

Presentation ThyssenKrupp
Roadshow February 2004

O N D J F M A M J J A S

01

ThyssenKrupp



Q1 2003/2004 – Overview

Off to a good start

- **Order intake** up 6% at €9.6 billion, at constant €/ \$ rate up 10%
- **Sales** remained steady at €8.7 billion, at constant €/ \$ rate up 4%
- **EBT** increased to €166 million from €141 million, a clear operational improvement
- **Basic and normalized EPS** €0.18, compared to reported €0.10 (number restated due to adoption of SFAS 143) and normalized €0.16 a year earlier
- **Net financial payables** amounted to €4.6 billion, the increase of €0.3 billion against September 30, 2003 is due to seasonal factors



Outlook

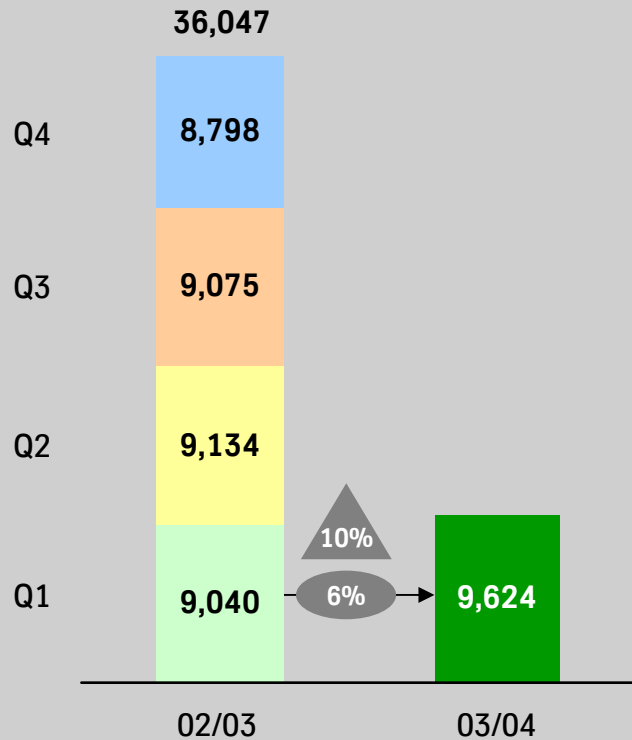
- For 2004 we expect an **improving economic environment**; the predicted economic recovery would have a positive impact on ThyssenKrupp's business performance
- We forecast **sales** in the magnitude of **roughly €38 billion**
- In terms of **normalized earnings before taxes** we aim to get as close as possible to **€1 billion**
- With support from the economy and without major distortions on the currency and raw materials markets, we could pass the **€1 billion** mark this year



Group (I)

