

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

03

Presentation ThyssenKrupp  
September 2005

ThyssenKrupp



# ティッセンクルップ グループ 2003/04

## ティッセンクルップ (株)

グループの売上高 (連結) : 377億ユーロ ・ 税引前利益 (連結) : 14億7千万ユーロ ・ 従業員 : 176,207

鉄鋼	オートモーティブ	エレベーター	テクノロジー	サービス
<p>売上高: 132億ユーロ 税引前利益: 912百万ユーロ 従業員: 43,995</p> <ul style="list-style-type: none"> <li>• 普通鋼</li> <li>• ステンレス</li> <li>• 特殊鋼</li> </ul>	<p>売上高: 73億ユーロ 税引前利益: 258百万ユーロ 従業員: 43,206</p> <ul style="list-style-type: none"> <li>• ボディーとシャーシー (北アメリカ)</li> <li>• ボディーとシャーシー (EU / アジア, オセアニア / ラテンアメリカ)</li> <li>• パワートレイン (全世界)</li> </ul>	<p>売上高: 36億ユーロ 税引前利益: 370百万ユーロ 従業員: 31,658</p> <ul style="list-style-type: none"> <li>• 4地域のビジネスユニット</li> <li>• エスカレーター</li> <li>• ボーディングブリッジ</li> </ul>	<p>売上高: 41億ユーロ 税引前利益: 83百万ユーロ 従業員: 22,494</p> <ul style="list-style-type: none"> <li>• プラントテクノロジー</li> <li>• 造船</li> <li>• 機械エンジニアリング</li> <li>• トランスラピート</li> </ul>	<p>売上高: 115億ユーロ 税引前利益: 255百万ユーロ 従業員: 33,840</p> <ul style="list-style-type: none"> <li>• 原材料販売 ヨーロッパ</li> <li>• 原材料販売 北アメリカ</li> <li>• 産業機械販売</li> <li>• 特殊製品</li> </ul>
鉄鋼	生産財			サービス

従業員数は2004年9月30日現在 / 部門間取引高は連結消去していない



# ThyssenKrupp Group 2003/04

## ThyssenKrupp AG

Group sales (consolidated): €37.7 billion • EBT (consolidated): €1,470 million • Employees: 176,207

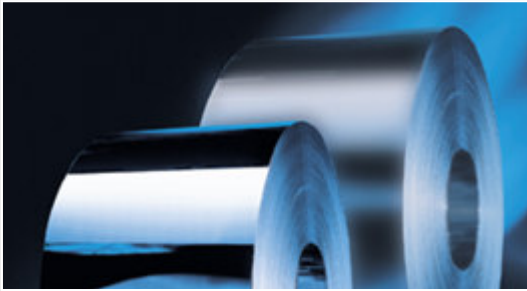
Steel	Automotive	Elevator	Technologies	Services
<p>Sales: €13.2 bn EBT: €912 m Employees: 43,995</p> <ul style="list-style-type: none"> <li>• Carbon Steel</li> <li>• Stainless Steel</li> <li>• Special Materials</li> </ul>	<p>Sales: €7.3 bn EBT: €258 m Employees: 43,206</p> <ul style="list-style-type: none"> <li>• Body&amp;Chassis (NA)</li> <li>• Body&amp;Chassis (EU/AP/LA)</li> <li>• Powertrain (Global)</li> </ul>	<p>Sales: €3.6 bn EBT: €370 m Employees: 31,658</p> <ul style="list-style-type: none"> <li>• 4 regional Business Units</li> <li>• Accessibility</li> <li>• Escalators/ Passenger Boarding Bridges</li> </ul>	<p>Sales: €4.1 bn EBT: €83 m Employees: 22,494</p> <ul style="list-style-type: none"> <li>• Plant Technology</li> <li>• Marine Systems</li> <li>• Mechanical Engineering</li> <li>• Transrapid</li> </ul>	<p>Sales: €11.5 bn EBT: €255 m Employees: 33,840</p> <ul style="list-style-type: none"> <li>• Materials Services Europe</li> <li>• Materials Services North America</li> <li>• Industrial Services</li> <li>• Special Products</li> </ul>
<b>Steel</b>	<b>Capital Goods</b>			<b>Services</b>

Employees as at Sept 30, 2004; inter-segment sales unconsolidated



# Steel – At a Glance

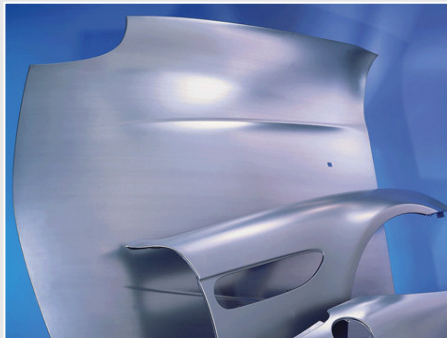
## Steel



- European No. 2 in carbon steel flat products
- World market leader in stainless steel flat products, nickel-base alloys and tailored blanks
- Focus on flat products with high value added
- Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg
- Goal of achieving a position as profit leader in Europe through portfolio optimization, investment policy and performance enhancement
- 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 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
- Cross segment cooperation and joint product development

## Capital Goods – At a Glance (II)

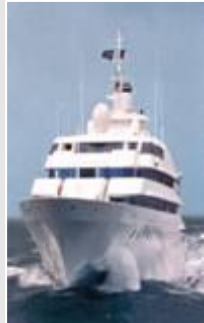
### Elevator



- No. 3 on world market
- More than 800,000 service contracts worldwide
- Focus on customer and technology orientation with full range of products and services from 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 and Eastern Europe
- Continuing growth 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 engineering companies in the fields of chemical and industrial complexes
- Leading position in surface naval shipbuilding, conventional diesel powered submarines and mega-yachts
- 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



- Service provider across the customer's value chain – procurement, logistics and production-related services through to supply chain management
- Excellent market positions both in Materials Services and in Industrial Services
- Goal to increase share of high-end Services – residual business serves as a base and trigger
- Boost internal growth especially in high-margin regions, mainly Eastern Europe and North America
- Portfolio optimization almost completed and restructuring on track, e.g. disposal of Facilities Services, Construction Services and IT business (Triaton)



# Portfolio Optimizations in 2004/05

## Steel

CS Inox (IT)*	Acquisition
Eurinox (NL/TR)*	Acquisition
Dortmunder Eisenbahn (DE)	Disposal
MRT (IT)	Acquisition
EWK (DE)	Disposal

