

Press conference

K+S Aktiengesellschaft

March 17, 2000

Frankfurt am Main



What we want to inform you about today

Result account year 1999

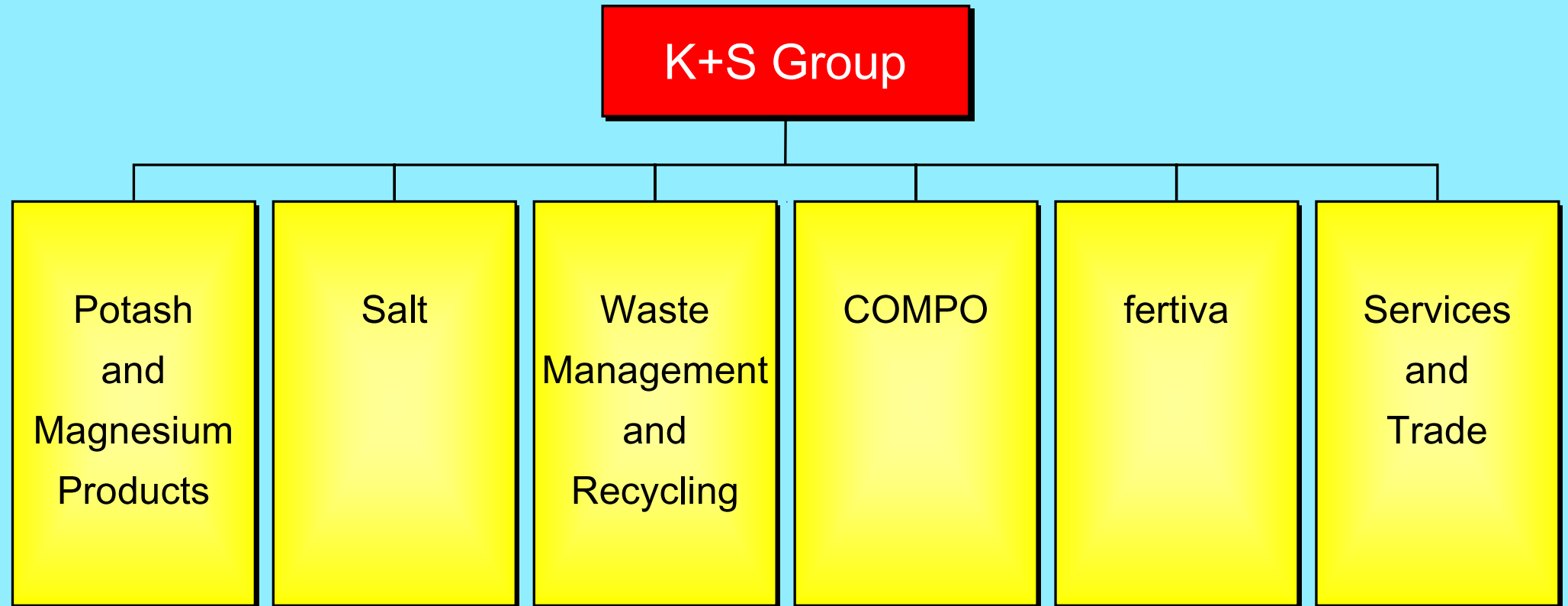
Presentation of our new business segments

Objectives and prospects of the K+S Group

K+S Group in the year 2000

- ▶ **Sales:** abt. DM 4 billion
- ▶ **Investments:** DM 340 million
(tangible fixed assets)
- ▶ **Employees:** 9,200
- ▶ **K+S makes significant contributions to people:**
 - **Nutrition**
 - **Health**
 - **Ecology**
 - **Safety**
 - **Leisure activities**

Segments in the year 2000



Highlights of the development of the company 1999

- New name: K+S Aktiengesellschaft
- Share split in the ratio of 1 to 10
- Bought back around 10 percent of own shares
- Acquisition of specialty supplier COMPO
- Take-over of marketing and sales of BASF agricultural fertilizers
- Founding of data process GmbH
- Laid the foundation stone for a new production plant for the special fertilizer Kieserite

