Experience growth.

3rd Quarter 2008 Results
Conference Call

12 November 2008
3:00 p.m. CEST

K+S Water Protection Package - Background

Germany has one of the highest environmental standards in the world. K+S takes on the challenges of the future:

- For subsequent years, the EU is calling for an improvement in European waters in its water framework directive – including in the Werra and Weser
- K+S is complying with the decisions of the Hessian and Thuringian state parliaments and submitting an offer, in the package of measures, for the public-law agreements called for
- In the Hessian-Thuringian potash district approx. 14 million m^3 of saline water per year currently accrue. Of this, an average of 7 million m^3 is discharged into the Werra and 7 million m^3 injected into the plate dolomite. On discharging the saline water into the Werra, thresholds for chloride and the total hardness as well as a reference value for potassium must be maintained

➔ **The K+S package of measures will clear the way for a stepwise reduction of the chloride threshold of the Werra, applicable until 2012, from currently 2,500 mg/l to 1,700 mg/l and the hardness threshold from 90 to 65 dH as well as halving the amount of saline water and of the salt dissolved in waters compared with 2006 by 2015**

Main Points of the Package of Measures

- Switching the wet extraction of Kieserite to the dry ESTA® process at the Hattorf site
- Construction of a cooling system for saline water at the Hattorf site
- Further technical development of Kieserite mining at the Wintershall site
- Construction of a system for the evaporation of magnesium chloride solution in connection with a new gas and steam power plant at the Unterbreizbach site
- Expansion of the saline water control at the Hessian-Thuringian potash locations, e.g. through the integration of the recovery of injected saline water

Capital expenditure: totalling up to € 360 million by 2015 at the latest

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Market Environment During Q3/2008

- The solid demand for potash fertilizers and the full utilisation of global potash capacity on the part of all potash producers continued to support prices during the third quarter

- Demand for nitrogenous fertilizers at fertiva and Compo’s professional business was once again characterised by high demand and continued to be strong - both in Europe and overseas, whereas lower volumes were compensated by significantly higher prices. In both business segments further substantial price increases were announced to pass on significantly higher input costs. The Compo consumer business showed a stable development despite changing weather conditions

