the previous year (Q1/11: € 332.4 million). The decrease was in line with the development of earnings. Lower operating earnings were counteracted by reduced income tax payments. / TAB: 1.4.2

Cash flow from operating activities (without out-financing of pension obligations) reached € 84.8 million in the first quarter and therefore remained considerably below previous year's figure (Q1/11: € 435.9 million). This was attributable to a higher tie-up of funds in working capital: on the one hand, the otherwise usual reduction of the salt inventories did not occur due to the very mild winter, and, on the other, the higher payments to BASF of the Nitrogen Fertilizers business segment for the very successful previous financial year due to the profit split led to a significant reduction in liabilities.

Cash flow for investing activities (excluding investments in securities) amounted to € (54.6) million in the first three months and was thus significantly below the level of the same period in the previous year (Q1/11: € (272.1) million), which had been affected by payments for the purchase of POTASH ONE (€ (242.8) million). Free cash flow (without out-financing of pension obligations and investments in securities) reached € 30.2 million (Q1/11: 163.8 Mio. €). Adjusted for acquisitions / divestments, the free cash flow fell by € 372.2 million to € 34.4 million in comparison to the same period in the previous year.

Cash flow for financing activities in the first quarter amounted to € 2.9 million (Q1/11: € (80.2) million). The change is primarily attributable to the acquisition of the remaining 18.4 % of the shares in POTASH ONE in the previous year (€ (59.3) million). As at 31 March 2012, net cash and cash equivalents amounted to € 403.2 million (31 March 2011: € 675.8 million; 31 December 2011: € 437.3 million).

CAPITAL EXPENDITURE [1] FIG: 1.4.3



[1] Capital expenditure in property, plant and equipment, intangible and financial assets of the continued operations.

As at the reporting date, net indebtedness including provisions for pensions and mining obligations declined further to € 592.6 million compared to the figure as of 31 March 2011 (€ 726.6 million).

CASH FLOW OVERVIEW [1] TAB: 1.4.2

in € million	Q1/12	Q1/11
Gross cash flow	292.6	332.4
Cash flow from operating activities [2]	84.8	435.9
Cash flow for investing activities [3]	(54.6)	(272.1)
– of which acquisitions/divestments	(4.2)	(242.8)
Free cash flow [2,3]	30.2	163.8
Free cash flow before acquisitions/divestments [2,3]	**34.4**	**406.6**
Cash flow for/from financing activities	2.9	(80.2)
Operational change in cash and cash equivalents [2,3]	+ 28.6	+ 75.3

[1] Information refers to the continued operations of the K+S Group.
[2] Without out-financing of pension obligations in the amount of: Q1/12: € (3.7) million, Q1/11: € (86.3) million.
[3] Without purchases/disposals of securities and other financial investments in the amount of € (59.0) million net in Q1/12 (Q1/11: € 0.0 million).

/ **FURTHER INFORMATION REGARDING NET INDEBTEDNESS** can be found in the Notes on page 35.

SOLID FINANCING STRUCTURE

The financing structure of the K+S GROUP improved further compared to the end of 2011. The equity ratio increased slightly once again and as at 31 March 2012, amounted to almost 53 % of the balance sheet total. The share of non-current debt, including non-current provisions, as well as the share of current debt decreased correspondingly to 32 % and 15 % respectively.

/ **FURTHER DETAILS ON THE CHANGE IN INDIVIDUAL BALANCE SHEET ITEMS** can be found in the Notes on page 34.

As at 31 March 2012, the K+S GROUP's debt mainly consisted of bank loans and overdrafts (27 %), provisions (40 %) and accounts payable (17 %). As of 31 March 2012, bank loans and overdrafts amounted to € 774.7 million, of which only € 5.5 million were classified as current. The main provisions of the K+S GROUP as of 31 March 2012 concern mining obligations (€ 585.8 million) as well as pensions and similar obligations (€ 94.3 million). The former increased compared to 31 December 2011 by € 55.0 million and the latter decreased by € 24.3 million.

/ **FIG: 1.4.4**

OFF-BALANCE SHEET FINANCING INSTRUMENTS/OFF-BALANCE SHEET ASSETS

Off-balance sheet financing instruments in the sense of factoring transactions, asset-backed securities, sale and lease back transactions or contingent liabilities to special purpose entities not consolidated only exist to a negligible extent. We primarily use operating leases, for example for vehicles, storage capacity and IT accessories. Due to the chosen contractual structures, these items are not to be carried under fixed assets.

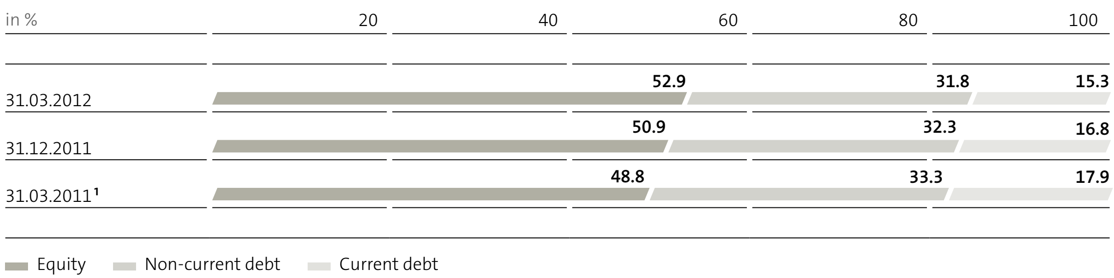
ASSET POSITION

As at 31 March 2012, the balance sheet total of the K+S GROUP amounted to € 6,121.4 million. At 56:44, the ratio of non-current assets to current assets remains balanced with a slight shift in favour of current assets. At the end of the first quarter, cash and cash equivalents, current securities and other financial investments totalled € 766.0 million (31 December 2011: € 757.8 million).

/ **FURTHER DETAILS ON THE MAIN CHANGES IN INDIVIDUAL BALANCE SHEET ITEMS** can be found in the Notes on page 34.

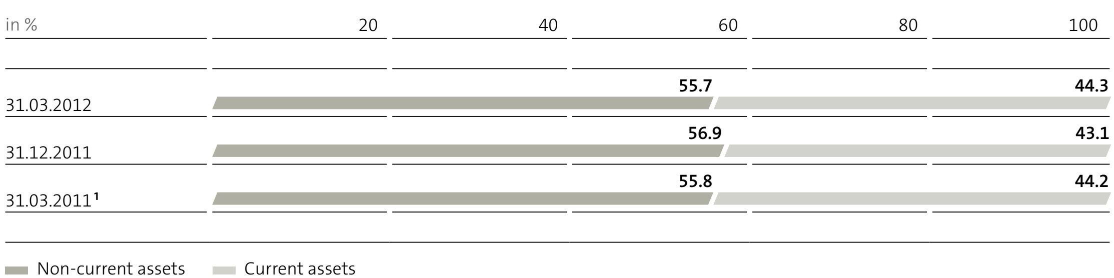
Including cash and cash equivalents (€ 410.2 million), the non-current and current securities and other financial investments (€ 433.3 million), provisions for mining

EQUITY AND LIABILITIES FIG: 1.4.4



[1] Information as of 31 March 2011 has not been adjusted and also include the discontinued operations.

ASSETS FIG: 1.4.5



[1] Information as of 31 March 2011 has not been adjusted and also include the discontinued operations.

obligations and pensions (€ 585.8 million / € 94.3 million) as well as bank loans and overdrafts (€ 774.7 million), and after taking into account claims for reimbursement in connection with a bond at MORTON SALT (€ 18.7 million), as of 31 March 2012, this results in net indebtedness of the K+S GROUP of € 592.6 million (31 December 2011: € 610.8 million), a decrease compared to the figure for the previous year of € 134.0 million (31 March 2011: € 726.6 million). / FIG: 1.4.5

1.5 BUSINESS SEGMENTS OF THE K+S GROUP

POTASH AND MAGNESIUM PRODUCTS BUSINESS SEGMENT

/ **A DESCRIPTION OF THE MARKET ENVIRONMENT IN THE FERTILIZER BUSINESS SECTOR** can be found on page 5 in the "Industry-specific framework conditions" section.

REVENUES

In the first quarter, revenues of the Potash and Magnesium Products business segment reached € 580.1 million and were therefore up slightly on the very good figure for the previous year's quarter (€ 578.0 million). Higher prices and positive currency effects could compensate for decreases in sales volumes. With regard to our most important product by volume, potassium chloride, revenues remained stable in the quarter under review, at € 273.0 million (Q1/11: € 274.0 million). Here too, higher prices and positive currency effects compensated for lower sales volumes. For fertilizer specialities, tangibly higher prices with only moderate decreases in sales volumes led to an increase in revenues of € 10.3 million to € 237.8 million (+5 %). With regard to industrial products, revenues decreased by € 7.2 million, or 9 %, to € 69.3 million. In this case, reductions in sales volumes could not be fully compensated for by higher prices. Sales volumes of potash and magnesium products in the first quarter decreased by 12 % to 1.77 million tonnes (Q1/11: 2.01 million tonnes). / TAB: 1.5.1, 1.5.2, 1.5.3 / FIG: 1.5.1, 1.5.2

VARIANCE ANALYSIS TAB: 1.5.1

in %	Q1/12
Change in revenues	**+0.4**
volume/structure	(13.4)
prices/price-related	+12.2
exchange rates	+1.6
consolidation	–
Potassium chloride	(0.4)
Fertilizer specialities	4.5
Industrial products	(9.4)

DEVELOPMENT OF EARNINGS

In the first quarter, earnings before interest, taxes, depreciation and amortisation (EBITDA) for the Potash and Magnesium Products business segment increased by 3 % to € 231.4 million (Q1/11: € 224.2 million).

It proved possible to increase operating earnings EBIT I in the first quarter by € 6.1 million or 3 %, to € 208.5 million. This was the best result yet in a first quarter in the Potash and Magnesium Products business segment. On the costs side, positive earnings effects of changes in inventories were able to more than compensate for, in particular, higher energy costs and a negative currency result. Operating earnings EBIT I include depreciation and amortisation of € 22.9 million (Q1/11: € 21.8 million).

