

# Interim Report 1st half 2008 – 2009

ThyssenKrupp AG

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October 01, 2008 – March 31, 2009

# 02

**ThyssenKrupp**





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Interim report 1st half 2008 – 2009

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October 01, 2008 – March 31, 2009

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## The Group in figures

### GROUP

		Year-to-date comparatives				2nd quarter comparatives			
		1st half ended March 31, 2008	1st half ended March 31, 2009	Change	Change in %	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009	Change	Change in %
Order intake	million €	27,354	20,529	(6,825)	(25)	14,084	7,642	(6,442)	(46)
Sales	million €	25,469	21,381	(4,088)	(16)	13,199	9,859	(3,340)	(25)
EBITDA	million €	2,280	906	(1,374)	(60)	1,197	142	(1,055)	(88)
Earnings before taxes (EBT)	million €	1,388	(215)	(1,603)	(115)	742	(455)	(1,197)	(161)
Net income/(loss)	million €	937	(199)	(1,136)	(121)	502	(362)	(864)	(172)
Basic earnings per share	€	1.85	(0.35)	(2.20)	(119)	1.00	(0.71)	(1.71)	(171)
Employees (March 31)		195,828	192,521	(3,307)	(2)	195,828	192,521	(3,307)	(2)

		Sept. 30, 2008	March 31, 2009
Net financial debt	million €	1,584	3,687
Total equity	million €	11,489	10,182

### SEGMENTS

	Order intake (million €)		Sales (million €)		Earnings before taxes (million €)		Employees		
	1st half ended March 31, 2008	1st half ended March 31, 2009	1st half ended March 31, 2008	1st half ended March 31, 2009	1st half ended March 31, 2008	1st half ended March 31, 2009	March 31, 2008	Sept. 30, 2008	March 31, 2009
Steel	7,174	3,687	6,853	5,330	749	307	40,636	41,311	40,071
Stainless	4,151	1,785	3,793	2,161	(7)	(622)	12,042	12,212	12,079
Technologies	6,320	6,620	5,851	5,577	365	59	53,637	54,043	50,978
Elevator	2,930	2,751	2,348	2,636	209	302	40,873	42,992	43,306
Services	8,273	6,260	8,099	6,629	267	(48)	46,318	46,486	44,512
Corporate	60	60	60	60	(181)	(211)	2,322	2,330	1,575
Consolidation	(1,554)	(634)	(1,535)	(1,012)	(14)	(2)	—	—	—
<b>Group</b>	<b>27,354</b>	<b>20,529</b>	<b>25,469</b>	<b>21,381</b>	<b>1,388</b>	<b>(215)</b>	<b>195,828</b>	<b>199,374</b>	<b>192,521</b>

	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Steel	3,986	1,651	3,639	2,405	396	56
Stainless	2,001	819	1,955	988	38	(373)
Technologies	3,108	1,723	3,029	2,656	186	(105)
Elevator	1,464	1,189	1,164	1,293	90	146
Services	4,322	2,514	4,232	2,903	135	(78)
Corporate	26	25	26	25	(97)	(103)
Consolidation	(823)	(279)	(846)	(411)	(6)	2
<b>Group</b>	<b>14,084</b>	<b>7,642</b>	<b>13,199</b>	<b>9,859</b>	<b>742</b>	<b>(455)</b>

## ThyssenKrupp in brief

We have almost 193,000 skilled and committed employees working in the areas of Steel, Capital Goods and Services to provide innovative solutions for sustainable progress for our customers in around 80 countries on all five continents. In our five segments – Steel, Stainless, Technologies, Elevator and Services – we are meeting the global challenges and turning them into opportunities. Our high-tech materials, plants, components and systems offer answers to many questions of the future. The Group headed by ThyssenKrupp AG includes, directly and indirectly, over 800 subsidiaries and equity interests. Two thirds of our 2,700 production sites, offices and service bases are outside Germany.

## Group review

### ThyssenKrupp sucked into the global recession

The economic fundamentals have deteriorated more sharply than expected in recent months. The world economy is in a deep recession. The collapse in demand for carbon and stainless steel and in the international materials services business has impacted ThyssenKrupp significantly. Certain areas of our capital goods activities – especially our automotive and civil shipbuilding businesses – also showed a decline. Business with elevators and escalators remained pleasing and in line with expectations. In this economic environment sales and earnings at ThyssenKrupp declined. Sales in the 1st half of 2008/2009 decreased by 16% year-on-year. The Group's earnings before taxes fell year-on-year by €1,603 million to a loss of €215 million.

The highlights for the 1st half 2008/2009:

- Order intake decreased by 25% to €20.5 billion compared with the 1st half 2007/2008.
- Sales fell by 16% to €21.4 billion.
- EBITDA came to €906 million, compared with €2,280 million a year earlier.
- Earnings before taxes amounted to €(215) million, down from €1,388 million.
- Earnings per share dropped from €1.85 to €(0.35).
- Net financial debt at March 31, 2009 was €3,687 million, an increase of €2,103 million compared with September 30, 2008, when we reported net financial debt of €1,584 million. On March 31, 2008, net financial debt stood at €1,988 million.

We expect a significant drop in order intake and sales for full fiscal year 2008/2009. This will be reflected in earnings. Price and volume declines will be only partly offset by falling input material prices and an extensive additional action program to enhance efficiency. In addition, targeted steps are being taken to significantly reduce net working capital. Measures are being implemented to reduce or postpone the investment program.

ThyssenKrupp expects to end the current fiscal year with a loss before taxes and major nonrecurring items – restructuring expense, project costs and impairment losses. Depending on future economic developments, a loss before taxes and major nonrecurring items in the mid to high three-digit-million euro range is expected.

Earnings before taxes will be considerably impacted by restructuring losses for our cost reduction programs and the strategic reorganization. These measures will play a decisive role in significantly strengthening the future earning power of the Group. Project costs for the new steel plants and possible further impairment charges are also expected to have a major impact on earnings before taxes. The exact amount of the nonrecurring items cannot yet be reliably assessed.

### World economic slide accelerating

The world economy is in its deepest recession since the end of the Second World War. The economic and financial crisis originating in the US real estate market intensified dramatically in the winter months, accelerating the slide. Economic output in the major industrialized countries decreased, and the emerging economies also saw their growth momentum decline significantly. Global demand weakness caused raw material prices to fall. However, the corresponding increase in purchasing power in the consuming countries failed to slow the downturn.

In the USA, the economic downturn intensified last year. The deterioration of the labor market, negative wealth effects and increased credit restrictions resulted in falling private consumption. The decline in capital spending and housing construction was even sharper. The Japanese economy also shrank significantly over the winter months, mainly due to a drastic decline in exports to the USA, Europe and Japan's Asian neighbors.

Europe is likewise deep in recession. The euro zone has recorded a sharp decline in gross domestic product in recent months. Industrial output has fallen significantly. On the demand side, the economic collapse has manifested itself above all in capital spending and exports. The German economy also slid into a deep recession in fall 2008. Manufacturing industry in particular had to cut back production significantly in response to the deterioration in orders; exports and capital investment fell substantially.

The emerging economies were unable to escape the effects of the global recession. A number of Asian countries recorded massive drops in exports. The Chinese economy has lost significant momentum, while the countries of Latin America have been particularly impacted by falling raw material prices and reduced deliveries. The developments on the raw materials and energy markets have also had a negative effect in Russia. The economic situation in the rest of Central and Eastern Europe has also worsened dramatically in recent months.

All sectors important to ThyssenKrupp are affected by the global recession. The picture in the individual sectors is as follows:

- Steel demand has fallen substantially. After steel producers worldwide cut back production considerably in the final quarter of last year, output again fell massively in the 1st quarter of this year. Worldwide, 23% less steel was produced in the first three months of this year. Excluding China, which again increased its steel production against the general trend, the decline was 37%. Output fell by 44% in the European Union and by 52% in the NAFTA region. Capacity utilization throughout the industry has decreased dramatically, resulting in temporary shutdowns and closures. On the American market capacity utilization has been less than 50% since last fall, while in Germany it has averaged 60%. German crude steel production in the 1st quarter 2009 was only 7.3 million metric tons, down 39% year-on-year. Despite these massive sustained production cutbacks the worldwide fall in steel spot prices has not been halted but at best slowed. Prices slipped again in the 1st calendar quarter.

On the European market for carbon steel flat products the drop in orders that began in September last year continued. Extremely weak activity in important customer industries, leading to massive production falls, and still substantial inventory overhangs at end users and distributors have brought demand to a complete standstill in some cases. Inventories have decreased in the course of recent months but are still very high due to a significant drop in inventory turnover. In the first three months of this year, orders received by European flat steel producers were down 59% year-on-year. In Germany, order intake for rolled steel fell by 57% in the 1st quarter 2009. Only essential requirements are being covered, also because buyers believe that prices have not yet bottomed out. Although third-country imports into the EU were lower than a year earlier in the first two months of 2009, their share of the total market supply has probably risen.

- Market demand for stainless steel flat products again fell significantly in Europe and worldwide. With shipments by European stainless producers already in decline due to rising imports from Asia, the global recession and falling prices for alloy metals caused a further drop in customer demand. This resulted in further stock-building at service centers and distributors in Germany into 2009. Since then, inventories have been reduced slightly as a result of lower replenishment orders. In North America, inventory levels at end users, distributors and service centers have been falling significantly for several months, but ordering has remained below-average. In Asia, inventories are still at a very high level but have recently shown signs of declining.

The steep fall in prices of raw materials for stainless steel production, particularly nickel, molybdenum, chromium and steel scrap, was reflected in lower alloy surcharges. Due to the demand weakness, base prices in Europe and North America also fell. In Asia, too, the difficult economic situation was reflected in collapsing prices.

In the nickel alloy business, the economic situation led to the postponement of projects across all consumer segments, resulting in fewer orders being placed. In the titanium sector, technical delays in the production of the new Airbus and Boeing aircraft caused a sharp drop in orders across the market. High inventory levels additionally exacerbated the demand weakness.

- The worldwide recession has left a deep impact on the international auto market. The established markets in North America, Japan and Europe have experienced dramatic sales collapses, while the previously fast-growing emerging economies have lost significant momentum. In the USA, sales of new cars and light trucks dropped by around 35% in the 4th quarter 2008; the trend continued in the 1st quarter 2009 with a drop of 38%. In the European Union, too, demand has declined in recent months: new car registrations fell by 19% in the final quarter of 2008 and by 17% in the 1st quarter 2009. In Germany, the introduction of the scrappage scheme slowed the decline in new car registrations. After dropping by 11% in the 4th quarter 2008, new car sales increased by 18% in the 1st quarter 2009. However, due to a simultaneous collapse in German exports, production in the first three months of 2009 was still 33% down. The situation for trucks was even more dramatic; output in Germany slumped by 55% in the 1st quarter 2009, and there are now hardly any significant order backlogs.
- In the mechanical engineering sector, production slowed in many countries in the course of 2008, with numerous companies cutting their investment budgets due to the global recession. This caused a drop in orders received by machinery manufacturers. After years of high growth, new orders in Germany declined year-on-year by 29% in the 4th quarter 2008. Domestic and foreign business contributed equally to the sharpest fall in 50 years. In the 1st quarter of 2009 the decline in orders accelerated to 42%. In the German plant engineering sector, orders also decreased significantly in the 4th quarter 2008.

- The global economic crisis also left its mark on the construction industry. Construction activity slowed markedly in Asia and Central and Eastern Europe. Output in the USA fell significantly due to the real estate crisis. The German construction sector still had a relatively good workload in 2008, although orders slipped over the course of the year. New construction orders also declined markedly at the beginning of 2009.

### Orders and sales in steep decline

#### THYSSENKRUPP IN FIGURES

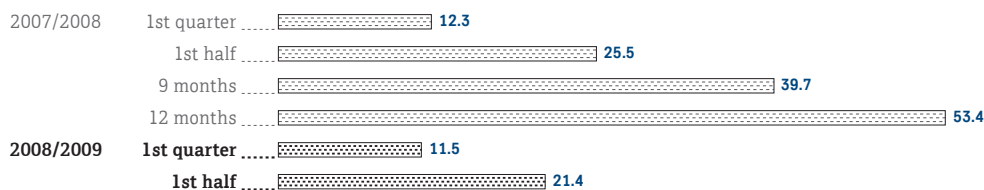
		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	27,354	20,529	14,084	7,642
Sales	million €	25,469	21,381	13,199	9,859
EBITDA	million €	2,280	906	1,197	142
Earnings before taxes (EBT)	million €	1,388	(215)	742	(455)
Employees (March 31)		195,828	192,521	195,828	192,521

The global recession left a deep mark on ThyssenKrupp's business. Sales and particularly orders were weaker in the 1st half of 2008/2009. The 2nd fiscal quarter especially was marked by heavy falls.

