

Quarterly Report 01/04

January - March

First Quarter Revenues on **Last Year's Very Good Level**
At **€ 65.1 Million**, EBIT Down € 2.7 Million
At € 54.9 Million Earnings After Taxes **Up Slightly**
Year-on-Year Despite Higher Taxation
Good Prospects for 2004 Overall



Experience growth.

Key Data Business Development

Figures	January - March (Q1)		
	2004	2003	%
€ million; 62 % of esco			
Revenues	716.4	716.2	-
Earnings before interest, taxes, depreciation and amortization (EBITDA)	91.7	95.6	- 4.1
EBITDA margin in %	12.8	13.3	
Earnings before interest and taxes (EBIT)	65.1	67.8	- 4.0
EBIT margin in %	9.1	9.5	
Earnings before income taxes	63.8	61.4	+ 3.9
Pre-tax return on revenues in %	8.9	8.6	
Earnings after taxes/net income	54.9	54.6	+ 0.5
Return on revenues in %	7.7	7.6	
DVFA earnings	36.3	35.3	+ 2.8
Gross Cash Flow	83.2	86.1	- 3.4
Cash and cash equivalents as of 31 March	185.9	120.2	+ 54.7
Capital expenditure ¹⁾	15.5	20.1	- 22.9
Depreciation and amortization ¹⁾	26.6	27.8	- 4.3
Earnings after taxes per share (€)	1.29	1.32	- 2.3
DVFA earnings per share (€)	0.85	0.85	-
Gross cash flow per share (€)	1.96	2.07	- 5.3
Book value per share as of 31 March (€)	14.87	13.91	+ 6.9
Total number of shares as of 31 March (million)	42.5	42.5	-
Outstanding shares as of 31 March (million) ²⁾	42.5	41.5	+ 2.4
Average number of shares (million) ³⁾	42.5	41.5	+ 2.4
Employees as of 31 March (number) ^{4) 5)}	10,687	10,655	+ 0.3
Employees (average; number) ^{4) 5)}	10,705	10,660	+ 0.4
Personnel expenses	140.5	144.8	- 3.0
Closing price (XETRA) as of 31 March (€)	25.95	17.01	+ 52.6
Market capitalization as of 31 March	1,102.9	722.9	+ 52.6
Enterprise value as of 31 March	1,092.8	777.6	+ 40.5

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

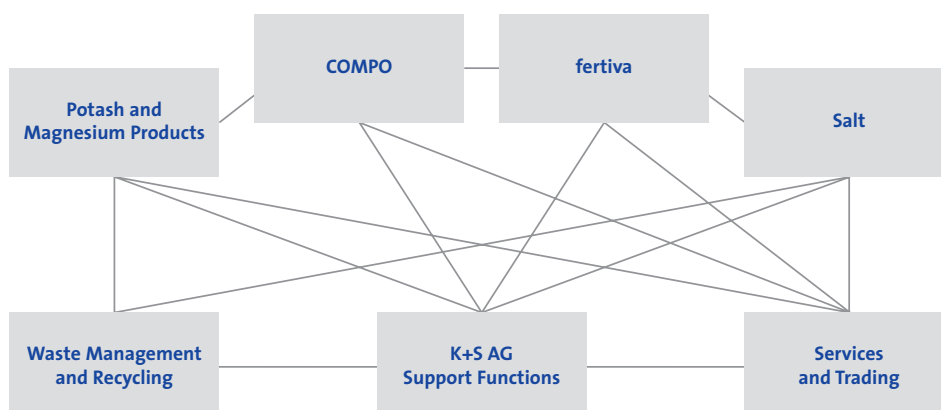
3) total number of shares less the average number of shares held by K+S over the period

4) workforce including temporary employees (without students and interns)

5) the number of employees includes a prorated number of esco employees commensurate with the 62 % equity share held in esco by K+S

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 supplementary advisory and other services. At the same time, this form of interlinking also yields significant cost savings for our business processes, which serve to bolster our earnings.



Management's Analysis

The esco salt joint venture is still included on a 62 % basis in this interim report as of 31 March 2004.

First quarter revenues on last year's very good level

At € 716.4 million, first quarter revenues remained unchanged compared to the same period last year despite a negative currency-related effect of € 26.3 million. While revenues in US dollars were still hedged at very attractive exchange rates for the first two quarters of last year, the current hedging level is lower. Price increases almost completely made up for the currency-related decrease in revenues. The COMPO as well as the Waste Management and Recycling business segments were able to post higher revenues while for the remaining segments they were either almost unchanged or lower.

