

**6th Annual General Meeting
of ThyssenKrupp AG**

**Remarks by Prof. Dr. Schulz
January 21, 2005**

ThyssenKrupp



Annual General Meeting

- Assessment of the 1st Quarter 2004/2005
- Fiscal Year 2003/2004
- Performance of ThyssenKrupp Stock and Dividend Proposal
- Measures to Increase the Value of the Group
- Strategic Objectives
- Research and Development
- Responsibility as a Corporate Citizen
- Outlook



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Assessment of the 1st Quarter 2004/2005

		Q1 2003/2004	Q1 2004/2005
Order intake	billion €	9.3	10.8
Sales	billion €	8.5	10.1
Earnings*	million €	168	> 400

* from continuing operations before taxes and minority interest

Portfolio Optimization in 1st Quarter 2004/2005

December 2004

- ThyssenKrupp Fahrzeugguss group (sales around €300 million) sold to the European investor group Electra Partners Europe Limited
- ThyssenKrupp residential real estate business with roughly 48,000 housing units sold to a buyer consortium of Morgan Stanley and the North Rhine-Westphalian Corpus-ImmobilienGruppe for €2.1 billion



Ratings for ThyssenKrupp

- Achievements acknowledged by the rating agencies
- Standard & Poor's placed rating on "Credit Watch positive"
- Fitch raised investment grade rating by one notch to "BBB" with "Rating Watch positive"
- Both agencies to decide in the coming weeks on an upgrade
- Moody's raised investment grade rating by one notch to "Baa2" with outlook stable

Good start to fiscal 2004/2005



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Favorable Economic Parameters

- Significant improvement in world economy
- Positive impact on ThyssenKrupp's business performance
- Economic growth of 1.7% in Germany
- Strong rise in imports despite appreciation of euro



ThyssenKrupp with Best Ever Results

		2002/2003	2003/2004
Earnings*	million €	774	1,580
ROCE	%	7.2	12.0
EVA	million €	-352	572
Order intake	million €	35,105	41,017
Sales	million €	35,327	39,342
Net financial payables	million €	4,235	2,833
Gearing	%	55.2	34.0
Earnings per share	€	1.09	1.81

* from continuing operations before taxes and minority interest



Significantly Increased Raw Material and Energy Prices

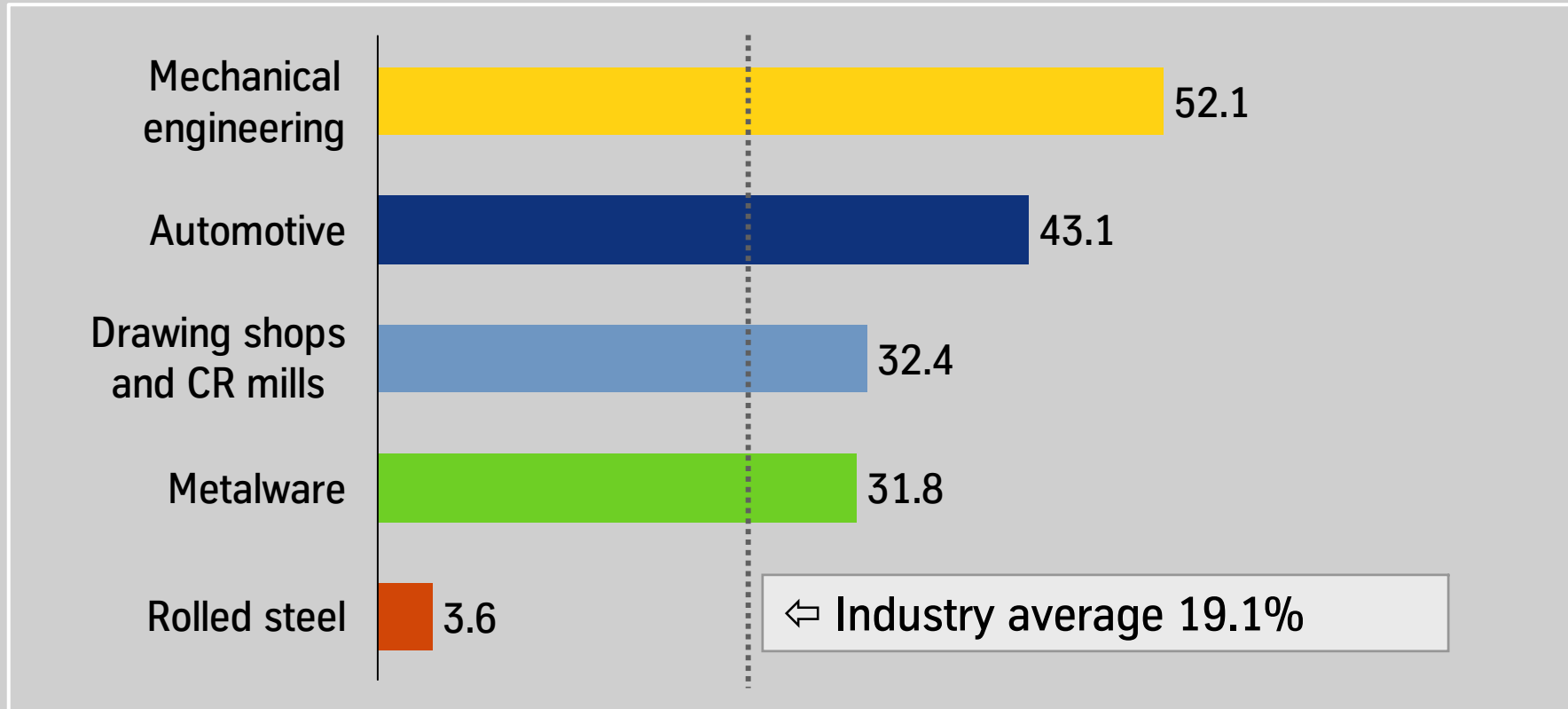
- High price rises, e.g. iron ore (28%), unalloyed scrap (47%), imported coke (110%) and iron ore freight rates (105%)
- Biggest cost items now raw materials and energy
- Higher steel prices to absorb increased costs



Significantly Increased Raw Material and Energy Prices

Long-term average rolled steel prices stable

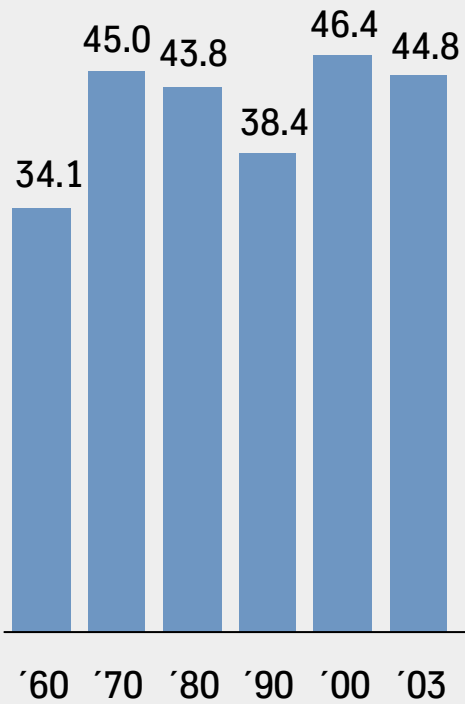
Price change 1984 – 2004 (Jan.-Sep.) in %



