02/2006 Quarterly Report

April – June

At € 1.56 billion, half year revenues rise 5%

Operating earnings increase by 6% to € 172.5 million

Free cash flow before acquisitions reaches € 105.7 million (+40%)

Adjusted earnings per share at € 2.67/share (+11%)

Outlook for the full year: € 3.90 to € 4.10/share (adjusted)

Experience growth.

Key Data Business Development

Key figures (IFRSs)	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**700.1**	682.2	+ 2.6	**1,555.6**	1,477.3	+ 5.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**89.2**	96.0	(7.1)	**232.3**	227.2	+ 2.2
EBITDA margin in %	**12.7**	14.1		**14.9**	15.4	
Operating earnings (EBIT I)	**59.4**	64.1	(7.3)	**172.5**	163.5	+ 5.5
Operating EBIT margin in %	**8.5**	9.4		**11.1**	11.1	
Earnings after market value changes (EBIT II)	**67.6**	20.3	> 100.0	**232.4**	168.3	+ 38.1
Earnings before income taxes	**67.4**	19.2	> 100.0	**226.3**	163.2	+ 38.7
Earnings before income taxes, adjusted [1]	**59.2**	63.0	(6.0)	**166.4**	158.4	+ 5.1
Group earnings after taxes	**44.1**	13.5	> 100.0	**147.9**	104.8	+ 41.1
Group earnings after taxes, adjusted [1]	**39.0**	41.1	(5.1)	**110.2**	101.8	+ 8.3
Gross cash flow	**74.8**	68.9	+ 8.6	**188.8**	177.1	+ 6.6
Net debt as of 30 Jun. [2]	**–**	–	–	**(739.2)**	(314.9)	> 100.0
Capital expenditure [3]	**30.0**	24.2	+ 24.0	**45.8**	37.5	+ 22.1
Depreciation and amortisation [3]	**29.8**	31.9	(6.6)	**59.8**	63.7	(6.1)
Earnings per share, adjusted [1] (€)	**0.95**	0.97	(2.1)	**2.67**	2.40	+ 11.3
Gross cash flow per share (€)	**1.81**	1.62	+ 11.7	**4.58**	4.17	+ 9.8
Book value per share as of 30 Jun. [1] (€)	**–**	–	–	**22.58**	22.40	+ 0.8
Total number of shares as of 30 Jun. (million)	**–**	–	–	**41.25**	42.50	(2.9)
Outstanding shares as of 30 Jun. (million) [4]	**–**	–	–	**41.25**	42.50	(2.9)
Average number of shares (million) [5]	**41.25**	42.50	(2.9)	**41.22**	42.50	(3.0)
Employees as of 30 Jun. (number) [6]	**–**	–	–	**10,959**	10,956	+ 0.0
Average number of employees (number) [6]	**10,957**	10,990	(0.3)	**10,967**	11,033	(0.6)
Personnel expenses	**165.6**	166.2	(0.4)	**332.9**	333.5	(0.2)
Closing price (XETRA) as of 30 Jun. (€)	**–**	–	–	**63.07**	45.78	+ 37.8
Market capitalisation as of 30 Jun.	**–**	–	–	**2,601.6**	1,945.7	+ 33.7
Enterprise value as of 30 Jun.	**–**	–	–	**3,340.8**	2,260.6	+ 47.8

1) adjusted for the effect of market value changes in exchange rate hedging transactions; a tax rate of 37.0 % is assumed for adjusted group earnings.
2) including provisions for pensions and mining obligations.
3) for or in connection with intangible assets as well as property, plant and equipment.
4) total number of shares less the own shares held by K+S on the reporting date.
5) total number of shares less the average number of own shares held by K+S over the period.
6) total workforce including temporary employees (without students and interns), measured on full-time equivalent basis (FTE).

Management Report

Variance € million	Q2/06	H1/06
Revenues	700.1	1,555.6
Change in revenues	**+ 17.9**	**+ 78.3**
- volume/structure	(9.4)	+ 3.7
- prices	+ 25.8	+ 59.9
- exchange rates	+ 1.5	+ 14.7
- consolidation	+ 0.0	+ 0.0

Inclusion of Chilean salt producer Sociedad Punta de Lobos S.A. (SPL)
The acquisition of SPL was completed at the end of June 2006. SPL has already been included in the balance sheet for this quarterly report, but will not be integrated into the income statement until the beginning of the third quarter of 2006.

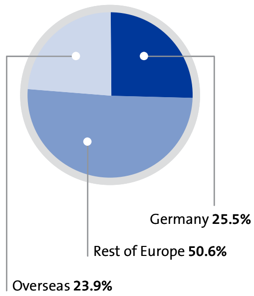
Revenues rise just under 3 % in second quarter
At € 700.1 million, revenues surpassed last year's figure by € 17.9 million or almost 3 %. In addition to somewhat positive currency effects, the increase was primarily attributable to price effects, more than making up for negative effects related to the sales structure. Because of higher world market prices for potash fertilizers on a year-on-year basis, the Potash and Magnesium Products business segment was able to increase revenues once again. The Salt business segment also profited from higher prices and an increase in early orders of de-icing salt. Both the COMPO and Waste Management and Recycling business segments also posted revenue gains. Revenues for the first half of the year rose mainly as a result of price factors by € 78.3 million to € 1,555.6 million. At € 1,183.4 million, about 76 % of group revenues were generated in Europe. At 42 %, the Potash and Magnesium Products business segment accounted for the largest share of revenues.

Second quarter operating earnings not quite on last year's high level
Operating earnings (EBIT I), adjusted for the noncash changes in the market value of the currency options that we use to hedge the US dollar, fell by € 4.7 million or 7% to € 59.4 million in the second quarter. This was particularly attributable to higher energy and freight costs in the Potash and Magnesium Products and Salt business segments. At € 172.5 million, K+S Group EBIT I for the first half of the year was, however, up € 9.0 million or 6% on the result for the same period last year due to the strong first quarter.

Market values of exchange rate hedging transactions positive in the second quarter
Under IFRSs, changes in the market value of the double-barrier options that we use to hedge the US dollar exchange rate must be reported in the income statement. While foreign currency cash gains deriving from options already exercised are included in operating earnings (EBIT I), we report noncash changes in the market value of options that are still outstanding as reconciliation to EBIT II. Changes occurring in the market value of these options until they reach maturity date are irrelevant for the operating performance of K+S. By means of active foreign currency management, we can attain a hedge that is essentially retained until the exercise date.

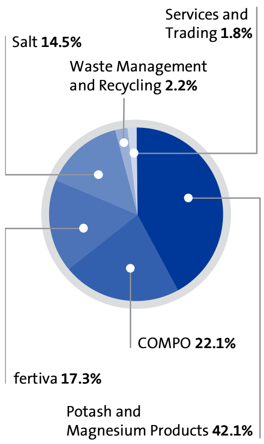
In the second quarter of 2006, earnings after market value changes (EBIT II) rose by € 47.3 million to € 67.6 million. The market value levels on the reporting date depend on such factors as the USD/EUR spot rate, exchange rate volatility and option terms.

