

Quarterly Report 01|03

January – March



- > At € 716.2 Million, Revenues Slightly Higher Year-on-Year
- > As Anticipated, EBIT Somewhat Weaker
- > After-Tax Earnings Per Share € 1.32

Key Business Development Data

Key Data	1st Quarter			
	€ million	2003	2002	%
Revenues		716.2	711.1	+ 0.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)		95.6	99.6	- 4.0
<i>(EBITDA margin in %)</i>		<i>(13.3)</i>	<i>(14.0)</i>	
Earnings before interest and taxes (EBIT)		67.8	72.1	- 6.0
<i>(EBIT margin in %)</i>		<i>(9.5)</i>	<i>(10.1)</i>	
Earnings before income taxes		61.4	71.2	- 13.8
Earnings after taxes		54.6	62.2	- 12.2
DVFA earnings		35.3	40.5	- 12.8
Gross cash flow		86.1	85.5	+ 0.7
Capital expenditure		20.1	15.7	+ 28.0
Depreciation and amortization ¹⁾		27.8	27.5	+ 1.1
Earnings after taxes per share (€)		1.32	1.43	- 7.7
DVFA earnings per share (€)		0.85	0.93	- 8.6
Gross cash flow per share (€)		2.07	1.97	+ 5.1
Book value per share as of 31 Mar. (€)		13.91	12.73	+ 9.3
Total number of shares as of 31 Mar. (million)		42.5	45.0	- 5.6
Outstanding shares as of 31 Mar. (million) ²⁾		41.5	43.4	- 4.4
Average number of shares (million) ³⁾		41.5	43.4	- 4.4
Employees as of 31 Mar. (number) ^{4) 5)}		10,655	10,506	+ 1.4
Employees on average (number) ^{4) 5)}		10,660	10,492	+ 1.6
Personnel expenses		144.8	143.1	+ 1.2
Closing price (XETRA) as of 31 Mar. (€)		17.01	23.10	- 26.4
Market capitalization as of 31 Mar.		722.9	1,039.5	- 30.5
Enterprise Value (EV) as of 31 Mar.		777.6	1,052.9	- 26.1

1) tangible and intangible fixed assets

2) total number of shares, less the number of 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 during the period

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

5) the number of employees indicated above includes a prorated number of esco employees commensurate with the equity interest held by K+S

Management's Analysis

Revenues rise slightly in first quarter

Up slightly year-on-year, revenues for the first quarter of 2003 totalled € 716.2 million. Pricerelated losses offset increases in volume that were in part significant.

While revenues for the Potash and Magnesium Products, Salt, and Services and Trading business segments rose, other business segments posted slight losses. Accounting for approximately 41% of total revenues, the Potash and Magnesium Products business segment is the K+S Group's main source of revenues. It is followed by COMPO, fertiva and Salt. Our business focused on the European markets during the first quarter.

€ million	2003 Q1
Total change in revenues	+ 5.1
resulting from volume and structural factors	+ 14.7
resulting from prices	- 4.0
resulting from exchange rates	- 5.6
resulting from consolidation	+ 0.0

Cost factors result in lower EBIT year-on-year

EBIT for the reporting period fell by € 4.3 million to € 67.8 million. While the fertiva, Salt, and Services and Trading business segments managed to post higher earnings, COMPO experienced a slight fall, and the Potash and Magnesium Products and Waste Management and Recycling business segments saw their earnings fall significantly, mainly as a result of higher shipping and energy costs. As revenues for the first quarter are strong, especially in the case of de-icing salt and 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 wrong to base forecasts for 2003 as a whole on these results.

First quarter financial result down in connection with reporting date

The financial result for the first quarter was minus € 6.4 million, significantly down year-on-year because of the need to record impairment charges for short-term securities once again in connection with the reporting date. Share prices fell at the end of March 2003 because of the Iraq crisis, but these losses have been made up in the meantime. The K+S Group's pretax result totalled € 61.4 million, down approximately 14% on the same period last year.

Earnings after taxes down € 7.6 million year-on-year

Earnings after taxes for the first quarter totalled € 54.6 million and were thus significantly lower than for the same period last year. Lower taxes than a year ago (€ 2.2 million less) could only partially offset the weaker financial result.

