

Interim Report 3rd quarter 2002 ◦ 2003
August 14, 2003



ThyssenKrupp



Q3 2002/2003 – Overview

Still holding up well in a tough economic environment

- Sales 8% down at €8.9 billion, orders 4% down from prior year at €9.1 billion
- EBT at €221 million roughly in line with the year before, taking into consideration the profits from the sale of activities at Automotive and Technologies and particularly high income from the fair value measurement of foreign currency positions and derivatives in the prior-year quarter
- EPS slightly higher at €0.42 (previous year €0.39); adjusted for a positive tax effect due to share repurchase normalized EPS are €0.23 (previous year €0.31)
- Against September 30, 2002 net financial payables slightly up to €4.9 billion after dividend payment and share repurchase



Outlook

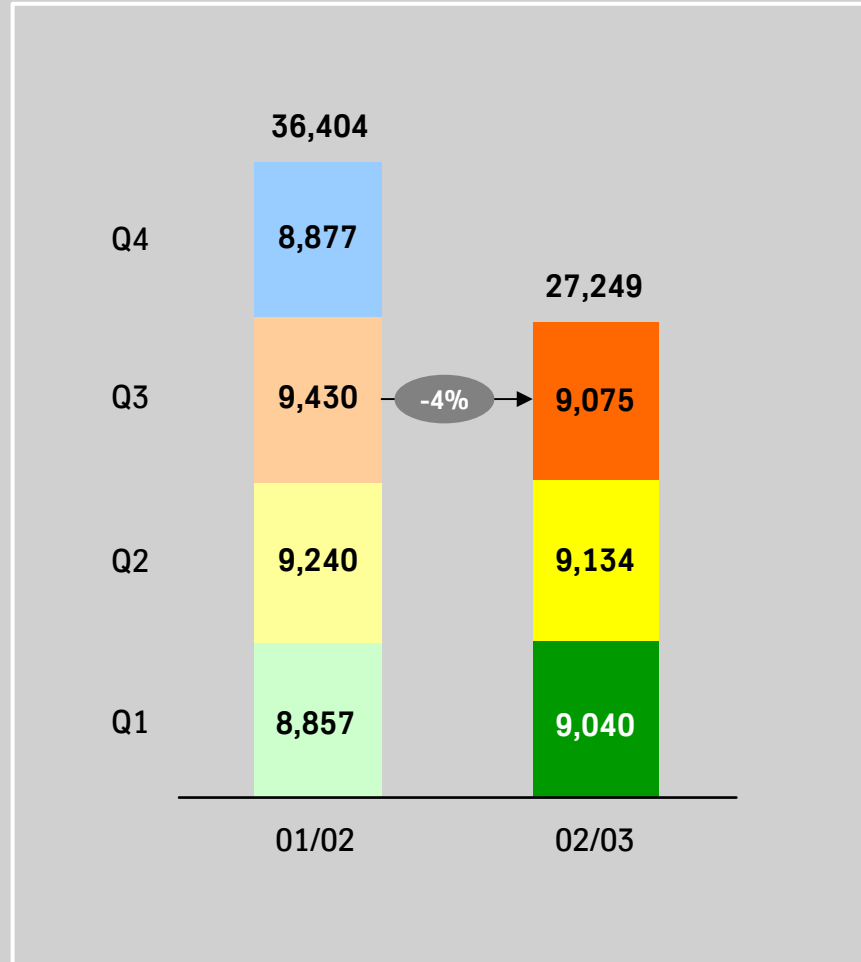
- There was still no brightening of the economic picture in the 3rd quarter of fiscal 2002/2003. Due to declining orders in key sectors, a rapid improvement in the situation is not expected. Assuming no further deterioration in the world economic parameters at least in the short term, we aim to achieve normalized earnings before taxes of €700 million in the 2002/2003 fiscal year.
 - Should the weakening trends continue in the coming months, especially in the key auto, construction and mechanical engineering industries, we will review our plan of achieving €1.5 billion EBT in fiscal 2003/2004. Since the plan was presented at the 2002 Annual Stockholders' Meeting, the economic parameters have continuously deteriorated.
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Group (I)

