

5TH Basic Materials Seminar

Exane BNP Paribas

London - March 16, 2010

Dr. Alan Hippe, CFO

Developing the future.



ThyssenKrupp

Managing Supply to Optimise Operating Leverage

- Group Overview
- Leveraging Growth
- Leveraging Structural Performance
- Perspective



ThyssenKrupp Group – Higher Transparency

ThyssenKrupp

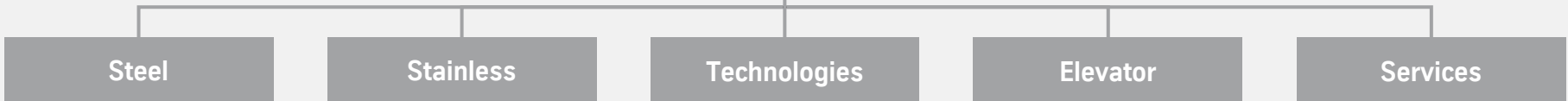
Sales: €40.6 bn

effective since
October 1st, 2009



Reorganization

ThyssenKrupp



(Sales FY 2008/09; inter-BA sales not consolidated)

Efficiency, Projects, Portfolio: Growth & Structural Performance

Efficiency

Targeted sustainable
cost savings:
€1.5 - €2 bn
by FY 2010/11

Projects

Ramp-up of Americas projects

- CSA
- Steel USA
- Stainless USA

Portfolio

- Exit industrial services
- Exit civil shipbuilding
- Further divestments as soon as M&A market recovers

- Reducing complexity and risk
- Restoring the basis for future value creation

Growth



Structural
Performance



Managing Supply to Optimise Operating Leverage

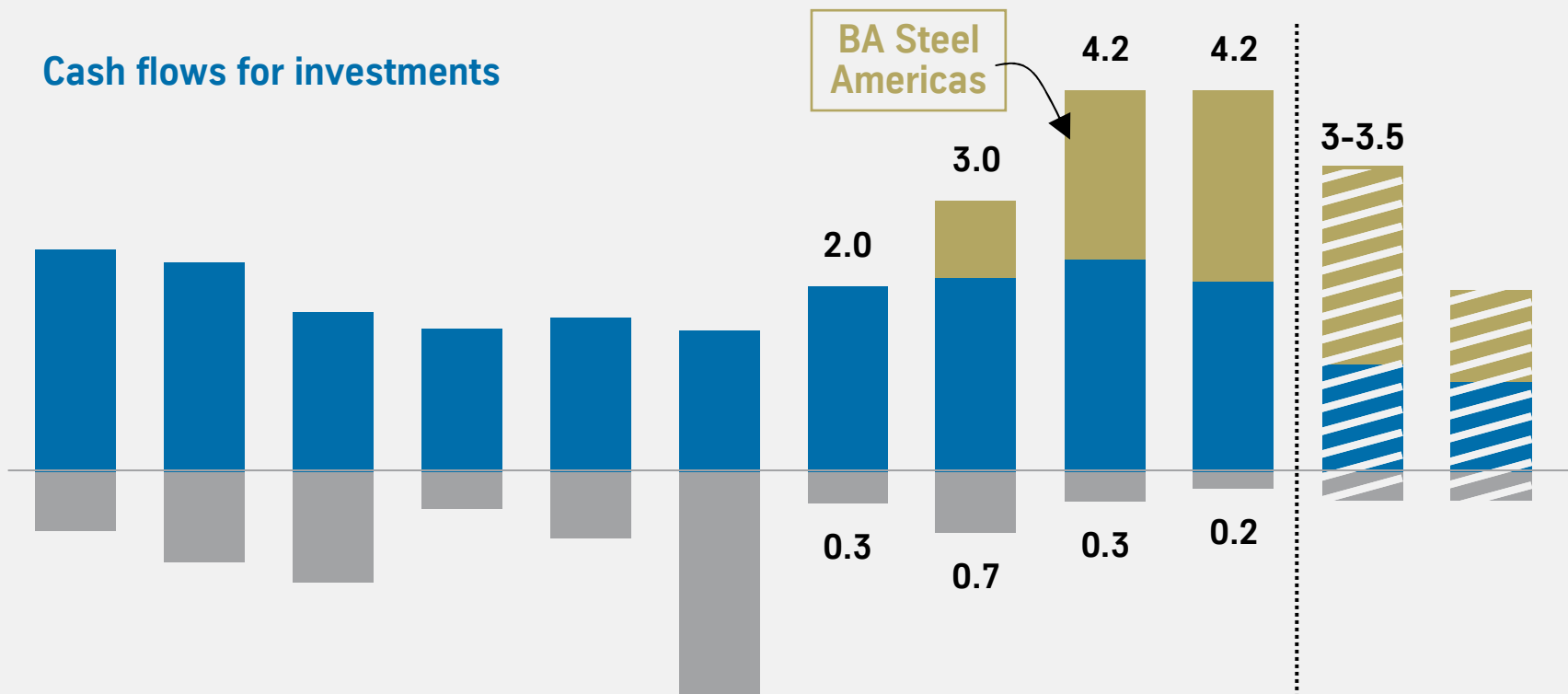
- Group Overview
- Leveraging Growth
- Leveraging Structural Performance
- Perspective



