



Capital Goods Conference
Commerzbank

Frankfurt/Main
May 23, 2006

ThyssenKrupp



Agenda

Dr. Ulrich Middelman

Vice Chairman of the Executive Board of ThyssenKrupp AG

-
- Group Overview
-
- Strategy of the Group
-
- Steel meets the International Challenges
-
- Appendix
-



ThyssenKrupp – Geared Towards Sustainable Profitable Growth

- Manage value systematically by concentrating on high-performance business areas and active portfolio management
- Strengthen customer and service orientation
- Expand technological and innovative capabilities
- Make optimal use of potential within the Group
- Targeting for the best result ever in 2006



ThyssenKrupp Group 2004/2005

ThyssenKrupp AG

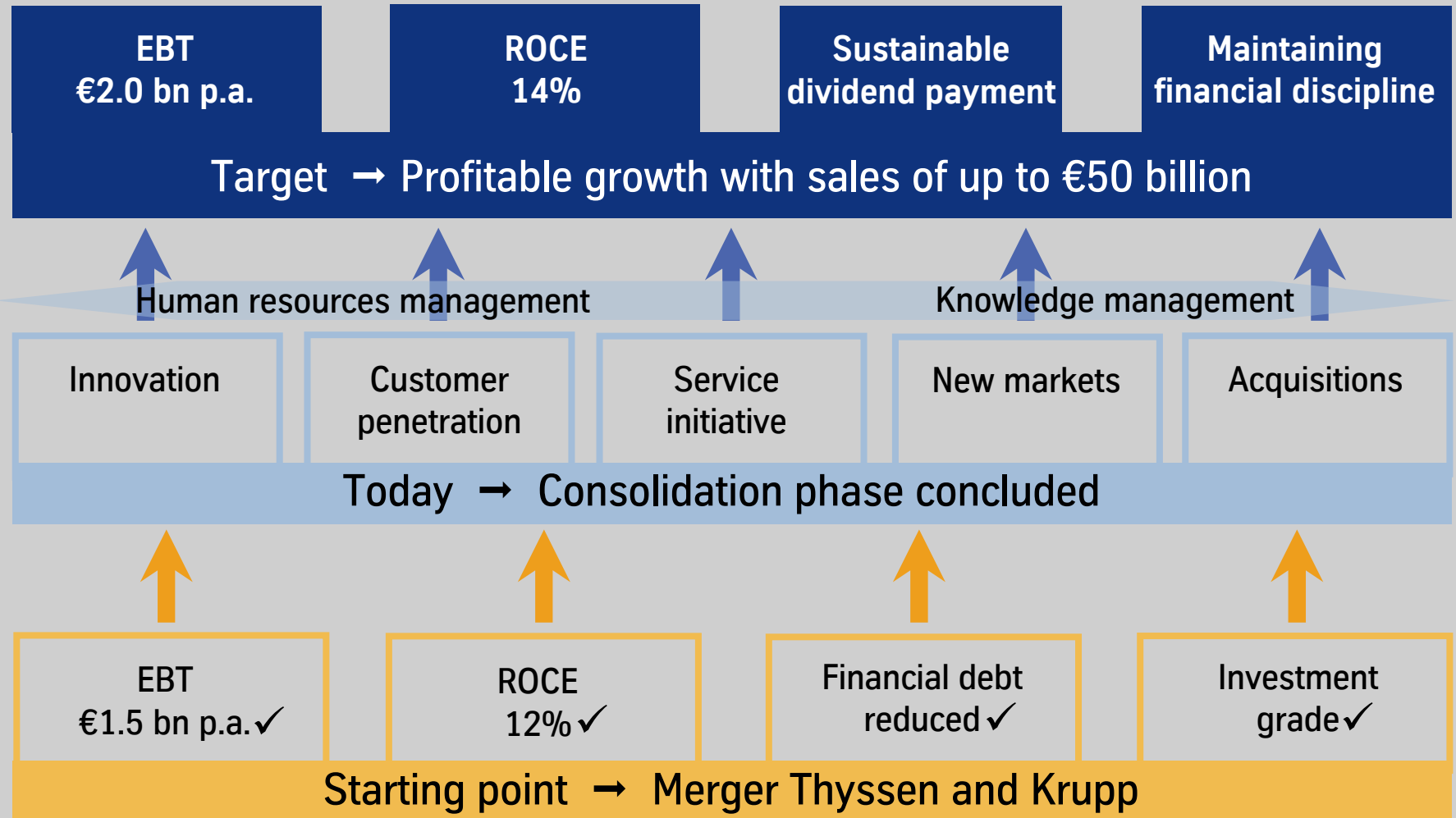
Group sales €42.9 billion • EBT €1,677 million • TKVA* €955 • Employees 185,932

Steel		Stainless		Automotive		Technologies		Elevator		Services	
Sales	€9.6 bn	Sales	€5.6 bn	Sales	€7.9 bn	Sales	€5.8 bn	Sales	€3.8 bn	Sales	€12.7 bn
EBT	€1,094 m	EBT	€286 m	EBT	€118 m	EBT	€40 m	EBT	€355 m	EBT	€261 m
TKVA	€593 m	TKVA	€68 m	TKVA	€-47 m	TKVA	€-204 m**	TKVA	€238 m	TKVA	€50 m
Empl.	31,634	Empl.	12,201	Empl.	43,537	Empl.	28,042	Empl.	34,151	Empl.	35,067
<ul style="list-style-type: none"> • Steelmaking • Industry • Auto • Processing 		<ul style="list-style-type: none"> • Nirosta • Acciai Speciali Terni • Mexinox • Shanghai Krupp Stainless • Stainless Int. • VDM 		<ul style="list-style-type: none"> • Chassis • Body • Powertrain 		<ul style="list-style-type: none"> • Plant Technology • Marine Systems • Mechanical Engineering • Transrapid 		<ul style="list-style-type: none"> • 4 regional business units • Accessibility • Escalators/ Passenger Boarding Bridges 		<ul style="list-style-type: none"> • Materials Services Europe • Materials Services North America • Industrial Services • Special Products 	
Steel				Capital Goods				Services			

Inter-segment sales unconsolidated; employees as at Sept 30, 2005 * ThyssenKrupp Value Added ** impacted by disposal loss of MetalCutting

