

Expanding our market position in the North American steel market: The strategic approach of ThyssenKrupp



No increase in offer for Dofasco

Press and analysts' presentation

January 24, 2005

No increase in purchase offer for Dofasco – ThyssenKrupp not prepared to go beyond point of profitability

- **ThyssenKrupp’s “right to match” expired at midnight EST on January 23, 2006**
- **ThyssenKrupp has decided not to increase its last offer dated January 14, 2006**
 - **This offer of C\$68 is at the limit of profitability**
 - **A further increase in the offer would not guarantee fulfillment of ThyssenKrupp’s value creation requirements**
 - **ThyssenKrupp is keeping its promise not to take part in a value-destroying bidding contest**
- **Existing offer by ThyssenKrupp to Dofasco shareholders expires January 26, 2006**
- **On expiration of the offer, if the transaction fails to come about, ThyssenKrupp will receive a break fee of C\$215 million**

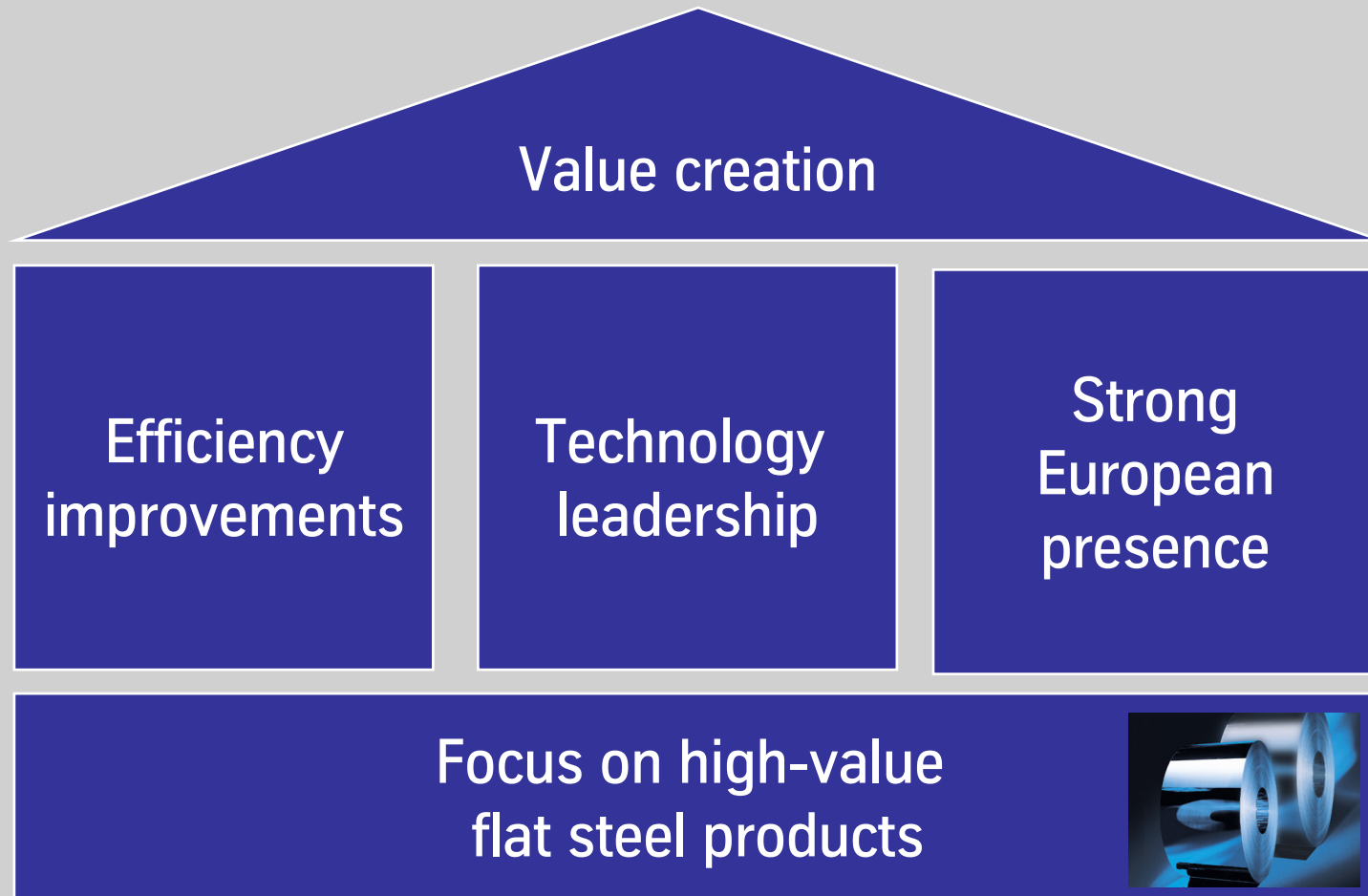


ThyssenKrupp sticking to global growth strategy for flat carbon steel

Strategy for growth in Europe and the NAFTA region

- Expand strong European market position
- Secure future growth opportunities by utilizing low-cost slabs from Brazil
- Strengthen presence in North America as a core market for high-value products

ThyssenKrupp's current market position: strong platform for global growth in the markets for flat carbon steel



Core element of steel strategy is to grow market position in NAFTA – market size and competition structure as an opportunity for ThyssenKrupp

