

Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

at the

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on

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at RuhrCongress Bochum

Check against delivery

Shareholders,
Ladies and Gentlemen,

Welcome to the 13th Annual General Meeting of ThyssenKrupp AG. I am pleased to be able to report to you for the first time today. It is now a year since I was appointed Chairman of the Executive Board. My time with ThyssenKrupp so far has been eventful and intensive, but has also given me a great deal of pleasure. ThyssenKrupp is a great company, and it has demonstrated one thing repeatedly in the course of its long history: the willingness to change. The mood of change triggered by the announcement of the strategic development program last May is still palpable every day. In the past year our employees proved that they are willing and able to make the efforts needed to move ThyssenKrupp forward successfully. That's something I'm very proud of. So first of all I would like to thank our employees for their outstanding work in the past year.

We look back on an eventful year in which we, the Executive Board team, instigated some major changes. Today I would like to take the opportunity to review our progress so far and take a look at what lies ahead.

In spring last year, the Executive Board addressed three fundamental questions on our company:

1. Where does ThyssenKrupp stand?
2. Where do we want to be?
3. What do we have to do to reach our goals?

Let me begin with the starting situation: "Where does ThyssenKrupp stand?".

First of all, together with the management team we gathered extensive information on all our businesses and the overall situation of the company, then analyzed it from various perspectives. There can be no doubt that ThyssenKrupp achieved a clear turnaround in sales and earnings in fiscal 2009/2010. But the same cannot be said of our balance sheet and debt.

The combination of our major investments in the Americas and the totally unexpected financial and economic crisis in 2008/2009 resulted in ThyssenKrupp reporting a negative cash flow for the fifth year in a row, with net financial debt at one stage as high as 6.5 billion euros. The unscheduled cost overruns, start-up delays and significantly higher start-up losses in the Americas exacerbated this situation. Also, the earnings and financial situation of the Americas projects is not something that can be turned around in the short term but will take some time yet. It became clear that as we stood, we as a company would not have been able to reduce our debt nor in the foreseeable future to develop all our businesses strategically and exploit the growth opportunities presenting themselves. Moreover, our stainless steel business is in a difficult strategic situation which makes sustainable profit generation and continuous cash flows and value growth within ThyssenKrupp impossible.

Firm decisions were therefore necessary, and we made them with a level head and a clear understanding of how we as a Group want to position ourselves in the long term and which of our businesses offer the best prospects for the future. In the long term we see ThyssenKrupp as a diversified industrial group with several strong businesses in attractive growth markets. This also means that we want to further reduce our dependence on individual businesses and regions. Materials will remain an important pillar of our business, but just one among several. In the future we will be focusing on our technology businesses even more strongly than in the past. Global trends such as population growth, urbanization and globalization provide enormous growth opportunities for our technology activities in particular, and we intend to seize these opportunities.

Based on this vision of a diversified industrial group – to which we, the Executive Board, are committed – we developed a comprehensive package of strategic development measures. It was adopted last May in agreement with the employee representatives. Following approval by the Supervisory Board, work on implementing the measures started directly. By divesting some businesses for which there are stronger options outside the Group, we will open up new strategic and financial opportunities for investment. At the same time we will further evolve our corporate culture and become generally more performance-oriented and efficient.

In developing this new strategy, my Board colleagues and I were always able to count on the full support of my predecessor Prof. Dr. Schulz. So I would like to take this opportunity to thank you explicitly once again, Mr. Schulz, also on behalf of the Executive Board. I very much appreciated the highly cooperative and transparent cooperation with you, in particular in the phase when I took over from you as CEO.

You informed me and the entire Executive Board team fully about strengths and weaknesses of the company and provided support in our phase of realignment. So even after stepping down as Executive Board Chairman, as a member of the Supervisory Board you helped us quickly introduce the steps needed to take ThyssenKrupp forward successfully.

