

Mechanical Engineering and Steel Conference
BHF-Bank, Frankfurt
September 14, 2005

Gundolf Moritz
Head of Investor Relations

ThyssenKrupp



Agenda

Gundolf Moritz

Head of Investor Relations

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- Group Overview
-
- Financials Q3 2004/05 and Outlook
-
- Strategy of the Group
-
- Appendix
-



ThyssenKrupp Group 2003/04

ThyssenKrupp AG

Group sales (consolidated): €37.7 billion • EBT (consolidated): €1,470 million • Employees: 176,207

Steel	Automotive	Elevator	Technologies	Services
<p>Sales: €13.2 bn EBT: €912 m Employees: 43,995</p> <ul style="list-style-type: none"> • Carbon Steel • Stainless Steel • Special Materials 	<p>Sales: €7.3 bn EBT: €258 m Employees: 43,206</p> <ul style="list-style-type: none"> • Body&Chassis (NA) • Body&Chassis (EU/AP/LA) • Powertrain (Global) 	<p>Sales: €3.6 bn EBT: €370 m Employees: 31,658</p> <ul style="list-style-type: none"> • 4 regional Business Units • Accessibility • Escalators/ Passenger Boarding Bridges 	<p>Sales: €4.1 bn EBT: €83 m Employees: 22,494</p> <ul style="list-style-type: none"> • Plant Technology • Marine Systems • Mechanical Engineering • Transrapid 	<p>Sales: €11.5 bn EBT: €255 m Employees: 33,840</p> <ul style="list-style-type: none"> • Materials Services Europe • Materials Services North America • Industrial Services • Special Products
Steel	Capital Goods			Services

Employees as at Sept 30, 2004; inter-segment sales unconsolidated



Steel – At a Glance

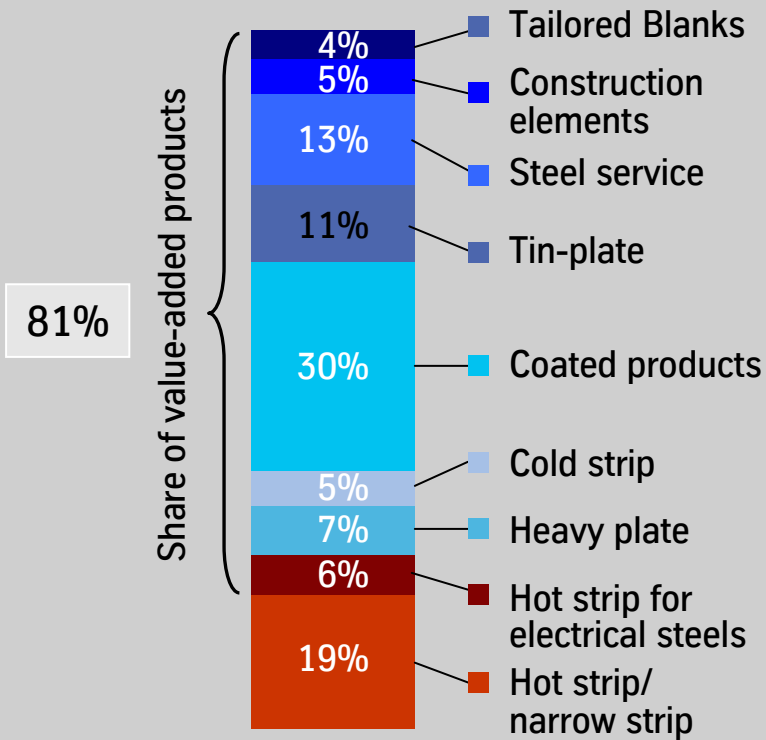
Steel



- European No. 2 in carbon steel flat products
- World market leader in stainless steel flat products, nickel-base alloys and tailored blanks
- Focus on flat products with high value added
- Site configuration unique in Europe: 17.3 mt/yr crude steel capacity in Duisburg
- Goal of achieving a position as profit leader in Europe through portfolio optimization, investment policy and performance enhancement
- Innovation leader in products and processes
- International presence further strengthened with production facilities in the world's growth markets; systematic development of global strategic alliances

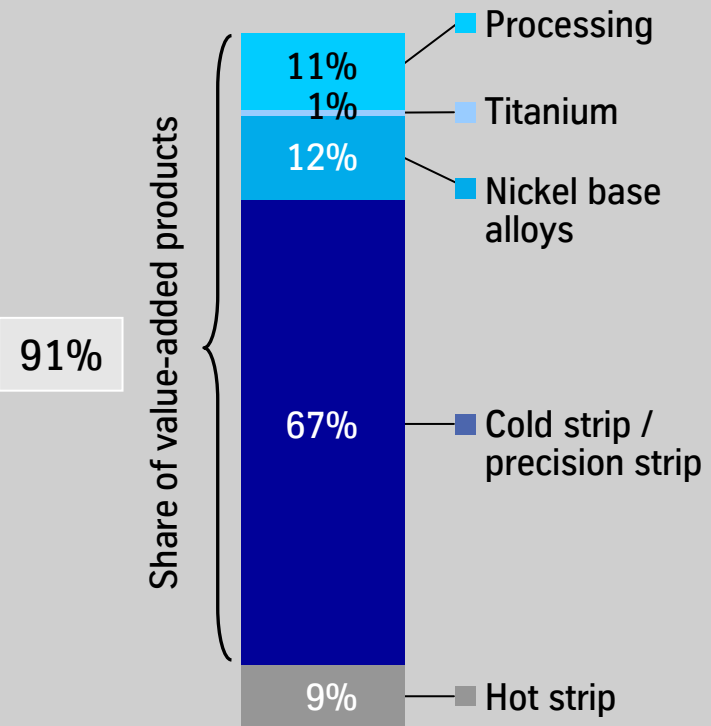
Focus on High Value-Added and Innovative Flat Products

Portfolio Carbon Steel



Sales structure FY 2003/04
(flat products only)

Portfolio Stainless Steel



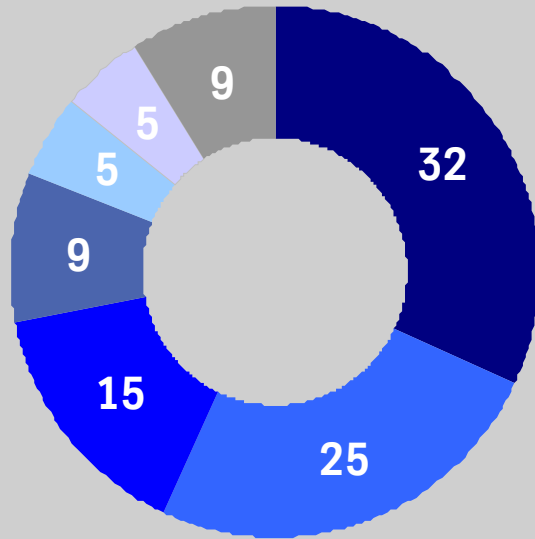
Sales structure FY 2003/04
(without material for re-rollers)



