



Basic Materials Seminar
Exane BNP Paribas

London
March 22, 2006

ThyssenKrupp



Agenda

Karl-Ulrich Köhler

CEO ThyssenKrupp Steel AG and Executive Board Member of ThyssenKrupp AG

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



ThyssenKrupp – Geared Towards Sustainable Profitable Growth

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



ThyssenKrupp Group 2004/2005

ThyssenKrupp AG

Group sales: €42.9 billion • EBT: €1,677 million • Employees: 183,729

Steel	Stainless	Automotive	Technologies	Elevator	Services
<p>Sales: €9.6 bn EBT: €1,094 m Empl.: 31,576</p> <ul style="list-style-type: none"> • Steelmaking • Industry • Auto • Processing 	<p>Sales: €5.6 bn EBT: €286 m Empl.: 12,201</p> <ul style="list-style-type: none"> • Nirosta • Acciai Speciali Terni • Mexinox • Shanghai Krupp Stainless • Stainless Int. • VDM 	<p>Sales: €7.9 bn EBT: €118 m Empl.: 42,541</p> <ul style="list-style-type: none"> • Chassis • Body • Powertrain 	<p>Sales: €5.8 bn EBT: €40 m Empl.: 27,449</p> <ul style="list-style-type: none"> • Plant Technology • Marine Systems • Mechanical Engineering • Transrapid 	<p>Sales: €3.8 bn EBT: €355 m Empl.: 34,151</p> <ul style="list-style-type: none"> • 4 regional business units • Accessibility • Escalators/ Passenger Boarding Bridges 	<p>Sales: €12.7 bn EBT: €261 m Empl.: 34,835</p> <ul style="list-style-type: none"> • Materials Services Europe • Materials Services North America • Industrial Services • Special Products
Steel		Capital Goods			Services

Continuing operations; inter-segment sales unconsolidated; employees as at Sept 30, 2005



ThyssenKrupp – Consolidation Concluded

Target → Profitable growth with sales of up to €50 billion, EBT of €2 billion

Human resources management

Knowledge management

Innovation

Customer penetration

Service initiative

New markets

Acquisitions

Today → Consolidation phase concluded

EBT*
€1.5 bn p.a. ✓

ROCE
12% ✓

Fin. debt
reduced ✓

Investment
grade ✓

Starting point → Merger Thyssen and Krupp

* core business



Overview of Segment Business Strategies

Steel	<ul style="list-style-type: none">• Secure and strengthen market position in Europe• Slab production site in Brazil• Expand in China, address US market
Stainless	<ul style="list-style-type: none">• Growth through downstream strategy• Secure world market leadership
Automotive	<ul style="list-style-type: none">• Focus on innovative components and systems/solutions based on them• Growth in Asia, in particular China
Technologies	<ul style="list-style-type: none">• Focus on three high-performance BUs Plant Technology, Marine Systems and Mechanical Engineering
Elevator	<ul style="list-style-type: none">• Organic growth and operational acquisitions• Strive to achieve no. 2 ranking on world market
Services	<ul style="list-style-type: none">• Growth through integrated services (material and industrial services) across customer value chains• Regional growth focused on Eastern Europe and North America



Steel – At a Glance

Steel



- European #2 in the area of flat-rolled carbon steel, world leader in electrical steel and tailored blanks
- Structure of Duisburg site unique in Europe: capacity 17.3 million metric tons of crude steel per year
- Concentration on flat steel products with high value-added
- Targeting quality and margin leadership in Europe through portfolio optimization, investment policy and efficiency enhancement
- Innovation leadership in products and processes
- Further strengthening of international presence with production sites in the global growth markets as well as strategic alliances and cooperative ventures

Stainless – At a Glance

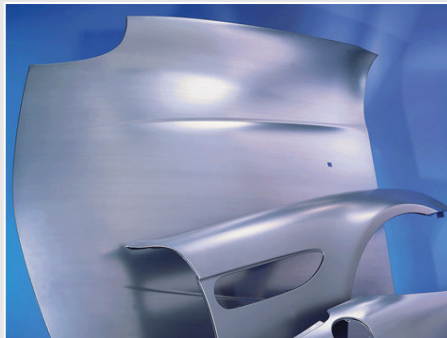
Stainless



- World's biggest producer of flat-rolled stainless steels and leading supplier of nickel-base alloys
- Global market presence through local production sites, steel service centers or distribution warehouses
- Full range of stainless, acid- and heat-resistant steels (added value for customers)
- Concentration on high-quality stainless steel products
- Systematic focus on customers expressed in strong delivery performance and consideration of individual customer needs
- Development and expansion of high-profit growth markets in Asia, North America and Eastern Europe

Capital Goods – At a Glance (I)

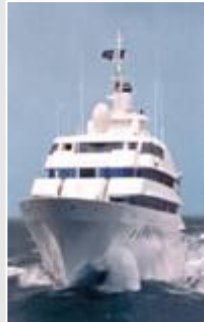
Automotive



- Aim for position amongst relevant Top 3 players
- Streamline portfolio and eliminate underperforming businesses
- Strong focus on Asia, especially China and India, to balance customer structure
- Provide creative solutions based on competitive and innovative component capabilities
- Technology leadership in product and process technologies
- Cross segment cooperation and joint product development

Capital Goods – At a Glance (II)

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

Capital Goods – At a Glance (III)

Elevator



- No. 3 on world market
- More than 800,000 service contracts worldwide
- Services share of segment sales bigger than 50%
- Continuing growth through further acquisitions and even stronger focus on services
- Increase market share globally and locally, especially in Asia and Eastern Europe
- Focus on customer and technology orientation with full range of products and services from single source

Services – At a Glance

Services



- Service provider across the customer's value chain – procurement, logistics and production-related services through to supply chain management
- Excellent market positions both in Materials Services and in Industrial Services
- 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 almost completed and restructuring on track, e.g. disposal of Facilities Services, Construction Services and IT business (Triaton)

ThyssenKrupp Steel Meets the International Challenges



Globalization of Customers

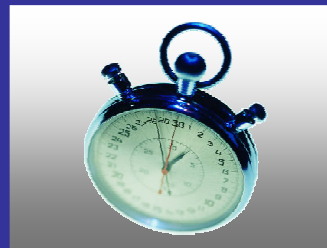


Worldwide Consolidation of the Steel Industry



Raw Material Markets in flux

Value Creation



Efficiency Improvements

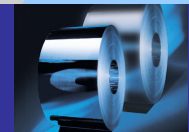


Technology Leadership




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



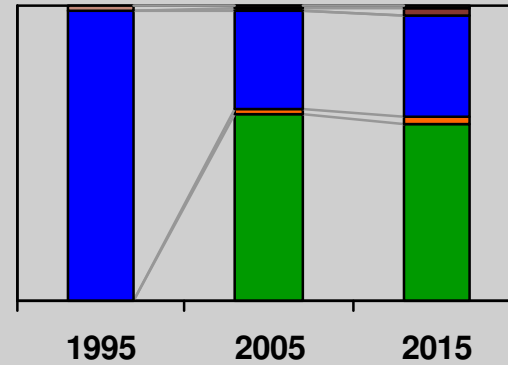
Already at High Level of Concentration

Mech. Engineering









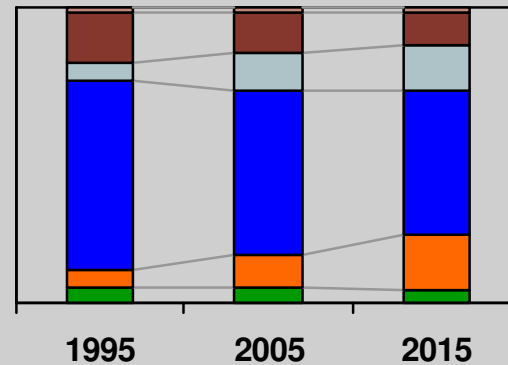
Driven by an International Clientel

DAIMLERCHRYSLER



Production cars & trucks:

-  ROW
-  S. America
-  E. Europe
-  W. Europe
-  Asia/Pacific
-  NAFTA



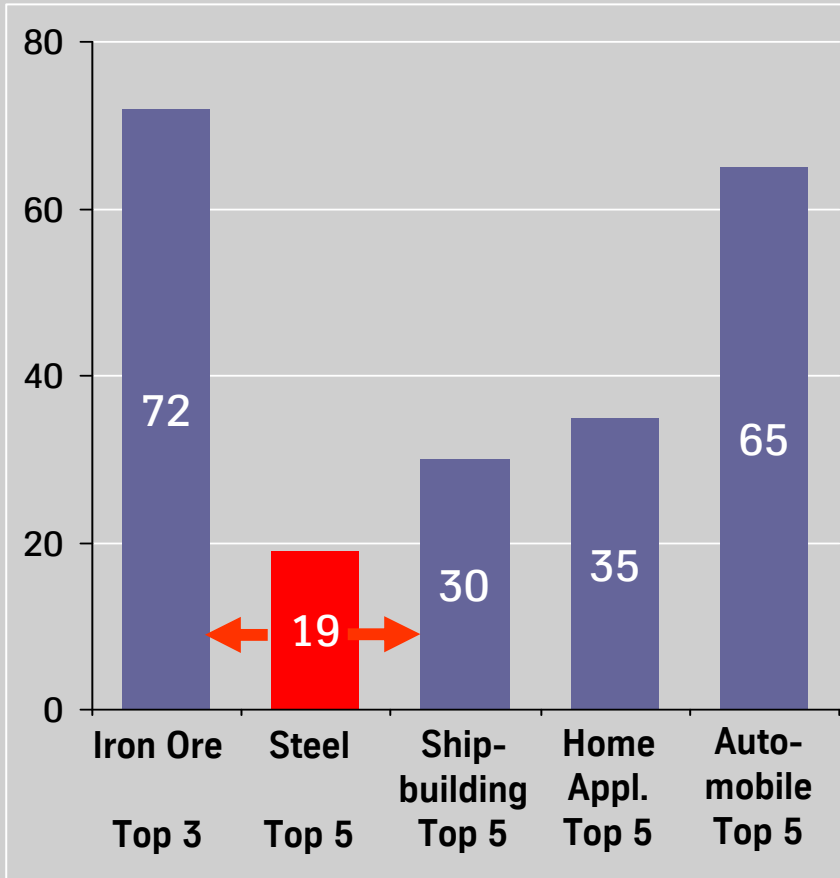
Follow the Customer as a Strategic Necessity

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

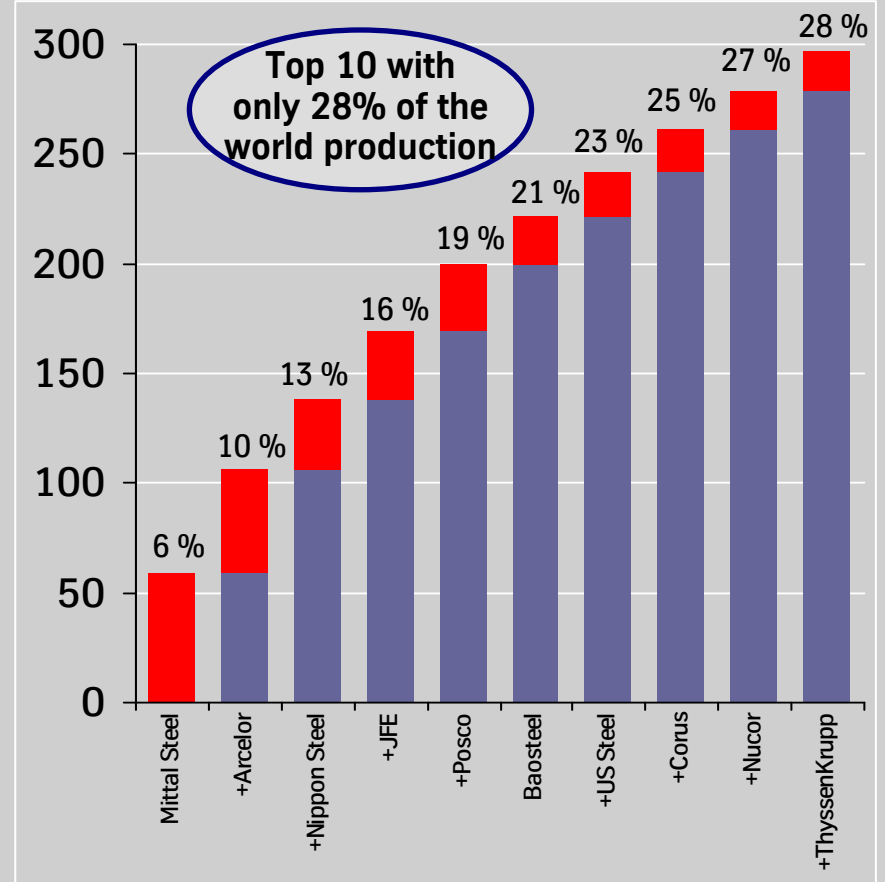


„Sandwich-Position“ of the Steel Industry Forces Consolidation

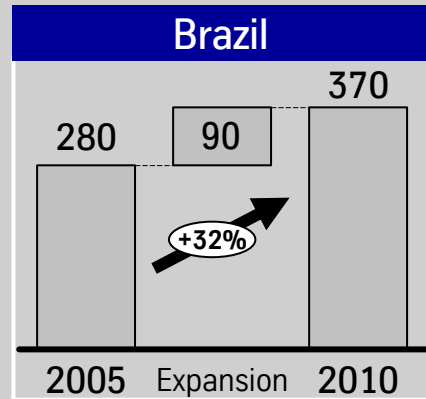
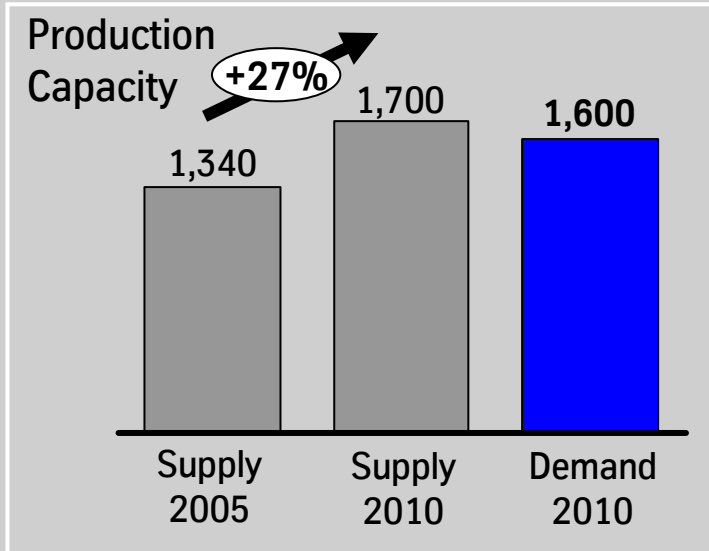
World-Market Shares in %



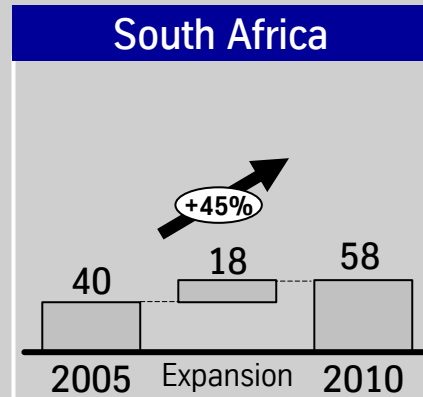
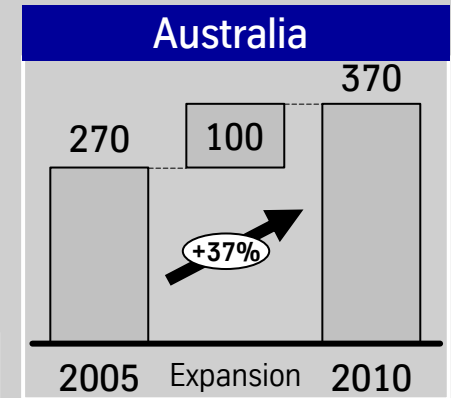
mn t Crude Steel Production 2004



