

Remarks by

Dr.-Ing. Ekkehard D. Schulz

Chairman of the Executive Board
of ThyssenKrupp AG

at the

10th Annual General Meeting

on January 23, 2009

in Bochum

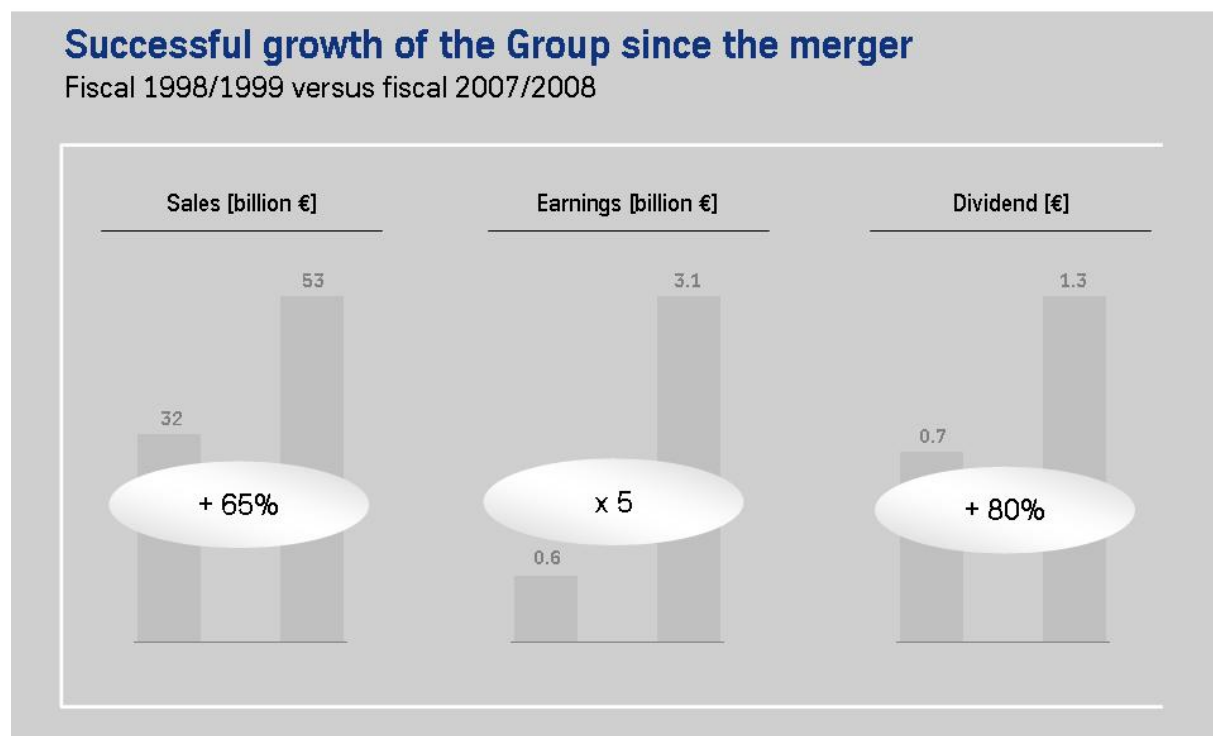
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ThyssenKrupp



Stockholders,
Ladies and Gentlemen,

Welcome to Bochum's RuhrCongress Center. On behalf of my colleagues I would like to welcome you to the tenth Annual General Meeting of ThyssenKrupp AG.



I would like to begin with three remarkable number pairs for the ten years since the merger:

First: We have increased our sales from €32 billion to €53 billion. That's more than 65%.

Second: Our earnings before taxes have improved from €616 million to €3.128 billion. That's more than fivefold.

And third: We're paying a dividend of €1.30 compared with DM1.40 – or €0.72. That's an increase of more than 80%.

Ladies and Gentlemen, that's our track record since the merger. ThyssenKrupp AG was entered in the Commercial Register on March 17, 1999. Today these figures impressively document the successful growth of our Group. They show that ThyssenKrupp is rightly associated with sustainable value creation. Sustainable success means thinking and acting not just from quarter to quarter but over the long term.

Our success factors

- Focused conglomerate structure with high resilience
- Profitable growth
- Ongoing portfolio optimization
- Experienced and motivated employees
- High-quality products and services

The conditions for remaining successful in the future are good:

- As a balanced and value-based conglomerate with the Steel, Stainless, Technologies, Elevator and Services segments, the Group is well structured and strategically robust. We are therefore better placed to cushion economic risks. Our three areas of activity Steel, Capital Goods and Services make ThyssenKrupp a reliable partner for our customers and our stockholders even in difficult times.

- Since the merger, thanks to continuous portfolio management we have sold non-core companies with sales of €9.5 billion and - to expand our core businesses - acquired others with sales of €8.7 billion. In doing so we have strengthened our capacity for sustainable growth.
- After a phase of consolidation we embarked on a profitable growth strategy with a €20 billion investment program. Our major projects in Brazil and the USA will secure the expansion of our core businesses and strengthen our global positioning. We are firmly convinced that the growth strategy we launched in 2005 is right. We will systematically implement this long-term strategy.
- Our almost 200,000 employees are highly skilled, experienced and motivated. They have been doing excellent work for the company for many years, securing our joint future. This is reflected in the excellent figures for the past fiscal year, which I will explain to you in more detail in a moment.
- Our customers can rely on our innovative high-tech products and services. Our slewing bearings for wind turbines are just one example of how we use our modern, forward-looking technologies to solve problems for customers and meet the challenges of our time in a responsible and intelligent way.
- ThyssenKrupp is present in around 80 countries and has production operations in over 50. We are a reliable partner and as such we are well placed to achieve sustainable success. Our commitment to society and the environment is wide-ranging and long-term, as is our commitment to the people who work in our companies.

Sustainability, by which I mean reliability and responsibility, is the basis of our success and of the trust you, our stockholders, have placed in our Group for many years. This trust is important, especially in times of crisis.

Negative market expectations



Ladies and Gentlemen,

Both in the way it developed and in its severity, the current crisis is a new phenomenon. Nobody foresaw a global downturn on this scale. For me too, this is a new dimension. Nobody today can reliably assess and estimate how deep the recession will be and how long it will continue. Uncertainty and declining orders are affecting many areas of the Group. It is safe to say that we face a significant drop in sales and earnings this fiscal year. We will all meet these difficult conditions with firmness and a sense of proportion.

In these times it is particularly important that you, as well as our employees, can rely on our management team to act responsibly. At ThyssenKrupp we are accustomed to change and upheaval. You only have to think of the structural change successfully managed by the coal and steel industry and the people here in the Ruhr. Every crisis brings new opportunities. Our merger success story shows that there is one thing we do particularly well: Seize opportunities courageously and turn them into success.

As you can see: ThyssenKrupp is well prepared and therefore not easily shaken. Ladies and Gentlemen, to keep to the path we have taken we will need your continued trust in the future. And I promise you: We will do everything to justify this trust.

The figures for the past fiscal year and our performance over recent years show what we are capable of:

Very good results achieved
Year-on-year comparison of key data

		2005/2006	2006/2007	2007/2008
Order intake	billion €	50.8	54.6	55.2
Sales	billion €	47.1	51.7	53.4
EBT (bef. nonrecurring items)	million €	2,623	3,799	3,489
EBT (as reported)	million €	2,623	3,330	3,128
Earnings per share	€	3.24	4.30	4.59
Employees	(Sep. 30)	187,586	191,350	199,374
Dividend	€	1.00	1.30	1.30*
Share price	(Sep. 30)	26.57	44.66	21.03

* Proposal to AGM

Highlights of fiscal year 2007/2008

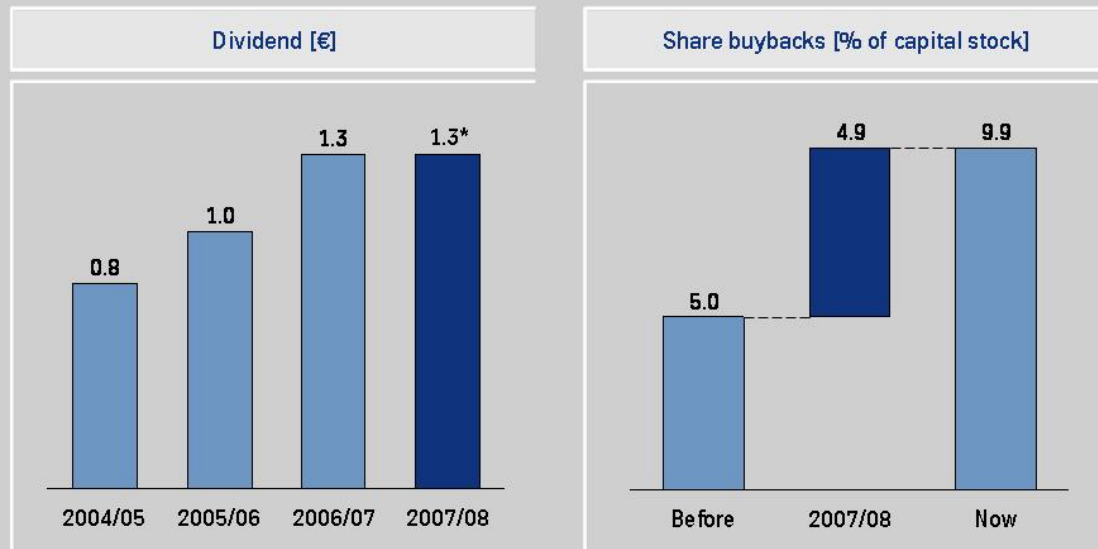
ThyssenKrupp again achieved excellent results in 2007/2008:

- Demand for the Group's products and services increased further. Order intake reached €55.2 billion, compared with €54.6 billion the year before.
- For another consecutive year, ThyssenKrupp reported strong sales growth. Increasing 3% to €53.4 billion, sales were higher than forecast.

