

/ 2015 Annual Financial Statements*

K+S Aktiengesellschaft

Kassel

*The Management Report of K+S Aktiengesellschaft and the Group Management Report for the 2015 financial year are combined in the 2015 Annual Report.

Income Statement

	2015	2014
In € thousand		
Revenues	118,608	115,425
Cost of sales	122,951	111,011
Gross profit	-4,343	4,414
Selling expenses	3,693	3,354
General administrative expenses	29,640	28,307
Research costs	3,406	3,130
Other operating income	181,418	81,711
Other operating expenses	173,749	98,294
Income from participating interests	578,599	552,554
of which from affiliated companies	578,515	552,106
Income from other securities and loans classified as financial assets	121	4,763
Other interest and similar income	4,126	9,268
of which from affiliated companies	902	981
Write-downs of long-term financial assets and securities classified as current assets	-2,491	-82
Expenses from transfer of losses	-	186
Interest and similar expenses	120,094	134,092
of which from affiliated companies	36,584	35,174
Result from ordinary activities	426,848	385,266
Earnings before income taxes	426,848	385,266
Taxes on income	153,382	123,424
Net income	273,466	261,842
Profit carried forward	-	-
Allocation from net income to other revenue reserves	-	79,509
Accumulated profit	273,466	182,333

Balance Sheet

	31 December 2015	31 December 2014
In € thousand		
Intangible assets	11,090	14,001
Property, plant and equipment	64,010	60,713
Financial assets	5,550,809	4,623,824
Fixed assets	5,625,909	4,698,538
Inventories	1,779	1,469
Receivables and other assets	751,900	891,814
Securities	10,164	245,096
Cash on hand and bank balances	17,620	150,284
Current assets	781,463	1,288,663
Deferred expenses	22,466	15,023
Positive consolidation difference arising from offsetting of assets	932	8,347
ASSETS	6,430,770	6,010,571

	31 December 2015	31 December 2014
In € thousand		
Subscribed capital	191,400	191,400
Capital reserve	701,616	701,616
Retained income	1,113,057	1,103,000
Accumulated profit	273,466	182,333
Equity	2,279,539	2,178,349
Tax provisions	28,555	17,130
Other provisions	198,732	172,989
Provisions	227,287	190,119
Liabilities	3,923,394	3,641,278
Deferred expenses	550	825
EQUITY AND LIABILITIES	6,430,770	6,010,571

Development of Fixed Assets

	Gross carrying amounts					Depreciation and amortisation						Net carrying amounts	
In € thousand	Balance as at 1 January 2015	Additions	Disposals	Reclassifications	Balance as at 13 December 2015	Balance as at 1 January 2015	Additions	Disposals	Reclassifications	Write-ups	Balance as at 13 December 2015	Balance as at 13 December 2015	Balance as at 31 December 2014
Intangible assets													
Acquired concessions, industrial and similar rights and assets, and licences in such rights and assets	24,347	1,484	1,316	2,053	26,568	12,484	4,454	1,312	-	-	15,627	10,941	11,863
Prepayments	2,138	75	-	-2,065	148	-	-	-	-	-	-	148	2,138
	26,485	1,559	1,316	-12	26,716	12,484	4,454	1,312	-	-	15,627	11,090	14,001
Property, plant and equipment													
Land, land rights and buildings including buildings on third-party land	65,111	5,149	2,768	15,191	82,682	43,538	1,213	1,906	-	-	42,844	39,838	21,573
Technical equipment and machinery	40,652	2,754	1,721	1,491	43,176	26,585	1,873	1,321	-	-	27,137	16,039	14,067
Other equipment, operating and office equipment	52,794	2,972	2,506	1,292	54,552	45,841	3,955	2,175	-	-1,000	46,621	7,931	6,953
Prepayments and assets under construction	18,120	118	74	-17,961	202	-	-	-	-	-	-	202	18,120
	176,677	10,993	7,069	12	180,612	115,964	7,041	5,403	-	-1,000	116,602	64,010	60,713
Financial assets													
Shares in affiliated companies	4,608,993	968,738	-	-	5,577,731	26,956	57	-	-	-	27,014	5,550,717	4,582,036
Participating interests	66	-	-	-	66	-	-	-	-	-	-	66	66
Loans to other participating interests	-	-	-	-	-	-	-	-	-	-	-	-	-
Securities held as long-term investments	32,692	59,886	92,578	-	-	11	-	10	-	-	0	0	32,681
Other loans and financial assets	9,120	1	9,095	-	26	80	-	80	-	-	-	26	9,040
	4,650,871	1,028,626	101,673	-	5,577,823	27,047	57	90	-	-	27,014	5,550,809	4,623,824
Fixed assets	4,854,033	1,041,177	110,058	-	5,785,152	155,495	11,552	6,805	-	-1,000	159,242	5,625,909	4,698,538

Notes

GENERAL PRINCIPLES

The annual financial statements of K+S Aktiengesellschaft as at 31 December 2015 have been prepared in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch - HGB) and the German Stock Corporation Act (Aktiengesetz – AktG). In the interests of clearer presentation, individual items on the balance sheet and on the income statement have been grouped together. These items are listed separately in the Notes and comments made. The individual items in the annual financial statements are presented in € thousands (T€).

ACCOUNTING AND VALUATION PRINCIPLES

INTANGIBLE ASSETS

Acquired intangible assets are recognised at acquisition cost and systematically amortised on a straight-line basis over their expected useful lives. Software is reported as a disposal after it has been amortised in full. Unscheduled amortisation to the lower fair value is recorded in the event of a probable permanent impairment in value. Self-generated intangible assets are not capitalised.

PROPERTY, PLANT AND EQUIPMENT

Tangible assets are valued at acquisition or manufacturing cost less scheduled depreciation and amortisation. Besides directly attributable costs, the manufacturing expenses of capital goods also include a pro rata share of material and production overheads, including depreciation and amortisation. Interest on debt is not capitalised.

Movable assets acquired before 1 January 2010 are depreciated largely on a sliding scale. Movable assets acquired after 31 December 2009, as well as immovable assets, are depreciated using the straight-line method.

Depreciation and amortisation rates depend on expected useful lives. For buildings these are usually 14 to 33 years, for technical equipment and machinery five to 25 years and for other factory and office equipment three to 13 years. Low-value assets are completely written off in the year of purchase and reported as disposals after five years.

Unscheduled depreciation and amortisation is performed in the event of a probable permanent impairment in value. If the reasons for unscheduled depreciation and amortisation cease to exist, the asset is written back. Gallery and excavation work is not capitalised.

FINANCIAL ASSETS

Shares in affiliated companies, Participating interests and securities held as long-term investments are valued at acquisition cost or, in the case of a probable permanent impairment in value, at the lower fair value on the balance sheet date.

Loans are recognised at acquisition cost or, in the case of non-interest-bearing or low-interest loans, at present value. Identifiable risks are taken into account through unscheduled depreciation and amortisation.