## Automotive

QDF (GB)	Disposal
JV TK Gerlach/Sumitomo (CHN)**	Acquisition
Fahrzeugguss (DE)	Disposal
Truck springs (PT, RO)	Disposal

## Elevator

Kare Elevators & Engineering (IN)	Acquisition
Ascensores Silves Hidrolex (ES)	Acquisition
Trapo Küng AG (CH)	Acquisition
Ceteco s.r.l. (IT)	Acquisition

## Technologies

HDW (DE)	Acquisition
Elastomertechnik (DE)	Disposal
Stahlbau Hanover (DE)	Disposal
G&L Motion Control (US)	Disposal
JV REX (CHN)****	Acquisition
TK INSA (ES)***	Disposal
MetalCutting (DE, GB, US)***	Disposal
Turbine Components (DE, US)***	Disposal

## Services

TMH/ThyssenKrupp Mannex (DE)	Winding down
MUT (CZ)	Acquisition
Automata (BR)	Acquisition
Lesser group (DE)	Acquisition
Eckhardt Marine (DE)	Disposal

## Real Estate

TK Wohnimmobilien (DE)	Disposal
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\* minority interest \*\* 34% \*\*\* closing not yet completed \*\*\*\* 60%



## Portfolio Optimization – Disposals since October 2002

	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
Fiscal year 2003/04	9	€1,458 m	€(8) m	€263 m	€160 m	8,125
1st quarter 2004/05	-	-	-	-	-	-
2nd quarter 2004/05	5	€1,390 m	€140 m	€230 m***	€137 m***	5,937
3rd quarter 2004/05	2	€528 m	€(16) m	€85 m***	€91 m***	3,291
<b>Total</b>	<b>28</b>	<b>€4,295 m</b>	<b>€117 m</b>	<b>€820 m</b>	<b>€407 m</b>	<b>21,882</b>
Subsequent Events	1	€63 m	€(5) m	€33 m***	€6 m***	514

\* when company was disposed of \*\* incl. non-consolidated entities \*\*\* as on last reporting date when deal was announced



## Value Indicators by Segment

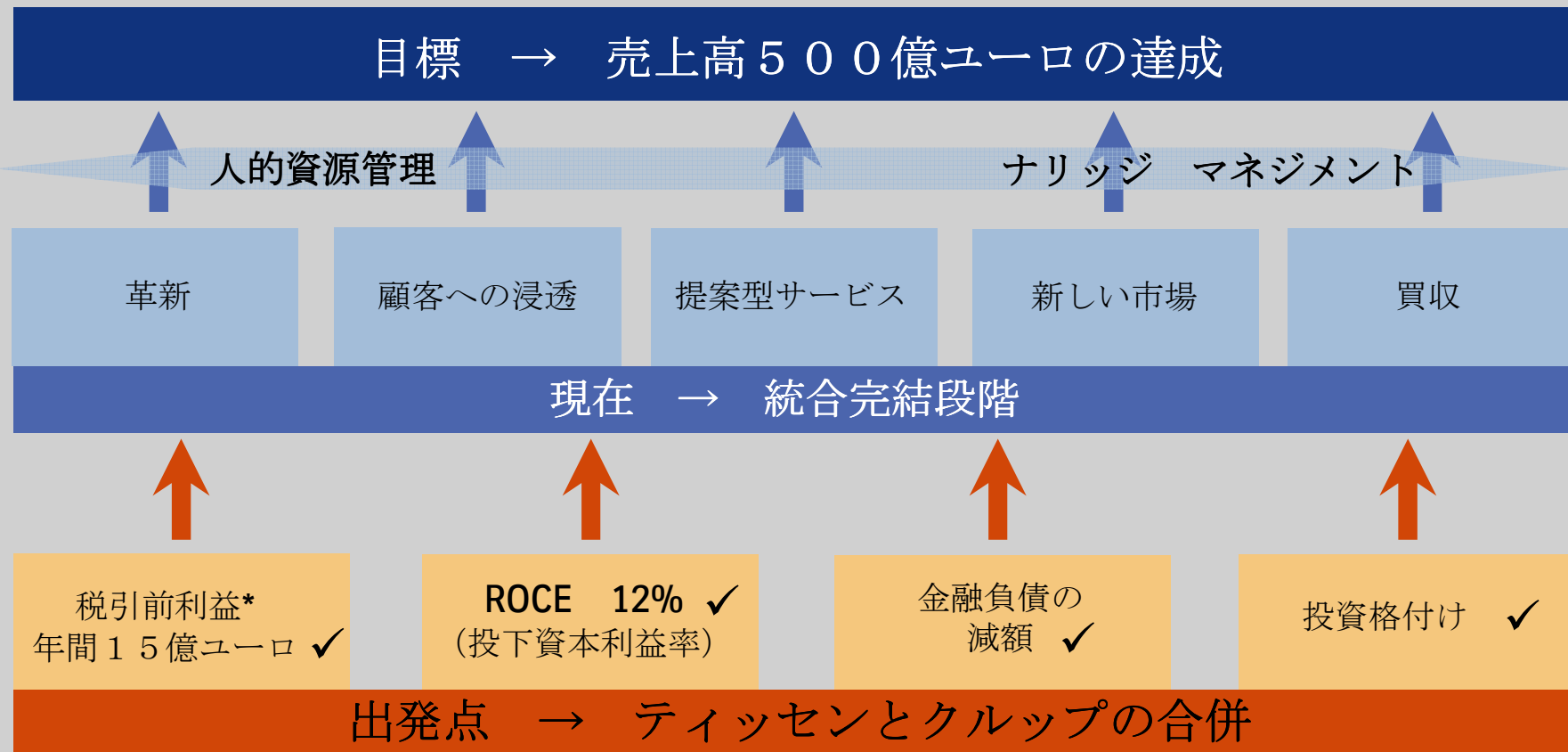
	Capital Employed*/** in million €	WACC in % 2002/03 and 2003/04	Target ROCE in %	ROCE** in %		EVA** in million €		Change
				2002/03	2003/04	2002/03	2003/04	
Group	18,870	9.0	12.0	7.2	12.0 ✓	(352)	572 ✓	924
thereof								
Steel	8,633	10.0	12.0	7.1	12.5	(255)	212	467
Automotive	3,043	9.5	17.0	9.6	13.1	3	108	105
Elevator	1,709	9.0	18.0	23.6	23.7	241	250	9
Technologies	687	10.0	15.0	4.2	13.0	(68)	21	89
Services	2,769	9.0	14.0	3.8	13.3	(166)	120	286

