

INTERIM REPORT 2013/2014

**THYSSENKRUPP AG
1ST HALF
October 01, 2013 – March 31, 2014**

Developing the future.



ThyssenKrupp

Contents

Interim Report 1st half 2013/2014 — October 01, 2013 – May 31, 2014

Interim Management Report

02

ThyssenKrupp in figures

03

ThyssenKrupp in brief

04

Strategic development of the Group

07

Group review

12

Expected developments

14

Business area review

24

Results of operations and financial position

27

Subsequent events

28

ThyssenKrupp stock

29

Rating

29

Innovations

30

Employees

30

Compliance

31

Macro and sector environment

34

Opportunities and risks

Condensed interim financial statements

37

Consolidated statement of financial position

38

Consolidated statement of income

39

Consolidated statement of comprehensive income

40

Consolidated statement of changes in equity

41

Consolidated statement of cash flows

42

Selected notes to the consolidated financial statements

61

Review report

62

Responsibility statement

Further information

63

Report by the Supervisory Board Audit Committee

64

Contact and 2014/2015 dates

This interim report was published on May 13, 2014.

ThyssenKrupp in figures

Group Continuing Operations ¹⁾

		1st half 2012/2013	1st half 2013/2014	Change	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change	Change in %
Order intake	million €	20,176	20,891	715	4	10,113	10,220	107	1
Net sales total	million €	18,729	19,404	675	4	9,540	10,295	755	8
EBITDA	million €	595	1,066	471	79	226	598	372	165
EBIT	million €	42	537	495	++	(52)	327	379	++
EBIT margin	%	0.2	2.8	2.6	—	(0.5)	3.2	3.7	—
Adjusted EBIT	million €	297	555	258	87	193	309	116	60
Adjusted EBIT margin	%	1.6	2.9	1.3	—	2.0	3.0	1.0	—
EBT	million €	(319)	139	458	++	(243)	369	612	++
Income/(loss) (net of tax)	million €	(206)	15	221	++	(129)	272	401	++
attributable to ThyssenKrupp AG's shareholders	million €	(194)	19	213	++	(131)	271	402	++
Basic earnings per share	€	(0.38)	0.03	0.41	++	(0.25)	0.48	0.73	++
Operating cash flow	million €	216	(209)	(425)	--	162	(356)	(518)	--
Cash flow from disposals	million €	984	1,046	62	6	50	1,023	973	++
Cash flow for investments	million €	(621)	(452)	169	27	(287)	(220)	67	23
Free cash flow	million €	579	385	(194)	(34)	(75)	447	522	++
Employees (March 31)		155,473	160,786	5,313	3	155,473	160,786	5,313	3

¹⁾ Prior-year figures have been adjusted.

Full Group ²⁾

		1st half 2012/2013	1st half 2013/2014	Change	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change	Change in %
Order intake	million €	21,315	20,891	(424)	(2)	10,113	10,220	107	1
Net sales total	million €	19,952	19,404	(548)	(3)	9,540	10,295	755	8
EBITDA	million €	666	1,251	585	88	223	596	373	167
EBIT	million €	113	722	609	539	(53)	325	378	++
EBIT margin	%	0.6	3.7	3.1	—	(0.6)	3.2	3.8	—
Adjusted EBIT	million €	226	555	329	146	191	309	118	62
Adjusted EBIT margin	%	1.1	2.9	1.8	—	2.0	3.0	1.0	—
EBT	million €	(254)	324	578	++	(242)	367	609	++
Net income/(loss)	million €	(145)	200	345	++	(127)	270	397	++
attributable to ThyssenKrupp AG's shareholders	million €	(132)	204	336	++	(129)	269	398	++
Basic earnings per share	€	(0.26)	0.37	0.63	++	(0.25)	0.48	0.73	++
Operating cash flow	million €	22	(209)	(231)	--	162	(356)	(518)	--
Cash flow from disposals	million €	983	1,046	63	6	49	1,023	974	++
Cash flow for investments	million €	(719)	(452)	267	37	(286)	(220)	66	23
Free cash flow	million €	286	385	99	35	(75)	447	522	++
Net financial debt (March 31)	million €	5,298	3,960	(1,338)	(25)	5,298	3,960	(1,338)	(25)
Total equity (March 31)	million €	4,247	3,183	(1,064)	(25)	4,247	3,183	(1,064)	(25)
Employees (March 31)		155,473	160,786	5,313	3	155,473	160,786	5,313	3

²⁾ Prior-year figures for all income figures and total equity have been adjusted.

Business Areas

	Order intake million €		Net sales total million €		EBIT million €		Adjusted EBIT million €		Employees	
	1st half 2012/2013	1st half 2013/2014	1st half 2012/2013	1st half 2013/2014	1st half 2012/2013	1st half 2013/2014	1st half 2012/2013	1st half 2013/2014	March 31, 2013	March 31, 2014
Components Technology	2,684	3,012	2,705	2,983	106	122	103	138	27,698	28,354
Elevator Technology	3,249	3,382	2,920	3,025	304	292	315	338	48,150	49,316
Industrial Solutions	3,597	3,483	2,734	2,881	339	368	320	372	18,427	19,081
Materials Services	5,753	6,256	5,738	6,059	(121)	80	98	90	26,230	30,653
Steel Europe	5,023	4,704	4,765	4,463	19	72	39	81	27,773	26,397
Steel Americas ³⁾	1,069	1,183	989	1,073	(166)	118	(166)	(43)	4,068	4,037
Corporate	98	85	98	84	(251)	(315)	(217)	(222)	3,127	2,948
Consolidation	(1,297)	(1,214)	(1,220)	(1,164)	(188)	(200)	(195)	(199)		
Continuing Operations	20,176	20,891	18,729	19,404	42	537	297	555	155,473	160,786

	Order intake million €		Net sales total million €		EBIT million €		Adjusted EBIT million €	
	2nd quarter 2012/2013	2nd quarter 2013/2014	2nd quarter 2012/2013	2nd quarter 2013/2014	2nd quarter 2012/2013	2nd quarter 2013/2014	2nd quarter 2012/2013	2nd quarter 2013/2014
Components Technology	1,360	1,573	1,360	1,555	64	67	62	75
Elevator Technology	1,633	1,581	1,388	1,481	133	159	146	163
Industrial Solutions	1,595	1,188	1,428	1,593	198	195	180	199
Materials Services	2,988	3,414	2,923	3,320	(157)	37	58	56
Steel Europe	2,620	2,430	2,512	2,389	(10)	52	9	62
Steel Americas ³⁾	509	574	501	535	(44)	117	(44)	(26)
Corporate	43	43	43	42	(139)	(199)	(120)	(119)
Consolidation	(635)	(583)	(615)	(620)	(97)	(101)	(98)	(101)
Continuing Operations	10,113	10,220	9,540	10,295	(52)	327	193	309

³⁾ Prior-year figures for EBIT and Adjusted EBIT have been adjusted.

ThyssenKrupp in brief

ThyssenKrupp has around 161,000 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

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 was reported as a disposal group until its sale on February 26, 2014. Following the disposal of the discontinued operation 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 half 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 was accounted for by the equity method until the announcement of its sale on November 29, 2013 and its equity method income was not included in EBIT due to its non-operating nature; the sale was closed on February 28, 2014.

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. Concerns about the climate and the environment as well as stricter statutory requirements 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 more sustainable infrastructure.

Thanks to 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 a stronger performance orientation, changes in our corporate culture, leadership and structure, and continuous portfolio optimization. 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 half 2013/2014. With the sale of ThyssenKrupp Steel USA and the slab supply contract for ThyssenKrupp CSA, the ending of financial links with Outokumpu and the successful capital increase we significantly reduced our risk profile, strengthened our key financial ratios and secured value for the company.

Sale of ThyssenKrupp Steel USA completed

On February 26, 2014 we completed the sale of the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama to a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation. On completion of the transaction we received a purchase price of US\$1.55 billion; added to this came preliminary purchase price adjustments, in particular for increased net working capital. At the same time a valuable long-term slab supply contract was agreed that will provide a sustainable solution for the ThyssenKrupp CSA steel mill in Brazil. The consortium will purchase two million tons of slabs per year from ThyssenKrupp CSA up to 2019. The agreement will reliably secure a minimum 40 percent capacity utilization of the mill for several years. In addition, stronger penetration of the slab markets in South and North America will further increase ThyssenKrupp CSA's capacity utilization. With the sale and the slab supply contract we have created important conditions for further improvements to our cash flow profile and key financial ratios. Following completion of the sale, we are now concentrating on further operating improvements at the Brazilian plant, where clear progress has already been made in technical performance and efficiency.

ThyssenKrupp CSA will remain in the Steel Americas business area, which will continue to be stated separately in our financial reports.

Ending of all financial links with Outokumpu

On February 28, 2014 we transferred to Outokumpu the financial receivable created in connection with the Inoxum sale and in return acquired the companies VDM and AST as well as a number of European stainless steel service centers from Outokumpu. In addition, to fulfill the requirements of the EU Commission we disposed of our 29.9% interest in Outokumpu and ended all other financial links with Outokumpu. Within ThyssenKrupp the acquired companies have been integrated into the Materials Services business area to take advantage of the market presence of the existing distribution network. We are currently analyzing the business models and plans of VDM and AST in detail; together with the management a sustainable industrial plan backed by extensive measures will be finalized by the summer.

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. The sale of the grain-oriented electrical steel business of the Steel Europe business area with plants in Gelsenkirchen, Germany, Isbergues, France, and Nashik, India, is in the marketing phase. In addition, the restructuring activities initiated last fiscal year in the construction equipment components business (Berco) of the Components Technology business area are being continued in order to secure the sustainability of the business and support its intended sale.

The disposal process for the "Railway/Construction" unit initiated by the Materials Services business area in May 2013 was stopped in March 2014 following an in-depth review of the purchase bids. The profitable construction equipment operations will be repositioned within the Materials Services business area following a business model analysis. The railway equipment business, negatively impacted by the rail cartel and subject to extreme cost pressure, will not be continued. The sites concerned will be individually sold or closed.

In view of the announcement by the Swedish government that future naval shipbuilding programs will be carried out nationally, we began talks with Saab in mid-April 2014 on a sale of the Swedish shipyard ThyssenKrupp Marine Systems AB (formerly Kockums). Any transaction would be subject to regulatory approval. We plan to concentrate our naval shipbuilding operations at the sites in Kiel, Hamburg and Emden.

Expansion of important growth areas

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

- In November 2013 the Industrial Solutions business area signed an agreement to set up a joint venture with Industrie De Nora, a provider of electrochemical technologies based in Milan, Italy. By combining their engineering, procurement and construction activities in the field of electrolysis plants, the two partners will widen their technology platforms and increase proximity to customers as well as global presence. 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.
- As well as further strengthening its service business through acquisitions worldwide, 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, we plan to build a research and development center in Rottweil to test and certify elevators for the tallest buildings in the world. In China a new multi-function building is being built at the Songjiang elevator plant, due for completion by mid-2014, and in Zhongshan we are in the final planning phase of a new elevator plant with test tower. In India construction work has started on a state-of-the-art manufacturing center in Pune. We are also modernizing our facilities in the USA and Brazil.
- In the Components Technology business area the expansion of new manufacturing sites in the automotive growth markets continued. In December 2013 we opened a new plant in Chengdu (China) to build automotive springs and stabilizers for the Chinese market. In February 2014 construction work started on a further plant for cylinder head modules in Poços de Caldas (Brazil). Production is scheduled to begin in 2015. Two further plants for steering systems and cylinder head modules in China are nearing completion and will start production shortly.
- The Materials Services business area expanded its service and processing capacities through acquisitions. In addition, targeted investment was made in growth markets; in March 2014 a new service center was opened in Alabama to strengthen materials distribution in North America.

We also further intensified our research and development efforts in the reporting period. For instance we initiated a Groupwide product development process called Product Lifecycle Management. The aim is to systematically optimize all phases of the product lifecycle, from design and sale to usage and recycling. 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. We are also further expanding the share of services in our business with the launch of a Global Service Initiative. Under the initiative new service-focused business models will be developed to tap into additional market segments.

Corporate program “impact 2015” making further progress

The corporate program impact combines performance-enhancing initiatives and measures to 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. We already achieved savings of €600 million in the past fiscal year, significantly exceeding our €500 million target. In the 1st half 2013/2014 further EBIT effects of €490 million were achieved. We are therefore confident that we can meet our savings target of €850 million for the current year.

Important contributions are being made by the Groupwide purchasing initiative synergize+ and programs in the business areas that are being continued or launched this fiscal year. They include a new program to improve production systems in the Components Technology business area. The aim is to increase the efficiency and productivity of the over 80 production sites of the Components Technology group worldwide.

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 as a result of the new structures and processes. Most of these 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 business units of the business areas and regions. In a second step, key functions currently performed locally will be combined and organized efficiently and competitively in a “Global Shared Services” unit. This concerns site-independent activities such as certain accounting, IT, real estate management and human resources functions. In the negotiations with the codetermination bodies an agreement in principle was reached in early May. The outcome is still subject to approval on both sides. 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 has selected corporate governance and compliance as key areas of its 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 and strategic milestones achieved

ThyssenKrupp achieved its operating and strategic targets for the 2nd quarter 2013/2014 and 1st half 2013/2014:

Adjusted EBIT from continuing operations in both quarters was more than €100 million higher year-on-year and in the 1st half as a whole came to €555 million, 87% up from the prior year and fully in line with our outlook for the fiscal year; this reflects our stronger performance focus and progress in implementing the measures under the impact program. The 2nd quarter contributed €309 million to adjusted EBIT, an increase of 26% from the prior quarter. All business areas except Steel Americas made clear positive contributions in each quarter; the losses at Steel Americas were lower year-on-year in both quarters and decreased in total by more than €100 million. All the capital goods businesses increased their earnings compared with the 2nd quarter and 1st half of the prior year; at €848 million their profits in the first six months were significantly higher than those of the materials businesses, which also generated clear positive earnings of €128 million in total even including Steel Americas. Adjusted EBIT at Corporate in the 1st half came to €(222) million and consolidation €(199) million. In the first six months of the fiscal year the full Group generated net income attributable to the shareholders of ThyssenKrupp AG of €204 million; the 2nd quarter contributed €269 million to this.