Customers with High Quality Requirements in Carbon Steel

Carbon Steel: Sales by Industry FY 2003/04

in %

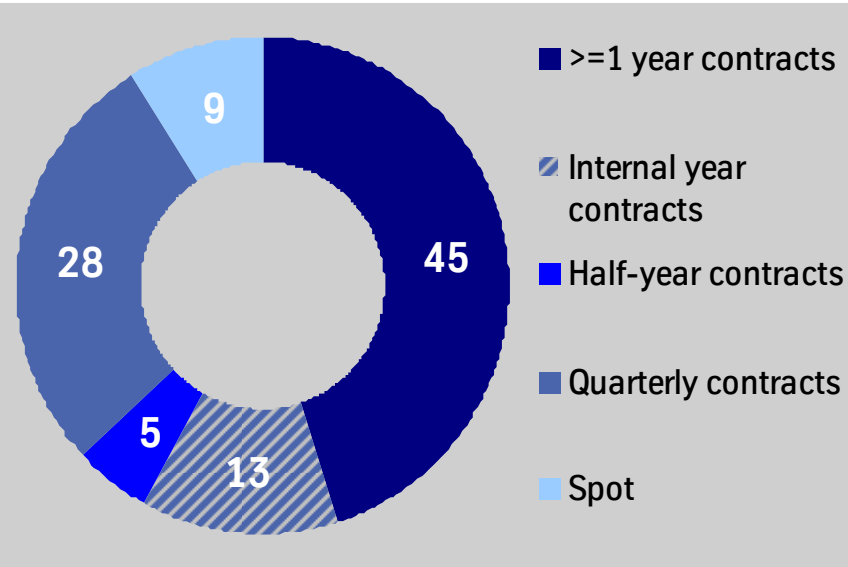


- Automotive industrie (incl. suppliers)
- Steel and steel-related-processing
- Trade
- Packaging
- Engineering & plant construction
- Construction
- Other

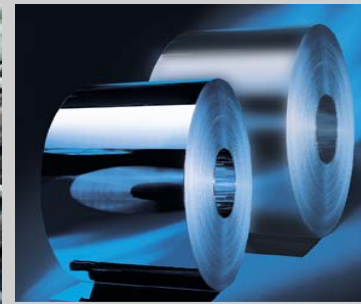
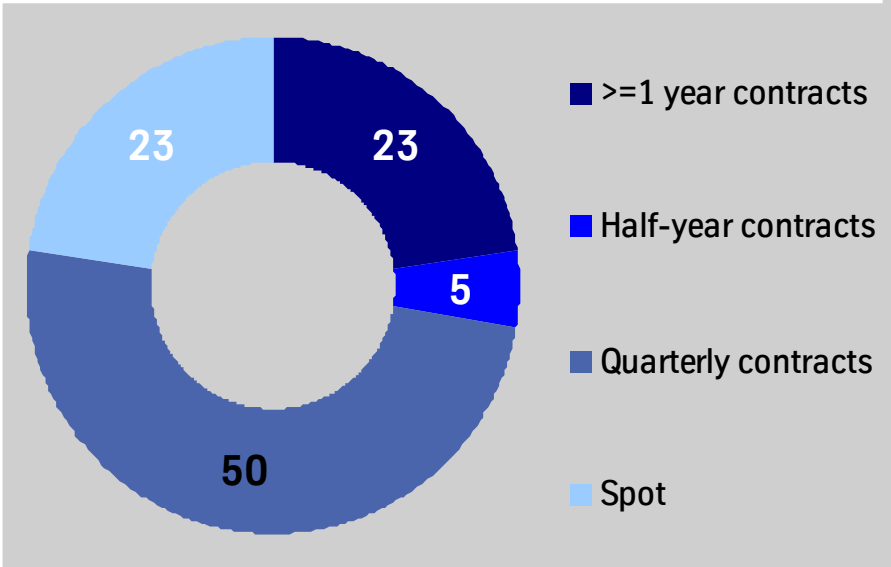


Long-term Relationships Reduces Downside Risk

Carbon Steel: Sales by maturity (FY 2003/04) in %



Stainless Steel: Sales by maturity (FY 2003/04) in %



Capital Goods – At a Glance (I)

Automotive



- 80% of sales from Top 3 positions
- Sales growth through organic growth and acquisitions
- Technology leadership in product and process technologies
- Materials capabilities: Processing of all key materials e.g. iron, steel, aluminum, magnesium, plastic
- Parallel expansion of component and system business capabilities
- Cross segment cooperation and joint product development

Capital Goods – At a Glance (II)

Elevator



- No. 3 on world market
- More than 800,000 service contracts worldwide
- Focus on customer and technology orientation with full range of products and services from single source
- Strong service network – benefiting from full maintenance products
- More than 50% of segment sales through services
- Increase market share globally and locally, especially in Asia and Eastern Europe
- Continuing growth through further acquisitions and even stronger focus on services

Capital Goods – At a Glance (III)

Technologies



- Portfolio with leading regional and global market positions
- High technological competencies throughout product portfolio
- Leading engineering companies in the fields of chemical and industrial complexes
- Leading position in surface naval shipbuilding, conventional diesel powered submarines and mega-yachts
- World's leading manufacturer of large-diameter bearings, e.g. for general engineering applications as well as solar and wind power plants

Services – At a Glance

Services



- Service provider across the customer's value chain – procurement, logistics and production-related services through to supply chain management
- Excellent market positions both in Materials Services and in Industrial Services
- Goal to increase share of high-end Services – residual business serves as a base and trigger
- Boost internal growth especially in high-margin regions, mainly Eastern Europe and North America
- Portfolio optimization almost completed and restructuring on track, e.g. disposal of Facilities Services, Construction Services and IT business (Triaton)

Q3 2004/05 – Overview

ThyssenKrupp remains on track

- **Order intake** increased to €10.6 billion, 7% higher yoy
- **Sales** were up 12% at €11.3 billion
- **EBT** stable at €529 million compared to €537 million in the prior-year period
- **EPS** reached €0.59, compared with €0.61 a year earlier
- **Net financial payables** at €1.6 billion (June 30, 2005) were €1.2 billion less than at Sept 30, 2004 and €2.6 billion less than at June 30, 2004



Q3 2004/05 - Highlights

- **Steel: Increase in EBT yoy and compared to Q2 2004/05**
 - Carbon Steel as main earnings contributor due to higher average revenues and supported by long-term contract business exposure
 - Stainless impacted by weaker demand, capacity expansion and lower base prices

