

# Quarterly Report 03/04

July - September

At € 1.94 billion, revenues for first nine months **rise 12 %**

EBIT shows even bigger increase, rising 37 % to total  
**€ 132.1 million**

Despite higher taxation, earnings per share  
are **up 32 %** year-on-year at **€ 2.63**

Outlook for **2005** also **favourable**



Experience growth.

## Key Data Business Development

| Figures   | July - Sept. (Q3) |        |        | Jan. - Sept. (9M) |         |        |
|---|-------------------|--------|--------|-------------------|---------|--------|
| € million   | 2004              | 2003   | %      | 2004              | 2003    | %      |
| (2004: 100 % of esco, 2003: 62 % of esco)                               |                   |        |        |                   |         |        |
| Revenues  | 551.2             | 491.9  | + 12.1 | 1,938.2           | 1,736.6 | + 11.6 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 50.7              | 38.5   | + 31.7 | 217.5             | 179.0   | + 21.5 |
| EBITDA margin in %  | 9.2               | 7.8    |        | 11.2              | 10.3    |        |
| Earnings before interest and taxes (EBIT)                               | 23.3              | 10.5   | > 100  | 132.1             | 96.6    | + 36.7 |
| EBIT margin in %  | 4.2               | 2.1    |        | 6.8               | 5.6     |        |
| Earnings before income taxes  | 22.2              | 8.7    | > 100  | 128.4             | 92.8    | + 38.4 |
| Pre-tax return on revenues in %   | 4.0               | 1.8    |        | 6.6               | 5.3     |        |
| Earnings after taxes  | 20.7              | 8.4    | > 100  | 111.7             | 83.1    | + 34.4 |
| Return on revenues in %   | 3.8               | 1.7    |        | 5.8               | 4.8     |        |
| DVFA earnings   | 11.0              | 3.4    | > 100  | 69.5              | 50.4    | + 37.9 |
| Gross cash flow   | 62.6              | 36.1   | + 73.4 | 209.9             | 157.9   | + 32.9 |
| Cash and cash equivalents as of 30 Sept.                                | –                 | –      | –      | 230.2             | 267.7   | - 14.0 |
| Capital expenditure <sup>1)</sup>                                       | 36.0              | 45.8   | - 21.4 | 81.4              | 89.3    | - 8.8  |
| Depreciation and amortization <sup>1)</sup>                             | 27.4              | 28.0   | - 2.1  | 85.4              | 82.4    | + 3.6  |
| Earnings after taxes per share (€)                                      | 0.49              | 0.20   | > 100  | 2.63              | 2.00    | + 31.5 |
| DVFA earnings per share (€)   | 0.26              | 0.08   | > 100  | 1.64              | 1.21    | + 35.5 |
| Gross cash flow per share (€)   | 1.47              | 0.87   | + 69.0 | 4.94              | 3.80    | + 30.0 |
| Book value per share as of 30 Sept. (€)                                 | –                 | –      | –      | 13.94             | 13.95   | - 0.1  |
| Total number of shares as of 30 Sept. (million)                         | –                 | –      | –      | 42.5              | 42.5    | –      |
| Outstanding shares as of 30 Sept. (million) <sup>2)</sup>               | –                 | –      | –      | 42.5              | 42.3    | + 0.5  |
| Average number of shares (million) <sup>3)</sup>                        | 42.5              | 41.7   | + 1.9  | 42.5              | 41.6    | + 2.2  |
| Employees as of 30 Sept. (number) <sup>4) 5)</sup>                      | –                 | –      | –      | 11,159            | 10,638  | + 4.9  |
| Average number of employees <sup>4) 5)</sup>                            | 11,120            | 10,572 | + 5.2  | 11,166            | 10,608  | + 5.3  |
| Personnel expenses <sup>6)</sup>  | 144.5             | 128.1  | + 12.8 | 446.9             | 416.5   | + 7.3  |
| Closing price (XETRA) as of 30 Sept. (€)                                | –                 | –      | –      | 34.64             | 18.60   | + 86.2 |
| Market capitalization as of 30 Sept.                                    | –                 | –      | –      | 1,472.2           | 790.5   | + 86.2 |
| Enterprise value as of 30 Sept.   | –                 | –      | –      | 1,419.5           | 697.4   | > 100  |

1) For or in connection with tangible fixed and intangible assets.

2) Total number of shares less the own shares held by K+S on the reporting date.

3) Total number of shares less the average number of shares held by K+S over the period.

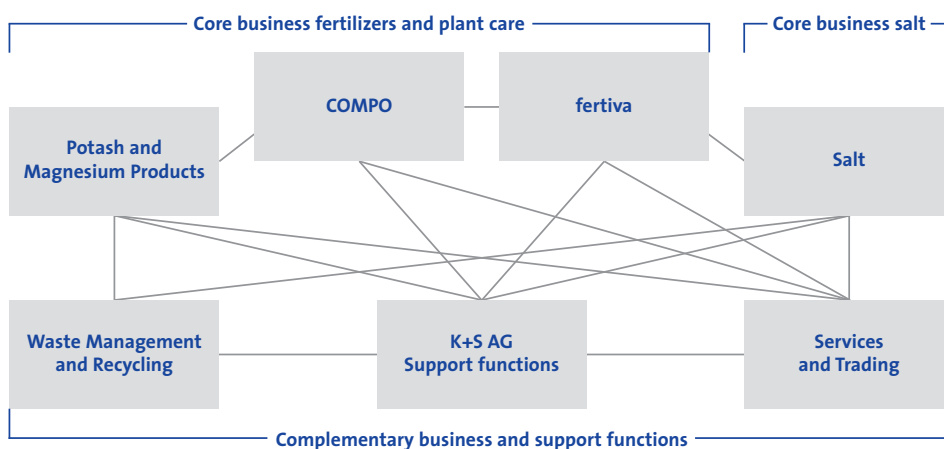
4) Workforce including temporary employees (without students and interns).

5) 2003 includes a prorated number of esco employees commensurate with the 62 % equity share.

6) Personnel expenses now also include expenditures connected with semi-retirement and early retirement (previous year adjusted).

### Interlinking of K+S business segments pays off

Our business segments are closely interconnected in terms of their strategic, technical and economic aspects. In this way, we are able to offer our customers an attractive product range as well as additional advisory and other services. At the same time, this deliberate form of interlinking also yields significant cost savings for our business processes, serving to improve our earnings.



## Management's Analysis

### Third quarter also sees strong rise in revenues

At € 551.2 million, third quarter revenues were up by € 59.3 million or 12% year-on-year. The Potash and Magnesium Products and fertiva business segments managed to achieve significant price improvements. Our US dollar receipts have been hedged on a long-term basis but at a lower rate compared with the same period last year. In addition, there was a consolidation-related effect of € 27.7 million resulting from the full inclusion of esco in the K+S consolidated financial statements. Revenues for the first nine months rose by € 201.6 million or 12% to € 1,938.2 million. This increase included € 98.6 million attributable to the purchase of the remaining 38% of esco.

The Salt business segment's share of total K+S Group revenues has risen to more than 13%. In total, € 1,494.3 million, or about three quarters of revenues, were generated in Europe, where we leverage the logistical advantages that we enjoy over our competitors in the fertilizer business in particular.