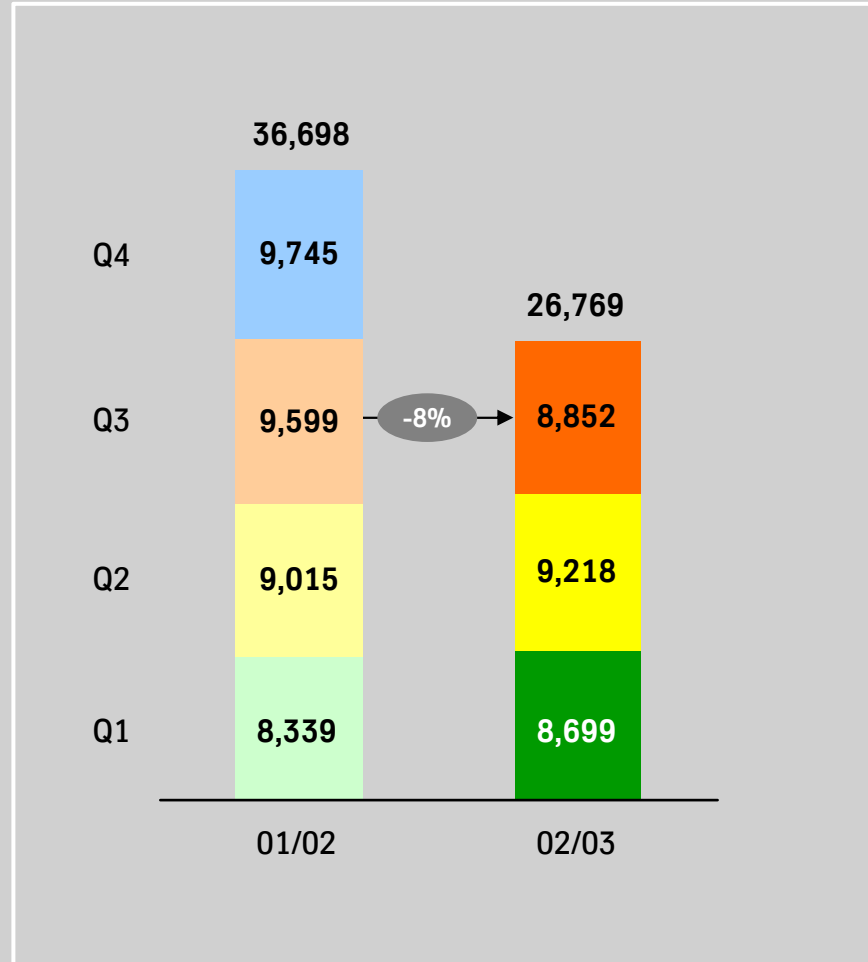
Order intake

million €



Sales

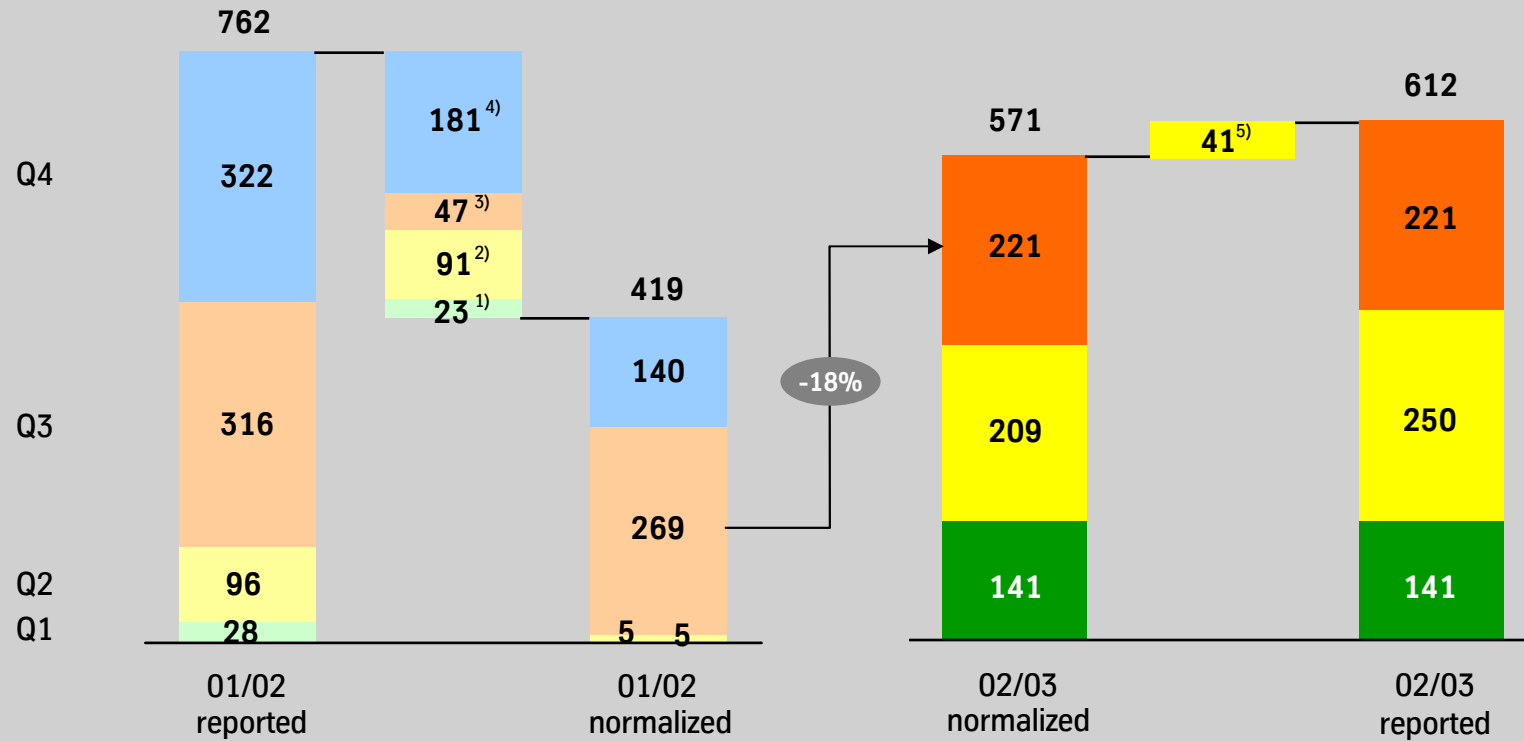
million €



Group (II)

