

# Interim Report 1st quarter 09/10

ThyssenKrupp AG

October 01 – December 31, 2009



**ThyssenKrupp**



# Contents

Interim report 1st quarter 2009 – 2010

## 01 /

P. 03 – 28

- 02 / The Group in figures
- 02 / ThyssenKrupp in brief

### Interim management report

- 03 / New organizational structure
- 04 / Group review
- 09 / Business area review
- 21 / ThyssenKrupp stock
- 22 / Innovations
- 22 / Employees
- 23 / Financial position
- 25 / Risk report
- 26 / Subsequent events, opportunities and outlook

## 02 /

P. 29 – 40

### Interim financial statements

- 29 / Condensed consolidated statement of financial position
- 30 / Condensed consolidated statement of income
- 31 / Condensed consolidated statement of comprehensive income
- 32 / Condensed consolidated statement of changes in equity
- 33 / Condensed consolidated statement of cash flows
- 34 / Notes to the interim condensed consolidated financial statements

## 03 /

P. 41

- 41 / Review report

## 04 /

P. 42 – 43

### Further information

- 42 / Report by the Supervisory Board Audit Committee
- 43 / Contact
- 43 / 2010/2011 dates

## The Group in figures

### GROUP

		1st quarter comparatives			
		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009	Change	Change in %
Order intake	million €	12,887	9,328	(3,559)	(28)
Sales	million €	11,522	9,351	(2,171)	(19)
EBITDA	million €	764	808	44	6
EBIT	million €	407	477	70	17
Adjusted EBIT	million €	416	401	(15)	(4)
Earnings before taxes (EBT)	million €	240	313	73	30
Adjusted EBT	million €	249	237	(12)	(5)
Net income	million €	163	195	32	20
Basic earnings per share	€	0.36	0.35	(0.01)	(3)
Employees	(Dec. 31)	197,175	174,763	(22,412)	(11)

		Sept. 30, 2009	Dec. 31, 2009
Net financial debt	million €	2,059	2,130
Total equity	million €	9,696	10,041

### BUSINESS AREAS

	Order intake (million €)		Sales (million €)		Earnings before taxes (EBT) (million €)		Adjusted EBT (million €)		Employees		
	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009	Dec. 31, 2008	Sept. 30, 2009	Dec. 31, 2009
Steel Europe	1,866	2,500	2,848	2,281	345	104	354	104	38,048	36,416	35,582
Steel Americas	0	0	0	0	(76)	(4)	(76)	(4)	1,263	1,659	1,794
Stainless Global	967	943	1,173	1,210	(243)	(59)	(243)	(59)	12,167	11,755	11,597
Materials Services	4,016	2,681	3,995	2,760	30	112	30	31	46,367	44,316	31,972
Elevator Technology	1,562	1,230	1,343	1,226	159	155	159	155	43,599	42,698	42,926
Plant Technology	1,751	1,324	1,078	954	99	95	99	95	13,416	13,043	12,977
Components Technology	1,290	1,169	1,299	1,237	53	43	53	43	31,418	27,973	27,997
Marine Systems	1,856	110	546	254	33	(10)	33	(5)	8,319	7,770	7,593
Corporate	34	31	34	31	(155)	(121)	(155)	(121)	2,578	1,865	2,325
Consolidation	(455)	(660)	(794)	(602)	(5)	(2)	(5)	(2)	—	—	—
<b>Group</b>	<b>12,887</b>	<b>9,328</b>	<b>11,522</b>	<b>9,351</b>	<b>240</b>	<b>313</b>	<b>249</b>	<b>237</b>	<b>197,175</b>	<b>187,495</b>	<b>174,763</b>

## ThyssenKrupp in brief

Tailored materials of all kinds and a comprehensive range of high-end technological goods, backed by a broad portfolio of services, characterize the activities of our almost 175,000 committed and skilled employees. They provide innovative solutions for sustainable progress for our customers in more than 80 countries on all five continents. In our eight business areas – Steel Europe, Steel Americas, Stainless Global, Materials Services, Elevator Technology, Plant Technology, Components Technology and Marine Systems – 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 850 subsidiaries and equity interests. Two thirds of our 2,500 production sites, offices and service bases are outside Germany.



## New organizational structure

To strengthen the Group for the economic and strategic challenges of the coming years we adopted a new and more efficient organizational structure with effect from October 01, 2009. The Group's activities in materials and technologies are now organized in eight business areas: Steel Europe, Steel Americas, Stainless Global, Materials Services, Elevator Technology, Plant Technology, Components Technology and Marine Systems.

ThyssenKrupp AG as corporate headquarters performs a strategic management function, while the business areas and the Group companies belonging to them operate independently on the market. Compared with the previous organizational structure one management level has been eliminated. ThyssenKrupp Business Services and ThyssenKrupp IT Services offer standardized services that can be used by all Group companies, business areas and corporate headquarters.

The new Group structure increases the transparency of our reporting. As from the beginning of the 1st quarter 2009/2010 our reporting is based on the new business areas; the prior-year comparatives have been adjusted accordingly.

### THYSSENKRUPP GROUP

#### Corporate headquarters

ThyssenKrupp AG

#### Business areas

##### Materials

Steel Europe  
ThyssenKrupp Steel Europe  
Processing

Steel Americas  
ThyssenKrupp CSA Siderúrgica do Atlântico  
ThyssenKrupp Steel USA

Stainless Global  
ThyssenKrupp Nirosta  
ThyssenKrupp Acciai Speciali Terni  
ThyssenKrupp Mexinox  
Shanghai Krupp Stainless  
ThyssenKrupp Stainless USA  
ThyssenKrupp VDM  
ThyssenKrupp Stainless International

Materials Services  
Metals Services  
Special Services  
Industrial Services

##### Technologies

Elevator Technology  
Central / Eastern / Northern Europe  
Southern Europe / Africa / Middle East  
Americas  
Asia / Pacific  
Escalators / Passenger Boarding Bridges  
Accessibility

Plant Technology  
Uhde  
Polysius  
ThyssenKrupp Fördertechnik  
System Engineering  
ThyssenKrupp Transrapid

Components Technology  
Presta Camshafts  
Forging Group  
ThyssenKrupp Waupaca  
Rothe Erde  
Berco  
Presta Steering  
Bilstein group

Marine Systems  
Naval  
Shipyards and Services

#### Business Services

ThyssenKrupp Business Services  
ThyssenKrupp IT Services

## Group review

### ThyssenKrupp – back in profit in the 1st quarter 2009/2010

The overall economic environment stabilized somewhat in the final quarter of 2009 but the effects of the deep economic and financial crisis still predominated. Order intake and sales were well down year-on-year. However, quarter-on-quarter, orders showed a noticeable improvement.

The earnings situation was better than expected. After three quarters of losses ThyssenKrupp achieved earnings before taxes (EBT) of €313 million in the 1st quarter 2009/2010 – up €73 million from the prior-year figure of €240 million. Adjusted EBT at €237 million was only slightly down from the prior-year figure of €249 million.

As from the beginning of fiscal year 2009/2010, certain defined nonrecurring items are excluded from EBT and EBIT. These include gains and losses on disposals, restructuring costs, impairment charges, other non-operating expense, and other non-operating income. These items are only excluded if the event is of material importance to the consolidated financial statements. The start-up losses in the Steel Americas business area that were excluded in the prior year are no longer classified as nonrecurring items as they are no longer of a project nature due to the commissioning of the steel making and processing plants in the current fiscal year. The prior-year comparative has been adjusted accordingly.

The majority of the business areas generated a profit in the 1st quarter 2009/2010. We believe this shows we are on track to achieving our earnings goals – also thanks to the rigorous implementation of our cost-reduction and restructuring programs.

The highlights for the 1st quarter 2009/2010:

- Order intake dropped year-on-year by 28% to €9.3 billion.
- Sales fell by 19% to €9.4 billion.
- EBITDA came to €808 million, compared with €764 million in the prior year.
- Earnings before taxes increased year-on-year from €240 million to €313 million.
- Adjusted earnings before taxes at €237 million almost reached the prior-year figure of €249 million.
- Earnings per share came to €0.35, compared with €0.36 in the prior year.
- Net financial debt at December 31, 2009 was €2,130 million, an increase of €71 million compared with September 30, 2009, when we reported net financial debt of €2,059 million. On December 31, 2008 net financial debt stood at €3,514 million.

### Economic slide halted

Following the deepest recession of the post-war period the global economic environment stabilized in the latter part of 2009. World trade, in decline at the beginning of the year, increased again. Leading indicators such as the Ifo expectations index and the purchasing manager index showed some marked signs of recovery in the second half of 2009. According to current assessments world GDP shrank overall by 1.4% in 2009.

The economy in the euro zone grew again slightly in the second half of 2009, thanks to expansive government spending policies and higher exports. Overall, however, economic output in 2009 was around 4% lower than a year earlier. The decline in Germany was even larger, mainly due to the deep slump at the beginning of the year. The German economy grew slightly in the further course of the year but the recovery in investment and exports was very tentative.

The us economy began to grow again in the 3rd and 4th quarters of 2009, lifted by higher private and public spending due to the government stimulus program. Despite the increase in activity in the 2nd half of the year, US economic output in 2009 was 2.5% lower than a year earlier. The slump in economic output in Japan was even more pronounced, but there too the worst of the recession seems to be over.

The Asian emerging economies came through the slump in world trade relatively well, profiting from continuing dynamic growth in China, whose domestic economy was lifted by massive stimulus programs. India, too, remained on growth track thanks to strong domestic demand. The Brazilian economy remained relatively stable. Russia's economic output declined sharply but improved slightly towards the end of the year.

The picture in the sectors of importance to ThyssenKrupp was as follows:

- The international steel markets strengthened again from fall 2009 as a result of stockbuilding. World steel output in the final quarter of 2009 clearly exceeded the very low prior-year figure. Despite higher overall capacity utilization rates in the final months of last year, global steel production in the whole of 2009 was 8% lower year-on-year at around 1.2 billion metric tons. China – boosted by government stimulus programs – recorded a 14% increase to around 570 million metric tons, while output in the rest of the world declined by roughly 21%. The German steel industry suffered a 29% decrease to just under 33 million metric tons. Here too, however, capacity utilization was back to almost normal levels in the 4th quarter of 2009. Reflecting the firmer volumes, steel prices showed first signs of stabilization and recovery from late summer 2009.

The European carbon steel flat-rolled market took a turn for the better from fall 2009. Orders received by steel suppliers settled at a higher level in the final weeks of 2009. However this was more a case of gap-filling than a sign of a stronger stockbuilding trend. End-user demand remained slow on the whole, with steel customers still purchasing very cautiously. Imports into the EU from third countries started trending upwards from September but without yet reaching worrying levels. Volumes and prices on the US market for carbon steel flat products also stabilized in the 4th quarter of 2009.

- World demand for stainless steel flat products fell year-on-year by an estimated 8% in 2009. The European producers recorded increased orders and deliveries in the spring due to restocking, but demand stagnated again from the summer. Imports, especially from Asia, increased again significantly in the 4th quarter of 2009. In North America, too, low stock levels at distributors and service centers led to an increase in demand from early summer but this came to an end in the final quarter of 2009. In China, distributors' stock levels were at an all-time high in October 2009 but subsequently declined significantly due to production cuts by Chinese producers.

