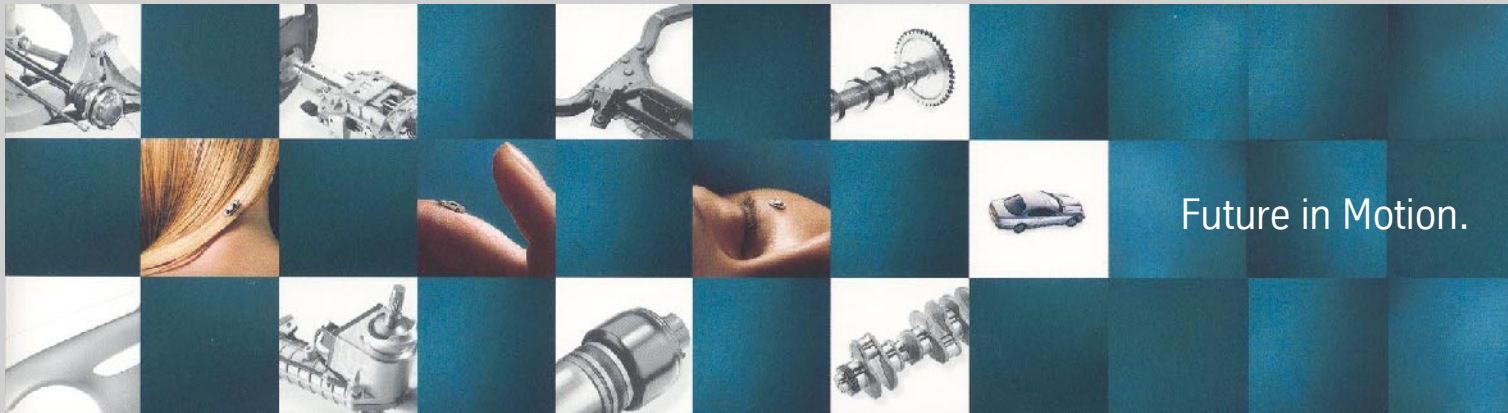


ThyssenKrupp Automotive

Reliable Partner to the Automotive Industry



Dr. Wolfram Mörsdorf
Metzler Dialog Deutsche Autozulieferer, Frankfurt/Main
September 15, 2004



Agenda

- Overview and Financials
- Outlook and Strategy

- From Engineering Loop to Long-term Partnership

- Summary



ThyssenKrupp Group 2002/2003

ThyssenKrupp AG

Group sales (consolidated): €35.9 billion • EBT (consolidated): €706 million • Employees: 190,102

Steel	Automotive	Elevator	Technologies	Services
Sales: €12.0 bn EBT: €384 m Employees: 49,286 <ul style="list-style-type: none"> • Carbon Steel • Stainless Steel • Special Materials 	Sales: €6.3 bn EBT: €188 m Employees: 41,414 <ul style="list-style-type: none"> • Chassis • Body • Powertrain 	Sales: €3.4 bn EBT: €355 m Employees: 29,689 <ul style="list-style-type: none"> • 5 regional Business Units • Passenger Boarding Bridges • Accessibility 	Sales: €5.4 bn EBT: €42 m Employees: 29,871 <ul style="list-style-type: none"> • Production Systems • Plant Technology • Marine • Mechanical Engineering 	Sales: €10.9 bn EBT: €24 m Employees: 38,487 <ul style="list-style-type: none"> • MaterialsServices Europe • MaterialsServices North America • Industrial Services • Special Products
Steel	Capital Goods			Services

