8. Annual General Meeting of ThyssenKrupp AG

Dr. Ing. Ekkehard D. Schulz
January 19, 2007

MAKING A DIFFERENCE TOGETHER.
# Annual General Meeting 2007

- **ThyssenKrupp achieves best-ever results**
  - Key figures for fiscal 2005/2006
  - Q1 2006/2007, outlook

- **ThyssenKrupp on growth track**
  - Developments in the segments
  - Changes in the Executive Board, Quarter

- **Success factors**

- **Securing the growth strategy**

- **Securing the future by supporting young talent**

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ThyssenKrupp
### ThyssenKrupp achieves best-ever results

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>bn €</td>
<td>43.5</td>
<td>50.8</td>
</tr>
<tr>
<td>Sales</td>
<td>bn €</td>
<td>42.9</td>
<td>47.1</td>
</tr>
<tr>
<td>EBT</td>
<td>m €</td>
<td>1,677</td>
<td>2,623</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>€</td>
<td>2.08</td>
<td>3.24</td>
</tr>
<tr>
<td>TK Value Added</td>
<td>m €</td>
<td>997</td>
<td>1,510</td>
</tr>
<tr>
<td>ROCE</td>
<td>%</td>
<td>14.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>m €</td>
<td>177</td>
<td>-747</td>
</tr>
</tbody>
</table>

(ThyssenKrupp)
## ThyssenKrupp rating

<table>
<thead>
<tr>
<th></th>
<th>Long-term rating</th>
<th>Short-term rating</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch</td>
<td>BBB+</td>
<td>F2</td>
<td>stable</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Baa2</td>
<td>Prime-2</td>
<td>positive</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>BBB-</td>
<td>A-3</td>
<td>stable</td>
</tr>
</tbody>
</table>
ThyssenKrupp stock performance indexed, Sep. 30, 2005 to Sep. 29, 2006

%
Higher dividend proposed

The company’s success allows a higher dividend payout to stockholders:

- Dividend can be increased to €1.00 per share
- Dividend yield 3.8 percent
- Increase of 43 percent (excluding special dividend in 2006)
1st quarter 2006/2007 (October – December 2006)

- Positive performance continued in first quarter 2006/2007
- Order intake €13.0 billion (Q1 2005/2006 €11.6 billion)
- Sales €12.2 billion (Q1 2005/2006 €10.9 billion)
- EBT from continuing operations €1 billion
  (Q1 2005/2006 €425.1 million; Q4 2005/2006: €618.6 million)
- Publication of quarterly report on February 13, 2007
Forward strategy: 1st step to €50 billion sales

ThyssenKrupp AG
Sales ~ €50 bn, EBT €2.5 bn

Product-oriented businesses
Sales ~ €30 bn
- Steel
  - Steel 11-12:
  - Stainless 6-7:
    - Actual 2005/2006: 6.4
- Capital goods Technologies 12-14:
  - TKT old 6.0
  - TKA old 8.0

Service-oriented businesses
Sales ~ €20 bn
- Elevator ~5:
  - Actual 2005/2006: 4.3
- Services 13-14:
Forward strategy: 2nd step

- Investment of up to €20 billion in 5 years:
  - €6-8 billion in growth through acquisitions
  - €7-8 billion in organic growth
  - €4 billion in maintaining existing operations

- Sales of €55 – 60 billion
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Steel: Significant growth

- Extremely positive market environment: increased order volumes and higher prices lead to 21 percent increase in order intake

- Sales up 12 percent to €10.7 billion

- EBT up €323 million to €1.4 billion
# World ranking of steel companies by production and sales volumes

