

Excerpt Financials

November 28, 2008

Financial year

07
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08

Fiscal Year 2007/08 Results Confirm Earnings Strength

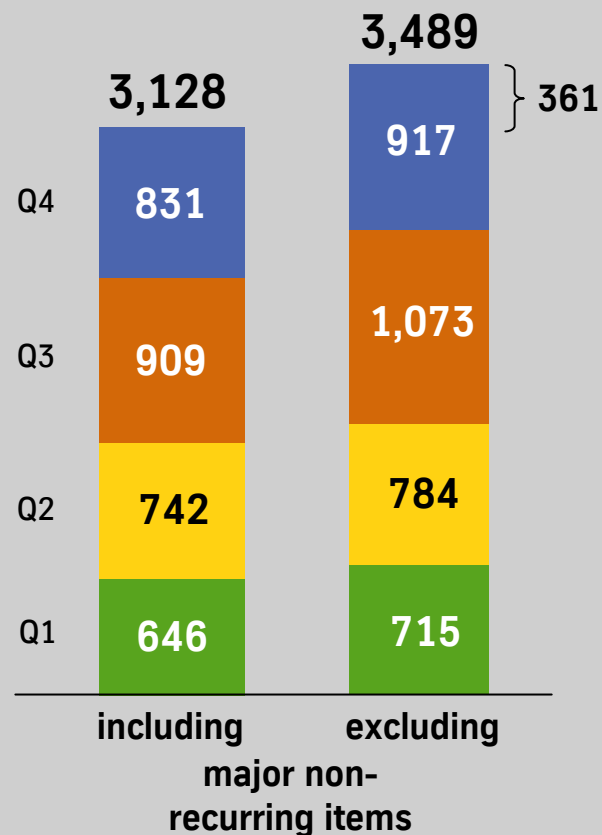
○ Order intake	€55,205 m	+1.1%
○ Sales	€53,426 m	+3.3%
○ EBT		
as reported	€3,128 m	-6.1%
excl. major nonrecurring items	€3,489 m	-8.2%
○ EPS	€4.59	+6.7%
○ TKVA / ROCE	€1,916 m / 18.3%	-9.1% / -2.4%-p.
○ Operating Cash Flow	€3,679 m	+65.7%
○ Net financial debt	€1,584 m	+€1,807 m



Group 2007/08: EBT excl. Major Nonrecurring Items €3.5 bn

EBT 2007/08

million €



Major nonrecurring items 2007/08

million €

	Q1	Q2	Q3	Q4	FY
• Project costs	(68)	(60)	(34)	(108)	(270)
thereof:					
TK CSA, Brazil	(61)	(51)	(24)	(97)	(233)
Steel/Stainless Alabama	(7)	(9)	(10)	(11)	(37)
• Restructuring (Metal Form.)/ Disposal	–	(10)	(115)	32	(93)
• Technologies: disposals, restructuring	–	27	5	(5)	27
• Elevator: restructuring	–	–	(19)	(6)	(25)
Σ	(68)	(43)	(163)	(87)	(361)

Group Outlook 2008/09

Outlook 2008/09

- Global GDP growth < 3 % expected
- FY 2008/09: Sales: significant decline

Tax rate: ~30%

The increasing uncertainty on the financial and real markets makes it impossible to provide a quantifiable forecast at this time. We will supply more concrete information on the current fiscal year in our quarterly reporting.

Major nonrecurring items FY 2008/09

- Project costs
TK CSA, Brazil
Steel/Stainless Alabama
- Results from divestitures

Segment outlook

Steel

- Price and volume risks partly cushioned by long-term contract structures and multiple premium qualities

Stainless

- Lower volume demand

Technologies

- Relatively high visibility regarding revenues and earnings from project business due to high order backlog

Elevator

- High service share and high order backlog drive revenues and earnings

Services

- Price and volume risk despite broad product portfolio and high service share



Segment Overview – Quarterly EBT

million €	2006/2007					FY	2007/2008					FY excl. major nonrecurring items
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	FY		
Steel	399	471	428	364	1,662	353	396	389	402	1,540	1,885	
Stainless	325	291	296	(135)	777	(45)	38	93	40	126	144	
Technologies	148	108	155	133	544	179	186	201	175	741	710	
Elevator	97	(390)*	106	74	(113)	119	90	92	133	434	460	
Services	192	140	218	154	704	132	135	248	235	750	750	
Corporate	(93)	(43)	21	(90)	(205)	(84)	(97)	(110)	(126)	(417)	(417)	
Consolidation	(6)	(5)	(5)	(23)	(39)	(8)	(6)	(4)	(28)	(46)	(43)	
Group	1,062	572	1,219	477	3,330	646	742	909	831	3,128	3,489	

