

# ThyssenKrupp Automotive

A Worldwide Competent Partner to the Automotive Industry



**Dr. Wolfram Mörsdorf**

CEO of ThyssenKrupp Automotive AG and Executive Board Member of ThyssenKrupp AG

Automotive Field Day, France

March 15, 2005

**ThyssenKrupp** Automotive



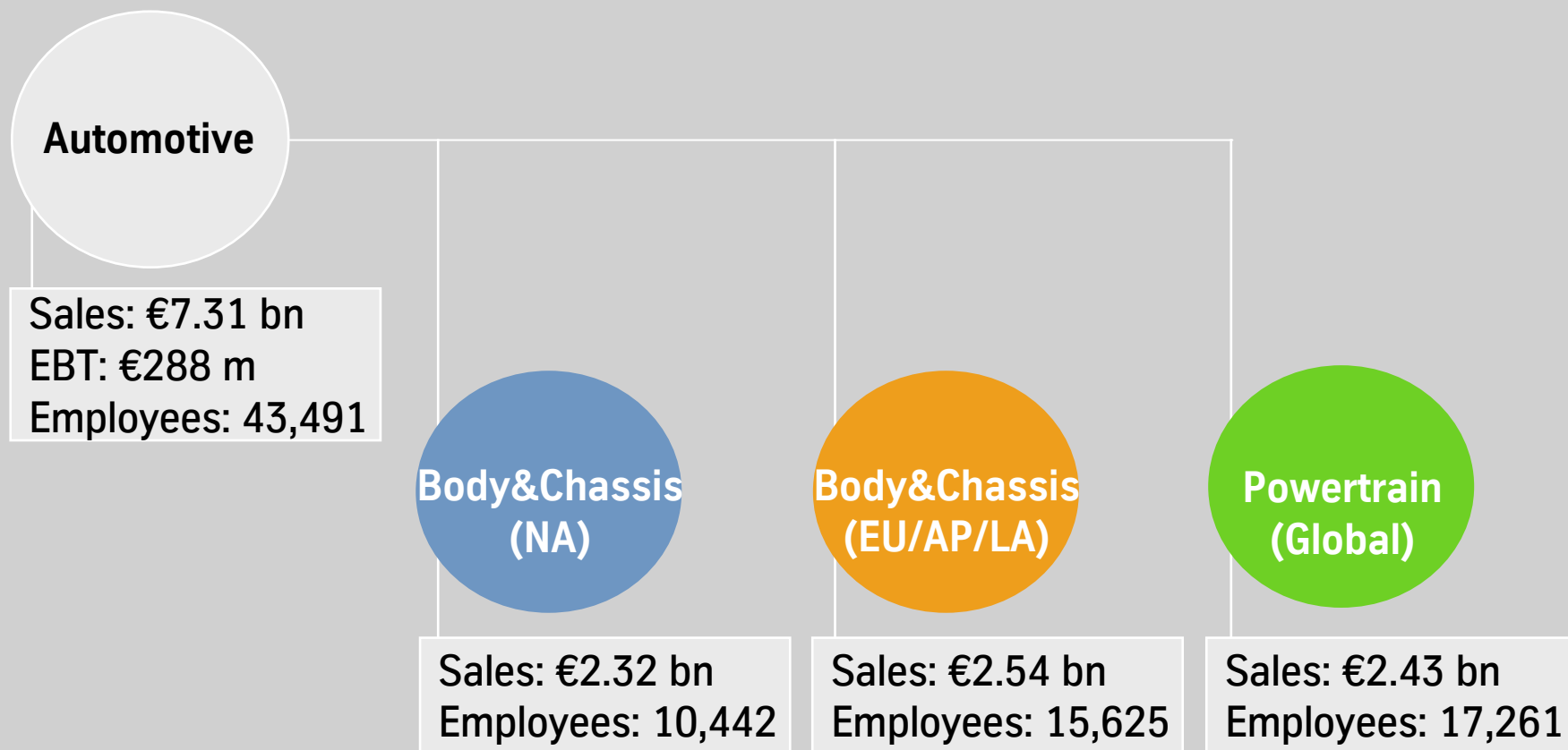
# ThyssenKrupp Automotive in figures

		2002/03*	2003/04*	1st quarter 2003/04	1st quarter 2004/05
Sales	€m	6,295	7,312	1,667	1,798
EBT	€m	189	288	28	4
Employees	Sept 30/Dec 31	41,414	43,491	43,400	43,326
ROCE	%	9.6	13.1		
EVA	€m	3	108		

\* as reported on Dec 1, 2004



# ThyssenKrupp Automotive: Overview






New business unit structure as of October 1, 2004; figures as at September 30, 2004; BU sales not consolidated



# Organizational structure

New business unit structure as of October 1, 2004

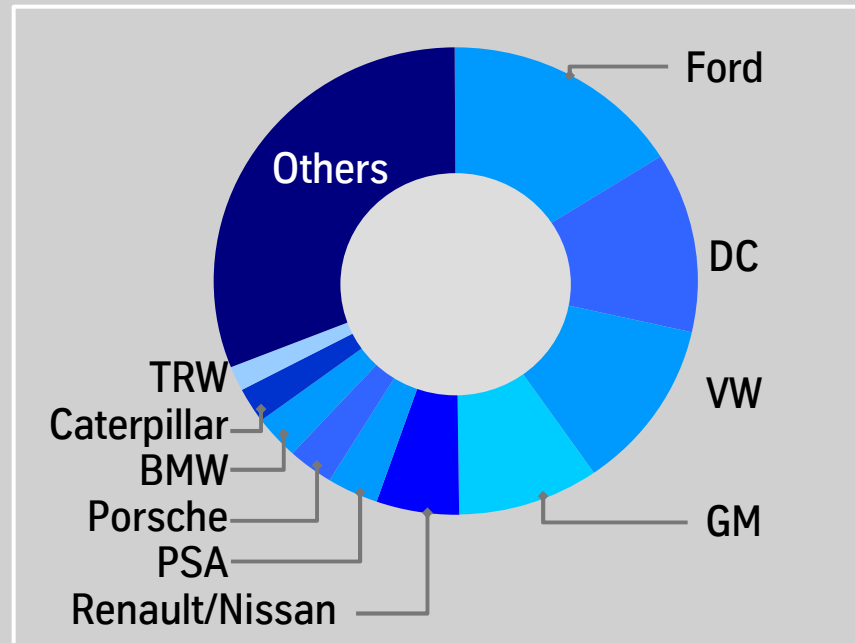
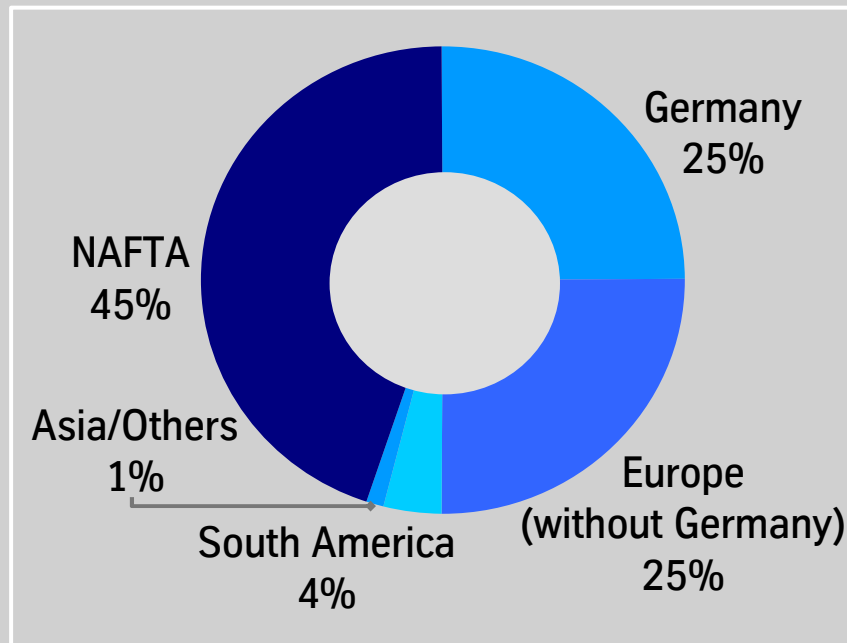
Body&Chassis (North America)	Body&Chassis (Europe/Asia Pacific/Latin America)	Powertrain (Global)
Body (NA)	Body (EU/AP)	Steering (Global)
ThyssenKrupp Budd (Body)	ThyssenKrupp Body Stampings	ThyssenKrupp Presta (Steering)
ThyssenKrupp Fabco	ThyssenKrupp Umformtechnik (Body)	Camshafts (Global)
Chassis (NA)	ThyssenKrupp Sofedit	ThyssenKrupp Presta (Camshafts)
ThyssenKrupp Budd (Chassis)	ThyssenKrupp Drauz/Nothelfer	Crankshafts (Global)
Castings (NA)	Chassis (EU/AP/LA)	ThyssenKrupp Metalúrgica Campo Limpo
ThyssenKrupp Waupaca	ThyssenKrupp Automotive Tallent Chassis	ThyssenKrupp Gerlach
	ThyssenKrupp Umformtechnik (Chassis)	Transmission and Driveline Components (Global)
	ThyssenKrupp Automotive Systems	ThyssenKrupp Präzisionsschmiede
	Suspension (Global)	
	ThyssenKrupp Bilstein	
	ThyssenKrupp Federn	