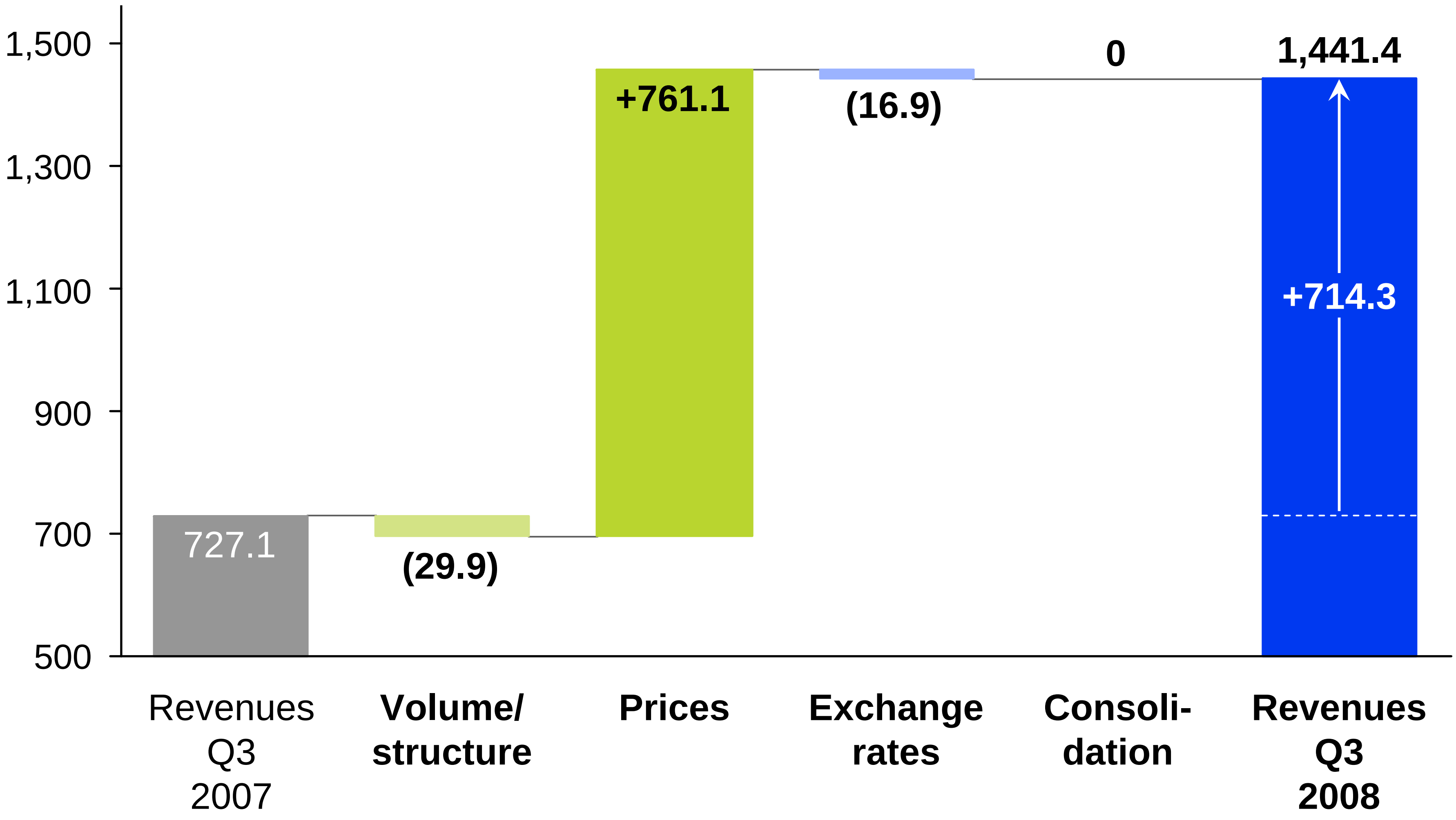
- While the European de-icing salt business had to cope with high stocks held by consumers; current tenders in the North American de-icing salt business were affected by supply bottlenecks after two consecutive heavy winters in the Midwest. Sales of salt for chemical use continued to be at a high level

- A weaker US-Dollar (Q3/08 vs. Q3/07: -9.3%) dampened slightly the positive price effect

- Due to the energy supply clauses agreed upon with our suppliers, the clear fall in oil prices observed in the third quarter did not yet exert an impact on the K+S Group's energy costs

Changes in Revenues in Q3/2008

€ million



Potash and Magnesium Products Business Segment
Volumes and Average Prices in Q3/2008

	Year on Year			Quarter on Quarter		
	Q3/2008	**Q3/2007**	**%**	**Q3/2008**	**Q2/2008**	**%**
Volume (million tonnes)	1.70	1.78	(4.4)	1.70	2.02	(15.8)
- Europe	1.05	1.11	(5.4)	1.05	1.33	(21.1)
- Overseas	0.65	0.67	(3.0)	0.65	0.69	(5.8)
Average price (€ per tonne)	450.1	175.9	+155.9	450.1	303.1	+ 48.5
- Europe (€ per tonne)	455.2	171.8	+165.0	455.2	291.4	+ 56.2
- Overseas (US$ per tonne)	669.6	252.0	+165.7	669.6	507.4	+ 32.0

- Y-o-Y: 165% European price increase is attributable to higher prices in all sub-segments; 166% overseas price increase in US-Dollar was mitigated in EUR-terms by a significantly weaker US-Dollar (1.51 USD/EUR against 1.37 USD/EUR on average). Changes in volumes occurred within the usual range of fluctuation.
- Q-o-Q: 56% rise in European price level compared to Q2/08 is attributable to higher prices in all sub-segments; same applies for the 32% price increase in overseas prices in USD. European prices rose stronger than overseas prices owing to a catch-up effect. Volumes in Europe declined on account of seasonal factors.