 - **Technologies and Services strengthen earnings contribution to Group again**

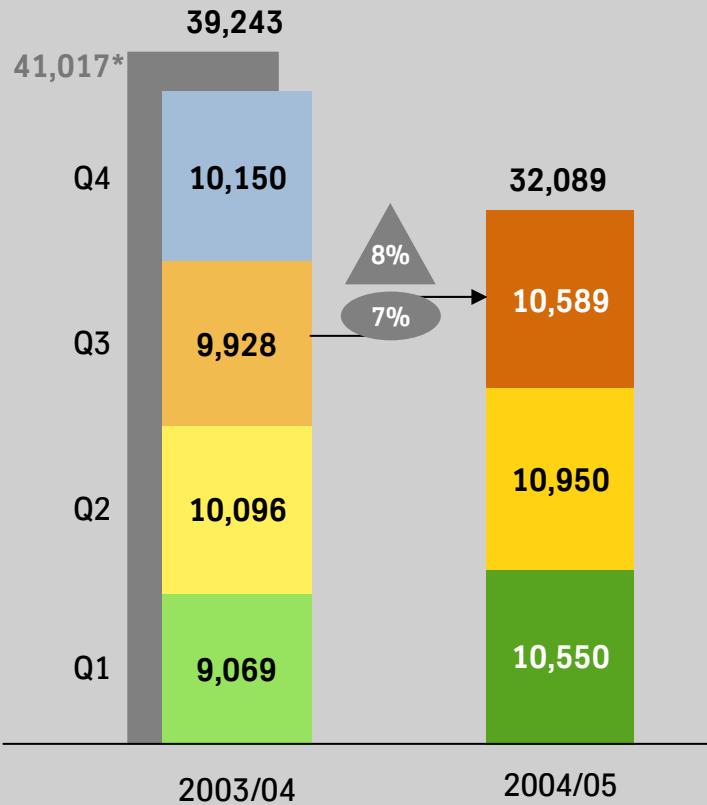
 - **Underlying performance in Automotive improving**
 - Impairment charge of €28 million booked for Detroit plant
 - Excluding restructuring efforts clear operating improvement at Automotive qoq

 - **Disposal program “33+” almost completed**
 - MetalCutting (Technologies): sold in August 2005
 - Truck springs (Automotive): sold in July 2005; remaining part to be combined with ThyssenKrupp Bilstein group to pool spring/shock absorber capabilities
-

Group in Figures (I)

Order intake

million €

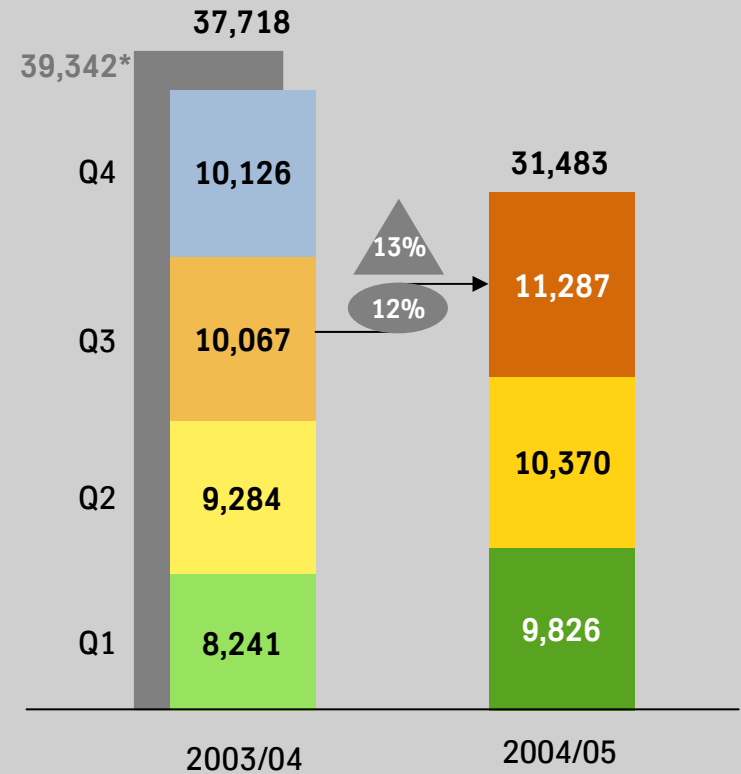


* as reported on Dec 1, 2004

▲ excluding €/ \$ exchange rate effects

Sales

million €



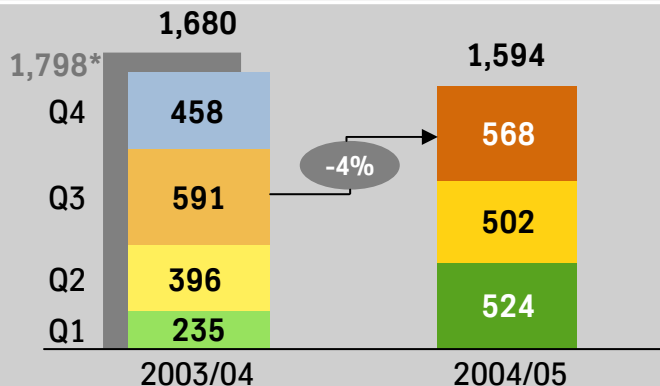
* as reported on Dec 1, 2004

▲ excluding €/ \$ exchange rate effects



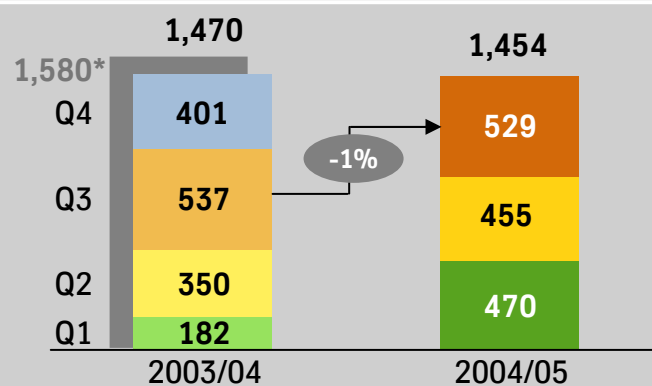
Group in Figures (II)

