

## Q2 2003/2004 – Overview

### Business picking up

- **Order intake** up 18% at €10.7 billion, at constant €/ \$ rate up 22%
- **Sales** up 7% at €9.8 billion, at constant €/ \$ rate up 11%
- **EBT** from continuing operations €249 million, up €42 million against last year's EBT figures before a disposal gain of €41 million
- **Basic EPS** increased from €0.31 to €0.56
- **Net financial payables** at €4.3 billion remained almost on September 2003 level; effects from dividend payment and portfolio optimizations counterbalanced



# Highlights

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- Business in **Steel** is continuously improving
  - Orders, sales and EBT (adjusted for disposals) picking up
  - Carbon Steel driving profits, Stainless Steel cyclical, Special Materials still difficult
  - Further price increases implemented

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- **Services** and **Automotive** performing increasingly well
  - Restructuring and streamlining of portfolio bearing fruit

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- Groupwide **portfolio optimization** continued
  - Selective white space acquisitions in Elevator – entering important Italian market
  - Triaton Group sold with a significant gain

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- Proven **Capital Market** capability
  - Successful bond placement

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# Portfolio Optimizations since October 2003

## Automotive

MB Lenk Group (D)	Acquisition
Darcast (UK)	Disposal
Bertrandt (D)	Acquisition*

## Technologies

Novoform (D)	Disposal
Sheffield Automation (USA)	Disposal*
Foundry (USA)	Closure

## Elevator

Dong Yang Elevator (South Korea)	Acquisition
Elevator Service 1 (Singapore)	Acquisition
Bonfedi (I)	Acquisition

## Services

Triaton Group (D)	Disposal
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\* Closing not yet completed



## Portfolio Optimization – Disposals

	Number of Entities	Sales (annual)	EBT (annual)	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
2nd Quarter 2003/04	1	€365 m	€16 m	€31 m	€69 m	2,311
Total	14	€1,611 m	€25 m	€274 m	€102 m	9,017
Subsequent Event	-	-	-	-	-	-

\* incl. non-consolidated entities



## Disposal Triaton – Key Facts

Sales	€365 million
EBT	€16 million
Employees	2,311
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Transaction Volume	€351 million
Cash-in	€272 million
Selling price	€249 million
Total gain (before taxes)	€191 million*
Disposal gain Q2 (net of tax)	€126 million*

\* Due to the continuation of service contracts between ThyssenKrupp and Triaton for a fixed period of seven years, €64 million of disposal gain will be recognized ratably over a period of seven years

- **Service portfolio** – Hosting services, Onsite Services and Applications & Solutions
- More than 400 clients, thereof 100 ThyssenKrupp entities – accounting for around 50% of business
- Sold to **Hewlett-Packard** - best owner solution
- Closing and deconsolidation March 31, 2004 (Q2)

**In this presentation all figures related to the income statement refer to continuing operations. The Information Services business unit is treated as a discontinued operation following the sale of IT service provider Triaton and the termination of the business unit's remaining activities.**



# Outlook

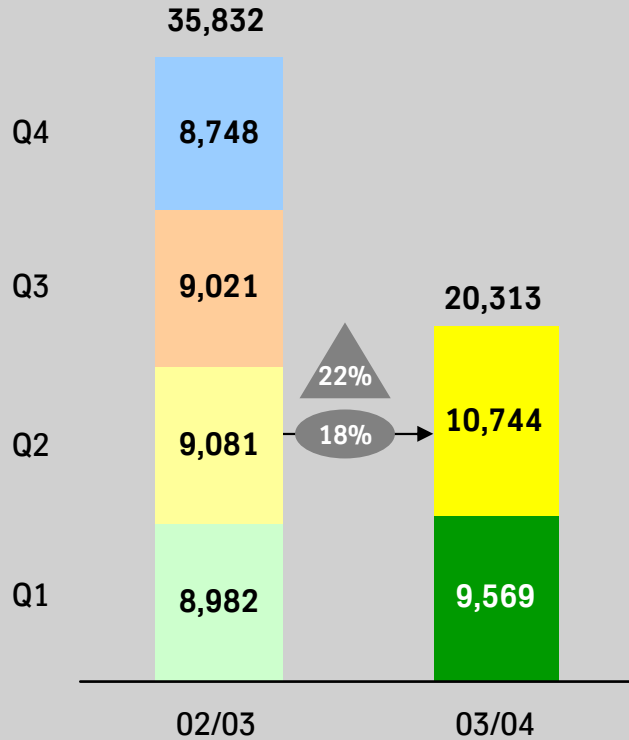
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- For the 2nd half of fiscal 2003/2004 we currently expect an unchanged economic environment, even though the risks of an economic weakening have increased.
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- For the full year we forecast sales in the magnitude of roughly €38 billion. In terms of earnings before taxes, excluding the effects of disposals, we aim to get as close as possible to €1 billion.
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- With support from the economy and without major distortions on the currency and raw material markets, we could pass the €1 billion mark this year.
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# Group (I)