Key Figures of Q3/2008

€ million	Q3/2008	Q3/2007	%
Revenues	1,441.4	727.1	+ 98.2
Operating earnings (EBIT I)	502.2	79.4	+ 532.5
Earnings before income taxes (EBT), adjusted *	494.1	71.0	+ 595.9
Group earnings after taxes, adjusted *	358.1	47.6	+ 652.3
Effective tax rate (%)	27.5	33.0	
Capital expenditure	48.4	45.4	+ 6.6
Free cash flow before acquisitions/divestments	307.3	(83.0)	-
Net indebtedness **	633.6	830.3	(24.0)
Earnings per share, adjusted (€) *, ***	2.17	0.29	+ 648.3
Average number of shares (million) ***	165.00	165.00	-

* 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

** including provisions for pensions and mining obligations

*** adjusted to share split in the ratio 1 to 4 (technical execution on 21 July 2008)

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Key Figures of 9M/2008

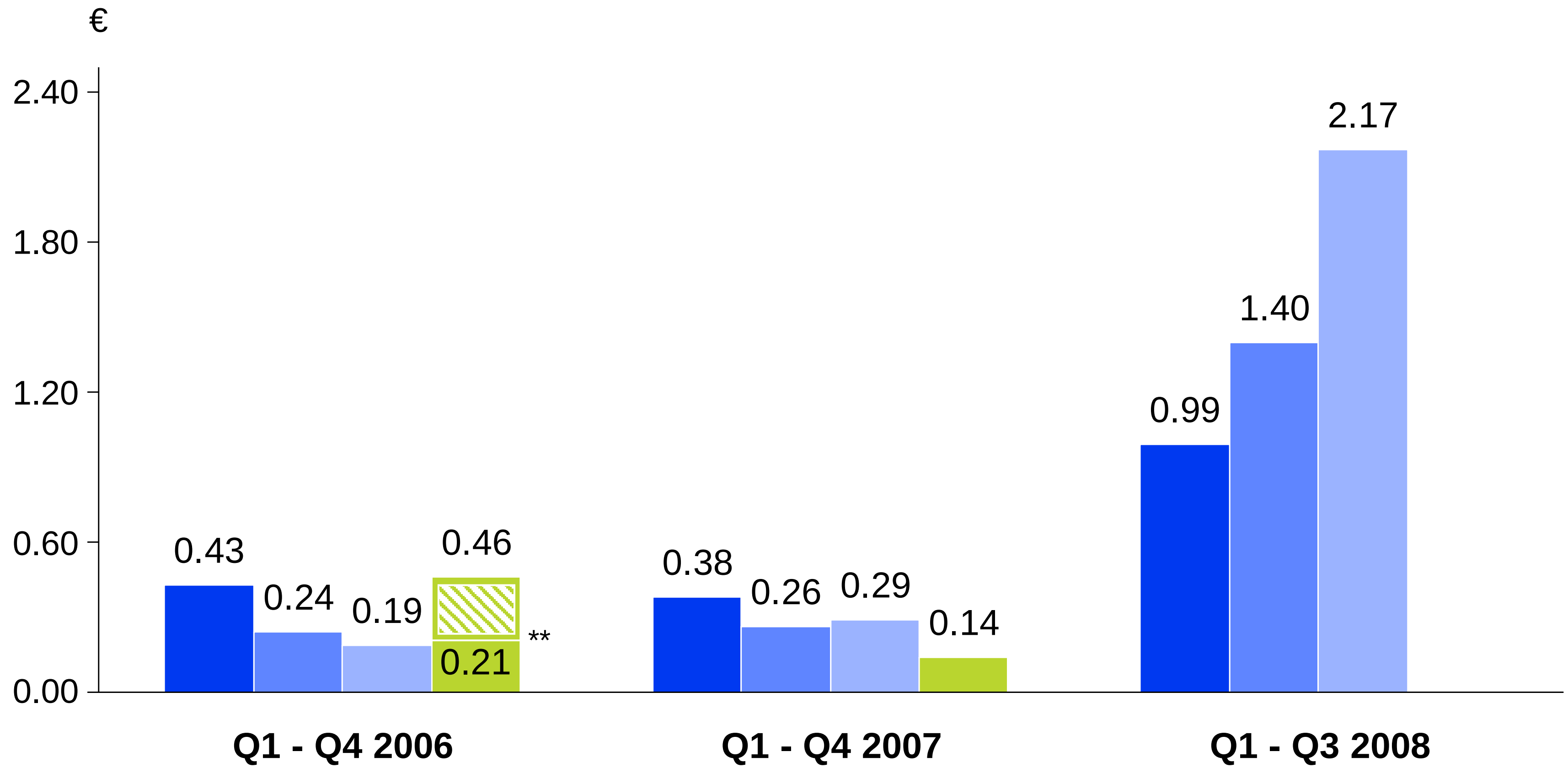
€ million	9M/2008	9M/2007	%
Revenues	3,838.9	2,450.4	+ 56.7
Operating earnings (EBIT I)	1,054.9	252.1	+ 318.4
Earnings before income taxes (EBT), adjusted *	1,032.6	227.6	+ 353.7
Group earnings after taxes, adjusted *	751.8	152.4	+ 393.3
Effective tax rate (%)	27.2	33.0	
Capital expenditure	133.1	96.2	+ 38.4
Free cash flow before acquisitions/divestments	592.6	(14.4)	-
Net indebtedness **	633.6	830.3	(24.0)
Earnings per share, adjusted (€) *, ***	4.56	0.92	+ 395.7
Average number of shares (million) ***	164.93	164.92	-

