Quarterly Report 03/05

July – September

Revenues for the first nine months rise to **€ 2.1 billion** (+10 %)

Operating earnings (EBIT I) rise 53 % to **€ 202.1 million**

Earnings per share (adjusted) at **€ 2.96** (+57 %)

Outlook for the entire year raised to adjusted
€ 3.20 to € 3.40 per share
(previously: € 2.95 to € 3.30 per share)

K+S

Experience growth.

Key Data Business Development

Key Figures (IFRSs)	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**622.4**	537.0	+ 15.9	**2,099.7**	1,907.9	+ 10.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**70.1**	56.0	+ 25.2	**297.3**	227.9	+ 30.5
EBITDA margin in %	**11.3**	10.4		**14.2**	11.9	
Operating earnings (EBIT I)	**38.6**	26.2	+ 47.3	**202.1**	132.5	+ 52.5
Operating EBIT margin in %	**6.2**	4.9		**9.6**	6.9	
Earnings after market value changes (EBIT II)	**53.6**	39.1	+ 37.1	**221.9**	145.3	+ 52.7
Earnings before income taxes	**51.5**	35.3	+ 45.9	**214.7**	132.9	+ 61.6
Earnings before taxes, adjusted 1)	**36.5**	22.4	+ 62.9	**194.9**	120.1	+ 62.3
Earnings after taxes	**33.3**	23.5	+ 41.7	**138.1**	87.9	+ 57.1
Earnings after taxes, adjusted 1)	**24.0**	15.4	+ 55.8	**125.8**	79.9	+ 57.4
Gross cash flow	**60.4**	61.0	- 1.0	**237.5**	217.0	+ 9.4
Net liquid funds as of 30 Sept.	**–**	–	–	**317.2**	281.2	+ 12.8
Capital expenditure 2)	**28.2**	38.1	- 26.0	**65.7**	85.1	- 22.8
Depreciation 2)	**31.5**	29.8	+ 5.7	**95.2**	95.4	- 0.2
Earnings after taxes per share, adjusted 1) (€)	**0.56**	0.36	+ 55.6	**2.96**	1.88	+ 57.4
Gross cash flow per share (€)	**1.42**	1.44	- 1.4	**5.59**	5.11	+ 9.4
Book value per share as of 30 Sept., adjusted 1) (€)	**–**	–	–	**22.84**	19.95	+ 14.5
Total number of shares as of 30 Sept. (million)	**–**	–	–	**42.5**	42.5	–
Outstanding shares as of 30 Sept. (million) 3)	**–**	–	–	**42.5**	42.5	–
Average number of shares (million) 4)	**42.5**	42.5	–	**42.5**	42.5	–
Employees as of 30 Sept. (number) 5)	**–**	–	–	**11,051**	11,080	- 0.3
Average number of employees (number) 5)	**10,986**	11,042	- 0.5	**11,018**	11,089	- 0.6
Personnel expenses	**148.6**	146.6	+ 1.4	**482.1**	454.7	+ 6.0
Closing price (XETRA) as of 30 Sept. (€)	**–**	–	–	**58.74**	34.64	+ 69.6
Market capitalization as of 30 Sept.	**–**	–	–	**2,496.5**	1,472.2	+ 69.6
Enterprise value as of 30 Sept.	**–**	–	–	**2,680.8**	1,733.5	+ 54.6

1) Adjusted for the effect of market value changes; a tax rate of 37.8 % has been assumed for adjusted earnings after taxes.
2) For or in connection with intangible assets and tangible fixed assets.
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 shares held by K+S over the period.
5) Workforce including temporary employees (without students and interns) measured on full-time equivalent basis (FTE).

Management Report

Variance analysis	Q3/05	9M/05
Revenues (€ million)	622.4	2,099.7
Change in revenues (€ million)	**+ 85.4**	**+ 191.8**
- resulting from volume/ structural factors	+ 44.3	+ 9.4
- resulting from prices	+ 35.1	+ 166.7
- resulting from exchange rates	+ 2.0	- 12.5
- resulting from consolidation	+ 4.0	+ 28.2

Third quarter revenues rise by 16 %
At € 622.4 million, third quarter revenues exceeded the figure for the same period last year by € 85.4 million or 16 %. As was already the case in the first half of the year, the Potash and Magnesium Products and fertiva business segments posted strong gains because of the significant rise in world market prices for potash and nitrogen fertilizers on a year-on-year basis. COMPO was also able to boost third quarter revenues significantly thanks to continued success in marketing stabilised ENTEC® fertilizers.

K+S Group revenues for the first nine months rose by € 192 million or 10 % to € 2.1 billion mainly as a result of price factors. At 42 %, the Potash and Magnesium Products business segment accounted for the largest share of revenues. In total, € 1.6 billion or just under 80 % of Group revenues were generated in Europe, where we are able to leverage the logistical advantages that we enjoy over our overseas competitors in the fertilizer business in particular.

Third quarter operating earnings up 47 %
Operating earnings (EBIT I) largely correspond to the definition of EBIT hitherto applied under HGB. It is free of non-cash changes in market value of the options that we use to hedge the U.S. dollar and only include the foreign currency gains actually achieved as a result of exchange rate hedging for the period under review. We are of the opinion that the operating earnings (EBIT I) provide a better indication of the operating earnings capacity of the K+S Group than the earnings after market value changes (EBIT II).

We achieved a tangible increase in the operating earnings (EBIT I) for the third quarter of 2005, boosting them by € 12.4 million or 47 % to € 38.6 million. With the exception of the Waste Management and Recycling as well as the Salt business segments, all the business segments were able to improve on their operating earnings. At € 31.7 million, the Potash and Magnesium Products business segment not only accounted for the largest share, but also achieved by far the greatest increase (+ 66 %). At € 202.1 million, K+S Group EBIT I for the first nine months of 2005 was € 69.6 million or 53 % up year-on-year.

Market values of hedging transactions higher as of 30 September 2005
Under IFRSs, changes in the market value of the double barrier options that we use to hedge the U.S. dollar exchange rate must be recognized in the income statement. While foreign currency cash gains deriving from options already exercised are included in the operating earnings (EBIT I), we report the non-cash changes in market value as reconciliation to EBIT II for those options that are still outstanding. Changes in market value up to the time when they fall due are irrelevant for the operating earnings of K+S. By means of active foreign currency management and, if necessary, by paying additional premiums to adjust the barriers we can ensure that the hedge is maintained until the exercise date.

The earnings after market value changes (EBIT II) for the third quarter of 2005 rose by € 14.5 million to € 53.6 million; the improvement in EBIT I was further enhanced by the positive trend in the market values of our double barrier options. The market value levels on the reporting date depend on such factors as the USD/EUR spot rate, exchange rate volatility and the option terms. At € 221.9 million, EBIT II for the first nine months of 2005 was € 76.6 million or 53 % up year-on-year.

Third quarter financial result improves tangibly
The financial result for the third quarter amounted to € -2.1 million and was € 1.7 million up on the figure for the same period last year; this was due to higher gains on investments in securities. The improvement in the financial result for the first nine months, which at € -7.2 million showed an improvement of € 5.2 million, was even more pronounced than for the third quarter; in this case too, increased gains in securities contributed to the result. Under IFRSs, in addition to the interest expense for pension provisions (9M 2005: € -7.1 million) the financial result includes the interest expense for other long-term provisions which mainly relate to mining obligations (9M 2005: € -10.0 million); both are non-cash. Further details can be found in the Notes.