We have made a good start on implementing our new strategy and can already report the first successes. But before I tell you more about that I would like to look at the 2010/2011 fiscal year and the outlook for the 1st quarter of the current fiscal year, because this is clearly relevant to the current situation of ThyssenKrupp.

Where does ThyssenKrupp stand? Many of you reacted with great surprise and concern to the early publication of our annual financial statements at the beginning of December. As you know, we had to recognize high impairment charges, in particular at Steel Americas, which together resulted in a large loss. I would like to take the opportunity once again to explain the background to this, because in operating terms we can look back on a successful fiscal year. Order intake, sales and adjusted EBIT were all significantly higher. The carve-out of Inoxum (formerly Stainless Global) took legal effect at September 30, 2011. That is why Inoxum is already classified under “discontinued operations” in our 2010/2011 financial statements. This has the effect of reducing the Group’s sales and order intake. For better comparability, we give you the following key indicators with and without Inoxum.

- Order intake increased by 22 percent year-on-year to €50.2 billion. For the continuing operations excluding Inoxum, orders came to €45.1 billion.
- The Group’s sales were 15 percent higher at €49.1 billion. The sales figure for the continuing operations only was €43.4 billion. All business areas achieved improvements in both order intake and sales and in part reported significant growth year-on-year.
- Our operating performance is reflected in adjusted earnings before interest and taxes (EBIT), excluding special items, which rose by 42% to €1.762 billion. For the continuing operations only, the figure is also €1.762 billion. This increase is all the more remarkable in that it includes the €1.071 billion start-up losses of the Steel Americas business area.
- The operating losses at Steel Americas are due in particular to the additional costs and the significant delays in the start-up of the coking plant, which are forcing us to outsource coke, natural gas and electricity. Substantial conversion and repair costs have also been incurred.

- Six of our seven continuing business areas made strong positive earnings contributions. Five business areas increased their earnings substantially year-on-year. The Elevator business held steady at a high level. The biggest earnings contribution, more than €1.1 billion, came from the Steel Europe business area.
- Overall, however, the Technologies division together accounted for around 75 percent of the Group's earnings. That is proof that we are already far more than steel and that the path we are taking to become a diversified industrial group is the right one.

This nuanced presentation of the earnings situation is important. It shows that three quarters of our company is on a good path. Apart from Steel Americas, all business areas made a positive earnings contribution looking at adjusted EBIT.

But we don't want to talk the numbers up. The positive adjusted EBIT I just explained shows you the Group's operating earnings strength. But the adjusted EBIT of €1.762 billion is offset by impairment charges of around €2.9 billion, of which roughly €2.1 billion relates to Steel Americas and €0.8 billion to Inoxum. This results in negative reported EBIT of minus €988 million (continuing operations, excluding Inoxum: minus €188 million) and a net loss of €1.783 billion. The net loss of the continuing operations only was €954 million.

What were the reasons for these impairment charges? On the one hand we face factors which are beyond our control: the sovereign debt crisis in Europe and the USA and its impact on the real economy, the trend in raw material prices, and not least exchange rate effects between the dollar and the Brazilian real. But on the other hand, the problems at Steel Americas are in part of our own making.

As a result, we determined that the book values of Steel Americas and Stainless were no longer in line with market conditions. The impairment charges were recognized in accordance with international accounting standards.

There were three main reasons for the impairment at Steel Americas:

- We incurred significant cost overruns on the construction of the plant in Brazil. The ramp-up of the facilities has been delayed and hampered by numerous technical problems that have had a major negative impact on results. These additional costs cannot be offset in the short term.

- The relative strength of the Brazilian currency compared with the US dollar is also having an adverse effect on our cost position, in particular during the ramp-up phase. In addition, the weighted average cost of capital rate in Brazil and the USA has increased.
- Moreover, the renewed weakness of the markets in the USA and Europe is hampering market entry for our steel products.

