

INTERIM REPORT 2013/2014

**THYSSENKRUPP AG
1ST QUARTER
October 01 – December 31, 2013**

Developing the future.



ThyssenKrupp

ThyssenKrupp in brief

ThyssenKrupp has around 157,000 employees in nearly 80 countries working with passion and expertise to develop solutions for sustainable progress. Their skills and commitment are the basis of our success. In fiscal year 2012/2013 ThyssenKrupp generated sales of around €39 billion.

For us, innovations and technical progress are key factors in managing global growth and using finite resources in a sustainable way. With our engineering expertise in the areas of “Mechanical”, “Plant” and “Material”, we enable our customers to gain an edge in the global market and manufacture innovative products in a cost- and resource-friendly way.

ThyssenKrupp stock master data

ISIN (International Stock Identification Number)	DE 000 750 0001
Stock exchanges	Frankfurt (Prime Standard), Düsseldorf
Symbols	
Bloomberg (Xetra trading)	TKA GY
Reuters (Xetra trading)	TKAG.DE
Frankfurt, Düsseldorf stock exchanges	TKA

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This interim report was published on February 14, 2014.

ThyssenKrupp in figures

Group

		Full Group ¹⁾				Continuing operations ²⁾			
		1st quarter 2012/2013	1st quarter 2013/2014	Change	Change in %	1st quarter 2012/2013	1st quarter 2013/2014	Change	Change in %
Order intake	million €	11,202	10,671	(531)	(5)	10,063	10,671	608	6
Net sales total	million €	10,412	9,109	(1,303)	(13)	9,189	9,109	(80)	(1)
EBITDA	million €	444	655	211	48	371	468	97	26
EBIT	million €	169	398	229	136	97	211	114	118
EBIT margin	%	1.6	4.4	2.8	—	1.1	2.3	1.2	—
Adjusted EBIT	million €	38	247	209	550	107	247	140	131
Adjusted EBIT margin	%	0.4	2.7	2.3	—	1.2	2.7	1.5	—
EBT	million €	(9)	(42)	(33)	--	(73)	(229)	(156)	--
Net income/(loss) / Income/(loss) (net of tax)	million €	(16)	(69)	(53)	--	(75)	(256)	(181)	--
attributable to ThyssenKrupp AG's shareholders	million €	(1)	(64)	(63)	--	(61)	(251)	(190)	--
Basic earnings per share	€	0.00	(0.12)	(0.12)	—	(0.12)	(0.47)	(0.35)	--
Operating cash flow	million €	(140)	147	287	++	54	147	93	172
Cash flow from disposals	million €	934	23	(911)	(98)	934	23	(911)	(98)
Cash flow for investments	million €	(433)	(232)	201	46	(334)	(232)	102	31
Free cash flow	million €	361	(62)	(423)	--	654	(62)	(716)	--
Employees (Dec. 31)		154,850	156,633	1,783	1	154,850	156,633	1,783	1
Net financial debt (Dec. 31)	million €	5,205	4,459	(746)	(14)				
Total equity (Dec. 31)	million €	4,267	3,273	(994)	(23)				

¹⁾ Prior-year figures for all income figures (except EBITDA) and total equity have been adjusted.

²⁾ Prior-year figures have been adjusted.

Business areas

	Order intake million €		Net sales total million €		EBIT million €		Adjusted EBIT million €		Employees	
	1st quarter 2012/2013	1st quarter 2013/2014	1st quarter 2012/2013	1st quarter 2013/2014	1st quarter 2012/2013	1st quarter 2013/2014	1st quarter 2012/2013	1st quarter 2013/2014	Dec. 31, 2012	Dec. 31, 2013
Components Technology	1,324	1,439	1,345	1,428	43	56	42	64	27,789	28,057
Elevator Technology	1,616	1,801	1,532	1,544	171	133	169	175	47,897	49,348
Industrial Solutions	2,002	2,295	1,306	1,288	141	173	140	173	18,176	18,982
Materials Services	2,765	2,842	2,815	2,739	36	43	40	34	26,280	25,128
Steel Europe	2,403	2,274	2,253	2,074	29	20	30	19	27,629	26,658
Steel Americas ¹⁾	560	609	488	538	(122)	1	(122)	(17)	3,990	5,491
Corporate	55	42	55	42	(112)	(116)	(97)	(103)	3,089	2,969
Consolidation	(662)	(631)	(605)	(544)	(89)	(99)	(95)	(98)	0	0
Continuing Operations	10,063	10,671	9,189	9,109	97	211	107	247	154,850	156,633

¹⁾ Prior-year figures for EBIT and Adjusted EBIT have been adjusted.

The Steel Americas business area, having been classified as a discontinued operation in accordance with IFRS at September 30, 2012, was reclassified as a continuing operation at September 30, 2013; the prior-year figures have been adjusted accordingly. Within Steel Americas, ThyssenKrupp Steel USA is reported as a disposal group. Following the disposal of the discontinued Stainless Global at the end of the 1st quarter 2012/2013 as a result of the combination with the Finnish company Outokumpu, income was recorded in the 1st quarter 2013/2014 which is directly related to this and represents the discontinued operations. The 29.9% financial interest in Outokumpu obtained as part of the transaction, which is accounted for by the equity method and whose income effects are not included in EBIT due to its non-operating nature, is reported as an available for sale financial asset following the announcement on November 29, 2013 of the plan to sell the entire shareholding. As of the end of the 1st quarter 2012/2013 the Group consists exclusively of continuing operations; they comprise six business areas and Corporate.

Strategic development of the Group

Demographic change, the globalization of goods flows and the rapid growth of mega cities mean that global demand is rising all the time. The world needs “more” consumer and capital goods, infrastructure, energy and raw materials. However, this growing demand is set against the finite nature of natural resources. At the same time, climate change is now a reality, and political conditions also call for “better” solutions. The world does not just need “more”, but above all “better”: We need to use resources more efficiently, reduce the environmental impact of producing consumer and capital goods, and build sustainable infrastructure.

With its engineering expertise, ThyssenKrupp offers solutions to these challenges and with its capital goods, materials, industrial processes and services already meets requirements for “more” and “better” in many areas – both in industrialized countries and in emerging markets. Our technological expertise and the high quality of our products and services create value for our customers and give us a clear competitive edge.

To align ThyssenKrupp more closely with these trends as a diversified industrial group we launched our Strategic Way Forward in May 2011. The pillars of this holistic program are continuous portfolio optimization, changes in our corporate culture, leadership and structure, and a stronger performance orientation. This will strengthen our financial base and give us the freedom to expand our activities strategically. We took further important steps in implementing the Strategic Way Forward in the 1st quarter 2013/2014.

Sustainable solution for Steel Americas

On November 29, 2013 we signed an agreement with a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation (the consortium) on the sale of the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama. Upon closing of the transaction ThyssenKrupp will receive a purchase price of 1.55 billion US dollars for the plant in Alabama and a long-term slab supply contract. A sustainable solution has thus also been achieved for the ThyssenKrupp CSA steel mill in Brazil. It has been contractually agreed that the consortium will purchase 2 million tons of slabs per year from ThyssenKrupp CSA until 2019. Based on the agreed transaction we are confident that in the coming years we can build on the operating improvements already achieved at Steel Americas in the past fiscal year and better exploit the market opportunities arising from the changed parameters. At the beginning of February 2014 the approval of the relevant regulatory authorities had been received. With the sale and the slab supply contract ThyssenKrupp is creating important conditions for further improvements to its cash flow profile and key financial ratios.

Ending of all financial links with Outokumpu

As part of the necessary financial restructuring measures at Outokumpu, on November 29, 2013 we signed an agreement with Outokumpu transferring back to ThyssenKrupp all of the shares of VDM and AST as well as other smaller operations in the stainless service center sector. In return, the financial receivable created in connection with the Inoxum transaction will be transferred to Outokumpu. With this step we are reducing risk and securing value for our company. To meet the conditions of the EU Commission ThyssenKrupp will also fully divest its 29.9% stake in Outokumpu and end all other financial links with the Outokumpu group. With the clearance by the EU Commission on February 12, 2014, the approval of almost all the regulatory authorities for the transaction has been received. The closing is still subject to the cooperation and approval of shareholders, banks and creditors for the overall plan for a sustainable refinancing of Outokumpu.

More details on the transactions can be found in the 2012/2013 Annual Report, section “Profile and Strategy”.

In addition to the portfolio optimization program adopted in May 2011 we are also working on further divestment projects as part of our stronger focus on performance. Disposal processes have already been initiated in the construction machinery components business of the Components Technology business area and the railway/construction business of the Materials Services business area. The process initiated in the Steel Europe business area to sell the grain-oriented electrical steel business with plants in Gelsenkirchen, Germany and Isbergues, France, and the electrical steel operations in Nashik, India, is also in progress.

Expansion in important growth areas and innovations

In the reporting period we further strengthened the strategically important growth areas of engineering and elevators, investing in particular in organic growth.

- In November 2013 the Industrial Solutions business area signed an agreement with Industrie De Nora, a provider of electrochemical technologies based in Milan, Italy, to set up a joint venture. By combining their engineering, procurement and construction activities in the field of electrolysis plants both partners will widen their technology platforms and increase proximity to customers as well as global presence. Under the name ThyssenKrupp Uhde Chlorine Engineers the new company will be run by ThyssenKrupp Industrial Solutions as majority owner and consolidated. It will be based in Dortmund and have a worldwide presence with further sites in Japan, China, Italy and the USA. The agreement is subject to approval by the competent competition authorities.
- To better exploit global market opportunities in engineering, an important growth area for the Group, the previously separate engineering companies ThyssenKrupp Uhde and ThyssenKrupp Resource Technologies (previously created from ThyssenKrupp Polysius and ThyssenKrupp Fördertechnik) were combined under the roof of ThyssenKrupp Industrial Solutions in January 2014. Integration and regionalization are central elements in achieving our growth targets in the engineering business and increasing efficiency. By focusing our competencies in a global enterprise we aim to optimally exploit market potential in the growth regions and increase sales by on average more than 5% per year in the coming years.
- As well as further strengthening its service business through acquisitions in Germany and France, the Elevator Technology business area invested in expanding and modernizing its plants. In Germany the Neuhausen site is being expanded into a state-of-the-art technology park. In addition, Elevator Technology plans to build a research and development center in Rottweil, Germany to test elevators for the tallest buildings in the world.
- In the Components Technology business area we are expanding our presence in Europe and above all in the growth regions of Brazil, China, India and the NAFTA region. In December 2013 a new factory was opened in Chengdu (China) to build automotive springs and stabilizers for the Chinese market.

We also further intensified our research and development efforts in the reporting quarter. A collaborative research program was set up with partners from industry and academia to develop a new technology to use process gases, in particular CO₂, as a raw material – a technology with positive implications for climate protection and significant market potential. You can read more about it in the section “Innovations”.

Corporate program “impact 2015” making good progress

The corporate program impact combines targeted performance-enhancing initiatives and measures that support the Group's Strategic Way Forward. The aim of the efficiency program “impact 2015” is to achieve a cumulative positive EBIT effect of €2.3 billion from performance measures in the three fiscal years 2012/2013 through 2014/2015. The previous target of €2.0 billion was increased as a result of the reintegration of ThyssenKrupp CSA as a continuing operation.

We already achieved savings of €600 million in the past fiscal year, significantly exceeding our €500 million target. For the current year too, we are confident that we can meet our savings target of €850 million. In the 1st quarter 2013/14 additional EBIT effects of approx. €200 million were achieved and concrete measures were put in place to deliver the remaining savings target. Important contributions are being made by the Groupwide initiative synergize+, a program to optimize purchasing procedures, and programs in the business areas that are being continued or launched this fiscal year.

ACT creates new Group leadership structure with competitive costs

With the corporate initiative ACT ("Achieve Change @ ThyssenKrupp") ThyssenKrupp is optimizing its leadership and business structures and associated processes. ACT supports culture change and improvements to performance, efficiency and profitability throughout the Group. Extensive competitive analyses and benchmark studies have identified savings and optimization opportunities amounting to around €250 million in connection with the new structures and processes. Most of the effects are to be achieved by the end of fiscal year 2014/2015. The number of employees in administrative functions is to be reduced by roughly 3,000 from its present level of 15,000. In an initial step the corporate functions were significantly reduced in number and reorganized. Corporate headquarters and the head offices of the business areas have been operating in the new structure since October 01, 2013. The new, more efficient structures and processes are currently being implemented in the individual business units and regions. In a second step, key functions currently performed locally by shared services units such as ThyssenKrupp Business Services and ThyssenKrupp IT Services will be combined in a "Global Shared Services" unit. This concerns site-independent activities such as certain accounting, IT, real estate management and human resources functions. We are currently in formal negotiations on efficiency goals with the employee side. In addition, the Group's structure will be routinely reviewed in the future as part of the annual strategy process in order to ensure it is continuously enhanced and adapted in line with changing conditions.

Focus on governance and compliance

ThyssenKrupp has made a clear commitment to compliance with laws and internal policies: Any violations, in particular antitrust or corruption violations, will be met with zero tolerance. All reports of misconduct will be investigated.

The Supervisory Board Chairman Prof. Dr. Ulrich Lehner has selected corporate governance and compliance as key areas of his work. Effective February 01, 2014 the Supervisory Board appointed Dr. Donatus Kaufmann as a member of the Executive Board. He heads the newly created Legal and Compliance directorate. This further reinforces our decision to intensify compliance activities in the Group.

More information on our compliance activities can be found in the section "Compliance".

Group review

Operating milestones achieved

ThyssenKrupp achieved its operating targets for the 1st quarter 2013/2014 (October 01 – December 31, 2013):

Adjusted EBIT from continuing operations came to €247 million, more than double the prior-year figure, well up from the prior quarter and fully in line with our outlook for the fiscal year. All business areas except Steel Americas made clearly positive contributions; the losses at Steel Americas were reduced considerably. The capital goods businesses increased their earnings year-on-year to €412 million in the first three months. This was significantly higher than the contribution of the materials businesses, which however was positive overall at €36 million even including Steel Americas. Adjusted EBIT at Corporate came to €(103) million and consolidation €(98) million.

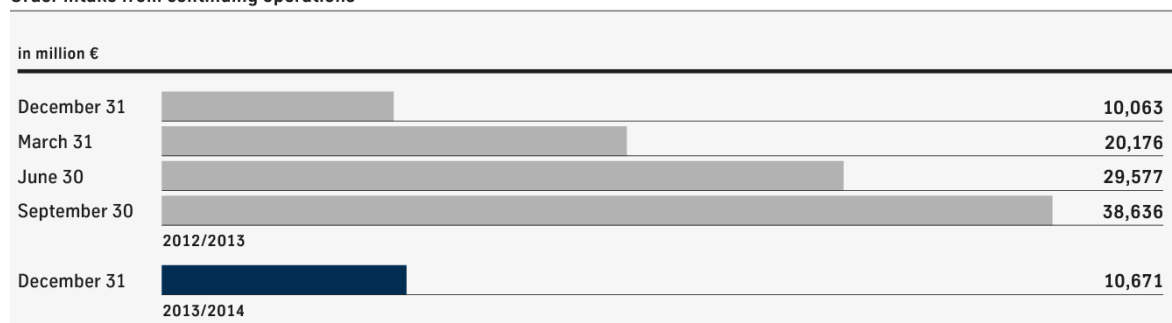
Free cash flow from continuing operations before divestments also improved significantly year-on-year by €195 million to €(85) million. The capital increase carried out at the beginning of December 2013 with gross proceeds of €882 million made it possible to reduce the net financial debt of the full Group from €5.0 billion at the end of fiscal year 2012/2013 to €4.5 billion, strengthen equity from €2.5 billion to €3.3 billion and reduce gearing by around 64 percentage points to 136.2%. By the end of the current fiscal year we expect a further improvement in gearing, particularly as a result of the expected proceeds from the sale of ThyssenKrupp Steel USA.

With cash, cash equivalents and committed undrawn credit lines totaling €7.6 billion at December 31, 2013, ThyssenKrupp is solidly financed.

Capital goods businesses drive growth in order intake

ThyssenKrupp held up well overall in a continuing challenging economic climate in the 1st quarter 2013/2014; key drivers for the growth in order intake were the solid performances of the capital goods businesses.

Order intake from continuing operations

in million €		
December 31		10,063
March 31		20,176
June 30		29,577
September 30		38,636
2012/2013		
December 31		10,671
2013/2014		

Order intake from continuing operations came to €10.7 billion, up 18% quarter-on-quarter and 6% year-on-year; on a comparable basis, i.e. excluding currency and portfolio effects, order intake increased by 10% year-on-year. There were gains of over 10% in the elevator business, which set a new record thanks largely to strong growth in the Asia-Pacific region, and in the project business: Aided by a large order from Asia for Marine Systems, Industrial Solutions recorded a 15% increase on its already high prior-year order intake, which benefited from a major order for petrochemical plants. Orders in hand at Elevator Technology and Industrial Solutions increased in the 1st quarter 2013/2014 by around €1 billion in total to more than €19 billion at December 31, 2013, almost matching the high prior-year figure. Order intake at Components Technology was down slightly quarter-on-quarter for seasonal reasons but increased significantly year-on-year thanks to a slight improvement in the industrial components business and new product launches in the automotive business. With volumes generally robust aided by numerous sales initiatives, global materials trading and the steel business

in Europe were weighed down by persistent price pressure and intense competition. Despite this, order intake at Materials Services was higher year-on-year thanks to a significant increase in volumes in the warehousing business; new orders at Steel Europe were down year-on-year, partly due to divestments, with volumes largely unchanged. Ordering activity at Materials Services declined slightly quarter-on-quarter, mainly for seasonal reasons, while the volume and value of new orders at Steel Europe increased from the prior quarter. Steel Americas improved significantly year-on-year and quarter-on-quarter due to positive price, volume and product mix effects; more than 20% of order volumes came from external slab customers.