INVENTORIES

Inventories are recognised at acquisition or manufacturing cost, observing the lower-of-cost-or-market principle. Besides direct costs, manufacturing costs include appropriate portions of the necessary material and production overheads as well as the depreciation and amortisation of fixed assets.

RECEIVABLES AND OTHER ASSETS

Receivables are recognised at nominal or present value, depending on their maturity term. Individual risks are reflected by depreciation, amortisation and write-downs and general credit risk is reflected by a flat-rate value adjustment.

Other assets are recognised at the lower of cost or fair value.

CURRENT-ASSET SECURITIES

Current-asset securities are valued at acquisition cost or at the lower of stock market price or fair value as at the balance sheet date.

DEFERRED EXPENSES

Use is made of the option provided by Section 250 (3) of the German Commercial Code (HGB) allowing for the accrual of discounts arising from the contracting of liabilities.

OFFSETTING OF ASSETS, INCOME AND EXPENSES

Assets that are used solely to discharge pension obligations and fulfilment shortfalls from partial retirement obligations and to which all other creditors have no access (cover fund within the meaning of Section 246 (2) (2) of the German Commercial Code (HGB)) are valued at their fair value. In the income statement, income and expenses from these assets are offset against expenses arising from the interest accrual on the relevant liabilities, and the balance is shown under Net interest income. In the balance sheet, these assets are offset against the respective underlying liabilities. The resulting surpluses are shown under Provisions for pensions and similar obligations (pension obligations) and under Other provisions (fulfilment shortfalls from partial retirement obligations). A surplus of assets is shown as a positive consolidation difference arising from the offsetting of assets.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The amount required to fulfil pension obligations is determined using the projected unit credit method, applying actuarial principles. The option provided by Section 253 (2) (2) of the German Commercial Code (HGB) is used to determine the maturity-congruent discount factor.

Pension obligations are discounted on a lump-sum basis according to the average market interest rate over the previous seven years determined by the German Bundesbank, which results from an expected residual maturity of 15 years. This discount rate is 3.89% as at the balance sheet date. Effects of interest rate changes are shown in the financial result.

The salary and pension trends assumed each amount to 1.8%. The probabilities of death are based on the Heubeck mortality tables (2005G).

OTHER PROVISIONS

Other provisions are created for uncertain liabilities and for contingent losses from pending transactions, taking into account expected future price and cost increases. Provisions with a residual term of more than one year accrue interest according to the maturity-congruent average market interest rate for the previous seven years determined and announced by the German Bundesbank.

Provisions for mining obligations related to mine and shaft backfilling are stated at the present value of expected future expenses. The present value is calculated based on the current average discount factor for mining obligations of 3.5% and an annual price increase of 1.5%. The discount factor is based on the weighted average of the discount factors announced by the German Bundesbank. Provisions for mining damage are determined on the basis of past instances of damage in order to take account of the actual risk. The provisions for length-of-service bonuses are determined for completed periods of service in accordance with the modified entry age actual method, applying actuarial principles. The amount required to fulfil partial retirement obligations is determined according to the present value

method. Effects of changes in interest rates for partial retirement obligations are shown in the financial result.

Insofar as the revaluation of provisions due to the first-time application of the BilMoG on 1 January 2010 would have resulted in an amount released from reserves which would have to be appropriated again by 31 December 2024 at the latest, the provisions existing as at 31 December 2009 have been retained in full in compliance with Article 67 (1) (2) of the Introductory Act to the German Commercial Code (EGHGB). The surplus amount as at the balance sheet date is stated in the explanations for Other provisions.

LIABILITIES

Liabilities are recognised at their settlement amount.

DEFERRED TAXES

Deferred taxes are set aside to cover the temporary differences between the commercial law values and the tax values of assets, debts and prepaid expenses. Apart from the differences among its own balance sheet items, K+S Aktiengesellschaft also takes into account reporting and valuation differences in tax group subsidiaries. Losses and interest carried forward are taken into account as long as offsetting against taxable income within the next five years is realisable. Deferred taxes are measured on the basis of the combined income tax rate of 28.7% for the tax group companies of K+S Aktiengesellschaft. In addition to the corporate income tax rate of 15.0% and the solidarity surcharge of 5.5% paid on it, this takes into account an average trade tax rate of 12.88%.

The total resulting tax burden is reported in the balance sheet as a deferred tax liability. In the event of overall tax relief, the option to capitalise in Section 274 (1) (2) of the German Commercial Code (HGB) is not used.

As of the balance sheet date, negative consolidation differences arise as a result of differences in reporting and measuring Accounts receivable - trade. Positive consolidation differences result primarily from differences in the carrying amounts of Other provisions (in particular mining law provisions), Intangible assets and Fixed assets. After offsetting positive and negative consolidation differences, there was an asset surplus for the year under review that was not recognised in the balance sheet.

VALUATION UNITS AND DERIVATIVE FINANCIAL INSTRUMENTS

No valuation units within the meaning of Section 254 of the German Commercial Code (HGB) were created during the financial year. Derivative financial instruments are carried unequally in the balance sheet in accordance with general accounting principles under commercial law. Asset-side financial derivatives are shown in the balance sheet up to their acquisition cost. If their fair value is less than their acquisition cost, the derivatives are written down to the lower fair value. In the case of a negative fair value, a provision is formed for anticipated losses. Liabilities-side financial derivatives are shown at least at the amount of the option premium received. If the negative fair value exceeds the value of the liability, a provision is formed for anticipated losses.

FOREIGN CURRENCY CONVERSION

The acquisition costs of assets purchased in a foreign currency and proceeds from sales in foreign currencies are recorded at the reference euro exchange rates prevailing on the transaction date.

Liabilities in a foreign currency with a residual term of no more than one year are valued at the mean spot exchange rate on the balance sheet date. All other liabilities in a foreign currency are valued at the conversion rate on the transaction date or the higher mean spot exchange rate on the balance sheet date.

Receivables in a foreign currency with a residual term of no more than one year are valued at the mean spot exchange rate on the balance sheet date. All other receivables in a foreign currency are valued at the exchange rate on the transaction date or the lower mean spot exchange rate on the balance sheet date.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

The development of the gross carrying amounts and depreciation, amortisation and write-downs of individual fixed asset items are presented separately.

FINANCIAL ASSETS

The statement of shareholdings according to Section 285 (11) of the German Commercial Code (HGB) is presented separately in the 'List of shareholdings'.

INVENTORIES

	2015	2014
In € thousand		
Raw materials and supplies	1,607	1,462
Unfinished goods, work in progress	172	7
	1,778	1,469

RECEIVABLES AND OTHER ASSETS

	2015	2014
In € thousand		
Accounts receivable – trade	14,146	14,642
Receivables from affiliated companies	696,676	828,918
Other assets	41,078	48,254
	751,900	891,814

Of the Receivables from affiliated companies, T€ 97,959 (previous year: T€ 131,820) were receivables from payment transactions within the Group and T€ 578,515 (previous year: T€ 552,291) were receivables from profit and loss transfer. Moreover, T€ 10,134 were current receivables arising from the financing of securities transactions. They consist primarily of trade receivables of T€ 10,069 (previous year: T€ 12,357).