Revenues by region
Jan. - Jun. 2006



Financial result improves in the second quarter
At € (0.2) million, the second quarter financial result showed an improvement of € 0.9 million compared with the same quarter a year ago. This was attributable to extraordinary income deriving from the sale of a property not required for operating purposes (€ 10.8 million), which was, however, made up for by non-recurring ancillary expenses related to the acquisition of SPL. As a result of the weaker financial result in the first quarter, the financial result for the first half of the year declined by € 1.0 million to € (6.1) million. Under IFRSs, not only interest expenses for pension provisions (H1/2006: € (4.6) million) but also interest expenses for other non-current provisions, essentially provisions for mining obligations (H1/2006: € (6.9) million) are disclosed in the financial result; both are noncash. Further information can be found in the Notes.

Revenues by business segment
Jan. - Jun. 2006



Adjusted earnings before and after taxes slightly lower in the second quarter
Given the limited economic meaningfulness as well as the significant degree of fluctuation in the market values of our currency option transactions, we also report earnings before taxes and after taxes adjusted for these effects. So the adjusted earnings after taxes also take account of the impact of changes in market values on deferred taxes.

Second quarter adjusted earnings before taxes amounted to € 59.2 million, which represents a decrease of € 3.8 million or 6% compared with a year ago. Because of the claiming of tax loss carryforwards inter alia, under IFRSs deferred income taxes are reported on a hypothetical basis, i.e. in the form of noncash taxes. Of total income taxes of € 23.3 million for the second quarter, just under one half were noncash. Further information on the income tax expense can be found in the Notes. Second quarter group earnings after taxes, adjusted for the effect of market value changes, amounted to € 39.0 million, which represents a decrease of € 2.1 million or 5.1%. In the first half of the year, adjusted group earnings rose by € 8.4 million to € 110.2 million.

Adjusted earnings per share almost on the same level as a year ago
For the quarter under review, adjusted earnings per share amounted to € 0.95 per share and were thus just below last year's figure (€ 0.97). This figure is based on a number of shares that averaged 41.25 million no-par value shares. For the first half of the year, it was possible to achieve an increase in adjusted earnings per share of 11% to € 2.67 (H1/2005: € 2.40). As of 30 June 2006, we held no own shares; the total number of K+S Group shares outstanding at the end of June amounted to 41.25 million no-par value shares.

H1 free cash flow before acquisitions rises 40% to € 105.7 million
At € 74.8 million, second quarter gross cash flow, i.e. cash flow before changes in working capital, was up 9% on last year's figure (Q2/2005: € 68.9 million). The higher gains realised on the disposal of assets could more than make up for the somewhat lower operating earnings. Gross cash flow for the first half of the year rose by € 11.7 million or 7% to € 188.8 million. Second quarter cash flow from operating activities amounted to € 66.5 million and thus displayed a significant decrease of € 110.1 million on the same period last year. They key factors here were a higher reduction in liabilities and the increased utilisation of current provisions. For the first six months, cash flow from operating activities amounted to € 98.2 million (H1/2005: € 110.7 million). As a result of the acquisition of SPL, second quarter cash flow from investing activities was markedly negative (€ (360.0) million). The same applies to the first half of the year, for which it stood at € (352.2) million (H1/2005: € (35.1) million).

As a result of the acquisition of SPL, second quarter free cash flow also fell significantly to € (293.5) million, against € 146.2 million a year ago. After adjustment for the acquisition payment, it amounted to € 66.2 million (Q2/2005: € 146.2 million). For the first six months, free cash flow amounted to € (254.0) million; the figure was € 105.7 million before the acquisition of SPL (H1/2005: € 75.6 million). The borrowings related to the acquisition of SPL resulted in a positive cash flow from financing activities of € 157.8 million; we have thus reported net indebtedness of € 739.2 million as of 30 June 2006.

Capital expenditure increases by 24%
Second quarter capital expenditure amounted to € 30.0 million, thus up € 5.8 million or 24% on the same period last year. Most of the capital expenditure was accounted for by the Potash and Magnesium Products business segment, with a particular focus on the replacement and expansion of underground infrastructure and energy-related capital expenditure that increased our electricity generation capacity. Capital expenditure during the first half of the year also rose from € 37.5 million to € 45.8 million. This increase was mainly due to surpluses from the previous year of about € 20 million in total.

Including the investment surpluses and the SPL capital expenditure, we expect the volume of investment for 2006 as a whole to amount to about € 150 million, of which approx. three quarters will be spent on replacement and safeguarding production. We expect depreciation charges, including SPL, to amount to about € 130 million.

At € 3.8 million, research and development costs were as expected (Q2/2005: € 3.2 million) and at € 6.9 million for the first half of the year, they were also up slightly on the figure of € 6.4 million for the same period last year. We expect research and development costs of about € 13 million for 2006.

Headcount, excluding SPL, unchanged
As of 30 June 2006, a total of 10,959 people were employed by the K+S Group, which means that their number was on last year's level. In connection with the takeover of SPL, the workforce will increase by about 800 employees. At the end of 2006, the headcount, including the SPL workforce, should be about 11,800. There were 459 trainees as of 30 June 2006.

Second quarter personnel expenses without SPL amounted to € 165.6 million, thus on about the same level as a year ago. For 2006 as a whole, we anticipate no more than a moderate percentage increase in personnel expenses; the takeover of SPL can be expected to result in additional personnel expenses of about € 7 million in the second half of the year.

Subsequent events
Anti-dumping: After completing its investigation, the European Commission once again determined that dumping was being practiced by potash producers in Russia and Belarus. Consequently, trade policy measures concerning the import of potassium chloride from Russia and Belarus were published in the Official Journal of the EU of 12 July 2006. To make up for unfair competitive advantages, various ad valorem tariffs, ranging from 12.3% to 27.5% depending on producer, will be applied for a period of five years. Insofar as Russian producers comply with the voluntary undertakings agreed with the EU Commission and Belarussian producers adhere to the guidelines defined by the EU Commission, the collecting of the tariffs will be waived. The undertakings agreed with the Russian producers envisage minimum prices and certain quotas for Russian potash exports to the EU 25. The exact basic features of the terms were agreed with the EU Commission on a bilateral basis and have not been disclosed. Minimum import prices have also been determined for potash imports from Belarus; a volume quota can also be expected to be set shortly.

China: On 21 July 2006, according to press reports, Belarussian BPC agreed, following protracted negotiations, price increases of US$ 25 per ton of potash fertilizer (MOP) with its Chinese customers for the second half of 2006. A week later, Canadian distribution organisation Canpotex and Israeli producer ICL announced that they had concluded negotiations with China at that price. This provided a positive signal for developments on the global market. Assuming that the shipments of potash products to China will begin immediately after the signing of the delivery agreements, the outflow of products from warehouses in Russia, Belarus and Canada will result in the stabilisation of the international volume and price structure for potash fertilizers and counteract the price pressure that has temporarily occurred on a regional basis.

