

Presentation ThyssenKrupp

December 2004

ThyssenKrupp



ThyssenKrupp Group 2003/2004

ThyssenKrupp AG

Group sales (consolidated): €39.3 billion • EBT (consolidated): €1,580 million • Employees: 184,358

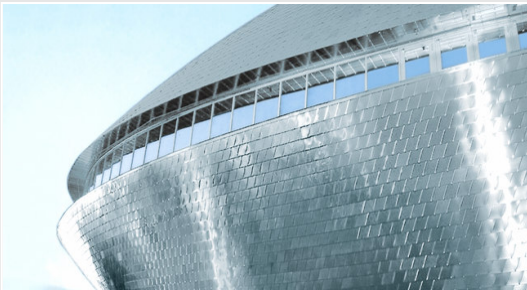
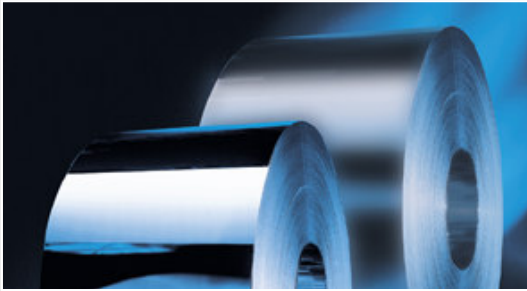
Steel	Automotive	Elevator	Technologies	Services
<p>Sales: €13.7 bn EBT: €911 m Employees: 46,630</p> <ul style="list-style-type: none"> • Carbon Steel • Stainless Steel • Special Materials 	<p>Sales: €7.3 bn EBT: €288 m Employees: 43,491</p> <ul style="list-style-type: none"> • Chassis • Body • Powertrain 	<p>Sales: €3.6 bn EBT: €370 m Employees: 31,658</p> <ul style="list-style-type: none"> • 5 regional Business Units • Passenger Boarding Bridges • Accessibility 	<p>Sales: €5.1 bn EBT: €67 m Employees: 27,803</p> <ul style="list-style-type: none"> • Production Systems • Plant Technology • Marine • Mechanical Engineering • Transrapid 	<p>Sales: €11.9 bn EBT: €271 m Employees: 33,469</p> <ul style="list-style-type: none"> • MaterialsServices Europe • MaterialsServices North America • Industrial Services • Special Products
Steel	Capital Goods			Services

Inter-segment sales unconsolidated; employees as at Sept 30, 2004



Steel – At a Glance

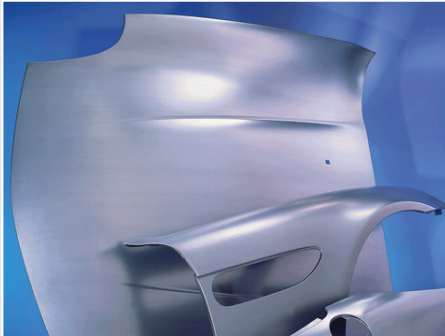
Steel



- European No. 2 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
- Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg
- 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)

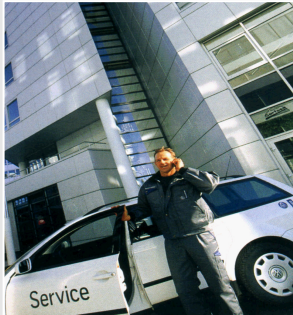
Automotive



- 80% of sales from Top 3 positions
- Sales growth to €8-10 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)

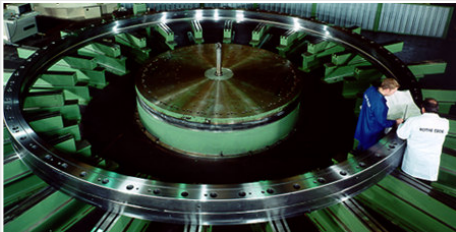
Elevator



- No. 3 on world market, top global market positions
- More than 750,000 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
- 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

