

Investors' Information

February 2006

ThyssenKrupp



## Q1 2005/2006 – Overview

### Good start to the new fiscal year 2005/2006

- **Order intake** increased to €11.6 billion, 6% higher yoy
- **Sales** were up 9% at €10.9 billion
- **EBT** amounted to €425 million, compared with €530 million in the prior-year quarter
- **EPS** reached €0.49, compared with €0.60 in the 1st quarter of the prior year
- **Net financial payables** at €315 million (Dec 31, 2005) were €3.5 billion less than at Dec 31, 2004 and €138 million higher than at Sep 30, 2005



# Highlights

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- **Steel: Exceeding very good prior-year quarter**
    - Higher order intake reflecting reviving demand
    - Significant price increase for renegotiated multi-annual contracts

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  - **Technologies 2nd strongest earnings contributor**
    - All business units with double-digit profits
    - Strong order book safeguarding sales going forward

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  - **Sustainable EBT-target raised**
    - Earnings of €2 billion linked to mid-term sales target of €45-50 billion
    - Profitable growth through internal and external measures and stronger service focus

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  - **IFRS conversion completed – no material impact on key performance indicators**
    - Q1 2005/2006 interim report is the first financial statement under IFRS
    - Virtual Classroom Meeting on conversion took place on February 1, 2006
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# 13 Portfolio Optimizations in 2005/2006

## Steel

Special profile operations (DE)\* **Disposal**

## Technologies

Atlas Elektronik (DE)\*\*\* **Acquisition<sup>+</sup>**

## Elevator

Sun Rhine Enterprises (TW) **Acquisition**

General Elevator Maintenance (CA) **Acquisition**

Atlantic Elevator (US) **Acquisition**

## Services

Jupiter Stomana (BG)\*\* **Acquisition**

Coferal (DE) **Acquisition**

RIP (BR)\*\*\*\* **Acquisition<sup>+</sup>**

Krupp Druckereibetriebe (DE) **Disposal**

Standardkessel (CH) **Acquisition**

Hearn Group (CA) **Acquisition**

Metalfast (GB) **Acquisition**

VPK Metal (CA) **Acquisition<sup>+</sup>**

\* 75.1% / \*\* 80% / \*\*\* 60% / \*\*\*\* 51%

<sup>+</sup> closing not yet completed



## Outlook

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- We expect a generally positive performance in the further course of the year. For the full fiscal year 2005/2006 we anticipate sales in the region of €43 billion.
  - Our target for earnings before taxes – excluding major non-recurring effects – for the current fiscal year is in the region of €1.5 billion.
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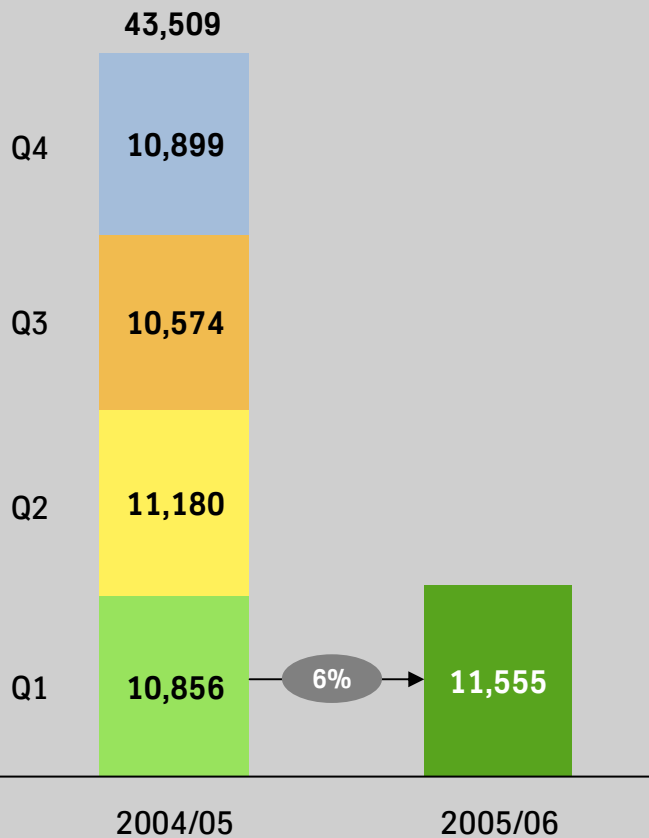
As published in the Interim Report on the 1st quarter 2005/06, p. 17, February 13, 2006



