

Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

at the

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on

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in Bochum

Check against delivery

Stockholders,
Ladies and Gentlemen,

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

[Chart 1 – Contents]

Ladies and Gentlemen,

From the end of 2008 to well into 2009 the world economy experienced its worst recession since the end of World War II. This global economic slump made a deep impact in almost all of ThyssenKrupp's main markets.

Fiscal year 2008/2009 was therefore the most difficult since the merger of Thyssen and Krupp. Over a year ago no-one could have predicted the extent to which this crisis would affect us. At our last General Stockholders' Meeting – here in Bochum – I promised you that we would do everything in our power to emerge stronger from the crisis. We responded to the crisis with three action programs.

[Chart 2 ThyssenKrupp - Response to crisis]

Firstly: Measures to secure liquidity and earnings.

Secondly: Programs to restructure and adapt our capacities and portfolio to improve our cost base.

And thirdly: The introduction of the new organizational structure, making the Group leaner and more efficient.

All the measures involved far-reaching changes for the company and its employees. We acted decisively to set the direction for the future and put the Group on a solid foundation. Not since the merger has there been such a comprehensive reorganization.

Ladies and Gentlemen, I know that what interests you is not just the past fiscal year but above all our assessment of the future. After all, we published our financial results for fiscal 2008/2009 back in mid-November, so most of you will be long familiar with them.

Today is about: How did we start the new fiscal year, what do we expect in fiscal 2009/2010 and what are our plans for the medium term?

Our measures to counter the crisis are taking effect; at operating level, too, we are doing better than at the end of the last fiscal year. Our performance in the 1st quarter from October to December 2009 allows us to look forward with cautious optimism. I cannot yet give you any concrete figures because the quarterly report will not be published until February 12, but what I can say is that the majority of our business areas made a profit in the 1st quarter, Steel Europe for example almost in the three-digit million euro range. Our results in the 1st quarter are better than expected. This gives us justified hope that we will reach our earnings target in the current fiscal year – thanks to the rigorous implementation of our cost-reduction and restructuring measures.

However the risks going forward remain high. The economic stabilization of recent months cannot yet be described as sustainable. The positive impetuses worldwide have mainly come from economic stimulus programs, some of which have already ended. The risk of an economic setback remains. However I can reaffirm without qualification the forecast we gave for annual earnings in mid-November. We expect a significant improvement back to positive results in our earnings performance in 2009/2010. The cost reduction programs we have initiated will contribute greatly to this. We continue to forecast adjusted earnings before taxes in the low three-digit million euro range.

[Chart 3 ThyssenKrupp – Sales and earnings performance since merger]

Ladies and Gentlemen, after ten highly successful years in which we increased our sales from €32 billion to €53 billion and improved our earnings before taxes from €616 million to €3.128 billion, last year we suffered a significant sales and earnings decline due to the world economic crisis. In the medium term we will move in moderate steps back to our old earnings level. We are convinced that we will achieve this goal.

After this brief assessment of the current fiscal year, let us now look back:

[Chart 4 ThyssenKrupp - EBT 2008/2009]

In the year of global crisis 2008/2009, ThyssenKrupp's sales decreased sharply to €40.6 billion (prior year: €53.4 billion). Earnings before taxes and nonrecurring items totaled -€734 million. Including nonrecurring items, there was a loss of -€2,364 million (prior year: profit of €3,128 million). Restructuring costs of €868 million and impairment charges of €519 million played a big part in this. Earnings were also impacted to the tune of €233 million by project costs for the new steel mills and processing facilities in Brazil and the USA. In addition to these nonrecurring items, earnings were also impacted by inventory writedowns and windfall losses of roughly €1.2 billion, caused by the sharp fall in material prices. These are already included in the -€734 million earnings figure.

[Chart 5 ThyssenKrupp – Key figures year-on-year]

Despite a net loss of €1.9 billion, the rise in net financial debt was largely contained: Net debt increased only from €1.6 billion at September 30, 2008 to €2.1 billion (September 30, 2009).

In addition, net working capital was reduced by around €3.6 billion by September 30, 2009. As a result, despite reporting a loss ThyssenKrupp generated an operating cash flow of €3.7 billion, the highest level since the merger.

Against the background of the difficult economic situation the number of employees also decreased significantly. ThyssenKrupp had 187,495 employees worldwide on September 30, 2009, 11,879 or 6% fewer than at the end of the previous fiscal year. In Germany the number of employees decreased year-on-year by around 5% to 81,229. In the rest of the world the workforce dropped by 7% to 106,266.