Strong rise in adjusted earnings before and after taxes
Given limited economic meaningfulness as well as the considerable fluctuations to which the market values of our currency option transactions are subject, we report earnings before taxes as well as after taxes following adjustment for these effects. The latter thus takes account of the impact of changes in market values on deferred taxes.

Adjusted earnings before taxes for the third quarter amounted to € 36.5 million, which represents a substantial increase of € 14.1 million or 63 % compared with a year ago. Adjusted earnings before taxes for the first nine months rose by € 74.8 million or 62 % to € 194.9 million.

In reporting income taxes too, the changeover to IFRSs has resulted in significant changes for K+S compared with reporting under HGB: Despite the claiming of tax loss carryforwards, income taxes are reported on an imputed basis by taking account of deferred, i. e. non-cash taxes. For the first nine months, € 35.2 million, or just under one half, of total income taxes of € 76.6 million were non-cash. Further details of income taxation can be found in the Notes.

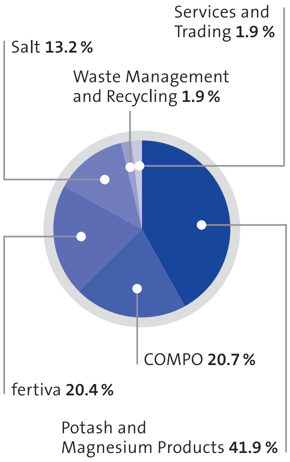
Earnings after taxes, adjusted for the effect of changes in market value, for the third quarter amounted to € 24.0 million, which represents a significant increase of 56 %. At € 125.8 million for the first nine months, they were up € 45.9 million or 57 % year-on-year.

Third quarter adjusted earnings per share up 56 %
At € 0.56 per share, adjusted earnings per share for the quarter under review were up € 0.20 or 56 % year-on-year. As for the same period last year, this figure is based on an average 42.5 million no-par value shares. Adjusted earnings per share for the first nine months amounted to € 2.96, up € 1.08 or 57% year-on-year.

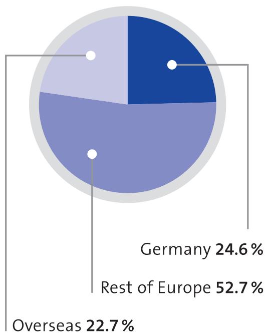
We held no shares of our own as of 30 September 2005.

Third quarter free cash flow up 14 %
At € 60.4 million, gross cash flow for the third quarter was almost on the same level as a year ago (Q3/2004: € 61.0 million). The increase in operating earnings could among other things compensate for higher tax payments. For the first nine months, gross cash flow rose by € 20.5 million or 9 % to € 237.5 million. Third quarter cash flow from operating activities amounted to € 150.1 million and was thus just € 3.1 million down on the figure for the same period last year. There was a smaller decline in receivables and an increase in liabilities. For the first nine months, cash flow from operating activities rose by € 29.9 million or 13 % to € 260.8 million. A decline in investment activity saw third quarter disbursements for investments in tangible fixed and financial assets fall by € 18.7 million to € -25.0 million. The decline for the first nine months, one of € 105.1 million to € -60.1 million, was even greater, as the figure for the same period last year was influenced by the acquisition of the shares in esco. This also resulted in a significant increase in free cash flow, which amounted to € 125.1 million for the third quarter, compared with € 109.5 million a year ago, and to € 200.7 million for the first nine months, compared with € 65.7 million a year ago.

Revenues by business segment
Jan. - Sept. 2005



Revenues by region
Jan. - Sept. 2005



Net liquid funds as of 30 September 2005 totalled € 317.2 million, up € 36.0 million on the same period last year. It should be noted that as of 30 September 2005, liquid funds in the amount of € 3.4 million as well as securities in the amount of € 40.9 million were excluded for the purpose of financing pensions and similar obligations. Net liquid funds tend to reach their highest level in the third quarter.

Third quarter capital expenditure down according to plan
Third quarter capital expenditure amounted to € 28.2 million and was thus € 9.9 million down on the corresponding figure for last year's quarter. This is mainly attributable to last year's successful completion of the brine field expansion in the Salt business segment as well as the completion of the Sylvinite project in the Potash and Magnesium Products business segment. At € 65.7 million, the level of capital expenditure for the first nine months was also down appreciably, by € 19.4 million or 23 % year-on-year.

For 2005 as a whole, we expect the volume of capital expenditure to amount to between € 125 million and € 130 million. It is planned that about three quarters of this amount will be used for maintenance and ensuring production. We expect depreciation to amount to about € 130 million.

At € 3.5 million, third quarter research and development costs were up slightly year-on-year (€ 2.8 million). For the year 2005, we expect R&D costs to approximate € 15 million; this approximates last year's figure.

Headcount slightly lower
The K+S Group employed a total of 11,051 persons as of 30 September 2005. This figure barely changed compared with 30 September 2004 (11,080 employees). The workforce has increased as a result of consolidation factors connected with the acquisition of French SCPA activities. Without this structural effect, the number of employees would have fallen by just under 2 %. There were 588 trainees as of 30 September 2005. At the end of the year too, the number of employees should remain on the current level.

Personnel expenses for the third quarter, including outlays connected with semi-retirement and early retirement as well as profit-related bonuses, amounted to € 148.6 million, thus representing a slight increase of € 2 million or 1 %. Personnel expenses for the first nine months amounted to € 482.1 million and were thus up € 27.4 million or 6 % on the same period last year mainly as a result of the increase in profit-related bonuses for employees.

Subsequent events
On 7 October 2005, the Board of Executive Directors of K+S Aktiengesellschaft resolved a share repurchase programme via the stock exchange. Under the programme, 1,250,000 shares, i.e. just under 3 % of the share capital, are to be acquired by the end of the year. At the current share price, this corresponds to about € 70 million. The purpose of the repurchase is to subsequently cancel the shares with the approval of the Supervisory Board. In addition, we have made a start on separating off pension provisions totalling just under € 50 million via a Contractual Trust Arrangement (CTA model). With allocations under the CTA model, the corresponding financial means will be employed for the specific purpose of meeting pension obligations and will therefore be reported as off-balance sheet items. Whether this first step will be followed by further ones is under consideration.

The share repurchase and the exclusion of pension provisions from the balance sheet will optimize the capital structure of the K+S Group without limiting the necessary scope for manoeuvre with respect to contemplated acquisition and cooperation targets. The Board of Executive Directors is steadfastly pursuing its goal of bolstering the international competitive position of the K+S Group through external growth.

In agreement with the Supervisory Board of K+S Aktiengesellschaft, Joachim Vogt will not extend his contract as a member of the Board of Executive Directors and will be leaving the Company as of 31 December 2005. His duties will be assumed by Dr. Ralf Bethke as of 1 January 2006. At its meeting on 24 August 2005, the Supervisory Board appointed Joachim Felker, member of the Board of Management of K+S KALI GmbH, a member of the Board of Executive Directors of K+S Aktiengesellschaft as of 1 October 2005. Mr. Felker is taking over responsibility for the Potash and Magnesium Products and fertiva business segments from Dr. Bethke.

