

European Emission Trading Conference

- Challenges for a steel producer -

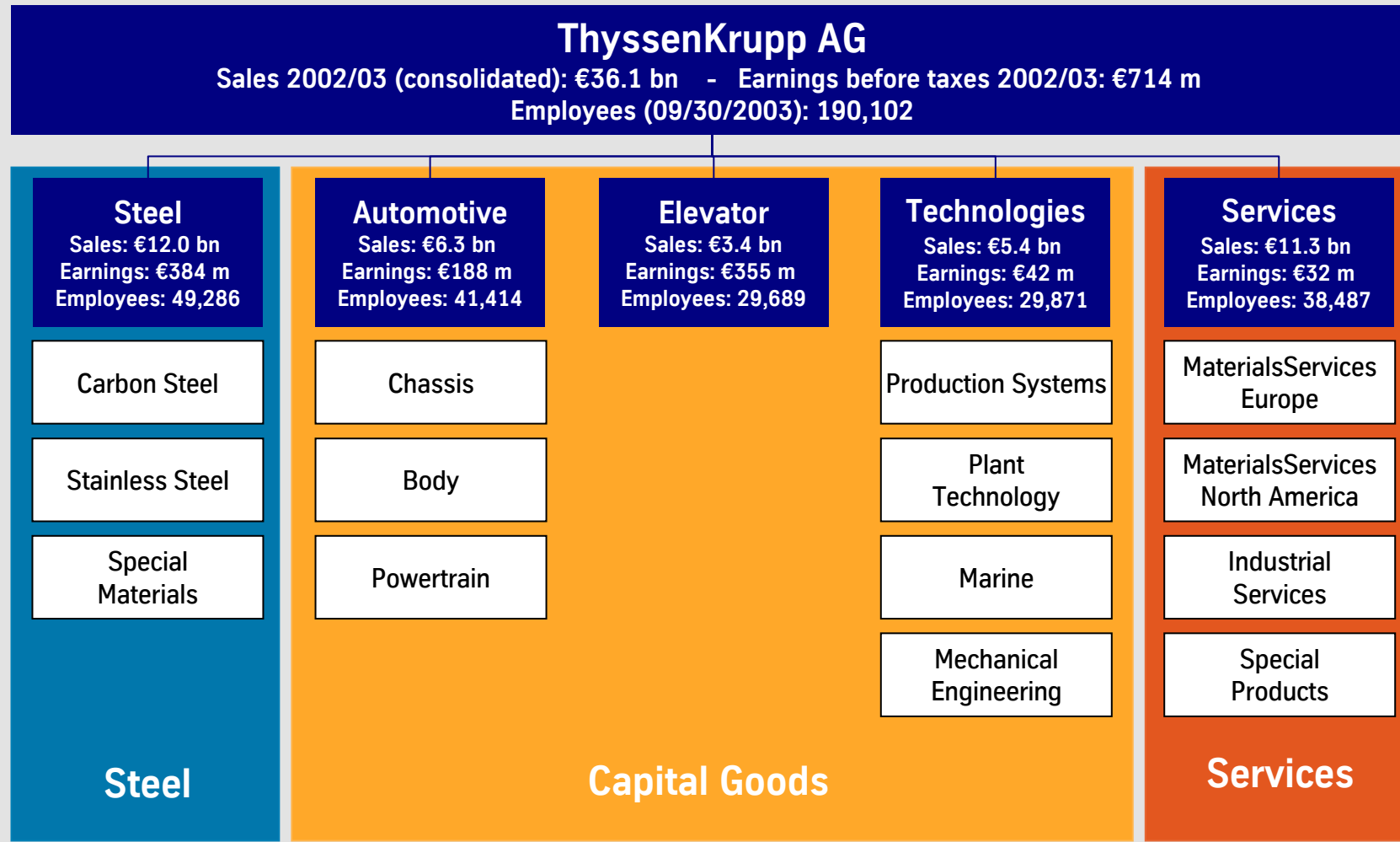
Thursday March 25th 2004

Dr. Karl-Ulrich Köhler

ThyssenKrupp Stahl AG



Steel Segment Accounts for a Third of Group Sales



A company of ThyssenKrupp Steel
ThyssenKrupp Stahl



ThyssenKrupp Stahl is the Lead Company of the Biggest Business Unit and the Largest Single Company

ThyssenKrupp Steel AG

Sales €12,016 m

Earnings €384 m

Employees 49,286

Carbon Steel

Sales €7,161 m
Earnings €229 m
Employees 29,222

ThyssenKrupp Stahl AG

Rasselstein

ThyssenKrupp Bauelemente

Hoesch Hohenlimburg

ThyssenKrupp Stahl-Service-Center

ThyssenKrupp Steel North America

ThyssenKrupp Tailored Blanks

Other Companies

Significant interests

- Hüttenwerke Krupp Mannesmann
- GalvaSud/Brazil & Tagal/China

Stainless Steel

Sales €3,957 m
Earnings €192 m
Employees 12,116

ThyssenKrupp Stainless GmbH

ThyssenKrupp Nirosa

ThyssenKrupp Acciai Speciali Terni

ThyssenKrupp Mexinox

Shanghai Krupp Stainless

ThyssenKrupp Stainless Export

ThyssenKrupp VDM

Special Materials

Sales €1,514 m
Earnings (€29 m)
Employees 7,833

ThyssenKrupp Electrical Steel GmbH

ThyssenKrupp Electrical Steel EBG

ThyssenKrupp Electrical Steel UGO

ThyssenKrupp Electrical Steel AST

EBG India

Edelstahl Witten-Krefeld

Krupp Edelstahlprofile

Berkenhoff

Fiscal year 2002/2003 (09/30)

