ThyssenKrupp Elevator

Success in e motion

Edwin Eichler
Chairman of the Executive Board of ThyssenKrupp Elevator AG
Member of the Executive Board of ThyssenKrupp AG

Analysts' and Investors' Conference, London
May 15, 2007

ThyssenKrupp Elevator

- A value creating and focused segment
- Strategic focus & priorities
- Product innovations & references
- Summary

Group structure

Holding

ThyssenKrupp AG

Segments

Steel

Stainless

Tech-
nologies

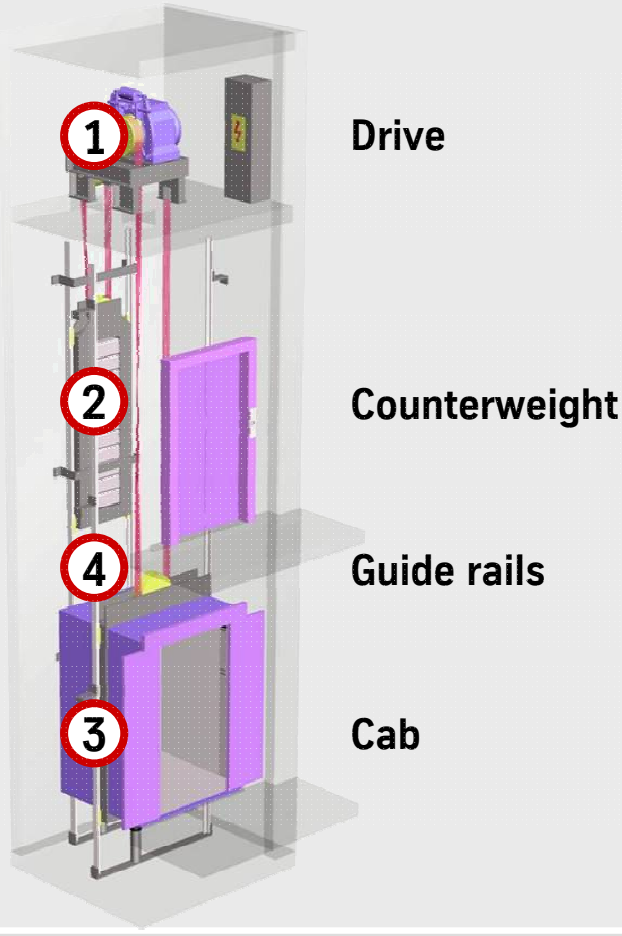
Elevator

Services

€ m	2005/06
Sales	4,298
EBT	391
Employees	36,247

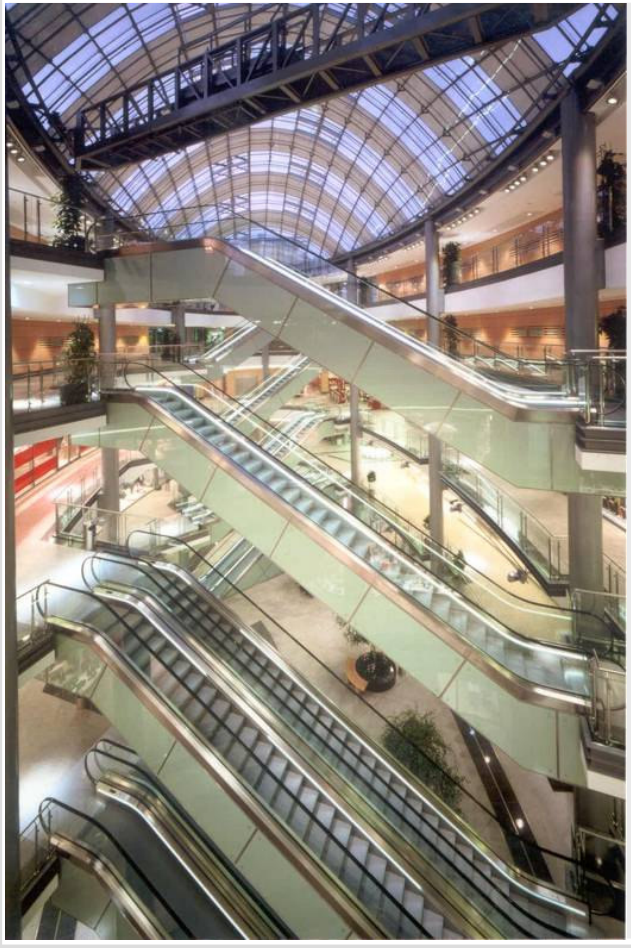
Elevators

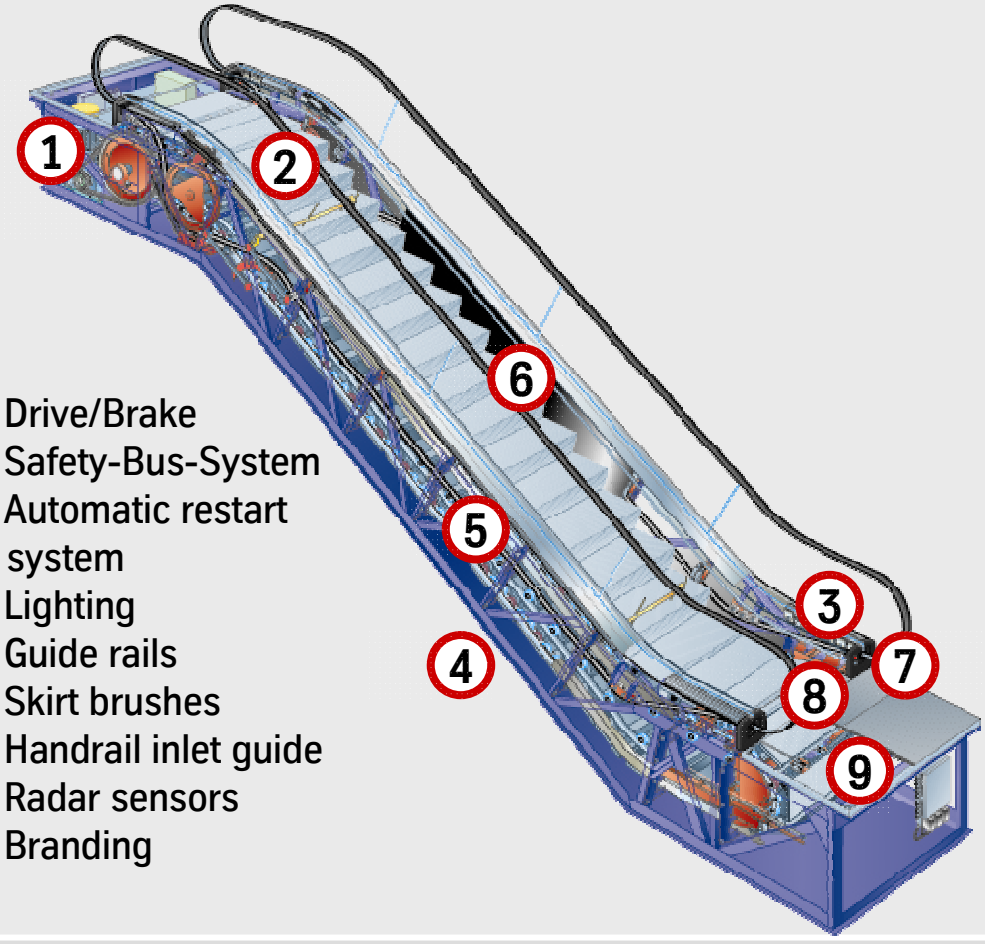
Main components



Escalators

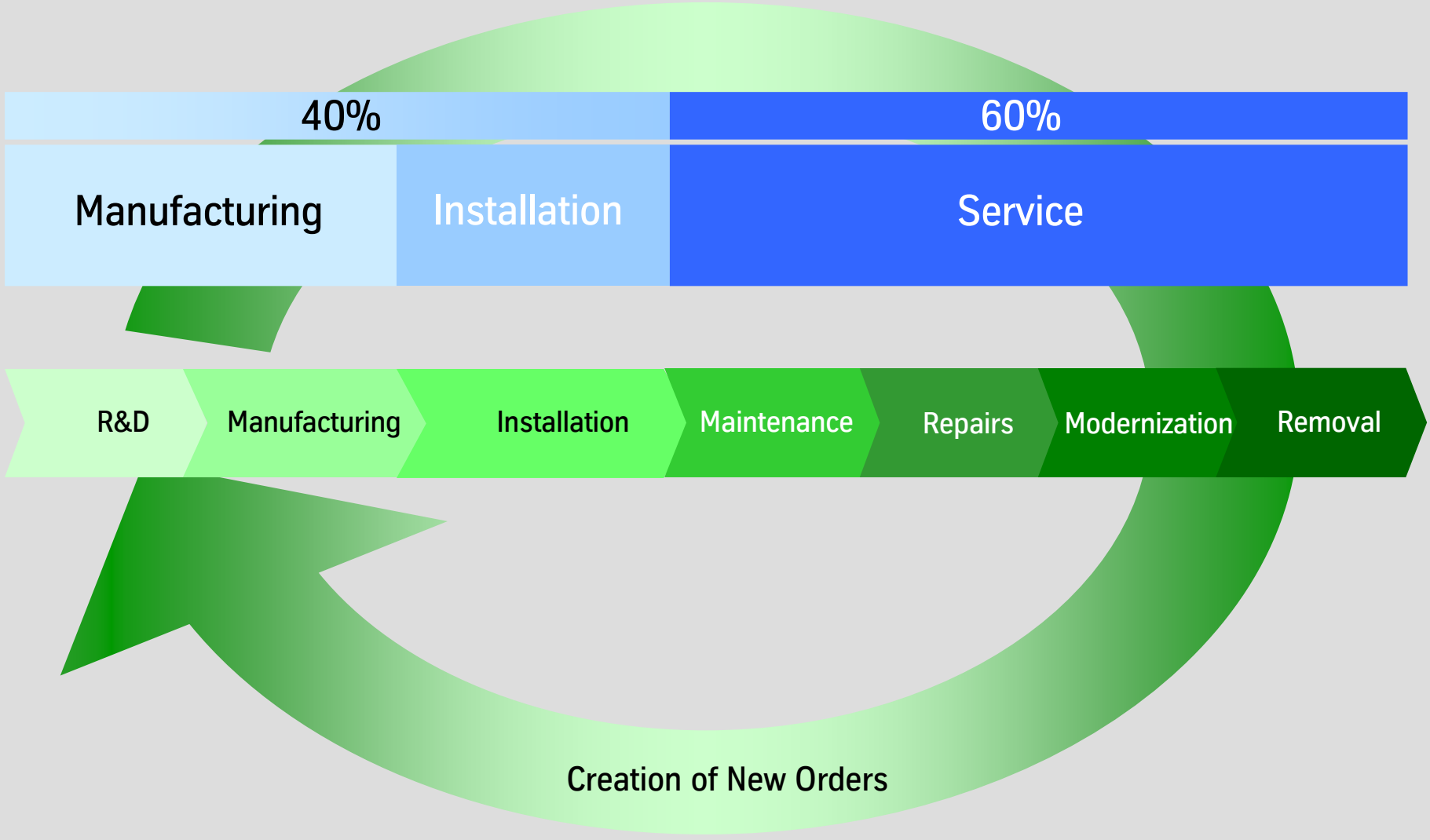
Main components





1 = Drive/Brake
2 = Safety-Bus-System
3 = Automatic restart system
4 = Lighting
5 = Guide rails
6 = Skirt brushes
7 = Handrail inlet guide
8 = Radar sensors
9 = Branding