K+S Aktiengesellschaft

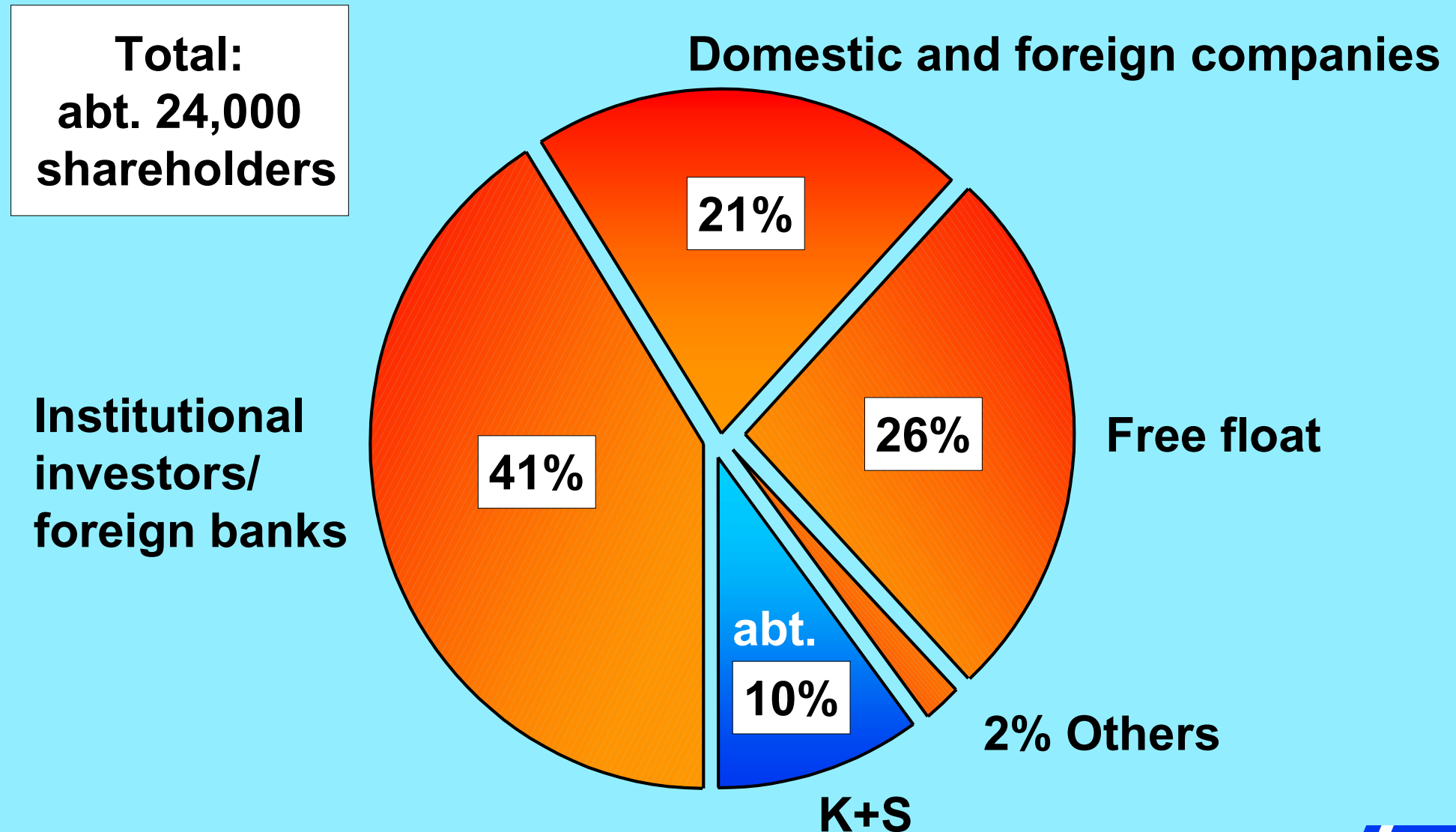
Dividend 1998 and 1999

€ per share

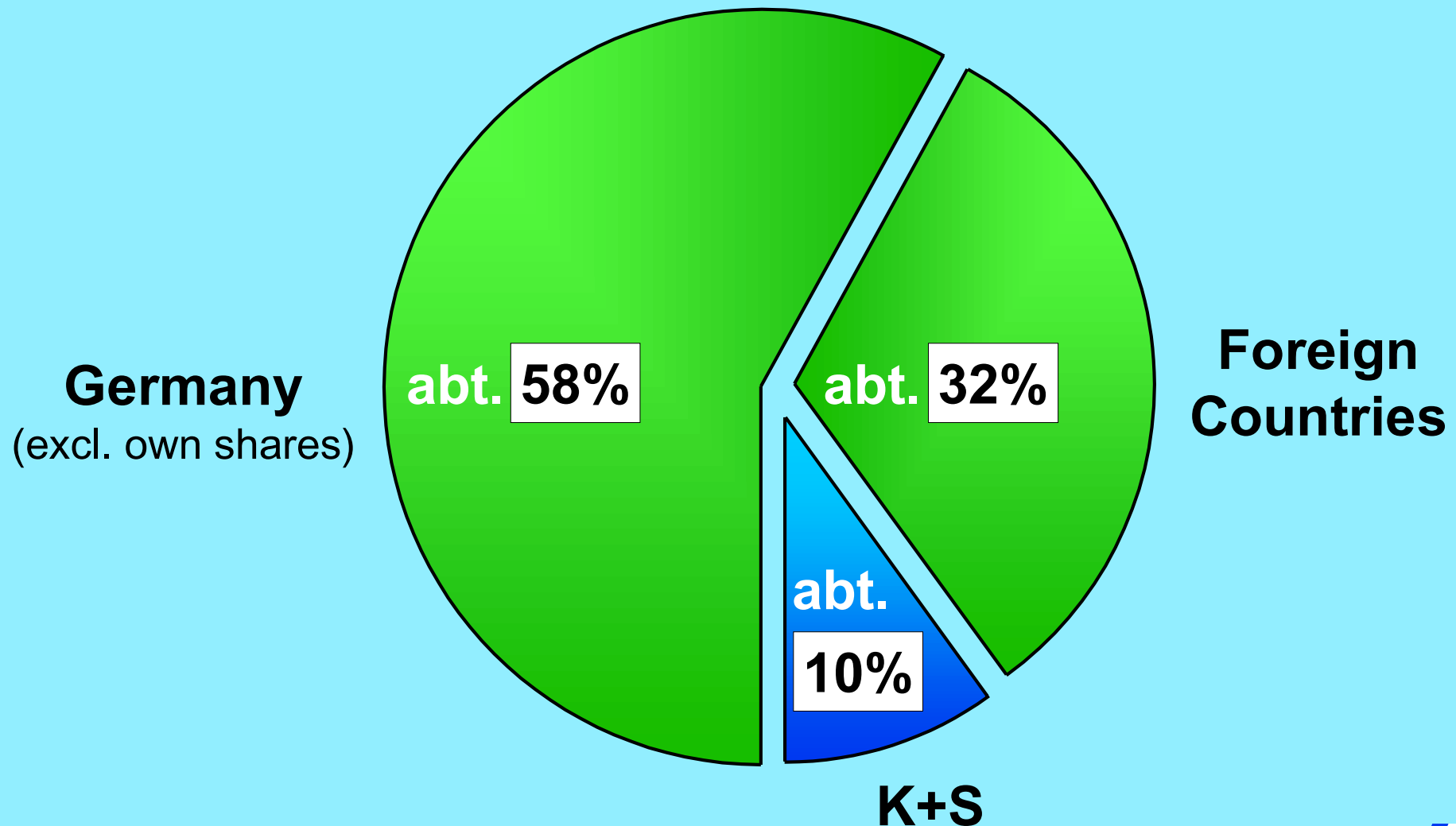
	1999	1998	Change
• Dividend excluding tax credit	0.57	0.36	+ 58.3 %
• Dividend including tax credit *	0.81	0.51	+ 58.8 %

* for domestic shareholders

Shareholder structure as of February 2000

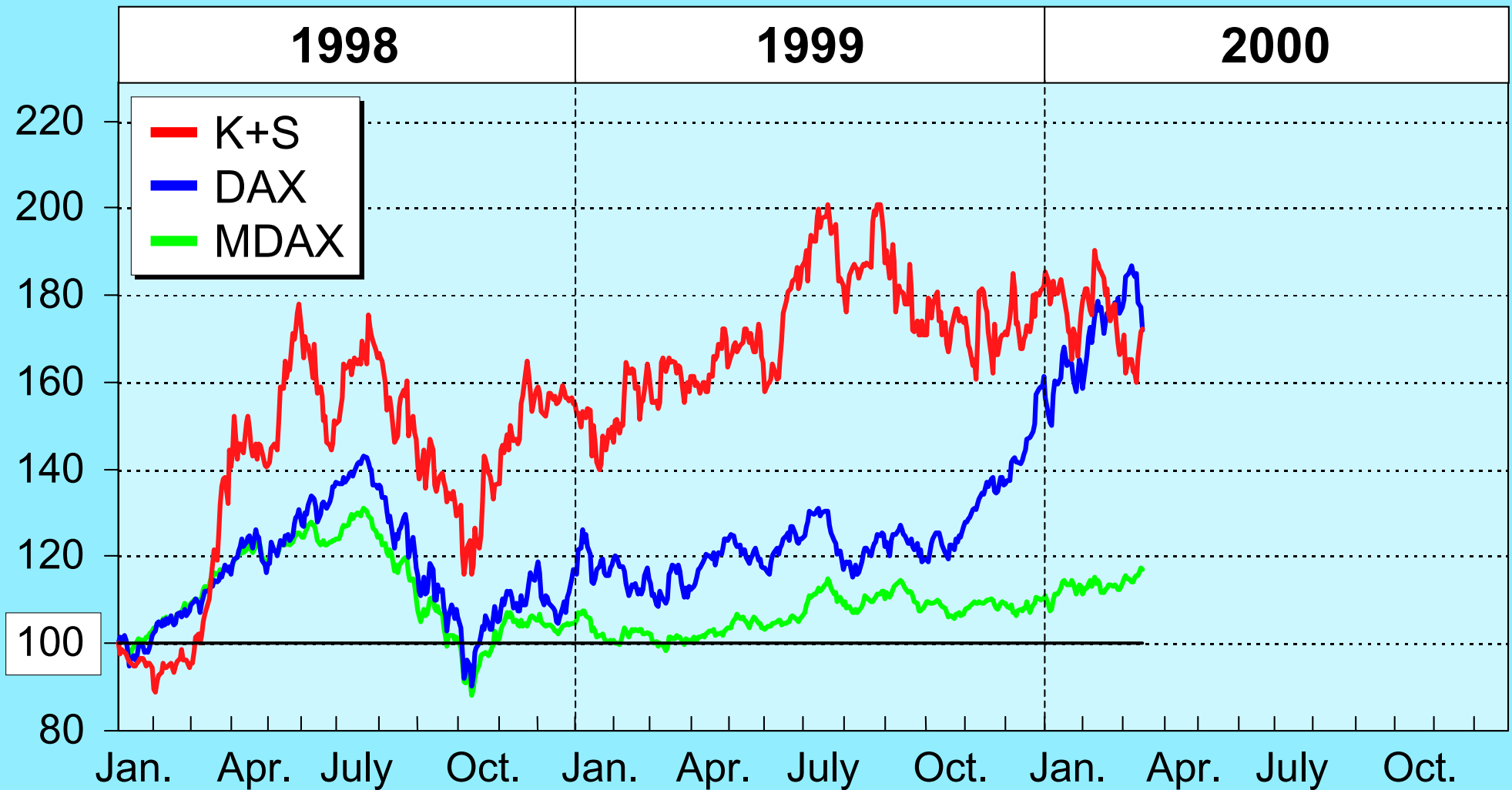


Shareholder structure by regions as of February 2000



K+S share outperforms the MDAX

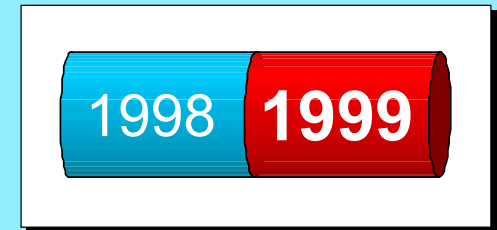
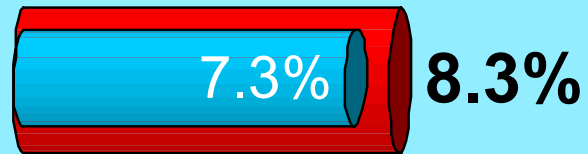
Index: January 2, 1998 = 100



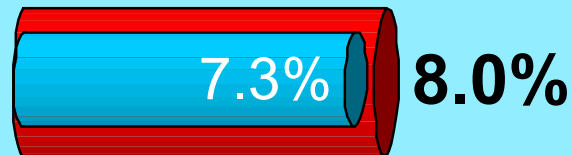
source: Deutsche Börse AG, Frankfurt/Main

