

**Mechanical Engineering and Steel Conference
BHF Bank, Frankfurt/Main**

Dr. A. Stefan Kirsten,
CFO and Member of the Executive Board,
September 7, 2004

ThyssenKrupp



ThyssenKrupp - Clear strategic focus for sustainable growth

- Expand technological and innovative capabilities
- Make optimal use of potential within the Group
- Strengthen customer and service orientation
- Manage value systematically by concentrating on high-performance business areas and active portfolio management



ThyssenKrupp Group 2002/2003

ThyssenKrupp AG

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

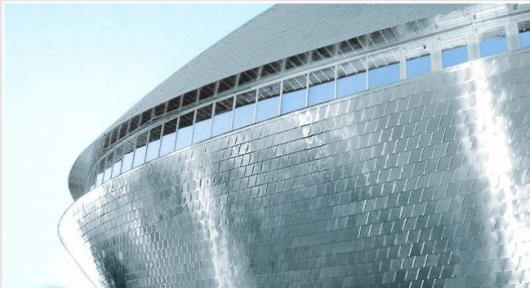
Steel	Automotive	Elevator	Technologies	Services
<p>Sales: €12.0 bn EBT: €384 m Employees: 49,286</p> <ul style="list-style-type: none"> • Carbon Steel • Stainless Steel • Special Materials 	<p>Sales: €6.3 bn EBT: €188 m Employees: 41,414</p> <ul style="list-style-type: none"> • Chassis • Body • Powertrain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



Steel – At a Glance

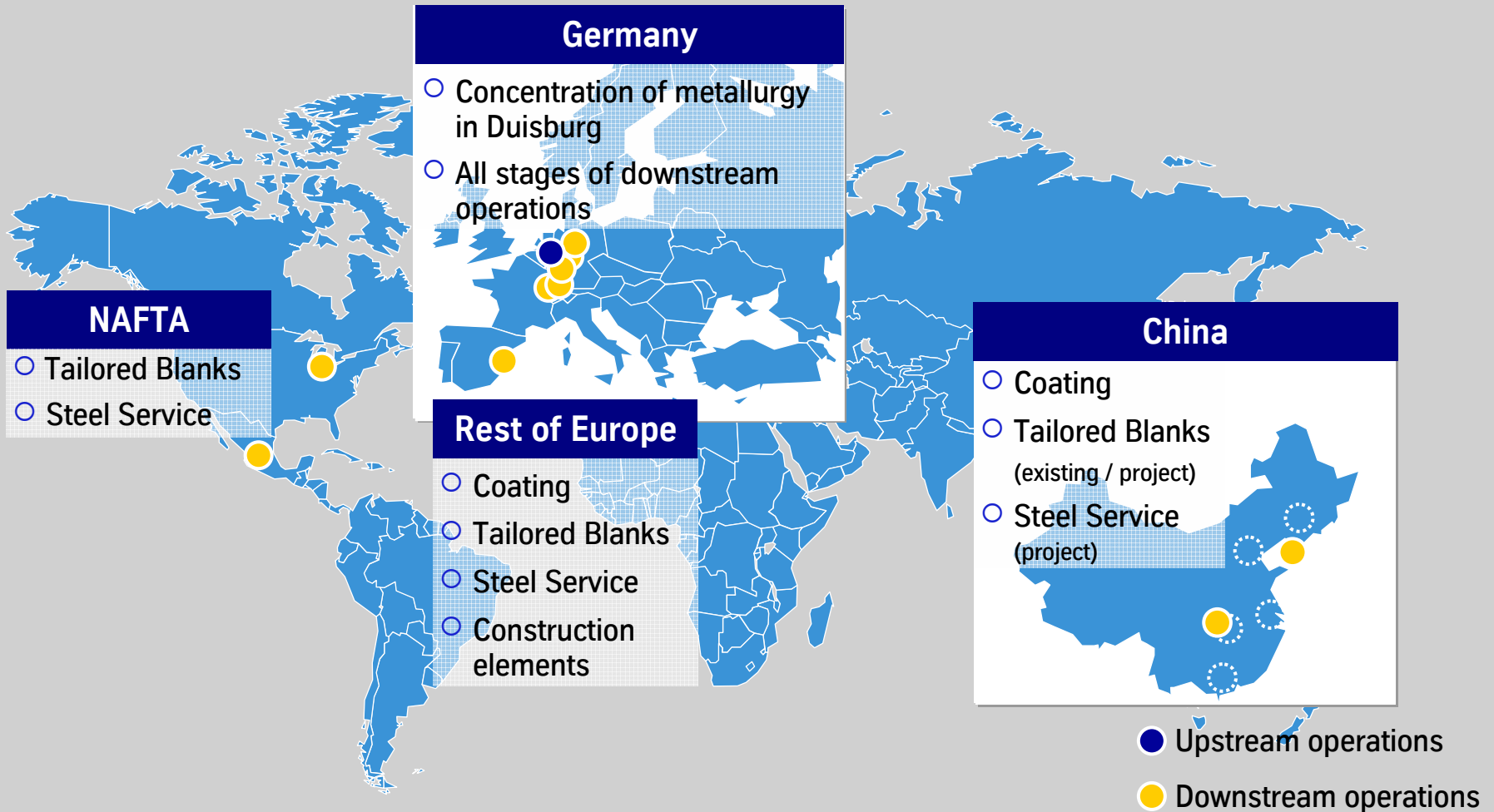
Steel



- European No. 2 in carbon steel flat products
- World market leader in stainless steel flat products, nickel-base alloys, electrical steel and tailored blanks
- Focus on flat products with high value added
- Profit leader in Europe through: portfolio optimization, investment policy, performance enhancement
- Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg
- Innovation leader in products and processes
- International presence further strengthened with production facilities in the world's growth markets; systematic development of global strategic alliances

