



# Performance in the 1st half 2008/09

Press conference May 13, 2009

Remarks by Dr. Alan Hippe

Düsseldorf, May 13, 2009

**ThyssenKrupp**

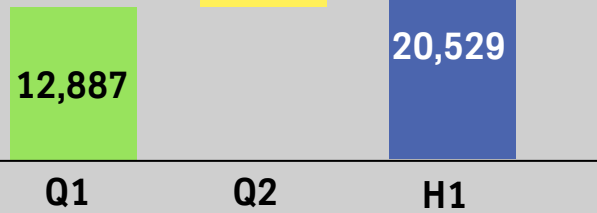


# Group – Order Intake and Sales

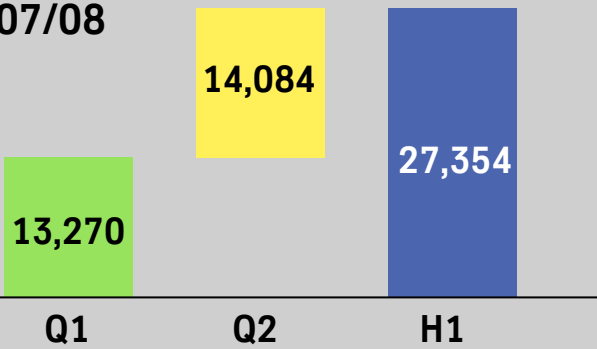
## Order intake

million €

2008/09



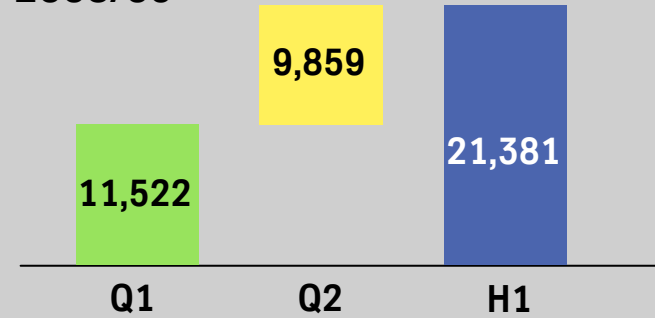
2007/08



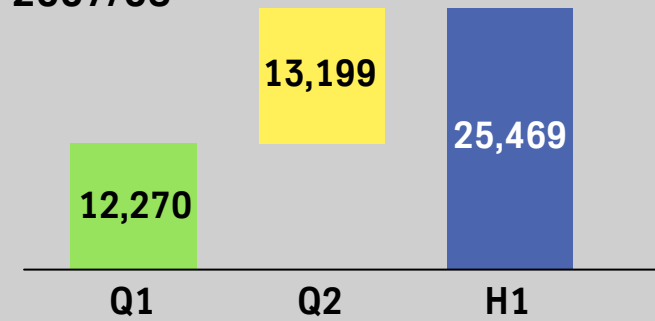
## Sales

million €

2008/09



2007/08

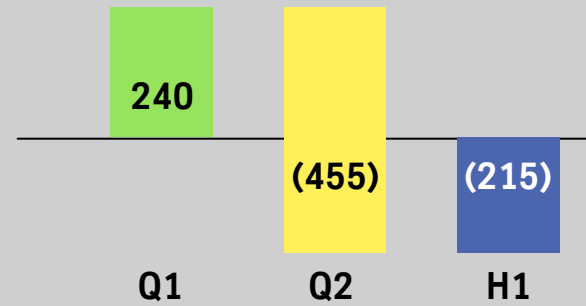


# Group – Earnings before taxes (EBT)

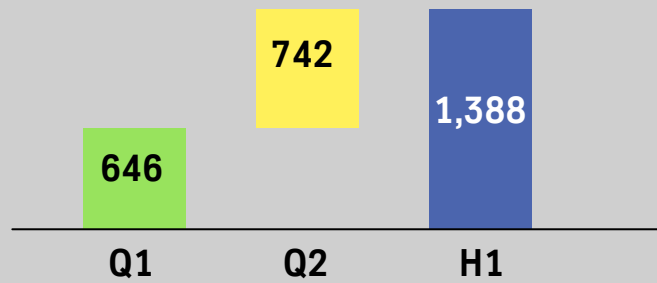
Earnings before taxes (EBT)