Accounting for about 40 % of total revenues, the Potash and Magnesium Products business segment achieved the highest revenues of all the K+S Group's business segments in the first quarter of 2004 and was followed by COMPO, fertiva as well as Salt. In Europe, we generated revenues of € 611.0 million, which accounted for about 85 % of total revenues. The European market is particularly important for us because it enables us to exploit logistical advantages.

First quarter EBIT down € 2.7 million because of currency factors

At € 65.1 million, first quarter EBIT was down 4 % year-on-year. While the Salt as well as the Waste Management and Recycling business segments were up on last year, Potash and Magnesium Products, COMPO as well as fertiva had to accept decreases for the quarter. In addition to the less attractive hedging of the US dollar already mentioned, the large increases in ammonia prices compared to the same quarter last year placed a burden on purchasing costs. In the meantime, the price of ammonia has fallen significantly.

The effects of consolidation saw an improvement of € 1.8 million to € -3.9 million because of the positive impact of write-ups on securities and gains realised on the sale of securities among other things.

As revenues for the first quarter are strong, especially in the case of de-icing salt and of COMPO, we already generate a considerable portion of our annual earnings during the first three months of the year. For this reason, it would be misleading to base forecasts for 2004 as a whole on these quarterly results.

First quarter financial result sees considerable improvement

The first quarter financial result amounted to € -1.3 million. This represents an increase of € 5.1 million compared to the same period last year, which was still negatively affected by write-downs on securities.

Increases in equity prices during the quarter under review led to write-ups on short-term securities. However, these effects as well as gains realised on sales of securities (totalling € 1.3 million) are not recognised in the financial result but are reported under other operating income and thus included in EBIT.

First quarter earnings after taxes up 0.5 % year-on-year

The slight decline in EBIT as well as the increase in the level of taxation resulting from the new minimum tax in Germany were more than made up for by the improved financial result. First quarter earnings after taxes thus totalled € 54.9 million, up € 0.3 million year-on-year.

First quarter earnings per share € 1.29

At € 1.29 per share, first quarter earnings for each share entitled to dividend were three cents down on the same period last year. This figure has been arrived at on the basis of an average 42.5 million no-par value shares (previous year: 41.5 million) as K+S held no own shares during the first three months of this year.

DVFA first quarter earnings amounted to € 0.85 per share. They were on the same level as a year ago, because a lower figure was applied in making the relevant adjustments in view of the increase in the level of taxation.

First quarter cash flow lower

Cash flow provided by operating activities in the first quarter fell by € 25.8 million to € -9.8 million. The tying up of working capital was higher as a result of a slight increase in liabilities. After taking into account the slight increase in expenditure related to investment activities, this yielded low free cash flow of € -29.6 million, which is seasonally typical; the figure was € 29.8 million lower compared to the same quarter last year.

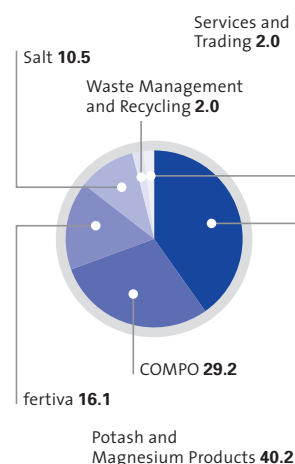
Net cash and cash equivalents as of 31 March 2004 amounted to € 185.9 million, up € 65.7 million.

First quarter capital expenditure down according to plan

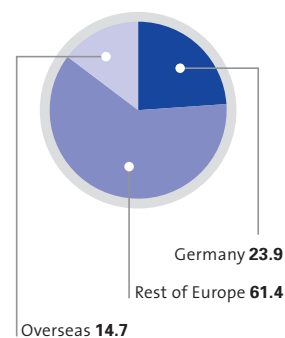
First quarter capital expenditure amounted to € 15.5 million and was thus down on the corresponding figure for last year as planned (-23%).

€ million	Q1
Revenues	716.4
Change in revenues	+ 0.2
- resulting from volume/structural factors	- 1.1
- resulting from prices	+ 25.2
- resulting from exchange rates	- 26.3
- resulting from consolidation	+ 2.4

Revenues by business segment
Jan. - Mar. 2004
(in %)



Revenues by region
Jan. - Mar. 2004
(in %)



Management's Analysis

At € 8.8 million, the Potash and Magnesium Products business segment accounted for the bulk of the capital expenditure. In this quarter too, the main focus was on the Sylvinite project: Work continued on the conversion of factory facilities and on the construction of the second section of a further underground storage unit for crude salt. To ensure the availability of raw materials over the long term, the Salt business segment began a second drilling operation in the Netherlands that will complete the expansion of the brine field there.