# Group in Figures (I)

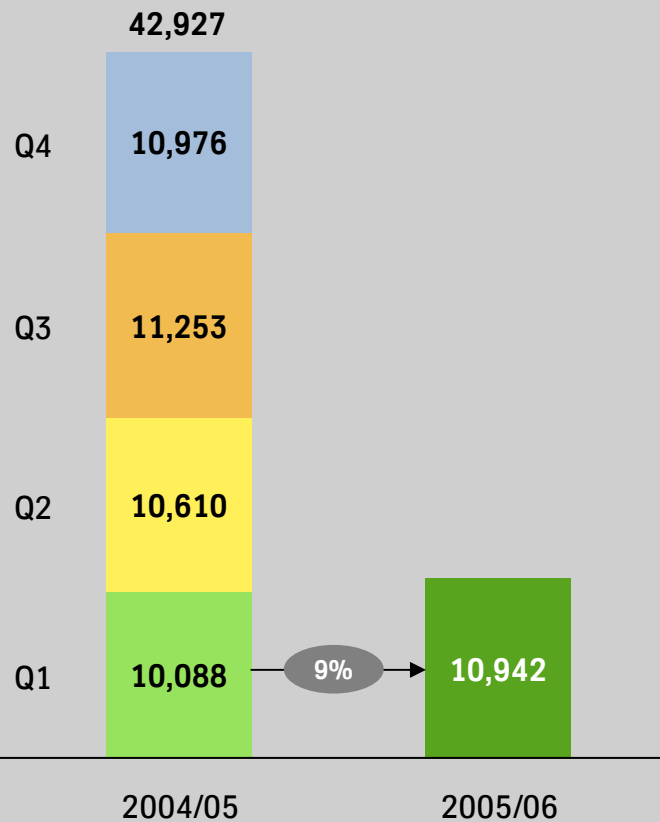
## Order intake

million €



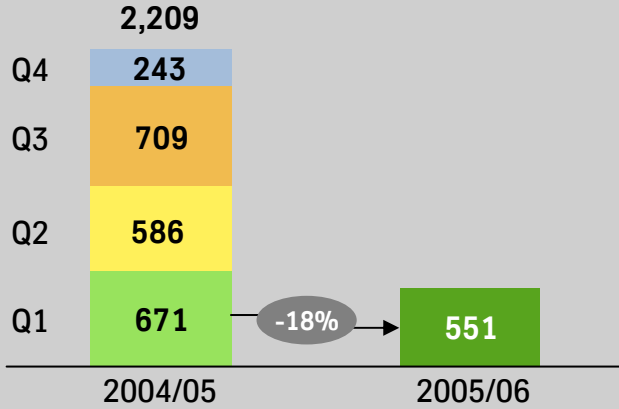
## Sales

million €

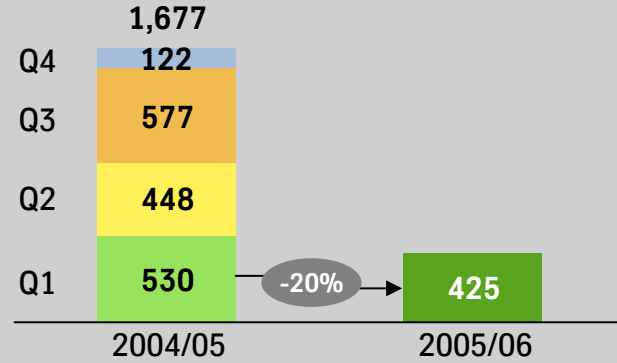


# Group in Figures (II)

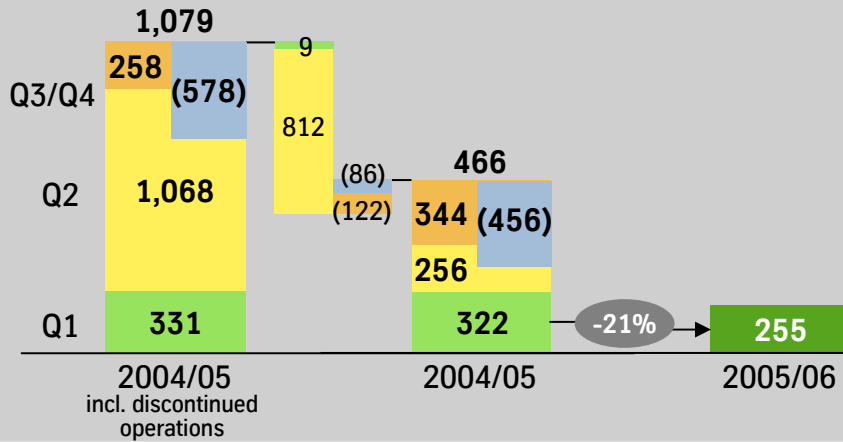
**EBIT** million €



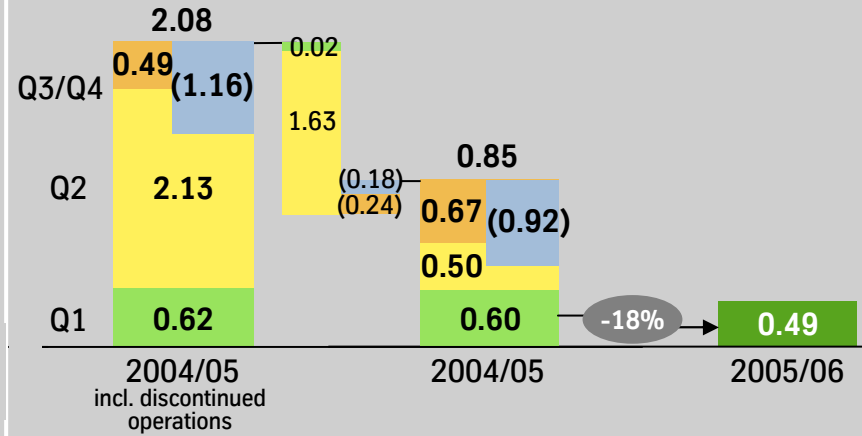
**EBT** million €



**Net income** million €



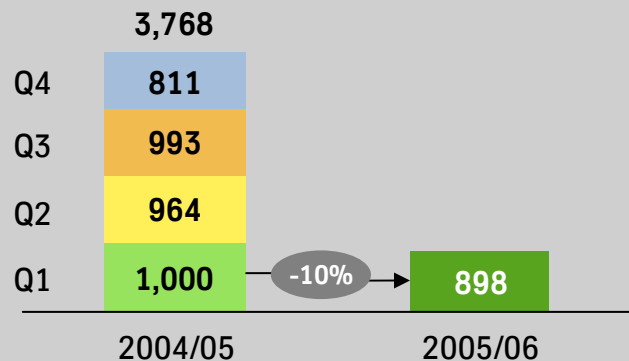
**Earnings per share** €



# Group in Figures (III)

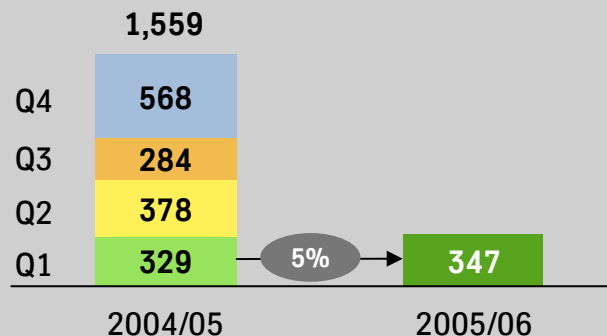
## EBITDA

million €



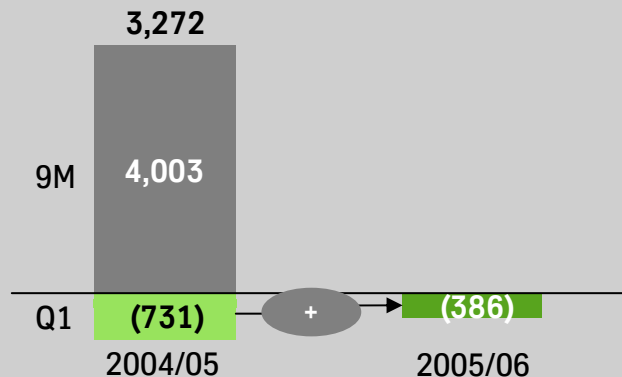
## Depreciation and amortization

million €



## Free cash flow\*

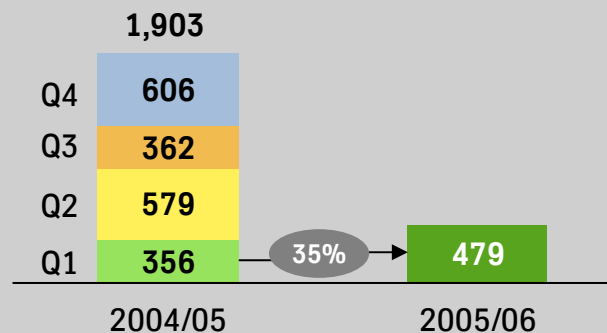
million €



\* figures not adjusted for discontinued operations

## Capital expenditures\*

million €



\* incl. financial investments; figures not adjusted for discontinued operations

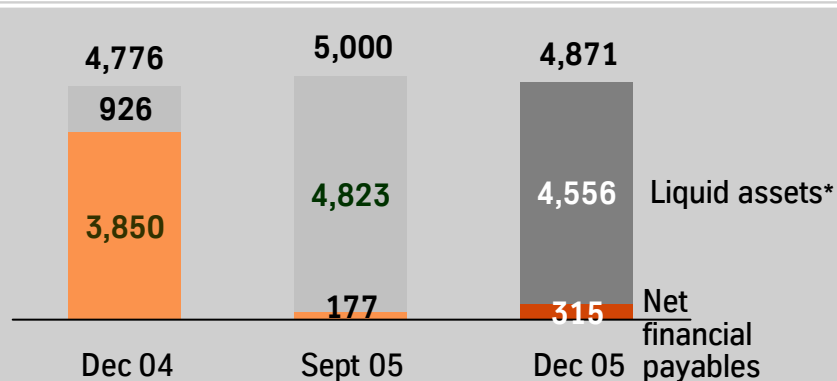




# Group in Figures (IV)

## Financial liabilities

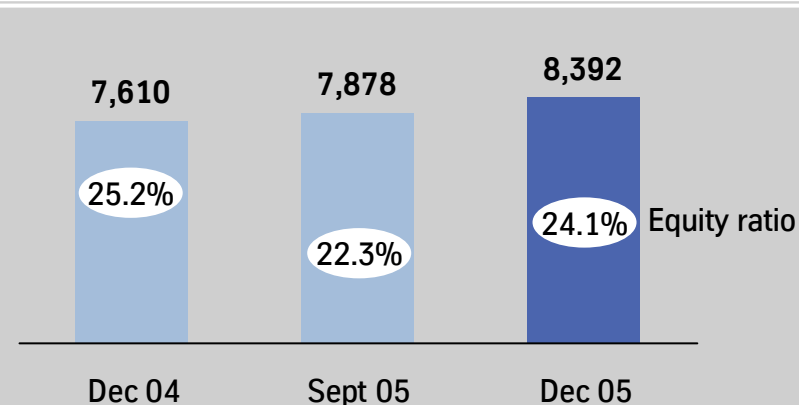
million €



\* cash and cash equivalents, marketable securities

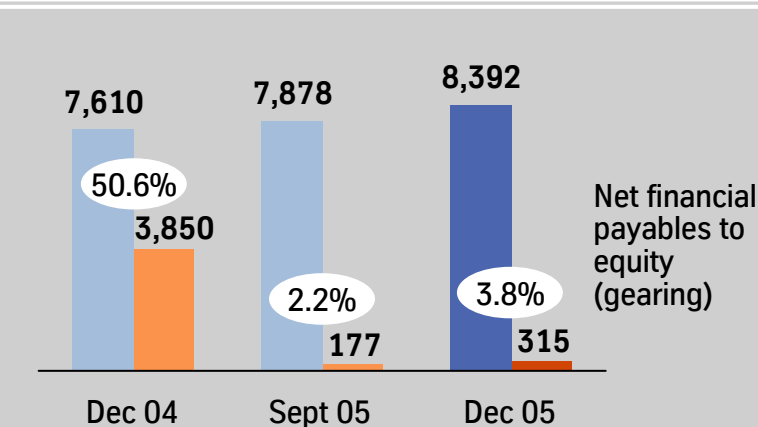
## Stockholders' equity

million €



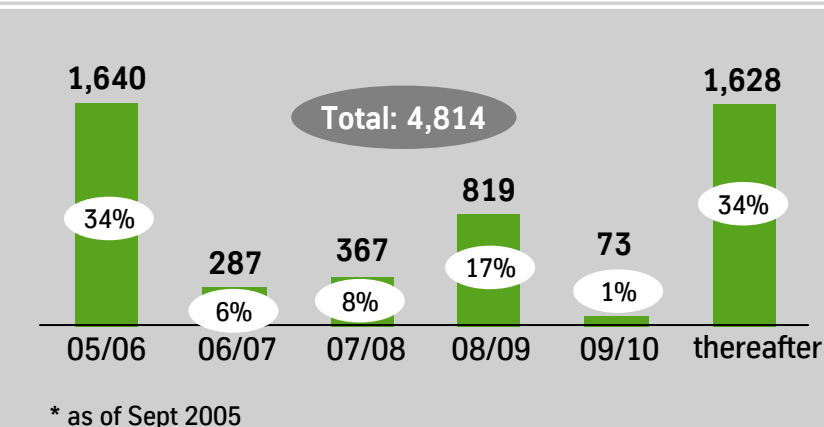
## Gearing

million €



## Maturity profile of gross financial payables\*

million €



\* as of Sept 2005



# ThyssenKrupp Group 2004/2005

## ThyssenKrupp AG

Group sales: €42.9 billion • EBT: €1,677 million • Employees: 183,729

Steel	Stainless	Automotive	Technologies	Elevator	Services
Sales: €9.6 bn EBT: €1,094 m Empl.: 31,576	Sales: €5.6 bn EBT: €286 m Empl.: 12,201	Sales: €7.9 bn EBT: €118 m Empl.: 42,541	Sales: €5.8 bn EBT: €40 m Empl.: 27,449	Sales: €3.8 bn EBT: €355 m Empl.: 34,151	Sales: €12.7 bn EBT: €261 m Empl.: 34,835
