

Remarks

by

Dr.-Ing. Ekkehard D. Schulz

Chairman of the Executive Board
ThyssenKrupp AG

at the

press briefing on August 26, 2008

**“ThyssenKrupp to further expand its strategic growth agenda –
focusing in the Services segment”**

Dreischeibenhaus, Düsseldorf

Check against delivery.

Ladies and Gentlemen,

In the past few years, ThyssenKrupp has performed very strongly and constantly increased its earning power. In so doing we have created substantial value for our stockholders, which has been correspondingly rewarded by the capital market. Our share price has almost doubled since the merger and has been outperforming the DAX for quite some time. At the time of the merger, ThyssenKrupp had sales of €37.2 billion, earnings before taxes (EBT) of €1.1 billion and a total of 193,000 employees. The Group was active in a very large number of business areas. Since then, we have completed a very demanding program.

In the first phase after the merger, the focus was on consolidation. To this end, we restructured our portfolio. Marginal activities with total sales of €9.5 billion were sold and acquisitions made in our core businesses with total sales of over €8.7 billion. In addition we launched several initiatives which have sustainably improved our technological capabilities and our cost efficiency. In a first earnings “triple jump”, this led us from EBT of €0.8 billion in fiscal 2001/02 to EBT of €1.6 billion in fiscal 2003/04 and finally to EBT of €2.6 billion and sales of €47.1 billion in fiscal 2005/06.

Having completed the consolidation phase, since fiscal 2005/2006 ThyssenKrupp has been pursuing a strategic growth course. During this expansion phase, we will be making investments of up to €20 billion. In addition to the construction of new steel mills in Brazil and the USA as part of the forward strategy of our Steel and Stainless segments, this will also include international expansion in our Technologies, Elevator and Services segments. Our target for this growth phase involves another earnings “triple jump”. In the past fiscal year 2006/07, ThyssenKrupp achieved EBT of €3.3 billion on sales of €51.7 billion. In the current fiscal year we aim to achieve earnings before taxes and nonrecurring items of over €3.2 billion. Our medium-term target is sales of €60 billion and earnings of over €4 billion, rising to sales of €65 billion and EBT of €4.5 to €5.0 billion after implementation of our investment projects.

The Group’s strategic growth agenda provides for expansion in all segments, focusing in particular on international growth beyond the European market and the targeted utilization of ThyssenKrupp’s technology capabilities.

We have already explained the growth strategies of our Steel and Stainless segments. Both segments are working with great determination to implement their transatlantic expansion plans with the new steel mills in Brazil and the USA. In addition, the Steel segment will strengthen its position on its home European market by gradually expanding and modernizing the existing facilities at its integrated steel mill in Duisburg. The Stainless segment is also optimizing its European plants and strengthening its position as a materials specialist, for example by extending its range of services and enhancing its presence close to customers worldwide.

Technologies is pursuing a growth strategy based around the global trends of environment, raw materials and security. The segment's range of technologies offers outstanding, intelligent products and solutions for these trends. Key growth markets are the BRIC countries and the Middle East.

The Elevator segment is aiming to sustainably expand its current position on the world market. Here again Asia offers opportunities for growth, as the global trends of urbanization and infrastructure are important drivers of Elevator's business.

We will be reporting more on the growth strategies of all segments in the coming months.

Ladies and gentlemen, as you can see we are implementing a very extensive strategic growth program. Our aim is to systematically and continuously increase the value of the Group – which includes concentrating on businesses whose performance and competitive position offer the best opportunities for development. At the end of the day, ThyssenKrupp cannot achieve the same level of growth in all areas. As part of our active portfolio management process, we therefore constantly examine options for all our business activities in terms of future value potential and whether ThyssenKrupp is the best owner. In this context we have now decided to pursue a focused growth strategy in our Services segment.

In the past fiscal year, Services had 43,000 employees and achieved sales of €16.7 billion and EBT of €704 million. The segment comprises four business units: Materials Services International (€7.9 billion sales) and Materials Services North America (€2.3 billion sales), Industrial Services (€1.9 billion sales) and Special Products (€4.6 billion sales).

Our plan provides for the disposal of the Industrial Services business unit in the course of the next two fiscal years. The business unit has achieved leading positions in Germany and the

USA. Although highly profitable, it is the smallest business unit and has the smallest synergies with the main business of the segment and the Group. We therefore see better development opportunities for these operations with a best owner. The steel service activities in Germany and Brazil will be retained and in the future will be managed as part of the Special Products business unit.

We intend to significantly grow the Special Products business unit, i.e. the rolled steel, pipe and raw materials trading business as well as the contractors' plant and railway equipment operations. With the help of a strategic partner, who will take a substantial minority interest in the Special Products business unit, we want to drive forward our business in Asia and Eastern Europe in particular.

At the same time, growth in the core business of raw and industrial material services, which today already account for between 80-90% of sales and earnings, will be accelerated. Our aim is to achieve the number one position on the world market. The prospects for expansion are good as there are attractive candidates for acquisition not only in the growth regions but also as a result of the consolidation of the world market.

My colleague Mr. Eichler will now explain the focused growth strategy for the Services segment in more detail.

Thank you.