Financials, 2nd quarter 2003_2004
May 17, 2004

O N D J F M A M J J A S

02

ThyssenKrupp

Agenda

Dr. A. Stefan Kirsten

- Overview and Outlook 2003/2004
- Group Financials
- Segment Financials
- Financial Calendar

Q2 2003/2004 – Overview

Business picking up

- **Order intake** up 18% at €10.7 billion, at constant €/$ rate up 22%
- **Sales** up 7% at €9.8 billion, at constant €/$ rate up 11%
- **EBT** from continuing operations €249 million, up €42 million against last year's EBT figures before a disposal gain of €41 million
- Basic **EPS** increased from €0.31 to €0.56
- **Net financial payables** at €4.3 billion remained almost on September 2003 level; effects from dividend payment and portfolio optimizations counterbalanced

Highlights

- Business in **Steel** is continuously improving

  - Orders, sales and EBT (adjusted for disposals) picking up
  - Carbon Steel driving profits, Stainless Steel cyclical, Special Materials still difficult
  - Further price increases implemented

- **Services** and **Automotive** performing increasingly well

  - Restructuring and streamlining of portfolio bearing fruit

- Groupwide **portfolio optimization** continued

  - Selective white space acquisitions in Elevator – entering important Italian market
  - Triaton Group sold with a significant gain

- Proven **Capital Market** capability

  - Successful bond placement

Portfolio Optimizations since October 2003

Automotive	
MB Lenk Group (D)	Acquisition
Darcast (UK)	Disposal
Bertrandt (D)	Acquisition*

Technologies	
Novoferm (D)	Disposal
Sheffield Automation (USA)	Disposal*
Foundry (USA)	Closure

Elevator	
Dong Yang Elevator (South Korea)	Acquisition
Elevator Service 1 (Singapore)	Acquisition
Bonfedi (I)	Acquisition

Services	
Triaton Group (D)	Disposal

* Closing not yet completed

Portfolio Optimization – Disposals

	Number of Entities	Sales (annual)	EBT (annual)	Net Financial Debt	Pension Obligations	Employees
Fiscal Year 2002/03	12*	€919 m	€1 m	€242 m	€19 m	4,529
1st Quarter 2003/04	1	€327 m	€8 m	€1 m	€14 m	2,177
2nd Quarter 2003/04	1	€365 m	€16 m	€31 m	€69 m	2,311
Total	14	€1,611 m	€25 m	€274 m	€102 m	9,017
Subsequent Event	-	-	-	-	-	-

* incl. non-consolidated entities

Disposal Triaton – Key Facts

Sales	€365 million
EBT	€16 million
Employees	2,311
Transaction Volume	€351 million
Cash-in	€272 million
Selling price	€249 million
Total gain (before taxes)	€191 million*
Disposal gain Q2 (net of tax)	€126 million*

* Due to the continuation of service contracts between ThyssenKrupp and Triaton for a fixed period of seven years, €64 million of disposal gain will be recognized ratably over a period of seven years

- **Service portfolio** – Hosting services, Onsite Services and Applications & Solutions
- More than 400 **clients**, thereof 100 ThyssenKrupp entities – accounting for around 50% of business
- Sold to **Hewlett-Packard** - best owner solution
- Closing and deconsolidation March 31, 2004 (Q2)

! In this presentation all figures related to the income statement refer to continuing operations. The **Information Services business unit** is treated as a **discontinued operation** following the sale of IT service provider Triaton and the termination of the business unit's remaining activities. The **impacts** on a Group and Segment level are shown on the following two slides.