Earnings per share of € 1.32

At € 1.32 per share for shares entitled to participate in the dividend, first quarter earnings were 7.7% lower than a year ago. This figure has been arrived at on the basis of 41.5 million no par value shares (previous year: 43.4 million shares) and thus takes account of the average number of own shares held by K+S in the first quarter of 2003. At € 0.85 per share, DVFA earnings were also down on last year.

We cancelled 2.5 million of our own shares during the first quarter, which means that 42.5 million no par value bearer shares now comprise the total number of K+S shares outstanding and that the share capital has been reduced to € 108.8 million.

As of 31 March 2003, we held one million of our own shares, or 2.4% of the share capital of € 108.8 million. The shares were acquired under our share buy back program and the average price paid per share was € 18.82.

Gross cash flow slightly higher year-on-year

At € 86.1 million, gross cash flow was slightly above the figure for the same period last year. Cash flow from operating activities also improved, totalling € 16.0 million (previous year: minus € 13.5 million), and benefited from fewer funds being tied up in working capital. After taking into account payments related to investment activities, we achieved free cash flow of € 0.2 million for the first quarter, € 27.7 million more than a year ago.

After adjustment for the cancellation of own shares totalling € 43.4 million and write-downs on securities totalling € 4.5 million, cash and cash equivalents as of 31 March 2003 amounted to € 120.2 million in total.

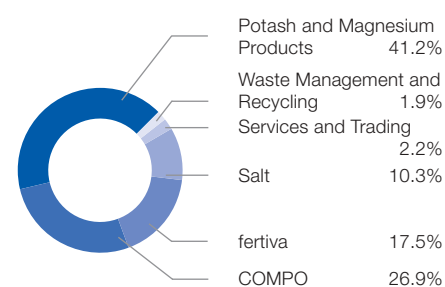
Capital expenditure up

First quarter capital expenditure totalled € 20.1 million, up approximately 28% year-on-year. Our focus was on the implementation of rationalization measures once again.

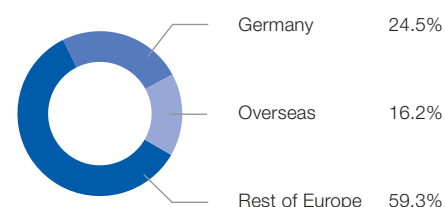
The major part of total capital expenditure, € 11.8 million, was accounted for by the Potash and Magnesium Products business segment. In addition to the construction of a modern crude salt storage facility, work was started on installing the conveyor system needed to develop the new sylvinite mine at Werra. In the Salt business segment, work that was already begun in 2002 on expanding a brine field in the Netherlands was continued according to plan.

At € 3.3 million, research and development costs for the first quarter were higher than a year ago, when they amounted to € 2.8 million.

Revenues by business segment Jan. – Mar. 2003



Revenues by region Jan. – Mar. 2003



Management's Analysis

Employees

As of 31 March 2003, the K+S Group had 10,655 employees worldwide. The increase of 149 employees, or 1.4%, of the total workforce, was mainly the result of increased employment in the COMPO and Potash and Magnesium Products business segments.

First quarter personnel expenses amounted to € 144.8 million, up approximately 1% year-on-year. In addition to higher expenditure on social insurance contributions as of the beginning of the year, the figure also reflected the collective agreement pay rise agreed in the second quarter of 2002.

As of 31 March 2003, the number of trainees rose by 22 to 433 persons, showing an increase year-on-year. During the reporting period, 108 trainees successfully completed their training programmes and were subsequently hired under temporary employment contracts to satisfy a qualitative personnel need.

Dividend

For financial year 2002, we will once again propose a dividend of € 1.00 per share to the Annual General Meeting.

Outlook

The trends in our business segments mean that we can expect the way in which the market will develop in 2003 to be largely good to satisfactory. Despite the anticipated decline in fertiva, it could be possible to achieve revenues approximating those attained in 2002.