million €

2008/09



2007/08



H1: Inventory writedowns and windfall losses  
~€650 million

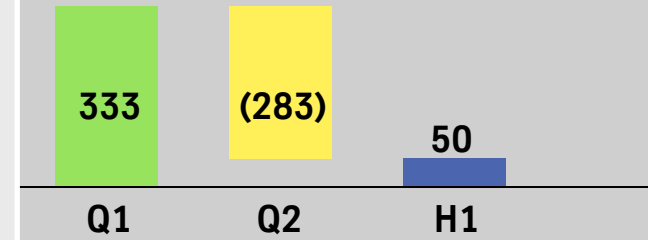
thereof:

	Q1	Q2
Stainless	~€200 m	~€150 m
Services	~€100 m	~€150 m

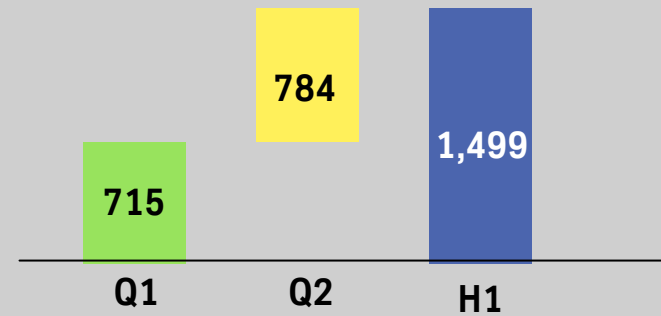
EBT before major nonrecurring items

million €

2008/09



2007/08

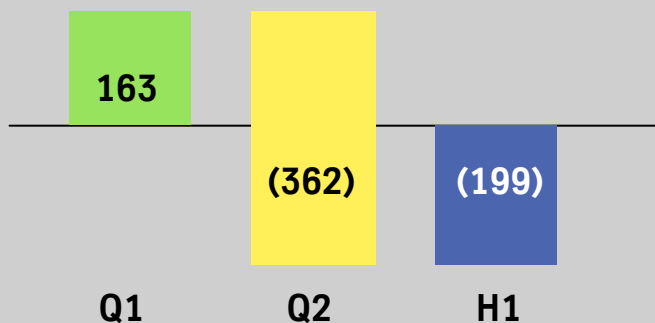


## Group – Net income/loss for the period and earnings per share

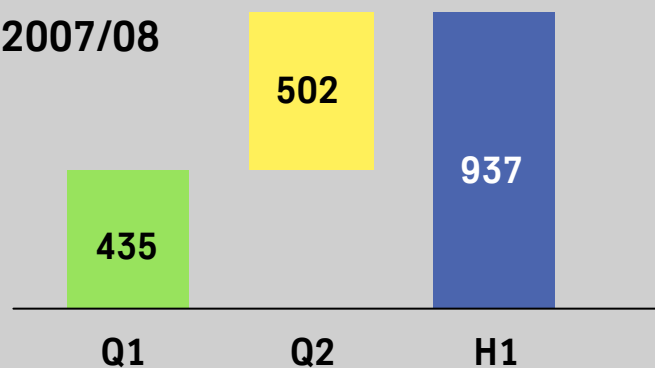
Net income/loss for the period

million €

2008/09



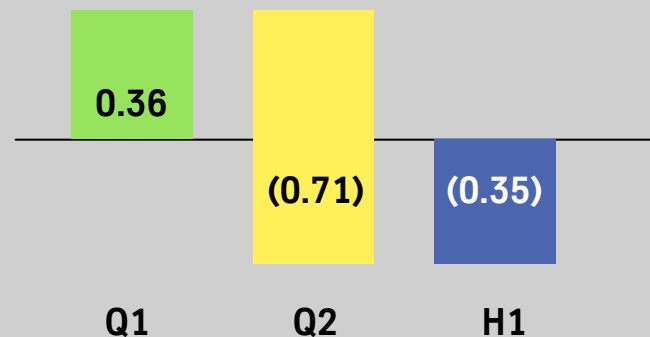
2007/08