EBIT million €



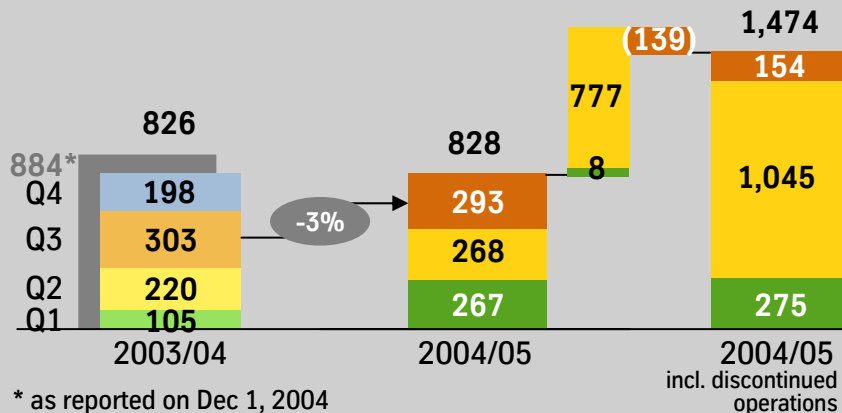
* as reported on Dec 1, 2004

EBT million €



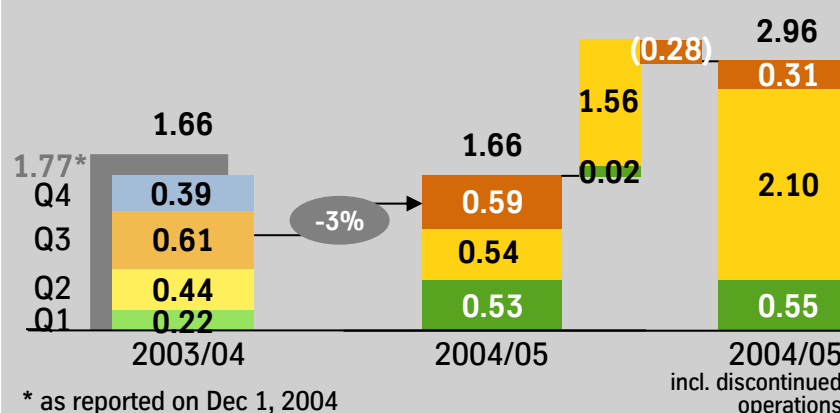
* as reported on Dec 1, 2004

Net income million €



* as reported on Dec 1, 2004

Earnings per share €



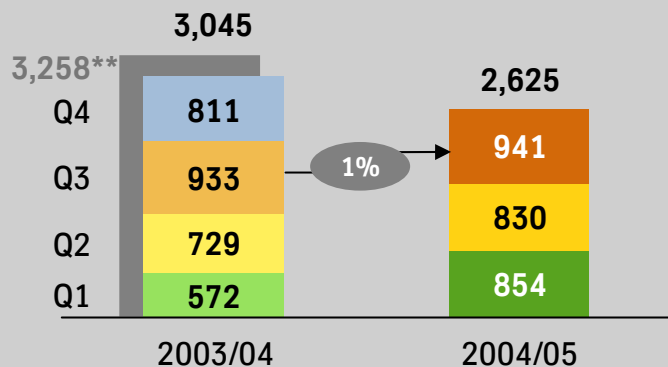
* as reported on Dec 1, 2004



Group in Figures (III)

EBITDA*

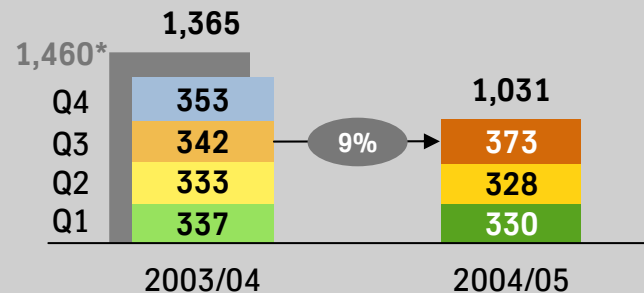
million €



* excl. interest on accrued pension liabilities ** as reported on Dec 1, 2004

Depreciation and amortization

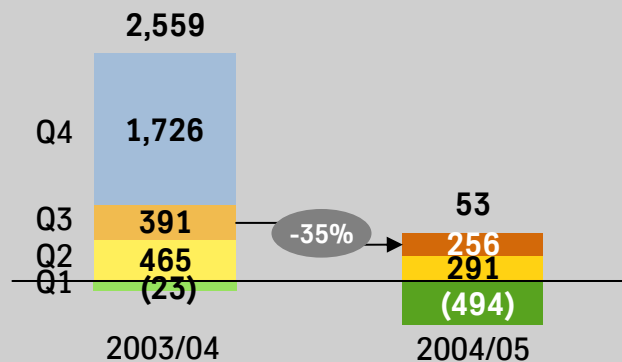
million €



* as reported on Dec 1, 2004

Net cash used in operating activities*

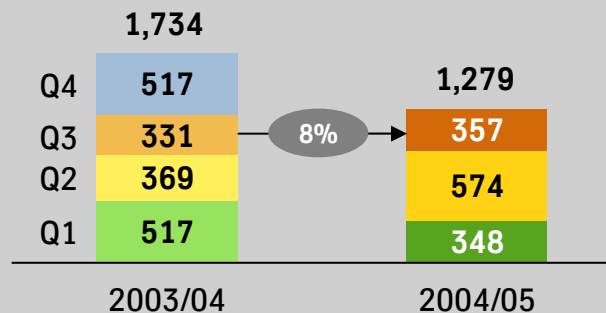
million €



* figures not adjusted in accordance with SFAS 144

Capital expenditures*

million €



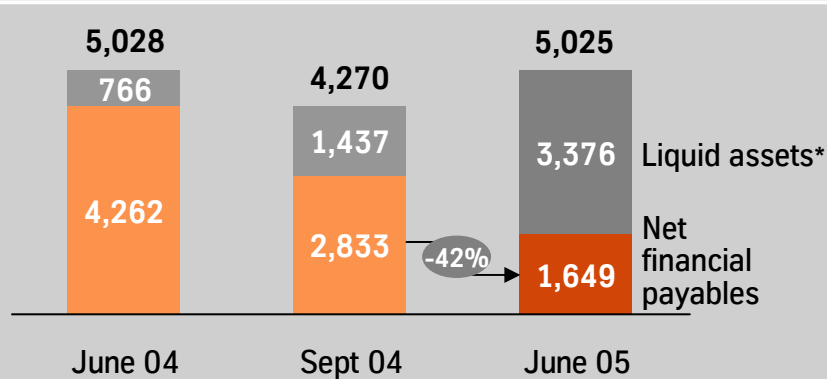
* incl. financial investments; figures not adjusted in accordance with SFAS 144



Group in Figures (IV)

