Agenda

- Overview 2nd quarter 2002/2003, Outlook and Overview Steel
  Dr. Ulrich Middelmann: • Vice Chairman, Executive Board ThyssenKrupp AG
  • Chairman, Executive Board ThyssenKrupp Steel AG

- Special Topic: China
  Ursula Kiel-Dixon: • Senior Vice President and
  Head of Corporate Affairs – International, ThyssenKrupp AG

- Financials, 2nd quarter 2002/2003
  Dr. A. Stefan Kirsten: • Executive Board Member + CFO ThyssenKrupp AG

- Appendix
Agenda

Dr. Ulrich Middelmann

- ThyssenKrupp in 2nd quarter 2002/2003
  - Overview
  - Outlook
  - Objectives

- Update Steel Segment
  - Overview
  - Strategy
  - Key Success Factors
Q2 2002/2003 – Overview

Significant performance improvements achieved despite tough economic environment

- Sales 2% up from prior year at €9.2 billion; order intake 1% down from prior year at €9.1 billion
- Although sales up only slightly, significant improvement in normalized EBT from €5 million to €209 million
- Significant improvement in operating performance; efficiency enhancement program continues to make an impact
- Slight increase in net financial payables to €4.9 billion compared with Sept. 30, 2002

ThyssenKrupp
News from the Group

○ Portfolio optimization
  - Thyssen Polymer to be sold to best owner
  - Sale of stainless quarto plate activities completed at February 1, 2003
  - Sale of at-equity investment Böhler Thyssen Schweißtechnik

  - Acquisition of remaining 75.5% of Galmed completed at April 1, 2003
  - LOI on acquisition of stainless steel business from TAD

○ Operational efficiency
  - ThyssenKrupp best program making a lasting improvement to earnings

○ Group management structure
  - Further focusing and rejuvenating of the Executive Board
  - Despite generational shift continuity ensured
**Outlook**

- We do not yet expect any major improvement in the economic environment in the 2nd half of 2002/2003

- Nevertheless we will continue to strengthen our earning power. Assuming no further deterioration in the economic parameters, we aim to achieve 2nd-half earnings before taxes which should at least match the 1st-half figure

- This would take us a big step closer to our goal of €1.5 billion EBT in fiscal 2003/2004

ThyssenKrupp
## Targets Unchanged

Medium-term financial targets (excl. effects of SFAS 141/42):

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>&gt; €4 billion</td>
</tr>
<tr>
<td>EBT</td>
<td>&gt; €1.5 billion</td>
</tr>
<tr>
<td>ROCE</td>
<td>&gt; 12%</td>
</tr>
<tr>
<td>EVA</td>
<td>&gt; €0.5 billion</td>
</tr>
<tr>
<td>Gearing</td>
<td>approx. 60%</td>
</tr>
<tr>
<td>Net financial payables</td>
<td>≈ €5.5 billion</td>
</tr>
</tbody>
</table>
# Steel Segment based on Three Pillars

<table>
<thead>
<tr>
<th>ThyssenKrupp Steel AG</th>
<th>Sales: €11,686 million</th>
<th>EBT: €167 million</th>
<th>Employees: 50,184</th>
</tr>
</thead>
</table>

## Carbon Steel
- ThyssenKrupp Stahl AG
  - Rasselstein
  - ThyssenKrupp Stahl Bauelemente
  - Hoesch Hohenlimburg
  - ThyssenKrupp Stahl-Service-Center
  - ThyssenKrupp Steel North America
  - ThyssenKrupp Tailored Blanks
  - Transportation/Other

| Sales: €6,780 million | Earnings: €5 million | Employees: 29,895 |

## Stainless Steel
- ThyssenKrupp Stainless GmbH
  - ThyssenKrupp Nirosta
  - ThyssenKrupp Acciai Speciali Terni
  - ThyssenKrupp Mexinox
  - Shanghai Krupp Stainless
  - ThyssenKrupp Stainless Export
  - ThyssenKrupp VDM

