

Analysts' and Investors' Meeting  
Fiscal Year 2005–2006

Villa Hügel, Essen  
December 01, 2006

MAKING A DIFFERENCE  
TOGETHER.

# Agenda

- **Overview Fiscal Year 2005/2006 and Outlook**

Ekkehard D. Schulz

Chairman of the Executive Board

- **Financials Fiscal Year 2005/2006 and Investment Strategy**

Ulrich Middelman

Vice Chairman of the Executive Board and CFO

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- **Appendix**

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## Fiscal Year 2005/2006 – Best Performance since the Merger

- **EBT increased to €2,623 million, 56% higher yoy**
  - Driven by strong performance of all segments, except Automotive
  - Already ahead of recently announced sustainable EBT target of €2.5 billion
- **Track record of value generation pursued**
  - **TKVA of €1,510 million** compared with €997 million in fiscal 2004/2005
  - **ROCE: 17.9%** compared with mid-term target of 16.0%
- **Order intake of €50.8 billion (+17%)** as solid basis for future performance
- **Income from continuing operations more than tripled at €1,704 million**
  - **Earnings per share reached €3.24** compared with €0.85 in the previous year
- **Dividend: Proposal for increase to €1.00 per share (from €0.70)** to reflect excellent business performance in fiscal 2005/2006



## FY 2005/2006 – Highlights

### Expectations surpassed...

- Already ahead of €2.5 billion EBT target in the reported fiscal year
- Steel with highest value added, Technologies with major improvement in TKVA
- Best basis for growth strategy:
  - Strong ability to generate cash flows and solid balance sheet structure
  - Well-positioned business units with top global market positions
  - 5 years of constant earnings growth; above target value

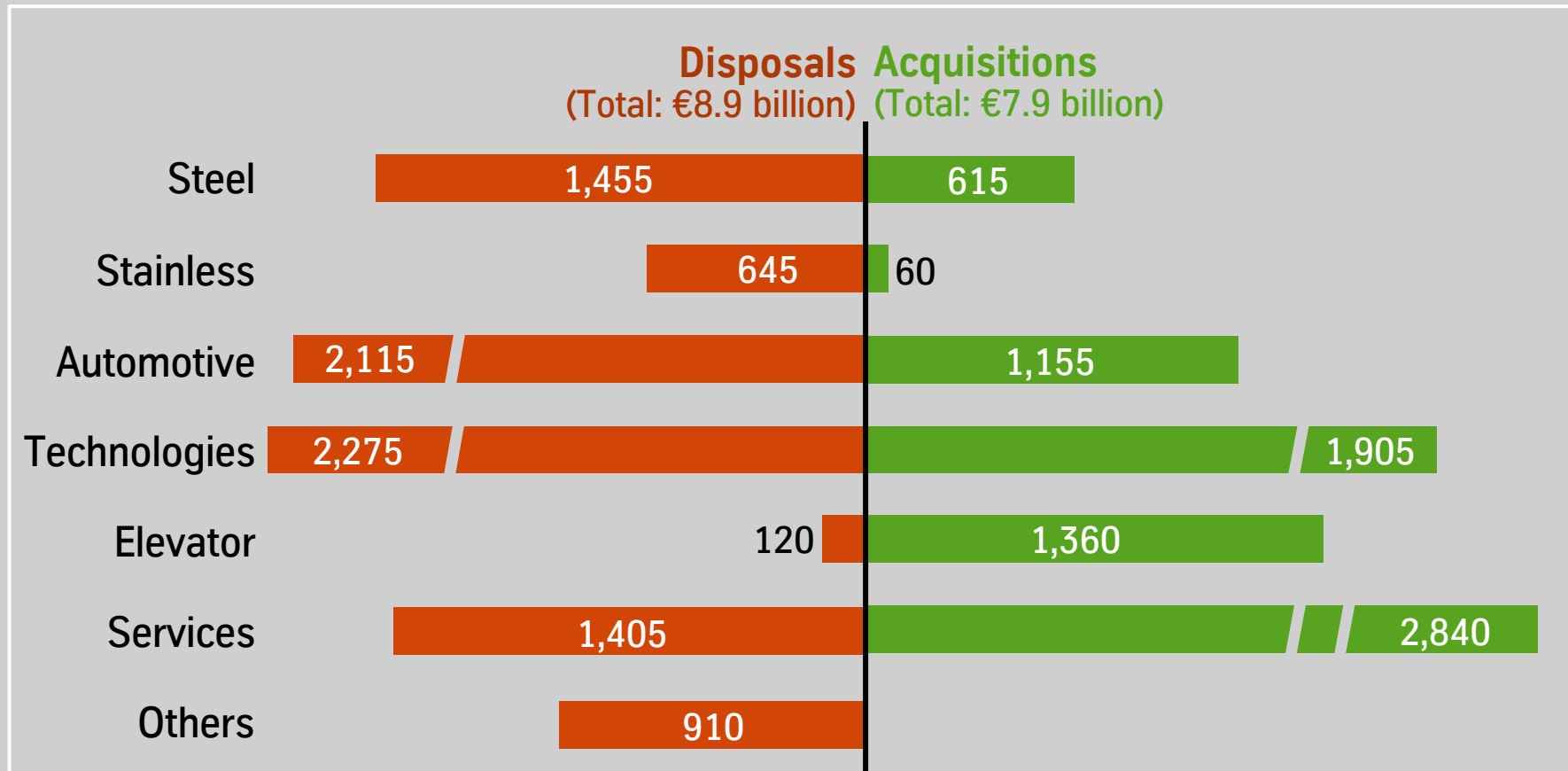
### ...despite...