As the technical problems are still not completely solved, there will be further significant charges to earnings at Steel Americas in the first half of the current fiscal year. We do not expect an improvement until the second half of the fiscal year, when the start-up of the final coke battery will improve our specific material costs. The commercial ramp-up is scheduled for completion in the 4th quarter of the current fiscal year. The mill will not then operate with an optimum cost structure; that will only happen with increasing production volumes and continuous optimization over the following years. We therefore expect significantly negative earnings for Steel Americas in the current fiscal year too.

Despite the current difficulties we remain convinced that the Americas market offers great prospects for our premium flat steel products and that we will be able to differentiate ourselves successfully from the competition there as in Europe. But the only way to leverage this potential is to successfully complete the commercial ramp-up of our plants in Brazil and the USA and optimize our costs there.

The second impairment charge – at our stainless steel business Inoxum – amounts to a total €800 million. €290 million relates to goodwill impairment and €510 million to a fair value adjustment in connection with the carve-out. There are two main reasons for the impairment at Inoxum:

- At the current valuation date the capital market demands high risk premiums in the valuation of stainless steel producers. This is a reflection of the financial crisis and the current risk aversion of investors.
- High discounts were also applied to the valuation of stainless steel producers at the valuation date due to overcapacities and unsolved structural problems on the European stainless steel market.

Ladies and Gentlemen, these impairment charges do not involve any cash outflow and therefore do not increase our financial debt. But they do result in a significant net loss for the year and impact our total equity.

We did not take these measures lightly. But taking these impairment charges also shows that we are prepared to face reality and to make unpleasant decisions if need be. You can rest assured that we will continue to do this in the future.

Despite the impairment charges we made good progress on improving our balance sheet ratios. We maintained our equity level and kept our equity ratio stable year-on-year at 23.8 percent. Net financial debt was reduced from €3.8 billion to €3.6 billion. An important factor in this was the sale of our treasury shares, which brought a cash inflow of €1.6 billion. Without this sale our debt would have risen for the fifth year in a row. Sustainably reversing this trend must take absolute priority for us all.

Achieving a positive cash flow of more than €1 billion in the 4th quarter of the past fiscal year was a first important signal. We must keep things moving in this direction. Only by improving our balance sheet ratios will we have the latitude to invest in our strategically promising businesses.

A look at the financing situation shows that our company has a secure and solid financing base. We have adequate liquidity and credit lines totaling €8.3 billion and a balanced maturity profile, meaning that based on our current planning we have no refinancing requirements.

Dear shareholders, the answer to the first question “Where does ThyssenKrupp stand?” must of course also include a look back at our share performance in the past fiscal year. In the 1st quarter 2010/2011 ThyssenKrupp’s stock performed positively, profiting from the generally good economic situation. Subsequently, however, the capital markets weakened due to rising raw material prices and the nuclear disaster in Japan. This trend shaped our share performance in the 2nd quarter. In the 3rd quarter the stock initially recovered its previous losses. In particular after the announcement of our strategic development plans in early May 2011 it surged to a reporting year high of €35.84 at the end of June. The 4th quarter was then dominated by the turbulence on the international financial markets. ThyssenKrupp’s stock lost all its gains and closed the fiscal year at €18.55, a low for the reporting year and down 22.5% from twelve months earlier. Compared with all other steel-related companies, however, ThyssenKrupp held up well.

But because the markets still undervalue our technology activities we fared slightly worse than other diversified industrial companies. Of course, our share performance in the past fiscal year was unsatisfactory for all of you, just as it was for me. Certainly, the external factors have dominated since August, but leaving these aside, reasons of our own making were also partly to blame for the fact that our shares did not perform as well as we would have liked. Against this background I would like to particularly thank you, our shareholders, for remaining loyal to us. We have already introduced important changes in many areas which we fully expect will move us forward successfully in the long term.

After carefully weighing all the circumstances, we decided to continue our policy of dividend continuity. The chief criterion for this was the €494 million net income reported in the parent-company financial statements of ThyssenKrupp AG, as well as the significantly improved operating performance of the Group. The Executive Board and Supervisory Board are therefore proposing the payment of a dividend of €0.45 per share for the past year, as in the previous year. Based on the share price of €18.55 on September 30, 2011, the dividend yield is 2.4%.