Disposal Triaton Group – Impact on the Group

Group		Q2 02/03 incl. Discontinued Operations	Adjustments	Q2 02/03 excl. Discontinued Operations	Q2 03/04 excl. Discontinued Operations
Order intake	€m	9,134	-53	9,081	10,744
Sales	€m	9,218	-53	9,165	9,847
EBITDA	€m	691	-10	681	656
EBIT	€m	307	-2	305	300
EBT	€m	250	-2	248	249
Net income	€m	158	-1	157	155
EPS	€	0.31	+/-	0.31	0.31
Normalized EPS	€	0.22	+/-	0.22	0.31

Disposal Triaton Group – Impact on the Services Segment

Services		Q2 02/03 incl. Discontinued Operations	Adjustments	Q2 02/03 excl. Discontinued Operations	Q2 03/04 excl. Discontinued Operations
Order intake	€m	2,845	-53	2,792	2,882
Sales	€m	2,772	-53	2,719	2,819
EBITDA	€m	76	-10	66	75
EBIT	€m	31	-2	29	45
EBT	€m	19	-2	17	38

Outlook

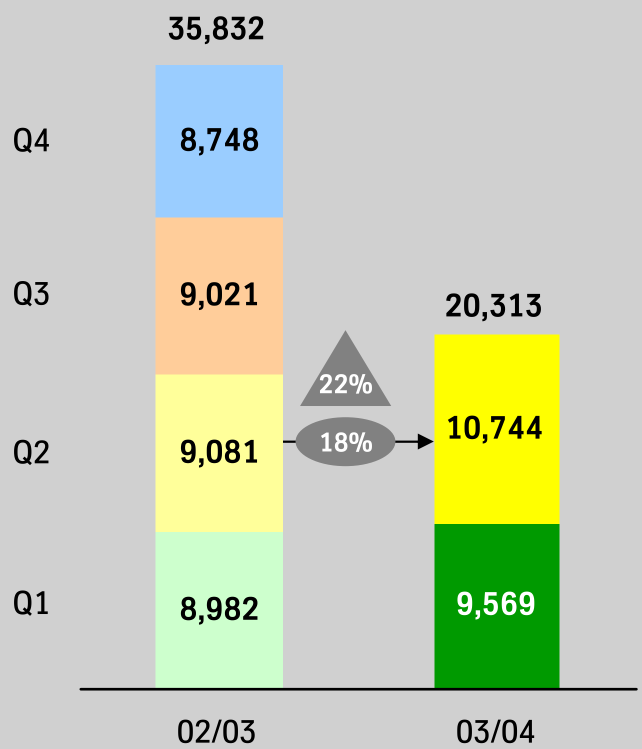
- For the 2nd half of fiscal 2003/2004 we currently expect an unchanged economic environment, even though the risks of an economic weakening have increased.

- For the full year we forecast sales in the magnitude of roughly €38 billion. In terms of earnings before taxes, excluding the effects of disposals, we aim to get as close as possible to €1 billion.

- With support from the economy and without major distortions on the currency and raw material markets, we could pass the €1 billion mark this year.

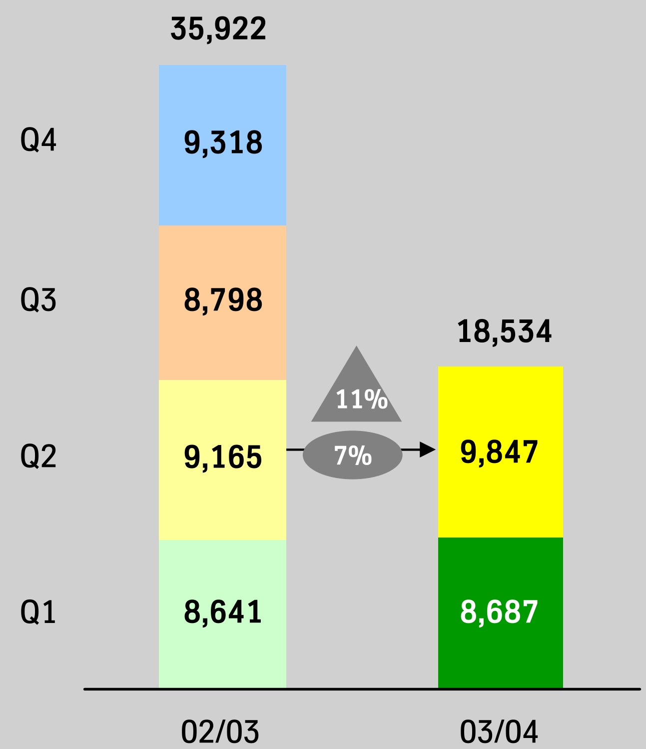
Group (I)