Inter-segment sales unconsolidated; employees as at Sept 30, 2003

ThyssenKrupp Automotive



ThyssenKrupp Automotive 2002/2003

ThyssenKrupp Automotive

Sales: €6,295 million • EBT: €188 million • Employees: 41,414

Chassis

Sales: €2,764 m
Employees: 15,441*

Components/Modules, e.g.
Axle parts/Axle assemblies
Cast parts

Systems, e.g.
Complete axles
Air suspension systems

Body

Sales: €1,685 m
Employees: 11,347*

Components/Modules, e.g.
Roof parts
Side panels
Doors

Systems, e.g.
Body systems
Design and engineering
services

Powertrain

Sales: €1,877 m
Employees: 14,481*

Components/Modules, e.g.
Crankshafts
Camshafts
Steering columns/Steering
shafts

Systems, e.g.
Steering systems
Cylinder head systems

* excl. administration and sales

ThyssenKrupp Automotive



ThyssenKrupp Automotive Q3 2003/04

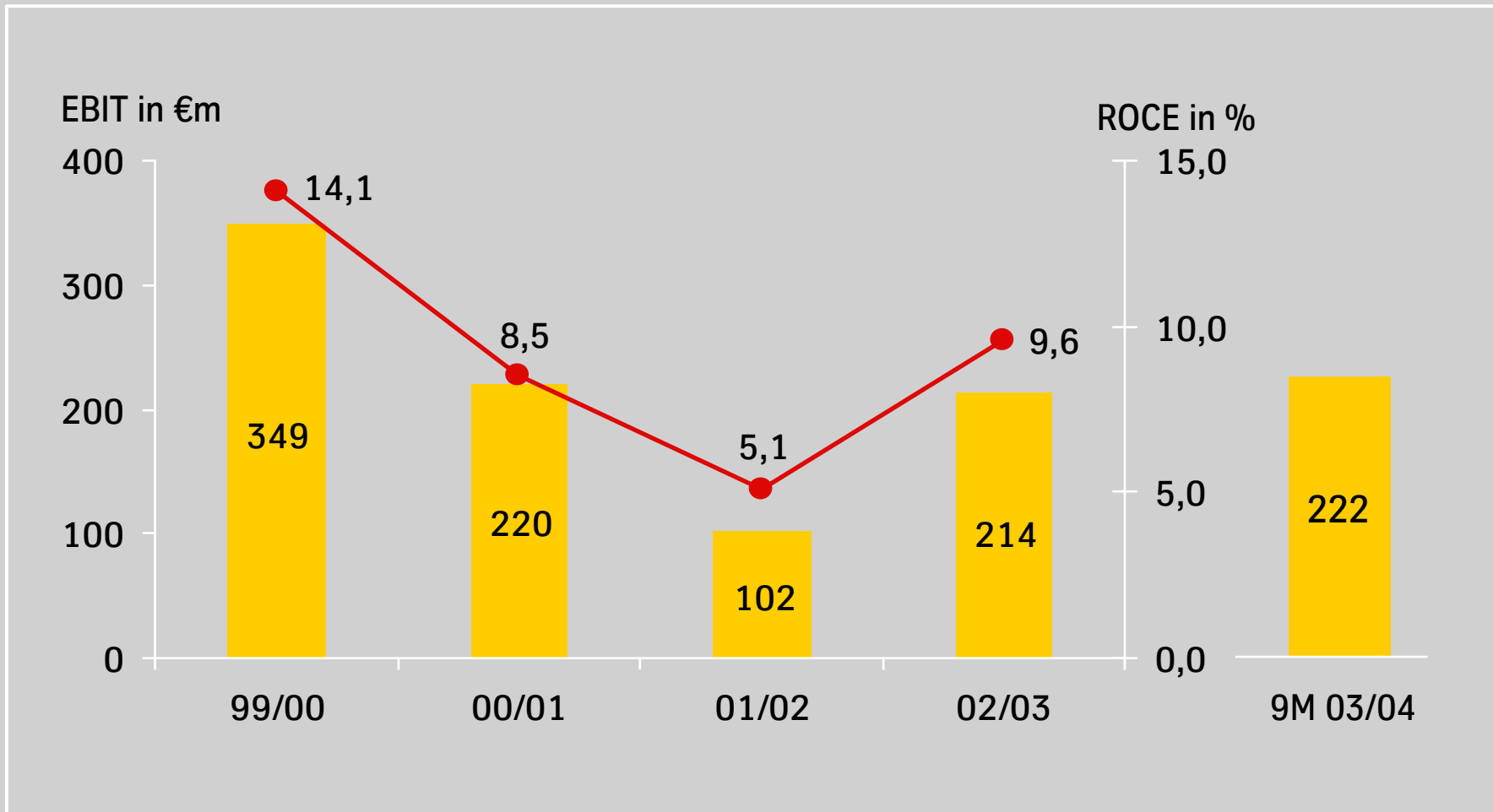
Automotive

		3rd quarter			
		2002/03	2003/04	Change	Change in %
Order intake	€m	1,502	1,960	458	30.5
Sales	€m	1,534	1,937	403	26.3
EBITDA	€m	136	176	40	29.4
EBIT	€m	63	96	33	52.4
EBT	€m	58	89	31	53.4
Employees	(June 30)	37,010	43,167	6,157	16.6

- All business units contributed to higher **order intake** and **sales**; top line growth driven by successful integration of Sofedit (Body) and Presta SteerTec (Powertrain)
- Excluding **€/€ exchange rate** effects order intake and sales would have come out 34% and 30% higher respectively
- Rise in **earnings** with Powertrain again as main earnings driver; overall improvement from restructurings