Financial payables

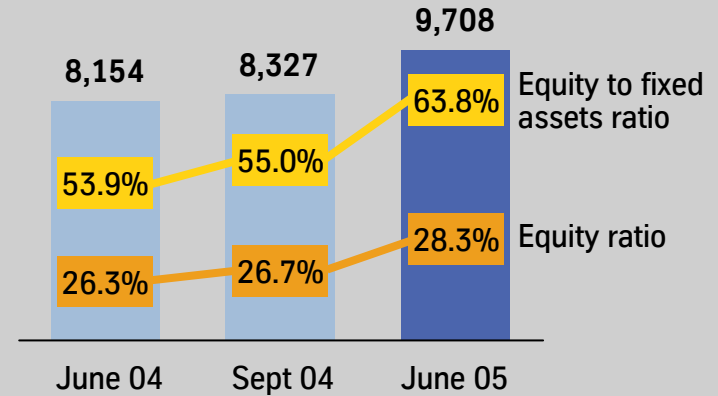
million €



* cash and cash equivalents, marketable securities

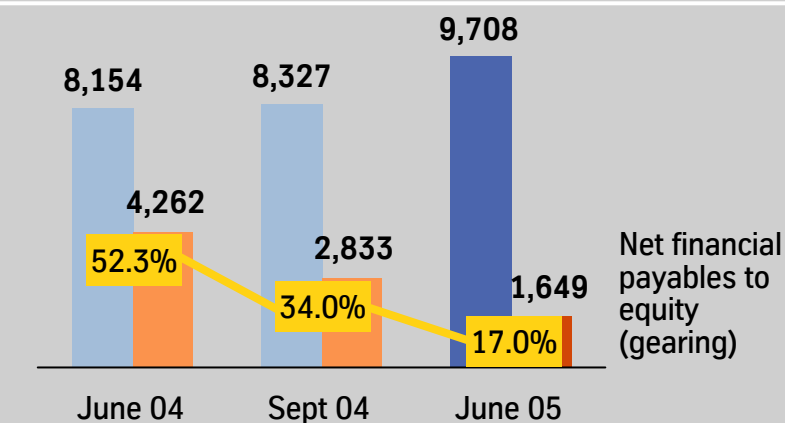
Stockholders' equity

million €



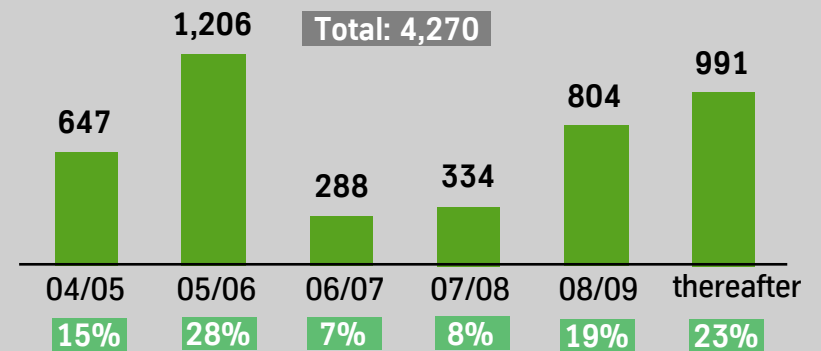
Gearing

million €



Maturity profile of gross financial payables*

million €



* as of Sept 2004



Portfolio Optimizations in 2004/05

Steel

CS Inox (IT)*	Acquisition
Eurinox (NL/TR)*	Acquisition
Dortmunder Eisenbahn (DE)	Disposal
MRT (IT)	Acquisition
EWK (DE)	Disposal

Automotive

QDF (GB)	Disposal
JV TK Gerlach/Sumitomo (CHN)**	Acquisition
Fahrzeugguss (DE)	Disposal
Truck springs (PT, RO)	Disposal

Elevator

Kare Elevators & Engineering (IN)	Acquisition
Ascensores Silves Hidrolex (ES)	Acquisition
Trapo Küng AG (CH)	Acquisition
Ceteco s.r.l. (IT)	Acquisition

Technologies

HDW (DE)	Acquisition
Elastomertechnik (DE)	Disposal
Stahlbau Hanover (DE)	Disposal
G&L Motion Control (US)	Disposal
JV REX (CHN)****	Acquisition
TK INSA (ES)***	Disposal
MetalCutting (DE, GB, US)***	Disposal
Turbine Components (DE, US)***	Disposal

Services

TMH/ThyssenKrupp Mannex (DE)	Winding down
MUT (CZ)	Acquisition
Automata (BR)	Acquisition
Lesser Group (DE)	Acquisition
Eckhardt Marine (DE)	Disposal

Real Estate

TK Wohnimmobilien (DE)	Disposal
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* minority interest ** 34% *** closing not yet completed **** 60%



Portfolio Optimization – Disposals since October 2002

	Number of Entities	Sales (annual)	EBT (annual)	Net Financial Debt*	Pension Obligations	Employees
Fiscal year 2002/03	12**	€919 m	€1 m	€242 m	€19 m	4,529
Fiscal year 2003/04	9	€1,458 m	€(8) m	€263 m	€160 m	8,125
1st quarter 2004/05	-	-	-	-	-	-
2nd quarter 2004/05	5	€1,390 m	€140 m	€230 m***	€137 m***	5,937
3rd quarter 2004/05	2	€528 m	€(16) m	€85 m***	€91 m***	3,291
Total	28	€4,295 m	€117 m	€820 m	€407 m	21,882
Subsequent Events	1	€63 m	€(5) m	€33 m***	€6 m***	514

* when company was disposed of ** incl. non-consolidated entities *** as on last reporting date when deal was announced