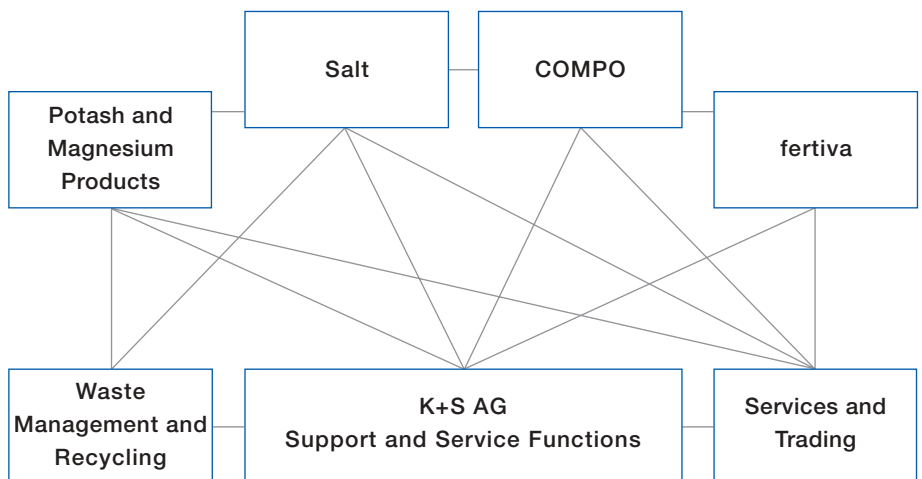
Given increased costs for energy and personnel, we currently assume that earnings will fall short of the high level achieved last year. In the case of the potash fertilizer business in particular, competition will make it difficult to pass on increased costs in the marketplace. The expiry of the advantageous USD facility used to hedge revenues in autumn of this year will also have a depressing effect on the Potash and Magnesium Products business segment and thus on the K+S Group.

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 expectations as set forth at the present time.

Business segments of the K+S Group

Our six 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 advisory and other services too. At the same time, this form of interlinking also yields significant cost savings for our business processes.



Business Segments of the K+S Group

Potash and Magnesium Products	1st Quarter		
€ million	2003	2002	%
Revenues	295.3	287.7	+ 2.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	38.7	46.2	- 16.2
(EBITDA margin in %)	(13.1)	(16.1)	
Earnings before interest and taxes (EBIT)	20.2	28.1	- 28.1
(EBIT margin in %)	(6.8)	(9.8)	
Capital expenditure	11.8	10.4	+ 13.5
Employees as of 31 Mar. (number)	7,603	7,559	+ 0.6

The first few months of 2003 were marked by a worldwide increase in the demand for potash products. However, as a result of the large stocks held at the beginning of the quarter, especially in North America, the average benchmark price for potassium chloride (MOP) was approximately 1% lower than a year ago.

Our first quarter revenues rose 2.6% to € 295.3 million largely as a result of volume factors. In the case of potassium chloride, revenues rose by approximately 3%, which was not only attributable to volume factors, but also to assortment shifts in favour of higher-revenue granulated products. Fertilizer specialities largely remained constant, with weather and price factors inhibiting an improvement. The industrial products business experienced good growth because of increased demand for magnesium chloride solution.

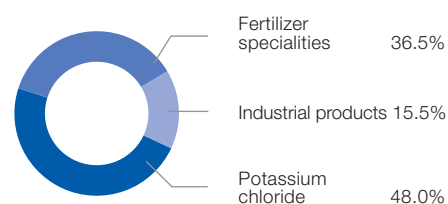
The stronger euro only had a slight impact on sales during the first quarter because of the hedging of the USD exchange rate.

The positive trend in revenues was offset by disproportionate cost increases that were in part crisis-related, causing first quarter EBIT to fall by € 7.9 million. Marked increases in shipping and energy costs were the main reason behind this development.

For 2003, we expect to achieve revenues that will approximate the high revenues posted for 2002. Viewed from the perspective of the present, EBIT for the business segment will, however, show a tangible decline as a result of the expiry of the USD hedging facility in the autumn, of higher personnel and energy costs and of inputs connected with our sylvinite project.

€ million	2003
	Q1
Total change in revenues	+ 7.6
Potassium chloride	+ 3.6
Fertilizer specialities	- 0.7
Industrial products	+ 4.7

Revenues by product group Jan. – Mar. 2003



COMPO	1st Quarter		
€ million	2003	2002	%
Revenues	192.3	194.2	- 1.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	24.2	25.4	- 4.7
(EBITDA margin in %)	(12.6)	(13.1)	
Earnings before interest and taxes (EBIT)	21.3	22.2	- 4.1
(EBIT margin in %)	(11.1)	(11.4)	
Capital expenditure	2.2	3.0	- 26.7
Employees as of 31 Mar. (number)	1,202	1,125	+ 6.8

For the hobby area, the first three months of the year were marked by a delay in the start of the season on account of poor weather conditions. However, the indications are that private household and garden activities will develop positively in Europe. High raw material costs weighed on the professional business at the beginning of 2003, and the season in Southern Europe also experienced a late start because of cold and wet weather conditions.

