

K+S Group

Experience growth.

Acquisition of Sociedad Punta de Lobos

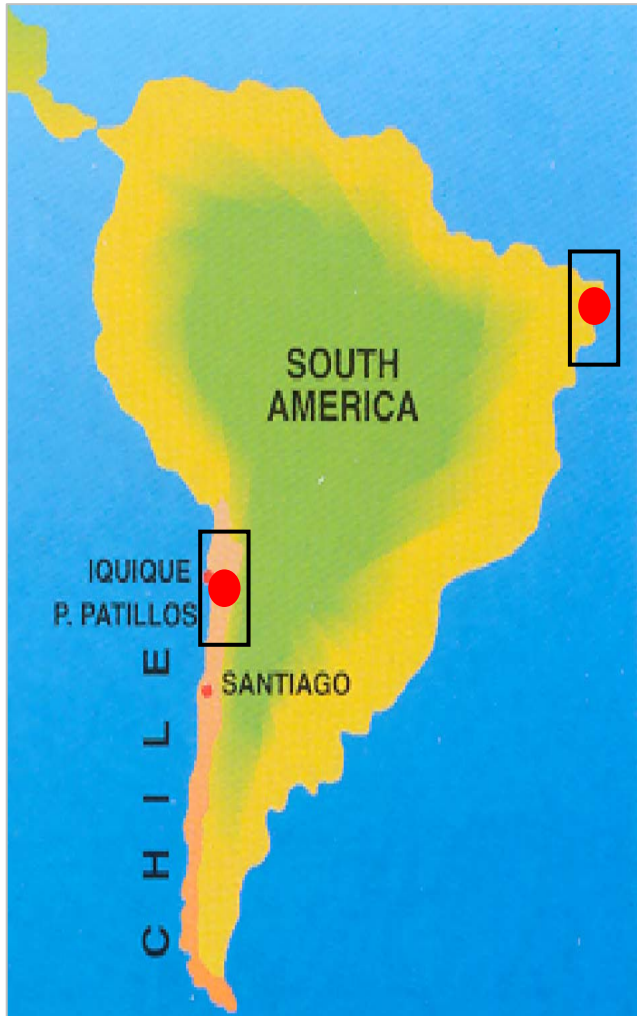
Conference Call for Analysts

24 April 2006





- Acquisition of 99.3% of the shares of leading South American salt producer "Sociedad Punta de Lobos" (SPL) for a purchase price of USD 477 million on a debt-free basis
- The vendors are a few Chilean private individuals grouped together in a company called "Prospecta" as well as a private equity company of Citigroup
- The business is to be transferred with economic effect from 1 May 2006
- It is expected that the closing, i.e. the transfer of the shares and the payment of the purchase price, will still take place in Q2/2006
- First-time consolidation will take place following closing
- Approval from cartel authorities in the United States, Brazil and Germany is still pending



- Production capacity of over 6 mn tons of crystallized salt:
 - Cost effective open-cast extraction in the Chilean Atacama Desert
 - Very favourable logistics link to port in Chile
 - Sea salt facility in Brazil
- Production of complete product assortment for all needs
- Main areas for salt sales are on the North American East Coast and in South America