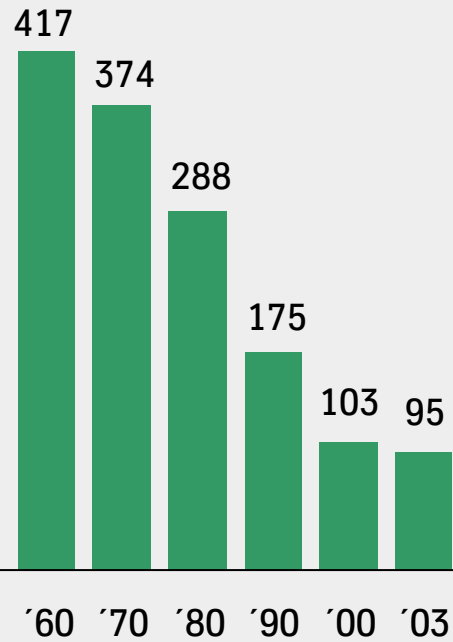
Productivity

Steel industry Germany

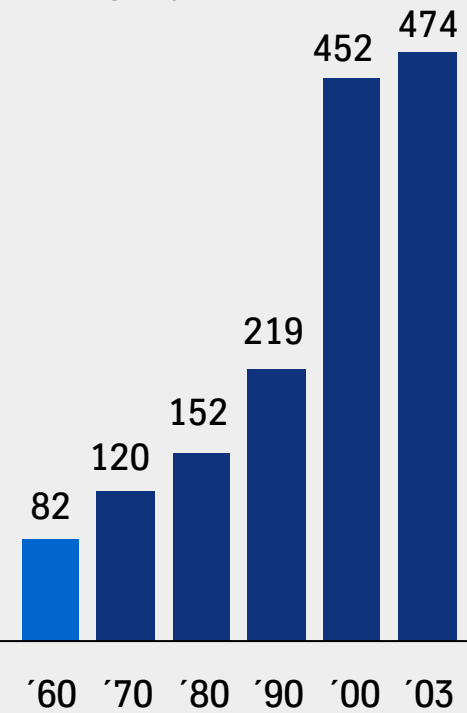
Steel production
million t



Employees
1,000 (year end)



Productivity
t/employee



The Segments

Steel

		2002/2003	2003/2004
Order intake	million €	➔ 11,542	➔ 14,329
Sales	million €	➔ 11,664	➔ 13,700
Earnings*	million €	➔ 439	➔ 911
Employees at 09/30		➔ 47,199	➔ 46,630

All figures relate to continuing operations. * before taxes and minority interest



The Segments

Automotive

		2002/2003	2003/2004
Order intake	million €	➔ 6,271	➔ 7,424
Sales	million €	➔ 6,295	➔ 7,312
Earnings*	million €	➔ 189	➔ 288
Employees at 09/30		➔ 41,414	➔ 43,491

* before taxes and minority interest



The Segments

Elevator

		2002/2003	2003/2004
Order intake	million €	➔ 3,367	➔ 3,766
Sales	million €	➔ 3,365	➔ 3,568
Earnings*	million €	➔ 355	➔ 370
Employees at 09/30		➔ 29,689	➔ 31,658

* before taxes and minority interest



The Segments

Technologies

		2002/2003	2003/2004
Order intake	million €	➔ 4,984	➔ 5,770
Sales	million €	➔ 5,382	➔ 5,092
Earnings*	million €	➔ 42	➔ 67
Employees at 09/30		➔ 29,871	➔ 27,803

* before taxes and minority interest



The Segments

Services

		2002/2003	2003/2004
Order intake	million €	➔ 10,707	➔ 12,006
Sales	million €	➔ 10,603	➔ 11,887
Earnings*	million €	➔ 36	➔ 271
Employees at 09/30		➔ 34,629	➔ 33,469

All figures relate to continuing operations. * before taxes and minority interest



