



Presentation ThyssenKrupp Steel

London

August 2008

2008

ThyssenKrupp Steel



Disclaimer

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This presentation contains forward-looking statements that are subject to risks and uncertainties. Statements contained herein that are not statements of historical fact may be deemed to be forward-looking information. When we use words such as “plan,” “believe,” “expect,” “anticipate,” “intend,” “estimate,” “may” or similar expressions, we are making forward-looking statements. You should not rely on forward-looking statements because they are subject to a number of assumptions concerning future events, and are subject to a number of uncertainties and other factors, many of which are outside of our control, that could cause actual results to differ materially from those indicated. These factors include, but are not limited to, the following:

- (i) market risks: principally economic price and volume developments,
- (ii) dependence on performance of major customers and industries,
- (iii) our level of debt, management of interest rate risk and hedging against commodity price risks;
- (iv) costs associated with, and regulation relating to, our pension liabilities and healthcare measures,
- (v) environmental protection and remediation of real estate and associated with rising standards for real estate environmental protection,
- (vi) volatility of steel prices and dependence on the automotive industry,
- (vii) availability of raw materials;
- (viii) inflation, interest rate levels and fluctuations in exchange rates;
- (ix) general economic, political and business conditions and existing and future governmental regulation; and
- (x) the effects of competition.

Please note that we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.”



Agenda

Karl-Ulrich Köhler

Executive Board Member ThyssenKrupp AG

Executive Board Chairman ThyssenKrupp Steel AG

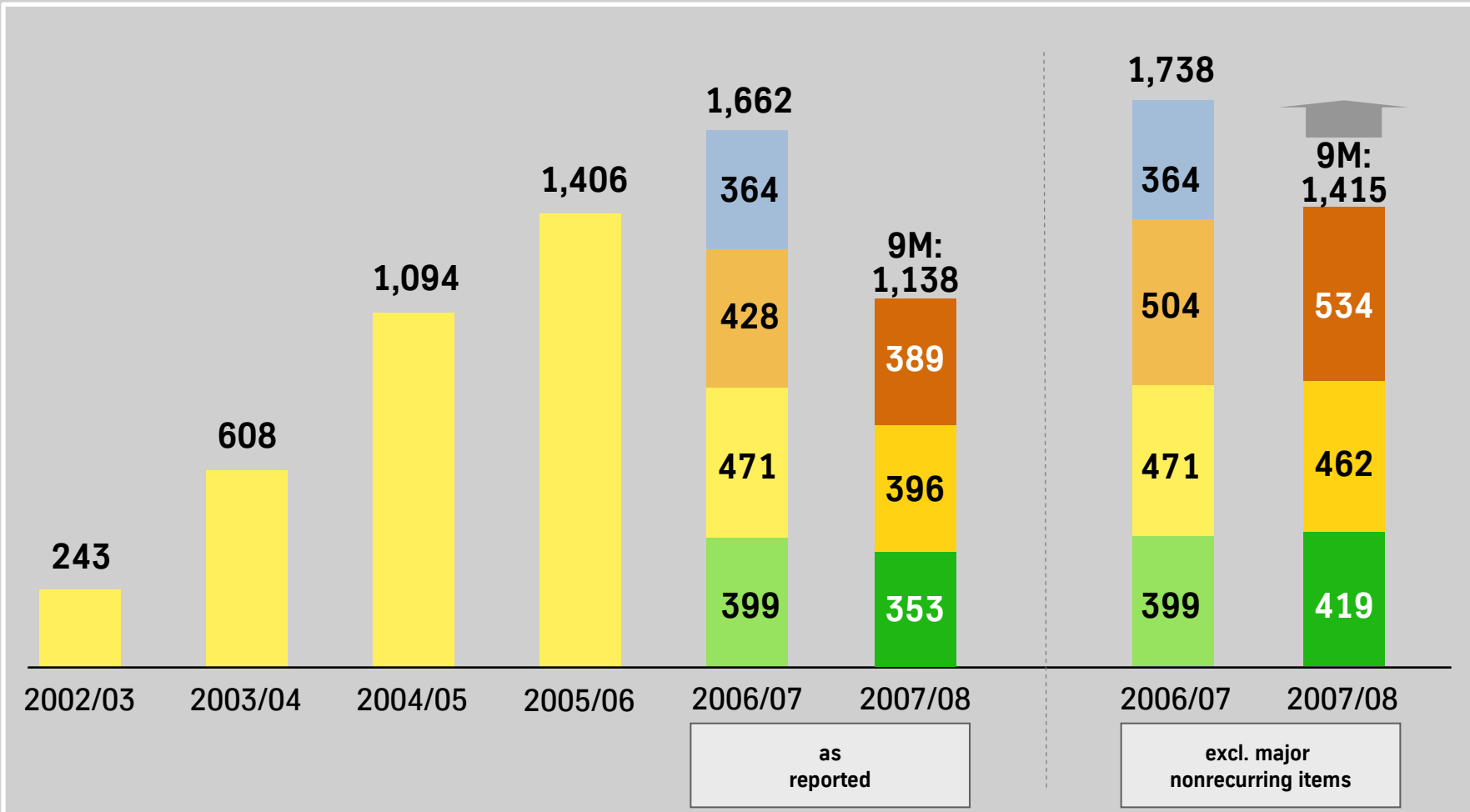
-
- Track Record and Strategic Positioning ThyssenKrupp Steel
-
- Strategic Guidelines
-
- Forward Strategy for Profitable Growth
-