A company
of ThyssenKrupp
Steel

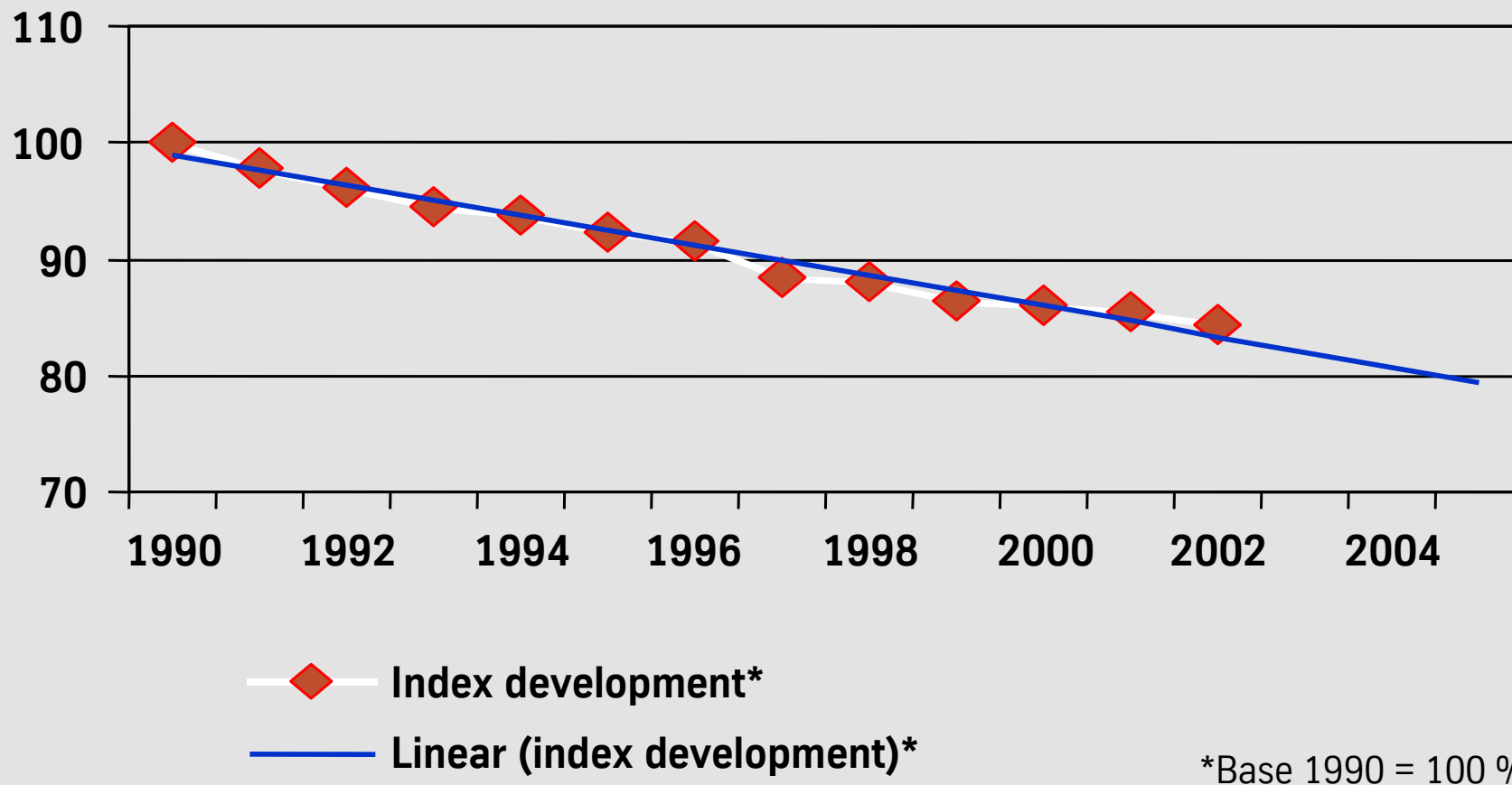
ThyssenKrupp Stahl



ThyssenKrupp

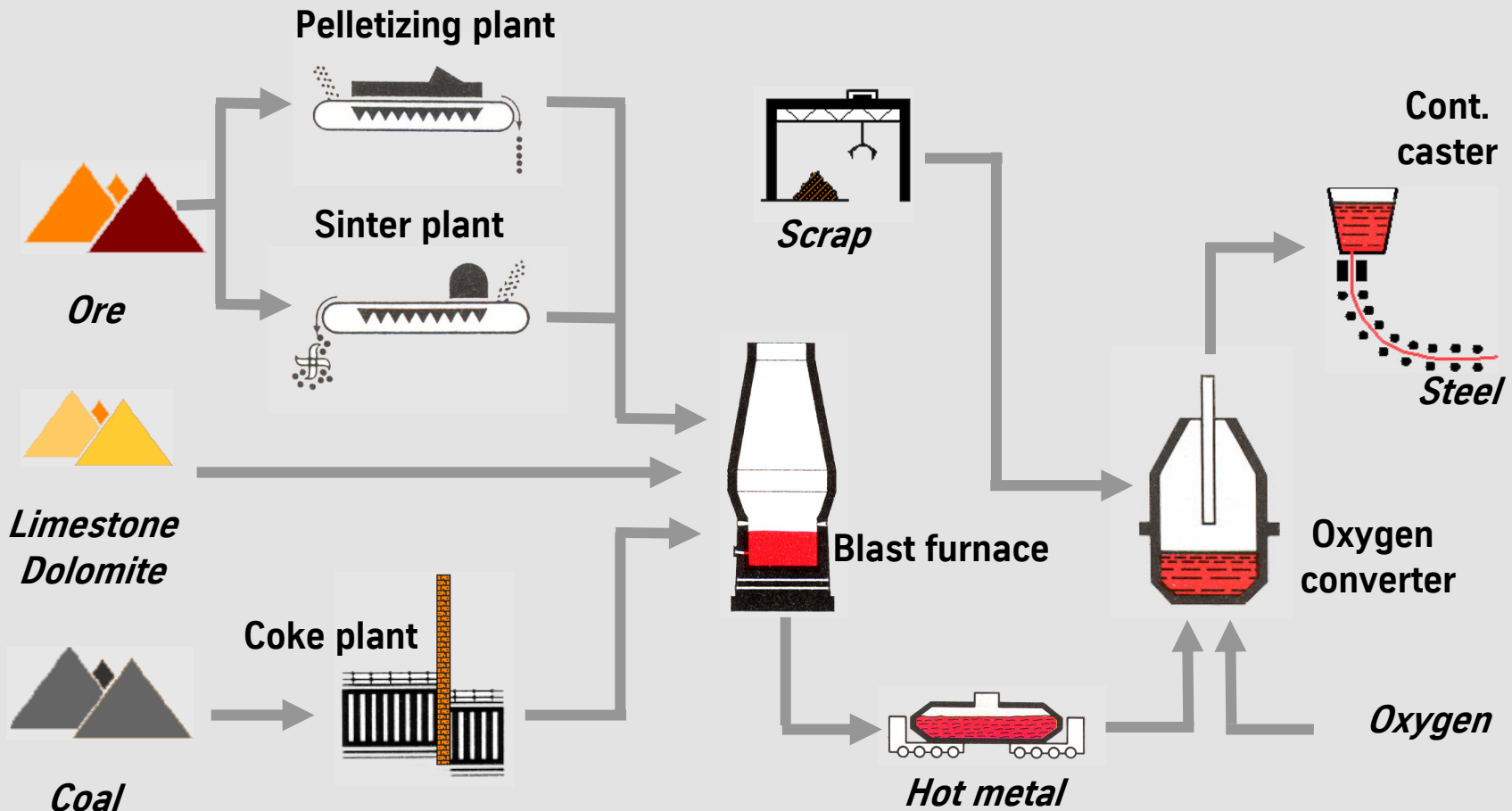
German Steel Industry is Fulfilling its Voluntary Commitment