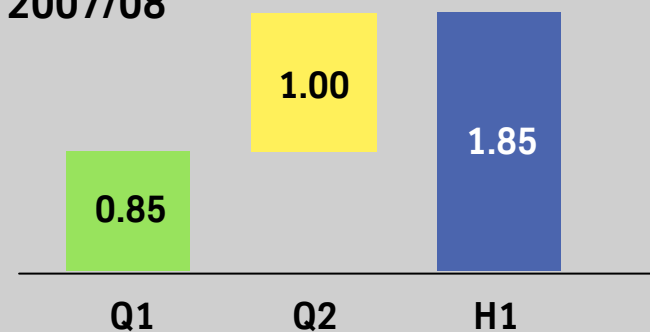
Earnings per share

€

2008/09



2007/08



# Progress of net working capital reduction and cost savings 2008/09

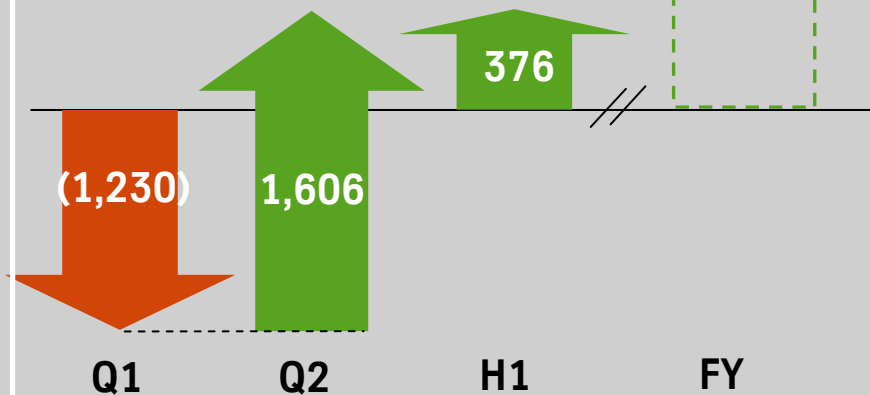
## Net Working Capital Development

million €

Measures:

- Inventory reduction, adjustment of required stock levels
- Improvement of turnover rate
- Optimization of spare parts
- Accounts receivable and accounts payable management

Target ~2,000

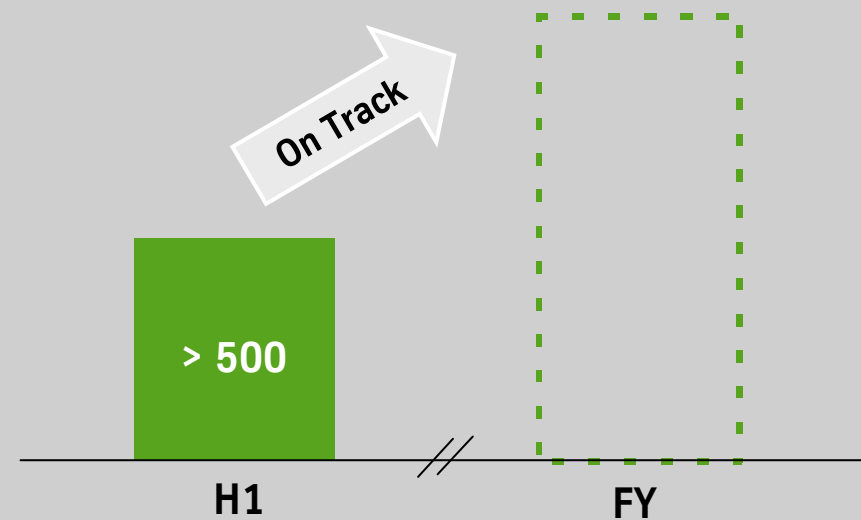


Main contribution expected in H2 2008/09

## Progress of Cost Savings

million €

Target >1,000



Measures:

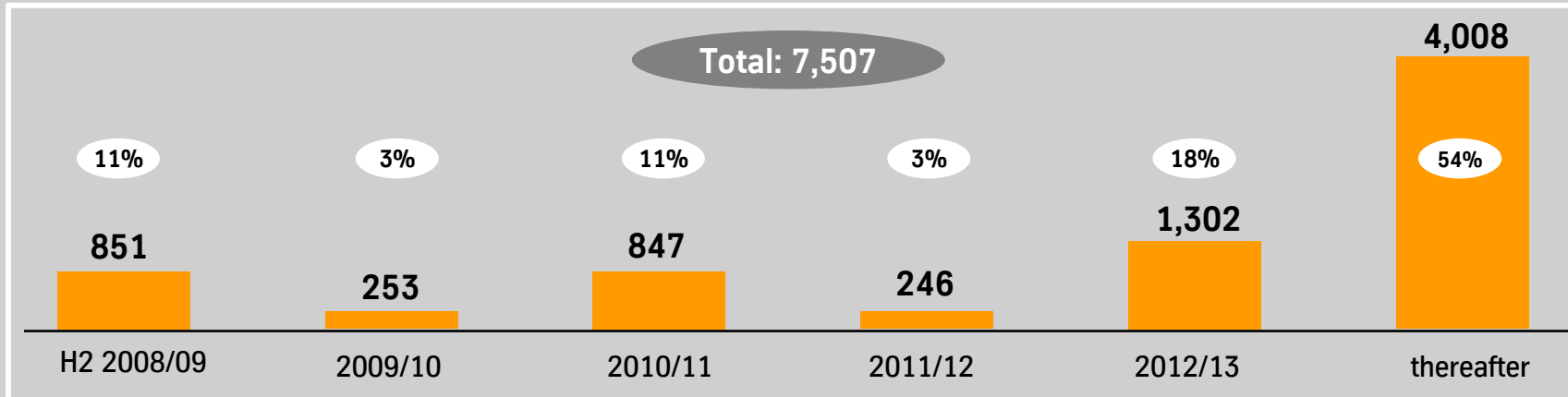
- Human resources measures (e.g. layoff of temporary staff, short-time working)
- Reduction of administrative costs
- Adjustment of maintenance and repair charges
- Optimization of energy management



## Solid financial situation – no short-term refinancing needs

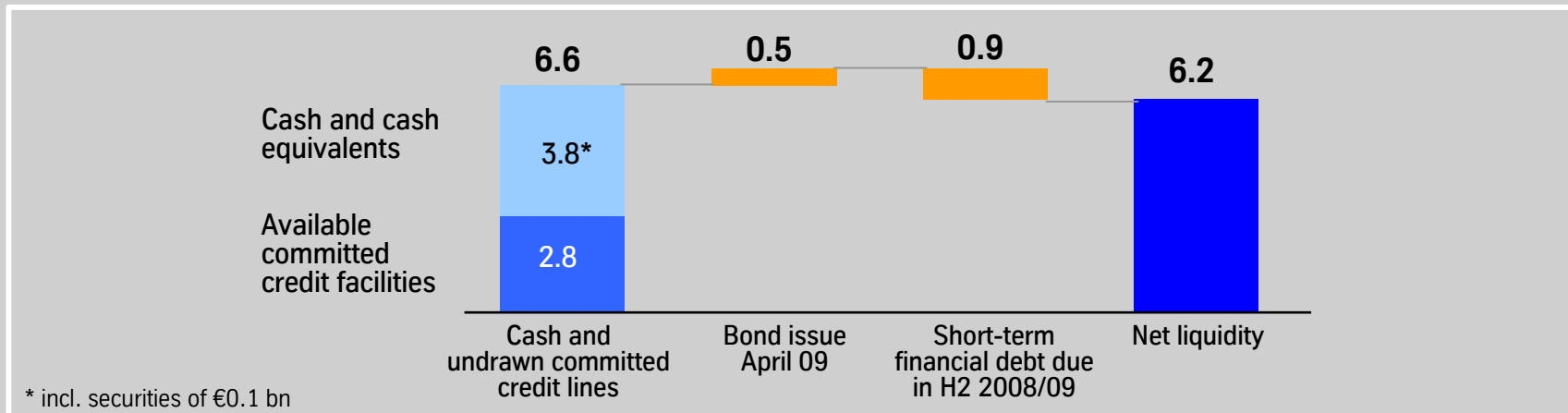
Maturity profile of gross financial debt as of March 31, 2009