EBT Track Record ThyssenKrupp Steel

EBT

million €



ThyssenKrupp Steel



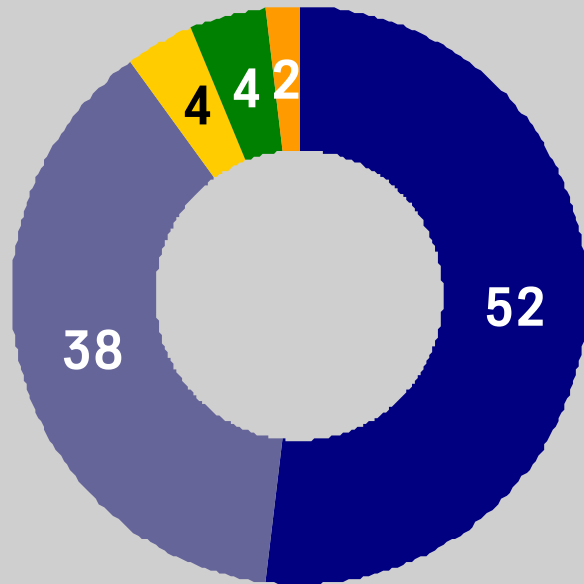
Our Current Focus of Business is Europe



90% of Sales Generated in Our European Market

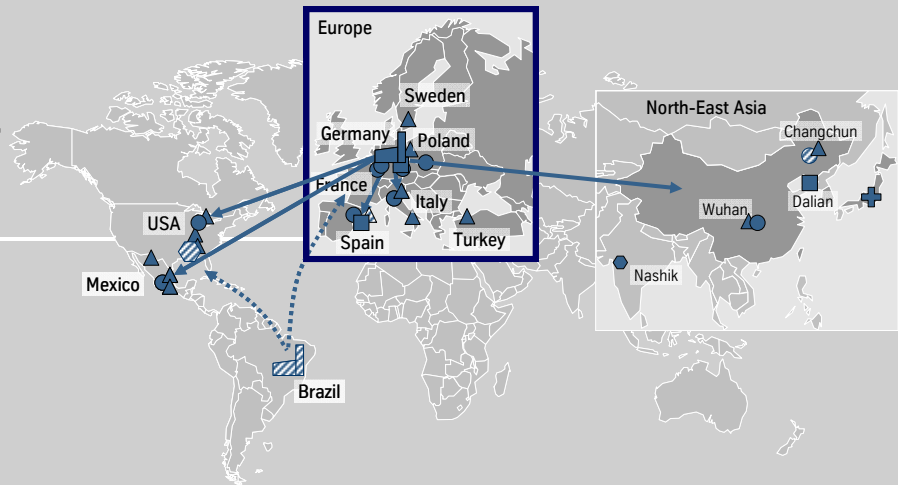
Sales by Region FY 2006/07

in %



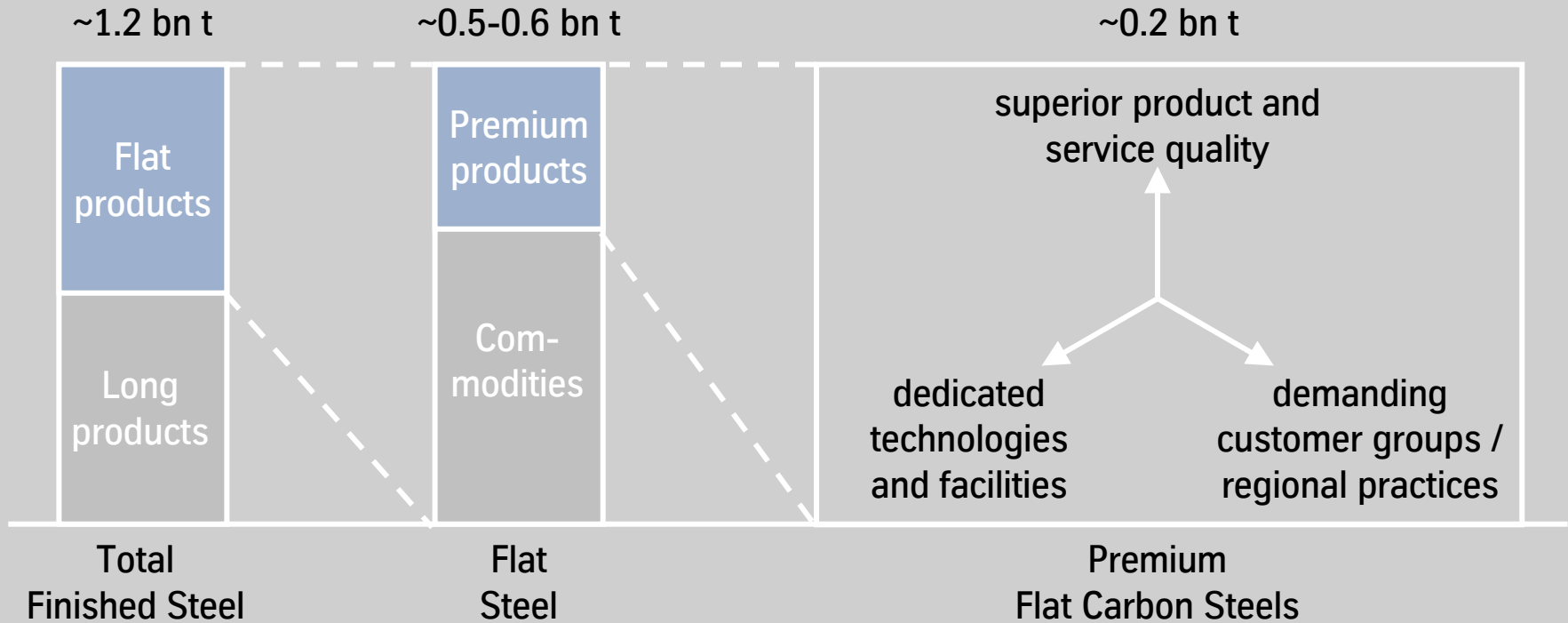
- Germany
- Other Europe w/o Germany
- NAFTA
- Asia
- Other

90%
of Sales



Geared to the Premium Flat Carbon Steel Market

Separate Market Segments of the Steel Industry

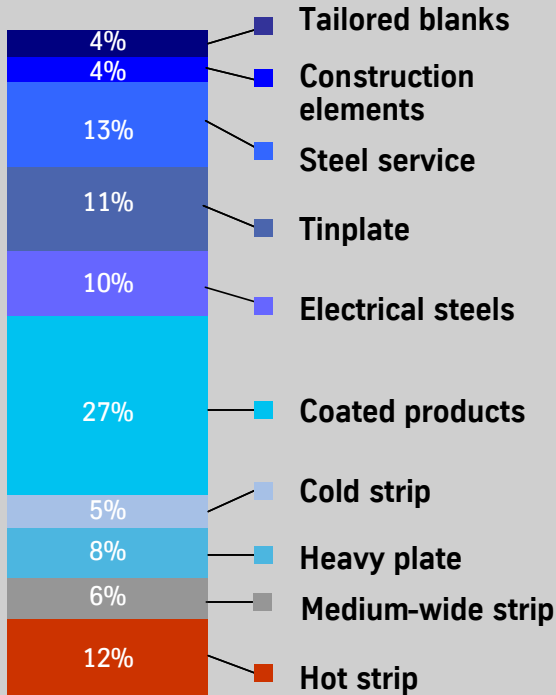


Product and customer specific requirements and technologies provide the basis for the successful premium strategy



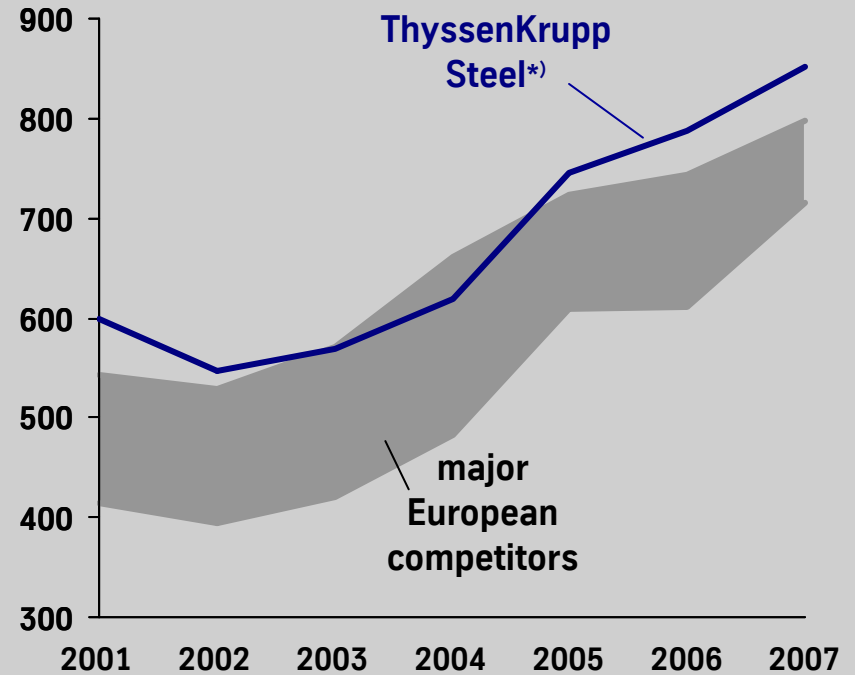
Premium Product Portfolio Generates Above-Average Revenues