22% reduction in specific CO₂ emissions

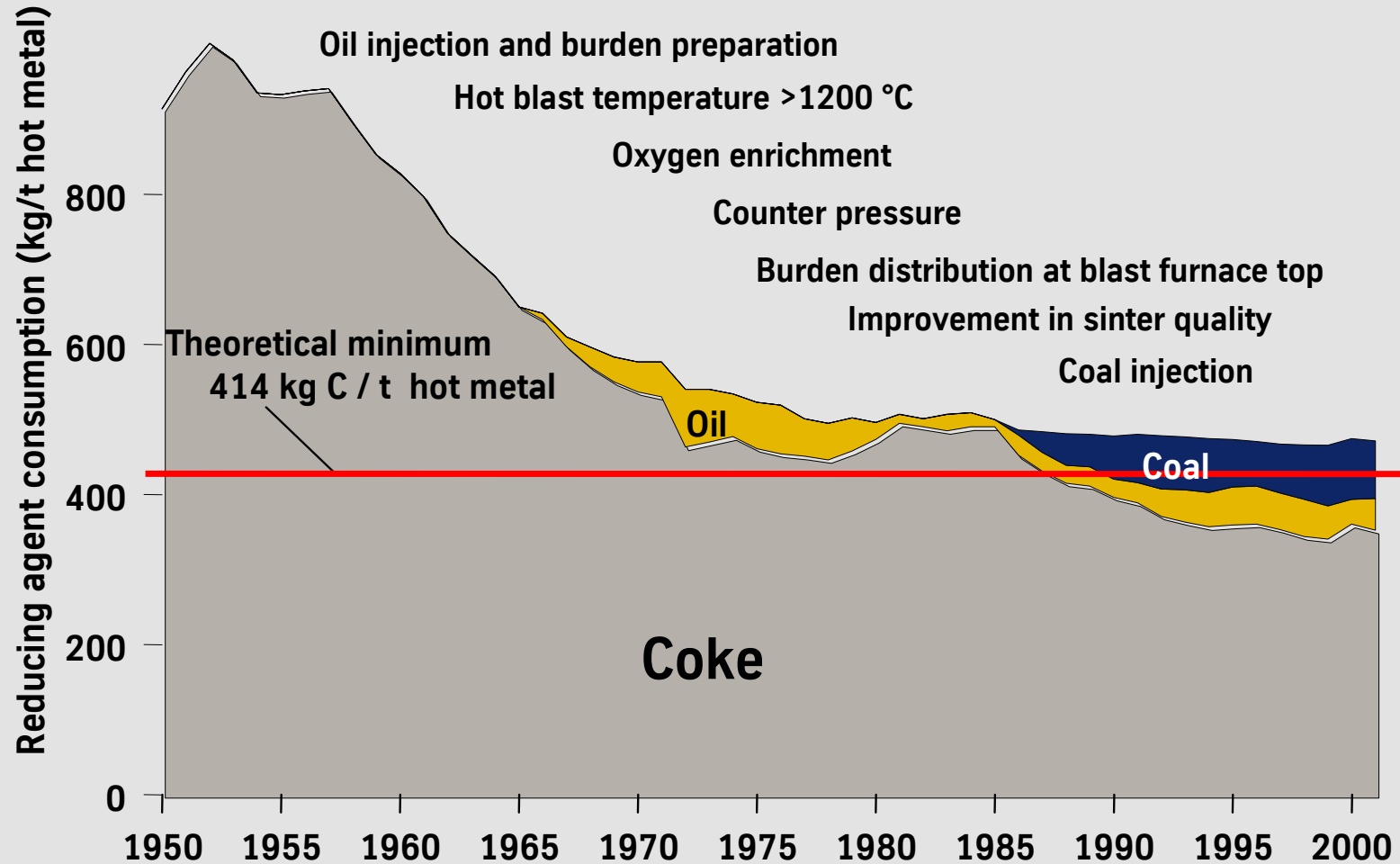


Steel Production via Ore Reduction in the Blast Furnace

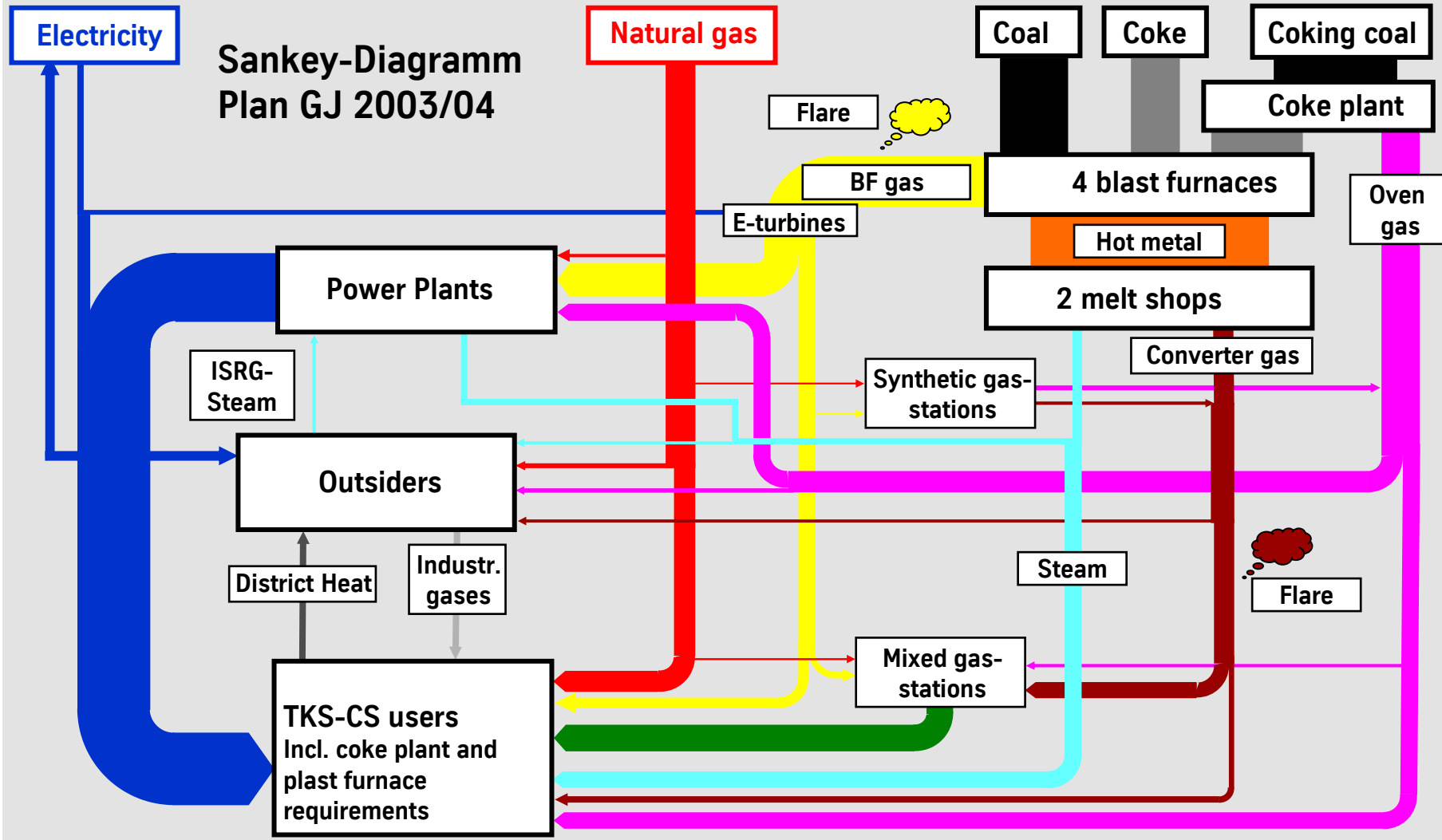
- Process flow: From ore to steel