EBT

million €

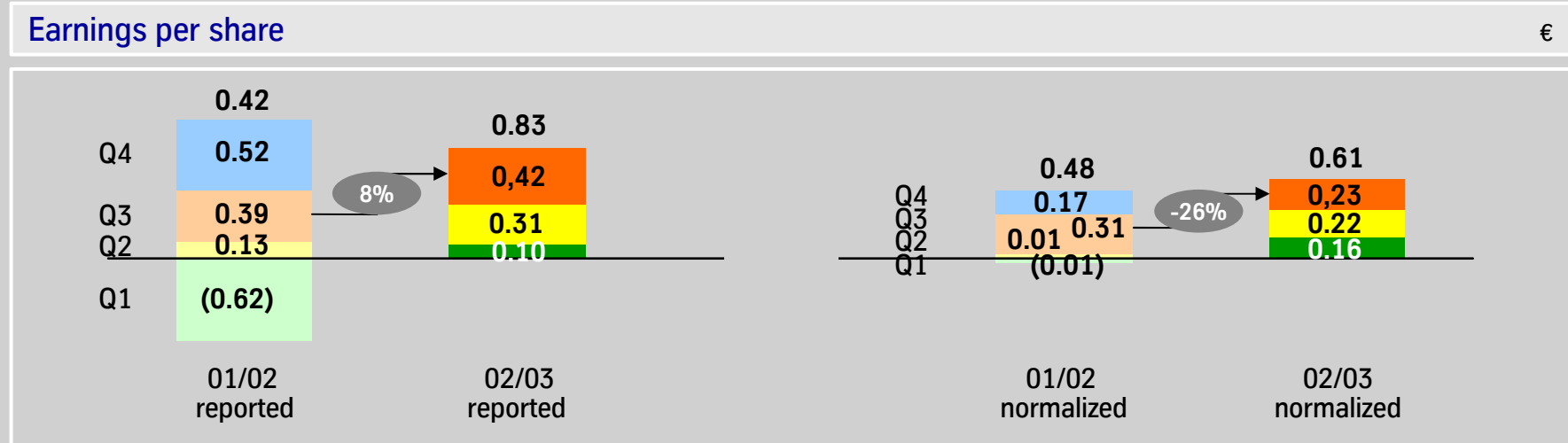
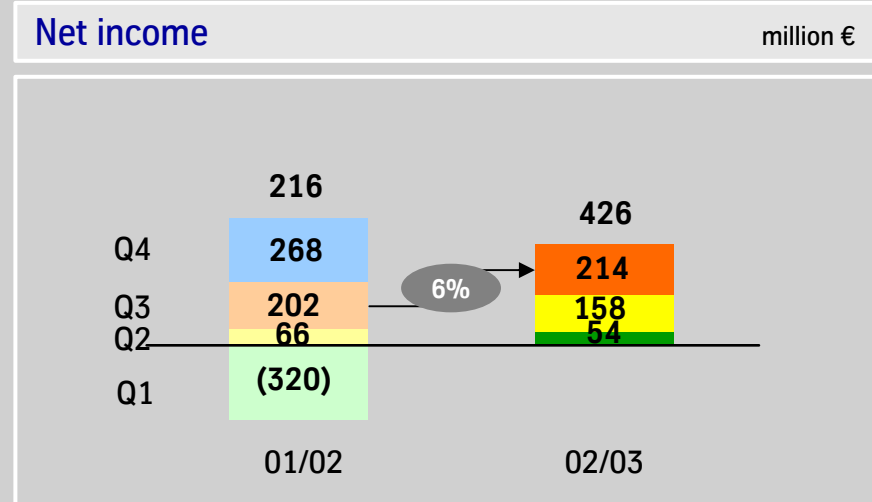
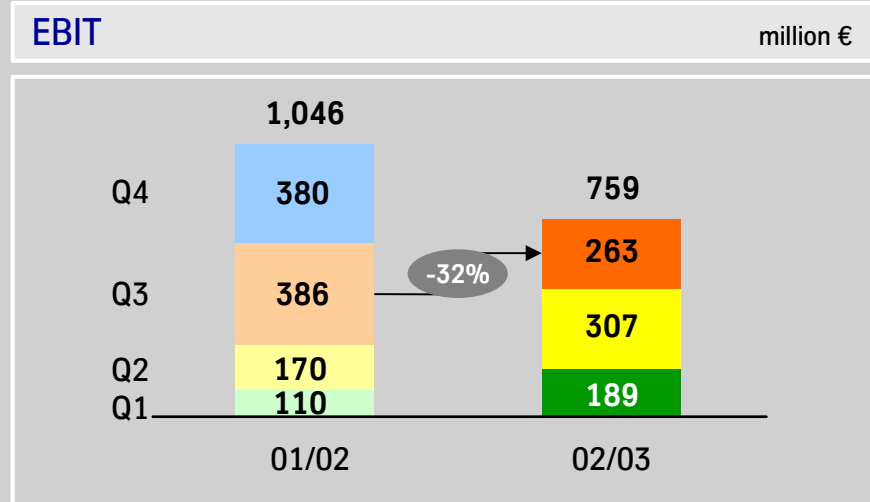


1) Sale of Kone shares €23 m
 2) Sale of Kone shares €51 m / Eurawasser €19 m / Sinterstahl €21 m
 3) Sale of Berco Bautechnik €36 m / Casting activities €11 m
 4) Sale of Ruhrgas shareholding €191 m / Car carrier activities -€10 m

5) Sale of stainless quarto plate activities €41 m



Group (III)



Group (IV) – Earnings per share

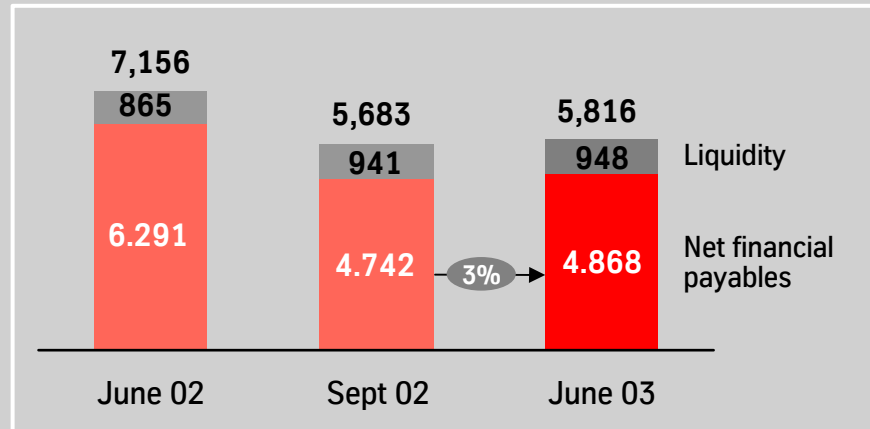
€	Q 1	Q 2	Q 3	9 months
Reported EPS	0.10	0.31	0.42	0.83
Adoption of SFAS 143	0.06	(0.05)		0.01
Disposal of quarto plate activities		(0.04)		(0.04)
Tax effect due to share repurchase			(0.19)	(0.19)
Normalized EPS	0.16	0.22	0.23	0.61
Number of shares in million	514.5	514.5	504.1*	511.0*

* difference in number of shares due to share repurchase in 3rd quarter

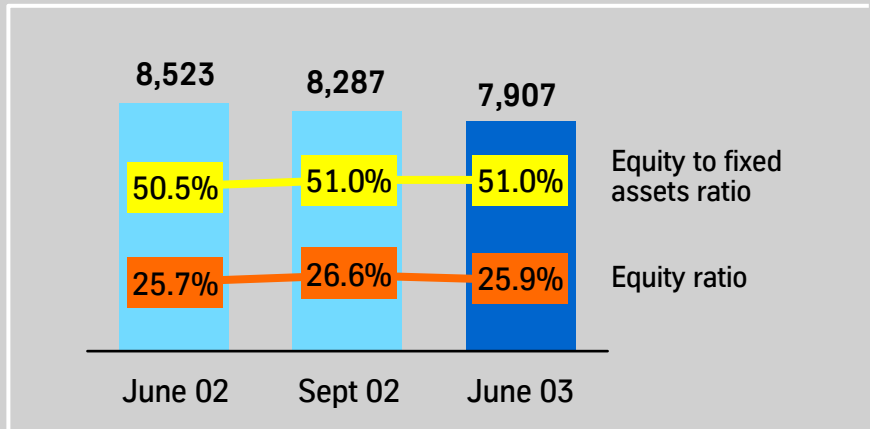


Group (V)

