



Experience growth.

3rd Quarter 2007 Results
Conference Call

13 November 2007
3:00 p.m. CEST





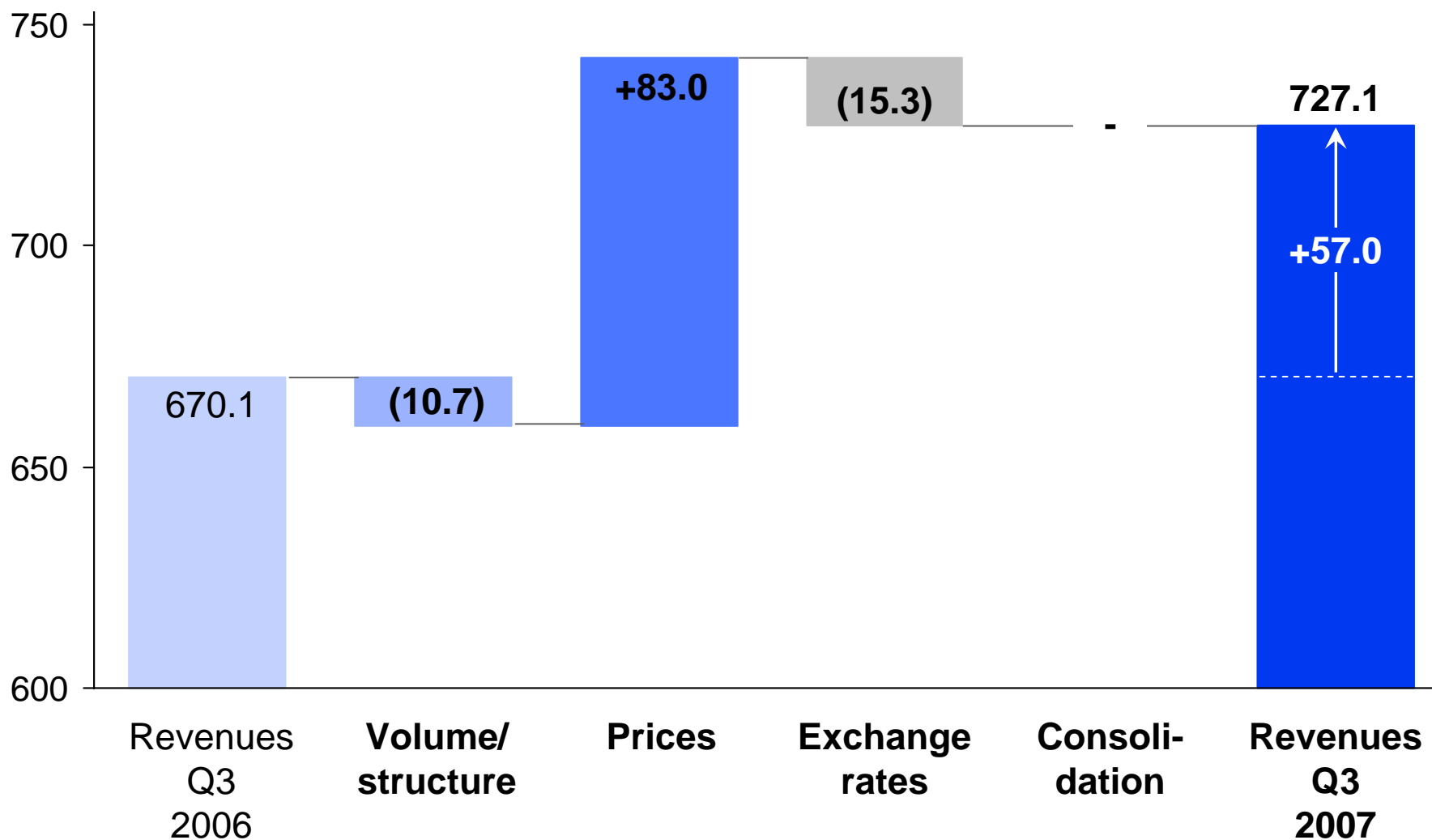
- High soft commodity prices incentivise farmers around the globe to spend more on fertilizers in order to increase crop yields and quality. With international potash fertilizer manufacturers producing close to their installed capacity, increased demand has resulted in supply bottlenecks and thus in further price increases for potash fertilizers.
- Producers also strive for higher prices since freight costs and currency devaluations (CAN\$, €) take their toll. Higher prices to materialise predominantly in the coming year.
- The strong agricultural business environment helped COMPO and fertiva to make use of high fertilizer demand at attractive prices, though input costs have also risen tangibly.
- In Q3 too, the warmest winter in the history of weather records at the beginning of this year left its mark on the European de-icing salt market. However, the North American salt market saw a normal early-procurement. Demand in the other salt segments was rather good.