Order intake

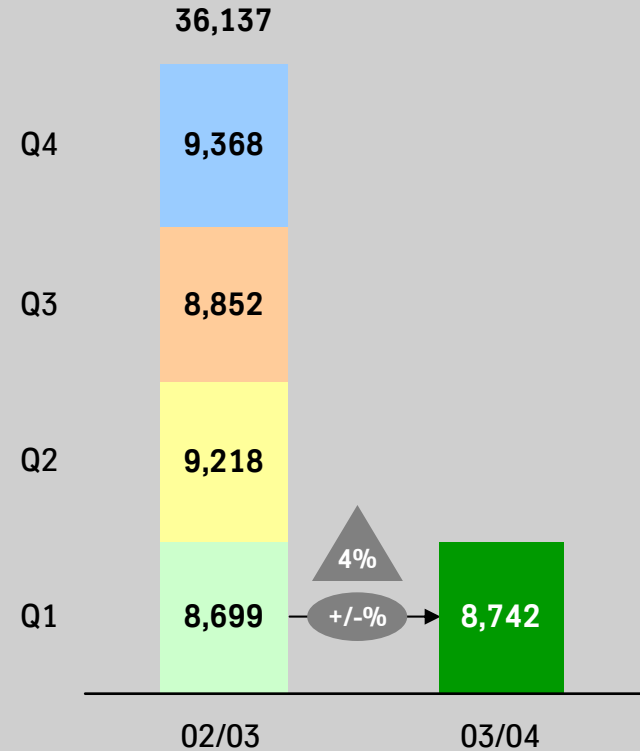
million €



▲ excluding €/\$ exchange rate effects

Sales

million €



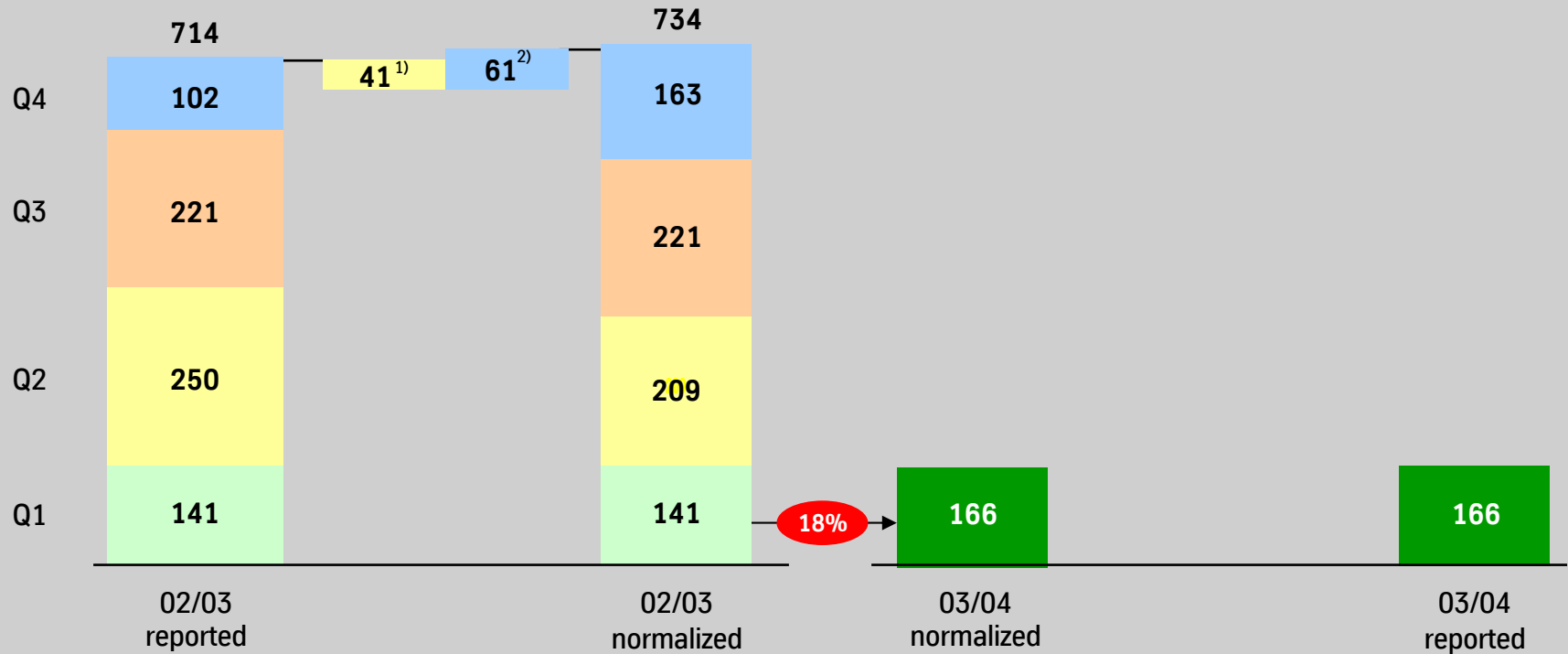
▲ excluding €/\$ exchange rate effects



Group (II)

