

**Statement by the Board of Management and the Supervisory Board  
of KSB Aktiengesellschaft  
on Compliance with the Recommendations of the  
Government Commission on the German Corporate Governance Code  
pursuant to § 161 AktG (German Public Companies Act)**

Since the publication of last year's statement of compliance KSB Aktiengesellschaft, Frankenthal (Pfalz) has complied and continues to comply with the recommendations of the Government Commission on the German Corporate Governance Code as set out in the version dated 21 May 2003, with the exception of the following:

1. The total remuneration of the members of the Board of Management is reported in the Notes to the Consolidated Financial Statements, but neither separately for each member nor subdivided according to fixed, performance-related and long-term incentive components (item 4.2.4 of the Code).
2. The total remuneration of the members of the Supervisory Board for their service on the Board, as well as remuneration or advantages extended for services provided individually, in particular advisory or agency services, are disclosed in the Notes to the Consolidated Financial Statements, but neither separately for each member nor subdivided according to components (item 5.4.5).
3. At present, the Supervisory Board does not examine the efficiency of its activities on a regular basis (item 5.6 of the Code).
4. KSB publishes the Consolidated Financial Statements well before expiry of the periods of time provided by law. However, the time frame provided by the Code, i.e. within 90 days of the end of the financial year, is not met (item 7.1.2).

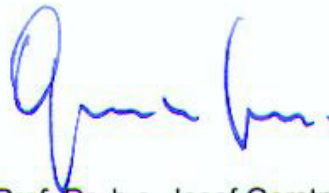
Signed in Frankenthal on 13 December 2004

On behalf of the Supervisory Board

A handwritten signature in blue ink, appearing to read 'Schubert'.

- Peter Schubert -

On behalf of the Board of Management

A handwritten signature in blue ink, appearing to read 'Gerstner'.

- Prof. Dr. h.c. Josef Gerstner -