2014/2015

INTERIM REPORT

1ST QUARTER
October 1 – December 31, 2014
THYSSENKRUPP AG

Developing the future.

ThyssenKrupp

Contents

1st quarter 2013/2014 — October 01 – December 31, 2014

This interim report was published on February 13, 2015.

ThyssenKrupp in figures

The Group in figures [1]

		Full Group				Continuing operations			
		1st quarter 2013/2014	1st quarter 2014/2015	Change	Change in %	1st quarter 2013/2014	1st quarter 2014/2015	Change	Change in %
Order intake	million €	10,661	10,094	(567)	(5)	10,661	10,094	(567)	(5)
Net sales	million €	9,088	10,044	956	11	9,088	10,044	956	11
EBITDA	million €	669	587	(82)	(12)	482	590	108	22
EBIT [2]	million €	396	281	(115)	(29)	209	285	76	36
EBIT margin [2]	%	4.4	2.8	(1.6)	—	2.3	2.8	0.5	—
Adjusted EBIT [2]	million €	245	317	72	29	245	317	72	29
Adjusted EBIT margin [2]	%	2.7	3.2	0.5	—	2.7	3.2	0.5	—
EBT	million €	(43)	147	190	++	(230)	151	381	++
Net income/(loss) / Income/(loss) (net of tax)	million €	(70)	43	113	++	(257)	47	304	++
attributable to ThyssenKrupp AG's shareholders	million €	(65)	50	115	++	(252)	54	306	++
Basic earnings per share	€	(0.12)	0.09	0.21	++	(0.47)	0.10	0.57	++
Operating cash flow	million €	39	(386)	(425)	--	39	(382)	(421)	--
Cash flow for investments	million €	(248)	(265)	(17)	(7)	(248)	(265)	(17)	(7)
Free cash flow before divestments	million €	(209)	(651)	(442)	--	(209)	(647)	(438)	--
Cash flow from divestments	million €	26	110	84	323	26	110	84	323
Free cash flow	million €	(183)	(541)	(358)	--	(183)	(537)	(354)	--
Employees (Dec. 31)		158,234	155,407	(2,827)	(2)	158,234	155,407	(2,827)	(2)
Net financial debt (Dec. 31)	million €	4,599	4,212	(387)	(8)				
Total equity (Dec. 31)	million €	3,266	2,907	(359)	(11)				

Business Areas

	Order intake million €		Net sales million €		EBIT [2] million €		Adjusted EBIT [2] million €		Employees	
	1st quarter 2013/2014	1st quarter 2014/2015	1st quarter 2013/2014	1st quarter 2014/2015	1st quarter 2013/2014	1st quarter 2014/2015	1st quarter 2013/2014	1st quarter 2014/2015	Dec. 31, 2013	Dec. 31, 2014
Components Technology	1,439	1,621	1,428	1,597	54	67	63	67	28,057	29,162
Elevator Technology	1,801	1,868	1,544	1,712	115	176	156	178	49,348	51,044
Industrial Solutions	2,295	1,075	1,288	1,377	91	95	91	92	18,982	18,690
Materials Services	2,842	3,546	2,739	3,421	43	(14)	34	2	25,128	22,423
Steel Europe [1]	2,272	2,095	2,066	1,985	19	80	18	79	28,259	27,740
Steel Americas	609	475	538	502	(1)	(11)	(19)	0	5,491	3,348
Corporate	42	47	42	45	(116)	(107)	(104)	(102)	2,969	3,000
Consolidation	(639)	(633)	(557)	(595)	4	(1)	6	1		
Continuing Operations [1]	10,661	10,094	9,088	10,044	209	285	245	317	158,234	155,407

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

Notes on the performance indicators

With the retrospective adoption of IFRS 11, Hüttenwerke Krupp Mannesmann GmbH (HKM), previously accounted for by the equity method, is classified in the reporting quarter and in the quarters of the prior year not as a joint venture but as a joint operation. This means that the assets, liabilities, income and expenses of HKM are consolidated proportionately. In organizational terms HKM is assigned to the business area Steel Europe. See "Recently adopted accounting standards" in the Notes.

Beginning with the fiscal year 2014/2015 we have also retrospectively amended the definitions of EBIT, adjusted EBIT and capital employed with regard to the treatment of capitalized borrowing costs. Depreciation of capitalized borrowing costs is no longer reversed in EBIT and adjusted EBIT. Analogously, capitalized borrowing costs again become part of capital employed. In addition, upward correction factors are included in capital employed resulting in an increase in the performance requirements for positive value added. In another change EBIT and adjusted EBIT at business area level, particularly in business areas with long-term construction contracts, are no longer increased by an imputed earnings contribution derived from net advance payments surpluses and the interest and financing effects attainable with them. Analogously, net advance payments surpluses are no longer included when calculating capital employed. See also the information in the 2013/2014 Annual Report in the section "Fundamental information about the Group" under "Management of the Group".

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 (OTK), expenses and income continue to be recorded which are directly related to this and represent discontinued operations. The 29.9% financial interest in OTK 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.

ThyssenKrupp in brief

ThyssenKrupp is a diversified industrial group with traditional strengths in materials and a growing share of capital goods and services businesses. Around 155,000 employees in nearly 80 countries work with passion and technological know-how to develop high-quality products and intelligent industrial processes and services for sustainable progress. Their skills and commitment are the basis of our success. In fiscal year 2013/2014 ThyssenKrupp generated sales of around €41 billion.

With our engineering expertise in the areas Mechanical, Plant and Materials we enable our customers to gain an edge in the global market and manufacture innovative products in a cost- and resource-friendly way. For us, technical progress and innovations, allied with the combined strength of the Group, are key factors enabling us to follow the development trends on the global sales market, grow on the markets of the future, and generate strong and stable earnings, cash flows and value growth.

ThyssenKrupp ADRs master data

ISIN (International Stock Identification Number)	
Stocks	**DE 000 750 0001**
ADRs	**US88629Q2075**
Symbols	
Stocks (Frankfurt, Düsseldorf stock exchanges)	TKA
ADRs (over-the-counter trading)	TKAMY

Strategy

Positioning as a diversified industrial group

Demographic change, the globalization of goods flows and the rapid growth of mega cities due to increasing urbanization mean that global demand is rising all the time. The world needs ever “more” consumer and capital goods, infrastructure, energy and raw materials. However, this growing demand is set against the finite nature of natural resources. Concerns over climate change and the environment together with stricter regulations call for “better” solutions. We need to use resources more efficiently, reduce the environmental impact of producing consumer and capital goods, and build sustainable infrastructure.

With its engineering expertise, ThyssenKrupp offers solutions to these challenges and with its technologies, materials, industrial processes and services already meets requirements for “more” and “better” in many areas – both in the industrialized countries and in the emerging markets. This creates value for our customers and clear competitive advantages for us.

Our positioning as a diversified industrial group is linked to the ambition to generate strong and stable earnings, cash flow and value added. We aim to achieve this by focusing increasingly on profitable capital goods and services businesses with lower volatility and capital intensity and on the global growth regions and industries. In addition we aim to significantly improve our earnings strength. For this we are applying two levers: systematically increasing the earning power of the business areas to secure their profitable growth while consistently and systematically leveraging synergies within the Group

We have significantly reduced the share of more volatile and capital-intensive businesses through portfolio measures; steel-producing businesses already account for less than 30% of the business areas’ sales, and capital goods and services businesses for over 70%.

We are strengthening our focus on the growth regions in Asia, South America and the USA through efficient regional structures and a common market identity.

To leverage synergies in the Group, we are working together in a targeted and connected way across businesses, regions and functions. We expect the biggest synergies in the next few years to come from professional management and consolidation of processes under our purchasing and materials cost reduction initiative synergize+, a unified IT infrastructure, data and process harmonization, and global shared services.

In addition, all businesses in our portfolio have to meet clear minimum requirements or pursue a convincing business plan to fulfill them: All business units must sustainably generate positive earnings, positive cash flows and positive value added (ThyssenKrupp Value Added) on average across the cycle and at the same time maintain or achieve industry-leading positions in terms of profitability.

Successful implementation of the Strategic Way Forward

Our program for positioning ThyssenKrupp as a diversified industrial group is the Strategic Way Forward, which we have been implementing rigorously since May 2011. In particular with the sale of ThyssenKrupp Steel USA and the slab supply contract for ThyssenKrupp CSA, the ending of financial links with OTK and our successful financing measures, we significantly reduced our risks in the past fiscal year, strengthened our key financial ratios and secured value and liquidity for the company. Now, in a next step – alongside the changes in our corporate culture, leadership and structure and the stronger performance orientation – we can place a special focus on the further development of our HR strategy and the strategic management of our customers and markets. By addressing these four strategic action areas systematically we will stabilize our finances and gain strategic freedom, both for investments and for research and development. From this solid base we aim to continue to grow profitably in the coming years, both in the emerging growth regions and in the industrialized countries.

More information on the Strategic Way Forward can be found in the 2013/2014 Annual Report in the section “Fundamental information about the Group” under “Strategic Way Forward”.

In the 1st quarter 2014/2015 we took further steps in the implementation of the Strategic Way Forward:

- The corporate program “impact” combines initiatives and measures to increase performance. The aim of the efficiency program “impact 2015” is to achieve a cumulative positive EBIT effect of around €2.5 billion from performance measures in the three fiscal years 2012/2013 through 2014/2015, including €850 million in the current fiscal year. In the 1st quarter 2014/2015 we achieved EBIT effects of €250 million, taking the cumulative total to over €1.8 billion already. We are therefore confident of meeting the target for the current fiscal year and therefore also the target for the three-year period. To support our performance orientation we are again conducting benchmarking projects in several business areas in the current fiscal year. These structured comparisons enable us to pinpoint gaps versus best in class and identify and implement measures to close them.

- As part of the transformation of the Group numerous business processes are being modernized and organized to be efficient and competitive. Harmonization of the IT infrastructure is part of the Strategic Way Forward. The aim is to introduce global standards, reduce costs and improve the quality and security of data traffic. In mid-December 2014 we signed a contract with T-Systems concerning the setup and operation of central data centers. IT systems and services currently housed in around 700 data rooms and eleven data centers will be transferred to five data centers. In addition, around 10,000 server systems and the software and data of more than 80,000 computer workstations worldwide are to be moved to the cloud. This will allow international collaboration using the same applications and platforms with consistent data and analyses.

In its meeting on November 19, 2014 the Supervisory Board gave its approval for the Strategic Way Forward and the transformation of ThyssenKrupp into a diversified industrial group. The contract of Chief Executive Officer Dr. Heinrich Hiesinger was extended for a further five years from October 1, 2015 to September 2020.

More information on the progress achieved in the four strategic action areas can be found in the report on the economic position in the section “Business area review” and in the chapters “Compliance” and “Employees”.

More information on the strengthening of strategically important growth areas and our research and development activities is provided in the report on the economic position in the section “Capital expenditures” and in the chapter “Technology and innovations”.

Report on the economic position

Macro and sector environment

Significant changes in oil prices and exchange rates: Effects not yet reliably predictable
Important parameters affecting the economic environment have experienced significant changes since the beginning of our reporting year: The oil price has halved and exchange rates have shifted significantly; the euro has depreciated sharply against the US dollar. The duration of these developments and the timing and intensity of their impact on the economy cannot yet be reliably predicted and are at best only partially reflected in the forecasts of research institutes and industry associations. However, lower energy prices and a falling exchange rate should in themselves have a stabilizing effect on consumer spending and the competitiveness of important customer industries in the euro zone.

Global economy in 2015: slightly higher growth momentum, continuing high uncertainty
The recovery of the global economy faltered in the course of 2014; a self-sustaining upturn across all regions failed to materialize. The reason for this was not least geopolitical uncertainties, for example the Ukraine crisis and the conflicts in the Middle East. These were reflected in weaker economic data and subdued business and consumer spending.

Leading indicators currently suggest that economic momentum will accelerate at least slightly in 2015. Not least the continued highly expansionary monetary policy of the industrial countries will lead to growth here of over 2%. Growth in the emerging markets should increase slightly to around 4.5% in 2015. The global economy is expected to expand at a rate of 3.2% in 2015, only slightly higher than the already weak level of 2014. The industrialized nations and some emerging countries will benefit from low oil prices; in the euro zone the weak euro will additionally boost the economy. However, risks remain due to the geopolitical situation (Ukraine/Russia, Middle East). A lack of willingness to reform in the problem countries of the euro zone or a failure of the gradual retreat from quantitative easing particularly in the USA could also jeopardize the moderate recovery of the global economy.

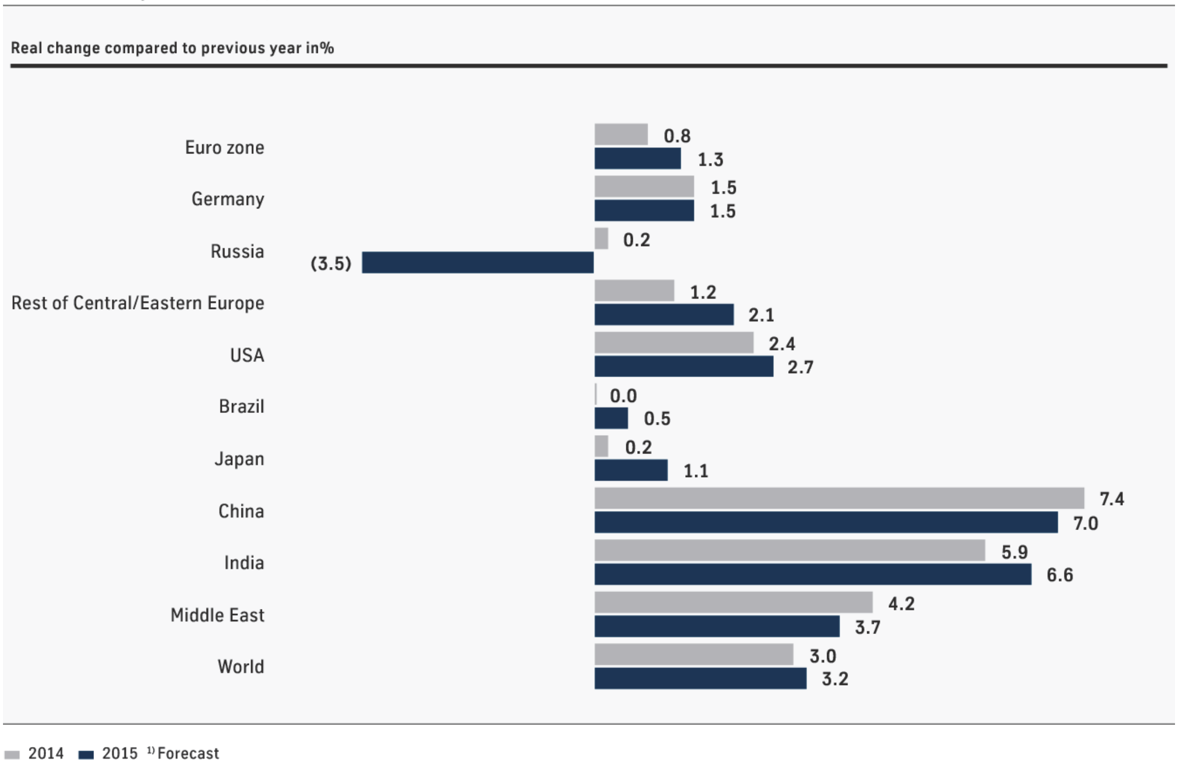
The economic recovery in the euro zone is proceeding slowly. Growth remains mixed and in some cases – Italy for example – is even declining. In the 3rd quarter 2014 the economic output of the euro zone increased by 0.2% quarter on quarter. There was higher economic growth in some crisis countries such as Spain, Portugal and Ireland. However, necessary reforms and structural adjustments continue to limit growth opportunities in the euro zone. After growing by 0.8% in 2014, gross domestic product (GDP) will again increase only moderately by 1.3% in 2015.