<ul style="list-style-type: none"> <li>• Steelmaking</li> <li>• Industry</li> <li>• Auto</li> <li>• Processing</li> </ul>	<ul style="list-style-type: none"> <li>• Nirosta</li> <li>• Acciai Speciali Terni</li> <li>• Mexinox</li> <li>• Shanghai Krupp Stainless</li> <li>• Stainless Int.</li> <li>• VDM</li> </ul>	<ul style="list-style-type: none"> <li>• Chassis</li> <li>• Body</li> <li>• Powertrain</li> </ul>	<ul style="list-style-type: none"> <li>• Plant Technology</li> <li>• Marine Systems</li> <li>• Mechanical Engineering</li> <li>• Transrapid</li> </ul>	<ul style="list-style-type: none"> <li>• 4 regional business units</li> <li>• Accessibility</li> <li>• Escalators/ Passenger Boarding Bridges</li> </ul>	<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>

Continuing operations; inter-segment sales unconsolidated; employees as at Sept 30, 2005

**ThyssenKrupp**



## Group Overview – Steel (I)

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	2,161	2,641	480	22.2
Sales	€m	2,292	2,484	192	8.4
EBITDA	€m	407	439	32	7.9
EBIT	€m	269	289	20	7.4
EBT	€m	252	272	20	7.9
Free cash flow	€m	57	(6)	-63	--
Employees	(Dec 31)	31,578	31,439	-139	-0.4

- Rise in **orders** price and volume driven with clear upward trend at business units Auto and Processing; crude steel capacities fully utilized; slight decrease in **shipments** compared to high prior-year level
- **Sales** up for price reasons and better product mix; announced October price increase not fully accepted; more favorable pricing conditions for tinplate, medium-wide strip and grain-oriented (GO) electrical steel
- Annual **contract negotiations** with significant increases (multi-annual contracts) and approx. roll-overs for 1-year contracts