Base prices in Europe were raised from the spring but have been in decline again since the start of the 4th quarter of 2009. In addition, the lower nickel price led to a decrease in the alloy surcharge for austenitic materials. In North America, base prices rose in the summer months and were steady

from the beginning of the reporting quarter. Prices in China almost reached European levels in early summer but slumped in the further course of the year, only stabilizing towards the end of the year.

In the area of nickel and titanium alloys, demand was weak in all customer groups. Price levels worldwide remained depressed.

- The auto industry had to scale back its output significantly in 2009. According to current estimates, less than 60 million cars and trucks rolled off the production lines worldwide, 14% fewer than a year earlier. Only in China was there a substantial increase in production – with the help of government support programs. In the USA, 21% fewer cars and light trucks were sold, although there were increases again in the 4th quarter of 2009. In the European Union, new car registrations in 2009 were 1.3% lower year-on-year; however new car sales in the final quarter of 2009 were significantly higher than the weak prior-year figures. Both in the USA and in some EU countries, demand was stimulated by government programs last year.

In Germany, the eco premium for scrapped cars lifted domestic car sales. Overall, new car registrations in 2009 were 23% higher year-on-year. However, at the same time exports fell by 17%, so car production dropped by 10%. With the ending of the rebate program, growth in new car registrations slowed considerably in the 4th quarter and was negative in December 2009. Truck production fell year-on-year by 52%.

- As a result of the global recession and the attendant slump in world trade, sea freight volumes decreased significantly. Due to the lower demand and to financing difficulties, Germany's shipyards received hardly any new orders in 2009. The number of order cancellations increased massively, leading to a sharp drop in orders in hand.
- The economic crisis resulted in significantly lower capital investment in 2009. As a result, machinery production fell drastically, particularly in the industrialized countries. In Germany it dropped by around a quarter. The large fall in orders only slowed in the final months of the year. Germany's plant engineering sector also recorded significantly lower orders in 2009. In contrast to the global trend, China increased its machinery output thanks to government stimulus programs.
- The construction sector suffered serious setbacks in most countries last year. While China and India remained on growth track, the USA in particular recorded major losses. Signs of stabilization on the US real estate market only became visible from the middle of the year. In Europe, construction output dropped above all in the UK and Ireland but also in Spain. The German construction sector recorded fewer orders, particularly in commercial building.



### Order intake and sales remain depressed

The overall economic environment continued to weigh heavily on the performance of ThyssenKrupp in the 1st quarter of 2009/2010. Sales and above all orders decreased significantly year-on-year. However, the quarter-on-quarter trend shows signs of stabilization, with orders in particular improving in some areas.

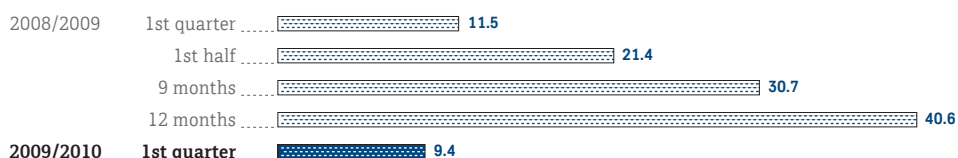
### THYSSENKRUPP IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	12,887	9,328
Sales	million €	11,522	9,351
EBITDA	million €	764	808
EBIT	million €	407	477
Adjusted EBIT	million €	416	401
Earnings before taxes (EBT)	million €	240	313
Adjusted EBT	million €	249	237
Capital expenditures	million €	1,106	777
Employees	Dec. 31	197,175	174,763

Orders received by ThyssenKrupp in the 1st quarter 2009/2010 reached a value of €9.3 billion, 28% less than in the first three months of the prior fiscal year. While demand was lower in the elevator and escalator, plant technology and above all shipyard businesses, orders for carbon steel flat products increased significantly due to higher volumes. Compared with the prior quarter, when orders received totaled €7.5 billion, new orders increased by 24%.

The Group's sales in the 1st quarter 2009/2010 decreased year-on-year by 19% to €9.4 billion. There were falls in almost all business areas. In the flat-rolled carbon steel business, lower steel selling prices led to reduced sales, while at stainless steel the effects of higher shipment volumes outweighed the price decreases. Lower prices for materials also made themselves felt at Materials Services. Weaker demand for new elevators and escalators impacted business at Elevator Technology. Due to billing reasons, sales also decreased in the plant engineering business. Although demand for auto components was better than expected, sales at Components Technology were down from the prior year. At Marine Systems the poor order situation caused a sharp drop in business.

### SALES in billion €



### Earnings before taxes improved to €313 million

Earnings before taxes (EBT) in the 1st quarter 2009/2010 came to €313 million. ThyssenKrupp therefore exceeded the prior-year figure by €73 million and moved back into profit after three quarters of losses. The earnings figures include nonrecurring items of €76 million, mainly income from the sale of the Industrial Services units of the Materials Services business area. Excluding these, EBT in the reporting quarter was €237 million, just under 5% lower than the prior-year figure of €249 million.

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

2008/2009	1st quarter	240
	1st half	(215)
	9 months	(987)
	12 months	(2,364)
2009/2010	1st quarter	313

Net sales in the 1st quarter 2009/2010 were €2,171 million or 19% lower than in the corresponding prior-year quarter. The cost of sales decreased by €1,857 million or 19% and therefore proportionately to sales. A major factor in this was a significant reduction in inventory writedowns, which reinforced the effect of the sales-related decline in other costs of sales. Gross profit decreased by €314 million or 18%, resulting in a slight increase in gross margin from 15.5% to 15.8%.

The decrease in selling expenses by €92 million was caused mainly by reduced personnel expense and lower expenses for sales-related freight and insurance charges. General and administrative expenses were €50 million lower than the corresponding prior-year figure, also as a result of the cost-reduction measures. The €93 million increase in income from the disposal of subsidiaries was due mainly to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area. Two main factors were responsible for the €104 million improvement in other financial income: a €73 million improvement in exchange rate gains on financial transactions and a €20 million year-on-year increase in capitalized interest costs, relating to the construction of the steel mills in Brazil and the USA.

The €41 million increase in income tax was mainly due to nonrecurring effects from the taxation of disposal gains and to charges due to the adjustment of interest carryforwards in Germany. As a result, the tax rate increased year-on-year by 6 percentage points to 38%. After taking into account income taxes, net income in the reporting period was €195 million, up €32 million from the prior year.

Including non-controlling interest in income, earnings per share in the 1st quarter 2009/2010 decreased year-on-year by €0.01 to €0.35.

**Net financial debt and capital expenditures**

On December 31, 2009, net financial debt stood at €2,130 million. The only slight increase of €71 million from September 30, 2009 was helped by one-time effects – including the capital contribution at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. by co-shareholder Vale S.A. and the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway – which generated around €900 million.

**NET FINANCIAL DEBT in million €**

2008/2009	December 31	3,514
	March 31	3,687
	June 30	3,122
	September 30	2,059
2009/2010	December 31	2,130

ThyssenKrupp invested a total of €777 million in the 1st quarter 2009/2010, 30% less than in the same period of the prior year. €710 million was spent on property, plant and equipment and intangible assets, and €67 million on the acquisition of businesses, shareholdings and other financial assets.

#### Current issuer ratings

The rating agency Standard & Poor's lowered its rating on ThyssenKrupp to BB+ in the reporting quarter, meaning ThyssenKrupp lost investment grade status with Standard & Poor's. At Moody's and Fitch our rating remains investment grade. The creditworthiness of the Group is currently assessed by the rating agencies as follows:

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

## Business area review

### Steel Europe

#### STEEL EUROPE IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	1,866	2,500
Sales	million €	2,848	2,281
Earnings before taxes (EBT)	million €	345	104
Adjusted EBT	million €	354	104
Employees	Dec. 31	38,048	35,582

The Steel Europe business area produces high-quality carbon steel flat products, mainly for the European market. The product range also includes tinplate, electrical steel, tailored blanks and steel components. The European and North American steel service centers were transferred to the Materials Services business area at the beginning of the fiscal year.

#### Higher order volumes, lower sales

The value of orders received by the Steel Europe business area in the 1st quarter 2009/2010 was €2.5 billion. This 34% increase was due exclusively to higher order volumes, which were well above the extremely weak prior-year level.

Sales decreased by 20% to €2.3 billion. The stabilizing effect of steady shipment volumes was outweighed by a substantial reduction in average selling prices due to market factors. Nevertheless the business area achieved a profit before taxes (EBT) of €104 million, though this was €241 million lower than a year earlier. The initiated cost-reduction and restructuring programs only partly offset the negative market effects.

The companies of the Steel Europe business area employed a total of 35,582 people on December 31, 2009, 2,466 fewer than a year earlier. The reduction was mainly due to the restructuring of the Metal Forming business and the implementation of the 20/10 program at ThyssenKrupp Steel Europe.

The scale of short-time working was significantly reduced. On average, around 2,800 employees were affected in the reporting quarter.

#### Performance of the operating units

The ThyssenKrupp Steel Europe operating unit, the business area's main sales pillar, is organized essentially in the two sales areas Auto and Industry. Helped by a temporary sharp increase in demand from industrial customers beginning in mid-2009, shipments improved significantly compared with previous months to reach the level of the comparable prior-year period. Order volumes, which had collapsed in the 1st quarter 2008/2009, more than doubled. As a result, the value of new orders increased significantly.

Due to the recovery in demand from late summer, the workload situation eased gradually. Iron and steel making capacities that had previously been temporarily shut down were put back into operation. Blast furnace 9 was fired up on November 01, 2009. Blast furnace A at investee company Hüttenwerke Krupp Mannesmann (HKM) followed at the beginning of January 2010 in response to rising market demand. However, total crude steel production including supplies from HKM was down 7% year-on-year at just under 3 million metric tons. Utilization rates in the downstream processing lines also improved, but some capacities remained unutilized in the reporting quarter.

Following the temporary shutdowns in the previous months it was occasionally difficult to fully meet customer demand for deliveries at mostly very short notice. Sales were lower year-on-year due to the large fall in average selling prices. For the same reason EBT was well down from the prior year despite the cost-reduction measures introduced.

The individual downstream activities combined in the Processing operating unit showed a mixed picture. Overall, sales were lower than in the prior year; EBT also decreased substantially due to market factors.

At tinplate, the largest sub-unit of Processing, sales were slightly lower for volume reasons; the improvements achieved in selling prices had a positive effect. The medium-wide strip business, which had suffered an unprecedented volume slump a year earlier, profited from the strong recovery in demand from automotive suppliers and rerollers. Our grain-oriented electrical steel business, which was sucked into the crisis in 2009 with a time lag, recorded an above-average decline in sales due to slightly lower volumes and a fall in previously largely stable selling prices. In the heavy plate business the situation in important customer areas deteriorated further. Sales decreased sharply for volume and price reasons.

Our tailored blanks business recorded higher sales, with volumes benefiting strongly in the reporting quarter from government stimulus programs in many European countries and the USA. The metal forming business also profited from this, its sales remaining almost unchanged. As the restructuring of this business was completed in fiscal year 2008/2009, there were no further impacts on earnings in the reporting quarter. Color/Construction recorded a drop in sales from the prior year. Despite an improvement in volumes in individual segments, the market as a whole – including prices – remained tight.

## Steel Americas

### STEEL AMERICAS IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	0	0
Sales	million €	0	0
Earnings before taxes (EBT)	million €	(76)	(4)
Adjusted EBT	million €	(76)	(4)
Employees	Dec. 31	1,263	1,794

With the Steel Americas business area we are tapping into the North American market for premium flat-rolled steel products. The business area includes the steel making and processing plants under construction in Brazil and the USA. It is also responsible for the shipment of slabs between Brazil, Germany and the USA.