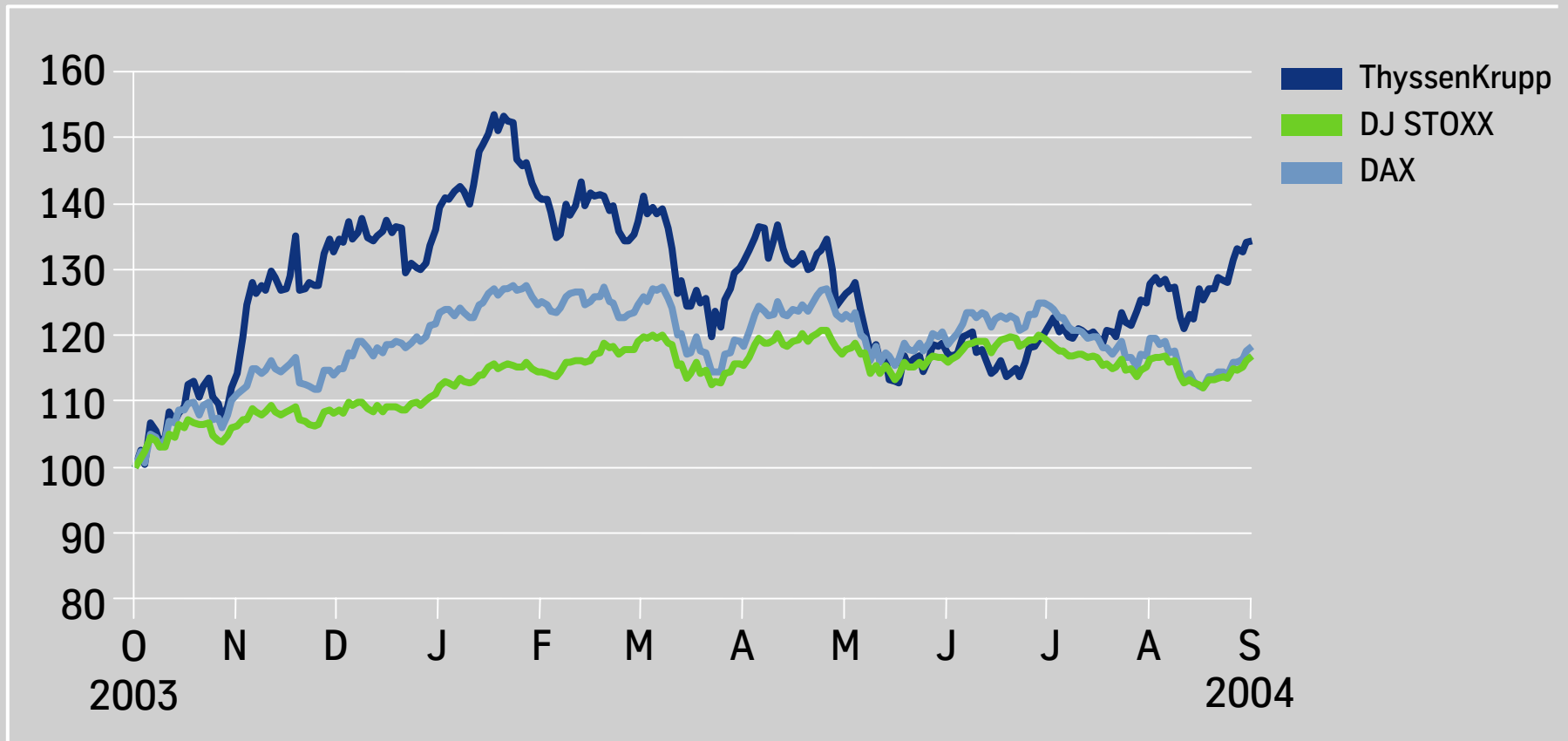
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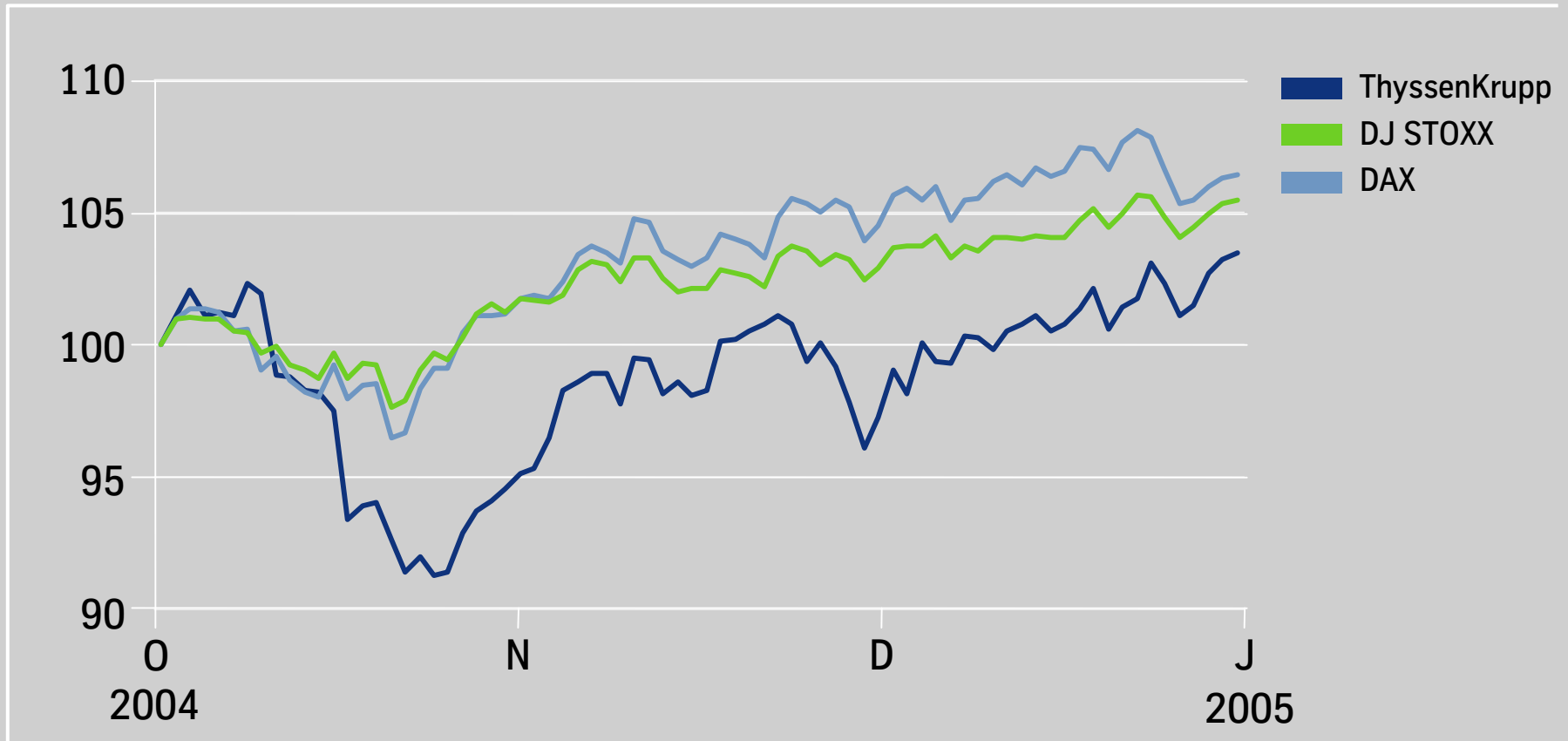
Stock Performance

compared with DAX and DJ STOXX, indexed, Sept. 30, 2003 to Sept. 30, 2004



Stock Performance

compared with DAX and DJ STOXX, indexed, October 1, 2004 to January 18, 2005

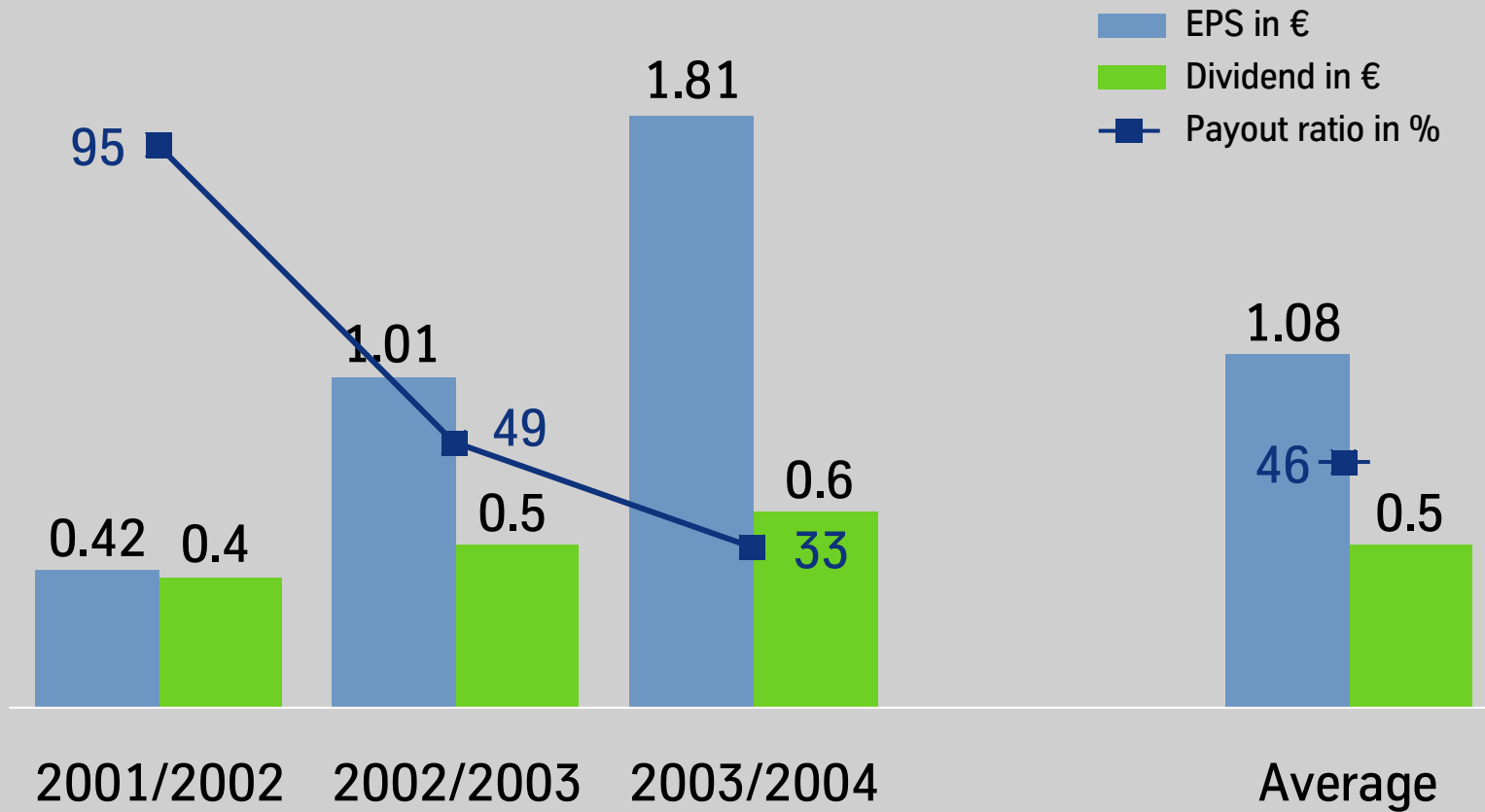


Dividend

- Proposal to Annual General Meeting:
Dividend of €0.60 per share
- Dividend yield around 3.8% based on
stock price of €15.69
- Over past three years, average payout ratio 46%.
Group thus in top third of DAX 30 stocks.



