

Sales Force Briefing ThyssenKrupp

December 2007

06—07

Fiscal Year 2006/07: The Most Successful Year So Far

- Delta EVA story continued: TKVA >€2 billion

- Excellent earnings across all segments (Elevator impacted by EU fine)

- Very favorable business environment;
extremely favorable demand in Stainless and Services

- Investment program with corresponding mid- and long-term targets:
Capitalize on ⇒ Steel/Stainless growth potential in NAFTA
 ⇒ Global secular growth trends

- Dividend proposal: €1.30, +30% yoy



Fiscal Year 2006/07 Results Confirm New Earnings Strength

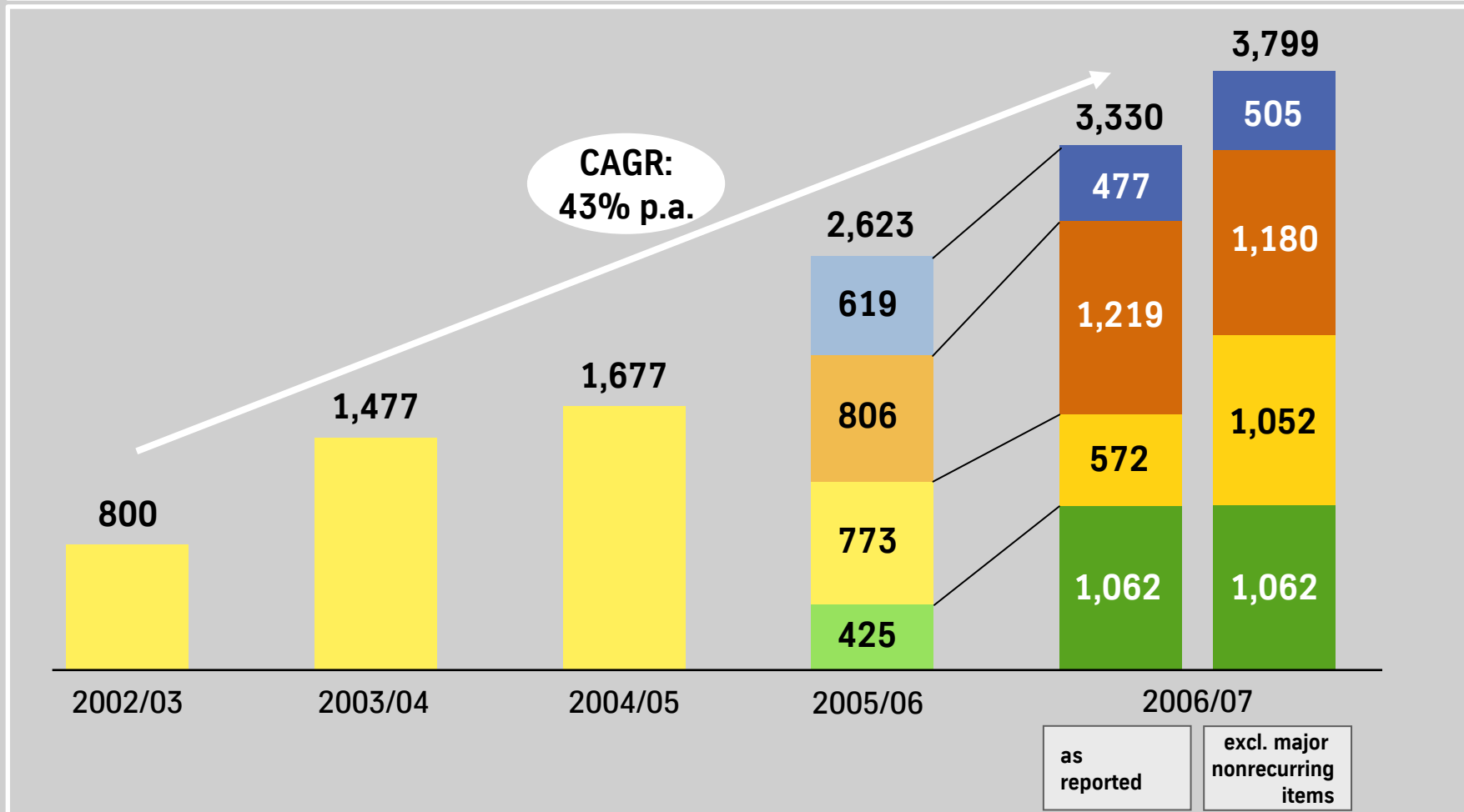
○ Order intake	€54,605 m	+8%
○ Sales	€51,723 m	+10%
○ EBT		
as reported	€3,330 m	+27%
excl. major nonrecurring items	€3,799 m	+36%
○ EPS	€4.30	+33%
○ TKVA / ROCE	€2,108 m / 21%	+40% / +3%-p.
○ Net financial receivables	€223 m	



Group Financials – EBT Track Record

Earnings before taxes

million €



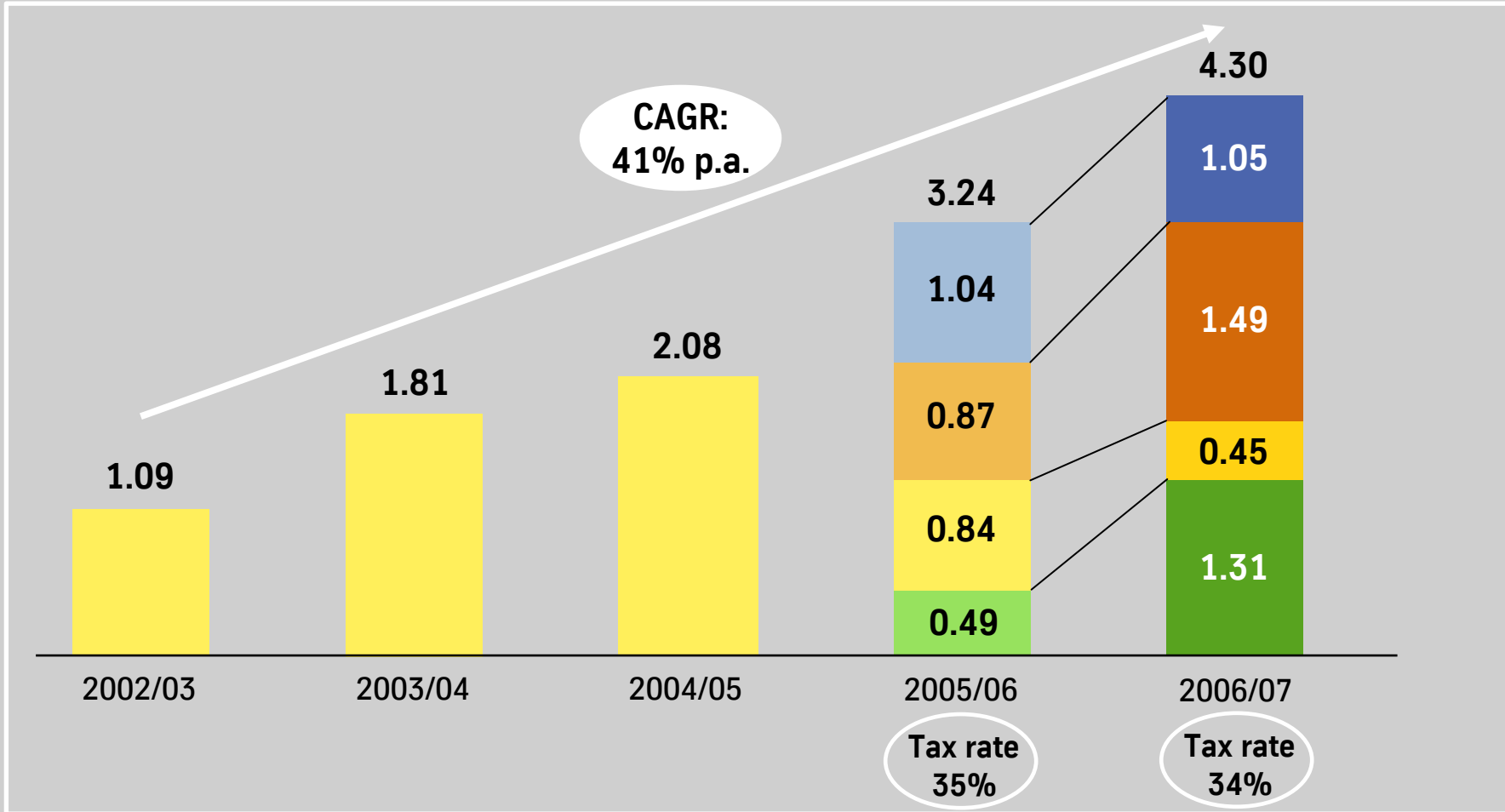
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Group Financials – EPS Track Record