As expected, free cash flow from continuing operations before divestments at €(661) million in the 1st half 2013/2014 was slightly lower year-on-year due to the compensation payment to Deutsche Bahn and the preparatory measures for the relining of blast furnace Schwelgern 2. However, thanks to the successful capital increase at the beginning of December 2013 and the cash inflows from the successful completion of the Outokumpu transaction and the sale of ThyssenKrupp Steel USA, the full Group's net financial debt decreased compared with the end of fiscal 2012/2013 from €5.0 billion to €4.0 billion, equity increased from €2.5 billion to €3.2 billion, and gearing was reduced significantly by around 76 percentage points to 124.4%. These figures also already include a cash outflow of €279 million resulting from the winding-down of the non-operating US-based subsidiary The Budd Company in a Chapter 11 case. In this connection healthcare obligations of €691 million were also shed, meaning no more cash outflows will result from these in the future.

With cash, cash equivalents and committed undrawn credit lines totaling €8.8 billion at March 31, 2014 and a balanced and extended maturity profile, ThyssenKrupp is solidly financed.

Capital goods businesses drive growth in orders and sales

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

Order intake from continuing operations

in million €		
1st quarter		10,063
1st half		20,176
9 months		29,577
12 months		38,636
2012/2013		
1st quarter		10,671
1st half		20,891
2013/2014		

Order intake from continuing operations came to €20.9 billion in the 1st half, up 4% year-on-year despite negative exchange rate effects; on a comparable basis, i.e. excluding currency and portfolio effects, order intake increased by 6% year-on-year. 2nd quarter order intake was €10.2 billion, up slightly year-on-year. On a comparable basis it gained 2%. Compared with the prior quarter, which profited from a major order from Asia for Marine Systems, orders declined slightly.

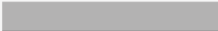
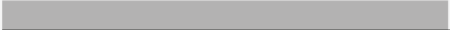

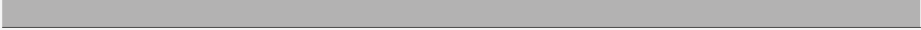
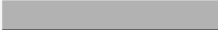

On a comparable basis all the capital goods businesses matched or exceeded their prior-year order intake in the first six months. Components Technology recorded particularly strong gains in both quarters and an overall increase of 15% in the 1st half; the demand recovery for auto components strengthened and the slight improvement in industrial components from the weak prior-year levels continued. Order intake at Elevator Technology was mainly driven by improved demand in China, the USA and South Korea, gaining year-on-year on a comparable basis in both quarters. Industrial Solutions matched its prior-year performance on a comparable basis. Orders in hand at Elevator Technology and Industrial Solutions came to around €19 billion in total at March 31, 2014, forming a strong base for profitable sales growth in these businesses.

Order intake in the business areas of the materials activities was influenced by portfolio measures: With effect from March 01, 2014 Materials Services includes the contributions of the VDM and AST groups transferred from Outokumpu, but on a comparable basis orders improved due to higher volumes – aided in particular by numerous sales initiatives. Against continuing high price pressure, new orders at Steel Europe were down year-on-year, partly as a result of the disposal of the tailored blanks business, but gained quarter-on-quarter – as at Materials Services – not least due to seasonal factors. Orders at Steel Americas increased despite the sale of ThyssenKrupp Steel USA at the end of February 2014; ThyssenKrupp CSA increased its order intake year-on-year by 13% in the first six months 2013/2014 due to positive volume effects.

Sales from continuing operations, at €19.4 billion in the 1st half and €10.3 billion in the 2nd quarter 2013/2014, were higher year-on-year in all business areas except Steel Europe where sales fell due to disposals. On a comparable basis sales increased year-on-year by 7% in the 1st half and 9% in the 2nd quarter, profiting in particular from strong growth and high orders in hand in the capital goods operations. In the 2nd quarter all business areas increased their sales quarter-on-quarter due to seasonal and volume effects – except for small seasonal declines at Elevator Technology and flat sales at Steel Americas.

Order intake and sales of the full Group in the 1st half 2013/2014 were lower year-on-year as the 1st quarter of the prior year still included the discontinued operation Stainless Global.

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
1st half		19,404
2013/2014		

impact program having an effect – adjusted EBIT up significantly

Adjusted EBIT from continuing operations

in million €		
1st quarter		104
1st half		297
9 months		433
12 months		586
2012/2013		
1st quarter		246
1st half		555
2013/2014		

In a still difficult and highly competitive climate, adjusted EBIT from continuing operations increased significantly year-on-year and quarter-on-quarter to €555 million in the 1st half and €309 million in the 2nd quarter 2013/2014.

In all the capital goods operations adjusted EBIT was higher year-on-year in both the 2nd quarter and the 1st half. Components Technology and Industrial Solutions also improved their earnings quarter-on-quarter. Components Technology profited mainly from performance improvements due to restructuring and efficiency measures initiated in the prior year, while Industrial Solutions benefited from the initial recognition of revenues and earnings from a number of major contracts mainly in Process Technologies. At Elevator Technology earnings were slightly lower quarter-on-quarter for seasonal reasons but earnings and margins increased year-on-year in both quarters due to the positive effects of performance and restructuring measures; adjusted EBIT margin was 0.4 percentage points higher year-on-year in the 1st half and 0.5 percentage points higher at 11.0% in the 2nd quarter.

Aided by numerous efficiency measures and sales initiatives, 1st half adjusted EBIT at Materials Services was roughly level with the prior year despite continuing high price pressure and intense competition. At Steel Europe, the measures under the “Best-in-Class Reloaded” program helped in doubling adjusted EBIT compared with the first six months of the prior year. At both Materials Services and Steel Europe adjusted EBIT in the 2nd quarter was up quarter-on-quarter, mainly due to seasonal and volume effects. Steel Americas remained negative in the reporting period with adjusted EBIT of €(43) million. Thanks to efficiency and volume gains and positive effects from market prices in the USA, however, the losses were reduced by more than €100 million compared with the prior year, which also profited from a positive non-period tax effect. Adjusted EBIT deteriorated slightly quarter-on-quarter; declining contributions from ThyssenKrupp Steel USA were partly offset by operating improvements and positive translation effects at ThyssenKrupp CSA.

Including the discontinued operations the Group's adjusted EBIT increased from €226 million to €555 million in the 1st half 2013/2014. The main reasons were improvements in the continuing operations and the absence of the operating losses at Stainless Global from the 1st quarter of the prior year with the completion of the disposal.

EBIT and financial position impacted by special items

In the 1st half 2013/2014 EBIT from continuing operations was impacted by net special items of €18 million. The special items in the 1st quarter 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. The special items in the 2nd quarter came to a net €(18) million and related in particular to income from the sale of ThyssenKrupp Steel USA at Steel Americas and income from the deconsolidation of the non-operating US subsidiary The Budd Company at Corporate. This was partly offset at Corporate by a loss on the sale of the Outokumpu shareholding in the 2nd quarter, but this was in turn largely offset by corresponding financial income of almost the same amount due to derecognition of a share derivative (see also Note 02).

Special items from Continuing Operations

Mio €	1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
EBIT ¹⁾	42	537	++	(52)	327	++
+/- Disposal losses/gains	(3)	(61)	--	2	(63)	--
+ Restructuring expenses	45	90	100	32	40	25
+ Impairment	4	(1)	--	5	0	--
+ Other non-operating expenses	234	10	(96)	228	7	(97)
- Other non-operating income	(25)	(20)	20	(22)	(2)	91
Adjusted EBIT ¹⁾	297	555	87	193	309	60

¹⁾ Prior-year figures have been adjusted.

After special items, EBIT from continuing operations came to €537 million in the 1st half. The prior-year figure was €42 million. After-tax earnings from continuing operations increased accordingly from €(206) million to €15 million; they increased quarter-on-quarter in the 2nd quarter from €(256) million to €272 million. In addition to operating improvements the main reason was the charge to net financial income/expense of €276 million attributable to the Outokumpu shareholding in the 1st quarter, which was partly offset in the 2nd quarter by the above financial income of €224 million.

On this basis the full Group generated net income attributable to the shareholders of ThyssenKrupp AG of €204 million in the first six months of the fiscal year, of which the 2nd quarter contributed €269 million. The net income for the period included income in the 1st half attributable to the discontinued operations in the net amount of €185 million. This mainly stems from the 1st quarter 2013/2014 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.

Earnings per share improved year-on-year from €(0.26) to €0.37 in the 1st half 2013/2014 and came to €0.48 in the 2nd quarter.

Net financial debt further reduced

As expected, free cash flow from continuing operations before disposals at €(661) million in the 1st half 2013/2014 was slightly lower year-on-year due to the compensation payment to Deutsche Bahn and the preparatory measures for the relining of blast furnace Schwelgern 2. Including disposals, in particular the cash inflows from the sale of ThyssenKrupp Steel USA, the free cash flow of the full Group came to €385 million; the prior-year figure, which included the cash inflows from the Inoxum transaction, was €286 million.

The full Group's net financial debt at March 31, 2014 came to €3,960 million, down both from a year earlier (€5,298 million) and 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.

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 March 31, 2014 the gearing ratio was 124.4%, around 76 percentage points lower than at September 30, 2013 and back below the gearing limit of 150%. The main reasons for the improvement were the capital increase carried out in early December 2013 and the proceeds from the sale of ThyssenKrupp Steel USA in February 2014.

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
March 31		(11)%	3,960
2013/2014			

At March 31, 2014 the Group's available liquidity amounted to €8.8 billion, consisting of €5.1 billion cash and cash equivalents and €3.7 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 contributed 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.

Bond successfully issued

On February 19, 2014 ThyssenKrupp AG issued a €1.25 billion bond with a maturity of 5 years and 8 months under its €10 billion debt issuance program. With an order book of over €6 billion the bond was very well received by the capital market. The bond carries a coupon of 3.125% p.a. at an issue price of 99.201%. The issue took advantage of the good market environment and achieved a historically favorable coupon for ThyssenKrupp. It also extended the maturity profile of the company's financial debt and strengthened the capital market share of its financing mix. The minimum denomination of €1,000 means it is eligible to be bought by retail investors.

New syndicated credit facility agreed

On March 28, 2014 ThyssenKrupp agreed a new €2.0 billion syndicated credit line with its financial partners. The facility has an initial term to March 28, 2017. At the end of the first and second years it can be extended by a year in each case with the approval of the lenders. The new credit line replaces the €2.5 billion credit facility that would have expired in July 2014.

Capital expenditures down year-on-year

In the 1st half 2013/2014 ThyssenKrupp invested a total of €452 million, compared with €719 million in the 1st half 2012/2013. €99 million of the decline was attributable to the discontinued operations and resulted from the absence of expenditures at Stainless Global on completion of the disposal.

In the first six months of the current fiscal year we spent €193 million on the capital goods businesses, including €138 million at Components Technology. 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 and started construction of a further plant for cylinder head modules in Poços de Caldas (Brazil) in February 2014. It will start production in 2015. Two further plants for steering systems and cylinder head modules in China are nearing completion and will begin production shortly. Elevator Technology invested in expanding and modernizing its plants as well as further strengthening its service business through acquisitions. Industrial Solutions invested mainly in its Resource Technologies business in service centers in Brazil and Chile and a fabrication site in Australia. We invested a total of €238 million in our materials operations. Of this, €154 million went to Steel Europe, including for the relining of blast furnace Schwelgern 2 in the summer, and €55 million to Steel Americas. Materials Services expanded its service and processing capacities through smaller acquisitions and opened a new service center in Alabama and a new processing center in Bulgaria.

Expected developments

The following forecast relates to the continuing operations of the Group after the reintegration of Steel Americas. It includes the disposal group ThyssenKrupp Steel USA up to the closing of the sale at the end of February 2014. The VDM and AST groups transferred from Outokumpu to ThyssenKrupp at the end of February 2014 are also included:

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

- The Group's sales on a comparable basis should grow year-on-year by a mid to higher 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 should deliver increasing sales contributions.

- **Materials businesses:** At Materials Services selective growth initiatives and the integration of the VDM and AST groups are expected to result in higher sales, while sales at Steel Europe will be slightly lower due to portfolio measures. At Steel Americas, continuing technical optimization and increasing penetration of the slab markets in North and South America should offset the absence of ThyssenKrupp Steel USA's sales following the disposal.
- **Adjusted EBIT for the Group** should almost double year-on-year (adjusted EBIT 2012/2013: €586 million, restated). Apart from Steel Americas all business areas will make positive contributions. As a result of operating progress, Steel Americas' loss will again decline significantly. 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, 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 proceeds from the sale of the ThyssenKrupp Steel USA rolling and coating plant in Calvert/Alabama significantly reduce our net financial debt and gearing; 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 half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Order intake	million €	2,684	3,012	12	1,360	1,573	16
Sales	million €	2,705	2,983	10	1,360	1,555	14
EBIT ¹⁾	million €	106	122	15	64	67	5
EBIT margin	%	3.9	4.1	—	4.7	4.3	—
Adjusted EBIT ¹⁾	million €	103	138	34	62	75	21
Adjusted EBIT margin	%	3.8	4.6	—	4.6	4.8	—
Employees (March 31)		27,698	28,354	2	27,698	28,354	2

¹⁾ Prior-year figures have been adjusted.

The Components Technology business area produces and markets 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 products is based on years of experience in both forging and cold forming. Together with expertise in machining and complex assembly processes, Components Technology has development and manufacturing know-how for high-performance components along the entire value chain.

Order intake and sales higher

Components Technology continued its strong 1st quarter performance into the 2nd quarter and achieved order intake of €3 billion in the 1st half, a year-on-year increase of 12%, or 15% on a comparable basis. In the 2nd quarter alone new orders increased by around 16% to €1.6 billion despite negative currency translation effects mainly from the US dollar and Brazilian real; on a comparable basis the growth was 19%. The demand recovery for car and truck components in western Europe strengthened. The positive trend on the car markets in China and the NAFTA region also continued, although demand in the USA was weaker at the start of the year due to the severe winter; demand for trucks and off-highway vehicles was higher. The market in India remained weak due to economic uncertainty. At Powertrain and Chassis, business was stronger in the mid-size and premium segments partly as a result of new product launches. The build-out of our new plants, above all in Asia and South America, continues to make good progress. In February 2014 the foundation stone was laid for a new plant to produce automotive components in Poços de Caldas in Brazil. When complete it will manufacture more than a million cylinder head modules a year to allow more efficient engine assembly for automotive manufacturers. In the industrial components business the slight recovery from the weak prior-year levels continued. Demand in China in particular resulted in higher orders for wind turbine components. However there was no reversal in the weak demand trend for construction equipment components in western Europe.

Following the trend in orders, 1st half sales also increased significantly year-on-year, by 10% to around €3 billion; on a comparable basis sales were 13% higher. 2nd quarter sales improved year-on-year by 14% and on a comparable basis by 17%. Compared with the seasonally weaker 1st quarter, orders and sales were around 9% higher.

