

02 O N D J F M A M J J A S



Agenda

- Overview 2nd quarter 2002/2003, Outlook and Overview Steel

Dr. Ulrich Middelman: • Vice Chairman, Executive Board ThyssenKrupp AG
• Chairman, Executive Board ThyssenKrupp Steel AG

- Special Topic: China

Ursula Kiel-Dixon: • Senior Vice President and
Head of Corporate Affairs – International, ThyssenKrupp AG

- Financials, 2nd quarter 2002/2003

Dr. A. Stefan Kirsten: • Executive Board Member + CFO ThyssenKrupp AG

- Appendix
-



Agenda

Dr. Ulrich Middelman

- ThyssenKrupp in 2nd quarter 2002/2003
 - Overview
 - Outlook
 - Objectives

- Update Steel Segment
 - Overview
 - Strategy
 - Key Success Factors



Q2 2002/2003 – Overview

Significant performance improvements achieved despite tough economic environment

- Sales 2% up from prior year at €9.2 billion; order intake 1% down from prior year at €9.1 billion
- Although sales up only slightly, significant improvement in normalized EBT from €5 million to €209 million
- Significant improvement in operating performance; efficiency enhancement program continues to make an impact
- Slight increase in net financial payables to €4.9 billion compared with Sept. 30, 2002



News from the Group

- Portfolio optimization
 - Thyssen Polymer to be sold to best owner
 - Sale of stainless quarto plate activities completed at February 1, 2003
 - Sale of at-equity investment Böhler Thyssen Schweißtechnik

 - Acquisition of remaining 75.5% of Galmed completed at April 1, 2003
 - LOI on acquisition of stainless steel business from TAD

 - Operational efficiency
 - ThyssenKrupp best program making a lasting improvement to earnings

 - Group management structure
 - Further focusing and rejuvenating of the Executive Board
 - Despite generational shift continuity ensured
-



Outlook

-
- We do not yet expect any major improvement in the economic environment in the 2nd half of 2002/2003
-
- Nevertheless we will continue to strengthen our earning power. Assuming no further deterioration in the economic parameters, we aim to achieve 2nd-half earnings before taxes which should at least match the 1st-half figure
-
- This would take us a big step closer to our goal of €1.5 billion EBT in fiscal 2003/2004
-



Targets Unchanged

Handout
January 15, 2002

Medium-term financial targets (excl. effects of SFAS 141/42):

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



Steel Segment based on Three Pillars

ThyssenKrupp Steel AG

Sales: €11,686 million

EBT: €167 million

Employees: 50,184

Carbon Steel

Sales: €6,780 million
Earnings: €5 million
Employees: 29,895

ThyssenKrupp Stahl AG

- Rasselstein
- ThyssenKrupp Stahl Bauelemente
- Hoesch Hohenlimburg
- ThyssenKrupp Stahl-Service-Center
- ThyssenKrupp Steel North America
- ThyssenKrupp Tailored Blanks
- Transportation/Other

Major equity investment

- Hüttenwerke Krupp Mannesmann
- GalvaSud/Brazil

Stainless Steel

Sales: €4,020 million
Earnings: €141 million
Employees: 12,074

ThyssenKrupp Stainless GmbH

- ThyssenKrupp Nirosta
- ThyssenKrupp Acciai Speciali Terni
- ThyssenKrupp Mexinox
- Shanghai Krupp Stainless
- ThyssenKrupp Stainless Export
- ThyssenKrupp VDM

Special Materials

Sales: €1,443 million
Earnings: €27 million
Employees: 8,098

ThyssenKrupp Electrical Steel GmbH

- ThyssenKrupp Electrical Steel EBG
- ThyssenKrupp Electrical Steel UGO
- ThyssenKrupp Electrical Steel AST
- EBG India

Edelstahl Witten-Krefeld

Krupp Edelstahlprofile

Berkenhoff

Fiscal 2001/2002 (Sept. 30)