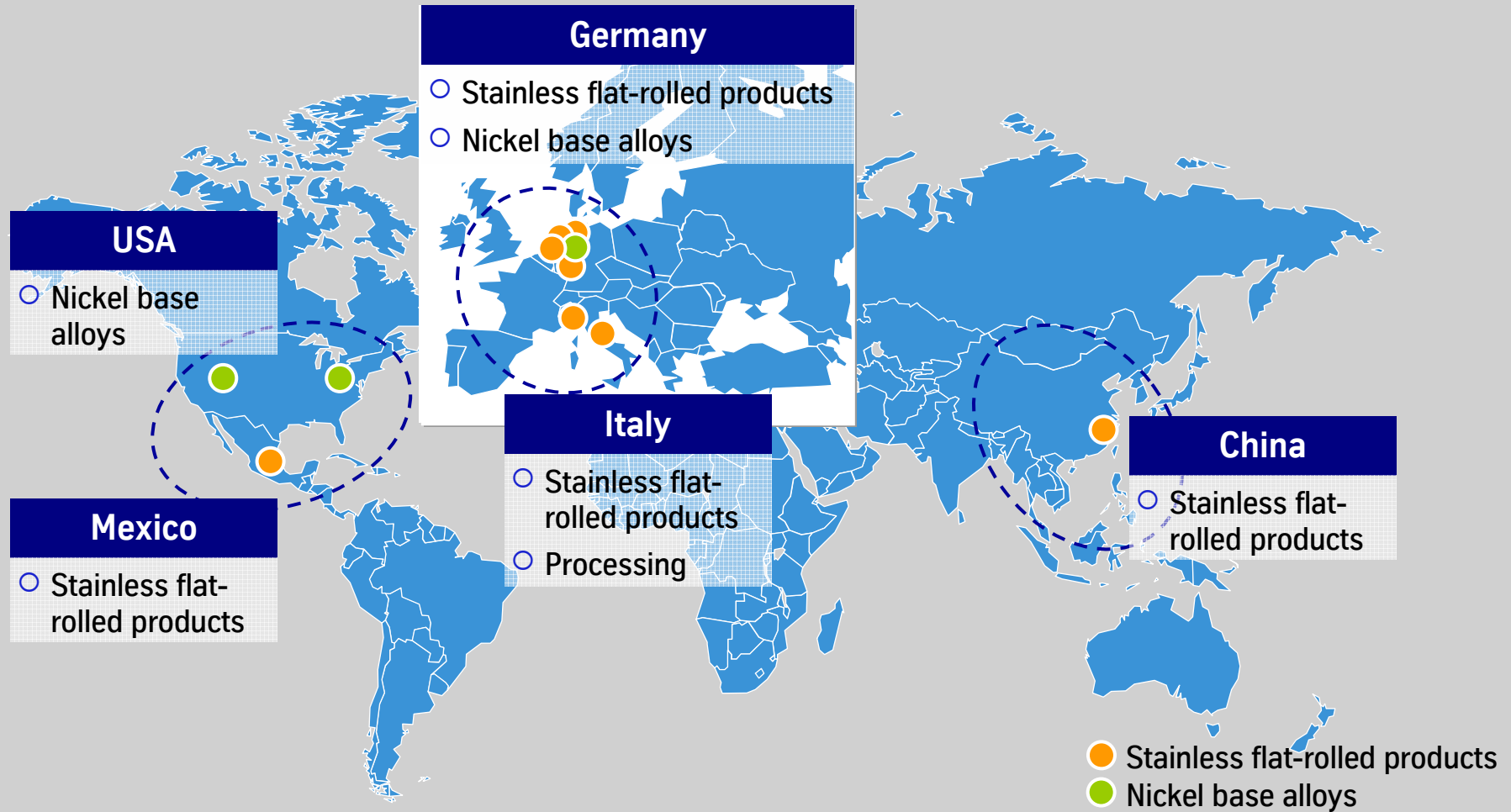
Rhine-Ruhr Region as the Basis for International Expansion

BU Carbon Steel: Success Factor Customer Orientation



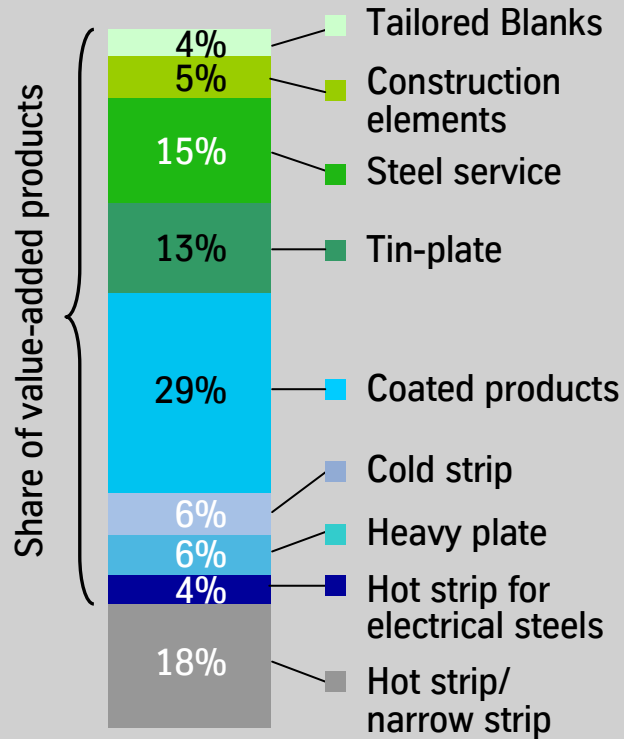
World-wide Presence to Serve Demanding Customer Needs

