
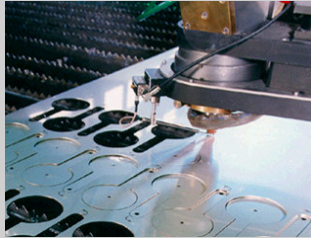





# ThyssenKrupp

## Overview ThyssenKrupp Group

**ThyssenKrupp AG**  
 Sales: €51.7 billion • EBT: €3,330 million • Employees: 191,000

Steel		Capital Goods	Services	
Steel	Stainless	Technologies	Elevator	Services
Sales: €13.2 bn Employees: 40,000	Sales: €8.7 bn Employees: 12,000	Sales: €11.5 bn Employees: 55,000	Sales: €4.7 bn Employees: 40,000	Sales: €16.7 bn Employees: 43,000
				

**Focused growth strategy**

Figures 2006/07





**EX** east



# Strategic realignment of the Services segment

## Press briefing

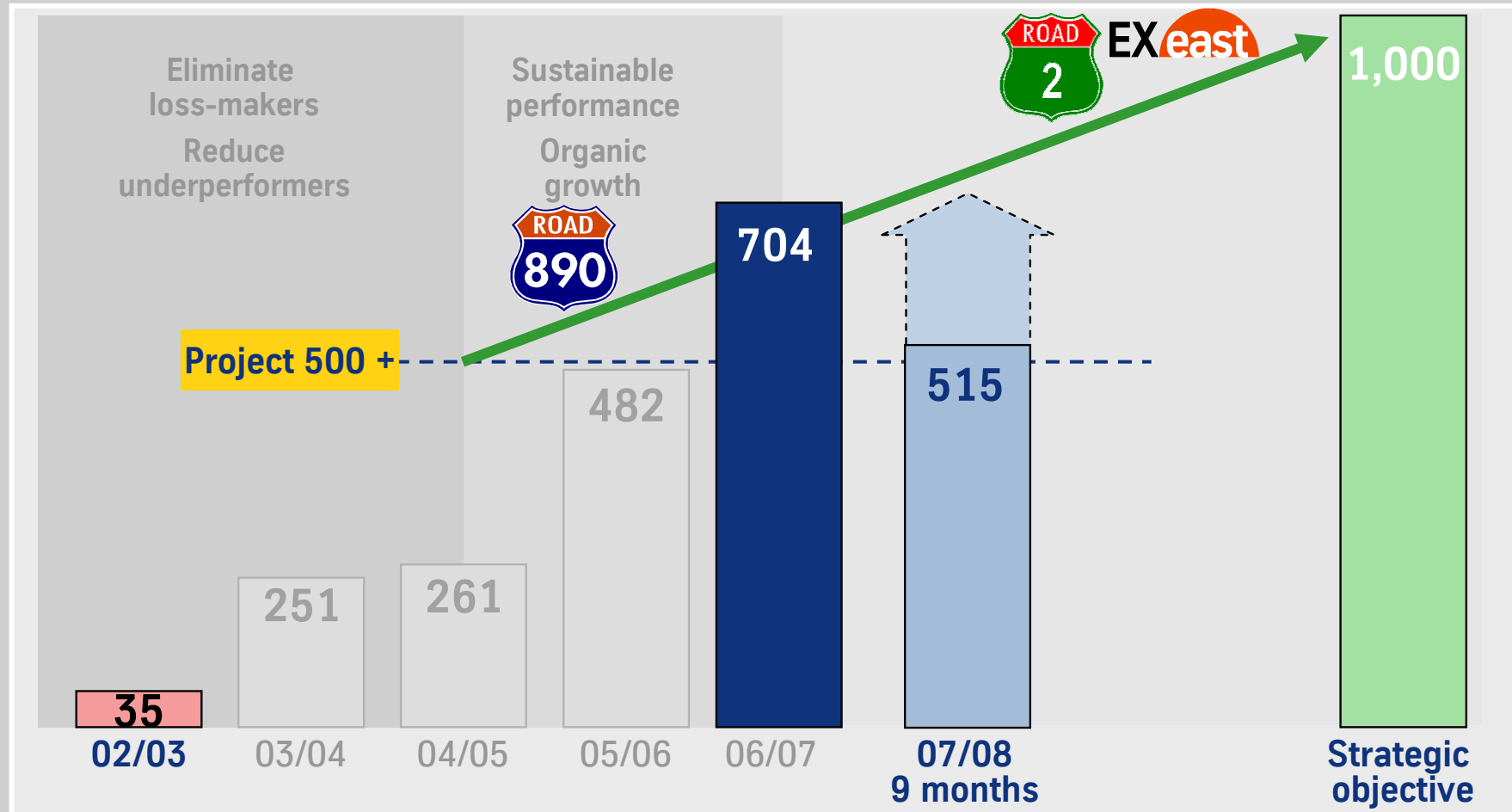
Edwin Eichler  
Düsseldorf, August 26, 2008