In view of the low workloads, short-time working had to be introduced at many of the Group's subsidiaries. 12,500 employees were affected on average in Germany and a further 7,300 abroad. The main segment affected was Steel, where almost 8,000 employees worked short hours. As economic conditions improved towards the end of the fiscal year short-time working was reduced to 14,500 employees throughout the Group. At the end of the calendar year around 5,500 employees worldwide were on short time.

With all the necessary personnel adjustments one thing has always been important to me: We decided all the key measures in agreement with the employee representatives after in some cases heated discussion. Competitive strength, future viability and social responsibility must not be mutually exclusive. We showed last year that they can be reconciled even in difficult times. We will continue to stick to our corporate culture of working together in the future.

With their patience, perseverance, understanding and great effort, our employees have made a major contribution for the future of our company. Without them we would not have been able to counter the crisis so resolutely. I thank them explicitly for this.

[Chart 6 ThyssenKrupp - Stock performance vs. DAX]

Stock performance – rating – dividend

ThyssenKrupp's stock was unable to escape the global dislocations in the past fiscal year. It was not until March 2009 that the stock was again able to make significant gains. The efficiency programs, the restructuring and the optimization of the Group portfolio were recognized by the capital market. From April 2009 the stock recovered its momentum and clearly outperformed the DAX and Dow Jones STOXX indexes. It reached a fiscal year-high of €25.05 on September 17, 2009 and ended the fiscal year at €23.53, a gain over 11.9% compared with a year earlier. In the same period the DAX and DJ STOXX indexes lost 2.7% and 1.9% respectively. In calendar 2009 the ThyssenKrupp stock gained 39.2% to €26.40, while the DAX gained 23.9%.

Ladies and Gentlemen,

Our ratings with Moody's and Fitch remain investment grade at Baa3/BBB-. Moody's confirmed our rating on December 9, 2009.

In November, the rating agency Standard & Poor's lowered our rating from BBB- to BB+, meaning we lost investment grade status with Standard & Poor's. However the direct effects of this decision are limited due to the measures taken to secure liquidity. The Group's financing costs will increase only slightly.

Let me say quite clearly: It remains an important objective for ThyssenKrupp to have investment grade ratings from all agencies. That is why we will vigorously continue the

measures already introduced so as to regain an investment grade rating from Standard & Poor's.

[Chart 7 ThyssenKrupp - Dividend]

Ladies and Gentlemen, in the past ThyssenKrupp has always placed value on dividend continuity. In good years for the Company, our dividends have been appropriate but more on the moderate side. This policy of moderation meant that we also paid a dividend in less successful years. A dividend policy of this kind is in the interests of all stockholders, who expect reliability and continuity. Based on the annual financial statements of ThyssenKrupp AG, the Executive Board and Supervisory Board of ThyssenKrupp AG have therefore decided to propose a dividend of €0.30 for the 2008/2009 fiscal year. This dividend proposal is an expression of our confidence in the success of our measures and in the future earning power of ThyssenKrupp.

We have already reported several times on the performance of the segments and their earnings contributions in the past fiscal year, most recently two months ago at our annual press conference. For that reason I will dispense with another review here. You will find the details – as usual – in the annual report and of course on the internet.

Crisis management – central measures

Ladies and Gentlemen,

To be sustainably successful you have to be prepared to change and adapt – but without losing sight of your values. Let me explain at this point the measures we took last year to secure our future.

[Chart 8 – Safeguarding liquidity and earnings]

Safeguarding liquidity and earnings: Under the TK PLS program a number of measures with short-term effect were carried out to reduce costs in the past fiscal year. The original target of over €1 billion was significantly exceeded, with savings of €1.8 billion realized, of which €0.8 billion will have sustainable effect. The short-term TK PLS measures were complemented by structural adjustments, for which restructuring costs and impairment charges of €1.4 billion were incurred.

I spoke earlier about the moderate year-on-year rise in financial debt and the positive performance of operating cash flow. All our investment projects were reviewed for possible reductions and postponements. This reduced capital expenditure to around €4.2 billion in the reporting year, around €1.5 billion less than originally planned.

We also further improved the Group's liquidity situation through successful bond transactions: In the past fiscal year bonds with a total volume of €3 billion were issued. At September 30, 2009 the Group had €9.8 billion in cash, cash equivalents and committed credit lines – a very solid financial position with a balanced maturity profile.

[Chart 9 – Major projects and restructuring]

Programs to restructure and adjust capacities and the portfolio: All segments introduced and implemented restructuring measures to flexibilize and optimize their capacities.