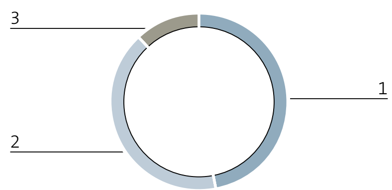
OUTLOOK

The prospects for the development of demand for fertilizers containing potash and magnesium continue to be

POTASH AND MAGNESIUM PRODUCTS BUSINESS SEGMENT TAB: 1.5.2

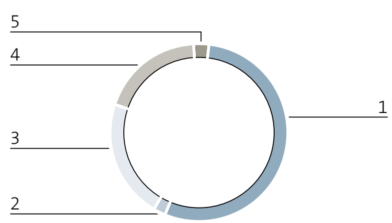
in € million	Q1/12	Q1/11	%
Revenues	580.1	578.0	+0.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	231.4	224.2	+3.2
Operating earnings (EBIT I)	208.5	202.4	+3.0
Capital expenditure	23.9	18.3	+30.6
Employees as of 31 March (number)	8,208	7,948	+3.3

REVENUES BY PRODUCT GROUP JANUARY – MARCH 2012 FIG: 1.5.1



	in %	Q1/12	Q1/11
1	Potassium chloride	47.1	47.4
2	Fertilizers specialities	41.0	39.4
3	Industrial products	11.9	13.2

REVENUES BY REGION JANUARY – MARCH 2012 FIG: 1.5.2



	in %	Q1/12	Q1/11
1	Europe	54.6	58.4
	– of which Germany	12.1	15.7
2	North America	2.2	2.9
3	South America	21.6	18.4
4	Asia	18.9	16.1
5	Africa, Oceania	2.7	4.2

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES BY REGION [1] TAB: 1.5.3

		Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12
Revenues	**€ million**	**578.0**	**502.4**	**508.8**	**542.7**	**2,131.9**	**580.1**
Europe	€ million	337.5	276.1	263.8	260.8	1,138.2	316.9
Overseas	US$ million	329.0	325.6	346.1	380.1	1,380.8	345.0
Sales volumes	**t eff. million**	**2.01**	**1.66**	**1.61**	**1.65**	**6.93**	**1.77**
Europe	t eff. million	1.19	0.87	0.86	0.82	3.74	0.97
Overseas	t eff. million	0.82	0.79	0.75	0.83	3.19	0.80
Average prices	**€/t eff.**	**287.6**	**302.3**	**316.8**	**327.8**	**307.5**	**327.2**
Europe	€/t eff.	284.4	314.7	309.3	315.9	304.1	325.8
Overseas	US$/t eff.	399.7	414.9	459.6	457.9	432.8	431.1

[1] Revenues include prices both inclusive and exclusive of freight costs and, in the case of overseas revenues, are based on the respective USD/EUR 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.

attractive particularly in the markets relevant to us, so that, from today's perspective, we regard a sales volume close to that of last year to be probable (2011: 6.9 million tonnes). In line with our purely technical forecast policy, which maintains the currently achieved potash price level unchanged for the remainder of 2012, an average price level that is moderately higher than that of the previous year is to be expected. On this basis, revenues of the Potash and Magnesium Products business segment too should increase moderately in comparison to 2011. On the costs side, a tangible increase of total costs is to be expected; this is mainly due to a strong increase in energy costs as well as a negative currency result which had profited from a positive hedging result last year. Against this backdrop, in the Potash and Magnesium Products business segment, we expect operating earnings that could again approach the good earnings achieved last year.

NITROGEN FERTILIZERS BUSINESS SEGMENT

The sale process announced by BASF at the end of September 2011 consisting of the transfer of considerable parts of its fertilizer production facilities to the Russian fertilizer producer EUROCHEM was closed on 31 March 2012. The existing contracts between BASF and K+S to supply K+S NITROGEN with complex fertilizers and straight nitrogen fertilizers are not affected by this and cannot be terminated before 31 December 2014.

/ **A DESCRIPTION OF THE MARKET ENVIRONMENT IN THE FERTILIZER BUSINESS SECTOR** can be found on page 5 in the "Industry-specific framework conditions" section.

REVENUES

Revenues in the Nitrogen Fertilizers business segment in the first quarter increased in comparison to the previous year by 10 % to € 359.5 million, mainly due to price factors. For complex fertilizers, revenues were € 149.9 million (Q1/11: € 127.7 million), for straight nitrogen fertilizers € 136.3 million (Q1/11: € 136.8 million) and for ammonium sulphate € 73.3 million (Q1/11: € 63.6 million). For complex fertilizers as well as for straight nitrogen fertilizers, prices could be raised significantly as compared to the previous year's quarter, while revenues for ammonium sulphate fell slightly due to price factors. Furthermore, revenues for complex fertilizers and ammonium sulphate increased also due to volume factors; for straight nitrogen fertilizers, a certain reluctance to buy in the

VARIANCE ANALYSIS TAB: 1.5.4

in %	Q1/12
Change in revenues	**+9.6**
volume/structure	+2.9
prices/price-related	+6.0
exchange rates	+0.7
consolidation	—
Complex fertilizers	17.4
Straight nitrogen fertilizers	(0.4)
Ammonium sulphate	15.3

first two months of the year was observed. Sales volumes of complex fertilizers, straight nitrogen fertilizers and ammonium sulphate were 1.27 million tonnes in the first quarter, slightly above the previous year's quarter (Q1/11: 1.23 million tonnes). / TAB: 1.5.4, 1.5.5 / FIG: 1.5.3, 1.5.4

DEVELOPMENT OF EARNINGS

Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Nitrogen Fertilizers business segment reached € 32.8 million as compared to € 34.2 million in the same quarter of the previous year.

Operating earnings EBIT I fell slightly in the first quarter to € 32.2 million as compared to € 33.7 million in the previous year's quarter; this includes depreciation and amortisation of € 0.6 million (Q1/11: € 0.5 million). The price-related tangibly increased revenues could not fully make up for higher input costs.

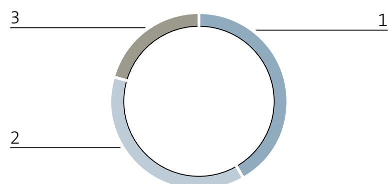
OUTLOOK

In financial year 2012, we assume a slight increase in revenues of the Nitrogen Fertilizers business segment. However, this will probably face higher input costs, so that, in comparison to last year, stable operating earnings are expected.

NITROGEN FERTILIZERS BUSINESS SEGMENT TAB: 1.5.5

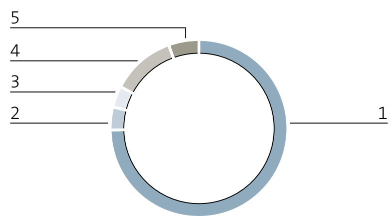
in € million	Q1/12	Q1/11	%
Revenues	359.5	328.1	+9.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	32.8	34.2	(4.1)
Operating earnings (EBIT I)	32.2	33.7	(4.5)
Capital expenditure	0.2	0.1	+100.0
Employees as of 31 March (number)	159	157	+1.5

REVENUES BY SEGMENT JANUARY – MARCH 2012 FIG: 1.5.3



	in %	Q1/12	Q1/11
1	Complex fertilizers	41.7	38.9
2	Straight nitrogen fertilizers	37.9	41.7
3	Ammonium sulphate	20.4	19.4

REVENUES BY REGION JANUARY – MARCH 2012 FIG: 1.5.4



	in %	Q1/12	Q1/11
1	Europe	75.0	79.2
	– of which Germany	14.5	14.2
2	North America	4.0	3.5
3	South America	3.9	4.5
4	Asia	11.7	9.1
5	Africa, Oceania	5.4	3.7

SALT BUSINESS SEGMENT

/ A DESCRIPTION OF THE MARKET ENVIRONMENT IN THE SALT BUSINESS SECTOR can be found on page 5 in the "Industry-specific framework conditions" section.

REVENUES

Revenues in the Salt business segment fell in the first quarter, due primarily to a strong sales volume decrease, by € 224.0 million to € 458.5 million. In the case of de-icing salt, the very mild and, in part, dry weather conditions in Europe as well as in North America led to unusually weak sales volumes. This resulted – especially in comparison to the very high sales volumes of the previous year's period – in a strong decrease in revenues to € 207.3 million (Q1/11: € 435.0 million). Revenues for food grade salt increased by 2 % in the first

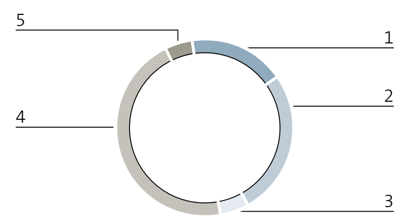
VARIANCE ANALYSIS TAB: 1.5.6

in %	Q1/12
Change in revenues	**(32.8)**
volume / structure	(32.2)
prices / price-related	(3.5)
exchange rates	+ 2.7
consolidation	+ 0.2
Food grade salt	2.3
Industrial salt	(4.4)
Salt for chemical use	24.0
De-icing salt	(52.3)
Other	12.7

SALT BUSINESS SEGMENT TAB: 1.5.7

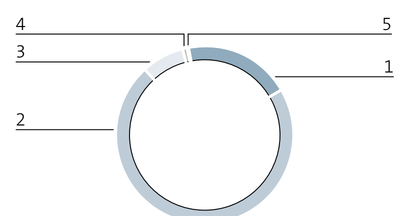
in € million	Q1/12	Q1/11	%
Revenues	458.5	682.5	(32.8)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	74.4	169.9	(56.2)
Operating earnings (EBIT I)	45.5	139.1	(67.3)
Capital expenditure	13.8	7.0	+ 97.1
Employees as of 31 March (number)	5,179	5,185	(0.1)

REVENUES BY PRODUCT GROUP JANUARY – MARCH 2012 FIG: 1.5.5



	in %	Q1/12	Q1/11
1	Food grade salt	17.6	11.6
2	Industrial salt	26.6	18.7
3	Salt for chemical use	5.5	3.0
4	De-icing salt	45.3	63.7
5	Other	5.0	3.0

REVENUES BY REGION JANUARY – MARCH 2012 FIG: 1.5.6



	in %	Q1/12	Q1/11
1	Europe	19.7	21.0
	– of which Germany	8.7	10.3
2	North America	71.6	73.1
3	South America	7.8	5.6
4	Asia	0.8	0.2
5	Africa, Oceania	0.1	0.1

DEVELOPMENT OF REVENUES, SALES VOLUMES AND AVERAGE PRICES [1] TAB: 1.5.8

		Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12
De-icing salt							
Revenues	€ million	435.0	45.3	74.1	185.3	739.7	207.3
Sales volumes	t million	7.94	0.74	1.35	3.28	13.31	4.02
Average prices	€/t	54.8	61.0	55.0	56.6	55.6	51.5
Industrial salt, salt for chemical use and food grade salt							
Revenues	€ million	226.9	223.2	218.5	235.1	903.7	228.1
Sales volumes	t million	2.24	2.47	2.17	2.54	9.42	2.16
Average prices	€/t	101.2	90.3	100.7	92.6	95.9	105.8
Other							
Revenues	€ million	20.6	13.9	13.9	18.3	66.7	23.1
Salt business segment							
Revenues	€ million	682.5	282.4	306.5	438.7	1,710.1	458.5

[1] Revenues include prices both inclusive and exclusive freight costs. The price information is also affected by changes of the exchange rates and the respective product mix and is therefore to be understood as providing a rough indication only.

quarter to € 80.9 million (Q1/11: € 79.1 million) as positive price and currency effects could more than compensate for slight volume-related declines. Industrial salts achieved revenues of € 121.9 million; this was somewhat below the value of the previous year's quarter (€ 127.5 million) mainly as a result of volume factors. Revenues for salts for chemical use increased due to volume and price factors by € 4.9 million to € 25.3 million. In the Other area, revenues increased by € 2.6 million to € 23.1 million. Sales volumes of crystallised salt during the first quarter totaled 6.18 million tonnes and were 39 % below the level of the previous year (Q1/11: 10.18 million tonnes). / TAB: 1.5.6, 1.5.7, 1.5.8 / FIG: 1.5.5, 1.5.6

DEVELOPMENT OF EARNINGS

During the quarter under review, earnings before interest, tax and depreciation and amortisation (EBITDA) in the Salt business segment fell by about 56 % to € 74.4 million.