BU Stainless Steel: Success Factor Customer Orientation



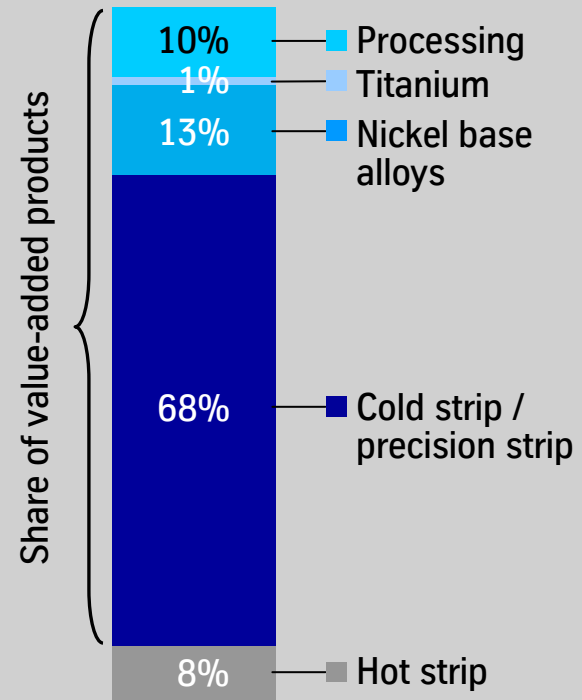
Focus on High Value-Added and Innovative Flat Products

Portfolio Carbon Steel



Sales structure FY 2002/2003
(flat products only)

Portfolio Stainless Steel

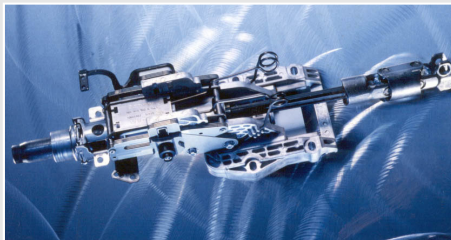
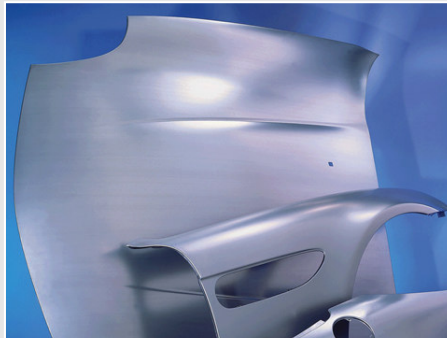


Sales structure FY 2002/2003
(without material for re-rollers)



Capital Goods – At a Glance (I)

Automotive



- 80% of sales from TOP 3 positions
- Sales growth - organic and through acquisitions
- Technology leadership in product and process technologies
- Materials capabilities: processing of all key materials e.g. iron, steel, aluminum, magnesium, plastic
- Parallel expansion of component and system business capabilities
- Further participation in outsourcing trends of automobile manufacturers
- Enhance technological competence through cross segment cooperation and joint product development

Competence supports long-term partnership

Competence
beats competition

Chassis

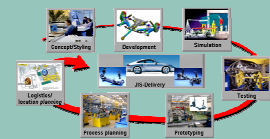
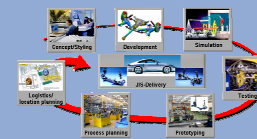
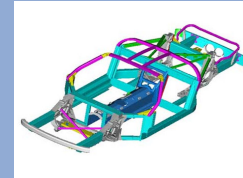
Body

Powertrain

Systems

Systems

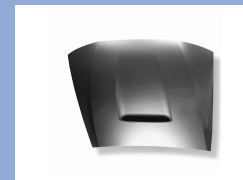
Systems



Components

Components

Components



- Joint engineering
- Joint business planning
- Joint fitness

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



Our unique selling point to OEMs: One-stop-shopping as an integrated approach

ThyssenKrupp
Automotive

ThyssenKrupp
Steel

ThyssenKrupp
Technologies

ThyssenKrupp
Services

Multi Material
Competence

Multi Process
Competence

Engineering Loop



North American
Automotive Council

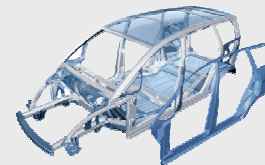
European
Automotive Council

Results (Examples)

BMW X5



NSB[®] New Steel Body



Innovations driven within the Group

Automotive

ORS® Off-road stabilizers for sport utility vehicles



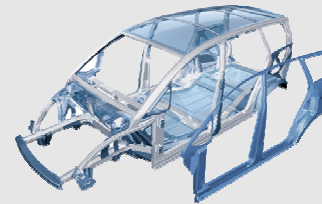
- Stiff suspension
- High damping
- Stabilizers with high torsional rigidity
- Soft suspension
- Low damping
- Stabilizers with very low torsional rigidity

Stabilizer can be switched hydraulically under load

Steel

Automotive

NSB® NewSteelBody



- ThyssenKrupp Stahl designed a complete weight-optimized steel body-in-white
- Open source project to interested auto manufacturers for joint further development
- Reference vehicle is the Opel Zafira
- The body developed under the project is 24% lighter than the reference vehicle

Steel

Automotive

Fuel tank

- Absolutely airtight, hydrocarbons cannot escape, fully recyclable, significantly lighter than plastic fuel tank
- Greater fuel capacity due to reduced wall thicknesses
- Can be packaged in the tight confines of a compact car
- Meets strictest emission standards, e.g. Californian emission guidelines



Steel

Technologies

Modular door

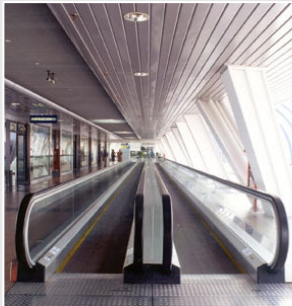


- The new, modular door is 12 kilograms lighter than the benchmarked model and costs significantly less to manufacture and assemble
- The modular approach means that door production and door assembly can be separated



Capital Goods – At a Glance (II)