Major Capex Program Launched in FY 2005/06

billion €

Cash flows for investments



Cash flows from disposals

1999/00 2000/01 2001/02 2002/03 2003/04 2004/05 2005/06 2006/07 2007/08 2008/09 2009/10E 2010/11E



Steel Americas

ThyssenKrupp CSA

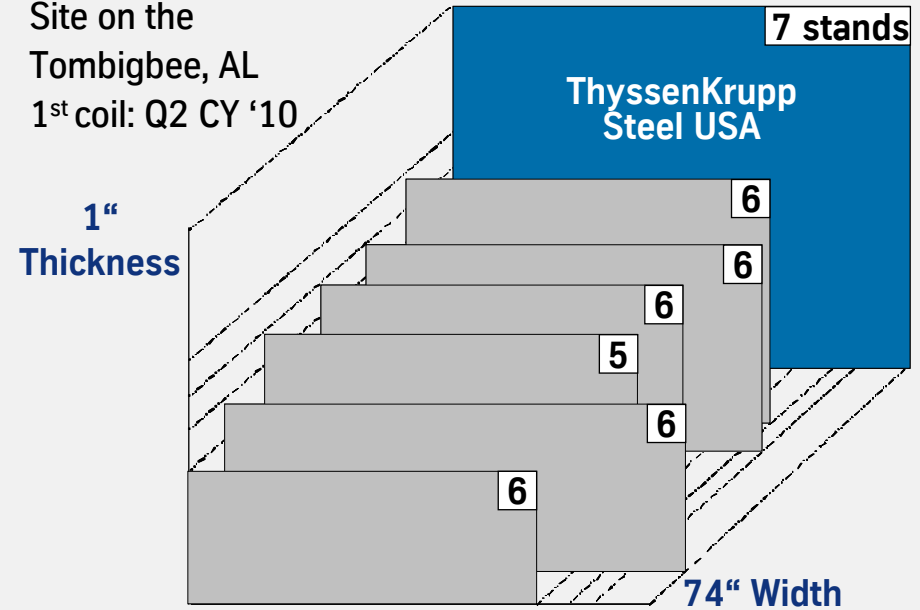
Sepetiba Bay, Santa Cruz, Rio de Janeiro, Brazil
1st slab: mid CY 2010



- Coking plant: 1.9 m t/yr of coke
- Sinter plant: 5.7 m t/yr of sinter
- 2 blast furnaces: 5.3 m t/yr of hot metal
- Steel shop: >5 m t/yr of slabs
- Power plant: 490 MW
- Capex budget: €5.2 bn
- Total cash-out: €5.9 bn

ThyssenKrupp Steel USA

Site on the
Tombigbee, AL
1st coil: Q2 CY '10

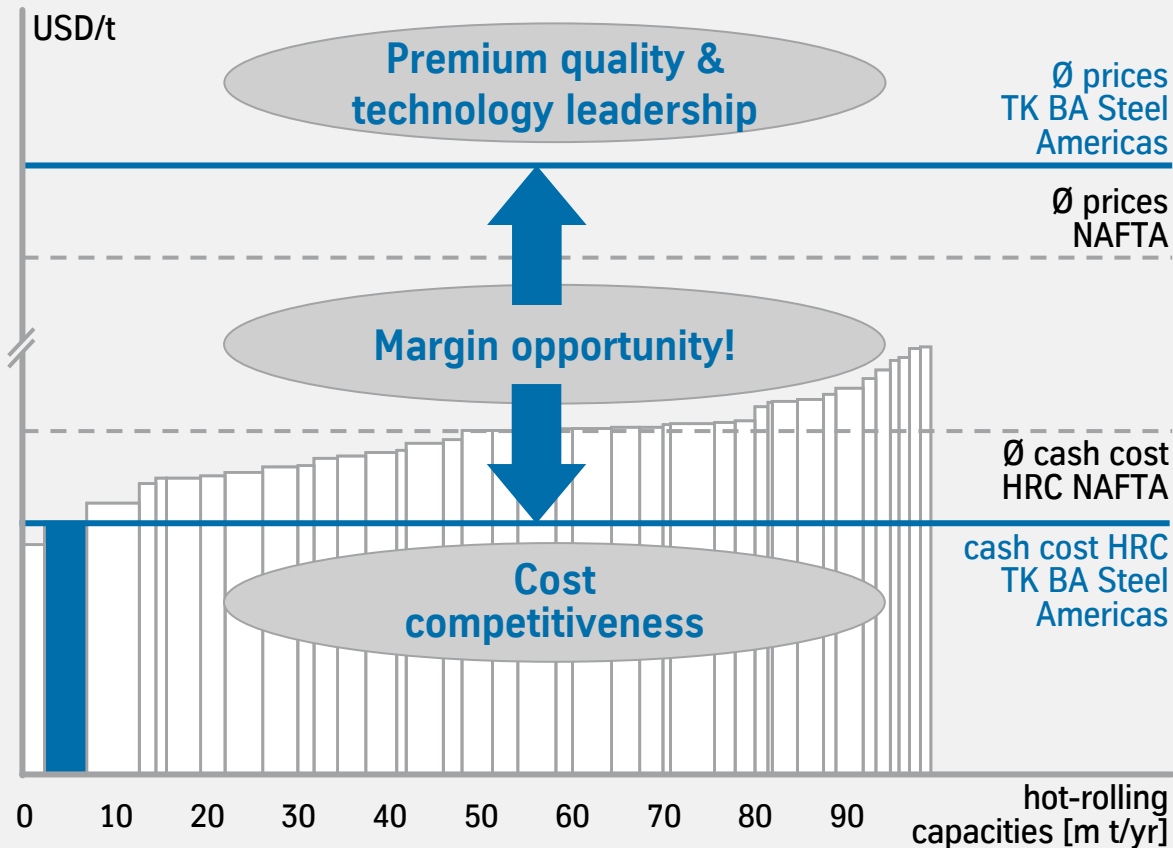


- Hot strip mill: >5 m t/yr
 - up to 74" width / 1" thickness
 - 7 stands
- Tandem/cold strip line: 2.5 m t/yr
- 4 galvanizing lines: 1.8 m t/yr
- Capex budget: \$3.6 bn
- Total cash-out: \$3.8 bn

