

Presentation Facts & Figures

March 2014

Developing the future.



ThyssenKrupp

Agenda

○ Presentation

slides 2-14

- Key Figures, Strategic Way Forward and Group Outlook
 - Group Performance, Financials and Conclusion
-

○ Facts & Figures



slides 18-61



► SWF / – All financial targets met or exceeded

- EBIT adjusted more than doubling yoy
- Group & CapGoods with EBIT adjusted margins up yoy and qoq
- NFD down to €4.5 bn, Gearing down to ~136%

Progress in de-risking

- VDM and AST vs loan note swap 
- Steel USA sale 
- Steel Americas EBITDA breakeven

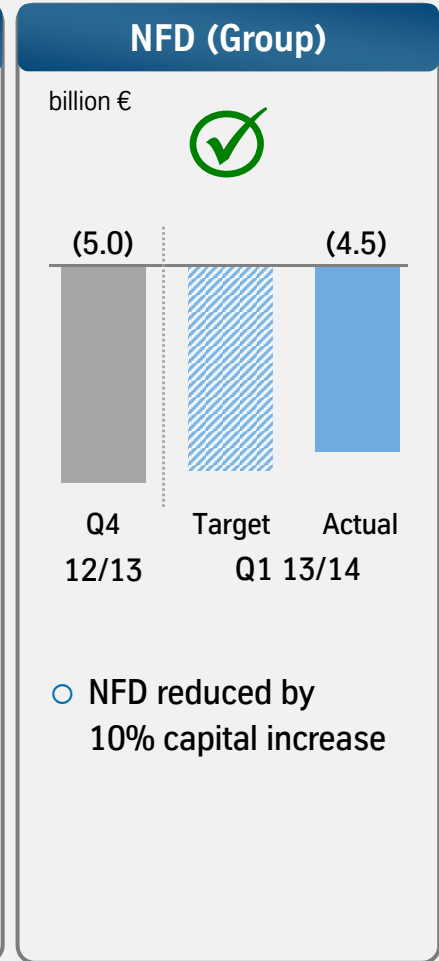
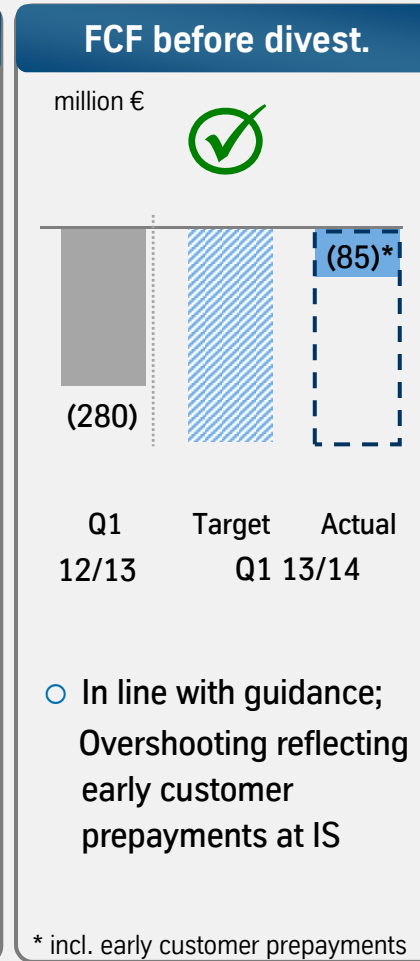
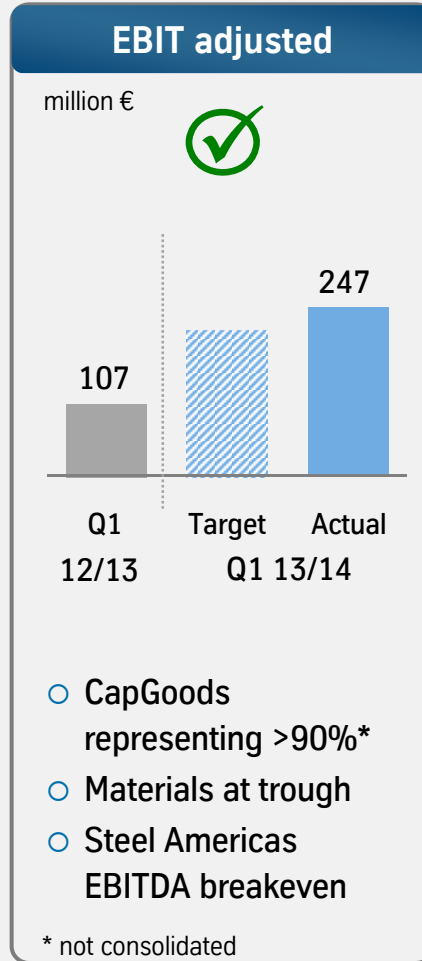
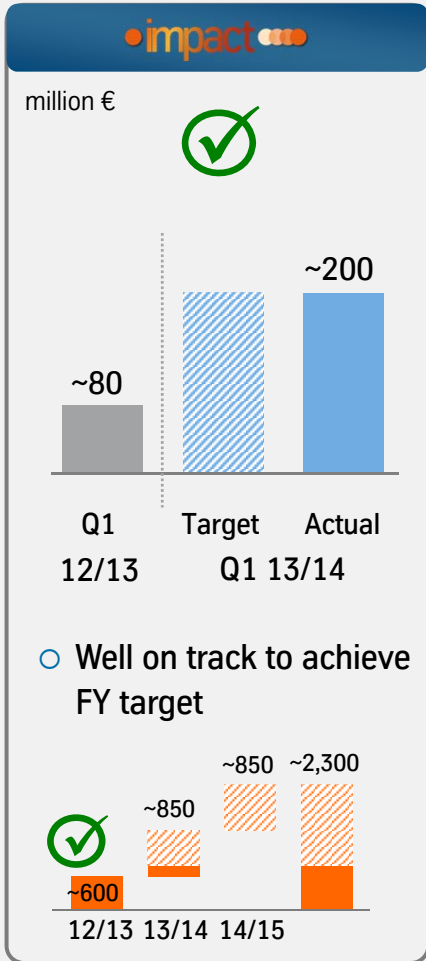
► CapGoods driving order growth

- CapGoods orders up ~12% yoy (F/X and portfolio adjusted ~16%) with book-to-bill ~1.3x
- Another record order intake at Elevator and big ticket at Industrial Solutions

► FY outlook confirmed

- EBIT adjusted: ~€1 bn
- FCF before divest. and DB settlement: ~breakeven

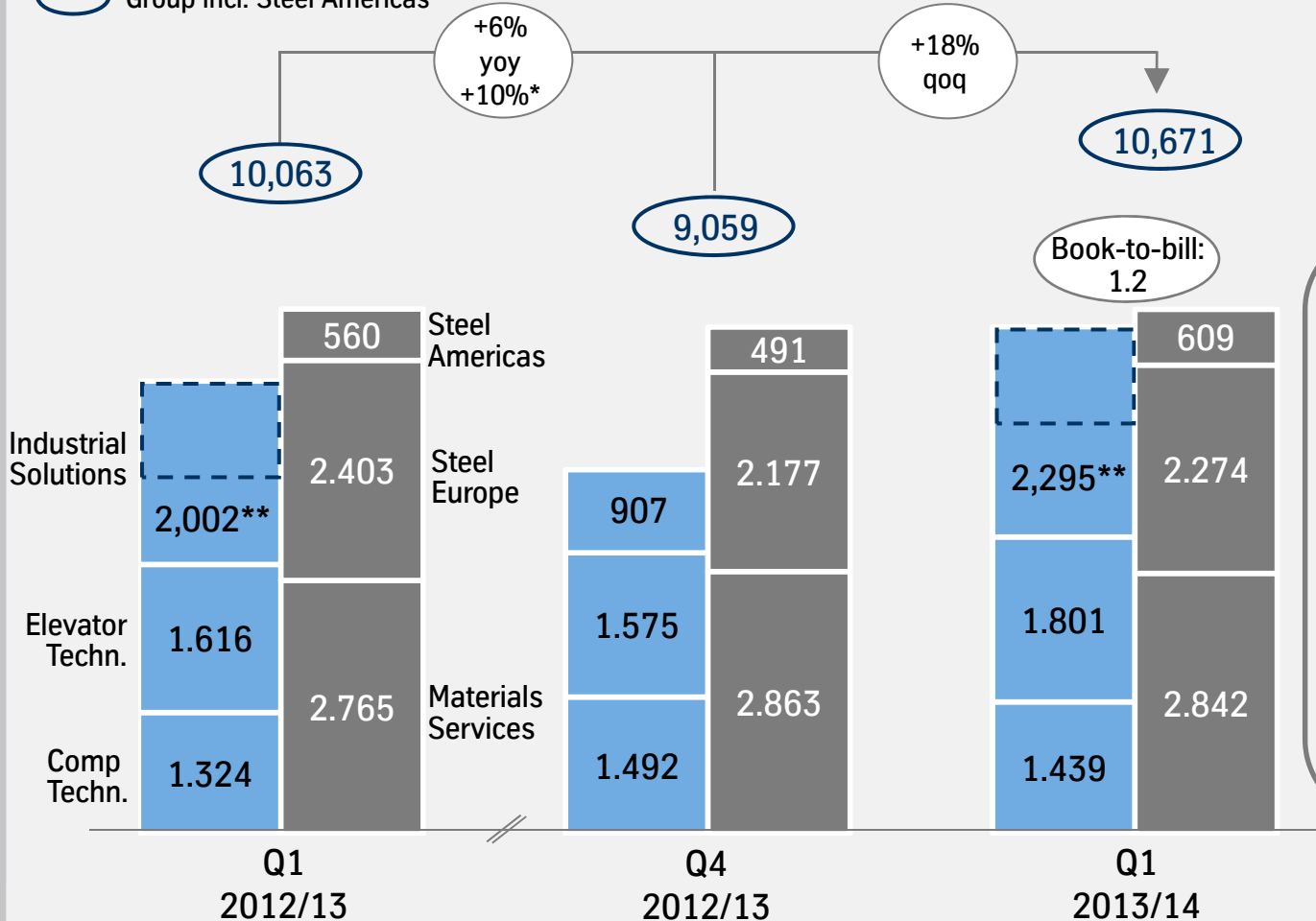
Q1 2013/14: Targets Achieved



CapGoods Driving Growth in Order Intake

Order intake – continuing operations (million €)

○ Group incl. Steel Americas



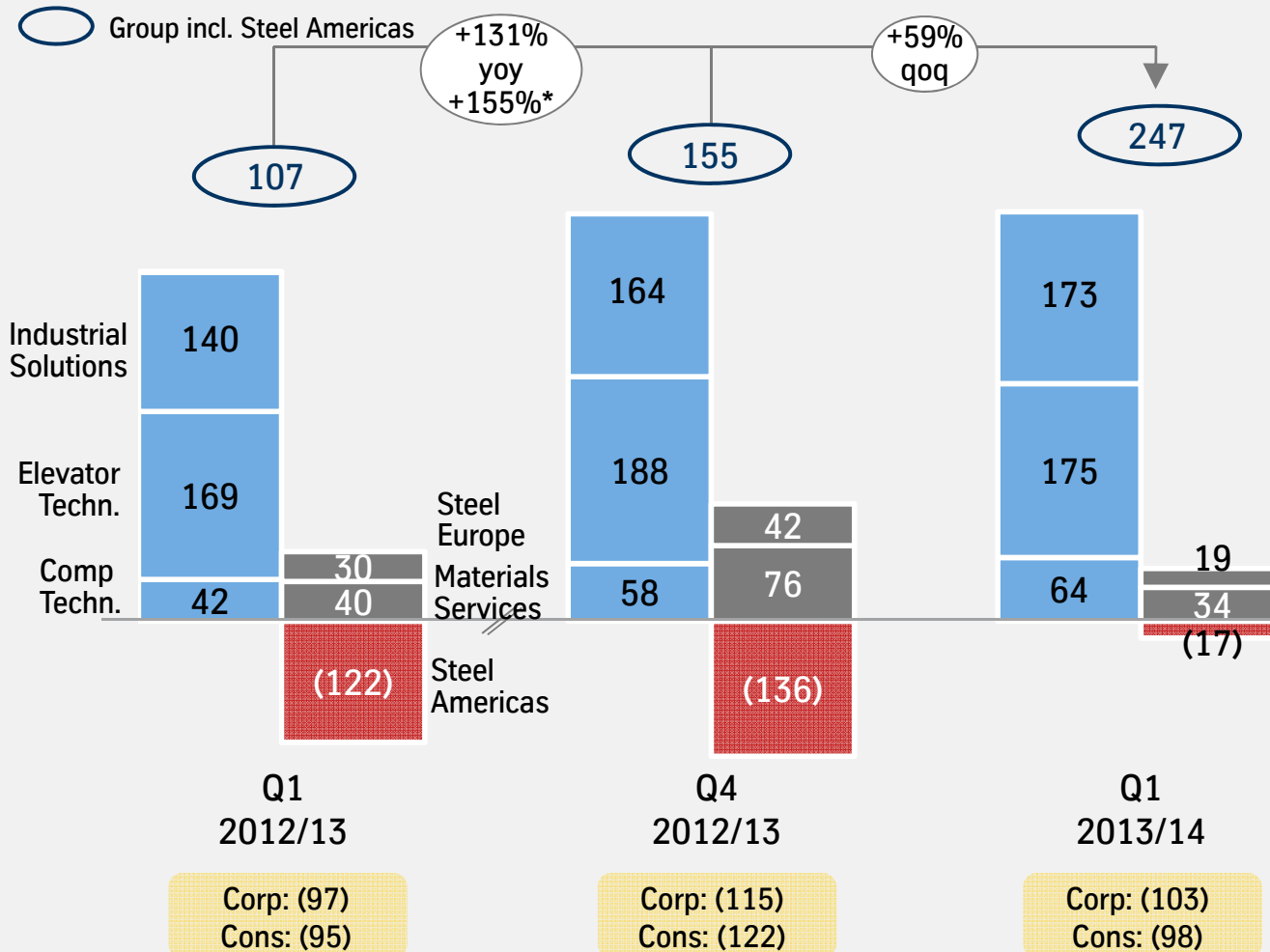
- CT: yoy first signs of recovery of European auto
- ET: again record order intake mainly driven by NI in Asia
- IS: qoq big ticket order at Marine Systems
- MX: yoy higher volumes
- SE: qoq seasonally higher volumes
- AM: qoq/yoy positive price, volume and mix effects

* adjusted for F/X and portfolio changes

** big ticket order

EBIT adjusted – More Than Doubling the Prior-Year Quarter

EBIT adjusted – continuing operations (million €)

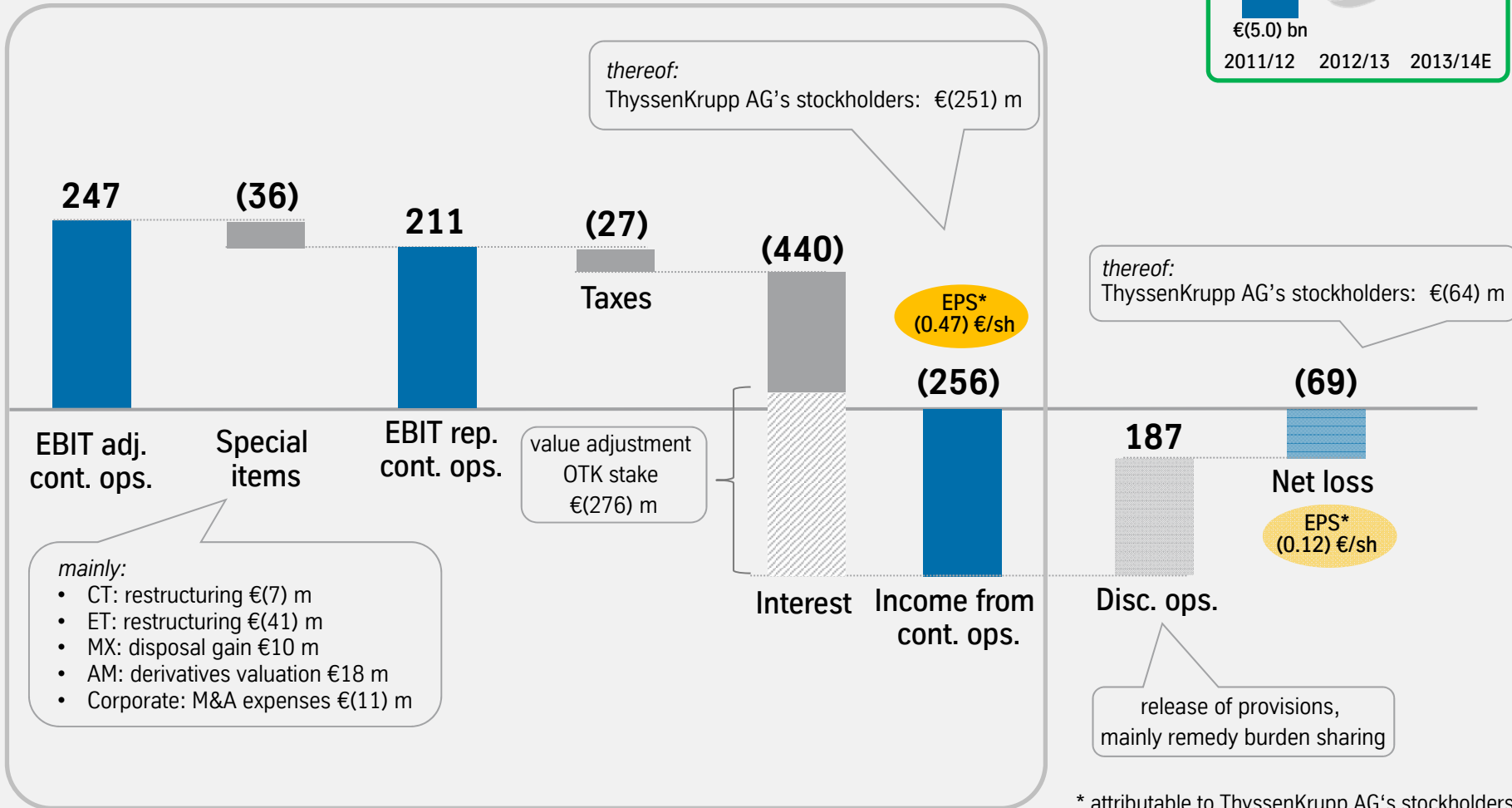
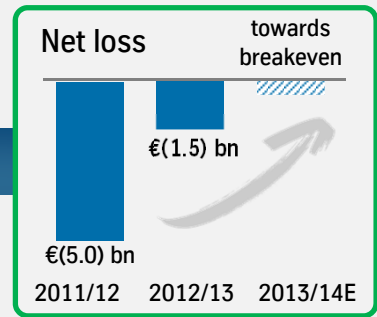


- CT: increase from efficiency & restructuring measures
- ET: efficiency & restructuring efforts gaining traction
- IS: increase driven by strong plant engineering and Marine
- MX: yoy higher volumes/ efficiency vs. lower prices; qoq lower volumes
- SE: qoq lower shipments and insufficient prices, divestment (yoy)
- AM: improvement from operations, volumes, price and mix