Order intake
million €



▲ excluding €/$ exchange rate effects

Sales
million €

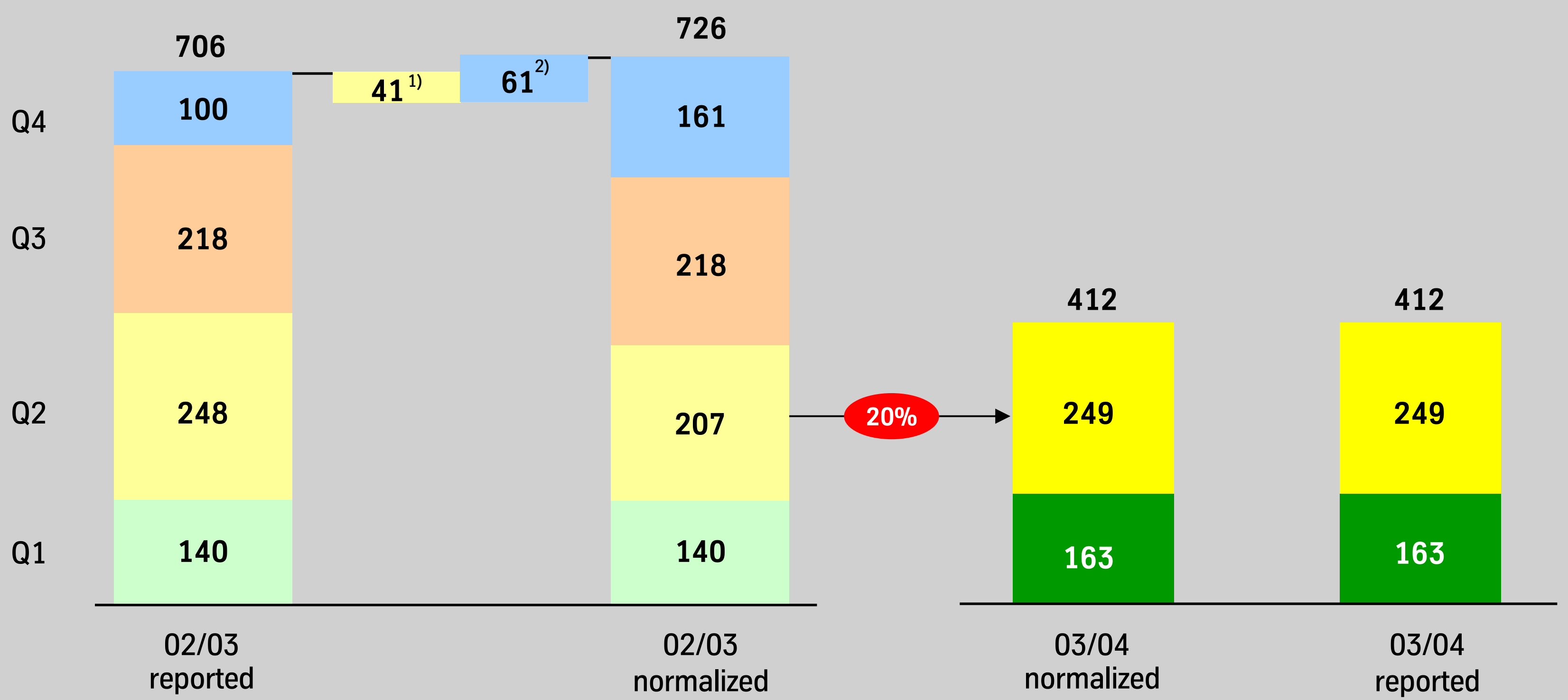


▲ excluding €/$ exchange rate effects

Group (II)

