Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

and

Dr. Alan Hippe

Chief Financial Officer
of ThyssenKrupp AG

at the
press conference
on
May 13, 2009

in Düsseldorf

Check against delivery

Ladies and Gentlemen,

The meeting of our Supervisory Board has just ended. I would like to inform you about the results. Yesterday afternoon we published our interim report on the 1st half of fiscal 2008/2009. We will also be providing a brief explanation of this report and will then – as usual – be available to take your questions.

The general economic situation has deteriorated significantly since the extraordinary Supervisory Board meeting on March 27. The leading economic institutes and the German government are forecasting a decline in economic output of up to 6% for the current year. The global economy finds itself in a deep recession. The collapse in demand for carbon and stainless steel and in the international materials services business has impacted ThyssenKrupp significantly. Just the day before yesterday, the German Federal Statistics Office reported a 53.1% year-on-year drop in crude steel output. That is the sharpest fall in the history of the Federal Republic. It takes us back to the levels of the 1950s. Certain areas of our capital goods activities – especially our automotive and civil shipbuilding businesses – also showed a decline. Business with elevators and escalators remained pleasing and in line with expectations. In this economic environment, sales and earnings at ThyssenKrupp were down. Major decreases were reported in particular in the 2nd fiscal quarter. Sales in the 1st half 2008/2009 fell 16% year-on-year. The Group reported a loss before taxes of €215 million. Having reported EBT of €240 million for the 1st quarter of the current fiscal year, we posted a loss of €455 million in the 2nd quarter. Earnings were impacted by pre-operating costs for the new plants in Brazil and the USA, impairment of property, plant and equipment as well as restructuring expenses.

ThyssenKrupp expects a significant drop in order intake and sales for full fiscal year 2008/2009. This will be reflected in earnings. Positive effects from falling input material prices, mainly in the 2nd half, will only partly offset price and volume declines.

We expect to end the current fiscal year with a loss before taxes and major nonrecurring items. Depending on future economic developments, a loss before taxes and major nonrecurring items in the mid to high three-digit million euro range is expected.

To counter the crisis we are implementing an extensive package of cost-cutting measures in the current fiscal year. I have already reported on the Groupwide ThyssenKrupp PLuS program. For the current fiscal year, this program has identified and initiated earnings-enhancing measures totaling more than €1 billion. They include the systematic reduction of net working capital, the reduction of production and administrative costs as well as procurement and sales optimizations. These measures will make a key contribution to substantially strengthening the Group's future earnings power. Targeted steps are also being taken to significantly reduce net working capital. Measures are being implemented to reduce or postpone the investment program. In addition the Group will undergo reorganization.

No self-sustaining upturn in the global economy is expected for the coming year either. There is even the risk that the positive effect of the stimulus packages will only be temporary. We currently assume that the necessary structural adjustments to the global economy will result in at best subdued economic growth for several years. That means that we will also face major challenges in the coming fiscal year, especially as the economic environment will then become more difficult for our late-cyclical businesses such as elevators and plant construction.

To provide a more detailed look at the figures in the 1st half of fiscal 2008/2009, I now hand you over to our Chief Financial Officer Dr. Hippe.

Remarks by Dr. Hippe

Thank you Mr. Schulz.

Sales and above all order intake in the 1st half of 2008/2009 were weaker than in the comparable prior-year period. The declines accelerated in particular in the 2nd fiscal quarter.

In total, ThyssenKrupp received new orders worth €20.5 billion in the 1st half 2008/2009, 25% less than in the corresponding prior-year period. Although 1st quarter order intake was almost unchanged year-on-year, orders in the 2nd quarter were 46% lower than a year earlier.

With the exception of Technologies, where order volumes increased thanks mainly to the acquisition of major naval shipbuilding orders in the 1st quarter, all segments reported a drop in orders. At Steel, Stainless and Services, weaker demand for materials and softening prices were the main reasons for the significant decline in order intake. Elevator fell just short of its prior-year order volume due to the slowing of the new installations business.

The Group's sales decreased by 16% in the 1st half to €21.4 billion. Sales fell by 6% in the 1st quarter and 25% in the 2nd quarter 2008/2009. Stainless in particular, but Steel and Services as well, recorded a significant drop in business. At Stainless, this was mainly due to a sharp fall in shipments and lower stainless steel prices. Sales volumes at Steel also decreased but the high proportion of long-term contracts had a stabilizing effect. At Services, falling prices and lower demand for materials had a negative effect. Technologies benefited from an improved performance in plant engineering but sales overall were slightly down from the prior year. Elevator continued its positive performance and significantly increased its sales.