### Negative earnings

In the 1st quarter 2009/2010 the business area posted a pre-tax loss of €4 million. Major factors in the loss were the pre-operating costs associated with the project and substantial adverse currency effects from cash and equivalents held in Brazilian reals. At December 31, 2009 Steel Americas had 1,794 employees.

### Flexible continuation of major projects

In response to the changed economic conditions we have modified the timetable for the ramp-up and commissioning of the individual works.

The Brazilian iron and steel mill will begin operation of the first production line with a blast furnace and a steelmaking converter in mid-2010; the start-up of the second converter and the ramp-up of the second blast furnace are currently planned for 2011. Planning is being kept flexible to enable us for example to respond swiftly to an earlier market recovery. The hot strip mill in the us processing plant will begin production in mid-2010. The further ramp-up will be flexible based on steel demand.

### Iron and steel mill in Brazil

In its meeting on January 21, 2010 the Supervisory Board increased the investment volume for the Brazilian steel mill from €4.7 billion to €5.2 billion. This allowed additional costs, e.g. for the blast furnace section of the steel mill, environmental requirements, fire protection measures and an additional risk provision, to be included in the budget. There have been reductions in non-capitalizable costs. The total planned cash outflow has hardly changed since mid-2009 and stands at around €5.9 billion. The total production capacity will be over 5 million metric tons of crude steel per year.

Construction work in Santa Cruz in the Brazilian state of Rio de Janeiro is in full swing. The port terminal, materials handling facilities and sinter plant are largely complete. The power plant and blast furnaces were technically completed at the beginning of 2010. The same applies to the ancillary facilities such as power distribution and water treatment and to other infrastructure facilities. Due to supplier quality problems, the structural steel work needs to be reworked in some areas, particularly the coke plant and the melt shop.

At the end of 2009 around 21,000 people were working on the construction site, and our Brazilian subsidiary had roughly 1,400 employees. The further recruitment of personnel has been adapted in line with the economic conditions.



The Brazilian iron ore producer Vale has increased its shareholding in ThyssenKrupp CSA, our Brazilian subsidiary for the steel mill, from around 10% to just under 27%; the purchase price was €965 million. This step confirms the value of our investment and of our industrial strategy. At the same time it further strengthens the basis for a long-term partnership between ThyssenKrupp and the strategically important raw materials supplier Vale.

#### Processing plant in the USA

In its meeting on January 21, 2010 the Supervisory Board approved an increase in the investment volume for the US plant by 10% to USD3.6 billion. The main reasons for the increase were higher costs for infrastructure, fire protection systems and cooling equipment. The expected cash outflow for the project is currently USD3.8 billion. The total hot-rolling capacity will be over 5 million metric tons per year.

Construction work in Alabama/USA is progressing well. We are continuing construction of the hot- and cold-rolling mills and the pickling line largely to schedule, which means these facilities will come on line between mid-2010 and the end of the fiscal year. The economic situation has caused us to postpone completion of the coating lines until the next fiscal year. The plant will process slabs produced in Brazil into high-quality flat products. Until the Brazilian production plant starts operation, slabs will be supplied from Germany.

At the end of 2009 around 4,500 people were working on the construction site, and over 400 people were employed at ThyssenKrupp Steel USA.

#### Preparations for market entry in full swing

In parallel with the construction work, we are preparing our market entry and sales plans for the ramp-up phase in line with the wishes of our customers in the NAFTA region. For this, our sales experts are intensifying their visits to key customers in the target automotive and electrical sectors as well as steel service centers, the construction sector and the tube/pipe industry. We are confident that our attractive product mix and our technological and logistical advantages over our competitors will allow us to make a successful entry to the NAFTA markets.

## Stainless Global

#### STAINLESS GLOBAL IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	967	943
Sales	million €	1,173	1,210
Earnings before taxes (EBT)	million €	(243)	(59)
Adjusted EBT	million €	(243)	(59)
Employees	Dec. 31	12,167	11,597

As a world-leading producer of stainless steels, the Stainless Global business area specializes in premium-quality stainless steel flat products and high-performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in Alabama, which is being built in close cooperation with Steel Americas.

### Continued loss

The volume of orders received in the 1st quarter 2009/2010 showed a 29% improvement year-on-year. Strong growth was achieved in stainless cold-rolled (+38%) and hot-rolled (+74%), while orders for high-performance nickel alloys and titanium slipped 22% and 85% respectively. In terms of value, order intake at Stainless Global remained virtually unchanged at €0.9 billion, due mainly to lower alloy surcharges and reduced sales of high-performance materials compared with the prior-year quarter.

Overall deliveries were up 25% in the reporting period to 510,000 metric tons. Reflecting the trend in order influx, shipments of cold- and hot-rolled stainless steel increased, while deliveries of titanium and nickel alloys declined. Overall sales climbed 3% to €1.2 billion.

1st-quarter earnings at Stainless Global increased by €184 million year-on-year but remained negative to the tune of €59 million. However, all operating units reported substantially reduced losses, thanks mainly to significantly lower inventory write-downs, targeted cost reductions, and a generally improved market situation permitting base price hikes and increased utilization of production capacities. However, the market upturn lost momentum towards the end of the reporting period for seasonal reasons and because of renewed restraint brought on by the nickel price trend. In response to the continued loss-making situation, the operating units implemented the global restructuring measures resolved at the end of 2008/2009. They also achieved further cost reductions – mainly in the production and administrative areas.

At the end of 2009, Stainless Global employed 11,597 people, 570 fewer than a year earlier.

### Performance of the operating units

Rising demand for stainless flat products led to significantly improved order volumes and higher shipments at both ThyssenKrupp Nirosta and ThyssenKrupp Acciai Speciali Terni. Sales at ThyssenKrupp Nirosta rose slightly but could not match the growth in shipments due to reduced alloy surcharges and changes in the product mix. After a high loss in the prior-year quarter, Nirosta returned only a small loss this time. The earnings situation at ThyssenKrupp Acciai Speciali Terni, too, showed a strong improvement. Both operating units benefited from higher base prices, increased cold-rolled volumes and accelerated implementation of the restructuring measures. Continued stable growth in the forging operations additionally bolstered earnings at ThyssenKrupp Acciai Speciali Terni.

ThyssenKrupp Mexinox and Shanghai Krupp Stainless recorded higher order and shipment volumes and significantly improved earnings. However, sales at ThyssenKrupp Mexinox were down due to lower base prices and alloy surcharges. Shanghai Krupp Stainless reported rising sales. Hire rolling orders from the Chinese market led to increased utilization of the cold-rolling capacities and – in conjunction with higher shipments and improved prices – contributed to the growth in earnings.

As a result of the worldwide recovery in demand, ThyssenKrupp Stainless International achieved growth in both order intake and sales.

Business at ThyssenKrupp VDM was impacted by the continued difficult situation especially in the aerospace industry. For both nickel alloys and titanium mill products, orders and sales were down from the prior year. Despite the introduction of restructuring measures and the virtual absence of inventory write-downs, earnings remained negative.

### Stainless steel facility in the USA

A modern, integrated stainless steel mill is being built in Alabama/USA in close cooperation with Steel Americas. The investment volume amounts to 1.4 billion US dollars. The start-up phase for the stainless steel facilities is being extended. Production will begin in October 2010, initially with an annual cold-rolling capacity of around 100,000 metric tons. Planning for the start-up of the other facilities is flexible

and the ramp-up can be accelerated whenever necessary. The same applies to the start-up of the melt shop, which was planned for early 2012 and can now be delayed by up to 24 months. The site will initially be supplied with starting material from the European mills.

The scope of the overall project remains unchanged, because we continue to believe in the need for an optimized stainless steel production location on the North American market.

## Materials Services

### MATERIALS SERVICES IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	4,016	2,681
Sales	million €	3,995	2,760
Earnings before taxes (EBT)	million €	30	112
Adjusted EBT	million €	30	31
Employees	Dec. 31	46,367	31,972

With 500 locations in 40 countries, the Materials Services business area specializes in materials distribution, logistics and services, and the provision of technical services. In addition to rolled steel, stainless steel, tubes and pipes, nonferrous metals and plastics, Materials Services also offers services from processing and logistics to warehouse and inventory management through to supply chain management. The business area offers technical and infrastructure services in the areas of railway and construction equipment, industrial plants and steel mills.

#### Demand and prices at low level

The Materials Services business area achieved sales of €2.8 billion in the 1st quarter 2009/2010, €1.2 billion or 31% lower than a year earlier. These figures reflect in particular a steep year-on-year fall in material prices. Over the full product range, demand and prices stabilized slightly.

The €112 million earnings for the quarter at Materials Services mainly reflect nonrecurring income from the disposal of the Industrial Services units. Excluding this effect, the business area returned a profit of €31 million, up slightly from the prior-year quarter.

The number of employees decreased by more than 14,000 compared with December 31, 2008. The main reason for the reduction was the disposal of ThyssenKrupp Industrieservice and ThyssenKrupp Safway. In addition, virtually all companies of the Metals Services operating unit had to make further adjustments in line with the workload.

#### Performance of the operating units

The Metals Services operating unit combines our global materials, warehouse, service and direct-to-customer business activities. In our key European and North American markets the downturn in volumes and prices came to a halt. Some areas showed a slight recovery, albeit at a very low level that still fell far short of the records reached in 2007/2008. This was true in particular of the tubes/pipes business. Volumes and prices for rolled steel, stainless and nonferrous metals showed a firmer/slowly rising trend. Day-to-day business was characterized mainly by minor orders and fierce competition. In international direct-to-customer business, the few major projects available were the subject of tough price competition. The operating unit's sales were considerably lower year-on-year. Earnings before taxes, which in the prior-year quarter were impacted by high inventory write-downs, showed a strong improvement.

The Special Services operating unit includes the materials and supply chain management activities for the aerospace industry and the plastics business now combined at ThyssenKrupp Plastics. This unit also incorporates raw materials trading, system solutions in railway and construction equipment, and steel mill and technical services. Despite the weak economic conditions, the plastics and aerospace activities remained encouragingly steady compared with the 1st quarter 2008/2009. The same applies to the raw materials business, which stabilized at a low level, though prices remained generally unsatisfactory. The railway and construction equipment activities suffered a decline in order volumes due to financing problems at numerous customers; this was further compounded by stiff price competition. The steel mill and technical service operations showed a mixed picture. The rallying steel market made for an improved workload in Europe, but in Brazil some major projects came to an end. Special Services was unable to match its prior-year sales, mainly on account of business in raw materials and equipment. Although its profits were down by more than half, based on adjusted EBT the operating unit made the largest contribution to the business area's profits.

In the Industrial Services operating unit, the 1st quarter 2009/2010 was mainly characterized by the closing of the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway at the end of November and mid-December respectively. As a result these companies are included in the interim financial statements on a prorated basis only. The remaining unit ThyssenKrupp Xervon performed well in view of the general economic situation.

## Elevator Technology

### ELEVATOR TECHNOLOGY IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	1,562	1,230
Sales	million €	1,343	1,226
Earnings before taxes (EBT)	million €	159	155
Adjusted EBT	million €	159	155
Employees	Dec. 31	43,599	42,926

The Elevator Technology product range encompasses passenger and freight elevators, escalators, moving walks, passenger boarding bridges, stair and platform lifts as well as services for the entire product range. Almost 43,000 employees in over 60 countries at more than 800 locations provide a tight-knit service network to keep us close to customers.