* incl. EU fine €480 m

Group Overview (I)

		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	13,301	13,962	15,552	11,790	54,605	13,270	14,084	14,181	13,670	55,205
Sales	€m	12,332	13,114	13,444	12,833	51,723	12,270	13,199	14,181	13,776	53,426
EBITDA	€m	1,507	1,031	1,728	988	5,254	1,083	1,197	1,366	1,330	4,976
EBIT	€m	1,161	677	1,298	592	3,728	748	849	1,019	956	3,572
EBT	€m	1,062	572	1,219	477	3,330	646	742	909	831	3,128
Net income	€m	661	244	759	526	2,190	435	502	613	726	2,276
Earnings per share	€	1.31	0.45	1.49	1.05	4.30	0.85	1.00	1.21	1.53	4.59
TK Value Added	€m	773	273	884	178	2,108	353	438	600	525	1,916
ROCE	%	26.9	20.9	23.4	20.7	20.7	16.1	16.9	18.2	18.3	18.3

ROCE: based on 3, 6, 9 and 12 months respectively



Group Overview (II)

		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Capital expenditures*	€m	832	549	717	899	2,997	889	1,014	975	1,349	4,227
Depreciation/amort.	€m	346	354	431	396	1,527	335	349	346	374	1,404
Operating cash flow	€m	(569)	501	550	1,738	2,220	(170)	1,003	676	2,170	3,679
+ Cash flow from divestments	€m	254	58	264	97	673	40	80	107	102	329
- Cash flow from investments	€m	832	549	717	899	2,997	889	1,014	975	1,349	4,227
Free cash flow	€m	(1,146)	9	97	936	(104)	(1,018)	68	(192)	923	(219)
Net financial debt	€m	391	897	806	(223)	(223)	859	1,988	2,127	1,584	1,584
Employees		184,240	187,919	189,260	191,350	191,350	193,137	195,828	198,033	199,374	199,374

* incl. financial investments



Steel: Segment Overview

Steel											
		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	3,123	3,510	3,262	2,823	12,718	3,188	3,986	3,765	3,260	14,199
Sales	€m	3,118	3,389	3,413	3,289	13,209	3,214	3,639	3,902	3,603	14,358
EBITDA	€m	589	680	670	531	2,470	561	599	587	599	2,346
EBIT	€m	426	508	440	387	1,761	392	434	426	448	1,700
EBT	€m	399	471	428	364	1,662	353	396	389	402	1,540
TK Value Added	€m	276	350	281	231	1,138	236	263	246	262	1,007
ROCE	%	27.0	28.8	27.9	26.9	26.9	22.6	22.8	22.2	22.1	22.1
OCF	€m	39	309	585	965	1,898	(330)	352	555	908	1,485
+ CF from divestm.	€m	9	25	(2)	11	43	(3)	25	(31)	89	80
- CF for investm.	€m	498	288	310	563	1,659	632	577	533	878	2,620
FCF	€m	(450)	46	273	413	282	(965)	(200)	(9)	119	(1,055)
Employees		38,837	39,005	38,950	39,559	39,559	39,922	40,636	40,733	41,311	41,311

ROCE: based on 3, 6, 9 and 12 months respectively



Stainless: Segment Overview

Stainless											
		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	1,913	2,185	1,943	1,643	7,684	2,150	2,001	1,732	1,577	7,460
Sales	€m	1,971	2,407	2,608	1,762	8,748	1,838	1,955	1,933	1,694	7,420
EBITDA	€m	380	351	369	(66)	1,034	8	98	154	103	363
EBIT	€m	343	313	318	(103)	871	(23)	60	115	62	214
EBT	€m	325	291	296	(135)	777	(45)	38	93	40	126
TK Value Added	€m	263	220	220	(196)	507	(107)	(23)	31	(20)	(119)
ROCE	%	40.5	36.0	34.2	22.7	22.7	(2.4)	2.0	5.4	5.8	5.8
OCF	€m	(392)	(107)	264	463	228	(169)	243	119	365	558
+ CF from divestm.	€m	6	2	4	4	16	3	2	0	20	25
- CF for investm.	€m	55	71	103	99	328	47	168	60	113	388
FCF	€m	(441)	(176)	165	368	(84)	(213)	77	59	272	195
Employees		12,221	12,218	12,187	12,182	12,182	12,075	12,042	12,037	12,212	12,212