The main restructuring measures in detail:

- First of all our major projects: We remain committed to implementing our strategic investments in the production and processing of flat-rolled carbon steel and stainless steel in Brazil and the USA but are responding flexibly to the changed economic conditions:

[Chart 10 ThyssenKrupp CSA - Overview]

[Chart 11 ThyssenKrupp CSA – Blast furnace plant]

- The ramp-up of the iron and steel mill in Brazil has been adapted to the changed market environment with a flexible plan designed to optimize the cash flow profile. The first production line with one blast furnace and one converter will start operation in the 3rd quarter 2010; as things stand today, the second production line with the second blast furnace and the second converter is expected to be ramped up in 2011. Planning is being kept flexible to enable us for example to respond swiftly to an earlier-than-expected market recovery.

[Chart 12 ThyssenKrupp USA - Overview]

[Chart 13 ThyssenKrupp USA – Hot strip mill]

- At the new steel making and processing facility near Mobile in Alabama/USA the hot strip mill will begin production in the 2nd quarter 2010. The further ramp-up will be flexible based on steel demand.

[Chart 14 ThyssenKrupp USA – Tandem/cold rolling mill]

[Chart 15 ThyssenKrupp USA – Hot-dip coating lines 1-4]

- A flexible approach is also being taken to the startup of the US stainless steel mill. Production will begin in October 2010, initially with a reduced cold-rolled capacity of around 100,000 metric tons per year. The other units for stainless steel products will be started up over an extended period, but with a faster ramp-up possible at all times. The same applies to startup of the melt shop, which was planned for early 2012 and can now be delayed by up to 24 months.

[Chart 16 ThyssenKrupp CSA – Melt shop]

[Chart 17 ThyssenKrupp CSA – Sinter plant]

- The Brazilian iron ore producer Vale S.A. has increased its shareholding in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. – our Brazilian steel mill subsidiary – to just under 27% through a €965 million capital infusion. This step confirms the value of the investment and the viability of the industrial strategy. It strengthens the basis for a long-term strategic partnership between Vale and ThyssenKrupp.

A word about our major projects:

[Chart 18 ThyssenKrupp CSA]

Regarding the questions about the budget status of the two major projects I would first like to assure you that as things stand and on the basis of the current planning assumptions both projects will earn the Group's cost of capital. Both projects will therefore create value. Their profitability remains sound.

I previously reported that the Supervisory Board approved an investment volume of €10 billion for the steel sector in 2005. Of this, around €5.2 billion is currently being

taken up by CSA and around USD3.6 billion, that's €2.6 billion at current rates, by Compass.

Let me deal first of all with the budget for the CSA project. At its meeting today, the Supervisory Board approved the stated investment volume of €5.2 billion. The Supervisory Board has therefore increased the investment volume from €4.7 billion to €5.2 billion. This decision means that increased expenditures, e.g. for the blast furnace section of the steel mill, environmental requirements, fire protection measures and an additional risk provision, are now recognized in the budget. However on the other hand there have been savings in the area of non-capitalizable expenditures, so the budgeted cash outflow remains unchanged. The total cash outflow budgeted for CSA has therefore hardly changed since mid-2009 and stands at around €5.9 billion. Developments in capital expenditures and non-capitalizable project costs and the corresponding impacts on earnings in 2009/2010 have been disclosed transparently and in detail to the public and in particular to the capital market.

[Chart 19 ThyssenKrupp USA]

Regarding the COMPASS project, our steel mill in Alabama, the Supervisory Board at its meeting today approved an increased investment volume of USD3.6 billion. This represents an increase of 10%. The main reasons for the increases include higher costs for infrastructure, fire protection systems and cooling equipment. The cash outflow for the COMPASS project is currently USD3.8 billion.

Ladies and Gentlemen,

I would like to stress once again that from the current perspective the profitability of the CSA and COMPASS projects will change only slightly based on the new capex and cash-out figures and the current planning assumptions. Taken collectively – and also individually – the returns from the two major projects, based on the current planning assumptions, are above the Group's cost of capital rate of 8.5%.

We will present the final cost statements of both projects to the Supervisory Board at its May meeting.

[Chart 20 Major projects and restructuring]

- **Steel** will achieve sustainable savings of more than €400 million by the 2010/2011 fiscal year in its 20/10 program aimed at securing competitiveness. This will also involve a personnel reduction of up to 2,000 employees.
- Under its stand-alone strategy, **Stainless** is working intensively on programs and measures aimed at creating further flexibility in production processes and workflows. This will enable Stainless to respond swiftly to changes in demand and adapt capacity utilization accordingly. In the course of this reduction, 300 jobs will be cut by socially compatible means.
- At **Technologies**, declining demand and overcapacities had a substantial impact in particular on the civil shipbuilding operations and the international automotive business.