* adjusted for F/X and portfolio changes

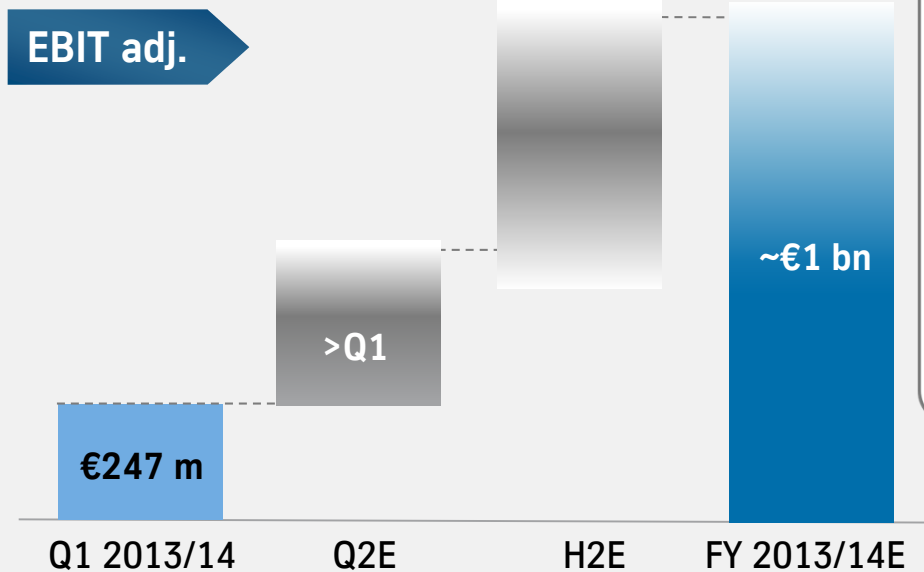
Bottom Line Moving Towards Breakeven

Net loss reconciliation (million €)

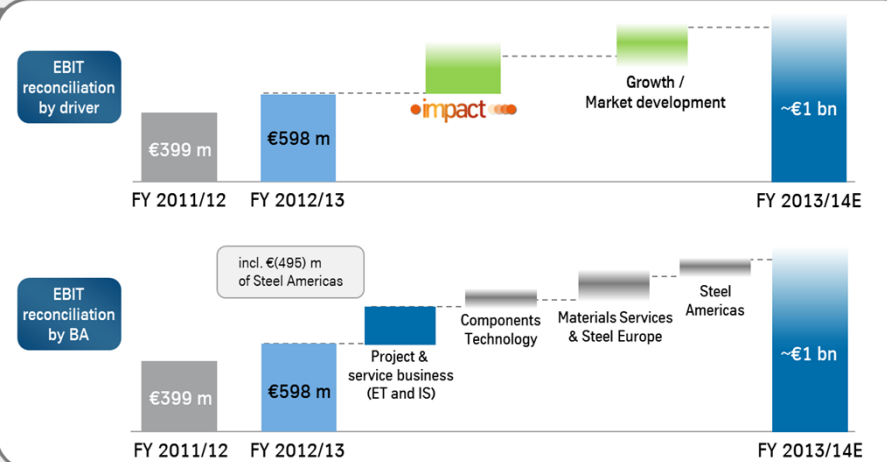


* attributable to ThyssenKrupp AG's stockholders

Confirming Outlook FY (incl. Steel Americas, excl. AST and VDM)



- Elevator, Industrial Solutions: high visibility given high order book
- Components, Materials businesses: limited visibility
- Further ramp-up of **impact** 2015



FCF before divest & DB settlement paym.

~breakeven

Capex

max €1.3 bn

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slides 2-14

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○ Facts & Figures

slides 18-61



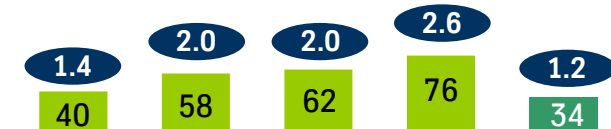
CapGoods and Group With Margins Up QoQ and YoY

EBIT adjusted (million €); EBIT adjusted margin (%)

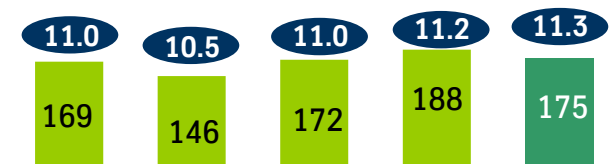
Comp.
Techn.



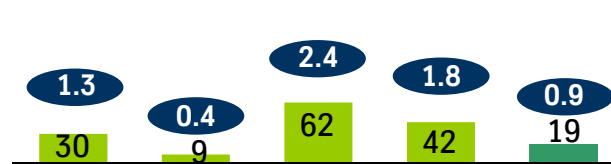
Materials
Services



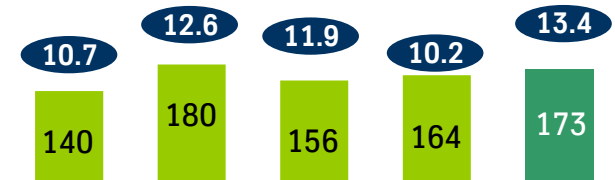
Elevator
Techn.



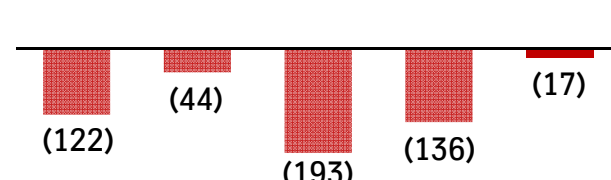
Steel
Europe



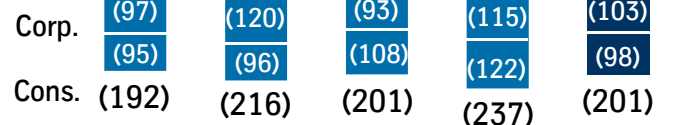
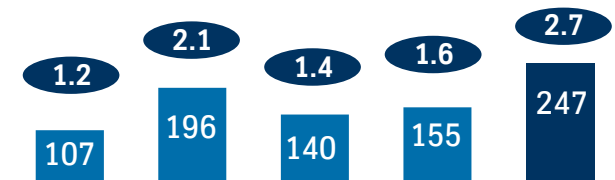
Industrial
Solutions



Steel
Americas
(excl. D&A for
TK Steel USA)



Group



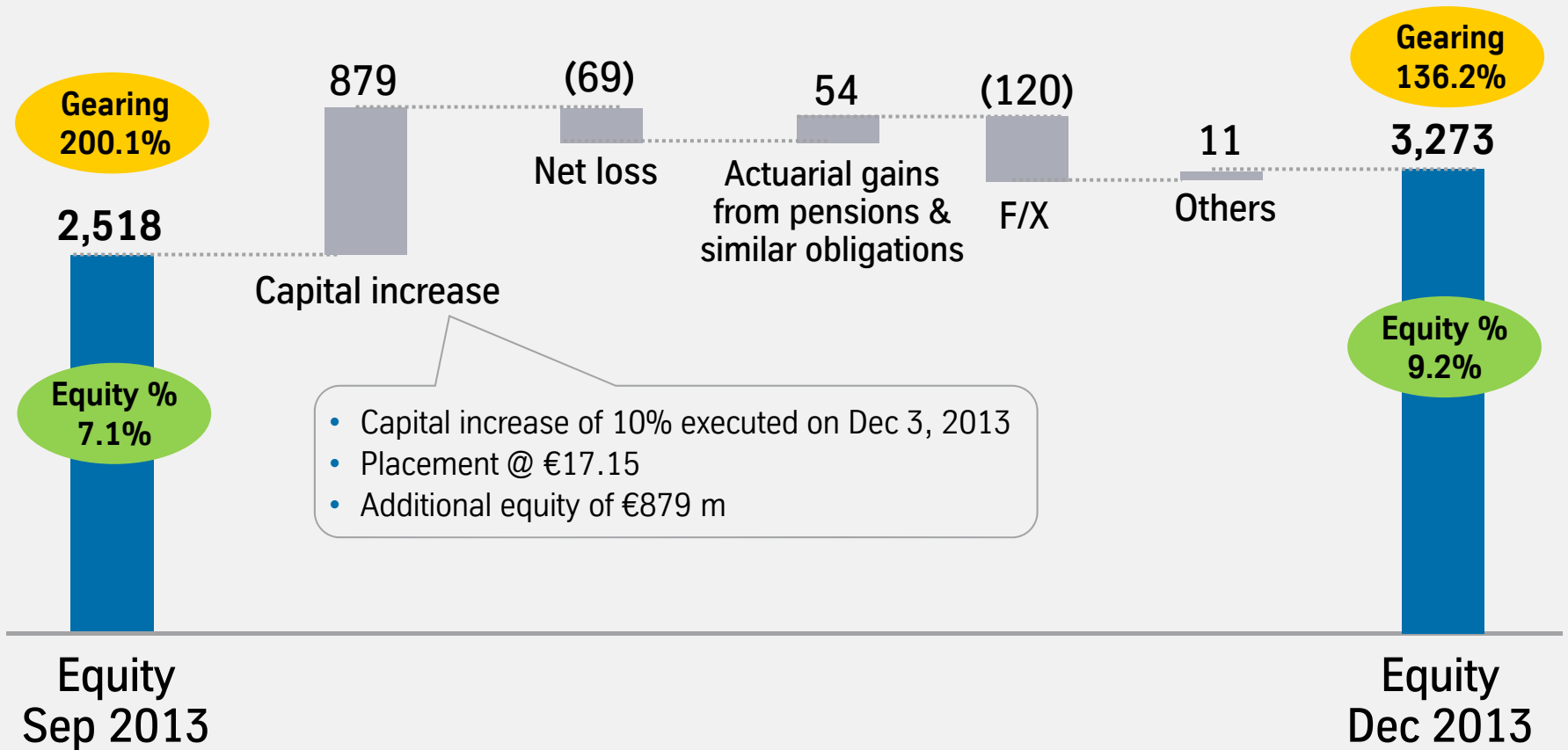
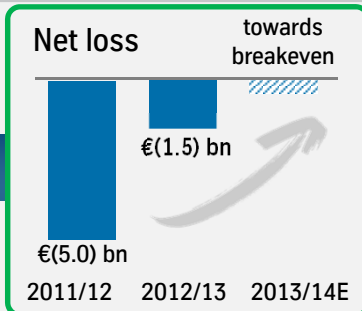
Corp./
Cons.

Q1 Q2 Q3 Q4 Q1
2012/13 2013/14

Q1 Q2 Q3 Q4 Q1
2012/13 2013/14

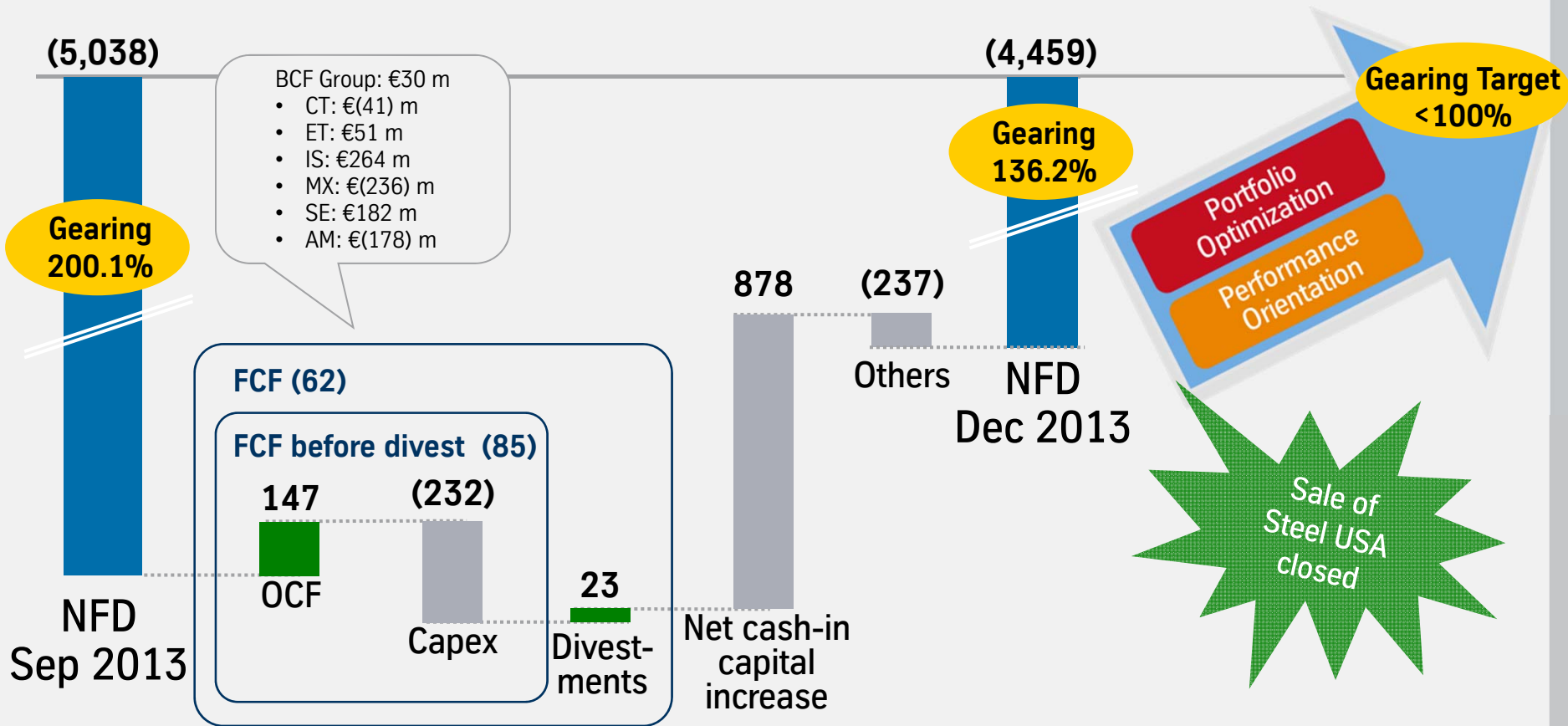
Moving Towards Gearing Target <100% by Higher Equity...

Equity reconciliation (million €)



... And Further Deleveraging by M&A and Operations

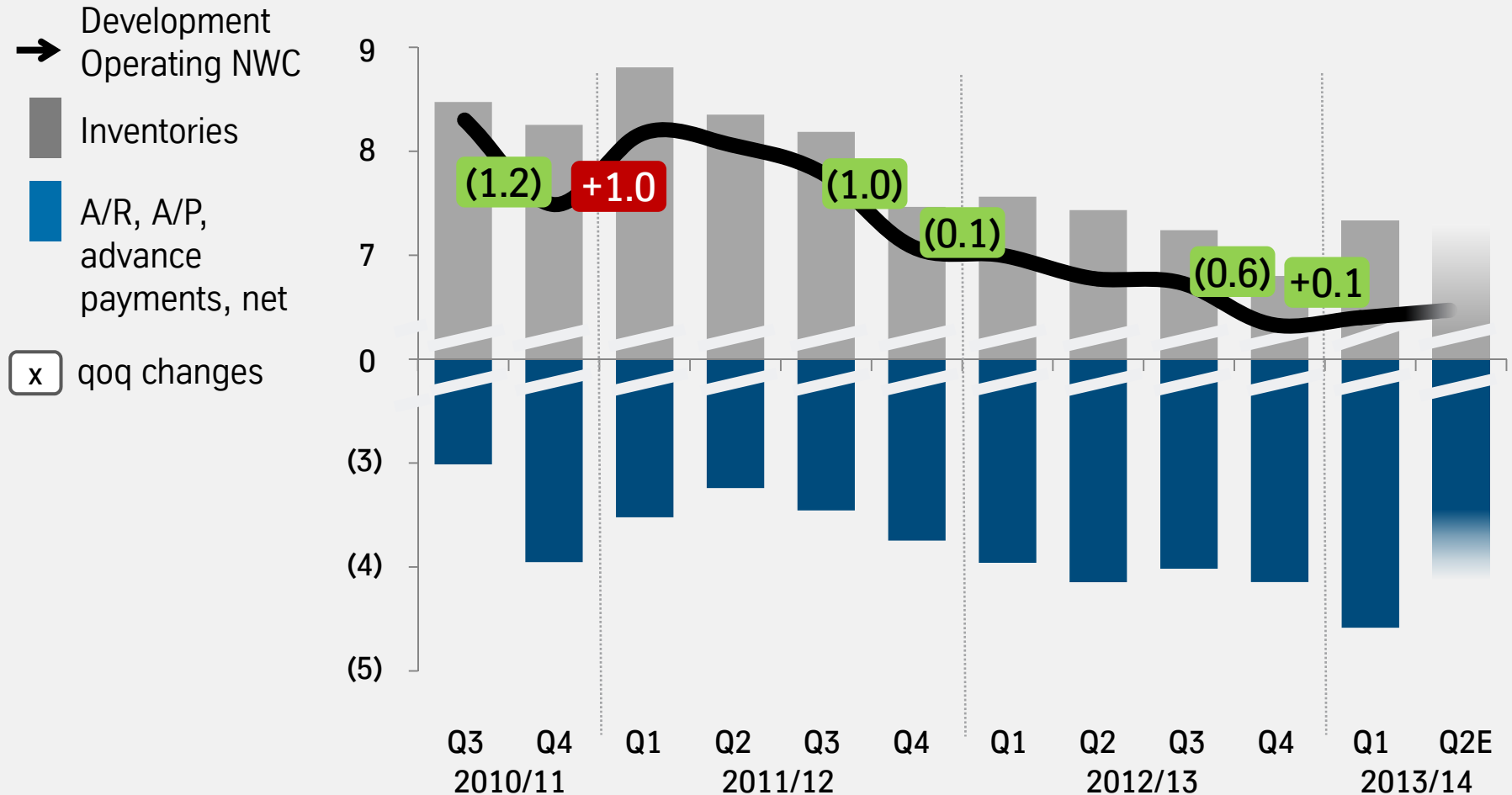
Q1 2013/14 (million €)



Capex for property, plant & equipment, financial & intangible assets & financial investments