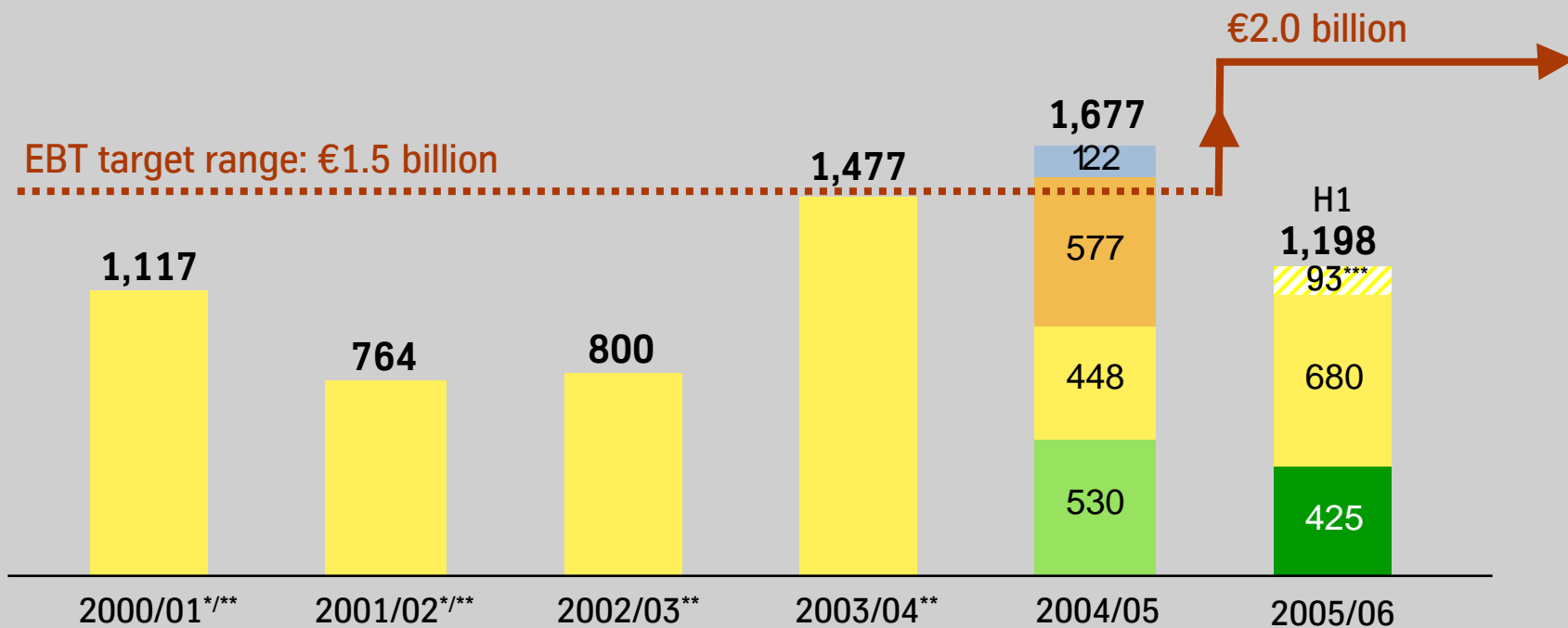


ThyssenKrupp – Growth Strategy



EBT – Track Record and Mid-term Target

EBT million €



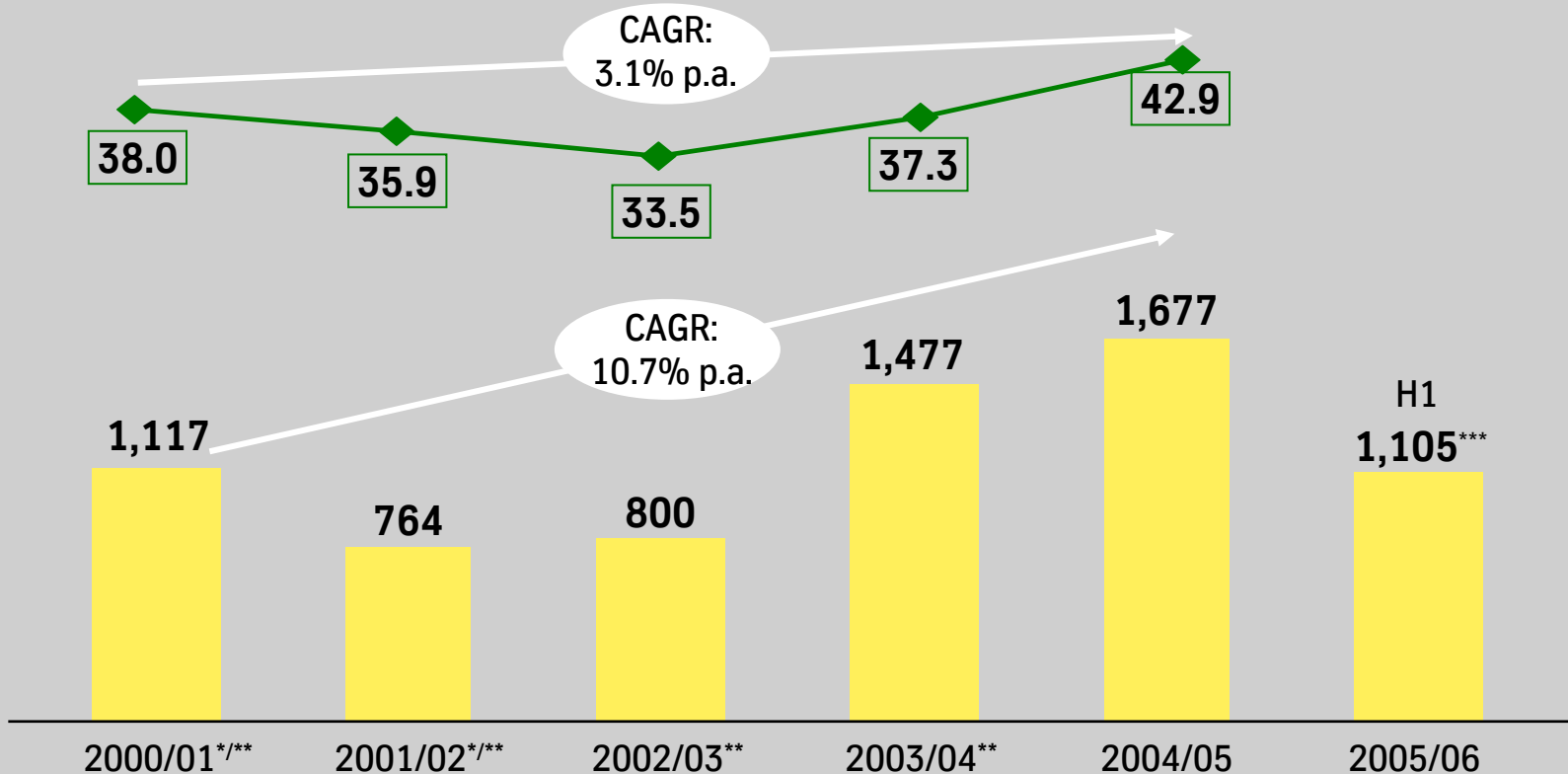
* not adjusted for discontinued operations ** US GAAP *** break fee Dofasco €+142m and asset impairment Kitchener €-49m