At €9.1 billion in the 1st quarter, sales from continuing operations were down quarter-on-quarter mainly for seasonal reasons and slightly lower year-on-year; on a comparable basis sales increased by 4% year-on-year. Sales in the global materials trading business and European steel business decreased year-on-year due mainly to divestments, exchange rate factors and lower prices. Sales at Industrial Solutions were down slightly temporarily due to exchange rate and billing factors. Despite negative exchange rate effects, there were sales increases in the components business, the elevator business and at Steel Americas.

Sales from continuing operations

in million €		
1st quarter		9,189
1st half		18,729
9 months		28,649
12 months		38,559
2012/2013		
1st quarter		9,109
2013/2014		

Order intake and sales of the full Group in the reporting quarter were lower than the corresponding prior-year figures, which still included the discontinued operation Stainless Global.

Adjusted EBIT more than doubled year-on-year at €247 million


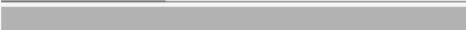
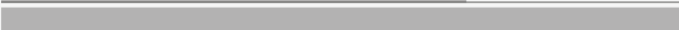


In a continuing difficult and highly competitive climate, adjusted EBIT from continuing operations in the 1st quarter 2013/2014 at €247 million improved quarter-on-quarter by more than 50% on lower sales and more than doubled year-on-year on comparable sales.

Adjusted EBIT was higher year-on-year in all our capital goods businesses. Components Technology and Industrial Solutions also improved quarter-on-quarter. All capital goods businesses increased their adjusted EBIT margin both year-on-year and quarter-on-quarter; at Elevator Technology the margin in the 1st quarter was 11.3%.

At Materials Services and Steel Europe adjusted EBIT was lower quarter-on-quarter, mainly for volume reasons in a climate of continuing high price pressure and intense competition, but was still clearly positive and largely unchanged year-on-year – aided by numerous efficiency measures and sales initiatives. Steel Americas was still slightly negative with adjusted EBIT of €(17) million in the reporting quarter but reduced its losses year-on-year and quarter-on-quarter by more than €100 million thanks to efficiency and volume gains and positive currency and market price effects in the USA.

Including the discontinued operations the Group's adjusted EBIT increased from €38 million to €247 million in the 1st quarter 2013/2014. The main reasons were improvements in the continuing operations and the absence of the losses at Stainless Global from the prior-year quarter with the completion of the disposal.

Adjusted EBIT from continuing operations

in million €		
1st quarter		107
1st half		303
9 months		443
12 months		598
2012/2013		
1st quarter		247
2013/2014		

EBIT and financial position impacted by special items

In the 1st quarter 2013/2014 EBIT from continuing operations was impacted by net special items of €36 million. The special items related in particular to restructuring provisions at Elevator Technology and Components Technology as well as expenses at Corporate in connection with portfolio measures. These were partly offset by a disposal gain at Materials Services and income from the updated valuation of a long-term freight agreement at Steel Americas.

Special items from Continuing Operations

million €	1st quarter 2012/2013	1st quarter 2013/2014	Change in %
EBIT ¹⁾	97	211	118
+/- Disposal losses/gains	(5)	2	++
+ Restructuring expenses	13	50	285
+ Impairment	(1)	(1)	0
+ Other non-operating expenses	6	3	(50)
- Other non-operating income	(3)	(18)	--
Adjusted EBIT ¹⁾	107	247	131

¹⁾ Prior-year figures have been adjusted.

After special items, EBIT from continuing operations totaled €211 million. The prior-year figure was €97 million.

However, after-tax earnings from continuing operations deteriorated year-on-year from €(75) million to €(256) million. The main reason was the previously announced €276 million charge to financial income/expense, net attributable to the Outokumpu shareholding.

The net loss of the full Group came to €69 million. The above charge to financial income/expense, mainly resulting from the sale of the Outokumpu shares agreed as part of the transaction in order to end the financial links between ThyssenKrupp and Outokumpu, was partly offset by income of €187 million attributable to the discontinued operations due to the absence of previously recognized risks. This income stems mainly from the reversal of provisions for the obligation to offset any negative financial consequences for Outokumpu under merger control requirements in connection with the sale of Inoxum to Outokumpu. The net loss attributable to shareholders of ThyssenKrupp AG was €64 million; earnings per share therefore came to €(0.12).

Free cash flow before disposals improved and net financial debt reduced

In the 1st quarter 2013/2014 free cash flow from continuing operations before disposals improved significantly year-on-year by €195 million to €(85) million. Including smaller disposals the free cash flow of the full Group came to €(62) million; in the prior year, which included the cash inflows from the Inoxum transaction, it was €361 million.

The full Group's net financial debt at December 31, 2013 came to €4,459 million, down both from a year earlier (€5,205 million) and from September 30, 2013 (€5,038 million).

Net financial debt is calculated as the difference between the cash and cash equivalents shown in the statement of financial position plus current other financial assets available for sale, and non-current and current financial debt; the corresponding assets intended for sale of the disposal groups and the discontinued operations are also taken into account.

Net financial debt full Group

in million €, quarter on quarter rate of change			
December 31			5,205
March 31		+ 2%	5,298
June 30		+ 1%	5,326
September 30		(5)%	5,038
2012/2013			
December 31		(11)%	4,459
2013/2014			

ThyssenKrupp AG has agreements with banks which contain certain conditions in the event that the gearing ratio (net financial debt to equity) in the consolidated financial statements exceeds 150% at the closing date (September 30).

At December 31, 2013 the gearing ratio was 136.2%, around 64 percentage points lower than the figure at September 30, 2013 and back below the gearing limit of 150%. The main reason for the improvement was the capital increase carried out in early December 2013. By the end of the fiscal year we expect a further improvement in our gearing, particularly as a result of the expected proceeds from the sale of ThyssenKrupp Steel USA.

At December 31, 2013 the Group's available liquidity amounted to €7.6 billion, consisting of €4.1 billion cash and cash equivalents and €3.5 billion undrawn committed credit lines. There is thus sufficient scope to cover upcoming debt maturities. The gross financial liabilities repayable up to the end of the next fiscal year 2014/2015 amount to €2.7 billion. ThyssenKrupp is thus solidly financed.

Capital increase successfully placed

On December 02, 2013 the Executive Board decided to increase the capital stock of ThyssenKrupp AG by a nominal €131,709,191.68, i.e. around 10% of the capital stock, by issuing 51,448,903 new shares excluding shareholders' subscription rights. On December 03, 2013 the newly issued shares were placed with German and international institutional investors at a price of €17.15 per share in an accelerated bookbuilding process. The placement resulted in gross proceeds of €882.3 million, which will contribute to strengthening equity and reducing net financial debt. The capital stock of ThyssenKrupp AG is now €1,448,801,144.32 and is divided into 565,937,947 no par bearer shares.

The placement price of €17.15 was based on the offers submitted by institutional investors in the accelerated bookbuilding process. The placement price was therefore close to the stock market price. It represented a discount of only 2.75% to the previous day's Xetra closing price, much less than the maximum 5% discount allowed. Thanks to the liquid trading in ThyssenKrupp shares, all shareholders had the chance to maintain their percentage shareholding by buying the requisite shares on the stock market on approximately the same conditions. The speed of the placement and the fact that it was almost three times oversubscribed by mainly long-term investors confirms the trust of the capital market in the long-term strategy of ThyssenKrupp.

Capital expenditures down year-on-year

In the 1st quarter 2013/2014 ThyssenKrupp invested a total of €232 million, €201 million less than a year earlier. €99 million of the decline was attributable to the discontinued operations and resulted from the absence of capital spending at Stainless Global after the disposal.

In the first 3 months of the current fiscal year we spent €90 million on the capital goods businesses and here particularly on Components Technology, despite a year-on-year decline. The majority of the budget for our components business relates to the growth regions BIC and NAFTA; for example we opened a new springs and stabilizers factory in Chengdu (China) in December 2013. We invested a total of €126 million in our materials businesses. Of this €91 million went on the steel business in Europe, where the level of investment was unchanged from a year earlier, whereas investment in Steel Americas showed a further large decline.

Expected developments

The following forecast relates to the continuing operations of the Group after the reclassification of Steel Americas (incl. the disposal group ThyssenKrupp Steel USA); not included are the sales and earnings effects from the planned transfer of the shares in the VDM and AST groups from Outokumpu to ThyssenKrupp in return for the transfer to Outokumpu of the financial receivable created in connection with the sale of Inoxum:

Sales and earnings – From the present perspective, the Group's business performance in the 2013/2014 fiscal year will be characterized by a moderate recovery of the global economy. The apparent trends – the end of the economic downturn in the euro zone and stabilization of the pace of growth outside Europe – cannot yet be regarded as certain.

Based on the assumptions of

- generally slow growth in the core markets for our more cyclical materials and components businesses in the developed world regions and continuing growth in the emerging economies,
- no major dislocations on the raw materials markets, and
- visibility not extending much beyond a quarter for large parts of our materials and components businesses in the current economic environment

our expectations for ThyssenKrupp in fiscal 2013/2014 are as follows:

- The Group's sales before portfolio adjustments are expected to grow year-on-year (sales 2012/2013: €38.6 billion) by a mid single-digit percentage rate.

- Capital goods businesses: The high order backlogs at Elevator Technology and Industrial Solutions secure the expected sales growth well into the fiscal year. At Components Technology the new plants in China and India will deliver increasing sales contributions.
- Materials businesses: Selective growth initiatives at Materials Services are expected to result in a slight increase in sales, while sales at Steel Europe will be slightly lower due to portfolio measures. At Steel Americas, we anticipate higher sales as a result of continuing technical optimization and increasing market penetration.
- Adjusted EBIT for the Group before portfolio adjustments is expected to improve year-on-year (adjusted EBIT 2012/2013: €599 million) to around €1 billion. Apart from Steel Americas all business areas will make positive contributions. As a result of operating progress, Steel Americas' loss will decline further. In addition, the expected growth in our highly profitable capital goods businesses and our Groupwide efforts to enhance performance under the impact program will contribute to improving the Group's earnings. Elevator Technology in particular will further improve its earnings and margin. An earnings improvement is likewise expected at Industrial Solutions. In our materials businesses we expect Steel Europe – despite continuing strong competition – to deliver a higher earnings contribution due to efficiency gains from the “Best-in-Class Reloaded” project.

Our goal in the subsequent years continues to be to strengthen our equity through a return to net profit; for fiscal 2013/2014, excluding earnings effects from VDM and AST, we expect a significant improvement towards break-even. We will also work hard to improve cash generation from operating activities on a sustainable basis and further reduce net financial debt.

Our financing and liquidity will remain on a solid basis in fiscal 2013/2014 and able to cushion fluctuations resulting from sudden economic changes. In addition to the successful capital increase, the expected cash inflows from the sale of the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama will further significantly reduce our net financial debt and gearing by the end of the current fiscal year; in addition, the stringent implementation of our Strategic Way Forward and the efficiency measures under impact will substantially improve the earnings and competitive profile of the Group. Capital spending in the Group as a whole is expected to be at the prior-year level.

Fiscal year 2014/2015

In the 2014/2015 fiscal year we will continue to work on the structural improvement of the Group and rigorously implement our integrated strategic development plan. This may include among other things targeted growth stimulus and further portfolio optimization. Assuming the global economy continues its moderate recovery, the economic downturn in the euro zone is over and the pace of growth outside Europe stabilizes, we expect our sales to increase further in line with the general growth of the economy. Rising sales and structural improvements should have a correspondingly positive impact on earnings. In 2014/2015 we additionally expect further significant improvements on the earnings side as a result of the corporate programs initiated, in particular “impact 2015”, and the continuous stimulus to efficiency provided by benchmarking. We therefore also expect an improvement in the equity and financing situation in 2014/2015. More information on our corporate programs can be found in the section “Strategic development of the Group”.

Business area review

Components Technology

Components Technology in figures

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Order intake	million €	1,324	1,439	9
Sales	million €	1,345	1,428	6
EBIT	million €	43	56	30
EBIT margin	%	3.2	3.9	—
Adjusted EBIT	million €	42	64	52
Adjusted EBIT margin	%	3.1	4.5	—
Employees (Dec. 31)		27,789	28,057	1

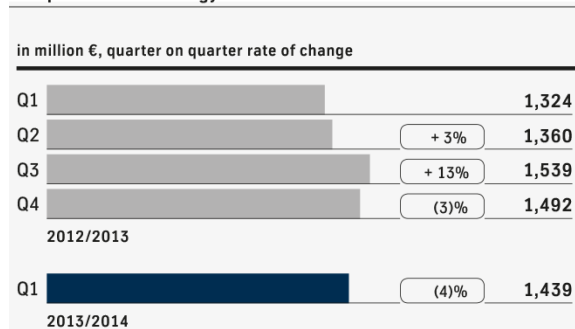
The Components Technology business area produces high-tech components worldwide for the automotive and machinery sectors. In the auto sector the product range includes assembled camshafts, cylinder head modules with integrated camshafts, and crankshafts (Powertrain), steering and damping systems, springs and stabilizers as well as the assembly of axle modules (Chassis). In the machinery sector Components Technology supplies components for construction equipment, wind turbines and numerous general engineering applications. This broad spectrum of high-tech components is based on years of experience in both forging and cold forming. Together with expertise in machining and complex assembly processes, Components Technology has manufacturing know-how for high-performance components along the entire value chain.

Order intake and sales higher

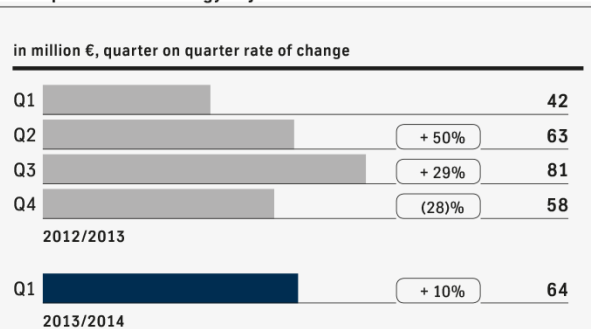
Components Technology made a good start to the new fiscal year 2013/2014. 1st quarter order intake climbed 9% year-on-year to €1.4 billion – despite mostly negative effects from the US dollar/Brazilian real exchange rate; on a comparable basis order intake was 12% higher. Demand for car and truck components in western Europe showed initial signs of recovery. The positive trend on the car markets in China and the NAFTA region continued, while growth in Brazil and India fell below expectations. At Powertrain and Chassis sales in the midsize and premium car segments increased among other things as a result of new product launches. Demand on the US truck market remained subdued. Good progress is being made with our new plants. In December 2013 a new automotive components plant was opened in Chengdu (China), which will produce springs and stabilizers for the Chinese market in the future. The industrial components markets picked up slightly from the weak prior year. Orders for wind turbine components increased, particularly in China. However, the continuing uncertain investment climate in western Europe prevented any radical improvement in sales of construction machinery components.

Following the trend in orders, sales increased 6% year-on-year; on a comparable basis sales gained 9%. Orders and sales were around 4% down from the seasonally stronger prior quarter.

Components Technology order intake



Components Technology adjusted EBIT



Growth in earnings

1st quarter adjusted EBIT at Components Technology was up from the prior year at €64 million. Alongside growth in sales, this reflects performance improvements resulting from restructuring and efficiency measures initiated in the previous year under the corporate program impact. The earnings figure includes startup costs of new plants (above all in Asia and South America) and new products. Earnings were also higher quarter-on-quarter despite a fall in sales. Adjusted EBIT margin rose to 4.5%.

Despite negative special items EBIT at €56 million also showed an improvement year-on-year; the special items include mainly restructuring expenses for personnel measures in the construction machinery components business. An extensive restructuring program was initiated in this area in the previous fiscal year. In addition to the locations in Italy, the reorganization also involves Berco's German operations, where activities are to be focused in the future on the profitable aftermarket and niche businesses. As well as these restructurings, we continue to work on the disposal of Berco.

EBIT rose quarter-on-quarter by a clear €35 million, reflecting operating improvements as well as reduced one-time expenses for restructuring measures.

