

Presentation ThyssenKrupp

February 2006

ThyssenKrupp



ThyssenKrupp Group 2004/2005

ThyssenKrupp AG

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

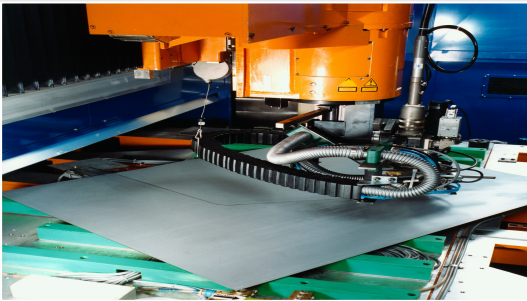
Steel	Stainless	Automotive	Technologies	Elevator	Services
<p>Sales: €9.6 bn EBT: €1,094 m Empl.: 31,576</p> <ul style="list-style-type: none"> • Steelmaking • Industry • Auto • Processing 	<p>Sales: €5.6 bn EBT: €286 m Empl.: 12,201</p> <ul style="list-style-type: none"> • Nirosta • Acciai Speciali Terni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

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



Steel – At a Glance

Steel



- European #2 in the area of flat-rolled carbon steel*, leading position in electrical steel and tailored blanks
- Structure of Duisburg site unique in Europe: capacity 17.3 million metric tons of crude steel per year
- Concentration on flat steel products with high value-added
- Targeting quality and margin leadership in Europe through portfolio optimization, investment policy and efficiency enhancement
- Highly innovative in products and processes
- Further strengthening of international presence with production sites in the global growth markets as well as strategic alliances and cooperative ventures

* production / latest figures available



Stainless – At a Glance

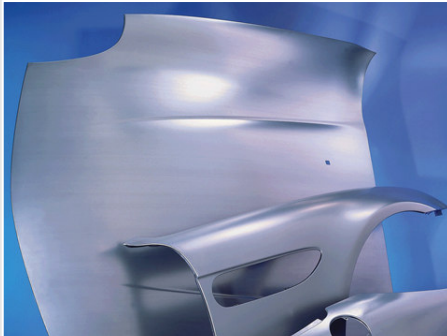
Stainless



- One of the world's biggest producers of flat-rolled stainless steels and leading position in nickel-base alloys
- Global market presence through local production sites, steel service centers or distribution warehouses
- Full range of stainless, acid- and heat-resistant steels (added value for customers)
- Concentration on high-quality stainless steel products
- Systematic focus on customers expressed in strong delivery performance and consideration of individual customer needs
- Development and expansion of high-profit growth markets in Asia, North America and Eastern Europe

Capital Goods – At a Glance (I)

Automotive



- Aim for position amongst relevant Top 3 players
- Streamlining of portfolio and eliminating underperforming businesses
- Strong focus on Asia, especially China and India, to balance customer structure
- Providing creative solutions based on competitive and innovative component capabilities
- High competence in product and process technologies
- Cross segment cooperation and joint product development

Capital Goods – At a Glance (II)

Technologies



- Portfolio with strong regional and global market positions
- High technological competencies throughout product portfolio
- Engineering companies with leading positions 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

Capital Goods – At a Glance (III)

Elevator



- No. 3 on world market
- More than 800,000 service contracts worldwide
- Services share of segment sales bigger than 50%
- Continuing growth through further acquisitions and even stronger focus on services
- Increase market share globally and locally, especially in Asia and Eastern Europe
- Focus on customer and technology orientation with full range of products and services from single source

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)