General business model



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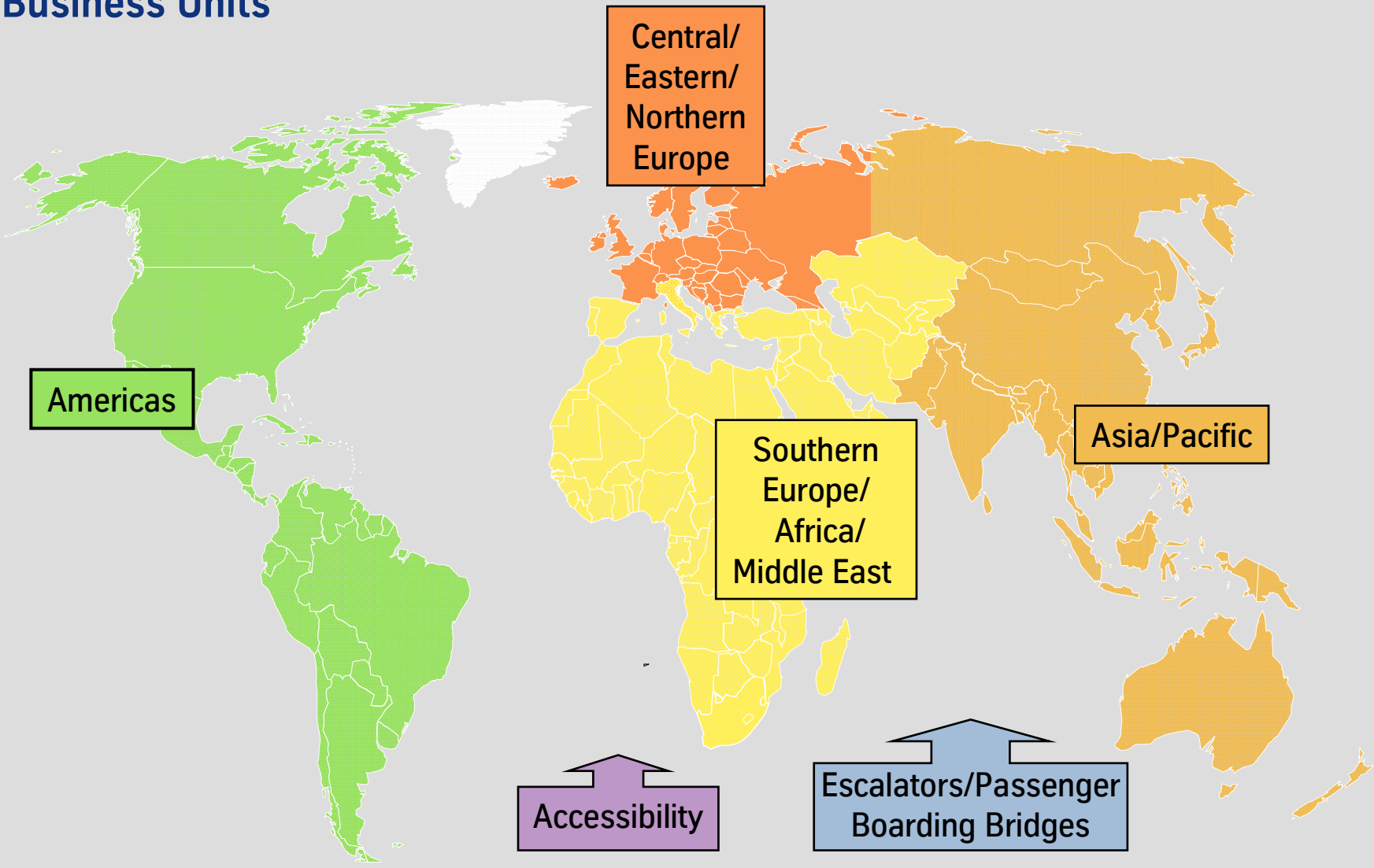
Business Units



Products and services

- About **832,000 units** under maintenance worldwide
- About **19,000 service** employees
- Increased trend to **full-service** contracts
- **Remote monitoring** of elevators by **teleservice**
- **E-commerce** increases customer satisfaction
- Permanent service teams on site, **24 hours**
- More than **50%** of segment **sales** through service

Organization and key figures

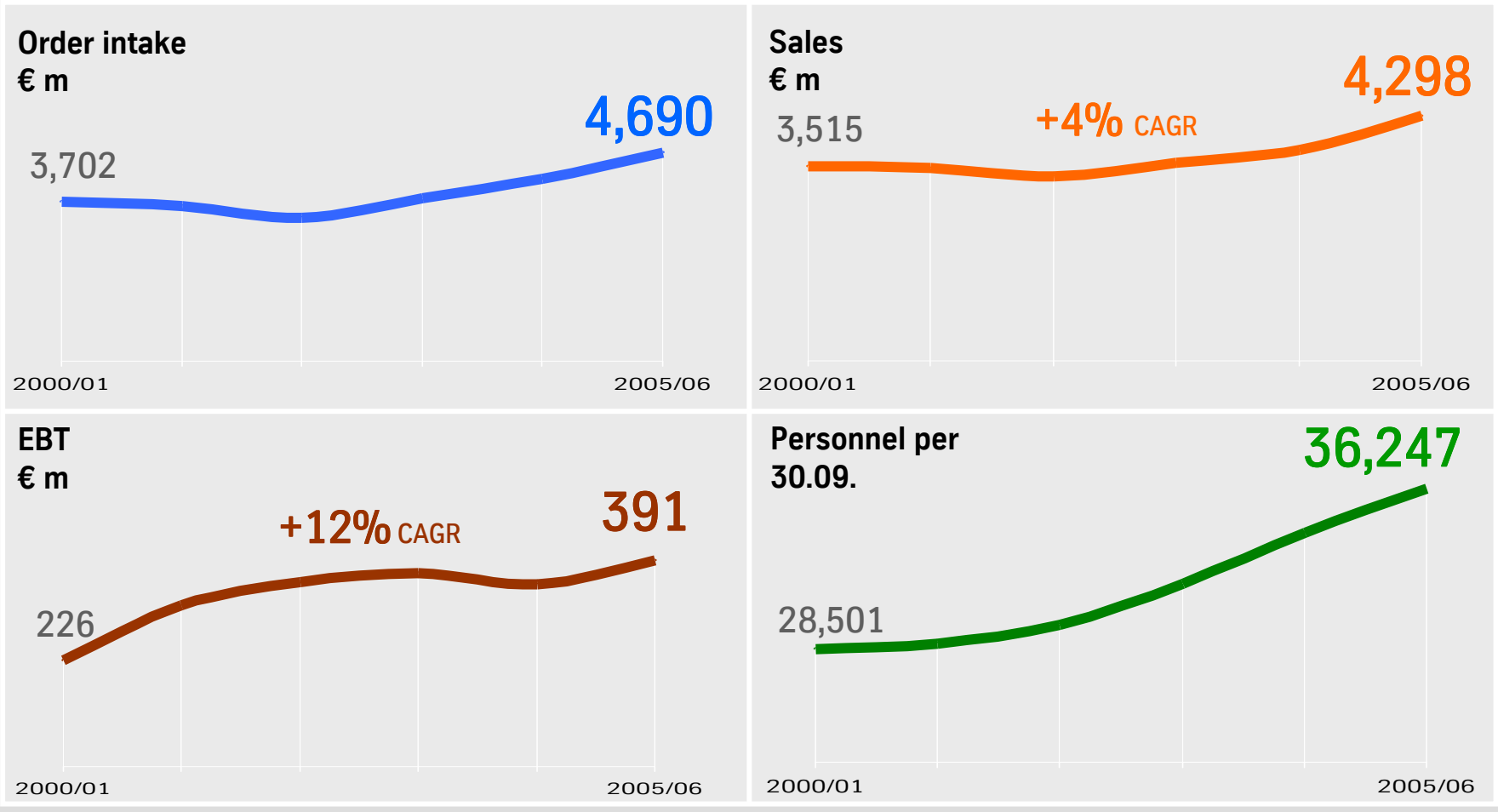
ThyssenKrupp Elevator AG

Edwin Eichler, Dr. Joachim F. Panek, Dr. Marion Helmes, Dr. Helmut Pfleger

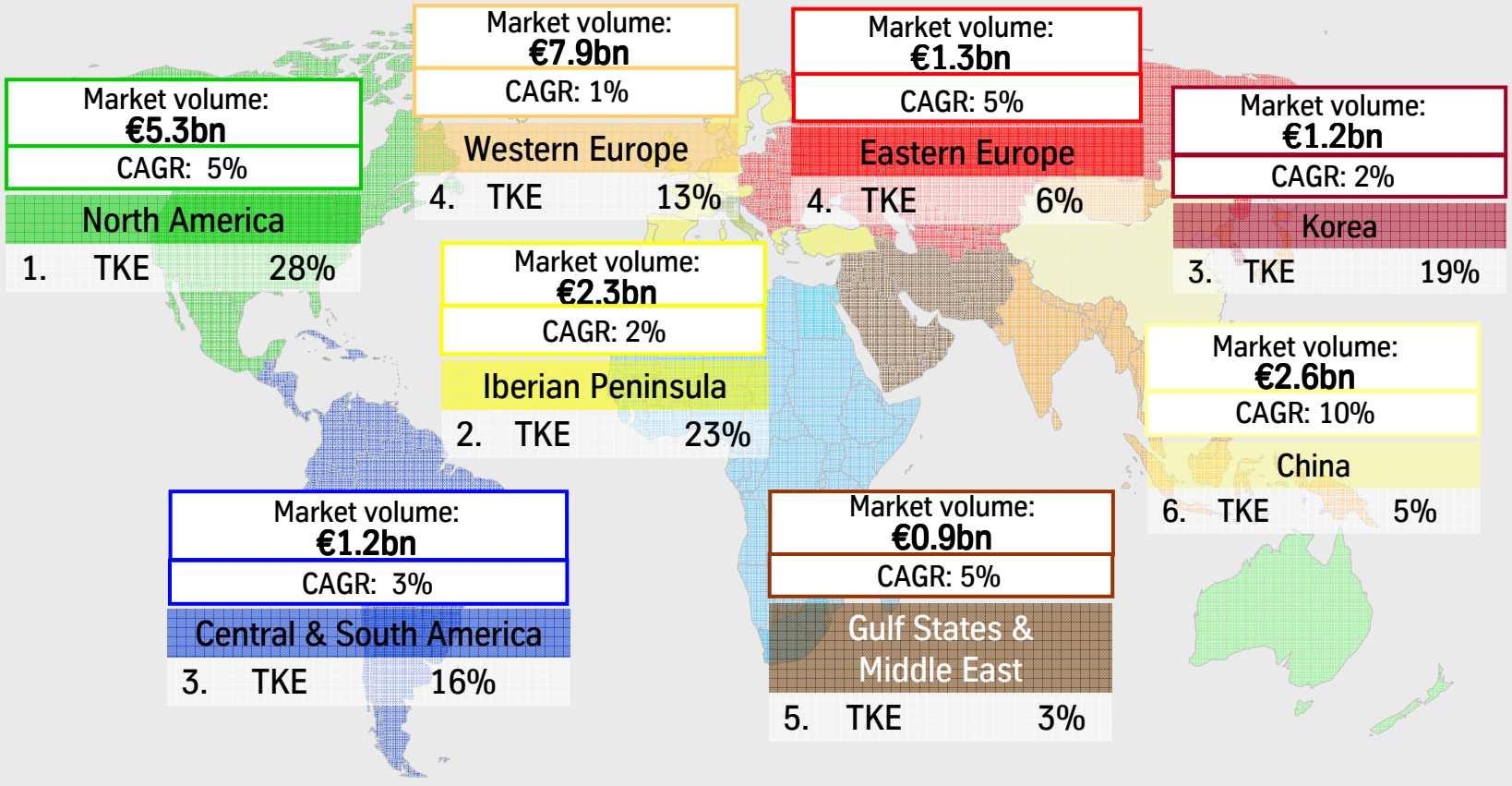
Central/ Eastern/ Northern Europe	Southern Europe/ Africa/ Middle East	Americas	Asia/ Pacific	Escalators/ Passenger Boarding Bridges	Accessi-bility

€ m	2004/05	2005/06
Order intake	4,151	4,690
Sales	3,773	4,298
EBT	355	391
TKVA	244	264
ROCE (%)	23.6	22.6
Employees	34,151	36,247
Service base	790,000	832,000

