

**German Investment Seminar
Dresdner, Kleinwort, Wasserstein
January 13, 2003, New York**

**Presentation ThyssenKrupp
Dr. A. Stefan Kirsten**

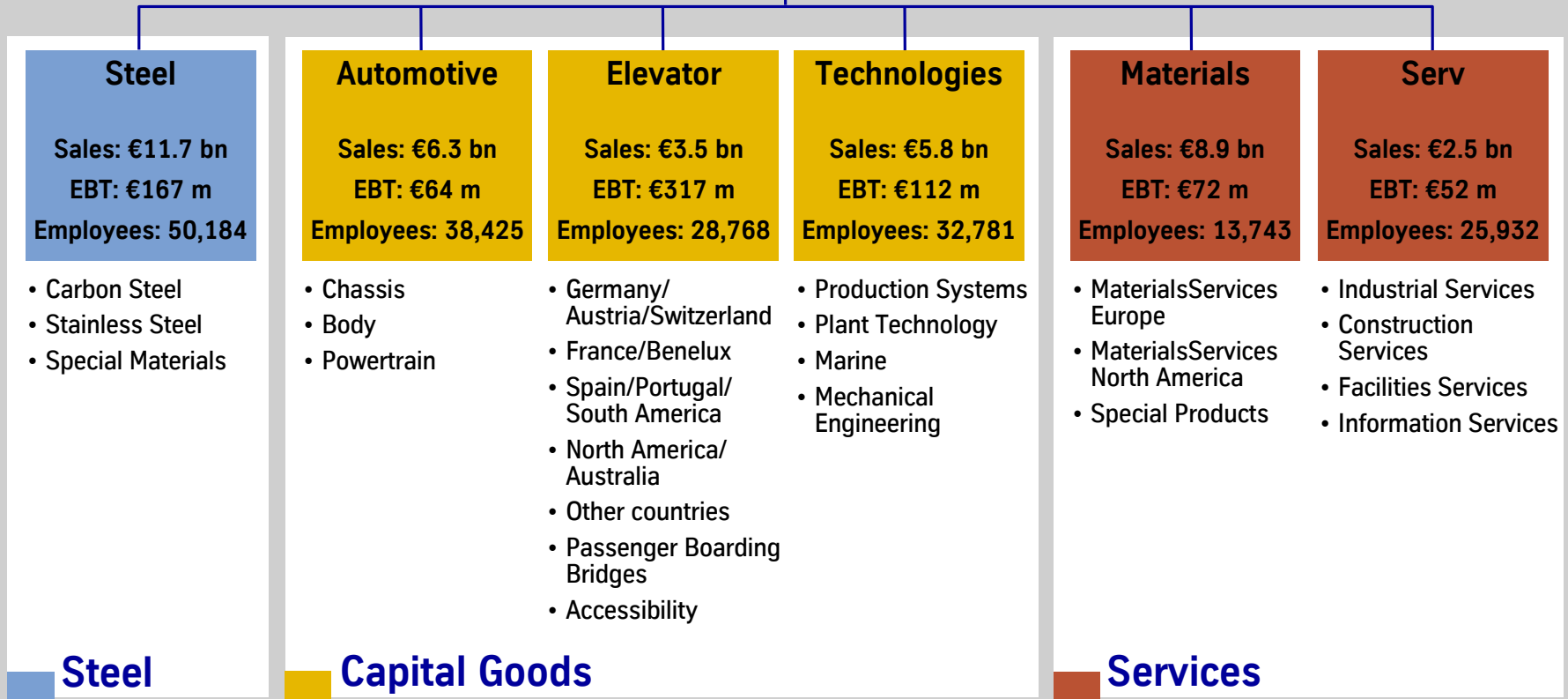
ThyssenKrupp



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
01/15/2002

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 %	Target ROCE in %	Capital Employed* in million €	EVA in million €	
	2000/01**	2001/2002	2000/2001 and 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)