Prospects remain positive; outlook assumes more concrete form
In the first half of the year, the K+S Group performed well despite temporarily difficult market conditions in some segments as well as higher energy and freight costs. Including SPL, to be consolidated as of the third quarter, revenues for 2006 as a whole should amount to about € 3.0 billion (2005: € 2.8 billion); we expect SPL to contribute to revenues a good € 100 million. For the K+S Group, we anticipate operating earnings (EBIT I) between € 265 million and € 280 million (2005: € 250.9 million), with SPL accounting for € 12 million to € 15 million in the second half of the year. Our outlook is based on a stabilisation of global demand for fertilizers as a result of the completion of the negotiations with China as well as on average sales of de-icing salt in the fourth quarter. Subject to these conditions, adjusted earnings after taxes for 2006 should amount to between € 160 million and € 170 million, which would correspond to adjusted earnings per share of approximately € 3.90 to € 4.10 per share.

The Board of Executive Directors, 4 August 2006

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, actual events may deviate from those expected.

Business Segments of the K+S Group

Potash and Magnesium Products	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**319.0**	306.4	+ 4.1	**655.0**	618.6	+ 5.9
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**60.5**	67.6	(10.5)	**122.0**	125.2	(2.6)
Operating earnings (EBIT I)	**41.7**	46.4	(10.1)	**83.8**	83.1	+ 0.8
Operating EBIT margin in %	13.1	15.1		12.8	13.4	
Earnings after market value changes (EBIT II)	**49.8**	3.9	> 100.0	**142.8**	88.7	+ 61.0
Capital expenditure	**18.5**	15.9	+ 16.4	**29.6**	24.8	+ 19.4
Employees as of 30 Jun. (number)	**–**	–	–	**7,446**	7,463	(0.2)

Variance € million	Q2/06	H1/06
Revenues	319.0	655.0
Change in revenues	**+ 12.6**	**+ 36.4**
- Potassium chloride	+ 12.4	+ 18.6
- Fertilizer specialities	(5.5)	+ 5.5
- Industrial products	+ 5.7	+ 12.3

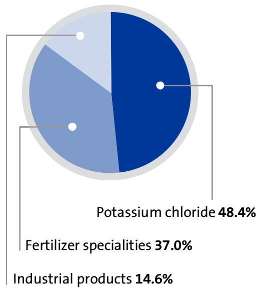
In the second quarter too, the demand situation on the global potash market was adversely affected by the protracted price negotiations with China not completed until July. Purchasing restraint prevailed on some markets in the absence of an agreement.

Second quarter revenues for the Potash and Magnesium Products business segment rose by 4% to € 319.0 million primarily as a result of price factors. For potassium chloride, revenues increased mainly price-related by 8% to € 162.0 million. With respect to industrial products too, revenues of € 47.4 million were up almost 14% year-on-year mainly as a result of price factors. By contrast, revenues generated by fertilizer specialities fell by just under 5%; higher prices could not fully make up for the decline in volume. This decline in sales is largely attributable to decreased sales in Europe resulting from weather conditions. Business segment revenues for the first half of the year attained € 655.0 million, up just under 6% because of higher prices.

At € 41.7 million, operating earnings were down € 4.7 million or 10% on the same period last year. Increased average prices for potash and magnesium products faced markedly higher energy and freight costs. Nevertheless, operating earnings for the first six months amounted to € 83.8 million, up slightly on the same period last year.

For 2006, we expect the Potash and Magnesium Products business segment to post higher revenues, especially as a result of the price effects coming into force this year. Despite high energy cost increases, operating earnings should rise this year as a result of the more favourable US dollar hedging that is anticipated.

Revenues by product group
Jan. - Jun. 2006



COMPO	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**145.6**	144.8	+ 0.6	**343.3**	344.0	(0.2)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**12.1**	9.7	+ 24.7	**30.8**	30.7	+ 0.3
Operating earnings (EBIT I)	**9.7**	7.3	+ 32.9	**26.0**	25.6	+ 1.6
Operating EBIT margin in %	6.7	5.0		7.6	7.4	
Earnings after market value changes (EBIT II)	**9.8**	6.1	+ 60.7	**27.0**	24.8	+ 8.9
Capital expenditure	**1.6**	2.3	(30.4)	**3.5**	3.5	+ 0.0
Employees as of 30 Jun. (number)	**–**	–	–	**1,275**	1,283	(0.6)

Variance € million	Q2/06	H1/06
Revenues	145.6	343.3
Change in revenues	**+ 0.8**	**(0.7)**
- Consumer business	+ 3.7	+ 6.6
- Professional/ industrial business	(2.9)	(7.3)

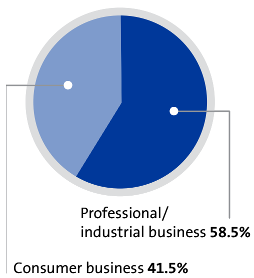
In the case of the consumer business, the muted start to the season prompted by weather conditions could be partially made up for by higher demand in May. The reduction in trade sector inventories resulted in corresponding new orders. There was also a tangible upturn in the professional business.

At € 145.6 million, second quarter revenues were up slightly on the same period last year. Consumer segment revenues rose by 6% to € 67.3 million; after adjustment for the minor change in the definition of the professional/industrial business and the consumer business since the beginning of the year, revenues were on about the same level as a year ago. Professional business revenues declined by almost 4% to about € 78.3 million; without the effect of the redefinition, there would have been an increase in revenues of about 1%. The slight sales decreases in Europe could be more than offset by higher prices and increased exports. H1 business segment revenues were € 343.3 million, approximating the level of a year ago.

It was possible to increase Q2 operating earnings by € 2.4 million to € 9.7 million. Next to higher revenues, this is also attributable to the successes resulting from our efficiency enhancement measures implemented last year. At € 26.0 million, operating earnings for the first six months were up slightly on the same period last year, with the shortfall from the first quarter being more than made up for.

We expect to see a slight rise in revenues for 2006. Rising professional business exports to Latin America will contribute to this. Operating earnings, too, should improve on the previous year, with further efficiency enhancements helping in this respect.