Blast Furnace Reducing Agent Consumption in Germany

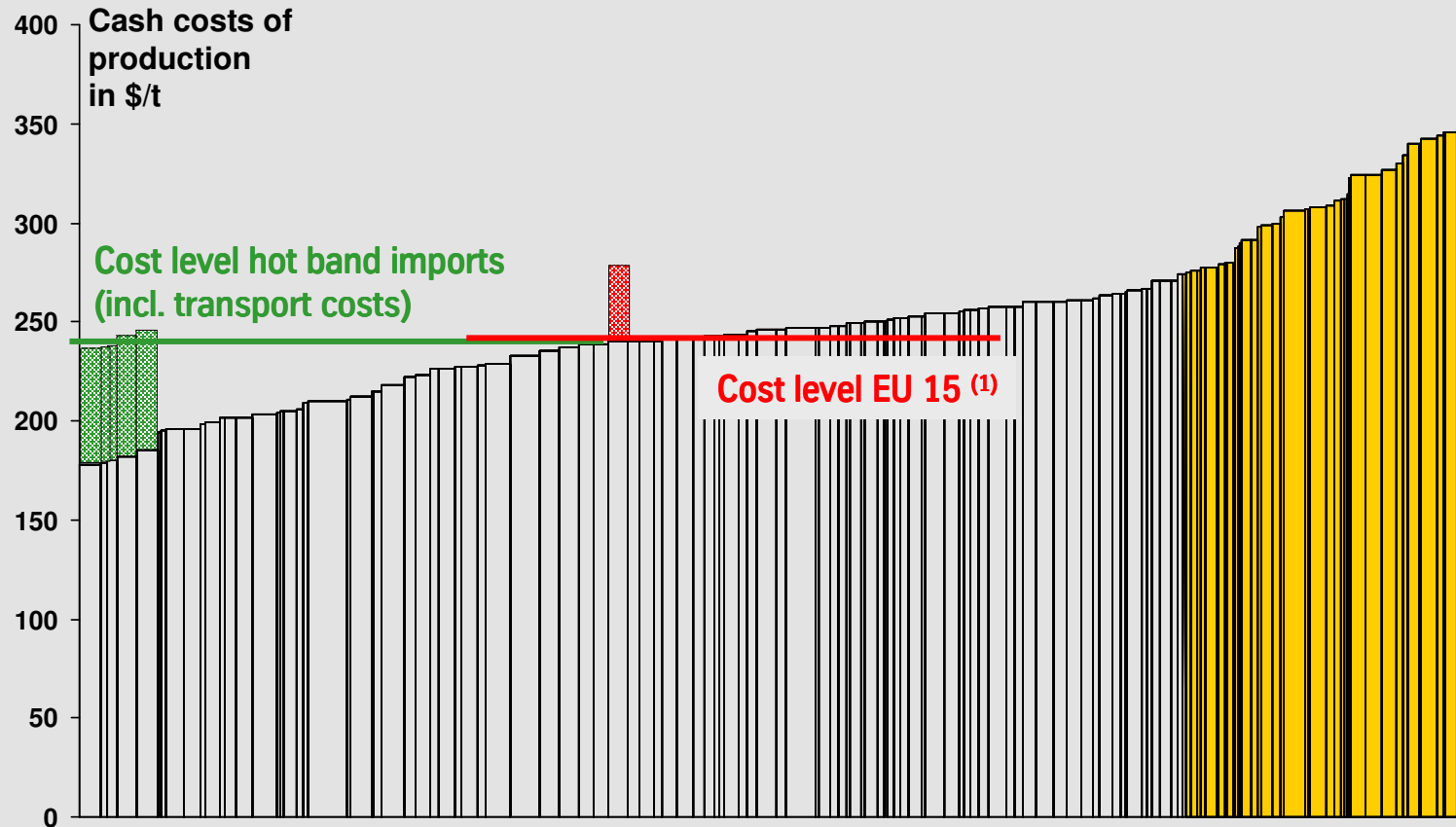


Optimum Energy Use in Integrated Network



Selective Cost Burdens Within Europe Make Purchasing Outside Europe Interesting.