In the future, Marine Systems will focus more strongly on its leading global position in naval shipbuilding. For the Emden and Hamburg sites, which are mainly involved in civil shipbuilding, viable cooperative ventures are currently being implemented which will safeguard jobs and reduce the risk of capacity underutilization. In Emden, the wind turbine manufacturer SIAG Schaaf Industrie will use the site to produce components for offshore wind energy facilities and thus make a contribution to structural change in the region. In Hamburg it is planned to sell an 80% interest in each of the companies Blohm + Voss Shipyards, Blohm + Voss Repair and Blohm + Voss Industries to the Abu Dhabi MAR Group. In naval surface vessel construction, which remains a core business of Marine Systems, a joint venture with Abu Dhabi MAR is planned. ThyssenKrupp Marine Systems will retain a lead role and the know-how in all projects with the German Navy and its NATO partners. The joint venture will significantly improve the marketing prospects for frigates and corvettes, above all in the Middle East and North Africa. Negotiations with Abu Dhabi Mar are progressing well, we expect to close the deal by mid-February.

Due to outstanding payments of more than €520 million, Howaldtswerke-Deutsche Werft (HDW) and Hellenic Shipyards (HSY) canceled the existing submarine construction programs for the Greek government. ThyssenKrupp has begun the process of selling HSY and is in talks with the Greek government.

Due to the dramatic fall in demand, Technologies has also initiated measures in its automotive activities to adapt capacities, relocate production and close sites. The biggest measures relate to the Forging Group, which produces crankshafts in Germany, France, Brazil and the USA, as well as our foundries – e.g. for brake drum castings – in the USA.

In the past fiscal year, Technologies incurred restructuring expense and impairment charges totaling €801 million. The associated measures will create the basis for future profitability.

- At **Elevator**, significantly lower volumes in the escalator business made it necessary to restructure the Hamburg escalator plant. Overall, Elevator had to absorb restructuring expense and impairment charges of €34 million.
- Over the full fiscal year, **Services** made provisions for restructuring measures in the amount of €95 million. Around €70 million of this related to the closure of over 30 sites in the Material Services International business unit and the reorganization of the plastics and nonferrous metals operations.

To further strengthen its focus on core business, Services disposed of ThyssenKrupp Industrieservice at the beginning of October 2009. The company is one of Europe's biggest industrial service providers with over 9,000 employees and sales of around €330 million (fiscal year 2008/2009). The sale to facility management-service provider WISAG has been successfully completed.

Closing has also been completed on the disposal of the North American Safway group, a leading company in the area of scaffold services in the USA and Canada with sales of USD715 million in fiscal 2008/2009.

Reorganization of the Group: The third key measure to deal with the current crisis was the introduction of a new organizational structure in the Group effective October 1, 2009. The aims of the reorganization are to focus business operations more strongly and create leaner and more efficient structures that will enable us to operate faster and closer to the market and implement operational and strategic measures more directly.

The new organizational structure will reduce administrative costs sustainably by around 20%. The savings are made up in roughly equal parts of material and personnel costs.

The implementation of the new organizational structure, together with the sustainable measures under TK PLuS and the programs aimed at restructuring and adapting capacities and the portfolio, will result in significant and sustainable savings for the Group as a whole. The full amount of €1.5 to €2 billion will come into effect from the 2010/2011 fiscal year.

[Chart 22 ThyssenKrupp – New Group structure]

New Group structure

The new structure is represented by three core elements: The new strategic corporate headquarters, the eight operating business areas combined in two divisions – Materials and Technologies – reflecting ThyssenKrupp's competency areas, and ThyssenKrupp Business Services. The new corporate headquarters consolidates the Group's strategic and steering tasks and allows the business areas to concentrate on their operating business. The business areas have moved closer to the corporate center, as the former segment holding companies have been eliminated. ThyssenKrupp Business Services and ThyssenKrupp IT Services are the service units which from October 1, 2009 have been providing one-stop services for the entire Group, i.e. Group companies, business areas and corporate headquarters.

The Group's materials and technologies activities are focused in eight business areas. They integrate similar business models and geographically related business activities. The Materials division includes the business areas Steel Europe, Steel Americas, Stainless Global and Materials Services. The Technologies division is made up of the business areas Elevator Technology, Plant Technology, Components Technology and

Marine Systems. Group Executive Board member Edwin Eichler is responsible for the four business areas in the Materials division, and Dr. Olaf Berlien for the business areas within the Technologies division.

