

ThyssenKrupp in the U. S.



ThyssenKrupp in the USA – 170 years of history

- 1837** Krupp supplies prototype coin minting machine to the USA
- 1848** First use of Krupp steel: Pennsylvania Railway
- 1893** Thyssen enters market
- 1929** Krupp stainless steel patent for Chrysler Building
- 1959** Thyssen Export Corporation founded in New York
- 1978** Thyssen acquires The Budd Company based in Troy, Michigan
- 1999** Thyssen Aufzüge acquires Dover Elevator
- 1999** Merger of Thyssen und Krupp
- 2007** Construction starts on carbon and stainless steel plants in Alabama
- 2010** First coil from new carbon and stainless steel plants in Alabama



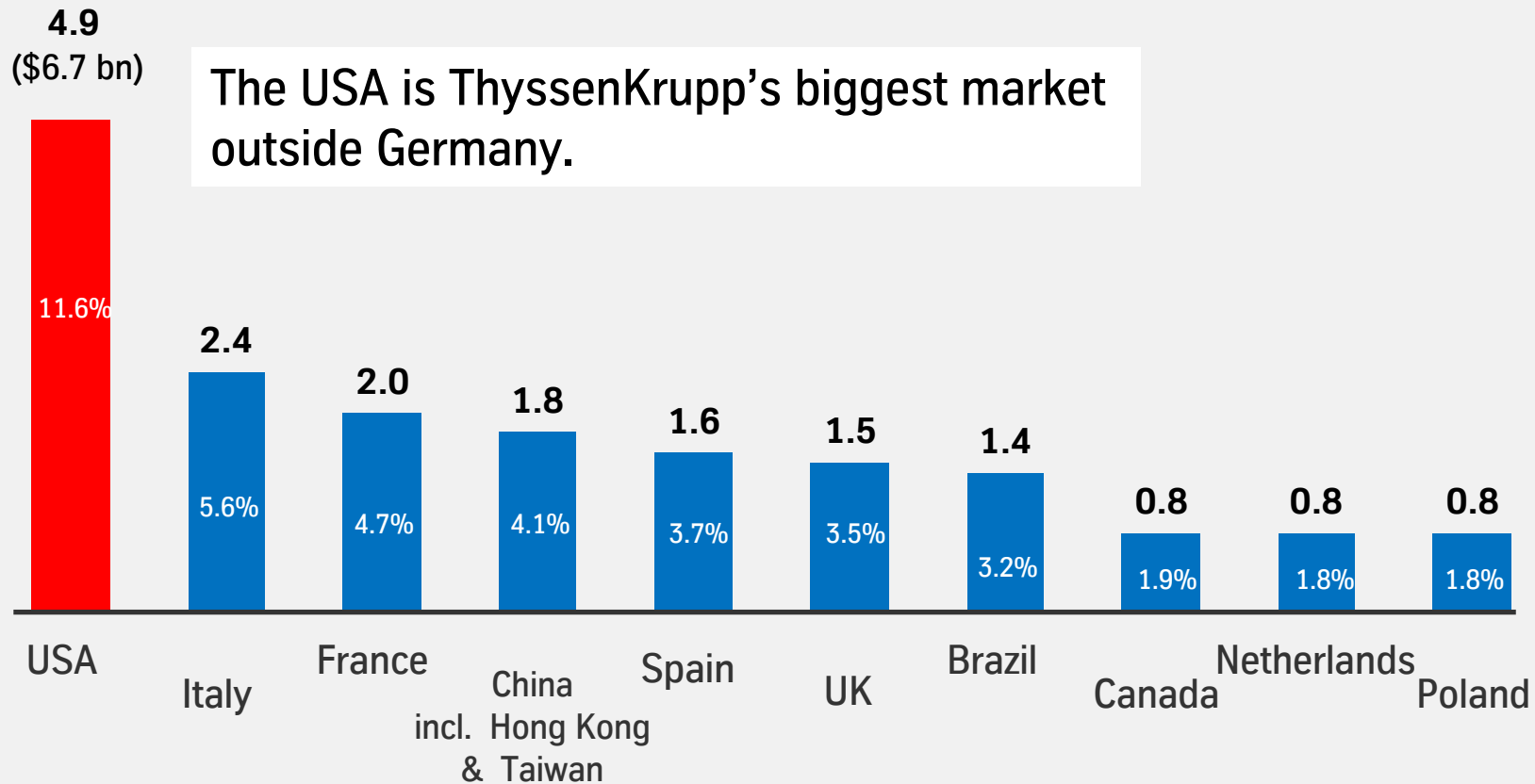
Alfred Krupp
1812-1887



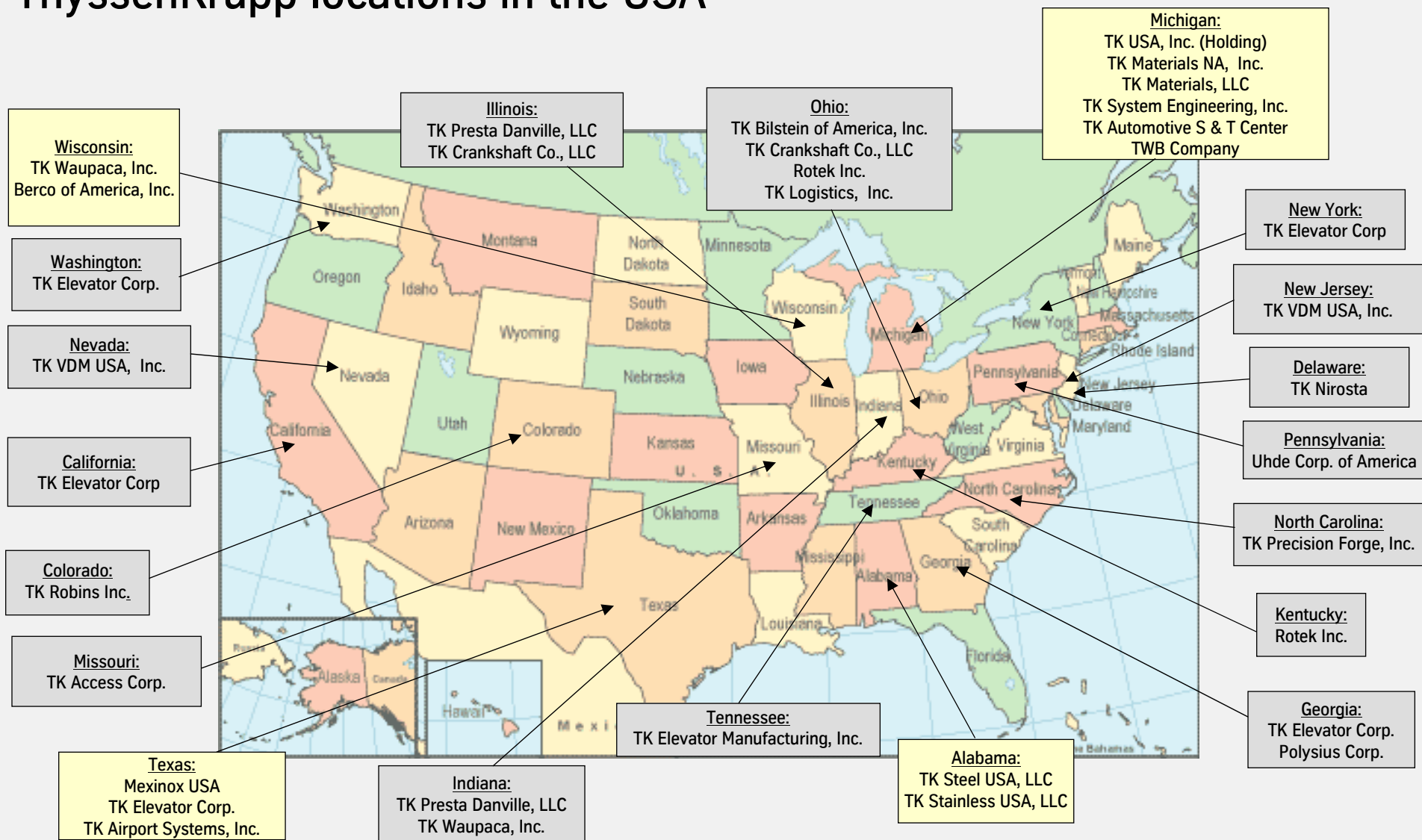
August Thyssen
1842-1926

ThyssenKrupp foreign markets in fiscal year 2009/2010

Sales to foreign customers in € bn, share of total sales in %

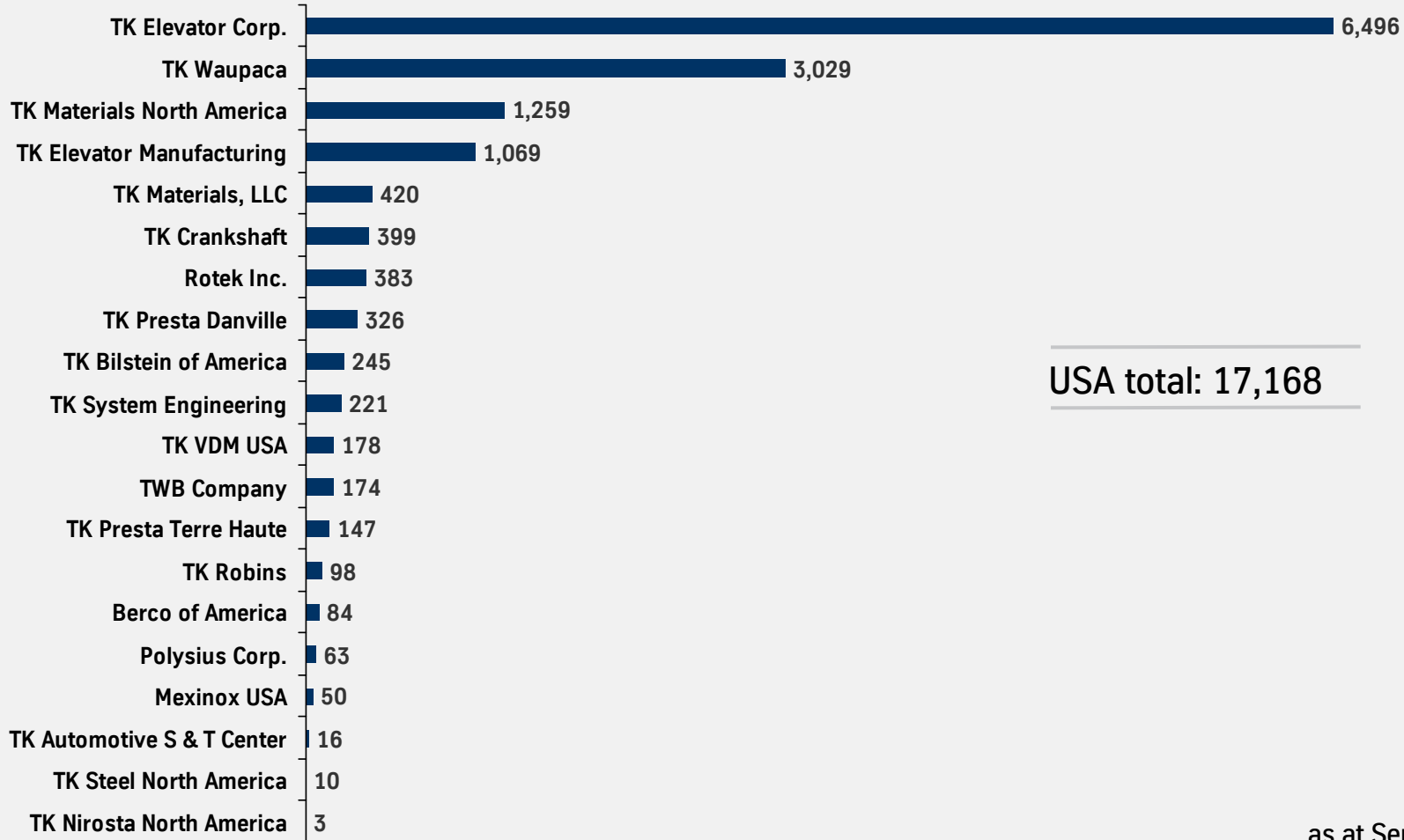


ThyssenKrupp locations in the USA



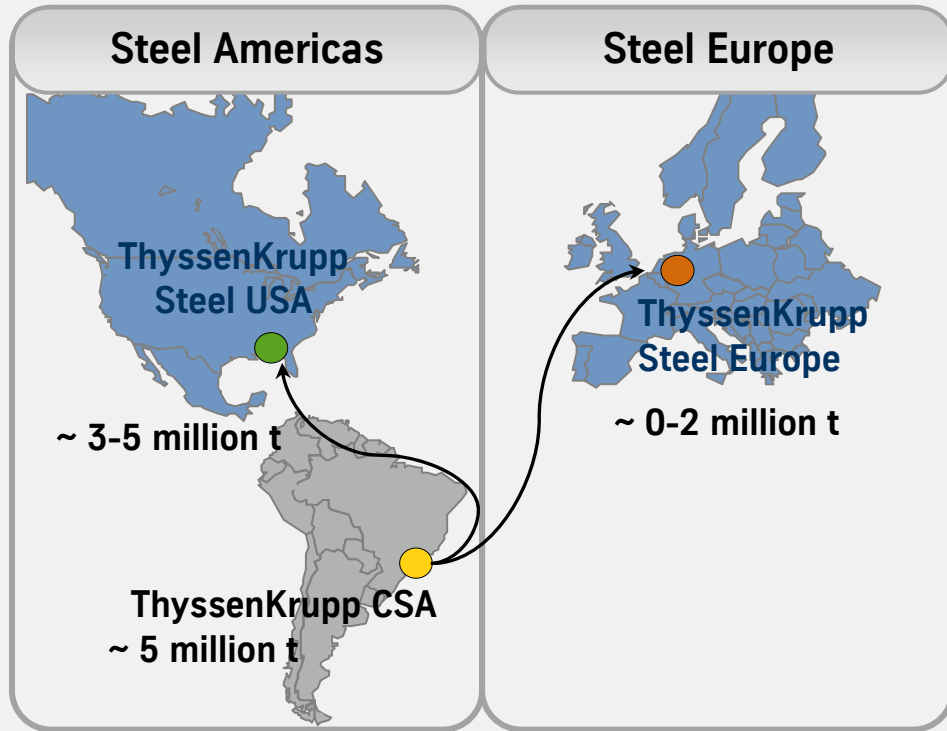
Employee numbers at the largest local US companies