Compared to the above-average earnings one year ago, first quarter's operating earnings EBIT I fell by € 93.6 million to € 45.5 million. The strong decline in earnings due to the weak de-icing salt business was faced by moderate savings in maintenance and personnel costs. Operating earnings EBIT I include depreciation and amortisation of € 28.9 million (Q1/11: € 30.8 million).

In comparison to the long-term average of the de-icing salt business, earnings in the first quarter were negatively impacted in the amount of € 45 million to € 55 million due to the very mild and dry winter.

OUTLOOK

As a result of the unusually weak start of the de-icing salt business due to weather conditions, we expect tangibly (previously: moderately) lower revenues in 2012 for the Salt business segment in comparison to the previous year. This forecast assumes a cautious early stocking-up in the second and third quarter, an average de-icing salt business in the fourth quarter as well as a largely stable overall development in revenues in the food grade and industrial salt segments as well as the salt for chemical use segment. We currently assume a sales volume of crystallised salt of less than 19 million tonnes (previously: a good 19 million tonnes; 2011: 22.7 million tonnes), of which less than 10 million tonnes de-icing salt (previously: about 10 million tonnes; 2011: 13.3 million tonnes). Against this backdrop and in view of the higher share of fixed costs customary in the mining industry, from today's perspective, a strong decrease in earnings is to be expected. To cope with the weaker demand of de-icing salt, we are reacting with measures like extended production breaks, adjustment of working shifts and the usage of workforce flex accounts.

COMPLEMENTARY BUSINESS SEGMENTS

REVENUES

In the first quarter, revenues of the Complementary Business Segments with third parties were € 39.1 million (Q1/11: € 38.2 million). Including inter-segment revenues, total revenues amounted to € 47.5 million in comparison to € 49.5 million in the previous year's quarter.

In the first quarter, due to volume and price factors, revenues of the animal hygiene segment could be increased by 9 % to € 9.6 million. The trading and logistics segments increased their revenues by € 0.5 million and € 0.2 million, respectively, to € 3.9 million each, while revenues in the waste management and recycling segment dropped by € 0.6 million to € 21.7 million. / TAB: 1.5.9, 1.5.10 / FIG: 1.5.7, 1.5.8

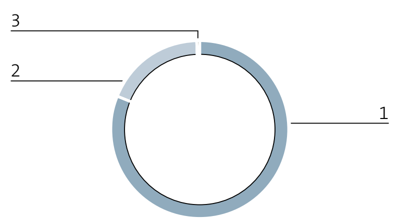
VARIANCE ANALYSIS TAB: 1.5.9

in %	Q1/12
Change in revenues	**+2.4**
volume/structure	+1.9
prices/price-related	–
exchange rates	–
consolidation	+0.5
Waste Management and Recycling	(2.7)
Logistics	5.4
Animal hygiene products	9.1
Trading	14.7

COMPLEMENTARY BUSINESS SEGMENTS TAB: 1.5.10

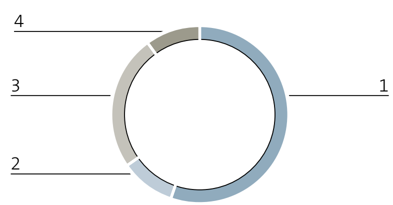
in € million	Q1/12	Q1/11	%
Revenues	39.1	38.2	+2.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	8.5	9.7	(12.4)
Operating earnings (EBIT I)	6.9	8.1	(14.8)
Capital expenditure	0.6	0.7	(14.3)
Employees as of 31 March (number)	289	282	+2.5

REVENUES BY REGION JANUARY – MARCH 2012 FIG: 1.5.7



	in %	Q1/12	Q1/11
1	Germany	81.3	80.4
2	Rest of Europe	18.4	19.6
3	Asia	0.3	0.0

REVENUES BY SEGMENT JANUARY – MARCH 2012 FIG: 1.5.8



	in %	Q1/12	Q1/11
1	Waste management and recycling	55.5	58.4
2	Logistics	10.0	9.7
3	Animal hygiene products	24.5	23.0
4	Trading	10.0	8.9

DEVELOPMENT OF EARNINGS

In the first quarter, earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Complementary Business Segments reached € 8.5 million and were therefore € 1.2 million or 12 % below the previous year's figure.

Operating earnings EBIT I fell 15 % in the first quarter to € 6.9 million; this includes depreciation and amortisation of € 1.6 million (Q1/11: € 1.6 million). While in the animal hygiene and trading segments higher contributions to earnings could be achieved, EBIT I in the logistics segment fell significantly due to lower order volumes. Also in the waste management and recycling segment, operating earnings were reduced due to volume factors.

OUTLOOK

For 2012 and from today's perspective, we assume stable revenues and moderately higher earnings after last year had been adversely affected by impairments (€ 4.6 million).

1.6 EMPLOYEES

NUMBER OF EMPLOYEES INCREASED SLIGHTLY AGAINST THE LEVEL OF LAST YEAR

As of 31 March 2012, the K+S GROUP employed a total of 14,482 persons. In comparison to 31 March 2011 (14,173 employees), the number has increased by 309 employees, or around 2 %; this is above all due to an increase in personnel in the Potash and Magnesium Products business segment in order to maintain the volume of crude salt extracted and for increased activities in the area of environmental protection as well as for the Legacy Project. In terms of the average for the quarter, 14,485 employees were employed; this is also a slight increase of about 2 % as compared to the previous year's quarter (Q1/11: 14,196). As a consequence of the increased internationalisation of the K+S GROUP since 2006, in the meanwhile, almost one third of our employees are located outside Germany, and more than a quarter outside Europe. The number of trainees in Germany was 504 as of 31 March 2012 and thus again above the already high level of the previous year (31 March 2011: 496). / FIG: 1.6.1

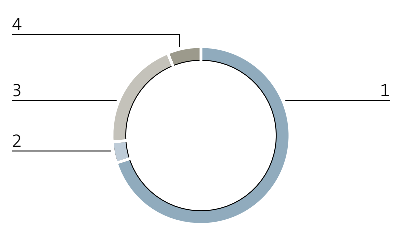
PERSONNEL EXPENSES

In the first quarter, personnel expenses were € 246.8 million, which was roughly the same level as in the previous year (Q1/11: € 245.8 million). Increased expenses due to collective agreement pay increases were contrasted with a lower deferral being set for performance-related remuneration.

1.7 RESEARCH AND DEVELOPMENT

Research costs for continued operations for the quarter under review amounted to € 8.5 million and were thus above the level of the previous year's quarter (Q1/11: € 3.4 million). The increase is above all due to expenses for the Legacy Project in Saskatchewan, Canada. No development-related capital expenditures were capitalised in the first quarter so far (Q1/11: € 0.9 million).

EMPLOYEES BY REGION AS OF 31 MARCH 2012 [1] FIG: 1.6.1



	in %	2012	2011
1	Germany	70	69
2	Rest of Europe	4	3
3	North America	20	21
4	South America	6	7

[1] Information refers to the continued operations of the K+S Group.

The R&D projects planned for 2012 and described in the Financial Report 2011 on page 137 are being carried out or continued according to plan. On 31 March 2012, there was a total of 81 employees in the area of research and development of the K+S GROUP; compared to the previous year, this represents an increase as intended (31 March 2011: 76).

/ **FOR A COMPREHENSIVE DESCRIPTION OF THE RESEARCH AND DEVELOPMENT ACTIVITIES,** please see the relevant passages in our Financial Report 2011 on page 84 and page 137.

1.8 SUBSEQUENT EVENTS

No material changes have occurred in the economic environment or in the position of our industry since the close of the quarter under review. Also, no other events of particular importance for the K+S GROUP requiring disclosure have occurred.

1.9 RISK REPORT

For a comprehensive description of the risk and opportunity management system as well as possible risks, please refer to the relevant passages in our Financial Report 2011 on page 118. The statements about the risks described there essentially remain without change. The risks to which the K+S GROUP is exposed, both in isolation or in conjunction with other risks, are limited and do not, according to current estimate, jeopardise the continued existence of the Company.

1.10 OPPORTUNITY REPORT

For a comprehensive presentation of possible opportunities, please refer to the relevant passages in our Financial Report 2011 on page 146. There is no offsetting of opportunities and risks or their positive and negative changes.

1.11 FORECAST REPORT

FUTURE GROUP DIRECTION

NO CHANGE IN BUSINESS POLICY INTENDED

We do not intend to introduce any fundamental change in our business policy over the coming years. We want to expand our market positions in our business segments, especially by increasing sales of speciality products, enhance our efficiency through the exploitation of synergies, press ahead with the expansion of new potash capacities with the Legacy Project in Canada as well as grow both organically and externally in the Potash and Magnesium as well as Salt business segments in particular.

FUTURE MARKETS

/ **A PRESENTATION OF THE FUTURE SALES MARKETS** can be found in the Financial Report 2011 on pages 136 and 139.

FUTURE MACROECONOMIC SITUATION

The following discussion about the future macroeconomic situation is essentially based on the assessments of the KIEL INSTITUTE FOR THE WORLD ECONOMY (Kiel Discussion Papers: Weltkonjunktur im Frühjahr 2012, March 2012) as well as of DEKA BANK (Makro Research, Volkswirtschaft Prognosen of 5 April 2012).

