Presentation ThyssenKrupp
UBS Field Trip
Duisburg
June 16/17, 2008

2008

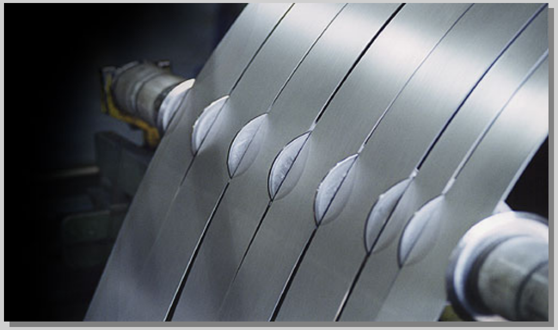
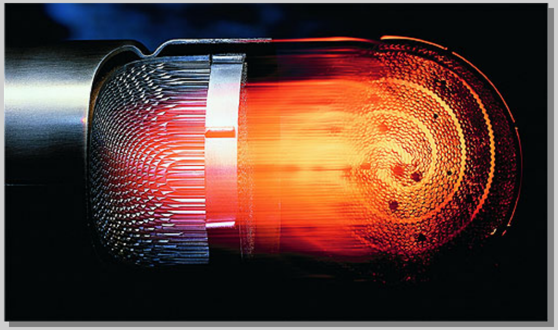
ThyssenKrupp

ThyssenKrupp Stainless

Top Positions in all Fields of Activities

ThyssenKrupp Stainless

Sales **€ 8.7 bn** EBT **€ 777 m** Employees **12,182**

Stainless Steel	High Performance Alloys	Processing
		
Sales: €6.3 bn **Employees: 9,264**	**Sales: €1.6 bn** **Employees: 2,041**	**Sales: €0.8 bn** **Employees: 379**
ThyssenKrupp Nirosta ThyssenKrupp Acciai Speciali Terni ThyssenKrupp Mexinox Shanghai Krupp Stainless — **No. 1**	ThyssenKrupp VDM — **No. 2** ThyssenKrupp Titanium — **No. 6**	Societá delle Fucine Europe (>100 t Unit Weight) — **No. 1** Tubificio di Terni Europe — **No. 1**

ThyssenKrupp Stainless

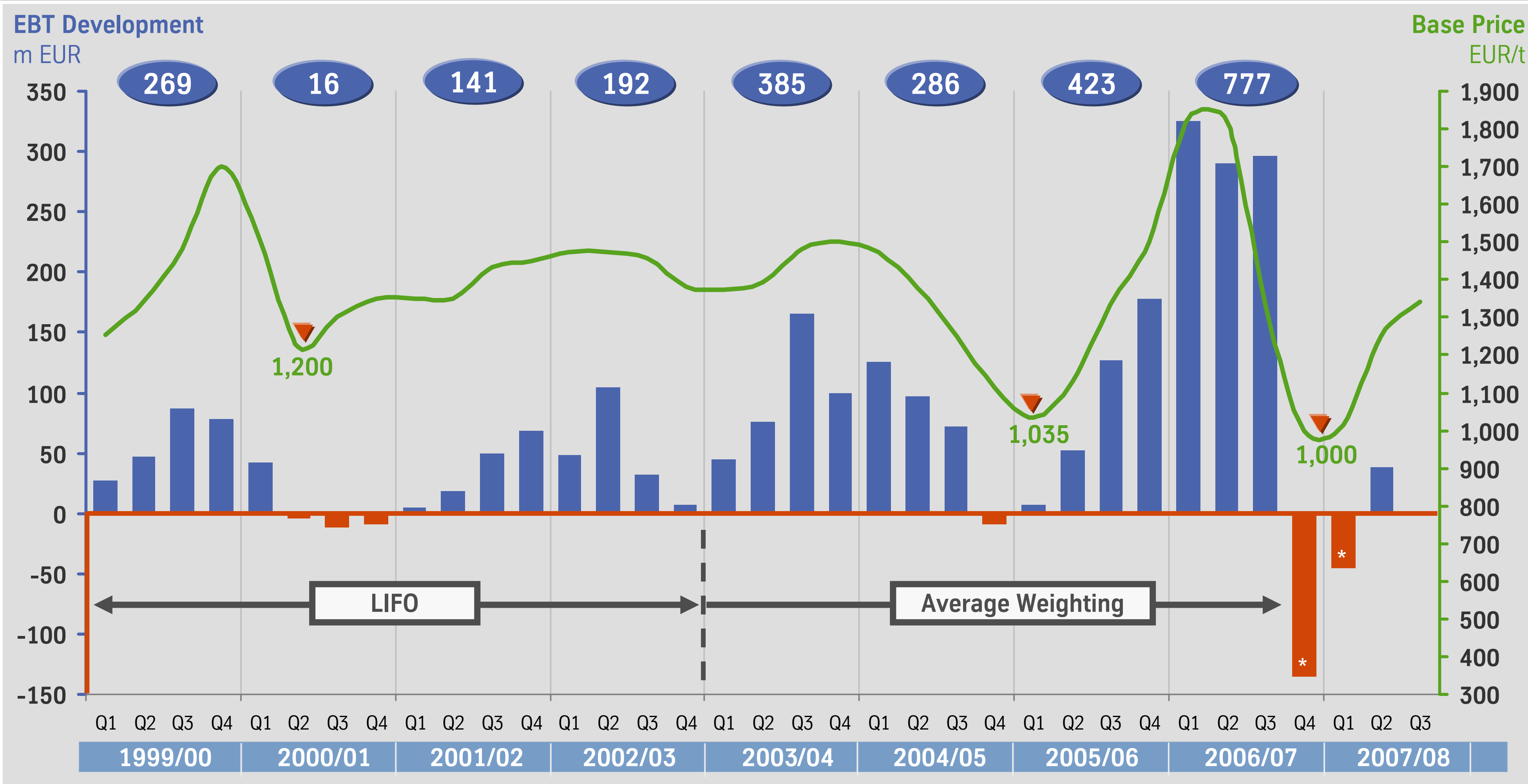
Sustainable Results in spite of Market Fluctuations

		2002/03	2003/04 *)	2004/05 *)	2005/06 *)	2006/07	Q1 (Oct – Dec) 2007/08	Q2 (Jan – Mar) 2007/08
Sales	€m	3,957	4,990	5,572	6,437	8,748	1,838	1,955
Total Shipments	1,000 t	2,365	2,519	2,237	2,468	2,185	537	637
thereof Stainless CR	1,000 t	1,577	1,742	1,578	1,764	1,700	410	478
EBT	€m	192	385	286	423	777	- 45	38
ROCE	%	9,9	16,9	11,8	16,0	22,7	- 2,4	6,5
TKVA	€m	- 4	182	68	199	507	- 107	- 24
Employees	#	12,116	11,811	12,201	12,197	12,182	12,075	12,042

*) US-GAAP

- strong order intakes in **Q1** and **Q2**
- base price around 1,350 €/t
- earnings-swing achieved