At € 2.9 million, first quarter research and development costs were down about 12 % year-on-year.

Personnel

As of 31 March 2004, the K+S Group employed 10,687 people worldwide, 32 more than a year ago. The acquisition of Meiners AG by the COMPO business segment resulted in an increase of 109 people after consolidation. Without this effect, the K+S Group workforce would have declined by 75 employees. The number of trainees as of 31 March 2004 rose by 19 to total 452. In addition, 92 young people successfully completed their training programmes during the quarter under review and were hired on limited duration employment contracts. We expect to employ about 560 people in connection with vocational training by the end of the year.

First quarter personnel expenses amounted to € 140.5 million, down € 4.3 million year-on-year. This was mainly due to lower provisions for the performance-related components of remuneration as a result of timing factors.

Anti-dumping

In connection with EU eastward expansion, the EU Commission recently approved transitional arrangements relating to potash deliveries from Russia and Belarus that would apply exclusively to the markets of the ten new member countries. In a parallel process, the Commission is reviewing, at the request of Russian potash producers, the anti-dumping regulations in force until 2005. We assume that the basic protection provided against unfair competition will remain in force in the future, too.

Good prospects

We expect the business operations of the K+S Group to develop positively during the year. On the basis of our hedging of the US dollar exchange rate, which is somewhat less attractive than last year but still significantly better than the current exchange rate, we expect revenues to at least attain their 2003 level. EBIT should be affected positively in a sustainable manner as a result of price increases and cost savings. We are confident of at least attaining earnings for our business operations of the same level as in 2003.

The planned acquisition of the remaining 38 % Solvay holding in esco should make an additional contribution of between € 10 million and € 15 million to earnings.

From 2005 onwards, revenues and EBIT should increase significantly, with a contribution in this regard being made by the cost-cutting programme to be implemented by then and by even greater flexibility on working hours combined with enhanced incentive models. With the Sylvinite project becoming fully operational in 2005 and the related outlays no longer be required in the future, the earnings capacity of the K+S Group will be additionally strengthened in a lasting manner.

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	January - March (Q1)		
€ million	2004	2003	%
Revenues	287.6	295.3	- 2.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	35.9	38.7	- 7.2
EBITDA margin in %	12.5	13.1	
Earnings before interest and taxes (EBIT)	18.3	20.2	- 9.4
EBIT margin in %	6.4	6.8	
Capital expenditure	8.8	11.8	- 25.4
Employees as of 31 March (number)	7,493	7,603	- 1.4

Global demand for potash fertilizers continued to be very strong in the first quarter of 2004. Despite the international increase in production plant utilisation, inventories maintained by producers remain very low. With sea freight rates remaining high and poorer exchange rates for Canadian and Russian providers also, all producers are seeking to implement further price increases in almost all overseas markets.

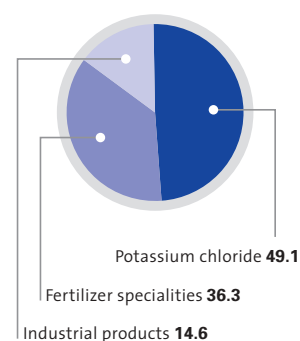
First quarter revenues fell by about 3% to € 287.6 million, mainly as a result of currency factors. At € 141.3 million, revenues for potassium chloride remained almost unchanged; the lower US dollar exchange rate could be offset by volume and price factors. Fertilizer specialities revenues amounted to € 104.4 million, down 3% year-on-year mainly due to currency effects. The industrial products business (€ 41.9 million) in the first quarter was weaker (-8%) as a result of slackness in the economy. Price increases could not fully offset this effect.

In the first quarter, EBIT fell by € 1.9 million to € 18.3 million as a result of currency-related factors.

We expect a slight increase in revenues for 2004, mainly as a result of further price increases overseas. There should also be a slight increase in earnings, as we expect to increasingly make up for the effects of the lower hedging of the US dollar as well as rising freight costs through price increases and cost reductions implemented during the course of the year.