<table>
<thead>
<tr>
<th>Crude steel production 2005 in mt</th>
<th>Estimated pro-forma steel sales in billion US$ 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arcelor-Mittal</td>
<td>120,0</td>
</tr>
<tr>
<td>Nippon Steel</td>
<td>681</td>
</tr>
<tr>
<td>Posco</td>
<td>32,9</td>
</tr>
<tr>
<td>JFE</td>
<td>31,4</td>
</tr>
<tr>
<td>Baosteel</td>
<td>19,3</td>
</tr>
<tr>
<td>US Steel</td>
<td>18,5</td>
</tr>
<tr>
<td>Nucor</td>
<td>18,4</td>
</tr>
<tr>
<td>Anben</td>
<td>18,2</td>
</tr>
<tr>
<td>Corus Group</td>
<td>18,2</td>
</tr>
<tr>
<td>Riva</td>
<td>17,5</td>
</tr>
<tr>
<td>ThyssenKrupp</td>
<td>17,5</td>
</tr>
<tr>
<td>Severstal</td>
<td>16,5</td>
</tr>
<tr>
<td>Evraz Holding</td>
<td>15,2</td>
</tr>
<tr>
<td>Gerdau</td>
<td>13,9</td>
</tr>
<tr>
<td>Sumitomo</td>
<td>13,7</td>
</tr>
<tr>
<td>Wuhan</td>
<td>13,5</td>
</tr>
<tr>
<td>SAIL</td>
<td>13,1</td>
</tr>
<tr>
<td>China Steel</td>
<td>13,1</td>
</tr>
<tr>
<td>Techint</td>
<td>12,2</td>
</tr>
<tr>
<td>Magnitogorsk</td>
<td>11,7</td>
</tr>
<tr>
<td>Others</td>
<td>11,4</td>
</tr>
<tr>
<td>Total</td>
<td>681</td>
</tr>
<tr>
<td>ThyssenKrupp</td>
<td>11,4</td>
</tr>
<tr>
<td>Baosteel</td>
<td>11,2</td>
</tr>
<tr>
<td>US Steel</td>
<td>11,2</td>
</tr>
<tr>
<td>Nucor</td>
<td>11,2</td>
</tr>
<tr>
<td>Total</td>
<td>1130</td>
</tr>
</tbody>
</table>

Source: Metal Bulletin, own estimate
World steel production 1.2 billion tons

- 500 m tons flat products
  - of which 50% high-value products
    - of which share of 10% = 25 m tons
      ⇒ target market share of ThyssenKrupp

- 700 m tons long products
Concentration on North America and Europe

- Target of at least 5 percent market share for high-value-added steel flat products in the NAFTA region.

- ThyssenKrupp therefore exhausts all possibilities to bring about the sale of Dofasco as agreed with Mittal.

- In parallel with Dofasco, pressing ahead with the planning of a plant complex in the USA, which could be built by Steel and Stainless.

- In Europe, outstanding market positions to be strengthened by further investment of €700 million.
### Steel: New steel mill in Brazil

- **Around 5 million tons of slabs per year from 2009**
- **Volume of investment €3 billion**
- **Foundation stone laid on 29. September 2006**
- **3,000 employees, 10,000 further jobs**

 **Securing the market positions for Europe and the NAFTA region through optimized costs and logistics and highest quality**
Stainless: Expansion of international position

- Significant expansion of business thanks to increased demand from end consumers and build-up of stocks: Order intake up 31 percent to €7.3 billion
- Sales up 16 percent to €6.4 billion
- EBT up €137 million to €423 million
- Involvement in plant complex in USA: Jointly used hot strip mill
- Investment in plants and service center organization: Increase in vertical integration
Automotive: Refocusing

- Sale of North American body and chassis business
- Market for automotive industry in phase of global upheaval: Pressure on vehicle prices and vehicle component suppliers
- Sales at €8.0 billion slightly higher than prior year
- €339 million restructuring and impairment charges
- Loss of €174 million compared with €118 million profit the year before
Technologies: Combination of engineering capabilities of Automotive and Technologies

- Order intake 41 percent higher at €8.0 billion
- Sales up 4 percent at €6.0 billion
- EBT up €317 million at €357 million
- Market and technology leadership of European shipyard network strengthened through acquisition of Atlas Elektronik
- Expansion of market leadership through investment and acquisitions in India, Japan and China
**Elevator: Expansion of market position**