Development key figures at a glance

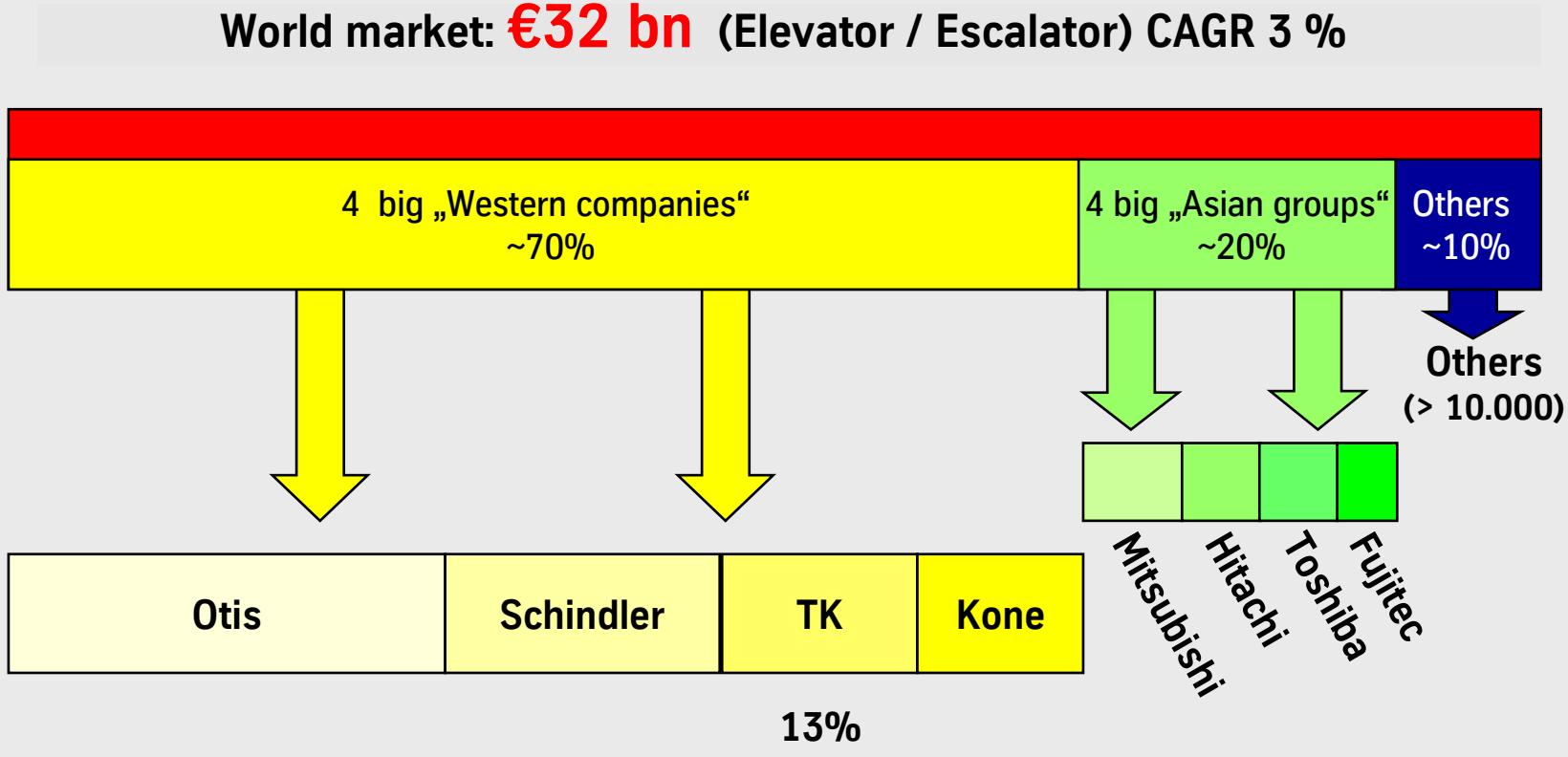


Selective market positions of ThyssenKrupp Elevator in 2005/06



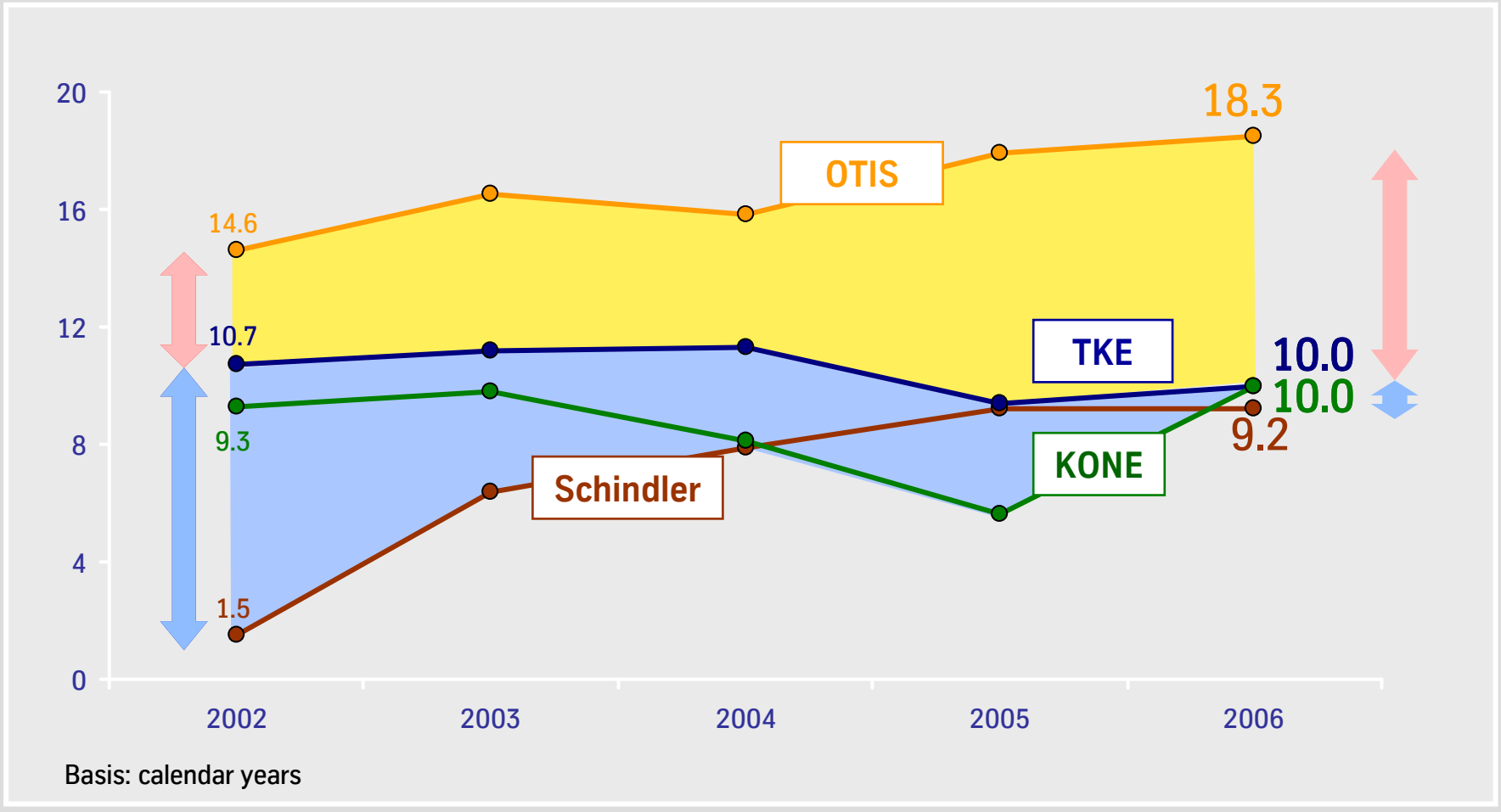
Source: internal insight (CAGR: 2006-2010)

Competitors (estimation)

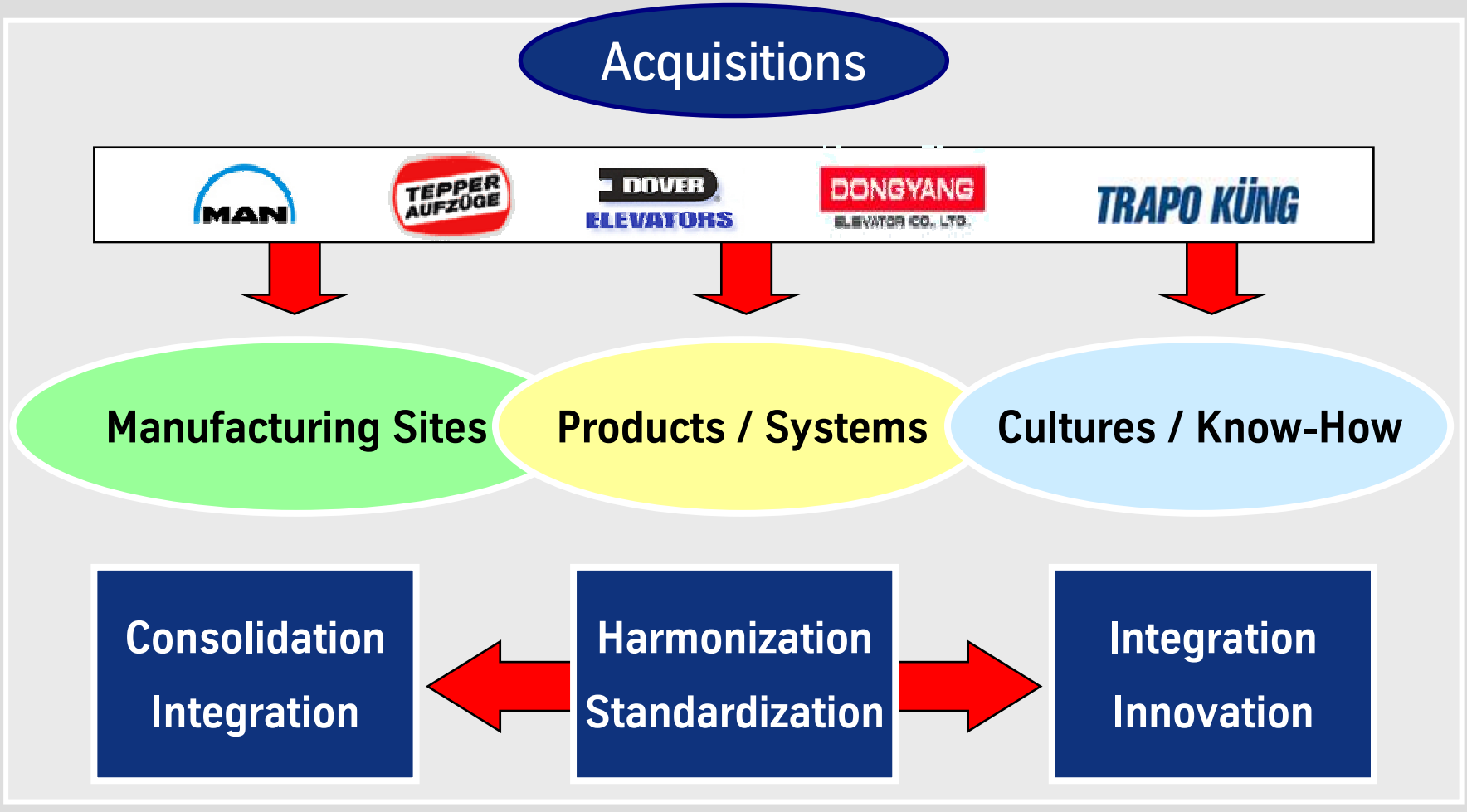


Source: market data (internal insight)

Peer EBIT margin comparison (%)



Integration of acquisitions

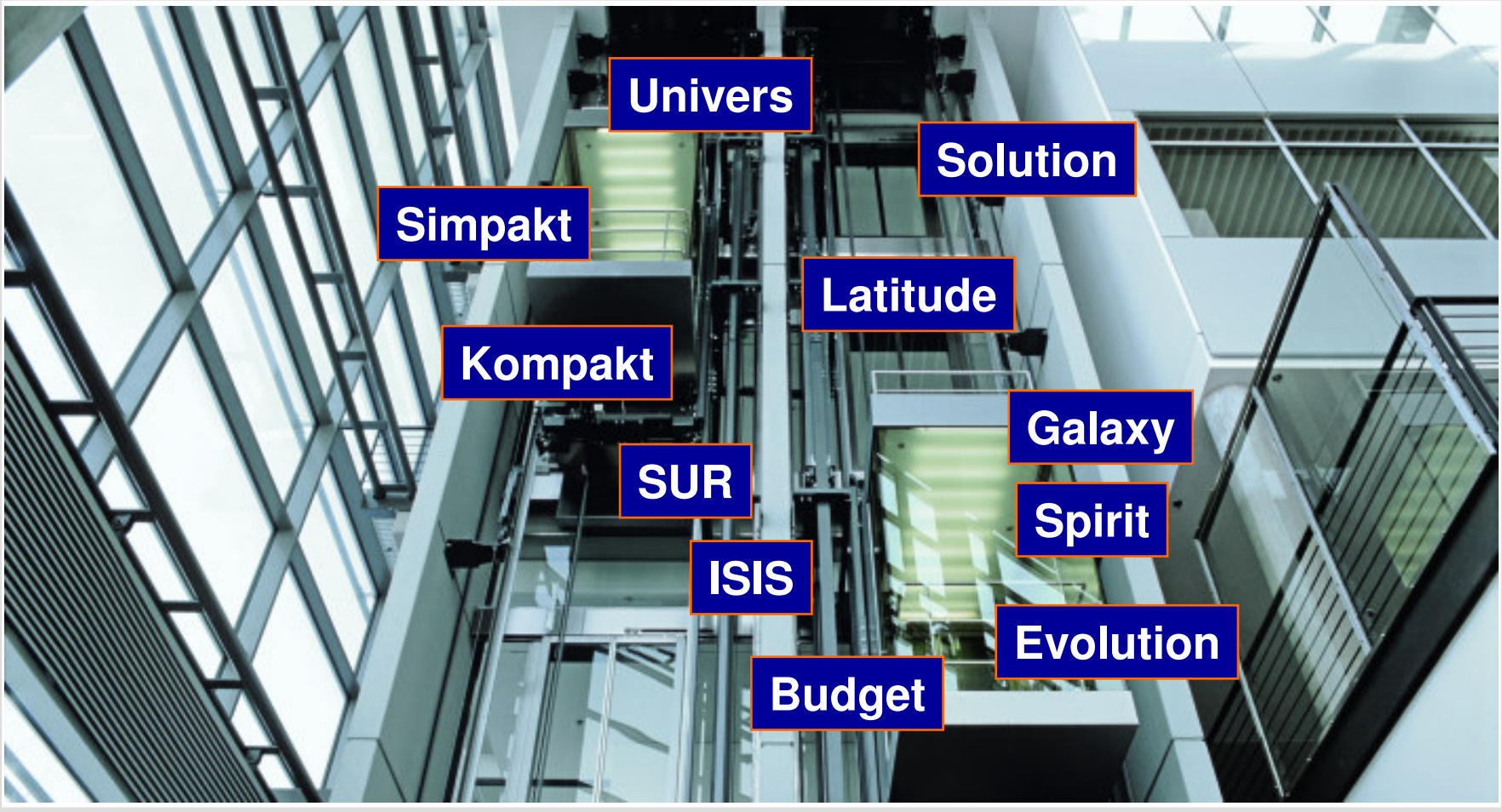


Major acquisitions

Sales development (€bn)