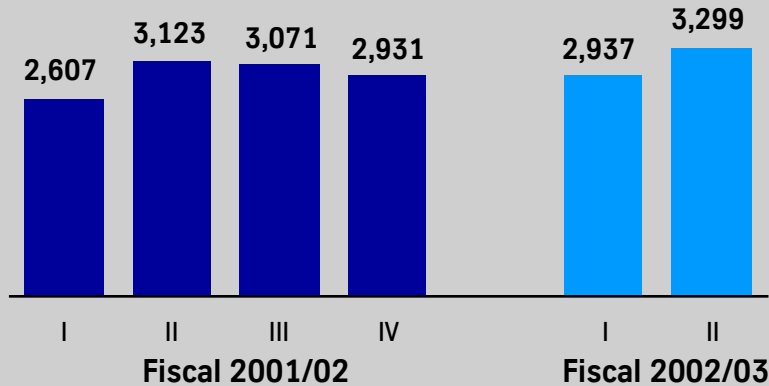
ThyssenKrupp



Steel Segment Highlights

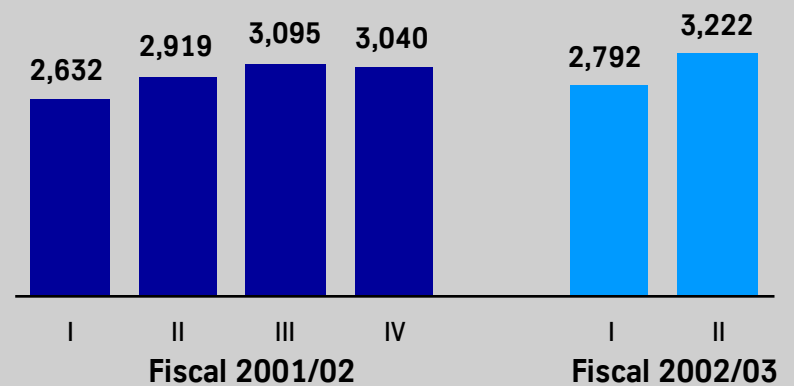
Order intake

million €



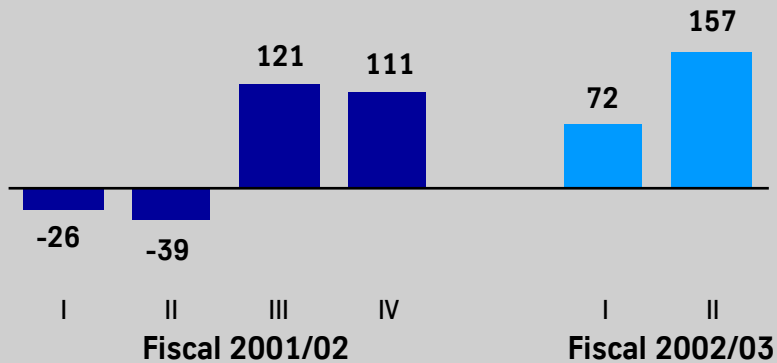
Sales

million €



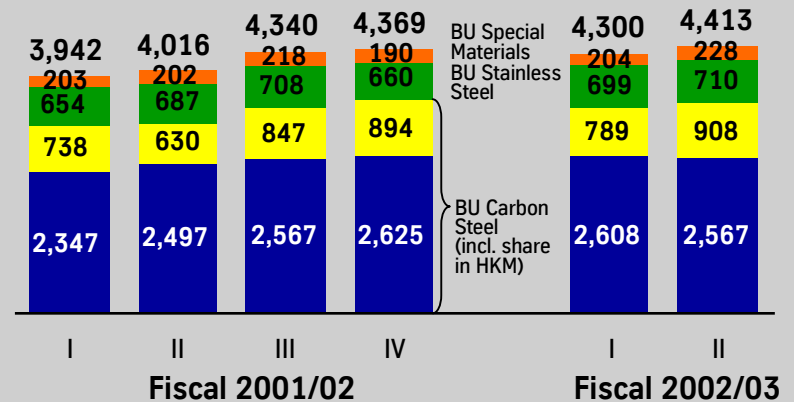
EBT

million €



Crude steel output

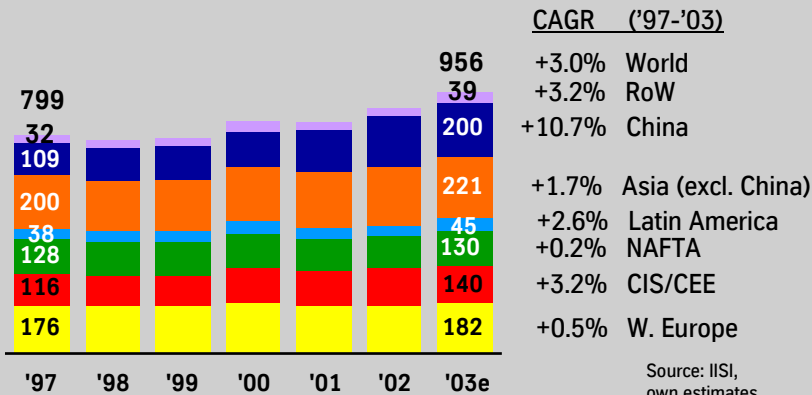