## Order intake

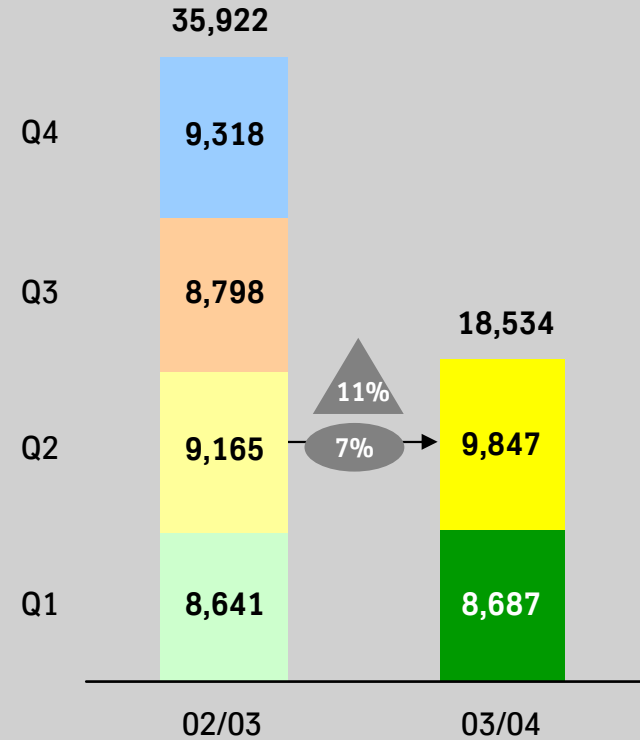
million €



▲ excluding €/\$ exchange rate effects

## Sales

million €



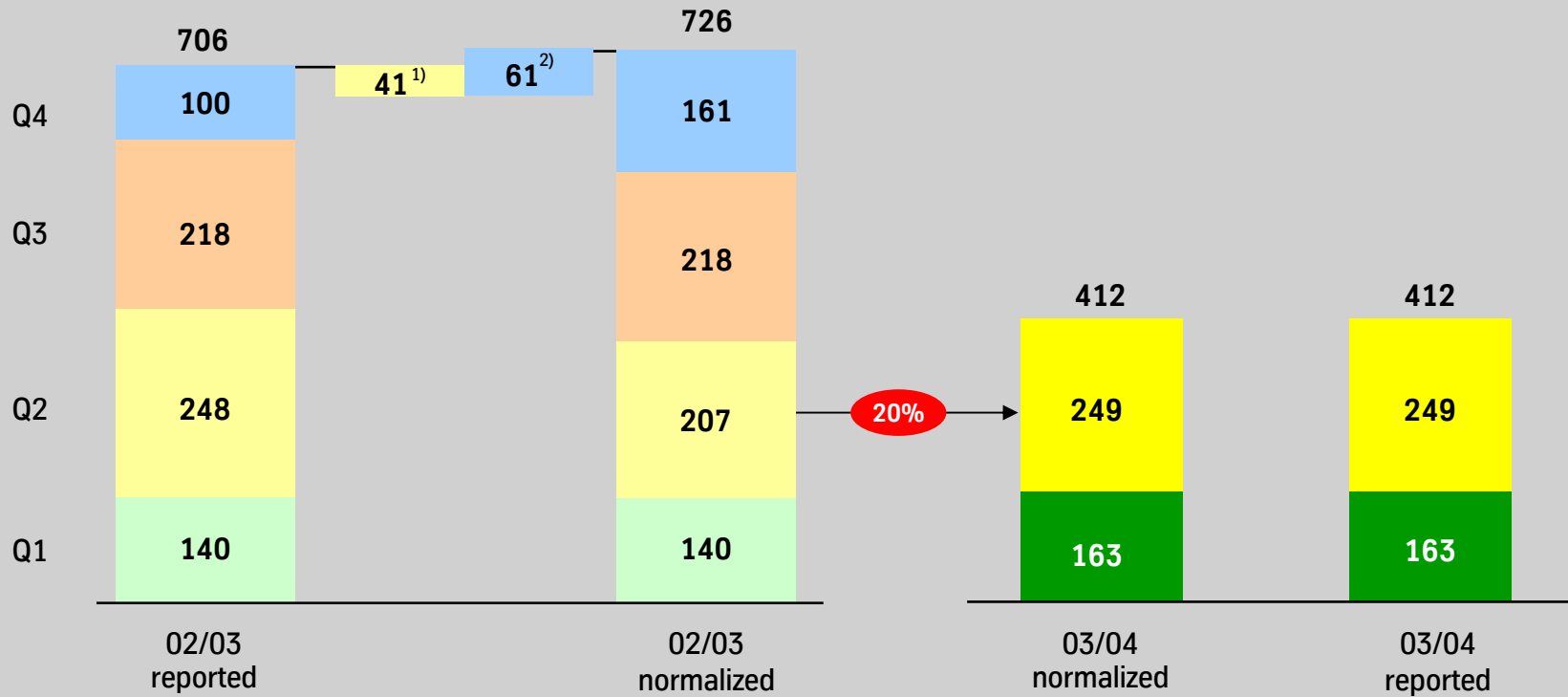
▲ excluding €/\$ exchange rate effects



# Group (II)

EBT

million €



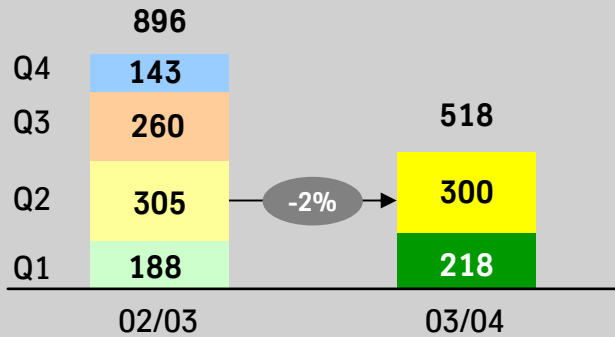
