ThyssenKrupp AG

Executive Board Responsibilities

Prof. Dr. Schulz Chairman	**Dr. Middelmann** Vice Chairman	**Dr. Forster**	**Dr. Harnisch**	**Hennig** Labor Director	**Dr. Jooss**	**Prof. Dr. Rohkamm**	**Dr. Stein**
	Steel EB chairman	**Materials** EB chairman	**Automotive** EB chairman			**Technologies** EB chairman	
		Elevator SB chairman					
		Serv SB chairman					
Central Bureau	Information Management	Materials Management	Foreign Organization	Personnel and Social Policy	Corporate Accounting	Technology	Mergers & Acquisitions
Communi-cations					Taxes and Customs		Finance
Senior Executives					Controlling		Investor Relations
Legal							
Internal Auditing							
		Real Estate		Administrative Services			Insurance Services

as at Jan. 1, 2002

T k

Overview of 2000/2001 (I)

- World economic slowdown increasingly impacted business performance in fiscal year 2000/2001
- Order intake at €37.9 billion already down from previous year (€38.9 billion)
- Sales at €38 billion only slightly higher than prior year
- Decrease in EBT to €876 million (prior year €1.1 billion); eliminating positive and negative non-recurring items EBT is around €500 million
- In view of decline in earnings, an adjusted dividend of €0.60 per share to be paid to increase the Group's financial strength

Overview of 2000/2001 (II)

- More than 50% of earnings achieved in capital goods:

Steel	Automotive	Elevator	Technologies	Materials	Serv	Real Estate	Total
€272 m 35%	€143 m 19%	€226 m 29%	€69 m 9%	€32 m 4%	-€54 m -7%	€86 m 11%	€774 m 100%

Share of EBT (excl. non-recurring items) before Corporate/consolidation

- Almost 7,000 jobs cut due to operating changes; similar number of new jobs created in growth areas
- Progress achieved on portfolio optimization
- Net financial debt reduced €1.3 billion against September 30, 2000 to €6.4 billion (thereof around €1 billion from disposals)

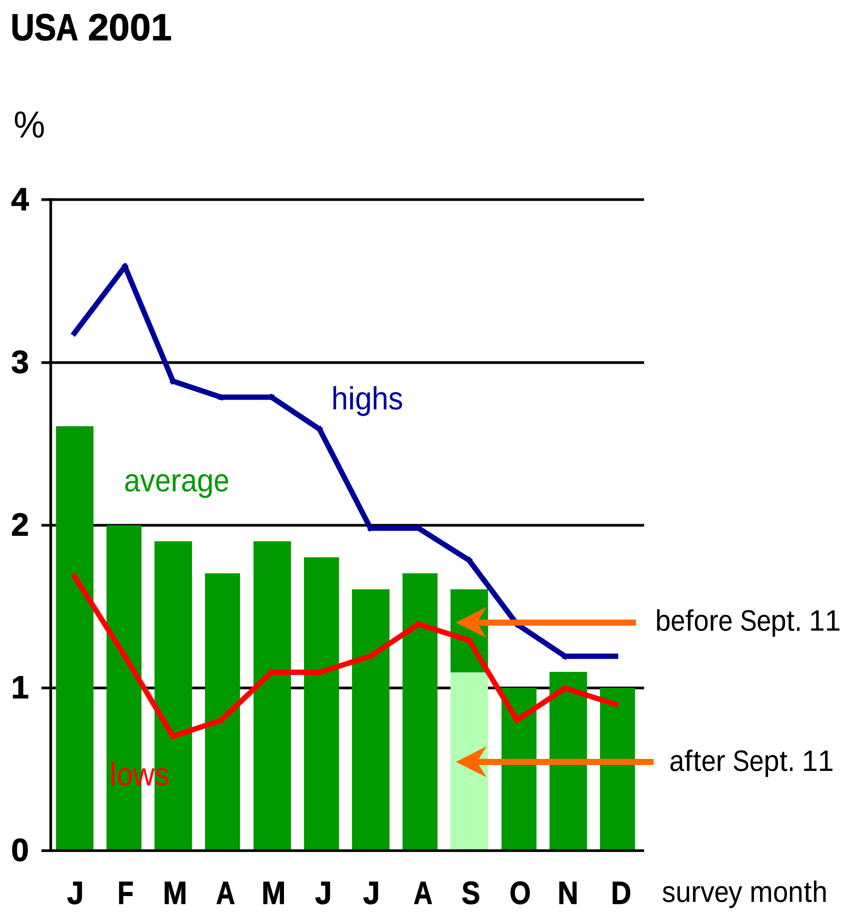
Profit Expectation and Profit Warning

"For fiscal year 2000/2001 we expect a further increase in earnings to over €1.3 billion" (statement made in November 2000)