### Continued high earnings

Despite negative effects from the global financial and economic crisis, Elevator Technology continued its successful performance in the reporting period. The business volume fell short of the very high order intake and sales of the year-earlier quarter. Negative exchange-rate effects were a further factor in this. Due to the sharp decline in the new installations market, overall order intake slipped 21% to €1.2 billion; excluding exchange-rate factors orders were 18% lower. Sales at €1.2 billion were down 9%, or 5% excluding exchange-rate factors.

Elevator Technology generated a profit of €155 million, maintaining the very high earnings level of the prior-year quarter. All operating units returned a profit.

At 42,926, the number of employees at the end of the 1st quarter was slightly lower than a year earlier.

### Performance of the operating units

Order intake at the Central/Eastern/Northern Europe operating unit was weaker than in the prior-year period due to a decline in new installations business in almost all regions. Sales and profits likewise fell short of the year-earlier level, mainly reflecting the downturn in the United Kingdom.

Order intake at the Southern Europe/Africa/Middle East operating unit was down from a year earlier due to weaker new installations business above all in Spain and the Gulf region. Sales were expanded in particular on the back of activities in the Gulf region. Earnings were unchanged from the prior-year quarter.

At the Americas operating unit, orders and sales decreased for exchange-rate reasons. The main losses were reported by the North American activities, while in South America sales were expanded. Earnings again reached the very high prior-year level, with operating improvements offsetting negative exchange-rate effects.

Order intake at the Asia/Pacific operating unit was down slightly. Growth in China was cancelled out by losses at the Korean operations. The expansion of business in China also triggered a marked rise in sales. Earnings were significantly higher year-on-year, with positive earnings contributions generated in all countries.

The volume of business at the Escalators/Passenger Boarding Bridges operating unit declined. Order intake and sales for both escalators and passenger boarding bridges fell short of the prior-year levels. Income was slightly lower.

Orders received at the Accessibility operating unit were slightly down from a year earlier. Growth in Europe offset declines in the USA, where the difficult situation on the housing market continued to have a negative impact. Sales also decreased due to the lower volume of us business. As a result, earnings were slightly lower year-on-year.

## Plant Technology

### PLANT TECHNOLOGY IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	1,751	1,324
Sales	million €	1,078	954
Earnings before taxes (EBT)	million €	99	95
Adjusted EBT	million €	99	95
Employees	Dec. 31	13,416	12,977

The Plant Technology business area is a leading international supplier of chemical plants, refineries, cement plants, innovative solutions for the mining and handling of raw materials and minerals, and production systems and assembly lines for the automotive industry. The business area's plants and processes open up new possibilities for environmental protection and sustainable development.



### Stable performance in a more difficult market environment

Plant Technology achieved 1st-quarter order intake of €1.3 billion thanks to the continued good level of orders at Uhde and ThyssenKrupp Fördertechnik and the booking of a major order at System Engineering. However, compared with the exceptionally high level of the prior-year quarter, this represents a 24% decline. One contributing factor was the deferral of an order originally planned for the 1st quarter at Polysius. Overall, the plant engineering market was characterized by uncertainty and delayed investment decisions by customers, resulting partly from the restrictive lending policy of the banks.

At around €1.0 billion, sales were slightly down from the prior-year level due to billing technicalities. Orders in hand of around €6.6 billion at December 31, 2009, mainly for long-term project business, continue to secure more than one year's sales and were further increased in the course of the 1st quarter.

With EBT of €95 million, Plant Technology again delivered a pleasing result in the 1st quarter 2009/2010. The main contribution to earnings came from chemical plant construction.

The number of employees at December 31, 2009 decreased by 439 from a year earlier, due mainly to the sale of the special vehicle construction business of System Engineering, restructuring measures at System Engineering and Transrapid, and the scaling back of the workforce in line with the workload at some foreign locations of Uhde. However, the good order situation led to growth at Polysius and ThyssenKrupp Fördertechnik.

### Performance of the operating units

Thanks to major orders for fertilizer production plants in Abu Dhabi and Egypt, 1st-quarter order intake at the Uhde operating unit, which specializes in chemical and refinery equipment, was significantly higher year-on-year. However, sales were slightly lower due to the delayed award of planned orders. Earnings again matched the high prior-year level.

The Polysius operating unit, a supplier of plant and equipment to the cement and minerals industry, recorded a sharp fall in order intake. This was due to the positive effect of several major orders in the previous year and the delay of several projects in the reporting period. However, thanks to the good level of orders in hand, sales exceeded the already high level of the year before. Earnings fell just short of the high year-earlier level.

Orders received for mining and handling equipment showed further pleasing growth in the 1st quarter 2009/2010 and again significantly exceeded the prior-year level. This was due in particular to orders for open-pit mining equipment including two fully mobile crushers in Brazil, a coal-handling plant for a power station in South Africa, and several mini power plants in India. Sales likewise remained high. Overall ThyssenKrupp Fördertechnik succeeded in maintaining the good earnings level of the previous year.

At System Engineering – which focuses on production systems and assembly lines for the automotive industry – higher order intake mainly in the body-in-white business largely offset the lower level of orders in parts production caused by lower production volumes and temporary plant closures at the auto manufacturers. 1st-quarter sales were lower year-on-year due to billing technicalities. Reduced orders in parts production and underutilization at assembly systems weighed on earnings in the 1st quarter 2009/2010.

## Components Technology

### COMPONENTS TECHNOLOGY IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	1,290	1,169
Sales	million €	1,299	1,237
Earnings before taxes (EBT)	million €	53	43
Adjusted EBT	million €	53	43
Employees	Dec. 31	31,418	27,997

The Components Technology business area supplies a broad range of high-tech components for wind turbines, the automotive and construction machinery industry, and general engineering applications. Our activities for the automotive industry focus on crankshafts and camshafts, steering systems, dampers, springs and axle module assembly.

#### Positive performance

In a market environment still characterized by uncertainty, 1st-quarter sales reached €1.2 billion, with the weak US dollar causing negative currency translation effects. Sales were 5% lower year-on-year. Demand in the automotive industry in particular showed signs of picking up. This was partly the result of the incentives provided by stimulus programs in virtually all European countries, the USA and China. Further positive factors were the depleted inventories of our customers and growth in demand for heavy trucks in the USA.

Following considerable losses in the 3rd and 4th quarters of the previous fiscal year, the business area returned a profit of €43 million. The restructuring measures initiated in the previous year, aimed mainly at adjusting capacities in line with the downturn in demand for automotive supplies by means of personnel cutbacks and the closure of plants in Europe and the USA, are being systematically implemented. Further cost reduction programs were carried out, such as the lowering of administrative costs, further savings on the healthcare program of the American foundries and short-time working, especially at the Italian plants.

At the end of 2009, Components Technology had 27,997 employees, 3,421 fewer than a year previously. The decline in demand led to workforce cutbacks mainly at foreign automotive supply companies, but companies in other parts of the business area also reduced their workforces.

#### Performance of the operating units

The performance of the operating units showed a mixed picture. Order intake and sales of assembled camshafts, steering systems, dampers and springs at Presta Camshafts, Presta Steering and the Bilstein group generally showed pleasing growth and exceeded the level of the corresponding prior-year quarter.

At the forging group, sales of forged crankshafts for cars and trucks fell short of the level of the year-earlier quarter. The Brazilian and US markets showed distinct signs of recovery compared with previous quarters. In the USA, demand for heavy trucks increased among other things as a result of the new environmental regulations applying as of January 2010. By contrast, sales in Europe were lower than in the prior-year quarter but on a rising trend compared with previous quarters.

At the us foundry Waupaca, which produces components for cars, trucks and other applications, sales – adjusted for exchange-rate effects – were practically unchanged from a year earlier. Here, too, there were signs of recovery compared with previous quarters.

Weak demand in the construction machinery and general engineering sectors caused a decline in order intake and sales of slewing bearings, rings and construction machinery components at the operating units Rothe Erde and Berco.

## Marine Systems

### MARINE SYSTEMS IN FIGURES

		1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Order intake	million €	1,856	110
Sales	million €	546	254
Earnings before taxes (EBT)	million €	33	(10)
Adjusted EBT	million €	33	(5)
Employees	Dec. 31	8,319	7,593

As a leading systems supplier for naval surface vessels, submarines and premium-segment yachts, the Marine Systems business area combines the expertise and experience of long-standing European shipyards and various ship component companies under one roof. In the future Marine Systems will concentrate increasingly on its world leading position in naval shipbuilding.

#### Order situation weak

1st-quarter order intake was significantly lower than the year before, when a major order was booked for six material packages for the construction of class 214 submarines for South Korea. A major order from Turkey for six material packages to build export class 214 submarines has been initiated; the order is expected in the current fiscal year.

At €254 million, sales were just under half the level of the previous year. The main reasons for this were the lack of sales from the submarine orders for Greece which were cancelled in the previous quarter, and the absence of container ship orders.

In the quarter under review EBT was €(10) million. Key factors in the loss were the absence of earnings from the Greek orders and underutilization at the shipyards, especially in Greece but also at all German locations. Since as things stand at present the going-concern assumption for Hellenic Shipyards S.A. (HSY) cannot be maintained, the ongoing expenses of €5 million incurred in the 1st quarter 2009/2010 were excluded as a nonrecurring item, as a result of which the business area's adjusted earnings amount to €(5) million.

At the end of the year Marine Systems employed 7,593 people, 726 fewer than a year earlier.

#### Restructuring of the shipyards

Significant progress was made in the reporting quarter with the far-reaching restructuring of the Marine Systems business area in response to the order cancellations and the slump in demand in merchant shipbuilding. At the Emden and Hamburg locations, which are mainly involved in civil shipbuilding, viable cooperative ventures are currently being implemented which will safeguard jobs and reduce the risk of capacity underutilization.

In Emden, the wind turbine manufacturer SIAG Schaaf Industrie will use the site to produce components for offshore wind turbines and thus make a contribution to structural change in the region. Around 700 employees are being transferred to SIAG. Submarine projects and a taskforce supply ship on the order books will be completed to schedule in Emden. An agreement exists with SIAG to complete these during the ramp-up phase of the wind turbine production facilities.

In Hamburg it is planned to sell an 80% interest in each of the companies Blohm + Voss Shipyards, Blohm + Voss Repair and Blohm + Voss Industries to the Abu Dhabi MAR Group. In naval surface vessel construction, which remains a core business of Marine Systems, a cooperative venture with Abu Dhabi MAR is planned. ThyssenKrupp Marine Systems will retain a lead role in all projects with the German Navy and its NATO partners. The collaboration will significantly improve the marketing prospects for frigates and corvettes, above all in the Middle East and northern Africa.

Due to outstanding payments of €534 million, Howaldtswerke-Deutsche Werft (HDW) and Hellenic Shipyards (HSY) canceled the existing submarine construction programs with the Greek government. ThyssenKrupp has begun the process of selling HSY and is in talks on this with the Greek government.

#### **Corporate at ThyssenKrupp AG**

Following the reorganization, **Corporate** comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources, as well as the non-operating real estate and inactive companies. Sales of services by Corporate companies to Group companies in the first three months of the reporting year were €31 million, compared with €34 million a year earlier.

Corporate reported a pre-tax loss of €121 million, a year-on-year improvement of €34 million. This was mainly due to higher net interest income. In addition the prior-year figure was influenced by the fair-value recognition of cross-currency swaps.