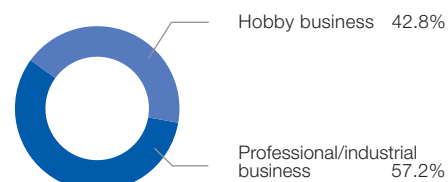
Despite price improvements, business segment revenues for the first quarter of 2003 totalled € 192.3 million, down slightly year-on-year because of volume factors. The hobby area achieved revenues of € 82.2 million, down approximately 1% year-on-year. The main reason for this was a delayed trade stocking up in the French market, which is important for the segment. Revenues for the professional area remained constant at € 110.1 million because of the continued market success of ENTEC fertilizers.

COMPO business segment EBIT for the reporting period amounted to € 21.3 million, down 4.1% year-on-year. This can be mainly attributed to increased costs of raw materials, especially of ammonia, the most important basic substance used. Furthermore, a temporary assortment shift to the detriment of the high margin hobby business also had an impact.

For 2003 as a whole, we expect a slight increase in revenues year-on-year, which will mainly result from significant increases for potting soils as well as the further development of ENTEC fertilizers. We assume that there will only be a slight increase in EBIT for 2003, because the additional revenues resulting from higher sales will be largely consumed by higher ammonia prices.

€ million	2003
	Q1
Total change in revenues	- 1.9
Hobby business	- 1.2
Professional/industrial business	- 0.7

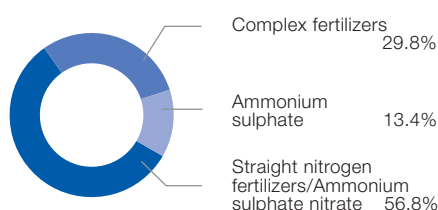
Revenues by product group Jan. – Mar. 2003



Business Segments of the K+S Group

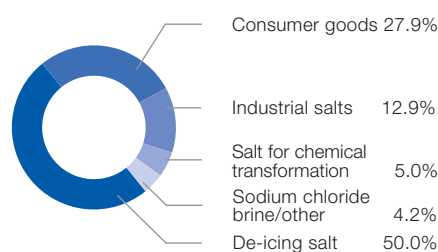
€ million	2003 Q1
Total change in revenues	- 6.1
Complex fertilizers	- 19.2
Straight nitrogen fertilizers/ Ammonium sulphate nitrate	+ 13.5
Ammonium sulphate	- 0.4

Revenues by product group Jan. – Mar. 2003



€ million	2003 Q1
Total change in revenues	+ 4.4
Consumer goods	+ 0.8
Industrial salts	+ 0.2
Salt for chemical transformation	- 0.8
De-icing salt	+ 3.2
Sodium chloride brine/other	+ 1.0

Revenues by product group Jan. – Mar. 2003



fertiva	1st Quarter		
€ million	2003	2002	%
Revenues	125.1	131.2	- 4.6
Earnings before interest, taxes, depreciation and amortization (EBITDA)	4.1	2.8	+ 46.4
(EBITDA margin in %)	(3.3)	(2.1)	
Earnings before interest and taxes (EBIT)	4.0	2.7	+ 48.1
(EBIT margin in %)	(3.2)	(2.1)	
Capital expenditure	0	0.3	- 100
Employees as of 31 Mar. (number)	54	53	+ 1.9

Demand for nitrogenous fertilizers in Western Europe was very good during the first quarter of 2003. The reason for this was a clear decrease in the stocks that customers had built up by the end of last year. Nitrogenous fertilizers prices in Western Europe rose because of the positive trend in demand and higher prices for urea, a competitive product. Even so, prices in general are still approximately 5% below last year's levels.

At € 125.1 million, business segment revenues for the first quarter of 2003 were down approximately 5% year-on-year because of price and currency factors. The marked decline in complex fertilizers, down by approximately 34% to € 37.3 million, can be attributed to the closure of the BASF production plant at Ludwigshafen and the resulting reduction in product availability. In the case of straight nitrogen fertilizers, we were able to post a marked, volume-based increase in revenues of approximately 23% to € 71.1 million resulting from very high demand in Western Europe. Revenues for ammonium sulphate largely remained constant, totalling € 16.7 million.