EBT Development

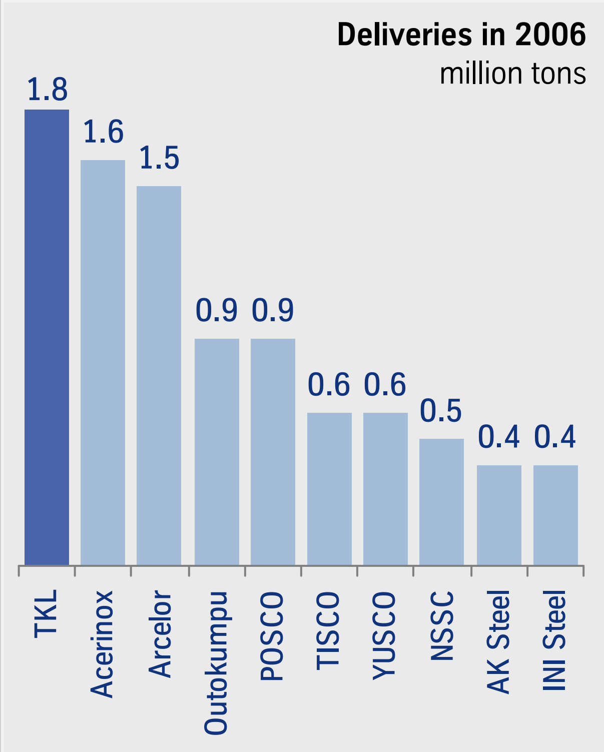


* devaluation of inventories

ThyssenKrupp Stainless

Leading Positions in Stainless Steel Cold-Rolled Flat Products and Nickel Alloys

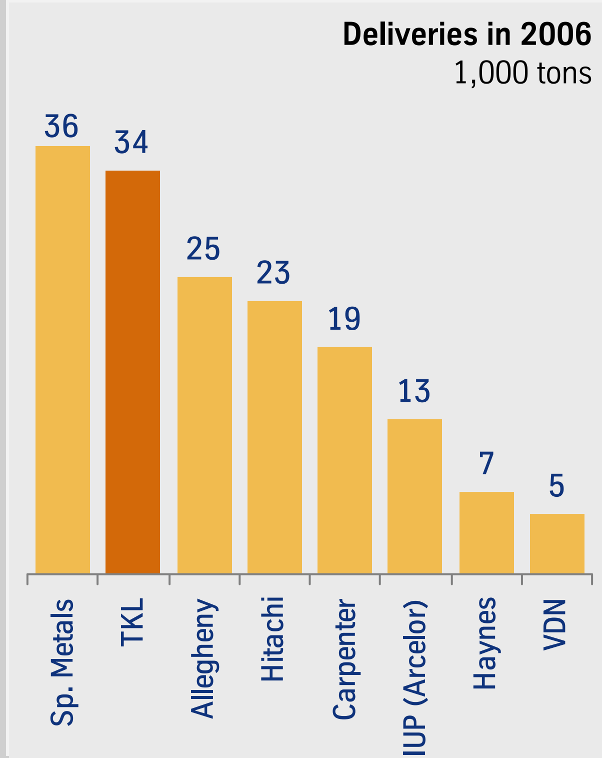
Stainless Steel



The 10 largest producers Stand for 65% of all worldwide shipments

Source: ThyssenKrupp Stainless

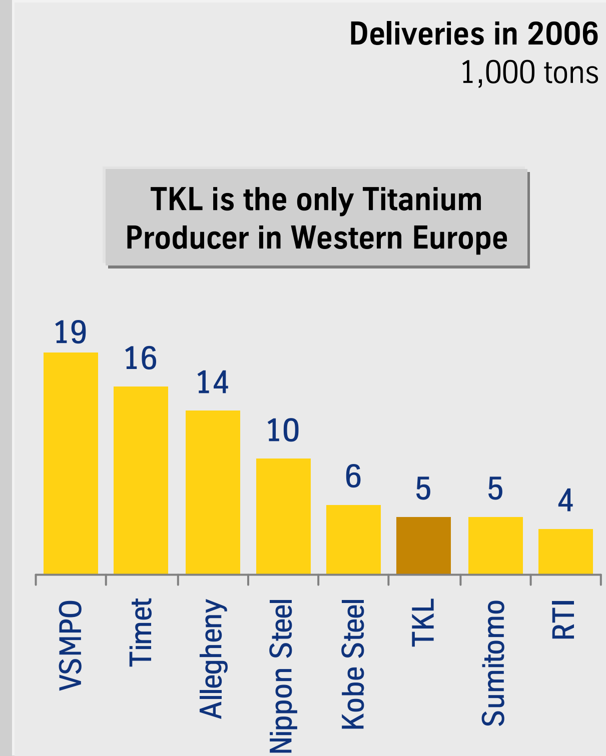
Nickel Alloys



The 6 largest producers stand for 67% of all worldwide shipments

Source: ThyssenKrupp VDM

Titanium



The 5 largest producers stand for 67% of all worldwide shipments

Source: ThyssenKrupp Titanium

ThyssenKrupp Stainless

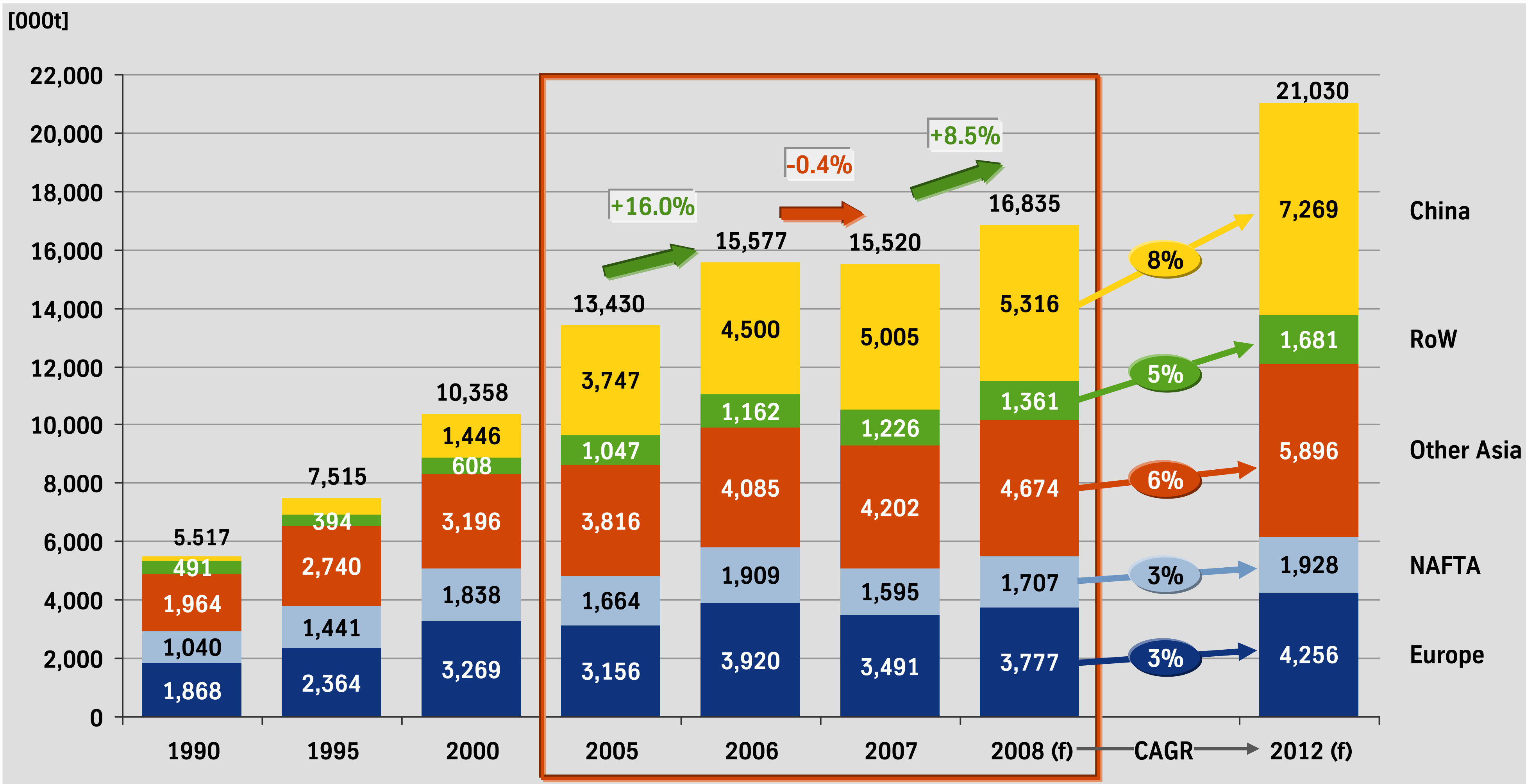
Differentiation in Regards to the Competition

Unique Selling Propositions

- Stainless steel patent holder since 1922, almost **90 years of experience**
- **Strong Brand** "ThyssenKrupp" and in addition globally established product brands (Nirosta, AST, Mexinox, SKS and VDM)
- Powerful worldwide **Service Center Network**
- Benchmark for **Product Quality**
- Highly **innovative Products and Services**
- Covering the top of the **high-performance Material Pyramid**
- **Wide Product Portfolio** in Cold-Rolled Flat Products
- Significant **End Customer Portfolio**

