

**Remarks**

**by**

**Prof. Dr. Ekkehard D. Schulz**

**Chairman of the Executive Board**

**ThyssenKrupp AG**

**at the**

**6th Annual General Meeting**

**on January 21, 2005**

**Bochum**

**Check against delivery**

**Dear Stockholders,  
Ladies and Gentlemen,**

- **ThyssenKrupp got off to a good start in the first quarter 2004/2005. Earnings more than doubled compared with the prior-year quarter.**
- **We can look back at the best fiscal year since the merger of Thyssen and Krupp. The course we have chosen was the right one, as proved by our positive performance indicators and the successes we have achieved in the strategic development of the Group.**
- **Your ThyssenKrupp stock performed well in the past fiscal year. In gaining 36 percent it outperformed the DAX, which rose by just under 20 percent. Since the start of the new fiscal year on October 1, 2004, your stock has continued to perform positively.**

**With this encouraging news I would like to welcome you, also on behalf of my Executive Board colleagues, to this year's Annual General Meeting of ThyssenKrupp AG.**

**My report today will focus on:**

- **the key indicators documenting our strong performance in the first quarter 2004/2005;**
- **the key indicators for the very good fiscal year 2003/2004;**
- **the performance of our stock and our dividend proposal;**
- **our measures to increase the value of the Group through consistent portfolio optimization and the ThyssenKrupp best program;**
- **our strategic goals;**
- **research and development in the Group;**
- **our social commitment as a corporate citizen and**
- **the outlook for the current fiscal year.**

## Assessment of the first quarter 2004/2005

Ladies and Gentlemen,

The final figures for the first quarter 2004/2005 are not available yet but, as I just said, everything points to a successful start of the new fiscal year.

- We increased order intake by around 16% from 9.3 billion euros to 10.8 billion euros.
- We achieved roughly 20% growth in sales from 8.5 billion euros to 10.1 billion euros.
- Earnings from continuing operations before taxes and minority interest more than doubled compared with the year before (168 million euros) and are expected to be well in excess of 400 million euros.

We continued to make good progress on restructuring the Group in the first quarter by further optimizing the portfolio. At the beginning of December 2004, ThyssenKrupp Fahrzeugguss was sold to the European investor group Electra Partners Europe Limited. The Fahrzeugguss group generated sales of just under 300 million euros with around 1,700 employees in fiscal 2003/2004. In the middle of December 2004 we completed the biggest transaction since the merger in 1999 with the sale of the approximately 48,000 housing units of ThyssenKrupp Wohnimmobilien. The purchasers are the US bank Morgan Stanley and Corpus-ImmobilienGruppe from North Rhine-Westphalia. The selling price is 2.1 billion euros.

We very much welcome the fact that our achievements have also been recognized by the rating agencies. Following publication of our 2003/2004 Annual Report and the press release on the disposal of the residential real estate group ThyssenKrupp Wohnimmobilien, the rating situation is as follows:

Standard & Poor's has placed ThyssenKrupp's rating on "credit watch positive". Fitch and Moody's have each raised their investment-grade rating by one notch. Fitch has also placed the rating on "rating watch positive".

"Credit watch positive" and "rating watch positive" mean that the agencies will decide on an upgrade in the next few weeks.

As you can see, the fiscal year has begun well for the Group. We want to build on that. We will be reporting in more detail on the course of business in the first quarter on February 14, 2005, when the interim report is published.

Overview of fiscal year 2003/2004

#### Dynamic world economy

But now back to the past fiscal year. The economic parameters in fiscal 2003/2004 were predominantly favorable. Supported by dynamic growth in Asia and North America, the world economy improved markedly, which impacted positively on ThyssenKrupp's performance. Without the appreciation of the euro against major currencies the improvements would have been even more marked.

Economic growth increased strongly, particularly in the first half of the year. According to current estimates, world GDP increased by over 4 ½ percent and world trade by 9 percent in 2004. The euro zone is lagging behind the rest of the world economy. Although exports

increased in the wake of the global economic recovery, impetus from domestic demand remained low. The economy of the euro zone grew by just under 2 percent in 2004. Growth reached 1.7 percent in Germany, where stagnating private consumption and slow business spending dampened the economy. The only bright point in 2004 were exports, which again rose strongly despite the appreciation of the euro.