Performance within the segment



Competitive environment

Sales 2002/2003, in €bn

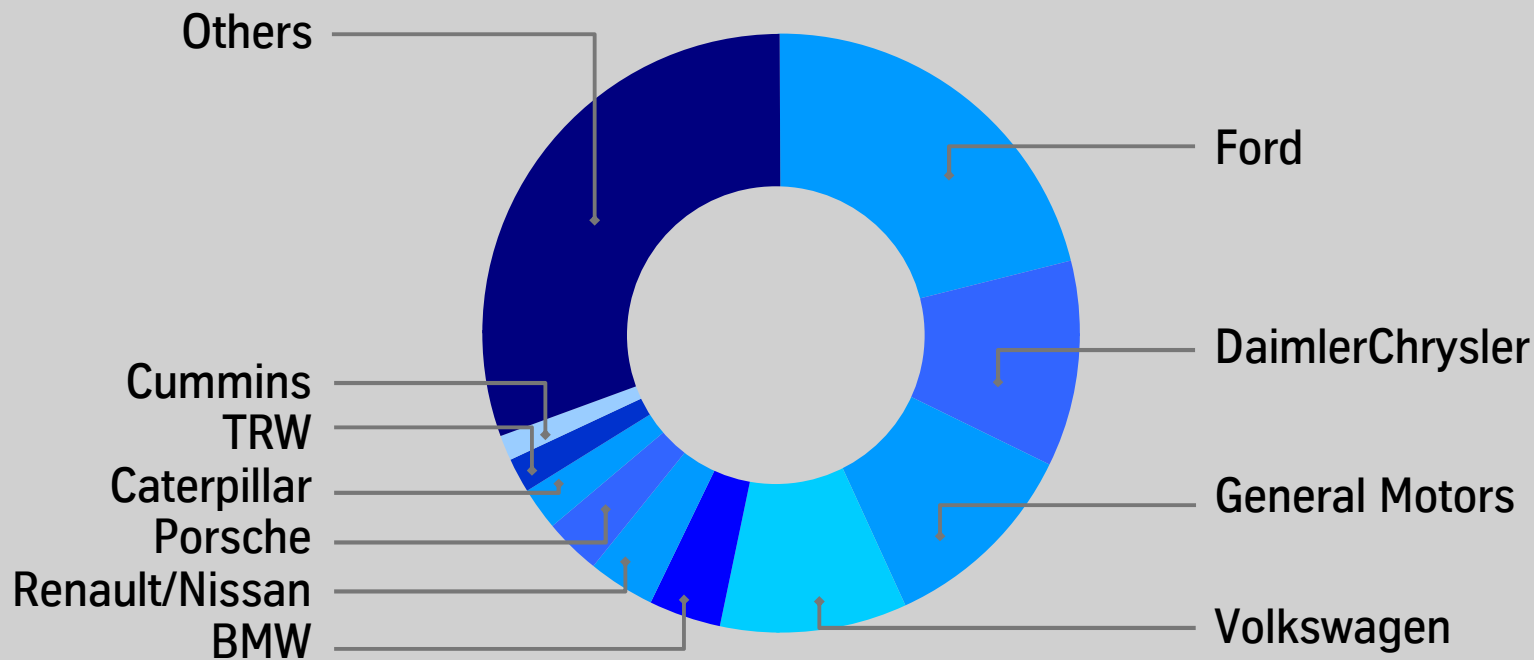
1	Delphi Automotive Systems, USA	26.2
2	Robert Bosch, D	23.3
3	Denso, J	20.2
4	Visteon Automotive Systems, USA	17.6
5	Johnson Controls, USA	14.7
6	Lear, USA	13.7
7	Magna International, CDN	11.9
8	ThyssenKrupp, D	11.3 *
9	Aisin Seiki, J	10.9
10	TRW, USA	10.1
11	Faurecia, F	9.9
12	Valeo, F	9.8
13	Dana, USA	9.1
14	Siemens Automotive/VDO, D	8.5
15	ZF Friedrichshafen, D	8.3

* sales with automotive clients

ThyssenKrupp Automotive



Top 10 customers



ThyssenKrupp Automotive achieves 2/3 of its €6.3 bn sales in 2002/2003 with its 10 biggest customers.



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-



Current industry trends favor automotive suppliers

OEMs reducing in-house manufacture (lowering vertical integration) in addition to producing an increasing variety of models (increasing horizontal diversification)

- ⇒ **Increasing supplier share in value added and development**
(per vehicle, 2002: 65% resp. 53%, 2015: 77% resp. 67%)*
- ⇒ **Increasing globalization in production, sales and development**
- ⇒ **Increasing degree of innovation** due to shorter product life cycles and changing requirements (e.g. safety, comfort, environment)



Growth opportunities for ThyssenKrupp Automotive

* Source: Mercer



Objectives and strategic actions

- Increase sales to €8-€10 bn mid-term, improve profitability performance: target ROCE 17%

- Expand top positions by organic growth and selective acquisitions

- Increase business with Asian OEMs, expand along with our customers' presence in Asia and Eastern Europe

- Provide intelligent solutions based on innovative components

- Enhance technological competence through cross segment cooperation and joint product development



Organic growth: New projects

New projects in all three business units acquired, e.g.