EBT

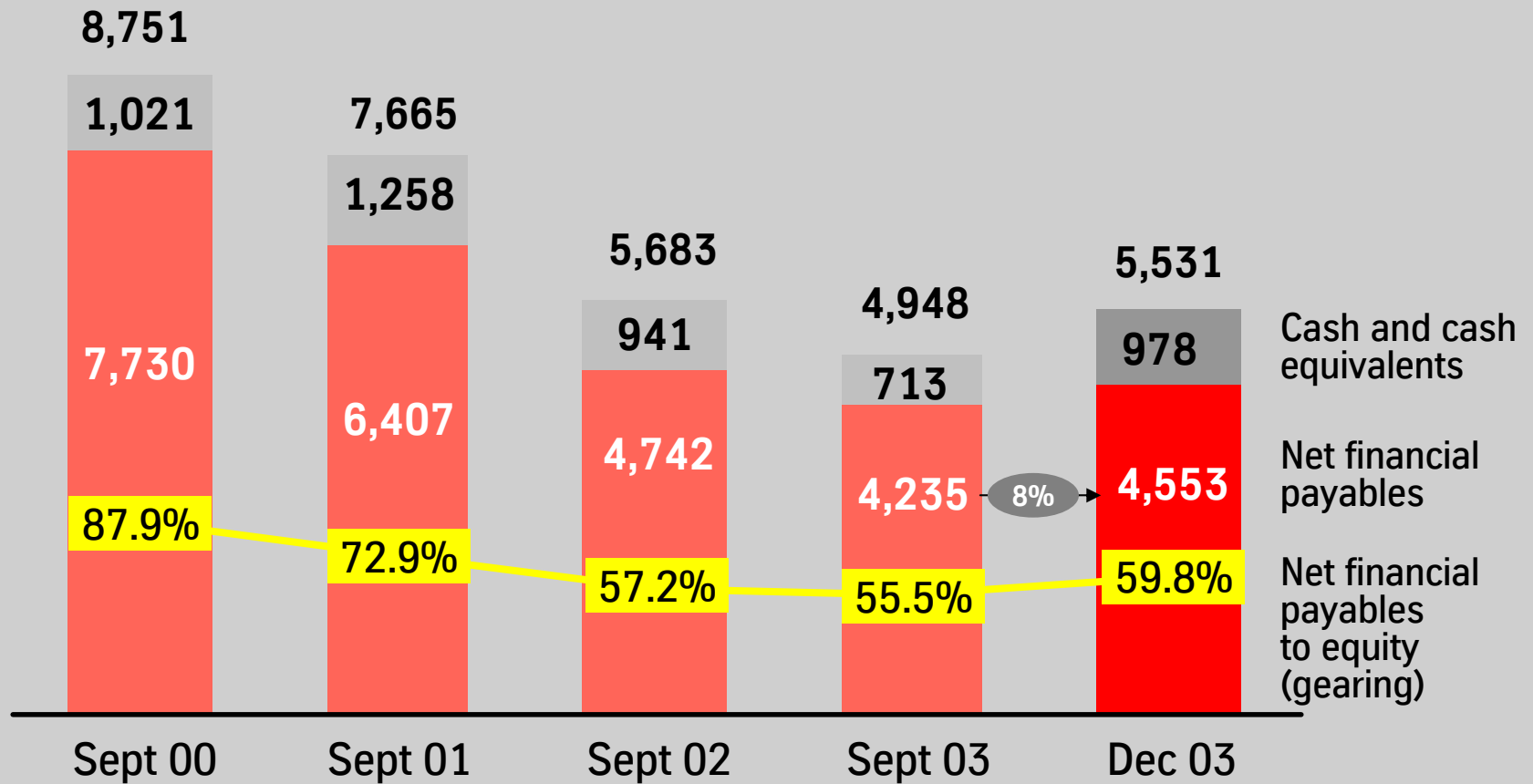
million €



Group (III)