13 Portfolio Optimizations in 2005/2006

Steel

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

Technologies

Atlas Elektronik (DE)*** **Acquisition⁺**

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⁺**

Krupp Druckereibetriebe (DE) **Disposal**

Standardkessel (CH) **Acquisition**

Hearn Group (CA) **Acquisition**

Metalfast (GB) **Acquisition**

VPK Metal (CA) **Acquisition⁺**

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

⁺ closing not yet completed



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 ✓

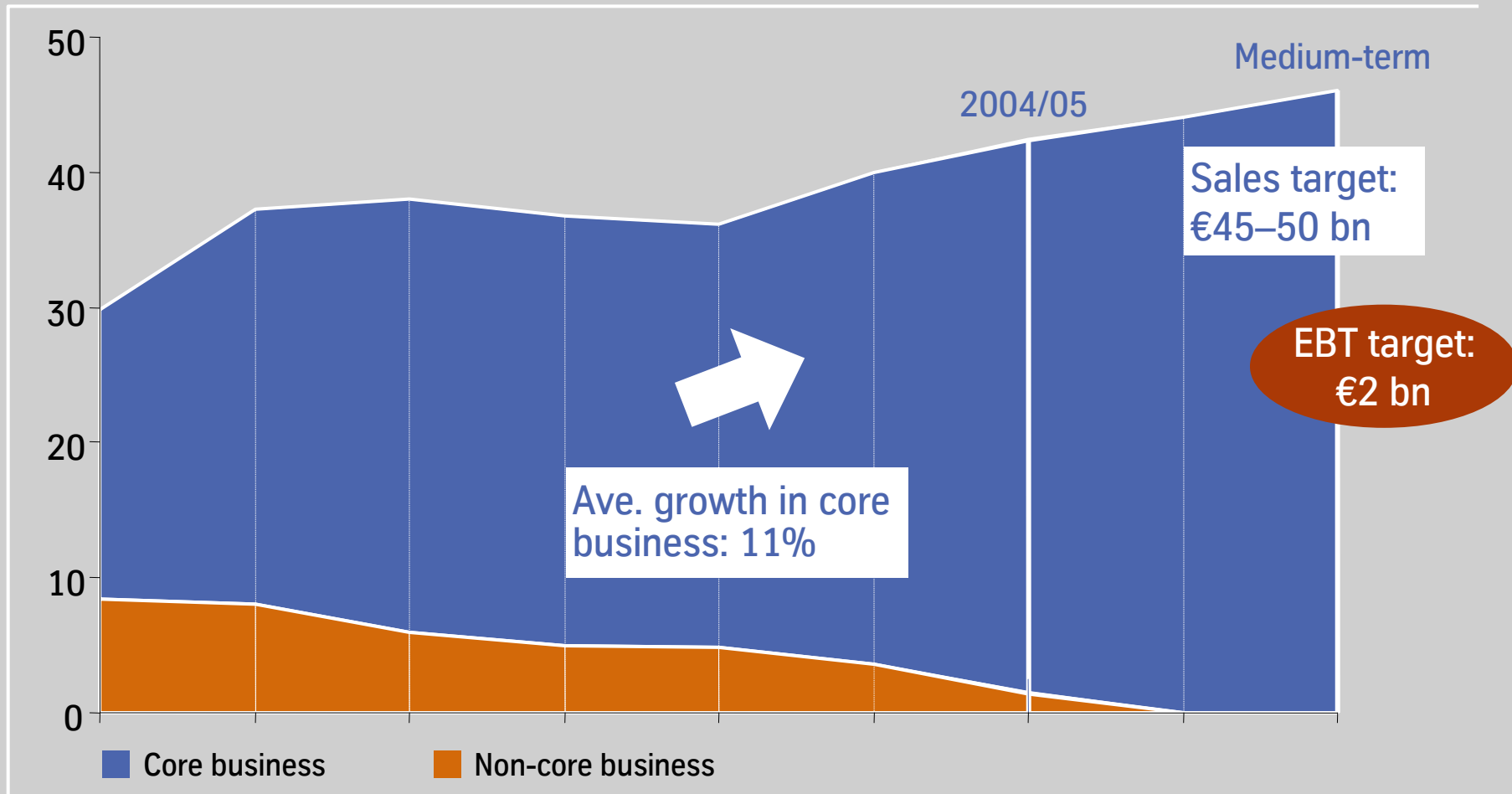
Starting point → Merger Thyssen and Krupp

