Q1 2003/2004 – Overview

Off to a good start

- **Order intake** up 6% at €9.6 billion, at constant €/$ rate up 10%

- **Sales** remained steady at €8.7 billion, at constant €/$ rate up 4%

- **EBT** increased to €166 million from €141 million, a clear operational improvement

- Basic and normalized **EPS** €0.18, compared to reported €0.10 (number restated due to adoption of SFAS 143) and normalized €0.16 a year earlier

- **Net financial payables** amounted to €4.6 billion, the increase of €0.3 billion against September 30, 2003 is due to seasonal factors
Outlook

- For 2004 we expect an improving economic environment; the predicted economic recovery would have a positive impact on ThyssenKrupp’s business performance

- We forecast sales in the magnitude of roughly €38 billion

- In terms of normalized earnings before taxes we aim to get as close as possible to €1 billion

- With support from the economy and without major distortions on the currency and raw materials markets, we could pass the €1 billion mark this year
### Group (I)

#### Order intake

<table>
<thead>
<tr>
<th>Quarter</th>
<th>02/03</th>
<th>03/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>9,040</td>
<td>9,624</td>
</tr>
<tr>
<td>Q2</td>
<td>9,134</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>9,075</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>8,798</td>
<td></td>
</tr>
</tbody>
</table>

**In € million, excluding €/$ exchange rate effects:**

- Q1: 9,040
- Q2: 9,134
- Q3: 9,075
- Q4: 8,798

#### Sales

<table>
<thead>
<tr>
<th>Quarter</th>
<th>02/03</th>
<th>03/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>8,699</td>
<td>8,742</td>
</tr>
<tr>
<td>Q2</td>
<td>9,218</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>8,852</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>9,368</td>
<td></td>
</tr>
</tbody>
</table>

**In € million, excluding €/$ exchange rate effects:**

- Q1: 8,699
- Q2: 9,218
- Q3: 8,852
- Q4: 9,368
### Group (II)

<table>
<thead>
<tr>
<th></th>
<th>EBT (millions €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 02/03 reported</td>
<td>141</td>
</tr>
<tr>
<td>Q2 02/03 reported</td>
<td>250</td>
</tr>
<tr>
<td>Q3 02/03 reported</td>
<td>221</td>
</tr>
<tr>
<td>Q4 02/03 reported</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td>714</td>
</tr>
<tr>
<td></td>
<td>41 1)</td>
</tr>
<tr>
<td></td>
<td>61 2)</td>
</tr>
<tr>
<td>02/03 normalized</td>
<td>163</td>
</tr>
<tr>
<td></td>
<td>734</td>
</tr>
<tr>
<td>03/04 normalized</td>
<td>166</td>
</tr>
<tr>
<td>03/04 reported</td>
<td>166</td>
</tr>
</tbody>
</table>

1) Sale of stainless quarto plate activities €41 m
2) Sale of construction services -€61 m
Group (III)

Financial payables

<table>
<thead>
<tr>
<th></th>
<th>Sept 00</th>
<th>Sept 01</th>
<th>Sept 02</th>
<th>Sept 03</th>
<th>Dec 03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>7,730</td>
<td>6,407</td>
<td>4,742</td>
<td>4,235</td>
<td>4,553</td>
</tr>
<tr>
<td>Net financial payables</td>
<td>1,021</td>
<td>1,258</td>
<td>941</td>
<td>713</td>
<td>978</td>
</tr>
<tr>
<td>Net financial payables to equity (gearing)</td>
<td>87.9%</td>
<td>72.9%</td>
<td>57.2%</td>
<td>55.5%</td>
<td>59.8%</td>
</tr>
</tbody>
</table>

ThyssenKrupp
ThyssenKrupp Group 2002/2003

ThyssenKrupp AG
Group sales (consolidated): €36.1 billion • EBT (consolidated): €714 million • Employees: 190,102

Steel
Sales: €12.0 bn
EBT: €384 m
Employees: 49,286
- Carbon Steel
- Stainless Steel
- Special Materials

Automotive
Sales: €6.3 bn
EBT: €188 m
Employees: 41,414
- Chassis
- Body
- Powertrain

Elevator
Sales: €3.4 bn
EBT: €355 m
Employees: 29,689
- Germany/Austria/Switzerland
- France/Benelux
- Spain/Portugal/Latin America
- North America/Australia
- Other countries
- Passenger Boarding Bridges
- Accessibility