Revenues by segment
Jan. - Jun. 2006

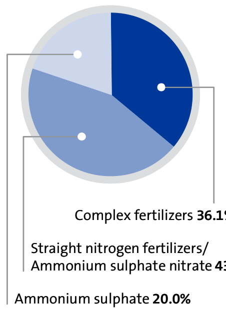


Business Segments of the K+S Group

Variance € million	Q2/06	H1/06
Revenues	137.6	269.8
Change in revenues	**(0.7)**	**+ 11.1**
- Complex fertilizers	+ 0.9	+ 10.2
- Straight nitrogen fertilizers/ Ammonium sulphate nitrate	(1.6)	+ 4.4
- Ammonium sulphate	+ 0.0	(3.5)

fertiva	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**137.6**	138.3	(0.5)	**269.8**	258.7	+ 4.3
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**5.2**	5.3	(1.9)	**9.1**	10.9	(16.5)
Operating earnings (EBIT I)	**5.0**	5.3	(5.7)	**8.8**	10.7	(17.8)
Operating EBIT margin in %	3.6	3.8		3.3	4.1	
Earnings after market value changes (EBIT II)	**5.0**	5.3	(5.7)	**8.8**	10.7	(17.8)
Capital expenditure	**0.0**	0.0	–	**0.0**	0.2	(100.0)
Employees as of 30 Jun. (number)	**–**	–	–	**59**	56	+ 5.4

Revenues by product group
Jan. - Jun. 2006



As a result of high trade sector inventories in Europe, demand for nitrogenous fertilizers was moderate in the second quarter. In addition, the late start to the fertilising season due to weather conditions had a negative impact. In the overseas business too, demand was below last year. On the cost side, the price of the important raw material ammonia did indeed fall by the end of the quarter, but the average price still remained on a very high level.

At € 137.6 million, fertiva's revenues for the second quarter were on last year's level. As to complex fertilizers, a decline in volume could be more than offset by significantly higher prices, prompting revenues to rise by 2% to € 54.4 million. Revenues for the straight nitrogen fertilizer segment fell by 3% to € 55.2 million as a result of lower volume, especially in the overseas business. It was possible to increase sales of ammonium sulphate thanks to greater availability. The revenue decrease overseas could therefore be fully offset resulting in revenues of € 28.0 million at last year's level. In addition to somewhat higher volumes, business segment revenues for the first six months rose by € 11.1 million or 4% to € 269.8 million as a result of price and currency factors.

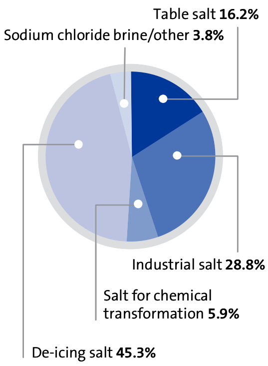
Second quarter operating earnings amounted to € 5.0 million and thus almost attained the same level as a year ago. Price increases and a slight decline in acquisition costs caused second quarter margins to improve in relation to the first quarter. Operating earnings for the first six months amounted to € 8.8 million and were thus € 1.9 million or 18% down on the same period last year as a result of the weaker first quarter.

We expect revenues to increase slightly in 2006 due to higher average prices for nitrogenous fertilizers. However, the price increases will probably not suffice to fully offset the higher raw material costs expected for the year as a whole. Following last year's very good result, we thus expect slightly lower earnings.

Variance € million	Q2/06	H1/06
Revenues	67.7	225.4
Change in revenues	**+ 2.5**	**+ 24.1**
- Table salt	+ 0.9	+ 1.1
- Industrial salt	+ 0.8	+ 3.2
- Salt for chemical transformation	+ 0.0	+ 1.2
- De-icing salt	+ 1.4	+ 19.2
- Sodium chloride brine/ other	(0.6)	(0.6)

Salt (excluding SPL)	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**67.7**	65.2	+ 3.8	**225.4**	201.3	+ 12.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**5.9**	7.3	(19.2)	**58.9**	51.5	+ 14.4
Operating earnings (EBIT I)	**0.4**	2.0	(80.0)	**47.9**	40.9	+ 17.1
Operating EBIT margin in %	0.6	3.1		21.3	20.3	
Earnings after market value changes (EBIT II)	**0.4**	2.0	(80.0)	**47.9**	40.9	+ 17.1
Capital expenditure	**6.7**	2.8	> 100.0	**8.2**	4.3	+ 90.7
Employees as of 30 Jun. (number)	**–**	–	–	**1,390**	1,374	+ 1.2

Revenues by product group
Jan. - Jun. 2006



The Western European salt market was in good shape in the second quarter too. The market situation elsewhere in Europe allowed for price increases with costs rising significantly. In Germany, however, the positive price trend was restrained. Competition in high-price specialities and in de-icing salt has intensified.

Business segment revenues for the period under review amounted to € 67.7 million, up just under 4% on the same period last year due to price and volume factors. Table salt revenues rose by 5% to € 18.2 million, not only due to higher volume but also to price increases in almost all foreign markets. In the industrial salt segment, it was possible to increase revenues by 3% mainly as a result of price factors. With regard to de-icing salt, an increase in early orders helped to bring about a volume-driven increase in revenues of 16% to € 9.7 million. The very robust de-icing salt business in the first quarter was also the key factor behind the 12% increase in H1 business segment revenues to € 225.4 million.

Q2 operating earnings fell by € 1.6 million to € 0.4 million, mainly because of significantly higher energy and logistics costs. H1 operating earnings rose by € 7.0 million or 17% to € 47.9 million, with the above-average de-icing salt business in the first quarter more than making up for price-related cost increases.

With weather factors prompting a very good start to 2006, we expect European business revenues for the whole year to be up slightly on the preceding year. Due to high cost increases, we assume that, from today's perspective, operating earnings will, however, be down slightly on the previous year's exceptional figure.

Waste Management and Recycling	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**17.7**	14.8	+ 19.6	**34.7**	27.3	+ 27.1
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**4.4**	3.9	+ 12.8	**8.6**	6.0	+ 43.3
Operating earnings (EBIT I)	**3.7**	3.2	+ 15.6	**7.3**	4.7	+ 55.3
Operating EBIT margin in %	20.9	21.6		21.0	17.2	
Earnings after market value changes (EBIT II)	**3.7**	3.2	+ 15.6	**7.3**	4.7	+ 55.3
Capital expenditure	**1.3**	0.4	> 100.0	**1.6**	0.5	> 100.0
Employees as of 30 Jun. (number)	**–**	–	–	**34**	35	(2.9)

Variance € million	Q2/06	H1/06
Revenues	17.7	34.7
Change in revenues	**+ 2.9**	**+ 7.4**
- Disposal	(0.2)	+ 0.1
- Reutilisation	+ 1.8	+ 3.8
- Recycling	+ 1.3	+ 3.5

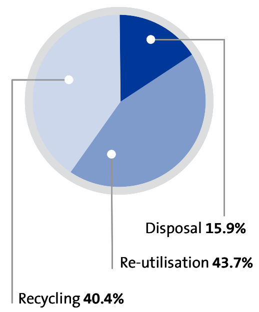
In the case of waste reutilisation, the positive trend in the flue gas cleaning residues market segment continued. By contrast, the disposal business continued to experience very intense competition. The aluminium recycling business continued to develop favourably, with recycling capacity fully utilised.