- Earnings before taxes and major nonrecurring items came to €3.5 billion, exceeding our raised forecast of August 2008 of over €3.2 billion. At €3.128 billion, earnings before taxes were at a very high level and better than expected a year ago.
- Net income at €2.3 billion and earnings per share at €4.59 reached their highest levels since the merger.
- ThyssenKrupp Value Added was again high at €1.9 billion in the past fiscal year.
- ROCE stood at 18.3%, exceeding the 8.5% cost of capital relevant for the Group by almost 10 percentage points.
- Our financial basis is solid. At September 30, 2008 the Group had cash funds and committed, freely available credit facilities of more than €7 billion.
- Due to the building of the new production plants in Brazil and the USA and the capacity optimization at the Duisburg location, the current investment level is significantly higher than the average for previous years. Together with the share buyback therefore, net debt increased to almost €1.6 billion in the reporting year.
- ThyssenKrupp employed 199,374 people worldwide on September 30, 2008, 4% more than at the end of the previous fiscal year (191,350). 85,097 of these were employed in Germany.

In the first nine months of the 2007/2008 fiscal year ThyssenKrupp's stock continued to gain and clearly outperformed the DAX. In May 2008 the share price reached an all-time high of €46.63. However, towards the end of the fiscal year the stock market was sucked into the vortex of the financial crisis and global recession and ThyssenKrupp's stock - like others - could not escape the resultant turbulence.

Company's success again permits payout of a high dividend to stockholders



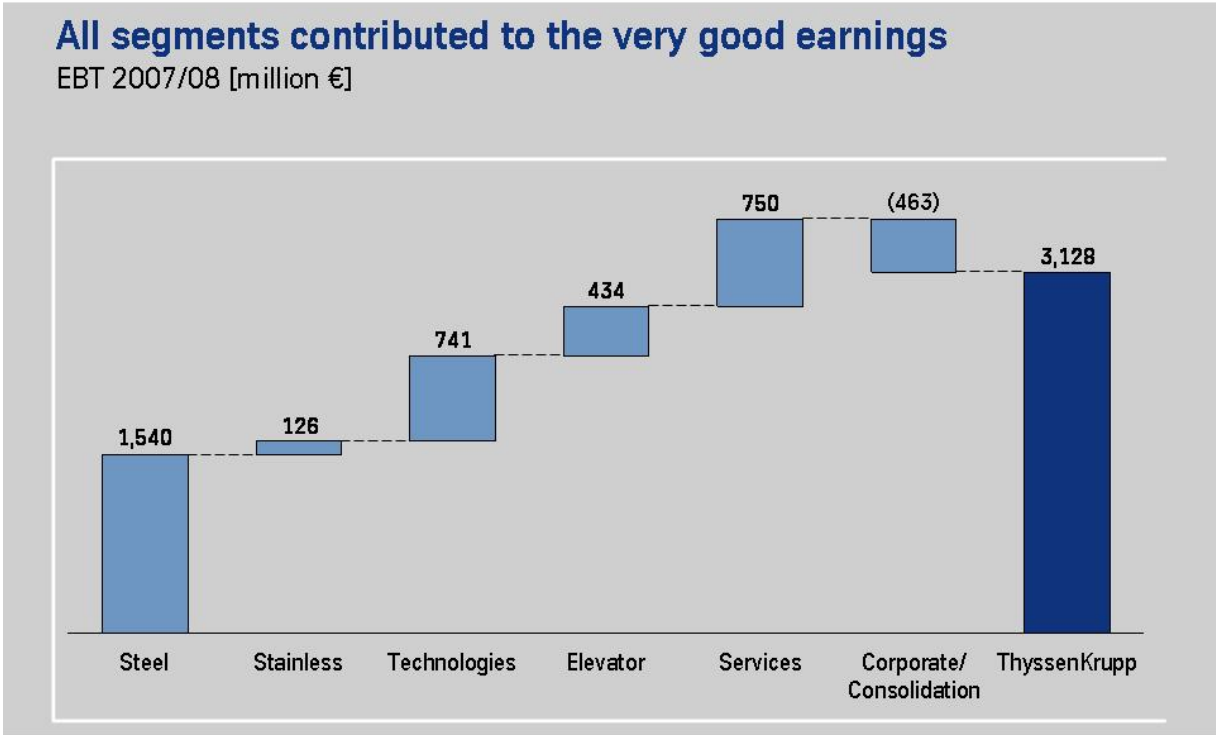
* Proposal to AGM

Ladies and Gentlemen, ThyssenKrupp again achieved excellent results in 2007/2008. The Executive Board and Supervisory Board are therefore pursuing a policy of continuity and proposing a dividend in the unchanged amount of €1.30 per share. The payout ratio is therefore just over 27%. The amount that will be distributed is €603 million.

I am sure that I speak also on your behalf when I thank all employees for their outstanding efforts in the past fiscal year.

To enhance our strategic options for acquisitions, in the past fiscal year we again made use of your authorization and in two further steps bought back some 25 million shares. Further details of the share buybacks are presented in full in the annual report. We had previously acquired 5% of the capital stock back in summer 2006. Altogether ThyssenKrupp AG now holds slightly more than 51 million treasury shares. This represents 9.9% of the capital stock, which means that the 10% statutory limit for share buybacks has virtually been exhausted. As in previous years, we are asking you to approve a new authorization today as a precautionary measure so that we can remain flexible.

Ladies and Gentlemen, the management also has faith in ThyssenKrupp’s stock. My colleagues and I have shown this through continued share purchases - also known as directors’ dealings. Our faith in the fundamental value of our stock is not without reason. It is based on the successful business performance of our segments:



Earnings contributions of the segments

The biggest earnings contribution again came from the **Steel** segment, whose earnings of €1.5 billion exceeded our expectations thanks to the positive performance of high-value special products. The year-on-year decline in earnings was the result of the considerable cost increases for raw materials and energy which could not be passed on in full via prices, while shipments remained virtually unchanged. The pre-operating costs for the new plants in Brazil and the USA, and the restructuring charges at Metal Forming also weighed on earnings.

Following the record earnings of the prior year, the **Stainless** segment saw its profits slump. The reasons for this were declining demand, significantly lower base prices coupled with considerably higher costs for starting materials, and partial underutilization of capacity in the 1st and 4th fiscal quarters. In addition, the sustained strength of the euro impacted exports to the US dollar region.

Technologies achieved its highest earnings to date. Profits improved from the prior year by €197 million to €741 million. The good situation at Plant Technology and sustained growth in wind energy systems provided the basis for this success. The highest earnings contributions again came from the Plant Technology and Mechanical Components business units.

