Mechanical Engineering and Steel Conference

BHF-Bank, Frankfurt / Main
September 13, 2006
Agenda

Karl-Ulrich Köhler
CEO ThyssenKrupp Steel AG and Executive Board Member of ThyssenKrupp AG

- Group Overview
- Strategy of the Group
- Steel meets the International Challenges
- ThyssenKrupp – A Value driven Company
- Appendix
ThyssenKrupp – Geared Towards Sustainable Profitable Growth

- 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
# ThyssenKrupp Group 2004/2005

## ThyssenKrupp AG

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

### Steel

<table>
<thead>
<tr>
<th>Sales:  €9.6 bn</th>
<th>EBT:  €1,094 m</th>
<th>Empl.: 31,576</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Steelmaking</td>
<td>• Industry</td>
<td></td>
</tr>
<tr>
<td>• Auto</td>
<td>• Processing</td>
<td></td>
</tr>
<tr>
<td>• Stainless</td>
<td>• Nirosta</td>
<td>• Acciai Speciali Terni</td>
</tr>
<tr>
<td>• Steelmaking</td>
<td>• Industry</td>
<td>• Stainless Int.</td>
</tr>
<tr>
<td>• Auto</td>
<td>• Processing</td>
<td>• VDM</td>
</tr>
</tbody>
</table>

### Stainless

<table>
<thead>
<tr>
<th>Sales:  €5.6 bn</th>
<th>EBT:  €286 m</th>
<th>Empl.: 12,201</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Nirosta</td>
<td>• Acciai Speciali Terni</td>
<td></td>
</tr>
<tr>
<td>• Mexinox</td>
<td>• Stainless Int.</td>
<td></td>
</tr>
<tr>
<td>• Shanghai Krupp Stainless</td>
<td>• VDM</td>
<td></td>
</tr>
</tbody>
</table>

### Automotive

<table>
<thead>
<tr>
<th>Sales:  €7.9 bn</th>
<th>EBT:  €118 m</th>
<th>Empl.: 42,541</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Chassis</td>
<td>• Body</td>
<td>• Powertrain</td>
</tr>
<tr>
<td>• Plant Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Marine Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mechanical Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transrapid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Technologies

<table>
<thead>
<tr>
<th>Sales:  €5.8 bn</th>
<th>EBT:  €40 m</th>
<th>Empl.: 27,449</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Plant Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Marine Systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Mechanical Engineering</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transrapid</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Elevator

<table>
<thead>
<tr>
<th>Sales:  €3.8 bn</th>
<th>EBT:  €355 m</th>
<th>Empl.: 34,151</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 4 regional business units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Accessibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Escalators/Passenger Boarding Bridges</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Services

<table>
<thead>
<tr>
<th>Sales:  €12.7 bn</th>
<th>EBT:  €261 m</th>
<th>Empl.: 34,835</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Materials Services Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Materials Services North America</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Industrial Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Special Products</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Continuing operations; inter-segment sales unconsolidated; employees as at Sept 30, 2005
## Overview of Segment Strategies

<table>
<thead>
<tr>
<th>Segment</th>
<th>Strategies</th>
</tr>
</thead>
</table>
| **Steel** | - Clear strategy to enter NAFTA market with focus on high value-added products  
- Secure growth opportunities by utilizing low-cost slabs from Brazil  
- Expand strong European market position |
| **Stainless** | - Further concentration on high-quality stainless steel products and nickel alloys  
- Customer focus through strong delivery performance and distribution network  
- Downstream expansion in high-profit growth markets |
| **Technologies** | - Strengthen highly profitable business units and expansion of service business  
- Sustainable value creation and generation of cash flow  
- Integration of the Automotive business and bringing them back on track |
| **Elevator** | - Continuing growth through further acquisitions  
- Increasing market share globally and locally, especially Asia and Eastern Europe  
- Developing and introducing innovative products and focus on modernization business |
| **Services** | - Growth through integrated services to further dampen volatility of business  
- Expansion through organic growth and acquisitions, especially Eastern Europe and North America |
Steel – At a Glance

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

* production / latest figures available
Same Quality of Pre-Processed Material Worldwide

Follow the Customer as a Strategic Necessity

Source: DRI Global Insight; MS; WMA; Company information; Broker reports; Press search; BCG analysis
"Sandwich-Position" of the Steel Industry Forces Consolidation

World-Market Shares in %

Iron Ore Top 3 70
Steel Top 5 20
Shipbuilding Top 5 30
Home Appl. Top 5 35
Automobile Top 5 66

mn t Crude Steel Production 2004

Top 10 with only 28% of the world production
New Capacities Lead to a Balanced Iron Ore Supply-Demand Level

Worldwide Expansion Projects

Brazil

Production Capacity

Supply 2005: 1,340
Supply 2010: 1,700
Demand 2010: 1,600

2005: 280
Expansion: 90
2010: 370

Australia

Production Capacity

Brazil

Supply 2005: 270
Expansion: 100
2010: 370

South Africa

Production Capacity

Supply 2005: 40
Expansion: 18
2010: 58

Indication for Price Reduction of Iron Ore in Mid-term Scenarios

Sources: IISI, RAMCO Expert Group

(all data in mn metric tons)
ThyssenKrupp Steel Responds to the International Challenges