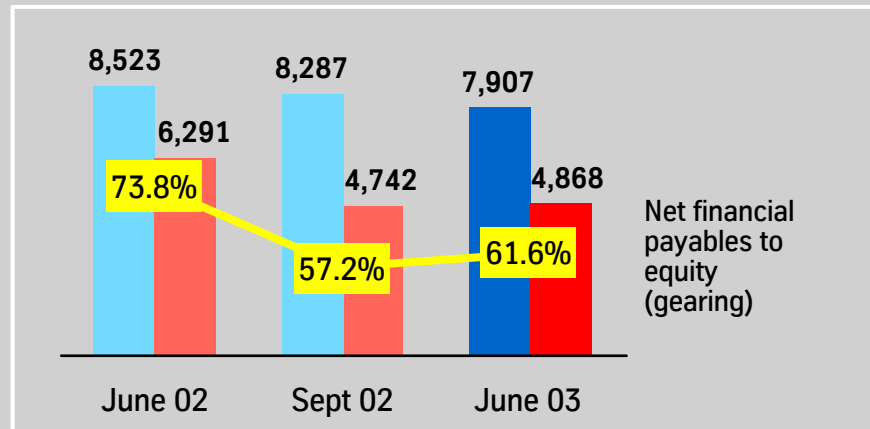
Financial payables million €



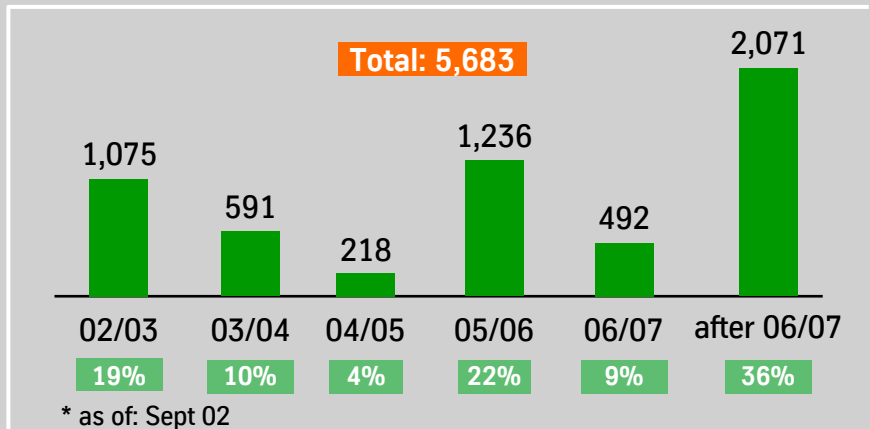
Stockholders' equity million €



Gearing million €



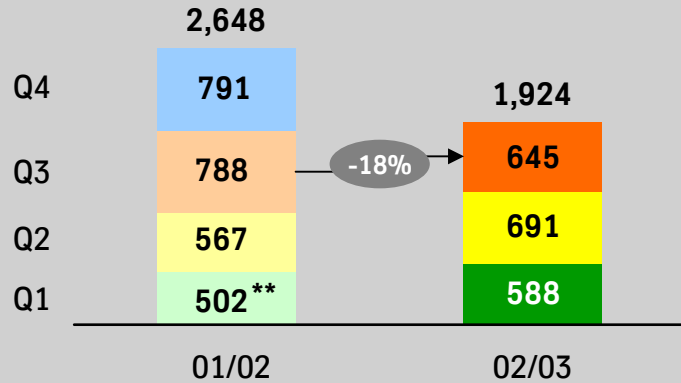
Maturity profile of gross financial payables* million €



Group (VI)

EBITDA*

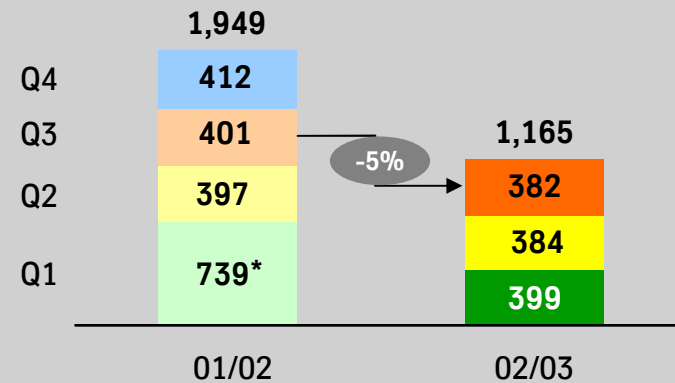
million €



* excl. interest on accrued pension liabilities ** excl. €347 m impairment charge

Depreciation and amortization

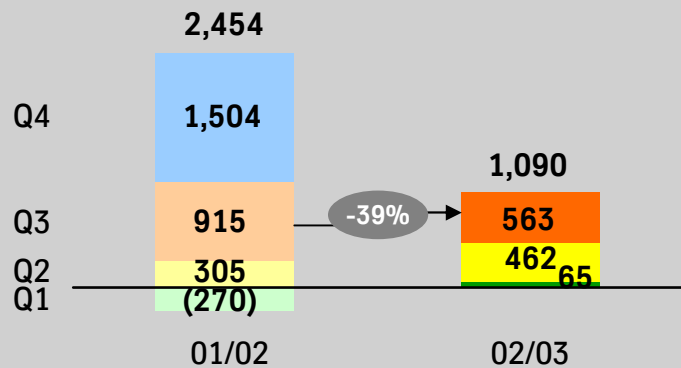
million €



* incl. €347 m impairment charge

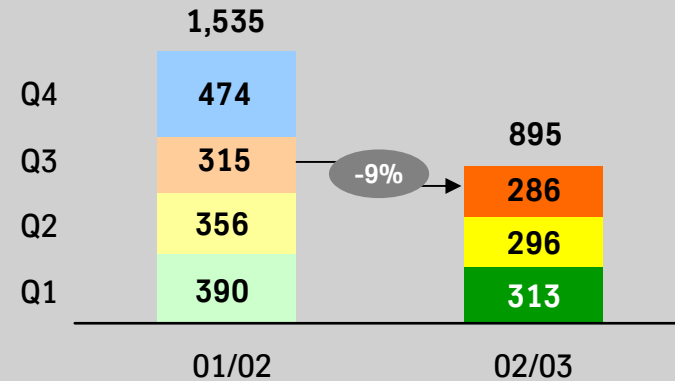
Net cash provided by operating activities

million €



Capital expenditures*

million €



* expenditures on property, plant and equipment and intangible assets



Group Overview (I)

