

Presentation ThyssenKrupp
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6th German Corporate Conference
Deutsche Bank
Feb. 24, 2003, Frankfurt / Main

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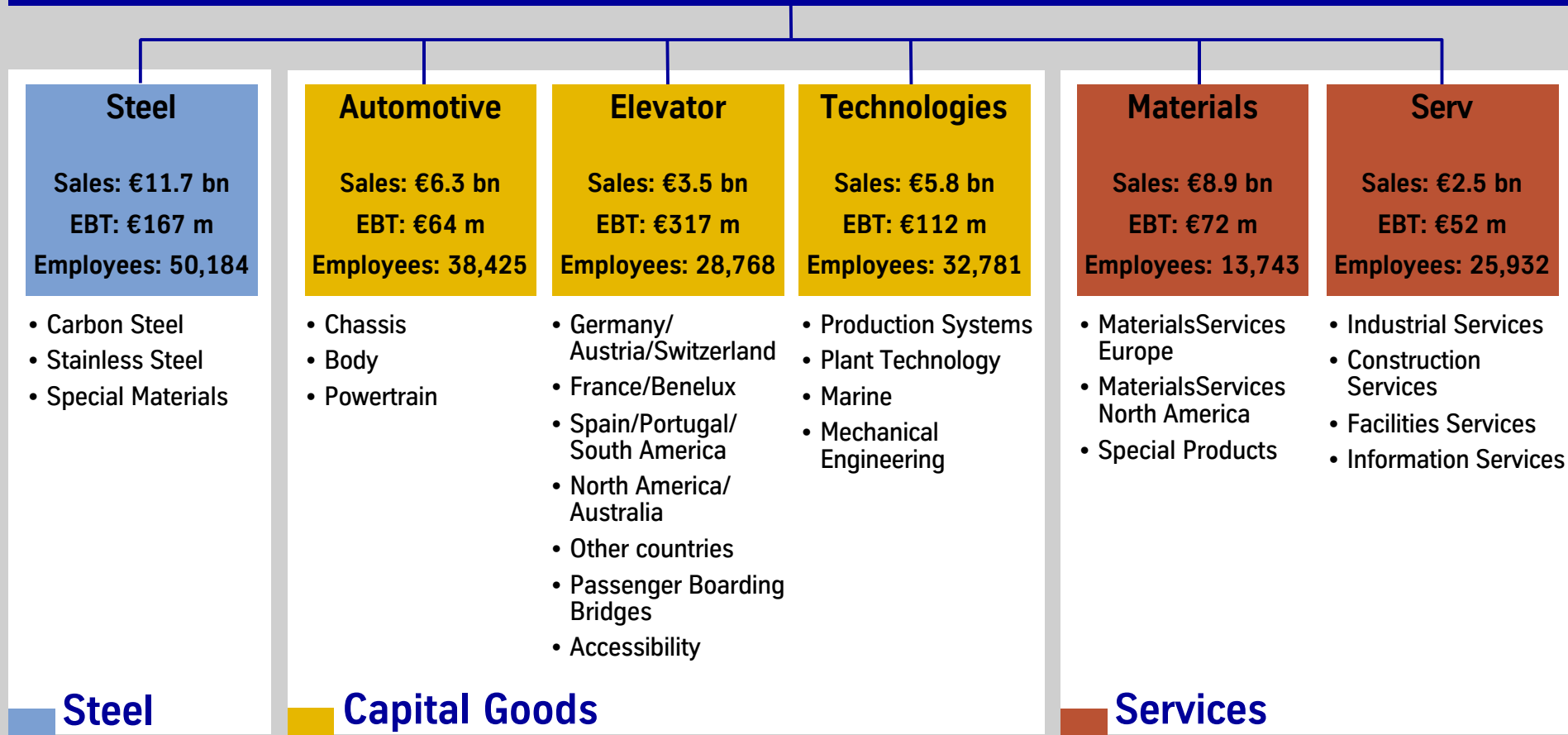
ThyssenKrupp



ThyssenKrupp Group 2001/2002

ThyssenKrupp AG

Group sales (consolidated): €36.7 billion • EBT (consolidated): €762 million • Employees: 191,254