1) Sale of stainless quarto plate activities €41 m  
 2) Sale of construction services -€61 m



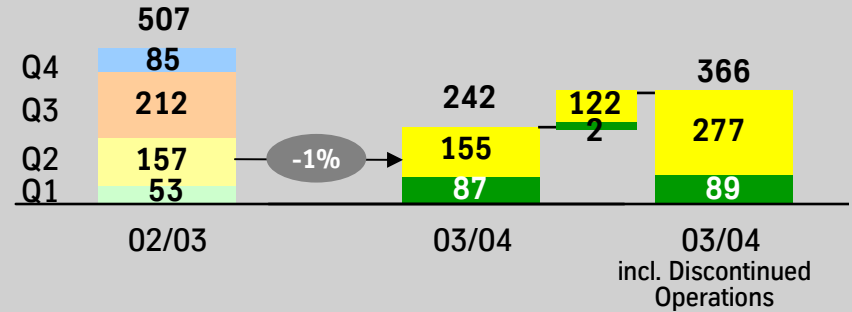


# Group (III)

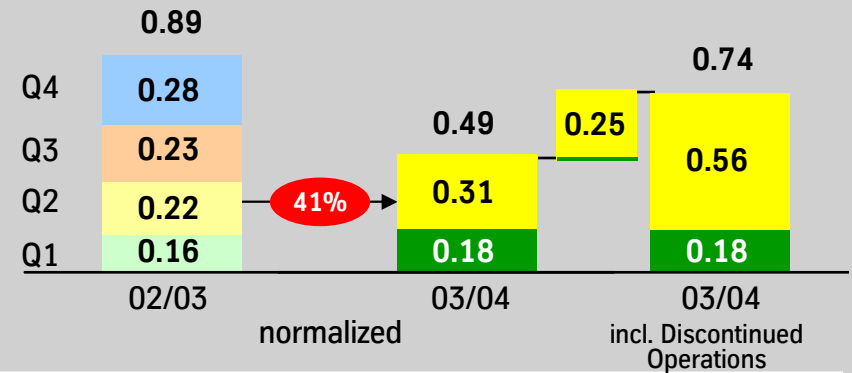
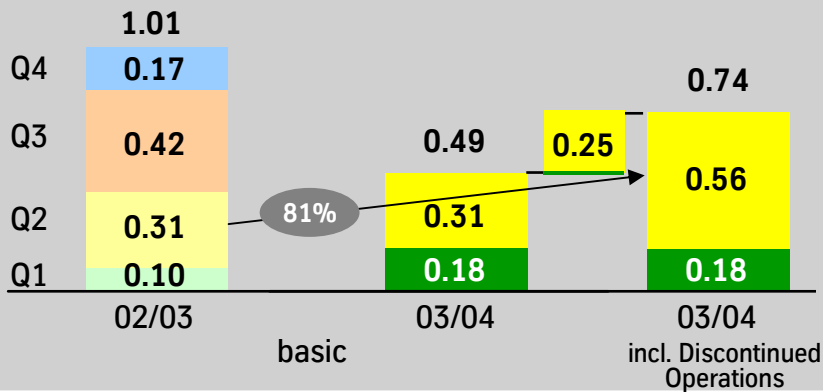
**EBIT** million €