The Materials division coordinates the Group's worldwide materials activities:

- The **Steel Europe** business area brings together our premium flat carbon steel activities, from intelligent material solutions to finished parts. Our state-of-the-art production facilities and premium-quality products offer competitive advantages which will once again deliver strong earnings when the economy starts to pick up. By expanding our capabilities as a system partner to our customers and improving our cost position, we will strengthen our competitiveness. The companies in the Steel Europe business area have sales of some €10 billion and around 36,000 employees.
- The **Steel Americas** business area focuses on the production, processing and distribution of high-quality steel grades in North and South America. It comprises the companies ThyssenKrupp CSA Siderúrgica do Atlântico in Brazil and ThyssenKrupp Steel USA in the USA. After start-up of the plants currently under construction – the steel mill in Brazil with an annual capacity of five million metric ton of slabs and the steel production and processing plant in the USA with an annual capacity of five million tons of hot strip – Steel Americas will focus on supplying high-quality flat steel products to the automotive and domestic appliance industries in the NAFTA region.

The Steel Americas business area currently has around 1,700 employees and will start to generate sales after the ramp-up of the facilities in the current fiscal year.

CEO of both the Steel Europe and the Steel Americas business areas is currently ThyssenKrupp AG Executive Board member Edwin Eichler. We are delighted to have recruited a very experienced steel manager in Hans Fischer, who will take over responsibility for the Steel Americas business area effective February 1.

- As a leading global supplier of stainless steel, the **Stainless Global** business area specializes in flat stainless steel products and high-performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in Alabama, which is being built in close cooperation with Steel Americas. The business area is managed by Clemens Iller.

New product developments will help expand the areas of application for stainless steel in combination with other materials. The same applies to the business area's high-performance materials: Its nickel alloys and titanium materials are in ever increasing demand for parts and components which have to withstand extreme stresses and corrosion conditions. The systematic internationalization of our stainless business will allow the business area to profit immediately from a self-sustaining global economic upturn.

The companies in the Stainless Global business area employ more than 11,000 people and generated sales of €4.5 billion in fiscal 2008/2009.

- The **Materials Services** business area under the responsibility of Joachim Limberg is focused on industrial and raw materials services all around the world, and particularly in Europe and the NAFTA region.

With 500 branches in 40 countries, the business area is focused on materials distribution, logistics and services and the provision of technical services. In addition to rolled carbon and stainless steel, tubes and pipes, nonferrous metals and plastics, we also offer services from processing and logistics to warehouse and inventory management through to supply chain management. We offer technical and infrastructure services in the areas of railway and construction equipment, industrial plants and steel mills. We see further opportunities to expand our business in our extensive project management expertise, global connections and specific market knowledge.

At September 30, 2009 the Material Services business area had around 44,000 employees and sales of €12.8 billion.

The Technologies division represents ThyssenKrupp's technological capabilities.

- The **Elevator Technology** business area with its elevators, escalators, moving walks, passenger boarding bridges and stair lifts keeps the world in motion. High quality, technological competencies and services such as maintenance and modernization secure the business area's market position and provide new opportunities for growth. ThyssenKrupp AG Executive Board member Dr. Olaf Berlien is CEO of the Elevator Technology business area.

Innovative strength, service quality and closeness to customers make the Elevator Technology business area one of the leading names worldwide for passenger transportation systems. Over 800 locations in 67 countries provide a tight-knit service network. We will intensify our activities in growth markets such as China, India and the Gulf region to unlock new market potential.

In 2008/2009 the Elevator Technology business area with almost 43,000 employees generated sales of €5.3 billion.

- **Plant Technology** – managed by Dr. Niclas Müller – is a leading international supplier of chemical plants, refineries, cement plants and innovative solutions for the mining and handling of raw materials and minerals. The business area's plants and processes open up new possibilities for sustainable, cost-effective environmental and climate protection.

The Plant Technology business area's specialty is the mastery of complete physical and chemical process chains and our wealth of competence and experience in dealing with process-related tasks. For this reason we see good strategic opportunities for further growth on the international market and will further strengthen our technology portfolio through constant innovation.

The companies in the Plant Technology business area achieved sales of €4.5 billion in the past fiscal year and employ just over 13,000 people.

- **Components Technology** has a broad and successful product range of efficient and innovative components for the automotive, construction, engineering and wind energy sectors. Dr. Karsten Kroos is CEO of the business area.

With their products the companies in this business area hold leading positions on the global markets. For example, the growing use of eco-friendly wind energy will increase sales of our slewing bearings, which are used in wind turbines. And our weight-optimized auto components significantly reduce tailpipe CO₂ emissions.