* 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

** including provisions for pensions and mining obligations

*** adjusted to share split in the ratio 1 to 4 (technical execution on 21 July 2008)

Development of Earnings per Share, Adjusted *



	Q1 - Q4 2006	Q1 - Q4 2007	Q1 - Q3 2008
EPS 9M*	€ 0.86	€ 0.92	€ 4.56
EPS FY*	€ 1.07 **	€ 1.06	-

* 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; from 21 July 2008 onwards: adjusted for share split in the ratio 1 to 4 (21 July 2008)

** excluding non-recurrent deferred tax income of € 41.9 million or € 0.25 per share

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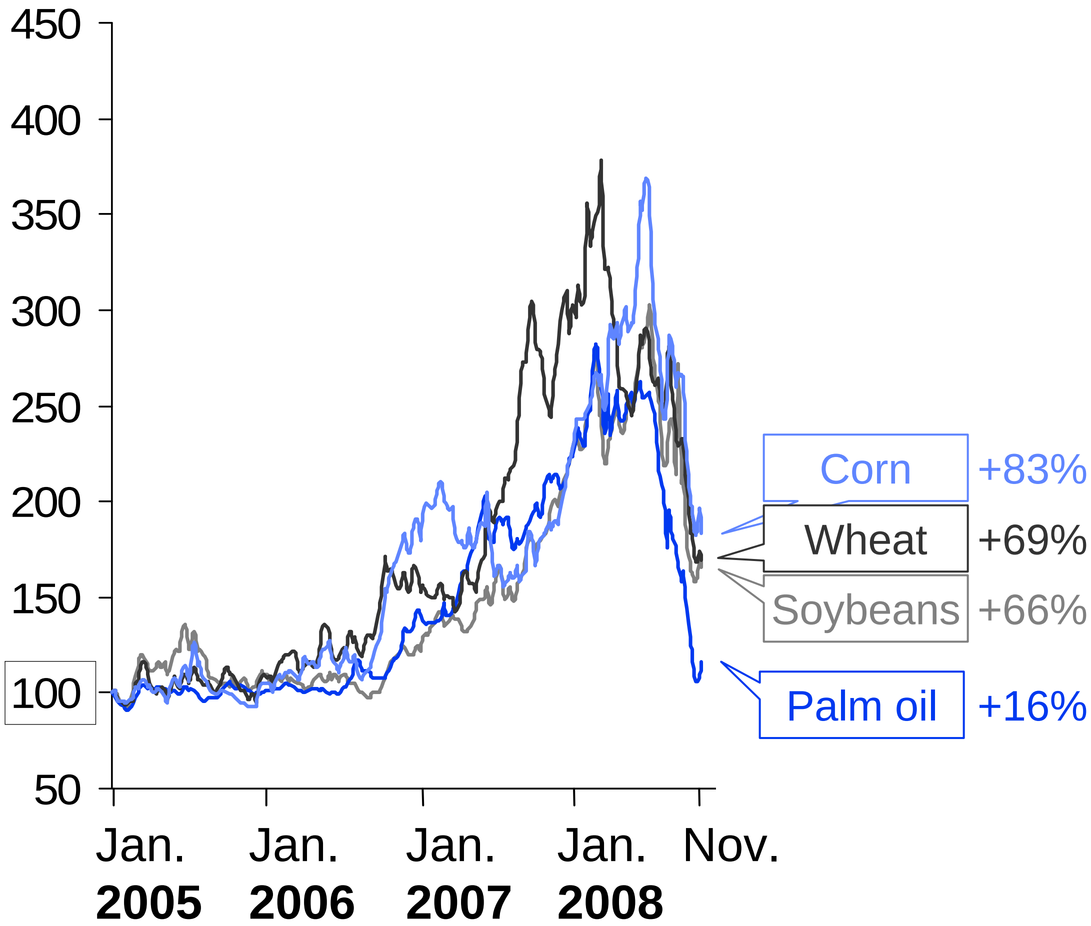
Prices of Agricultural Products