Financial payables

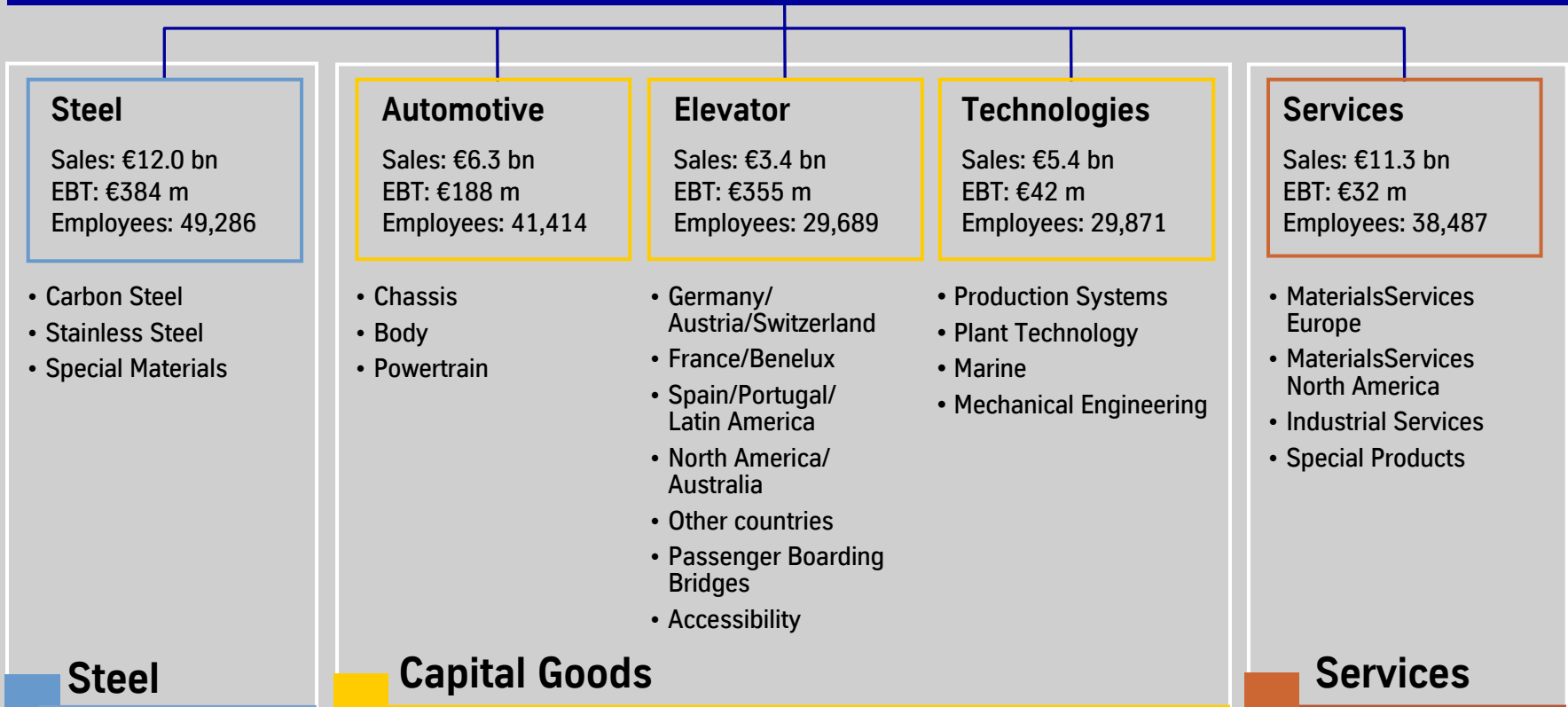
million €



ThyssenKrupp Group 2002/2003

ThyssenKrupp AG

Group sales (consolidated): €36.1 billion • EBT (consolidated): €714 million • Employees: 190,102