Outlook raised
Business will continue to develop positively over the remaining weeks of 2005 and as a result, we have raised our earnings outlook for 2005. Revenues for 2005 as a whole should reach just under € 2.8 billion (previously: € 2.6 billion to € 2.8 billion; 2004: € 2.5 billion). We now expect the operating earnings (EBIT I) to amount to between € 225 million and € 235 million (previously: between € 215 million and € 230 million; 2004: € 161.6 million), assuming average sales of de-icing salt until the end of the year as well as a U.S. dollar exchange rate that will remain within a range of USD/EUR 1.15 to 1.30. Subject to the conditions described above, adjusted earnings after taxes for 2005 should amount to between € 135 million and € 145 million, corresponding to adjusted earnings per share of approximately € 3.20 to € 3.40 per share (previously: between € 2.95 and € 3.30 per share; 2004: € 2.32 per share).

We are also confident about 2006 provided that there will be no deterioration in the general economic environment in the coming year. Our outlook is based on such factors as continued good demand for potash fertilizers worldwide as well as further efficiency enhancements in the Potash and Magnesium Products and COMPO business segments.

The Board of Executive Directors, 4 November 2005

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 at the present time.

Business Segments of the K+S Group

Potash and Magnesium Products	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**261.4**	224.7	+ 16.3	**880.0**	772.1	+ 14.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**52.5**	38.4	+ 36.7	**177.7**	117.0	+ 51.9
Operating earnings (EBIT I)	**31.7**	19.1	+ 66.0	**114.8**	54.8	+ 109.5
Operating EBIT margin in %	12.1	8.5		13.0	7.1	
Earnings after market value changes (EBIT II)	**45.6**	31.5	+ 44.8	**134.3**	67.7	+ 98.4
Capital expenditure	**18.8**	26.5	- 29.1	**43.6**	52.7	- 17.3
Employees as of 30 September (number)	**–**	–	–	**7,523**	7,580	- 0.8

Variance analysis	Q3/05	9M/05
Revenues (€ million)	261.4	880.0
Change in revenues (€ million)	**+ 36.7**	**+ 107.9**
- Potassium chloride	+ 20.9	+ 49.4
- Fertilizer specialities	+ 12.8	+ 46.0
- Industrial products	+ 3.0	+ 12.5

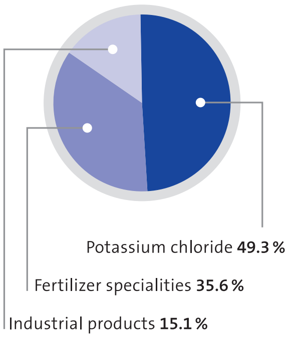
During the first half of 2005, demand on the world potash market had risen by just under 4% compared with the first half of 2004. During the third quarter, there were further strong gains on the Asian markets while the trend on other markets was somewhat weaker. Consolidation is particularly noticeable in Brazil, following the sharp increase seen in preceding years.

Third quarter revenues rose by 16% to € 261.4 million. Higher price levels on all markets and increased sales in Europe contributed to this increase. In the case of potassium chloride, revenues amounted to € 135.7 million, up 18% as a result of price and volume factors. In the fertilizer specialities segment too, revenues were up 18% on the same period last year to total € 83.5 million, mainly due to the good trend in potassium sulphate, as was the case in the first half of the year. Revenues for industrial products (€ 42.2 million) were up 8% on the same quarter last year. At € 880 million, business segment revenues for the first nine months were up 14%.

The operating earnings for the third quarter amounted to € 31.7 million, an increase of € 12.6 million or 66%. It was possible to make up for the backlog in sales for the first half of the year, which, with markedly higher average prices for potash and magnesium products, contributed to the above average rise in earnings. Operating earnings for the first nine months amounted to € 114.8 million (+110%), reflecting the positive trend in prices as well as the sustained savings resulting from efficiency enhancement measures.

For financial year 2005, we expect revenues to be tangibly higher than for 2004 as a result of price-related effects while we expect sales to remain on the level of a year ago. The operating earnings will increase significantly as a result of higher average prices above all.

Revenues by product group
Jan. - Sept. 2005



COMPO	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**89.9**	78.8	+ 14.1	**433.9**	423.0	+ 2.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**0.9**	2.4	- 62.5	**31.6**	30.7	+ 2.9
Operating earnings (EBIT I)	**- 1.4**	- 1.7	+ 17.6	**24.2**	21.7	+ 11.5
Operating EBIT margin in %	–	–		5.6	5.1	
Earnings after market value changes (EBIT II)	**- 0.4**	- 1.3	+ 69.2	**24.4**	22.2	+ 9.9
Capital expenditure	**3.1**	4.0	- 22.5	**6.6**	7.1	- 7.0
Employees as of 30 September (number)	**–**	–	–	**1,286**	1,303	- 1.3

Variance analysis	Q3/05	9M/05
Revenues (€ million)	89.9	433.9
Change in revenues (€ million)	**+ 11.1**	**+ 10.9**
- Consumer business	- 2.6	- 5.8
- Professional / industrial business	+ 13.7	+ 16.7

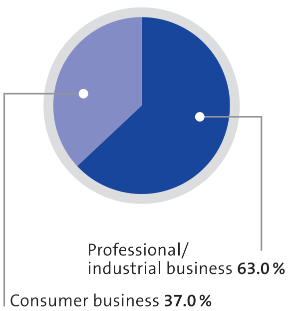
While the consumer business in the third quarter again suffered from continued economic weakness and consumer restraint in some parts of Europe, the professional business was very successful thanks to a very strong early stocking-up season.

Revenues for the third quarter of 2005 rose by € 11.1 million or 14% to € 89.9 million: Volume growth as well as moderate price increases were the main factors in this regard. In the consumer area, revenues dropped by 9% to € 24.8 million; the rainy months of July and August depressed sales of potting soil and plant care products. By contrast, the professional business showed an improvement, with revenues rising by 27% to € 65.1 million; good demand for slow-release fertilizers as well as successful early stocking-up in the case of ENTEC® fertilizers were the main factors in this regard. COMPO business segment revenues for the first nine months reached € 433.9 million and were thus 3% up on the level of a year ago.

The operating earnings for the third quarter, which is generally weaker because of seasonal factors, amounted to € -1.4 million, but showed an improvement of € 0.3 million on the figure for the same period last year. Cost increases for the raw materials used could be offset to a very great extent. The operating earnings for the first nine months rose by € 2.5 million or 12% to € 24.2 million.

We expect a slight rise in revenues for 2005. The operating earnings should once again approximate the level of a year ago; the efficiency enhancements initiated, entailing one-off expenses, will have a positive impact as of next year. The cooperation with Syngenta, one of the world's leading manufacturers of plant protection products, announced at the end of September, should increase COMPO's earnings capacity over the medium term in a sustained manner through the development and marketing of a full range of plant protection products and pesticides for the European consumer market.

