



BHF Machinery and Steel Conference

Frankfurt/Main

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2008

ThyssenKrupp Steel



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- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

Please note that we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.”



Agenda

Peter Urban

Vice Chairman and CFO ThyssenKrupp Steel AG

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- Overview ThyssenKrupp Group
-
- Track Record and Strategic Positioning ThyssenKrupp Steel
-
- Strategic Guidelines
-
- Forward Strategy for Profitable Growth
-



ThyssenKrupp Group FY 2006/07

ThyssenKrupp AG

Sales €51.7 bn • EBT €3,330 m • TKVA €2,108 m • Employees 191,350

Steel	Stainless	Technologies	Elevator	Services
Sales €13.2 bn EBT €1,662 m TKVA €1,138 m Employees 39,559 <ul style="list-style-type: none"> • Corporate • Steelmaking • Industry • Auto • Processing 	Sales €8.7 bn EBT €777 m TKVA €507 m Employees 12,182 <ul style="list-style-type: none"> • Nirosta • Acciai Speciali Terni • Mexinox • Shanghai Krupp Stainless • Stainless Int. • VDM 	Sales €11.5 bn EBT €544 m TKVA €348 m Employees 54,762 <ul style="list-style-type: none"> • Plant Technology • Marine Systems • Mechanical Components • Automotive Solutions • Transrapid 	Sales €4.7 bn EBT* €(113) m TKVA* €(226) m Employees 39,501 <ul style="list-style-type: none"> • 4 regional business units • Escalators/ Passenger Boarding Bridges • Accessibility 	Sales €16.7 bn EBT €704 m TKVA €487 m Employees 43,012 <ul style="list-style-type: none"> • Materials Services International • Materials Services North America • Industrial Services • Special Products

Inter-segment sales not consolidated

* incl. EU fine

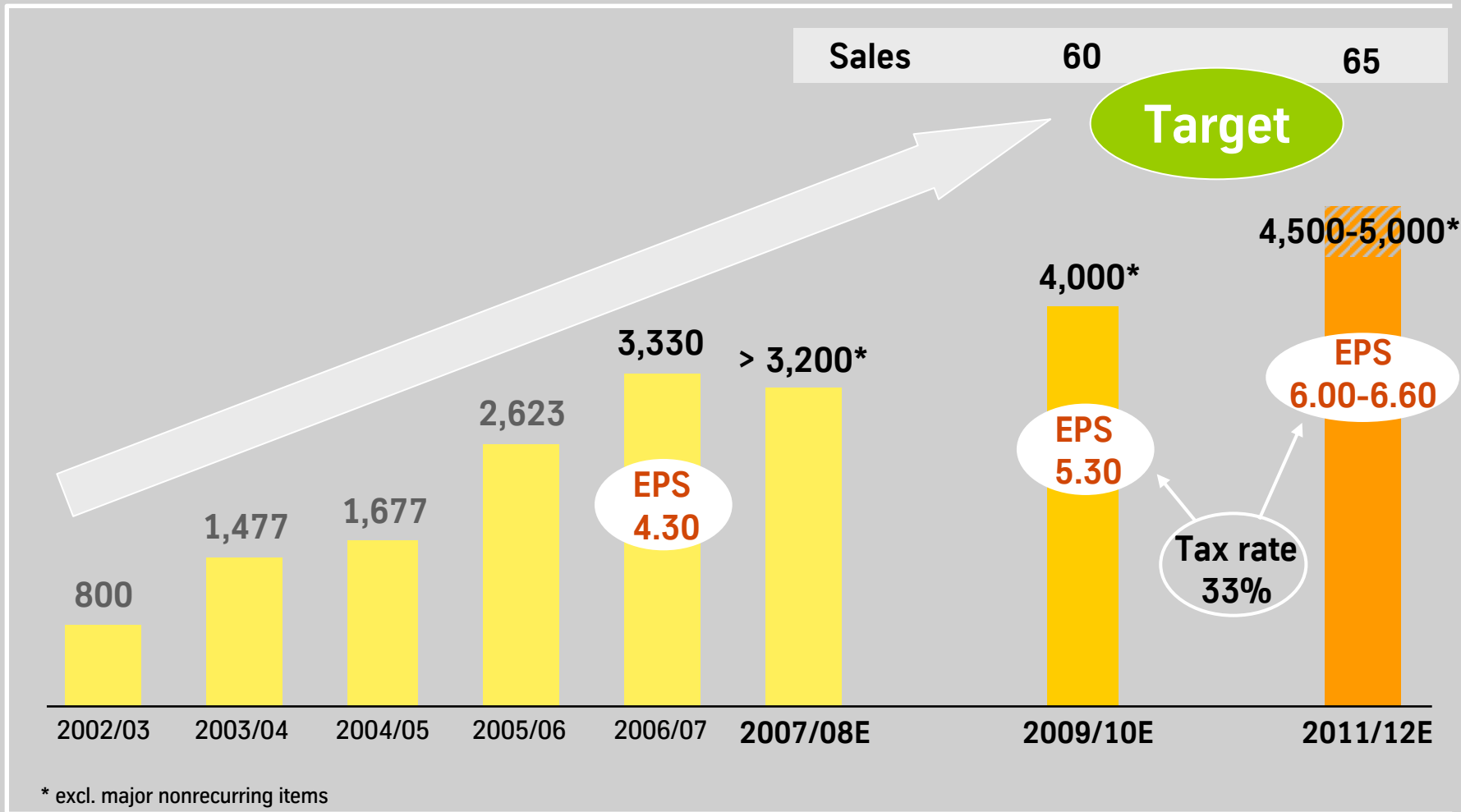
ThyssenKrupp Steel



ThyssenKrupp Group – Targets 2009/10 and 2011/12

Sales, EBT and EPS

billion € / million € / €



ThyssenKrupp Steel



Track Record ThyssenKrupp Steel



		2001/02 ¹⁾	2002/03 ¹⁾	2003/04 ¹⁾	2004/05 ²⁾	2005/06 ³⁾	2006/07 ³⁾
Sales	€m	6,861	7,448	8,387	9,568	12,087	13,209
Crude steel prod.	1,000 t	13,145	13,557	13,978	13,826	13,837	14,459
EBT	€m	15	243	608	1,094	1,406	1,662
ROCE	%	2.6	7.0	13.0	19.6	23.2	26.9
TKVA	€m	(417)	(162)	164	600	876	1,138
Ø Capital Employed	€m	5,623	5,430	5,520	5,965	6,380	6,557
Employees (Sept. 30)	#	29,222	29,249	30,618	31,634	38,840	39,559