Elevator

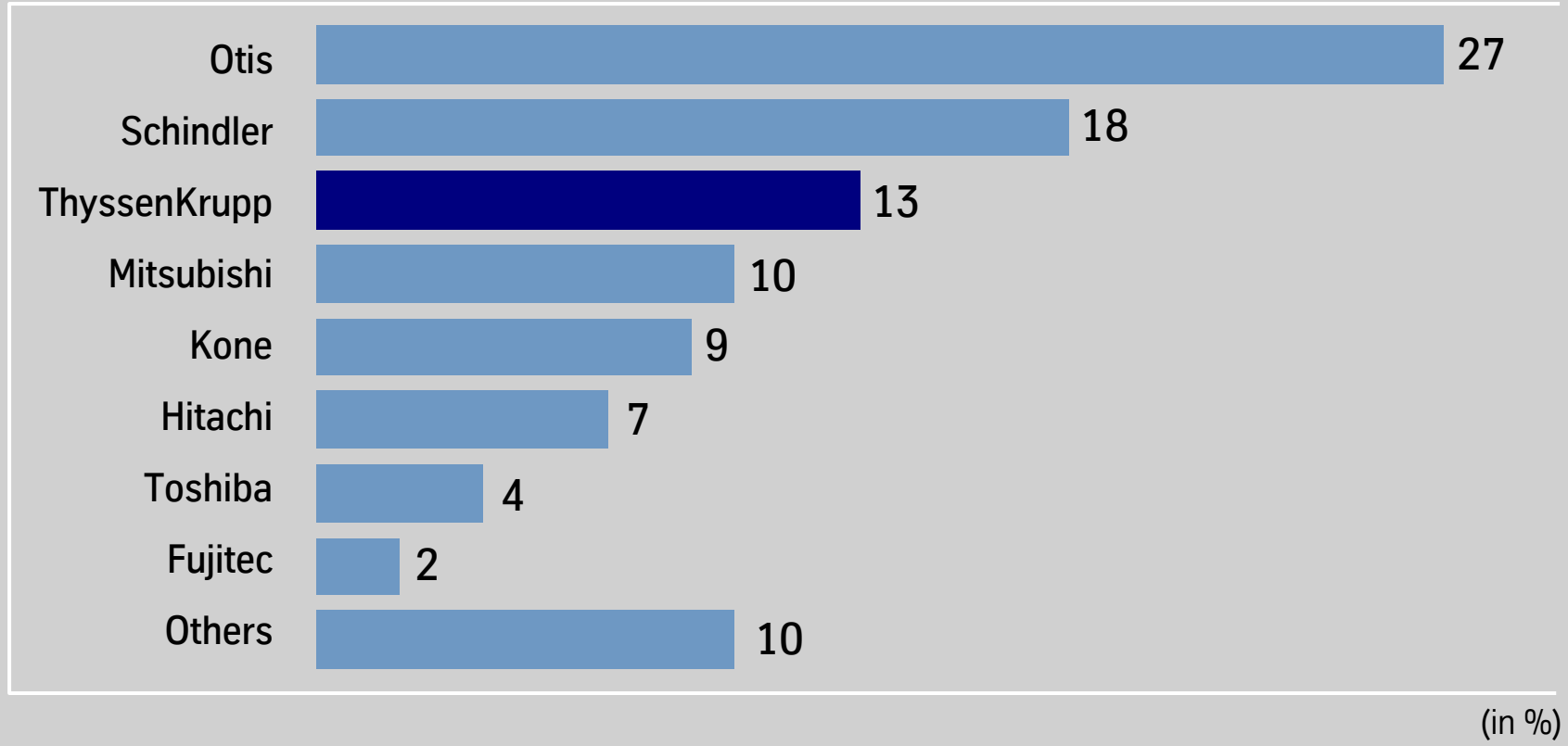


- No. 3 on world market, top global market positions
- More than 700,000 service contracts worldwide
- Full range of products and services from a single source
- Strong service network – benefiting from full maintenance products
- More than 50% of segment sales through services
- Increase market share globally and locally, especially in Asia
- Growth to continue through further acquisitions and even stronger focus on services

World Market

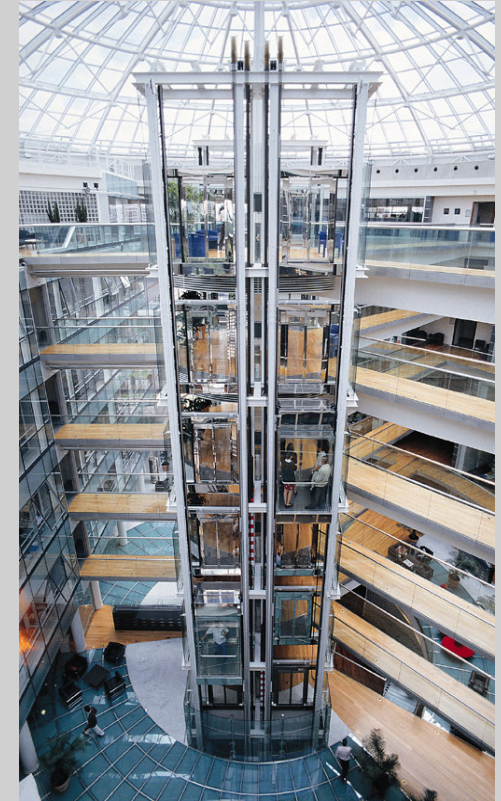
New installations and service market shares 2003

Volume: € 29 bn



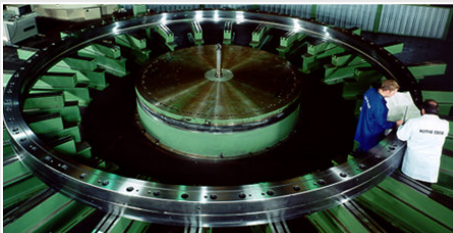
ThyssenKrupp Elevator – Strategic Objectives

- Number 2 worldwide
- Achieve € 5 bn mark in sales in 2006
- Strengthen market position by:
 - Developing new markets through acquisitions
 - Developing and launching innovative products
 - Positioning as full-range supplier
- Positioning as quality supplier
- Strong focus on service



Capital Goods – At a Glance (III)

Technologies



- Portfolio with leading regional and global market positions
- High technological competencies throughout product portfolio
- Leading engineering companies in the fields of chemical and industrial complexes
- Leading position in surface naval shipbuilding, conventional diesel powered submarines and mega yachts
- World's leading manufacturer of large-diameter bearings, e.g. for general engineering applications as well as solar and wind power plants