€ million	Q1
Revenues	287.6
Change in revenues	- 7.7
- Potassium chloride	- 0.3
- Fertilizer specialities	- 3.5
- Industrial products	- 3.9

Revenues by product group
Jan. - Mar. 2004
(in %)



COMPO	January - March (Q1)		
€ million	2004	2003	%
Revenues	209.1	192.3	+ 8.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	20.2	24.2	- 16.5
EBITDA margin in %	9.7	12.6	
Earnings before interest and taxes (EBIT)	17.3	21.3	- 18.8
EBIT margin in %	8.3	11.1	
Capital expenditure	1.6	2.2	- 27.3
Employees as of 31 March (number)	1,355	1,202	+ 12.7

Demand for COMPO products in the consumer and professional areas differed during the first quarter. While demand in the consumer business was limited because of relatively cold weather conditions, the professional area was able to post strong revenue growth as a result of the continued great success of the ENTEC® business.

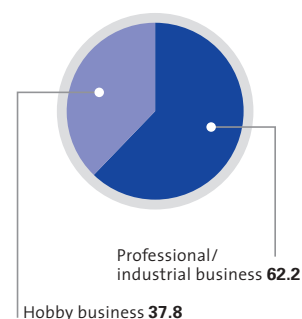
Business segment revenues for the first quarter of 2004 were up € 16.8 million or 8.7% year-on-year due to volume factors. It was possible to achieve a tangible increase in sales in the rest of Europe in particular. However, late frost in northern and central parts of Europe caused consumer area revenues to decline initially by € 3.2 million to € 79.0 million and to shift into the second quarter. By contrast, the professional/industrial business grew by 18% to € 130.1 million as a result of high prices for nitrogen fertilizers due to raw material factors and continued strong demand for stabilised ENTEC® fertilizers.

COMPO business segment EBIT for the quarter under review amounted to € 17.3 million, down € 4.0 million year-on-year. This is solely attributable to the strong increase in the world market price for ammonia compared to the same quarter last year. Our average procurement costs for ammonia rose by just under 60% year-on-year, thus giving rise to additional expenditure of € 8.3 million. The effects of this could only be partially offset by price increases.

As a result of the positive course of business in the first quarter, we expect COMPO to post a tangible increase in revenues for 2004. The professional area should maintain its lead and the consumer area should at least make up the ground it has lost. As ammonia prices have fallen significantly in the meantime, we are confident the EBIT will increase.

€ million	Q1
Revenues	209.1
Change in revenues	+ 16.8
- Hobby business	- 3.2
- Professional/industrial business	+ 20.0

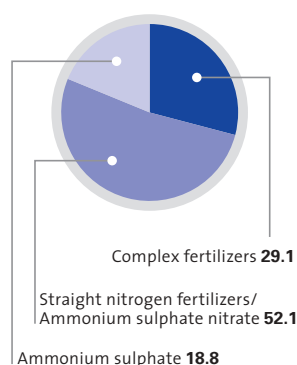
Revenues by product group
Jan. - Mar. 2004
(in %)



Business Segments of the K+S Group

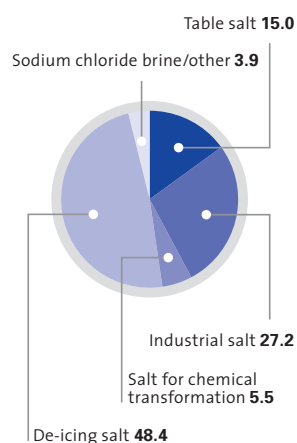
€ million	Q1
Revenues	115.6
Change in revenues	- 9.5
- Complex fertilizers	- 3.7
- Straight nitrogen fertilizers/ Ammonium sulphate nitrate	- 10.9
- Ammonium sulphate	+ 5.1

Revenues by product group
Jan. - Mar. 2004
(in %)



€ million	Q1
Revenues	75.1
Change in revenues	+ 1.4
- Table salt	- 0.1
- Industrial salt	+ 1.8
- Salt for chemical transformation	+ 0.4
- De-icing salt	- 0.5
- Sodium chloride brine/other	- 0.2

Revenues by product group
Jan. - Mar. 2004
(in %)



fertiva € million	January - March (Q1)		
	2004	2003	%
Revenues	115.6	125.1	- 7.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3.4	4.1	- 17.1
EBITDA margin in %	2.9	3.3	
Earnings before interest and taxes (EBIT)	3.2	4.0	- 20.0
EBIT margin in %	2.8	3.2	
Capital expenditure	0.1	-	-
Employees as of 31 March (number)	56	54	+ 3.7

While the last two quarters of 2003 were marked by exceptionally strong demand for nitrogen fertilizers, the sale of these products at the beginning of 2004 was relatively calm. The main reasons for this were the comparably high stocks maintained by our customers in Western Europe which are now being used up during the spring period.