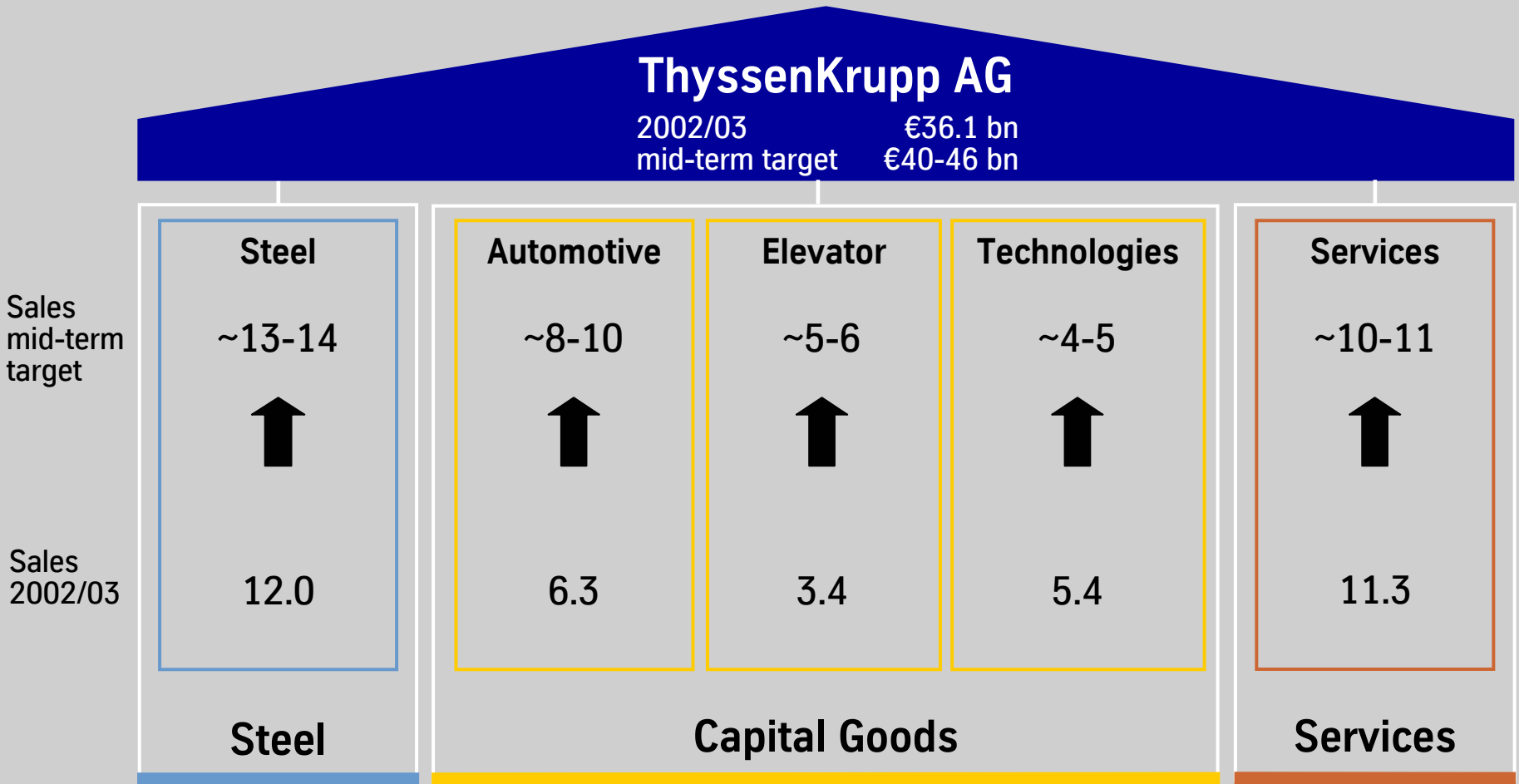


Inter-segment sales unconsolidated; employees on Sept. 30, 2003



The View Beyond – Focused Industrial Group based on 3 Pillars

Sales in € bn



30+ Portfolio Optimizations since October 2002

Corporate

Böhler Thyssen Schweißtechnik (D) **Disposal**

Steel

Galmed (E) **Acquisition**
 Quarto plate activities (D) **Disposal**
 LA.RE. (I) **Disposal**
 TAD (I) **Acquisition**
 Fischer (F) **Closure**
 Bauelemente Dinslaken (D) **Closure**

Automotive

Greening Donald (CAN) **Disposal**
 Sofedit (F) **Acquisition**
 Phillips & Temro (USA) **Disposal**
 Philadelphia Plant (USA) **Closure**
 Kendalville (USA) **Mothballed**
 MB Lenk (D) **Acquisition**

Technologies

Polymer (D) **Disposal**
 Otto India (India) **Disposal**
 Stahlbau Berlin (D) **Closure**
 Henschel (D) **Disposal**
 Novoferm (D) **Disposal**

Elevator

Lift Service Lublin (PL) **Acquisition**
 ECE Elevator (India) **Acquisition**
 Mahkota (Malaysia) **Acquisition**
 Ascensores Causi (E) **Acquisition**
 Bongear/Hang Pak (Hong Kong) **Acquisition**
 Britannic Lift Co. (GB) **Acquisition**
 Tepper Aufzüge (D) **Acquisition**
 HABAG (D) **Acquisition**
 Mylau Plant (D) **Closure**
 TK Herouth Ltd. Partnership (ISR) **Acquisition**
 DongYang Elevator (South Korea) **Acquisition**

Services

Ferrosta (CZ) **Acquisition**
 Rodena (DK) **Acquisition**
 Werkzeugstahl (D) **Disposal**
 Verder Kunststoffen (NL) **Acquisition**
 Metal Center Rochester (USA) **Acquisition**
 TW Metals (USA) **Acquisition**
 Rodisola (E) **Acquisition**
 Umweltservice (D) **Disposal**
 Construction Services (D) **Disposal**
 Media Services (D) **Disposal**



Portfolio Optimization – Disposals since October 2002

	Number of Entities	Sales	EBT	Net Financial Debt	Pension Obligations	Employees
Fiscal Year 2002/03	12*	€919 m	€1 m	€242 m	€19 m	4,529
1st Quarter 2003/04	1	€327 m	€8 m	€1 m	€14 m	2,177
Total	13	€1,246 m	€9 m	€243 m	€33 m	6,706
Subsequent Event	-	-	-	-	-	-
















* incl. non-consolidated entities



Portfolio Optimization – Major Acquisitions since October 2003

	Sales	EBT	Purchase Price	Employees	Status
DongYang, South Korea Elevator Strengthen the segment's market position in Asia, especially in Korea	≈€200 m	+	€128 m	≈1,000	consolidated Oct 03
MB Lenk, Germany Automotive Competence in steering gears; further step to becoming major global player in steering systems	≈€300 m	+	€43 m	≈1,600	consolidated Dec 03

Strategic Areas of Emphasis

Spread to WACC	negative	n/a	positive
	Capital employed ▼	ROCE ▲	Capital employed ▲
Steel			
Automotive			
Elevator			
Technologies			
Services			
Strategic actions	<ul style="list-style-type: none"> o focusing o disposals 	<ul style="list-style-type: none"> o efficiency enhancement o restructuring 	<ul style="list-style-type: none"> o organic growth o acquisitions