Services – At a Glance

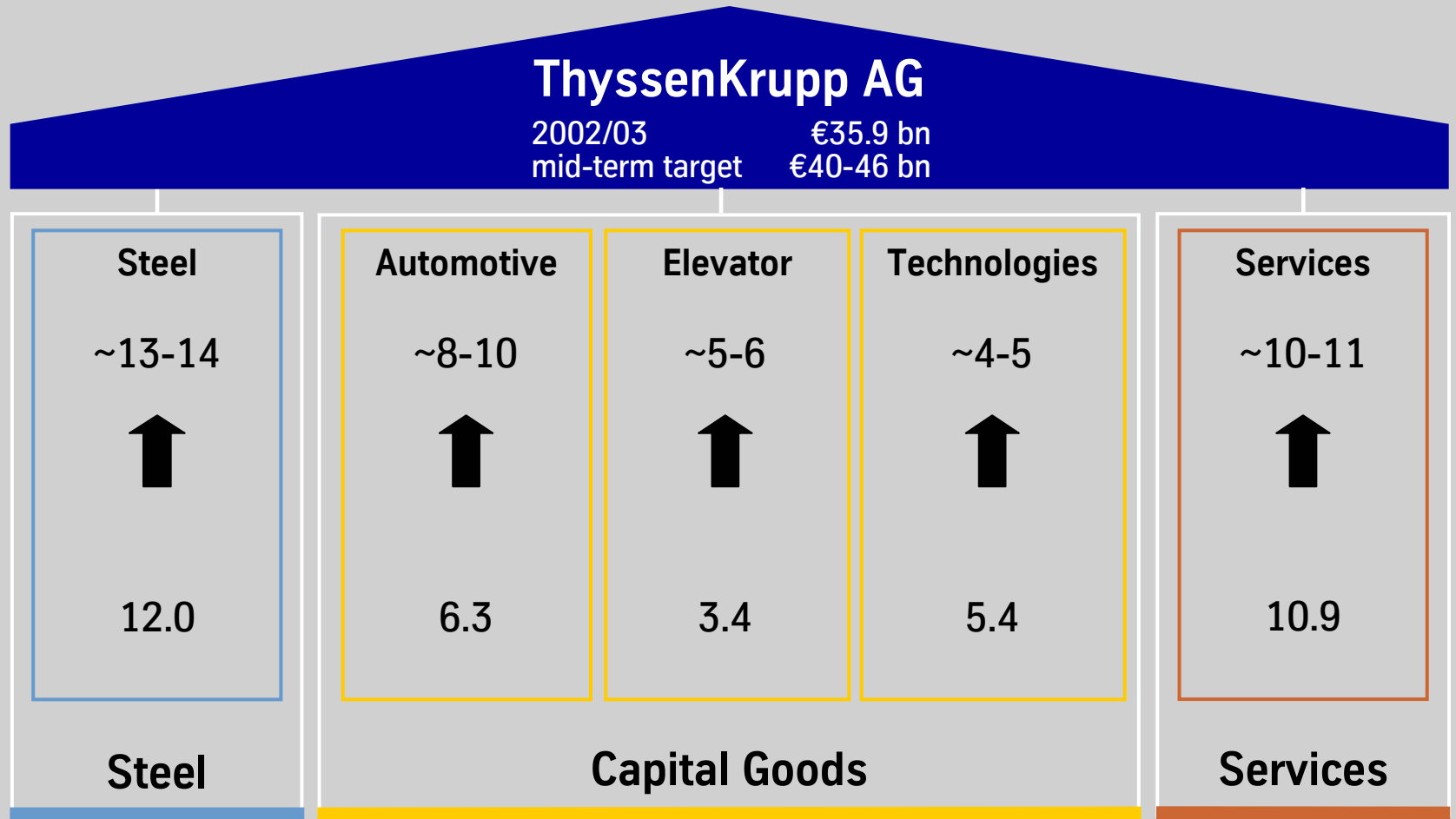
Services



- Service provider across the customer's value chain – procurement, logistics and production-related services through to supply chain management
- Goal to increase share of high-end Services, residual business serves as a base and trigger
- Boost internal growth especially in high-margin regions, mainly Eastern Europe and North America
- Portfolio optimization and restructuring on track, e.g. disposal of loss making construction services and non-core IT business completed
- Excellent market positions both in Materials Services and in Industrial Services

The View Beyond – Focused Industrial Group based on 3 Pillars

Sales in € bn



Strategic Areas of Emphasis

Spread to WACC	negative	n/a	positive
	Capital employed ▼	ROCE ▲	Capital employed ▲
Steel			
Automotive			
Elevator			
Technologies			
Services			
Strategic actions	<ul style="list-style-type: none"> ○ Focusing ○ Disposals 	<ul style="list-style-type: none"> ○ Efficiency enhancement ○ Restructuring 	<ul style="list-style-type: none"> ○ Organic growth ○ Acquisitions



Portfolio Optimizations since October 2003

Steel

GalvaSud (BR)	Disposal
Röhrenwerke Fuchs (D)	Disposal
SWB (D)	Disposal

Automotive

MB Lenk Group (D)	Acquisition
Darcast (UK)	Disposal
Bertrandt (D)	Acquisition*

Elevator

Dong Yang Elevator (South Korea)	Acquisition
Elevator Service 1 (Singapore)	Acquisition
Bonfedi (I)	Acquisition
Elevator Technologies (N. Zealand)	Acquisition

* Stake of 25.2%

Technologies

Novoferm (D)	Disposal
Sheffield Automation (USA)	Disposal
Foundry (USA)	Closure
Inventa-Fischer (CH)	Acquisition