Elevator Technology

Elevator Technology in figures




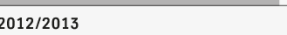

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Orders in hand (Dec. 31)	million €	3,611	3,801	5
Order intake	million €	1,616	1,801	11
Sales	million €	1,532	1,544	1
EBIT	million €	171	133	(22)
EBIT margin	%	11.2	8.6	—
Adjusted EBIT	million €	169	175	4
Adjusted EBIT margin	%	11.0	11.3	—
Employees (Dec. 31)		47,897	49,348	3

The Elevator Technology business area supplies passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as service for the entire product range. Over 900 locations form a tight-knit sales and service network that keeps us close to customers.




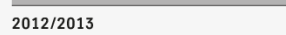

Continued growth in order intake

The positive trend at Elevator Technology continued in the first three months 2013/14, based on operating business together with supporting measures to optimize performance. The business area again achieved significant growth in order intake, which reached a new record level. Order intake increased year-on-year by 11% to €1.8 billion; on a comparable basis order intake gained 16%. This growth mainly reflects demand for new installations in China. Major orders were won in Guangxi and Ningbo in China, where we will be supplying a total of 70 elevators and 128 escalators. Despite negative exchange rate effects, particularly in Brazil and the USA, Elevator Technology also increased its order intake in North and South America. In Europe overall demand was unchanged.

Elevator Technology order intake

in million €, quarter on quarter rate of change			
Q1		1,616	
Q2	 + 1%	1,633	
Q3	 + 4%	1,696	
Q4	 (7)%	1,575	
2012/2013			
Q1	 + 14%	1,801	
2013/2014			

Elevator Technology adjusted EBIT

in million €, quarter on quarter rate of change			
Q1		169	
Q2	 (14)%	146	
Q3	 + 18%	172	
Q4	 + 9%	188	
2012/2013			
Q1	 (7)%	175	
2013/2014			

Sales in the reporting quarter amounted to €1.5 billion, just 1% up from the prior-year quarter on account of exchange rate effects; on a comparable basis sales gained 5% year-on-year. Compared with the high level of sales typically reported in the 4th quarter, the 1st quarter showed a slight decline.

Adjusted EBIT margin higher

In the 1st quarter of fiscal 2013/14 Elevator Technology's adjusted EBIT increased by 4% year-on-year to €175 million; adjusted EBIT was down quarter-on-quarter by €13 million, mainly as a result of lower sales. Adjusted EBIT margin at 11.3% was higher both year-on-year and quarter-on-quarter, reflecting mainly the performance and restructuring measures in connection with the corporate program impact.

EBIT came to €133 million in the 1st quarter. Included in this are special items of €42 million, resulting primarily from restructuring measures in Europe.

Industrial Solutions

Industrial Solutions in figures

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Orders in hand (Dec. 31)	million €	16,292	15,505	(5)
Order intake	million €	2,002	2,295	15
thereof Marine Systems ¹⁾	million €	182	1,301	615
Sales	million €	1,306	1,288	(1)
thereof Marine Systems ¹⁾	million €	303	318	5
EBIT	million €	141	173	23
EBIT margin	%	10.8	13.4	—
Adjusted EBIT	million €	140	173	24
Adjusted EBIT margin	%	10.7	13.4	—
Employees (Dec. 31)		18,176	18,982	4

¹⁾ including other shareholdings and consolidation

Under the Group's strategic development program, we reached key milestones in the integration and regionalization of the plant engineering business. To better exploit global market opportunities in engineering as a major growth area for the Group, in January 2014 we combined the previously separate companies ThyssenKrupp Uhde and ThyssenKrupp Resource Technologies (created from ThyssenKrupp Polysius and ThyssenKrupp Fördertechnik) under the roof of ThyssenKrupp Industrial Solutions. Integration and regionalization are central elements in achieving our growth targets in engineering and increasing efficiency. As a global, integrated engineering and construction company, ThyssenKrupp Industrial Solutions will focus market strategy, present a single face to the customer and support the global exchange of knowledge and engineering and project management capabilities across all its businesses.

In addition to the plant engineering operations, managed by the two business units Process Technologies (previously Uhde) and Resource Technologies (previously Polysius and Fördertechnik), the Industrial Solutions business area also comprises the Marine Systems and System Engineering business units. The product portfolio encompasses chemical plants and refineries (Process Technologies), equipment for the cement industry and innovative solutions for the mining and processing of raw materials (Resource Technologies), naval shipbuilding (Marine Systems), and production systems for the auto industry (System Engineering).





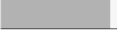
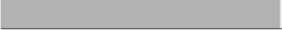




Orders significantly higher

The Industrial Solutions businesses continued to perform positively in the 1st quarter 2013/2014. Due mainly to a major order at Marine Systems for the supply of two submarines to Singapore, order intake at €2.3 billion was a further 15% up from the already high level of the 1st quarter of the prior year; on a comparable basis orders gained 18%. Compared with the 4th quarter 2012/2013, order intake grew by as much as 150%.

Resource Technologies reported lively demand for cement plants, while the market for new mining equipment remains weak. However here too new orders were won, e.g. for mining and handling equipment in South America and India. At Process Technologies the positive investment climate continues – driven partly by the shale gas boom in the USA. However, order intake did not reach the very high level of the 1st quarter 2012/2013 which benefited from a major fertilizer plant order.

Overall, order intake significantly exceeded sales with a book-to-bill ratio of 1.8; compared with September 30, 2013 orders in hand climbed €0.9 billion to €15.5 billion.

At €1.3 billion, sales were down slightly year-on-year due to billing and exchange rate factors; on a comparable basis sales gained 2%.

Industrial Solutions order intake			Industrial Solutions adjusted EBIT		
in million €, quarter on quarter rate of change			in million €, quarter on quarter rate of change		
Q1		2,002	Q1		140
Q2		(20)% 1,595	Q2		+ 29% 180
Q3		(51)% 779	Q3		(13)% 156
Q4		+ 16% 907	Q4		+ 5% 164
2012/2013			2012/2013		
Q1		+ 153% 2,295	Q1		+ 5% 173
2013/2014			2013/2014		

Adjusted EBIT with continued good margins

Adjusted EBIT increased from €140 million in the 1st quarter 2012/2013 to €173 million, a rise of 24%. A slight dip in earnings at System Engineering was more than offset by improved contributions from the plant engineering businesses and strong EBIT at Marine Systems due to high billings. At 13.4% EBIT margin was higher year-on-year and remained well within the double-digit target corridor.

Materials Services

Materials Services in figures

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Order intake	million €	2,765	2,842	3
Sales	million €	2,815	2,739	(3)
EBIT	million €	36	43	19
EBIT margin	%	1.3	1.6	—
Adjusted EBIT	million €	40	34	(15)
Adjusted EBIT margin	%	1.4	1.2	—
Employees (Dec. 31)		26,280	25,128	(4)

With 500 locations in 35 countries, the Materials Services business area specializes in materials distribution including technical services.

Warehouse sales strongly expanded thanks to extensive sales initiatives

The business area's international positioning combined with its focus on a broad mix of customers and sectors paid clear dividends in the 1st quarter 2013/2014. On the basis of intensive sales initiatives in almost all regions, above all eastern Europe, warehouse sales of metals increased sharply by 9% to a new record level of 1.3 million tons. In North America, the region with the strongest growth in 2012/2013, volumes remained at the high prior-year level. The volume of trading business declined year-on-year due to an absence of major projects coupled with intense competition. Prices remained unsatisfactory overall. Instead of the expected stabilization, prices for rolled steel, stainless, nonferrous metals and plastics

as well as numerous raw materials continued to fall. Competitive pressure remained exceptionally high in all areas. Order intake climbed 3% year-on-year to over €2.8 billion due to higher volumes; on a comparable basis order intake was 6% higher. Sales slipped 3% year-on-year to slightly more than €2.7 billion on account of lower selling prices; on a comparable basis sales held steady. Growth was achieved in eastern Europe, in plastics and in particular in raw materials, mainly reflecting substantially increased sales of coke. However due to the very weak stainless steel market, alloy volumes and revenues fell sharply. Services for the aerospace industry remained stable at a high level. The same was also true of our service center business for the automotive sector. Sales of steel mill services were down slightly from the prior year. Work continues on the disposal process for the Railway/Construction unit.

The performance programs in connection with impact – primarily aimed at optimizing our logistics network, operating structure and administration – were continued with high intensity worldwide; in all regions and business units the number of employees was adjusted in line with the market situation. The only gains year-on-year were in North America and at Aerospace; the biggest reduction was reported at the steel mill services unit due to a portfolio change.

Materials Services order intake			Materials Services adjusted EBIT		
in million €, quarter on quarter rate of change			in million €, quarter on quarter rate of change		
Q1		2,765	Q1		40
Q2	+ 8%	2,988	Q2	+ 45%	58
Q3	+ 2%	3,047	Q3	+ 7%	62
Q4	(6)%	2,863	Q4	+ 23%	76
2012/2013			2012/2013		
Q1	(1)%	2,842	Q1	(55)%	34
2013/2014			2013/2014		

EBIT almost unchanged in difficult price and competitive environment

Adjusted EBIT was slightly lower year-on-year at €34 million, while EBIT increased by €7 million to €43 million due to a positive special item. The quarter-on-quarter drop in earnings and margin was due to seasonal factors. The main special item recognized was a gain from the disposal of an investment in the raw materials trading business.

Steel Europe

Steel Europe in figures

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Order intake	million €	2,403	2,274	(5)
Sales	million €	2,253	2,074	(8)
EBIT	million €	29	20	(31)
EBIT margin	%	1.3	1.0	—
Adjusted EBIT	million €	30	19	(37)
Adjusted EBIT margin	%	1.3	0.9	—
Employees (Dec. 31)		27,629	26,658	(4)

The Steel Europe business area is focused on the development, production and marketing of premium flat carbon steel, mainly in the European market. Key customers are the auto industry and other steel-using sectors. The range also includes products for attractive specialist markets such as the packaging industry.

Orders and sales down due to disposals and lower prices

In the 1st quarter 2013/2014 Steel Europe's business volume decreased again compared with the year-earlier period. The decline was due partly to the disposal of Tailored Blanks, which was still included in the prior-year figures, and partly to the downturn in prices. While the price pressure and fierce competition on the European market continued, volumes were more robust. With order volumes roughly unchanged, the value of orders received was around 5% lower year-on-year at €2.3 billion; on a comparable basis order intake was up by 1%. The value and volume of orders increased quarter-on-quarter by more than 4% due to seasonal factors.

Sales were 8% lower year-on-year at €2.1 billion. On a comparable basis – excluding currency effects and the divested Tailored Blanks business – the decline was 1%. Shipments were up by 2%, or 5% on a comparable basis. The improvement in volumes, mainly in domestic sales and sales to the auto industry, cold-rollers and manufacturers of other metal products, only partly offset lower average selling prices. Sales were slightly lower quarter-on-quarter for volume reasons. Average net selling prices remained largely stable.

Increased production in preparation for relining of blast furnace 2 in Schwelgern

At 3.1 million tons, crude steel production including supplies from Hüttenwerke Krupp Mannesmann (HKM) increased by 20% against the comparable prior-year period and 7% against the previous quarter. In preparation for the planned relining of blast furnace 2 in Schwelgern in 2014, the newly relined blast furnace 9 was fired up again in October 2013. For the same reason slab procurement from HKM was increased. With a slight improvement in the order situation, rolled steel production for customers increased by 5% and the production of coated products by 6% year-on-year. With individual coating lines already having been closed, the downstream rolling and coating operations had a good workload in the reporting period.

Steel Europe order intake

in million €, quarter on quarter rate of change

Q1		2,403
Q2	+ 9%	2,620
Q3	(12)%	2,315
Q4	(6)%	2,177
2012/2013		
Q1	+ 4%	2,274
2013/2014		

Steel Europe adjusted EBIT

in million €, quarter on quarter rate of change

Q1		30
Q2	(70)%	9
Q3	+ 589%	62
Q4	(32)%	42
2012/2013		
Q1	(55)%	19
2013/2014		

EBIT practically unchanged in difficult price and competitive environment

At €19 million, adjusted EBIT in the 1st quarter 2013/2014 was down slightly from the €30 million reported in the corresponding prior-year period. In the previous quarter adjusted EBIT came to €42 million. EBIT in the reporting period was barely affected by special items and amounted to €20 million. The generally unsatisfactory earnings were again primarily the result of inadequate average selling prices. Against this background, we are working intensively on detailing and implementing the measures under the "Best-in-Class Reloaded" program. Cost-reduction measures are being supported by intensified sales efforts and differentiation initiatives. The disposal process for the grain-oriented electrical steel production operations with plants in Gelsenkirchen and Isbergues, France, as well as the electrical steel operations in Nashik, India, is also being implemented under "Best-in-Class Reloaded".

Steel Americas

Steel Americas in figures

		1st quarter 2012/2013	1st quarter 2013/2014	Change in %
Order intake	million €	560	609	9
Sales	million €	488	538	10
EBIT ¹⁾	million €	(122)	1	++
EBIT margin	%	—	0.2	—
Adjusted EBIT ¹⁾	million €	(122)	(17)	86
Adjusted EBIT margin	%	—	—	—
Employees (Dec. 31)		3,990	5,491	38

¹⁾ Prior-year figures have been adjusted.

With its steel mill in Brazil and rolling and coating plant in the USA the Steel Americas business area supplies the American market with high-quality slabs and flat steel products. As part of the Strategic Way Forward ThyssenKrupp has decided to sell the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama; a contract on the sale was signed with a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation on November 29, 2013. The agreement also includes a long-term slab supply contract for the Brazilian steel mill (ThyssenKrupp CSA). Consequently, at the end of the reporting year the full Steel Americas business area – which had been classified as a discontinued operation in accordance with IFRS – was reclassified as a continuing operation; within the business area, ThyssenKrupp Steel USA is reported as a disposal group.

Steep increase in order intake, sales and production

With positive price, volume and product mix effects, order intake in the 1st quarter of the current fiscal year amounted to €609 million, an increase of 9% year-on-year; on a comparable basis order intake gained 13%. Orders were 24% higher quarter-on-quarter. More than 20% of orders in the reporting period came from external slab customers; our steel mill in Brazil has a full order book well into the fiscal year. Sales at €538 million gained 10% year-on-year – 15% on a comparable basis. Compared with the prior quarter sales grew by 33%, likewise reflecting higher shipments and selling prices. The Brazilian steel mill raised slab production to 1.0 million tons in the reporting period, up slightly from the prior quarter and 17% year-on-year. 0.7 million tons of slabs was supplied to the US processing plant and 0.3 million tons to customers outside the Group in North and South America. The US plant also significantly increased its shipments and sold 0.7 million tons of flat steel to North American customers.

Steel Americas order intake

in million €, quarter on quarter rate of change				in million €, quarter on quarter rate of change			
Q1		560		Q1		(122)	
Q2	(9)%	509		Q2	+ 64%	(44)	
Q3	(3)%	496		Q3	--%	(193)	
Q4	(1)%	491		Q4	+ 30%	(136)	
2012/2013				2012/2013			
Q1	+ 24%	609		Q1	+88%	(17)	
2013/2014				2013/2014			

Strong improvement in EBIT

Adjusted EBIT improved both year-on-year and quarter-on quarter by more than €100 million to €(17) million. This steep increase was mainly the result of higher capacity utilization, cost optimization, structurally improved reducing agent consumption, and positive currency and market price effects in the USA. At €1 million, EBIT likewise showed a strong improvement against both the prior year and the prior quarter. Alongside the operating improvements, EBIT benefited from a positive special item of €18 million from the updated valuation of a long-term freight agreement. The change in the number of employees mainly reflects the reallocation at the beginning of the fiscal year of a steel mill service provider working for ThyssenKrupp CSA from Materials Services to Steel Americas.

Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office and the shared services activities. The Group is managed centrally by ThyssenKrupp AG as corporate headquarters. To achieve greater global integration, the Group has adopted a three-dimensional management structure (network organization) made up of operating businesses, functions and regions. As part of this new management model, regional headquarters are now operating in Brazil, India, China and the Asia/Pacific region. The regional headquarters in North America has been fully operational since the beginning of the prior fiscal year.

The shared services comprise Business Services (finance and human resources), IT and Real Estate including non-operating real estate. Sales of services by Corporate companies to Group companies and external customers in the reporting period came to €42 million, €13 million less than the year before.

Adjusted EBIT at Corporate deteriorated year-on-year by €6 million to €(103) million. Excluding special items resulting from expenses for portfolio measures, EBIT came to €(116) million, compared with €(112) million in the comparable prior-year period.

Stainless Global (discontinued operation)

The merger of the Stainless Global business area with the Finnish company Outokumpu was completed on December 28, 2012. In the 1st quarter 2012/2013 up to its exit from the Group, Stainless Global achieved order intake of €1.3 billion, sales of €1.4 billion and EBIT of €72 million. After the exit, income was recorded in the 1st quarter 2013/2014 which was directly associated with the sale of Stainless Global and led to EBIT in the amount of €187 million; this mainly reflects the reversal of provisions recognized in connection with the sale of Inoxum to Outokumpu for the obligation to offset any negative financial consequences for Outokumpu under merger control requirements.