The global economy significantly weakened towards the end of 2011; positive sentiment indicators among consumers and companies point out, however, that the global economy should recover again in 2012. There will not be a strong upturn, however, due to the European sovereign debt crisis, the debt reduction in the private sector, and the rise in the oil price. DEKA BANK assumes a GDP increase of 3.3 % in the global economy for 2012 (previously: 3.1 %).

The KIEL INSTITUTE FOR THE WORLD ECONOMY projects a short recession phase for the EUROPEAN UNION, which should be overcome by the middle of 2012. Due to the European sovereign debt crisis, however, the forecasts are characterised by a high degree of uncertainty. Production and demand will recover only slowly in 2012, as austerity measures in government budgets as well as additional tax increases should have a dampening effect. Only exports will provide a moderately positive momentum. For 2012, DEKA BANK assumes an overall stable GDP. / TAB: 1.11.1

The growth rate in the United States should, according to DEKA BANK, be 2.4 % in 2012 (previously: 2.1 %). A moderate increase in employment and a progressing stabilisation of the real estate market should lead to an economic recovery.

For the emerging market countries, leading economic institutes continue to assume a robust economic development, while the KIEL INSTITUTE FOR THE WORLD ECONOMY is seeing considerable risks in certain countries due to current account deficits or high levels of debt.

After the further reduction in the base rate by the ECB in December 2011 to 1.0 %, money market interest rates should remain at a historically very low level to facilitate the stabilisation of financial markets and the banking system. The FED still considers it necessary for the United States to continue its low interest rate policy and has announced that the key interest rate is to remain within a range of 0 % to 0.25 % until mid 2014. Our corporate planning is currently based on a USD/EUR exchange rate on average of 1.33 USD/EUR in 2012 (previously: 1.32 USD/EUR) and an oil price level of about US$ 115 per barrel (Brent).

PERCENTAGE CHANGE IN GROSS DOMESTIC PRODUCT TAB: 1.11.1

real; in %	2012e	2011	2010	2009	2008
Germany	+0.5	+3.0	+3.7	(4.7)	+1.3
European Union (EU-27)	+0.0	+1.6	+1.9	(4.2)	+1.2
World	+3.3	+3.7	+5.1	(0.8)	+3.1

Source: Deka Bank

The effects on the course of business of the K+S GROUP described on page 5 should therefore also hold under the forecast macroeconomic conditions. Furthermore, the prosperity of the emerging market countries will tend to increase further. This should result in higher dietary expectations on the part of their populations. In addition, the world's population continues to grow. The demand for agricultural products should therefore continue to grow largely independent of the economic situation. For salt products, the impact of the general economic situation is of minor importance, since the business in the de-icing salt sector is dependent on the weather conditions and business with the other salts is largely independent of economic conditions.

FUTURE INDUSTRY SITUATION

The important sales markets and competitive positions of the individual business segments described in the Financial Report 2011 in the section 'Group Structure and Business Operations' on page 59 remain largely valid.

FERTILIZER BUSINESS SECTOR

The medium and long-term trends described in the Financial Report 2011 on page 139, which positively influence the demand for our products in the fertilizer sector, retain their validity.

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).

Also, the demand for nitrogenous fertilizers should continue to develop well over the year. Although the price level should be below the high level of the second half of 2011 due to lower input costs for ammonia, it should continue to be above the average of recent years overall.

SALT BUSINESS SECTOR

The future industry situation in the salt business sector described in the Financial Report 2011 remains valid. 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 as compared to the above-average demand in 2011. 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.

FUTURE EARNINGS, FINANCIAL AND ASSET POSITION

The following forecasts relate to the expected organic revenue and earnings development of the continued operations. Changes resulting from acquisitions, cooperations or divestments are not taken into consideration.

In line with the forecast policy discussed in the Financial Report on page 142, in the Quarterly Financial Report for the first quarter, the outlook for the current year is taken up and, if necessary, adjusted. The outlook still uses the qualitative classifications "slight", "moderate", "tangible", "significant" and "strong/substantial". The respective terms are generally based on the internally expected change in percentage terms in comparison to the corresponding figures for the previous year.

IN 2012, REVENUES SHOULD REMAIN STABLE

In the financial year 2012, revenues of the K+S GROUP should remain stable in comparison to the previous year. While in the Potash and Magnesium Products business segment, on the basis of the currently achieved potash price level, we assume moderately and in the Nitrogen Fertilizers business segment slightly increasing revenues, in the Salt business segment, we expect tangibly (previously: moderately) lower revenues. The revenue forecast assumes an average US dollar exchange rate of 1.33 USD/EUR (previously: 1.32 USD/EUR; 2011: 1.39 USD/EUR).

COSTS WILL PROBABLY RISE MODERATELY

The following forecast of the development of costs is structured by cost type: The total costs of the K+S GROUP should rise moderately year on year. As regards personnel expenses, additional employees and effects from collective agreement pay increases should be approximately balanced by lower bonuses to our employees (previously: slight increase). Material costs will probably increase slightly, while energy costs should rise significantly due to higher prices. On the other hand, we expect moderately lower freight costs, while depreciation and amortisation should decrease slightly (previously: stable). Moreover, a negative currency result is to be expected after last year benefited from a positive hedging result.

OPERATING EARNINGS SHOULD DECREASE MODERATELY

For the financial year 2012, operating earnings EBIT I of the K+S GROUP should decrease moderately in comparison to last year's figure. In the Potash and Magnesium Products business segment, we assume operating earnings that could again approach the good earnings achieved last year. The Nitrogen Fertilizers business segment should be able to achieve earnings at the level of the previous year. In comparison to last year, which benefited from above-average volumes of de-icing salt, the operating earnings of the Salt business segment will probably decline strongly.

MODERATELY LOWER GROUP EARNINGS EXPECTED

The adjusted Group earnings after taxes should also moderately decline in 2012 in line with the development of operating earnings. Besides the effects described for revenues and operating earnings, our estimate is based also on:

+ the expectation of consistently attractive agricultural prices;
+ our customary, purely technical forecast policy, which maintains the currently achieved potash price level unchanged for the remainder of 2012;
+ sales volume in the Potash and Magnesium Products business segment at about the same level as the previous year (2011: 6.9 million tonnes);
+ a sales volume of crystallised salt of less than 19 million tonnes (previously: a good 19 million tonnes; 2011: 22.7 million tonnes), of which less than 10 million

tonnes de-icing salt (previously: about 10 million tonnes; 2011: 13.3 million tonnes). For the fourth quarter, this, as customarily, assumes the average of multi-year de-icing salt sales volumes;

+ a largely unchanged financial result;
+ a slightly higher adjusted Group tax rate of 27 % to 28 % (2011: 26.1 %). / TAB: 1.11.3

PLANNED CAPITAL EXPENDITURE

The volume of capital expenditure for 2012 is a good € 600 million. It includes CAD 230 million (about € 170 million) for the Legacy Project; the allocation of the budgeted total expenditure to the individual years may, however, still result in considerable shifts. Furthermore, the increase in the volume of capital expenditure (2011: € 294.1 million) can be attributed to the execution of the package of measures on water protection in the Hesse-Thuringia potash district (about € 100 million) as well as the planned construction of the salt water pipeline from the Neuhof site to the Werra plant (about € 40 million). In the Salt business segment, the volume of capital expenditure will increase primarily due to the renovation of an evaporation salt facility of MORTON SALT in Hutchinson, USA. Mention should also be made of, among others, the expansion of the sifting capacities at SPL, the replacement of a ship at our Chilean shipping company EMPREMAR, the expansion of a brine field at FRISIA in Harlingen in the Netherlands and measures to optimally use shaft capacities at the Borth salt site in Germany. / TAB: 1.11.2

Measures relating to replacement and ensuring production will account for a good half of the volume of capital expenditure. Depreciation and amortisation is expected to total approximately € 230 million (previously: € 240 million) in 2012. / FIG: 1.11.1

EXPECTED DEVELOPMENT OF LIQUIDITY

The earnings development forecast for 2012 should also have a positive impact on the cash flow from operating activities. In 2012, despite significantly higher capital expenditure, we should be able to generate a positive free cash flow. In the previous year, the cash flow for investing activities and thus the free cash flow were impacted by disbursements for the purchase of securities and other financial investments in the amount of € 372.4 million.

NET INDEBTEDNESS SHOULD INCREASE SOMEWHAT

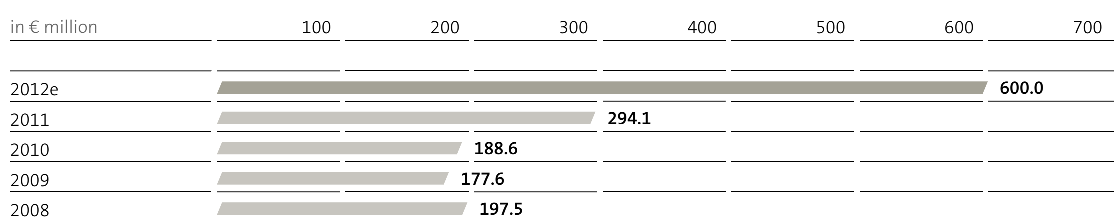
With net indebtedness (including non-current provisions) of € 592.6 million and a level of indebtedness of only 23.9 %, as of 31 March 2012, the K+S GROUP has a strong financial base. This and an expected high operating cash flow mean that we are able to respond flexibly to investment and acquisition opportunities. Our currently very low level of net indebtedness should increase somewhat in comparison to the previous year. This assumption takes into consideration the expected

CAPITAL EXPENDITURE BY BUSINESS SEGMENT [1] TAB: 1.11.2

in € million	2012e	2011
Potash and Magnesium Products	440 [2]	162.1
Nitrogen Fertilizers	1	1.0
Salt	140	112.3
Complementary Business Segments	5	4.3
Reconciliation	14	14.4
K+S Group	**600**	**294.1**

[1] Capital expenditure in property, plant and equipment, intangible and financial assets of the continued operations.
[2] The allocation of the budgeted total expenditure to the individual years may still result in considerable shifts.

CAPITAL EXPENDITURE [1] FIG: 1.11.1



[1] Capital expenditure in property, plant and equipment, intangible and financial assets of the continued operations. The years 2008 to 2009 include the discontinued operations of COMPO.

capital expenditure budget, including the Legacy Project, and the total dividend payment resulting from the dividend proposal by the Board of Executive Directors. Nonetheless, in 2012, we should report an equity ratio of at least 50 % and a level of indebtedness of under 30 %.