Earnings per share

€



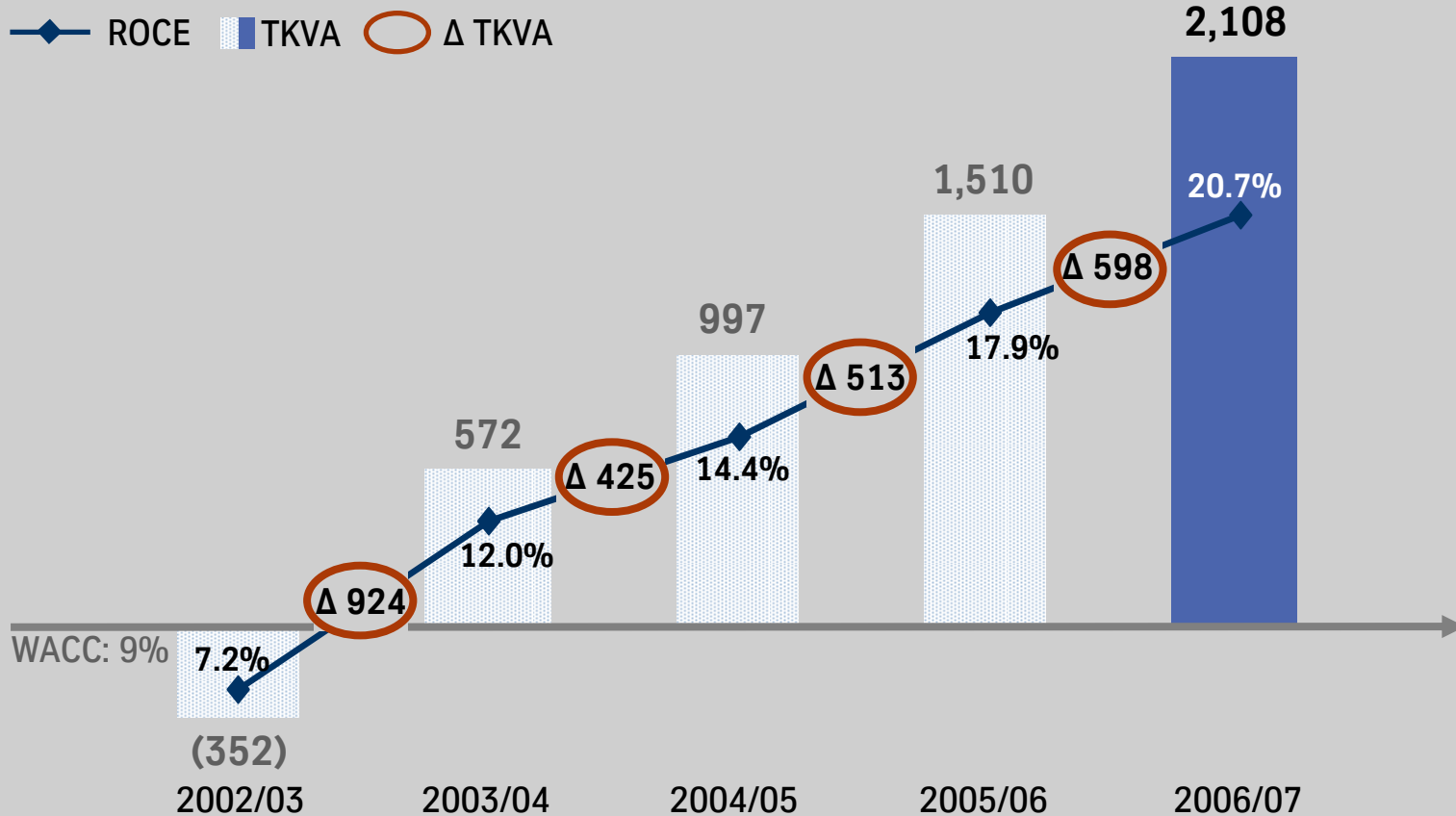
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ThyssenKrupp Continues the Delta EVA[®] Story

ROCE and TKVA

% / million €



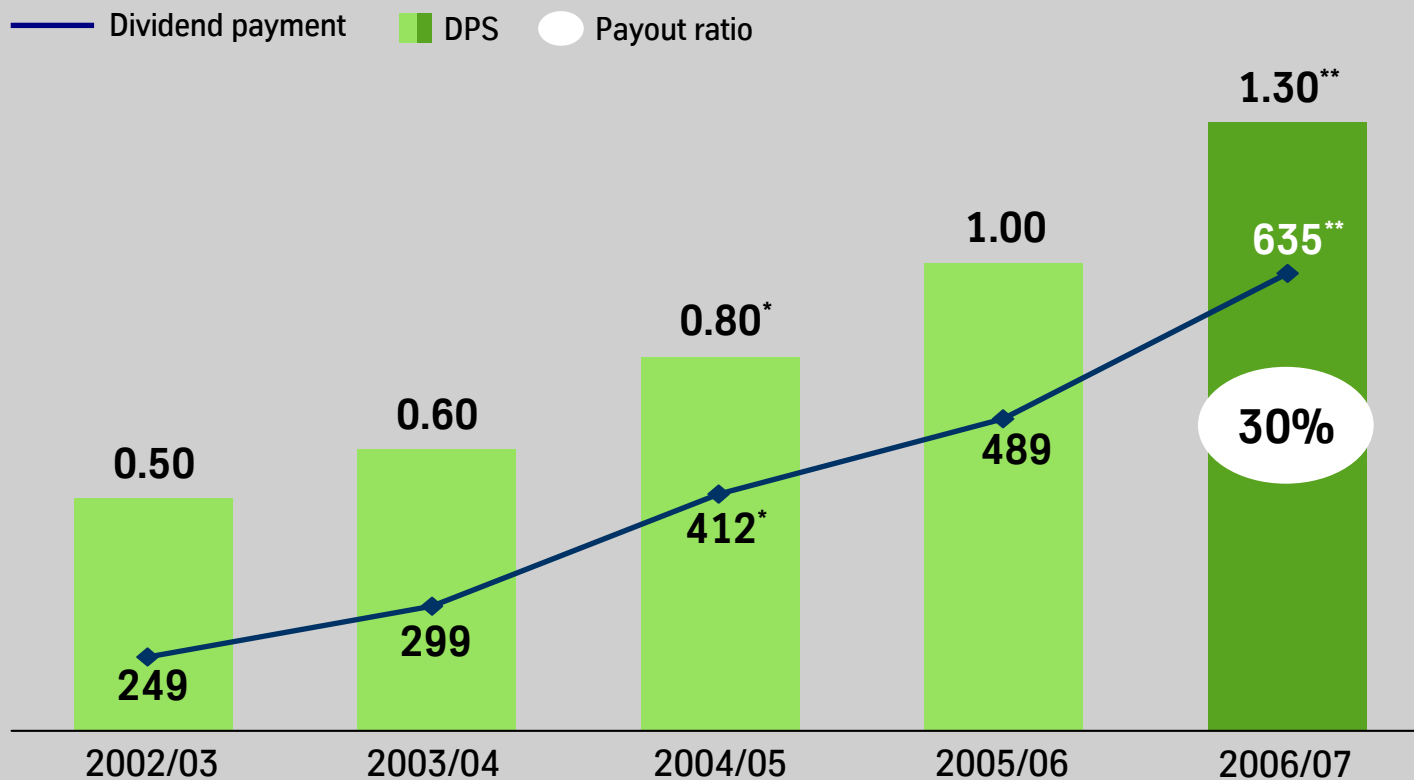
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Group Financials – Dividend Track Record

Dividend payment, dividend per share and payout ratio

million € / € / %



* incl. special dividend of €0.10 ** proposal to AGM



Group Outlook 2007/08: EBT excl. Major Nonrecurring Items >€3 bn

Business environment

2006/07

- Very favorable economic growth with corresponding demand for metals/materials
- Temporary supply constraints and overshooting demand for stainless steel

2007/08

- Assumption:**
- **Robust economic growth**

Outlook 2007/08

Robust earnings platform

- **EBT 2007/08: >€3 bn**
excl. major nonrecurring items
- **Tax rate reduced to 32%**

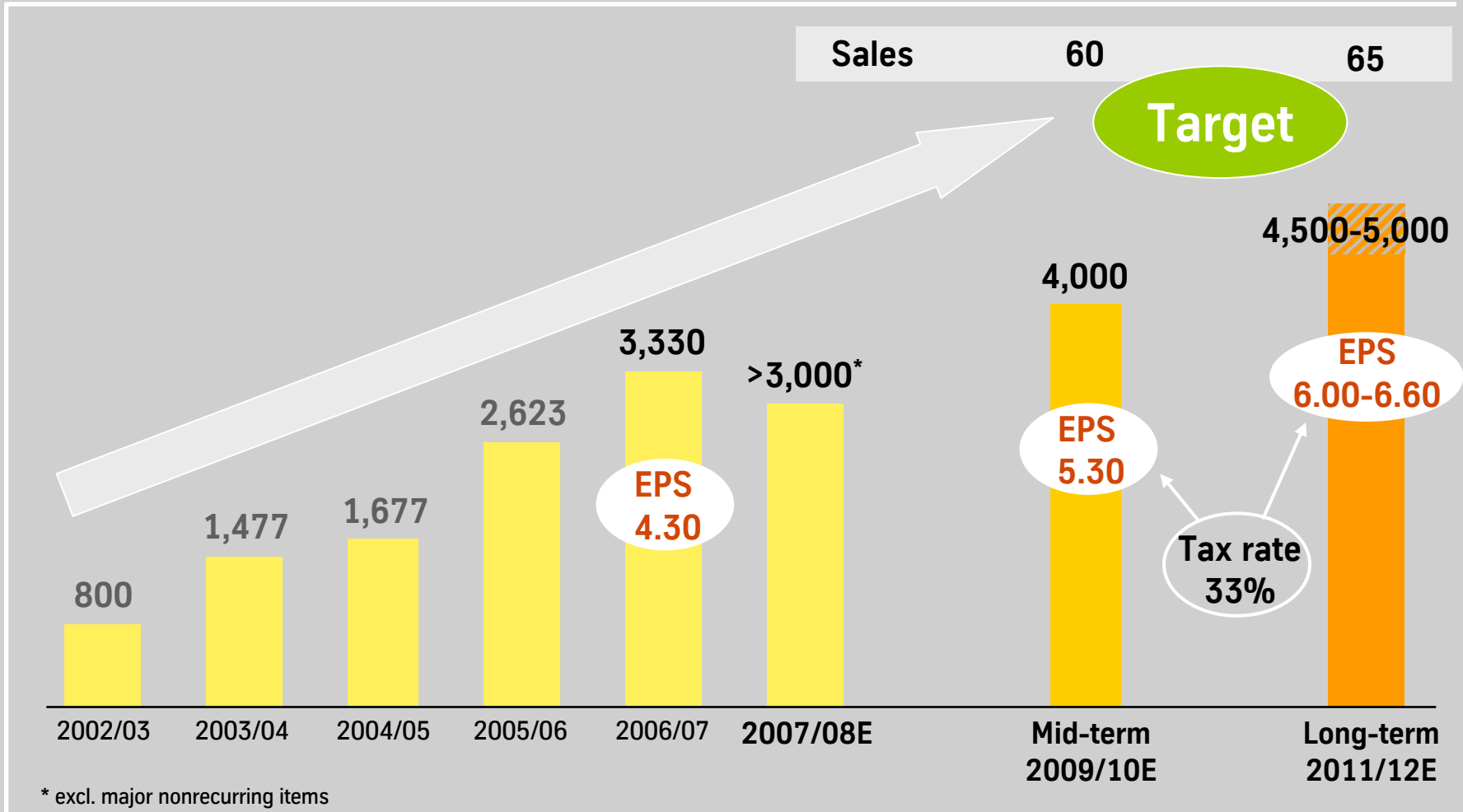
Major nonrecurring items in 2007/08 expected

