



## ThyssenKrupp in Poland

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Group Representative for Poland

ThyssenKrupp Field Day, Krakow (Poland)  
March 21, 2007

**ThyssenKrupp**



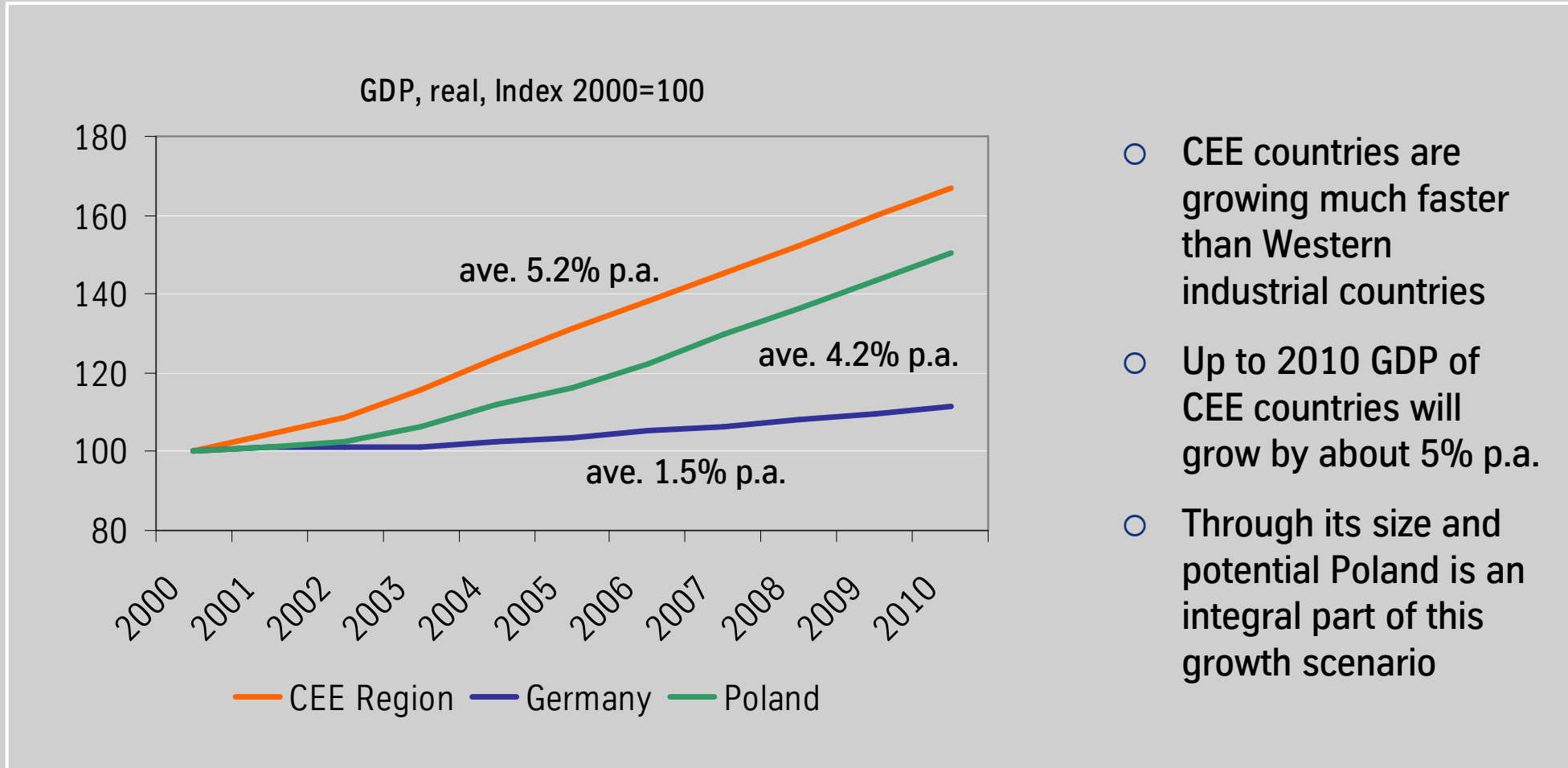
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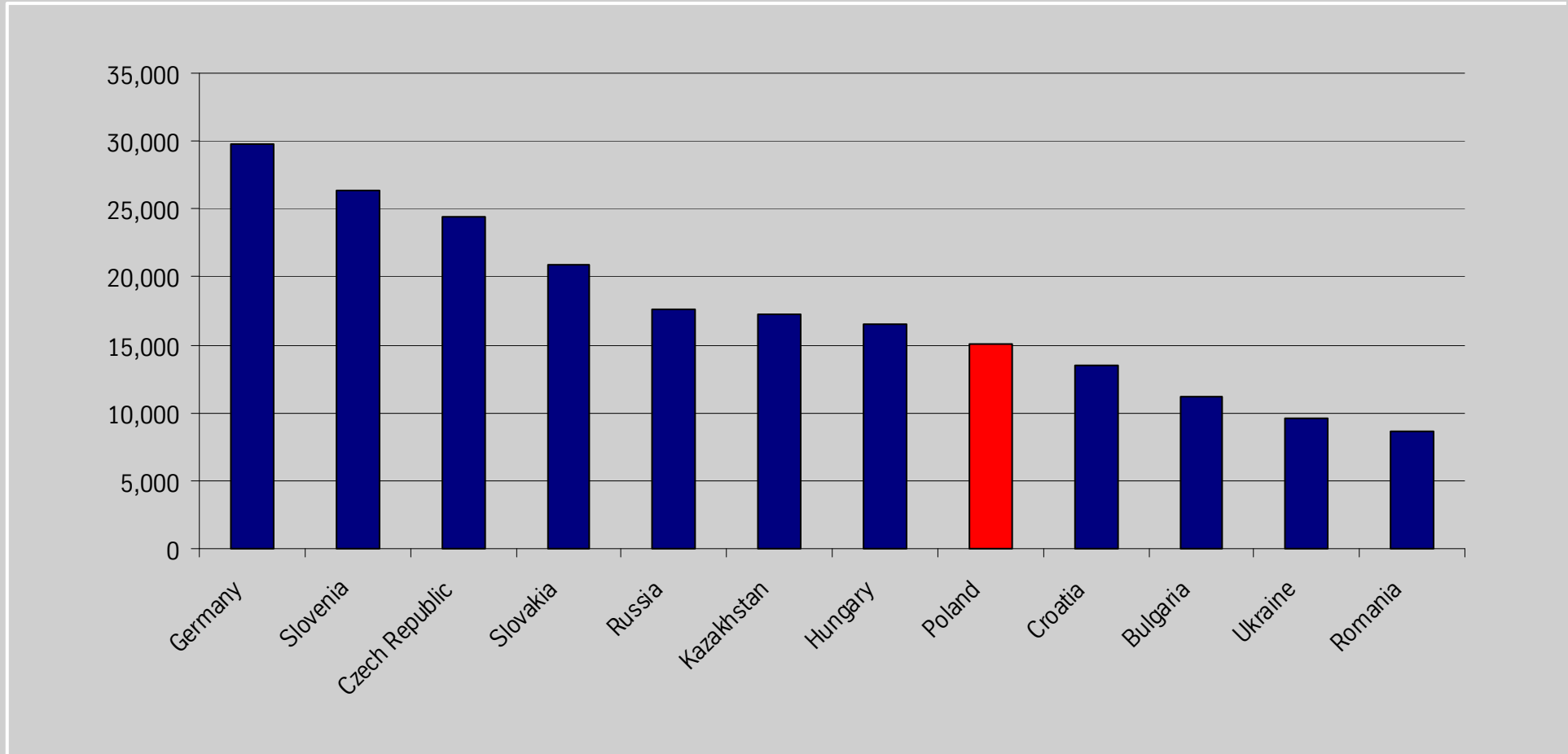
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# CEE Countries: One of the most dynamic growth regions worldwide