- Increase in **EBT** with mixed picture on business unit level: BU Processing showing main improvement driven by GO electrical steel and medium-wide strip Lower profits at BU Industry due to rising costs (slab, energy) and larger short-term exposure; operating earnings at BU Auto impacted by lower shipments



## Group Overview – Steel (II)

### Stainless

		1st quarter		Change	Change in %
		2004/2005	2005/2006		
Order intake	€m	1,334	1,529	195	14.6
Sales	€m	1,304	1,352	48	3.7
EBITDA	€m	174	57	-117	-67.2
EBIT	€m	139	23	-116	-83.5
EBT	€m	125	7	-118	-94.4
Free cash flow	€m	(349)	(188)	161	--
Employees	(Dec 31)	12,366	12,157	-209	-1.7

- **Order intake** increased in volume (+7%) and value due to reviving demand and slight price improvements (mainly surcharge driven); Nirosta and VDM (nickel-base alloys) with strongest growth
- Overall **shipments** flat; cold-rolled shipments lower due to weaker market environment
- **Sales** growth mainly attributable to VDM; capacity utilization remains unsatisfactory at Shanghai Krupp Stainless
- **EBT** impacted by declining base prices (esp. in Western Europe), rising costs mainly for energy and transportation and underutilization (esp. China); Nirosta and Terni with small profit; VDM with main contribution to earnings
- Base price increases announced for Stainless cold-rolled (Terni) of €50t in March and April respectively



# Group Overview Steel: Output, Shipments and Revenues

## Crude steel output and shipments

in 1,000 tons	1st quarter		Change	Change in %
	2004/2005	2005/2006		
<b>Crude steel output*</b>	4,156	4,099	-57	-1.4
• Steel	3,456	3,441	-15	-0.4
• Stainless	700	658	-42	-6.0
<b>Shipments</b>				
• Steel total	3,088	2,975	-113	-3.7
• Steel CRC**	1,859	1,725	-134	-7.2
• Steel HRC***	1,048	1,075	27	2.6
• Stainless total	552	551	-1	-0.2
• Stainless CRC	422	408	-14	-3.3
• Stainless HRC	82	111	29	35.4