ROCE: based on 3, 6, 9 and 12 months respectively



Technologies: Segment Overview

Technologies

		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	3,428	3,083	5,700	2,633	14,844	3,212	3,108	3,397	3,773	13,490
Sales	€m	2,792	2,804	2,815	3,112	11,523	2,822	3,029	3,357	3,204	12,412
EBITDA	€m	229	199	230	230	888	256	261	272	257	1,046
EBIT	€m	144	104	147	123	518	170	178	188	142	678
EBT	€m	148	108	155	133	544	179	186	201	175	741
TK Value Added	€m	102	61	105	80	348	127	135	145	95	502
ROCE	%	28.2	24.6	25.9	25.0	25.0	28.9	29.4	29.8	27.6	27.6
OCF	€m	(40)	295	117	255	627	22	326	117	201	666
+ CF from divestm.	€m	58	74	34	13	179	46	118	36	51	251
- CF for investm.	€m	126	153	138	164	581	160	171	153	278	762
FCF	€m	(108)	216	13	104	225	(91)	272	0	(26)	155
Employees		52,954	53,274	54,128	54,762	54,762	55,567	53,637	54,334	54,043	54,043

ROCE: based on 3, 6, 9 and 12 months respectively



Elevator: Segment Overview

Elevator											
		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	1,299	1,311	1,309	1,362	5,281	1,466	1,464	1,324	1,281	5,535
Sales	€m	1,083	1,088	1,179	1,362	4,712	1,184	1,164	1,211	1,371	4,930
EBITDA	€m	118	(367)*	131	130	12	134	112	113	150	509
EBIT	€m	104	(382)*	114	89	(75)	126	94	98	132	450
EBT	€m	97	(390)*	106	74	(113)	119	90	92	133	434
TK Value Added	€m	64	(419)*	81	48	(226)	89	60	66	99	314
ROCE	%	21.7	(31.1)*	(12.6)	(4.2)	(4.2)	27.6	24.7	24.7	26.5	26.5
OCF	€m	(27)	172	(448)*	70	(233)	49	196	131	149	525
+ CF from divestm.	€m	17	14	7	63	101	2	(1)	1	6	8
- CF for investm.	€m	27	18	34	43	122	17	35	49	31	132
FCF	€m	(37)	168	(475)	90	(254)	34	160	83	125	402
Employees		37,279	37,758	38,556	39,501	39,501	40,191	40,873	42,108	42,992	42,992

* incl. EU fine €480 m

ROCE: based on 3, 6, 9 and 12 months respectively



Services: Segment Overview

Services

		2006/2007				FY	2007/2008				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	4,207	4,592	4,122	3,902	16,823	3,951	4,322	4,677	4,503	17,453
Sales	€m	3,972	4,334	4,308	4,097	16,711	3,867	4,232	4,603	4,634	17,336
EBITDA	€m	245	197	271	234	947	190	195	306	297	988
EBIT	€m	212	160	237	178	787	153	156	268	257	834
EBT	€m	192	140	218	154	704	132	135	248	235	750
TK Value Added	€m	142	84	159	102	487	79	75	183	171	508
ROCE	%	27.2	23.0	24.5	23.6	23.6	17.5	16.9	20.4	21.7	21.7
OCF	€m	(327)	77	83	498	331	(421)	115	(80)	579	193
+ CF from divestm.	€m	21	18	9	40	88	12	10	29	20	71
- CF for investm.	€m	80	65	61	73	279	70	169	55	75	369
FCF	€m	(386)	30	31	465	140	(479)	(44)	(106)	524	(105)
Employees		40,690	43,411	43,098	43,012	43,012	43,054	46,318	46,506	46,486	46,486

ROCE: based on 3, 6, 9 and 12 months respectively



Segment Overview – Quarterly Order Intake

million €	2006/2007					FY	2007/2008				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	FY	
Steel	3,123	3,510	3,262	2,823	12,718	3,188	3,986	3,765	3,260	14,199	
Stainless	1,913	2,185	1,943	1,643	7,684	2,150	2,001	1,732	1,577	7,460	
Technologies	3,428	3,083	5,700	2,633	14,844	3,212	3,108	3,397	3,773	13,490	
Elevator	1,299	1,311	1,309	1,362	5,281	1,466	1,464	1,324	1,281	5,535	
Services	4,207	4,592	4,122	3,902	16,823	3,951	4,322	4,677	4,503	17,453	
Corporate	194	39	24	31	288	34	26	23	41	124	
Consolidation	(863)	(758)	(808)	(604)	(3,033)	(731)	(823)	(737)	(765)	(3,056)	
Group	13,301	13,962	15,552	11,790	54,605	13,270	14,084	14,181	13,670	55,205	