- Hot band production costs global



Sources: World Steel Dynamics (2002); BCG analysis

(1) w/o emissions trading burdens



Sophisticated Market Segments Offer Opportunities for Differentiation

- Use of high-quality products and components of carbon flat steel
- High value added by suppliers
- Services of steel producer for optimum material selection and trouble-free processing by the customer

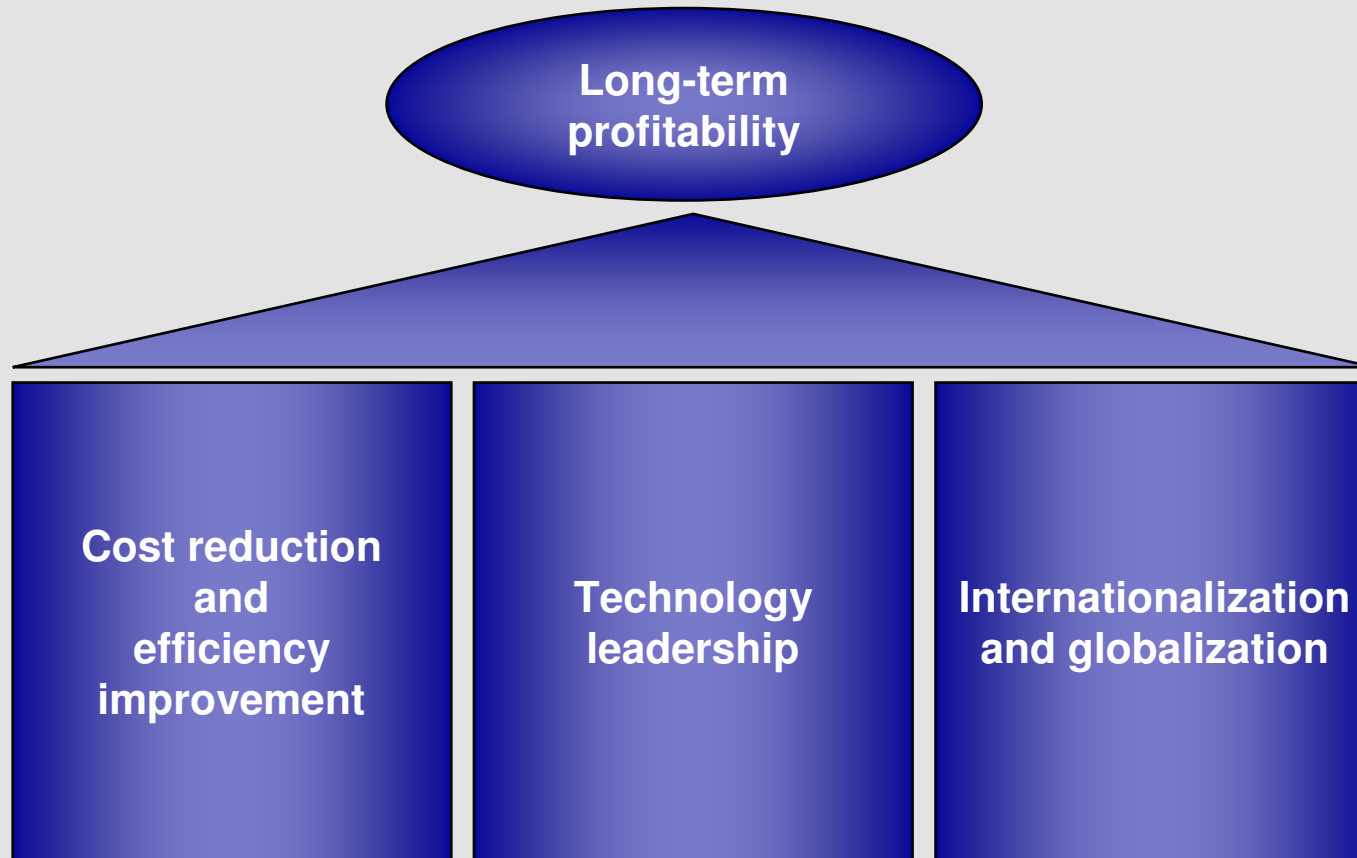
- Highest demands on quality and service
- Close cooperation between customers and suppliers
- Long-term customer-supplier relationships

- Above-average market growth
- Lower price volatility



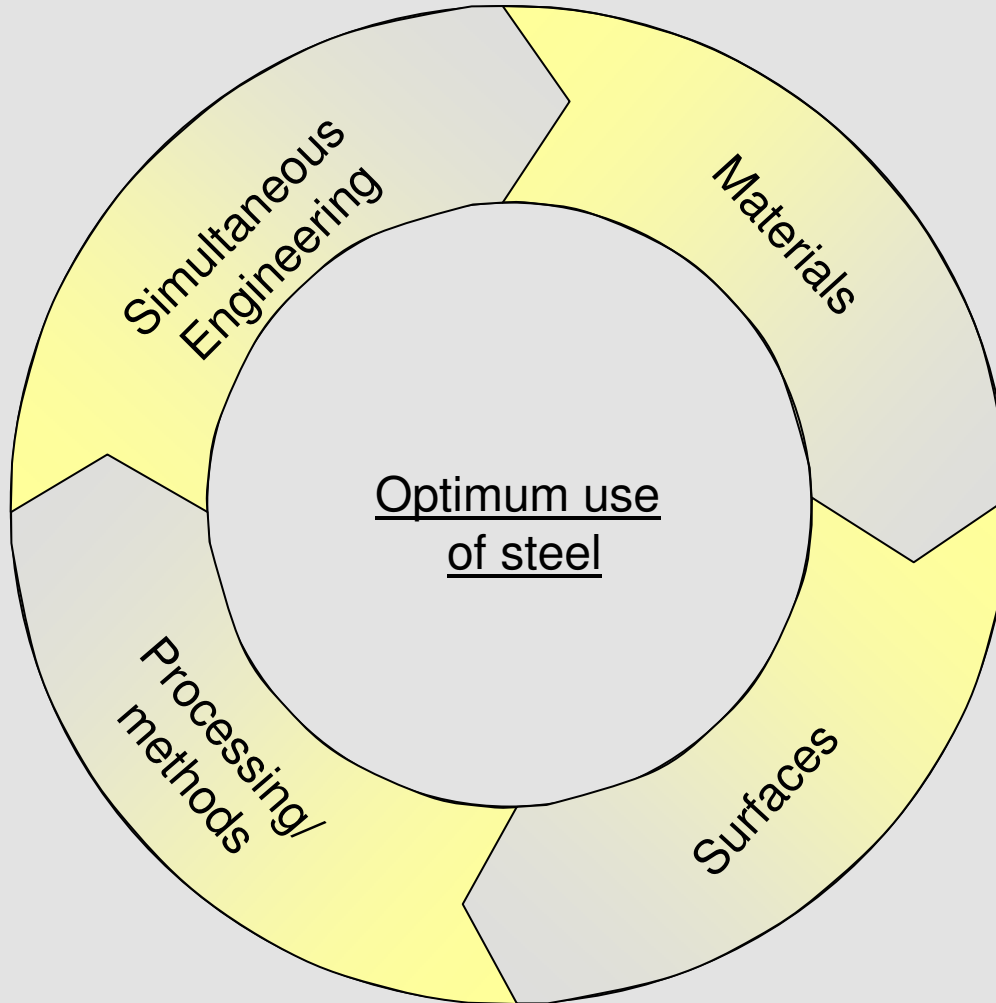
Securing Profitability through a High-Quality Portfolio