Technologies
Sales: €5.4 bn
EBT: €42 m
Employees: 29,871
- Production Systems
- Plant Technology
- Marine
- Mechanical Engineering

Services
Sales: €11.3 bn
EBT: €32 m
Employees: 38,487
- MaterialsServices Europe
- MaterialsServices North America
- Industrial Services
- Special Products

Inter-segment sales unconsolidated; employees on Sept. 30, 2003
The View Beyond – Focused Industrial Group based on 3 Pillars

Sales in € bn

ThyssenKrupp AG

<table>
<thead>
<tr>
<th>Segment</th>
<th>Sales 2002/03</th>
<th>Mid-term Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel</td>
<td>12.0</td>
<td>~13-14</td>
</tr>
<tr>
<td>Automotive</td>
<td>6.3</td>
<td>~8-10</td>
</tr>
<tr>
<td>Elevator</td>
<td>3.4</td>
<td>~5-6</td>
</tr>
<tr>
<td>Technologies</td>
<td>5.4</td>
<td>~4-5</td>
</tr>
<tr>
<td>Services</td>
<td>11.3</td>
<td>~10-11</td>
</tr>
</tbody>
</table>

ThyssenKrupp
# 30+ Portfolio Optimizations since October 2002

## Corporate
- Böhler Thyssen Schweißtechnik (D) | Disposal

## Steel
- Galmed (E) | Acquisition
- Quarto plate activities (D) | Disposal
- LA.RE. (I) | Disposal
- TAD (I) | Acquisition
- Fischer (F) | Closure
- Bauelemente Dinslaken (D) | Closure

## Automotive
- Greening Donald (CAN) | Disposal
- Sofedit (F) | Acquisition
- Phillips & Temro (USA) | Disposal
- Philadelphia Plant (USA) | Closure
- Kendalville (USA) | Mothballed
- MB Lenk (D) | Acquisition

## Technologies
- Polymer (D) | Disposal
- Otto India (India) | Disposal
- Stahlbau Berlin (D) | Closure
- Henschel (D) | Disposal
- Novoferm (D) | Disposal

## Elevator
- Lift Service Lublin (PL) | Acquisition
- ECE Elevator (India) | Acquisition
- Mahkota (Malaysia) | Acquisition
- Ascensores Causi (E) | Acquisition
- Bongear/Hang Pak (Hong Kong) | Acquisition
- Britannic Lift Co. (GB) | Acquisition
- Tepper Aufzüge (D) | Acquisition
- HABAG (D) | Acquisition
- Mylau Plant (D) | Closure
- TK Herouth Ltd. Partnership (ISR) | Acquisition
- DongYang Elevator (South Korea) | Acquisition

## Services
- Ferrosta (CZ) | Acquisition
- Rodena (DK) | Acquisition
- Werkzeugstahl (D) | Disposal
- Verder Kunststoffen (NL) | Acquisition
- Metal Center Rochester (USA) | Acquisition
- TW Metals (USA) | Acquisition
- Rodisola (E) | Acquisition
- Umweltservice (D) | Disposal
- Construction Services (D) | Disposal
- Media Services (D) | Disposal
### Portfolio Optimization – Disposals since October 2002

<table>
<thead>
<tr>
<th>Number of Entities</th>
<th>Sales</th>
<th>EBT</th>
<th>Net Financial Debt</th>
<th>Pension Obligations</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2002/03</td>
<td>12*</td>
<td>€919 m</td>
<td>€1 m</td>
<td>€242 m</td>
<td>4,529</td>
</tr>
<tr>
<td>1st Quarter 2003/04</td>
<td>1</td>
<td>€327 m</td>
<td>€8 m</td>
<td>€1 m</td>
<td>2,177</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>€1,246 m</strong></td>
<td><strong>€9 m</strong></td>
<td><strong>€243 m</strong></td>
<td><strong>6,706</strong></td>
</tr>
<tr>
<td><strong>Subsequent Event</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* incl. non-consolidated entities
### Portfolio Optimization – Major Acquisitions since October 2003