EBT

million €

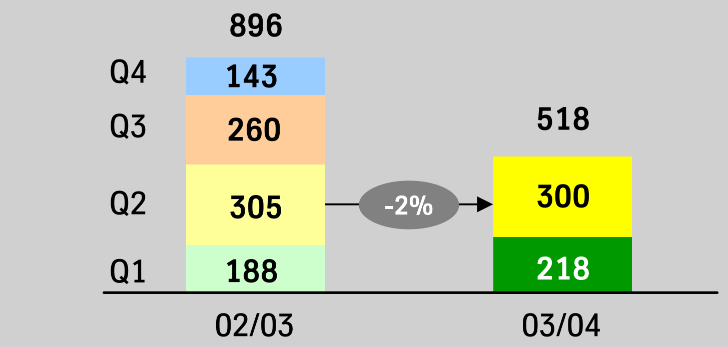


1) Sale of stainless quarto plate activities €41 m
2) Sale of construction services -€61 m

Group (III)

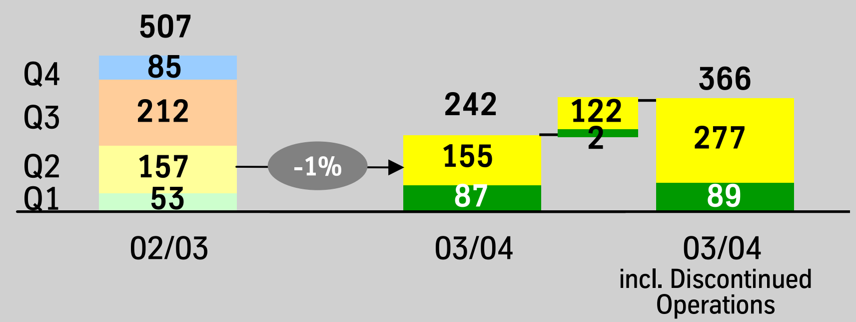
EBIT

million €



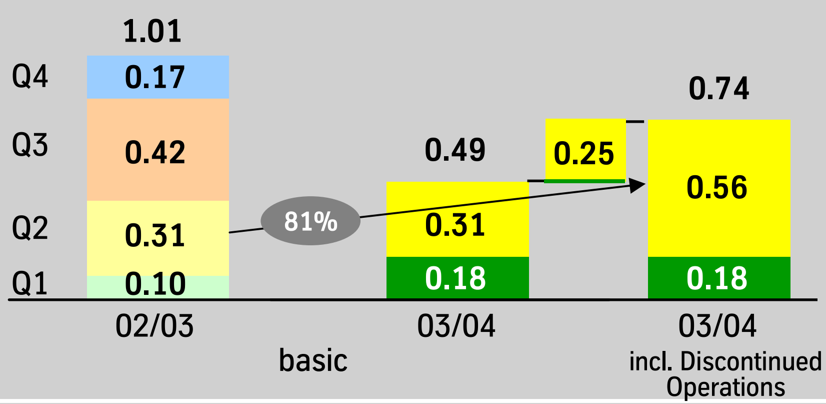
Net income

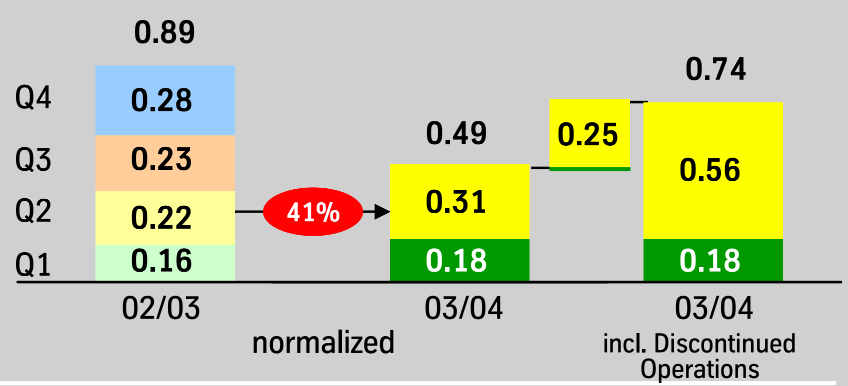
million €



Earnings per share