FUTURE DIVIDEND POLICY

We pursue an essentially earnings-based dividend policy. According to this, a dividend payout ratio of between 40 % and 50 % of adjusted Group earnings after taxes forms the basis for the amount of future dividend recommendations to be determined by the Board of Executive Directors and the Supervisory Board. For 2012, we see, on the basis of the described earnings expectations, good opportunities for an at least stable dividend, since the Group earnings will not be adversely affected by the effects of the divestment of the COMPO business.

FUTURE NUMBER OF EMPLOYEES, FUTURE PERSONNEL EXPENSES

K+S increasingly has to compete for qualified employees. We want to bring younger as well as older and experienced people into the Company in order to respond to the demographic change.

K+S regards vocational training as an important investment into the future and continues to strive for a training ratio of about 6 % for the German companies. Advanced education will also continue to be given special emphasis. Also in the years to come, we want to fill specialist and managerial positions with personnel from our own ranks as far as possible.

As for the end of 2012, we are expecting the number of employees to be slightly higher than as of the previous year (31 December 2011: 14,496). The average number of employees should also increase slightly this year to reach about 14,600 (previously: 14,800; 2011: 14,314). The reasons for the increase are in particular the implementation

DEVELOPMENT OF FORECASTS FOR 2012 AS A WHOLE TAB: 1.11.3

		Actual 2011	Forecast Financial Report 2011	Forecast Q1/12
K+S Group				
Revenues	€ billion	5.15	stable	stable
EBITDA	€ million	1,217.7	moderate decrease	moderate decrease
Operating Earnings (EBIT I)	€ million	975.7	moderate decrease	moderate decrease
Financial result	€ million	(63.9)	stable	stable
Group tax rate, adjusted	%	26.1	27 to 28	27 to 28
Group earnings from continued operations, adjusted	€ million	673.6	moderate decrease	moderate decrease
Earnings per share from continued operations, adjusted	€	3.52	moderate decrease	moderate decrease
Dividend	€	1,30 [1]	at least stable	at least stable
Capital expenditure	€ million	294.1	a good 600 [2]	a good 600 [2]
Depreciation and amortisation	€ million	242.0	240	230
Energy costs	€ million	277.2	significant increase	significant increase
Personnel expenses	€ million	976.1	slight increase	stable
Freight costs	€ million	813.7	moderate decrease	moderate decrease
Potash and Magnesium Products business segment				
Sales volume	t million	6.93	at about the level of 2011	at about the level of 2011
Salt business segment				
Sales volume crystallised salt	t million	22.73	a good 19	less than 19
– of which de-icing salt	t million	13.31	about 10	less than 10

[1] The figure for 2011 corresponds to the dividend proposal.
[2] Of this, CAD 230 million (about € 170 million) should be accounted for by the Legacy Project; the allocation of the budgeted total expenditure to the individual year may, however, still result in considerable shifts.

of the Legacy Project, increased activities in the area of environmental protection in the Potash and Magnesium Products business segment and an increase in the number of personnel in order to maintain the volumes of crude salt mined. With regard to personnel expenses (2011: € 976.1 million), we expect that lower bonuses to our employees will be approximately balanced by the anticipated additional expenses from collective agreement pay increases (previously: slight increase).

FUTURE RESEARCH AND DEVELOPMENT

In the future too, we will consequently continue to pursue our research and development goals laid out in our Financial Report 2011 on page 84. In 2012, the total of research costs as well as capitalised development-related capital expenditure should be significantly above the level of the previous year. The increase can be mainly attributed to expenditure for the brining out of the first cavern of the Legacy Project in Saskatchewan, Canada. The number of employees working in research should increase until the end of 2012, in order to particularly meet the challenges in the environmental area as well as to support the development in the area of solution mining; with this as a background, we expect to employ 85 people in research and development of the K+S GROUP (31 December 2011: 78 employees).

In 2012, we will focus our research and development activities in the Fertilizer business sector on the following areas: Improvement of extraction and production processes in order to achieve increases in efficiency as well as reductions in solid and liquid production residues in potash production, research into the sustainability of nutrient management in the soil when using complex fertilizers, and issues related to the environmental relevance of the fertilizers applied. In the Salt business sector, research into processes to improve the quality of rock salt for industrial applications through collaboration between ESCO, SPL and MORTON SALT will be advanced. At MORTON SALT, the further development of product alternatives to reduce the content of sodium in food as well as product innovations in the area of de-icing salt will be the primary areas of focus.

FUTURE PRODUCTS AND SERVICES

A presentation of the future products and services can be found in the Financial Report 2011 on page 137.

1.12 GUARANTEE OF THE LEGAL REPRESENTATIVES OF K+S AKTIENGESELLSCHAFT

To the best of our knowledge and in accordance with the applicable accounting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Kassel, 2 May 2012
K+S AKTIENGESELLSCHAFT
The Board of Executive Directors

FORWARD-LOOKING STATEMENTS

This report 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 the Management Report, save for the making of such disclosures as are required by the provisions of statute.

FINANCIAL SECTION

2

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INCOME STATEMENT [1] TAB: 2.1.1

in € million	Q1/12	Q1/11	LTM[6]/12	12M/11
Revenues	**1,438.1**	**1,626.9**	**4,962.1**	**5,150.9**
Cost of sales	879.5	961.1	3,094.4	3,176.0
Gross profit	**558.6**	**665.8**	**1,867.7**	**1,974.9**
Selling expenses	220.3	249.0	814.9	843.6
General and administrative expenses	46.1	44.9	183.3	182.1
Research and development costs	8.5	3.4	22.9	17.8
Other operating income	52.4	19.2	238.5	205.3
Other operating expenses	48.0	24.0	210.9	186.9
Income from investments, net	—	1.3	8.3	9.6
Result from operating forecast hedges	19.3	33.6	(22.5)	(8.2)
Result after operating hedges (EBIT II)[2]	**307.4**	**398.6**	**860.0**	**951.2**
Interest income	3.6	2.3	14.4	13.1
Interest expenses	(20.4)	(17.6)	(80.8)	(78.0)
Other financial result	1.8	0.1	2.7	1.0
Financial result	**(15.0)**	**(15.2)**	**(63.7)**	**(63.9)**
Earnings before income taxes	**292.4**	**383.4**	**796.3**	**887.3**
Taxes on income	80.0	100.0	210.7	230.7
– of which deferred taxes	(10.5)	11.3	(26.7)	(4.9)
Earnings after taxes from continued operations	**212.4**	**283.4**	**585.6**	**656.6**
Earnings after taxes from discontinued operations	—	10.3	(102.1)	(91.8)
Net income	**212.4**	**293.7**	**483.5**	**564.8**
Minority interests in earnings	0.2	0.1	0.6	0.5
Group earnings after taxes and minority interests	**212.2**	**293.6**	**482.9**	**564.3**
– thereof continued operations	212.2	283.3	585.0	656.1
– thereof discontinued operations	—	10.3	(102.1)	(91.8)
Earnings per share in € (undiluted ≙ diluted)	1.11	1.54	2.52	2.95
– thereof continued operations	1.11	1.48	3.06	3.43
– thereof discontinued operations	—	0.06	(0.54)	(0.48)
Average number of shares in million	191.40	191.20	191.38	191.33
Operating earnings (EBIT I)[2]	**281.1**	**368.4**	**888.4**	**975.7**
Earnings before income taxes from continued operations, adjusted[3]	**266.1**	**353.2**	**824.7**	**911.8**
Group earnings from continued operations, adjusted[3]	**193.4**	**261.6**	**605.4**	**673.6**

INCOME STATEMENT [1] (CONTINUED) TAB: 2.1.1

in € million	Q1/12	Q1/11	LTM[6]/12	12M/11
Earnings per share from continued operations in €, adjusted[3]	**1.01**	**1.37**	**3.16**	**3.52**
Group earnings after taxes, adjusted[3,4]	**193.4**	**271.9**	**503.3**	**581.8**
Earnings per share in €, adjusted[3,4]	**1.01**	**1.42**	**2.63**	**3.04**

STATEMENT OF COMPREHENSIVE INCOME [4] TAB: 2.1.2

in € million	Q1/12	Q1/11	LTM[6]/12	12M/11
Net income	**212.4**	**293.7**	**483.5**	**564.8**
Difference resulting from foreign currency translation	(58.7)	(117.3)	121.3	62.7
Other earnings after taxes	**(58.7)**	**(117.3)**	**121.3**	**62.7**
Comprehensive income of the period	**153.7**	**176.4**	**604.8**	**627.5**
Minority interests in comprehensive income	0.2	0.1	0.6	0.5
Group comprehensive earnings after taxes and minority interests	**153.5**	**176.3**	**604.2**	**627.0**

OPERATING EARNINGS (EBIT I) [5] TAB: 2.1.3

in € million	Q1/12	Q1/11	LTM[6]/12	12M/11
Result after operating hedges (EBIT II)[1]	**307.4**	**398.6**	**860.0**	**951.2**
Income (–)/expenses (+) from market value changes of operating forecast hedges still outstanding	(15.6)	(28.7)	39.3	26.2
Neutralisation of market value changes of realised operating forecast hedges, recognised in earlier periods	(10.7)	(1.5)	(10.9)	(1.7)
Operating earnings (EBIT I)[1]	**281.1**	**368.4**	**888.4**	**975.7**

[1] Due to its divestment, the COMPO business is in accordance with IFRS disclosed as "discontinued operation" since Q2/11. The income statement of Q1/11 was adjusted accordingly. Detailed information on the divestment can be found in the Notes on page 31.
[2] Management of the K+S Group is handled, amongst others, on the basis of operating earnings (EBIT I). Reconciliation of EBIT II to operating earnings (EBIT I) is recorded in table 2.1.3.
[3] 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. Related effects on deferred and cash taxes are also eliminated; tax rate for Q1/12: 28.4 % (Q1/11: 28.3 %).
[4] Earnings from continued and discontinued operations.
[5] Information on operating earnings refers to continued operations.
[6] LTM = last twelve months (Q2/11 + Q3/11 + Q4/11 + Q1/12).