Other assets amounting to T€ 91 (previous year: T€ 59) have a residual term of more than one year.

PREPAID EXPENSES

Prepaid expenses consist of discounts of T€ 4,236 (previous year: T€ 5,035) within the meaning of Section 250 (3) of the German Commercial Code (HGB).

POSITIVE CONSOLIDATION DIFFERENCES ARISING FROM OFFSETTING OF ASSETS AND PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

There are no minus amounts in the Provisions for pensions and similar obligations. In the balance sheet, pension provisions are offset against assets to which creditors have no access and which are intended solely for the fulfilment of pension obligations.

As of the balance sheet date, the amount required to fulfil pensions and similar obligations was T€ 118,422 (without taking into account liabilities from deferred compensation). Offset against the fair value of the cover fund amounting to T€ 119,354, this results in a positive consolidation difference shown on the balance sheet of T€ 932. In addition, there are liabilities from deferred compensation of T€ 1,737, which are covered by concurrent insurance policies. The settlement amount was offset in full against the fair value of the insurance policies (T€ 1,737).

The cover fund comprises securities, reinsurance policies and bank balances. The securities are valued at their market prices and cash and bank balances at their par value as at the balance sheet date. The fair value of the reinsurance policies was determined on the basis of the cover funds of the insurance policies, plus any available excess from profit sharing. The acquisition costs of the cover fund were T€ 120,969.

SUBSCRIBED CAPITAL

The subscribed capital of K+S Aktiengesellschaft is € 191.4 million and is divided into 191.4 million no-par value registered shares.

AUTHORISED CAPITAL

As at 31 December 2015, the Company's authorised capital totalled € 19.14 million (nominal), which can be issued in tranches or through the issuance of a maximum of 19,140,000 no-par bearer shares.

With the resolution passed by the Annual General Meeting on 12 May 2015, the Board of Executive Directors has been authorised to increase the Company's share capital, with the consent of the Supervisory Board, by a total of € 19,140,000.00, in one lump sum or several partial amounts at different times, by issuing a maximum of 19,140,000 new no-par bearer shares (authorised capital) in return for cash and/or non-cash contributions during the period to 11 May 2020. The Board of Executive Directors is authorised under certain conditions with the approval of the Supervisory Board to exclude the right of shareholders to subscribe at the time of issuing shares.

DETAILS OF OWN SHARES

During the 2015 financial year, the Company acquired 100,000 own shares for employee share programmes at an average price of € 32.47. The maximum arithmetical proportion of the acquired shares in the share capital was 0.05%, and the amount of the share capital allocated to the acquired shares was T€ 100. Shares not issued to employees were sold on the free market at a price of € 30.45. The resulting difference of T€ 16 was offset against revenue reserves in accordance with Section 272 (1b) (3) of the German Commercial Code (HGB). The Company holds no shares of its own as at the balance sheet date.

According to the resolution passed by the Annual General Meeting on 12 May 2015, the Board of Executive Directors was authorised to acquire own shares up to 10% of the share capital by 11 May 2020. Purchases may be made on a stock exchange or by means of a public purchase offer directed to all shareholders. In the case of a purchase effected on a stock exchange or a public purchase offer addressed to all shareholders, the purchase price per share (exclusive of ancillary purchase costs) paid by the Company may not exceed or undercut the relevant exchange price by more than 10%.

CAPITAL RESERVE

	2015	2014
<i>In € thousand</i>		
Balance as at 1 January	701,616	701,616
Balance as at 31 December	701,616	701,616

OTHER RETAINED INCOME

	2015	2014
<i>In € thousand</i>		
Balance as at 1 January	1,103,000	889,000
Differential amount from the disposal of own shares	-16	-8
Allocation in accordance with resolution passed by the Annual General Meeting	10,073	134,499
Allocation from net income for the year	-	79,509
Balance as at 31 December	1,113,057	1,103,000

ACCUMULATED PROFIT

	2015	2014
<i>In € thousand</i>		
Accumulated profit as at 1 January	182,333	182,349
Dividend payment for previous year	-172,260	-47,850
Net income	273,466	261,842
Allocation to other revenue reserves (resolution passed by the Annual General Meeting)	-10,073	-134,499
Allocation from net income to other revenue reserves	-	-79,509
Accumulated profit as at 31 December	273,466	182,333

OTHER PROVISIONS

Other provisions adequately take all identifiable risks from pending transactions and uncertain liabilities into account. They arise mainly from mining obligations. In addition, there are primarily provisions for pending losses from hedging transactions and for personnel obligations.

There were no surplus amount of other provisions within the meaning of Article 67 (1) (4) of the Introductory Act to the German Commercial Code (EGHGB), resulting from the change-over to the BilMoG, as at the balance sheet date (previous year: T€ 642).

In the balance sheet, provisions for fulfilment shortfalls from partial retirement obligations were offset against assets to which creditors have no access and which are intended solely for the fulfilment of partial retirement obligations.

PROVISIONS FOR PARTIAL RETIREMENT

	2015	2014
<i>In € thousand</i>		
Fulfilment amount for partial retirement obligations	295	1,154
Fair value of cover fund	211	874
Net value of partial retirement obligations (provision)	84	280
Acquisition cost of cover fund	211	874

The cover fund includes bank balances. Bank balances are valued at their par value as at the balance sheet date.

LIABILITIES

	2015	2014
In € thousand		
Bonds	1,500,000	1,500,000
Liabilities to banks	28,000	32,881
Accounts payable - trade	9,017	9,733
Liabilities to affiliated companies	2,373,453	2,081,671
Other liabilities	12,923	16,993
	3,923,394	3,641,278

Of the liabilities to affiliated companies, liabilities from Group financing account for T€ 2,347,602 (previous year: T€ 2,064,269).

The liabilities with a residual term of up to one year consist of:

	2015	2014
In € thousand		
Liabilities to banks	28,000	32,881
Accounts payable - trade	9,017	9,733
Liabilities to affiliated companies	1,633,955	1,342,285
Other liabilities	12,415	16,430
	1,683,387	1,401,329

Other liabilities of T€ 55 (previous year: T€ 111) have a residual term of more than five years.

Other liabilities consist of:

	2015	2014
In € thousand		
Taxes	1,045	4,520
Liabilities relating to social security	332	387

TRANSACTIONS NOT DISCLOSED IN THE BALANCE SHEET AND OTHER FINANCIAL COMMITMENTS

	2015	2014
In € thousand		
Commitments from uncompleted capital expenditure projects	2,789	9,320
Commitments from long-term rental, leasing and service contracts		
due in the following year	14,509	4,380
- of which to affiliated companies	-	-
- due in the years 2 to 5	50,904	11,923
- of which to affiliated companies	-	-
	68,202	25,622

There are control and profit transfer agreements with affiliated companies which also include a loss transfer.