\* average 2003/04  
\*\* incl. discontinued operations

■ above target ROCE   
 ■ above WACC, below target ROCE   
 ■ below WACC



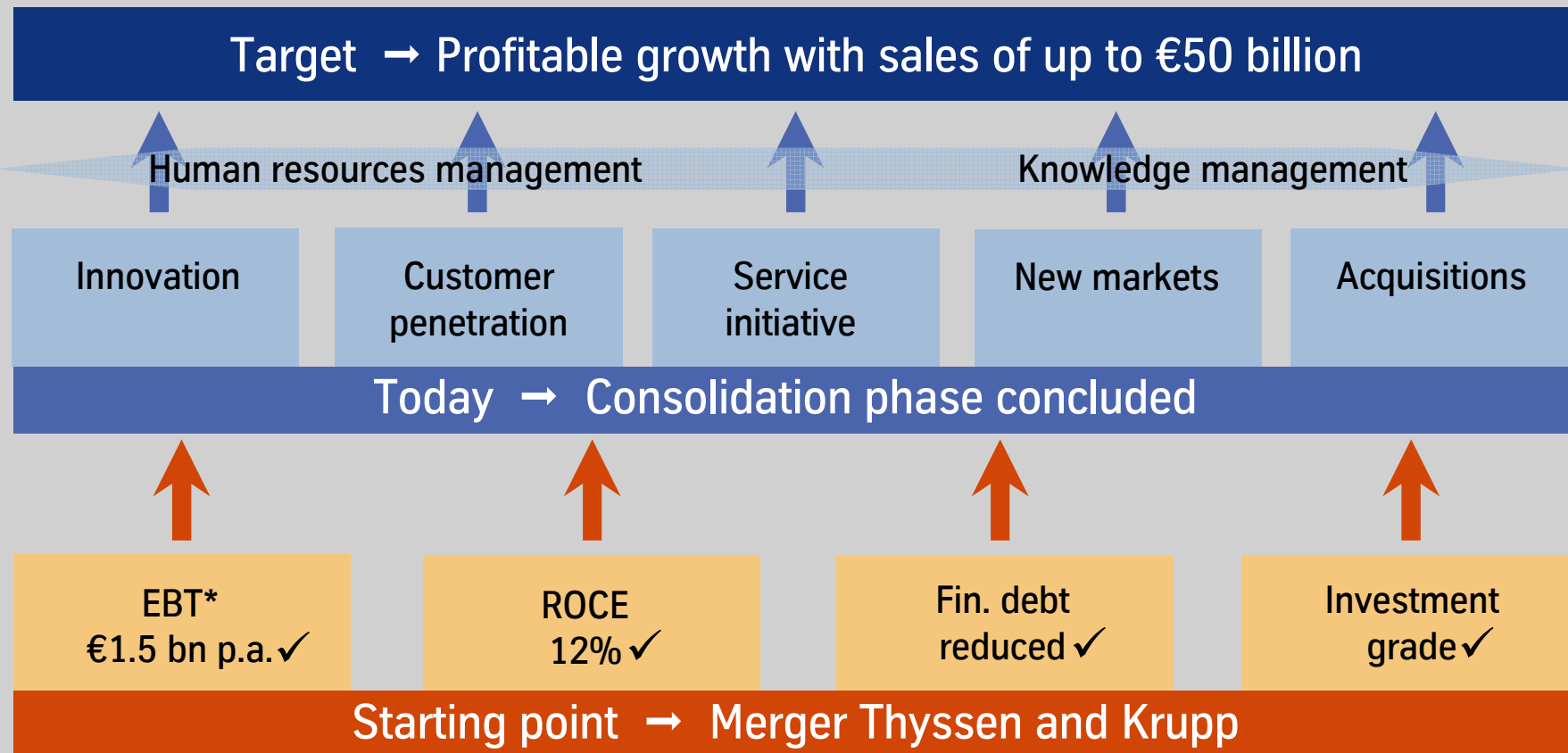
# ティッセングループ ー 統合完結



\*コア ビジネス から得た利益のみ



# ThyssenKrupp – Consolidation Concluded

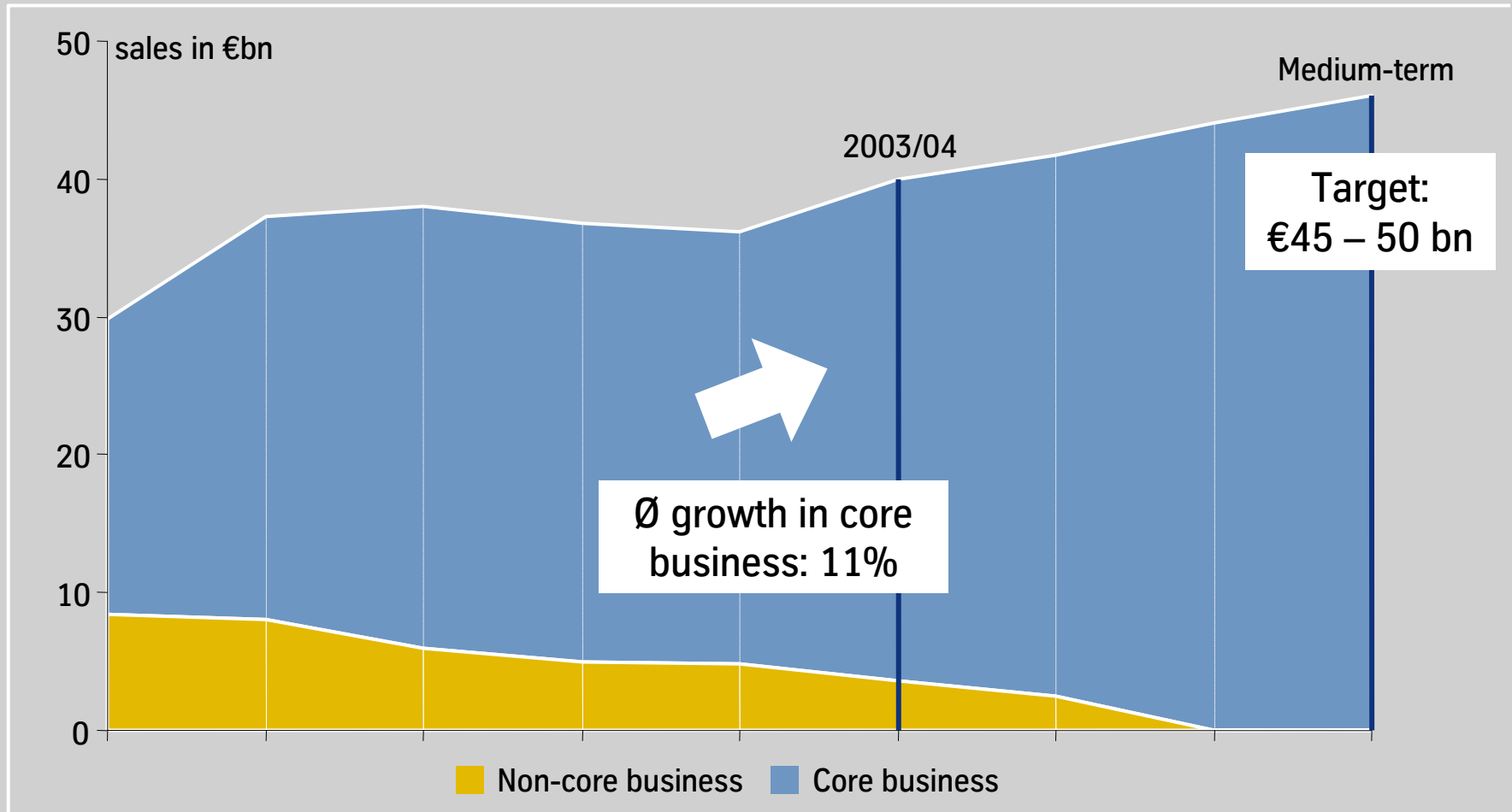


\* core business



# Strategic Objectives for the Future

Disproportionately high growth in core business to boost sales to €45 – 50 bn



## Strategic Key Points

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- Manage value systematically by concentrating on high-performance business areas and active portfolio management

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- Strong commitment to sustainable profitability and value enhancement throughout the cycles

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- Strengthen customer and service orientation

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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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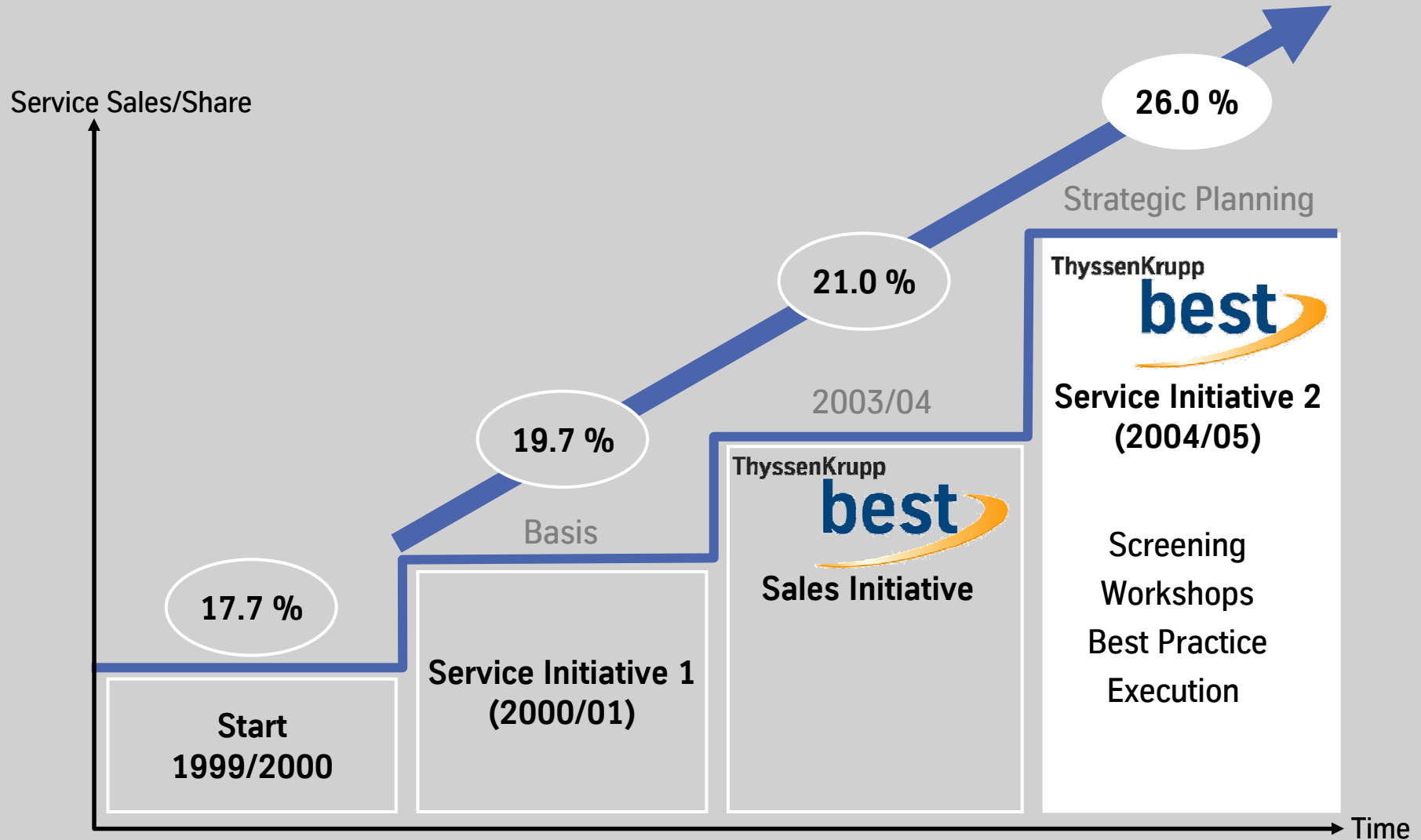



# Overview of Segment Business Strategies

<b>Carbon</b>	<ul style="list-style-type: none"><li>• Secure and strengthen market position in Europe</li><li>• Slab production site in Brazil</li><li>• Expand in China, address US market</li></ul>
<b>Stainless</b>	<ul style="list-style-type: none"><li>• Growth through downstream strategy</li><li>• Secure world market leadership</li></ul>
<b>Automotive</b>	<ul style="list-style-type: none"><li>• Focus on innovative components and systems/solutions based on them</li><li>• Growth in Asia, in particular China</li></ul>
<b>Elevator</b>	<ul style="list-style-type: none"><li>• Organic growth and operational acquisitions</li><li>• Strive to achieve no. 2 ranking on world market</li></ul>
<b>Technologies</b>	<ul style="list-style-type: none"><li>• Focus on three high-performance BUs Plant Technology, Marine Systems and Mechanical Engineering</li></ul>
<b>Services</b>	<ul style="list-style-type: none"><li>• Growth through integrated services (material and industrial services) across customer value chains</li><li>• Regional growth focused on Eastern Europe and North America</li></ul>