Yield figures 1998 and 1999 *

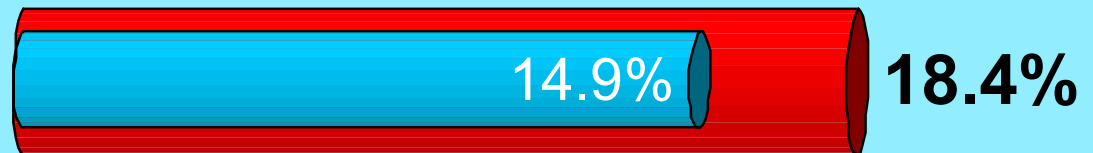
• **Return on sales**



• **Return on total investment ****



• **Return on equity**



*) acc. to German Commercial Code

***) incl. interest pension provisions

Sales and result 1998 and 1999 *

DM million

	1999	1998	Change
Sales	2,331	2,228	+ 5 %
Earnings before interest and taxes (EBIT)	+ 173	+ 141	+ 22 %
Net income	+ 193	+ 164	+ 18 %

* acc. to German Commercial Code

Sales by segments 1999

DM million

Sales K+S Group

year 1999: DM 2,331 million (= + 5%)

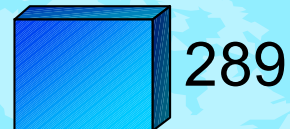
Potash and
Related Products



1,845

+2%

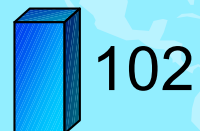
Salt



289

+14%

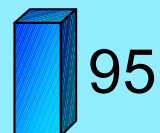
Waste Management



102

+39%

Services and
Other Activities



95

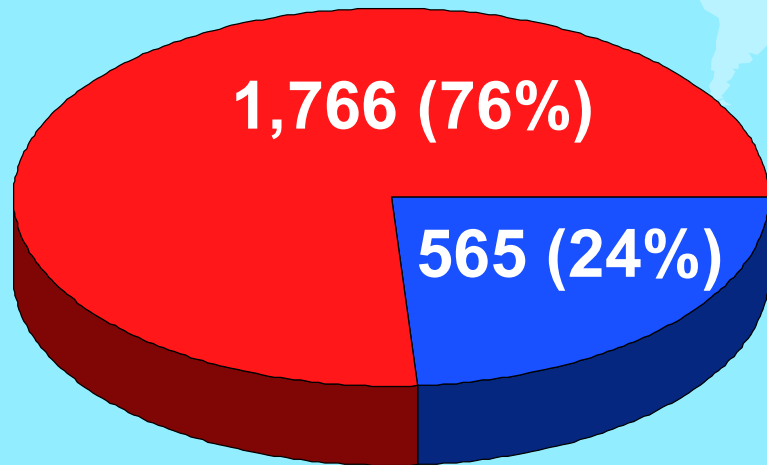
+8%

Sales by regions 1999

Breakdown

in DM million

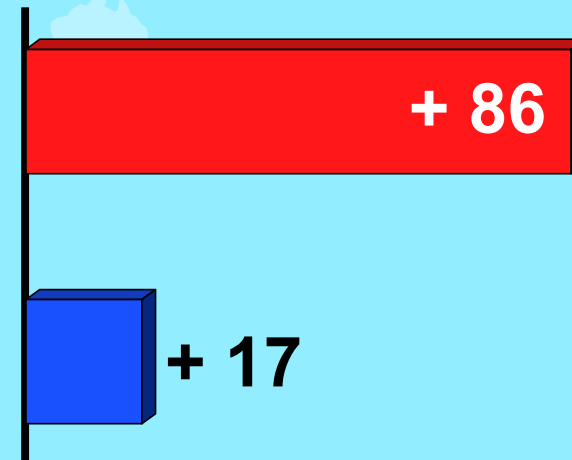
Europe



Overseas

Change

in DM million



EBIT by segments 1999

DM million

EBIT K+S Group

year 1999: 173.1 Mio. DM (= + 22%)

Potash and
Related Products



85.5

-6%

Salt



36.9

+84%

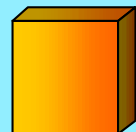
Waste Management



40.7

+72%

Services and
Other Activities



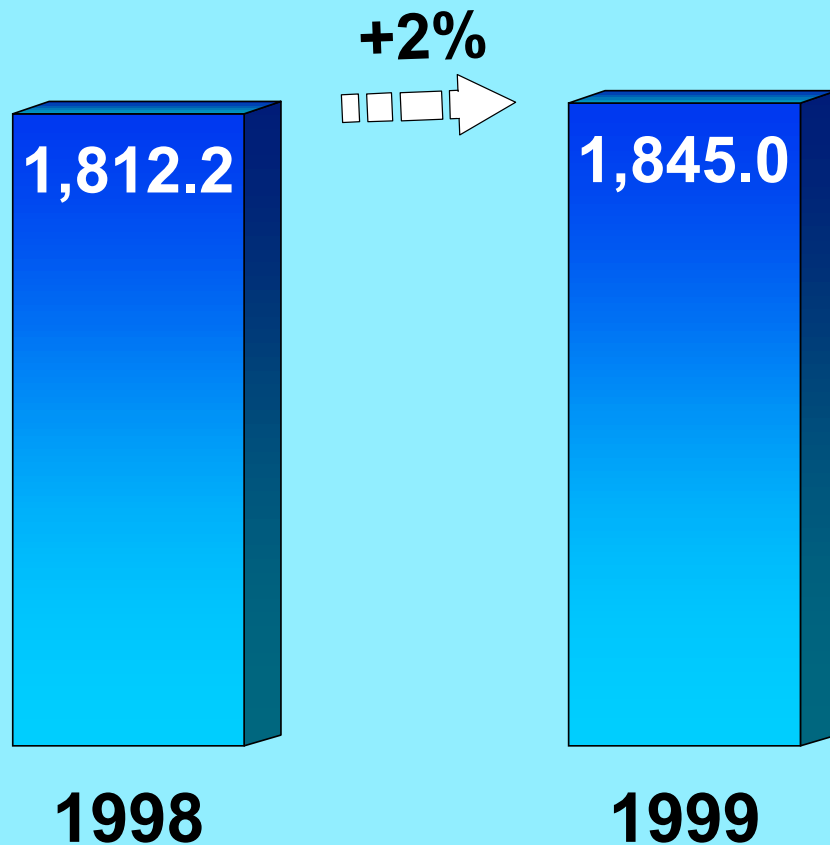
10.0

+58%

Potash and Related Products Segment 1999

Sales

(DM million)



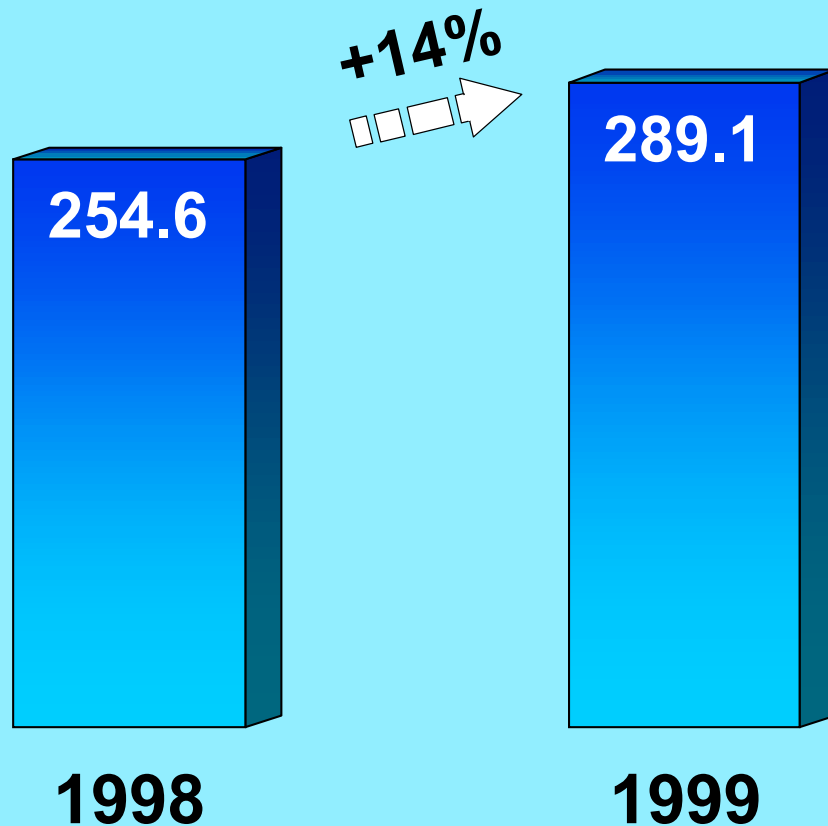
- Build-up of a significant industrial potash position in France
- Result at a good level