Earnings and margin higher

At €138 million in the 1st half and €75 million in the 2nd quarter, adjusted EBIT of Components Technology was higher year-on-year, reflecting increased sales and above all performance improvements due to restructuring and efficiency measures introduced in the prior year under the corporate program impact. The results also include startup costs for new plants and new products. Adjusted EBIT margin increased to 4.8% in the 2nd quarter.

EBIT was impacted by special items in the 1st half, mainly resulting from restructuring expenses for personnel measures in the construction equipment components business (Berco) and impairment of an equity-method investment as part of a disposal process.

Components Technology order intake			Components Technology adjusted EBIT		
in million €, quarter on quarter rate of change			in million €, quarter on quarter rate of change*		
Q1		1,324	Q1		41
Q2	+ 3%	1,360	Q2	+ 51%	62
Q3	+ 13%	1,539	Q3	+ 29%	80
Q4	(3)%	1,492	Q4	(29)%	57
2012/2013			2012/2013		
Q1	(4)%	1,439	Q1	+ 11%	63
Q2	+ 9%	1,573	Q2	+ 19%	75
2013/2014			2013/2014		

* Figures for Q1 2012/2013 to Q1 2013/2014 have been adjusted.

The construction equipment components business is no longer reported as a disposal group at March 31, 2014; as a result, €6 million amortization and depreciation not charged since October 01, 2012 has to be recovered, including €2 million for the 1st half 2013/2014 (see also Note 02). The restructuring activities begun last fiscal year are being continued in order to secure the sustainability of the business and support its intended sale.

Elevator Technology

Elevator Technology in figures

		1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Orders in hand (March 31)	million €	3,766	3,834	2	3,766	3,834	2
Order intake	million €	3,249	3,382	4	1,633	1,581	(3)
Sales	million €	2,920	3,025	4	1,388	1,481	7
EBIT	million €	304	292	(4)	133	159	20
EBIT margin	%	10.4	9.7	—	9.6	10.7	—
Adjusted EBIT	million €	315	338	7	146	163	12
Adjusted EBIT margin	%	10.8	11.2	—	10.5	11.0	—
Employees (March 31)		48,150	49,316	2	48,150	49,316	2

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

Order growth driven by improved demand in China, the USA and South Korea

Due to negative exchange rate effects, order intake at €1.6 billion in the 2nd quarter was down slightly year-on-year; however on a comparable basis order intake increased slightly reflecting a continuing strong operating performance. Compared with the 1st quarter orders were lower for seasonal reasons. In the 1st half 2013/2014 new orders increased year-on-year by 4% to €3.4 billion – mainly driven by improved demand in China, the USA and South Korea. Excluding negative exchange rate effects the increase was 9%. Demand in Europe was steady, despite delays to some major projects. Orders in hand increased year-on-year and quarter-on-quarter.

Sales strong, particularly in Asia

Driven by the strong order intake, 1st half sales also increased significantly year-on-year to €3.0 billion, gaining 8% excluding negative exchange rate effects. 2nd quarter sales came to €1.5 billion, up 7% year-on-year despite negative exchange rate effects, on a comparable basis the increase was 12%. Whereas sales in Europe were slightly higher year-on-

year, we again recorded double-digit growth rates in Asia – particularly in China – mainly due to high demand for new installations. Like orders, 2nd quarter sales were also lower quarter-on-quarter for seasonal reasons.

Elevator Technology order intake				Elevator Technology adjusted EBIT			
in million €, quarter on quarter rate of change				in million €, quarter on quarter rate of change			
Q1			1,616	Q1			169
Q2		+ 1%	1,633	Q2		(14)%	146
Q3		+ 4%	1,696	Q3		+ 18%	172
Q4		(7)%	1,575	Q4		+ 9%	188
2012/2013				2012/2013			
Q1		+ 14%	1,801	Q1		(7)%	175
Q2		(12)%	1,581	Q2		(7)%	163
2013/2014				2013/2014			

Performance program having an effect

In the 1st half 2013/2014 Elevator Technology improved its sales and adjusted EBIT margin year-on-year and increased its adjusted EBIT by 7% to €338 million despite negative exchange rate effects. The earnings and margin improvement mainly reflects a strong operating performance and the positive effects of performance optimization and restructuring measures under the corporate program impact. 2nd quarter adjusted EBIT was slightly lower quarter-on-quarter for seasonal reasons, but increased year-on-year by 12% to €163 million. Compared with the prior year, adjusted EBIT margin increased by 0.4 percentage points in the 1st half and by 0.5 percentage points to 11.0% in the 2nd quarter.

EBIT came to €292 million in the 1st half. It includes special items of €46 million, mainly for restructuring measures in Europe in the 1st quarter.

Industrial Solutions

Industrial Solutions in figures

		1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Orders in hand (March 31)	million €	16,440	15,082	(8)	16,440	15,082	(8)
Order intake	million €	3,597	3,483	(3)	1,595	1,188	(26)
thereof Marine Systems ¹⁾	million €	227	1,360	499	45	59	31
Sales	million €	2,734	2,881	5	1,428	1,593	12
thereof Marine Systems ¹⁾	million €	703	762	8	400	444	11
EBIT	million €	339	368	9	198	195	(2)
EBIT margin	%	12.4	12.8	—	13.9	12.2	—
Adjusted EBIT	million €	320	372	16	180	199	11
Adjusted EBIT margin	%	11.7	12.9	—	12.6	12.5	—
Employees (March 31)		18,427	19,081	4	18,427	19,081	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. As a global, integrated engineering and construction company, ThyssenKrupp Industrial Solutions focuses market strategy, presents a single face to the customer and supports the global exchange of knowledge and engineering and project management capabilities across all its businesses. This will help us achieve our growth targets and increase efficiency.

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).

Order intake at high level and strong sales growth in 1st half

Industrial Solutions continues to perform at a high level. 1st half order intake was again high at €3.5 billion, largely stable versus the prior year (down 3%) and almost unchanged on a comparable basis. As expected, 2nd quarter orders were down from the high level of the 2nd quarter 2012/2013, which profited from major contracts in the cement business. Sales came to €2.9 billion in the 1st half and €1.6 billion in the 2nd quarter 2013/2014, increasing year-on-year by 5% and 12% respectively – or by 9% and 16% respectively on a comparable basis. They benefited from the initial recognition of revenues from a number of major contracts, particularly at Process Technologies.








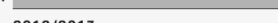




Process Technologies was unable to match its very high order intake of the 1st half 2012/2013, which was mainly driven by the shale gas boom and large orders for fertilizer plants in the USA. 2nd quarter new orders increased significantly quarter-on-quarter; among other things we won a follow-up contract for a fertilizer plant in Hungary.

Resource Technologies recorded brisk demand for cement plants. Despite continued weak demand for new equipment in the mining sector, order intake was roughly level with the 1st half 2012/2013. We won a contract to build a turnkey cement plant in Algeria in the 2nd quarter. This major order validates our strategy of combining technological expertise with a strong presence in the growth regions, allowing the company to profit from infrastructure expansion particularly in the emerging markets.

The market for System Engineering weakened in the 1st half, but we continue to see good project opportunities in production systems for both the automotive and aerospace industries.

The high level of new orders at Marine Systems in the 1st half 2013/2014 was mainly due to a major contract received in the 1st quarter to supply two submarines to Singapore. In view of the announcement by the Swedish government that future naval shipbuilding programs will be carried out nationally, we began talks with Saab in mid-April 2014 on a sale of the Swedish shipyard ThyssenKrupp Marine Systems AB (formerly Kockums). Any transaction would be subject to regulatory approval. We plan to concentrate our naval shipbuilding operations at the sites in Kiel, Hamburg and Emden.

The generally solid order situation of the Industrial Solutions business area gives us a continuing high order backlog of €15.1 billion, providing long-term planning certainty and capacity utilization for the next two to three years.

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
Q2		(48)%	1,188	Q2		+ 15%	199
2013/2014				2013/2014			

Significant earnings improvement, continuing good margin quality

2nd quarter adjusted EBIT at €199 million was up significantly quarter-on-quarter and year-on-year. Total 1st half adjusted EBIT came to €372 million, fully in line with expectations. The clear earnings improvement profited from order billings in the fertilizer business of Process Technologies and efficiency gains in all business units. 1st half adjusted EBIT margin also increased year-on-year and was again well within the double digit target corridor at 12.9% (1st half 2012/2013: 11.7%). 1st half earnings were impacted slightly by special items of €(4) million, mainly due to restructuring measures.

Materials Services

Materials Services in figures

		1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Order intake	million €	5,753	6,256	9	2,988	3,414	14
Sales	million €	5,738	6,059	6	2,923	3,320	14
EBIT	million €	(121)	80	++	(157)	37	++
EBIT margin	%	(2.1)	1.3	—	(5.4)	1.1	—
Adjusted EBIT	million €	98	90	(8)	58	56	(3)
Adjusted EBIT margin	%	1.7	1.5	—	2.0	1.7	—
Employees (March 31)		26,230	30,653	17	26,230	30,653	17

With some 500 locations in 35 countries, the Materials Services business area specializes in materials distribution including technical services. In connection with the ending of all financial links with Outokumpu the full VDM group, the AST group with its plants and the Italian service center as well as further stainless steel service centers in Germany, France, Spain and Turkey were transferred from Outokumpu to ThyssenKrupp and assigned to the Materials Services business area with effect from February 28, 2014. AST in particular is to profit from the business area's global distribution organization in the future.

Shipments up significantly thanks to broad sales initiatives – slight demand improvement in some areas

The business area's international positioning combined with its focus on a broad mix of customers and sectors again paid clear dividends in the 1st half 2013/2014. Warehouse shipments of metals increased significantly in almost all regions thanks to intensive sales initiatives. With over 2.8 million tons we achieved year-on-year growth of 8% in the first six months of the fiscal year, almost matching the record level of before the 2008 financial crisis. Almost everywhere we sold significantly more materials compared with both the 2nd quarter 2012/2013 and the 1st quarter of the current fiscal year. Despite intense competition we increased the volume of direct-to-customer and trading business by around 13% to 1.8 million tons in the 1st half 2013/2014. Shipments of raw materials such as coke/coal, special ores, minerals, alloys and metals increased by well over 100% to 1.9 million tons; only shipments of alloys and metals declined slightly year-on-year due to the very weak stainless steel market.

The business area's key financial indicators are affected by the inclusion of the VDM and AST groups as of March 01, 2014. Sales and order intake are each affected to the tune of around €300 million.

1st half order intake at almost €6.3 billion was 9% higher year-on-year; on a comparable basis the increase was 6%. A comparison of the 2nd quarters shows a similar picture. Sales came to over €3.3 billion in the 2nd quarter, up 14% year-on-year, and almost €6.1 billion in the 1st half, up 6%. On a comparable basis the increases were only 7% and 3% respectively, despite significantly higher volumes. The main reason for this was prices, which were completely unsatisfactory in both warehousing and direct-to-customer business. Average prices for rolled steel and particularly for stainless steel, nonferrous metals and plastics were well below prior-year levels. The same was true of most raw materials. Since February 2014 both nickel and stainless steel prices have been showing slight signs of recovery.

In connection with the high growth in volumes there was an above-average increase in sales in our materials trading and metallurgical products businesses, while the plastics business also recorded double-digit growth. Services for the aerospace industry remained stable at a high level. The same was true of our service center business for the automotive sector, with shipments significantly higher.

After an intensive review of the purchase bids and talks with potential buyers, the disposal process initiated in the past fiscal year for the Railway/Construction unit was stopped in March 2014. None of the offers met ThyssenKrupp's financial expectations. Against this background a decision was made to discontinue the railway activities due to a lack of growth prospects. The profitable construction business will be continued and repositioned following an analysis of the business model.

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. In Germany and the rest of Europe numerous companies are being combined; our operations in Russia and Slovakia are being restructured.

The transfer of VDM, AST and the stainless steel service centers added more than 5,000 people to the Materials Services workforce. The integration of the service centers in Germany, France, Spain and Turkey into the existing business area organization is largely completed. We are currently carrying out a detailed analysis of the business models and plans of VDM and AST; together with the management, a sustainable industrial plan backed by extensive measures will be finalized by this summer.

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
Q2		+ 20%	3,414	Q2		+ 65%	56
2013/2014				2013/2014			

Adjusted EBIT largely stable in difficult price and competitive environment

Thanks to intensive sales initiatives and performance programs, adjusted EBIT of €90 million in the 1st half and €56 million in the 2nd quarter 2013/2014 was largely level with the corresponding prior-year periods and represented a clear improvement on the seasonally weaker 1st quarter. It includes a negative contribution of €3 million from the new activities included from March 01, 2014. EBIT came to €80 million in the 1st half 2013/2014, a year-on-year improvement of €200 million. The 1st half 2012/2013 was impacted by special items of €219 million, mainly for expense in connection with the rail cartel. The €10 million special items in the current fiscal year mainly comprise a disposal gain in the raw materials trading business and various restructuring expenses, in particular for the business activities and organization in Russia.

Steel Europe

Steel Europe in figures

		1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Order intake	million €	5,023	4,704	(6)	2,620	2,430	(7)
Sales	million €	4,765	4,463	(6)	2,512	2,389	(5)
EBIT	million €	19	72	279	(10)	52	++
EBIT margin	%	0.4	1.6	—	(0.4)	2.2	—
Adjusted EBIT	million €	39	81	108	9	62	589
Adjusted EBIT margin	%	0.8	1.8	—	0.4	2.6	—
Employees (March 31)		27,773	26,397	(5)	27,773	26,397	(5)

The Steel Europe business area stands for 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



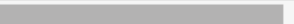



In the 1st half 2013/2014 Steel Europe's business volume was down slightly year-on-year, mainly due to disposals. On a comparable basis, operating performance was largely stable, influenced by higher and steadier volumes but also continuing pressure on prices and margins. Order intake came to €4.7 billion, down 6% from the prior-year period; on a comparable basis orders were stable. Average prices for new orders were lower than a year earlier. Order volumes stabilized at the prior-year level, with a significant quarter-on-quarter improvement in the 2nd quarter not least due to seasonal factors.

Sales in the 1st half were 6% lower year-on-year at €4.5 billion. On a comparable basis – in particular excluding the sold tailored blanks business – sales were stable. Average net selling prices decreased due to weak prices on the spot market. However, shipments increased by 2%, or 4% excluding portfolio changes. The situation improved noticeably in the course of the reporting period. Sales volumes in the 2nd quarter were 20% higher quarter-on-quarter. This was mainly due to improved workloads at our customers, above all in the automotive and packaging industries and at service centers.


