

Remarks

by

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Chairman of the Executive Board
of ThyssenKrupp AG

at the

**Press Conference on the Opening of the
ThyssenKrupp Technology Days**

on

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Ladies and gentlemen,

Welcome to our press conference to mark the opening of the ThyssenKrupp Technology Days in Shanghai. I am delighted to welcome you here in the modern Shanghai Science and Technology Museum.

We are grateful for being able to hold our technology exhibition here because the museum – like our company – stands for technology and innovations and for a bright future.

The ThyssenKrupp Technology Days here in Shanghai are an expression of our belief that only together can we meet the challenges of the future. ThyssenKrupp therefore sees itself as a partner to China.

We know that it requires major efforts to combine economy and ecology. I am pleased that China too has chosen this path of sustainable development.

The mega-trends of tomorrow open up major opportunities, but at the same time they demand responsibility from us all.

We must sharpen our awareness that economic growth is today closely linked with ecological sustainability. Technology and innovations make a significant contribution to this.

Our Technology Days will show what this contribution can look like:

From tomorrow we will be presenting over 50 exhibits from ThyssenKrupp and its partners on an area measuring 2,500 square meters. Against a background of growing mobility, increasing resource scarcity and climate change, we invite people to experience the technologies and innovations with which ThyssenKrupp is helping to shape the future in a technologically appropriate and ecologically responsible way.

ThyssenKrupp is a global technology group with 190,000 employees and sales of over 50 billion euros. In fiscal year 2006/2007 we expect to achieve record pre-tax earnings of around 3.6 billion euros.

The film was intended to give you an initial impression of our capabilities. ThyssenKrupp has five strong segments: Steel, Stainless, Technologies, Elevator and Services. With these segments the Group holds leading positions in the international market.

ThyssenKrupp is at home throughout the world. More than half our employees work outside Germany; the Group generates two thirds of its sales with international customers. This internationality will increase further, and China will play a major role in it.

China is ThyssenKrupp's most important market in Asia. Roughly 6,000 employees generate sales of around a billion euros here. The Group supplies a broad range of products in the People's Republic. Many of our capital goods are produced locally: elevators for the Shanghai World Financial Center, one of the tallest buildings in Asia, are being built in Zhongshan. In Shanghai the Transrapid transports people from Pudong Airport to Longyang Road metro station in only eight minutes. Premium stainless steel is produced locally by Shanghai Krupp Stainless. At the major auto producing centers in Wuhan and Changchun, ThyssenKrupp produces tailored blanks which reduce car weight and with it fuel consumption.

ThyssenKrupp and China have enjoyed successful business relations for a long time. They stretch back to the 19th century. The first contacts were established around 1866. The Group supplied materials and technical know-how to Imperial China for railroad construction.

The relations were, and are, varied in nature. Back in the late 19th century personal exchanges were to the fore, alongside growth in trade relations: numerous study trips and personal contacts at top political level bear witness to growing mutual interest. Berthold Beitz, Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und Halbach Foundation, led the first German economic delegation to the People's Republic

of China in 1973. Another highpoint was the visit of the Chinese head of state Jiang Zemin to Villa Hügel in Essen in 1995.

ThyssenKrupp focuses its operations here in China in the national holding company, headed by Alfred Wewers.

Besides the national holding company, the Group today has 42 segment companies in the People's Republic. Sales to customers in China reached around 1 billion euros in fiscal year 2005/06. In fiscal year 06/07 we expect sales to increase by roughly 10%. In the coming years we aim to double our sales in China to 2 billion euros and invest half a billion euros. ThyssenKrupp is banking on China. With our increased sales we aim to support China's economic growth quantitatively and qualitatively.

Our biggest single company in the People's Republic is Shanghai Krupp Stainless, a joint venture in which ThyssenKrupp holds a 60% stake. This company alone achieved sales of almost 400 million euros last fiscal year. Other important companies are ThyssenKrupp Elevators in Zhongshan with almost 130 million euros in sales and Rothe Erde in Xuzhou with around 50 million euros in sales.