Following a drop of 3% in the 1st quarter 2008/2009, order intake decreased by a further 46% in the 2nd quarter. In total, ThyssenKrupp received new orders worth €20.5 billion in the first half 2008/2009, 25% less than in the corresponding prior-year period. With the exception of Technologies, all segments recorded lower orders. At Steel, Stainless and Services, weaker demand for materials and falling prices resulted in a significant decrease. Orders at Elevator were only slightly lower year-on-year; elevator business in Southern Europe and the Middle East was positive, as was global demand for escalators and passenger boarding bridges. Technologies reported higher orders after receiving major contracts in the naval shipbuilding area.

Group sales fell by 6% in the 1st quarter and 25% in the 2nd quarter 2008/2009. Overall in the 1st half 2008/2009, sales decreased by 16% to €21.4 billion. Stainless in particular, but Steel and Services as well, recorded a significant drop in business. At Stainless, this was mainly due to a sharp fall in shipments and lower stainless steel prices. Sales volumes at Steel also decreased but the high proportion of long-term contracts had a stabilizing effect. At Services, falling prices and lower demand for materials had a negative effect. Technologies benefited from an improved performance in plant engineering but sales overall were slightly down from the prior year. Elevator continued its positive performance and significantly increased its sales.

#### SALES in billion €

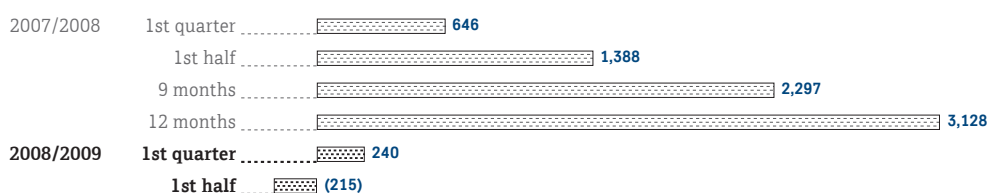




### Earnings down

ThyssenKrupp's earnings deteriorated significantly. Following a profit of €240 million in the 1st quarter, a loss of €455 million was recorded in the 2nd quarter. Earnings before taxes (EBT) in the 1st half 2008/2009 therefore decreased year-on-year by €1,603 million to €(215) million. This includes pre-operating costs for the new plants in Brazil and the USA of €109 million, additions to restructuring provisions of €39 million and impairment of property, plant and equipment at Stainless and Technologies of €76 million. In addition there were inventory writedowns of €239 million, mainly relating to the Stainless and Services segments.

#### EARNINGS BEFORE TAXES (EBT) in million €



The heavy loss in the Stainless segment was due to a collapse in demand and falling stainless steel prices; the decline in raw material prices also necessitated significant inventory writedowns. Writedowns and massive earnings falls in the materials business also resulted in negative earnings at Services. At Steel, profits decreased due to declining shipments and pre-operating costs for the new plants in Brazil and the USA. Technologies also reported a fall in profits, due to substantial charges at the shipyards and declining business in the automotive and construction equipment sectors. Elevator made a good earnings contribution; all business units recorded higher profits.

Net sales in the reporting period were €4,088 million or 16% lower than in the corresponding prior-year period. The cost of sales decreased by €2,411 million or 11% and therefore to a lesser extent than sales. A major reason for this was a significant year-on-year increase in inventory writedowns which partly offset the sales-related decline in other costs of sales. Overall, gross profit decreased by €1,677 million, combined with a decline in gross margin from 17% to 13%.

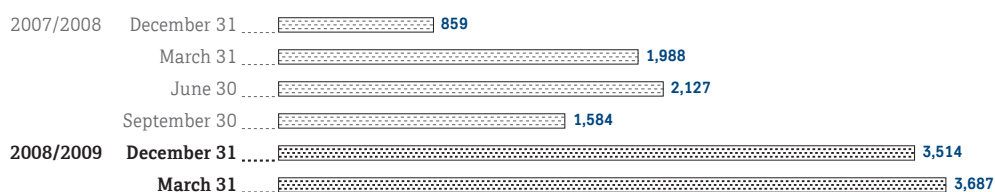
The decrease in selling expenses by €57 million was caused mainly by lower expenses for sales-related freight and insurance charges in the Steel, Stainless and Services segments due to the decline in business. The increase in other operating income by €87 million was connected with the cancellation of qualifying foreign currency hedges for planned raw material purchases, since the volume of raw material purchases was lower due to the economic recession. €36 million higher provisions for restructuring in the personnel area, particularly in the Steel and Technologies segments, and €17 million lower losses on the disposal of non-current assets were major factors in the €11 million increase in other operating expenses. The €48 million decrease in income from companies accounted for using the equity method was due to the overall drop in earnings at the companies concerned compared with the corresponding prior-year period. The €137 million deterioration in net interest was connected with the higher net financial debt compared with the prior year. The €166 million improvement in other financial income/(expense), net was primarily due to a €78 million improvement in exchange gains/(losses), net on financial transactions and a €70 million year-on-year increase in capitalized interest cost, mainly relating to construction progress on the steel mill in Brazil.

After taking into account taxes on income, the net loss for the period was €199 million; in the corresponding prior-year period a net income of €937 million was achieved. Including minority interest in losses of €38 million, earnings per share for the period deteriorated to €(0.35).

### Net financial debt and capital expenditures

On March 31, 2009, net financial debt stood at €3,687 million. The increase of €2,103 million compared with September 30, 2008 was influenced to a large degree by the global recession and the associated burdens on day-to-day operations, capital spending for our major projects and the dividend payment.

#### NET FINANCIAL DEBT in million €



ThyssenKrupp invested a total of €2,196 million in the 1st half 2008/2009, 12% more than in the first six months of the prior year. €1,994 million was spent on property, plant and equipment and intangible assets, and €202 million on the acquisition of businesses, shareholdings and other financial assets.

### Construction of new plants in Brazil and the USA

The Steel segment continues to work on its transatlantic growth strategy, with the three pillars of Brazil, NAFTA and Europe. The fundamental reasons for these strategic investments have not changed in light of the current economic crisis. Of central importance is the 5 million ton capacity steel mill currently under construction in Santa Cruz in the state of Rio de Janeiro/Brazil which will produce low-cost steel to the highest quality standards.

In November 2008, the Supervisory Board approved an increase in the investment budget for the project to around €4.5 billion. The value creation of the project in combination with the construction project in Alabama and the expansion program in Europe is still assured even after the budget increase. As at March 31, 2009, the value of contracts concluded stood at €4 billion.

Some 22,000 workers are currently employed on the building site. Structural steel erection and mechanical and electrical installation work is proceeding in parallel in all areas. Due to the current situation on the steel market, it is being considered whether to delay the start-up of the plant. As well as adapting to the current world economic situation, this extension to the construction period would reduce the cost of acceleration measures.

Recruitment of personnel for the future production phase is at an advanced stage; at the end of March 2009, 1,355 employees were working for ThyssenKrupp CSA in Brazil.

In its home European market, Steel intends to strengthen its position by expanding and modernizing its processing and coating facilities in Germany. Around 40% of the slabs produced in Brazil in the future are to be shipped to Germany to be processed into high-quality finished products for demanding customers. The investment projects to facilitate slab handling at Duisburg-Walsum port and increase capacity at four hot-dip coating lines have been completed. A number of modernization measures have been implemented at the hot strip mills in Bochum and Duisburg-Beeckerwerth. Further investments in the hot-rolled area have been scheduled.

Construction of the new joint steelmaking and processing plant of the Steel and Stainless segments began near Mobile in Alabama/USA in fall 2007. Work is being continued as scheduled for the production lines of the Steel segment, whereas the construction period for the Stainless facilities has been extended. Steel will operate hot- and cold-rolling as well as coating lines at the plant in Mobile and will process slabs produced in Brazil into high-quality flat products. Total hot-rolling capacity will be over 5 million tons a year. Work on the project is running largely to schedule. Due to the current global economic situation it is being considered whether to delay start-up of the Alabama project, currently scheduled for spring 2010.

The Supervisory Board approved an increase in the investment budget for Steel to USD3.25 billion in November 2008. The value creation of the project remains assured. As at March 31, 2009, contracts worth more than USD2.8 billion have been concluded.

Around 3,000 workers are currently employed on the site. Concreting work for buildings and machine foundations is continuing for the hot strip mill, cold rolling mill and hot-dip coating lines. Structural steel erection for the shipping buildings for cold-rolled and hot-dip galvanized products has been completed or is at an advanced stage; roofing work has been begun.

Sales and marketing experts at Steel are systematically continuing their work on a sales strategy for the North American market, also taking into account the risks associated with the general economic situation. We have established numerous positive contacts with potential key customers; these are being intensified with the involvement of technical experts. Target groups include the auto industry, electrical goods manufacturers, steel service centers, appliance manufacturers and the tube industry, particularly for the energy sector.

Our customers in the USA for high-quality stainless steel flat products are currently mainly served from our cold rolling mill in Mexico. Due to limited capacities, high logistics costs and dumping duties on US imports from Mexico for many of these products, a decision was made in 2007 to build a modern integrated stainless mill alongside the carbon steel plant in Mobile, Alabama. In November 2008, the Supervisory Board also approved an increase in the investment budget for the stainless plant to USD1.4 billion.

Work on building the plant was ahead of schedule. However, Stainless is now to extend the time period for its investments against the background of the current demand weakness on the North American stainless steel market. The start-up of the cold rolling mill will be postponed by roughly a year. In particular, the start-up of the three mill stands and the ramp-up of the cold rolling mill to full capacity will be delayed. Cold-rolled production is now scheduled to begin in the 4th quarter 2010. As a result, it will also be necessary to delay the start of the ramp-up of the steelmaking shop until early 2012. Until then, the starting material for the cold rolling mill in Mexico and the new cold rolling mill in Alabama will continue to be supplied from Europe. The scale of the overall project remains unchanged, based on the belief that stainless demand on the North American market will return to growth in the course of 2010.

Due to the planned delay in the start-up of the steelmaking shop, the project team at ThyssenKrupp Stainless USA is currently renegotiating with suppliers to delay delivery of equipment and revising its planning. The construction of the buildings for the cold rolling mill will be continued and completed. After completion, these buildings will be used to store already supplied machinery and equipment. Actual installation of the equipment will begin later and will be stretched out.

In the shared-infrastructure area, the training center currently under construction will be completed on schedule in September this year. Construction of the marine terminal in Mobile by the Alabama State Port Authority is also making good progress.

## Segment review

### Steel: Order intake halved

#### STEEL IN FIGURES

		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	7,174	3,687	3,986	1,651
Sales	million €	6,853	5,330	3,639	2,405
Earnings before taxes (EBT)	million €	749	307	396	56
Employees (March 31)		40,636	40,071	40,636	40,071

The Steel segment is feeling the full force of the global economic crisis. Following an already weak start to the fiscal year, business deteriorated further in the 2nd quarter. Over the full reporting period the value of orders received decreased year-on-year by 49% to €3.7 billion, mainly due to a 63% slump in order volumes. In addition to a sharp fall in new business, order cancellations and reductions also played a part in this.

Sales decreased by 22% to €5.3 billion. A 34% slump in shipments played a major role in this, whereas the high proportion of contract deals in total business had a stabilizing effect on revenues.

Despite the initiation of additional cost-reduction programs, earnings before taxes decreased year-on-year by €442 million to €307 million. The main reason for this was a sharp fall in shipments in all business units, compounded by inventory writedowns in the amount of €20 million.

Steel had to make operating adjustments in almost all stages of production. In March, blast furnace 9 in Duisburg with a daily hot metal capacity of 4,500 metric tons was shut down in response to worsening underutilization. The three other blast furnaces are operating at minimum levels. At investee company Hüttenwerke Krupp Mannesmann, blast furnace A was shut down in December 2008. In the downstream processing lines for hot-rolled coil, cold-rolled and coated flat products, the number of shifts was reduced from November. Major operating adjustments were also necessary at several subsidiaries.

The number of employees in the Steel segment decreased as a result of the large reduction of personnel in the Metal Forming unit, which was only partly offset by further implementation of the growth strategy in Brazil and the USA. At the end of the 1st half the segment had 565 employees fewer than a year earlier. Short-time working began in the Steel segment in January 2009, since when it has been significantly expanded, including the administrative areas.

#### Corporate

The Corporate business unit comprises the administrative functions of ThyssenKrupp Steel AG and manages the construction projects in Brazil and the USA. Whereas pre-operating costs for the steel mill in Brazil and the processing plant in Alabama increased, positive effects in connection with currency derivatives led to a lower loss overall for the business unit.