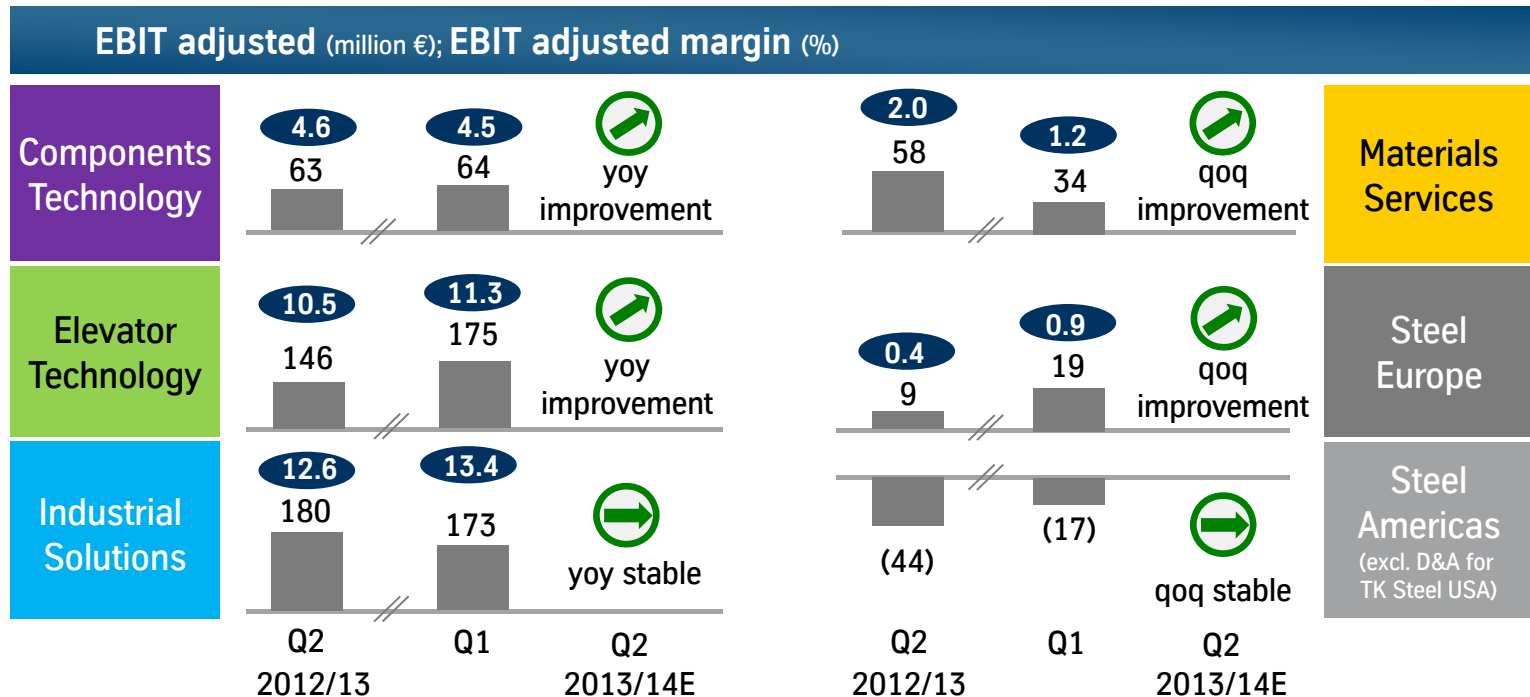
Continuing Tight NWC Management with Reduced Volatility and Increased Efficiency

Development Operating NWC TK Group (billion €)



Outlook Q2 (incl. Steel Americas, excl. AST and VDM)

- EBIT adj.: >Q1 (Q1 2013/14: €247 m, Q2 2012/13: €196 m)
- FCF before divest & DB settlement payment: mid 3-digit million € negative:
 qoq: strong customer payments already in Q1; interest payments in Q2
 H1: ramp Steel USA; relining BF#S2; Group sales expansion
 FY improvement target to ~breakeven unchanged
 (Q1 2013/14: €(85) m, H1 2012/13: €(404) m, FY 2012/13 €(332) m)



Value Upside from Performance & De-Risking

Company
Positioning

Portfolio
Optimization

Change
Management

Performance
Orientation

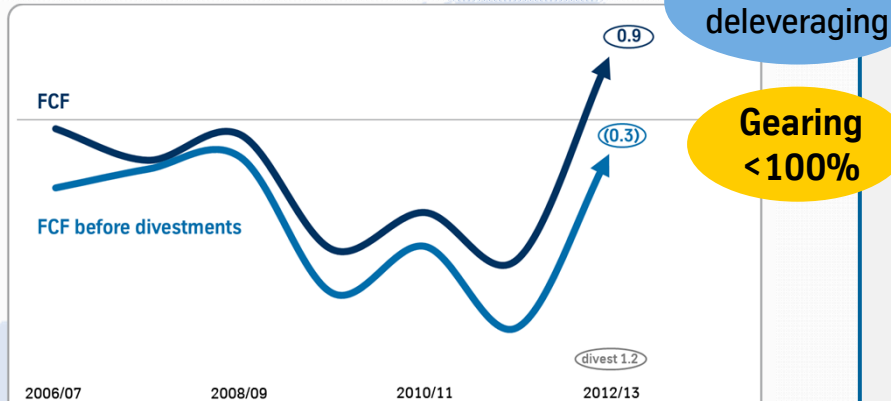
Financial
Stability

Strategic
Push

Value Upside

- Cultural change and leadership
- Performance and benchmarking ambition
- Rational allocation of capital
- Continuous de-risking

Back to FCF generation



- CT** ○ return to previous margin levels
- performance measures
 - ramping new plants in BIC

- ET** ○ closing margin gap to peers
- while leveraging growth opportunities

- IS** ○ leveraging growth opportunities
- while maintaining 2-digit EBIT margins

- MX** ○ return to previous margin levels
- performance measures
 - specialization & processing

- SE** ○ return to > wacc across the cycle
- BIC reloaded: efficiency & differentiation

- AM** ○ EBITDA & BCF ~breakeven TK CSA during FY 2014/15

- Corp** ○ reducing Corporate line
- performance measures, e.g.



- VDM/AST** ○ Eliminating OTK exposure
- Safeguarding value for the Group



Financial Calendar – FY 2013/14

○ March

Roadshows

London (3rd), Madrid (4th), US East Coast (6-7th), Zurich (7th)

Conferences

Citi Global Resources Conference, London (13th)

BoA ML Global Industrials & EU Autos Conference, London (19th)

○ April

Conferences

Exane 9th Basic Materials CEO Seminar, London (1st)

○ May

Conference Call Q2 2013/14 (13th)



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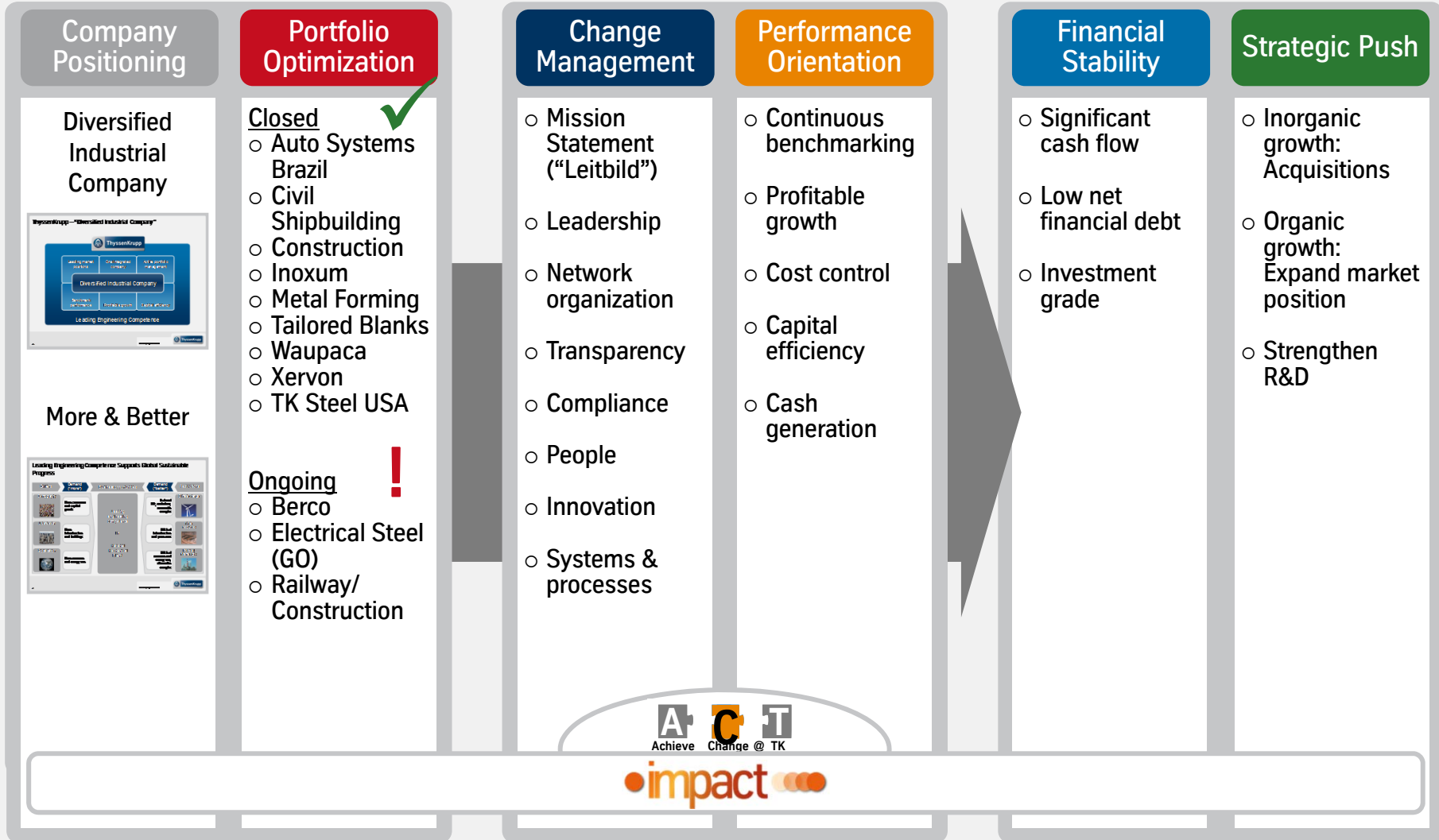


Agenda

○ Appendix



ThyssenKrupp – Strategic Way Forward



SWF: Progress in Change, Performance and Financial Situation



- New Supervisory Board Chairman with compliance and corporate governance as top priority

- New and smaller Executive Board



- New Executive Board Member for Legal Affairs & Compliance

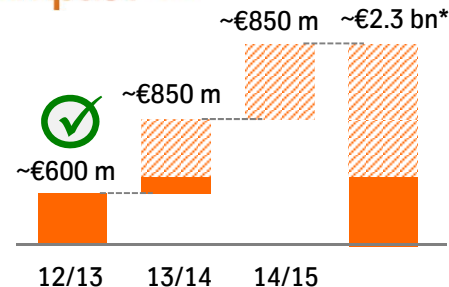
- Less Corporate and Service Functions
6 with new management



- New and less BA Executives
12 new BA Executives



• **impact**

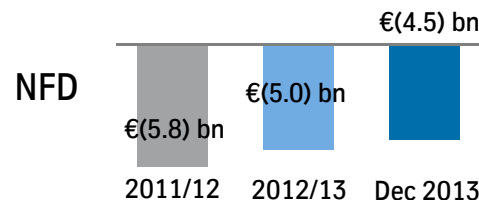


- ~€200 m and ~20% of targeted FY 2013/14 efficiency gains already achieved

* incl. ~€300 m from TK CSA

Capital structure & financing supported by:

- Portfolio Optimization
- Performance Orientation



Gearing <100% targeted

deleverage

ThyssenKrupp – Continuing Operations (incl. Steel Americas, excl. AST and VDM)

ThyssenKrupp

FY 2012/13: Sales €38.6 bn • EBIT adj. €598 m • Employees 156,856

Components Technology

Sales: €5.7 bn
EBIT adj.: €244 m

- Components for the automotive industry (e.g. crankshafts, axle modules, steering systems)
- Large-diameter bearings & rings (e.g. for wind energy)
- Undercarriages for tracked earthmoving machinery

Elevator Technology

€6.2 bn
€675 m

- Elevators
- Escalators & moving walks
- Passenger boarding bridges
- Stair lifts, home elevator
- Maintenance, Repair & Modernization

Industrial Solutions

€5.6 bn
€640 m

- Petrochemical complexes
- Cement plants and systems for open-pit mining & mat. handling
- Production systems for auto and aerospace industry
- Engineering & Construction of non-nuclear submarines and Naval Surface Vessels

Materials Services

€11.7 bn
€236 m

- Global materials distribution (carbon & stainless steel, pipes & tubes, nonferrous metals, aluminum, plastics)
- Technical and infrastructure services for production & manufacturing sectors

Steel Europe

€9.6 bn
€143 m

- Premium flat carbon steels
- Large-scale, multiple niche approach
- Long-term customer relations
- Technology leadership in products and processes

Steel Americas

€1.9 bn
€(495) m

- Premium flat carbon steels
- CSA: slab mill in Brazil, 5 m t capacity, SoP Q3 CY 2010
- Steel USA: processing plant (hot / cold rolling and coating), SoP Jul. 31, 2010

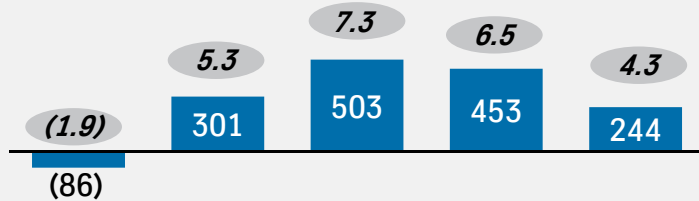
disposal group



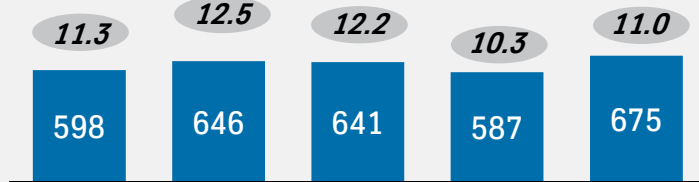
5 Year Performance Track Record

EBIT adjusted, *EBIT adjusted margin* (million €, %)

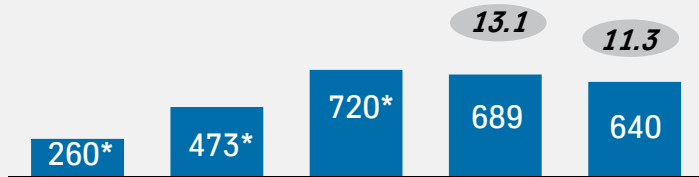
Comp.
Techn.



Elevator
Techn.



Industrial
Solutions

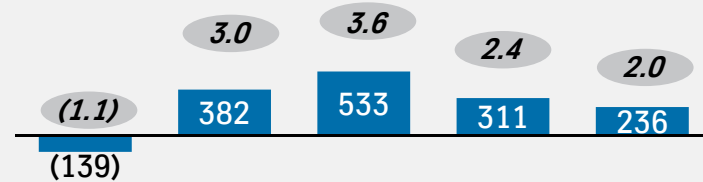


* pro forma

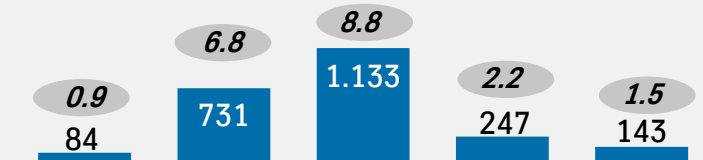
08/09 09/10 10/11 11/12 12/13

EBIT adjusted from continuing operations excluding Inoxum

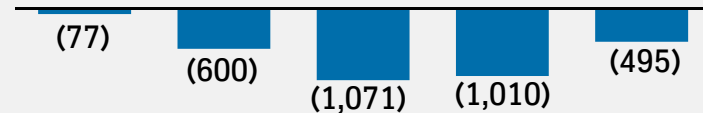
Materials
Services



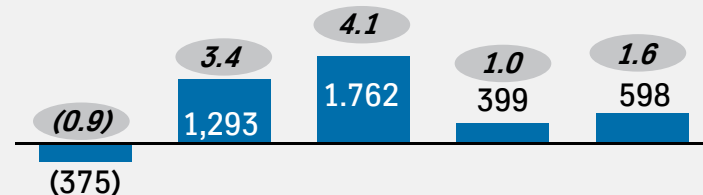
Steel
Europe



Steel
Americas*



Group*



08/09 09/10 10/11 11/12 12/13

* 2012/13 excluding D&A for TK Steel USA



Systematic Benchmarking Aiming at Best-in-Class Operations

Selected Peers / Relevant Peer Segments

Components Technology



- Chassis & Powertrain: Continental; NSK (JPN); TRW (USA)
- Industry: SKF (Industrial); Titan Int'l (USA, Undercarriage)

Materials Services



- ArcelorMittal / Distribution Solutions
- Klöckner
- Reliance

Elevator Technology



- UTC / Otis
- KONE
- Schindler

Steel Europe



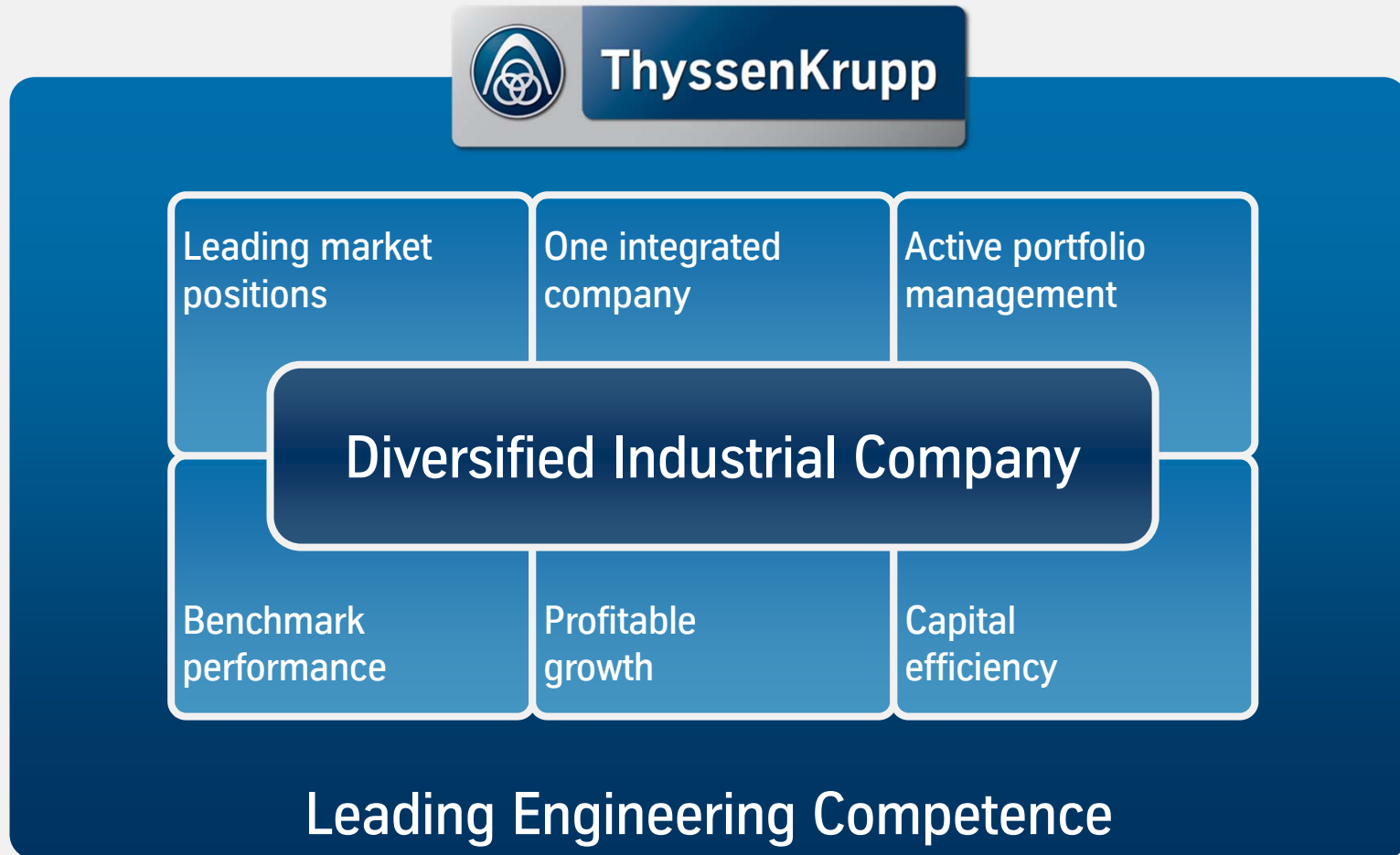
- ArcelorMittal / Flat Carbon Europe
- Salzgitter / Steel
- Tata Steel / Europe
- Voestalpine / Steel