### Earnings show strong improvement

We achieved a clear increase in third quarter 2004 EBIT, boosting it by € 12.8 million or 122% to € 23.3 million. The biggest increase came from the Potash and Magnesium Products business segment: In addition to business being good, successes resulting from the consistent action that we have been taking to enhance efficiency also had an impact in this regard. With the exception of the COMPO business segment, which suffered from ammonia costs remaining high during the quarter under review, all the other business segments posted earnings increases.

EBIT for the first nine months of 2004 amounted to € 132.1 million, and was therefore € 35.5 million or 37% higher year-on-year. Over this period, too, all the business segments, with the exception of COMPO, were able to improve their results; the effect of the full consolidation of esco amounted to € 15.5 million for the first nine months. The level of EBIT attained by the end of September means that we have already significantly exceeded the figure for all of last year (€ 115.7 million).

### Financial result shows slight improvement

The financial result for the third quarter amounted to € -1.1 million, up on the figure of € -1.8 million reported for the same period last year. The increase is attributable to a rise in the result from investment and an improvement in interest income.

From a cumulative perspective as of 30 September, the financial result of € -3.7 million was on about the same level as a year ago (€ -3.8 million).

### Strong rise in earnings before and after taxes

As a result of higher EBIT, earnings before taxes for the third quarter rose by € 13.5 million or 155% to € 22.2 million. In spite of higher income taxes, earnings after taxes improved significantly year-on-year, increasing by € 12.3 million or 146% to € 20.7 million.

Earnings before taxes for the first nine months rose by € 35.6 million or 38% to € 128.4 million. Despite the higher expenditure on taxes resulting from the introduction of the minimum tax in Germany in 2004 as well as an increase in the trade tax affecting esco, earnings after taxes amounted to € 111.7 million and were thus € 28.6 million or 34% higher than a year ago.

### Third quarter earnings per share (EPS) up 145%

At 49 cents per share entitled to a dividend, EPS for the quarter under review were up 29 cents year-on-year. This figure has been arrived at on the basis of 42.5 million no-par value shares (Q3 2003: 41.7 million). For the first nine months of 2004, EPS amounted to € 2.63, up 63 cents or 32% year-on-year. This represents the best result hitherto achieved in the history of our Company for this period of time.

DVFA third quarter earnings amounted to 26 cents per share, up 18 cents on the figure for the same period last year. For the first nine months, DVFA earnings amounted to € 1.64 per share, compared with € 1.21 a year ago. We held no shares of our own as of 30 September 2004.

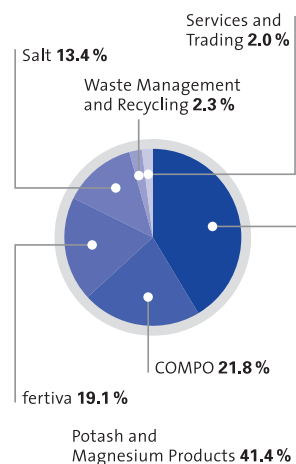
### Third quarter trend in cash flow figures positive

At € 62.6 million, third quarter gross cash flow was up € 26.5 million year-on-year; gross cash flow nine months into the year was higher, having risen by € 52.0 million or 33%. Third quarter operating cash flow rose by € 24.7 million to € 151.0 million as a significant decline in accounts receivable resulted in a lower level of working capital than for the same quarter a year ago. However, operating cash flow for the first nine months was somewhat weaker, declining from € 264.4 million to € 224.2 million. This is largely attributable to a stronger decrease in liabilities. Third quarter free cash flow amounted to € 113.6 million, up € 30.1 million on the same period last year. Viewed from a nine-month perspective, it amounted to € 52.4 million, compared with € 182.1 million a year ago; a decrease that was mainly the result of the acquisition of the remaining 38% interest in esco in the second quarter.

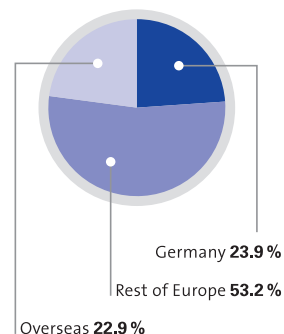
Net cash and cash equivalents as of 30 September 2004 amounted to € 230.2 million, down € 37.5 million on the same date last year.

|  | 2004          |                |
|--|---------------|----------------|
|  | Q3            | 9M             |
| Revenues (€ million)                       | 551.2         | 1,938.2        |
| <b>Change in revenues (€ million)</b>      | <b>+ 59.3</b> | <b>+ 201.6</b> |
| - resulting from volume/structural factors | - 10.1        | + 46.8         |
| - resulting from prices                    | + 50.7        | + 108.5        |
| - resulting from exchange rates            | - 7.0         | - 50.1         |
| - resulting from consolidation             | + 25.7        | + 96.4         |

Revenues by business segment  
Jan. - Sept. 2004



Revenues by region  
Jan. - Sept. 2004



## Management's Analysis

### Capital expenditure lower than a year ago as planned

Our third quarter capital expenditure amounted to € 36.0 million and was thus € 9.8 million down on the corresponding figure for last year. The Potash and Magnesium Products business segment accounted for the bulk of it. The installation of a conveyor system to develop the rich Sylvinitic deposits on the Werra constituted the most important project. As scheduled, operational testing was successfully commenced at the beginning of October. The COMPO business segment invested in the development of its Spanish logistics platform, and the Salt business segment completed a project consisting in the expansion of a brine field in the Netherlands. K+S Group capital expenditure over the first nine months totalled € 81.4 million, down € 7.9 million on the same period last year.

Third quarter research and development costs totalled € 3.0 million and were on precisely the same level as a year ago: Research expenditure for the first nine months of the year amounted to € 9.3 (Q3 2003: € 9.9 million).

### Acquisition of parts of French SCPA

Subject to the obtaining of clearance from the French cartel authority, K+S Aktiengesellschaft acquired the distribution and production capacities of French Société Commerciale des Potasses et de l'Azote (SCPA) in October 2004 and with retroactive effect from 1 January 2004. As a result of the acquisition, K+S has acquired customer bases, trademark rights as well as four production sites in France where speciality and complex fertilizers are granulated or prepared. The acquisition will yield additional revenues of approximately € 30 million per year and has increased the headcount by about 120. As a result, K+S will greatly enhance its market position in France, Europe's most important agricultural market.

### Consolidation-related increase in personnel

As of 30 September 2004, the K+S Group employed 11,159 people worldwide (10,144 of whom were employed in Germany). This means that the number of employees increased by a total of 521 compared with last year. The inclusion of 100 % of esco resulted in a consolidation-related increase of 518 persons with the acquisition of Meiners AG during the first quarter resulting in an increase of 138 persons. Without these structural effects, there would have been 135 employees fewer in the workforce as of 30 September 2004. The number of trainees, which is already high, has risen once again, by 32 to 585.

Third quarter personnel expenses amounted to € 144.5 million, up € 16.4 million year-on-year. For the first nine months of the year, personnel expenses amounted to € 446.9 million and were thus € 30.4 million or 7% higher year-on-year. Without the acquisition of the 38% interest in esco, personnel expenses would only have risen by € 10.4 million or 2.5%.