Services

Triaton Group (D)	Disposal
TRT (D)	Unwinding



Portfolio Optimization – Disposals

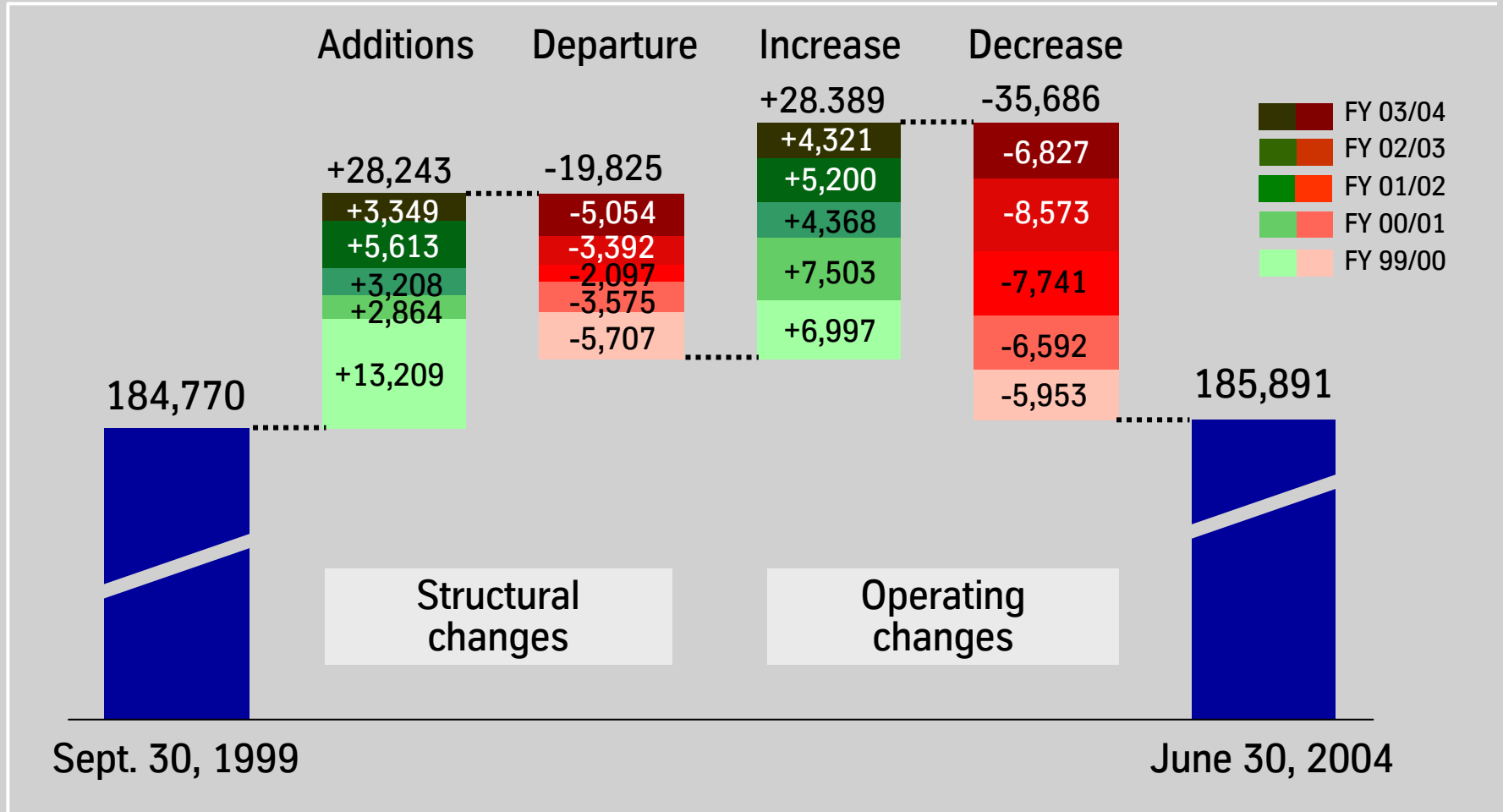
	Number of Entities	Sales (annual)	EBT (annual)	Net Financial Debt	Pension Obligations	Employees
Fiscal year 2002/03	12*	€919 m	€1 m	€242 m	€19 m	4,529
1st half 2003/04	2	€692 m	€24 m	€32 m	€83 m	4,488
3rd quarter 2003/04	1	€25 m	€0 m	€0 m	€0 m	113
Total	15	€1,636 m	€25 m	€274 m	€102 m	9,130
Subsequent Events	-	-	-	-	-	-

* incl. non-consolidated entities



Workforce ThyssenKrupp Group

Movements Sept. 30, 1999 – June 30, 2004



Q3 2003/2004 – Overview

Significant earnings jump

- **Order intake** increased to €10.6 billion, up 18% yoy
- **Sales** were €10.7 billion, up 21% from the prior-year period
- **EBT** from continuing operations improved by €270 million to €488 million, corresponding to normalized figures
- **EPS** reached €0.55 compared with €0.42 a year earlier; the normalized prior-year number was €0.23
- **Net financial payables** at €4.3 billion remained almost at September 2003 level



Highlights

- **Steel business** benefits from ongoing strong demand
 - Order intake, sales and EBT rose in all three business units
 - Mainly driven by volume and price increases plus efficiency enhancements
 - Increased raw material costs almost covered by higher steel prices

- **Services and Automotive:** Strong growth both top and bottom line
 - Restructuring efforts and portfolio measures proved effective

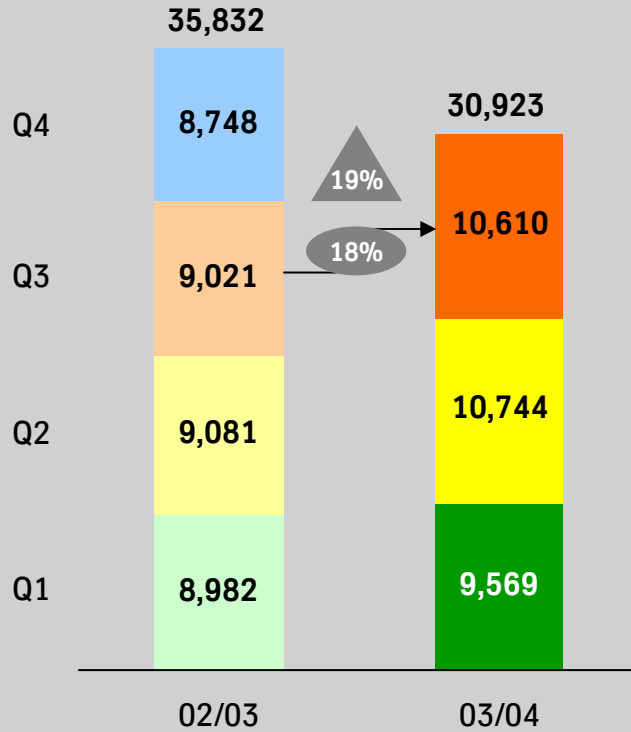
- **Portfolio optimization** proceeds
 - Sale of 49% stake in GalvaSud and 50% in Röhrenwerke Fuchs, MBO at Darcast
 - Elevator entered New Zealand service market
 - HDW: Due Diligence completed, contract negotiations proceeding well