1) Business Unit Carbon Steel, incl. discontinued operations US GAAP

2) ThyssenKrupp Steel (new) IFRS

3) incl. Metal Forming

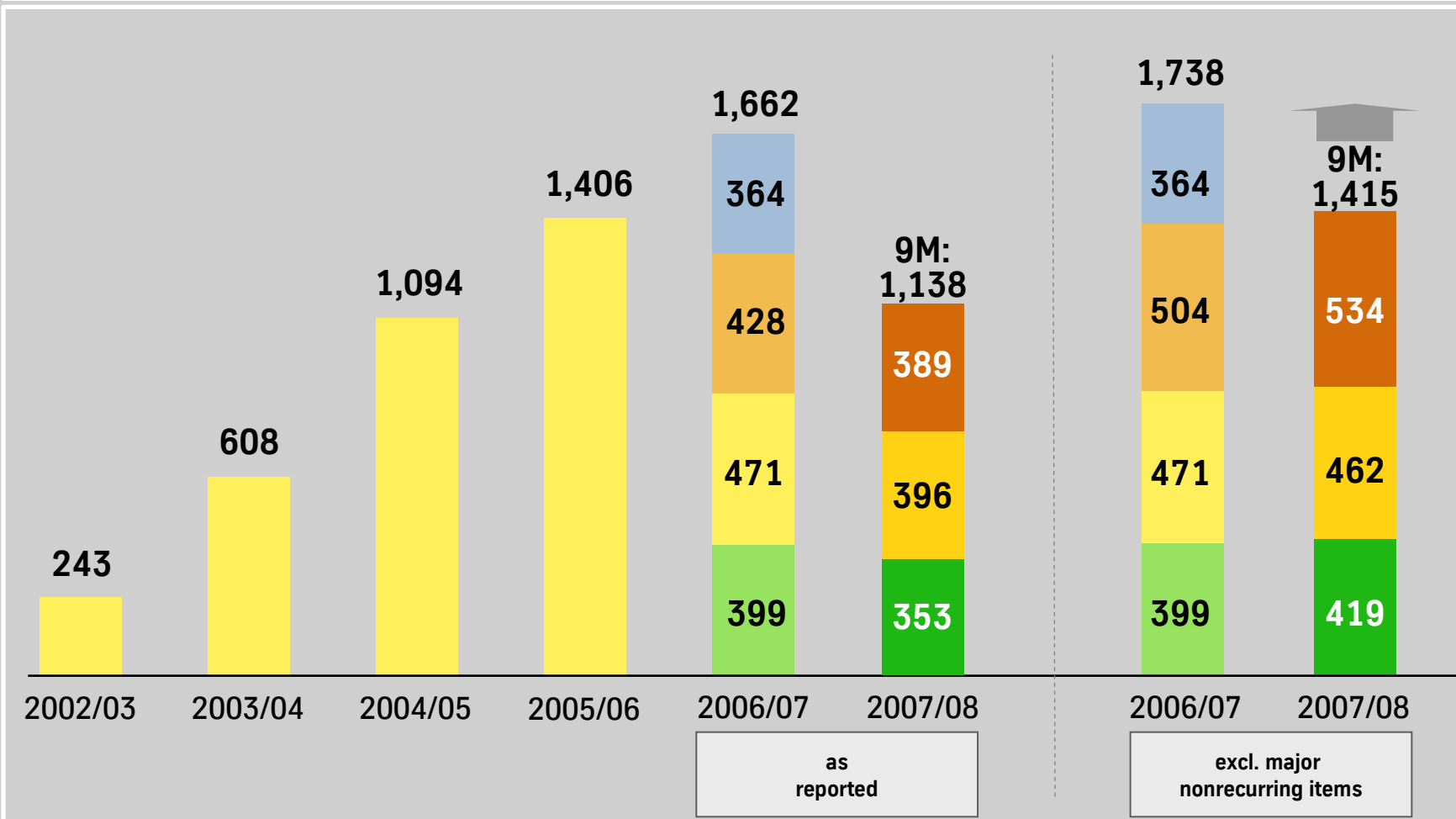
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EBT Track Record ThyssenKrupp Steel

EBT

million €



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Our Current Focus of Business is Europe