One major joint project is the Transrapid here in Shanghai. The plans to extend the existing link between Pudong International Airport and Longyang Road Station are already well advanced. The extension will focus initially on the 34-kilometer link within Shanghai to Hongqiao Airport, including the site of World Expo 2010. A second phase envisages the extension of the line to the provincial capital of Hangzhou 180 km away. The Chinese side and the German system industry have agreed to work together on this commercial line. The final decision on whether to extend the Transrapid line will be made by the Chinese Government. A positive decision would be of major importance for the further use of the Transrapid technology in the People's Republic of China. To date, over twelve million passengers have traveled on the existing Transrapid line.

These facts and figures document the good relations between the Group and China in the past and the fruitful alliances of the present. One sign of this is that the entire Executive Board of ThyssenKrupp AG will be here in Shanghai during the Technology Days, and we intend to intensify our relations with China in numerous meetings.

Ladies and Gentlemen, partners are allowed to speak openly: China is today by far the biggest steel manufacturer in the world, producing more than a third of the world's steel. By 2008 its steel production will pass the 500 million mark.

Chinese steel companies are also putting their faith in new, state-of-the-art mills meeting high environmental standards – 50 million tons of efficient capacity is under construction or planned. In return, outdated facilities are supposed to be closed – around 100 million tons by 2010. However this is not yet being carried out with the necessary rigor. These blast furnaces and meltshops are outdated, inefficient and unprofitable, and place an excessive burden on the environment. One of the consequences of this hits us Europeans particularly hard: China is rapidly developing into a steel exporter, and Europe is the first destination outside Asia for its products, although these are not yet in the high-end segment occupied by ThyssenKrupp Steel. Ten million tons of steel will be exported to the EU this year; last year it was only half that amount. All the measures taken by the Chinese governments to curb these exports have been without effect so far. If China wishes to avoid long-running trade conflicts, the rules of the market have to be obeyed.

Ladies and gentlemen,

The world's future will be determined by developments and challenges which are generally referred to as mega-trends. Three examples of these are: increasing mobility, growing resource scarcity and worldwide climate change. These global, interlinked challenges affect China and Europe equally.

Demand for water, electricity, fuels and food is increasing constantly. In addition, more and more people want and need to get from one place to another quickly and safely. As one consequence of this we are already seeing much more intense and hard-fought competition for raw materials.

All the large industrial regions like Europe and the USA, but especially emerging nations such as China and India are reliant on imports for raw materials and energy production.

The potential ecological consequences of resource scarcity are documented graphically in the various climate change scenarios. Despite all the forecasts we cannot even begin to estimate the economic costs. However they will be huge.

Innovations and technical advances are therefore key elements in meeting these challenges, which can be best mastered by learning with and from one another.

ThyssenKrupp is facing up to these challenges. With new materials, improved technologies, optimized production processes and intelligent products we are helping alleviate environmental problems and contain the negative consequences of climate change. In doing so we are making an active contribution to improving people's quality of life.

Our Technology Days here in Shanghai show how we are doing this: the technology exhibition which we will be opening shortly will present innovative products and solutions which can help shape the future in a technologically appropriate and ecologically responsible way. ThyssenKrupp sees itself primarily as a partner to China, supporting the country in mastering the diverse challenges it faces.

Focusing on the three central global challenges of mobility, resource shortages and climate change, the ThyssenKrupp Technology Days will demonstrate how solutions from ThyssenKrupp can help meet these challenges: for example we will present new materials that allow modern seawater desalination plants to operate more efficiently and more sustainably. We will also be showing how pollutants can be filtered out of the air using the EnviNOx process and how steel can contribute to making the cars of the future safer and lighter.

The ThyssenKrupp Technology Days are part of a ThyssenKrupp initiative aimed at communicating the fascination of technology to a broad public. Activities in Germany include the Ideas Park – a technology experience for the whole family which attracted more than 260,000 visitors to Gelsenkirchen in 2004 and Hanover in 2006. Next year the Ideas Park will be staged in Stuttgart.