Market attractiveness

- Large market for flat carbon steel
- Biggest auto market in the world
- Known key customers (e.g. auto, packaging) with high technological requirements
- Customer demand for global supply capability or local production

Competition structure

- High imports
- Import restrictions for rolled steel products
- Local steel industry needs restructuring

Target positioning of ThyssenKrupp Steel

- Local supply to key customers in target market NAFTA
- Focus on high-value flat steel products for uses in selected industries
- Starting material supplies from Brazilian slab mill with cost advantages over local production as a basis for favorable cost positions for end products

Planned slab plant in Brazil creates competitive advantages as a basis for expanding position in North America

Location

- Sepetiba, Brazil
- Link to ore logistics from Minas Gerais (CVRD South System ore mines)
- Rail connection and own dock

Plant configuration



Capacity: 4.4 million t/a

Startup

- Production of first slab mid-2008

Competitive advantages

- High-quality secure ore supply
- Location advantages
- Modern, efficient technologies and processes
- Optimal logistics connection

Outstanding cost position

Low-cost slabs as ideal basis for further processing in North America

(1) Investment by partner

Disclaimer

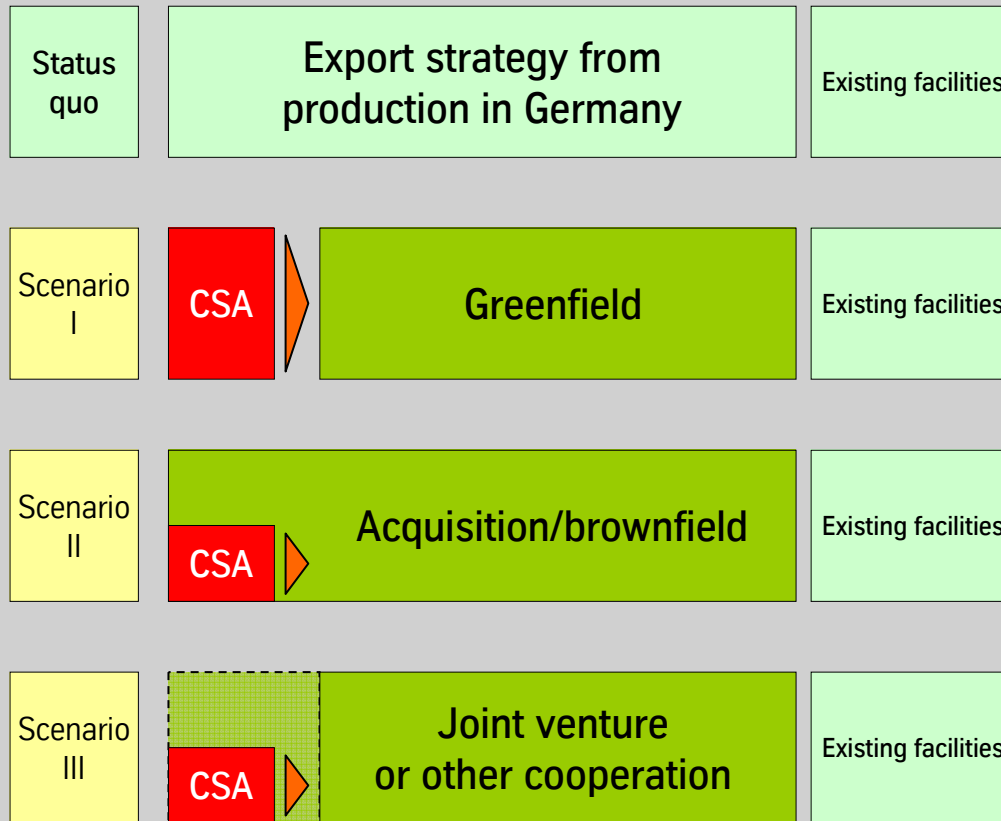
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Appendix