Market Development

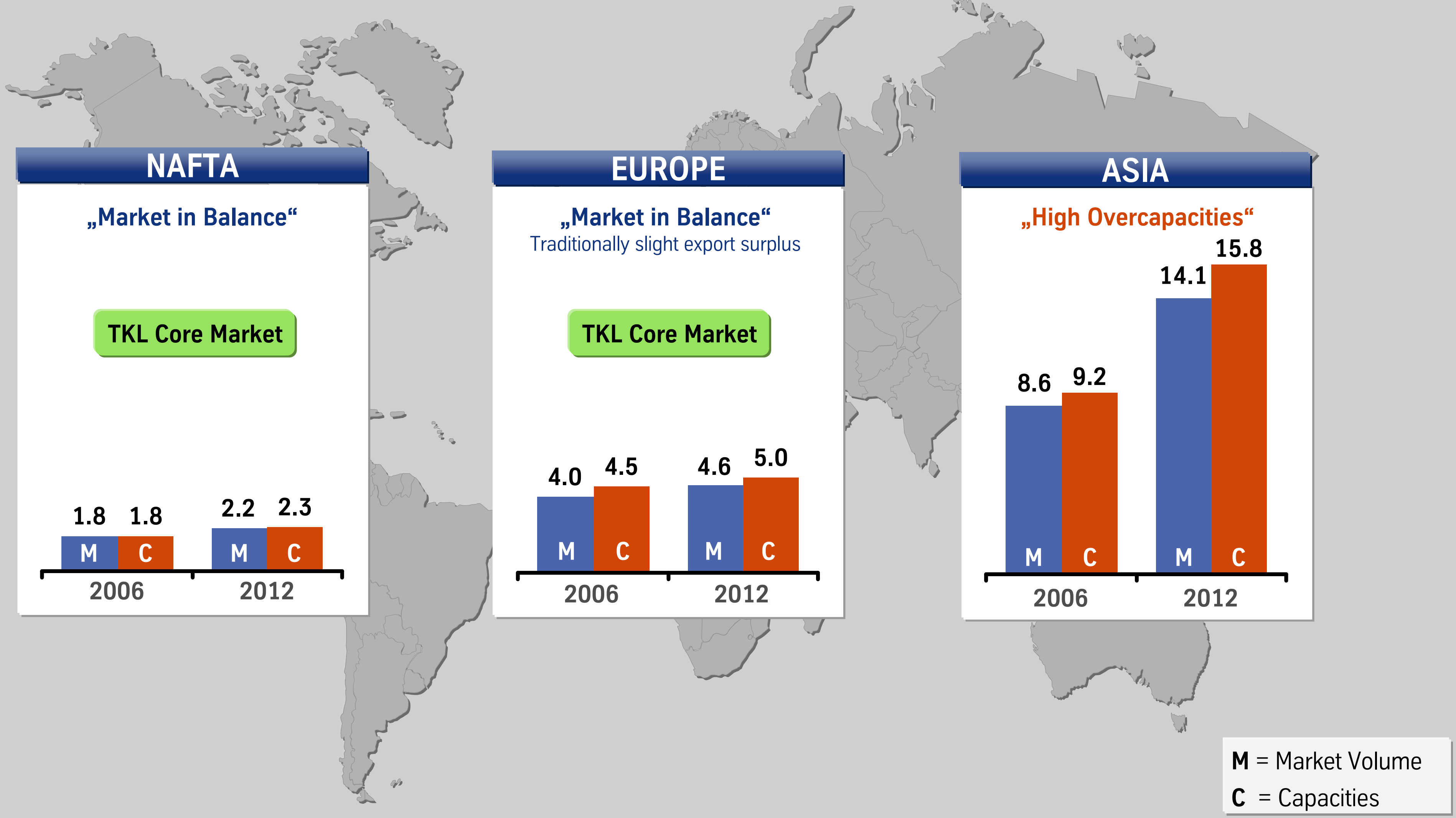
6% Growth in global Stainless Cold-Rolled Market forecasted



21 May 2008 - Source: CRU May 2008

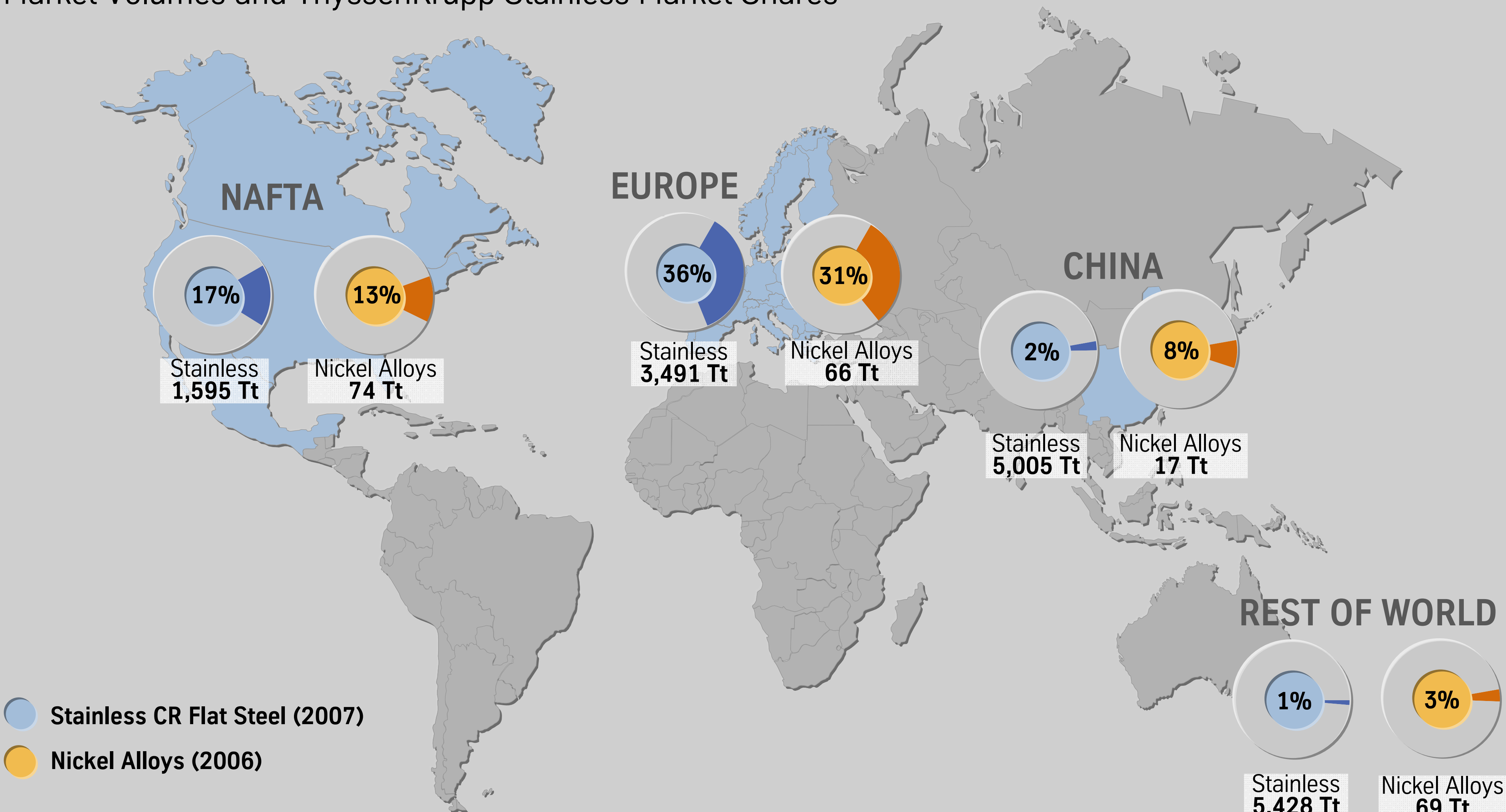
Asia continuously heading into Overcapacities

TKL capacity extension in NAFTA and Europe in balance with regional market growth



Global Market Presence

Market Volumes and ThyssenKrupp Stainless Market Shares

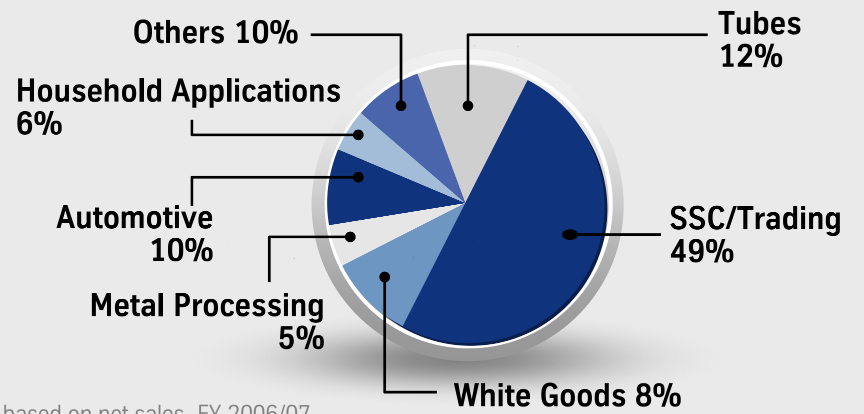


03 Jun 2008 - Source: CRU May 08, TKL ZA/UE

Increasing non-volatile Customer Bases

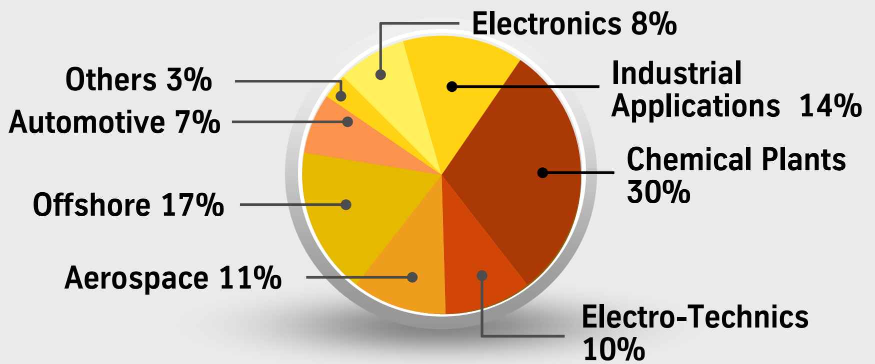
Sales Structure within ThyssenKrupp Stainless Group