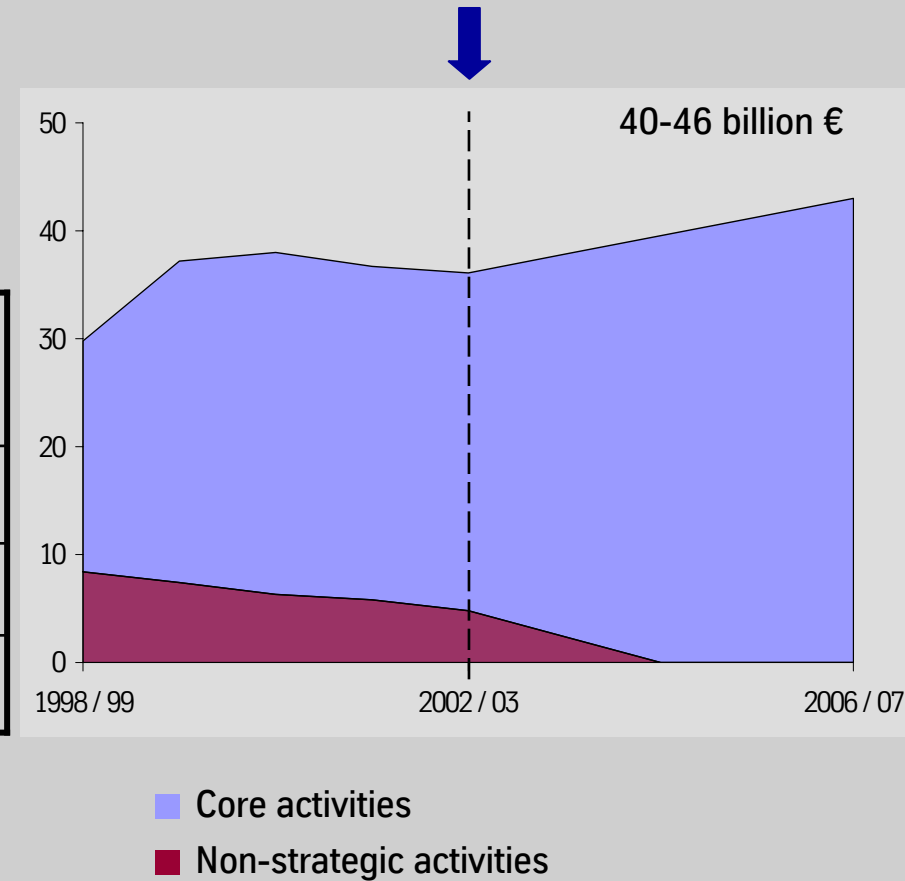


Portfolio optimization through focusing

Structural changes since the merger
(fiscal 1998/99 to 2002/03)

Sales (billion €)

	Activities disposed of/ for disposal	Core activities	Group (total)
1998/99	8.4	21.4	29.8
2002/03	4.8	31.3	36.1
Ave. growth		10.0%	4.9%



Elements of Strategy

- Development of technically advanced products

 - High technological capabilities and innovative strength
 - ⇒ 3,000 engineers in 40 R&D centers
 - ⇒ approx. €640 m for R&D projects in the Group

 - Optimal utilization of potential in the Group
 - ⇒ Harness cross-selling effects
 - ⇒ Technological developments across segments
 - ⇒ Groupwide access to know-how through knowledge management

 - Value-based management: integrated controlling strategy and continuous value reporting

 - Intensified customer focus

 - Stronger Groupwide service focus
 - ⇒ Development of new service applications
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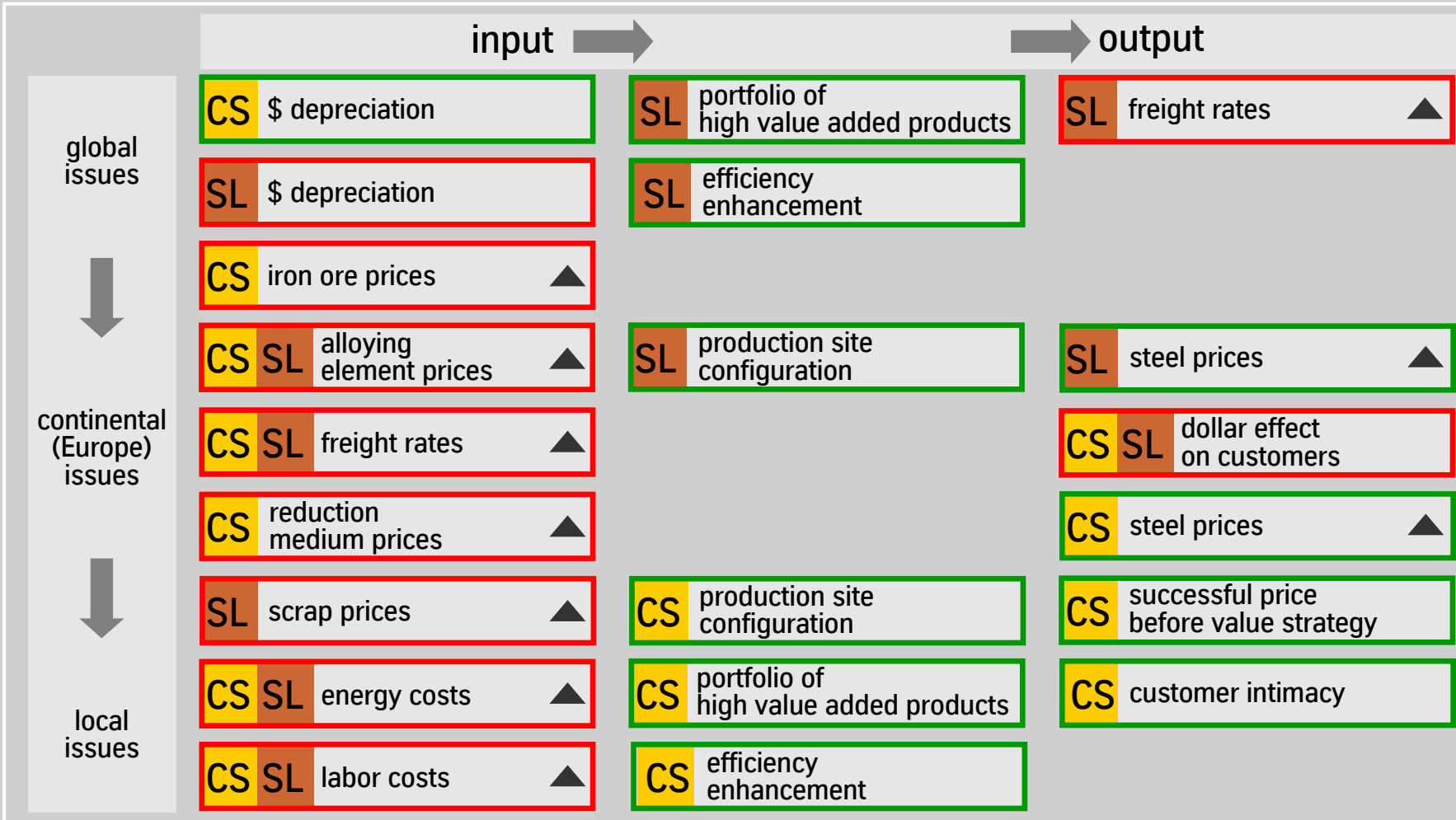
Steel – At a Glance