### Good prospects

Business will evolve positively over the remaining weeks of 2004 as a result of global demand for potash fertilizers remaining high. In addition, the consolidation of all of esco will impact positively on revenues.

With respect to EBIT, we now anticipate a significant improvement from the perspective of the year as a whole. Our largest business segment, Potash and Magnesium Products, will attain a strong increase in earnings. This is because the effects of our recent efficiency enhancement programmes are having a growing impact alongside positive market trends. Furthermore, the acquisition of the remaining stake in esco will contribute a good € 15 million to 2004 earnings. Despite a higher tax burden, net income nine months into the year has already exceeded the figure for 2003 as a whole. We expect to see a further improvement in earnings in the fourth quarter.

#### 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.

We are very confident about 2005 provided that there will be no significant deterioration in global economic conditions. Our outlook is based on there being continued strong demand for potash fertilizers, on efficiency gains as well as on the greater flexibility on working hours that has been agreed. The additional production output that will also become available in 2005 from our new, rich deposit will also enhance the earnings strength of the K+S Group.

The Board of Executive Directors, 5 November 2004

## Business Segments of the K+S Group

| Potash and Magnesium Products   | July - Sept. (Q3) |       |        | Jan. - Sept. (9M) |       |        |
|---|-------------------|-------|--------|-------------------|-------|--------|
|   | 2004              | 2003  | %      | 2004              | 2003  | %      |
| € million   |                   |       |        |                   |       |        |
| Revenues  | 238.9             | 226.3 | + 5.6  | 801.8             | 768.6 | + 4.3  |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 31.1              | 22.3  | + 39.5 | 98.6              | 82.3  | + 19.8 |
| EBITDA margin in %  | 13.0              | 9.9   |        | 12.3              | 10.7  |        |
| Earnings before interest and taxes (EBIT)                               | 13.7              | 3.7   | > 100  | 45.3              | 26.7  | + 69.7 |
| EBIT margin in %  | 5.7               | 1.6   |        | 5.6               | 3.5   |        |
| Capital expenditure   | 24.3              | 29.6  | - 17.9 | 49.5              | 56.4  | - 12.2 |
| Employees as of 30 Sept. (number)                                       | -                 | -     | -      | 7,465             | 7,620 | - 2.0  |

Worldwide demand for potash fertilizers, especially in Latin America, continued to be high in the third quarter of 2004. Despite higher production volume, the inventories maintained by all potash producers were at historically low levels. Combined with sea freight rates that remained high and increased energy costs, this trend resulted in much higher potash prices than at the beginning of the year.

Third quarter revenues rose by about 6% to € 238.9 million as a result of price factors. The price increases achieved in the overseas business more than made up for the decline in revenues attributable to exchange rate factors. In the case of potassium chloride, revenues amounted to € 123.4 million, representing an increase of 7%. At € 75.3 million, revenues of the speciality fertilizer segment were up by 3% year-on-year. The industrial products business (€ 40.2 million) was up 6% on the same quarter last year as a result of both volume and price factors. For the first nine months of the year, the business segment achieved revenues of € 801.8 million, up 4% as a result of higher prices and greater volume.

It was possible to increase EBIT by € 10.0 million to € 13.7 million in the third quarter. This rise was attributable to strong demand, higher prices and successes stemming from the efficiency enhancement measures. EBIT for the first nine months of the year totalled € 45.3 million, which means that the figure achieved for all of 2003 (€ 31.6 million) has already been clearly exceeded nine months into the year.

Although the US dollar exchange rate has been hedged at a lower rate than a year ago, we expect to see a rise in revenues for 2004 as a whole that will be in line with that for the first nine months. Although freight and energy prices can be expected to remain high, earnings will display a marked increase year-on-year as a result of the measures implemented to enhance efficiency, too.

| COMPO   | July - Sept. (Q3) |       |        | Jan. - Sept. (9M) |       |        |
|---|-------------------|-------|--------|-------------------|-------|--------|
|   | 2004              | 2003  | %      | 2004              | 2003  | %      |
| € million   |                   |       |        |                   |       |        |
| Revenues  | 78.7              | 74.2  | + 6.1  | 423.6             | 396.4 | + 6.9  |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 0.3               | 1.2   | - 75.0 | 29.8              | 36.0  | - 17.2 |
| EBITDA margin in %  | 0.3               | 1.6   |        | 7.0               | 9.1   |        |
| Earnings before interest and taxes (EBIT)                               | - 2.4             | - 1.7 | - 41.2 | 21.0              | 27.2  | - 22.8 |
| EBIT margin in %  | -                 | -     |        | 5.0               | 6.9   |        |
| Capital expenditure   | 3.9               | 6.3   | - 38.1 | 6.8               | 10.1  | - 32.7 |
| Employees as of 30 Sept. (number)                                       | -                 | -     | -      | 1,322             | 1,159 | + 14.1 |

Q3 saw no change in the different market conditions affecting the consumer and professional areas. As a result of a decline in garden-related activity, the consumer business developed rather moderately, although COMPO gained market share in this area. The professional area continued to develop very positively.

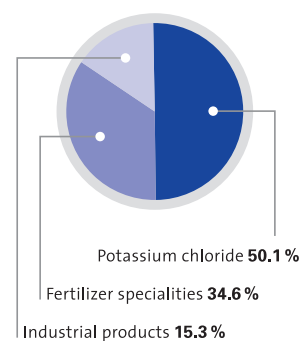
Revenues for the third quarter of 2004 were up € 4.5 million or 6% year-on-year, mainly as a result of volume factors. While a slight decline had to be accepted in the case of Germany, revenues generated in the rest of Europe were increased significantly. In the consumer area, revenues largely remained constant, totalling € 27.4 million. Traditionally, the third quarter in the consumer segment is characterized by purchasing restraint attributable to holiday-related factors. The poor weather conditions experienced in Europe in July and, in particular, the difficult economic situation in Germany were additional factors this year. By contrast, the professional business grew by 10% to € 51.3 million as a result of robust business in Europe and continued strong demand for speciality fertilizers above all. COMPO business segment revenues for the first nine months of the year amounted to € 423.6 million (up € 27.2 million or 7%). Of this increase, the acquisition of Meiners AG accounted for € 3.0 million.

EBIT for the quarter under review amounted to € -2.4 million, down € 0.7 million year-on-year. EBIT for the first nine months fell by € 6.2 million to € 21.0 million. In addition to the moderate pace of consumer business, this was mainly due to the world market price of ammonia remaining exceptionally high.

As a result of the positive way in which business has been developing in the professional area, we expect the rise in revenues for 2004 as a whole to be similar to that for the first nine months. As we expect the situation to remain difficult with respect to both the price of ammonia and freight costs, we anticipate that EBIT will be down significantly on last year. Market share increases as well as the efficiency enhancements implemented will contribute to reversing the unsatisfactory result in the future.