Efficiency Enhancement – Track Record

Sales and EBT

billion € / million €



* not adjusted for discontinued operations

** US GAAP

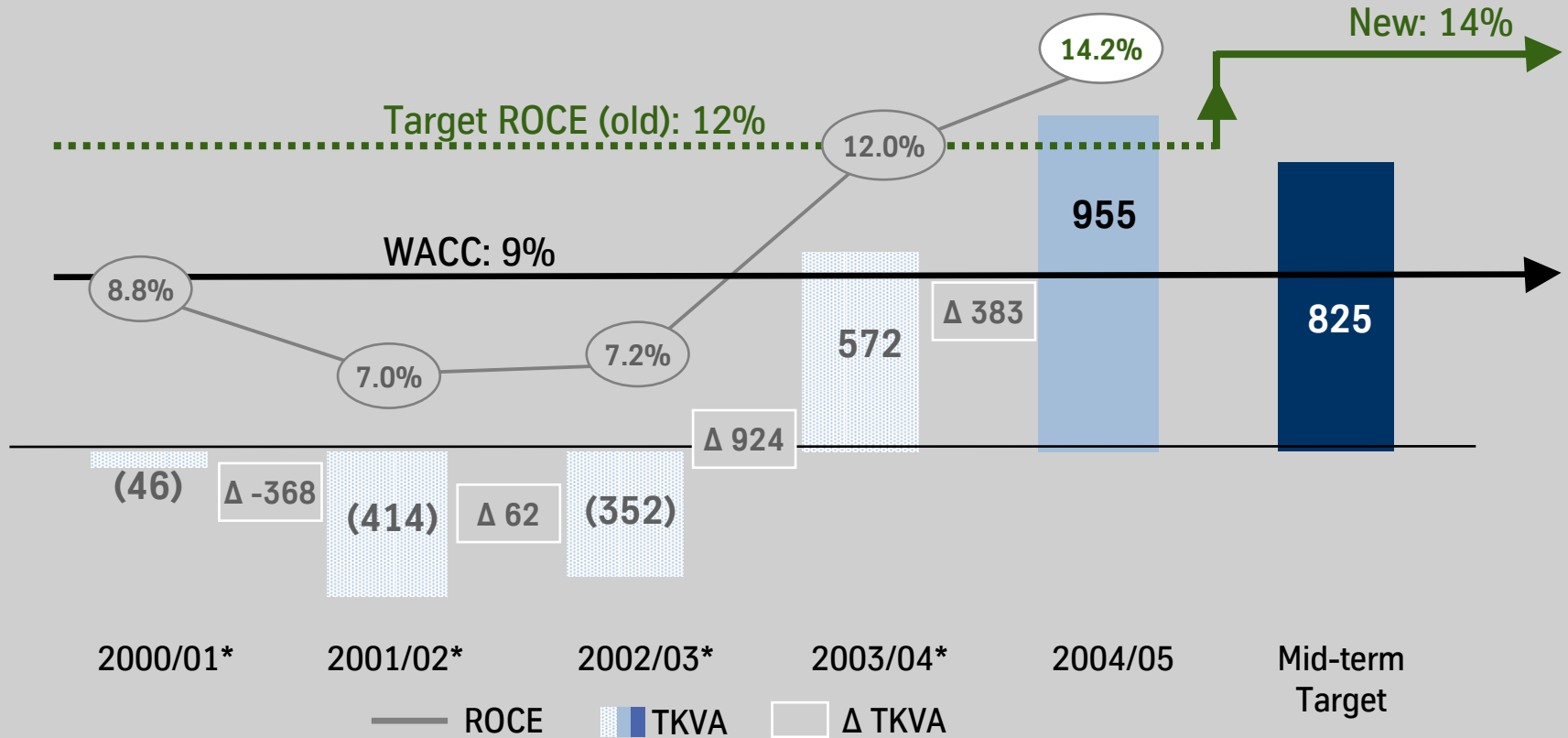
*** before nonrecurring items



Value Indicators – Track Record and Mid-term Target

ROCE and ThyssenKrupp Value Added

% / million €



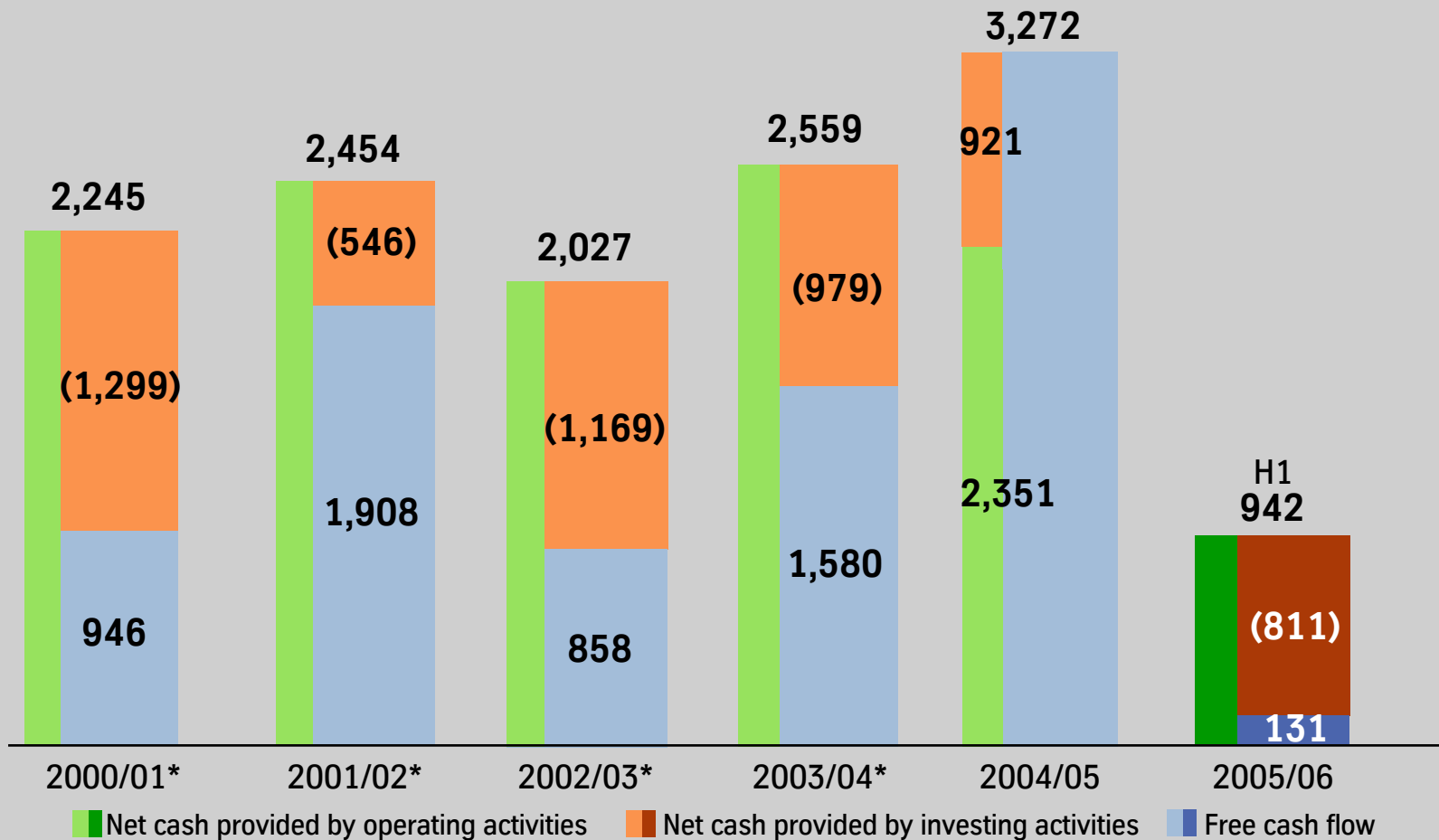
* US GAAP



Cash Flow – Track Record

Net cash provided by operating and investing activities, free cash flow

million €



* US GAAP



Overview of Segment Strategies

Steel	<ul style="list-style-type: none"> • Clear strategy to enter NAFTA market with focus on high value-added products • Secure growth opportunities by utilizing low-cost slabs from Brazil • Expand strong European market position
Stainless	<ul style="list-style-type: none"> • Further concentration on high-quality stainless steel products and nickel-base alloys • Customer focus through strong delivery performance and distribution network • Downstream expansion in high-profit growth markets
Automotive	<ul style="list-style-type: none"> • Focus more on consolidation, especially restructuring of North American activities • Strengthen global market position for competitive products • Screening future growth opportunities: business in Asia/with Asian OEMs
Technologies	<ul style="list-style-type: none"> • Strengthen 3 highly profitable business units and expansion of service business • Focus on activities with clear growth potential • Sustainable value creation and generation of cash flow
Elevator	<ul style="list-style-type: none"> • Continuing growth through further acquisitions • Increasing market share globally and locally, especially Asia and Eastern Europe • Developing and introducing innovative products and focus on modernization business
Services	<ul style="list-style-type: none"> • Growth through integrated services to further dampen volatility of business • Expansion through organic growth and acquisitions, especially Eastern Europe and North America



Innovations Pave the Way to Success

Elevator

*ThyssenKrupp
Innovation Award
2003 (1st)*

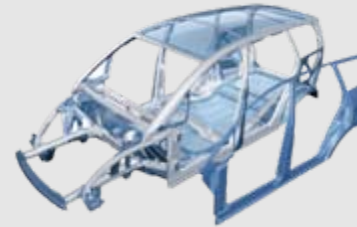
TWIN® elevator



- Production-ready elevator system with two independent cabs in one shaft
- Higher transportation performance using fewer shafts
- Reference projects: ThyssenKrupp headquarters and University of Stuttgart commercial projects: e.g. BMW Group headquarters

Steel

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

Automotive

*ThyssenKrupp
Innovation Award
2004 (1st)*

Technologies

Ammonia plant



- The Dual Pressure Process aimed at a significant increase in plant capacity with simultaneous reduction of the scale-up risk by applying referenced equipment
- Plant capacity increased by 65%, energy consumption to be reduced by around 5%

*ThyssenKrupp
Innovation Award
2004 (2nd)*

Technologies

EnviNOx®



- Reduction in greenhouse gases through almost complete elimination of harmful nitrogen oxides (NOx) and laughing gas (N2O)
- First large-scale implementation completed in Linz, Austria (2003)

*ThyssenKrupp
Innovation Award
2005 (1st)*



ThyssenKrupp Steel Meets the International Challenges



Globalization of Customers



Worldwide Consolidation of the Steel Industry



Raw Material Markets in flux

Value Creation



Efficiency Improvements

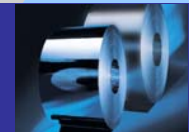


Technology Leadership



Strong Growth Perspective

Focus on High Value Added Flat Steel Products



Same Quality of Pre-Processed Material Worldwide

Automotive



Pioneer in Globalization

Home Appliances



Cost Pressure led to Globalization

Packaging



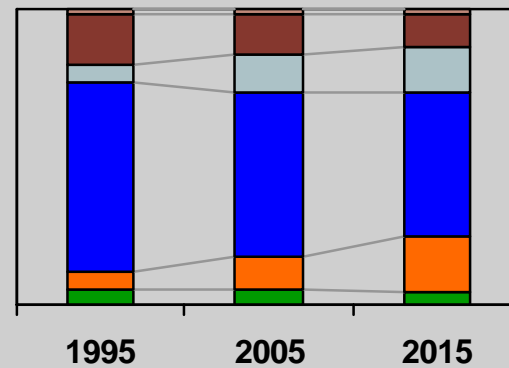
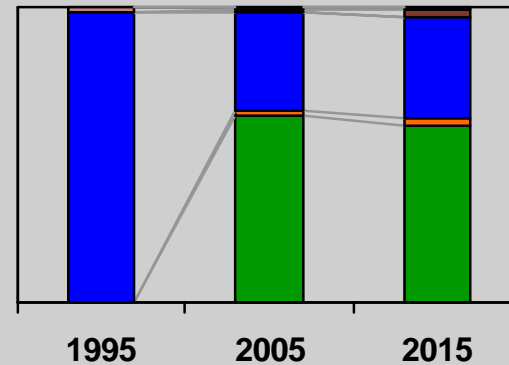
Already at High Level of Concentration

Mech. Engineering



Driven by an International Clientel

DAIMLERCHRYSLER



- Production cars & trucks:
- ROW
 - S. America
 - E.Europe
 - W.Europe
 - Asia/Pacific
 - NAFTA