| Sales: €4,020 million | Earnings: €141 million | Employees: 12,074 |

## Special Materials
- ThyssenKrupp Electrical Steel GmbH
  - ThyssenKrupp Electrical Steel EBG
  - ThyssenKrupp Electrical Steel UGO
  - ThyssenKrupp Electrical Steel AST
  - EBG India
  - Edelstahl Witten-Krefeld
  - Krupp Edelstahlprofile
  - Berkenhoff

| Sales: €1,443 million | Earnings: €27 million | Employees: 8,098 |

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Fiscal 2001/2002 (Sept. 30)
Steel Segment Highlights

Order intake  million €

<table>
<thead>
<tr>
<th></th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>2,607</td>
<td>3,123</td>
<td>3,071</td>
<td>2,931</td>
</tr>
<tr>
<td>II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td></td>
<td></td>
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<td>IV</td>
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Sales  million €

<table>
<thead>
<tr>
<th></th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>2,632</td>
<td>2,919</td>
<td>3,095</td>
<td>3,040</td>
</tr>
<tr>
<td>II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td></td>
<td></td>
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EBT  million €

<table>
<thead>
<tr>
<th></th>
<th>I</th>
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<th>IV</th>
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</thead>
<tbody>
<tr>
<td>I</td>
<td>-26</td>
<td>-39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IV</td>
<td></td>
<td></td>
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</table>

Crude steel output  1,000 t

<table>
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<tr>
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<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>3,942</td>
<td>4,016</td>
<td>4,340</td>
<td>4,369</td>
</tr>
<tr>
<td>II</td>
<td>203</td>
<td>202</td>
<td>218</td>
<td>190</td>
</tr>
<tr>
<td>III</td>
<td>654</td>
<td>687</td>
<td>708</td>
<td>660</td>
</tr>
<tr>
<td>IV</td>
<td>738</td>
<td>630</td>
<td>847</td>
<td>894</td>
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<table>
<thead>
<tr>
<th></th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>4,300</td>
<td>4,204</td>
<td>4,413</td>
<td>4,413</td>
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<tr>
<td>II</td>
<td>699</td>
<td>710</td>
<td></td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>789</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV</td>
<td>908</td>
<td></td>
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BU Special Materials
BU Stainless Steel
BU Carbon Steel (incl. share in HKM)
### Developments in Key Customer Sectors

#### World: Vehicle production

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>RoW</th>
<th>Japan</th>
<th>CIS/CEE</th>
<th>W. Europe (incl. Turkey)</th>
<th>Mercosur</th>
<th>NAFTA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>53.4</td>
<td>6.1</td>
<td>10.1</td>
<td>16.9</td>
<td>16.0</td>
<td>1.9</td>
<td>55.1</td>
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<tr>
<td>1999</td>
<td>56.4</td>
<td>7.7</td>
<td>10.4</td>
<td>17.1</td>
<td>17.6</td>
<td>1.9</td>
<td>57.3</td>
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<tr>
<td>2000</td>
<td>58.3</td>
<td>8.3</td>
<td>10.1</td>
<td>17.5</td>
<td>17.7</td>
<td>1.9</td>
<td>59.1</td>
</tr>
<tr>
<td>2001</td>
<td>56.2</td>
<td>8.6</td>
<td>9.8</td>
<td>17.5</td>
<td>18.0</td>
<td>1.9</td>
<td>56.2</td>
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<tr>
<td>2002</td>
<td>58.8</td>
<td>10.1</td>
<td>10.3</td>
<td>17.3</td>
<td>16.7</td>
<td>1.9</td>
<td>58.8</td>
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<tr>
<td>2003</td>
<td>59.1</td>
<td>10.9</td>
<td>9.9</td>
<td>17.1</td>
<td>16.5</td>
<td></td>
<td>59.1</td>
</tr>
</tbody>
</table>

* Forecast joint appraisal (April 2003)

