

7th Annual General Meeting
of ThyssenKrupp AG

Dr.-Ing. Ekkehard D. Schulz
January 27, 2006

ThyssenKrupp



Annual General Meeting 2006

- ➔ **Review of 2004/2005**
- ➔ Overview of portfolio optimization
- ➔ Strategic goals for value growth
- ➔ Innovation capabilities
- ➔ Performance of ThyssenKrupp stock
- ➔ 1st quarter and full year 2005/2006



ThyssenKrupp achieved record earnings in 2004/2005

		2003/2004	2004/2005
Income*	million €	1,477	1,836
ROCE	%	12	15
Net financial payables	million €	2,833	(9)
Sales	billion €	37.3	42.1
Earnings per share	€	1.81	2.05
EVA	million €	572	1,087

* from continuing operations before taxes and minority interest



Higher dividend proposed

The Company's success allows a higher dividend to stockholders:

- ⇒ The dividend can be increased by €0.10 to €0.70 per share
- ⇒ In addition there will be a special dividend of €0.10 per share



In front of Frankfurt
Stock Exchange

2004/2005: The main success factors

- Robust world economy

- ⇒ World economy remained on growth track in 2005 (GDP up 4.0%)
- ⇒ Pleasing market performance in important sectors for ThyssenKrupp
- ⇒ Price increases for energy and raw materials

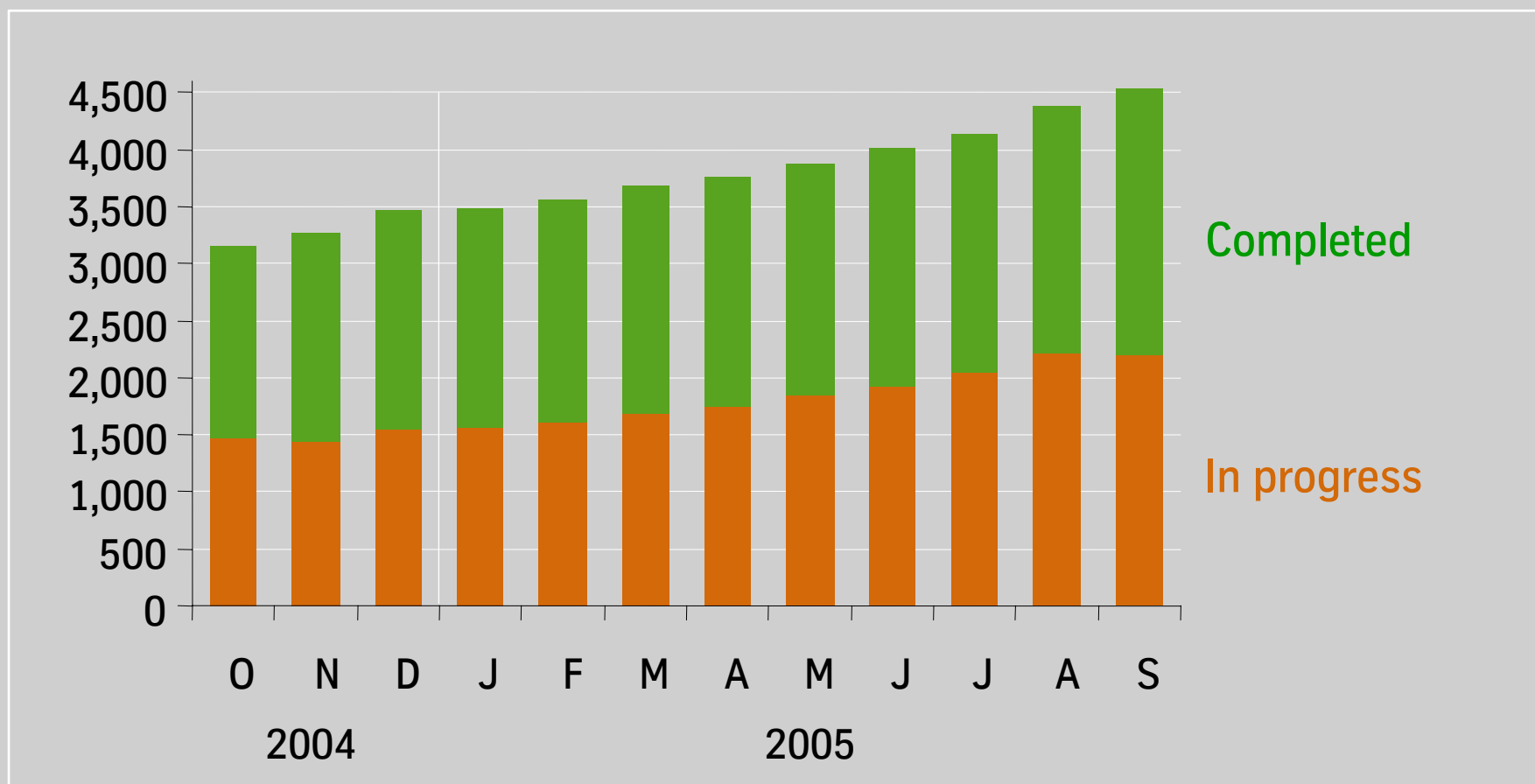
- Internal performance and efficiency improvements