* core business

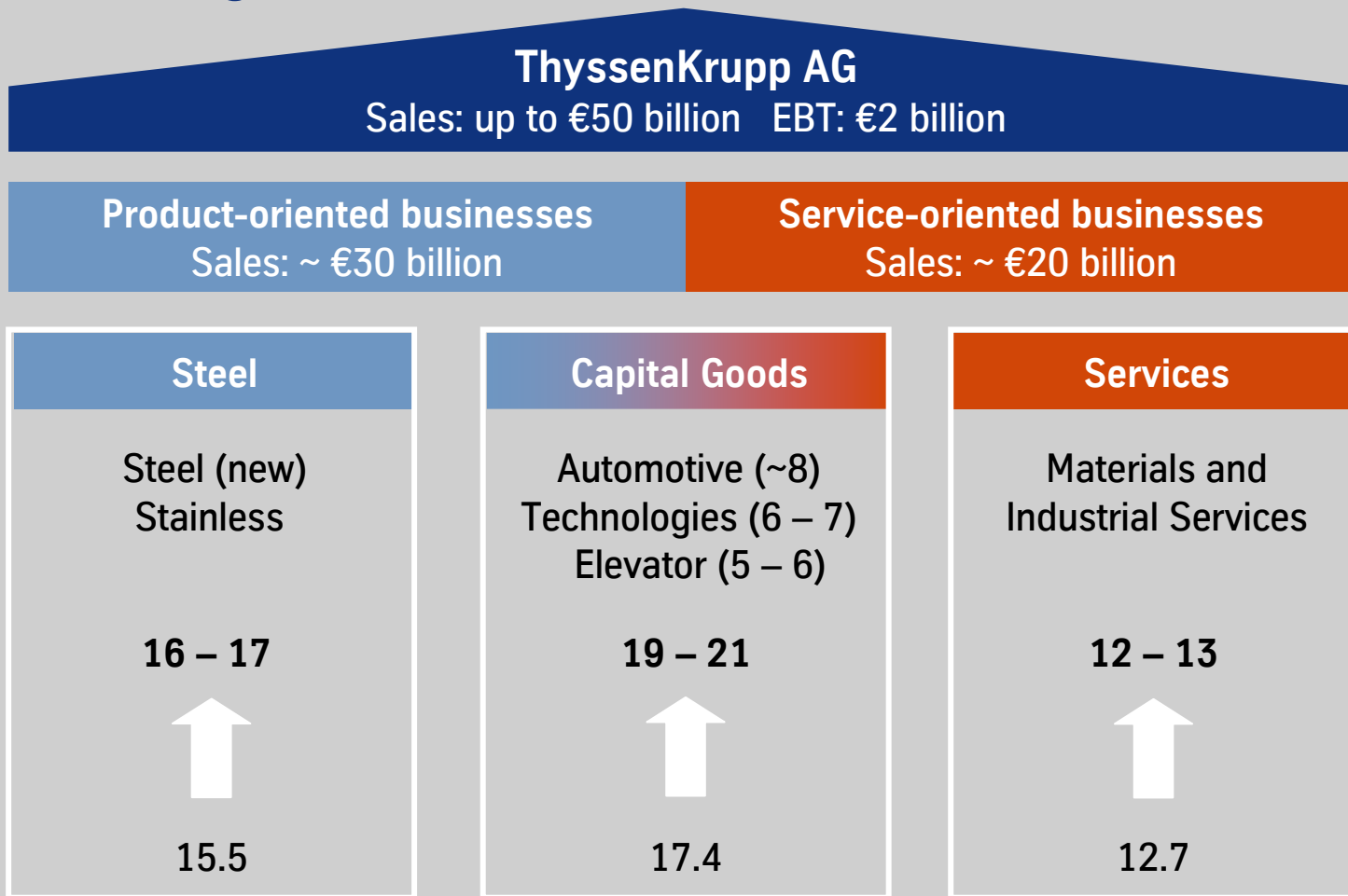


Strategic Goals for the Future

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

Steel	<ul style="list-style-type: none">• Expand strong European market position• Secure growth opportunities by utilizing low-cost slabs from Brazil• Strengthen presence in North America with focus on high-value products
Stainless	<ul style="list-style-type: none">• Further growth through downstream strategy• Secure world market leadership
Automotive	<ul style="list-style-type: none">• Focus on innovative components and systems/solutions based on them• Growth in Asia, in particular China
Technologies	<ul style="list-style-type: none">• Focus on three high-performance BUs Plant Technology, Marine Systems and Mechanical Engineering
Elevator	<ul style="list-style-type: none">• Organic growth and operational acquisitions• Strive to achieve no. 2 ranking on world market
Services	<ul style="list-style-type: none">• Growth through integrated services (material and industrial services) across customer value chains• Regional growth focused on Eastern Europe and North America