Downstream strategy for North America based on three scenarios

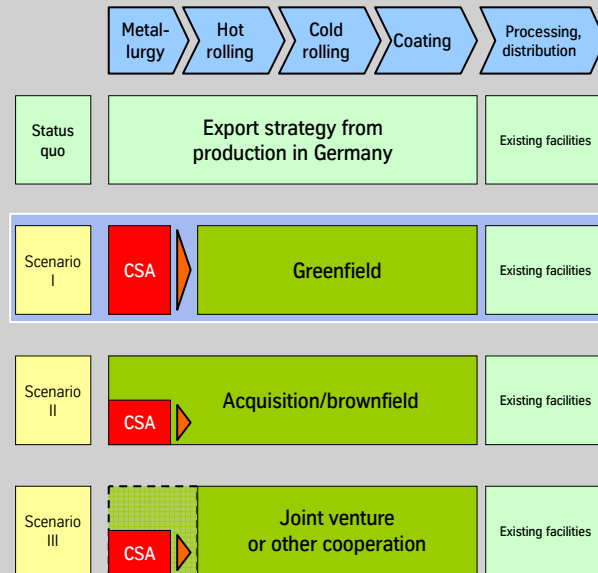


Target market segments

- Auto (top priority)
- Appliances
- Packaging
- Machinery

High-value flat steel products

After decision against Dofasco purchase, detailed examination of establishing own rolling and coating capacities in North America



Possible greenfield production structure

- Hot strip mill
- Further processing: cold rolling mill and coating lines
- Modularization and exploitation of optimal plant sizes
- Expansion options with capacities e.g. for high-value special products

Chronology of the offer process for the purchase of Dofasco

- 11/16/05**
 - Dofasco informs ThyssenKrupp of hostile takeover bid
- 11/21/05**
 - ThyssenKrupp mails offer letter incl. term sheet for a support agreement to Dofasco
- 11/23/05**
 - Arcelor announces hostile takeover bid for Dofasco at a price of C\$56 per share
 - ThyssenKrupp and Dofasco agree on possible offer price and break fee
 - ThyssenKrupp and advisors begin due diligence and negotiations on support agreement
- 11/28/05**
 - Dofasco and ThyssenKrupp sign support agreement (main content C\$61.50 per share, break fee C\$100 million, right to match, non-solicitation)
 - Dofasco and ThyssenKrupp announce friendly purchase offer of C\$61.50 by TK to Dofasco shareholders
- 12/23/05**
 - Arcelor announces increased offer of C\$63 per share
- 01/03/06**
 - ThyssenKrupp announces increased offer of C\$63 per share
 - Dofasco Board supports increased offer by ThyssenKrupp
- 01/14/06**
 - ThyssenKrupp and Dofasco announce increased offer of C\$68
 - Break fee is increased from C\$100 million to C\$215 million
- 01/16/06**
 - Arcelor announces increased offer of C\$71 per share
- 01/24/06**
 - ThyssenKrupp announces it will not submit an increased offer to purchase Dofasco's shares
- 01/26/06**
 - Deadline for accepting the ThyssenKrupp offer expires