- ⇒ ThyssenKrupp best



ThyssenKrupp best – firmly established worldwide in 4th year

Further rise in number of projects



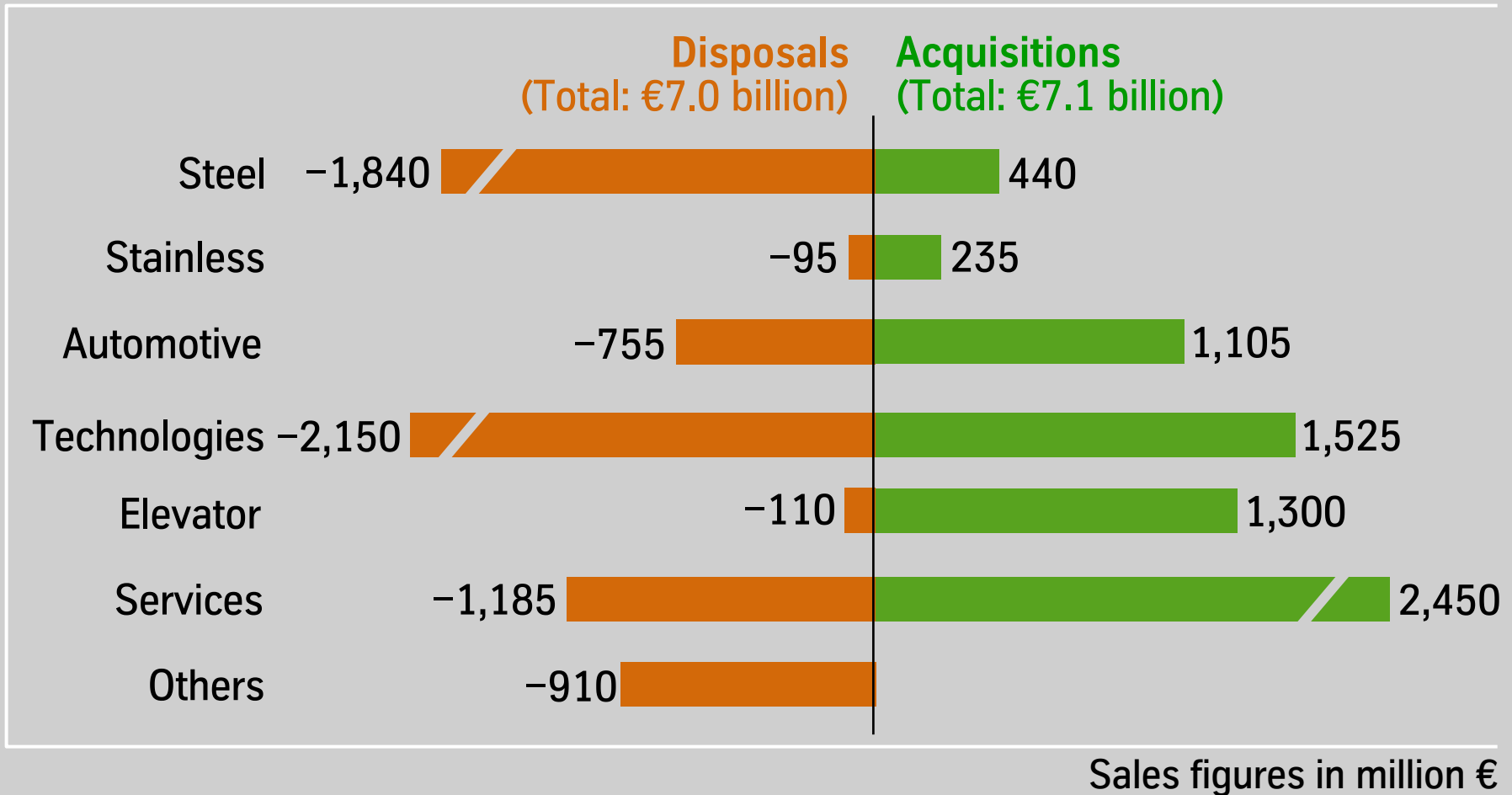
Annual General Meeting 2006

- ➔ Review of 2004/2005
- ➔ **Overview of portfolio optimization**
- ➔ Strategic goals for value growth
- ➔ Innovation capabilities
- ➔ Performance of ThyssenKrupp stock
- ➔ 1st quarter and full year 2005/2006