Industrial Solutions

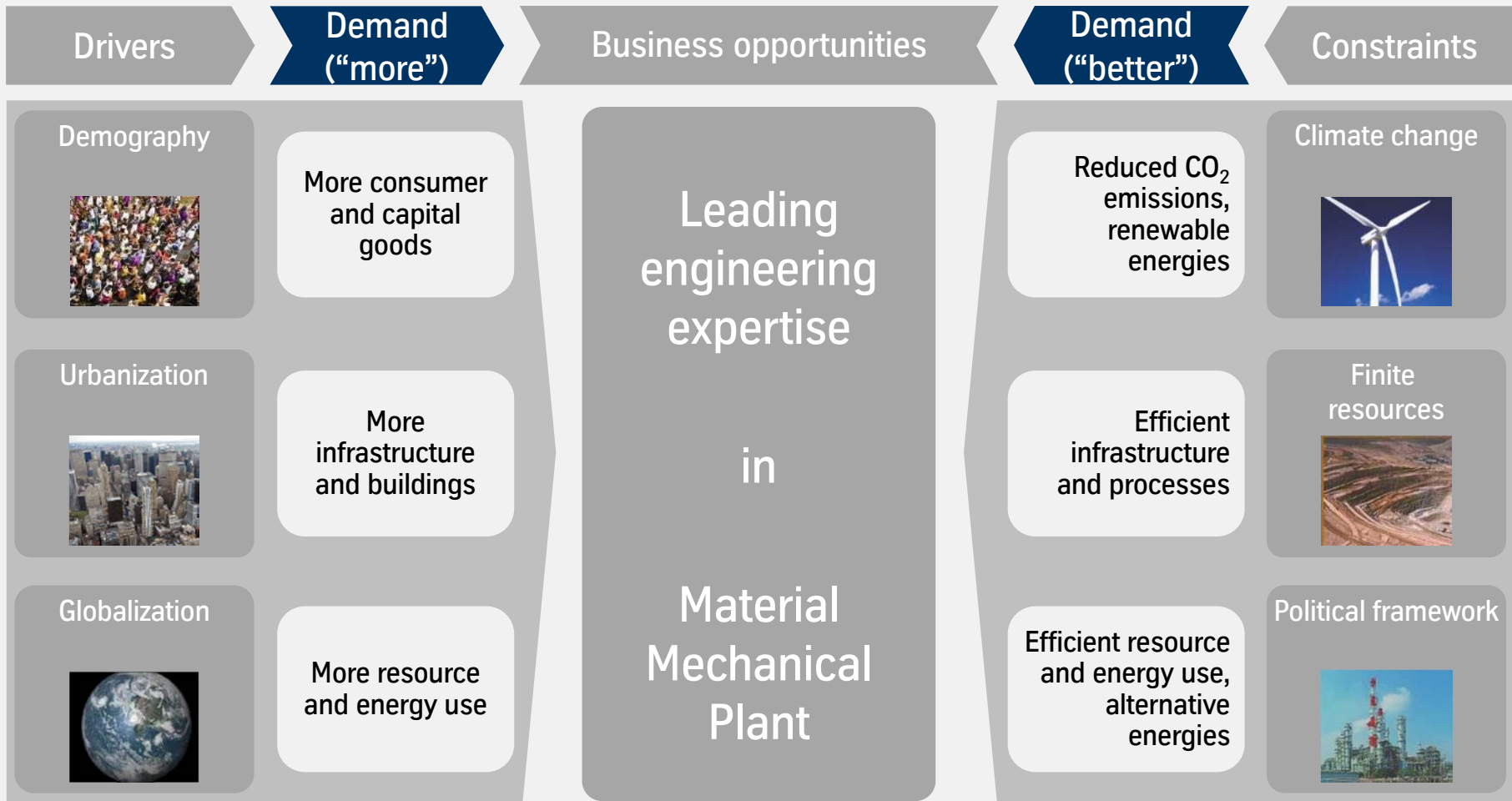


- Process Technologies (chemicals): Maire Tecnimont / Oil, Gas & Petrochem.
- Resource Technologies (mining & cement): FLSmidth, Sandvik / Mining
- System Engineering (automotive): Kuka
- Marine Systems: DCNS (F), Navantia (E), Damen (NL)

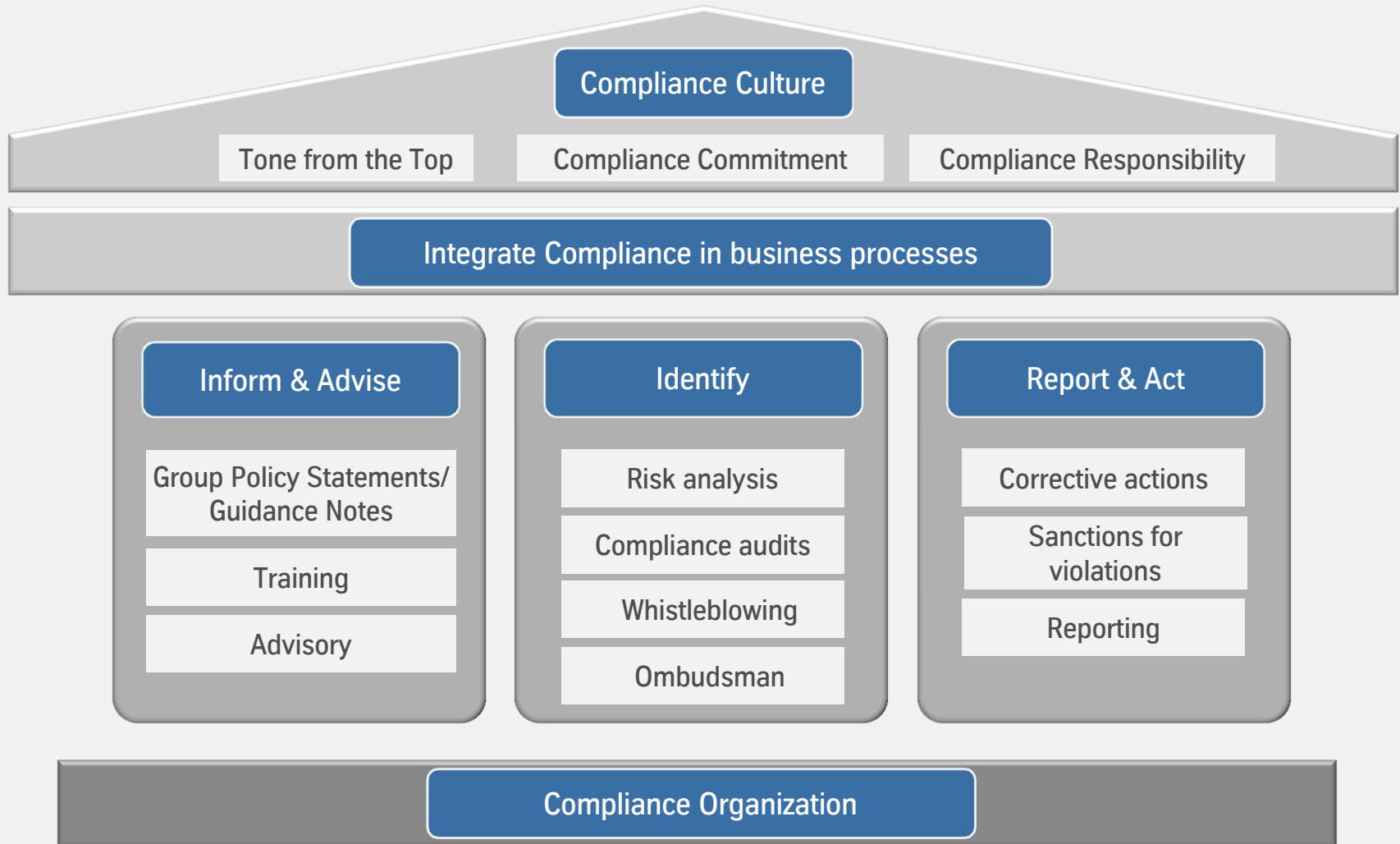
ThyssenKrupp – Diversified Industrial Group



ThyssenKrupp's Leading Engineering Competence Supports Better for More



Structure and Elements of ThyssenKrupp Compliance Program



Key Financials (I)

Continuing Ops.
incl. Steel Americas
(Steel USA as disp. group),
excl. Inoxum

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	10,063	10,113	9,401	9,059	38,636	10,671
Sales	€m	9,189	9,540	9,920	9,910	38,559	9,109
EBITDA	€m	371	228	358	206	1,163	468
EBITDA adjusted	€m	382	467	411	418	1,678	505
EBIT	€m	97	(48)	37	(681)	(595)	211
EBIT adjusted	€m	107	196	140	155	598	247
EBT	€m	(73)	(240)	(202)	(1,179)	(1,694)	(229)
EBT adjusted	€m	(63)	5	(99)	(342)	(499)	(193)
Net income	€m	(75)	(126)	(426)	(992)	(1,619)	(256)
attrib. to TK AG stockh.	€m	(61)	(128)	(396)	(895)	(1,480)	(251)
Earnings per share*	€	(0.12)	(0.25)	(0.77)	(1.74)	(2.88)	(0.47)

* attributable to ThyssenKrupp AG's stockholders

Figures have been adjusted due to the adoption of IAS 19R, the reclassification of AM as a cont. ops. and the catch up of D&A of TK CSA (Interim Report p. 38).



Key Financials (II)

Continuing Ops.
incl. Steel Americas
(Steel USA as disp. group),
excl. Inoxum

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
TK Value Added**	€m					(1,852)	
Ø Capital Employed**	€m	17,102	16,137	15,253	14,594	14,594	12,192
Goodwill**	€m					3,493	
Capital expenditures*	€m	334	287	239	453	1,313	232
Depreciation/amort.	€m	280	281	327	1,170	2,058	262
Business cash flow	€m	(147)	190	421	8	472	30
Cash flow from divestm.	€m	934	49	46	192	1,221	23
Cash flow from investm.	€m	(334)	(287)	(239)	(453)	(1,313)	(232)
Free cash flow	€m	654	(75)	224	86	889	(62)
Cash and cash equivalents** (incl. short-term securities)	€m	4,276	4,738	3,731	3,833	3,833	4,076
Net financial debt**	€m	5,205	5,298	5,326	5,038	5,038	4,459
Equity	€m	4,267	4,250	3,578	2,518	2,518	3,273
Employees		154,850	155,473	155,551	156,856	156,856	156,633

BCF (Business Cash Flow) = FCF before interest, tax and divestments * incl. financial investments ** referring to entire Group
= EBITDA +/- Δ NWC – Capex +/- Other

Figures have been adjusted due to the adoption of IAS 19R, the reclassification of AM as a cont. ops. and the catch up of D&A of TK CSA (Interim Report p. 38).



Key Financials

Group
incl. Steel Americas &
Inoxum

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	11,202	10,113	9,401	9,059	39,774	10,671
Sales	€m	10,412	9,540	9,920	9,910	39,782	9,109
EBITDA	€m	444	226	358	192	1,222	655
EBITDA adjusted	€m	313	466	413	418	1,609	505
EBIT	€m	169	(50)	37	(694)	(538)	398
EBIT adjusted	€m	38	195	142	155	531	247
EBT	€m	(9)	(238)	(199)	(1,190)	(1,636)	(42)
EBT adjusted	€m	(140)	6	(93)	(340)	(567)	(193)
Net income	€m	(16)	(124)	(423)	(1,003)	(1,566)	(69)
attrib. to TK AG stockh.	€m	(1)	(126)	(393)	(906)	(1,426)	(64)
Earnings per share*	€	0	(0.25)	(0.76)	(1.76)	(2.77)	(0.12)

* attributable to ThyssenKrupp AG's stockholders

Figures have been adjusted due to the adoption of IAS 19R, the reclassification of AM as a cont. ops. and the catch up of D&A of TK CSA (Interim Report p. 38).

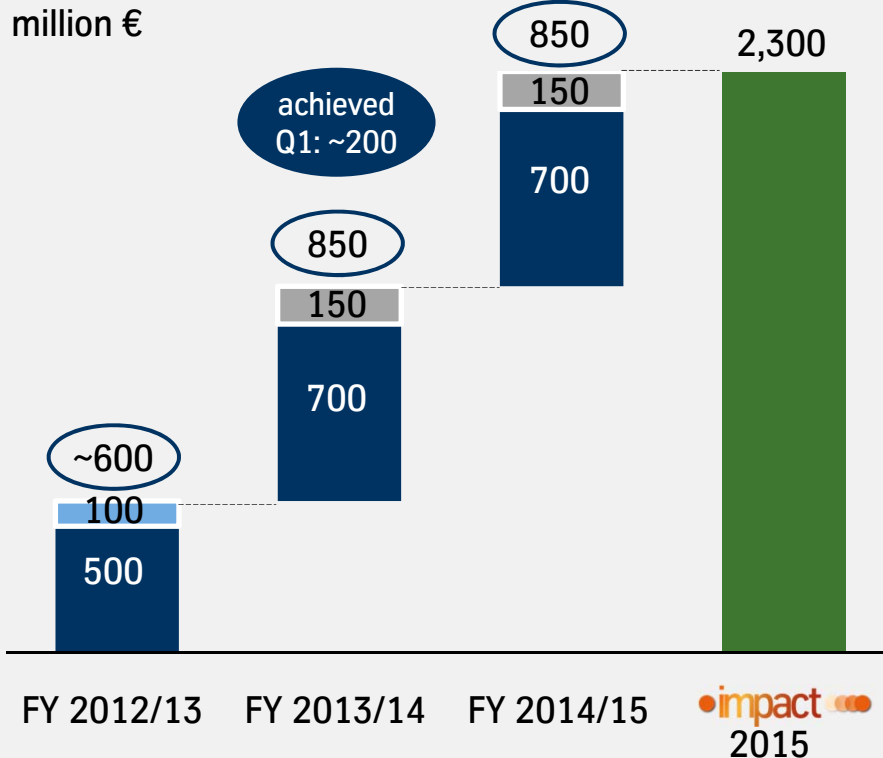


Special Items

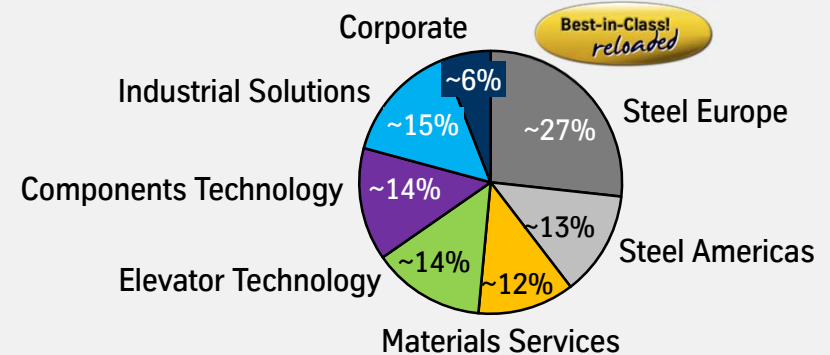
Business Area (million €)		2012/13				2013/14
		Q1	Q2	Q3	Q4	FY
CT	Impairment			(37)	(7)	(44)
	Disposal effect		3	1		4
	Restructuring	1	(1)	(2)	(30)	(32)
	Others					(7)
						(1)
ET	Asset disposals					(1)
	Impairment	1	(4)		(11)	(14)
	Restructuring		(9)	(17)	(23)	(49)
	Others	1			(2)	(1)
IS	Impairment				2	2
	Restructuring	1			(10)	(9)
	Others		18	1	6	25
MX	Disposal effect		(4)	8	(3)	1
	Impairment			(14)	2	(12)
	Rail cartel case		(207)			(207)
	Restructuring	(3)		(3)	(8)	(14)
	Others	(1)	(4)	(2)	(3)	(10)
SE	Asset disposals	(1)			110	110
	Impairment				(22)	(22)
	Restructuring		(20)	(37)	(71)	(128)
	Others			(10)	(31)	(41)
AM	Asset disposals				(5)	(5)
	Impairment				(586)	(586)
	Others				(94)	(94)
Corp.	Disposal effect			(1)	(7)	(8)
	Impairment		(1)		(2)	(3)
	Restructuring			(1)	(37)	(38)
	Others	(15)	(19)	12	(5)	(27)
Consolidation		6		(1)	1	7
Continuing operations		(10)	(245)	(103)	(836)	(1,194)
Discontinued operations		141	0	(2)	(14)	125
Group (incl. discontinued operations)		131	(245)	(105)	(850)	(1,069)
						151

Sustainable Efficiency Gains to Support EBIT Target FY 2013/14 and Mid-Term Upside

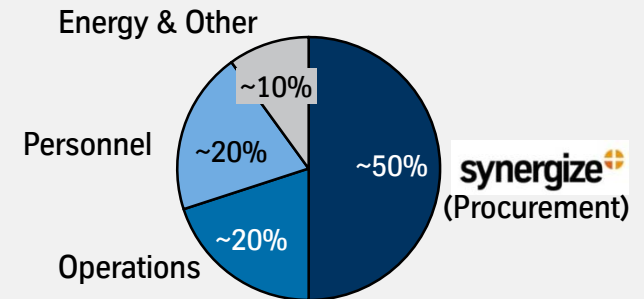
Ramp-up Efficiency Gains 2015



Efficiency Gains 2015 by Business Area



Efficiency Gains 2015 by Categories



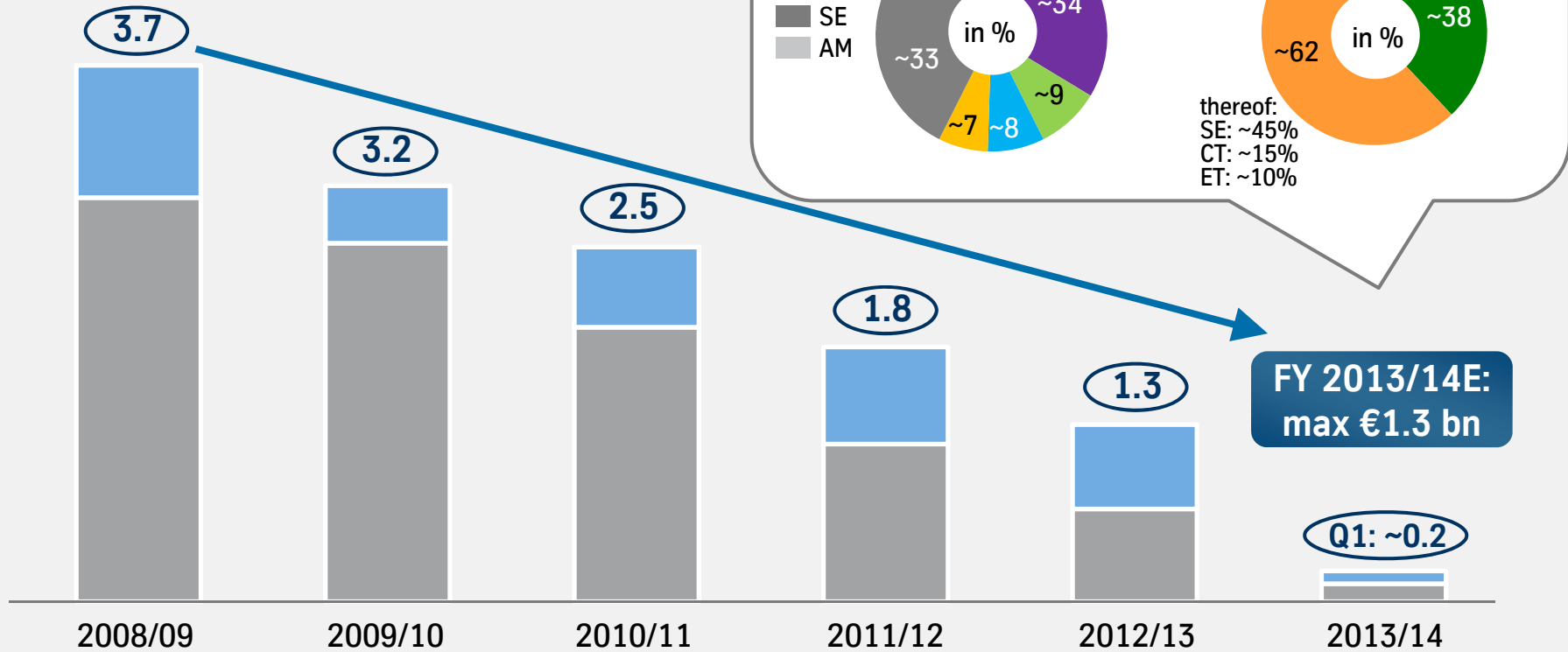
50% contribution to efficiency target from **synergize**
especially by tapping unaddressed bundling potentials and pulling cross-functional levers