#### Steelmaking

Due to its low level of external business, the Steelmaking business unit, comprising the entire metallurgical operations in Duisburg as well as the transportation companies, reported a small drop in sales and a significantly lower profit. Crude steel production including supplies from Hüttenwerke Krupp Mannesmann decreased year-on-year by 28% to 5.1 million tons.

### Industry

Sales of the Industry business unit decreased significantly due to a sharp fall in shipments. The in some cases catastrophic market situation in important customer sectors such as rerolling, appliances, construction and steel service centers had a massive impact on the Industry/Services profit center. Prices slipped over the course of the reporting period, and profits were considerably lower year-on-year. The short-term cost-reduction measures introduced had a stabilizing effect on earnings. Sales of the Heavy Plate unit and the Color/Construction competence center were still comparatively good in the 1st fiscal quarter, but since then heavy plate sales have been impacted by poor activity in sectors such as construction equipment, cranes, shipbuilding and truck manufacture – with the consequence of a drop in profits. In the Color/Construction competence center, a large drop in demand from the appliance and construction sectors and very aggressive pricing behavior by competitors had an increasingly negative effect. The European steel service centers recorded massive falls in sales, caused primarily by declining volumes but also by lower prices. Steel Service Europe therefore posted a loss.

### Auto

Against the background of the continuing crisis in the automobile industry, sales of the Auto business unit also fell sharply. Despite higher prices, profits decreased significantly due to the drastic slump in volumes; the cost-cutting measures already implemented were not enough to offset this. The Auto division of ThyssenKrupp Steel AG, which accounts for more than 80% of the sales of the Auto business unit, was hit particularly hard by the drop in customer orders. Tailored Blanks also suffered from the recession in the auto industry. Sales were down substantially due to the fall in volumes, but the business still reported a small profit. Our steel service activities in North America achieved an improvement in profits. However, volumes declined noticeably; higher prices only offset this trend in part, and as a result sales were also lower. Metal Forming's performance was also severely impacted by production cuts and stoppages in the automobile sector: Sales fell sharply, in particular at our foreign companies. The deterioration in sales and ongoing restructuring expenditure were the reasons for the significantly higher loss.

### Processing

The Processing business unit comprises our tinplate, medium-wide strip and grain-oriented electrical steel operations. Sales were down overall, although performance varied greatly in the individual businesses. Sales of tinplate were higher than a year earlier despite a slight fall in volumes. In January it was also possible to push through higher prices on the market. As a result, the tinplate operations achieved higher earnings year-on-year. However, competition intensified as the relatively attractive prices and more stable demand drew competitors back to the tinplate market. The situation was much more difficult in the medium-wide strip business, which suffered a massive slump in volumes due to its strong dependency on the automotive supply and cold rolling industries. Sales were down significantly from the prior year and the business unit reported a small loss. The GO electrical steel business also reported lower volumes in the past few months, resulting in decreased sales and earnings. Here again, the cost reductions realized only partly offset the market-related drop in income.

## Stainless: Drastic collapse in demand and earnings

### STAINLESS IN FIGURES

		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	4,151	1,785	2,001	819
Sales	million €	3,793	2,161	1,955	988
Earnings before taxes (EBT)	million €	(7)	(622)	38	(373)
Employees (March 31)		12,042	12,079	12,042	12,079

ThyssenKrupp Stainless reported a 603,000 metric ton or 46% drop in orders in the 1st half 2008/2009 owing to the dramatic deterioration in the market environment. The decline in prices caused the value of orders received to decrease by as much as €2.4 billion or 57%. The fall in demand for stainless steel was particularly sharp. The volume of orders received for cold-rolled was down by 47% and for hot-rolled by 42%. Orders for nickel alloys fell by 35% and for titanium by 23%.

Overall deliveries by ThyssenKrupp Stainless in the reporting period were down 34% year-on-year at 793,000 metric tons. The decline particularly affected cold-rolled and hot-rolled stainless steel. By contrast, titanium shipments increased slightly from the prior-year level, while deliveries of nickel-base alloys fell. As a result of the reduced shipments as well as lower base prices and alloy surcharges, the segment's sales in the 1st half 2008/2009 were 43% lower at €2.2 billion.

Compared with the prior-year period, earnings at Stainless in the 1st half 2008/2009 fell by €615 million to €(622) million; all business units reported a loss. The main reason for this earnings crash was an unprecedented drop in demand in all customer segments of importance for stainless steel – triggered by the decline in raw material prices and intensified by the impact of the financial and economic crisis. This led to increasing underutilization of capacity at all manufacturers of stainless steel flat-rolled products, resulting in drastic production cutbacks. In this generally recessive market environment, base prices slipped further and increasingly exacerbated the loss situation. Earnings were additionally impacted to a high degree by the €160 million of inventory writedowns necessary due to the severe decline in prices for the alloy materials used to produce stainless steel such as nickel, chromium, molybdenum and scrap. Income was also negatively affected by asset impairment charges of €60 million.

Stainless reacted promptly to the tight income situation by introducing programs of measures to improve earnings and liquidity. They include a significant reduction in costs and a further flexibilization of costs using all available personnel measures, optimized inventory management and the postponement of investments. In addition we launched a performance enhancement program (SPRINT = Stainless Performance Improvement) to sustainably secure our competitiveness.

At the end of the 1st half 2008/2009, Stainless employed 37 more people than a year earlier. The underutilization of capacity at the plants caused by the drop in demand made it necessary to introduce short-time working in many parts of the segment after working time accounts had been run down.

### **ThyssenKrupp Nirosta**

In the reporting period, the situation at ThyssenKrupp Nirosta – as at the other stainless companies in the group – was characterized by increasingly weak demand from distributors and reduced end customer business. This generally negative situation was reflected in a significant drop in order intake. The resultant decline in shipments and lower prices led to a severe downturn in sales and earnings. Necessary inventory writedowns further increased the 1st half losses. The measures taken to adapt production and costs only succeeded in cushioning this earnings collapse. Short-time working was introduced in the business unit.

### **ThyssenKrupp Acciai Speciali Terni**

The Italian business unit ThyssenKrupp Acciai Speciali Terni was likewise increasingly impacted by the declining demand for stainless products in the 1st half. In response, production was cut back in the cold rolling mill and short-time working agreed in the steelmaking shop. The production shutdowns at the plants are reflected in lower sales of the business unit. At ThyssenKrupp Titanium, capacities were not fully utilized due to weak demand from the aerospace and plant construction sectors. Sales were down as a result of the sharp fall in prices for titanium mill products. Owing to the dire situation on the stainless markets, ThyssenKrupp Acciai Speciali Terni returned a substantial loss. In addition to the need for inventory writedowns, earnings were also impacted by the decline in the titanium business. The robust profits generated by the forging operations and the cost-cutting programs introduced were unable to cushion the collapse in earnings.

### **ThyssenKrupp Mexinox**

At ThyssenKrupp Mexinox, 1st half order volumes and sales were down sharply from the prior year. Significant production cutbacks were introduced. With the us and Mexican markets still in recession and inventory writedowns necessary due to the fall in raw material prices, Mexinox reported a severe drop in earnings.

### **Shanghai Krupp Stainless**

In a difficult Chinese market characterized by overcapacities, Shanghai Krupp Stainless reported substantially lower order volumes. Production output was adapted to the extremely low demand. Sales also fell sharply compared with the prior-year period. Underutilization of the plant's capacity and significantly lower shipments combined with low prices on the domestic market and necessary inventory writedowns caused earnings to collapse.

### **ThyssenKrupp Stainless International**

As a result of weak global demand, the ThyssenKrupp Stainless International business unit reported sharp declines in both order intake and sales. The weak market and the need to write down inventories at the service centers due to the fall in raw material prices led to a drastic drop in earnings.

### ThyssenKrupp vdm

In the nickel alloy business of ThyssenKrupp vdm, order intake and sales were also lower year-on-year. Customers from the plant construction, oil, gas, chemical, aerospace and automotive sectors were reluctant to place orders; short-time working had to be agreed in several areas of the business unit. As a result, earnings collapsed; the cost-cutting measures introduced could only cushion the loss situation.

### Technologies: Plant construction with stable earnings

#### TECHNOLOGIES IN FIGURES

		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	6,320	6,620	3,108	1,723
Sales	million €	5,851	5,577	3,029	2,656
Earnings before taxes (EBT)	million €	365	59	186	(105)
Employees (March 31)		53,637	50,978	53,637	50,978

In the 1st half of fiscal 2008/2009 Technologies achieved a 5% increase in orders thanks to the strong 1st quarter order intake at Plant Technology and the major orders secured at Marine Systems. In the 2nd quarter, however, there were also signs of uncertainty in plant construction and customers delayed decisions on investments, due among other things to the tight financial situation in the banking sector, the fall in raw material prices and the general uncertainty on the market. 2nd quarter demand in the automotive supply and construction machinery businesses slid by more than 40% compared with the prior-year period. The orders in hand of around €17 billion at March 31, 2009 are mainly from longer-term project business and will secure future sales in this area.

As Plant Technology realized significantly higher sales on orders in hand, the segment's 1st half sales at €5.6 billion were only slightly lower than a year earlier despite sharp declines in the automotive supply and construction machinery businesses and portfolio changes.

Technologies achieved 1st half profits of €59 million, significantly lower than the year before due to substantial charges in the 2nd quarter at Marine Systems, including order cancellations for container ships, possible risks from extended liability periods in civil shipbuilding and higher project costs for yachts. This was compounded by sharply declining sales in the automotive supply and construction machinery businesses, substantial restructuring expense and the absence of a prior-year gain on the sale of a business. Plant Technology made the biggest contribution to earnings.

The number of employees decreased by around 2,700, mainly due to low workloads but also as a result of portfolio changes. Most changes related to foreign subsidiaries of the Mechanical Components and Automotive Solutions business units. In addition, the employment of around 1,700 people from outside contractors was terminated from the beginning of the fiscal year. Up to March 2009, more than 15,000 employees were on short-time work in line with the declining workloads.

### Plant Technology

Order intake at Plant Technology was pleasing overall in the 1st half of 2008/2009 despite a weaker 2nd quarter. While order intake for cement plant and mining and materials handling equipment was higher than a year earlier due to strong orders in the 1st quarter, orders for chemical plant were down.



This was due on the one hand to the booking of major orders in the prior-year period and on the other hand to the postponement of investment decisions by customers. Thanks to the sharp rise in orders in hand, sales showed a significant improvement on the already high prior-year figure. We also achieved a substantial year-on-year increase in profits.

### **Marine Systems**

Thanks to major orders for six material packages to build class 214 submarines for South Korea and two material packages for class 212A submarines for Italy, 1st half order intake at Marine Systems was significantly higher than in the comparable prior-year period. By contrast, orders for civil shipbuilding fell short of the year-earlier level. This was due to lower orders for yachts, declining repair and service business in the 2nd quarter as well as the cancellation of orders for container ships owing to the severe drop in freight rates and financing problems at customers. Sales at Marine Systems were almost level with the prior year. Higher sales in the naval shipbuilding business were unable to fully offset the declines in civil shipbuilding. Marine Systems reported a substantial loss in the 1st half of the fiscal year. This was due to substantial charges in the 2nd quarter, including order cancellations for container ships and associated inventory writedowns of €13 million, possible risks from extended liability periods in civil shipbuilding as well as higher project costs for yachts.

### **Mechanical Components**

The Mechanical Components business unit is a manufacturer of high-tech components for the automotive and construction machinery sectors as well as for general engineering applications. Order intake in the 1st half fell short of the prior-year level due to the sharp fall in demand in the automotive and construction machinery business. This impacted all operating groups, but in particular the business with construction machinery components and forged crankshafts. The disposal of a company in the 2nd half of the last fiscal year was a further basic structural effect. Sales were also significantly lower than a year earlier. Mechanical Components returned a profit, but owing to sharply falling sales, restructuring expense and the absence of a prior-year gain on the sale of a business, earnings were well down from the prior year. With workloads declining, the cost-cutting measures already introduced were extended further, including cuts in the number of temporary workers, an increase in short-time working, savings on the healthcare program at the North American foundries and major personnel cutbacks at foreign locations.

### **Automotive Solutions**

The Automotive Solutions business unit supplies innovative system solutions for the automotive industry in the areas of steering systems, dampers, body-in-white lines, body and chassis components as well as assembly systems for engines, transmissions and axles. The global slump in demand in the auto industry, particularly in the 2nd fiscal quarter, resulted in a year-on-year fall in orders and sales. The sales decrease was particularly pronounced in the business with steering systems, dampers and springs. By contrast System Engineering, as a supplier of equipment to the auto industry, realized higher sales on orders in hand in the 1st half. Due to the decline in demand, the business unit closed the 1st half of the fiscal year with a clear loss. Here again, a variety of measures were introduced aimed at reducing costs and adapting to the lower workloads.

