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1st Quarter 2008 Results
Conference Call

15 May 2008
3:00 p.m. CEST

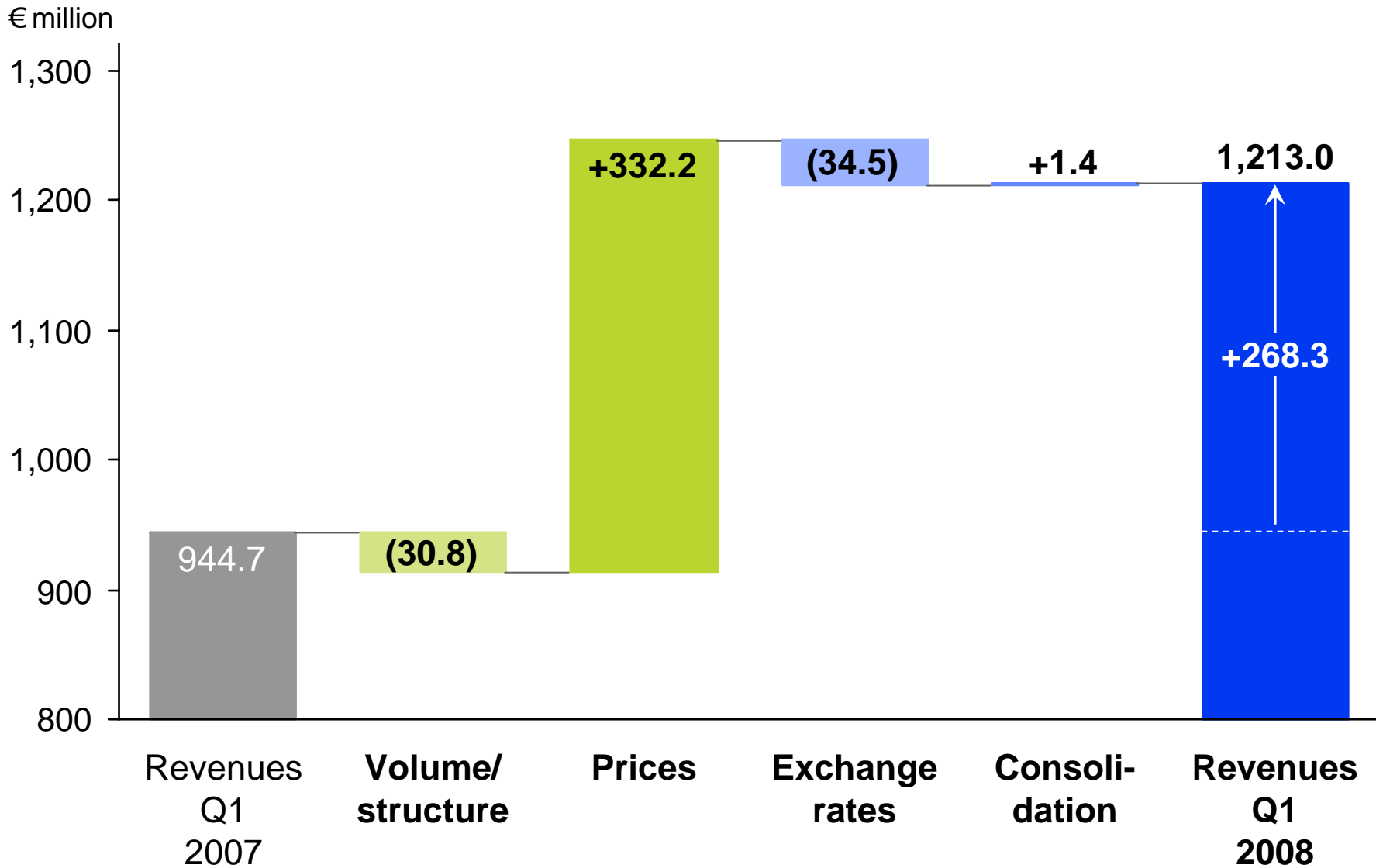




- The contract settlement with India in Q1 indicated strong global fertilizer demand. The Chinese settlement followed in due course at significantly higher prices than one year ago.
- The constant rise in demand for potash fertilizers, the full utilisation of global potash capacity and the availability bottlenecks on the part of all potash producers continued during the first quarter. Consequently, the international price level for potash rose steeply once again.
- This quarter was also marked by high demand for nitrogenous fertilizers both in Europe and overseas. Further substantial price increases were announced.
- Though the first two months were very promising, the spell of winter weather in March depressed the consumer product's spring business for COMPO a little. The professional business was once again characterised by high demand and significant price rises.
- The Western European and North American de-icing salt markets suffered a moderate winter weather.
- While energy price increases have yet to be fully reflected in the coming quarters, raw material costs (e.g. for ammonia & phosphate) rose significantly, but could be passed on. Freight cost were slightly lower because of reduced overseas shipments.