Transatlantic Strategy Based on Optimum Cost-Quality Position

Industrial Cost Curve 2012 Hot-Rolling Capacities, NAFTA

USD/t; m t/yr



- ThyssenKrupp Business Area Steel Americas with
 - strong cost and
 - quality position

- Even based on conservative assumptions:
 - slow market recovery and ramp-up
 - current raw material and steel prices

- Significant margin and value opportunity for the Group

Managing Supply to Optimise Operating Leverage

- Group Overview
- Leveraging Growth
- Leveraging Structural Performance
- Perspective



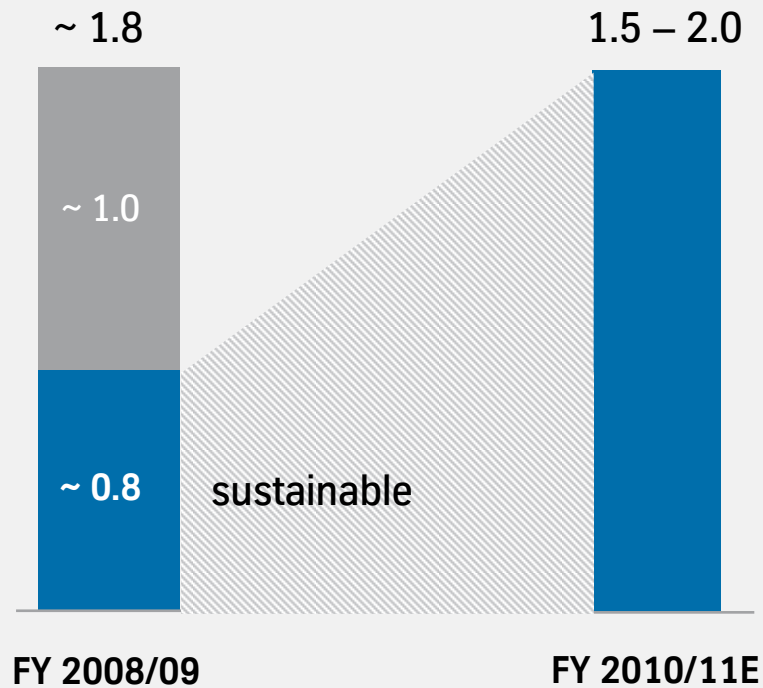
Efficiency Improvement – Targeted Sustainable Cost Savings

Realized management gains

billion €

Sustainable targeted
cost savings

billion €



- Based on existing restructuring measures/ initiatives
- Excluding effects from portfolio optimization

