

Remarks

by

Dr. Ekkehard D. Schulz

Chairman of the Executive Board
of ThyssenKrupp AG

at the

**ThyssenKrupp
Groundbreaking Ceremony**

November 2, 2007

Calvert, Alabama

Check against delivery.

Governor Riley,
Members of Congress,
Commissioners,
Mayor Jones,
Mayor Bolden,
Distinguished Guests:

Welcome or “Herzlich Willkommen”, as we say in German. Karl Koehler, Juergen Fechter and I thank you for joining us today at the home of our carbon and stainless steel facility in Calvert/Alabama.

We have come a long way from modest beginnings.

In 1837, Alfred Krupp, the founder of our predecessor company Krupp, based in Essen, Germany, sent his company’s prototypes for coin minting machines to America. A few years later, he delivered the ‘National Coin” to the Philadelphia Mint at a price of \$1,011.06.

In 1893 Henschel & Sohn, an eventual Thyssen company, set foot on the American market and won the first prize for locomotive design at the Chicago World Fair.

Today, 170 years after our products were first sent to this country, we break ground on the site of our \$3.7 billion world-class facility, our biggest investment in the United States to date. Our new plant will join existing ThyssenKrupp facilities in America which employ more than 25,000 people and generate \$9.7 billion in annual revenues.

This is an exciting moment for our company. This groundbreaking represents the culmination of a complicated two-year process in which we analyzed 67 sites in 20 states for our facility. As we look out at the friends we have made in Alabama, the team and I are certain that we made the right choice.

This facility is a key element of our company’s growth strategy; once we are up-and-running on this site in 2010, we will be positioned to significantly increase our carbon and stainless steel market share throughout North America. Our strategy for both the Steel and Stainless steel segments is based on 3 pillars: efficiency, technology and profitable international

growth. The global steel industry is undergoing a dynamic consolidation process. We are taking our own individual approach, with a clear forward strategy to position ourselves as a global player in the attractive steel markets, focusing on Europe, where we are number two in the market, and North America.

The key elements of our growth strategy in North America are:

- First, setting up additional crude steel capacities in Brazil to produce low-cost, high-quality slabs which will significantly improve our competitive position. Our facility being built near Rio de Janeiro is scheduled to start production in 2009 with a capacity of 5 million tons of slabs per year, much of which will be transported here.
- Second, strengthening our position in North America by establishing our own processing capacities on this site. This will create major advantages in terms of quality, costs, and access to a customer base with a demand greater than current supply.

Today, we are digging on a small plot of land. Eventually, our new facility will sit on more than 3,500 acres. This is the type of project that represents a very long-term commitment. We will be here in Alabama for decades to come, providing good jobs for many generations.

Along with construction, our next focus will be on developing a first-rate workforce to help us operate the facility – producing 5.1 million metric tons of high-quality end products each year. We will be working with AIDT, Alabama's workforce training department, to recruit and train workers. When fully operational, 2,700 permanent jobs will be created, including opportunities in management, engineering, equipment operations, logistics, production, maintenance and administration.

Our commitment to you extends beyond employment opportunities. We will demonstrate through our actions that we will be a good neighbor and a responsible corporate citizen. Throughout the construction and operation of our new facility, we are committed to meet the most stringent environmental protection standards. In Alabama, this means we will be using the most technologically advanced protection measures available. The new plant will use clean-burning natural gas and electricity to fire its process heaters and furnaces. The process equipment will also be designed with extensive energy recovery and re-use technologies.

In many cases, ThyssenKrupp's own high standards for environmental protection exceed what is required. As an example of this commitment, during recent tree harvesting activities on this site, we voluntarily chipped wood stumps for use for example as bio fuel versus burning them as regulations would allow. We did so in the best interests of the environment and our neighbors.

I hope you agree that this is also a great day for the Mobile area and Alabama as a whole. Alabama is on a roll... it has been successful in recruiting not only ThyssenKrupp, but also many other impressive companies.

The economy is booming; the unemployment rate is at an historic low, the housing market is at a high and the tax base is growing. To us, Alabama is the jewel of the South. This is a testament to Governor Riley, Neil Wade and his team at the Alabama Development Office, and many other public- and private-sector leaders.

We announced in May that Alabama would be our home. Our next goal was to break ground in this calendar year. We do so now, which means that we are on track to start production in March 2010.

Between our initial announcement and today's groundbreaking, we have been busy. I am proud to say that we have hired several well-known companies from Alabama to assist in grading, geotechnical surveys and other site preparation activities. In July and August, we held four open house community meetings throughout the Mobile area to inform approximately 2,000 residents about the new plant. We welcome this dialogue and hope that it will continue well into the future. We opened a project office in Mobile. Two weeks ago we placed a big order for the plant's hot strip mill and cold rolling complex. We are right on schedule and ready to begin construction.

There are so many people to thank for helping us reach this groundbreaking today. Prior to our selection of Alabama, we had a tremendous amount of support from state leaders, private interests and the community as a whole. We are grateful that this support has continued since that time.

I would like to share a quick anecdote. Last year in Germany, ThyssenKrupp played host to Neil Armstrong, the first man to set foot on the Moon. He told us: "Great ideas need landing gear as well as wings." We have developed an idea and today we have landed here in Calvert/Alabama.

Governor Riley, distinguished guests: Karl Koehler, Juergen Fechter and I would like to say: "Herzlichen Dank". Thank you once again for your leadership and support.

We would also like to thank our teams at ThyssenKrupp Steel USA and ThyssenKrupp Stainless USA. Your dedication, hard work and team spirit is exemplary and has impressed us time and again. We know how demanding this project has been on you and your families. You have moved to this great state, found housing and schools for your children and made new friends. We are proud of you and wish all of you the very best for the future here in Alabama.

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