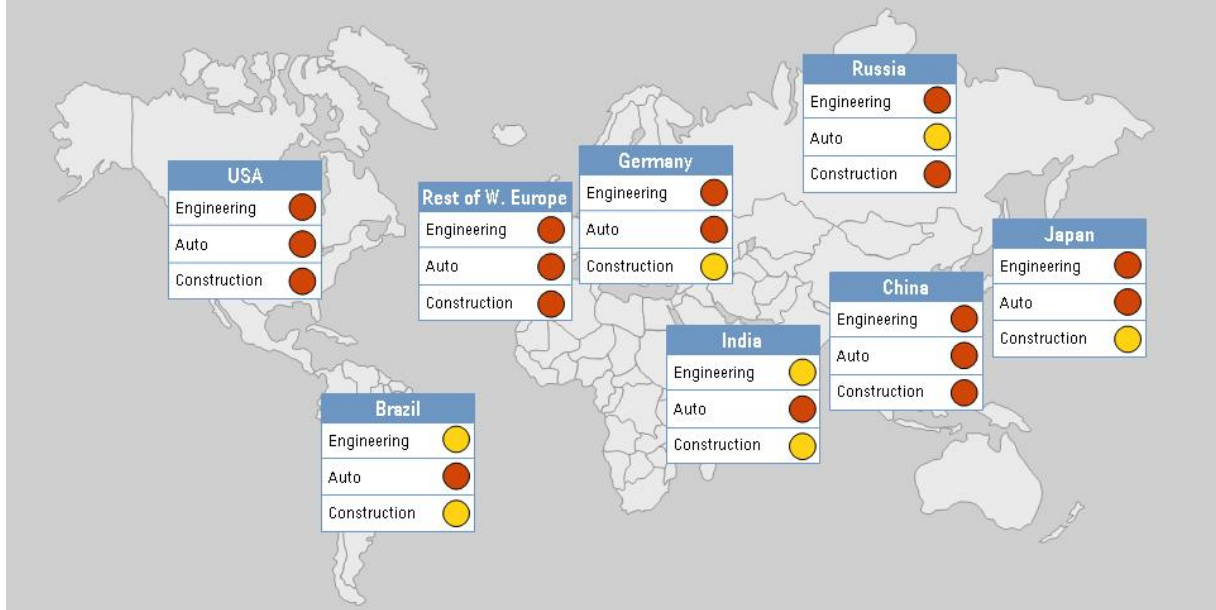
The **Elevator** segment continued its expansion and returned a profit of €434 million. Excluding the EU antitrust fine in the previous year, this represents a year-on-year increase of 18%.

With earnings of €750 million, the **Services** segment reported its fifth improvement in succession. Successful growth initiatives and efficient portfolio optimization and performance enhancement programs were responsible for this - with the support of a strong materials market.

Ladies and Gentlemen, the earnings contributions from the segments confirm that it is right to further focus the Group in its conglomerate structure. We are a value-based conglomerate with different and profitable activities whose various points of contact offer significant synergies. This is the basis for our goal of sustainable success. For this we are pursuing a long-term strategy. Only in this way can we create value on a permanent basis. Let us now take a look ahead.

Downturn in ThyssenKrupp's customer sectors in 2009

Economic outlook for key industries



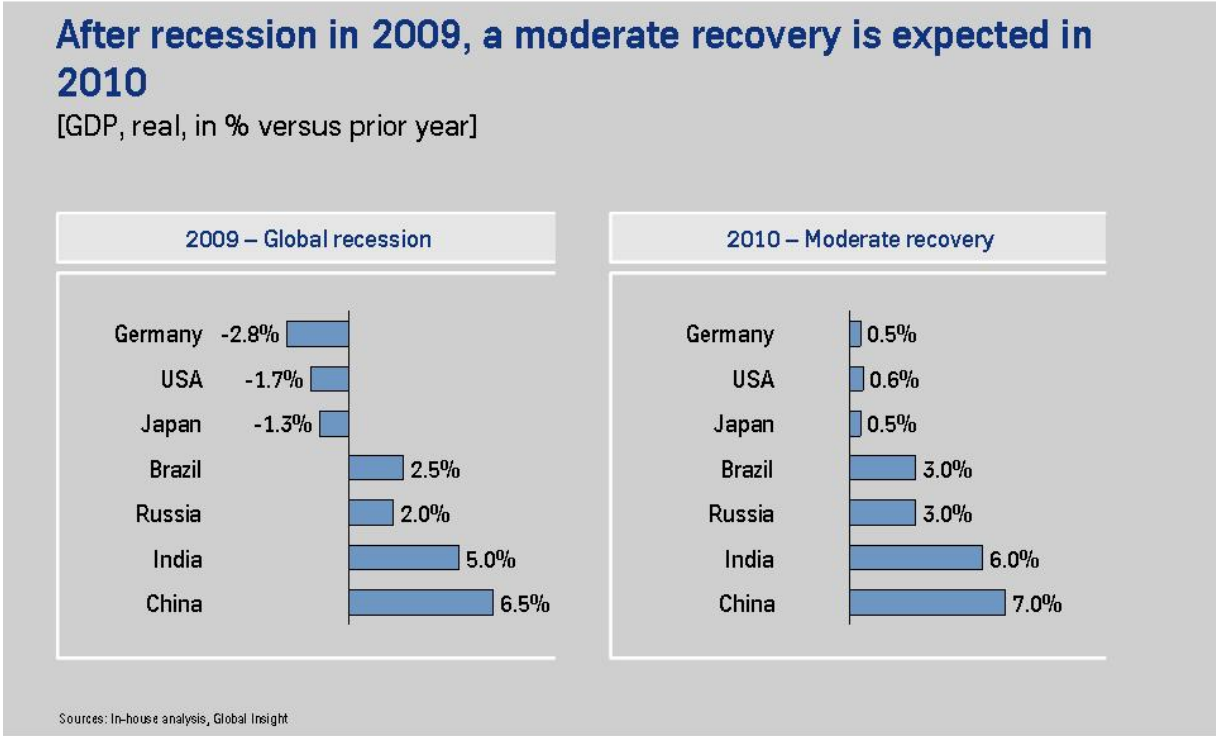
Outlook 2008/2009

Crisis and economy

We find ourselves in a global recession. The deep crisis on the international financial markets has now spread to all areas of the economy. For private households and above all for companies, financing conditions have noticeably deteriorated. Added to this are real capital losses and bleak earnings prospects. And this is happening throughout the world - not only in the industrialized countries but now also in the emerging economies. Germany has been hit disproportionately hard on account of our high dependence on exports.

Ups and downs are part of global economic activity. However, the current recession will be considerably more severe and last longer than expected just a few months ago. Forecasts by national and international research institutes are being overtaken by events and downwardly adjusted almost weekly. The World Bank recently even compared the current economic climate with the Great Depression of the 1930s.

The slump in the auto, mechanical engineering and construction sectors in particular will also impact our Group. In this uncertain environment we have therefore reviewed our plans and targets for the current fiscal year 2008/2009.



We face a significant drop in sales in 2008/2009, the extent of which cannot yet be predicted. This will have a corresponding effect on earnings. How this will impact our individual financial statements in the current fiscal year cannot yet be estimated with sufficient accuracy. As announced at our Annual Press Conference, we will supply more information in our quarterly reporting.

There are hopes that the global economy will emerge from the recession and growth will accelerate again moderately in 2010. If this is the case, we will return to our long-term growth path and expect sales and earnings to improve again. In the longer term, particularly after the completion of the major investment projects by Steel and Stainless in North and South America and by the other segments in other regions, we expect earnings before taxes and major nonrecurring items of €4 - 5 billion and sales of €60 - 65 billion.

Taking decisive and responsible action in crisis

- ✓ Cost-reduction program ThyssenKrupp PLUS
- ✓ Initiative for improving net working capital
- ✓ Adjustments in production and capital expenditures
- ✓ Systematic expansion of competitive position and growth areas

Ladies and Gentlemen, in times of crisis it is particularly important to take considered and decisive action. I began by talking about sustainability in our strategic management: Against the background of current developments, creating sustainable value means above all two things for ThyssenKrupp:

We must respond swiftly and firmly to the changed parameters. This means: We will reduce costs in order to continue to increase the value of the company in the future. To this end we launched the Groupwide program ThyssenKrupp PLUS at the start of the new fiscal year. With this cost-reduction program we aim to achieve savings of well over €1 billion.

It is at times of crisis that further improvement measures are identified and accelerated. For this purpose we have launched, among other things, a Groupwide initiative to improve our net working capital. We expect this to produce an effect of more than €2.3 billion.

Responding quickly to the crisis while pursuing our long-term goals is a policy we also apply to our capital spending. This means: We will set priorities and assess whether it makes better sense to carry out certain investment projects at a later time. One example of this is the construction of our stainless steel plant in the USA. Key facilities there will go into operation at a later date. This rescheduling will secure liquidity in the short term. In the medium and long term the Group's earnings and sales potential will remain intact.

We also have to demonstrate flexibility in terms of employment. As a short-term response to the fall in order intake, we are reducing overtime, using up residual leave and running down working time accounts. Where production cutbacks beyond this are unavoidable, we have introduced or applied for short-time working. However, in the prevailing uncertainty, further production shutdowns, short-time working or personnel cutbacks cannot be ruled out.