# CEE Countries: GDP per capita still relatively low in Poland

GDP per capita (purchasing power parity), US-\$



## Poland: Positive investment conditions outweigh



- Already high level of economic development
- Solid medium-term growth outlook
- Strong domestic demand
- Low market entrance barriers; cultural proximity
- Favorable production conditions
- (Still) low labor costs
- Significantly improved risk rating by European Union membership



- Administrative barriers
- Political risks
- Relatively high unemployment
- GDP per capita is still relatively low, reflecting large gaps in both productivity and labor utilization

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## ThyssenKrupp in Poland – historic roots

### Thyssen and Krupp with business relations in Central and Eastern Europe for almost 200 years

- 1818 Initiation of business relations with Central and Eastern Europe: delivery of 8 coining dies to the Russian ministry of finance by Krupp

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- 1846 Krupp establishes first business connections with Poland: agreements signed with local agents

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- 1878 Thyssen starts business in Poland: shipment of 4 Bessemer converters to Warsaw steelworks

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- 1960 Poland is Thyssen's biggest export market

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- .....

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- 2001 ThyssenKrupp Materials acquires 80% of the shares of Energostal, which is renamed ThyssenKrupp Energostal; warehouses established in Warsaw, Wrocław, Szczecin and Gdańsk

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## ThyssenKrupp in Poland – brief overview