ThyssenKrupp Stahl strategic guidelines



Broad Competency Base for Integral Technology Concept

Collaborate in developing end products



New steels for...
- Auto weight reduction

Facilitate optimum processing

New surfaces:
- Reduced after-treatment
- Processability
- Added value



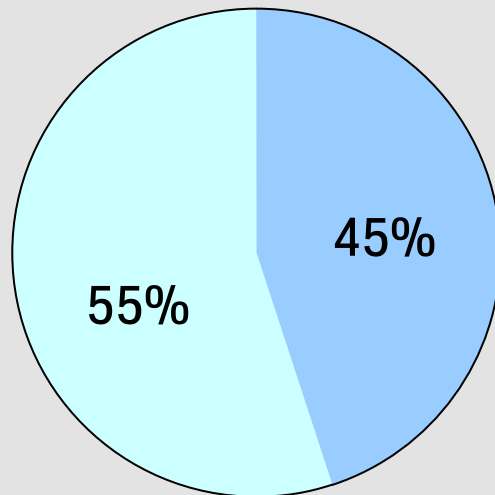
High-Strength Multiphase Steels to Combat Substitution

Substitution avoided: BMW 3 series

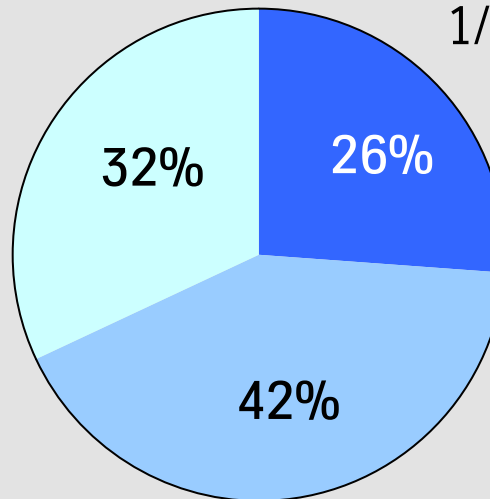
- Customer support through development of MP steels
- Improvement in performance with simultaneous weight reduction



1/3 series volume: 600,000 v/a



3 series today: E46/4



3 series replacement 12/2004: E90

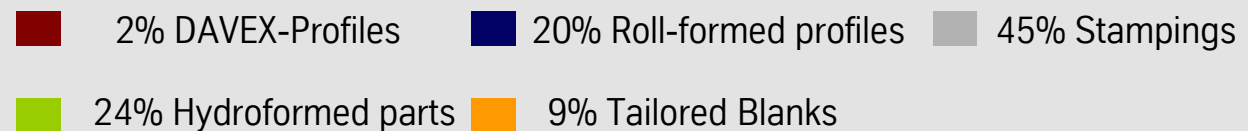
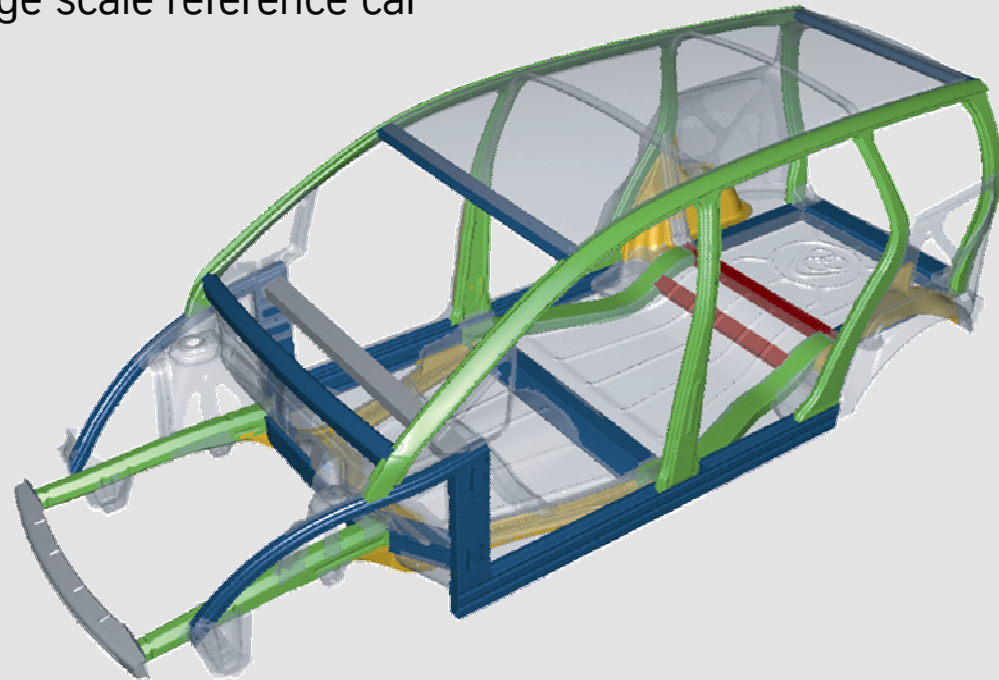
- Multiphase steel
- Conventional high-strength steel
- Deep drawing steel up to 180N/mm²