-  Business units
-  Strategic business groups
-  Essential subsidiaries



## Sales by customers and regions

Sales in 2003/04: €7.31 bn



- 2/3 of sales relate to the 10 biggest customers
- 40% of sales apply to commercial vehicles (light and heavy trucks)
- 75% of sales is generated outside Germany
- ThyssenKrupp Automotive is represented at more than 100 locations worldwide



# Key product placement

			DAIMLERCHRYSLER										
			CG	MCG									
Pressed/ stamped parts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Side impact protection	✓	✓			✓	✓							
Axle parts	✓	✓		✓	✓	✓	✓	✓	✓		✓		
Frame	✓	✓	✓	✓	✓						✓		
Cross members/ subframes	✓	✓	✓	✓	✓	✓		✓		✓	✓		✓
Disc brakes	✓	✓	✓									✓	
Shock absorbers	✓	✓	✓	✓	✓	✓		✓	✓			✓	
Stabilizers/ anti-roll bars	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Springs	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		
Steering column and gear	✓	✓	✓	✓	✓	✓	✓			✓	✓		
Crankshafts	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assembled camshafts	✓		✓		✓	✓		✓		✓			✓
Differential	✓	✓	✓	✓	✓	✓	✓		✓		✓		
Gearbox parts		✓		✓	✓			✓			✓		

Source: AutoBusiness



## Market trends and growth opportunities

- Highest auto industry growth in Asia and Central and Eastern Europe
- Value added by OEMs decreasing from 35% (2002) to as low as 23% (2015)\*
- System responsibility increasingly shifting from OEMs to T1 suppliers
- Growing innovation input from suppliers
- Increase in model variety and simultaneous reduction in no. of platforms
- Further shortening of model cycles

\* Source: Mercer



## Objectives and related actions

### Strengthen core businesses

- Aim for position amongst relevant Top 3 players
- Grow existing business on operational level and by selective strategic acquisitions

### Improve operational performance

- Streamline portfolio and eliminate underperforming businesses
- Balance customer structure
- Enforce initiatives such as “TK best”

### Enlarge regional presence

- Focus on Asia, especially China
- Centred around fields of sourcing, production and engineering

### Enhance competitive advantages

- Base: Competitiveness and innovation on component business
- Expand capabilities of providing solutions
- Strengthen competencies along key technologies
- Enhance cross segment cooperation and joint product development



# Competitive positions

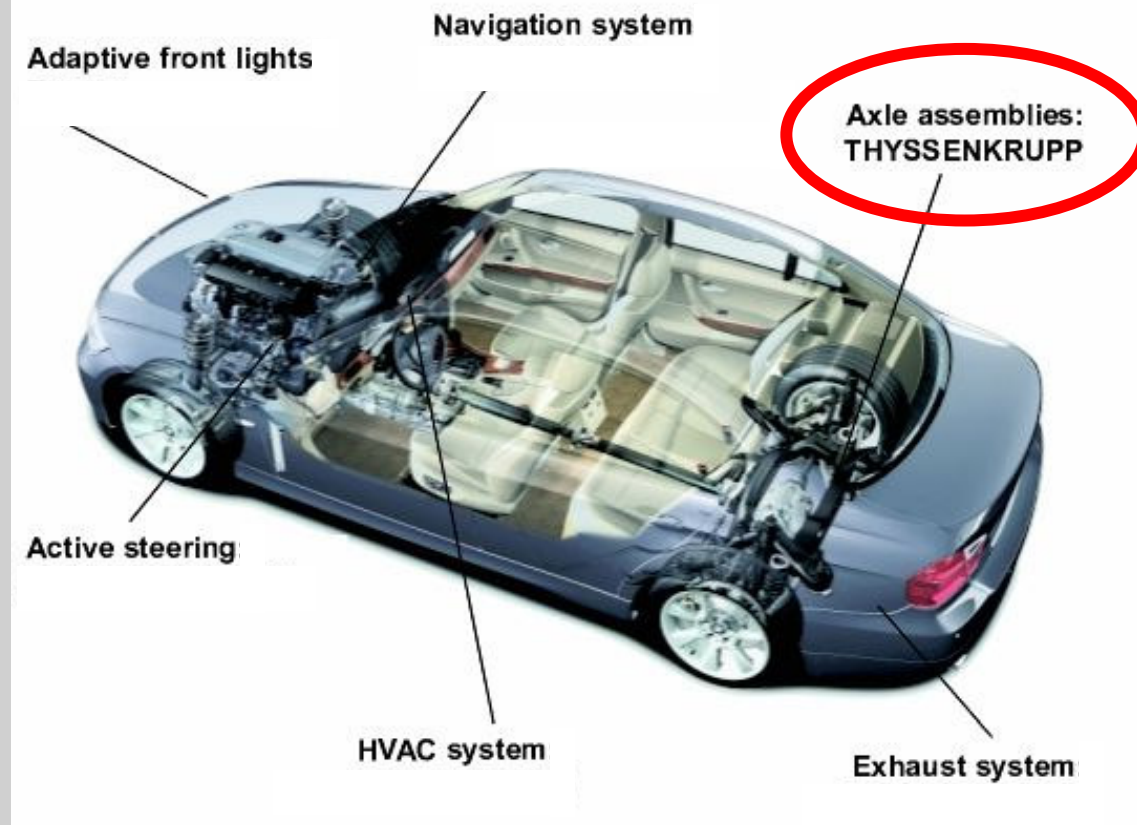
	Market position			
	1	2	3	4
Forged crankshafts	<b>TKA</b>	SMI	Bharat	Aichi; LF
Machined crankshafts	<b>TKA</b>	Bharat	Bifrangi	Macimex
Connecting rods	Albon (UK)	<b>TKA</b>	Linamar	Mahle
Piston heads	<b>TKA</b>	Bharat; CDP	PMT (USA)	Portland (USA)
Assembled camshafts	<b>TKA</b>	Mahle	Asimco	Muhr&Bender
Transmission and axle parts	Metaldyne	<b>TKA</b>	Safe	Amis
Castings NA	<b>TKA</b>	Gunite	Neenah Foud.	Others
Steering columns	Delphi	<b>TKA</b>	ZF Lenk.	Nastech
Steering gears	Koyo	TRW	ZF Lenk.	Delphi
Steering systems (column+gear)	Koyo	ZF Lenk.	Delphi	<b>TKA</b>
Body structural parts	<b>TKA</b>	Magnetto	Gestamp	Oxford
Body outer panels	Polynorm	Gestamp	<b>TKA</b>	Magna
Tool/die-making	Comau	Kuka	<b>TKA</b>	Others
Axle modules	Benteler	Expert	<b>TKA</b>	ZF
Chassis structural parts	Benteler	<b>TKA</b>	ACI	Magna
Dampers EU	ZF Sachs	Apa-Kayaba	Delphi	<b>TKA</b>
Coil springs EU	<b>TKA</b>	Mubea	ARA	n.a.