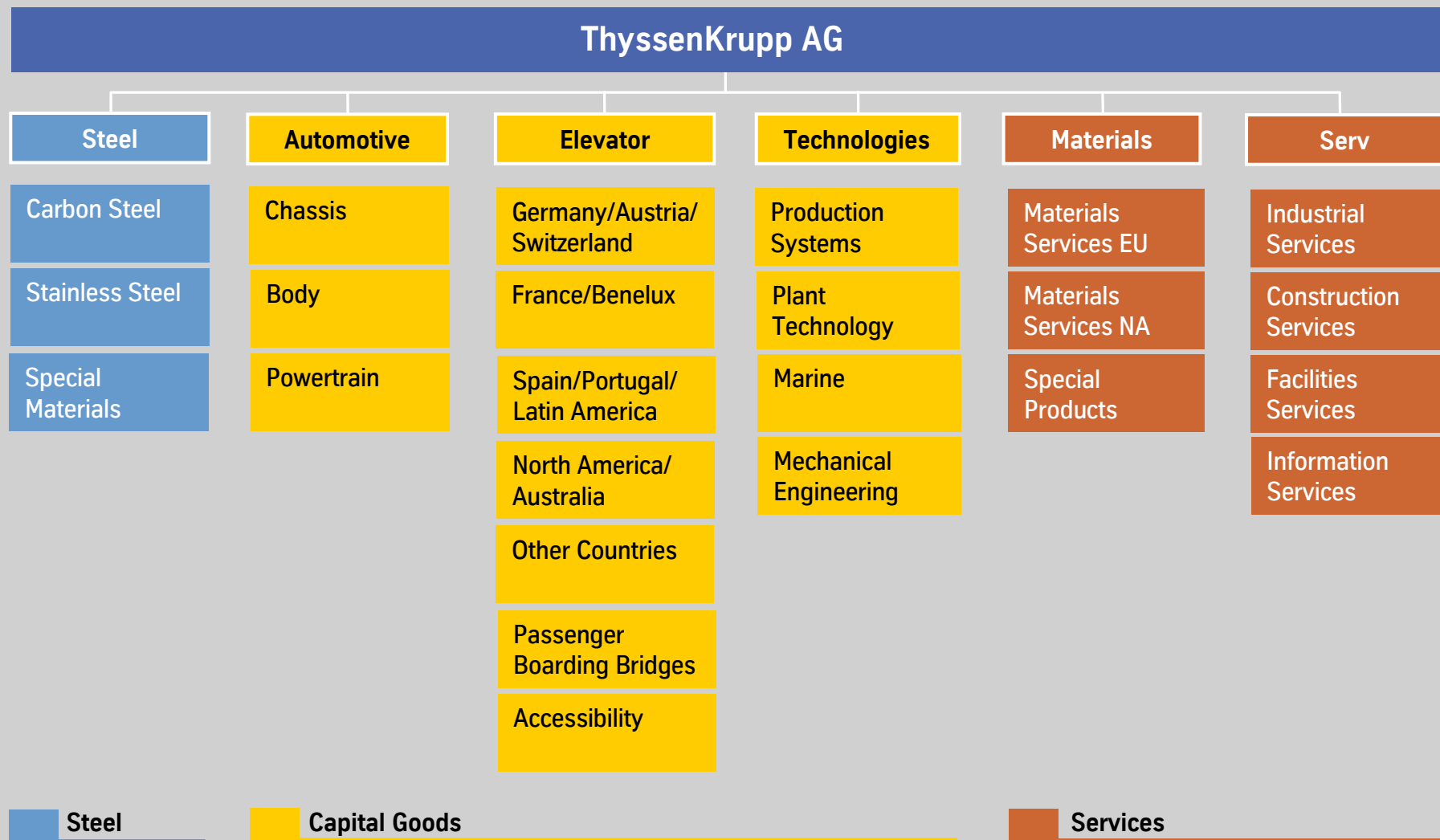
Services – At a Glance

Services

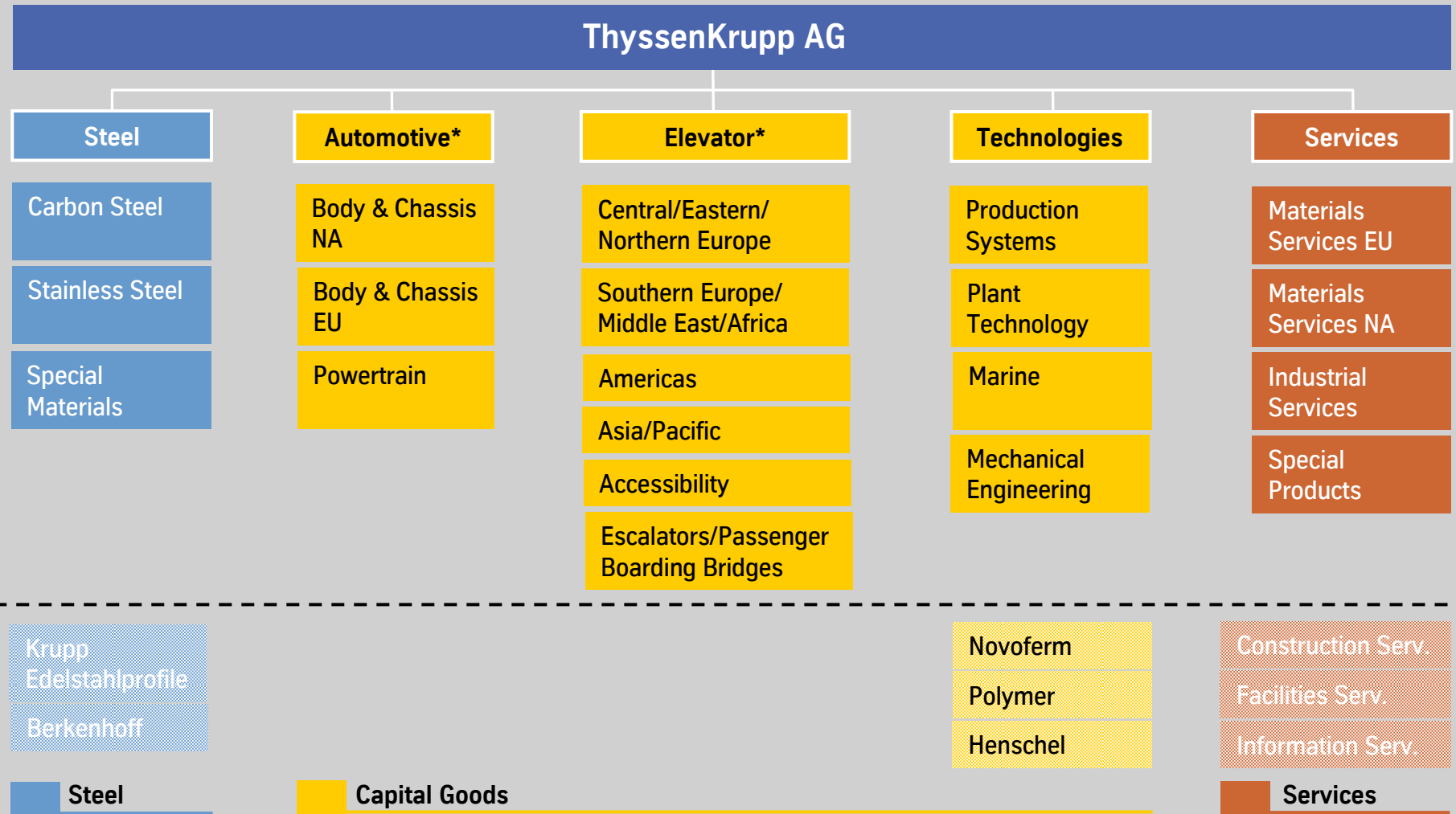


- Service provider across the customer's value chain – procurement, logistics and production-related services through to supply chain management
- Excellent market positions both in Materials Services and in Industrial Services
- Goal to increase share of high-end Services – residual business serves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

ThyssenKrupp Group as of October 2002



ThyssenKrupp Group as of October 2004



* new business unit structure as from Oct 2004



Portfolio Optimizations in 2003/04

Steel

Cipros [minority interest] (I)	Acquisition
GalvaSud (BR)	Disposal
Röhrenwerke Fuchs (D)	Disposal**
SWB (D)	Disposal
Krupp Edelstahlprofile (D)	Disposal
Berkenhoff (D)	Disposal

Automotive

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

Elevator

Dong Yang Elevator (South Korea)	Acquisition
Elevator Service 1 (Singapore)	Acquisition
Bonfedi (I)	Acquisition
Elevator Technologies (N. Zealand)	Acquisition
Whitaker Company (USA)	Acquisition

Technologies

Novoferm (D)	Disposal
Sheffield Automation [Measuram.] (USA)	Disposal
Foundry [Giddings&Lewis] (USA)	Closure
Inventa-Fischer (CH)	Acquisition

Services

Triaton Group (D)	Disposal
TRT (D)	Unwinding
Facilities Services (D)	Disposal
Sievering (D)	Disposal

Real Estate

tk3 (CH)	Disposal
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* 25.2% / ** closing not yet completed



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
Total	21	€ 2,377m	€(7) m	€505 m	€179 m	12,654
Subsequent Events	-	-	-	-	-	-

* incl. non-consolidated entities / ** when company was disposed of

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
Real Estate	1,752	7.5	9.5	4.0	4.9	(63)	(46)	17

