Quarterly Report 02/05

April – June

At **€ 1,477.3 million**, H1 revenues **rise by 8 %**

Operating earnings (EBIT I) rise by **54 %** to **€ 163.5 million**

Adjusted earnings per share **€ 2.40 (+ 58 %)**

Earnings per share outlook for entire year between **€ 2.95** and **€ 3.30** (2004: € 2.32)

K+S

Experience growth.

Key Data Business Development

Key Figures (IFRSs)	April – June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**682.2**	618.0	+ 10.4	**1,477.3**	1,370.9	+ 7.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**96.0**	58.3	+ 64.7	**227.2**	171.9	+ 32.2
EBITDA margin in %	**14.1**	9.4		**15.4**	12.5	
Operating earnings (EBIT I)	**64.1**	24.9	+ 157.4	**163.5**	106.3	+ 53.8
Operating EBIT margin in %	**9.4**	4.0		**11.1**	7.8	
Earnings after market value changes (EBIT II)	**20.3**	37.8	- 46.3	**168.3**	106.2	+ 58.5
Earnings before income taxes	**19.2**	32.4	- 40.7	**163.2**	97.6	+ 67.2
Earnings after taxes	**13.5**	21.7	- 37.8	**104.8**	64.4	+ 62.7
Earnings after taxes, adjusted 1)	**40.7**	13.7	+ 197.1	**101.8**	64.5	+ 57.8
Gross cash flow	**68.9**	49.4	+ 39.5	**177.1**	156.0	+ 13.5
Net liquid funds as of 30 June	**–**	–	–	**226.6**	168.0	+ 34.9
Capital expenditure 2)	**24.2**	28.9	- 16.3	**37.5**	47.0	- 20.2
Depreciation 2)	**31.9**	33.4	- 4.5	**63.7**	65.6	- 2.9
Earnings after taxes per share, adjusted 1) (€)	**0.96**	0.32	+ 200.0	**2.40**	1.52	+ 57.9
Gross cash flow per share (€)	**1.62**	1.16	+ 39.7	**4.17**	3.67	+ 13.6
Book value per share as of 30 June, adjusted 1) (€)	**–**	–	–	**22.40**	19.76	+ 13.4
Total number of shares as of 30 June (million)	**–**	–	–	**42.5**	42.5	–
Outstanding shares as of 30 June (million) 3)	**–**	–	–	**42.5**	42.5	–
Average number of shares (million) 4)	**42.5**	42.5	–	**42.5**	42.5	–
Employees as of 30 June (number) 5)	**–**	–	–	**10,956**	11,058	- 0.9
Average number of employees 5)	**10,990**	11,085	- 0.9	**11,033**	11,113	- 0.7
Personnel expenses	**166.2**	157.9	+ 5.3	**333.5**	308.1	+ 8.2
Closing price (XETRA) as of 30 June (€)	**–**	–	–	**45.78**	27.91	+ 64.0
Market capitalization as of 30 June	**–**	–	–	**1,945.7**	1,186.2	+ 64.0
Enterprise value as of 30 June	**–**	–	–	**2,260.6**	1,558.9	+ 45.0

1) Adjusted for the effect of market value changes; 37.8 % tax rate assumed.
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	Q2/05	H1/05
Revenues (€ million)	682.2	1,477.3
Change in revenues (€ million)	**+ 64.2**	**+ 106.4**
- resulting from volume/ structural factors	+ 0.7	- 34.9
- resulting from prices	+ 65.6	+ 131.6
- resulting from exchange rates	- 7.2	- 14.5
- resulting from consolidation	+ 5.1	+ 24.2

Changeover to IFRSs
Until the end of 2004, the consolidated financial statements and interim reports of K+S Aktiengesellschaft were prepared in accordance with the accounting principles set forth in the German Commercial Code (HGB). We began reporting in accordance with International Financial Reporting Standards (IFRSs) at the beginning of 2005. The figures for the second quarter of 2004, for the first half of 2004 as well as for 2004 as a whole have been adjusted accordingly with retroactive effect. The IFRS figures for the quarterly financial statements as of 30 September and 31 December 2004 will be published in stages along with the respective quarterly reports 2005.

The two accounting systems are based on different principles. The differences that arise for K+S apply in particular to the computing of goodwill, to equity, periods of depreciation, provisions, hedging transactions and the related measurement of revenues as well as deferred taxes. The reconciliations and explanations needed to understand these differences can be found in the Notes.

Second quarter revenues rise by 10 %
Under IFRSs, US dollar revenues are measured in line with the spot rate and not by applying the rate at which they are hedged as is the case under HGB.

At € 682.2 million, second quarter revenues exceeded the figure for the same period last year by € 64.2 million or 10 %. Given the sharp rise in world market prices for potash and nitrogen fertilizers on a year-on-year basis, the strongest gains were posted by the Potash and Magnesium Products and the fertiva business segments. Revenues for the first half of the year also rose mainly as a result of price factors by € 106.4 million or 8 % to € 1,477.3 million.

At 42 %, the Potash and Magnesium Products business segment accounted for the largest share of revenues. In total, € 1,161.6 million 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 competitors in the fertilizer business in particular.

Second quarter operating earnings more than doubled

The 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 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 noticeable increase in the operating earnings (EBIT I) for the second quarter of 2005, boosting them by € 39.2 million or 157 % to € 64.1 million. With the exception of the Services and Trading business segment, all business segments were able to improve on their operating earnings. In this respect too, the greatest increase was achieved by the Potash and Magnesium Products business segment, which managed to profit from the sharp increase in world market prices for potash fertilizers on a year-on-year basis. In addition, the successes deriving from our efficiency enhancement programmes also boosted earnings. At € 163.5 million, K+S Group EBIT I for the first half of 2005 was up € 57.2 million or 54 % year-on-year.

As a result of seasonal factors, we already obtain a significant portion of our earnings in the first half of the year and for this reason, it would be incorrect to make a projection for all of 2005 on this basis.