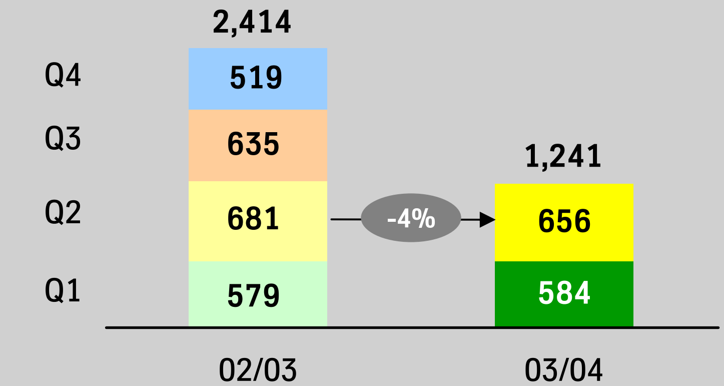
€





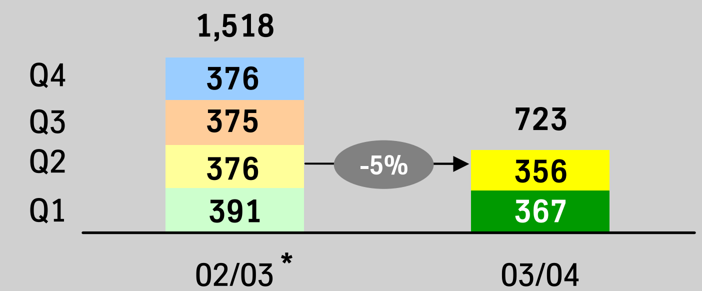
Group (IV)

EBITDA* million €



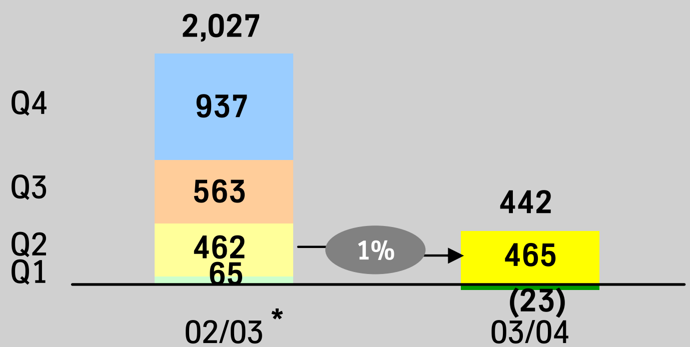
* excl. interest on accrued pension liabilities

Depreciation and amortization million €



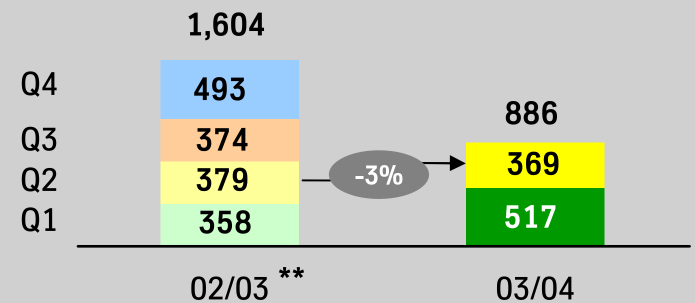
* figures not adjusted in accordance with SFAS 144