The disposal processes in connection with the strategic development program strongly influenced public perception in the past year. And without question we still have a good way to go to becoming a truly diversified industrial group. But in the past few months we have also carried out selective acquisitions and investments in our growth areas and strengthened our market positions in the technology sector. Elevator Technology acquired the operations of two US and one Canadian company. In parallel with this, we strengthened our market position in Europe with minor acquisitions in the Benelux countries and in Spain, Italy and France. We also expanded the market presence of our Plant Technology business area by purchasing the Tokyo-based Otto Corporation. In addition, we laid the foundations for our new crankshaft plant in the Chinese city of Nanjing. Following completion of construction work and installation of the production equipment in October 2012, the plant will produce crankshafts in particular for the truck industry. This will expand the production capacities of our Components Technology business area in a strategically important market of the future.

Ladies and Gentlemen, I know many of our shareholders are also employees of ThyssenKrupp. I'm therefore particularly keen to give you an overview of our employee figures. On September 30, 2011 ThyssenKrupp employed 180,050 people worldwide, 1.5% more than a year earlier. The headcount in Germany decreased by 2.7% to 69,122, which represents 38.4% of the total workforce.

The number of employees outside Germany grew accordingly by 4.4% to 110,928. A large number of new jobs were created in particular by the expansion of the steel making and processing plants in the USA and Brazil. Breaking things down by business area, we see that alongside Steel Americas new employees were recruited by Materials Services, Elevator Technology and Components Technology. Steel Europe and Marine Systems reduced their workforces, mainly on account of restructuring measures and disposals. Looking only at the continuing operations, the number of employees on September 30, 2011 was up by 1.5% to 168,560.

To answer the question “Where does ThyssenKrupp stand?” I would also like to take a look at the first quarter of the 2011/2012 fiscal year. We will be publishing the results for the quarter on February 14, 2012. But we can give you an initial qualitative assessment. As forecast in our Annual Press Conference on December 2, 2011, we saw two different worlds in the first quarter 2011/2012: On one side we had to absorb substantial losses at Steel Americas and registered declining volumes and earnings at Steel Europe and Material Services. On the other side the technology businesses delivered dependable earnings contributions. As expected the Group’s adjusted EBIT for the first quarter 2011/2012 was therefore significantly lower year-on-year. But for forecasting purposes you should not just multiply these figures by four. Firstly, there are always negative seasonal effects in our first quarter and secondly we expect the charges at Steel Americas to decrease in the 2nd half.

In detail we observed the following first-quarter developments in the individual business areas:

- Steel Europe: Our customers continued to draw down inventories. For us that means slow shipments with falling prices and declining EBIT. In response to the volume trend we temporarily shut down blast furnace 9 in Duisburg in January and brought forward the planned relining, as announced. On the price side we are currently seeing encouraging signals on the European spot market for order intake in January, though still at a very low level.
- Steel Americas: Continued high startup losses due to still low volumes and low capacity utilization. Added to this in the first quarter there was a temporary blast furnace shutdown and the repair of a gas turbine. We expect a major change in the second half of our fiscal 2011/2012. Although prices on the spot market improved at the start of the year, the economic environment is still dominated by uncertainties.

- Materials Services: Reduced sales volumes and as a result lower EBIT. In addition, economic uncertainty and lower raw materials prices led to cautious purchasing behavior.
- Elevator Technology: Here we observed solid sales and EBIT performance on the back of stable orders in hand and robust services business. The Elevator business area initiated restructuring measures in the 1st quarter to achieve an even higher earnings level in the medium term.
- Plant Technology: Here too, the high order backlog resulted in solid sales and EBIT performance.
- Components Technology: Sales and EBIT were stable mainly thanks to high operating levels at our automotive customers.
- Marine Systems: As expected, operating earnings normalized in the first quarter. The sale of Blohm + Voss resulted in negative nonrecurring items.