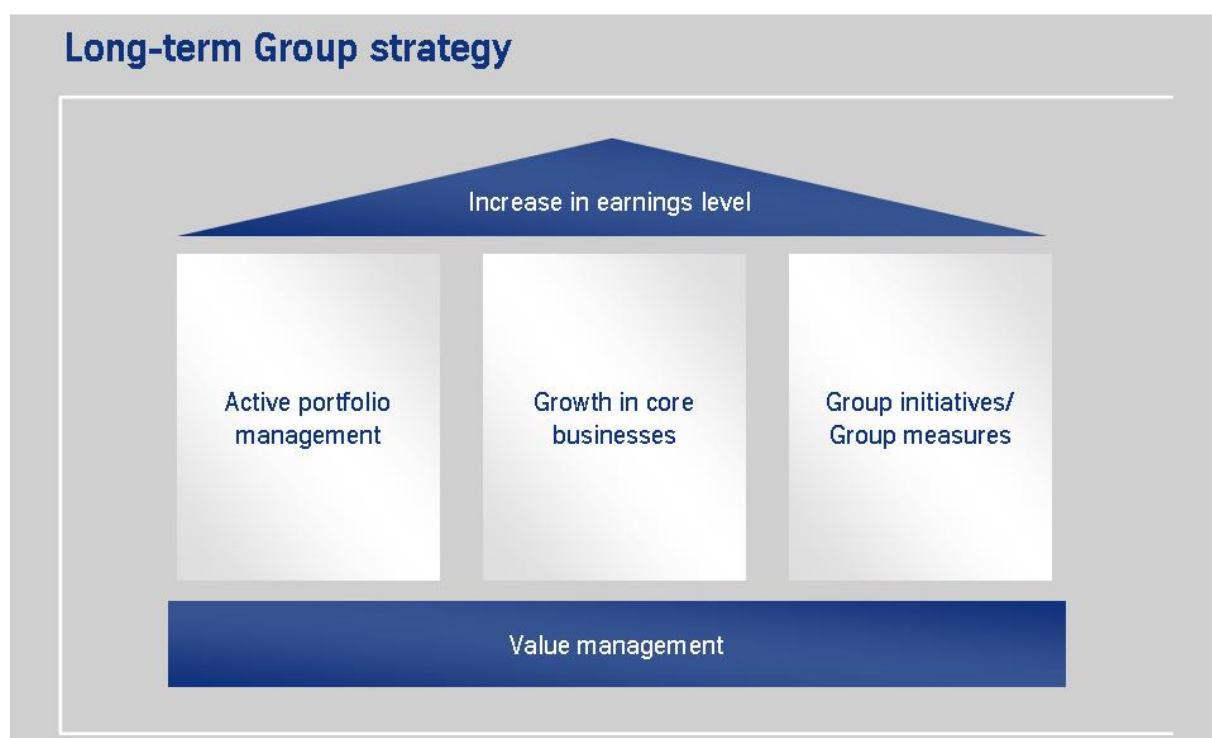
Allow me at this point to say a word on the debate about job cuts:

We all know that employees are our company's most valuable assets. With their ideas, skills and motivation, our almost 200,000 employees play a decisive role in the success of ThyssenKrupp. This is why ThyssenKrupp has traditionally attached great importance to training and education.

And we all know that it would be a mistake to let go of well trained employees on the basis of short-term considerations. Against the background of the demographic trend and the lack of skilled workers in technical and engineering occupations in particular, the consequences for companies later on would be much more serious. Especially as ThyssenKrupp has now secured a good starting position in the increasing competition for the best young talent. Both engineering and economics graduates consider us an attractive employer. In the past fiscal year we once again significantly improved our position in various employer rankings and are now one of the five long-term winners among the DAX companies.

The capabilities of our employees form the basis for future success. Nevertheless, we cannot rule out significant cutbacks in some areas. I therefore believe it would be irresponsible to issue guarantees for public effect which may subsequently be overtaken by economic developments.

For ThyssenKrupp I can say: We will deal reliably and responsibly with this challenge. This is my promise to you and to our employees.



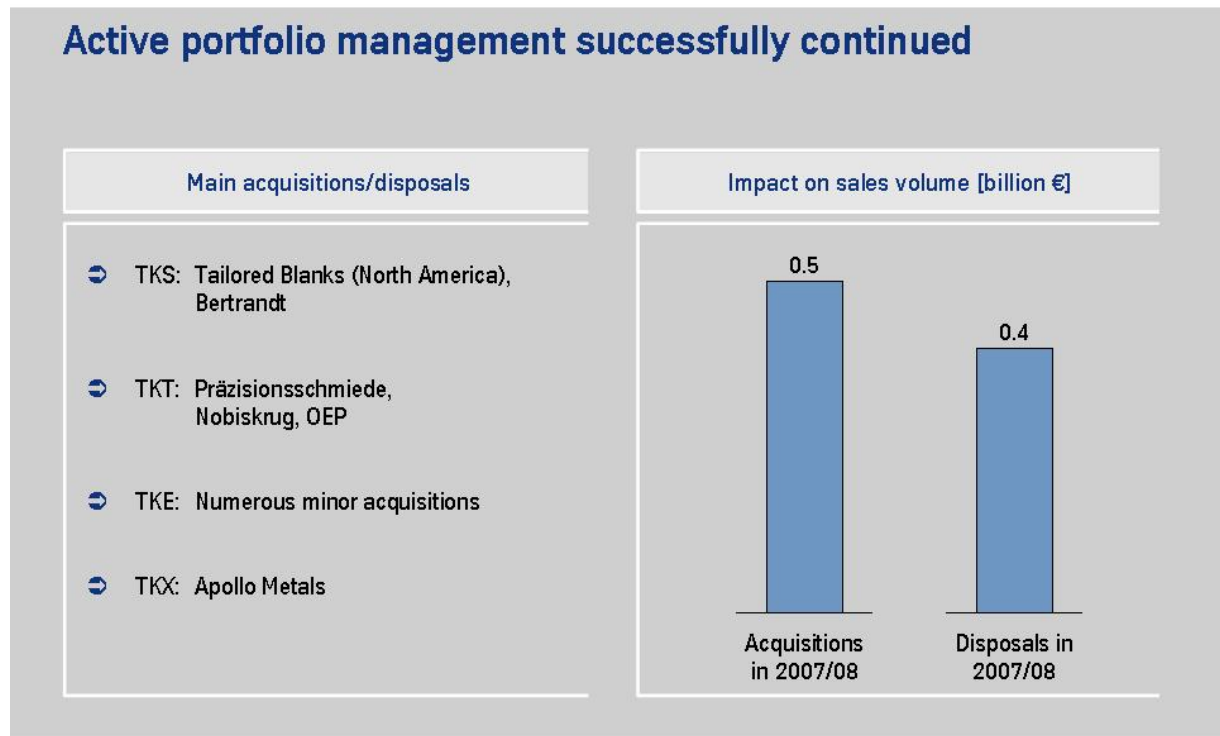
Ladies and Gentlemen, that brings me to the Group's strategy.

Strategy

ThyssenKrupp's strategy is based on three pillars:

- First: Active portfolio management
- Second: Growth in core businesses
- And third: Groupwide initiatives and measures such as ThyssenKrupp best, ThyssenKrupp PLUS and innovation

Active portfolio management successfully continued



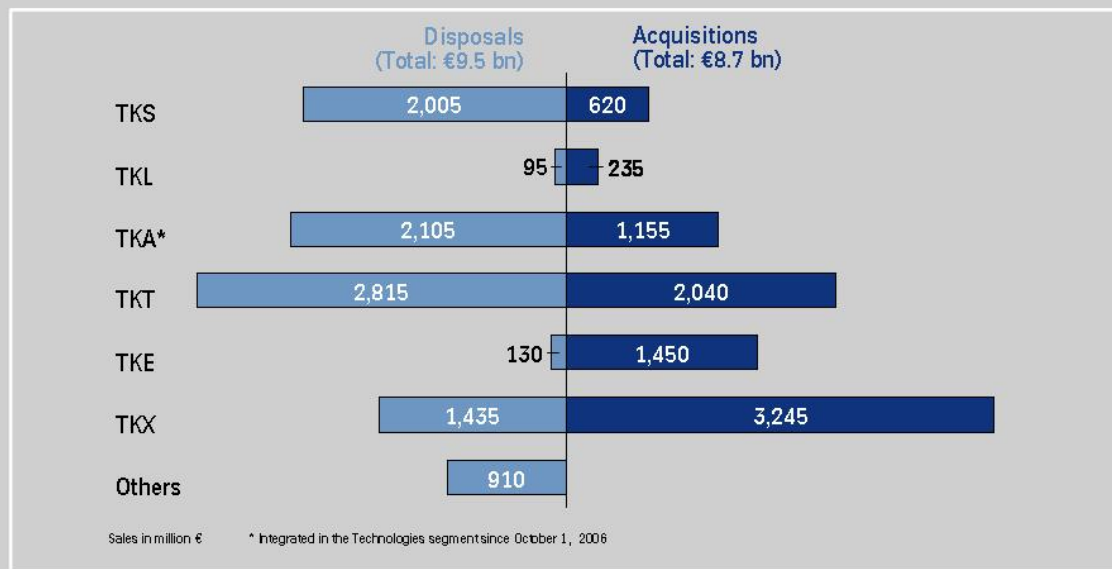
Active portfolio management

Let me turn first of all to our active portfolio management:

Here, we rigorously continued our optimization work in the past fiscal year. Key measures included in the Steel segment the acquisition of a majority interest in the tailored blanks operations in North America. Technologies further reduced its automotive activities. Marine Systems disposed of the Nobiskrug shipyard, which specializes in the construction of medium-size mega yachts. Elevator made numerous minor acquisitions to further strengthen its global market positions in the areas of elevators and accessibility products. The Services segment acquired Apollo Metals and thus significantly expanded its operations in metal distribution and supply chain management for aerospace customers. With sales of around US\$700 million and 30 locations in 13 countries, the newly formed ThyssenKrupp Aerospace group is the world's largest materials service provider for the aerospace industry. Several minor acquisitions were also made to strengthen the segment's competitive position. We also sold our 25% financial interest in Bertrandt AG. This will have no effect on our successful project-related cooperation with Bertrandt. In the reporting year we acquired companies with sales of €0.5 billion and disposed of companies with sales of €0.4 billion.