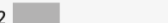




Increased crude steel production in preparation for blast furnace relining

At 6.6 million tons, crude steel production in the reporting period including supplies from Hüttenwerke Krupp Mannesmann (HKM) was 17% higher year-on-year. In preparation for the planned relining later this year of blast furnace 2 in Schwelgern, 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% overall year-on-year to 6.1 million tons. With individual coating lines already closed, the downstream processing operations mainly had a good workload.

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	
Q2	 + 7%	2,430	
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	
Q2	 + 226%	62	
2013/2014			

“Best-in-Class Reloaded” taking effect: EBIT significantly higher in difficult market environment

Adjusted EBIT in the 1st half 2013/2014 came to €81 million, double the prior-year figure. Excluding the profit from Tailored Blanks still contained a year earlier, the operating earnings improvement was even more pronounced. Adjusted EBIT margin increased from 0.8% to 1.8%. At €62 million, 2nd quarter adjusted EBIT showed a substantial improvement both year-on-year and – for seasonal and volume reasons – quarter-on-quarter, despite a decline in average selling prices. Special items had little impact on earnings; EBIT in the first six months 2013/2014 came to €72 million. Despite this clear increase, earnings remained at an unsatisfactory level, mainly due to inadequate average selling prices.

With market conditions expected to remain difficult in the future – especially with regard to steel prices – management continues to focus on implementing the measures under the “Best-in-Class Reloaded” program. Many of the cost and efficiency targets identified under this program have already been met to a significant degree in the current year with a positive impact on earnings. These efforts are being continued rigorously. In this context we have initiated the planned disposal process for the grain-oriented electrical steel production operations, including the electrical steel operations in Nashik, India. Cost-cutting measures will be supplemented by differentiation initiatives and intensified sales efforts; a newly launched project is targeted at further optimizing strategic sales management.

Steel Americas

Steel Americas in figures

		1st half 2012/2013	1st half 2013/2014	Change in %	2nd quarter 2012/2013	2nd quarter 2013/2014	Change in %
Order intake	million €	1,069	1,183	11	509	574	13
Sales	million €	989	1,073	8	501	535	7
EBIT ¹⁾	million €	(166)	118	++	(44)	117	++
EBIT margin	%	—	11.0	—	—	21.9	—
Adjusted EBIT ¹⁾	million €	(166)	(43)	74	(44)	(26)	41
Adjusted EBIT margin	%	—	—	—	—	—	—
Employees (March 31)		4,068	4,037	(1)	4,068	4,037	(1)

¹⁾ Prior-year figures have been adjusted.

With its steel mill in Brazil (ThyssenKrupp CSA) the Steel Americas business area supplies the American market with high-quality slabs. As part of the Strategic Way Forward ThyssenKrupp had 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, and the closing took place on February 26, 2014. The agreement also includes a long-term slab supply contract for the Brazilian steel mill. Consequently, the Steel Americas business area – which had been classified as a discontinued operation in accordance with IFRS – was reclassified as a continuing operation at the end of the 2012/2013 fiscal year; within the business area, ThyssenKrupp Steel USA was reported as a disposal group until the end of February 2014.

Steel Americas order intake

in million €, quarter on quarter rate of change		
Q1		560
Q2	(9)%	509
Q3	(3)%	496
Q4	(1)%	491
2012/2013		
Q1	+ 24%	609
Q2	(6)%	574
2013/2014		

Steel Americas adjusted EBIT

in million €, quarter on quarter rate of change*		
Q1		(122)
Q2	+ 64%	(44)
Q3	--%	(193)
Q4	+ 30%	(136)
2012/2013		
Q1	+88%	(17)
Q2	(53)%	(26)
2013/2014		

* Figures for Q1 2012/2013 to Q1 2013/2014 have been adjusted.

Increases in orders, sales and production

At €1.2 billion, order intake in the 1st half 2013/2014 was up 11% year-on-year. In the 2nd quarter, orders were 13% higher year-on-year and 6% lower quarter-on-quarter. The contributions from ThyssenKrupp Steel USA are included up to the closing of the sale at the end of February 2014. Thanks to higher volumes, order intake at ThyssenKrupp CSA in the first six months 2013/2014 was up 13% year-on-year. 1st half sales of Steel Americas at €1.1 billion were 8% higher than a year earlier, mainly reflecting higher shipments and prices; on a comparable basis sales increased by 12%. 2nd quarter sales were up 7% year-on-year, again due to improved volumes and prices, and remained almost unchanged quarter-on-quarter despite the absence of sales contributions from ThyssenKrupp Steel USA following the closing. The Brazilian steel mill raised slab production to 2.0 million tons in the reporting half, 14% higher than a year earlier. 1.4 million tons of slabs were supplied to the US processing plant, and thanks to intensified sales efforts in North and South America 0.6 million tons of slabs were sold to customers outside the Group, double the prior-year figure.

Clear improvement in earnings

Adjusted EBIT in the 1st half 2013/2014 improved by more than €100 million year-on-year to €(43) million. This clear improvement was due in particular to higher and more efficient capacity utilization, lower costs, structurally improved reducing agent consumption, savings measures from the impact corporate program, and positive price effects on the North American flat steel market. 2nd quarter adjusted EBIT also showed a year-on-year improvement, even though the prior-year period profited strongly from a positive non-period tax effect. Quarter-on-quarter, adjusted EBIT was slightly lower; declining contributions from ThyssenKrupp Steel USA were partly offset by operating improvements and positive exchange rate effects at ThyssenKrupp CSA.

EBIT came to €118 million in the 1st half and €117 million in the 2nd quarter, a significant increase both year-on-year and quarter-on-quarter; in addition to operating improvements, this was mainly due to high positive special items from the disposal of the US site in Calvert and positive special items from the updated valuation of a long-term freight agreement.

The net headcount was only slightly lower in the 1st half 2013/2014, mainly reflecting 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 and the sale of the ThyssenKrupp Steel USA rolling and coating plant in February 2014.

Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office and the shared service 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 activities 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 came to €84 million in the 1st half, €14 million less than in the prior-year period.

Adjusted EBIT at Corporate in the 1st half 2013/2014 was €(222) million compared with €(217) million a year earlier. Higher expenses for corporate initiatives, in particular the data and process harmonization program (daproh), were partly offset by cost reductions under impact. EBIT came to €(315) million in the 1st half compared with €(251) million a year earlier and was impacted by net special items of €93 million.

The special items related in particular to a gain from the deconsolidation of the non-operating US company The Budd Company in connection with its winding-down in a Chapter 11 case and a loss from the completion of the sale of the investment in Outokumpu.

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 and expenses were recorded in the 1st half 2013/2014 which were directly associated with the sale of Stainless Global and resulted in net EBIT of €185 million. These relate mainly to the 1st quarter 2013/2014 and reflect 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 €19,404 million, net sales from continuing operations in the 1st half 2013/2014 were €675 million or 4% higher than a year earlier. Cost of sales from continuing operations increased by €450 million or 3% and thus at a lower rate than sales. The increase was mainly due to higher material expense and higher restructuring expense in the Elevator Technology and Steel Europe business areas. Gross profit from continuing operations improved correspondingly by €225 million to €2,986 million, while gross profit margin was unchanged at 15%.

The main contributors to the €14 million rise in research and development costs from continuing operations were the Elevator Technology and Industrial Solutions business areas.

The €53 million increase in general and administrative expenses resulted mainly from restructuring expense incurred in the reporting period in the Elevator Technology business area and higher consulting expenses.

The €249 million decrease in other expenses from continuing operations related mainly to the provisions recognized in the prior year in the Materials Services business area in connection with the rail cartel.

Other gains attributable to continuing operations were €297 million higher than a year earlier. This was mainly due to the winding-down in the reporting period of the non-operating US company The Budd Company and the sale of ThyssenKrupp Steel USA.

The €380 million rise in financing income from continuing operations was mainly the result of higher exchange rate gains in connection with finance transactions. The €589 million increase in financing expense from continuing operations was mainly due to higher currency losses in connection with finance transactions and to the loss from the sale of the shareholding in Outokumpu Oyj.

The income from continuing operations (before tax) of €139 million resulted in tax expense from continuing operations of €124 million in the reporting period, mainly in connection with non-tax-deductible expense from the Outokumpu shareholding and its sale and – as in the prior year – valuation allowances for deferred tax assets.

After taking into account income taxes, income from continuing operations came to €15 million.

The discontinued operations achieved income of €185 million in the reporting period compared with €61 million a year earlier. The €124 million increase was mainly due to a €270 million improvement in current income to €185 million; this mainly reflects the reversal of the provision for possible effects from merger control requirements in connection with the sale of Inoxum 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 income from discontinued operations, net income of €200 million was posted in the reporting period, compared with a net loss of €145 million a year earlier.

In the reporting half year, earnings per share based on the net income attributable to the shareholders of ThyssenKrupp AG came to €0.37, a year-on-year improvement of €0.63. Earnings per share from continuing operations came to €0.03, compared with a €0.38 loss a year earlier.

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 2012/2013 the discontinued operations include cash flows attributable to the operations of Stainless Global.

In the reporting period there was a net cash outflow from operating activities of €209 million, compared with a cash inflow of €22 million a year earlier. Of the €231 million overall deterioration, €426 million related to the continuing operations, which recorded a cash outflow of €209 million in the reporting period compared with a €216 million cash inflow in the prior-year period. The deterioration was due in particular to an increase in capital employed in operating assets and liabilities.

Investing activities resulted in a net cash inflow of €594 million, compared with a cash inflow of €264 million the year before. The main reasons for the €330 million difference were the €169 million decrease in capital expenditures for property, plant and equipment and intangible assets in the continuing operations as well as the absence of the €99 million capital expenditures in the discontinued operations reported a year earlier. Proceeds from disposals of consolidated companies in the reporting period related mainly to the sale of ThyssenKrupp Steel USA, while the prior year was impacted in particular by the sale of the stainless steel business to Outokumpu. In addition, the winding-down of the previously consolidated non-operating US company The Budd Company in a Chapter 11 case resulted in a €279 million disposal of cash and cash equivalents in the 2nd quarter 2013/2014.

Free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, rose by a total of €99 million to a positive €385 million. The absence of prior-year €293 million negative free cash flow from the discontinued operations was partly offset by a €194 million reduction in free cash flow in the continuing operations in the reporting period.

Cash inflow from financing activities came to €876 million, €1,208 million lower than a year earlier; of this reduction, €238 million reflected the absence of cash inflows in the discontinued operations. In addition, €970 million was attributable to the continuing operations and mainly reflected two partly offsetting effects: In the reporting period there were net financial borrowings of €151 million, while in the prior-year period net borrowings came to €2,070 million. The associated €1,919 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 €1,131 million to €36,428 million. This includes a currency translation-related decrease of €408 million, mainly due to movements in the US dollar exchange rate.

Taking into consideration an exchange rate-related reduction of €147 million, non-current assets decreased altogether by €954 million. The main reason was the €968 million reduction in other financial assets as a result of the transfer to Outokumpu on February 28, 2014 of the financial receivable created in connection with the sale of Inoxum. The operations of VDM and AST acquired in exchange and consolidated for the first time were the main reason for the €439 million increase in property, plant and equipment. The disposal of the 29.9% shareholding in Outokumpu Oyj to meet the requirements of the EU in this connection was the main reason for the €272 million decrease in investments accounted for using the equity method. The €201 million decrease in deferred tax assets mainly reflected the winding-down of the non-operating US company The Budd Company in a Chapter 11 case.

Current assets increased by a total of €2,085 million; this included a currency translation-related decrease of €260 million.

At €7,709 million, inventories at March 31, 2014 were €1,358 million higher than at September 30, 2013. The rise was mainly due to the first-time consolidation of VDM and AST. There were further increases in particular in the Components Technology business area, mainly due to the reclassification of the former disposal group Berco, and through a build-up of inventory volumes at Steel Europe.

Trade accounts receivable increased altogether by €677 million to €5,633 million. As well as the aforementioned first-time consolidation of VDM and AST and the reclassification of Berco, this also reflected increased receivables in connection with long-term construction contracts in the Elevator Technology and Industrial Solutions business areas.

The €329 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 €1,222 million increase in cash and cash equivalents included proceeds of €878 million from the capital increase carried out in December 2013 and proceeds of €1,250 million from the issue of a bond in February 2014. The €385 million positive free cash flow generated in the reporting period also contributed to the increase. This was partly offset by total €1,034 million repayments of liabilities to financial institutions.

Assets held for sale were €1,510 million lower at €33 million, mainly as a result of the disposal of ThyssenKrupp Steel USA and the aforementioned reclassification of Berco.

Total equity at March 31, 2014 was €3,183 million, up €671 million from September 30, 2013. The main reason was the capital increase carried out at the beginning of December 2013 which raised total equity by €878 million. The net income of €200 million for the reporting period also contributed to the increase. This was partly offset by the €194 million currency translation losses recognized in other comprehensive income and actuarial losses (after taxes) of €202 million. The equity ratio improved from 7.1% to 8.7%.

Non-current liabilities decreased by a total of €763 million. This included a €471 million reduction in non-current financial debt, mainly reflecting the repayment of liabilities to financial institutions. This was partly offset by the aforementioned issue of a €1,250 million bond, which in turn was partly offset by the reclassification of a €750 million bond due in March 2015 to current financial debt. The €402 million decrease in accrued pension and similar obligations was mainly due to lower provisions for healthcare obligations in connection with the winding-down of The Budd Company. This was partly offset by an increase as a result of the updated interest rates used for the revaluation of pension obligations at March 31, 2014.

Current liabilities increased by €1,223 million. This included a €213 million reduction due to currency translation effects. The net increase was the result of various partly offsetting effects: The €338 million reduction in other current provisions was mainly the result of the reversal of a provision recognized in the prior year for possible effects from merger control requirements in connection with the sale of Inoxum to Outokumpu. In addition, a provision recognized in the prior year was utilized in the reporting period on the basis of a settlement reached with Deutsche Bahn in connection with the rail cartel.

At €4,637 million, trade accounts payable were up by €924 million from September 30, 2013. This was mainly due to the first-time consolidation of VDM and AST and the reclassification of Berco. The €608 million rise in current financial debt resulted in particular from the aforementioned reclassification of a bond previously classified as non-current. The €230 million decrease in other current financial liabilities mainly reflected the repayment of liabilities to associated companies. Higher liabilities in connection with long-term construction contracts and a rise in advance payments received were the main reasons for the €631 million increase in other current non-financial liabilities.