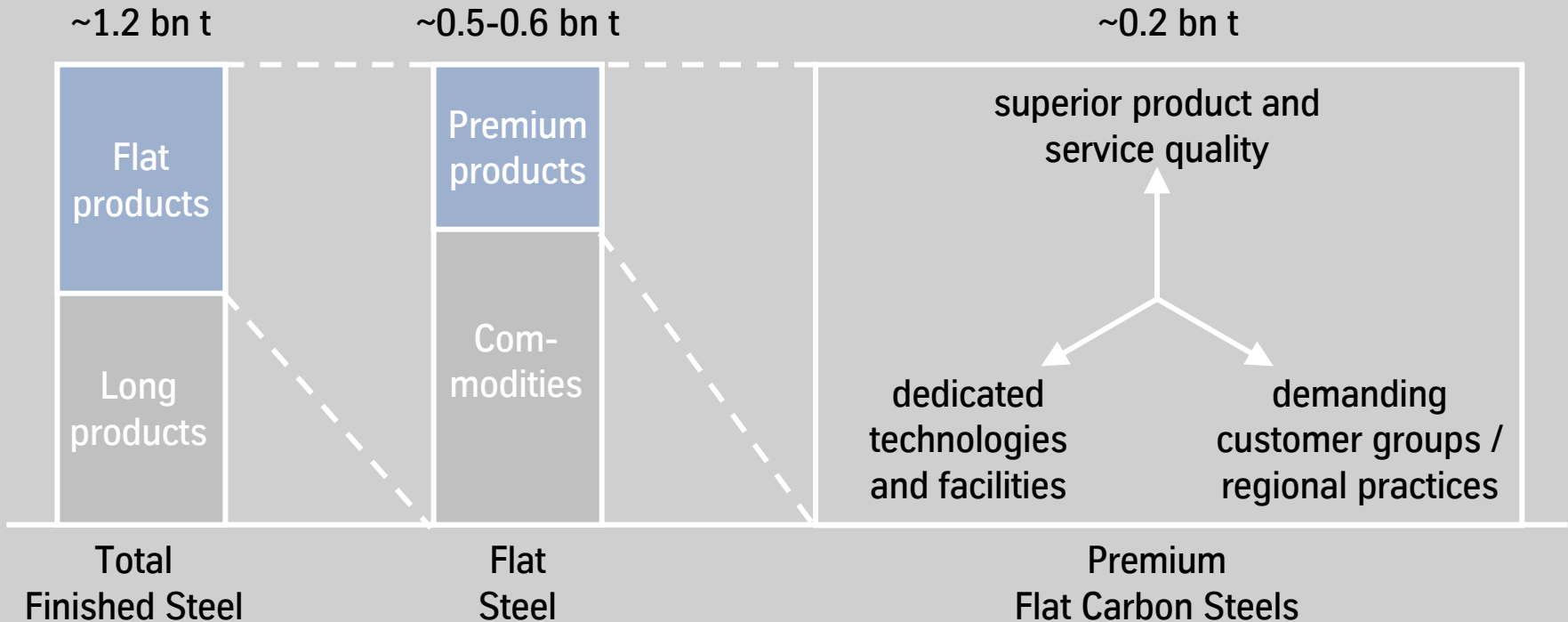


ThyssenKrupp Steel



Geared to the Premium Flat Carbon Steel Market

Separate Market Segments of the Steel Industry

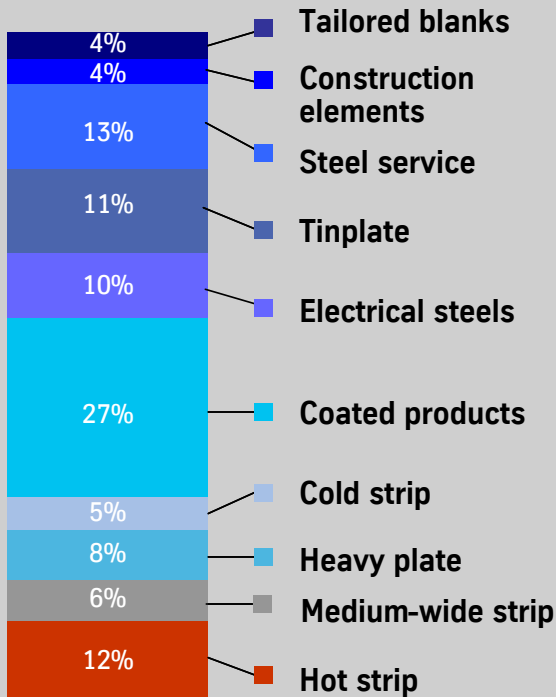


**Product and customer specific requirements and technologies
provide the basis for the successful premium strategy**



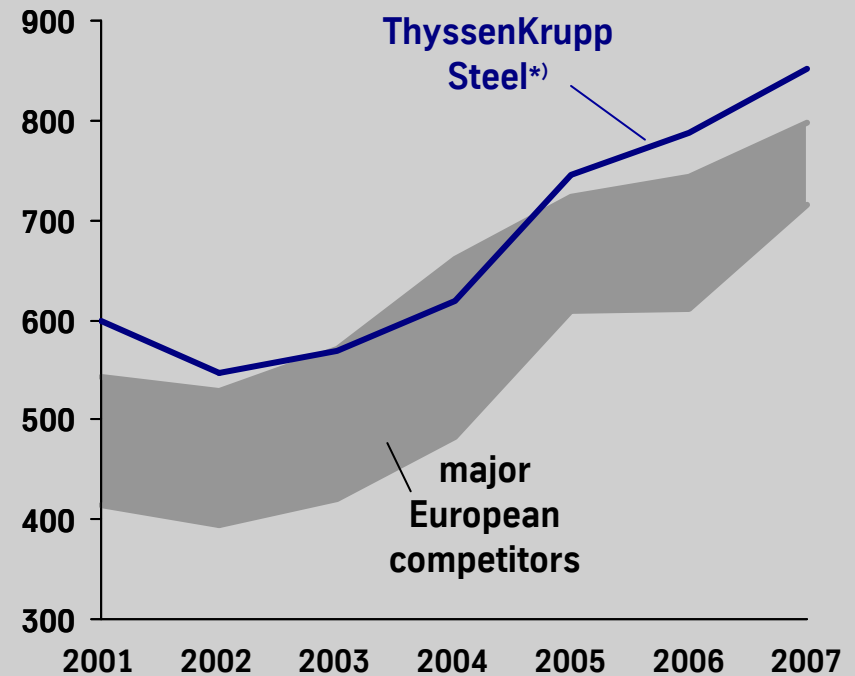
Premium Product Portfolio Generates Above-Average Revenues

Product Portfolio Steel FY 2006/07*) in %



*) sales of flat products only

Revenue per Tonne € / t



*) excl. Metal Forming

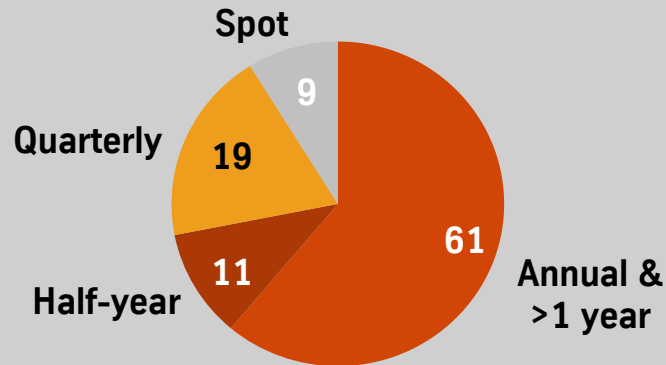
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Long Term Customer Relations Establish Lower Volatility

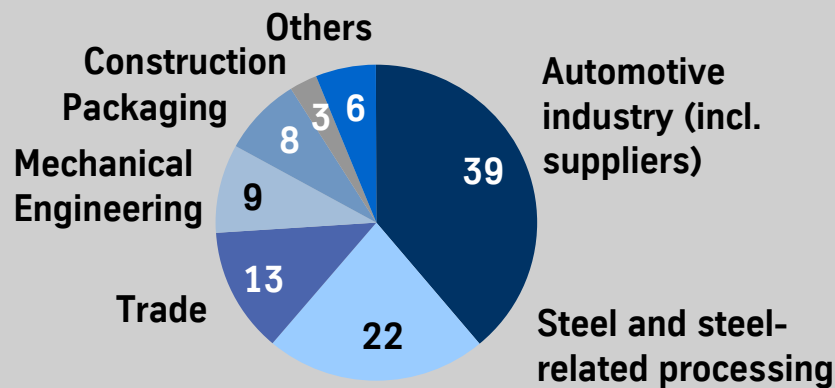
Sales by Maturity FY 2006/07

in %



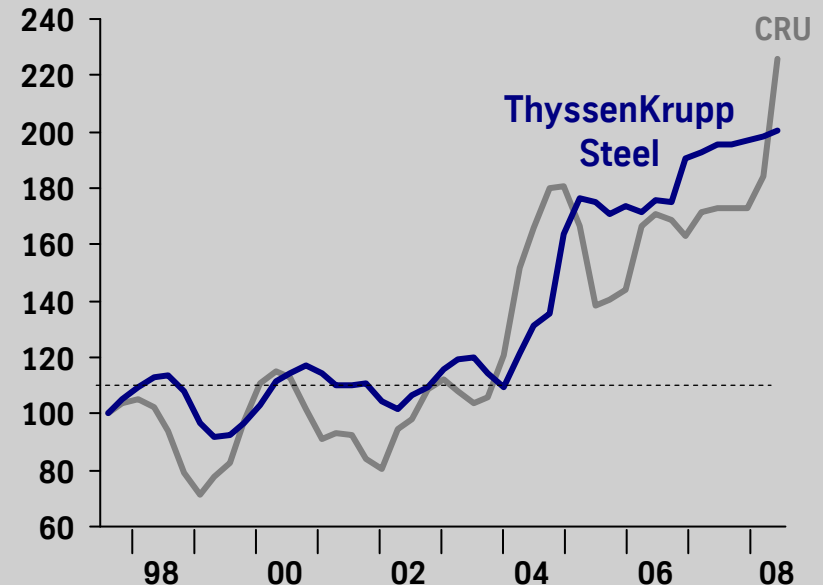
Sales by Industry FY 2006/07

in %



Price Index

Index (Q3 1997 = 100)



— Price index hot rolled ThyssenKrupp Steel

— Price index hot rolled, German market (CRU)

All data incl. Q2 2008

Sources: CRU and own calculations based on CRU, TKS

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Large-Scale, Multiple-Niche Approach

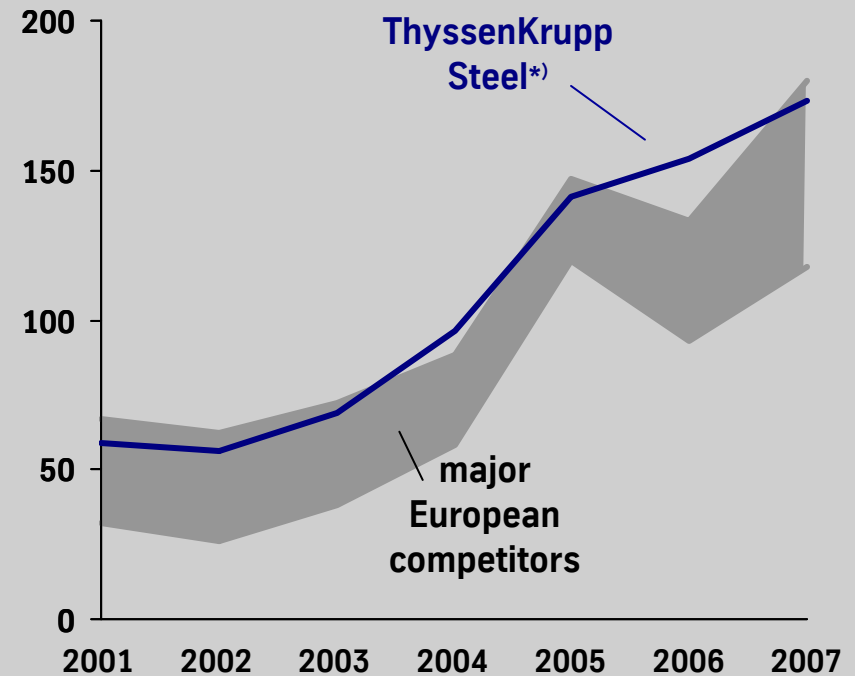
Market Positions

by production 2006

- Total Flat Carbon Steel # 2 Europe
- Tailored Blanks # 1 World
- Tinplate # 2 Europe
- Electrical Steel, GO # 3 World / # 1 Europe
- Coated Products # 2 Europe
- Heavy Plate, quenched & tempered # 2 Europe
- Medium-wide Strip # 1 / USP