**ThyssenKrupp in fiscal 2003/2004**

Ladies and Gentlemen,

At the last Annual General Meeting in January 2004 I told you that we were preparing for a triple jump in earnings: from 419 million euros to 734 million euros in 2002/2003, from 734 million euros to roughly 1 billion euros in 2003/2004 and from 1 billion euros towards our target of 1.5 billion euros. As you know, we not only reached but exceeded this target in the past fiscal year, and we did so on the basis of our own efforts. The Group achieved earnings before taxes from continuing operations of 1,580 million euros, 806 million euros more than a year earlier. Earnings therefore more than doubled. Linked to this is a ROCE of 12 percent and a positive EVA of 572 million euros, to which all segments contributed. Here, too, our mid-term targets were achieved.

The other performance indicators also show that your company is in very good shape:

- Order intake and sales increased at double-digit rates: orders by 17 percent to 41.0 billion euros and sales by 11 percent to 39.3 billion euros.
- Cash flow from operating activities increased by 0.5 billion euros to 2.5 billion euros.
- Net income increased from 552 million euros to 904 million euros.
- Earnings per share was 1.81 euros, compared with 1.09 euros in fiscal 2002/2003.
- Net financial payables were further reduced. At September 30, 2004 they stood at 2.8 billion euros. In fiscal 2002/2003 they were still 4.2 billion euros. Our highest ever level of debt was 7.7 billion euros in fiscal 1999/2000.
- Gearing improved from 55.2 percent to 34 percent.

This very strong performance means that we not only reached but

clearly exceeded all our major targets. Naturally we also had to overcome certain difficulties. Although the boom on the international steel market resulted in full order books and high capacity utilization at ThyssenKrupp Steel, we also had to contend with significant increases in procurement prices for ores, coal, coke, alloys, energy and freight rates. One or two examples: prices for ore rose by 28%, unalloyed scrap by 47%, imported coke by 110% and iron ore freight rates by 105%. Raw materials and energy have become our largest cost items, accounting for more than two thirds of our costs. Higher steel prices were therefore inevitable in order to cushion the substantial cost increases. However we were only able to increase prices to a certain extent. Among the reasons for this are our long-term contracts with customers, particularly auto manufacturers. They prevented us from passing on price increases when they occurred. Another reason was the speed and scale of the price increases for raw materials and energy which we were only able to counter with a significant time lag in some cases. It is therefore a mistake to believe that the steel industry is exploiting the steel boom and increasing its prices unfairly.

On the other hand, let's look at the rise in rolled steel prices in Germany. Since 1995 they have increased by only 18%. In terms of producer prices, rolled steel prices have hardly risen in the past 30 years. In the past 20 years the average rate of price increase over the various sectors has been 19.1%. At the top of the pile we have the mechanical engineering sector with 52.1% and the automotive sector with 43.1%. By contrast, prices for rolled steel have increased by only 3.6%. This has been made possible by continuous increases in productivity. From 1960 to 2003, the number of employees in the German steel industry decreased from 417,000 to 95,000, while productivity increased from 82 tons to 474 tons per employee and year, with significantly higher value-added per ton. At ThyssenKrupp Stahl, it improved to as much as 630 tons per employee. The closures of Rheinhausen and Dortmund and ultimately also the merger of Thyssen and Krupp played an important part in this.

ThyssenKrupp has faced up to the challenges and done its homework. In contrast to many of its European competitors, the Group has not received any subsidies for its steelmaking operations and it is due to its own efforts that it is well positioned today, not just in the steel area.

This success is the result of hard work by our employees all over the world. They again made a decisive contribution to the Company's success last fiscal year. I therefore wish to thank them at this point, also on behalf of the entire Executive Board, for their great efforts. Our thanks also go to the employee representatives for their continuing constructive and trusting cooperation.

#### Performance of the segments

Let me now turn to the five segments Steel, Automotive, Elevator, Technologies and Services. All segments increased their profits in 2003/2004. The efficiency improvement programs implemented throughout the Group played a major part in this.

In the Steel segment we achieved a 17 percent increase in sales to 13.7 billion euros. Steel generated earnings of 911 million euros, compared with 439 million euros a year earlier. The segment contributed 212 million euros to the Group's total EVA of 572 million euros.

Our Automotive segment increased its sales by over 1 billion euros to 7.3 billion euros. ThyssenKrupp Automotive achieved earnings of 288 million euros, up 99 million euros from the prior year.

The Elevator segment increased its sales by 6 percent to 3.6 billion euros. Earnings increased again, from 355 million euros to 370 million euros.



In our Technologies segment, sales declined by 5 percent to 5.1 billion euros as a result of disposals, including that of Novoferm. Earnings increased from 42 million euros to 67 million euros.