The €257 million reduction in liabilities associated with assets held for sale mainly reflected the reclassification of the former disposal group Berco.

Subsequent events

There were no reportable events.

ThyssenKrupp stock

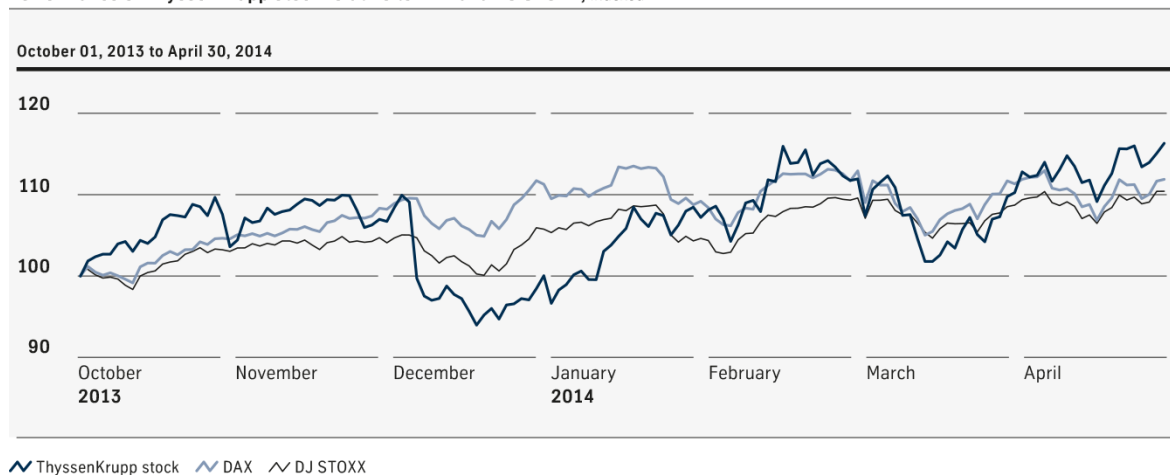
Stock profits from rigorous implementation of Strategic Way Forward

The increase in the value of ThyssenKrupp's stock in the first six months of the current fiscal year was driven mainly by continuing risk reduction in connection with the Strategic Way Forward. Key initiatives included the sale of the ThyssenKrupp Steel USA rolling and coating plant and the slab supply contract for ThyssenKrupp CSA, the ending of all financial links with Outokumpu, and the Group's successful financing measures on the equity and debt side.

Not least our Capital Market Day in London in December 2013, focused on our high-growth capital goods businesses Elevator Technology and Industrial Solutions, had a positive impact on the valuation of our stock.

Since the capital increase, ThyssenKrupp's stock has outperformed the benchmark indices. At the end of the 2nd quarter on March 31, 2014, ThyssenKrupp's share price stood at €19.46, 12.8% higher than on December 03, 2013 and 10.1% higher than on September 30, 2013. In the same periods the DAX gained 3.6% and 11.2% and the DJ STOXX 5.4% and 8.7% respectively.

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



Capital increase reflects increasing international support for Strategic Way Forward

The fast placement of the capital increase in early December 2013 and the fact that it was almost three times oversubscribed by mainly long-term investors confirms the trust of the capital market in ThyssenKrupp's long-term strategy. The placement met with strong support in particular from international institutional investors: More than two thirds of demand came from Anglo-Saxon investors, less than 10% from German investors. Moreover, roughly 90% of the demand was from investors with whom we are in constant and targeted dialogue through our investor relations activities.

Cevian Capital has further increased its shareholding in ThyssenKrupp

On February 28, 2014 Cevian Capital announced in a further disclosure of voting interests that it had further increased its share in ThyssenKrupp AG to beyond the 15% reporting threshold. On this date Cevian held 15.08% of the Company's capital stock, corresponding to 85,321,744 shares. As a result Cevian Capital is the second biggest shareholder after the Alfred Krupp von Bohlen und Halbach Foundation.

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.

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

Innovations

Solar energy and hydrogen are important components of a sustainable energy supply. Demand is growing for efficient battery cells and battery systems to store energy.

ThyssenKrupp System Engineering, a subsidiary of plant engineering specialists ThyssenKrupp Industrial Solutions, plans and designs production lines for energy storage systems. In Pleissa in the German state of Saxony we also operate a technical center to advance battery production technology. The Center for Solar Energy and Hydrogen Research Baden-Württemberg (ZSW), one of Europe's leading energy research institutes, has commissioned ThyssenKrupp System Engineering to plan and design a fully automated pilot line for the formation of lithium-ion battery cells. ZSW's work includes the research and development of technologies for the sustainable, climate-friendly provision of electricity, heat and renewable fuels.

The Materials Services business area, together with the Fraunhofer Institute for Material Flow and Logistics (IML) and Dortmund University of Technology, has developed the new Logistic Excellence (LEx) system for material distribution. This groundbreaking innovation optimizes the various stages of a logistics chain supplying roughly 150,000 articles from stock to customers on a just-in-time basis.

With the zinc-magnesium coatings ZM EcoProtect® and ZM PrimeProtect®, the Steel Europe business area has developed two highly effective corrosion protection solutions for exposed automotive body panels to production readiness. Zinc is the conventional corrosion protection used in the auto industry. As ZM EcoProtect® and ZM PrimeProtect® offer significantly higher corrosion protection than pure zinc solutions, coating thicknesses can be reduced by roughly a third compared with conventional galvanized solutions. This allows savings of two kilograms of zinc for a mid-size car.

The Elevator Technology business area has launched the synergy element, a new, highly cost-efficient elevator for residential buildings. The new model is characterized by low energy consumption and has been rated energy efficiency class A under the German VDI 4707-1 standard. synergy element is built in Spain at the Mostoles site near Madrid.

Employees

At March 31, 2014, ThyssenKrupp employed 160,786 people worldwide, 5,313 or 3.4% more than a year earlier. Compared with September 30, 2013 the headcount increased by 3,930. This growth was mainly due to the transfer of 5,085 VDM and AST employees from Outokumpu. By contrast, the sale of ThyssenKrupp Steel USA resulted in a 1,522 decrease. The balance was due to a mainly operational increase in personnel by 367 employees: A reduction of approx. 700 employees at Steel Europe, Steel Americas and Corporate under various initiatives and measures as part of the impact program was offset by an increase – particularly outside Germany – of approx. 1,060 employees at our high-growth capital goods businesses as part of their efforts to develop new customers and markets in the Americas and Asia. As the result of internal restructuring, 1,412 employees moved from the Materials Services business area to the Steel Americas business area.

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
March 31		+ 3%	160,786
2013/2014			

In Germany the headcount rose by 1,355 compared with September 30, 2013 to 59,519; without the transfer of the VDM employees, the German workforce would have decreased. At March 31, 2014 20.0% of all employees were based in Europe outside Germany, 12.4% in the NAFTA region, 13.8% in South America, 15.4% in Asia – in particular in China and India – and 1.4% in the rest of the world.

Compliance

The anticorruption and antitrust compliance program with its three pillars “inform”, “identify” and “report and act” was rigorously continued and refined in the reporting period. The focus remained on implementing the structural changes introduced under the corporate program ACT. We also systematically addressed the recommendations from the special audit.

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

New Executive Board member for Legal and Compliance

Dr. Donatus Kaufmann joined the Executive Board of ThyssenKrupp AG on February 01, 2014 and took charge of the new Legal and Compliance directorate. Consequently there have been changes to responsibilities and reporting channels; the Chief Compliance Officer now reports directly to Dr. Kaufmann.

Further development of the compliance program

We continuously optimize our compliance program to take account of 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. For example, work continued in particular on personnel appointments. Most compliance officer positions at corporate and business area level have now been filled. Regional compliance officers will be appointed in line with progress in the regionalization of the Group.

Compliance officers at corporate, the business areas and in the regions advise, inform and educate employees around the world about important legal requirements and internal policies and among other things carry out proactive compliance audits and investigate suspected cases of non-compliance. The compliance officers are supported in the business areas and Group companies by a network of around 320 compliance managers – generally managing directors of Group companies – who ensure the compliance program is implemented at operating level in their areas of responsibility.

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 in 2014 - industrialized nations catching up on emerging economies

Global economic growth picked up in the course of 2013, but at 2.9% was still lower than the weak prior-year level. Early indicators from the 1st quarter 2014 signal a moderate recovery in the pace of global economic growth this year. In the industrialized nations in particular, the improvement in sentiment – based on continued highly expansionary monetary policy – points to growth acceleration of more than 2% in 2014 compared with only around 1% last year. In the emerging economies economic growth will increase only slightly from 4.8% last year to 4.9% in 2014. Overall we expect the global economy to grow by 3.4%

The euro zone economy came out of recession the course of last year. However, the recovery is very slow, especially as structural adjustments in some countries continue to put a brake on the economy. Following a 0.4% contraction last year, moderate growth of 1% is expected in 2014.

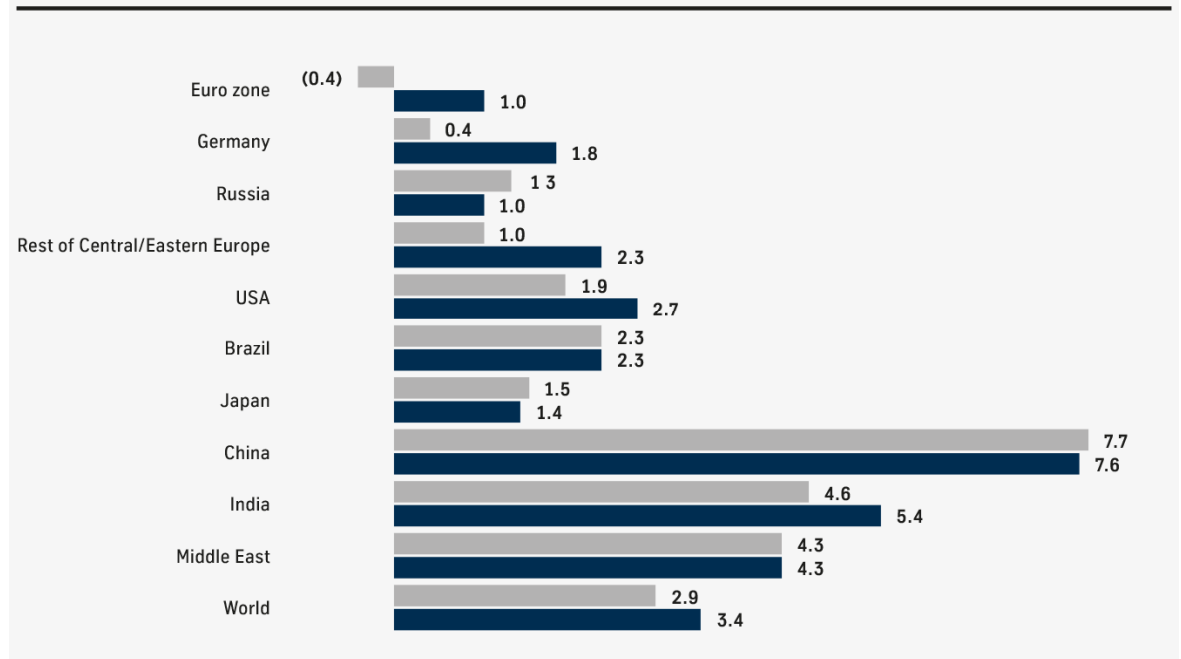
The German economy is expected to expand appreciably this year, driven mainly by domestic demand. In addition to capital investment to meet replacement demand due to rising capacity utilization and continued favorable financing conditions, there will also be an increase in expansion capital expenditures. Consumer spending will also increase appreciably thanks to rising incomes and a solid labor market. By contrast, foreign trade is expected to generate only little growth impetus. Overall, GDP will increase by 1.8% in 2014 compared with only 0.4% last year.

The US economy will also pick up this year. In view of the advanced deleveraging process among private households and continued improvements on the labor market, consumer spending is expected to accelerate. With economic conditions more favorable, business spending will also increase. Following 1.9% growth in 2013, the US economy is expected to expand by 2.7% this year.

GDP in China, which expanded by 7.7% in 2013, is expected to grow by 7.6% this year. On the one hand, foreign trade is expected to deliver stronger growth impetus. On the other hand, the targeted shift towards greater consumption-led growth is not yet likely to be successful enough to offset weaker business spending. Following weak expansion of just 4.6% 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 5.4% the pace of expansion will fall well short of the growth rates achieved in the past decade. The moderate 2.3% growth of the Brazilian economy in 2013 is expected to be repeated this year. Consumer spending is being boosted by the robust state of the labor market. Reluctance to reform is preventing a stronger increase in capital spending. Following weak growth of only 1.3% in 2013, the Russian economy is expected to slow further to 1.0% this year due to the continuing crisis situation.

Gross domestic product 2013, 2014*

Real change compared to previous year in %



■ 2013 ■ 2014 * Forecast

Industrial activity picking up

Automotive – 2014 is expected to bring further growth in the automotive sector. Global sales of cars and light trucks are forecast to come to 85.6 million in 2014, a 3% increase year-on-year. While the Chinese market achieved double-digit expansion last year, growth is expected to slow to 9.3% in 2014. There will also be positive developments on the US light vehicle market, which recovered with a roughly 8% increase last year and will grow by a further 6% to roughly 16.0 million units this year. The European passenger car market will achieve slight growth in 2014 for the first time in five years. New registrations will rise by around 1% year-on-year to 18.1 million vehicles. The German market will achieve by far the highest growth. Sales of 3.3 million vehicles will represent an increase of more than 4% and a return to the level of 2012. Hardly any of the South American markets are expected to expand or contract by any appreciable amount, meaning sales will once again come to 5.9 million units.

Following a 4% increase in global production of cars and light trucks to 82.6 million vehicles in 2013, output is expected to grow by just under 3% this year to 84.9 million units. As last year, the Chinese market will account for the biggest share of this growth; China will produce 22.6 million vehicles in 2014, a year-on-year increase of 9%. The Mexican market will also expand by 9% to produce 3.2 million units in the current year. Growth of almost 4% is expected for the US light vehicle market. Following a weak 2013, the Indian market will once again expand by 3% this year. While our domestic German market will match its prior-year output, the rest of the ten biggest auto markets are expected to shrink. The biggest decreases will be in the Japanese market, which will produce 5% or almost half a million fewer vehicles than a year earlier. The Brazilian market is also undergoing a brief phase of weakness and will contract by almost 3%.