1,000 t



Steel Sector

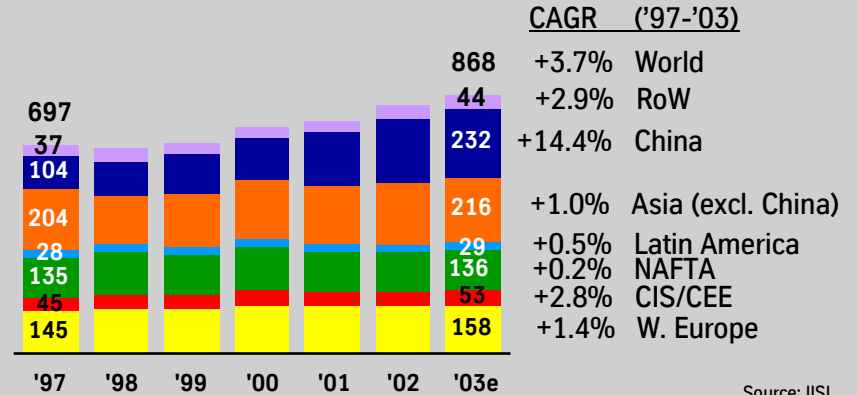
World crude steel output, 1997-2003 million t

million t



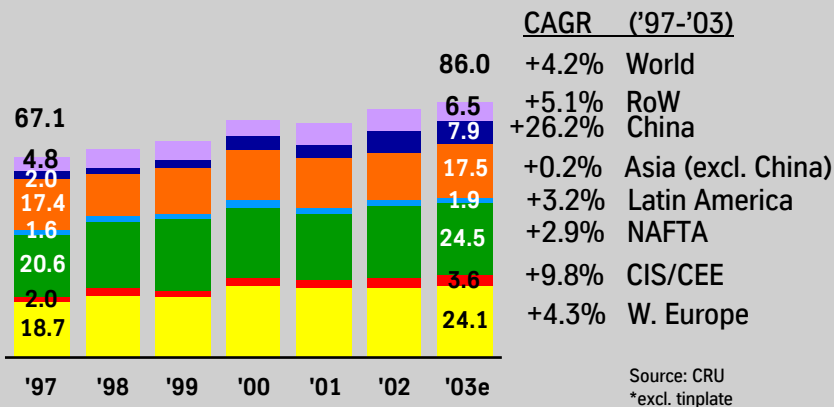
World steel market supply, 1997-2003 million t

million t



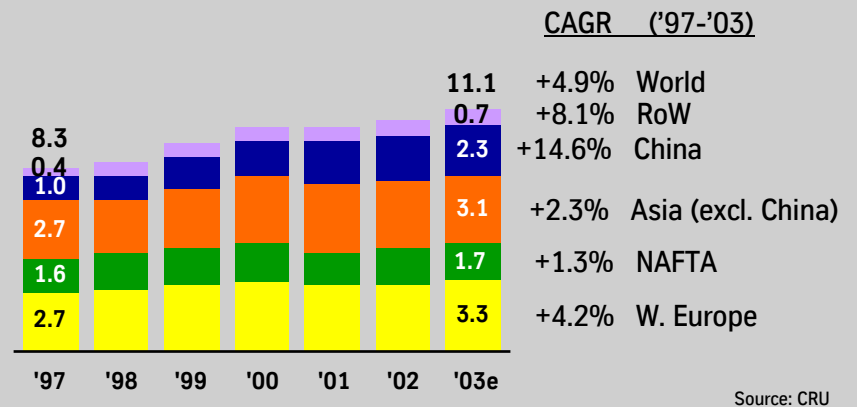
Market supply coated products*, 1997-2003 million t