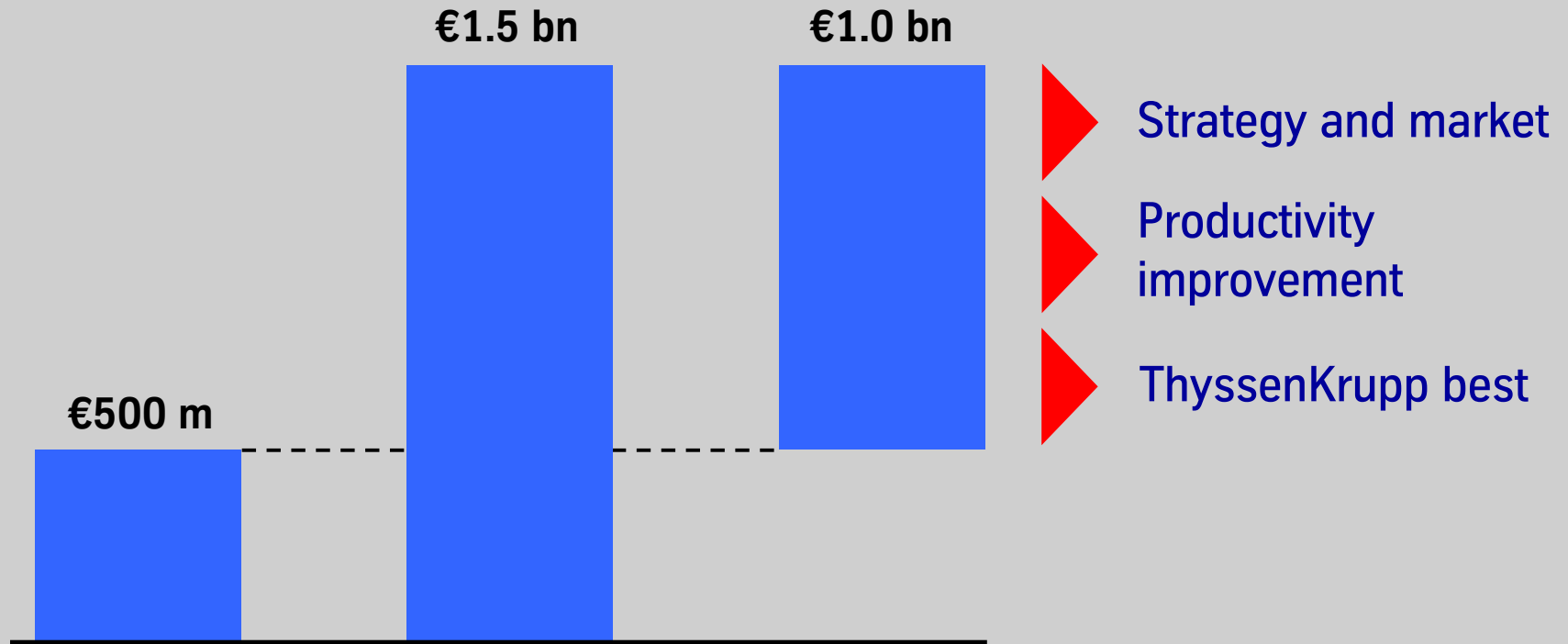
Handout
01/15/2002

Closing the Earnings Gap

Earnings 2000/2001*

Target

Earnings gap



* excluding exceptional items

ThyssenKrupp



SB Meeting
12/19/2002

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

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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



Overview of 2001/2002 (I)

- World economic slowdown continued to impact business performance in fiscal 2001/2002
- Order intake at €36.4 billion was 4% lower than the prior year (€37.9 billion)
- Sales at €36.7 billion 3% lower than prior year (€38 billion)

In the fourth year following the merger, growth strategy again slowed by economic headwind



Overview of 2001/2002 (II)

- Decrease in EBT to €762 million (prior year €1,117 million); normalized figure nonetheless €419 million (prior year €774 million)
- Low net income of €216 million; main cause is non-recurring impairment expense of €338 million (after taxes) due to adoption of SFAS 142
- Earnings per share (normalized) at €0.48 also well below prior year (€1.05)
- In view of decline in earnings, adjusted dividend of €0.40 per share to be paid



Overview of 2001/2002 (III)

- EPS of €0.48 includes absorption of
 - restructuring expense of €206 million (including €149 million at Automotive)
 - impairment expense of €347 million (before taxes) (including >€200 million at Metal Cutting)
- Intensified measures to increase operating efficiency have boosted earnings in all segments
- Further progress achieved in portfolio streamlining
- Net financial payables reduced to below €5 billion at 09/30/2002

ThyssenKrupp has increased its scope for action



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- 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