ThyssenKrupp Elevator market entries since 1995

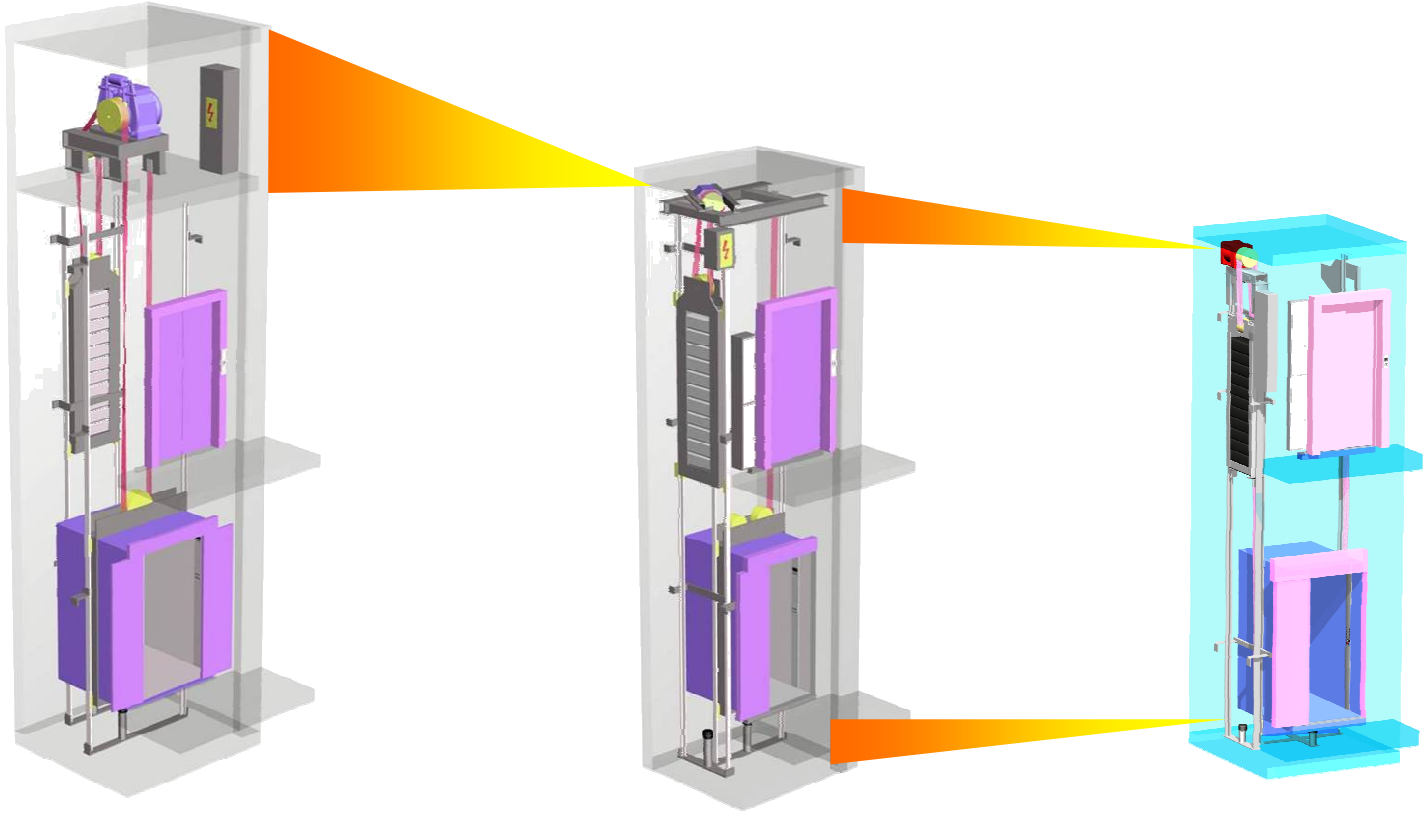
Variety of machine room-less elevators



Elevator systems

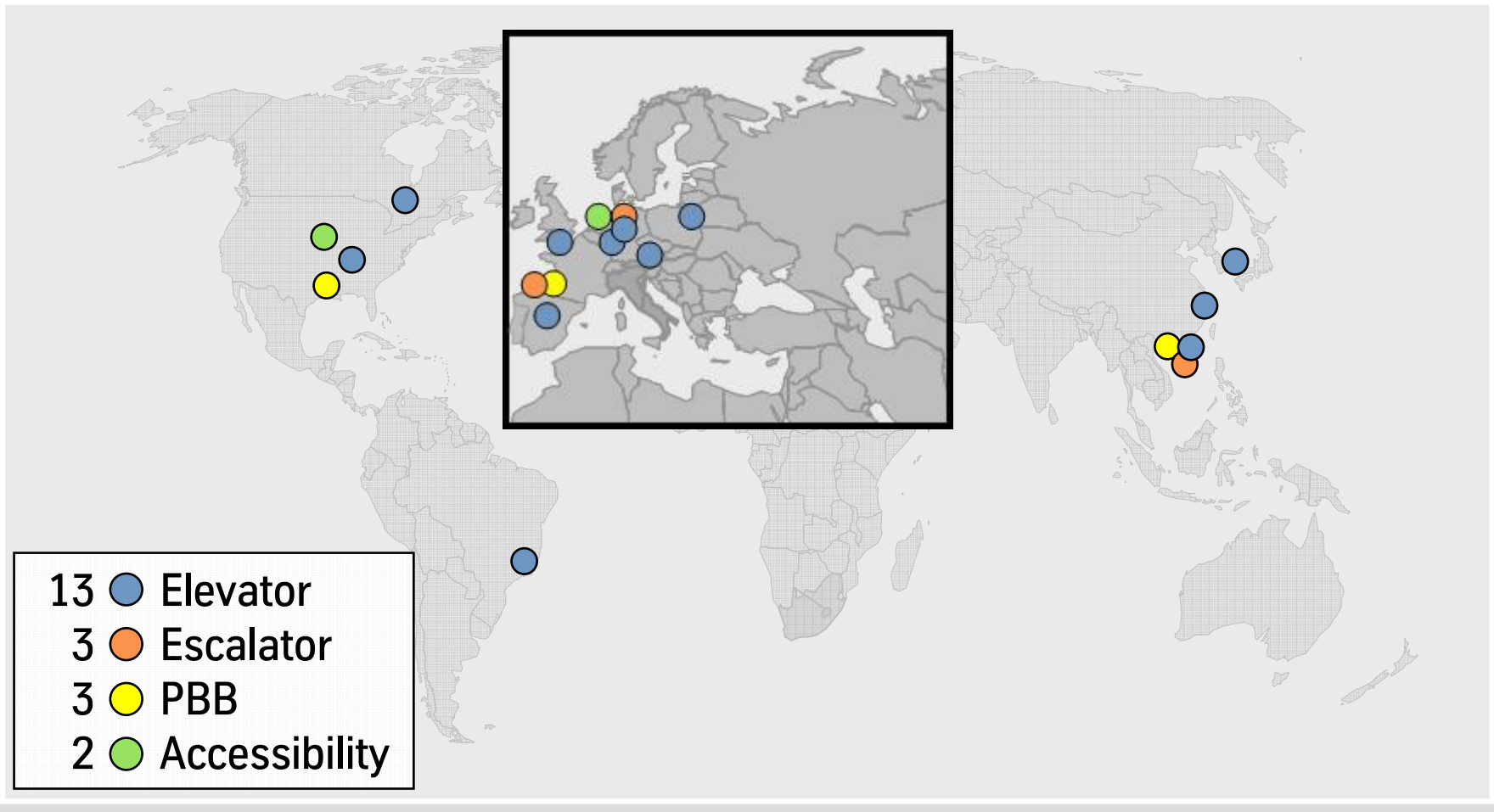
Maximum space saving with synergy

With machine room | **Machine room-less**

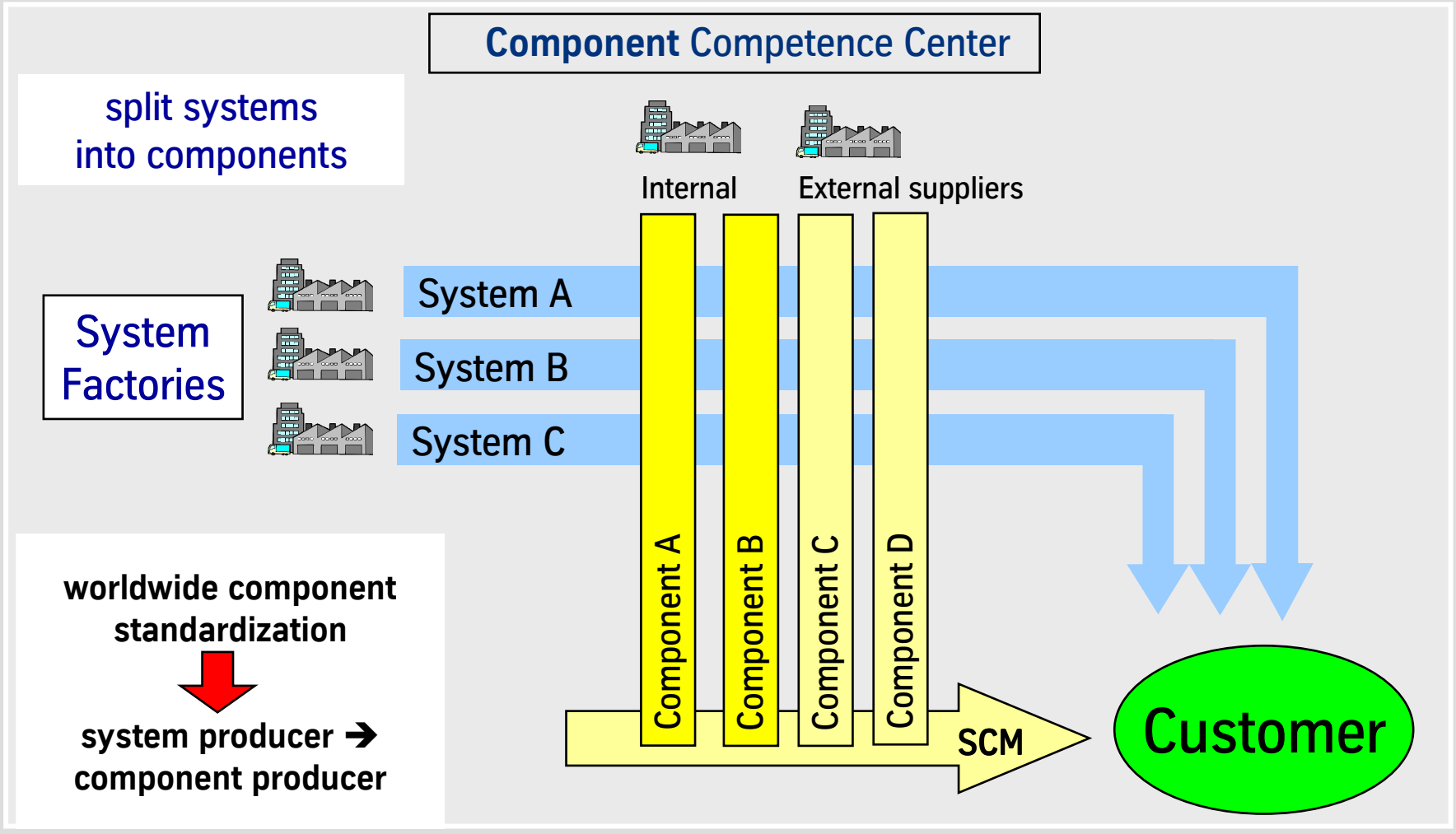


Standard | Evolution | synergy

Actual manufacturing landscape in 2005/06

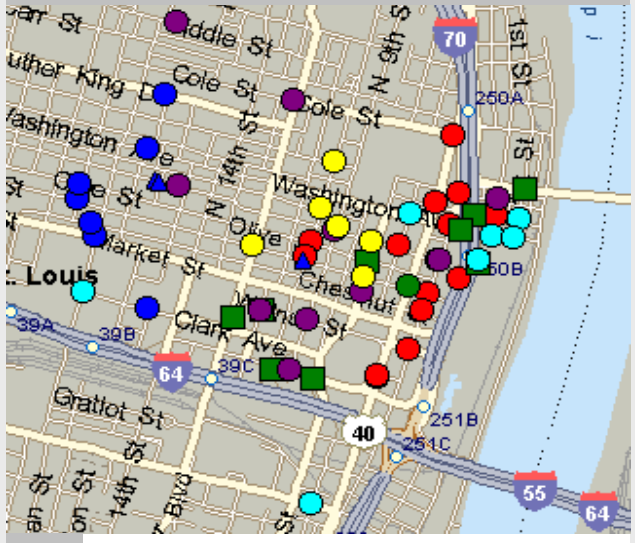


Move from a system to a component producer



Reduction of unproductive hours through route optimization

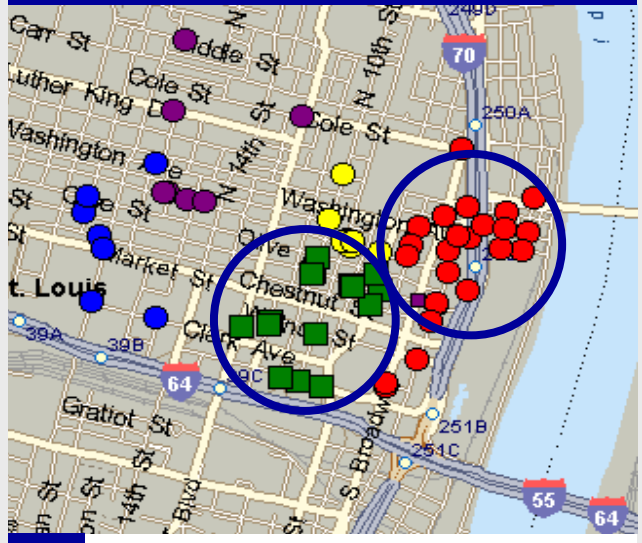
Before



Issues

- Long distances between customers
- Route overlapping
- Unreliability
- High response time to emergency situations

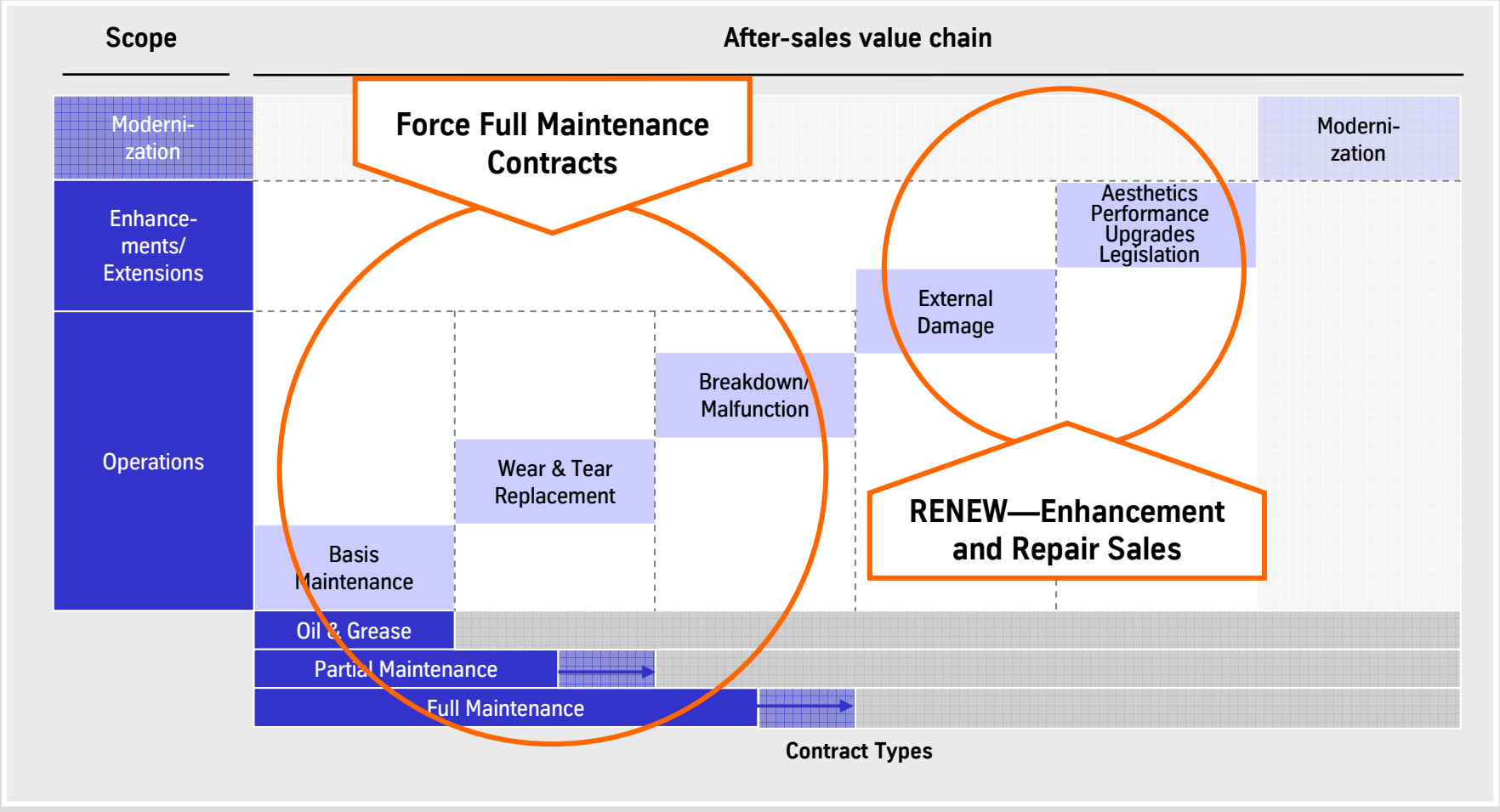
After



Improvements

- Reduction of traveling time
- Reduction of manpower
- Improvement of reliability
- Higher customer satisfaction
- Satisfied customer recommendations

Sales initiatives targeting the after-sales business



SWOT analysis

Strengths

- **Core markets**: USA, Germany, France, Spain
- **ITS**-Organization
- High Tech: **TWIN, TurboTrack**
- Customer loyalty

Weaknesses

- Manufacturing landscape + SCM
- **Standardization**