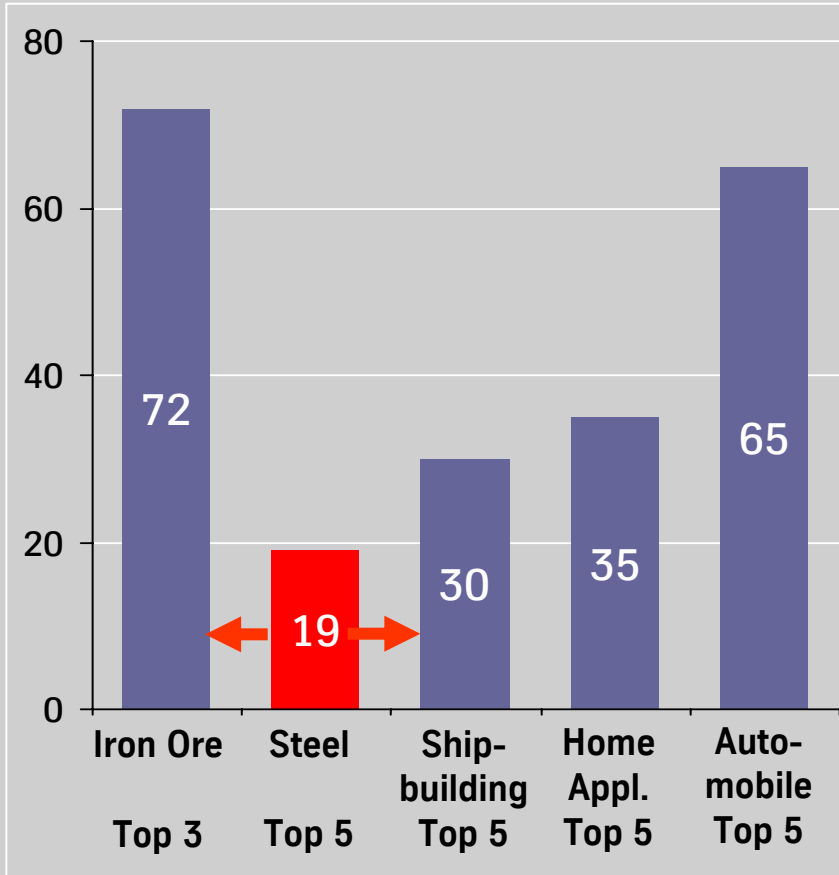
Follow the Customer as a Strategic Necessity

Source: DRI Global Insight; MS; WMA; Company information; Broker reports; Press search; BCG analysis

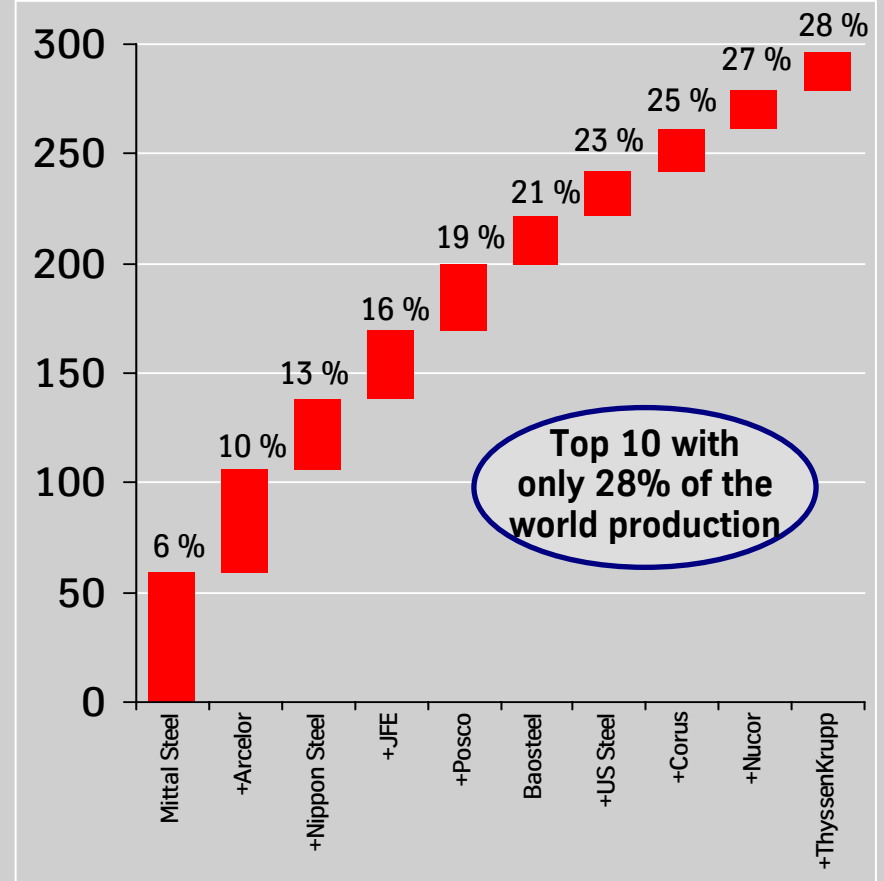


„Sandwich-Position“ of the Steel Industry Forces Consolidation

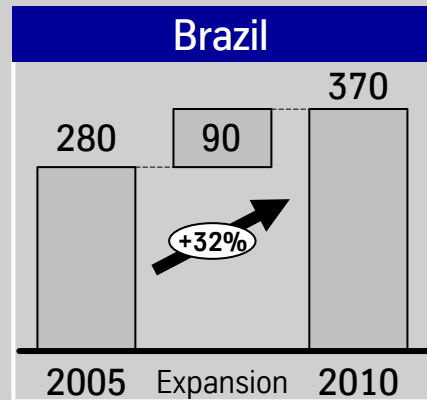
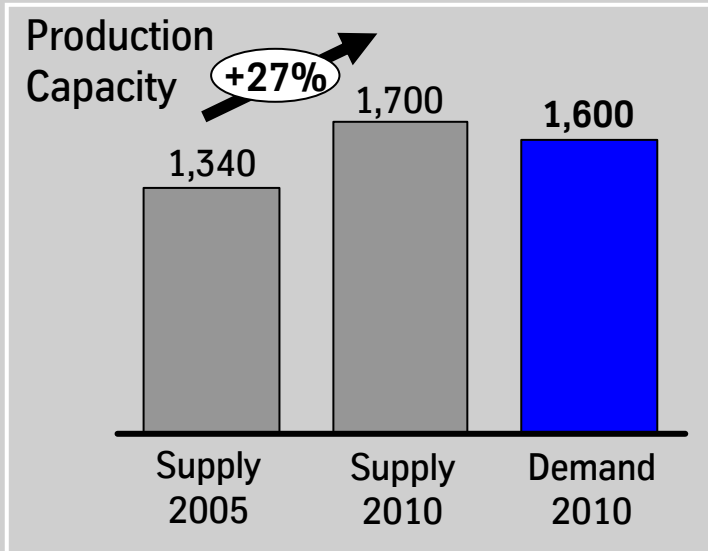
World-Market Shares in %



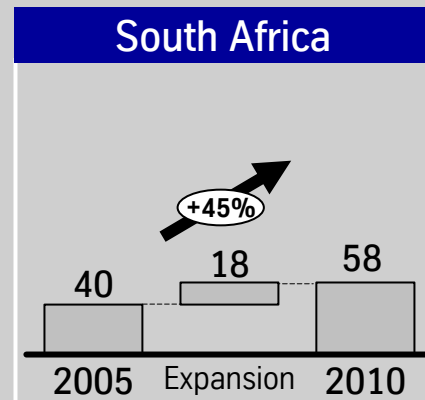
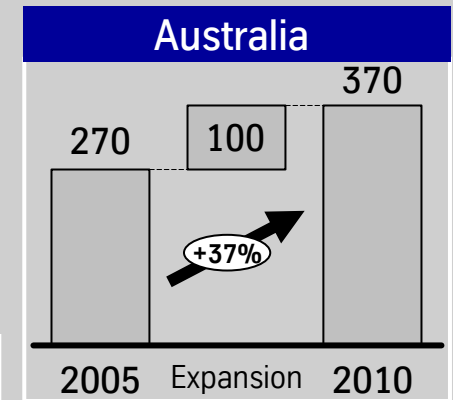
mn t Crude Steel Production 2004



New Capacities Lead to a Balanced Iron Ore Supply-Demand Level



Worldwide Expansion Projects



Sources: IISI, RAMCO Expert Group

Indication for Price Reduction of Iron Ore in Mid-term Scenarios



ThyssenKrupp Steel Meets the International Challenges



Globalization of Customers



Worldwide Consolidation of the Steel Industry



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Efficiency Improvements

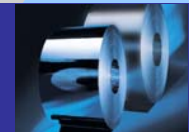


Technology Leadership



Strong Growth Perspective

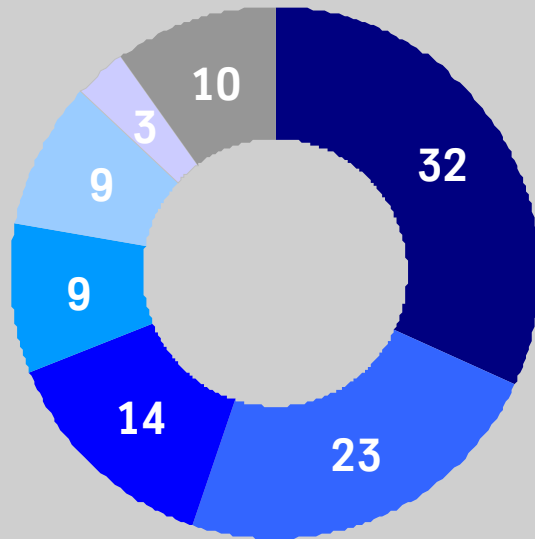
Focus on High Value Added Flat Steel Products



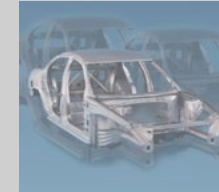
Customers with High Quality Requirements in Flat Carbon Steel

