

# Analysts' and Investors' Conference/

Villa Hügel, Essen - November 27, 2009

Financial year 08/09

Dr.-Ing. Ekkehard D. Schulz



**ThyssenKrupp**

# Highlights FY 2008/09

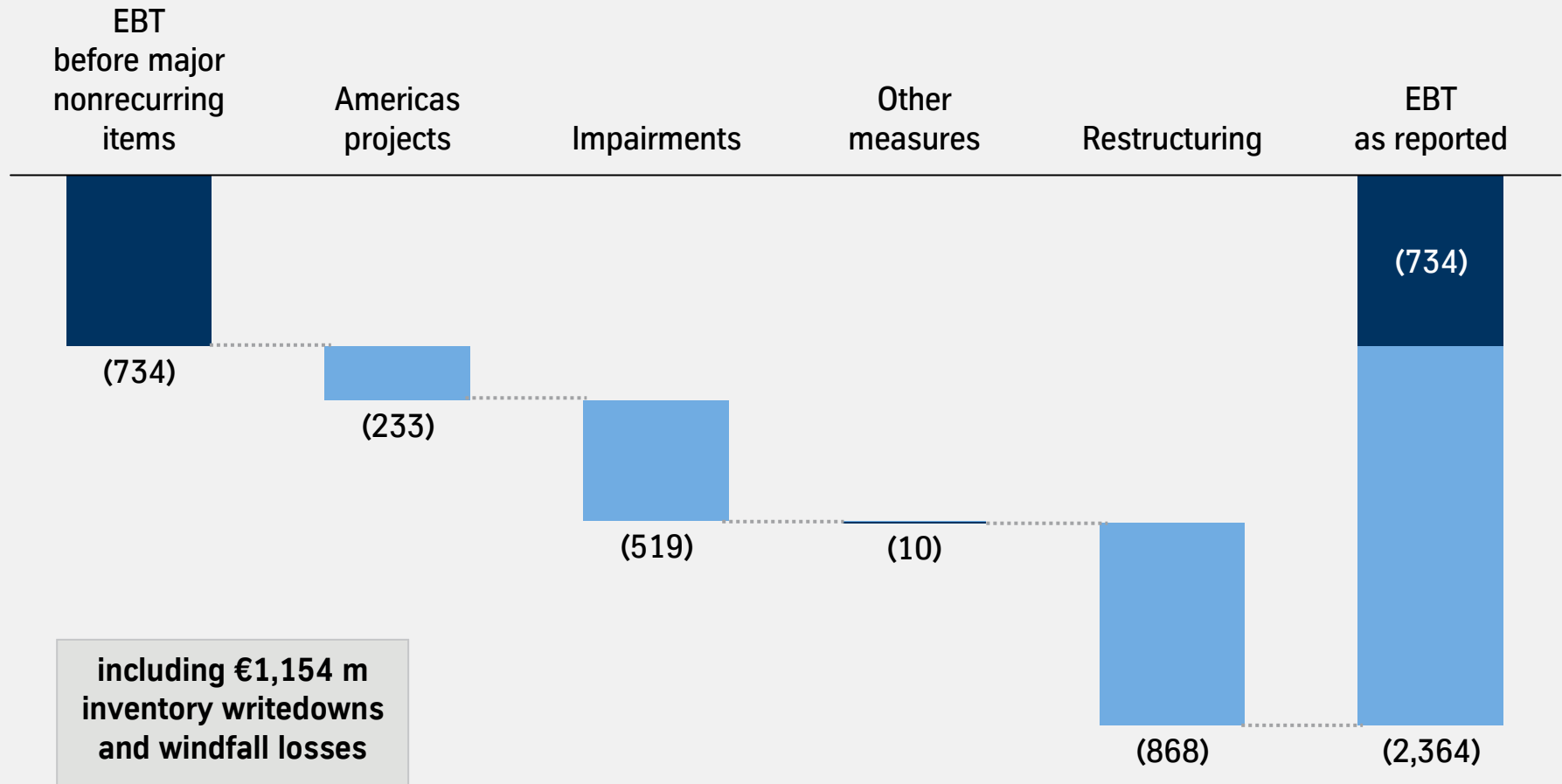
- Acceleration of management measures in Efficiency – Projects – Portfolio
- Major cost reduction initiated:
  - ⇒ Reduction of structural overcapacities across all segments
  - ⇒ Restructuring and impairment charges of €1,387 m booked
- Three consecutive quarters with positive free cash flow
- Net debt €2.06 bn
- Return to profitability in FY 2009/10
- Dividend proposal of €0.30 per share



# ThyssenKrupp – EBT 2008/09

## Reconciliation of EBT

million €



# Agenda

**Dr.-Ing. Ekkehard D. Schulz, Chief Executive Officer**

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## ○ Achievements

- Efficiency
- Projects
- Portfolio

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## ○ Group Outlook and Strategic Development Thrusts

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# Achievements: Efficiency – Projects – Portfolio

## Efficiency

- NeO:
  - effective October 1
- TK PLuS:
  - €1.8 bn mgmt gains
  - €3.6 bn NWC release
  - < €4.3 bn Capex
- Restructuring & Impairments:
  - €1.4 bn

## Projects

- Adjustment of Industrial Concepts:
    - CSA
    - Steel USA
    - Stainless USA
- 
- cash-driven
  - market-oriented
  - maximum flexibility

## Portfolio

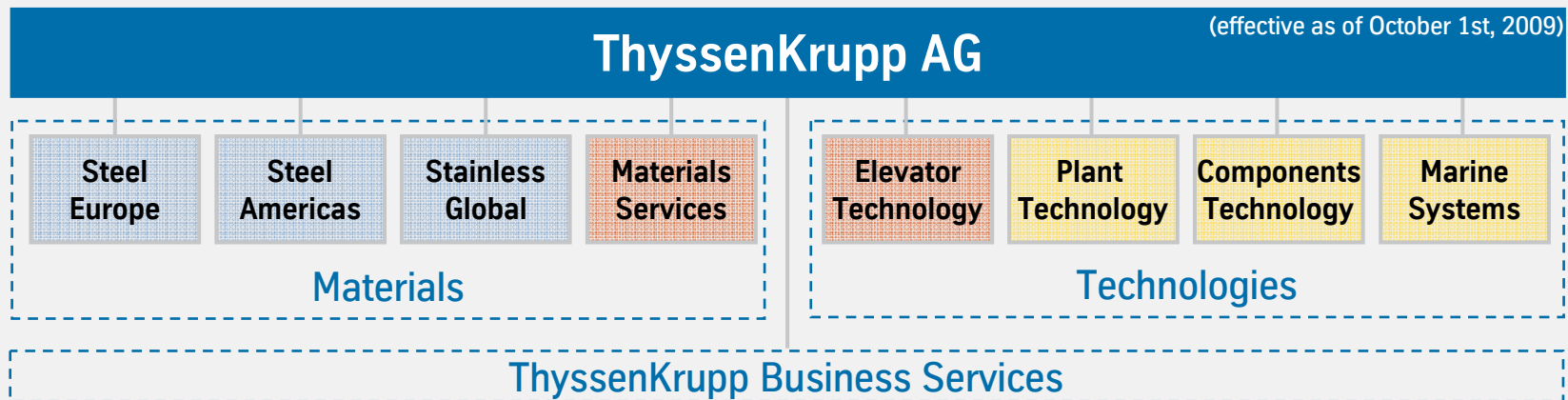
- CSA / Vale
- Industrial Services
  - TKIN
  - Safway
  - Xervon stopped
- Marine Systems
  - exit white area
  - reduction utilization risk gray area

# Efficiency Improvement – Using the Crisis as an Opportunity



## Reorganization

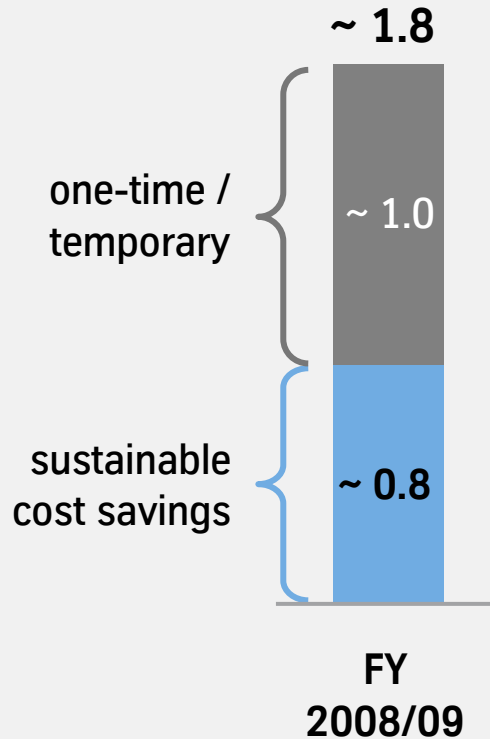
- Strategically centralized and operationally decentralized
- Sustainable cost savings of ~ €0.5 billion per year
- Greater internal and external transparency



# Efficiency Improvement – Realized Management Gains FY 2008/09

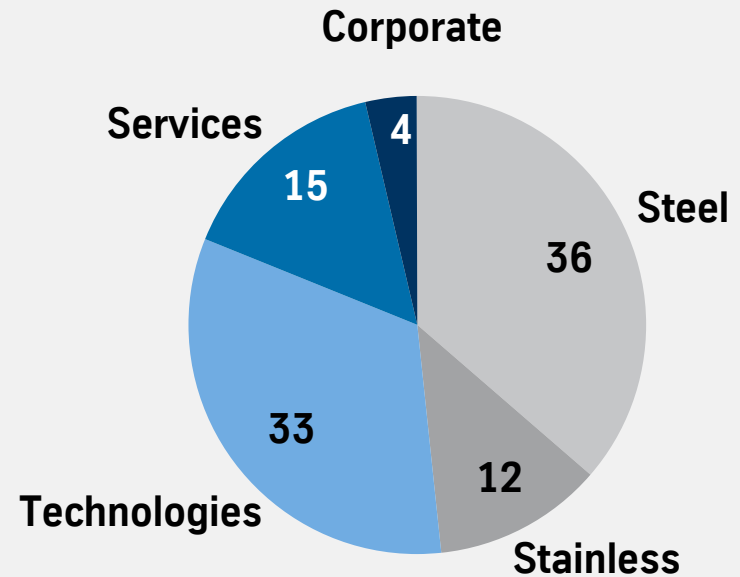
Realized management gains  
(TK PLuS)