- **Disposal gains**
 - Presta Steering
 - Precision forge business
- **Project costs**
 - TK CSA, Brazil
 - Greenfields, USA (Carbon/Stainless Steel)
- **Continued restructuring in Automotive**
- **Performance program Elevator**

Group Targets 2009/10 and 2011/12

Sales, EBT and EPS

billion € / million € / €



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Update on Group Growth Strategy (I)

€bn	Total investments	thereof:		Breakdown of investments	
		2005/06	2006/07	2005/06-2009/10	
				Long-term assets	Financial investments
Steel	9.3	0.5	1.6	<ul style="list-style-type: none"> • Greenfield NAFTA 2.3 • TKCS (Brazil) 3.0 • Capacity increase Duisburg 0.4 • Substance-preserving * } 3.3 • Value-based ** } 	<ul style="list-style-type: none"> • Growth by acquisitions 0.3
Stainless	2.1	0.2	0.4	<ul style="list-style-type: none"> • Greenfield NAFTA 0.8 • Substance-preserving * } 1.3 • Value-based ** } 	<ul style="list-style-type: none"> • no relevant transactions
Technologies	3.6	0.8	0.6	<ul style="list-style-type: none"> • Project-related investments 1.5 • Rothe Erde expansion 0.3 • Waupaca 0.1 • Substance-preserving * } 1.1 • Value-based ** } 	<ul style="list-style-type: none"> • Growth by acquisitions 0.6
Elevator	1.1	0.2	0.1	<ul style="list-style-type: none"> • Projects for efficiency improvement in new installations and services 0.4 	<ul style="list-style-type: none"> • Growth by acquisitions 0.7
Services	1.9	0.4	0.3	<ul style="list-style-type: none"> • New Service Centers Globally 0.3 • New Service Centers Eastern Europe 0.3 • Growth Raw Materials 0.1 • Others 0.4 	<ul style="list-style-type: none"> • Growth by acquisitions 0.8
Other	up to 2.0	0.0	0.0	<ul style="list-style-type: none"> • Others up to 0.9 	<ul style="list-style-type: none"> • Growth by acquisitions up to 1.1
TOTAL	18.0-20.0	2.1	3.0	15.6 - 16.5	2.4-3.5

*45% of the average depreciation / amortization in the segment

**calculated on the basis of TKVA

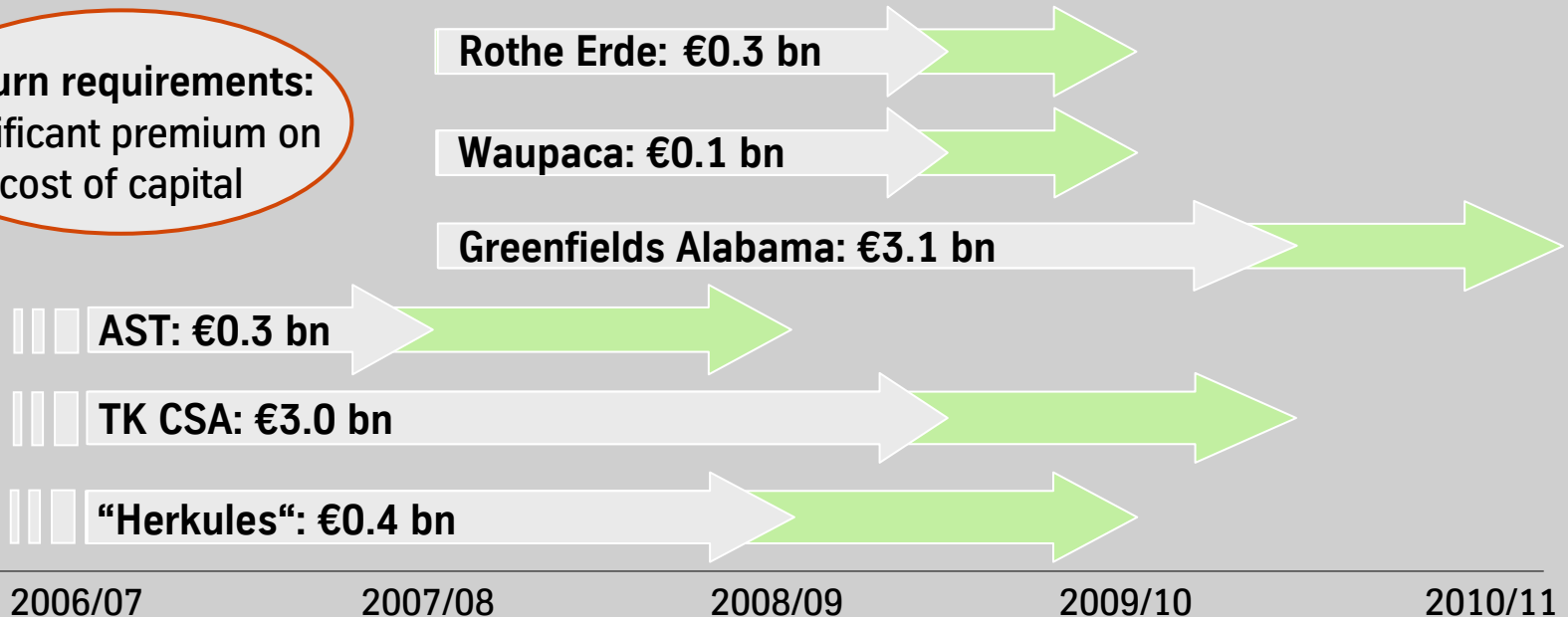


Update on Group Growth Strategy (II)

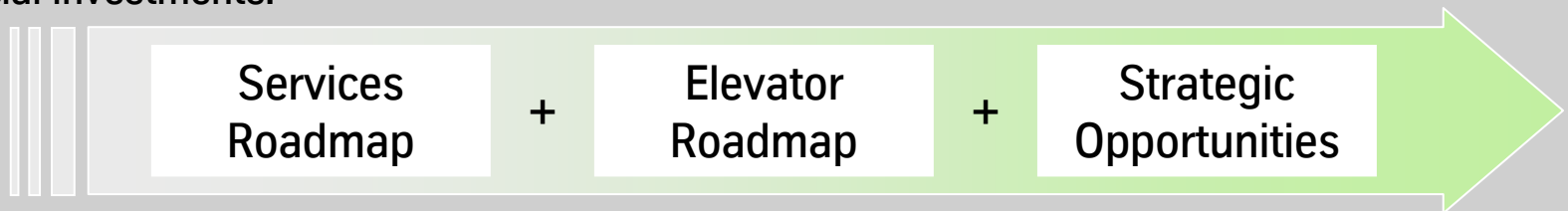
Timeframe for selected capital expenditures to drive earnings

Fixed assets investments:

Return requirements:
significant premium on
cost of capital



Financial investments:



Investment Grade Rating with Every Rating Agency is Key

The underlying principle for all our growth initiatives

High degree of flexibility due to

- Cash (€3.7 bn as of Sept 30, 2007)
- Available credit lines (€4.6 bn as of Sept 30, 2007)
- Treasury stock (25.7 m shares at market value* of €972 m)
- Authorized capital (€500 m)
- Estimated OCF (approx. €18 bn from 2005/06-2009/10)

and

- **Continuous revision of current business portfolio remains top priority for management**

* as at Nov 28, 2007



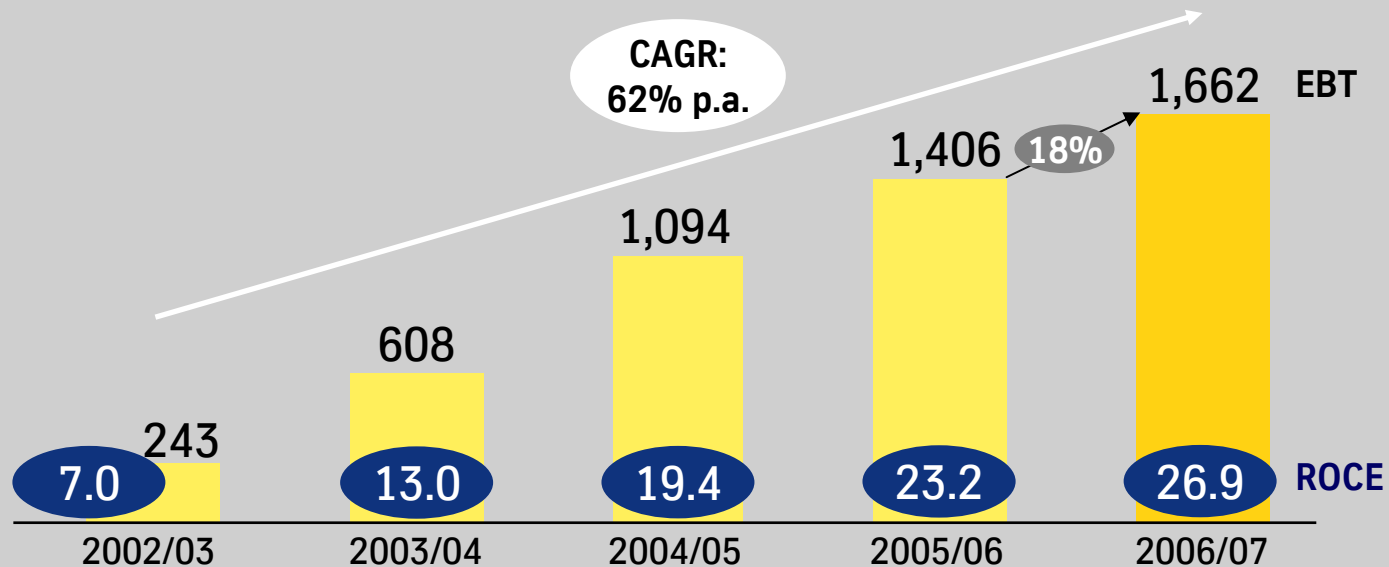
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Steel: Value Drivers