Steel: Sales by Industry FY 2004/05

in %



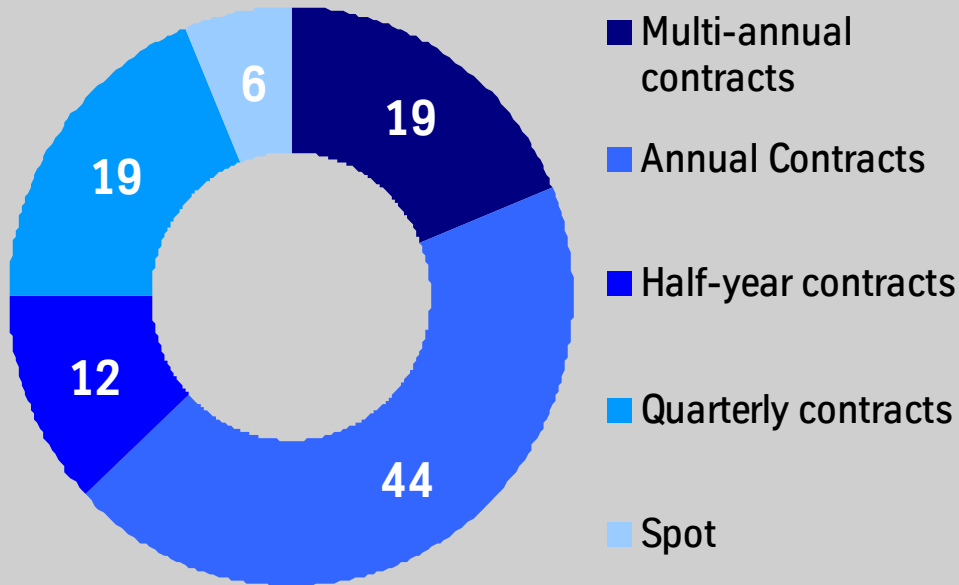
- Automotive industrie (incl. suppliers)
- Steel and steel-related-processing
- Trade
- Packaging
- Engineering & plant construction
- Construction
- Other



Long-term Relationships Foster Sustainable Value Performance ...

Steel: Sales by maturity (FY 2004/05)

in %



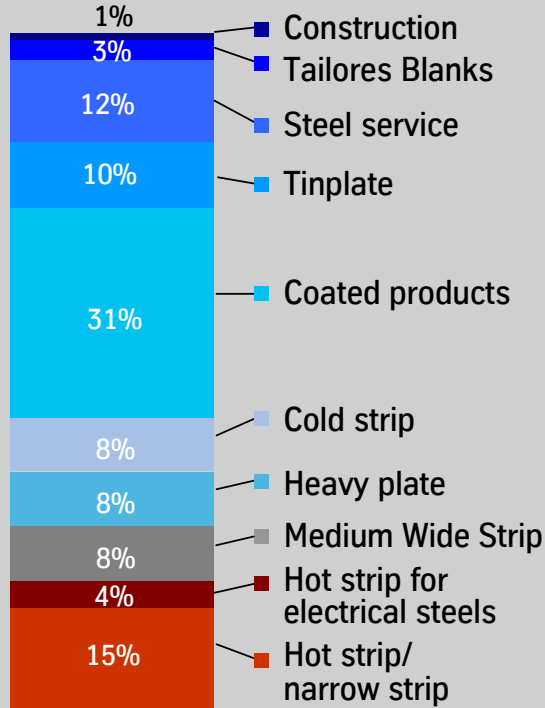
- Customer relationship in focus
- 63% long-term contract exposure as an indicator of reliability and trustworthiness
- Short-term business not an opportunity business

Price premium over the cycle



High Value Added Products Strengthen Market Position ...

Product Portfolio Steel (FY 04/05)*



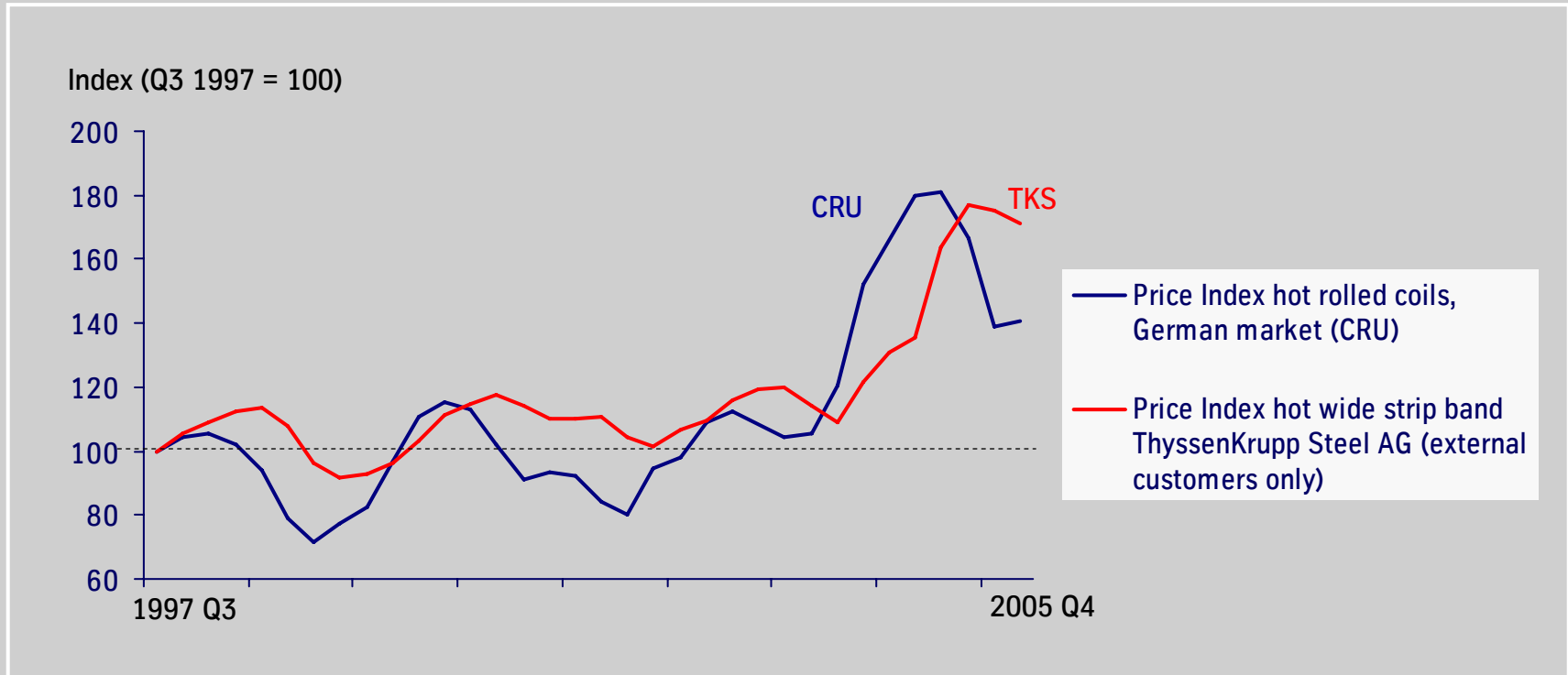
* shipments of flat products only

- Full product range in flat carbon steels
- Permanent development of new grades and products
- Joint R&D with major customers