EBITDA per Tonne

€/t



*) excl. Metal Forming

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Strategic Guidelines ThyssenKrupp Steel

Sustainable value growth



**Efficiency
improvement**

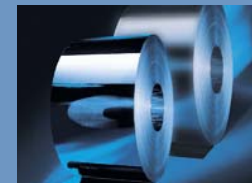


**Technology
leadership**



**Profitable
growth**

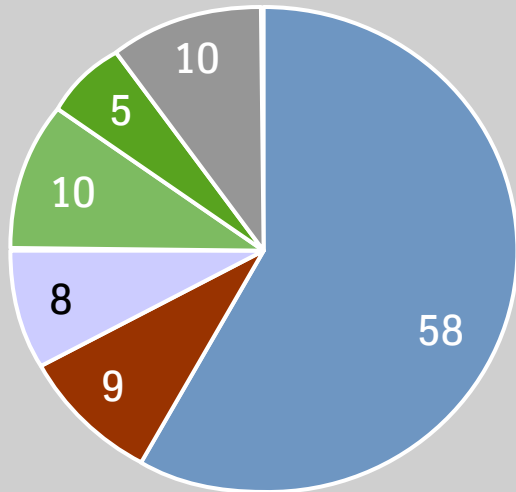
**Focus on attractive markets
for premium flat steel products**



Further Significant Earnings Improvements Expected from Well Established Efficiency Enhancement Program “TK best”

Project landscape by initiatives

%



■ Operations

■ Purchasing

■ Quality

■ Organization

■ Sales

■ Other initiatives

Highlights

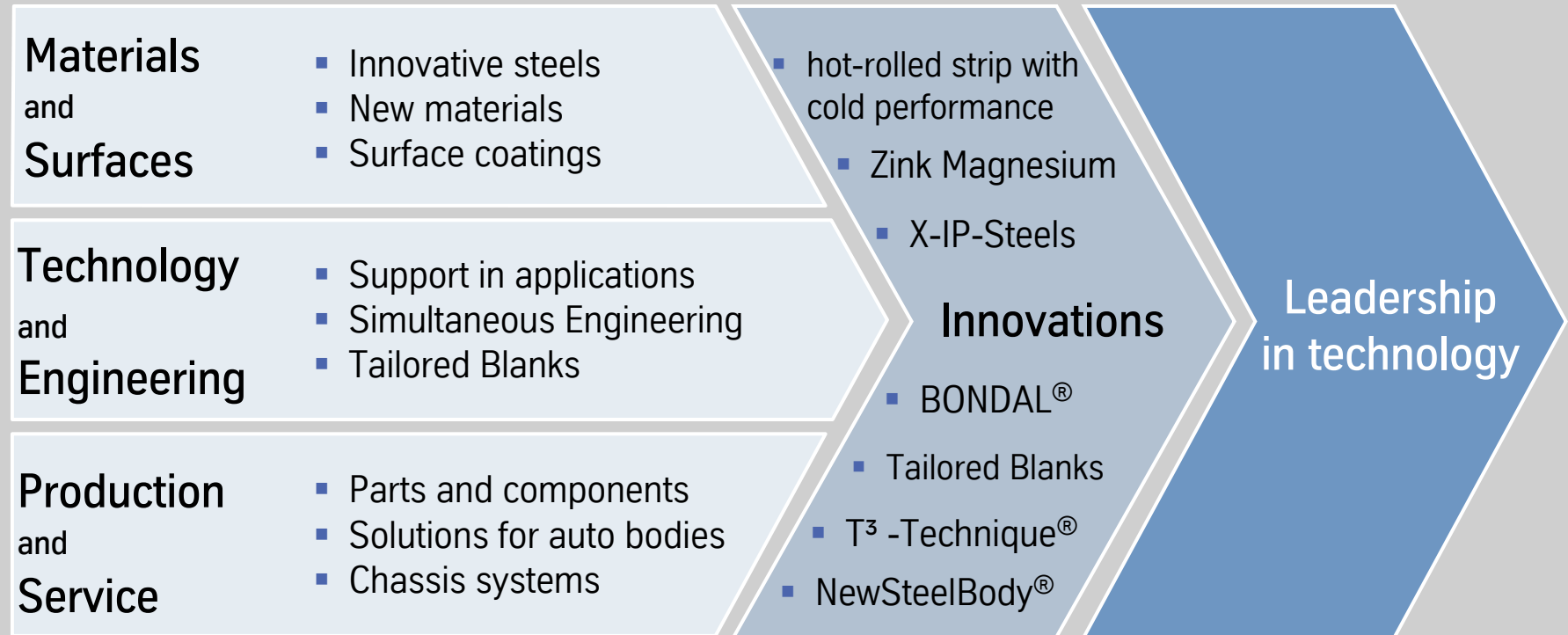
- Since start of ThyssenKrupp best in fall 2001 1,300 projects have been launched in the Steel segment
- Continuous efficiency enhancement programs under ThyssenKrupp best continue with great intensity across all Business Units

⇒ Additional earnings improvements of +Δ €135 million per year!



Leadership in Technology

Example: Strong Partner to the Automotive Industry



► Overall competence in automobile market as a basis for leadership in technology

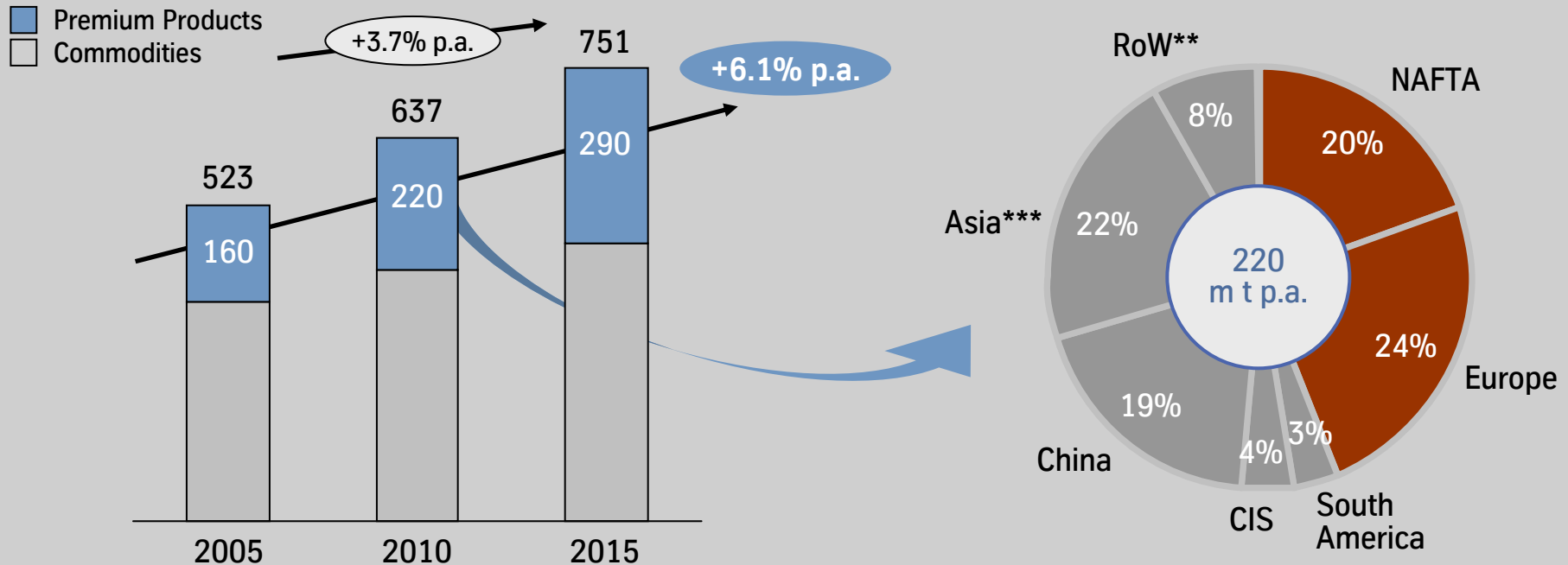


Premium Flat Carbon Steel Market with Above-Average Growth

Global Market Development: Market Forecasts up to 2015

Global Demand for Premium Products*

million tons p.a.