So much for the current state of the Group and the question of where we stand. But more important than the status quo is the goal towards which we are all working.

This brings us to the second question: “Where do we want to be?”

I said at the start that in the long term we see ThyssenKrupp as a diversified industrial group with several strong business areas in attractive growth markets. This will make us as a group stronger and less vulnerable to individual industry cycles, and permit more stable earnings and cash flows overall. At first this may sound relatively abstract. But on the Executive Board we have a clear idea of what the future of ThyssenKrupp should look like and in which areas we want to grow. The majority of people and many customers associate ThyssenKrupp exclusively with steel, but we are already far more than steel. We want to strengthen this understanding and the advantages it brings, and position ThyssenKrupp as a diversified industrial company whose outstanding strength is excellent engineering expertise.

This vision of the future is the result of thorough analysis. Firstly we asked ourselves on the Executive Board where our strengths lie. Secondly we thought about the markets of the future and identified the areas offering the biggest growth opportunities. In a third step we put both of these together and developed our Strategic Way Forward on this basis.

We had no difficulty matching up our strengths with the requirements of the markets of the future because in many areas we already lead the way with our engineering expertise and offer intelligent product solutions with which we profit from the big global trends such as population growth, urbanization and globalization.

These trends are not in the future, they are happening now. Particularly in emerging countries such as China, Brazil and India, demand will remain huge in the future. Every time I go to megacities such as Shanghai, Mumbai or Sao Paulo I am struck by the overwhelming pace of growth. And it's clear to see that not only is the world's population growing, but also increasingly large parts of the world want to achieve western living standards. People want to be more mobile, they are consuming more electricity, living and working in larger buildings, consuming more food and other products. All this leads to higher demand for consumer and capital goods, for infrastructure, energy and raw materials.

In short: The world wants "more". But set against these demands for "more" is the finite nature of our natural resources. Global climate change and ever increasing requirements in terms of energy and resource efficiency and environmental protection make it clear that the world doesn't just need "more", above all it needs "better" solutions: more efficient use of energy and resources, more sustainable infrastructure and more environmentally friendly production and use of consumer and capital goods. The inescapable need to become "better" offers significant opportunities for our Group. With our outstanding engineering expertise we enable our customers to serve this demand for "more" in a "better" way and so gain a competitive edge.

From my viewpoint, this "more-and-better" logic neatly sums up where our future opportunities lie. That's why we made this subject the leitmotif of our yearbook, which we published for the first time as a supplement to our Annual Report. In it you will find numerous examples illustrating how the technical solutions we offer today are already securing sustainable progress in the field of tension between growth and environmental protection.

This is true of all three areas in which we operate: Material, Mechanical – i.e. components for elevators, automobiles and wind turbines, etc. – and Plant – i.e. the construction of chemical and cement plants.

In the “Material” area for example, we develop high-strength steels and material combinations that can reduce the weight of auto body parts by up to 40%. The electrical steel developed by us is used in wind turbine generators, increases the efficiency of high-voltage power grids, and will also be used in electric vehicles.

“More and better” in the “Mechanical” area means for example saving energy with effective elevator solutions featuring regenerative drives and standby and destination control. Using TWIN elevators, architects can dispense with up to a third of the shafts when designing high-rises. By developing world market leading slewing rings for use in wind turbines, we are making a great contribution to the expansion of renewable energy generation.

In the “Plant” area we build cement plants that reduce CO₂ emissions by up to 40 percent. We focus on future technologies and develop new environmentally friendly products such as polylactic acid, a kind of natural polyester. These products are based on renewable resources and at the end of their lifecycle are bio-degradable.

These are examples from our day-to-day business. But the potential is far greater than we can currently exploit. To make full use of the growth opportunities, we must invest long-term in our technology operations, focusing on core businesses in which we hold leading market positions. We expect sector-leading performance from all our business units. We invest in businesses and projects based on clear strategic criteria such as growth, profitability and capital efficiency. At the same time we want to further increase our operating efficiency, diversify our business, and expand our international presence.