Secures dealing in a premium market



... Lead to Lower Earnings Volatility at ThyssenKrupp Steel



Sources: CRU, own calculations based on CRU
TKS

all data incl. Q4 2005



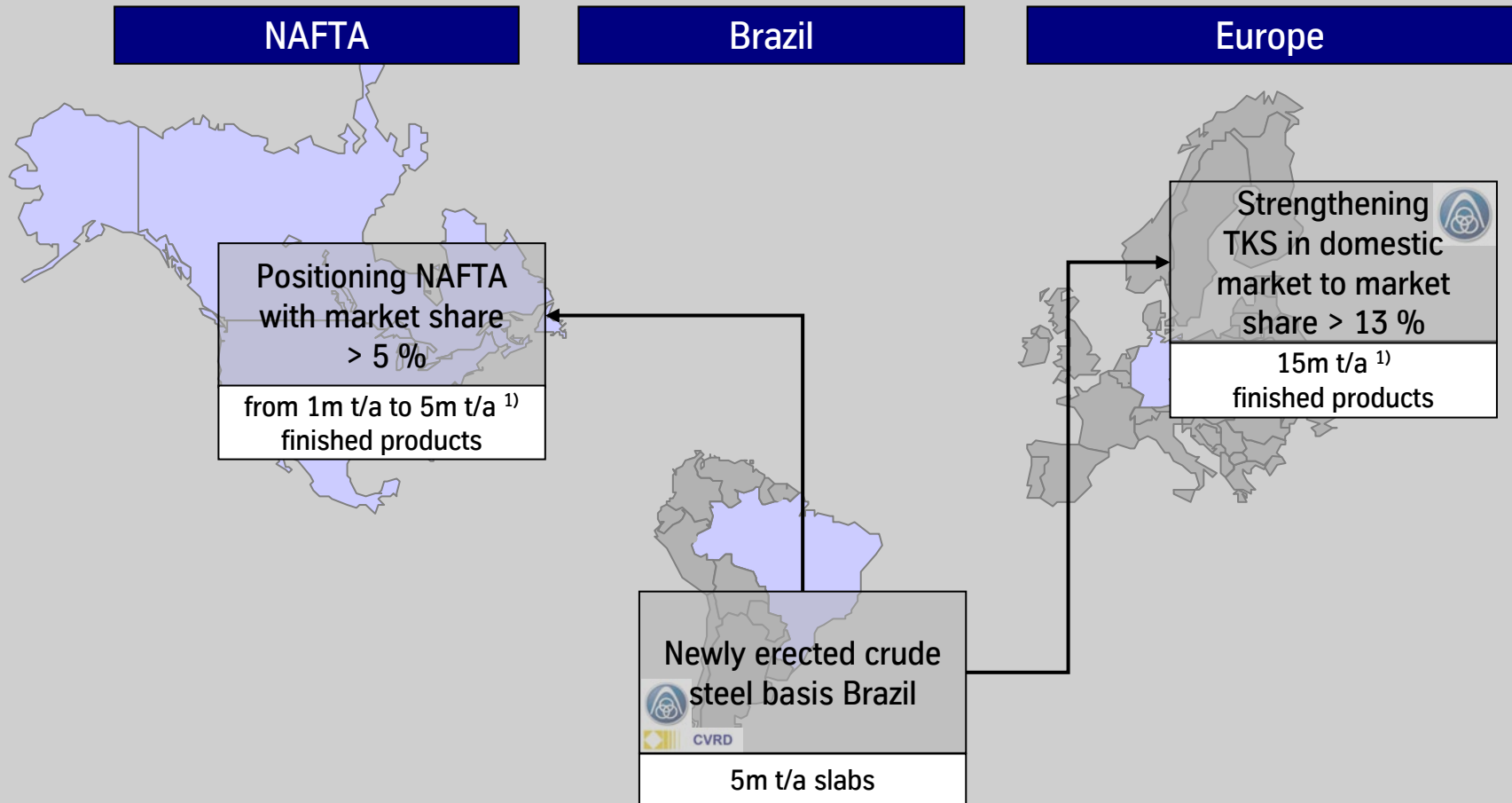
ThyssenKrupp Sticking to Global Growth Strategy for Steel

Strategy for growth in Europe and the NAFTA region

- Expand strong European market position
- Secure future growth opportunities by utilizing low-cost slabs from Brazil
- Strengthen presence in North America as a core market for high-value products



Global Strengthening in the Market of High-Quality Flat Steels



1) With own crude steel basis, strengthened by slab imports from CSA



Conclusion

- **ThyssenKrupp:**
Focused industrial group based on 3 pillars,
combining value and growth components

- **Strategic direction:**
From consolidation to controlled profitable growth

- **Strategic drivers:**
Innovation, service initiative, human resources development



Financial Calendar 2006/2007

- July 25, 2006 to August 10, 2006 Quiet Period
- August 11, 2006 Interim Report 3rd quarter 2005/2006 (Apr to Jun)
Conference call with analysts and investors
- October 25, 2006 to November 30, 2006 Quiet Period
- December 1, 2006 Annual Press Conference
Analysts' and Investors' Meeting (Essen, Germany)
- January 19, 2007 Annual General Meeting (Bochum, Germany)
- February 13, 2007 Interim Report 1st quarter 2006/2007 (Oct to Dec)
Conference call with analysts and investors
- May 11, 2007 Interim Report 2nd quarter 2006/2007 (Jan to Mar)



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To be added to the IR mailing list, send us a brief e-mail with your details!



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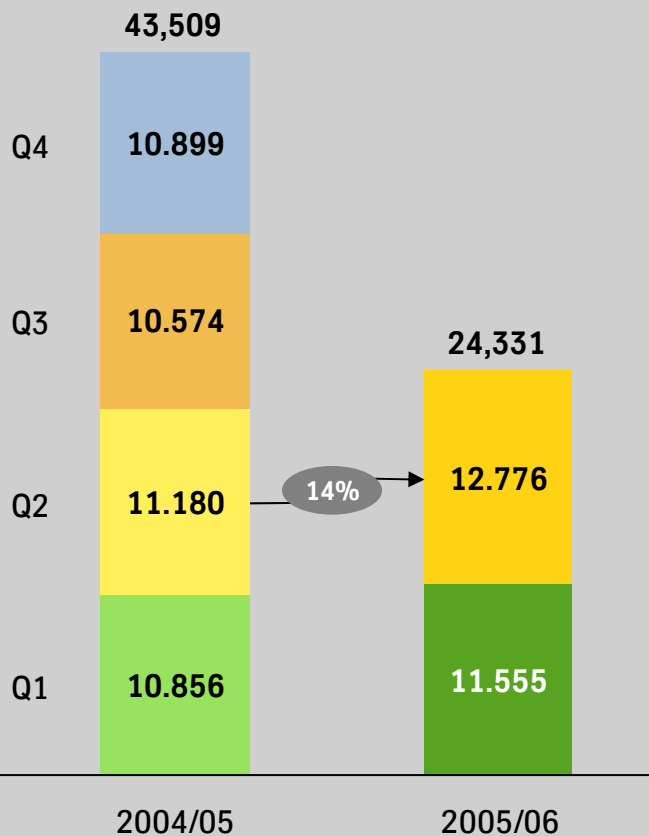
Appendix



Group in Figures (I)

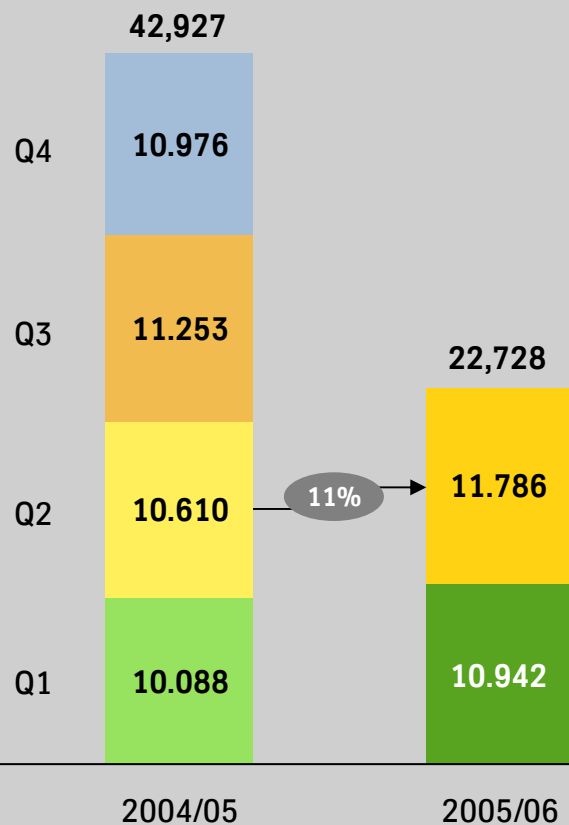
Order intake

million €



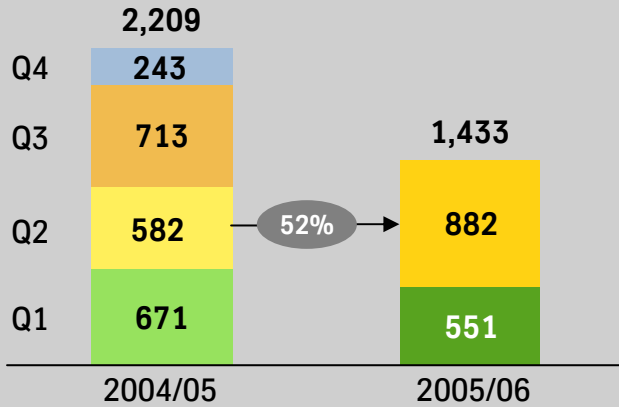
Sales

million €

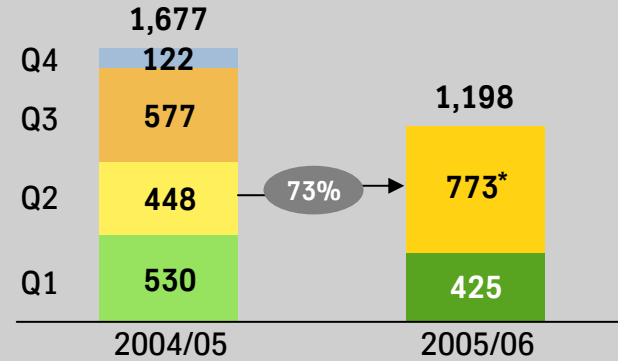


Group in Figures (II)

