

ThyssenKrupp Automotive

Reliable Partner to the Automotive Industry



Analysts' and Investors' Meeting, London May 17, 2004

ThyssenKrupp Automotive



ThyssenKrupp Group 2002/2003

ThyssenKrupp AG

Group sales (consolidated): €35.9 billion • EBT (consolidated): €706 million • Employees: 190,102

Steel	Automotive	Elevator	Technologies	Services
Sales: €12.0 bn EBT: €384 m Employees: 49,286 • Carbon Steel • Stainless Steel • Special Materials	Sales: €6.3 bn EBT: €188 m Employees: 41,414 • Chassis • Body • Powertrain	Sales: €3.4 bn EBT: €355 m Employees: 29,689 • 5 regional Business Units • Passenger Boarding Bridges • Accessibility	Sales: €5.4 bn EBT: €42 m Employees: 29,871 • Production Systems • Plant Technology • Marine • Mechanical Engineering	Sales: €10.9 bn EBT: €24 m Employees: 38,487 • MaterialsServices Europe • MaterialsServices North America • Industrial Services • Special Products
Steel	Capital Goods			Services

Inter-segment sales unconsolidated; employees as at Sept 30, 2003

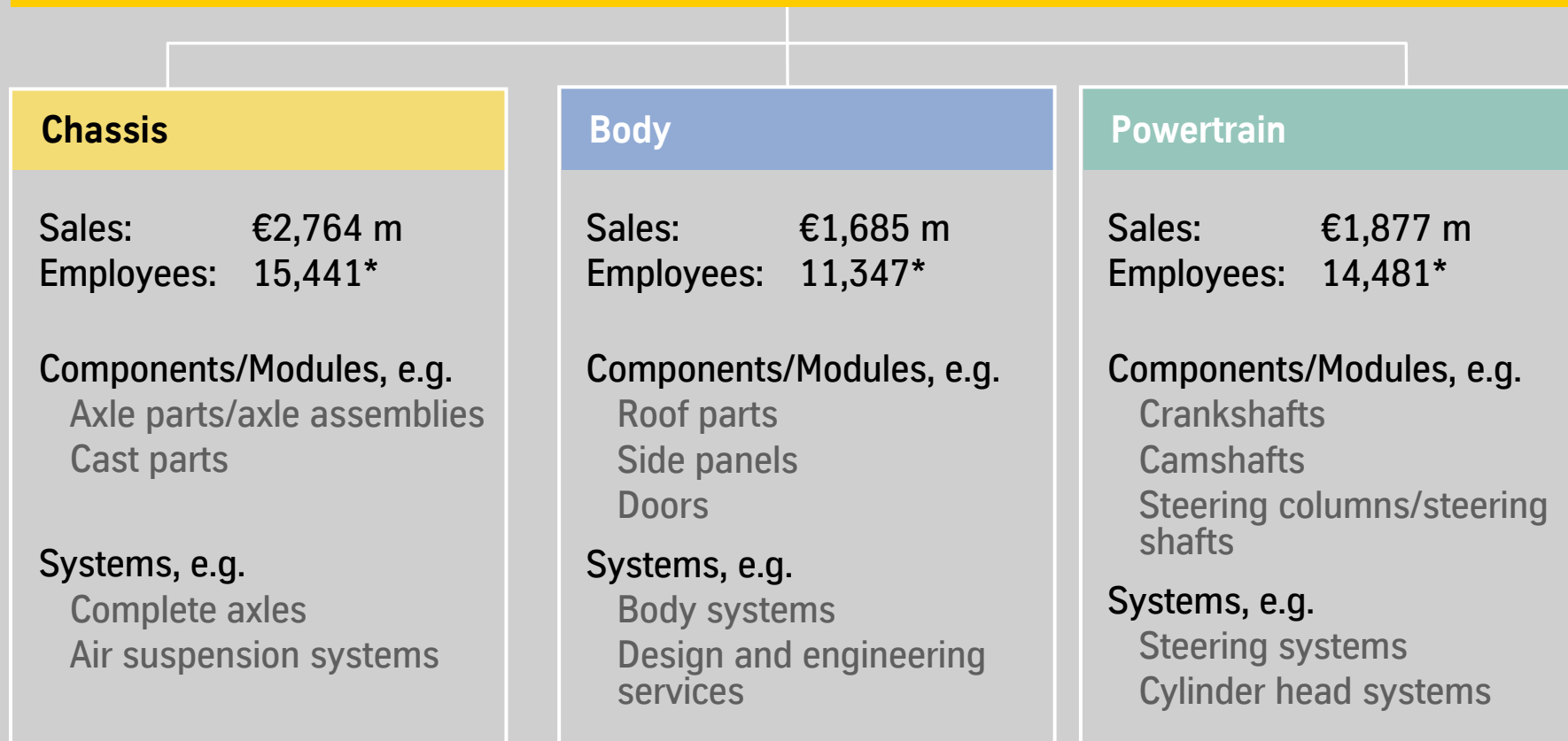
ThyssenKrupp Automotive



ThyssenKrupp Automotive 2002/2003

ThyssenKrupp Automotive

Sales: €6,295 million • EBT: €188 million • Employees: 41,414

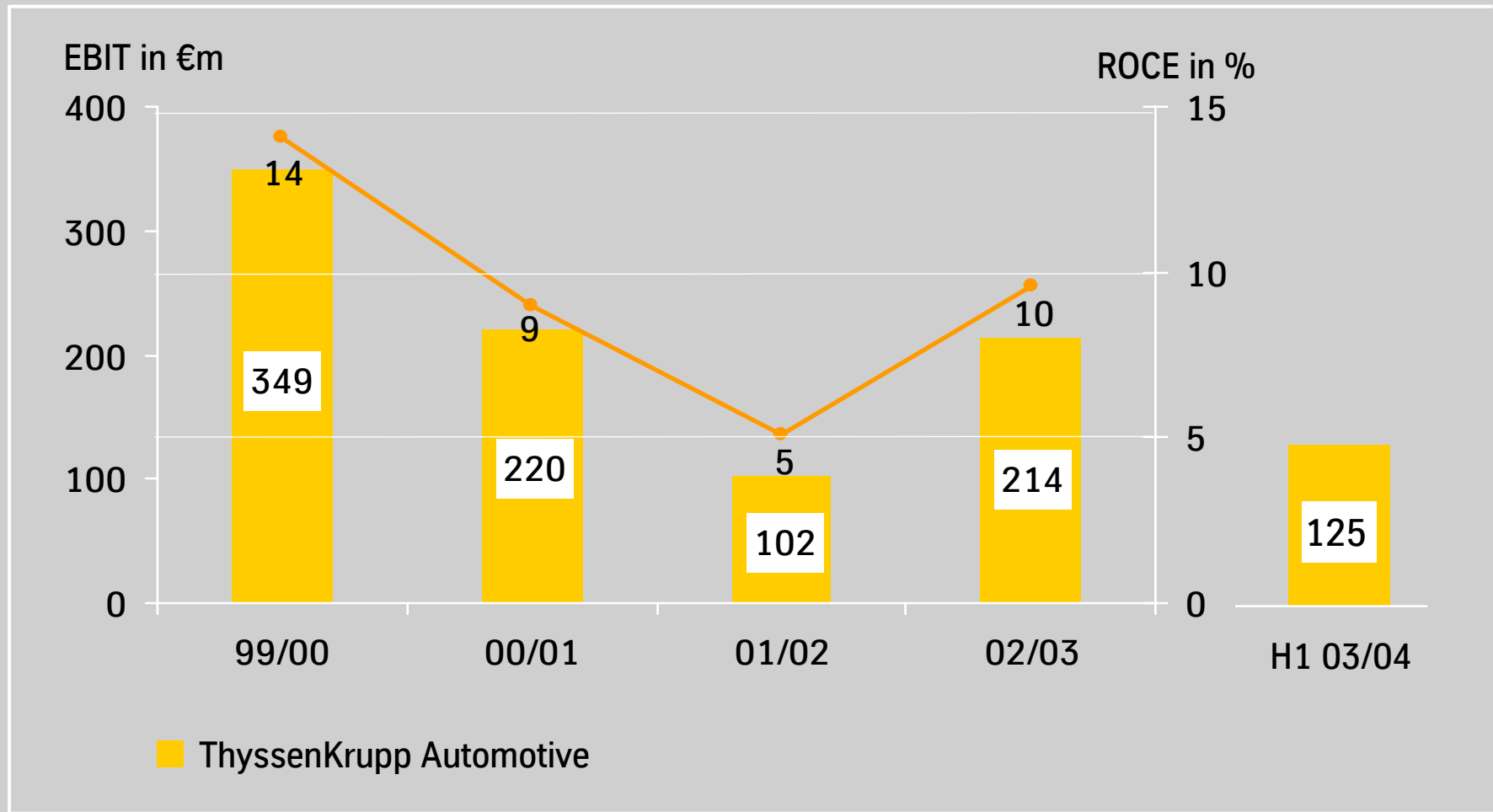


* excl. administration and sales

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Performance within the segment