# Service Initiative Gains Momentum



# Innovations Pave the Way to Success

## Elevator

*ThyssenKrupp  
Innovation Award  
2003 (1st)*

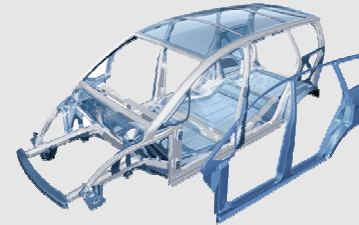
### TWIN® elevator



- Production-ready elevator system with two independent cabs in one shaft
- Higher transportation performance using fewer shafts
- Reference projects: ThyssenKrupp headquarters and University of Stuttgart commercial projects: e.g. BMW Group headquarters

## Steel

### NSB® NewSteelBody



## Automotive

*ThyssenKrupp  
Innovation Award  
2004 (1st)*

- 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

## Technologies

### Ammonia plant



*ThyssenKrupp  
Innovation Award  
2004 (2nd)*

- 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 65%, energy consumption to be reduced by around 5%

## Technologies

### EnviNOx®

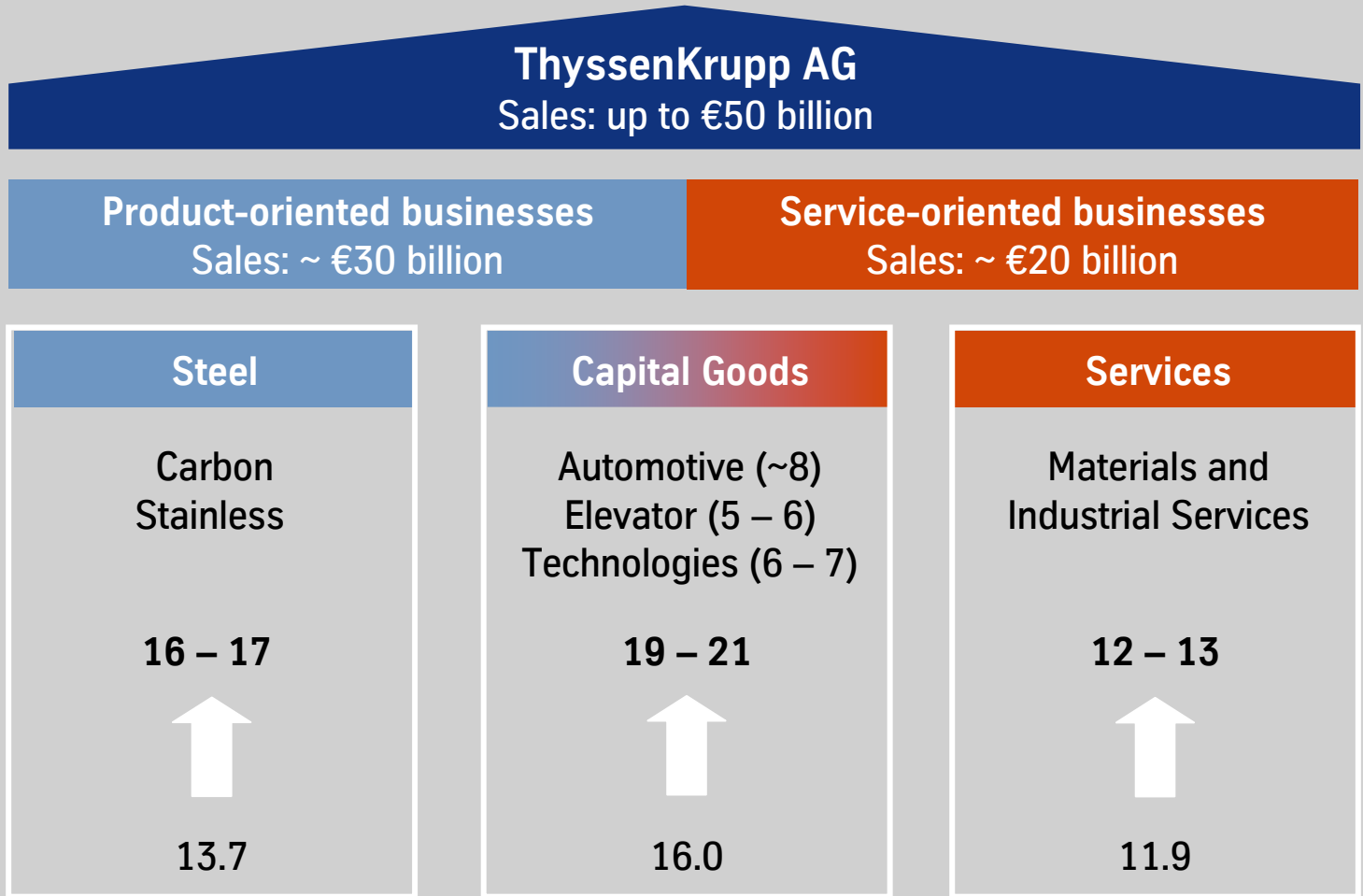


*ThyssenKrupp  
Innovation Award  
2005 (1st)*

- Reduction in greenhouse gases through almost complete elimination of harmful nitrogen oxides (NOx) and laughing gas (N<sub>2</sub>O)
- First large-scale implementation completed in Linz, Austria (2003)



# Objective: Group With Sales up to €50 Billion



\* as reported on Dec 1, 2004



## Q3 2004/05 – Overview

### ThyssenKrupp remains on track

- **Order intake** increased to €10.6 billion, 7% higher yoy
- **Sales** were up 12% at €11.3 billion
- **EBT** stable at €529 million compared to €537 million in the prior-year period
- **EPS** reached €0.59, compared with €0.61 a year earlier
- **Net financial payables** at €1.6 billion (June 30, 2005) were €1.2 billion less than at Sept 30, 2004 and €2.6 billion less than at June 30, 2004



# Highlights

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- **Steel: Increase in EBT yoy and compared to Q2 2004/05**
    - Carbon Steel as main earnings contributor due to higher average revenues and supported by long-term contract business exposure
    - Stainless impacted by weaker demand, capacity expansion and lower base prices