Results of operations and financial position

Analysis of the statement of income

At €9,109 million, net sales from continuing operations in the 1st quarter 2013/2014 were €80 million or 1% lower than a year earlier. Cost of sales from continuing operations decreased by €196 million or 2%; the reduction was mainly due to a disproportionate decline in material expense compared with sales. Gross profit from continuing operations increased by €116 million to €1,438 million, while gross profit margin climbed 2 percentage points to 16%.

The main contributors to the €8 million rise in research and development cost from continuing operations were the Elevator Technology and Industrial Solutions business areas.

Selling expenses from continuing operations were level with the corresponding prior-year figure. The €31 million rise in general and administrative expenses from continuing operations resulted mainly from restructuring expenses incurred in the reporting period in the Elevator Technology business area and increased consulting expenses.

Other expenses from continuing operations decreased by €27 million, with no major individual items.

Other losses attributable to continuing operations were €17 million higher than a year earlier. This was mainly due to the currency translation of refund entitlements in connection with non-income taxes.

The €42 million deterioration in income attributable to the continuing operations from investments accounted for using the equity method was mainly due to the updated valuation of the shares in Outokumpu Oyj. The €111 million rise in financing income from continuing operations was mainly caused by higher exchange rate gains in connection with finance transactions and higher interest income from financial receivables. The €311 million increase in financing expense from continuing operations chiefly reflected expected losses from the equity derivative reported for the obligation to sell the shareholding in Outokumpu Oyj, and to higher currency losses in connection with finance transactions.

The loss from continuing operations (before taxes) of €229 million resulted in a tax expense from continuing operations of €27 million in the reporting period, which accrued in Germany and abroad and is mainly in connection with valuation allowances for deferred tax assets. Tax effects from planned disposals cannot be accurately estimated at present and are not included in tax expense for the reporting period. In the prior year the effective tax charge was influenced by valuation allowances for deferred income tax assets at Steel Americas.

After taking into account income taxes, the loss from continuing operations came to €256 million.

The discontinued operations achieved a profit of €187 million in the reporting quarter compared with €59 million the year before. The €128 million increase was mainly due to a €274 million improvement in current income to €187 million; this mainly reflects the reversal of the provision for possible effects from merger control requirements in connection with the disposal of the stainless steel business to Outokumpu. This was partly offset by the €146 million gain on the disposal of the stainless steel business recognized only in the prior-year period.

Including the after-tax loss from discontinued operations, a net loss of €69 million was posted in the reporting period, compared with a net loss of €16 million a year earlier.

Loss per share based on the net loss attributable to the shareholders of ThyssenKrupp AG came to €0.12. Loss per share from continuing operations came to €0.47, which is €0.35 more than the year before.

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 and also include the cash and cash equivalents relating to the disposal groups including the discontinued operations until the time of their actual sale. For the 1st quarter 2013/2014 the discontinued operations include payments attributable to the operations of Stainless Global.

In the reporting period there was a net cash inflow from operating activities for the Group of €147 million, compared with a cash outflow of €140 million a year earlier. Of the €287 million overall improvement, €194 million was due to the absence in the quarter under review of cash outflows from discontinued operations reported in the prior-year quarter. At the same time cash inflows from continuing operations increased by €93 million to €147 million, mainly as a result of higher customer payments and reduced interest and income tax payments.

Investing activities resulted for the Group in a net cash outflow of €209 million, compared with a cash inflow of €501 million the year before. The main reason for the €710 million difference was a €911 million decrease in disposal proceeds in the continuing operations; of this reduction €916 million related to the disposal of the stainless steel business to Outokumpu in December 2012. This was partly offset by €94 million lower capital expenditure on property, plant and equipment in the continuing operations and the absence of capital expenditures in the discontinued operations, which came to €99 million in the prior-year period.

Free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, fell by a total of €423 million to a negative €62 million. The main reason was a €716 million reduction in the continuing operations, mainly on account of the absence of the proceeds from the sale of the stainless steel business in December 2012. This was partly offset by the absence of negative free cash flow in the discontinued operations, which amounted to €293 million in the prior-year period.

Cash inflow from financing activities in the Group came to €356 million, €1,243 million lower than a year earlier. Of this reduction, €238 million reflected the absence of cash inflows in the discontinued operations. In addition, €1,005 million was attributable to the continuing operations and mainly reflected two partly offsetting effects: In the reporting period financial borrowings of €308 million were repaid, while in the corresponding prior-year period net financial borrowings of €1,550 million were reported. However, the associated €1,858 million reduction was partly offset by cash inflows of €878 million from the capital increase carried out in December 2013.

Analysis of the statement of financial position

Compared with September 30, 2013 total assets increased altogether by €158 million to €35,458 million. This includes a currency translation-related decrease of €374 million, mainly due to movements in the US dollar exchange rate.

Non-current assets decreased altogether by €1,399 million. The main reason was the €970 million reduction in other financial assets as a result of the reclassification of the financial receivable from Outokumpu to other current financial assets following the conclusion of negotiations on the refinancing of Outokumpu on November 29, 2013. In addition, the reduction relates in the amount of €305 million to the reclassification as an asset held for sale of the shareholding in Outokumpu Oyj, which up to November 29, 2013 had been accounted for using the equity method, and exchange rate effects of €141 million mainly in connection with property, plant and equipment and intangible assets.

Current assets increased by a total of €1,557 million; this included a currency translation related decrease of €233 million.

At €6,810 million, inventories were €459 million higher at December 31, 2013 than at September 30, 2013. The rise was mainly due to a build-up of inventory volumes in the Steel Europe business area; further increases were reported in the Materials Services and Steel Americas business areas.

Trade accounts receivable decreased altogether by €639 million to €4,317 million. As well as currency translation related declines this reflected reduced receivables in connection with long-term construction contracts in the Industrial Solutions business area as well as measures to reduce funds tied up in the Materials Services business area.

The sharp rise in current financial assets by €954 million was mainly the result of the above-mentioned reclassification of the financial receivable from Outokumpu.

The €154 million increase in other current non-financial assets was mainly due to advance payments made in connection with the procurement of inventories and other advance payments as well as higher refund entitlements in connection with non-income taxes.

The €245 million increase in cash and cash equivalents included proceeds of €878 million from the capital increase carried out in December 2013. This was partly offset by repayments of financial borrowings and liabilities to investments.

Assets held for sale were €361 million higher at €1,908 million mainly as a result of the above-mentioned reclassification of the shareholding in Outokumpu Oyj and the continuing operation of ThyssenKrupp Steel USA.

Total equity at December 31, 2013 was €3,273 million, up €755 million from December 31, 2013. The main reason was the capital increase carried out at the beginning of December 2013 which raised total equity by €878 million. This was partly offset by the €120 million currency translation losses recognized in other comprehensive income. The equity ratio increased from 7.1% to 9.2%.

Non-current liabilities decreased by a total of €471 million. The main reason was the €353 million reduction in non-current financial debt, mainly due to the repayment of liabilities to financial institutions. The €134 million decrease in accrued pensions and similar obligations mainly reflected actuarial gains as a result of the updated interest rates used for the revaluation of pension and healthcare obligations at December 31, 2013 as well as outpayments for pensions and healthcare.

Current liabilities decreased altogether by €126 million, due partly to currency translation effects.

The €117 million reduction in current provisions for other employee benefits was mainly the result of outpayments.

The €192 million decrease in other current provisions resulted mainly from the reversal of a provision recognized in the prior year for possible effects from merger control requirements in connection with the disposal of the stainless steel business to Outokumpu.

Overall trade accounts payable were level with September 30, 2013 at €3,784 million. With other current financial liabilities virtually unchanged, the main factors were the recognition in the reporting period of an equity derivative liability for the obligation to sell the shareholding in Outokumpu Oyj, which was partly offset by the reduction of liabilities to associated companies. The €102 million increase in other current non-financial liabilities mainly reflected higher advance payments in connection with construction contracts.

Subsequent events

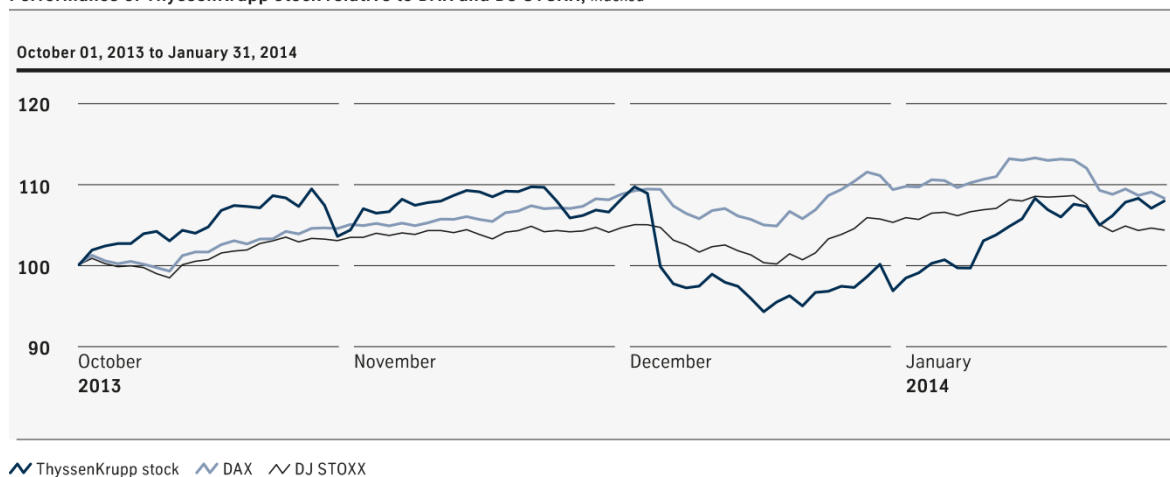
There were no reportable events.

ThyssenKrupp stock

In the 1st quarter 2013/2014 the value potential of our strategic development program and the progress made with its implementation remained key factors in decisions to invest in our stock. Based on expectations of an imminent solution in the planned sale of Steel Americas, ThyssenKrupp's stock outperformed the DAX and DJ STOXX indices at the beginning of the quarter. However, the stock lost its lead towards the end of the quarter. On December 30, 2013 ThyssenKrupp's share price stood at €17.69, virtually unchanged from September 30, 2013. In the same period the DAX and DJ STOXX gained 11% and around 6% respectively.

Since the beginning of December, in the wake of the successful capital increase and our Capital Market Day focusing on our high-growth and high-margin elevator and project businesses, the stock has gained strongly and in this period outperformed the benchmark indices.

Performance of ThyssenKrupp stock relative to DAX and DJ STOXX, indexed



Cevian Capital increases shareholding in ThyssenKrupp

On December 06, 2013 Cevian Capital announced in a disclosure of voting interests that it had further increased its share in ThyssenKrupp AG to 10.96%. As a result Cevian Capital is now the second biggest shareholder after the Alfried Krupp von Bohlen und Halbach Foundation, which holds a share of 23.03% in the capital stock of ThyssenKrupp AG.

Rating

We have been rated by Moody's and Standard & Poor's since 2001 and by Fitch since 2003. In December 2013 Fitch lowered ThyssenKrupp's rating from BBB- to BB+. Our ratings are therefore below investment grade. All three ratings have a negative outlook. A negative outlook means that the rating agency monitors the rating more closely and then reviews it, normally within a period of 12 to 18 months. The downgrading of our rating by Fitch does not result in any significant changes to our contractually fixed financing costs.

	Long-term rating	Short-term rating	Outlook
Standard & Poor's	BB	B	negative
Moody's	Ba1	Not Prime	negative
Fitch	BB+	B	negative

Innovations

Innovation and technology leadership are core elements of ThyssenKrupp's Strategic Way Forward. Our goal is to develop sustainable solutions for the technical challenges of the future. Effectively protecting our intellectual property (IP) is also key to the long-term success of the Group.

To this end we have introduced a comprehensive strategy and a new organization for the protection of intellectual property. Since October 01, 2013, the IP Services unit has been helping our business areas protect their intellectual property with patents. At operating level, Patent Councils have been set up in the business units to develop their respective patent strategies. IP Services currently has five offices throughout the Group, including one each at our Regional Headquarters in Beijing and Chicago.

Achieving sustainability goals through closed energy and material cycles is the focus of a project ThyssenKrupp has initiated with business and academic partners. The aim is to convert process gases from steel production into valuable chemicals. The energy required for this is to come from renewable sources. The carbon currently released into the environment as carbon dioxide (CO₂) can be almost completely re-used. If the project is successful, CO₂ will be a valuable raw material in the future and its impact on the climate will be significantly reduced. Moreover, it will be possible to use surplus renewable energies directly in the manufacture of industrial products such as fertilizers and fuel. Our Steel Europe and Industrial Solutions business areas have already carried out preliminary work for the project in collaboration with the Max Planck Institute for Chemical Energy Conversion in Mülheim. In addition to the Max Planck and Fraunhofer societies, other partners include BASF, Bayer, RWE and Siemens. The project is open to further partners.

Employees

At December 31, 2013, ThyssenKrupp employed 156,633 people worldwide, 1,783 or 1.2% more than a year earlier. As a result of efficiency measures and strategic portfolio optimization, employee numbers decreased at Corporate and Steel Europe. The increase in the headcount is mainly due to higher recruitment at Elevator Technology and Industrial Solutions to serve new customers and markets in the Americas and Asia. As a result of internal restructuring, 1,412 employees moved from the Materials Services business area to the Steel Americas business area.

Compared with September 30, 2013, the number of employees decreased by 223. In Germany the headcount fell by 193 or 0.3% to 57,971, mainly in administrative positions as a consequence of restructuring measures under ACT. Germany therefore accounts for 37.0% of the total workforce. At December 31, 2013 18.8% of employees were based in Europe outside Germany, 13.4% in the NAFTA region, 13.8 % in South America, 15.6% in Asia – in particular in China and India – and 1.4% in the rest of the world.

Employees of continuing operations

Quarter on quarter rate of change			
December 31			154,850
March 31		+ 0%	155,473
June 30		+ 0%	155,551
September 30		+ 1%	156,856
2012/2013			
December 31		+ 0%	156,633
2013/2014			

Compliance

The compliance program with its three pillars “inform”, “identify” and “report and act” was rigorously continued and refined in the reporting period. The focus was on implementing the structural changes introduced under the corporate program ACT. Corporate Function Compliance also provided close support for the voluntary special audit. We are now addressing the findings of the audit and the recommendations of the auditors.

Information on the cartel investigation at ThyssenKrupp Steel Europe and the associated business risks can be found in the section “Opportunities and risks”.

Further development of the compliance program

Our compliance program is continuously optimized to take into account current compliance developments, including the findings from our internal compliance work. In the reporting period the compliance organization was further adjusted in line with the new Group structure resulting from the ACT project. Both centrally at ThyssenKrupp AG and in the business areas and regions, the chief compliance officer will be supported in the future by around 60 full-time compliance officers worldwide. They will advise, inform and educate employees around the world about important legal requirements and internal policies; they will also perform proactive compliance audits and investigate suspected cases of non-compliance. The compliance officers in turn are supported in the business areas and Group companies by a network of some 320 compliance managers – generally managing directors of Group companies – who ensure that the compliance program is implemented at operating level in their areas of responsibility.

The special auditors confirmed in their report that our compliance function is professionally organized and appropriately staffed. Cooperation with the auditors and their various recommendations provided further ideas for the enhancement of the compliance program. Of the roughly 30 recommendations from the auditors relating directly to compliance, around half have already been introduced or are in the process of being implemented; the other recommendations relate to long-term projects and will mainly be implemented in the next 6 to 18 months.

The basis for the successful implementation of the compliance program is a corporate culture that stands for values such as openness, transparency and credibility. Our managers bear corporate responsibility for compliance and base their actions on these values. ThyssenKrupp has a clear commitment to ensuring compliance with the law and internal policies: violations, particularly of antitrust and anticorruption rules, are not tolerated under any circumstances (zero tolerance).