K+S Group Salt Segment 1999

16

Sales

(DM million)

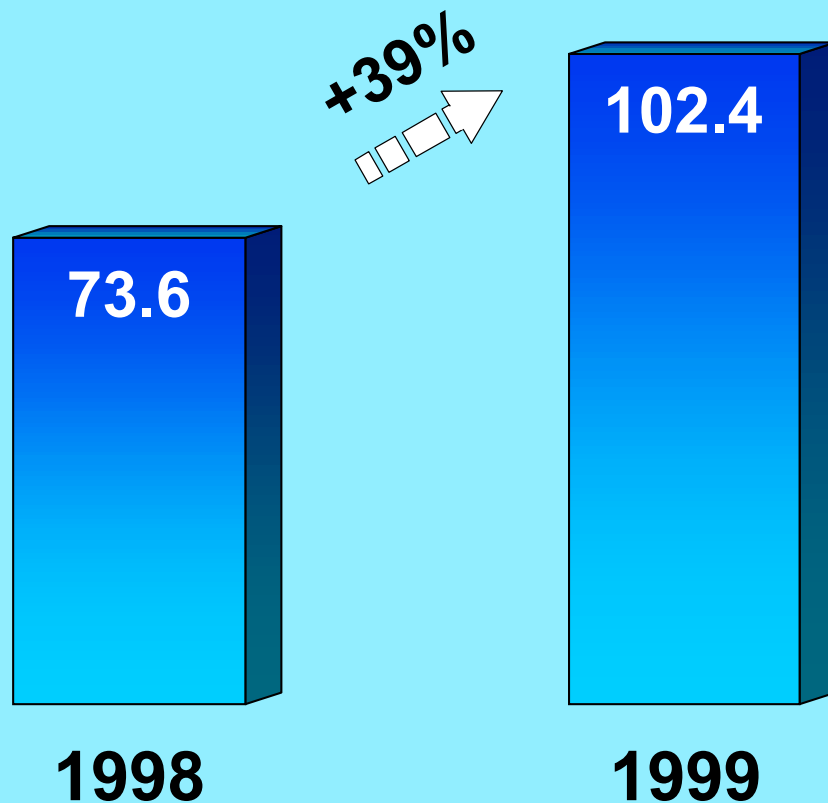


- **Extraordinarily good de-icing salt sales volumes due to weather conditions**
- **Very good result**

Waste Management Segment 1999

Sales

(DM million)

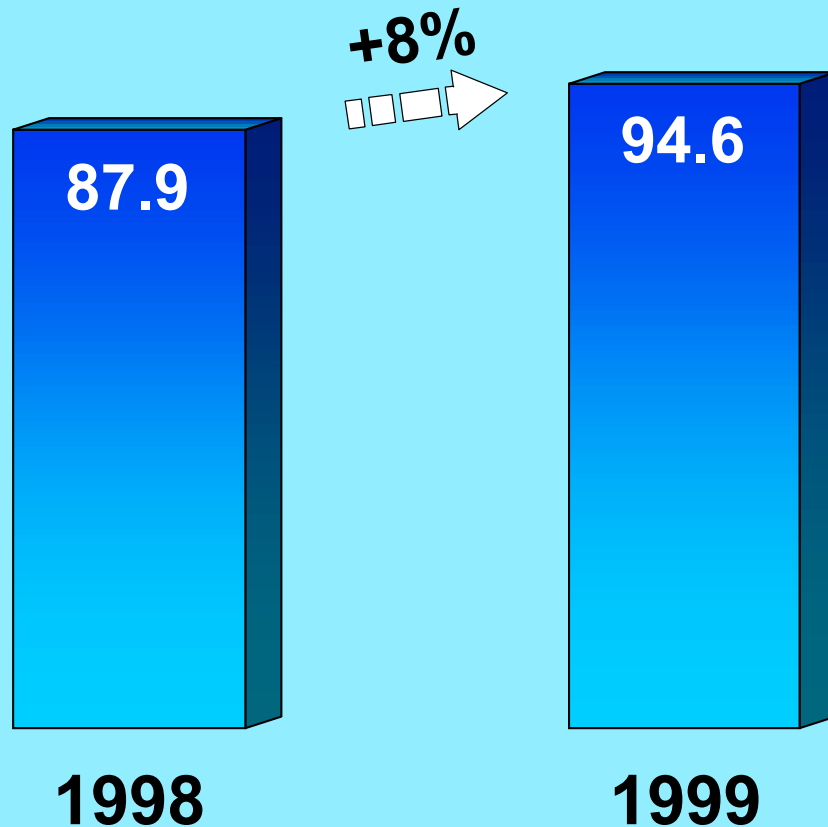


- Volume increase due to sizable new business activities
- Very good result

Services and Other Activities Segment 1999

Sales

(DM million)



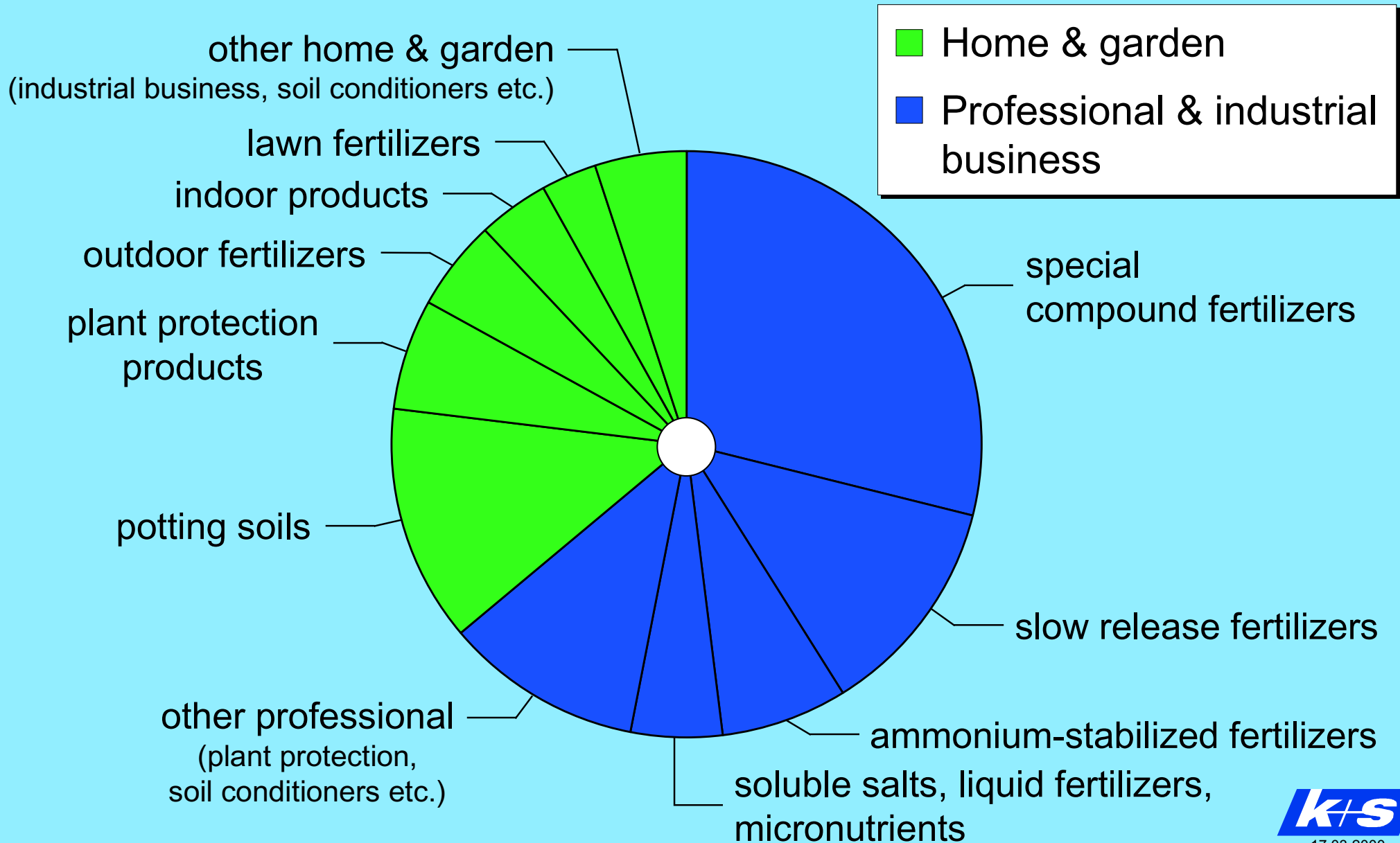
- Good business course
- Founding of company data process GmbH