Major Portfolio Streamlining in 2001/2002

Disposals

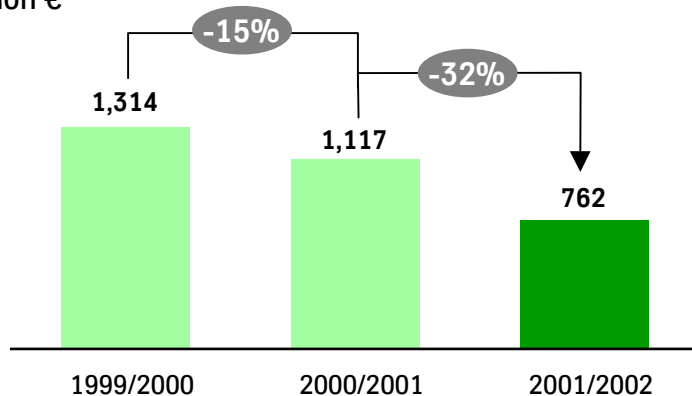
	<u>Proceeds from sale</u>	<u>Gain/(Loss)</u>
● Kone shareholding (Corporate)	€133 million	€74 million
● 50% equity interest in Eurawasser (Serv)	€38 million	€19 million
● 50% equity interest in Sinterstahl (Automotive)	€36 million	€21 million
● Krupp Berco Bautechnik (Technologies)	€55 million	€36 million
● 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

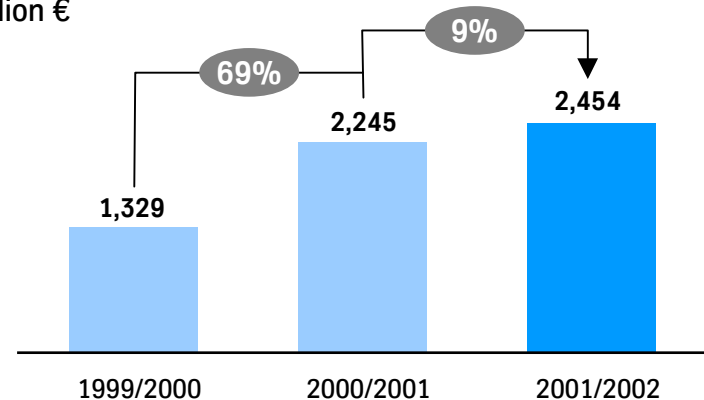


Net Financial Payables Significantly Reduced

EBT
million €

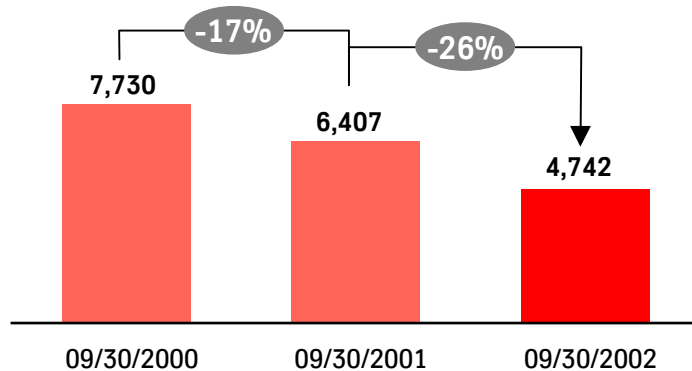


Operating cash flow
million €



Net financial payables

million €



- Earnings down by a third in weak economic environment
- Operating cash flow higher, however
- Net gearing already below target of 60% as of 09/30/2002