EBT / ROCE track record

million € / %



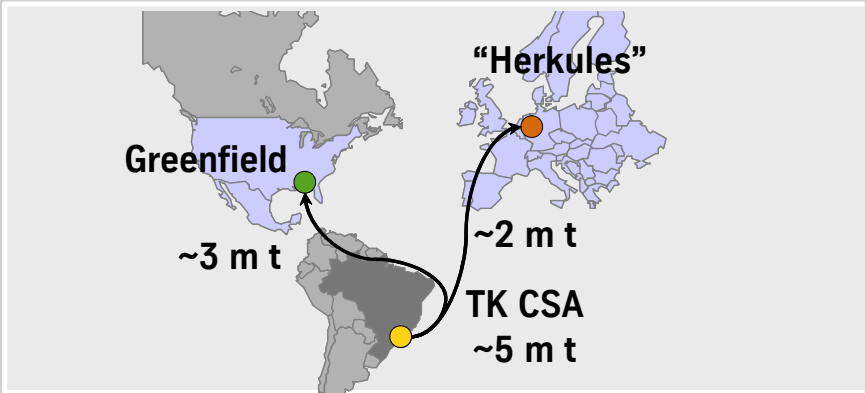
- Performance improvements
- Demand / volume growth
- Price improvements
- Excellent product mix in the premium segment
- Continued shift to premium applications and slight capacity increases (quenched heavy plate, electrical steel PowerCore H)

2002/03-2004/05 in the Group structure valid at that time

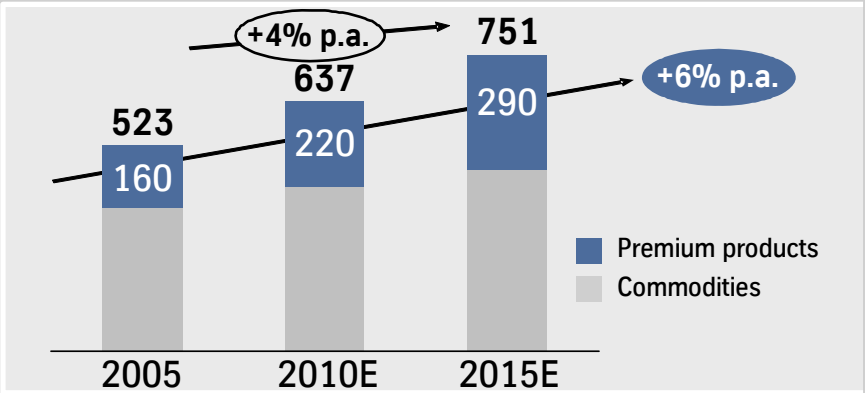


Steel: Value Enhancement Concept (I)

Transatlantic forward strategy shipments



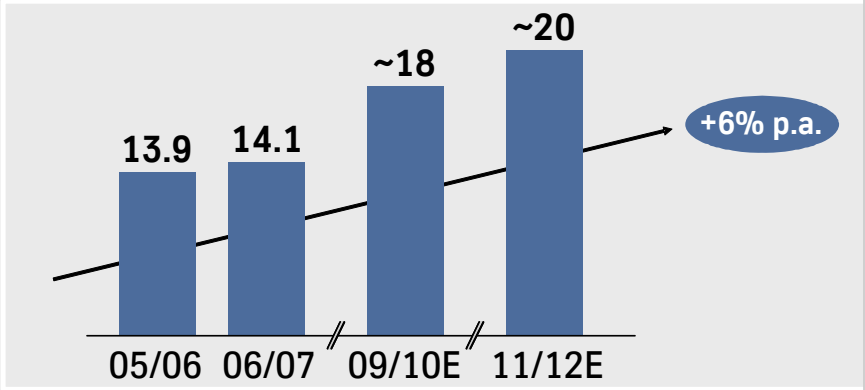
Global demand for flat carbon steel million tons



Strategic positioning

- Premium product portfolio
- Long-term customer relations
- Top market positions and technological competencies

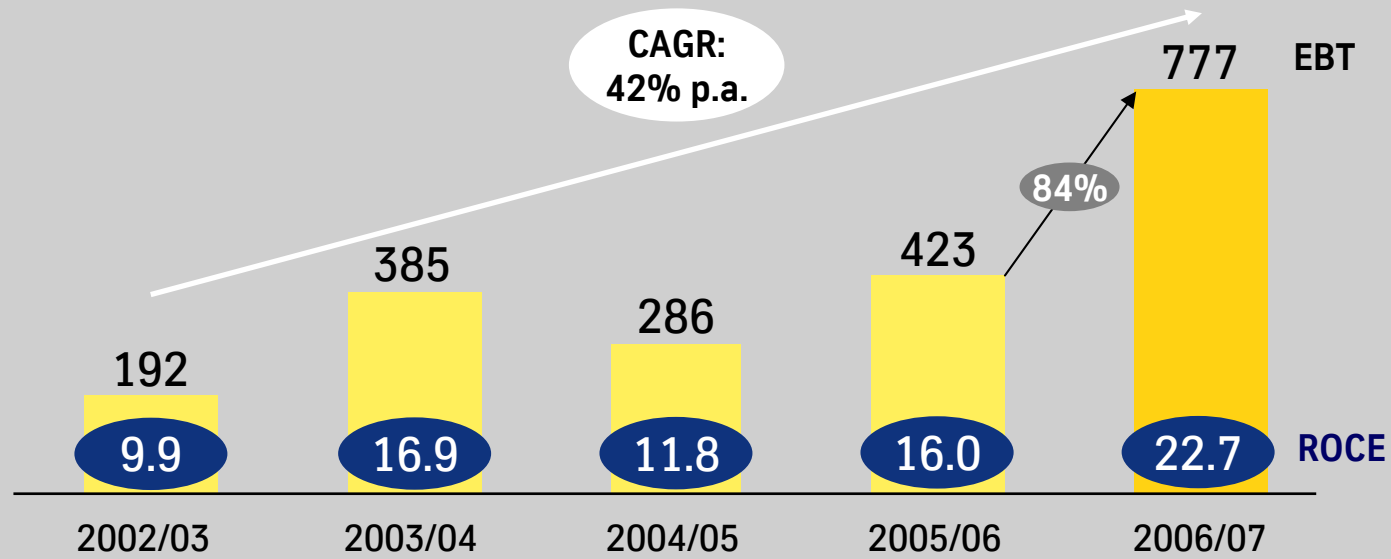
Steel shipments million tons



Stainless: Value Drivers

EBT / ROCE track record

million € / %



- but:
- Continued strong end user demand
 - Temporary extremely high base prices
 - Import pressure from Asia
 - Accelerated destocking by service centers
 - High volatility in the market due to nickel-pricing

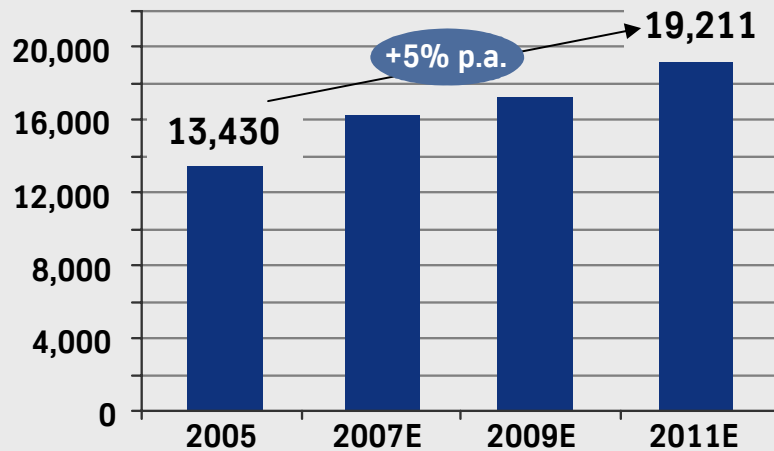
2002/03-2004/05 in the Group structure valid at that time



Stainless: Value Enhancement Concept (I)

Global apparent consumption CR flat

1,000 tons

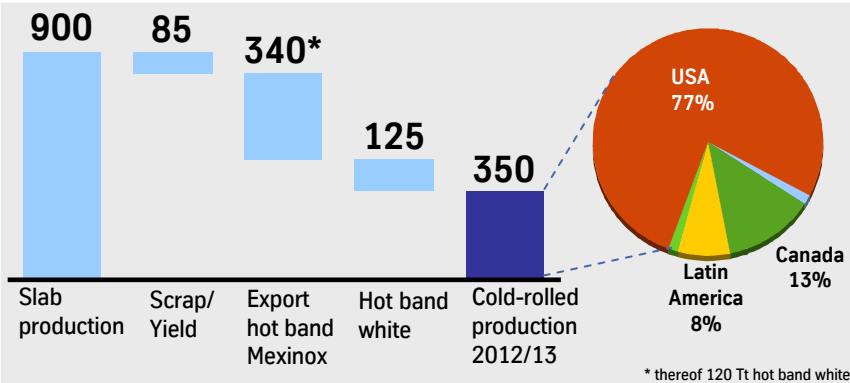


Strategic positioning

- Covering the top of high-demanding material pyramid, incl. nickel alloys, titanium
- Price premium by increasing share of superior products and value-added services
- End-customer related business ~75%
- Global #1 with top regional market positions
- Increase in ferritics portfolio to support customers in product cost reduction