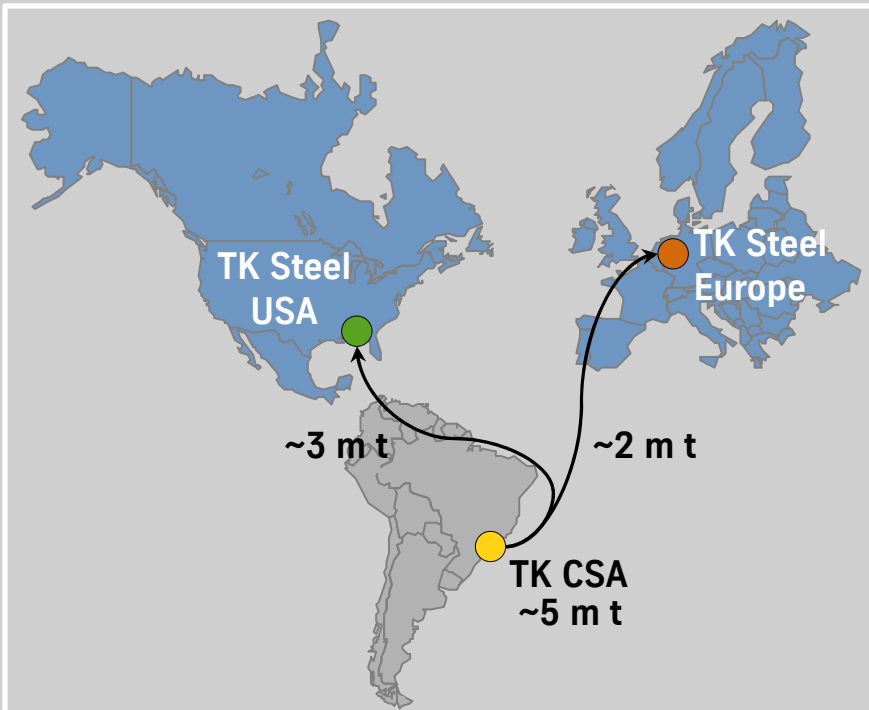


Europe and NAFTA with almost 45% share in global demand for premium products

* Flat steel products with above-average quality requirements and technological properties ** esp. India *** esp. Japan and South Korea
 Source(s): CRU MerchantSlabMarket 2006-Q4 – absolute numbers, WSD Global Steel Product Matrix



Investment Strategy Steel: The Transatlantic Concept



Targeted major transatlantic production capacities

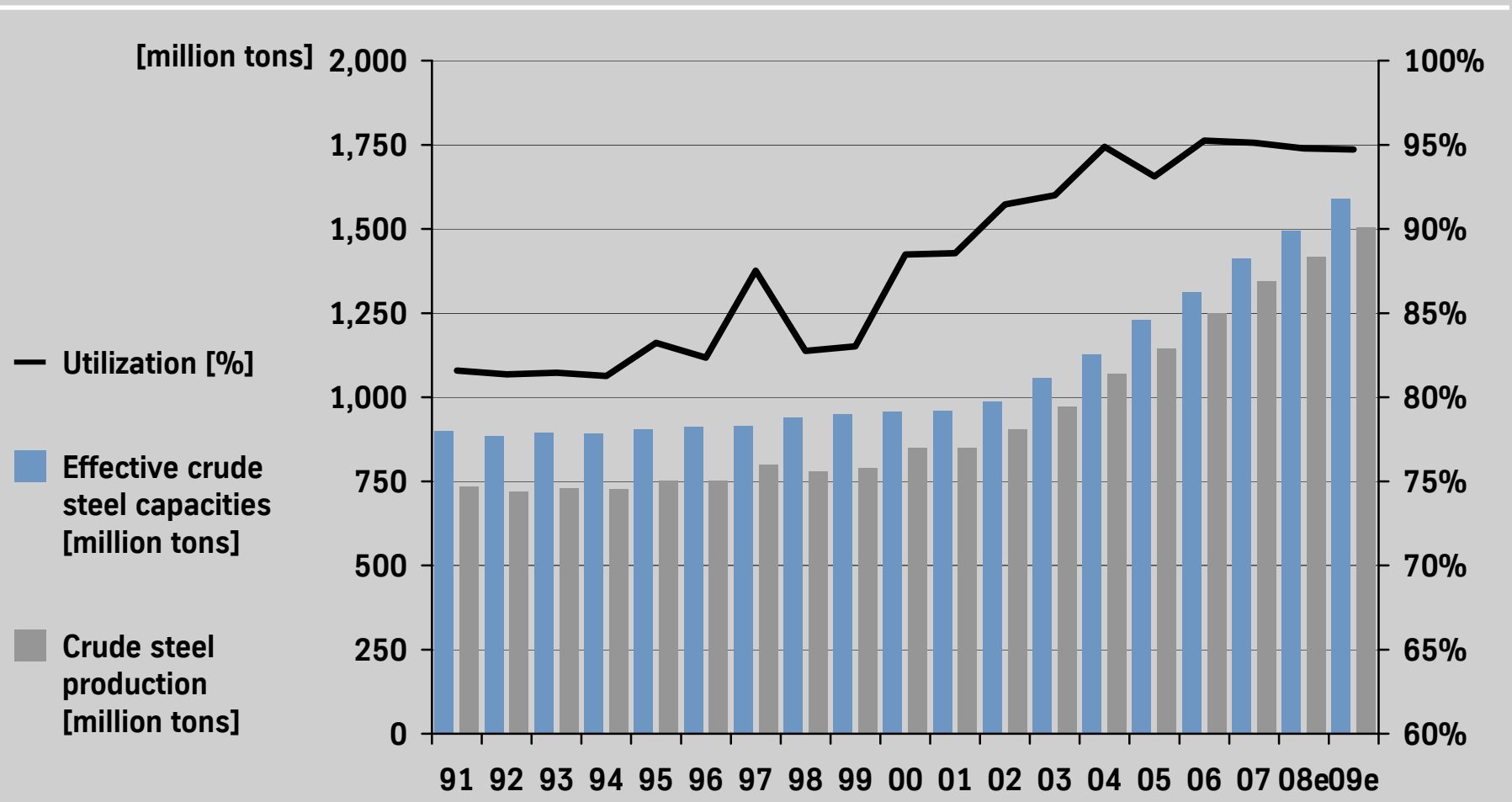
Capacity in m metric tons p.a.	Brazil	NAFTA	Europe **
Slabs	5	-	15
Hot-rolled	-	5.2*	17.5
Cold-rolled	-	2.5	10
Coated	-	1.8	8

* incl. 0.9 million t for Stainless ** slabs incl. share in HKM; hot-rolled incl. heavy plate and medium-wide strip; coated incl. EG, HDG and tinplate

- Utilizing low-cost slabs from Brazil
- Build on and expand strong European market position
- Clear strategy to enter NAFTA market with focus on high value-added products

- ⇒ Significant dilution of cost base by highly competitive steel mill in Brazil
- ⇒ De-bottlenecking and modernization to process 2 m t of additional slabs from Brazil ("Herkules")
- ⇒ Transfer of proven business model into the modern industrial center of the U.S.