ThyssenKrupp Automotive



Competitive environment

Sales 2002/2003, in €bn

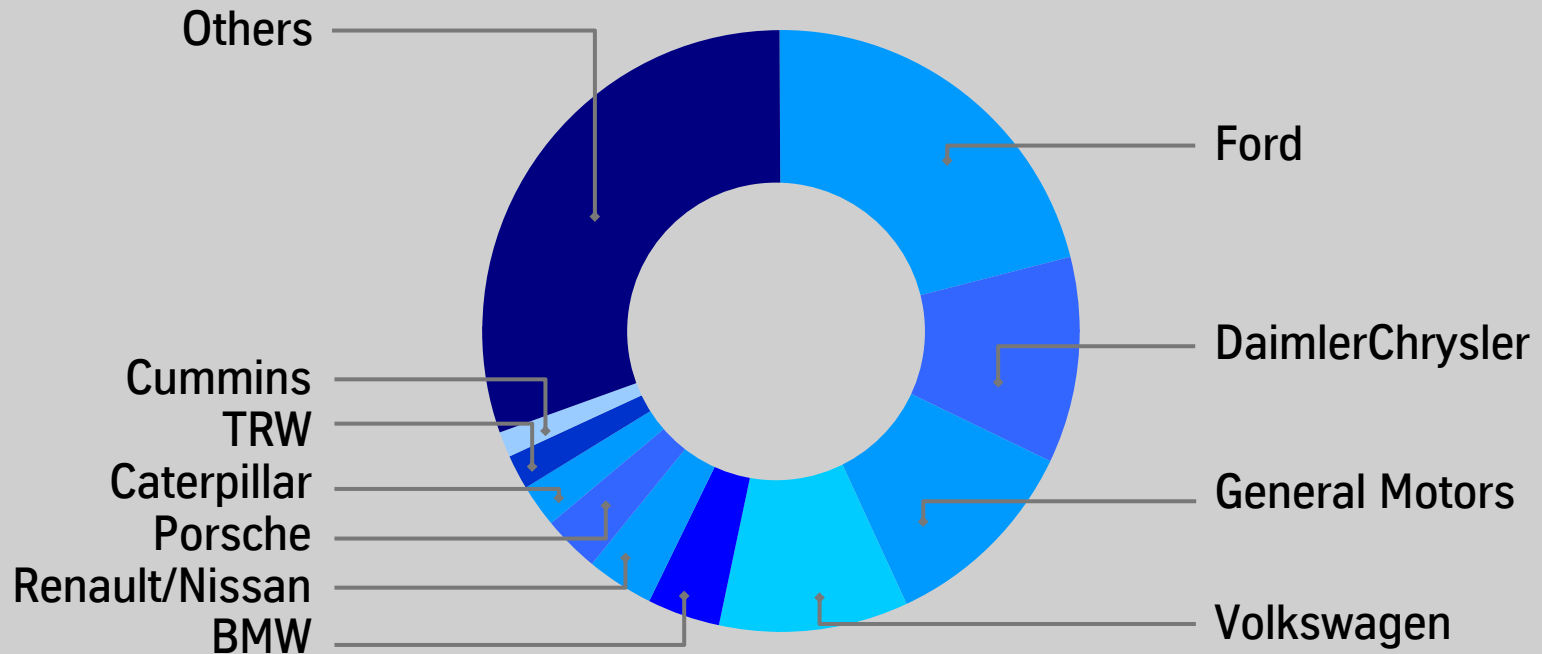
1	Delphi Automotive Systems, USA	26.2
2	Robert Bosch, D	23.3
3	Denso, J	20.2
4	Visteon Automotive Systems, USA	17.6
5	Johnson Controls, USA	14.7
6	Lear, USA	13.7
7	Magna International, CDN	11.9
8	ThyssenKrupp, D	11.3 *
9	Aisin Seiki, J	10.9
10	TRW, USA	10.1
11	Faurecia, F	9.9
12	Valeo, F	9.8
13	Dana, USA	9.1
14	Siemens Automotive/VDO, D	8.5
15	ZF Friedrichshafen, D	8.3

* sales with automotive clients

ThyssenKrupp Automotive



Top 10 customers



ThyssenKrupp Automotive achieves 2/3 of its €6,295 m sales with its 10 biggest customers (2002/2003)



Current industry trends favor automotive suppliers

OEMs reducing in-house manufacture (lowering vertical integration) in addition to producing an increasing variety of models (increasing horizontal diversification)

- ⇒ **Increasing supplier value share** (supplier sales up to 68% worldwide until 2015, CAGR: 4.8%)
- ⇒ **Increasing globalization** in production, sales and development
- ⇒ **Increasing degree of innovation** due to shorter product life cycles

! Growth opportunities for ThyssenKrupp Automotive



Objectives and strategic actions

Increase sales to €10 bn by 2007/08 (CAGR: 9.7%), target ROCE: 17%

- Organic and acquisitional growth

- Twin Focus Strategy: Parallel expansion of high-margin component and system business in core activities

- Increase business with Asian OEMs, expand along with our customers presence in Asia and Eastern Europe

- Utilize existing cross segment capabilities within the ThyssenKrupp Group

- Enhance technological competence through cross segment cooperation and joint product development



Organic growth: New projects (I)

Chassis



Customer: BMW
Models: Series 3
Product: Assembly front and rear axle
Company: ThyssenKrupp
Automotive Systems, Germany

Chassis



Customer: Ford, EUCD-Program
Models: Ford Mondeo, Galaxy, Freelander;
Volvo V70, S80, S60
Product: Structural parts front and rear axle
Company: ThyssenKrupp Automotive
Tallent Chassis, UK



Organic growth: New projects (II)

Body



Customer: Ford
Models: GT-Program
Product: Body frame
Company: ThyssenKrupp Budd/
Milford Fabricating Company,
USA

Body



Customer: PSA
Model: 207
Product: Body-in-white components
Company: ThyssenKrupp Sofedit, France



Organic growth: New projects (III)

Powertrain



Customer: BMW, PSA
Models: BMW Mini, Peugeot 106
Product: Camshafts, eccentric shafts
Company: ThyssenKrupp Presta,
Principality of Liechtenstein

Powertrain



Customer: DaimlerChrysler
Models: C-, E-, S-Class
Product: Crankshafts
Company: ThyssenKrupp Gerlach, Germany

Acquisitions:

ThyssenKrupp Sofedit and ThyssenKrupp Presta SteerTec (MB Lenk)