The German economy showed comparatively solid growth of 1.5% in 2014. However, the weak growth climate in the euro zone and the crises in Ukraine and the Middle East also left their mark here, impacting on economic performance towards the middle of the year. Domestic demand was the main contributor to GDP growth: Consumer spending increased thanks to rising incomes and a continued strong labor market. Business spending also increased markedly. Even foreign trade delivered a moderate growth contribution despite the difficult environment. In view of recent increasingly positive leading indicators and the expected moderate recovery of the global economy, German GDP could again grow by around 1.5% in 2015.

After a weather-related very weak start to 2014, the US economy picked up considerably in the course of the year. In light of the advanced deleveraging process among private households and continued improvements on the labor market, consumer spending is expected to increase further. Given these favorable parameters, business spending is also expected to rise more strongly. Overall the US economy is likely to expand by at least 2.7% in 2015 – following growth of 2.4% in 2014.

Economic growth in China is expected to slow slightly from 7.4% in 2014 to around 7.0% in 2015. While foreign trade should deliver stronger impetus, the targeted shift towards greater consumption-led growth is not yet likely to be enough to offset weaker business spending. GDP growth in India will quicken in 2015 on the back of rising foreign demand and further implementation of ongoing infrastructure projects. However, at 6.6% the rate of expansion will fall short of the growth rates of the past decade. Following stagnation last year economic growth in Brazil is expected to remain weak at 0.5% in 2015 due to low raw material prices and continuing structural problems. To achieve stronger growth Brazil above all needs more favorable conditions for investment, for example through reduced bureaucracy, simplification of the tax system, and infrastructure expansion. After very low growth of 0.2% in 2014 the Russian economy is expected to contract significantly by 3.5% in 2015 due to the continuing conflict with Ukraine and the low oil price.

Gross domestic product 2014[1], 2015[1]



[1] Forecast

Mixed picture in the sectors

Global demand for cars and light trucks is continuing to rise overall. In the USA falling gasoline prices and rising employment numbers led to a 6% year-on-year increase in sales to 16.4 million units in 2014; the light truck segment showed particularly strong growth. For 2015 moderate growth of 2% and total sales of 16.7 million units are expected. In China 18.4 million units sold in 2014 represented a 13% increase year-on-year; for 2015 further growth but at a slower rate of 6% is forecast. Sales in the overall European market increased slightly by 1% to 16.2 million units in 2014, despite the deteriorating state of the Ukrainian, Russian and also Turkish auto markets. The Western European markets performed encouragingly in 2014 with a total of 12.1 million new registrations and growth of 5%. Above all the big auto markets recorded year-on-year growth: Germany (+3%), the UK (+9%), Italy (+4%) and Spain (+18%). In 2015 we expect a slight sales decline of 1% for the overall European market. In Brazil there is currently no sign of an improvement in the sales situation: Following a 7% decline in 2014 stagnation is expected in 2015.

Global auto production in 2014 is estimated to have increased year-on-year by 3% to 85.1 million passenger cars and light trucks. For 2015 further growth of 2% to 87.2 million units is predicted. However there will again be wide regional differences, as with new registrations. In China continuing strong growth of 7% to 24 million units is expected. In the USA the rate of growth is forecast to slow to 5% in 2015 (2014: 6%). Following a 4% increase to 19.4 million vehicles in 2014, total European production will likely move sideways in 2015, with the expected recovery in Spain and Italy being offset by declining production above all in Russia and Belgium. We also expect sideways movement for German production in 2015 following an estimated 4% increase in 2014; opportunities could arise from low oil prices, a weaker euro and lower interest rates. There is currently no improvement in sight for Brazilian auto production: following an estimated 14% decline in 2014 stagnation is forecast for 2015.

Important sales markets

	2014[1]	2015[1]
Vehicle production, million cars and light trucks		
World	85.1	87.2
Western Europe	13.2	13.4
Germany	5.8	5.7
USA	11.4	11.9
Japan	9.2	8.8
China	22.4	24.0
Brazil	2.9	2.9
Machinery production, real, in % versus prior year		
Germany	0.9	2.0
USA	6.7	5.5
Japan	10.0	4.0
China	8.3	7.1
Construction output, real, in % versus prior year		
Germany	5.2	2.5
USA	3.5	6.0
China	7.6	5.7
India	6.5	6.6
Demand for finished steel, million tons		
World	1,563	1,598
Germany	39.2	39.6
USA	109	113
China	745	755

[1] Forecast

Growth in global machinery output in 2015 should almost equal that in 2014, although again with wide regional differences. The Chinese machinery sector will expand at a slightly slower rate of around 7% this year due to a temporary growth weakness and reduced investment. In Japan growth in machinery output will slow significantly to only 4% after picking up strongly by 10% in 2014. US machinery output is showing slightly stronger growth: Following a 6.7% increase last year it will grow by a further 5.5% in 2015 – primarily due to sharply rising capital investment. Together most Western European countries achieved production growth of around 1% in 2014. For 2015 slightly higher – but still low – growth rates of around 2% are expected in connection with the moderate global economic recovery.

Activity in the export-oriented German machinery sector was very sluggish in 2014. New orders increased year-on-year by only 2%, below expectations. Both foreign and domestic orders rose by this same percentage. Machinery output was almost 1% higher than a year earlier. Forecasts predict production growth of around 2% for the German machinery sector in 2015. The reasons for this are a cyclical upturn due to the slightly improved global economy, the stronger performance of important sales markets (USA, China and in part Europe) and the depreciation of the euro.

Construction activity in the euro zone was slightly stronger last year after a weak 2013: In 2014 cumulative output shortly before the end of the year was around 2.5% up from the same prior-year period. For 2015 a slight increase to around 3% is expected. The US real estate market seems to be continuing its recovery: At the end of 2014 both building permits and housing starts were significantly higher year-on-year. Real estate prices in this period increased by around 8%, a higher rate than a year earlier. US construction output is expected to expand by around 6% in 2015 after a rise of 3.5% last year. German construction output in 2014 was over 5% higher year-on-year, although seasonally adjusted order intake decreased slightly. However, continuing high migration into Germany, a solid labor market – combined with rising real household incomes – and historically low mortgage rates should continue to support German housing construction. Nevertheless, after increasing by 5% in 2014, construction activity in Germany in 2015 is expected to be less dynamic, increasing by only 2.5% mainly due to slower growth in public construction spending. In China, too, construction output growth this year at just under 6% will be slightly lower than in previous years due to lower overall economic growth.

Steel market – The situation on the European flat carbon steel market in 2014 was marked by slightly firmer volumes but also by a negative steel price trend, also due to lower raw material prices. Almost all steel-using sectors in the EU recorded higher levels of production than a year earlier, causing steel demand to rise. However, the European steel producers did not profit proportionately from this growth, which was higher in the first half of the year than in the second: Suppliers from third countries, especially from Asia and the CIS, increased their market shares in the EU noticeably. International steel trading was widened considerably last year. This was the mainly due to the significant slowing of growth in Chinese steel demand, collapsed domestic markets in Russia and Ukraine, and continued global capacity expansion. As a result competition intensified worldwide. However the EU producers were also able to increase their flat steel exports to third countries. In the reporting quarter, the final quarter of the year, demand on the EU market was slightly weaker for seasonal reasons and import pressure also lessened. Against the background of adequate steel availability and subdued market prospects, steel users and distributors sought to minimize their inventories at the end of the year. In October and November 2014 average shipments by European flat steel producers to the EU market were lower than a year earlier but higher than in previous months. Under the influence of sharply falling raw material prices, steel prices worldwide softened noticeably again in the 4th quarter 2014.

Strong growth in the auto industry and a booming energy sector brought unexpectedly high growth to the US flat carbon steel market in 2014. Steel prices held steady at a high level through to the fall, defying the downward trend in all other regions. However they came under increasing pressure towards the end of the year. One major reason for this was a marked increase in imports compared with the prior year and over the course of 2014.

Demand on the global steel market will remain subdued in 2015, increasing by around 2% as in 2014 and lagging behind overall economic growth. This is mainly due to the situation in China, where steel demand is expected to grow by only 1% as a result of the weak real estate market. However growth in other emerging countries will be more robust, and stronger than in 2014. On the EU market we forecast demand growth of around 2% for 2015 assuming the moderate economic recovery continues. However the risks in the EU's foreign trade have increased further. Import pressure from Asia is expected to remain high, and the CIS countries, benefiting from considerable cost advantages due to the fall of their currencies, could step up their steel exports further. With the growth prospects for key steel-using industries remaining quite solid, steel demand in Germany will increase by around 1% to 39.6 million tons of finished steel in 2015, compared with 2% last year. Steel demand in the USA is expected to continue to grow strongly by 2 to 3% from the high level achieved in 2014.

Summarized assessment by the Executive Board

Good start to new fiscal year; efficiency program impact drives further improvement in EBIT

ThyssenKrupp achieved its operating targets in the 1st quarter 2014/2015 (October 1 to December 31, 2014): Adjusted EBIT from continuing operations came to €317 million, up by around 29% from the prior year and fully in line with the full-year forecast; it reflects in particular the progress achieved with the performance optimization and restructuring measures under the corporate program impact. All business areas except Steel Americas made a positive contribution; Steel Americas achieved break-even earnings. In addition, all business areas improved their adjusted EBIT year-on-year; the only exception was Materials Services, which was impacted by the strike at AST in Italy. Elevator Technology increased its earnings and its margin year-on-year for the ninth quarter in succession. The adjusted EBIT of the capital goods business came to €337 million in the first three months. The materials business including Steel Americas and despite the strike in Italy made a clear positive contribution overall of €81 million. On this basis the Group generated a net income for the period €43 million, an improvement of €113 million from the prior-year quarter, in which a loss was recorded.

At €(651) million, free cash flow (FCF) before divestments in the first three months of 2014/2015 was as expected temporarily lower than a year earlier due to non-period effects in net working capital, but was within the corridor predicted for the 1st quarter and fully in line with the full-year forecast. We continue to expect clear progress for the current fiscal year, with at least break-even FCF before divestments. In the 1st quarter the normalization of inventories after the relining of blast furnace 2 at Steel Europe, the strike at AST and new major contracts at Materials Services, higher inventories in connection with a major repair at Components Technology and billing-related payment deferrals at Industrial Solutions led to a temporary increase in net working capital. The Group's FCF in the reporting quarter came to €(541) million and includes cash flows from divestments, in particular the disposal of the RIP group (RIP Serviços Industriais Ltda. and RIP Comércio Ltda.), which provides industrial services in Brazil and was assigned to the Materials Services business area. The Group's net financial debt at December 31, 2014 including the proportionate consolidation of HKM came to €4.2 billion and was €0.5 billion higher quarter-on-quarter but lower than a year earlier (€4.6 billion). Despite the net income for the period equity decreased as a result of the updated interest rates used in the remeasurement of pensions. Gearing therefore increased in the reporting quarter from 114.9% to 144.9%.

With cash, cash equivalents and committed undrawn credit lines totaling €7.3 billion at December 31, 2014 and a balanced maturity profile, ThyssenKrupp is solidly financed.

Risks further reduced

Having already significantly improved the Group's risk profile in fiscal year 2013/2014 with important portfolio and financing measures, we further significantly reduced our risk portfolio in the 1st quarter of the current fiscal year, in particular as a result of the dropping of the “auto steel” cartel case against ThyssenKrupp. In its press statement on the subject the Federal Cartel Office emphasized ThyssenKrupp's cooperation in the case. Details on the case and our compliance activities can be found in the section “Compliance”. Information on opportunities and risks is provided in the Opportunity and Risk Report.

Group review

Course of business

Capital goods businesses with high order backlog drive growth in sales

In a continuing challenging economic climate ThyssenKrupp performed well overall in the 1st quarter 2014/2015; the main drivers for the high organic growth in sales were once again the solid performances of the capital goods businesses.

Order intake from continuing operations came to €10.1 billion, down 5% from the prior year. On a comparable basis, i.e. excluding currency and portfolio effects, new orders declined year-on-year by 10%. The capital goods businesses significantly exceeded their prior-year order intake, in part thanks to positive exchange rate effects. The exception was Industrial Solutions, whose order intake only declined because of a major order at Marine Systems in the prior year. The other project businesses recorded stable to strongly rising order intake, with Process Technologies in particular winning two larger orders for chlor-alkali electrolysis plants. Components Technology increased its order intake both quarter-on-quarter (up 6%) and in particular year-on-year (up 13%); on a comparable basis the year-on-year increase was 9%. The demand recovery for auto components strengthened, and the business also profited from the ramp-up of new products and plants. In industrial components the improvement from the prior year continued. New orders at Elevator Technology also increased quarter-on-quarter and year-on-year, reaching a new record level of €1.9 billion; on a comparable basis order intake was unchanged from the high prior-year level. The business performed particularly well in North America and continues to benefit from rising demand for new installations in China and South Korea. Orders in hand reached a new record level of €4.3 billion and together with the order backlog at Industrial Solutions comes to a total of approximately €18 billion – a solid basis for the profitable sales growth targeted for our elevator and project businesses.