This brings us to the third question I promised to answer: “What do we have to do to reach our goals?”

To be able to invest extensively in our Technology businesses, we first have to create the necessary financial latitude. We want to reduce our indebtedness, improve our rating, and in the medium term increase our financial room for maneuver. That’s why as part of our Strategic Way Forward we also resolved an extensive divestment program. We are divesting businesses which are no longer part of our core business and for which there are stronger alternative options outside the Group. This will involve the divestment of businesses with a sales volume of around 10 billion euros and around 35,000 employees. I would like to stress that we are not talking about a reduction of the workforce here but about employees who will have a new employer in the future. Several successful steps have already been taken:

- The sale of the Metal Forming group to the Spanish automotive supplier Gestamp Automoción was completed in July 2011 following approval by the EU competition authority.
- For the Xervon group we have found a best owner in REMONDIS, an industrial service provider focused on water and recycling services. Xervon provides technical services for industrial plant construction and maintenance around the world and is therefore an excellent fit for the REMONDIS portfolio. The sale contract was signed in the final quarter of the reporting year. The closing took place on November 30, 2011.
- We are also making progress on the sale of Waupaca and Tailored Blanks. Particularly for Waupaca, the world's biggest iron foundry, we have received some promising bids.
- The integration of our chassis businesses has also started: We are combining the Bilstein group and Presta Steering into a single group. The management structure for the new unit has already been established. This will create a major chassis full-service provider with a global presence and sales of around €3 billion. A small part of this group is also to be sold: the springs and stabilizers business. The Brazilian Automotive Systems business has already been sold to Cosma International, a subsidiary of the automotive supplier Magna, to strengthen its presence in the Brazilian market. The closing took place in December.
- For the civil shipbuilding operations of ThyssenKrupp Marine Systems, ThyssenKrupp signed a sale and purchase agreement with Star Capital Partners on December 11, 2011. The sale concerns the companies Blohm + Voss Shipyards, Blohm + Voss Repair (including Blohm + Voss Oil Tools) and Blohm + Voss Industries as well as their subsidiaries. Star Capital Partners will continue the operations at all sites. The transaction was approved by the Supervisory Board of ThyssenKrupp AG today. We have also received the approvals under the Foreign Trade Act and the antitrust clearances. We are therefore confident that the closing will take place shortly. ThyssenKrupp will concentrate on military surface vessel and submarine construction in the future.

The process of separating Inoxum, formerly Stainless Global, is also proceeding to schedule. The new management team has been appointed and has started work. The new Inoxum brand has been launched and has been received positively by customers and business partners. The legal, organizational and contractual measures to turn Inoxum into a separate entity – the so-called carve-out – were implemented on September 30, 2011.

As mentioned earlier, Inoxum is already reported as a discontinued operation in ThyssenKrupp's financial statements for 2010/2011. I would like to expressly reiterate what we said in May 2011, that the disposal of Inoxum will take place within 12 to 18 months, roughly speaking by the end of 2012. We are continuing to examine all three options: an IPO, a spin-off and a sale. Given the current uncertainty in the macroeconomic environment and associated high stock market volatility, we feel it is appropriate to keep open and examine all three options.

But these portfolio measures are by no means the only element of our strategic way forward. It is not enough to just set ourselves ambitious targets, we must also put our company in a position to achieve them. With our corporate program "impact" we have launched a large number of efficiency measures. These can be grouped into four themes: Customers & Markets, Performance & Portfolio, Technology & Innovation, People & Development. My Executive Board colleagues and myself are taking personal responsibility for these themes.

"Customers & Markets" is aimed at understanding customers even better, optimizing sales, and developing new markets. We make most of our sales today in Europe and North America. In the future we will make more use of the opportunities presented by the emerging markets.

"Performance & Portfolio" is the second "impact" initiative. I have already reported on the portfolio adjustments, but it is just as important to improve our performance. Just as you compare our results with those of other companies, so too do we. Benchmarking against our peers in the various areas of business has helped us identify our strengths and weaknesses. Among the things compared were growth rates and profitability. The findings are now being put into practice in a variety of individual measures in the business areas. This will help us become better and more efficient.