Important sales markets

	2013	2014*
Vehicle production, million cars and light trucks		
World	82.6	84.9
Western Europe/Turkey	12.6	12.7
Germany	5.5	5.6
USA	10.8	11.3
Japan	9.0	8.6
China	20.8	22.6
Brazil	3.4	3.3
Machinery production, real, in % versus prior year		
Germany	(1.5)	3.0
USA	2.4	3.6
Japan	1.9	12.1
China	7.7	6.1
Construction output, real, in % versus prior year		
Germany	2.3	2.5
USA	4.4	8.7
China	9.0	8.4
India	3.8	7.4
Demand for finished steel, million tons		
World	1,481	1,527
Germany	38	40
USA	96	99
China	700	721

* Forecast

Machinery – Following a difficult year overall in 2013, machinery output in most countries will show growth in 2014 without achieving the high rates of the past. In China, a temporary slowing of the economy and reduced capital spending means the Chinese machinery sector will expand by only roughly 6% this year. Following above-average increases in 2013, US machinery output will grow by a further 3.5% this year. After production decreases in 2013, the worst seems to be over for most West European countries. Renewed, albeit moderate, growth of 2.5 to 3.5% is expected for 2014.

Germany's export-oriented machinery sector recorded a 1.5% decline in output in 2013. Despite the improvement in the global economy, orders in the first two months of the current year increased by only 1% in real terms. A 2% rise in foreign orders was offset by a 2% drop in domestic orders. However, stable order books covering almost six months allowed production output to increase by more than 5% at the start of the year. Orders from the German plant construction sector in 2013 were 3% higher than a year earlier. It is anticipated that order intake will stagnate at the prior-year level in 2014. Overall, German machinery output is expected to grow by 3% in 2014.

Construction – In Europe in particular, the construction sector showed signs of weakness. 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. US construction output is expected to expand by around 9% in 2014. Construction output in Germany will continue to be driven by strong housing demand in 2014, which is profiting from low interest rates and a positive labor market situation. Construction activity in Germany will increase by 2.5% in 2014. Construction output growth in China this year will be slightly lower than in previous years at around 8.5%.

Flat carbon steel – The European market for flat carbon steel was initially characterized by a continued recovery in volumes at the beginning of 2014. Demand in particular from the automotive industry and to a lesser extent from other steel-using sectors and service centers increased on the back of higher workloads. For this and seasonal reasons, there was also a limited amount of stockbuilding. Shipments to the EU market by European producers in the 1st quarter 2014 were 7% higher year-on-year. Although on average imports from third countries remained slightly below this level, they picked up

again in the course of the period. Towards the end of the quarter, demand slowed slightly. With materials readily available at short notice, steel customers are remaining cautious. There is no need for them to cover more than their immediate requirements. In a constellation with more than adequate supply and an only moderate recovery in demand, it was only possible to push through the urgently required steel price increases on the European market to a limited degree and not on a sustainable basis. There was also downward pressure from a temporary fall in raw material prices. Overall, spot prices in Europe have shown volatile sideways movement since the start of the year. In the USA, the extreme weather conditions in the 1st quarter 2014 dampened the steel market. Due to shorter supply, prices picked up strongly again in March after mainly softening since the turn of the year.

Against the background of the expected global economic recovery, the global steel market will also continue to grow in 2014. Demand for finished steel will probably rise by more than 3% to 1.53 billion tons. This weaker expansion compared with previous years is attributable to slower growth in many emerging economies. In particular, the Chinese steel market – which recorded 6% growth last year – will slow to 3% in 2014, and there are increasing signs of lasting weakness. The moderate recovery in the EU will continue despite existing but reduced risks. Coming from a low level, steel demand is expected to grow by around 3% this year. German steel demand should rise by as much as roughly 5% to over 40 million tons for economic and inventory cycle reasons. US steel market growth is also expected to accelerate to 4%.

Opportunities and risks

Opportunities

As a global diversified industrial group with leading engineering expertise and innovative, 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 the global growth opportunities in our markets more systematically. In addition, the targeted continuation of our internal corporate program impact will help improve productivity and increase value 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 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 March 31, 2014 the Group had €8.8 billion in cash, cash equivalents and undrawn committed 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 March 31, 2014 the Group's gearing was 124.4%. The improvement versus September 30, 2013 was mainly attributable to the capital increase carried out in early December 2013 and the proceeds from the sale of ThyssenKrupp Steel USA in February 2014.

Also in February 2014, ThyssenKrupp transferred its subordinated financial receivable to Outokumpu and in exchange took over the VDM and AST groups and a number of European stainless steel service centers. As part of this transaction ThyssenKrupp divested its 29.9% shareholding in Outokumpu and ended all other financial links with Outokumpu. This step reduces risks and secures value for our company; on completion of the transaction, the value and default risks from the shareholding in Outokumpu and from the vendor loans granted were eliminated.

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 corresponding risks to sales volumes and prices, positioning itself in less cyclical premium market segments, and thus making a key contribution to achieving the earnings, cash flow, value-added and competitive profile demanded of all Group companies 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 or through new legislation by the German government (EEG 2014) 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 the ThyssenKrupp's German production 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. The current environmental and energy subsidy guidelines issued by the EU Commission and the draft of the new EEG 2014 take our justified interests into account; the political process is expected to be completed in the summer. It is not yet possible to give any indication of when the subsidy investigations will be ended, but based on government statements we currently expect any risk to the Group to be low.

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.

In 2013 the public prosecutor's office in Bremen launched an investigation into employees of Atlas Elektronik GmbH, among others, on suspicion of bribing foreign officials in connection with commission payments for Greek naval projects. These payments were made before Atlas was acquired by ThyssenKrupp in 2007. Atlas reported this matter to the public prosecutor and the Bremen internal revenue service in 2010 following a compliance investigation. Atlas Elektronik is a joint company of ThyssenKrupp and Airbus. The company is cooperating fully with the authorities and has initiated an internal investigation in consultation with the public prosecutor's office. The process is being closely supported by the owners.

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 77-88 of the 2012/2013 Annual Report is still valid.

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

ThyssenKrupp AG — Consolidated statement of financial position

Assets million €	Note	Sept. 30, 2013*	March 31, 2014
Intangible assets		4,206	4,214
Property, plant and equipment		7,484	7,923
Investment property		287	292
Investments accounted for using the equity method		949	677
Other financial assets		1,019	51
Other non-financial assets		335	370
Deferred tax assets		1,662	1,461
Total non-current assets		15,942	14,988
Inventories, net		6,351	7,709
Trade accounts receivable		4,956	5,633
Other financial assets		500	426
Other non-financial assets		2,069	2,398
Current income tax assets		123	206
Cash and cash equivalents		3,813	5,035
Assets held for sale	02	1,543	33
Total current assets		19,355	21,440
Total assets		35,297	36,428

Equity and Liabilities million €	Note	Sept. 30, 2013*	March 31, 2014
Capital stock		1,317	1,449
Additional paid in capital		4,684	5,434
Retained earnings		(4,086)	(3,756)
Cumulative other comprehensive income		328	(187)
thereof relating to disposal groups (Sept. 30, 2013: 2; March 31, 2014: 1)			
Equity attributable to ThyssenKrupp AG's stockholders		2,243	2,940
Non-controlling interest		269	243
Total equity		2,512	3,183
Accrued pension and similar obligations	04	7,348	6,946
Provisions for other employee benefits		270	309
Other provisions		676	717
Deferred tax liabilities		52	81
Financial debt		6,955	6,484
Other financial liabilities		3	3
Other non-financial liabilities		1	2
Total non-current liabilities		15,305	14,542
Provisions for employee benefits		298	214
Other provisions		1,363	1,025
Current income tax liabilities		234	203
Financial debt		1,911	2,519
Trade accounts payable		3,713	4,637
Other financial liabilities		1,241	1,011
Other non-financial liabilities		8,455	9,086
Liabilities associated with assets held for sale	02	265	8
Total current liabilities		17,480	18,703
Total liabilities		32,785	33,245
Total equity and liabilities		35,297	36,428

See accompanying selected notes.

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

ThyssenKrupp AG — Consolidated statement of income

million €, earnings per share in €	Note	1st half ended March 31, 2013*	1st half ended March 31, 2014	2nd quarter ended March 31, 2013*	2nd quarter ended March 31, 2014
Net sales	09	18,729	19,404	9,540	10,295
Cost of sales	10	(15,968)	(16,418)	(8,098)	(8,746)
Gross profit		2,761	2,986	1,442	1,549
Research and development cost		(123)	(137)	(67)	(73)
Selling expenses		(1,377)	(1,372)	(699)	(688)
General and administrative expenses		(1,027)	(1,080)	(510)	(532)
Other income		116	88	70	37
Other expenses		(336)	(87)	(289)	(67)
Other gains/(losses)		(2)	295	(1)	313
Income/(loss) from operations		12	693	(54)	539
Income/(expense) from companies accounted for using the equity method	11	(3)	(17)	(14)	14
Finance income		182	562	81	350
Finance expenses		(510)	(1,099)	(256)	(534)
Financial income/(expense), net		(331)	(554)	(189)	(170)
Income/(loss) before income taxes		(319)	139	(243)	369
Income tax (expense)/income		113	(124)	114	(97)
Income/(loss) from continuing operations (net of tax)		(206)	15	(129)	272
Discontinued operations (net of tax)	02	61	185	2	(2)
Net income/(loss)		(145)	200	(127)	270
Attributable to:					
ThyssenKrupp AG's stockholders		(132)	204	(129)	269
Non-controlling interest		(13)	(4)	2	1
Net income/(loss)		(145)	200	(127)	270
Basic and diluted earnings per share	12				
Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders)		(0.38)	0.03	(0.25)	0.48
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)		(0.26)	0.37	(0.25)	0.48

See accompanying selected notes.

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

ThyssenKrupp AG — Consolidated statement of comprehensive income

million €	1st half ended March 31, 2013*	1st half ended March 31, 2014	2nd quarter ended March 31, 2013*	2nd quarter ended March 31, 2014
Net income/(loss)	(145)	200	(127)	270
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	(106)	(287)	27	(363)
Tax effect	33	85	(7)	107
Net actuarial gains/(losses) from pensions and similar obligations	(73)	(202)	20	(256)
<i>Gains/(losses) resulting from asset ceiling</i>				
Change in gains/(losses), net	(8)	(2)	(6)	2
Tax effect	2	1	2	0
Net gains/(losses) resulting from asset ceiling	(6)	(1)	(4)	2
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(20)	3	(14)	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods:	(99)	(200)	2	(254)
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	(12)	(121)	108	(1)
Net realized (gains)/losses	15	(73)	0	(73)
Net unrealized gains/(losses)	3	(194)	108	(74)
Unrealized gains/(losses) from available-for-sale financial assets				
Change in unrealized gains/(losses), net	0	1	0	1
Net realized (gains)/losses	0	0	0	0
Tax effect	0	0	0	0
Net unrealized gains/(losses)	0	1	0	1
Unrealized (losses)/gains on derivative financial instruments				
Change in unrealized gains/(losses), net	(14)	9	7	(16)
Net realized (gains)/losses	2	0	(2)	0
Tax effect	4	4	(1)	12
Net unrealized gains/(losses)	(8)	13	4	(4)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	5	(7)	12	(4)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods:	0	(187)	124	(81)
Other comprehensive income	(99)	(387)	126	(335)
Total comprehensive income	(244)	(187)	(1)	(65)
Attributable to:				
ThyssenKrupp AG's stockholders	(244)	(179)	(25)	(67)
Non-controlling interest	0	(8)	24	2
Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:				
Continuing operations	(294)	(364)	(26)	(65)
Discontinued operations	50	185	1	(2)

See accompanying selected notes.

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation, the elimination of the impairment of Steel Americas as well as the catch up of amortization and depreciation of ThyssenKrupp CSA and Berco (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					8		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)**				(132)					(132)	(13)	(145)
Other comprehensive income**				(99)	(4)	0	(14)	5	(112)	13	(99)
Total comprehensive income**				(231)	(4)	0	(14)	5	(244)	0	(244)
Profit attributable to non-controlling interest									0	(28)	(28)
Other changes				4					4	(19)	(15)
Balance as of March 31, 2013**	514,489,044	1,317	4,684	(2,704)	459	7	(46)	37	3,754	493	4,247
Balance as of Sept. 30, 2013*	514,489,044	1,317	4,684	(3,816)	107	3	(65)	13	2,243	269	2,512
Net income/(loss)				204					204	(4)	200
Other comprehensive income				(200)	(190)	1	13	(7)	(383)	(4)	(387)
Total comprehensive income				4	(190)	1	13	(7)	(179)	(8)	(187)
Profit attributable to non-controlling interest									0	(20)	(20)
Capital increase	51,448,903	132	750	(3)					879	0	879
Other changes				(3)					(3)	2	(1)
Balance as of March 31, 2014	565,937,947	1,449	5,434	(3,818)	(83)	4	(52)	6	2,940	243	3,183

See accompanying selected notes.