On September 30, 2009 the companies in the Components Technology business area reported sales of around €4.6 billion and employed almost 28,000 people.

- The **Marine Systems** business area offers expertise, outstanding products and strong innovative capabilities in the area of naval and civil shipbuilding. It is managed by Dr. Hans-Christoph Atzpodien.

Opportunities for our shipyards lie on the one hand in new naval contracts for surface vessels and submarines. On the other hand, Abu Dhabi MAR as a strategic investor for our Hamburg site will open up new opportunities in the markets in the Middle East and North Africa.

In the past fiscal year the companies in the Marine Systems business area achieved sales of €1.6 billion and on September 30, 2009 had more than 7,500 employees.

[Chart 23 – Portfolio optimization]

Ladies and Gentlemen,

The reorganization will allow us to act with greater speed and flexibility on the global markets; it also makes internal decision-making processes shorter and more transparent. It is therefore a major step towards greater efficiency in the Group. Organizations are dynamic entities and must be developed continuously. How much ThyssenKrupp has changed in the past ten years is shown by the sales and employee movements since the merger.

[Chart 24 – Portfolio optimization, organizational development]

On September 30, 1999 the Group had around 185,000 employees. At the end of the fiscal year on September 30, 2009 the figure was more than 187,000. The net change is minor. However in that time two thirds of the Group's workforce has changed as a result of portfolio changes and operational measures. In addition, the proportion of employees outside Germany has increased from just over 40% to almost 60%. In the current fiscal year the number of employees will decrease significantly due to the planned portfolio measures already mentioned at Services and the shipyards. In addition roughly 5,000 jobs will be eliminated as a result of restructurings and the streamlining of administrative functions. Set against this will be additions of roughly 3,000 employees – for example at Steel Americas and Elevator. At the end of the current fiscal year ThyssenKrupp is therefore expected to have around 167,000 employees.

In the new structure we will also be looking to open up new markets for our products and develop new technologies to ensure we remain competitive in the future.

[Chart 25 – Expansion into new markets]

New markets

We must participate to an even greater extent than before in the growth of the emerging markets, particularly in India, China and Brazil. These regions offer major business potential for ThyssenKrupp. For this reason we will significantly expand our market presence in these countries. In China, for example, we will strengthen our Elevator Technology and Materials Services activities in the coming years. Our subsidiary Rothe Erde is currently expanding its slewing bearings business in India. Plant Technology is also strengthening its involvement in the Asian market. We are confident that our technological expertise, for example in materials, plant engineering and component manufacturing, will allow us to grow successfully precisely in these regions.

New technologies

Technology and innovation are of central importance to our Group. They make a key contribution to our competitiveness, both now and in the future. Based on the global trends, we have therefore identified key technology trends for ThyssenKrupp. We will focus more strongly on the promising technology fields of materials, energy, the environment, resources and mobility and on important enabling technologies such as

production and process engineering. In the future we will initiate and promote innovations in these fields on a coordinated, Groupwide basis.

Two successful innovations from the past year demonstrate that we already have outstanding competencies.

First: Our subsidiary Uhde commercialized the STAR Process®, a new and highly productive process for the manufacture of propylene, which is an important intermediate in the production of various polymers. With lower unit energy consumption than other processes on the market, the STAR Process® reduces both costs and CO₂ emissions. This new process won the 2009 ThyssenKrupp Innovation Award.

Second: Our people at Electrical Steel developed a new material that is ideal for use in hybrid and electric cars. Thanks to its special magnetic properties, this electrical steel improves the performance and efficiency of electric motors to meet demands for eco-friendly drive solutions in future vehicle generations.

These two innovations are impressive proof of the fact that economy and ecology are not mutually exclusive, but go together hand in hand at ThyssenKrupp.

[Chart 26 – Initiatives]

InCar

In addition, we have launched a technology offensive in the new fiscal year: InCar is a cross-Group research project in which engineers from the Steel Europe and Components Technology business areas have developed 35 innovations for automotive manufacturers. This extensive package of manufacturer-independent innovations brings together the entire automotive expertise of the ThyssenKrupp Group. The project offers new solutions for the body, chassis and powertrain areas. InCar's development priorities were agreed in close consultation with our customers.

InCar innovations allow CO₂ emissions to be reduced by more than 17 grams per kilometer. The ecological assessment of the InCar solutions prepared by the German institute PE International and certified by TÜV Nord covers the entire product lifecycle. The result: Taking the whole production and usage cycle into account, the “cleanest”

InCar solutions together can reduce emissions by around 5,500 kilograms of CO₂ per vehicle compared with the current state of the art – and at lower cost than products currently in use.