**ThyssenKrupp**



# Strategic development of ThyssenKrupp Services

EBT million €



ThyssenKrupp



# ThyssenKrupp Services – business units

Fiscal 2006/2007

## ThyssenKrupp Services AG

Sales €16.7 billion • 43,012 employees

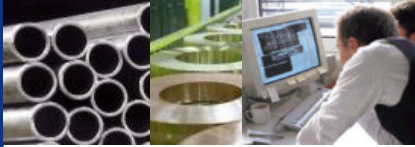


Materials Services International	Materials Services North America	Industrial Services	Special Products
			
<p>Warehousing, processing, logistics, warehouse and inventory management, supply chain management, rolled steel, stainless steel, tubes, nonferrous metals, plastics</p>		<p>Maintenance, production support services, outsourcing</p>	<p>Steel and tubes, raw materials, energy and engineering</p>
<p>Sales €7.9 billion 10,658 employees</p>	<p>Sales €2.3 billion 3,037 employees</p>	<p>Sales €2.0 billion 28,060 employees</p>	<p>Sales €4.6 billion 1,060 employees</p>

ThyssenKrupp



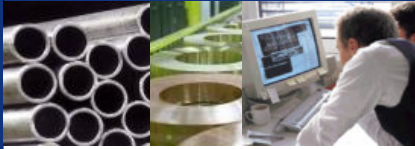



# Market positions of the business units

## ThyssenKrupp Services AG Sales €16.7 billion • 43,012 employees

Materials Services International	Materials Services North America	Industrial Services	Special Products
			
<p><b>Top positions in Germany and Europe</b></p>	<p><b>No. 1 in Germany Scaffold services No.1/2 world</b></p>	<p><b>No. 1-10 worldwide</b></p>	



# Success factors of the business units

Materials Services International	Materials Services North America	Industrial Services	Special Products		
					
<p>Product range</p>		<p>Service portfolio/competencies</p>	<p>Global trading and sourcing know-how</p>		
<p>Service range/logistics/SCM</p>		<p>HR management</p>	<p>Global presence</p>		
<p>Global network</p>		<p>Employee flexibility</p>	<p>High level of entrepreneurship</p>		
<p>Standards/systems/economies of scale</p>		<p>Tariffs</p>	<p>Project management</p>		
<p>Organic growth: systematic performance and growth programs, focus on specific sectors</p>		<p>Regional setup</p>	<p>Fast response/decision-making capability</p>		
<p>External growth through acquisitions in growth markets and consolidation in established markets</p>			<p>Off-take agreements</p>		