K+S Group COMPO Segment

19

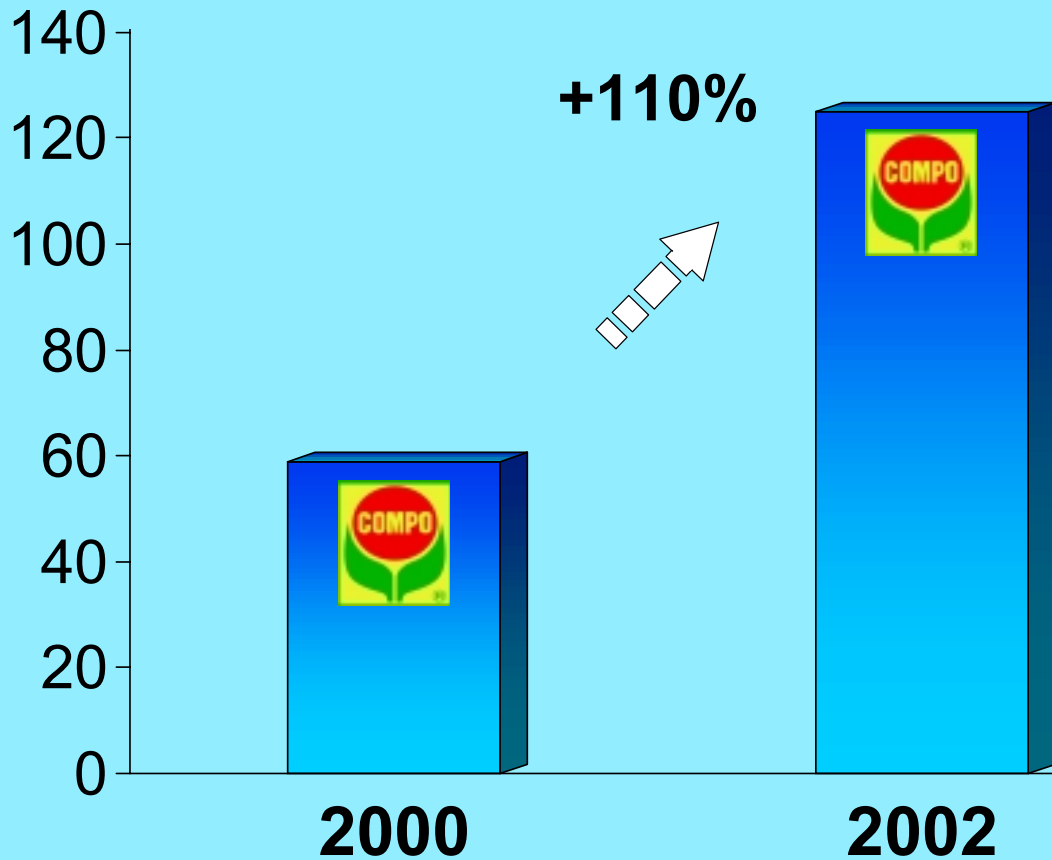


COMPO: Sales structure 2000 (plan)