NOTES TO THE INCOME STATEMENT**REVENUES BY OPERATING ACTIVITY**

	2015	2014
In € thousand		
IT	42,286	42,493
Animal hygiene products	38,981	39,533
Other	37,341	33,399
	118,608	115,425

REVENUES BY REGION

	2015	2014
In € thousand		
Germany	105,286	102,933
Rest of Europe	1,570	1,990
Overseas	11,752	10,502
	118,608	115,425

COST OF SALES

Manufacturing costs were T€ 122,951 (previous year: T€ 111,011).

OTHER OPERATING INCOME

	2015	2014
In € thousand		
Income from exchange rate hedging transactions	113,247	22,876
Income from foreign currency translation	44,483	27,914
Income from the reversal of provisions	6,723	17,690
Unrealised profits from the disposal of securities	5,511	3,389
Income from the charging of services to Group companies	4,002	4,042
Income from letting and leasing	2,711	2,739
Income from write-ups of tangible assets	1,000	-
Income from disposals of tangible assets	775	254
Income from the merger of affiliated companies	-	551
Sundry income	2,966	2,256
	181,418	81,711

Income of T€ 9,602 (previous year: T€ 18,174) is to be assigned to other financial years and results mainly from the release of provisions.

OTHER OPERATING EXPENSES

	2015	2014
In € thousand		
Expenses from foreign currency translation	70,891	40,562
Expenses arising from exchange rate hedging transactions	51,095	16,387
Expenses for pending losses from hedging transactions	14,972	1,829
Expenses related to consulting expenses	7,175	76
Expenses for closed plants	4,828	11,355
Expenses related to approval processes	4,203	5,763
Pension contributions	3,675	4,507
Losses from the disposal of securities	2,940	1,649
Expenses for real estate	649	659
Unscheduled depreciation and amortisation of fixed assets	-	1,093
Sundry expenses	13,321	14,414
	173,749	98,294

Expenses of T€ 877 (previous year: T€ 1.586) are attributable to other financial years and result mainly from the derecognition of an account receivable.

INCOME FROM INVESTMENTS, NET

	2015	2014
In € thousand		
Income from transfer of profits	578,514	552,292
Income from participating interests	85	262
Expenses from transfer of losses from affiliated companies	-	-185
	578,599	552,369

Income from the transfer of profits consists mainly of the profit transfer of K+S KALI GmbH, K+S Salz GmbH, K+S Entsorgung GmbH as well as K+S Transport GmbH.

INTEREST INCOME, NET

	2015	2014
In € thousand		
Other interest and similar income	4,127	9,269
- of which from affiliated companies	902	981
Income from other securities and loans classified as financial assets	120	4,763
- of which from affiliated companies	-	-
Interest expenses in allocations to pension provisions offset against income/expenses from cover fund	-	-
- of which interest expenses in allocations to pension provisions	-	-
- of which income/expenses from cover fund for pension provisions	-	-
Interest and similar income	4,247	14,031
Interest expenses in allocations to pension and partial retirement provisions offset against income/expenses from cover fund	-5,910	-6,847
- of which interest expenses in allocations to pension provisions	-12,444	-8,709
- of which income/expenses from cover fund for pension provisions	6,553	1,923
- of which interest expenses in allocations to partial retirement provisions	-19	-65
- of which income/expenses from cover fund for pension provisions	-	4
Expenses from the accumulation of other long-term provisions	-19,045	-9,534
Other interest and similar expenses	-95,139	-117,711
- of which to affiliated companies	-36,584	-35,174
Interest and similar expenses	-120,094	-134,092
	-115,847	-120,061

TAXES

	2015	2014
In € thousand		
Taxes on income	153,382	123,424
Other taxes	837	622
	154,219	124,046

Income of T€ 5,941 related to previous years (previous year: T€ 7,199 (expenses)) is included in taxes on income.

Other taxes are allocated to individual operating areas.

COST OF MATERIALS

	2015	2014
In € thousand		
Cost of raw materials and supplies and goods purchased for resale	22,943	22,860
Cost of external services	47,889	34,922
	70,832	57,782

PERSONNEL EXPENSES

	2015	2014
In € thousand		
Wages and salaries	70,277	69,714
Social security contributions	9,502	9,814
Pension expenses	4,812	5,477
Other employee benefit costs	49	18
	84,640	85,024

Pension expenses do not include the interest portion of the allocations to pension provisions. This is reported as an interest expense in interest income, net.

EMPLOYEES

	2015	2014
<i>Annual average</i>		
Employees covered by collective wage agreements	458	476
Employees not covered by collective wage agreements	334	332
Trainees	17	24
	809	832

OTHER INFORMATION

DERIVATIVE FINANCIAL INSTRUMENTS

No valuation units within the meaning of Section 254 of the German Commercial Code (HGB) were created during the financial year.

The following currency derivatives were held as at 31 December 2015:

In € thousand	Nominal values ¹⁾	Fair values	Book values ²⁾
USD/EUR forward exchange transactions maturing in 2016			
- positive fair values	256,941	1,636	-
- negative fair values	182,629	3,772	3,772
CAD/EUR forward exchange transactions maturing in 2016			
- positive fair values	248,119	7,601	-
- negative fair values	218,051	7,425	7,425
CAD/EUR forward exchange transactions maturing in 2017			
- positive fair values	-	-	-
- negative fair values	69,117	3,775	3,775
GBP/EUR forward exchange transactions maturing in 2016			
- positive fair values	7,690	54	-
- negative fair values	-	-	-
USD/EUR cross-currency swap			
- positive fair values	33,503	7,695	-
- negative fair values	-	-	-

¹⁾ Translated into euros using weighted hedging rates

²⁾ Reported under Other provisions.

The fair values calculated correspond to the value upon early notional termination as at the balance sheet date. The values are calculated using recognised actuarial methods generally used by market participants. These calculations were based particularly on the following parameters that applied on the balance sheet date:

- + the spot exchange rates for the currencies concerned,
- + the agreed hedging rates and strike prices,
- + the traded volatilities, i.e. the expected fluctuation range of the exchange rates in question,
- + the interest rate level applicable to the currencies concerned
- + and the counterparty risk.

INFORMATION ON AMOUNTS EXCLUDED FROM DISTRIBUTION

An amount excluded from distribution of T€ 14,426 (previous year: T€ 13,257) arises from the capitalisation of assets at fair value (cover fund) in accordance with Section 268 (8) of the German Commercial Code (HGB) as at the balance sheet date. The available reserves exceeded the amount excluded from distribution. There was no dividend payment restriction in relation to accumulated profit.

AUDITOR'S FEES

The total auditor's fee for the financial year is included in the corresponding note to the consolidated financial statements of K+S Aktiengesellschaft.