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Changes in Revenues in Q3/2007



€ million



Potash and Magnesium Products Business Segment

Volumes and Average Prices in Q3/2007



	Year on Year			Quarter on Quarter		
	Q3/2007	Q3/2006	%	Q3/2007	Q2/2007	%
Volume (million tonnes)	1.78	1.87	(4.8)	1.78	2.08	(14.4)
- Europe	1.11	1.05	+ 5.7	1.11	1.21	(8.3)
- Overseas	0.67	0.82	(18.3)	0.67	0.88	(23.9)
Average price (€ per tonne)	175.9	153.8	+ 14.4	175.9	163.1	+ 7.8
- Europe (€ per tonne)	171.8	152.7	+ 12.5	171.8	161.6	+ 6.3
- Overseas (US\$ per tonne)	252.0	197.9	+ 27.3	252.0	222.7	+ 13.2

- Y-o-Y: 13% European price increase is attributable to higher prices in all sub-segments; 27% overseas price increase in US-Dollar was mitigated in EUR-terms by a significantly weaker US-Dollar (1.37 USD/EUR against 1.27 USD/EUR on average).
- Q-o-Q: 6% rise in European price level compared to Q2/07 is attributable to higher prices in all sub-segments; same applies for the 13% price increase in overseas prices.

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Key Figures of Q3/2007



€ million	Q3/2007	Q3/2006	%
Revenues	727.1	670.1	+ 8.5
Operating earnings (EBIT I)	79.4	51.7	+ 53.6
Earnings before taxes (EBT), adjusted*	71.0	46.5	+ 52.7
Group earnings after taxes, adjusted*	47.6	31.5	+ 51.1
Effective tax rate (%)	33.0	32.3	
Capital expenditure	45.4	33.2	+ 36.7
Earnings per share, adjusted (€)*	1.15	0.76	+ 51.3
Average number of shares (million)	41.25	41.25	-

* 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

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Financial Result of Q3/2007



€ million	Q3/2007	Q3/2006	+ / -
Interest income	0.4	2.0	(1.6)
Interest expense	(9.6)	(9.4)	(0.2)
of which: for provisions for pensions	(1.1)	(0.9)	(0.2)
of which: for provisions for mining obligations	(2.7)	(3.5)	+ 0.8
Interest income, net	(9.2)	(7.4)	(1.8)
Other financial result	0.8	2.2	(1.4)
Financial result	(8.4)	(5.2)	(3.2)

- Q3 Financial result was down by €3.2 million. Key factors: Less interest income and less income from the measurement of financial assets

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Key Figures of 9M/2007



€ million	9M/2007	9M/2006		%
Revenues	2,450.4	2,225.7	+	10.1
Operating earnings (EBIT I)	252.1	224.2	+	12.4
Earnings before taxes (EBT), adjusted*	227.6	212.9	+	6.9
Group earnings after taxes, adjusted*	152.4	141.7	+	7.6
Effective tax rate (%)	33.0	33.4		
Capital expenditure	96.2	79.0	+	21.8
Free cash flow bef. acquisitions/divestments *	-18.0	179.1		-
Net debt (incl. pension and mining provisions)	830.3	648.7	+	28.0
Earnings per share, adjusted **	3.70	3.44	+	7.6
Average number of shares (million)	41.23	41.23		-