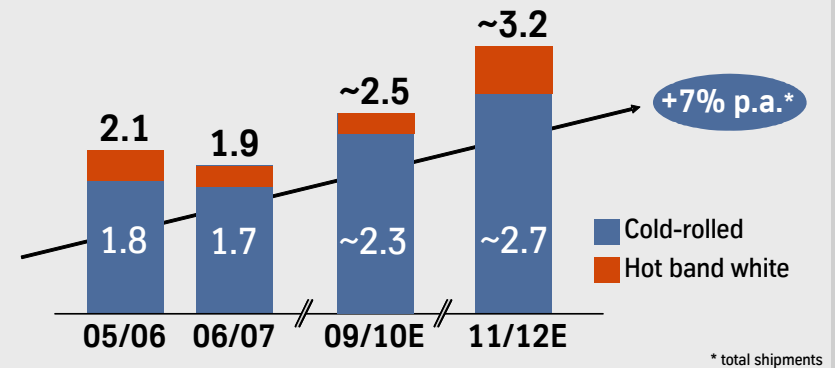
NAFTA forward strategy

1,000 tons



Stainless shipments

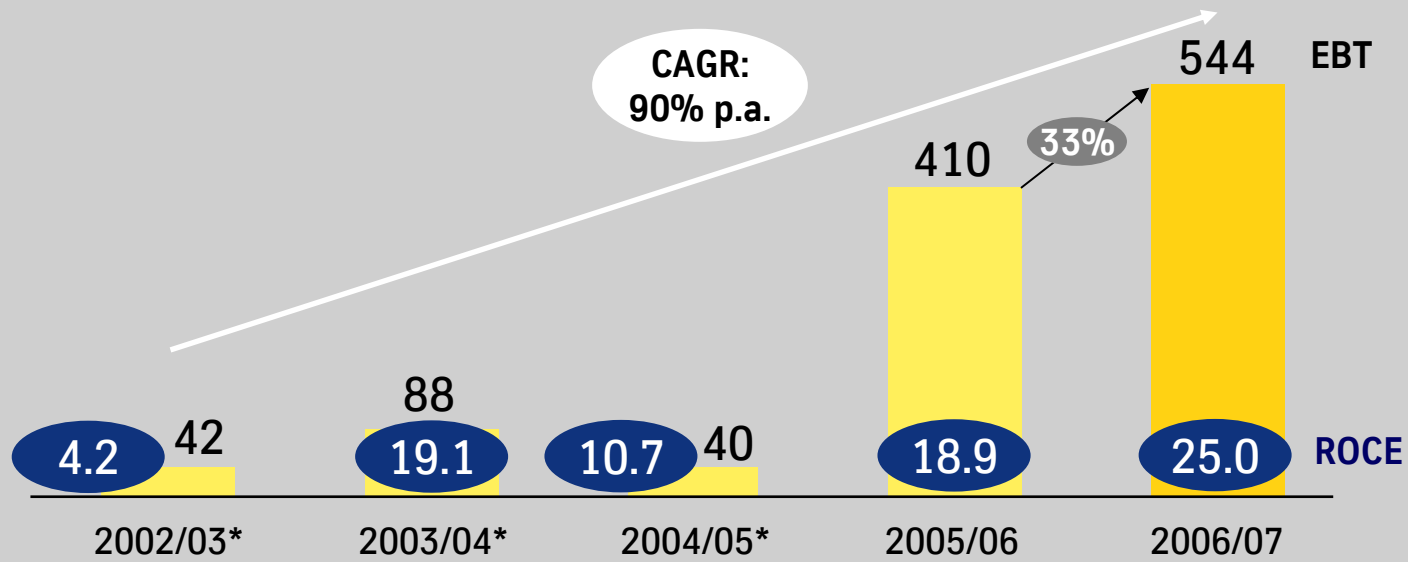
million tons



Technologies: Value Drivers

EBT / ROCE track record

million € / %



* excl. Automotive



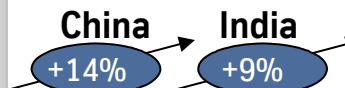
2002/03-2004/05 in the Group structure valid at that time

- Driven by global secular growth trends (e.g. raw materials, energy, "Asia")
- Renewable energy technology to exceed supply
- Performance improvements



Technologies: Value Enhancement Concept (I)

Plant Technology	Marine Systems	Mechanical Components	Automotive Solutions
€2.6 bn	€2.0 bn	€3.8 bn	€3.2 bn

Raw Materials	↗		↗		Raw materials supply growth  +6% CAGR 06-12E
Energy	↗		↗		
Nutrition	↗				
Security/ Safety		↗			Wind energy installed capacity  +14% CAGR 06-12E
Middle East	↗	↗	↗		
Asia/ Pacific	↗	↗	↗	↗	Industrial production growth  China +14% India +9% CAGR 06-10E Sales for FY 2006/07

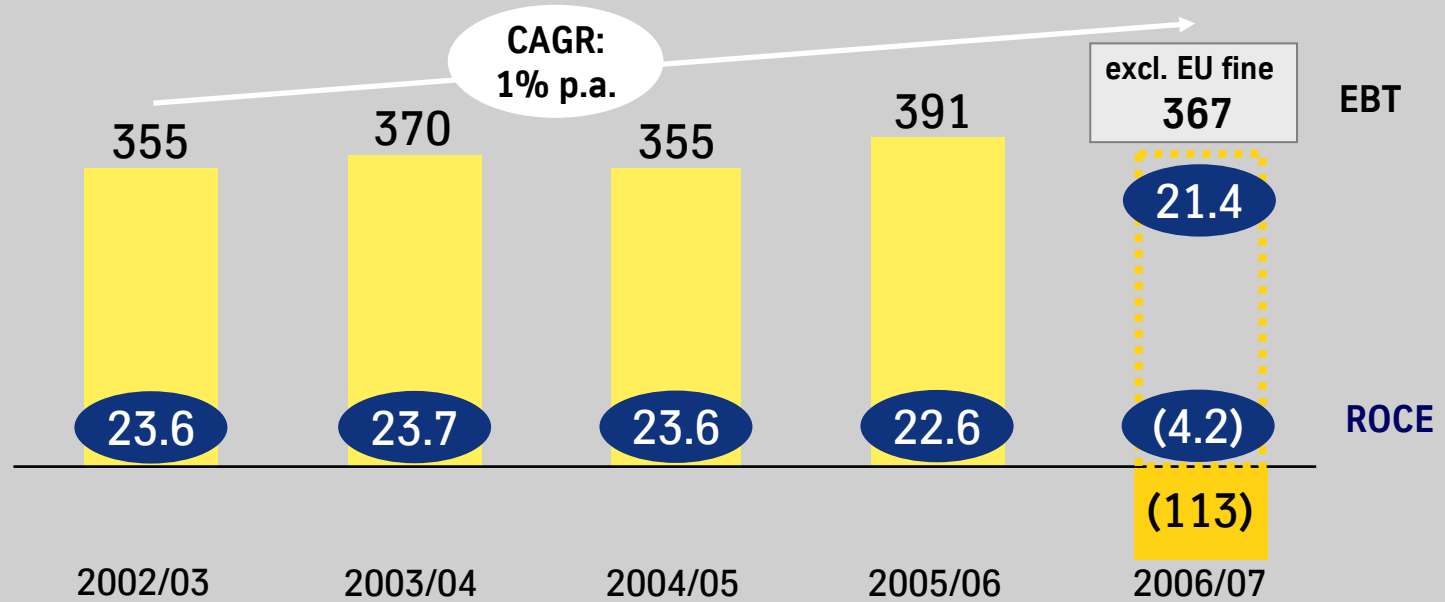
Sources: Merrill Lynch, Global Insight, BTM, own estimates



Elevator: Value Drivers

EBT / ROCE track record

million € / %



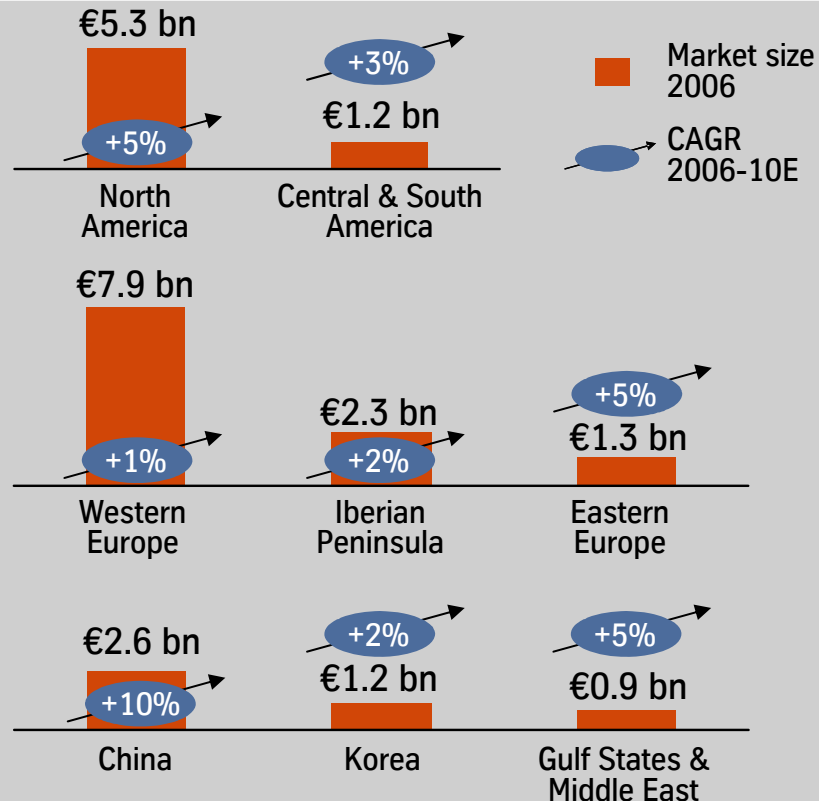
- Strategic performance program “300” launched to improve EBIT margin (>12%)
- Strong US business, stable development in Europe

2002/03-2004/05 in the Group structure valid at that time



Elevator: Value Enhancement Concept (I)

Steady market growth in elevators and escalators



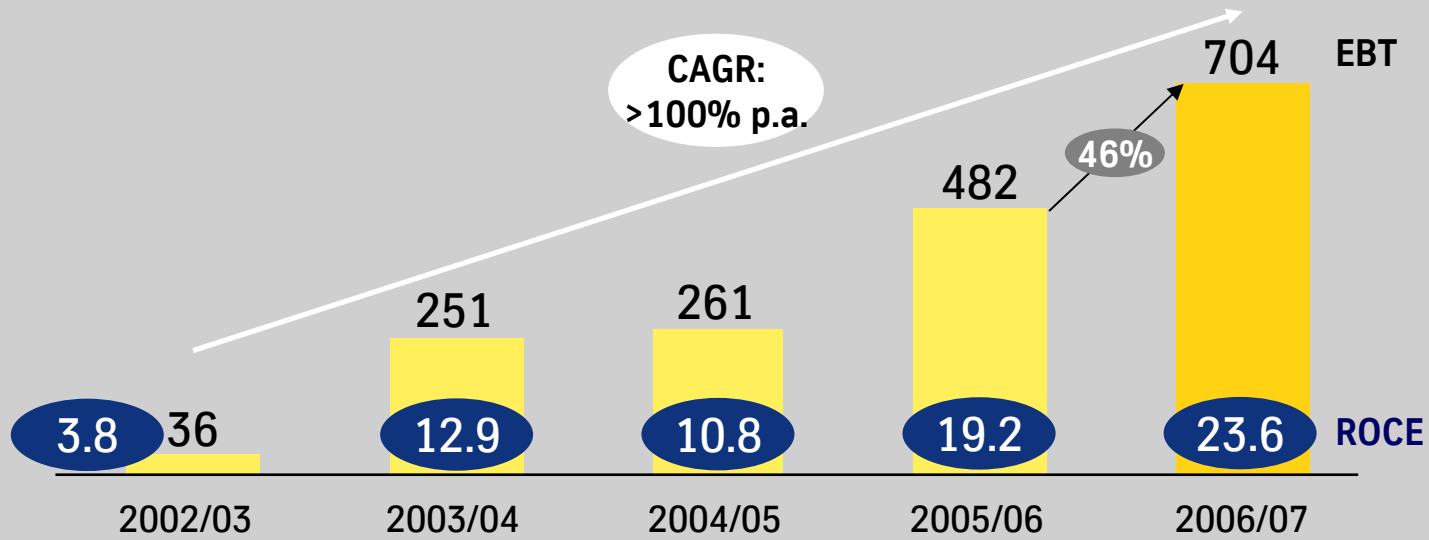
Excellent positioned to benefit from market growth