Group (I)

Order intake

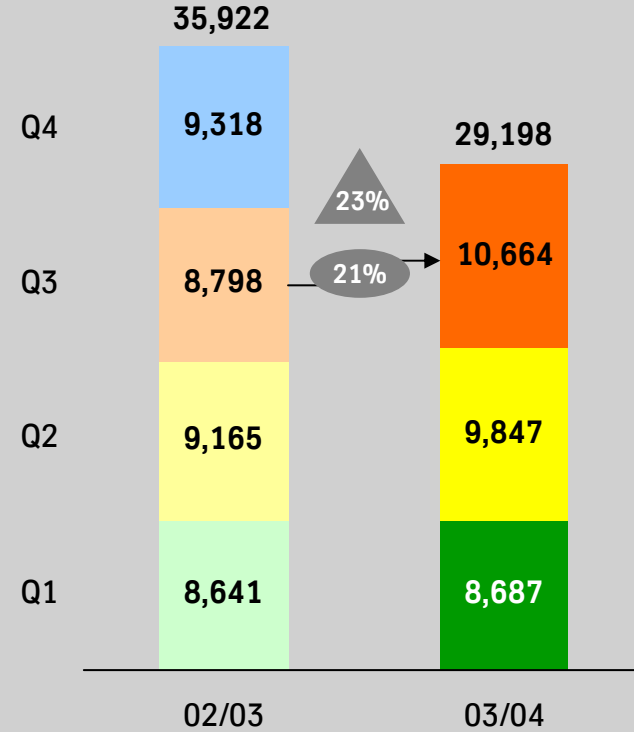
million €



▲ excluding €/ \$ exchange rate effects

Sales

million €



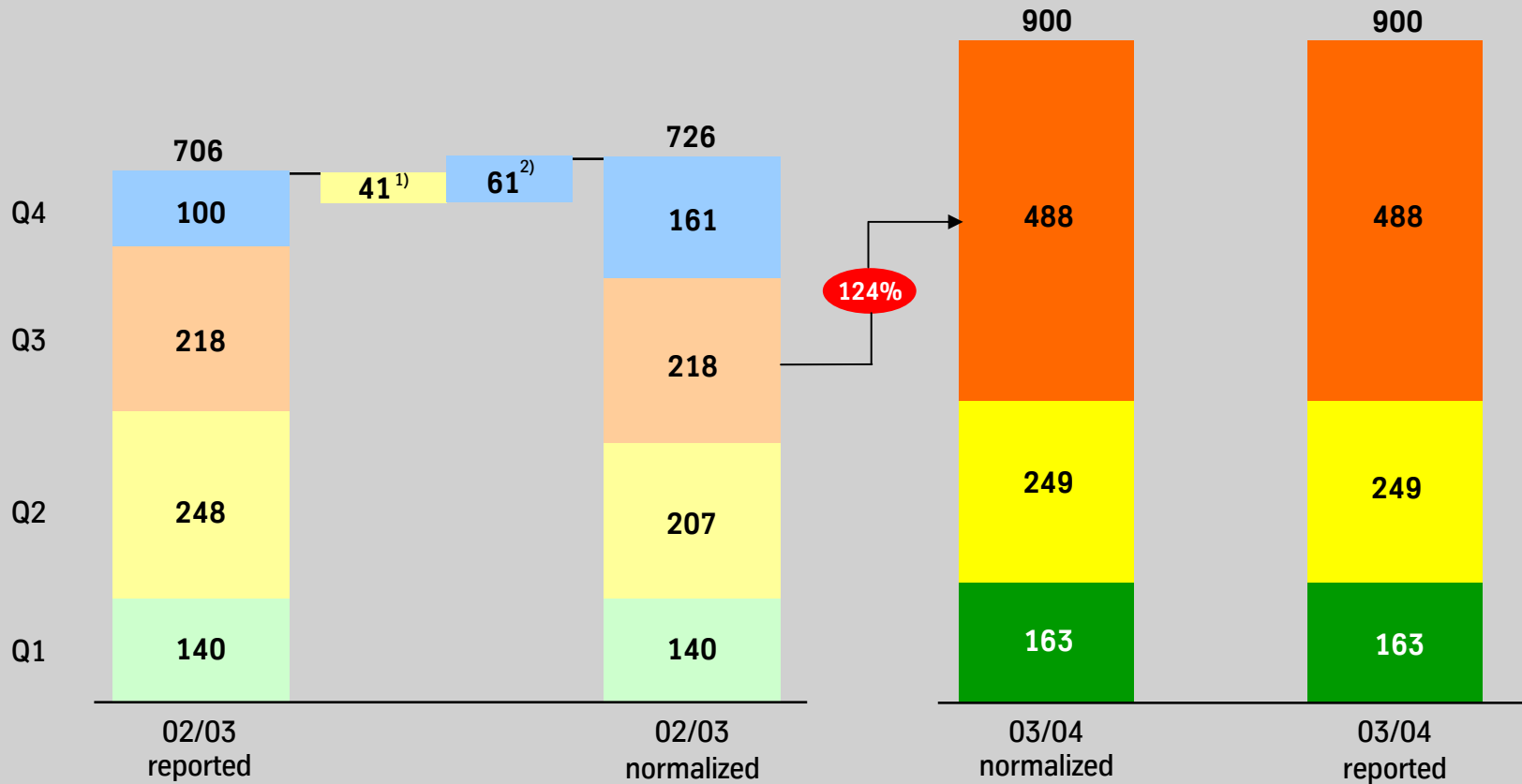
▲ excluding €/ \$ exchange rate effects



Group (II)