Index: 31 December 2004 = 100



- Low worldwide inventories of agricultural products and an increasing demand of renewable raw materials led to remarkably higher prices for agricultural products for 2006 onwards
- This year's bumper crop and distortions in financial and commodity markets have caused a substantial price correction

➔ **As the fundamental supply situation for agricultural products is still strained, we believe prices are likely to recover**

Source: Futures on CBOT und Malaysian Palm Oil Board; as of 7 November 2008

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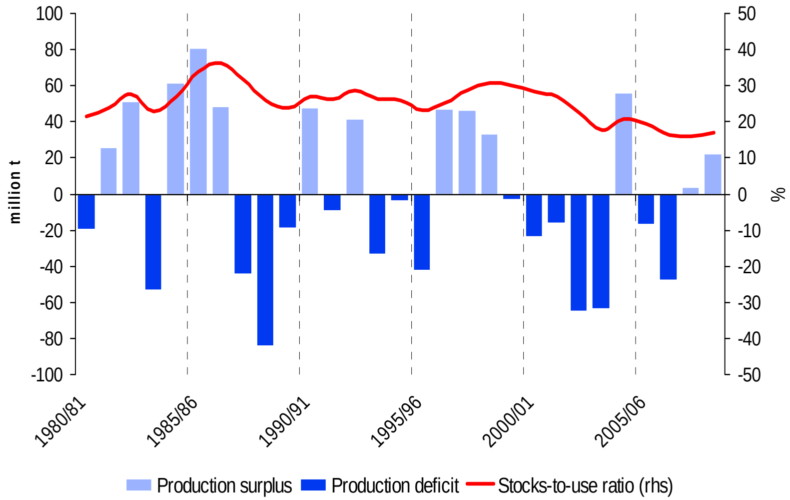
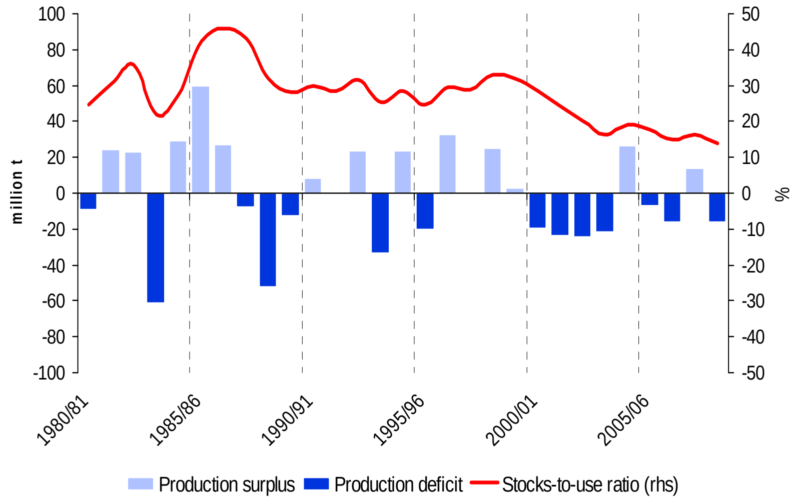
Agricultural Supply versus Demand