Inter-segment sales unconsolidated; employees on Sept. 30, 2002



Year-on-year Comparison of Highlights by Segment

million €	2000/2001					2001/2002				
	Order intake	Sales	EBITDA	EBIT	EBT	Order intake	Sales	EBITDA	EBIT	EBT
Steel	11,777	12,521	1,657	836	673	11,732	11,686	1,032	277	167
Automotive	6,179	6,115	521	231	155	6,410	6,337	430	103	64
Elevator	3,702	3,515	417	357	276	3,615	3,500	418	366	317
Technologies	5,705	5,733	371	195	203	5,304	5,806	267	97	112
Materials	9,817	9,622	223	139	42	8,886	8,875	191	116	72
Serv	2,580	2,589	186	(1)	(36)	2,540	2,549	211	72	52
Real Estate	317	317	147	98	80	320	320	141	95	80
Corporate	353	353	(218)	(249)	(260)	45	45	13	(68)	(90)
Consolidation	(2,561)	(2,757)	(37)	(16)	(16)	(2,448)	(2,420)	(55)	(12)	(12)
Group	37,869	38,008	3,267	1,590	1,117	36,404	36,698	2,648	1,046	762



Targets Unchanged

Handout
Jan. 15, 2002

Medium-term financial 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



Value Indicators by Segment

	ROCE in %		WACC in % 2000/2001 and 2001/2002	Target ROCE in %	Capital Employed* in million €	EVA in million €	
	2000/01**	2001/2002				2000/01**	2001/2002
Steel	9.8	4.0	10.0	12.0	8,976	(16)	(538)
Automotive	9.0	5.1	9.5	17.0	3,122	(16)	(137)
Elevator	18.4	20.4	9.0	18.0	1,826	186	208
Technologies	14.2	11.7	10.0	15.0	1,297	73	22
Materials	5.8	5.5	9.0	12.0	2,468	(88)	(87)
Serv	0.5	7.7	9.0	15.0	1,071	(98)	(14)
Real Estate	5.5	5.4	7.5	9.5	1,842	(37)	(39)
Group	8.8	7.0	9.0	12.0	21,001	(46)	(413)