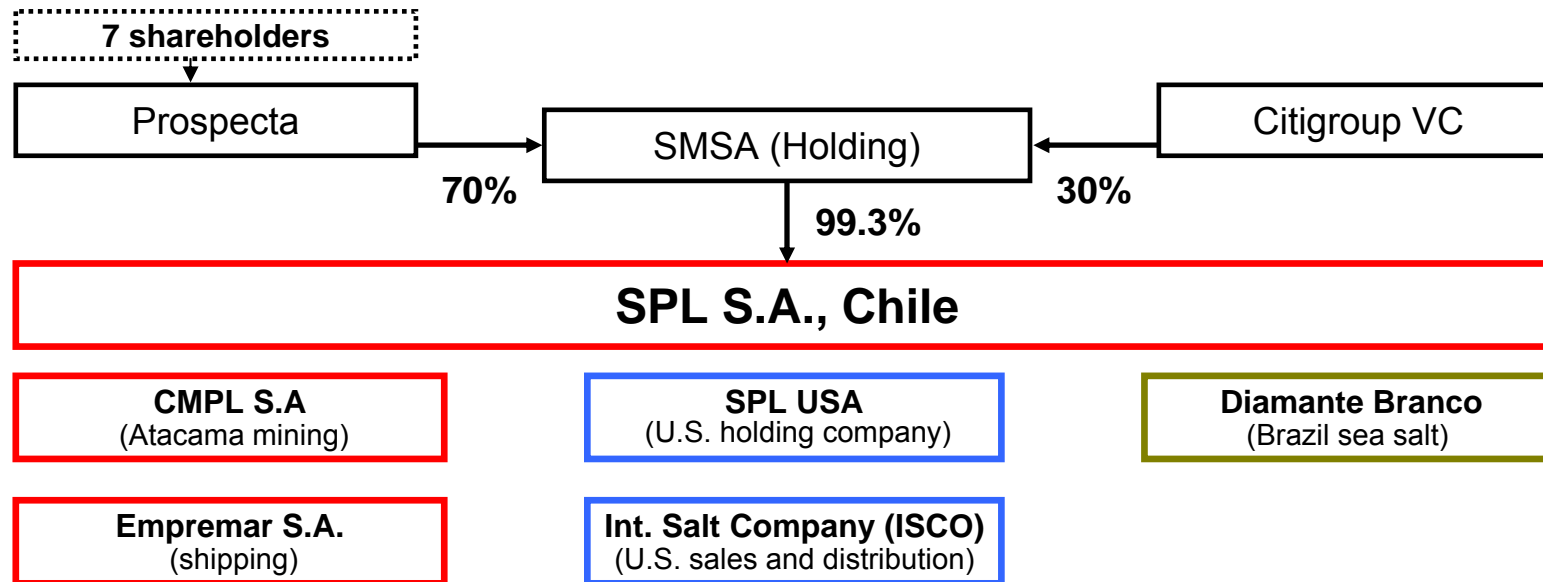
Figures		2003	2004	2005
Sales volume	(million t)	6.8	5.1	5.8
Revenues	(\$ million)	300.4	286.5	350.0
EBIT	(\$ million)	39.0	33.9	48.0
Net income	(\$ million)	27.8	24.9	33.8



- **SPL has developed into a strong player in the Americas**
 - one of the most cost effective salt producers in the world
 - enjoys favourable logistical location to attractive overseas markets
 - high earnings capacity with growth opportunities
 - **SPL opens up new growth opportunities in the worldwide salt business**
 - growth potential in current SPL markets
 - aim: Participation in high growth Asian business
- ➔ **K+S as a global player in salt with a strong presence in Europe, the Americas and, in the future, in Asia too**