EBT

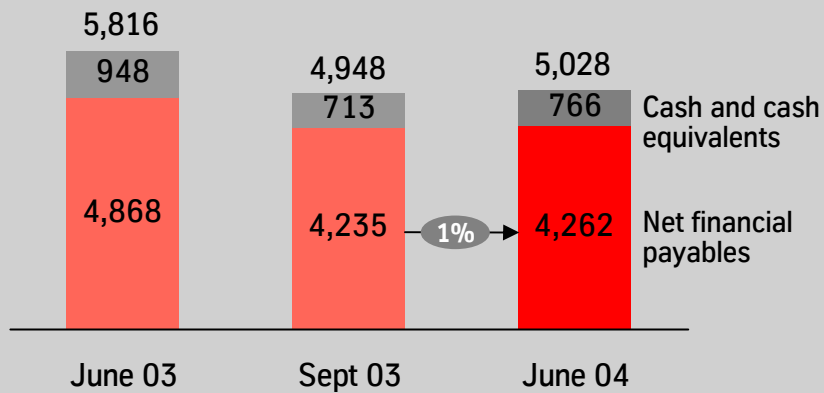
million €



Group (III)

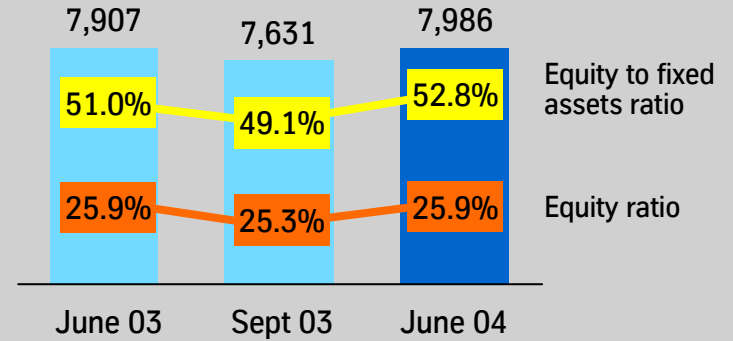
Financial payables

million €



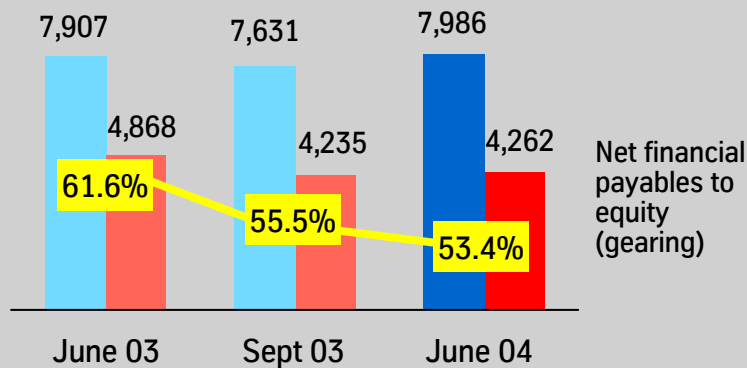
Stockholders' equity

million €



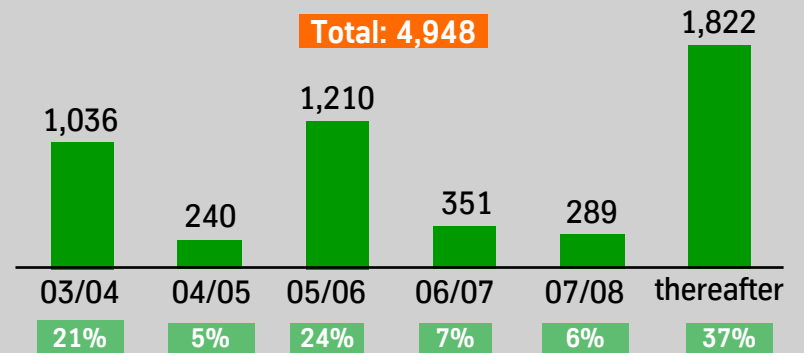
Gearing

million €



Maturity profile of gross financial payables*

million €



* as of Sept 03



Outlook

- For the **rest of fiscal 2003/2004** we expect an unchanged economic environment. The continuing risks of an economic weakening have not impacted our performance so far.

- For the **full year** we plan sales in the magnitude of roughly **€38 billion**.

- In terms of **EBT**, excluding the effects of disposals, we previously expected to come close to the **€1 billion** mark. Based on the recent very good performance of Steel and the improvements at Services and Automotive, we now aim to come as close as possible to our medium-term target of **€1.5 billion**.



Conclusion

- ThyssenKrupp: Focused industrial group based on 3 pillars, combining value and growth components
- Clear strategic direction: Portfolio optimization will be stepped up
- Cross-segment development: Driver for technological innovations



Financial Calendar 2004/2005

- October 25, 2004 Quiet Period
to November 30, 2004
- December 1, 2004 Annual Press Conference
Analysts' and Investors' Meeting (Essen, Germany)
- January 21, 2005 Annual General Meeting
- January 24, 2005 Payment of dividend for fiscal year 2003/04
- January 25, 2005 Quiet Period
to February 11, 2005
- February 14, 2005 Interim Report 1st quarter 2004/05 (October to December)
Conference Call with Analysts and Investors



Financial Calendar 2005

-
- April 25, 2005 to May 12, 2005 Quiet Period

 - May 13, 2005 Interim Report 2nd quarter 2004/05 (January to March)

 - May 18, 2005 Analysts' and Investors' Meeting (London, UK)

 - July 25, 2005 to August 11, 2005 Quiet Period

 - August 12, 2005 Interim Report 3rd quarter 2004/05 (April to June)
Conference Call with Analysts and Investors
-



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