The new Services segment, created by the combination of the Materials and Serv segments, increased its sales by 12 percent to 11.9 billion euros. Earnings totaled 271 million euros, compared with 36 million euros a year earlier.

### Performance of ThyssenKrupp stock

The improved economic climate and the systematic implementation of our strategy were reflected in a significant increase in the share price. At September 30, 2004 the ThyssenKrupp stock price stood at €15.69, 36.2 percent higher than a year earlier. In the same period the DAX gained 19.5 percent and the DJ STOXX 17.8 percent. Compared with the previous year, our market capitalization improved by more than 2 billion euros to around 8 billion euros. We see these results as an indication that the capital market is rewarding our efforts to increase the value of the Group.

In the first months of the new fiscal year the stock continued to perform positively. However, it could not quite keep pace with the DAX and the DJ STOXX. At the close of trading on January 18, 2005 the stock price was 16.64 euros. That represents an increase of 3 percent compared with the beginning of October 2004. In the same period the DAX achieved an increase of 6 percent. The DJ STOXX was around 5 percent higher.

Ladies and Gentlemen,

ThyssenKrupp's dividend policy is to pay an appropriate dividend based on the Group's net earnings. We strive to achieve dividend continuity. This means that the dividend tends to be higher in years where the Group's results are not so strong and lower relative to income in years where we achieve strong earnings.

Against this background we are proposing to you today a dividend of 60 cents per share. In fiscal year 2002/2003 we distributed 50 cents per share. This represents a 20 percent increase in the dividend for 2003/2004. Based on a stock price of 15.69 euros on September 30, 2004, the dividend yield is 3.8 percent. Over the past three years,

**ThyssenKrupp's average payout ratio has been 46 percent, putting the Group in the top third of the DAX 30 stocks.**

## Measures to increase the value of the Group

Ladies and Gentlemen,

The way we understand it, the aim of good corporate governance is to create sustainable value. To achieve this goal, ThyssenKrupp pursues a long-term strategy which includes:

- further focusing the Group on the core businesses in the three areas Steel, Capital Goods and Services through systematic portfolio management, and
- the Groupwide ThyssenKrupp best program.

### Systematic portfolio management

We are constantly optimizing our portfolio with the aim of further enhancing the earning power and value of your Company. In May 2003 we launched the "Divest 33+" program. In the meantime 27 measures have been completed, 3 are currently being implemented and 6 are under negotiation. We are thus continuing to concentrate on our core businesses and create more scope for strategic acquisitions. In fiscal 2003/2004 ThyssenKrupp acquired companies with sales of 0.6 billion euros and disposed of others with sales of 1.5 billion euros. Since the merger of Thyssen and Krupp in 1999 companies with sales of 5.4 billion euros have thus been sold and companies with sales totaling 7.0 billion euros acquired. As part of the portfolio optimization, further disposals of non-strategic holdings are planned along with selected strategic acquisitions.

ThyssenKrupp is a company in motion. As a result of portfolio changes last fiscal year, almost 3,900 employees joined and 3,200 employees left the Group. Operating changes resulted in 5,800 people joining the workforce as a result of organic growth and 6,300 people leaving due to productivity increases. Overall, the headcount increased slightly in fiscal

2003/2004. On September 30, 2004 ThyssenKrupp had 184,358 employees worldwide. A year earlier the total was 184,157. In Germany the number of employees decreased by 2,530 to 91,331. At our subsidiaries outside Germany the workforce increased by 2,731 to 93,027.

In the past five fiscal years the headcount at ThyssenKrupp has risen from around 179,000 (September 30, 1999) to over 184,000 (September 30, 2004). The dynamic nature of the employee movements can be seen by looking at the changes in this period. Around 18,000 employees left ThyssenKrupp as a result of portfolio changes and 35,000 as a result of operating changes. Around 29,000 people joined the Group as a result of portfolio changes and just under 30,000 as a result of operating changes. One in two jobs has been affected by changes.

#### ThyssenKrupp best

Our ThyssenKrupp best program was successfully further developed throughout the Group. In Germany and abroad, numerous projects were implemented, further opportunities for improvements at the subsidiaries were identified and the transfer of knowledge was expanded. Over 750 new projects were launched altogether in the past fiscal year. The program now incorporates more than 3,400 projects to improve operating efficiency, performance quality and capital productivity. In addition, there were initiatives relating to knowledge and innovation management and the integration of employees and management. Other projects were concerned with expanding service business.