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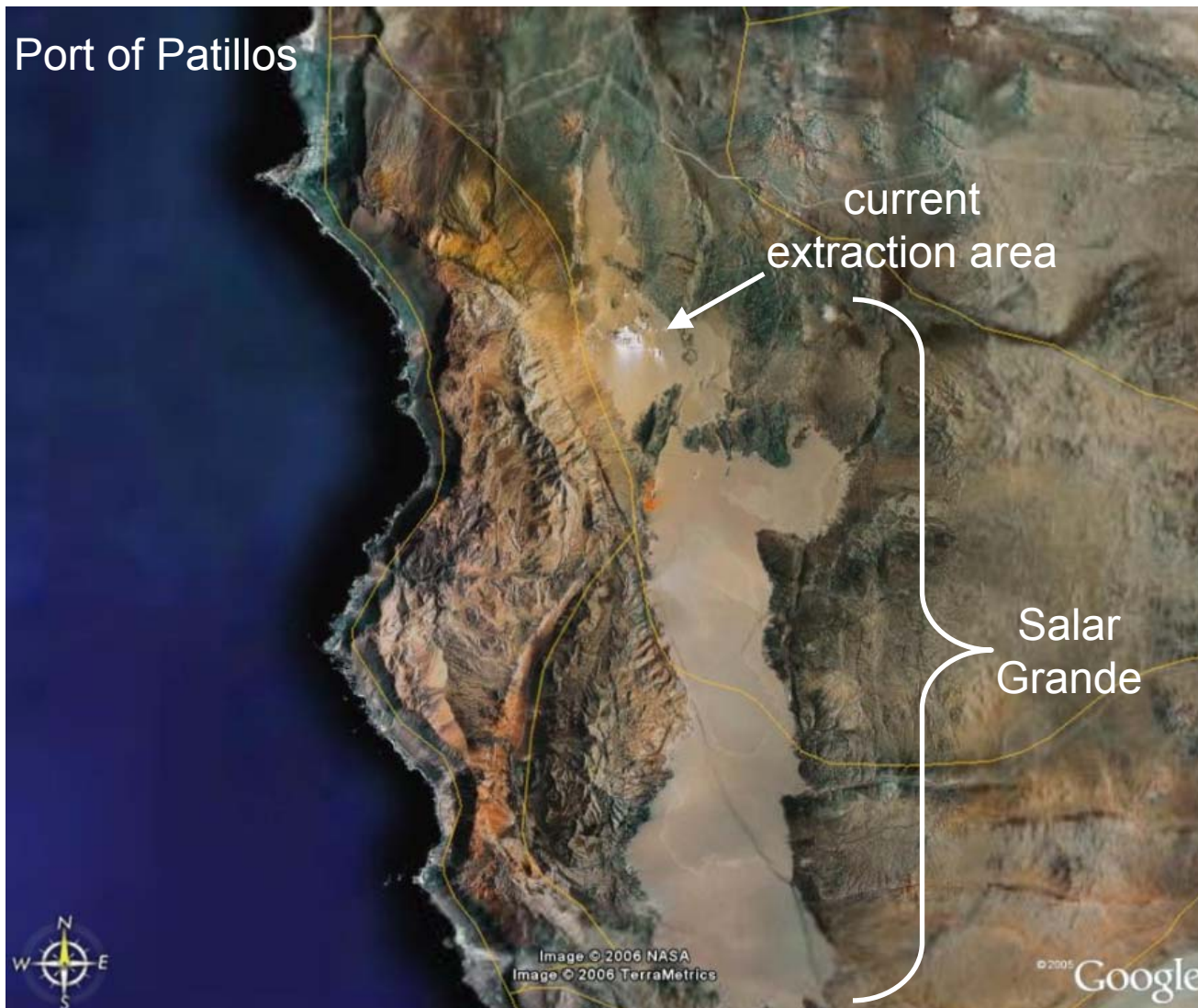
SPL: Corporate structure