Global Crude Steel Capacity Utilization Rates










Source: WV-Stahl, own estimates



Slab Facility in Brazil Will Create Competitive Advantages

Start of Production in Q4 CY 2009

Location	<ul style="list-style-type: none">• Sepetiba, Brazil• Link to ore logistics from Minas Gerais (South ore mine system of Vale)• Rail connection and captive port• Ample space for expansion	<div>Competitive advantages</div> <ul style="list-style-type: none">• High-quality, secure ore supply• Site advantages• Modern and efficient technologies and processes• Excellent logistics <div>Outstanding cost position</div>
Plant configuration	<div><div> Port</div><div> Coking plant</div><div> Sinter plant</div><div> Blast furnace</div><div> Melt-shop</div><div> Continuous caster</div><div> Power plant</div></div> <ul style="list-style-type: none">• Capacity: ~ 5 million tons p.a.• Capex: ~ €4.5 billion; IRR ~ 15%	
SOP	<ul style="list-style-type: none">• Q4 CY 2009 production of first slab	

Low-cost and high-quality slabs as ideal basis for further processing in Europe and North America



Full-Fledged Steel Works Geared to Highest Efficiency

Key facts ThyssenKrupp CSA

- Port, about 3.5 km off-land, connected by bridge with conveyor belt for coal intake
- Port intake for 4 m tpy coal; shipment of 5 m tpy slabs
- Stockyard for iron ore: ~900,000 t
- Stockyard for coal/coke: ~800,000 t
- Clean air coking plant: ~1.9 m tpy coke and steam
- Sinter plant capacity: ~5.7 m tpy sinter
- Two blast furnaces: ~ 5.3 m tpy hot metal
- Steel plant: 2 x 330 t converters top and bottom blowing



- 9 km² sized area; >17,000 people currently working on site

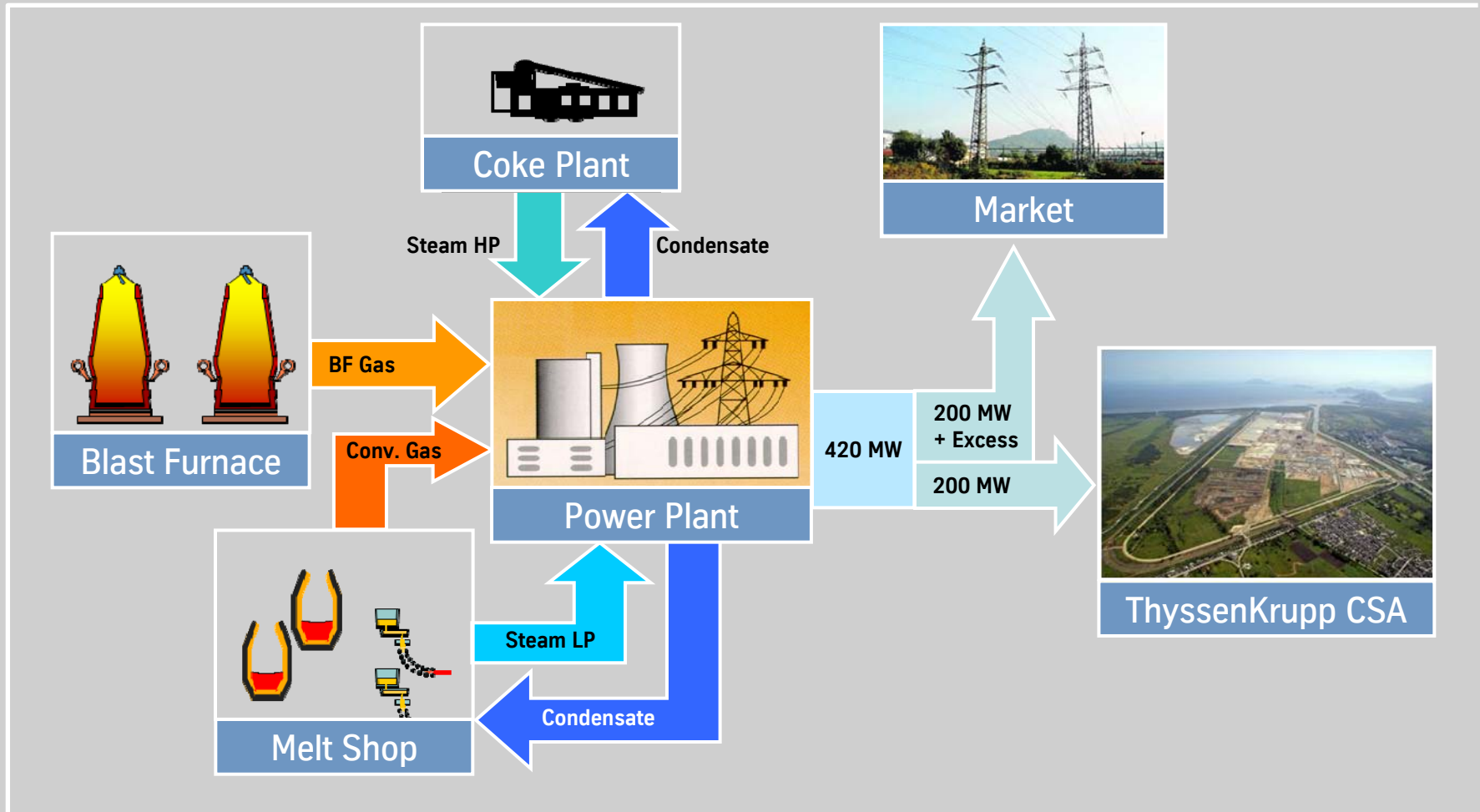
Startup of Port and Coke Plant in Q1 2009



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Power Plant: The Center of Energy Efficiency

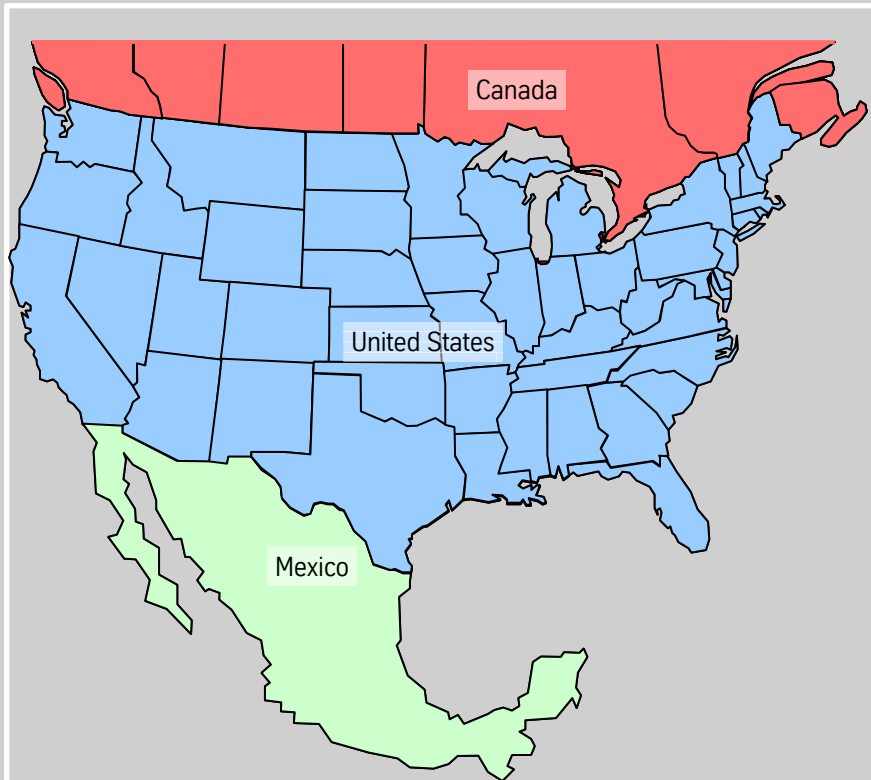


Blast Furnace and Melt Shop Units to Start Production End of 2009



Significant Net Imports Reflect Structural Supply Shortage in NAFTA

Flat Carbon Steel Imports, Exports and Trade Balance Canada, U.S., Mexico



Source(s):