Chassis



Customer: BMW
 Models: Series 3
 Product: Assembly front and rear axle
 Company: ThyssenKrupp Automotive Systems, Germany

Body



Customer: Ford
 Models: GT-Program
 Product: Body frame
 Company: ThyssenKrupp Budd/Milford Fabricating Company, USA

Powertrain



Customer: BMW, PSA
 Models: BMW Mini, Peugeot 106
 Product: Camshafts, eccentric shafts
 Company: ThyssenKrupp Presta, Principality of Liechtenstein

Acquisitions:

ThyssenKrupp Sofedit and ThyssenKrupp Presta SteerTec (MB Lenk)

ThyssenKrupp Sofedit

Sales: €600 m

Employees: 4,000

Products: Body, chassis: stampings&assemblies

Customers: Renault, PSA

- Leading French supplier of automotive stampings and assemblies for body and chassis area = ThyssenKrupp Automotive core business in USA, UK and Germany
- French car manufacturers could not be served adequately from existing plants
 - ➔ Leading position in the French market for ThyssenKrupp Automotive
 - ➔ Access to new technology: Hot stamping

ThyssenKrupp Presta SteerTec

Sales: €300 m

Employees: 1,600

Products: Steering gears

Customers: DC, Saab

- Combining the activities of MB Lenk (steering gears) and ThyssenKrupp Presta (steering columns) will create a global supplier of complete steering systems
 - ➔ Know-how and technology gains for steering business
 - ➔ Full steering system capabilities



Global presence: Further growth in Asia and Eastern Europe

○ Existing joint ventures with

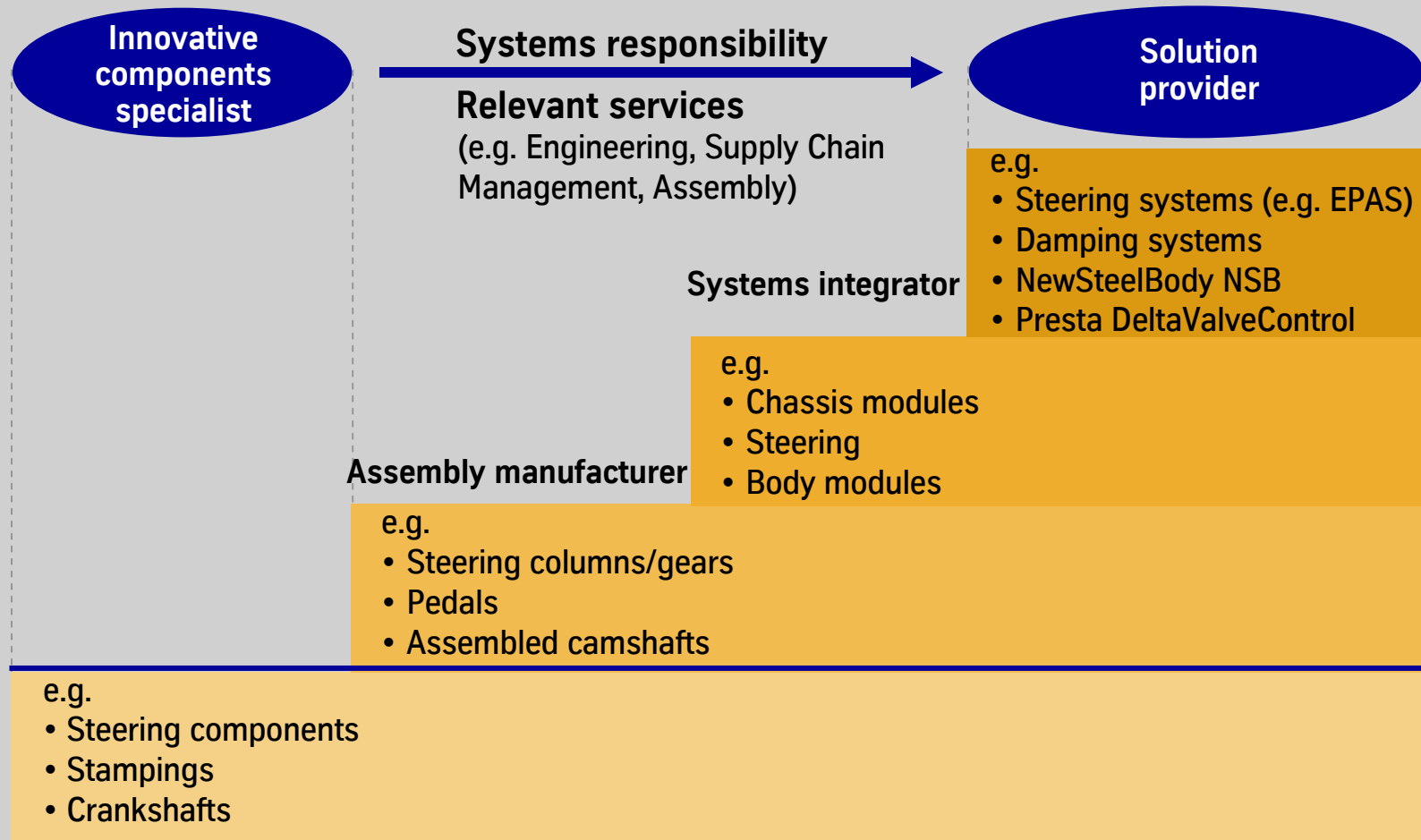
- SAIC (ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd.) China
 - FAW (ThyssenKrupp Presta Fawer Changchun Co., Ltd.) China
 - FAW (Liaoyang K.S. Automotive Spring Company Ltd.) China
 - ZRRZ (ThyssenKrupp Zhong-Ren Chassis Co., Ltd.) China
 - JBM (ThyssenKrupp JBM Pvt. Ltd.) India
 - Compa (ThyssenKrupp Compa Arcuri S.A.) Romania
 - Compa (ThyssenKrupp Bilstein Compa S.A.) Romania
-