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>EBT</th>
<th>Purchase Price</th>
<th>Employees</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DongYang, South Korea</strong></td>
<td>≈€200 m</td>
<td>+</td>
<td>€128 m</td>
<td>≈1,000</td>
<td>consolidated Oct 03</td>
</tr>
<tr>
<td>Elevator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthen the segment’s market position in Asia, especially in Korea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MB Lenk, Germany</strong></td>
<td>≈€300 m</td>
<td>+</td>
<td>€43 m</td>
<td>≈1,600</td>
<td>consolidated Dec 03</td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence in steering gears; further step to becoming major global player in steering systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Strategic Areas of Emphasis

<table>
<thead>
<tr>
<th>Spread to WACC</th>
<th>negative</th>
<th>n/a</th>
<th>positive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Capital employed 🔻</td>
<td>ROCE ▲</td>
<td>Capital employed ▲</td>
</tr>
<tr>
<td>Steel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elevator</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technologies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategic actions
- **negative**
  - focusing
  - disposals
- **positive**
  - efficiency enhancement
  - restructuring
  - organic growth
  - acquisitions

ThyssenKrupp
## Portfolio optimization through focusing

Structural changes since the merger  
(fiscal 1998/99 to 2002/03)

<table>
<thead>
<tr>
<th></th>
<th>Activities disposed of/ for disposal</th>
<th>Core activities</th>
<th>Group (total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998/99</td>
<td>8.4</td>
<td>21.4</td>
<td>29.8</td>
</tr>
<tr>
<td>2002/03</td>
<td>4.8</td>
<td>31.3</td>
<td>36.1</td>
</tr>
<tr>
<td>Ave. growth</td>
<td>10.0%</td>
<td>4.9%</td>
<td></td>
</tr>
</tbody>
</table>

Sales (billion €)

![Graph showing sales from 1998/99 to 2006/07 with Core activities and Non-strategic activities differentiated.](image)
Elements of Strategy

- Development of technically advanced products

- High technological capabilities and innovative strength
  - 3,000 engineers in 40 R&D centers
  - approx. €640 m for R&D projects in the Group

- Optimal utilization of potential in the Group
  - Harness cross-selling effects
  - Technological developments across segments
  - Groupwide access to know-how through knowledge management

- Value-based management: integrated controlling strategy and continuous value reporting

- Intensified customer focus

- Stronger Groupwide service focus
  - Development of new service applications
**Steel – At a Glance**

<table>
<thead>
<tr>
<th>Steel</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ European No. 2 and world No. 6 in carbon steel flat products</td>
</tr>
<tr>
<td>☐ World market leader in stainless steel flat products, nickel-base alloys, electrical steel and tailored blanks</td>
</tr>
<tr>
<td>☐ Focus on flat products with high value added</td>
</tr>
<tr>
<td>☐ Profit leader in Europe through: portfolio optimization, investment policy, performance enhancement</td>
</tr>
<tr>
<td>☐ Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg</td>
</tr>
<tr>
<td>☐ Innovation leader in products and processes</td>
</tr>
<tr>
<td>☐ International presence further strengthened with production facilities in the world’s growth markets; systematic development of global strategic alliances</td>
</tr>
</tbody>
</table>
Steel – Steel Market Factors Impacting ThyssenKrupp

<table>
<thead>
<tr>
<th>Input</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global Issues</strong></td>
<td><strong>Output</strong></td>
</tr>
<tr>
<td>CS $ depreciation</td>
<td>SL portfolio of high value added products</td>
</tr>
<tr>
<td>SL $ depreciation</td>
<td>SL freight rates</td>
</tr>
<tr>
<td>CS iron ore prices</td>
<td>SL efficiency enhancement</td>
</tr>
<tr>
<td>CS SL alloying element prices</td>
<td>SL production site configuration</td>
</tr>
<tr>
<td>CS SL freight rates</td>
<td>SL steel prices</td>
</tr>
<tr>
<td>CS reduction medium prices</td>
<td>CS steel prices</td>
</tr>
<tr>
<td>SL scrap prices</td>
<td>CS dollar effect on customers</td>
</tr>
<tr>
<td>CS SL energy costs</td>
<td>CS successful price before value strategy</td>
</tr>
<tr>
<td>CS SL labor costs</td>
<td>CS customer intimacy</td>
</tr>
</tbody>
</table>

**Continental (Europe) Issues**

**Local Issues**

CS = Carbon Steel  SL = Stainless Steel  ▲ = positive impact  ▼ = negative impact
## Capital Goods – At a Glance (I)

