

Press Release

Kassel, 13 August 2008

Experience growth

K+S Group's Best Quarter So Far

- **Further tangible increase in global fertilizer demand**
- **At €1.2 billion, revenues for the quarter up by 52%**
- **At €326.4 million, operating earnings (EBIT I) more than quadrupled**
- **Adjusted earnings per share reach €1.40 (Q2/07: €0.26 per share)**
- **Forecast for 2008 as a whole revised upward once again:**
 - **Revenues up between €5.3 billion and €5.5 billion (2007: €3.3 billion)**
 - **Operating earnings of between €1.4 billion and €1.6 billion expected (2007: €285.7 million)**
 - **Earnings per share of between €6.00 and €6.65 per share (2007: €1.06/share)**

The K+S Group continues to grow. "We have achieved our best quarter so far in the second quarter of 2008. There has been a further tangible increase in global demand for fertilizers which, against a backdrop of availability bottlenecks on the markets, has led to a significant increase in prices for nitrogen, phosphate and potash fertilizers," said Norbert Steiner, chairman of the Executive Board of Directors of K+S Aktiengesellschaft.

In the future too, the scarcity of supply of fertilizers in relation to demand should have a positive influence on the business success of the K+S Group. Even after the price correction for important agricultural products from their historic highs, which could be observed during recent weeks, the current price level continues to guarantee an attractive yield potential to the agricultural sector. During the coming years, in the light of extremely low stocks of agricultural products, agriculture will continue to be under considerable pressure to be able to produce sufficient food, feed and fuel for

a growing global population. "In the case of potash fertilizers in particular, it is to be expected that global demand will continue to grow tangibly at an annual rate of about 4%," Steiner continued.

It is also becoming ever clearer that the growth in capacity in the potash industry over the coming years will at best only be able to keep up with this growth in demand, so that potash will remain in short supply in the future too. As the fourth-largest single producer in the world, K+S should be able to participate in this to a noticeable extent.

Second quarter revenues rise 52%

At € 1,184.5 million, second quarter revenues exceeded the figure for the same period last year by € 405.9 million or 52%. The increase was attributable to positive price effects that could more than offset moderate currency- and volume-related revenue declines. Strong revenue increases were achieved by the Potash and Magnesium Products, fertiva and COMPO business segments.

During the first six months of 2008, revenues increased by 39% to € 2,397.5 million also as a result of price factors. About 70% of Group revenues were generated in Europe.

At €326.4 million, operating earnings more than quadrupled during second quarter

In the second quarter of 2008, operating earnings EBIT I rose by € 257.0 million or 370% compared with a year ago to € 326.4 million; this was mainly attributable to strong earnings increases in the Potash and Magnesium Products business segment in addition to the positive business performance of COMPO and fertiva. It was thus possible to more than make up by far for the weaker earnings contribution of the Salt business segment and the Complementary business segments.

During the first six months, EBIT I of the K+S Group amounted to € 552.7 million and has thus already reached nearly double the total earnings for last

year as a whole; the strong increase in earnings in the Potash and Magnesium Products business segment also made a significant contribution to this.

Adjusted earnings before and after taxes continue to increase considerably

Earnings before taxes adjusted for the effect of market value changes amounted to € 314.5 million in the second quarter, which represents an increase of € 251.4 million compared with a year ago. Adjusted earnings before taxes for the first half of the year rose by € 381.9 million to € 538.5 million.

Adjusted Group earnings after taxes of the second quarter amounted to € 231.1 million and were thus more than five times higher. For the quarter under review, adjusted earnings per share amounted to € 1.40 and were thus up 439% on the same period last year (€ 0.26).

During the first six months, adjusted Group earnings amounted to € 393.7 million and were thus € 288.9 million or 276% higher than for the same period last year; this corresponds to € 2.39 (H1/2007: € 0.64) per share.

2008 outlook raised once again

In the financial year 2008, revenues of the K+S Group should increase considerably in comparison to the previous year. This assessment is borne out especially by higher revenues in the Potash and Magnesium Products, fertiva and COMPO business segments as a result of strong price increases on the global markets for potash and nitrogen fertilizers. Countervailing currency and volume effects will only have a disproportionate impact.

Revenues for 2008 as a whole should therefore reach € 5.3 billion to € 5.5 billion (2007: € 3.3 billion).

For financial year 2008, K+S also forecasts very much higher operating earnings EBIT I in comparison to last year. This is primarily due to the already described sharply increasing average prices in the Potash and Magnesium

Products business segment, which are by far exceeding the rise in costs. Even a weaker US dollar exchange rate should not result in a change in this assessment: After K+S carried out a fundamental reorganisation of its US dollar exchange rate hedging system in December of last year, the worst case scenario for 2008 is now a hedging rate of about 1.51 USD/EUR.

K+S thus expects operating earnings EBIT I for this year of between € 1.4 billion and € 1.6 billion (previous forecast: at least € 1.1 billion, previous year: € 285.7 million).