Strategic Key Points

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

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

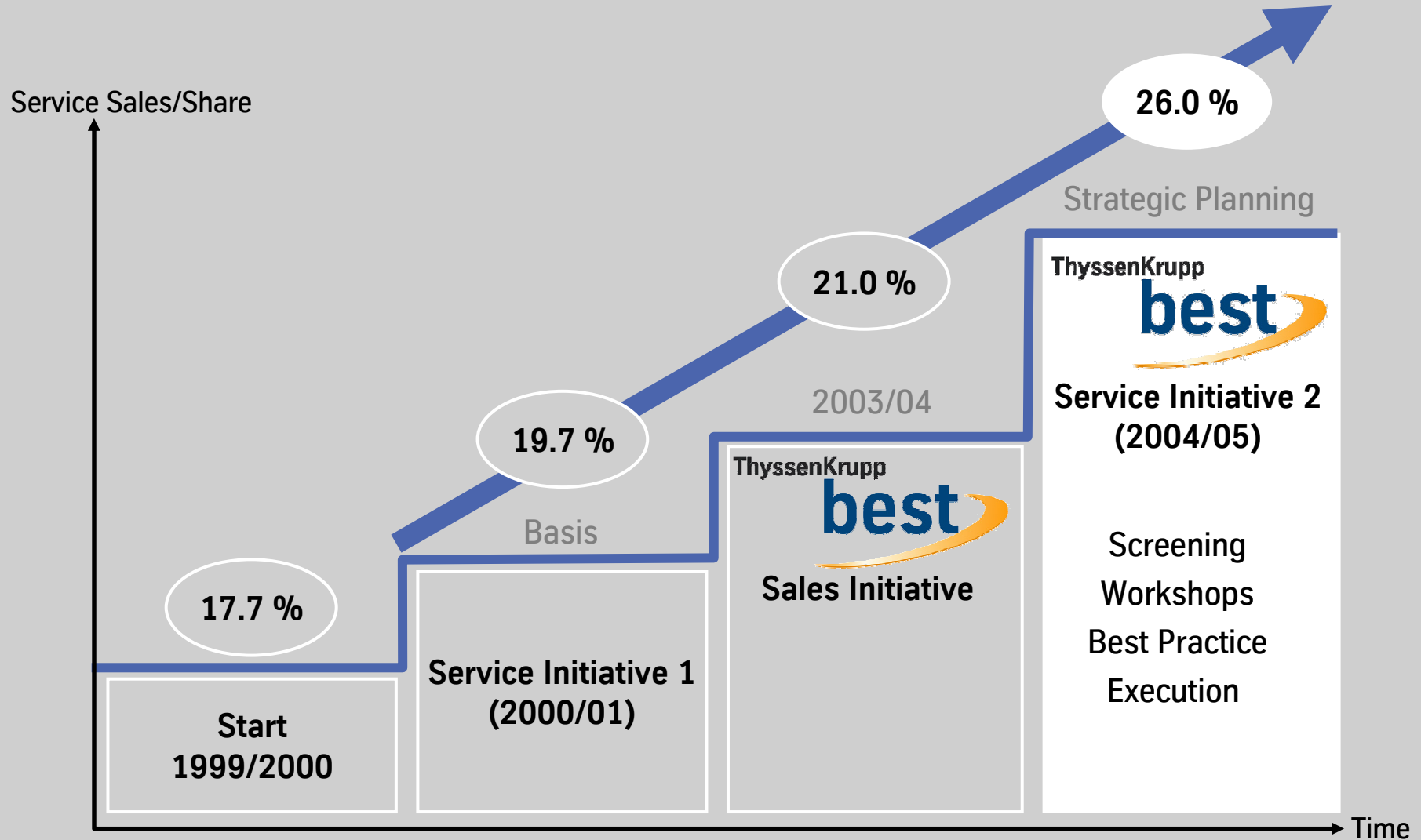
- Strengthen customer and service orientation

- Expand technological and innovative capabilities

- Make optimal use of potential within the Group



Service Initiative Gains Momentum



Innovations Pave the Way to Success

Elevator

*ThyssenKrupp
Innovation Award
2003 (1st)*

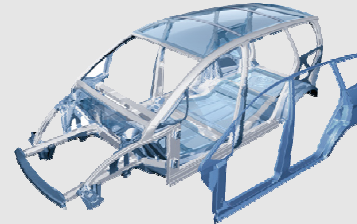
TWIN® elevator



- 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



- 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
Innovation Award
2004 (1st)*

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

*ThyssenKrupp
Innovation Award
2004 (2nd)*

Technologies

EnviNOx®



- Reduction in greenhouse gases through almost complete elimination of harmful nitrogen oxides (NOx) and laughing gas (N₂O)
- First large-scale implementation completed in Linz, Austria (2003)

*ThyssenKrupp
Innovation Award
2005 (1st)*



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

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

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

- **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

- **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



Outlook

- 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.

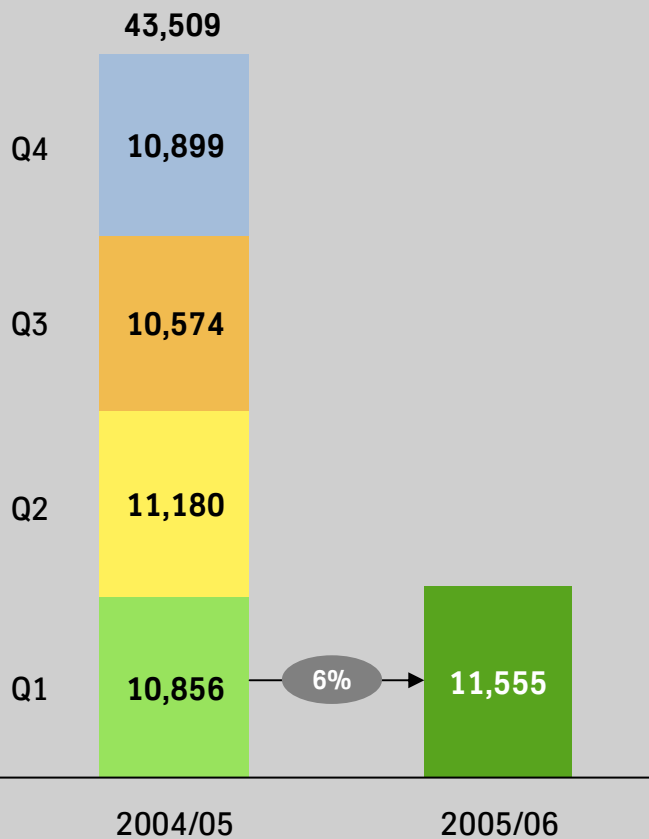
As published in the Interim Report on the 1st quarter 2005/06, p. 17, February 13, 2006