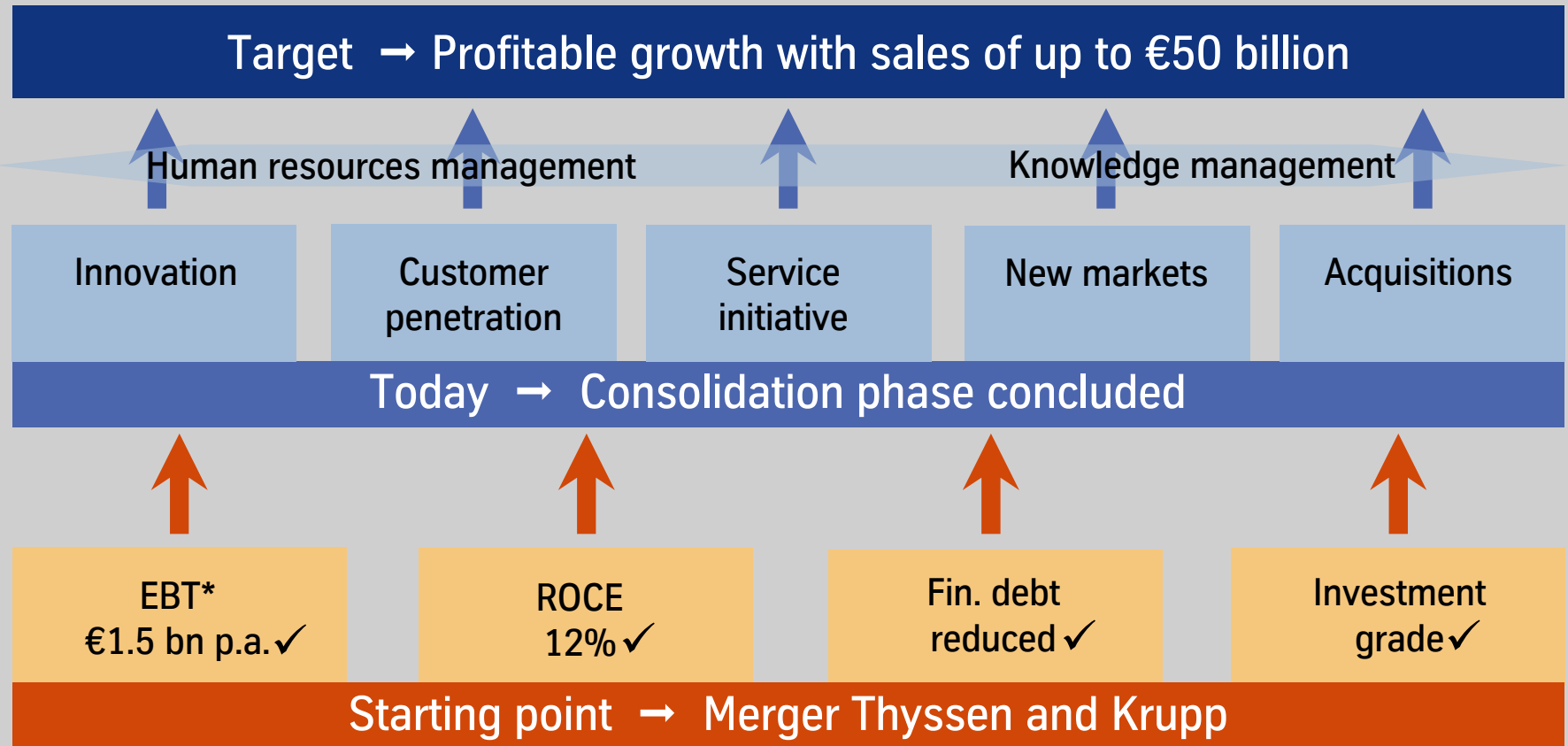
Outlook

- We expect the encouraging business performance to continue on the whole in the further course of the year. For the full year we plan sales of just over €41 billion.
- In terms of earnings before taxes, excluding the effects of major disposals, acquisitions and restructuring measures, we aim to achieve around €1,700 million, surpassing the very good level of 2003/04 (€1,470 million).

As published in the Interim Report on the 3rd quarter 2004/05, p. 3, August 12, 2005



ThyssenKrupp – Consolidation Concluded



* core business



Value Indicators by Segment

	Capital Employed*/** in million €	WACC in % 2002/03 and 2003/04	Target ROCE in %	ROCE** in %		EVA** in million €		Change
				2002/03	2003/04	2002/03	2003/04	
Group	18,870	9.0	12.0	7.2	12.0 ✓	(352)	572 ✓	924
thereof								
Steel	8,633	10.0	12.0	7.1	12.5	(255)	212	467
Automotive	3,043	9.5	17.0	9.6	13.1	3	108	105
Elevator	1,709	9.0	18.0	23.6	23.7	241	250	9
Technologies	687	10.0	15.0	4.2	13.0	(68)	21	89
Services	2,769	9.0	14.0	3.8	13.3	(166)	120	286

* average 2003/04
** incl. discontinued operations

■ above target ROCE
 ■ above WACC, below target ROCE
 ■ below WACC

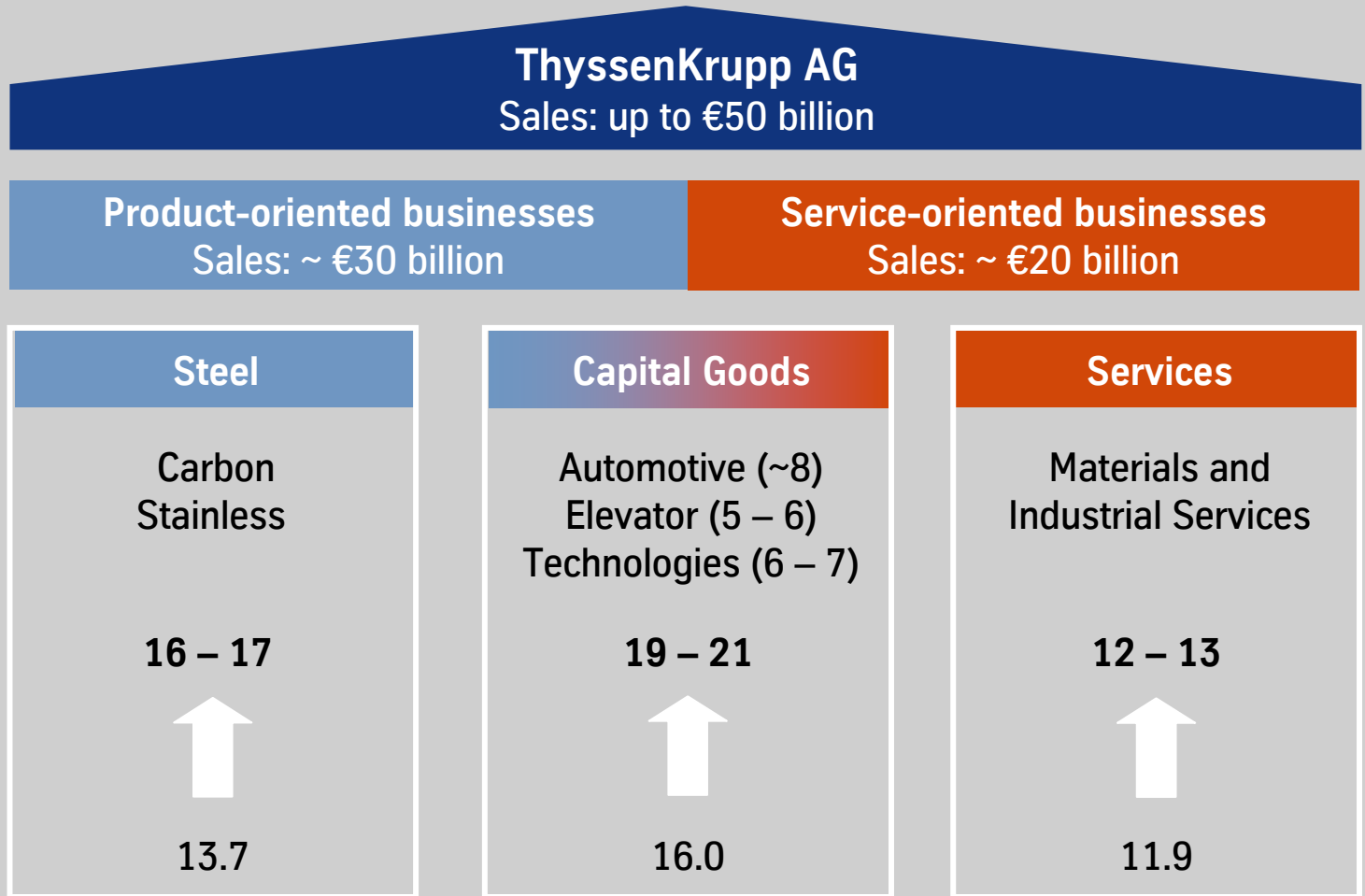


Overview of Segment Business Strategies

<p>Carbon</p>	<ul style="list-style-type: none"> • Secure and strengthen market position in Europe • Slab production site in Brazil • Expand in China, address US market
<p>Stainless</p>	<ul style="list-style-type: none"> • Growth through downstream strategy • Secure world market leadership
<p>Automotive</p>	<ul style="list-style-type: none"> • Focus on innovative components and systems/solutions based on them • Growth in Asia, in particular China
<p>Elevator</p>	<ul style="list-style-type: none"> • Organic growth and operational acquisitions • Strive to achieve no. 2 ranking on world market
<p>Technologies</p>	<ul style="list-style-type: none"> • Focus on three high-performance BUs Plant Technology, Marine Systems and Mechanical Engineering
<p>Services</p>	<ul style="list-style-type: none"> • Growth through integrated services (material and industrial services) across customer value chains • Regional growth focused on Eastern Europe and North America