* reduced by the allocation for premium payments of € 202.8 million in 2007 and of € 4.5 million in 2006

** 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

Potash and Magnesium Products

USD Currency Management 2006 - 2010



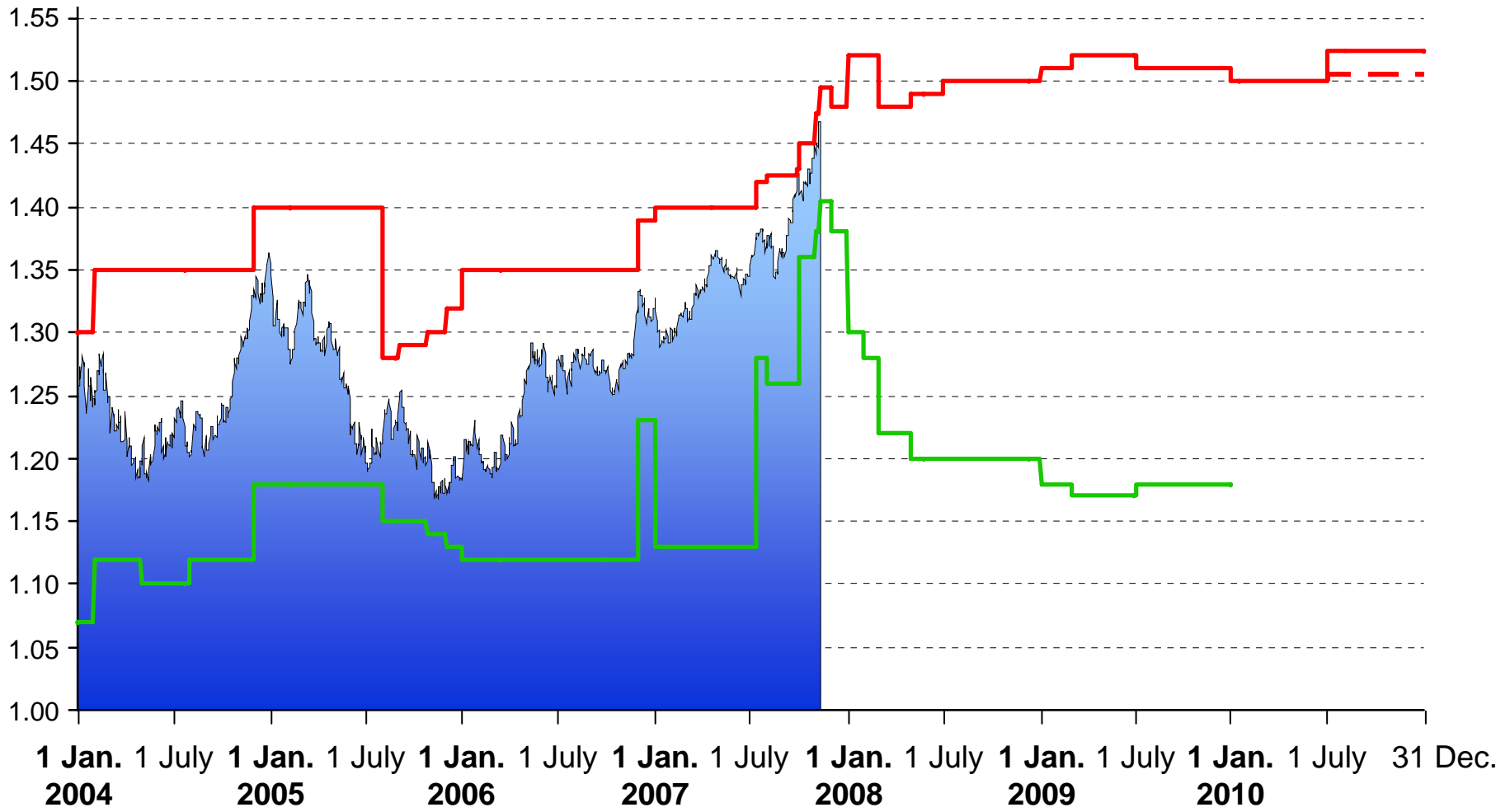
- Revenues less overseas freight costs and a safety margin are hedged three years in advance (until 2009 by means of double barrier options)
- Double barrier options: no classic hedging mechanism, only effective within certain barriers; restructuring in case of an imminent knock-out possible
- Average hedge 2006: USD 500 million at USD/EUR 1.09 incl. premiums (average spot rate: USD/EUR 1.26)
- Revenues for 2007 - 2009 also hedged by means of double barrier options;
average hedge 2007: USD 505 million at USD/EUR 1.26 incl. premiums
average hedge 2008: USD 725 million at USD/EUR 1.40 incl. premiums
average hedge 2009: USD 632 million at USD/EUR 1.23 incl. premiums
- Revenues for 2010 hedged by means of single barrier options;
average hedge 2010: USD 600 million at USD/EUR 1.07 incl. premiums