Stainless Steel Sales by Customer Group



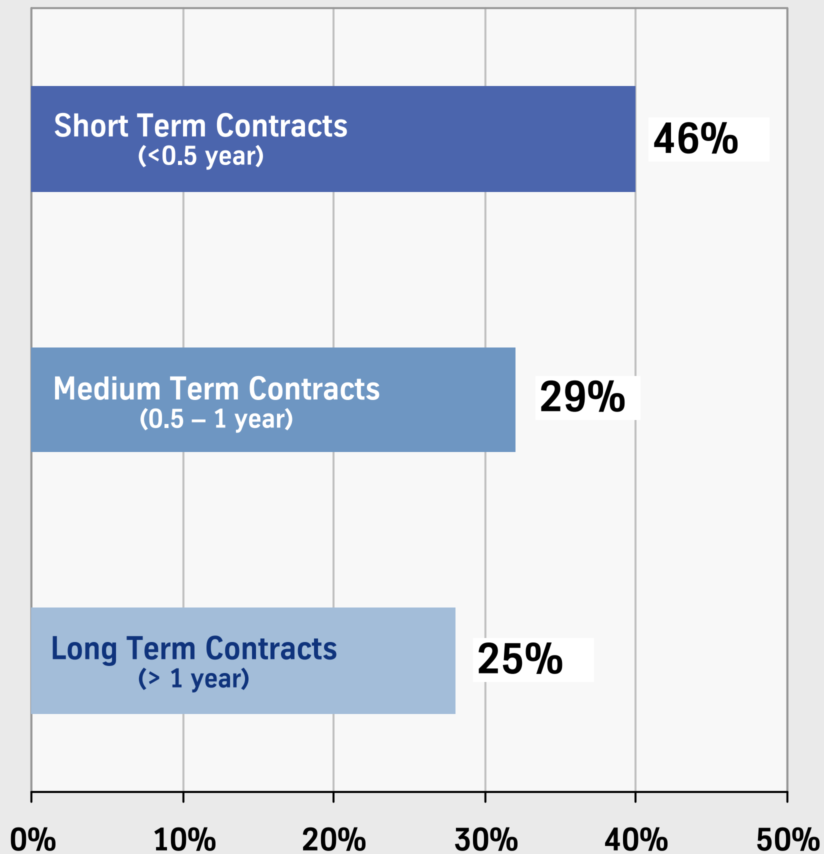
based on net sales, FY 2006/07

Nickel Alloy Sales by Customer Group



based on net sales, FY 2006/07

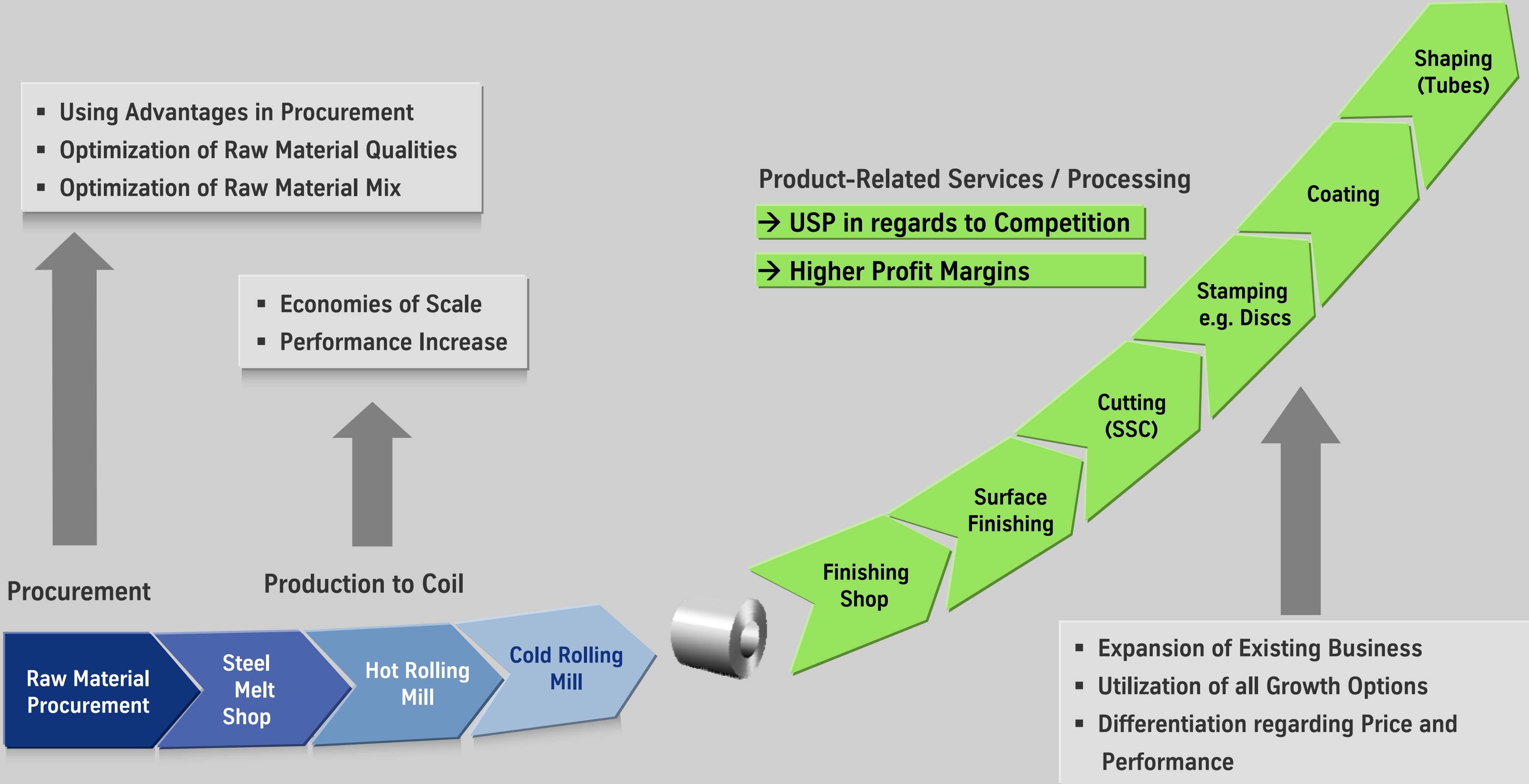
Stainless Steel Contract Structure



based on ThyssenKrupp Nirosta Shipments 2006/07

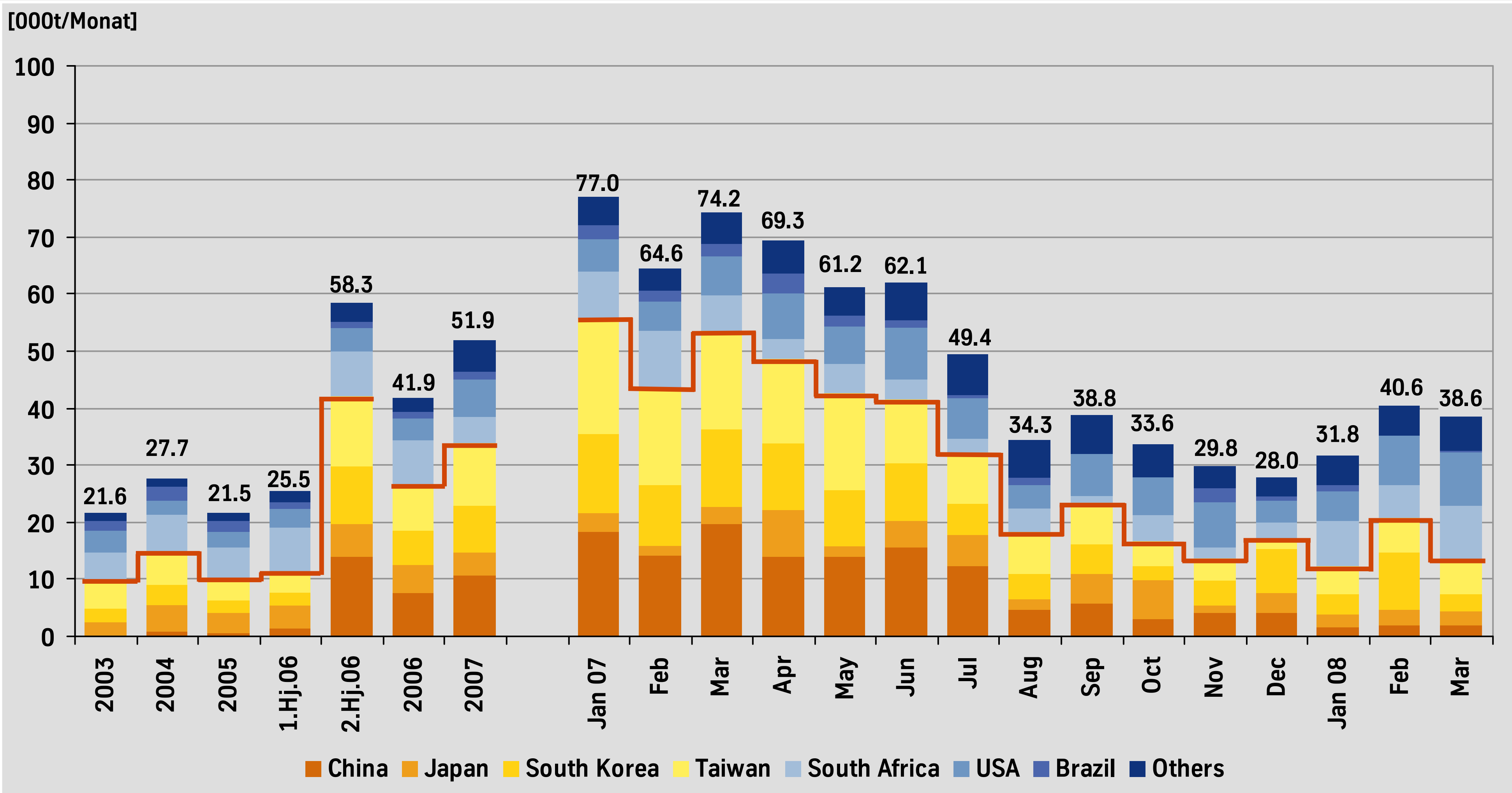
Concentration on the high-value Segment instead of Commodities