Objective: Group With Sales up to €50 Billion



* as reported on Dec 1, 2004



Conclusion

- **ThyssenKrupp:**
Focused industrial group based on 3 pillars,
combining value and growth components

- **Strategic direction:**
From consolidation to controlled profitable growth

- **Strategic drivers:**
Innovation, service initiative, human resources development



Financial Calendar 2005/2006

- October 26, 2005 to November 30, 2005 Quiet Period
- December 1, 2005 Annual Press Conference
Analysts' and Investors' Meeting (Essen, Germany)
- January 27, 2006 Annual General Meeting (Bochum, Germany)
- January 30, 2006 Payment of dividend for fiscal year 2004/05
- January 24, 2006 to February 10, 2006 Quiet Period
- February 1, 2006 Virtual Classroom Meeting on IFRS changeover
- February 13, 2006 Interim Report 1st quarter 2005/06 (October to December)
Conference Call with analysts and investors



Financial Calendar 2006

-
- April 25, 2006
to May 11, 2006 Quiet Period

 - May 12, 2006 Interim Report 2nd quarter 2005/06 (January to March)

 - May 15, 2006 Analysts' and Investors' Meeting (London, UK)

 - July 25, 2006
to August 10, 2006 Quiet Period

 - August 11, 2006 Interim Report 3rd quarter 2005/06 (April to June)
Conference Call with analysts and investors
-



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Head of Investor Relations

ThyssenKrupp



Appendix



Group Overview by Quarter (I)

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Order intake	€m	9,928	10,589	661	6.7
Sales	€m	10,067	11,287	1,220	12.1
EBITDA	€m	933	941	8	0.9
EBIT	€m	591	568	-23	-3.9
EBT	€m	537	529	-8	-1.5
Net income	€m	303	293	-10	-3.3
EPS	€	0.61	0.59	-0.02	-3.3
Net income incl. discontinued operations	€m	323	154	-169	-52.3
EPS incl. discontinued operations	€	0.65	0.31	-0.34	-52.3



Group Overview by Quarter (II)

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Capex	€m	331	357	26	7.9
Deprec./amort.	€m	342	373	31	9.1
Net cash used in operating activities	€m	391	256	-135	-34.5
Free cash flow	€m	62	81	19	30.6
Employees	(June 30)	174,216	183,082	8,866	5.1



Segment Overview – Steel (I)

Steel

Carbon Steel

Market characterized by inventory cycle-driven weak demand and imports from 3rd countries

- Despite lower **order volumes** increase in **sales** due to higher average prices under long-term contracts and price increases as per April 1, 2005 for part of the quarterly contracts
- Volume cutback mainly for coated products to stabilize market conditions
- **Earnings** growth mainly attributable to higher average revenues and continued implementation of measures to enhance efficiency

million €	3rd quarter		Change	Change in %
	2003/04	2004/05		
Order intake	3,380	3,698	318	9.4
• Carbon Steel	2,225	2,159	-66	-3.0
• Stainless Steel	1,237	1,494	257	20.8
Sales	3,562	4,001	439	12.3
• Carbon Steel	2,340	2,443	103	4.4
• Stainless Steel	1,322	1,566	244	18.5
EBITDA	542	589	47	8.7
• Carbon Steel	344	450	106	30.8
• Stainless Steel	216	122	-94	-43.5
EBIT	370	416	46	12.4
• Carbon Steel	212	315	103	48.6
• Stainless Steel	179	88	-91	-50.8
EBT	347	401	54	15.6
• Carbon Steel	196	305	109	55.6
• Stainless Steel	165	75	-90	-54.5



Segment Overview – Steel (II)

Steel

Stainless Steel

Market characterized by weaker demand - especially in Western Europe -, increase in capacity and high inventory levels as well as declining base prices

- **Order volumes** and shipments down reflecting subdued demand, especially for cold-rolled strip
- Increase in **sales** mainly resulting from higher alloy surcharges following raw material price rises
- Decline in **profits** mainly driven by lower base prices and fall in demand; nickel base alloys still encouraging

Special Materials

- Grain-oriented electrical steel: Increase in **sales** and **EBT**
- With sale of EWK earlier this year the Special Materials business unit is redundant (termination of separate reporting on this business unit after end of fiscal 2004/05)

	3rd quarter		Change	Change in %
	2003/04	2004/05		
Crude steel output* (1,000 tons)	4,288	4,216	- 72	- 1.7
• Carbon Steel	3,559	3,499	- 60	- 1.7
• Stainless Steel	729	717	- 12	- 1.6
Shipments (1,000 tons)				
• Carbon Steel total	3,290	2,931	- 359	- 10.9
• Carbon Steel CRC**	1,950	1,703	- 247	- 12.7
• Carbon Steel HRC***	1,155	1,047	- 108	- 9.4
• Stainless total	629	615	- 14	- 2.2
• Stainless cold-rolled	462	412	- 50	- 10.8
Employees (June 30)	43,873	43,498	-375	-0.9
• Carbon Steel	30,457	30,076	-381	-1.3
• Stainless Steel	11,739	12,236	497	4.2

* excl. EWK ** incl. NGO-Electrical Steel *** excl. hot-strip for NGO-Electrical Steel



Segment Overview – Capital Goods (I)

Automotive

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Order intake	€m	1,919	2,115	196	10.2
Sales	€m	1,917	2,047	130	6.8
EBITDA	€m	166	125	-41	-24.7
EBIT	€m	90	32	-58	-64.4
EBT	€m	81	20	-61	-75.3
Employees	(June 30)	42,925	43,302	377	0.9

- **Sales** increase in all business units, especially in Body&Chassis (EU/AP/LA) and Powertrain (Global) (strong demand for passenger car and truck crankshafts); Body&Chassis (NA) reported slight improvement at its foundries; excluding €/US\$ exchange rate effects, sales would have been 8.9% higher
- Decrease in **EBT** mainly due to impairment charge (€28 million) and continuing low productivity at Body&Chassis (NA); Body&Chassis (EU/AP/LA) negatively impacted by Rover insolvency; Powertrain again main earnings contributor
- Sale of truck springs business completed, integration of remaining passenger car springs into ThyssenKrupp Bilstein group



Segment Overview – Capital Goods (II)

Elevator

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Order intake	€m	1,004	1,031	27	2.7
Sales	€m	887	942	55	6.2
EBITDA	€m	112	93	-19	-17.0
EBIT	€m	100	80	-20	-20.0
EBT	€m	94	77	-17	-18.1
Employees	(June 30)	31,068	33,699	2,631	8.5