Macro and sector environment

Global economy shows moderate growth

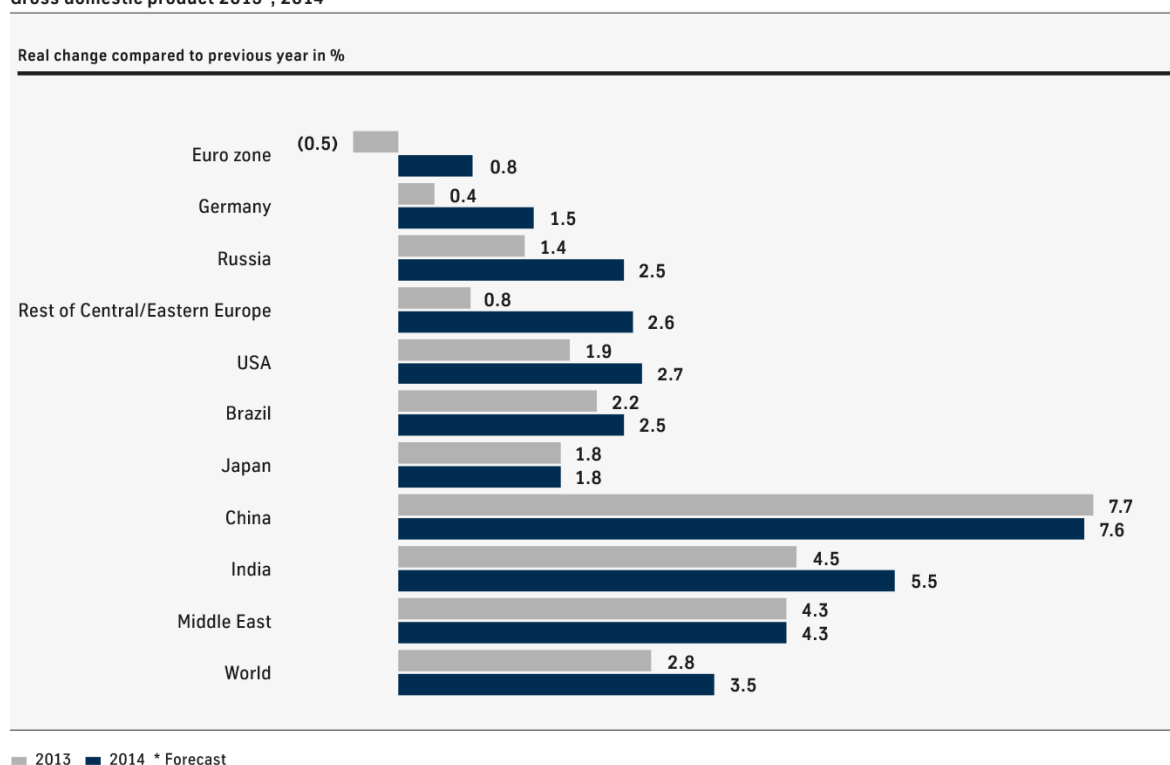
At 2.8%, global economic growth in 2013 was below the weak level of 2012 but gathered pace in the course of the year. Early indicators from the 4th quarter 2013 signal a moderate recovery in world economic growth to 3.5% this year. In the industrialized nations in particular, the improvement in sentiment – albeit based primarily on continued highly expansionary monetary policy – points to growth of over 2% in 2014 compared with only around 1% last year.

The euro zone economy came out of recession in the course of last year. However, the recovery is very slow and the picture within the region remains mixed, especially as structural adjustments in some countries continue to put a brake on the economy. In the 3rd quarter 2013, gross domestic product (GDP) grew by only 0.1% quarter-on-quarter, compared with 0.3% in the prior quarter. Following a 0.5% contraction last year, only slight growth of 0.8% is expected for 2014. For this, however, the reform and adjustment process in the euro zone must be continued rigorously and not falter. The German economy achieved only moderate expansion in the past year. Quarter-on-quarter GDP growth in the 3rd quarter 2013 was only 0.3%, following a 0.7% increase in the prior period. This year the pace of German economic growth is expected to pick

up, driven mainly by domestic demand. In addition to capital investment to meet replacement demand due to rising capacity utilization and continued favorable financing conditions, there will also be an increase in expansion capital expenditures. Consumer spending will also increase appreciably thanks to rising incomes and a relatively solid labor market. By contrast, foreign trade is expected to generate only little growth impetus. Overall, GDP will increase by 1.5% in 2014 compared with only 0.4% last year.

The US economy is also gradually picking up again. GDP grew by 1.7% year-on-year in the 2nd half 2013, after expanding by only 0.6% in the 1st half 2013. In view of the advanced deleveraging process among private households and improvements on the labor market, consumer spending is expected to accelerate. With economic conditions more favorable, business spending will also increase. Moreover, the restraining effects of fiscal policy are likely to be less pronounced. Following 1.9% growth in 2013, the US economy is expected to expand by 2.7% this year.

Gross domestic product 2013*, 2014*



The emerging economies are also expected to achieve an upturn – albeit moderate – in 2014 as a result of the improved global economy. Economic growth will increase again slightly, from 4.8% in 2013 to 5.2%. China's economy, which expanded by 7.7% in 2013, is expected to slow slightly to 7.6% in the current year. On the one hand, foreign trade and housing construction will deliver stronger growth impetus. On the other hand, the Chinese government is expected to make greater efforts to steer private consumer demand mainly into the less productive services sector, which is liable to dampen the outlook for growth. Following weak expansion of just 4.5% last year, GDP growth in India will increase slightly in 2014 on the back of stronger foreign demand and the accelerated implementation of current infrastructure projects. But at 5.5%, the pace of expansion will fall well short of the growth rates achieved in the past decade.

Positive growth signals from the sectors

Automotive – The picture in the automotive sector once again varied significantly from region to region in 2013. While the US and Chinese auto markets achieved double-digit growth, there were further declines in Europe. In the USA both sales and output of cars and light trucks were up 8% year-on-year to 15.5 million and just under 11 million units respectively. In China demand and production both grew by around 12% in 2013 to roughly 20 million cars and light trucks. By contrast, sales of new cars in Western Europe declined further by some 3%, most notably in the southern countries. Sales figures in Germany also fell by 4% to 2.95 million new registrations. However, export growth of 2% meant that total car production increased by 1% to 5.45 million vehicles.

Global demand for cars and light trucks is expected to grow by around 4.5% in 2014, pushing output to roughly 84.8 million units. With demand rising, the USA and China will achieve growth of 4% and 9% respectively. With a production increase of only just over 3%, Brazil is unlikely to finally overcome its current phase of weak growth in 2014. After several years of decline, demand and production of cars and light trucks in Western Europe are each expected to grow by around 3% as a result of an at least stabilized macroeconomic situation. Germany expects a slight year-on-year increase in demand in 2014, while according to current forecasts production of cars and light trucks will remain at roughly the prior-year level.

Important sales markets

	2013*	2014*
Vehicle production, million cars and light trucks		
World	81.9	84.8
Western Europe/Turkey	13.5	13.8
Germany	5.5	5.5
USA	10.8	11.3
Japan	9.0	8.2
China	20.5	22.3
Brazil	3.4	3.5
Machinery production, real, in % versus prior year		
Germany	(1.0)	3.0
USA	2.5	3.5
Japan	(2.0)	10.0
China	5.0	7.0
Construction output, real, in % versus prior year		
Germany	0.5	1.5
USA	4.6	10.2
China	9.0	8.4
India	4.4	7.8
Demand for finished steel, million tons		
World	1,479	1,529
Germany	38	39
USA	97	102
China	704	725

* Forecast

Machinery – The machinery industry continues to show a mixed regional picture. Although China is expected to record above-average growth rates of 5% for 2013 and 7% for 2014, due to the slowing economy these figures fall well short of the accustomed double-digit rates of recent years. The US machinery sector continues to benefit from higher business spending. Accordingly, machinery output was around 2.5% higher in the past year and is expected to expand by a further 3.5% in 2014. Following a 2% decrease in 2013, Japanese machinery output is expected to achieve strong growth of around 10% this year, driven by a significant increase in exports due to exchange rate effects. Having suffered severe production declines in 2013, machinery production in many EU countries is expected to grow by 2% to 3% this year.

Despite a satisfactory order backlog, according to initial estimates machinery output in Germany fell by around 1% in 2013. Orders declined again slightly throughout 2013. Adjusted for prices, both domestic and foreign orders were 2% down on the prior year. The situation for the full year was slightly better than for the 4th quarter 2013, in which orders were 3% lower year-on-year due in particular to a decrease in new business from the euro zone. By contrast, orders for elevators and escalators in 2013 were up by 8% from the prior year. While domestic orders increased by 4%, new business from outside Germany climbed by 19%. Demand in the German plant construction sector grew by 6% year-on-year up to the 3rd quarter 2013, with chemical plant construction in particular continuing to profit from several major orders in connection with shale gas production in the USA. In addition, mid-size projects were agreed in India, China and Russia. Overall, German machinery output is expected to grow by 3% in 2014, especially due to the recent positive growth rates even in the ailing euro zone.

Construction – In Europe in particular, the construction sector remained relatively weak. In most western and eastern European countries, construction output declined again in 2013. Growth of around 4% is expected in eastern Europe in 2014, while the western European construction sector will likely stabilize. German construction output probably expanded slightly last year as the feared early onset of winter failed to materialize. Thanks in particular to housing construction, the industry will achieve moderate growth of 1.5% in 2014.

The US housing market continues to enjoy dynamic growth, with double-digit increases in building permits and housing starts. Housing prices also continue to rise. US construction output is expected to grow by 10% in 2014. Construction expansion in China will be slightly lower at around 8.5%.

Flat carbon steel – The European market for flat carbon steel grew only slowly in 2013 in a largely weak economic climate. Although demand was still subdued in the final quarter, there were signs of a slight upward trend. On average, shipments by European steel producers to the EU market in the final quarter were significantly higher than the albeit low prior-year level. Stronger demand from the auto industry and from service centers and distributors was the main driver; by contrast, the European construction sector again had a damping effect. With flat steel imports to the EU from third countries at a relatively low level, domestic suppliers were able to win back market share compared with the 1st half 2013. Overall, demand in the reporting quarter is expected to have been higher than a year earlier. Volumes rose in the course of the year while prices declined. However, prices on the European spot markets stabilized at the end of the year, indicating the worst is over. The US market for flat carbon steel was firmer in the 2nd half 2013, and rising volumes were accompanied by higher prices. This also increased import pressure.

With the expectation of a global economic recovery, the global steel market is set for growth in 2014. Demand for finished steel will probably rise by more than 3% to 1.53 billion tons. In the EU, the economic outlook has brightened somewhat despite continued but reduced risks. Coming from a low level, steel demand is expected to grow by around 3%. German steel demand should expand by a similar rate and once again come close to 40 million tons. In the USA, steel market growth could accelerate to 5%. Many emerging economies are also expected to see stronger demand growth. However, growth in the Chinese market will likely slow to 3% after 6% last year.

Opportunities and risks

Opportunities

As a global diversified industrial group with leading engineering expertise and innovative and resource-conserving products and processes, ThyssenKrupp is systematically focused on the markets of the future. This offers strong opportunities in particular for our elevator and project businesses in the emerging economies. Following the full integration of our plant engineering operations through the merger of Resource Technologies, Process Technologies and ThyssenKrupp Industrial Solutions in January 2014, we now have a platform from which to leverage our global growth opportunities more systematically. In addition, the targeted continuation of our corporate program 'impact' will help improve productivity and increase value added in all areas of the Group.

The information on our strategic and operating opportunities presented on pages 76-78 of the 2012/2013 Annual Report remains valid.

Risks

If positive support is not forthcoming from the global economy and the markets of relevance for ThyssenKrupp, the Group will face economic risks. Lower growth rates in the emerging economies and unresolved debt crises in particular in the euro zone may diminish our market prospects. We continuously monitor and assess the economic situation and other country-specific conditions to enable us to take action at an early stage. We counter sales risks from dependency on individual markets and sectors by focusing systematically on the markets of the future. As a diversified industrial group with leading engineering expertise, ThyssenKrupp has a global presence, enjoys good, longstanding relationships with its customers, and pursues the active strategic development of customers and markets.

ThyssenKrupp manages its liquidity and credit risks proactively. The Group's financing and liquidity remain on a secure foundation in fiscal 2013/2014. At December 31, 2013 the Group had €7.6 billion in cash, cash equivalents and committed undrawn credit lines.

We counter credit risks (default risks) by entering into financial instruments with specified risk limits only with counterparties who have very good credit standing and/or are members of a deposit guarantee scheme. 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.

ThyssenKrupp has agreements with banks which contain certain conditions in the event that the ratio of net financial debt to total equity (gearing) in the consolidated financial statements exceeds 150% at the closing date (September 30). At December 31, 2013, the Group's gearing was 136.2%. The improvement versus the end of fiscal 2012/2013 was mainly attributable to the capital increase carried out in early December 2013. We expect a further improvement in gearing, above all through the expected proceeds from the sale of ThyssenKrupp Steel USA.

On November 29, 2013, ThyssenKrupp concluded a contract for the sale of the ThyssenKrupp Steel USA rolling and coating mill in Calvert/Alabama and a long-term slab supply contract for ThyssenKrupp CSA with a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation. This enables the Group to reduce risks from the originally planned cross-currency-zone tandem model and price risks associated with market entry in the USA. At the beginning of February 2014, the approval of the relevant regulatory authorities had been received.

Also on November 29, 2013, ThyssenKrupp signed a contract with Outokumpu Oyj transferring 100% of the shares of VDM and AST and of other smaller activities in the stainless steel service center sector to ThyssenKrupp, and in return transferring ThyssenKrupp's financial receivable to Outokumpu. This move reduces risks and secures value for our

company. To meet the requirements of the EU Commission ThyssenKrupp AG will fully divest its 29.9% interest in Outokumpu Oyj and end all other financial links with Outokumpu. With the clearance by the EU Commission on February 12, 2014, the approval of almost all the regulatory authorities for the transaction has been received. The closing is still subject to the cooperation and approval of shareholders, banks and creditors for the overall plan for a sustainable refinancing of Outokumpu. Should the transaction not be completed, ThyssenKrupp will continue to face value and default risks from the shareholding in Outokumpu and from the vendor loans granted.

In addition to economic uncertainties, the European steel industry is exposed to import pressure and overcapacities on the market. With the integrated optimization program "Best-in-Class Reloaded" the Steel Europe business area is countering the risks to sales volumes and prices, positioning itself in less cyclical premium market segments, and making a key contribution to achieving the earnings, cash flow, value-added and competitive profile demanded of all Group businesses as part of the Strategic Way Forward.

New laws and other changes in the legal framework at national and international level could entail risks for our business activities if they lead to higher costs or other disadvantages for ThyssenKrupp compared with our peers. In particular, rising energy costs in 2014 due to the surcharge payable under Germany's Renewable Energy Act (EEG) are already placing a significant burden on our German steel production sites which is jeopardizing our international competitiveness. The risk situation is exacerbated by the subsidy investigations initiated against Germany by the EU Commission on December 18, 2013. The European Commission suspects that the partial exemption of numerous companies from the EEG surcharge is in contravention of EU competition law. If in this connection, through the new EU environmental guidelines or through new legislation by the German government the partial exemption from the EEG surcharge granted to ThyssenKrupp and other energy-intensive companies engaged in international competition should be reduced or withdrawn, there will be substantial risks to the asset, financial and earnings situation of ThyssenKrupp's German production sites, in particular its steel sites. We support the discussion process in connection with the EEG and further regulation efforts through close working contacts with the relevant institutions and in this way work to reduce the corresponding risks.

Acting on an anonymous tip, the German Federal Cartel Office has been investigating ThyssenKrupp Steel Europe and other companies since the end of February 2013 based on an initial suspicion of price fixing in the delivery of certain steel products to the German auto industry and its suppliers over a period dating back to 1998. ThyssenKrupp has launched its own investigation into the allegations with the support of external lawyers. The amnesty program we carried out from April 15 to June 15, 2013 produced no leads regarding the ongoing investigations. The investigations by the Federal Cartel Office are ongoing. The internal investigations launched in response to the investigations of the Federal Cartel Office are at an advanced stage but not yet complete. Based on the facts currently known to us, significant adverse consequences with regard to the Group's asset, financial and earnings situation cannot be ruled out.

The various elements of our risk management system are systematically geared to the current challenges and risks of the Group. This ensures that there are no risks that could threaten the ability of the Group to continue as a going concern. Beyond this, the detailed information contained in the risk report on pages 78-88 of the 2012/2013 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 06.

ThyssenKrupp AG — Consolidated statement of financial position

Assets million €	Note	Sept. 30, 2013*	Dec. 31, 2013
Intangible assets		4,206	4,165
Property, plant and equipment		7,484	7,357
Investment property		287	287
Investments accounted for using the equity method		949	659
Other financial assets		1,019	49
Other non-financial assets		335	384
Deferred tax assets		1,661	1,641
Total non-current assets		15,941	14,542
Inventories, net		6,351	6,810
Trade accounts receivable		4,956	4,317
Other financial assets		500	1,454
Other non-financial assets		2,069	2,223
Current income tax assets		123	146
Cash and cash equivalents		3,813	4,058
Assets held for sale	02	1,547	1,908
Total current assets		19,359	20,916
Total assets		35,300	35,458

Equity and Liabilities million €	Note	Sept. 30, 2013*	Dec. 31, 2013
Capital stock		1,317	1,449
Additional paid in capital		4,684	5,434
Retained earnings		(4,080)	(3,758)
Cumulative other comprehensive income		328	(106)
thereof relating to disposal groups (Sept. 30, 2013: 2; Dec. 31, 2013: 106)			
Equity attributable to ThyssenKrupp AG's stockholders		2,249	3,019
Non-controlling interest		269	254
Total equity		2,518	3,273
Accrued pension and similar obligations	04	7,345	7,211
Provisions for other employee benefits		270	281
Other provisions		676	674
Deferred tax liabilities		52	60
Financial debt		6,955	6,602
Other financial liabilities		3	2
Other non-financial liabilities		1	1
Total non-current liabilities		15,302	14,831
Provisions for employee benefits		298	181
Other provisions		1,363	1,171
Current income tax liabilities		234	219
Financial debt		1,911	1,926
Trade accounts payable		3,713	3,784
Other financial liabilities		1,241	1,260
Other non-financial liabilities		8,455	8,557
Liabilities associated with assets held for sale	02	265	256
Total current liabilities		17,480	17,354
Total liabilities		32,782	32,185
Total equity and liabilities		35,300	35,458

See accompanying selected notes.