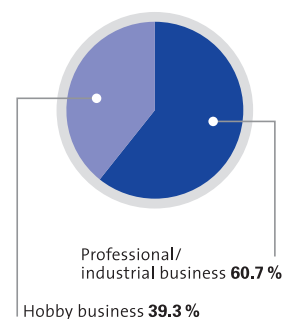
|                                       | 2004          |               |
|---------------------------------------|---------------|---------------|
|                                       | Q3            | 9M            |
| Revenues (€ million)                  | 238.9         | 801.8         |
| <b>Change in revenues (€ million)</b> | <b>+ 12.6</b> | <b>+ 33.2</b> |
| - Potassium chloride                  | + 8.0         | + 26.1        |
| - Fertilizer specialities             | + 2.5         | + 8.3         |
| - Industrial products                 | + 2.1         | - 1.2         |

Revenues by product group  
Jan. - Sept. 2004



|                                       | 2004         |               |
|---------------------------------------|--------------|---------------|
|                                       | Q3           | 9M            |
| Revenues (€ million)                  | 78.7         | 423.6         |
| <b>Change in revenues (€ million)</b> | <b>+ 4.5</b> | <b>+ 27.2</b> |
| - Consumer business                   | - 0.3        | - 6.7         |
| - Professional/industrial business    | + 4.8        | + 33.9        |

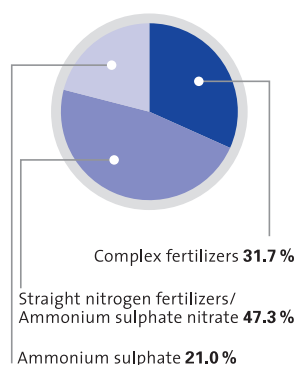
Revenues by product group  
Jan. - Sept. 2004



## Business Segments of the K+S Group

|   | 2004          |               |
|---|---------------|---------------|
|   | Q3            | 9M            |
| Revenues (€ million)  | 132.8         | 370.4         |
| <b>Change in revenues (€ million)</b>                         | <b>+ 11.6</b> | <b>+ 37.8</b> |
| - Complex fertilizers   | + 3.0         | + 6.2         |
| - Straight nitrogen fertilizers/<br>Ammonium sulphate nitrate | - 1.7         | + 7.3         |
| - Ammonium sulphate   | + 10.3        | + 24.3        |

Revenues by product group  
Jan. - Sept. 2004



| fertiva  | July - Sept. (Q3) |       |        | Jan. - Sept. (9M) |       |        |
|--|-------------------|-------|--------|-------------------|-------|--------|
|  | 2004              | 2003  | %      | 2004              | 2003  | %      |
| € million  |                   |       |        |                   |       |        |
| Revenues   | 132.8             | 121.2 | + 9.6  | 370.4             | 332.6 | + 11.4 |
| Earnings before interest, taxes,<br>depreciation and amortization (EBITDA) | 0.6               | 0.5   | + 20.0 | 7.2               | 6.0   | + 20.0 |
| EBITDA margin in %   | 0.5               | 0.4   |        | 1.9               | 1.8   |        |
| Earnings before interest and taxes (EBIT)                                  | 0.5               | 0.4   | + 25.0 | 6.9               | 5.7   | + 21.1 |
| EBIT margin in %   | 0.4               | 0.3   |        | 1.9               | 1.7   |        |
| Capital expenditure  | 0.4               | -     | -      | 0.8               | -     | -      |
| Employees as of 30 Sept. (number)  | -                 | -     | -      | 55                | 55    | -      |

Demand for nitrogen fertilizers rose again over the third quarter. Producer inventories are low while trade distributors are ready to build up their stocks as fertilizer prices are expected to continue rising. This trend has been triggered by a price of ammonia that is about 50% higher than a year ago.

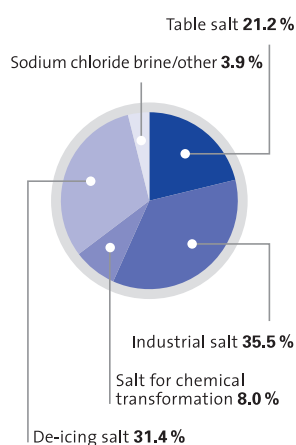
For the third quarter of 2003, fertiva achieved a significant increase in revenues, which rose by € 11.6 million or 10% to € 132.8 million. This increase was solely attributable to prices that were higher than during the same quarter last year. Complex fertilizer revenues rose by 8% to € 40.8 million. In the case of straight nitrogen fertilizers, lower availability could almost be completely made up for by price increases; revenues fell by 3% to € 62.8 million. The increase of 54% to € 29.2 million in revenues for ammonium sulphate was solely attributable to price improvements, especially on overseas markets. At € 370.4 million, fertiva business segment revenues for the first nine months of the year were up 11% year-on-year, with the increase due solely to price factors.

Third quarter EBIT rose slightly to € 0.5 million. We were also able to achieve an improvement for the first nine months of 2004 (€ +1.2 million) compared with last year. This is mainly due to the new arrangement that has been in force since the beginning of this year and which provides for a further incentive for K+S that goes beyond the previous ceiling on earnings.

As a result of higher price levels, we expect revenues for 2004 as a whole to rise to a similar extent as for the first nine months. The new rules governing the determination of earnings will yield a further contribution to earnings.

|                                       | 2004          |                |
|---------------------------------------|---------------|----------------|
|                                       | Q3            | 9M             |
| Revenues (€ million)                  | 73.1          | 259.6          |
| <b>Change in revenues (€ million)</b> | <b>+ 30.7</b> | <b>+ 106.5</b> |
| - Table salt                          | + 7.6         | + 22.1         |
| - Industrial salt                     | + 9.7         | + 36.9         |
| - Salt for chemical transformation    | + 2.4         | + 8.7          |
| - De-icing salt                       | + 10.3        | + 34.8         |
| - Sodium chloride brine/other         | + 0.7         | + 4.0          |

Revenues by product group  
Jan. - Sept. 2004



| Salt (2004: 100% of esco, 2003: 62% of esco)                               | July - Sept. (Q3) |      |         | Jan. - Sept. (9M) |       |        |
|--|-------------------|------|---------|-------------------|-------|--------|
|  | 2004              | 2003 | %       | 2004              | 2003  | %      |
| € million  |                   |      |         |                   |       |        |
| Revenues   | 73.1              | 42.4 | + 72.4  | 259.6             | 153.1 | + 69.6 |
| Earnings before interest, taxes,<br>depreciation and amortization (EBITDA) | 9.8               | 4.9  | + 100.0 | 55.1              | 27.9  | + 97.5 |
| EBITDA margin in %   | 13.4              | 11.6 |         | 21.2              | 18.2  |        |
| Earnings before interest and taxes (EBIT)                                  | 5.1               | 2.3  | > 100   | 40.9              | 20.1  | > 100  |
| EBIT margin in %   | 7.0               | 5.4  |         | 15.8              | 13.1  |        |
| Capital expenditure  | 4.9               | 6.9  | - 29.0  | 19.0              | 15.0  | + 26.7 |
| Employees as of 30 Sept. (number)  | -                 | -    | -       | 1,348             | 846   | + 59.3 |

The acquisition of the remaining 38% stake in esco was completed in Q2. That is why 100% of esco is being included in our consolidated financial statements with retroactive effect from 1 January 2004. The previous year's figures show our 62% interest in esco and are not comparable for this reason.