Revenues by product group
Jan. - Sept. 2005

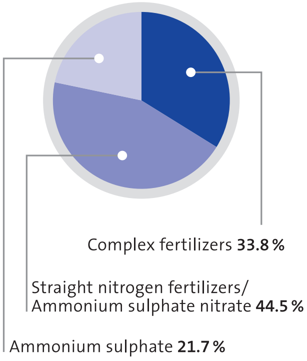


Business Segments of the K+S Group

Variance analysis	Q3/05	9M/05
Revenues (€ million)	170.1	428.8
Change in revenues (€ million)	**+ 37.5**	**+ 58.4**
- Complex fertilizers	+ 17.2	+ 27.6
- Straight nitrogen fertilizers/ Ammonium sulphate nitrate	+ 13.8	+ 15.3
- Ammonium sulphate	+ 6.5	+ 15.5

fertiva	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**170.1**	132.6	+ 28.3	**428.8**	370.4	+ 15.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**2.7**	0.1	> 100	**13.6**	7.5	+ 81.3
Operating earnings (EBIT I)	**2.5**	0.0	–	**13.2**	7.2	+ 83.3
Operating EBIT margin in %	1.5	–		3.1	1.9	
Earnings after market value changes (EBIT II)	2.5	0.2	> 100	**13.2**	6.7	+ 97.0
Capital expenditure	**0.1**	0.4	- 75.0	**0.3**	0.8	- 62.5
Employees as of 30 September (number)	–	–	–	**56**	54	+ 3.7

Revenues by product group
Jan. - Sept. 2005



The third quarter was characterized by strong demand for nitrogenous fertilizers, as the trading sector expects that nitrogen fertilizer prices will also increase as a result of rising energy prices and sought to ensure a more attractive price level by means of advantageous early stocking-up prices. Low supply worldwide led to tangible price increases.

For the third quarter of 2005, fertiva achieved an increase in revenues of € 37.5 million or 28 % to € 170.1 million. Significantly higher prices as well as increased sales were key factors in this regard. Thus, the revenues attributable to complex fertilizers increased by 42 % to € 58.0 million for price and volume reasons. In the case of straight nitrogen fertilizers, price factors primarily caused revenues to rise to € 76.4 million, representing an increase of 22 %. Ammonium sulphate revenues also rose by 22 % to € 35.7 million. With price levels only rising slightly, greater volume was the main factor in this respect. Strong demand and related higher prices for nitrogenous fertilizers caused business segment revenues for the first nine months of the year to rise by € 58.4 million or 16 %.

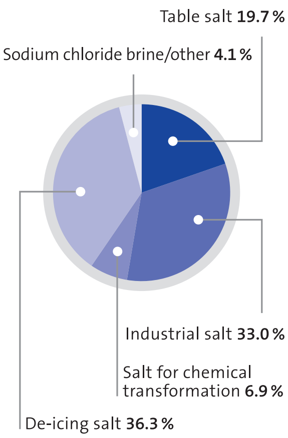
The operating earnings (EBIT I) for the third quarter reached € 2.5 million and thus showed a clear improvement on the same period last year. Higher margins as well as increased sales were the main factors behind the rise. Earnings for the first nine months rose by € 6.0 million or 83 % to € 13.2 million for the same reasons.

For 2005, a tangible increase in revenues and earnings compared with 2004 is likely.

Variance analysis	Q3/05	9M/05
Revenues (€ million)	75.1	276.4
Change in revenues (€ million)	**+ 2.0**	**+ 16.8**
- Table salt	–	- 0.7
- Industrial salt	+ 0.3	- 1.2
- Salt for chemical transformation	- 0.3	- 1.7
- De-icing salt	+ 1.9	+ 19.1
- Sodium chloride brine/other	+ 0.1	+ 1.3

Salt	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**75.1**	73.1	+ 2.7	**276.4**	259.6	+ 6.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**10.0**	10.3	- 2.9	**61.5**	57.5	+ 7.0
Operating earnings (EBIT I)	**4.4**	6.0	- 26.7	**45.3**	41.7	+ 8.6
Operating EBIT margin in %	5.9	8.2		16.4	16.1	
Earnings after market value changes (EBIT II)	4.4	6.0	- 26.7	45.3	41.7	+ 8.6
Capital expenditure	**2.9**	4.9	- 40.8	**7.2**	19.1	- 62.3
Employees as of 30 September (number)	–	–	–	**1,391**	1,357	+ 2.5

Revenues by product group
Jan. - Sept. 2005



As was the case in the first half of the year, the Western European salt market saw competition on a high level but remained stable. With the exception of de-icing salt, only limited volume increases are possible.

The business segment's revenues for the quarter under review amounted to € 75.1 million and were thus 3 % higher than a year ago. A slight decline in volume could be compensated for by price adjustments, especially in the case of de-icing salt. Table salt revenues (€ 18.9 million) were on exactly the same level as a year ago while industrial salt revenues rose slightly to € 29.5 million. In the case of salt for chemical transformation, revenues fell by 4 % as a result of volume factors. Good early purchase business in Europe caused de-icing salt revenues to rise by 12 % to € 17.7 million. The very good course of the de-icing business in the first half of the year was also the key factor behind the growth in revenues for the first nine months, which were up 7 % to total € 276.4 million.

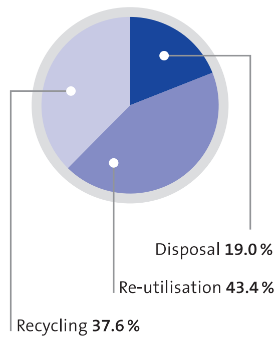
The decrease in the operating earnings for the third quarter, which fell by € 1.6 million to € 4.4 million, is mainly due to the increase in energy and freight costs. The operating earnings for the first nine months rose by € 3.6 million or 9 % to € 45.3 million.

Revenues and operating earnings for 2005 as a whole will depend on the winter business at the close of the year in particular. Given appropriate weather at the end of the year, it appears possible to attain last year's very good levels.

Waste Management and Recycling	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**13.7**	14.8	- 7.4	**41.0**	44.6	- 8.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**2.4**	3.3	- 27.3	**8.4**	10.0	- 16.0
Operating earnings (EBIT I)	**1.8**	2.2	- 18.2	**6.5**	6.8	- 4.4
Operating EBIT margin in %	13.1	14.9		15.9	15.2	
Earnings after market value changes (EBIT II)	1.8	2.2	- 18.2	6.5	6.8	- 4.4
Capital expenditure	**1.1**	0.4	+ 175.0	**1.6**	0.7	+ 128.6
Employees as of 30 September (number)	**–**	–	–	**35**	34	+ 2.9

Variance analysis	Q3/05	9M/05
Revenues (€ million)	13.7	41.0
Change in revenues (€ million)	**- 1.1**	**- 3.6**
- Disposal	- 2.4	- 7.3
- Re-utilisation	+ 1.0	+ 2.0
- Recycling	+ 0.3	+ 1.7

Revenues by segment
Jan. - Sept. 2005



The waste management market in Germany saw very fierce competition in the third quarter too. Prices remained on a relatively low level despite changes in the legal environment which came into force in June 2005 and which essentially mean that untreated residential waste can no longer be stored above ground. Nevertheless, it can be expected over the medium term that the increase in filter dust and flue gas cleaning residues from domestic waste incineration plants will provide a positive stimulus to the market for underground re-utilisation.