→ Systematic Focus on Value Added <u>Products and Services</u> within the Production Chain



Stainless Steel Cold Rolled Flat Imports into Europe

European Union (EU27)

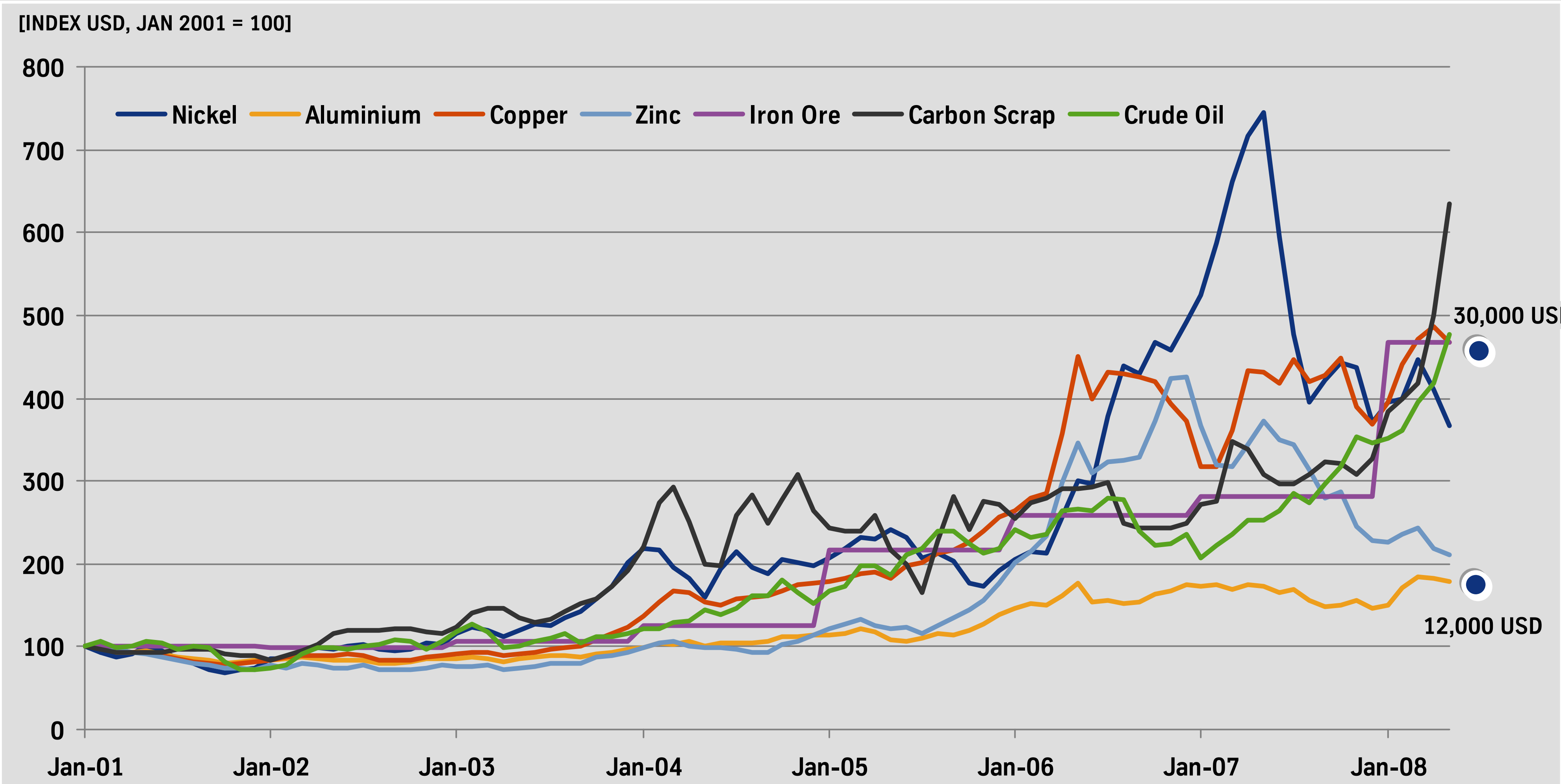


23 May 2008 - Source: Eurofer May 2008, TKL ZA-UE

EU-Imports from China excl. TKL-SKS Shipments

Raw Material Price Development

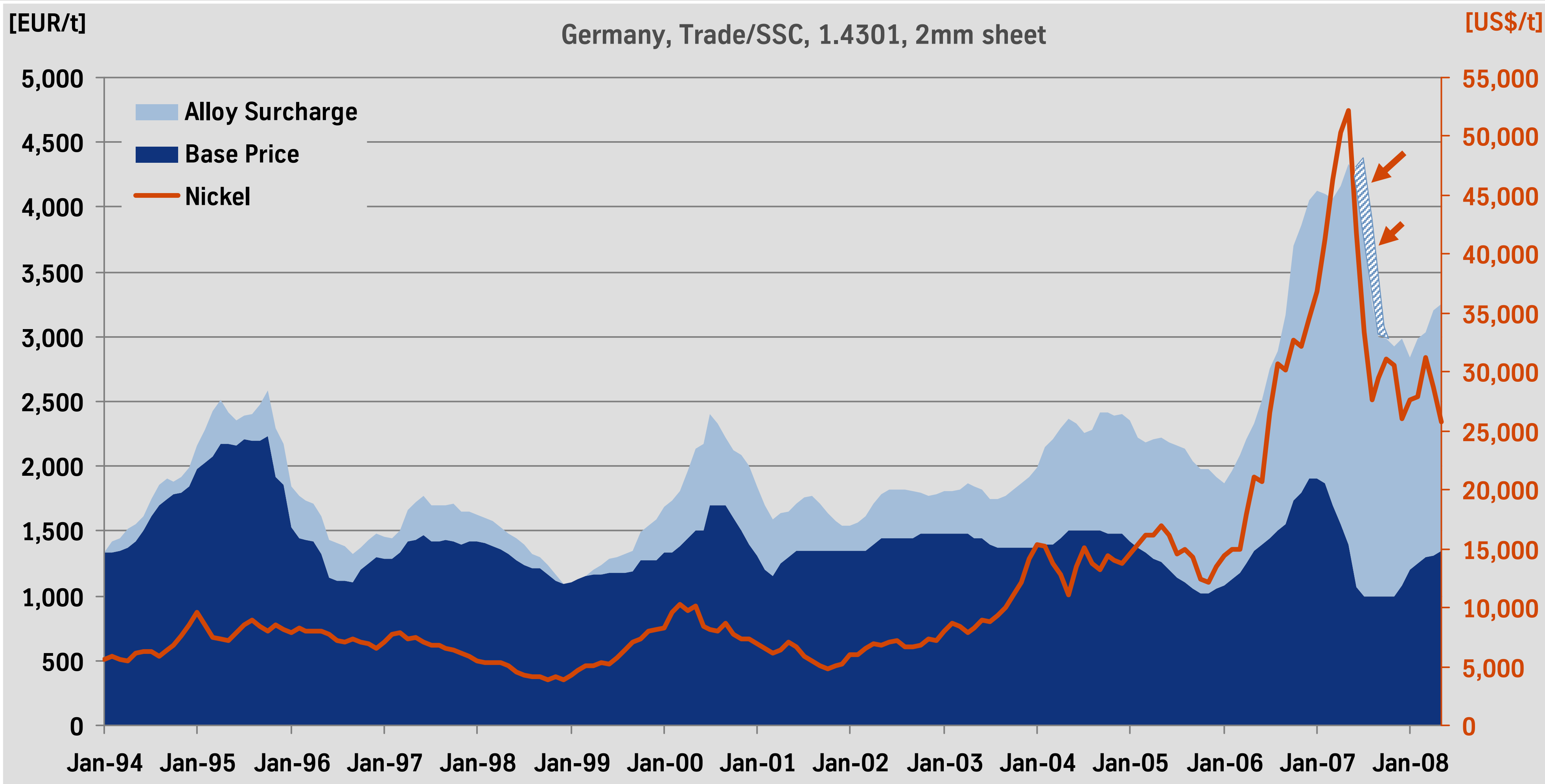
Highly fluctuating raw material costs represent a challenge to the Stainless Steel industry