**Net income** million €



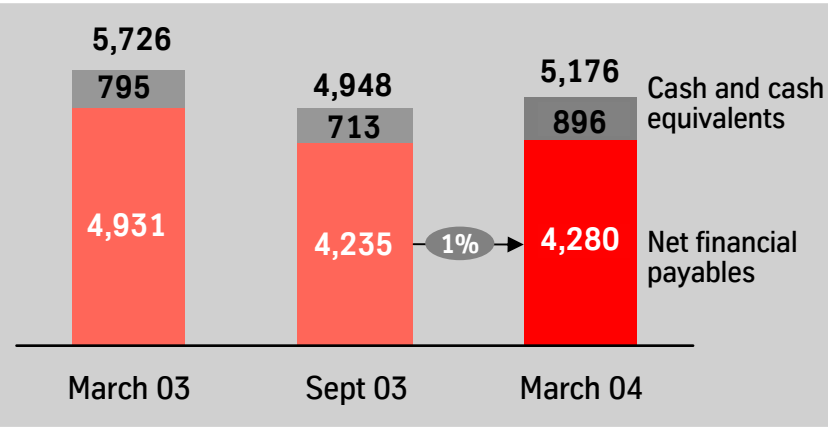
**Earnings per share** €



# Group (IV)

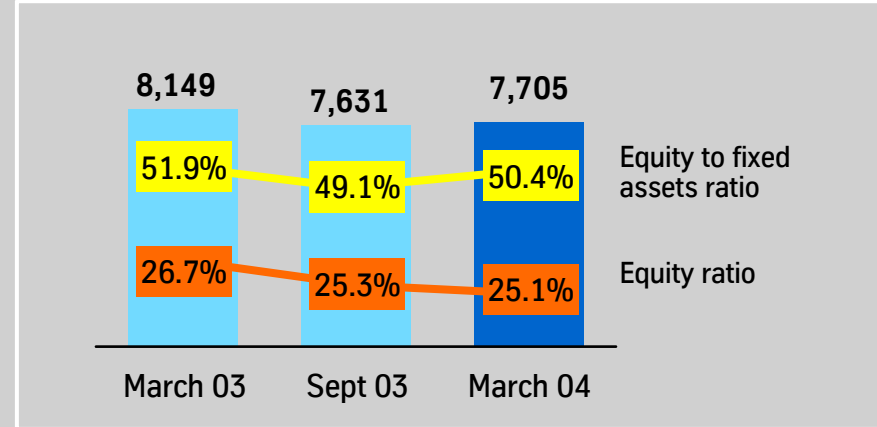
## Financial payables

million €



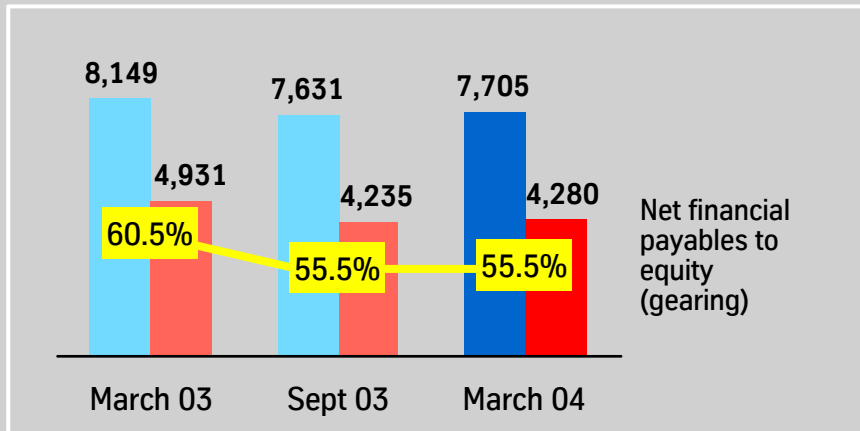
## Stockholders' equity

million €



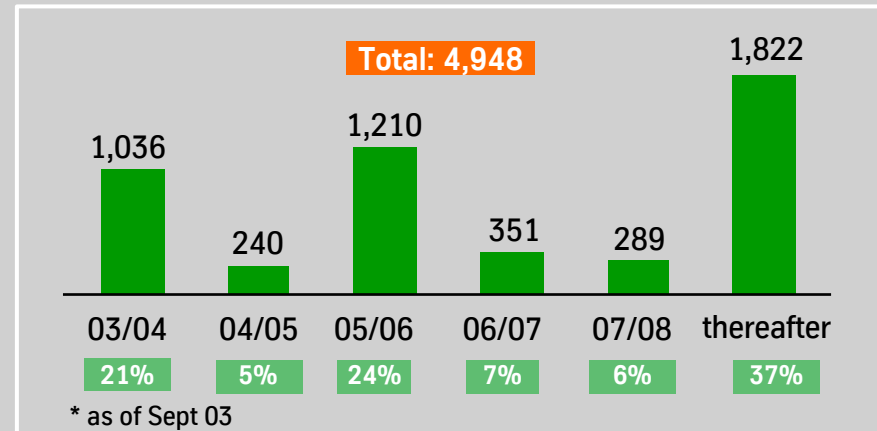
## Gearing

million €



## Maturity profile of gross financial payables\*

million €



# ThyssenKrupp Group 2002/2003

## ThyssenKrupp AG

Group sales (consolidated): €35.9 billion • EBT (consolidated): €706 million • Employees: 190,102

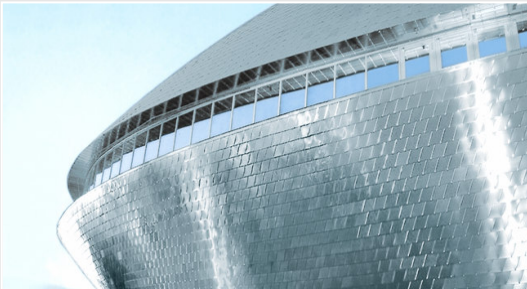
Steel	Automotive	Elevator	Technologies	Services
<p>Sales: €12.0 bn EBT: €384 m Employees: 49,286</p> <ul style="list-style-type: none"> <li>• Carbon Steel</li> <li>• Stainless Steel</li> <li>• Special Materials</li> </ul>	<p>Sales: €6.3 bn EBT: €188 m Employees: 41,414</p> <ul style="list-style-type: none"> <li>• Chassis</li> <li>• Body</li> <li>• Powertrain</li> </ul>	<p>Sales: €3.4 bn EBT: €355 m Employees: 29,689</p> <ul style="list-style-type: none"> <li>• 5 regional Business Units</li> <li>• Passenger Boarding Bridges</li> <li>• Accessibility</li> </ul>	<p>Sales: €5.4 bn EBT: €42 m Employees: 29,871</p> <ul style="list-style-type: none"> <li>• Production Systems</li> <li>• Plant Technology</li> <li>• Marine</li> <li>• Mechanical Engineering</li> </ul>	<p>Sales: €10.9 