Market values of hedging transactions lower as of 30 June 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 non-cash changes in market value as reconciliation to EBIT II for those options that are still outstanding and can only be exercised when they fall due. Changes in market value up to that time 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 second quarter of 2005 declined by € 17.5 million to € 20.3 million; the positive development in EBIT I was overcompensated for by the downward 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 term. At € 168.3 million, EBIT II for the first half of 2005 was € 62.1 million or 59 % up year-on-year.

Second quarter financial result improves tangibly

The financial result for the second quarter amounted to € -1.1 million and was € 4.3 million up on the figure for the same period last year in which the net interest income was depressed through the acquisition of the remaining 38 % stake in esco. As in the second quarter, the financial result for the first half of the year, € -5.1 million, improved by € 3.5 million. Under IFRSs, in addition to the interest portion for pension provisions (H1 2005: € -4.7 million) the financial result includes the interest portion for other long-term provisions (H1 2005: € -6.6 million) which mainly relate to mining obligations; both are non-cash. Further details can be found in the Notes.

Strong rise in adjusted earnings before and after taxes

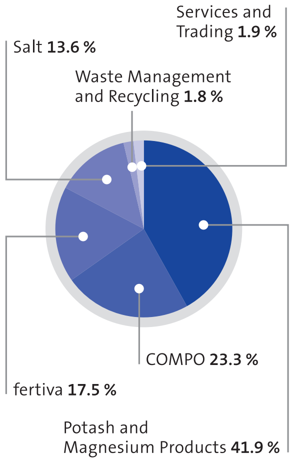
Given limited economic meaningfulness as well as the considerable fluctuation margin to which the market values of our currency option transactions are subject, we will report earnings before taxes as well as after taxes following adjustment for these effects in the future. The latter will also take account of the impact of changes in market values on deferred taxes.

Adjusted earnings before taxes for the second quarter amounted to € 63.0 million, which represents a substantial increase of € 43.5 million compared with a year ago. Adjusted earnings before taxes for the first half of the year rose by € 60.7 million or 62 % to € 158.4 million.

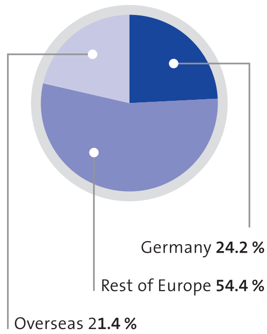
In reporting incomes taxes too, the changeover to IFRSs has resulted in significant changes for K+S compared with reporting under HGB: Despite existing tax loss carryforwards which we claim, income taxes are reported on a fictitious basis by taking account of deferred, i. e. non-cash taxes. Of total income taxes of € 58.4 million, € 22.1 million were non-cash in the first six months. Further details of taxation can be found in the Notes.

Adjusted earnings after taxes for the second quarter amounted to € 40.7 million, which represents a strong increase of € 27.0 million. At € 101.8 million for the first half the year, it was up € 37.3 million or 58 % year-on-year.

Revenues by business segment
Jan. - June 2005



Revenues by region
Jan. - June 2005



Second quarter adjusted earnings per share treble
At € 0.96 per share, adjusted earnings per share for the quarter under review were up € 0.64 or 200% 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 half of the year amounted to € 2.40, up € 0.88 or 58% year-on-year thus exceeding the level for 2004 as a whole (€ 2.32 per share) after just six months.

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

Second quarter cash flow from operating activities rises significantly
At € 68.9 million, gross cash flow for the second quarter was up just under 40% quarter-on-quarter. The marked increase in operating earnings was able to more than make up for higher tax payments. The same applies to the first half of the year: Gross cash flow rose by € 21.1 million or 14% to € 177.1 million. Second quarter cash flow from operating activities amounted to € 176.6 million, which represents an increase of € 92.2 million. In addition to the positive trend in business, a smaller decline in liabilities compared with the same quarter last year was a key factor in this regard. Cash flow from operating activities for the first half of the year amounted to € 110.7 million, which represents an increase of € 33.0 million or 42%. Following the acquisition of the remaining stake in esco in the second quarter of last year, disbursements for investments in tangible fixed and financial assets during the period under review fell significantly from € -116.7 million to € -30.5 million. At € - 35.1 million for the first half of the year, it was also markedly down on last year's level of € -121.5 million. This also resulted in a significant improvement in free cash flow, which amounted to € 146.1 million for the second quarter, compared with € -32.3 million a year ago, and to € 75.6 million for the first half the year, compared with € -43.8 million a year ago.

Net liquid funds as of 30 June 2005 amounted to € 226.6 million, up € 58.6 million on the same period last year.

Second quarter capital expenditure down according to plan
Second quarter capital expenditure amounted to € 24.2 million and was thus € 4.7 million down on the corresponding figure for last year's quarter. This is mainly attributable to the 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. Capital expenditure for the first six months amounted to € 37.5 million and was thus down € 9.5 million or 20% on the figure for the same period last year.

For 2005 as a whole, we anticipate largely unchanged capital expenditure of just under € 140 million. It is planned that about two thirds of this amount will be used for capital expenditure related to maintenance and ensuring production. We expect depreciation to amount to about € 130 million.

At € 3.2 million, second quarter research and development costs were up slightly quarter-on-quarter (€ 3.1 million). For the year 2005, we expect R&D costs to approximate € 15 million, as was the case last year.

Headcount slightly lower
The K+S Group employed a total of 10,956 persons as of 30 June 2005. This figure was down 0.9% on 30 June 2004 (11,058 employees). The workforce increased by 124 employees 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 2%. There were 437 trainees as of 30 June 2005. At the end of the year, the number of employees should remain on the current level.

Personnel expenses for the second quarter, including outlays connected with semi-retirement and early retirement as well as profit-related bonuses, amounted to € 166.2 million, representing an increase of € 8.3 million or 5%. Personnel expenses for the first half of the year amounted to € 333.5 million and were thus up € 25.4 million or 8% on the same period last year. A key factor in this regard was the increase in profit-related bonuses paid to employees as a result of the positive trend in earnings.

Prospects remain positive; outlook assumes clearer form
Business will continue to develop positively in the second half of the year. Revenues for 2005 as a whole should fall within a range of € 2.6 billion to € 2.8 billion.