		3rd quarter			
		2001/02	2002/03	Change	Change in %
Order intake	€m	9,430	9,075	-355	-3.8
Sales	€m	9,599	8,852	-747	-7.8
EBITDA	€m	788	645	-143	-18.2
EBIT	€m	386	263	-123	-31.9
EBT	€m	316	221	-95	-30.1
Net income	€m	202	214	12	5.9
Basic EPS	€	0.39	0.42	0.03	7.7
Normalized EPS	€	0.31	0.23	-0.08	-25.8



Group Overview (II)

		3rd quarter			
		2001/02	2002/03	Change	Change in %
Capex	€m	315	286	-29	-9.2
Deprec./amort.	€m	401	382	-19	-4.7
Net cash from operating activities	€m	915	563	-352	-38.5
Free cash flow	€m	723	350	-373	-51.6
<hr/>					
Employees (June 30)		189,929	185,381	-4,548	-2.4



Steel (I)

- Demand weakened; some production facilities no longer run at full capacity
- Orders down 7%, sales slightly down 2%
- EBT in total on prior year level; mixed picture in Carbon Steel and Stainless Steel
- Crude steel output remained at 4.3 million tons

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	3,071	2,853	-218	-7.1
• Carbon Steel	1,847	1,734	-113	-6.1
• Stainless Steel	1,027	898	-129	-12.6
Sales	3,095	3,035	-60	-1.9
• Carbon Steel	1,779	1,832	53	3.0
• Stainless Steel	1,078	977	-101	-9.4
EBITDA	332	348	16	4.8
• Carbon Steel	218	252	34	15.6
• Stainless Steel	99	86	-13	-13.1
EBIT	146	151	5	3.4
• Carbon Steel	88	113	25	28.4
• Stainless Steel	58	43	-15	-25.9
EBT	121	124	3	2.5
• Carbon Steel	63	96	33	52.4
• Stainless Steel	50	32	-18	-36.0



Steel (II)

Carbon Steel

- Decline in orders especially towards the end of the quarter had little impact on sales; despite slightly lower shipments, sales were slightly up due to revenue improvements
- Higher-than-average increases in sales for tinplate, medium-wide strip and tailored blanks
- Earnings improvement resulted from shifts in product portfolio, increase in average revenues and improved operating performance
- Raw materials price increases were outweighed by a weakening dollar

Stainless Steel

- Orders down 13%, sales down 9%
- Lower shipments also in cold-rolled strip products
- With revenue levels unchanged, earnings drop mainly due to lower shipments of stainless cold-rolled flat products
- High European price level and weakness of the USD increased pressure from imports - European sites cut back production toward the end of the quarter

	3rd quarter			
	2001/02	2002/03	Change	Change in %
Crude steel output (million tons)	4.3	4.3	+/-	+/-
• Carbon Steel	3.4	3.4	+/-	+/-
• Stainless Steel	0.7	0.7	+/-	+/-
Shipments (1,000 tpm)				
• TKS cold-rolled	510	510	+/-	+/-
• TKS hot-rolled	424	398	-26	-6.1
• Stainless total	217	198	-19	-8.8
• Stainless cold-rolled	132	121	-11	-8.3
Employees (June 30)	50,044	48,793	-1,251	-2.5
• Carbon Steel	29,870	28,872	-998	-3.3
• Stainless Steel	12,030	11,916	-114	-1.0



Automotive

- Sales down 9% due to continued weak demand on key automobile markets and unfavorable exchange rate conditions; eliminating exchange rate effects, sales would have been 2% higher
- Prior-year EBT included non recurring effects from disposal of non-automotive casting activities (€11 million), eliminating this effect operating income slightly decreased by €8 million; as a result of less favorable exchange rates, lower EBT at Powertrain; significantly lower earnings at Body due to a noticeable rise in pension and health care expenditure; earnings on prior-year level at Chassis
- Acquisition of French supplier Sofédit in July 2003; further strengthening position in French market for body and chassis stampings and assemblies

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	1,821	1,502	-319	-17.5
Sales	1,682	1,534	-148	-8.8
EBITDA	167	136	-31	-18.6
EBIT	86	63	-23	-26.7
EBT	77	58	-19	-24.7
Employees (June 30)	37,984	37,010	-974	-2.6



Elevator

- Continuing weakness of construction sector impacted new installations business; service and modernization activities continued to perform encouragingly
- Reductions in order intake and sales due to negative exchange rate effects; without these exchange rate influences, sales would have increased by 2%
- Despite a drop in income from the North American activities caused by the exchange rate earnings were virtually level with previous year
- In July 2003 an agreement to purchase a majority interest in the Korean DongYang Group was signed; strengthening market position in Asia

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	881	830	-51	-5.8
Sales	879	816	-63	-7.2
EBITDA	112	98	-14	-12.5
EBIT	98	84	-14	-14.3
EBT	86	81	-5	-5.8
Employees (June 30)	28,198	29,701	1,503	5.3



Technologies

- Orders up 6% primarily attributable to Plant Technology
- Decline in sales throughout all business units in particular at Production Systems
- Significant decline in EBT due to continued losses at Production Systems (Metal Cutting) and increased project costs for the Transrapid Shanghai at Mechanical Engineering, prior-year figures, however, affected by a positive extraordinary effect (€36 million from disposal of Berco Bautechnik at Mechanical Engineering)
- Plant Technologies returned a two-figure EBT; earnings down at Marine