Despite falling revenues, first quarter EBIT showed a significant improvement, totalling € 4.0 million.

For 2003 as a whole, we envisage revenues below those attained for 2002 as a result of volume and price factors. In terms of earnings, we assume that EBIT will attain about the same level as last year.

Salt	1st Quarter		
€ million	2003	2002	%
Revenues	73.7	69.3	+ 6.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	22.7	20.8	+ 9.1
(EBITDA margin in %)	(30.8)	(30.0)	
Earnings before interest and taxes (EBIT)	20.1	18.0	+ 11.7
(EBIT margin in %)	(27.3)	(26.0)	
Capital expenditure	3.1	0.5	> 100
Employees as of 31 Mar. (number)	847	829	+ 2.2

Because of high capacity on the part of Western European producers and imports from non-EU countries, competition remained intense. This also applies to the de-icing salt segment, albeit to a lesser extent, as demand very largely depends on weather conditions.

First quarter revenues for the Salt business segment rose by 6.3% to € 73.7 million. The consumer products business rose by approximately 4% to € 20.6 million, with price increases having a positive impact. At € 9.5 million, our industrial salt revenues showed a slight increase year-on-year as a result of volume factors while revenues for salts for chemical transformation fell, but the decline will be largely made up during the course of the year. The deicing salt business developed very positively during the first quarter. Revenues for the segment went up by almost 10% as a result of price and volume factors to total € 36.9 million on 31 March 2003.

The positive trend in revenues and costs that remained more or less constant caused earnings to grow by approximately 12% to € 20.1 million. The aforementioned effects of the de-icing salt business as well as of consumer products had a tangible impact in this regard.

For 2003, we expect both revenues and earnings to be just slightly below the good levels attained last year. Because weather conditions at the end of the year are unforeseeable, our projections regarding deicing salt are based on average revenues over a considerable number of years.

Waste Management and Recycling		1st Quarter		
€ million	2003	2002	%	
Revenues	13.6	15.0	- 9.3	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	2.5	3.5	- 28.6	
(EBITDA margin in %)	(18.4)	(23.3)		
Earnings before interest and taxes (EBIT)	1.4	2.4	- 41.7	
(EBIT margin in %)	(10.3)	(16.0)		
Capital expenditure	0	0.4	- 100	
Employees as of 31 Mar. (number)	237	245	- 3.3	

The waste management business was exposed to a high degree of competitive pressure during the first quarter of 2003. In the secondary aluminium recycling segment, utilization of technical capacity was high.

During the reporting period, we achieved revenues of € 13.6 million. This corresponds to a decline of 9.3%, which is mainly attributable to volume factors. In the case of underground waste disposal, revenues fell by 34% to € 3.7 million. This was because remaining volume from a major project was still being received last year. In the case of underground waste reutilization, revenues fell by about 4% to € 4.8 million as a result of both price and structural factors. By contrast, the recycling business grew by approximately 15% to € 5.1 million.

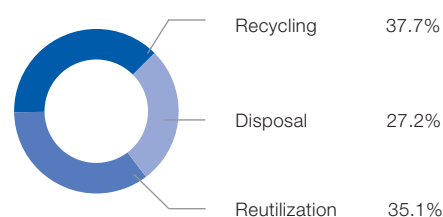
Although our stronger efforts to win new customers in other European countries are meeting with success, the results are not sufficient to fully compensate for the decline being experienced in Germany.

EBIT for the Waste Management and Recycling business segment fell by € 1.0 million to € 1.4 million. The decline is mainly due to the absence of waste from special projects for underground disposal and competition-induced price reductions in the underground waste reutilization segment.

In the light of the declining trend in market prices, we expect to post slightly lower revenues and significantly lower EBIT for 2003 as a whole, because the launch of a major waste disposal project will experience delays once again.

€ million	2003
	Q1
Total change in revenues	- 1.4
Disposal	- 1.9
Reutilization	- 0.2
Recycling	+ 0.7

Revenues by segment Jan. – Mar. 2003



Services and Trading		1st Quarter		
€ million	2003	2002	%	
Revenues	15.8	13.4	+ 17.9	
Earnings before interest, taxes, depreciation and amortization (EBITDA)	8.3	6.7	+ 23.9	
(EBITDA margin in %)	(52.5)	(50.0)		
Earnings before interest and taxes (EBIT)	6.5	5.0	+ 30.0	
(EBIT margin in %)	(41.1)	(37.3)		
Capital expenditure	2.1	0.8	> 100	
Employees as of 31 Mar. (number)	389	382	+ 1.8	

First quarter revenues for the business segment rose by approximately 18% to € 15.8 million. All the activities combined in the business segment contributed to the increase.