Production, consumption, stocks of cereals



Production, consumption, stocks of corn

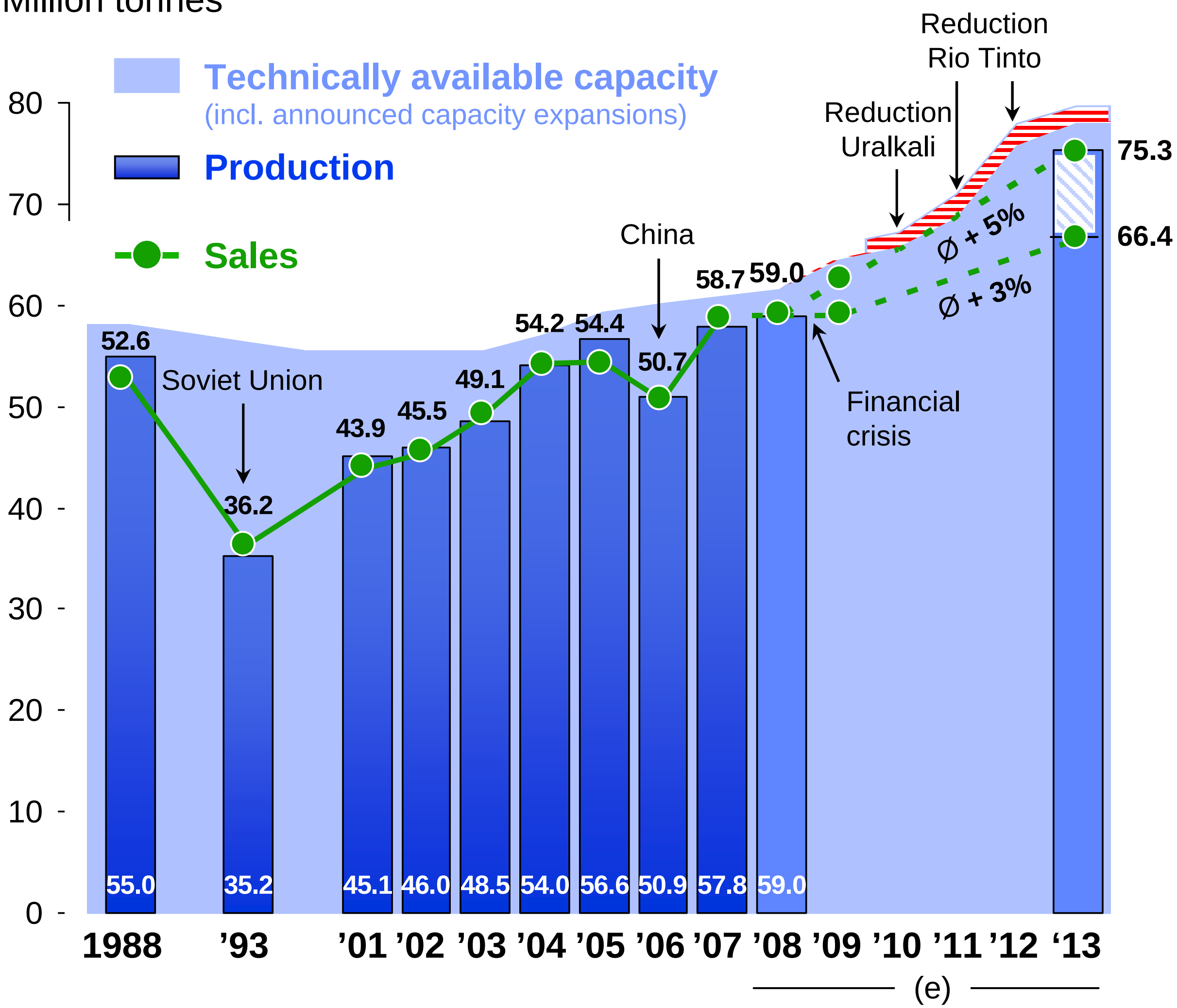


Source: USDA

- Over the past thirty years, annual global production of cereals and corn has often fallen short of demand
- Despite reasonable harvest levels during the last ten years, these structural supply and demand gaps have resulted in historically low stocks-to-use ratios
- Although ideal weather in 2008 resulted in „near-record harvests in virtually all Northern Hemisphere exporting countries“ (USDA-Report, 10 November 2008), stocks-to use ratios remain at historical lows

Potash and Magnesium Products
World Potash Capacity, Production and Sales

Million tonnes



Incl. sulphate of potash and low grade potash
Sources: IFA, K+S

- Growing world population, increasing demand for higher-quality food especially in emerging markets and increasing use of bio energy
- The financial crisis could lead to distortions in fertilizer demand in 2009. Medium-term potash demand growth of approx. 3% - 5% per year expected
- All announced capacity expansions and current reductions (Uralkali, Rio Tinto) considered until 2013

➔ **High utilization of technically available capacity also expected for the next years**

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Outlook for the Year 2008 (as of 5 November 2008)

- Revenues of the K+S Group expected to increase considerably due to higher revenues in all core business segments
- Much higher operating earnings EBIT I are expected for 2008 primarily due to the sharply increased average prices in the Potash and Magnesium Products business segment, which are by far exceeding the rise in operating costs