Group in Figures (I)

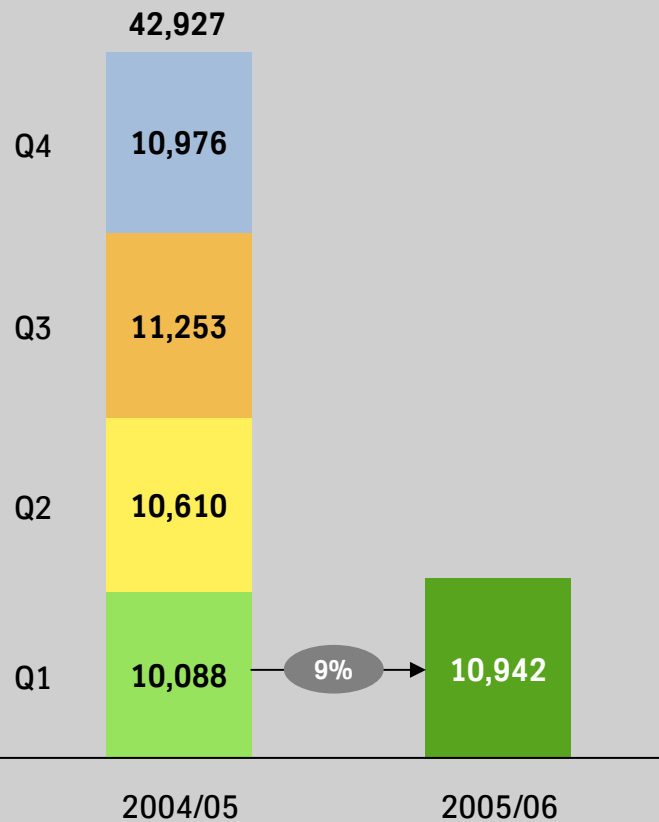
Order intake

million €



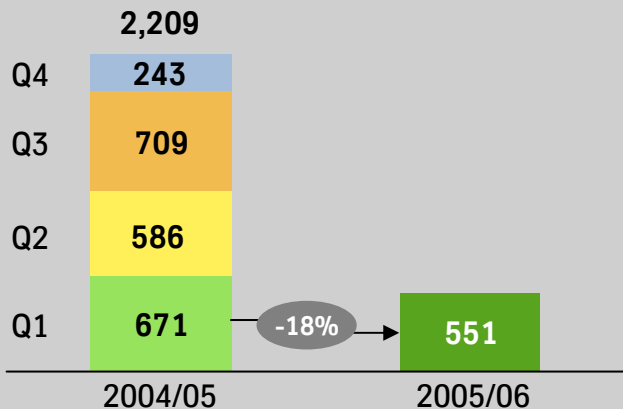
Sales

million €

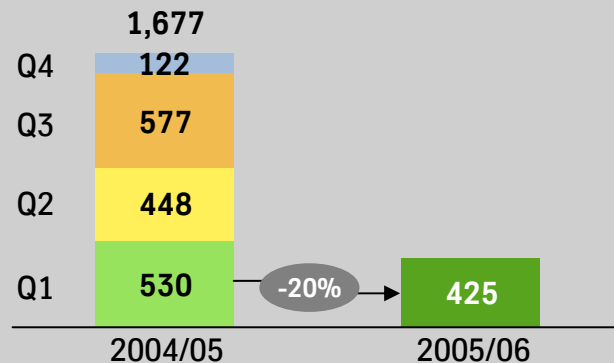


Group in Figures (II)