Product Portfolio Steel FY 2006/07*) in %



*) sales of flat products only

Revenue per Tonne € / t



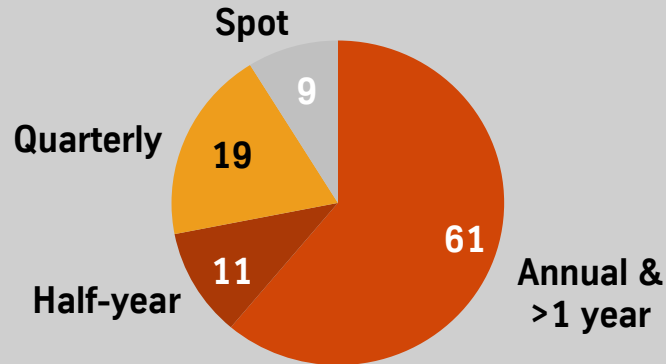
*) excl. Metal Forming



Long Term Customer Relations Establish Lower Volatility

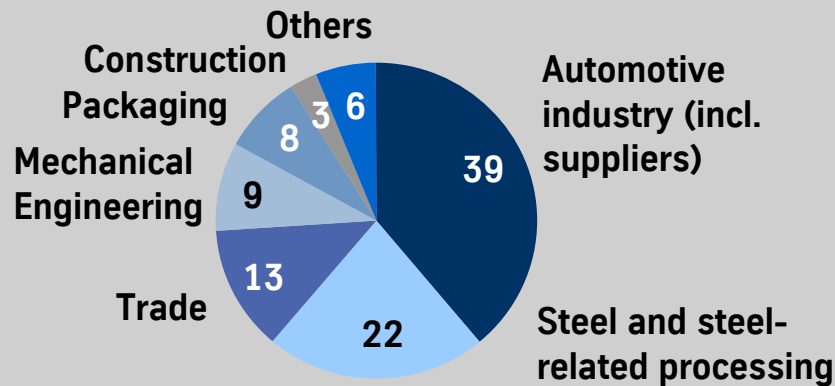
Sales by Maturity FY 2006/07

in %



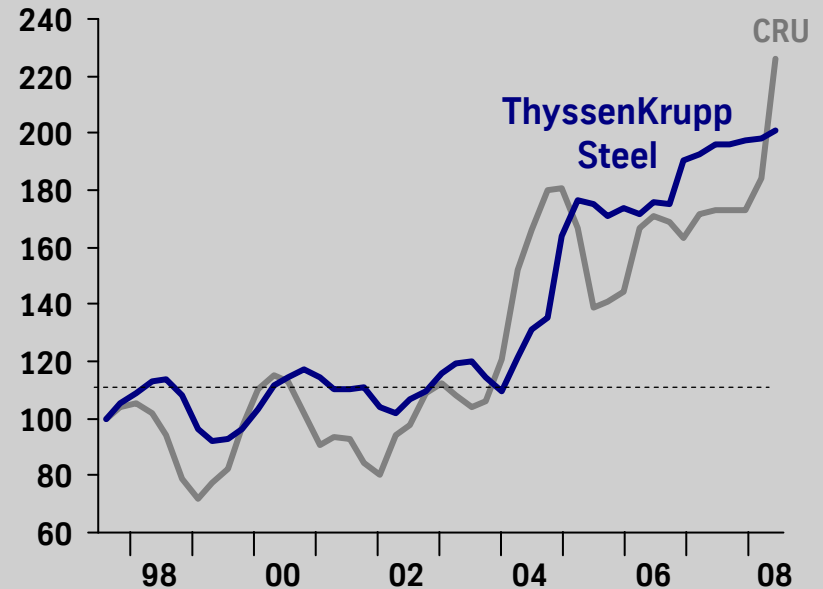
Sales by Industry FY 2006/07

in %



Price Index

Index (Q3 1997 = 100)



— Price index hot rolled ThyssenKrupp Steel
 — Price index hot rolled, German market (CRU)

All data incl. Q2 2008
 Sources: CRU and own calculations based on CRU, TKS



Strong Market Positions and Profitability

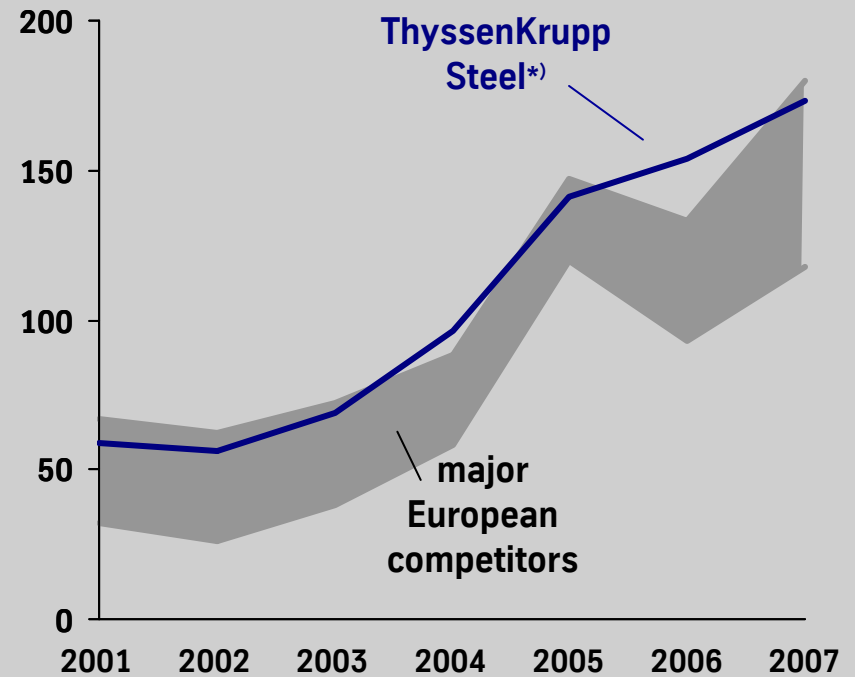
Market Positions

by production 2006

- Total Flat Carbon Steel # 2 Europe
- Tailored Blanks # 1 World
- Tinplate # 2 Europe
- Electrical Steel, GO # 3 World / # 1 Europe
- Coated Products # 2 Europe
- Heavy Plate, quenched & tempered # 2 Europe
- Medium-wide Strip # 1 / USP