At € 115.6 million, business segment revenues for the first quarter of 2004 were down about 8 % year-on-year as a result of volume factors. Better prices could make up for a large part of the decrease in volume. As a result of large increases in overseas freight prices as well as the price of ammonia and in the light of the weaker US dollar, we focussed the sale of complex fertilizers on low freight cost regions. In total, we posted revenues of € 33.6 million for complex fertilizers, down 10 % year-on-year. In the case of straight nitrogen fertilizers too, we had to accept a decrease in revenues for the first quarter. The high level of stocks already mentioned caused this segment to fall by 15 % to € 60.2 million. By contrast, ammonium sulphate revenues rose by 31 % to € 21.8 million as a result of price factors.

The trend in revenues was reflected in fertiva business segment EBIT for the first quarter, which amounted to € 3.2 million and was thus € 0.8 million down on the very high figure of a year ago.

In the case of 2004, we expect a stable level of revenues as a result of price factors. EBIT should also reach the previous year's level once again.

Salt (62 % esco) € million	January - March (Q1)		
	2004	2003	%
Revenues	75.1	73.7	+ 1.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)	24.4	22.7	+ 7.5
EBITDA margin in %	32.5	30.8	
Earnings before interest and taxes (EBIT)	21.4	20.1	+ 6.5
EBIT margin in %	28.5	27.3	
Capital expenditure	4.0	3.1	+ 29.0
Employees as of 31 March (number)	831	847	- 1.9

Demand on the Western European salt market at the beginning of the year was characterized by stability on a high level. As a result of weather conditions, business during the first quarter was shaped by good sales of de-icing salt to winter road clearance services.

During the reporting period, revenues for our Salt business segment (62 % of esco) amounted to € 75.1 million, up € 1.4 million on what was already the very high level attained a year ago. At € 11.3 million, the table salt business remained on the same level as before. Revenues for industrial salt (€ 20.5 million) and salt for chemical transformation (€ 4.1 million) rose by a total of 10 % in the first quarter as a result of volume factors. Business involving the safety product de-icing salt had a successful start due to the cold weather in the first quarter. As the structure of sales according to region changed somewhat compared to the previous year, revenues fell slightly by € 0.5 million to € 36.3 million. The brine business decreased somewhat as a result of volume factors.

The increase in Salt business segment earnings of 6.5 % to € 21.4 million is attributable to higher revenues, the absence of further integration costs and lower personnel expenses.

We assume that we will be able to acquire the remaining share in esco with economic effect from 1 January 2004. Proceeding on the basis of this assumption, we expect 2004 revenues to be significantly higher year-on-year as a result of consolidation factors. Similarly, earnings should be about € 10 million to € 15 million up on the very good level attained last year.

Waste Management and Recycling		January - March (Q1)		
€ million	2004	2003	%	
Revenues	14.6	13.6	+ 7.4	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3.3	2.5	+ 32.0	
EBITDA margin in %	22.6	18.4		
Earnings before interest and taxes (EBIT)	2.3	1.4	+ 64.3	
EBIT margin in %	15.8	10.3		
Capital expenditure	0.1	-	-	
Employees as of 31 March (number)	251	237	+ 5.9	

Strong competition characterised the waste management business at the beginning of 2004, too. Waste disposal sites located above ground are competing aggressively for quantities of waste that are declining as a result of economic factors.

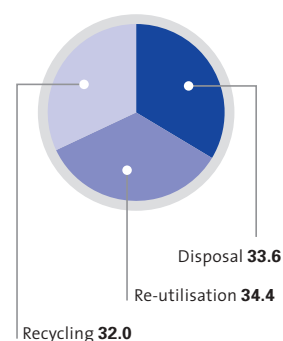
Revenues for the period under review totalled € 14.6 million, up € 1.0 million year-on-year as a result of volume factors. In the case of underground waste disposal, revenues rose by € 1.2 million to € 4.9 million. A special project involving the clean-up of pre-existing environmental contamination that was already started in the fourth quarter of 2003 had a positive impact in this regard. In the case of underground waste re-utilisation, we were also able to raise revenues by about 4 % to € 5.0 million as a result of volume factors. The recycling business fell by € 0.4 million to € 4.7 million as a result of exchange rate factors. This was mainly due to lower € revenues from the sale of recycled aluminium granulate as a result of the weaker US dollar.