#### Germany: Mechanical engineering

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>RoW</th>
<th>Japan</th>
<th>CIS/CEE</th>
<th>W. Europe (incl. Turkey)</th>
<th>Mercosur</th>
<th>NAFTA</th>
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<tbody>
<tr>
<td>1998</td>
<td>56.2</td>
<td>6.1</td>
<td>18.5</td>
<td>5.1</td>
<td>0.0</td>
<td>-0.5</td>
<td>62.8</td>
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<tr>
<td>1999</td>
<td>53.4</td>
<td>5.3</td>
<td>6.7</td>
<td>1.8</td>
<td>-1.7</td>
<td>-2.0</td>
<td>61.0</td>
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<tr>
<td>2000</td>
<td>56.4</td>
<td>6.7</td>
<td>18.5</td>
<td>3.0</td>
<td>-6.5</td>
<td>-3.4</td>
<td>72.6</td>
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<td>2001</td>
<td>58.8</td>
<td>10.1</td>
<td>6.7</td>
<td>1.8</td>
<td>-2.0</td>
<td>-3.4</td>
<td>72.6</td>
</tr>
<tr>
<td>2002</td>
<td>59.1</td>
<td>10.9</td>
<td>6.7</td>
<td>1.8</td>
<td>-2.0</td>
<td>-3.4</td>
<td>72.6</td>
</tr>
<tr>
<td>2003</td>
<td>58.8</td>
<td>10.9</td>
<td>6.7</td>
<td>1.8</td>
<td>-2.0</td>
<td>-3.4</td>
<td>72.6</td>
</tr>
</tbody>
</table>

* Estimate

#### Western Europe: Vehicle production

<table>
<thead>
<tr>
<th>Year</th>
<th>I</th>
<th>UK</th>
<th>E</th>
<th>F</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>1.43</td>
<td>1.82</td>
<td>2.86</td>
<td>3.69</td>
<td>5.47</td>
</tr>
<tr>
<td>1999</td>
<td>1.28</td>
<td>1.97</td>
<td>2.75</td>
<td>3.63</td>
<td>5.43</td>
</tr>
<tr>
<td>2000</td>
<td>-10.4%</td>
<td>+8.3%</td>
<td>-3.7%</td>
<td>-1.5%</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>

#### Germany: Construction investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing</th>
<th>Non-housing</th>
<th>Industrial</th>
<th>Public sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>123.3</td>
<td>91.0</td>
<td>63.8</td>
<td>27.2</td>
<td>214.3</td>
</tr>
<tr>
<td>2003*</td>
<td>121.8</td>
<td>89.1</td>
<td>62.1</td>
<td>27.0</td>
<td>210.9</td>
</tr>
</tbody>
</table>

* Forecast joint appraisal (April 2003)
Focusing on High Value-Added and Innovative Flat Products
Sales Structures BU Carbon Steel and BU Stainless Steel

**Portfolio Carbon Steel**
- Tailored Blanks: 4%
- Construction elements: 5%
- Steel service: 17%
- Tinplate: 26%
- Coated products: 6%
- Cold strip: 6%
- Heavy plate: 6%
- Heavy Strip TKS-ES*: 4%
- Hot strip / narrow strip: 19%

81% Share of value-added products

**Portfolio Stainless Steel**
- Processing: 7%
- Titanium: 2%
- Nickel base alloys: 17%
- Cold strip / Precision strip: 64%
- Hot strip: 10%

90% Share of value-added products

* Electrical Steel (GO+NGO)
Logistics Chain of Carbon Steel Achieves an Over-all Optimum
Raw materials supplies, production locations and customers

- Iron ore and coal imports
- Steel exports
- North Sea
- Integrated plant Duisburg
- Downstream rolling and coating stages
- Steel Service Center
- Tailored Blanks
- Car manufacturing (OEM)

100 km radius from Duisburg
250 km radius from Rhine-Ruhr region

ThyssenKrupp
Prices of Selected Input Materials

Nickel prices
€ or $/t (Cash/Settlement Price)