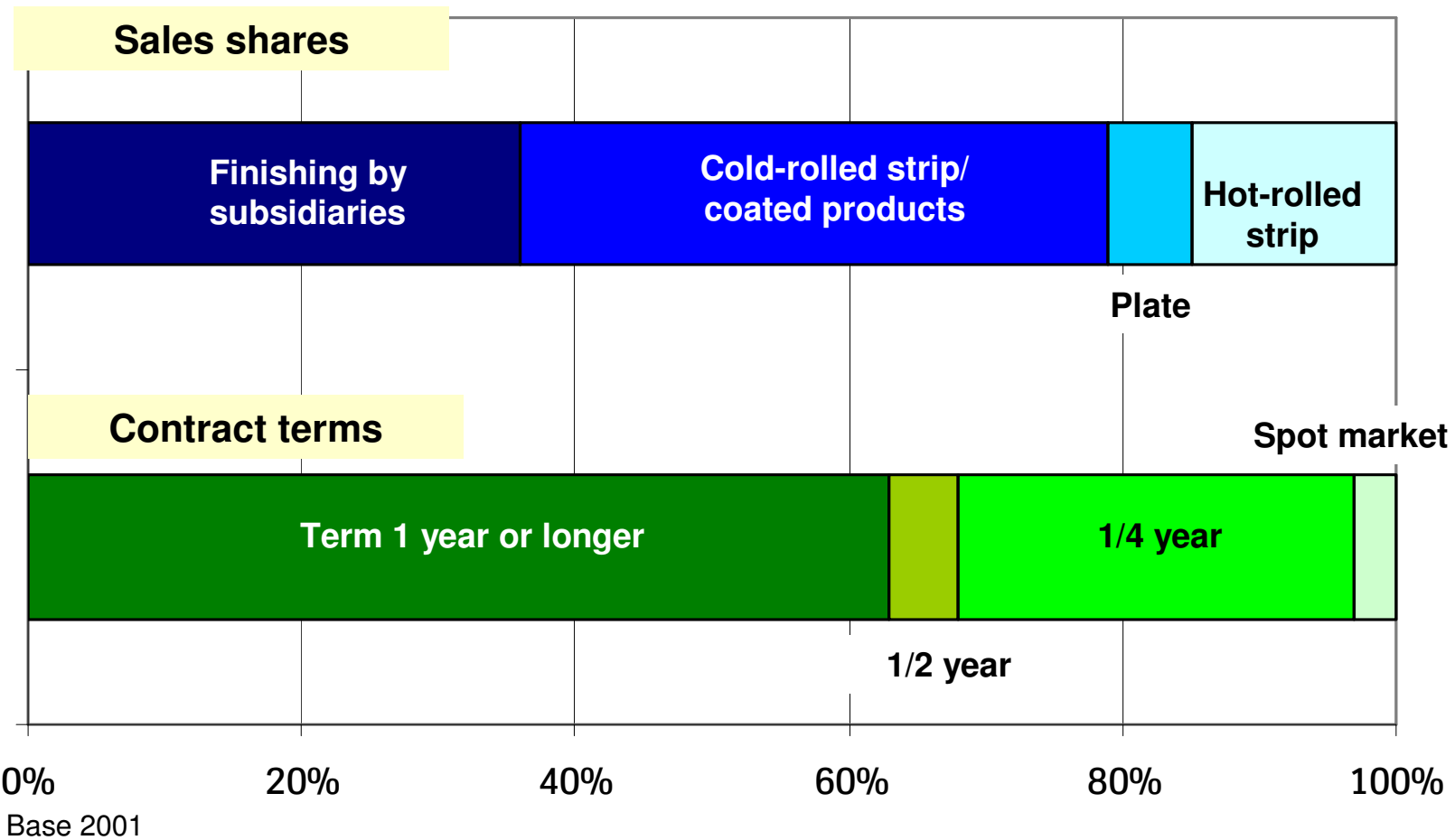
NSB® Unites Different Innovation Capabilities NSB®- NewSteelBody.

Benefits compared to a successful large scale reference car

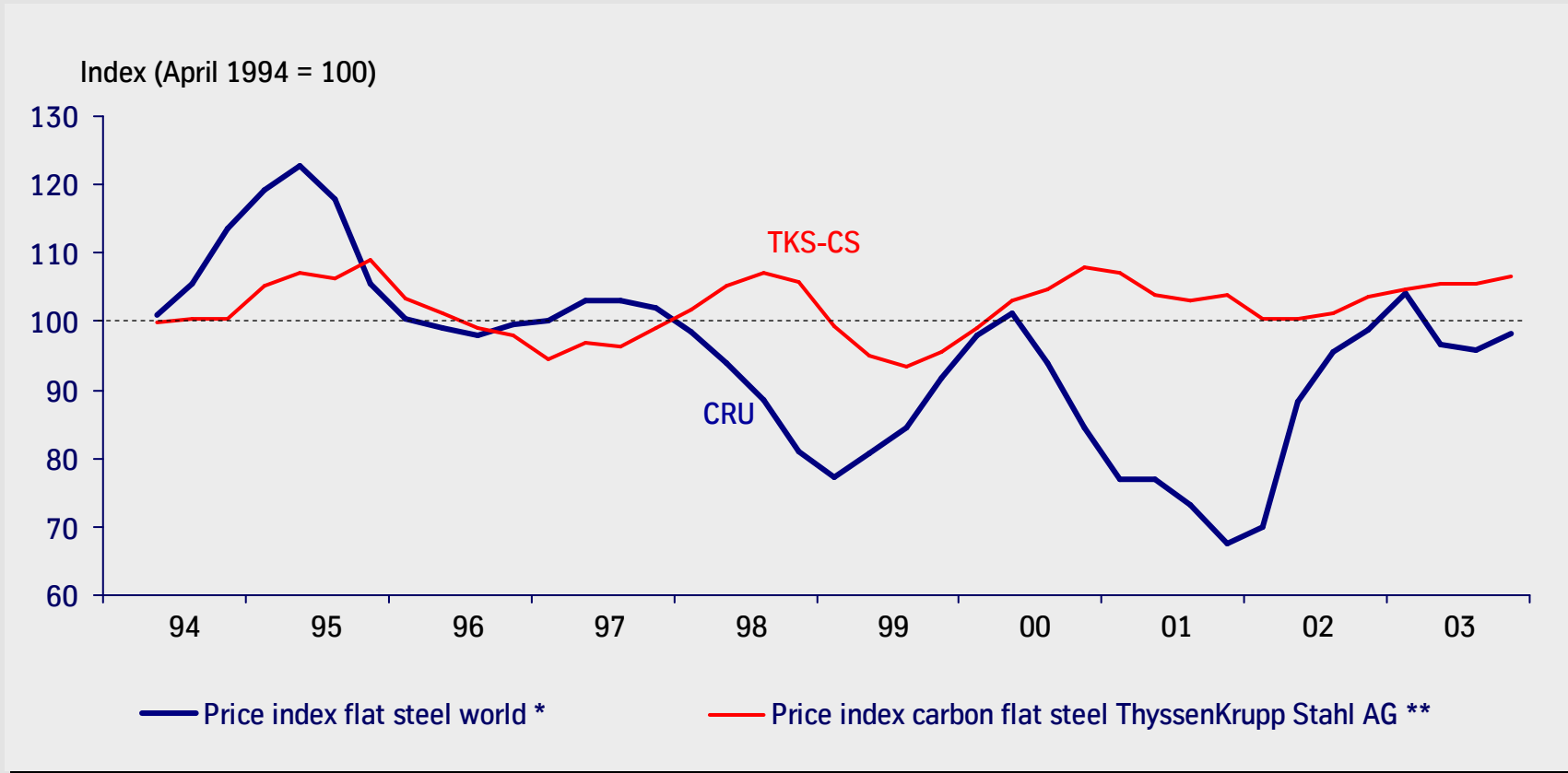
- 24% weight reduction
- Low cost premium: +2%
- Significantly improved bending and torsional stiffness
- Comparable crash safety
- Modular design allows incremental transition and offers synergy potential for derivatives