- Order intake 13 percent higher at €4.7 billion
- Sales up 14 percent to €4.3 billion
- EBT up €36 million to €391 million
- Expansion of existing businesses and strategic acquisitions
- Position strengthened in emerging markets, e.g. India
- Global service strategy
Services: Focus on expansion

- Order intake 15 percent higher at €14.6 billion
- Sales up 12 percent to €14.2 billion
- Significant €221 million improvement in EBT to €482 million
- Acquisitions focused on further expansion of US and Eastern European business
- Growth in material and industrial services
- Majority shareholding in Brazilian industrial service provider RIP
Organizational realignment

ThyssenKrupp AG

Steel
Stainless
Technologies
Elevator
Services

- Five segments
- Executive Board reduced to eight members
New ThyssenKrupp Quarter in Essen

- Optimization of decision-making lines and administrative costs
- Concentration of headquarters on Duisburg and Essen
- Duisburg: Steel and Stainless
- Essen: Group holding company, Technologies, Elevator and Services
- First phase to be completed by end of 2008
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The keys to our success

1. Positive market environment
   - Above all in Steel and Stainless
   - High price level and continued high demand

2. Portfolio optimization
   - Improvement in earnings quality

3. Productivity increase and operating improvement
   - Motivated employees
Active portfolio management
Main portfolio changes since merger (as at Nov. 22, 2006)

<table>
<thead>
<tr>
<th>Category</th>
<th>Disposals (Total: €8.9 bn)</th>
<th>Acquisitions (Total: €7.9 bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel</td>
<td>1,455</td>
<td>615</td>
</tr>
<tr>
<td>Stainless</td>
<td>645</td>
<td>60</td>
</tr>
<tr>
<td>Automotive</td>
<td>2,115</td>
<td>1,155</td>
</tr>
<tr>
<td>Technologies</td>
<td>2,275</td>
<td>1,905</td>
</tr>
<tr>
<td>Elevator</td>
<td>120</td>
<td>1,360</td>
</tr>
<tr>
<td>Services</td>
<td>1,405</td>
<td>2,840</td>
</tr>
<tr>
<td>Others</td>
<td>910</td>
<td></td>
</tr>
</tbody>
</table>

Sales in million €
EBT has grown faster than sales since merger

* 1999/00 – 2001/02 as is; 2002/03 – 2003/04 US GAAP, 2004/05 – 2005/06 IFRS
5,995 ThyssenKrupp best projects
1,453 new projects launched in FY 2005/06

<table>
<thead>
<tr>
<th>FY 2001/02</th>
<th>FY 2002/03</th>
<th>FY 2003/04</th>
<th>FY 2004/05</th>
<th>FY 2005/06</th>
</tr>
</thead>
</table>

- **Number of projects**
  - **Completed**: 5,995
  - **Under way**: 1,453
  - **Concept phase**: 32%
  - **International**: 59%
  - **Under way**: 6%

**FY 2005/06**

- +1,453 projects

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Securing the future by supporting young talent
Securing the growth strategy

1. Share buyback
   - Around 5 percent of capital stock = 25,724,452 shares = €697 million
   - Average price of €27.09
   - Renewal of authorization

2. Authorized capital
   - €500 million to support possible strategic measures

3. Delegation right for AKBH Foundation
   - Appropriate representation on Supervisory Board with 3 members
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Activities to increase enthusiasm for technology

- Annual deficit of 15,000 engineers
- Supporting young talent as elementary building block for the future
- “Opportunity” program with Duisburg labor agency for young people
Ideas Park: Concept

- 2004 launch of the „Discover Future Technology“ initiative
- Sociopolitical and educational focus
- Initiative aims to attract people to careers in technology and engineering
- Key element is the Ideas Park, which was held for the first time in 2004 in Gelsenkirchen
Ideas Park: Facts

- May 20 to 28, 2006 in Hanover, EXPO site, 206,000 visitors
- 150 exhibits on themes of Mobility, Life/Environment, Creativity
- 70 partners (industry associations, initiatives, universities, companies, media)
- To be continued in May 2008 in Stuttgart
1st quarter 2006/2007 (October – December 2006)

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