Dividend/Earnings Per Share

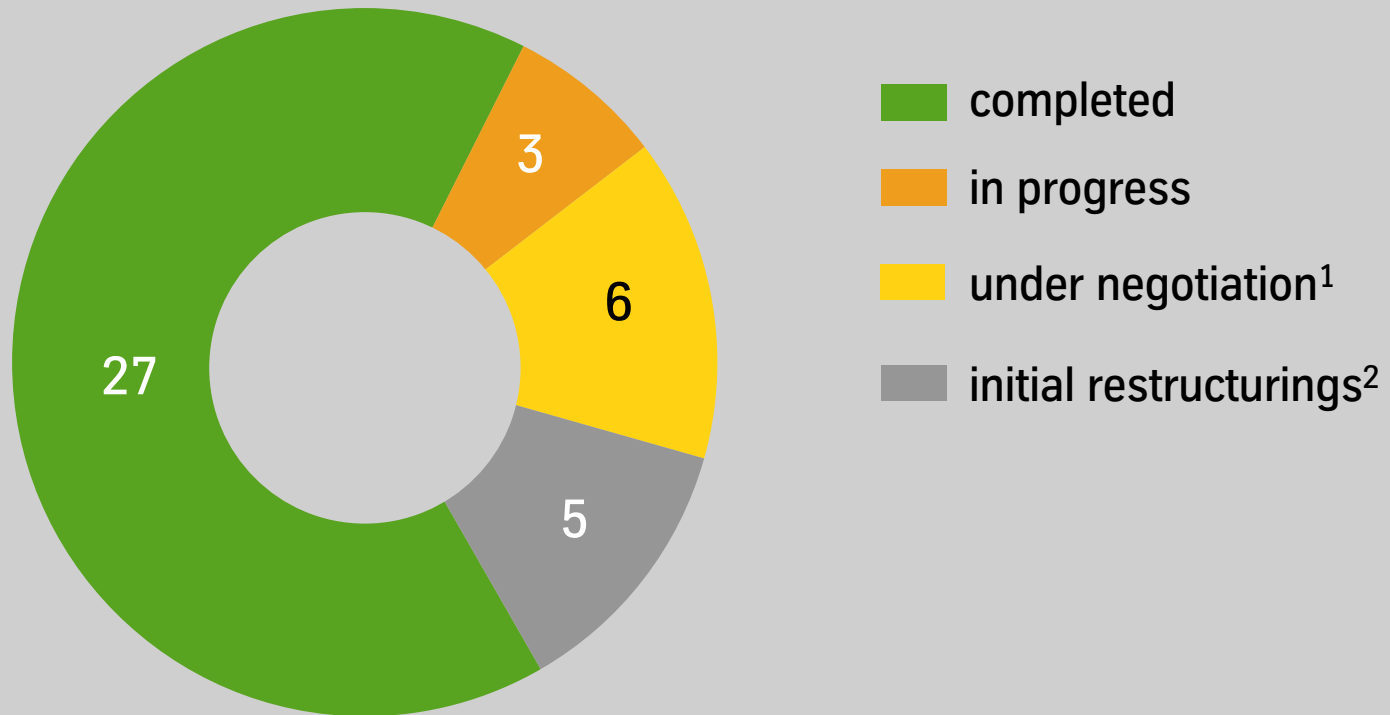


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Portfolio Optimization Program – Current Status