Number



as at September 30, 2010

Transatlantic steel strategy



Planned transatlantic production capacities			
Capacity in million t p.a.	Steel Americas		Steel Europe**
	Brazil	NAFTA	
Slabs	>5	-	15
Hot-rolled	-	>5*	17
Cold-rolled	-	2.5	10
Coated	-	1.8	8

* incl. ~1 million t for Stainless

** slabs incl. HKM share; hot-rolled

● Use of low-cost slabs from Brazil

● Build on and expand our strong position in the European market

● Clear strategy for entry to NAFTA market, focus on premium products

⇒ Cost base significantly improved through extremely competitive steel mill in Brazil

⇒ Optimization and modernization to process additional 2 million t of slabs from Brazil

⇒ Transfer of a proven business model to new industrial center in USA

Steel Americas (I)

The Steel Americas business area includes the new steelmaking and processing plants in North and South America:

- A steel mill in Brazil with an annual crude steel capacity of >5 million t
- A processing plant in the USA, including hot rolling, cold rolling and coating facilities



Operating units

ThyssenKrupp CSA
steel mill, Rio de Janeiro, Brazil



ThyssenKrupp Steel USA
processing plant in Alabama, USA

Core strategic elements

- Based on high-quality, low-cost slabs from Brazil, a premium product mix and service portfolio, our goal is:
 - to achieve attractive margins and
 - to increase our share of the NAFTA flat steel market to over 5%.

Steel Americas (II)

ThyssenKrupp CSA

Sepetiba Bay, Santa Cruz, Rio de Janeiro, Brazil
 Blast furnace #1 fired up: July 12, 2010
 1st slab: September 7, 2010

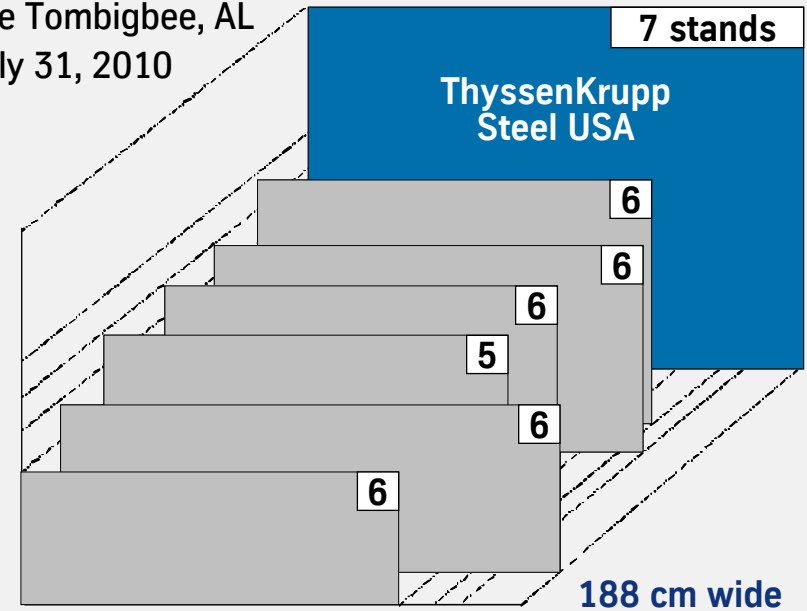


- Coke plant: 1.9 million t/a coke
- Sinter plant: 5.7 million t/a sinter
- 2 blast furnaces: 5.3 million t/a pig iron
- Melt shop: >5 million t/a slabs
- Power plant: 490 MW
- Investment budget: €5.2 billion
- Total cash-out: €5.9 billion

ThyssenKrupp Steel USA

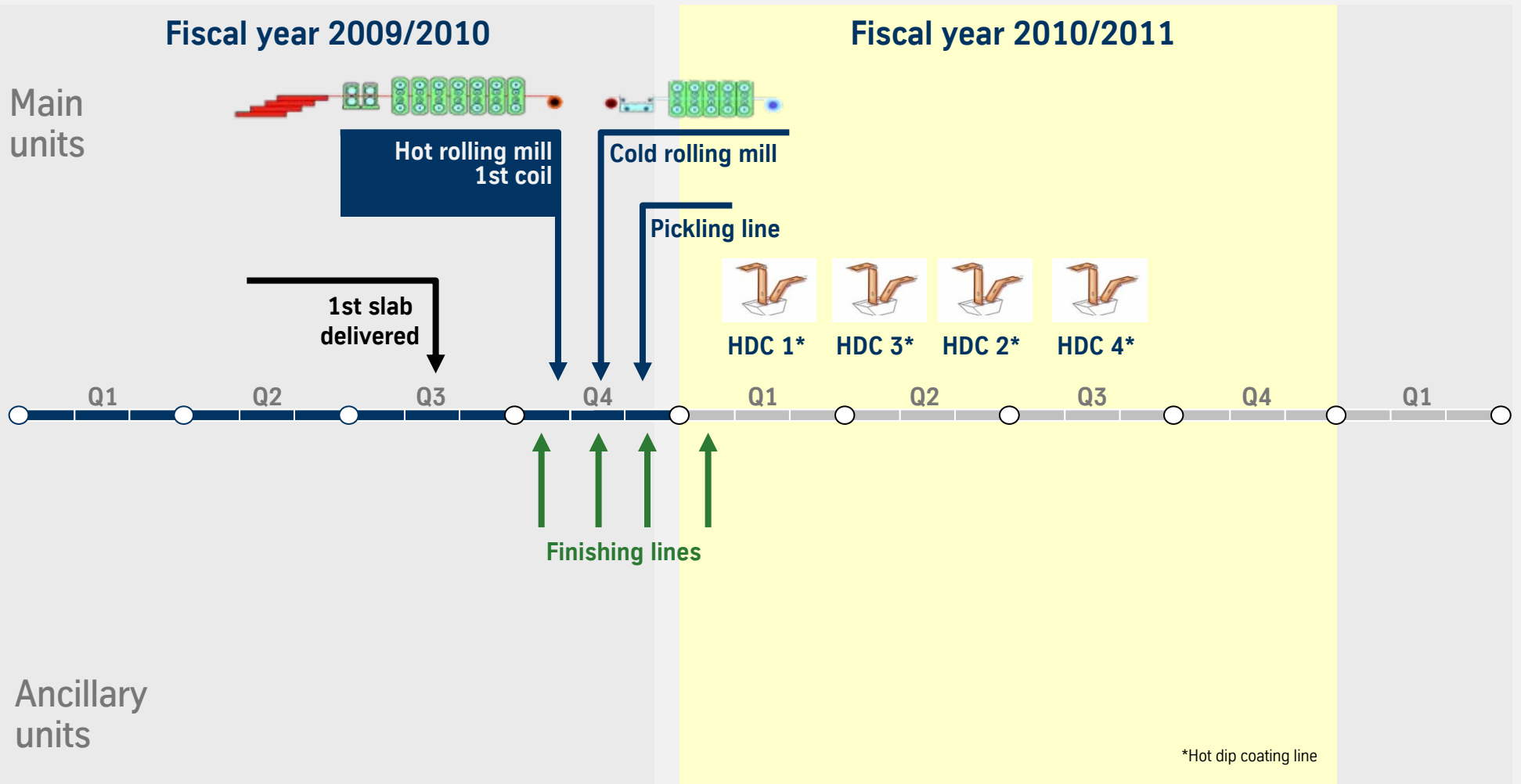
Plant on the Tombigbee, AL
 1st coil: July 31, 2010