* average 2001/2002

** Note: 2000/2001 figures adapted (increase in goodwill amortization)



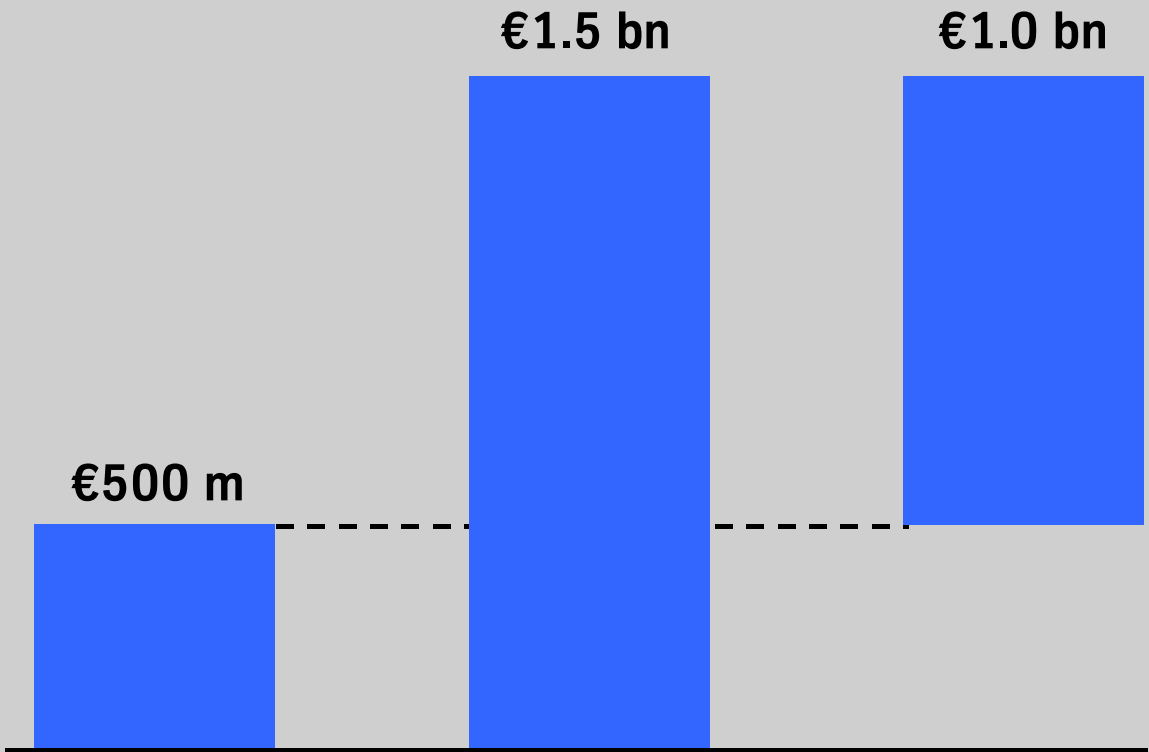
Closing the Earnings Gap

Handout
Jan. 15, 2002

Earnings 2000/2001*

Target

Earnings gap



- ▶ Strategy and market
- ▶ Productivity improvement
- ▶ ThyssenKrupp best

* excluding exceptional items



SB Meeting
Dec. 19, 2002

Enhancing the Value of ThyssenKrupp

Group focused on Steel, Capital Goods and Services

Strategy and market

Focus the Group on

- Steel
- Capital Goods
- Services

Develop the segments

- Active portfolio management
- Organic growth
- Increased service focus (target: 30% of sales)

Productivity improvements/ restructuring measures

Continuous productivity improvements of at least 2%-3% p.a.

- Personnel adjustments
- Improve underperformers
- Achieve synergy goals
- Restructuring

ThyssenKrupp best

Main themes:

- Operating efficiency
- Reduce capital employed
- Service focus
- Involve staff and management
- Maximize customer value
- Knowledge management
- E-business
- ...

Close the earnings gap

Target: €1.5 bn EBT



Major Portfolio Streamlining in 2001/2002

Disposals

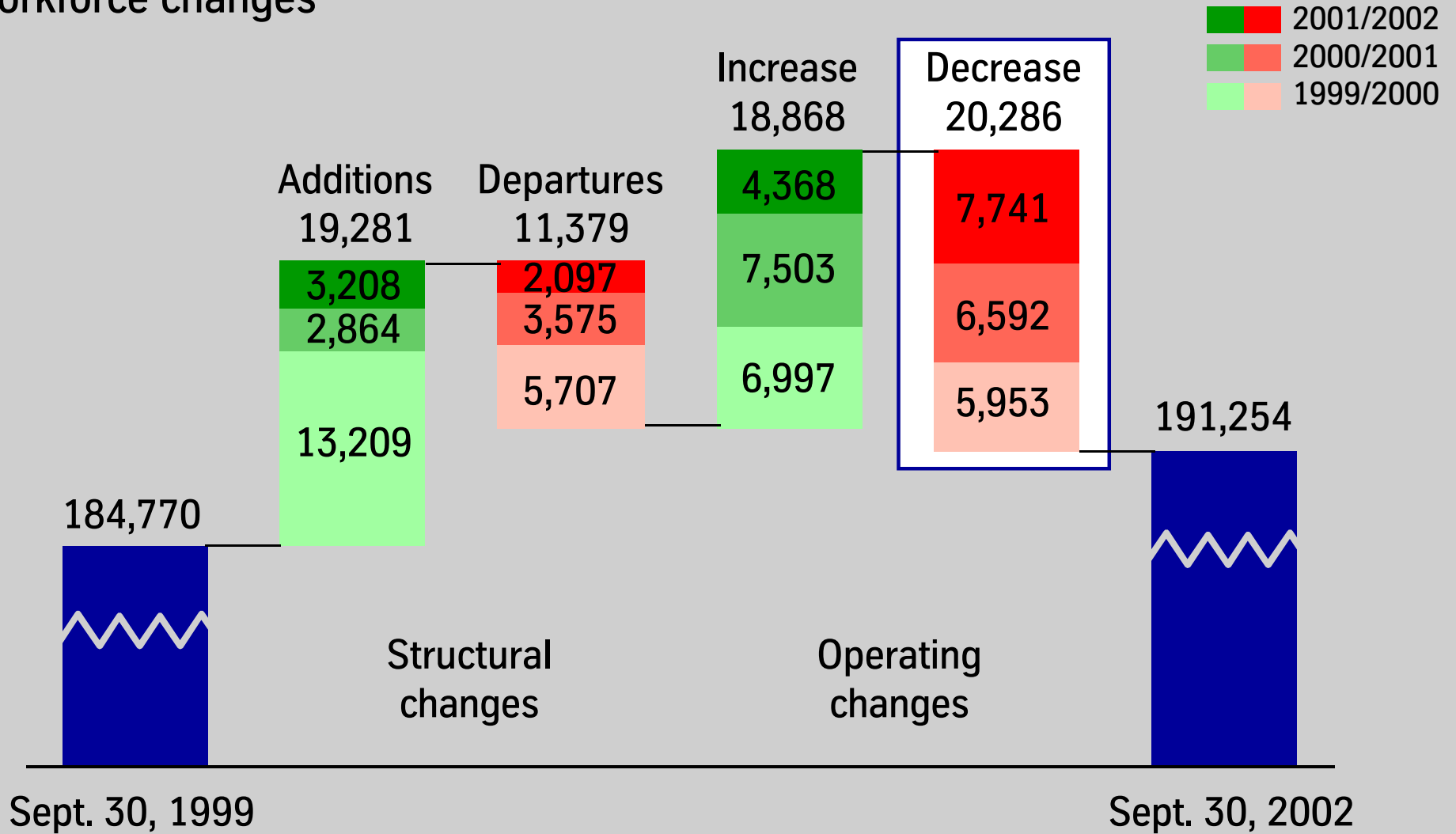
	<u>Proceeds from sale</u>	<u>Gain/(Loss)</u>
● Kone shareholding (Corporate)	€133 million	€74 million
● 50% equity interest in Eurawasser (Serv)	€38 million	€19 million
● 50% equity interest in Sinterstahl (Automotive)	€36 million	€21 million
● Krupp Berco Bautechnik (Technologies)	€55 million	€36 million
● Casting activities (Automotive)	€30 million	€11 million
● Ruhrgas shareholding (Corporate)	€486 million	€191 million
● Car Carrier activities (Corporate)	€105 million	(€10 million)
Total	€883 million	€343 million