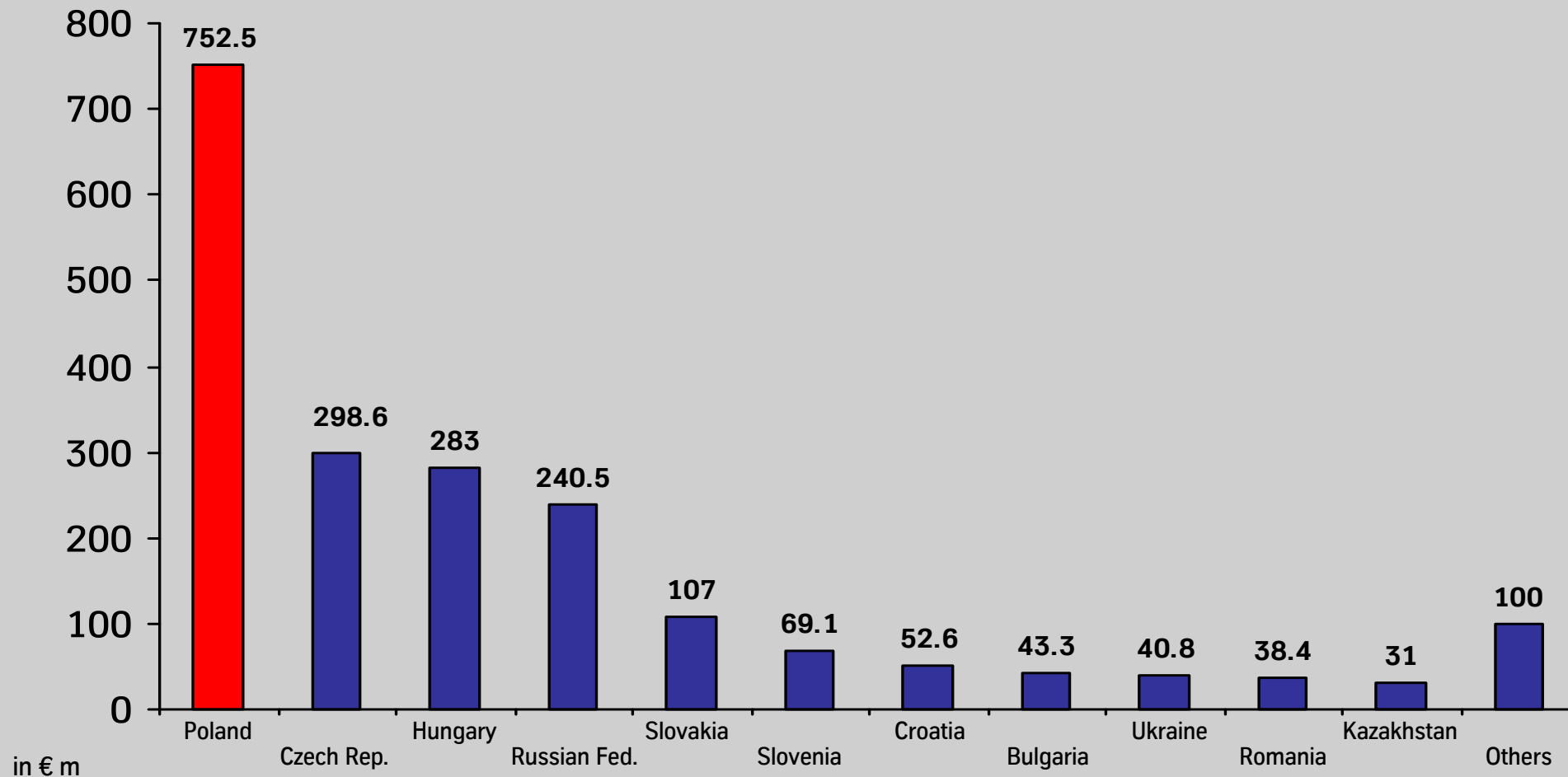
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- Sales to customers in Poland 2005/06: €753 m
  - Sales of local companies 2005/06: €454 m  
thereof ThyssenKrupp Energostal €364 m
  - Sourcing in Poland €385 m
  - Employees (Sep. 30, 2006) 1,518
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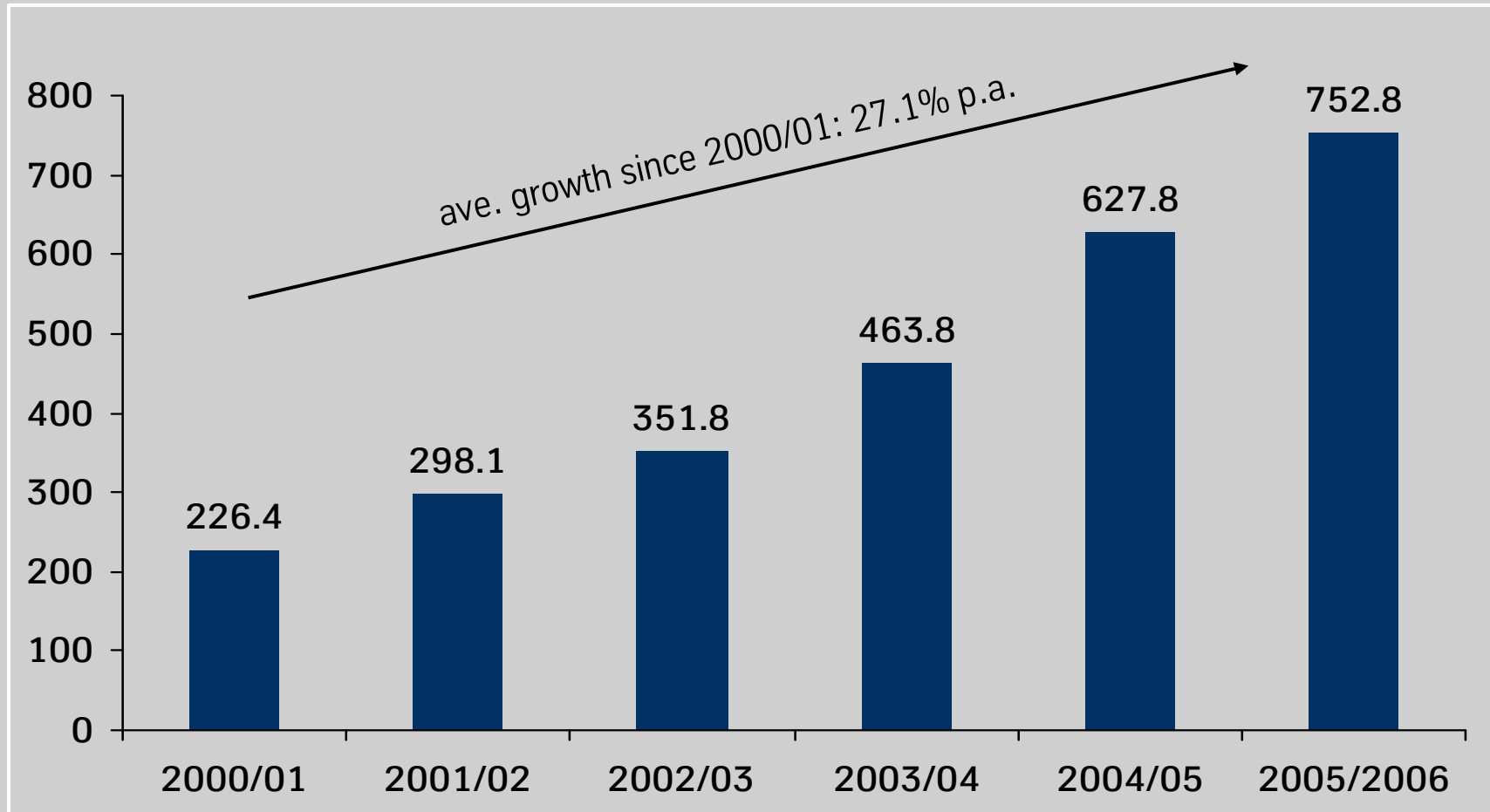