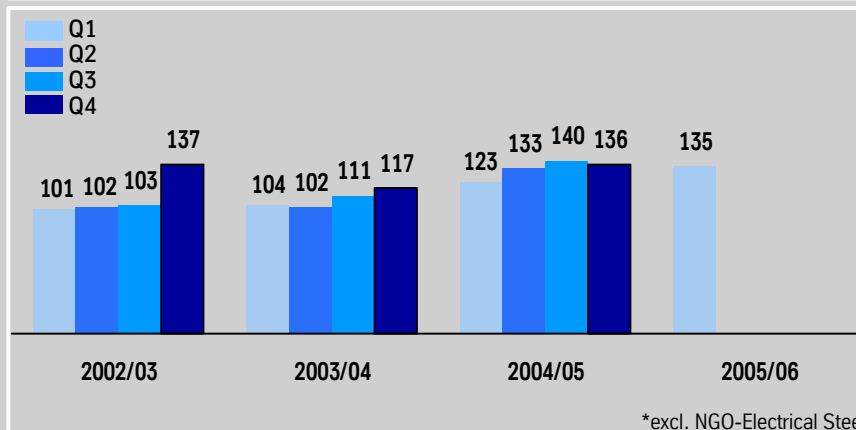
\* excl. EWK

\*\* incl. NGO-Electrical Steel

\*\*\* excl. hot-strip for NGO-Electrical Steel

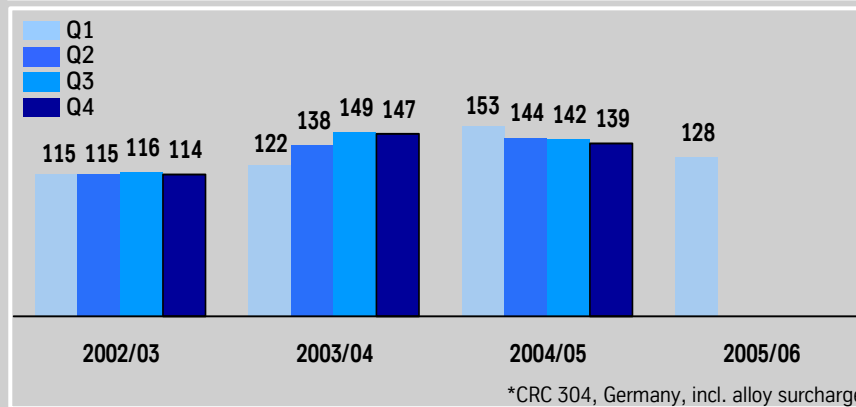
## Steel: Average revenues per ton

Q1 2001/02 = 100



## Stainless: Average revenues per ton\*

Q1 2001/02 = 100



## Group Overview – Capital Goods (I)

### Automotive

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,919	1,906	-13	-0.7
Sales	€m	1,864	1,972	108	5.8
EBITDA	€m	127	110	-17	-13.4
EBIT	€m	49	29	-20	-40.8
EBT	€m	24	0	-24	-100.0
Free cash flow	€m	(166)	(113)	53	--
Employees	(Dec 31)	43,973	42,861	-1,112	-2.5

- **Sales** up despite weak international auto market; increase mainly at North American foundries (BU Body) due to higher volumes/prices and Chassis business unit stemming from ramp up of new plants and launch of new models
- **EBT** at breakeven with Powertrain again as main earnings contributor; BU Body with a loss resulting from declining capacity utilization (stamping operations) and higher starting material prices (foundries); main improvement at BU Chassis (steering and suspension business)
- Under IFRS the alu castings and truck springs business were reclassified to continued operations and are included in the prior year figures



## Group Overview – Capital Goods (II)

### Technologies

		1st quarter		Change	Change in %
		2004/2005	2005/2006		
Order intake	€m	1,588	1,648	60	3.8
Sales	€m	1,133	1,603	470	41.5
EBITDA	€m	68	116	48	70.6
EBIT	€m	42	81	39	92.9
EBT	€m	47	92	45	95.7
Free cash flow	€m	(150)	(1)	149	--
Employees	(Dec 31)	22,777	27,404	4,627	20.3

- Rise in **order intake** mainly driven by Plant Technology, stemming from new projects for mining and handling equipment; order backlog of €9 bn (Dec 31) covers more than a full year's sales
- Clear increase in **sales** at all business units on the back of favorable order situation (Marine Systems: plus inclusion of HDW group)
- Strong business, good capacity utilization and absence of loss-making businesses to double **EBT**; all business units contributing with double-digit earnings; Marine Systems with main improvement
- Acquisition of naval electronics company Atlas Elektronik continues consolidation in European naval industry and helps expand technological competence in conventional submarines



## Group Overview – Capital Goods (III)

### Elevator

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	1,002	1,261	259	25.8
Sales	€m	877	1,008	131	14.9
EBITDA	€m	117	105	-12	-10.3
EBIT	€m	105	91	-14	-13.3
EBT	€m	98	85	-13	-13.3
Free cash flow	€m	201	(34)	-235	--
Employees	(Dec 31)	32,485	34,843	2,358	7.3

- **Order intake** up at all business units; main growth at Americas business unit (new installations), Escalators/Passenger Boarding Bridges (airport projects) and Accessibility (overall business expansion); increased demand for new installations also in Europe and China
- Increase in **sales**; main growth at Americas business unit (expansion of service activities, efficiency improvements) and Accessibility
- **EBT** impacted by losses from fair-value measurement of currency derivatives (Dubai airport order) as well as price/margin pressure in some regions; business units Central/Eastern/Northern Europe and Americas as main earnings contributors; Accessibility with major improvement





## Group Overview – Services

### Services

		1st quarter			
		2004/2005	2005/2006	Change	Change in %
Order intake	€m	3,222	3,127	-95	-2.9
Sales	€m	3,198	3,066	-132	-4.1
EBITDA	€m	133	127	-6	-4.5
EBIT	€m	107	100	-7	-6.5
EBT	€m	92	85	-7	-7.6
Free cash flow	€m	(150)	(129)	21	--
Employees	(Dec 31)	32,789	34,940	2,151	6.6

- Decrease in **sales** at both Materials Services business units resulting from lower price levels (rolled/specialty steel) with stable demand; Special Products business unit moreover affected by weaker demand
- Industrial Services with significant **sales** growth, especially in North America, resulting in higher earnings
- **EBT** lower at the Material Services business units reflecting weaker materials market; Special Products as main earnings contributor and with clear profit improvement helped by technical trading business