Potash and Magnesium Products

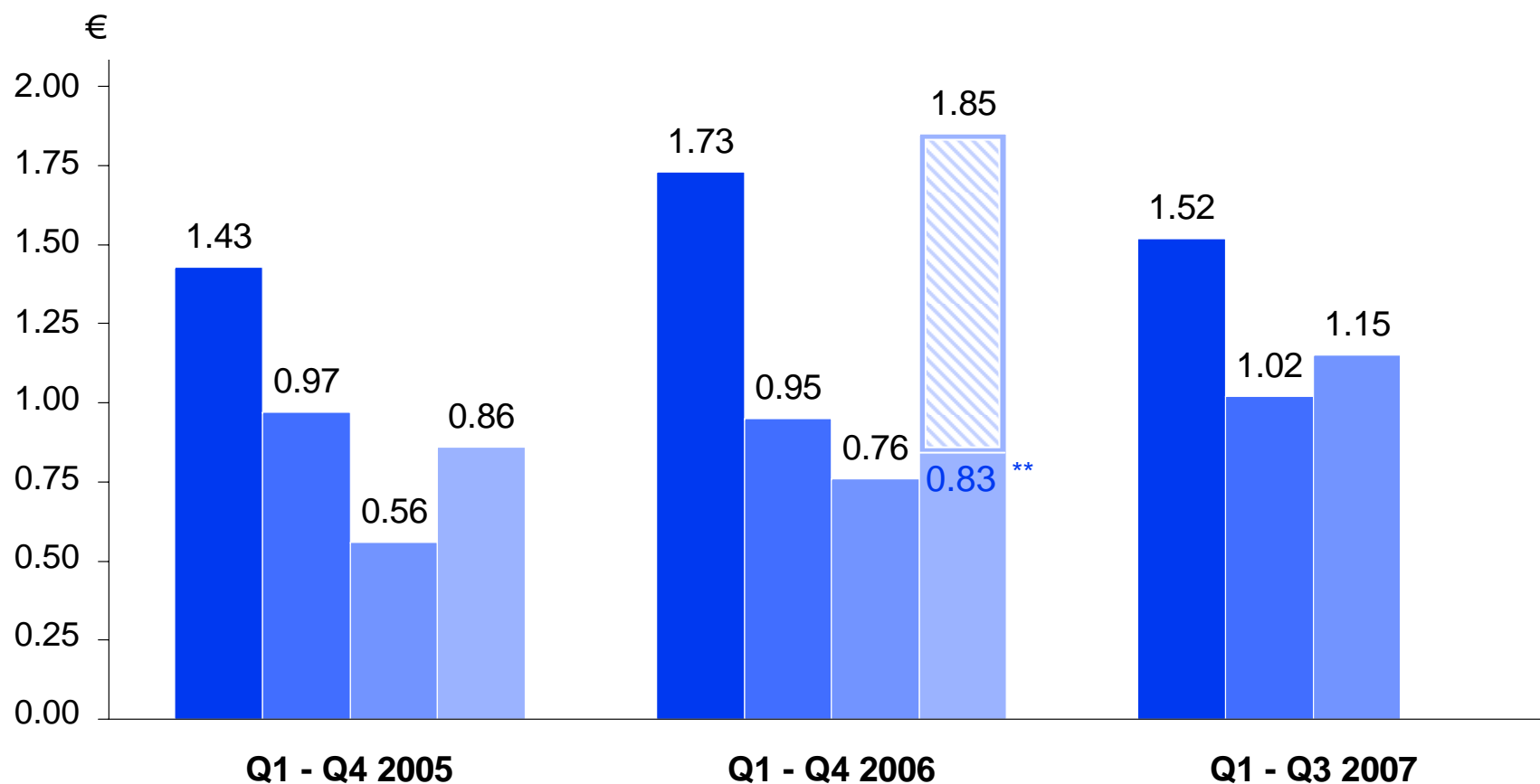
System of USD Hedging Transactions



USD/EUR



USD/EUR
 Upper barrier (min.)
 Lower barrier (max.)



	Q1 - Q4 2005	Q1 - Q4 2006	Q1 - Q3 2007
EPS 9M*	€ 2.96	€ 3.44	€ 3.70
EPS FY*	€ 3.81	€ 4.27 **	-

* 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



- Strong increase in global potash demand and already high utilisation of installed capacities caused further significant price announcements for potash fertilizers all over the world
- COMPO will benefit from increased sales of consumer products and higher prices in the professional business. fertiva should beat last year's record result because of higher average prices for nitrogenous fertilizers
- Normal de-icing business at esco and SPL for Q4 assumed; because of the unusually weak de-icing salt start in Europe, the combined Salt-EBIT will fall tangibly short of last year's figure
- At approx. €215 million and €685 million, energy costs and personnel expenses to rise both less than 5% this year. At approx. €530 million, freight costs are expected to rise significantly largely because of first-time full-year consolidation of SPL

Outlook for the entire year for K+S Group:

- Revenues:	€ 3.1 - 3.2 billion	(2006: € 2.96 bn)
- Operating earnings (EBIT I):	€ 300 - 310 million	(2006: € 278 m)
- Group earnings, adjusted:	€ 175 - 185 million	(2006: € 176.2 m*)
- Earnings per share, adjusted:	€ 4.30 - 4.45	(2006: € 4.27 *)

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

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Perspectives for the Year 2008



- Potash and Magnesium Products: year-end 2007 achieved potash prices being considerably higher than at the beginning of the year will improve 2008 revenues by just under 15% (calculation excludes further price increases in 2008 and currency effects). This anticipated base effect should tangibly overcompensate operating costs, which gives excellent prospects for 2008 with chances regarding further potash price development in 2008. However, currency effects will have a dampening impact.
 - COMPO: first tangible successes expected out of the cooperation with Syngenta in the plant protection field; risks remain on price inflation to be seen in raw material costs.
 - fertiva: trading business should benefit from tight fertilizer market
 - Salt: normalisation of winter should lead to a significant increase in earnings contribution compared to the year 2007; strong rise in overseas freight costs will, however, dampen this effect.
 - Complementary business segments: course of business expected to remain stable
- ➔ **Outlook for the K+S Group: favourable with high sensitivity to further potash pricing**

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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.



K+S Aktiengesellschaft

Bertha-von-Suttner-Straße 7

34131 Kassel (Germany)

phone: +49 (0)561 / 9301-0

fax: +49 (0)561 / 9301-1753

www.k-plus-s.com

Investor Relations

phone: +49 (0)561 / 9301-1460

fax: +49 (0)561 / 9301-2425

email: investor-relations@k-plus-s.com



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