million €



Liquidity analysis as of March 31, 2009

billion €



# Segment highlights H1 2008/09

## ThyssenKrupp sucked into global recession

Earnings before taxes (EBT) – million €

<b>Steel</b>	H1 2008/09: 307 H1 2007/08: 749 <b>-59%</b>	<ul style="list-style-type: none"> <li>○ Sharp decline in orders, shipments and production</li> <li>○ Increasing underutilization of capacities</li> <li>○ Shutdown of blast furnaces 9 (March 09) and HKM A (Dec. 08)</li> </ul>
<b>Stainless</b>	H1 2008/09: -622 H1 2007/08: -7 <b>-</b>	<ul style="list-style-type: none"> <li>○ Unprecedented collapse in demand</li> <li>○ Sharp drop in orders, shipments, production and prices</li> <li>○ Charges from windfall losses and writedowns</li> </ul>
<b>Technologies</b>	H1 2008/09: 59 H1 2007/08: 365 <b>-84%</b>	<ul style="list-style-type: none"> <li>○ Solid performance at Plant Technology, Marine Systems (naval shipbuilding) and Rothe Erde</li> <li>○ Collapse in auto, construction machinery, civil shipbuilding</li> </ul>
<b>Elevator</b>	H1 2008/09: 302 H1 2007/08: 209 <b>+45%</b>	<ul style="list-style-type: none"> <li>○ Positive performance continued</li> <li>○ Sales profited from high prior-year order intake</li> </ul>
<b>Services</b>	H1 2008/09: -48 H1 2007/08: 267 <b>-</b>	<ul style="list-style-type: none"> <li>○ Sharp decline in prices and volumes</li> <li>○ Earnings losses in materials business</li> <li>○ Charges from windfall losses and writedowns</li> </ul>



## Segment outlook H2 2008/09

### Materials business further impacted by inventory cycle/weak consumption

#### Steel

- Further price pressure, inadequate volumes and underutilization of capacities
- Significant relief from lower raw material costs not before FY 2009/10
- Inventory valuation adjustments possible
- Perceptible demand recovery not expected until start of FY 2009/2010

#### Stainless

- Continued inadequate volumes
- Loss expected for H2 2008/09, though lower than in H1 2008/09

#### Technologies

- Continued underutilization in automotive and construction machinery components and in civil shipbuilding
- Compensation through solid business in plant construction, slewing bearings for the energy sector and in submarine and frigate construction

#### Elevator

- Good earnings performance to continue

#### Services

- Reduction of volume and price pressure with corresponding recovery of margins not expected until end of fiscal year



## Group – Outlook 2008/09

### **EBT**

before major  
nonrecurring items

Depending on future economic environment, a negative EBT before major nonrecurring items in the mid to high three-digit-million euro range is expected.

### **Earnings before taxes**

Impacted by major nonrecurring items:

- Restructuring expense for
  - cost-cutting programs
  - reorganization
- Pre-operating costs for new steel plants
- Possible further impairment charges



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- (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.

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