- Rise in **orders** and **sales** especially in Americas (recovery in new installations) and Asia/Pacific business unit (particularly China); excluding €/US\$ exchange rate effects, order intake and sales would have been 4.2% and 7.9% higher respectively
- **EBT** impacted by recognition of derivatives (especially Escalators/Passenger Boarding Bridges business unit), negative €/US\$ exchange rate effects, increasing competition with pressure on prices and margins and higher prices for starting materials; increase in profits in the Americas and Accessibility business unit due to operating improvements

Segment Overview – Capital Goods (III)

Technologies

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Order intake	€m	930	1,052	122	13.1
Sales	€m	1,033	1,578	545	52.8
EBITDA	€m	33	71	38	+
EBIT	€m	7	28	21	+
EBT	€m	15	45	30	+
Employees	(June 30)	22,036	28,056	6,020	27.3

- Increase in **sales** in all major business units, especially in Plant Technology and Marine Systems (inclusion of HDW); higher **order intake** at Plant Technology (especially for material handling equipment) and Mechanical Engineering; strong **order backlog** at Marine Systems
- Significant rise in **EBT** with Mechanical Engineering again as main earnings contributor; positive earnings contribution of HDW
- After sale of MetalCutting segment is clearly focused on Plant Technology, Marine Systems and Mechanical Engineering with commitment to cash generation and value contribution



Segment Overview - Services

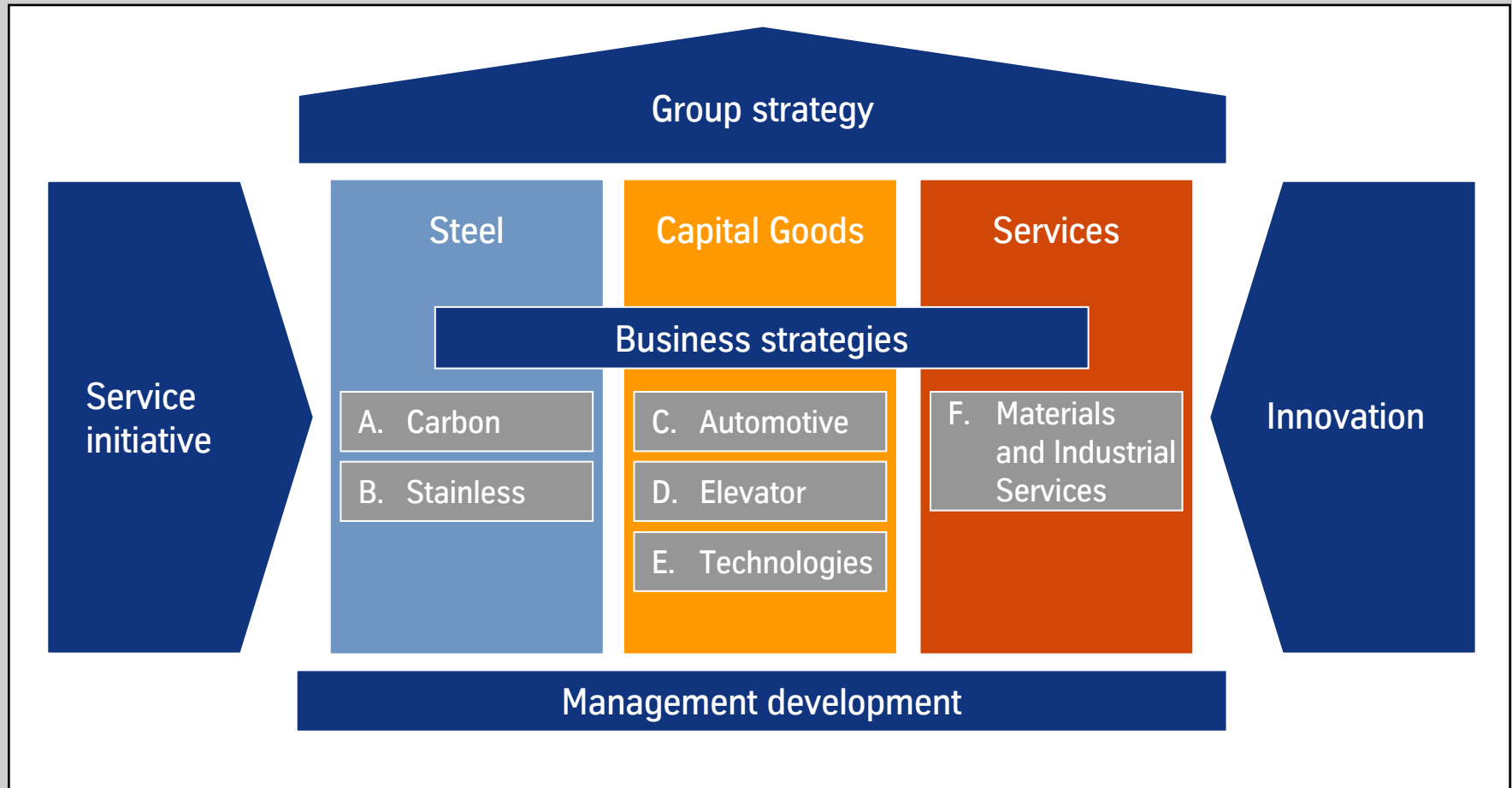
Services

		3rd quarter			
		2003/04	2004/05	Change	Change in %
Order intake	€m	3,186	3,161	-25	-0.8
Sales	€m	3,203	3,337	134	4.2
EBITDA	€m	139	140	1	0.7
EBIT	€m	109	110	1	0.9
EBT	€m	100	98	-2	-2.0
Employees	(June 30)	33,268	33,572	304	0.9

- Rise in **sales** due to higher pricing levels at Materials Services EU and Materials Services NA; Industrial Services with clear sales increase due to expansion of business
- **EBT** at Materials Services in general lower due to declining material markets and lower prices; Materials Services EU again with biggest earnings contribution; profit at Industrial Services trebled on the back of favorable foreign business and performance enhancement programs
- Major restructurings in the past two years pay off as loss making units were divested and business portfolio with less volatile earnings contribution was strengthened



Strategic Development of the Group



Strategic Areas of Emphasis

Spread to WACC	negative	n/a	positive
	Capital employed ▼	ROCE ▲	Capital employed ▲
Steel			
Automotive			
Elevator			
Technologies			
Services			
Strategic actions	<ul style="list-style-type: none"> ○ Focusing ○ Disposals 	<ul style="list-style-type: none"> ○ Efficiency enhancement ○ Restructuring 	<ul style="list-style-type: none"> ○ Organic growth ○ Acquisitions



Disclaimer

In this presentation all figures related to the income statement refer to continuing operations unless otherwise stated. Moreover these figures are adjusted due to the change in the method of valuing similar inventories from Last-in, First-out method (LiFo) to average cost method.

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. ThyssenKrupp does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