Alloyed scrap prices (V2A Cr-Ni)
€/t

Ore prices
€ or $/t

Non-alloyed scrap prices (grade 2)
€/t
Revenue Volatility at ThyssenKrupp Stahl Lower Than Market

Revenues TKS-CS AG – all products index (April 1994 = 100)

Revenues TKS-CSAG – hot-rolled coil index (Q3 1997 = 100)

Sources: * CRU  
** ThyssenKrupp Stahl  
As at: Q1 2003
ThyssenKrupp Steel Strategy

- Profit leader in Europe through
  - portfolio optimization
  - investment policy
  - performance enhancement

- Innovation leader in products and processes

- Organic growth in core business
  (e.g. tinplate, Shanghai Krupp Stainless, Tailored Blanks, coating)

- Systematic development of global strategic alliances
  - JFE (Carbon)
  - Baosteel (Stainless/China) and Angang (Coated/China)
  - Nippon (Electrical Steel)

- Active participation in the European and international restructuring of the steel industry
Current Highlights in the Steel Segment

- ThyssenKrupp Steel best: Strong momentum continues
  - Integration of strategic initiatives in the Carbon and Stainless Steel BUs (e.g. Work Pro at ThyssenKrupp Stahl, S³ at ThyssenKrupp Stainless)
  - Integration of turn-around concepts in the Special Materials BU

- Start-up of Schwelgern coke plant: World’s most advanced and cleanest coke plant
  - Significant logistical benefits from link to Dutch import ports and further cost benefits
  - Significant reduction in emissions through closure of Bruckhausen coke plant

- ThyssenKrupp Nirosta: Foundation stone laid for a new cold rolling stand in Krefeld

- Safeguard procedure USA (Section “201”):
  A total of some 226,000 t flat steel now exempted from tariffs
  - 137,000 t from 1st exclusion round (to Aug. 02), 89,000 t from 2nd exclusion round (to March 03)

- Reorganization of European sales organization in Stainless
  - Establish a closely monitored service center organization in Italy through
    • acquisition of business from TAD Metals
    • further integration of SSC/trading activities

- Sale of stainless quarto plate activities to AvestaPolarit
  - further step in systematic streamlining of product portfolio and concentration on core competencies
**Continuous and Systematic Implementation of Key Success Factors**

- **Size:**
  - Largest integrated carbon flat steel site in Europe
  - Market leader (EU and world) in stainless
  - Leading market positions in all products

- **Focus:**
  - Focus on flat products with high value added

- **Efficiency:**
  - Sustainable realization of synergies
  - Extensive performance enhancement programs in all areas
  - Systematic portfolio optimization

- **Internationality:**
  - Production sites in the world’s growth markets

- **Know-how:**
  - Technology leadership in processes: e.g. strip/thin slab casting, coating
  - Technology leadership in products: e.g. high-strength sheet, tailored blanks, H400 steels

- Profit-oriented **management structure** and highly qualified and motivated workforce
Agenda

Ursula Kiel-Dixon

○ ThyssenKrupp as a Global Player

○ ThyssenKrupp – Historic Business Development in China

○ Strategic Positioning in China

○ Conclusion
<table>
<thead>
<tr>
<th>High Degree of Internationalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Companies and Representative Offices located in more than 70 countries</td>
</tr>
<tr>
<td>91 business locations (sales and production facilities) in Asia/Pacific alone</td>
</tr>
<tr>
<td>65% of ThyssenKrupp sales are generated outside of Germany</td>
</tr>
<tr>
<td>46% of all ThyssenKrupp employees are working in companies abroad</td>
</tr>
</tbody>
</table>

ThyssenKrupp is a Global Company
Sales outside Germany by Segments

- Serv: 39%
- Materials: 64%
- Technologies: 69%
- Elevator: 89%
- Automotive: 78%
- Steel: 53%

High degree of internationalization.