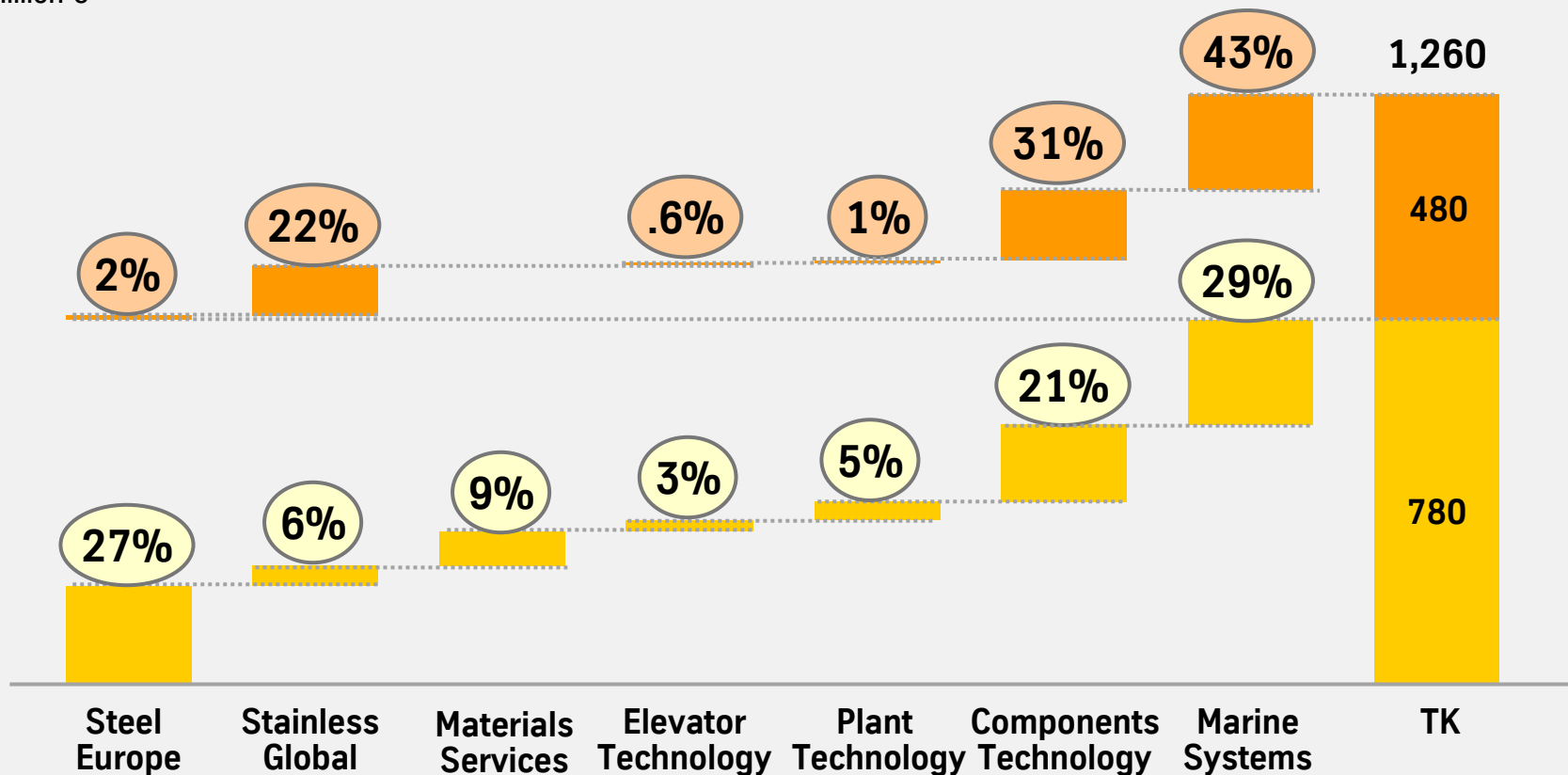


Efficiency Improvement – Restructuring and Impairments

■ Impairments

■ Restructuring charges

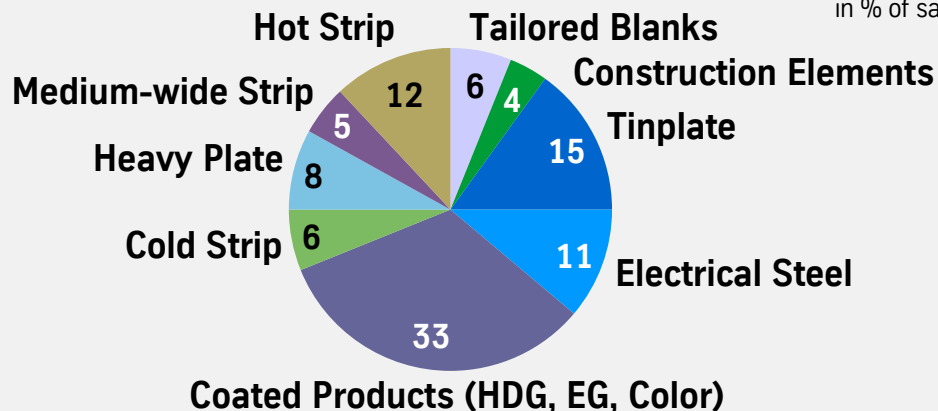
million €



Steel Europe: Large-Scale, Multiple-Niche Approach Complemented by Comprehensive Performance Program

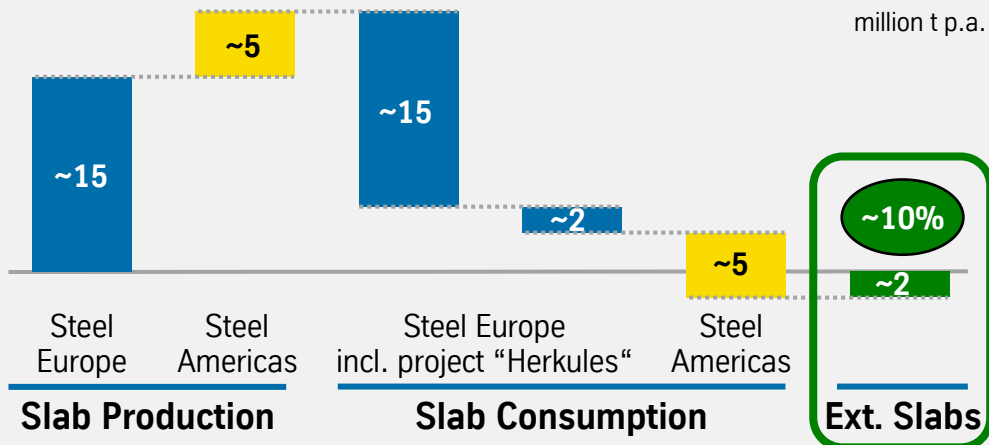
Premium Product Mix Steel Europe FY 2008/09

in % of sales



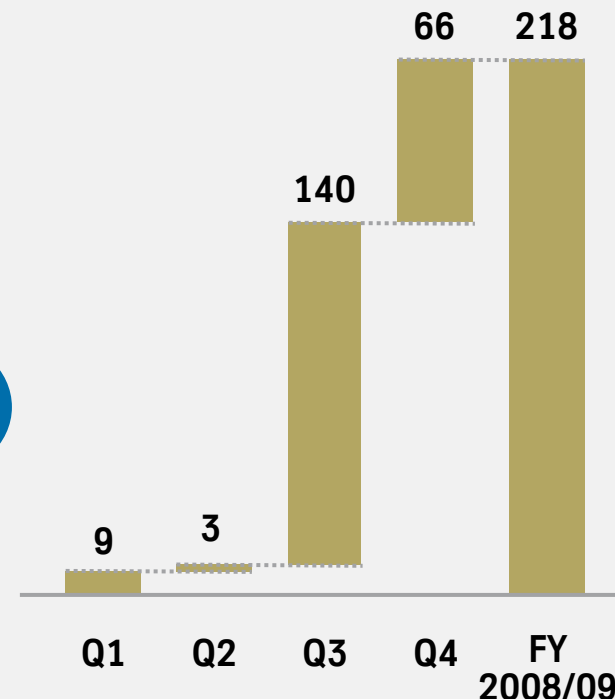
Global Target Structure: Slab Production and Consumption

million t p.a.