We expect the operating earnings (EBIT I) to amount to between € 215 million and € 230 million (2004: € 161.6 million), assuming that no substantial follow-up hedging will be necessary for our U.S. dollar hedging transactions. The increase in prices for potash and magnesium products, the impact on earnings of Sylvinite production and the full implementation of more flexible working hours in the Potash and Magnesium Products business segment should contribute to this rise in earnings.

Subject to the conditions described above, adjusted earnings after taxes for 2005 should amount to between € 125 million and € 140 million, corresponding to adjusted earnings per share of approximately € 2.95 to € 3.30 per share.

The Board of Executive Directors, 4 August 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	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**306.4**	267.7	+ 14.5	**618.6**	547.4	+ 13.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**67.6**	34.5	+ 95.9	**125.2**	78.6	+ 59.3
Operating earnings (EBIT I)	**46.4**	12.6	+ 268.3	**83.1**	35.7	+ 132.8
Operating EBIT margin in %	15.1	4.7		13.4	6.5	
Earnings after market value changes (EBIT II)	**3.9**	25.1	- 84.5	**88.7**	36.2	+ 145.0
Capital expenditure	**15.9**	17.3	- 8.1	**24.8**	26.2	- 5.3
Employees as of 30 June (number)	**–**	–	–	**7,463**	7,567	- 1.4

Variance analysis	Q2/05	H1/05
Revenues (€ million)	306.4	618.6
Change in revenues (€ million)	**+ 38.7**	**+ 71.2**
- Potassium chloride	+ 16.8	+ 28.5
- Fertilizer specialities	+ 16.3	+ 33.2
- Industrial products	+ 5.6	+ 9.5

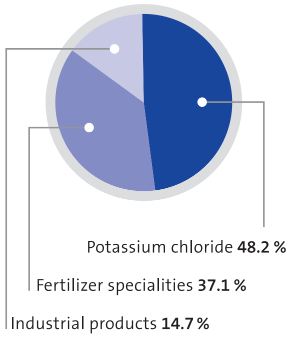
Higher requirements in respect of quality and the different nutritional needs of the populations of many overseas regions as well as Eastern Europe are having a sustained positive impact on global fertilizer demand. Global sales of potash fertilizers thus remained on a high level in the second quarter. However, Brazil started importing fertilizers late and will probably not attain last year's level.

Second quarter revenues rose by just under 15 % to € 306.4 million as a result of price factors. A slight decline in overseas volume as well as a weaker U.S. dollar could be more than made up for. In the case of potassium chloride, price factors caused revenues to rise to € 149.3 million, representing an increase of 13 %. In the fertilizer specialities segment too, revenues were up 17 % on the same period last year to total € 111.0 million as a result of price factors, with the good trend in potassium sulphate, as was the case in the first quarter, contributing to this above all. The industrial products business (€ 46.1 million) was up 14 % on the same quarter last year as a result of both volume and price factors. Business segment revenues for the first six months were up 13 %.

The operating earnings for the second quarter amounted to € 46.4 million, which represents an increase of € 33.8 million or just under 270 %. The global increase in prices for potash and magnesium products as well as the savings realized as a result of efficiency enhancement measures could more than make up for shifts in sales. EBIT I for the first half of the year totalled € 83.1 million (+133 %), thus exceeding the level for 2004 as a whole (€ 69.3 million) after just six months.

For financial year 2005, we expect revenues to be significantly higher than in 2004 as a result of price-related effects; it should still be possible to make up for the slight decline in sales. The operating earnings should increase significantly as a result of higher average prices.

Revenues by product group
Jan. - June 2005



COMPO	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**144.8**	135.6	+ 6.8	**344.0**	344.2	- 0.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**9.7**	9.6	+ 1.0	**30.7**	28.3	+ 8.5
Operating earnings (EBIT I)	**7.3**	6.6	+ 10.6	**25.6**	23.4	+ 9.4
Operating EBIT margin in %	5.0	4.9		7.4	6.8	
Earnings after market value changes (EBIT II)	**6.1**	6.7	- 9.0	**24.8**	23.5	+ 5.5
Capital expenditure	**2.3**	1.4	+ 64.3	**3.5**	3.1	+ 12.9
Employees as of 30 June (number)	**–**	–	–	**1,283**	1,332	- 3.7

Variance analysis	Q2/05	H1/05
Revenues (€ million)	144.8	344.0
Change in revenues (€ million)	**+ 9.2**	**- 0.2**
- Consumer business	+ 3.5	- 3.2
- Professional / industrial business	+ 5.7	+ 3.0

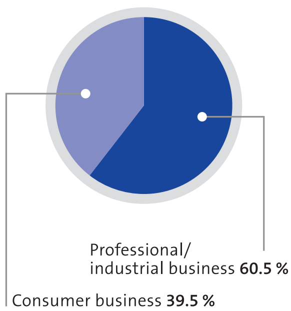
Despite unstable weather conditions and continued consumer restraint, the consumer business was able to maintain its position. Although weather conditions in Southern Europe were poor, the professional segment was able to more than make up for the first quarter shortfall.

Revenues for the second quarter of 2005 amounted to € 144.8 million and were thus down € 9.2 million or 7 % on the same period last year: Volume growth and moderate price increases were the main factors in this regard. Consumer area revenues rose by 6 % to € 63.6 million, which meant that the first quarter shortfall could be made up for to some extent. The professional business also showed an improvement, rising by 8 % to total € 81.2 million. Some of the growth is attributable to price increases. COMPO business segment revenues for the first six months of the year amounted to € 344.0 million and were thus on the level of a year ago.

The operating earnings for the period under review amounted to € 7.3 million and were thus € 0.7 million or 11 % higher than a year ago. In addition to the good trend in business, extraordinary income was balanced out by one-off expenses. The operating earnings for the first six months rose by € 2.2 million or 9 % to € 25.6 million.

We expect a slight rise in revenues for 2005. Assuming that ammonia prices remain constant, we should attain the previous year's operating earnings. The efficiency enhancements that have been initiated, entailing initial extraordinary expenses, will have a positive impact as of next year.

