

Remarks

by

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Chairman of the Supervisory Board of ThyssenKrupp AG
Vice Chairman of the Board of Trustees of the Alfried Krupp von Bohlen und
Halbach Foundation

at the

Krupp Bicentenary Ceremony

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Villa Hügel, Essen

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Mr. President,
Madam Premier,
Excellencies,
Lord Mayor,
Mr. Barenboim,
Mr. Beitz,
Ladies and Gentlemen,

As the last speaker at today's ceremony I would like to thank the previous speakers, also on behalf of Berthold Beitz, for their addresses. You have given a sympathetic and, where necessary, critical assessment of the company and its varied 200-year history. You also look upon its future with confidence.

You, Mr. President, drew an arc between the history of Krupp the company, German industrial history, and the history of our country. You illustrated how essential it is for a country to have a strong industrial base – both today and 200 years ago. You, Madam Premier, emphasized the importance of this for the Rhine and Ruhr region, which is close to all our hearts. I also thank Mr. Pass and Mr. Schlenz for their kind words and their commitment to the company.

Dear Mr. Barenboim, we regard it as a special honor that you have joined us here today. You have put yourself to considerable trouble in order to be with us and provide a special treat for Mr. Beitz. Our guests here include many classical music lovers and admirers of your talents. We all thank you for your musical contribution; it gives today's ceremony a very special touch.

Ladies and Gentlemen, in recognizing all that has been said and written about Krupp's bicentenary, one question remains unanswered: **How can a company survive for 200 years?**

Most companies from that time have long since disappeared, but Krupp is still with us, after two centuries of upheavals and shifts, crises and wars, mistakes and new beginnings, but also times of prosperity and success.

This place here, Villa Hügel, is an impressive reminder of the lines of history that have guided Krupp from the 19th to the 21st century. It was from here that Alfred Krupp rode on

horseback to the works every morning. And it is here, in the Villa Hügel park, that the Alfried Krupp von Bohlen und Halbach Foundation is based today.

There is no question that – after a difficult start – the first 100 years were without precedent in industrial history. They made Krupp one of the world's top industrial companies. They were without doubt the glorious 100 years; they culminated in the apotheosis of the centenary here at Villa Hügel, in the presence of the Kaiser.

The second, much more difficult 100 years were just as momentous, if not more. Krupp “survived” two world wars. The deep fall and subsequent rebuilding were formative; they taught Krupp responsibility and the courage to change. In 1945, however, it looked as if the end of the company had come. The transformation process after the abyss of war, dismantling and compulsory administration proved difficult. It was ultimately the bond between owner, company and employees that made survival possible.

Krupp has faced up to its history. Renowned historians have examined it scientifically, independently and critically, illuminating the highs and the lows, without leaving out the time of the Third Reich.

Theodor Heuss, the first President of the Federal Republic of Germany, placed the company's past into its historical context at the 150-year celebration in 1961. You, President Wulff, have picked up the historical thread today. Your presence carries on the tradition of German heads of state taking part in Krupp anniversaries. For that we are very grateful. It is another expression of continuity.

Looking back at Krupp's eventful history, one automatically wonders: **What is the secret, what is the spirit that resides in this company?**

Naturally, first of all it's the people: the Krupp family, then later on the people responsible for the Krupp Foundation – foremost among them Berthold Beitz, then the managers, the employees. I particularly want to mention our engineers and skilled workers, whose creativity and inventiveness have kept moving the company forward. In the past it was not rare for several generations of a family to work for Krupp. Some true Kruppian are here today who also attended the 150-year celebrations.

As well as the people, there are our products. I want to highlight just one example: the seamless forged wheel tire, which sparked the rise of the company and became world-famous in the Krupp “Three Rings” logo. Without this wheel tire the rapid development of the railways would have been inconceivable. It is still used – in more advanced form – in many areas today. You will find it for example in wind turbines – as flanges in the towers or as rings in the slewing bearings.

People come and go. Products change, as do political systems, balance sheets and management styles. What has remained, for 200 years, is the experience gained in successes and failures over generations. This unique knowledge, paired with the will to keep going, forms the core of the Krupp culture, which seemingly effortlessly outlasts all changes. This culture is based on two central values, which have been non-negotiable ever since the company’s founding – the long-term view and the common good:

- First of all there’s the long-term view. The aim is not short-term profit for individual benefit, but sustainable, stable progress. From the outset, Krupp was not just any old company – for the family, Krupp was always a treasure that each new generation had to hold in trust and care for. Alfred Krupp established this maxim in the 19th century, and the foundation continues it today.
- And secondly there’s the common good, an approach that shapes our actions in good years and in bad. I will mention only a few examples of early Krupp welfare services – such as the sickness fund, the hospitals, the company housing, and pensions – or the socially executed changes after the two world wars. We even managed the sometimes painful process of structural change in the Ruhr over the past decades in a socially compatible way. Good and trusting relationships with employees, works councils and trade unions come naturally to us. The goal of all labor, said Alfred Krupp more than 150 years ago, should be the common good. These words, which have already been quoted today, have been carried successfully into the modern age by the foundation.