- With an essentially unchanged financial result and a corporate tax rate of about 27% to 28% (2007: 29.9%), adjusted Group earnings after taxes also expected to increase considerably
- However, as a result of the current fall in fertilizer purchases due to the global financial crisis, revenues and earnings are now expected to reach the lower end of the hitherto estimated range
- **Outlook for the entire year for K+S Group:**

- Revenues:	**€ almost**	**5.3 billion**	(2007: € 3.3 bn)
- Operating earnings (EBIT I):	**€ about**	**1.4 billion**	(2007: € 285.7 m)
- Group earnings, adjusted:	**€ about**	**1.0 billion**	(2007: € 175.3 m)
- Earnings per share, adjusted *:	**€ about**	**6.00**	(2007: € 1.06)

* adjusted to share split in the ratio 1 to 4 (entry in Commercial Register: 24 June 2008; technical execution: 21 July 2008)

- The outlook for 2008 is based on the following premises:
  - an average US dollar exchange rate of USD/EUR 1.30 in the fourth quarter,
  - total sales of potash fertilizers amounting to 7.2 million tonnes for 2008, and
  - an average de-icing salt business in Europe and North America in the fourth quarter

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Perspectives for the Year 2009

- **Revenues:** Should increase further on back of attractive average prices in the Potash and Magnesium Products business segment and an expected normalization of the de-icing salt business next year

- **Operating Earnings**: We also foresee an opportunity for further growth in operating earnings which should also positively affect adjusted Group earnings after taxes

- **Risk:** Should the greatly reduced grain prices not significantly recover over the coming months and fail to adequately reflect the shortage in the supply of food and feed, this could lead to a greater than expected reduction in sales volumes and consequently results