03 Jun 2008 - Source: Metalprices (NICKEL) 03 Jun 2008, HWWI Jun 2008

Challenge: High Raw Material Costs

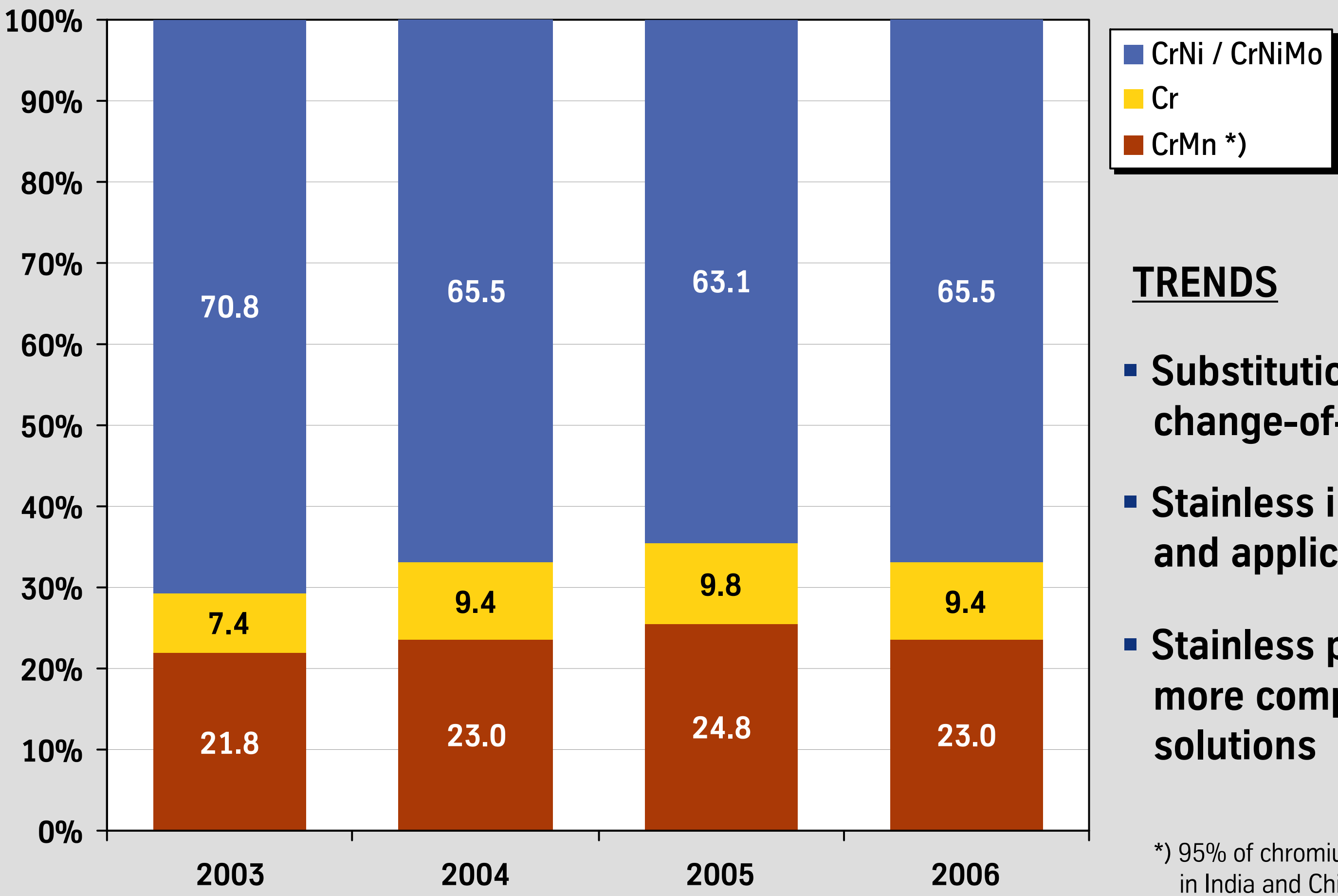
Nickel has strong influence on prices, alloy surcharge system out of function between Jul and Oct 2007



03 Jun 2008 - Source: TKL-NR, Metalprices (NICKEL) 03 Jun 2008

Ferritic Share in global Production grows only slowly

World Crude Steel Production by Grade Groups



TRENDS

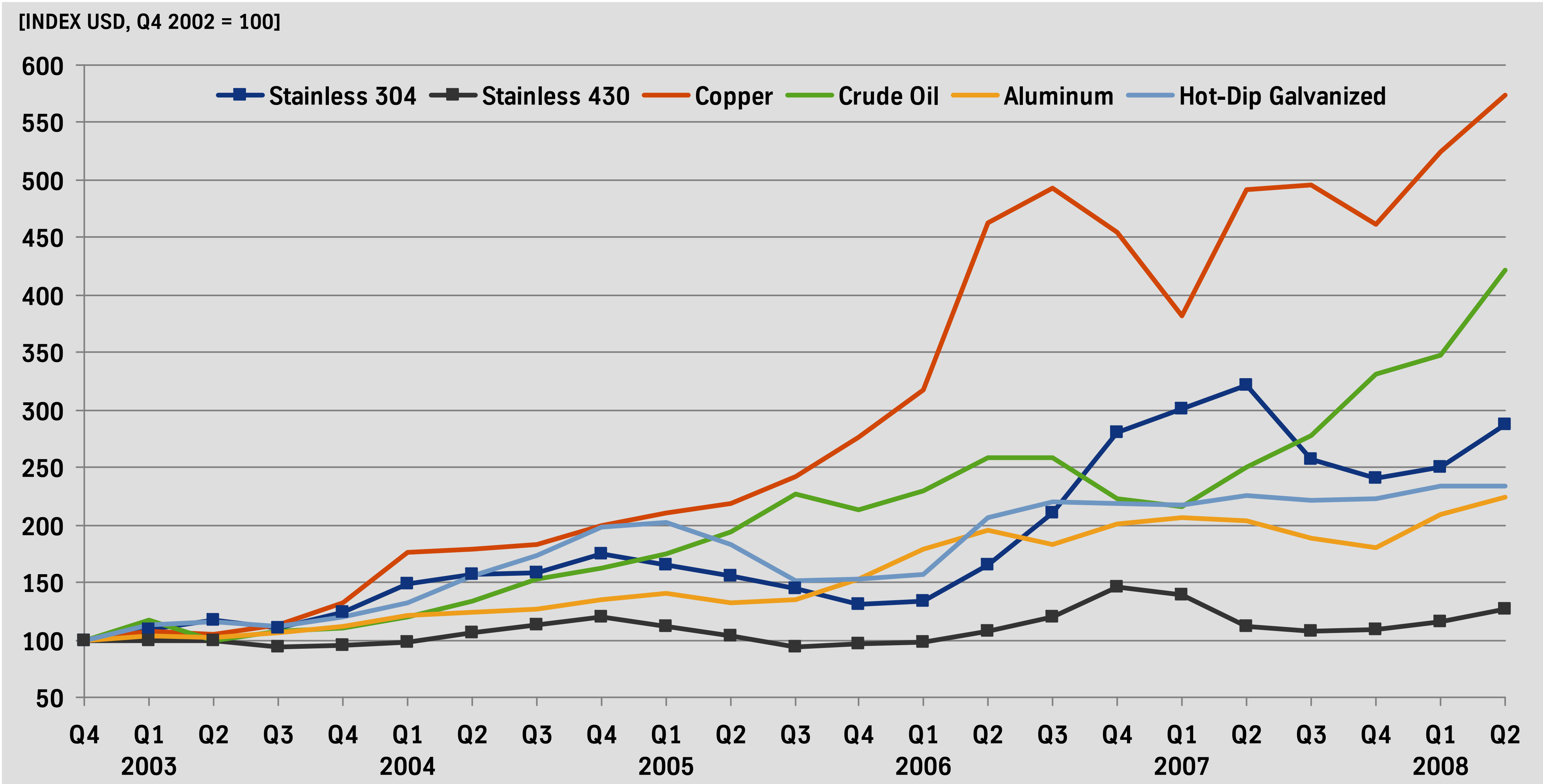
- **Substitution driven by end customers / change-of-mind in the industry**
- **Stainless industry fosters production and application of ferritic grades**
- **Stainless product landscape becomes more complex → customer tailored solutions**