- Ongoing restructuring of Automotive, following the sale of underperforming activities



# Active Portfolio Management at ThyssenKrupp

Significant change in portfolio since the merger (as at Nov 2006)



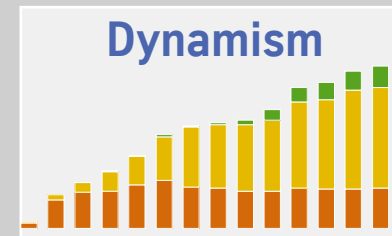
Sales in €m



# Successful Efficiency Enhancement Program

Five years of ThyssenKrupp best\*

- Overall 5,995 national and international projects launched; since 2001, more than 3,200 projects successfully completed
- ThyssenKrupp best projects running at over 400 locations in approx. 38 countries

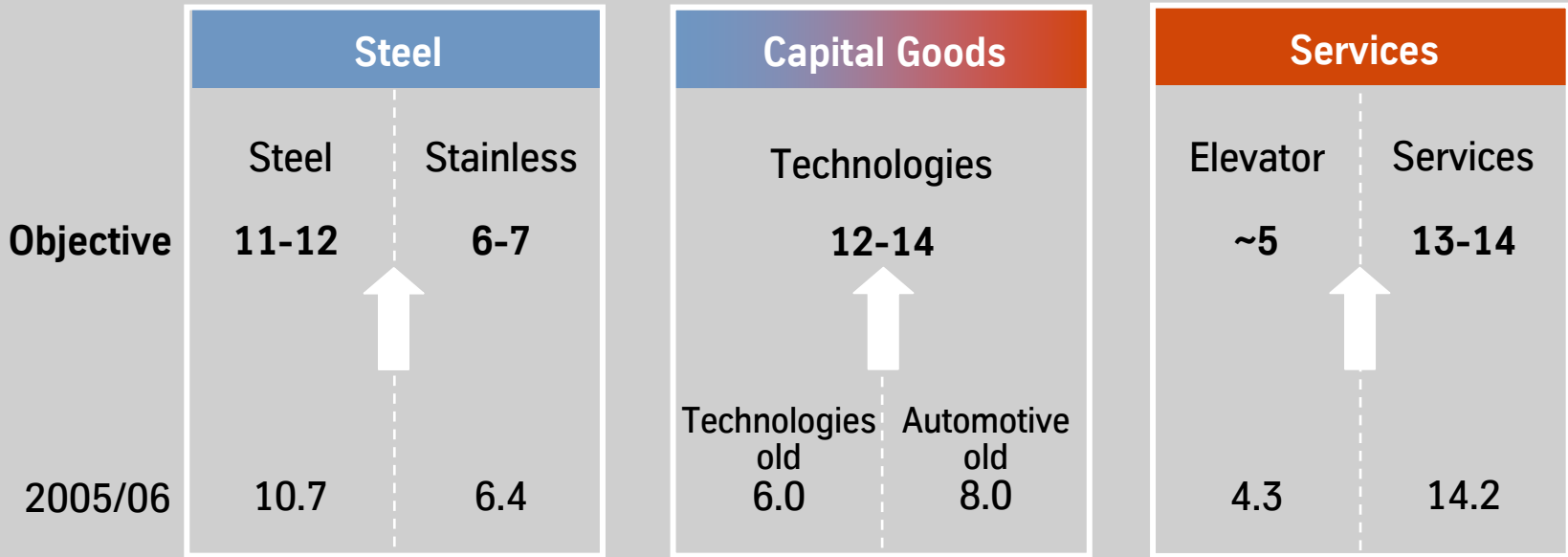


\* business excellence in service and technology

# Medium-Term: Profitable Growth Across all Businesses

**ThyssenKrupp AG**  
Sales: ~€50 billion EBT: €2.5 billion

<b>Product-oriented businesses</b> Sales: ~€30 billion	<b>Service-oriented businesses</b> Sales: ~€20 billion
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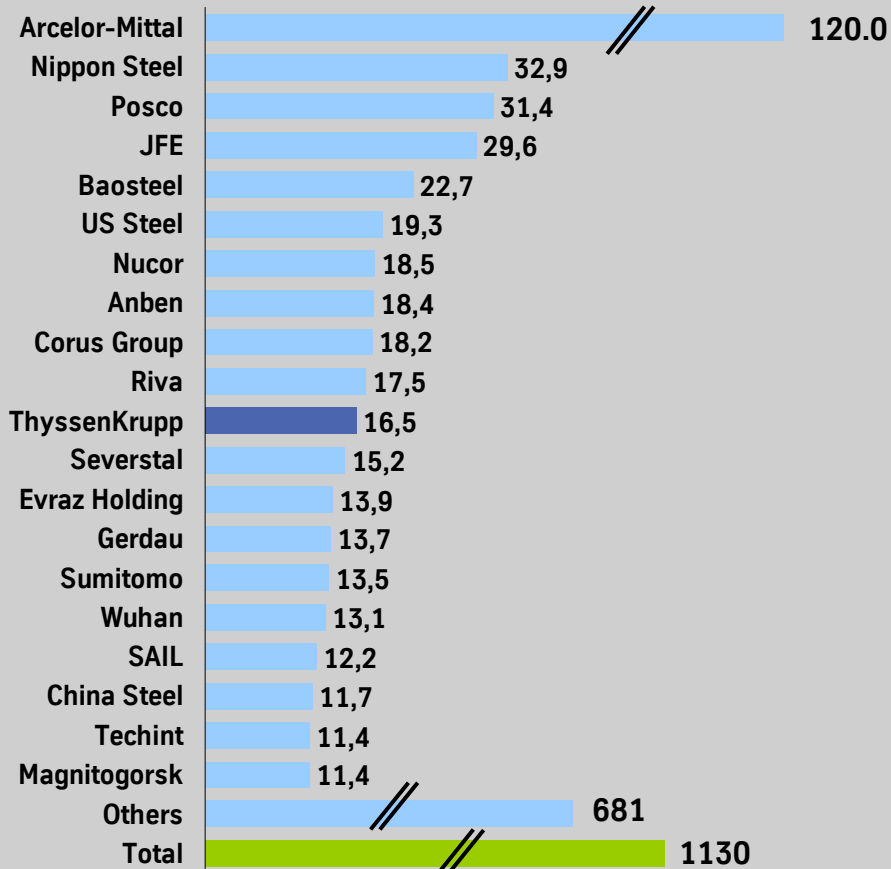