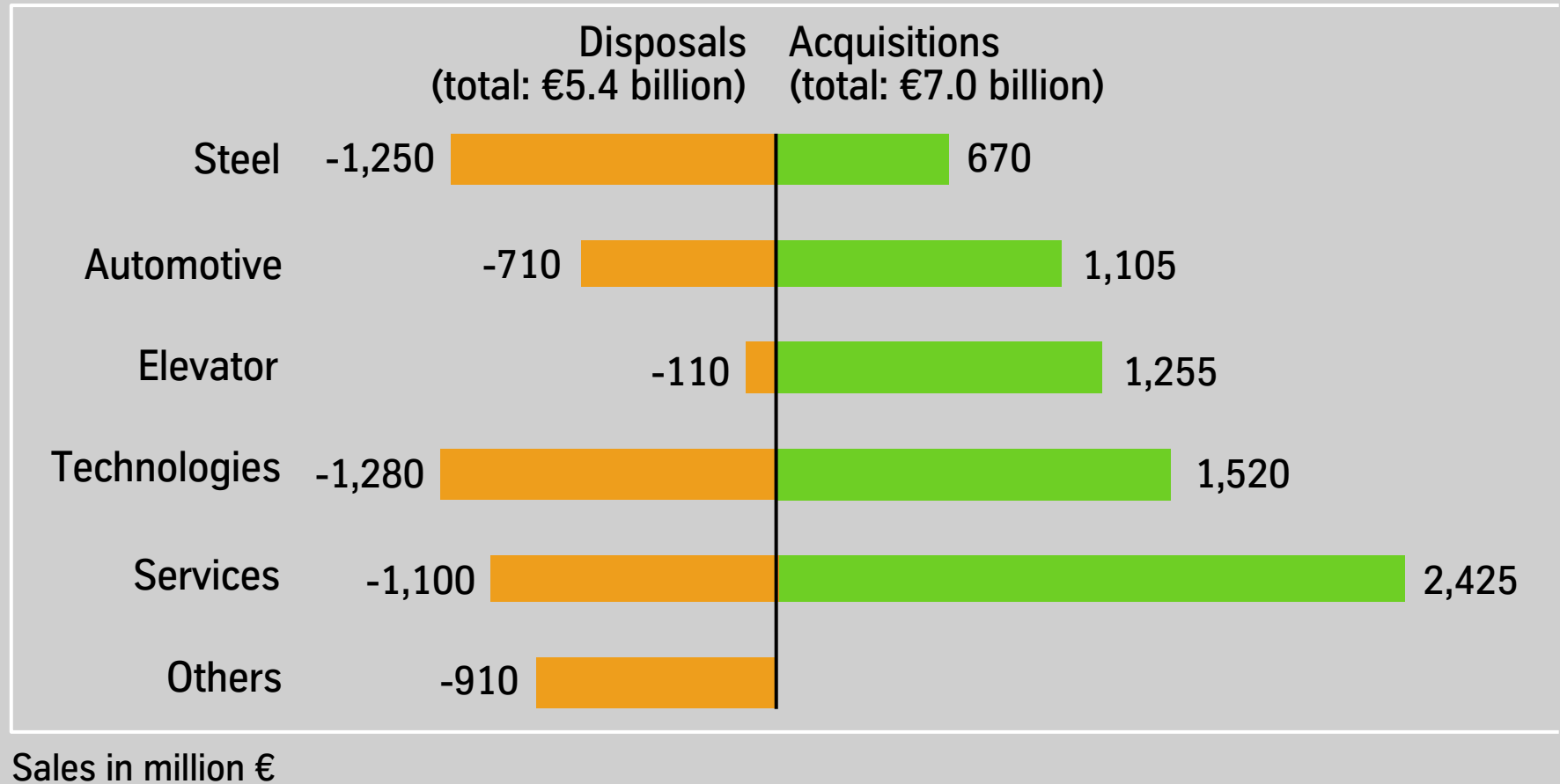


1) Contract negotiations at segment level

2) Measures aimed at disposal or closure

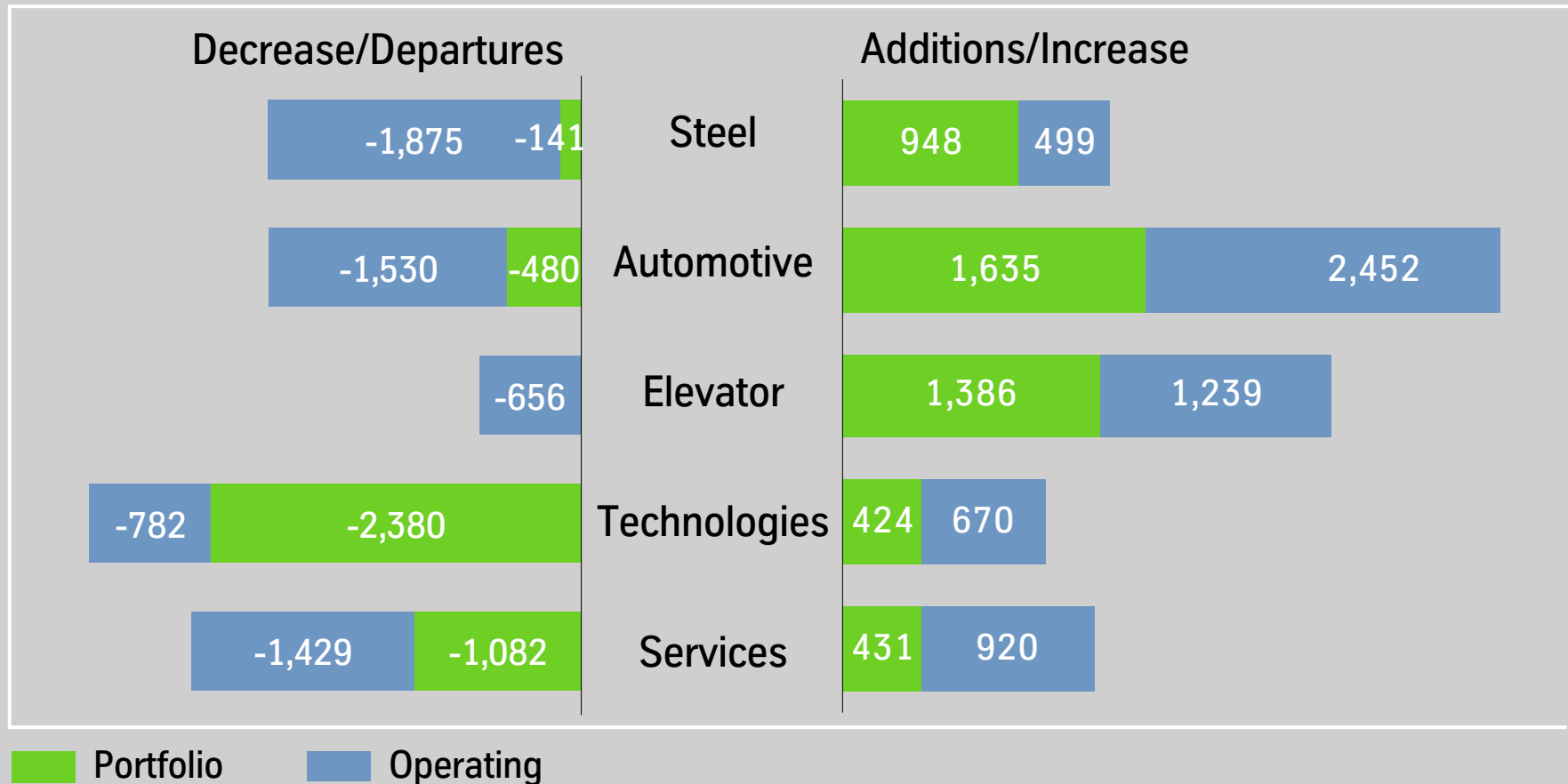
Active Portfolio Management at ThyssenKrupp

Major portfolio changes since the merger (as at January 2005)