# ThyssenKrupp – Consolidation Concluded

**Target → Profitable growth with sales of up to €50 billion, EBT of €2 billion**

Human resources management

Knowledge management

Innovation

Customer penetration

Service initiative

New markets

Acquisitions

**Today → Consolidation phase concluded**

EBT\*  
€1.5 bn p.a. ✓

ROCE  
12% ✓

Fin. debt  
reduced ✓

Investment  
grade ✓

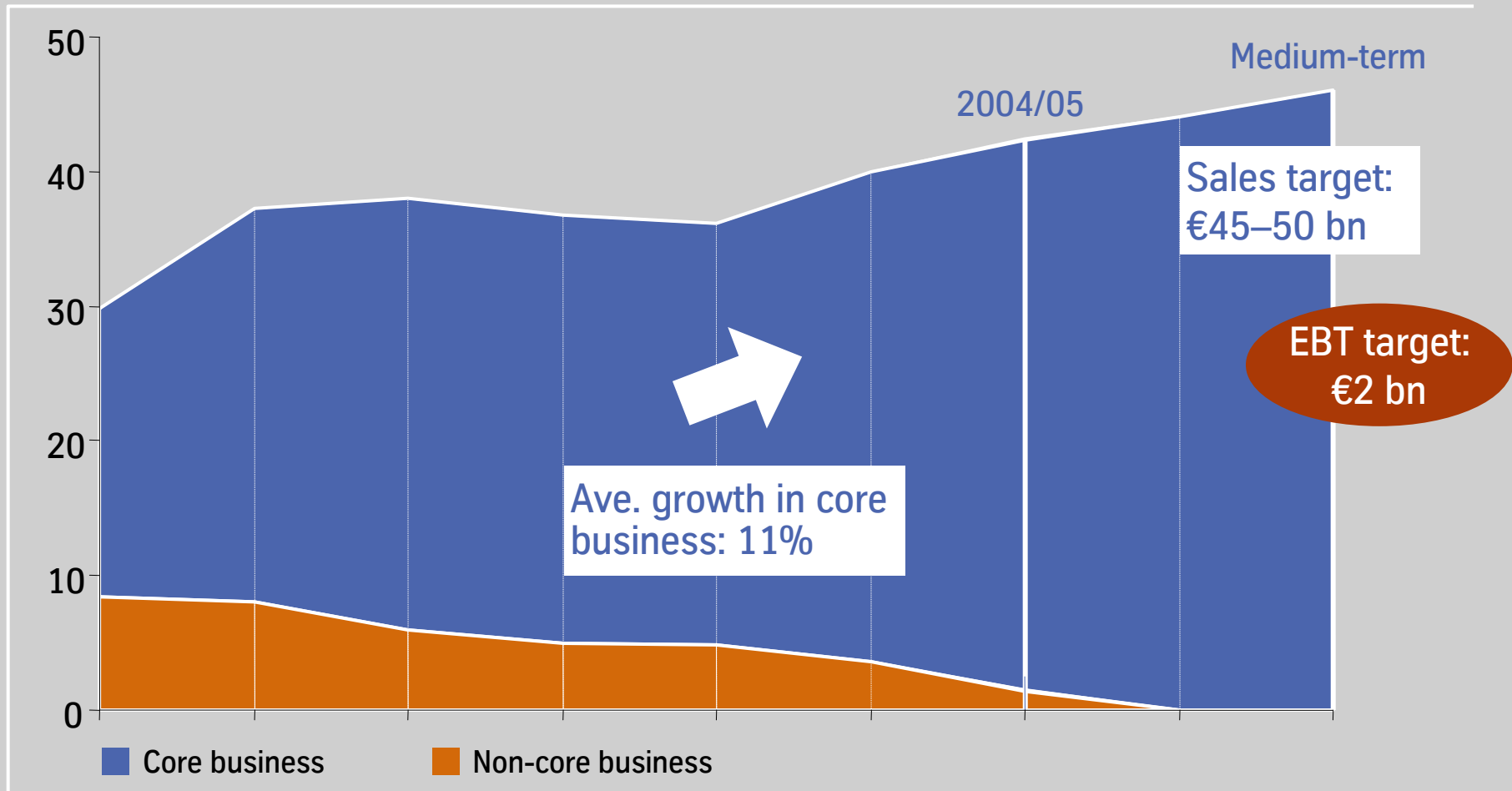
**Starting point → Merger Thyssen and Krupp**