2.5 cm
 thick

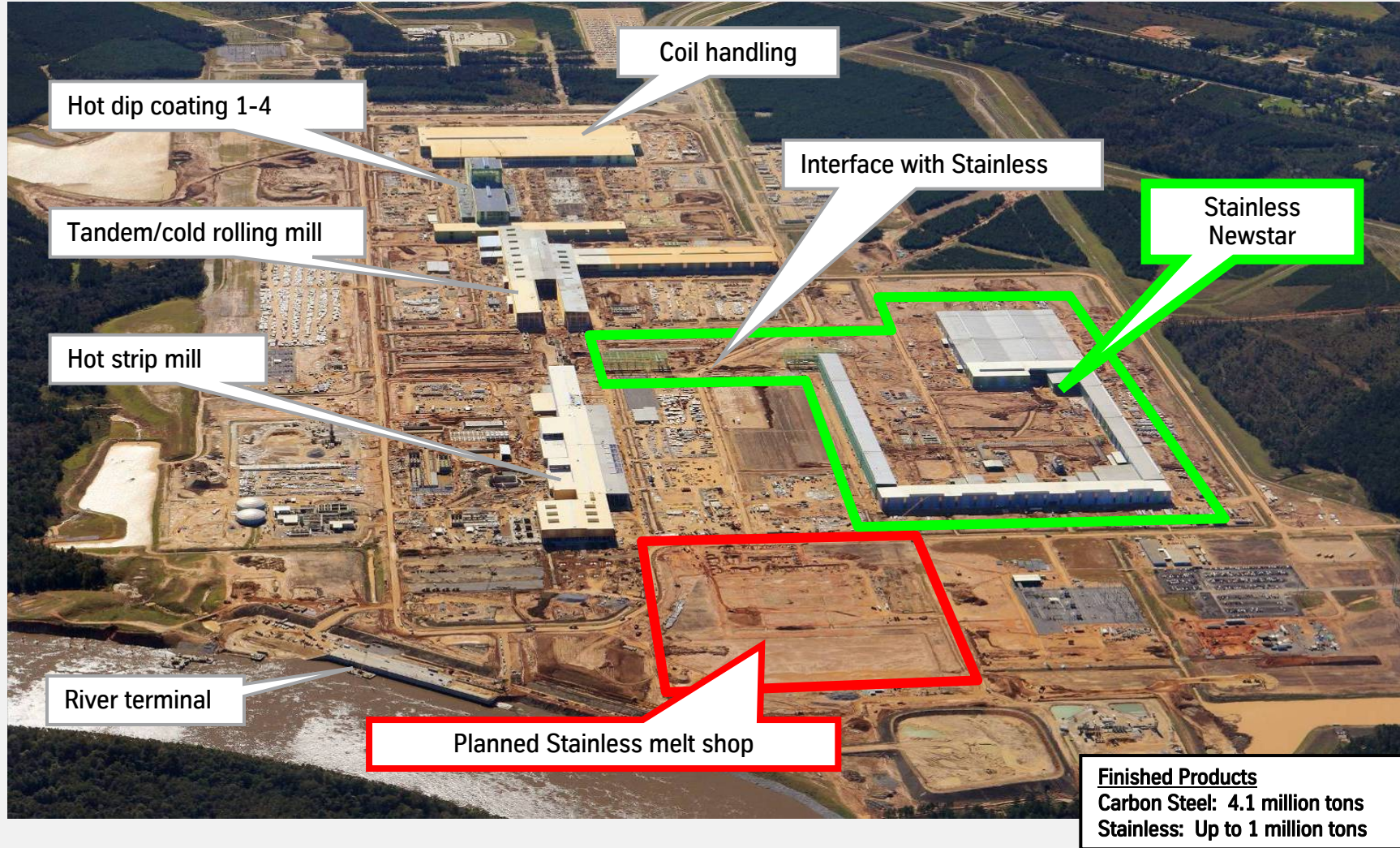


- Hot rolling mill: >5 million t/a
 - up to 188 cm wide / 2.5 cm thick
 - 7 stands
- Tandem/cold rolling mill: 2.5 million t/a
- 4 coating lines: 1.8 million t/a
- Investment budget: €3.6 billion
- Total cash-out: €3.8 billion

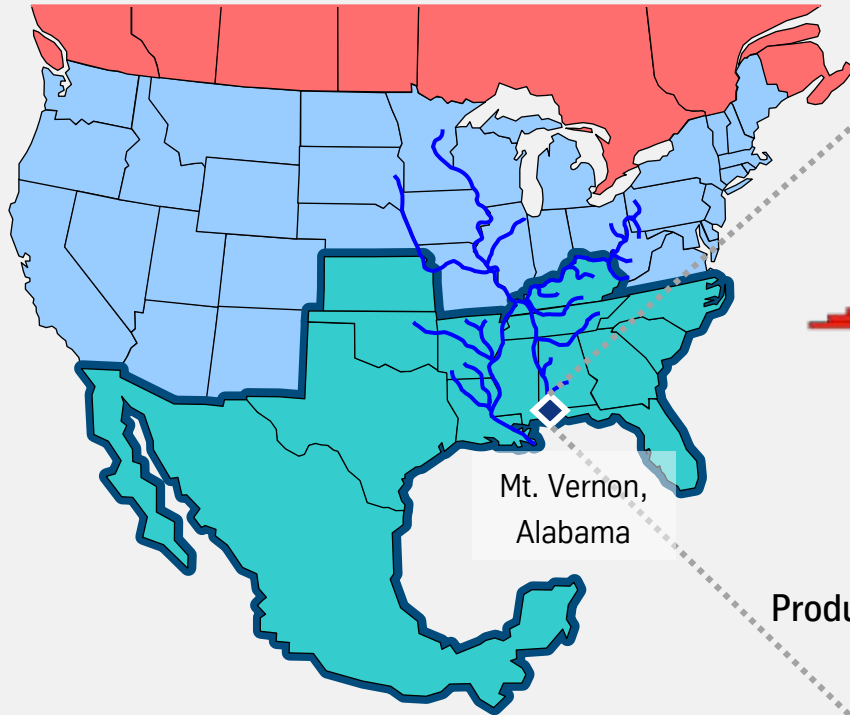
ThyssenKrupp Steel USA – expected timetable for equipment startup