Net cash provided by operating activities million €



* figures not adjusted in accordance with SFAS 144

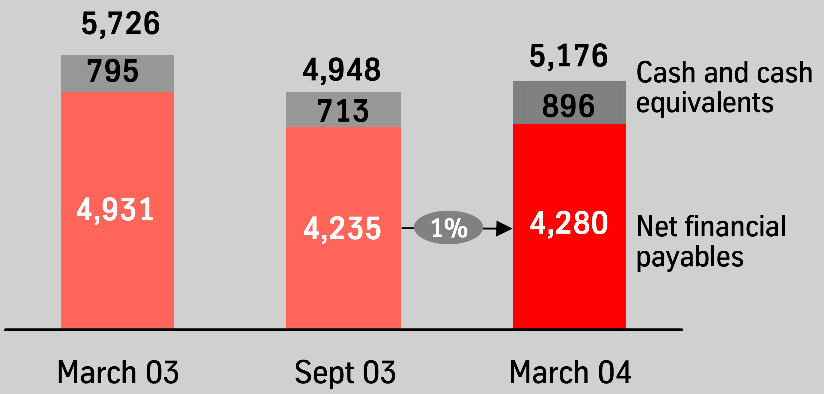
Capital expenditures* million €



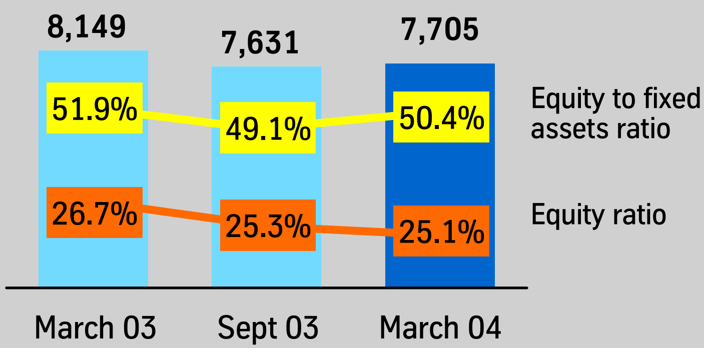
* incl. financial investments ** figures not adjusted in accordance with SFAS 144

Group (V)

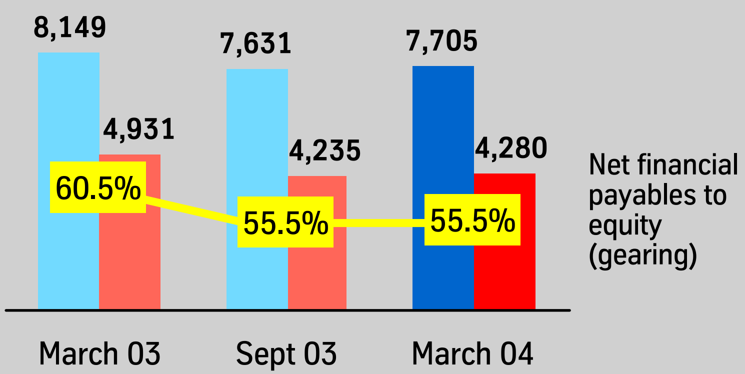
Financial payables
million €



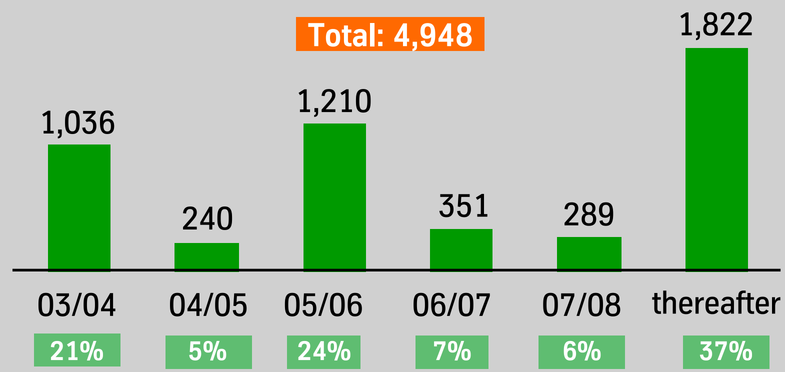
Stockholders' equity
million €



Gearing
million €



Maturity profile of gross financial payables*
million €



* as of Sept 03

Segment Overview – Steel (I)

