

Annual Report Press Conference

K+S Aktiengesellschaft

March 15, 2001 in Frankfurt/Main

Presentation Norbert Steiner



Changes in sales from 1999 to 2000

- € million -

Sales 1999	1,191.9
▶ In terms of consolidation:	+ 891.9
▶ In terms of volume:	- 34.4
▶ In terms of price:	- 1.2
▶ In terms of exchange rate:	+ 39.7
Total:	+ 896.0
Sales 2000	2,087.9

Sales and earnings as of December 31

- € million -

	2000	1999	Change
Sales	2,087.9	1,191.9	+ 896.0
Earnings before interest, taxes and depreciation (EBITDA)*	253.9	206.2	+ 47.7
Earnings before interest and taxes (EBIT)	126.8	88.5	+ 38.3
Financial result**	3.6	7.4	- 3.8
Earnings before income taxes (EBT)	130.4	95.9	+ 34.5
Income taxes	10.6	- 2.6	+ 13.2
Earnings after taxes	119.8	98.5	+ 21.3

* incl. revenues from write-back of the balance arising from capital consolidation

** incl. interest pension provisions

EBIT by business segments as of December 31

- € million -	2000	1999	Change
Potash and Magnesium Products	82.8	58.4	+ 24.4
COMPO	21.8	--	+ 21.8
fertiva*	0.3	--	+ 0.3
Salt	4.9	18.5	- 13.6
Waste Management and Recycling	24.6	23.8	+ 0.8
Services and Trading	4.5	5.2	- 0.7
Transitional amounts	- 12.1	- 17.4	+ 5.3
Earnings before interest and taxes (EBIT)	126.8	88.5	+ 38.3

* transfer of the main earnings proportion to BASF

Reconciliation of DVFA earnings as of December 31

- € million -

		2000	1999
Earnings after taxes		119.8	98.5
Deferred taxes	1)	- 40.9	- 38.0
Depreciation of Goodwill	2)	- 5.6	---
Special depreciation on tangible assets	2)	+ 14.4	+ 13.2
Write-back of balance arising from capital consolidation		- 17.4	- 18.6
Additions to (+) / releases of (-) provisions	2)	- 2.8	+ 6.1
Other adjustments	2)	+ 2.3	+ 2.3
DVFA adjustments		- 50.0	- 35.0
DVFA earnings		+ 69.8	+ 63.5
DVFA earnings per share (in €)	3)	1.58	1.32
Earnings after taxes per share (in €)	3)	2.72	2.04

1) at average tax burden of 45.6% (EBT without write-back of balance arising from capital consolidation)

2) after fictitious added up burden of 48.5%

3) Base: average stock of outstanding shares (2000: 44.1 million, 1999: 48.2 million)

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Proposal on dividends

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Profit retained as of December 31, 2000	38.3 million €
Shares authorized to participate in dividends *	42.75 million
Net dividend per share	0.85 €
<u>Tax credit per share (domestic shareholders)</u>	<u>0.29 €</u>
Gross dividend per share	1.14 €
Net dividend yield**	4.8 %
Gross dividend yield**	6.4 %

* 45 million shares less 2.25 million own shares

** Base: year-end share price (17.70 €)



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Return on equity as of December 31

$$\text{Return on equity} = \frac{\text{Earnings after taxes}}{\text{Equity} + 50\% \text{ of special reserve} + \text{balance arising from capital consolidation}}$$

- € million -

	2000	1999
Earnings after taxes	119.8	98.5
Equity	447.8	437.9
Special reserve (50%)	8.8	6.5
Balance arising from capital consolidation	74.3	91.7
„Equity“	530.9	536.1
Return on equity	22.6 %	18.4 %

Return on total investment as of December 31

$$\text{Return on total investment} = \frac{\text{Earnings before income taxes + interest expense}}{\text{Balance sheet total}}$$

- € million -

	2000	1999
Earnings before income taxes	130.4	95.9
Interest expense *	<u>12.1</u>	<u>10.9</u>
	142.5	106.8
Balance sheet total	1,580.1	1,337.5
Return on total investment	9.0 %	8.0 %

* incl. interest pension provisions

Cash flow statement as of December 31

- € million -	2000	1999	Change
Gross cash flow	241.4	228.3	+ 13.1
Cash provided from operating activities	284.8	242.2	+ 42.6
Cash used in investing activities	230.7	278.7	+ 48.0
Free cash flow	+ 54.1	- 36.5	+ 90.6
Cash used in financing activities	- 86.8	- 17.9	- 68.9
Other items	- 1.3	- 1.7	+ 0.4
Change in cash and cash equivalents	- 34.0	- 56.1	+ 22.1
Cash and cash equivalents	253.8	287.8	- 34.0