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	1,372	1,453	81	5.9
Sales	1,458	1,183	-275	-18.9
EBITDA	116	30	-86	-74.1
EBIT	72	(9)	-81	-
EBT	78	1	-77	-98.7
Employees (June 30)	32,827	29,980	-2,847	-8.7



Materials

- Orders up 3%, sales down 5% due to continued price and competitive pressure
- MaterialsServices Europe achieved sales growth; sales down at MaterialsServices North America for exchange rate reasons
- Despite weak market environment, necessary restructuring expense and value adjustments, earnings at the MaterialsServices Europe and MaterialsServices North America business units remained positive, but fell short of the prior-year quarter; significant earnings improvement in Special Products

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	2,178	2,241	63	2.9
Sales	2,377	2,262	-115	-4.8
EBITDA	65	55	-10	-15.4
EBIT	47	35	-12	-25.5
EBT	35	27	-8	-22.9
Employees (June 30)	13,719	13,610	-109	-0.8



Serv

- Orders up 7%, sales down 7% primarily due to weak economic situation
- Sales down at Industrial Services and Construction Services, Information Services held up well, sales increase in Facilities Services
- Lower earnings at Industrial Services; last year's restructurings led to an earnings improvement in the Construction Services and Facilities Services business units, but both still returned losses; earnings improvement at Information Systems
- In July 2003 the partial sale of the Construction Services was announced which could lead to a significant future book loss

million €	3rd quarter			
	2001/02	2002/03	Change	Change in %
Order intake	622	668	46	7.4
Sales	621	575	-46	-7.4
EBITDA	41	26	-15	-36.6
EBIT	11	0	-11	-
EBT	6	(2)	-8	-
Employees (June 30)	25,747	24,841	-906	-3.5



Segment Overview (I)

million €	3rd quarter 2001/02			3rd quarter 2002/03		
	Order intake	Sales	Employees (June 02)	Order intake	Sales	Employees (June 03)
Steel	3,071	3,095	50,044	2,853	3,035	48,793
Automotive	1,821	1,682	37,984	1,502	1,534	37,010
Elevator	881	879	28,198	830	816	29,701
Technologies	1,372	1,458	32,827	1,453	1,183	29,980
Materials	2,178	2,377	13,719	2,241	2,262	13,610
Serv	622	621	25,747	668	575	24,841
Real Estate	76	76	743	77	77	740
Corporate	8	8	667	4	4	706
Consolidation	(599)	(597)	–	(553)	(634)	–
Group	9,430	9,599	189,929	9,075	8,852	185,381



Segment Overview (II)

million €	3rd quarter 2001/02			3rd quarter 2002/03		
	EBITDA	EBIT	EBT	EBITDA	EBIT	EBT
Steel	332	146	121	348	151	124
Automotive	167	86	77	136	63	58
Elevator	112	98	86	98	84	81
Technologies	116	72	78	30	(9)	1
Materials	65	47	35	55	35	27
Serv	41	11	6	26	0	(2)
Real Estate	32	21	17	27	14	12
Corporate	(78)	(99)	(103)	(69)	(71)	(74)
Consolidation	1	4	(1)	(6)	(4)	(6)
Group	788	386	316	645	263	221



Segment Overview (III)

million €	9 months 2001/02		9 months 2002/03	
	Order intake	Sales	Order intake	Sales
Steel	8,801	8,646	9,089	9,049
Automotive	4,862	4,760	4,609	4,627
Elevator	2,811	2,593	2,620	2,448
Technologies	4,021	4,110	3,859	3,882
Materials	6,655	6,525	6,754	6,652
Serv	1,920	1,807	1,839	1,738
Real Estate	243	243	239	239
Corporate	39	39	21	21
Consolidation	(1,825)	(1,770)	(1,781)	(1,887)
Group	27,527	26,953	27,249	26,769



Segment Overview (IV)

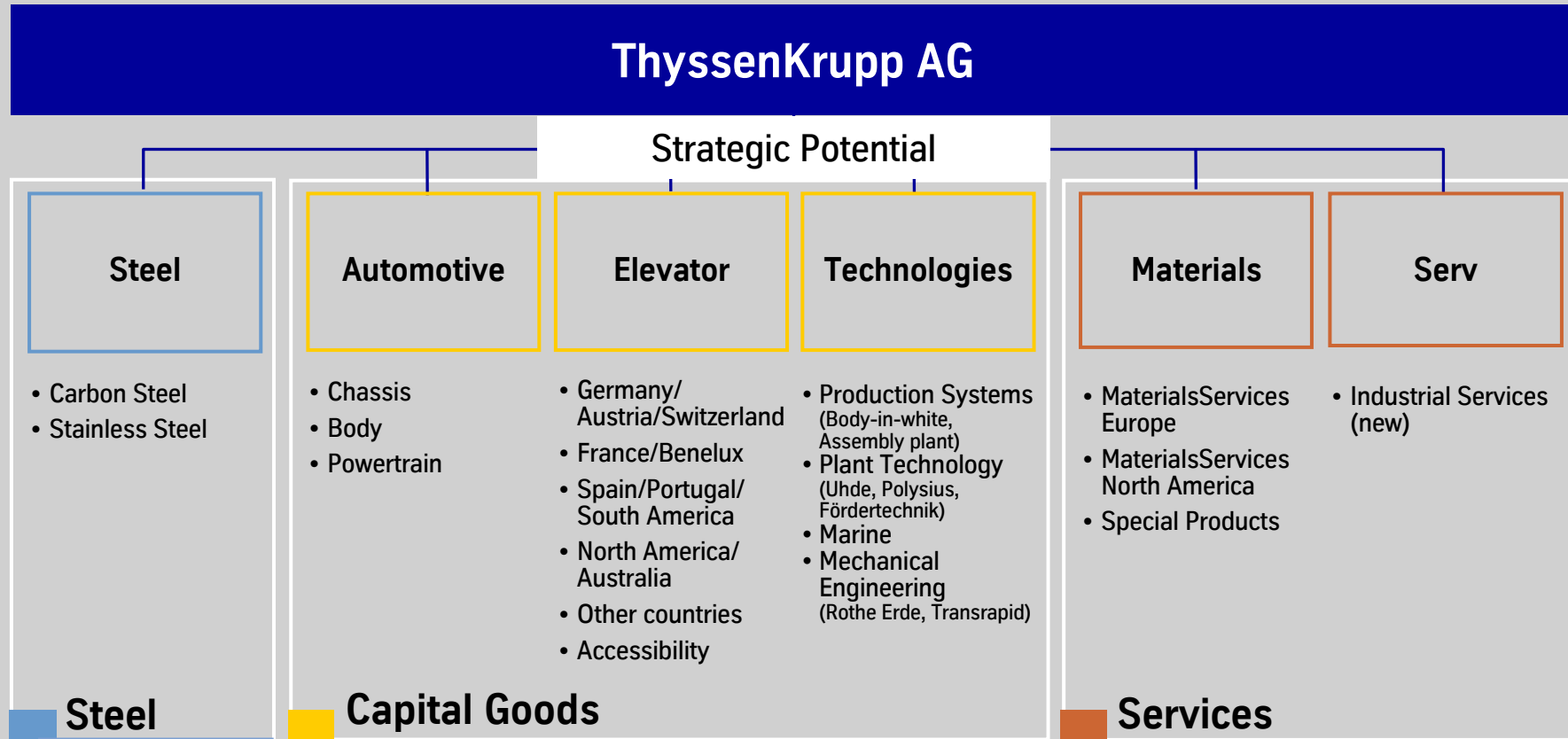
million €	9 months 2001/02			9 months 2002/03		
	EBITDA	EBIT	EBT	EBITDA	EBIT	EBT
Steel	697	133	56	1,006*	426*	353*
Automotive	413	174	144	381	144	125
Elevator	310	264	224	301	265	245
Technologies	182	52	67	101	(20)	12
Materials	131	76	40	152	96	67
Serv	149	51	35	93	11	0
Real Estate	109	76	64	95	59	53
Corporate	(140)	(165)	(193)	(195)	(213)	(233)
Consolidation	6	5	3	(10)	(9)	(10)
Group	1,857	666	440	1,924	759	612