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

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

ThyssenKrupp — Consolidated statement of cash flows

million €	1st half ended March 31, 2013*	1st half ended March 31, 2014	2nd quarter ended March 31, 2013*	2nd quarter ended March 31, 2014
Net income/(loss)	(145)	200	(127)	270
Adjustments to reconcile net income/(loss) to operating cash flows:				
Discontinued operations (net of tax)	(61)	(185)	(2)	2
Deferred income taxes, net	(242)	(6)	(179)	24
Depreciation, amortization and impairment of non-current assets	564	541	283	277
Reversals of impairment losses of non-current assets	(1)	(2)	(1)	(1)
(Income)/loss from companies accounted for using the equity method, net of dividends received	2	17	14	(14)
(Gain)/loss on disposal of non-current assets, net	(19)	(325)	(17)	(315)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:				
- inventories	29	(497)	195	115
- trade accounts receivable	110	(444)	(387)	(977)
- accrued pension and similar obligations	(93)	(134)	(29)	(92)
- other provisions	332	(188)	212	(91)
- trade accounts payable	(36)	307	181	219
- other assets/liabilities not related to investing or financing activities	(224)	507	19	227
Operating cash flows - continuing operations	216	(209)	162	(356)
Operating cash flows - discontinued operations	(194)	0	0	0
Operating cash flows - total	22	(209)	162	(356)
Purchase of investments accounted for using the equity method and non-current financial assets	(1)	0	(1)	0
Expenditures for acquisitions of consolidated companies net of cash acquired	(6)	(7)	(5)	(5)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(566)	(415)	(261)	(204)
Capital expenditures for intangible assets (inclusive of advance payments)	(48)	(30)	(20)	(11)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	0	46	(1)	32
Proceeds from disposals of previously consolidated companies net of cash acquired	929	1,254	10	1,254
Cash and cash equivalents disposed of due to loss of control over companies consolidated so far but not sold	0	(279)	0	(279)
Proceeds from disposals of property, plant and equipment and investment property	54	25	41	16
Proceeds from disposals of intangible assets	1	0	0	0
Cash flows from investing activities - continuing operations	363	594	(237)	803
Cash flows from investing activities - discontinued operations	(99)	0	0	0
Cash flows from investing activities - total	264	594	(237)	803
Proceeds from issuance of bonds	1,600	1,250	1,600	1,250
Repayment of bonds	(1,000)	0	(1,000)	0
Proceeds from liabilities to financial institutions	2,708	611	562	88
Repayments of liabilities to financial institutions	(1,396)	(1,645)	(530)	(758)
Proceeds from/(repayments on) notes payable and other loans	162	(66)	(112)	(120)
Increase/(decrease) in bills of exchange	(4)	1	0	(1)
Decrease in current securities	1	0	0	1
Proceeds from capital increases	0	878	0	0
Profit attributable to non-controlling interest	(28)	(20)	(15)	(14)
Expenditures for acquisitions of shares of already consolidated companies	(7)	0	(7)	0
Financing of discontinued operations	(277)	0	1	0
Other financing activities	87	(133)	(14)	74
Cash flows from financing activities - continuing operations	1,846	876	485	520
Cash flows from financing activities - discontinued operations	238	0	0	0
Cash flows from financing activities - total	2,084	876	485	520
Net increase in cash and cash equivalents - total	2,370	1,261	410	967
Effect of exchange rate changes on cash and cash equivalents - total	16	(51)	53	1
Cash and cash equivalents at beginning of reporting period - total	2,347	3,829	4,270	4,071
Cash and cash equivalents at end of reporting period - total	4,733	5,039	4,733	5,039
[thereof cash and cash equivalents within disposal groups]	[0]	[4]	[0]	[4]
[thereof cash and cash equivalents within discontinued operations]	[47]	[-]	[47]	[-]
Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows:				
Interest received	56	71	26	33
Interest paid	(328)	(266)	(276)	(218)
Dividends received	3	4	1	2
Income taxes paid	(163)	(208)	(60)	(107)

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, the elimination of the impairment of Steel Americas as well as the catch up of amortization and depreciation of ThyssenKrupp CSA and Berco (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 March 31, 2014, were authorized for issue in accordance with a resolution of the Executive Board on May 09, 2014.

Basis of presentation

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

The accompanying Group’s 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 March 31, 2014, 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			March 31, 2013		
	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	1	35,301	38,464	0	38,464
Total equity	4,526	8	4,534	2,519	(3)	2,516	4,247	(2)	4,245
Total non-current liabilities	13,797	(12)	13,785	15,301	4	15,305	16,861	2	16,863
thereof: Accrued pension and similar obligations	7,708	(12)	7,696	7,344	4	7,348	7,736	2	7,738
Total equity and liabilities	38,284	(4)	38,280	35,300	1	35,301	38,464	0	38,464

* 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 elimination of the impairment of Steel Americas as well as the catch up of amortization and depreciation of ThyssenKrupp CSA and Berco.

IAS 19R - Consolidated statement of income

million €	Year ended Sept. 30, 2013			1st half ended March 31, 2013			2nd quarter ended March 31, 2013		
	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
Income/(loss) from operations	(700)	(10)	(710)	17	(5)	12	(52)	(2)	(54)
Financial income/(expense), net	(952)	(44)	(996)	(309)	(22)	(331)	(178)	(11)	(189)
Income/(loss) from operations before income taxes	(1,652)	(54)	(1,706)	(292)	(27)	(319)	(230)	(13)	(243)
Income tax (expense)/income	59	18	77	104	9	113	110	4	114
Income/(loss) from operations (net of tax)	(1,593)	(36)	(1,629)	(188)	(18)	(206)	(120)	(9)	(129)

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

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 connection with the necessary refinancing of Outokumpu, ThyssenKrupp AG signed a contract with Outokumpu Oyi (OTK) on November 29, 2013 which provides among other things for the transfer of 100% of the shares in VDM and AST and other smaller stainless steel service center activities to ThyssenKrupp. This transfer was completed on February 28, 2014. The VDM group is headquartered in Germany and produces high-performance materials used among other areas in the aerospace and energy generation sectors. The Italian-based AST group produces stainless steel. The transfer also included the Italian service centers as well as other stainless steel service centers in Willich (Germany), Tours (France), Barcelona (Spain) and Gebze (Turkey). In addition to the company shares, financial receivables of €303 million owed to OTK by the VDM and AST groups were also acquired.

The new companies are being integrated in the Materials Services business area so as to achieve maximum benefit from the market presence of the existing distribution network. The business models of VDM and AST are currently being analyzed with a view to finalizing a sustainable industrial strategy backed by extensive measures by summer 2014.

The purchase price was €953 million at the closing and was settled by transferring from ThyssenKrupp to Outokumpu the financial receivable created as part of the sale of Inoxum. The financial receivable was stated at €969 million as of December 31, 2013 and was written down by €16 million to match the purchase price. The preliminary purchase price allocation resulted in a preliminary goodwill of €42 million, which includes non-separable assets such as assembled workforce and new contractual customers.

Based on the preliminary values as of the acquisition date, the acquisition affected the Group's consolidated financial statements as presented below:

Acquisition of VDM /AST group

million €	
Goodwill	42
Other intangible assets	13
Property, plant and equipment	610
Investment property	11
Investments accounted for using the equity method	8
Other financial assets	1
Other non-financial assets	10
Deferred tax assets	30
Inventories	844
Trade accounts receivable	413
Other current financial assets	69
Other current non-financial assets	22
Current income tax assets	30
Cash and cash equivalents	10
Total assets acquired	2,113
Accrued pension and similar obligations	132
Other non-current provisions	19
Deferred tax liabilities	71
Non-current financial debt	17
Other non-current non-financial liabilities	1
Other current provisions	29
Current income tax liabilities	7
Current financial debt	343
Trade accounts payable	674
Other current financial liabilities	114
Other current non-financial liabilities	55
Total liabilities assumed	1,462
Net assets acquired	651
Non-controlling interest	1
Purchase prices*	650
thereof: paid in cash and cash equivalents	0

* without purchase price of financial receivables

Since the new acquired companies joined the ThyssenKrupp Group effective as of February 28, 2014, they generated sales of €0.3 billion and a loss before taxes of €3 million, which are included in the consolidated income statement of the 1st half ended March 31, 2014 and of the 2nd quarter ended March 31, 2014, respectively. If the acquisition had taken place on

October 01, 2013, the companies of VDM, AST and the new service centers would have contributed sales of approx. €1.5 billion and losses before taxes of approx. €75 million to the Group's consolidated statement of income.

Furthermore in the 1st half year ended March 31, 2014, the Group acquired additional smaller companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group's consolidated financial statements as presented below:

Acquisitions 1st half ended March 31, 2014

million €	
Goodwill	1
Other intangible assets	2
Total assets acquired	3
Total liabilities assumed	0
Net assets acquired	3
Non-controlling interest	0
Purchase prices	3
thereof: paid in cash and cash equivalents	3

The disposal of the Steel Americas business area was initiated as of September 30, 2012 as part of the Strategic Way Forward; as a result to the change in the disposal plan as of September 30, 2013, only ThyssenKrupp Steel USA met the requirements for presentation as a disposal group. The sale of ThyssenKrupp Steel USA to a consortium of ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation was closed on February 26, 2014. Overall, this disposal and the exit of the non-operating US subsidiary The Budd Company under Chapter 11 proceedings had the following impact on the consolidated financial statements on the basis of the values as of the respective disposal date:

Disposals 1st half ended March 31, 2014

million €	
Other intangible assets	8
Property, plant and equipment	799
Deferred tax assets	255
Inventories	333
Trade accounts receivable	210
Other current non-financial assets	3
Cash and cash equivalents	317
Total assets disposed of	1,925
Accrued pension and similar obligations	691
Other non-current provisions	5
Non-current financial debt	1
Other current provisions	18
Current financial debt	1
Trade accounts payable	107
Other current financial liabilities	8
Other current non-financial liabilities	32
Total liabilities disposed of	863
Net assets disposed of	1,062
Cumulative other comprehensive income	(73)
Non-controlling interest	0
Gain/(loss) resulting from the disposals	316
Selling prices	1,305
thereof: received in cash and cash equivalents	1,292

02 Discontinued operations and disposal groups

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 half year of 2012/2013 this results in a charge to pre-tax earnings of €72 million. Furthermore the IFRS 5-impairment of Steel Americas as of March 31, 2013 in the amount of €683 million has been eliminated. 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 March 31, 2014 are presented in the following table:

Disposal group Tailored Blanks China

million €	March 31, 2014
Property, plant and equipment	6
Inventories	9
Trade accounts receivable	11
Other current non-financial assets	3
Cash and cash equivalents	4
Assets held for sale	33
Current financial debt	2
Trade accounts payable	6
Liabilities associated with assets held for sale	8

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. As a result of a sharp drop in demand of unforeseen proportions from key customers in the mining and construction equipment sectors, a sale at an appropriate value can no longer be expected in the near future. For this reason, effective March 31, 2014 the assets and liabilities of the Berco group are no longer reported as a disposal group, i.e. they are no longer contained in the line items "Assets held for sale" or "Liabilities associated with assets held for sale", but are once again allocated to the respective balance sheet items. In line with IFRS 5, the presentation as of September 30, 2013 will not be adjusted accordingly.

Following the reclassification of the Berco group as of March 31, 2014, the €6 million amortization and depreciation not charged since October 01, 2012 due to classification as a disposal group has to be caught up; of this, €2 million relates to the 1st half year ended March 31, 2013 and €2 million to the 1st half year ended March 31, 2014. .

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.

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.

On completion of the transaction on February 26, 2014, ThyssenKrupp received a purchase price of US\$1.55 billion; added to this came preliminary purchase price adjustments, in particular for increased net working capital. At the same time a valuable slab supply contract was agreed under which the consortium will purchase 2 million tons of slabs a year from ThyssenKrupp CSA until 2019. The sale resulted in a preliminary gain on disposal before taxes of €141 million..

Discontinued operation Stainless Global business area

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 former 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 exchange, the contract provided for the transfer from ThyssenKrupp to Outokumpu of the financial receivable created in connection with the Inoxum sale and the elimination of the obligation to offset any negative financial consequences for Outokumpu under merger control requirements in connection with the sale of Inoxum to Outokumpu up to the amount of €200 million.

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 took place on February 28, 2014, and after a write-down of €16 million ThyssenKrupp's financial receivable from Outokumpu from the Inoxum transaction was transferred to Outokumpu with a fair value of €953 million.

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 half year ended March 31, 2014, 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. In the 2nd quarter ended March 31, 2013, income and expense incurred after the disposal mainly comprise transaction-related interest income and transaction costs.

Discontinued operation Stainless Global

million €	1st half ended March 31, 2013	1st half ended March 31, 2014	2nd quarter ended March 31, 2013	2nd quarter ended March 31, 2014
Net sales	1,268	0	0	0
Other income	12	0	3	0
Expenses	(1,361)	185	(2)	(2)
Ordinary income/(loss) from discontinued operations (before taxes)	(81)	185	1	(2)
Income tax (expense)/income	(4)	0	1	0
Ordinary income/(loss) from discontinued operations (net of tax)	(85)	185	2	(2)
Gain/(loss) recognized on disposal of discontinued operations (before taxes)	146	0	0	0
Income tax (expense)/income	—	—	—	—
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	146	0	0	0
Discontinued operations (net of tax)	61	185	2	(2)
thereof:				
ThyssenKrupp AG's stockholders	62	185	2	(2)
Non-controlling interest	(1)	0	0	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 with 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 was 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 was €276 million. Furthermore in connection with the contract 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 was 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 was €276 million in the 1st quarter 2013/2014. In connection with the disposal of the investment on February 28, 2014, the share derivative was derecognized and income of €2 million recognized, reflecting the fact that due to the €253 million limit on the reversal of impairment losses a write-up to fair value less cost to sell of €255 million was not possible as of December 31, 2013. This was partially offset by expense of €13 million from the recycling of the foreign currency translation adjustment previously recognized as equity in other comprehensive income.

03 Share-based compensation

Management incentive plans

In the 2nd quarter ended March 31, 2014, the members of the Executive Board of ThyssenKrupp AG were granted stock rights of the 4th installment of the long-term incentive plan (LTI) and it was decided to grant stock rights of the 4th installment of the LTI to additional executive employees. At the same time, in the 2nd quarter ended March 31, 2014, stock rights granted in the 1st installment of the LTI expired without any payment due to the decline of the average ThyssenKrupp EVA over the three-year performance period compared to the average EVA over the previous three fiscal year period. In the 1st half year ended March 31, 2014 the Group recorded expenses of €37.4 million from the obligations of the long-term incentive plan LTI (1st half year ended March 31, 2013: €2.2 million). In the 2nd quarter months ended March 31, 2013, the LTI resulted in an expense of €28.5 million (2nd quarter ended March 31, 2013: €5.9 million). In the periods presented, income/(loss) of discontinued operations does not include any expense from the LTI.

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 €4.9 million in the 1st half year ended March 31, 2014 (1st half year ended March 31, 2013: €0.1 million) and in expenses of €3 million in the 2nd quarter ended March 31, 2014 (2nd quarter ended March 31, 2013: income of €0.3 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 March 31, 2014, taking into account these effects while other assumptions remained unchanged.