Improving Capex Allocation Geared to CapGoods Businesses

Cash flows from investing activities incl. Steel Americas (billion €)

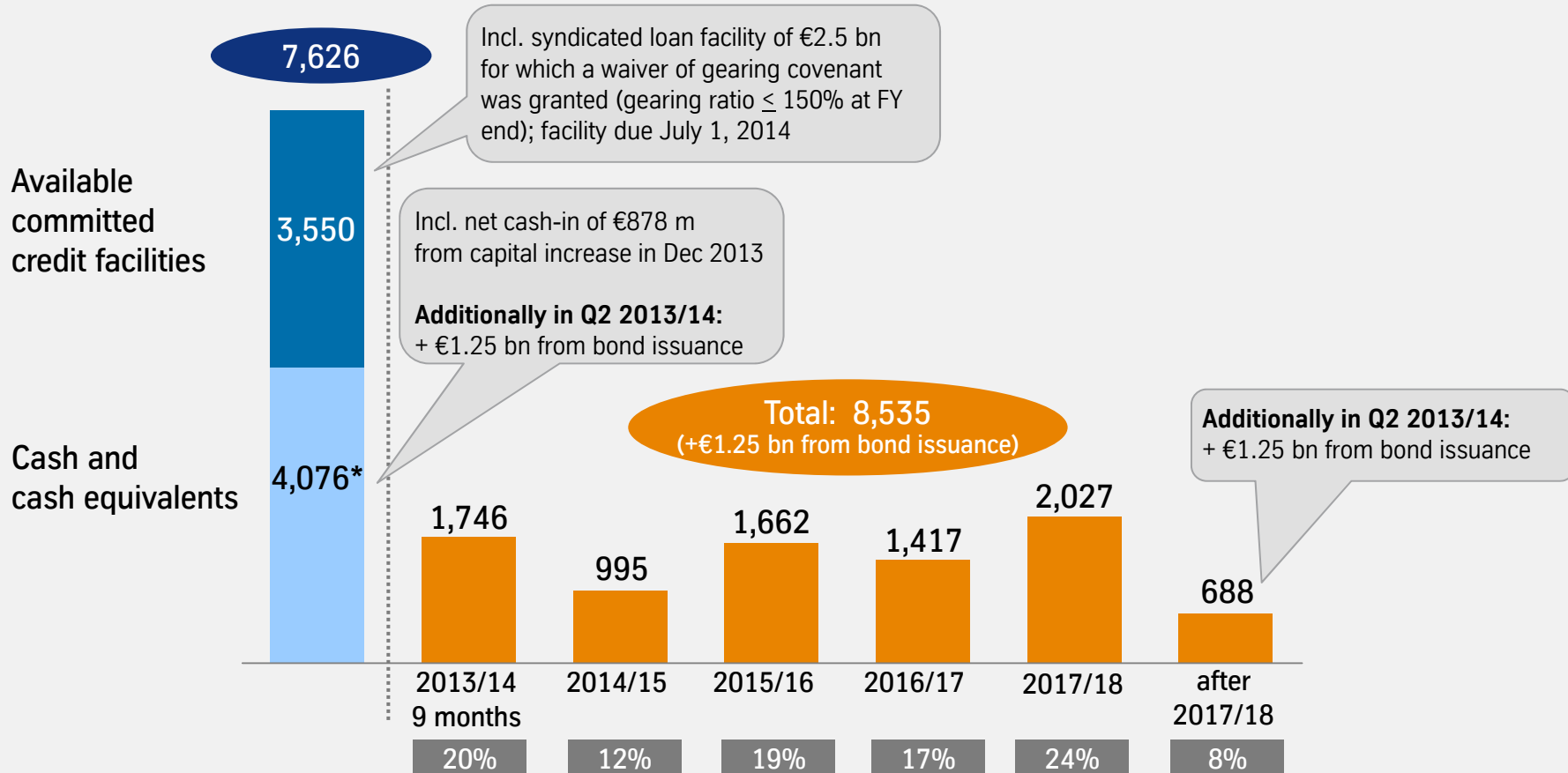
CapGoods

Materials



Solid Financial Situation

Liquidity analysis and maturity profile of gross financial debt as of December 31, 2013 (million €)

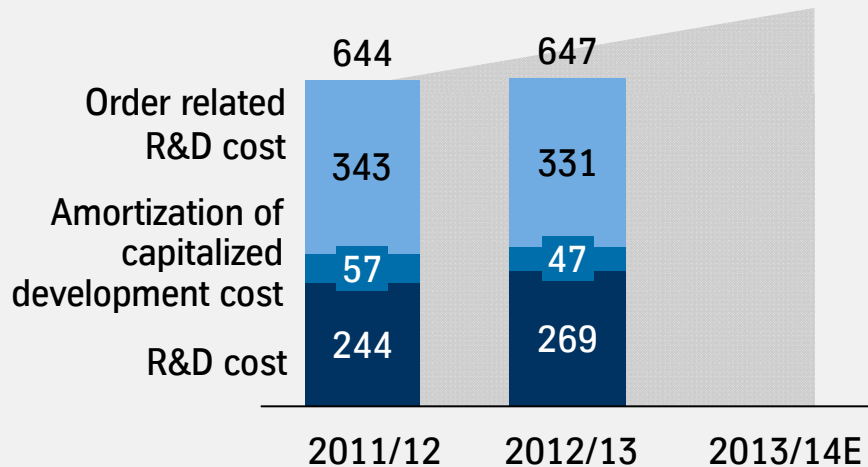


* incl. securities of €5 m

Change in Innovation Ambition

R&D expenses TK Group

Further increase by all Business Areas planned



R&D and innovation characterized by ambition for sustainable technological differentiation

Note: Group w/o Inoxum increased R&D expenses by €20 m or 3.2%

The InCar[®]plus Project 2013/2014



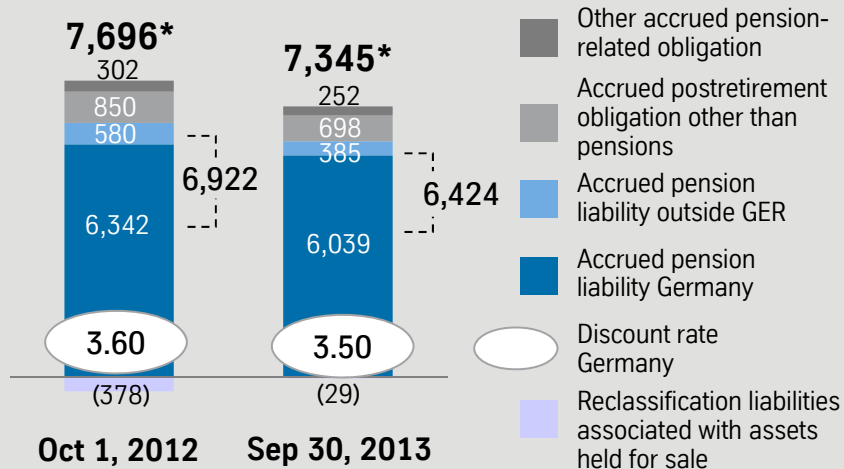
Highlights:

- 30 projects with more than 40 individual solutions
- Green, cost-competitive, lightweight, high-performing
- **Body:**
Innovative steel technologies for economical lightweight design
- **Powertrain:**
Optimized internal combustion engines and efficient electric drives for the mobility of tomorrow
- **Chassis & Steering:**
Comfort and safety – performance driver for more functionality, while retaining lightweight design targets

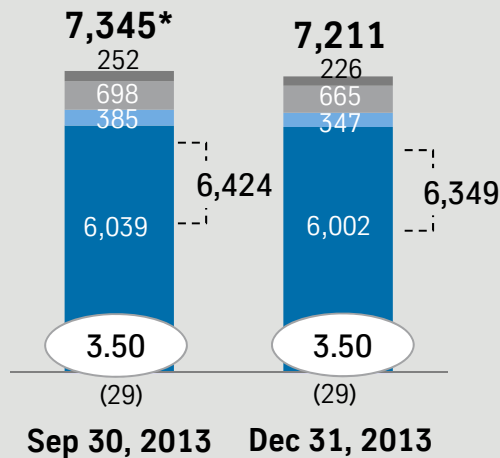
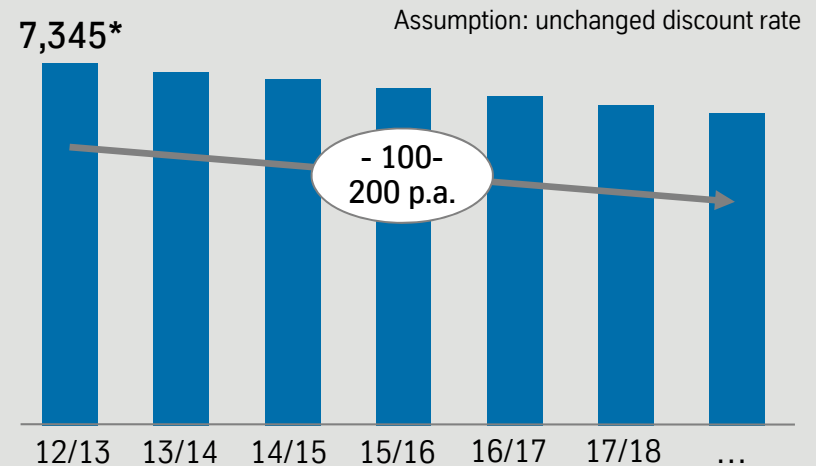


Accrued Pension and Similar Obligations

Accrued pension and similar obligations (in €m)



Accrued pension & similar obligations expected to decrease over time (in €m)

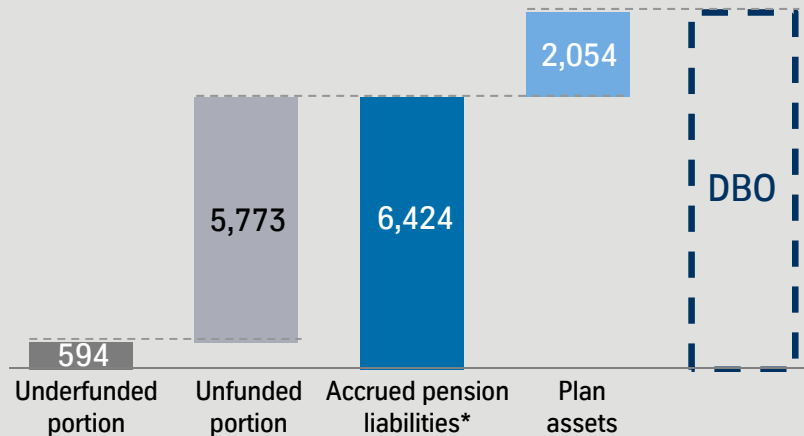


- “Patient” long-term debt, no immediate redemption in one go
- Interest cost independent of ratings, covenants etc.
- German discount rate aligned to interest rate for AA-rated corporate bonds and discounts rate of other German companies
- Yoy decrease in accrued pension liability mainly driven by increased interest rate outside Germany and divestment of Inoxum
- Number of plan participants steadily decreasing
- 66% of obligations owed to retired employees, average age ~75 years

* Figures have been adjusted due to the adoption of IAS 19R

Majority of Pension Plans in Germany

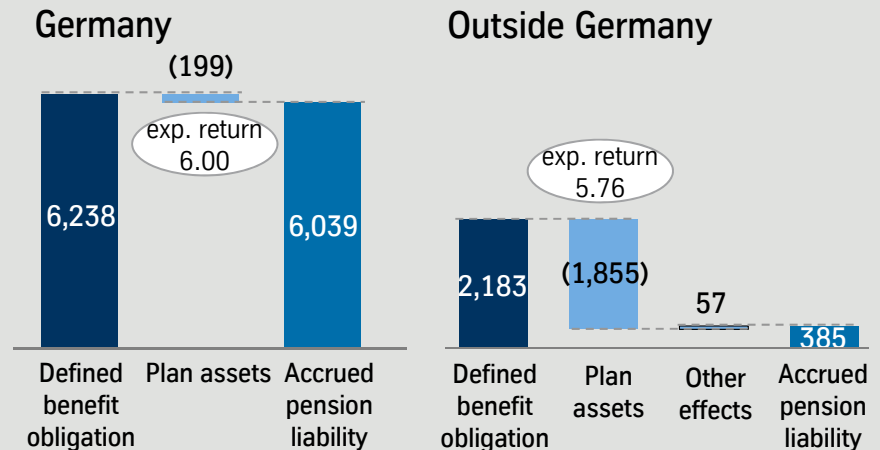
Funded status of defined benefit obligation (FY 2012/13, in €m)



* incl. other effects of €57 m

- 98% of the unfunded portion can be found in Germany since the German pension system requires no mandatory funding of pension obligations with plan assets; funding is mainly done by ThyssenKrupp's operating assets

Development of accrued pension liabilities (FY 2012/13, in €m)

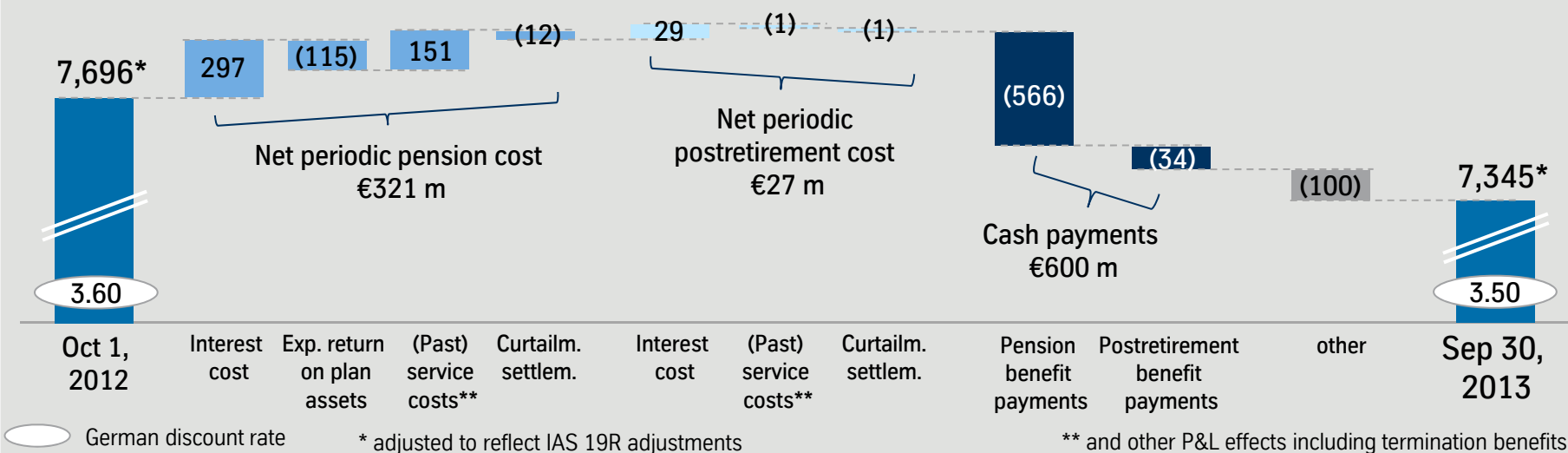


- Plan assets outside Germany mainly attributable to USA (~37%) and UK (~30%)
- Plan asset classes include national and international stocks, fixed income, government and non-government securities and real estate

Accrued pension liability and accrued postretirement obligation other than pensions referring to defined benefit plans

Mature Pension Schemes: Benefit Payments Higher Than Costs

Elements of Change in Accrued Pensions and Similar Obligations (in €m) / Position in Key Financial Statements

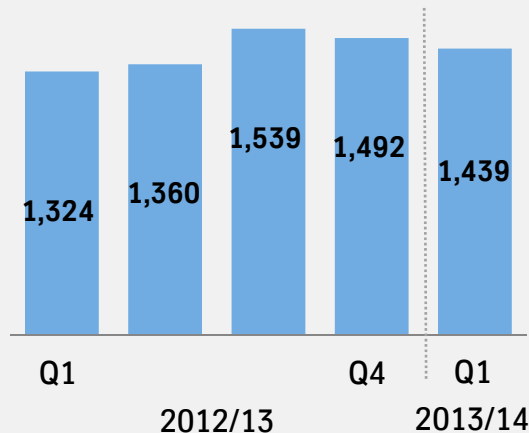


P&L ¹⁾	Interest income/expense	Personnel expenses	Interest in/exp	Personnel expenses						
Cash Flow Statement	Included in "changes in accrued pension & similar obligations" (mainly net periodic costs – payments)									
in EBIT	–	–	✓	✓	–	✓	✓	–	–	–
below EBIT	✓ (in "I")	✓ (in "I")	–	–	✓ (in "I")	–	–	–	–	–
other compr. income	–	–	–	–	–	–	–	–	–	(✓) (partly in actuarial gains/losses)

¹⁾ additionally personnel expenses include €127 m net periodic pension cost for defined contribution plans
Accrued pension liability and accrued postretirement obligation other than pensions referring to defined benefit plans

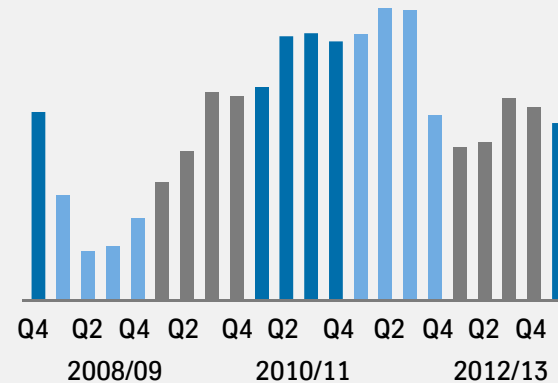
Components Technology – Q1 2013/14 Highlights