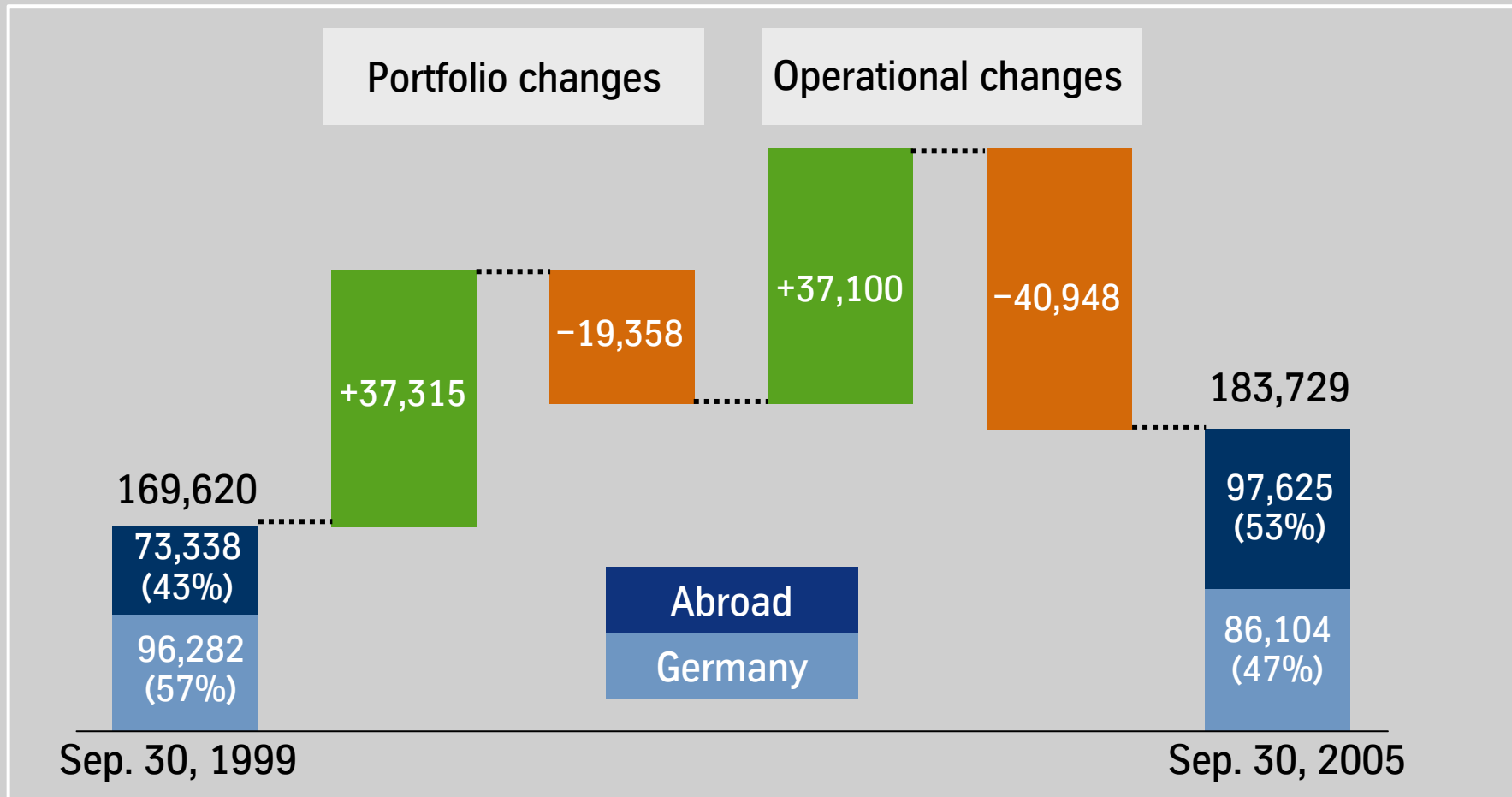


Active portfolio management

Significant portfolio changes since the merger (as per October 2005)



ThyssenKrupp employee movements since the merger



Management structure further developed

ThyssenKrupp AG Executive Board

- ⇒ Executive Board members responsible for corporate functions and segments on equal footing
- ⇒ Executive board chairmen of all segments represented
- ⇒ Regional management optimized



ThyssenKrupp Academy

Best people for best businesses

- Goals

- ⇒ Teach: Specialist knowledge, methods, entrepreneurial thinking

- ⇒ Promote: Knowledge sharing, common leadership understanding

- Founding around mid-2006



Annual General Meeting 2006

- ⇒ Review of 2004/2005
- ⇒ Overview of portfolio optimization
- ⇒ **Strategic goals for value growth**
- ⇒ Innovation capabilities
- ⇒ Performance of ThyssenKrupp stock
- ⇒ 1st quarter and full year 2005/2006



Our strategic goals

Actual: Phase of consolidation is over

- Clear focus on steel, capital goods and services
- Positions 1-3 in world market

Goal: Profitable and sustainable growth

- Organic growth, acquisitions, service orientation
- Sales: medium term €45 to 50 billion
- Earnings before taxes: sustainable €2 billion



Steel: Global growth strategy for carbon flat steel

- Secure future growth opportunities – new steel mill in Brazil
- Strengthen presence in North America, core market for high-value products
- Expand strong European market position

➔ ThyssenKrupp goal: profitable and sustainable growth



Steel: Construction of a new steel mill in Brazil

- 4.4 million tons of slabs per year from mid-2008
- Favorable coastal location Sepetiba
- Investment volume €1.7 billion

➔ Competitive advantages for the success of the growth strategy



Steel: No increase in purchase offer for Dofasco

- Final offer of C\$68 per share on January 14, 2006
 - Limit of profitability reached
 - Further increase would not fulfill profitability requirements
 - Not take part in value-destroying contests
- Final offer lapsed, break fee of C\$215 million for ThyssenKrupp
- Options for North America
 - New mill
 - Alliances



Steel: Expand strong position in Europe

- Steel already European No. 2 in carbon flat steel
- Further capacity expansion and modernization
- Focus: Duisburg
- Investment volume €700 million



Stainless: Materials for supreme performance

- Market for stainless products stagnant, overcapacities growing
- High raw material prices are impediment to growth
- Worldwide expansion of distribution and service network
- Development of new products and applications