Revenues by product group
Jan. - June 2005

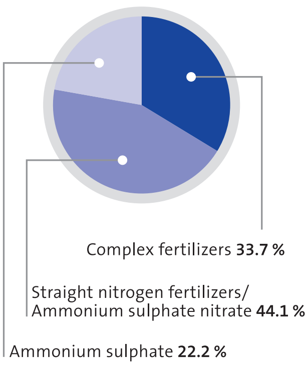


Business Segments of the K+S Group

Variance analysis	Q2/05	H1/05
Revenues (€ million)	138.3	258.7
Change in revenues (€ million)	**+ 16.1**	**+ 20.9**
- Complex fertilizers	+ 10.3	+ 10.4
- Straight nitrogen fertilizers/ Ammonium sulphate nitrate	+ 4.4	+ 1.5
- Ammonium sulphate	+ 1.4	+ 9.0

fertiva	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**138.3**	122.2	+ 13.2	**258.7**	237.8	+ 8.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**3.8**	3.2	+ 18.8	**10.9**	7.4	+ 47.3
Operating earnings (EBIT I)	**5.3**	3.1	+ 71.0	**10.7**	7.2	+ 48.6
Operating EBIT margin in %	3.8	2.5		4.1	3.0	
Earnings after market value changes (EBIT II)	**5.3**	3.3	+ 60.6	**10.7**	6.5	+ 64.6
Capital expenditure	**–**	0.3	- 100.0	**0.2**	0.4	- 50.0
Employees as of 30 June (number)	**–**	–	–	**56**	54	+ 3.7

Revenues by product group
Jan. - June 2005



At the beginning of the second quarter, demand for nitrogenous fertilizers in Europe was somewhat modest because of high trade inventories. Generally good export opportunities overseas as well as the subsequent pickup in demand in Europe caused supply bottlenecks that resulted in a significant rise in price levels.

For the second quarter of 2005, fertiva achieved a significant increase in revenues of € 16.1 million or 13 % to € 138.3 million. Significantly higher prices as well as an increased sales volume were key factors in this regard. Thus, the revenues attributable to complex fertilizers increased by 24 % to € 53.4 million. At € 56.9 million, revenues for straight nitrogen fertilizers also could be increased by 8 %, with price increases more than making up for slight declines in volume. Revenues for ammonium sulphate climbed by 5 % to € 28.0 million. Robust overseas demand and related higher prices for nitrogenous fertilizers caused business segment revenues for the first six months of the year to rise by € 20.9 million or 9 %.

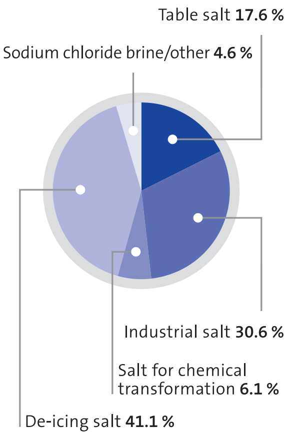
At € 5.3 million, the second quarter operating earnings (EBIT I) were up € 2.2 million on the same period last year. Tangibly higher prices along with a less pronounced increase in procurement costs were the key factor behind the increase. For the same reason, earnings for the first half of the year also rose by € 3.5 million or 49 % to reach € 10.7 million, thus exceeding the earnings for 2004 as a whole (€ 10.0 million) after just six months.

For 2005, a marked increase in revenues and an even greater percentage increase in earnings compared with 2004 are likely.

Variance analysis	Q2/05	H1/05
Revenues (€ million)	65.2	201.3
Change in revenues (€ million)	**- 0.2**	**+ 14.8**
- Table salt	- 0.6	- 0.7
- Industrial salt	+ 0.2	- 1.5
- Salt for chemical transformation	- 0.4	- 1.4
- De-icing salt	+ 1.3	+ 17.2
- Sodium chloride brine/other	- 0.7	+ 1.2

Salt	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**65.2**	65.4	- 0.3	**201.3**	186.5	+ 7.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**7.3**	7.0	+ 4.3	**51.5**	47.2	+ 9.1
Operating earnings (EBIT I)	**2.0**	1.5	+ 33.3	**40.9**	35.7	+ 14.6
Operating EBIT margin in %	3.1	2.3		20.3	19.1	
Earnings after market value changes (EBIT II)	**2.0**	1.5	+ 33.3	**40.9**	35.7	+ 14.6
Capital expenditure	**2.8**	7.8	- 64.1	**4.3**	14.2	- 69.7
Employees as of 30 June (number)	**–**	–	–	**1,374**	1,336	+ 2.8

Revenues by product group
Jan. - June 2005



The Western European salt market was in robust shape in the second quarter. However, the level that has been attained means that only limited volume increases are possible. The degree of competition, which has increased as a result of imports from Eastern Europe and overseas, is high.

The business segment's revenues for the period under review amounted to € 65.2 million and were thus on the previous year's level. A slight decline in volume could be made up for by moderate price adjustments and changes in the product mix. Table salt revenues were somewhat below the level of a year ago as a result of volume factors. While industrial salt revenues managed to post a slight gain to total € 30.3 million, the revenues attributable to salts for chemical transformation fell by 6 %. Good early purchase business elsewhere in Europe caused de-icing salt revenues to rise by 19 % to € 8.3 million. The very good course of the de-icing business in the first quarter was also the key factor behind the growth in revenues for the first six months of the year, which were up 8 % to total € 201.3 million.

The increase in the operating earnings for the second quarter, which rose by € 0.5 million to € 2.0 million, is mainly due to the absence of extraordinary expenses incurred in the same quarter last year. The operating earnings for the first six months rose by € 5.2 million or 15 % to € 40.9 million.