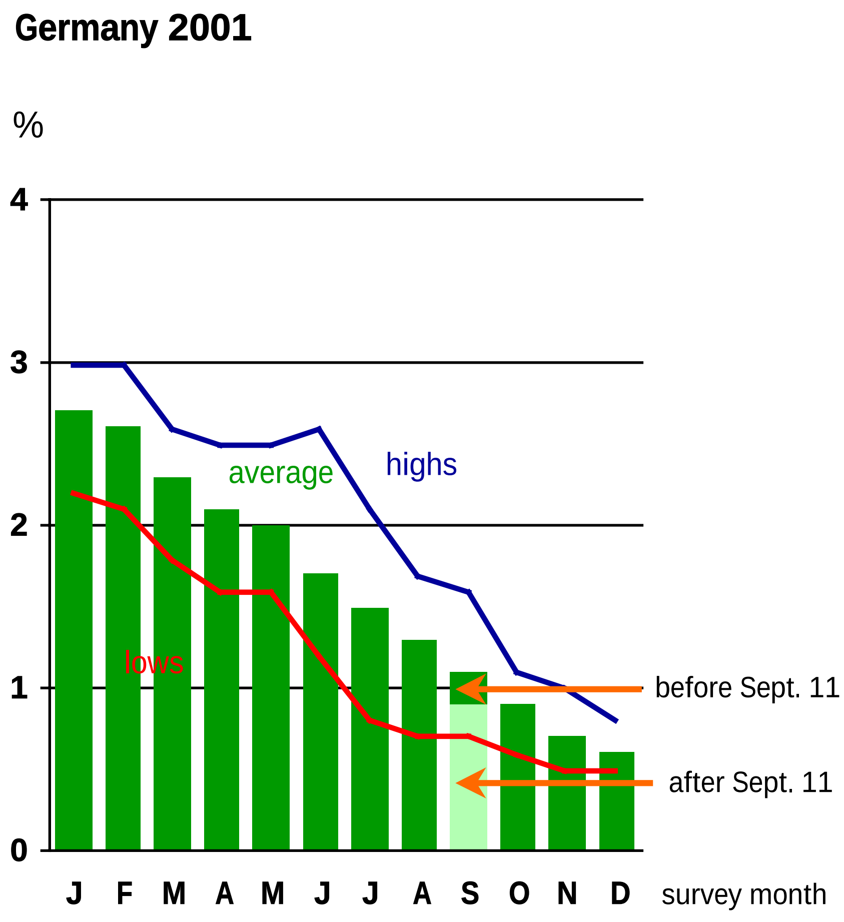
- The economic conditions for ThyssenKrupp deteriorated from month to month in the past fiscal year; GDP forecasts were repeatedly revised downward
- The logical consequence was to adjust our planning premises and thus the forecasts reported in our publications

➡ Adjusting forecasts in line with changed conditions provides transparency in reporting

GDP Forecasts Repeatedly Revised Downward



Source: Consensus Forecasts



Source: Consensus Forecasts

T k

Economic Outlook

- Given the fragile state of the world economy due to the events of September 11, 2001 and their consequences, quantitative forecasts are more uncertain than ever
- Global steel demand will continue to fall, at least in the first half of 2002; toward the end of the year we expect a gradual improvement as the world economy recovers (excluding protectionist measures)
- The situation on the automobile market in the NAFTA region is expected to remain difficult; in Europe, too, total production looks set to fall; the German auto industry will be unable to maintain its high production level
- The situation in the German engineering industry is gloomy; machine production in key industrial countries is also likely to fall
- Construction sector activity will remain subdued in many Western European countries

Outlook for ThyssenKrupp

- We expect sales of around €38 billion again for fiscal year 2001/2002; order intake will increase slightly to €39 billion
- However, it will not be possible to repeat the EBT achieved in 2000/2001 of around €500 million (after non-recurring items); Q1 and Q2 will be particularly difficult for our Steel and Automotive activities
- A further reduction of net financial debt is targeted
- A more restrictive investment policy will result in lower capital expenditure in 2002/2003
- For fiscal year 2001/2002 we plan to pay a dividend appropriate to the level of earnings
- Preparation of annual financial statements will be speeded up in future to allow earlier publication