### **Transrapid**

Transrapid generated a lower level of sales. Restructuring expenditures to adjust capacity resulted in a break-even result in the 2nd quarter and a slight loss for the 1st half 2008/2009.

### Elevator: Significant growth

#### ELEVATOR IN FIGURES

		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	2,930	2,751	1,464	1,189
Sales	million €	2,348	2,636	1,164	1,293
Earnings before taxes (EBT)	million €	209	302	90	146
Employees (March 31)		40,873	43,306	40,873	43,306

Elevator continued its positive performance in the 1st half of the reporting year. Order intake fell just short of the high prior-year level as a consequence of the economic and financial crisis and the associated decline in the market for new installations; orders were down by 6% to €2.8 billion. However, sales profited from the high order intake of the prior year and climbed 12% to €2.6 billion.

A substantial year-on-year increase was also achieved in earnings, which were €93 million higher at €302 million.

The 2,400 increase in the number of employees was mainly due to the further expansion of our service activities and the high personnel requirements in the growth markets of China, India and the Middle East.

#### Central/Eastern/Northern Europe

The Central/Eastern/Northern Europe business unit reported lower orders than a year earlier. This was due to the difficult market environment for new installations, especially at the British operations. In France it was not possible to repeat the high level of modernization orders. The business unit's sales profited from the high order intake of the prior year and increased strongly, thanks above all to the French, German and Dutch operations. Profits showed a slight improvement on the previous year, with earnings up in almost all regions. Only Austria/Switzerland and the Eastern European operations reported a slight decline.

#### Southern Europe/Africa/Middle East

The Southern Europe/Africa/Middle East business unit achieved a slight improvement in 1st half order intake compared with the prior-year period. There were positive performances in almost all regions. Operations in the Gulf states and Portugal in particular reported significant growth. The business unit's sales fell slightly short of the previous year's figure, due in particular to a distinct decline in the Spanish new installations market. The main sales growth was achieved in the Gulf region. Thanks largely to stable earnings by the Spanish and Portuguese operations, the business unit achieved a slight year-on-year improvement in profit.

### Americas

Order intake at the Americas business unit was down from the high prior-year figure despite positive exchange-rate effects. In North America especially, the marked decline was a negative consequence of the economic and financial crisis; the positive performance by the South American operations was unable to offset this. By contrast, sales at the business unit were substantially higher than a year earlier. The US operations made a major contribution to this increase, with both the new installations and service business profiting from the strong order backlog of the previous year. The other operations also achieved higher sales. The business unit's profit was once again significantly higher than a year earlier, with contributions from all regions, in particular the US operations. Alongside exchange-rate effects, the expansion of service business had a positive effect.

### Asia/Pacific

The Asia/Pacific business unit achieved a slight year-on-year improvement in 1st half order intake and a significant increase in sales. The rise in orders was mainly attributable to the Korean and Chinese operations, while the other regions fell short of their prior-year levels, in some cases significantly. The strong sales growth was driven in particular by the Chinese and Australian operations, which profited from very high orders in hand. The sales performance was weaker in Korea, impacted by a further decline in the market for new installations. By contrast with the previous year, the business unit recorded a small profit in the 1st half of this fiscal year; this earnings increase was achieved by improvements in all regions.

### Escalators/Passenger Boarding Bridges

The Escalators/Passenger Boarding Bridges business unit significantly expanded its business volume compared with a year earlier. In both escalators and passenger boarding bridges we achieved a considerable increase in orders and sales. The passenger boarding bridges business profited from the major "Doha Airport (Qatar)" order. The escalators business in particular reported strong sales growth thanks to the expansion of its Chinese operations. After recording a loss the year before, the business unit returned a profit in the 1st half of the current fiscal year. Both the escalators and passenger boarding bridges businesses contributed to this.

### Accessibility

The Accessibility business unit successfully continued its steady growth. Both the European and US operations grew their business volume significantly. In the USA, however, this expansion was due to the additional business of the National Wheel-o-Vator company which was acquired in the middle of last year; the market situation for American single-family houses remained difficult. As a result of the sales increase, the business unit's earnings also developed very positively, and significantly higher profits were reported than a year earlier. This positive performance was achieved by the European operations alone; the American activities recorded negative earnings.

### Services: Inventory writedowns necessary

#### SERVICES IN FIGURES

		1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Order intake	million €	8,273	6,260	4,322	2,514
Sales	million €	8,099	6,629	4,232	2,903
Earnings before taxes (EBT)	million €	267	(48)	135	(78)
Employees (March 31)		46,318	44,512	46,318	44,512

The Services segment achieved sales of €6.6 billion in the 1st half 2008/2009, 18% lower than in the comparable prior-year period. Demand for materials continued to fall sharply in the course of the fiscal year. Prices for virtually all products also dropped further. The total writedowns on inventory amounted to €45 million at March 31, 2009.

The huge earnings losses in the materials business were not offset by the profits in the other areas, and as a result the segment's earnings decreased by €315 million to a loss of €48 million. Cost-cutting measures were continued and intensified in all business units and at all levels of the segment.

On March 31, 2009 the headcount at Services was around 1,800 lower than the same date a year earlier. The strong order situation in Brazil resulted in an increase of around 1,200 people; by contrast, some 3,000 jobs were cut at Materials Services and Industrial Services due to the low workloads. While in the materials business this mainly impacted the foreign operations in North America and Europe, employee numbers at Industrial Services were mainly reduced in the auto-related service business in Germany and in scaffold services in the USA.

#### Materials Services International

Production cutbacks, short-time working, plant shutdowns, extended vacation periods and a further systematic reduction of inventories characterized the market situation worldwide at almost all the business unit's customers. With the exception of the Aerospace group, Materials Services International reported a sharp year-on-year fall in sales. This applied in equal measure to Germany and to Western and Eastern Europe; the losses in South America and Asia were even more severe. The decline in demand was accompanied by a further massive fall in prices for rolled steel, stainless steel and increasingly also nonferrous metals and tubes. The plastics business also remained weak as there was a noticeable decrease in orders from industry and the construction sector. Prices across the product range continued to be totally unsatisfactory and necessitated massive writedowns on inventories at end of the 1st half. As a result, Materials Services International reported a significant loss for the reporting period.

#### Materials Services North America

The recession in North America and the associated fall in demand and prices for carbon and stainless steel and nonferrous metals continued. Overall, despite the more favorable euro/us dollar exchange rate the sales decrease at the Materials Services North America business unit was more pronounced than in the rest of the world. The earnings situation also deteriorated; the business unit reported a considerable loss.

### Industrial Services

The Industrial Services business unit achieved a slight improvement in 1st half sales compared with a year earlier. While business with the auto industry in particular declined sharply, scaffold services in North America were expanded, thanks mainly to a major energy generation project in Canada. The other service business with the power generation and petrochemical industries also performed well. As a result of the massive decrease in service activities for the automotive industry, Industrial Services failed to match its prior-year earnings but still reported a significant profit.

As already explained in the 1st quarter report, the Industrial Services business unit is to be sold. The businesses not up for sale – steel mill services and industrial services in Brazil – were therefore assigned to the Special Products business unit with effect from the beginning of fiscal 2008/2009.

### Special Products

Having achieved higher year-on-year sales in the 1st quarter, in the further course of the 1st half the business unit was impacted by the collapse of the raw materials business and the drastic fall in prices. As a result sales fell short of the prior-year figure. In the rolled steel and tubes business it was possible to bill several major projects, and sales here were slightly higher than a year earlier. This was also the case in the contractors' plant and railway equipment operations. The service activities newly assigned to this business unit roughly matched their prior-year level. The fall in sales of the steel mill services in Germany were largely offset by the Brazilian operations. The business unit delivered the segment's biggest earnings contribution; however, the other activities were unable to compensate for the decline in earnings in the raw materials business.

### Corporate at ThyssenKrupp AG

**Corporate** includes the Group's head office and internal service providers as well as inactive companies not assignable to individual segments. Also included here is the non-operating real estate, which is managed and utilized centrally by Corporate. Sales in the 1st half 2008/2009 were level with the prior year at €60 million.

Corporate reported a loss of €211 million in the 1st half 2008/2009, a year-on-year increase of €30 million. This is mainly the result of higher net interest expense due to increased borrowing. Running counter to this were effects from cross-currency swaps and a reduction in administrative costs.

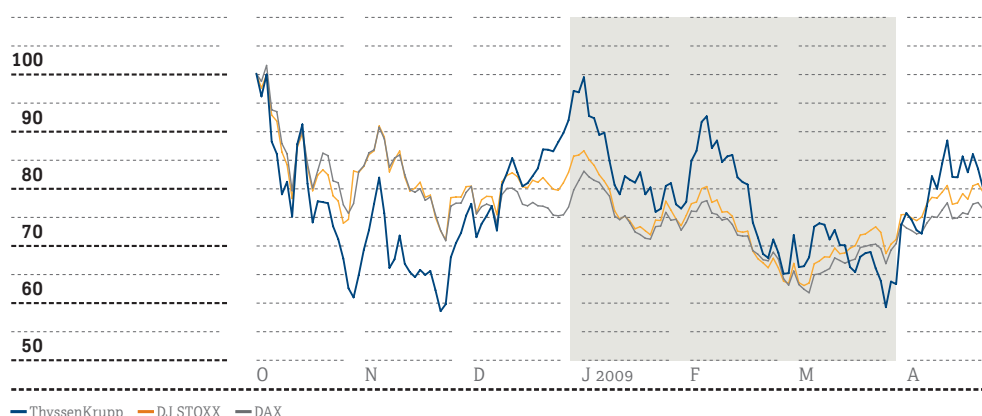
**Consolidation** mainly includes the results of intercompany profit elimination.

## ThyssenKrupp stock

The performance of ThyssenKrupp's stock in the 1st half of fiscal 2008/2009 was strongly impacted by the effects of the financial crisis and the global economic downturn. In the first two months of the fiscal year, stocks in the steel sector in particular – generally regarded as early-cyclicals – lost heavily as a result of increasing economic fears in the wake of the “Lehman crash”. Consequently, on November 20, 2008 ThyssenKrupp's share price fell to a 1st half low of €12.11. As stocks rallied at the end of 2008, our shares outperformed the DAX and DJ STOXX indices and on January 06, 2009 climbed to a high for the fiscal year so far of €20.50.

In the 2nd quarter of the fiscal year, the global economic downturn once again gathered pace. This was reflected in the performance of share prices on the stock markets, including ThyssenKrupp's shares. It was not until the end of the 2nd quarter that general economic expectations brightened for a time, enabling steel sector stocks to rally once again and outperform the benchmark indices. However, ThyssenKrupp's stock has not yet been able to make up for the previous losses. On March 31, 2009 the share price stood at €13.17, down 37% from September 30, 2008. Share prices continued to rise at the start of the 3rd quarter.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON indexed, Oct. 01, 2008 to April 30, 2009, in %



### Core stockholder structure stable

To date, the financial crisis has had only a minimal effect on the stockholder structure of ThyssenKrupp AG. Our regular analysis showed that at March 31, 2009 the share of institutional investors in Germany had risen to 14.1% of the capital stock – the highest level since 2003. In October 2008 this share was 10.3%. Investors from the United Kingdom and Ireland also increased their holdings of ThyssenKrupp shares slightly to 8.2%. In North America and Europe (excluding the UK and Germany) there was a slight reduction: At the reference date investors in North America held 10.4% and in Europe 7.2% of the capital stock. The most important European countries were once again Switzerland, France and the Netherlands.

ThyssenKrupp AG's largest stockholder is the Alfried Krupp von Bohlen und Halbach Foundation, Essen. At the end of March 2009 the Foundation held 25.33% of the capital stock, a slight increase since the last survey in October 2008.

Taking into account the share held by the Foundation and the unchanged volume of treasury shares, the free float, which is generally taken into account in the weighting of ThyssenKrupp's stock in stock indices, is 64.75% of the capital stock.

#### Basic information on the stock market listing

ThyssenKrupp stock has been listed on the following stock exchanges since March 25, 1999:

Stock Exchange		Securities identification number
Frankfurt (Prime Standard), Düsseldorf		DE 000 750 0001
		Symbols
Stock exchange	Frankfurt, Düsseldorf	TKA
Reuters	Frankfurt Stock Exchange	TKAG.F
	Xetra trading	TKAG.DE
Bloomberg	Xetra trading	TKA GY

## Innovations

Innovations play a central role in ThyssenKrupp's strategy – including in times of economic crisis. In the 1st half of the current fiscal year our researchers and developers came up with numerous new and improved products and processes to meet the requirements of the market. Many projects focused on making more efficient use of resources and energy. A key task was to seek out potential synergies within the Group.