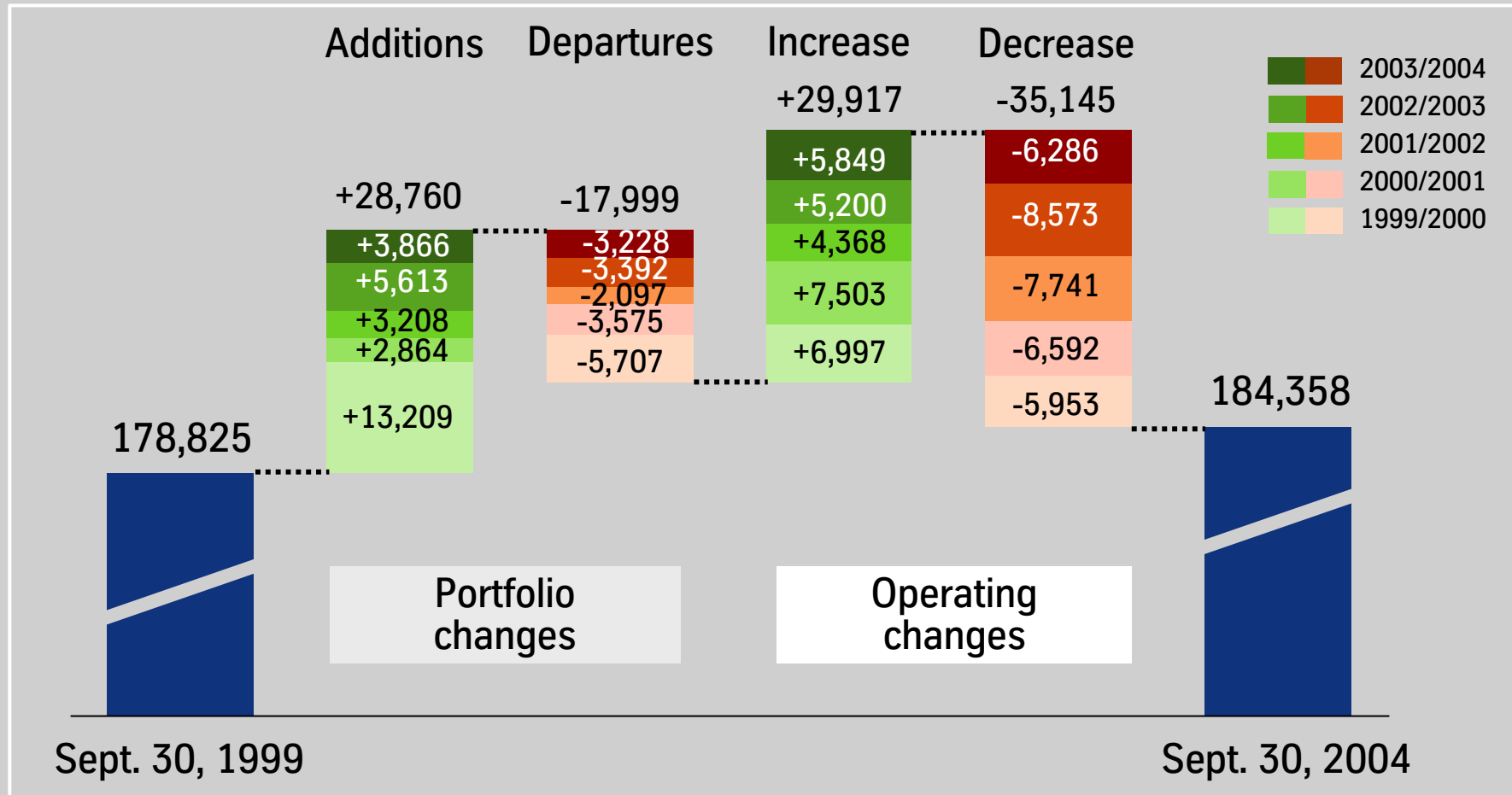
ThyssenKrupp Group Employees

Movements Sept. 30, 2003 – Sept. 30, 2004 (continuing operations)



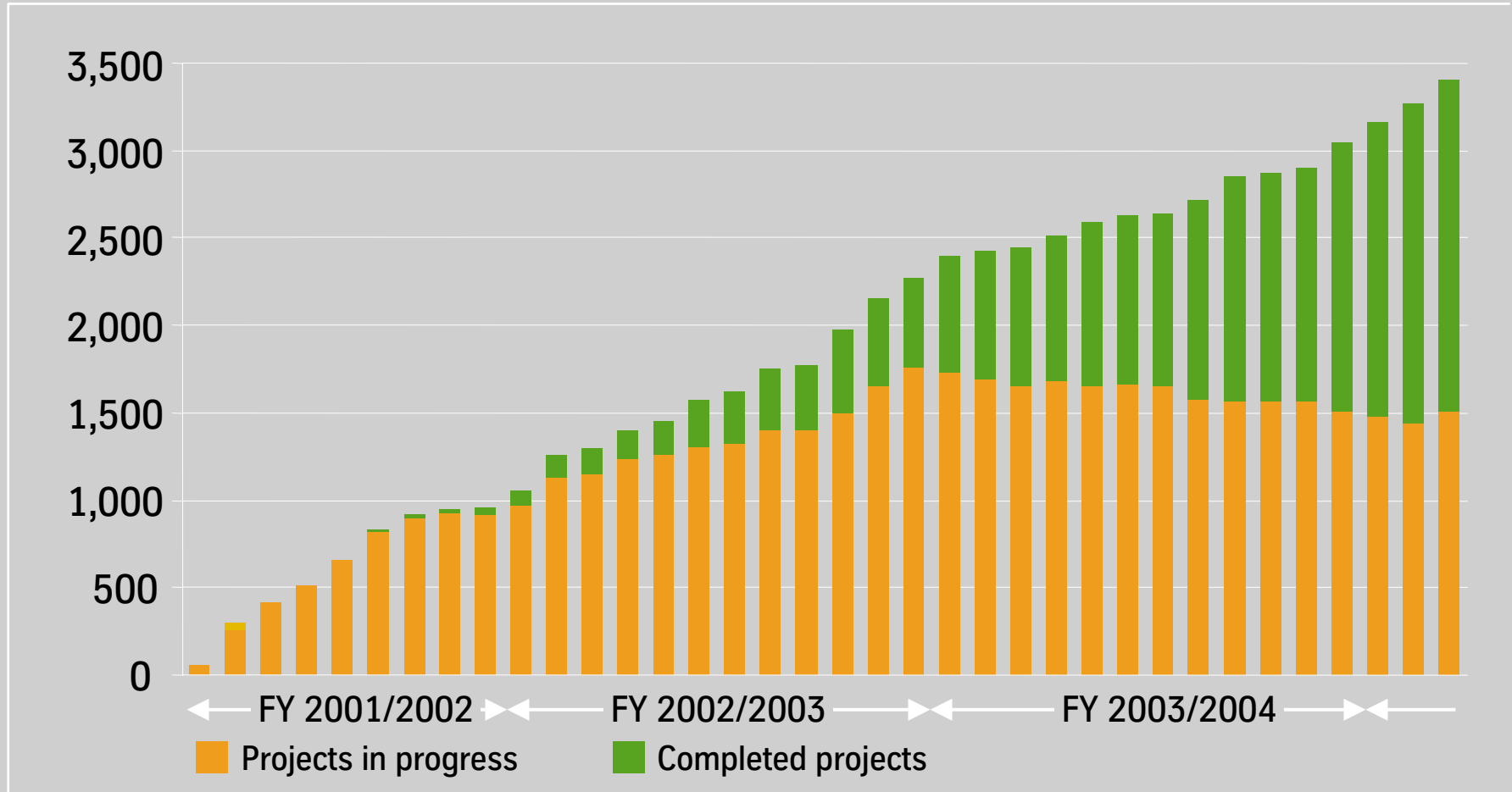
ThyssenKrupp Group Employees

Movements in the last 5 fiscal years (continuing operations)