Steel

- **International market** characterized by high demand and significantly increased raw material costs at the beginning of the year => jump in freight rates and costs of ore, coal, coke and scrap

Steel

- Significant expansion of business volumes; **orders, sales** and **EBT** (excl. sale of quarto plate activities of €41 million) above previous years figures
- **Crude steel output** remained high at 4.4 million metric tons; no major production cuts due to raw material shortage

Carbon Steel

- **Order intake** and **sales** up due to higher revenues and volumes
- Leap in **EBT** in all operating groups, primarily volume driven; price increases only had minor impact on account of shipment structure and high proportion of longer term contracts; higher raw material and freight rate costs cut into earnings; efficiency-enhancement and €/$ rate helped

million €	2nd quarter			
	2002/03	2003/04	Change	Change in %
Order intake	3,299	4,261	962	29.2
• Carbon Steel	1,887	2,433	546	28.9
• Stainless Steel	1,128	1,445	317	28.1
Sales	3,222	3,617	395	12.3
• Carbon Steel	1,863	2,061	198	10.6
• Stainless Steel	1,096	1,259	163	14.9
EBITDA	368 *	349	-19	-5.2
• Carbon Steel	211	294	83	39.3
• Stainless Steel	154 *	64	-90	-58.4
EBIT	178 *	161	-17	-9.6
• Carbon Steel	75	160	85	113.3
• Stainless Steel	112 *	26	-86	-76.8
EBT	157 *	138	-19	-12.1
• Carbon Steel	60	146	86	143.3
• Stainless Steel	104 *	14	-90	-86.5

* incl. sale of stainless quarto plate activities €41 m

Segment Overview – Steel (II)

Steel

Stainless Steel

- Rise in **order intake** reflecting higher demand
- Total **shipments** 9% lower, mainly as a result of a strike at the Terni plant
- **Sales** up at cold-rolled strip due to higher alloy surcharges while base price remained stable; nickel-base alloys business again unsatisfactory
- Excl. sale of quarto plate activities **EBT** down by €49 million due to lower base prices and noticeable input cost increases for nickel, chromium and scrap; additionally an unfavorable €/$ rate led to higher import pressure; nickel-base alloys posted a loss again due to the weak aerospace, electronics and plant engineering sector

Special Materials

- **Order intake** and **sales** increased, primarily stemming from specialty steel long products
- Electrical steel activities are being reorganized
- **EBT** includes a loss at Electrical Steel of €19 million from the strike at the Terni plant; rationalization program at specialty steel long products produces significant improvements

	2nd quarter			
	2002/03	2003/04	Change	Change in %
Crude steel output (million tons)	4.4	4.4	+/-	+/-
• Carbon Steel	3.5	3.5	+/-	+/-
• Stainless Steel	0.7	0.7	+/-	+/-
Shipments (1,000 tpm)				
• TKS cold-rolled	546	587	41	7.5
• TKS hot-rolled	393	475	82	20.9
• Stainless total	219	217	-2	-0.9
• Stainless cold-rolled	144	149	5	3.5
Employees (March 31)	49,128	48,836	-292	-0.6
• Carbon Steel	29,097	28,913	-184	-0.6
• Stainless Steel	11,891	11,744	-147	-1.2

Segment Overview – Capital Goods (I)

Automotive

		2nd quarter 2002/03	2nd quarter 2003/04	Change	Change in %
Order intake	€m	1,596	1,887	291	18.2
Sales	€m	1,601	1,888	287	17.9
EBITDA	€m	123	159	36	29.3
EBIT	€m	53	80	27	50.9
EBT	€m	47	69	22	46.8
Employees	(March 31)	37,736	43,158	5,422	14.4