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



Worldwide Expansion Projects



Sources: IISI, RAMCO Expert Group

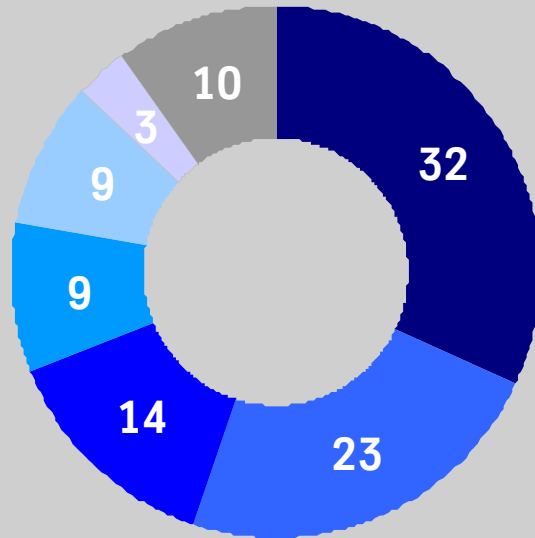
Indication for Price Reduction of Iron Ore in Mid-term Scenarios



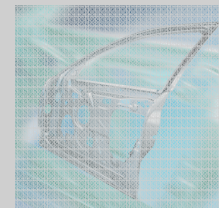
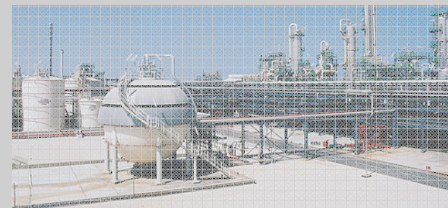
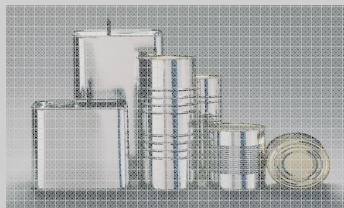
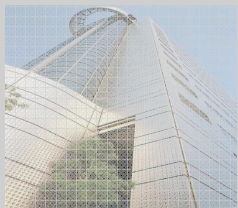
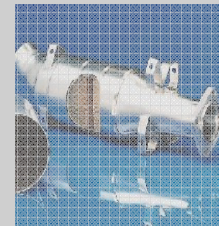
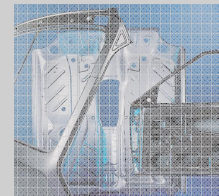
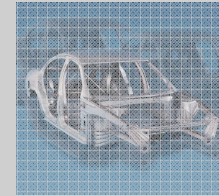
Customers with High Quality Requirements in Flat Carbon Steel

Steel: Sales by Industry FY 2004/05

in %



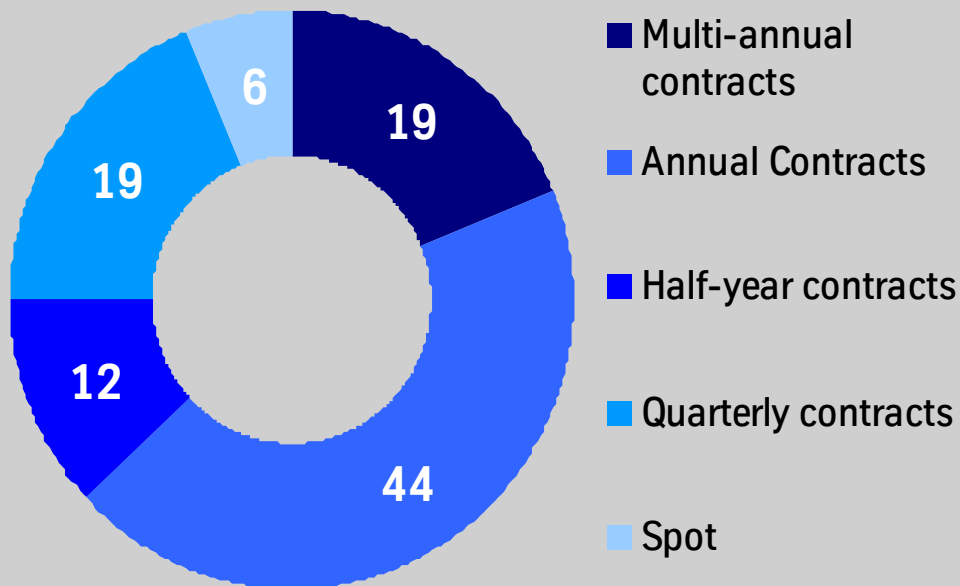
- Automotive industrie (incl. suppliers)
- Steel and steel-related-processing
- Trade
- Packaging
- Engineering & plant construction
- Construction
- Other



Long-term Relationships Foster Sustainable Value Performance ...

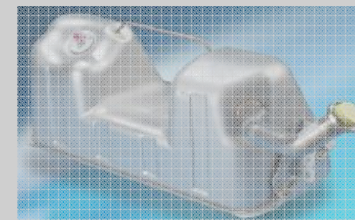
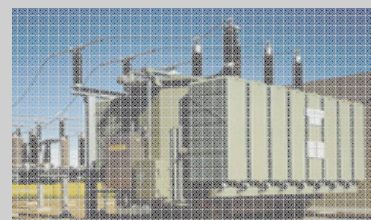
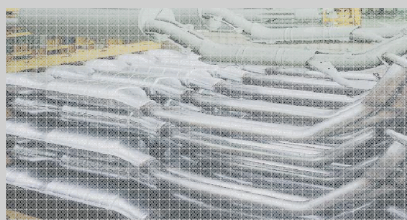
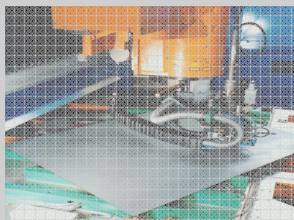
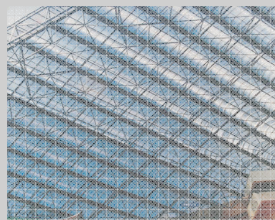
Steel: Sales by maturity (FY 2004/05)

in %



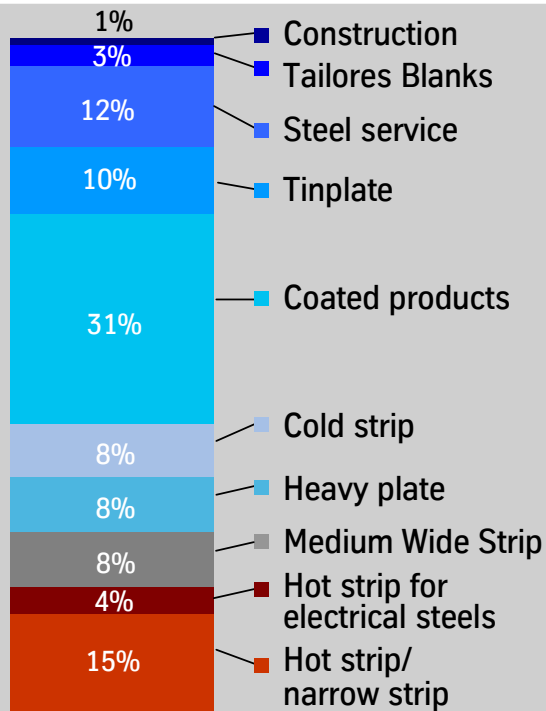
- Customer relationship in focus
- 63% long-term contract exposure as an indicator of reliability and trustworthiness
- Short-term business not an opportunity business

Price premium over the cycle



High Value Added Products Strengthen Market Position ...