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

* average 2003/04
 ** incl. discontinued operations



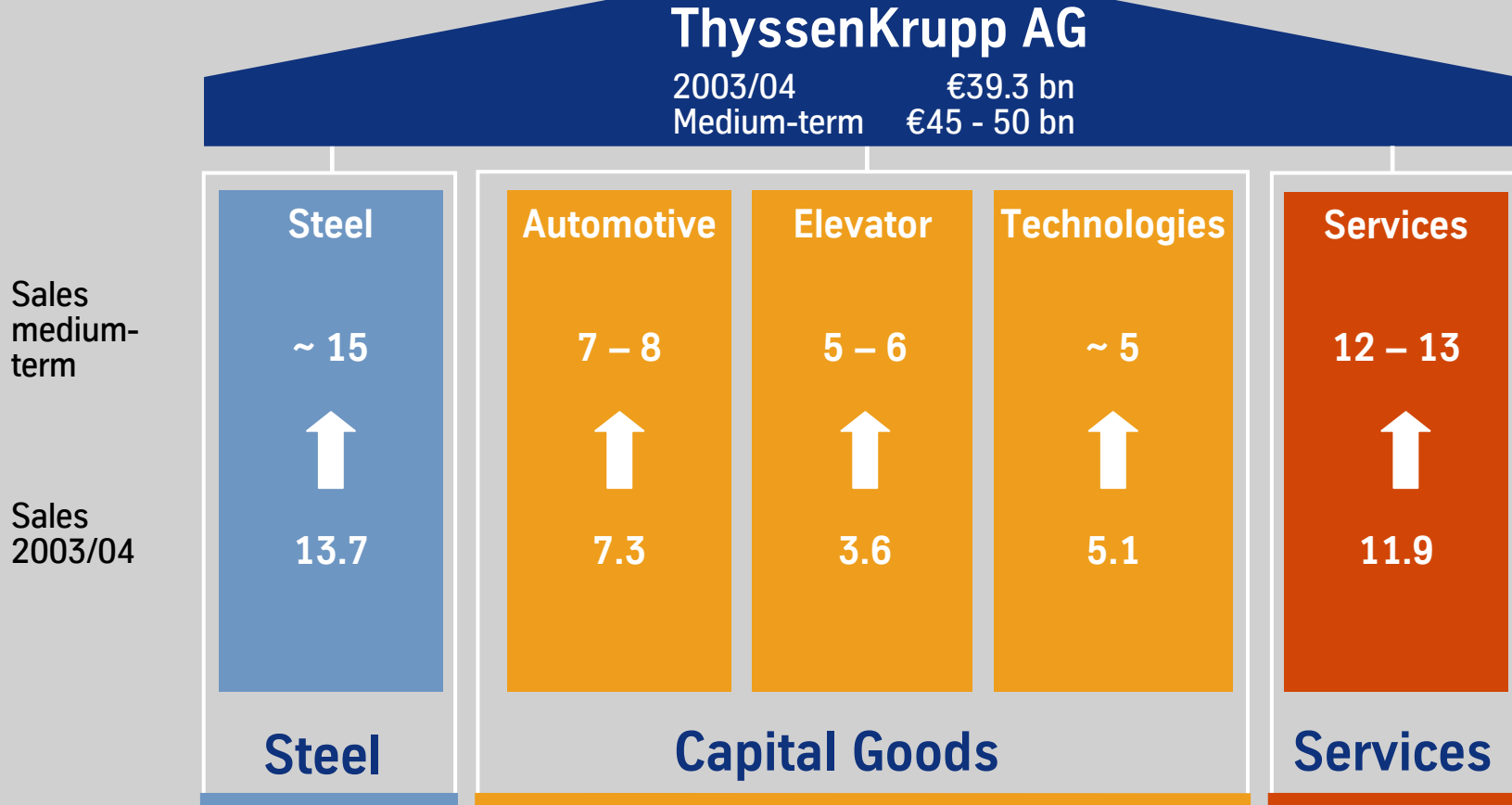
Strategic Areas of Emphasis

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



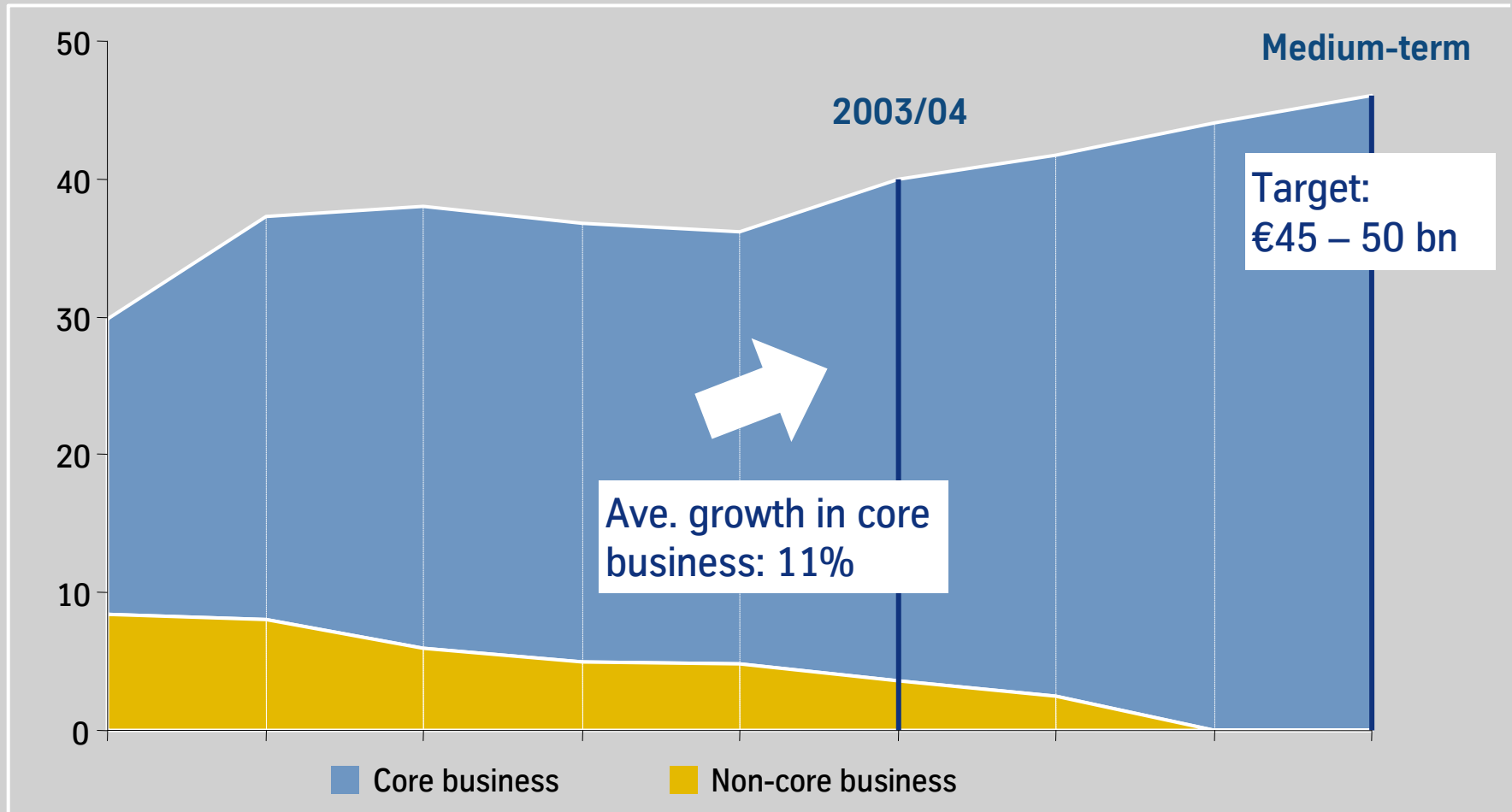
Strategic Objectives for the Future (I)