million t



Market supply stainless cold-rolled, 1997-2003 million t

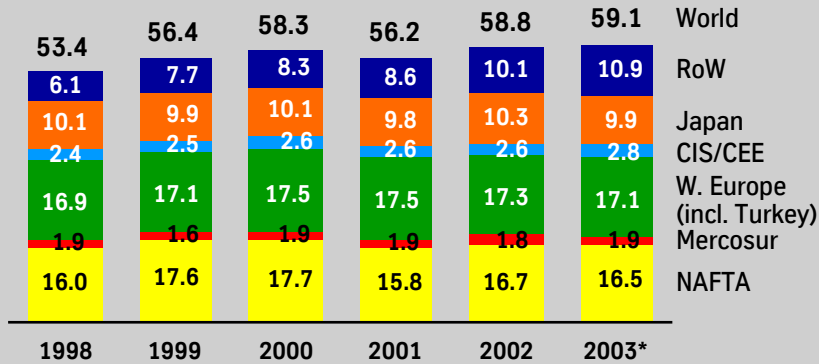
million t



Developments in Key Customer Sectors

World: Vehicle production

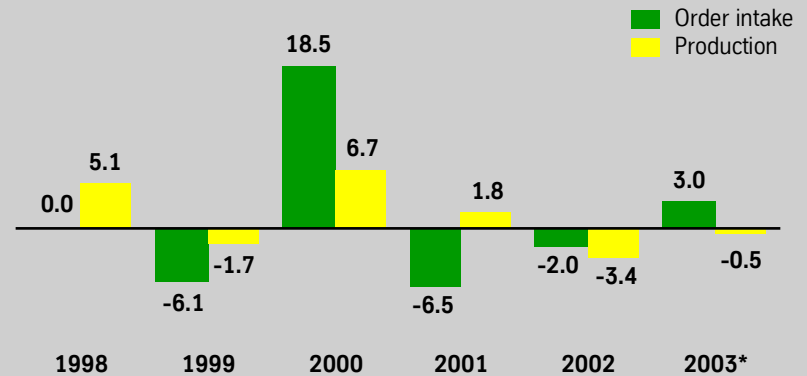
million cars + trucks



* estimate

Germany: Mechanical engineering

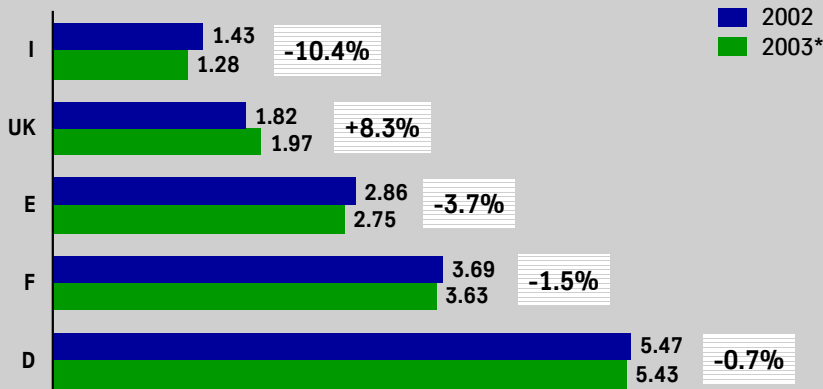
