



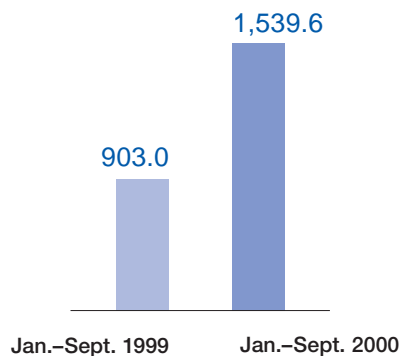
Interim Report

January to September 2000

- K+S Group has grown strongly
- EBIT at record level of € 105 million
- DVFA earnings per share up to € 1.33
- 2000 result will be considerably better than last year
- Planned joint venture will strengthen the salt business



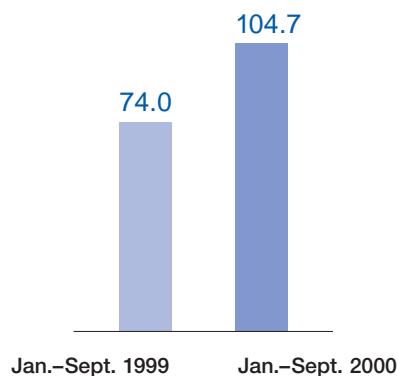
Sales in € million



70 % increase in sales

The positive development of the K+S Group continued in the third quarter. Our sales increased by 70 % to € 1,539.6 million by the end of September 2000. The higher sales are due primarily to the incorporation of our new COMPO and fertiva business segments, while our traditional business also recorded gratifying growth. The improvements in the Potash and Magnesium Product segment are due in particular to higher volumes of our strong-selling industrial products, price increases and the favourable US-dollar exchange rate. Also our segments Waste Management and Recycling as well as Services and Trading recorded significant increases. Salt sales up to September were below the previous year's level, due to lower deliveries of de-icing salt on account of the mild weather.

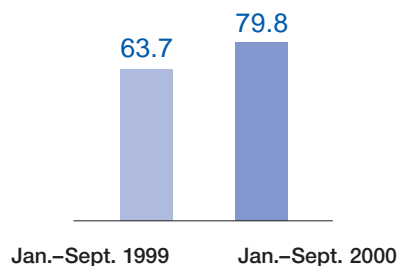
Earnings before interest and taxes in € million



41 % increase in EBIT to € 105 million

With an **EBIT of € 104.7 million**, we achieved a **record profit** in the first three quarters of this year, and have accordingly already considerably exceeded the EBIT reported for the whole of the previous year. Our profit growth is mainly due to the new COMPO activities, while the Potash and Magnesium Product segment as well as Waste Management and Recycling also made significant contributions to the profit. We have moreover benefited from exchange rates, which were favourable to our export business. The **pre-tax profit also soared to a new record level of € 109.8 million.**

Capital expenditures in € million

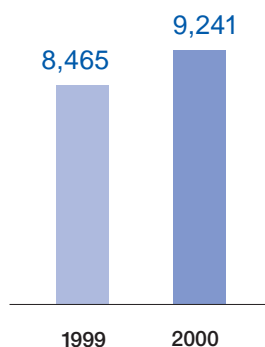


DVFA earnings per share increased by 36 cents to € 1.33, an improvement of 37 %. **Earnings per share after taxes went up by 44 % to € 2.27.**

The earnings calculation is based on the average number of shares in circulation entitled to participate in dividends (2000: 44.5 million shares; 1999: 49.2 million shares).

Our second share buy-back programme commenced in the middle of the year. As of September 30, 2000 we held 2,021,200 of our own shares, or 4.49 % of the share capital. The average purchase price amounted to € 16.51 per share.

Number of employees (September, 30)



Sales of Potash and Magnesium Products higher than in previous year

Sales of Potash and Magnesium Products from January to September 2000 at € 720.5 million exceeded the previous year's figure. Our industrial potash business continued to develop exceedingly pleasingly. Strong demand led to a high capacity utilisation level at our production plant. The measures taken to increase our capacity have enabled us to exploit further growth opportunities in this important business field. Our fertilizer business has profited not only from the price increases but also from the development of the dollar exchange rate.

Sales by business segments

	3rd Quarter		January to September			
	2000	1999	2000	1999	Change	
	€ million	€ million	€ million	€ million	absolute	%
Potash and Magnesium Products	220.1	208.4	720.5	716.3	4.2	1
COMPO*	69.5	.	260.3	.	260.3	100
fertiva*	136.0	.	383.5	.	383.5	100
Salt	22.8	22.6	75.2	104.4	-29.2	-28
Waste Management and Recycling	19.9	18.0	58.4	46.4	12.0	26
Services and Trading	14.5	10.7	41.7	35.9	5.8	16
Total sales	482.8	259.7	1,539.6	903.0	636.6	70

* not included in 1999 K+S Group sales

Earnings K+S Group

	3rd Quarter		January to September			
	2000	1999	2000	1999	Change	
	€ million	€ million	€ million	€ million	absolute	%
Earnings before interest and taxes	24.6	18.0	104.7	74.0	30.7	41
Earnings before income taxes	27.9	21.3	109.8	80.7	29.1	36
Earnings after taxes and minority interests	25.4	21.2	100.9	78.9	22.0	28