## Organic growth: New projects acquired (I)

Example of projects acquired in the passenger car market:

### Who Supplies Whom - BMW 3 Series E90



Source: AutoBusiness/SupplierBusiness.com

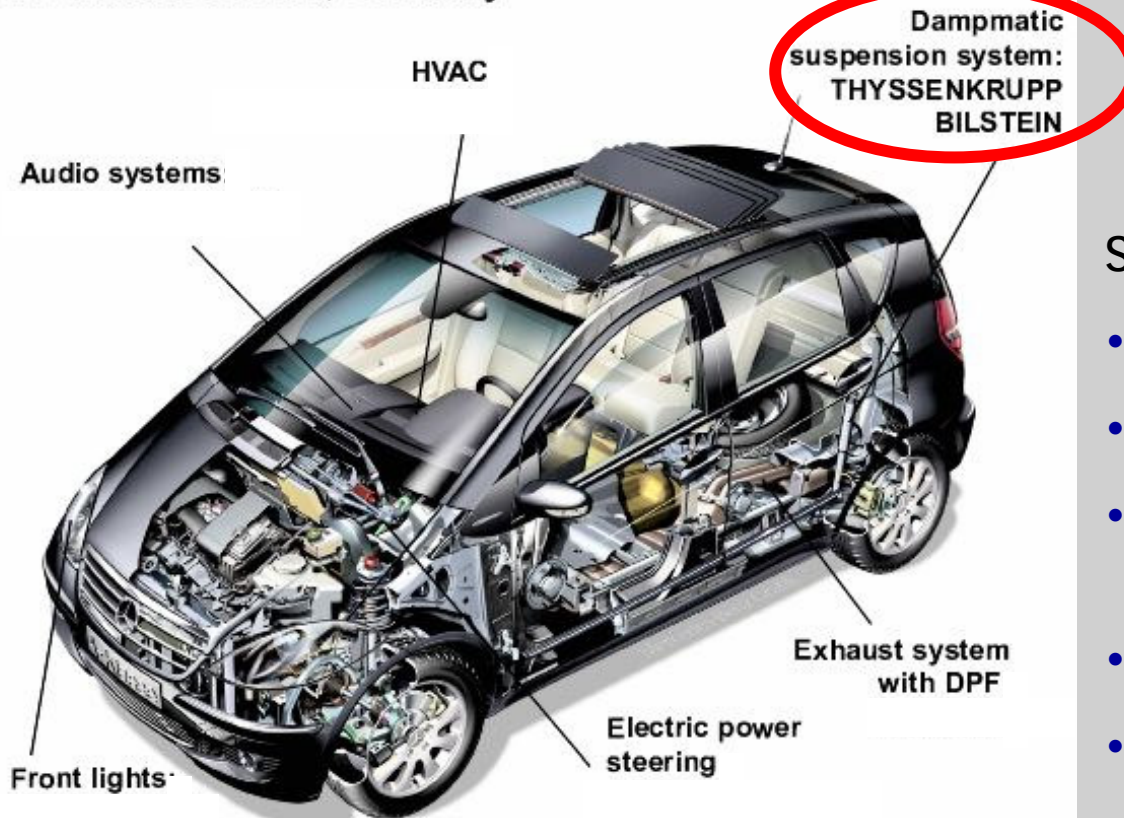
### Supplying

- Front and rear axle assemblies
- Coil springs
- Stabilizer bars
- Twin tube struts and dampers (50%)
- Side intrusion beams
- Crankshafts

## Organic growth: New projects acquired (II)

Example of projects acquired in the passenger car market:

**Who Supplies Whom - Mercedes-Benz A-Class, W169,  
assembled Rastatt, Germany**



Source: AutoBusiness/SupplierBusiness.com

### Supplying

- Front and rear suspension
- Front axle cradles
- Lower and upper shells (rear axle)
- Mono tube dampers (rear axle)
- Twin tube struts (front axle)
- Differential gears, pinions

## Organic growth: New projects acquired (III)

Example of projects acquired in the commercial vehicle market:

### Body&Chassis (NA)



Customer: Freightliner  
 Models: Coronado, Columbia, Century Class S/T  
 Products: Aluminum flywheel housing, steering gear housing + cover, valve tower, steering housing  
 Company: ThyssenKrupp Waupaca

### Body&Chassis (EU/AP/LA)



Customer: MAN  
 Models: F2000, L2000, M2000, TG-A  
 Products: Differential bevel gears, steering knuckle  
 Company: ThyssenKrupp Präzisionsschmiede

### Powertrain



Customer: DaimlerChrysler  
 Models: Actros, Atego, Axor, Econic, G-class, Unimog etc.  
 Product: Recirculating-ball steering  
 Company: ThyssenKrupp Presta SteerTec