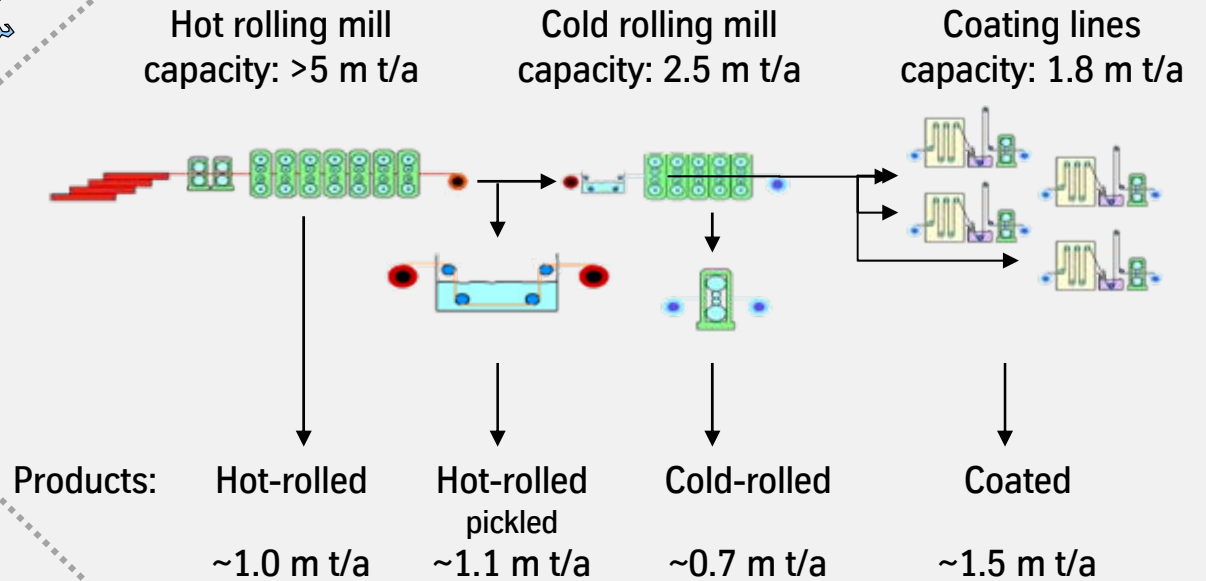
ThyssenKrupp Steel USA: 1st coil on July 31, 2010



ThyssenKrupp Steel USA: Optimum logistics and state-of-the-art processing plant in new US industrial center



ThyssenKrupp Steel USA: Plant layout, capacities and supply structure

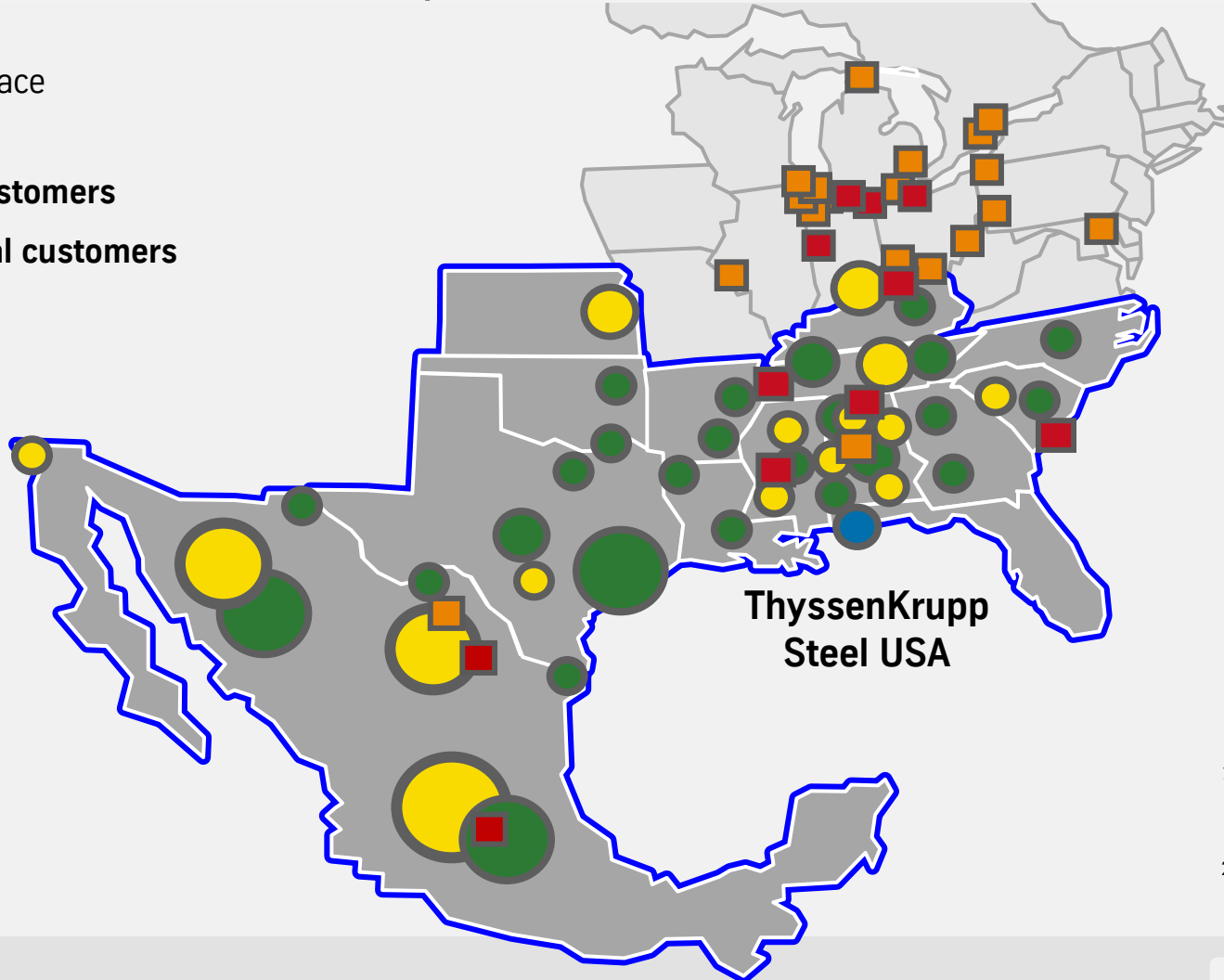


Focus on demanding customers from the auto, service center, tube, construction and electrical industries

Ideal position in southeastern USA close to Mexico

Geographical position of ThyssenKrupp Steel USA with home market and blast furnace/electric-arc furnace competitors

- Electric-arc furnace
- Blast furnace
- Automotive customers
- Other industrial customers



- 1) Size of industrial and automotive circles indicates roughly the number of customer branches in the respective area.
- 2) Includes all steel production sites (electric-arc furnace, blast furnace) excluding US west coast and Canada

