



ThyssenKrupp Announces Finalists for New \$2.9 Billion State-of-the-Art Steel and Stainless Steel Manufacturing Facility in the United States

Alabama and Louisiana in Final Consideration

TROY, MICHIGAN, [February 7, 2007] – ThyssenKrupp announced today that it is proceeding with the development of a new state-of-the-art steel and stainless steel manufacturing and processing facility in the United States. The facility will be a joint venture of two Group segments, ThyssenKrupp Steel and ThyssenKrupp Stainless, both based in Duisburg, Germany.

Over the past several months, ThyssenKrupp has been conducting extensive due diligence and negotiations with three states: Alabama, Arkansas and Louisiana. ThyssenKrupp has narrowed the search for the \$2.9 billion facility to two states, Alabama and Louisiana, and has decided not to pursue the site in Arkansas based on the criteria it has been using in a lengthy site selection process.

The company's decision to narrow the search to Alabama and Louisiana is based on a number of immutable factors that were decisive including geological characteristics that would impact plant design and construction costs; energy costs and logistical considerations.

"Arkansas made an excellent proposal, and has many important and valuable attributes for business development," said Peter Urban, Vice Chairman of the Executive Board of ThyssenKrupp Steel. "However, based on the criteria we developed after much study, we are moving forward with Alabama and Louisiana at this time," he said.

Jürgen Fechter, Chairman of the Executive Board of ThyssenKrupp Stainless and Member of the Executive Board of ThyssenKrupp AG, added: "ThyssenKrupp is committed to the new facility as the NAFTA market is an integral part of our overall global strategy." In the coming years the North American market is expected to show above-average growth for both high-grade flat carbon steel and stainless steel products, he said.

The facility will manufacture and process carbon steel and stainless steel for high-value applications by manufacturers in the United States and throughout North America. The plant will serve industries including automotive, packaging, construction, electrical and utility, in addition to serving manufacturers of appliances, precision machinery and engineered products.

The new facility will include a hot strip mill which will be used primarily to process slabs from the company's new steel mill in Brazil. The new U.S. plant will also feature cold rolling and hot-dip coating capacity for high-quality end products of flat carbon steel. The facility will have an annual capacity of 4.5 million metric tons of end products. In addition, a stainless steel melt shop will be built with an annual capacity in the first phase of up to one million metric tons of slabs which will be also processed on the hot strip mill. A cold rolling facility is to be built, which will be designed initially to produce 325,000 tons of cold strip and 100,000 tons of pickled hot strip. In addition, the stainless plant will provide ThyssenKrupp Mexinox in San Luis Potosí (Mexico) with their required pre-material, i. e. 340,000 metric tons of hot band.

The new plant complex, which is expected to begin operations in 2010, is considered to be one of the largest private industrial development projects in the United States over the next decade. During construction, the facility will create upwards of 29,000 jobs. When it is fully operational, the plant will employ 2,700 people. Over a 20-year period, the facility is expected to yield an additional 38,000 to 52,000 indirect jobs.

ThyssenKrupp has not yet made a decision about the final site, but expects to complete the site selection process as expeditiously as possible. "We are still reviewing a wide range of factors," Fechter said, adding: "Public officials in all three states have been extraordinarily cooperative and responsive as we have conducted our review and analysis. We could not have asked for better working relationships or a better environment in which to perform this complex due diligence and investigative process."

He continued: "We recognize this announcement comes as a disappointment to many people in Arkansas, particularly those who had worked so hard on development proposals. But we believe the economic ripple effects of the new plant will benefit the wider regional economy as well."

"We look forward to working with officials in both Alabama and Louisiana as we move forward to complete this important process," Urban concluded.

The ThyssenKrupp Group, based in Duesseldorf, Germany, is a global technology company which consists of five business segments – Steel, Stainless, Technologies, Elevator and Services. The company has annual sales of approximately €47 billion (US\$61 billion) and employs 188,000 employees in over 70 countries worldwide.

ThyssenKrupp Steel AG, based in Duisburg, Germany, is the holding company for the carbon steel activities of the Group. It is the largest single entity, producing approximately 14 million metric tons of crude steel and generating sales of €10.7 billion (US\$14 billion). This business segment is focused on high-quality carbon steel flat products and is one the world's leading producers, ranking second in Europe. The segment employs over 30,000 people. Its subsidiaries are active in processing, coating and steel services. Subsidiaries include Rasselstein GmbH, the world's largest tinplate production site in Andernach, Germany, and Duisburg-based ThyssenKrupp Tailored Blanks GmbH, world market and technology leader in laser-welded blanks for the auto industry.

ThyssenKrupp Stainless AG, also based in Duisburg, Germany, is the holding company for the stainless activities of the Group. It has achieved leading market positions worldwide in stainless steel flat-rolled products, nickel alloys and titanium. With annual sales of €6.4 billion (US\$8.3 billion), the segment employs 12,200 employees in Germany, Italy, China, Mexico and the U.S.

ThyssenKrupp operations can be found in every state in the U.S. There are 70 ThyssenKrupp companies in more than 400 locations accounting for 25,000 employees and more than US\$9.7 billion in annual sales. Through its predecessor companies, ThyssenKrupp has been part of the U.S. historical landscape for 170 years, dating back to 1837 when Alfred Krupp, founder of predecessor company Krupp, provided coin minting machine prototypes to the U.S.

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