Extensive acquisitions and disposals since the merger

As at October 1, 2008



Since the merger we have sold non-core businesses with sales of €9.5 billion and acquired companies with sales of €8.7 billion to strengthen our core businesses. We will continue our active portfolio optimization in the current fiscal year.

The Services segment will focus its growth strategy on the materials business and to finance its expansion plans will divest the Industrial Services business unit - with the exception of the steel mill service operations in Germany and Brazil. For these operations - with sales of around €1.7 billion and 23,000 employees - we see better development opportunities with a best owner outside the ThyssenKrupp Group.

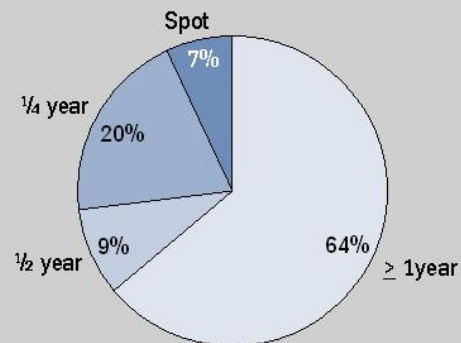
To bring you up to date I can tell you that the Technologies segment has bought out the 25% stake in ThyssenKrupp Marine Systems AG held by our previous co-shareholder OEP. We therefore now own 100% of the company.

Recession expected to have significant impact – but Steel segment generally well positioned

Steel

- ➔ Focus on high-quality flat-rolled carbon steel with price premium
- ➔ Current decline in steel consumption necessitates production cutbacks, internal optimization and efficiency enhancement
- ➔ High share of long-term contracts
- ➔ Long-term growth trend interrupted, but only temporarily

Structure of contractual terms FY 2007/08 in %



Growth in the core businesses

The second strategic pillar is growth in the core businesses:

The **Steel** segment is focused on premium carbon steel flat products and with its intelligent materials solutions is successfully positioned in its core European market. We are pursuing a long-term business model with close relationships with our customers and suppliers. This is underlined by our high proportion of long-term contracts compared with our competitors. In the late summer months these contracts were switched to new and higher prices and new contract periods. Our high proportion of long-term contracts and our focus on premium markets is also reflected in a much more stable revenue situation compared with our competitors.

The high level of uncertainty among market players due to the global recession is resulting in a wait-and-see attitude, production cuts, massive destocking by our customers and postponement of orders. This will lead to a decline in steel demand in the current fiscal year and consequently to short-time working in the Steel segment. This will have a significant negative effect on our earnings.

Following massive price rises in recent years for the main raw materials in steel production – iron ore and coking coal – spot market prices have now fallen steeply as a result of the global downturn. We therefore expect the forthcoming price negotiations for raw materials to bring significant reductions of over 50%. In itself, this decline in raw material prices will have a positive economic effect. In the medium- and long-term steel consumption will continue to grow. On that the experts worldwide are agreed.

CSA – construction of new steel mill in Brazil

Steel



Implementation of the transatlantic growth strategy

Investment volume expected to total €4.5 billion

We are continuing to press ahead with our transatlantic growth strategy at ThyssenKrupp Steel. The construction of the new slab plant in Brazil is progressing well despite weather-related delays. Due to the in-sourcing of further plant functions such as energy supply and slab logistics, and the optimization of the technical design to allow future capacity increases, the volume of investment is expected to be around €4.5 billion. This includes increased costs for services and supplies, higher interest costs and the effects of exchange rate differences. The plant, favorably located on the Atlantic coast, will in the future supply our European and North American production locations with high-quality slabs. It will have its own port terminal, a power plant, coke plant, sinter plants, two blast furnaces and two converters and continuous casters. The mill will achieve a slab capacity of around 5 million t/a and significantly improve our cost base. Start of production is scheduled for the end of 2009.

Alabama – Steel and Stainless segments' joint steel production and processing plant

Steel



- ➔ Start of production early 2010
- ➔ Hot-rolled capacity over 5 million t/a
- ➔ Processing of slabs from Brazil – high-quality flat-rolled products for premium segments in the NAFTA region
- ➔ Direct access to water – short distances to customers

Steel and Stainless are building a new integrated steelmaking and processing plant near Mobile in Alabama. The construction work for Steel is continuing largely as planned despite the current situation on the world steel market. The start of production remains scheduled for spring 2010. Even in light of the crisis the fundamental reasons for our strategic engagement in the USA have not changed. North America is one of the biggest volume markets for premium carbon steel flat products, and our presence there is currently limited to a low volume of exports. The capacities of local steel companies are not enough to meet demand for premium products. The NAFTA region is therefore the world's largest importer of flat-rolled steel. ThyssenKrupp Steel intends to strengthen its position in North America on the basis of its technological expertise. The trend towards energy-efficient automobiles will increase demand for premium flat products for lightweighting solutions based on European designs.

In addition, planned massive infrastructure investments will accelerate demand for steel in the USA. Our plant in Alabama is ideally located in terms of logistics. It lies on the Tombigbee River with direct access to the Gulf of Mexico. Short distances to customers in the new industrial centers in the southern USA and Mexico are a further advantage. The plant will have hot and cold rolling and coating lines and will process slabs produced in Brazil into high-quality flat products. Hot-rolled capacity will be over 5 million t/a. ThyssenKrupp Steel will serve the premium segments in the NAFTA region from this mill in the future. The target groups include the auto industry, electrical goods manufacturers, steel service centers and the tube industry, particularly for the energy sector.

The capital costs have increased because of the tight situation on the international engineering and construction market last year. The profitability of the two projects in Brazil and the USA remains assured.

In its core European market ThyssenKrupp Steel will continuously strengthen its quality and cost position by expanding and modernizing existing facilities and by rigorously continuing its successful efficiency programs.

Stainless focused on premium-quality materials

Stainless

- Globally positioned specialist for stainless flat-rolled products and high-performance materials
- Service offensive to boost customer retention
- Current market situation means difficult start to new fiscal year
- Stainless steel market expected to return to growth track in medium term



The **Stainless** segment has positioned itself increasingly as a global specialist for stainless flat products and high-performance materials such as nickel alloys and titanium mill products. With its products and accompanying services it exploits opportunities on the market for high-value materials. Our stainless business is more volatile than our carbon steel business, but compared with the competition we offer a high level of value-added as well as a large proportion of high-performance materials. Our service offensive will enable us to expand our range of value-adding services and tie customers to us even in difficult times.

The situation will remain tight in the near term. Our customers are ordering more cautiously and further reducing their stocks. Imports from Asia have also risen sharply. Against this background we expect weaker volume demand in the short term. In response to the current order situation large parts of our production operations had to be closed down temporarily for up to four weeks at the turn of the year. We took advantage of the stoppage to carry out maintenance and repairs. Short-time working is being introduced for several weeks in some plants to further reduce production. The continued price falls in recent months for stainless steel raw materials such as nickel, chromium, molybdenum and scrap are leading to considerable depreciation pressure. Overall, the stainless business has had a difficult start to the new fiscal year, which will end with a loss.

In the medium term, however, we also expect the stainless steel market to return to its long-term trend of around 5-6% growth per year. Export pressure from Asian overcapacities will remain a risk.

In recent years China has built up capacities which far exceed national demand, now and in the medium term. This has had a massive impact on the entire world stainless market. Both here and in the carbon steel sector, unprofitable mills that meet neither environmental nor health & safety regulations are not disappearing from the market, despite statements to the contrary by the Chinese government.