# ThyssenKrupp: Poland ranks No. 1 by customer sales in CEE

Total sales in CEE countries in FY 2005/06: €2,057 m



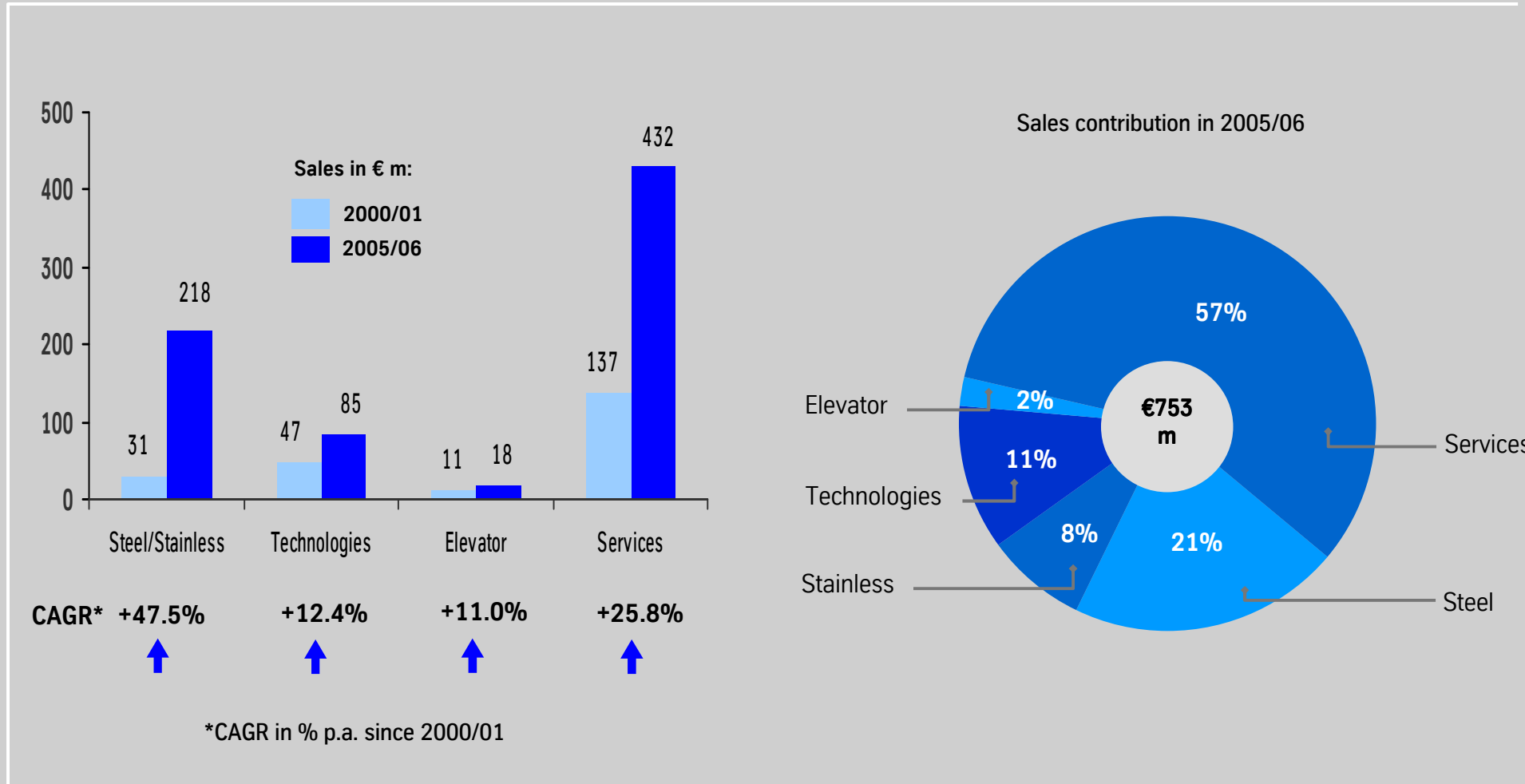
## Poland – Sales increase by 27% p.a. since 2000/01