Result: High Proportion of High-Value Products with Long-Term Customer Retention



ThyssenKrupp Stahl Prices More Stable, Less Volatile



Sources: * CRU Data through Q4 2003
** TKS-CS



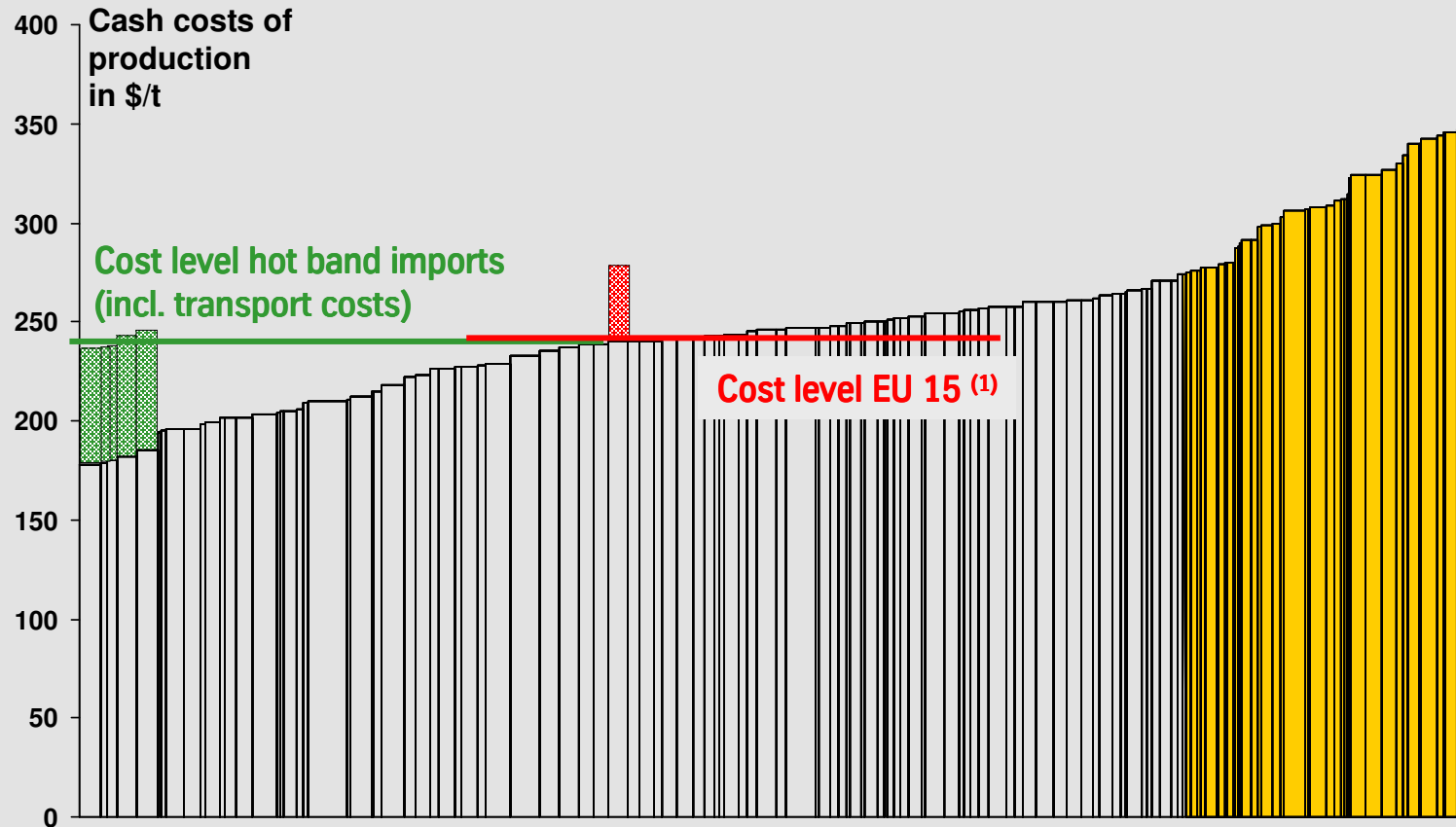
Emissions Trading - Challenges for a Steel Producer

- High factor costs partly offset so far by rationalization at German plants.
- Focus on sophisticated market segments with value-added products to ease competition with extremely low-price suppliers.
- Technology and quality leaders in the European steel industry.
- Further increase in value added and services.
- Further burdens could make it necessary to transfer production steps abroad in order to secure competitiveness.



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