bn EBT: €24 m Employees: 38,487</p> <ul style="list-style-type: none"> <li>• MaterialsServices Europe</li> <li>• MaterialsServices North America</li> <li>• Industrial Services</li> <li>• Special Products</li> </ul>
<b>Steel</b>	<b>Capital Goods</b>			<b>Services</b>

Inter-segment sales unconsolidated; employees as at Sept 30, 2003



# Steel – At a Glance

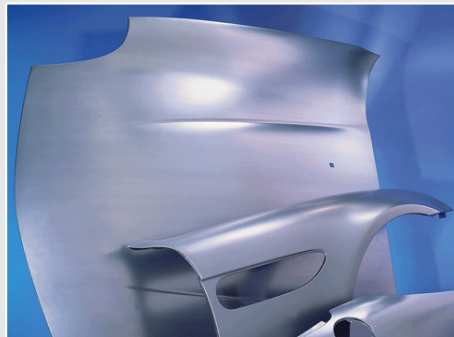
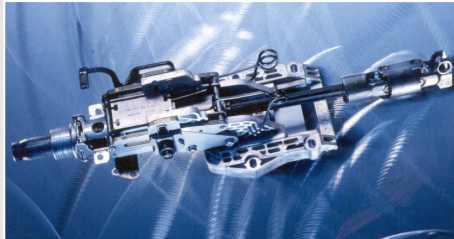
## Steel



- 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

# 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

## Objectives and strategic actions

**Increase sales to €10 bn by 2007/08 (CAGR: 9.7%), target ROCE: 17%**

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- Organic and acquisitional growth

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- Twin Focus Strategy: Parallel expansion of high-margin component and system business in core activities

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- Increase business with Asian OEMs, expand along with our customers presence in Asia and Eastern Europe

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- Utilize existing cross segment capabilities within the ThyssenKrupp Group

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- Enhance technological competence through cross segment cooperation and joint product development