Real, year-on-year change in %



* estimate

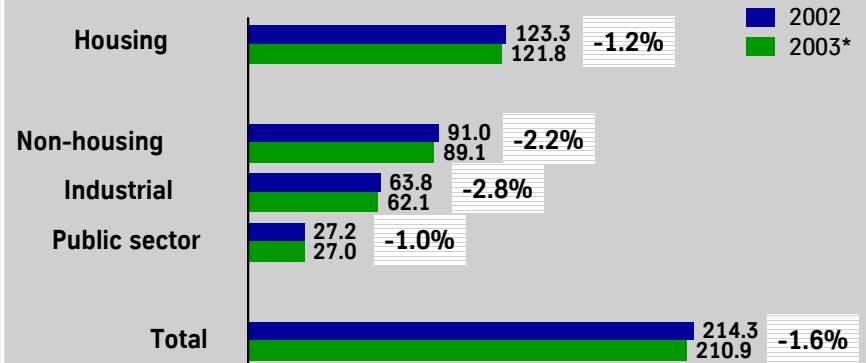
Western Europe: Vehicle production

million cars + trucks; year-on-year change in %



Germany: Construction investment

million €, real; year-on-year change in %

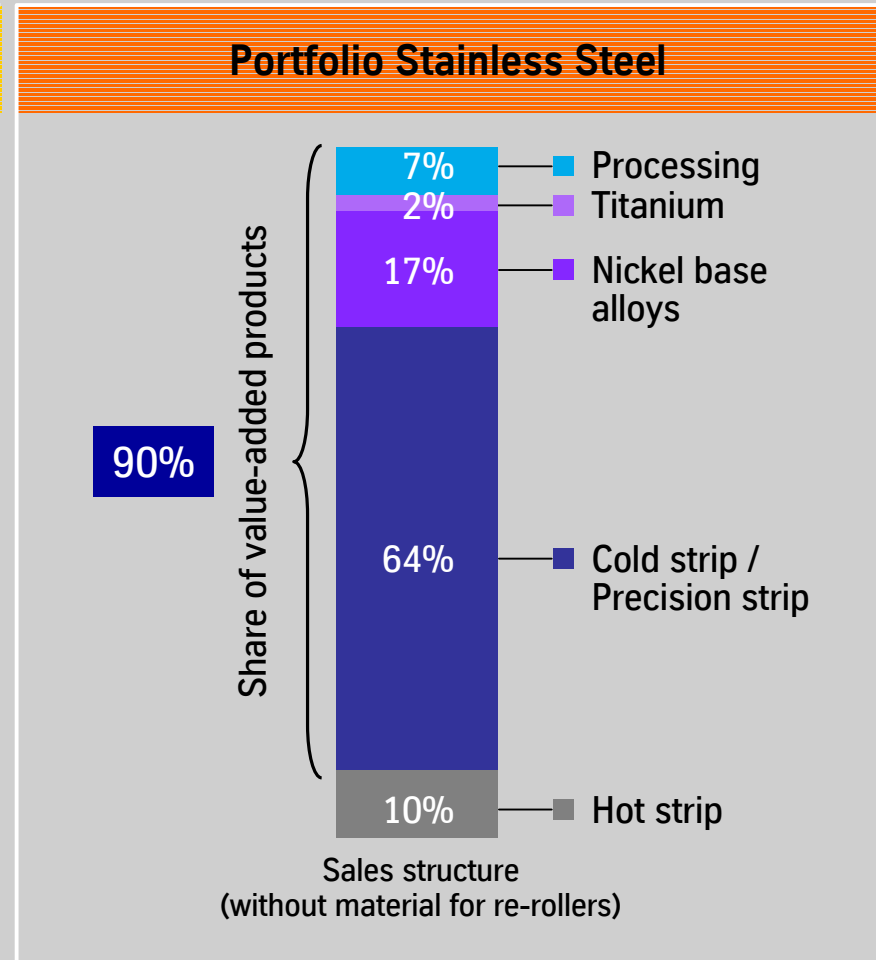
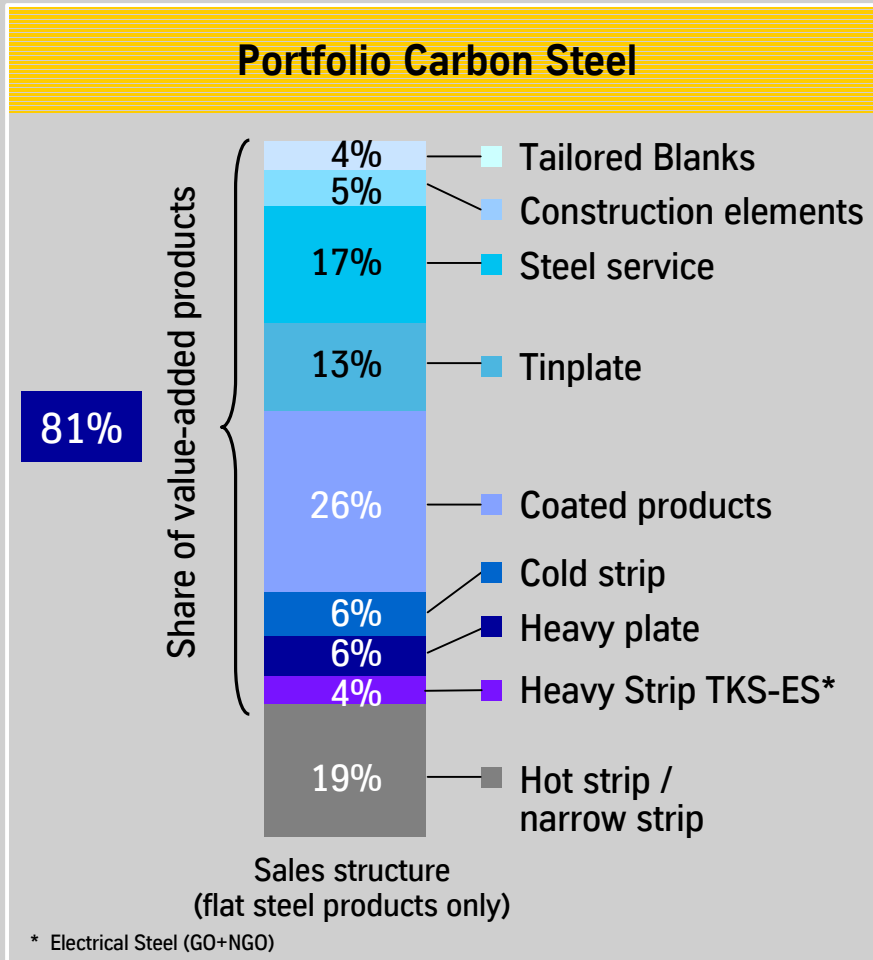