Order intake in the materials businesses was 4% lower quarter-on-quarter, mainly as a result of seasonal and strike factors, but 7% higher year-on-year mainly due to the inclusion of VDM and AST, transferred from OTK, in the figures for Materials Services from March 1, 2014; on a comparable basis order intake was unchanged year-on-year. At Materials Services the increase year-on-year including Special Materials (VDM and AST) was 25% (on a comparable basis 6%). The full order books reflect in particular the expansion of global direct-to-customer business and the excellent performance of the warehousing and service business in North America. Order intake at Steel Europe was down year-on-year against continuing high price pressure. Order volumes were 5% lower than a year earlier, not least due to temporary production bottlenecks: The completion of a revamped continuous caster was delayed, resulting in delays in the restart of blast furnace 2 in Duisburg Schwelgern after relining. At Steel Americas, new orders were 22% down from the prior year due to the disposal of ThyssenKrupp Steel USA; on a comparable basis order intake was 5% higher year-on-year. Compared with the prior quarter, order intake was 23% lower; the decrease was mainly volume-related, reflecting in particular an unscheduled outage of both converters in November 2014.

Order intake by business area

million €	1st quarter 2013/2014	1st quarter 2014/2015	Change in %	Change on a comparable basis [1] in %
Components Technology	1,439	1,621	13	9
Elevator Technology	1,801	1,868	4	0
Industrial Solutions	2,295	1,075	(53)	(52)
Materials Services	2,842	3,546	25	6
Steel Europe [2]	2,272	2,095	(8)	(8)
Steel Americas	609	475	(22)	5
Corporate	42	47	12	10
Consolidation	(639)	(633)	—	—
Order intake of the continuing operations [2]	10,661	10,094	(5)	(10)
Stainless Global	0	0	—	—
Consolidation	0	0	—	—
Order intake of the Group [2]	10,661	10,094	(5)	(10)

[1] excluding currency and portfolio effects
[2] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).

At €10 billion, sales from continuing operations were 10% down quarter-on-quarter, mainly for seasonal reasons, but were significantly higher (+11%) year-on-year in almost all business areas partly due to portfolio and exchange rate effects. Only at Steel Europe, for price reasons, and at Steel Americas, due to the disposal of ThyssenKrupp Steel USA, were sales lower than a year earlier. On a comparable basis sales increased by 5% year-on-year, benefiting above all from strong organic growth in the capital goods businesses.

Order intake and sales of the full Group were the same as those from continuing operations as from the prior year onwards the discontinued operations recorded only income and expenses and contributed neither to order intake nor to sales.

Net sales by business area

million €	1st quarter 2013/2014	1st quarter 2014/2015	Change in %	Change on a comparable basis [1] in %
Components Technology	1,428	1,597	12	8
Elevator Technology	1,544	1,712	11	7
Industrial Solutions	1,288	1,377	7	8
Materials Services	2,739	3,421	25	8
Steel Europe [2]	2,066	1,985	(4)	(4)
Steel Americas	538	502	(7)	9
Corporate	42	45	7	7
Consolidation	(557)	(595)	—	—
Net sales of the continuing operations [2]	9,088	10,044	11	5
Stainless Global	0	0	—	—
Consolidation	0	0	—	—
Net sales of the Group [2]	9,088	10,044	11	5

[1] excluding currency and portfolio effects
[2] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).

Impact program drives further improvement – adjusted EBIT 29% higher year-on-year

In a challenging and highly competitive climate we increased adjusted EBIT from continuing operations in the 1st quarter 2014/2015 by 29% year-on-year to €317 million despite negative effects from the strike at AST in Italy. The positive earnings trend reflects in particular our extensive efficiency measures; in the 1st quarter 2014/2015 we achieved EBIT effects of €250 million from the impact program.

Adjusted EBIT was higher year-on-year in all the capital goods businesses. Components Technology continued to profit from the efficiency measures under impact, improving its earnings both year-on-year and quarter-on-quarter. Elevator Technology managed to increase its earnings and profit margin year-on-year for the ninth quarter in succession. In addition to a pleasing operating performance this is also down to the efficiency and restructuring measures under impact. Industrial Solutions achieved slightly higher adjusted EBIT year-on-year, with margins good but slightly lower for billing reasons.

In the materials businesses adjusted EBIT was significantly higher year-on-year, with the exception of a decline at Materials Services due to the strike. Excluding VDM and AST, adjusted EBIT at Materials Services was steady year-on-year despite continuing high price pressure and intense competition; numerous efficiency measures and sales initiatives under impact helped in this. The new business unit Special Materials with VDM and AST, which are currently undergoing a comprehensive restructuring process, impacted adjusted EBIT with a loss of €33 million, mainly caused by the effects of the strike at AST in Italy. At Steel Europe and Steel Americas the impact measures continued to have an effect: Adjusted EBIT and EBIT margin increased significantly in both business areas both year-on-year and quarter-on-quarter; Steel Americas achieved break-even adjusted EBIT.

The adjusted EBIT of the full Group was the same as that from continuing operations as the income and expenses of the discontinued operations were recognized as special items.

Adjusted EBIT by business area [1)]

million €	1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Components Technology	63	67	6
Elevator Technology	156	178	14
Industrial Solutions	91	92	1
Materials Services	34	2	(94)
Steel Europe [2)]	18	79	339
Steel Americas	(19)	0	--
Corporate	(104)	(102)	2
Consolidation	6	1	—
Adjusted EBIT of the continuing operations [2)]	245	317	29
Stainless Global	0	0	—
Consolidation	0	0	—
Adjusted EBIT of the Group [2)]	245	317	29

1) Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).
2) Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf.“Recently adopted accounting standards” in the Notes).

Earnings impacted to a small extent by special items

EBIT from continuing operations was impacted to a small extent by special items totaling €32 million in the 1st quarter 2014/2015. These related mainly to disposal losses and restructuring expenses of €16 million at Materials Services and an expense of €11 million from the updated valuation of a long-term freight contract at Steel Americas.

Special items from continuing operations [1)]

million €	1st quarter 2013/2014	1st quarter 2014/2015	Change in %
EBIT [2)]	209	285	36
+/- Disposal losses/gains	2	10	400
+ Restructuring expenses	50	6	(88)
+/- Impairment/reversal of impairment	(1)	(1)	0
+ Other non-operating expenses	3	17	467
- Other non-operating income	(18)	0	--
Adjusted EBIT [2)]	245	317	29

1) Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).
2) Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

Positive net income generated

After the above-mentioned special items, EBIT from continuing operations came to €285 million in the reporting quarter, up €76 million year-on-year.

After-tax earnings from continuing operations came to €47 million – an increase of €304 million from the year-earlier quarter, in which financial income was impacted by charges attributable to the former Outokumpu shareholding.

After deduction of expense attributable to discontinued operations in the amount of €4 million, the full Group generated net income of €43 million, an increase of €113 million against the 1st quarter of the prior year. The above-mentioned financial expenses in the prior year were partly offset by prior-year income attributable to the discontinued operations. Earnings per share improved year-on-year from €(0.12) to €0.09.

Capital expenditures

Capital expenditures higher year-on-year, share of capital goods businesses in investment mix further strengthened

ThyssenKrupp invested a total of €265 million in the reporting period, 7% or €17 million more than a year earlier. While all the capital goods businesses increased their investment activity, capital expenditures in the materials operations were down slightly overall. As a result, the share of capital expenditure accounted for by our capital goods businesses rose further to 43%.

Components Technology – The business area invested a total of €74 million, mostly in ongoing growth projects. The focus was on capacity expansion for customer projects in the powertrain area. For example in November last year a new plant for cylinder head cover modules was put into operation in Changzhou (China). We also continued to invest in the expansion of the new cylinder head cover module production plants in Ilsenburg (Germany) and Dalian (China), and in the new site under construction in Poços de Caldas (Brazil). In addition, follow-up projects were carried out at the new plant for chassis components in Shanghai which was opened in 2014. With this capital spending, the business area is continuing its growth program to expand its presence in the global auto components market.

Elevator Technology – Elevator Technology invested a total of €28 million in the reporting quarter. As part of our comprehensive growth strategy we continued to invest in the expansion of our global service network and production sites. The acquisition of Lift & Engineering Services Ltd. in the United Kingdom is a further step in the build-out of our global service business; the company has a strong regional presence in the Midlands and greater London areas of the UK. In October 2014 the groundbreaking ceremony took place for the test tower in Rottweil. On completion at the end of 2016, the tower will be used among other things to test and certify our innovative MULTI elevator. Featuring several cars moving vertically and for the first time also horizontally in the same shaft, MULTI will open up completely new possibilities in terms of building height, design and use.

Industrial Solutions – Capital spending amounted to €12 million. The focus was on the continued expansion of our service business at Resource Technologies, where further investment in service centers in South America helped strengthen our global service network and bring us closer to customers. We also expanded our technology portfolio with in-house R&D activities and various patent applications.

Materials Services – Materials Services invested a total of €22 million, mostly in replacement and modernization projects in the warehousing, processing and logistics areas. Around half of the spending went on VDM and AST.

Steel Europe – Capital expenditures at Steel Europe totaled €100 million in the reporting period. In October 2014 blast furnace 2 in Duisburg Schwelgern went back into operation again after successful modernization. Accordingly, measures required following the relining of Europe's largest blast furnace were a key area of investment in the 1st quarter. A further major investment in the future of the company is the ongoing renewal of our IT infrastructure with the aim of harmonizing the system landscape. In addition, work began on an investment project to further improve the environmental performance of the sinter plant.

Steel Americas – Capital expenditures at Steel Americas amounted to €10 million in the reporting period, and were lower again year-on-year mainly due to the disposal of ThyssenKrupp Steel USA. Spending at the Brazilian steel mill continued to concentrate on the further enhancement of the plant's environmental performance, the expansion of the existing shipment infrastructure to serve the local market as an important pillar of the future sales strategy, and the further technical optimization of the facilities.

Corporate – At Corporate investment came to €14 million in the reporting period. In addition to spending in connection with the data and process harmonization program and on centrally purchased software licenses, another major area was investment in property, which is consolidated centrally for the whole Group at Real Estate.

Financing

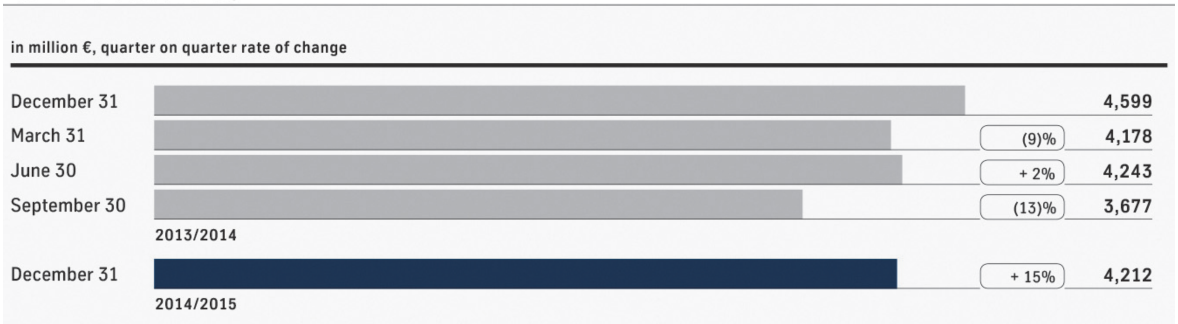
Cash flow and net financial debt

At €(651) million, the Group's FCF before divestments in the first three months 2014/2015 was as expected temporarily down from the prior year on account of net working capital effects not related to the period, but is nevertheless firmly within the corridor targeted for the 1st quarter and fully in line with the forecast for the full fiscal year. We continue to expect significant progress with at least break-even FCF before divestments for the current fiscal year.

Including the proportionate consolidation of HKM, the net financial debt of the full Group at December 31, 2014 stood at €4,212 million.

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

Net financial debt full Group[1]



[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).

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

At December 31, 2014 the gearing ratio was 144.9%, 30 percentage points higher than at September 30, 2014 (114.9%, including HKM) but still below 150%. The increase mainly reflected the low interest rate environment, which led to a remeasurement of pensions with associated negative effects on equity. Net financial debt also increased as a result of higher net working capital.

At December 31, 2014 the Group's available liquidity amounted to €7.3 billion, consisting of €3.6 billion cash and cash equivalents and €3.7 billion undrawn committed credit lines. Additional financing possibilities were available to us under a commercial paper program with a limit of €1.5 billion. Under the program commercial papers can be issued with a term of up to 364 days depending on investor demand. At December 31, 2014 an amount of €120 million had been drawn under the program.

The available liquidity offers enough scope to cover maturities in gross financial debt. The gross financial debt repayable in fiscal 2014/2015 amounts to €1.2 billion.

ThyssenKrupp is thus solidly financed.

Rating

We have been rated by Moody’s and Standard & Poor’s (S&P) since 2001 and by Fitch since 2003. Our ratings are currently below investment grade. In December 2014 S&P and Fitch raised the outlook for our current BB/BB+ ratings from “negative” to “stable”. Moody's confirmed our Ba1 rating with a negative outlook. A negative outlook means that the agency monitors the rating more closely and then reviews it, normally within a period of twelve to 18 months.

Rating

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

Business area review

The Group's operations are organized in business areas. In a generally challenging business environment all business areas generated positive adjusted EBIT. The only exception was the Steel Americas business area, which significantly reduced its losses year-on-year and quarter-on-quarter and achieved break-even adjusted EBIT.

Components Technology

Components Technology in figures

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Order intake	million €	1,439	1,621	13
Net sales	million €	1,428	1,597	12
EBIT [1)]	million €	54	67	24
EBIT margin [1)]	%	3.8	4.2	—
Adjusted EBIT [1)]	million €	63	67	6
Adjusted EBIT margin [1)]	%	4.4	4.2	—
Employees (Dec. 31)		28,057	29,162	4

[1)] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

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 within the business area. Components Technology covers the entire value chain, from the development and manufacture of high-performance components through to machining and complex assembly processes.

Order intake and sales higher

Components Technology reported a pleasing performance in the 1st quarter 2014/2015: Order intake and sales were higher both year-on-year and quarter-on-quarter. Compared with the 1st quarter 2013/2014 we increased our orders by around 13% to €1.6 billion. Alongside production ramp-ups for new products, the ramp-up of new plants and a steep increase in demand for axle module assembly, this growth was aided mainly by positive currency translation effects from the US dollar and Chinese yuan to euros. On a comparable basis orders received were 9% higher. In the automotive business the recovery in car and truck components in Western Europe continued. In China and the NAFTA region, particularly the USA, the business profited from growth in car and truck production; however sales of heavy trucks (> 6 t) in China slowed. The markets in India and Brazil remained weak due to economic uncertainty. To further expand our presence on the global automotive markets, particularly the Chinese market which remains in growth overall, our Powertrain business opened a new plant in Changzhou in November for the annual production of around 1 million cylinder head cover modules. It is the fourth plant of its kind which we are either in the process of building or have commissioned in the past twelve months worldwide. The strong demand and high growth potential for these products reflect the further refinement of our camshaft technology and optimization of the manufacturing process. By supplying complete camshaft modules, we offer our customers systems of the highest quality and functionality with a very attractive cost/benefit ratio: Our camshaft modules increase the efficiency of engine assembly while offering weight savings of up to 30% and lowering fuel consumption and emissions.