EBITDA per Tonne

€/t



*) excl. Metal Forming

ThyssenKrupp Steel



Strategic Guidelines ThyssenKrupp Steel

Sustainable value growth



Efficiency improvement

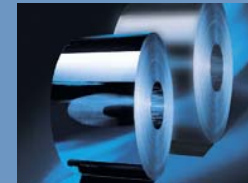


Technology leadership



Profitable growth

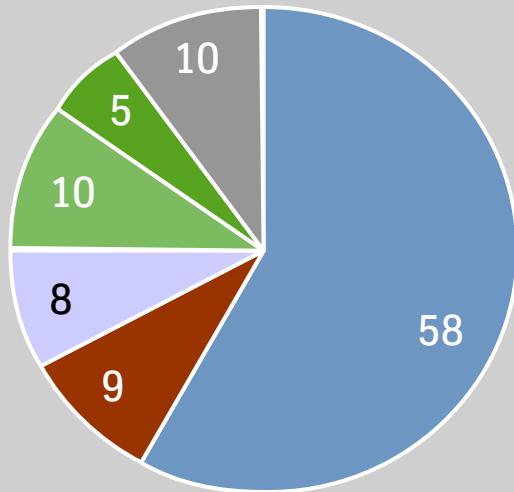
Focus on attractive markets for premium flat steel products



Further Significant Earnings Improvements Expected from Well Established Efficiency Enhancement Program “TK best“

Project landscape by initiatives

%



■ Operations

■ Purchasing

■ Quality

■ Organization

■ Sales

■ Other initiatives

Highlights

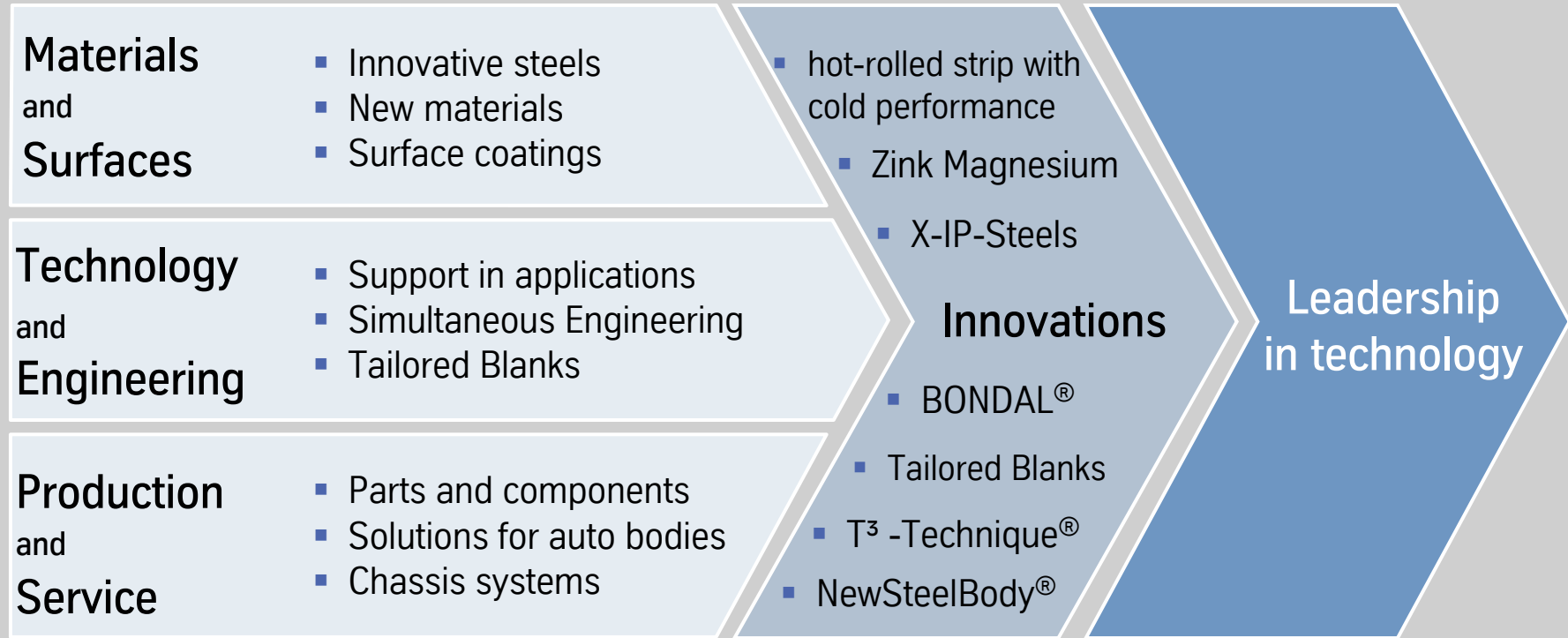
- Since start of ThyssenKrupp best in fall 2001 1,300 projects have been launched in the Steel segment
- Continuous efficiency enhancement programs under ThyssenKrupp best continue with great intensity across all Business Units

⇒ **Additional earnings improvements of +Δ €135 million per year!**



Leadership in Technology

Example: Strong Partner to the Automotive Industry



► Overall competence in automobile market as a basis for leadership in technology

