

Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

at the

press conference

on

September 28, 2006

Rio de Janeiro, Brazil

Check against delivery

Ladies and Gentlemen,

Welcome to our press briefing ahead of the IISI conference. We are pleased to have the opportunity to present the latest developments at ThyssenKrupp. As we see it, they are positive developments.

At our annual press conference in December last year, I said that the consolidation phase at ThyssenKrupp had come to an end and announced worldwide growth. The figures for the 2005/2006 fiscal year ending shortly show that we have embarked on this growth path.

Allow me to briefly sum up our progress to date.

In fiscal year 1999/2000 – the first joint fiscal year following the merger – we achieved earnings of €1.31 billion on sales of €37.2 billion. Our net financial liabilities stood at €7.7 billion. For fiscal year 2005/2006 we announced targets of €46 billion for sales and €2.5 billion for EBT. Our debt has long since been eliminated, in fact ThyssenKrupp is in credit. Since the merger we have made continuous improvements, disposing of companies with sales of €7.5 billion and acquiring others with sales of €7.8 billion. The latest step is the restructuring of our automotive supply business. The body and chassis activities in North America, with sales of around €1 billion and 4,000 employees, are due to be sold shortly.

Following the Supervisory Board meeting on August 11, we announced that the segments ThyssenKrupp Technologies and ThyssenKrupp Automotive were to be combined as part of this restructuring. This will come into effect on October 1. ThyssenKrupp will then have five segments – Steel, Stainless, Technologies, Elevator and Services.

Let us take a look into the near future.

Our medium-term sales target is €50 billion. Around €30 billion of this will be generated by product-oriented businesses and €20 billion by service-related activities. In the area of Steel, sales are expected to increase in the future to €16 to 19 billion, in Capital

Goods to €19 to 21 billion and in Services to €13 to 14 billion. But that will not be the end. As sales increase, earnings will also continue to improve.

To achieve our targets we will be investing heavily in the coming years. Over the next five years we will be making investments of €17 to 20 billion. Of this, €10 billion will be invested in maintaining existing operations and €10 billion in organic growth and acquisitions.

I will be reporting on the Steel segment shortly. ThyssenKrupp Stainless is world market leader with a share of 17% and alongside the successful ThyssenKrupp Nirosta in Germany has an international setup: Acciai Speciali Terni (AST) in Italy, SKS in China and Mexinox in Mexico. Investments of €34 million were made recently at Mexinox to increase its annual output to 250,000 metric tons of stainless cold strip. This investment will strengthen Mexinox's excellent position long-term in the key stainless steel markets of Central and in particular North America. We can well imagine establishing an additional joint plant with our colleagues from ThyssenKrupp Steel in the USA. More about that later.

ThyssenKrupp Technologies, an international supplier of leading-edge technology in machinery, engineering and shipbuilding and – from October 1 – a renowned supplier of high-quality automotive components and systems, will continue to strengthen its in part leading world market positions through international investments and acquisitions. For example, Rothe Erde is currently expanding not only its plant in Dortmund, but also plants in India, Japan and China. Polysius is extending its global service activities. In the automotive supply sector, we aim to strengthen our position in China through Tianrun, a company with 800 employees and sales of €30 million.

In addition to organic growth, ThyssenKrupp Elevator will continue to actively pursue strategic acquisitions, above all in Japan. The segment is now also present on the Italian market and has acquired further companies in India and Spain. This strategy will be systematically continued.

ThyssenKrupp Services will also continue to grow. Here in Brazil, the segment has acquired a 51% interest in the industrial services business of RIP. RIP is market leader

in its sector and has activities at all major industrial locations in Brazil. The growth of the segment will be achieved in part through strategic acquisitions and in part by the implementation of its Eastern Europe concept. As the markets in Eastern Europe expand, demand will grow for comprehensive and professional material supplies.

That sums up our investment goals. In the long term – by which I mean a period of ten years – this will boost ThyssenKrupp's sales to over €55 billion.

How do we intend to finance this?