ThyssenKrupp Sofedit

Sales: €600 m

Employees: 4,000

Products: Body, chassis: stampings&assemblies

Customers: Renault, PSA

- Leading French supplier of automotive stampings and assemblies for body and chassis area = ThyssenKrupp Automotive core business in USA, UK and Germany
- French car manufacturers could not be served adequately from existing plants

- ➔ Leading position in the French market for ThyssenKrupp Automotive
- ➔ Access to new technology: Hot stamping

ThyssenKrupp Presta SteerTec

Sales: €300 m

Employees: 1,600

Products: Steering gears

Customers: DC, Saab

- Combining the activities of MB Lenk (steering gears) and ThyssenKrupp Presta (steering columns) will create a global supplier of complete steering systems

- ➔ Know-how and technology gains for steering business

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Twin Focus Strategy (I)

Modules, components

- Superior products
- Cost leadership through process optimization
- Technology leadership in production processes

➔ Supplying modules and components for a variety of models, e.g.:

- Audi (A3, A8)
- BMW (3 Series, 5 Series, 7 Series, Z4)
- Nissan (Maxima, Micra, Murano, Quest)
- Renault (Scénic, Kangoo, Mégane)

Examples

ThyssenKrupp Waupaca: Brake rotors and drums



Light, medium and heavy vehicles:

~ 36 m parts/year

ThyssenKrupp Automotive Crankshaft group: Crankshafts



Light, medium and heavy vehicles:

~ 11 m parts/year

Twin Focus Strategy (II)

Systems (system integrator, system specialist)

- Engineering capability
- Assembly and logistics capability
- Electronics/mechatronics capability
- Project management capability

➔ Supplying systems for a variety of models, e.g.:

- DaimlerChrysler (E and S Class)
- Jaguar (XJ-Type)
- Porsche (Cayenne, Boxster, Carrera)
- Smart (fortwo, roadster)

Examples

ThyssenKrupp Presta: Steering shafts/columns



~ 19 m parts/year

ThyssenKrupp Presta SteerTec: Steering gears



~ 2 m parts/year



**Competence:
Wheel to wheel**



Globalizing: Further growth in Asia and Eastern Europe

○ Existing joint ventures with

- SAIC (ThyssenKrupp Presta HuiZhong Shanghai Co., Ltd.) China
- FAW (ThyssenKrupp Presta Fawer Changchun Co., Ltd.) China
- FAW (Liaoyang K.S. Automotive Spring Company Ltd.) China
- ZRRZ (ThyssenKrupp Zhong-Ren Chassis Co., Ltd.) China
- JBM (ThyssenKrupp JBM Pvt. Ltd.) India
- Compa (ThyssenKrupp Compa Arcuri S.A.) Romania
- Compa (ThyssenKrupp Bilstein Compa S.A.) Romania

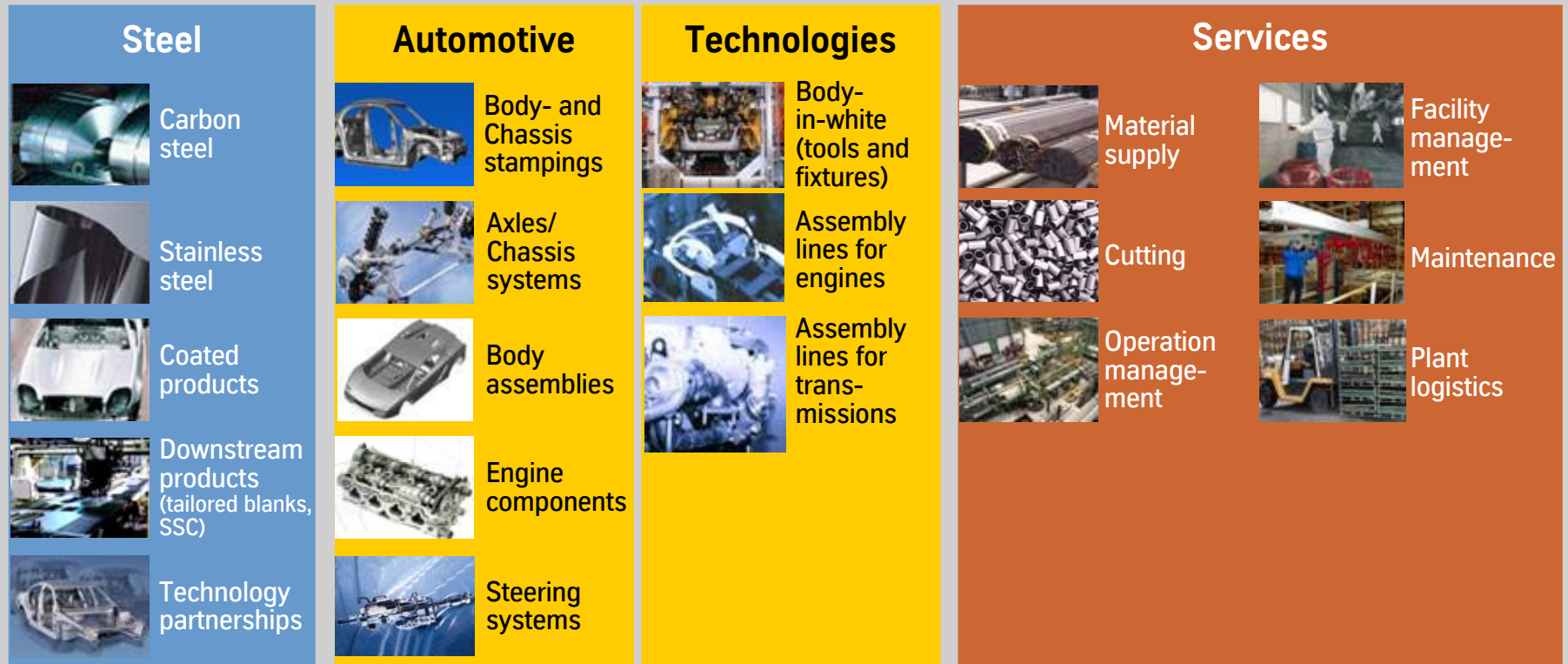
○ New activities planned:

- Follow European and North American OEMs and build up facilities next to their transplants especially in China
- Build up transplant business with Asian OEMs especially in Eastern Europe
- Increase Asian and East European local sourcing content

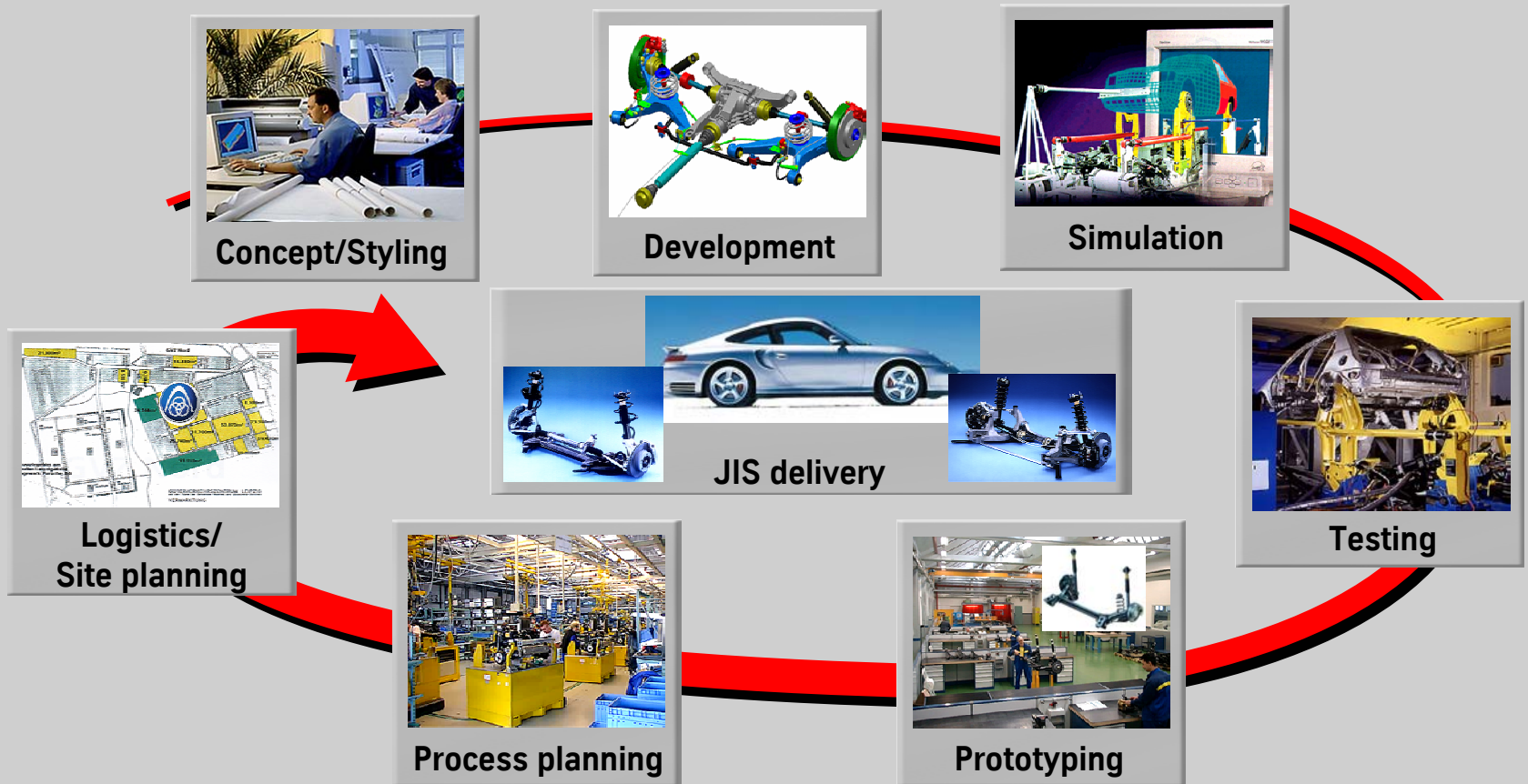


Cross segment capabilities for the automotive industry

Sales with automotive clients: ~€11.3 bn in 2002/03



The Engineering Loop



Our unique selling point to OEMs: One-stop-shopping as an integrated approach

**ThyssenKrupp
Automotive**

**ThyssenKrupp
Steel**

**ThyssenKrupp
Technologies**

**ThyssenKrupp
Services**

**Multi Material
Competence**

**Multi Process
Competence**

Engineering Loop



**North American
Automotive Council**

**European
Automotive Council**

Results (Examples)