➡ approx. €900 million proceeds from disposals



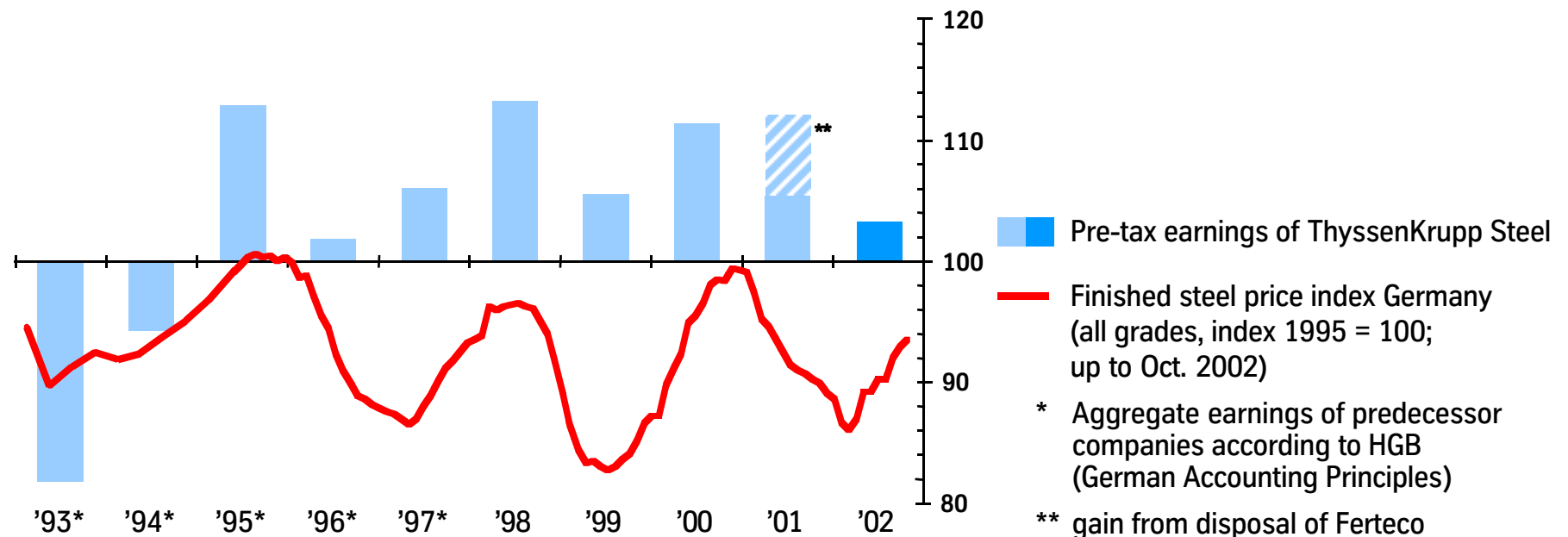
Ongoing Restructuring

Workforce changes



Productivity Improvements – Steel

- Despite steel crisis EBT 2001/2002 >€100 million; Carbon Steel with positive earnings
- “Price before volume” policy successfully implemented
- High proportion of contract business and cost reduction measures secure profitability
- Earnings potential about €800 million