Steel



- European No. 2 and world No. 6 in carbon steel flat products
- World market leader in stainless steel flat products, nickel-base alloys, electrical steel and tailored blanks
- Focus on flat products with high value added
- Profit leader in Europe through: portfolio optimization, investment policy, performance enhancement
- Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg
- Innovation leader in products and processes
- International presence further strengthened with production facilities in the world's growth markets; systematic development of global strategic alliances

Steel – Steel Market Factors Impacting ThyssenKrupp

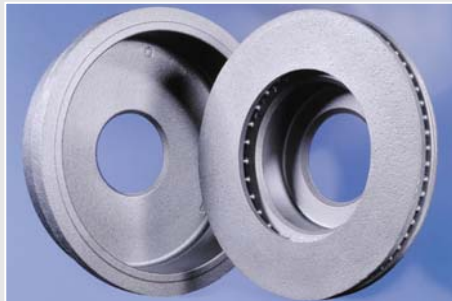
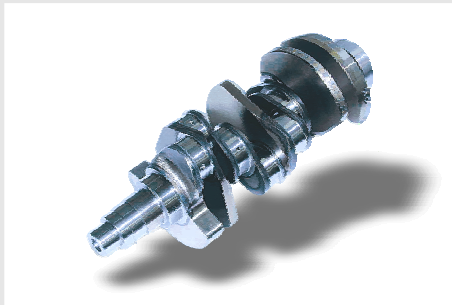


CS = Carbon Steel SL = Stainless Steel □ = positive impact □ = negative impact



Capital Goods – At a Glance (I)

Automotive



- 80% of sales from TOP 3 positions
- Sales growth to €10 billion through organic growth and acquisitions
- Technology leadership in product and process technologies
- Materials capabilities: processing of all key materials e.g. iron, steel, aluminum, magnesium, plastic
- Parallel expansion of component and system business capabilities
- Further participation in outsourcing trends of automobile manufacturers

Capital Goods – At a Glance (II)

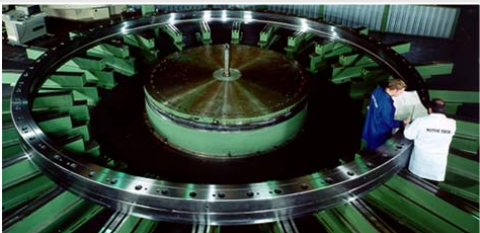
Elevator



- No. 3 on world market, top global market positions
- 700,000 service contracts worldwide
- Full range of products and services from a single source
- Strong service network – benefiting from full maintenance products
- More than 50% of segment sales through services
- Increase market share globally and locally, especially in Asia
- Growth to continue through further acquisitions and even stronger focus on services

Capital Goods – At a Glance (III)

Technologies



- Portfolio with strong regional and global market positions
- High technological competencies throughout product portfolio
- World market leader in large-diameter bearings, e.g. for general engineering applications as well as solar and wind power plants
- World market leader for engine, transmission, axle and steering assembly systems
- Technology leader in body-in-white equipment