billion €



Realized management gains (EBT)  
by segment

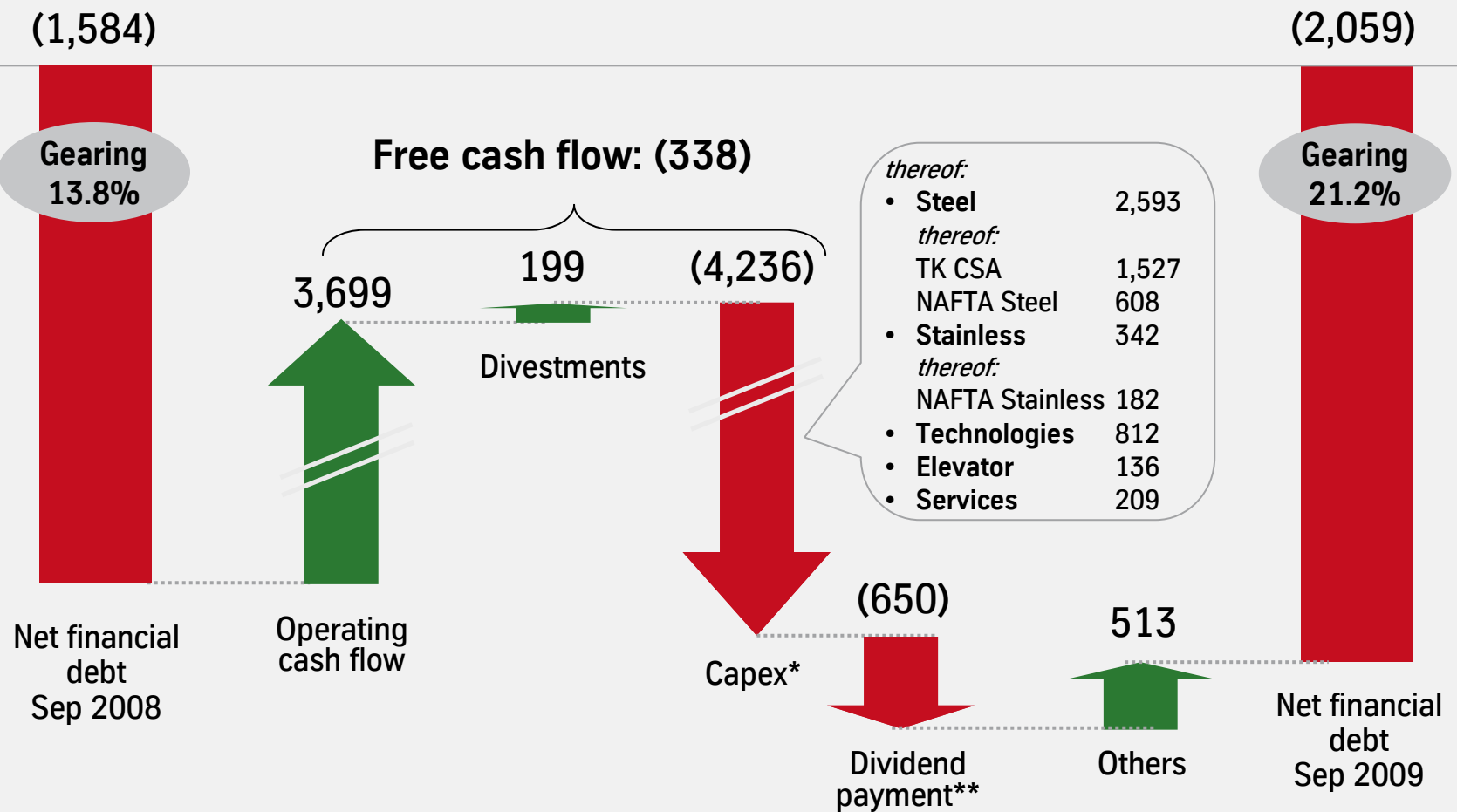
%



# Efficiency Improvement – Limited Increase in Net Financial Debt

Development of net financial debt in FY 2008/09

million €



\* Capex for property, plant & equipment + financial & intangible assets

\*\* incl. minorities of €47 m

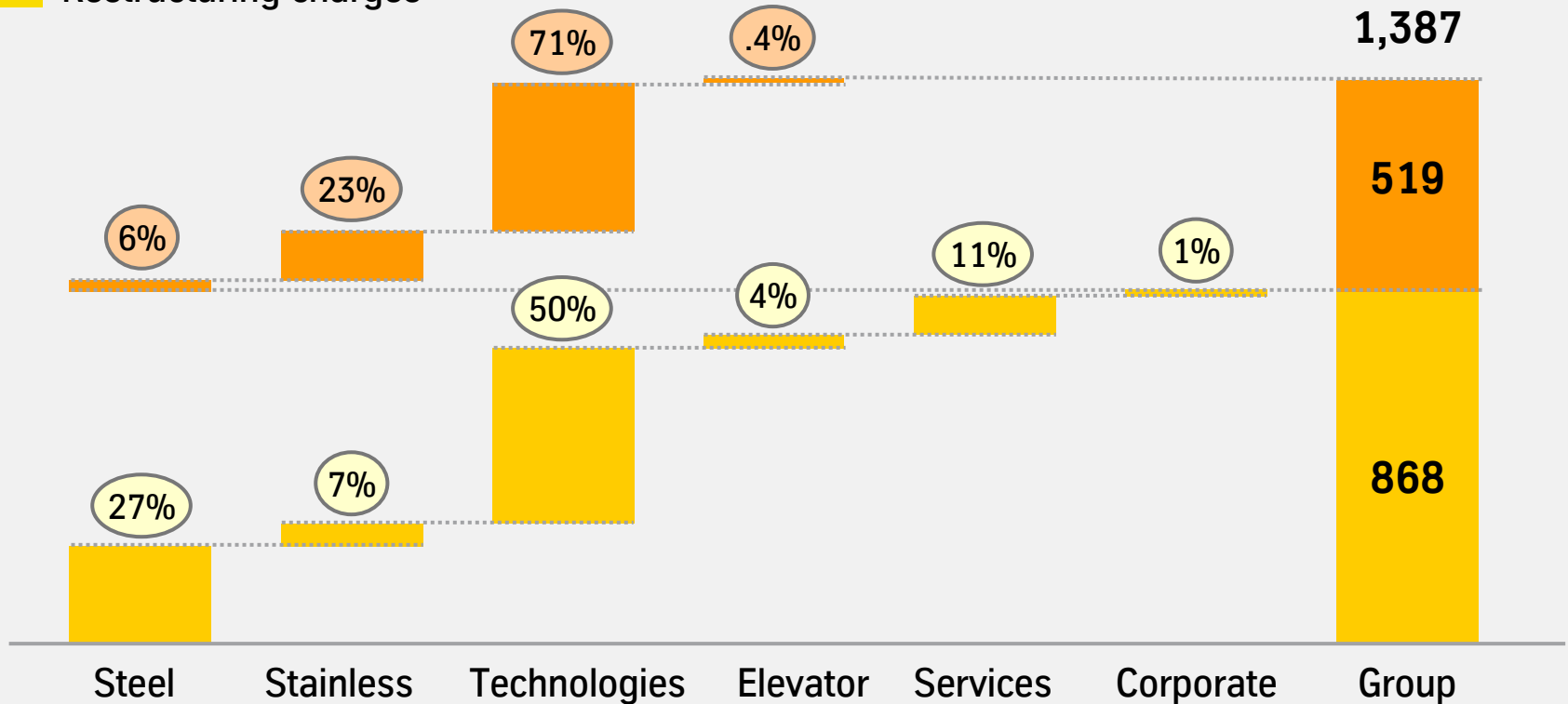
# Efficiency Improvement – Restructuring and Impairments

## Restructuring and impairment charges by segment

million €

Impairments

Restructuring charges



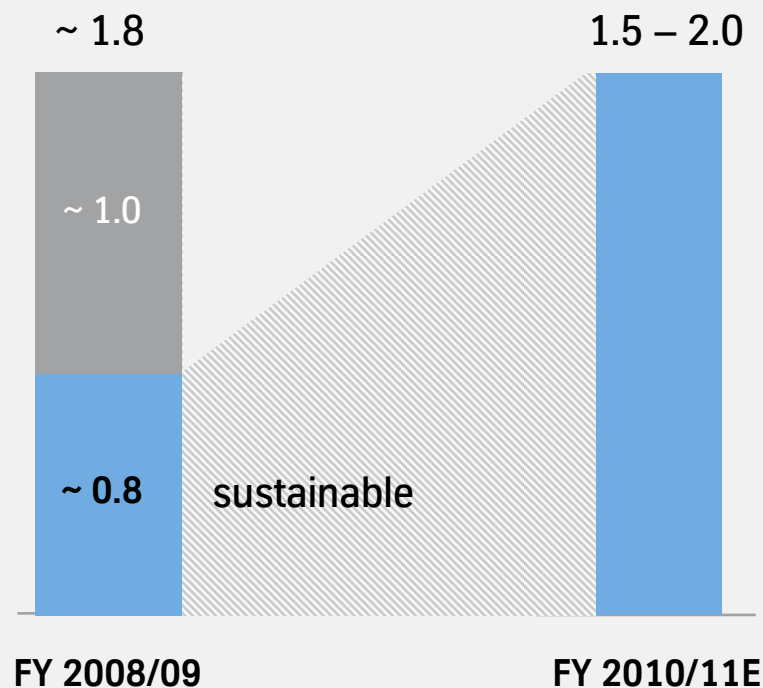
# Efficiency Improvement – Targeted Sustainable Management Gains

## Realized management gains

billion €

## Sustainable targeted management gains

billion €



- Based on existing restructuring measures/ initiatives
- Excluding effects from portfolio optimization



# ThyssenKrupp Rating

	Long term- rating	Short term- rating	Outlook
Standard & Poor's	BB+	B	stable
Moody's	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

**Restoring / maintaining investment grade status  
with all three rating agencies is key!**



# Agenda

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## ○ Achievements

- Efficiency
- Projects
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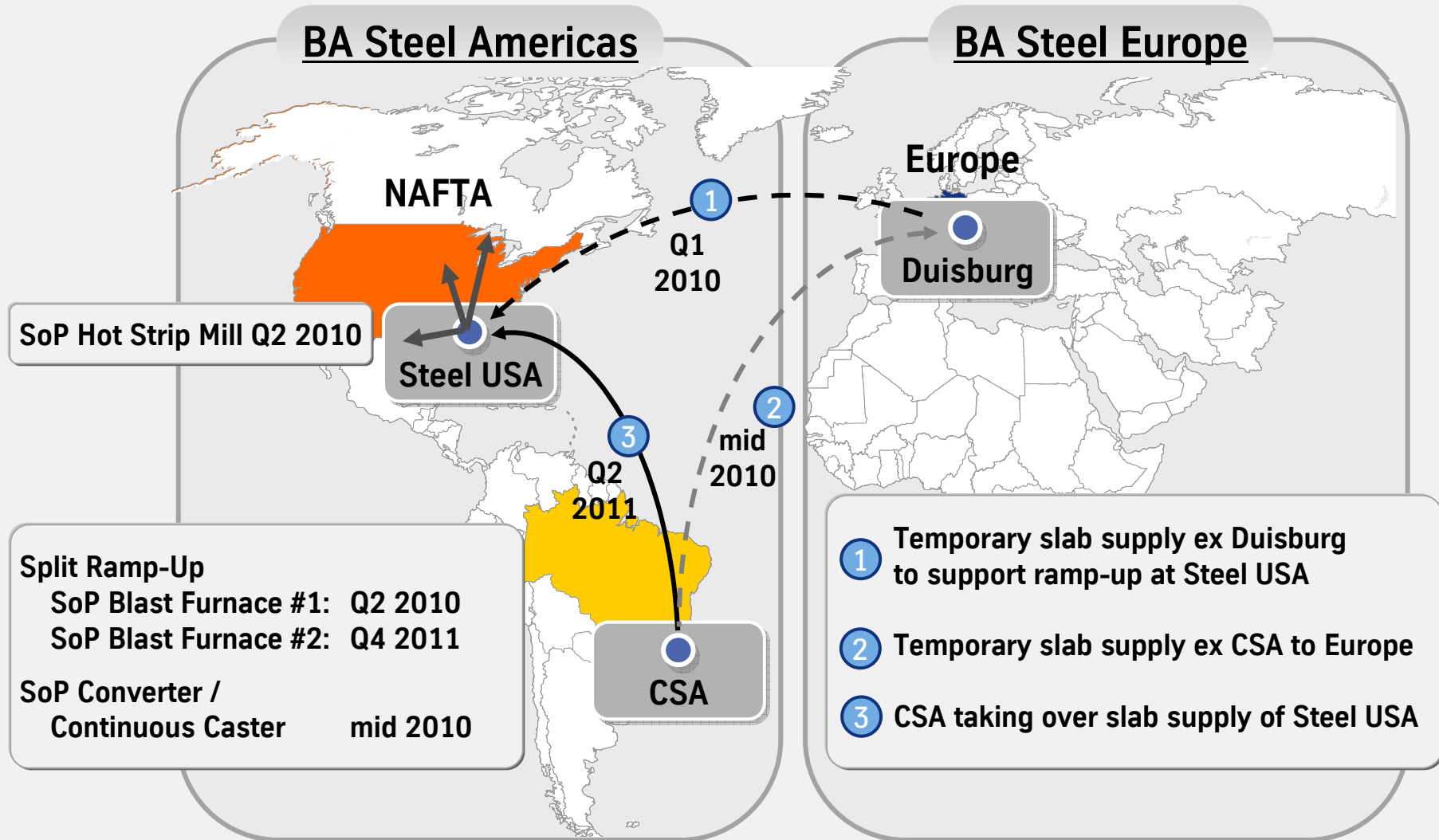
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## ○ Group Outlook and Strategic Development Thrusts

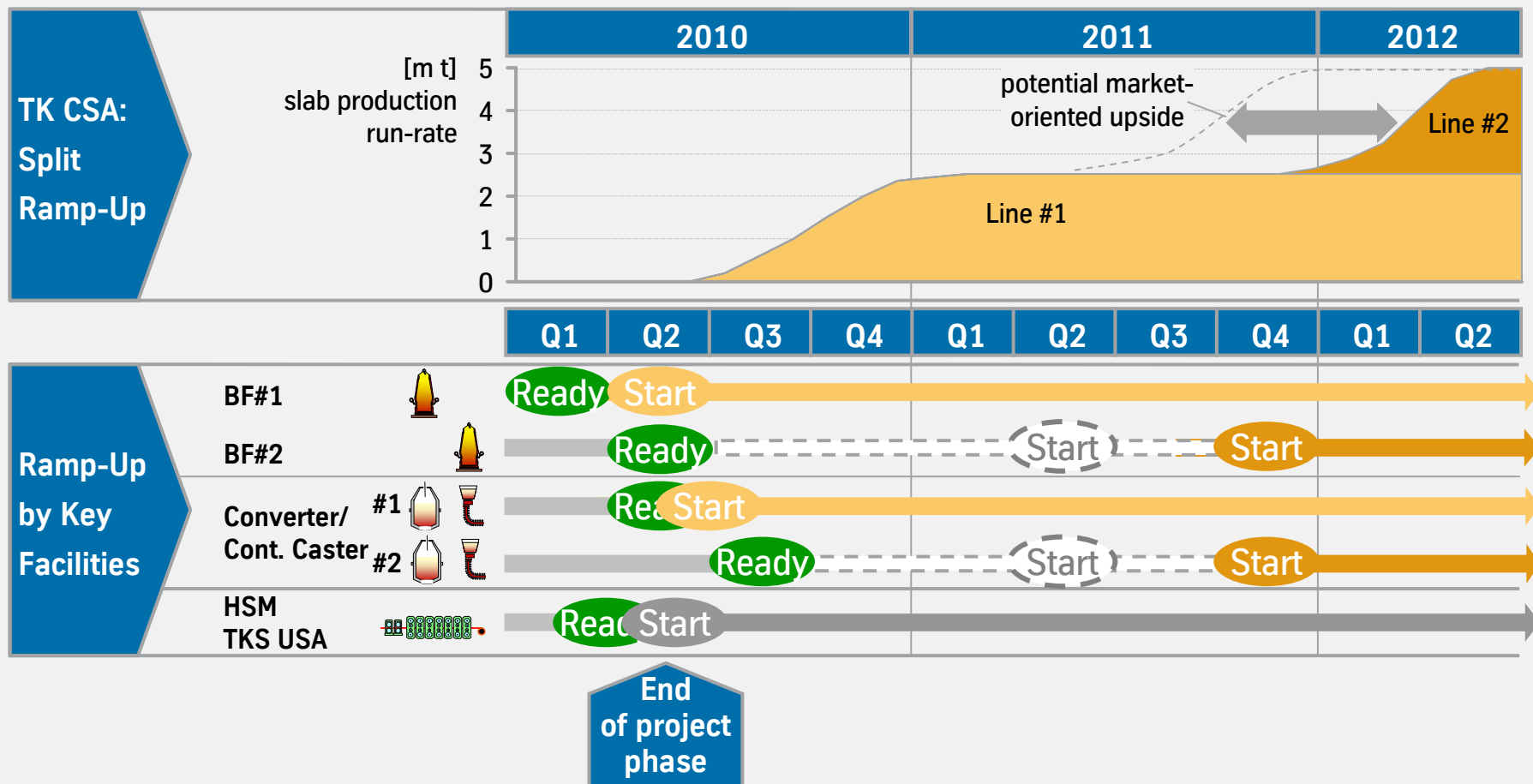
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# Temporary De-Coupling of Ramp-Up of CSA and Steel USA



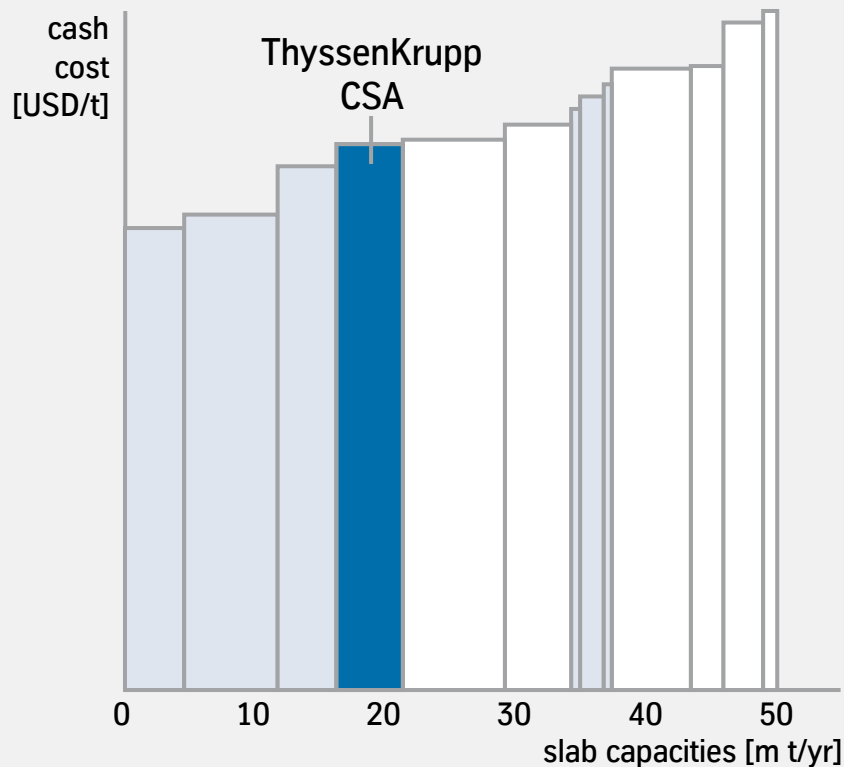
# CSA: Split Ramp-Up Maximizes Flexible Response to Market Changes