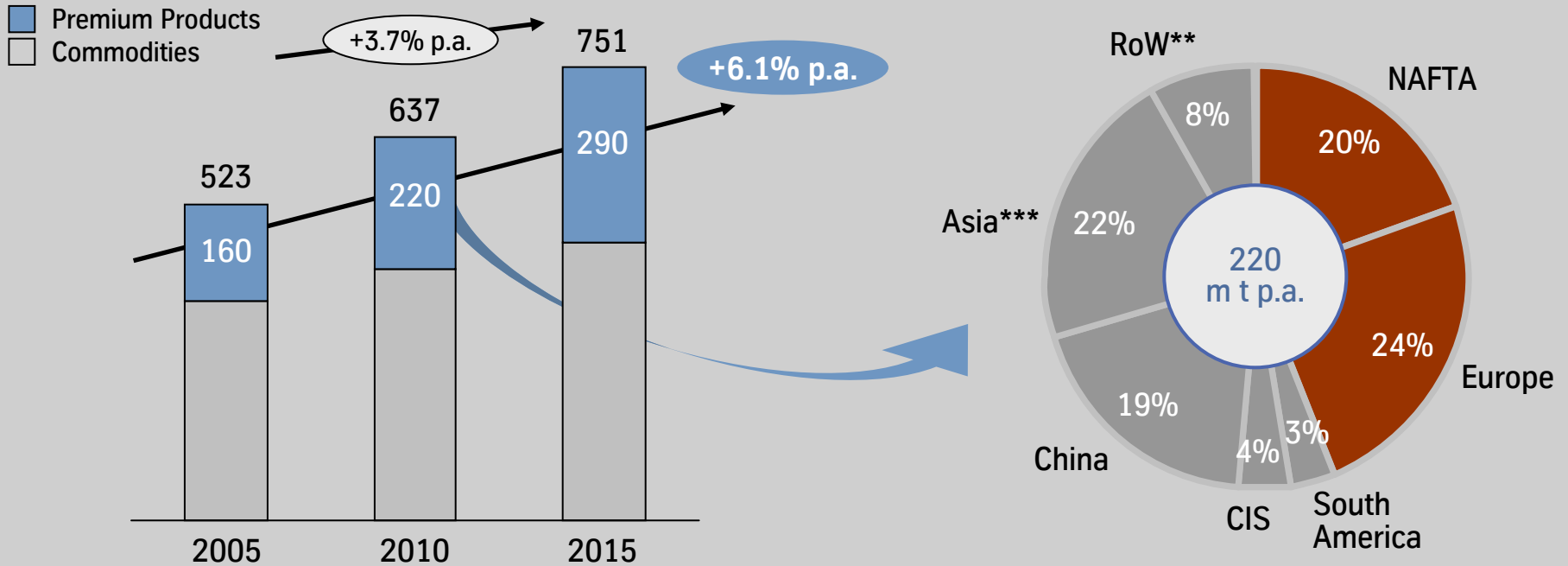


Premium Flat Carbon Steel Market with Above-Average Growth

Global Market Development: Market Forecasts up to 2015

Global Demand for Premium Products*

million tons p.a.

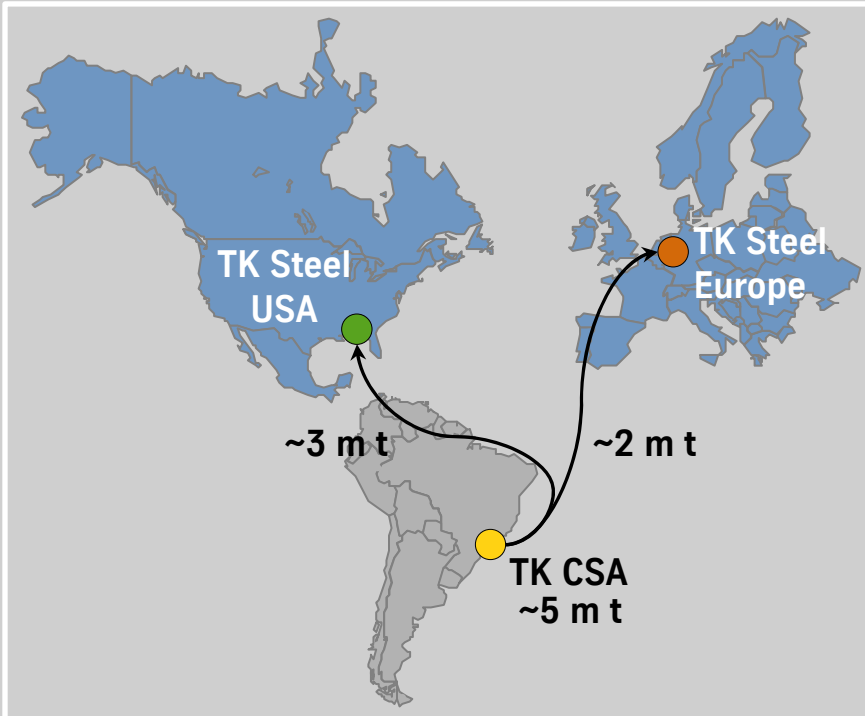


Europe and NAFTA with almost 45% share in global demand for premium products

* Flat steel products with above-average quality requirements and technological properties ** esp. India *** esp. Japan and South Korea
 Source(s): CRU MerchantSlabMarket 2006-Q4 – absolute numbers, WSD Global Steel Product Matrix



Investment Strategy Steel: The Transatlantic Concept



Targeted major transatlantic production capacities

Capacity in m metric tons p.a.	Brazil	NAFTA	Europe **
Slabs	5	-	15
Hot-rolled	-	5.2*	17.5
Cold-rolled	-	2.5	10
Coated	-	1.8	8

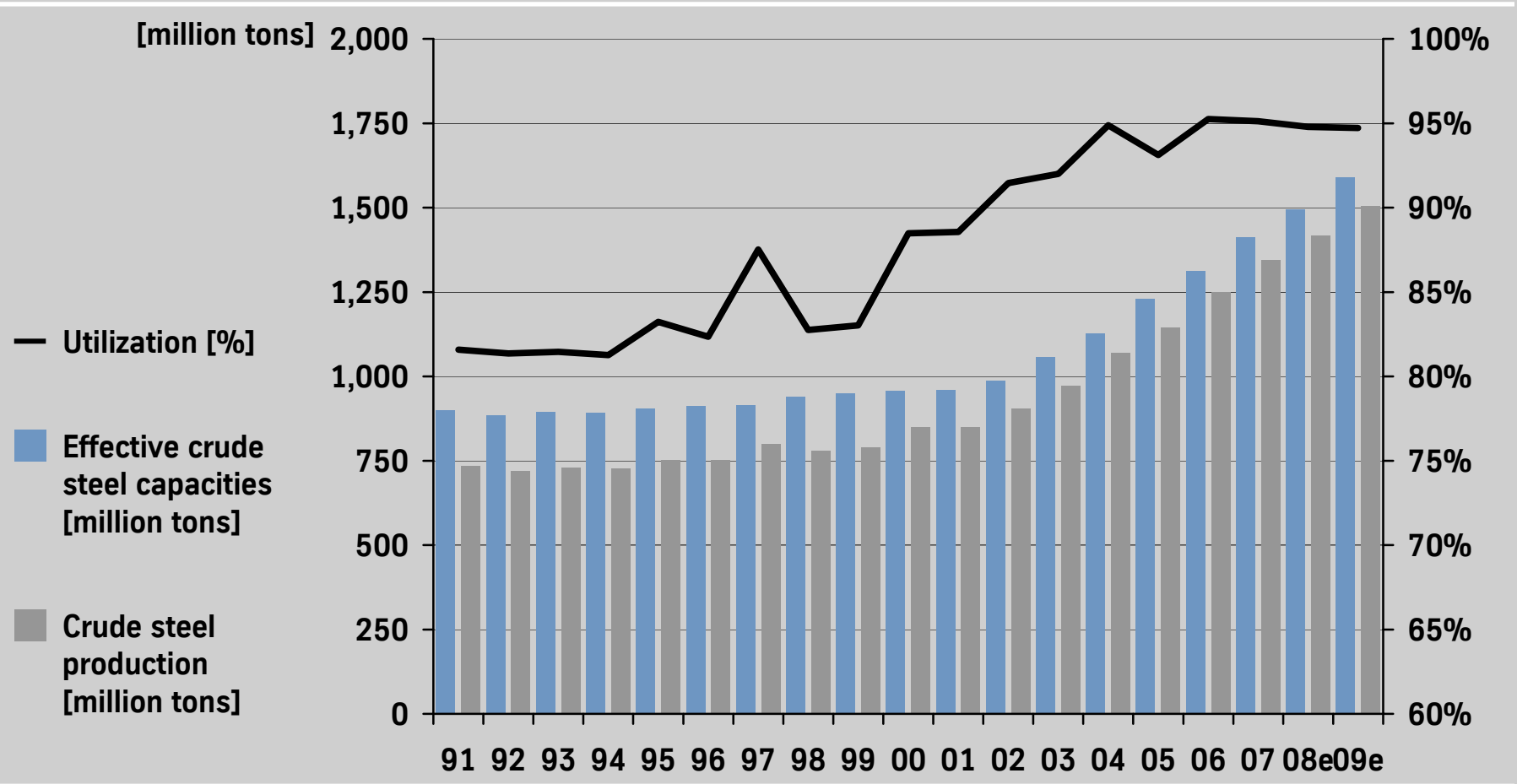
* incl. 0.9 million t for Stainless ** slabs incl. share in HKM; hot-rolled incl. heavy plate and medium-wide strip; coated incl. EG, HDG and tinplate