Services – At a Glance

Services



- One of the world's leading full-range suppliers of carbon and stainless steel, tubes, nonferrous metals and plastics
- Leading materials service provider in Germany and Europe and one of the leading suppliers of special products in North America
- Services: Materials and applications advice, warehousing, processing, project and inventory management, just-in-time logistics
- New Business Unit "Industrial Services" will offer: industrial services incl. maintenance of plant and machinery as well as a wide range of production-related services, scaffold services, as well as technical, infrastructural and commercial facility management for key automotive, steel, chemical and petrochemical sectors
- Number one maintenance operation in Germany, among the leaders in Europe
- Number one worldwide in scaffolding services

ThyssenKrupp Innovations (I)

Steel

Steel design wheels with Nirosta® cover

- High-quality appearance
- Integrated design flexibility
- Lighter and lower in cost than cast aluminum wheels



Steel

Preprimed sheet: organic coated steel

- The prepainted sheet already has half of the paint system needed for body outer parts
- The usual paint system applied by car manufacturers consists of primer, filler, top coat and clear coat
- The aim of the project is to supply the auto industry increasingly with prepainted sheet from coil
- The process produces extremely uniform coatings of consistently high quality

Steel

Automotive

Fuel tank

- Absolutely airtight, hydrocarbons cannot escape, fully recyclable, significantly lighter than plastic fuel tank
- Greater fuel capacity due to reduced wall thicknesses
- Can be packaged in the tight confines of a compact car
- Meets strictest emission standards, e.g. Californian emission guidelines



Steel

Technologies

Modular door



- The new, modular door is 12 kilograms lighter than the benchmarked model and costs significantly less to manufacture and assemble
- The modular approach means that door production and door assembly can be separated

ThyssenKrupp Innovations (II)

Automotive

ORS® Off-road stabilizers for sport utility vehicles



- Stiff suspension
- High damping
- Stabilizers with high torsional rigidity



- Soft suspension
- Low damping
- Stabilizers with very low torsional rigidity



Stabilizer can be switched hydraulically under load

Automotive

Innovative air suspension system for the new Jaguar XJ

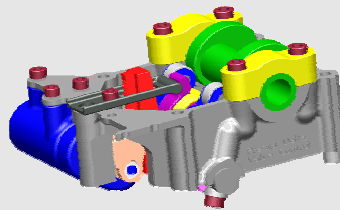


- Air suspension, which has considerable comfort advantages in comparison to conventional spring suspensions
- The system ensures that the entire spring travel is permanently available, regardless of vehicle load, to compensate for uneven road surfaces

Automotive

Presta DeltaValveControl

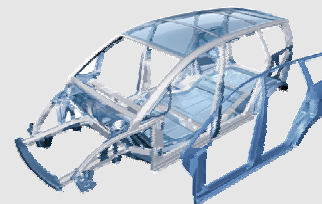
- Modular system provides variable control of the gas exchange valves in internal combustion engines
- Key advantages include lower fuel consumption, reduced exhaust emissions, quieter operation and improved engine dynamics



Steel

Automotive

NSB® NewSteelBody



- ThyssenKrupp Stahl designed a complete weight-optimized steel body-in-white
- Open source project to interested auto manufacturers for joint further development
- Reference vehicle is the Opel Zafira
- The body developed under the project is 24% lighter than the reference vehicle

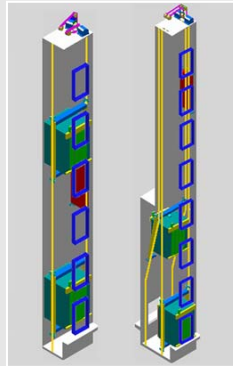


ThyssenKrupp Innovations (III)

Elevator

TWIN® elevator

- Production-ready elevator system with two independent cabs in one shaft
- Higher transportation performance using fewer shafts
- Reference projects ThyssenKrupp Headquarters Düsseldorf and University of Stuttgart



Technologies

Ammonia plant

- The Dual Pressure Process aimed at a significant increase in plant capacity with simultaneous reduction of the scale-up risk by applying referenced equipment
- Plant capacity increased by 2/3, energy consumption reduced by around 5%



Elevator

Accelerating moving walk

- Increases and decreases its speed at the beginning and at the end of the walk to ease step on or off
- Enables travelers at airports, metro and rail stations to cover large distances, at more than double average walking speed
- The project won the 2002 Business Innovation Award of the Asturias Institute for Economic Development (IDEPA) in Spain



Services

Steel sheet piling and top structures for flood protection systems

- System solution for effective and economic flood protection
- Combination of engineering expertise, environmentally compatible materials and advanced equipment technology



Conclusion

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- ThyssenKrupp: Focused industrial group based on 3 pillars
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- Clear strategic direction: Portfolio optimization will be stepped up
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- Cross-segment development: Driver for innovations
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- Still a conglomerate combining value and growth components
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How to contact ThyssenKrupp Investor Relations

Institutional Investors and Analysts:

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

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