- Branding
- **Asia**
- IT-Infrastructure

How to improve?

Opportunities

- Focused **product development**
- Low price market (synergy)
- **Modernization** market
- Eastern Europe & **Gulf States**
- PROGRESS

How to make use of?

Threats

- **Delay** in product development & introduction
- Lack of **qualified employees**

Strategic focus ThyssenKrupp Elevator

priorities and focus

R&D	Product	Manufacturing	Service	Modernization
Focusing	Standardization of components	Optimization of Supply Chain Management SCM	Customer Support Center CSC	Modernization kit
Increase Profitability	Regionalization in line with global harmonization	„Stop Losses" New Installation	Global Service Strategy GSS	Repair initiative
Central supervision	„synergy"		Sales initiative	Sales initiative
Local resources			Service culture	Service culture

Growth regions **IT-Systems** **Safety** **Purchasing** **Branding**

Potentials along the value chain (EBT in €m)

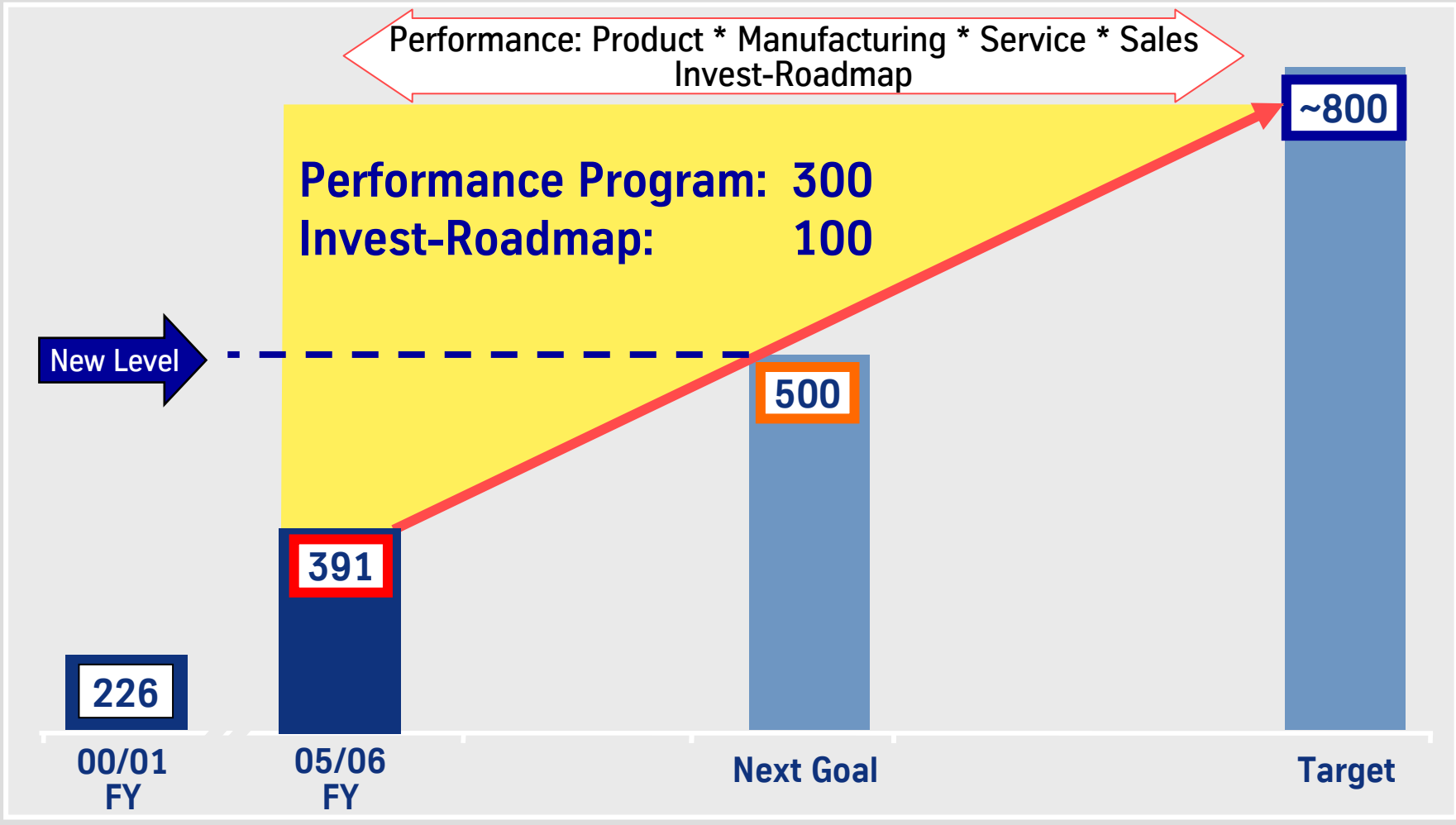
ThyssenKrupp Elevator	R+D	Product	Manufacturing	Service	Modernization
CENE (Europe North)					
SEAME (Europe South)					
Americas					
Asia/Pacific					
Escalators/PBB					
Accessibility					
Corporate					
Total					