## Portfolio optimizations since 2000

Acquisitions*	Date	Sales	Employees
Atlas Crankshaft (USA)	Feb 2000	45	260
Stahl Specialty (USA)	Jun 2000	110	1,015
Prisma (F)	Jan 2001	55	110
Drauz Weinsberg Prototyping (D)	Oct 2001	5	90
p.a.d. Karosserietechnik (D)	Jan 2002	10	165
Sofedit (F)	July 2003	565	4,000
MB Lenk Group (D)	Nov 2003	295	1,190
Bertrandt (D)**	May 2004	--	--

Disposals	Date	Sales	Employees
Walter Hundhausen (D)	Apr 2000	60	590
Werke von Maschinenbau u. Energietechnik (D)	Oct 2001	105	945
Phillips&Temro (USA)	Nov 2002	45	415
Greening Donald (CAN), Erin plant	Dec 2002	15	45
Greening Donald (CAN), Orangeville plant	Jan 2004	25	260
Darcast (UK)	Apr 2004	15	110
QDF (GB)	Oct 2004	45	170
ThyssenKrupp Fahrzeugguss group (D)	Feb 2005	290	1,750

\* excl. joint ventures / \*\* 25.2%



## Regional strategy priorities

**China  
India  
Korea  
CEE**

**Exploit growth opportunities**

**Japan**

**Develop and realize new customer potential**

**North America**

**Carry out required restructuring**

**Western Europe**

**Secure/expand market shares**

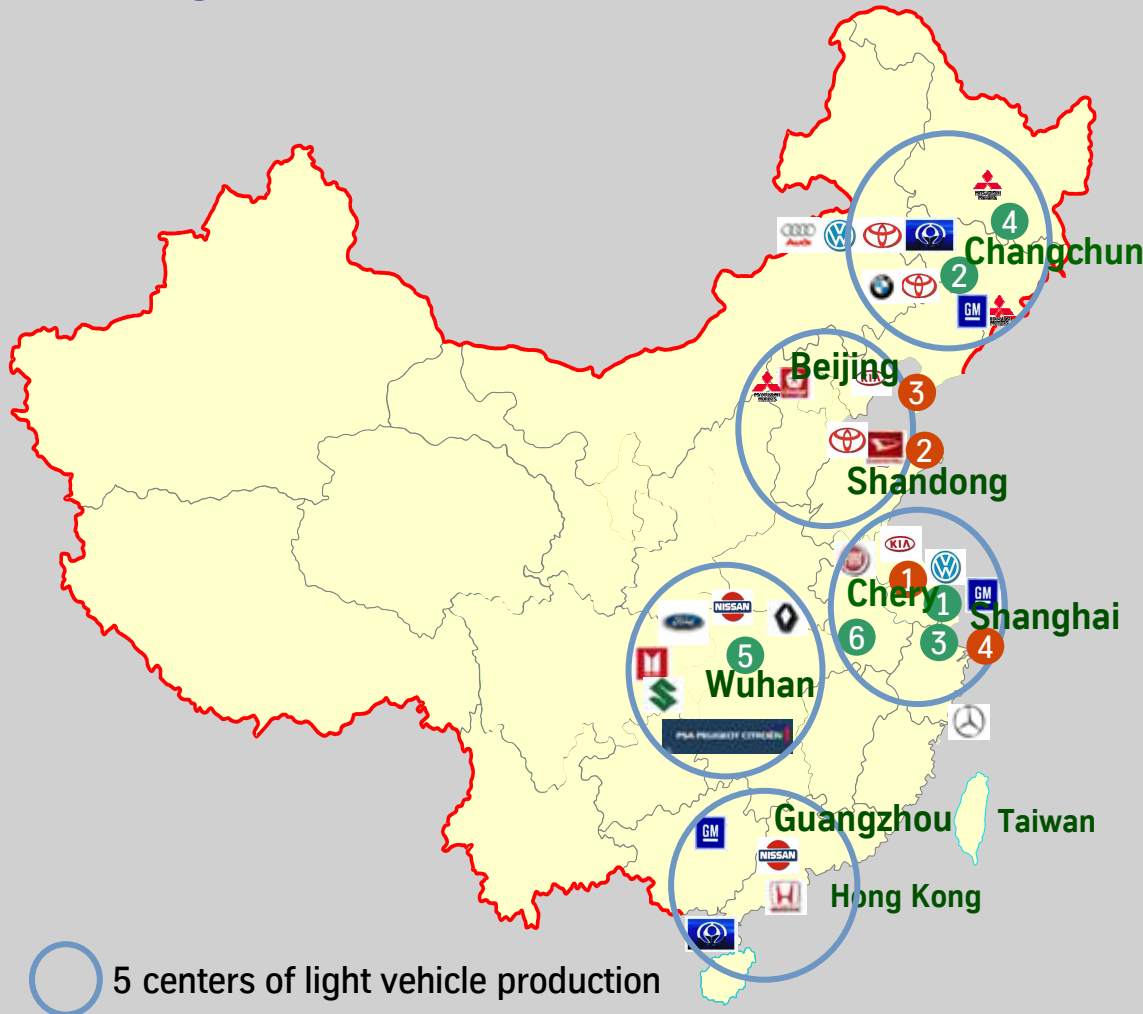


## Existing joint ventures

	Country	Partner	Product	Main customer
<b>Huizhou Sumikin Forging, Huizhou</b>	China	Sumitomo	Crankshafts	
<b>TK Presta HuiZhong, Shanghai</b>	China	SAIC	Steering sys.	SAIC, others
<b>TK Presta Fawer, Changchun</b>	China	FAW	Steering sys.	FAW, others
<b>BMB Steering Innovation GmbH</b>	Germany	Bishop ST	Steering sys.	
<b>Aventec, Silao</b>	Mexico	Hirotec, Sumitomo	Body components	
<b>TK Zhong-Ren Chassis, Wuhan</b>	China	ZRRZ	Chassis components	
<b>TK JBM, Chennai</b>	India	JBM	Chassis components	
<b>TK Modulos Automotivos</b>	Brazil	VW	Chassis systems	VW, others
<b>ABC Sistemas e Modulos</b>	Brazil	Dana, TRW	Chassis systems	
<b>TK Bilstein Compa</b>	Romania	Compa	Dampers	
<b>Liaoyang K.S. Automotive Spring Co.</b>	China	FAW	Springs	FAW, others
<b>TK Compa Arcuri</b>	Romania	Compa	Truck springs	Ford, Iveco, MAN, DaimlerChrysler