Sales in €bn, not consolidated



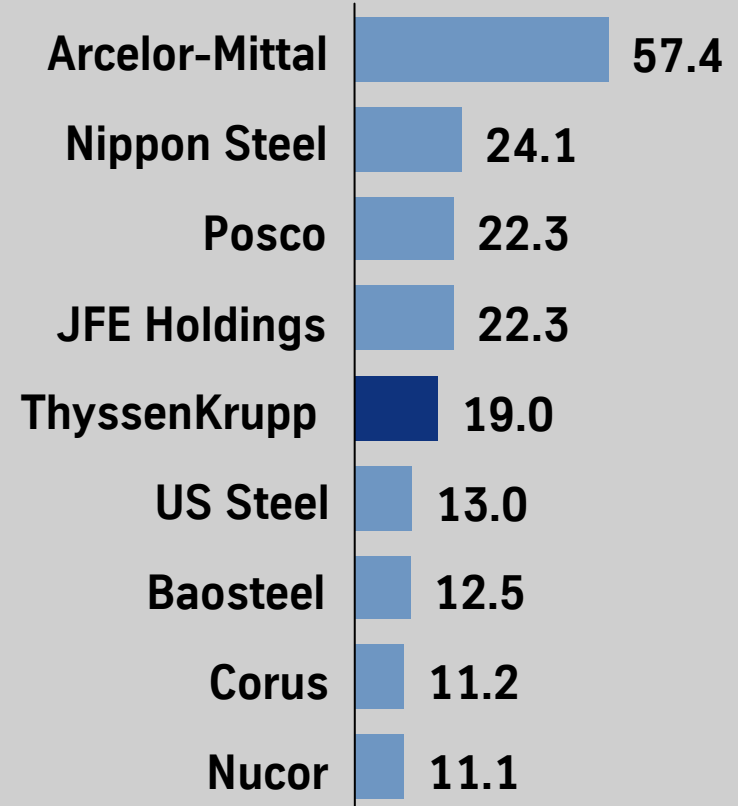
# World rankings of steel companies by production and sales

Crude steel production 2005 in m mt



Source: Metall Bulletin, in-house estimate

Estimated pro forma steel sales in bn US\$ 2005



ThyssenKrupp





## Segment Highlights: Strategic Development (I)

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### Steel

- Growth strategy concentrated on North America and Europe
    - Targeting market for high-value added flat steel products
    - Two alternatives to enter the NAFTA market: Dofasco or greenfield
    - Strengthening of Duisburg plant by securing crude steel base and optimizing downstream facilities
    - Brazilian slab plant as supplier with optimal cost position
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### Stainless

- Strengthening international position
    - Joint plant with Steel (greenfield alternative) with jointly used hot strip mill under review; additional melt shop and cold rolling mill
    - Rationale: Logistic advantages (starting material supply for Mexinox); low-cost base and price premium in the NAFTA market; addressing high demanding customers
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## Segment Highlights: Strategic Development (II)

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### Technologies

- Focus on profitable and innovative businesses with strong regional and global top 3 positions
    - Integration of Automotive activities supplementing the component business
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### Elevator

- Strengthening of existing activities and strategic acquisitions in mature and growth markets
    - Global service strategy securing high service standards worldwide
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### Services

- Further expansion of materials and industrial services through selective acquisitions
    - Focus on NAFTA region, Eastern Europe, South America, Asia
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## Outlook 2006/2007 and 2007/2008

- If the economic forecasts prove accurate, we anticipate a continued positive performance in 2006/2007 and 2007/2008.
- We currently expect sales in 2006/2007 to be in the region of €47 billion.
- Based on a continued positive performance, we expect the Group's sales to remain strong in 2007/2008. We continue to intensively pursue our sales target of €50 billion.
- Our sustainable target for pre-tax earnings over the economic cycles is €2.5 billion. Having achieved this target in 2005/2006, we are confident we can exceed the performance in the current fiscal year. We aim to achieve earnings of a similar magnitude in 2007/2008.
- We will continue to pay a dividend based on our earnings performance.