The Western European salt market was in stable shape during the third quarter. However, imports from Eastern Europe reduced sales opportunities in some sub-segments.

The rise in revenues from € 30.7 million to € 73.1 million for the quarter under review was largely attributable to the first-time full consolidation of esco. After adjustment for consolidation effects, the increase in revenues amounted to € 3.0 million. In the case of table salt and salts for chemical transformation, revenues amounted to € 18.9 million and € 7.2 million respectively; the increases for both segments were exclusively consolidation-related. In the case of industrial salts, we experienced a slight decline in volume; this segment posted revenues of € 29.2 million for the quarter. The de-icing salt business benefited from the seasonal purchase business, which has already started up, resulting in a significant increase to € 15.8 million. Revenues for the period from Jan. to Sept. 2004 rose by € 106.5 million to € 259.6 million. Without the effects of consolidation, the increase would have been € 7.9 million.

Higher revenues as well as cost savings saw earnings for the third quarter improve and amount to € 5.1 million. For the first nine months of the year, the increase from business operations alone amounted to € 5.3 million and in addition, esco's full consolidation contributed € 15.5 million to earnings, yielding EBIT of € 40.9 million (€ +20.8 million) for the first nine months of the year.

For 2004, we expect the rise in revenues to be similar to that for the first nine months. Earnings should also be significantly up on last year.

| Waste Management and Recycling  | July - Sept. (Q3) |      |        | Jan. - Sept. (9M) |      |        |
|---|-------------------|------|--------|-------------------|------|--------|
|   | 2004              | 2003 | %      | 2004              | 2003 | %      |
| € million   |                   |      |        |                   |      |        |
| Revenues  | 14.8              | 12.9 | + 14.7 | 44.6              | 40.6 | + 9.9  |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 2.8               | 1.5  | + 86.7 | 9.3               | 6.7  | + 38.8 |
| EBITDA margin in %  | 18.9              | 11.6 |        | 20.9              | 16.5 |        |
| Earnings before interest and taxes (EBIT)                               | 2.3               | 0.4  | > 100  | 6.8               | 3.5  | + 94.3 |
| EBIT margin in %  | 15.5              | 3.1  |        | 15.2              | 8.6  |        |
| Capital expenditure   | 0.3               | 1.1  | - 72.7 | 0.6               | 1.1  | - 45.5 |
| Employees as of 30 Sept. (number)                                       | -                 | -    | -      | 248               | 234  | + 6.0  |

The third quarter saw no significant change in conditions for the waste management business. Over-capacity and a slight decline in quantities of waste because of economic factors cause prices to remain on a low level.

At € 14.8 million, revenues for the quarter under review were 15% up year-on-year. The increase was mainly due to volume factors. Special projects involving the clean-up of pre-existing environmental contamination resulted in revenues for underground waste disposal rising by € 1.6 million to € 4.8 million. Underground waste re-utilisation rose slightly to € 5.5 million. With price levels stable, the increase was mainly attributable to higher volume. Trends in the recycling business (€ 4.5 million) were similar to a year ago. Weaker business in the area of building material recycling could almost be completely made up for by increases in salt slag recycling. For the first nine months of the year, the Waste Management and Recycling business segment was able to increase revenues by 10% to a total of € 44.6 million, mainly as a result of volume factors.

The business segment's earnings improved significantly also as a result of the special projects involving the clean-up of pre-existing environmental contamination. Third quarter EBIT was up € 1.9 million to € 2.3 million, while EBIT for the first nine months was up € 3.3 million to € 6.8 million.

Although competitive pressures will persist in the fourth quarter, we expect to see an improvement in revenues and a progressive increase in EBIT for 2004 as a whole.

| Services and Trading  | July - Sept. (Q3) |      |        | Jan. - Sept. (9M) |      |        |
|---|-------------------|------|--------|-------------------|------|--------|
|   | 2004              | 2003 | %      | 2004              | 2003 | %      |
| € million   |                   |      |        |                   |      |        |
| Revenues  | 12.9              | 14.6 | - 11.6 | 38.2              | 44.4 | - 14.0 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 6.8               | 6.9  | - 1.4  | 23.3              | 20.8 | + 12.0 |
| EBITDA margin in %  | 52.7              | 47.3 |        | 61.0              | 46.8 |        |
| Earnings before interest and taxes (EBIT)                               | 5.4               | 5.2  | + 3.8  | 18.9              | 15.6 | + 21.2 |
| EBIT margin in %  | 41.9              | 35.6 |        | 49.5              | 35.1 |        |
| Capital expenditure   | 2.1               | 0.8  | > 100  | 4.2               | 5.5  | - 23.6 |
| Employees as of 30 Sept. (number)                                       | -                 | -    | -      | 398               | 401  | - 0.7  |

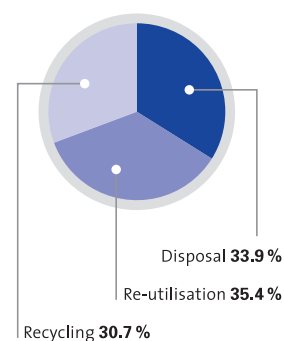
Third quarter 2004 revenues for the Services and Trading business segment fell by € 1.7 million to € 12.9 million. As was already the case in the second quarter, weaker third-party business in the logistics area, e.g. in the case of grain handling, caused revenues to fall by € 1.1 million. With regard to CATSAN® production (granulation), slightly higher volume resulted in revenues of € 6.7 million, up somewhat year-on-year. By contrast, trading was stable. Revenues for the IT and analysis areas were down € 0.8 million to € 1.0 million as a result of a decrease in project services. At € 38.2 million for the first nine months, the Services and Trading business segment posted revenues for third-party business that were 14% down on the previous year.

Despite the decline in third-party business revenues, the business segment posted significantly higher EBIT for both the third quarter (up € 0.2 million to € 5.4 million) and for the first nine months of the year (up € 3.3 million to € 18.9 million). The main cause of this was the additional contribution to earnings deriving from additional logistics services for the Potash and Magnesium Products business segment.

For 2004 as a whole, we expect third-party business revenues to be down on the preceding year. By contrast, EBIT should be higher as a result of additional services supplied to Group companies.

