

Remarks

by

**Dr. Ekkehard Schulz**

Chairman of the Executive Board  
of ThyssenKrupp AG

at the

**Press Conference**

on

January 24, 2006

Dreischeibenhaus, Düsseldorf

Check against delivery.

Good morning, Ladies and Gentlemen,

Welcome to our press conference here at our 'Dreischeibenhaus' headquarters in Düsseldorf. I should also like to welcome those of you following the press conference online or by telephone. We invited you at short notice to inform you about our decision regarding Dofasco.

As you know, on Saturday, January 14, 2006, ThyssenKrupp increased its offer from 63 to 68 Canadian dollars per Dofasco share. On Monday, January 16, 2006, Arcelor announced that it was raising its offer from 63 to 71 Canadian dollars. Under the Support Agreement between ThyssenKrupp and Dofasco, we have the right to decide within a period of five working days whether we wish to match Arcelor's new offer conditions – the so-called "right to match". This period elapsed last night at midnight Canadian time, which was 6 o'clock this morning German time.

In its meeting yesterday evening, the Executive Board of ThyssenKrupp decided not to submit a higher offer to acquire Dofasco. This decision was published in an ad hoc statement yesterday evening at 10 p.m., immediately after the meeting of the Executive Board.

Ladies and Gentlemen,

Over the past few days there has been repeated speculation about whether ThyssenKrupp would get involved in a costly bidding contest. Some reports claimed that we were prepared to offer up to 78 Canadian dollars per share in Dofasco. However, what I said at our first press conference on Dofasco on November 28, 2005 still applies. Back then I told you that despite the strategic significance of Dofasco we would not become involved in a value-destroying bidding contest. We are firmly convinced that any offer over 68 Canadian dollars per Dofasco share would go beyond the point of creating economic value. That is why another increase in our offer of January 14, 2006 is not economically justifiable. The deadline for Dofasco's shareholders to accept our final offer of 68 Canadian dollars per share expires on January 26, 2006. If the transaction is not realized, ThyssenKrupp will then receive a break fee of 215 million Canadian dollars.

What happens next?

The acquisition of Dofasco was one option in the growth strategy of the Steel segment. In addition to expanding our strong market position in Europe and securing future growth potential through our steel mill in Brazil, strengthening our market position in North America is a major element of this strategy. ThyssenKrupp will now look at the alternatives in the region – construction of a new mill or alliances.

ThyssenKrupp's current position in the market for flat-rolled carbon steel provides the basis for successful global growth. As a technology leader, our outstanding products and services and our strong brand help our customers improve their value chains. These capabilities have already given our Steel segment a strong position in the European market for flat-rolled carbon steel.

A key element of our steel strategy is to establish a strong market position in North America. As one of the world's most important steel markets, the NAFTA region is an attractive target market for us. We already supply just under 1 million metric tons of flat-rolled steel to customers in North America and we intend to grow this volume in the future.

In the USA alone, ThyssenKrupp had more than 26,000 employees and sales of 8.1 billion euros in the fiscal year to September 30, 2005. That equates to around 18 percent of our Group sales of over 42 billion euros. At present, our activities there are concentrated on the supply of body and chassis parts to the North American automotive industry, mining and materials handling technology, the production and servicing of elevators and escalators, and the distribution of rolled steel and stainless steel.

On November 30, 2005, the Supervisory Board of ThyssenKrupp AG approved the construction of a slab plant in Brazil, which will supply low-cost slabs for processing in the USA and create the basis for an outstanding cost position. Situated in the low-cost coastal location of Sepetiba and representing an investment volume of some 1.7 billion euros, the plant will produce around 4.4 million metric tons of slabs per year from mid-2008. Roughly 2 million tons of slabs will be processed at our Duisburg site. To this end we will be investing 700 million euros over the coming years to expand and modernize the world's biggest production location. The remaining 2.4 million tons of slabs will be available for the development of our NAFTA strategy.

As I already said: Dofasco was only one option considered alongside several alternatives for processing capacities in North America. When presenting our NAFTA strategy we already pointed to three possible scenarios: construction of a new “greenfield” plant, cooperation on a “brownfield” site, or a company acquisition. In this connection, and taking economic criteria into account, we were prepared to submit an offer to acquire Dofasco in November last year. Prior to this, Dofasco’s management had requested us to play the part of a “white knight”. After giving up this option we will now consider the alternatives to systematically pursue our NAFTA strategy.

Any new plant option must meet two requirements: secure cost leadership through low-cost starting materials from Brazil, and guarantee quality leadership through the use of state-of-the-art production technologies. The use of proven ThyssenKrupp technologies ensures our positioning in the premium products segment for demanding applications, such as in the automotive industry. The resulting leading technology and favorable cost positions give us unique competitive advantages.

The global consolidation process in the steel industry is continuing. ThyssenKrupp and its two legacy companies initiated the restructuring of the German and European steel industry in the 1990s and played a major part in shaping the process. To remind you: Hoesch AG was merged with Fried. Krupp AG back in 1992. In 1995 Thyssen and Krupp combined their stainless steel activities, followed in 1997 by their flat-rolled carbon steel operations. 1999 saw the merger of Thyssen and Krupp.

The fact that we were able to follow our very good results in fiscal 2003/2004 with a new earnings record of 1.8 billion euros last fiscal year is mainly due to our own efforts. We completely eliminated our net financial payables and created EVA of around 1 billion euros. That is the basis. As I told you at our Annual Press Conference on December 1 last year, we have concluded the phase of consolidation and are now aiming for sales in the medium term of 50 billion euros with our core businesses. We intend to achieve this through both organic growth and acquisitions.

Thank you for your attention.