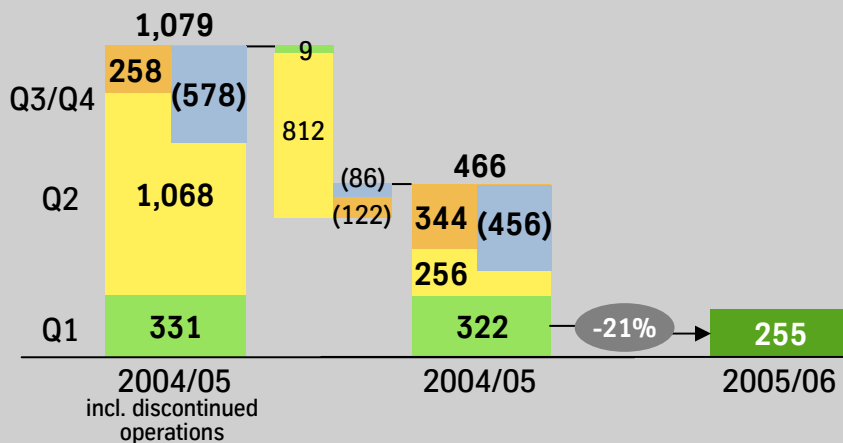
EBIT million €



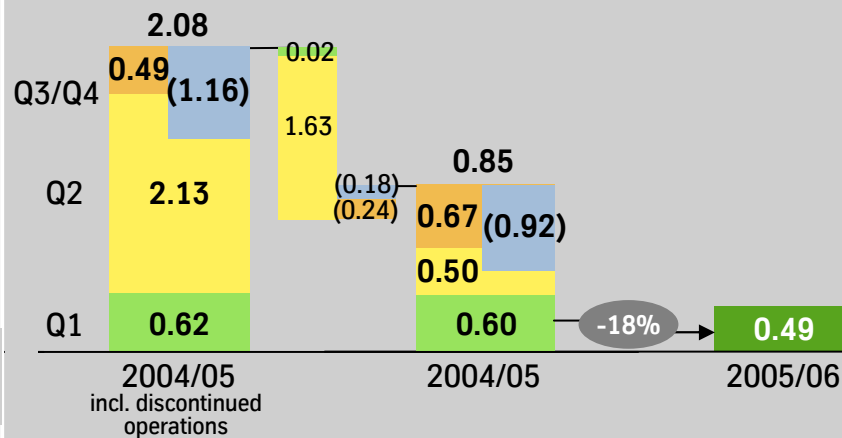
EBT million €



Net income million €



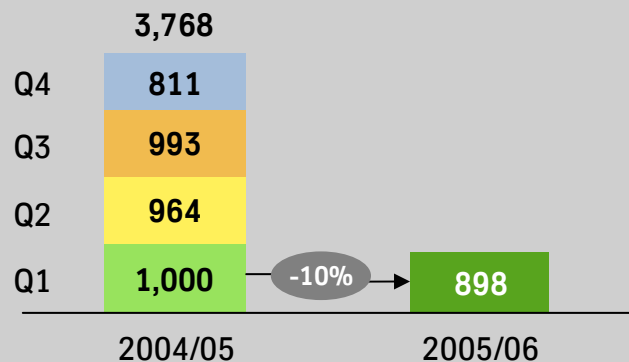
Earnings per share €



Group in Figures (III)