New innovative COMPO products promote the growth

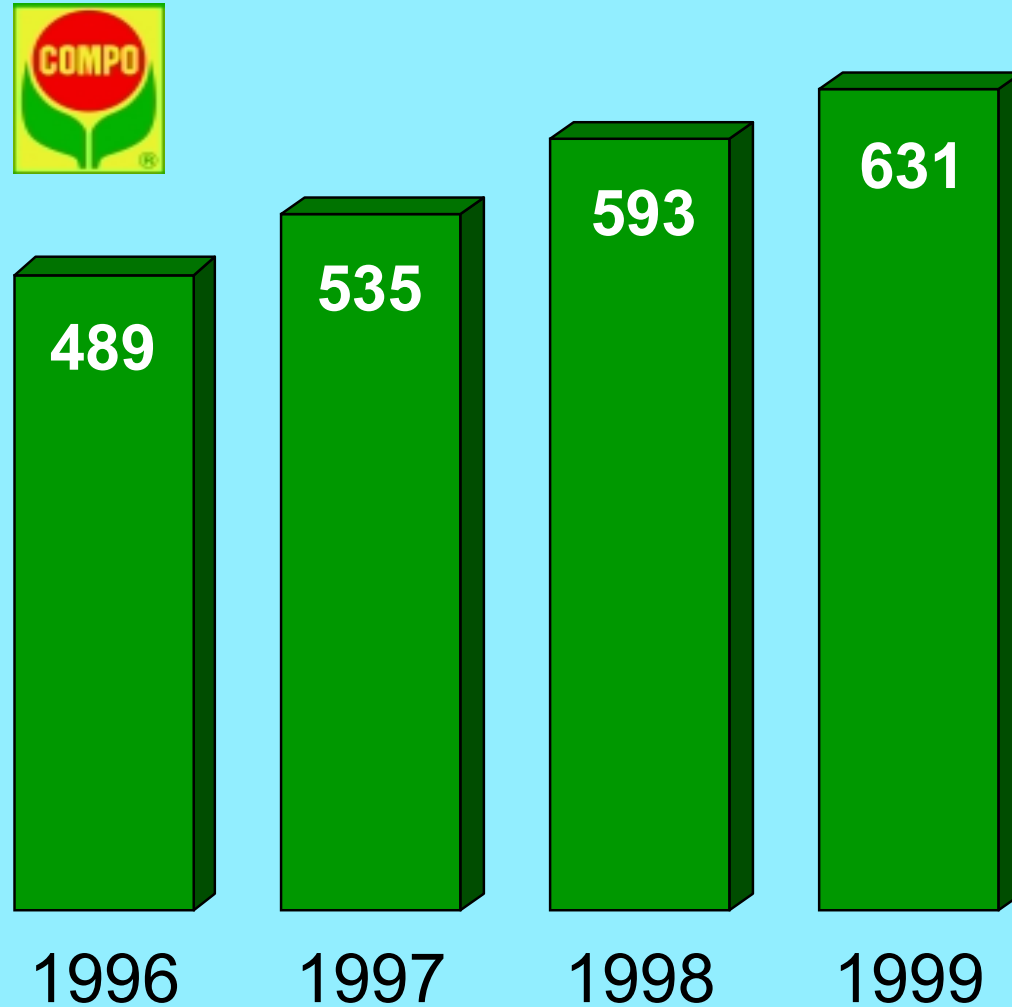
sales
DM million



- ENTEC-range
- (partly) coated fertilizers
- new home & garden products

Sales development COMPO

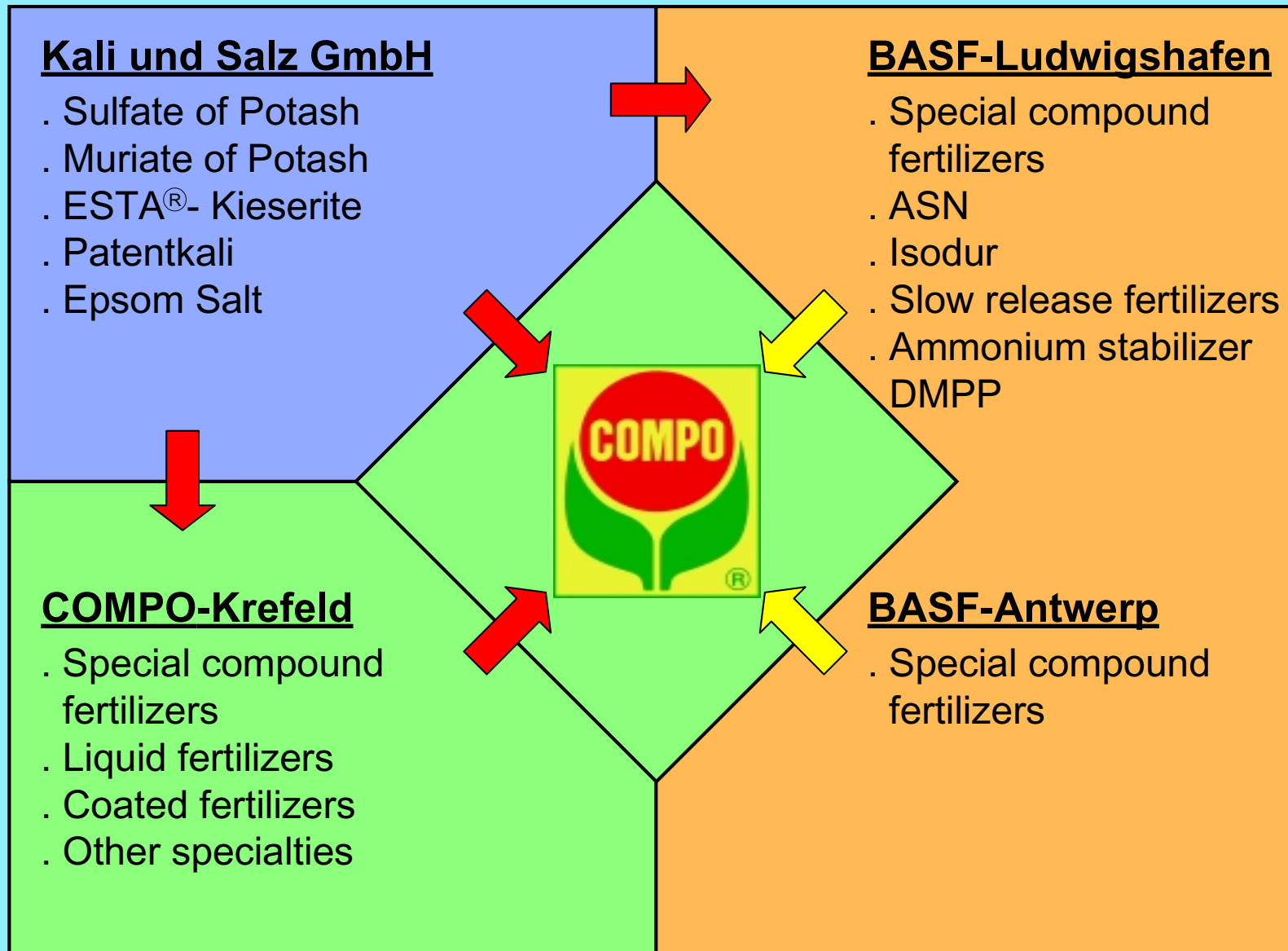
DM million



Medium-term growth:

- COMPO: 5% - 7% p.a.
- Market: 2% - 3% p.a.

Preliminary products of COMPO fertilizers



K+S Group
fertiva Segment

fertiva

fertiva Segment

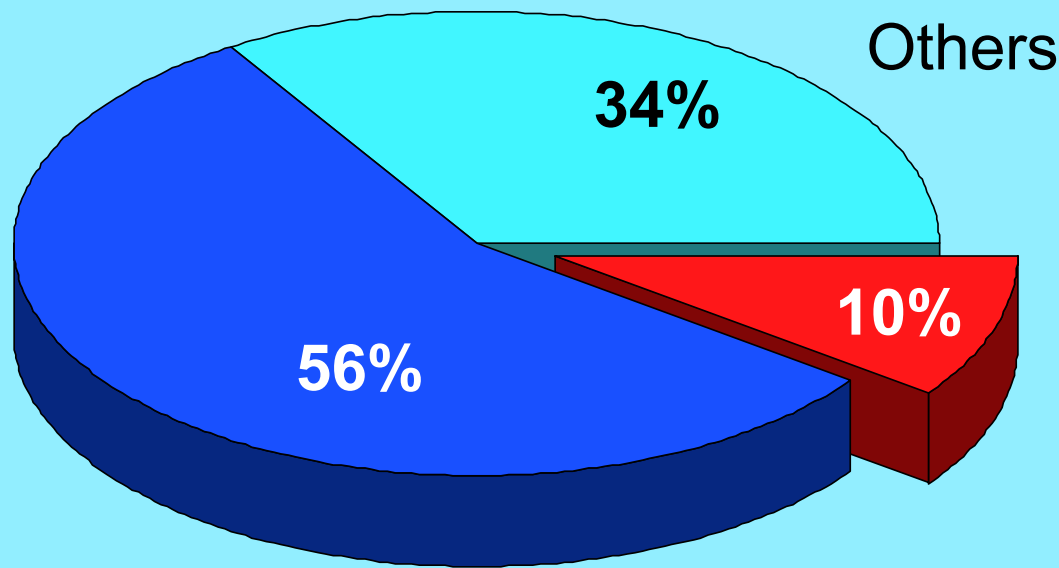
- Responsible for marketing and sales of agricultural nitrogen fertilizer business
- fertiva GmbH:
 - exclusive distribution of all BASF produced straight nitrogen fertilizers and compound fertilizers (international brand Nitrophoska®) for agriculture
 - world leading supplier of ammonium sulfate
 - sales volume of approx. 5.3 million tonnes product worldwide with sales of almost DM 1 billion
- Utilization of various synergies in the K+S Group
- Contractual arrangements with BASF limit opportunities/risks for K+S

Nitrogen market

Nitrogen fertilizers:

Market shares in Western Europe 1998/99

Consumption
10.0 mill. t N p.a.



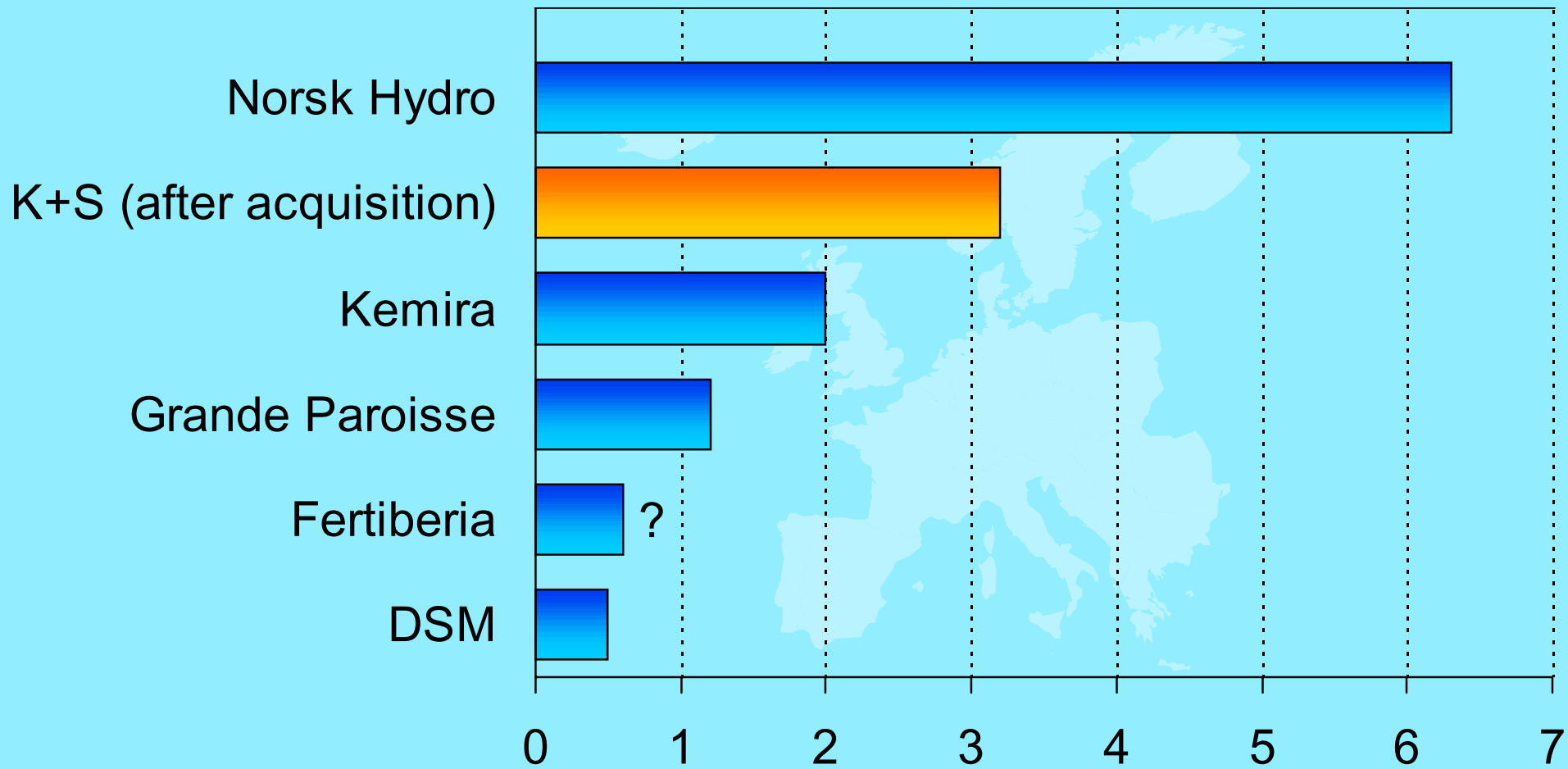
Norsk Hydro, Kemira,
Grande Paroisse, Fertiberia,
DSM, Terra