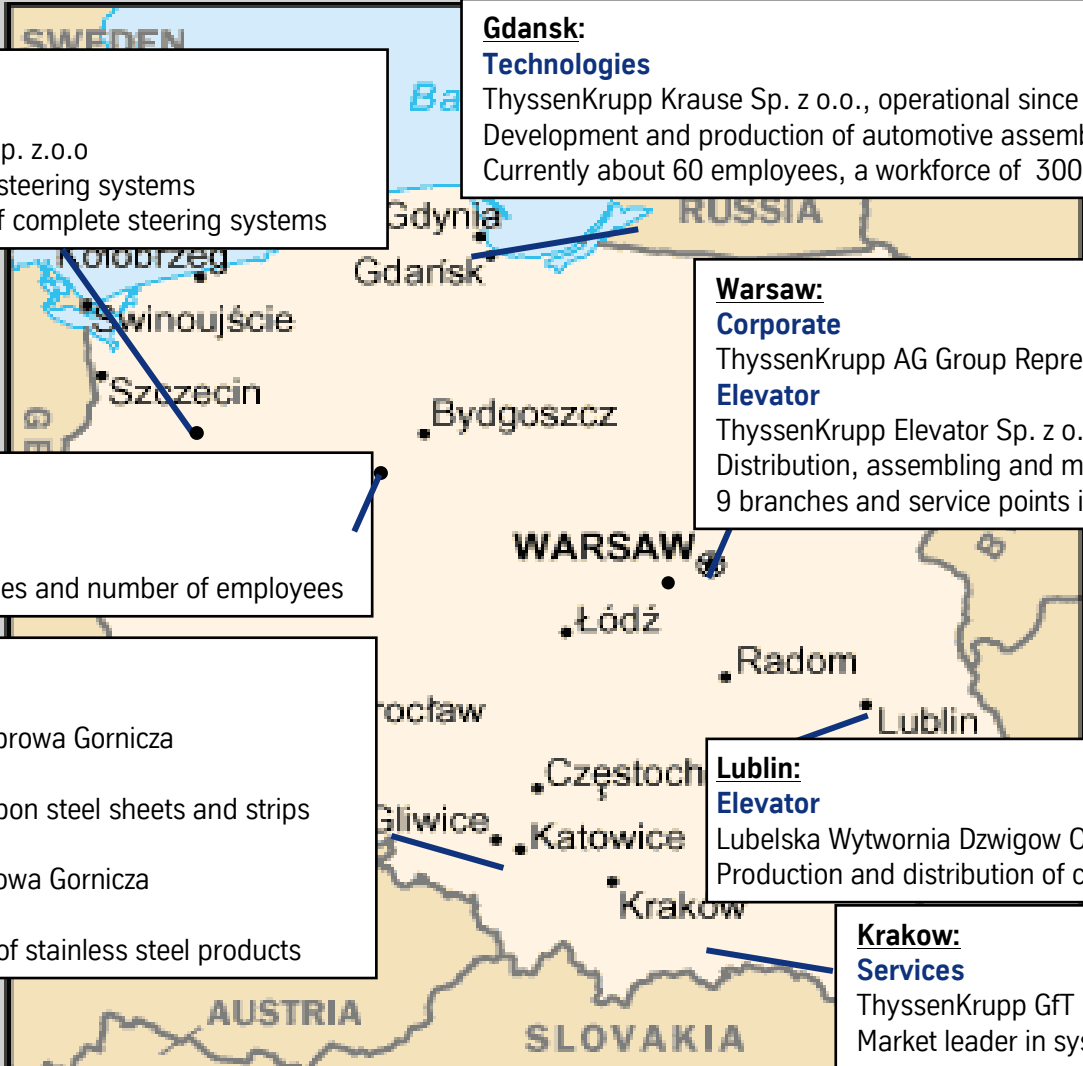
Sales to customers in Poland in € m



# Significant sales growth in all segments in Poland



# Major ThyssenKrupp companies in Poland



**Miedzyrzecz:**  
**Technologies**  
 ThyssenKrupp Presta SteerTec Poland Sp. z o.o  
 Supply of modules and components for steering systems  
 Projection: Production and distribution of complete steering systems

**Gdansk:**  
**Technologies**  
 ThyssenKrupp Krause Sp. z o.o., operational since autumn 2006  
 Development and production of automotive assembly, inspection and testing systems  
 Currently about 60 employees, a workforce of 300 is projected

**Warsaw:**  
**Corporate**  
 ThyssenKrupp AG Group Representative Office  
**Elevator**  
 ThyssenKrupp Elevator Sp. z o.o.  
 Distribution, assembling and maintenance of elevators and escalators  
 9 branches and service points in Poland

**Torun:**  
**Services**  
 ThyssenKrupp Energostal S.A, - Torun  
 Largest Group member company by sales and number of employees

**Katowice/Dabrowa Gornicza:**  
**Steel**  
 ThyssenKrupp Stal Serwis Polska – Dabrowa Gornicza  
 Start of operations in June 2007  
 Integrated services for full range of carbon steel sheets and strips  
**Stainless**  
 ThyssenKrupp Stainless Polska – Dabrowa Gornicza  
 Operational since autumn 2006  
 Distribution and first-stage processing of stainless steel products

**Lublin:**  
**Elevator**  
 Lubelska Wytownia Dzwigow Osobowych "Lift Service" S.A.  
 Production and distribution of components and modernization packages

**Krakow:**  
**Services**  
 ThyssenKrupp GfT Polska Sp. z o.o.  
 Market leader in system solutions for railway equipment



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# Macroeconomic development



## Structural/trade data 2005

Population	38.1 m
Area (in km <sup>2</sup> )	323,250
GDP	€243.9 bn
GDP/capita (PPP)	€11,280
Exports	€90.7 bn
Imports	€91.5 bn
Foreign direct investment	€7.7 bn

## Scoring Poland \*

Economic indicators			
GDP 2005 (€ bn)	243	Assessment of indicators on a scale from 0 (very bad) to 6 (very good)	2
GDP growth 04-09 (€ bn)	42		2
Industrial production, growth 04-09 (€ m)	21,519		3
Apparent steel use, growth 04-07 (t)	1,100		3
Construction, growth 04-09 (€ m)	2,294		3
Car production, growth 04-09 (in 1000)	164		3
Fabricated metals, growth 04-09 (€ m)	7,071		4
Inflation 04-09 (average in % p.a.)	2.4		6
Population growth, (in % 2005)	-0.1		1