Detailed
Action Plan

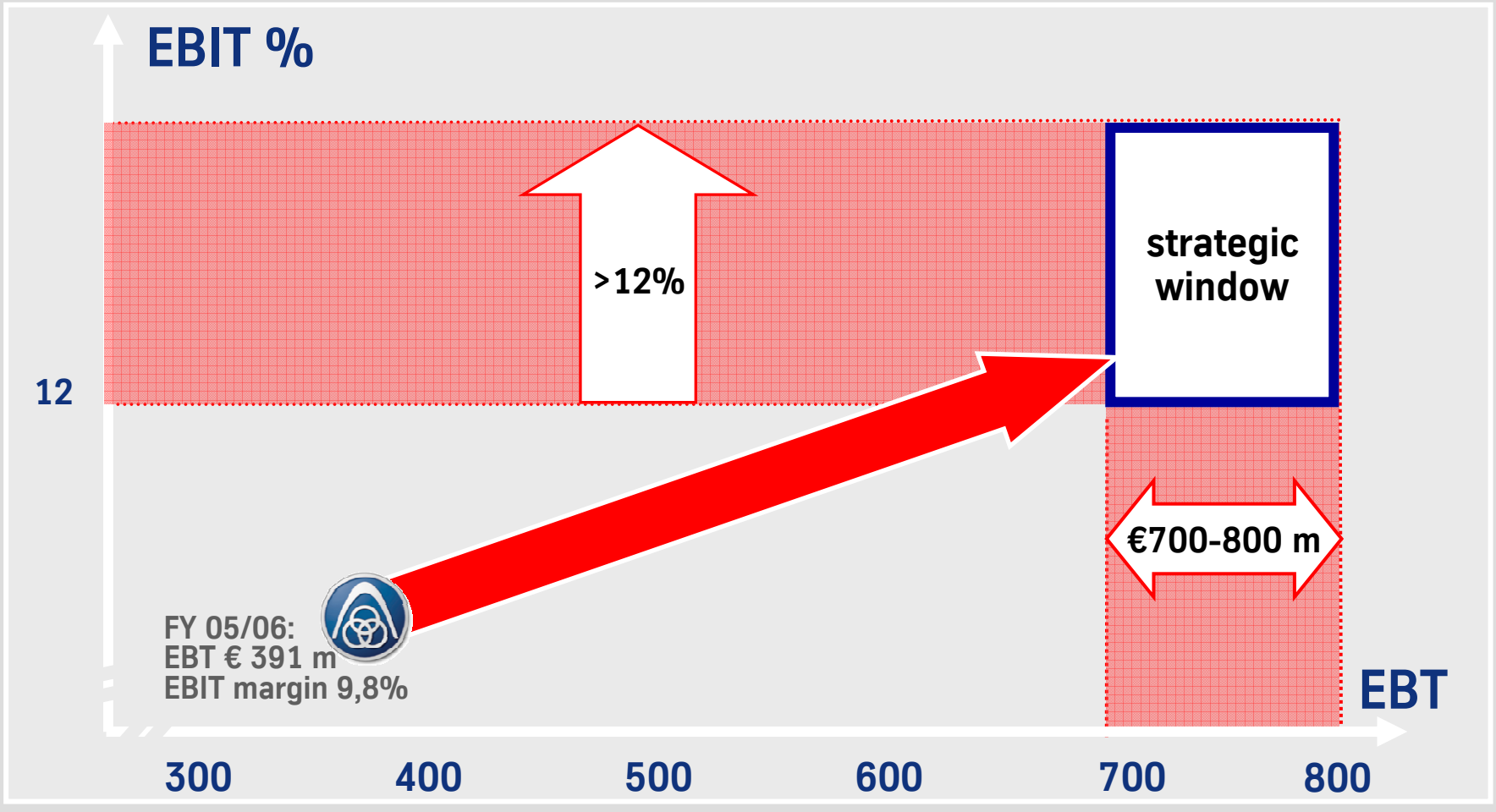
Bottom-up
Top Down

300

Future sustainable growth strategy (EBT in €m)



Target significant EBIT margin increase



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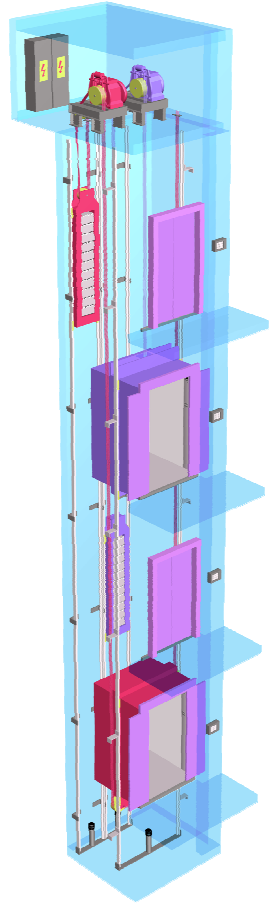
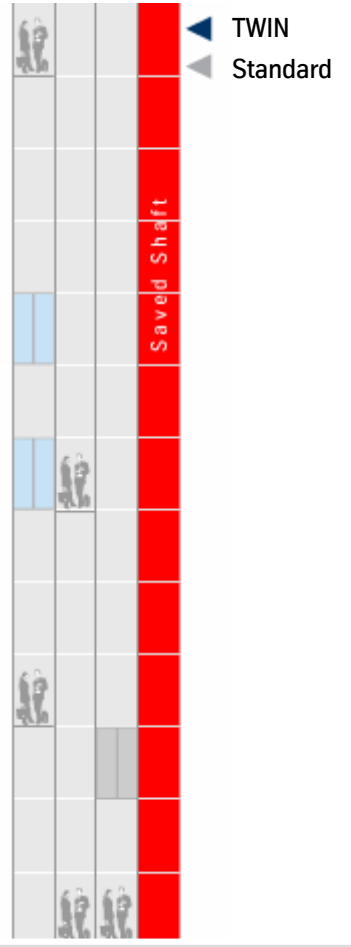
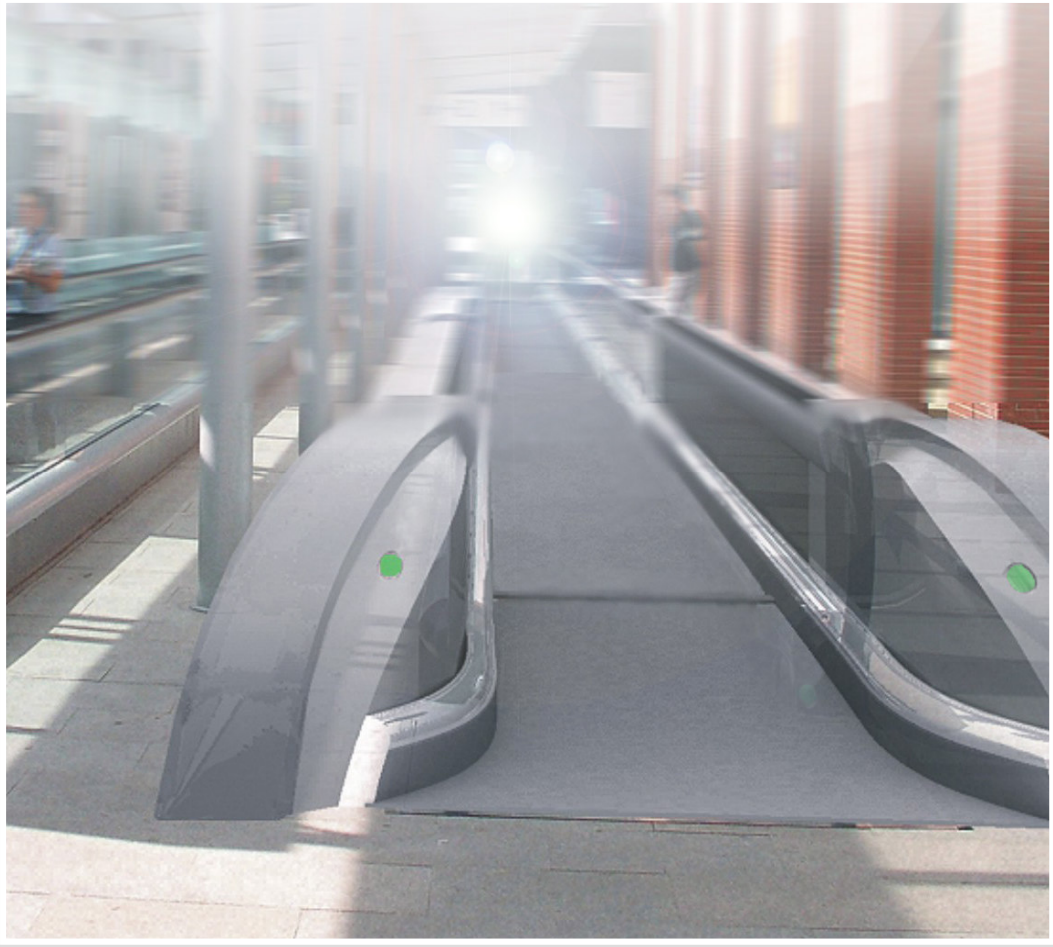
TWIN-Elevator
Main Triangel Frankfurt