NAFTA sales and marketing making good progress



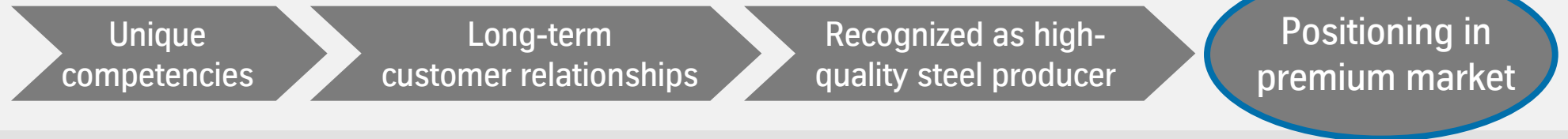
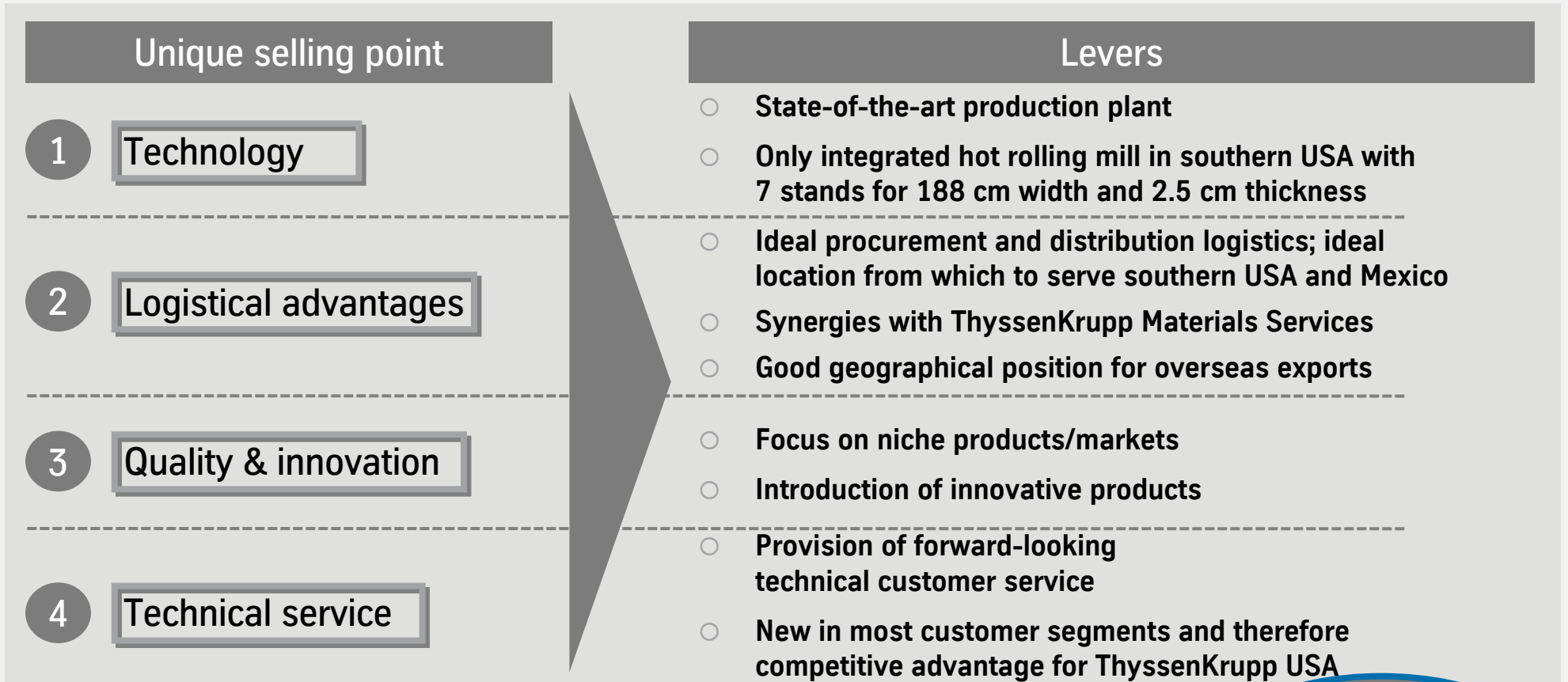
- **Strong demand for ThyssenKrupp quality**
 - Local tech center with American and German engineers
 - Development of future material concepts
- **Positive feedback and significant interest across all customer segments**
- **InCar project**
Toolkit for optimized weight/cost/safety solutions – rolled out to NAFTA customer base

InCar

Efficient use of unique product mix and service portfolio:

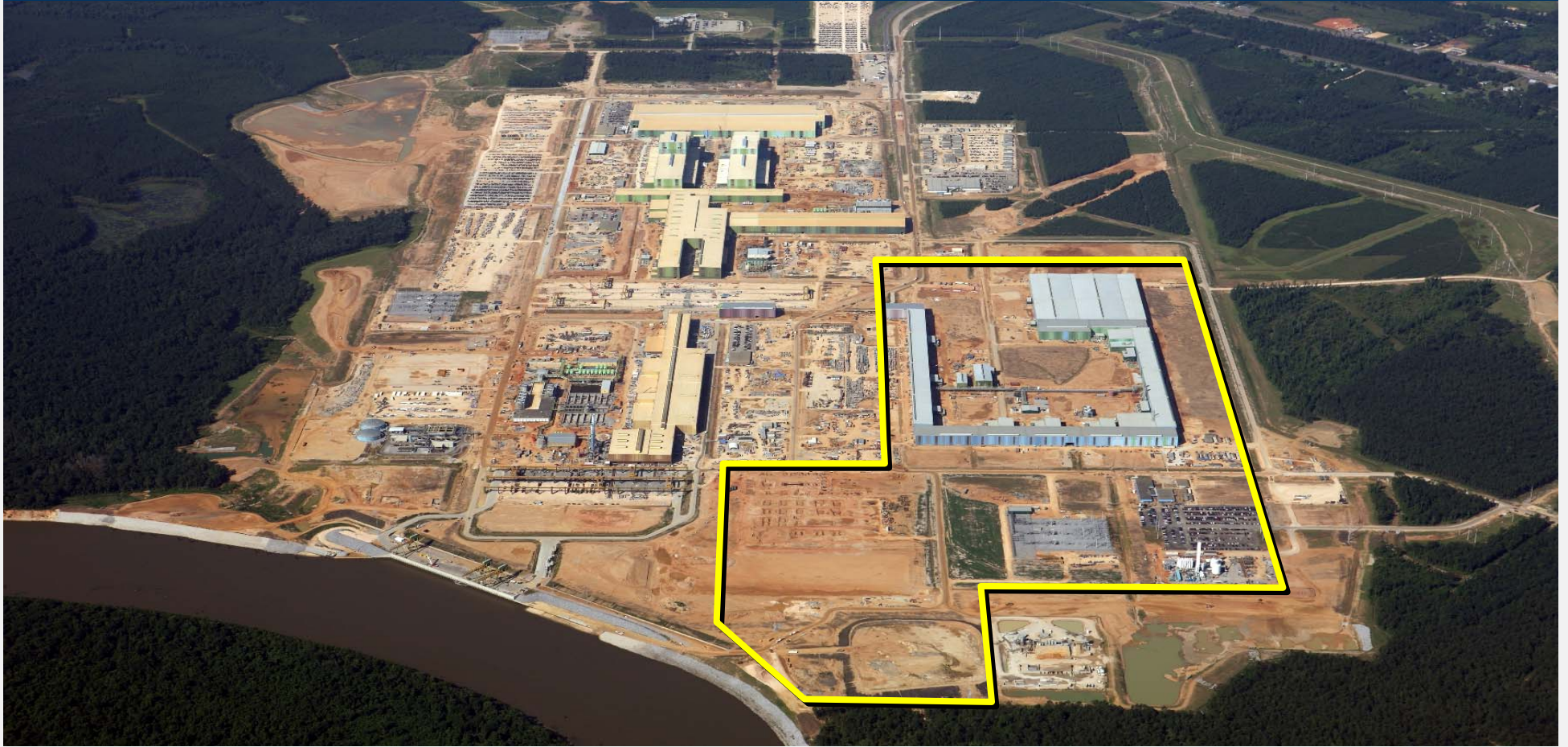
- **Product mix:**
 - Sizes (width/thickness)
 - Close tolerances and quality control
 - Surface quality
 - High-grade steels
- **Service portfolio:**
 - Innovative support through technical customer service
 - Logistical advantages and proximity to customers