Order intake in €m



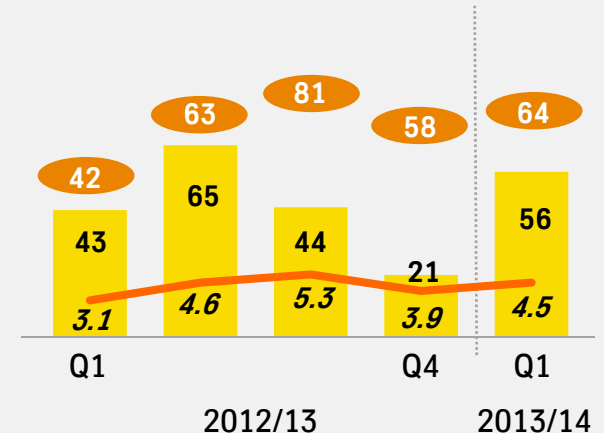
Quarterly order intake auto components

Q1 2013/14: seasonally lower orders with continuing high demand from China and the US

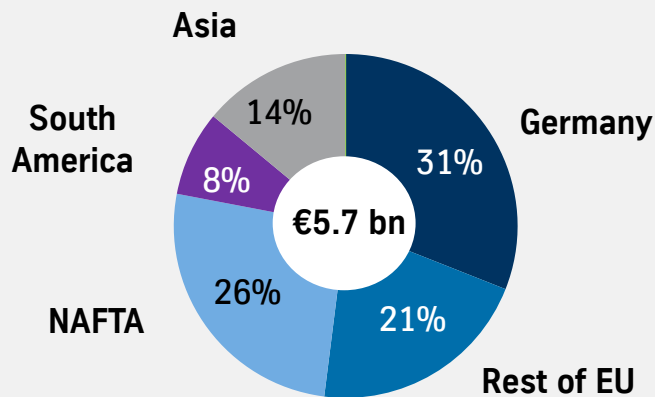


EBIT in €m; EBIT adj. margin in %

■ EBIT ● EBIT adjusted



Sales by region – FY 2012/13



Current trading conditions

- Qoq seasonally weaker order intake and sales:
 - **Light vehicles:** continuing high demand from the US and China; first signs of recovery in European markets
 - **Trucks:** heavy truck market still at low level
 - **Industrial components:** improving business activity for wind turbines especially in China; construction equipment market still challenging
- Adjusted EBIT margin increased to 4.5% supported by benefits from restructuring and efficiency measures

Components Technology

Key figures

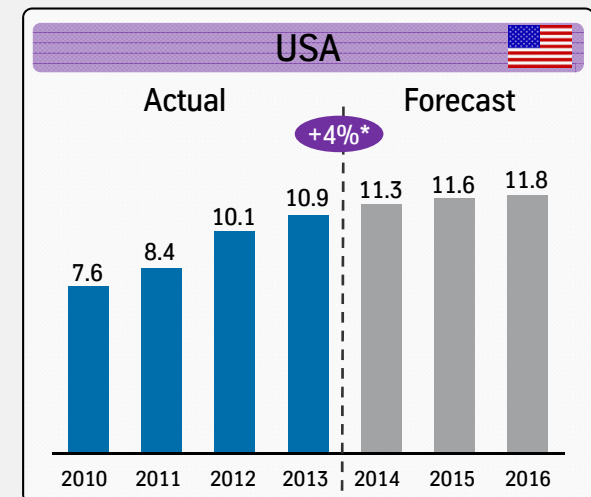
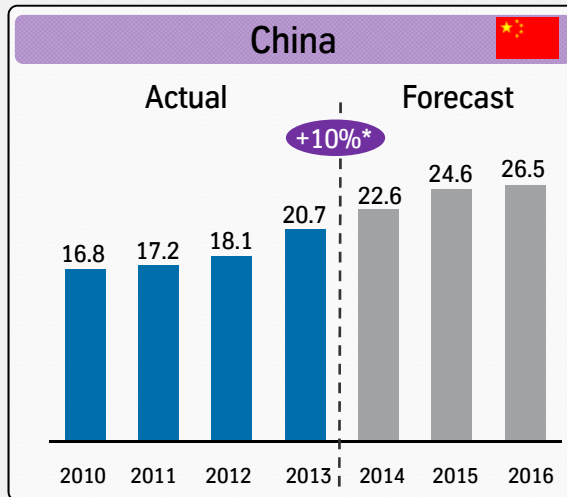
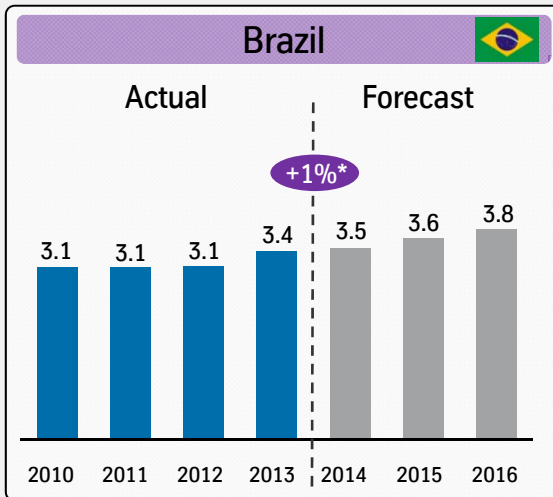
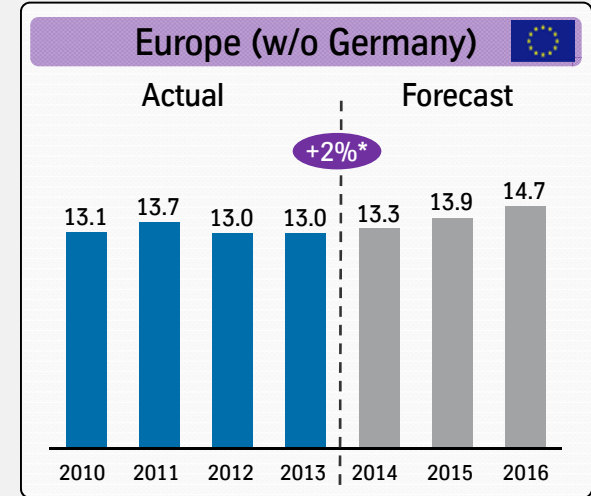
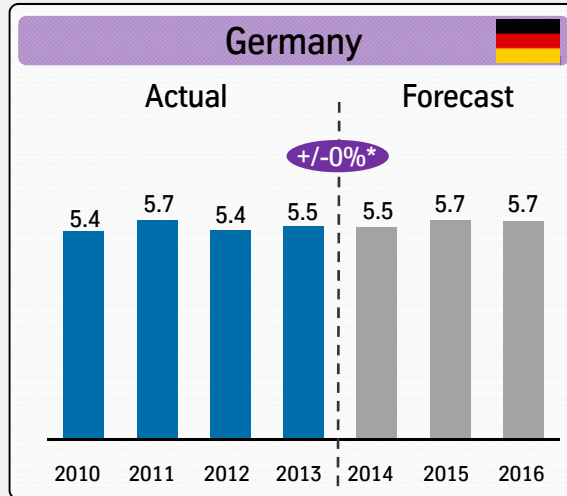
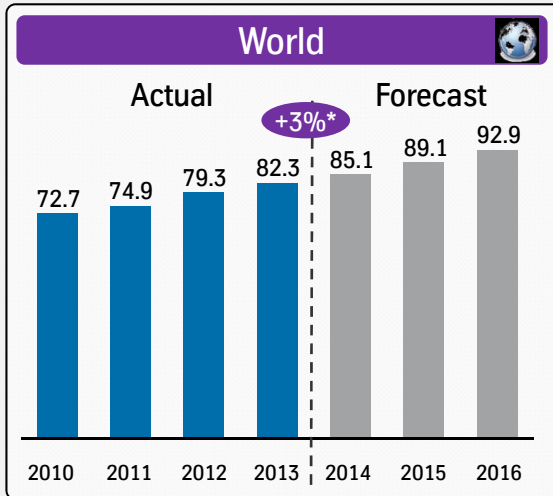
		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	1,324	1,360	1,539	1,492	5,715	1,439
Sales	€m	1,345	1,360	1,517	1,490	5,712	1,428
EBITDA	€m	108	130	145	95	478	120
EBITDA adjusted	€m	107	129	145	126	506	129
EBIT	€m	43	65	44	21	173	56
EBIT adjusted	€m	42	63	81	58	244	64
EBIT adj. margin	%	3.1	4.6	5.3	3.9	4.3	4.5
TK Value Added	€m					(96)	
Ø Capital Employed	€m	2,897	2,960	2,990	2,980	2,980	2,871
BCF	€m	(103)	(82)	102	161	78	(41)
CF from divestm.	€m	2	6	1	5	14	2
CF for investm.	€m	(124)	(85)	(77)	(103)	(389)	(65)
Employees		27,789	27,698	27,562	27,737	27,737	28,057

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



Components Technology: Light Vehicles Production (in million)

Light Commercial and Passenger Cars

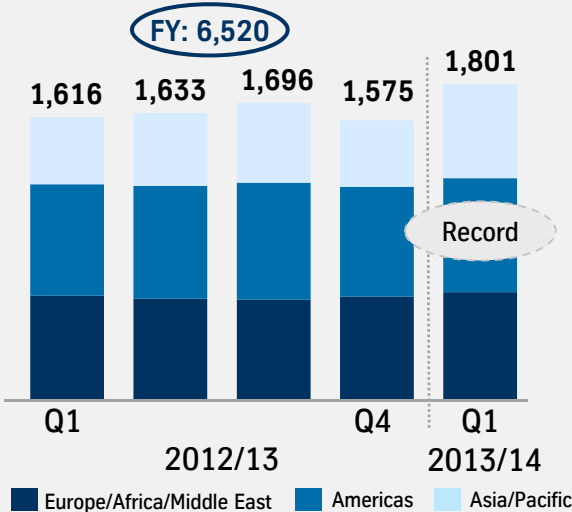


* Expected growth rate 2014 vs. 2013

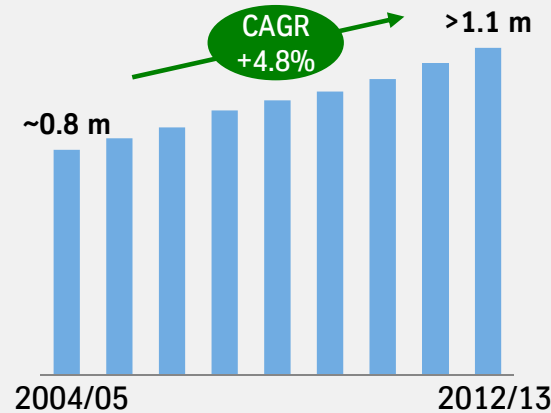
Source: IHS/CSM global Database January 2014

Elevator Technology – Q1 2013/14 Highlights

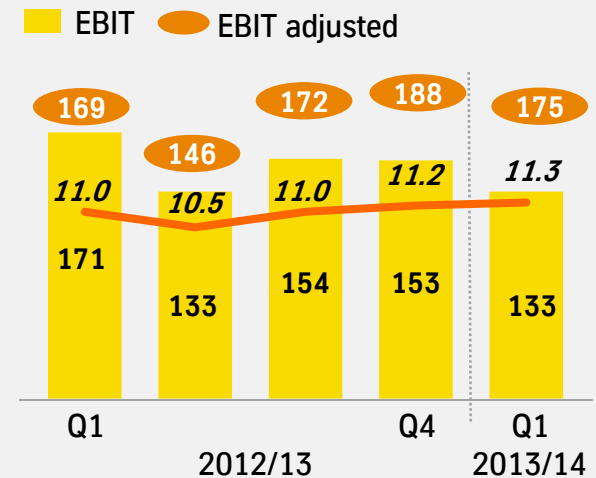
Order intake in €m



Units under Maintenance



EBIT in €m; EBIT adj. margin in %



Order intake Q1 2013/14



Guangxi Financial Plaza, Nanning (China):

- 43 elevators
- 8 escalators

Metro Line 2, Ningbo (China):

- 27 elevators
- 120 escalators

Current trading conditions

- Order backlog with €3.8 bn again on record level
- Order intake on record level with +11% increase yoy
 - New installation: strong demand from US, Russia and China; Europe stable; Spain with growth for the first time again
 - Modernization: contributions from all regions
 - Maintenance: service portfolio with constant internal and external growth
- Margin improvements across the business, including Spain and China
- Special items of €(42) m include restructuring cost mainly in France

Elevator Technology

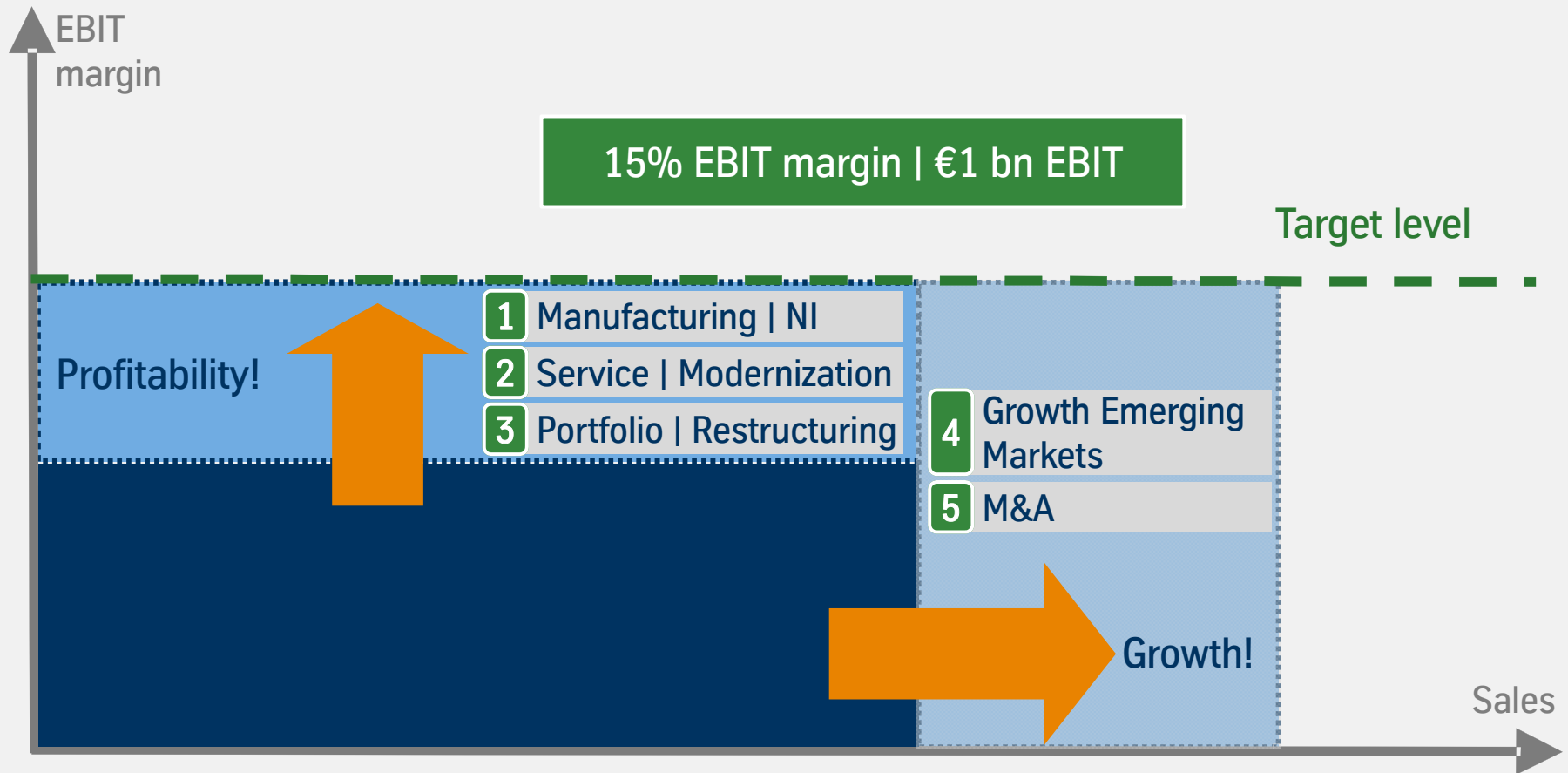
Key figures

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	1,616	1,633	1,696	1,575	6,520	1,801
Sales	€m	1,532	1,388	1,562	1,673	6,155	1,544
EBITDA	€m	190	159	179	176	703	152
EBITDA adjusted	€m	188	166	197	201	753	194
EBIT	€m	171	133	154	153	611	133
EBIT adjusted	€m	169	146	172	188	675	175
EBIT adj. margin	%	11.0	10.5	11.0	11.2	11.0	11.3
TK Value Added	€m					423	
Ø Capital Employed	€m	2,359	2,371	2,372	2,353	2,353	2,271
BCF	€m	74	257	203	118	652	51
CF from divestm.	€m	3	3	1	2	9	1
CF for investm.	€m	(23)	(20)	(25)	(76)	(144)	(14)
Employees		47,897	48,150	48,488	49,112	49,112	49,348

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



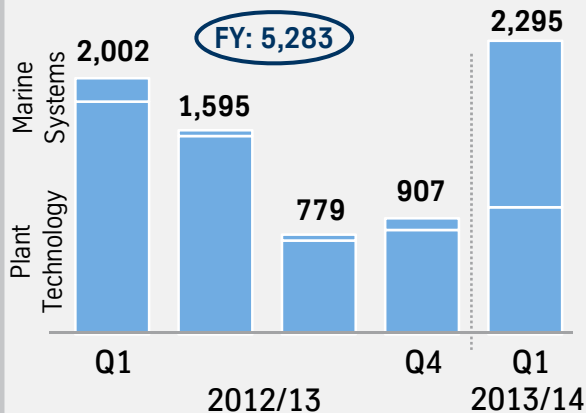
Five Initiatives to Improve Performance and Push Growth



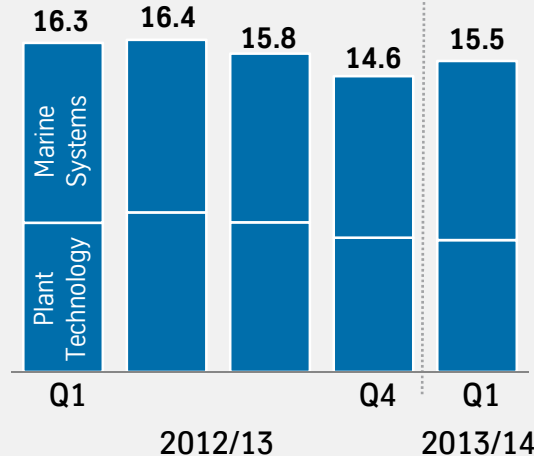
Industrial Solutions – Q1 2013/14 Highlights