➔ ThyssenKrupp goal: profitable and sustainable growth



Automotive: Strong internationalization

- Capabilities in crankshafts, camshafts, steering, body and chassis components
- Strengthening of presence in Asia
- Auto industry in America and Western Europe in structural upheaval – consequences for suppliers
- Automotive's restructuring in USA to be continued

➔ ThyssenKrupp goal: profitable and sustainable growth



Technologies: Growing service business

- Focusing on core business with pillars:
 - ⇒ Plant Technology
 - ⇒ Marine Systems
 - ⇒ Mechanical Engineering
- World leading market positions and innovative system and engineering capabilities
- Marine Systems with expansion of systems capabilities:
 - ⇒ Atlas Elektronik

➔ ThyssenKrupp goal: profitable and sustainable growth



Elevator: Aiming for No. 2 world market position

- Further strengthening of world market position
- Closer to aim of becoming number 2 by business volume on international elevator market
- Disproportionate growth in services in the future
- High technology and innovation competency

➔ ThyssenKrupp goal: profitable and sustainable growth



Services: Focused services for industrial customers

- Concentration on material and process services for production and manufacturing industries
- Service provider across customer's value chain
- Purchasing, production and logistics as key service areas
- Less than 10% of sales with products manufactured in the Group

➔ ThyssenKrupp goal: profitable and sustainable growth



Annual General Meeting 2006

- ⇒ Review of 2004/2005
- ⇒ Overview of portfolio optimization
- ⇒ Strategic goals for value growth
- ⇒ **Innovation capabilities**
- ⇒ Performance of ThyssenKrupp stock
- ⇒ 1st quarter and full year 2005/2006



Steel

ThyssenKrupp Tailored Strips®

Process

Steel coils of differing grade/thickness/
coating joined together by laser welding

Advantages

- Continuous laser-welded steel strips for the auto and profiling industries
- Starting material for innovative lightweight solutions



Stainless

Crofer 22 APU

Product

Metallic material for
high-temperature fuel cells

Advantages

- Compared with ceramic materials, Crofer 22 APU allows:
 - Lightweight designs with up to 40,000 h service life
 - Use even at 900 °C
- Compatibility with other materials offers greater design freedom