Sales in € m



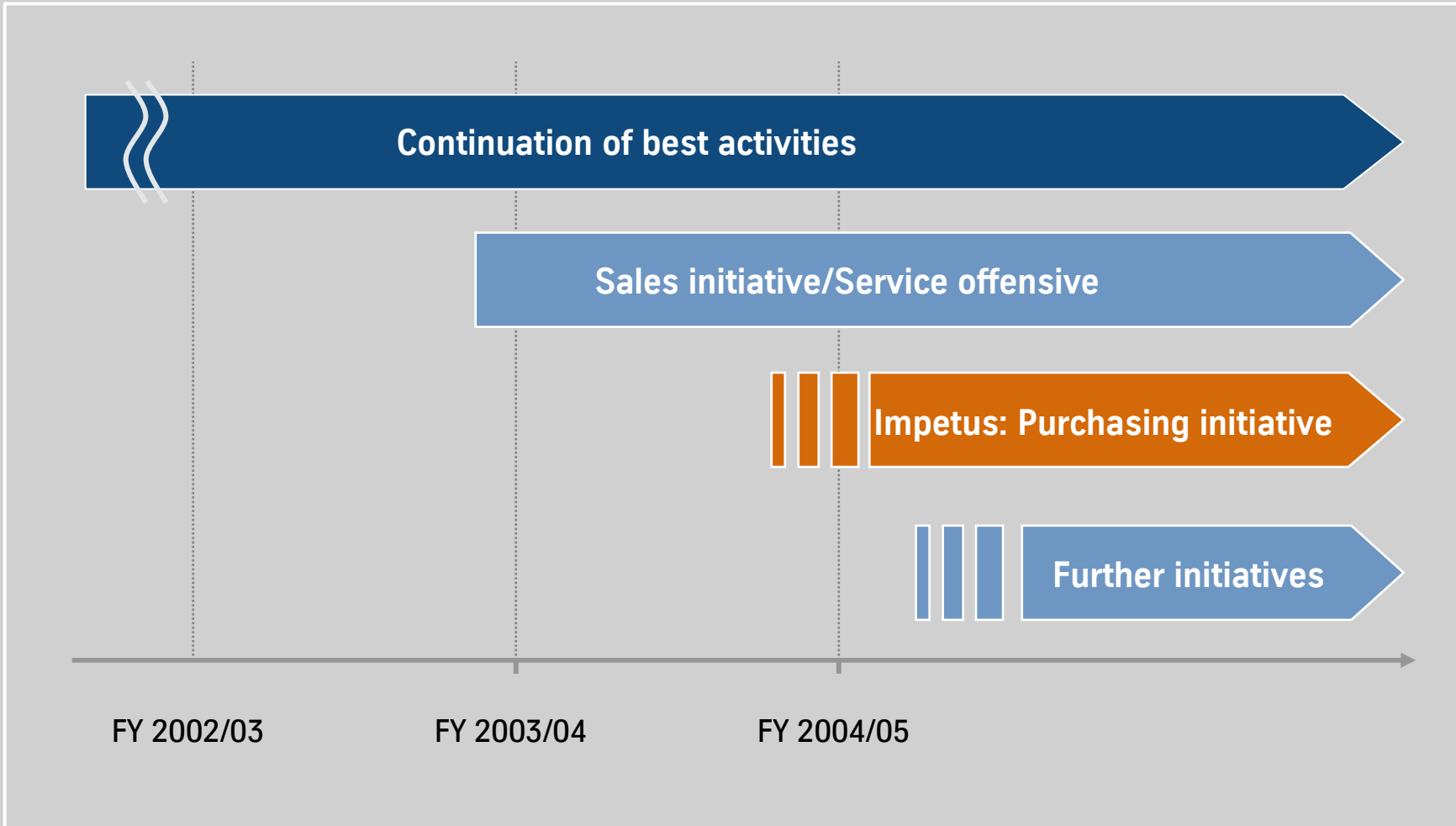
Strategic Objectives for the Future (II)

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



New Impetus: Purchasing Initiative

Systematic methodological development of best

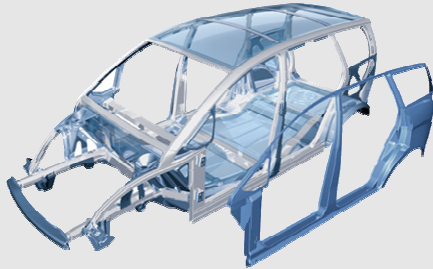


Innovations Pave the Way to Success

Steel

Automotive

NSB® NewSteelBody



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

Elevator

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

Strategic Key Points

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



FY 2003/04 – Best Performance Ever

- **Value generation across all major segments**
 - EVA of €572 million compared to €-352 million in FY 2002/03
- **EBT from continuing operations doubled to €1.580 billion**
 - Driven by strong TK Steel performance; EBT grew to €911 million (€439 million)
- **Net income (incl. discontinued operations) jumped to €904 million (€552 million)**
 - Earnings per share up to €1.81 (€1.09)
- **Net debt significantly down by €1.4 billion to €2.8 billion per September 30th**
 - Gearing improved to 34% from 55%
- **Proposal to increase dividend to €0.60 per share from €0.50 per share**



FY 2003/04 – Highlights

Strong performance as the result of...