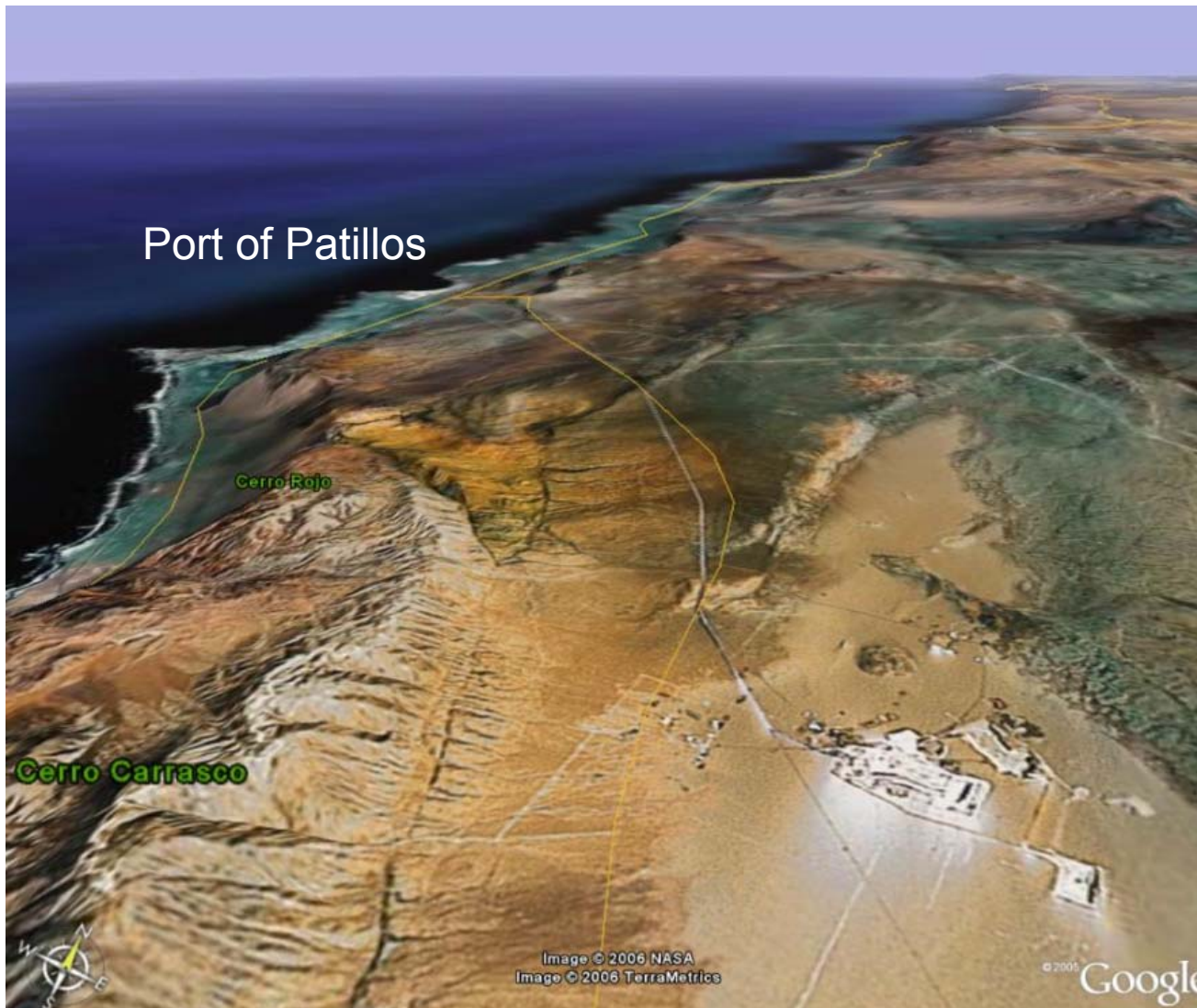
- SPL forms the core of the group with its Salar Grande production facilities near the coast as well as corporate headquarters in Santiago
- The Sal Lobos brand is the leading consumer salt in Chile
- The International Salt Company (abbreviated to ISCO) is responsible for the U.S. business (currently de-icing salt in the main)
- Diamante Branco serves the Brazilian market with its sea salt facility
- With four ships of its own, the shipping company Empremar mainly serves the Latin American market and coordinates remaining charter needs

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SPL: The Salar Grande



- The deposit extends over about 500 km² and has a depth of up to 100 meters.
- SPL holds a concession for about 97% of the surface area.
- The salt reserves are sufficient for providing the population of the world with salt over the coming 5,000 years.