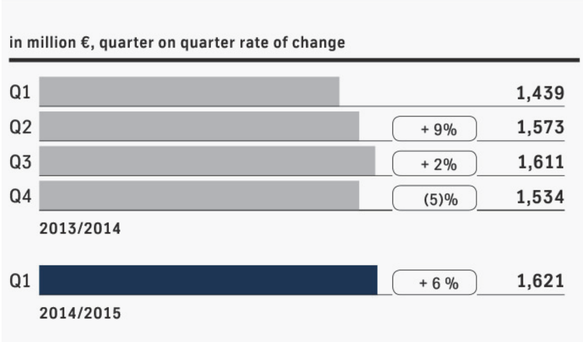
In the industrial components business we likewise increased order intake from the prior-year level. Orders received for wind turbine components were higher particularly in China. However, there was no fundamental improvement in demand for construction equipment components.

Following the trend in orders, sales were up 12% year-on-year at €1.6 billion. On a comparable basis sales rose by 8%.

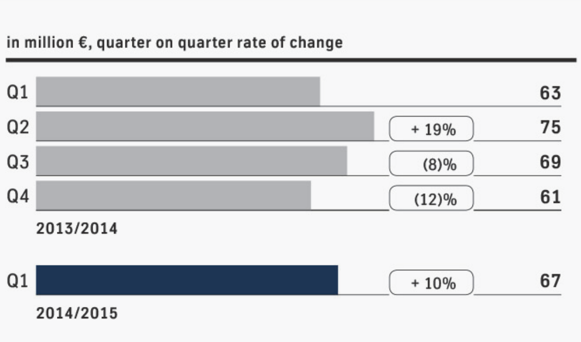
Higher earnings profit from impact

At €67 million, adjusted EBIT of Components Technology in the 1st quarter 2014/2015 was higher both year-on-year and quarter-on-quarter. Efficiency measures under the corporate program impact continued to benefit earnings. Due to product mix effects, particularly the strong growth in axle module assembly business, adjusted EBIT did not rise as steeply as sales; accordingly adjusted EBIT margin was down slightly from the prior year. Earnings and margins improved quarter-on-quarter on a comparable level of sales. EBIT likewise increased to €67 million, reflecting operating improvements and lower restructuring costs.

Components Technology order intake



Components Technology adjusted EBIT[1]



[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures")

Elevator Technology

Elevator Technology in figures

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Orders in hand (Dec. 31)	million €	3,801	4,277	13
Order intake	million €	1,801	1,868	4
Net sales	million €	1,544	1,712	11
EBIT [1]	million €	115	176	53
EBIT margin [1]	%	7.4	10.3	—
Adjusted EBIT [1]	million €	156	178	14
Adjusted EBIT margin [1]	%	10.1	10.4	—
Employees (Dec. 31)		49,348	51,044	3

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures").

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 intake and orders in hand at record levels

The Elevator Technology business area continued its positive performance in the first three months of the 2014/2015 fiscal year. Order intake and orders in hand increased both year-on-year and quarter-on-quarter. Order intake in the reporting period came to €1.9 billion, 4% higher than a year earlier; on a comparable basis order intake remained at the same level. Our business performance in North America was particularly pleasing, with positive exchange rate effects providing additional support. In China and South Korea Elevator Technology continues to profit from increased demand for new installations. Orders in hand at December 31, 2014 stood at €4.3 billion.

Sales in the reporting quarter amounted to €1.7 billion, 11% up from the prior-year quarter; on a comparable basis sales were 7% higher. Elevator Technology achieved positive growth rates particularly in North America, China and South Korea, driven by the strong demand for new installations. Compared with the high level of the 4th quarter, sales in the 1st quarter were down slightly for seasonal reasons.

As part of the implementation of our comprehensive growth strategy, we continued to invest in the international expansion of our service network and production sites. The acquisition of Lift & Engineering Services Ltd. in the United Kingdom in December is a further step in the build-out of our global service business; the company has a strong regional presence in the Midlands and greater London areas of the UK.

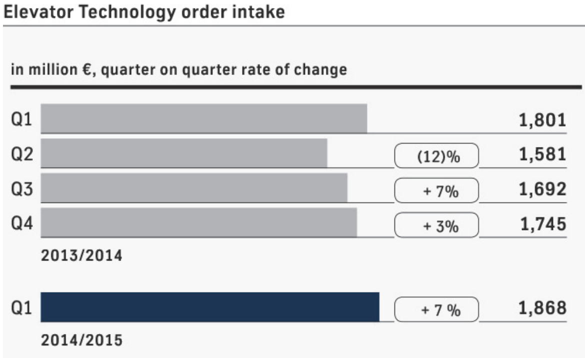
In October 2014 the groundbreaking ceremony took place for the test tower in Rottweil. On completion at the end of 2016, the tower will be used among other things to test and certify our innovative MULTI elevator. Featuring several cars moving vertically and for the first time also horizontally in the same shaft, MULTI will open up completely new possibilities in terms of building height, design and use. This is an outstanding example of how we promote efficient and convenient urban mobility with innovative technology.

Adjusted EBIT higher year-on-year for the ninth time running

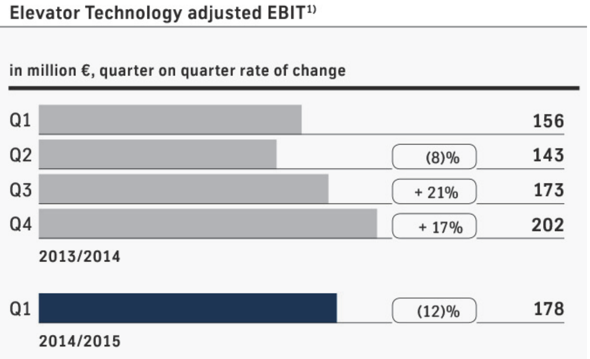
In the 1st quarter 2014/2015 Elevator Technology improved its adjusted EBIT year-on-year by 14% to €178 million as a result of higher sales and margins. The earnings and margin improvement mainly reflects a pleasing operating performance and the accompanying efficiency and restructuring measures under the corporate program impact. Adjusted EBIT decreased quarter-on-quarter by €24 million for seasonal reasons. Adjusted EBIT margin was up from the 1st quarter 2013/2014 at 10.4% despite impacts from strikes in connection with the plant restructuring in France.

EBIT climbed to €176 million and includes special items of €2 million. EBIT is therefore higher both year-on-year and quarter-on-quarter.

Elevator Technology order intake



Elevator Technology adjusted EBIT[1)]



[1)] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures")

Industrial Solutions

Industrial Solutions in figures

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Orders in hand (Dec. 31)	million €	15,505	13,493	(13)
Order intake	million €	2,295	1,075	(53)
thereof Marine Systems [1]	million €	1,301	35	(97)
Net sales	million €	1,288	1,377	7
thereof Marine Systems [1]	million €	318	359	13
EBIT [2]	million €	91	95	4
EBIT margin [2]	%	7.1	6.9	—
Adjusted EBIT [2]	million €	91	92	1
Adjusted EBIT margin [2]	%	7.1	6.7	—
Employees (Dec. 31)		18,982	18,690	(2)

[1] including other shareholdings and consolidation
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

On the Group's Strategic Way Forward, the integration and regionalization of the plant engineering business created the structural conditions to achieve our growth targets and increase efficiency. After the successful combination of the formerly separate plant construction companies ThyssenKrupp Uhde, ThyssenKrupp Polysius and ThyssenKrupp Fördertechnik under the roof of ThyssenKrupp Industrial Solutions in fiscal year 2013/2014, the focus now is on expanding our sales activities and further strengthening our global service business.

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 capability across all its businesses. Leading-edge technologies and reliable project management form the basis for our sustainable engineering solutions.

In addition to the plant engineering operations, managed by the two business units Process Technologies and Resource Technologies, the Industrial Solutions business area also comprises the System Engineering and Marine Systems 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), production systems for the auto industry (System Engineering), and naval shipbuilding (Marine Systems).

Strong start to the new fiscal year with clear growth in sales

The positive performance of the Industrial Solutions businesses continued in general in the 1st quarter 2014/2015. However, on account of a major order at Marine Systems in the 1st quarter 2013/2014, the business area's order intake at €1.1 billion in the 1st quarter 2014/2015 was down significantly from the very high level of the prior year. Compared with the 4th quarter 2013/2014 order intake was virtually stable.

1st-quarter order intake at Process Technologies increased year-on-year by around a quarter. This mainly reflected two major orders for chlor-alkali electrolysis plants. Overall the positive investment climate at Process Technologies continues. As gas prices remain attractive, we see further opportunities for follow-up orders for fertilizer and polymer plants and associated infrastructure and logistics projects in the USA and Canada.

At Resource Technologies order intake was slightly lower than in the 1st quarter 2013/2014, but improved compared with the final quarter of the prior year. A major cement line order was received in North America; this too was favorably influenced by the low energy prices in the USA. Despite the continued generally weaker demand for new mining equipment, the business unit won a major order for mining and handling equipment in India. Overall our high order backlog and balanced product portfolio with an increasing share of repair and service business secure a stable level of business.

Order intake at System Engineering was largely stable compared with the 1st quarter 2013/2014. In the reporting period a number of medium-size orders were won in Europe, the USA and China. We continue to see good project opportunities in production systems for both the automotive and aerospace industries.

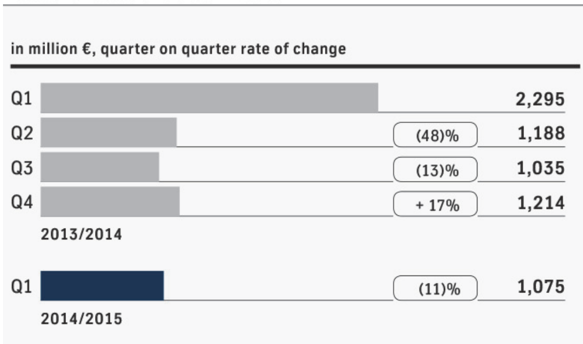
Marine Systems won some smaller service orders in the past quarter, though overall order intake did not compare with the very high level of the 1st quarter 2013/2014 which included a major order. However, sales grew slightly in the reporting quarter. In connection with the focusing of the ThyssenKrupp Group's shipbuilding operations on surface vessels and submarines, the sale of the business operations of Emder Werft und Dockbetriebe in Emden to the financial investor Seafort Advisors was agreed as part of an asset deal in December 2014.

The business area's generally solid order situation with a high order backlog of €13.5 billion provides long-term planning certainty and secures capacity utilization for the next two to three years. Sales in the 1st quarter 2014/2015 increased by a strong 7% to around €1.4 billion, fully in line with our long-term growth target; on a comparable basis sales were 8% higher.

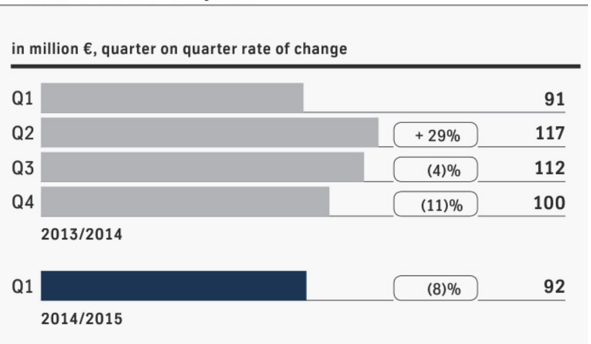
Adjusted EBIT with continuing good margin quality

Adjusted EBIT in the reporting quarter was slightly higher year-on-year at €92 million. Adjusted EBIT margin fell slightly to 6.7% for billing reasons and therefore remains within the target range of 6% to 7%. EBIT was hardly affected by special items in the reporting quarter and also increased slightly year-on-year to €95 million.

Industrial Solutions order intake



Industrial Solutions adjusted EBIT[1]



[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures")

Materials Services

Materials Services in figures

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Order intake	million €	2,842	3,546	25
Net sales	million €	2,739	3,421	25
EBIT [1]	million €	43	(14)	--
EBIT margin [1]	%	1.6	(0.4)	—
Adjusted EBIT [1]	million €	34	2	(94)
Adjusted EBIT margin [1]	%	1.2	0.1	—
Employees (Dec. 31)		25,128	22,423	(11)

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures").

The business area specializes in materials distribution and technical services. It operates at some 500 locations in 45 countries. In connection with the ending of all financial links Outokumpu transferred to ThyssenKrupp the entire 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 with effect from February 28, 2014. These companies and businesses were assigned to Materials Services and have been included in the business area's figures since March 1, 2014 mainly in the newly created Special Materials business unit. This greatly restricts the comparability of the figures for the reporting period with the prior-year figures.

Order intake and sales higher year-on-year partly through higher volumes

In the reporting quarter order intake totaled over €3.5 billion and sales €3.4 billion, a year-on-year gain of 25% in each case. On a comparable basis – in particular excluding Special Materials (VDM and AST) – the increase was 6% and 8% respectively, mainly reflecting the expansion of our global direct-to-customer business and the excellent performance of our warehouse and service business in North America. However, dampening effects on orders and sales resulted from our full withdrawal from warehouse business in Russia and closure of our railway equipment operations at the end of the past fiscal year as well as the sale of the RIP group's service activities in Brazil in December 2014. Sales of our service center business for the automotive sector were up slightly year-on-year. The same was true of services for the aerospace industry, which continued to grow above all in North America. Sales in the plastics business and raw materials trading were level with the prior year. Sales of Special Materials, not yet included in the prior-year figures, were impacted by the prolonged strike at AST in Italy. Prices for rolled steel, stainless steel, nonferrous metals and plastics as well as for most raw materials were at a very low level and for the most part dropped further against the 1st quarter 2013/2014. In our trading and associated services business the 1st quarter of a fiscal year is traditionally the weakest; accordingly the business area's order intake and sales were lower quarter-on-quarter for seasonal reasons and due to the effects of the strike.