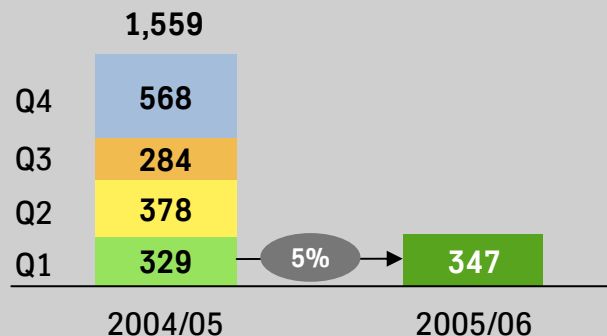
EBITDA

million €



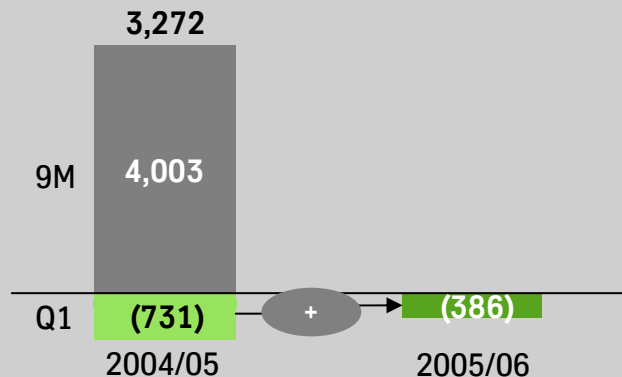
Depreciation and amortization

million €



Free cash flow*

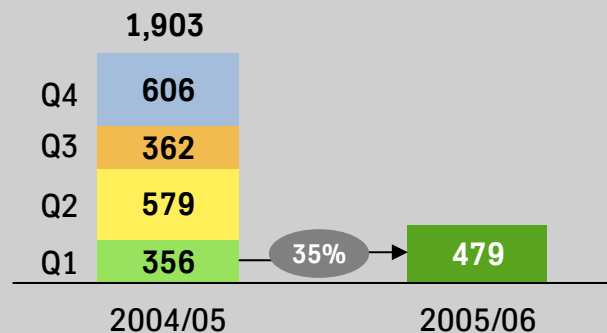
million €



* figures not adjusted for discontinued operations

Capital expenditures*

million €



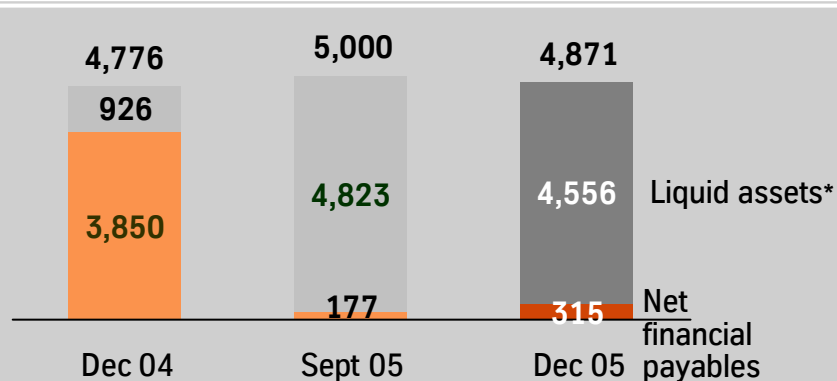
* incl. financial investments; figures not adjusted for discontinued operations



Group in Figures (IV)

Financial liabilities

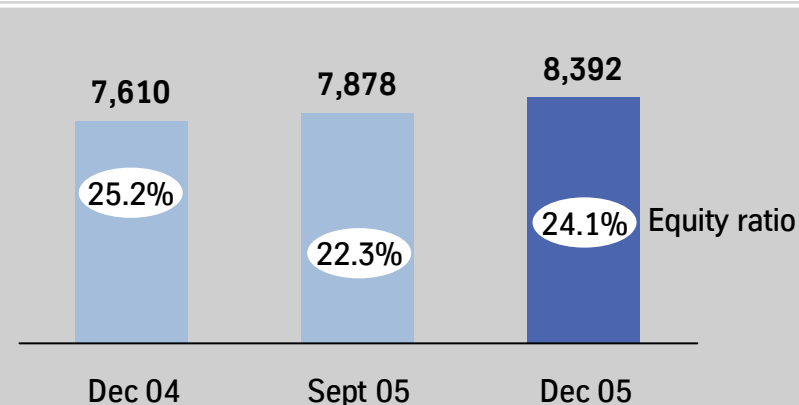
million €



* cash and cash equivalents, marketable securities

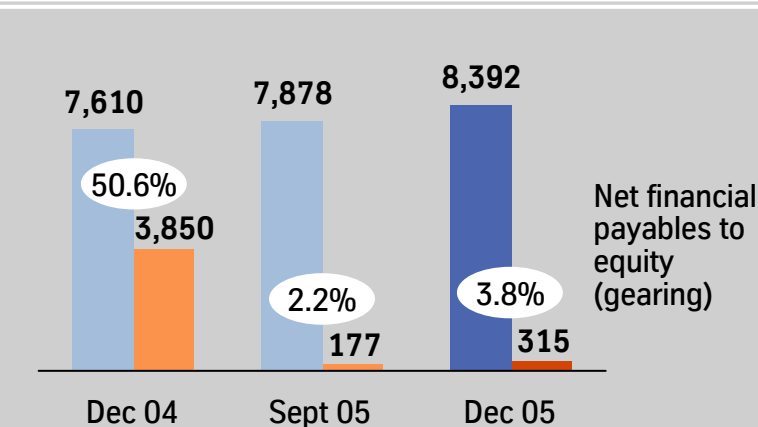
Stockholders' equity

million €



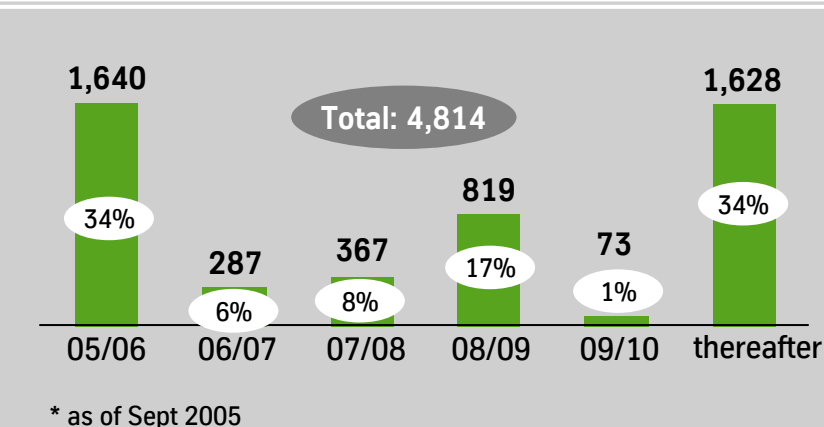
Gearing

million €



Maturity profile of gross financial payables*

million €



* as of Sept 2005



Conclusion

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

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

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



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
 - December 1, 2006 Annual Press Conference
Analysts' and Investors' Meeting (Essen, Germany)
 - January 19, 2007 Annual General Meeting
 - February 13, 2007 Interim Report 1st quarter 2006/07 (Oct to Dec)
Conference call with analysts and investors
-