- Global footprint with top regional positions
- Consistent internal and external growth and increase in profitability
- Product innovations & references
 - ⇒ TWIN-Elevator, TurboTrack, Passenger Boarding Bridges for A380
 - ⇒ exclusive Freedom Tower contract (US\$150 m): 71 elevators, 9 escalators and maintenance
- Sole provider of all passenger transportation solutions for airports
 - ⇒ elevators, escalators, moving walks, passenger boarding bridges

Services: Value Drivers

EBT / ROCE track record

million € / %



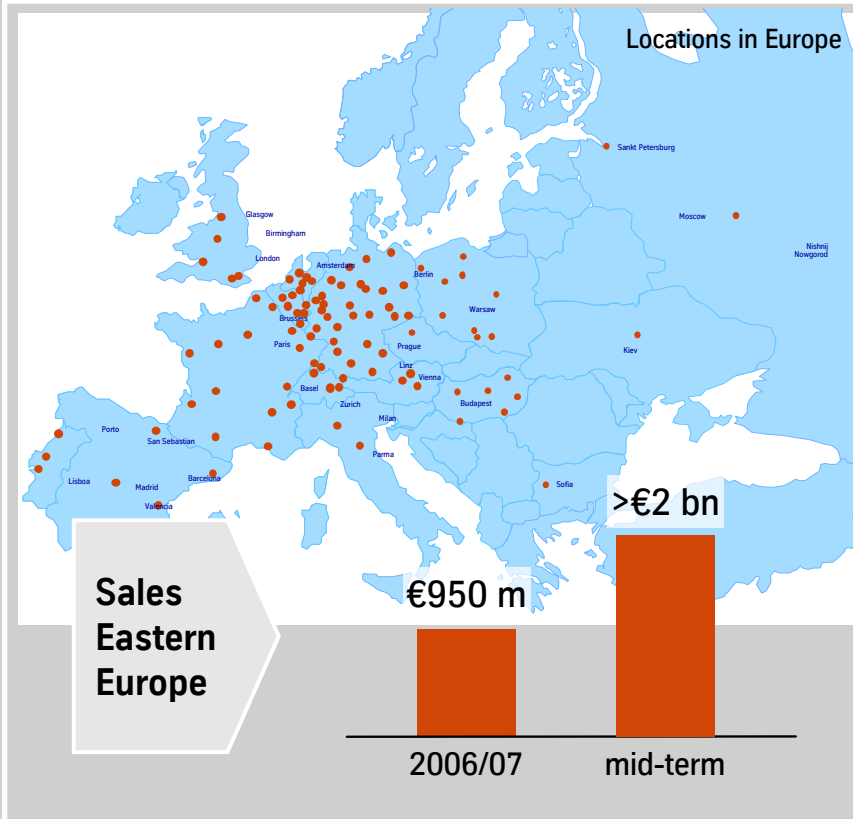
- One-stop shop concept and state-of-the-art logistics management continue to pay off
- Very favorable market environment for metals and materials

2002/03-2004/05 in the Group structure valid at that time



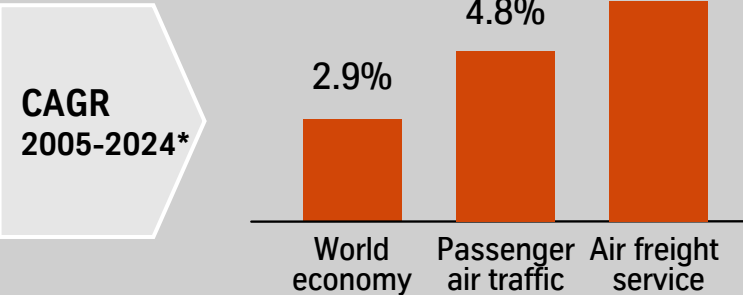
Services: Value Enhancement Concept (I)

Expansion in growth regions Example: Acquisition of Ferostav, Slovakia



Expansion in growth sectors and services Example: Acquisition of Apollo Metals Group

- Disproportionate growth of aerospace industries



- High demand for corresponding supply chain services
- Apollo acquisition provides ideal geographic fit to existing aerospace activities
- Combined pro-forma sales of ~€0.5 bn

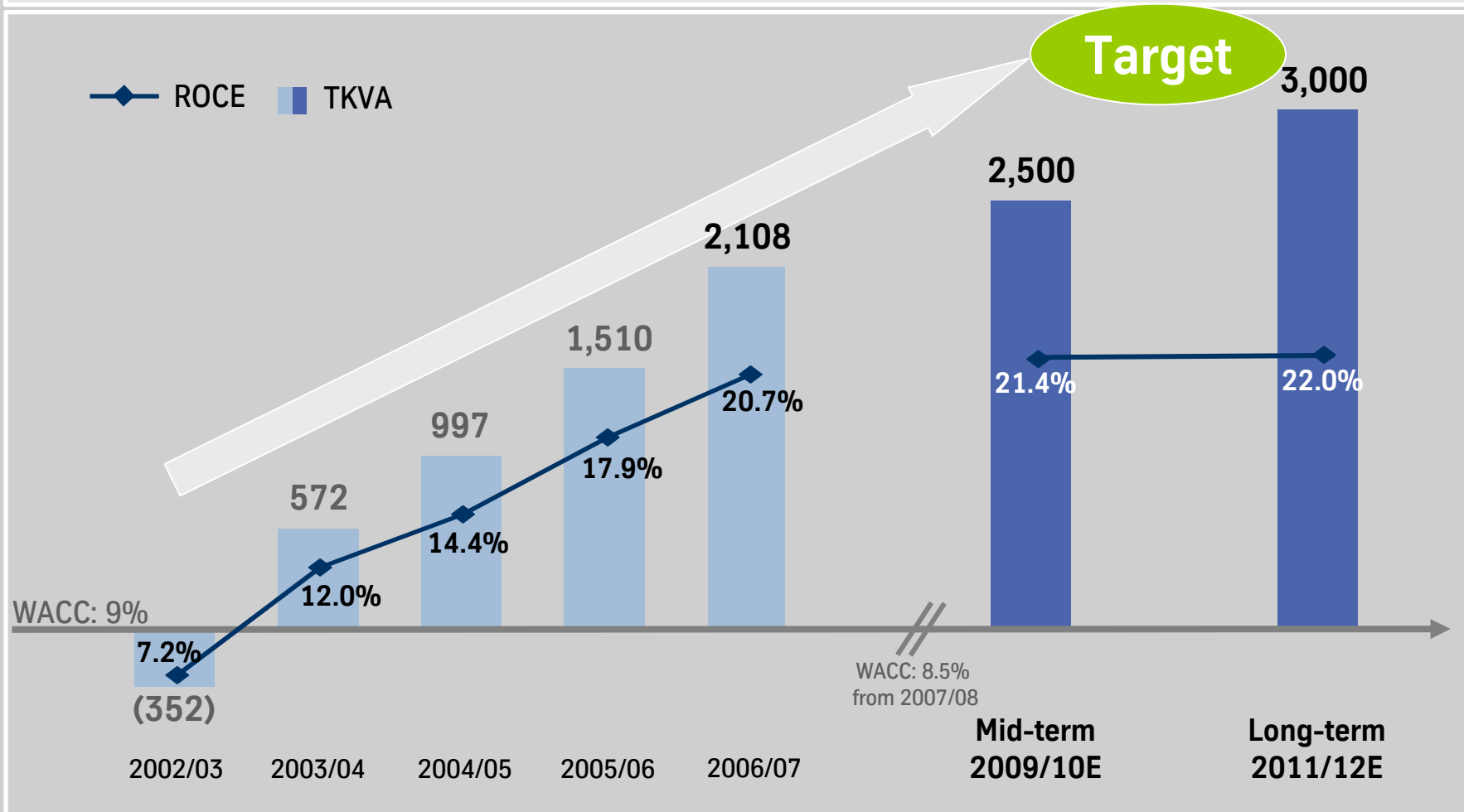
* Source: Airbus



Group Targets 2009/10 and 2011/12

ROCE and TKVA

% / million €



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Financial Calendar 2008

- January 18, 2008 Annual General Meeting, Bochum/Germany
- January 21, 2008 Payment of dividend
- January 24, 2008 to February 12, 2008 Quiet Period
- February 13, 2008 Interim Report 1st quarter 2007/08 (Oct to Dec)
Conference call with analysts and investors
- April 23, 2008 to May 13, 2008 Quiet Period
- May 14, 2008 Interim Report 2nd quarter 2007/08 (Jan to Mar)
May 16, 2008 Analysts' and Investors' Conference, London/UK



Financial Calendar 2008/09

-
- July 24, 2008 to August 13, 2008 Quiet Period

 - August 14, 2008 Interim Report 3rd quarter 2007/08 (Apr to Jun)
Conference call with analysts and investors

 - October 26, 2008 to November 27, 2008 Quiet Period

 - November 28, 2008 Analysts' and Investors' Conference
Annual Press Conference

 - January 23, 2009 Annual General Meeting
-



How to Contact ThyssenKrupp Investor Relations

Institutional Investors and Analysts:

- Phone: +49 211 824-36464
- Fax: +49 211 824-36467
- E-mail: ir@thyssenkrupp.com
- Internet: www.thyssenkrupp.com