ThyssenKrupp's earnings deteriorated significantly. Following a profit of €240 million in the 1st quarter, a loss of €455 million was recorded in the 2nd quarter. Earnings before taxes (EBT) in the 1st half 2008/2009 therefore decreased year-on-year by around €1.6 billion to €(215) million.

EBT before major nonrecurring items – excluding the pre-operating costs for the new mills in Brazil and the USA, impairment of property, plant and equipment, restructuring expense and effects from portfolio measures – also declined significantly. 1st half earnings were down to €50 million, compared with around €1.5 billion in the corresponding prior-year period.

Both EBT before major nonrecurring items and earnings before taxes were impacted by high windfall losses and significant writedowns on inventories, due in particular to the sharp and rapid drop in prices for stainless steel and in the materials business at Services.

With prices for nickel, chromium, molybdenum, copper and scrap falling heavily and quickly, the lagged reduction of our actual or expected cost of sales was lower than the actual or expected decline in our selling prices in the reporting period due to the valuation of our inventories by the average cost method. This resulted in negative margins and realized or expected losses, which are reflected in the writedowns on inventories.

The Group's net income for the period also decreased sharply. After taking into account taxes on income, the net loss for the period was €199 million; in the corresponding prior-year period a net income of €937 million was achieved. Including minority interest in losses of €38 million, earnings per share for the period deteriorated to €(0.35).

How is ThyssenKrupp responding to its first quarterly loss since the merger of Thyssen and Krupp? As Dr. Schulz has already mentioned, to manage the crisis in the current fiscal year we are implementing an extensive package of measures to reduce costs and secure liquidity.

ThyssenKrupp launched the Groupwide program ThyssenKrupp PLuS in the 1st reporting quarter to ensure a swift and firm response.

In the current fiscal year earnings-enhancing measures totaling well over €1 billion have been initiated and realized according to plan in the 1st half. The systematic cutback in temporary employees and introduction of short-time working also helped reduce personnel expense.

A further measure to improve our cash position is the systematic reduction of net working capital, for example by significantly reducing inventories and optimizing receivables management in all segments of the Group. Here, too, the measures introduced are already making an impact: While in the 1st quarter net working capital

increased, partly for seasonal reasons, by €1.23 billion, a reduction of around €1.6 billion was achieved in the 2nd quarter. This means that overall in the 1st half of the fiscal year, net working capital was reduced by almost €400 million. For the 2nd half we are aiming for a further decrease of around €1.6 billion. Our target for the current fiscal year therefore adds up to around €2 billion. In addition, we are analyzing all our capital investment projects for possible reductions or postponements.

The aim of all measures is to secure and strengthen our earnings and financial position. At March 31, 2009 the Group had cash funds and committed, freely available credit facilities of €6.6 billion. The €500 million top-up of our bond in April means that even after deduction of the financial liabilities due in the 2nd half-year we will still have over €6 billion net liquidity. Our financial basis is solid, we have no short-term refinancing requirements.

And now to the performance of the individual segments:

The **Steel** segment is feeling the full force of the global economic crisis. Following an already weak start to the fiscal year, business deteriorated further in the 2nd quarter. Over the full reporting period the value of orders received decreased year-on-year by 49%, with a 63% slump in volumes. Crude steel production was 28% lower. Sales were down by 22% and shipments by 34%.

Due in particular to the sharp fall in shipments, earnings before taxes decreased year-on-year by €442 million to €307 million.

Steel had to make operating adjustments in almost all stages of production. In March, blast furnace 9 in Duisburg was shut down. The three other blast furnaces are operating at minimum levels. At investee company Hüttenwerke Krupp Mannesmann, blast furnace A was shut down in December 2008.

Despite the massive underutilization and sharp fall in shipments, the segment still made a profit in the 2nd quarter.

The **Stainless** segment reported a large drop in orders in the 1st half 2008/2009 owing to the dramatic deterioration in the market environment. In volume terms, orders were 46% lower. The decline in prices caused the value of orders received to decrease by as much as 57%. Overall deliveries were down 34% year-on-year. Sales were 43% lower.

Compared with the prior-year period, earnings at Stainless in the 1st half fell by €615 million to a loss of €622 million. This was due mainly to an unprecedented drop in demand, drastic production cutbacks and increasing underutilization of capacity. Further softening base prices increasingly exacerbated the loss situation. Earnings were severely impacted by the windfall losses already mentioned and inventory writedowns of altogether around €350 million. Income was also negatively affected by asset impairment charges of €60 million.

Sales in the **Services** segment in the 1st half 2008/2009 were 18% lower than in the comparable prior-year period. Demand for materials continued to fall sharply in the course of the fiscal year. Prices for virtually all products also dropped further. As a result, 2nd-quarter sales were 31% lower year-on-year.