EBIT million €

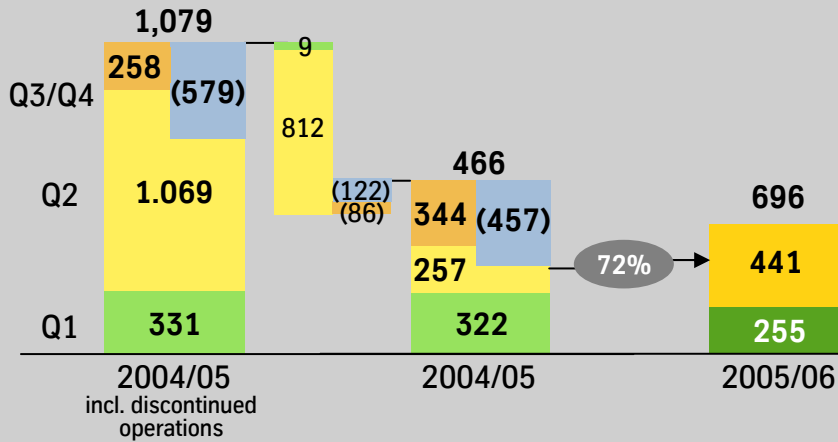


EBT million €

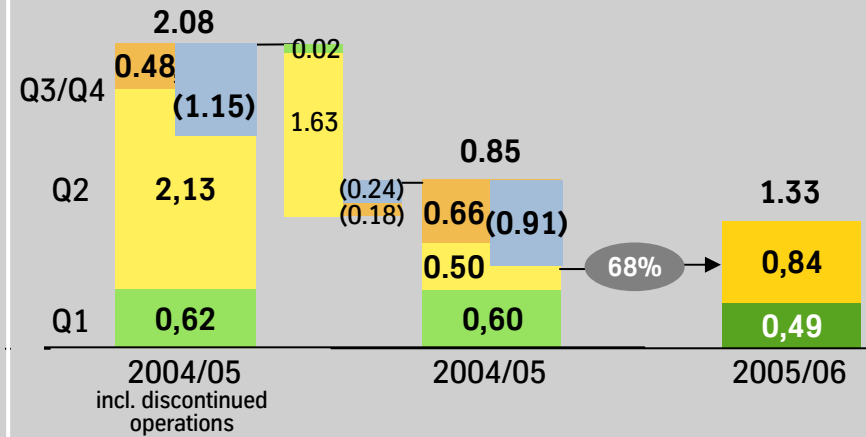


* incl. break fee Dofasco €+142m and asset impairment Kitchener €-49m

Net income million €

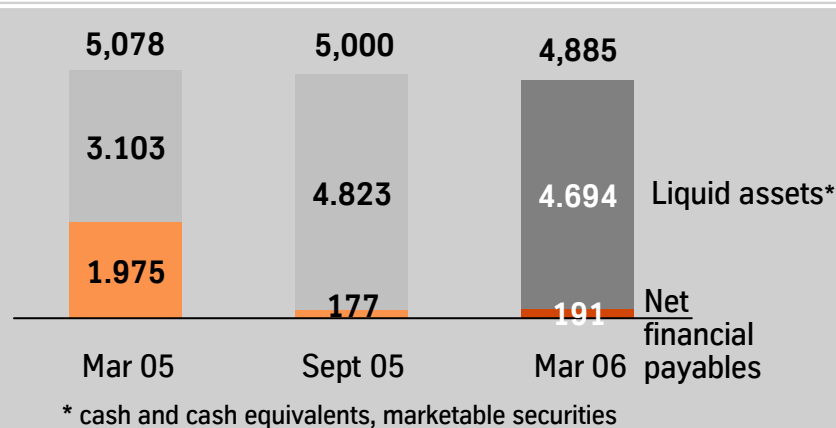


Earnings per share €

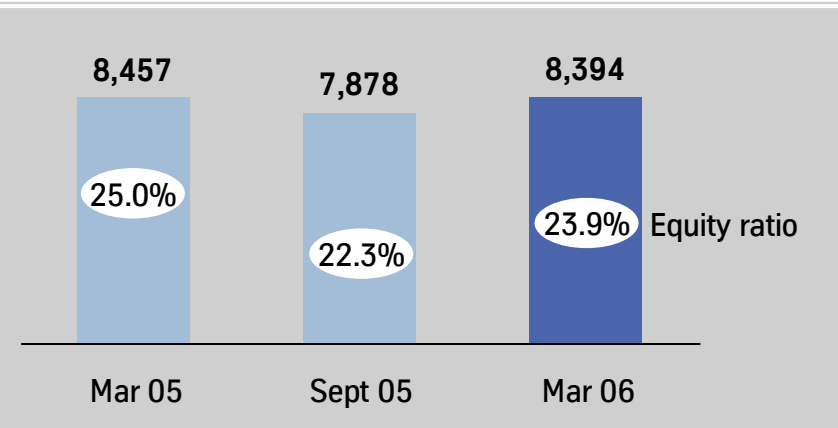


Group in Figures (IV)

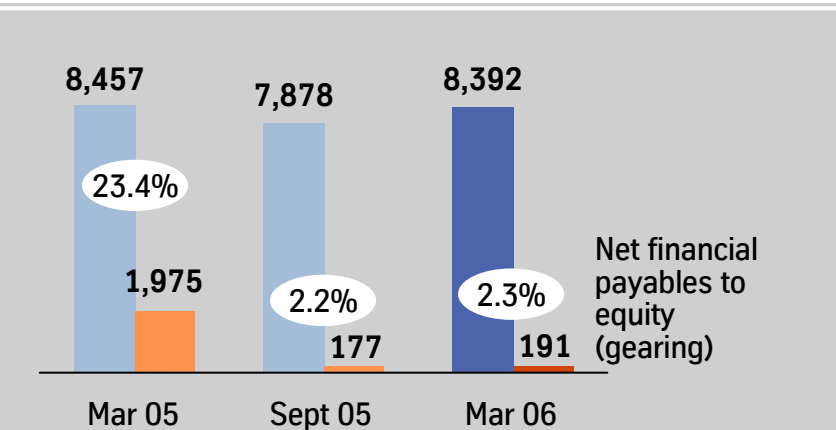
Financial liabilities million €



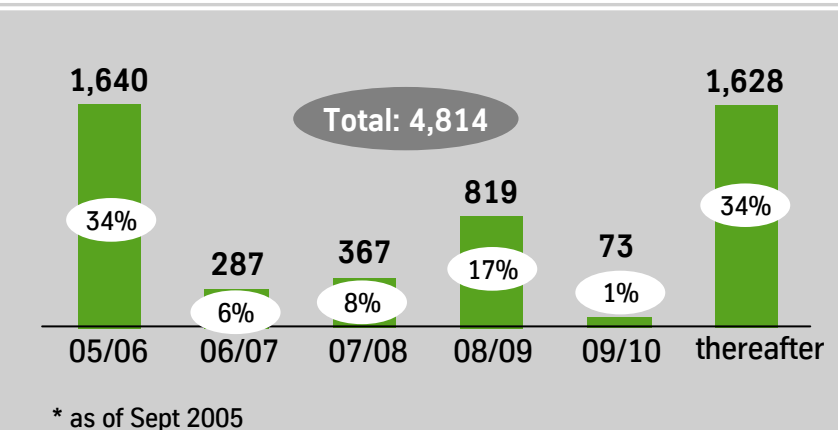
Stockholders' equity million €



Gearing million €



Maturity profile of gross financial payables* million €



Group Overview (I)

		2nd quarter 2004/2005	2nd quarter 2005/2006	Change	Change in %
Order intake	€m	11,180	12,776	1,596	14.3
Sales	€m	10,610	11,786	1,176	11.1
EBITDA	€m	963	1,278	315	32.7
EBIT	€m	582	882	300	51.5
EBT	€m	448	773	325	72.5
Income from continuing operations	€m	257	441	184	71.6
EPS from continuing operations	€	0.50	0.84	0.34	68.0
Net income	€m	1,069	441	-628	-58.7
EPS	€	2.13	0.84	-1.29	-60.6



Group Overview (II)

		2nd quarter 2004/2005	2nd quarter 2005/2006	Change	Change in %
Capital expenditures*	€m	580	492	-88	-15.2
Depreciation/amort.	€m	381	396	15	3.9
Operating Cash flow	€m	324	883	559	+
Free cash flow	€m	2,211	517	-1,694	-76.6
Employees	(Mar 31)	186,930	187,997	1,067	0.6

* incl. financial investments



Segment Overview – Steel (I)

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	2,372	2,945	573	24.2
Sales	€m	2,359	2,711	352	14.9
EBITDA	€m	416	575	159	38.2
EBIT	€m	275	433	158	57.5
EBT	€m	258	416	158	61.2
Free cash flow	€m	108	321	213	+
Employees	(Mar 31)	31,390	30,294	-1,096	-3.5

- **Orders** and **sales** up by volume and revenues on the back of strong underlying demand and accumulation of low inventory levels; volume of orders booked higher than production capacity
- Major **sales** growth at Auto business unit reflecting price rises of renegotiated long-term contracts; grain-oriented electrical steel business performing exceptionally well with significantly higher shipments and revenues
- Crude steel production down yoy due to fire at HKM in January, but with no negative effect on shipments
- Clear increase in **EBT** benefiting from long-term contract exposure; mainly at Auto and Processing business units (electrical steel with biggest contribution); Industry business unit impacted mainly by higher costs
- Further price increases announced for April (€20-40/t) and July (€30-50/t)



