

KSB SHARES

The share capital of KSB AG is divided into 886,615 ordinary shares (ISIN DE0006292006) and 864,712 preference shares (ISIN DE0006292030). Both share classes are listed for trading on the regulated market and in the General Standard segment of the German Stock Exchange.

Approximately 80 % of the ordinary shares are owned by Klein Pumpen GmbH, Frankenthal, the majority of shares in which are held by KSB *Stiftung* [KSB Foundation], Stuttgart. The remaining ordinary shares and the preference shares are free float and can be traded on German regional stock exchanges as well as using the Xetra electronic trading system. The shares are included in continuous trading on Xetra. The Landesbank Baden-Württemberg is responsible for the share's pricing and ensures that the required share liquidity is in place for continuous trading.

KSB SHARE PERFORMANCE

Europe's major stock exchanges were unable to match the large price gains recorded in previous years, despite being bolstered by what remained an expansionist monetary policy

in 2014. Investors and businesses were hit by increasing geopolitical tensions, which placed an additional burden on an already weak economy.

During the first half of the year the KSB share performed well, in line with the markets overall. At € 527.00, the preference shares reached their highest price for the year on 30 June, with ordinary shares peaking at € 532.95 on 8 July 2014.

However, the volatile state of the equity markets as a whole also impacted on the KSB share price in the course of the year. In addition, the correction in the company's profit forecast in August 2014 had an effect. Both the ordinary and the preference shares fell significantly, dropping to their lowest level for the year in December 2014. Ordinary shares fell to € 412.00 (on 22 December), with preference shares tumbling to € 406.00 (on 17 December).

As at the year end, both shares were down on their 2013 year-end prices. Ordinary shares closed the year at € 418.00 (– 13.1 %), and the preference shares at € 422.20 (– 3.4 %).

DIVIDEND DEVELOPMENT

	2014 (proposed)	2013
Ordinary share		
Dividend	€ 8.50	€ 12.00
Dividend yield	2.0 %	2.5 %
Preference share		
Dividend	€ 8.76	€ 12.26
Dividend yield	2.1 %	2.8 %

	Ordinary share	Preference share
ISIN	DE0006292006	DE0006292030
Reuters symbol	KSBG	KSBG_p
Bloomberg symbol	KSB	KSB3
Share capital	€ 22.7 million	€ 22.1 million
Shares in free float	Approx. 20 %	100 %
Year-end closing price 30 Dec. 2014	€ 418.00	€ 422.20
Stock market capitalisation		€ 735.7 million

By way of comparison, Germany’s leading indices, the DAX and MDAX, recorded slight increases of 2.7 % and 2.2 %, although these figures include dividend payments. If the dividends were included in the performance calculations for KSB shares, at least the preference shares would have ended the year close to their 2013 year-end price.

EARNINGS PER SHARE

Earnings per share are down on 2013 as a result of the year-on-year decline in consolidated earnings. Earnings per ordinary share are € 21.74 compared with € 37.38 in the previous year, while earnings for preference shares were € 22.00 compared with € 37.64 in 2013.

DIVIDEND

The Board of Management and Supervisory Board of KSB AG will propose to the 2015 Annual General Meeting that a dividend of € 8.50 per ordinary share and € 8.76 per preference share be distributed. Following a constant level of dividends over the past five years, namely € 12.00 for the ordinary share and € 12.26 for the preference share, this lower proposal

reflects the weaker earnings for the reporting year. The dividend amount of € 8.50 (ordinary shares) and € 8.76 (preference shares) equates to a distribution volume of € 15.1 million, which represents 39.5 % of the earnings attributable to shareholders of KSB AG. The Annual General Meeting of KSB AG on 6 May 2015 will decide on the dividend.

The dividend yield, based on the 2014 year-end closing prices and the proposed dividend payment, is 2.0 % for the ordinary shares and 2.1 % for the preference shares.

ANNUAL GENERAL MEETING 2014

At the Annual General Meeting on 14 May 2014, about 47 % of the total share capital and approximately 90 % of the ordinary shares with voting rights were represented. The management’s proposals were adopted by the Meeting with a very large majority.

KSB SHARE PRICE DEVELOPMENT IN €

