

Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

at the

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Ladies and Gentlemen,

Welcome to our press conference at this year's IISI Annual Conference, taking place in Germany again for the first time in 18 years. A lot has happened during those years – both politically and economically: a month after our last conference in this city, the Iron Curtain opened and the Berlin Wall came down. The international steel world has also changed completely since that meeting in 1989. On the one hand, extensive and ongoing consolidation has made it less fragmented and less cyclical than before. On the other hand, new markets, new regions, new players have joined. The steel sector has now become a truly global industry. The ThyssenKrupp Group, formed from the mergers of Thyssen, Krupp and Hoesch, is an extremely successful example of this trend.

At the IISI conference over the next few days, the focus will be firmly on steel. I would like to take the opportunity to explain briefly where the ThyssenKrupp Group stands today and outline the key points of our growth strategy. Following my remarks, my colleagues Köhler and Fechter will be telling you about their segments – Steel and Stainless – and explaining the growth strategy in particular against the background of our investments in Brazil, the USA and Duisburg.

Our 2006/2007 fiscal year ended a few days ago on September 30. We will be providing concrete figures at our annual press conference on December 4. But I can already reveal that the fiscal year just ended was the Group's best ever. We have significantly improved on the outstanding results of the 2005/2006 fiscal year. In our report on the 3rd fiscal quarter, published in summer, we forecast full-year earnings before taxes and nonrecurring items of around €3.6 billion, including nonrecurring items around €3.2 billion. We further anticipated an increase in sales to over 50 billion euros. ThyssenKrupp has therefore taken advantage of the strong global economy to achieve further growth in all five Group segments. Our mid-term and longer-term targets remain unchanged. By 2010 the aim is to achieve sustainable earnings before taxes and major nonrecurring items of €4 billion on sales of around €60 billion. In the longer term we expect sales in the region of €65 billion and earnings before taxes of €4.5 to 5.0 billion. Our new sites in Brazil and the USA will play a major part in this growth. So there's plenty to look forward to at our annual press conference.

As we announced last year: following a phase of consolidation, ThyssenKrupp is now focused on expanding its world leading positions in all major markets. What growth strategies are our segments pursuing to achieve this? One central element is the international expansion of successful business strategies.

For example ThyssenKrupp Steel intends to transfer its successful European approach, i.e. concentrating on high-end products, to the American market, producing slabs at lowest-possible cost in Brazil and building the most advanced production and logistics facilities in the USA for flat-rolled carbon and stainless steel products in Alabama.

ThyssenKrupp Stainless holds leading positions on its core European markets. The segment is expanding further in the profitable NAFTA growth market. For this, it is building an integrated stainless steel mill in the USA with optimized logistics and low costs. The focus is firmly on high-end products and materials-oriented growth markets. A particular advantage for ThyssenKrupp lies in the combination of carbon steel and stainless steel and the joint use of a hot strip mill as the central element of the new Alabama facility.

The Plant Technology business unit of ThyssenKrupp Technologies has the right products and solutions for many issues in connection with the mega-trends of resource scarcity, climate change and environmental protection. Today, around 30 percent of the world's raw materials are extracted using systems from ThyssenKrupp Technologies. Marine Systems is world number 1 in conventional submarines and a leader in fuel cell technology. Mechanical Components holds outstanding positions on the world markets for key components used for the production of renewable energies, for infrastructure and mining and for automotive powertrain components/crankshafts.

ThyssenKrupp Elevator, worldwide number 3 and number 1 in the USA, will continue to acquire medium-size companies in the relevant markets and expand its position in growth markets such as China, India and Eastern Europe.

ThyssenKrupp Services is pursuing a growth strategy which combines expanding its materials services and industrial process activities in Europe and North America with increasing involvement in the growth markets of Asia and Eastern Europe.

As I already mentioned, our activities in the American steel market are a key area and represent our biggest investment. The Steel and Stainless segments plan to build a joint production and distribution site in Mount Vernon, Alabama. The aim is to significantly strengthen ThyssenKrupp's position in North America.

The central element of the new plant will be a hot strip mill which will be used primarily to process slabs from the new ThyssenKrupp CSA steel mill in Brazil. ThyssenKrupp Stainless plans to build a plant to manufacture stainless steel flat products on the same site. Once the Mount Vernon plant is built, ThyssenKrupp aims to win a five percent share of the US steel market, which we believe will grow at an above-average rate in the coming years.

What is our strategy?

Since the merger of Thyssen and Krupp in 1999, the Group has sold companies with a sales volume of €9.1 billion and acquired others with sales of €8 billion. Portfolio change is an ongoing process and will be continued at ThyssenKrupp.

Having failed in our attempt to acquire Dofasco for the known reasons, at Steel and Stainless we are pursuing a strategy of organic growth. Current examples include our investments in Brazil, the USA and Duisburg. At Technologies, Elevator and Services our strategy is a combination of organic growth and acquisitions.

We always aim to make acquisitions which are a good strategic fit and make good economic sense. We will not acquire companies simply as a means of boosting our size. As I have already mentioned in the past, maximizing production tonnage is not a strategic goal for ThyssenKrupp. The world steel industry rankings are still mainly based on production figures. But tonnage figures alone reveal nothing about the products and grades involved. For example, in terms of crude steel output ThyssenKrupp currently

ranks 12th with around 17 million metric tons. But in terms of steel sales, ThyssenKrupp is 4th with US\$21.2 billion. Higher quality generates higher sales, and as a general rule also permits better margins over the cycle.

Ladies and Gentlemen, since the merger eight years ago, ThyssenKrupp has steadily grown its sales and earnings and has increased its enterprise value. An important prerequisite for this success story is the company's position as a conglomerate. And that's the way we intend to stay. Steel plus capital goods plus services: these three pillars will remain the basis of our business model in the future and thus the basis of our success. For many years, the Group suffered from a conglomerate discount on the stock markets. But those times are over. In the meantime, our strategic model has won over even the most skeptical of capital market experts. A look at our share price confirms this. Last year, our stock gained 98 percent, the best performance in the DAX index. In the first half of 2007 alone, the value of our shares grew by 24 percent. In the same period, growth of the German DAX index was slower at 21 percent.

Ladies and Gentlemen, at this conference the focus is on steel. My Executive Board colleagues Dr. Köhler and Mr. Fechter will therefore now report on the situation in our Steel and Stainless segments. Afterwards we would be pleased to take your questions.