During the quarter under review, revenues fell by 7 % to € 13.7 million as a result of volume factors. At € 2.4 million (Q3/2004: € 4.8 million), revenues generated by underground waste disposal were significantly lower. It has hitherto not proved possible to acquire follow-up projects for the major projects involving the clean-up of pre-existing environmental contamination that ended last year. By contrast, underground waste re-utilisation saw a volume-related increase of 18 % to € 6.5 million. This reflects the positive impact of the more stringent legal requirements in respect of residential waste in force since June 2005. At € 4.8 million, the recycling business in the third quarter was also up on the same period last year as a result of volume factors. The business segment posted revenues of € 41.0 million for the first nine months, with the decline of 8 % essentially attributable to lower volume for underground disposal.

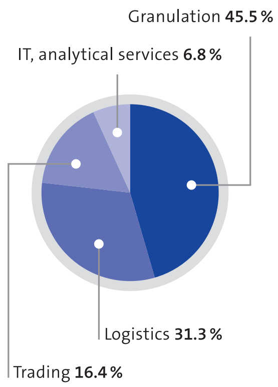
The third quarter operating earnings fell by € 0.4 million to € 1.8 million as a result of lower volume in underground disposal. For the first nine months, the business segment achieved operating earnings of € 6.5 million, down somewhat on the figure for a year ago (-4 %).

We expect revenues for 2005 to be down slightly on the preceding year, which benefited from special projects involving the clean-up of pre-existing environmental contamination. Analogously, we assume a limited decline in the operating earnings.

Services and Trading	July - Sept. (Q3)			Jan. - Sept. (9M)		
€ million	2005	2004	%	2005	2004	%
Revenues	**12.2**	13.0	- 6.2	**39.6**	38.2	+ 3.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**7.1**	6.8	+ 4.4	**21.8**	23.3	- 6.4
Operating earnings (EBIT I)	**5.6**	5.4	+ 3.7	**17.3**	18.8	- 8.0
Operating EBIT margin in %	45.9	41.5		43.7	49.2	
Earnings after market value changes (EBIT II)	5.6	5.4	+ 3.7	17.3	18.8	- 8.0
Capital expenditure	**1.7**	2.1	- 19.0	**5.2**	4.2	+ 23.8
Employees as of 30 September (number)	**–**	–	–	**394**	388	+ 1.5

Variance analysis	Q3/05	9M/05
Revenues (€ million)	12.2	39.6
Change in revenues (€ million)	**- 0.8**	**+ 1.4**
- Granulation	- 0.6	- 0.4
- Logistics	+ 0.7	+ 1.9
- Trading	- 0.8	- 0.1
- IT, analytical services	- 0.1	–

Revenues by segment
Jan. - Sept. 2005



Revenues for the Services and Trading business segment in the third quarter of 2005 fell by € 0.8 million to € 12.2 million. The revenues deriving from services rendered to K+S Group companies, especially in the case of logistics, are not included in this figure.

In the case of logistics, revenues rose by € 0.7 million to € 4.0 million as a result of an increase in grain handling for third parties at the KTG facility in Hamburg once again. In the case of the other segments, i.e. the production of CATSAN® (granulation), the trading business as well as IT and analytical services, revenues were down somewhat on the same period last year. For the first nine months, the business segment posted revenues deriving from third-party business of € 39.6 million, with the increase of 4 % attributable to the positive logistics business.

Despite the decline in third-party business revenues, the business segment's operating earnings for the third quarter amounted to € 5.6 million and were slightly above the level of a year ago. The operating earnings for the first nine months fell by € 1.5 million to € 17.3 million, which was mainly due to the lower earnings for logistics as well as for granulation.

For 2005 as a whole, the Services and Trading business segment revenues should fall slightly below the good level achieved in 2004 and the operating earnings are also expected to be somewhat below last year's very good level.

Financial Section

Explanatory notes; structural changes
The interim reports of the K+S Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as of 2005. The corresponding period for 2004 has been adjusted accordingly. The measurement principles applied in these quarterly financial statements correspond to those applied to the corresponding period. The interim figures are unaudited.

The scope of consolidation was extended for seven companies as of 1 January 2005.

Group Income Statement	July - Sept. (Q3)		Jan. - Sept. (9M)	
€ million	2005	2004	2005	2004
Revenues	**622.4**	537.0	**2,099.7**	1,907.9
Cost of sales	421.0	370.5	1,371.3	1,258.1
Gross profit	**201.4**	166.5	**728.4**	649.8
Gross margin in %	32.4	31.0	34.7	34.1
Selling expenses	143.6	131.0	494.8	469.2
including: freight costs	82.0	70.4	276.0	251.7
General and administrative expenses	17.6	13.6	53.6	46.1
Research and development costs	3.5	2.8	9.9	8.7
Other operating income/expenses	1.0	6.6	27.5	4.9
Result from investment, net	0.9	0.5	4.5	1.8
Operating earnings (EBIT I)	**38.6**	26.2	**202.1**	132.5
Operating EBIT margin in %	6.2	4.9	9.6	6.9
Market value changes resulting from hedging transactions	15.0	12.9	19.8	12.8
Earnings after market value changes (EBIT II)	**53.6**	39.1	**221.9**	145.3
Interest income, net	- 4.5	- 4.7	- 13.4	- 14.8
Other financial result	2.4	0.9	6.2	2.4
Financial result	**- 2.1**	- 3.8	**- 7.2**	- 12.4
Earnings before income taxes	**51.5**	35.3	**214.7**	132.9
Earnings before taxes, adjusted*	**36.5**	22.4	**194.9**	120.1
Taxes on income	18.2	11.8	76.6	45.0
of which: deferred taxes	13.1	10.2	35.2	27.7
Earnings after taxes	**33.3**	23.5	**138.1**	87.9
Elimination of market changes	- 9.3	- 8.1	- 12.3	- 8.0
Earnings after taxes, adjusted*	**24.0**	15.4	**125.8**	79.9
Earnings per share in € (undiluted ≙ diluted)	0.78	0.55	3.25	2.07
Earnings per share in €, adjusted*	**0.56**	0.36	**2.96**	1.88
Average number of shares (million)	42.5	42.5	42.5	42.5

* Adjusted for the effect of market value changes; a tax rate of 37.8 % has been assumed for adjusted earnings after taxes.