Product Portfolio Steel (FY 04/05)*



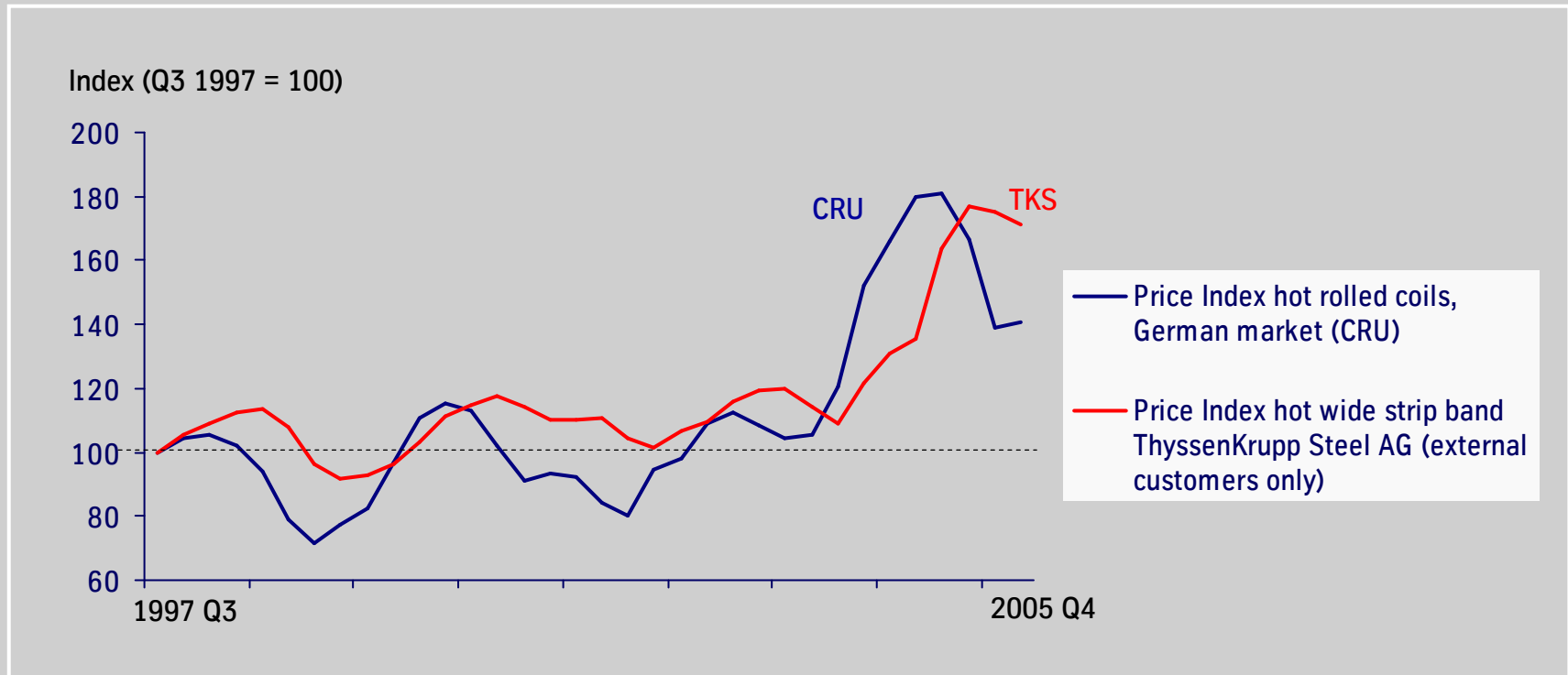
- Full product range in flat carbon steels
- Permanent development of new grades and products
- Joint R&D with major customers

Secures dealing in a premium market

* shipments of flat products only



... Lead to Lower Earnings Volatility at ThyssenKrupp Steel



Sources: CRU, own calculations based on CRU
TKS

all data incl. Q4 2005



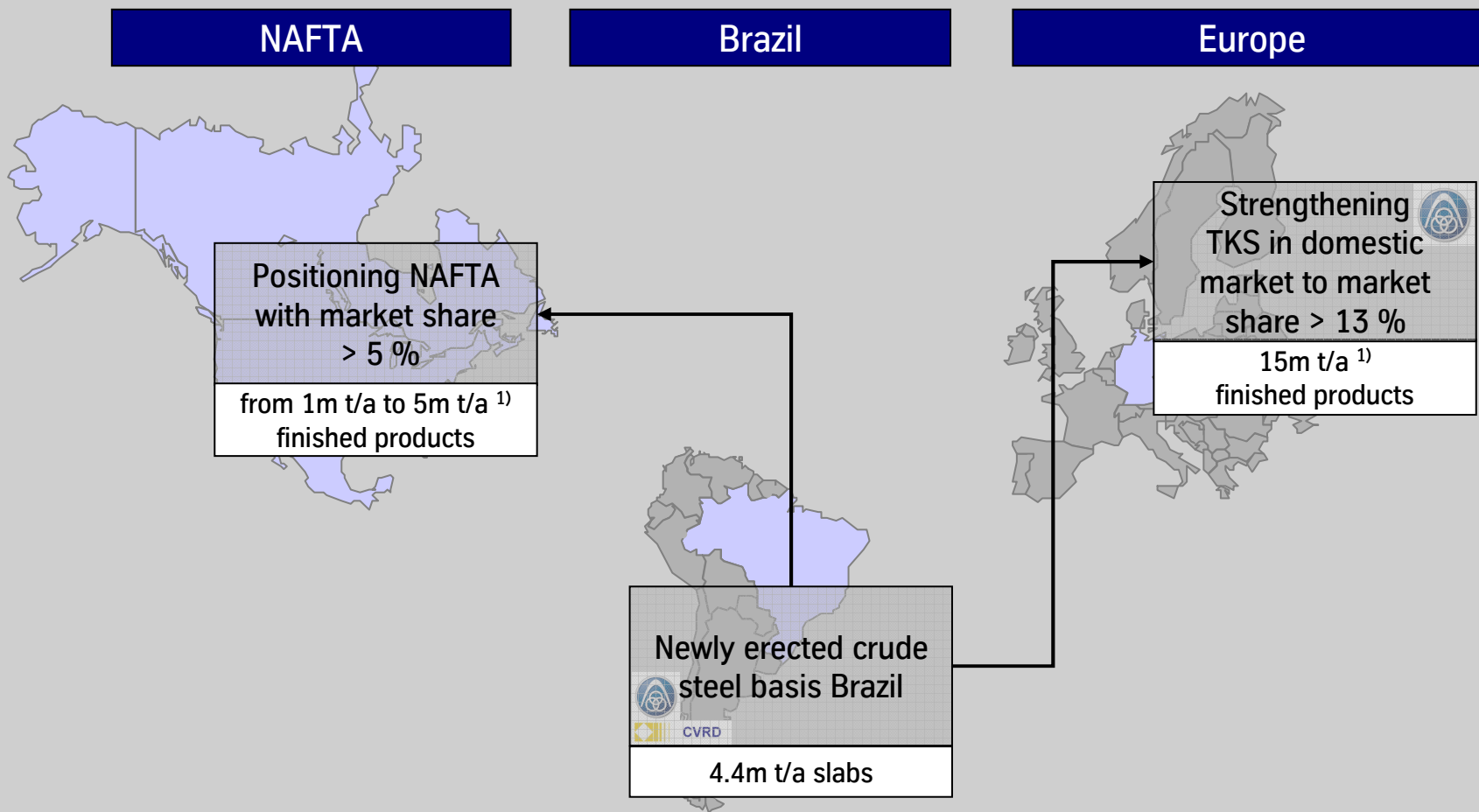
ThyssenKrupp Sticking to Global Growth Strategy for Steel