Financial Calendar

February 26, 2002	**Interim report on 1st quarter 2001/2002 (October to December)**
March 1, 2002	Annual Stockholders' Meeting
March 4, 2002	Dividend payment for fiscal year 2000/2001
May 23, 2002	Interim report on 1st half of 2001/2002 (October to March)
May 24, 2002	Analysts' meeting
August 22, 2002	Interim report 9 months 2001/2002 (October to June)
Mid-November 2002	Initial overview of fiscal year 2001/2002
December 20, 2002	Annual Press Conference Conference call with financial analysts
January 8, 2003	Analysts' meeting
February 18, 2003	Interim report on 1st quarter of 2002/2003 (October to December)
February 21, 2003	Annual Stockholders' Meeting

Targets Unchanged

Medium term targets (excluding effects of SFAS 141/42):

EBITDA	>	€4 bn
EBT	>	€1.5 bn
ROCE	>	12%
EVA	>	€0.5 bn
Gearing	approx.	60%
Net financial payables	≈	€5.5 bn

ThyssenKrupp has the potential to achieve these financial targets

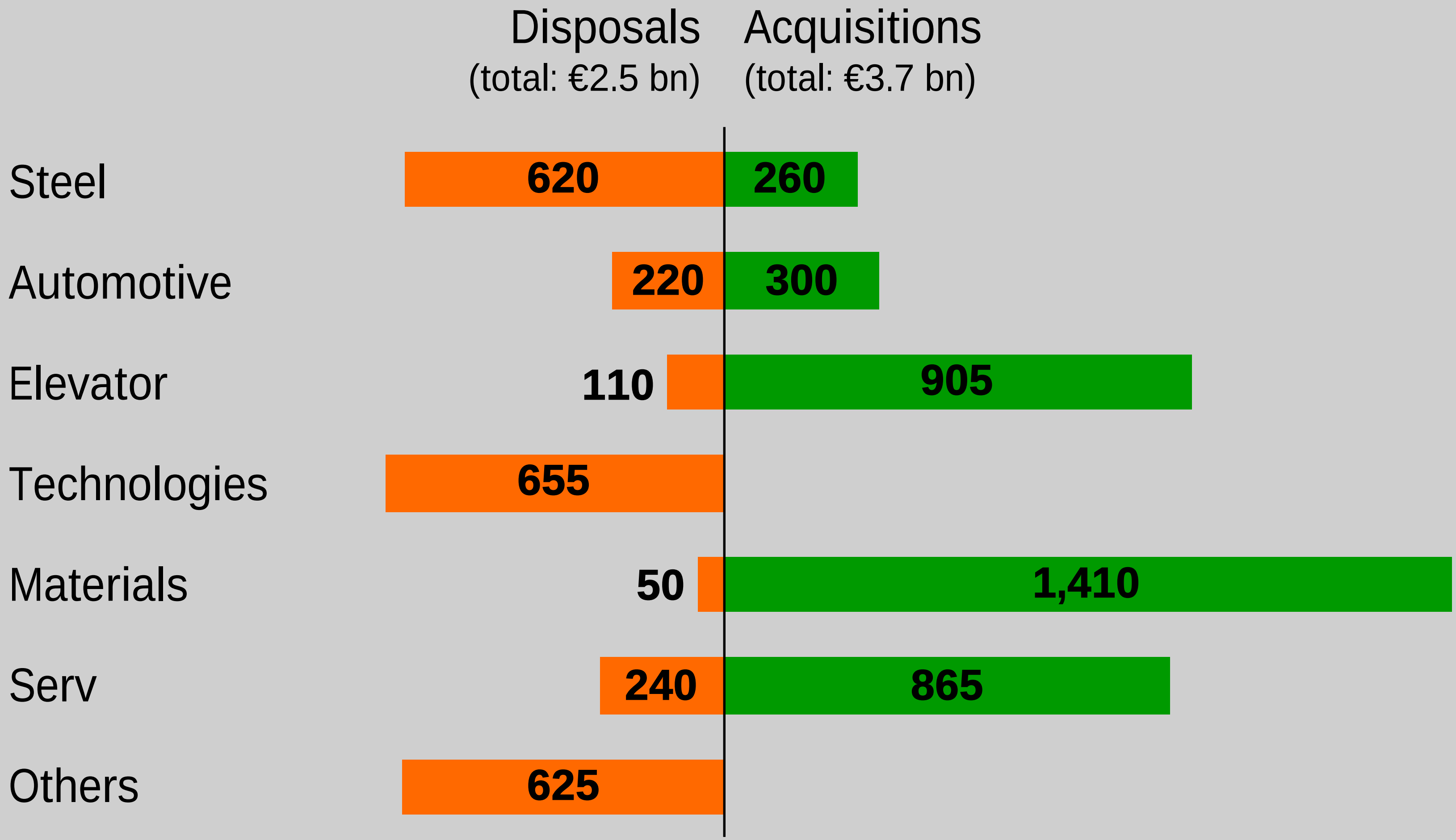
Continuation of Strategy

- ThyssenKrupp will continue to focus on three areas:
  Steel, Capital Goods and Services
- These three areas will be systematically grown by:
  - active portfolio management;
    balance of cash providers and value drivers
  - organic growth