# Further growth in China

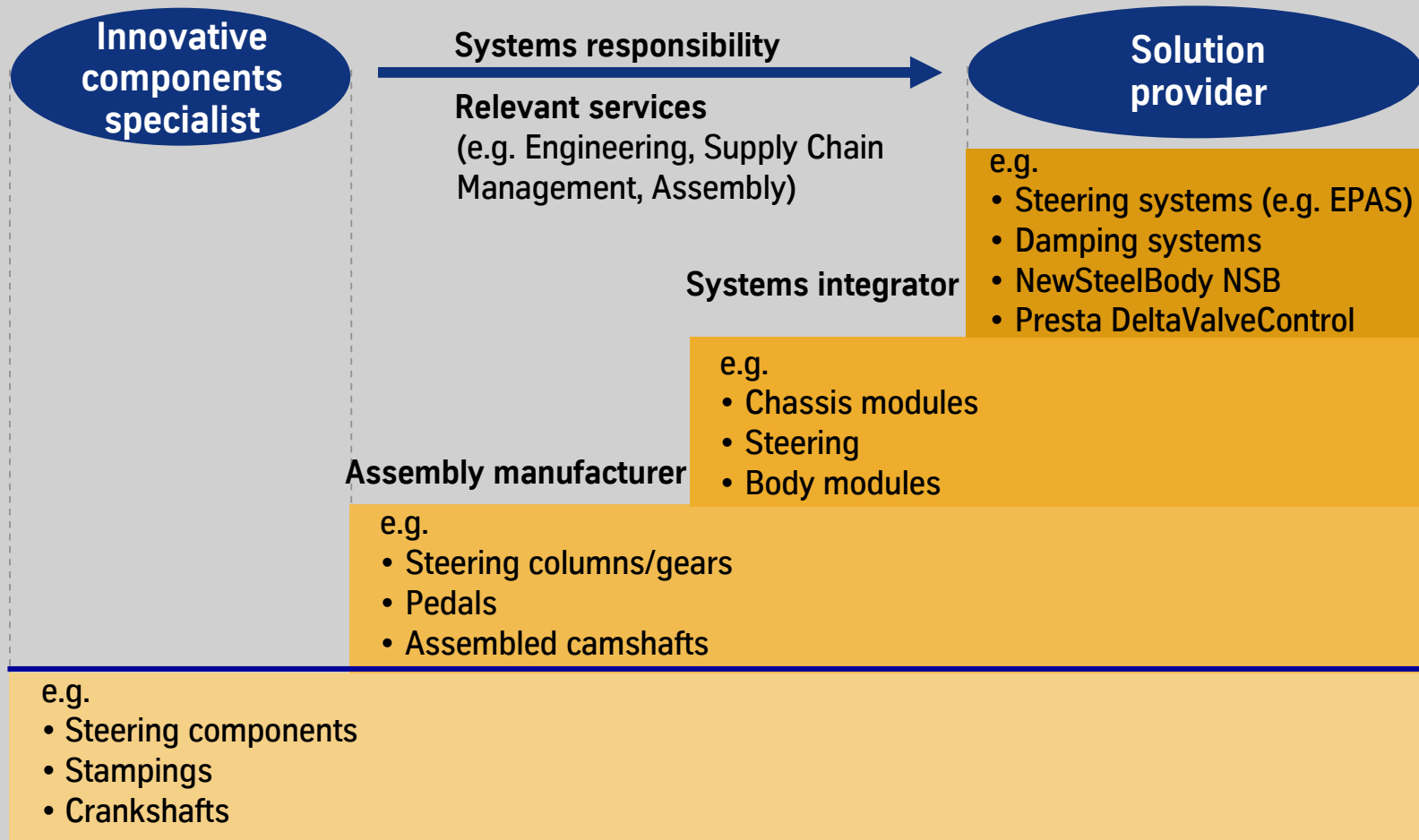


- ① TKA, Shanghai
- ② TK Federn, Liaoyang
- ③ TK Presta, Shanghai
- ④ TK Presta, Changchun
- ⑤ TK Zhong-Ren Chassis, Wuhan
- ⑥ JV Gerlach-Sumitomo, Huizhou
- ① Tianrun Crankshaft Ltd., Wendeng
- ② TK Drauz, Qingdao
- ③ TK Presta, Dalian
- ④ TK Budd Systems, Shanghai