The huge earnings losses in the materials business were not offset by the profits in the other areas, and as a result the segment's earnings decreased by €315 million to a loss of €48 million. Earnings were heavily impacted by windfall losses and inventory writedowns which together amounted to around €250 million.

In the 1st half of fiscal 2008/2009 the **Technologies** segment achieved a 5% increase in orders thanks to the strong 1st quarter order intake at Plant Technology and the major orders secured at Marine Systems. In the 2nd quarter, however, there were also signs of uncertainty in plant construction and customers delayed decisions on investments. 2nd quarter demand in the automotive supply and construction machinery businesses slid by more than 40% compared with the prior-year period. The orders in hand of around €17 billion at March 31, 2009 are mainly from longer-term project business and will secure future sales in this area.

As Plant Technology realized significantly higher sales on orders in hand, the segment's 1st half sales at €5.6 billion were only slightly lower than a year earlier despite sharp

declines in the automotive supply and construction machinery businesses and portfolio changes.

Technologies achieved 1st half profits of €59 million, significantly lower than the year before. Following a profit of €164 million in the 1st quarter, a loss of €105 million was made in the 2nd quarter due to substantial charges at Marine Systems, including order cancellations for container ships, possible risks from extended liability periods in civil shipbuilding, and higher project costs for yachts. This was compounded by sharply declining sales in the automotive supply and construction machinery businesses, substantial restructuring expense and the absence of a prior-year gain on the sale of a business.

The **Elevator** segment continued its positive performance in the 1st half of the reporting year. Order intake fell just short of the high prior-year level as a consequence of the decline in the market for new installations, but sales profited from the high order intake of the prior year and climbed 12%.

A substantial year-on-year increase was also achieved in earnings: As a result of the growth in sales and the performance program, which was launched around two years ago, earnings were 45% higher at €302 million.

For the 2nd half of the fiscal year we expect weak consumption and continued destocking along the entire industrial value chain to continue to weigh on demand for our materials and materials services.

- At Steel we expect further price pressure, inadequate volumes and capacity underutilization. Due to the valuation of inventories according to the average cost method, lower raw material costs will only bring any significant relief from the beginning of the new fiscal year. This may give rise to the need for inventory valuation adjustments. From the current perspective, a noticeable recovery in demand cannot be expected until the start of fiscal 2009/2010.

- With volumes remaining inadequate, we anticipate a further loss at Stainless in the 2nd half, though this should be smaller than in the 1st half.

- At Services a reduction in the volume and price pressure, which will allow our margins to recover, is not expected until the end of the fiscal year.

We expect a mixed earnings picture for our various capital goods activities in the 2nd fiscal half:

- In the Technologies segment we anticipate continued underutilization of capacities in automotive and construction machinery components and civil shipbuilding. The resultant impact on earnings before nonrecurring items should be offset by the growth of business in plant construction, slewing bearings for the energy sector, and submarine and frigate construction.

- Earnings in the Elevator segment are expected to remain strong.

For ThyssenKrupp as a whole, therefore – as already mentioned by Dr. Schulz – we expect to end the current fiscal year with a loss before taxes and major nonrecurring items - restructuring expense, project costs and impairment charges. Depending on future economic developments, a loss before taxes and major nonrecurring items in the mid to high three-digit-million euro range is expected.

Earnings before taxes – and after nonrecurring items – will be significantly impacted by restructuring charges for our cost reduction programs and the reorganization. These measures will play a decisive role in significantly strengthening the future earning and financial power of the Group. Project costs for the new steel plants and possible further impairment charges are also expected to have a major impact on earnings before taxes. The exact amount of the nonrecurring items cannot yet be reliably assessed.

Fortsetzung Herr Dr. Schulz

Thank you, Mr. Hippe. In view of this difficult situation further efforts are necessary for the ThyssenKrupp Group. At the press conference on March 27, 2009 we outlined to you the basic structure of the reorganization plan. Owing to the dramatic economic collapse, this plan has been further developed by the Executive Board of ThyssenKrupp AG.

Adding to and confirming the resolution of March 27, the Supervisory Board today approved the overall plan for the new Group structure based on the integrated model with the eight new Business Areas: Steel Europe, Steel Americas, Stainless Global, Materials Services, and Elevator Technology, Plant Technology, Components Technology and Marine Systems, and the two divisions "Materials" and "Technologies" as the Group's areas of competency. Charts are contained in the press folder for your orientation.