* Forecast joint appraisal (April 2003)



Focusing on High Value-Added and Innovative Flat Products

Sales Structures BU Carbon Steel and BU Stainless Steel



Logistics Chain of Carbon Steel Achieves an Over-all Optimum

Raw materials supplies, production locations and customers



- Integrated plant Duisburg
- Downstream rolling and coating stages
- Steel Service Center
- ▲ Tailored Blanks
- Car manufacturing (OEM)
- ⋯ 100 km radius from Duisburg
- ⋯ 250 km radius from Rhine-Ruhr region

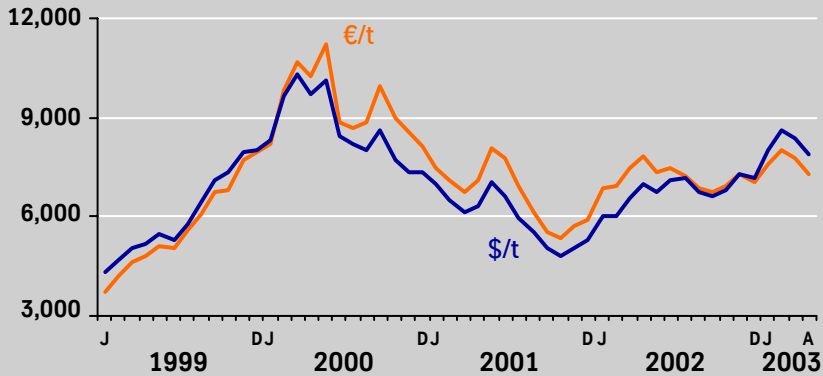
ThyssenKrupp



Prices of Selected Input Materials

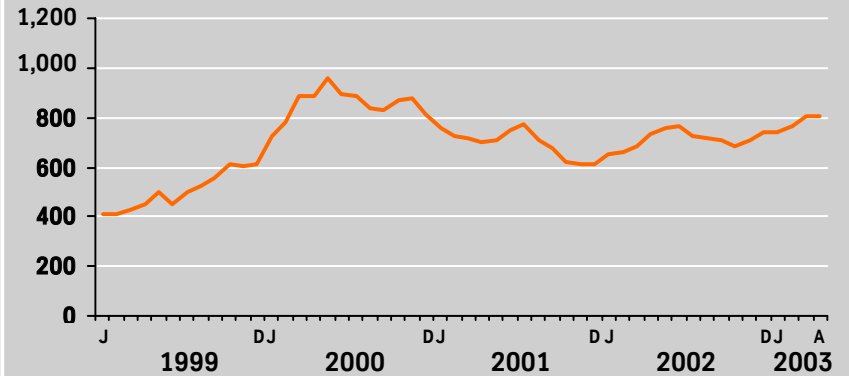
Nickel prices

€ or \$/t (Cash/Settlement Price)