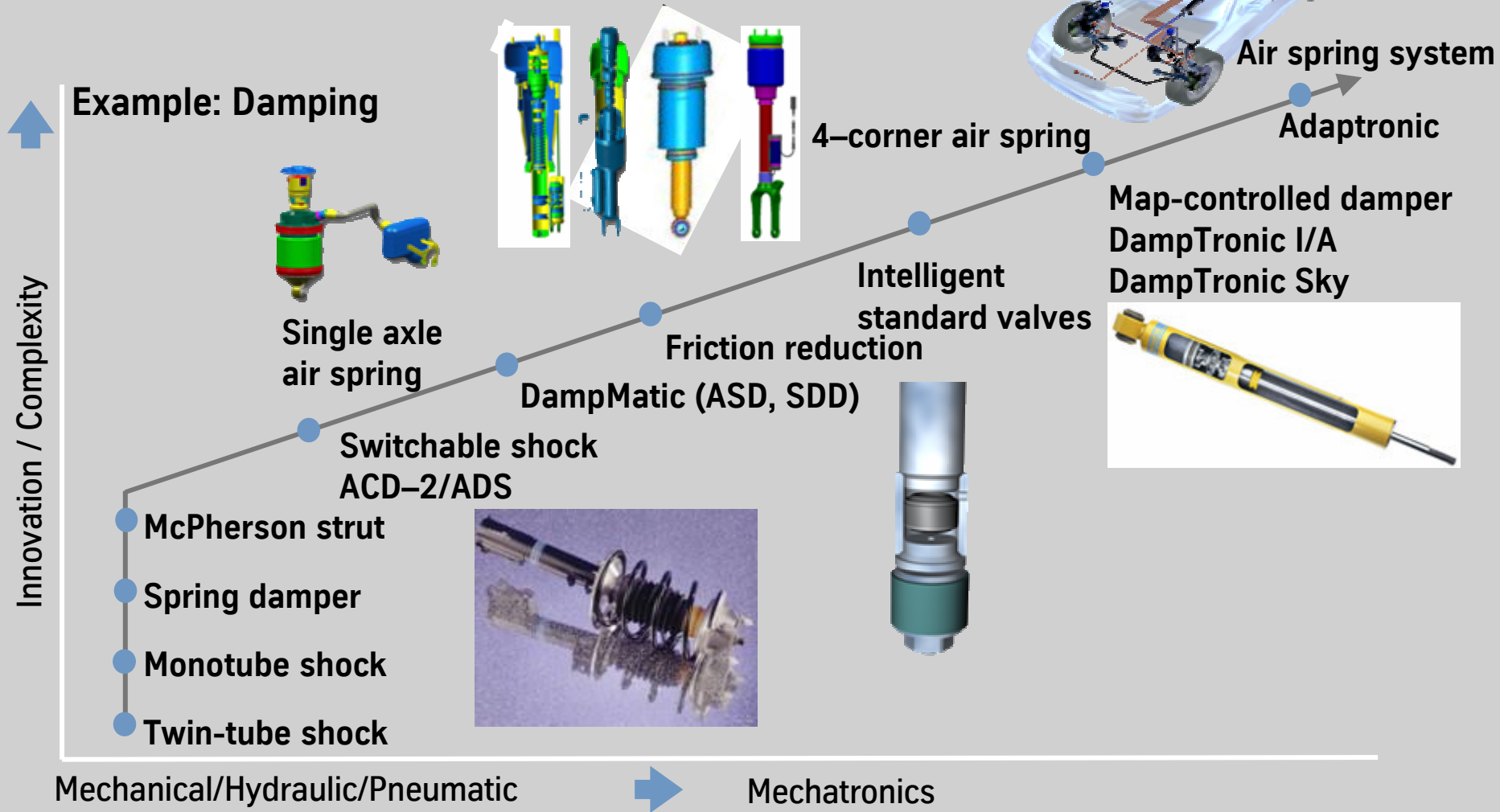
● TKA act. ● TKA review



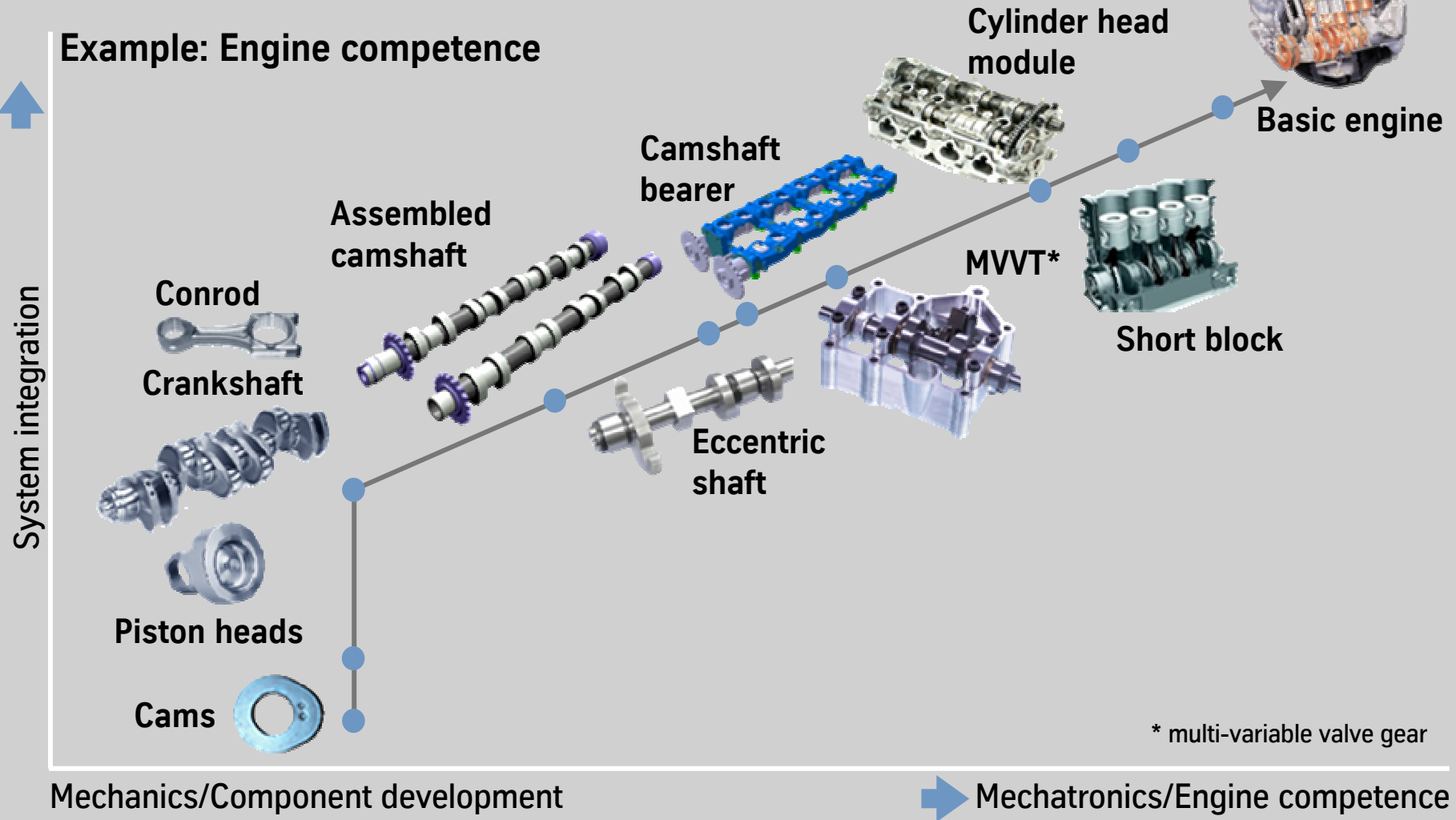
# Solutions based on innovative components (I)



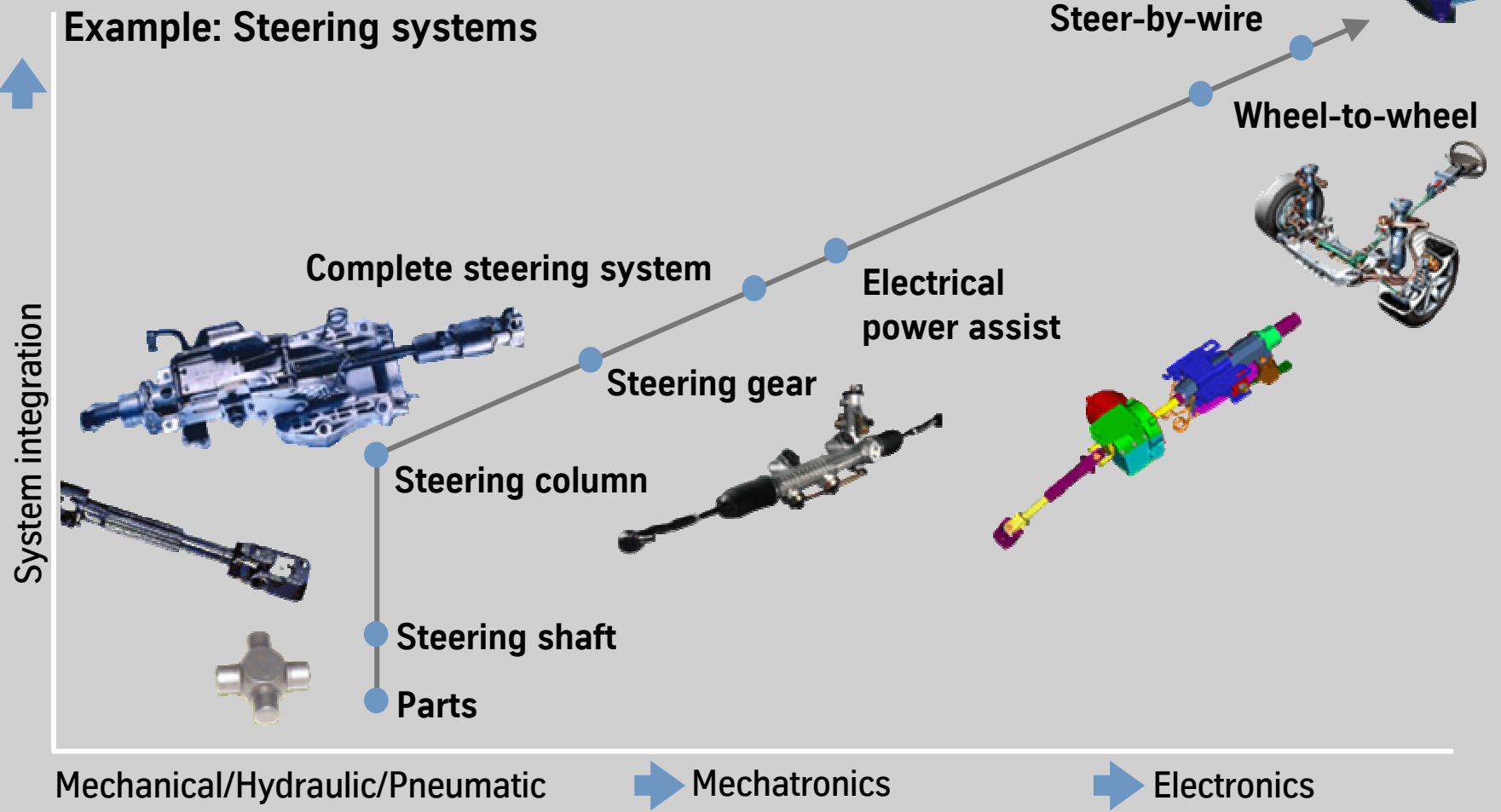
# Solutions based on innovative components (II)