○ New activities planned:

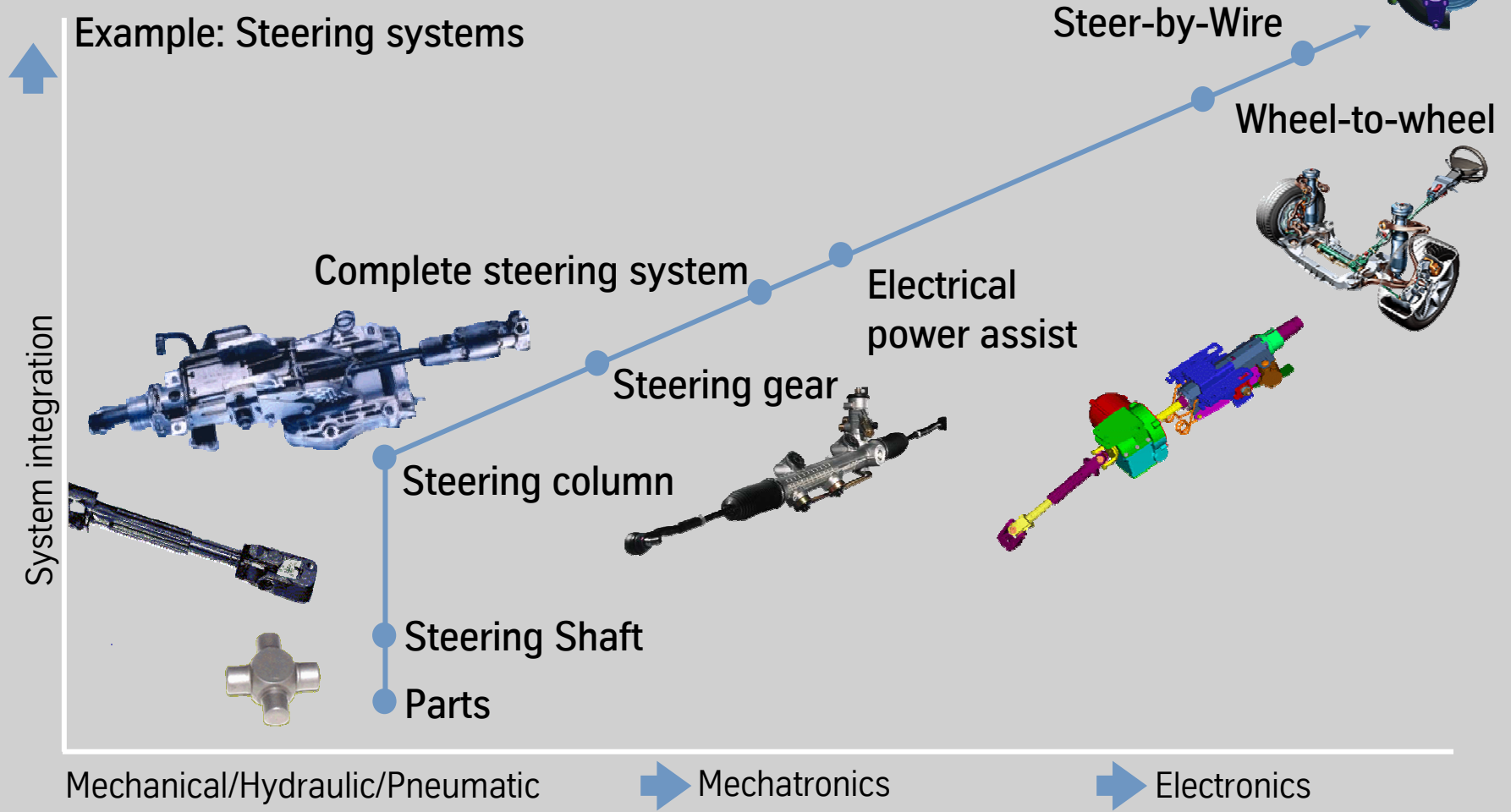
- Follow the customers/OEMs and build up facilities next to their transplants, especially in China
- Build up transplant business with Asian OEMs, especially in Eastern Europe
- Increase Asian and East European local sourcing content