# Our unique selling point to OEMs: One-stop-shopping as an integrated approach

ThyssenKrupp  
Automotive

ThyssenKrupp  
Steel

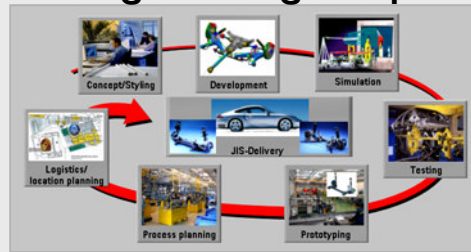
ThyssenKrupp  
Technologies

ThyssenKrupp  
Services

Multi Material  
Competence

Multi Process  
Competence

## Engineering Loop



North American  
Automotive Council

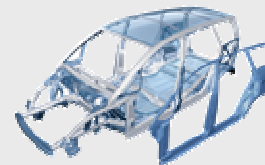
European  
Automotive Council

## Results (Examples)

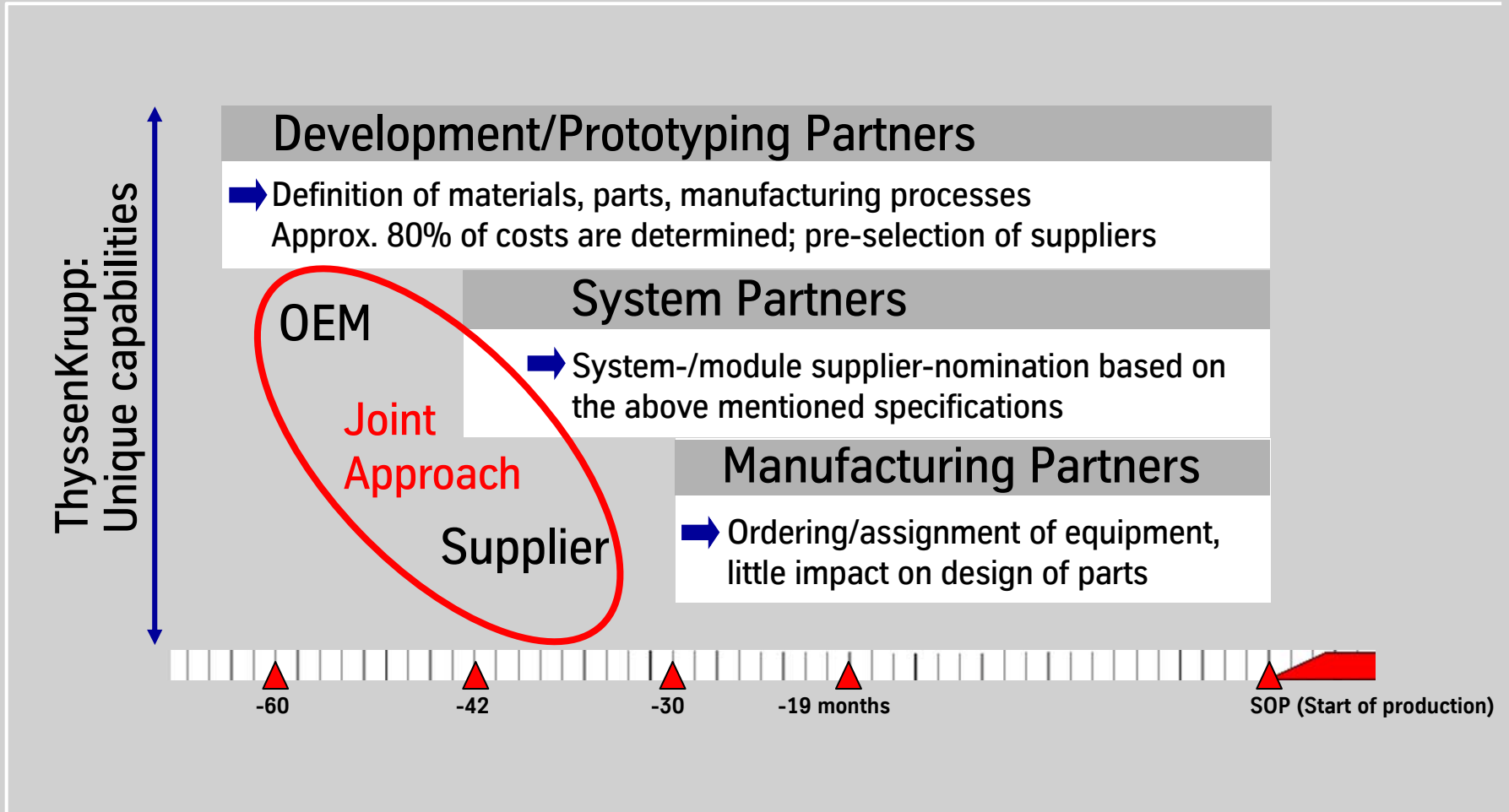
BMW X5



NSB<sup>®</sup> New Steel Body



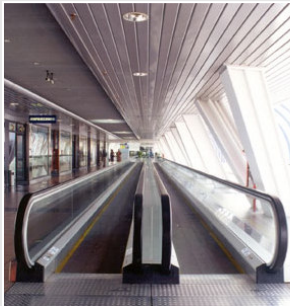
# Product development process: Early involvement makes us the masters of our destiny