Penetration of NAFTA market based on unique selling points



ThyssenKrupp Stainless USA (NewStar)

Production started in September 2010



Production startup 64 inch cold rolling mill

September 16, 2010

Entry – 1st stand



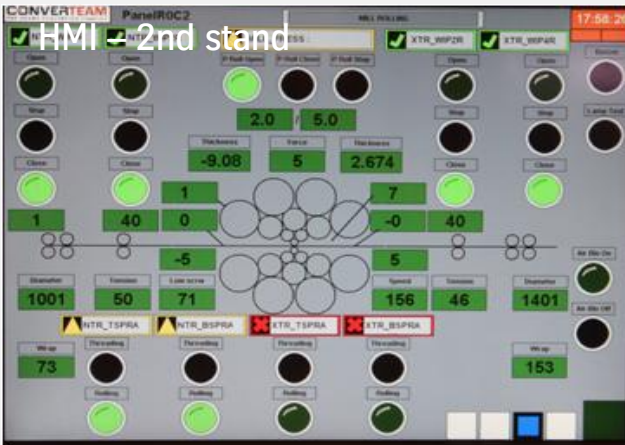
Employees at control station



Exit – 2nd stand



HMI – 2nd stand



Exit – 2nd stand



Employees on production line



ThyssenKrupp Stainless USA

An attractive opportunity for the Stainless Global business area

Attractive NAFTA stainless market

- Stable market growth (post-crisis recovery)
- Similar prices to Europe
- Market characterized by imports
- ThyssenKrupp Stainless is an established player



Favorable time for market entry

- Industry has consolidated
- Cost advantages for greenfield



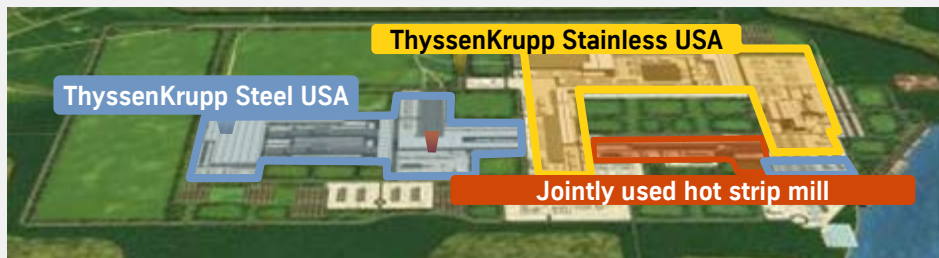
Significant synergies with Steel Americas

- Investment synergies
- Ongoing savings in infrastructure, administration, scrap supplies etc.



ThyssenKrupp Stainless USA

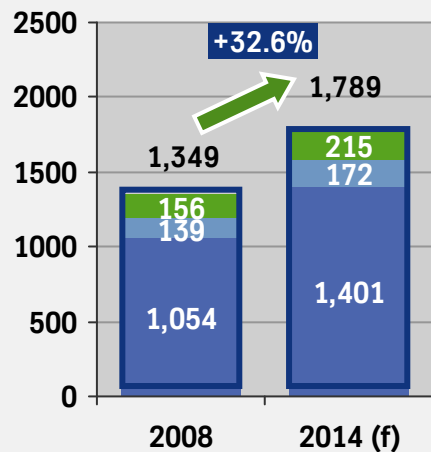
Company profile



ThyssenKrupp Stainless USA, LLC
 Calvert, AL (USA)
www.thyssenkrupp-stainless-usa.com

Investment
\$1,400 million

Market trend in NAFTA region



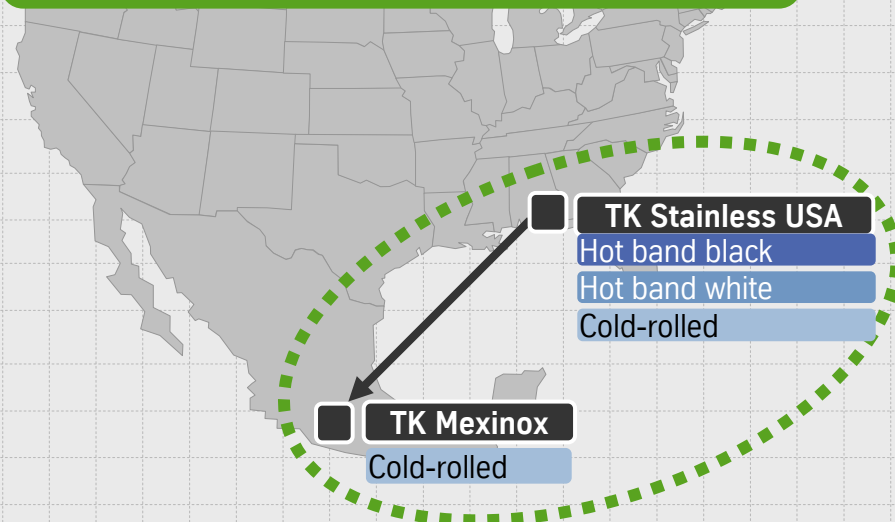
Average growth rates 2008 to 2014

Mexico	+5.5%
Canada	+3.6%
USA	+4.9%
NAFTA	+4.8%

Source: CRU August 2010

Production site

- Combined market penetration in NAFTA region and Latin America
- Specialization with regard to products and customers



Employees

719
 (forecast for
 Sept. 30, 2013)