In the future, therefore, operational management of the Group will be more decentralized and strategic management more centralized. Operational management will be more decentralized because the responsible Business Areas and Operating Units will now report directly to Group management, without an intermediate tier; strategic management will be more centralized because the elimination of the intermediate segment level will make direct dialogue possible. The new Group structure is to be implemented legally and organizationally by October 1, 2009.

The aim of the reorganization is to focus business operations more strongly and create leaner and more efficient structures to be able to operate faster and closer to the market and implement operational and strategic measures more directly. ThyssenKrupp is to become "leaner, faster and better" and the Group aligned strategically to its two areas of competency "Materials" and "Technologies". The Executive Board intends to use this crisis as an opportunity to secure the long-term future of the business and thus of jobs. "Leaner" means fewer levels, less administration and thus less bureaucracy. This will lead to a sustainable reduction of costs. "Faster" means more direct management of business operations by the Group Executive Board. "Better" means the Group Executive Board can make decisions and corrections with greater speed and flexibility. For this, the Group Executive Board is to be served by a significantly strengthened corporate center.

The reorganization is intended in particular to achieve sustainable savings on administrative costs, which are to be reduced by around 20% or roughly €500 million. The savings will be made up in roughly equal parts of material and personnel costs.

In the future, the ThyssenKrupp Group is to be managed and steered by a strong corporate center. The Group's operations will be combined in the eight business areas, which will be tied directly to ThyssenKrupp AG. The divisions as interim holding companies will cease to exist. This new structure will bring the Group Executive Board closer to business operations. It will create greater transparency both internally and externally and permit faster and better decision-making. This consolidation will significantly reduce administrative expense and capacities. The names of the divisions "Materials" and "Technologies" describe the strategic focus of the four business areas in each and mark out the ThyssenKrupp Group's areas of competency.

The four business areas Steel Europe, Steel Americas, Stainless Global and Material Services will focus and strengthen our materials competency and materials services along the value chain - purchasing, production, sales and services.

The business areas Elevator Technology, Plant Technology, Components Technology and Marine Systems will focus and strengthen our technological competency in the area of global megatrends.

In addition, administrative services across the Group will be combined in new shared services units.

The main elements of the new Group structure are:

- Group Executive Board: Will have overall responsibility for all corporate center functions, business areas and shared services.
- Corporate center functions: Will be available to all Executive Board members for top-level strategic management.

- Divisions: Will form a framework around the business areas. The divisions with their four business areas will each be directed by a Group Executive Board member. The divisions will not have their own corporate functions.
- Business areas: The responsible business area management will direct the operating units in a business area, liaise with the Group Executive Board and represent the operating units.
- Operating units: Will be responsible for day-to-day operations and direct business development.
- Shared services: The shared services units will provide Groupwide administrative services which are not core business, such as parts of accounting, IT etc.

In the new structure, ThyssenKrupp will remain an integrated materials and technology group and a value-based conglomerate. Our diversified set-up is one of our strengths. We stick by that. The restructuring will strengthen the decentralized units because the elimination of the interim holding companies will bring them closer to the corporate center, enabling them to obtain Executive Board decisions more quickly and making them more entrepreneurial. Despite constant claims to the contrary, the operational management of the Group will be much more decentralized than in the past.

Allow me to make this personal remark: Since the beginning of the crisis in November last year I have kept saying that we will do all we can to avoid compulsory redundancies. However, it seems no-one wants to hear that, and, especially, no-one wants to write it. Plain speaking is part of the culture of the steel industry. I am used to that and it’s a good thing. We agreed, orally and in writing, to do everything to avoid compulsory redundancies. And we will. I am confident we will achieve that goal.

We have always carried out these adjustment processes in a constructive dialogue with the employee representatives. All the figures that are appearing in the media are pure speculation. We have decided that we want to become leaner. This concerns above all the administrative functions and the corresponding capacities. We will announce concrete figures in due course.

It is not about confrontation or escalation, it’s about the future of our company. It is the job of the Executive Board to respond to changing conditions. And those conditions

have intensified dramatically in recent weeks. That is why the Supervisory Board today approved our plan to reorganize the Group. There is no alternative.

The Group Executive Board has nominated the members of the first level of management below the Executive Board in the new structure. This means the respective business area directors and controllers have been decided on.

Following today's resolution by the Supervisory Board, the organizational structure will be further fleshed out by the project team headed by Dr. Middelmann before the Supervisory Board meeting on September 4. The reporting changeover to the new target structure will also be prepared. A Groupwide activity/function analysis for the overhead area is currently taking place concerning around 15,000 employees. On this solid basis of facts the necessary decisions can then be made.

In addition, the measures will be voted on in the respective bodies and preparations will be made for legal implementation. Financial planning and control will also begin in the new structure. The new structure is to be in place at October 1, 2009.