# TK CSA: One of the Most Cost-Efficient Slab Plants in the World

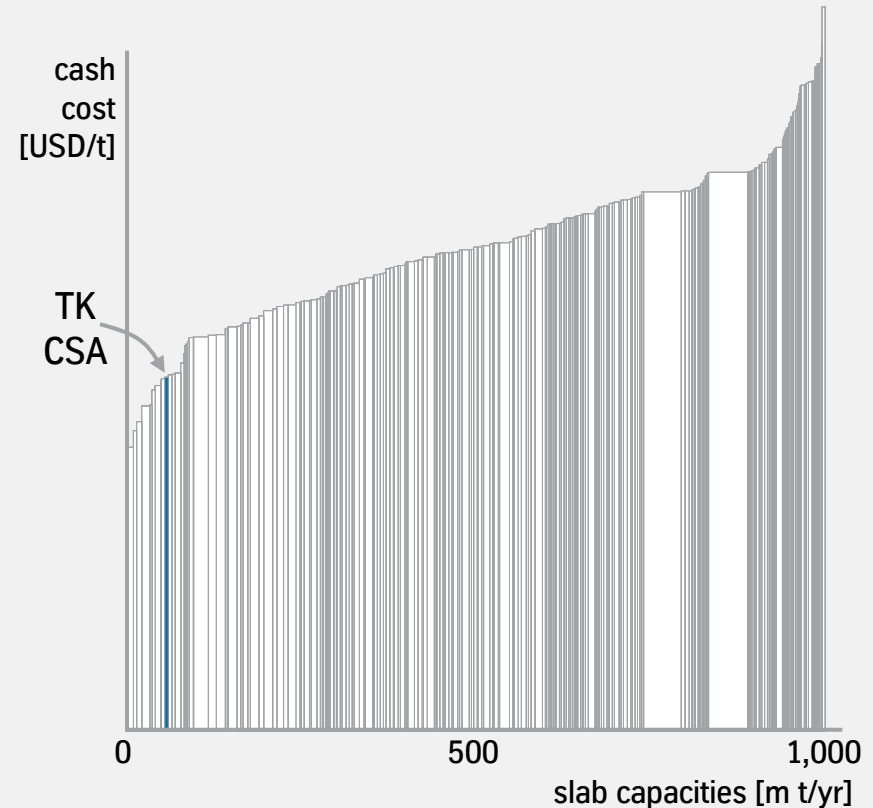
## Industrial Cost Curve 2012 Slab Capacities, Brazil

□ vertically integrated steel plants (ore and / or coal)



Sources: WSD; VDEh Plantfacts; Global Insight; MBR; Metal Expert; SBB; McKinsey; own analysis

## Industrial Cost Curve 2012 Global Slab Capacities



# ThyssenKrupp CSA





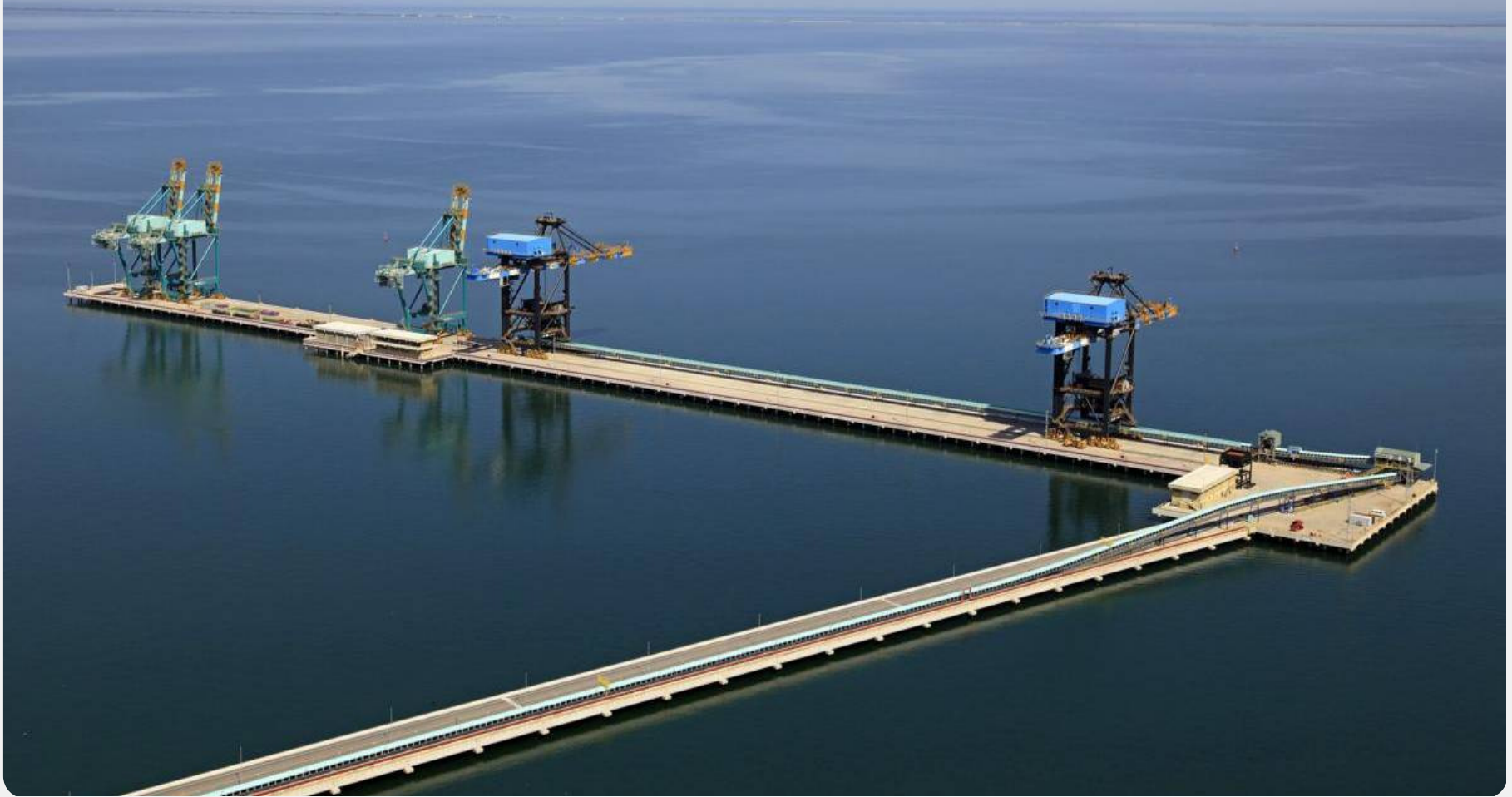
# ThyssenKrupp CSA



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# ThyssenKrupp CSA



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# Raw Material Handling



## Conveyor Tracks





# Sintering Plant





# Coking Plant



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November 27, 2009





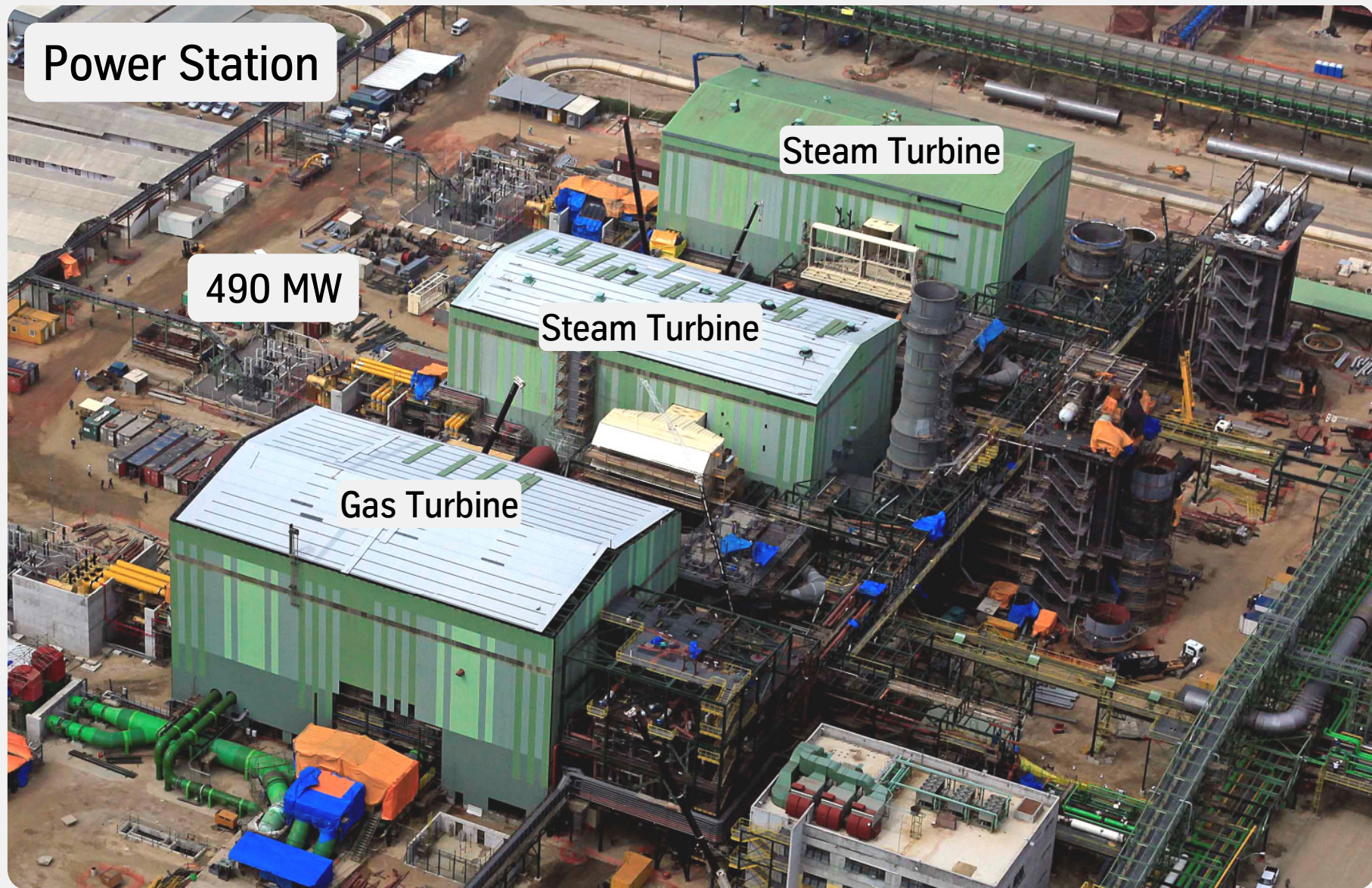
# Power Station

490 MW

Steam Turbine

Steam Turbine

Gas Turbine

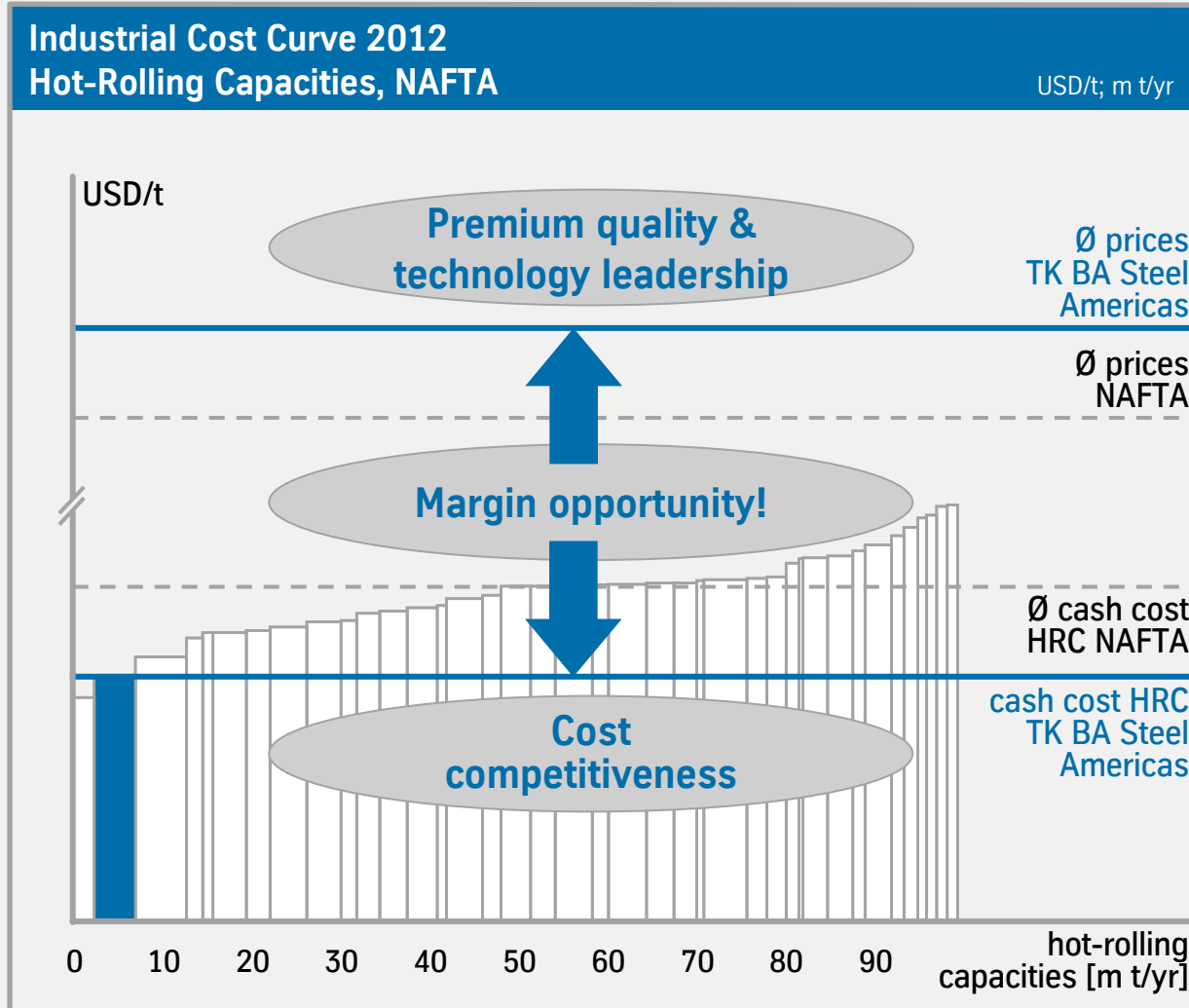






**1<sup>st</sup> Blast Furnace – SoP Q2 2010**  
**1<sup>st</sup> Slab Mid 2010**

# Transatlantic Strategy Based on Optimum Cost-Quality Position



- ThyssenKrupp Business Area Steel Americas with
  - strong cost and
  - quality position
- Even based on conservative assumptions:
  - slow market recovery and ramp-up
  - current raw material and steel prices
- Significant margin and value opportunity for the Group