Restructuring & Impairments

in million €

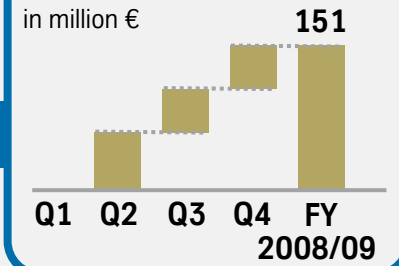


Comprehensive initiatives for sustainable cost reductions across

- production and administration
- all subsidiaries

Stainless Global: Flexibilization of Cost Base

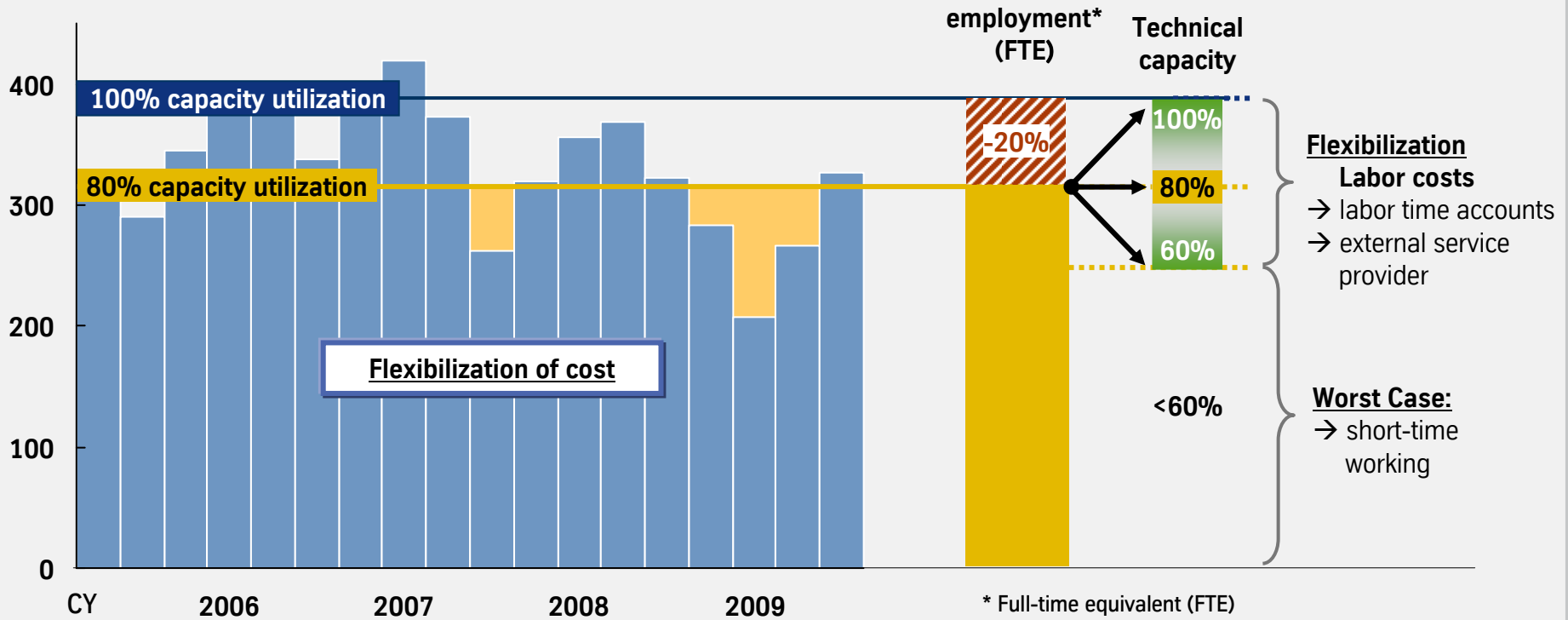
Restr. & Impairments



European cold-rolling production of Stainless Global

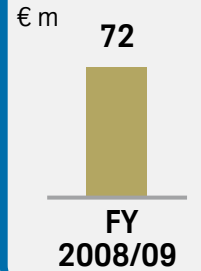
[1,000t/quarter]