\* core business

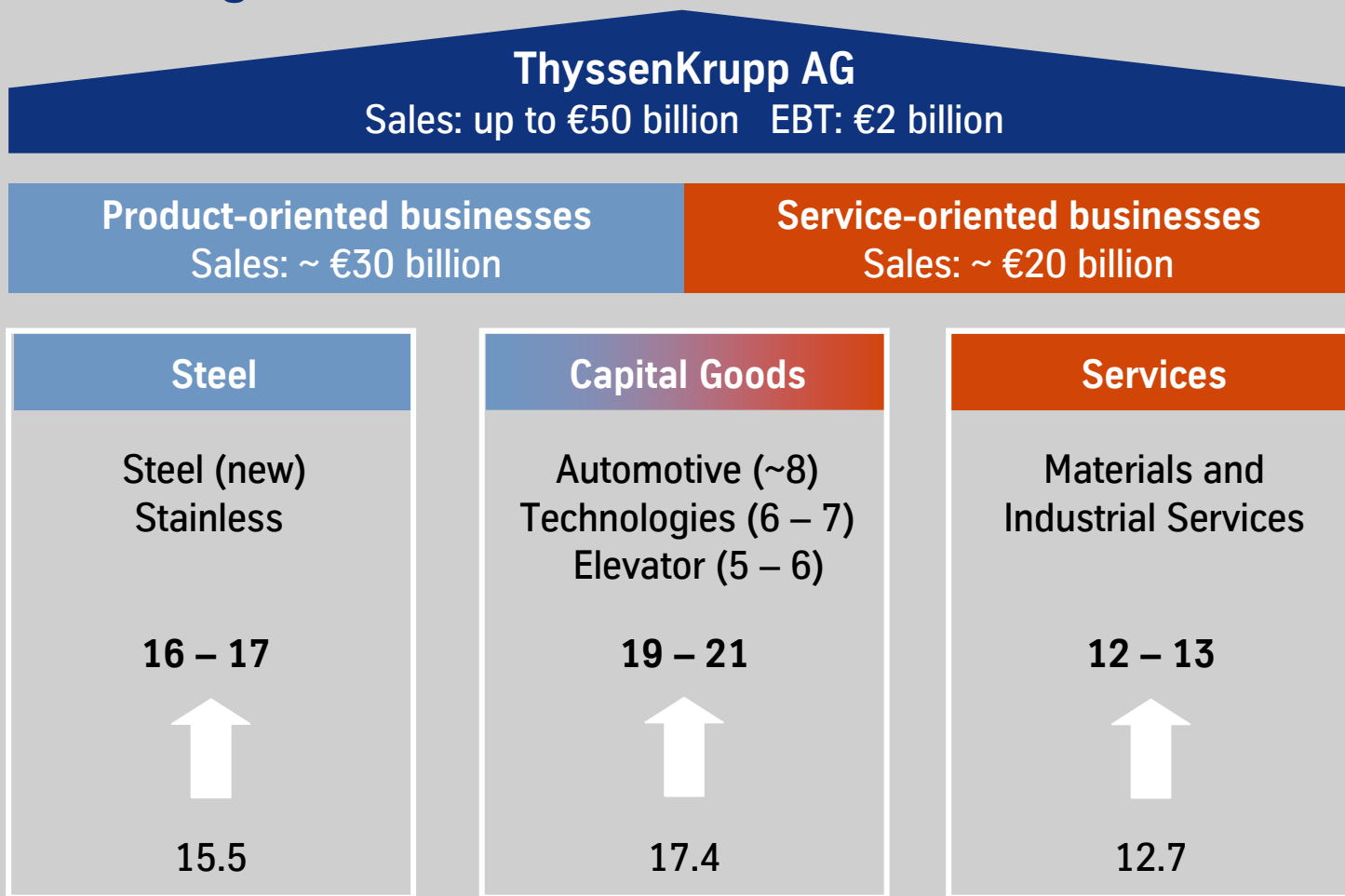


# Strategic Goals for the Future

Sales of €45–50 billion through disproportionate growth of core business



# Objective: Group With Sales of up to €50 billion and Sustainable EBT target of €2 billion



# Overview of Segment Business Strategies

<b>Steel</b>	<ul style="list-style-type: none"><li>• Expand strong European market position</li><li>• Secure growth opportunities by utilizing low-cost slabs from Brazil</li><li>• Strengthen presence in North America with focus on high-value products</li></ul>
<b>Stainless</b>	<ul style="list-style-type: none"><li>• Further 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>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>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>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>



## 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

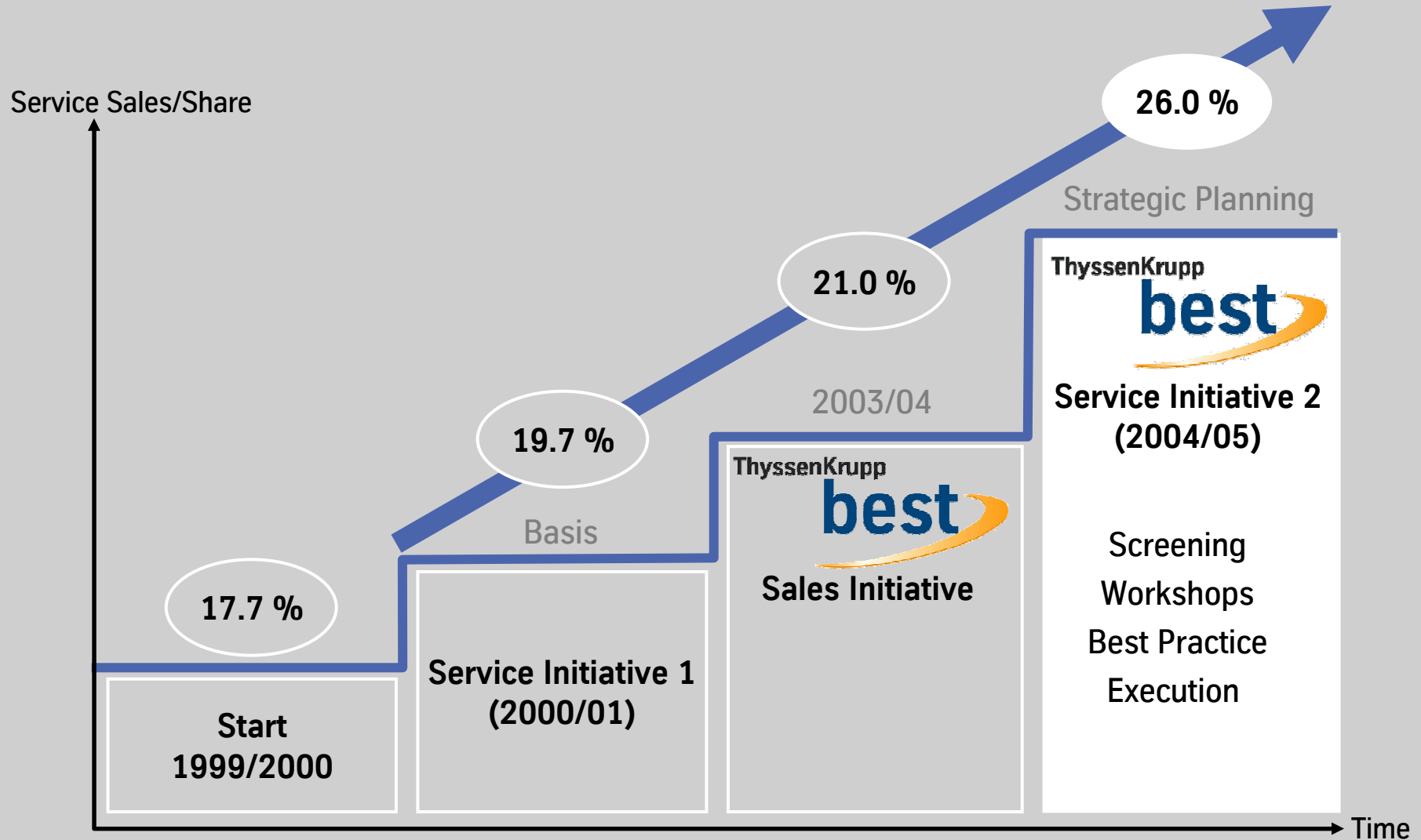
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- Make optimal use of potential within the Group

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# Service Initiative Gains Momentum



# Innovations Pave the Way to Success

## Elevator

ThyssenKrupp  
Innovation Award  
2003 (1st)

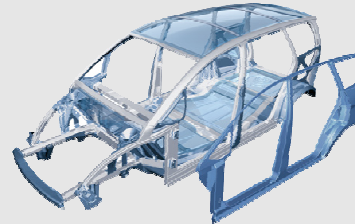
### TWIN® elevator



- 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)