Order intake in €m

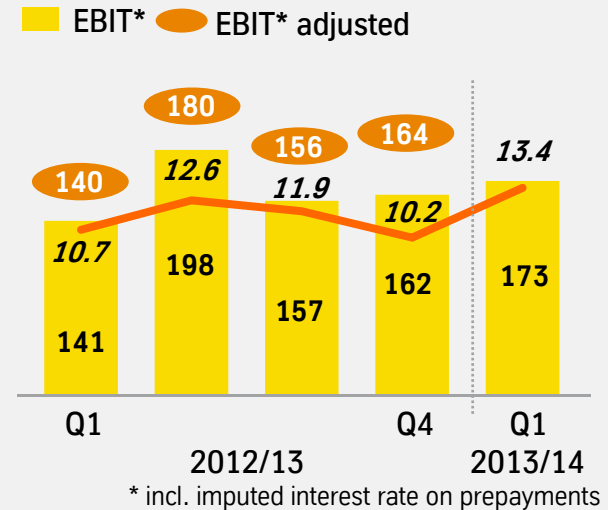
Q1 12/13 incl. ~€1 bn order for fertilizer plants, Q2 12/13
2 cement plants with ~€350 m, Q1 13/14 big ticket MS



Order backlog in €bn



EBIT* in €m; EBIT* adj. margin in %



Major order intake Q1 2013/14

2 submarines for Singapore:



(Comparable project)

- Customer: Singaporean Navy
- Delivery of 1st submarine: 2018
- Further strengthening of world market leader position in the sector of non-nuclear submarines

Current trading conditions

- Positive market momentum continues and leads to order intake increase of 15% - vs already strong prior year - characterized by
 - Mega order for Marine Systems
 - High interest for **cement plants** driven by infrastructure growth in the emerging markets
 - Ongoing weaker new installation business in **mining** cushioned by demand for service & maintenance
- Sustainable high EBIT margins comfortably above 10% target (incl. imputed interest rate on prepayments)
 - Improved contribution from plant engineering businesses overcompensating slightly decreased earnings at automotive
 - Billing-related higher earnings at Marine Systems

Industrial Solutions

Key figures

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	2,002	1,595	779	907	5,283	2,295
Sales	€m	1,306	1,428	1,306	1,602	5,641	1,288
EBITDA	€m	155	210	174	179	718	186
EBITDA adjusted	€m	155	191	174	183	702	186
EBIT	€m	141	198	157	162	658	173
EBIT adjusted	€m	140	180	156	164	640	173
EBIT adj. margin	%	10.7	12.6	11.9	10.2	11.3	13.4
TK Value Added	€m					525	
Ø Capital Employed	€m	1,488	1,478	1,462	1,472	1,472	1,523
BCF	€m	277	344	158	(255)	524	264
CF from divestm.	€m	1	3	2	13	19	1
CF for investm.	€m	(8)	(10)	(14)	(32)	(64)	(11)
Employees		18,176	18,427	18,660	18,841	18,841	18,982

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



Industrial Solutions: Selected Orders FY 2012/13

Chemicals

Q1: Fertilizer complexes for CF Industries Holding, USA



- Largest order within the last years
- Iowa: ammonia, urea and urea granulation plant
- Louisiana: ammonia, urea and urea granulation plant as well as nitric acid and an urea ammonium nitrate plant
- Order value: >€1 bn

Mining & Cement

Q2: Cement complex for Holcim, Indonesia



- Indonesian cement market expected to grow at a double-digit rate in 2013
- Follow-up contract for second plant; each plant with a cement production capacity of 1.7 million tons per year
- Supply of state-of-the-art equipment covering raw material preparation, clinker production, cement loading and fuel preparation
- Order value ~€200 m, SOP in 2015

Automotive

Q2: Assembly lines for passenger plane MS-21, Russia



- Largest order from aerospace industry in history
- Assembly lines for fuselage shells and primary structures for new aircraft type MS-21
- Customer: IRKUT, Russia
- Order value: ~€25 m
- SOP: 2014

Marine Systems

Q1: Modernization of submarines



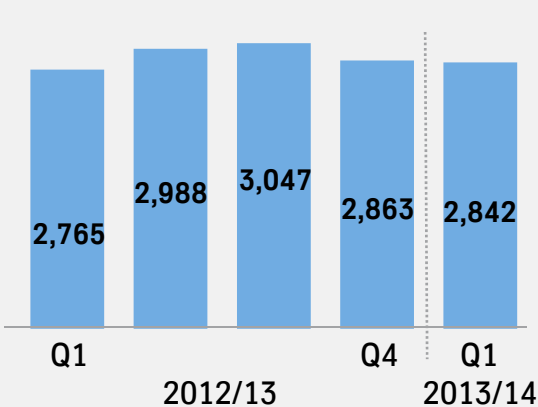
- Modernization of two submarines class U206A for the Colombian Navy
- Order intake: ~€60 m
- Delivery: 01/2015

Pictures show comparable projects

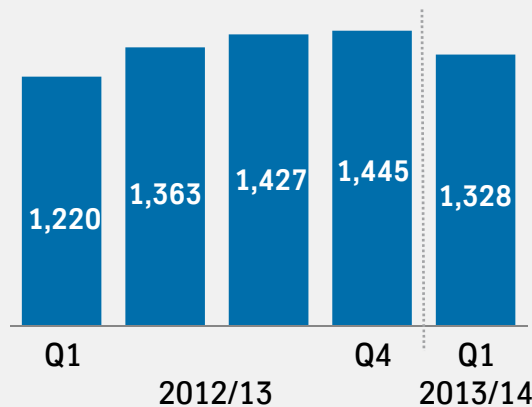
Materials Services – Q1 2013/14 Highlights

Order intake* in €m

*thereof materials warehousing business ~60%

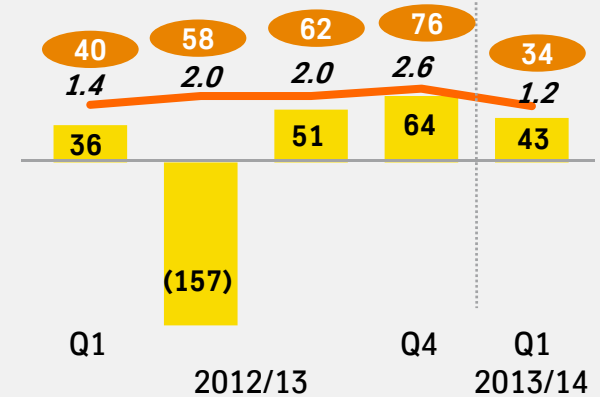


Materials warehousing shipments in 1,000 t

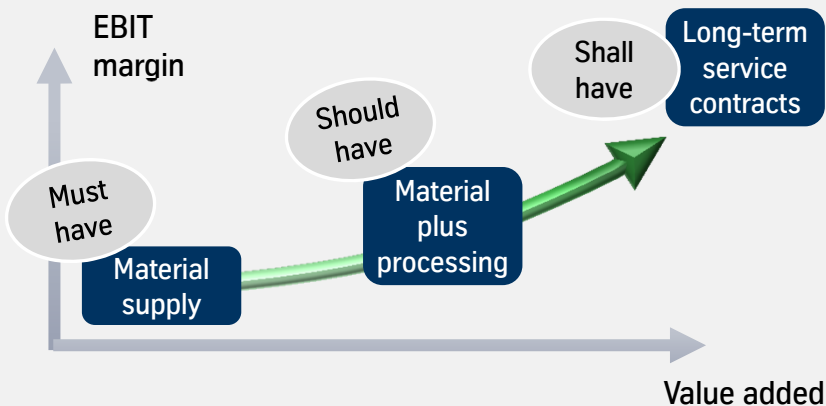


EBIT in €m; EBIT adj. margin in %

■ EBIT ● EBIT adjusted



Value added services are a key success factor



Current trading conditions

- Shipments on record level in a Q1 (+8.9% yoy)
- Order intake slightly declined due to seasonal pattern (-0.7% qoq)
- Pricing environment still unsatisfying; inventories remain on a low level
- Strict cost management and competitive business model, backed by effective sales initiatives led to positive earnings contribution on nearly prior-year level

Materials Services

Key figures

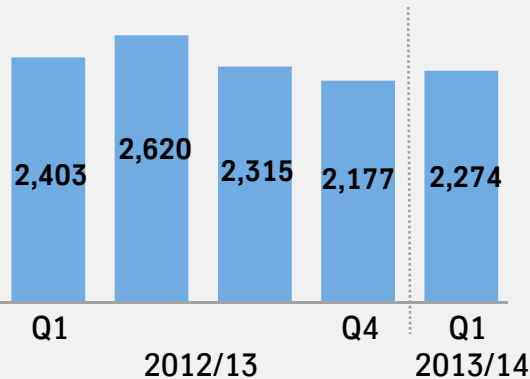
		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	2,765	2,988	3,047	2,863	11,663	2,842
Sales	€m	2,815	2,923	3,056	2,906	11,700	2,739
EBITDA	€m	59	(134)	87	85	96	62
EBITDA adjusted	€m	63	80	84	99	326	54
EBIT	€m	36	(157)	51	64	(6)	43
EBIT adjusted	€m	40	58	62	76	236	34
EBIT adj. margin	%	1.4	2.0	2.0	2.6	2	1.2
TK Value Added	€m					(258)	
Ø Capital Employed	€m	2,913	2,925	2,881	2,808	2,808	2,562
BCF	€m	(175)	(29)	136	258	190	(236)
CF from divestm.	€m	2	8	34	5	49	19
CF for investm.	€m	(19)	(13)	(8)	(36)	(76)	(13)
Employees		26,280	26,230	25,994	26,978	26,978	25,128

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



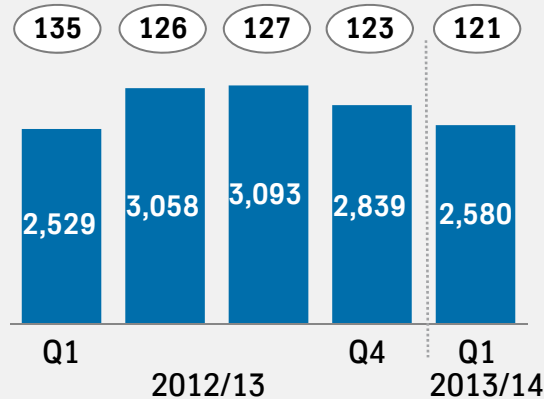
Steel Europe – Q1 2013/14 Highlights

Order intake in €m



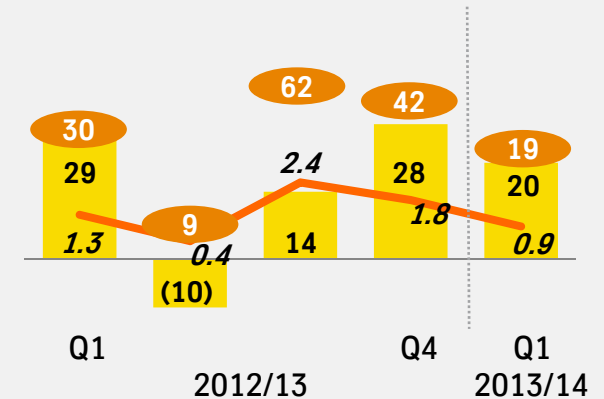
Shipments in 1,000 t

Ø rev/t indexed (Q1 2004/05=100)



EBIT in €m; EBIT adj. margin in %

EBIT EBIT adjusted

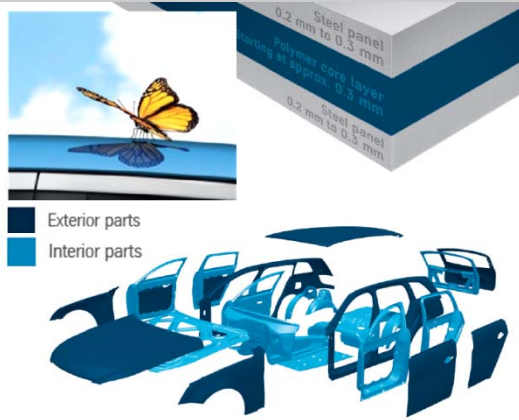


Strengthening differentiation



LITECOR®

- novel sandwich material for automotive lightweight design
- lighter, cost-effective, esp. environmentally friendly, and easy to process



Current trading conditions

- Qoq lower shipments and slightly lower Ø rev/t partially compensated by efficiency gains from “Best-in-Class Reloaded” program; steel production up in preparation for planned BF#2 reline
- Against background of inadequate selling prices and earnings, focus remains on “Best-in-Class Reloaded”: cost-reduction measures, intensified sales efforts and differentiation initiatives; divestment process of grain-oriented electrical steel activities
- Expectation fiscal Q2: qoq higher EBIT adjusted reflecting esp. higher shipments and efficiency gains
- Inventories at SSC and end customers at moderate levels, price sentiment improving from low base



Steel Europe

Key figures

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	2,403	2,620	2,315	2,177	9,515	2,274
Sales	€m	2,253	2,512	2,562	2,293	9,620	2,074
EBITDA	€m	142	98	119	154	512	126
EBITDA adjusted	€m	142	118	166	146	572	126
EBIT	€m	29	(10)	14	28	62	20
EBIT adjusted	€m	30	9	62	42	143	19
EBIT adj. margin	%	1.3	0.4	2.4	1.8	1.5	0.9
TK Value Added	€m					(432)	
Ø Capital Employed	€m	5,387	5,351	5,291	5,198	5,198	4,669
BCF	€m	15	97	173	(5)	280	182
CF from divestm.	€m	2	1	5	159	167	0
CF for investm.	€m	(94)	(105)	(74)	(136)	(409)	(91)
Employees		27,629	27,773	27,609	26,961	26,961	26,658

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other

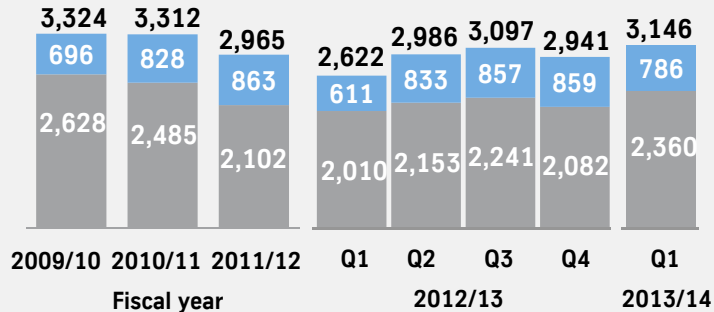


Steel Europe: Output, Shipments and Revenues per Metric Ton

Crude steel output (incl. share in HKM)

1,000 t/quarter

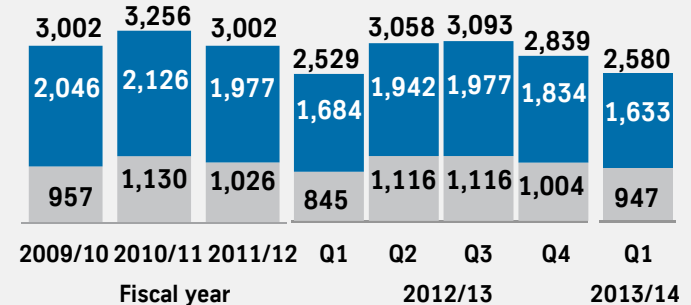
HKM share



Shipments*: Hot-rolled and cold-rolled products

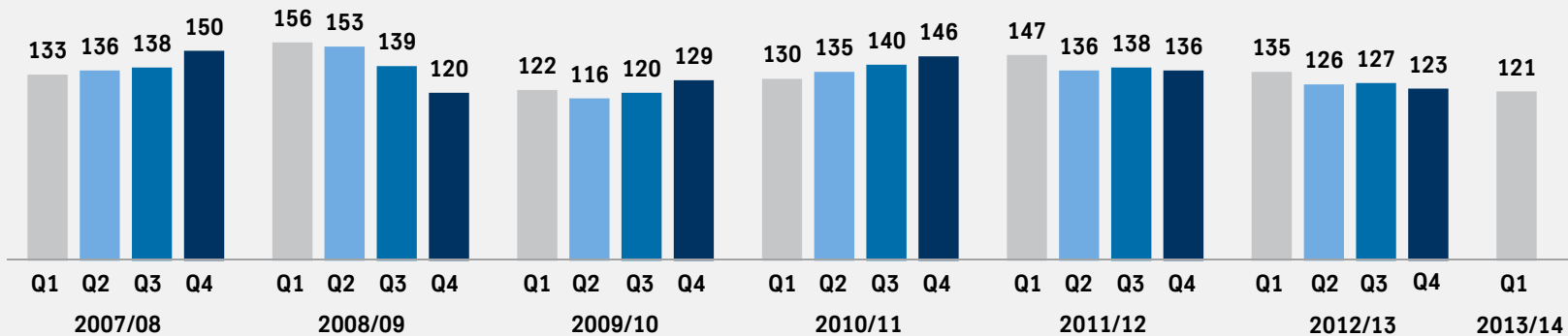
1,000 t/quarter

Cold-rolled
Hot-rolled; incl. slabs



Average revenues per ton*, indexed

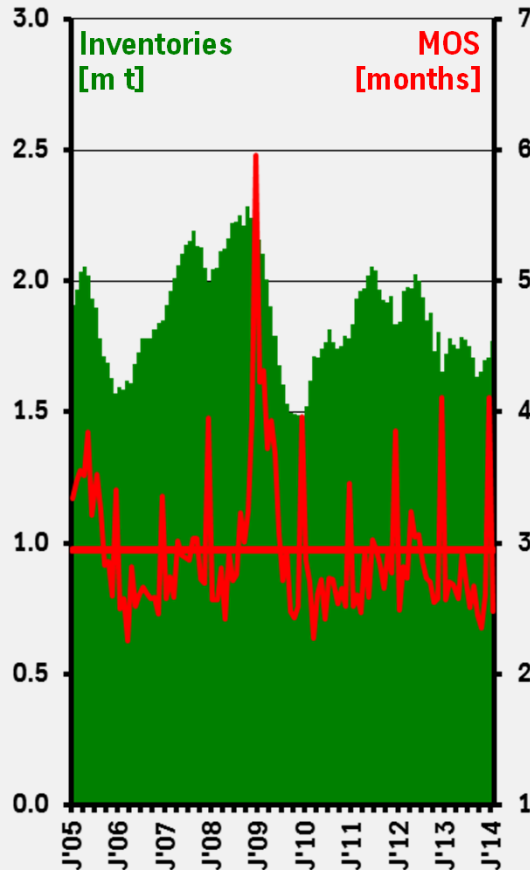
Q1 2004/2005 = 100



* shipments and average revenues per ton until FY 2007/08 relate to former Steel segment