Statement of Changes in Equity	Subscribed capital	Additional paid-in capital	Profit retained/ revenue reserves	Differences from foreign currency translation	Other reserves not recognized in net profit/loss	Equity
€ million						
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	–	–	138.1	–	–	**138.1**
Market valuation of securities	–	–	–	–	5.8	**5.8**
Foreign currency adjustments	–	–	–	- 0.8	–	**- 0.8**
Consolidation effects	–	–	–	–	–	**–**
Other neutral changes	–	–	3.2	–	10.8	**14.0**
As of 30 September 2005	**108.8**	**4.7**	**842.3**	**- 2.2**	**32.6**	**986.2**
As of 1 January 2004	108.8	4.6	715.4	- 1.2	14.5	842.1
Dividend for previous year	–	–	- 42.5	–	–	- 42.5
Earnings after taxes for the period	–	–	87.9	–	–	87.9
Market valuation of securities	–	–	–	–	- 2.8	- 2.8
Foreign currency adjustments	–	–	–	–	–	–
Consolidation effects	–	0.1	- 3.8	–	–	- 3.7
Other neutral changes	–	–	3.9	–	- 0.1	3.8
As of 30 September 2004	108.8	4.7	760.9	- 1.2	11.6	884.8

Balance Sheet - Assets			
€ million	30.09.2005	30.09.2004	31.12.2004
Intangible assets	99.4	74.9	78.4
Tangible fixed assets	794.3	806.9	814.7
Investment properties	11.1	12.4	11.7
Financial assets	19.7	20.7	26.3
Fixed assets	**924.5**	914.9	931.1
Inventories	249.7	219.9	249.0
Accounts receivable – trade	494.2	444.1	506.0
Other receivables and assets	206.0	118.8	120.9
of which: derivative financial instruments	139.0	57.2	21.5
Securities	133.6	151.4	163.9
Cash and cash equivalents	217.2	151.5	91.5
Current assets	**1,300.7**	1,085.7	1,131.3
Deferred tax assets	**71.7**	97.1	96.8
Prepaid expenses	**4.5**	2.5	3.0
ASSETS	**2,301.4**	2,100.2	2,162.2

Balance Sheet - Equity and Liabilities			
€ million	30.09.2005	30.09.2004	31.12.2004
Subscribed capital	108.8	108.8	108.8
Additional paid-in capital	4.7	4.7	4.7
Revenue reserves and profit retained	840.1	760.9	756.3
Reserves not recognized in net profit/loss	32.6	10.4	14.6
Equity	**986.2**	884.8	884.4
Provisions for pensions	176.2	221.3	217.7
Provisions for mining obligations	325.3	321.2	322.0
Other provisions	94.8	94.2	100.0
Provisions	**596.3**	636.7	639.7
Accounts payable – trade	309.8	277.9	321.8
Liabilities due to banks	30.0	19.1	57.8
Accruals	236.2	170.2	167.4
Other liabilities	98.0	66.9	62.5
Liabilities	**674.0**	534.1	609.5
Deferred tax liabilities	**29.5**	34.8	19.4
Deferred income	**15.4**	9.8	9.2
EQUITY AND LIABILITIES	**2,301.4**	2,100.2	2,162.2

Net Liquid Funds	July - Sept. (Q3)		Jan. - Sept. (9M)	
€ million	2005	2004	2005	2004
Net liquid funds at the beginning of the period	226.6	168.0	205.1	269.4
Cash and cash equivalents	217.2	151.5	217.2	151.5
Short-term liabilities due to banks	–	0.5	–	0.5
Cash invested with affiliated companies*	–	–	–	–
Cash received from affiliated companies*	- 3.6	- 3.2	- 3.6	- 3.2
Net cash and cash equivalents as of 30 September	**213.6**	148.8	**213.6**	148.8
Short-term securities	133.6	151.4	133.6	151.4
Medium-term to long-term liabilities due to banks	- 30.0	- 19.0	- 30.0	- 19.0
Net liquid funds as of 30 September	**317.2**	281.2	**317.2**	281.2

* Companies not included in the scope of consolidation

Financial Section

Cash Flow Statement	July - Sept. (Q3)		Jan. - Sept. (9M)	
€ million	2005	2004	2005	2004
Operating earnings (EBIT I)	**38.6**	26.2	**202.1**	132.5
Depreciation on fixed assets*	31.5	29.8	95.2	95.4
Release of negative balances on capital consolidation	–	–	- 1.8	–
Decrease (-)/Increase (+) in long-term provisions (without interest rate effects)	- 4.3	4.8	- 21.6	0.4
Interest receipts, dividends and similar income	2.5	2.3	7.1	7.8
Gains/losses realized on the disposal of financial assets and securities	0.9	0.3	3.9	2.0
Interest paid	- 1.3	- 0.8	- 3.5	- 4.7
Income tax paid	- 5.0	- 1.6	- 41.4	- 17.3
Other non-cash items	- 2.5	–	- 2.5	0.9
Gross cash flow	**60.4**	61.0	**237.5**	217.0
Gain (-)/loss (+) on disposal of fixed assets	- 0.6	- 0.2	- 5.2	- 1.8
Increase (-)/decrease (+) in inventories	- 12.1	- 11.6	5.0	29.2
Increase (-)/decrease (+) in receivables from operating activities	70.6	127.1	- 25.6	31.5
Decrease (-)/increase (+) in liabilities from operating activities (including accruals)	31.8	- 23.1	49.1	- 45.0
Cash flow provided by operating activities	**150.1**	153.2	**260.8**	230.9
Payments from disposals of fixed assets	1.7	1.2	6.6	2.9
Payments from the sale of short-term securities	14.7	6.5	43.3	43.1
Disbursements for intangible assets	- 1.0	- 1.8	- 2.9	- 2.9
Disbursements for tangible fixed assets	- 27.3	- 36.3	- 63.3	- 82.2
Disbursements for financial assets	–	- 0.1	- 0.2	- 0.5
Disbursements for the acquisition of consolidated companies	–	–	–	- 93.6
Disbursements for short-term securities	- 13.1	- 13.2	- 43.6	- 32.0
Cash flow used in investing activities	**- 25.0**	- 43.7	**- 60.1**	- 165.2
Free cash flow	**125.1**	109.5	**200.7**	65.7
Payment of dividend	–	–	- 55.3	- 42.5
External funding of personnel obligations	- 3.4	–	- 3.4	–
Taking out (+)/repayment of (-) loans	6.4	1.4	9.4	1.2
Cash flow provided by/used in financing activities	**3.0**	1.4	**- 49.3**	- 41.3
Change in cash and cash equivalents affecting cash flow	**128.1**	110.9	**151.4**	24.4
Changes from consolidation	1.9	0.2	0.4	0.2
Change in cash and cash equivalents	**130.0**	111.1	**151.8**	24.6

* For or in connection with intangible assets and tangible fixed assets

Notes and Explanatory Comments Concerning the First-time Application of IFRSs

The first-time application of International Financial Reporting Standards (IFRSs) essentially has retroactive effect in accordance with IFRS 1. Accordingly, IFRSs are to be applied for the first time as if IFRSs had hitherto always been applied in preparing financial statements. The following are key differences in accounting and measurement rules in relation to German commercial law:

- Goodwill is subject to an impairment test at regular intervals; there is no systematic amortization or setting off against reserves.
- The depreciation on fixed assets is based on actual useful lives; no carrying values based on tax considerations are permitted.
- Available-for-sale securities are measured at market value even if it exceeds the cost of acquisition. Price gains and losses resulting from such measurement are reported within equity under reserves not recognized in net profit/loss.
- Derivative financial instruments and securities with embedded derivatives are measured at market value even if it exceeds the cost of acquisition. Both gains and decreases in value are recognized in the income statement.
- Provisions are only recognized when obligations exist in relation to third parties and the likelihood of such provisions being used amounts to at least 50 percent. Long-term provisions are reported at present value. There are no provisions for overdue maintenance and no other provisions for expenses.
- Pension provisions are computed in accordance with the projected unit credit method.
- Deferred taxes are computed applying the balance sheet liability method. Deferred taxes in respect of loss carryforwards are recognized insofar as they can be used.