Segment Overview – Quarterly Sales

million €	2006/2007					FY	2007/2008				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	FY	
Steel	3,118	3,389	3,413	3,289	13,209	3,214	3,639	3,902	3,603	14,358	
Stainless	1,971	2,407	2,608	1,762	8,748	1,838	1,955	1,933	1,694	7,420	
Technologies	2,792	2,804	2,815	3,112	11,523	2,822	3,029	3,357	3,204	12,412	
Elevator	1,083	1,088	1,179	1,362	4,712	1,184	1,164	1,211	1,371	4,930	
Services	3,972	4,334	4,308	4,097	16,711	3,867	4,232	4,603	4,634	17,336	
Corporate	194	39	24	31	288	34	26	23	41	124	
Consolidation	(798)	(947)	(903)	(820)	(3,468)	(689)	(846)	(848)	(771)	(3,154)	
Group	12,332	13,114	13,444	12,833	51,723	12,270	13,199	14,181	13,776	53,426	

Segment Overview – Quarterly EBITDA

million €	2006/2007					FY	2007/2008				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	FY	
Steel	589	680	670	531	2,470	561	599	587	599	2,346	
Stainless	380	351	369	(66)	1,034	8	98	154	103	363	
Technologies	229	199	230	230	888	256	261	272	257	1,046	
Elevator	118	(367)*	131	130	12	134	112	113	150	509	
Services	245	197	271	234	947	190	195	306	297	988	
Corporate	(48)	(24)	63	(47)	(56)	(56)	(64)	(63)	(45)	(228)	
Consolidation	(6)	(5)	(6)	(24)	(41)	(10)	(4)	(3)	(31)	(48)	
Group	1,507	1,031	1,728	988	5,254	1,083	1,197	1,366	1,330	4,976	

* incl. EU fine €480 m

Segment Overview – Quarterly EBIT

million €	2006/2007				FY	2007/2008				FY
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Steel	426	508	440	387	1,761	392	434	426	448	1,700
Stainless	343	313	318	(103)	871	(23)	60	115	62	214
Technologies	144	104	147	123	518	170	178	188	142	678
Elevator	104	(382)*	114	89	(75)	126	94	98	132	450
Services	212	160	237	178	787	153	156	268	257	834
Corporate	(63)	(19)	45	(58)	(95)	(61)	(71)	(70)	(55)	(257)
Consolidation	(5)	(7)	(3)	(24)	(39)	(9)	(2)	(6)	(30)	(47)
Group	1,161	677	1,298	592	3,728	748	849	1,019	956	3,572

* incl. EU fine €480 m

Segment Overview – Quarterly EBT

million €	2006/2007					FY	2007/2008				
	Q1	Q2	Q3	Q4	Q1		Q2	Q3	Q4	FY	
Steel	399	471	428	364	1,662	353	396	389	402	1,540	
Stainless	325	291	296	(135)	777	(45)	38	93	40	126	
Technologies	148	108	155	133	544	179	186	201	175	741	
Elevator	97	(390)*	106	74	(113)	119	90	92	133	434	
Services	192	140	218	154	704	132	135	248	235	750	
Corporate	(93)	(43)	21	(90)	(205)	(84)	(97)	(110)	(126)	(417)	
Consolidation	(6)	(5)	(5)	(23)	(39)	(8)	(6)	(4)	(28)	(46)	
Group	1,062	572	1,219	477	3,330	646	742	909	831	3,128	

* incl. EU fine €480 m

Segment Overview – Quarterly Operating Cash Flow

million €	2006/2007					2007/2008				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	39	309	585	965	1,898	(330)	352	555	908	1,485
Stainless	(392)	(107)	264	463	228	(169)	243	119	365	558
Technologies	(40)	295	117	255	627	22	326	117	201	666
Elevator	(27)	172	(448)*	70	(233)	49	196	131	149	525
Services	(327)	77	83	498	331	(421)	115	(80)	579	193
Corp./Cons.	178	(245)	(51)	(513)	631	679	(229)	(166)	(32)	252
Group	(569)	501	550	1,738	2,220	(170)	1,003	676	2,170	3,679

* incl. EU fine €480 m

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- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

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