In the 1st quarter 2014/2015 the companies in the Materials Services business area sold a total of 3.2 million tons of materials, 2% more than a year earlier. Due to the strike, only just over 100,000 tons of this was attributable to stainless steel flat products produced and sold by the new Special Materials unit. At just over 1.2 million tons, warehouse shipments of metals were lower year-on-year, though slightly higher excluding business in Russia; increased shipments in the service centers, Germany and North America were partly offset by lower volumes in Western and Eastern Europe. Despite continued strong competition we expanded the volume of direct-to-customer business by more than 50%. In the reporting period we sold over 0.7 million tons of raw materials; while shipments of coke/coal and also nickel ores were over 20% down from the extremely high level of the prior year, we succeeded in increasing the volume of metals and alloys sold.

We strive to offer our customers not only a wide range of materials and manufacturing services but also innovative supply chain solutions. In the new fiscal year as a customer-focused service partner we will continue our work on the development and expansion of online systems to enhance customer information and customer services. One example is our end user platform “Online Metals” in North America which records high double-digit sales growth each year. In the past fiscal year we set up four new service and logistics centers to handle internet orders. Another example is our new customer web portal for business customers in the USA. We will shortly be launching this portal solution in Germany too. Further upgrades and rollouts in other countries are already being prepared

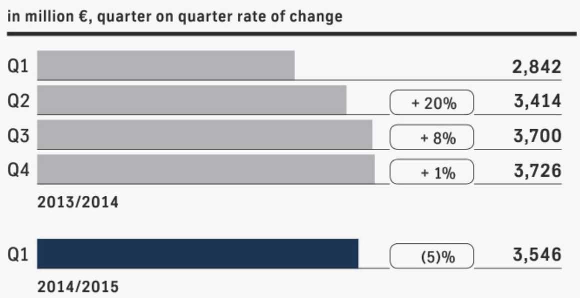
The performance programs in connection with impact – primarily aimed at optimizing our logistics network, operating structure, and administration – were continued with high intensity worldwide, and in all regions and business units the number of employees was adjusted in line with the market situation. In Europe, and particularly in Germany, the number of legal entities is being further reduced.

The comprehensive new business plans for VDM and AST have now been negotiated with the various stakeholder groups and adopted. At AST this process was accompanied by massive strike action up to the end of November. In addition to a significant intensification and restructuring of sales of cold-rolled products, the business plan includes extensive restructuring measures in production and administration with a substantial reduction in personnel. More than 300 employees have meanwhile accepted the company's severance offer. At VDM the plan likewise focuses on the intensification of sales and various growth initiatives together with several efficiency programs which will also involve over 130 job cuts.

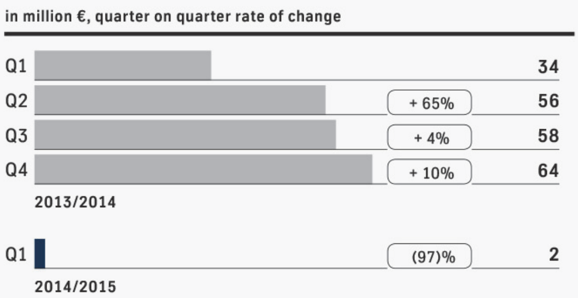
Adjusted EBIT impacted by effects of strike at AST in Italy

Materials Services' adjusted EBIT was only just positive at €2 million, €32 million lower than a year earlier. This was mainly due to the effects of the strike at AST in Italy; the Special Materials unit with VDM and AST weighed down earnings with a loss of €33 million. Excluding this unit, adjusted EBIT increased slightly year-on-year despite continued price pressure and intense competition. However it was down sharply against the previous quarter, in which sales volumes and revenues were exceptionally high. With special items for divestments and restructuring amounting to €16 million, the Materials Services business area reports negative EBIT of €14 million for the quarter.

Materials Services order intake



Materials Services adjusted EBIT[1]



[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures")

Steel Europe

Steel Europe in figures [1]

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Order intake	million €	2,272	2,095	(8)
Net sales	million €	2,066	1,985	(4)
EBIT [2]	million €	19	80	321
EBIT margin [2]	%	0.9	4.0	—
Adjusted EBIT [2]	million €	18	79	339
Adjusted EBIT margin [2]	%	0.9	4.0	—
Employees (Dec. 31)		28,259	27,740	(2)

[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards" in the Notes).
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. "ThyssenKrupp in figures").

The Steel Europe business area combines the Group's flat carbon steel operations mainly in the European market. Its high-quality flat products are supplied to customers in 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 lower prices and volumes

Steel Europe's orders and sales in the 1st quarter of fiscal 2014/2015 were again lower year-on-year due to lower prices and volumes. The sustained decline in steel prices on the European spot markets was reflected with the usual time lag – albeit to a less pronounced extent – in our deals. Volumes – in production as well as in orders received and sales – were impacted by production bottlenecks due to the delayed completion of a continuous caster modernization which also delayed the start-up of relined blast furnace 2 in Duisburg Schwelgern. At €2.1 billion the value of orders received was 8% lower year-on-year; on a comparable basis – eliminating currency effects – the decline was likewise 8%. Order volumes were 5% down from the prior-year level, not least because of temporary production-related bottlenecks.

Sales fell by 4% year-on-year to €2 billion; on a comparable basis – excluding currency effects – the decrease was likewise 4%. Shipments were slightly lower year-on-year at 2.6 million tons owing to temporary starting material supply difficulties. However, the level of exports increased, particularly shipments of hot strip to the pipe and tube industry. Sales of tinplate were also higher than the year before. Average net selling prices were lower year-on-year but decreased only slightly quarter-on-quarter.

Slab purchases necessary in production

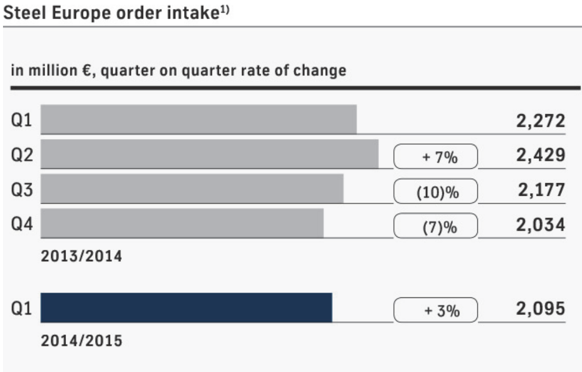
At 3 million tons, crude steel production including supplies from HKM was 4% lower year-on-year. The reduced output from our own meltshops was only partly offset by increased supplies from HKM. The newly relined blast furnace 2 in Duisburg Schwelgern only went back into operation in mid-October, a month later than planned. To bolster the temporarily restricted supply of starting material, the business area purchased slabs from our Brazilian mill ThyssenKrupp CSA. At the end of the quarter production levels improved as slab stock levels stabilized. Rolled steel production for customers in the reporting period was 4% lower than a year earlier.

“Best-in-Class Reloaded” effects continue: Strong improvement in EBIT

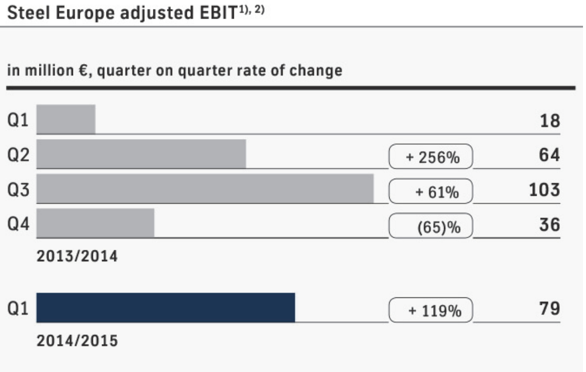
In a persistently challenging market and despite difficult production conditions, the Steel Europe business area's adjusted EBIT in the 1st quarter of the current fiscal year came to €79 million, a strong improvement on both the year-earlier figure of €18 million and the €36 million reported in the previous quarter. Adjusted EBIT margin likewise increased significantly to 4%. Steel prices remained inadequate – dropping again year-on-year – but the systematic implementation of measures under the “Best-in-Class Reloaded” program had positive effects on earnings. Reduced raw material costs also contributed to the improvement. Special items had a minor effect on earnings; at €80 million, EBIT increased distinctly both year-on-year and quarter-on-quarter.

Against the background that the difficult market conditions are expected to continue, management remains focused on driving forward the implementation of measures under “Best-in-Class Reloaded”. To support cost-reduction measures, differentiation initiatives for steel grades are being launched together with extensive sales optimization programs. The sales phase has now begun on the Groupwide development project InCar®plus unveiled at the end of the last fiscal year. The project is being presented to customers at their own sites in a global technology roadshow and impressively demonstrates how we work together to develop innovative, market-oriented solutions based on our precise knowledge of our customers' business activities and our strong engineering expertise.

Steel Europe order intake[1]



Steel Europe adjusted EBIT[1), 2)]



[1] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes)
[2] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”)

Steel Americas

Steel Americas in figures

		1st quarter 2013/2014	1st quarter 2014/2015	Change in %
Order intake	million €	609	475	(22)
Net sales	million €	538	502	(7)
EBIT [1]	million €	(1)	(11)	--
EBIT margin [1]	%	—	(2.2)	—
Adjusted EBIT [1]	million €	(19)	0	++
Adjusted EBIT margin [1]	%	—	0.0	—
Employees (Dec. 31)		5,491	3,348.0	(39)

[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”).

The Steel Americas business area supplies in particular the US and Brazilian markets with high-quality slabs out of its steel mill in Brazil (ThyssenKrupp CSA). In addition to a long-term slab supply contract with ArcelorMittal and Nippon Steel & Sumitomo Metal Corporation, which reliably secures a minimum 40% capacity utilization for our plant for several years, ThyssenKrupp CSA is systematically addressing the slab markets in South and North America.

Order intake and sales down due to portfolio changes

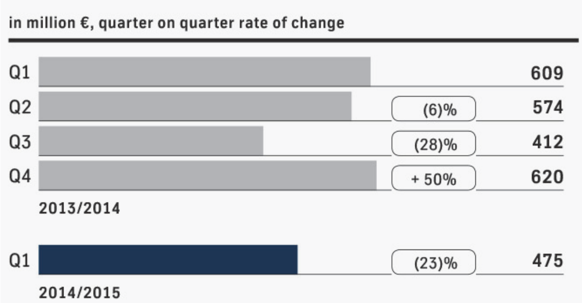
In the 1st quarter of the current fiscal year the business area's order intake at €475 million was 22% lower than a year earlier due to the sale of ThyssenKrupp Steel USA; on a comparable basis orders were 6% higher year-on-year. New orders were down quarter-on-quarter by 23%. The mainly volume-related decline is due above all to an unscheduled outage of both converters in November 2014. At €502 million sales were 7% lower year-on-year and 9% higher on a comparable basis. The 8% decrease from the 4th quarter 2013/2014 primarily reflects the lower volume of shipments. Slab production at the Brazilian steel mill reached 1 million tons and shipments 0.9 million tons in the reporting quarter. Production and shipments were therefore each level with the prior year despite the above-mentioned production problems. 0.4 million tons of slabs was supplied to the rolling and coating plant in Calvert/Alabama and 0.1 million tons to Steel Europe. With demand for the high-quality slabs strong, good progress is being made with building a customer base in South and North America.

Further improvement in adjusted EBIT both year-on-year and quarter-on-quarter

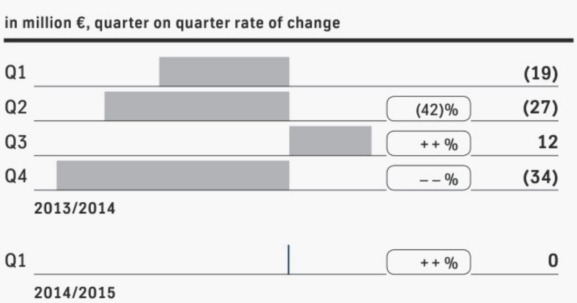
In the 1st quarter 2014/2015 we generated break-even adjusted EBIT, a strong improvement both year-on-year and quarter-on-quarter. The €19 million year-on-year increase was mainly the result of lower raw material costs and positive price effects on the North American market. The €33 million improvement against the 4th quarter 2013/2014 despite lower production and shipment volumes mainly reflects reduced raw material costs, operating cost savings as a result of impact measures, and lower negative valuation and translation effects on input tax credits at ThyssenKrupp CSA.

EBIT came to €(11) million; it was influenced by negative special items from the updated valuation of a long-term freight agreement.

Steel Americas order intake



Steel Americas adjusted EBIT[1]



[1] Prior-year figures have been adjusted due to the definition change from fiscal 2014/2015 (cf. “ThyssenKrupp in figures”)

Corporate at ThyssenKrupp AG

Corporate comprises the Group's head office and the shared services activities. The Group is managed centrally by ThyssenKrupp AG as corporate headquarters. To achieve greater global integration, the Group is organized in a matrix structure made up of operating businesses, functions and regions. As part of this new management model, regional headquarters have been established in North and South America, China, India, and the Asia/Pacific region.

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 €45 million in the reporting quarter, €3 million more than in the prior-year quarter.

Adjusted EBIT at Corporate in the 1st quarter 2014/2015 was €(102) million, virtually unchanged year-on-year. Including special items, which mainly resulted from expenses for portfolio measures, EBIT came to €(107) million, compared with €(116) million in the comparable prior-year period.

Stainless Global (discontinued operation)

The merger of the Stainless Global business area with the Finnish company OTK was completed on December 28, 2012. After its exit from the Group, income and expenses continue to be recorded which are directly associated with the sale of Stainless Global and classified as discontinued operations. The €4 million expense incurred in the 1st quarter 2014/2015 was for settlement payments in connection with personnel measures. The income reported in the 1st quarter 2013/2014 resulted in EBIT of €187 million; it came mainly from the reversal of provisions recognized in connection with the sale of Inoxum to OTK for the obligation to offset any negative financial consequences for OTK under merger control requirements.

Results of operations and financial position

The following section mainly contains an analysis of the earnings situation based on the statement of income, an analysis of liquidity based on the statement of cash flows, and an analysis of the statement of financial position. Information on financing and capital expenditures is provided in the section “Group review”.

Analysis of the statement of income

At €10,044 million, net sales from continuing operations in the 1st quarter 2014/2015 were €956 million or 11% higher than a year earlier; this increase reflects above all strong growth in the components and elevator businesses and the sales of VDM and AST included only in the reporting quarter. Cost of sales from continuing operations increased by €767 million or 10% and thus at a slightly lower rate than sales. The increase was mainly due to higher material expense. Gross profit from continuing operations improved by €189 million to €1,630 million, while gross profit margin remained unchanged at 16%.