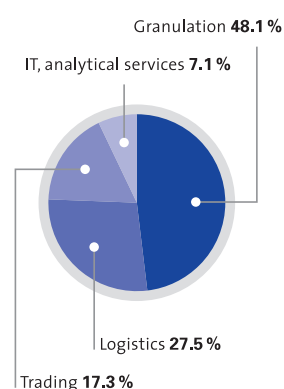
|                                       | 2004         |              |
|---------------------------------------|--------------|--------------|
|                                       | Q3           | 9M           |
| Revenues (€ million)                  | 14.8         | 44.6         |
| <b>Change in revenues (€ million)</b> | <b>+ 1.9</b> | <b>+ 4.0</b> |
| - Disposal                            | + 1.6        | + 4.6        |
| - Re-utilisation                      | + 0.5        | + 1.0        |
| - Recycling                           | - 0.2        | - 1.6        |

Revenues by segment  
Jan. - Sept. 2004



|                                       | 2004         |              |
|---------------------------------------|--------------|--------------|
|                                       | Q3           | 9M           |
| Revenues (€ million)                  | 12.9         | 38.2         |
| <b>Change in revenues (€ million)</b> | <b>- 1.7</b> | <b>- 6.2</b> |
| - Granulation                         | + 0.3        | - 0.3        |
| - Logistics                           | - 1.1        | - 2.2        |
| - Trading                             | - 0.1        | - 1.0        |
| - IT, analytical services             | - 0.8        | - 2.7        |

Revenues by segment  
Jan. - Sept. 2004



## Financial Section

### Explanatory notes; structural changes

This interim report has been prepared in accordance with Accounting Standard No. 6 (DR 6) of the German Accounting Standards Committee (DRSC). The interim financial statements and the consolidated financial statements of the K+S Group have been prepared in accordance with the regulations contained in the German Commercial Code (HGB) and the Stock Corporation Act (AktG). The accounting and valuation principles used were the same as those employed for the consolidated financial statements of the K+S Group as of 31 December 2003 as well as the corresponding quarterly report for the third quarter of 2003. As of 1 January 2004, three companies are no longer consolidated on the grounds of immateriality while one company acquired in the first quarter of 2004 is consolidated. The esco holding is fully consolidated with retroactive effect from 1 January 2004; consolidation was prorated at 62% for the preceding year.

| Profit and loss account<br>€ million                                  | July- Sept. (Q3) |       | Jan. - Sept. (9M) |         |
|---|------------------|-------|-------------------|---------|
|   | 2004             | 2003  | 2004              | 2003    |
| <b>Revenues</b>   | <b>551.2</b>     | 491.9 | <b>1,938.2</b>    | 1,736.6 |
| Cost of sales   | 371.2            | 348.2 | 1,254.5           | 1,159.2 |
| <b>Gross profit</b>   | <b>180.0</b>     | 143.7 | <b>683.7</b>      | 577.4   |
| Gross margin in %   | 32.7             | 29.2  | 35.3              | 33.2    |
| Selling expenses  | 131.4            | 117.8 | 468.9             | 420.9   |
| including: freight costs  | 70.4             | 61.3  | 251.7             | 225.5   |
| General and administrative expenses                                   | 12.8             | 11.7  | 45.5              | 41.3    |
| Research costs  | 3.0              | 3.0   | 9.3               | 9.9     |
| Other operating income  | 19.0             | 29.3  | 46.6              | 69.7    |
| Other operating expenses  | 28.5             | 30.0  | 74.5              | 78.4    |
| <b>EBIT</b>   | <b>23.3</b>      | 10.5  | <b>132.1</b>      | 96.6    |
| EBIT margin in %  | 4.2              | 2.1   | 6.8               | 5.6     |
| Result from investment, net   | 0.4              | 0.1   | 1.3               | 0.8     |
| Write-downs on financial assets and short-term securities             | 0.2              | 0.2   | 0.2               | 0.6     |
| Interest income, net  | - 1.3            | - 1.7 | - 4.8             | - 4.0   |
| <b>Financial result</b>   | <b>- 1.1</b>     | - 1.8 | <b>- 3.7</b>      | - 3.8   |
| <b>Result from ordinary operations / earnings before income taxes</b> | <b>22.2</b>      | 8.7   | <b>128.4</b>      | 92.8    |
| Pre-tax return on revenues in %                                       | 4.0              | 1.8   | 6.6               | 5.3     |
| Taxes on income   | 1.5              | 0.3   | 16.7              | 9.7     |
| <b>Earnings after taxes</b>   | <b>20.7</b>      | 8.4   | <b>111.7</b>      | 83.1    |
| Return on revenues in %   | 3.8              | 1.7   | 5.8               | 4.8     |

| Statement of Changes in Equity        | Subscribed capital | Additional paid-in capital | Reserve for own shares | Profit retained/ other revenue reserves | Equity       |
|---------------------------------------|--------------------|----------------------------|------------------------|---|--------------|
| € million                             |                    |                            |                        |   |              |
| As of 1 January 2004                  | 108.8              | 4.6                        | –                      | 442.0                                   | 555.4        |
| Surplus for the period                | –                  | –                          | –                      | + 111.7                                 | + 111.7      |
| Dividend for previous year            | –                  | –                          | –                      | - 42.5                                  | - 42.5       |
| Consolidation effects                 | –                  | - 4.6                      | –                      | - 45.1                                  | - 49.7       |
| <b>As of 30 September 2004</b>        | <b>108.8</b>       | <b>–</b>                   | <b>–</b>               | <b>466.1</b>                            | <b>574.9</b> |
| As of 1 January 2003                  | 115.2              | –                          | 60.4                   | 337.8                                   | 513.4        |
| Surplus for the period                | –                  | –                          | –                      | + 83.1                                  | + 83.1       |
| Dividend for previous year            | –                  | –                          | –                      | - 41.5                                  | - 41.5       |
| Repurchase/cancellation of own shares | - 6.4              | 6.4                        | - 56.5                 | + 13.1                                  | - 43.4       |
| Consolidation effects                 | –                  | –                          | –                      | + 48.0                                  | + 48.0       |
| As of 30 September 2003               | 108.8              | 6.4                        | 3.9                    | 440.5                                   | 559.6        |



| <b>Balance Sheet - Assets</b>        |                |                |                |
|--------------------------------------|----------------|----------------|----------------|
| € million                            | 30.09.2004     | 30.09.2003     | 31.12.2003     |
| Intangible assets                    | 32.2           | 31.2           | 33.9           |
| Tangible fixed assets                | 678.7          | 619.5          | 625.9          |
| Financial assets                     | 65.1           | 76.3           | 76.0           |
| <b>Fixed assets</b>                  | <b>776.0</b>   | <b>727.0</b>   | <b>735.8</b>   |
| Inventories                          | 221.2          | 211.0          | 237.3          |
| Receivables and other current assets | 532.0          | 480.6          | 543.4          |
| Own shares                           | –              | 3.9            | –              |
| Other securities                     | 94.9           | 100.3          | 104.3          |
| Cash in hand, bank balances, cheques | 154.3          | 181.8          | 130.5          |
| <b>Current assets</b>                | <b>1,002.4</b> | <b>977.6</b>   | <b>1,015.5</b> |
| <b>Deferred taxes</b>                | <b>–</b>       | <b>–</b>       | <b>–</b>       |
| <b>Prepaid expenses</b>              | <b>2.6</b>     | <b>3.0</b>     | <b>3.2</b>     |
| <b>ASSETS</b>                        | <b>1,781.0</b> | <b>1,707.6</b> | <b>1,754.5</b> |