COMPO continued the positive trend of the first half-year

Sales in the COMPO segment reached a good level of € 260.3 million. We have further developed our market position for home and garden products. In addition to strengthening our traditional brand business, we have also gained new customers thanks to selective advertising and service. In the professional field we succeeded in recording significant increases in all key markets. We are benefiting here in particular from the newly introduced, innovative ENTEC fertilizers, which have recorded strong growth.

fertiva profiting from good demand

fertiva's successful development continued in the quarter under review. Sales of our nitrogenous fertilizers between January and September 2000 totalled € 383.5 million. Sales of multi-nutrient fertilizers and ammonium sulphate increased, while we also profited from the favourable US dollar exchange rate. In Europe we were able for the first time for several years to increase the prices for nitrogenous fertilizers faster than the cost increases. We are pushing ahead rapidly with the restructuring of our business, especially in France and the Benelux countries. The streamlining of our processes and optimisation of product flows will lead to perceptible savings in our selling and logistic costs in the future.

Salt business in the quarter under review at the previous year's good level

Sales revenues and volumes in the third quarter in the Salt segment were at the previous year's good level. Deliveries in particular of our consumer products recorded a positive trend. The sales of € 75.2 million as of September 2000 were however lower than in the previous year, on account of reduced sales of de-icing salt at the beginning of the year because of the mild weather; the development of this situation in the rest of the year will depend on the weather conditions.

Sharp increase in Waste Management and Recycling volumes

The Waste Management and Recycling segment recorded a 26% increase in revenues as of September 2000 to € 58.4 million. The increase is primarily due to our underground waste depository business: we are handling a major project, which includes additional volumes of waste. We have succeeded in the underground reutilization of waste in once again matching the high quantities and revenue levels recorded in the previous year. We have increased the level of business in the recycling area by acquiring additional quantities.

Services and Trading once again successful

Revenues in the Services and Trading segment increased between January and September 2000 by 16 % to € 41.7 million. The granulation facility in Salzdetfurth and the third party transshipment business at KTG, Hamburg, recorded considerable growth, while the acquisition of UBT See- und Hafenspedition GmbH, Rostock, as of January 1, 2000 also resulted in improved revenues and profits.

Higher capital expenditures

At € 79.8 million, the K+S Group's investment in tangible fixed assets was € 16.1 million higher in the first three quarters than in the corresponding prior year's period. The expenditure mainly related to the new kieserite production facility at Sigmundshall near Hanover, capacity expansion measures at COMPO and smaller projects aimed at further optimisation of our production process costs.

Employees

The K+S Group employed a total of 9,241 staff at the end of September 2000, an increase of 776 compared with the previous year. This is due to the acquisition of COMPO and taking over fertiva's fertilizer business.

Joint venture with Solvay will strengthen K+S in the salt business

K+S and Solvay S.A., Brussels, signed a letter of intent on October 20, 2000 covering a joint venture company for their salt activities. The contract negotiations are currently taking place parallel to the due diligence review. The aim is a speedy conclusion of the contracts. The realisation of the joint venture is subject to the agreement of the two Supervisory Boards and the approval of the European competition authority.

With facilities in Germany, the Netherlands, France, Belgium, Spain and Portugal, the joint venture company will market some 5 million tonnes of salt per year, employ approximately 1,400

staff and have estimated sales of € 300 million. The profit targets are ambitious. The two partners complement one another well and, with their locations, will have an outstanding position in the European salt market. We see considerable potential for the optimisation of the sales and logistics structures.

Good business trends will be maintained

Our Potash and Magnesium Products will also benefit in 2000 not only from the more favourable US-dollar but also from the continuing good development of the global potash market in the second half of the year. On the basis of current estimates, world sales of potash of some 26 million t of K_2O will exceed the previous year's figure by some 1 million t of K_2O or approximately 4 %.

We will achieve and even in some areas exceed our ambitious targets at COMPO and fertiva. We expect a new record in the year 2000 in the Waste Management and Recycling segment, attributable to the large increase in volumes in the waste depository business. The Salt segment will benefit from the acquisition of the vacuum salt activities at the Dutch site in Harlingen. The planned joint venture with Solvay will provide a new profit-related boost to our business. We assume that the positive trends in our Service and Trading segment will continue.

All in all we expect our sales to increase to some € 2.1 billion in 2000. As we also anticipate a positive result in the fourth quarter, the profit for the year will be considerably higher than last year. Since we are pursuing a profit-oriented distribution policy, we are therefore aiming at a renewed increase in the dividend payment.

Kassel, November 2000

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Financial timetable

Date

Report on the 2000 business year	March 15, 2001
Annual report press conference and analyst conference, Frankfurt/Main	March 15, 2001
Annual Meeting, Kassel	May 9, 2001
Interim Report March 31, 2001	May 9, 2001
Interim Report June 30, 2001	August 10, 2001