# 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 2006

- March 14 and 15, 2006 ThyssenKrupp Field Day: Technologies and Elevator (Hamburg, Germany)
- April 25, 2006 to May 11, 2006 Quiet Period
- May 12, 2006 Interim Report 2nd quarter 2005/06 (Jan to Mar)
- 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 (Apr to Jun)  
Conference call with analysts and investors



## Financial Calendar 2006/2007

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- October 25, 2006 to November 30, 2006 Quiet Period

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  - December 1, 2006 Annual Press Conference  
Analysts' and Investors' Meeting (Essen, Germany)

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  - January 19, 2007 Annual General Meeting

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  - February 13, 2007 Interim Report 1st quarter 2006/07 (Oct to Dec)  
Conference call with analysts and investors

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## How to Contact ThyssenKrupp Investor Relations

### Institutional Investors and Analysts:

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- Fax: +49 211 824-36467
- E-mail: [ir@thyssenkrupp.com](mailto:ir@thyssenkrupp.com)
- Internet: [www.thyssenkrupp.com](http://www.thyssenkrupp.com)

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

# Appendix



# Planned Slab Plant in Brazil Creates Competitive Advantages

## Location

- Sepetiba, Brazil
- Link to ore logistics from Minas Gerais (CVRD South System ore mines)
- Rail connection and own dock

## Plant configuration



Capacity: 4.4 million t/a

## Startup

- Production of first slab mid-2008

## Competitive advantages

- High-quality secure ore supply
- Location advantages
- Modern, efficient technologies and processes
- Optimal logistics connection

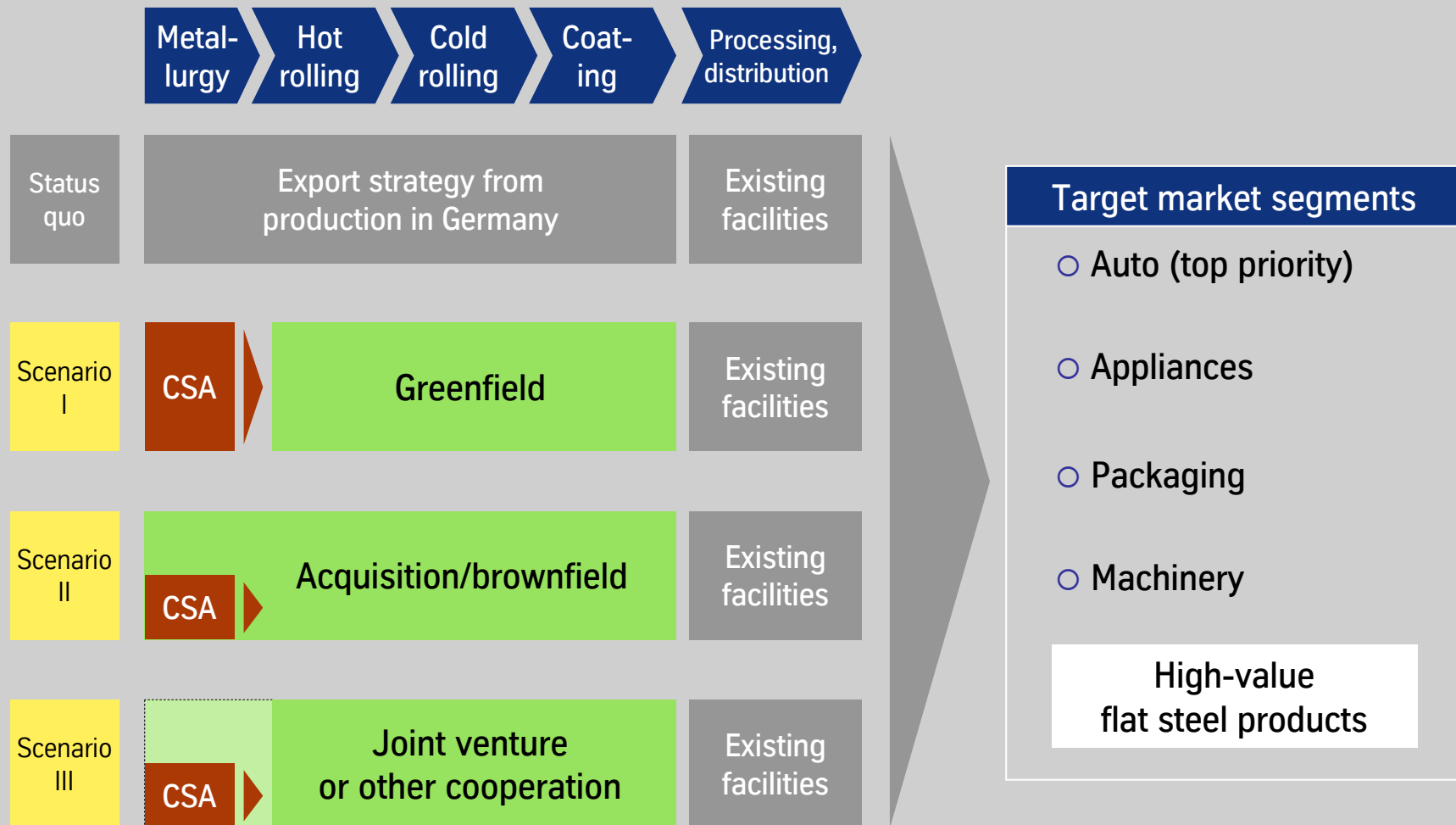
Outstanding cost position

**Low-cost slabs as ideal basis for further processing in North America**

(1) Investment by partner



# Downstream Strategy for North America Bases on Three Scenarios



## Disclaimer

In this presentation all figures are prepared in accordance with IFRS. Moreover the figures in the income statement refer to continuing operations unless otherwise stated.

**Due to the conversion process figures included here should be seen as provisional as the IASB may still enact provisions that could be applied retroactively. The audit of the restated figures will be in conjunction with the audit of the full financial statements under IFRS for the fiscal year ending September 30, 2006.**

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. ThyssenKrupp does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