During Q2, revenues rose by almost 20% to € 17.7 million as a result of price and volume factors. At € 3.0 million (Q2/2005: € 3.2 million), revenues for underground waste disposal were down somewhat; budgetary constraints in the public sector have made it impossible to acquire follow-up projects as to the clean-up of pre-existing environmental contamination. However, we achieved revenue growth of 31% to € 7.6 million in underground waste reutilisation, with the increase mainly driven by volume factors. This was a reflection of the continued positive effects of the more stringent legal requirements to be applied to the treatment of domestic waste since June 2005. Higher prices for aluminium granulate caused recycling business revenues to rise by € 1.3 million or 22% to € 7.1 million in the second quarter. For the first half of the year, the business segment achieved an increase in revenues of € 7.4 million or 27% to € 34.7 million.

Q2 operating earnings rose by € 0.5 million or 16% to € 3.7 million due to the positive trends in the aluminium recycling and reutilisation businesses. It should be noted that the same quarter last year benefited from extraordinary income of € 0.4 million. At € 7.3 million, the business segment achieved a 55% increase in operating earnings for the first six months compared with the same period last year.

For 2006, we expect revenues to increase on the previous year, because of higher prices for aluminium granulate and significant growth in the processing of flue gas cleaning residues. Like the development of revenues, we assume that operating earnings will increase tangibly.

Revenues by segment
Jan. - Jun. 2006



Services and Trading	Apr. - Jun. (Q2)			Jan. - Jun. (H1)		
€ million	2006	2005	%	2006	2005	%
Revenues	**12.5**	12.7	(1.6)	**27.4**	27.4	+ 0.0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**7.7**	7.1	+ 8.5	**16.5**	14.7	+ 12.2
Operating earnings (EBIT I)	**6.3**	5.6	+ 12.5	**13.6**	11.7	+ 16.2
Operating EBIT margin in %	50.4	44.1		49.6	42.7	
Earnings after market value changes (EBIT II)	**6.3**	5.6	+ 12.5	**13.6**	11.7	+ 16.2
Capital expenditure	**1.4**	2.4	(41.7)	**2.4**	3.5	(31.4)
Employees as of 30 Jun. (number)	**–**	–	–	**401**	383	+ 4.8

Variance € million	Q2/06	H1/06
Revenues	12.5	27.4
Change in revenues	**(0.2)**	**+ 0.0**
- Granulation	+ 0.6	+ 1.3
- Logistics	(0.4)	(0.4)
- Trading	(0.5)	(1.3)
- IT, analytical services	+ 0.1	+ 0.4

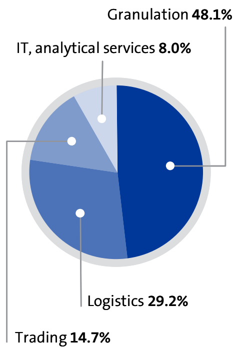
Services and Trading business segment revenues rose slightly to € 12.5 million in the second quarter of 2006. The revenues deriving from services supplied to K+S Group companies, especially in the case of logistics, are not included in this figure.

In the logistics area, revenues totalled € 4.0 million and were thus up 8% on the same period last year. Lower freight forwarding and transhipment business for third parties were the key factors. In the trading business, revenues fell by € 0.5 million to € 1.3 million as a result of changes in billing terms without affecting profit or loss. Revenues for IT and analytical services (€ 1.1 million) were up 11% on the same period last year as a result of additional orders in the analytical services area. With the CATSAN® (granulation) business performing well due to volume factors, it was possible to make up for the revenue decreases in trading and logistics to a very large extent; revenues for the business rose by about € 0.6 million to € 6.1 million. At € 27.4 million, business segment revenues for the first six months were on exactly the same level as a year ago.

At € 6.3 million, operating earnings were up € 0.7 million or 13% on the same period last year mainly because of the higher contribution to earnings made by logistics. The key factors here were an increase in product handling and higher exports for the Potash and Magnesium Products business segment. The business segment was able to boost H1 operating earnings by 16% to € 13.6 million.

We expect the course of business in the Services and Trading business segment to remain stable. Revenues and earnings for this year should at least attain the good levels of the previous year once again.

Revenues by segment
Jan. - Jun. 2006



Financial Section

Explanatory notes; structural changes

The interim reports of the K+S Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) since 2005. The valuation principles applied in these quarterly financial statements correspond to those applied to the corresponding period. The interim figures are unaudited.

As a result of the SPL acquisition, the scope of consolidation as of 30 June 2006 was extended to include 18 companies in the balance sheet for the first time; inclusion in the group income statement will take place as of the third quarter.

Group income statement	Apr. - Jun. (Q2)		Jan. - Jun. (H1)	
€ million	2006	2005	2006	2005
Revenues	**700.1**	682.2	**1,555.6**	1,477.3
Cost of sales	478.5	451.9	998.1	950.3
Gross profit	**221.6**	230.3	**557.5**	527.0
Gross margin in %	31.7	33.8	35.8	35.7
Selling expenses	163.5	164.7	364.7	351.2
of which freight costs	92.8	89.7	215.1	197.4
General and administrative expenses	20.1	18.5	37.7	36.0
Research and development costs	3.8	3.2	6.9	6.4
Other operating income/expenses	24.4	16.6	23.2	26.5
Income from investments, net	0.8	3.6	1.1	3.6
Operating earnings (EBIT I)	**59.4**	64.1	**172.5**	163.5
Operating EBIT margin in %	8.5	9.4	11.1	11.1
Market value changes from exchange rate hedging transactions	8.2	(43.8)	59.9	4.8
Earnings after market value changes (EBIT II)	**67.6**	20.3	**232.4**	168.3
Interest income, net	(3.5)	(3.6)	(9.2)	(8.9)
Other financial result	3.3	2.5	3.1	3.8
Financial result	**(0.2)**	(1.1)	**(6.1)**	(5.1)
Earnings before income taxes	**67.4**	19.2	**226.3**	163.2
Earnings before income taxes, adjusted*	**59.2**	63.0	**166.4**	158.4
Taxes on income	23.3	5.7	78.4	58.4
of which deferred taxes	10.5	(11.9)	40.7	22.1
Earnings after taxes	**44.1**	13.5	**147.9**	104.8
Minority interests in earnings	0.0	0.0	0.0	0.0
Group earnings after taxes and minority interests	**44.1**	13.5	**147.9**	104.8
Elimination of market value changes	(5.1)	27.6	(37.7)	(3.0)
Group earnings after taxes, adjusted*	**39.0**	41.1	**110.2**	101.8
Earnings per share in € (undiluted ≙ diluted)	1.07	0.32	3.59	2.47
Earnings per share in €, adjusted*	**0.95**	0.97	**2.67**	2.40
Average number of shares (million)	41.25	42.50	41.22	42.50

* Adjusted for the effect of market value changes in exchange rate hedging transactions; a tax rate of 37.0 % is assumed for adjusted group earnings.