Flexibilization of labor utilization



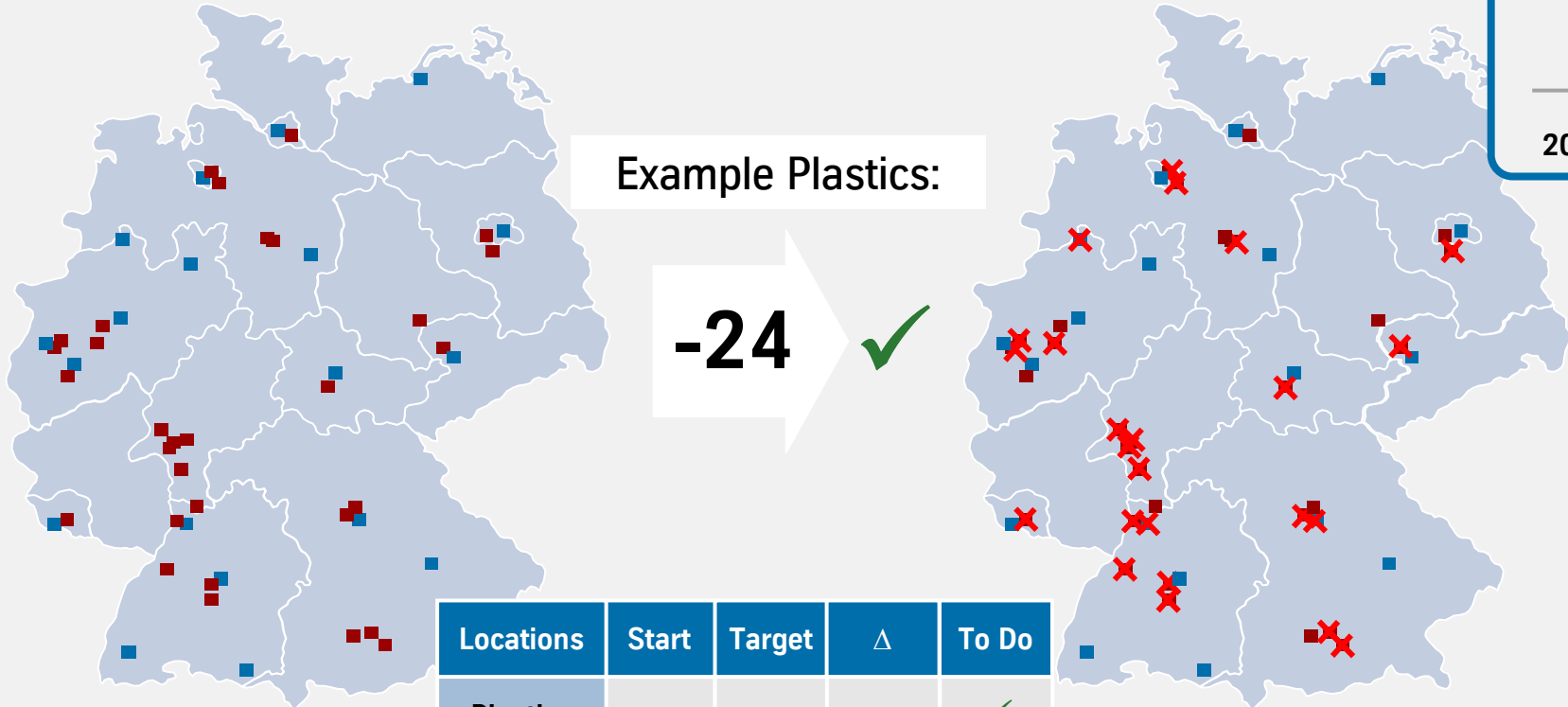
Materials Services: Elimination of Structural Overcapacities in Plastics and NF Metals

Restructuring & Impairments



Example Plastics:

-24



Locations	Start	Target	Δ	To Do
Plastics	50	26	-24	✓
NF metals	45	36	-9	-5

- ThyssenKrupp Schulte (Plastics)
- Kunststoff Service Partner

As of December 31, 2009

Components Technology: Elimination of Structural Overcapacities

North America

Closure:

- crankshaft plant
- two production plants for steering components (Q2 2009/10)

Idling:

- plant for gray iron castings (Dec 2009)

South America

Idling:

- production lines for crankshaft production (Dec 2009)

Europe

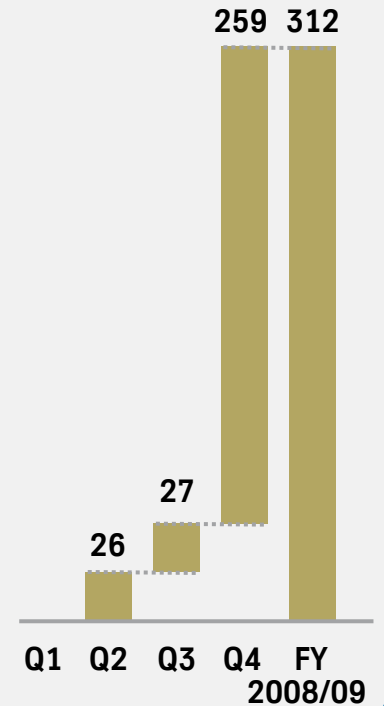
Closure:

- crankshafts production site (Oct 2009)
- two additional crankshaft production lines (until mid 2010)
- crankshaft machining plant (in process)