Products

Stainless steel
 Cold-rolled
 Hot band white
 Hot band black

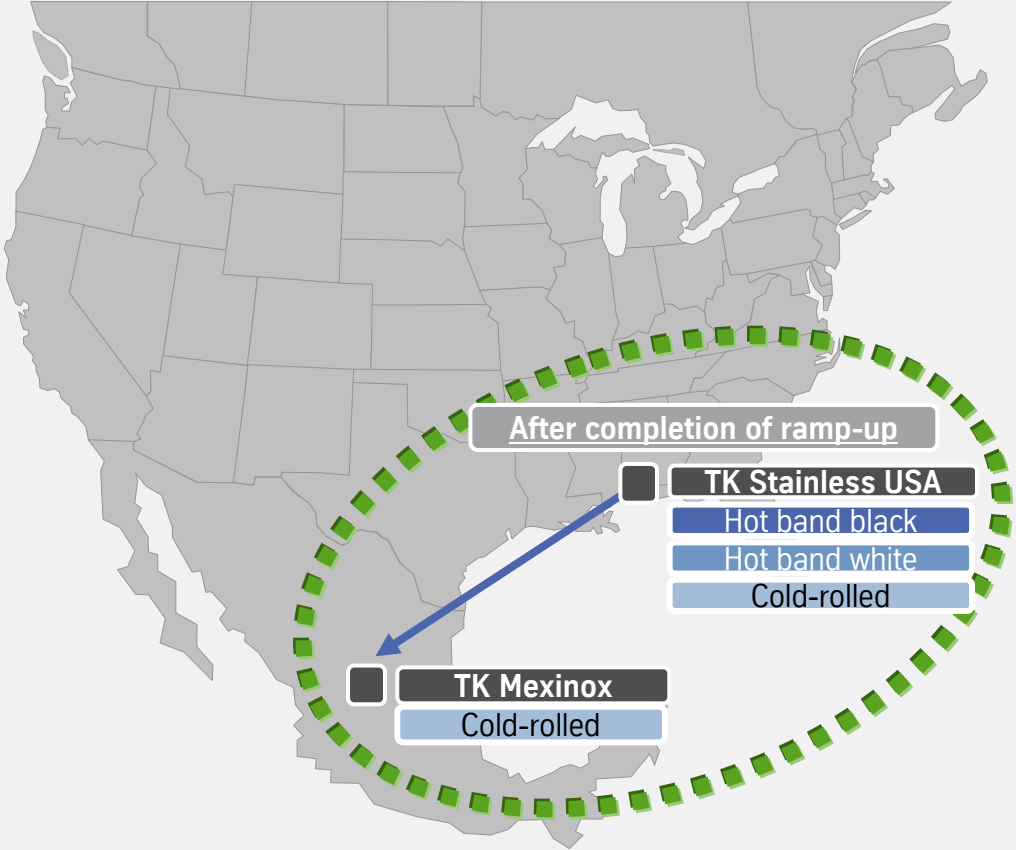
Greenfield project

First major joint project of
BA Steel Americas and
BA Stainless Global

Greenfield USA as second pillar in growing NAFTA market

Combined market penetration by TK Stainless USA and TK Mexinox

[000 t]



- Combined market penetration in NAFTA region and Latin America
- Specialization with regard to products and customers

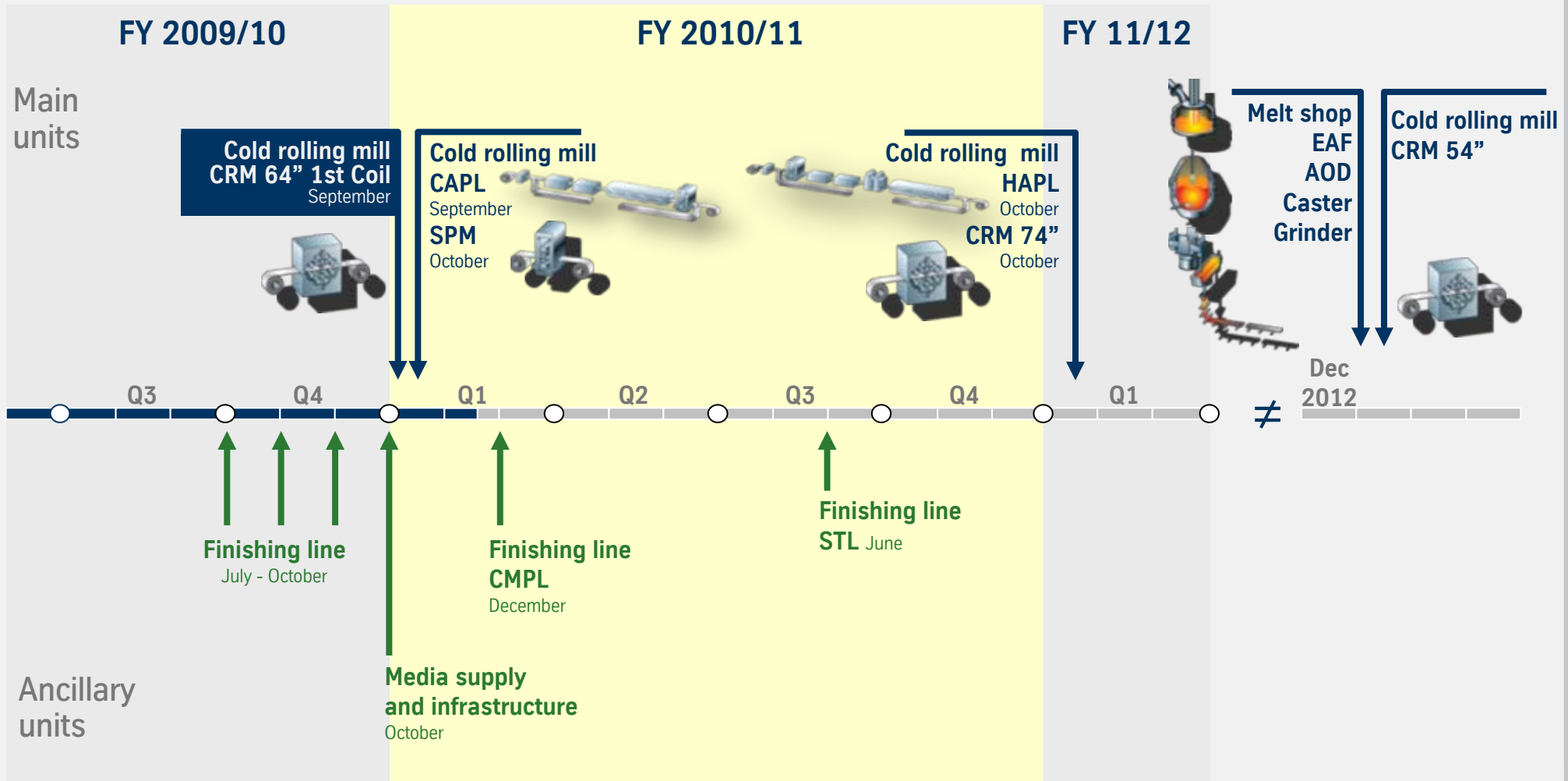


Plant in Calvert (USA)

- **Logistical advantages of location**
 - direct access to ocean, river, highway and railway
- **Synergies with TK Steel greenfield**
 - joint use of hot rolling mill
 - administration, security, logistics, etc.
- **Production site in US dollar area**
 - enhances flexibility and currency independence of global BA SL group
- **Low-cost location in southern USA with unique integrated stainless plant to state-of-the-art standards**

Investments to be spread over longer period than originally planned

Revised timetable for startup of cold rolling mill and melt shop



ThyssenKrupp Stainless USA

HR measures