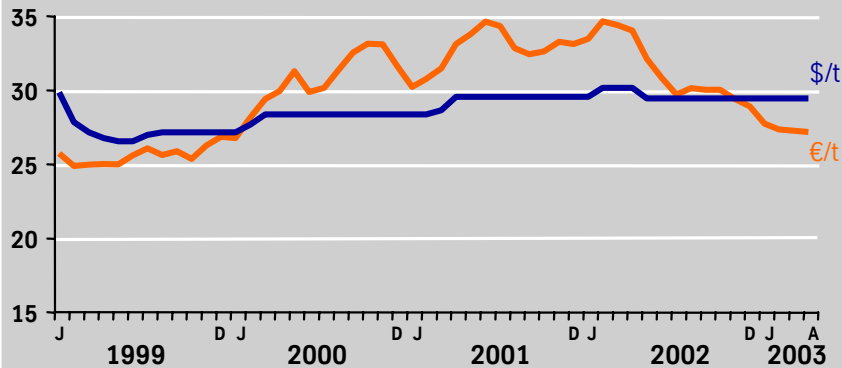
Alloyed scrap prices (V2A Cr-Ni)

€/t



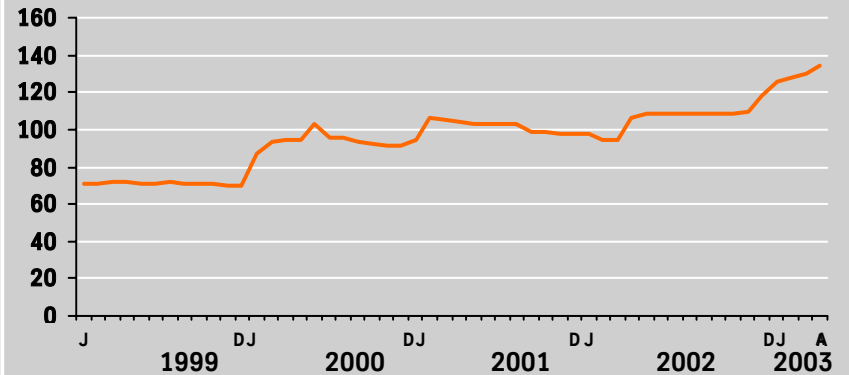
Ore prices

€ or \$/t



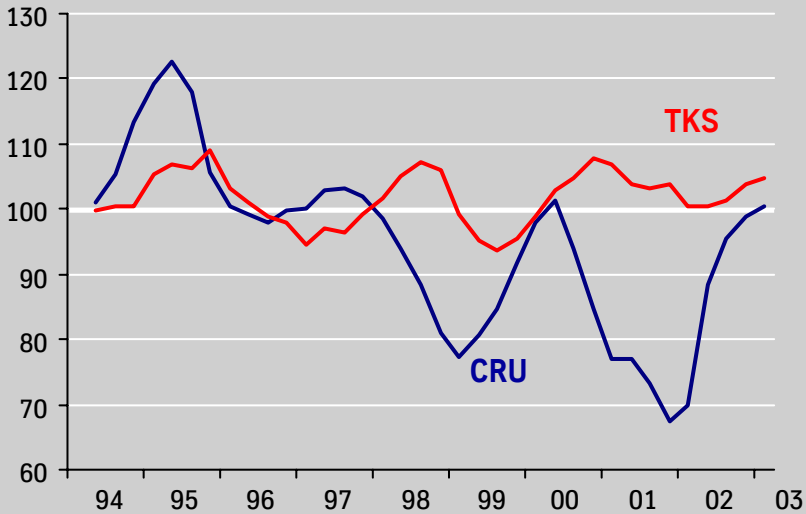
Non-alloyed scrap prices (grade 2)

€/t



Revenue Volatility at ThyssenKrupp Stahl Lower Than Market

Revenues TKS-CS AG – all products Index (April 1994 = 100)