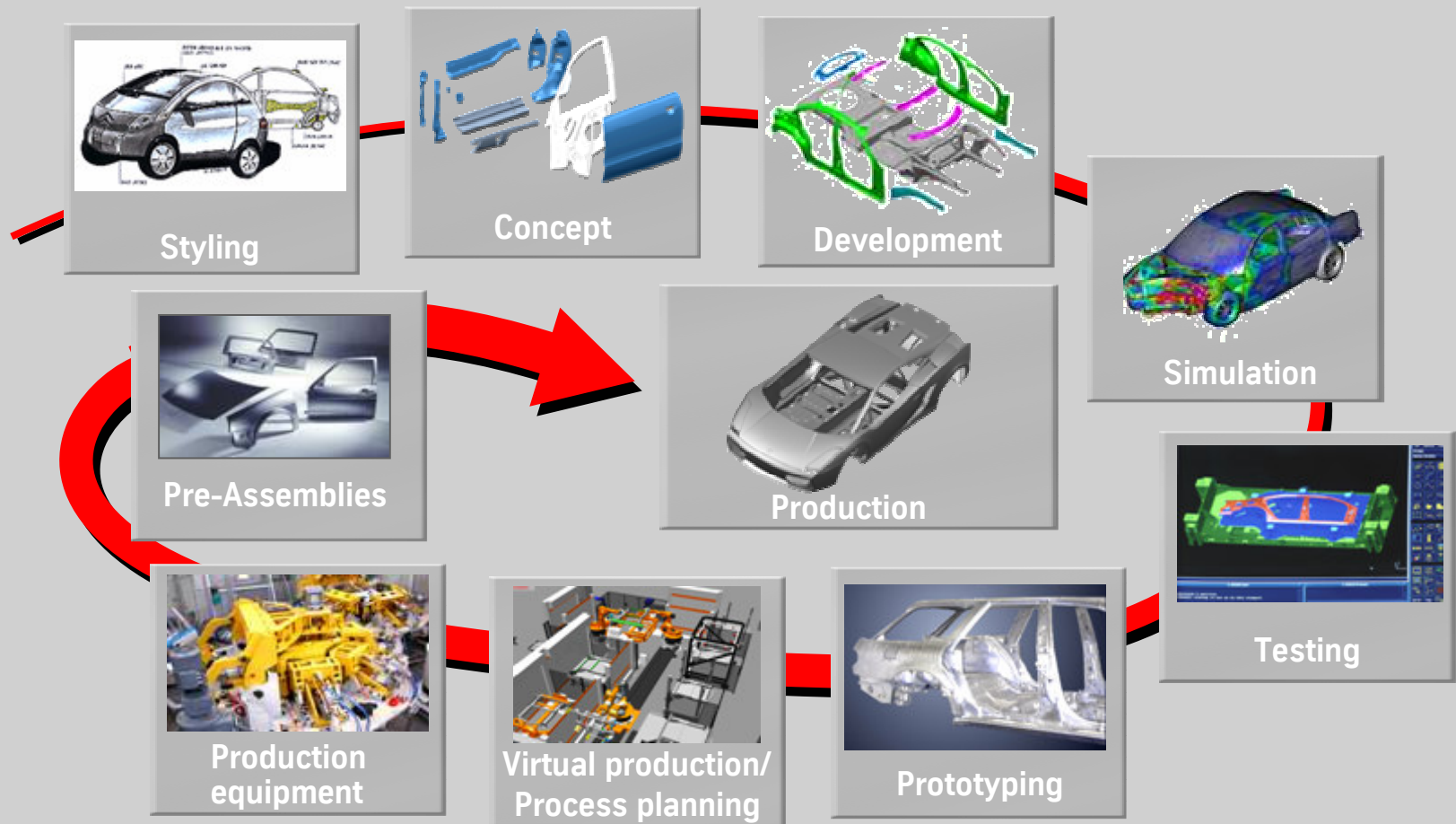
# Solutions based on innovative components (III)