# ThyssenKrupp Steel USA: Hot Strip Mill





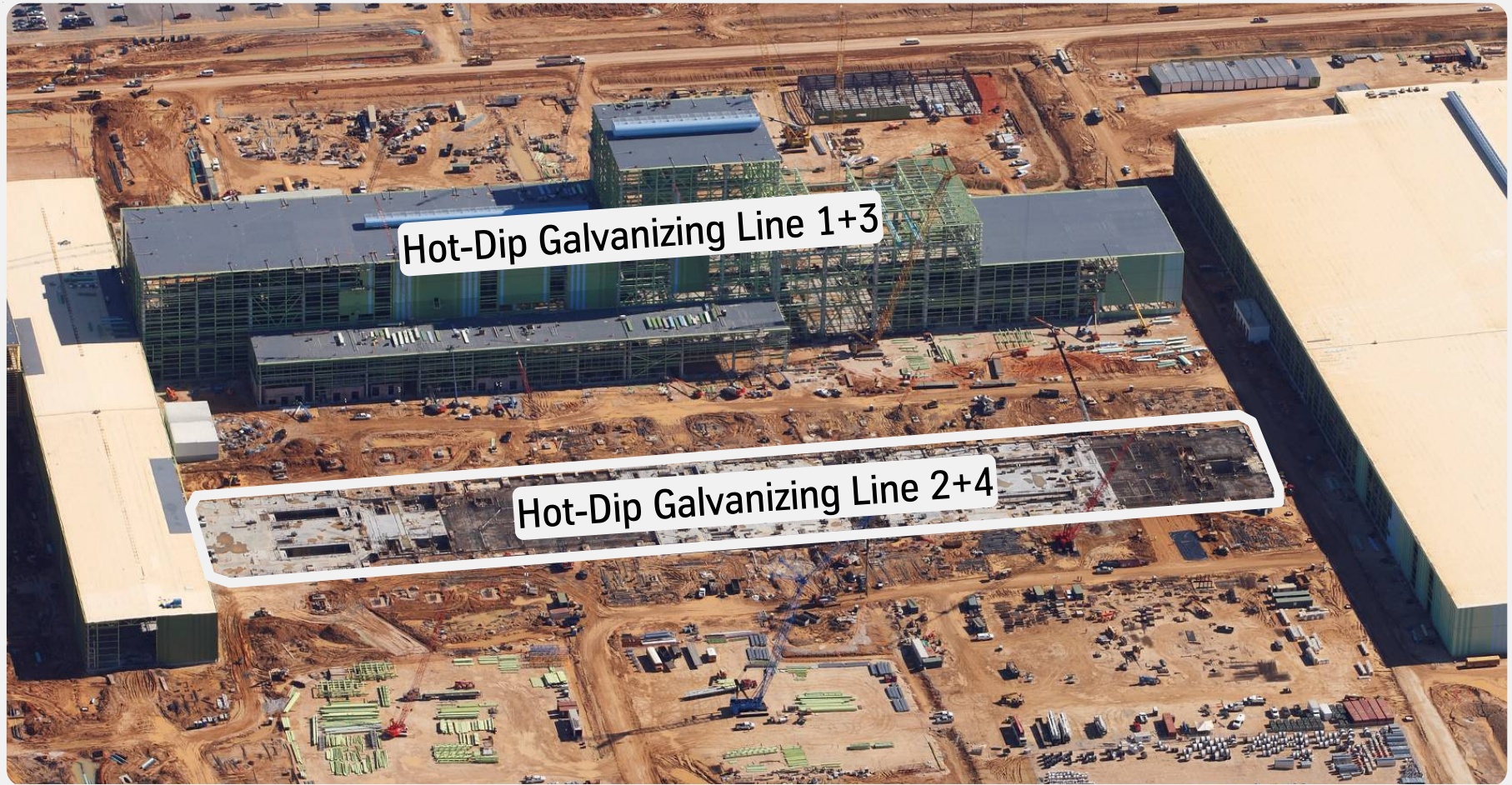
# ThyssenKrupp Steel USA: Tandem Line/Cold Strip Line



Pickling Line



# Hot-Dip Galvanizing Lines 1-4



# Agenda

## ○ Achievements

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- Projects
- Portfolio

## ○ Group Outlook and Strategic Development Thrusts





# Portfolio Optimization Overview

Value crystallization

Complexity and risk reduction

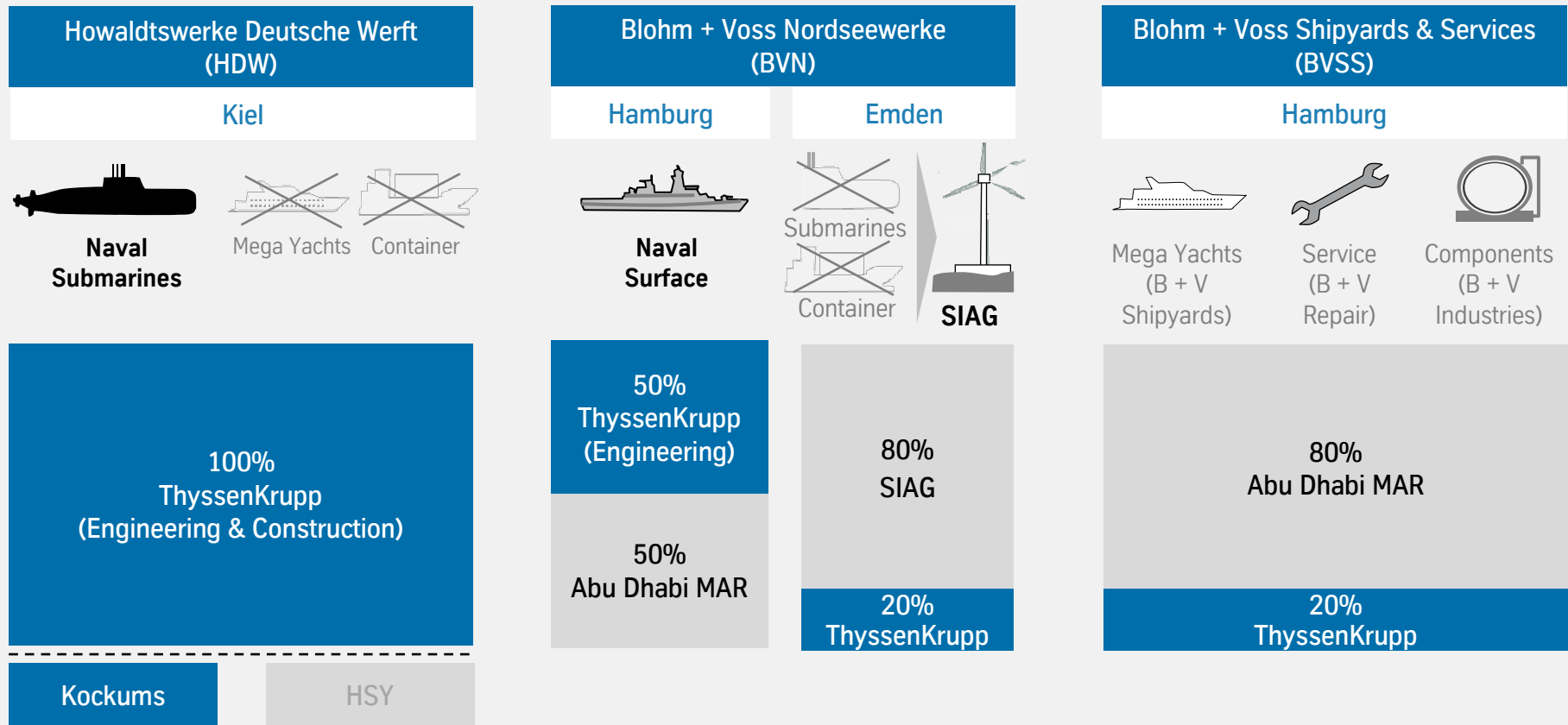
Cash generation

Measure	Sales volume	Strategic rationale
Sale of CSA stake to Vale <b>closed</b>		⇒ Tightening of relationship with Vale
Sale of TK Industrieservice <b>signed</b>	€330 m	⇒ Best owner
Sale of TK Safway <b>signed</b>	\$715 m	Focus on core activities in Materials Services
Sale of TK Xervon <b>stopped</b>		
SIAG Schaaf (Emden) <b>signed</b>	} ~ €500 m	⇒ Exit from civil shipbuilding and significant reduction of utilization risk at naval shipbuilding
Abu Dhabi Mar (Hamburg) <b>MoU</b>		

Further divestments as soon as M&A market recovers

# Marine Systems: Planned Target Structure

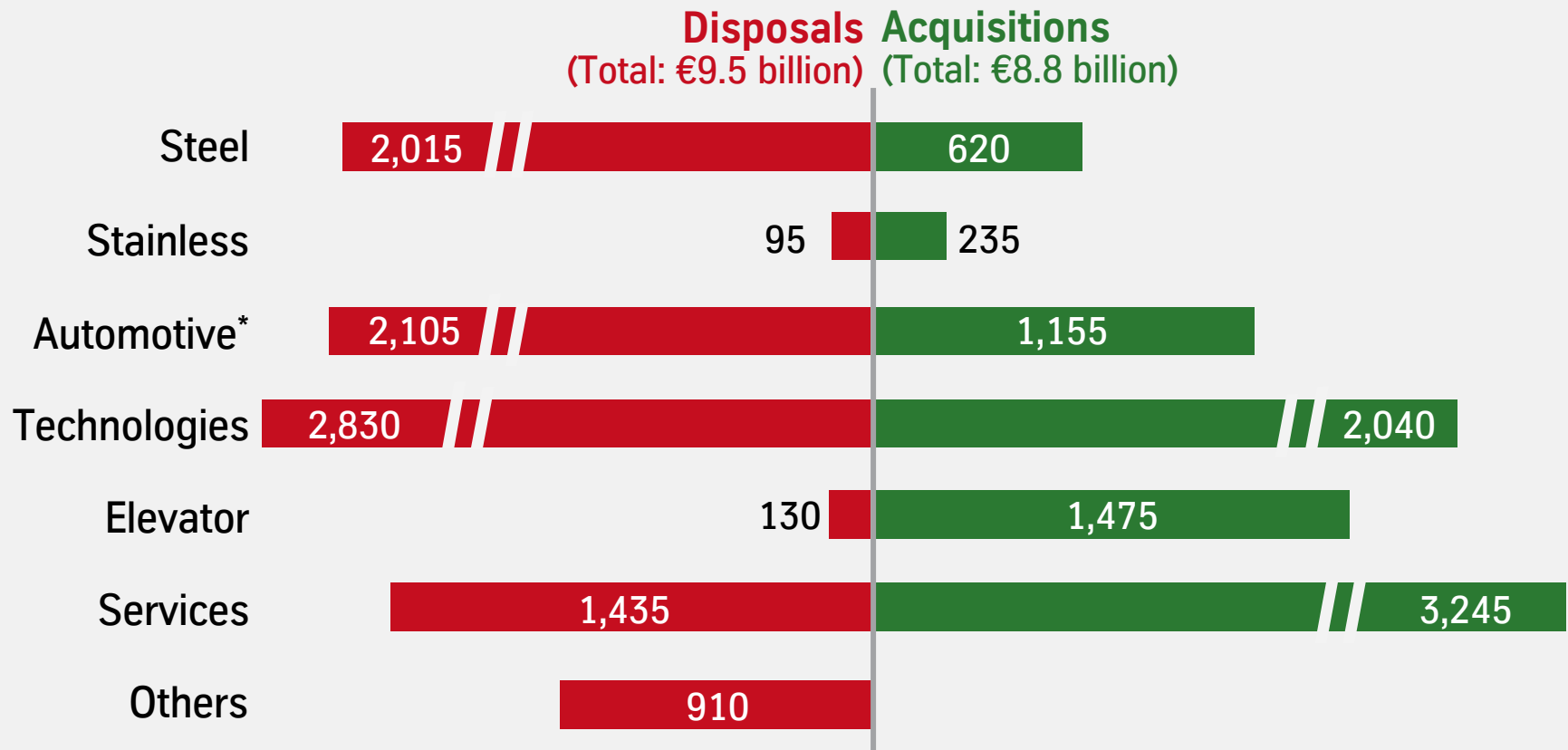
Exit from civil shipbuilding; focus on naval engineering and submarines



- **Related charges:** Restructuring €227 m (Q4: 163); Impairments €207 m (Q4: 174)
- **Targeted workforce reduction of 60% to ~ 3,500 (from ~8,300 as of Sep. 30, 2008)**

# Active Portfolio Management at ThyssenKrupp

Significant change in portfolio since the merger (as at September 30, 2009)



Sales in €m

\* since Oct 1, 2006 integrated into Technologies segment

# Agenda

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## ○ Achievements

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## ○ Group Outlook and Strategic Development Thrusts

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# Outlook FY 2009/10 – Return to Profitability

**Sales**

Moderate stabilization

Significant improvement in earnings, despite negative impact of Americas projects:

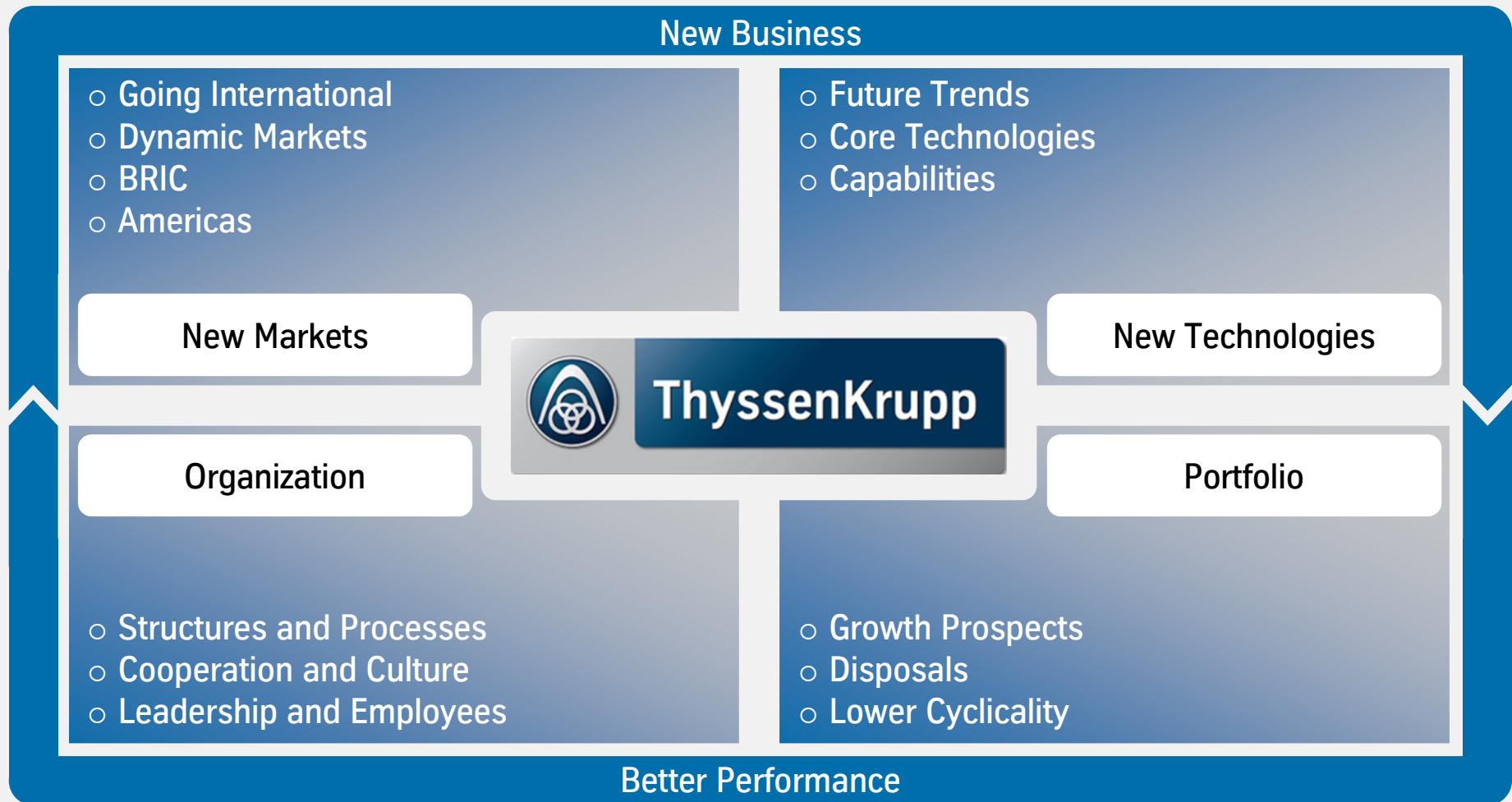
**Adjusted EBT**

**Low three-digit million € positive,**  
incl. project costs, startup losses, depreciation and interest expenses of  
Americas projects (**mid-range three-digit million €**)