- **Order intake** and **sales** increased in all business units - mainly at Body and Powertrain due to the successful integration of Sofedit and DaimlerChrysler steering system business
- At constant **€/$ rate** the increase in order intake would have been 26%, in sales also 26%
- **EBT** at all business units improved, the highest growth was reported at Body, the highest contribution again came from Powertrain

Segment Overview – Capital Goods (II)

Elevator

		2nd quarter			
		2002/03	2003/04	Change	Change in %
Order intake	€m	836	918	82	9.8
Sales	€m	812	833	21	2.6
EBITDA	€m	99	99	+/-	+/-
EBIT	€m	88	87	-1	-1.1
EBT	€m	83	81	-2	-2.4
Employees	(March 31)	29,054	30,817	1,763	6.1

- **New installation business** still weak, **service and modernization business** performed well despite strong competition
- **Order intake** and **sales** increased attributable to acquisitions (mainly DongYang) and improved marketing efforts; at constant €/$ rate the improvement in order intake was 16%, in sales 8%
- **EBT** maintained at prior-year level even in an environment characterized by intensive price competition and declining demand for new installations; mixed picture on business unit level

Segment Overview – Capital Goods (III)

Technologies

		2nd quarter 2002/03	2nd quarter 2003/04	Change	Change in %
Order intake	€m	1,068	1,436	368	34.5
Sales	€m	1,336	1,215	-121	-9.1
EBITDA	€m	41	25	-16	-39.0
EBIT	€m	3	(5)	- 8	-
EBT	€m	15	2	-13	-86.7
Employees	(March 31)	31,500	27,346	-4,154	-13.2

- Despite disposals of several companies (at Mechanical Engineering) **order intake** up; particularly at Plant Technology and Marine
- **Sales** down mainly due to disposals, excl. structural changes sales were slightly higher; improvements at Plant Technology
- In April 04, the customer of **Transrapid** in Shanghai signed the overall acceptance
- **EBT** mainly impacted by a loss of €27 million realized on the sales financing of cruise ships at Marine; restructuring measures at MetalCutting showed positive impacts; Plant Technology and Mechanical Engineering increased their earnings

Segment Overview - Services

Services

		2nd quarter			
		2002/03	2003/04	Change	Change in %
Order intake	€m	2,792	2,882	90	3.2
Sales	€m	2,719	2,819	100	3.7
EBITDA	€m	66	75	9	13.6
EBIT	€m	29	45	16	55.2
EBT	€m	17	38	21	123.5
Employees	(March 31)	38,892	34,692	-4,200	-10.8

- Further step in the **portfolio optimization**: disposal of Triaton Group; Information Services business unit discontinued
- **Order intake** and **sales** up despite the disposal of Construction Services in the previous year; improvements at Materials Services Europe and Special Products; Industrial Services still effected by weak economy; Materials Services North America still hit by €/$ rate impact
- **EBT** more than doubled – performance enhancements and restructurings bearing fruit, losses from Construction Services disappeared; Materials Services Europe and North America showed higher earnings; Industrial Services reported a loss – primarily due to further restructuring measures; Special Products again at a high level

Financial Calendar 2004

July 23 to August 11, 2004	Quiet Period
August 12, 2004	Interim Report 3rd quarter 2003/04 (April to June) Conference Call with Analysts and Investors
October 25 to November 30, 2004	Quiet Period
December 1, 2004	Annual Press Conference Analysts' and Investors' Meeting

Financial Calendar 2005

January 21, 2005	Annual General Meeting
January 24, 2005	Payment of dividend for the 2003/04 fiscal year
January 25, 2005 to February 11, 2005	Quiet Period
February 14, 2005	Interim Report 1st quarter 2004/05 (October to December) Conference Call with Analysts and Investors
May 13, 2005	Interim Report 2nd quarter 2004/05 (January to March)

Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements and are subject to risk and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond ThyssenKrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. ThyssenKrupp does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.