Further personnel reduction in German plants for chassis components

Restr. & Impairments

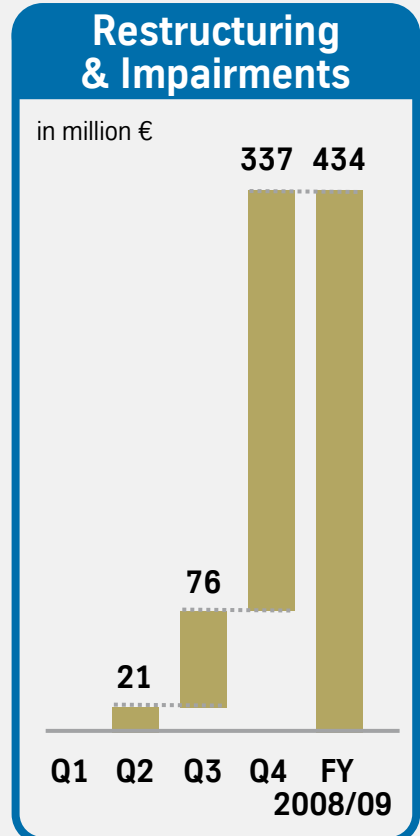
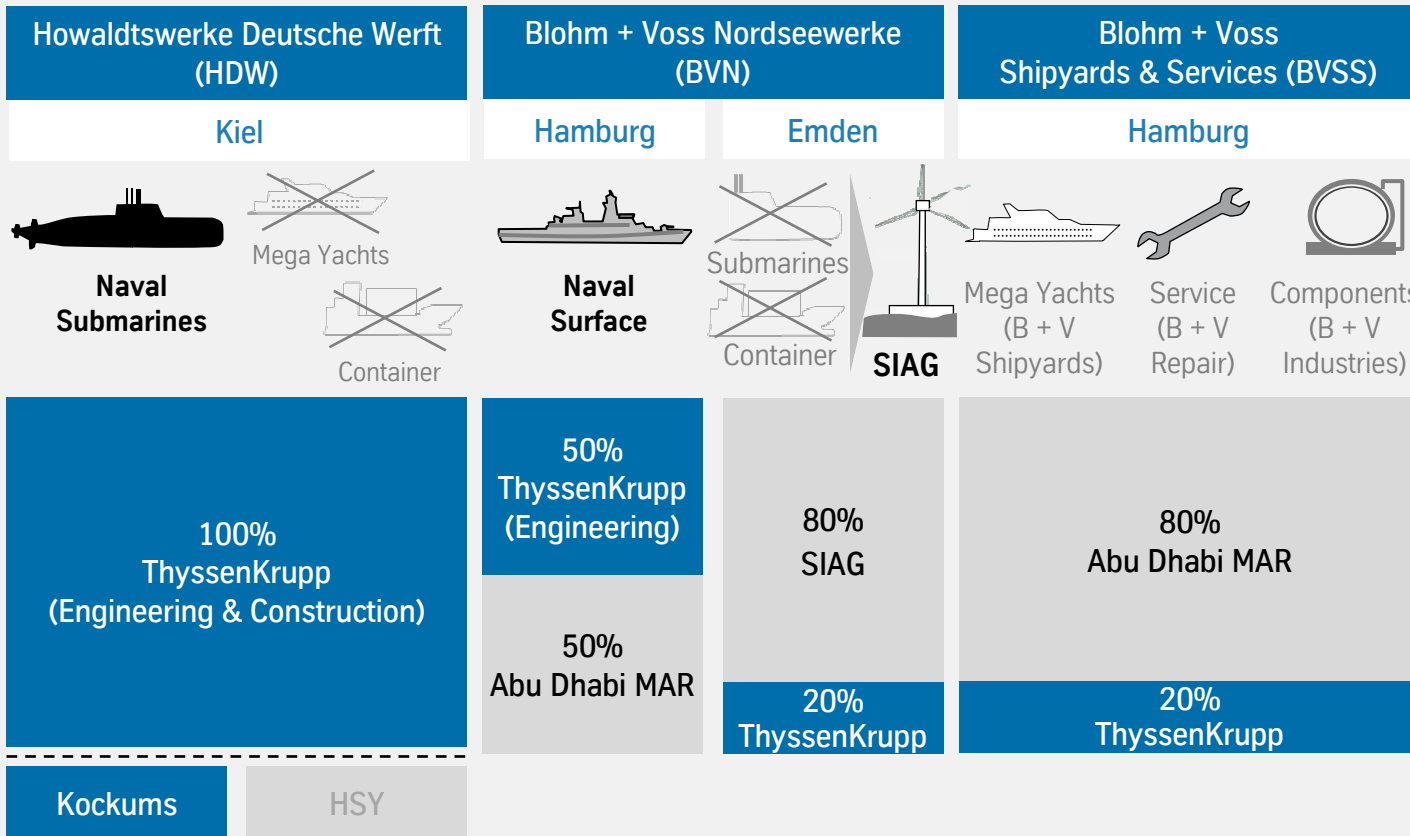
in million €



- End of production in 9 plants and several production lines
- Further restructuring measures under review

Marine Systems: Elimination of Structural Overcapacities

Exit From Civil Shipbuilding; Focus on Naval Engineering & Submarines



Targeted workforce reduction of 60% to ~ 3,500 (from ~ 8,300 as of Sep 30, 2008)

Portfolio Optimization Overview

Value crystallization

Complexity and risk reduction

Cash generation

Measure	Sales volume	Strategic rationale
Sale of CSA stake to Vale closed		⇒ Tightening of relationship with Vale
Sale of TK Industrieservice closed	€330 m	⇒ Best owner
Sale of TK Safway closed	\$715 m	Focus on core activities in Materials Services
Sale of TK Xervon stopped		
SIAG Schaaf (Emden) closed	} ~ €500 m	⇒ Exit from civil shipbuilding and significant reduction of utilization risk at naval shipbuilding
Abu Dhabi Mar (Hamburg) MoU		