- successful execution of our strategy to focus on Steel, Capital Goods and Services
- numerous efficiency enhancement programs, predominantly TK best
- strong global demand for steel products

...and despite...

- significant price hikes for raw materials and energy
- adverse regulatory effects



Outlook

- Assuming no distortions on the raw material and currency markets, our aim for 2004/2005, despite the signs of a slowdown of the global economy, is to maintain the very good level of pre-tax earnings achieved in 2003/2004. This does not include the effects of disposals.

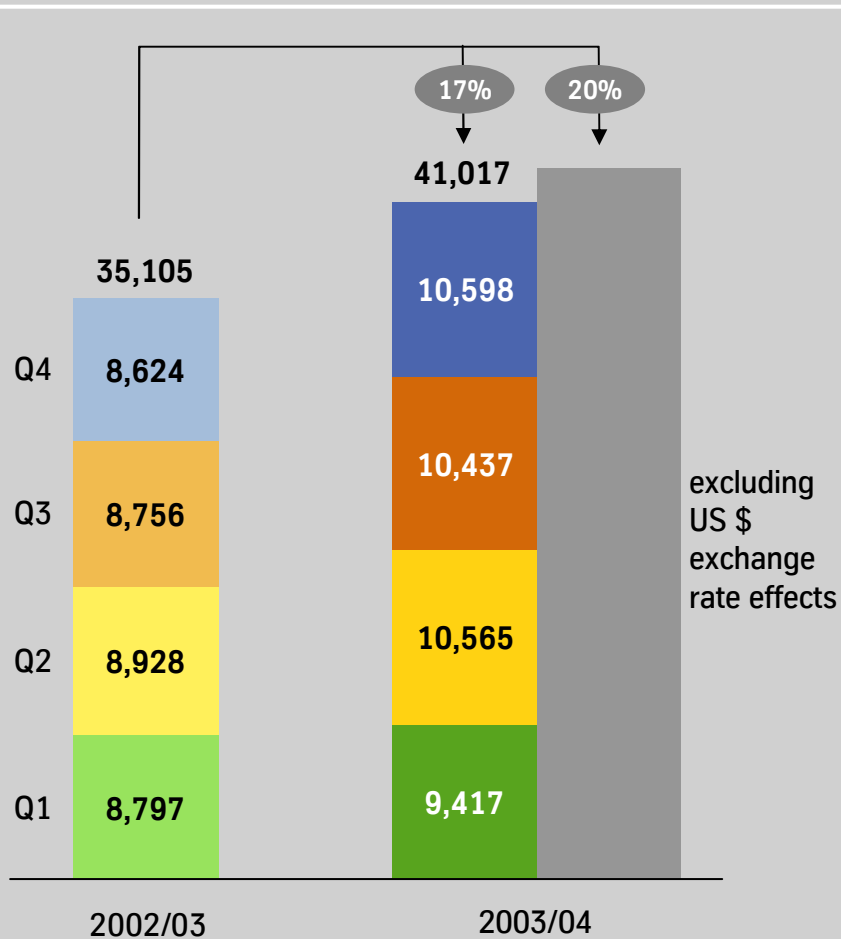
- We will continue to pay a dividend based on our earnings performance.



Group (I)