Ladies and Gentlemen, the Krupp culture means performing a continuous balancing act. On the one side it calls for security, stability and reliability, and on the other creativity, curiosity and the courage to take risks. Culture requires both a heritage and a direction for the future. Success today needs a dependable yesterday and an optimistic tomorrow.

In 1967 the last owner Alfried Krupp founded a not-for-profit foundation and in his will arranged for all his assets to be transferred to it. The essence of the Krupp culture is laid down in the articles of association. In line with the family tradition, the purpose of the foundation is defined in subsection (a) as "... to preserve the unity of the company Fried. Krupp for the longer term in accordance with the will of his forefathers ".

Subsection (b) requires the foundation "... to use the income falling to it from the company Fried. Krupp to serve philanthropic ends as defined in its articles of association ...".

The foundation has always faced up to the existential challenges of the time in the interests of the company and acted with great entrepreneurial foresight. For the foundation, preserving the unity of the company has never meant rigidly holding on to the past. Rather, in the spirit of the founder, the foundation has kept the company viable for the future and so secured its survival. This was only possible because from the outset the foundation has carried entrepreneurial responsibility. The foundation and the company are like two sides of a medal. Business success can only be grounded in unity between foundation and company.

The mergers with Hoesch in 1992 and Thyssen in 1999 created a single company, ThyssenKrupp, that carries on the tradition of all three predecessors and goes its own way into the future. The best of the Krupp culture lives on, and the foundation is the proven guarantee for stability, security and continuity for all ThyssenKrupp employees, regardless of whether they are at home in Germany, Europe, the Americas or Asia, and regardless of whether they come from Krupp, Thyssen or Hoesch. Without the Krupp foundation it is questionable whether the company would even exist today.

This role as a security and stability anchor for a company can only be played by entrepreneurial foundations. There are only a few of them in Germany. Apart from the Krupp foundation there are for example the Bertelsmann and Bosch foundations. Entrepreneurial responsibility is what distinguishes these foundations from others devoted exclusively to philanthropic ends.

Particularly in times like today when capitalism is under criticism and trust in the market economy is impaired, the entrepreneurial foundation model offers credible answers to many pressing questions. Seen this way, the foundation may not be the only way but it is a good way to preserve the strengths of the social market economy. It is a persuasive example of how capitalism and responsibility can be combined in the interest of the common good.

Naturally there have been mistakes in the company's history, and there will be mistakes in the future too. There have been management mistakes, wrong personnel decisions, and sometimes simply bad luck. But time and again the company has learned from its mistakes, come through its lows, and set new standards for the future.

And so it will continue. The current financial crisis holds serious risks for the real economy. And ThyssenKrupp also faces substantial burdens from the Brazil project. But 200 years of Krupp are 200 years of valuable experience in dealing with challenges.

Ladies and Gentlemen, there is one man who embodies all these values, this culture. He has been part of the Krupp tradition for almost 60 years – first as personal chief executive of the last sole proprietor, then as executor of his will and chairman of the board of trustees of the Krupp foundation.

At the grave of Alfried Krupp in 1967 Berthold Beitz said: "His life was determined by the call of duty and service to his company." These words also apply to Berthold Beitz.

Dear Mr. Beitz, thank you for everything you have done for the company and its employees in the spirit of Alfried Krupp. Since 1953 you have spent almost a third of these 200 years in the service of the company. In 1966 you persuaded Arndt von Bohlen und Halbach, in agreement with his father, to renounce his inheritance, making the foundation model possible. It is thanks to you that the foundation is able to secure the long-term independence of the company as a reference shareholder with an over 25% stake. You personify tradition and willingness to change. Through all this and much more, you have preserved, developed and

challenged the company and its unmistakable culture. And you are still doing it today with unique persistence and foresight. "Your" company thanks you for this.

Dear Mr. Beitz, you mentioned me personally in your speech. Of the almost 60 years in which you have carried responsibility at Krupp, we have worked together for 25. Together we have indeed mastered some difficult challenges. During this time I have seen how you have fulfilled and lived Alfried Krupp's mandate. As you noted earlier, I too am committed to this mandate, now and in the future. I thank you for your trust.

Ladies and Gentlemen, finally I would like to thank everyone who has been involved in this incomparable corporate history. My greeting and appeal go to all in whose hands it lies to continue this success story in the future. And I thank all of you for coming here today to celebrate this special day with us.

That brings us to the end of the speeches. Dear Mr. Barenboim, the final word of thanks goes of course to you. Together with Mr. Beitz we regard it as a great gift that you are with us today. It has a powerful symbolic significance. We could not have wished for a more fitting frame for this ceremony. Thank you!