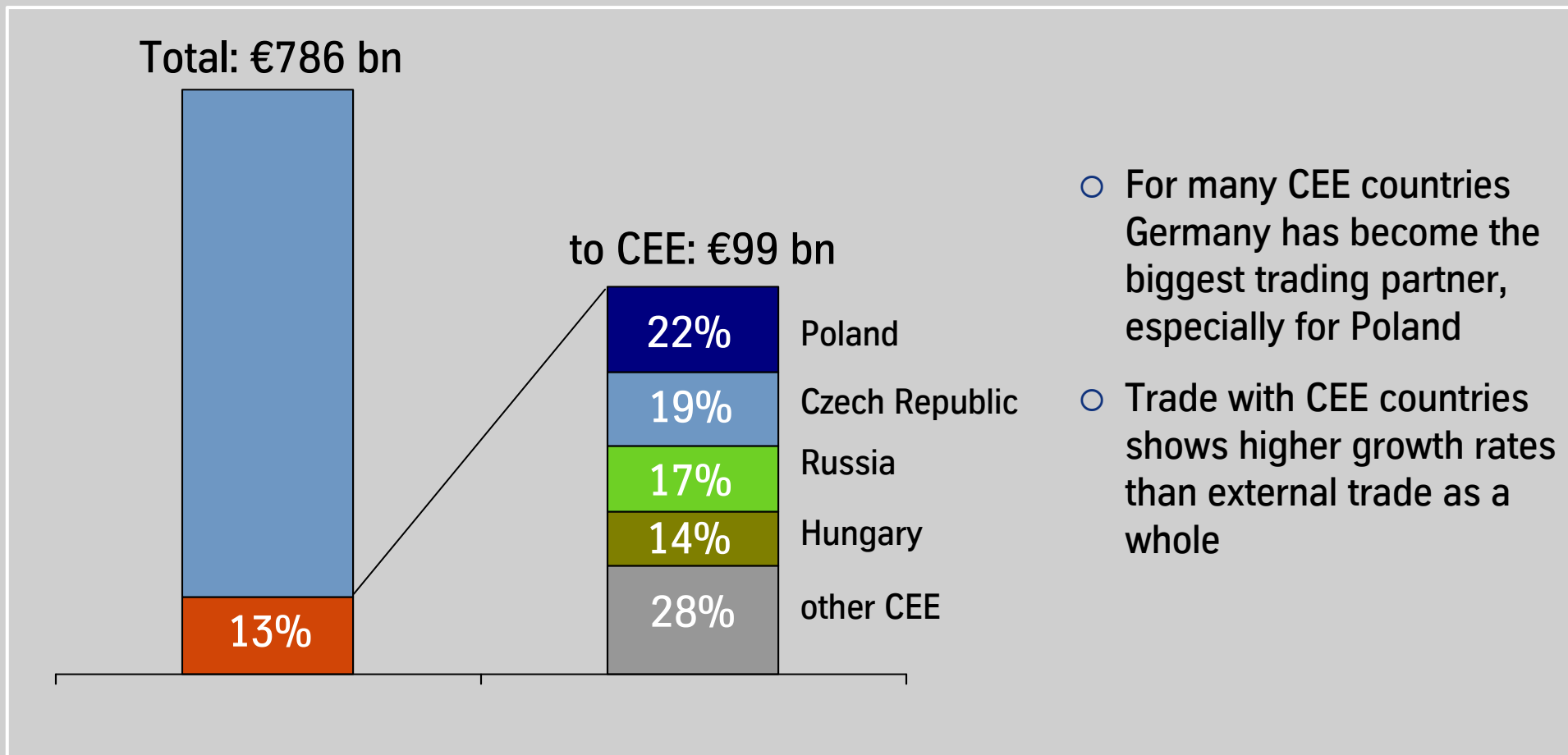
Financial/institutional indicators			
Government budget (as % of GDP; average 01-05)	- 3.8	Assessment of indicators on a scale from 0 (very bad) to 6 (very good)	1
Interest rates, real, (4th quarter 2006 %)	2.9		5
FDI (stock 2005 as % of GDP)	20		2
S & P ranking	BBB/Stable		4
Corruption perception index (Transparency International)	3.4		2
Bertelsmann Transformation Index	8.9		6
Infrastructure Index (WEF)	3.1		2
World Bank Doing Business (Ranking)	75		3

\*Extract from Corporate CS Macro Scoring. Poland ranks 32nd of 56 countries analyzed