Business segment EBIT for the first quarter improved by € 0.9 million to € 2.3 million. The increase is mainly due to the special project referred to above and slightly higher prices for underground waste re-utilisation.

We expect the level of competition to remain high as a result of continued overcapacity in the waste disposal business. Nevertheless, we assume that revenues will increase slightly in 2004 while expecting a disproportionately high increase in EBIT.

€ million	Q1
Revenues	14.6
Change in revenues	+ 1.0
- Disposal	+ 1.2
- Re-utilisation	+ 0.2
- Recycling	- 0.4

Revenues by segment
Jan. - Mar. 2004
(in %)



Services and Trading		January - March (Q1)		
€ million	2004	2003	%	
Revenues	14.2	15.8	- 10.1	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8.0	8.3	- 3.6	
EBITDA margin in %	56.3	52.5		
Earnings before interest and taxes (EBIT)	6.5	6.5	-	
EBIT margin in %	45.8	41.1		
Capital expenditure	0.8	2.1	- 61.9	
Employees as of 31 March (number)	385	389	- 1.0	

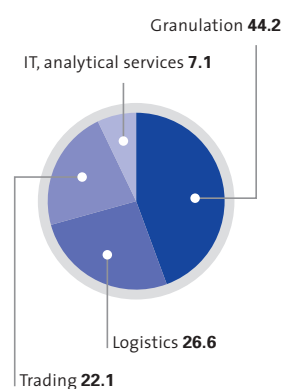
At € 14.2 million, first quarter revenues for the Services and Trading business segment were € 1.6 million down year-on-year. In the case of logistics, a lower third-party business consisting in grain handling was one of the factors causing revenues to fall by 10 % to € 3.8 million. At € 6.3 million, revenues generated by the production of CATSAN® (granulation) were down € 0.3 million year-on-year as some revenues were transferred to the next quarter as a result of timing factors. At € 3.1 million, the trading business was down year-on-year as a result of volume and price factors. Revenues for the IT and analysis areas was down € 0.5 million to € 1.0 million as a result of a decrease in project services.

Despite the decrease in revenues, business segment EBIT for the first quarter amounted to € 6.5 million and was thus on the same level as a year ago; reduced costs were a key factor in this regard.

We assume that the course of business in the Services and Trading business segment will remain stable. Revenues and earnings for 2004 should once again attain the good levels of 2003.

€ million	Q1
Revenues	14.2
Change in revenues	- 1.6
- Granulation	- 0.3
- Logistics	- 0.4
- Trading	- 0.4
- IT, analytical services	- 0.5

Revenues by segment
Jan. - Mar. 2004
(in %)



Financial Section

Explanatory notes; structural changes

This interim report has been prepared in accordance with Accounting Standard No. 6 (DRS 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 first quarter of 2003. The inclusion of the esco joint venture in the K+S consolidated financial statements is proportionate to our share of 62 %. 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.

Profit and Loss Account	January - March (Q1)	
€ million	2004	2003
Revenues	716.4	716.2
Cost of sales	454.0	466.7
Gross profit	262.4	249.5
Gross margin in %	36.6	34.8
Selling expenses	167.1	157.9
including: freight costs	89.0	92.1
General and administrative expenses	14.2	15.0
Research costs	2.9	3.3
Other operating income	15.1	15.9
Other operating expenses	28.2	21.4
EBIT	65.1	67.8
EBIT margin in %	9.1	9.5
Result from investment, net	–	–
Write-downs on financial assets and short-term securities	0.2	4.5
Interest income, net	- 1.1	- 1.9
Financial result	- 1.3	- 6.4
Result from ordinary operations/earnings before income taxes	63.8	61.4
Pre-tax return on revenues in %	8.9	8.6
Taxes on income	8.9	6.8
Earnings after taxes	54.9	54.6
Return on revenues in %	7.7	7.6

Statement of Changes in Equity	Subscribed capital	Additional paid-in capital	Reserve for own shares	Profit retained/ other revenue reserves	Equity
€ million					
Balance as of 1 January 2004	108.8	4.6	–	442.0	555.4
Surplus for the period	–	–	–	55.9	55.9
Repurchase/disposal of own shares	–	–	–	–	–
Cancellation of own shares	–	–	–	–	–
Consolidation effects	–	- 4.6	–	- 0.6	- 5.2
Balance as of 31 March 2004	108.8	0.0	–	497.3	606.1
Balance as of 1 January 2003	115.2	–	60.4	337.8	513.4
Surplus for the period	–	–	–	+ 54.6	+ 54.6
Repurchase/disposal of own shares	–	–	–	–	–
Cancellation of own shares	-6.4	–	- 42.9	+ 5.9	- 43.4
Consolidation effects	–	–	–	+ 25.0	+ 25.0
Balance as of 31 March 2003	108.8	–	17.5	423.3	549.6