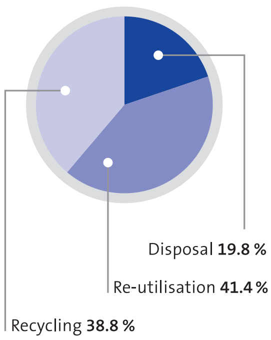
Revenues and the operating earnings for 2005 as a whole will depend on the stocking up of de-icing salt in the third quarter and the winter business at the end of the year among other factors. Given the successful start to the year, it appears possible to attain last year's very good levels from today's perspective.

Waste Management and Recycling	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**14.8**	15.4	- 3.9	**27.3**	29.8	- 8.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**3.9**	3.3	+ 18.2	**6.0**	6.7	- 10.4
Operating earnings (EBIT I)	**3.2**	2.2	+ 45.5	**4.7**	4.6	+ 2.2
Operating EBIT margin in %	21.6	14.3		17.2	15.4	
Earnings after market value changes (EBIT II)	**3.2**	2.2	+ 45.5	**4.7**	4.6	+ 2.2
Capital expenditure	**0.4**	0.2	+ 100.0	**0.5**	0.3	+ 66.7
Employees as of 30 June (number)	**–**	–	–	**35**	33	+ 6.1

Variance analysis	Q2/05	H1/05
Revenues (€ million)	14.8	27.3
Change in revenues (€ million)	**- 0.6**	**- 2.5**
- Disposal	- 2.4	- 4.9
- Re-utilisation	+ 0.4	+ 1.0
- Recycling	+ 1.4	+ 1.4

The waste management market in Germany saw fierce competition in the second quarter too. Prices remained on a relatively low level. As of June 2005, it will generally no longer be possible for residential waste to be stored at waste disposal sites located above ground. This should result in an increase in filter dust and flue gas cleaning residues from domestic waste incineration plants which are generally re-utilised underground.

Revenues by segment
Jan. - June 2005



During the period under review, revenues fell by 4 % to € 14.8 million, mainly as a result of volume decreases. At € 3.2 million (Q2/2004: € 5.6 million), the revenues generated by underground waste disposal were significantly lower. It has hitherto not proved possible to acquire a follow-up project for the major projects involving the clean-up of pre-existing environmental contamination that ended last year. Underground waste re-utilisation saw a volume-related increase of 8 % to € 5.7 million. This attests to the success of our systematic marketing in neighbouring European countries. At € 5.9 million, the recycling business in the second quarter was also up on the same period last year as a result of volume factors. The business segment posted revenues of € 27.3 million for the first half of the year, with decline of 8 % attributable to lower volumes for underground disposal.

Despite the lower volumes for underground disposal, the second quarter operating earnings increased by € 1.0 million to € 3.2 million, with about half of the increase related to an extraordinary income. For the first six months of the year, the business segment achieved operating earnings somewhat up on the same period last year.

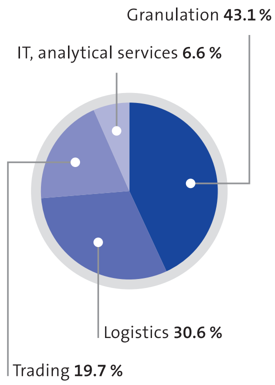
We expect revenues for 2005 to be down on the preceding year, which benefited from special projects for the clean-up of pre-existing environmental contamination. Analogously, we expect a limited decline in the operating earnings for 2005 as a whole.

Services and Trading	April - June (Q2)			January - June (H1)		
€ million	2005	2004	%	2005	2004	%
Revenues	**12.7**	11.7	+ 8.5	**27.4**	25.2	+ 8.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**7.1**	8.6	- 17.4	**14.7**	16.5	- 10.9
Operating earnings (EBIT I)	**5.6**	6.9	- 18.8	**11.7**	13.4	- 12.7
Operating EBIT margin in %	44.1	59.0		42.7	53.2	
Earnings after market value changes (EBIT II)	**5.6**	6.9	- 18.8	**11.7**	13.4	- 12.7
Capital expenditure	**2.4**	1.3	+ 84.6	**3.5**	2.1	+ 66.7
Employees as of 30 June (number)	**–**	–	–	**383**	377	+ 1.6

Variance analysis	Q2/05	H1/05
Revenues (€ million)	12.7	27.4
Change in revenues (€ million)	**+ 1.0**	**+ 2.2**
- Granulation	+ 0.1	+ 0.2
- Logistics	+ 0.7	+ 1.2
- Trading	+ 0.3	+ 0.7
- IT, analytical services	- 0.1	+ 0.1

Revenues for the Services and Trading business segment in the second quarter of 2005 rose by € 1.0 million to € 12.7 million. The internal revenues deriving from services supplied to K+S Group companies, especially in the case of logistics, are not included in this figure.

Revenues by segment
Jan. - June 2005



In the logistics area, revenues rose by € 0.7 million to € 4.3 million mainly as a result of an increase in grain handling for third parties at the KTG facility in Hamburg. With respect to the production of CATSAN® (granulation), slightly higher prices resulted in revenues rising by about 2 % quarter-on-quarter to € 5.5 million. The trading business also managed to increase revenues slightly while IT and analytical services were on about the same level as a year ago. For the first six months of the year, the business segment posted revenues deriving from third-party business of € 27.4 million, which represents an increase of 9 %.

Despite the increase in revenues generated by third-party business, the second quarter operating earnings for the business segment declined by € 1.3 million or 19 %: This was also due to lower overseas shipment volume for the K+S Group. The operating earnings for the first half of the year displayed a similar trend, falling by € 1.7 million to € 11.7 million.

For 2005 as a whole, the Services and Trading business segment revenues should slightly exceed the good levels achieved in 2004 while the operating earnings are expected to be somewhat lower than for 2004.