### **Steel: New material for hybrid and electric vehicles**

Researchers from the Steel segment have developed the new material 330-30 AP specifically for electric motors in cars. The non-oriented electrical steel is tailored to the limited packaging space, high revs and high temperatures of high-speed electric motors. The material is suitable both for hybrid cars, in which the internal combustion engine is supported by an electric motor, and for all-electric drives. Drives of this type can sustainably reduce CO<sub>2</sub> emissions from cars.

Non-oriented electrical steel is a soft magnetic material with a silicon-aluminum content of up to 4.5% and low carbon contents. It is used in electrical machines as an iron core to concentrate and strengthen the magnetic flux. In particular the microstructure of the new material – i.e. the size and orientation of the grains – was optimized for use in electric cars. 330-30 AP is characterized by low core losses, high polarization values and good thermal conductivity. This combination of properties makes the new material better than other soft magnetic materials currently available for hybrid and electric drives.

### **Stainless: Innovative wire for the energy sector**

An increasing focus of research in the Stainless segment is the development of new wire materials made from nickel alloys. A new heating conductor material, the nickel-chromium alloy Cronifer® 40B, has already been successfully positioned in the market. Heating conductors made from wire are used in heating elements for domestic appliances. The new material is highly durable and offers outstanding shape stability. It is also lower in cost than the material previously used.

Current research is also focused on enhanced weld filler metals. For applications in highly corrosive conditions such as in waste and biomass incineration and natural gas production, steel materials are generally overlaid with a corrosion-resistant nickel alloy. After the overlay is welded on, the surface must be bright and defect-free. In a research project we developed a filler metal for this hardfacing application which meets all the requirements for a bright, defect-free weld deposit. Even after several layers have been applied, the surfaces generally require no machining. The benefit for our customers is enormous: Hardfaced components can be produced 10% - 30% faster with the new filler metal Nicrofer® S6020.



**Technologies: Camshafts for reduced fuel consumption**

For the commercial vehicle industry our engineers have developed an assembled camshaft which is 35% lighter and up to 10% lower in cost than conventional products. With this innovative camshaft, the raw material required for production can be significantly reduced – in some cases by 25 kg per camshaft. This saves material and energy in the manufacturing process. Once fitted, the camshafts significantly cut fuel consumption and increase engine life thanks to the reduction in moving mass. To meet demand for these innovative camshafts, the first fully automatic assembly line has now been commissioned. With it we can produce low-cost camshafts in lengths of up to 2,200 mm under standard production conditions with full monitoring of all requisite quality parameters.

**Elevator: World's fastest double deck elevators**

After three years of planning, production and installation, the Elevator segment has created a particularly fast method of passenger transportation in the new Shanghai World Financial Center, the tallest building in China. The four double-deck elevators each comprise two cabs attached one on top of the other, each with a capacity of 2,000 kg, and serve a sky lobby at a height of 240 m. Visitors can get there at a record speed of 10 meters per second (36 km/h), which makes these systems the fastest double-deck elevators in the world.

To achieve these high speeds in the elevator shaft, our engineers developed aerodynamic cladding for the cabs and doors. In addition, electronically controlled active roller guides ensure low-vibration travel. The guide rails were installed in the shaft using advanced laser technology to ensure extremely high precision and thus guarantee maximum ride comfort even at high speeds.

**Services: High-temperature heat accumulators for modern power plants**

In the Services segment we have initiated a project to develop a high-temperature heat accumulator for combined-cycle power plants. The aim is to incorporate ThyssenKrupp expertise into a pilot plant to be built by RWE Power in Dortmund. The integration of this type of accumulator in the power generation process will allow electricity and heat to be provided at separate times. Heat produced during the day in excess of customer requirements can be “parked” in the accumulator and distributed again at night time when the gas turbine is switched off. This has never before been possible in combined-cycle power plants, producing both heat and power.

## Employees

### Significant decline in employee numbers

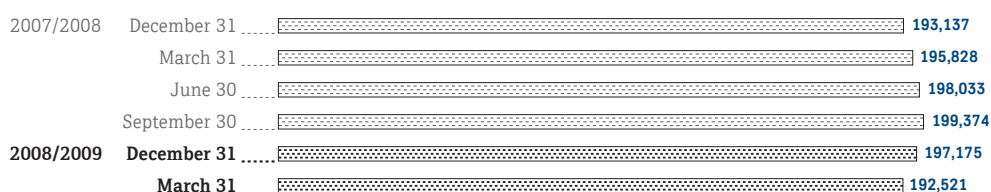
The number of employees has declined significantly in recent months. On March 31, 2009, ThyssenKrupp had 192,521 employees worldwide, 6,853 or 3.4% fewer than at the end of the last fiscal year (September 30, 2008). While Elevator increased its workforce due to business expansion, all other segments were affected by job cuts.

Compared with the prior-year quarter ended March 31, 2008 the headcount was also down, by 3,307 employees or 1.7%. The reduction took place mainly in the Technologies and Services segments.

The number of employees decreased both in Germany and abroad. Compared with September 30, 2008, the headcount fell by 2.6% in Germany to 82,895 employees, and by 4.1% in the rest of the world to 109,626. At the end of March 2009, 43% of our employees were employed in Germany, 23% in the rest of Europe, 15% in the NAFTA region, 8% in South America, and 11% in Asia – in particular China and India – and the rest of the world.

Owing to the – in some cases dramatic – slump in demand worldwide, short-time working was necessary at ThyssenKrupp in Germany and abroad. In the 1st half of 2008/2009 some 23,000 employees were affected in Germany, and around 16,000 in the rest of the world. The main areas involved were ThyssenKrupp Steel, ThyssenKrupp Nirosta, ThyssenKrupp Gerlach and ThyssenKrupp Bilstein. Outside Germany, short hours were mainly worked at Berco and ThyssenKrupp Acciai Speciali Terni in Italy and at ThyssenKrupp Presta in Liechtenstein. In addition, the number of temporary employees was reduced; Groupwide over 4,000 people were affected, around 2,700 of them in Germany.

### EMPLOYEES



### New application management system

ThyssenKrupp receives around 100,000 applications in Germany each year; around the world as many as 250,000 people apply for work with the Group. In April 2008 we introduced a new application management system in Germany to process these vast numbers of applications with greater speed and efficiency and reduced administrative expense.

The new careers section of our website now features a convenient facility which allows visitors to apply for advertised jobs directly. Unsolicited applications are of course also possible. These applications are fed into the ThyssenKrupp Talent Pool, to which all HR managers in Germany have access. With the introduction of the new system, the Group has created a high-quality instrument which simplifies the application process for all involved – applicants and HR teams alike.

## Financial position

### Analysis of cash flow statement

The amounts taken into account in the cash flow statement correspond to the balance sheet item “Cash and cash equivalents”.

There was a cash inflow from operating activities of €623 million in the reporting period, compared with €833 million in the corresponding prior-year period. The €210 million deterioration in operating cash flows was mainly due to a €1,341 million decrease in net income before impairment losses/reversals in connection with non-current assets as well as before deferred taxes, which was set against a €1,048 million improvement in the net working capital situation.

Cash outflow from investing activities increased by €280 million to €2,063 million. This was due in particular to an increase of €227 million to €1,916 million in capital expenditure on property, plant and equipment, including advance payments.

As in the corresponding prior-year period, free cash flow – i.e. the sum of operating cash flows and cash flows from investing activities – was negative. Compared with the prior year, free cash flow deteriorated by €490 million to €(1,440) million.

There was a cash inflow from financing activities of €2,412 million in the 1st fiscal half, compared with a cash outflow of €700 million a year earlier. This was due in particular to the €2,644 million increase in borrowings, and outgoing payments in the prior year of €523 million for the purchase of treasury shares.

### Analysis of the balance sheet structure

Compared with September 30, 2008 the balance sheet total decreased by €243 million to €41,399 million.

Non-current assets increased overall by €1,835 million. This increase was mainly due to a €946 million increase in property, plant and equipment, related mainly to construction progress on the major projects in Brazil and the USA, as well as a €356 million increase in advance payments on property, plant and equipment recognized under other non-current, non-financial assets, mainly in connection with the construction of the steel facility in Brazil. In addition, deferred taxes increased by €432 million mainly in connection with losses which will have a tax-reducing effect in a future period.

Current assets decreased in total by €2,078 million. This reduction was mainly due to sharp declines in inventories and trade accounts receivable and to an increase in cash and cash equivalents.

Inventories decreased in total by €1,055 million to €8,439 million. The decline concerned in particular the Stainless (€710 million) and Services (€492 million) segments and was the result of a reduction in inventory volumes in conjunction with significant writedowns for price-related reasons.

The sharp fall (€1,954 million) in trade accounts receivable related in particular to the Steel (€511 million), Stainless (€294 million) and Services (€675 million) segments and was due to the significant weakening of business activity.

The €963 million rise in cash and cash equivalents to €3,688 million was mainly the result of net borrowings in the amount of €3,105 million, which were set against a negative free cash flow (€(1,440) million) due to weaker business activity and high capital expenditure, and dividend payments of €640 million.

The €1,307 million reduction in total equity to €10,182 million related to the net loss for the reporting period (€199 million), dividend distributions in the amount of €640 million in the reporting period, and expenses in connection with actuarial losses associated with the valuation of pensions recognized directly in equity (€550 million before taxes). Running counter to this were tax effects recognized directly in equity (€177 million).

Non-current financial liabilities increased in total by €4,106 million. Of this, €3,497 million related to the increase in non-current financial debt and €517 million to the increase in accrued pension and similar obligations through the revaluation carried out at March 31, 2009 as a result of the significant changes in interest rates in Germany compared with September 30, 2008 and lower plan assets in connection with the negative developments on the international financial markets.

Current liabilities decreased by €3,042 million. This was due in particular to the €2,269 million reduction in trade accounts payable. This mainly related to the Steel (€591 million), Stainless (€695 million) and Services (€711 million) segments as a result of sharply declining business activity. In addition, current financial debt was reduced by €406 million. The €452 million reduction in other current non-financial liabilities resulted mainly from a decrease in liabilities to employees and from the exercise of a put option by One Equity Partner (OEP) in connection with the acquisition of the remaining 25% shareholding in ThyssenKrupp Marine Systems AG.

## Risk report

In the current fiscal year ThyssenKrupp has been significantly affected by the impact of the financial crisis and its effects on the real economy. However, thanks to our systematic and efficient risk management system, these risks remain contained and manageable. There are no risks threatening the existence of the Company. We are responding to the current economic risks, in particular in the automotive, engineering and construction markets which are of importance to us, with an extensive action program which involves implementing sustained cost-cutting and efficiency enhancement measures in all areas of the Group.

Against the background of the financial crisis, financial risks such as liquidity and credit risks are an increasing focus of attention. ThyssenKrupp takes account of and manages these risks and handles liquidity requirements with foresight. Despite the difficult market environment, financing in fiscal 2008/2009 is on a secure foundation. In the 2nd quarter of the current fiscal year the Group issued a new bond, thereby improving its maturities profile and further strengthening its liquidity situation. However, like other companies ThyssenKrupp could not escape the current market conditions which are characterized by relatively high risk premiums for borrowed capital.

By contrast with the increase in risk premiums for new financings, the reductions in the central bank interest rates are having a positive impact on refinancing costs as they reduce the base rate for our existing variable credit lines via the interbank interest rates, which have also fallen.

Credit risks (default risks) arise from the fact that the Group is exposed to possible default by a contractual party in relation to financial instruments, e.g. financial investments. Against the background of the financial crisis, default risks are taking on greater significance and are being managed very carefully as part of our business policy. Financial instruments used for financing are concluded only with counterparties of extremely good credit standing and within specified risk limits.

Further financial risks such as currency, interest rate and commodity price risks are reduced by the use of derivative financial instruments. Restrictive principles regarding the choice of counterparties also apply to the use of these financial instruments.

In particular in our Steel and Stainless segments but also in the automotive and shipbuilding operations of Technologies, the slowdown of our core markets has given rise to significant volume and price risks which are forcing us to take action in response. Short-time working in the areas affected and additional action programs are under way to safeguard our competitiveness.

ThyssenKrupp's global presence in different areas of activity – steel, capital goods and services – reduces the risk of being dependent on individual sales markets. Our good, longstanding customer relations and our skilled and motivated employees are also helping mitigate the current risks.

We counter other business risks – such as bad debt and changes in political and regulatory conditions – with an intensive controlling and monitoring system. The filing for Chapter 11 bankruptcy protection by Chrysler LLC in the USA has had no major impact on the consolidated interim financial statements for the period ended March 31, 2009. Beyond this, the detailed information contained in the risk report in our 2007/2008 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 07.

## Subsequent events, opportunities and outlook

### Subsequent events

Subsequent events between the end of the 1st half reporting period (March 31, 2009) and the date of authorization for issue (May 12, 2009) are presented in Note 13 to the interim financial statements.