BMW X5



NSB[®] New Steel Body



ThyssenKrupp Automotive



Innovations driven within the Group

Automotive

Technologies

ORS® Off-road stabilizers for sport utility vehicles



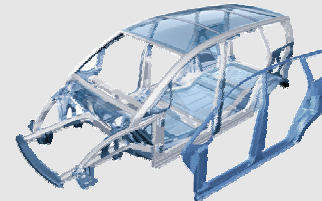
- Stiff suspension
- High damping
- Stabilizers with high torsional rigidity
- Soft suspension
- Low damping
- Stabilizers with very low torsional rigidity

Stabilizer can be switched hydraulically under load

Steel

Automotive

NSB® NewSteelBody



- ThyssenKrupp Stahl designed a complete weight-optimized steel body-in-white
- Open source project to interested auto manufacturers for joint further development
- Reference vehicle is the Opel Zafira
- The body developed under the project is 24% lighter than the reference vehicle

Steel

Automotive

Fuel tank

- Absolutely airtight, hydrocarbons cannot escape, fully recyclable, significantly lighter than plastic fuel tank
- Greater fuel capacity due to reduced wall thicknesses
- Can be packaged in the tight confines of a compact car
- Meets strictest emission standards, e.g. Californian emission guidelines



Steel

Technologies

Modular door



- The new, modular door is 12 kilograms lighter than the benchmarked model and costs significantly less to manufacture and assemble
- The modular approach means that door production and door assembly can be separated

Partnership beats challenges

Increasing complexity:

- Changing market requirements
- Innovative networking

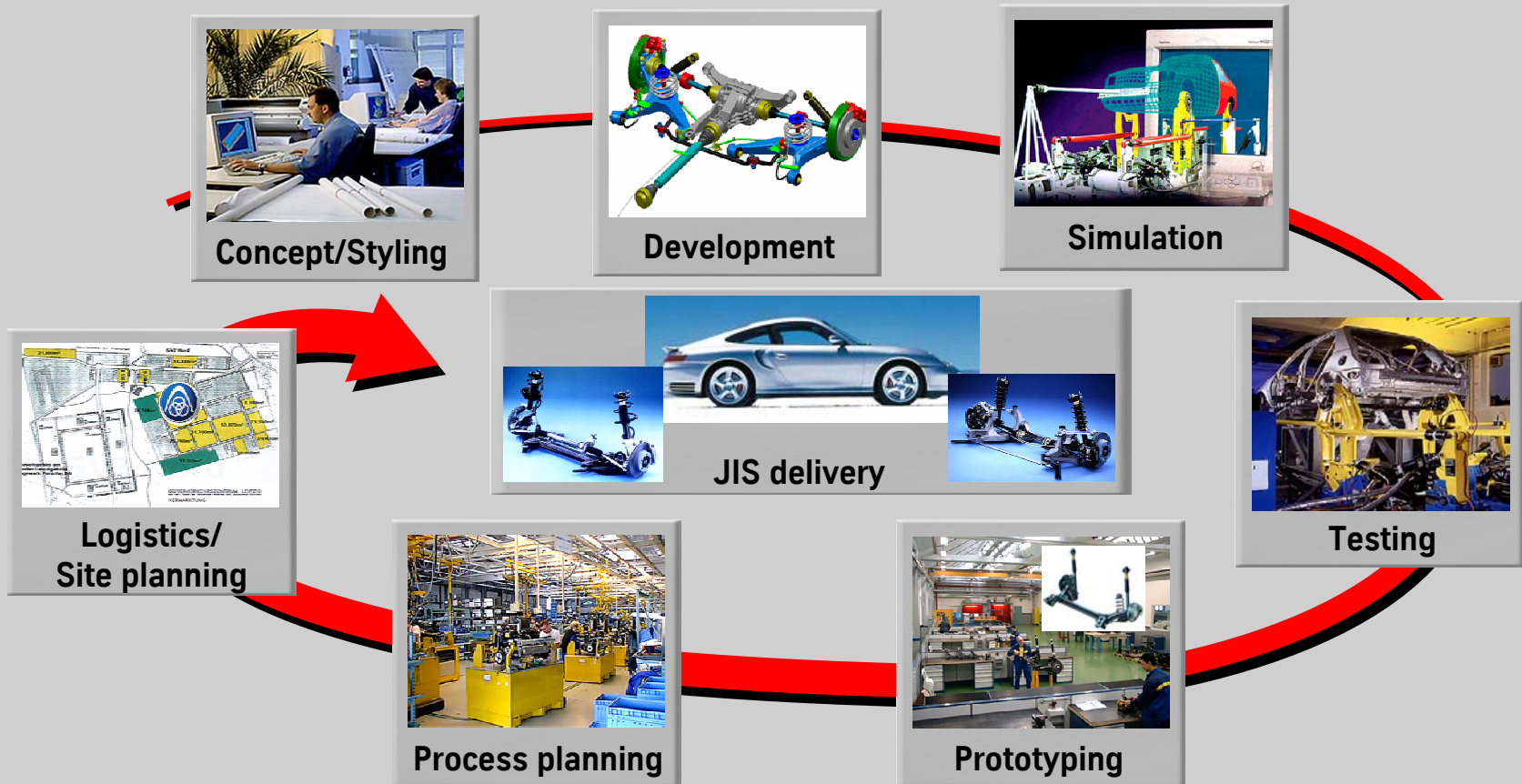
Increasing challenges

ThyssenKrupp:

Competence in products and processes
benefits long term partnerships



The Engineering Loop



Acquisition of Bertrandt interest



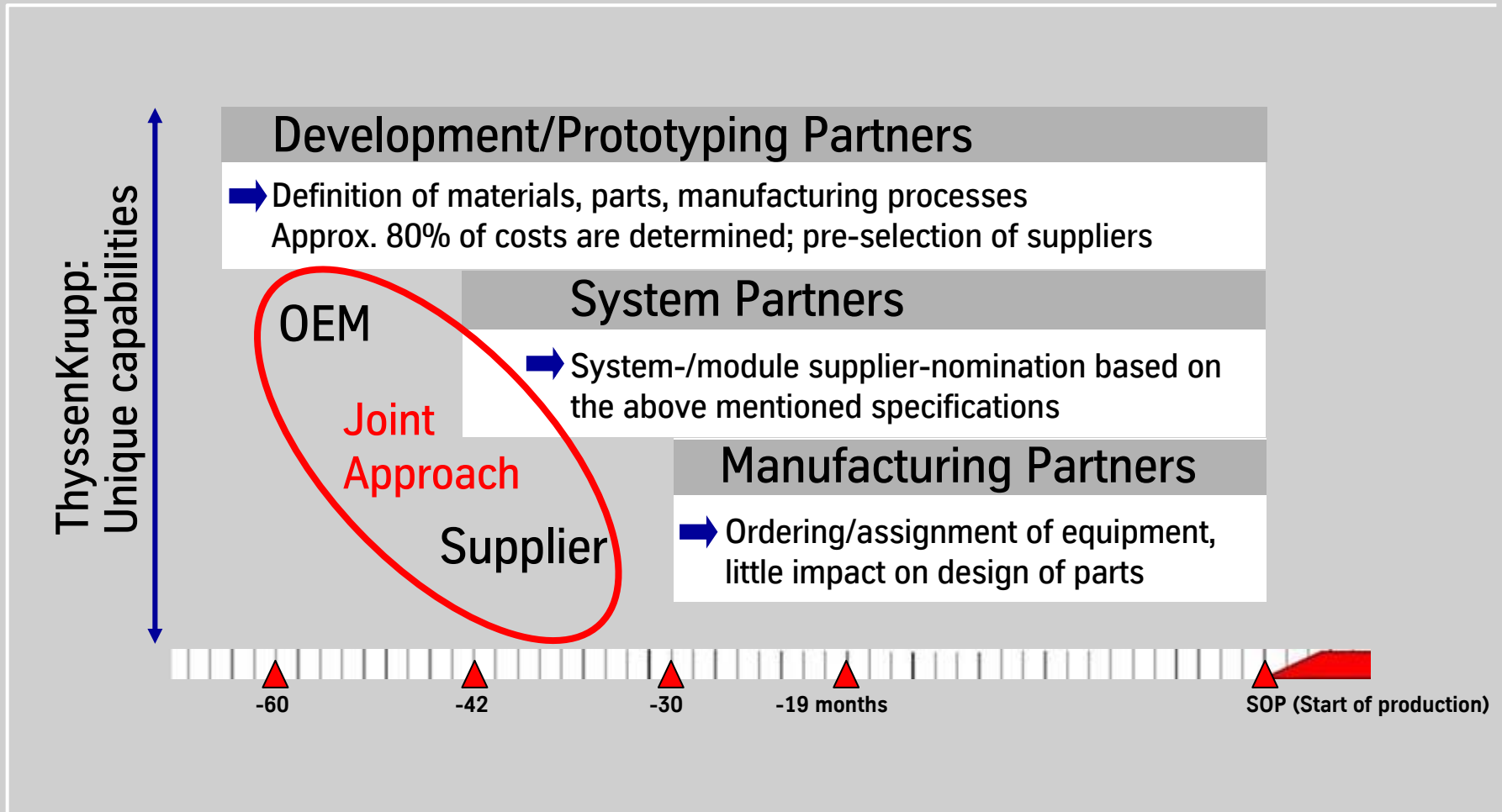
Strategic Fit:

- Innovation contributions from TIER-1 suppliers require engineering resources
- In the course of cooperation with Bertrandt ThyssenKrupp Automotive/ThyssenKrupp Steel
 - close the engineering loop
 - achieve an early integration into the OEM production development process
 - improve closeness to customers through Bertrandt branches
 - set up and ensure continuous project support for the customer

Sales	€219 million (2002/2003)
Net income	€1.3 million (2002/2003)
Workforce	3,100
Customers	Audi, BMW, DaimlerChrysler, Ford, Jaguar, Opel, Porsche, PSA, Renault, Saab, Seat, Volkswagen and major systems suppliers
Products	Development services
Locations	13 in Germany 3 in France 2 in the United Kingdom 2 in Sweden 1 in Spain 1 in the USA
Stake	25.2%