Focused industrial group

Focus on Core Activities

Portfolio changes since the merger (sales in million €)



Focus on Core Activities

Best practice – examples

- Strategic growth in Elevator segment

  Acquisitions: Dover Elevators, Elevadores Sûr, Access Industries etc.

  ➡ Continuous sales and earnings growth

  EBT 1996/97 < €100 m

  EBT 2000/01 > €200 m

- Disposal of marginal activities in Steel segment

  Sale of Ferteco iron ore mine

  ➡ Capital employed reduced by €0.7 bn

  ➡ Disposal gain of €0.3 bn

Successful portfolio management

Elements of Strategy

- Development of technically advanced products
- High technological capabilities and innovative strength
  - ➡ 3,000 engineers in 30 R&D centers
  - ➡ approx. €670 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
- Intensified customer focus
- Stronger Groupwide service focus
  - ➡ Development of new service applications

Levers to Harness Value Adding Potential

- Strengthen leading market positions
- Further increase in productivity
- Implementation of ThyssenKrupp best

Further Increase in Productivity

- Further restructuring of problem areas
- Improvements at underperformers
- Achievement of synergy targets
- Personnel adjustments

Continuous productivity improvements of min. 2% p.a.

Implementing ThyssenKrupp best
(business excellence in service and technology)

Targets	Timetable	
Better utilization of ThyssenKrupp's potential leads to:		
	Phase 1: Basic concept	☑ completed
	Phase 2: Inventorization	by early 2002
	Phase 3: Groupwide implementation	continuous
	Rollout	☑ January 15, 2002

- Higher margins
- Increasing capital productivity
- Sustainable competitiveness
- Value-adding growth

Groupwide rollout from January 2002

T k

Key Success Factors for ThyssenKrupp best

1. Integrated – creates value for all stakeholders
2. Comprehensive – mobilizes the entire Group
3. Sustainable – clearly defined targets and program phases
4. Self-supporting – know-how multiplication and Groupwide best practice transfer
5. Close to markets – decentralized project management
6. Coordinated – central project coordination team

Achieve program targets

Ten Groupwide Initiatives Form the Framework for Action

ThyssenKrupp best

1 Involve employees and managers	6 Maximize customer value/ sales leadership
2 Optimize performance quality through process innovation	7 E-business
3 Increase capital productivity	8 Improve operating efficiency
4 Service focus	9 Improve organization
5 Value management by controlling all value driver levers	10 Knowledge and innovation management

- Optional action areas for the business units
- Standardized methods for each initiative
- Inter-segment know-how transfer ensured

860 Ongoing Projects Identified So Far

ThyssenKrupp best

	TKS	TKA	TKE	TKT	TKM	TKServ	TKIM	CC	No. of projects	Share %
1 Involve employees and managers	12	3		2	5	3			25	3
2 Performance quality	5	99 [1]	1	10	10	3			128	15
3 Capital productivity	5	27		13	12	2	2	1	62	7
4 Service focus	2	5		7	1	4		1	20	2
5 Value management	1	13		5	3	4		1	27	3
6 Customer value	5	8	1	4	19	2			39	5
7 E-business	11	13	1	11	5	8	1	2	52	6
8 Operating efficiency	52	89	5	122	58	18	4		348	40
9 Organization	3	11	2	3	38	2		1	60	7
10 Knowledge and innovation management	3	14		15	9	5		3	49	6
Other projects	23		1	26					50	6
No. of projects	**122**	**282**	**11** [2]	**218**	**160**	**51**	**7**	**9**	**Total: 860**	

[1] Process optimization projects [2] excl. CIP projects

T k

ThyssenKrupp – Clear Strategy Geared to the Future

- ThyssenKrupp pursues a value-based strategy
- There is significant potential within the Group
- ThyssenKrupp has clearly defined financial targets
- Concrete actions to raise productivity
- ThyssenKrupp best enables better utilization of potential