Automotive

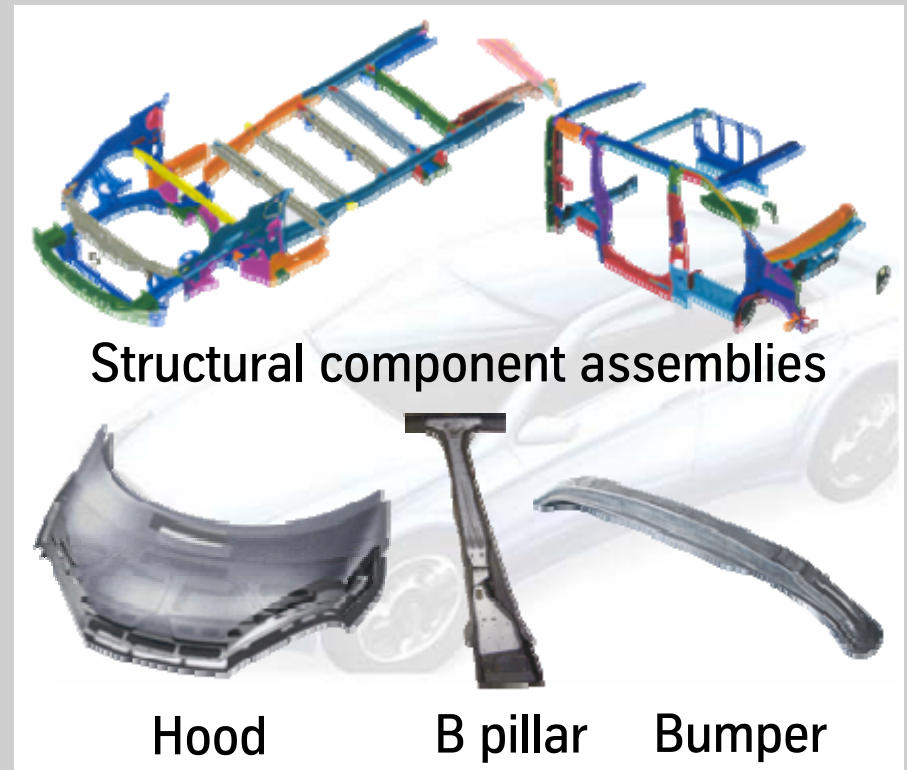
Hot stamping

Process

Optimized process for manufacturing hot stamped parts

Advantages

- Significant weight saving
- Better crash performance
- High mechanical strength
- Better performance features for same price



Technologies

Uhde EnviNOx[®] process

Process

New development of a two-stage reactor for cleaning nitric acid plant tail gas

Advantages

- Highly effective removal of nitrogen oxides
- No disruption of production process
- Reduction of greenhouse effect through active environmental protection



1st prize in ThyssenKrupp
Innovation Contest 2005

Elevator

Spirit™ – a highly compact machine room-less elevator system

Product

Innovative elevator system for residential and office buildings

Advantages

- Flattest, most compact drive of its type in the world
- Significant space saving
- Maximum flexibility in building design and modernization
- Outstanding value for money



Innovation competency as success factor

- Trends in R&D:
 - ⇒ Exploit synergies between segments
 - ⇒ International research
- R&D expenditures (2004/2005: €733 million) to increase annually
- Increase to over 2% of sales in medium term
- Efforts to increase public acceptance of technology continue