The program is now firmly established nationally and internationally. Over 50 percent of all projects are being conducted outside Germany.

Added impetus was provided in the reporting period by the sales initiative, aimed at intensifying customer contacts, developing new profitable growth markets in core business areas and optimizing the

product mix. More than 120 new projects were launched in this area in the fiscal year. The breadth of the program means that ThyssenKrupp best contributes significantly more to enhancing the value of the Company than straight cost reduction or quality improvement programs.

## Strategic objectives

Ladies and Gentlemen,

What are our strategic plans for the future? We intend to stick to our strategy and take advantage of the economic upswing to speed its implementation. Through organic growth, strategic acquisitions and an even stronger service focus, the aim is to boost your Company's sales in the medium term to 45 to 50 billion euros. In the past fiscal year we generated pre-tax profits of 1.6 billion euros on sales of 39 billion euros. Since the merger we have grown by an average of 11 percent in our core business areas. The Group's performance cannot fail to achieve a further improvement in earnings and sales.

ThyssenKrupp's activities are focused in the three areas Steel, Capital Goods and Services. In the past fiscal year we achieved sales in these areas of around 14, 16 and 12 billion euros, respectively. In the medium term we are aiming for sales of 15 billion euros for the Steel area, 17 to 19 billion euros for the Capital Goods area and 12 to 13 billion euros for Services .

The five segments of the Group will implement their strategic plans step by step:

ThyssenKrupp Steel will continue to play an active role in the consolidation process of the steel industry. Carbon Steel and Stainless Steel aim to expand their market positions to remain international leaders in their fields. To this end we intend to increase our innovation leadership in products and processes, enhance our performance, achieve organic growth and enter into appropriate strategic partnerships. Plans to expand our high-grade carbon flat steel activities for our international customers are focused on the growth market China. The TAGAL hot-dip galvanizing line in the northern Chinese city of Dalian started production in December 2003. New tailored blanks facilities and steel service

centers will be important steps in strengthening our presence in downstream operations close to customers. The expansion of the Shanghai Krupp Stainless plant is continuing. Cold strip capacity will increase to 290,000 metric tons per year by the end of 2005.

To participate in the growth of the steel market and expand our position, we need additional steelmaking capacity, which we plan to build in Brazil. The project will cost around 1.3 billion euros and will increase our current crude steel capacity from 17 million tons to 21 million tons before the end of the decade. Production of the first slab is planned for mid-2008. The investment will pay off thanks to the cost advantages of Brazil as a production location, with its direct access to the raw materials. It is cheaper to transport slabs than iron ore. We will use the additional low-cost semi-finished products from the Brazilian steel mill project to improve the utilization rate of our wide hot strip mills and our downstream processing and coating lines. This will secure jobs in the Rhine and Ruhr areas and help us strengthen our position in the NAFTA region. In addition, we intend to keep our Duisburg steelmaking site at the leading edge of technology. We plan to invest in the construction of a replacement blast furnace and the scheduled relining of a neighboring blast furnace.

Our Automotive segment aims to further expand its top market positions in Body, Chassis and Powertrain through organic growth and targeted acquisitions – primarily in the growth regions of Asia and Eastern Europe. Growth will be based on value-oriented criteria to avoid dependency on individual customers or models. In addition, attractive system solutions based on innovative components are to be developed for our automotive customers, making use of cross-system capabilities.

ThyssenKrupp Elevator, today the world's third largest elevator manufacturer, aims to become world number 2 through acquisitions and organic growth. The segment is working systematically to expand its service capabilities and thus grow its high-margin service business. The



new organizational structure comprising four regional business units introduced in October 2004 will help enhance the efficiency of marketing and internal control.

On January 5, 2005 Technologies took the step toward a German shipyards alliance with the merger of its Marine business unit and the HDW group. ThyssenKrupp Marine Systems holds a leading position in the construction of surface naval ships and is the world's foremost producer of conventionally powered submarines. The merger creates a system house with strong positions in naval shipbuilding. All existing locations will be maintained. The new company will focus on four product areas: submarines, naval ships, merchant ships and repair. The shipyards in Hamburg, Emden and Kiel will each be developed into centers of excellence with clearly defined product responsibility. The restructuring and efficiency enhancement measures initiated in other areas of the segment will be continued. The aim of Technologies is to focus on the three high-performance business units Plant Technology, Marine and Mechanical Engineering.