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  - **Technologies and Services strengthen earnings contribution to Group again**

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  - **Underlying performance in Automotive improving**
    - Impairment charge of €28 million booked for Detroit plant
    - Excluding restructuring efforts clear operating improvement at Automotive qoq

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  - **Disposal program “33+” almost completed**
    - MetalCutting (Technologies): sold in August 2005
    - Truck springs (Automotive): sold in July 2005; remaining part to be combined with ThyssenKrupp Bilstein group to pool spring/shock absorber capabilities
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# Outlook

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- We expect the encouraging business performance to continue on the whole in the further course of the year. For the full year we plan sales of just over €41 billion.
  - In terms of earnings before taxes, excluding the effects of major disposals, acquisitions and restructuring measures, we aim to achieve around €1,700 million, surpassing the very good level of 2003/04 (€1,470 million).
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As published in the Interim Report on the 3rd quarter 2004/05, p. 3, August 12, 2005

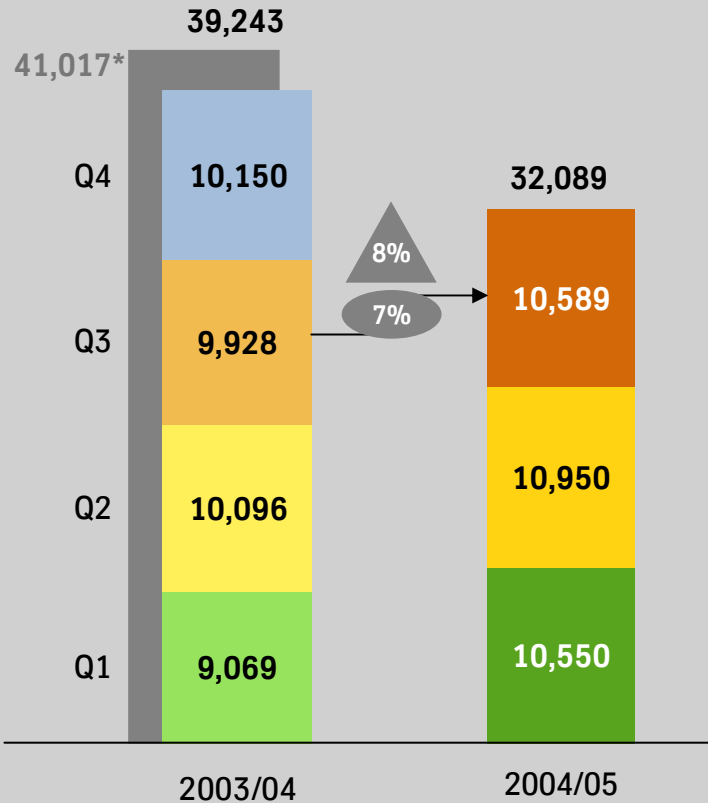




# Group in Figures (I)

## Order intake

million €

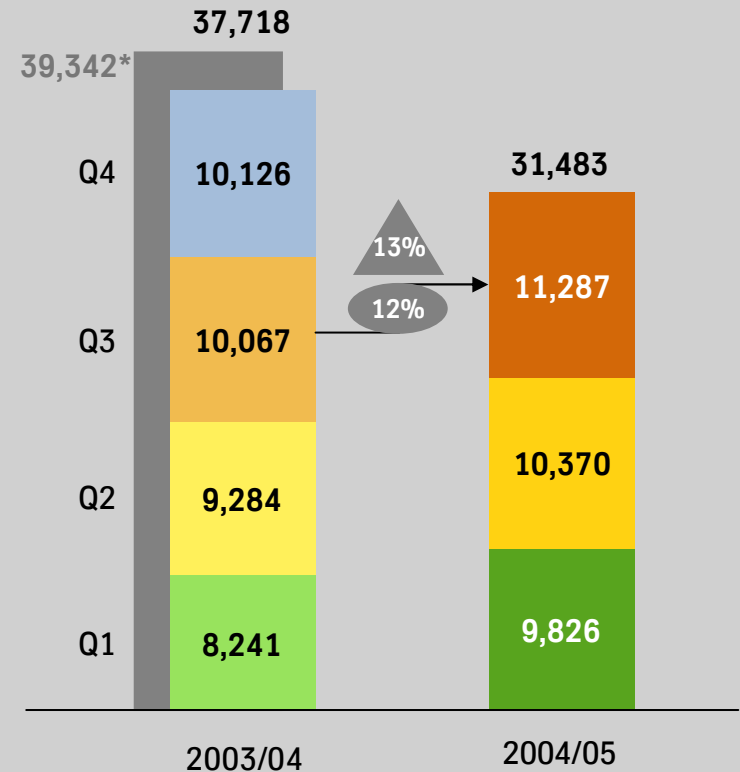


\* as reported on Dec 1, 2004

▲ excluding €/\$ exchange rate effects

## Sales

million €



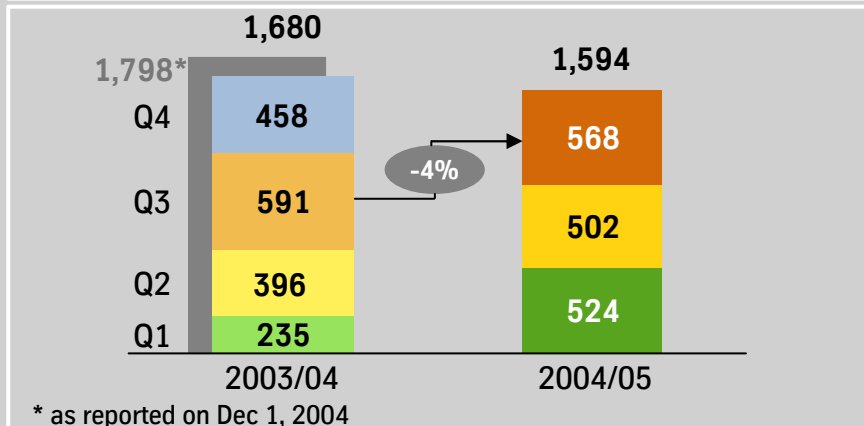