The €15 million increase in selling expenses from continuing operations mainly reflects the consolidation of VDM and AST in the reporting quarter. The overall €9 million reduction in general and administrative expenses from continuing operations resulted mainly from reduced restructuring and consultation expenses; this was partly offset by the inclusion of VDM and AST in the reporting quarter.

The €23 million rise in other expenses from continuing operations was due mainly to the valuation of a long-term freight contract.

Other losses attributable to continuing operations were €24 million higher than a year earlier. This increase was mainly due to higher currency translation losses for refund entitlements in connection with non-income taxes.

The €46 million improvement in income attributable to the continuing operations from investments accounted for using the equity method was primarily due to the absence of the losses recognized in the prior year for the investment in Outokumpu Oyj. The €30 million rise in financing income from continuing operations was mainly the result of higher exchange rate gains in connection with finance transactions; this was partly offset by lower income from derivatives. The €179 million decrease in financing expense from continuing operations was mainly due to the absence of the expected losses from the equity derivative reported in the prior-year quarter for the obligation to sell the shareholding in Outokumpu Oyj; this was partly offset by higher currency losses in connection with finance transactions.

The income from continuing operations (before tax) of €151 million resulted in tax expense from continuing operations of €104 million in the reporting quarter, mainly in connection with valuation allowances for deferred tax assets.

After taking into account income taxes, income from continuing operations came to €47 million.

The discontinued operations reported a loss of €4 million in the reporting period compared with income of €187 million a year earlier. The €191 million deterioration mainly reflects the reversal in the prior-year quarter of a provision for possible effects from merger control requirements in connection with the disposal of Inoxum to Outokumpu.

Including the after-tax income from discontinued operations, net income of €43 million was posted in the reporting period, compared with a net loss of €70 million a year earlier.

In the reporting period, earnings per share based on the net income attributable to the shareholders of ThyssenKrupp AG came to €0.09, a year-on-year improvement of €0.21. Earnings per share from continuing operations came to €0.10, compared with a €0.47 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 until their actual disposal.

In the reporting quarter there was a net cash outflow from operating activities of €386 million. The continuing operations recorded a €421 million deterioration to a net cash outflow of €382 million. Improved net earnings before depreciation and deferred taxes were partly offset by a significant increase in capital employed in operating assets and liabilities.

Investing activities resulted in a €67 million lower net cash outflow of €155 million relating exclusively to the continuing operations. Proceeds in the reporting period from the sale of the service activities of the RIP group in Brazil had a particular impact.

Negative free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, increased by a total of €358 million to €541 million. This related almost exclusively to the continuing operations as a result of higher cash outflows from operating activities.

Financing activities resulted in a net cash inflow of €164 million, €313 million less than in the prior-year quarter. This mainly reflected two partly offsetting effects: There were net borrowings of €138 million in the reporting quarter, whereas there was a €362 million repayment in the corresponding prior-year period. The associated €500 million change was partly offset by the absence of the €878 million proceeds from the capital increase carried out in December 2013.

Analysis of the statement of financial position

Compared with September 30, 2014, total assets increased slightly by €59 million to €36,489 million. This included a currency translation-related increase of €194 million, mainly due to the significant weakening of the US dollar.

Including a currency translation-related increase of €128 million, non-current assets increased altogether by €147 million compared with the figure at September 30, 2014. The €175 million increase in deferred tax assets related mainly to tax effects on losses included in other comprehensive income from the remeasurement of pension and similar obligations. This was partly offset in particular by a reduction in property, plant and equipment, mainly due to higher depreciation than additions, as well as lower refund entitlements in connection with non-income taxes recorded in other non-financial assets.

Current assets decreased by a total of €88 million. Inventories stood at €8,043 million at December 31, 2014, €514 million higher than three months earlier. The increase related in particular to a largely volume-related rise in inventories in the Steel Europe business area as well as increases in the Materials Services business area. Trade accounts receivable decreased by €455 million to €5,353 million. This decline was mainly the result of measures to reduce capital employed in the Materials Services business area; it was partly offset by higher receivables in connection with long-term construction contracts. The €270 million increase in other current non-financial assets mainly related to advance payments made in connection with the procurement of inventories as well as higher refund entitlements in connection with non-income taxes. The €389 million decrease in cash and cash equivalents mainly reflected the negative free cash flow of €541 million in the reporting quarter. This was partly offset by net borrowings of €138 million.

Total equity at December 31, 2014 was €2,907 million, down €292 million from September 30, 2014. This was mainly due to the €374 million loss (after taxes) from the remeasurement of pension and similar obligations recorded in other comprehensive income. This was partly offset by the net income of €43 million in the reporting quarter and gains of €38 million from currency translation included in other comprehensive income. The equity ratio fell to 8%.

Non-current liabilities increased altogether by €445 million. This was mainly due to an increase in pension provisions as a result of the updated interest rates used for the remeasurement at December 31, 2014.

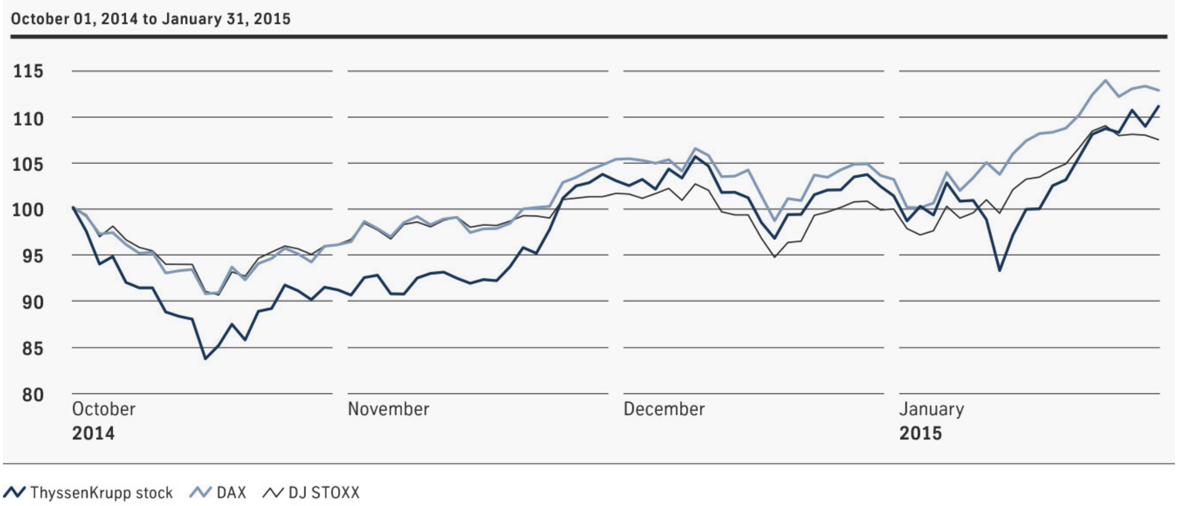
Current liabilities decreased altogether by €94 million. The €114 million decrease in provisions for short-term employee benefits included in this was mainly due to utilization with an impact on cash flow. The €197 million increase in current financial debt resulted mainly from drawings in connection with a commercial paper program. The €133 million increase in other current financial liabilities mainly related to recognition of derivatives and higher interest obligations. Lower personnel-related liabilities, a decrease in advance payments received, and lower liabilities in connection with long-term construction contracts were the main factors in the €304 million fall in other current non-financial liabilities.

ThyssenKrupp stock

At the start of the 2014/2015 fiscal year, ThyssenKrupp's stock was impacted by the geopolitical risks and economic concerns weighing on the markets. In the further course of the 1st quarter, and in particular following publication of the annual financial statements in November 2014 and our successful Capital Markets Day, ThyssenKrupp's stock performance caught back up with the indexes.

At the end of the 1st quarter on December 30, 2014, our share price stood at €21.26, around 2% higher than at the start of the fiscal year. In the same period the DAX index rose by 3.5%, while the DJ STOXX remained virtually unchanged. In the 2014 calendar year ThyssenKrupp's stock gained 20.2%, clearly outperforming the DAX and ending the year only just behind the best DAX performer in second place.

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



Capital Markets Day again with great response

On December 11, 2014, ThyssenKrupp staged the third Capital Markets Day since starting on the Strategic Way Forward. The focus was on two of our capital goods businesses, Industrial Solutions and Components Technology. The aim of the event was to highlight the business model and value potential of these activities to financial analysts and fund managers and underline the progress that has been made in our transformation into a diversified industrial group. The Executive Board and the management of the business areas were available to take questions. With around 60 participants, the majority from the UK and the USA, the Capital Markets Day once again met with a great international response on the capital market.

ADR program taps into new investors in the USA

Since November 19, 2014, it has been easier for institutional investors in the USA to invest in ThyssenKrupp: In response to strong interest from US investors, ThyssenKrupp along with Deutsche Bank as depositary bank launched a Sponsored Level I ADR program. ADRs (American Depositary Receipts) are certificates representing shares of stock which allow investors to indirectly hold shares in a non-US company and trade them in the USA. Under our ADR program, one ADR represents one share.

ThyssenKrupp ADRs master data

Structure	Sponsored Level I ADR
Ratio	1 ADR : 1 share
Trading	Over-the-counter (OTC)
Ticker symbol	TKAMY
CUSIP	88629Q 207
ISIN	US88629Q2075

Your contact with Investor Relations

The team at Investor Relations is at your disposal to provide further information on ThyssenKrupp's stock and the value potential of the Company. We also provide extensive facts and data on our website. If you would like to contact our Investor Relations team or find out about the dates planned in the 2014/2015 financial calendar, please refer to the information in the overview at the back of this interim report or visit the "Investor Relations" pages on our website www.thyssenkrupp.com.

ThyssenKrupp stock master data

International Stock Identification Number	DE 000 750 0001
Stock exchanges	Frankfurt (Prime Standard), Düsseldorf
Symbol	
Frankfurt, Düsseldorf stock exchanges	TKA

Compliance

ThyssenKrupp's Groupwide compliance program is focused on anti-corruption policies and anti-trust law. In the reporting period we rigorously continued the program with its three pillars "inform", "identify" and "report and act", refined it in accordance with our Compliance Strategy 2020, and expanded its scope to include the areas of anti-money laundering, data protection, and compliance with the Italian law decree 231/01. A further focus was on implementing the Groupwide bottom-up risk assessment and translating the Compliance Strategy 2020 into concrete measures, which we have already started to execute.

"Auto steel" cartel case against ThyssenKrupp closed

On December 11, 2014 the German Federal Cartel Office closed its anti-trust investigation in the "auto steel" sector due to a lack of evidence. The proceedings were initiated at the end of February 2013 with searches of three companies in the steel sector, including ThyssenKrupp. The authority was investigating the suspicion of price fixing in the delivery of certain steel products to the German automotive industry in a period dating back to 1998. In its press release on the closure of the investigation, the Federal Cartel Office emphasized ThyssenKrupp's cooperation in the proceedings.

Groupwide risk assessment: Practical implementation

The findings of the bottom-up risk assessment carried out throughout the Group in the past fiscal year were reported in detail to the units assessed to provide further support for detailed practical implementation of the results. At Group and regional level, the risk analysis will allow compliance activities to be managed in a much more efficient and targeted manner. The business areas can also incorporate the results of the risk analysis in their business strategies to allow risk-based management of their activities. The risk analysis will allow operating managers to perform their duties in a more focused way and actively reduce compliance risks in their day-to-day business.

Further development of compliance program: Compliance 2020

Under the strategic project "Compliance 2020" we determined the key points of ThyssenKrupp's future compliance strategy up to 2020 last fiscal year. Accordingly, implementation of the compliance strategy will include the development of measures under seven main strategic objectives that will help anchor compliance systemically in the Group. In the reporting period, the strategic development targets were therefore backed up with concrete measures. We have already begun to implement these measures – in particular in the area of compliance communications. In particular we will step up the establishment, integration and expansion of the new core areas of the compliance program, i.e. the topics of anti-money laundering, data protection, and the Italian compliance law 231/01.

The basis: Our corporate culture

The basis for successfully implementing the compliance program is a corporate culture that stands for values such as transparency, integrity and credibility. Our employees bear personal responsibility and our managers also bear corporate responsibility for compliance and base their actions on these values. The further development of our compliance strategy described here and its implementation – now underway – ultimately also serve to support the change required in the mindset and behavior of our employees and so contribute to establishing an even stronger compliance culture throughout the Group. Only in this way can we sustainably implement our clear commitment to ensuring that corruption and violations of anti-trust law in particular are met with zero tolerance at ThyssenKrupp.

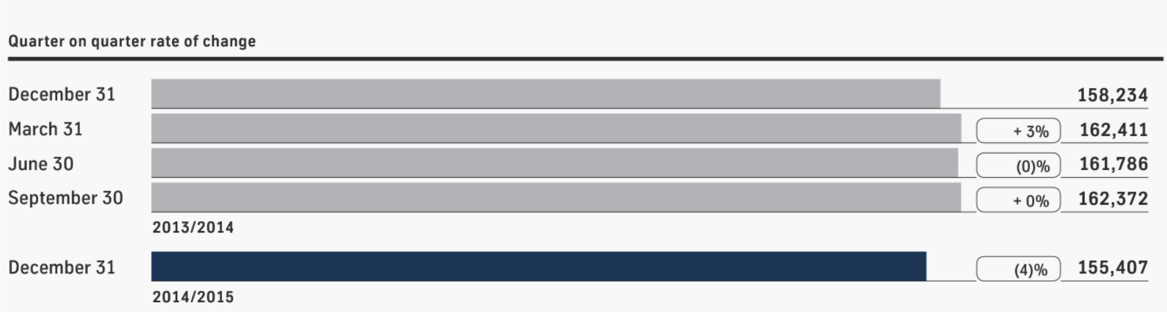
Employees

At December 31, 2014, ThyssenKrupp employed 155,407 people worldwide, 2,827 or 1.8% fewer than a year earlier. Compared with September 30, 2014 the headcount decreased by 6,965 or 4.3%. This reduction was mainly due to the sale in December 2014 of the RIP group in Brazil (from the Materials Services business area) with 7,206 employees.

Changes in operating workforce reflect growth regions and efficiency increases

In operating terms, there was a net increase of around 200 employees in the reporting quarter compared with September 30, 2014. The implementation of various measures under the corporate program impact resulted in a largely socially compatible reduction of around 900 employees, mainly at Steel Europe, Steel Americas and Materials Services. By contrast we took on roughly 1,100 new employees, in particular in the Americas and Asia, to support the development of new customers and markets for our high-growth capital goods businesses. The headcount in Germany declined slightly.

Employees of continuing operations[1)]



[1)] Prior-year figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes).