Statement of changes in equity	Subscribed capital	Additional paid-in capital	Profit retained/ revenue reserves	Differences from foreign currency translation	Fair value reserve	Minority interests	Equity
€ million							
Balance as of 1 January 2006	108.8	8.7	804.6	(0.2)	20.1	0.1	942.1
Dividend for previous year	–	–	(74.2)	–	–	–	(74.2)
Earnings after taxes for the period	–	–	147.9	–	–	–	147.9
Cancellation of own shares	–	–	–	–	–	–	–
Subscription of employee shares	–	(3.8)	–	–	–	–	(3.8)
Market value of securities	–	–	–	–	2.5	–	2.5
Consolidation effects	–	–	–	0.9	–	0.6	1.5
Other neutral changes	–	–	2.7	–	(9.4)	–	(6.7)
Balance as of 30 June 2006	**108.8**	**4.9**	**881.0**	**0.7**	**13.2**	**0.7**	**1,009.3**
Balance as of 1 January 2005	108.8	4.7	756.3	(1.4)	16.0	–	884.4
Dividend for previous year	–	–	(55.3)	–	–	–	(55.3)
Earnings after taxes for the period	–	–	104.8	–	–	–	104.8
Market value of securities	–	–	–	–	(0.2)	–	(0.2)
Consolidation effects	–	–	–	–	–	–	–
Other neutral changes	–	–	2.5	–	16.1	–	18.6
Balance as of 30 June 2005	108.8	4.7	808.3	(1.4)	31.9	–	952.3

Balance sheet - assets			
€ million	30.06.2006	30.06.2005	31.12.2005
Intangible assets	424.3	106.5	82.2
of which goodwill from acquisitions	13.9	13.9	13.9
of which balance from the acquisition of SPL*	321.2	–	–
Property, plant and equipment	817.0	797.6	791.9
Investment properties	8.9	11.0	11.2
Financial assets	18.8	20.3	19.3
Receivables and other assets	10.4	3.5	2.0
Securities	36.6	48.8	56.0
Deferred tax assets	44.3	77.0	58.2
Non-current assets	**1,360.3**	1,064.7	1,020.8
Inventories	315.8	237.6	281.3
Accounts receivable – trade	609.2	573.3	598.2
Other receivables and assets	295.1	157.0	206.2
of which derivative financial instruments	170.0	67.7	120.9
Recoverable income taxes	4.6	3.9	2.6
Securities	58.5	117.8	76.0
Cash and cash equivalents	77.8	86.9	74.0
Current assets	**1,361.0**	1,176.5	1,238.3
ASSETS	**2,721.3**	2,241.2	2,259.1

Balance sheet - equity and liabilities			
€ million	30.06.2006	30.06.2005	31.12.2005
Subscribed capital	108.8	108.8	108.8
Additional paid-in capital	4.9	4.7	8.7
Other revenue reserves and profit retained	895.0	838.8	824.6
Minority interests	0.6	–	0.0
Equity	**1,009.3**	952.3	942.1
Bank loans and overdrafts	257.4	16.3	6.0
Other liabilities	11.4	10.3	10.8
Provisions for pensions and similar obligations	173.0	217.3	171.7
Provisions for mining obligations	326.0	324.2	324.9
Other provisions	128.2	107.4	138.0
Deferred taxes	45.7	20.0	13.7
Non-current debt	**941.7**	695.5	665.1
Bank loans and overdrafts	151.5	7.2	23.5
Accounts payable – trade	307.7	295.7	354.0
Other liabilities	84.6	76.2	72.2
of which derivative financial instruments	19.6	18.8	27.7
Income tax liabilities	28.4	31.7	19.9
Provisions	198.1	182.6	182.3
Current liabilities	**770.3**	593.4	651.9
EQUITY AND LIABILITIES	**2,721.3**	2,241.2	2,259.1

* The figure reported derives from the difference between acquisition costs and the equity of the companies acquired. However, it is of a temporary character as it has not been possible so far to allocate the difference to individual assets and liabilities as well as residual goodwill.

Net debt	Apr. - Jun. (Q2)		Jan. - Jun. (H1)	
€ million	2006	2005	2006	2005
Net debt at the beginning of the period	(308.1)	(416.6)	(324.0)	(333.1)
Cash and cash equivalents	77.8	86.9	77.8	86.9
Liabilities due to banks < 3 months	(100.0)	0.0	(100.0)	0.0
Cash invested with affiliated companies*	–	–	–	–
Cash received from affiliated companies*	(4.2)	(3.3)	(4.2)	(3.3)
Net cash and cash equivalents as of 30 June	**(26.4)**	83.6	**(26.4)**	83.6
Securities	95.1	166.6	95.1	166.6
Liabilities due to banks > 3 months	(308.9)	(23.6)	(308.9)	(23.6)
Provisions for pensions and similar obligations	(173.0)	(217.3)	(173.0)	(217.3)
Provisions for mining obligations	(326.0)	(324.2)	(326.0)	(324.2)
Net debt as of 30 June	**(739.2)**	(314.9)	**(739.2)**	(314.9)

* companies not included in the scope of consolidation

Financial Section

Cash flow statement	Apr. - Jun. (Q2)		Jan. - Jun. (H1)	
€ million	2006	2005	2006	2005
Operating earnings (EBIT I)	**59.4**	64.1	**172.5**	163.5
Depreciation and amortisation on fixed assets*	29.8	31.9	59.8	63.7
Release of negative consolidation differences	–	–	–	(1.8)
Decrease(-)/increase(+) in non-current provisions (without interest rate effects)	(10.8)	(12.3)	(16.7)	(17.3)
Interest received, dividends and similar income	4.2	3.0	5.5	4.6
Losses(-)/gains(+) realised on the disposal of financial assets, investment properties and securities	11.1	0.9	12.7	3.0
Interest paid	(1.9)	(1.0)	(3.1)	(2.2)
Other financing expenses	(4.2)	–	(4.2)	–
Income tax paid	(12.8)	(17.7)	(37.7)	(36.4)
Gross cash flow	**74.8**	68.9	**188.8**	177.1
Gain(-)/loss(+) on disposals of fixed assets	(11.5)	(0.7)	(14.5)	(4.6)
Increase(-)/decrease(+) in inventories	10.4	2.2	20.6	17.1
Increase(-)/decrease(+) in receivables and other assets from operating activities	99.5	117.5	(22.7)	(96.2)
Decrease(-)/increase(+) in liabilities from operating activities	(43.1)	19.4	(62.0)	(22.5)
Decrease(-)/increase(+) in current provisions	(61.4)	(30.7)	(9.4)	39.8
Out-financing of provisions	(2.2)	–	(2.6)	–
Cash flow provided by(+)/used in(-) operating activities	**66.5**	176.6	**98.2**	110.7
Proceeds from disposals of fixed assets	12.5	2.3	15.5	4.9
Disbursements for intangible assets	(0.9)	(1.4)	(1.8)	(1.9)
Disbursements for property, plant and equipment	(29.0)	(23.2)	(44.0)	(36.0)
Disbursements for financial assets	0.0	0.9	(0.1)	(0.2)
Disbursements for acquisition of consolidated companies	(359.7)	–	(359.7)	–
Proceeds from sale/disbursements for acquisition of securities	17.1	(9.0)	37.9	(1.9)
Cash flow used in investing activities	**(360.0)**	(30.4)	**(352.2)**	(35.1)
Free cash flow	**(293.5)**	146.2	**(254.0)**	75.6
Payment of dividend	(74.2)	(55.3)	(74.2)	(55.3)
Purchase of own shares	7.5	2.6	–	–
Taking out(+)/repayment of(-) loans	230.5	1.3	232.0	3.0
Cash flow provided by(+)/used in(-) financing activities	**163.8**	(51.4)	**157.8**	(52.3)
Change in cash and cash equivalents affecting cash flow	**(129.7)**	94.8	**(96.2)**	23.3
Change in value of cash and cash equivalents	(0.2)	–	–	–
Changes from consolidation	–	–	–	(1.5)
Change in cash and cash equivalents	**(129.9)**	94.8	**(96.2)**	21.8