**Adjusted EBIT**

**High three-digit million € positive,**  
incl. project costs, startup losses and depreciation  
of Americas projects

# ThyssenKrupp – Strategic Development Thrusts



# ThyssenKrupp





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Financial year 08/09

**Dr. Alan Hippe**



**ThyssenKrupp**



# Focus on Accelerated Realization of Liquidity and Value Potentials

## Efficiency

- TK PLuS:
  - €1.8 bn mgmt gains
  - €3.6 bn NWC release
  - < €4.3 bn Capex
- NeO:
  - effective October 1<sup>st</sup>
- Restructuring & Impairments:
  - €1.4 bn

## Projects

- Adjustment of Industrial Concepts:
    - CSA
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- cash-driven
  - market-oriented
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## Portfolio

- CSA / Vale
- Industrial Services
  - TKIN
  - Safway
  - Xervon stopped
- Marine Systems
  - exit white area
  - reduction utilization risk gray area

## Debt Financing

- €3.7 bn  
in 2008/09

Strengthening Liquidity and Balance Sheet  
Reducing Complexity and Risk  
Restoring Basis for Future Value Creation

## Equity Financing

- €1.4 bn  
CSA / Vale

# ThyssenKrupp Rating

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Fitch	BBB-	F3	negative

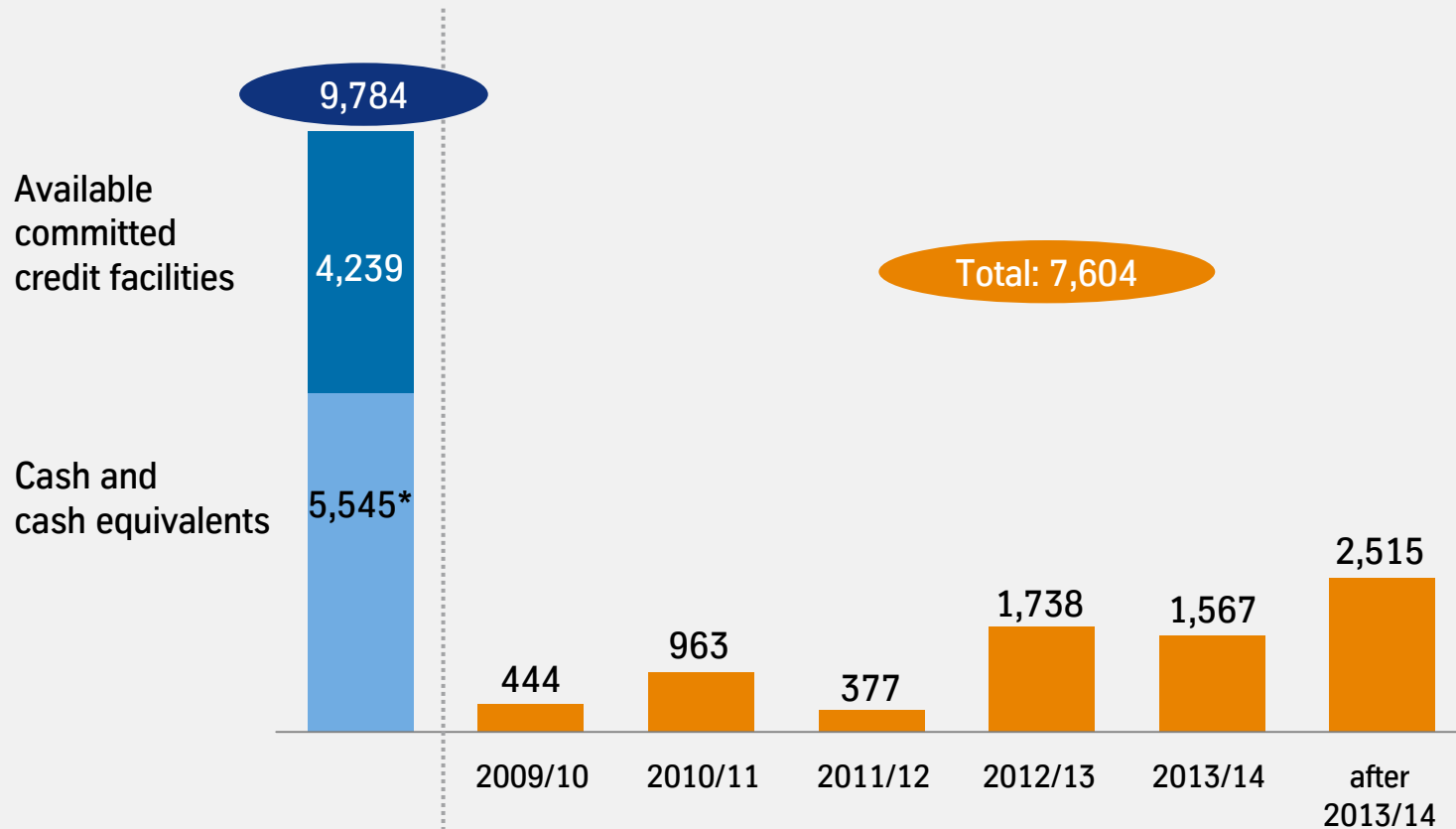
**Restoring / maintaining investment grade status  
with all three rating agencies is key!**



# Solid Financial Situation – No Short-Term Refinancing Needs

Liquidity analysis and maturity profile of gross financial debt as of September 30, 2009

million €



\* incl. securities of €170 million

# Outlook FY 2009/10 – Return to Profitability

## Sales

Moderate stabilization

Significant improvement in earnings, despite negative impact of Americas projects:

## Adjusted EBT

**Low three-digit million € positive,**

incl. project costs, startup losses, depreciation and interest expenses of Americas projects (**mid-range three-digit million €**)

## Adjusted EBIT

**High three-digit million € positive,**

incl. project costs, startup losses and depreciation of Americas projects

# Reconciliation of EBT 2008/09

	EBT bef. mjr nr items and before internal reallocation	EBT as reported before internal reallocation	Internal reallocation of interest and admin. expenses	EBT as reported after internal reallocation*
Steel Europe (SE)	16	(241)	(44)	(197)
Steel Americas (AM)	(2)	(216)	0	(216)
Stainless Global (SL)	(749)	(946)	(20)	(926)
Materials Services (MX)	(215)	(319)	(24)	(295)
Elevator Technology (ET)	592	558	(12)	570
Plant Technology (PT)	270	224	(12)	236
Components Technology (CT)	(178)	(497)	(39)	(458)
Marine Systems (MS)	(116)	(562)	(8)	(554)
Corporate / Consolidation	(352)	(365)	159	(524)

(159)

(preliminary numbers)

\* comparable basis for reporting in FY 2009/10



# Outlook FY 2009/10 – Business Areas (I)

	FY 2008/09	Outlook FY 2009/10
	Sales*	EBT as reported*
<b>Steel Europe (SE)</b>	€9,570 m	€(197) m Improvement in volumes and capacity utilization with average revenues per ton below prior-year level
<b>Steel Americas (AM)</b>	€0 m	€(216) m Negative EBT contribution (mid-range three-digit million €) due to project costs and startup losses for the steelmaking and processing plants in Brazil and the USA
<b>Stainless Global (SL)</b>	€4,486 m	€(926) m Stabilization of volumes with improved base prices
<b>Materials Services (MX)</b>	€12,815 m	€(295) m Stabilization of volumes and revenues

\* comparable basis for reporting in FY 2009/10 (preliminary numbers)

# Outlook FY 2009/10 – Business Areas (II)

**FY 2008/09**

**Outlook FY 2009/10**

	Sales*	EBT as reported*	
<b>Elevator Technology (ET)</b>	€5,308 m	€570 m	Continued high earnings contributions thanks to strong order backlog and stable modernization and maintenance business
<b>Plant Technology (PT)</b>	€4,450 m	€236 m	Good revenues and earnings expected from project business due to order backlog with good earnings quality
<b>Components Technology (CT)</b>	€4,603 m	€(458) m	Continued difficult environment for automotive and construction machinery supplies, positive earnings contribution from slewing bearings for the wind energy sector
<b>Marine Systems (MS)</b>	€1,594 m	€(554) m	Improved earnings quality through initiated consolidation of shipyard sites

\* comparable basis for reporting in FY 2009/10 (preliminary numbers)



# The Way Forward to Sustainable Value Creation

FY 2008/09	FY 2009/10	FY 2010/11 et seq.
<b>Liquidity</b>	<b>Profitability</b> <b>EBT &gt; 0</b>	<b>Value Creation</b> <b>TKVA and FCF &gt; 0</b>
<ul style="list-style-type: none"><li>○ Operating cash flow: €3.7 bn</li><li>○ Capex reduction: &lt; €4.3 bn spent</li><li>○ €3 bn bonds issued</li><li>○ Increase of Vale stake in CSA to 26.87% (from 10%) for €965 m</li><li>○ Divestments at Industrial Services</li></ul>	<ul style="list-style-type: none"><li>○ Reduction of risk through realized asset impairments</li><li>○ New industrial concept at Marine Systems</li><li>○ Execution of restructuring measures and realization of sustainable cost savings: €1.5 - €2.0 bn targeted in FY 2010/11</li></ul>	<ul style="list-style-type: none"><li>○ Growth investments of ~ €2.5 bn in FY 2009/10</li><li>○ Startup of Steel &amp; Stainless Americas with high degree of flexibility</li><li>○ Constant review of portfolio</li><li>○ Increased external transparency and benchmarking</li><li>○ Continuous optimization of cost base</li><li>○ Focus on FCF generation</li></ul>



# Agenda

## ○ Q&A



# Agenda

## ○ Appendix



# Group Overview (I)

		2007/08				FY	2008/09				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Order intake	€m	13,270	14,084	14,181	13,670	<b>55,205</b>	12,887	7,642	7,926	7,515	<b>35,970</b>
Sales	€m	12,270	13,199	14,181	13,776	<b>53,426</b>	11,522	9,859	9,299	9,883	<b>40,563</b>
EBITDA	€m	1,083	1,197	1,366	1,330	<b>4,976</b>	764	142	(180)	(534)	<b>192</b>
EBIT	€m	748	849	1,019	956	<b>3,572</b>	407	(276)	(597)	(1,197)	<b>(1,663)</b>
EBT	€m	646	742	909	831	<b>3,128</b>	240	(455)	(772)	(1,377)	<b>(2,364)</b>
Net income	€m	435	502	613	726	<b>2,276</b>	163	(362)	(630)	(1,044)	<b>(1,873)</b>
Earnings per share	€	0.85	1.00	1.21	1.53	<b>4.59</b>	0.36	(0.71)	(1.38)	(2.28)	<b>(4.01)</b>
TK Value Added	€m	353	438	600	525	<b>1,916</b>	(39)	(734)	(1,030)	(1,616)	<b>(3,419)</b>
ROCE	%	16.1	16.9	18.2	18.3	<b>18.3</b>	7.8	1.2	(3.0)	(8.1)	<b>(8.1)</b>
Capital Employed	€m	18,581	18,955	19,211	19,478	<b>19,478</b>	21,025	21,270	20,975	20,659	<b>20,662</b>
Goodwill	€m	3,791	3,755	3,779	3,858	<b>3,858</b>	3,846	3,942	3,927	3,902	<b>3,902</b>

ROCE based on 3, 6, 9 and 12 months





# Group Overview (II)

		2007/08				FY	2008/09				FY
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Capital expenditures*	€m	889	1,014	975	1,349	<b>4,227</b>	1,105	1,090	898	1,143	<b>4,236</b>
Depreciation/amort.	€m	335	349	346	374	<b>1,404</b>	357	418	417	663	<b>1,854</b>
Operating cash flow	€m	(170)	1,003	676	2,170	<b>3,679</b>	(860)	1,483	1,331	1,745	<b>3,699</b>
+ Cash flow from divestm.	€m	40	80	107	102	<b>329</b>	106	26	57	10	<b>199</b>
- Cash flow from investm.	€m	889	1,014	975	1,349	<b>4,227</b>	1,105	1,090	898	1,143	<b>4,236</b>
Free cash flow	€m	(1,018)	68	(192)	923	<b>(219)</b>	(1,859)	419	490	612	<b>(338)</b>
Cash and cash equivalents (incl. short-term securities)	€m	2,612	2,130	2,882	2,832	<b>2,832</b>	3,439	3,820	5,235	5,545	<b>5,545</b>
Net financial debt	€m	859	1,988	2,127	1,584	<b>1,584</b>	3,514	3,687	3,122	2,059	<b>2,059</b>
Employees		193,137	195,828	198,033	199,374	<b>199,374</b>	197,175	192,521	188,501	187,495	<b>187,495</b>