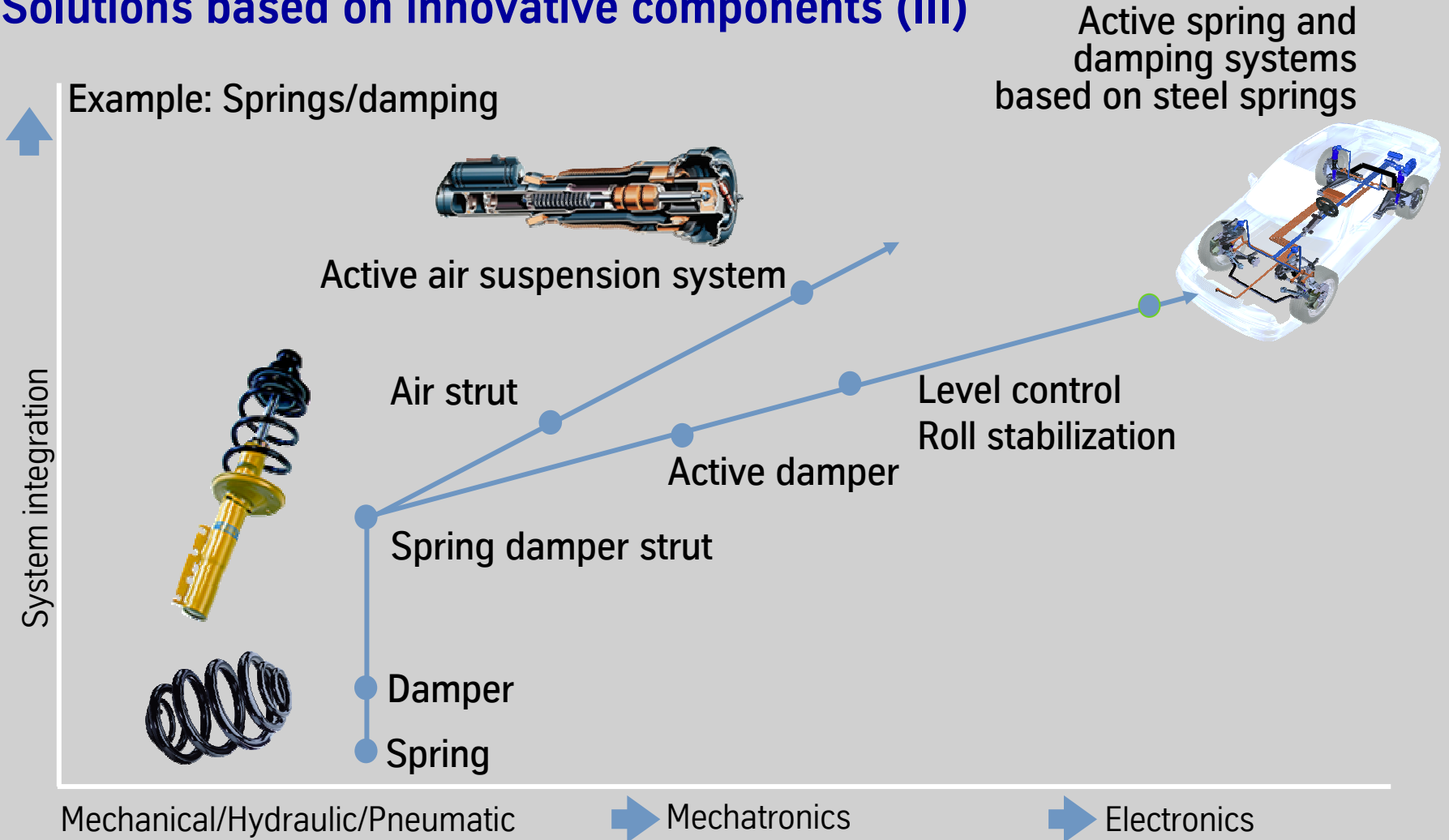
Competitive differentiation: Solutions based on innovative components (I)



Competitive differentiation: Solutions based on innovative components (II)



Competitive differentiation: Solutions based on innovative components (III)