* Figures have been adjusted due to the adoption of IAS 19R (see "Recently adopted accounting standards").

ThyssenKrupp AG — Consolidated statement of income

million €, earnings per share in €	Note	1st quarter ended Dec. 31, 2012*	1st quarter ended Dec. 31, 2013
Net sales	09	9,189	9,109
Cost of sales	10	(7,867)	(7,671)
Gross profit		1,322	1,438
Research and development cost		(56)	(64)
Selling expenses		(678)	(684)
General and administrative expenses		(517)	(548)
Other income		46	51
Other expenses		(47)	(20)
Other gains/(losses)		(1)	(18)
Income/(loss) from operations		69	155
Income/(expense) from companies accounted for using the equity method	11	11	(31)
Finance income		101	212
Finance expenses		(254)	(565)
Financial income/(expense), net		(142)	(384)
Income/(loss) before income taxes		(73)	(229)
Income tax (expense)/income		(2)	(27)
Income/(loss) from continuing operations (net of tax)		(75)	(256)
Discontinued operations (net of tax)	02	59	187
Net income/(loss)		(16)	(69)
Attributable to:			
ThyssenKrupp AG's stockholders		(1)	(64)
Non-controlling interest		(15)	(5)
Net income/(loss)		(16)	(69)
Basic and diluted earnings per share	12		
Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders)		(0.12)	(0.47)
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)		0.00	(0.12)

See accompanying selected notes.

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation and the catch up of amortization and depreciation of ThyssenKrupp CSA (see "Recently adopted accounting standards" and Note 2).

ThyssenKrupp AG — Consolidated statement of comprehensive income

million €	1st quarter ended Dec. 31, 2012*	1st quarter ended Dec. 31, 2013
Net income/(loss)	(16)	(69)
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Actuarial gains/(losses) from pensions and similar obligations		
Change in actuarial gains/(losses), net	(134)	76
Tax effect	41	(22)
Net actuarial gains/(losses) from pensions and similar obligations	(93)	54
<i>Gains/(losses) resulting from asset ceiling</i>		
Change in gains/(losses), net	(2)	(4)
Tax effect	0	1
Net gains/(losses) resulting from asset ceiling	(2)	(3)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(6)	3
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods:	(101)	54
Items of other comprehensive income that will be reclassified to profit or loss in future periods:		
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	(120)	(120)
Net realized (gains)/losses	15	0
Net unrealized gains/(losses)	(105)	(120)
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized gains/(losses), net	0	0
Net realized (gains)/losses	0	0
Tax effect	0	0
Net unrealized gains/(losses)	0	0
Unrealized (losses)/gains on derivative financial instruments		
Change in unrealized gains/(losses), net	(15)	27
Net realized (gains)/losses	(2)	(2)
Tax effect	5	(8)
Net unrealized gains/(losses)	(12)	17
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(7)	(3)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods:	(124)	(106)
Other comprehensive income	(225)	(52)
Total comprehensive income	(241)	(121)
Attributable to:		
ThyssenKrupp AG's stockholders	(217)	(111)
Non-controlling interest	(24)	(10)
Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:		
Continuing operations	(266)	(298)
Discontinued operations	49	187

See accompanying selected notes.

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation and the catch up of amortization and depreciation for ThyssenKrupp CSA (see "Recently adopted accounting standards" and Note 2).

ThyssenKrupp — Consolidated statement of changes in equity

Equity attributable to ThyssenKrupp AG's stockholders											
million € (except number of shares)	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative other comprehensive income				Total	Non- controlling interest	Total equity
					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, 2012	514,489,044	1,317	4,684	(2,485)	463	7	(32)	32	3,986	540	4,526
Adjustment due to retrospective adoption of IAS 19R*				8							
Balance as of Oct. 01, 2012*	514,489,044	1,317	4,684	(2,477)	463	7	(32)	32	3,994	540	4,534
Net income/(loss)**				(1)					(1)	(15)	(16)
Other comprehensive income**				(101)	(96)	0	(12)	(7)	(216)	(9)	(225)
Total comprehensive income**				(102)	(96)	0	(12)	(7)	(217)	(24)	(241)
Profit attributable to non-controlling interest									0	(13)	(13)
Other changes				(1)					(1)	(12)	(13)
Balance as of Dec. 31, 2012**	514,489,044	1,317	4,684	(2,580)	367	7	(44)	25	3,776	491	4,267
Balance as of Sept. 30, 2013*	514,489,044	1,317	4,684	(3,810)	107	3	(65)	13	2,249	269	2,518
Net income/(loss)				(64)					(64)	(5)	(69)
Other comprehensive income				54	(115)	0	17	(3)	(47)	(5)	(52)
Total comprehensive income				(10)	(115)	0	17	(3)	(111)	(10)	(121)
Profit attributable to non-controlling interest									0	(6)	(6)
Capital increase	51,448,903	132	750	(3)					879	0	879
Other changes				2					2	1	3
Balance as of Dec. 31, 2013	565,937,947	1,449	5,434	(3,821)	(8)	3	(48)	10	3,019	254	3,273

See accompanying selected notes.

* Figures have been adjusted due to the adoption of IAS 19R (see "Recently adopted accounting standards").

** Figures have been adjusted due to the adoption of IAS 19R and the catch up of amortization and depreciation for ThyssenKrupp CSA (see "Recently adopted accounting standards" and Note 2).

ThyssenKrupp — Consolidated statement of cash flows

million €	1st quarter ended Dec. 31, 2012*	1st quarter ended Dec. 31, 2013
Net income/(loss)	(16)	(69)
Adjustments to reconcile net income/(loss) to operating cash flows:		
Discontinued operations (net of tax)	(59)	(187)
Deferred income taxes, net	(63)	(30)
Depreciation, amortization and impairment of non-current assets	280	263
Reversals of impairment losses of non-current assets	0	(1)
(Income)/loss from companies accounted for using the equity method, net of dividends received	(12)	31
(Gain)/loss on disposal of non-current assets, net	(2)	(10)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:		
- inventories	(166)	(612)
- trade accounts receivable	497	533
- accrued pension and similar obligations	(67)	(42)
- other provisions	120	(97)
- trade accounts payable	(217)	88
- other assets/liabilities not related to investing or financing activities	(241)	280
Operating cash flows - continuing operations	54	147
Operating cash flows - discontinued operations	(194)	0
Operating cash flows - total	(140)	147
Purchase of investments accounted for using the equity method and non-current financial assets	0	0
Expenditures for acquisitions of consolidated companies net of cash acquired	(1)	(2)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(305)	(211)
Capital expenditures for intangible assets (inclusive of advance payments)	(28)	(19)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	1	14
Proceeds from disposals of previously consolidated companies net of cash acquired	919	0
Proceeds from disposals of property, plant and equipment and investment property	13	9
Proceeds from disposals of intangible assets	1	0
Cash flows from investing activities - continuing operations	600	(209)
Cash flows from investing activities - discontinued operations	(99)	0
Cash flows from investing activities - total	501	(209)
Proceeds from liabilities to financial institutions	2,146	523
Repayments of liabilities to financial institutions	(866)	(887)
Proceeds from/(repayments on) notes payable and other loans	274	54
Increase/(decrease) in bills of exchange	(4)	2
Decrease in current securities	1	(1)
Proceeds from capital increases	0	878
Profit attributable to non-controlling interest	(13)	(6)
Financing of discontinued operations	(278)	0
Other financing activities	101	(207)
Cash flows from financing activities - continuing operations	1,361	356
Cash flows from financing activities - discontinued operations	238	0
Cash flows from financing activities - total	1,599	356
Net increase in cash and cash equivalents - total	1,960	294
Effect of exchange rate changes on cash and cash equivalents - total	(37)	(52)
Cash and cash equivalents at beginning of reporting period - total	2,347	3,829
Cash and cash equivalents at end of reporting period - total	4,270	4,071
[thereof cash and cash equivalents within disposal groups]	[10]	[13]
[thereof cash and cash equivalents within discontinued operations]	[46]	[-]
Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	30	38
Interest paid	(52)	(48)
Dividends received	2	2
Income taxes paid	(103)	(101)

See note 13 to the condensed consolidated financial statements.

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation and the catch up of amortization and depreciation for ThyssenKrupp CSA (see "Recently adopted accounting standards" and Note 2).

ThyssenKrupp AG — Selected notes

Corporate information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Duisburg and Essen in Germany. The condensed interim consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the “Group”, for the period from October 01, 2013 to December 31, 2013, were authorized for issue in accordance with a resolution of the Executive Board on February 12, 2014.

Basis of presentation

The accompanying Group’s condensed interim consolidated financial statements have been prepared in accordance with section 37x para. 3 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 condensed interim 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, 2013, are not necessarily indicative for future results.

The preparation of condensed 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 condensed interim consolidated financial statements correspond to those pertaining to the most recent annual consolidated financial statements with the exception of the recently adopted accounting standards. A detailed description of the accounting policies is published in the notes to the consolidated financial statements of our annual report 2012/2013.

Recently adopted accounting standards

In fiscal year 2013/2014, ThyssenKrupp adopted the following standards, interpretations and amendments to already existing standards:

In December 2010 the IASB issued an amendment to IAS 12 “Income Taxes”. Under IAS 12, the measurement of deferred taxes depends on whether the carrying amount of an asset is recovered through use or sale. Such assessment is often difficult, in particular when the asset is measured using the fair value model in IAS 40 for investment property. The amendment introduces a presumption that in general an investment property is recovered through sale. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2012. In the context of the endorsement, the IASB defers the mandatory effective date from January 01, 2012 to January 01, 2013. The amended standard does not have any impact on the Group’s consolidated financial statements because currently investment property is accounted for at cost less accumulated depreciation.

In May 2011 the IASB issued the new standard IFRS 13 “Fair Value Measurement”. IFRS 13 contains a definition of fair value and rules on how to determine it if other IFRS standards require fair value measurement; the standard itself does not prescribe in which cases fair value is to be used. With the exception of the standards explicitly excluded in IFRS 13, IFRS 13 defines standard disclosure requirements for all assets and liabilities that are measured at fair value and for all assets and liabilities for which disclosure of fair value in the notes to the consolidated financial statements is required; in particular it

widens the disclosure requirements for non-financial assets. The new standard is compulsory for fiscal years beginning on or after January 01, 2013 and shall be applied prospectively. In the first year of application comparative information is not required. The adoption of the new standard does not have a material impact on the Group's consolidated financial statements, but results in additional disclosures.

In June 2011 the IASB issued amendments to IAS 19 "Employee Benefits". The amendments mainly concern the elimination of deferred recognition of actuarial gains and losses (corridor method) in favour of immediate recognition in other comprehensive income in equity and the recognition of a net interest expense or income resulting from net liabilities or assets of a pension plan which is determined by using the discount rate. Furthermore an immediate recognition of the total past service costs is required, the exposure of other administration costs as part of net periodic pension cost as well as the distribution of costs resulting from top-up payments to employees under early retirement over the period in which they are earned. Furthermore additional disclosure regarding the characteristics of pension plans and the associated risks for the entity is required. The amendments to IAS 19 are compulsory for fiscal years beginning on or after January 01, 2013. The adoption of the amended standard results in additional disclosures.

The elimination of deferred recognition of actuarial gains and losses (corridor method) does not have any impacts on ThyssenKrupp as actuarial gains and losses have already been recognized in other comprehensive income in equity so far. The adoption of IAS 19R impacted the consolidated statement of financial position and the consolidated statement of income as presented below:

IAS 19R - Consolidated statement of financial position

million €	Oct. 01, 2012			Sept. 30, 2013			Dec. 31, 2012		
	Before IAS 19R adjustment	IAS 19R adjustment	After IAS 19R adjustment	Before IAS 19R adjustment*	IAS 19R adjustment	After IAS 19R adjustment	Before IAS 19R adjustment**	IAS 19R adjustment	After IAS 19R adjustment
Total assets	38,284	(4)	38,280	35,300	0	35,300	37,288	0	37,288
Total equity	4,526	8	4,534	2,519	(1)	2,518	4,267	0	4,267
Total non-current liabilities	13,797	(12)	13,785	15,301	1	15,302	15,793	0	15,793
thereof: Accrued pension and similar obligations	7,708	(12)	7,696	7,344	1	7,345	7,742	0	7,742
Total equity and liabilities	38,284	(4)	38,280	35,300	0	35,300	37,288	0	37,288

* Inclusive of IAS 19R adjustment as of Oct. 01, 2012.

** Figures have been adjusted due to the IAS 19R adjustment as of Oct. 01, 2012, the reclassification of ThyssenKrupp CSA disposal group and the catch up of amortization and depreciation of ThyssenKrupp CSA.

IAS 19R - Consolidated statement of income

million €	Year ended Sept. 30, 2013			1st quarter ended Dec. 31, 2012		
	Before IAS 19R adjustment	IAS 19R adjustment	After IAS 19R adjustment	Before IAS 19R adjustment*	IAS 19R adjustment	After IAS 19R adjustment
Income/(loss) from operations	(696)	(1)	(697)	69	0	69
Financial income/(expense), net	(952)	(44)	(996)	(131)	(11)	(142)
Income/(loss) from operations before income taxes	(1,648)	(45)	(1,693)	(62)	(11)	(73)
Income tax (expense)/income	59	15	74	(6)	4	(2)
Income/(loss) from operations (net of tax)	(1,589)	(30)	(1,619)	(68)	(7)	(75)

* Figures have been adjusted due to the reclassification of Steel Americas as a continuing operation and the catch up of amortization and depreciation of ThyssenKrupp CSA.

In October 2011 the IASB issued the IFRIC interpretation 20 "Stripping Costs in the Production Phase of a Surface Mine". The interpretation regulates the accounting for stripping costs in the production phase of a surface mine. The interpretation clarifies under which conditions an asset must be recognized for the relating stripping measures and how initial and subsequent measurement of this asset has to be determined. The interpretation is compulsory for fiscal years beginning on or after January 01, 2013. This interpretation has no impact on the Group's consolidated financial statements.

In December 2011 the IASB issued an amendment to IFRS 7 “Financial Instruments: Disclosures” which requires disclosures in the context of certain offsetting arrangements. The obligation for disclosures has to be applied regardless of whether the offsetting arrangements result in any actual offsetting of the respective financial assets and financial liabilities. The new disclosure requirements shall simplify comparing financial statements prepared in accordance with IFRS and financial statements prepared in accordance with US GAAP. The amendment is compulsory for fiscal years beginning on or after January 01, 2013 and shall be applied retrospectively. First time adoption implies extended disclosures.

In May 2012 the IASB issued the fourth omnibus standard “Improvements to IFRSs” as part of its annual improvement process project. This standard slightly adjusts five standards (IFRS 1 “First-time Adoption of IFRS”, IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation”, IAS 34 “Interim Financial Reporting”). The amendments are effective for fiscal years beginning on or after January 01, 2013. The adoption of the amendment does not have a material impact on the Group’s consolidated financial statements.

Recently issued accounting standards

In fiscal year 2013/2014, the following standards, interpretations and amendments to already existing standards have been issued which must still be endorsed by the EU before they can be adopted:

In November 2013 the IASB issued amendments to IFRS 9 “Financial Instruments” (Hedge Accounting and Amendments to IFRS 9; IFRS 7 and IAS 39). The amendments to IFRS 9 establish a new model that represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. In addition extensive disclosures are required. Moreover recognizing fair value changes of liabilities due to credit rating within equity will be possible to be earlier adopted without applying the complete regulations of IFRS 9. Furthermore the IASB decided to abandon the mandatory date of January 01, 2015; a new date should be decided upon when the entire IFRS 9 project is closer to completion. The EU has not yet endorsed the standard including the amendments. Currently, Management is not able to finally assess the impact of the adoption of the standard including the amendments – if endorsed by the EU in the current version.

In November 2013 the IASB issued narrow-scope amendments to IAS 19 “Employee Benefits” titled “Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)”. The amendments are applicable to recognizing contributions of employees or third parties to defined benefit plans. Hereby it will be allowed to recognize employees’ or third parties’ contributions as a reduction of current service costs in the period in which the corresponding servicing has been rendered if the contributions are independent of the number of years of employee service. The amendments to IAS 19 are to be applied for fiscal years beginning on or after July 01, 2014; earlier application is permitted. The EU has not yet endorsed the amendments. Currently, Management does not expect the amendments – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

In December 2013 the IASB issued the annual improvements for the 2010 to 2012 cycle and for the current 2011 to 2013 cycle as part of its annual improvement process project. In the context of the 2010 to 2012 cycle clarifications and smaller amendments of seven standards were published: IFRS 2 “Share-based Payment”, IFRS 3 “Business Combinations”, IFRS 8 “Operating Segments”, IFRS 13 “Fair Value Measurement”, IAS 16 “Property, Plant and Equipment”, IAS 24 “Related Party Disclosures” and IAS 38 “Intangible Assets”. In the context of the 2011 to 2013 cycle clarifications and smaller amendments of four standards were published: IFRS 1 “First-time Adoption of IFRS”, IFRS 3 “Business Combinations”, IFRS 13 “Fair Value Measurement” and IAS 40 “Investment Property”. The amendments are effective for fiscal years beginning on or after July 01, 2014; earlier application is permitted. The EU has not yet endorsed the amendments. Currently, Management does not expect the amendments – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

01 Acquisitions and disposals

In the 1st quarter ended December 31, 2013, the Group acquired a smaller company at a price of €1 million which mainly resulted from intangible assets.