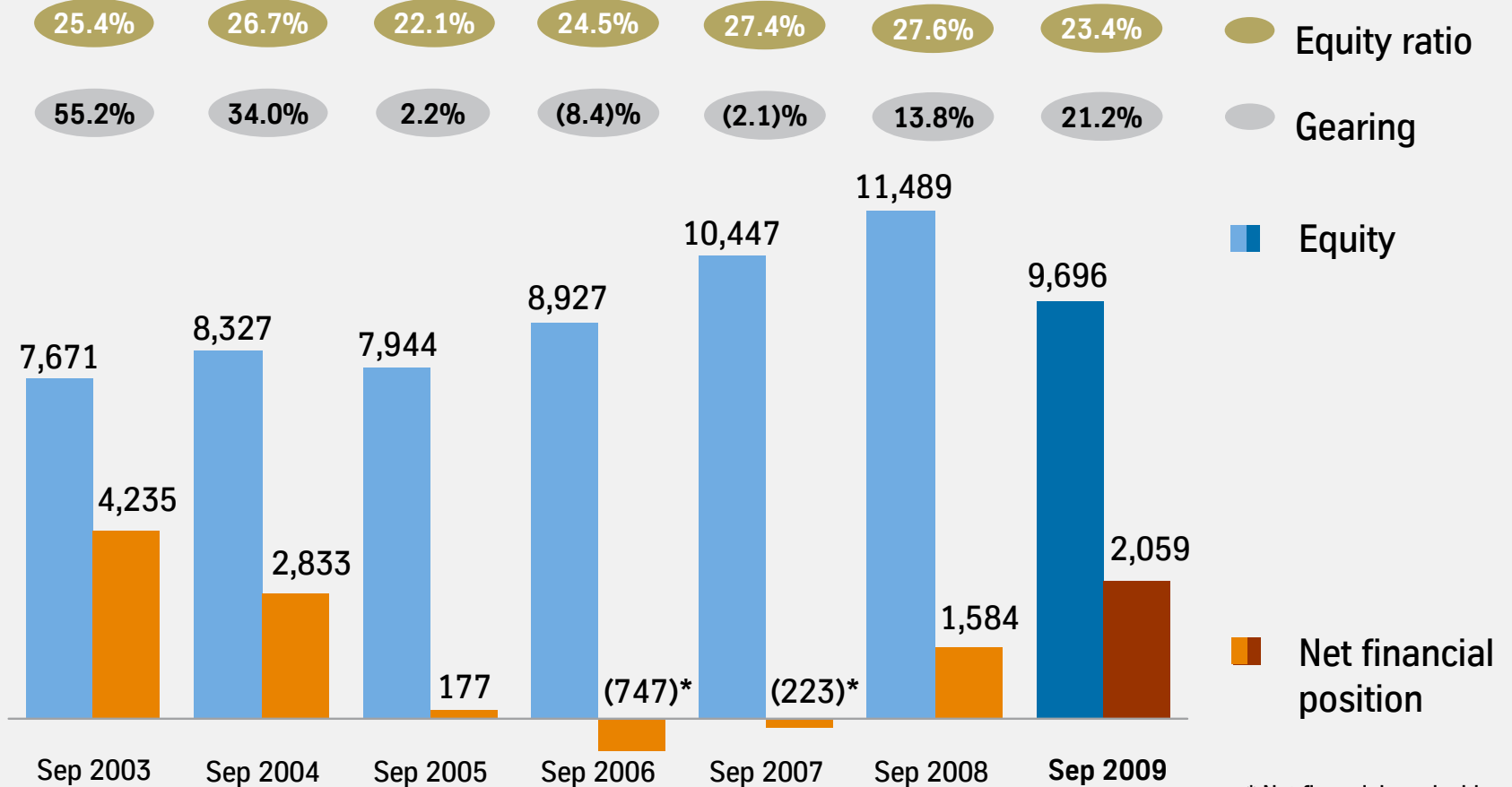
\* incl. financial investments



# Balance Sheet Structure

Net financial position, equity and ratios

million €



\* Net financial receivables

# Steel: Segment Overview

## Steel

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	3,188	3,986	3,765	3,260	<b>14,199</b>	2,036	1,651	2,321	2,406	<b>8,414</b>
Sales	€m	3,214	3,639	3,902	3,603	<b>14,358</b>	2,925	2,405	2,272	2,343	<b>9,945</b>
EBITDA	€m	561	599	587	599	<b>2,346</b>	475	255	(144)	(196)	<b>390</b>
EBIT	€m	392	434	426	448	<b>1,700</b>	309	103	(295)	(367)	<b>(250)</b>
EBT	€m	353	396	389	402	<b>1,540</b>	251	56	(348)	(445)	<b>(486)</b>
TK Value Added	€m	236	263	246	262	<b>1,007</b>	107	(121)	(522)	(593)	<b>(1,129)</b>
ROCE	%	22.6	22.8	22.2	22.1	<b>22.1</b>	13.7	8.7	1.6	(2.6)	<b>(2.6)</b>
Capital Employed	€m	6,928	7,265	7,509	7,697	<b>7,697</b>	8,999	9,460	9,671	9,763	<b>9,763</b>
OCF	€m	(330)	352	555	908	<b>1,485</b>	(779)	223	586	617	<b>647</b>
+ CF from divestm.	€m	(3)	25	(31)	89	<b>80</b>	(1)	20	(7)	10	<b>40</b>
– CF for investm.	€m	632	577	533	878	<b>2,620</b>	714	563	572	726	<b>2,593</b>
FCF	€m	(965)	(200)	(9)	119	<b>(1,055)</b>	(1,494)	(320)	7	(99)	<b>(1,906)</b>
Employees		39,922	40,636	40,733	41,311	<b>41,311</b>	40,753	40,071	39,321	39,156	<b>39,156</b>

ROCE based on 3, 6, 9 and 12 months





# Stainless: Segment Overview

## Stainless

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	2,150	2,001	1,732	1,577	<b>7,460</b>	966	819	1,207	1,155	<b>4,147</b>
Sales	€m	1,838	1,955	1,933	1,694	<b>7,420</b>	1,173	988	1,030	1,295	<b>4,486</b>
EBITDA	€m	8	98	154	103	<b>363</b>	(189)	(251)	(98)	(62)	<b>(600)</b>
EBIT	€m	(23)	60	115	62	<b>214</b>	(228)	(351)	(185)	(100)	<b>(864)</b>
EBT	€m	(45)	38	93	40	<b>126</b>	(249)	(373)	(204)	(120)	<b>(946)</b>
TK Value Added	€m	(107)	(23)	31	(20)	<b>(119)</b>	(310)	(428)	(254)	(164)	<b>(1,156)</b>
ROCE	%	(2.4)	2.0	5.4	5.8	<b>5.8</b>	(25.1)	(32.7)	(30.2)	(26.7)	<b>(26.7)</b>
Capital Employed	€m	3,732	3,728	3,715	3,698	<b>3,698</b>	3,636	3,542	3,376	3,240	<b>3,240</b>
OCF	€m	(169)	243	119	365	<b>558</b>	(325)	256	119	178	<b>228</b>
+ CF from divestm.	€m	3	2	0	20	<b>25</b>	2	2	5	(3)	<b>6</b>
– CF for investm.	€m	47	168	60	113	<b>388</b>	92	46	79	125	<b>342</b>
FCF	€m	(213)	77	59	272	<b>195</b>	(415)	212	45	51	<b>(107)</b>
Employees		12,075	12,042	12,037	12,212	<b>12,212</b>	12,167	12,079	11,869	11,755	<b>11,755</b>

ROCE based on 3, 6, 9 and 12 months



# Technologies: Segment Overview

## Technologies

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	3,212	3,108	3,397	3,773	<b>13,490</b>	4,897	1,723	1,367	593	<b>8,580</b>
Sales	€m	2,822	3,029	3,357	3,204	<b>12,412</b>	2,921	2,656	2,483	2,580	<b>10,640</b>
EBITDA	€m	256	261	272	257	<b>1,046</b>	245	5	(55)	(333)	<b>(138)</b>
EBIT	€m	170	178	188	142	<b>678</b>	154	(99)	(173)	(718)	<b>(836)</b>
EBT	€m	179	186	201	175	<b>741</b>	164	(105)	(187)	(740)	<b>(868)</b>
TK Value Added	€m	127	135	145	95	<b>502</b>	100	(158)	(229)	(764)	<b>(1,051)</b>
ROCE	%	28.9	29.6	29.8	27.6	<b>27.6</b>	22.5	5.0	(4.6)	(31.1)	<b>(31.1)</b>
Capital Employed	€m	1,915	1,914	1,904	1,960	<b>1,960</b>	2,399	2,507	2,504	2,623	<b>2,623</b>
OCF	€m	22	326	117	201	<b>666</b>	(113)	267	49	165	<b>368</b>
+ CF from divestm.	€m	46	118	36	51	<b>251</b>	18	43	36	(43)	<b>53</b>
– CF for investm.	€m	160	171	153	278	<b>762</b>	173	361	149	130	<b>812</b>
FCF	€m	(91)	272	0	(26)	<b>155</b>	(268)	(52)	(64)	(7)	<b>(392)</b>
Employees		55,567	53,637	54,334	54,043	<b>54,043</b>	53,167	50,978	49,349	49,056	<b>49,056</b>

ROCE based on 3, 6, 9 and 12 months



# Elevator: Segment Overview

## Elevator

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	1,466	1,464	1,324	1,281	<b>5,535</b>	1,562	1,189	1,186	1,101	<b>5,038</b>
Sales	€m	1,184	1,164	1,211	1,371	<b>4,930</b>	1,343	1,293	1,328	1,344	<b>5,308</b>
EBITDA	€m	134	112	113	150	<b>509</b>	173	164	183	117	<b>637</b>
EBIT	€m	126	94	98	132	<b>450</b>	157	148	167	96	<b>568</b>
EBT	€m	119	90	92	133	<b>434</b>	156	146	163	93	<b>558</b>
TK Value Added	€m	89	60	66	99	<b>314</b>	124	116	136	67	<b>443</b>
ROCE	%	27.6	24.7	24.7	26.5	<b>26.5</b>	38.1	37.2	39.4	36.5	<b>36.5</b>
Capital Employed	€m	1,822	1,783	1,718	1,695	<b>1,695</b>	1,646	1,639	1,596	1,554	<b>1,554</b>
OCF	€m	49	196	131	149	<b>525</b>	72	287	167	217	<b>742</b>
+ CF from divestm.	€m	2	(1)	1	6	<b>8</b>	9	4	2	3	<b>19</b>
– CF for investm.	€m	17	35	49	31	<b>132</b>	33	36	18	47	<b>136</b>
FCF	€m	34	160	83	124	<b>401</b>	48	254	151	172	<b>626</b>
Employees		40,191	40,873	42,108	42,992	<b>42,992</b>	43,599	43,306	42,761	42,698	<b>42,698</b>

ROCE based on 3, 6, 9 and 12 months



# Services: Segment Overview

## Services

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	3,951	4,322	4,677	4,503	<b>17,453</b>	3,746	2,514	2,256	2,650	<b>11,166</b>
Sales	€m	3,867	4,232	4,603	4,634	<b>17,336</b>	3,726	2,903	2,539	2,728	<b>11,896</b>
EBITDA	€m	190	195	306	297	<b>988</b>	94	(21)	(62)	(41)	<b>(30)</b>
EBIT	€m	153	156	268	257	<b>834</b>	54	(60)	(101)	(80)	<b>(187)</b>
EBT	€m	132	135	248	235	<b>750</b>	30	(78)	(123)	(100)	<b>(271)</b>
TK Value Added	€m	79	75	183	171	<b>508</b>	(29)	(143)	(173)	(145)	<b>(490)</b>
ROCE	%	17.5	16.9	20.4	21.7	<b>21.7</b>	5.5	(0.3)	(3.8)	(5.3)	<b>(5.3)</b>
Capital Employed	€m	3,487	3,659	3,768	3,834	<b>3,834</b>	3,931	3,907	3,726	3,554	<b>3,554</b>
OCF	€m	(421)	115	(80)	579	<b>193</b>	(221)	205	326	495	<b>805</b>
+ CF from divestm.	€m	12	10	29	20	<b>71</b>	38	4	12	7	<b>60</b>
– CF for investm.	€m	70	169	55	75	<b>369</b>	68	57	45	41	<b>209</b>
FCF	€m	(479)	(44)	(106)	524	<b>(105)</b>	(251)	151	293	462	<b>656</b>
Employees		43,054	46,318	46,506	46,486	<b>46,486</b>	45,173	44,512	43,620	43,235	<b>43,235</b>

ROCE based on 3, 6, 9 and 12 months





# Corporate/Consolidation: Overview

## Corporate/Consolidation

		2007/08					2008/09				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Order intake	€m	(697)	(797)	(714)	(724)	<b>(2,932)</b>	(320)	(254)	(411)	(390)	<b>(1,375)</b>
Sales	€m	(655)	(820)	(825)	(730)	<b>(3,030)</b>	(566)	(386)	(353)	(407)	<b>(1,712)</b>
EBITDA	€m	(66)	(68)	(66)	(76)	<b>(276)</b>	(34)	(10)	(4)	(19)	<b>(67)</b>
EBIT	€m	(70)	(73)	(76)	(85)	<b>(304)</b>	(39)	(17)	(10)	(28)	<b>(94)</b>
EBT	€m	(92)	(103)	(114)	(154)	<b>(463)</b>	(112)	(101)	(73)	(65)	<b>(351)</b>
OCF	€m	679	(229)	(166)	(32)	<b>252</b>	506	246	83	73	<b>908</b>
+ CF from divestm.	€m	(19)	(75)	73	(82)	<b>(103)</b>	38	(44)	9	38	<b>22</b>
– CF for investm.	€m	(36)	(107)	126	(27)	<b>(44)</b>	25	28	34	75	<b>143</b>
FCF	€m	696	(197)	(219)	(87)	<b>193</b>	519	174	58	35	<b>785</b>
Employees (Corporate)		2,328	2,322	2,315	2,330	<b>2,330</b>	2,316	1,575	1,581	1,595	<b>1,595</b>



# Segment Overview – Quarterly Order Intake

	2007/08					2008/09				
million €	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	3,188	3,986	3,765	3,260	<b>14,199</b>	2,036	1,651	2,321	2,406	<b>8,414</b>
Stainless	2,150	2,001	1,732	1,577	<b>7,460</b>	966	819	1,207	1,155	<b>4,147</b>
Technologies	3,212	3,108	3,397	3,773	<b>13,490</b>	4,897	1,723	1,367	593	<b>8,580</b>
Elevator	1,466	1,464	1,324	1,281	<b>5,535</b>	1,562	1,189	1,186	1,101	<b>5,038</b>
Services	3,951	4,322	4,677	4,503	<b>17,453</b>	3,746	2,514	2,256	2,650	<b>11,166</b>
Corporate	34	26	23	41	<b>124</b>	35	25	22	45	<b>127</b>
Consolidation	(731)	(823)	(737)	(765)	<b>(3,056)</b>	(355)	(279)	(433)	(435)	<b>(1,502)</b>
<b>Group</b>	<b>13,270</b>	<b>14,084</b>	<b>14,181</b>	<b>13,670</b>	<b>55,205</b>	<b>12,887</b>	<b>7,642</b>	<b>7,926</b>	<b>7,515</b>	<b>35,970</b>



# Segment Overview – Quarterly Sales

million €	2007/08					2008/09				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	3,214	3,639	3,902	3,603	<b>14,358</b>	2,925	2,405	2,272	2,343	<b>9,945</b>
Stainless	1,838	1,955	1,933	1,694	<b>7,420</b>	1,173	988	1,030	1,295	<b>4,486</b>
Technologies	2,822	3,029	3,357	3,204	<b>12,412</b>	2,921	2,656	2,483	2,580	<b>10,640</b>
Elevator	1,184	1,164	1,211	1,371	<b>4,930</b>	1,343	1,293	1,328	1,344	<b>5,308</b>
Services	3,867	4,232	4,603	4,634	<b>17,336</b>	3,726	2,903	2,539	2,728	<b>11,896</b>
Corporate	34	26	23	41	<b>124</b>	35	25	22	45	<b>127</b>
Consolidation	(689)	(846)	(848)	(771)	<b>(3,154)</b>	(601)	(411)	(375)	(452)	<b>(1,839)</b>
<b>Group</b>	<b>12,270</b>	<b>13,199</b>	<b>14,181</b>	<b>13,776</b>	<b>53,426</b>	<b>11,522</b>	<b>9,859</b>	<b>9,299</b>	<b>9,883</b>	<b>40,563</b>



# Segment Overview – Quarterly EBITDA

	2007/08					2008/09				
million €	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	561	599	587	599	<b>2,346</b>	475	255	(144)	(196)	<b>390</b>
Stainless	8	98	154	103	<b>363</b>	(189)	(251)	(98)	(62)	<b>(600)</b>
Technologies	256	261	272	257	<b>1,046</b>	245	5	(55)	(333)	<b>(138)</b>
Elevator	134	112	113	150	<b>509</b>	173	164	183	117	<b>637</b>
Services	190	195	306	297	<b>988</b>	94	(21)	(62)	(41)	<b>(30)</b>
Corporate	(56)	(64)	(63)	(45)	<b>(228)</b>	(29)	(12)	(15)	(1)	<b>(57)</b>
Consolidation	(10)	(4)	(3)	(31)	<b>(48)</b>	(5)	2	11	(18)	<b>(10)</b>
<b>Group</b>	<b>1,083</b>	<b>1,197</b>	<b>1,366</b>	<b>1,330</b>	<b>4,976</b>	<b>764</b>	<b>142</b>	<b>(180)</b>	<b>(534)</b>	<b>192</b>