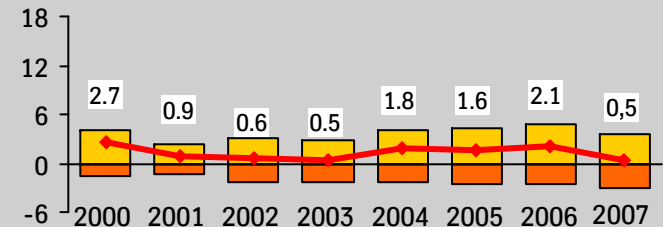
WV Stahl. All data in mn t

Flat carbon steel (welded tubes excluded)

Imports Exports Trade Balance (net imports counted positive)

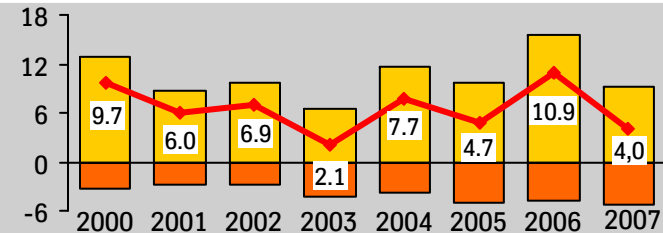
Canada

million t p.a.



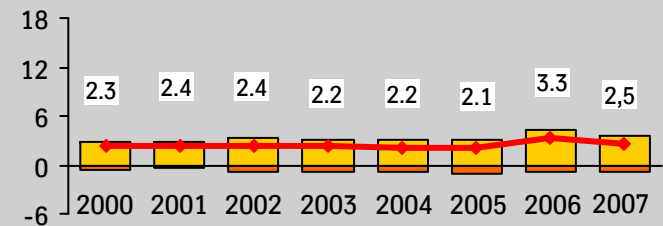
United States

million t p.a.



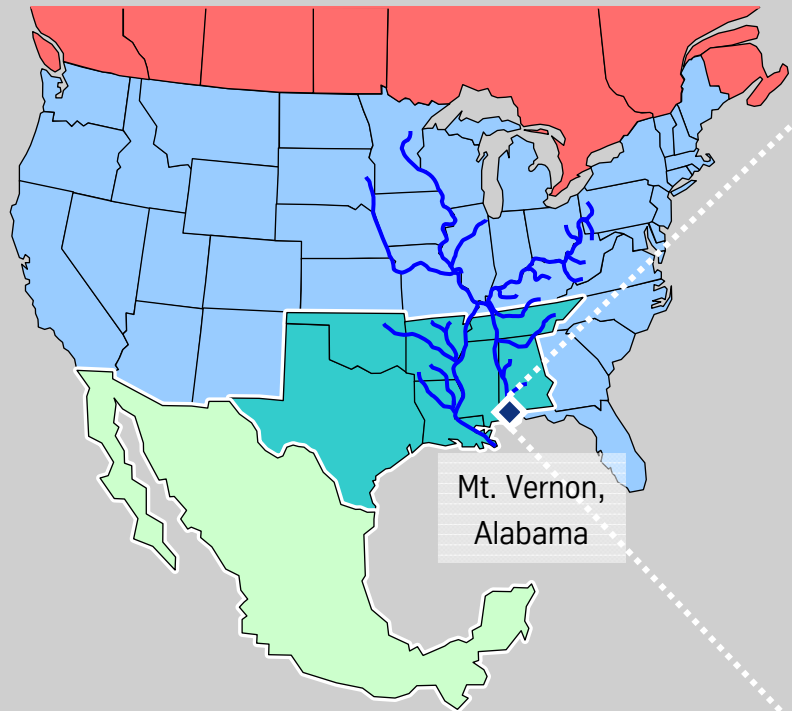
Mexico

million t p.a.



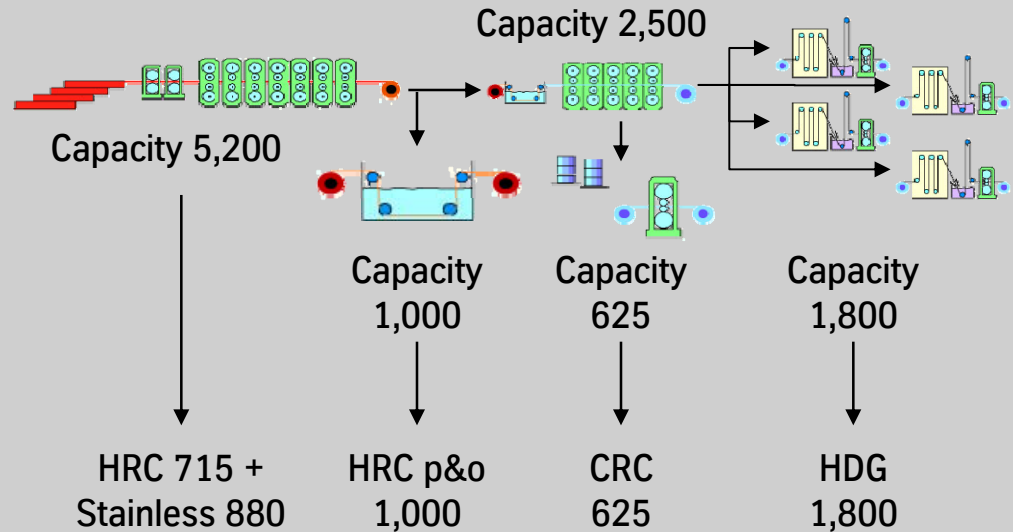
Optimum Logistics and State-of-the-Art Facilities Located at the Heart of the Modern Industrial Center of the U.S.

Start of Production in Q1 CY 2010; Capex: €2.3 bn; IRR ~ 15%



ThyssenKrupp Steel USA: Equipment Layout, Capacities and Shipment Structure

1,000 t p.a.



**Geared to demanding customers from the
automotive, construction, engineering, pipe and tube and appliance industry**

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ThyssenKrupp Steel and Stainless USA (I)



ThyssenKrupp Steel



ThyssenKrupp Steel and Stainless USA (II)