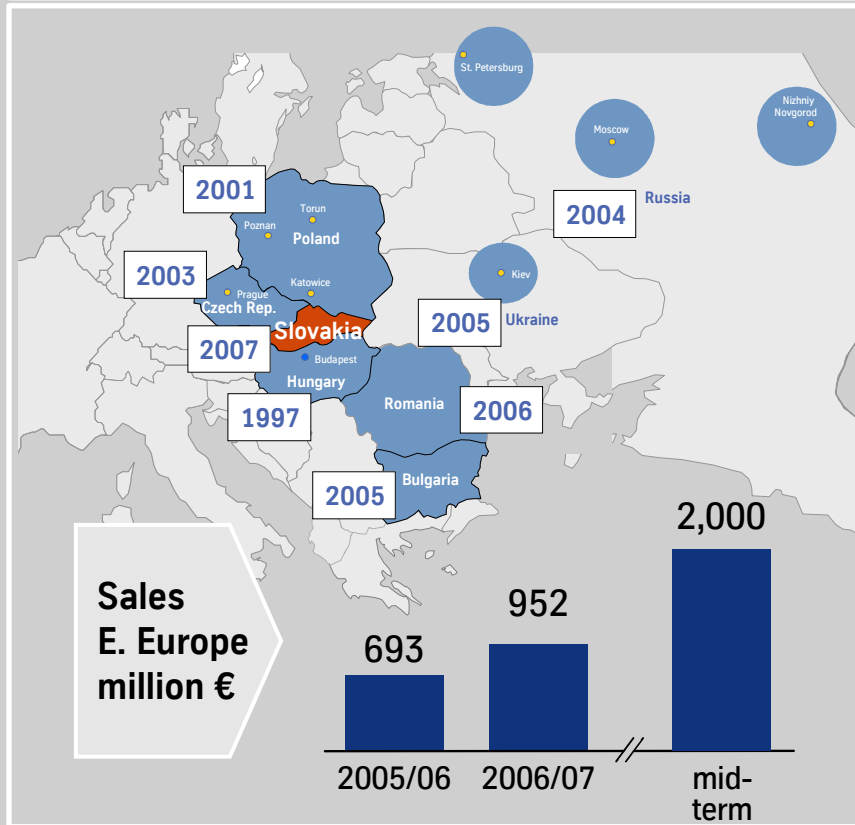
# Growth strategy for Materials Services

Growth in several directions



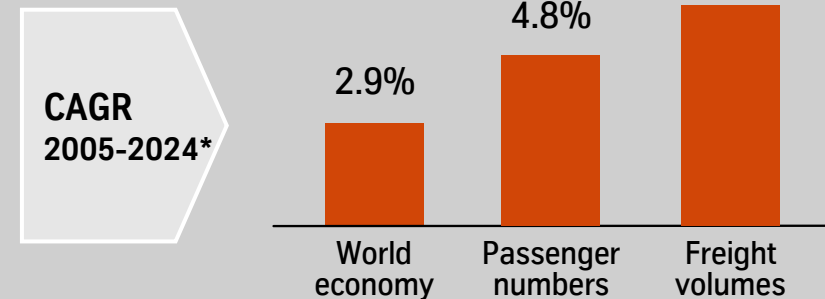
# Example of growth at Materials Services

## Expansion in growth regions Example: Acquisition of Ferostav, Slovakia



## Expansion in growth sectors Example: Acquisition of Apollo Metals Group

- Disproportionate growth aerospace industry



- Strong demand for supply chain services
- Acquisition of Apollo is perfect geographical fit
- Total sales approx. €500 million (world no. 1)

\* Source: Airbus



# Materials Services projects

## North America



- Acquisitions to strengthen market position in rolled steel and tubes

## Eastern Europe



- Market entry in Slovenia, Croatia, Serbia
- Expansion in Poland, Russia, Bulgaria, Slovakia