*) 95% of chromium-manganese steels are produced and applied in India and China. Ni-Content of these non AISI- grades only 1-1,5%

03 Jun 2008 - Source: ISSF May 2007

Stainless Steel Price Increases relatively moderate

Stainless Steel Cold Rolled does not show highest increases (crude oil as reference)



05 Jun 2008 - Source: TKL-NR, CRU, HWWI

Further Development of special Ferritic Grades

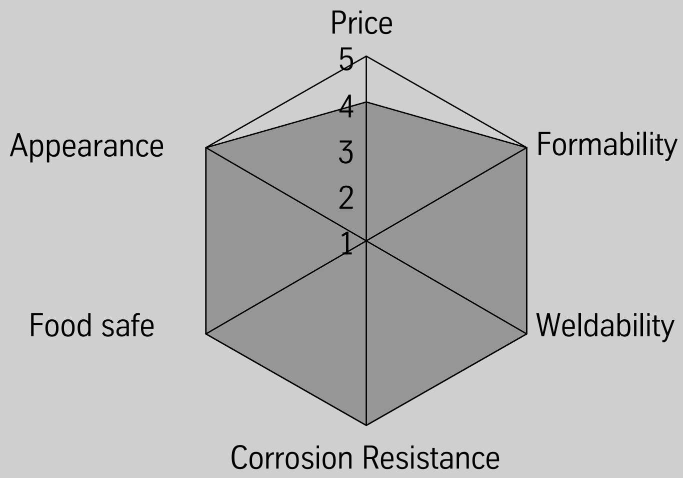
Development of proprietary Substitutes / new Stainless Grades

Substitution / New Stainless Grades

- ThyssenKrupp Stainless is already very strong in producing **ferritic grades** (no nickel content)
- The establishment of new VOD converter allows development of "**super ferritics**", i.e. ELC Ferrites (Extra Low Carbon)
- Development of **new stainless steel grades** as substitution of common grades, such as austenitic grades 304 and 316

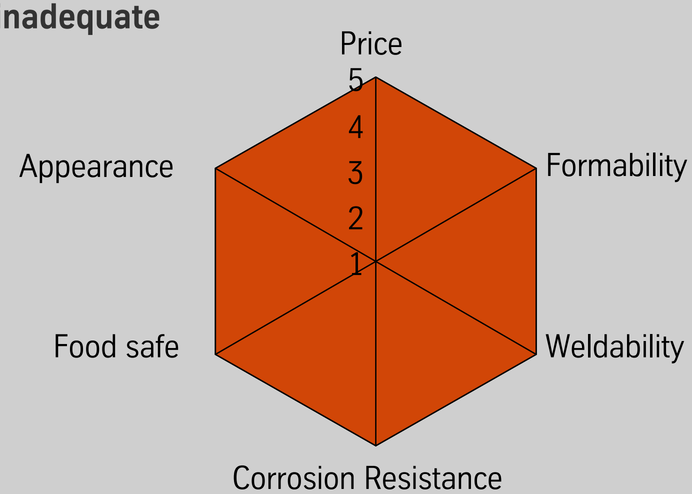
A Substitute for 304: the new Austenitic Grade 1.4640

Comparable Product Properties at lower Price due to reduced Nickel Content



Standard AISI 304

5 = very good
1 = inadequate



Innovation NIROSTA® 4640

Major Investments at ThyssenKrupp Stainless

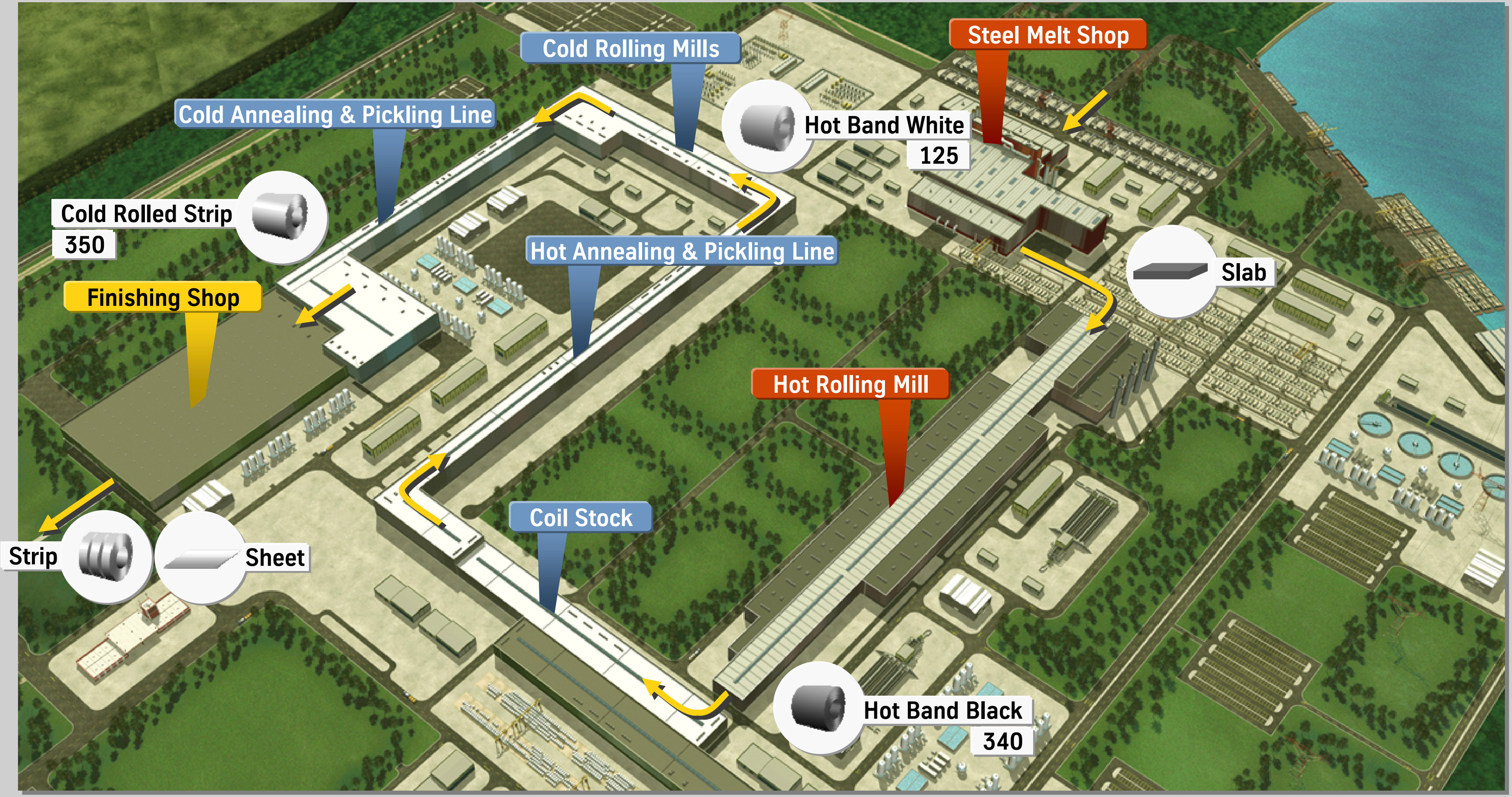
Overview of current Investment Projects

Stainless Steel

- **ThyssenKrupp Acciai Speciali Terni (AST) : "World-Class Terni Project"**
  - Restructuring: Closure of Plant Torino and moving to Terni
  - Strengthening of operations: volume, quality and finishing/processing capabilities
  - Installation of VOD converter to produce new ferritic stainless steel grades
- **ThyssenKrupp Mexinox**
  - Installation of bright annealing capacity completed in 2006
  - Increase of finishing capacities by installation of completed in 2007
- **ThyssenKrupp Stainless USA: "Alabama Greenfield Project"**
- **ThyssenKrupp VDM / ThyssenKrupp Titanium** (→ Field Trip October 2008)