The third "impact" initiative is concerned with "Technology & Innovation". The aim is to increase our innovativeness and thus further strengthen ThyssenKrupp's leading technological position. The start was made at the Global Technology Forum in July 2011, attended by 150 research and development managers. Among other things it was decided to integrate innovation projects more closely. For example, more than 30 new developments for the auto industry will be pursued in a joint research and development initiative called "InCar plus". In addition we will expand the activities we have at various Group companies in the area of carbon-fiber-reinforced plastics (CFRP) and support these with a cross-Group TechCenter in Dresden.

We aim to leverage weight reduction opportunities for existing products of the Group as well as for new solutions, also in combination with our innovative steel materials.

For these innovations of the future we naturally also need the engineers of tomorrow. Today and in the future we are reliant on highly trained engineers. We feel it is important to get young people more interested in technology. This is why the “Ideas Park” was launched back in 2004. This hands-on technology exhibition is aimed especially at young people, families and school students. Already, more than 550,000 visitors have taken the opportunity to look behind the scenes of research and development, to experiment and discover, and to engage in an intensive dialogue with the people who experience the fascination of technology and science in their everyday work. After Gelsenkirchen in 2004, Hannover in 2006 and Stuttgart in 2008, the next Ideas Park will take place this year in Essen from August 11 to 23. I am very much looking forward to it. And I hope you too will take the opportunity to discover the fascinating world of technology together with us and many young people.

That brings us to the fourth initiative of our corporate program “impact”. It focuses on the topic “People & Development”. Part of this is a new long-term incentive system for executives linked more closely to the performance of the company, as well as a diversity initiative to promote internationality, different development paths and life experiences in our workforce. In Germany there is a lot of discussion about women in management. We have set ourselves the target of almost doubling the proportion of women in executive positions from 7.6% today to 15%. A necessary part of this is work/family balance. That’s why we will be opening the Miniapolis child daycare center in the ThyssenKrupp Quarter in August 2012 – with care offerings for children from the age of four months.

One central project under the “People & Development” initiative is our new Group mission statement, which was developed in the space of five months. The aim in a comprehensive process involving employees was to clarify fundamental questions about our self-image: What do we stand for? What challenges do we face? What are our aspirations? What values do we share? Over 1,300 employees worldwide were involved in developing the mission statement. The result for us is an important assessment of where we stand: We have identified a number of areas where we are already very good, such as competence, technology, quality, diversity and social responsibility. In other areas we can improve further, for example transparency, open discussion culture and cooperation. In all the workshops held across the world, employees called for a stronger sense of togetherness within the company and the setting of high standards for the future. We take these assessments of our employees very seriously.

In an initial step we have developed a new mission statement from them, which I would now like to present to you on behalf of our employees. In addition to the four principles you see here, our employees also produced a short video illustrating the mission statement with images and explanations.

The mission statement sums up our identity and provides a common framework for our actions. Now of course it's about living it out in practice. For that there will be a series of roll-out measures which we will develop together with the regions and business areas and implement at local level.

Dear shareholders: These are not individual measures, this is a comprehensive change process. The way we communicate and work with each other in the Group will be put on a new basis. We need less hierarchy and more joined-up thinking and working. As a simple example of this: It is good for a company when people and experts from different departments talk directly with one another and find solutions instead of going through their respective bosses. We need to move away from the silo mentality and towards operating in networks. This will make us better and faster. It is also good for the company when people are informed transparently. Here again I have an example: Nowadays when we publish our quarterly results or other important news, we support this with meetings, newsletters and video podcasts. We as a board explain what was good and what we would like to change. There are a number of feedback channels for employees to send us their ideas, criticisms and suggestions for improvement. We take this feedback very seriously. Our 180,000 highly motivated employees represent a unique pool of experience, know-how and ideas, which you as shareholders can rely on, as we do on the Executive Board.