## Capital Goods – At a Glance (II)

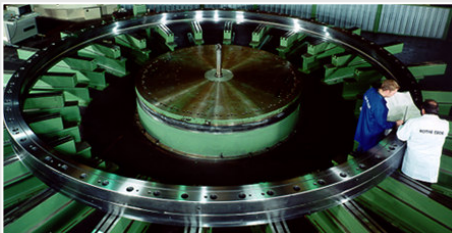
### Elevator



- No. 3 on world market, top global market positions
- More than 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 leading regional and global market positions
- High technological competencies throughout product portfolio
- Leading position in surface naval shipbuilding, conventional diesel powered submarines and mega yachts
- Leading engineering companies in the fields of chemical and industrial complexes
- World's leading manufacturer of large-diameter bearings, e.g. for general engineering applications as well as solar and wind power plants

# Services – At a Glance

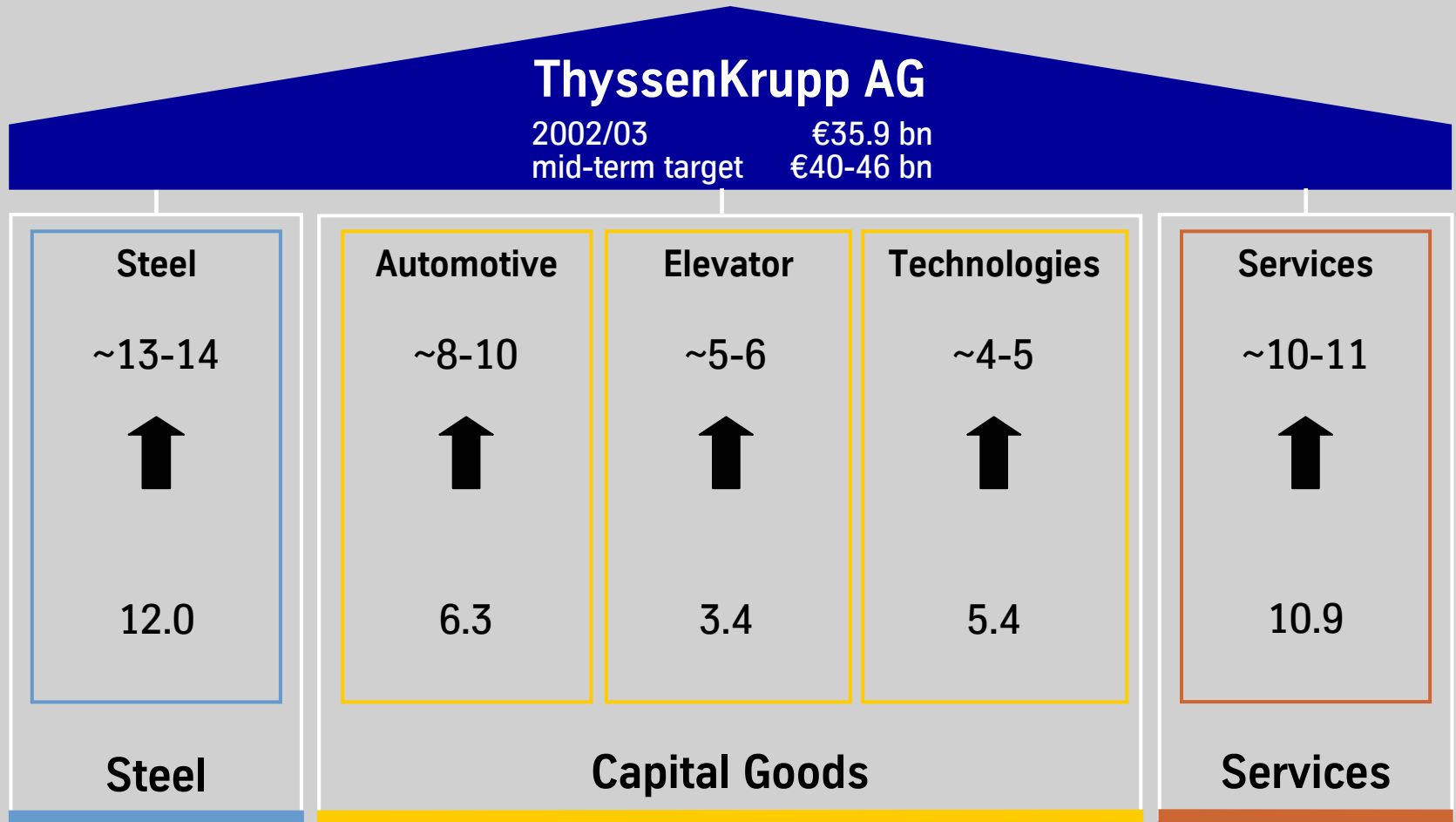
## Services



- 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

# The View Beyond – Focused Industrial Group based on 3 Pillars

Sales in € bn



# 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"> <li>○ Focusing</li> <li>○ Disposals</li> </ul>	<ul style="list-style-type: none"> <li>○ Efficiency enhancement</li> <li>○ Restructuring</li> </ul>	<ul style="list-style-type: none"> <li>○ Organic growth</li> <li>○ Acquisitions</li> </ul>



## Strategic Key Points

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- Expand technological and innovative capabilities
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- Make optimal use of potential within the Group
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- Strengthen customer and service orientation
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- Manage value systematically by concentrating on high-performance business areas and active portfolio management