Segment Overview – Steel (II)

Stainless

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,388	2,096	708	51.0
Sales	€m	1,385	1,626	241	17.4
EBITDA	€m	149	105	-44	-29.5
EBIT	€m	114	69	-45	-39.5
EBT	€m	97	52	-45	-46.4
Free cash flow	€m	35	181	146	+
Employees	(Mar 31)	12,328	12,143	-185	-1.5

- Rise in **order intake** (volume-wise +62%) and shipments due to significant increase in demand and lively restocking; orders in hand cover four months at European plants
- Restrained **sales** growth mainly due to lower base prices yoy; VDM (nickel-base alloys) again with high growth rates on sustained demand
- Decrease in **EBT** reflecting lower average base prices yoy and higher costs for energy and transportation; VDM again as main earnings contributor
- Following an all-time low in the calendar 4th calendar quarter 2005, base price increases were implemented in the main markets



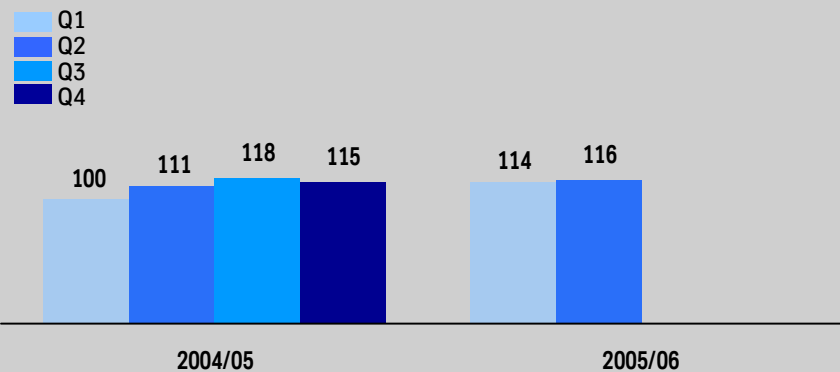
Segment Overview Steel: Output, Shipments and Revenues per Ton

Crude steel output and shipments

in 1,000 tons	2nd quarter		Change	Change in %
	2004/2005	2005/2006		
Crude steel output*	4,225	4,011	-214	-5.1
• Steel	3,551	3,338	-213	-6.0
• Stainless	674	673	-1	-0.1
Shipments				
• Steel total	3,136	3,633	497	15.8
• Steel CR	2,180	2,567	387	17.8
• Steel HR	956	1,066	110	11.5
• Stainless total	542	698	156	28.8
• Stainless CR	380	484	104	27.4
• Stainless HR	104	133	29	27.9

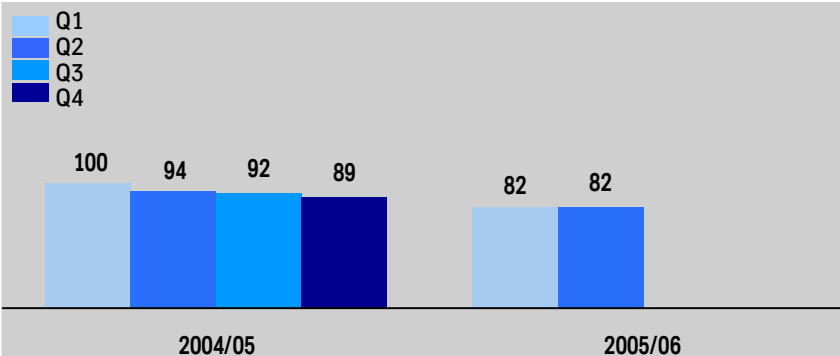
Steel: Average revenues per ton

Q1 2004/2005 = 100



Stainless: Average revenues per ton*

Q1 2004/2005 = 100



* CR 304, Germany, incl. alloy surcharge



Segment Overview – Capital Goods (I)

Automotive

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,927	2,064	137	7.1
Sales	€m	1,964	2,165	201	10.2
EBITDA	€m	168	153	-15	-8.9
EBIT	€m	94	20	-74	-78.7
EBT	€m	67	(10)	-77	--
Free cash flow	€m	(31)	(22)	9	--
Employees	(Mar 31)	44,221	42,610	-1,611	-3.6

- Higher **order intake** and **sales** despite continuing difficult market environment and disposals; increase in sales mainly at Chassis business unit (system business: ramp up of new plant in Leipzig; suspension unit: launch of new models in Europe and the US)
- **EBT** negatively impacted by impairment loss of €49 m for Kitchener plant; all business units with double-digit profit at operating level; prior-year figure includes profits and disposal gain of sold Alu Castings (€41 m)
- Restructuring of North American activities continued: asset impairment for Kitchener plant (BU Chassis), closure of Detroit plant (BU Body) before end of calendar year and shift of production to Shelbyville plant; sale of Stahl Company (aluminum castings) and Budd Plastics division initiated



Segment Overview – Capital Goods (II)

Technologies

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,732	1,503	-229	-13.2
Sales	€m	1,466	1,456	-10	-0.7
EBITDA	€m	52	106	54	+
EBIT	€m	11	71	60	+
EBT	€m	15	85	70	+
Free cash flow	€m	525	87	-438	-83.4
Employees	(Mar 31)	29,015	27,469	-1,546	-5.3

- **Order intake** impacted by slipping of major projects (Marine Systems) and disposals (Mechanical Engineering); higher orders at Plant Technology due to raw material exploration and processing projects (e.g. oil sands, coal gasification); order backlog again at €9 bn, covering more than one year's sales
- Significant improvement in **EBT** due to elimination of loss-making activities and strong business environment; all business units with double-digit profit; Mechanical Engineering again as main earnings contributor
- **Free cash flow** of prior-year quarter positively impacted by acquisition of HDW (net cash taken over)
- Further optimization of business portfolio by acquisition of Maerz Ofenbau (Plant Technology) and disposal of BVI Steam Turbine division (Mechanical Engineering)



Segment Overview – Capital Goods (III)

Elevator

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,071	1,203	132	12.3
Sales	€m	863	1,054	191	22.1
EBITDA	€m	89	114	25	28.1
EBIT	€m	76	101	25	32.9
EBT	€m	71	94	23	32.4
Free cash flow	€m	96	81	-15	-15.6
Employees	(Mar 31)	32,943	35,109	2,166	6.6

- **Order intake** and **sales** driven by increased demand for new installations (esp. in the Americas, China) and growth in service business (expansion of maintenance portfolio); Accessibility with major increase in orders and sales due to expansion of market presence; Escalators/Passenger Boarding Bridges gaining new mid-size airport and subway projects
- Rising price and cost pressure compensated by increased business volume and efficiency improvements, resulting in higher **EBT**; Americas business unit and Accessibility almost doubled profits
- With acquisition of KR Liften in the Netherlands (distribution and services), SIAR in Italy (services and modernization) and TEAM in Spain (passenger boarding bridges) continuation of “small step” growth approach



Segment Overview – Services

Services

		2nd quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	3,136	3,752	616	19.6
Sales	€m	3,077	3,383	306	9.9
EBITDA	€m	123	138	15	12.2
EBIT	€m	95	108	13	13.7
EBT	€m	78	91	13	16.7
Free cash flow	€m	(153)	(31)	122	--
Employees	(Mar 31)	33,234	39,016	5,782	17.4

- Rise in **orders** and **sales** especially at Materials Services North America and Industrial Services due to strong market environment in the US - improving demand and rising prices especially for nonferrous metals (copper, titanium, aluminum) as well as expansion of services for various industries (e.g. energy, petrochemicals, construction)
- **EBT** increased on the back of demand and price recovery, moreover enforced by efficiency enhancement programs and sales initiatives; Industrial Services with doubled profit; Materials Services Europe as main earnings contributor
- Acquisition of complementary activities to strengthen materials and industrial services business especially in North and South America (Hearn Group, VPK Metals, RIP) as well as Asia (China, Thailand, South Korea)



Objective: Profitable Growth Across all Businesses

ThyssenKrupp AG
Sales: up to €50 billion EBT: €2 billion

Product-oriented businesses
Sales: ~ €30 billion

Service-oriented businesses
Sales: ~ €20 billion

Steel	
Steel Stainless	
Sales	EBT
Objective* 16 – 17	1,270
↑	↑
2004/05*	15.1 1,380

Capital Goods	
Automotive Technologies Elevator	
Sales	EBT
Objective* 19 – 21	1,110
↑	↑
2004/05*	17.4 513

Services	
Materials and Industrial Services	
Sales	EBT
Objective* 12 – 13	375
↑	↑
2004/05*	12.7 261

* sales in €bn, EBT in €m



Disclaimer

In this presentation all figures are prepared in accordance with IFRS. Moreover the figures in the income statement refer to continuing operations unless otherwise stated.

Due to the conversion process figures included here should be seen as provisional as the IASB may still enact provisions that could be applied retroactively. The audit of the restated figures will be in conjunction with the audit of the full financial statements under IFRS for the fiscal year ending September 30, 2006.

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. ThyssenKrupp does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