In the next five years, we expect ThyssenKrupp to have an operating cash flow of around €16 billion. Deducting an amount of €8 to 10 billion for normal investment expenditure in the same period leaves €6 to 8 billion for internal financing which, after payment of an appropriate dividend, is at our disposal for key growth investments. In addition to this, ThyssenKrupp currently has net financial assets, and we hold treasury stock in the amount of around €700 million. Moreover, we can easily afford to incur debts of several billion euros without putting our investment grade rating at risk. Our ambitious investment program is therefore founded on a solid basis and will take ThyssenKrupp to a new dimension.

A key step on the path to this new dimension are our plans for the steel business: in Duisburg we have 4 blast furnaces producing 11 million metric tons of crude steel, a figure that rises to just under 14 million tons if we include the output of the Hüttenwerke Krupp Mannesmann steel mill. Duisburg is one of the best steel sites in the world with an outstanding infrastructure. We intend to invest a further €400 million in this site to optimize the existing state-of-the-art equipment. These measures, which are already underway, will allow ThyssenKrupp Steel to eliminate bottlenecks. In addition to these capacity extensions we have a €340 million program in Duisburg to build a new blast furnace 8, which as a replacement for blast furnace 4 will not represent any major increase in capacity, and reline blast furnace 9.

The steel mill in Sepetiba here in Brazil will be operated by ThyssenKrupp CSA Companhia Siderúrgica and is scheduled to start production in early 2009. Tomorrow will see the laying of the foundation stone. This €3 billion investment, including power

station and coking plant, will have a capacity of 5 million metric tons. The steel mill itself will employ more than 3,000 people and will indirectly create a further more than 10,000 jobs in the region.

This steel mill is the core element of our integrated growth strategy for the Steel segment. The supply of high-quality, low-cost slabs from Brazil will enable us to utilize growth opportunities in our core European market and in the NAFTA region. Our goal continues to be to occupy a leading global position in the market for high-quality flat carbon steel.

In the North American growth market, which is characterized by strong demand for high-quality flat steel products, ThyssenKrupp aims to achieve a market share of at least 5%. The acquisition of the Canadian steel producer Dofasco would allow us to reach this objective quickly.

In parallel with this, ThyssenKrupp Steel and ThyssenKrupp Stainless are hard at work on plans to build a joint plant in the USA. In the coming years, the North American market is expected to show above-average growth not only for high-grade flat carbon steel but also for stainless steel flat products. Central to the plans for our greenfield project is the construction of a hot strip mill which will be used primarily to process slabs from the new steel mill in Brazil. The new plant will also feature cold rolling and hot-dip coating capacities for high-quality end products of flat carbon steel. Our investment in the plant, which will have an annual capacity of 4.5 million metric tons, is estimated at €1.8 billion.

In addition, ThyssenKrupp Stainless plans to build a melt shop with an annual capacity of up to 1 million metric tons of slabs, which will be processed on the hot strip mill. A cold rolling facility is also to be built which will be designed initially to produce 325,000 tons of cold strip and 100,000 tons of pickled hot strip. Our Mexican stainless steel plant ThyssenKrupp Mexinox will then be supplied with hot strip from the USA as starting material. The volume of investment by Stainless is expected to be €500 million.

A site is currently being sought for this plant complex. Three potential locations have been identified in Alabama, Arkansas and Louisiana. Discussions are in progress with the governments of these states.

Let me emphasize once again: Dofasco takes priority. Should we be unable to acquire the company, we will realize our plans to build a new plant without delay.

ThyssenKrupp ranks number 10 among international crude steel producers, and number 7 for flat-rolled carbon steel. In the sales rankings, our concentration on high-quality products places us fifth. World crude steel output is currently 1.2 billion metric tons per year. 700 million tons of this is long products and 500 million tons flat products. Of these 500 million tons, 250 million tons are high-end products. Our aim is to obtain a 10% share of this volume. Our plans starting here in Brazil and continuing in the NAFTA region will bring us closer to this goal.

Let me now move on to the outlook: what are our expectations for fiscal 2006/2007? Having already achieved our medium-term target of €2.5 billion this year, our aim for the coming fiscal year is to reach a comparable magnitude. Assuming that the world economy remains stable and oil prices stay within manageable limits, we are confident that we can achieve this target.