TOTAL REMUNERATION OF THE SUPERVISORY BOARD AND THE BOARD OF EXECUTIVE DIRECTORS

In € thousand	2015	2014
Total remuneration of the Supervisory Board	2,007	1,995
- of which fixed	1,909	1,918
- of which performance-related	-	-
Total remuneration of the Board of Executive Directors	6,683	8,446
- of which fixed	2,393	2,560
- of which performance-related	3,503	3,840
- of which LTI programme	632	1,878
Total remuneration of former members of the Board of Executive Directors and their surviving dependents	1,498	1,549
Pension provisions for former members of the Board of Executive Directors and their surviving dependents	19,855	15,132

DECLARATION ON CONFORMITY CONCERNING THE GERMAN CORPORATE GOVERNANCE CODE

The declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) concerning the recommendations made by the 'Government Commission on the German Corporate Governance Code' has been made by the Board of Executive Directors and the Supervisory Board of K+S Aktiengesellschaft for 2015/2016 and is available to shareholders on the K+S Group website (www.k-plus-s.com).

LIST OF SHAREHOLDINGS

List of shareholdings of K+S Aktiengesellschaft in accordance with Section 285 (11) of the German Commercial Code (HGB) (in thousands):

Balance as of 31 December 2015

	Company's registered office		Capital share	Currency exchange rate	Equity	Result for the year
Company's name						
1. K+S Verwaltungs GmbH	Kassel	Germany	100.00%	EUR	24	0
2. K+S Verwaltungs GmbH & Co. Erwerbs KG	Kassel	Germany	100.00%	EUR	10	0
3. K+S Verwaltungs GmbH & Co. Erwerbs KG	Kassel	Germany	100.00%	EUR	10	0
4. K+S Verwaltungs GmbH	Kassel	Germany	100.00%	EUR	309	0
Beienrode Bergwerks-GmbH	Kassel	Germany	89.80%	EUR	1,344	0
Börde Container Feeder GmbH	Haldensleben	Germany	33.30%	EUR	1,006	206 ³⁾
Canadian Brine Ltd.	Pointe Claire	Canada	100.00%	CAD	566	-2 ⁵⁾
Chemische Fabrik Kalk GmbH	Cologne	Germany	100.00%	EUR	11,224	-1,525
Compania Minera Punta de Lobos Ltda.	Santiago de Chile	Chile	99.64%	USD	-286	4,187 ⁵⁾
Deutscher Straßen-Dienst GmbH	Hanover	Germany	100.00%	EUR	60	738 ¹⁾
Empresa de Servicios Ltda.	Santiago de Chile	Chile	99.64%	USD	419	-20 ⁵⁾
Empresa Maritima S.A.	Santiago de Chile	Chile	99.59%	USD	39,305	6,274 ⁵⁾
esco - european salt company GmbH & Co. KG	Hanover	Germany	100.00%	EUR	248,454	11,627
esco benelux N.V.	Diegem	Belgium	100.00%	EUR	12,697	-9 ⁵⁾
esco france S.A.S.	Levallois-Perret	France	100.00%	EUR	10,551	1,174 ⁵⁾
esco Holding France S.A.S.	Dombasle sur Meurthe	France	100.00%	EUR	15,702	2,395 ⁵⁾
esco international GmbH	Hanover	Germany	100.00%	EUR	40,903	4,155 ¹⁾
esco Nordic AB	Gothenburg	Sweden	100.00%	SEK	6,739	5,084 ³⁾
esco Spain S.L.	Barcelona	Spain	100.00%	EUR	1,047	-191 ⁵⁾
esco Verwaltungs GmbH	Hanover	Germany	100.00%	EUR	57	2
Fachschule f. Wirtschaft und Technik Gem. GmbH	Clausthal	Germany	9.40%	EUR	544	13 ²⁾
Frisia Zout B.V.	Harlingen	Netherlands	100.00%	EUR	10,631	704 ⁵⁾
Glendale Salt Development, LLC	Chicago	USA	100.00%	USD	2,993	147 ⁵⁾
Ickenroth GmbH	Staudt	Germany	100.00%	EUR	1,790	378 ¹⁾
Imperial Thermal Products Inc.	Chicago	USA	100.00%	USD	0	0 ⁴⁾
Inagua General Store Ltd.	Nassau	Bahamas	100.00%	USD	853	241 ⁵⁾
Inagua Transports Inc.	Chicago	USA	100.00%	USD	1,666	30 ⁵⁾
Inversiones Columbus Ltda.	Santiago de Chile	Chile	2.00%	USD	1,003	695 ⁵⁾
Inversiones Empremar Ltda.	Santiago de Chile	Chile	48.87%	USD	18,820	30 ⁵⁾