ThyssenKrupp best



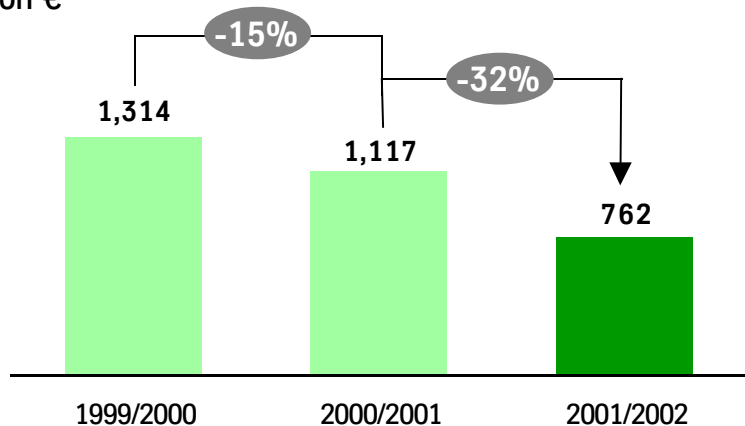
- Successful Groupwide roll-out in January 2002
- After 12 months, now >1,000 projects
- Focus on improving operating efficiency
- Sustained cost-reduction potential in all segments
- Groupwide knowledge sharing via pl@za

Key success factor in difficult market environment

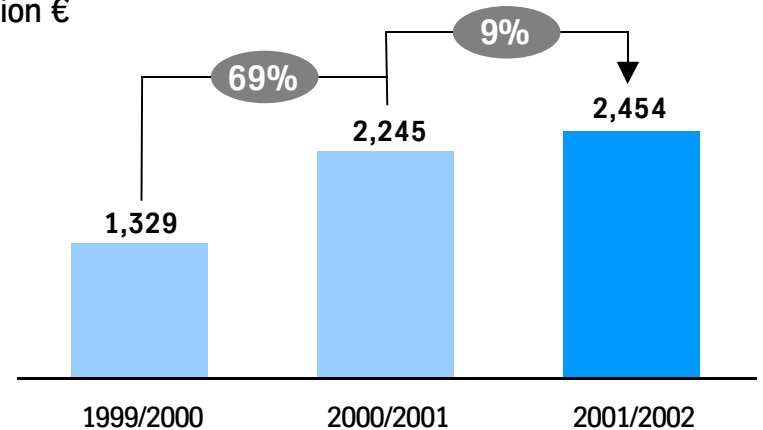


Net Financial Payables Significantly Reduced

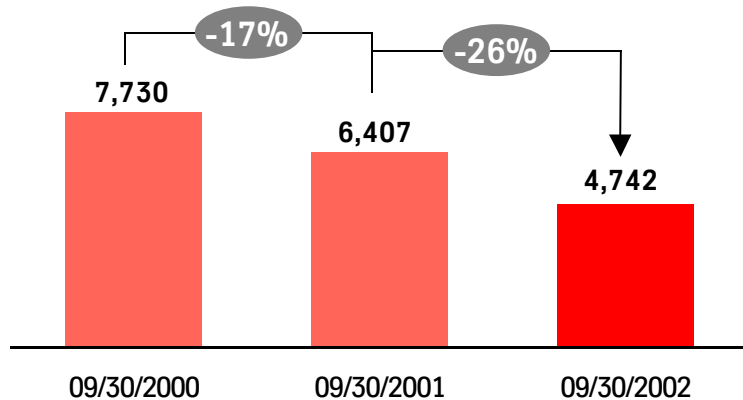
EBT
million €



Operating cash flow
million €



Net financial payables
million €



- Earnings 2001/2002 down by a third in weak economic environment
- Operating cash flow higher, however
- Net gearing already below target of 60% as of Sept. 30, 2002



Overview of 1st Quarter Ending December 31, 2002

- 1st quarter performance distinctly positive
- Order intake 2% higher than prior year at €9.0 billion; sales up 4% to €8.7 billion
- Normalized EBT up €136 million to €141 million
- Earnings were generated purely from operating activities
- Significant improvement in normalized EPS from –€0.01 to €0.16
- Improvement in cash flow from operating activities from –€270 million to €65 million
- At €4.9 billion, net financial payables at Dec. 31, 2002 were still under €5 billion!