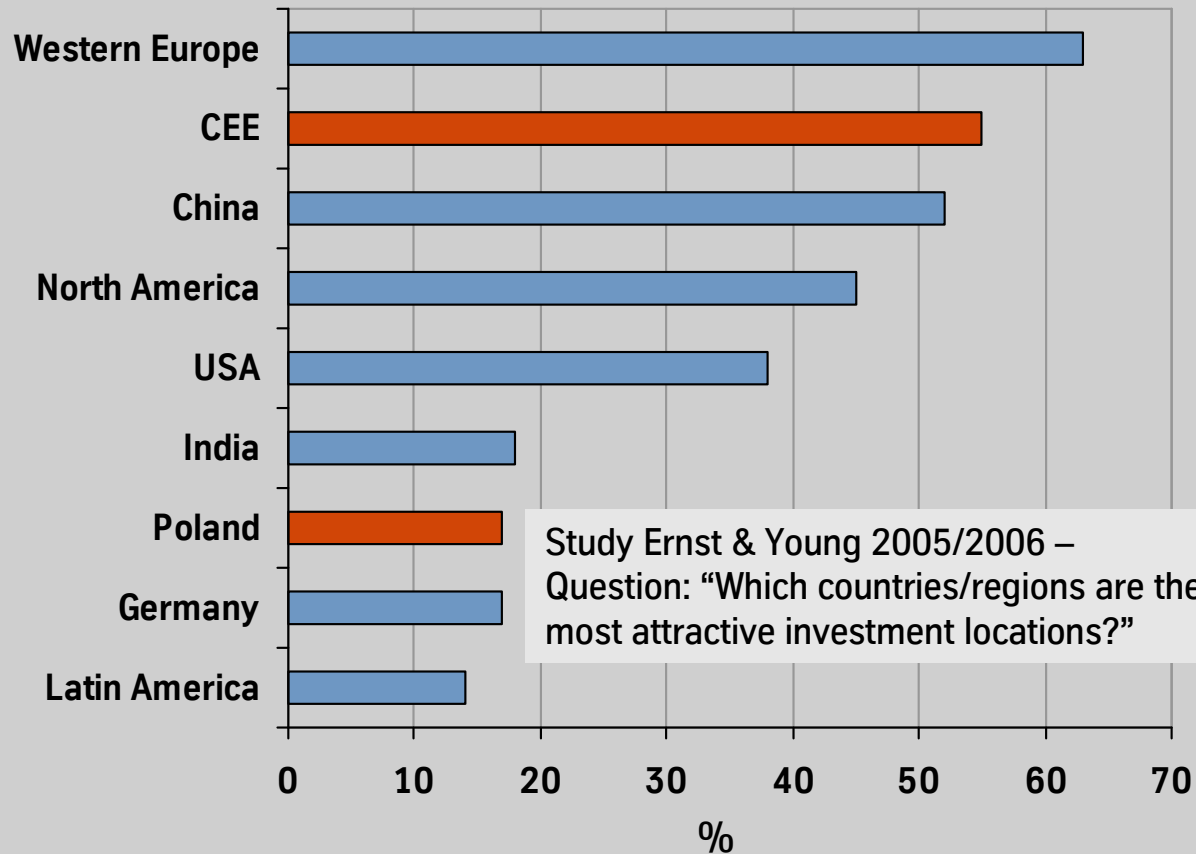


# Poland is Germany's biggest trading partner within CEE

## German exports 2005



## CEE region ranks as No. 2 location for international companies



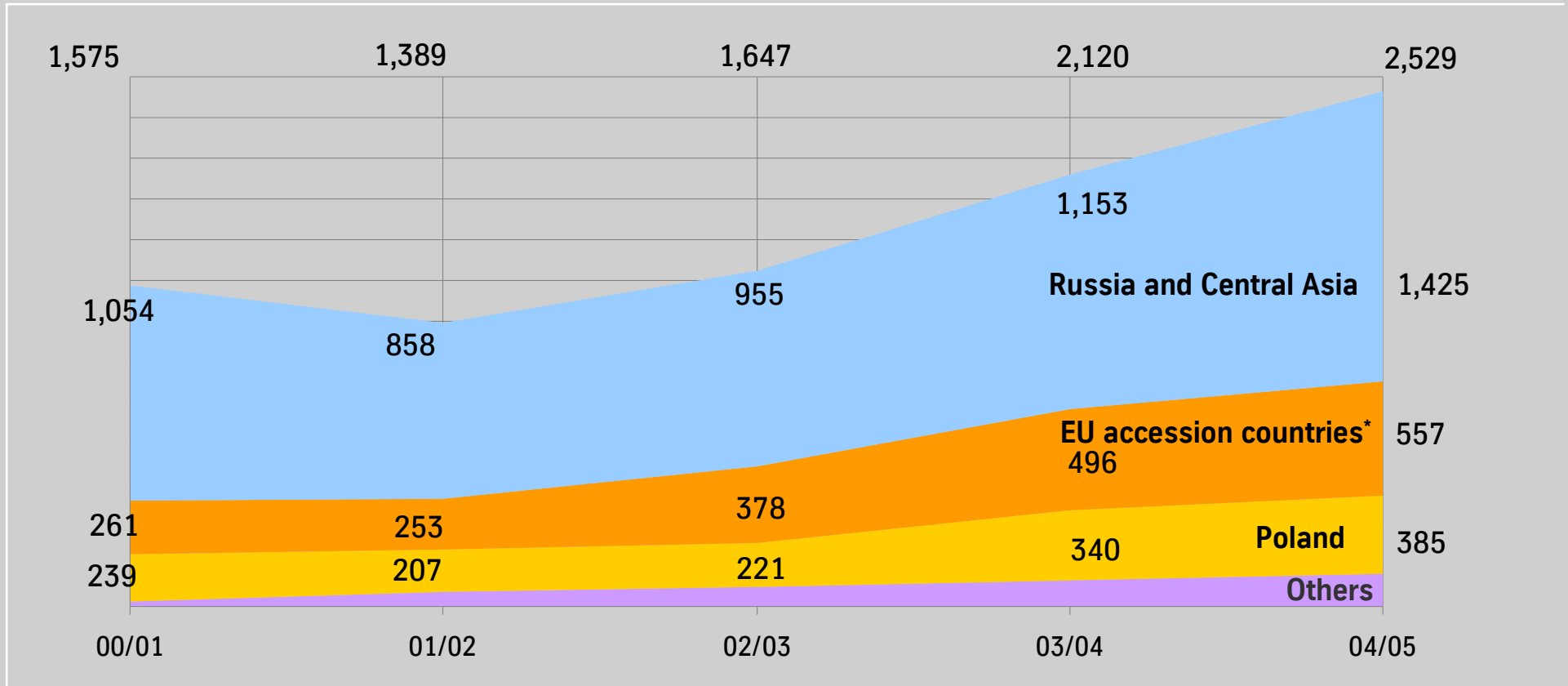
- Since 2002, German foreign direct investment in the CEE region has grown by 37%
- CEE region becoming more and more important for international companies (strategy mix)
- The Polish economy is benefiting from this development

## Poland – Macroeconomic development

- Poland has been praised legitimately as one of the most successful reformers in Central Europe; the country produced annual growth figures averaging over 4.5% of GDP during the late 1990s. Having recovered from a brief dip in 2005, Poland is now enjoying a period of economic growth between 5-6%, while inflation remains fairly low.
- In 2006, GDP growth continued to accelerate by 5.8% yoy in Q3 2006 and by around 6.8% in Q4 2006, giving a full-year 2006 estimate of 5.6%. Consumption and investment have become the main sources of growth.
- The Polish economy offers the greatest potential of all the Central European post-Communist states, being the largest of the group in terms of population size and economic strength.
- Liberalization and privatization were carried out relatively rapidly after the transition to democracy and Poland acceded to the European Union (EU) in May 2004.
- EU membership, coupled with a comprehensive reform package, has granted Poland considerable success in attracting foreign direct investment (FDI) for export-oriented industries, which has augmented trade relations with partners from the West and those retained in the East.
- Despite substantial growth in recent years, GDP per capita is still relatively low, reflecting large gaps in both productivity and labor utilization. Poland is therefore still in need of further structural reforms.

# ThyssenKrupp: Sourcing in Central and Eastern Europe

Total €2,529 m in FY 2004/05



\*including Croatia, without Poland

€ m



# ThyssenKrupp: Sourcing in Poland

- Poland is one of ThyssenKrupp's core sourcing markets in Central and Eastern Europe
- The main focus is on coke, steel, nonferrous metals, plastics and components

Total:	€385 m (2004/05)
Products:	76% materials (€290.6 m )
	14% raw materials (€54.4 m)
	5% semi-finished and finished goods (€18.7 m)
	5% assembly components (€21.0 m)