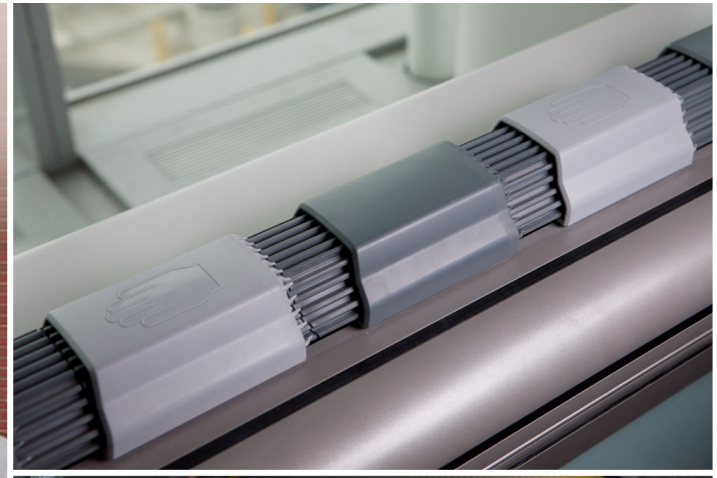


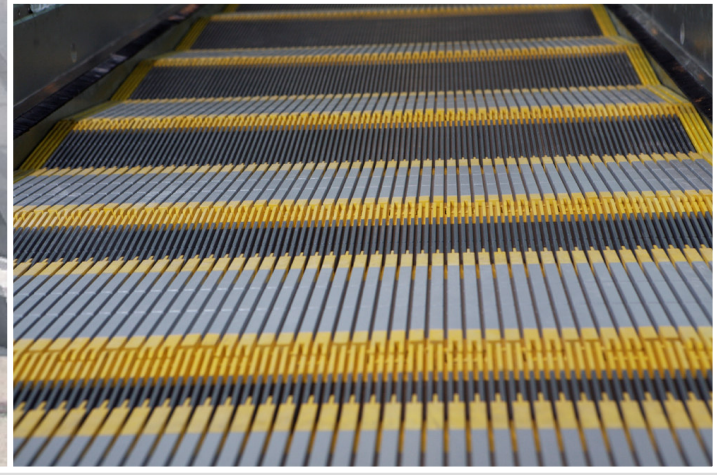


TurboTrack

Toronto Airport: final installation phase of two units

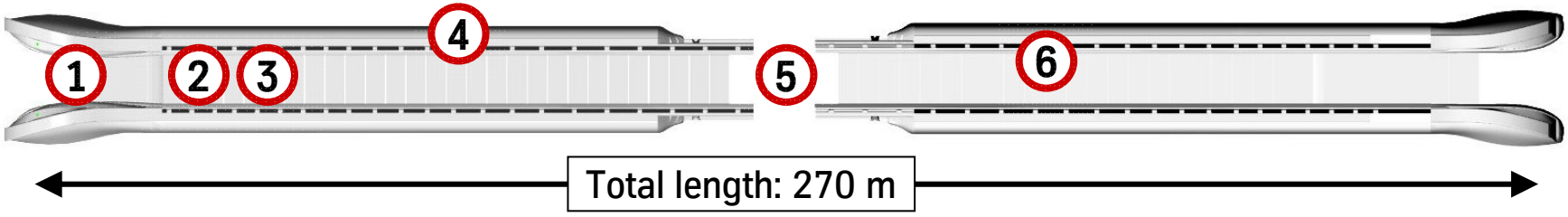


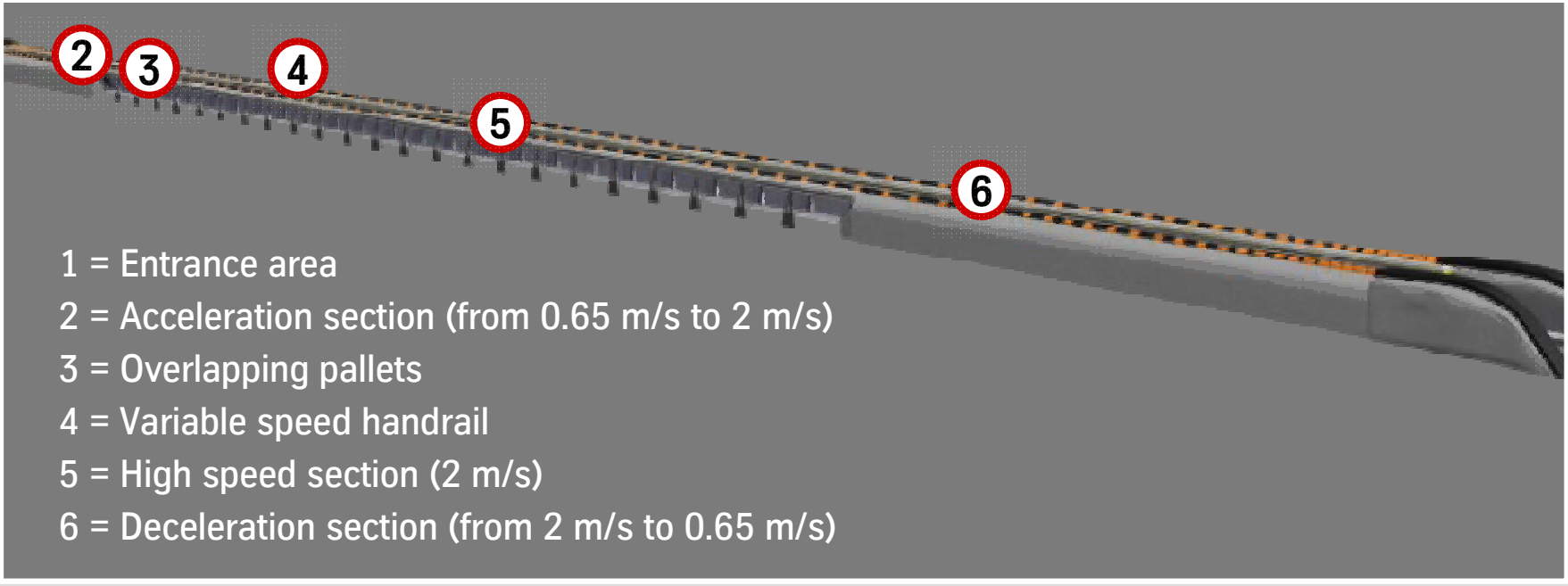




TurboTrack

Toronto Airport: details





1 = Entrance area
2 = Acceleration section (from 0.65 m/s to 2 m/s)
3 = Overlapping pallets
4 = Variable speed handrail
5 = High speed section (2 m/s)
6 = Deceleration section (from 2 m/s to 0.65 m/s)

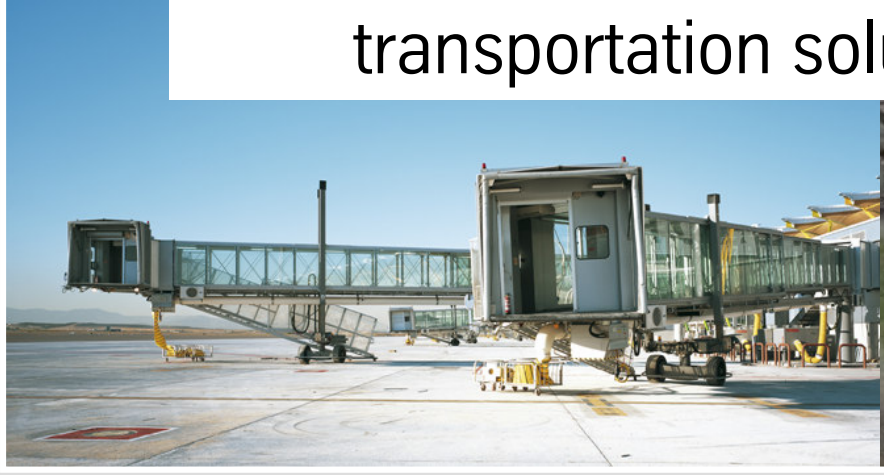
Passenger Boarding Bridges

Test landing A380 in Dubai

Cross selling

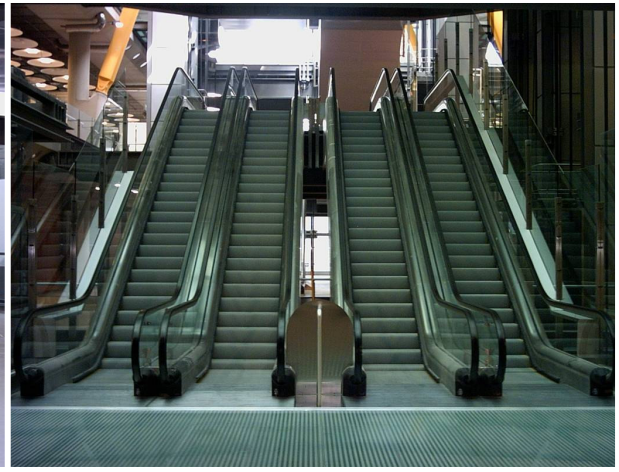
Elevators, escalators, moving walks and passenger boarding bridges

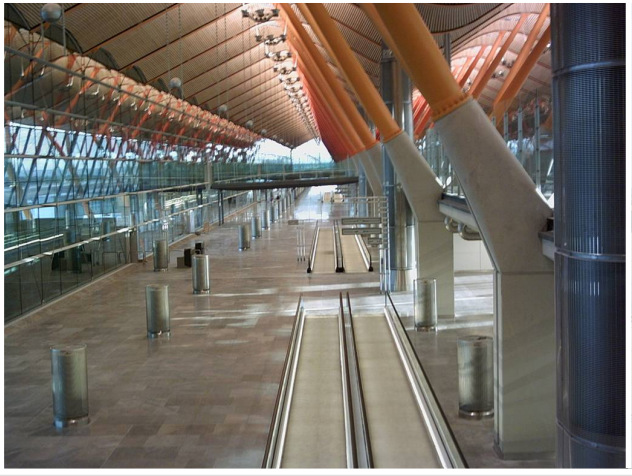
We are the **sole provider** of **all** passenger transportation solutions for airports



References

Madrid-Barajas airport





Elevators	80
Escalators	58
Moving walks	77
Passenger boarding bridges	81

References
Dubai airport

Elevators	368
Escalators	162
Moving walks	128
Passenger boarding bridges	127

25 PBB for
new Airbus A380

References

TWIN elevators

BMW Group Headquarter Munich

4 TWIN systems

Federation Tower Moscow

21 TWIN systems

TRUTEC Building Seoul

1 TWIN system

References
Buildings

London Wall, London

Elevators	10
Freight and fire elevators	11
Escalators	6

Shanghai World Financial Center

Elevators	42

References

Service contracts in famous buildings around the world

Empire State Building
New York, USA

Canary Wharf
London, Great Britain

Elephant Tower
Bangkok, Thailand

Sydney Opera House
Sydney, Australia

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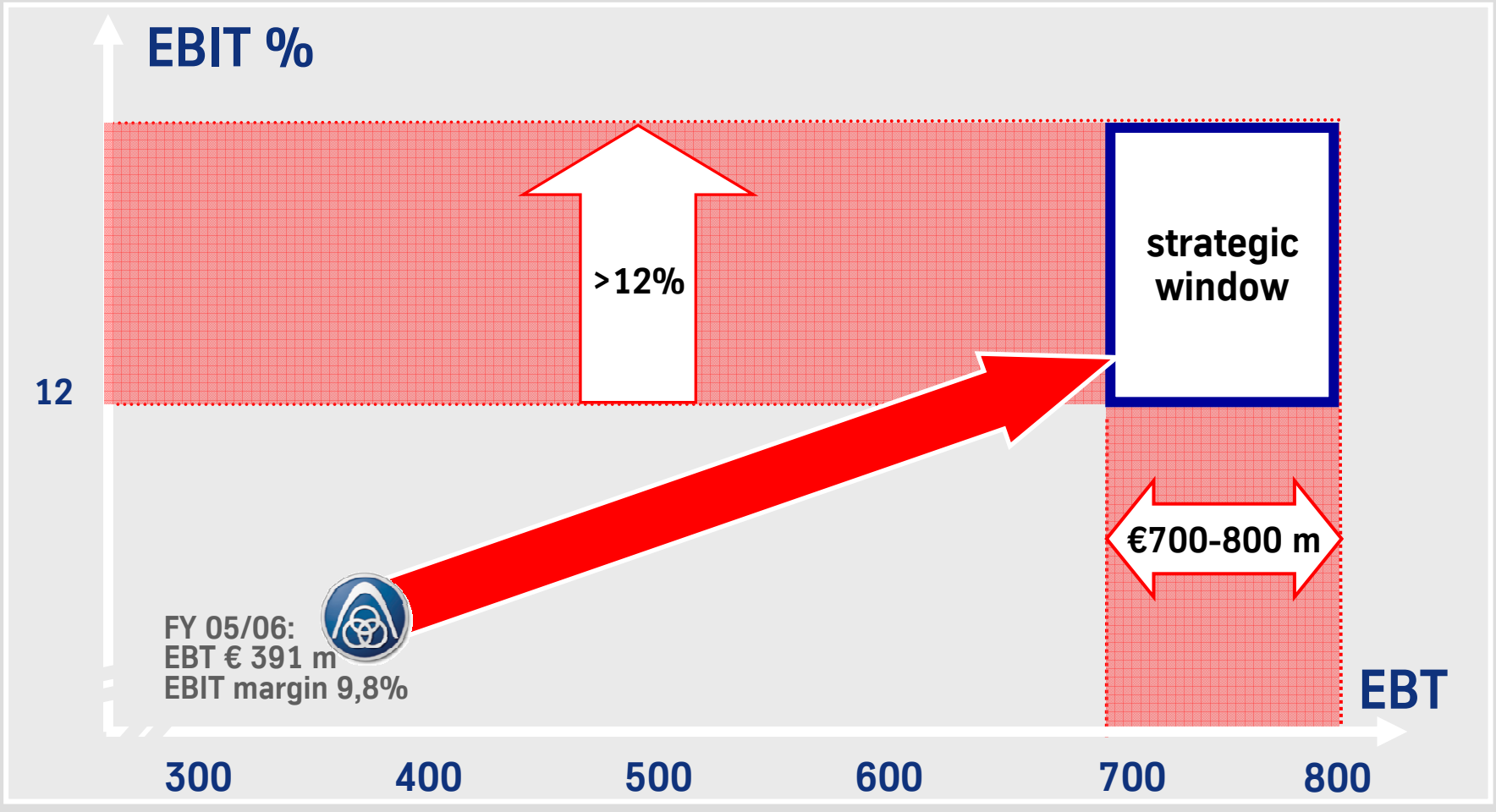
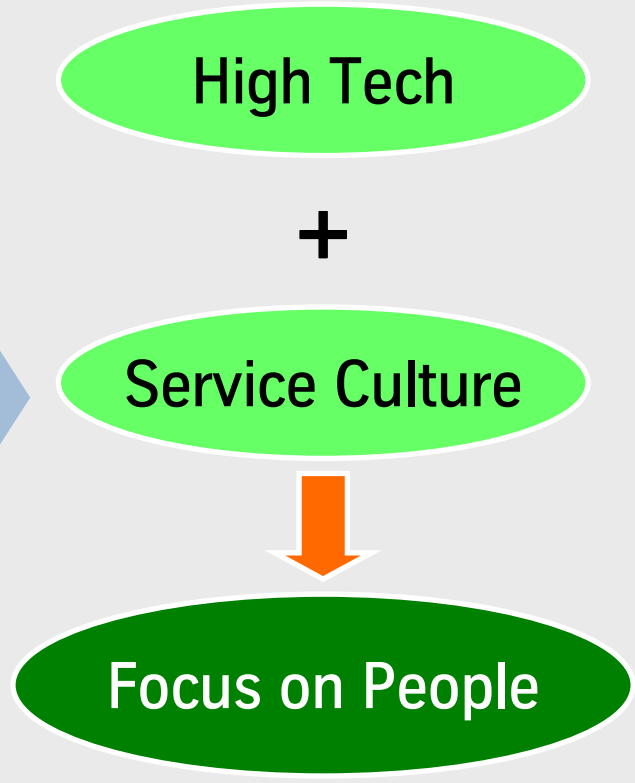


Conclusions

- **Focus:** R+D
- **Performance** program
  - "synergy"
  - Supply chain optimization
  - Global Service Strategy
- **Management** resources
- **Compliance**
- Target: EBT of € **800** m
  > **12 %** EBIT margin



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ThyssenKrupp AG

Segments

Steel

Stainless

Tech-
nologies

Elevator

Services

€ m	2005/06
Sales	14,204
EBT	482
Employees	40,163

ThyssenKrupp Services – a focused segment

Business activities

Materials Distribution

Product range, warehousing
Worldwide network
Comprehensive services

Industrial Processes

"People's business"
Business process
outsourcing

Project Management

Trading
Logistics
Financing

ThyssenKrupp Services is an independent materials and industrial services provider