In Germany we employed 61,372 people at December 31, 2014, 39.5% of the total workforce. 19.5% of our employees were based in Europe outside Germany, 13.6% in the NAFTA region, 8.8% in South America, 17.0% in Asia – in particular China and India – and 1.5% in the rest of the world.

First Groupwide employee survey carried out: high response rate of 75%

“Tell it like it is!” was the motto for ThyssenKrupp’s first ever Groupwide employee survey launched in September 2014. Of the just under 140,000 employees receiving invitations, more than 105,000 or 75% took part. 7.9 million answers were received on subjects such as leadership, cooperation, customers and products. Analysis of the responses from the various organizational levels in 28 languages will now commence in spring 2015. An initial overview of results at Group level indicates concrete opportunities for improvement: Our employees are prepared to support the changes in the Group, but request for example better communication of business objectives by management, more feedback and faster implementation of ideas. Based on the results of the respective organizational units, workshops will take place around the world in the 2nd quarter 2014/2015. This will give managers and employees the opportunity to develop ideas and measures together on how to improve their work.

Technology and innovations

We make targeted use of our synergies as a diversified industrial group to develop future business fields and attractive market segments for ThyssenKrupp. Based on a systemic approach to innovation, we encourage cooperation across traditional sector and industry lines. This applies both to cooperation between business areas in the Group and to joint projects with external industrial partners and research institutions.

Technology and innovation management: INC Invention Center

ThyssenKrupp is a premium partner of the INC Invention Center on the campus of RWTH Aachen University. The INC brings together the university's capabilities in technology and innovation management. A further partner is the Fraunhofer Institute for Production Technology IPT. The aims of this cooperation include reducing development costs by 90% and shortening development times by 75%.

InCar®plus: Collaborative project for innovations in the auto industry

Unveiled at the end of last fiscal year, InCar®plus – by some distance the biggest research and development project pursued by ThyssenKrupp in recent years – has now moved into the marketing phase. It is being presented to customers directly on their own premises as part of a worldwide technology roadshow. Initial feedback has been positive, and we have already received the first orders for InCar®plus solutions. Thanks to their high degree of maturity, many InCar®plus innovations are already suitable for production use.

Companies from the Components Technology, Industrial Solutions and Steel Europe business areas collaborated on InCar®plus. The result of their cooperation is more than 40 individual solutions for the automotive industry. The innovations allow customers to save up to 60% on weight, with corresponding reductions in fuel consumption and CO_2 emissions, and up to 10% on costs.

MULTI: New standards in the elevator industry

In the reporting period Elevator Technology presented its cable-free multi-cab elevator system MULTI. MULTI is the first system driven not by cables but by linear motors – similar to those used in Transrapid technology. The use of multiple cabs moving both vertically and for the first time also horizontally permits buildings with different heights, shapes and uses. In a similar way to a paternoster lift, MULTI can operate several independently powered elevator cabs per shaft in a loop. That increases passenger capacities in a shaft by up to 50% and reduces the amount of space required in the building for elevators by a similar amount. MULTI is particularly suitable for buildings of 300 meters or higher.

Biogenic solid fuels: Patent application for new processing method

ThyssenKrupp Industrial Solutions has filed a patent application for a new process to produce biogenic solid fuels, e.g. from wood or straw. Compared with coal, biomass materials are expensive to reduce, contain more moisture and have a lower calorific value. This is where the torrefaction (drying) process comes in, as featured in ThyssenKrupp Industrial Solutions' improved POLTORR multi-hearth furnace. The process transforms lumpy biomass materials such as wood chips or pellets into biocoal, which can then be ground simply using standard industrial equipment and burned. The process uses the high-calorific gases given off during torrefaction to dry the biomass.

TetraFlex: Innovative steel wind turbines

The wind energy sector remains a growth market offering numerous opportunities for the use of steel products. In the "TetraFlex" project, the Steel Europe business area is working on an innovative concept for steel wind turbine towers that can be used economically for hub heights between 120 and 200 meters. Round towers made of steel are currently limited to a maximum height of 120 meters. At increasing heights, however, the wind is both stronger and more constant. That significantly increases the number of full-load hours and thus the amount of electricity generated. TetraFlex uses a combination of spiral welded tubes joined together by means of innovative nodes. The upper part of the TetraFlex system comprises a conventional round tower, while the lower part is an open structure made from four tube profiles. This design offers the advantages of lower material usage and lower costs to transport and assemble the modular tower segments. Patent applications have been filed for the concept and several individual components.

Subsequent events

There were no reportable events between the end of the reporting period (December 31, 2014) and the date of authorization for issue (February 09, 2015).

Forecast, opportunity and risk report

Fiscal year 2014/2015 forecast

Overall assessment by the Executive Board

We feel it appropriate to take a generally cautious view of developments in the 2014/2015 fiscal year. The reasons are the high level of uncertainty over the economic climate and the limited visibility in particular in our materials businesses. We expect a very mixed picture in the regions and sectors and moderately higher global economic growth overall. The sustainability and economic impact of the significant changes in oil prices and exchange rates cannot yet be reliably predicted, but in themselves they should have a stabilizing effect on consumer spending and the competitiveness of important customer industries in the euro zone. However, in view of the unmistakably high geopolitical risks, this cannot yet be seen as certain. Nevertheless we expect further progress in the implementation of our Strategic Way Forward, and in particular the efficiency measures under our impact program, to be clearly reflected in another significant improvement in our key performance indicators in the 2014/2015 fiscal year.

Key assumptions

The expected improvement in our key performance indicators is based primarily on the assumption that there will be no further escalation of the geopolitical crises with potentially negative impacts particularly on our more cyclical materials and components businesses.

We therefore assume that the current trends will continue: slow and heterogeneous development in the euro zone, likewise heterogeneous and net sideways movement in the emerging economies, more favorable economic development in the USA.

On this basis we expect generally subdued growth in the core markets for our materials and components businesses, although with visibility not extending much beyond a quarter in the current economic environment this cannot be reliably planned.

We expect moderate, low single-digit percentage growth in demand for materials in Europe, the USA and worldwide, again assuming no major dislocations on the raw materials markets and continuing intense competition.

For the global auto industry we forecast low growth overall with wide regional differences. Output is likely to pick up sharply again in China and also increase, albeit at more moderate rates, in the USA and in Western Europe as a whole; for Germany we expect a sideways movement; opportunities may arise as a result of low oil prices, a weaker euro, and low interest rates. Auto production in Brazil is likely to stagnate in 2015 after a steep decline in 2014.

The high order backlog with good earnings quality at Elevator Technology and Industrial Solutions already secures their targeted profitable sales growth well into the fiscal year.

More information on the expected future economic developments can be found in the section “Macro and sector environment” in the report on the economic position.

Clear increase expected in adjusted EBIT, TKVA and FCF before divestments

In the following we describe the expected developments for ThyssenKrupp in the 2014/2015 fiscal year based on the above assumptions. The forecast and comparative prior-year figures for the adjusted EBIT of the Group and the business areas and for TKVA are based on the new KPI definitions (more information on the definition changes is provided in the section “ThyssenKrupp in figures” and in the 2013/2014 Annual report in the section “Fundamental information about the Group” under “Management of the Group”) and also take into account the adoption of IFRS 11 (cf. “Recently adopted accounting standards” in the Notes):

On a comparable basis, the **Group's sales**, like the sales of the capital goods and materials distribution businesses, are expected to grow year-on-year by a single-digit percentage rate; we predict sales growth in the steel businesses will be slightly weaker by comparison (Group sales 2013/2014: €41.2 billion).

The Group's **adjusted EBIT** is expected to improve to at least €1.5 billion (adjusted EBIT 2013/2014: €1.3 billion). With the exception of Steel Americas all business areas will make clearly positive contributions; based on operating progress we expect at least a significant improvement towards break-even EBIT at Steel Americas (adjusted EBIT 2013/2014: €(68) million). In addition the expected growth in our highly profitable capital goods businesses and the Groupwide efforts to enhance performance under the impact program will contribute to improving the Group's earnings.

- Capital goods businesses:
  - At Components Technology we expect a slight increase in earnings (adjusted EBIT 2013/2014: €268 million) as a result of progress with the ramp-up of the new plants as well as the restructuring and efficiency programs.
  - At Elevator Technology we expect earnings improvements from sales growth and also an improvement in adjusted EBIT margin by 0.5 to 0.7 percentage points from restructuring and efficiency measures (adjusted EBIT 2013/2014: €674 million, adjusted EBIT margin 2013/2014 10.5%).
  - At Industrial Solutions we expect a slight improvement in earnings due to increasing sales (adjusted EBIT 2013/2014: €420 million).
- Materials businesses:
  - At Materials Services we expect earnings to improve slightly as a result of progress with the restructuring and efficiency programs and sales initiatives (adjusted EBIT 2013/2014: €212 million).
  - Steel Europe is expected to generate a significantly increased earnings contribution as a result of efficiency gains and differentiation initiatives under "Best-in-Class Reloaded" (adjusted EBIT 2013/2014: €221 million).

For fiscal year 2014/2015 we continue to expect a significant year-on-year improvement in net income (net income 2013/2014: €195 million).

The Group's **TKVA** (ThyssenKrupp Value Added) is therefore also expected to show a clear improvement (TKVA 2013/2014: €(185) million).

We are also working hard to improve cash generation from operating activities on a sustainable basis; for the 2014/2015 fiscal year we expect to make clear progress and achieve at least break-even **FCF before divestments** (FCF before divestments 2013/2014: €(357) million).

Capital spending in the Group will be around €1.5 billion (capital expenditures 2013/2014: €1,250 million).

If the expected increases in earnings and cash flow materialize, we will take this into account – alongside economic justifiability – in our dividend proposal to the Annual General Meeting.

Opportunity and risk report

Opportunities

As a global diversified industrial group with leading engineering expertise in the areas of Mechanical, Plant and Material and innovative, resource-friendly 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 growth regions. In addition, the continuation of our corporate program impact will once again help sustainably improve productivity in the current fiscal year and increase value in all areas of the Group.

The information on our strategic and operating opportunities presented on pages 94 to 96 of the 2013/2014 Annual Report remains valid.

Risks

The Group will face economic risks if positive support is not forthcoming from the global economy and the markets of relevance for ThyssenKrupp. In particular, a further escalation of violence in the crisis regions or other exogenous shocks could severely impact the global economy; this would also affect ThyssenKrupp. 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 in the areas of Mechanical, Plant and Material, ThyssenKrupp has a global presence, enjoys good, longstanding relationships with its customers, and pursues active strategic development of markets and customers.

ThyssenKrupp manages its liquidity and credit risks proactively. The company's financing and liquidity remain on a secure foundation in fiscal year 2014/2015. At December 31, 2014 the Group had €7.3 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.

To manufacture our high-quality products, many of our business processes require raw materials and energy as well as freight capacities which we source on the relevant procurement markets. Depending on market situation, procurement prices can vary considerably and impact on our cost structures. Also, suppliers may be lost, which might in turn jeopardize our production and the fulfilment of contractual obligations towards our customers. We counteract these risks where possible through adjusted selling prices and alternative procurement sources to secure our competitiveness.

Our production facilities are exposed to the risk of business interruptions and property damage. In addition to the cost of repairing damage, there is above all the risk that a business interruption might result in production losses. We counter business interruption risks through regular preventive maintenance and through modernization and investment in our machinery and production facilities. In close consultation with our central service provider ThyssenKrupp Risk and Insurance Services we take out appropriate insurance and so transfer risks to an external service provider.

Our diversification with multi-layered product and customer structures helps ensure that ThyssenKrupp remains largely independent of regional crises on sales markets. We take various measures at Group and business area level to counter sales risks in relevant markets. 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.

We frequently execute major orders for our customers that involve a high degree of complexity and long project lead times. Cost overruns and/or delays in individual project phases cannot be ruled out. To minimize these risks we continuously improve our management systems so that we are aware of the current order status at all times and able to take necessary measures quickly if required.

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 competitors. We support the discussion processes on regulatory efforts through close working contacts with the relevant institutions and also work through industry associations to reduce possible risks such as further rising energy costs.

Further regulatory risks may ensue from changes to the tax framework over time. For example in Brazil tax benefits granted at state level, from which ThyssenKrupp CSA also profits, are currently being examined by the constitutional court. Should the court cases result in the benefits being removed and/or reduced, high risks in the form of substantial back taxes plus additional costs cannot be excluded.

We report on pending lawsuits, claims for damages and other risks in Note 05.

On December 11, 2014 the German Federal Cartel Office closed its anti-trust investigation in the “auto steel” sector due to a lack of evidence. The proceedings were initiated at the end of February 2013 with searches of three companies in the steel sector, including ThyssenKrupp. The authority was investigating the suspicion of price fixing in the delivery of certain steel products to the German automotive industry in a period dating back to 1998. In its press release on the closure of the investigation, the Federal Cartel Office emphasized ThyssenKrupp’s cooperation in the proceedings.

In 2013 the public prosecutor’s office in Bremen launched an investigation into (former) employees of Atlas Elektronik GmbH, among others, on suspicion of bribery of foreign officials and tax evasion in connection with commission payments to an agent in Greek naval projects. In this connection, the public prosecutor’s office has now opened administrative proceedings against Atlas as a legal person which could potentially serve as the basis for a company fine. The Greek state prosecutors have also started investigations into natural persons involved in this case. Under these criminal proceedings, in February 2015 the Greek state filed civil claims for compensation in the mid two-digit million euro range against Atlas as a company. Atlas is a joint company of ThyssenKrupp and Airbus. The company is cooperating fully with the authorities and has initiated an internal investigation to clarify the matter in consultation with the Bremen public prosecutor’s office. The ongoing official proceedings and the internal investigation are being closely monitored by the owners.

Our IT-based business processes are exposed to various risks associated with information security. Human error, organizational or technical processes and/or security vulnerabilities in information processing can create risks that threaten the confidentiality, availability and integrity of information. We have continuous measures in place to improve our information security management systems and the security technologies used. A group of IT security specialists has been set up for the Group to help identify current risks at an early stage.

Our transparent and systematic risk management makes a major contribution to controlling the overall risks in the Group efficiently. From the current perspective the Group's risks are contained and there are no risks that jeopardize the continued existence of the company.

Beyond this, the detailed information contained in the risk report on pages 97 to 111 of the 2013/2014 Annual Report is still valid.