Alabama – Steel and Stainless segments' joint steel production and processing plant

Stainless



- ➔ Target: Cost/quality leadership in North American stainless market
- ➔ Current slump in demand in NAFTA region
- ➔ Start-up of production facilities will now be later than originally planned
- ➔ Market recovery expected in foreseeable future – no change to scope of project

By building the new plant in Alabama, in conjunction with the existing cold rolling mill in Mexico, we aim to achieve cost and quality leadership in the North American stainless market.

However, the global distortions on the stainless steel market are resulting in a massive drop in demand in North America. We have responded quickly with a view to our project in Alabama. We will stretch out our investment in the Stainless section. However we are confident that the stainless market in the NAFTA area will recover and grow further in the foreseeable future. For this reason we are not cutting back on the scale of the project but the startup of the production equipment of the stainless steel plant will take place later than previously planned.

As well as expanding its position on the North American market, ThyssenKrupp Stainless is also optimizing its European plants. At ThyssenKrupp Acciai Speciali Terni (AST), our stainless steel operation in Italy, the plant in Terni is being expanded into an integrated stainless steel mill. All melting and rolling capacities are being concentrated in one location. It will rank among the most advanced and efficient production sites in the world.

Global trends as main growth drivers

Technologies

- ➔ Global trends and emerging markets as growth drivers
- ➔ Innovative facilities with strong contribution to climate protection – EnviNOx®
- ➔ Order books currently well filled – €16 billion orders in hand
- ➔ Weak performance of automotive activities in current environment

Raw materials



Energy & Environment



Security



Emerging markets/
infrastructure



Food



For the **Technologies** segment, major opportunities lie in the current global trends and in the still growing regions of the emerging markets. Here, the segment can leverage its technological and innovative strengths. We aim to attain or extend existing market leadership in profitable areas of business.

The range of technologies provided by the segment offers important solutions for the global trends. They include eco-friendly technologies such as the EnviNOx plants from Uhde which make a major contribution to reducing harmful waste gases. Mobile crusher plants from ThyssenKrupp Fördertechnik help achieve a substantial reduction in CO₂ emissions in surface mining. Around 30% of all raw materials worldwide are mined, transported and handled using systems from ThyssenKrupp Technologies. Our innovations for fuel-efficient automobiles through lightweight vehicle components are also contributing to reducing emissions.

Fossil fuels are becoming scarcer. Against the background of climate change and strategic security of supply, demand is rising for renewable energy. This explains the persistent strong growth in demand for slewing bearings and seamless rings in the wind power sector. At ThyssenKrupp Technologies we have therefore launched a special investment program to expand production capacities both in our plants in America and Europe and in Asia.

Population growth and increasing demand for food are creating demand for additional fertilizer capacities. This holds considerable growth potential for Uhde as a leading engineering contractor in this segment.

We see particular opportunities in the entire Asia-Pacific region. To this end Technologies is building further capacities in India and China. One particular focus is the Middle East including North Africa. Thanks to its major oil and gas reserves, this region will invest substantially in building industry and infrastructure. For this reason, ThyssenKrupp Technologies has opened the new TechCenter Middle East in Dubai to exploit our opportunities locally. In its specialized service business the segment aims to increase sales by around 30% in the medium term.

Our orders in hand already secure around two thirds of our planned sales for the current year and stretch several years into the future with high earnings quality.

Stable business – steady improvements – sustainable growth

Elevator

- ➔ Top 3 positions worldwide in elevators and escalators
- ➔ Performance program – aimed at further enhancing margins to over 12%
- ➔ Product innovation, e.g. TWIN elevator
- ➔ High service share – low volatility

Market shares of overall market for elevators and escalators (estimate)

Company	Market Share (%)
ThyssenKrupp	13%
Others	~15%
Otis	~12%
Schindler	~10%
Mitsubishi	~8%
Kone	~5%
Hitachi	~4%
Toshiba	~3%
Fujitec	~2%

Our **Elevator** segment is one of the world's leading manufacturers and service providers for elevators, escalators, moving walks, passenger boarding bridges, and stair and platform lifts. We have a wide range of high-performance products – from standard systems to customized solutions to service, maintenance and modernization packages. We are the world number 3 in elevators and escalators.

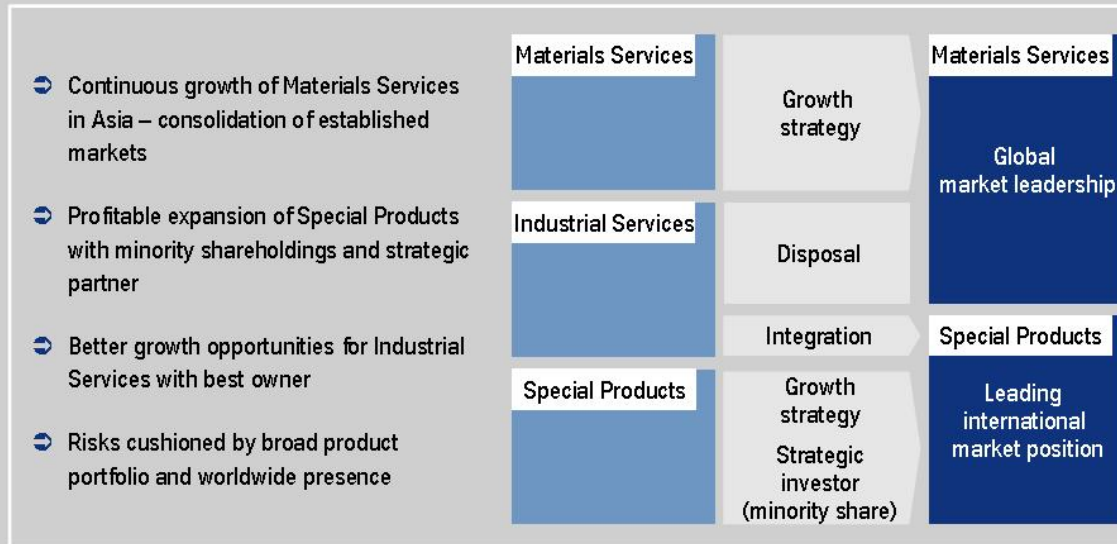
In addition to expanding its existing operations Elevator is pursuing further strategic acquisitions, particularly in Asia and Eastern Europe. Growth of our existing operations will be driven above all by intensified service business and by the introduction of product innovations. Elevator anticipates strategic opportunities from the further optimization of its worldwide branch and service network and through additional maintenance orders for existing passenger transportation systems. We also intend to strengthen our activities in the international growth regions. Through effective marketing and the provision of detailed information to clients and architects, we aim to highlight the strengths of our products in terms of cost-efficiency, technology and design.

Based on the performance program launched a year and a half ago we currently expect to not just maintain but increase our profits in the Elevator area. First positive earnings contributions were recorded in the past fiscal year. Among the product innovations I would like to highlight the TWIN elevator, which has launched a new era in elevator technology. More and more clients and architects are turning to this innovative passenger transportation system. In addition, various systems have been developed to reduce the energy consumption of our products.

Due to its high proportion of service business and large order backlog Elevator is less sensitive to cyclical fluctuations. This business is driven by prescribed maintenance intervals and is therefore little affected by economic cycles.

Successful strategy with attractive growth opportunities

Services



Today, the **Services** segment comprises three very healthy business units, all of which hold very good market positions. The strongest of these is the Materials Services unit with a very broad range of products and services, a global network with some 400 bases and around 250,000 customers in many sectors. In its core business the segment holds leading positions in Europe and ranks among the top 5 in North America. We plan to achieve further targeted expansion through organic growth and strategic acquisitions. We see excellent opportunities for this in the growth markets of Asia and Eastern Europe, and also in the established markets as they continue to consolidate.

The second pillar of our Services segment is the Special Products business unit. We intend to further expand this business in a targeted way. Global trading in rolled steel and tubes has close links with our warehousing business and offers good opportunities for growth worldwide. In our raw materials business with metallurgical products, minerals and foundry/blast furnace coke, many of our customers are suppliers to our materials business. Last but not least, our engineering business with its system solutions for railway, harbor and civil engineering (rails and sheet piling) is also a materials business, albeit with a far wider service dimension. By acquiring minority interests on the raw materials side and in the rolled

steel and tube areas, we see good opportunities for securing long-term sales rights and growing the business profitably. With the help of a strategic partner, whom we are offering a substantial minority interest, we aim to drive forward business in Asia and Eastern Europe in particular.

The third business unit of the segment, Industrial Services, also performs strongly in all its activities and has achieved profitable growth in recent years. However, synergies with our materials services business are very limited. For this reason the Services segment intends to focus its growth strategy on the materials business. I have already reported on the planned divestment.