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Appendix



ThyssenKrupp Group FY 2006/07

ThyssenKrupp AG

Sales €51.7 bn • EBT €3,330 m • TKVA €2,108 m • Employees 191,350

Steel	Stainless	Technologies	Elevator	Services
<p>Sales €13.2 bn EBT €1,662 m TKVA €1,138 m Employees 39,559</p> <ul style="list-style-type: none"> • Steelmaking • Industry • Auto • Processing 	<p>Sales €8.7 bn EBT €777 m TKVA €507 m Employees 12,182</p> <ul style="list-style-type: none"> • Nirosta • Acciai Speciali Terni • Mexinox • Shanghai Krupp Stainless • Stainless Int. • VDM 	<p>Sales €11.5 bn EBT €544 m TKVA €348 m Employees 54,762</p> <ul style="list-style-type: none"> • Plant Technology • Marine Systems • Mechanical Components • Automotive Solutions • Transrapid 	<p>Sales €4.7 bn EBT* €(113) m TKVA* €(226) m Employees 39,501</p> <ul style="list-style-type: none"> • 4 regional business units • Escalators/ Passenger Boarding Bridges • Accessibility 	<p>Sales €16.7 bn EBT €704 m TKVA €487 m Employees 43,012</p> <ul style="list-style-type: none"> • Materials Services International • Materials Services North America • Industrial Services • Special Products

Inter-segment sales not consolidated

* incl. EU fine

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Group Overview (I)

		2005/2006	2006/2007	Change	Change in %
Order intake	€m	50,782	54,605	3,823	7.5
Sales	€m	47,125	51,723	4,598	9.8
EBITDA	€m	4,700	5,254	554	11.8
EBIT	€m	3,044	3,728	684	22.5
EBT	€m	2,623	3,330	707	27.0
Net income	€m	1,704	2,190	486	28.5
Earnings per share	€	3.24	4.30	1.06	32.7
TK Value Added	€m	1,510	2,108	598	39.6
ROCE	%	17.9	20.7	2.8%-p.	15.6



Group Overview (II)

		2005/2006	2006/2007	Change	Change in %
Capital expenditures*	€m	2,077	3,001	924	44.5
Depreciation/amort.	€m	1,655	1,534	-121	-7.3
Operating cash flow	€m	3,467	2,220	-1,247	-36.0
+ Cash flow from divestments	€m	344	673	329	95.6
- Cash flow for investments	€m	2,040	2,997	957	46.9
Free cash flow	€m	1,771	(104)	-1,875	-
Net financial receivables	Sept 30, €m	747	223	-524	-70.1
Employees	(Sept 30)	187,586	191,350	3,764	2.0

* incl. financial investments



Segment Overview – Quarterly EBT

million €	2005/2006				2006/2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Steel	269	424	386	327	399	471	428	364
Stainless	7	52	126	238	325	291	296	(135)
Technologies	121	133	151	5	148	108	155	133
Elevator	85	94	98	114	97	(390)*	106	74
Services	85	91	168	138	192	140	218	154
Corporate	(137)	(17)	(119)	(173)	(93)	(43)	21	(90)
Consolidation	(5)	(4)	(4)	(30)	(6)	(5)	(5)	(23)
Group	425	773	806	619	1,062	572	1,219	477