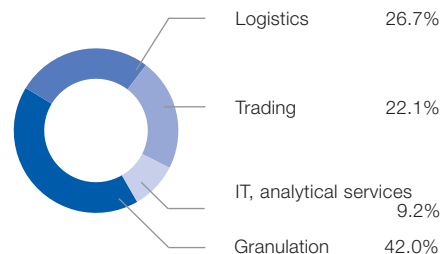
In the case of logistics, revenues rose by 24% to € 4.2 million as a result of volume factors. In the case of CATSAN[®] production (granulation) too, revenues rose by approximately 10% to € 6.6 million as a result of increased demand from our partner, Masterfoods. The trend in the trading business was satisfactory, with revenues totalling € 3.5 million. This was mainly due to higher volume sales. In the IT and analytical services segment, revenues rose by approximately 52% to € 1.5 million, because of increased demand for SAP services in connection with esco integration.

The positive trend in revenues also impacted on EBIT, which rose by 30% to € 6.5 million. In this regard, higher volume in the case of logistics had a positive effect above all.

Revenues and earnings for 2003 as a whole should be similar to the results obtained for last year.

€ million	2003
	Q1
Total change in revenues	+ 2.4
Logistics	+ 0.8
Granulation	+ 0.6
Trading	+ 0.5
IT, analytical services	+ 0.5

Revenues by segment Jan. – Mar. 2003



Explanatory notes; structural changes

This interim report has been prepared in accordance with Accounting Standard No. 6 (DRS 6) of the Deutsche Rechnungslegungs Standards Committee e.V. (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 German 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 2002 as well as for the corresponding interim report for the first quarter of 2002. The results have not been audited.

Profit and loss account	1st Quarter			
	€ million	2003	2002	%
Revenues		716.2	711.1	+ 0.7
Cost of sales		466.7	467.4	- 0.1
Gross profit		249.5	243.7	+ 2.4
(Gross margin in %)		(34.8)	(34.3)	
Selling expenses		157.9	152.8	+ 3.3
including: transport and delivery costs		92.1	84.7	+ 8.7
General and administrative expenses		15.0	13.8	+ 8.7
Research costs		3.3	2.8	+ 17.9
Other operating income		15.9	14.0	+ 13.6
Other operating expenses		21.4	16.2	+ 32.1
Earnings before interest and taxes (EBIT)		67.8	72.1	- 6.0
(EBIT margin in %)		(9.5)	(10.1)	
Income from investments, net		- 0.0	0.5	-
Write-downs on financial assets and short-term securities		4.5	-	> 100
Interest income, net		- 1.9	- 1.4	- 35.7
Result from ordinary operations/ earnings before income taxes		61.4	71.2	- 13.8
Taxes on income		6.8	9.0	- 24.4
Earnings after taxes		54.6	62.2	- 12.2
(Return on revenues in %)		(7.6)	(8.7)	

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 2003	115.2	0.0	60.4	337.8	513.4
Dividend for previous year	-	-	-	-	-
Surplus for period	-	-	-	+ 54.6	+ 54.6
Repurchase/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	0.0	17.5	423.3	549.6
€ million					
Balance as of 1 January 2002	115.2	0.0	31.6	310.8	457.6
Dividend for previous year	-	-	-	-	-
Surplus for period	-	-	-	+ 62.2	+ 62.2
Repurchase/disposal of own shares	-	-	- 1.7	+ 1.7	± 0.0
Consolidation effects	-	-	-	- 2.4	- 2.4
Balance as of 31 March 2002	115.2	0.0	29.9	372.3	517.4

Balance sheet – assets				
€ million	31.03.2003	31.03.2002	%	31.12.2002
Intangible assets	32.7	33.4	- 2.1	33.5
Tangible fixed assets	578.8	533.5	+ 8.5	565.1
Financial assets	84.0	83.5	+ 0.6	86.0
Fixed assets	695.5	650.4	+ 6.9	684.6
Inventories	213.8	203.9	+ 4.9	238.7
Receivables and other assets	713.2	756.6	- 5.7	524.5
Own shares	17.5	29.9	- 41.5	60.4
Other securities	104.7	71.3	+ 46.8	102.6
Cash in hand and balances at banks, cheques	61.5	82.7	- 25.6	52.6
Current assets	1,110.7	1,144.4	- 2.9	978.8
Deferred taxes	0.2	0.9	- 77.8	0.3
Prepaid expenses	2.5	3.1	- 19.4	3.0
ASSETS	1,808.9	1,798.8	+ 0.6	1,666.7