### Automotive

- 80% of sales from TOP 3 positions
- Sales growth to €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
- 700,000 service contracts worldwide
- Full range of products and services from a 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
- Growth to continue through further acquisitions and even stronger focus on services
Capital Goods – At a Glance (III)

Technologies

- Portfolio with strong regional and global market positions
- High technological competencies throughout product portfolio
- World market leader in large-diameter bearings, e.g. for general engineering applications as well as solar and wind power plants
- World market leader for engine, transmission, axle and steering assembly systems
- Technology leader in body-in-white equipment
Services – At a Glance

- One of the world’s leading full-range suppliers of carbon and stainless steel, tubes, nonferrous metals and plastics

- Leading materials service provider in Germany and Europe and one of the leading suppliers of special products in North America

- Services: Materials and applications advice, warehousing, processing, project and inventory management, just-in-time logistics

- New Business Unit “Industrial Services” will offer: industrial services incl. maintenance of plant and machinery as well as a wide range of production-related services, scaffold services, as well as technical, infrastructural and commercial facility management for key automotive, steel, chemical and petrochemical sectors

- Number one maintenance operation in Germany, among the leaders in Europe

- Number one worldwide in scaffolding services
# ThyssenKrupp Innovations (I)

## Steel

### Steel design wheels with Nirosta® cover
- High-quality appearance
- Integrated design flexibility
- Lighter and lower in cost than cast aluminum wheels

### Preprimed sheet: organic coated steel
- The prepainted sheet already has half of the paint system needed for body outer parts
- The usual paint system applied by car manufacturers consists of primer, filler, top coat and clear coat
- The aim of the project is to supply the auto industry increasingly with prepainted sheet from coil
- The process produces extremely uniform coatings of consistently high quality

## Automotive

### Fuel tank
- Absolutely airtight, hydrocarbons cannot escape, fully recyclable, significantly lighter than plastic fuel tank
- Greater fuel capacity due to reduced wall thicknesses
- Can be packaged in the tight confines of a compact car
- Meets strictest emission standards, e.g. Californian emission guidelines

## Technologies

### Modular door
- The new, modular door is 12 kilograms lighter than the benchmarked model and costs significantly less to manufacture and assemble
- The modular approach means that door production and door assembly can be separated
## ThyssenKrupp Innovations (II)

### Automotive

#### ORS® Off-road stabilizers for sport utility vehicles
- Stiff suspension
- High damping
- Stabilizers with high torsional rigidity
- Soft suspension
- Low damping
- Stabilizers with very low torsional rigidity

Stabilizer can be switched hydraulically under load

### Automotive

#### Innovative air suspension system for the new Jaguar XJ
- Air suspension, which has considerable comfort advantages in comparison to conventional spring suspensions
- The system ensures that the entire spring travel is permanently available, regardless of vehicle load, to compensate for uneven road surfaces

### Automotive

#### Presta DeltaValveControl
- Modular system provides variable control of the gas exchange valves in internal combustion engines
- Key advantages include lower fuel consumption, reduced exhaust emissions, quieter operation and improved engine dynamics

### 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 Innovations (III)

### Elevator

#### TWIN® elevator
- Production-ready elevator system with two independent cabs in one shaft
- Higher transportation performance using fewer shafts
- Reference projects ThyssenKrupp Headquarters Düsseldorf and University of Stuttgart

### 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 2/3, energy consumption reduced by around 5%

### Elevator

#### Accelerating moving walk
- Increases and decreases its speed at the beginning and at the end of the walk to ease step on or off
- Enables travelers at airports, metro and rail stations to cover large distances, at more than double average walking speed
- The project won the 2002 Business Innovation Award of the Asturias Institute for Economic Development (IDEPA) in Spain

### Services

#### Steel sheet piling and top structures for flood protection systems
- System solution for effective and economic flood protection
- Combination of engineering expertise, environmentally compatible materials and advanced equipment technology
Conclusion

○ ThyssenKrupp: Focused industrial group based on 3 pillars

○ Clear strategic direction: Portfolio optimization will be stepped up

○ Cross-segment development: Driver for innovations

○ Still a conglomerate combining value and growth components
How to contact ThyssenKrupp Investor Relations

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

To be added to the IR mailing list, send us a brief e-mail with your details!