CASH FLOW STATEMENT[1]

TAB: 2.2.1

in € million	Q1/12	Q1/11	LTM[2]/12	12M/11
Result after operating hedges (EBIT II)	**307.4**	**398.6**	**860.0**	**951.2**
Income (–)/expenses (+) from market value changes of operating forecast hedges still outstanding	(15.6)	(28.7)	39.3	26.2
Neutralisation of market value changes of realised operating forecast hedges, recognised in earlier periods	(10.7)	(1.5)	(10.9)	(1.7)
Operating earnings (EBIT I)	**281.1**	**368.4**	**888.4**	**975.7**
Depreciation (+)/write-ups (–) on intangible assets, property, plant and equipment and financial assets	56.0	56.5	241.5	242.0
Increase (+)/decrease (–) in non-current provisions (without interest rate effects)	4.1	3.8	27.5	27.2
Interests and dividends received and similar income	2.7	1.5	12.1	10.9
Gains (+)/losses (–) from the realisation of financial assets and liabilities	0.4	(0.1)	0.8	0.3
Interest paid (–)	(1.1)	(1.1)	(42.0)	(42.0)
Income taxes paid (–)	(48.5)	(89.8)	(261.4)	(302.7)
Other non-cash expenses(+)/income(–)	(2.1)	(6.8)	3.9	(0.8)
Gross cash flow from continued operations	**292.6**	**332.4**	**870.8**	**910.6**
Gross cash flow from discontinued operations	—	17.5	—	17.5
Gross cash flow	**292.6**	**349.9**	**870.8**	**928.1**
Gain (–)/loss (+) on the disposal of fixed assets and securities	1.2	(0.1)	(2.5)	(3.8)
Increase (–)/decrease (+) in inventories	13.1	130.5	(226.2)	(108.8)
Increase (–)/decrease (+) in receivables and other assets from operating activities	(126.7)	(132.4)	(77.5)	(83.2)
– of which premium volume for derivatives	9.1	10.6	0.7	2.2
Increase (+)/decrease (–) in liabilities from operating activities	(134.6)	(17.4)	1.3	118.5
– of which premium volume for derivatives	(5.0)	(0.8)	0.6	4.8
Increase (+)/decrease (–) in current provisions	39.2	52.2	(14.3)	(1.3)
Out-financing of plan assets	(3.7)	(86.3)	(27.4)	(110.0)
Cash flow from operating activities	**81.1**	**296.4**	**524.2**	**739.5**
– thereof continued operations	**81.1**	**349.6**	**443.7**	**712.2**
– thereof discontinued operations	—	(53.2)	80.5	27.3
Proceeds from disposals of fixed assets	2.5	1.9	17.1	16.5
Disbursements for intangible assets	(2.0)	(3.5)	(14.6)	(16.1)
Disbursements for property, plant and equipment	(50.9)	(25.9)	(280.4)	(255.4)
Disbursements for financial assets	—	(3.0)	(0.2)	(3.2)

CASH FLOW STATEMENT[1] (CONTINUED)

TAB: 2.2.1

in € million	Q1/12	Q1/11	LTM[2]/12	12M/11
Proceeds from the disposal of consolidated companies	—	—	90.6	90.6
Disbursements for the acquisition of consolidated companies	(4.2)	(242.8)	(4.2)	(242.8)
Proceeds from the disposal of securities and other financial investments	50.0	—	50.0	—
Disbursements for the purchase of securities and other financial investments	(109.0)	—	(481.4)	(372.4)
Cash flow for investing activities	**(113.6)**	**(273.3)**	**(623.1)**	**(782.8)**
– thereof continued operations	**(113.6)**	**(272.1)**	**(709.5)**	**(868.0)**
– thereof discontinued operations	—	(1.2)	86.4	85.2
Free cash flow	**(32.5)**	**23.1**	**(98.9)**	**(43.3)**
– thereof continued operations	**(32.5)**	**77.5**	**(265.8)**	**(155.8)**
– thereof discontinued operations	—	(54.4)	166.9	112.5
Disbursements for the acquisition of non-controlling interests	—	(59.3)		
Purchase of own shares	—	(13.8)		
Increase (+)/decrease (–) in liabilities from finance lease	(0.3)	(0.7)		
Taking out (+)/repayment of (–) loans	3.2	(5.8)		
Cash flow from/for financing activities	**2.9**	**(79.6)**		
– thereof continued operations	**2.9**	**(80.2)**		
– thereof discontinued operations	**—**	**0.6**		
Change in cash and cash equivalents affecting cash flow	**(29.6)**	**(56.5)**		
– thereof continued operations	**(29.6)**	**(2.7)**		
– thereof discontinued operations	—	(53.8)		
Change in cash and cash equivalents resulting from exchange rates	(4.5)	(8.3)		
Change in cash and cash equivalents	**(34.1)**	**(64.8)**		
Net cash and cash equivalents as of 1 January	**437.3**	**740.6**		
Net cash and cash equivalents as of 31 March	**403.2**	**675.8**		
– thereof cash on hand and balances with banks	410.2	683.4		
– thereof cash invested with affiliated companies	0.1	0.1		
– thereof cash received from affiliated companies	(7.1)	(7.7)		

[1] Due to its divestment, the COMPO business is in accordance with IFRS disclosed as “discontinued operation” since Q2/11. The cash flow statement of Q1/11 was adjusted accordingly. Detailed information on the divestment can be found in the Notes on page 31.
[2] LTM = last twelve months (Q2/11 + Q3/11 + Q4/11 + Q1/12).

Explanations to the cash flow statement can be found on page 10.

BALANCE SHEET — ASSETS [1] TAB: 2.3.1

in € million	31.3.2012	31.3.2011	31.12.2011
Intangible assets	989.2	965.8	1,020.9
– of which goodwill from acquisitions	635.0	605.0	651.4
Property, plant and equipment	2,194.1	2,108.2	2,227.0
Investment properties	7.7	7.8	7.8
Financial assets	16.1	26.5	15.9
Receivables and other assets	64.7	66.1	62.7
– of which derivative financial instruments	—	1.1	3.0
Securities and other financial investments	77.5	—	58.5
Deferred taxes	60.4	35.1	55.3
Reimbursement claims of income taxes	0.4	3.4	0.4
Non-current assets	**3,410.1**	**3,212.9**	**3,448.5**
Inventories	710.2	593.9	730.0
Accounts receivable – trade	1,027.1	1,052.4	928.8
Other receivables and assets	186.4	194.5	150.6
– of which derivative financial instruments	24.4	62.1	12.1
Reimbursement claims of income taxes	21.6	23.1	41.2
Securities and other financial investments	355.8	0.7	315.0
Cash on hand and balances with banks	410.2	683.4	442.8
Current assets	**2,711.3**	**2,548.0**	**2,608.4**
ASSETS	6,121.4	5,760.9	6,056.9

[1] Information refers to the continued operations of the K+S Group. Due to its divestment, the COMPO business is in accordance with IFRS disclosed as “discontinued operation” since Q2/11. The balance sheet as of 31 March 2011 was not restated.

BALANCE SHEET — EQUITY AND LIABILITIES [1] TAB: 2.3.1

in € million	31.3.2012	31.3.2011	31.12.2011
Subscribed capital	191.4	191.4	191.4
Additional paid-in capital	648.1	647.5	648.1
Other reserves and accumulated profit	2,395.7	1,967.6	2,242.0
Minority interests	3.3	2.7	3.1
Equity	**3,238.5**	**2,809.2**	**3,084.6**
Bank loans and overdrafts	769.2	767.8	769.8
Other liabilities	17.6	20.6	20.1
– of which derivative financial instruments	2.2	3.1	3.5
Provisions for pensions and similar obligations	94.3	118.6	95.3
Provisions for mining obligations	585.8	530.8	580.6
Other provisions	149.2	154.5	145.5
Deferred taxes	330.4	325.2	342.3
Non-current debt	**1,946.5**	**1,917.5**	**1,953.6**
Bank loans and overdrafts	5.5	11.3	0.8
Accounts payable – trade	494.8	492.7	613.8
Other liabilities	79.5	88.7	96.2
– of which derivative financial instruments	7.6	7.0	32.6
Income tax liabilities	45.9	87.4	23.2
Provisions	310.7	354.1	284.7
Current debt	**936.4**	**1,034.2**	**1,018.7**
EQUITY AND LIABILITIES	6,121.4	5,760.9	6,056.9

STATEMENT OF CHANGES IN EQUITY [1]

TAB: 2.4.1

in € million	Subscribed capital	Additional paid-in capital	Accumulated profit / revenue reserves	Differences from foreign currency translation	Total K+S AG shareholders' equity	Minority interests	Equity
Balances as of 1 January 2012	191.4	648.1	2,040.9	201.1	3,081.5	3.1	3,084.6
Net income of the period	—	—	212.2	—	212.2	0.2	212.4
Other comprehensive income (after taxes)	—	—	—	(58.7)	(58.7)	—	(58.7)
Comprehensive income of the period	**—**	**—**	**212.2**	**(58.7)**	**153.5**	**0.2**	**153.7**
Other changes in equity	—	—	0.2	—	0.2	—	0.2
Balances as of 31 March 2012	**191.4**	**648.1**	**2,253.3**	**142.4**	**3,235.2**	**3.3**	**3,238.5**
Balances as of 1 January 2011	191.4	647.5	1,671.7	138.4	2,649.0	2.6	2,651.6
Net income of the period	—	—	293.6	—	293.6	0.1	293.7
Other comprehensive income (after taxes)	—	—	—	(117.3)	(117.3)	—	(117.3)
Comprehensive income of the period	**—**	**—**	**293.6**	**(117.3)**	**176.3**	**0.1**	**176.4**
Other changes in equity	—	—	(18.8)	—	(18.8)	—	(18.8)
Balances as of 31 March 2011	**191.4**	**647.5**	**1,946.5**	**21.1**	**2,806.5**	**2.7**	**2,809.2**

[1] Information refers to the continued operations of the K+S Group. Due to its divestment, the COMPO business is in accordance with IFRS disclosed as "discontinued operation" since Q2/11. The balance sheet and thus the development of changes in equity of Q1/11 were not restated.

2.5 NOTES

EXPLANATORY NOTES; CHANGES IN THE LEGAL GROUP AND ORGANISATIONAL STRUCTURE

The interim report of 31 March 2012 is prepared in accordance with the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), insofar as those have been recognised by the European Union. The report is prepared as abridged financial statements with selected explanatory notes as stipulated by IAS 34. The accounting and valuation principles used for this interim report correspond to those used for the consolidated financial statements 2011.

Foreign currency assets and liabilities are translated at the exchange rate prevailing on the balance sheet date. Income and expenses are translated applying the average exchange rates for the quarter.

In the first quarter, there were no changes to the composition and the responsibilities of the Board of Executive Directors and the Supervisory Boards as described in the Financial Report 2011.

At its meeting on 14 March 2012, the Supervisory Board of K+S AKTIENGESELLSCHAFT appointed Dr. Burkhard Lohr (49) as member of the Board of Executive Directors of the Company. Dr. Lohr will take over his position as Chief Financial Officer of K+S AKTIENGESELLSCHAFT with effect from 1 June 2012. From 2006, he was CFO and from May 2008 additionally Personnel Director of HOCHTIEF AG, Essen. Furthermore, on 14 March 2012, it was announced that after 38 successful years in business, of which the last seven years were spent on the Board of Executive Directors of K+S AKTIENGESELLSCHAFT, Joachim Felker will retire when his contract expires on 30 September 2012.