You can be sure that this is more than just nice words. We are deliberately supporting the four "impact" initiatives with three enablers: transparency, responsibility, and leadership and culture. Transparency means, for example, that the management of the ThyssenKrupp Group is based on uniform performance indicators, understandable for all. This also applies to the "impact" program as a whole: It is part of operational planning and reporting; progress is monitored monthly. Responsibility means that every employee is measured against the sustainable success of the company.

Responsibility also means strict adherence to compliance rules, with no exceptions. How important the issue of compliance is to us is shown by the current case of ThyssenKrupp GfT Gleistechnik, which has been reported in the press. In line with our policy of zero tolerance we responded firmly and took the required personnel action. In dealing with the case we are cooperating intensively with the authorities and at the same time fully clarifying the matter internally. It is important for all employees to realize that we can only be successful if we act in accordance with the law and our policies. For us, cartel agreements and bribes are not a means of winning business. We would rather forgo a contract than act against the law. That is the clear commitment of the Executive Board. I am convinced that with our joint understanding of compliance we can win profitable contracts in all our markets by honest means if we offer innovative solutions with clear customer value.

Dear shareholders, I have spoken a lot about potential for improvement and how we want to develop. But we mustn't forget that there are many areas in which we are already very well positioned. ThyssenKrupp is a company that with its predecessors Thyssen and Krupp can look back on a 200-year history. Thanks to our great innovativeness we have reinvented ourselves again and again. That is why the future doesn't scare me: We have a clear goal in our sights and we have launched the corresponding measures. Now we have to be persistent in implementing them. Together with my Executive Board colleagues I will make sure of this.

The road ahead in 2012 will not be easy, partly because the framework conditions are anything but favorable. The debt crisis in Europe and the uncertainty on the financial markets are impacting the real economy. The steel markets worldwide have weakened and we do not expect a short-term recovery. It cannot be reliably predicted how the economy in Germany, Europe and the world will develop in the coming months. At the moment a recession is not probable but cannot be completely ruled out. The debt crisis in Europe must be solved quickly to calm the financial markets and revive the economy. Only then can we once again plan reliably and provide clear forecasts.

Alongside the uncertain economic picture, another challenge we face is the energy transition in Germany. What we are missing here is a reliable framework and a clear timetable showing how and at what cost energy supplies are to be secured in the future. However, all parties involved, particularly political and business leaders, are addressing the issue and working together on solutions. We are playing our part in this and continuing our dialogue with the government.

In all these challenges, we at ThyssenKrupp have to make the best of the prevailing conditions and not be thrown off course. We are focusing on the levers we can control ourselves and doing our homework to prepare for various different scenarios.

Dear shareholders: At the beginning I promised to deliver answers to three questions. I would like to summarize the key points once again:

Question one: “Where does ThyssenKrupp stand?”

At operating level most of our businesses are well placed. However we lack the funds to develop all our businesses in the way needed to leverage the available growth opportunities. We have to reduce our indebtedness in order to be able to invest more strongly again. And we have to complete the ramp-up of the projects in the Americas.

Question two: “Where do we want to be?”

We intend to develop into a diversified industrial group with multiple strong businesses in attractive growth markets. The aim in the future is to leverage more strongly the growth opportunities presented by the global trends of population growth, urbanization and globalization. At the same time we wish to diversify more and reduce our dependence on individual businesses and regions.

And question three: “What do we have to do to reach our goals?”

We have decided on a strategic development program that we are now systematically implementing. It includes focusing our portfolio and a host of measures under our corporate program “impact”. The implementation of the strategic development program is progressing according to plan. As soon as we have the necessary financial latitude we will further intensify our investments in our Technology businesses.

Dear shareholders: My Executive Board colleagues and I thank you for the trust you have placed in us so far. I hope we have been able to convince you that the path we have taken is the right one. We will continue down this path and work on leading ThyssenKrupp into a successful future. And I am very confident that we will succeed.