### Recession in the global economy continues initially in 2009

The full impact of the global economic crisis is reflected in the growth rates for 2009. This year the global economy will experience negative growth. In particular the industrialized countries will see marked negative growth for the first time in the post-war period. Growth in the emerging economies is expected to be at the lowest level since the early 1990s. Global trade will contract in 2009 and could record the sharpest downturn for more than 30 years.

The us economy will shrink significantly in 2009 as a result of a severe decline in capital spending and extremely weak private consumption. The new us government is significantly increasing the budget deficit to make up for the absence of private demand. Japan's economy is expected to shrink even more than that of the USA due to the slump in exports.

Falling exports will also slow growth in the emerging markets. China will fail to achieve the high growth rates of previous years in 2009, while some other Asian countries are anticipating a substantial fall in GDP. Growth will also slow significantly in Latin America and Central and Eastern Europe.

The short-term outlook for the euro zone remains extremely gloomy. Due to its high dependency on exports, the German economy will be disproportionately affected by the negative performance of its main trading partners. A sharp contraction in GDP is expected.

There is hope of some stabilization in the global economy towards the end of 2009. This is based mainly on the economic stimulus packages planned or already adopted by governments worldwide, but also on falling raw material and energy prices, lower inflation and the low interest rate policy being pursued by all the main central banks. However, a self-sustaining recovery is not expected in the coming year.

We anticipate the following developments on the markets of importance for ThyssenKrupp:

- There are no signs yet of any recovery on the global steel market. According to the latest Worldsteel forecast, global consumption of rolled steel will shrink by around 15% in 2009. This would correspond to global crude steel production of 1.1 - 1.2 billion tons – the output level of 2005. In the NAFTA region, the EU, the CIS and Japan a disproportionate fall in demand is expected. However, the other countries of Asia, the Middle East and Latin America are also likely to report significant declines in 2009. In particular in Europe, where real steel consumption will drop sharply, demand will be further dampened by high inventories. Based on the assumption that the crisis will bottom out in the course of 2009, we expect no more than a slight recovery next year, with volumes in most regions not yet returning to the level of 2008. In Europe any recovery in volumes will mainly be due to stock building because as things stand at present steel consumption is not expected to grow significantly.

- Against the background of the global recession, demand for stainless flat products and high-performance materials, which plummeted further in the 1st half-year, is not expected to pick up significantly in the near future. Raw material prices appear to have stabilized at a low level, which could favor a slight demand recovery.
- On the international auto market, the decline in demand and production of passenger cars and commercial vehicles will continue. In many countries various sales-boosting measures are being introduced or prepared to support the markets, but global production is expected to fall to 60 million units in 2009. In the USA output could slump by more than 20%. The German auto sector, which exports more than two thirds of its production of mostly higher-priced cars, has succeeded in slowing the decline slightly with various measures, but output is nevertheless expected to drop by almost 18%.
- The mechanical engineering sector profited for a long time from a high order backlog built up in previous years. However, the global economic crisis and the resultant weak level of investment worldwide have now caused a dramatic slide in order intake. This will lead to a decline in mechanical engineering output in all the major industrialized countries in 2009. In the USA and Germany the fall in output is expected to reach double-digit rates. In China, slower investment activity will be reflected in a massive drop in growth rates.
- The construction industry will expand in only a few countries of Asia and Central and Eastern Europe in 2009, though the pace of growth will be distinctly slower. In the USA the recession in the private housing market will continue and other areas of the construction market are also showing weaknesses. The German construction industry is expected to shrink in 2009. A decline is likely above all in commercial construction, while impetus could be generated by public-sector projects.

### Outlook

We expect a significant drop in order intake and sales for full fiscal year 2008/2009. This will be reflected in earnings. Price and volume declines will be only partly offset by falling input material prices and an extensive additional action program to enhance efficiency. In addition, targeted steps are being taken to significantly reduce net working capital. Measures are being implemented to reduce or postpone the investment program.

ThyssenKrupp expects to end the current fiscal year with a loss before taxes and major nonrecurring items – restructuring expense, project costs and impairment losses. Depending on future economic developments, a loss before taxes and major nonrecurring items in the mid to high three-digit-million euro range is expected.

Earnings before taxes will be considerably impacted by restructuring losses for our cost reduction programs and the strategic reorganization. These measures will play a decisive role in significantly strengthening the future earning power of the Group. Project costs for the new steel plants and possible further impairment charges are also expected to have a major impact on earnings before taxes. The exact amount of the nonrecurring items cannot yet be reliably assessed.

For the 2nd half of the fiscal year we expect weak consumption and continued destocking along the entire industrial value chain to continue to weigh on demand for our materials and materials services:

- At Steel we expect further price pressure, inadequate volumes and capacity underutilization. Due to the valuation of inventories according to the average cost method, lower raw material costs will only bring any significant relief at the beginning of the new fiscal year. This may give rise to the need for inventory valuation adjustments. From the current perspective, a noticeable recovery in demand cannot be expected until the start of the fiscal year 2009/2010.
- With volumes remaining inadequate, we anticipate a further loss at Stainless in the 2nd half, though this should be smaller than in the 1st half of the fiscal year.
- At Services a reduction in the volume and price pressure, which will allow our margins to recover, is not expected until the end of the fiscal year.

We expect a mixed earnings picture for our various capital goods activities in the 2nd fiscal half:

- In the Technologies segment we anticipate continued underutilization of capacities in automotive and construction machinery components and civil shipbuilding. The resultant impact on earnings before nonrecurring items should be offset by business in plant construction, slewing bearings for the energy sector, and submarine and frigate construction.
- Earnings in the Elevator segment are expected to remain strong.

Looking ahead to fiscal 2009/2010, in view of the current forecasts for the global economy we expect a moderate stabilization in sales; effects from the restructuring and cost-reduction programs should improve earnings.

#### **Initial results of Group program ThyssenKrupp PLuS**

ThyssenKrupp launched the Groupwide program ThyssenKrupp PLuS in the 1st reporting quarter to respond swiftly and firmly to the global recession and counter its effects with an extensive package of measures. The aim of the program is to achieve positive earnings and liquidity effects before the end of the current fiscal year, using all available levers.

In the current fiscal year earnings-enhancing measures totaling well over €1 billion have been initiated. By reducing costs in production and administration, optimizing procurement and sales processes and, among other things, critically reviewing contracts with external service providers, we achieved the savings target set for the 1st fiscal half. The systematic cutback in temporary employees and introduction of short-time working also helped reduce personnel expense.



A further measure to improve our cash position is the systematic reduction of net working capital, for example by significantly reducing inventories and optimizing receivables management in all segments of the Group. Alongside short-term effects, the focus is on sustainable performance improvements aimed at making us even more competitive in the future.

In addition, we are analyzing all our capital investment projects for possible reductions or postponements. The aim is to balance the needs of the current economic situation on the one hand and our long-term strategic goals on the other, both in our major projects and in other investments.

### Strategic reorganization of the Group

ThyssenKrupp is adapting to the changed economic environment and positioning itself more strongly as an integrated materials and technology Group. To this end the Supervisory Board resolved in an extraordinary meeting on March 27, 2009 to realign the Group and in this context to combine the present five segments into two divisions: the operations of Steel, Stainless and Services into “Materials”, and the business activities of Technologies and Elevator into “Technologies”. The reorganization of the Group, which is to be implemented by the start of the new fiscal year on October 01, 2009, is expected to yield additional sustainable cost savings of up to €500 million per year. The Supervisory Board instructed the Executive Board to draw up an overall plan before the Supervisory Board meeting on May 13 and to present this plan to the Supervisory Board for resolution.

Against the background of the further deterioration in the general economic situation, at the end of April the Executive Board of ThyssenKrupp AG resolved to further develop the plan presented:

- In the future ThyssenKrupp is to be efficiently managed and steered by a strong corporate center. The eight new business areas Steel Europe, Steel Americas, Stainless Global, Materials Services, Elevator Technology, Plant Technology, Components Technology and Marine Systems are to be tied directly to ThyssenKrupp AG in the future. The divisions as interim holding companies will no longer be needed.
- This new structure will bring the Group Executive Board closer to business operations. It will create greater transparency both internally and externally and permit faster and better decision-making. The current segment holding companies will be absorbed into the new structure. This consolidation will significantly reduce administrative expense and capacities.
- “Materials” and “Technologies” describe the strategic focus of the business areas and mark out the Group’s areas of competency.

Details of the further developed strategic reorganization plan will be presented to the Supervisory Board for discussion and resolution on May 13, 2009. Following the Supervisory Board meeting the public will be informed of the outcome.

### Personnel changes

The resolved strategic reorganization involves personnel changes in the administrative areas and also in the Executive Board of ThyssenKrupp AG:

- Jürgen H. Fechter and Dr. Karl-Ulrich Köhler stood down from the Executive Board by mutual agreement at March 31, 2009; they continue to be available to the Group in an advisory capacity.
- No reappointment will be made for the position held by Dr. Wolfram Mörsdorf, whose term of office ended on April 14, 2009.
- Dr. Ulrich Middelmann, Vice Chairman of the Executive Board, is concentrating from April 01, 2009 until his departure at the close of the Annual General Meeting on January 21, 2010 on the implementation of the new Group structure and on the corporate program ThyssenKrupp PLuS.
- Dr. Alan Hippe was appointed Chief Financial Officer of ThyssenKrupp AG effective April 01, 2009.
- Edwin Eichler is in charge of the Steel, Stainless and Services segments, in future “Materials”.
- Dr. Olaf Berlien leads the Technologies and Elevator segments, in future “Technologies”.

# ThyssenKrupp AG

## Condensed consolidated statement of income

million €, earnings per share in €

	Note	1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
Net sales	10	25,469	21,381	13,199	9,859
Cost of sales*	02	(21,108)	(18,697)	(10,956)	(8,981)
<b>Gross margin*</b>		<b>4,361</b>	<b>2,684</b>	<b>2,243</b>	<b>878</b>
Selling expenses*		(1,474)	(1,417)	(751)	(682)
General and administrative expenses*		(1,233)	(1,230)	(620)	(604)
Other operating income		143	230	51	154
Other operating expenses		(253)	(264)	(124)	(124)
Gain/(loss) on the disposal of subsidiaries, net		43	0	43	0
<b>Income/(loss) from operations</b>		<b>1,587</b>	<b>3</b>	<b>842</b>	<b>(378)</b>
Income/(expense) from companies accounted for using the equity method		33	(15)	14	(4)
Interest income		132	135	63	63
Interest expense		(341)	(481)	(170)	(242)
Other financial income/(expense), net		(23)	143	(7)	106
<b>Financial income/(expense), net</b>		<b>(199)</b>	<b>(218)</b>	<b>(100)</b>	<b>(77)</b>
<b>Income/(loss) before income taxes</b>		<b>1,388</b>	<b>(215)</b>	<b>742</b>	<b>(455)</b>
Income tax (expense)/income		(451)	16	(240)	93
<b>Net income/(loss)</b>		<b>937</b>	<b>(199)</b>	<b>502</b>	<b>(362)</b>
<b>Attributable to:</b>					
ThyssenKrupp AG's stockholders		900	(161)	486	(329)
Minority interest		37	(38)	16	(33)
<b>Net income/(loss)</b>		<b>937</b>	<b>(199)</b>	<b>502</b>	<b>(362)</b>
<b>Basic and diluted earnings per share</b>	11				
<b>Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)</b>		<b>1.85</b>	<b>(0.35)</b>	<b>1.00</b>	<b>(0.71)</b>

\* Prior year figure adjusted

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated balance sheet

### ASSETS million €

	Note	Sept. 30, 2008	March 31, 2009
Intangible assets, net		4,683	4,792
Property, plant and equipment, net		11,266	12,212
Investment property		357	354
Investments accounted for using the equity method		515	518
Other financial assets		118	118
Other non-financial assets		902	1,250
Deferred tax assets		467	899
<b>Total non-current assets</b>		<b>18,308</b>	<b>20,143</b>
Inventories, net		9,494	8,439
Trade accounts receivable, net		7,885	5,931
Other financial assets		881	868
Other non-financial assets		1,953	2,102
Current income tax assets		381	228
Cash and cash equivalents		2,725	3,688
Assets held for sale		15	0
<b>Total current assets</b>		<b>23,334</b>	<b>21,256</b>
<b>Total assets</b>		<b>41,642</b>	<b>41,399</b>

### EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2008	March 31, 2009
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings		6,519	5,720
Cumulative income and expense directly recognized in equity		(92)	(477)
Treasury stock		(1,421)	(1,421)
<b>Equity attributable to ThyssenKrupp AG's stockholders</b>		<b>11,007</b>	<b>9,823</b>
Minority interest		482	359
<b>Total equity</b>	05	<b>11,489</b>	<b>10,182</b>
Accrued pension and similar obligations	04	6,550	7,067
Other provisions		641	636
Deferred tax liabilities		1,128	1,124
Financial debt	06	3,068	6,565
Other financial liabilities		321	428
Other non-financial liabilities		20	14
<b>Total non-current liabilities</b>		<b>11,728</b>	<b>15,834</b>
Other provisions		1,746	1,621
Current income tax liabilities		555	788
Financial debt		1,348	942
Trade accounts payable		5,731	3,462
Other financial liabilities		1,544	1,521
Other non-financial liabilities		7,501	7,049
<b>Total current liabilities</b>		<b>18,425</b>	<b>15,383</b>
<b>Total liabilities</b>		<b>30,153</b>	<b>31,217</b>
<b>Total equity and liabilities</b>		<b>41,642</b>	<b>41,399</b>

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated cash flow statement

million €

	1st half ended March 31, 2008	1st half ended March 31, 2009	2nd quarter ended March 31, 2008	2nd quarter ended March 31, 2009
<b>Operating:</b>				
Net income/(loss)	937	(199)	502	(362)
Adjustments to reconcile net income/(loss) to operating cash flows:				
Deferred income taxes, net	59	(237)	59	(147)
Depreciation, amortization and impairment of non-current assets	700	777	352	419
Reversals of impairment losses of non-current assets	(16)	(2)	(3)	(1)
(Income)/loss from companies accounted for using the equity method, net of dividends received	(31)	20	(14)	9
(Gain)/loss on disposal of non-current assets, net	(36)	(22)	(35)	(6)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:				
- inventories	(245)	1,050	165	1,261
- trade accounts receivable	(145)	1,941	(745)	773
- accrued pension and similar obligations	(109)	(91)	(86)	(36)
- other provisions	(207)	(138)	(15)	(30)
- trade accounts payable	(127)	(2,261)	439	(565)
- other assets/liabilities not related to investing or financing activities	53	(215)	383	168
<b>Operating cash flows</b>	<b>833</b>	<b>623</b>	<b>1,002</b>	<b>1,483</b>
<b>Investing:</b>				
Purchase of investments accounted for using the equity method and financial assets	(19)	(26)	(12)	(17)
Expenditures for acquisitions of consolidated companies	(177)	(176)	(151)	(174)
Cash acquired from acquisitions	54	1	12	0
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(1,689)	(1,916)	(822)	(866)
Capital expenditures for intangible assets (inclusive of advance payments)	(72)	(78)	(41)	(33)
Proceeds from disposals of investments accounted for using the equity method and financial assets	2	40	1	7
Proceeds from disposals of previously consolidated companies	88	1	85	1
Cash of disposed businesses	(16)	0	(8)	0
Proceeds from disposals of property, plant and equipment and investment property	42	75	2	11
Proceeds from disposals of intangible assets	4	16	0	7
<b>Cash flows from investing activities</b>	<b>(1,783)</b>	<b>(2,063)</b>	<b>(934)</b>	<b>(1,064)</b>
<b>Financing:</b>				
Proceeds from issuance of bonds	0	1,485	0	1,485
Repayment of bonds	0	(500)	0	(500)
Proceeds from liabilities to financial institutions	699	2,739	489	72
Repayments of liabilities to financial institutions	(462)	(698)	(107)	(504)
Proceeds from notes payable and other loans	219	79	300	11
Increase/(decrease) in bills of exchange	9	3	(7)	(13)
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(4)	(3)	(9)	(1)
Decrease/(increase) in current securities	30	(46)	21	(9)
Payments to repurchase treasury stock	(523)	0	(523)	0
Payment of ThyssenKrupp AG dividend	(635)	(603)	(635)	(603)
Profit attributable to minority interest	(25)	(37)	(9)	(19)
Other financing activities	(8)	(7)	(3)	(14)
<b>Cash flows from financing activities</b>	<b>(700)</b>	<b>2,412</b>	<b>(483)</b>	<b>(95)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,650)</b>	<b>972</b>	<b>(415)</b>	<b>324</b>
Effect of exchange rate changes on cash and cash equivalents	(38)	(9)	(30)	37
Cash and cash equivalents at beginning of reporting period	3,658	2,725	2,415	3,327
<b>Cash and cash equivalents at end of reporting period</b>	<b>1,970</b>	<b>3,688</b>	<b>1,970</b>	<b>3,688</b>
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:				
Interest received	68	76	30	33
Interest paid	(181)	(204)	(139)	(159)
Dividends received	18	6	10	3
Income taxes (paid)/received	(369)	190	(302)	241

See note 12 to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of recognized income and expense

million €

	1st half ended March 31, 2008	1st half ended March 31, 2009
Foreign currency translation adjustment	(337)	11
Unrealized gains/(losses) from available-for-sale financial assets	3	(6)
Actuarial losses from pensions and similar obligations	—	(550)
Gains resulting from asset ceiling	—	1
Unrealized losses on derivative financial instruments	(146)	(22)
Tax effect	46	177
<b>Income and expense directly recognized in equity (net of tax)</b>	<b>(434)</b>	<b>(389)</b>
<b>Net income/(loss)</b>	<b>937</b>	<b>(199)</b>
<b>Total recognized income and expense for the period</b>	<b>503</b>	<b>(588)</b>
<b>Attributable to:</b>		
<b>ThyssenKrupp AG's stockholders</b>	<b>482</b>	<b>(552)</b>
Minority interest	21	(36)

The presentation includes income and expense attributable to joint ventures accounted for using the equity method.  
See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Notes to the interim condensed consolidated financial statements

### Corporate Information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Germany. The interim condensed consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the “Group”, for the period from October 01, 2008 to March 31, 2009, were authorized for issue in accordance with a resolution of the Executive Board on May 12, 2009.

### Basis of presentation

The accompanying Group’s interim condensed consolidated financial statements have been prepared in accordance with section 37w of the German Securities Trading Act (WpHG) and International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year end reporting purposes.

The accompanying Group’s interim condensed consolidated financial statements have been reviewed. In the opinion of Management, the interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for interim periods. Results of the period ended March 31, 2009, are not necessarily indicative for future results.

The preparation of interim financial statements in conformity with IAS 34 Interim Financial Reporting requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The accounting principles and practices as applied in the interim condensed consolidated financial statements correspond to those pertaining to the most recent annual consolidated financial statements. A detailed description of the accounting policies is published in the notes to the annual consolidated financial statements of our annual report 2007/2008.

### Recently issued accounting standards

In fiscal year 2008/2009, the following Amendments to already existing Standards with relevance for ThyssenKrupp have been issued which still must be endorsed by the EU before they can be adopted:

In March 2009 the IASB issued an amendment to IFRS 7 “Financial Instruments: Disclosures” titled “Improving Disclosures about Financial Instruments”. The amendment enhances the disclosure requirements about fair value measurements and about liquidity risk. The application of the amended Standard is compulsory for fiscal years beginning on or after January 01, 2009, while earlier application is permitted. In the first year of application comparative disclosures are not required. The initial application at ThyssenKrupp will lead to additional disclosures in the Notes.

In April 2009 the IASB issued the second omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts ten existing standards and two interpretations by fifteen amendments. Unless otherwise specified, the amendments are effective for fiscal years beginning on or after January 01, 2010, while earlier application is permitted. Currently, Management does not expect the adoption of the amended standards and interpretations – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

## 01 Acquisitions

In the 1st half year ended March 31, 2009, the Group acquired companies that are, on an individual basis, immaterial. Based on the values of the acquisition date, these acquisitions affected, in total, the Group's consolidated financial statements as presented below:

	1st half ended March 31, 2009		
	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
Goodwill	0	18	18
Other intangible assets	0	7	7
Property, plant and equipment	1	0	1
Inventories	1	0	1
Trade accounts receivable	6	0	6
Other current non-financial assets	1	0	1
<b>Total assets acquired</b>	<b>9</b>	<b>25</b>	<b>34</b>
Accrued pension and similar obligations	1	0	1
Deferred tax liabilities	0	2	2
Current financial debt	1	0	1
Trade accounts payable	2	0	2
Other current non-financial liabilities	3	0	3
<b>Total liabilities assumed</b>	<b>7</b>	<b>2</b>	<b>9</b>
<b>Net assets acquired</b>	<b>2</b>	<b>23</b>	<b>25</b>
Minority interest			0
<b>Purchase prices (incl. incidental acquisition cost)</b>			<b>25</b>
thereof: paid in cash and cash equivalents			13

In January 2009, ThyssenKrupp acquired the remaining 25% share in ThyssenKrupp Marine Systems AG after One Equity Partner (OEP), the former minority holder of the shipyard group, had exercised the existing put option in December 2008. Due to the put option, the acquisition had only a minor impact on the Group's consolidated balance sheet as 100% of ThyssenKrupp Marine Systems AG are already consolidated.

## 02 Cost of sales

In the 6 months period ended March 31, 2009, included in cost of sales are write-downs of inventories of €239 million which mainly refer to the Stainless and Services segments. Furthermore, impairment losses on property, plant and equipment of €80 million were recognized in cost of sales which almost exclusively refer to the 2nd quarter ended March 31, 2009 and which mainly resulted from the Stainless segment.

## 03 Share-based compensation

### Management incentive plans

In January 2009, ThyssenKrupp granted 80,043 stock rights under the seventh installment of the mid-term incentive plan. In addition, in the 2nd quarter ended March 31, 2009, the stock rights granted in the fourth installment of the mid-term incentive plan were settled with a payment of €23.5 million. Due to a downward trend of the value determining components, ThyssenKrupp recorded an income of €11.1 million from the reversal of the obligations of the mid-term incentive plan in the 2nd quarter ended March 31, 2009 (2nd quarter ended March 31, 2008: expense of €5.4 million) resulting in income of €17.7 million in the 1st half year ended March 31, 2009 (1st half ended March 31, 2008: expense of €3.6 million).

The Group's Share Purchase Program resulted in a compensation expense of €0 million in the 2nd quarter ended March 31, 2009 (2nd quarter ended March 31, 2008: €1.3 million) and of €5.5 million in the 1st half year ended March 31, 2009 (1st half ended March 31, 2008: €5.3 million).



## 04 Accrued pension and similar obligations

Significant changes in the interest rate and plan asset situation compared to September 30, 2008 as a consequence of the crisis on the international financial markets resulted in significant changes in accrued pension liability and accrued postretirement obligations other than pensions (health care obligations). Therefore, as of March 31, 2009, an updated valuation of accrued pension and health care obligations was performed taking into account these effects while keeping other assumptions unchanged.

million €	Sept. 30, 2008	March 31, 2009
Accrued pension liability	5,227	5,762
Accrued postretirement obligations other than pensions	1,029	1,028
Other accrued pension-related obligations	294	277
<b>Total</b>	<b>6,550</b>	<b>7,067</b>

The Group applied the following weighted average assumptions to determine pension and postretirement benefit obligations other than pensions:

in %	Sept. 30, 2008		March 31, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Discount rate for accrued pension liability	6.75	6.44	6.00	6.50
Discount rate for postretirement obligations other than pensions (only USA/Canada)	—	6.97	—	7.09

The net periodic pension cost for the defined benefit plans is as follows:

million €	1st half ended March 31, 2008		1st half ended March 31, 2009		2nd quarter ended March 31, 2008		2nd quarter ended March 31, 2009	
	Germany	Outside Germany	Germany	Outside Germany	Germany	Outside Germany	Germany	Outside Germany
Service cost	38	15	30	13	20	7	15	6
Interest cost	146	64	162	61	73	32	81	31
Expected return on plan assets	(6)	(70)	(6)	(52)	(3)	(35)	(3)	(26)
Curtailment and settlement gains	0	0	0	(1)	0	0	0	0
Termination benefit expense	0	0	0	8	0	0	0	8
<b>Net periodic pension cost</b>	<b>178</b>	<b>9</b>	<b>186</b>	<b>29</b>	<b>90</b>	<b>4</b>	<b>93</b>	<b>19</b>

The net periodic postretirement benefit cost for health care obligations is as follows:

million €	1st half ended March 31, 2008 USA/Canada	1st half ended March 31, 2009 USA/Canada	2nd quarter ended March 31, 2008 USA/Canada	2nd quarter ended March 31, 2009 USA/Canada
Service cost	5	5	2	2
Interest cost	29	34	15	17
Expected return on reimbursement rights	(2)	(3)	(1)	(2)
Past service cost	0	(25)	0	(1)
Curtailment and settlement gains	0	(20)	0	0
<b>Net periodic postretirement benefit cost</b>	<b>32</b>	<b>(9)</b>	<b>16</b>	<b>16</b>