- Utilizing low-cost slabs from Brazil
- Build on and expand strong European market position
- Clear strategy to enter NAFTA market with focus on high value-added products

- ⇒ Significant dilution of cost base by highly competitive steel mill in Brazil
- ⇒ De-bottlenecking and modernization to process 2 m t of additional slabs from Brazil (“Herkules”)
- ⇒ Transfer of proven business model into the modern industrial center of the U.S.



Global Crude Steel Capacity Utilization Rates
























Source: WV-Stahl, own estimates



Slab Facility in Brazil Will Create Competitive Advantages

Start of Production in Q4 CY 2009

<p>Location</p>	<ul style="list-style-type: none"> • Sepetiba, Brazil • Link to ore logistics from Minas Gerais (South ore mine system of Vale) • Rail connection and captive port • Ample space for expansion 	<p>Competitive advantages</p>							
<p>Plant configuration</p>	<table border="1"> <tr> <td data-bbox="394 586 498 725">  Port </td> <td data-bbox="504 586 608 725">  Coking plant </td> <td data-bbox="614 586 718 725">  Sinter plant </td> <td data-bbox="724 586 828 725">  Blast furnace </td> <td data-bbox="834 586 938 725">  Melt-shop </td> <td data-bbox="944 586 1049 725">  Continuous caster </td> <td data-bbox="1054 586 1159 725">  Power plant </td> </tr> </table> <ul style="list-style-type: none"> • Capacity: ~ 5 million tons p.a. • Capex: ~ €4.5 billion; IRR ~ 15% 	 Port	 Coking plant	 Sinter plant	 Blast furnace	 Melt-shop	 Continuous caster	 Power plant	<ul style="list-style-type: none"> • High-quality, secure ore supply • Site advantages • Modern and efficient technologies and processes • Excellent logistics
 Port	 Coking plant	 Sinter plant	 Blast furnace	 Melt-shop	 Continuous caster	 Power plant			
<p>SOP</p>	<ul style="list-style-type: none"> • Q4 CY 2009 production of first slab 	<p>Outstanding cost position</p>							

Low-cost and high-quality slabs as ideal basis for further processing in Europe and North America



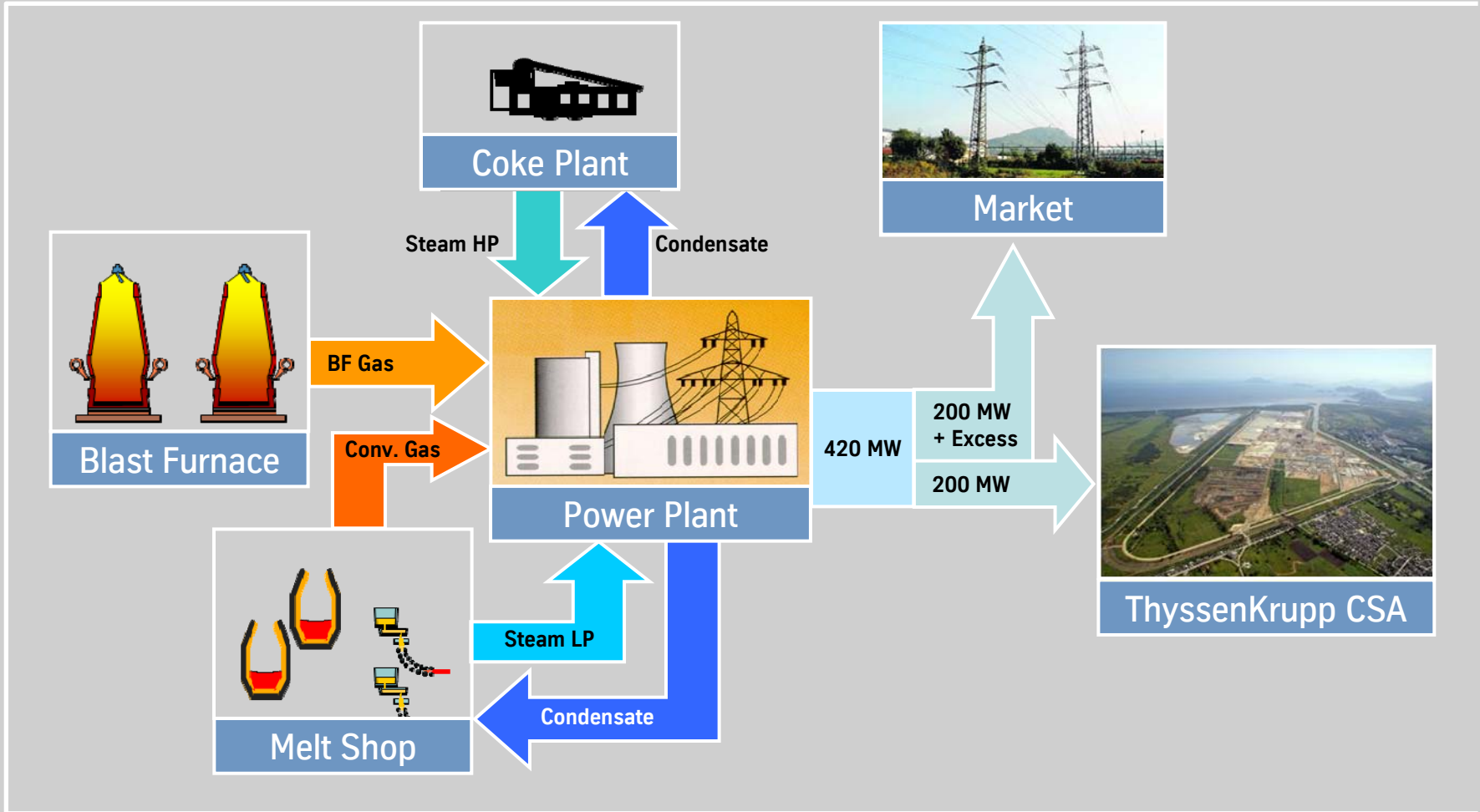
Full-Fledged Steel Works Geared to Highest Efficiency