\* as reported on Dec 1, 2004

▲ excluding €/\$ exchange rate effects

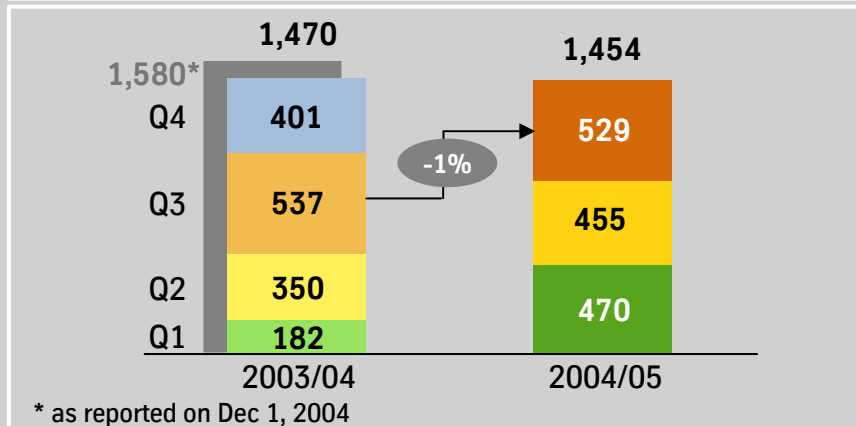


# Group in Figures (II)

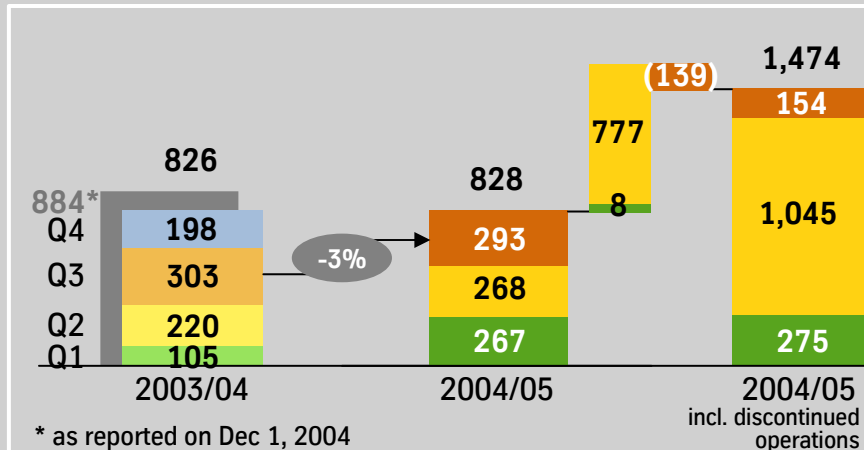
**EBIT** million €



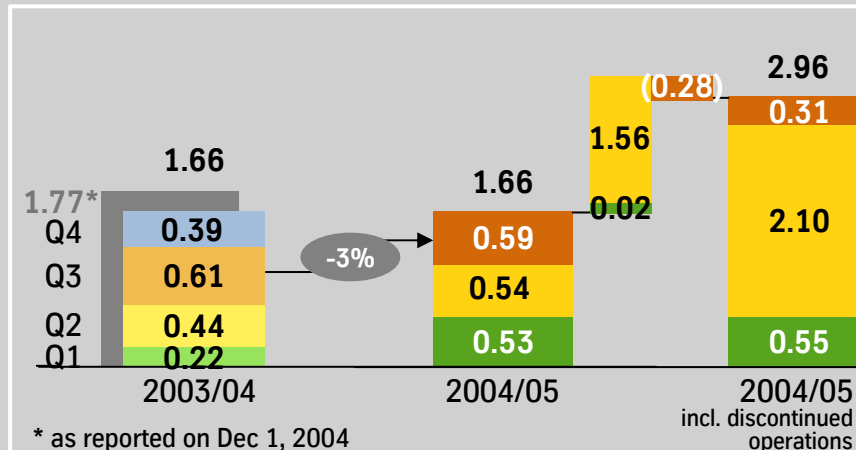
**EBT** million €



**Net income** million €



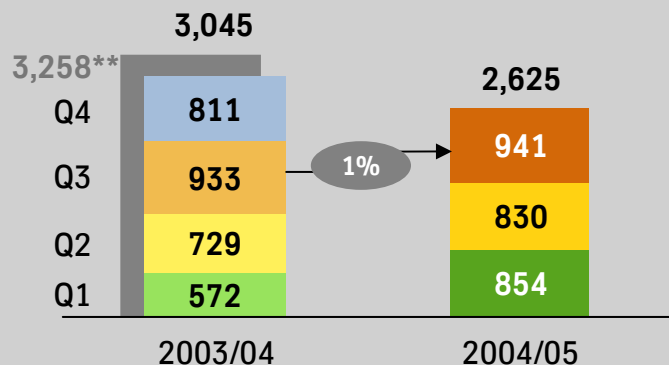
**Earnings per share** €



# Group in Figures (III)

## EBITDA\*

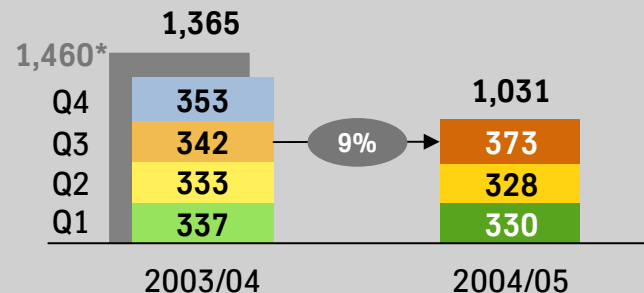
million €



\* excl. interest on accrued pension liabilities \*\* as reported on Dec 1, 2004

## Depreciation and amortization

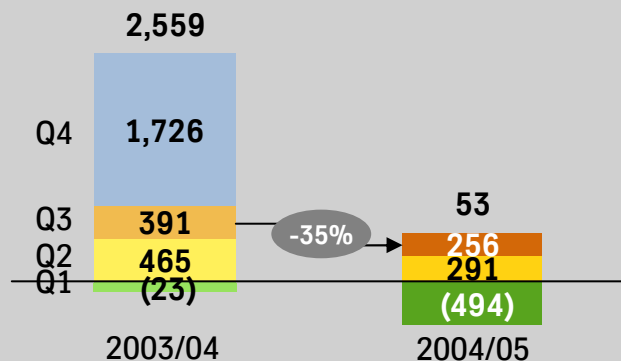
million €



\* as reported on Dec 1, 2004

## Net cash used in operating activities\*

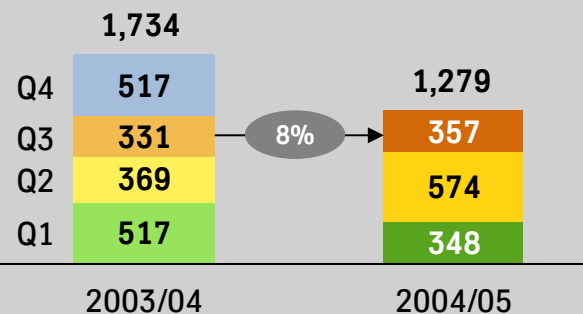
million €



\* figures not adjusted in accordance with SFAS 144

## Capital expenditures\*

million €



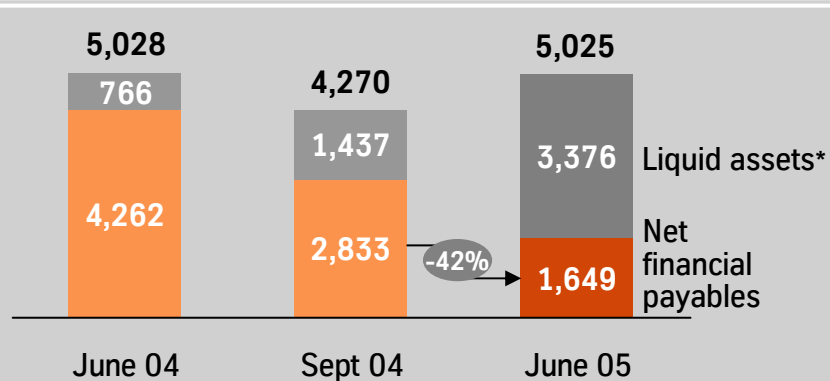
\* incl. financial investments; figures not adjusted in accordance with SFAS 144



# Group in Figures (IV)

## Financial payables

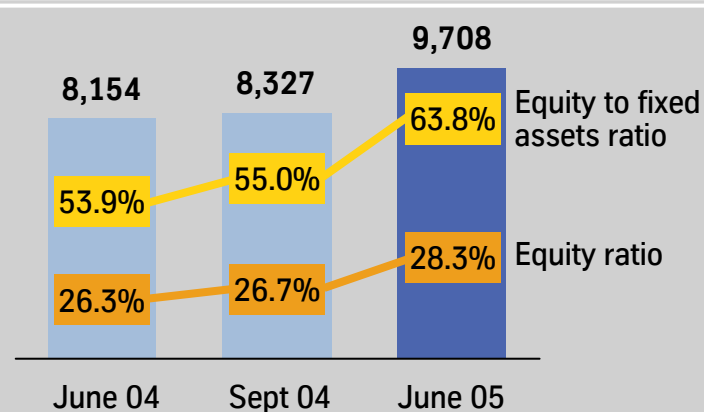
million €



\* cash and cash equivalents, marketable securities

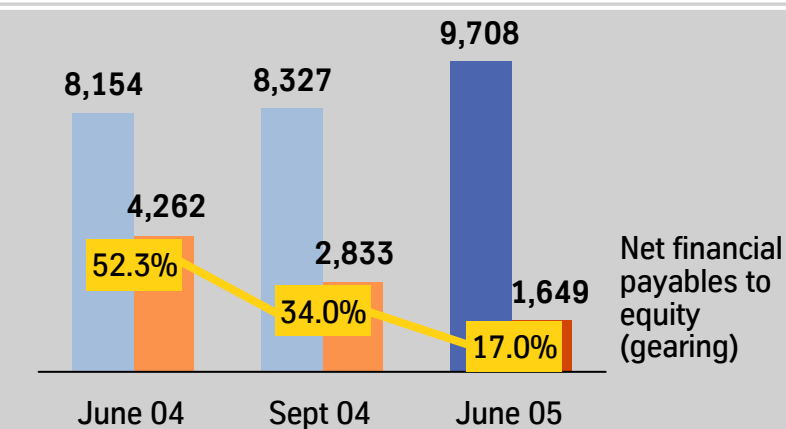
## Stockholders' equity

million €



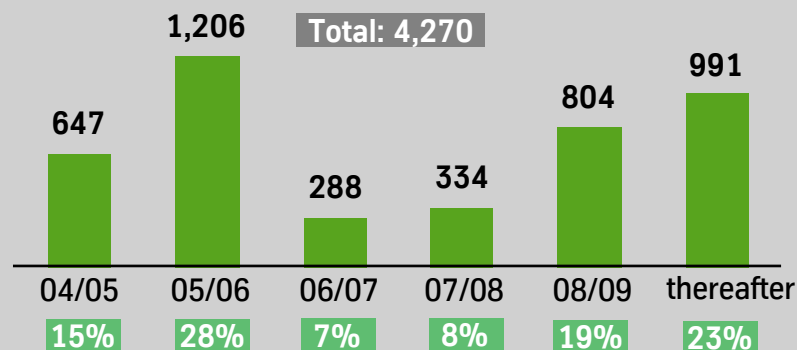
## Gearing

million €



## Maturity profile of gross financial payables\*

million €



\* as of Sept 2004



# Conclusion

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- **ThyssenKrupp:**  
Focused industrial group based on 3 pillars,  
combining value and growth components

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- **Strategic direction:**  