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	April - June (Q2)		January - June (H1)	
€ million	2005	2004	2005	2004
Revenues	**682.2**	618.0	**1,477.3**	1,370.9
Cost of sales	451.9	415.6	950.3	887.6
Gross profit	**230.3**	202.4	**527.0**	483.3
Gross margin in %	33.8	32.8	35.7	35.3
Selling expenses	164.7	157.8	351.2	338.2
including: freight costs	86.3	81.0	194.0	181.3
General and administrative expenses	18.5	16.6	36.0	32.5
Research and development costs	3.2	3.1	6.4	5.9
Other operating income/expenses	16.6	- 0.9	26.5	- 1.7
Result from investment, net	3.6	0.9	3.6	1.3
Operating earnings (EBIT I)	**64.1**	24.9	**163.5**	106.3
Operating EBIT margin in %	9.4	4.0	11.1	7.8
Market value changes resulting from hedging transactions	- 43.8	12.9	4.8	- 0.1
Earnings after market value changes (EBIT II)	**20.3**	37.8	**168.3**	106.2
Interest income, net	- 3.6	- 5.4	- 8.9	- 10.1
Other financial result	2.5	–	3.8	1.5
Financial result	**- 1.1**	- 5.4	**- 5.1**	- 8.6
Earnings before income taxes	**19.2**	32.4	**163.2**	97.6
Taxes on income	5.7	10.7	58.4	33.2
of which: deferred taxes	- 11.9	6.4	22.1	17.5
Earnings after taxes	**13.5**	21.7	**104.8**	64.4
Elimination of market changes [1]	27.2	- 8.0	- 3.0	0.1
Earnings after taxes, adjusted	**40.7**	13.7	**101.8**	64.5
Earnings per share in € (undiluted = diluted)	0.32	0.51	2.47	1.52
Earnings per share in €, adjusted	**0.96**	0.32	**2.40**	1.52
Average number of shares (million)	42.5	42.5	42.5	42.5

[1] tax rate of 37.8 % assumed

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	–	–	104.8	–	–	**104.8**
Market value of securities	–	–	–	–	- 0.2	**- 0.2**
Foreign currency adjustments	–	–	–	–	–	**0.0**
Consolidation effects	–	–	–	–	–	**0.0**
Other neutral changes	–	–	2.5	–	16.1	**18.6**
As of 30 June 2005	**108.8**	**4.7**	**808.3**	**- 1.4**	**31.9**	**952.3**
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	–	–	64.4	–	–	64.4
Market value of securities	–	–	–	–	0.5	0.5
Foreign currency adjustments	–	–	–	–	–	0.0
Consolidation effects	–	- 0.5	- 3.8	–	–	- 4.3
Other neutral changes	–	–	3.3	–	–	3.3
As of 30 June 2004	108.8	4.1	736.8	- 1.2	15.0	863.5

Balance Sheet – Assets			
€ million	30.6.2005	30.6.2004	31.12.2004
Intangible assets	106.5	75.0	78.4
Tangible fixed assets	797.6	799.0	814.7
Investment properties	11.0	12.6	11.7
Financial assets	20.3	21,2	26.3
Fixed assets	**935.4**	907.8	931.1
Inventories	237.6	208.3	249.0
Accounts receivable – trade	573.3	556.2	506.0
Other receivables and assets	162.8	121.0	120.9
of which: derivative financial instruments	67.7	37.7	21.5
Securities	166.6	147.9	163.9
Cash and cash equivalents	86.9	62.0	91.5
Current assets	**1,227.2**	1,095.4	1,131.3
Deferred tax assets	**77.0**	89.9	96.8
Prepaid expenses	**1.6**	3.2	3.0
ASSETS	**2,241.2**	2,096.3	2,162.2

Balance Sheet – Equity and Liabilities			
€ million	30.6.2005	30.6.2004	31.12.2004
Subscribed capital	108.8	108.8	108.8
Additional paid-in capital	4.7	4.1	4.7
Revenue reserves and profit retained	808.3	736.8	756.3
Reserves not recognized in net profit/loss	30.5	13.8	14.6
Equity	**952.3**	863.5	884.4
Provisions for pensions	217.3	222.2	217.7
Provisions for mining obligations	324.2	318.5	322.0
Other provisions	92.4	85.1	100.0
Provisions	**633.9**	625.8	639.7
Accounts payable – trade	295.7	258.8	321.8
Liabilities due to banks	23.6	39.6	57.8
Accruals	229.3	189.4	167.4
Other liabilities	68.5	91.6	62.5
Liabilities	**617.1**	579.4	609.5
Deferred tax liabilities	**20.0**	17.8	19.4
Deferred income	**17.9**	9.8	9.2
EQUITY AND LIABILITIES	**2,241.2**	2,096.3	2,162.2

Net Liquid Funds	April - June (Q2)		January - June (H1)	
€ million	2005	2004	2005	2004
Net liquid funds at the beginning of the period	124.4	241.6	205.1	269.4
Cash and cash equivalents	86.9	62.0	86.9	62.0
Short-term liabilities due to banks	–	- 22.0	–	- 22.0
Cash invested with affiliated companies*	–	–	–	–
Cash received from affiliated companies*	- 3.3	- 2.3	- 3.3	- 2.3
Net cash and cash equivalents as of 30 June	**83.6**	37.7	**83.6**	37.7
Short-term securities	166.6	147.9	166.6	147.9
Medium to long-term liabilities due to banks	- 23.6	- 17.6	- 23.6	- 17.6
Net liquid funds as of 30 June	**226.6**	168.0	**226.6**	168.0