The Services segment has systematically improved its performance and optimized its processes and structures in recent years. Five record years in succession speak a clear language. Our Services segment has a viable, future-oriented business model, on the basis of which it will continue to grow profitably in the medium and long term. In view of the current economic situation the optimization process will be continued and strengthened. Despite our widely diversified product portfolio, our high share of services, our global presence and our efficient logistics systems, we expect a drop in sales and earnings at Services in the current fiscal year due to the severe recession.

ThyssenKrupp is well-equipped in all areas of activity. Our strategic measures will not take full effect until the current economic downturn is over. Our global presence, innovative products, high service share, motivated employees and strong customer relations are important success factors that determine the prospects of the five segments.

Groupwide programs

ThyssenKrupp best	ThyssenKrupp PLUS
<ul style="list-style-type: none">✓ More than 1,100 projects initiated in FY 2007/08✓ Sales & Services initiative launched in 2007✓ Significant value contribution since program began in 2001	<ul style="list-style-type: none">✓ Focus: Performance and liquidity measures✓ Savings effects of over €1 billion expected in 2008/09✓ Directly linked to Group Executive Board

Groupwide initiatives and measures

I now come to the third pillar of our strategy: To achieve our strategic goals we have launched a number of Groupwide initiatives. One particularly successful example is ThyssenKrupp best.

The Groupwide value enhancement program has been supporting the continuous improvement process in the Group for seven years. More than 1,100 new projects were launched in fiscal year 2007/2008 alone. Since the program started in 2001, ThyssenKrupp best has significantly increased the value of the Group. In total, over 9,200 projects have been initiated at more than 350 locations in 50 countries. 2007 saw the start of the Sales & Services Initiative, which is already delivering results. The initiative will exploit sustainable potential for improvement in the areas of sales and service. Alongside products and customers, the focus is also on internal processes and organizational structures. The ThyssenKrupp best Purchasing Initiative was launched in 2005 and to date includes more than 1,300 projects. In the past fiscal year alone, over 200 new projects were initiated in the segments.

ThyssenKrupp PLUS is the name of a Groupwide program which will allow us to respond quickly and systematically to the changing economic conditions. It includes measures aimed at achieving savings of well over €1 billion in the current fiscal year. It also concentrates on measures to improve our cash position through initiatives to reduce our net working capital by around €2.3 billion. ThyssenKrupp PLUS is managed by a special officer who reports directly to the Executive Board. This centralized coordination allows us to make decisions with the necessary speed and the necessary judgment.

Customer-focused research & development

- ⇒ ICAMS: Cooperation in leading-edge materials research
- ⇒ InCar: Solution kit for the auto industry
- ⇒ Innovative materials: Basis for energy-efficient products
- ⇒ Safe lightweight cars: Combination of carbon and stainless steel
- ⇒ Focus on environment: Innovations in plant engineering



Driving innovations

I have already spoken about how important it is to do the right things, especially in times of crisis. Now more than ever, innovations remain the key to success, both for Germany as a whole and for ThyssenKrupp. That's why we spent €841 million on innovations in fiscal 2007/2008 – 3% more than the €815 million spent the year before.

To develop our products in line with market and customer demands, we cooperate closely with customers and scientific institutions. A current example of one such long-term strategic partnership is the establishment of the Interdisciplinary Center for Advanced Materials Simulation (ICAMS) at the Ruhr University Bochum. The institute started work in June 2008

and is the only development center of its kind for new high-tech materials in Europe. ICAMS is funded as a public-private partnership by leading German manufacturers and users of materials and by the state of North Rhine-Westphalia. The lead industrial partner is ThyssenKrupp.

In our Group, research and development work is the responsibility of the segments, where we have outstanding competencies in particular in the areas of materials, lightweighting, auto components, plant construction, marine systems, elevators and services. Many of our innovations help protect the climate and make efficient use of resources. Let me mention a couple of examples:

- The InCar project combines the automotive competencies of the Steel and Technologies segments and thus represents a new stage in our research and development activities for innovations in the auto sector. The project is designed as a vendor-independent solutions and ideas pool for body, powertrain and chassis applications.
- Crash performance and weight-reduction potential are the focus of a cross-segment project being carried out by Steel and Stainless. Our developers have succeeded in joining stainless steel and carbon steel in a tailored strip which allows the benefits of both materials to be used to optimum effect.
- Another important area of innovation are materials which are subjected to extreme conditions. Newly developed nickel alloys from ThyssenKrupp VDM provide the heat and corrosion resistance necessary to significantly improve the efficiency of conventional power plants and reduce CO₂ emissions. For fuel cells we have developed high-temperature materials which permit improved performance and open up new areas of application. Thanks to new materials, next-generation wind turbines will be able to deliver electricity virtually loss-free. ThyssenKrupp VDM is contributing to this development.
- The process engineers at Uhde have developed a new plant technology for the production of polylactic acid. Polylactic acid is used to make a biodegradable plastic for use in packaging films, bottles and fibers. Its production is significantly more energy-efficient than petrochemical methods, uses renewable raw materials and generates considerably fewer greenhouse gas emissions.

Those were just a few examples of current innovations from our segments.

Reliable parameters needed

- ➔ Return financial systems to full functionality – overcome economic crisis
- ➔ Avoid isolated solutions for climate protection
- ➔ Establish sustainable energy concept
- ➔ Tighten links between science, business and politics
- ➔ Accelerate use of knowledge in innovations

Ladies and Gentlemen, I have explained to you how we are developing the elements of our Group strategy and how all these elements interact. We are confident that this puts us in a good position to achieve long-term, sustainable success.

Creating sustainable value needs reliable parameters

But to achieve sustainable success we need reliable parameters. These parameters have to be created by governments in dialogue with industry, academia, trade unions and social institutions. That is why I am confident it will be possible to set the right course for the future.

Let me briefly address three areas where we see an urgent need for political action.

First: Governments and businesses must get the financial systems working again in order to overcome the economic crisis. There are several tools available for this which I do not want to specify here. I welcome the fact that the German government has reacted decisively by introducing an extensive stimulus package which includes investment in infrastructure and education. The planned programs must now be implemented quickly and without red tape. But to overcome the crisis, it is also essential that mutual trust is restored among the various market players. To put it graphically: Money is the lifeblood of an economy. But the existence of money alone is not enough. It has to reach the places it is needed: the companies and the people. The German government will provide guarantees to secure the money supply. I am confident that in this way we will be able to prevent a lasting credit crunch.

Second: ThyssenKrupp expressly supports measures to protect the environment and political efforts to speed up the reduction in CO₂ emissions. But climate protection is a global problem, and isolated solutions for Europe are not the way to solve it. All the major emitters have to come on board, and that means in particular the USA and China. If that does not happen, sooner or later steel will only be produced in countries which are not so serious about climate protection. The Council of Europe and the European Parliament have recognized this, and at the end of last year took decisions which made allowance for the special situation of energy-intensive industries. It is now important that these political intentions are not watered down when they are implemented by the European Commission.

Closely linked to climate protection is the question of a viable energy strategy. The important thing is to keep electricity affordable. For this we need a balanced energy mix. ThyssenKrupp is all in favor of making more use of renewable energies – but only at competitive prices. Both against the background of climate protection and in terms of costs, we cannot do without nuclear power plants. For this reason, their life spans should be extended.

Third: The rapid translation of knowledge into innovations and ultimately into marketable products requires the close networking of academia, industry and government. There is still a lot of room for improvement by all concerned in this respect. The government must above all provide impetus, and its high-tech strategy and other initiatives and regulations are steps in the right direction. But all of us – companies, universities and government – can do more to improve cooperation between theory and practice. This will boost Germany's innovative strength. I have already mentioned one successful example of interdisciplinary cooperation

between industry and academia: the Interdisciplinary Center for Advanced Materials Simulation, ICAMS, where physicists, chemists, mathematicians and engineers are working together on an interdisciplinary basis to develop new materials. That is the kind of cooperation we need to secure our future. Germany needs more such beacons that shine on an international scale.

Creating sustainable value means taking responsibility

- ➔ Health and safety at work
- ➔ Corporate governance and compliance
- ➔ Commitment to climate and the environment
- ➔ Discovering Future Technology



Creating sustainable value means taking responsibility

ThyssenKrupp has been a dependable partner to society for many years – our social commitments are designed for the long term. As a good corporate citizen, we accept responsibility for our products, our employees, the environment and the people who are affected by our actions.

ThyssenKrupp Quarter

By concentrating our head offices in the cities of Essen and Duisburg we are underlining our faith in the strength of North Rhine-Westphalia as a business location. After the symbolic groundbreaking ceremony, the foundation stone for the new ThyssenKrupp Quarter in Essen was laid in early September 2008. In June 2010, ThyssenKrupp's headquarters will move from Düsseldorf to Essen. In the same year, the main buildings for the segment holding companies will also be completed. Due to the difficult economic situation, we have not yet found an investor for the planned hotel, so we are currently reviewing when the ThyssenKrupp Academy will be built. We anticipate that an investor will be found in the next few months. As a result, the construction of some buildings under the second phase will be delayed.