From consolidation to controlled profitable growth

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- **Strategic drivers:**  
Innovation, service initiative, human resources development

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## Financial Calendar 2005/2006

- October 26, 2005 to November 30, 2005 Quiet Period
- December 1, 2005 Annual Press Conference  
Analysts' and Investors' Meeting (Essen, Germany)
- January 27, 2006 Annual General Meeting (Bochum, Germany)
- January 30, 2006 Payment of dividend for fiscal year 2004/05
- January 24, 2006 to February 10, 2006 Quiet Period
- February 1, 2006 Virtual Classroom Meeting on IFRS changeover
- February 13, 2006 Interim Report 1st quarter 2005/06 (October to December)  
Conference Call with analysts and investors



## Financial Calendar 2006

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- April 25, 2006 to May 11, 2006 Quiet Period
  - May 12, 2006 Interim Report 2nd quarter 2005/06 (January to March)
  - May 15, 2006 Analysts' and Investors' Meeting (London, UK)
  - July 25, 2006 to August 10, 2006 Quiet Period
  - August 11, 2006 Interim Report 3rd quarter 2005/06 (April to June)  
Conference Call with analysts and investors
- 





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In this presentation all figures related to the income statement refer to continuing operations unless otherwise stated. Moreover these figures are adjusted due to the change in the method of valuing similar inventories from Last-in, First-out method (LiFo) to average cost method.

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