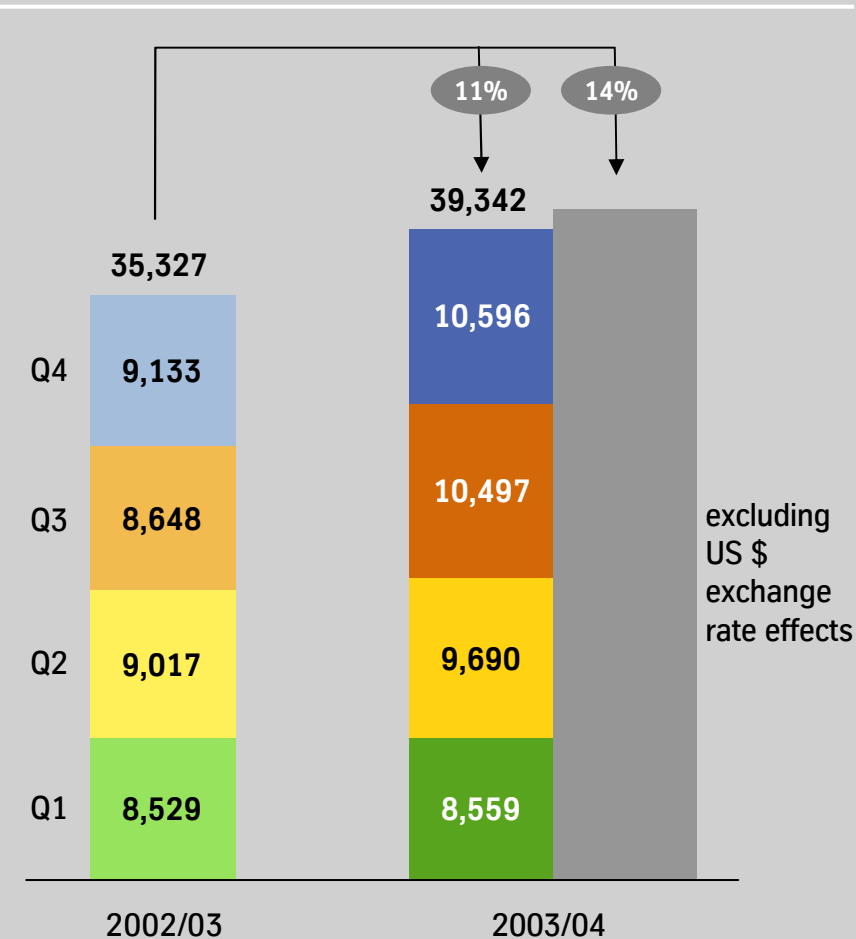
Order intake

million €



Sales

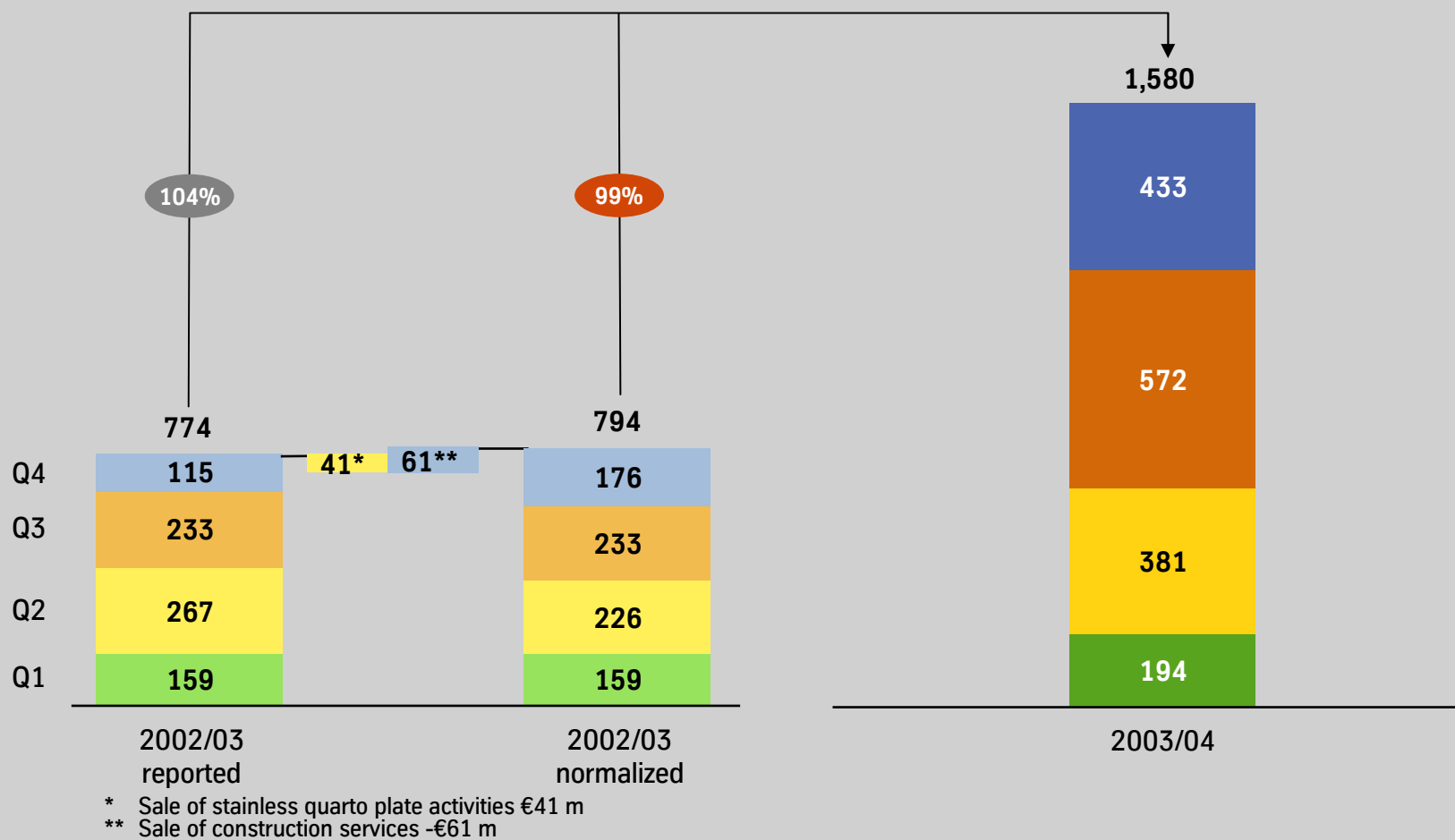
million €



Group (II)