Our Services segment is one of the world's leading providers of services to industrial customers and is focused on its key competencies in Materials Services, Industrial Services and Special Products. Its goals are to improve efficiency, intensify cross-segment cooperation and further expand its presence in Eastern Europe and North America. Through targeted investment, partnerships and alliances, Services plans to achieve further growth in Central and Eastern Europe and to provide its customers with service-oriented system and marketing solutions.

Research and development

Ladies and Gentlemen,

In addition to a convincing strategy, innovativeness is of key importance for business success. We are well equipped to meet this challenge. At 45 development centers in Europe, the USA and Asia, we have more than 3,000 scientists, engineers and technicians working on interdisciplinary, cross-segment and customer-focused projects to maintain the Group's leading positions in innovative products and processes. Let me provide some examples of this:

Our surface engineering center Dortmunder OberflächenCentrum, a leading research establishment, has developed a zinc-magnesium coating for steel sheet. A product family developed on the basis of this innovative coating has met with major customer interest due to its outstanding processing capabilities and anticorrosion effect. Car manufacturers will use the new coatings, applied to electrogalvanized sheet by vacuum deposition, from the beginning of 2007.

In the competition among materials, the Steel segment focuses primarily on concepts which exploit the weight saving potential of steel. One example is the NSB NewSteelBody, which has met with major interest among car manufacturers. The name stands for a complete weight-optimized body-in-white made of steel. The benchmark vehicle was a current production minivan which was awarded top ratings in crash tests. Although the NewSteelBody is 24 percent lighter, it matches or outperforms the benchmark's crash performance.

Our Elevator segment has developed a technologically unique passenger boarding bridge for the largest passenger aircraft in the world, the Airbus A380. The aim was to connect to a door in the upper deck and so reduce boarding and disembarking times from 45 to 38 minutes. The higher lift required for this was achieved using a hydraulic system.

At our last Annual General Meeting in January 2004, we reported on the groundbreaking TWIN elevator system. In the TWIN system, two cabs travel independently of one another in just one shaft. These cabs are not

connected and can serve different floors. This innovative product, which has won numerous awards, has already been installed at Stuttgart university and in our headquarters building in Düsseldorf. It will shortly also be fitted in the Main Triangle Building in Frankfurt, the Munich headquarters of the BMW Group and the Oceanic Center in Valencia/Spain.

These and other innovative products are helping us maintain our technological edge in the increasingly competitive global markets.

## Responsibility as a corporate citizen

Ladies and Gentlemen,

As a company, ThyssenKrupp operates in a field of tension between the interests of various stakeholders, including stockholders, creditors, suppliers, customers, employees, external partners, government authorities, parties, trades unions and associations. Balancing these interests in the overall context of social responsibility is a constant challenge, but one we are pleased to accept.

Take for example Germany as a business location: we have been a global player for many years and now have operations in more than 70 countries worldwide. But our home has always been the Ruhr area. This is where we have our roots, and this is where we employ almost 55,000 people. I say this quite deliberately against the background of the debate on the competitiveness of Germany as a business location. But I also say quite clearly that we will continue to seize every opportunity offered by globalization. Globalization is not an end in itself, it is a key component of our strategy to secure the Company's future. That is why we are systematically expanding our international activities year after year. But at the same time, we are also making substantial investments in our German locations. Let me mention two examples: in the next few years, the construction of a new continuous annealing line and additional coating facilities will turn our Andernach plant into the world's biggest tinplate production site; on completion of a further expansion phase, our Ilsenburg location will be the world's biggest camshaft manufacturer. This shows that we take our commitment to Germany seriously.

In keeping with our long-standing tradition, we also continue to train young people here in Germany well beyond our own requirements. At September 30, 2004, a total of 4,476 young people were learning one of 70 different occupations. Compared with the previous year, we raised our apprenticeship training rate to 5.3 percent. We are also participating

in the training pact: with over 150 new apprenticeships and initial training placements, ThyssenKrupp has made a further contribution toward improving the training situation in Germany.

We also attach great importance to our collaboration with external research and development organizations. To this end the Group has established a network of 221 cooperation partners, including numerous renowned universities, colleges, engineering associations as well as public and private R&D organizations in Germany and abroad. Almost 500 collaborations are in place altogether. The main cooperation themes are metallurgy and surface engineering, measuring and control systems, as well as production and process technology.