- Globalization of Customers
- Worldwide Consolidation of the Steel Industry
- Raw Material Markets in flux

Value Creation

- Efficiency Improvements
- Technology Leadership
- Strong Growth Perspective

Focus on High Value Added Flat Steel Products
Customers with High Quality Requirements in Flat Carbon Steel

Steel: Sales by Industry FY 2004/05

- Automotive industrie (incl. suppliers) 23%
- Steel and steel-related-processing 14%
- Trade 9%
- Packaging 9%
- Engineering & plant construction 10%
- Construction 3%
- Other 32%

ThyssenKrupp
**Long-term Relationships Foster Sustainable Value Performance …**

<table>
<thead>
<tr>
<th>Steel: Sales by maturity (FY 2004/05)</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-annual contracts</td>
<td>6</td>
</tr>
<tr>
<td>Annual Contracts</td>
<td>19</td>
</tr>
<tr>
<td>Half-year contracts</td>
<td>12</td>
</tr>
<tr>
<td>Quarterly contracts</td>
<td>44</td>
</tr>
<tr>
<td>Spot</td>
<td></td>
</tr>
</tbody>
</table>

- Customer relationship in focus
- 63% long-term contract exposure as an indicator of reliability and trustworthiness
- Short-term business not an opportunity business

**Price premium over the cycle**
High Value Added Products Strengthen Market Position …

Product Portfolio Steel (FY 04/05)*

- Full product range in flat carbon steels
- Permanent development of new grades and products
- Joint R&D with major customers

* shipments of flat products only

Secures dealing in a premium market
Productivity Proceedings Reduce the Cost Base…

Productivity (t/man-year)

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>315</td>
<td>480</td>
<td>600</td>
<td>637</td>
</tr>
</tbody>
</table>

Total workforce (1,000)

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>15.1</td>
<td>14.4</td>
<td>14.4</td>
<td>13.8</td>
</tr>
</tbody>
</table>

Steel output (million t)

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>47.9</td>
<td>30.0</td>
<td>23.7</td>
<td>21.7</td>
</tr>
</tbody>
</table>

ThyssenKrupp
… Lead to Lower Earnings Volatility at ThyssenKrupp Steel

Index (Q3 1997 = 100)

1997 Q3

2006 Q2

Price Index hot rolled coils, German market (CRU)

Price Index hot wide strip band ThyssenKrupp Steel AG (external customers)

Sources: CRU, own calculations based on CRU

TKS

CRU

all data incl. Q2 2006
ThyssenKrupp Sticking to Global Growth Strategy for Steel

- Expand strong European market position
- Secure future growth opportunities by utilizing low-cost slabs from Brazil
- Strengthen presence in North America as a core market for high-value products

Positioning NAFTA with market share > 5%
from 1m t/a to 5m t/a \(^1\) finished products

Newly erected crude steel basis Brazil
5.0m t/a slabs

15m t/a \(^1\) finished products

1) With own crude steel basis, strengthened by slab imports from CSA
Brazilian slab plant creates a basis for expanding position in Europe and North America

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

**Plant configuration**
- Capacity: 5.0 million tpy

**Startup**
- Production of first slab march 2009

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

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

(1) a final decision has not yet been made
**Downstream Strategy for North America Bases on Three Scenarios**

**Status quo**
- Export strategy from production in Germany
- Existing facilities

**Scenario I**
- CSA
- Greenfield
- Existing facilities

**Scenario II**
- CSA
- Acquisition/brownfield
- Existing facilities

**Scenario III**
- CSA
- Joint venture or other cooperation
- Existing facilities

**Target market segments**
- Auto (top priority)
- Appliances
- Packaging
- Machinery

**High-value flat steel products**
Globalization Does Not Mean to Become Super Sized if you Are Focused on your Strengths

ThyssenKrupp Steel as one of the Major Steelmaking Companies Worldwide focused on Markets with Strong Demand of High-Quality Flat Carbon Steel
ThyssenKrupp – Growth Strategy and Consolidation as Value Driver

EBT €2.0 bn p.a.
ROCE 14%
Sustainable dividend payment
Maintaining financial discipline

Target → Profitable growth with sales of up to €50 billion

Human resources management
Innovation
Customer penetration
Service initiative
New markets
Acquisitions
Knowledge management

Today → Consolidation phase concluded

Starting point → Merger Thyssen and Krupp

EBT €1.5 bn p.a.
ROCE 12%
Financial debt reduced
Investment grade

ThyssenKrupp
EBT – Track Record and Mid-term Target

<table>
<thead>
<tr>
<th>Year</th>
<th>EBT (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>775</td>
</tr>
<tr>
<td>2001/02</td>
<td>421</td>
</tr>
<tr>
<td>2002/03</td>
<td>800</td>
</tr>
<tr>
<td>2003/04</td>
<td>1,477</td>
</tr>
<tr>
<td>2004/05</td>
<td>1,677</td>
</tr>
<tr>
<td>2005/06</td>
<td>1,935</td>
</tr>
</tbody>
</table>