EBT

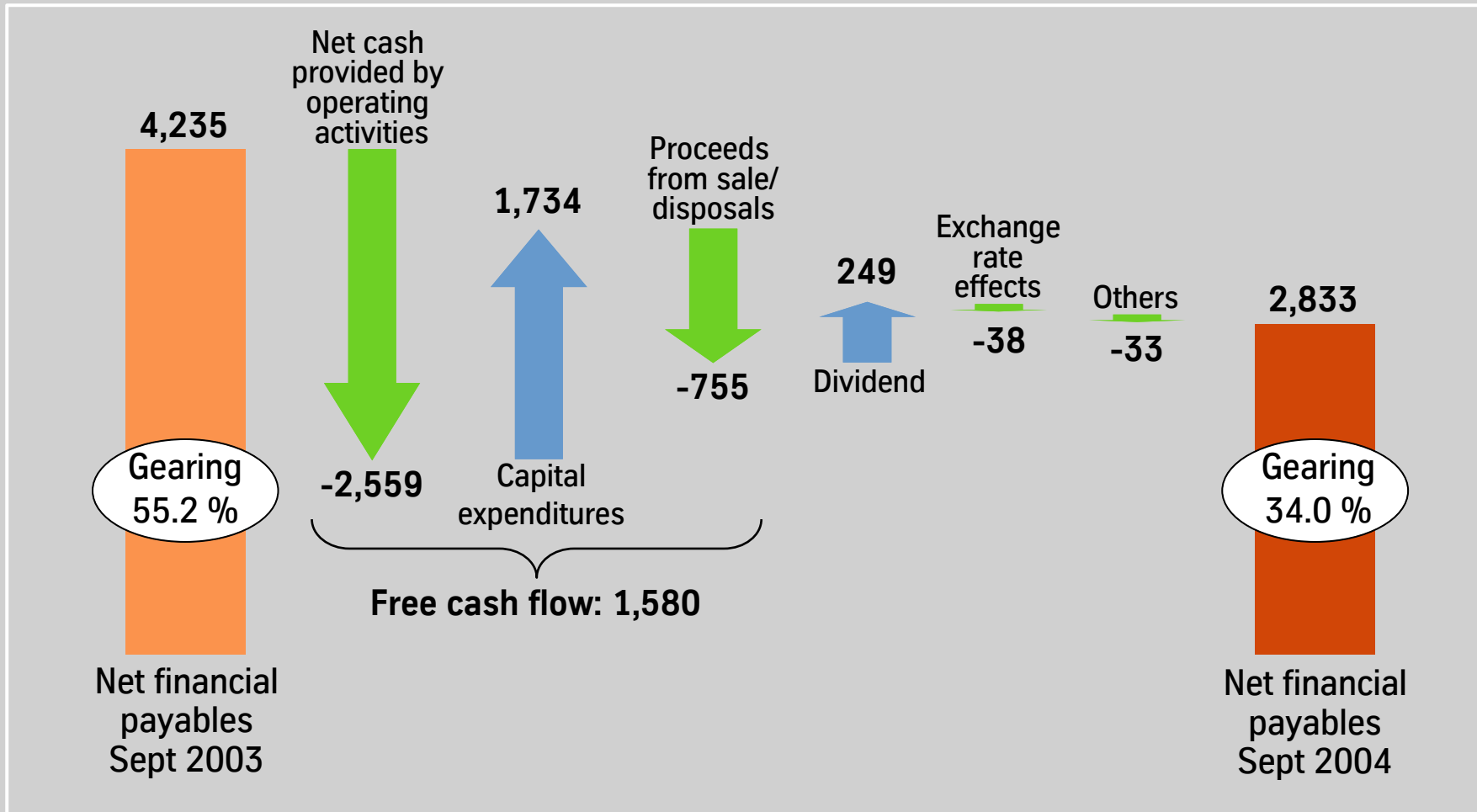
million €



Group - Balance Sheet

Progression of net financial payables

million €



Year-on-year Comparison of Highlights by Segment

million €	2002/03					2003/04				
	Order intake	Sales	EBITDA	EBIT	EBT	Order intake	Sales	EBITDA	EBIT	EBT
Steel	11,542	11,664	1,282	535	439	14,329	13,700	1,745	992	911
Automotive	6,271	6,295	533	216	189	7,424	7,312	644	325	288
Elevator	3,367	3,365	426	381	355	3,766	3,568	446	395	370
Technologies	4,984	5,382	159	(5)	42	5,770	5,092	161	36	67
Services	10,707	10,603	240	89	36	12,006	11,887	434	310	271
Real Estate	345	345	118	66	60	337	337	151	82	72
Corporate	26	26	(287)	(308)	(332)	28	28	(303)	(325)	(380)
Consolidation	(2,137)	(2,353)	(16)	(16)	(15)	(2,643)	(2,582)	(20)	(17)	(19)
Group	35,105	35,327	2,455	958	774	41,017	39,342	3,258	1,798	1,580



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 2004/05 (I)

- January 21, 2005 Annual General Meeting (Bochum, Germany)
- January 24, 2005 Payment of dividend for fiscal year 2003/04
- January 25, 2005
to February 11, 2005 Quiet Period
- February 14, 2005 Interim Report 1st quarter 2004/05 (October to December)
Conference Call with Analysts and Investors
- March 17, 2005
and March 18, 2005 Auto Field Day (Versailles, France)
- April 25, 2005
to May 12, 2005 Quiet Period
- May 13, 2005 Interim Report 2nd quarter 2004/05 (January to March)



Financial Calendar 2004/05 (II)

-
- May 18, 2005 Analysts' and Investors' Meeting (London, UK)
-
- July 25, 2005 Quiet Period
to August 11, 2005
-
- August 12, 2005 Interim Report 3rd quarter 2004/05 (April to June)
Conference Call with Analysts and Investors
-
- October 26, 2005 Quiet Period
to November 30, 2005
-
- December 1, 2005 Annual Press Conference
Analysts' and Investors' Meeting (Essen, Germany)
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Disclaimer

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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