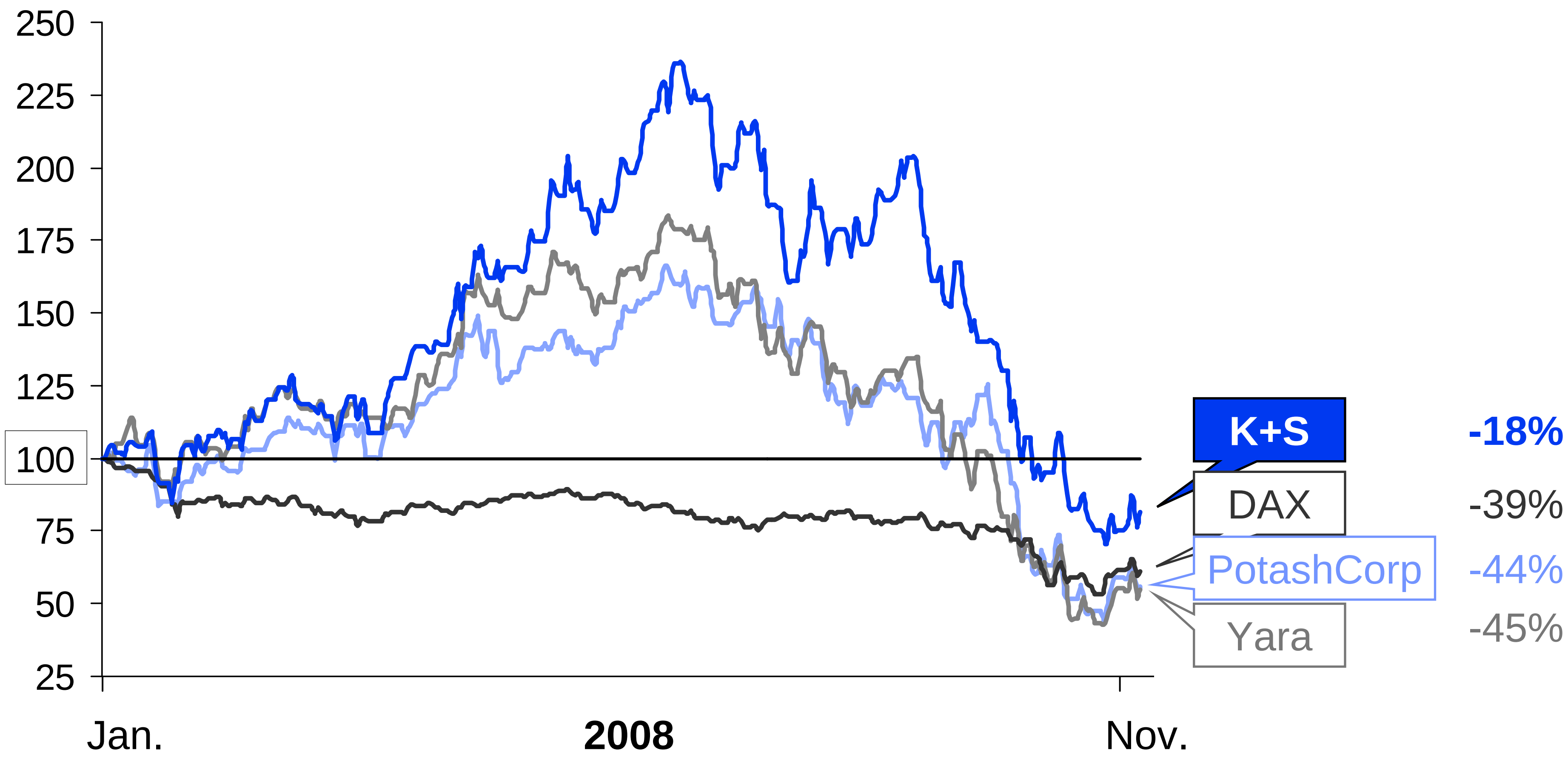
  ➢ Certainly this would cause future grain supply to be noticeably below demand, which has been relatively stable even in times of crisis and would again boost agricultural prices

➔ **Medium-term outlook: K+S, as a major global supplier of potash and nitrogen fertilizers, is in a very good position to successfully participate in the growing global demand for mineral fertilizers**

K+S Aktiengesellschaft

K+S Share compared with Peer Group and DAX

Index: 31 December 2007 = 100



Source: Bloomberg; as of 7 November 2008

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Forward-Looking Statements

This presentation 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 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 expectations as set forth at the present time.