# Segment Overview – Quarterly EBIT

million €	2007/08					2008/09				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	392	434	426	448	<b>1,700</b>	309	103	(295)	(367)	<b>(250)</b>
Stainless	(23)	60	115	62	<b>214</b>	(228)	(351)	(185)	(100)	<b>(864)</b>
Technologies	170	178	188	142	<b>678</b>	154	(99)	(173)	(718)	<b>(836)</b>
Elevator	126	94	98	132	<b>450</b>	157	148	167	96	<b>568</b>
Services	153	156	268	257	<b>834</b>	54	(60)	(101)	(80)	<b>(187)</b>
Corporate	(61)	(71)	(70)	(55)	<b>(257)</b>	(35)	(20)	(22)	(9)	<b>(86)</b>
Consolidation	(9)	(2)	(6)	(30)	<b>(47)</b>	(4)	3	12	(19)	<b>(8)</b>
<b>Group</b>	<b>748</b>	<b>849</b>	<b>1,019</b>	<b>956</b>	<b>3,572</b>	<b>407</b>	<b>(276)</b>	<b>(597)</b>	<b>(1,197)</b>	<b>(1,663)</b>



# Segment Overview – Quarterly EBT

	2007/08					2008/09				
million €	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Steel</b>	<b>353</b>	<b>396</b>	<b>389</b>	<b>402</b>	<b>1,540</b>	<b>251</b>	<b>56</b>	<b>(348)</b>	<b>(445)</b>	<b>(486)</b>
<i>before major nonrec. items</i>	<i>419</i>	<i>462</i>	<i>534</i>	<i>470</i>	<i>1,885</i>	<i>335</i>	<i>86</i>	<i>(183)</i>	<i>(244)</i>	<i>(6)</i>
<b>Stainless</b>	<b>(45)</b>	<b>38</b>	<b>93</b>	<b>40</b>	<b>126</b>	<b>(249)</b>	<b>(373)</b>	<b>(204)</b>	<b>(120)</b>	<b>(946)</b>
<i>before major nonrec. items</i>	<i>(42)</i>	<i>42</i>	<i>96</i>	<i>48</i>	<i>144</i>	<i>(242)</i>	<i>(309)</i>	<i>(153)</i>	<i>(45)</i>	<i>(749)</i>
<b>Technologies</b>	<b>179</b>	<b>186</b>	<b>201</b>	<b>175</b>	<b>741</b>	<b>164</b>	<b>(105)</b>	<b>(187)</b>	<b>(740)</b>	<b>(868)</b>
<i>before major nonrec. items</i>	<i>179</i>	<i>155</i>	<i>197</i>	<i>179</i>	<i>710</i>	<i>164</i>	<i>(29)</i>	<i>(95)</i>	<i>(97)</i>	<i>(57)</i>
<b>Elevator</b>	<b>119</b>	<b>90</b>	<b>92</b>	<b>133</b>	<b>434</b>	<b>156</b>	<b>146</b>	<b>163</b>	<b>93</b>	<b>558</b>
<i>before major nonrec. items</i>	<i>119</i>	<i>90</i>	<i>112</i>	<i>139</i>	<i>460</i>	<i>158</i>	<i>148</i>	<i>163</i>	<i>123</i>	<i>592</i>
<b>Services</b>	<b>132</b>	<b>135</b>	<b>248</b>	<b>235</b>	<b>750</b>	<b>30</b>	<b>(78)</b>	<b>(123)</b>	<b>(100)</b>	<b>(271)</b>
<i>before major nonrec. items</i>	<i>132</i>	<i>135</i>	<i>248</i>	<i>235</i>	<i>750</i>	<i>30</i>	<i>(78)</i>	<i>(111)</i>	<i>(17)</i>	<i>(176)</i>
<b>Corporate</b>	<b>(84)</b>	<b>(97)</b>	<b>(110)</b>	<b>(126)</b>	<b>(417)</b>	<b>(108)</b>	<b>(103)</b>	<b>(87)</b>	<b>(46)</b>	<b>(344)</b>
<i>before major nonrec. items</i>	<i>(84)</i>	<i>(97)</i>	<i>(110)</i>	<i>(126)</i>	<i>(417)</i>	<i>(108)</i>	<i>(103)</i>	<i>(87)</i>	<i>(33)</i>	<i>(331)</i>
<b>Consolidation</b>	<b>(8)</b>	<b>(6)</b>	<b>(4)</b>	<b>(28)</b>	<b>(46)</b>	<b>(4)</b>	<b>2</b>	<b>14</b>	<b>(19)</b>	<b>(7)</b>
<i>before major nonrec. items</i>	<i>(8)</i>	<i>(3)</i>	<i>(4)</i>	<i>(28)</i>	<i>(43)</i>	<i>(4)</i>	<i>2</i>	<i>14</i>	<i>(19)</i>	<i>(7)</i>
<b>Group</b>	<b>646</b>	<b>742</b>	<b>909</b>	<b>831</b>	<b>3,128</b>	<b>240</b>	<b>(455)</b>	<b>(772)</b>	<b>(1,377)</b>	<b>(2,364)</b>
<b><i>Group before major nonrec. items</i></b>	<b><i>715</i></b>	<b><i>784</i></b>	<b><i>1,073</i></b>	<b><i>917</i></b>	<b><i>3,489</i></b>	<b><i>333</i></b>	<b><i>(283)</i></b>	<b><i>(452)</i></b>	<b><i>(332)</i></b>	<b><i>(734)</i></b>



# Major Nonrecurring Items (I)

		2008/09				
Segment	Business Area	Q1	Q2	Q3	Q4	FY
Steel:						
Project costs TK CSA		(57)	(17)	(8)	(88)	(170)
Project costs NAFTA Steel		(19)	(5)	(11)	(9)	(44)
Restructuring Metal Forming	Steel Europe	(8)	(3)	(11)	(37)	(59)
Restructuring TK Steel	Steel Europe			(126)	(1)	(127)
Restructuring Color/Construction	Steel Europe			(5)	(18)	(23)
Other restructuring				(4)	(24)	(28)
Impairment Metal Forming	Steel Europe				(6)	(6)
Impairment Color/Construction	Steel Europe				(3)	(3)
Other impairments			(5)		(15)	(20)
Stainless:						
Project costs NAFTA Stainless		(7)	(4)	(3)	(5)	(19)
Restructuring Nirosta	Stainless Global				(46)	(46)
Other restructuring					(14)	(14)
Impairment SKS	Stainless Global		(60)		1	(59)
Impairment Nirosta	Stainless Global			(46)		(46)
Other impairments				(2)	(11)	(13)

# Major Nonrecurring Items (II)

Segment	Business Area	2008/09				
		Q1	Q2	Q3	Q4	FY
Technologies:						
Restructuring System Engineering	Plant Technology		(1)		(22)	(23)
Restructuring Transrapid	Plant Technology		(5)		(10)	(15)
Restructuring Forging Group	Components Technology		(19)	(12)	(97)	(128)
Restructuring Bilstein	Components Technology		(2)	(5)	(12)	(19)
Restructuring Presta Steering	Components Technology		(2)	(1)	(10)	(13)
Restructuring Waupaca	Components Technology				(3)	(3)
Restructuring Marine Systems	Marine Systems		(7)	(57)	(163)	(227)
Other restructuring			(1)		(2)	(3)
Impairment Transrapid	Plant Technology				(7)	(7)
Impairment Forging Group	Components Technology		(2)		(35)	(37)
Impairment Bilstein	Components Technology				(22)	(22)
Impairment Presta Steering	Components Technology		(1)	(8)	(5)	(14)
Impairment Waupaca	Components Technology				(76)	(76)
Impairment Marine Systems	Marine Systems		(13)	(20)	(174)	(207)
Other impairments				(2)	(5)	(7)
Divestment Bilstein	Components Technology			2		2
Divestment Nobiskrug	Marine Systems		(31)	1		(30)
Other divestments			8	10		18





# Major Nonrecurring Items (III)

Segment	Business Area	2008/09				
		Q1	Q2	Q3	Q4	FY
Elevator:						
Restructuring Fahrtreppen Hamburg	Elevator Technology				(26)	(26)
Other Restructuring		(2)	(2)		(2)	(6)
Impairment Fahrtreppen Hamburg	Elevator Technology				(2)	(2)
Services:						
Restructuring Material Services International	Materials Services				(72)	(72)
Other Restructuring				(12)	(11)	(23)
Corporate:						
Other Restructuring					(13)	(13)
Group:		(93)	(172)	(320)	(1,045)	(1,630)

# Segment Overview – Quarterly Operating Cash Flow

	2007/08					2008/09				
million €	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Steel	(330)	352	555	908	<b>1,485</b>	(779)	223	586	617	<b>647</b>
Stainless	(169)	243	119	365	<b>558</b>	(325)	256	119	178	<b>228</b>
Technologies	22	326	117	201	<b>666</b>	(113)	267	49	165	<b>368</b>
Elevator	49	196	131	149	<b>525</b>	72	287	167	217	<b>742</b>
Services	(421)	115	(80)	579	<b>193</b>	(221)	205	326	495	<b>805</b>
Corp./Cons.	679	(229)	(166)	(32)	<b>252</b>	506	246	83	73	<b>908</b>
<b>Group</b>	<b>(170)</b>	<b>1,003</b>	<b>676</b>	<b>2,170</b>	<b>3,679</b>	<b>(860)</b>	<b>1,483</b>	<b>1,331</b>	<b>1,745</b>	<b>3,699</b>



# Segment Overview (I)

	Order intake (€m)		Sales (€m)		Employees	
	FY 2007/08	FY 2008/09	FY 2007/08	FY 2008/09	Sep 30, 2008	Sep 30, 2009
Steel	14,199	8,414	14,358	9,945	41,311	39,156
Stainless	7,460	4,147	7,420	4,486	12,212	11,755
Technologies	13,490	8,580	12,412	10,640	54,043	49,056
Elevator	5,535	5,038	4,930	5,308	42,992	42,698
Services	17,453	11,166	17,336	11,896	46,486	43,235
Corporate	124	127	124	127	2,330	1,595
Consolidation	(3,056)	(1,502)	(3,154)	(1,839)	---	---
Group	55,205	35,970	53,426	40,563	199,374	187,495



# Segment Overview (II)

million €	EBITDA		EBIT		EBT	
	FY 2007/08	FY 2008/09	FY 2007/08	FY 2008/09	FY 2007/08	FY 2008/09
Steel	2,346	390	1,700	(250)	1,540	(486)
Stainless	363	(600)	214	(864)	126	(946)
Technologies	1,046	(138)	678	(836)	741	(868)
Elevator	509	637	450	568	434	558
Services	988	(30)	834	(187)	750	(271)
Corporate	(228)	(57)	(257)	(86)	(417)	(344)
Consolidation	(48)	(10)	(47)	(8)	(46)	(7)
Group	4,976	192	3,572	(1,663)	3,128	(2,364)





# Overview Business Areas – FY 2008/09

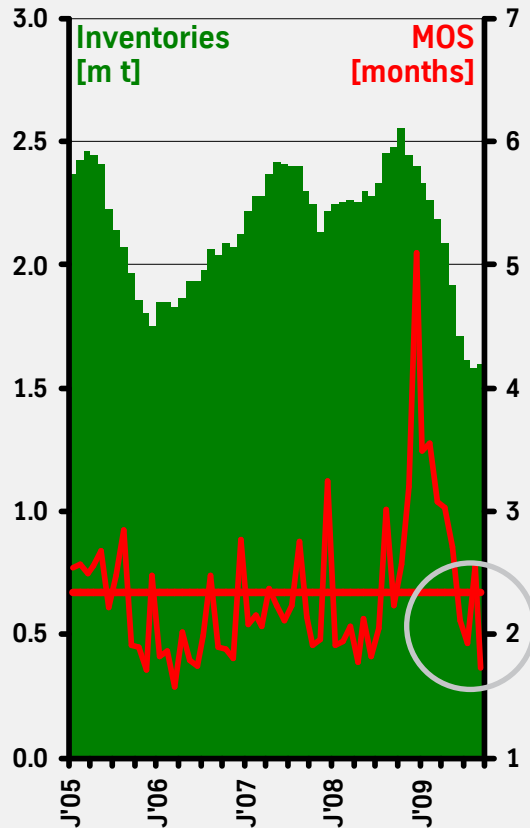
		Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems
Order intake	€m	7,892	0	4,147	12,085	5,038	3,538	4,177	870
Sales	€m	9,570	0	4,486	12,815	5,308	4,450	4,603	1,594
EBITDA	€m	487	(73)	(600)	(38)	640	206	35	(319)
EBIT	€m	(134)	(77)	(864)	(211)	570	163	(396)	(543)
EBT	€m	(197)	(216)	(926)	(295)	570	236	(458)	(554)
Capital Employed	€m	5,864	3,475	3,240	3,943	1,554	(1,034)	3,011	379
Employees		36,416	1,659	11,755	44,316	42,698	13,043	27,973	7,770

(preliminary numbers; earnings adjusted for internal reallocation)



# Steel: Inventories and Months of Supply

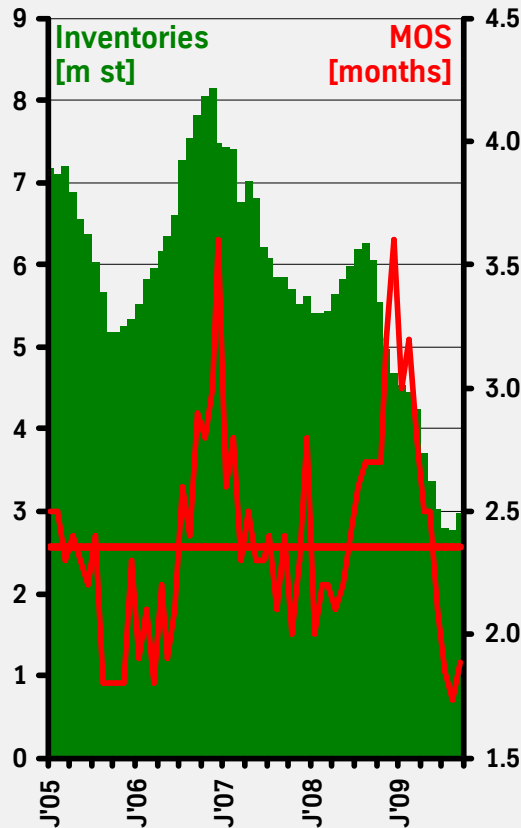
## Inventories and Months of Supply - Europe



Europe: European SSC: Inventories at month end / flat carbon steel w/o quarto

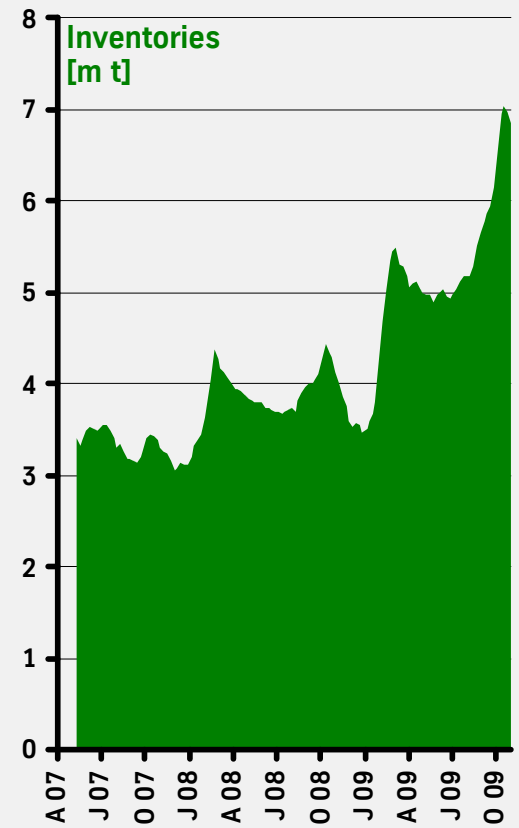
Source(s): TKS, EASSC, MAR, MSCI, UBS, MySteel