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



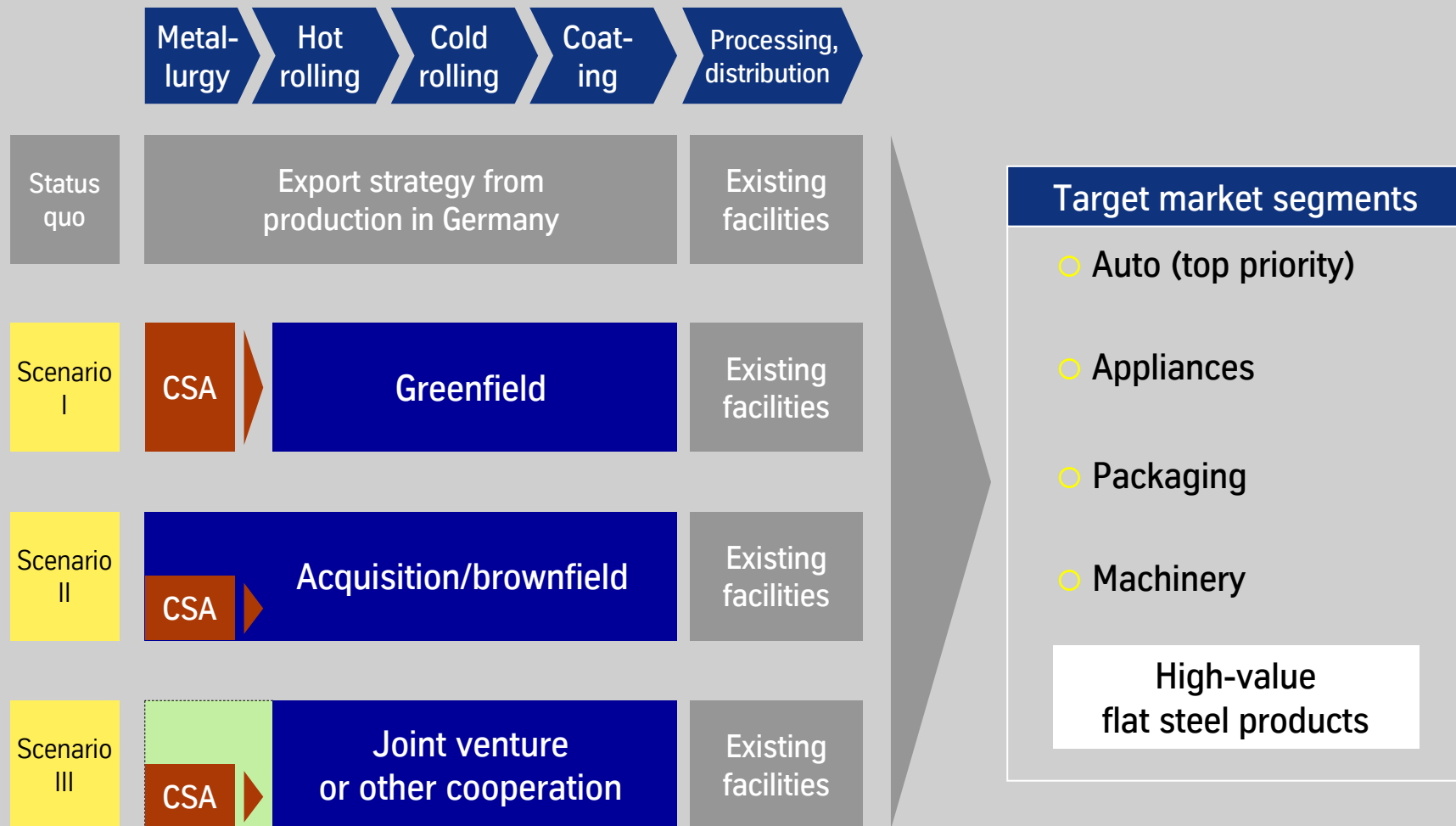
Global Strengthening in the Market of High-Quality Flat Steels



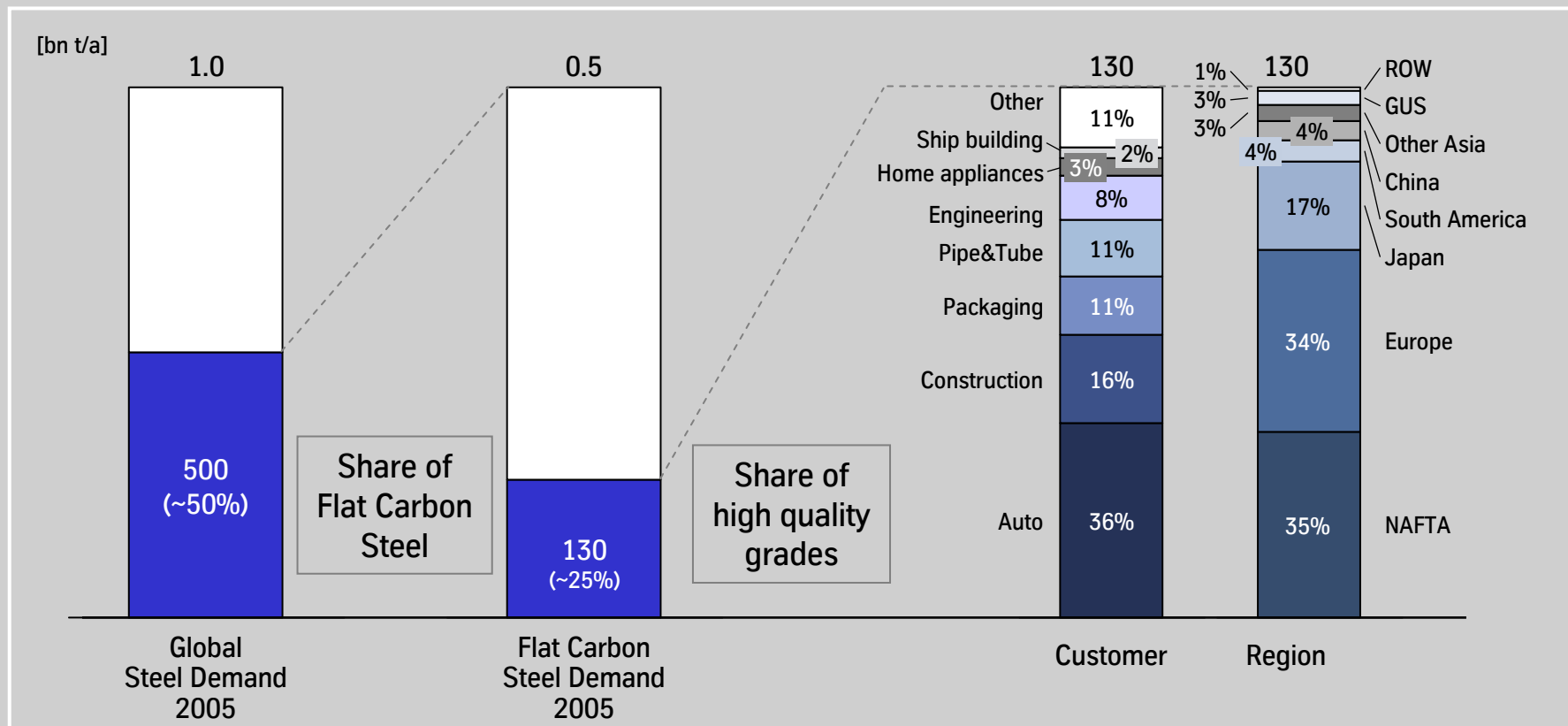
1) With own crude steel basis, strengthened by slab imports from CSA



Downstream Strategy for North America Bases on Three Scenarios



Globalization Does Not Mean to Become Super Sized if you Are Focused on your Strengths



ThyssenKrupp Steel as one of the Major Steelmaking Companies Worldwide focused on Markets with Strong Demand of High-Quality Flat Carbon Steel