* Companies not included in the scope of consolidation

Financial Section

Cash Flow Statement	April - June (Q2)		January - June (H1)	
€ million	2005	2004	2005	2004
Operating earnings (EBIT I)	**64.1**	24.9	**163.5**	106.3
Depreciation on fixed assets*	31.9	33.4	63.7	65.6
Release of negative balances on capital consolidation	–	–	- 1.8	–
Decrease (-)/increase (+) in long-term provisions (without interest rate effects)	- 12.3	- 5.4	- 17.3	- 4.4
Interest receipts, dividends and similar income	3.0	3.3	4.6	5.5
Gains/losses realized on the disposal of financial assets and securities	0.9	0.5	3.0	1.7
Interest paid	- 1.0	- 3.1	- 2.2	- 3.9
Income tax paid	- 17.7	- 4.2	- 36.4	- 15.7
Other non-cash items	–	–	–	0.9
Gross cash flow	**68.9**	49.4	**177.1**	156.0
Gain (-)/loss (+) on disposal of fixed assets	- 0.7	–	- 4.6	- 1.6
Increase (-)/decrease (+) in inventories	2.2	12.3	17.1	40.8
Increase (-)/decrease (+) in receivables from operating activities	117.5	105.7	- 96.2	- 95.6
Decrease (-)/increase (+) in liabilities from operating activities (including accruals)	- 11.3	- 83.0	17.3	- 21.9
Cash flow provided by operating activities	**176.6**	84.4	**110.7**	77.7
Proceeds from disposals of fixed assets	2.2	1.1	4.9	1.7
Payments from the sale of short-term securities	8.3	10.0	28.6	36.6
Disbursements for intangible assets	- 1.4	- 0.5	- 1.9	- 1.1
Disbursements for tangible fixed assets	- 23.2	- 28.3	- 36.0	- 45.9
Disbursements for financial assets	0.9	- 0.4	- 0.2	- 0.4
Disbursements for acquisition of consolidated companies	–	- 88.1	–	- 93.6
Disbursements for short-term securities	- 17.3	- 10.5	- 30.5	- 18.8
Cash flow used in investing activities	**- 30.5**	- 116.7	**- 35.1**	- 121.5
Free cash flow	**146.1**	- 32.3	**75.6**	- 43.8
Payment of dividend	- 55.3	- 42.5	- 55.3	- 42.5
Acquisition of own shares	2.6	–	–	–
Taking out (+)/repayment (-) of loans	1.3	- 2.5	3.0	- 0.2
Cash flow used in financing activities	**- 51.4**	- 45.0	**- 52.3**	- 42.7
Change in cash and cash equivalents affecting cash flow	**94.7**	- 77.3	**23.3**	- 86.5
Changes from consolidation	–	–	- 1.5	–
Change in cash and cash equivalents	**94.7**	- 77.3	**21.8**	- 86.5

* 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.
- Depreciation on fixed assets is based on actual useful life; 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 under reserves not recognized in net profit/loss within equity.
- 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.
- Provisions for pensions 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 June 2004 as well as 31 December 2004

Reconciliation of Earnings as of 30 June from HGB to IFRSs	
€ million	
Earnings for the period in accordance with HGB as of 30 June 2004	91.0
Measurement of revenues	- 16.1
Depreciation	- 7.6
Foreign currency result	22.9
Change in provisions	2.3
Market value changes in derivatives	- 0.1
Interest expense for long-term provisions	- 7.0
Deferred taxes	- 18.0
Others	- 3.0
Earnings for the period in accordance with IFRSs as of 30 June 2004	**64.4**

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	22.7
Market value changes in derivatives	- 26.5
Interest expense for long-term provisions	- 13.4
Deferred taxes	- 15.4
Others	- 7.8
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 June 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: provisions for pensions	- 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 June 2004 from HGB to IFRSs	
€ million	
Equity in accordance with HGB as of 30 June 2004	552.6
Tangible fixed assets	141.3
Intangible assets including goodwill	- 0.2
Receivables, liabilities, cash and cash equivalents	- 18.0
Market value of derivatives	27.6
Securities	15.3
Deferred tax assets	90.0
Balance on consolidation	67.7
Provisions and accruals	- 1.9
of which: mining obligations	- 2.0
of which: provisions for pensions	- 45.1
Deferred tax liabilities	1.9
Other adjustments	- 12.8
Equity in accordance with IFRSs as of 30 June 2004	**863.5**

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: provisions for pensions	- 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 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		Q1/2005	Q1/2004	Q2/2005	Q2/2004	H1/2005	H1/2004
Revenues*	€ million	312.2	279.7	**306.4**	267.7	**618.6**	**547.4**
Europe	€ million	219.4	204.0	**204.1**	168.1	**423.5**	**372.1**
Overseas	€ million	92.8	75.7	**102.3**	99.6	**195.1**	**175.3**
Volume	in million tons	2.11	2.22	**2.06**	2.07	**4.17**	**4.29**
Europe	in million tons	1.48	1.57	**1.42**	1.30	**2.90**	**2.87**
Overseas	in million tons	0.63	0.65	**0.64**	0.77	**1.27**	**1.42**
Average price	per ton in €	148.0	126.0	**148.7**	129.3	**148.3**	127.6
Europe	per ton in €	148.2	129.9	**143.7**	129.3	**146.0**	129.7
Overseas	per ton in €	147.3	116.5	**159.8**	129.4	**153.6**	123.5

* Revenues include prices both inclusive and exclusive of freight costs and in 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 prices 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 the agreed barriers: If need be, these can be adjusted by paying additional premiums. The barriers were adjusted against payment of premiums in the second and third quarters of 2005. This resulted in an increase in the average hedged rate from 1.11 USD/EUR to 1.15 USD/EUR for 2005.

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	Q3/05e	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**	**n/a**	**n/a**	**n/a**

* The values are projected ones as from Q3/05 and we assume that no follow-up hedging will be required.

Interest Income, Net				
€ million	Q2/05	Q2/04	H1/05	H1/04
Interest income	3.0	3.3	4.6	5.5
Interest expense	- 6.6	- 8.7	- 13.5	- 15.6
of which: Interest expense for provisions for pensions	- 2.4	- 2.2	- 4.7	- 4.8
of which: Interest expense for provisions for mining obligations	- 3.3	- 3.7	- 6.6	- 7.1
Interest income, net	- 3,6	- 5.4	- 8.9	- 10.1

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

- 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	Q2/05	Q2/04	H1/05	H1/04
Corporation tax	5.7	2.0	9.7	3.4
Trade tax on income	8.3	0.6	17.9	6.4
Foreign income taxes	3.6	1.7	8.7	5.9
Deferred taxes	- 11.9	6.4	22.1	17.5
Income taxes	5.7	10.7	58.4	33.2

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 compared to the annual financial statements for 2004 and they can be classified as immaterial overall.

Subsequent events
No significant changes have occurred in the general economic environment or that in which our industry operates since the close of the period under review.