## 05 Total equity

Total equity and the number of shares outstanding changed as follows:

million € (except number of shares)

	Equity attributable to ThyssenKrupp AG's stockholders							Minority interest	Total equity
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative income and expense directly recognized in equity	Treasury stock	Total		
Balance as of Sept. 30, 2007	488,764,592	1,317	4,684	4,963	(241)	(697)	10,026	421	10,447
Net income				900			900	37	937
Income and expense directly recognized in equity					(464)		(464)	(16)	(480)
Tax effects on income and expense directly recognized in equity					46		46	0	46
Profit attributable to minority interest							0	(25)	(25)
Dividend payment				(635)			(635)	0	(635)
Treasury stock purchased	(14,791,100)					(523)	(523)	0	(523)
Share-based compensation				(4)			(4)	0	(4)
Other changes				3			3	21	24
Balance as of March 31, 2008	473,973,492	1,317	4,684	5,227	(659)	(1,220)	9,349	438	9,787
Balance as of Sept. 30, 2008	463,473,492	1,317	4,684	6,519	(92)	(1,421)	11,007	482	11,489
Net loss				(161)			(161)	(38)	(199)
Income and expense directly recognized in equity					(569)		(569)	3	(566)
Tax effects on income and expense directly recognized in equity					178		178	(1)	177
Profit attributable to minority interest							0	(37)	(37)
Dividend payment				(603)			(603)	0	(603)
Share-based compensation				3			3	0	3
Other changes				(38)	6		(32)	(50)	(82)
Balance as of March 31, 2009	463,473,492	1,317	4,684	5,720	(477)	(1,421)	9,823	359	10,182

By the resolution of the Annual General Meeting on January 23, 2009, ThyssenKrupp AG is authorized through July 22, 2010, to purchase treasury stock for certain defined purposes up to a total of 10% of the current capital stock issued. In addition, by the resolution of the Annual General Meeting the Executive Board is authorized, subject

to the approval of the Supervisory Board, to issue bearer bonds with a total par value up to €2 billion and to grant the bond holders the right to convert the bonds into a total of up to €50 million bearer shares of the Company (convertible bonds). The authorization is valid until January 22, 2014.

## 06 Bond Issue

In February 2009, ThyssenKrupp Finance Nederland B.V. issued a €1.5 billion “Dual tranche”-bond documented under the company’s Debt Issuance Programme. The bond is unconditionally and irrevocably guaranteed by ThyssenKrupp AG. The bond was issued in two tranches with a 4 year and a 7 year maturity. The 4 year tranche has a volume of €0.5 billion and carries a coupon of 6.75% p.a., the 7 year tranche has a volume of €1.0 billion and carries a coupon of 8.50% p.a. The purpose of the transaction is to refinance the €0.5 billion bond redemption in March 2009 and to extend the financial debt maturity profile.

## 07 Contingencies including pending lawsuits and claims for damages

### Guarantees

ThyssenKrupp AG and its segment lead companies as well as, in individual cases, its subsidiaries have issued guarantees in favor of business partners or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated Group company:

million €

	Maximum potential amount of future payments as of March 31, 2009	Provision as of March 31, 2009
Advance payment bonds	147	0
Performance bonds	63	0
Third party credit guarantee	40	0
Residual value guarantees	45	1
Other guarantees	70	2
<b>Total</b>	<b>365</b>	<b>3</b>

The terms of those guarantees depend on the type of guarantee and may range from three months to ten years (e.g. rental payment guarantees).

The basis for possible payments under the guarantees is the non-performance of the primary obligor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract or non-performance with respect to the warranted quality or default under a loan agreement.

All guarantees issued by or issued by instruction of ThyssenKrupp AG or the segment lead companies upon request of the principal debtor are obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, then such a third party is generally requested to provide additional collateral in a corresponding amount.

### Commitments and other contingencies

Compared to September 30, 2008, in the Steel and Stainless segments the commitment to enter into investment projects in Brazil and North America decreased by €1.2 billion to €3.5 billion.

### Pending lawsuits and claims for damages

The Group is involved in pending and threatened litigation in connection with the sale of certain companies, which may lead to partial repayment of purchase price, to the award of damages or to reversal of sale. In addition, damage claims may be payable to customers and subcontractors under performance contracts. Some of these claims have proven unfounded or have been ended by settlement or expired under the statute of limitations. A number of legal and regulatory proceedings are still pending. Customers are claiming damages in connection with the business activities of ThyssenKrupp.

There have been no significant changes since the previous year end to other contingencies, including pending litigations.

## 08 Derivative financial instruments

The notional amounts and fair values of the Group's derivative financial instruments are as follows:

million €

	Notional amount Sept. 30, 2008	Fair value Sept. 30, 2008	Notional amount March 31, 2009	Fair value March 31, 2009
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Foreign currency derivatives including embedded derivatives	5,696	213	5,692	327
Interest rate derivatives*	71	21	70	33
Commodity derivatives	1,273	292	545	156
<b>Total</b>	<b>7,040</b>	<b>526</b>	<b>6,307</b>	<b>516</b>
<b>Liabilities</b>				
Foreign currency derivatives including embedded derivatives	6,804	368	4,298	356
Interest rate derivatives*	898	25	905	81
Commodity derivatives	823	152	511	151
<b>Total</b>	<b>8,525</b>	<b>545</b>	<b>5,714</b>	<b>588</b>

\* inclusive of cross currency swaps

## 09 Related parties transactions

ESG Legierungen GmbH is classified as a related party due to the fact that a close member of the family of an Executive Board member is a managing director. In the 1st half ended March 31, 2009, the Group realized sales of €0.2 million with ESG Legierungen GmbH from the sale of zinc. In the same period the Group purchased zinc alloy with a value of €19 thousand from ESG Legierungen GmbH. The transactions were carried out at market conditions and resulted in trade accounts receivable of €0.1 million as of March 31, 2009.

The Heitkamp & Thumann Group located in Düsseldorf and the Heitkamp Baugruppe located in Herne are classified as related parties due to the fact that a member of the Supervisory Board has significant influence on both Groups. In the period from November, 16, 2008 to March 31, 2009, the ThyssenKrupp Group realized sales of €4.8 million with the Heitkamp & Thumann Group from the sale of steel and stainless material as well as from industrial servicing. In the same period ThyssenKrupp purchased tools with a value of

€0.2 million from the Heitkamp & Thumann Group and services with a value of €0.9 million from the Heitkamp Baugruppe. The transactions were carried out at market conditions. As of March 31, 2009, the transactions with the Heitkamp & Thumann Group resulted in trade accounts receivable of €1.7 million and trade accounts payable of €0.1 million, the transactions with the Heitkamp Baugruppe resulted in trade accounts receivable of €2 thousand and trade accounts payable of €30 thousand.

In the 1st half year ended March 31, 2009, a Group subsidiary realized sales of €0.1 million resulting from a €2 million elevator modernization contract which the subsidiary received in 2006/2007 from an entity belonging to the Alfried Krupp von Bohlen and Halbach Foundation.

# 10 Segment reporting

Segment information for the 1st half year ended March 31, 2008 and March 31, 2009 as well as for the 2nd quarter ended March 31, 2008 and March 31, 2009 is as follows::

million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Consolidation	Group
<b>1st half ended March 31, 2008</b>								
External sales	6,117	3,372	5,816	2,346	7,767	51	0	25,469
Internal sales within the Group	736	421	35	2	332	9	(1,535)	0
Total sales	6,853	3,793	5,851	2,348	8,099	60	(1,535)	25,469
Income/(loss) before income taxes	749	(7)	365	209	267	(181)	(14)	1,388
<b>1st half ended March 31, 2009</b>								
External sales	4,821	1,962	5,542	2,635	6,370	51	0	21,381
Internal sales within the Group	509	199	35	1	259	9	(1,012)	0
Total sales	5,330	2,161	5,577	2,636	6,629	60	(1,012)	21,381
Income/(loss) before income taxes	307	(622)	59	302	(48)	(211)	(2)	(215)
<b>2nd quarter ended March 31, 2008</b>								
External sales	3,245	1,723	3,012	1,163	4,034	22	0	13,199
Internal sales within the Group	394	232	17	1	198	4	(846)	0
Total sales	3,639	1,955	3,029	1,164	4,232	26	(846)	13,199
Income/(loss) before income taxes	396	38	186	90	135	(97)	(6)	742
<b>2nd quarter ended March 31, 2009</b>								
External sales	2,188	917	2,638	1,293	2,798	25	0	9,859
Internal sales within the Group	217	71	18	0	105	0	(411)	0
Total sales	2,405	988	2,656	1,293	2,903	25	(411)	9,859
Income/(loss) before income taxes	56	(373)	(105)	146	(78)	(103)	2	(455)

## 11 Earnings per share

Basic earnings per share is computed as follows:

	1st half ended March 31, 2008		1st half ended March 31, 2009		2nd quarter ended March 31, 2008		2nd quarter ended March 31, 2009	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
<b>Numerator:</b>								
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)	900	1.85	(161)	(0.35)	486	1.00	(329)	(0.71)
<b>Denominator:</b>								
Weighted average shares	485,152,108		463,473,492		481,539,618		463,473,492	

### Relevant number of common shares for the determination of earnings per share

Earnings per share have been computed by dividing income/(loss) attributable to common stockholders of ThyssenKrupp AG (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Shares issued during the period and shares reacquired during the period have been weighted for the portion of the period that they were outstanding.

In fiscal year 2007/2008 the weighted average number of outstanding shares was reduced by the repurchase of treasury shares in February/March 2008 and July/August 2008.

There were no dilutive securities in the periods presented.

## 12 Additional information to the consolidated cash flow statement

### Non-cash investing activities

In the 1st half year ended March 31, 2009, the acquisition and first-time consolidation of companies created an increase in non-current assets of €25 million (1st half ended March 31, 2008: €135 million). In the 2nd quarter ended March 31, 2009, these increases amounted to €18 million (2nd quarter ended March 31, 2008: €83 million).

The non-cash addition of assets under finance leases in the 1st half year ended March 31, 2009 amounted to €7 million (1st half ended March 31, 2008: €31 million) and in the 2nd quarter ended March 31, 2009 to €1 million (2nd quarter ended March 31, 2008: €6 million).

### Non-cash financing activities

In the 1st half year ended March 31, 2009, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt of €1 million (1st half ended March 31, 2008: €70 million). In the 2nd quarter ended March 31, 2009, these increases amounted to €1 million (2nd quarter ended March 31, 2008: €38 million).

## 13 Subsequent events

In April 2009, ThyssenKrupp Finance Nederland B.V. increased the volume of its 6.75% - €500 million bond of 2009/2013 issued in February 2009 which is unconditionally and irrevocably guaranteed by ThyssenKrupp AG by an amount of €500 million. The purpose of this transaction is to extend the financial debt maturity profile.

## Review report of the half-year financial report

### To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements comprising the balance sheet, the income statement, cash flow statement, statement of recognised income and expense and selected notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2008 to March 31, 2009 which form part of the half-year financial report according to section 37w German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements (ISRE) 2410. Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the

IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, May 12, 2009

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Michael Gewehr  
(German Public Auditor)

Markus Zeimes  
(German Public Auditor)

## Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the fiscal year.

Düsseldorf, May 12, 2009

ThyssenKrupp AG  
The Executive Board

Schulz Middelmann

Berlien Eichler

Hippe Labonte



## Report by the Supervisory Board Audit Committee

The interim report on the 1st half of fiscal year 2008/2009 (October 2008 to March 2009) and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board in its meeting on May 12, 2009 and explained by the Executive Board and the auditors. The Audit Committee approved the interim report.

Düsseldorf, May 12, 2009

Chairman of the Audit Committee  
Dr. Martin Kohlhaussen

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### 2009/2010 dates

#### May 14, 2009

Analysts' and investors' conference

#### August 14, 2009

Interim report

9 months 2008/2009 (October to June)

Conference call with analysts and investors

#### November 27, 2009

Annual press conference

Analysts' and investors' conference

#### January 21, 2010

Annual General Meeting

#### February 12, 2010

Interim report

1st quarter 2009/2010 (October to December)

Conference call with analysts and investors

#### May 12, 2010

Interim report

1st half 2009/2010 (October to March)

### Forward-looking statements

This report contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties 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. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. ThyssenKrupp does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

### Variances for technical reasons

To meet statutory disclosure obligations, the Company has to submit the interim report to the electronic Federal Gazette (Bundesanzeiger). For technical reasons (e.g. conversion of electronic formats) there may be variances in the accounting documents published in the electronic Bundesanzeiger.

This English version of the interim report is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

Both language versions of the interim report can be downloaded from the internet at <http://www.thyssenkrupp.com>. An interactive online version is also available on our website in both languages.