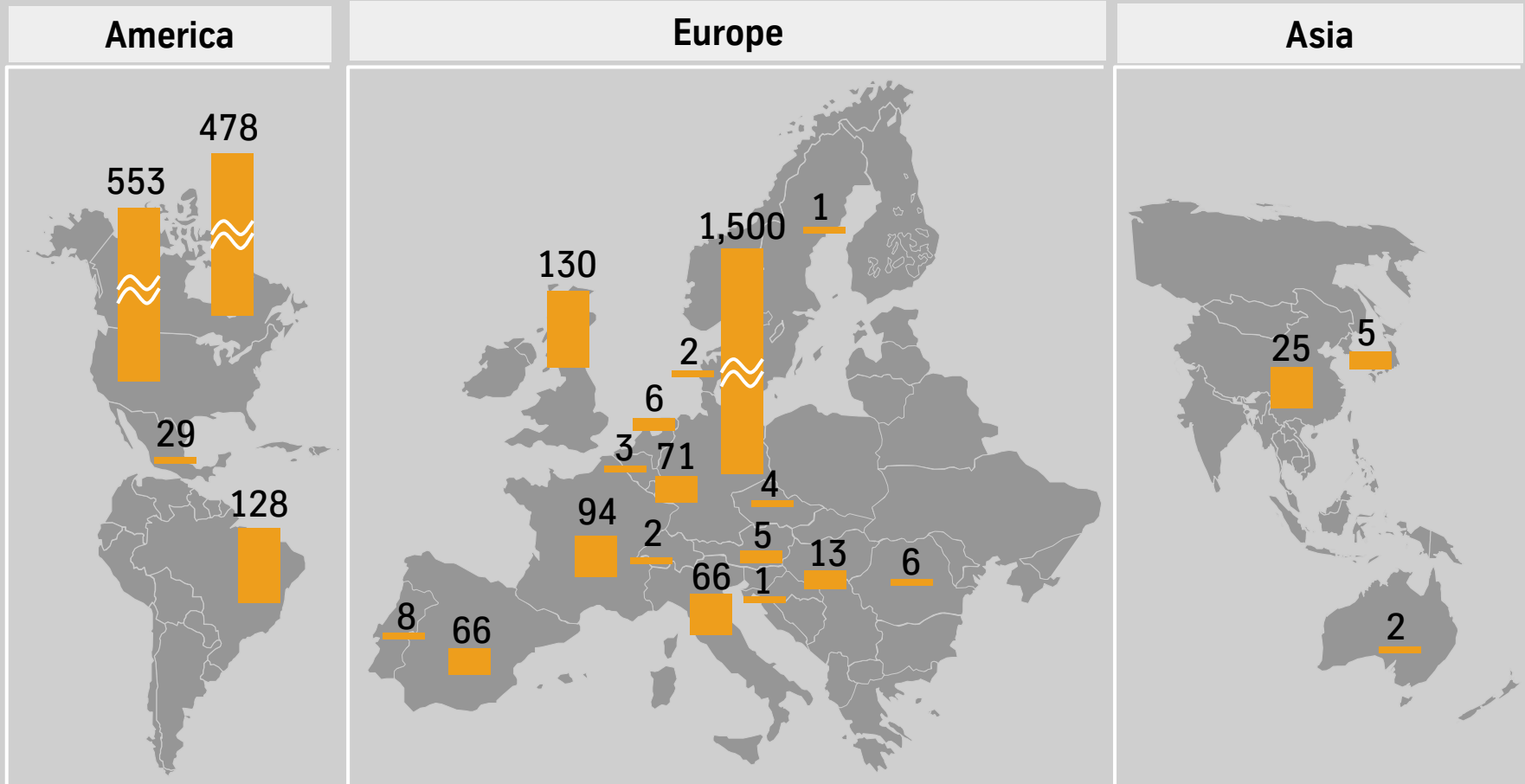
ThyssenKrupp best

Further increase in number of projects



ThyssenKrupp best Projects Worldwide

Projects by country*



* 209 of 3,406 projects are international

ThyssenKrupp



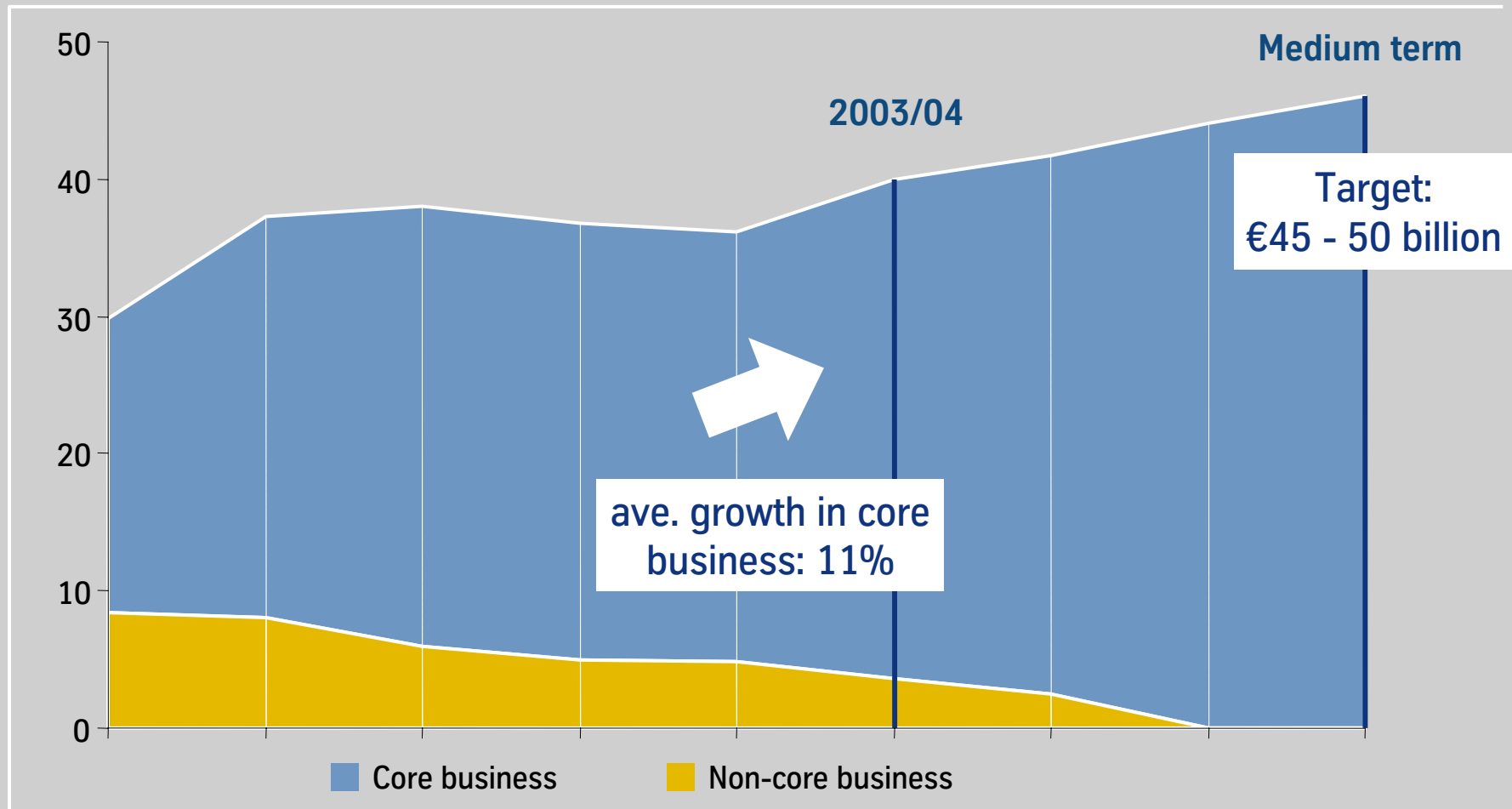
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Strategic Objectives

Disproportionately high growth in core business to boost sales to €45–50 bn



Strategic Objectives

(sales in billion €)

ThyssenKrupp AG

Medium term: €45-50 billion

2003/2004: €39 billion

Steel

- Carbon Steel
- Stainless Steel

Medium-term sales

~ 15



Actual sales 03/04

13.7

Capital Goods

- Automotive
- Elevator
- Technologies

17 - 19



16.0

Services

- Materials Services
- Industrial Services
- Special Products

12 - 13



11.9

ThyssenKrupp



Strategic Objectives

Steel segment

- Active role in the further consolidation process
- Strengthen innovation leadership and organic growth
- Expand presence in China
- Build a steel mill in Brazil



Strategic Objectives

Automotive segment

- Organic growth and targeted acquisitions
- Increased presence in Asia and Eastern Europe
- Avoid dependency on individual customers or auto models
- Develop attractive system solutions for automotive customers



Strategic Objectives

Elevator segment

- Currently world's third largest elevator manufacturer, aiming to become world number 2 through acquisitions and organic growth
- Systematic expansion of service expertise and high-margin service business
- More efficient market development and internal control through new organizational structure



Strategic Objectives

Technologies segment

- Step taken toward German shipyards alliance
- Restructuring and efficiency enhancement will be continued
- Concentration on the three high-performance business units
Plant Technology, Marine and Mechanical Engineering