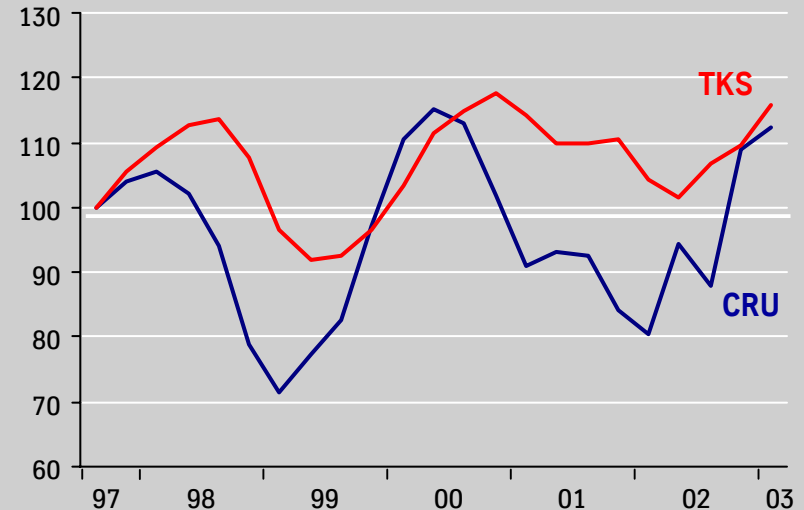


— Price index flat steel, world, all grades *

— Price index carbon flat steel, ThyssenKrupp Stahl AG (average revenues based on prices in €) **

Sources: * CRU
 ** ThyssenKrupp Stahl
 As at: Q1 2003

Revenues TKS-CS AG – hot-rolled coil Index (Q3 1997 = 100)



— Price index hot-rolled coil, German market *

— Price index hot-rolled coil, ThyssenKrupp Stahl AG (non-Group customers only, average revenues based on prices in €) **

Sources: * CRU
 ** ThyssenKrupp Stahl
 As at: Q1 2003



ThyssenKrupp Steel Strategy

- Profit leader in Europe through
 - portfolio optimization
 - investment policy
 - performance enhancement
- Innovation leader in products and processes
- Organic growth in core business
(e.g. tinplate, Shanghai Krupp Stainless, Tailored Blanks, coating)
- Systematic development of global strategic alliances
 - JFE (Carbon)
 - Baosteel (Stainless/China) and Angang (Coated/China)
 - Nippon (Electrical Steel)
- Active participation in the European and international restructuring of the steel industry



Current Highlights in the Steel Segment

- **ThyssenKrupp Steel best: Strong momentum continues**
 - Integration of strategic initiatives in the Carbon and Stainless Steel BUs (e.g. Work Pro at ThyssenKrupp Stahl, S³ at ThyssenKrupp Stainless)
 - Integration of turn-around concepts in the Special Materials BU
- **Start-up of Schwelgern coke plant: World's most advanced and cleanest coke plant**
 - Significant logistical benefits from link to Dutch import ports and further cost benefits
 - Significant reduction in emissions through closure of Bruckhausen coke plant
- **ThyssenKrupp Nirosta: Foundation stone laid for a new cold rolling stand in Krefeld**
- **Safeguard procedure USA (Section "201"):**
A total of some 226,000 t flat steel now exempted from tariffs
 - 137,000 t from 1st exclusion round (to Aug. 02), 89,000 t from 2nd exclusion round (to March 03)
- **Reorganization of European sales organization in Stainless**
 - Establish a closely monitored service center organization in Italy through
 - acquisition of business from TAD Metals
 - further integration of SSC/trading activities
- **Sale of stainless quarto plate activities to AvestaPolarit**
 - further step in systematic streamlining of product portfolio and concentration on core competencies



Continuous and Systematic Implementation of Key Success Factors

- **Size:**
 - Largest integrated carbon flat steel site in Europe
 - Market leader (EU and world) in stainless
 - Leading market positions in all products
- **Focus:**
 - Focus on flat products with high value added
- **Efficiency:**
 - Sustainable realization of synergies
 - Extensive performance enhancement programs in all areas
 - Systematic portfolio optimization
- **Internationality:**
 - Production sites in the world's growth markets
- **Know-how:**
 - Technology leadership in processes: e.g. strip/thin slab casting, coating
 - Technology leadership in products:
e.g. high-strength sheet, tailored blanks, H400 steels
- Profit-oriented **management structure** and highly qualified and motivated workforce



Agenda

Ursula Kiel-Dixon

- ThyssenKrupp as a Global Player

- ThyssenKrupp – Historic Business Development in China

- Strategic Positioning in China

- Conclusion



High Degree of Internationalization

- Group Companies and Representative Offices located in more than 70 countries
- 91 business locations (sales and production facilities) in Asia/Pacific alone
- 65% of ThyssenKrupp sales are generated outside of Germany
- 46% of all ThyssenKrupp employees are working in companies abroad



Sales outside Germany by Segments