| <b>Balance Sheet - Equity and Liabilities</b>   |                |                |                |
|---|----------------|----------------|----------------|
| € million                                       | 30.09.2004     | 30.09.2003     | 31.12.2003     |
| Subscribed capital                              | 108.8          | 108.8          | 108.8          |
| Additional paid-in capital                      | –              | 6.4            | 4.6            |
| Reserve for own shares                          | –              | 3.9            | –              |
| Other revenue reserves and profit retained      | 466.1          | 440.5          | 442.0          |
| <b>Equity</b>                                   | <b>574.9</b>   | <b>559.6</b>   | <b>555.4</b>   |
| <b>Balance on capital consolidation</b>         | <b>17.4</b>    | <b>33.2</b>    | <b>29.5</b>    |
| Provisions for pensions and similar obligations | 177.5          | 174.6          | 172.9          |
| Provisions for mining obligations               | 332.4          | 316.4          | 311.6          |
| Provisions for taxes                            | 29.1           | 4.1            | 21.1           |
| Other provisions                                | 292.0          | 246.8          | 247.6          |
| <b>Provisions</b>                               | <b>831.0</b>   | <b>741.9</b>   | <b>753.2</b>   |
| Accounts payable - trade                        | 280.5          | 268.9          | 306.6          |
| Bank loans and overdrafts                       | 19.0           | 18.3           | 19.4           |
| Other liabilities                               | 57.8           | 84.4           | 90.0           |
| <b>Liabilities</b>                              | <b>357.3</b>   | <b>371.6</b>   | <b>416.0</b>   |
| <b>Deferred income</b>                          | <b>0.4</b>     | <b>1.3</b>     | <b>0.4</b>     |
| <b>EQUITY AND LIABILITIES</b>                   | <b>1,781.0</b> | <b>1,707.6</b> | <b>1,754.5</b> |

## Financial Section

| <b>Cash Flow Statement</b>   | <b>July - Sept. (Q3)</b> |        | <b>Jan. - Sept. (9M)</b> |        |
|--|--------------------------|--------|--------------------------|--------|
| € million  | 2004                     | 2003   | 2004                     | 2003   |
| <b>Earnings after taxes</b>  | <b>20.7</b>              | 8.4    | <b>111.7</b>             | 83.1   |
| Depreciation on fixed assets                                       | 27.4                     | 28.0   | 85.4                     | 82.8   |
| Increase (+)/decrease (-) in long-term provisions                  | 18.1                     | 4.5    | 24.4                     | 5.9    |
| Release of liabilities-side consolidation difference               | - 3.5                    | - 3.8  | - 10.5                   | - 11.3 |
| Write-ups (-)/write-downs (+) on short-term securities             | - 0.1                    | - 1.0  | - 2.0                    | - 2.6  |
| Other non-cash items   | –                        | –      | 0.9                      | –      |
| <b>Gross Cash Flow</b>   | <b>62.6</b>              | 36.1   | <b>209.9</b>             | 157.9  |
| Gain (-)/loss (+) on disposal of fixed assets                      | - 0.2                    | 5.4    | - 0.6                    | 3.9    |
| Increase (-)/decrease (+) in inventories                           | - 12.8                   | - 3.5  | 27.8                     | 27.7   |
| Increase (-)/decrease (+) in receivables from operating activities | 144.1                    | 87.2   | 55.1                     | 44.7   |
| Increase (+)/decrease (-) in short-term provisions                 | - 20.1                   | - 12.4 | 29.3                     | 29.5   |
| Increase (+)/decrease (-) in liabilities from operating activities | - 22.6                   | 13.5   | - 97.3                   | 0.7    |
| <b>Cash flow provided by operating activities</b>                  | <b>151.0</b>             | 126.3  | <b>224.2</b>             | 264.4  |
| Proceeds from disposal of fixed assets                             | 1.4                      | 3.1    | 6.3                      | 30.8   |
| Disbursements for intangible assets                                | -1.7                     | - 1.1  | - 2.7                    | - 2.5  |
| Disbursements for tangible fixed assets                            | - 34.3                   | - 44.8 | - 78.7                   | - 86.9 |
| Disbursements for financial assets                                 | - 2.8                    | –      | - 3.3                    | - 23.7 |
| Disbursements for acquisition of consolidated companies            | –                        | –      | - 93.4                   | –      |
| <b>Cash flow used in investing activities</b>                      | <b>- 37.4</b>            | - 42.8 | <b>- 171.8</b>           | - 82.3 |
| <b>Free cash flow</b>  | <b>113.6</b>             | 83.5   | <b>52.4</b>              | 182.1  |
| Cancellation of own shares   | –                        | –      | –                        | - 43.4 |
| Payment of dividends   | –                        | –      | - 42.5                   | - 41.5 |
| <b>Cash flow used in financing activities</b>                      | <b>–</b>                 | –      | <b>- 42.5</b>            | - 84.9 |
| <b>Change in cash and cash equivalents affecting cash flow</b>     | <b>113.6</b>             | 83.5   | <b>9.9</b>               | 97.2   |
| Change in cash and cash equivalents                                | 0.1                      | 0.9    | 2.0                      | 2.6    |
| Change in scope of consolidation                                   | –                        | –      | 2.8                      | –      |
| <b>Change in cash and cash equivalents</b>                         | <b>113.7</b>             | 84.4   | <b>14.7</b>              | 99.8   |

| <b>Net Cash and Cash Equivalents</b> | <b>July - Sept. (Q3)</b> |        | <b>Jan. - Sept. (9M)</b> |        |
|--------------------------------------|--------------------------|--------|--------------------------|--------|
| € million                            | 2004                     | 2003   | 2004                     | 2003   |
| Opening balance                      | 116.4                    | 183.3  | 215.4                    | 167.9  |
| Own shares                           | –                        | 3.9    | –                        | 3.9    |
| Other short-term securities          | 94.9                     | 100.3  | 94.9                     | 100.3  |
| Cash in hand, bank balances, cheques | 154.3                    | 181.8  | 154.3                    | 181.8  |
| Short-term financial liabilities     | - 19.0                   | - 18.3 | - 19.0                   | - 18.3 |
| <b>Balance as of 30 September</b>    | <b>230.2</b>             | 267.7  | <b>230.2</b>             | 267.7  |