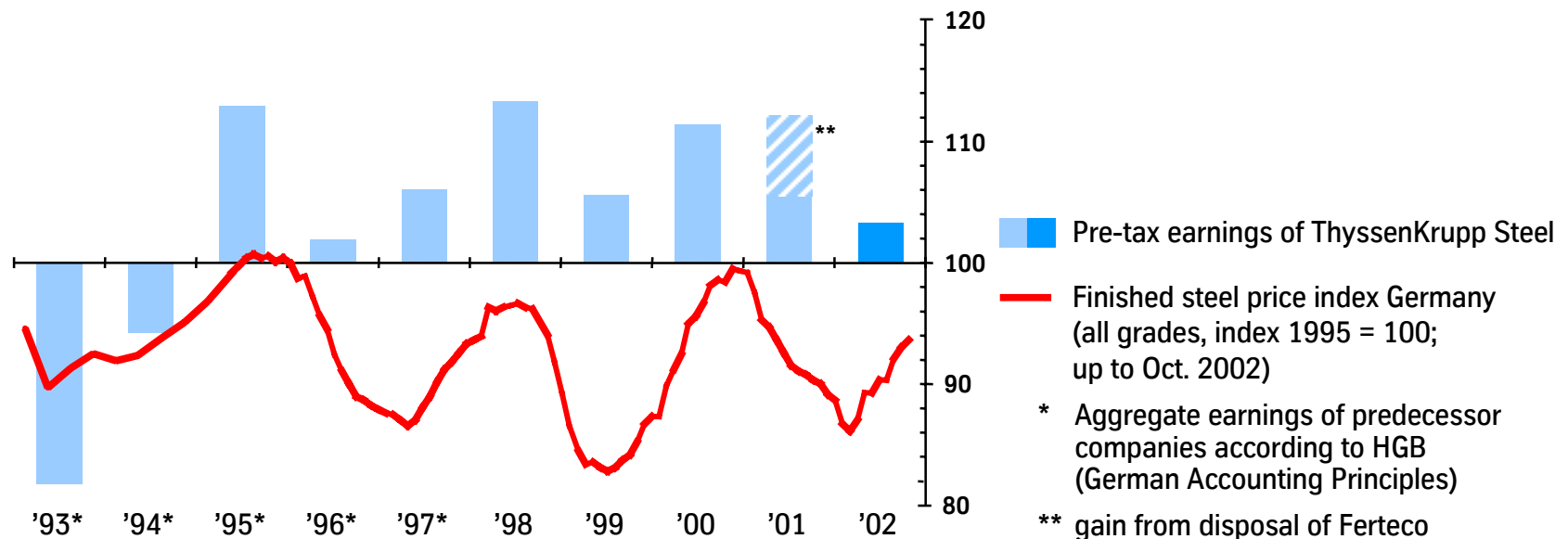


Closer look at the Segments (I)

Steel

Steel

- Despite steel crisis EBT >€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



Closer look at the Segments (II)

Capital Goods

Automotive

- Restructurings at Budd (USA) and Springs (D); charge of €149 million absorbed
- Further cost reduction measures in response to continuing price pressure
- Lifetime contracts will result in a sales volume of €7.5 billion in 2003/2004

Elevator

- Stable earnings and cash flow contributions due to high proportion of service-based sales (> 50%)
- Further organic growth and acquisitions

Technologies

- Portfolio includes a number of top performers
- Closure of Stahlbau Berlin absorbed; divestiture of Berco Bautechnik; Provision made at G + L through high impairment charge (>€200 million)
- Optimizing the portfolio is a major priority



Closer look at the Segments (III)

Services

Materials

- Scaling back of low-margin, high-risk activities
- Solid platform

Serv

- Back in profit after prior-year loss
- Parts of the portfolio under the microscope

Proportion of Service-based Sales at 21%



ThyssenKrupp Outlook (I)

- Despite the difficult market environment, we expect a positive performance overall in 2002/2003
- Sales are expected to rise slightly to over €38 billion; significant sales improvements at Steel and Technologies; slight increases at Automotive, Elevator and Materials; same level as prior year at Serv
- Against the background of continuing subdued economic expectations we believe that we can improve significantly overall on last year's normalized earnings before taxes of €419 million; this forecast is based not only on an economic recovery but primarily on the impact of internal measures
- Particularly in the 1st half we expect earnings to be significantly higher than in the weak 1st half 2001/2002; at Steel the effects of the price improvements we have implemented are now making themselves felt; the course of business in the 2nd half will depend on how the economic and political situation develops



ThyssenKrupp Outlook (II)

- The additional costs from changes in tax legislation and higher social security contributions arising out of the coalition agreements as well as the effects of the planned trading system for emissions rights cannot be predicted at present and are therefore not included in the earnings projection
- We aim to pay a higher dividend for 2002/2003 on the basis of improved earnings
- The tight investment policy adopted last year is being continued; for 2002/2003 we expect additions to fixed assets and financial assets of €1.9 billion
- Focus remains on meeting our target for gearing of around 60%

Outlook clouded by uncertainty



Conclusion



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



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