Balance sheet – equity and liabilities				
€ million	31.03.2003	31.03.2002	%	31.12.2002
Subscribed capital	108.8	115.2	- 5.6	115.2
Additional paid-in capital	-	-	-	-
Reserve for own shares	17.5	29.9	- 41.5	60.4
Other revenue reserves and profit retained	423.3	372.3	+ 13.7	337.8
Equity	549.6	517.4	+ 6.2	513.4
Special reserves	-	1.8	- 100	0.3
Balance arising from capital consolidation	41.5	54.5	- 23.9	45.3
Provisions for pensions and similar obligations	175.0	180.5	- 3.0	175.3
Provisions for mining obligations	305.3	299.3	+ 2.0	303.9
Provisions for taxes	8.9	10.4	- 14.4	4.6
Other provisions	271.2	272.1	- 0.3	222.2
Provisions	760.4	762.3	- 0.2	706.0
Accounts payable – trade	289.0	337.2	- 14.3	253.6
Bank loans and overdrafts	63.4	25.0	> 100	47.7
Other liabilities	103.6	99.1	+ 4.5	99.6
Liabilities	456.0	461.3	- 1.1	400.9
Deferred items	1.4	1.5	- 6.7	0.8
EQUITY AND LIABILITIES	1,808.9	1,798.8	+ 0.6	1,666.7

Cash flow statement		1st Quarter		
€ million	2003	2002	%	
Earnings after taxes	54.6	62.2	- 12.2	
Depreciation(+)/write ups (-) on fixed assets	27.8	27.5	+ 1.1	
Increase (+)/decrease (-) in long-term Provisions	2.9	- 0.6	-	
Decrease (-)/increase (+) in special reserves	-	0.2	- 100	
Release of credit differences on capital consolidation	- 3.7	- 3.8	- 2.6	
Write-downs (+)/write-ups (-) on short-term securities	4.5	-	-	
Gross cash flow	86.1	85.5	+ 0.7	
Gains(-)/loss (+) on disposals of fixed assets	- 0.1	- 0.2	- 50.0	
Decrease (+)/increase (-) in inventories	24.9	35.2	- 29.3	
Increase (-)/decrease (+) in receivables from operating activities	- 186.3	- 284.2	- 34.4	
Increase (+) in short-term provisions	51.3	55.6	- 7.7	
Increase (+)/decrease (-) in liabilities from operating activities	40.1	94.4	- 57.5	
Cash flow from operating activities	16.0	- 13.5	-	
Proceeds from disposals of fixed assets	14.7	3.1	> 100	
Disbursements for intangible assets	- 1.4	- 0.3	> 100	
Disbursements for tangible fixed assets	- 18.7	- 15.5	+ 20.6	
Disbursements for financial assets	- 10.4	- 0.5	> 100	
Disbursements for acquisition of consolidated companies	-	- 0.8	- 100	
Cash flow from investing activities	- 15.8	- 14.0	+ 12.9	
Free cash flow	0.2	- 27.5	-	
Cancellation of own shares	- 43.4	-	-	
Cash flow from financing activities	- 43.4	-	-	
Change in cash and cash equivalents affecting cash flow	- 43.2	- 27.5	- 57.1	
Change in value of cash and cash equivalents	- 4.5	-	-	
Change in cash and cash equivalents	- 47.7	- 27.5	- 73.5	

Cash and cash equivalents		1st Quarter		
€ million	2003	2002	%	
Opening balance	167.9	194.6	- 13.7	
Own shares	17.5	29.9	- 41.5	
Other short-term securities	104.7	71.3	+ 46.8	
Cash in hand, bank balances	61.5	82.7	- 25.6	
Short-term financial liabilities	- 63.4	- 16.8	> 100	
Balance as of 31 Mar.	120.2	167.1	- 28.1	