Strategic Objectives

Services segment

- Concentration on core capabilities in Materials Services, Industrial Services and Special Products
- Strengthen cross-segment cooperation
- Further expand presence in North America and Eastern Europe



Annual General Meeting

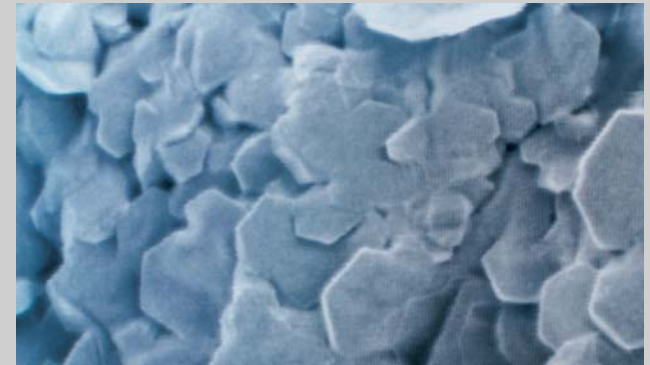
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The DOC Dortmunder OberflächenCentrum

Steel sheet with improved corrosion protection

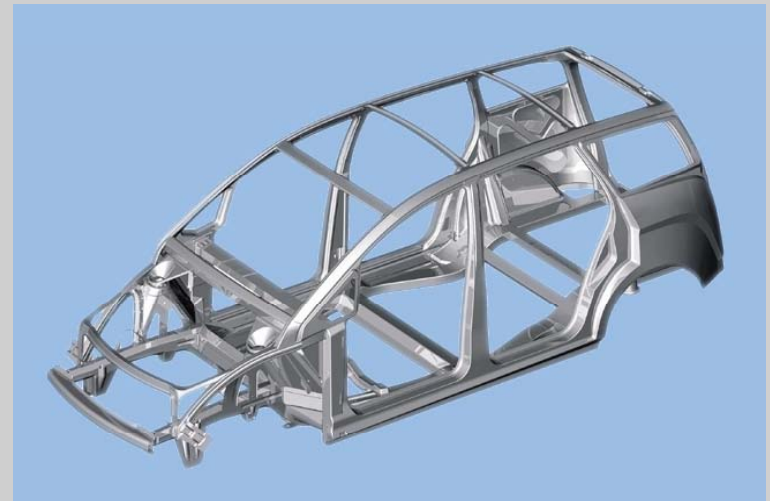
- New surface coating (zinc-magnesium) developed for steel sheet
- Excellent processing and anti-corrosion properties
- To be used by auto manufacturers in production from 2007



Steel Segment

Steel – a material with a future

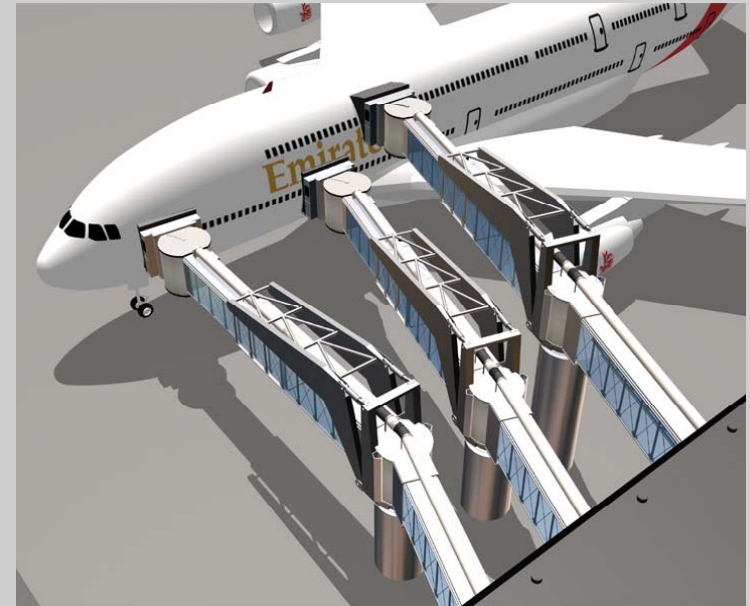
- NewSteelBody: systematically weight-optimized steel body-in-white
- 24% lighter than benchmark vehicle
- Crash performance equal or improved



Elevator Segment

Leading position through innovative technologies

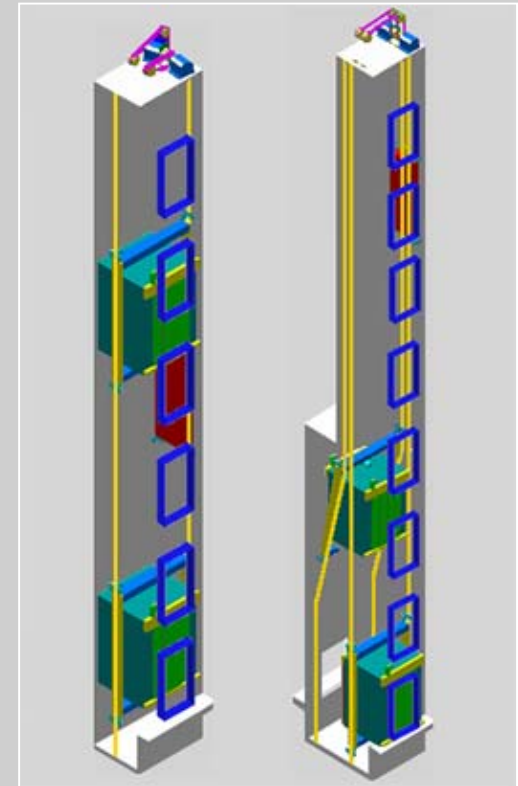
- Technologically unique passenger boarding bridge developed for the Airbus A380
- Time for boarding/disembarking reduced from 45 to 38 minutes



Elevator Segment

Leading position through innovative technologies

- TWIN: Two cabs in one elevator shaft
- Elevator system has won several awards
- System already installed in buildings in Düsseldorf, Frankfurt, Munich, Stuttgart and Valencia/Spain



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Responsibility as a Corporate Citizen

- Group seizes the opportunities offered by globalization: systematic expansion of international activities
- Clear commitment to Germany as a business location and substantial investment in German sites
- Group trains young people well beyond own requirements. Apprenticeship training rate increased to 5.3%



Responsibility as a Corporate Citizen

- Extensive collaboration with renowned universities and research institutions
- ThyssenKrupp Initiative “Discovering Future Technology”
 - Objective: get people interested in technology
 - Integrated media campaign with TV commercials, print ads, advertorial supplements and Ideas Park
 - Ideas Park: More than 60,000 visitors in three days



Responsibility as a Corporate Citizen

- Support for victims of the tsunami disaster in Southeast Asia
- Reconstruction of a village and construction of an orphanage in each of India and Thailand
- Financing of psychological counseling for orphans
- Group will make between €2 and 2.5 million available for these measures

ThyssenKrupp accepts responsibility as a corporate citizen



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Outlook: Economic Situation 2005

World economic upswing will continue, but pace of growth will slow

Steel	Boom on international steel market set to continue
Automotive	Higher production expected
Engineering	Production increase expected
Construction	Situation for German construction industry remains difficult More favorable prospects for CEE states and Asia



ThyssenKrupp in Fiscal 2004/2005

Encouraging performance expected

- ThyssenKrupp expects sales of €41 billion
- Very good earnings level of 2003/2004 to be exceeded
- Dividend will continue to be based on earnings performance