fertiva GmbH

Fertilizer market

Sales of important European fertilizer suppliers on the basis of 1999

DM billion



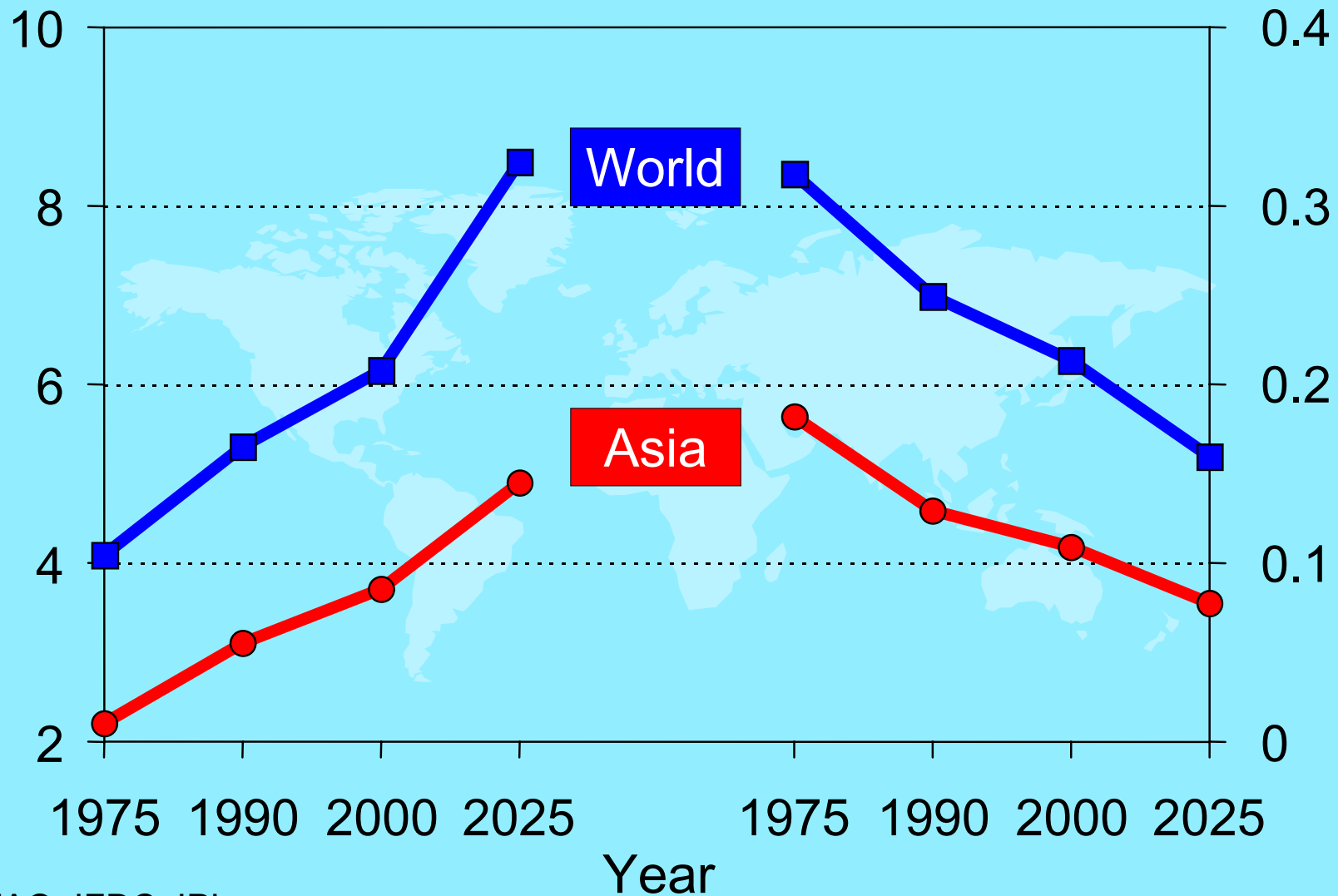
estimate



Population growth and arable farm land

Population in billion

Arable farm land/ha per capita



Business in the first quarter of 2000

**Potash and
Magnesium Products**

- **Currently still slack demand**

COMPO

- **Very good start**

fertiva

- **High demand, rising prices**

Salt

- **De-icing salt below very good previous year**

**Waste Management
and Recycling**

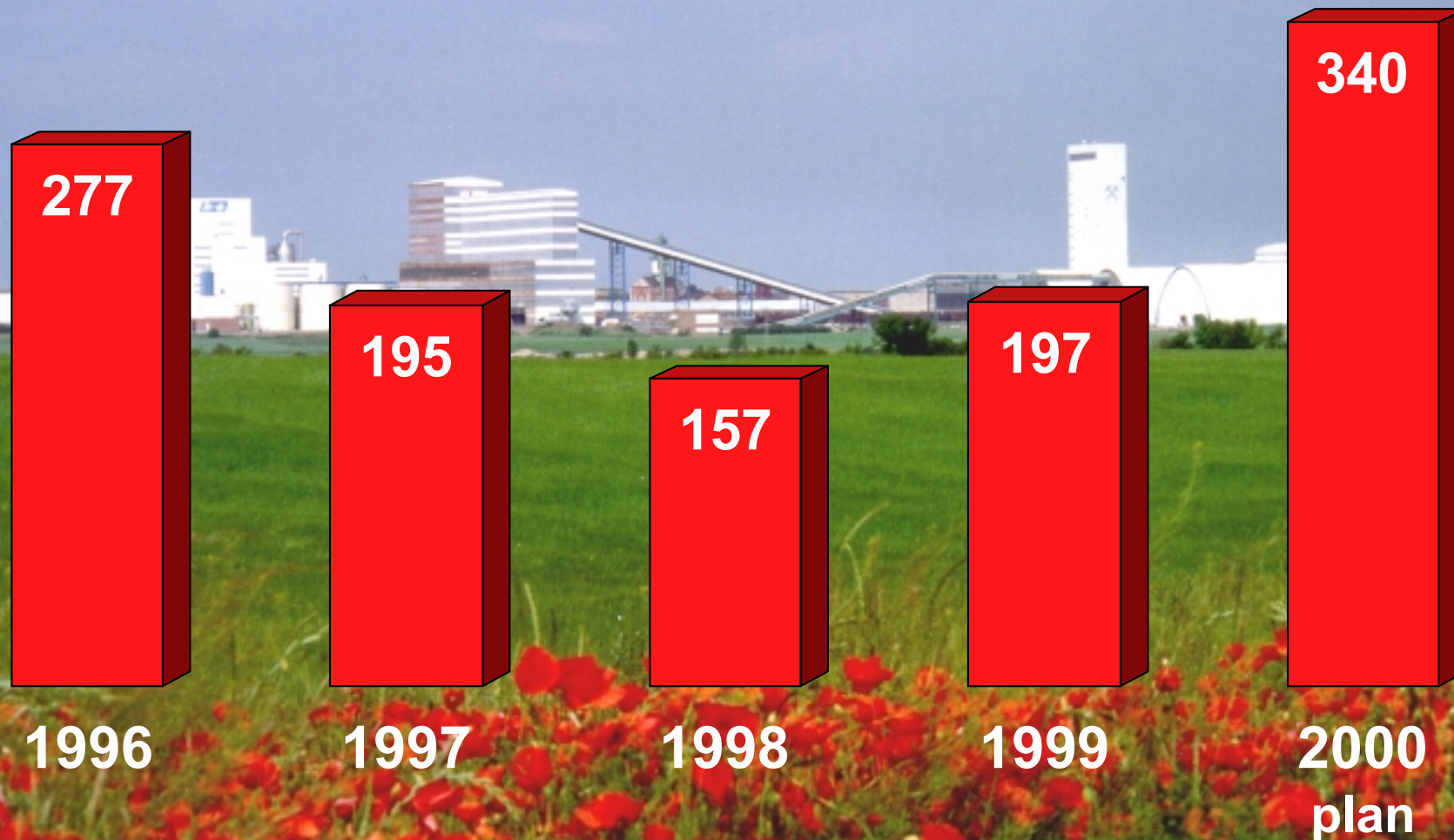
- **Significantly exceeding the previous year**