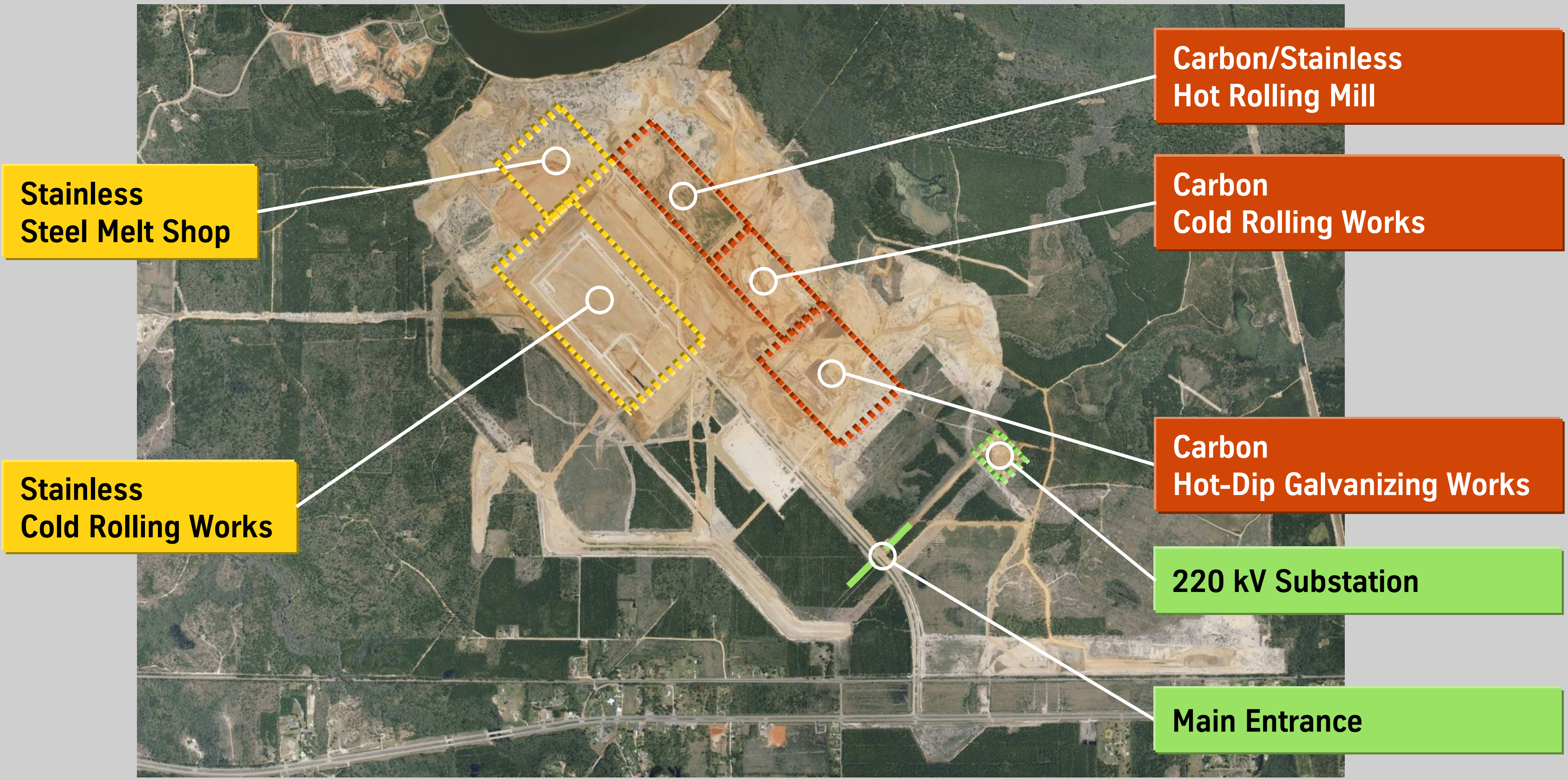
ThyssenKrupp Stainless USA

Plant Layout, Production ready for Shipment (in 1,000 t)



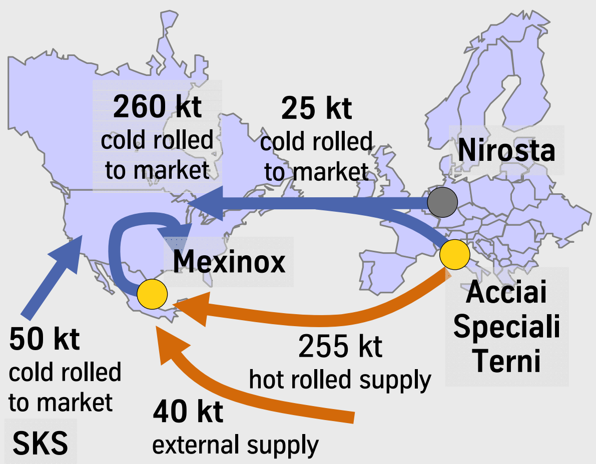
ThyssenKrupp Stainless USA

Construction Report



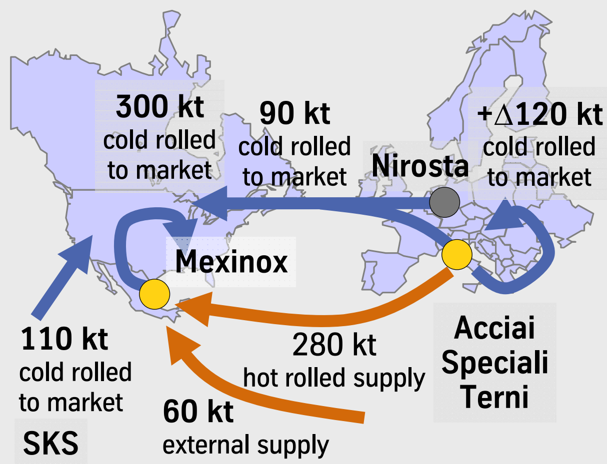
ThyssenKrupp Stainless Global Investment Strategy

Current



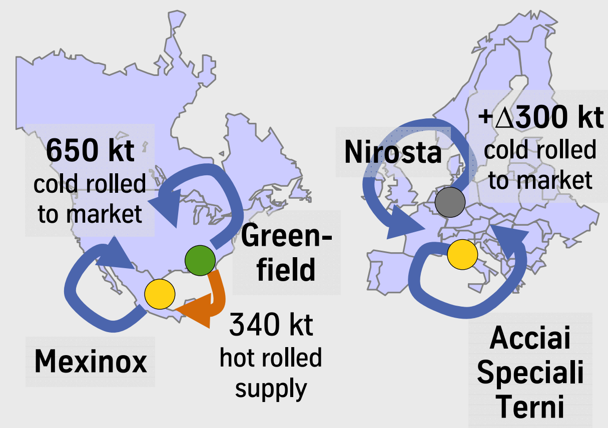
- **NAFTA activities very successful to date**
  - 72% market share in Mexico
  - 12% market share in the US
- **Re-Roller Mexinox supplied by**
  - AST (~85%) and
  - third parties (~15%)

Target 2009



- **World Class Terni Project**
  - strengthens European position
  - production relocation from Turin to Terni
  - market-oriented growth and portfolio optimization (semi cold-rolled, super ferrites)
  - backs Mexinox capacity optimization and
  - market penetration in NAFTA

Target 2012/13



- **Further penetration of NAFTA market based on integrated, 72” state-of-the-art Greenfield plant**
- **Leverage of synergies with Mexinox**
  - hot rolled supply ex Greenfield
  - Mexinox to focus on ferrites
- **AST and NR to capture additional growth in Europe**

Forward Strategy generates Potential for significant Value Growth

ThyssenKrupp Stainless stands for …

- Commitment to increasingly
  - Reliable and significant profit contribution
  - Drive value for the Group
- Global Market Leadership — #1
- Attractive Growth Markets — ≥ 3% p.a.
- Capex
  - Forward Strategy Europe
    > Comprehensive optimization of European stainless operations
    > Value added products
    > Increase processing capabilities
    > Restructuring of AST forging plant
    > Strengthening High Performance Alloys
  - Forward Strategy NAFTA
    > Greenfield USA
    > Optimization of Mexinox

  (Forward Strategy Europe and NAFTA together) € 1.5 bn
- Return Hurdle for Growth Investments — ≥ 15% p.a.