Product development process: Early involvement makes us the masters of our destiny



Competence supports long-term partnership

Competence
beats competition

- Joint engineering
- Joint business planning
- Joint fitness

- Leading technology
- Leading quality
- Leading cost structure
- Leading global presence

ThyssenKrupp Portfolio:
Connecting Competence

Chassis

Systems



Components



Body

Systems



Components



Powertrain

Systems



Components

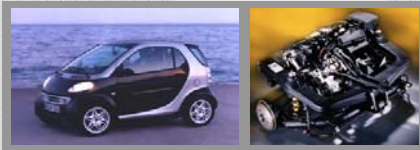


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Strategy confirmed (I): Successful growth in modules supports component business

1997



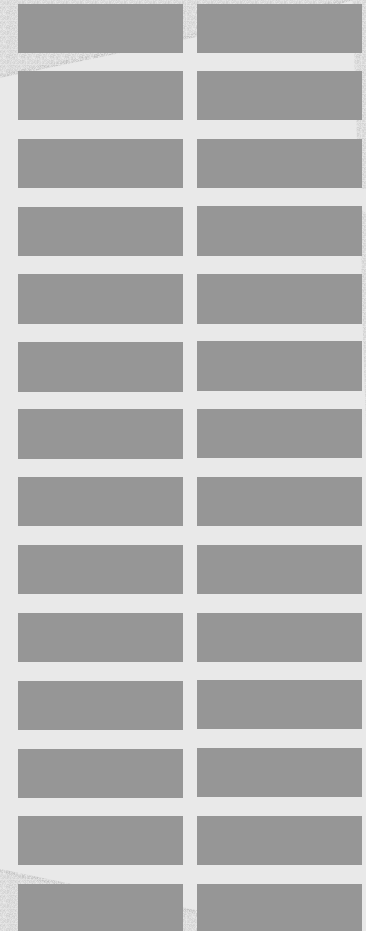
Approx. 200,000 cars/year
Capacity in Germany and France

Today

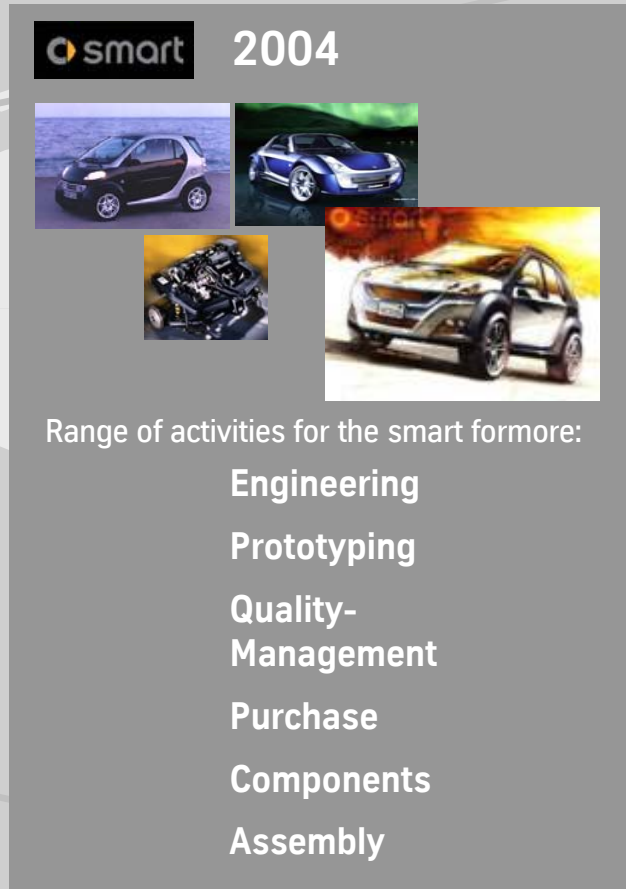
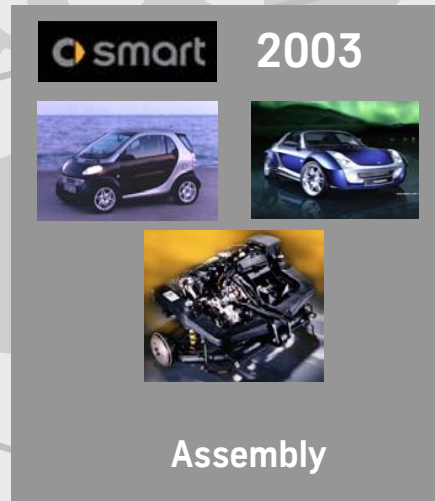
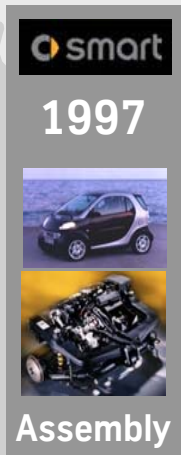


>2.5 m cars/year
Capacity worldwide

Tomorrow



Strategy confirmed (II): From modules to systems



Summary

- ThyssenKrupp Automotive: Technology and cost leadership worldwide
- Above average sales growth targeted
- Expansion of engineering competence and long-term partnerships with OEMs
- Unique approach in the automotive industry: One-stop-shopping within the ThyssenKrupp Group



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