02 Discontinued operations, disposal groups and single assets held for sale

As part of the portfolio optimization program of the concept for the further strategic development in May 2011, the Group has initiated the sale of several businesses. With the exemption of the Stainless Global business area these transactions have not met the requirements of IFRS 5 for a presentation. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of the disposal. For entities for which the disposal has not been completed as of the balance sheet date of the respective reporting period, the assets and liabilities of the disposal groups have been disclosed separately in the consolidated balance sheet of the reporting period in the line items "assets held for sale" and "liabilities associated with assets held for sale".

Although the disposal of the entire Steel Americas business area initiated in September 2012 met the criteria for presentation as a discontinued operation from September 30, 2012, the change to the plan of sale as of September 30, 2013 meant that the Steel Americas business area no longer meets the criteria for presentation as a discontinued operation and instead is reclassified as a continuing operation. The change of plan also meant that instead of the entire business area classifying as a discontinued operation / disposal group, only the ThyssenKrupp Steel USA portion met the criteria for presentation as a disposal group. It was therefore necessary to catch up the amortization and depreciation for the ThyssenKrupp Steel CSA portion that was not charged in accordance with IFRS 5; in the 1st quarter 2012/2013 this results in a charge to pre-tax earnings of €38 million. The prior-year presentation of the Steel Americas business area in the consolidated statement of income and consolidated statement of cash flows has been adjusted accordingly.

The Stainless Global business area met the criteria for presentation as a discontinued operation from September 30, 2011 until completion of the combination with the Finish company Outokumpu on December 28, 2012. Therefore, for the Stainless Global business area all income and expenses until December 28, 2012 as well as income and expenses incurred after the disposal but are directly related to the disposal are presented separately in the consolidated statement of income in the line item "Discontinued operations (net of tax)".

Disposal groups

In September 2012 the disposal of the ThyssenKrupp Tailored Blanks group has been initiated in the Steel Europe business area. Tailored Blanks is supplier of body systems to the auto industry which produces tailored steel blanks. After the approval has been given by the responsible regulatory authorities, with the exemption of the Changchun companies the sale to the Chinese steel producer Wuhan Iron and Steel Corporation (WISCO) was completed as of July 31, 2013; these Chinese companies are still subject to approval by the local authorities. The completion is expected in fiscal year 2013/2014.

The assets and liabilities of the Changchun companies in China which are still part of the disposal group as of December 31, 2013 are presented in the following table:

Disposal group Tailored Blanks China

million €	Dec. 31, 2013
Property, plant and equipment	6
Inventories	7
Trade accounts receivable	11
Other current non-financial assets	2
Cash and cash equivalents	2
Assets held for sale	28
Trade accounts payable	4
Other current non-financial liabilities	1
Liabilities associated with assets held for sale	5

In addition in September 2012 the disposal of the Berco group has been initiated in the Components Technology business area. Berco is a leading global supplier of undercarriages, based mainly on forged components, for the construction machinery sector and offers a broad range of parts and services for both OEMs and the aftermarket. Its products are used in machinery from large mining equipment to mini excavators. In the context of the initiated disposal an impairment loss of €4 million on intangible assets and of €131 million on property, plant and equipment was recognized in cost of sales in the 4th quarter of 2011/2012 resulting from the write-down of the assets to fair value less costs to sell. At the same time a deferred tax asset of €1 million was recognized. As a result of unforeseen restructuring requirements, which could only be implemented with the cooperation of employee and government representatives, the one-year period required by IFRS 5 extended beyond September 30, 2013 without disadvantage to existing sale opportunities.

The assets and liabilities of the disposal group as of December 31, 2013 are presented in the following table:

Disposal group Berco group

million €	Dec. 31, 2013
Other intangible assets	2
Property, plant and equipment	38
Deferred tax assets	14
Inventories	187
Trade accounts receivable	46
Other current non-financial assets	20
Current income tax assets	1
Cash and cash equivalents	6
Assets held for sale	314
Accrued pension and similar obligations	29
Other non-current provisions	3
Other current provisions	11
Current financial debt	4
Trade accounts payable	68
Other current financial liabilities	2
Other current non-financial liabilities	53
Liabilities associated with assets held for sale	170

In the Steel Americas business area the change to the plan of sale as of September 30, 2013 meant that instead of the entire business area classifying as a discontinued operation / disposal group, only the ThyssenKrupp Steel USA portion met the criteria for presentation as a disposal group.

The ThyssenKrupp Steel USA disposal group comprises the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama. In connection with the initiated sale, measurement at fair value less costs to sell resulted as of September 30, 2013 in impairment losses of €2 million on intangible assets and €335 million on property, plant and equipment, which

are reported in the amount of €328 million in cost of sales, €3 million in selling expenses, and €6 million in general and administrative expenses in the 4th quarter ended September 30, 2013. As a result of circumstances beyond the company's control, the one-year period required by IFRS 5 extended beyond September 30, 2013 without disadvantage to existing sale opportunities.

On November 29, 2013 ThyssenKrupp signed a contract with a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation (the consortium) on the sale of the disposal group. At the beginning of February 2014 the approval of the relevant regulatory authorities had been received.

Upon closing, ThyssenKrupp will receive a purchase price of 1.55 billion US dollars and a valuable slab supply contract in which it has been agreed that the consortium will purchase 2 million tons of slabs per year from ThyssenKrupp CSA up to 2019.

The assets and liabilities of the disposal group as of December 31, 2013 are presented in the following table:

Disposal group ThyssenKrupp Steel USA

million €	Dec. 31, 2013
Other intangible assets	8
Property, plant and equipment	799
Inventories	331
Trade accounts receivable	164
Other current non-financial assets	5
Current income tax assets	1
Cash and cash equivalents	5
Assets held for sale	1,313
Non-current financial debt	1
Current financial debt	2
Trade accounts payable	23
Other current financial liabilities	15
Other current non-financial liabilities	40
Liabilities associated with assets held for sale	81

Discontinued operation Stainless Global business area and a single asset held for sale

As of September 2011 as part of its program for the further strategic development, the corporate, organizational and contractual conditions for creating a separate Stainless Global and consequently the conditions for the first-time presentation as a discontinued operation were established.

In the context with the initiated disposal, as of September 30, 2011 the measurement of discontinued operations at fair value less costs to sell based on internal calculations and market observations resulted in an impairment loss of €510 million. Thereof, €45 million applied to goodwill and the remaining impairment loss was allocated to property, plant and equipment. The expense is recognized in income/(loss) of discontinued operations of the 4th quarter of 2010/2011.

On January 31, 2012, the agreement to combine the Finnish stainless steel producer Outokumpu and ThyssenKrupp's stainless steel operations was signed. The EU Commission approved the combination in November 2012 with certain conditions. Based on the contract with Outokumpu about the intended sale, in 2011/2012 the measurement resulted in an additional impairment loss of €400 million that was allocated to property, plant and equipment. The expense of €400 million in total is recognized in income/(loss) of discontinued operations of the year ended September 30, 2012; thereof €265 million refer to the 1st quarter of 2011/2012.

Furthermore, due to the shut-down of the Krefeld melt shop by the end of 2013, an impairment loss of €42 million on property, plant and equipment was recognized in income/(loss) of discontinued operations of the 2nd quarter of 2011/2012. In May 2012, Inoxum agreed with the relevant works council on a social plan in connection with the consolidation measures regarding the relocation of the Düsseldorf-Benrath facility and the connected personnel reduction. The social plan includes

early retirement models and compensations for employees leaving Inoxum. Further, it includes compensations for employees being relocated. The social plan will apply accordingly to the planned closure of the Krefeld melt shop in the event the Inoxum transaction is completed. As of September 30, 2012 the overall costs in connection with that social plan have been recognized as a restructuring provision of €58 million in the aggregate for Düsseldorf-Benrath and Krefeld.

On December 28, 2012 the combination of the Stainless Global business area with the Finnish company Outokumpu was completed. With the closing of this transaction ThyssenKrupp received €1 billion in cash from Outokumpu for the contribution of Inoxum. In addition Outokumpu took on the external net financial debt and pension obligations. ThyssenKrupp holds a share of 29.9% in Outokumpu and a financial receivable outstanding against Outokumpu with a current value of €969 million and an original maximum term of 9 years. Under the purchase agreement, this financial receivable can be adjusted by a maximum of €200 million in the event of negative financial consequences arising for Outokumpu from conditions imposed under merger control law.

In the context of the necessary refinancing of Outokumpu ThyssenKrupp AG signed a contract with Outokumpu Oyj on November 29, 2013 transferring 100% of the shares of VDM and AST and of other smaller activities in the stainless steel service center sector to ThyssenKrupp. In return ThyssenKrupp's financial receivable resulting from the Inoxum transaction, which had a book value of €969 million at September 30, 2013, was transferred to Outokumpu. The commitment resulting from the sale of Inoxum to Outokumpu to offset any negative financial consequences for Outokumpu under merger control requirements up to an amount of €200 million therefore ceases to apply.

To meet the requirements of the EU Commission ThyssenKrupp AG will fully divest its 29.9% interest in Outokumpu and all financial links with Outokumpu Group will be ended. With the clearance by the EU Commission on February 12, 2014, the approval of almost all the regulatory authorities for the transaction has been received. The closing is still subject to the cooperation and approval of the shareholders, banks and creditors for the overall plan for a sustainable refinancing of Outokumpu.

The results of the Stainless Global business area that classified as a discontinued operation until December 28, 2012 are presented in the following table. In addition the table includes income and expense incurred after the disposal but directly related to the disposal of Stainless Global in the 1st quarter ended December 31, 2013. This mainly reflects the income from the reversal of provisions after there was no longer an obligation to offset any negative financial consequences for Outokumpu under merger control requirements.

Discontinued operation Stainless Global

million €	1st quarter ended Dec. 31, 2012	1st quarter ended Dec. 31, 2013
Net sales	1,268	0
Other income	9	0
Expenses	(1,359)	187
Ordinary income/(loss) from discontinued operations (before taxes)	(82)	187
Income tax (expense)/income	(5)	0
Ordinary income/(loss) from discontinued operations (net of tax)	(87)	187
Gain/(loss) recognized on disposal of discontinued operations (before taxes)	146	0
Income tax (expense)/income	—	—
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	146	0
Discontinued operations (net of tax)	59	187
thereof:		
ThyssenKrupp AG's stockholders	60	187
Non-controlling interest	(1)	0

The 29.9% shareholding in Outokumpu obtained after the disposal of the Stainless Global business area is accounted for in the consolidated financial statements according to the equity method. As of December 31, 2012 this shareholding is initially reported with a value of €491 million, based on the share price at the time of the transaction (€0.79) multiplied by the number of Outokumpu shares received. The fair value of the acquired shares at the time of the transaction was determined in a purchase price allocation and finalized as of November 29, 2013. Adjusted for the share in Outokumpu's losses and effects from the purchase price allocation, the carrying amount of the investment as of November 29, 2013 is €253 million.

In connection with the negotiations on the restructuring of Outokumpu, an agreement was reached on November 29, 2013 to sell the 29.9% share in Outokumpu Oyj to fulfill the EU Commission conditions. This means that as of the same date the investment in Outokumpu meets the criteria for classification as an asset held for sale. The impairment test carried out immediately before classification as an asset held for sale resulted in an impairment loss of €17 million on November 29, 2013 because the recoverable amount of €236 million, based on the quoted market price for one Outokumpu share of €0.38 on November 29, 2013, was lower than the carrying amount of the investment of €253 million. The fair value less cost to sell of the Outokumpu shareholding at December 31, 2013 came to €255 million based on the Outokumpu share price of €0.41 on the balance sheet date. As this fair value was higher than the carrying amount of €253 million immediately before classification as an asset held for sale, the impairment loss of €17 million recognized on November 29, 2013 had to be reversed. Compared with the carrying amount of €305 million as of September 30, 2013 the carrying value of the investment is therefore €52 million lower.

Furthermore in connection with the agreement a share derivative liability in the amount of €224 million was recognized for the first time as of December 31, 2013, resulting from the fact that the purchase price for the investment in Outokumpu is contractually fixed at €0.05 per share. Taking into account the earnings impact of €52 million resulting from the reduction of the carrying amount of the investment, the total charge to financial income/(expense), net is €276 million. ThyssenKrupp's financial receivable from Outokumpu created in connection with the Inoxum transaction is recognized at €969 million as of December 31, 2013, unchanged from September 30, 2013.

03 Share-based compensation

Management incentive plans

In the 1st quarter months ended December 31, 2013, the Group recorded expenses of €8.9 million from the obligations of the long-term incentive plan LTI. In the 1st quarter months ended December 31, 2012, due to the downward trend of the TKVA, the Group recorded an income of €3.7 million from the incentive plans; thereof nothing is presented in income/(loss) of discontinued operations.

In September 2010 the structure of the variable compensation for members of the Executive Board of ThyssenKrupp AG was modified. 25% of the performance bonus granted for the respective fiscal year and 55% of the additional bonus granted depending on the economic situation will be obligatorily converted into ThyssenKrupp AG stock rights to be paid out after a three-year lock-up period based on the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. In the 3rd quarter of 2010/2011 the structure of the variable compensation for additional executive employees was modified. 20% of the performance bonus granted for the respective fiscal year will be obligatorily converted into ThyssenKrupp AG stock rights to be paid out after a three-year lock-up period based on the average ThyssenKrupp share price in the 4th quarter of the 3rd fiscal year. This compensation item resulted in expenses of €1.9 million in the 1st quarter ended December 31, 2013 (1st quarter ended December 31, 2012: €0.4 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, 2013, taking into account these effects while other assumptions remained unchanged.

Accrued pensions and similar obligations

million €	Sept. 30, 2013*	Dec. 31, 2013
Accrued pension liability	6,424	6,349
Accrued postretirement obligations other than pensions	698	665
Other accrued pension-related obligations	252	226
Reclassification due to the presentation as liabilities associated with assets held for sale	(29)	(29)
Total	7,345	7,211

* Figures have been adjusted due to the adoption of IAS 19R (see "Recently adopted accounting standards").

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

Weighted-average assumptions

in %	Sept. 30, 2013			Dec. 31, 2013		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension liability	3.50	3.88	3.60	3.50	4.00	3.63
Discount rate for postretirement obligations other than pensions	—	4.25	4.25	—	4.50	4.50

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

Net periodic pension cost

million €	1st quarter ended Dec. 31, 2012*			1st quarter ended Dec. 31, 2013		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Service cost	27	9	36	22	7	29
Net interest cost	55	3	58	51	3	54
Administration cost	-	-	-	0	1	1
Curtailment and settlement gains	0	(11)	(11)	0	0	0
Net periodic pension cost	82	1	83	73	11	84

* Figures have been adjusted due to the adoption of IAS 19R (see "Recently adopted accounting standards").

The above presented net periodic pension cost for defined benefit plans in Germany include cost of €5 million in the 1st quarter ended December 31, 2012 and net periodic pension cost for defined benefit plans outside Germany does of €0 million in the 1st quarter ended December 31, 2012 attributable to discontinued operations. These costs are presented in income/(loss) from discontinued operations in the consolidated statement of income.

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

Net periodic postretirement benefit cost

million €	1st quarter ended Dec. 31, 2012	1st quarter ended Dec. 31, 2013
Service cost	1	0
Net interest cost	7	7
Administration cost	-	0
Net periodic postretirement benefit cost	8	7

05 Capital stock increase

On December 02, 2013, the Executive Board of ThyssenKrupp AG with the approval of the Executive Committee of the Supervisory Board resolved in accordance with the authorization under § 5, par. 5 of the Articles of Association of the Company to increase the capital stock of ThyssenKrupp AG by 10 per cent by issuing 51,448,903 new no par bearer shares in the Company and to exclude subscription rights.

On December 03, 2013 the announced capital increase was successfully completed in an accelerated bookbuilding process. The newly issued 51,448,903 no par shares in ThyssenKrupp AG were placed with German and international institutional investors at a price of €17.15 per share. The placement resulted in gross proceeds of €882 million, the transaction costs incurred were recognized directly in equity.

This capital measure strengthens the Group's equity and reduces net financial debt.

06 Contingencies including pending lawsuits and claims for damages

Guarantees

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

Contingencies

million €	Maximum potential amount of future payments	Provision as of
	as of Dec. 31, 2013	Dec. 31, 2013
Advance payment bonds	266	1
Performance bonds	115	1
Third party credit guarantee	58	0
Residual value guarantees	61	2
Other guarantees	52	0
Total	552	4

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 always the non-performance of the principal debtor 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 are issued by or issued by instruction of ThyssenKrupp AG or subsidiaries upon request of the principal debtor 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, the third party is generally requested to provide additional collateral in a corresponding amount.