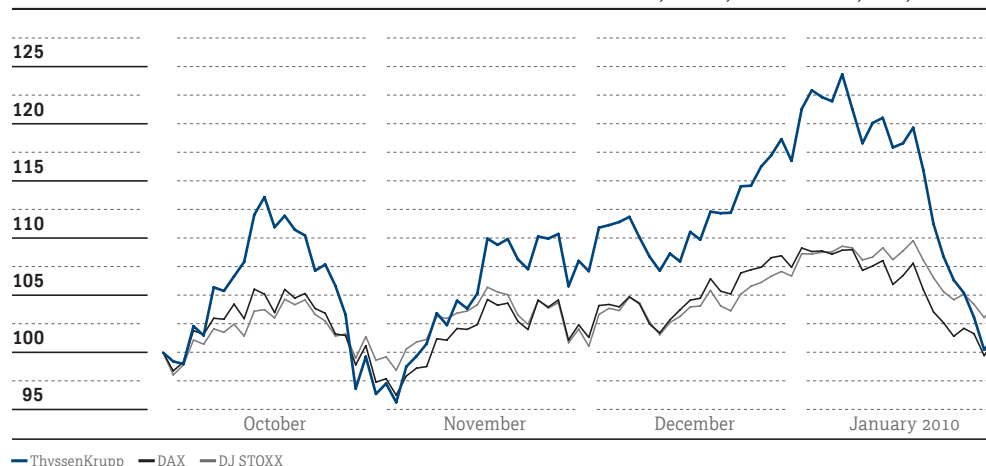
**Consolidation** mainly includes the results of intercompany profit elimination.

## ThyssenKrupp stock

The positive performance of ThyssenKrupp's stock since the middle of fiscal 2008/2009 continued in the 1st quarter 2009/2010. This was attributable in part to expectations of an economic improvement and in part to the continuing implementation of strategic measures on efficiency enhancement, management of the investment projects in Brazil and the USA and portfolio optimization.

Having reached a high for the quarter of €26.82 on December 29, 2009, ThyssenKrupp's share price stood at €26.40 on December 30, 2009, 12% higher than on September 30, 2009. Our stock outperformed the DAX and DJ STOXX indices by 7 percentage points.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON indexed, Oct. 01, 2009 to Jan. 31, 2010, in %



### Increased analyst coverage

Although the crisis on the financial market initially resulted in a further wave of consolidations in the banking sector, the number of analysts covering ThyssenKrupp's stock increased further in the 1st quarter: 34 banks and brokers currently publish regular analyses. This is an increase of 30% compared with 2007/2008 and reflects the steadily growing interest in our Company. Our aim is to raise awareness of ThyssenKrupp in particular on the international financial markets. The further improved transparency of the Group, with eight business areas reporting to the capital market, will be of benefit in this.

### Basic information on the stock market listing

ThyssenKrupp stock is listed on the following stock exchanges:

#### THYSSENKRUPP STOCK MASTER DATA

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



## Innovations

Innovations and new technologies are a key element of ThyssenKrupp's strategy. Our researchers and developers work to constantly improve our broad range of products and manufacturing processes and develop numerous new products that deliver high customer benefits and make efficient use of resources and energy.

Our materials specialists have added four new grades to our product family of microalloyed fine-grain structural steels. These special structural steels display outstanding formability and high strength. Even parts subjected to high mechanical loads can be designed with thin walls to reduce weight – e.g. sprocket parts with intricate contours.

In collaboration with the Italian De Nora group, our plant engineers have developed an innovative membrane electrolysis process to recycle hydrochloric acid. It converts hydrochloric acid, a byproduct of many manufacturing processes, into high-purity chlorine. Compared with conventional electrolysis methods, the new process uses up to 30% less energy. A Chinese polyurethane producer has awarded us an engineering and procurement contract to build a hydrochloric acid electrolysis plant based on this technology.

The winners of the 10th Groupwide Innovation Contest were honored in the 1st quarter of the current fiscal year. First prize was awarded to a team from Plant Technology for the development of the "STAR Process®", a new, highly productive method of propylene manufacture with low energy consumption. Second prize went to a joint project by Steel Europe and Components Technology for an "integrated steering system" in which the steering housing is integrated in the front axle beam to save weight and packaging space. Third prize was won by a team from Stainless Global in Italy for the technically sophisticated casting of large ingots which serve as starting material for the production of forgings used in the power generating sector and in heavy industry.

The first ever special innovation award for "Energy and Environment" went to a team from the Materials Services business area for a modular modernization concept to increase the efficiency of conventional power plants. As a result, significant improvements in efficiency and reductions in unit CO<sub>2</sub> emissions can be achieved in power plant modernization projects.

## Employees

### Significant decline in employee numbers

Against the background of the difficult economic situation, employee numbers decreased further. On December 31, 2009, ThyssenKrupp had 174,763 employees worldwide, 22,412 or 11.4% fewer than a year earlier. With the exception of Steel Americas, which is currently under establishment, there were job reductions in all business areas.

Compared with the end of the last fiscal year on September 30, 2009, the headcount fell by 12,732 or 6.8%. The workforce in the Materials Services business area decreased significantly by 12,344, mainly as a result of disposals.

Employee numbers declined above all in Germany, where the headcount dropped by 9.4% compared with September 30, 2009 to 73,598; in the rest of the world there was a 4.8% decrease to 101,165. At the end of December 2009, 42% of our employees were based in Germany, 24% in the rest of Europe, 13% in the NAFTA region, 10% in Asia – in particular China and India – 9% in South America and 2% in the rest of the world.

Short-time working has been scaled back in the current fiscal year. In December 2009 roughly 11,000 employees were still working short hours, including 2,600 at Berco in Italy, 900 at Defontaine in France, and 800 each at ThyssenKrupp Steel Europe AG and ThyssenKrupp Umformtechnik.

One of the key areas of human resources work was the implementation of the new Group structure. Around 450 employees were affected by the elimination of the segment holding companies. As part of the focusing of administrative functions, such as IT services and payroll accounting, some 530 jobs were reallocated to the new business services companies and to ThyssenKrupp AG. This process of focusing is not yet completed.

#### EMPLOYEES



## Financial position

### Analysis of the statement of cash flows

The amounts taken into account in the statement of cash flows correspond to the item “Cash and cash equivalents” as reported in the statement of financial position.

At €138 million, the cash outflow from operating activities in the 1st quarter 2009/2010 was €722 million lower than a year earlier. This was mainly due to an overall working capital release of €33 million in trade accounts receivable and payable in the reporting quarter as a result of tighter net working capital management, compared with corresponding working capital investment of €528 million in the prior-year quarter. In addition, working capital in inventories was reduced by €57 million year-on-year.

The cash outflow from investing activities was down €540 million from the corresponding prior-year quarter at €459 million. This was due to a €364 million reduction in capital expenditure on property, plant and equipment to €686 million, and a €217 million increase in proceeds from the sale of non-current assets relating in particular to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway.

As in the prior-year quarter, free cash flow – i.e. the sum of operating cash flows and cash flows from investing activities – was negative. Compared with the corresponding prior-year period, however, there was a significant reduction in the negative free cash flow in the 1st quarter 2009/2010 by €1,262 million to €(597) million.

There was a cash inflow from financing activities of €247 million in the reporting period, compared with a cash inflow of €2,507 million in the year-earlier period. The €2,260 million net reduction in cash inflows was mainly due to the repayment in the reporting quarter of financial debt in the amount of €393 million, compared with borrowings of €2,555 million in the prior-year period. Running counter to this was a €500 million rise in proceeds from non-controlling interest to equity through the increase in the share held by Vale S.A. in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda.

### Analysis of the statement of financial position

Compared with September 30, 2009, total assets decreased by €524 million to €40,843 million.

Non-current assets increased by €812 million. This was mainly due to the €655 million increase in property, plant and equipment, relating in particular to construction progress on the two major projects in Brazil and the USA.

Current assets decreased by €1,336 million. The decline was mainly due to a further reduction in trade accounts receivable and a reduction in cash and cash equivalents, reinforced by a significant reduction in other financial assets and assets held for sale. Running counter to this was an increase in inventories and non-financial assets.

The €190 million increase in inventories related in the amount of €193 million to the Steel Europe business area, resulting in particular from production adjustments and inventory increases as a consequence of the recovery in demand on the steel markets.

Trade accounts receivable were €345 million lower. Of this, €131 million related to the Plant Technology business area and €65 million to the Marine Systems business area, due in particular to an increase in advance payments from customers for construction contracts. In addition, the Materials Services business area recorded a €125 million decrease, mainly due to lower sales.

Other financial assets reported under current assets decreased by €730 million, mainly due to capital contributions at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. made in the reporting period by co-shareholder Vale S.A. The €335 million increase in other current non-financial assets related mainly to higher tax refund entitlements (€157 million) and higher advance payments (€53 million).

The €282 million decrease in cash and cash equivalents to €5,067 million resulted in part from the repayment of financial debt in the amount of €393 million and in part from the negative free cash flow of €(597) million in the reporting period. Running counter to this were in particular the €500 million capital contribution at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. made in the reporting period by co-shareholder Vale S.A. and proceeds of €168 million from the sale of current securities held in connection with financing activities.

Assets held for sale decreased by €491 million. At September 30, 2009 assets were recognized here in connection with the disposals – initiated in fiscal 2008/2009 – of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area; these initiated disposals were completed in the reporting period.

The €345 million increase in total equity to €10,041 million was due mainly to the net income for the reporting period of €195 million and to net unrealized gains recognized in other comprehensive income from foreign currency translation (€126 million) and from derivative financial instruments (€32 million after taxes). Running counter to this were in particular profit distributions to non-controlling interests (€13 million).

Non-current liabilities decreased by a total of €558 million; this was almost exclusively due to the €539 million decrease in financial debt.

Current liabilities decreased by €311 million. Included in this was a €219 million decrease in other provisions, relating mainly to a reduction in provisions for warranties, in particular in the Elevator Technology business area, lower provisions as a result of the initiated implementation of the restructuring measures, in particular in the Marine Systems and Components Technology business areas, as well as declining provisions for onerous contracts, in particular in the Steel Europe and Steel Americas business areas. All business areas with the exception of Steel Americas contributed to the €321 million reduction in trade accounts payable. Running counter to this was a €277 million increase in

current financial debt and a €224 million increase in other current financial liabilities, mainly relating to higher payment obligations from the purchase of property, plant and equipment for the major projects in Brazil and the USA.

Liabilities associated with assets held for sale decreased by €288 million. The decrease related to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area, which were initiated in fiscal 2008/2009 and completed in the reporting period.

## Risk report

The effects of the financial and economic crisis are continuing to impact ThyssenKrupp's business activities in the new fiscal year. 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 continuing to respond to the economic risks in the markets of importance to us with an extensive action program aimed at sustainably cutting costs and enhancing efficiency 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 these risks and manages its liquidity requirements with foresight. Despite the difficult market environment, financing in fiscal 2009/2010 is on a secure foundation. At December 31, 2009 the Group had €9.9 billion in cash, cash equivalents and committed credit lines.

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. In times of crisis, default risks take on greater significance; we are therefore managing them very carefully as part of our business policy. Financial instruments used for financing are concluded within specified risk limits only with counterparties of extremely good credit standing and/or who are covered by a deposit guarantee fund.

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.