- SPL extracts rock salt in an open-cast mine at the Salar Grande in the Atacama Desert
- Annual production capacity currently amounts to a good six million tons
- Production is only limited by the loading capacity of the port located just a few kilometers away

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SPL: Salt extraction in the Atacama Desert

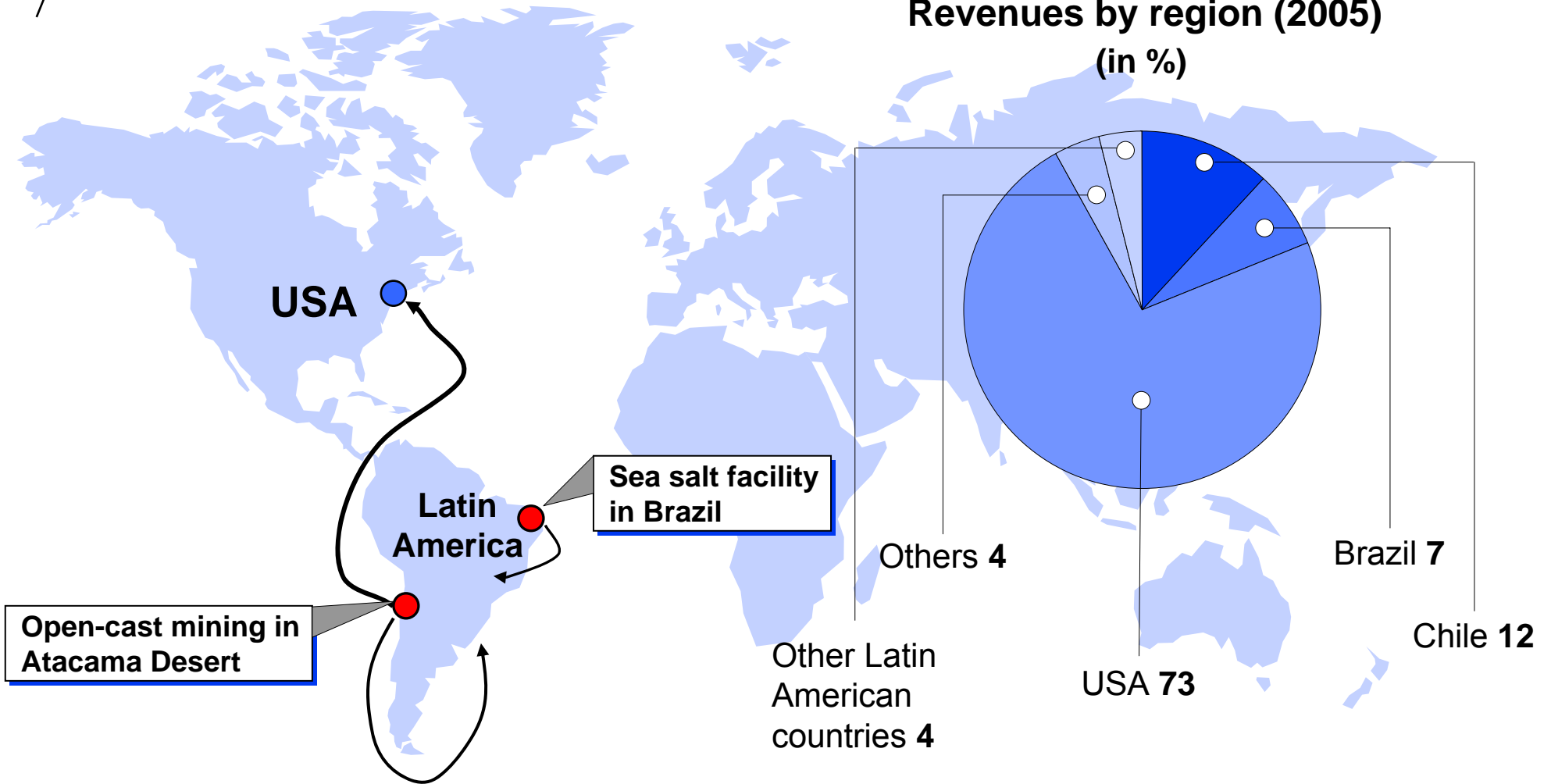




- Seal salt production on a medium-sized scale with an annual production volume of about 400 thousand tons
- Salt is extracted by means of evaporation facilities
- The evaporation ponds extend over a surface area of about 23.5 km²