Reconciliation of earnings after taxes as of 30 Sept. 2004, as well as 31 Dec. 2004

Reconciliation of earnings as of 30 September 2004, from HGB to IFRSs	
€ million	
Earnings for the period in accordance with HGB as of 30 September 2004	111.7
Measurement of revenues	- 30.3
Depreciation	- 10.0
Foreign currency result	32.7
Change in provisions	15.4
Market value changes in derivatives	12.8
Interest expense for long-term provisions	- 10.5
Deferred taxes	- 28.3
Others	- 5.6
Earnings for the period in accordance with IFRSs as of 30 September 2004	**87.9**

Reconciliation of earnings as of 31 December 2004, from HGB to IFRSs	
€ million	
Net income for the year in accordance with HGB as of 31 December 2004	140.5
Measurement of revenues	- 42.6
Depreciation	- 13.8
Foreign currency result	38.3
Change in provisions	23.3
Market value changes in derivatives	- 26.5
Interest expense for long-term provisions	- 13.4
Deferred taxes	- 15.4
Others	- 8.4
Net income for the year in accordance with IFRSs as of 31 December 2004	**82.0**

Reconciliation of equity as of 1 January 2004, 30 September 2004, as well as 31 December 2004

Reconciliation of equity as of 1 January 2004, from HGB to IFRSs	
€ million	
Equity in accordance with HGB as of 1 January 2004	555.4
Tangible fixed assets	139.3
Intangible assets including goodwill	- 0.3
Receivables, liabilities, cash and cash equivalents	- 24.7
Market value of derivatives	27.7
Securities	15.4
Deferred tax assets	103.6
Balance on consolidation	29.5
Provisions and accruals	- 1.4
of which: mining obligations	2.0
of which: pension provisions	- 44.5
Deferred tax liabilities	4.0
Other adjustments	- 6.4
Equity in accordance with IFRSs as of 1 January 2004	**842.1**

Reconciliation of equity as of 30 September 2004, from HGB to IFRSs	
€ million	
Equity in accordance with HGB as of 30 September 2004	574.9
Tangible fixed assets	142.3
Intangible assets including goodwill	- 0.2
Receivables, liabilities, cash and cash equivalents	- 22.3
Market value of derivatives	40.5
Securities	12.6
Deferred tax assets	97.1
Balance on consolidation	65.1
Provisions and accruals	5.1
of which: mining obligations	4.6
of which: pension provisions	- 43.8
Deferred tax liabilities	- 15.8
Other adjustments	- 14.5
Equity in accordance with IFRSs as of 30 September 2004	**884.8**

Reconciliation of equity as of 31 December 2004, from HGB to IFRSs	
€ million	
Equity in accordance with HGB as of 31 December 2004	601.4
Tangible fixed assets	140.0
Intangible assets including goodwill	- 0.2
Receivables, liabilities, cash and cash equivalents	- 29.0
Market value of derivatives	1.3
Securities	17.2
Deferred tax assets	96.7
Balance on consolidation	62.3
Provisions and accruals	5.2
of which: mining obligations	40.2
of which: pension provisions	- 45.1
Deferred tax liabilities	1.3
Other adjustments	- 11.8
Equity in accordance with IFRSs as of 31 December 2004	**884.4**

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 particularly earnings are strongest during the first half of the year.

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

Potash and Magnesium Products Business Segment		Q1/04	Q2/04	Q3/04	9M/04	Q4/04	2004	Q1/05	Q2/05	Q3/05	9M/05
Revenues*	€ million	279.7	267.7	224.7	772.1	259.1	1,031.2	312.2	306.4	**261.4**	**880.0**
Europe	€ million	204.0	165.6	134.0	503.6	166.5	670.1	219.4	204.1	**166.3**	**589.8**
Overseas	€ million	75.7	102.1	90.7	268.5	92.6	361.1	92.8	102.3	**95.1**	**290.2**
Volume	in million tons	2.22	2.07	1.69	5.98	1.91	7.89	2.11	2.06	**1.77**	**5.94**
Europe	in million tons	1.57	1.30	1.04	3.91	1.29	5.20	1.48	1.42	**1.13**	**4.03**
Overseas	in million tons	0.65	0.77	0.65	2.07	0.62	2.69	0.63	0.64	**0.64**	**1.91**
Average price	per ton in €	126.0	129.3	133.0	129.1	135.7	130.7	148.0	148.7	**147.7**	**148.1**
Europe	per ton in €	129.9	127.4	128.8	128.8	129.1	128.9	148.2	143.7	**147.2**	**146.4**
Overseas	per ton in €	116.5	132.6	139.5	129.7	149.4	134.2	147.3	159.8	**148.6**	**151.9**

* Revenues include prices both inclusive and exclusive of freight costs and in the case of overseas revenues are based on the respective USD/EUR spot rates. Hedging transactions have been concluded in respect of most revenues which provide us with more attractive EUR revenues than the ones indicated here. These effects are included in other income. The details of price provided are only intended to serve as a general guideline.

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 2008. 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.

We have hedged a total of USD 480 million for 2005 (2004: USD 350 million). Average hedged rates per quarter for the Potash and Magnesium Products business segment are as follows:

Potash and Magnesium Products Business Segment	Q1/04	Q2/04	Q3/04	Q4/04	2004	Q1/05	Q2/05	Q3/05	Q4/05e	2005e
USD/EUR hedged rate after premiums*	1.06	1.13	1.12	1.11	1.10	**1.17**	**1.17**	**1.14**	**1.12**	**1.15**
Average USD/EUR spot rate	1.25	1.20	1.22	1.30	1.24	**1.31**	**1.26**	**1.22**	**n/a**	**n/a**

* The values are projected ones as from Q4/05 and we assume that no follow-up hedging will be required.

Interest income, net				
€ million	Q3/05	Q3/04	9M/05	9M/04
Interest income	**2.5**	2.3	**7.1**	7.8
Interest expense	**- 7.0**	- 7.0	**- 20.5**	- 22.6
of which: Interest expense for pension provisions	**- 2.4**	- 2.4	**- 7.1**	- 7.2
of which: Interest expense for provisions for mining obligations	**- 3.4**	- 3.6	**- 10.0**	- 10.7
Interest income, net	**- 4.5**	- 4.7	**- 13.4**	- 14.8

The actuarial measurement of pension provisions is performed applying the projected unit credit method in accordance with IAS 19. The following parameters have been applied in computing pension provisions:

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

The following parameters have been taken into account in computing most of the provisions for mining obligations:

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

Income taxes				
€ million	Q3/05	Q3/04	9M/05	9M/04
Corporation tax	**2.4**	1.0	**12.1**	4.4
Trade tax on income	**4.4**	- 0.8	**22.3**	5.6
Foreign income taxes	**- 1.7**	1.4	**7.0**	7.3
Deferred taxes	**13.1**	10.2	**35.2**	27.7
Income taxes	**18.2**	11.8	**76.6**	45.0

Non-cash 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 2004 and they can be classified as immaterial overall.