Further divestments as soon as M&A market recovers

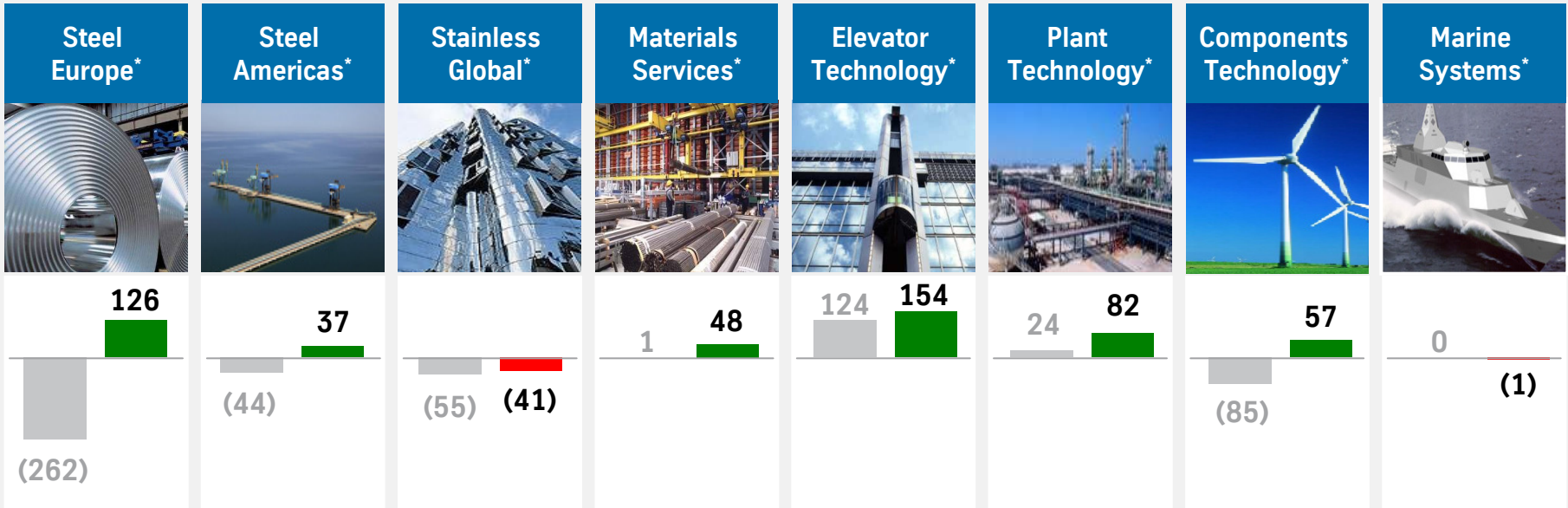
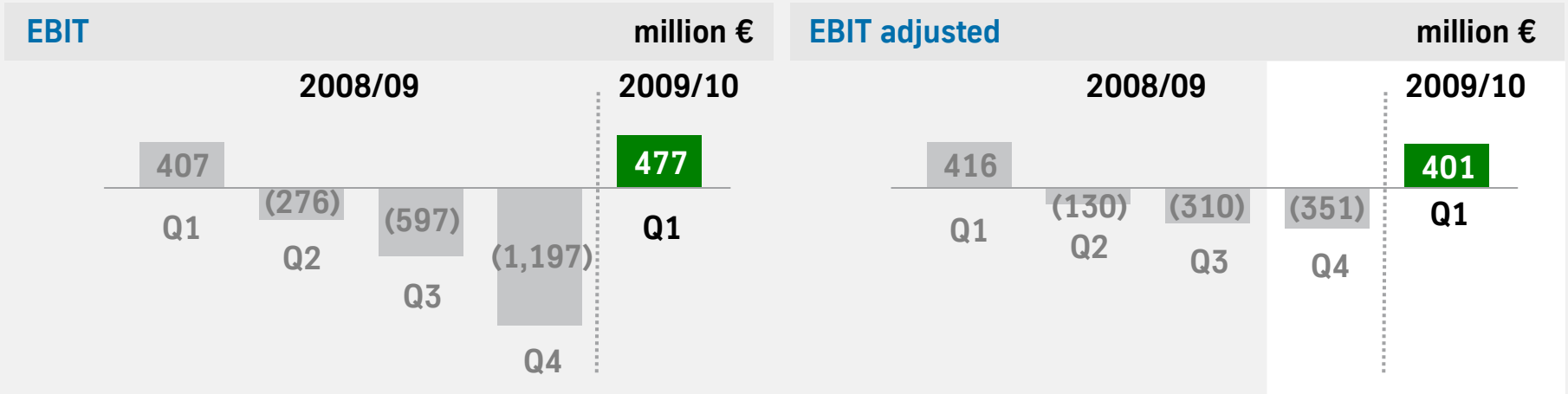


Managing Supply to Optimise Operating Leverage

- Group Overview
- Leveraging Growth
- Leveraging Structural Performance
- Perspective



ThyssenKrupp Group – Development of EBIT and EBIT Adjusted



* BA figures: EBIT adjusted Q4 2008/09 and Q1 2009/10

Outlook FY 2009/10 – Return to Profitability

Sales

Moderate stabilization

Significant improvement in earnings, despite negative impact of Americas projects:

Adjusted EBT

Low three-digit million € positive,

incl. project costs, startup losses, depreciation and interest expenses of Americas projects (**mid-range three-digit million €**)

Adjusted EBIT

High three-digit million € positive,

incl. project costs, startup losses and depreciation of Americas projects



The Way Forward to Sustainable Value Creation

FY 2008/09

Liquidity

- Operating cash flow: €3.7 bn
- Capex reduction:
< €4.3 bn spent
- €3 bn bonds issued
- Increase of Vale stake in CSA to 26.87% (from 10%) for €965 m
- Divestments at Industrial Services

FY 2009/10

Profitability

EBT > 0

- Strong cost control
- Reduction of structural overcapacities
- Increased external transparency and benchmarking
- Implementation of restructuring and realization of sustainable cost savings: €1.5 - €2.0 bn targeted in FY 2010/11

FY 2010/11 et seq.

Value Creation

TKVA and FCF > 0

- Strong cost control
- Startup of Steel & Stainless Americas with high degree of flexibility
- Growth investments of ~ €2.5 bn in FY 2009/10
- Focus on FCF generation
- Portfolio under review

Growth

Structural Performance



Disclaimer ThyssenKrupp AG

“The information set forth and included in this presentation is not provided in connection with an offer or solicitation for the purchase or sale of a security and is intended for informational purposes only.

This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements contained herein that are not statements of historical fact may be deemed to be forward-looking information. When we use words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may” or similar expressions, we are making forward-looking statements. You should not rely on forward-looking statements because they are subject to a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from those indicated. These factors include, but are not limited to, the following:

- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

Please note that we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.”