Accrued pensions and similar obligations

million €	Sept. 30, 2013*	March 31, 2014
Accrued pension liability	6,427	6,734
Accrued postretirement obligations other than pensions	698	8
Other accrued pension-related obligations	252	204
Reclassification due to the presentation as liabilities associated with assets held for sale	(29)	0
Total	7,348	6,946

* 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			March 31, 2014		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension liability	3.50	3.88	3.60	3.10	3.71	3.26
Discount rate for postretirement obligations other than pensions	—	4.25	4.25	—	4.00	4.00

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

Net periodic pension cost

million €	1st half ended March 31, 2013*			1st half ended March 31, 2014			2nd quarter ended March 31, 2013*			2nd quarter ended March 31, 2014		
	Germany	Outside Germany	Total	Germany	Outside Germany	Total	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Service cost	53	18	71	45	14	59	26	9	35	23	7	30
Net interest cost	110	7	117	102	5	107	55	4	59	51	2	53
Administration cost	-	3	3	0	3	3	0	2	2	0	2	2
Past service cost	12	1	13	0	0	0	12	1	13	0	0	0
Curtailment and settlement gains	0	(11)	(11)	0	0	0	0	0	0	0	0	0
Net periodic pension cost	175	18	193	147	22	169	93	16	109	74	11	85

* 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 half year ended March 31, 2013 and of €0 million in the 2nd quarter ended March 31, 2013. The above presented net periodic pension cost for defined benefit plans outside Germany does not include any cost in the 1st half year ended March 31, 2013 and in the 2nd quarter ended March 31, 2013 attributable to discontinued operations. The costs incurred 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 half ended March 31, 2013	1st half ended March 31, 2014	2nd quarter ended March 31, 2013	2nd quarter ended March 31, 2014
Service cost	0	0	(1)	0
Net interest cost	15	15	8	8
Administration cost	0	0	0	0
Net periodic postretirement benefit cost	15	15	7	8

05 Total equity

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 strengthened the Group's equity and reduces net financial debt.

Authorizations

The following authorizations were issued by resolution of the Annual General Meeting on January 17, 2014:

In revocation of the partly used authorization to increase the capital stock issued by the Annual General Meeting on January 20, 2012, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the capital stock on one or more occasions on or before January 16, 2019 by up to €370 million by issuing up to 144,531,250 new no-par bearer shares in exchange for cash and/or contributions in kind (authorized capital). The shareholders are in principle entitled to subscription rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to exclude shareholder subscription rights in certain cases; the option of excluding subscription rights is limited to 20% of the capital stock. § 5, par. 5 of the Articles of Association of ThyssenKrupp AG has been reworded accordingly.

The Executive Board was authorized, with the approval of the Supervisory Board, to issue once or several times bearer of registered warrant and/or convertible bonds in the total par value of up to €2 billion with or without limited terms, and to grant to or impose on the holders or creditors of convertible bonds conversion rights or obligations for no-par bearer shares of ThyssenKrupp AG with a total share of the capital stock up to €250 million in accordance with the conditions of these bonds. The authorization is valid until January 16, 2019. The Executive Board is authorized, subject to the approval of the Supervisory Board, to exclude shareholders' subscription rights in certain cases.

Furthermore the Executive Board was authorized to conditionally increase the capital stock by up to €250 million by issue of up to 97,626,250 new no-par bearer shares (conditional capital). The conditional capital increase serves the granting of no-par bearer shares upon exercise of conversion or option rights, upon fulfilment of corresponding conversion obligations or upon exercise of an option of the ThyssenKrupp AG to grant no-par shares of the ThyssenKrupp AG in whole or in part instead of payment of the cash amount due to the holders or creditors of convertible or warrant bonds that are issued by ThyssenKrupp AG or a subordinate Group company against cash contribution on or before January 16, 2019 as a result of

the authorization resolution passed by the Annual General Meeting on January 17, 2014. New shares are issued at the option or conversion price to be determined in each case according to the above mentioned authorization resolution. A new paragraph 6 has been inserted in § 5 of the Articles of Association of ThyssenKrupp AG.

06 Issuance of a bond and agreement of a syndicated credit facility

On February 19, 2014 ThyssenKrupp issued a 1.25 billion Euro bond with a maturity of 5 years and 8 months documented under the existing 10 billion Euro Debt Issuance Programme. The bond carries a coupon of 3.125% p.a. at an issuance price of 99.201%. With this transaction ThyssenKrupp AG made use of the good market environment, extended its maturity profile and strengthened the debt capital market share in its financing mix.

On March 28, 2014 ThyssenKrupp AG agreed a new €2.0 billion syndicated credit line with its financial partners. The facility has an initial term to March 28, 2017. At the end of the first and second years it can be extended by a year in each case with the approval of the lenders. The new credit line replaces the €2.5 billion credit facility that would have expired in July 2014. As of the reporting date the credit facility had not been used. The credit line was not utilized as of the balance sheet date.

07 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	
	as of March 31, 2014	Provision as of March 31, 2014
Advance payment bonds	264	1
Performance bonds	109	2
Third party credit guarantee	7	0
Residual value guarantees	61	2
Other guarantees	36	0
Total	477	5

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 due to the reduced iron ore prices by €1.9 billion to €12.9 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 €77 million for 2013 and expects exemptions of around €100 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 – previous version) 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) had 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. The settlement payment was made in February 2014. In the meantime further companies have also asserted or in most cases 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 construction as well as the operation of the Brazilian steel plant, 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.

08 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 March 31, 2014

million €	Carrying amount on balance sheet March 31, 2014	Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	Fair value March 31, 2014
		(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	
Trade accounts receivable, net (excluding finance lease)	5,583	5,583				5,583
Loans and receivables		5,583				5,583
Finance lease receivables	50				50	50
Other financial assets	477	362	72	43		477
Loans and receivables		344				344
Available-for-sale financial assets		18		13		31
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			72			72
Derivatives that qualify for hedge accounting			0	30		30
Cash and cash equivalents	5,035	5,035				5,035
Loans and receivables		5,035				5,035
Total of financial assets	11,145					
thereof by measurement categories of IAS 39:						
Loans and receivables	10,962	10,962				10,962
Available-for-sale financial assets	31	18		13		31
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	72		72			72
Financial debt (excluding finance lease)	8,942	8,942				9,321
Financial liabilities measured at amortized cost		8,942				9,321
Finance lease liabilities	61				61	61
Trade accounts payable	4,637	4,637				4,637
Financial liabilities measured at amortized cost		4,637				4,637
Other financial liabilities	1,014	824	130	60		1,014
Financial liabilities measured at amortized cost		824				824
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			130			130
Derivatives that qualify for hedge accounting			0	60		60
Total of financial liabilities	14,654					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	14,403	14,403				14,782
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	130		130			130

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 March 31, 2014

million €	Balance as of March 31, 2014	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)	72	0	72	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	13	10	3	0
Derivatives that qualify for hedge accounting	30	0	30	0
Total	115	10	105	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)	130	0	60	70
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	190	0	120	70

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	22
Balance as of March 31, 2014 (asset/(liability))	(70)

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 March 31, 2014	Carrying amount March 31, 2014
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	2,477	36	1,748	47
Foreign currency derivatives qualifying as cash flow hedges	106	2	270	6
Embedded derivatives	67	3	77	2
Interest rate derivatives qualifying as cash flow hedges*	224	2	1,122	21
Commodity derivatives that do not qualify for hedge accounting	213	9	348	23
Commodity derivatives qualifying as cash flow hedges	31	3	53	3
Total	3,118	55	3,618	102
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	1,854	68	1,814	22
Foreign currency derivatives qualifying as cash flow hedges	179	6	356	4
Embedded derivatives	65	3	95	2
Interest rate derivatives qualifying as cash flow hedges*	1,095	21	192	11
Commodity derivatives that do not qualify for hedge accounting**	388	101	598	106
Commodity derivatives qualifying as cash flow hedges	157	35	232	45
Total	3,738	234	3,287	190

* inclusive of cross currency swaps ** inclusive of cargo derivatives

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 1st half year ended March 31, 2013 and March 31, 2014 as well as for the 2nd quarter ended March 31, 2013 and March 31, 2014 is as follows:

Segment information

million €	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Steel Americas	Corporate	Stainless Global*	Consolidation	Group
1st half ended March 31, 2013										
External sales	2,699	2,919	2,724	5,572	3,895	834	41	1,268	0	19,952
Internal sales within the Group	6	1	10	166	870	155	57	134	(1,399)	0
Total sales	2,705	2,920	2,734	5,738	4,765	989	98	1,402	(1,399)	19,952
EBIT	106	304	339	(121)	19	(166)	(251)	70	(187)	113
Adjusted EBIT	103	315	320	98	39	(166)	(217)	(70)	(196)	226
1st half ended March 31, 2014										
External sales	2,980	3,023	2,875	5,768	3,667	1,065	26	-	0	19,404
Internal sales within the Group	3	2	6	291	796	8	58	0	(1,164)	0
Total sales	2,983	3,025	2,881	6,059	4,463	1,073	84	-	(1,164)	19,404
EBIT	122	292	368	80	72	118	(315)	185	(200)	722
Adjusted EBIT	138	338	372	90	81	(43)	(222)	0	(199)	555
2nd quarter ended March 31, 2013										
External sales	1,356	1,387	1,423	2,841	2,058	461	14	0	0	9,540
Internal sales within the Group	4	1	5	82	454	40	29	0	(615)	0
Total sales	1,360	1,388	1,428	2,923	2,512	501	43	0	(615)	9,540
EBIT	64	133	198	(157)	(10)	(44)	(139)	(2)	(96)	(53)
Adjusted EBIT	62	146	180	58	9	(44)	(120)	(1)	(99)	191
2nd quarter ended March 31, 2014										
External sales	1,554	1,479	1,589	3,176	1,955	530	12	-	0	10,295
Internal sales within the Group	1	2	4	144	434	5	30	-	(620)	0
Total sales	1,555	1,481	1,593	3,320	2,389	535	42	-	(620)	10,295
EBIT	67	159	195	37	52	117	(199)	(2)	(101)	325
Adjusted EBIT	75	163	199	56	62	(26)	(119)	0	(101)	309

* 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 half ended March 31, 2013	1st half ended March 31, 2014	2nd quarter ended March 31, 2013	2nd quarter ended March 31, 2014
Sales as presented in segment reporting	19,952	19,404	9,540	10,295
- 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	18,729	19,404	9,540	10,295

Reconciliation of EBIT to EBT

million €	1st half ended March 31, 2013*	1st half ended March 31, 2014	2nd quarter ended March 31, 2013*	2nd quarter ended March 31, 2014
Adjusted EBIT as presented in segment reporting	226	555	191	309
Special items	(113)	167	(244)	16
EBIT as presented in segment reporting	113	722	(53)	325
- Depreciation of capitalized borrowing costs eliminated in EBIT	(11)	(10)	(5)	(5)
+ Non-operating income/(expense) from companies accounted for using the equity method	(38)	(52)	(38)	0
+ Finance income	185	562	55	350
- Finance expense	(521)	(1,099)	(226)	(534)
- Items of finance income assigned to EBIT based on economic classification	(6)	(33)	20	(5)
+ Items of finance expense assigned to EBIT based on economic classification	24	234	5	236
EBT - Group	(254)	324	(242)	367
- EBT of Stainless Global	(65)	(185)	(1)	2
EBT from continuing operations as presented in the statement of income	(319)	139	(243)	369

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

10 Cost of sales

Cost of sales for the 1st half year ended March 31, 2014, includes write-downs of inventories of €40 million which mainly relate to the Steel Americas, Components Technology and Materials Services business areas. As of September 30, 2013, write-downs amounted to €94 million. In the 1st half year ended March 31, 2013, cost of sales includes write-downs of inventories of €21 million which mainly related to the Steel Europe, Components Technology and Materials Services business areas.

Furthermore, cost of sales include €51 million restructuring expense, which relates mostly to the Elevator Technology and Steel Europe business areas.

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

The line item includes expenses of €52 million in the 1st half year ended March 31, 2014 (1st half year ended March 31, 2013: €38 million) resulting from the investment in Outokumpu accounted for using the equity method; these expenses comprise the 1st quarter 2013/2014 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 half ended March 31, 2013*		1st half ended March 31, 2014		2nd quarter ended March 31, 2013*		2nd quarter ended March 31, 2014	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
Income/(loss) from continuing operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	(194)	(0.38)	19	0.03	(131)	(0.25)	271	0.48
Income/(loss) from discontinued operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	62	0.12	185	0.34	2	0.00	(2)	0.00
Income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(132)	(0.26)	204	0.37	(129)	(0.25)	269	0.48
Weighted average shares	514,489,044		548,216,658		514,489,044		565,937,947	

* Figures have been adjusted due to the adoption of IAS 19R, the reclassification of Steel Americas as a continuing operation, the elimination of the impairment of Steel Americas as well as the catch up of amortization and depreciation of ThyssenKrupp CSA and Berco (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 half year ended March 31, 2014 and in the 2nd quarter ended March 31, 2014 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 half year ended March 31, 2014, the acquisition and first-time consolidation of companies created an increase in non-current assets of €729 million (1st half year ended March 31, 2013: €10 million). In the 2nd quarter ended March 31, 2014 these increases amounted to €728 million (2nd quarter ended March 31, 2013: €6 million).

The non-cash addition of assets under finance leases in the 1st half year ended March 31, 2014 amounted to €5 million (1st half year ended March 31, 2013: €5 million) and in the 2nd quarter ended March 31, 2014 to €2 million (2nd quarter ended March 31, 2013: €2 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 €36 million in the 1st half year ended March 31, 2014 (1st half year ended March 31, 2013: €10 million) and of €18 million in the 2nd quarter ended March 31, 2014 (2nd quarter ended March 31, 2013: €5 million).

Non-cash financing activities

In the 1st half year ended March 31, 2014, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt of €313 million (1st half year ended March 31, 2013: €0 million); in the 2nd quarter ended March 31, 2014 these increases amounted to €313 million (2nd quarter ended March 31, 2013: €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 €36 million in the 1st half year ended March 31, 2014 (1st half year ended March 31, 2013: €10 million) and of €18 million in the 2nd quarter ended March 31, 2014 (2nd quarter ended March 31, 2013: €5 million).

Essen, May 09, 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 March 31, 2014, which are part of the half-year financial report pursuant to § (Article) 37w 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, May 12, 2014

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann

(German Public Auditor)

Volker Linke

(German Public Auditor)

Responsibility statement

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

Essen, May 09, 2014

ThyssenKrupp AG

The Executive Board

Hiesinger

Burkhard

Kaufmann

Kerkhoff

Report by the Supervisory Board Audit Committee

The interim report for the 1st half of the 2013/2014 fiscal year (October 2013 to March 2014) and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board in its meeting on May 12, 2013 and explained by the Executive Board. The auditors were available to provide additional information. The Audit Committee approved the interim report.

Essen, May 12, 2014

Chairman of the Audit Committee

Prof. Dr. Bernhard Pellens

Contact and 2014/2015 dates

Contact

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2014/2015 dates

August 14, 2014

Interim report

9 months 2013/2014 (October to June)

Conference call with analysts and investors

November 20, 2014

Annual press conference

Conference call with analysts and investors

January 30, 2015

Annual General Meeting

February 13, 2015

Interim report

1st quarter 2014/2015 (October to December)

Conference call with analysts and investors

May 12, 2015

Interim report

1st half 2014/2015 (October to March)

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 this 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>.