Summary by Quarter

Revenues and earnings	2002				2003	
	Q1	Q2	Q3	Q4	Q1	%
€ million						
Potash and Magnesium Products	287.7	248.4	231.5	224.7	295.3	+ 2.6
COMPO	194.2	128.0	70.4	88.4	192.3	- 1.0
fertiva	131.2	106.0	112.2	120.1	125.1	- 4.6
Salt	69.3	35.3	42.8	56.0	73.7	+ 6.3
Waste Management and Recycling	15.0	14.7	14.6	14.3	13.6	- 9.3
Services and Trading	13.4	12.0	14.4	12.0	15.8	+ 17.9
Reconciliation	0.3	0.3	0.6	0.7	0.4	+ 33.3
K+S Group revenues	711.1	544.7	486.5	516.2	716.2	+ 0.7
Potash and Magnesium Products	28.1	9.1	9.6	8.8	20.2	- 28.1
COMPO	22.2	5.6	0.5	2.5	21.3	- 4.1
fertiva	2.7	2.4	0.2	1.0	4.0	+ 48.1
Salt	18.0	- 2.0	3.9	6.1	20.1	+ 11.7
Waste Management and Recycling	2.4	2.2	2.3	1.4	1.4	- 41.7
Services and Trading	5.0	4.1	5.1	1.2	6.5	+ 30.0
Reconciliation	- 6.3	- 0.7	- 1.8	- 0.8	- 5.7	- 9.5
K+S Group EBIT	72.1	20.7	19.8	20.2	67.8	- 6.0

Profit and loss account	2002				2003	
	Q1	Q2	Q3	Q4	Q1	%
€ million						
Revenues	711.1	544.7	486.5	516.2	716.2	+ 0.7
Cost of sales	467.4	364.4	337.4	343.5	466.7	- 0.1
Gross profit	243.7	180.3	149.1	172.7	249.5	+ 2.4
Selling expenses	152.8	144.1	121.4	128.2	157.9	+ 3.3
General and administrative expenses	13.8	14.7	12.2	12.6	15.0	+ 8.7
Research costs	2.8	3.6	3.4	3.4	3.3	+ 17.9
Balance of other operating income/expenses	- 2.2	+ 2.8	+ 7.7	- 8.3	- 5.5	> 100
Earnings before interest and taxes (EBIT)	72.1	20.7	19.8	20.2	67.8	- 6.0
Financial result	- 0.9	- 0.5	- 13.5	- 4.0	- 6.4	> 100
Earnings before taxes	71.2	20.2	6.3	16.2	61.4	- 13.8
Taxes on income	9.0	- 2.0	1.2	1.9	6.8	- 24.4
Earnings after taxes	62.2	22.2	5.1	14.3	54.6	- 12.2

Other key figures	2002				2003	
	Q1	Q2	Q3	Q4	Q1	%
Capital expenditure (€ million) ¹⁾	15.7	26.0	36.2	51.1	20.1	+ 28.0
Depreciation and amortization (€ million) ¹⁾	27.5	25.6	26.0	28.2	27.8	+ 1.1
Gross cash flow (€ million)	85.5	43.4	38.1	49.9	86.1	+ 0.7
Earnings after taxes per share (€)	1.43	0.51	0.12	0.34	1.32	- 7.7
DVFA earnings per share (€)	0.93	0.25	0.12	0.31	0.85	- 8.6
Gross cash flow per share (€)	1.97	1.00	0.89	1.19	2.07	+ 5.1
Book value per share (€)	12.73	12.13	12.15	12.42	13.91	+ 9.3
Total number of shares (million)	45.0	45.0	45.0	45.0	42.5	- 5.6
Number of shares outstanding (million) ²⁾	43.4	43.1	42.2	41.5	41.5	- 4.4
Average number of shares (million) ³⁾	43.4	43.3	42.7	41.9	41.5	- 4.4
Employees (number)	10,506	10,448	10,528	10,610	10,655	+ 1.4
Closing price (XETRA, €)	23.10	21.50	18.00	17.35	17.01	- 26.4

1) tangible and intangible fixed assets

2) total number of shares, less the number of 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 during the period

Dates	2003/04
Dividend payment	8 May 2003
Interim report 30 June 2003	13 August 2003
Interim report 30 September 2003	13 November 2003
Press and analyst conference, Frankfurt	13 November 2003
Report on business in 2003	March 2004
Press and analyst conference, Frankfurt	March 2004
Annual General Meeting 2004, Kassel	5 May 2004

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