InCar is a powerful calling card for ThyssenKrupp. The project is an impressive testament to what we can achieve when we intelligently combine our technology competencies. At the same time, InCar makes a sustainable contribution to climate protection and to securing individual mobility. Numerous new materials, components and processes from ThyssenKrupp promote sustainable development and climate protection, save energy and thus protect the environment. That concludes what I have to say about the future potential of your Company.

ThyssenKrupp Best

Greater value for you, our stockholders, improved products and services for our customers and even more efficient structures and processes – those are the aims of the almost 1,300 new projects launched last fiscal year under the ThyssenKrupp best program. This Groupwide value-enhancement program has now been supporting the continuous improvement process for eight years. The reporting year saw the start of the 10,000th project. Knowledge sharing in the Group is a central success factor for ThyssenKrupp best.

Corporate responsibility

[Chart 27 ThyssenKrupp – Our responsibility, our contribution]

Ladies and Gentlemen,

We are convinced that the only way to secure the long-term success of our Company is through responsible management. ThyssenKrupp has a long tradition of corporate responsibility. In particular in times of crisis, we bear particular responsibility – for our stockholders' capital, for our employees, for our customers, and also for the environment and society.

At ThyssenKrupp, we believe responsibility is a task for everyone in the Group. That's why we attach great importance to good corporate governance. Corporate governance stands for responsible management and oversight focused on long-term value creation.

To guarantee this we follow the German Corporate Governance Code. We comply with all recommendations and suggestions of the Code and will continue to do so in the future.

Compliance

Another key management duty of the Executive Board is ensuring compliance in the Company, in the sense of measures to ensure adherence to statutory provisions and internal Company policies and observance of these measures by the Group companies. Our global compliance activities focus on antitrust law and combating corruption. The compliance program, which was most recently updated in fall 2009, contains far-reaching measures to ensure adherence to anticorruption and antitrust regulations and the Group policies based on them. To date, more than 6,500 employees worldwide have attended classroom training sessions. Our Groupwide interactive e-learning programs have been completed by approximately 28,000 (anticorruption) and 22,000 (antitrust) employees.

At the same time, we ensure that corporate responsibility is reflected in our day-to-day business activities. To this end, in fiscal 2008/2009 ThyssenKrupp was involved in the development of the code of conduct of the German Association of Materials Management, Purchasing and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik – BME). By signing this code of conduct, we have undertaken to adhere to the fundamental rules and principles of compliance, respect human rights, promote environmental and health protection, and provide fair working conditions.

Social responsibility

Ladies and Gentlemen,

Social responsibility has always been a key component of our corporate culture. For example, we have a long tradition of offering vocational training to young people. 170 full-time trainers and numerous training officers help give almost 1,400 apprentices a successful start to their careers. For many decades our subsidiaries have been training in excess of their own needs to ensure as many young people as possible have the opportunity to complete an apprenticeship. In view of the demographic changes this also helps secure the future of our Company. At 6% our already high apprenticeship training rate was increased further in the past fiscal year.

Even in difficult economic times, we continue in our attempts to generate greater interest in technology and science, especially among children and young people – for example through cooperation with the foundation “Partner für Schule NRW” and by supporting the “Jugend forscht” youth science competition, in which, incidentally, numerous ThyssenKrupp apprentices have been successful. In the last round, for example, two of our apprentices were honored as national winners. This year, the nationwide “Jugend forscht” competition will be staged in Essen in May. ThyssenKrupp will host and provide key funding for this competition.

Ladies and Gentlemen, the new ThyssenKrupp Quarter is also being built in Essen. A year ago I reported on the construction progress. In June of this year we will be moving to Essen, which we are very much looking forward to. In the meantime, the Quarter has received an award for sustainability in construction. The new building is an architectural highlight.

Climate protection

[Chart 28 Climate protection as collective challenge]

Ladies and Gentlemen,

Your Company attaches great importance to climate protection. ThyssenKrupp’s advanced materials, tailored components and innovative technologies offer our customers a wide variety of solutions for avoiding CO₂ emissions during production and above all use of their products. In our own production processes, CO₂ emissions per ton of crude steel have been halved over the past 50 years. Today, our steelmaking operations are close to the theoretical physical-chemical limit for CO₂ emissions.