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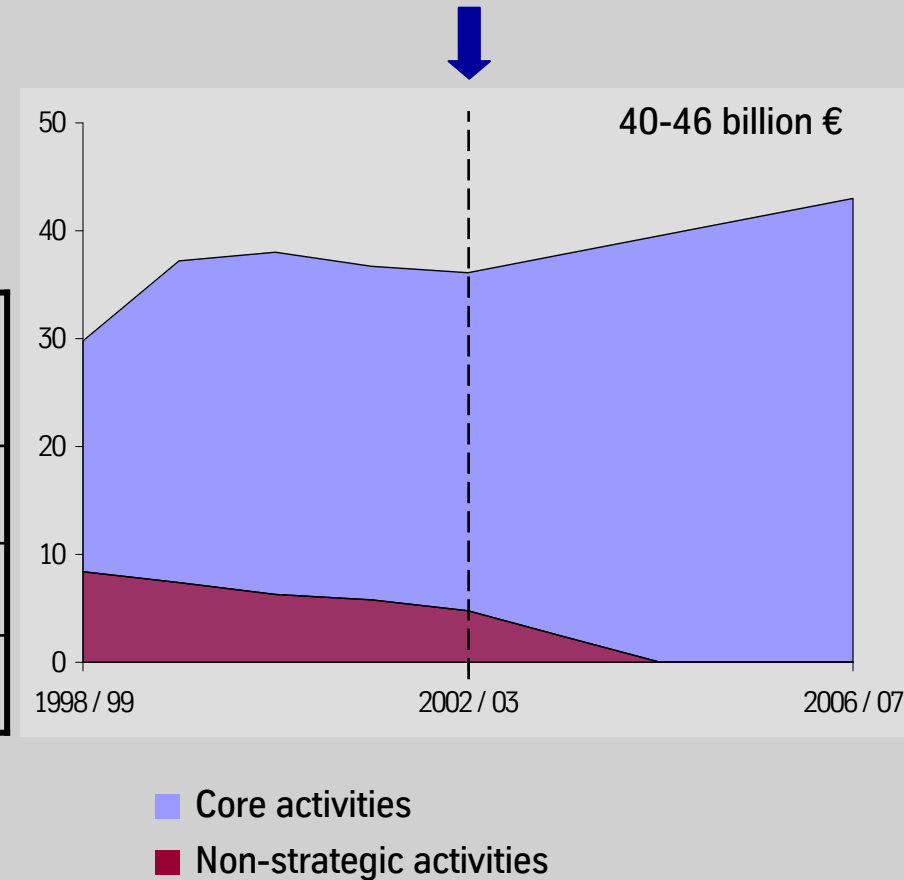


# Portfolio Optimization through Focusing

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	35.9
Ave. growth		10.0%	4.9%



## Conclusion

- ThyssenKrupp: Focused industrial group based on 3 pillars, combining value and growth components
- Clear strategic direction: Portfolio optimization will be stepped up
- Cross-segment development: Driver for technological innovations





## Financial Calendar 2004

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- July 23 to August 11, 2004 Quiet Period
  - August 12, 2004 Interim Report 3rd quarter 2003/04 (April to June)  
Conference Call with Analysts and Investors
  - October 25 to November 30, 2004 Quiet Period
  - December 1, 2004 Annual Press Conference  
Analysts' and Investors' Meeting
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## Financial Calendar 2005

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- January 21, 2005      Annual General Meeting

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  - January 24, 2005      Payment of dividend for the 2003/04 fiscal year

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  - January 25, 2005      Quiet Period  
to February 11, 2005

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  - February 14, 2005      Interim Report 1st quarter 2004/05 (October to December)  
Conference Call with Analysts and Investors

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  - May 13, 2005          Interim Report 2nd quarter 2004/05 (January to March)



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