# Solutions based on innovative components (IV)



# The Engineering Loop



# Utilizing cross segment competencies as a driver for innovation

ThyssenKrupp  
Automotive

ThyssenKrupp  
Steel

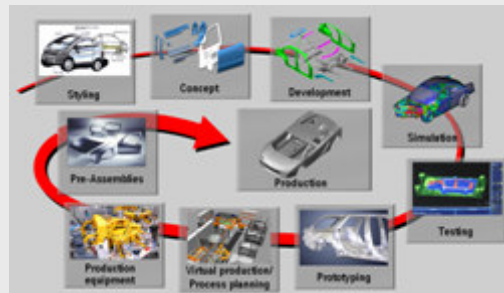
ThyssenKrupp  
Technologies

ThyssenKrupp  
Services

## Engineering Loop

Multi Material  
Competence

Multi Process  
Competence



North American  
Automotive Council

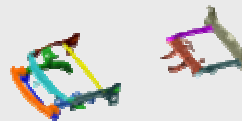
European  
Automotive Council

## Results (Examples)

Body structure parts  
Renault platform M2S



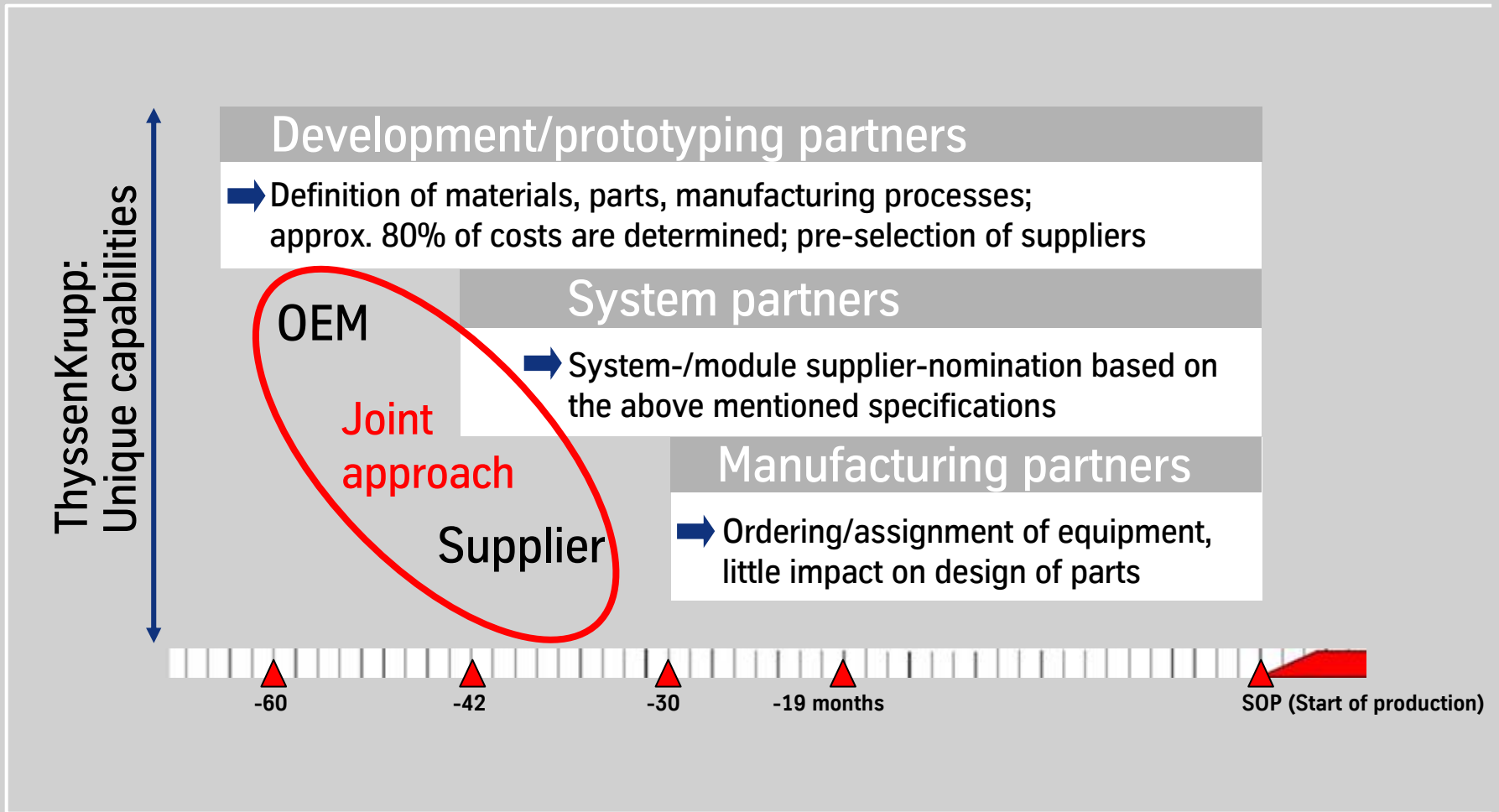
(Laguna, VelSatis, Espace)



NSB<sup>®</sup> New Steel Body

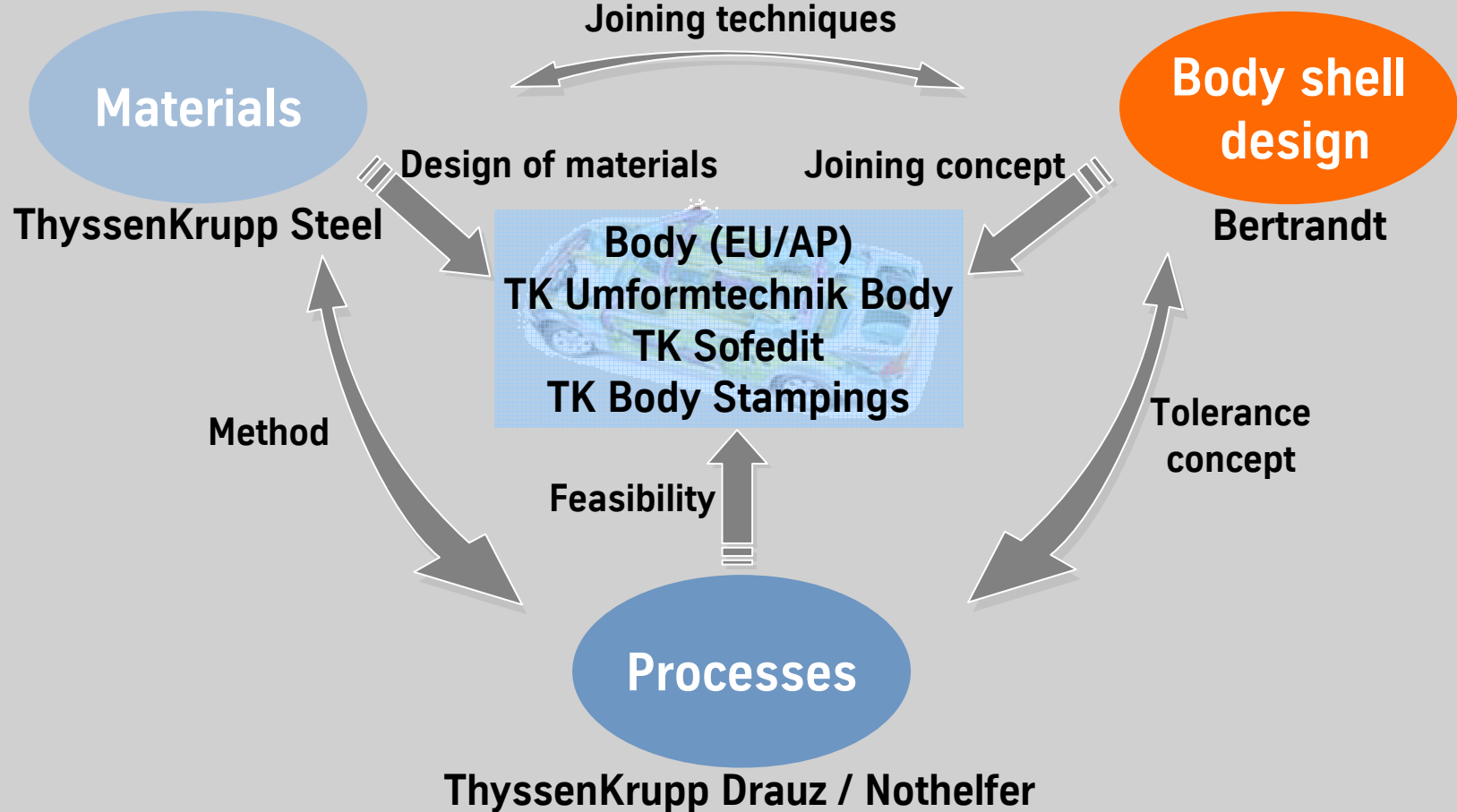


# Early involvement in the product development process



# Joint product development

Example: Bodyshell work capabilities



## Summary

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- ThyssenKrupp Automotive: Component specialist and solution provider for the automotive industry

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- Profitable growth with focus on performance enhancement

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- Expansion of engineering competence and long-term partnerships with OEMs

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- Utilization of cross segment capabilities within the ThyssenKrupp Group

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