## Asia



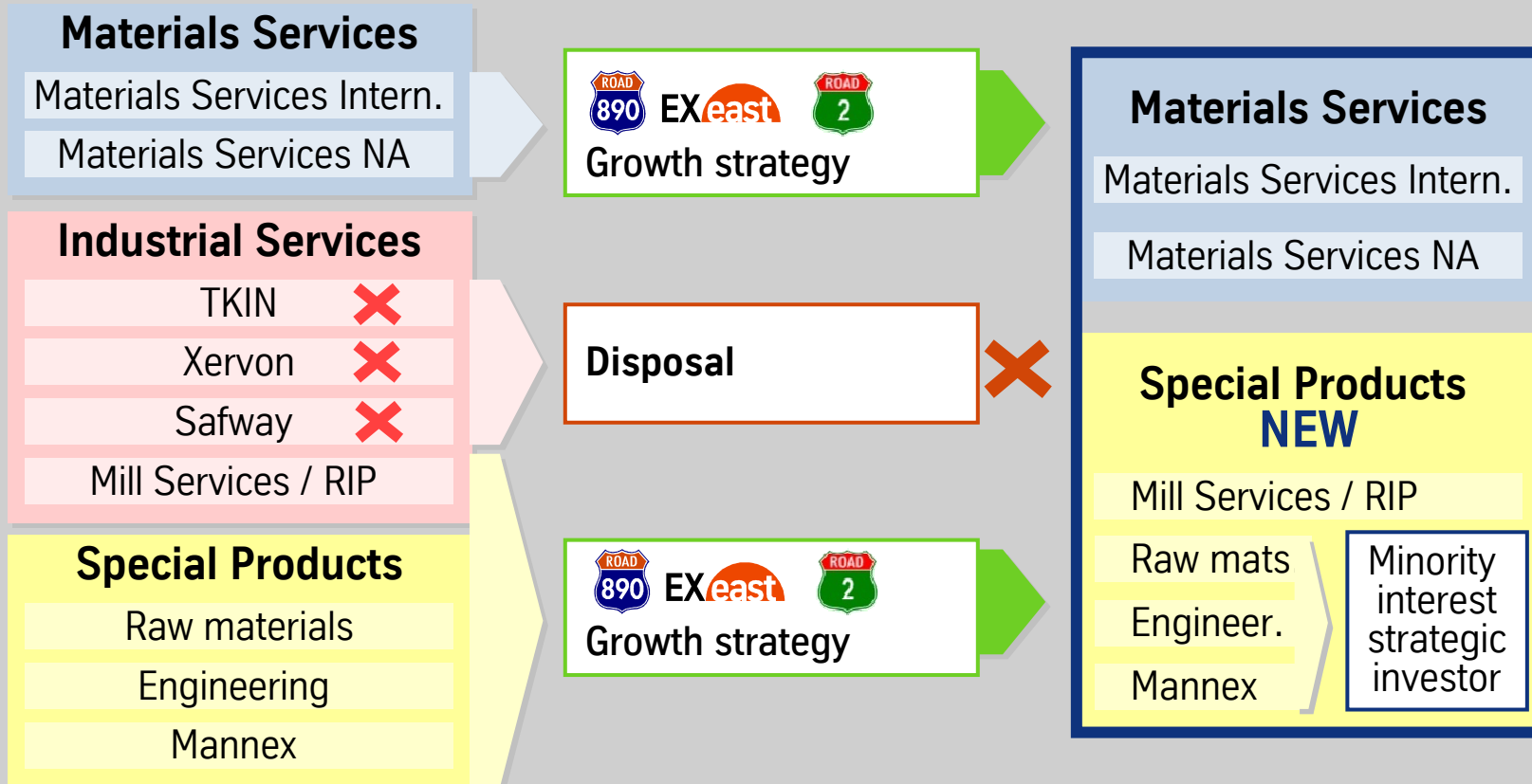
- Market entry in China for rolled steel, stainless steel & nonferrous metals (focus on aerospace)
- Strengthen market position in Southeast Asia (Thailand, Singapore, Vietnam)