Inversiones K+S Sal de Chile Ltda.	Santiago de Chile	Chile	100.00%	CLP	70,733,365	2,819,166	⁵⁾
ISX Oil & Gas Inc.	Calgary	Canada	100.00%	CAD	-507	-13	
K plus S Africa (Pty) Ltd.	Johannesburg	South Africa	100.00%	ZAR	130	-7	³⁾
K+S An-Instituts Verwaltungsgesellschaft mbH	Kassel	Germany	100.00%	EUR	231	4	
K+S Asia Pacific Pte. Ltd.	Singapore	Singapore	100.00%	SGD	1,329	574	³⁾
K+S Bahamas Salt Asset Management GmbH & Co. KG	Kassel	Germany	100.00%	EUR	51,272	1,398	
K+S Baustoffrecycling GmbH	Sehnde	Germany	100.00%	EUR	86	3,300	¹⁾
K+S Beteiligungs GmbH	Kassel	Germany	100.00%	EUR	210,751	597	¹⁾
K+S Brasileira Fertilizantes e Produtos Industriais Ltda.	São Paulo	Brazil	100.00%	BRL	7,294	310	³⁾
K+S Canada Holdings Ltd.	Vancouver	Canada	100.00%	CAD	3,723,910	370	⁵⁾
K+S Chile S.A.	Santiago de Chile	Chile	99.64%	USD	461,390	65,308	⁵⁾
K+S Consulting GmbH	Kassel	Germany	100.00%	EUR	810	105	¹⁾
K+S Czech Republic a.s.	Prague	Czech Republic	100.00%	CZK	182,768	12,743	⁵⁾
K+S Denmark Holding ApS	Hellerup	Denmark	100.00%	EUR	449	-19	³⁾
K+S Entsorgung (Schweiz) AG	Delémont	Switzerland	100.00%	CHF	1,255	298	³⁾
K+S Entsorgung GmbH	Kassel	Germany	100.00%	EUR	7,506	11,554	¹⁾
K+S Fertilizers (India) Private Limited	New Delhi	India	100.00%	INR	7,034	1,027	³⁾
K+S Finance Belgium BVBA	Diegem	Belgium	100.00%	USD	2,638,242	68,851	⁵⁾
K+S Finance Ltd.	St. Julians	Malta	100.00%	EUR	679,583	9,068	⁵⁾
K+S Holding France S.A.S.	Reims	France	100.00%	EUR	2,878	-8	⁵⁾
K+S Investments Ltd.	St. Julians	Malta	100.00%	EUR	708,830	13,168	⁵⁾
K+S Italia S.r.L.	Verona	Italy	100.00%	EUR	1,162	364	³⁾
K+S KALI du Roure S.A.S.	Le Teil	France	100.00%	EUR	4,383	705	⁵⁾
K+S KALI France S.A.S.	Reims	France	100.00%	EUR	6,167	919	⁵⁾
K+S KALI GmbH	Kassel	Germany	100.00%	EUR	447,083	505,114	¹⁾
K+S KALI Rodez S.A.S.	Sainte Radegonde	France	97.45%	EUR	2,227	71	⁵⁾
K+S KALI Wittenheim S.A.S.	Wittenheim	France	100.00%	EUR	2,029	217	⁵⁾
K+S Legacy GP Inc.	Vancouver	Canada	100.00%	CAD	-27	13	⁵⁾
K+S Mining Argentina S.A.	Buenos Aires	Argentina	100.00%	ARS	-19	-258	³⁾
K+S Montana Holdings, LLC	Chicago	USA	100.00%	USD	873,300	-26,317	⁵⁾
K+S Netherlands Holding B.V.	Harlingen	Netherlands	100.00%	EUR	3,134,537	22,405	⁵⁾
K+S North America Asset Management GmbH	Kassel	Germany	100.00%	EUR	120	0	
K+S North America Corporation	Chicago	USA	100.00%	USD	10,369	1,246	⁵⁾
K+S North America Salt Asset Management GmbH & Co. KG	Kassel	Germany	100.00%	EUR	679,732	32,559	
K+S Perú S.A.C.	Lima	Peru	100.00%	PEN	595	-1,339	⁵⁾
K+S Polska Sp. z o.o.	Poznan	Poland	100.00%	PLN	6,393	2,072	³⁾
K+S Potash Canada General Partnership	Vancouver	Canada	100.00%	CAD	3,545,133	-91,933	⁵⁾
K+S Salz GmbH	Hanover	Germany	100.00%	EUR	3,240,995	49,953	¹⁾
K+S Salt LLC	Chicago	USA	100.00%	USD	1,665,679	64,538	⁵⁾
K+S Transport GmbH	Hamburg	Germany	100.00%	EUR	2,938	10,852	¹⁾
K+S UK & Eire Ltd.	Hertford	United Kingdom	100.00%	GBP	520	402	³⁾
K+S Versicherungsvermittlungs GmbH	Kassel	Germany	100.00%	EUR	25	591	¹⁾
K+S Windsor Salt Ltd.	Vancouver	Canada	100.00%	CAD	4,006,383	98,832	⁵⁾
Kali (U.K.) Ltd.	Hertford	United Kingdom	100.00%	GBP	0	0	⁴⁾
Kali AG	Frauenkappelen	Switzerland	100.00%	CHF	1,648	730	³⁾
Kali-Union Verwaltungsgesellschaft mbH	Kassel	Germany	100.00%	EUR	10,669	6,811	¹⁾
Lehrter Wohnungsbau GmbH	Lehrte	Germany	6.70%	EUR	14,153	133	³⁾
Montana US Parent Inc.	Chicago	USA	100.00%	USD	0	0	⁵⁾
Morton Bahamas Ltd.	Nassau	Bahamas	100.00%	USD	11,059	18,539	⁵⁾
Morton China National Salt (Shanghai) Salt Co. Ltd.	Shanghai	China	45.00%	CNY	16,236	3,584	³⁾
Morton Salt, Inc.	Chicago	USA	100.00%	USD	1,541,517	121,139	⁵⁾
MSW Chemie GmbH	Langelsheim	Germany	100.00%	EUR	855	0	
Nieders. Gesellschaft zur Endablagerung von Sonderabfall mbH	Hanover	Germany	0.10%	EUR	10,261	1,609	³⁾

OOO K+S Rus	Moscow	Russian Federation	100.00%	RUB	5,717	-415 ³⁾
Poldergemeinschaft Hohe Schaar	Hamburg	Germany	8.66%	EUR	0	827 ³⁾
Pristav Pardubice a.s.	Pardubice	Czech Republic	0.41%	CZK	15,837	-756 ³⁾
Salina Diamante Branco Ltda.	Rio de Janeiro	Brazil	100.00%	BRL	13,888	-21,339 ⁵⁾
Salines Cérébos S.A.S.	Levallois-Perret	France	100.00%	EUR	6,063	308 ⁵⁾
Servicios Maritimos Patillos S.A.	Santiago de Chile	Chile	99.64%	USD	2,338	2,336 ⁵⁾
Servicios Portuarios Patillos S.A.	Santiago de Chile	Chile	99.53%	USD	42,598	4,177 ⁵⁾
Shenzhen K+S Trading Co. Ltd.	Shenzhen	China	100.00%	CNY	50,227	520 ³⁾
VATEL Companhia de Produtos Alimentares S.A.	Alverca	Portugal	100.00%	EUR	1,100	-381 ⁵⁾
Weeks Island Landowner, LLC	Chicago	USA	100.00%	USD	811	0 ⁵⁾
Werra Kombi Terminal Betriebsgesellschaft mbH	Philippsthal	Germany	50.00%	EUR	135	61 ³⁾
Wohnbau Salzdettfurth GmbH	Bad Salzdettfurth	Germany	100.00%	EUR	1,820	0 ¹⁾
Zoll Pool Hamburg AG	Hamburg	Germany	1.43%	EUR	524	1 ³⁾

¹⁾Control and profit transfer agreement with parent company (net profit/loss for the year before profit or loss transfer)

²⁾Financial year from 1 August to 31 July – annual financial statements as at 31 July 2015

³⁾Annual financial statements as at 31 December 2014

⁴⁾Inactive companies

⁵⁾Data according to IFRS

**MEMBERS OF THE SUPERVISORY BOARD IN THE 2015 FINANCIAL YEAR
(INFORMATION ON OTHER SUPERVISORY BOARD APPOINTMENTS AND
SUPERVISORY BODIES AS AT: 31 DECEMBER 2015)**

**DR RALF BETHKE (BORN 1942), GRADUATE IN BUSINESS ADMINISTRATION, CHAIRMAN OF THE
SUPERVISORY BOARD**

SHAREHOLDER REPRESENTATIVE

Entrepreneur (as member of the supervisory boards mentioned below)

Chairman of the Supervisory Board since 14 May 2008

In office until the end of the 2017 Annual General Meeting

First appointed: 1 July 2007

Other supervisory board appointments: Benteler International AG, Salzburg (Chair-
man since 18 September 2015)
DJE Kapital AG, Pullach (Chairman)

MICHAEL VASSILIADIS (BORN 1964), CHEMICAL LABORATORY ASSISTANT, VICE-CHAIRMAN

EMPLOYEE REPRESENTATIVE

Chairman of the Mining, Chemicals and Energy Trade Union, Hanover

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Other supervisory board appointments:

- BASF SE, Ludwigshafen
- Evonik Industries AG, Essen (Vice- Chairman)
- STEAG GmbH, Essen (Vice- Chairman)
- RAG Aktiengesellschaft (Vice- Chairman)
- RAG DSK AG (Vice- Chairman)
- RAG Stiftung, Essen