* incl. sale of quarto plate activities €41 m

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ThyssenKrupp - Strategic Direction



Disposal of 20+ low performing (€4 bn sales) and 10+ non-core businesses (€3 bn sales) identified and targeted among all segments



30+ Portfolio Optimizations since Oct. 1, 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**
 Sofédit (F) **Acquisition***
 Phillips & Temro (USA) **Disposal**
 Philadelphia Plant (USA) **Closure**
 Kendalville (USA) **Mothballed**

Materials

Ferrosta (CZ) **Acquisition**
 Rodena (DK) **Acquisition**

* signed/closed transactions after June 30, 2003

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**
 Dong Yang Elevator (South Korea) **Acquisition***

Technologies

Polymer (D) **Disposal**
 Otto India (India) **Disposal**
 Stahlbau Berlin (D) **Closure**
 Henschel (D) **Disposal**

Serv

Rodisola (E) **Acquisition**
 Umweltservice (D) **Disposal**
 Construction Services (D) **Disposal***
 Media Services (D) **Disposal**

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Portfolio Optimization – Disposals FY 2002/03

	Number of Entities	Sales	EBT	Net Financial Debt	Pension Obligations	Employees
1st Half	8	€529 m	-€7 m	€67 m	€1 m	2,663
3rd Quarter	3	€223 m	€4 m	€88 m	€12 m	1,044
Total	11	€752 m	-€3 m	€155 m	€13 m	3,707
Subsequent Event	1	€167 m	€4 m	€87 m	€6 m	822