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

- May 12, 2006 IFRS Interim Report 2nd quarter 2005/06 (Jan to Mar)
- May 15, 2006 Analysts' and Investors' Meeting (London, UK)
- July 25, 2006
to August 10, 2006 Quiet Period
- August 11, 2006 IFRS Interim Report 3rd quarter 2005/06 (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
- January 19, 2007 Annual General Meeting



How to Contact ThyssenKrupp Investor Relations

Institutional Investors and Analysts:

- Phone: +49 211 824-36464
- Fax: +49 211 824-36467
- E-mail: ir@thyssenkrupp.com
- Internet: www.thyssenkrupp.com

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

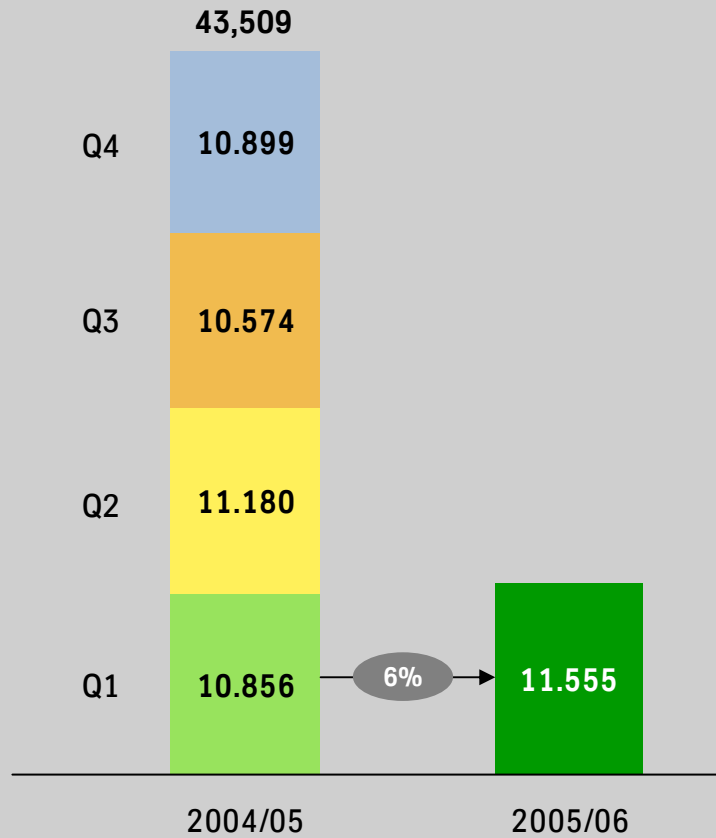
Appendix



Group in Figures (I)

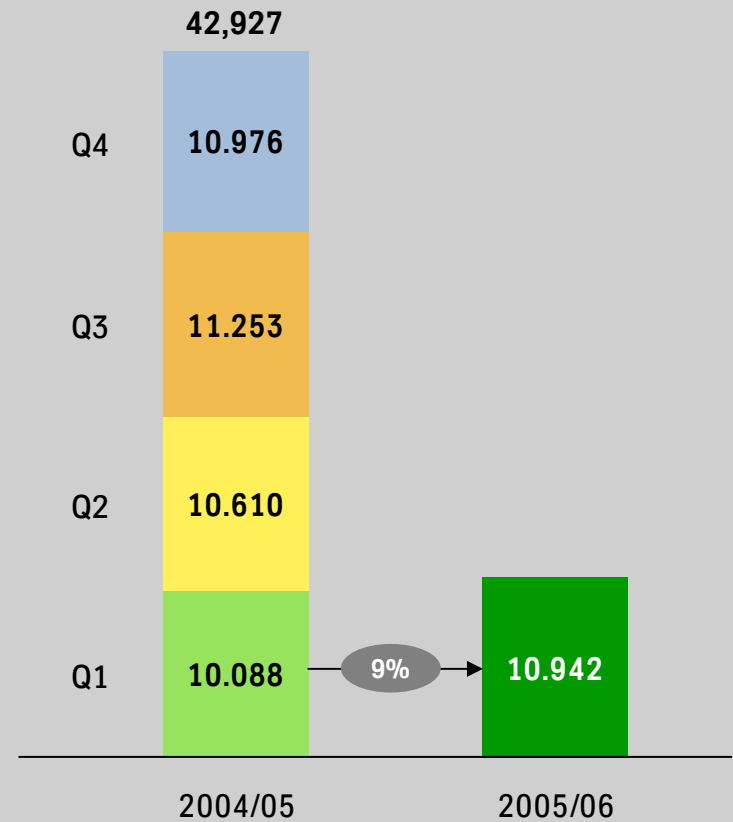
Order intake

million €



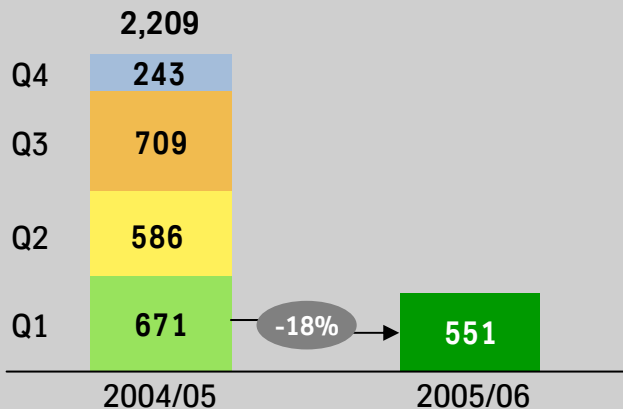
Sales

million €

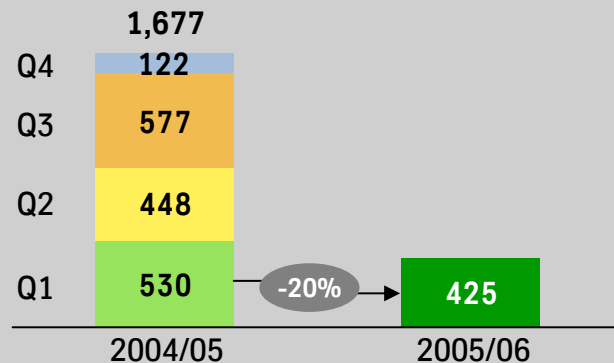


Group in Figures (II)