Unlike electricity generation, carbon is not used merely as an energy source in steelmaking, but also as a reducing agent. It separates the elements iron and oxygen in a chemical process. That’s why carbon is essential to steel production and cannot be replaced by wind, tidal, solar or other types of power. But that’s not all: At ThyssenKrupp we also use the residual heat of the waste gases from the steelmaking process to generate our own electricity in a complex process. That means that when it comes to energy efficiency, our processes are among the best in the world. Nevertheless, we know that the steel industry is part of the problem, but we also know

that the contributions made by the steel industry towards solving this problem are greater than its share of the problem.

We have intensified our research and development efforts into finding completely new approaches. ThyssenKrupp Steel Europe is a founder member of the European ULCOS consortium (Ultra Low Carbon Steelmaking) which is researching and developing new steel production processes for the future. Initial successes are encouraging. But we have to be realistic: It will take well over 10 years before ULCOS technologies are ready for use on an industrial scale. And there are significant political hurdles to be overcome. For example, the success of ULCOS depends to a large extent on the capture and storage of the carbon dioxide separated out during the production process. But Germany has still not passed legislation on this carbon capture and storage process, which would also permit major reductions in CO₂ emissions from energy generation. A corresponding bill failed before the end of the last legislative period. Moreover, without government support – for example through the provision of a cost-free network of CO₂ pipelines – the carbon capture and storage process is much too expensive for energy-intensive industries.

Climate protection and the reduction of CO₂ emissions are a global task. No international agreement was reached in Copenhagen in December to succeed the Kyoto Protocol. Unfortunately Copenhagen showed us with frightening clarity that in countries like China, India and Brazil, but also the USA, there will be no ambitious climate targets, no obligations for corporations to reduce emissions, and no cost burdens for industry in the form of CO₂ taxation or an emissions trading system.

Against this background, the German government's reduction target of 40 percent by 2020 represents a serious threat to the competitiveness of German industry. A reduction target of 40 percent would make it impossible for the steel industry to compete on the international markets. Our non-European competitors would benefit from this – but the climate definitely wouldn't.

For German industry it is therefore vital to have an international climate protection agreement that creates a level playing field worldwide. We are against unilateral arrangements that do not give serious or adequate consideration to fundamental technological and industrial possibilities and requirements. All major emitters of CO₂

must be included and subject to comparable, binding reduction targets. The major emerging economies must also undertake to substantially restrict their emissions and include their industries. This is the only approach that will aid our climate.

A European climate protection policy will only be successful if it is in tune with European industry. Germany in particular needs a strong industrial base to secure long-term growth, employment and prosperity. We therefore demand that the government should not undermine the very basis of our economic livelihood.

Outlook

[Chart 29 ThyssenKrupp – Outlook 2009/2010]

Ladies and Gentlemen,

Our aim is to return the Group to its profitable growth course as quickly as the economic situation allows. For the medium-term we target sales of €50 – 60 billion. That corresponds to an earnings target before taxes of over €4 billion. We have shown in the past that sales and earnings of this magnitude are possible. With a view to the 2009/2010 fiscal year, ThyssenKrupp regards the currently emerging economic recovery as still fragile. We therefore anticipate that sales will stabilize in fiscal 2009/2010. Earnings are expected to improve significantly and return to profit, thanks in no small part to the cost-cutting programs we have introduced. We expect that six of our eight business areas will return positive earnings.

Adjusted earnings before interest and taxes will probably be in the high three-digit million euro range. Adjusted earnings before taxes are expected to be in the low three-digit million euro range. The project costs and startup losses, which will significantly impact earnings in the Steel Americas business area in the mid three-digit million euro range, will no longer be classified as nonrecurring items after the new facilities start operations.

For 2010/2011 ThyssenKrupp expects an improvement in the overall economic environment and further positive effects from the cost-reduction programs, with a corresponding effect on sales and earnings.

[Chart 30 – The path to sustainable value growth]

Ladies and Gentlemen,

In the past fiscal year ThyssenKrupp worked intensively to improve its liquidity:

We

- increased our operating cash flow to a record level,

- severely restricted our capital investment,
- successfully placed bonds in a significant amount,
- strengthened our liquidity and equity through the increase in Vale's interest in CSA and
- achieved further liquidity inflows through disposals in the current fiscal year.

In the current fiscal year we will work on returning the Group to sustainable profitability and systematically implement our restructuring and cost-reduction measures. From next fiscal year we aim to once again generate positive value added and a positive free cash flow.

[Chart 0 – Cover chart]

Ladies and Gentlemen,

I would like to expressly thank you for the faith you have continued to show in us even in the difficult economic situation of the past fiscal year. We will do everything we can to keep on justifying this faith in the future.

Thank you for your attention.