Outlook for Fiscal Year 2002/2003

- Despite continuing subdued economic expectations, we expect a significant increase in 2nd quarter 2002/2003 EBT compared with the same period a year earlier
- Economic and political uncertainties make it impossible to give a reliable forecast for 2nd half 2002/2003
- Assuming no deterioration in economic parameters, we aim to significantly improve full-year earnings for fiscal 2002/2003; this would take us a major step closer to achieving our goal of €1.5 billion EBT in fiscal 2003/2004
- Keeping to gearing target of 60% remains a priority; furthermore we are looking to improve our gearing ratio by further reducing our financial payables



Conclusion



How to contact ThyssenKrupp Investor Relations

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brief e-mail with your
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ThyssenKrupp Pension Obligations (I)

Accrual-backed pension obligations

mainly in Germany

PBO: €5,900 million

Financed by accruals
(covered by fixed assets)

→ “internal funding”

Funded pension obligations

mainly in the UK/USA

PBO: €1,924 million

Financed by fund assets

→ “external funding”

→ Two different systems

PBO = Projected Benefit Obligations



Accrued Pension and Similar Obligations (II)

The balance sheet as of Sept. 30, 2002 shows accrued pension and similar obligations of €7.1 billion, of which:

Accrual-backed pension plans	€5,960 m
Funded pension plans	€263 m
Pension obligations	€6,223 m
Health care obligations	€567 m
Other pension-related obligations	€275 m
Total	€7,065 m

Analysis of pension obligations by segment:

Steel	€1,242 m
Automotive	€492 m
Elevator	€83 m
Technologies	€799 m
Materials	€309 m
Serv	€160 m
Real Estate	€40 m
Corporate*	€3,098 m
Total	€6,223 m

* legacy obligations



Accrual-backed Pension Plans (III)

- Regional analysis of accrual-backed plans

Germany	€5,854 m
Italy	€94 m
Austria	€10 m
Mexico	€2 m
Total	€5,960 m

- Net pension expense (personnel expense) is €437 m (incl. €202 m Corporate),

Interest cost	€336 m
Service cost	€64 m

- Total pension payments are €444 m (of which €408 m in Germany)

- Plans valued effective July 1, 2002

- PBO: €5,900 million

- Discount rate of 5.9% (weighted) is market rate

- Valued based on the valid 1998 Heubeck tables

- Pension payments (Germany) have reached their peak at a level of >€400 million; after 2007 a reduction to <€400 million is expected



Funded Pension Plans (IV)

- Change in AOCI (accumulated other comprehensive income, after taxes): €132 million
- Accrued liability in the consolidated balance sheet €263 million
- Net pension expense (personnel expense) is €23 million
- Total payment cost for ThyssenKrupp €42 million

- Valued effective July 1, 2002
- PBO under funded pension plans €1,924 million
- 9.03% expected return on plan assets as of July 1, 2002
- Fair value of plan assets €1,616 million
- Decline in plan assets results in an increase in accrued pension liabilities from €94 million to €263 million
- Currency effects €57 million
- Special effect in net pension expense due to plant closure in the USA €33 million



Health Care and Other Pension-Related Obligations (V)

Health care obligations

- The €567 million recognized is for US and Canadian plans
- Net expense €83 m
 - of which interest cost €44 m
 - of which service cost €10 m
- Payments for health care obligations amount to €65 million
- PBO increased by €258 million to €872 million versus 09/30/2001.
Reason: Large rise in health care costs
- Accrued liability is virtually unchanged; in the coming years we expect an increase in amortization of actuarial loss (expense in income statement)
- Special effect in net pension expense due to plant closure in the USA €29 million

Other pension-related obligations

- The liability accrued for other pension-related obligations in the amount of €275 million consists mainly of:
 - Partial/early retirement €90 m
 - Termination benefits Steel €90 m
 - Pensionsversicherungsverein €52 m
 - Pension-related obligations France €21 m
- Expense is €49 million



Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements and are subject to risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. ThyssenKrupp does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