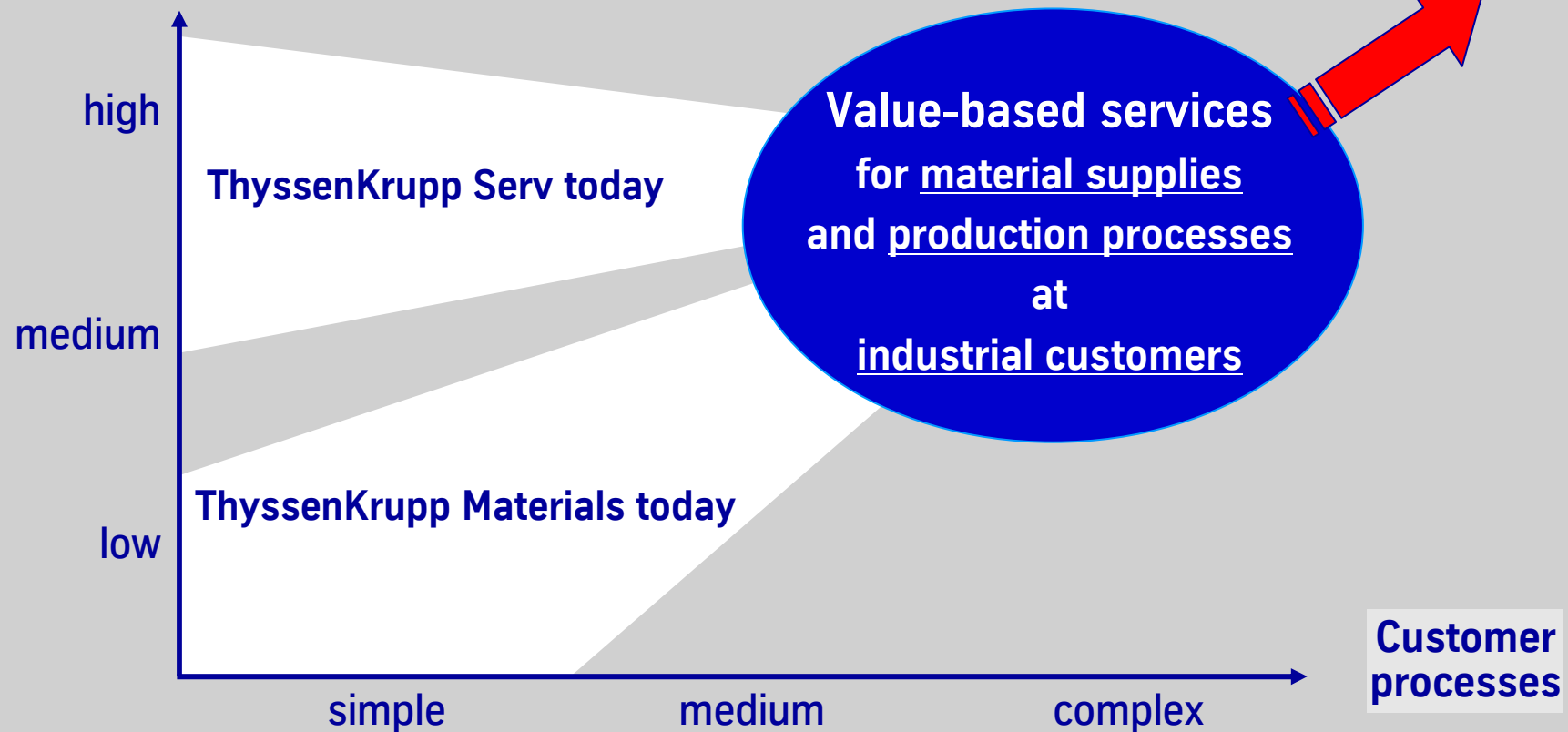
Portfolio Optimization – Acquisitions

	Sales	EBT	Transaction Volume	Employees	Status
Galmed, Spain Hot dip galvanizer; access to high-growth Spanish automobile market; further step in internationalization of downstream activities	≈€100 m	+	€51 m	≈60	consolidated
Tepper Aufzüge, Germany Biggest elevator manufacturer in NRW; further strengthening market position in Germany	≈€40 m	+	€42 m	≈300	consolidated
Sofédit, France French supplier, further strengthening position in OEM market	≈€600 m	+	€155 m	≈4,000	closed
Dong Yang, South Korea Strengthen the segment's market position in Asia, especially in Korea	≈€200 m	+	not disclosed	≈1,000	signed



Formation of ThyssenKrupp Services AG

Value added by service provider

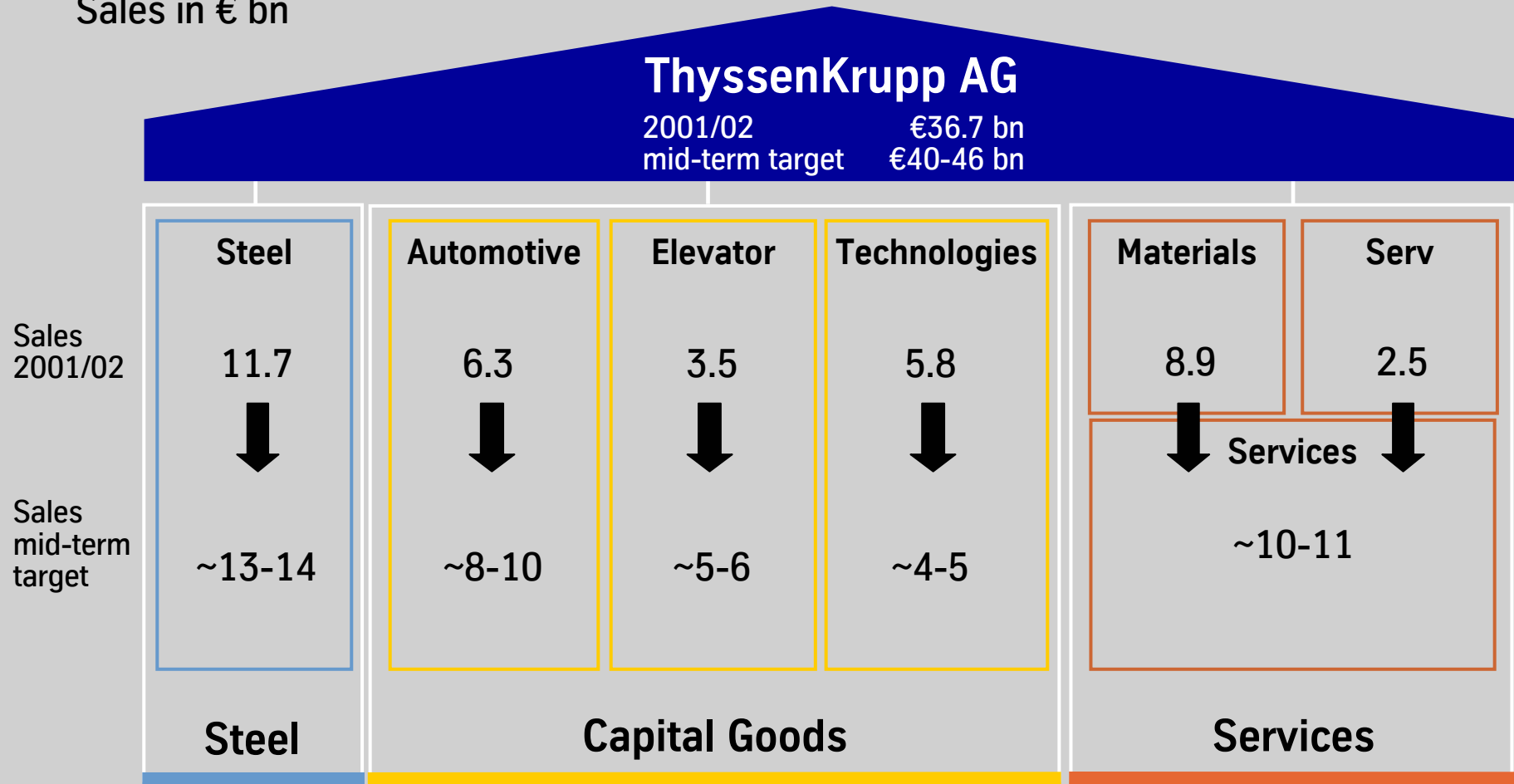


ThyssenKrupp



ThyssenKrupp: Focused industrial group based on 3 pillars

Sales in € bn



ThyssenKrupp



Financial Calendar

- December 4, 2003 Annual press conference
Analysts' meeting
- January 23, 2004 Annual Stockholders' Meeting
- January 26, 2004 Dividend payment for fiscal 2002/2003
- February 13, 2004 Interim report 1st quarter 2003/2004 (October to December)
Conference Call
- May 14, 2004 Interim report 2nd quarter 2003/2004 (January to March)
Analysts' meeting
- August 12, 2004 Interim report 3rd quarter 2003/2004 (April to June)
Conference Call