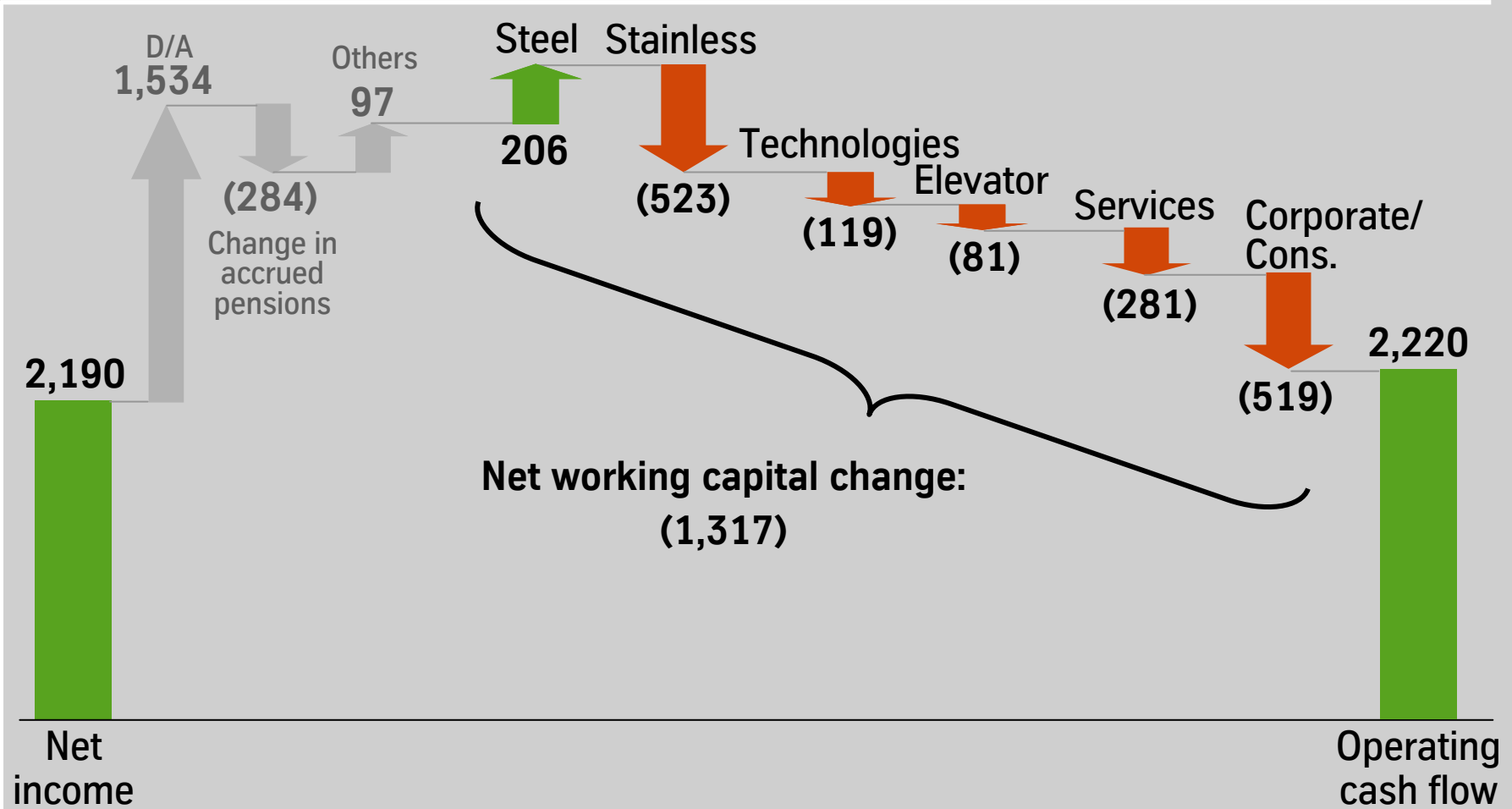
* incl. EU fine



Group Financials – Net Income ⇒ Operating Cash Flow

Development of operating cash flow FY 2006/07

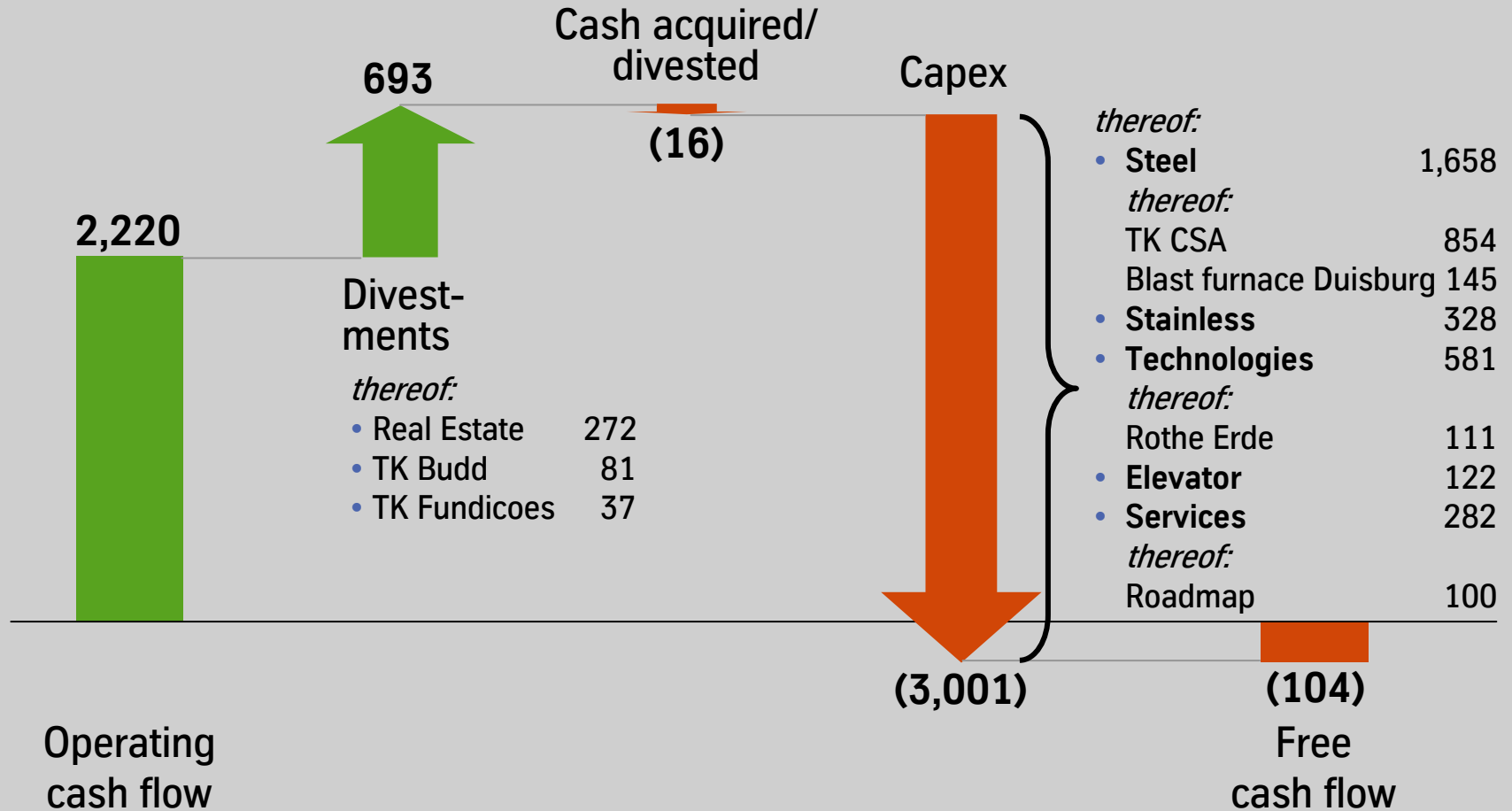
million €



Group Financials – Operating Cash Flow ⇒ Free Cash Flow

Development of free cash flow in FY 2006/07

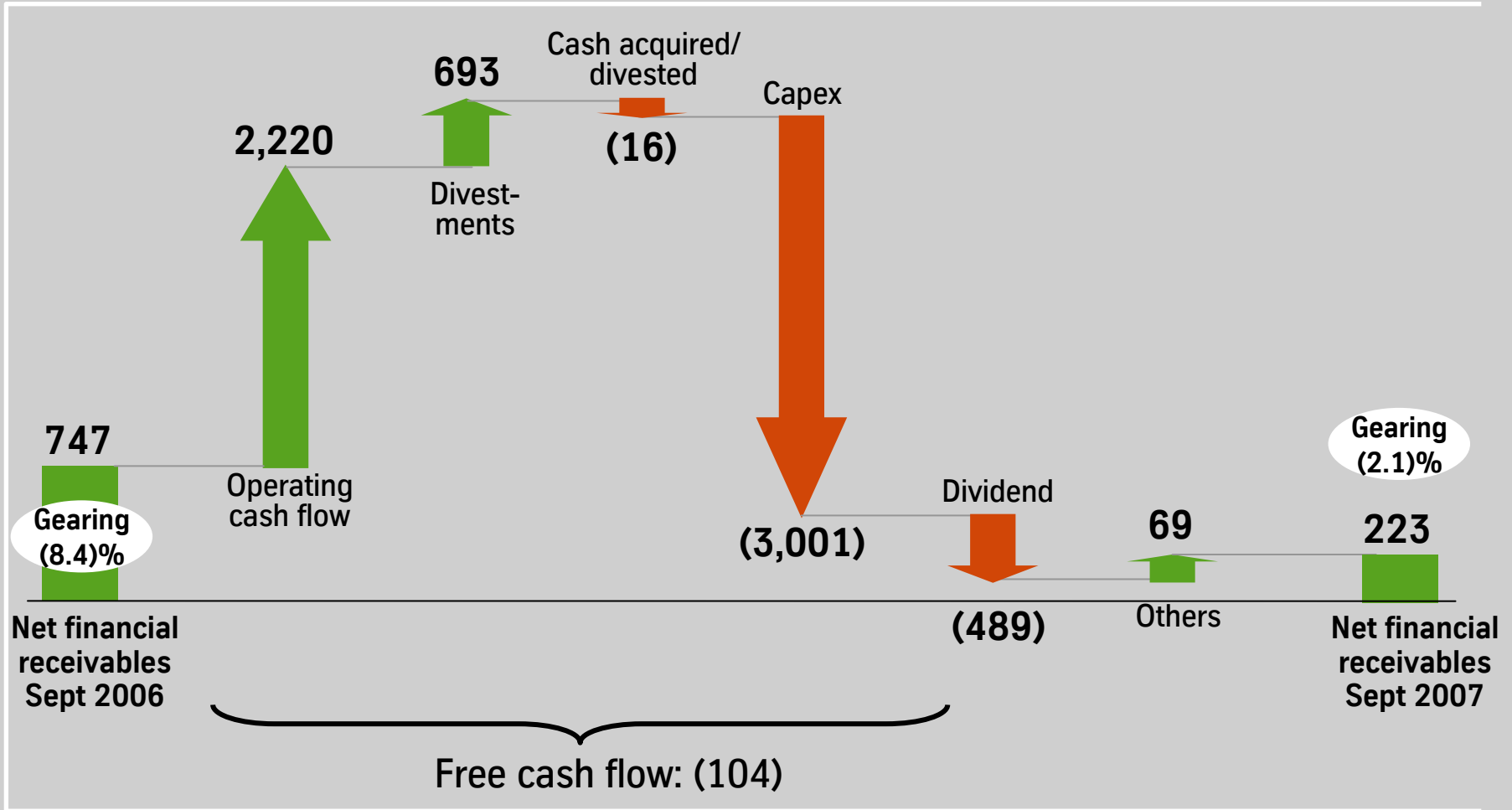
million €



Group Financials – Net Financial Receivables

Development of net financial receivables in FY 2006/07

million €



Technologies: Organizational Overview

ThyssenKrupp Technologies AG Sales: €11.5 bn



Plant Technology
Sales: €2.6 bn

Transrapid

- Uhde
- Polysius
- Fördertechnik



Marine Systems
Sales: €2.0 bn

- Surface Vessel
- Submarine
- Marine Services



Mechanical Components
Sales: €3.8 bn

- Rothe Erde
- Berco
- Presta Camshafts
- TKMCL/Gerlach
- Präzisionsschmiede
- Waupaca



Automotive Solutions
Sales: €3.2 bn

- Assembly Plant (Krause)
- Presta Steering
- Bilstein-Group
- Drauz Nothelfer

Business Unit

• Operating Group

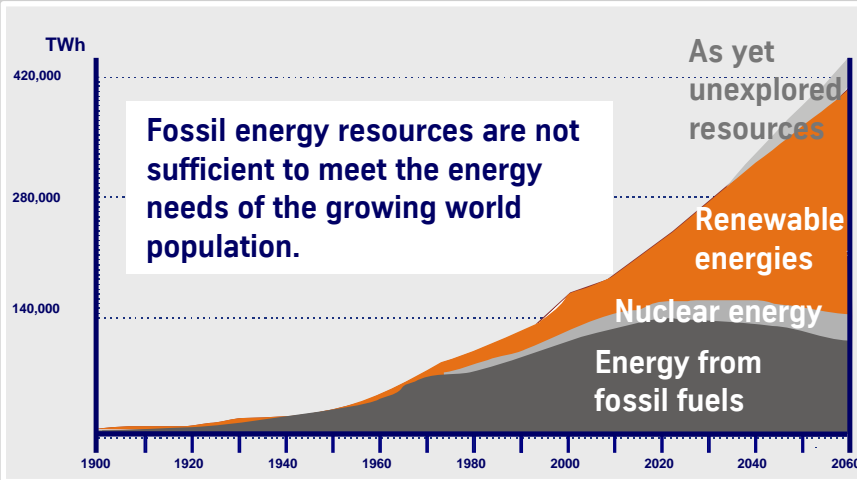
former TK Automotive

Sales for FY 2006/07, inter-segment sales not consolidated

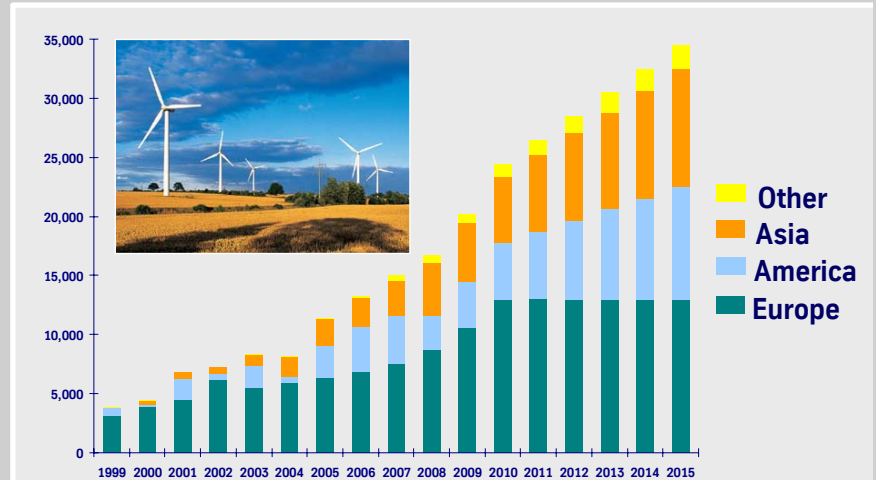


Technologies: Value Enhancement Concept (II)

Global energy requirements rising



Global wind energy increasing



Rothe Erde is benefiting from rising wind energy

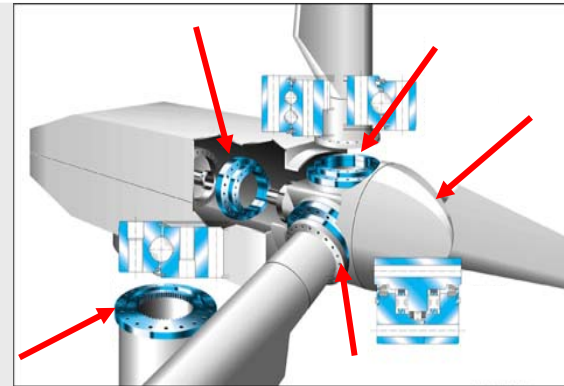
Rothe Erde:

Market leader for large-diameter bearings and rings, e.g. for wind turbines



Sales: €929 m (FY 06/07)

5 large diameter bearings for each wind turbine



Services: Value Enhancement Concept (II)

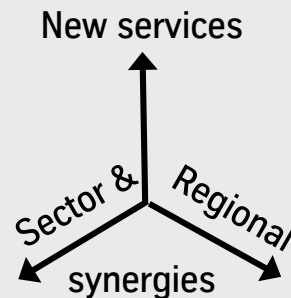
World market leader for materials and industrial services

1 Business model

- One stop shopping concept, unique portfolio in products and services
 - 150,000 product items (rolled steel share below 50%)
 - **NOT** a sales organization for Steel and Stainless segments
 - Services are driving growth
- Worldwide presence and broad customer base
 - 650 locations in 50 countries
 - 300,000 customers
- Economies of scale

2 Growth strategy

- 3-dimensional growth strategy



- Invest roadmap



3 Performance

- Consistent efficiency improvement
- Continuation of performance programs
 - purchasing, logistics, administration, sales

Reduced volatility by high stock turn rate, optimized logistics, materials management and IT systems

Sustainable value driver for the ThyssenKrupp Group

Expansion of services (reducing volatility, long-term customer relationships) within the Group



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.”