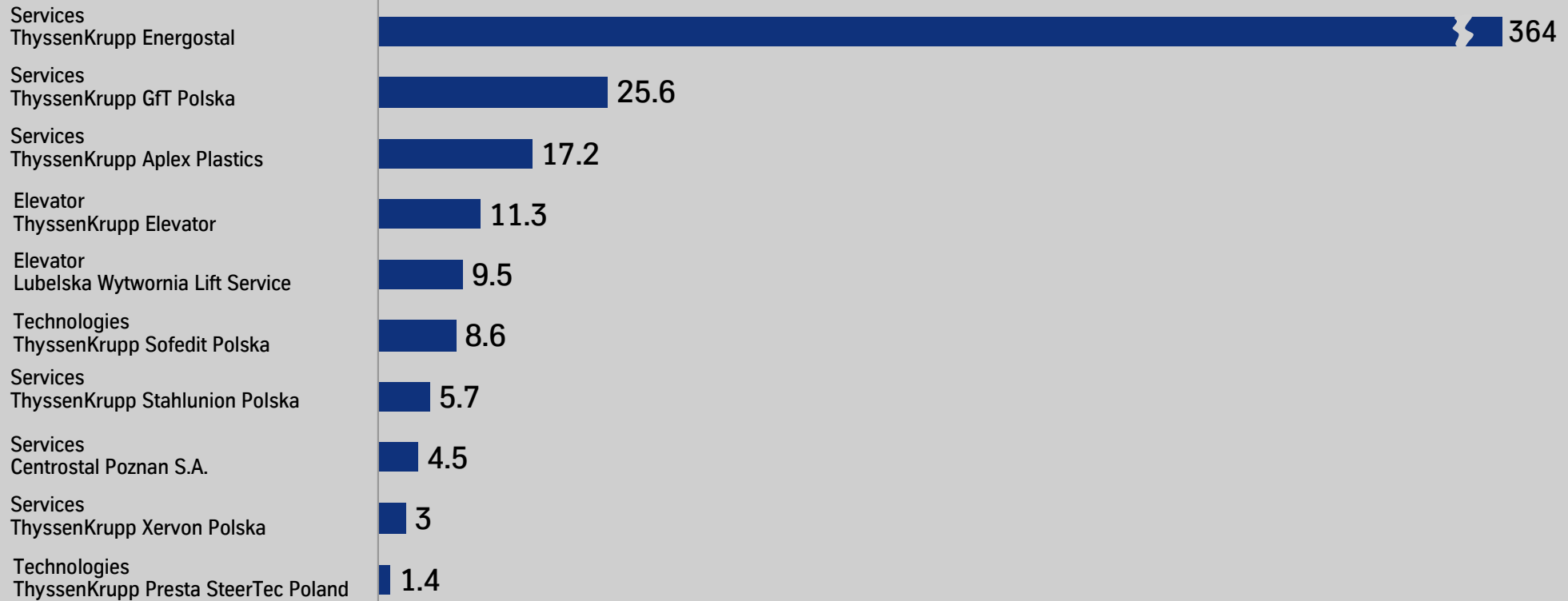
## Segments:

Services:	€342.9 m (89%)
Technologies:	€38.4 m (10%)
Stainless:	€1.7 m (0.4%)
Steel:	€1.6 m (0.4%)



# ThyssenKrupp: Sales volumes of Group member companies

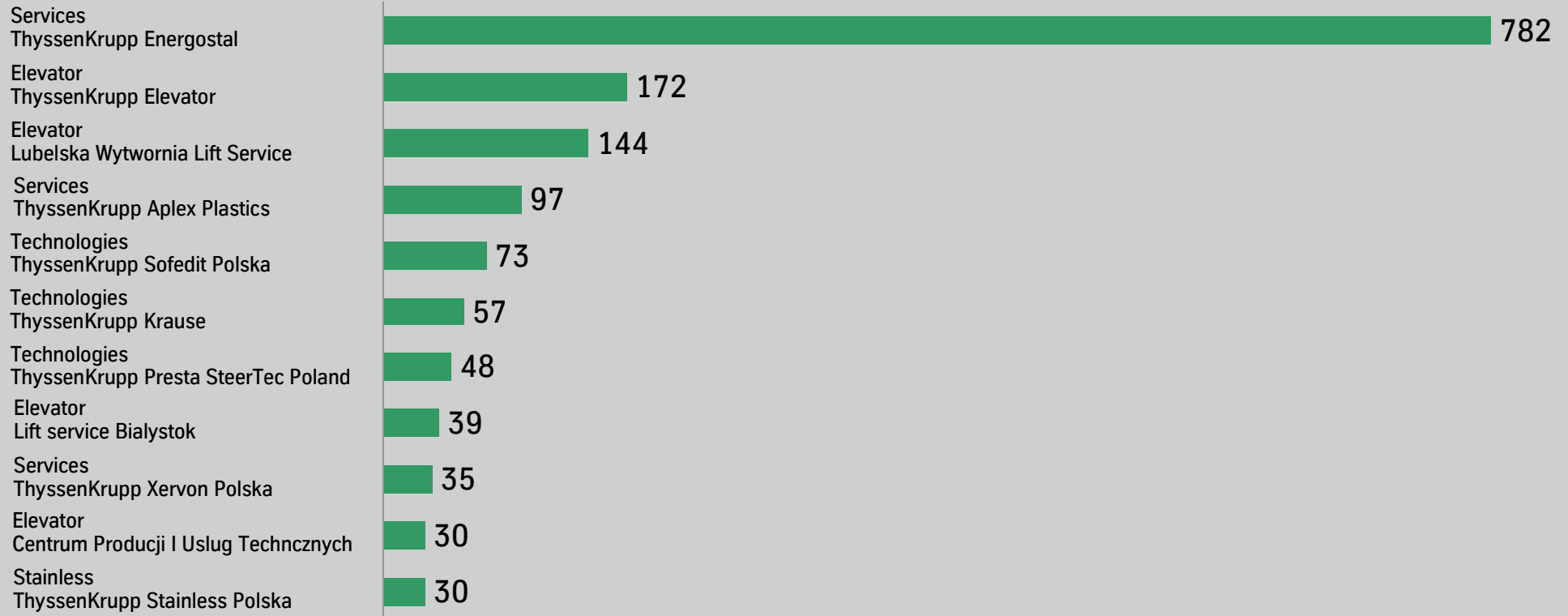
Total: €454 m sales in FY 2005/06



in € m

# ThyssenKrupp: Workforce of Group member companies

Total: 1,518 employees



# ThyssenKrupp: Locations in Poland (1,518 employees)



## Disclaimer

In this presentation all figures are prepared in accordance with IFRS unless otherwise stated.

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