Steel: Inventories and Months of Supply

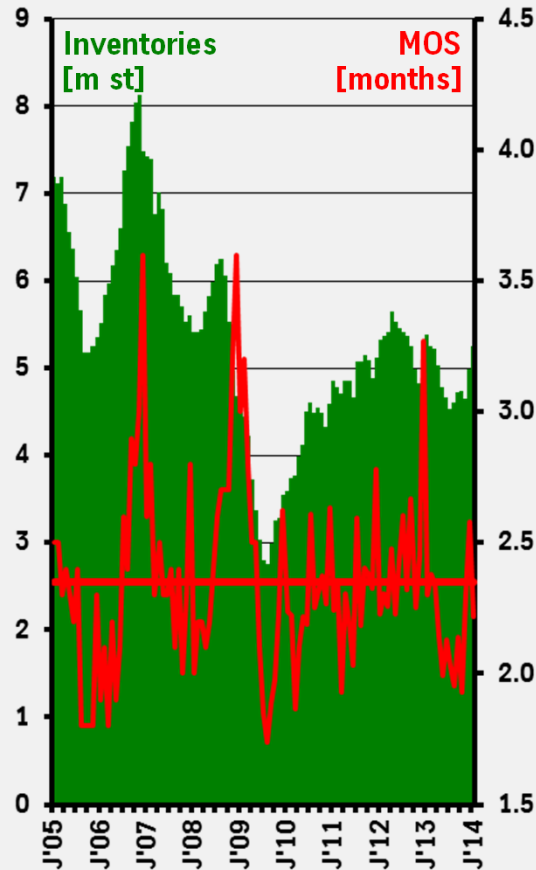
Inventories and Months of Supply - Germany



Germany: German Steel Traders: January inventories at month end / rolled steel w/o stainless

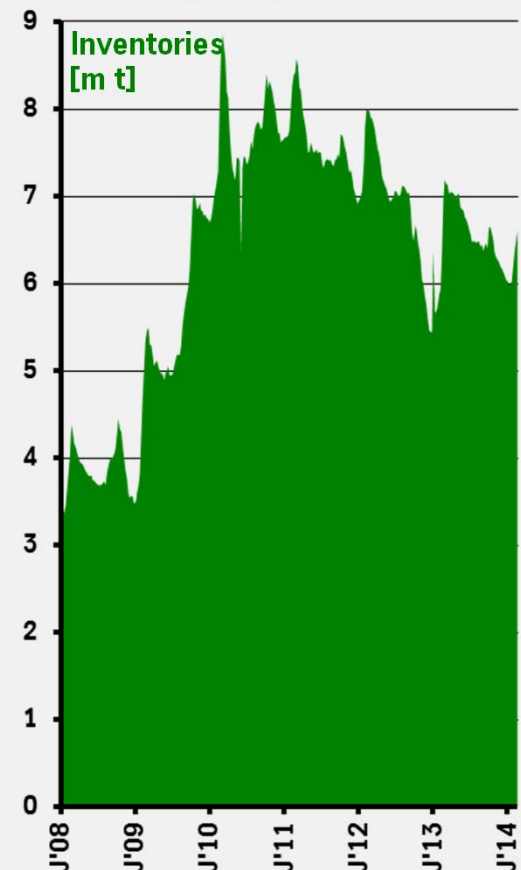
Source(s): BDS, MSCI, UBS, MySteel

Inventories and Months of Supply - USA



USA: January MSCI inventories, carbon flat-rolled

Inventories China



China: flat steel inventory in 23 major cities (HR, CR and Plate)

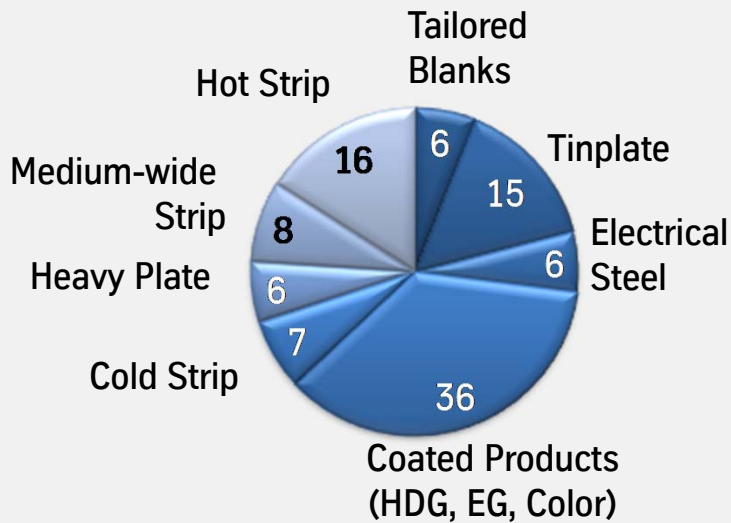
Premium Product Mix and Attractive Customer Portfolio

Business Model ThyssenKrupp Steel Europe



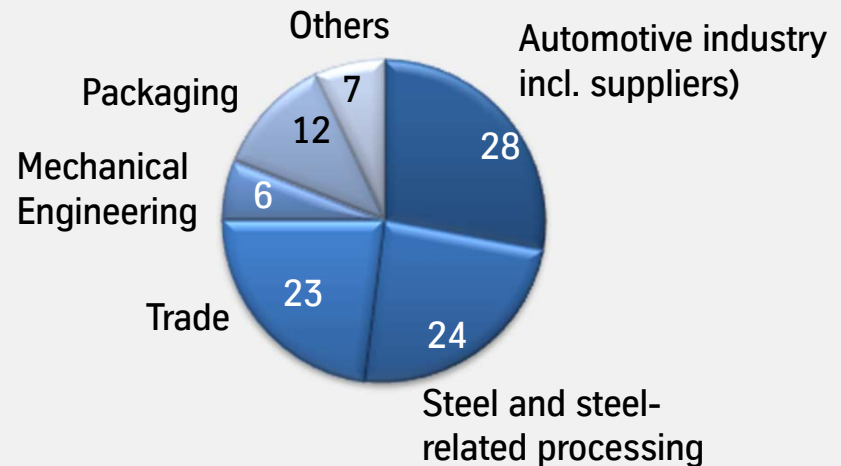
Product Mix Steel Europe FY 2012/13

in % of sales



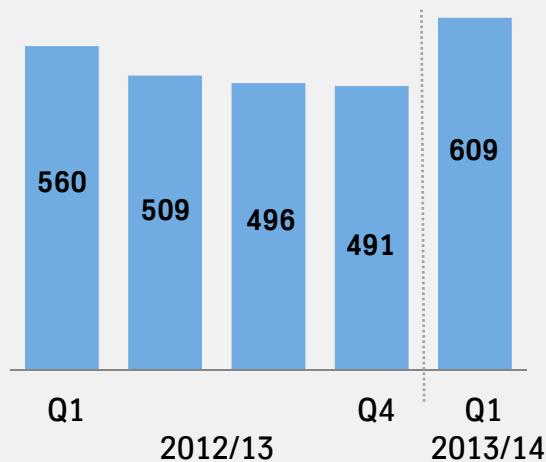
Sales by Industry Steel Europe FY 2012/13

in % of sales



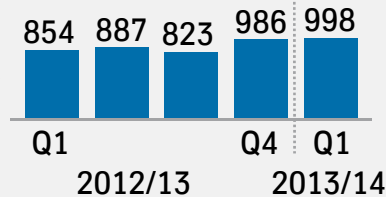
Steel Americas – Q1 2013/14 Highlights

Order intake in €m

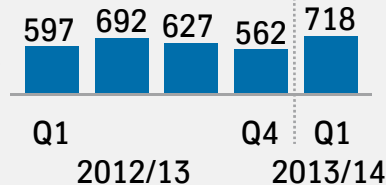


Production & shipments in 1,000 t

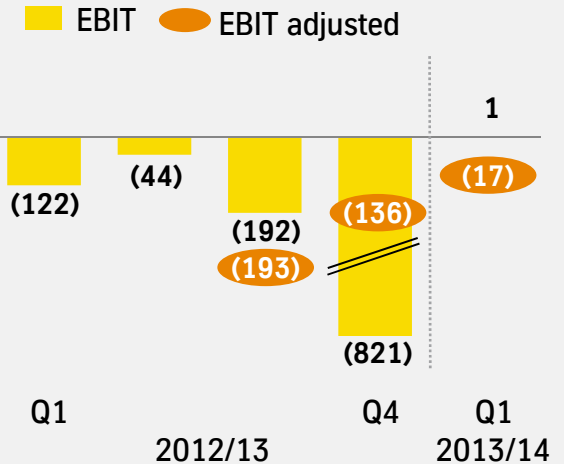
Slab production
CSA



Shipments
Steel USA

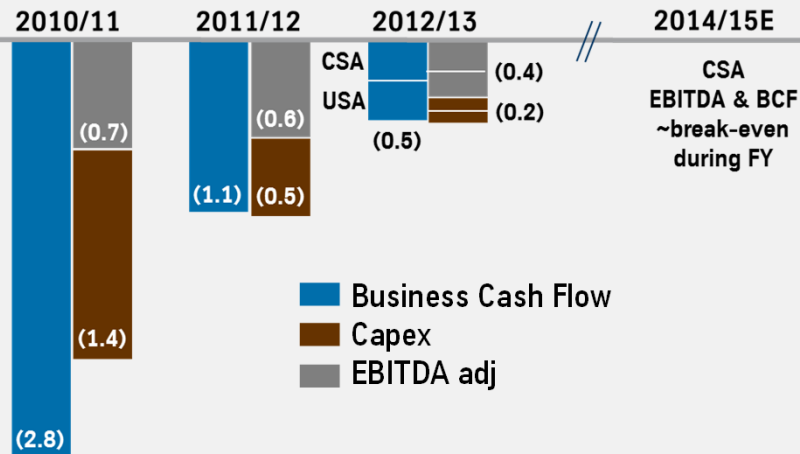


EBIT in €m



Focus on cash and earnings improvements

in € bn



Current trading conditions

- Yoy and esp. qoq higher orders reflecting positive price, volume and mix effects; CSA order book already loaded well into the fiscal year; qoq higher shipments at Steel USA with improved slab supply positively impacting the delivery performance of the US rolling mill
- Yoy and qoq adj. losses reduced by more than €100 m reflecting higher and more efficient utilization, optimization of costs such as the structural improvement of fuel rate as well as positive F/X effects and stronger US prices
- Positive special item of €18 m reflects updated valuation of a long-term freight contract

Steel Americas

Key figures

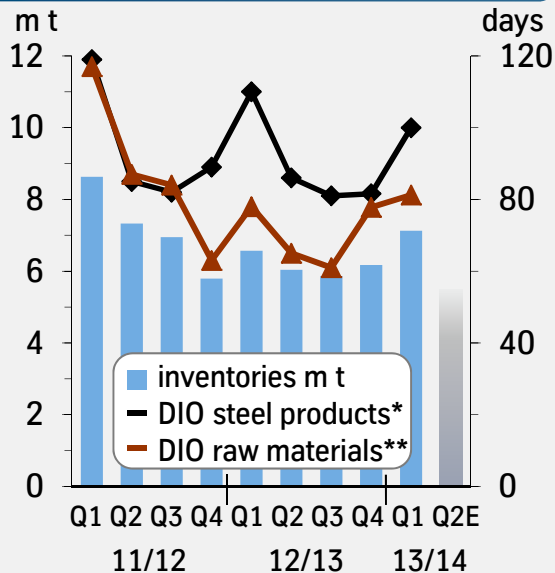
		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	560	509	496	491	2,056	609
Sales	€m	488	501	472	406	1,867	538
EBITDA	€m	(87)	(12)	(162)	(205)	(467)	29
EBITDA adjusted	€m	(87)	(12)	(162)	(106)	(368)	10
EBIT	€m	(122)	(44)	(192)	(821)	(1,180)	1
EBIT adjusted	€m	(122)	(44)	(193)	(136)	(495)	(17)
TK Value Added	€m					(1,291)	
Ø Capital Employed	€m	3,244	3,296	3,284	3,202	3,202	2,789
BCF	€m	(142)	(71)	(220)	(100)	(533)	(178)
CF from divestm.	€m	0	0	1	4	5	0
CF for investm.	€m	(52)	(42)	(28)	(48)	(170)	(22)
Employees		3,990	4,068	4,100	4,112	4,112	5,491

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



Continuing Tight Inventory Management at All Materials BAs

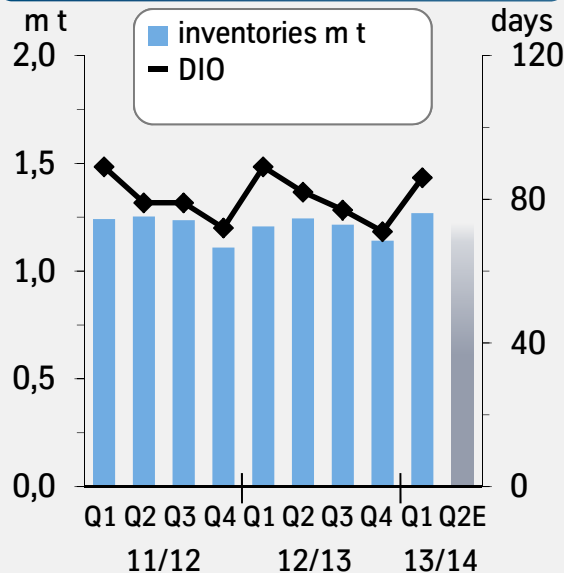
Steel Europe Inventories



- DIO raw materials slightly increased in Q1 amongst others related to BF9-restarting
- DIO steel production qoq increased due to higher inventories and seasonally lower shipments
- Lower inventories in Q2E

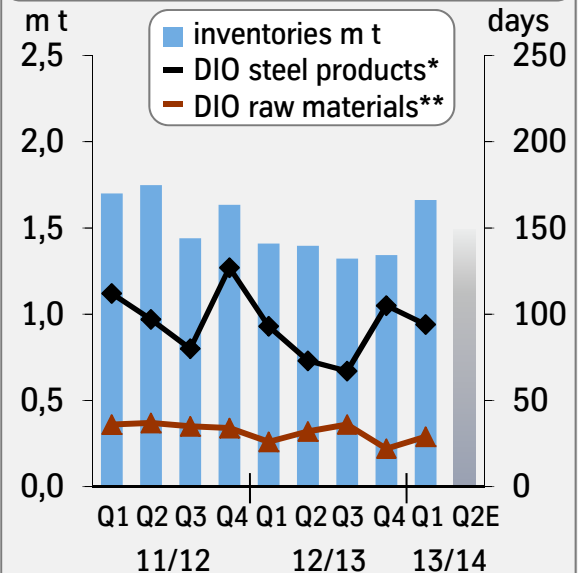
Materials Services Inventories

(Metals Services, only warehouse. bus., ex Mannex)



- Qoq seasonal increase of inventories
- Decreased DIO due to seasonally higher sales expected in Q2E

Steel Americas Inventories



- Decrease DIO steel products as higher inventories were more than compensated by higher shipments
- Decrease DIO raw materials with normalization of operations expected
- Lower inventories in Q2E

Corporate: Overview

Corporate

		2012/13					2013/14
		Q1	Q2	Q3	Q4	FY	Q1
Order intake	€m	55	43	43	49	190	42
Sales	€m	55	43	43	49	190	42
EBITDA	€m	(102)	(128)	(73)	(154)	(458)	(107)
EBITDA adjusted	€m	(88)	(110)	(83)	(105)	(386)	(94)
EBIT	€m	(112)	(139)	(83)	(166)	(500)	(116)
EBIT adjusted	€m	(97)	(120)	(93)	(115)	(425)	(103)
BCF	€m	(153)	(296)	(141)	(156)	(746)	(30)
Employees		3,089	3,127	3,138	3,115	3,115	2,969

BCF (Business Cash Flow) = FCF before interest, tax and divestments
 = EBITDA +/- Δ NWC – Capex +/- Other



ThyssenKrupp Rating

	Long term- rating	Short term- rating	Outlook
Standard & Poor's	BB	B	negative
Moody's	Ba1	Not Prime	negative
Fitch	BB+	B	negative



ThyssenKrupp-specific Key Figures: Reconciliation of EBIT Q1 2013/14

P&L Structure

Net sales	9,109
- Cost of sales ¹⁾	(7,671)
- SG&A ¹⁾ , R&D	(1,296)
+/- Other income/expense	31
+/- Other gains/losses	(18)
= Income from operations	155

+/- Income from companies using equity method (31)

+/- Finance income/expense (353)
incl. capitalized interest exp. of €4 m
incl. write down of Outokumpu shares

= EBT (229)

EBIT definition

Net sales	9,109
- Cost of sales ¹⁾	(7,671)
- SG&A ¹⁾ , R&D	(1,296)
+/- Other income/expense	31
+/- Other gains/losses	(18)

+/- Income from companies using equity method (31)

+ Adjustm. for depreciation on cap. interest 5

+/- Adjustm. for oper. items in fin. income/expense 82

= EBIT 211

+/- Finance income/expense (353)
incl. capitalized interest exp. of €4 m
incl. write down of Outokumpu shares

- Depreciation on capitalized interest (5)

+/- Operating items in fin. income/expense (82)

= EBT (229)

1) incl. depreciation on capitalized interest expenses of €(5) m

Management Compensation Aligned with Shareholder Interest

Variable

Performance bonus

- Group Board: 50% Group EBIT / 50% ROCE, 25% paid out as phantom stock* with 3 years holding requirement
- BA Board: 30% Group EBIT, FCF and TKVA / 70% BA EBIT, BCF and TKVA, 20% paid out as phantom stock* with 3 years holding requirement

Long Term Incentive plan

- TKVA and share price
 - Payout limited to three times the initial value (max. €1.5 m for an ordinary Group Board member)
- Reduction in Ø TKVA by €200 m = 10% reduction in number of rights
Increase in Ø TKVA by €200 m = 5% increase in number of rights

Additional bonus For Group Board only

- Group cash-flow-related targets
- Target definition and approval each year anew
- 55% paid out as phantom stock* with 3 years holding requirement

Fixed

Fixed compensation



Additional benefits & Pension plans

- €670,000 annually for each ordinary Group Board member
- E.g. insurance premiums or private use of a company car (taxable)
- Pensions for existing board members based on a percentage of final fixed salary or in relation to final pay ("defined benefit"); new board members participate in a contribution based pension scheme (Group Board since 2013 / BA Board since 2003)

Example
(schematic)

Performance period (3 fiscal years)

Share price development

FY 1:

FY 2:

FY 3:

Initial value
€500,000
Assumption:
Ø share price €25
= 20,000 rights

Increase in
TKVA by €200 m
= 21,000 rights*

21,000 rights
Ø share price €30
Payout = €630,000

Ø TKVA

Ø TKVA

Last 3 FY

Performance period (3 fiscal years)

⇒ [Ceiling total compensation (excl. pensions)] = [fixed compensation] x 6

*upside and downside



Our Mission Statement

We are ThyssenKrupp – The Technology & Materials Company.

Competence and diversity, global reach, and tradition form the basis of our worldwide market leadership. We create value for customers, employees and shareholders.

We Meet the Challenges of Tomorrow with our Customers.

We are customer-focused. We develop innovative products and services that create sustainable infrastructures and promote efficient use of resources.

We Hold Ourselves to the Highest Standards.

We engage as entrepreneurs, with confidence, a passion to perform, and courage, aiming to be best in class. This is based on the dedication and performance of every team member. Employee development is especially important. Employee health and workplace safety have top priority.

We Share Common Values.

We serve the interests of the Group. Our interactions are based on transparency and mutual respect. Integrity, credibility, reliability and consistency define everything we do. Compliance is a must. We are a responsible corporate citizen.



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“The information set forth and included in this presentation is not provided in connection with an offer or solicitation for the purchase or sale of a security and is intended for informational purposes only.

This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements contained herein that are not statements of historical fact may be deemed to be forward-looking information. When we use words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may” or similar expressions, we are making forward-looking statements. You should not rely on forward-looking statements because they are subject to a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from those indicated. These factors include, but are not limited to, the following:

- (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.”