* on intangible assets as well as property, plant and equipment

Notes

Seasonal factors

There are seasonal differences over the course of the year that affect sales of fertilizers and salt products. In the case of fertilizers, we generally attain our highest revenues in the first half of the year because of the use of fertilizers in Europe during the spring. This effect can either be enhanced or diminished by overseas sales. Sales of salt products – especially of de-icing salt – largely depend on winter weather conditions during the first and fourth quarters.

In the aggregate, both these effects mean that revenues and earnings in particular are greatest during the first half of the year.

Geographical breakdown of revenues

In addition to the chart showing the geographical breakdown of K+S Group revenues as shown in the Management Report, the following table shows revenues, volume and average prices for our largest business segment, Potash and Magnesium Products:

Potash and Magnesium Products Business Segment		Q1/05	Q2/05	H1/05	Q3/05	Q4/05	2005	Q1/06	Q2/06	H1/06
Revenues*	€ million	312.2	306.4	618.6	261.4	317.2	1,197.2	336.0	**319.0**	**655.0**
- Europe	€ million	219.4	204.1	423.5	166.3	181.4	771.2	226.2	**189.2**	**415.4**
- Overseas	€ million	92.8	102.3	195.1	95.1	135.8	426.0	109.8	**129.8**	**239.6**
Volume	million tons	2.11	2.06	4.17	1.77	1.92	7.86	2.11	**2.08**	**4.19**
- Europe	million tons	1.48	1.42	2.90	1.13	1.20	5.23	1.45	**1.25**	**2.70**
- Overseas	million tons	0.63	0.64	1.27	0.64	0.72	2.63	0.66	**0.83**	**1.49**
Average price	per ton in €	148.0	148.7	148.3	147.7	165.2	152.3	159.4	**153.2**	**156.3**
- Europe	per ton in €	148.2	143.7	146.0	147.2	151.2	147.5	156.0	**151.1**	**153.7**
- Overseas	per ton in €	147.3	159.8	153.6	148.6	188.6	162.0	166.9	**156.4**	**161.0**

* Revenues include prices both inclusive and exclusive of freight costs and are based on the respective USD/EUR spot exchange rates in the case of overseas revenues. Hedging transactions have been concluded for most of the revenues, enabling us to achieve more attractive EUR revenues than indicated here. These effects are included in other operating income. The information on prices is to be understood solely as providing a rough indication.

Foreign currency result in EBIT I

Exchange rates are generally hedged using double-barrier options. The terms of the derivatives employed vary and extend until the middle of 2009. It should be noted that hedging transactions are only effective as long as the USD/EUR spot rate remains within agreed barriers: If need be, these can be adjusted by paying additional premiums. For 2006, they currently lie between USD/EUR 1.12 and USD/EUR 1.35.

We have hedged a total of USD 500 million for 2006 (2005: USD 480 million). Average hedged rates per quarter for the Potash and Magnesium Products business segment are as follows:

Potash and Magnesium Products Business Segment	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06	Q3/06e	Q4/06e	2006e
USD/EUR hedged rate after premiums*	1.17	1.17	1.14	1.12	1.15	1.13	**1.09**	1.06	1.05	**1.07**
Average USD/EUR spot rate	1.31	1.26	1.22	1.19	1.24	1.20	**1.26**	–	–	**–**

* As of the Q3/06, the values are anticipated ones; they apply on the assumption that no adjustments to existing hedging transactions will be necessary.

Interest income, net				
€ million	Q2/06	Q2/05	H1/06	H1/05
Interest income	**4.2**	3.0	**5.5**	4.6
Interest expense	**(7.7)**	(6.6)	**(14.7)**	(13.5)
of which interest expense for pension provisions	**(2.3)**	(2.4)	**(4.6)**	(4.7)
of which interest expense for provisions for mining obligations	**(3.4)**	(3.3)	**(6.9)**	(6.6)
Interest income, net	**(3.5)**	(3.6)	**(9.2)**	(8.9)

The actuarial valuation of pension provisions is performed using the projected unit credit method in accordance with IAS 19. The following parameters were applied in computing pension provisions:

- Trend in salary increases: 1.5%
- Trend in pension increases: 1.5%
- Discount factor: 4.6%

The following parameters were taken into account in computing a large portion of the provisions for mining obligations:

- Trend in price increases: 1.5%
- Discount factor: 5.0%

Taxes on income				
€ million	Q2/06	Q2/05	H1/06	H1/05
Corporation tax	**5.1**	5.7	**13.1**	9.7
Trade tax on income	**7.2**	8.3	**20.1**	17.9
Foreign income taxes	**0.5**	3.6	**4.5**	8.7
Deferred taxes	**10.5**	(11.9)	**40.7**	22.1
Taxes on income	**23.3**	5.7	**78.4**	58.4

Noncash deferred taxes result from tax loss carryforwards as well as other temporary tax-related measurement differences, especially changes in the market value of our options.

Contingent liabilities
There have been no significant changes in contingent liabilities in relation to the annual financial statements for 2005 and they can be classified as immaterial overall.