Health and safety

Health and safety is a key element of the Group's personnel policy which has become increasingly important in recent years. For ThyssenKrupp, the safety and health of our employees are a corporate objective ranking equally alongside product quality and business success. To achieve a further significant improvement in health and safety, we have combined all efforts and measures in the Groupwide initiative "Zero Accidents". To date more than 4,000 executives worldwide have received training in this initiative.

Corporate governance and compliance

ThyssenKrupp stands for responsible, transparent and sustainable corporate governance. That is why we are guided by internationally and nationally recognized standards of good and responsible corporate management. We regard corporate governance as an issue which embraces all areas of the Group. It includes compliance in the sense of measures to ensure adherence to statutory provisions and internal Company policies and observance of these measures by the Group companies, which we see as a key management duty. It also includes regular training. In the past fiscal year alone, more than 3,000 employees in Germany and abroad attended classroom sessions on anticorruption policies and over 2,000 on antitrust law.

Commitment to climate and environment

For ThyssenKrupp, taking responsibility for the environment and the climate is a matter of course. Conserving natural resources and maximizing energy efficiency protects the environment and at the same time makes our Group more cost-efficient. That's why sustainability and climate protection are in ThyssenKrupp's long-term interests. In the reporting period we once again made significant progress in the areas of air pollution control, water protection, noise control and landscape protection. We spent €511 million on the operation of pollution control equipment. Investment in environmental protection was up 15% at €71 million. This increase mainly related to the new blast furnace 8 in Duisburg, which is equipped with state-of-the-art pollution control equipment. But our commitment to environmental protection and sustainability is also reflected in products and processes that allow our customers to be more eco-friendly. I have already mentioned several examples.

“Discovering future technology” initiative

Alongside our efforts to improve environmental and climate protection, our social commitment also focuses on the topics of education and support for young people. We need clever minds to generate innovations, and Germany now has too few of them. The lack of young people entering technical professions is one of the central issues – if not the central issue – which the Group must address in the future. We must work together to attract more young people to take up technical occupations or study for science or engineering degrees. To achieve this we have to invest earlier and on a more long-term basis in training and education.

ThyssenKrupp is doing this with the “Discovering future technology” initiative. The aim of the initiative, which was launched in 2004, is to raise enthusiasm for technology. Together with over 120 partners from science, the general and business communities and the media, we aim to generate impetus and promote dialogue on technology across all areas of society and age groups. Above all, the initiative is intended to appeal to young people – the thinkers and engineers of tomorrow – and to involve them in the fascinating process of developing technology. It is a platform that brings together the efforts of partners from all over Germany. Our many partners who have been with us from the outset include the Ministry of Education and Research, the Deutsches Museum in Bonn, Berlin Technical University and RWTH Aachen University, the “Jugend forscht” foundation for young researchers and various institutes of the Fraunhofer Society. But we are also supported by other companies such as Carl Zeiss, Daimler, Bosch and Microsoft Deutschland.

The flagship of the “Discovering future technology” initiative is the Ideas Park – a technology experience for families, children and young people. Admission is free, and the Ideas Parks staged in Stuttgart in 2008, Hanover in 2006 and Gelsenkirchen in 2004 attracted more than 540,000 visitors. What makes the Ideas Park so special is that it provides an opportunity for intensive dialogue between visitors and experts. Over 500 engineers, scientists, apprentices and students explain their ideas and demonstrate how technology works and innovations are created with reference to more than 200 interactive exhibits and experiments. According to a survey carried out by TNS Infratest, seven in ten visitors claimed that the Ideas Park had given them a more positive image and a greater understanding of technology. Statistics like these underline the general interest in technology and the acceptance of our shows.

On December 1, the Ideas Park and thus the “Discovering future technology” initiative was honored in the “Freedom and Responsibility” initiative competition. This initiative stands under the patronage of German President Horst Köhler and is organized by Germany’s central business associations BDI, BDA, DIHK, ZDH and the business magazine WirtschaftsWoche. On December 4, ThyssenKrupp was also presented with the PolitikAward 2008 for the Ideas Park as the “most coherent, effective and best communicated concept” in the Corporate Responsibility category. We are delighted by this endorsement, which is also an incentive to maintain our efforts. The next Ideas Park is already being planned. It will take place in 2011 in North Rhine-Westphalia.

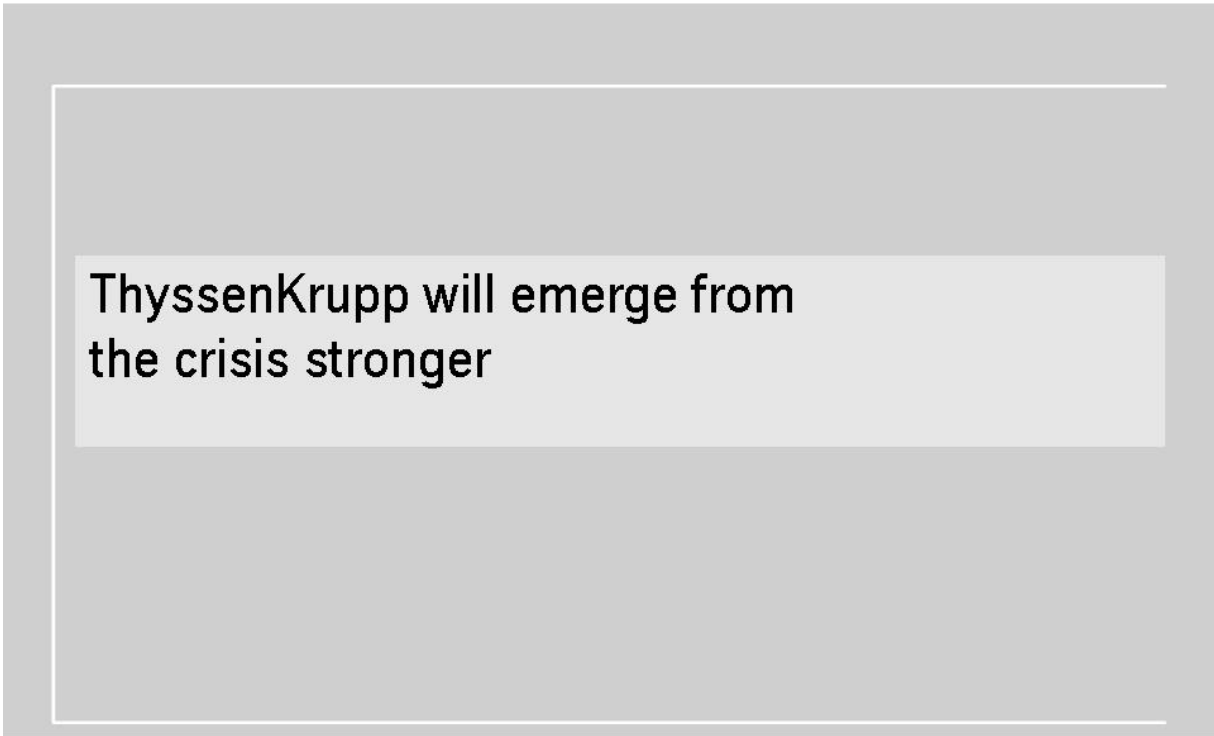
These were just a few examples of the Group’s social commitment and its fundamental values and objectives. We sincerely hope that you, our stockholders, our business partners, customers and suppliers share in these convictions. Together with all of you, ThyssenKrupp will continue to work to improve living and working conditions and thus make a responsible contribution to sustainable economic development.

ThyssenKrupp equipped for difficult environment

- General economic situation currently very difficult
- High level of uncertainty – no reliable forecast possible
- ThyssenKrupp: Balanced product and technology portfolio

Close

Ladies and Gentlemen, you know that ThyssenKrupp stands for transparency and good corporate governance. At this point I would have liked to provide you with an outlook for sales and earnings in the current fiscal year. You know me to be someone who bases his statements on solid facts, who has no time for doom mongering and who tries to deliver more than he promises. But in my career of over 40 years I have never witnessed such an abrupt slump as we have had in the last few months. This is a new experience which makes the situation difficult to assess. That is why I am unable to give you a serious forecast here today.



**ThyssenKrupp will emerge from
the crisis stronger**

But I can promise you that we at ThyssenKrupp will do everything to ensure we emerge from this crisis stronger. We are well placed to achieve this: We operate on a worldwide basis and have solid financing. We have longstanding customer relationships, a balanced product and technology portfolio and highly qualified and motivated employees. We are pursuing a sustainable strategy, and our actions are dependable and responsible. That is the basis for the future success of your company.