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Changes in Revenues in Q1/2008



Potash and Magnesium Products Business Segment

Volumes and Average Prices in Q1/2008



	Year on Year			Quarter on Quarter		
	Q1/2008	Q1/2007	%	Q1/2008	Q4/2007	%
Volume (million tonnes)	2.11	2.30	(8.3)	2.11	2.06	+ 2.4
- Europe	1.43	1.41	+ 1.4	1.43	1.30	+ 10.0
- Overseas	0.68	0.89	(23.6)	0.68	0.76	(10.5)
Average price (€ per tonne)	247.2	160.6	+ 53.9	247.2	187.7	+ 31.7
- Europe (€ per tonne)	244.4	164.4	+ 48.7	244.4	182.1	+ 34.2
- Overseas (US\$ per tonne)	379.6	202.5	+ 87.5	379.6	284.6	+ 33.4

- Y-o-Y: 49% European price increase is attributable to higher prices in all sub-segments; 88% overseas price increase in US-Dollar was mitigated in EUR-terms by a significantly weaker US-Dollar (1.50 USD/EUR against 1.31 USD/EUR on average). Overseas volumes declined on the absence of inventories sold in H1/07.
- Q-o-Q: 34% rise in European price level compared to Q4/07 is attributable to higher prices in all sub-segments; same applies for the 33% price increase in overseas prices

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Key Figures in Q1/2008



€ million	Q1/2008	Q1/2007	%
Revenues	1,213.0	944.7	+ 28.4
Operating earnings (EBIT I)	226.3	103.3	> 100.0
Earnings before income taxes (EBT), adjusted *	224.0	93.5	> 100.0
Group earnings after taxes, adjusted *	162.6	62.6	> 100.0
Effective tax rate (%)	27.4	33.1	
Capital expenditure	24.2	25.2	(4.0)
Free cash flow before acquisitions/divestments	105.6	15.5	> 100.0
Net indebtedness **	1,002.8	713.1	+ 40.6
Earnings per share, adjusted (€) *	3.95	1.52	> 100.0
Average number of shares (million)	41.21	41.21	-

* Adjusted for the effect of market value changes for exchange rate hedging transactions; in the case of adjusted Group earnings, the resulting tax effects were also eliminated

** Including pension provisions and provisions for mining obligations

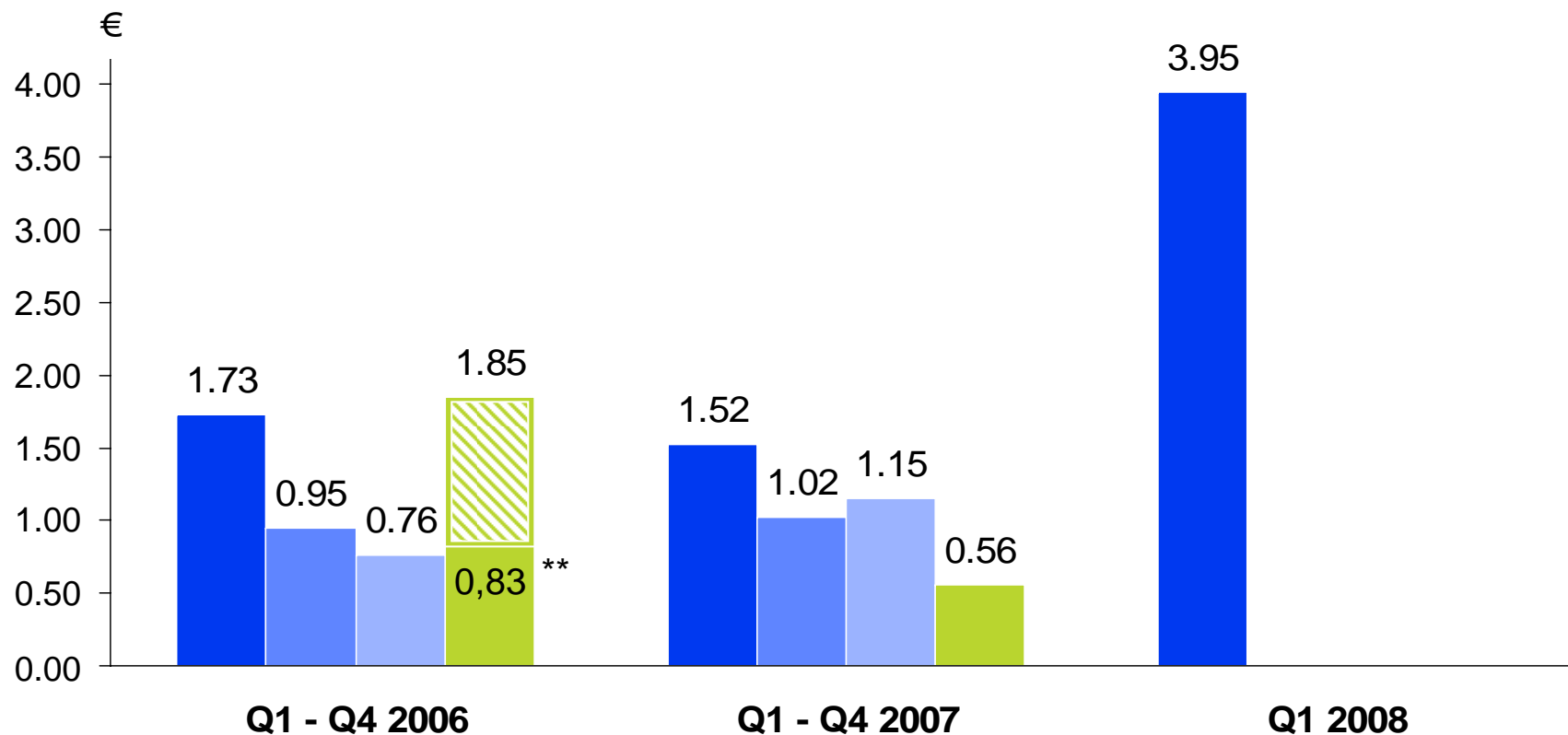
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Financial Result of Q1/2008