Key facts ThyssenKrupp CSA

- 9 km² sized area
- >17,000 people currently working on site
- Port, about 3.5 km off-land, connected by bridge with conveyor belt for coal intake
- Port intake for 4 m tpy coal and shipment of 5 m tpy slabs
- Stockyard for iron ore: ~900,000 t
- Stockyard for coal/coke: ~800,000 t
- Clean air coking plant for 1.9 m tpy coke and steam
- Sinter plant capacity for 5.7 m tpy sinter
- Two blast furnaces with a capacity for 5.3 m tpy hot metal
- Steel plant with two 330 t converters top and bottom blowing



Power Plant: The Center of Energy Efficiency



ThyssenKrupp CSA (I)



ThyssenKrupp Steel



ThyssenKrupp CSA (II)



ThyssenKrupp Steel



ThyssenKrupp CSA (III)



Sinter plant



Blast furnace



Continuous caster #2



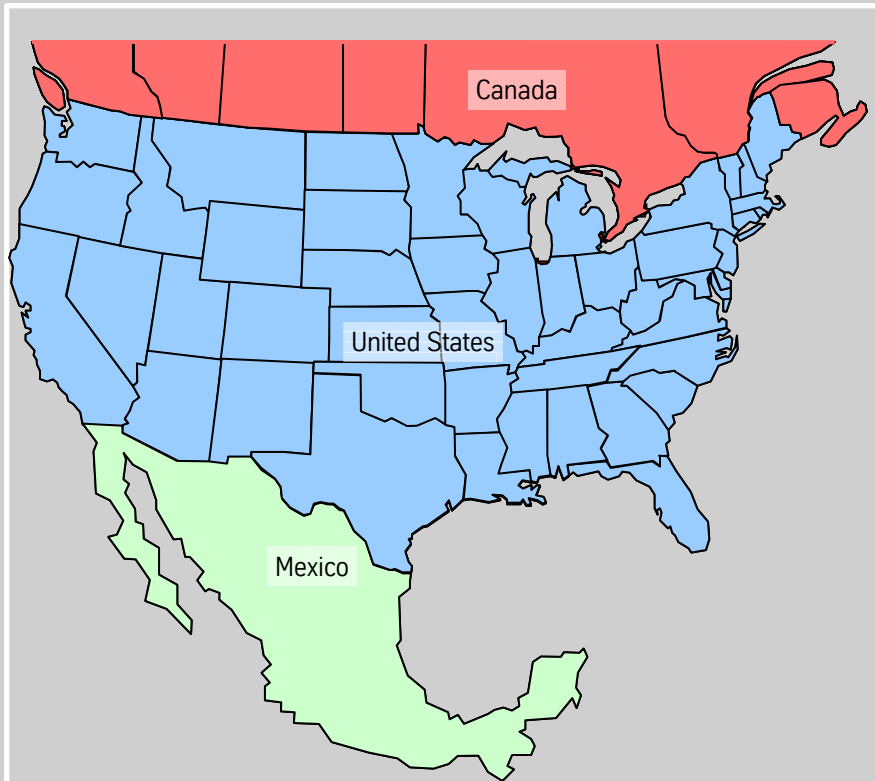
Power plant

ThyssenKrupp Steel



Significant Net Imports Reflect Structural Supply Shortage in NAFTA

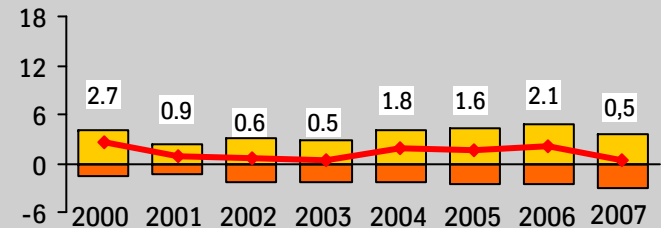
Flat Carbon Steel Imports, Exports and Trade Balance Canada, U.S., Mexico



Source(s):
 WV Stahl. All data in mn t
 Flat carbon steel (welded tubes excluded)
 ■ Imports ■ Exports — Trade Balance (net imports counted positive)

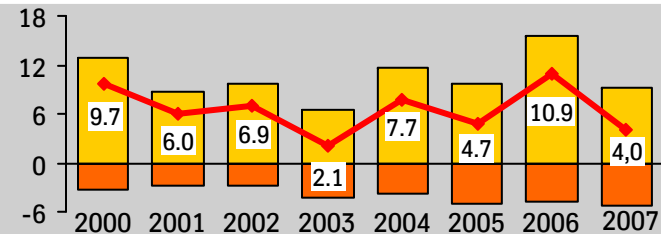
Canada

million t p.a.



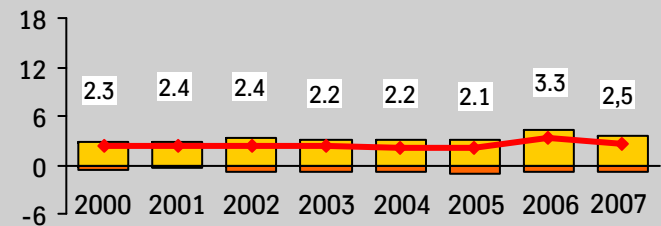
United States

million t p.a.



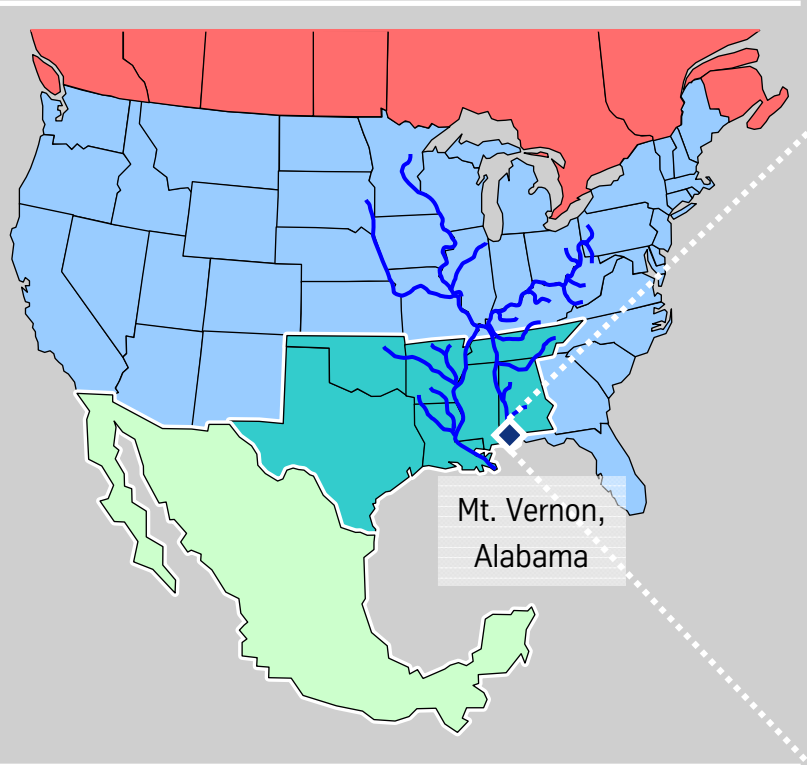
Mexico

million t p.a.