Customer's value chain

Research & Development → Marketing/ Sales → Procurement → Production → Logistics & Distribution → Customer Service

Supply Chain Management

Integrated Services

Single Services

Customer-Specific Solutions

Employee Know-how and **Flexibility**

+

Worldwide **Network** with more than 600 Locations in 50 Countries

Service, Warehouse, Logistics and **Project Management** Know-how

First Stage Processing, Maintenance, Assembly

+

Unique **Product** and **Services** Range

Steel, Stainless, NF-Metals, Tubes, Pipes, Plastics

Services and customer example

Supply, operating and maintenance for ThyssenKrupp Fahrtreppen, Hamburg

Materials Services

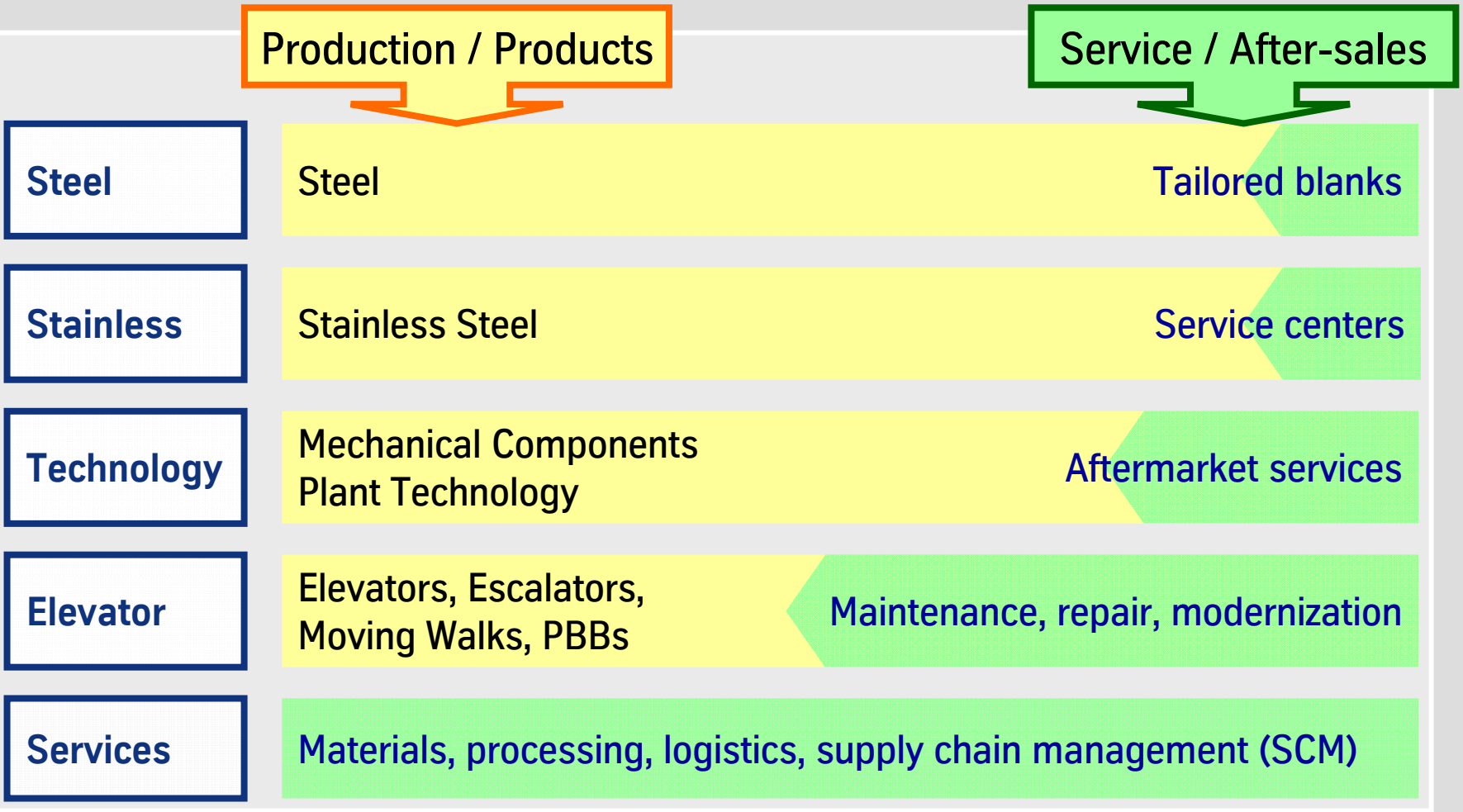
- Transfer of steel warehouse
- Transfer of sawing work to parts list and order-specific prefabrication
- JIT supply to production based on Kanban system

Industrial Services

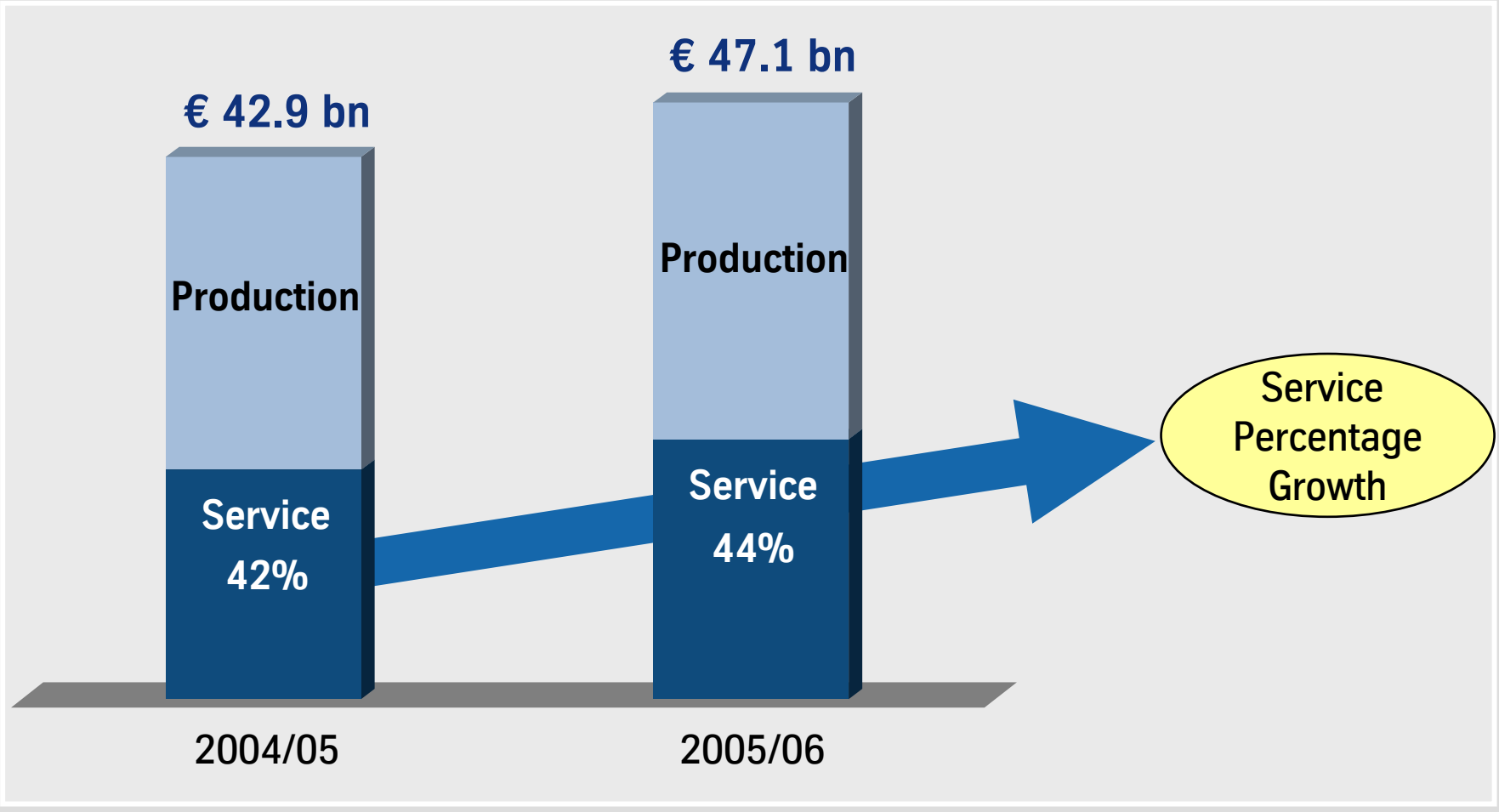
- Transfer, operation and servicing of powder metallurgy line
- Maintenance in entire plant area, workshop service, management of sub-contractors, energy management

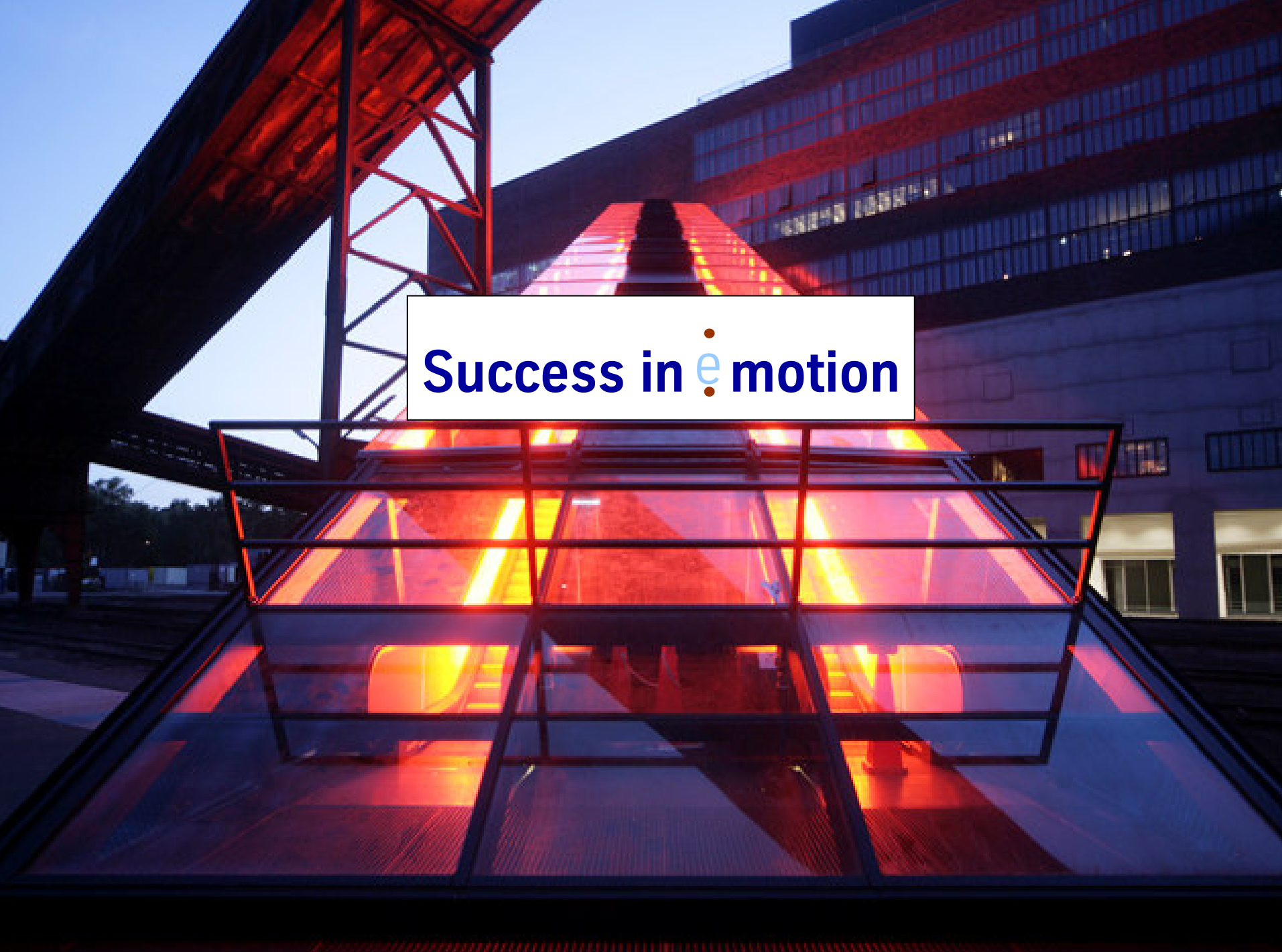
ThyssenKrupp Group

Segments: services extending the value chain



ThyssenKrupp Group
Sales structure




Success in motion

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