Summary by Quarter

Revenues and operating earnings (IFRSs)			2005					2006	
€ million	Q1	Q2	H1	Q3	Q4	2005	Q1	Q2	H1
Potash and Magnesium Products	312.2	306.4	618.6	261.4	317.2	1,197.2	336.0	**319.0**	**655.0**
COMPO	199.2	144.8	344.0	89.9	107.8	541.7	197.7	**145.6**	**343.3**
fertiva	120.4	138.3	258.7	170.1	139.5	568.3	132.2	**137.6**	**269.8**
Salt	136.1	65.2	201.3	75.1	121.6	398.0	157.7	**67.7**	**225.4**
Waste Management and Recycling	12.5	14.8	27.3	13.7	15.0	56.0	17.0	**17.7**	**34.7**
Services and Trading	14.7	12.7	27.4	12.2	14.9	54.5	14.9	**12.5**	**27.4**
K+S Group revenues	795.1	682.2	1,477.3	622.4	716.0	2,815.7	855.5	**700.1**	**1,555.6**
Potash and Magnesium Products	36.7	46.4	83.1	31.7	37.0	151.8	42.1	**41.7**	**83.8**
COMPO	18.3	7.3	25.6	(1.4)	0.8	25.0	16.3	**9.7**	**26.0**
fertiva	5.4	5.3	10.7	2.5	1.6	14.8	3.8	**5.0**	**8.8**
Salt	38.9	2.0	40.9	4.4	17.4	62.7	47.5	**0.4**	**47.9**
Waste Management and Recycling	1.5	3.2	4.7	1.8	1.6	8.1	3.6	**3.7**	**7.3**
Services and Trading	6.1	5.6	11.7	5.6	2.8	20.1	7.3	**6.3**	**13.6**
Reconciliation	(7.5)	(5.7)	(13.2)	(6.0)	(12.4)	(31.6)	(7.5)	**(7.4)**	**(14.9)**
K+S Group EBIT I	99.4	64.1	163.5	38.6	48.8	250.9	113.1	**59.4**	**172.5**

Income statements (IFRSs)			2005					2006	
€ million	Q1	Q2	H1	Q3	Q4	2005	Q1	Q2	H1
Revenues	795.1	682.2	1,477.3	622.4	716.0	2,815.7	855.5	**700.1**	**1,555.6**
Cost of sales	498.4	451.9	950.3	421.0	439.9	1,811.2	519.6	**478.5**	**998.1**
Gross profit	296.7	230.3	527.0	201.4	276.1	1,004.5	335.9	**221.6**	**557.5**
Selling expenses	186.5	164.7	351.2	143.6	178.2	673.0	201.2	**163.5**	**364.7**
General and administrative expenses	17.5	18.5	36.0	17.6	18.1	71.7	17.6	**20.1**	**37.7**
Research and development costs	3.2	3.2	6.4	3.5	3.1	13.0	3.1	**3.8**	**6.9**
Other operating income/expenses	9.9	16.6	26.5	1.0	(32.5)	(5.0)	(1.2)	**24.4**	**23.2**
Income from investments, net	0.0	3.6	3.6	0.9	4.6	9.1	0.3	**0.8**	**1.1**
Operating earnings (EBIT I)	99.4	64.1	163.5	38.6	48.8	250.9	113.1	**59.4**	**172.5**
Market value changes resulting from hedging transactions	48.6	(43.8)	4.8	15.0	1.0	20.8	51.7	**8.2**	**59.9**
Earnings after market value changes (EBIT II)	148.0	20.3	168.3	53.6	49.8	271.7	164.8	**67.6**	**232.4**
Financial result	(4.0)	(1.1)	(5.1)	(2.1)	(4.9)	(12.1)	(5.9)	**(0.2)**	**(6.1)**
Earnings before income taxes	144.0	19.2	163.2	51.5	44.9	259.6	158.9	**67.4**	**226.3**
Earnings before income taxes, adjusted*	95.4	63.0	158.4	36.5	43.9	238.8	107.2	**59.2**	**166.4**
Taxes on income	52.7	5.7	58.4	18.2	8.6	85.2	55.1	**23.3**	**78.4**
of which deferred taxes	34.0	(11.9)	22.1	13.1	0.3	35.5	30.2	**10.5**	**40.7**
Earnings after taxes	91.3	13.5	104.8	33.3	36.3	174.4	103.8	**44.1**	**147.9**
Elimination of market value changes	(30.6)	27.6	(3.0)	(9.5)	(0.6)	(13.1)	(32.6)	**(5.1)**	**(37.7)**
Group earnings after taxes, adjusted*	60.7	41.1	101.8	23.8	35.7	161.3	71.2	**39.0**	**110.2**

* Adjusted for the effect of market value changes in exchange rate hedging transactions; a tax rate of 37.0 % is assumed for adjusted group earnings.

Other key data (IFRSs)			2005					2006	
€ million	Q1	Q2	H1	Q3	Q4	2005	Q1	Q2	H1
Capital expenditure (€ million) [1]	13.3	24.2	37.5	28.2	41.4	107.1	15.8	**30.0**	**45.8**
Depreciation and amortisation (€ million) [1]	31.8	31.9	63.7	31.5	37.0	132.2	30.0	**29.8**	**59.8**
Gross cash flow (€ million)	108.2	68.9	177.1	60.4	104.0	341.5	114.0	**74.8**	**188.8**
Earnings per share, adjusted (€) [2]	1.43	0.97	2.40	0.56	0.86	3.81	1.73	**0.95**	**2.67**
Gross cash flow per share (€)	2.55	1.62	4.17	1.42	2.49	8.07	2.77	**1.81**	**4.58**
Book value per share, adjusted (€) [2]	22.05	–	22.40	22.84	–	22.43	23.88	**–**	**22.58**
Total number of shares (million)	42.50	–	42.50	42.50	–	42.50	41.25	**–**	**41.25**
Number of shares outstanding (million) [3]	42.44	–	42.50	42.50	–	41.25	41.13	**–**	**41.25**
Average number of shares (million) [4]	42.48	42.50	42.50	42.50	41.70	42.31	41.20	**41.25**	**41.22**
Employees as of the reporting date (number)	11,048	–	10,956	11,051	–	11,012	10,979	**–**	**10,959**
Closing price (XETRA, €)	43.62	–	45.78	58.74	–	51.05	66.60	**–**	**63.07**

1) For or in connection with intangible assets, property, plant and equipment.
2) Adjusted for the effect of market value changes; 37.0 % tax rate imputed.
3) Total number of shares less the own shares held by K+S on the reporting date.
4) Total number of shares less the average number of own shares held by K+S over the period.

Dates	2006/2007
Interim report 30 September 2006	14 November 2006
Analyst conference, Frankfurt am Main	14 November 2006
Report on business in 2006	15 March 2007
Press and analyst conference, Frankfurt am Main	15 March 2007
Annual General Meeting, Kassel	9 May 2007
Interim report 31 March 2007	9 May 2007
Dividend payment	10 May 2007
Interim report 30 June 2007	14 August 2007

Contact

K+S Aktiengesellschaft
Bertha-von-Suttner-Str. 7
34131 Kassel (Germany)
phone: +49 (0) 561/9 301-0
fax: +49 (0) 561/9 301-17 53
internet: www.k-plus-s.com

Investor Relations
phone: +49 (0) 561/9 301-14 60
fax: +49 (0) 561/9 301-24 25
e-mail: investor-relations@k-plus-s.com

Communications
phone: +49 (0) 561/9 301-17 22
fax: +49 (0) 561/9 301-16 66
e-mail: pr@k-plus-s.com

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