In parallel with this, ThyssenKrupp also stages attractive international technology events aimed at raising enthusiasm for technical innovations not just among experts, but also the general public. Following the ThyssenKrupp Technology Days at Waseda University in Tokyo in 2005, the ThyssenKrupp Technology Days are now starting today in Shanghai.

ThyssenKrupp is being supported by partners from higher education and the world of science. One of these is the renowned Tongji University in Shanghai, which has a long tradition of Sino-German cooperation and collaborates closely with ThyssenKrupp. Another is the Technical University of Clausthal, a longstanding ThyssenKrupp partner university specializing in engineering and with many Chinese students. Another partner is the Deutsches Museum, one of the world's most highly renowned museums of technology. From the area of research we are joined by the Dresden-based Leibniz Institute for Solid State and Materials Research, which will initiate visitors into the secrets of materials science.

Visitors will be able to witness an impressive technology exhibition covering an area of 2,500 square meters. More than 50 exhibits from ThyssenKrupp and its partners will invite them to find out about the global challenges and explore the fascinating world of technical innovation.

Visitors to the exhibition will first be given an introduction to the three major challenges of the future: facts and figures will underline the complexity and significance of the global mega-trends. Interactive elements will help make the trends easier to understand and allow visitors to experience their consequences for themselves.

The second part of the exhibition will present technological achievements and products of the ThyssenKrupp Group and its partners. Let me give you two examples:

Current forecasts predict an increase in the number of cars registered in China from 30 million at present to a hundred million in ten years. The key challenge here is to reconcile this demand with available resources and environmental requirements.

The lighter a car, the less fuel it uses. That's why car manufacturers are striving to maximize weight reduction while maintaining the same levels of stability and occupant safety. Solutions include innovative steel processing methods offered by ThyssenKrupp, such as tailored blanks (sheets of varying thickness) and hydroforming (for complex, high-strength parts). They help use steel in line with stress levels: thicker where more strength is needed, thinner where loads are lower. The NewSteelBody built by ThyssenKrupp Steel based on these principles weighs 24% less than a conventional auto body.

A 24% lighter body-in-white means that less steel and energy and fewer raw materials are needed to produce it. It also improves the car's acceleration and braking performance and reduces fuel consumption. These innovations from ThyssenKrupp show that new materials, improved technologies, optimized production processes and intelligent products can help alleviate environmental problems and restrict the consequences of climate change.

Another example:

Nitric acid is an important feedstock in the chemical industry, used among other things in the production of plastics and fertilizers. The majority of the production plants are located in high-population countries with strong demand for fertilizers, such as here in China. Unfortunately, large amounts of laughing gas are generated during the production of nitric acid. Laughing gas is a powerful greenhouse gas, 300 times more harmful to the environment than CO₂.

In an effort to solve this problem, ThyssenKrupp subsidiary Uhde developed the EnviNOx® process, which removes laughing gas almost completely from the waste gases of nitric acid production plants and converts it into the natural constituents of air, nitrogen and oxygen.

If all the world's nitric acid plants were operated with the EnviNOx® process, it would reduce emissions by the equivalent of 120 million tons of CO₂ per year. That is almost half the annual CO₂ emissions of the whole of the Netherlands.

These are just two examples of the innovative products and solutions ThyssenKrupp can offer to improve our quality of life. Everyone is invited to discover and experience the fascination of technology for themselves. And we haven't forgotten the children: We've brought I-KU with us, the mascot of the Technology Days who will help the children in Shanghai gain a playful insight into technology. I-KU will be at the exhibition every day to join children on a paper chase where they have to answer questions about individual exhibits.

Following this press conference, you are cordially invited to join the German Ambassador and numerous other guests from government, science and business at the official opening of our Technology Days. The opening ceremony will be followed by a first tour of the exhibition, which you are also invited to attend. The opening day will conclude with a high-level colloquium in which Chinese and internationally renowned experts will discuss global developments.

And now we would be pleased to take your questions.