Revenues by region (2005) (in %)





- The U.S. East Coast is SPL's most important market. Public and private use of de-icing salt is the main business. The regional markets extend from Maine to Virginia.
- SPL leads in terms of cost in the relevant coastal regions of the United States.
- Its main competitors are local producers such as Cargill, Compass, Morton and the importer Mahoney.
- SPL's market position in the United States is relatively stable, which is also due to the fact that weather-related fluctuations in this region are not as great as in Europe.

SPL markets: Brazil, Chile and other

Brazil

- The sea salt facility Salina Diamante Branco (SDB) ensures a positive presence on the attractive Brazilian market
- The main customers are the chemical, cattle and other industries

Chile

- SPL's home market where it enjoys a strong market position
- 6 filling and logistics centres
- Many branded products led by 'Sal Lobos'

Exports to other overseas markets

- The main markets are Argentina, Colombia und Uruguay
- The potential of other markets in the Americas is being examined
- Once the port is expanded, it will be possible to realise new opportunities in Asia



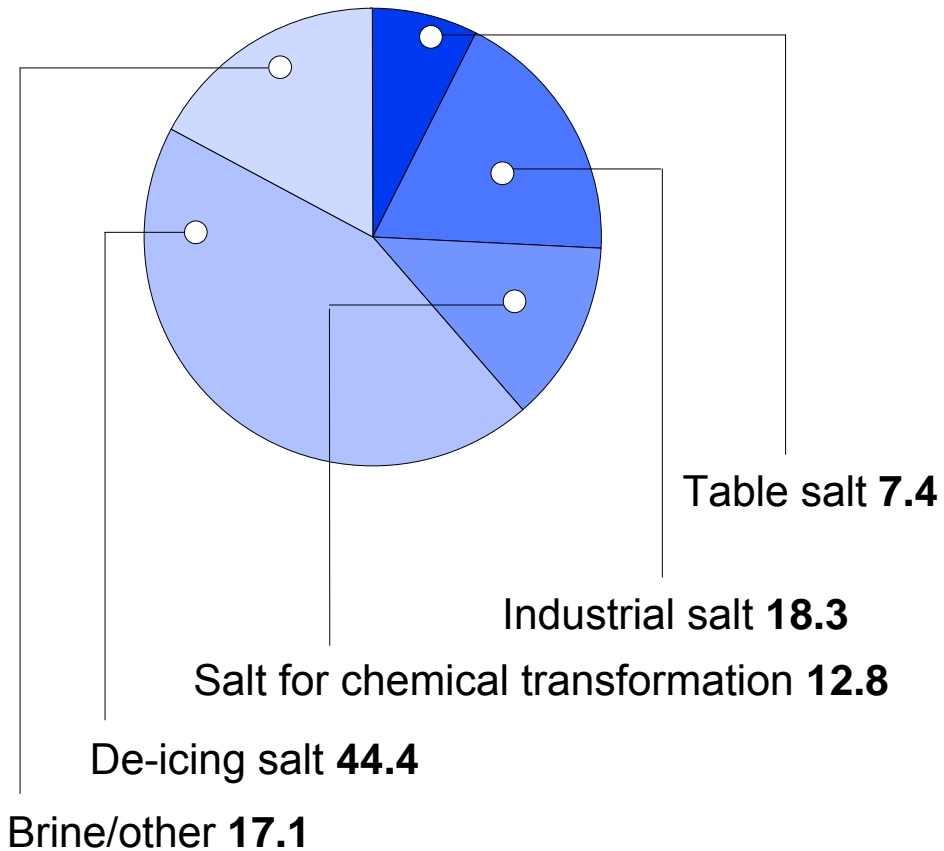
- esco and SPL will be managed as independent associated companies
- In the future, the strategic direction for the entire K+S salt sector will be provided by an international coordinating body
- Operationally, the SPL Group will continue to be managed from Chile
- The SPL Group's proven local management team will be supplemented by a few K+S employees
- Like K+S, SPL also uses SAP as its corporate software.
Full integration within the K+S network is currently being reviewed