## Inventories and Months of Supply - USA



USA: September MSCI inventories, carbon flat rolled

## Inventories China



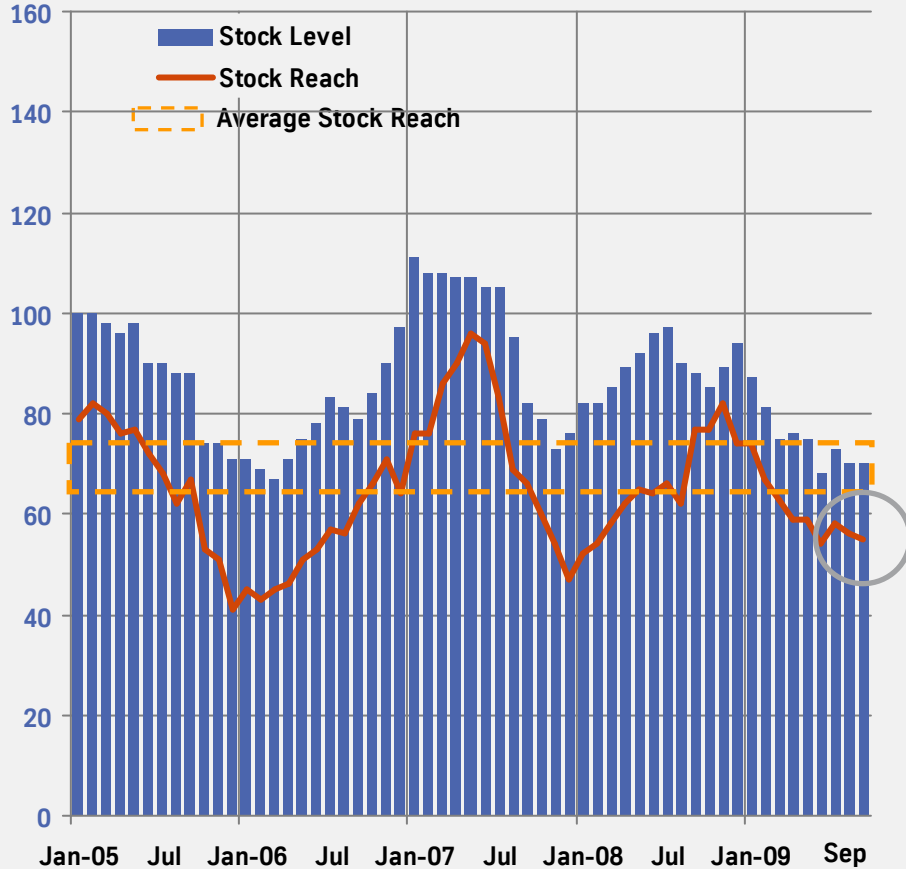
China: flat steel inventory in 23 major cities (HR, CR and Plate)

# Stainless: Market Situation

## Germany (cold-rolled products)

Stock level: INDEX Jan 2005 = 100

Stock Reach: Calendar Days

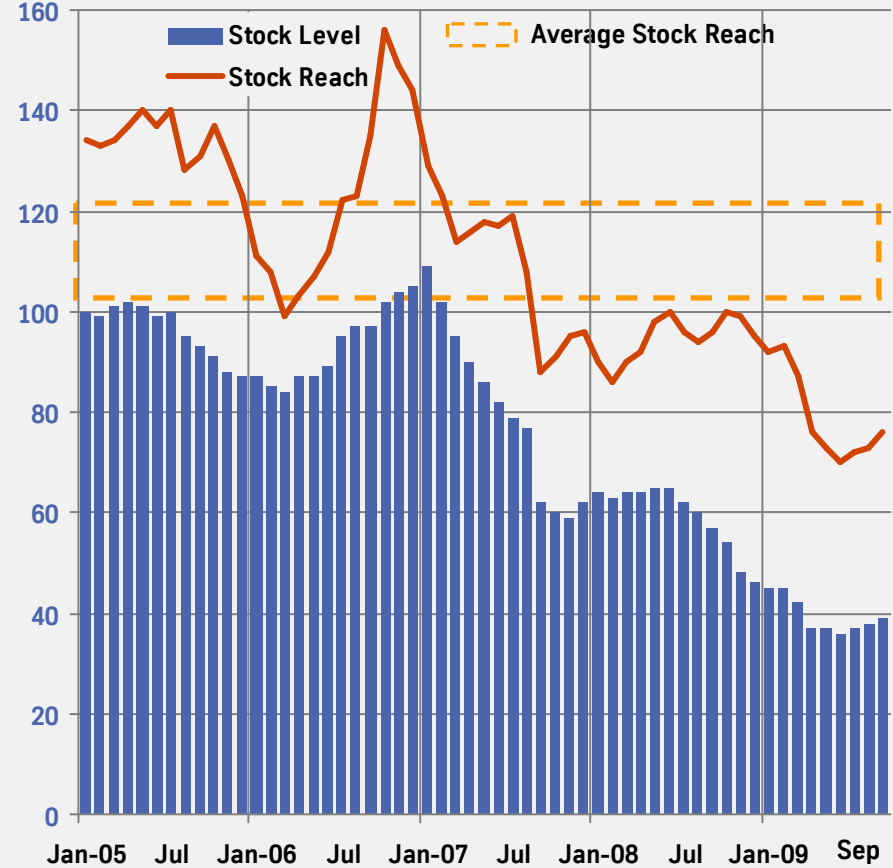


Source: EHV November 2009

## USA (hot- and cold-rolled products all shapes)

Stock level: INDEX Jan 2005 = 100

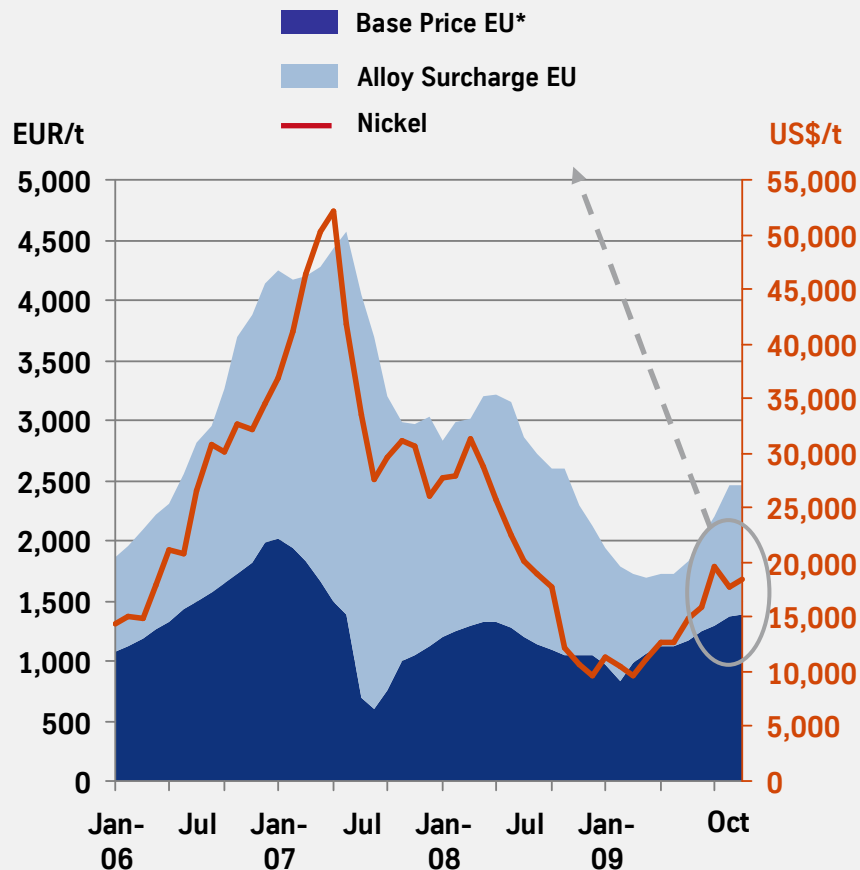
Stock Reach: Calendar Days



Source: MSCI October 2009; hot- and cold-rolled material all shapes

# Stainless: Price Development and Import Situation

## Price development: recovery gaining sustainability

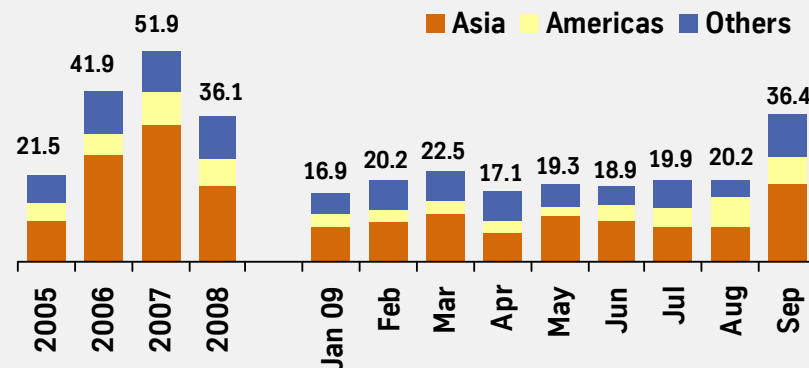


\* Base Price Germany, Traders/SSC, 304, 2mm sheet

Source: CRU November 2009, Metalprices (NICKEL) November 2009

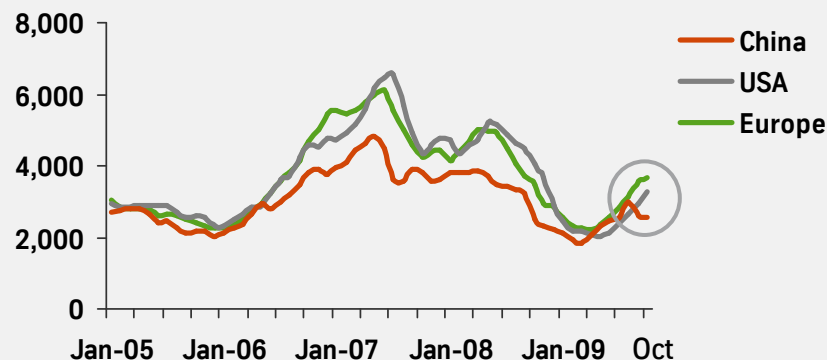
## Cold-rolled imports from third countries

[000t/Month]



Source: Eurofer November 2009, TKSL VV-BDG

## Regional price development\*



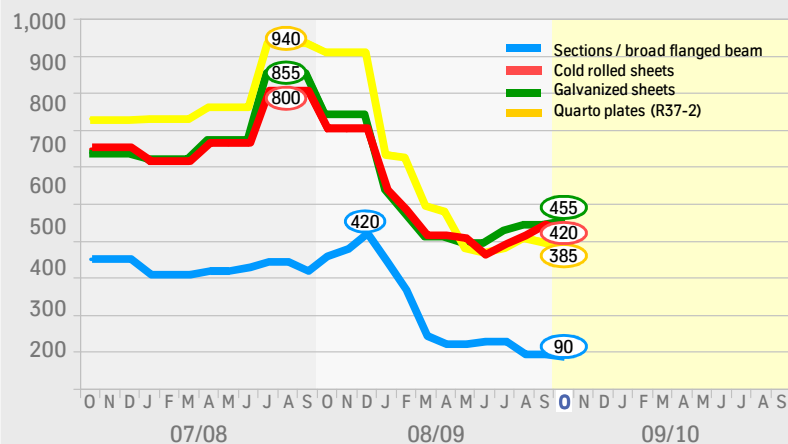
\* AISI 304 (1.4301) CR Flat, 2 mm

Source: CRU November 2009 (EU+USA), TKL-SKS November 2009 (Wuxi Market prices CHINA)

# Services: Price Developments

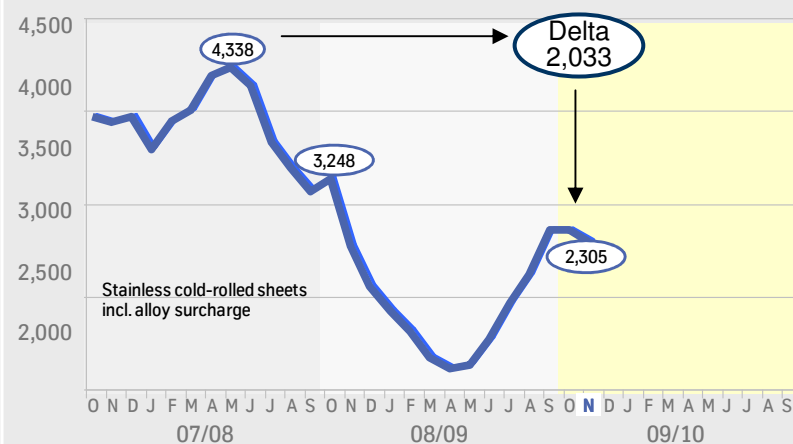
## Rolled Steel

€/t



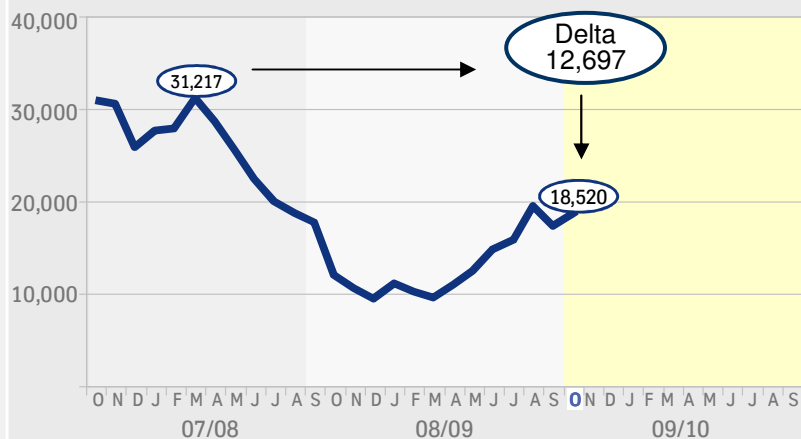
## Stainless Steel

€/t



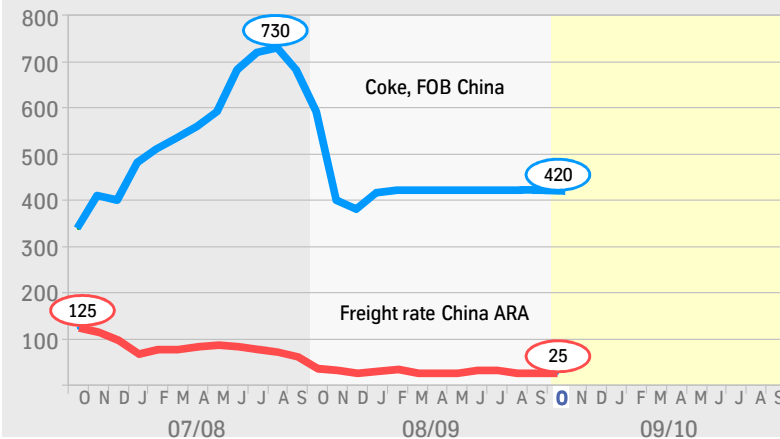
## Nickel

US\$/t (monthly average)



## Coke, Freight rate China

US\$/t





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- (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.

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