**High capital expenditure required**

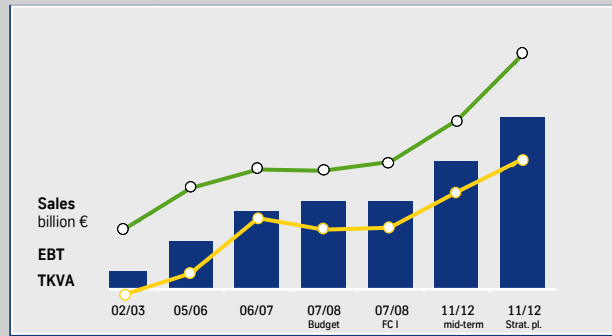


# Focus on industrial materials and raw materials

Management capacities and investment funds to be focused on accelerated growth in raw and industrial materials



# Growth BU Industrial Services



**Profitable growth in Industrial Services can also be realized in the future**

**Acquisition targets**

- major targets in trades **more broadly diversified**
- aggressive growth only with **portfolio expansion**
- high purchase prices**

**Economies of scale**

- order-related and **regionally decentralized**
- little possibility for networking across regions; **no cross selling** with other BUs
- business model not yet realizable in **E. Europe & Asia**

**Complexity**

- national labor** law parameters
- diversity of individual activities requires **disproportionate management effort**

**Accelerated growth to €3 billion sales requires new portfolio and organizational structures**

**Best owner with clear focus on Industrial Services**



# Special Products business unit as international service provider of raw and industrial materials, tech. products and systems



## Key figures

Sales €4.6 billion

Employees 1,060

## Market position

Top positions  
on the world market

- Back-to-back trading with rolled steel and tubes
- Supply of technical products and equipment
- Trading with metallurgical raw materials, minerals and coke
- Production and supply of industrial gases
- System solutions for railways, harbor construction and flood protection
- **Customer-specific global purchasing, distribution and service, financing, logistics solutions, engineering/ consulting, exclusive off-take agreements**

# Top positions on the world market



- **ThyssenKrupp Mannex**  
(rolled steel, tubes)

World

Top ten

- **ThyssenKrupp GfT Gleistechnik**  
(railway equipment)

World  
Europe  
Germany

Top ten  
No. 2  
No. 1

- **ThyssenKrupp GfT Bautechnik**  
(sheet piling technology)

World  
Europe  
Germany

No. 2  
No. 2  
No. 1

- **ThyssenKrupp Metallurgie/ ThyssenKrupp MinEnergy**  
(metallurgical products/ minerals, coke)

World – available volumes  
Nickel  
Coke  
Ferroalloys

No. 1  
No. 1  
No. 2

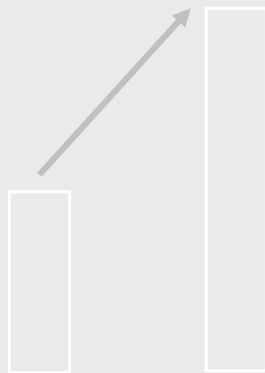
**ThyssenKrupp**



# Growth strategy Special Products

## Strategic growth

### Raw materials strategy

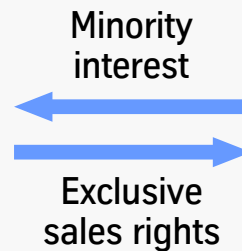


Acquisition of long-term exclusive sales rights (off-take agreements), secured through minority interests

- additional business opportunities through supply of starting material and cross-selling



Raw materials producer



Special Products

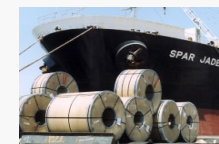


## Result

Customer retention through long-term contracts on the basis of secured supplies

## Organic growth

In particular further internationalization of engineering business



# Special Products projects

## Mannex



EXeast

Minority interests and exclusive marketing rights for rolled steel and large-diameter tube, focusing on Europe & Asia

## Raw materials



EXeast

Minority interests and exclusive marketing rights for nonferrous metals & coke/coal

## Engineering



Expansion to system provider in rail equipment and sheet piling

High capital expenditure required



## Summary

# ThyssenKrupp Services

- Focusing of segment on raw and industrial materials

- Disposal of Industrial Services

- Strategic partner for Special Products

- Continuation of growth strategy

**Strategic goal**

**EBT €1 bn**

