

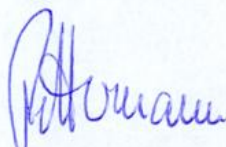
Statement by the Board of Management and the Supervisory Board
of KSB Aktiengesellschaft
on Compliance with the Recommendations of the
Government Commission on the German Corporate Governance Code
pursuant to § 161 AktG (German Public Companies Act)

Since the publication of last year's statement of compliance KSB Aktiengesellschaft, Frankenthal (Pfalz), has been and continues to be in compliance with the recommendations of the German Corporate Governance Code as set out in its relevant applicable version – with the latest being the version dated 21 May 2003 and published on 4 July 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 Statement, 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. 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 neither disclosed separately nor subdivided according to components in the Notes to the Consolidated Financial Statements (item 5.4.5).
3. The Supervisory Board has not examined the efficiency of its activities on a regular basis so far (item 5.6 of the Code). It is, however, intended to do so from next year on.
4. KSB publishes the Consolidated Financial Statements well before expiry of the periods of time provided by law. However, the time period provided by the Code, i.e. within 90 days of the end of the financial year, are not met (item 7.1.2).

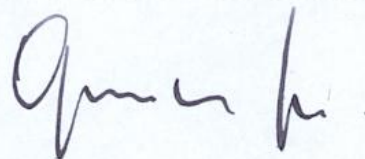
Signed in Frankenthal on 19 December 2003

On behalf of the Supervisory Board

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

- Dr. Dr. Peter Bettermann -

On behalf of the Board of Management

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

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