- Use of freely available liquidity of € 40-50 million; other cash investment offering a return in excess of the cost of borrowed capital will be retained
- Borrowings of up to € 350 million envisaged
- Borrowing in the form of a multi-currency syndicated revolving credit facility planned
- First tranche with a 3-year term and fixed repayment; second tranche as revolving credit line with a maximum 5-year term
- Variable rate of interest based on Euribor; given the sound financial structure of K+S, on very good terms



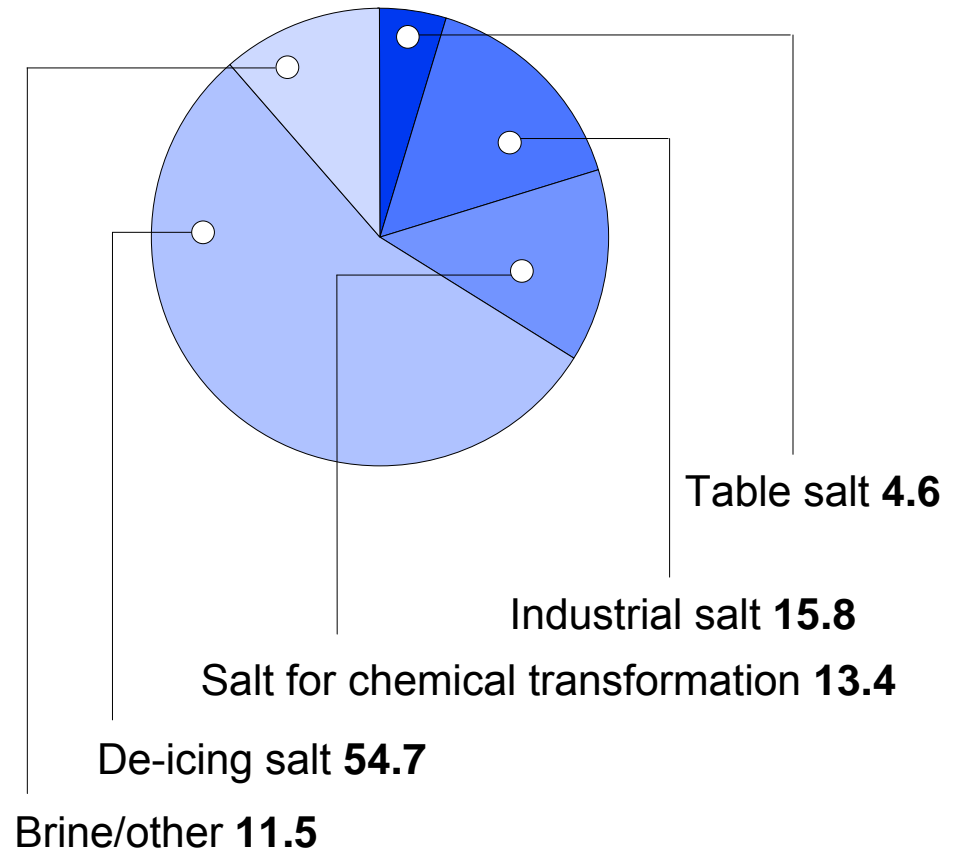
Sales by product group
K+S, stand-alone

(in %)



Sales by product group
K+S and SPL

(in %)



With SPL, K+S will enjoy the following in the future:

- strong market positions in America
- very cost effective rock and sea salt production
- attractively located sites in terms of logistics too
- high earnings capacity and further growth potential



We are delighted that we will be working together with the management team and employees of SPL to rapidly expand our salt business worldwide.

www.k-plus-s.com

Experience growth.



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