EBT target range: €1.5 billion

9 months: €2.0 billion

* excluding major nonrecurring items
** US GAAP
## Efficiency Enhancement – Track Record

### Sales and EBT

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (billion €)</th>
<th>EBT (million €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01***</td>
<td>775</td>
<td></td>
</tr>
<tr>
<td>2001/02**</td>
<td>421</td>
<td></td>
</tr>
<tr>
<td>2002/03**</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>2003/04**</td>
<td>1,477</td>
<td></td>
</tr>
<tr>
<td>2004/05</td>
<td>1,677</td>
<td></td>
</tr>
<tr>
<td>2005/06*</td>
<td>1,935</td>
<td></td>
</tr>
</tbody>
</table>

CAGR:

* excluding nonrecurring items  ** US GAAP
Value Indicators – Track Record and Mid-term Target

**ROCE and ThyssenKrupp Value Added**

<table>
<thead>
<tr>
<th>Year</th>
<th>ROCE</th>
<th>TKVA</th>
<th>Δ TKVA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01*</td>
<td>-368</td>
<td>(46)</td>
<td>Δ -368</td>
</tr>
<tr>
<td>2001/02*</td>
<td>414</td>
<td>62</td>
<td>Δ 62</td>
</tr>
<tr>
<td>2002/03*</td>
<td>352</td>
<td></td>
<td>Δ 352</td>
</tr>
<tr>
<td>2003/04*</td>
<td>572</td>
<td>383</td>
<td>Δ 383</td>
</tr>
<tr>
<td>2004/05</td>
<td>955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-term Target</td>
<td>New: 14%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**WACC: 9%**

**Target ROCE (old): 12%**

**New: 14%**

*US GAAP*
## Value Indicators by Segment – Mid-term Targets

<table>
<thead>
<tr>
<th></th>
<th>Capital Employed in million €</th>
<th>WACC in %</th>
<th>ROCE in %</th>
<th>TKVA in million €</th>
<th>EBT in million €</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group</strong></td>
<td>Ø 2004/05</td>
<td>2004/05</td>
<td>Target</td>
<td>2004/05</td>
<td>Target</td>
</tr>
<tr>
<td><strong>Steel</strong></td>
<td>18,391</td>
<td>9.0</td>
<td>14.2</td>
<td>14.0</td>
<td>955</td>
</tr>
<tr>
<td><strong>Stainless</strong></td>
<td></td>
<td>9.0</td>
<td>19.4</td>
<td>16.5</td>
<td>593</td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td></td>
<td>9.5</td>
<td>11.8</td>
<td>13.5</td>
<td>68</td>
</tr>
<tr>
<td><strong>Technologies</strong></td>
<td>2,982</td>
<td>9.5</td>
<td>7.9</td>
<td>16.5</td>
<td>(47)</td>
</tr>
<tr>
<td><strong>Elevator</strong></td>
<td>435</td>
<td>9.5</td>
<td>(15.3)*</td>
<td>(204)*</td>
<td>270</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>1,613</td>
<td>8.5</td>
<td>23.3</td>
<td>27.0</td>
<td>238</td>
</tr>
<tr>
<td></td>
<td>3,089</td>
<td>9.0</td>
<td>10.6</td>
<td>14.0</td>
<td>50</td>
</tr>
</tbody>
</table>

*All figures incl. discontinued operations except EBT.

* impacted by disposal loss of MetalCutting  ** including risk buffer and corporate costs (pensions etc.)

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# ThyssenKrupp

Presentation ThyssenKrupp, BHF Mechanical Engineering & Steel Conference, Frankfurt/Main, September 13, 2006
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 2006/2007

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 25, 2006 to November 30, 2006</td>
<td>Quiet Period</td>
</tr>
<tr>
<td>December 1, 2006</td>
<td>Annual Press Conference Analysts’ and Investors’ Meeting (Essen, Germany)</td>
</tr>
<tr>
<td>January 19, 2007</td>
<td>Annual General Meeting (Bochum, Germany)</td>
</tr>
<tr>
<td>January 24, 2007 to February 12, 2007</td>
<td>Quiet Period</td>
</tr>
<tr>
<td>February 13, 2007</td>
<td>Interim Report 1st quarter 2006/2007 (Oct. to Dec.) Conference call with analysts and investors</td>
</tr>
</tbody>
</table>
**Financial Calendar 2007**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 24, 2007 to May 10, 2007</td>
<td>Quiet Period</td>
</tr>
<tr>
<td>May 15, 2007</td>
<td>Analysts’ and Investors’ Meeting (London, UK)</td>
</tr>
<tr>
<td>July 24, 2007 to August 9, 2007</td>
<td>Quiet Period</td>
</tr>
</tbody>
</table>
How to Contact ThyssenKrupp Investor Relations

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- E-mail: ir@thyssenkrupp.com
- Internet: www.thyssenkrupp.com

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