Summary by Quarter

Revenues and operating earnings (IFRSs)	2004						2005			
€ million	Q1	Q2	Q3	9M	Q4	2004	Q1	Q2	Q3	9M
Potash and Magnesium Products	279.7	267.7	224.7	772.1	259.1	1,031.2	312.2	306.4	**261.4**	**880.0**
COMPO	208.6	135.6	78.8	423.0	102.1	525.1	199.2	144.8	**89.9**	**433.9**
fertiva	115.6	122.2	132.6	370.4	143.4	513.8	120.4	138.3	**170.1**	**428.8**
Salt	121.1	65.4	73.1	259.6	98.2	357.8	136.1	65.2	**75.1**	**276.4**
Waste Management and Recycling	14.4	15.4	14.8	44.6	14.6	59.2	12.5	14.8	**13.7**	**41.0**
Services and Trading	13.5	11.7	13.0	38.2	13.3	51.5	14.7	12.7	**12.2**	**39.6**
K+S Group revenues	752.9	618.0	537.0	1,907.9	630.7	2,538.6	795.1	682.2	**622.4**	**2,099.7**
Potash and Magnesium Products	23.1	12.6	19.1	54.8	14.5	69.3	36.7	46.4	**31.7**	**114.8**
COMPO	16.8	6.6	- 1.7	21.7	2.2	23.9	18.3	7.3	**- 1.4**	**24.2**
fertiva	4.1	3.1	–	7.2	2.8	10.0	5.4	5.3	**2.5**	**13.2**
Salt	34.2	1.5	6.0	41.7	15.6	57.3	38.9	2.0	**4.4**	**45.3**
Waste Management and Recycling	2.4	2.2	2.2	6.8	1.4	8.2	1.5	3.2	**1.8**	**6.5**
Services and Trading	6.5	6.9	5.4	18.8	3.3	22.1	6.1	5.6	**5.6**	**17.3**
Reconciliation	- 5.7	- 8.0	- 4.8	- 18.5	- 10.7	- 29.2	- 7.5	- 5.7	**- 6.0**	**- 19.2**
K+S Group EBIT I	81.4	24.9	26.2	132.5	29.1	161.6	99.4	64.1	**38.6**	**202.1**

Income statement (IFRSs)	2004						2005			
€ million	Q1	Q2	Q3	9M	Q4	2004	Q1	Q2	Q3	9M
Revenues	752.9	618.0	537.0	1,907.9	630.7	2,538.6	795.1	682.2	**622.4**	**2,099.7**
Cost of sales	472.0	415.6	370.5	1,258.1	417.8	1,675.9	498.4	451.9	**421.0**	**1,371.3**
Gross profit	280.9	202.4	166.5	649.8	212.9	862.7	296.7	230.3	**201.4**	**728.4**
Selling expenses	180.4	157.8	131.0	469.2	157.4	626.6	186.5	164.7	**143.6**	**494.8**
General and administrative expenses	15.9	16.6	13.6	46.1	18.1	64.2	17.5	18.5	**17.6**	**53.6**
Research and development costs	2.8	3.1	2.8	8.7	3.4	12.1	3.2	3.2	**3.5**	**9.9**
Other operating income/expenses	- 0.8	- 0.9	6.6	4.9	- 5.4	- 0.5	9.9	16.6	**1.0**	**27.5**
Result from investment, net	0.4	0.9	0.5	1.8	0.5	2.3	–	3.6	**0.9**	**4.5**
Operating earnings (EBIT I)	81.4	24.9	26.2	132.5	29.1	161.6	99.4	64.1	**38.6**	**202.1**
Market value changes resulting from hedging transactions	- 13.0	12.9	12.9	12.8	- 39.2	- 26.4	48.6	- 43.8	**15.0**	**19.8**
Earnings after market value changes (EBIT II)	68.4	37.8	39.1	145.3	- 10.1	135.2	148.0	20.3	**53.6**	**221.9**
Financial result	- 3.2	- 5.4	- 3.8	- 12.4	- 2.4	- 14.8	- 4.0	- 1.1	**- 2.1**	**- 7.2**
Earnings before income taxes	65.2	32.4	35.3	132.9	- 12.5	120.4	144.0	19.2	**51.5**	**214.7**
Earnings before taxes, adjusted*	78.2	19.5	22.4	120.1	26.7	146.8	95.4	63.0	**36.5**	**194.9**
Taxes on income	22.5	10.7	11.8	45.0	- 6.6	38.4	52.7	5.7	**18.2**	**76.6**
of which: deferred taxes	11.1	6.4	10.2	27.7	- 11.8	15.9	34.0	- 11.9	**13.1**	**35.2**
Earnings after taxes	42.7	21.7	23.5	87.9	- 5.9	82.0	91.3	13.5	**33.3**	**138.1**
Elimination of market changes	8.1	- 8.0	- 8.1	- 8.0	24.4	16.4	- 30.2	27.2	**- 9.3**	**- 12.3**
Earnings after taxes, adjusted*	50.8	13.7	15.4	79.9	18.5	98.4	61.1	40.7	**24.0**	**125.8**

* Adjusted for the effect of market value changes; a tax rate of 37.8 % has been assumed for adjusted earnings after taxes.

Other key data (IFRSs)	2004						2005			
	Q1	Q2	Q3	9M	Q4	2004	Q1	Q2	Q3	9M
Capital expenditure (€ million) 1)	18.1	28.9	38.1	85.1	45.9	131.0	13.3	24.2	**28.2**	**65.7**
Depreciation and amortization (€ million) 1)	32.2	33.4	29.8	95.4	33.3	128.7	31.8	31.9	**31.5**	**95.2**
Gross cash flow (€ million)	106.6	49.4	61.0	217.0	57.6	274.6	108.2	68.9	**60.4**	**237.5**
Earnings per share, adjusted (€) 2)	1.20	0.32	0.36	1.88	0.44	2.32	1.44	0.96	**0.56**	**2.96**
Gross cash flow per share (€)	2.51	1.16	1.44	5.11	1.36	6.46	2.55	1.62	**1.42**	**5.59**
Book value per share, adjusted (€) 2)	20.56	19.76	–	19.95	–	20.87	22.08	22.40	**–**	**22.84**
Total number of shares (million)	42.5	42.5	–	42.5	–	42.5	42.5	42.5	**–**	**42.5**
Number of shares outstanding (million) 3)	42.5	42.5	–	42.5	–	42.5	42.4	42.5	**–**	**42.5**
Average number of shares (million) 4)	42.5	42.5	42.5	42.5	42.5	42.5	42.5	42.5	**42.5**	**42.5**
Employees as of the reporting date (number)	11,120	11,058	–	11,080	–	10,988	11,048	10,956	**–**	**11,051**
Closing price (XETRA. €)	25.95	27.91	–	34.64	–	39.10	43.62	45.78	**–**	**58.74**

1) For or in connection with tangible fixed and intangible assets.
2) Adjusted for the effect of market value changes; 37.8 % tax rate assumed.
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 shares held by K+S over the period.

Dates	2006
Report on business in 2005	16 March 2006
Press and analyst conference, Frankfurt am Main	16 March 2006
Annual General Meeting, Kassel	10 May 2006
Interim report 31 March 2006	10 May 2006
Dividend payment for 2005	11 May 2006
Interim report 30 June 2006	10 August 2006
Interim report 30 September 2006	14 November 2006
Analyst conference, Frankfurt am Main	14 November 2006

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