The risks to our operating business remain high, as there is still the danger of an economic setback. This applies above all to our Steel Europe and Stainless Global business areas and to our automotive supply and shipbuilding activities. We have introduced extensive measures to adjust to the new market conditions and safeguard our competitiveness.

In the Marine Systems business area there remains a risk that the very difficult negotiations with the Greek customer on outstanding payments may not be brought to a successful conclusion.

In the current market situation, our global presence and good, longstanding customer relations help make us less dependent on individual sales markets.

ThyssenKrupp's competent and motivated employees are helping mitigate the current risks in the various areas of the Group. Other business risks, such as bad debt and changes in political and regulatory conditions, are monitored continuously. Beyond this, the detailed information contained in the risk report in our 2008/2009 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 6.

## Subsequent events, opportunities and outlook

### Subsequent events

No reportable events occurred.

### Global economy to recover only slowly in 2010

Global GDP is expected to grow by only around 3% in 2010. A sustained global economic upturn is not yet in sight. As the numerous government stimulus programs come to an end, the risk of an economic setback remains. On the financial markets, too, there are latent risks of a correction due to the continuing need for writedowns at the banks.

The US economy will grow only moderately in 2010. Initially, private consumption will be unable to resume its role as the main driver of growth. The export-dependent Japanese economy is also not expected to see any major improvement in the coming months.

Most of the major emerging economies are likely to achieve strong growth in 2010. Boosted by monetary and fiscal policies, China will once again significantly expand its gross domestic product. The Indian economy will grow slightly faster than in 2009.

The euro zone is unlikely to experience a self-sustaining recovery in 2010. The German economy will grow only slightly. A temporary economic slowdown is likely in the course of 2010. The end of government stimulus measures such as the eco premium program, rising unemployment and higher inflation will have a negative impact on private consumption. Exports will increase moderately as the global situation gradually stabilizes. We therefore expect only slight growth of around 1.5% in 2010.

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

- The prospects on the global steel market remain subdued. In Europe, the NAFTA region and Japan, demand will be higher than in 2009 mainly due to restocking, but there will not yet be any return to the production and demand levels of previous years. Not least due to further capacity expansions worldwide, there is a renewed risk – above all in Europe – of rising imports from third countries. The inventory overhangs accumulated in China in 2009 could significantly dampen demand growth there. In the other emerging countries, steel consumption is expected to increase again slightly. According to the fall forecast of the World Steel Association, global steel demand will expand by 9% in 2010; that corresponds to a crude steel output of around 1.3 billion metric tons. Higher raw material prices will push up the cost of steel production, resulting in steel price increases.
- World demand for stainless flat products is forecast to grow by around 10% this year, bringing global demand back to just above the level of 2008. A positive trend can also be observed on the European market, though overall demand will still fall short of the level of previous years. In the NAFTA region, sales volumes are expected to pick up after a weak 2009. China and the other Asian countries will also profit from rising demand, although China in particular will be unable to maintain the growth pace of recent years.



- The international auto market will recover only slightly from the sharp decline in 2009. In 2010 we anticipate a 6% increase in production to just under 63 million cars and trucks. The USA and Japan are expected to achieve substantial growth rates, though not enough to offset the severe downturn in 2009. In China, now the world's biggest automobile market, the previously very high pace of growth will slow significantly as government impetus programs are scaled back. Production by Western European OEMs will increase only slightly. In Germany, demand for new cars will be weak, especially at the start of the year, now that the eco premium program has ended.
- The situation in the global shipbuilding industry will remain very tight in 2010. The existing overcapacities are depressing freight rates; further cancellations of new-build orders are likely. Given the dramatic fall in orders to date, production by the German shipyards will be substantially lower than in 2009.
- The only slow recovery of the world economy and the associated weak level of capital investment will continue to impact the international machinery sector in 2010. Following the slump last year, there will be only a moderate increase in machinery output in the industrialized countries. Growth in the USA and Germany will be 3% and 2% respectively. By contrast, the Chinese machinery sector will expand more strongly.
- In most industrialized countries there will again be no recovery in the construction sector in 2010. Further declines in construction output are expected in the USA and many Western European countries. Despite government stimulus packages, the German construction sector is unlikely to experience any substantial improvement. There will be moderate growth in most Central and Eastern European countries, while the Chinese and Indian construction sectors will continue to pick up strongly.

### Outlook

Our expectations for the current fiscal year remain unchanged from the outlook published in the 2008/2009 Annual Report: With a view to the 2009/2010 fiscal year we regard the currently emerging economic recovery as still fragile.

We anticipate that sales will stabilize in fiscal 2009/2010. Earnings are expected to improve significantly and return to profit, thanks in large part to the cost-cutting programs we have introduced. Adjusted earnings before interest and taxes (EBIT adjusted for nonrecurring items) will probably be in the high three-digit million euro range. Adjusted earnings before taxes (EBT adjusted for nonrecurring items) are expected to be in the low three-digit million euro range. Adjusted EBT will be significantly impacted by startup losses in the Steel Americas business area in the mid three-digit million euro range.

Our expectations for the individual business areas are as follows:

- Steel Europe – Improvement in volumes and capacity utilization, average selling prices below prior-year level
- Steel Americas – Negative EBT contribution in mid three-digit million euro range due to startup losses for the steelmaking and processing facilities in Brazil and the USA
- Stainless Global – Stabilization of volumes with improved base prices
- Materials Services – Stabilization of volumes and selling prices
- Elevator Technology – Continued high earnings contributions thanks to strong order backlog and stable modernization and maintenance business
- Plant Technology – Good revenue and earnings visibility in project business due to order backlog with good earnings quality
- Components Technology – Continued difficult environment for construction machinery components; improvement in automotive components and continued positive earnings contribution from slewing bearings for the wind energy sector
- Marine Systems – Improved earnings quality through initiated consolidation of shipyard sites

In 2010/2011 we expect an improvement in the overall economic environment and further positive effects from our cost-cutting programs. This will have a corresponding influence on sales and earnings.

#### **ThyssenKrupp PLuS successfully continued**

We are continuing our Groupwide action program ThyssenKrupp PLuS to stabilize the successes we have achieved and expand on them where possible. The aims of the program are to achieve positive earnings and liquidity effects, lower costs and financing requirements and sustainably improve our performance. In addition to the measures we have already implemented to safeguard earnings, optimize net working capital and limit capital expenditures, we are pursuing new avenues and possibilities to further improve the Group's earnings and liquidity situation.

# ThyssenKrupp AG

## Condensed consolidated statement of financial position

### ASSETS million €

	Note	Sept. 30, 2009	Dec. 31, 2009
Intangible assets		4,642	4,665
Property, plant and equipment		13,793	14,448
Investment property		341	341
Investments accounted for using the equity method		480	517
Other financial assets		94	93
Other non-financial assets		455	497
Deferred tax assets		638	694
<b>Total non-current assets</b>		<b>20,443</b>	<b>21,255</b>
Inventories		6,735	6,925
Trade accounts receivable		5,120	4,775
Other financial assets		1,253	523
Other non-financial assets		1,724	2,059
Current income tax assets		252	239
Cash and cash equivalents		5,349	5,067
Assets held for sale		491	0
<b>Total current assets</b>		<b>20,924</b>	<b>19,588</b>
<b>Total assets</b>		<b>41,367</b>	<b>40,843</b>

### EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2009	Dec. 31, 2009
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings*		3,643	3,798
Cumulative other comprehensive income*		(296)	(154)
thereof relating to disposal groups (Sept. 30, 2009: (12))		—	—
Treasury stock	05	(1,421)	(1,410)
<b>Equity attributable to ThyssenKrupp AG's stockholders</b>		<b>7,927</b>	<b>8,235</b>
Non-controlling interest		1,769	1,806
<b>Total equity</b>		<b>9,696</b>	<b>10,041</b>
Accrued pension and similar obligations	04	7,525	7,467
Other provisions		792	816
Deferred tax liabilities		307	321
Financial debt		7,160	6,621
Other financial liabilities		4	4
Other non-financial liabilities		46	47
<b>Total non-current liabilities</b>		<b>15,834</b>	<b>15,276</b>
Other provisions		2,040	1,821
Current income tax liabilities		794	907
Financial debt		305	582
Trade accounts payable		4,169	3,848
Other financial liabilities		1,585	1,809
Other non-financial liabilities		6,656	6,559
Liabilities associated with assets held for sale		288	0
<b>Total current liabilities</b>		<b>15,837</b>	<b>15,526</b>
<b>Total liabilities</b>		<b>31,671</b>	<b>30,802</b>
<b>Total equity and liabilities</b>		<b>41,367</b>	<b>40,843</b>

\* Prior year figure adjusted

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of income

million €, earnings per share in €

	Note	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
Net sales	09	11,522	9,351
Cost of sales*	02	(9,735)	(7,878)
<b>Gross profit*</b>		<b>1,787</b>	<b>1,473</b>
Selling expenses		(735)	(643)
General and administrative expenses		(626)	(576)
Other operating income		76	77
Other operating expenses*		(121)	(95)
Gain/(loss) on the disposal of subsidiaries, net		0	93
<b>Income/(loss) from operations</b>		<b>381</b>	<b>329</b>
Income/(expense) from companies accounted for using the equity method		(11)	7
Interest income		72	95
Interest expense		(239)	(259)
Other financial income/(expense), net		37	141
<b>Financial income/(expense), net</b>		<b>(141)</b>	<b>(16)</b>
<b>Income before income taxes</b>		<b>240</b>	<b>313</b>
Income tax (expense)/income		(77)	(118)
<b>Net income</b>		<b>163</b>	<b>195</b>
<b>Attributable to:</b>			
ThyssenKrupp AG's stockholders		168	164
Non-controlling interest		(5)	31
<b>Net income</b>		<b>163</b>	<b>195</b>
<b>Basic and diluted earnings per share</b>	10		
Net income (attributable to ThyssenKrupp AG's stockholders)		<b>0.36</b>	<b>0.35</b>

\* Prior year figure adjusted

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of comprehensive income

million €

	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
<b>Net income</b>	<b>163</b>	<b>195</b>
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	(186)	112
Net realized (gains)/losses	0	14
<b>Net unrealized gains/(losses)</b>	<b>(186)</b>	<b>126</b>
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized holding gains/(losses), net	3	0
Net realized (gains)/losses	0	0
Tax effect	(1)	0
<b>Net unrealized holding gains/(losses)</b>	<b>2</b>	<b>0</b>
Actuarial gains/(losses) from pensions and similar obligations		
Change in actuarial gains/(losses), net	(684)	75
Tax effect	219	(23)
<b>Net actuarial gains/(losses) from pensions and similar obligations</b>	<b>(465)</b>	<b>52</b>
Gains/(losses) resulting from asset ceiling		
Change in gains/(losses), net	1	(63)
Tax effect	0	19
<b>Net gains/(losses) resulting from asset ceiling</b>	<b>1</b>	<b>(44)</b>
Unrealized (losses)/gains on derivative financial instruments		
Change in unrealized gains/(losses), net	(149)	56
Net realized (gains)/losses	2	(5)
Tax effect	47	(19)
<b>Net unrealized gains/(losses)</b>	<b>(100)</b>	<b>32</b>
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(3)	1
<b>Other comprehensive income</b>	<b>(751)</b>	<b>167</b>
<b>Total comprehensive income</b>	<b>(588)</b>	<b>362</b>
<b>Attributable to:</b>		
<b>ThyssenKrupp AG's stockholders</b>	<b>(570)</b>	<b>311</b>
Non-controlling interest	(18)	51