RALF BECKER (BORN 1965), TRADE UNION SECRETARY

EMPLOYEE REPRESENTATIVE

Regional Manager North of the Mining, Chemicals and Energy Trade Union, Hanover

In office until the end of the 2018 Annual General Meeting

First appointed: 1 August 2009

Other supervisory board appointments:

- Continental Reifen Deutschland GmbH,
Hanover (Vice- Chairman)
- Deutsche Shell Holding GmbH, Hamburg
- Deutsche Shell GmbH, Hamburg
- Shell Deutschland Oil GmbH, Hamburg

JELLA S. BENNER-HEINACHER (BORN 1960), LAWYER

SHAREHOLDER REPRESENTATIVE

Deputy General Manager of the Deutsche Schutzvereinigung für Wertpapierbesitz e.V.,
Düsseldorf

In office until the end of the 2018 Annual General Meeting

First appointed: 7 May 2003

Other supervisory board appointments: A.S. Création Tapeten AG, Gummersbach

PHILIP FREIHERR VON DEM BUSSCHE (BORN 1950), GRADUATE IN BUSINESS ADMINISTRATION

SHAREHOLDER REPRESENTATIVE

Entrepreneur/Farmer

In office until the end of the 2020 Annual General Meeting

First appointed: 12 May 2015

Other supervisory bodies: DLG e.V. Frankfurt am Main (Chairman of the Supervisory Board)
Grimme GmbH & Co. KG, Damme (Chairman of the Advisory Board)
Bernard Krone Holding GmbH & Co. KG, Spelle (Chairman of the Advisory Board)
DF World of Spices GmbH, Dissen (Member of the Advisory Board)

GEORGE CARDONA (BORN 1951), ECONOMIST

SHAREHOLDER REPRESENTATIVE

Entrepreneur (as member of the supervisory bodies mentioned below)

In office until the end of the 2020 Annual General Meeting

First appointed: 9 October 2009

Other supervisory bodies: Board der Westline PTC Ltd., Bermuda (until March 2015)
Board of Wishbone Gold plc., Gibraltar

WESLEY CLARK (BORN 1952), MASTER'S DEGREE IN BUSINESS ADMINISTRATION

SHAREHOLDER REPRESENTATIVE

Operating Partner of Advent International Private Equity Group, Boston, Massachusetts, USA

In office until the end of the 2018 Annual General Meeting

First appointed: 14 May 2013

Other supervisory board appointments:

Board of Patriot Supply Holdings, Inc., Fort Worth, Texas, USA (Non-Executive Chairman)
Board of ABC Supply Corporation, Beloit, Wisconsin, USA
Board of Clarcor Inc., Franklin, Tennessee, USA
Board of Distribution International, Inc., Fort Worth, Texas, USA (Non-Executive Chairman)
Board of Uline Inc., Pleasant Prairie, Wisconsin, USA (since 12 February 2015)

HARALD DÖLL (BORN 1964), ENERGY FACILITY ELECTRONICS ENGINEER

EMPLOYEE REPRESENTATIVE

Chairman of the Collective Works Council of the K+S Group

Chairman of the Works Council of K+S KALI GmbH's Werra plant

In office until the end of the 2018 Annual General Meeting

First appointed: 1 August 2009

DR RAINER GERLING (BORN 1958), GRADUATE IN ENGINEERING¹

EMPLOYEE REPRESENTATIVE

Head of K+S KALI GmbH's Werra plant

Resigned on 31 December 2015

First appointed: 14 May 2008

AXEL HARTMANN (BORN 1958), RETAIL SALESMAN

EMPLOYEE REPRESENTATIVE

Vice Chairman of the Collective Works Council of the K+S Group

Chairman of the Works Council of K+S KALI GmbH's **Neuhof-Ellers plant**

In office until the end of the 2018 Annual General Meeting

First appointed: 14 May 2013

RÜDIGER KIENITZ (BORN 1960), MINING ENGINEER

EMPLOYEE REPRESENTATIVE

Member of the Works Council of K+S KALI GmbH's Werra plant

In office until the end of the 2018 Annual General Meeting

First appointed: 26 March 1998

MICHAEL KNACKMUß (BORN 1975), CAR MECHANIC

EMPLOYEE REPRESENTATIVE

Chairman of the Works Council of K+S KALI GmbH's Zielitz plant

In office until the end of the 2018 Annual General Meeting

First appointed: 11 July 2014

DR RER. NAT. ANDREAS KREIMEYER (BORN 1955), GRADUATE IN BIOLOGY

SHAREHOLDER REPRESENTATIVE

Retired (former member of the Board of Executive Directors and Research Spokesperson at BASF SE, Ludwigshafen)

In office until the end of the 2020 Annual General Meeting

First appointed: 12 May 2015

Other supervisory bodies:

- acatech - Deutsche Akademie der Technikwissenschaften e.V., Munich, Member of Executive Committee (since July 2015)
- BASF Coatings GmbH, Münster (Chairman of the Supervisory Board until 30 April 2015)
- C.H. Boehringer Sohn AG & Co. KG, Ingelheim, Germany (Member of Advisory Group)
- Karlsruher Institut für Technologie (KIT), Karlsruhe (Vice-Chairman of the Supervisory Board, since November 2015)

DIETER KUHN (BORN 1958), MINING MECHANIC

EMPLOYEE REPRESENTATIVE

First Vice-Chairman of the Collective Works Council of the K+S Group

¹Dr Rainer Gerling stepped down from his position on the Supervisory Board on 31 December 2015 owing to his appointment to the Board of Directors of K+S Kali GmbH. In his place, Gerd Kübler, Head of Production and Technology Underground at the Neuhof-Ellers potash plant, was legally appointed as a member of the Supervisory Board acting as executive staff representative with effect from 1 January 2016.

Chairman of the Works Council of the Bernburg plant of esco european salt company GmbH & CO. KG

In office until the end of the 2018 Annual General Meeting
First appointed: 7 May 2003

DR BERND MALMSTRÖM (BORN 1941), LAWYER

SHAREHOLDER REPRESENTATIVE

Solicitor

Resigned at the end of the 2015 Annual General Meeting
First appointed: 7 May 2003

Other supervisory bodies: Lehnkering GmbH, Duisburg (Vice- Chairman until 22 April 2015)

VTG AG, Hamburg

Other supervisory bodies: DAL – Deutsche-Afrika-Linien GmbH & Co. KG, Hamburg
time:matters GmbH, Neu-Isenburg (Chairman)
Colada Acquico S.à.r.l, Luxembourg

DR ANNETTE MESSEMER (BORN 1964), POLITICAL SCIENTIST

SHAREHOLDER REPRESENTATIVE

Divisional director of Commerzbank AG

Other supervisory board appointments: Commerz Real AG, Eschborn

In office until the end of the 2018 Annual General Meeting
First appointed: 14 May 2013

DR RUDOLF MÜLLER (BORN 1943), GRADUATE IN AGRICULTURAL ENGINEERING

SHAREHOLDER REPRESENTATIVE

Retired (former member of the Board of Executive Directors of Südzucker AG Mannheim/Ochsenfurt, Mannheim)