Ideas Park 2006

A get-together for families, partners, stockholders and customers

When ⇒ May 20 to 28, 2006

Where ⇒ Expo site in Hanover, German Pavilion

What ⇒ Experiments, interactive activities, shows

Who ⇒ Technology-loving experts and lay people, all of us

➔ **Come visit us!**



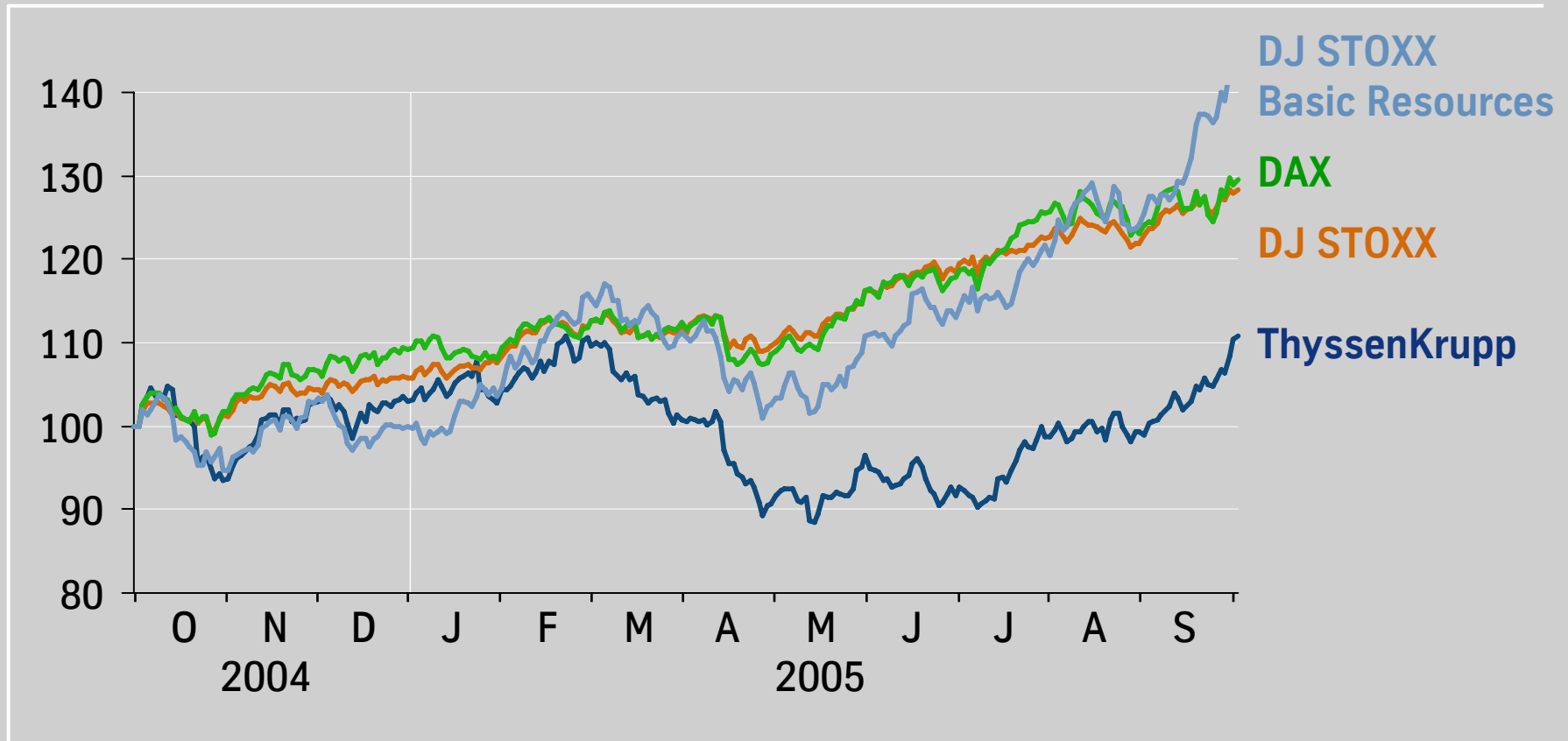
Annual General Meeting 2006

- ⇒ Review of 2004/2005
- ⇒ Overview of portfolio optimization
- ⇒ Strategic goals for value growth
- ⇒ Innovation capabilities
- ⇒ **Performance of ThyssenKrupp stock**
- ⇒ 1st quarter and full year 2005/2006