## Summary by Quarter

| Revenues and Earnings          | 2003         |              |              |              | 2004         |              |              |        |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|
|                                | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | %      |
| € million                      |              |              |              |              |              |              |              |        |
| Potash and Magnesium Products  | 295.3        | 247.0        | 226.3        | 236.1        | 286.7        | 276.2        | <b>238.9</b> | + 5.6  |
| COMPO                          | 192.3        | 129.9        | 74.2         | 94.0         | 209.1        | 135.8        | <b>78.7</b>  | + 6.1  |
| fertiva                        | 125.1        | 86.3         | 121.2        | 141.5        | 115.6        | 122.0        | <b>132.8</b> | + 9.6  |
| Salt                           | 73.7         | 37.0         | 42.4         | 53.1         | 121.1        | 65.4         | <b>73.1</b>  | + 72.4 |
| Waste Management and Recycling | 13.6         | 14.1         | 12.9         | 14.0         | 14.6         | 15.2         | <b>14.8</b>  | + 14.7 |
| Services and Trading           | 15.8         | 14.0         | 14.6         | 12.0         | 13.5         | 11.8         | <b>12.9</b>  | - 11.6 |
| Reconciliation                 | 0.4          | 0.2          | 0.3          | 0.5          | –            | –            | –            |        |
| <b>K+S Group revenues</b>      | <b>716.2</b> | <b>528.5</b> | <b>491.9</b> | <b>551.2</b> | <b>760.6</b> | <b>626.4</b> | <b>551.2</b> | + 12.1 |
| Potash and Magnesium Products  | 20.2         | 2.8          | 3.7          | 4.9          | 18.3         | 13.3         | <b>13.7</b>  | > 100  |
| COMPO                          | 21.3         | 7.6          | - 1.7        | - 1.8        | 17.3         | 6.1          | <b>- 2.4</b> | - 41.2 |
| fertiva                        | 4.0          | 1.3          | 0.4          | 0.9          | 3.2          | 3.2          | <b>0.5</b>   | + 25.0 |
| Salt                           | 20.1         | - 2.3        | 2.3          | 7.1          | 34.4         | 1.4          | <b>5.1</b>   | > 100  |
| Waste Management and Recycling | 1.4          | 1.7          | 0.4          | 0.7          | 2.3          | 2.2          | <b>2.3</b>   | > 100  |
| Services and Trading           | 6.5          | 3.9          | 5.2          | 1.4          | 6.5          | 7.0          | <b>5.4</b>   | + 3.8  |
| Reconciliation                 | - 5.7        | 3.3          | 0.2          | 5.9          | - 3.9        | - 2.5        | <b>- 1.3</b> |        |
| <b>K+S Group EBIT</b>          | <b>67.8</b>  | <b>18.3</b>  | <b>10.5</b>  | <b>19.1</b>  | <b>78.1</b>  | <b>30.7</b>  | <b>23.3</b>  | > 100  |

| Profit and Loss Account                    | 2003         |              |              |              | 2004         |              |              |         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------|
|  | Q1           | Q2           | Q3           | Q4           | Q1           | Q2           | Q3           | %       |
| € million                                  |              |              |              |              |              |              |              |         |
| <b>Revenues</b>                            | <b>716.2</b> | <b>528.5</b> | <b>491.9</b> | <b>551.2</b> | <b>760.6</b> | <b>626.4</b> | <b>551.2</b> | + 12.1  |
| Cost of sales                              | 466.7        | 344.3        | 348.2        | 380.5        | 471.3        | 412.0        | <b>371.2</b> | + 6.6   |
| <b>Gross profit</b>                        | <b>249.5</b> | <b>184.2</b> | <b>143.7</b> | <b>170.7</b> | <b>289.3</b> | <b>214.4</b> | <b>180.0</b> | + 25.3  |
| Selling expenses                           | 157.9        | 145.2        | 117.8        | 134.0        | 179.1        | 158.4        | <b>131.4</b> | + 11.5  |
| General and administrative expenses        | 15.0         | 14.6         | 11.7         | 15.1         | 15.8         | 16.9         | <b>12.8</b>  | + 9.4   |
| Research costs                             | 3.3          | 3.6          | 3.0          | 3.3          | 2.9          | 3.4          | <b>3.0</b>   | –       |
| Balance of other operating income/expenses | - 5.5        | - 2.5        | - 0.7        | + 0.8        | - 13.4       | - 5.0        | <b>- 9.5</b> | < - 100 |
| <b>EBIT</b>                                | <b>67.8</b>  | <b>18.3</b>  | <b>10.5</b>  | <b>19.1</b>  | <b>78.1</b>  | <b>30.7</b>  | <b>23.3</b>  | > 100   |
| Financial result                           | - 6.4        | + 4.4        | - 1.8        | - 0.3        | - 1.3        | - 1.3        | <b>- 1.1</b> | + 38.9  |
| <b>Earnings before income taxes</b>        | <b>61.4</b>  | <b>22.7</b>  | <b>8.7</b>   | <b>18.8</b>  | <b>76.8</b>  | <b>29.4</b>  | <b>22.2</b>  | > 100   |
| Taxes on income                            | 6.8          | 2.6          | 0.3          | 0.6          | 11.3         | 3.9          | <b>1.5</b>   | > 100   |
| <b>Earnings after taxes</b>                | <b>54.6</b>  | <b>20.1</b>  | <b>8.4</b>   | <b>18.2</b>  | <b>65.5</b>  | <b>25.5</b>  | <b>20.7</b>  | > 100   |

| Other Key Data  | 2003   |        |        |        | 2004   |        |               |        |
|---|--------|--------|--------|--------|--------|--------|---------------|--------|
|   | Q1     | Q2     | Q3     | Q4     | Q1     | Q2     | Q3            | %      |
| Capital expenditure (€ million) <sup>1)</sup>           | 20.1   | 23.4   | 45.8   | 37.3   | 18.0   | 27.4   | <b>36.0</b>   | - 21.4 |
| Depreciation and amortization (€ million) <sup>1)</sup> | 27.8   | 26.6   | 28.0   | 25.6   | 28.4   | 29.6   | <b>27.4</b>   | - 2.1  |
| Gross cash flow (€ million)                             | 86.1   | 35.7   | 36.1   | 51.2   | 95.7   | 51.6   | <b>62.6</b>   | + 73.4 |
| Earnings after taxes per share (€)                      | 1.32   | 0.48   | 0.20   | 0.43   | 1.54   | 0.60   | <b>0.49</b>   | > 100  |
| DVFA earnings per share (€)                             | 0.85   | 0.28   | 0.08   | 0.32   | 1.02   | 0.36   | <b>0.26</b>   | > 100  |
| Gross cash flow per share (€)                           | 2.07   | 0.86   | 0.87   | 1.21   | 2.25   | 1.21   | <b>1.47</b>   | + 69.0 |
| Book value per share (€)                                | 13.91  | 13.90  | 13.95  | 13.76  | 13.98  | 13.49  | <b>13.94</b>  | - 0.1  |
| Total number of shares (million)                        | 42.5   | 42.5   | 42.5   | 42.5   | 42.5   | 42.5   | <b>42.5</b>   | –      |
| Number of shares outstanding (million) <sup>2)</sup>    | 41.5   | 41.5   | 42.3   | 42.5   | 42.5   | 42.5   | <b>42.5</b>   | + 0.5  |
| Average number of shares (million) <sup>3)</sup>        | 41.5   | 41.5   | 41.7   | 42.4   | 42.5   | 42.5   | <b>42.5</b>   | + 1.9  |
| Employees (number)                                      | 10,655 | 10,566 | 10,638 | 10,627 | 11,197 | 11,137 | <b>11,159</b> | + 4.9  |
| Closing price (XETRA, €)                                | 17.01  | 17.71  | 18.60  | 21.76  | 25.95  | 27.91  | <b>34.64</b>  | + 86.2 |

1) Tangible fixed and intangible assets.

2) Total number of shares less the own shares held by K+S on the reporting date.

3) Total number of shares less the average number of own shares held by K+S over the period.

| Dates  | 2005           |
|--|----------------|
| Report on business in 2004                       | 17 March 2005  |
| Press and analyst conferences, Frankfurt am Main | 17 March 2005  |
| Annual General Meeting, Kassel                   | 11 May 2005    |
| Interim report 31 March 2005                     | 11 May 2005    |
| Dividend payment                                 | 12 May 2005    |
| Interim report 30 June 2005                      | 10 August 2005 |

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