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of changes in equity

million € (except number of shares)

	Equity attributable to ThyssenKrupp AG's stockholders											Total equity	
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative other comprehensive income					Treasury stock	Total		Non-controlling interest
					Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments	Share of investments accounted for using the equity method					
Balance as of Sept. 30, 2008	463,473,492	1,317	4,684	6,845	(283)	(2)	(130)	(3)	(1,421)	11,007	482	11,489	
Net income				168						168	(5)	163	
Other comprehensive income				(468)	(172)	2	(101)	1		(738)	(13)	(751)	
Total comprehensive income				(300)	(172)	2	(101)	1		(570)	(18)	(588)	
Profit attributable to non-controlling interest										0	(18)	(18)	
Share-based compensation				3						3	0	3	
Other changes				(32)						(32)	(48)	(80)	
Balance as of Dec. 31, 2008	463,473,492	1,317	4,684	6,516	(455)	0	(231)	(2)	(1,421)	10,408	398	10,806	
Balance as of Sept. 30, 2009	463,473,492	1,317	4,684	3,643	(329)	5	33	(5)	(1,421)	7,927	1,769	9,696	
Net income				164						164	31	195	
Other comprehensive income				5	117	0	21	4		147	20	167	
Total comprehensive income				169	117	0	21	4		311	51	362	
Profit attributable to non-controlling interest										0	(13)	(13)	
Treasury stock sold	350,924			(2)					11	9	0	9	
Share-based compensation				(7)						(7)	0	(7)	
Other changes				(5)						(5)	(1)	(6)	
Balance as of Dec. 31, 2009	463,824,416	1,317	4,684	3,798	(212)	5	54	(1)	(1,410)	8,235	1,806	10,041	

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of cash flows

million €

	1st quarter ended Dec. 31, 2008	1st quarter ended Dec. 31, 2009
<b>Operating:</b>		
Net income	163	195
Adjustments to reconcile net income to operating cash flows:		
Deferred income taxes, net	(90)	(54)
Depreciation, amortization and impairment of non-current assets	358	334
Reversals of impairment losses of non-current assets	(1)	(3)
(Income)/loss from companies accounted for using the equity method, net of dividends received	11	(7)
(Gain)/loss on disposal of non-current assets, net	(16)	(94)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:		
- inventories	(211)	(154)
- trade accounts receivable	1,168	376
- accrued pension and similar obligations	(55)	(85)
- other provisions	(108)	(231)
- trade accounts payable	(1,696)	(343)
- other assets/liabilities not related to investing or financing activities	(383)	(72)
<b>Operating cash flows</b>	<b>(860)</b>	<b>(138)</b>
<b>Investing:</b>		
Purchase of investments accounted for using the equity method and non-current financial assets	(9)	(21)
Expenditures for acquisitions of consolidated companies	(2)	(46)
Cash acquired from acquisitions	1	0
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(1,050)	(686)
Capital expenditures for intangible assets (inclusive of advance payments)	(45)	(24)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	33	1
Proceeds from disposals of previously consolidated companies	0	308
Cash of disposed businesses	0	(5)
Proceeds from disposals of property, plant and equipment and investment property	64	12
Proceeds from disposals of intangible assets	9	2
<b>Cash flows from investing activities</b>	<b>(999)</b>	<b>(459)</b>
<b>Financing:</b>		
Proceeds from liabilities to financial institutions	2,667	168
Repayments of liabilities to financial institutions	(194)	(588)
Proceeds from notes payable and other loans	68	19
Increase in bills of exchange	16	8
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(2)	0
(Increase)/decrease in current securities	(37)	168
Proceeds from non-controlling interest to equity	0	500
Proceeds from treasury shares sold	0	2
Profit attributable to non-controlling interest	(18)	(13)
Other financing activities	7	(17)
<b>Cash flows from financing activities</b>	<b>2,507</b>	<b>247</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>648</b>	<b>(350)</b>
Effect of exchange rate changes on cash and cash equivalents	(46)	42
Cash and cash equivalents at beginning of reporting period	2,725	5,375
<b>Cash and cash equivalents at end of reporting period</b>	<b>3,327</b>	<b>5,067</b>
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	43	68
Interest paid	45	72
Dividends received	3	0
Income taxes received/(paid)	51	(62)

See note 11 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, 2009 to December 31, 2009, were authorized for issue in accordance with a resolution of the Executive Board on February 08, 2010.

### Basis of presentation

The accompanying Group’s interim condensed consolidated financial statements have been prepared in accordance with section 37x para. 3 in connection with section 37w para. 2 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 December 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 consolidated financial statements of our annual report 2008/2009.

### Recently adopted accounting standards

In fiscal year 2009/2010, ThyssenKrupp adopted the following standards, interpretations and amendments:

In September 2007, the IASB issued a revised version of IAS 1 “Presentation of Financial Statements” that is aimed at improving users ability to analyse and compare the information given in financial statements. The application of the revised standard is compulsory for fiscal years beginning on or after January 01, 2009. The adoption of the standard has a material impact on the Group’s consolidated financial statements.

In March 2007, the IASB issued a revised version of IAS 23 “Borrowing Costs”. Accordingly, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of the asset. The current option of immediately recognizing borrowing costs as an expense will be removed. The application of the revised standard is compulsory for fiscal years beginning on or after January 01, 2009. The revision has no impact on the Group’s consolidated financial statements because already before the amendment of the standard borrowing costs directly attributable to a qualifying asset has been capitalized as part of production costs.

In February 2008 the IASB issued amendments to “IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation”. The amendments mainly address the classification of particular types of financial instruments as equity or as a liability. Additional disclosures are required for the instruments affected by the amendments. The application of the amendments is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the amended standards to have a material impact on the Group’s consolidated financial statements.

In July 2008 the IASB issued “Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement”. The amendment clarifies how the existing principles underlying hedge accounting should be applied in two particular situations – the designation of inflation in a financial hedged item and the designation of a one-sided risk in a hedged item. The application of the amendment is compulsory for fiscal years beginning on or after July 01, 2009 and has to be applied retrospectively. Currently, Management does not expect the adoption of the amendment to have a material impact on the Group’s consolidated financial statements.

In March 2009 the IASB issued “Embedded Derivatives” which amends IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments”. The amendments clarify the accounting treatment of embedded derivatives for entities that make use of the reclassification of financial instruments. The application of the amendments is compulsory for fiscal years beginning on or after June 30, 2009 and has to be applied retrospectively. Currently,

Management does not expect the adoption of the amendments to have a material impact on the Group's consolidated financial statements.

In January 2008, the IASB also issued an amendment to IFRS 2 "Share-based Payment". The amendment clarifies that vesting conditions are service conditions and performance conditions only. It also specifies that all plan cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the amended standard to have a material impact on the Group's consolidated financial statements.

In January 2008, the IASB issued the amended versions of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements". A material change of IFRS 3 concerns the accounting for acquisitions involving the purchase of less than 100% of the shares of a company. An option has been added allowing entities to recognize goodwill from an acquisition by the "full goodwill method", i.e. including the portion attributable to minority interests. Furthermore, all acquisition-related costs must be expensed as incurred. In accordance with IAS 27, acquisitions or disposals of shares without loss of control must be accounted for as equity transactions. In the context of the disposal of shares with loss of control any retained investment is recognized at fair value with any difference to the previous carrying amount recognized in profit or loss. The amended standards must be applied to business combinations in fiscal years beginning on or after July 01, 2009. The adoption of the two amended standards has a material impact on the Group's consolidated financial statements.

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. 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 July 2007, the IFRIC issued IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The interpretation provides general guidance on how to assess the limit in IAS 19 "Employee Benefits" on the amount of the surplus that can be recognized as an asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement. The interpretation will standardise practice and ensure that entities recognize an asset in

relation to a surplus on a consistent basis. In the EU, the application of the interpretation is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the interpretation to have a material impact on the Group's consolidated financial statements.

In May 2008 the IASB issued "Improvements to IFRSs", a first collection of minor amendments to existing IFRSs. This standard presents amendments to 20 IFRSs in two parts. The first part includes accounting changes relating to presentation, recognition or measurement. The second part includes terminology or editorial changes. Unless otherwise specified in the specific standard, the application of the amendments is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the amended standards to have a material impact on the Group's consolidated financial statements.

### Recently issued accounting standards

In fiscal year 2009/2010, the following standards, interpretations and amendments to already existing standards have been issued which still must be endorsed by the EU before they can be adopted:

In November 2009 the IASB issued a revised version of IAS 24 "Related Party Disclosures". The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted. Currently, Management does not expect the adoption of the amended standard – if endorsed by the EU in the current version – to have a material impact on the Group's consolidated financial statements.

In November 2009 the IASB issued the new standard IFRS 9 "Financial Instruments" on the classification and measurement of financial assets. This standard is the first part of the three-part project to replace completely IAS 39 "Financial Instruments: Recognition and Measurement" which should be completed the end of 2010. In accordance with the approach of IFRS 9 financial assets are measured at amortized cost or fair value. The classification to one of the two measurement categories is based on how an entity manages its financial instruments (so called business model) and the contractual cash flow characteristics of the financial assets. The application of the standard is compulsory for fiscal years beginning on or after January 01, 2013, while earlier application is permitted for 2009 year-end financial statements. Currently, Management is not able to finally assess the impacts of the adoption of the standard – if endorsed by the EU in the current version.

In November 2009 the IASB issued an amendment to IFRIC 14, which is itself an interpretation of IAS 19 “Employee Benefits”, titled “Prepayments of a Minimum Funding Requirement”. The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The application of the amended interpretation is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted for 2009 year-end financial statements. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In November 2009 the IFRIC issued IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”. The interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. The application of the interpretation is compulsory for fiscal years beginning on or after July 01, 2010, while earlier application is permitted. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

## 01 / Disposals

In October 2009, as part of the portfolio optimization program, the Group initiated the disposal of ThyssenKrupp Industrieservice and ThyssenKrupp Safway of the Materials Services business area which was consummated end of November 2009 and mid of December 2009, respectively. ThyssenKrupp Industrieservice is a facility management service provider; its product range embraces maintenance, supply chain services, location services and technical cleaning as well as industrial assembly and installation. Safway is an American scaffolding services company. These disposals as well as other smaller disposals that are, on an individual basis, immaterial affected in total – based on the values as of the disposal date – the Group’s consolidated financial statements as presented below:

million €

	1st quarter ended Dec. 31, 2009
Goodwill	97
Other intangible assets	6
Property, plant and equipment	170
Investments accounted for using the equity method	1
Other financial assets	3
Deferred tax assets	2
Inventories	27
Trade accounts receivable	162
Other current financial assets	9
Other current non-financial assets	10
Current income tax assets	2
Cash and cash equivalents	5
<b>Total assets disposed of</b>	<b>494</b>
Accrued pension and similar obligations	12
Other non-current provisions	23
Deferred tax liabilities	27
Non-current financial debt	2
Other current provisions	20
Current income tax liabilities	3
Current financial debt	20
Trade accounts payable	13
Other current financial liabilities	142
Other current non-financial liabilities	29
<b>Total liabilities disposed of</b>	<b>291</b>
<b>Net assets disposed of</b>	<b>203</b>
Cumulative other comprehensive income	14
Non-controlling interest	2
Gain/(loss) resulting from the disposals	93
<b>Selling prices</b>	<b>308</b>
thereof: received in cash and cash equivalents	308

## 02 / Cost of sales

In the 1st quarter ended December 31, 2009, included in cost of sales are write-downs of inventories of €100 million which mainly refer to the Steel Europe, Stainless Global and Marine Systems business areas. As of September 30, 2009, write-downs amounted to €317 million.