Agenda

○ Overview and Financials

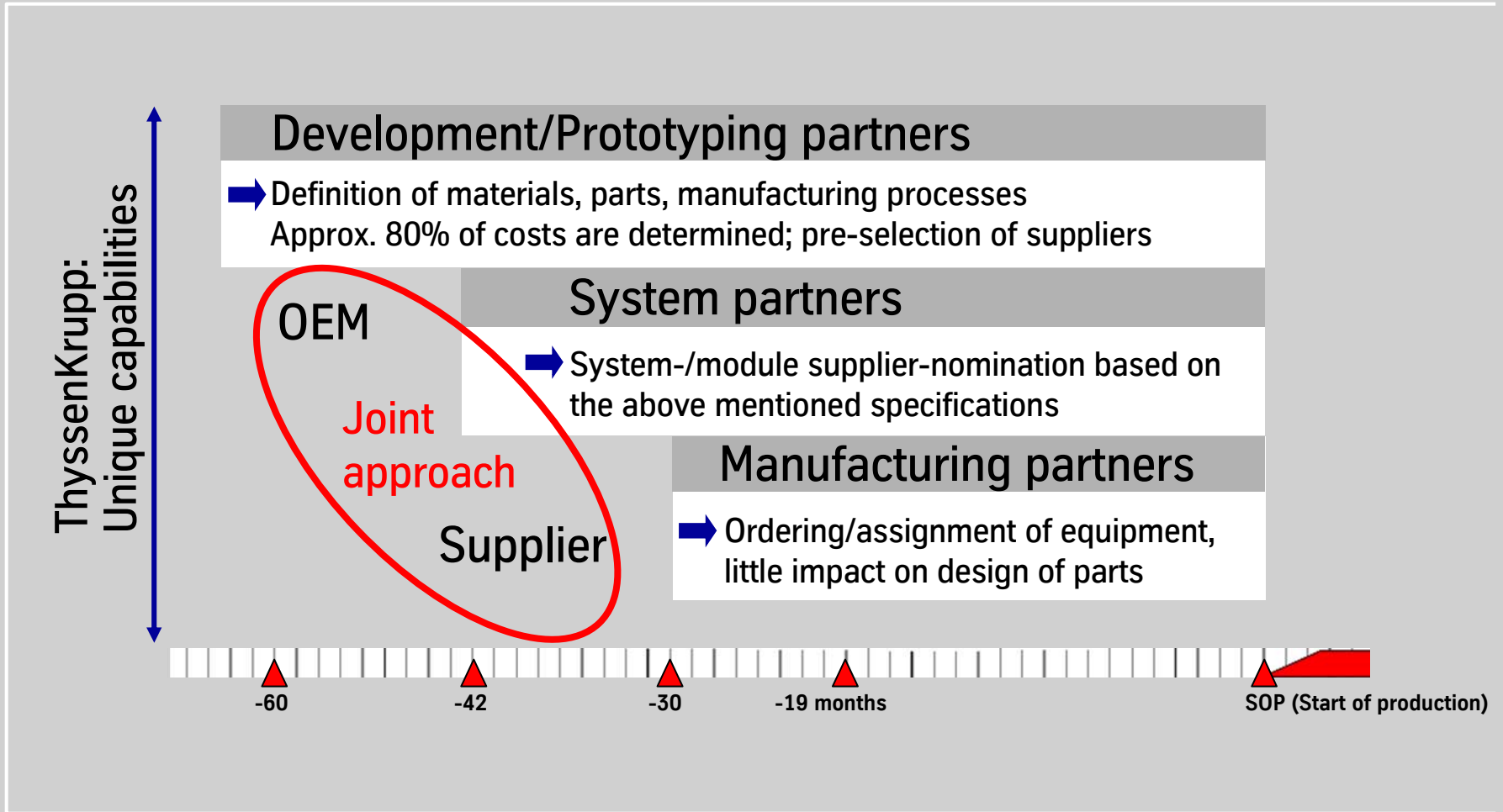
○ Outlook and Strategy

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Product development process: Early involvement makes us the masters of our destiny