AUDITOR'S REVIEW

The interim financial statements and the interim management report were not reviewed by the auditor (Section 37w, Para. 5, Sent. 1 of the German Securities Trading Act).

CHANGES IN THE SCOPE OF CONSOLIDATION

In the first quarter of 2012, the scope of consolidation has changed as follows:

ESCO – EUROPEAN SALT COMPANY GMBH & CO. KG, a 100 % subsidiary of K+S AKTIENGESELLSCHAFT, acquired through its subsidiary ESCO INTERNATIONAL GMBH 100 % of the voting rights in the Czech salt processing company, SOLNÉ MLÝNY, A.S. (SMO). ESCO is acquiring SMO from the Czech trading group EQUUS which has been undergoing insolvency proceedings since mid-2010. The divestment was carried out by the appointed insolvency administrator in a bidding process.

SMO is a major supplier of salt products in the Czech Republic and is also active in other neighbouring European markets. The purchase price is € 4.4 million.

SMO has been operating the salt processing business in the eastern Czech city of Olomouc (Olmütz) since 1921 and employs about 70 people. Particularly in the food grade salt segment, the company has a brand that is well-known throughout the Czech Republic and enjoys a high level of recognition, and is established in the market with a wide product range of food grade, industrial and de-icing salts. In a normal year, SMO sells about 100,000 tonnes of various salt products and has already been a customer of ESCO.

The fair values of assets acquired and liabilities assumed from SMO, recognised at the time of acquisition (3 January 2012), are presented in the following table:

FAIR VALUES AS OF THE DATE OF ACQUISITION SMO TAB: 2.5.1

in € million	Fair values as of the date of acquisition
Non-current assets	5.8
Inventories	1.9
Other current assets	1.9
Assets	**9.6**
Non-current debt	0.8
Bank loans and overdrafts	1.1
Other current debt	1.3
Equity and liabilities	**3.2**

FAIR VALUES AS OF THE DATE OF ACQUISITION SMO (CONTINUED) TAB: 2.5.1

in € million	Fair values as of the date of acquisition
Net assets (provisional)	6.4
Bargain purchase (provisional)	2.0
Purchase price	4.4

Due to the short period between the acquisition date and the date of preparation of the quarterly financial report, no final purchase price allocation could be made. The final purchase price allocation will be made within a period of twelve months from the date of acquisition.

Since its inclusion as of 3 January 2012, SMO has contributed to the statement of income of the K+S GROUP as follows:

EARNINGS AFTER TAXES SMO TAB: 2.5.2

in € million	2012
Revenues	1.2
EBIT	2.2
Earnings after taxes	**2.2**

From the comparison of the cost of the acquisition and the revalued proportional net assets results a bargain purchase of € 2 million, which was reversed through profit or loss as other operating income.

DIVESTMENT OF COMPO IN 2011

In the consolidated financial statements as of 31 December 2011, the K+S GROUP classified the COMPO activities as discontinued operations (for detailed information, refer to the K+S GROUP Financial Report 2011, page 169).

All income and expenses of the previous year's figures for COMPO, classified as a discontinued operation, were reclassified and recorded in a separate line item "earnings after taxes from discontinued operations".

The previous year's cash flows from discontinued operations are shown separately in the cash flow statement in accordance with IFRS 5.

The previous year's earnings after taxes from discontinued operations is summarised in the following table:

EARNINGS AFTER TAXES FROM DISCONTINUED OPERATIONS TAB: 2.5.3

in € million	Q1/12	Q1/11
Revenues	–	157.0
Other income and expenses	–	(141.1)
EBIT	–	15.9
Financial result	–	(0.6)
Earnings before taxes	–	15.3
Taxes on income	–	(5.0)
Earnings after taxes from discontinued operations	**–**	**10.3**

ACQUISITION POTASH ONE

The final fair values of the assets and liabilities taken over at the date of acquisition (21 January 2011) and the goodwill of POTASH ONE derived from them are shown in the following table:

POTASH ONE TAB: 2.5.4

in € million	Fair values as of the date of acquisition
Property, plant and equipment	386.1
Deferred taxes	0.1
Non-current assets	**386.2**
Other receivables and assets	0.9
Securities	0.7
Cash on hand and balances with banks	20.4
Current assets	**22.0**
Assets	**408.2**
Deferred taxes	84.2
Non-current debt	**84.2**
Bank loans and overdrafts	19.5
Accounts payable – trade	0.8
Other liabilities	0.3
Current debt	**20.6**
Equity and liabilities	**104.8**
Net assets	**303.4**
Net assets of non-controlling interest of 18.4 %	**55.7**
Net assets of controlling interest of 81.6 %	**247.7**
Purchase price of 81.6 % of shares	263.2
Conversion right arising from the convertible bond	2.8
Purchase price of 81.6 % of shares including conversion right arising from the convertible bond	**266.0**
Goodwill	18.3

The main asset of POTASH ONE is the raw material deposit related to the Legacy Project; the existing resource basis for potassium chloride is a physical asset which is disclosed under the item 'raw material deposits' within property, plant and equipment.

A comparison of the acquisition costs and the revalued proportionate net assets results in a goodwill of € 18.3 million. The goodwill represents those assets that are not individually identifiable when allocating the purchase price and for which a future economic benefit is expected. The amount of goodwill is largely affected by the recognition of deferred taxes in connection with the re-measurement of assets and liabilities. The goodwill is assigned to the cash-generating unit Potash and Magnesium Products. A tax-deductible goodwill did not arise.

At the start of February 2011, a further 9.3 % of the shares were acquired for cash at a price of € 30.1 million (CAD 4.50 per share). The remaining 9.1 % of POTASH ONE shares outstanding were acquired for cash in March 2011 by means of a compulsory acquisition within the framework of the Canada Business Corporations Act at a price of € 29.2 million (CAD 4.50 per share). The purchases made in February and March had to be stated as equity transactions in accordance with the regulations of IAS 27.

For a detailed description of the acquisition of POTASH ONE, which is fully incorporated in K+S POTASH CANADA GP since 31 March 2011, reference is made to the Financial Report 2011 on page 170.

SEASONAL FACTORS

There are seasonal differences over the course of the year that affect the sales volumes of fertilizers and salt products. In the case of fertilizers, we generally attain our highest sales volumes in the first half of the year because of the spring fertilisation in Europe. Sales volumes of salt products – especially of de-icing salt – largely depend on the respective wintry weather during the first and fourth quarters. In the aggregate, both these effects mean that revenues and particularly earnings are generally strongest during the first half of the year.

IMPORTANT KEY FIGURES (LTM[1]) TAB: 2.5.5

in € million	LTM 2012	2011
Revenues	4,962.1	5,150.9
EBITDA	1,129.8	1,217.7
EBIT I	888.4	975.7
Group earnings after taxes from continued operations, adjusted	605.4	673.6

[1] LTM = last twelve months (Q2/11 + Q3/11 + Q4/11 + Q1/12).

INFORMATION CONCERNING MATERIAL EVENTS SINCE THE END OF THE INTERIM REPORTING PERIOD

You will find such information in our Subsequent Events section on page 20.

FOREIGN CURRENCY HEDGING

Exchange rate fluctuations between the euro and the national currencies relevant to our business can lead to the value of the service performed not matching the value of the consideration received in transactions, because expenditure and income arise in different currencies (transaction risks). Exchange rate fluctuations, especially in relation to the US dollar, play an important role for the Potash and Magnesium Products business segment. For these transaction risks, options and, in some cases, also futures are concluded for the time the revenues are expected to arise (plan hedging). The US dollar receivables that arise after billing are then, less expected US dollar expenditure, hedged for the agreed time of the incoming payment via futures (bill hedging).

FOREIGN CURRENCY HEDGING POTASH AND MAGNESIUM PRODUCTS BUSINESS SEGMENT TAB: 2.5.6

	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	2012e
USD/EUR exchange rate after premiums	1.35	1.34	1.35	1.38	1.35	1.34	1.36
Average USD/EUR spot rate	1.37	1.44	1.41	1.35	1.39	1.31	—

In the Salt business segment, currency risks normally result from the translation of the earnings achieved by MORTON SALT and SPL, which are predominantly denominated in US dollars, into the Group currency, which is the euro. Analogous to the hedging strategy for the Potash and Magnesium Products business segment, options and, in some cases, futures are concluded in relation to these translation risks (plan hedging). Within the framework of translation hedging in the Salt business segment, hedging transactions exist until the end of the first quarter 2013; for 2012 exists a worst case scenario of 1.36 USD/EUR.

OTHER OPERATING INCOME/EXPENSES

The following significant items are included in other operating income and expenses:

OTHER OPERATING INCOME/EXPENSES TAB: 2.5.7

in € million	Q1/12	Q1/11
Gains/losses on foreign exchange rates	(0.4)	(4.4)
Change in provisions	8.1	0.1
Other	(3.3)	(0.5)
Other operating income/expenses	**4.4**	**(4.8)**

FINANCIAL RESULT

The financial result includes the following significant items:

FINANCIAL RESULT TAB: 2.5.8

in € million	Q1/12	Q1/11
Interest income	3.6	2.3
Interest expenses	(20.4)	(17.6)
– of which interest expenses for pension provisions	(1.7)	(1.7)
– of which interest expenses for provisions for mining obligations	(6.3)	(4.5)
Interest income, net	**(16.8)**	**(15.3)**
Income from the realisation of financial assets/liabilities	0.4	(0.1)
Income from the valuation of financial assets/liabilities	1.4	0.2
Other financial result	**1.8**	**0.1**
Financial result	**(15.0)**	**(15.2)**

DISCOUNT FACTORS FOR PROVISIONS

The actuarial measurement of pension provisions is performed by applying the projected unit credit method in accordance with IAS 19. The average weighted discount factor for pensions and similar obligations was, unchanged compared to 31 December 2011, 4.8 % (31 March 2011: 5.1 %). The average weighted discount factor for provisions for mining obligations was unchanged 4.7 % (31 March 2011: 4.7 %).

TAXES ON INCOME

The following key items are included in taxes on income:

TAXES ON INCOME TAB: 2.5.9

in € million	Q1/12	Q1/11
Corporate income tax	39.0	39.1
Trade tax on income	31.2	31.9
Foreign taxes on income	20.3	17.7
Deferred taxes	(10.5)	11.3
Taxes on income	**80.0**	**100.0**

Non-cash deferred taxes result from tax loss carryforwards as well as other temporary tax-related measurement differences.