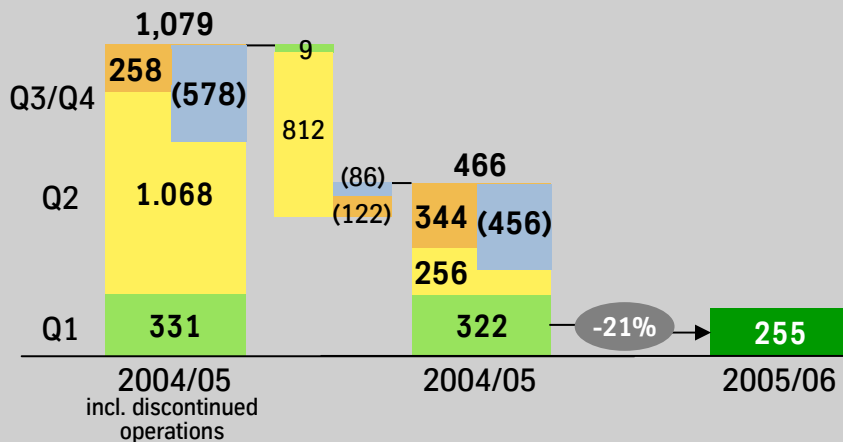
EBIT million €



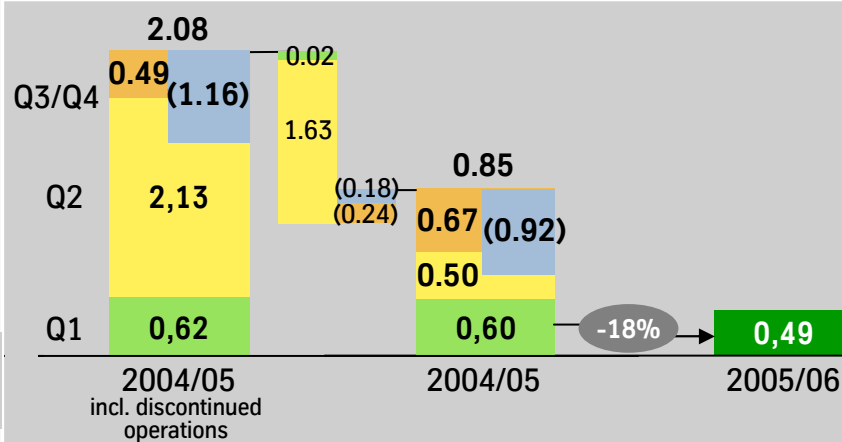
EBT million €



Net income million €



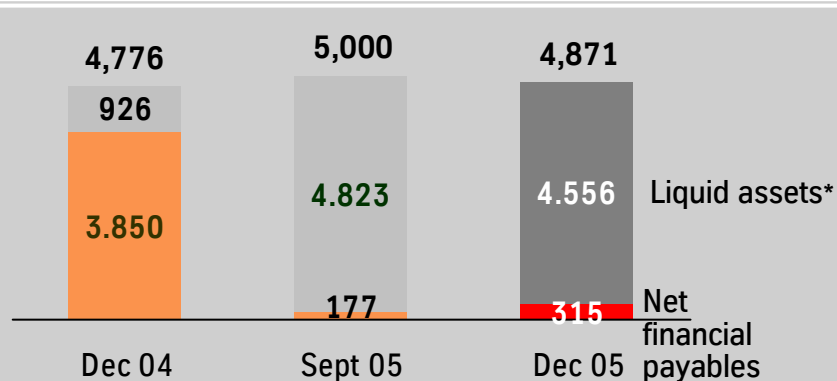
Earnings per share €



Group in Figures (III)

Financial liabilities

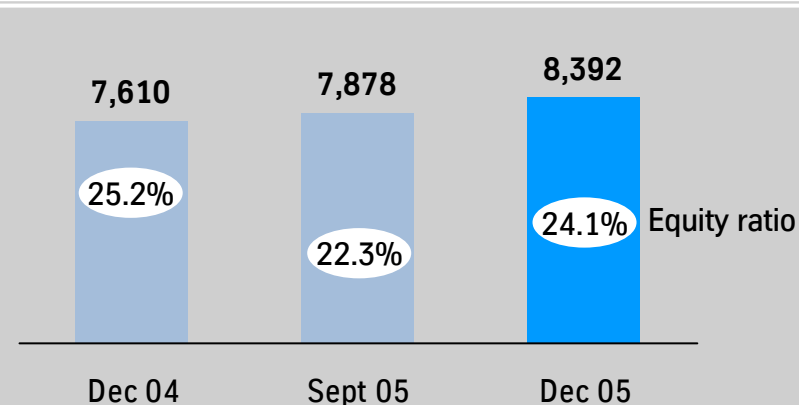
million €



* cash and cash equivalents, marketable securities

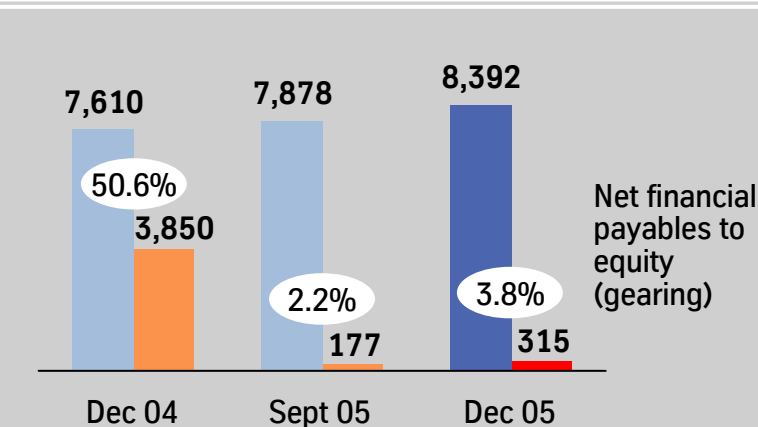
Stockholders' equity

million €



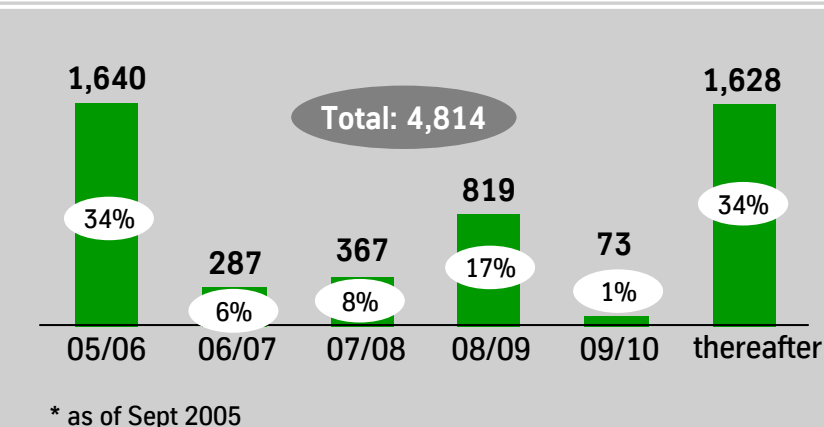
Gearing

million €



Maturity profile of gross financial payables*

million €



* as of Sept 2005



Group Overview by Quarter (IV)

		1st quarter 2004/2005	1st quarter 2005/2006	Change	Change in %
Order intake	€m	10,856	11,555	699	6.4
Sales	€m	10,088	10,942	854	8.5
EBITDA	€m	1,000	898	-102	-10.2
EBIT	€m	671	551	-120	-17.9
EBT	€m	530	425	-105	-19.8
Income from continuing operations	€m	322	255	-67	-20.8
EPS from continuing operations	€	0.60	0.49	-0.11	-18.3
Net income	€m	331	255	-76	-23.0
EPS	€	0.62	0.49	-0.13	-21.0



Group Overview by Quarter (V)

		1st quarter 2004/2005	1st quarter 2005/2006	Change	Change in %
Capital expenditures*	€m	356	479	123	34.6
Depreciation/amort.	€m	329	347	18	5.4
Net cash used in operating activities	€m	(449)	59	508	--
Free cash flow	€m	(731)	(386)	345	--
Employees	(Dec 31)	179,588	184,980	5,392	3.0

* incl. financial investments



Group Overview – Steel (I)

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	2,161	2,641	480	22.2
Sales	€m	2,292	2,484	192	8.4
EBITDA	€m	407	439	32	7.9
EBIT	€m	269	289	20	7.4
EBT	€m	252	272	20	7.9
Free cash flow	€m	57	(6)	-63	--
Employees	(Dec 31)	31,578	31,439	-139	-0.4

- Rise in **orders** price and volume driven with clear upward trend at business units Auto and Processing; crude steel capacities fully utilized; slight decrease in **shipments** compared to high prior-year level
- **Sales** up for price reasons and better product mix; announced October price increase not fully accepted; more favorable pricing conditions for tinplate, medium-wide strip and grain-oriented (GO) electrical steel
- Annual **contract negotiations** with significant increases (multi-annual contracts) and approx. roll-overs for 1-year contracts
- Increase in **EBT** with mixed picture on business unit level: BU Processing showing main improvement driven by GO electrical steel and medium-wide strip Lower profits at BU Industry due to rising costs (slab, energy) and larger short-term exposure; operating earnings at BU Auto impacted by lower shipments



Group Overview – Steel (II)

Stainless

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,334	1,529	195	14.6
Sales	€m	1,304	1,352	48	3.7
EBITDA	€m	174	57	-117	-67.2
EBIT	€m	139	23	-116	-83.5
EBT	€m	125	7	-118	-94.4
Free cash flow	€m	(349)	(188)	161	--
Employees	(Dec 31)	12,366	12,157	-209	-1.7