Summary by Quarter

Revenues and Operating Earnings	2004						2005		
	Q1	Q2	H1	Q3	Q4	2004	Q1	Q2	H1
€ million	IFRSs	IFRSs	IFRSs	HGB	HGB	IFRSs	IFRSs	IFRSs	IFRSs
Potash and Magnesium Products	279.7	267.7	547.4	238.9	271.6	1,031.2	312.2	**306.4**	**618.6**
COMPO	208.6	135.6	344.2	78.7	102.4	525.1	199.2	**144.8**	**344.0**
fertiva	115.6	122.2	237.8	132.8	143.2	513.8	120.4	**138.3**	**258.7**
Salt	121.1	65.4	186.5	73.1	98.2	357.8	136.1	**65.2**	**201.3**
Waste Management and Recycling	14.4	15.4	29.8	14.8	14.6	59.2	12.5	**14.8**	**27.3**
Services and Trading	13.5	11.7	25.2	12.9	13.3	51.5	14.7	**12.7**	**27.4**
K+S Group revenues	752.9	618.0	1,370.9	551.2	643.3	2,538.6	795.1	**682.2**	**1,477.3**
Potash and Magnesium Products	23.1	12.6	35.7	13.7	14.2	69.3	36.7	**46.4**	**83.1**
COMPO	16.8	6.6	23.4	- 2.4	0.7	23.9	18.3	**7.3**	**25.6**
fertiva	4.1	3.1	7.2	0.5	3.4	10.0	5.4	**5.3**	**10.7**
Salt	34.2	1.5	35.7	5.1	11.5	57.3	38.9	**2.0**	**40.9**
Waste Management and Recycling	2.4	2.2	4.6	2.3	1.3	8.2	1.5	**3.2**	**4.7**
Services and Trading	6.5	6.9	13.4	5.4	2.7	22.1	6.1	**5.6**	**11.7**
Reconciliation	- 5.7	- 8.0	- 13.7	- 1.3	1.2	- 29.2	- 7.5	**- 5.7**	**- 13.2**
K+S Group operating earnings	81.4	24.9	106.3	23.3	35.0	161.6	99.4	**64.1**	**163.5**

Group Income Statement	2004						2005		
	Q1	Q2	H1	Q3	Q4	2004	Q1	Q2	H1
€ million	IFRSs	IFRSs	IFRSs	HGB	HGB	IFRSs	IFRSs	IFRSs	IFRSs
Revenues	752.9	618.0	1,370.9	551.2	643.3	2,538.6	795.1	**682.2**	**1,477.3**
Cost of sales	472.0	415.6	887.6	371.2	450.5	1,675.9	498.4	**451.9**	**950.3**
Gross profit	280.9	202.4	483.3	180.0	192.8	862.7	296.7	**230.3**	**527.0**
Selling expenses	180.4	157.8	338.2	131.4	154.8	626.6	186.5	**164.7**	**351.2**
General and administrative expenses	15.9	16.6	32.5	12.8	18.6	64.2	17.5	**18.5**	**36.0**
Research and development costs	2.8	3.1	5.9	3.0	3.5	12.1	3.2	**3.2**	**6.4**
Other operating income/expenses	- 0.8	- 0.9	- 1.7	- 9.5	19.1	- 0.5	9.9	**16.6**	**26.5**
Result from investment, net	0.4	0.9	1.3	–	–	2.3	–	**3.6**	**3.6**
Operating earnings	81.4	24.9	106.3	23.3	35.0	161.6	99.4	**64.1**	**163.5**
Market value changes resulting from hedging transactions	- 13.0	12.9	- 0.1	–	–	- 26.4	48.6	**- 43.8**	**4.8**
Earnings after market value changes (EBIT II)	68.4	37.8	106.2	–	–	135.2	148.0	**20.3**	**168.3**
Financial result	- 3.2	- 5.4	- 8.6	- 1.1	- 0.3	- 14.8	- 4.0	**- 1.1**	**- 5.1**
Earnings before income taxes	65.2	32.4	97.6	22.2	34.7	120.4	144.0	**19.2**	**163.2**
Taxes on income	22.5	10.7	33.2	1.5	5.9	38.4	52.7	**5.7**	**58.4**
of which: deferred taxes	11.1	6.4	17.5	–	–	15.9	34.0	**- 11.9**	**22.1**
Earnings after taxes	42.7	21.7	64.4	20.7	28.8	82.0	91.3	**13.5**	**104.8**
Elimination of market changes [1]	8.1	- 8.0	0.1	–	–	16.4	- 30.2	**27.2**	**- 3.0**
Earnings after taxes, adjusted	50.8	13.7	64.5	20.7	28.8	98.4	61.1	**40.7**	**101.8**

[1] Tax rate of 37.8 % assumed

Other Key Data	2004						2005		
	Q1	Q2	H1	Q3	Q4	2004	Q1	Q2	H1
	IFRSs	IFRSs	IFRSs	HGB	HGB	IFRSs	IFRSs	IFRSs	IFRSs
Capital expenditure (€ million) [1]	18.1	28.9	47.0	36.0	43.6	131.0	13.3	**24.2**	**37.5**
Depreciation and amortization (€ million) [1]	32.2	33.4	65.6	27.4	29.7	128.7	31.8	**31.9**	**63.7**
Gross cash flow (€ million)	106.6	49.4	156.0	62.6	59.0	271.7	108.2	**68.9**	**177.1**
Earnings per share, adjusted (€) [2]	1.20	0.32	1.52	0.49	0.68	2.32	1.44	**0.96**	**2.40**
Gross cash flow per share (€)	2.51	1.16	3.67	1.47	1.39	6.39	2.55	**1.62**	**4.17**
Book value per share, adjusted (€) [2]	20.56	–	19.76	13.94	14.48	20.87	22.08	**–**	**22.40**
Total number of shares (million)	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**
Average number of shares (million) [4]	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**
Closing price (XETRA, €)	25.95	–	27.91	34.64	–	39.10	43.62	**–**	**45.78**

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	2005/06
Interim report 30 September 2005	14 November 2005
Analyst conference, Frankfurt am Main	14 November 2005
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

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