€ million	Q1/2008	Q1/2007	+ / -
Interest income	0.8	1.6	(0.8)
Interest expense	(12.9)	(10.7)	(2.2)
of which: for provisions for pensions	(1.0)	(1.8)	+ 0.8
of which: for provisions for mining obligations	(2.7)	(3.7)	+ 1.0
Interest income, net	(12.1)	(9.1)	(3.0)
Other financial result	9.8	(0.7)	+ 10.5
Financial result	(2.3)	(9.8)	+ 7.5

- Q3 Financial result was up by €7.5 million. Key factors: Non-recurrent income from the disposal of financial investments could more than make up for a weaker interest result.



EPS FY*	€ 4.27**	€ 4.25	-
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* 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

** Excluding non-recurrent deferred tax income of € 41.9 million or € 1.02 per share

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2008 Perspectives by Business Segment (as of 6 May 2008)



- **Potash and Magnesium Products:** The prices for potash fertilizers currently attained are significantly higher than last year's average prices. The resulting price effect should amount to at least 60%. Sales volumes are expected to amount to just under 8 million tonnes of goods in 2008 (2007: 8.22 million tonnes). Currency and volume effects will have a dampening impact. Nevertheless, the anticipated price effect should significantly overcompensate operating cost increases as well as currency and volume effects. A quadrupling of EBIT I seems possible.
- **COMPO:** Revenues should increase tangibly in 2008, both in the consumer and in the professional segment. Though the prices for raw materials rise steeply, operating earnings should significantly increase.
- **fertiva:** Trading business should benefit from tight fertilizer market.
- **Salt:** Despite the moderate start of the de-icing salt business both in Europe and North America due to weather conditions, we are expecting a moderate increase in revenues for the Salt business segment in 2008. Costs will be impacted this year by higher expenditure on energy and freight, and also by a lower currency result in overseas business. Thus, operating earnings should see an appreciable decline.
- **Complementary business segments:** Course of business expected to remain stable; with regard to operating earnings, we anticipate a noticeable decrease compared with the previous year resulting from a lower level of overseas deliveries that can be expected. Previous year's figures benefited from the proceeds of the sale of biodata Analytik GmbH.



- **In 2008, revenues should rise significantly:**
 - Estimate is supported primarily by higher revenues in the Potash and Magnesium Products business segment due to large price increases on the world's potash markets
 - Negative currency effects and lower salt earnings should have an only disproportionate impact

- **Major increase in operating earnings expected – a trebling appears possible from today's perspective:**
 - Sharply increasing average prices in the Potash and Magnesium Products business segment should clearly exceed rise in costs
 - After changeover of US dollar hedging system, no significant expenditure on follow-up hedging is expected

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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.



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