- **Order intake** increased in volume (+7%) and value due to reviving demand and slight price improvements (mainly surcharge driven); Nirosta and VDM (nickel-base alloys) with strongest growth
- Overall **shipments** flat; cold-rolled shipments lower due to weaker market environment
- **Sales** growth mainly attributable to VDM; capacity utilization remains unsatisfactory at Shanghai Krupp Stainless
- **EBT** impacted by declining base prices (esp. in Western Europe), rising costs mainly for energy and transportation and underutilization (esp. China); Nirosta and Terni with small profit; VDM with main contribution to earnings
- Base price increases announced for Stainless cold-rolled (Terni) of €50t in March and April respectively



Group Overview Steel (III): Output, Shipments and Revenues

Crude steel output and shipments

in 1,000 tons	1st quarter		Change	Change in %
	2004/2005	2005/2006		
Crude steel output*	4,156	4,099	-57	-1.4
• Steel	3,456	3,441	-15	-0.4
• Stainless	700	658	-42	-6.0
Shipments				
• Steel total	3,088	2,975	-113	-3.7
• Steel CRC**	1,859	1,725	-134	-7.2
• Steel HRC***	1,048	1,075	27	2.6
• Stainless total	552	551	-1	-0.2
• Stainless CRC	422	408	-14	-3.3
• Stainless HRC	82	111	29	35.4

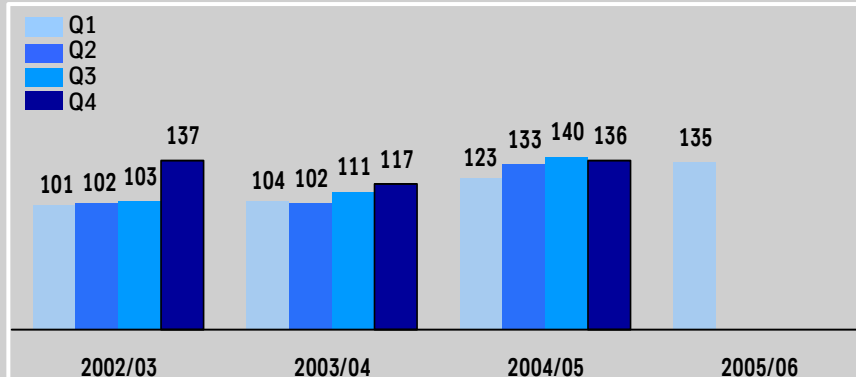
* excl. EWK

** incl. NGO-Electrical Steel

*** excl. hot-strip for NGO-Electrical Steel

Steel: Average revenues per ton

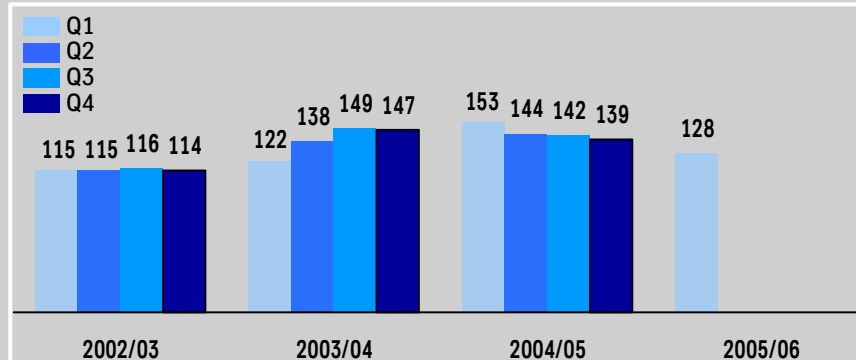
Q1 2001/02 = 100



*excl. NGO-Electrical Steel

Stainless: Average revenues per ton*

Q1 2001/02 = 100



*CRC 304, Germany, incl. alloy surcharge



Group Overview – Capital Goods (I)

Automotive

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,919	1,906	-13	-0.7
Sales	€m	1,864	1,972	108	5.8
EBITDA	€m	127	110	-17	-13.4
EBIT	€m	49	29	-20	-40.8
EBT	€m	24	0	-24	-100.0
Free cash flow	€m	(166)	(113)	53	--
Employees	(Dec 31)	43,973	42,861	-1,112	-2.5

- **Sales** up despite weak international auto market; increase mainly at North American foundries (BU Body) due to higher volumes/prices and Chassis business unit stemming from ramp up of new plants and launch of new models
- **EBT** at breakeven with Powertrain again as main earnings contributor; BU Body with a loss resulting from declining capacity utilization (stamping operations) and higher starting material prices (foundries); main improvement at BU Chassis (steering and suspension business)
- Under IFRS the alu castings and truck springs business were reclassified to continued operations and are included in the prior year figures



Group Overview – Capital Goods (II)

Technologies

		1st quarter		Change	Change in %
		2004/2005	2005/2006		
Order intake	€m	1,588	1,648	60	3.8
Sales	€m	1,133	1,603	470	41.5
EBITDA	€m	68	116	48	70.6
EBIT	€m	42	81	39	92.9
EBT	€m	47	92	45	95.7
Free cash flow	€m	(150)	(1)	149	--
Employees	(Dec 31)	22,777	27,404	4,627	20.3

- Rise in **order intake** mainly driven by Plant Technology, stemming from new projects for mining and handling equipment; order backlog of €9 bn (Dec 31) covers more than a full year's sales
- Clear increase in **sales** at all business units on the back of favorable order situation (Marine Systems: plus inclusion of HDW group)
- Strong business, good capacity utilization and absence of loss-making businesses to double **EBT**; all business units contributing with double-digit earnings; Marine Systems with main improvement
- Acquisition of naval electronics company Atlas Elektronik continues consolidation in European naval industry and helps expand technological competence in conventional submarines



Group Overview – Capital Goods (III)

Elevator

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,002	1,261	259	25.8
Sales	€m	877	1,008	131	14.9
EBITDA	€m	117	105	-12	-10.3
EBIT	€m	105	91	-14	-13.3
EBT	€m	98	85	-13	-13.3
Free cash flow	€m	201	(34)	-235	--
Employees	(Dec 31)	32,485	34,843	2,358	7.3

- **Order intake** up at all business units; main growth at Americas business unit (new installations), Escalators/Passenger Boarding Bridges (airport projects) and Accessibility (overall business expansion); increased demand for new installations also in Europe and China
- Increase in **sales**; main growth at Americas business unit (expansion of service activities, efficiency improvements) and Accessibility
- **EBT** impacted by losses from fair-value measurement of currency derivatives (Dubai airport order) as well as price/margin pressure in some regions; business units Central/Eastern/Northern Europe and Americas as main earnings contributors; Accessibility with major improvement



Group Overview – Services

Services

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	3,222	3,127	-95	-2.9
Sales	€m	3,198	3,066	-132	-4.1
EBITDA	€m	133	127	-6	-4.5
EBIT	€m	107	100	-7	-6.5
EBT	€m	92	85	-7	-7.6
Free cash flow	€m	(150)	(129)	21	--
Employees	(Dec 31)	32,789	34,940	2,151	6.6

- Decrease in **sales** at both Materials Services business units resulting from lower price levels (rolled/specialty steel) with stable demand; Special Products business unit moreover affected by weaker demand
- Industrial Services with significant **sales** growth, especially in North America, resulting in higher earnings
- **EBT** lower at the Material Services business units reflecting weaker materials market; Special Products as main earnings contributor and with clear profit improvement helped by technical trading business



Innovations Pave the Way to Success

Elevator

*ThyssenKrupp
Innovation Award
2003 (1st)*

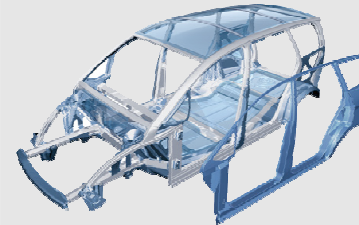
TWIN® elevator



- 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

*ThyssenKrupp
Innovation Award
2004 (1st)*

Automotive

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)*