MATERIAL CHANGES IN INDIVIDUAL BALANCE SHEET ITEMS

In comparison to the consolidated financial statements 2011, the balance sheet total as at 31 March 2012 increased by € 64.5 million. On the asset side, current assets increased by € 102.9 million, while non-current assets declined by € 38.4 million. The increase in current assets resulted primarily from an increase in accounts receivable trade. The decrease in non-current assets, however, was due to an essentially currency-related decrease of fixed assets.

On the equity and liabilities side, equity rose by € 153.9 million. This is primarily due to the positive net income in the first quarter of 2012. Debt has decreased by 89.4 million €, however, due to lower accounts payable trade.

MATERIAL CHANGES IN EQUITY

Equity is influenced by transactions with and without recognition in profit or loss as well as through capital transactions with shareholders. In comparison to the consolidated financial statements 2011, the accumulated profit and other reserves have increased by € 212.4 million; the increase is nearly all due to the positive net income in the first quarter of 2012 (after taxes and minority interests). Furthermore, changes in equity without recognition in profit or loss had to be taken into account resulting from foreign currency translation of subsidiaries in functional currencies (primarily US dollars). Differences from foreign currency translation are recorded in a separate currency translation reserve, which was reduced by € 58.7 million as of 31 March 2012 due to exchange rate fluctuations.

NET INDEBTEDNESS TAB: 2.5.10

in € million	Q1/12	Q1/11
Net indebtedness as of 1 January	(610.8)	(732.5)
Cash on hand and balances with banks as of 31 March	410.2	683.4
Non-current securities and other financial investments as of 31 March	77.5	—
Current securities and other financial investments as of 31 March	355.8	0.7
Bank loans and overdrafts	(774.7)	(779.1)
Net financial liabilities as of 31 March	**68.8**	**(95.0)**
Provisions for pensions and similar obligations	(94.3)	(118.6)
Provisions for mining obligations	(585.8)	(530.8)
Reimbursement claim bond Morton Salt	18.7	17.8
Net indebtedness as of 31 March	**(592.6)**	**(726.6)**

TOTAL REVENUES Q1[1] TAB: 2.5.11

in € million	Third-party revenues	Intersegment revenues	Total revenues
Potash and Magnesium Products	580.1	17.7	597.8
Nitrogen Fertilizers	359.5	1.9	361.4
Salt	458.5	1.2	459.7
Complementary Business Segments	39.1	8.4	47.5
Reconciliation	0.9	(29.2)	(28.3)
K+S Group Q1/12	**1,438.1**	**—**	**1,438.1**
Potash and Magnesium Products	578.0	16.6	594.6
Nitrogen Fertilizers	328.1	1.9	330.0
Salt	682.5	1.2	683.7
Complementary Business Segments	38.2	11.3	49.5
Reconciliation	0.1	(31.0)	(30.9)
K+S Group Q1/11	**1,626.9**	**—**	**1,626.9**

[1] Information refers to the continued operations of the K+S Group.

CONTINGENT LIABILITIES

There have been no significant changes in contingent liabilities in comparison with the annual financial statements 2011 and they can be classified as immaterial overall.

RELATED PARTIES

Within the K+S GROUP, deliveries are made and services rendered on customary market terms. Besides transactions between K+S GROUP companies, business relations are maintained with non-consolidated subsidiaries as well as companies over which the K+S GROUP can exercise a significant influence (associated companies). Such relationships do not have a material influence on the consolidated financial statements of the K+S GROUP. In the K+S GROUP, related persons are mainly the Board of Executive Directors and the Supervisory Board. The remuneration received by this group of persons is disclosed annually in the Remuneration Report. There were no other material transactions with related parties.

2.6 SUMMARY BY QUARTER

REVENUES & OPERATING EARNINGS (IFRS)

TAB: 2.6.1

in € million	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	+0.4
Nitrogen Fertilizers	328.1	228.5	320.8	279.4	1,156.8	359.5	+9.6
Salt	682.5	282.4	306.5	438.7	1,710.1	458.5	(32.8)
Complementary Business Segments	38.2	36.4	37.7	38.1	150.4	39.1	+2.4
Reconciliation	0.1	0.1	0.2	1.3	1.7	0.9	> +100.0
K+S Group revenues	**1,626.9**	**1,049.8**	**1,174.0**	**1,300.2**	**5,150.9**	**1,438.1**	**(11.6)**
Potash and Magnesium Products	202.4	184.4	171.3	181.4	739.5	208.5	+ 3.0
Nitrogen Fertilizers	33.7	9.9	16.8	9.0	69.4	32.2	(4.5)
Salt	139.1	11.0	13.3	48.0	211.4	45.5	(67.3)
Complementary Business Segments	8.1	4.6	6.6	(1.4)	17.9	6.9	(14.8)
Reconciliation	(14.9)	(18.0)	(9.5)	(20.1)	(62.5)	(12.0)	+19.5
K+S Group EBIT I	**368.4**	**191.9**	**198.5**	**216.9**	**975.7**	**281.1**	**(23.7)**

INCOME STATEMENT (IFRS)

TAB: 2.6.2

in € million	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	%
Revenues	**1,626.9**	**1,049.8**	**1,174.0**	**1,300.2**	**5,150.9**	**1,438.1**	**(11.6)**
Cost of sales	961.1	642.0	762.8	810.1	3,176.0	879.5	(8.5)
Gross profit	**665.8**	**407.8**	**411.2**	**490.1**	**1,974.9**	**558.6**	**(16.1)**
Selling expenses	249.0	174.0	188.7	231.9	843.6	220.3	(11.5)
General and administrative expenses	44.9	39.5	44.7	53.0	182.1	46.1	+2.7
Research and development costs	3.4	3.3	4.0	7.1	17.8	8.5	+150.0
Other operating income/expenses	(4.8)	(8.0)	11.4	19.8	18.4	4.4	—
Income from investments, net	1.3	0.8	2.5	5.0	9.6	—	—
Result from operating forecast hedges	33.6	7.3	(32.2)	(16.9)	(8.2)	19.3	(42.6)
Result after operating hedges (EBIT II)	**398.6**	**191.1**	**155.5**	**206.0**	**951.2**	**307.4**	**(22.9)**
Financial result	(15.2)	(15.3)	(13.9)	(19.5)	(63.9)	(15.0)	+1.3
Earnings before income taxes	**383.4**	**175.8**	**141.6**	**186.5**	**887.3**	**292.4**	**(23.7)**
Taxes on income	100.0	49.5	40.4	40.8	230.7	80.0	(20.0)
– of which deferred taxes	11.3	(6.0)	(8.1)	(2.1)	(4.9)	(10.5)	—
Earnings after taxes from continued operations	**283.4**	**126.3**	**101.2**	**145.7**	**656.6**	**212.4**	**(25.1)**
Earnings after taxes from discontinued operations	**10.3**	**(97.6)**	**(10.1)**	**5.6**	**(91.8)**	**—**	**—**
Net income	**293.7**	**28.7**	**91.1**	**151.3**	**564.8**	**212.4**	**(27.7)**

INCOME STATEMENT (IFRS) (CONTINUED)

TAB: 2.6.2

in € million	Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	%
Net income	**293.7**	**28.7**	**91.1**	**151.3**	**564.8**	**212.4**	**(27.7)**
Minority interests in earnings	0.1	0.1	0.1	0.2	0.5	0.2	+100.0
Group earnings after taxes and minority interests	**293.6**	**28.6**	**91.0**	**151.1**	**564.3**	**212.2**	**(27.7)**
Operating earnings (EBIT I)	**368.4**	**191.9**	**198.5**	**216.9**	**975.7**	**281.1**	**(23.7)**
Earnings before income taxes from continued operations, adjusted [2]	**353.2**	**176.6**	**184.6**	**197.4**	**911.8**	**266.1**	**(24.7)**
Group earnings from continued operations, adjusted [2]	**261.6**	**126.8**	**131.9**	**153.3**	**673.6**	**193.4**	**(26.1)**
Group earnings after taxes, adjusted [2,3]	**271.9**	**29.2**	**121.8**	**158.9**	**581.8**	**193.4**	**(28.9)**

OTHER KEY DATA (IFRS)

TAB: 2.6.3

		Q1/11	Q2/11	Q3/11	Q4/11	2011	Q1/12	%
Capital expenditure [4]	€ million	28.0	48.1	94.2	123.8	294.1	41.4	+47.9
Depreciation and amortisation [4]	€ million	56.5	55.6	56.0	73.9	242.0	55.9	(1.1)
Gross cash flow	€ million	332.4	201.7	161.4	215.1	910.6	292.6	(12.0)
Working capital	€ million	879.1	725.3	755.5	—	840.9	1,047.4	+19.1
Net indebtedness	€ million	726.6	768.6	674.9	—	610.8	592.6	(18.4)
Earnings per share from continued operations, adjusted [2]	€	1.37	0.66	0.69	0.80	3.52	1.01	(26.3)
Earnings per share, adjusted [2,3]	€	1.42	0.15	0.64	0.83	3.04	1.01	(28.9)
Gross cash flow per share	€	1.74	1.05	0.85	1.12	4.76	1.53	(12.1)
Book value per share	€	14.70	13.72	14.71	—	16.12	16.92	+15.1
Number of shares outstanding [5]	million	191.15	191.40	191.40	191.40	191.40	191.40	—
Average number of shares [6]	million	191.20	191.32	191.40	191.40	191.33	191.40	—
Closing price	XETRA, €	53.27	53.00	39.58	—	34.92	39.23	(26.4)
Employees as of the reporting date	number	14,173	14,279	14,433	—	14,496	14,482	+2.2

[1] Unless stated otherwise, information refers to the continued operations of the K+S Group. Due to its divestment, the COMPO business is in accordance with IFRS disclosed as "discontinued operation" since Q2/11. The income statement and the cash flow statement of Q1/11 were adjusted accordingly, while the balance sheet and therefore the key figures of working capital, net indebtedness and the book value per share of Q1/11 were not adjusted and also include the discontinued operations.

[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. Related effects on deferred and cash taxes are also eliminated; tax rate for Q1/12: 28.4% (Q1/11: 28.3%).

[3] Earnings from continued and discontinued operations.

[4] Capital expenditure in or depreciation on property, plant and equipment, intangible and investment properties as well as depreciation on financial assets.

[5] Total number of shares less the number of own shares held by K+S as of the balance sheet date.

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

THE FOOD CHALLENGE:
An explanation of the title can be found in the cover of the Financial Report 2011.

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