Balance Sheet - Assets			
€ million	31.03.2004	31.03.2003	31.12.2003
Intangible assets	34.3	32.7	33.9
Tangible fixed assets	618.8	578.8	625.9
Financial assets	77.1	84.0	76.0
Fixed assets	730.2	695.5	735.8
Inventories	213.7	213.8	237.3
Receivables and other current assets	712.9	713.2	543.4
Own shares	–	17.5	–
Other securities	89.2	104.7	104.3
Cash in hand, bank balances, cheques	121.0	61.5	130.5
Current assets	1,136.8	1,110.7	1,015.5
Deferred taxes	–	0.2	–
Prepaid expenses	3.1	2.5	3.2
ASSETS	1,870.1	1,808.9	1,754.5

Balance Sheet - Equity and Liabilities			
€ million	31.03.2004	31.03.2003	31.12.2003
Subscribed capital	108.8	108.8	108.8
Additional paid-in capital	–	–	4.6
Reserve for own shares	–	17.5	–
Other revenue reserves and profit retained	497.3	423.3	442.0
Equity	606.1	549.6	555.4
Balance on capital consolidation	26.0	41.5	29.5
Provisions for pensions and similar obligations	175.8	175.0	172.9
Provisions for mining obligations	312.4	305.3	311.6
Provisions for taxes	26.8	8.9	21.1
Other provisions	289.4	271.2	247.6
Provisions	804.4	760.4	753.2
Accounts payable - trade	307.6	289.0	304.4
Bank loans and overdrafts	24.3	63.4	19.4
Other liabilities	100.5	103.6	92.2
Liabilities	432.4	456.0	416.0
Deferred income	1.2	1.4	0.4
EQUITY AND LIABILITIES	1,870.1	1,808.9	1,754.5

Financial Section

Cash Flow Statement	January - March (Q1)	
€ million	2004	2003
Earnings after taxes	54.9	54.6
Depreciation (+) on fixed assets	26.6	27.8
Increase (+)/decrease (-) in long-term provisions	5.1	2.9
Release of liabilities-side consolidation difference	- 3.5	- 3.7
Write-ups (-)/write-downs (+) on short-term securities	- 0.9	4.5
Other non-cash items	1.0	-
Gross Cash Flow	83.2	86.1
Gain (-)/loss (+) on disposal of fixed assets	- 0.4	- 0.1
Increase (-)/decrease (+) in inventories	25.9	24.9
Increase (-)/decrease (+) in receivables from operating activities	- 167.3	- 186.3
Increase (+)/decrease (-) in short-term provisions	45.4	51.3
Increase (+)/decrease (-) in liabilities from operating activities	3.4	40.1
Cash flow used in/provided by operating activities	- 9.8	16.0
Proceeds from disposals of fixed assets	0.9	14.7
Disbursements for intangible assets	- 0.5	- 1.4
Disbursements for tangible fixed assets	- 15.0	- 18.7
Disbursements for financial assets	-	- 10.4
Disbursements for acquisition of consolidated companies	- 5.2	-
Cash flow used in investing activities	- 19.8	- 15.8
Free cash flow	- 29.6	0.2
Cancellation of own shares	-	- 43.4
Cash flow used in financing activities	-	- 43.4
Change in cash and cash equivalents affecting cash flow	- 29.6	- 43.2
Change in cash and cash equivalents	0.9	- 4.5
Change in scope of consolidation	- 0.7	-
Change in cash and cash equivalents	- 29.4	- 47.7

Cash and Cash Equivalents	January - March (Q1)	
€ million	2004	2003
Opening balance	215.4	167.9
Own shares	-	17.5
Other short-term securities	89.2	104.7
Cash in hand, bank balances, cheques	121.0	61.5
Short-term financial liabilities	- 24.3	- 63.4
Balance as of 31 March	185.9	120.2