Services and Trade

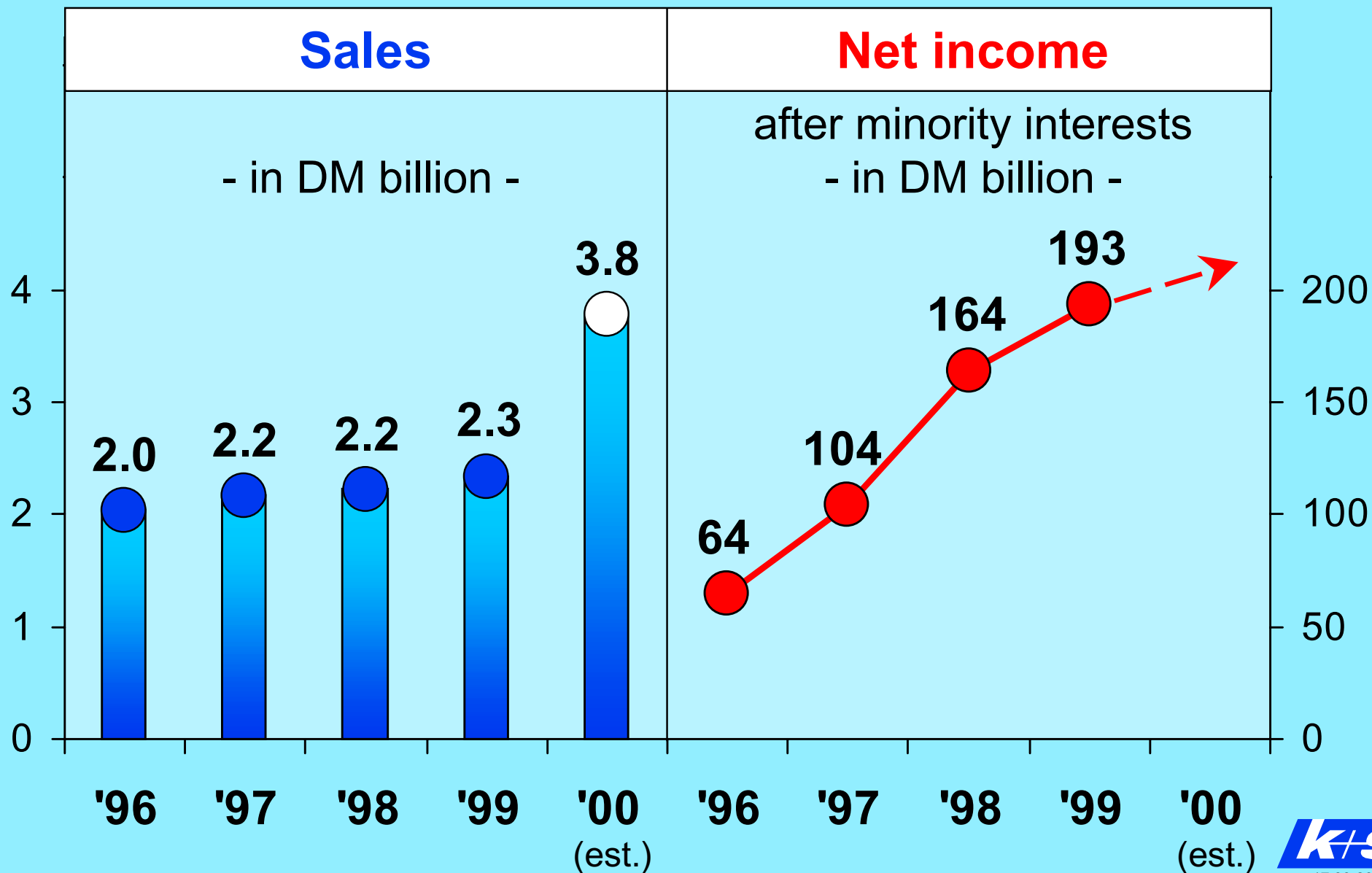
- **At good level as expected**

Capital expenditures to tangible fixed assets

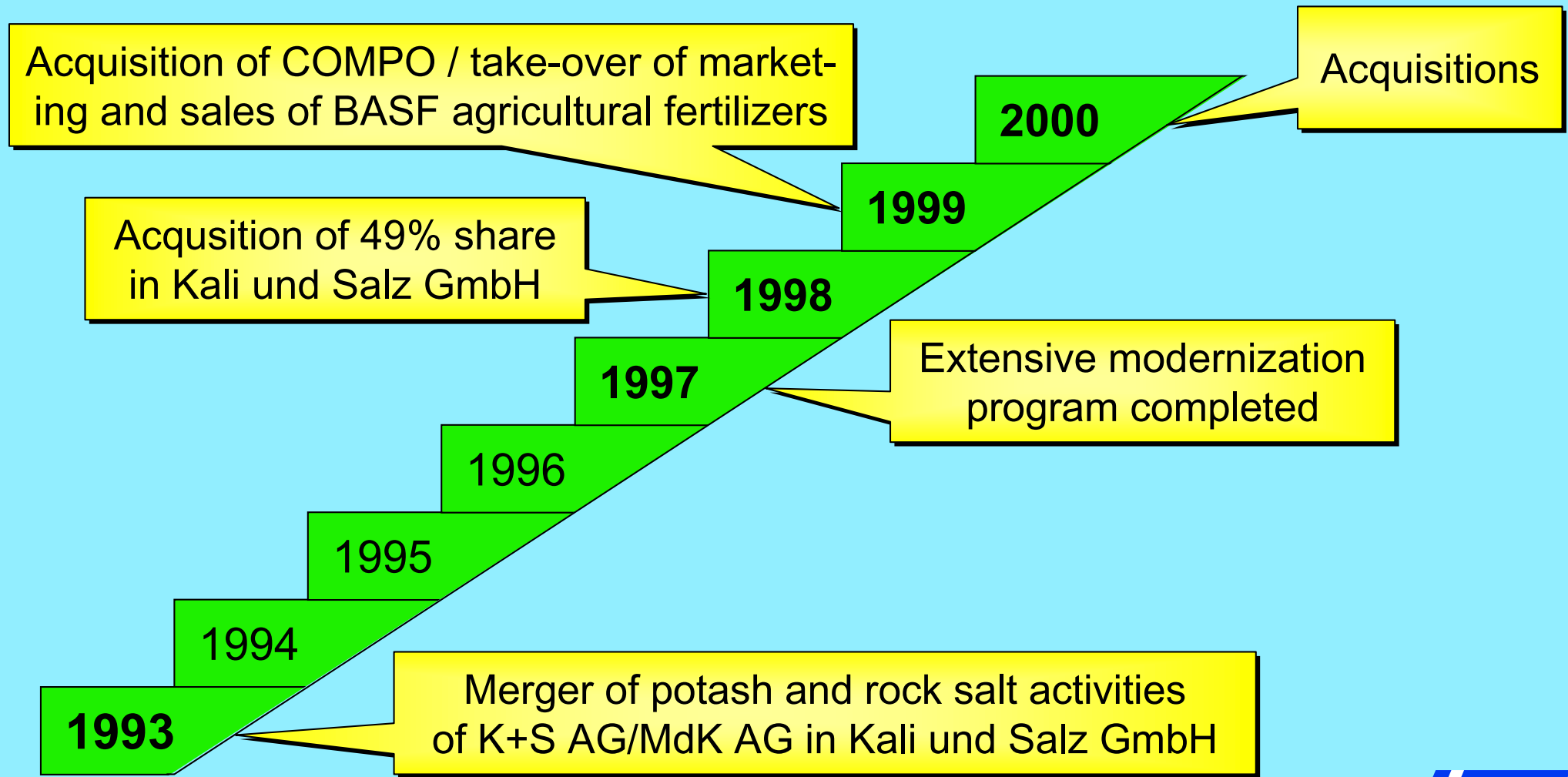
DM million



Development of sales and net income



Structural measures for improving the earning power



Market positions

K+S is...

...with potash

- ▶ market leader in Europe
- ▶ number three in the world

...in the green market

- ▶ market leader in Europe with COMPO

...with nitrogen

- ▶ very well positioned with fertiva

...with salt

- ▶ a leading supplier in Europe

**...in the underground
waste management**

- ▶ market leader in Germany

Our central strategic aim

Consistent evolution into a company also offering specialties, niche and brand products

Aim: leading, highly profitable supplier in Europe, moving into new, attractive and high-yield growth fields

The K+S growth strategy

- ▶ **Focusing**
- ▶ **Specialization**
- ▶ **Opening up new business segments**