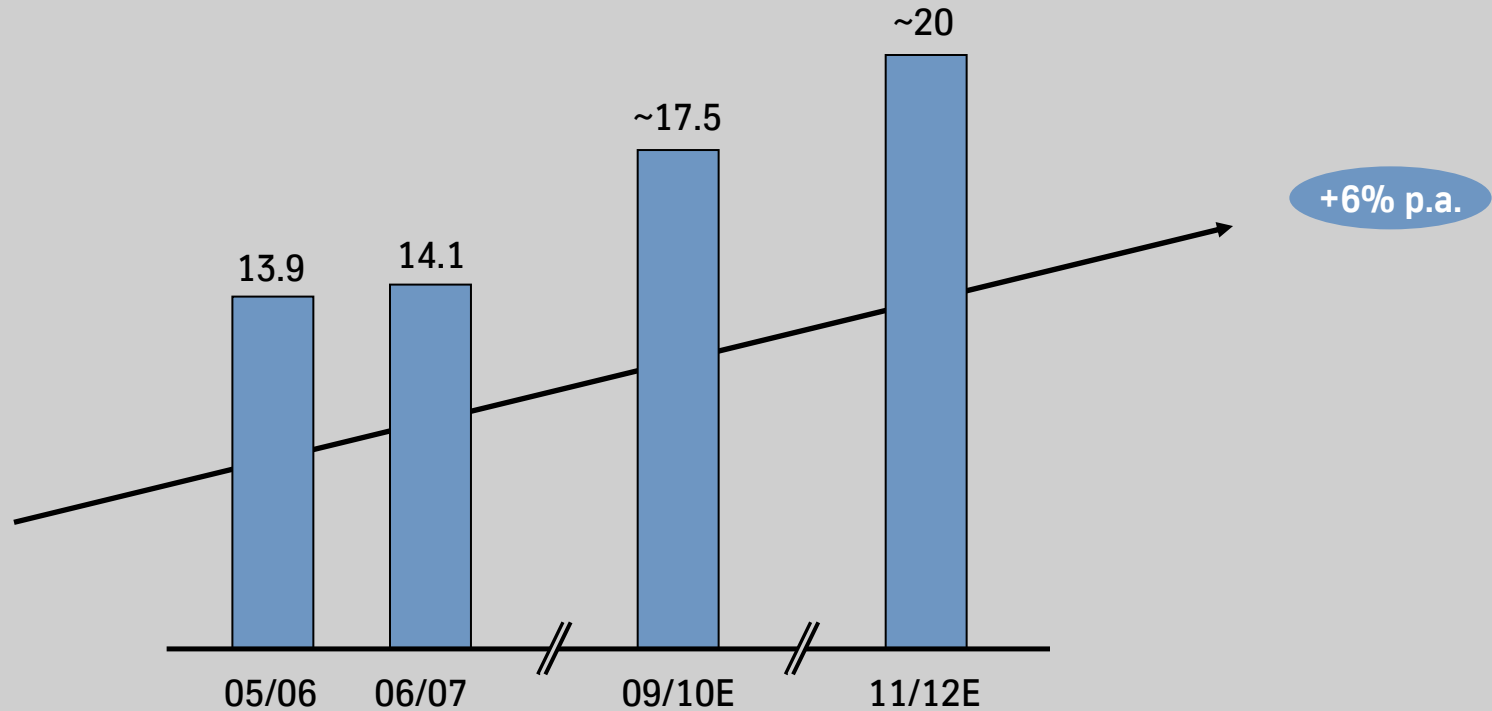
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Excellent Positioned to Meet Increasing Demand for Premium Products

Steel Shipments ThyssenKrupp Steel

million tons p.a.



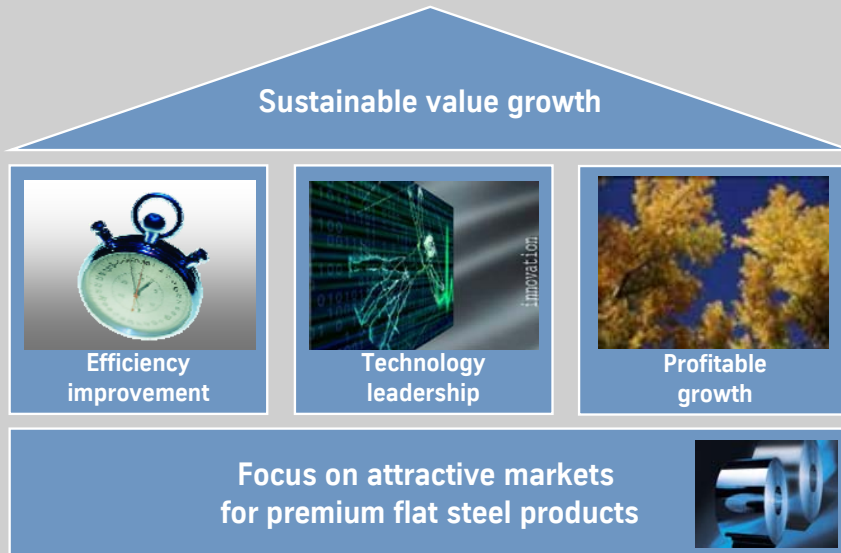
Shipments to increase by more than 40% by 2011/12

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Forward Strategy Creates Potential For Significant Value Growth

Strong Organic Growth Based on Proven Business Model



- Capex
 - Forward Strategy Europe
 - Forward Strategy NAFTA
 - Forward Strategy Brazil

€7.2 bn
- Return hurdle for growth investments

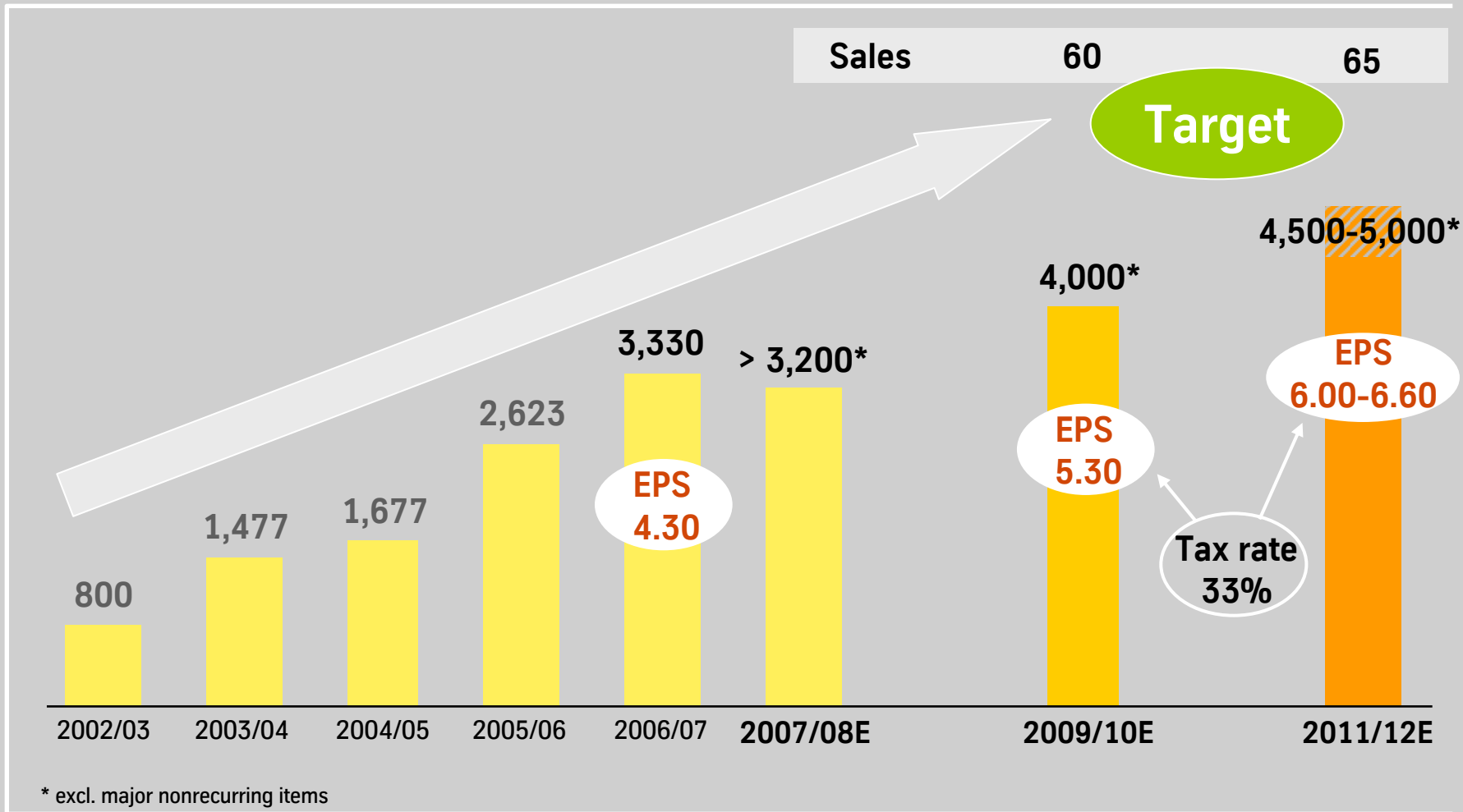
~ 15 %
- Committed to
 - Reliable and significant profit contribution
 - Drive value for the Group !

Leveraging upstream scale and downstream excellence !

ThyssenKrupp Group – Targets 2009/10 and 2011/12

Sales, EBT and EPS

billion € / million € / €



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