Summary by Quarter

Revenues and Earnings		2003				2004	
€ million	Q1	Q2	Q3	Q4	Q1	%	
Potash and Magnesium Products	295.3	247.0	226.3	236.1	287.6	- 2.6	
COMPO	192.3	129.9	74.2	94.0	209.1	+ 8.7	
fertiva	125.1	86.3	121.2	141.5	115.6	- 7.6	
Salt	73.7	37.0	42.4	53.1	75.1	+ 1.9	
Waste Management and Recycling	13.6	14.1	12.9	14.0	14.6	+ 7.4	
Services and Trading	15.8	14.0	14.6	12.0	14.2	- 10.1	
Reconciliation	0.4	0.2	0.3	0.5	0.2		
K+S Group revenues	716.2	528.5	491.9	551.2	716.4	-	
Potash and Magnesium Products	20.2	2.8	3.7	4.9	18.3	- 9.4	
COMPO	21.3	7.6	- 1.7	- 1.8	17.3	- 18.8	
fertiva	4.0	1.3	0.4	0.9	3.2	- 20.0	
Salt	20.1	- 2.3	2.3	7.1	21.4	+ 6.5	
Waste Management and Recycling	1.4	1.7	0.4	0.7	2.3	+ 64.3	
Services and Trading	6.5	3.9	5.2	1.4	6.5	-	
Reconciliation	- 5.7	3.3	0.2	5.9	- 3.9		
K+S Group EBIT	67.8	18.3	10.5	19.1	65.1	- 4.0	

Profit and Loss Account		2003				2004	
€ million	Q1	Q2	Q3	Q4	Q1	%	
Revenues	716.2	528.5	491.9	551.2	716.4	-	
Cost of sales	466.7	344.3	348.2	380.5	454.0	- 2.7	
Gross profit	249.5	184.2	143.7	170.7	262.4	+ 5.2	
Selling expenses	157.9	145.2	117.8	134.0	167.1	+ 5.8	
General and administrative expenses	15.0	14.6	11.7	15.1	14.2	- 5.3	
Research costs	3.3	3.6	3.0	3.3	2.9	- 12.1	
Balance of other operating income/expenses	- 5.5	- 2.5	- 0.7	+ 0.8	- 13.1	- 138.2	
EBIT	67.8	18.3	10.5	19.1	65.1	- 4.0	
Financial result	- 6.4	+ 4.4	- 1.8	- 0.3	- 1.3	+ 79.7	
Earnings before income taxes	61.4	22.7	8.7	18.8	63.8	+ 3.9	
Taxes on income	6.8	2.6	0.3	0.6	8.9	+ 30.9	
Earnings after taxes	54.6	20.1	8.4	18.2	54.9	+ 0.5	

Other Key Data		2003				2004	
	Q1	Q2	Q3	Q4	Q1	%	
Capital expenditure (€ million) ¹⁾	20.1	23.4	45.8	37.3	15.5	- 22.9	
Depreciation and amortization (€ million) ¹⁾	27.8	26.6	28.0	25.6	26.6	- 4.3	
Gross cash flow (€ million)	86.1	35.7	36.1	51.2	83.2	- 3.4	
Earnings after taxes per share (€)	1.32	0.48	0.20	0.43	1.29	- 2.3	
DVFA earnings per share (€)	0.85	0.28	0.08	0.32	0.85	-	
Gross cash flow per share (€)	2.07	0.86	0.87	1.21	1.96	- 5.3	
Book value per share (€)	13.91	13.90	13.95	13.76	14.87	+ 6.9	
Total number of shares (million)	42.5	42.5	42.5	42.5	42.5	-	
Number of shares outstanding (million) ²⁾	41.5	41.5	42.3	42.5	42.5	+ 2.4	
Average number of shares (million) ³⁾	41.5	41.5	41.7	42.4	42.5	+ 2.4	
Employees (number)	10,655	10,566	10,638	10,627	10,687	+ 0.3	
Closing price (XETRA, €)	17.01	17.71	18.60	21.76	25.95	52.6	

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 shares held by K+S over the period.

Dates	2004/05
Dividend payment	6 May 2004
Interim report 30 June 2004	12 August 2004
Interim report 30 September 2004	15 November 2004
Analyst conference, Frankfurt am Main	15 November 2004
Report on business in 2004	17 March 2005
Press and analyst conference, 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

Contact

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

Investor Relations

phone: +49 (0) 561/9 301-16 87
 fax: +49 (0) 561/9 301-24 25
 email: investor-relations@k-plus-s.com

Communications

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

Please write to us or call us if you have any questions. We would be pleased to answer them and to send you additional information. You can also view important company announcements, the annual report and interim reports as well as other publications directly at www.k-plus-s.com/investor.cfm. The information and publications available on the internet are identical to the printed versions.