One highlight of the past fiscal year was our initiative “Discovering Future Technology”. Key activities in this initiative were an integrated media campaign – with TV commercials, print ads and advertorial supplements – and the Ideas Park. The standout event of our initiative was without doubt our Ideas Park, which was held at the Arena AufSchalke in Gelsenkirchen from September 2–4, 2004. Covering an area of 17,500 square meters – equivalent to the size of three soccer pitches – the Ideas Park offered a wide variety of insights into the fascinating world of technology.

I was frequently asked why ThyssenKrupp staged this event, the like of which had never been seen before in Germany. I believe that innovations are the only way to sustain Germany’s future as an important center of technology. For this we need a climate which is more open to innovation and which sees change as an opportunity, not as a threat. The declared aim of the Ideas Park was to get people interested in technology and demonstrate its benefits for growth and employment. And we were successful in this aim, for the response to our exhibition was overwhelming. More than 60,000 people visited the Ideas Park, among them German President Horst Köhler, the Prime Minister of North Rhine-

**Westphalia Peer Steinbrück, and a host of customers, employees and stockholders.**

**We take this dialogue seriously, and we intend to continue it in the future. We see this as part of our social responsibility.**

Ladies and Gentlemen,

This also means supporting victims of the tsunami in Southeast Asia. The suffering of tens of thousands of families and the dreadful pictures of the widespread devastation were deeply distressing to us. We want to help the victims of the tsunami in India and Thailand and rebuild a village in a severely affected region of each country. The regions concerned are Madras in India and Khao Lak in Thailand. At the same time we intend to build an orphanage in each of the two countries and secure the financing of expert psychological counseling in these orphanages. With these sustained projects, for which we are allocating between 2 and 2.5 million euros, we want to contribute to the reconstruction process. We also wish to express our closeness with these countries in which we have been active for many years. In recent weeks we have received many requests from stockholders for part of the dividend to be used as a donation. Unfortunately, this is not possible for legal reasons. However, individual stockholders may use all or part of their dividend to support victims of the floods.

## Outlook

Ladies and Gentlemen,

To close I would like to look forward to the full year 2004/2005. We expect the following developments:

- The boom on the international steel market will continue this year. The key factor will remain the high growth in Chinese demand. The situation on the raw material markets will therefore remain tight and result in continuing high raw material costs and steel prices. Overall, we anticipate world crude steel production of approximately 1,090 million metric tons in 2005, 5 percent more than in 2004. In Germany, production is expected to increase to 47 million tons, compared with 46.5 million tons in 2004.

- According to current forecasts, world auto production will rise to almost 67 million vehicles in 2005. The main source of the 4 percent growth will be China and the other Asian countries.
- The expectations for the German mechanical engineering industry are also positive. A 3 percent production increase appears realistic in 2005. Growth will continue in the USA, Japan and China, though at a lower slightly lower rate than in 2004. Demand for machine tools is expected to continue to grow strongly.
- The situation for the German construction industry will remain difficult. A marked weakening is expected in the USA. By contrast, the prospects for the markets in Central and Eastern Europe and Asia remain more favorable.

#### ThyssenKrupp in fiscal 2004/2005: Encouraging performance expected

Ladies and Gentlemen,

If these economic forecasts are accurate, overall we expect another encouraging performance from the Group. What are our targets for 2004/2005? We are budgeting for sales in the region of over €41 billion. This does not include portfolio changes.

- Steel forecasts a further increase in sales of carbon flat steel due to higher prices. Price increases were implemented at the start of the 1st quarter of fiscal 2004/2005. Sales of stainless flat steel are expected to rise due to higher shipments and the passing-on of alloy costs.
- Automotive also expects higher sales. The startup of new plants will contribute to this.
- Elevator forecasts a further expansion of business. Sales will grow above all in Asia and Latin America, with moderate increases in the other markets.
- At Technologies, sales are expected to remain level with the prior year despite the disposal of some operations. On a like-for-like



basis, sales are forecast to increase, particularly due to the good order situation in plant technology and the rising demand for system components.

- Services expects further increases in the Eastern European market and in the Industrial Services business.

Our aim for 2004/2005 is to surpass the very good level of pre-tax earnings achieved in 2003/2004, not including the effects of disposals and restructuring measures. We will continue to pay a dividend based on our earnings performance.

Ladies and Gentlemen,

We can look back on a very good fiscal year in 2003/2004 and have every reason to assume that the current year will also be a successful one. We intend to build on this. Our course is clear: we aim to achieve further profitable growth worldwide with a motivated workforce and excellent products. So my request to you , Ladies and Gentlemen, is to accompany us down this path and to continue to put your faith in our Company, its capabilities and its employees.

Thank you.