Commitments and other contingencies

Due to the high volatility of iron ore prices, in the Steel Europe and Steel Americas business areas the existing long-term iron ore and iron ore pellets supply contracts are measured for the entire contract period at the iron ore prices applying as of the respective balance sheet date. Compared to September 30, 2013, the purchasing commitments decreased by €0.3 billion to €14.4 billion.

Various German companies of the ThyssenKrupp Group have obtained exemptions from the renewable energy surcharge under §§ 40 ff. Renewable Energy Act (EEG). By decision of December 18, 2013 the EU Commission opened a state aid investigation. ThyssenKrupp received exemptions in the amount of €72 million for 2013 and expects exemptions of around €94 million for 2014.

There have been no material changes to the other contingencies since the end of the last fiscal year.

Pending lawsuits and claims for damages

Former stockholders of Thyssen and of Krupp have petitioned per Art. 305 UmwG (Reorganization Act) for a judicial review of the share exchange ratios used in the merger of Thyssen AG and Fried. Krupp AG Hoesch-Krupp to form ThyssenKrupp AG. The proceedings are pending with the Düsseldorf Regional Court. Should a ruling be made in favour of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment also would be required to be made to all affected stockholders, even if they were not petitioners in the judicial proceedings. However, the Group expects no such payments to become due as the exchange ratios were duly determined, negotiated between unrelated parties and audited and confirmed by the auditor that has been appointed by court, and differ only insignificantly from the value ratio determined by the expert appointed by the Düsseldorf Regional Court.

In connection with the rail cartel various companies of the Deutsche Bahn group (DB) filed claims against ThyssenKrupp GfT Gleistechnik, ThyssenKrupp Materials International and further cartel participants. DB sought extensive information and in this connection estimated the total damages caused by all participants in the cartel at approx. €550 million plus interest of approx. €300 million. As a result of talks held with DB on this a settlement of the legal dispute was agreed. In January 2014 the responsible bodies and in the case of DB the funding providers gave their approval. The settlement has therefore entered into effect. In the meantime further companies have also asserted or announced out-of-court claims against ThyssenKrupp in connection with the rail cartel. ThyssenKrupp has recognized provisions for risks in connection with the claims for damages.

Claims for damages have been filed against ThyssenKrupp AG and companies of the ThyssenKrupp Group in connection with the elevator cartel. ThyssenKrupp is answering claims for damages being pursued in court. Provisions for litigation risks are recognized where individual claims meet the requirements of IAS 37 for probability of occurrence and can be reliably estimated.

Acting on an anonymous tip, the German Federal Cartel Office has been investigating ThyssenKrupp Steel Europe AG and other companies based on an initial suspicion of price fixing in the delivery of certain steel products to the German auto industry and its suppliers over a period dating back to 1998. ThyssenKrupp has launched its own investigation into the allegations with the support of external lawyers. The amnesty program we carried out from April 15 to June 15, 2013 produced no leads regarding the investigations of the Federal Cartel Office. The investigations by the Federal Cartel Office are ongoing. The internal investigations are continued in the reporting period and are at an advanced stage but not yet complete. Based on the facts currently known to us, significant adverse consequences with regard to the Group's asset, financial and earnings situation cannot be ruled out.

In addition further legal and arbitration actions and official investigations and proceedings as well as claims have been filed against ThyssenKrupp companies or may be initiated or filed in the future. They include for example legal, arbitration and out-of-court disputes in connection with the acquisition or disposal of companies or company units which may lead to partial repayment of the purchase price or to the payment of damages. Furthermore, damage claims may be payable to contractual partners, customers, consortium partners and subcontractors under performance contracts. Predicting the progress and results of lawsuits involves considerable difficulties and uncertainties. This means that lawsuits not disclosed separately could also individually or together with other legal disputes have a negative and also potentially major future impact on the Group's net assets, financial position and results of operations. However, at present ThyssenKrupp does not expect pending lawsuits not explained separately in this section to have a major negative impact on the Group's net assets, financial position and results of operations.

07 Financial instruments

The following table shows financial assets and liabilities by measurement categories and classes. Finance lease receivables and liabilities, and derivatives that qualify for hedge accounting are also included although they are not part of any IAS 39 measurement category.

Financial instruments as of Dec. 31, 2013

million €	Carrying amount on balance sheet Dec. 31, 2013	Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Dec. 31, 2013
Trade accounts receivable, net (excluding finance lease)	4,267	4,267				4,267
Loans and receivables		4,267				4,267
Finance lease receivables	50				50	50
Other financial assets	1,503	1,414	55	34		1,503
Loans and receivables		1,396				1,396
Available-for-sale financial assets		18		11		29
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			55			55
Derivatives that qualify for hedge accounting			0	23		23
Cash and cash equivalents	4,058	4,058				4,058
Loans and receivables		4,058				4,058
Total of financial assets	9,878					
thereof by measurement categories of IAS 39:						
Loans and receivables	9,721	9,721				9,721
Available-for-sale financial assets	29	18		11		29
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	55		55			55
Financial debt (excluding finance lease)	8,476	8,476				8,854
Financial liabilities measured at amortized cost		8,476				8,854
Finance lease liabilities	52				52	52
Trade accounts payable	3,784	3,784				3,784
Financial liabilities measured at amortized cost		3,784				3,784
Other financial liabilities	1,262	850	352	60		1,262
Financial liabilities measured at amortized cost		850				850
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			352			352
Derivatives that qualify for hedge accounting			0	60		60
Total of financial liabilities	13,574					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	13,110	13,110				13,488
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	352		352			352

The carrying amounts of trade accounts receivable, other current receivables as well as cash and cash equivalents equal their fair values. The fair value of loans equals the present value of expected cash flows which are discounted on the basis of interest rates prevailing on the balance sheet date.

Available-for-sale financial assets primarily include equity and debt instruments. They are in general measured at fair value, which is based to the extent available on market prices as of the balance sheet date. When no quoted market prices in an active market are available and the fair value cannot be reliably measured, equity instruments are measured at cost.

The fair value of foreign currency forward transactions is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, and taking account of forward premiums or discounts arising for the respective remaining contract term compared to the contracted forward exchange rate. Common methods for calculating option prices are used for foreign currency options. The fair value of an option is influenced not only by the remaining term of an option, but also by other factors, such as current amount and volatility of the underlying exchange or base rate.

Interest rate swaps and cross currency swaps are measured at fair value by discounting expected cash flows on the basis of market interest rates applicable for the remaining contract term. In the case of cross currency swaps, the exchange rates for each foreign currency, in which cash flows occur, are also included.

The fair value of commodity futures is based on published price quotations. It is measured as of the balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts receivable and other current liabilities equal their fair values. The fair value of fixed rate liabilities equals the present value of expected cash flows. Discounting is based on interest rates applicable as of the balance sheet date. The carrying amounts of floating rate liabilities equal their fair values.

Financial assets and liabilities measured at fair value could be categorized in the following three level fair value hierarchy:

Fair value hierarchy as of Dec. 31, 2013

million €	Balance as of Dec. 31, 2013	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	55	0	55	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	11	9	2	0
Derivatives that qualify for hedge accounting	23	0	23	0
Total	89	9	80	0
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	352	0	280	72
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	60	0	60	0
Total	412	0	340	72

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with fair value measurement based on quoted prices in active markets are disclosed in Level 1. In Level 2 determination of fair values is based on observable inputs, e.g. foreign exchange rates. Level 3 comprises financial instruments for which the fair value measurement is based on unobservable inputs.

The following table shows the reconciliation of level 3 financial instruments:

Reconciliation level 3 financial instruments in million €

Balance as of Sept. 30, 2013 (asset/(liability))	(92)
Changes recognized through profit or loss	20
Balance as of Dec. 31, 2013 (asset/(liability))	(72)

The financial liability, which is based on individual valuation parameters and recognized at fair value, comprises a freight derivative which was valued according to the contractually agreed minimum volume on the basis of recognized hedge models taking into account the market data prevailing at the closing date. The resulting income effect is recognized in the consolidated statement of income under "Other expenses" and "Other income", respectively.

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

Derivative financial instruments

million €	Notional amount Sept. 30, 2013	Carrying amount Sept. 30, 2013	Notional amount Dec. 31, 2013	Carrying amount Dec. 31, 2013
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	2,477	36	3,239	44
Foreign currency derivatives qualifying as cash flow hedges	106	2	375	9
Embedded derivatives	67	3	64	2
Interest rate derivatives qualifying as cash flow hedges*	224	2	1,122	13
Commodity derivatives that do not qualify for hedge accounting	213	9	194	9
Commodity derivatives qualifying as cash flow hedges	31	3	23	1
Total	3,118	55	5,017	78
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	1,854	68	1,174	46
Foreign currency derivatives qualifying as cash flow hedges	179	6	746	13
Embedded derivatives	65	3	70	3
Interest rate derivatives qualifying as cash flow hedges*	1,095	21	186	11
Share derivative	-	-	31	224
Commodity derivatives that do not qualify for hedge accounting**	388	101	369	79
Commodity derivatives qualifying as cash flow hedges	157	35	236	36
Total	3,738	234	2,812	412

* inclusive of cross currency swaps

** inclusive of cargo derivatives

08 Related parties

As of December 31, 2013 a financial receivable exists from Outokumpu with a current value of €969 million and an original maximum term of nine years. Also at December 31, 2013 a current receivable exists from Outokumpu under a credit line in the amount of €160 million. In addition ThyssenKrupp granted Outokumpu a supplier finance backup facility in the amount of €82 million, which was not drawn at December 31, 2013 and as of the beginning of January 2014 is no longer available to Outokumpu.

09 Segment reporting

At January 01, 2013 the former Plant Technology and Marine Systems business areas were combined into the new Industrial Solutions business area. Industrial Solutions is a leading international supplier in special and large-scale plant construction as well as naval shipbuilding. After the Steel Americas business area was classified as a discontinued operation as from September 30, 2012, it was reclassified as a continuing operation effective September 30, 2013. The figures for the prior-year period have been adjusted accordingly.

Segment information for the the 1st quarter ended December 31, 2012 as well as for the the 1st quarter ended December 31, 2013 is as follows:

Segment information

million €	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Steel Americas	Corporate	Stainless Global*	Consolidation	Group
1st quarter ended Dec. 31, 2012										
External sales	1,343	1,532	1,301	2,731	1,837	373	27	1,268	0	10,412
Internal sales within the Group	2	0	5	84	416	115	28	134	(784)	0
Total sales	1,345	1,532	1,306	2,815	2,253	488	55	1,402	(784)	10,412
EBIT	43	171	141	36	29	(122)	(112)	72	(89)	169
Adjusted EBIT	42	169	140	40	30	(122)	(97)	(69)	(95)	38
1st quarter ended Dec. 31, 2013										
External sales	1,426	1,544	1,286	2,592	1,712	535	14	-	0	9,109
Internal sales within the Group	2	0	2	147	362	3	28	-	(544)	0
Total sales	1,428	1,544	1,288	2,739	2,074	538	42	-	(544)	9,109
EBIT	56	133	173	43	20	1	(116)	187	(99)	398
Adjusted EBIT	64	175	173	34	19	(17)	(103)	0	(98)	247

* Discontinued operation

Net sales and adjusted EBIT as well as operating EBIT reconcile to EBT from continuing operations as presented in the consolidated statement of income as following:

Reconciliation of sales

million €	1st quarter ended Dec. 31, 2012	1st quarter ended Dec. 31, 2013
Sales as presented in segment reporting	10,412	9,109
- Sales of Stainless Global	(1,402)	-
+ Sales of discontinued operations to Group companies	134	-
+ Sales of Group companies to discontinued operations	45	-
Sales as presented in the statement of income	9,189	9,109

Reconciliation of EBIT to EBT

million €	1st quarter ended Dec. 31, 2012	1st quarter ended Dec. 31, 2013
Adjusted EBIT as presented in segment reporting	38	247
Special items	131	151
EBIT as presented in segment reporting	169	398
- Depreciation of capitalized borrowing costs eliminated in EBIT	(6)	(5)
+ Non-operating income/(expense) from companies accounted for using the equity method	0	(52)
+ Finance income	130	212
- Finance expense	(295)	(565)
- Items of finance income assigned to EBIT based on economic classification	(26)	(28)
+ Items of finance expense assigned to EBIT based on economic classification	19	(2)
EBT - Group	(9)	(42)
- EBT of Stainless Global	(64)	(187)
EBT from continuing operations as presented in the statement of income	(73)	(229)

10 Cost of sales

Cost of sales for the the 1st quarter ended December 31, 2013, includes write-downs of inventories of €28 million which mainly relate to the Steel Europe and Steel Americas business areas. As of September 30, 2013, write-downs amounted to €94 million. In the the 1st quarter ended December 31, 2012, cost of sales includes write-downs of inventories of €13 million which mainly related to the Steel Europe and Components Technology business areas.

Furthermore, cost of sales include €27 million restructuring expense, which relates mostly to the Elevator Technology business area and in a smaller amount to the Components Technology business area.

11 Income/(expense) from companies accounted for using the equity method

The line item includes expenses of €52 million in the 1st quarter ended December 31, 2013 (1st quarter ended December 31, 2012: 0) resulting from the investment in Outokumpu accounted for using the equity method; these expenses comprise the pro rata losses of Outokumpu from October 01, 2013 to November 29, 2013 and the measurement at fair value.

12 Earnings per share

Basic earnings per share is calculated as follows:

Earnings per share

	1st quarter ended Dec. 31, 2012*		1st quarter ended Dec. 31, 2013	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	(61)	(0.12)	(251)	(0.47)
Income/(loss) from discontinued operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	60	0.12	187	0.35
Income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(1)	0.00	(64)	(0.12)
Weighted average shares	514,489,044		530,495,370	

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation and the catch up of amortization and depreciation of ThyssenKrupp CSA (see "Recently adopted accounting standards" and Note 2).

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

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

In the 1st quarter ended December 31, 2013 the weighted average number of shares increased as a result of the capital increase carried out at the beginning of December 2013 (see Note 05).

There were no dilutive securities in the periods presented.

13 Additional information to the consolidated statement of cash flows

The liquid funds considered in the consolidated statement of cash flows correspond to the „Cash and cash equivalents“ line item in the consolidated statement of financial position taking into account the cash and cash equivalents attributable to the disposal groups inclusive of discontinued operations.

Non-cash investing activities

In the 1st quarter ended December 31, 2013, the acquisition and first-time consolidation of companies created an increase in non-current assets of €1 million (1st quarter ended December 31, 2012: €4 million).

The non-cash addition of assets under finance leases in the 1st quarter ended December 31, 2013 amounted to €3 million (1st quarter ended December 31, 2012: €3 million).

In connection with the second construction stage of the “ThyssenKrupp Quarter” located in Essen, there was a non-cash addition of property, plant and equipment of €18 million in the 1st quarter ended December 31, 2013 (1st quarter ended December 31, 2012: €5 million).

Non-cash financing activities

In the 1st quarter ended December 31, 2013, the acquisition and first-time consolidation of companies has not resulted in any increase in gross financial debt (1st quarter ended December 31, 2012: €0 million).

In connection with the second construction stage of the “ThyssenKrupp Quarter” located in Essen, there was a non-cash increase in financial debt of €18 million in the 1st quarter ended December 31, 2013 (1st quarter ended December 31, 2012: €5 million).

Essen, February 12, 2014

ThyssenKrupp AG

The Executive Board

Hiesinger

Burkhard

Kaufmann

Kerkhoff

Review report

To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed consolidated interim financial statements - comprising statement of financial position, the statement of income and statement of comprehensive income, the statement of changes in equity, the statement of cash flows and selected explanatory notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2013, to December 31, 2013, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragraph) 3 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in material respects, 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 respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures 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 audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Essen, February 13, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann

(German Public Auditor)

Volker Linke

(German Public Auditor)

Report by the Supervisory Board Audit Committee

The interim report for the 1st quarter of the 2013/2014 fiscal year (October to December 2013) 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 13, 2014 and explained by the Executive Board. The auditors were available to provide additional information. The Audit Committee approved the interim report.

Essen, February 13, 2014

Chairman of the Audit Committee

Prof. Dr. Bernhard Pellens

Contact and 2014/2015 dates

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2014/2015 dates

May 13, 2014

Interim report

1st half 2013/2014 (October to March)

Conference call with analysts and investors

August 14, 2014

Interim report

9 months 2013/2014 (October to June)

Conference call with analysts and investors

November 20, 2014

Annual press conference

Analysts' and investors' conference

January 30, 2015

Annual General Meeting

February 13, 2015

Interim report

1st quarter 2014/2015 (October to December)

Conference call with analysts and investors

Forward-looking statements

This document 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.

Rounding differences and rates of change

Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets (). Very high positive and negative rates of change ($\geq 1,000\%$ or $\leq (100)\%$) are indicated by ++ and -- respectively.

Variances for technical reasons

Under statutory disclosure requirements, the Company must submit the interim report to the electronic Federal Gazette (Bundesanzeiger). For technical reasons there may be variances between the accounting documents contained in this report and those published in the Federal Gazette.

This English version of the annual 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>.