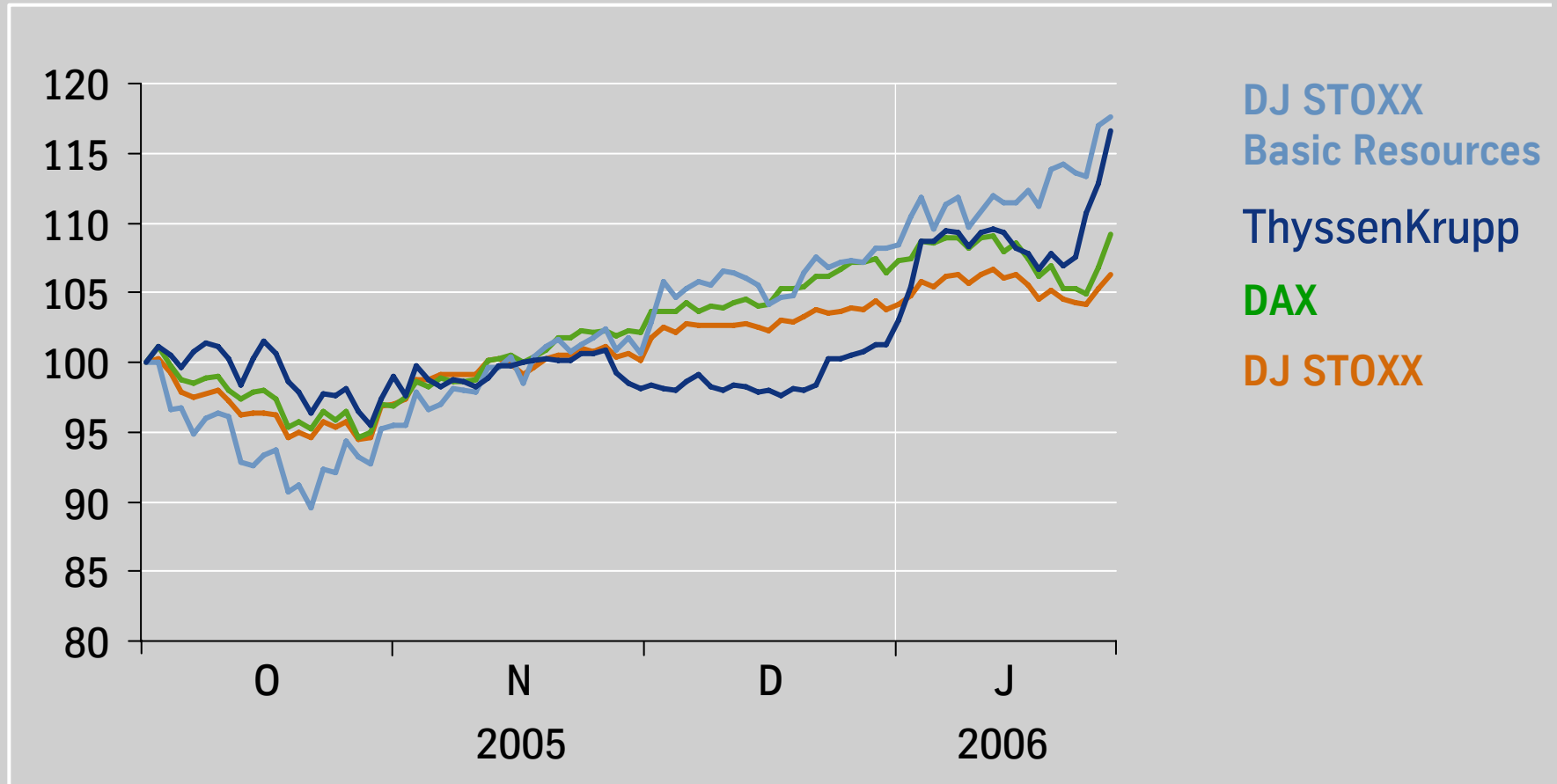
ThyssenKrupp stock performance

(Compared with DAX and DJ STOXX, indexed, Sep. 30, 2004 to Sep. 30, 2005)



ThyssenKrupp stock performance

(Compared with DAX and DJ STOXX, indexed, Oct. 04, 2005 to Jan. 26, 2006)



ThyssenKrupp



ThyssenKrupp ratings

Current

- Fitch BBB+, outlook stable
- Moody's Baa2, outlook stable
- Standard & Poor's BBB-, outlook stable

➔ Investment grade rating is important to us!



All treasury stock sold

May 2003

- 16.9 million treasury shares repurchased from IFIC Holding AG

Q2 2003/2004 and Q3 2004/2005

- Treasury shares used for employee share programs

November 2005

- 15.3 million treasury shares sold to Alfried Krupp von Bohlen und Halbach Foundation at the market price of €17.44
- Cash/equity influx of €267.5 million



Annual General Meeting 2006

- ⇒ Review of 2004/2005
- ⇒ Overview of portfolio optimization
- ⇒ Strategic goals for value growth
- ⇒ Innovation capabilities
- ⇒ Performance of ThyssenKrupp stock
- ⇒ **1st quarter and full year 2005/2006**



1st quarter 2005/2006 (October – December 2005)

- Continuing positive performance

- Interim report published on February 13, 2006

- First interim statements based on IFRS



Positive signals for world economy 2006

- Generally favorable prospects for world steel market
- Increasing auto production with growth stimulus from China and India
- Positive expectations for mechanical engineering
- Regional differences in international construction activity



ThyssenKrupp: Favorable performance expected Fiscal 2005/2006

- Group sales expected to be around €43 billion
- Earnings target around €1.5 billion
- Further expansion of international presence
- Increasing the value of the company remains the top priority



7th Annual General Meeting
of ThyssenKrupp AG

Dr.-Ing. Ekkehard D. Schulz
January 27, 2006

ThyssenKrupp