## 03 / Share-based compensation

### Management incentive plans

Due to a downward trend of ThyssenKrupp Value Added (TKVA), the Group recorded from the mid-term incentive plan neither any expenses nor any additional income (1st quarter ended December 31, 2008: income of €6.6 million).

In the 1st quarter ended December 31, 2009, the 1st tranche of the Group’s Share Purchase Program of fiscal year 2007/2008 was settled with the purchase of 350,924 shares at a discount by the beneficiaries. The Group’s Share Purchase Program resulted in a compensation expense of €0.9 million in the 1st quarter ended December 31, 2009 (1st quarter ended December 31, 2008: €5.5 million).

## 04 / Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension and health care obligations was performed as of December 31, 2009, taking into account these effects while other assumptions remained unchanged.

million €		
	Sept. 30, 2009	Dec. 31, 2009
Accrued pension liability	6,068	6,029
Accrued postretirement obligations other than pensions	1,076	1,057
Other accrued pension-related obligations	393	381
<b>Total</b>	<b>7,537</b>	<b>7,467</b>

In the statement of financial position as of September 30, 2009, accrued pension and similar obligations of €12 million are presented in the line item “liabilities associated with assets held for sale”.

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

in %	Sept. 30, 2009		Dec. 31, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Discount rate for accrued pension liability	5.25	5.24	5.25	5.43
Discount rate for postretirement obligations other than pensions (only USA/Canada)	—	5.50	—	5.80

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

million €	1st quarter ended Dec. 31, 2008		1st quarter ended Dec. 31, 2009	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	15	7	17	7
Interest cost	81	30	72	26
Expected return on plan assets	(3)	(26)	(3)	(25)
Curtailment and settlement gains	0	(1)	0	0
<b>Net periodic pension cost</b>	<b>93</b>	<b>10</b>	<b>86</b>	<b>8</b>

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

million €	1st quarter ended Dec. 31, 2008 USA/Canada	1st quarter ended Dec. 31, 2009 USA/Canada
Service cost	3	1
Interest cost	17	13
Expected return on reimbursement rights	(1)	(1)
Past service cost	(24)	(14)
Curtailment and settlement gains	(20)	0
<b>Net periodic postretirement benefit cost</b>	<b>(25)</b>	<b>(1)</b>

## 05 / Total equity

In the context of the settlement of the 1st tranche of the Group's Share Purchase Program as of December 02, 2009, 350,924 treasury shares were sold to the beneficiaries using a price of €24.62 per share as a basis for the discounted selling price.

## 06 / Contingencies including pending lawsuits and claims for damages

### Guarantees

ThyssenKrupp AG and, 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 Dec. 31, 2009	Provision as of Dec. 31, 2009
Advance payment bonds	211	1
Performance bonds	80	0
Third party credit guarantee	37	0
Residual value guarantees	45	1
Other guarantees	44	2
<b>Total</b>	<b>417</b>	<b>4</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 subsidiaries 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, 2009, in the Steel Americas and Stainless Global business areas the commitment to enter into investment projects in Brazil and North America decreased by €0.6 billion to €2.1 billion.

#### Pending lawsuits and claims for damages

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

There have been no significant changes since September 30, 2009 to other contingencies, including pending litigations.

## 07 / Derivative financial instruments

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

million €

	Notional amount Sept. 30, 2009	Fair value Sept. 30, 2009	Notional amount Dec. 31, 2009	Fair value Dec. 31, 2009
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Foreign currency derivatives including embedded derivatives	4,693	214	4,149	159
Interest rate derivatives*	786	37	775	23
Commodity derivatives	839	108	447	115
<b>Total</b>	<b>6,318</b>	<b>359</b>	<b>5,371</b>	<b>297</b>
<b>Liabilities</b>				
Foreign currency derivatives including embedded derivatives	4,112	155	3,293	103
Interest rate derivatives*	1	0	2	0
Commodity derivatives	374	41	584	84
<b>Total</b>	<b>4,487</b>	<b>196</b>	<b>3,879</b>	<b>187</b>

\* inclusive of cross currency swaps

## 08 / Related parties transactions

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 1st quarter ended December 31, 2009, the ThyssenKrupp Group realized sales of €4.0 million with the Heitkamp & Thumann Group from the sale of steel and stainless material as well as from industrial servicing and sales of €41 thousand with the Heitkamp Baugruppe from the sale of goods. In the same period ThyssenKrupp purchased nothing from the Heitkamp & Thumann Group and goods with a value of €121 thousand from the Heitkamp Baugruppe. The transactions were carried out at market conditions. As of December 31, 2009, the transactions with the Heitkamp & Thumann Group resulted in trade accounts receivable of €1.5 million and trade accounts payable of €16 thousand, the transactions with the Heitkamp Baugruppe resulted in trade accounts receivable of €3 thousand and trade accounts payable of €121 thousand.

In the 1st quarter ended December 31, 2009, a Group subsidiary realized sales of €41 thousand 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.

## 09 / Segment reporting

Since the implementation of the new organizational structure as of October 01, 2009, the Group is organized in the following eight business areas that represent the Group's activities within materials and technologies. The business areas are in line with the internal organizational and reporting structure. Prior year figures have been adjusted accordingly.

**Steel Europe:** The business area brings together the premium flat carbon steel activities, from intelligent material solutions to finished parts.

**Steel Americas:** This business area includes the production, processing and marketing of high-quality steel products in North and South America. It also contains the steelmaking and processing plants currently under construction in Brazil and USA.

**Stainless Global:** The business area is supplier of flat stainless steel products and high performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in USA.

**Materials Services:** The business area activities comprise materials distribution, logistics and services, and the provision of technical services. In addition to rolled steel, stainless steel, tubes and pipes, nonferrous metals and plastics, Materials Services also offers services from processing and logistics to warehouse and inventory management through to supply chain management. The business area offers technical and infrastructure services in the areas of railway and construction equipment, industrial plants and steel mills.

**Elevator Technology:** The business area is active in the construction, modernization and servicing of elevators, escalators, moving walks, stair and platform lifts as well as passenger boarding bridges. Alongside a full range of installations for the volume market, the business area also delivers customized solutions.

**Plant Technology:** The business area is supplier of chemical plants, refineries, cement plants, innovative solutions for the mining and handling of raw materials and minerals, production systems and assembly lines for the automotive industry.

**Components Technology:** The business area offers efficient and innovative components for the automotive, construction and engineering sectors as well as for wind turbines.

**Marine Systems:** The business area is supplier for naval surface vessels, submarines and premium-segment yachts.

**Corporate:** Corporate comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources. In addition, part of Corporate is real estate not used in operating that is managed and utilized centrally as well as inactive companies that could not be assigned to an individual business area.

Segment information for the 1st quarter ended December 31, 2008 and December 31, 2009 is as follows:

million €

	Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Consolidation	Group
<b>1st quarter ended Dec. 31, 2008</b>											
External sales	2,371	0	1,045	3,833	1,342	1,062	1,297	546	26	0	11,522
Internal sales within the Group	477	0	128	162	1	16	2	0	8	(794)	0
Total sales	2,848	0	1,173	3,995	1,343	1,078	1,299	546	34	(794)	11,522
Income/(loss) before income taxes	345	(76)	(243)	30	159	99	53	33	(155)	(5)	240
<b>1st quarter ended Dec. 31, 2009</b>											
External sales	1,954	0	1,087	2,634	1,224	944	1,234	254	20	0	9,351
Internal sales within the Group	327	0	123	126	2	10	3	0	11	(602)	0
Total sales	2,281	0	1,210	2,760	1,226	954	1,237	254	31	(602)	9,351
Income/(loss) before income taxes	104	(4)	(59)	112	155	95	43	(10)	(121)	(2)	313



## 10 / Earnings per share

Basic earnings per share is computed as follows:

	1st quarter ended Dec. 31, 2008		1st quarter ended Dec. 31, 2009	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
<b>Numerator:</b>				
Net income (attributable to ThyssenKrupp AG's stockholders)	168	0.36	164	0.35
<b>Denominator:</b>				
Weighted average shares	463,473,492		463,586,567	

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

Earnings per share have been calculated by dividing net income attributable to common stockholders of ThyssenKrupp AG (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Shares sold 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 2009/2010 the weighted average number of outstanding shares was increased by the sale of treasury shares in December 2009 in the context of the Group's Share Purchase Program.

There were no dilutive securities in the periods presented.

## 11 / Additional information to the consolidated statement of cash flows

### Non-cash investing activities

In the 1st quarter ended December 31, 2009, the acquisition and first-time consolidation of companies created no increase in non-current assets (1st quarter ended December 31, 2008: €7 million).

The non-cash addition of assets under finance leases in the 1st quarter ended December 31, 2009 amounted to €4 million (1st quarter ended December 31, 2008: €6 million).

### Non-cash financing activities

In the 1st quarter ended December 31, 2009 as well as in the 1st quarter ended December 31, 2008, the acquisition and first-time consolidation of companies did not result in any increase in gross financial debt.

## 12 / Subsequent events

No reportable events occurred.

Düsseldorf, February 08, 2010

ThyssenKrupp AG  
The Executive Board

Schulz

Berlien

Eichler

Hippe

Labonte



## Review report

### To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and selected notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2009 to December 31, 2009 which form part of the quarterly financial report according to section 37x para. 3 in connection with section 37w para. 2 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, February 08, 2010

KPMG AG

Wirtschaftsprüfungsgesellschaft

Michael Gewehr  
(German Public Auditor)

Markus Zeimes  
(German Public Auditor)

## Report by the Supervisory Board Audit Committee

The interim report on the 1st quarter of fiscal year 2009/2010 (October to December 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 February 11, 2010 and explained by the Executive Board and the auditors. The Audit Committee approved the interim report.

Düsseldorf, February 11, 2010

Chairman of the Audit Committee  
Prof. Dr. Bernhard Pellens

## Contact and 2010/2011 dates

For more information,  
please contact:

### Communications, Strategy & Technology

Telephone +49 211 824-36007

Fax +49 211 824-36041

E-mail [press@thyssenkrupp.com](mailto:press@thyssenkrupp.com)

### Investor Relations

E-mail [ir@thyssenkrupp.com](mailto:ir@thyssenkrupp.com)

### Institutional investors and analysts

Telephone +49 211 824-36464

Fax +49 211 824-36467

### Private investors

Infoline +49 211 824-38347

Fax +49 211 824-38512

### Address

ThyssenKrupp AG

August-Thyssen-Str. 1, 40211 Düsseldorf, Germany

P. O. Box 10 10 10, 40001 Düsseldorf, Germany

Telephone +49 211 824-0

Fax +49 211 824-36000

E-mail [info@thyssenkrupp.com](mailto:info@thyssenkrupp.com)

### 2010/2011 dates

#### May 12, 2010

Interim report

1st half 2009/2010 (October to March)

Conference call with analysts and investors

#### August 13, 2010

Interim report

9 months 2009/2010 (October to June)

Conference call with analysts and investors

#### November 30, 2010

Annual press conference

Analysts' and investors' conference

#### January 21, 2011

Annual General Meeting

#### February 11, 2011

Interim report

1st quarter 2010/2011 (October to December)

Conference call with analysts and investors

### 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.