With an essentially unchanged financial result and a corporate tax rate of about 27% to 29% (2007: 29.9%), this year's adjusted Group earnings after taxes are also expected to increase considerably in line with the development of operating earnings. Here K+S expects a value between € 1.0 billion and € 1.1 billion (previous year: € 175.3 million). This would result in adjusted earnings per share of about € 6.00 to € 6.65 per share (previous year: € 1.06 per share).

Experience growth

The K+S Group is one of the world's leading suppliers of speciality and standard fertilizers, plant care and salt products. With its products and brands, K+S offers its customers a range of needs-based goods and services which provides growth opportunities in virtually every sphere of daily life. The K+S Group employs 12,000 people and posted revenues of about € 3.3 billion for 2007. The K+S share is listed on all German stock exchanges (ISIN: DE0007162000, Symbol: SDF) and included in the MDAX share index.

Conference call with analysts

On the occasion of the publication of the H1 financial report as well as the results for the second quarter of 2008, Norbert Steiner, chairman of the Board of Executive Directors, together with Joachim Felker, member of the Board of Executive Directors of K+S Aktiengesellschaft, will answer

questions from analysts in a conference call. You can follow the conference call live as of 4 p.m. at www.k-plus-s.com.

Note to editors:

This press release as well as the H1/08 financial report can be downloaded from our website at www.k-plus-s.com.

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Forward-looking statements

This press release 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.

K+S Group at a Glance

2nd Quarter 2008

All figures in accordance with IFRSs	Q2	Q2	Change in %
	Apr.-June 2008	Apr.-June 2007	
	€ million	€ million	
Revenues	1,184.5	778.6	+52.1
Potash and Magnesium Products	612.8	339.7	+80.4
COMPO	205.0	156.9	+30.7
fertiva	228.8	154.0	+48.6
Salt	108.0	98.6	+9.5
Complementary Business Segments	29.6	29.3	+1.0
Reconciliation	0.3	0.1	-
Operating earnings (EBIT I)	326.4	69.4	+370.3
Potash and Magnesium Products	291.4	55.9	+421.3
COMPO	29.1	9.0	+223.3
fertiva	14.9	5.5	+170.9
Salt	-4.2	1.7	-
Complementary Business Segments	7.1	8.0	-11.3
Reconciliation	-11.9	-10.7	-
Earnings after market value changes (EBIT II)	319.6	78.4	+307.7
Earnings before income taxes	307.7	72.1	+326.8
Earnings before income taxes, adjusted¹⁾	314.5	63.1	+398.4
Group earnings after taxes	226.2	47.9	+372.2
Group earnings after taxes, adjusted¹⁾	231.1	42.2	+447.6
Earnings per share, adjusted (€)^{1), 2)}	1.40	0.26	+438.5
Capital expenditure³⁾	60.5	25.6	+136.3

¹⁾ Adjusted for the effect of market value changes in hedging transactions; in the case of adjusted Group earnings, the resulting tax effects were also eliminated.

²⁾ Adjusted to share split in the ratio 1:4 (entry in Commercial Register: 24 June 2008; execution in terms of securities: 21 July 2008).

³⁾ For or in connection with property, plant and equipment as well as intangible assets.

K+S Group at a Glance**1. Half-year 2008**

All figures in accordance with IFRSs	H1	H1	Change in %
	Jan.-June 2008	Jan.-June 2007	
	€ million	€ million	
Revenues	2,397.5	1,723.3	+39.1
Potash and Magnesium Products	1,135.3	708.2	+60.3
COMPO	480.9	374.0	+28.6
fertiva	441.3	304.5	+44.9
Salt	278.3	275.2	+1.1
Complementary Business Segments	61.3	61.2	+0.2
Reconciliation	0.4	0.2	-
Operating earnings (EBIT I)	552.7	172.7	+220.0
Potash and Magnesium Products	462.3	108.7	+325.3
COMPO	65.0	28.2	+130.5
fertiva	21.6	9.9	+118.2
Salt	10.5	26.7	-60.7
Complementary Business Segments	14.2	18.0	-21.1
Reconciliation	-20.9	-18.8	-
Earnings after market value changes (EBIT II)	438.2	184.7	+137.2
Earnings before income taxes	424.0	168.6	+151.5
Earnings before income taxes, adjusted¹⁾	538.5	156.6	+243.9
Group earnings after taxes	311.0	112.4	+176.7
Group earnings after taxes, adjusted¹⁾	393.7	104.8	+275.7
Earnings per share, adjusted (€)^{1), 2)}	2.39	0.64	+273.4
Capital expenditure³⁾	84.7	50.8	+66.7
Employees as of 30 June (number)	12,145	11,912	+2.0
of which trainees (number)	452	474	-4.6

¹⁾ Adjusted for the effect of market value changes in hedging transactions; in the case of adjusted Group earnings, the resulting tax effects were also eliminated.

²⁾ Adjusted to share split in the ratio 1:4 (entry in Commercial Register: 24 June 2008; execution in terms of securities: 21 July 2008).

³⁾ For or in connection with property, plant and equipment as well as intangible assets.