How to Contact ThyssenKrupp Investor Relations

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- Fax: +49 211 824-36467
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- Internet: 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

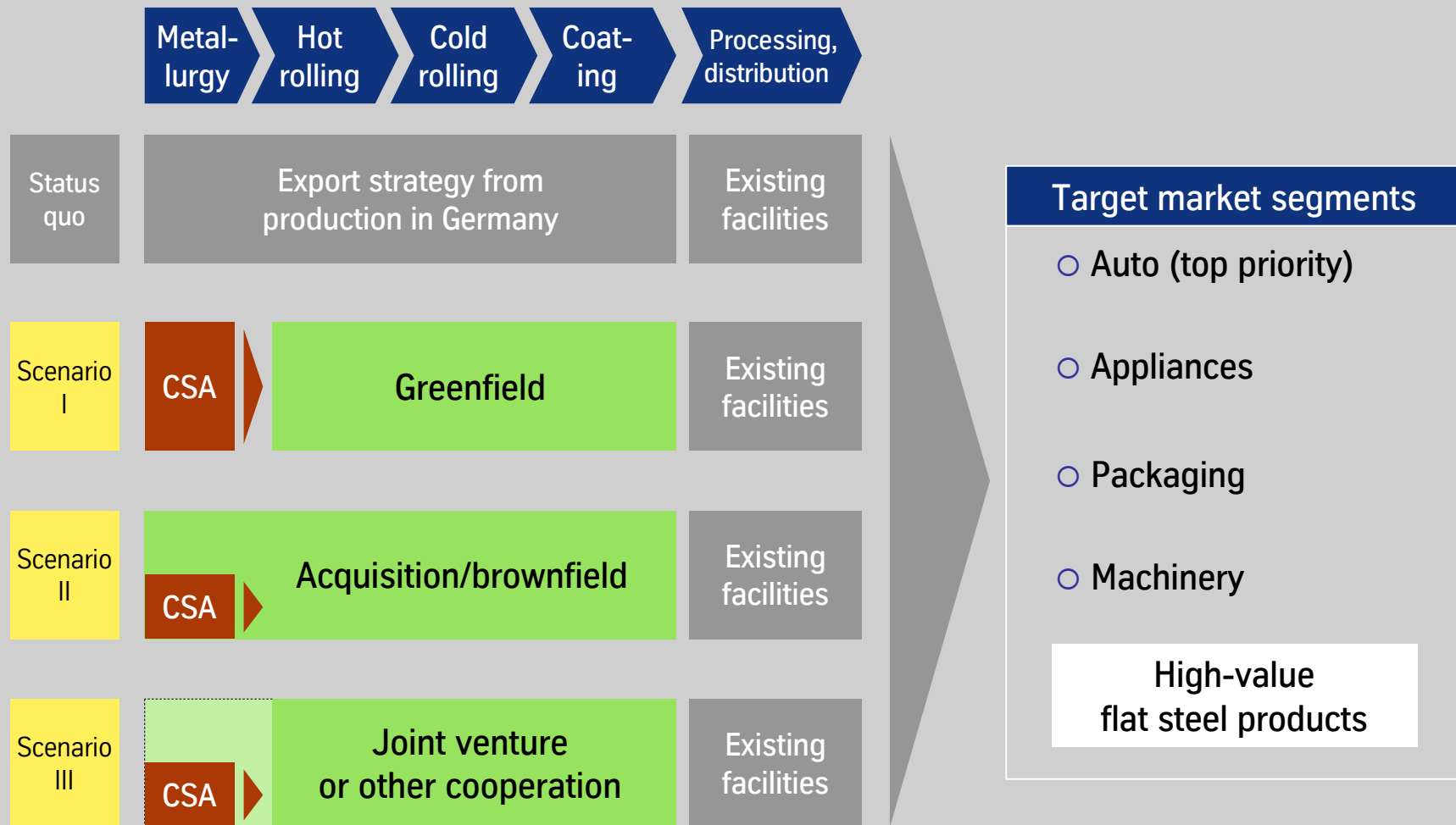
Outstanding cost position

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.