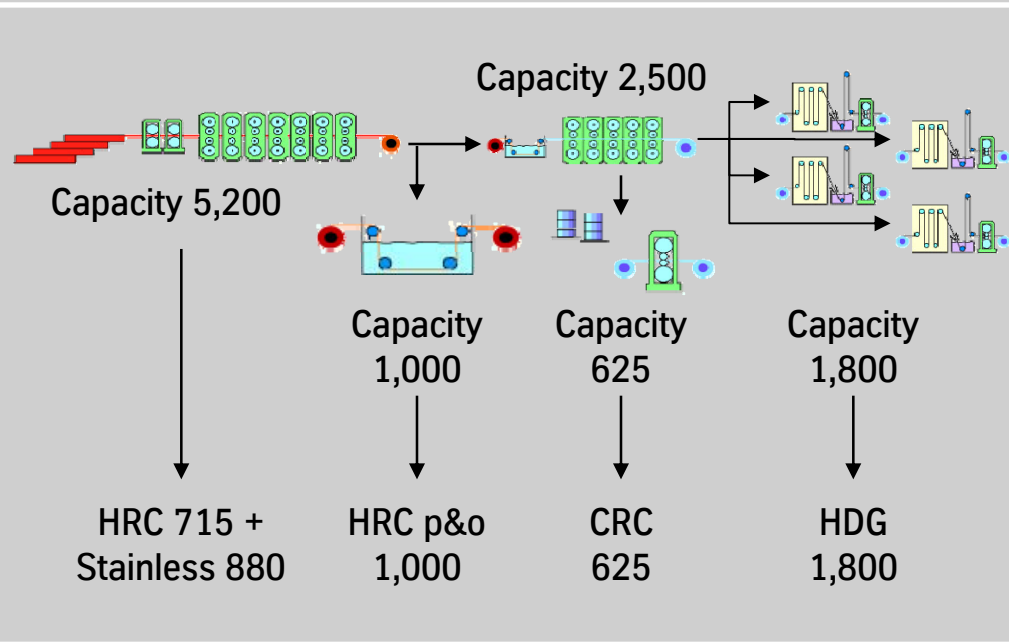


Optimum Logistics and State-of-the-Art Facilities Located at the Heart of the Modern Industrial Center of the U.S.

Start of Production in Q1 CY 2010; Capex: €2.3 bn; IRR ~ 15%



ThyssenKrupp Steel USA:
 Equipment Layout, Capacities and Shipment Structure 1,000 t.p.a.



Geared to demanding customers from the automotive, construction, engineering, pipe and tube and appliance industry



ThyssenKrupp Steel and Stainless USA (I)



ThyssenKrupp Steel



ThyssenKrupp Steel and Stainless USA (II)



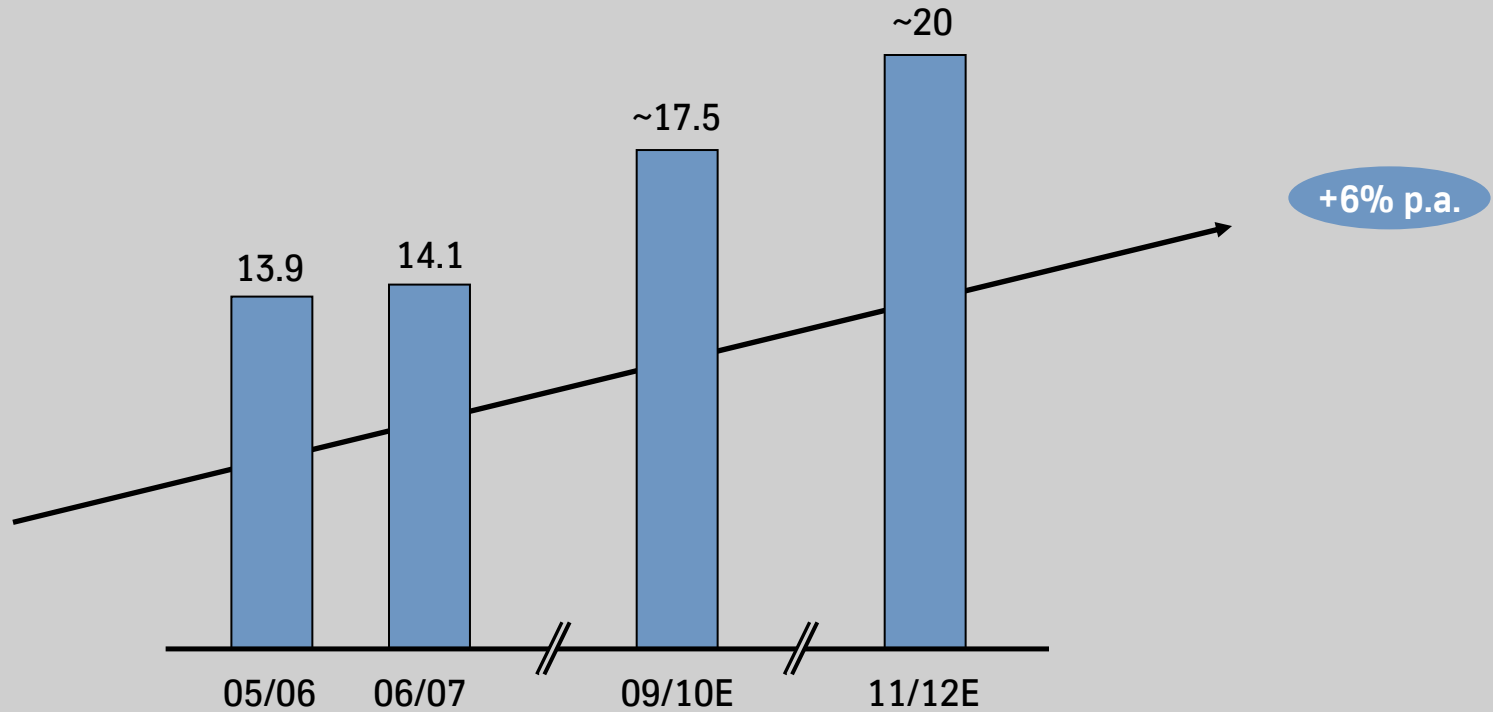
ThyssenKrupp Steel



Excellent Positioned to Meet Increasing Demand for Premium Products

Steel Shipments ThyssenKrupp Steel

million tons p.a.



Shipments to increase by more than 40% by 2011/12



Forward Strategy Creates Potential For Significant Value Growth

Strong Organic Growth Based on Proven Business Model



- Capex
 - Forward Strategy Europe
 - Forward Strategy NAFTA
 - Forward Strategy Brazil} €7.2 bn

- Return hurdle for growth investments
 } ~ 15 %

- Committed to
 - Reliable and significant profit contribution
 - Drive value for the Group !

Leveraging upstream scale and downstream excellence !