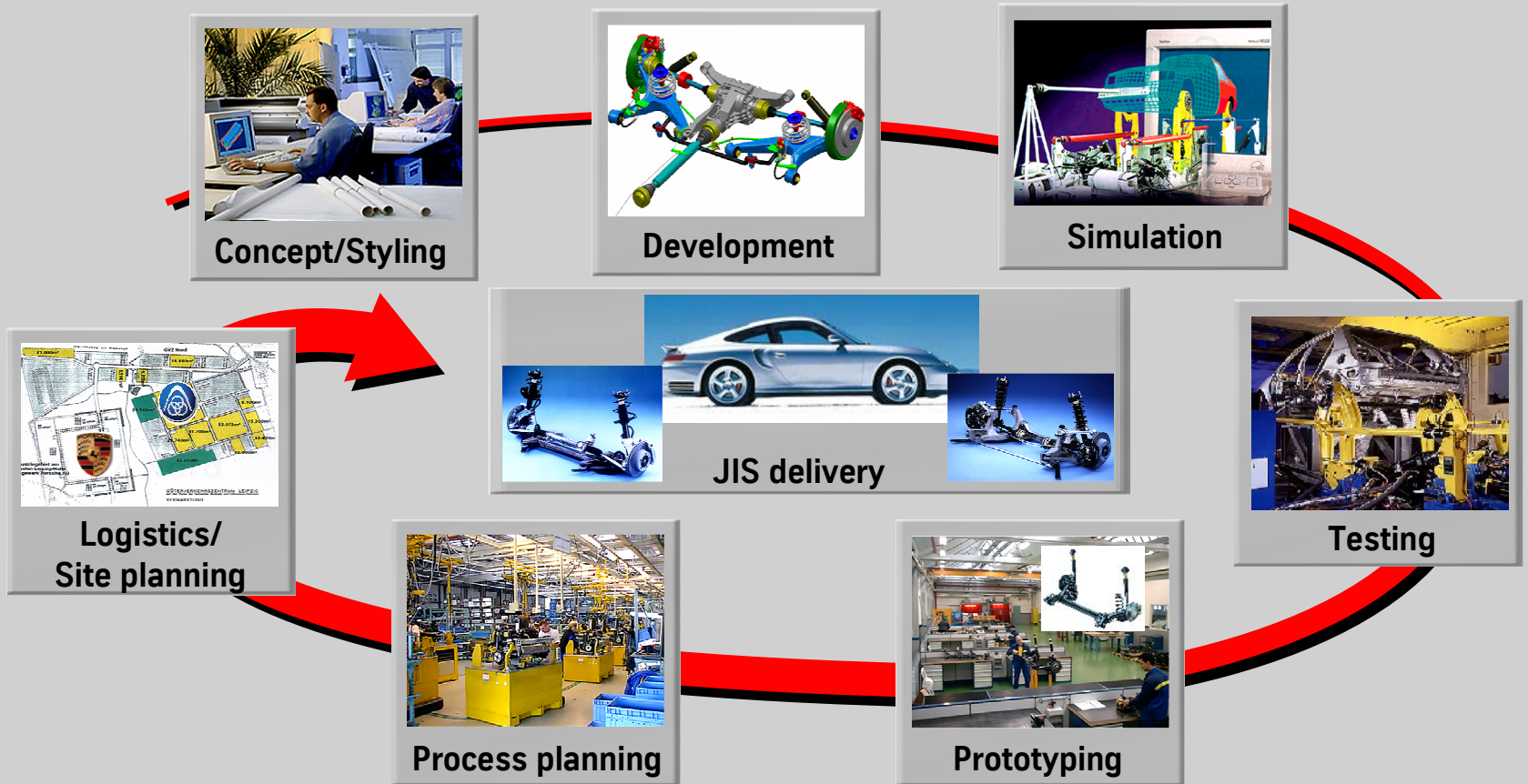
Acquisition of Bertrandt interest

Strategic fit:

- Innovation contributions from TIER-1 suppliers require engineering resources
- In the course of cooperation with Bertrandt ThyssenKrupp Automotive/ThyssenKrupp Steel
 - close the engineering loop
 - achieve an early integration into the OEM product development process
 - improve closeness to customers through Bertrandt branches
 - set up and ensure continuous project support for the customer






















The Engineering Loop



Cross segment capabilities for the automotive industry

Sales with automotive clients: ~€11.3 bn in 2002/03

Steel	Automotive	Technologies	Services	
 <p>Carbon steel</p>	 <p>Body- and Chassis stampings</p>	 <p>Body-in-white (tools and fixtures)</p>	 <p>Material supply</p>	 <p>Facility management</p>
 <p>Stainless steel</p>	 <p>Axles/ Chassis systems</p>	 <p>Assembly lines for engines</p>	 <p>Cutting</p>	 <p>Maintenance</p>
 <p>Coated products</p>	 <p>Body assemblies</p>	 <p>Assembly lines for transmissions</p>	 <p>Operation management</p>	 <p>Plant logistics</p>
 <p>Downstream products (tailored blanks, SSC)</p>	 <p>Engine components</p>			
 <p>Technology partnerships</p>	 <p>Steering systems</p>			



Utilizing cross segment competencies as a driver for innovation

ThyssenKrupp
Automotive

ThyssenKrupp
Steel

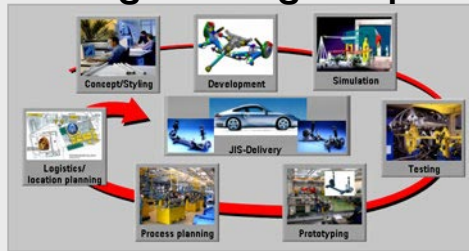
ThyssenKrupp
Technologies

ThyssenKrupp
Services

Multi Material
Competence

Multi Process
Competence

Engineering Loop



North American
Automotive Council

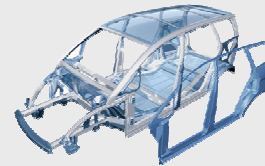
European
Automotive Council

Results (Examples)

BMW X5



NSB[®] New Steel Body



Competence supports long-term partnership

Competence
beats competition


- Joint engineering
- Joint business planning
- Joint fitness

- Leading technology
- Leading quality
- Leading cost structure
- Leading global presence




Chassis

Systems




Components



Body

Systems




Components



Powertrain

Systems




Components




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Summary

- ThyssenKrupp Automotive: Component specialist and solution provider for the automotive industry

- Profitable growth with focus on performance enhancement

- Utilization of cross segment capabilities within the ThyssenKrupp Group

- Expansion of engineering competence and long-term partnerships with OEMs



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