Resigned at the end of the 2015 Annual General Meeting
First appointed: 7 May 2003

DR ECKART SÜNNER (BORN 1944), LAWYER

SHAREHOLDER REPRESENTATIVE

Independent solicitor in Neustadt a.d. Weinstraße

In office until the end of the 2018 Annual General Meeting
First appointed: 28 April 1992

Other supervisory board appointments: Infineon Technologies AG, Neubiberg

SUPERVISORY BOARD COMMITTEES

AUDIT COMMITTEE

- + Dr Eckart Sünner (Chairman)
- + Ralf Becker
- + Dr Ralf Bethke
- + Axel Hartmann
- + Dr Annette Messemer
- + Michael Vassiliadis

PERSONNEL COMMITTEE

- + Dr Ralf Bethke (Chairman)
- + Jella S. Benner-Heinacher
- + Harald Döll
- + Michael Vassiliadis

NOMINATION COMMITTEE

- + Dr Ralf Bethke (Chairman)
- + Philip Freiherr von dem Bussche (since 12 May 2015)
- + George Cardona
- + Dr rer. nat. Andreas Kreimeyer (since 12 May 2015)
- + Dr Bernd Malmström (until 12 May 2015)
- + Dr Rudolf Müller (until 12 May 2015)

MEDIATION COMMITTEE

- + Dr Ralf Bethke (Chairman)
- + Harald Döll
- + Dr Eckart Sünner
- + Michael Vassiliadis

**MEMBERS OF THE BOARD OF EXECUTIVE DIRECTORS IN THE 2015 FINANCIAL YEAR
(INFORMATION ON RESPONSIBILITIES AND APPOINTMENTS AS AT: 31 DECEMBER
2015)**

NORBERT STEINER (BORN 1954), LAWYER, CHAIRMAN

Corporate Communications
Corporate Development
Corporate Executive HR
Governance, Risk, Compliance; Corporate Secretary
Internal Auditing
Communication and Investor Relations

In office until 11 May 2017

First appointed: 12 May 2000

Supervisory Board appointments: Talanx AG, Hanover
HDI V.a.G., Hanover
K+S KALI GmbH (Chairman), Kassel¹

DR BURKHARD LOHR (BORN 1963), GRADUATE IN BUSINESS ADMINISTRATION

Corporate Controlling
Corporate Finance and Accounting
Corporate Procurement
Corporate Tax
Technical Centre and sub-units:
 Geology
 Mining
 Research and Development
 Technics/Energy

All direct shareholdings of the Company insofar as they are not assigned to another area of responsibility.

In office until 31 May 2020

First appointed: 1 June 2012

Supervisory board appointments: K+S KALI GmbH, Kassel¹
Supervisory bodies: HDI-Gerling Industrie Versicherung AG, Hanover, Member of Southern Regional Advisory Board
Commerzbank AG, Frankfurt/Main, Member of North West Regional Advisory Board
Christoph Metzelder Stiftung, member of the Board of Trustees
BDI, Committee on Eastern European Economic Relations (Ost-Ausschuss der Deutschen Wirtschaft), Advisory Board member

DR THOMAS NÖCKER (BORN 1958), LAWYER, PERSONNEL DIRECTOR

Corporate HR
Corporate IT
Business Centre and sub-units:
 Communication Services
 Financial Accounting
 HR Services
 Insurances
 IT Services
 Legal
 Logistics Europe

Procurement/Material Management Europe
 Project Management
 Real Estate & Facility Management
 K+S Transport GmbH
 K+S Versicherungsvermittlungs GmbH
 Wohnbau Salzdetfurth GmbH

In office until 31 August 2018
 First appointed: 1 August 2003

Supervisory board appointments: K+S KALI GmbH, Kassel¹

DR ANDREAS RADMACHER (BORN 1965), GRADUATE IN ENGINEERING

Potash and Magnesium Products business unit
 Waste Management and Recycling business unit

In office until 31 August 2016
 First appointed: 1 September 2013

Supervisory board appointments: K+S KALI GmbH, Kassel¹

MARK ROBERTS (BORN 1963), BACHELOR OF SCIENCE (MARKETING)

Salt business unit
 Animal hygiene products

In office until 30 September 2020
 First appointed: 1 October 2012

¹Group appointment

SHAREHOLDINGS IN THE COMPANY

On 5 November 2015, BlackRock Inc., New York (USA), notified us that its share of voting rights had surpassed the 3% threshold and that it held 4.77% of the Company. We were not informed of any shareholding above the legal reporting threshold of 3% by the end of February:

PROPOSAL ON THE APPROPRIATION OF PROFITS

The net profit generated by K+S Aktiengesellschaft in the 2015 financial year was T€ 273,466. The Board of Executive Directors intends to propose the payment of a dividend of € 1.15 per non-par value share (T€ 220,110) from the accumulated profit and the allocation of the residual amount of T€ 53,356 to revenue reserves to the Annual General Meeting on 11 May 2016.

Kassel, 26 February 2016

K+S Aktiengesellschaft

Board of Executive Directors

Auditor's Report

We have audited the annual financial statements, consisting of the balance sheet, income statement and notes, with due consideration given for the accounting system and Management Report combined with the Group Management Report of K+S Aktiengesellschaft, Kassel, for the financial year from 1 January to 31 December 2015.

Accounting and bookkeeping as well as the preparation of the annual financial statements and the Management Report in accordance with the German commercial law provisions are the responsibility of the Company's Board of Executive Directors. Our task is to evaluate the annual financial statements, with consideration given for the accounting system, and the Group Management Report on the basis of our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 of the German Commercial Code (HGB) and the standards accepted in Germany for the audit of financial statements set out by the German Institute of Certified Public Accountants (Institut der Wirtschaftsprüfer). These standards require that we plan and perform the audit in such a way that inaccurate statements and violations that may have a significant effect on both the presentation of the annual financial statements as viewed under the principles of standard accounting practices, and on the presentation of the asset, financial and earnings position as presented in the Management Report, can be recognised with sufficient certainty. When determining audit procedures, we took into account our knowledge of the Company's business activities, as well as their economic and legal environment. We also considered possible mistakes. During the audit, we primarily make use of random checks to test the effectiveness of internal accounting control as related to the accounting system, and also to find evidence supporting information disclosed in the accounting system, annual financial statements and the Management Report. The audit assesses the accounting principles applied as well as significant estimates made by the Board of Executive Directors, and also evaluates the overall presentation of the annual financial statements and the Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not discovered any cause for concern.

In our opinion, which is based on our audit findings, the annual financial statements of K+S Aktiengesellschaft, Kassel, comply with the legal provisions and give a true and fair view of the asset, financial and earnings position of the Company in accordance with the principles of standard accounting practices. The Management Report is consistent with the annual financial statements, provides a suitable understanding of the position of the Company and suitably presents the opportunities and risks with respect to future development.

Hanover, 26 February 2016

Deloitte & Touche GmbH
Auditing company

(Kompenhans)
Auditor Auditor

(Dr Meyer)