ThyssenKrupp AG — Consolidated statement of financial position

Assets million €	Note	Oct. 01, 2013 [1]	Sept. 30, 2014 [1]	Dec. 31, 2014
Intangible assets		4,219	4,314	4,355
Property, plant and equipment		7,801	8,719	8,651
Investment property		287	283	281
Investments accounted for using the equity method		718	399	421
Other financial assets		1,013	51	52
Other non-financial assets		335	442	420
Deferred tax assets		1,662	1,775	1,950
Total non-current assets		16,035	15,983	16,130
Inventories, net		6,508	7,529	8,043
Trade accounts receivable		4,915	5,808	5,353
Other financial assets		518	399	369
Other non-financial assets		2,073	2,465	2,735
Current income tax assets		124	174	177
Cash and cash equivalents		3,858	4,030	3,641
Assets held for sale	02	1,543	42	41
Total current assets		19,539	20,447	20,359
Total assets		35,574	36,430	36,489

Equity and Liabilities million €	Note	Oct. 01, 2013 [1]	Sept. 30, 2014 [1]	Dec. 31, 2014
Capital stock		1,317	1,449	1,449
Additional paid in capital		4,684	5,434	5,434
Retained earnings		(3,816)	(4,142)	(4,466)
Cumulative other comprehensive income		58	242	300
thereof relating to disposal groups (Sept. 30, 2014: 1; Dec. 31, 2014: 1)				
Equity attributable to ThyssenKrupp AG's stockholders		2,243	2,983	2,717
Non-controlling interest		268	216	190
Total equity		2,511	3,199	2,907
Accrued pension and similar obligations	04	7,484	7,490	8,020
Provisions for other employee benefits		281	368	383
Other provisions		677	748	675
Deferred tax liabilities		54	55	78
Financial debt		7,075	6,651	6,601
Other financial liabilities		3	3	3
Other non-financial liabilities		1	4	4
Total non-current liabilities		15,575	15,319	15,764
Provisions for employee benefits		298	311	197
Other provisions		1,369	1,197	1,265
Current income tax liablilities		235	194	219
Financial debt		2,030	1,071	1,268
Trade accounts payable		3,765	4,936	4,843
Other financial liabilities		1,029	1,330	1,463
Other non-financial liabilities		8,497	8,862	8,558
Liabilities associated with assets held for sale	02	265	11	5
Total current liabilities		17,488	17,912	17,818
Total liabilities		33,063	33,231	33,582
Total equity and liabilities		35,574	36,430	36,489

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

ThyssenKrupp AG — Consolidated statement of income

million €, earnings per share in €	Note	1st quarter ended Dec. 31, 2013 [1]	1st quarter ended Dec. 31, 2014
Net sales	08	9,088	10,044
Cost of sales	09	(7,647)	(8,414)
Gross profit		1,441	1,630
Research and development cost		(64)	(72)
Selling expenses		(685)	(700)
General and administrative expenses		(552)	(543)
Other income		55	53
Other expenses		(20)	(43)
Other gains/(losses)		(20)	(44)
Income/(loss) from operations		155	281
Income/(expense) from companies accounted for using the equity method	10	(29)	17
Finance income		213	243
Finance expenses		(569)	(390)
Financial income/(expense), net		(385)	(130)
Income/(loss) before income taxes		(230)	151
Income tax (expense)/income		(27)	(104)
Income/(loss) from continuing operations (net of tax)		(257)	47
Discontinued operations (net of tax)	02	187	(4)
Net income/(loss)		(70)	43
Attributable to:			
ThyssenKrupp AG's stockholders		(65)	50
Non-controlling interest		(5)	(7)
Net income/(loss)		(70)	43
Basic and diluted earnings per share	11		
Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders)		(0.47)	0.10
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)		(0.12)	0.09

See accompanying selected notes.

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

ThyssenKrupp AG — Consolidated statement of comprehensive income

million €	1st quarter ended Dec. 31, 2013 [1]	1st quarter ended Dec. 31, 2014
Net income/(loss)	(70)	43
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Other comprehensive income from remeasurements of pensions and similar obligations		
Change	75	(538)
Tax effect	(21)	164
Other comprehensive income from remeasurements of pensions and similar obligations, net	54	(374)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	0	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods:	54	(374)
Items of other comprehensive income that will be reclassified to profit or loss in future periods:		
Foreign currency translation adjustment		
Change in unrealized gains/(losses), net	(120)	20
Net realized (gains)/losses	0	18
Net unrealized gains/(losses)	(120)	38
Unrealized gains/(losses) from available-for-sale financial assets		
Change in unrealized gains/(losses), net	0	1
Net realized (gains)/losses	0	0
Tax effect	0	0
Net unrealized gains/(losses)	0	1
Unrealized (losses)/gains on derivative financial instruments		
Change in unrealized gains/(losses), net	27	6
Net realized (gains)/losses	(2)	2
Tax effect	(8)	(3)
Net unrealized gains/(losses)	17	5
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(3)	5
Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods:	(106)	49
Other comprehensive income	(52)	(325)
Total comprehensive income	(122)	(282)
Attributable to:		
ThyssenKrupp AG's stockholders	(112)	(266)
Non-controlling interest	(10)	(16)
Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:		
Continuing operations	(299)	(262)
Discontinued operations	187	(4)

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

ThyssenKrupp — Consolidated statement of changes in equity

		Equity attributable to ThyssenKrupp AG's stockholders									
					Cumulative other comprehensive income						
million € (except number of shares)	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
Balance as of Sept. 30, 2013	514,489,044	1,317	4,684	(3,816)	107	3	(65)	13	2,243	269	2,512
Adjustment due to retrospective adoption of IFRS 11									0	(1)	(1)
Balance as of Oct. 1, 2013 [1]	514,489,044	1,317	4,684	(3,816)	107	3	(65)	13	2,243	268	2,511
Net income/(loss) [1]				(65)					(65)	(5)	(70)
Other comprehensive income				54	(115)	0	17	(3)	(47)	(5)	(52)
Total comprehensive income [1]				(11)	(115)	0	17	(3)	(112)	(10)	(122)
Profit attributable to non-controlling interest									0	(6)	(6)
Capital increase	51,448,903	132	750	(3)					879	0	879
Other changes				3					3	1	4
Balance as of Dec. 31, 2013 [1]	565,937,947	1,449	5,434	(3,827)	(8)	3	(48)	10	3,013	253	3,266
Balance as of Sept. 30, 2014 [1]	565,937,947	1,449	5,434	(4,142)	248	6	(61)	49	2,983	216	3,199
Net income/(loss)				50					50	(7)	43
Other comprehensive income				(374)	46	1	6	5	(316)	(9)	(325)
Total comprehensive income				(324)	46	1	6	5	(266)	(16)	(282)
Profit attributable to non-controlling interest									0	(10)	(10)
Other changes									0	0	0
Balance as of Dec. 31, 2014	565,937,947	1,449	5,434	(4,466)	294	7	(55)	54	2,717	190	2,907

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

ThyssenKrupp — Consolidated statement of cash flows

million €	1st quarter ended Dec. 31, 2013 [1]	1st quarter ended Dec. 31, 2014
Net income/(loss)	(70)	43
Adjustments to reconcile net income/(loss) to operating cash flows:		
Discontinued operations (net of tax)	(187)	4
Deferred income taxes, net	(31)	30
Depreciation, amortization and impairment of non-current assets	274	306
Reversals of impairment losses of non-current assets	(1)	(1)
(Income)/loss from companies accounted for using the equity method, net of dividends received	29	(17)
(Gain)/loss on disposal of non-current assets, net	(9)	10
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:		
- inventories	(598)	(485)
- trade accounts receivable	434	429
- accrued pension and similar obligations	(37)	(28)
- other provisions	(278)	(102)
- trade accounts payable	28	(124)
- other assets/liabilities not related to investing or financing activities	485	(447)
Operating cash flows - continuing operations	39	(382)
Operating cash flows - discontinued operations	0	(4)
Operating cash flows - total	39	(386)
Purchase of investments accounted for using the equity method and non-current financial assets	1	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(2)	(18)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(228)	(221)
Capital expenditures for intangible assets (inclusive of advance payments)	(19)	(25)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	16	6
Proceeds from disposals of previously consolidated companies net of cash acquired	0	92
Cash and cash equivalents disposed of due to loss of control over companies consolidated so far but not sold	0	0
Proceeds from disposals of property, plant and equipment and investment property	10	11
Proceeds from disposals of intangible assets	0	1
Cash flows from investing activities - continuing operations	(222)	(155)
Cash flows from investing activities - discontinued operations	0	0
Cash flows from investing activities - total	(222)	(155)
Proceeds from issuance of bonds	0	0
Repayment of bonds	0	0
Proceeds from liabilities to financial institutions	571	420
Repayments of liabilities to financial institutions	(887)	(372)
Proceeds from/(repayments on) notes payable and other loans	(48)	89
Increase/(decrease) in bills of exchange	2	1
Decrease in current securities	(1)	0
Proceeds from capital increases	878	0
Profit attributable to non-controlling interest	(5)	(10)
Expenditures for acquisitions of shares of already consolidated companies	0	(1)
Other financing activities	(33)	37
Cash flows from financing activities - continuing operations	477	164
Cash flows from financing activities - discontinued operations	0	0
Cash flows from financing activities - total	477	164
Net increase/(decrease) in cash and cash equivalents - total	294	(377)
Effect of exchange rate changes on cash and cash equivalents - total	(51)	(11)
Cash and cash equivalents at beginning of reporting period - total	3,874	4,040
Cash and cash equivalents at end of reporting period - total	4,117	3,652
[thereof cash and cash equivalents within disposal groups]	[13]	[11]
[thereof cash and cash equivalents within discontinued operations]	[–]	[–]
Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	38	34
Interest paid	(49)	(78)
Dividends received	2	2
Income taxes paid	(100)	(59)

See accompanying selected notes.
[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

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 1, 2014 to December 31, 2014, were authorized for issue in accordance with a resolution of the Executive Board on February 9, 2015.

Basis of presentation

The accompanying Group’s condensed interim consolidated financial statements have been prepared in accordance with section 37x para. 3 of the German Securities Trading Act (WpHG) and International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The accompanying Group’s condensed interim consolidated financial statements have been reviewed. In the opinion of Management, the interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for interim periods. Results of the period ended December 31, 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 2013/2014.

Recently adopted accounting standards

In fiscal year 2014/2015, ThyssenKrupp adopted the following standards, interpretations and amendments to already existing standards:

In May 2011 the IASB issued three new standards dealing with various aspects of interests in entities: IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements” and IFRS 12 “Disclosure of Interests in Other Entities”. At the same time it issued amended versions of IAS 27 “Separate Financial Statements” (2011) and IAS 28 “Investments in Associates and Joint Ventures” (2011). The new and amended standards are applicable retrospectively for fiscal years beginning on or after January 1, 2013. In the context of the endorsement, the IASB defers the mandatory retrospective effective date for fiscal years beginning on or after January 1, 2014; the option of an earlier adoption has not been used by ThyssenKrupp.

IFRS 10 introduces a single definition for the concept of control for all entities, thus creating a standard basis for determining whether a parent-subsidiary relationship exists and should be included in the scope of consolidation. The standard contains comprehensive guidance for determining whether control exists. It completely replaces SIC-12 “Consolidation – Special Purpose Entities” and partly replaces IAS 27 “Consolidated and Separate Financial Statements”. The adoption of IFRS 10 has not significantly changed the scope of consolidation.

IFRS 11 prescribes the accounting for circumstances in which an entity exercises joint control of a joint venture or joint operation. The new standard replaces IAS 31 “Interests in Joint Ventures” and SIC-13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”. The retrospective adoption of IFRS 11 implies that the joint arrangement Hüttenwerke Krupp Mannesmann GmbH (HKM) previously accounted for using the equity method of accounting is no longer considered to be a joint venture but a joint operation. This resulted in including the assets and liabilities as well as the related income and expense on a pro rata basis in the Group’s consolidated financial statements.

The retrospective adoption of IFRS 11 impacted the consolidated financial statements as presented below:

IFRS 11 – Consolidated statement of financial position

	Oct. 1, 2013			Sept. 30, 2014			Dec. 31, 2013		
Assets million €	Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment	Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment	Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment
Intangible assets	4,206	13	4,219	4,308	6	4,314	4,165	8	4,173
Property, plant and equipment	7,484	317	7,801	8,308	411	8,719	7,357	407	7,764
Investment property	287	0	287	283	0	283	287	0	287
Investments accounted for using the equity method	949	(231)	718	639	(240)	399	659	(232)	427
Other financial assets	1,019	(6)	1,013	57	(6)	51	49	(6)	43
Other non-financial assets	335	0	335	442	0	442	384	0	384
Deferred tax assets	1,662	0	1,662	1,775	0	1,775	1,641	0	1,641
Total non-current assets	15,942	93	16,035	15,812	171	15,983	14,542	177	14,719
Inventories, net	6,351	157	6,508	7,420	109	7,529	6,810	143	6,953
Trade accounts receivable	4,956	(41)	4,915	5,782	26	5,808	4,317	59	4,376
Other financial assets	500	18	518	384	15	399	1,454	5	1,459
Other non-financial assets	2,069	4	2,073	2,452	13	2,465	2,223	21	2,244
Current income tax assets	123	1	124	174	0	174	146	0	146
Cash and cash equivalents	3,813	45	3,858	3,979	51	4,030	4,058	46	4,104
Assets held for sale	1,543	0	1,543	42	0	42	1,904	0	1,904
Total current assets	19,355	184	19,539	20,233	214	20,447	20,912	274	21,186
Total assets	35,297	277	35,574	36,045	385	36,430	35,454	451	35,905

	Oct. 1, 2013			Sept. 30, 2014			Dec. 31, 2013		
Equity and Liabilities million €	**Before IFRS 11 adjustment**	**IFRS 11 adjustment**	**After IFRS 11 adjustment**	**Before IFRS 11 adjustment**	**IFRS 11 adjustment**	**After IFRS 11 adjustment**	**Before IFRS 11 adjustment**	**IFRS 11 adjustment**	**After IFRS 11 adjustment**
Capital stock	1,317	0	1,317	1,449	0	1,449	1,449	0	1,449
Additional paid in capital	4,684	0	4,684	5,434	0	5,434	5,434	0	5,434
Retained earnings	(3,816)	0	(3,816)	(4,144)	2	(4,142)	(3,827)	0	(3,827)
Cumulative other comprehensive income	58	0	58	242	0	242	(43)	0	(43)
Equity attributable to ThyssenKrupp AG's stockholders	2,243	0	2,243	2,981	2	2,983	3,013	0	3,013
Non-controlling interest	269	(1)	268	218	(2)	216	254	(1)	253
Total equity	2,512	(1)	2,511	3,199	0	3,199	3,267	(1)	3,266
Accrued pension and similar obligations	7,348	136	7,484	7,354	136	7,490	7,213	134	7,347
Provisions for other employee benefits	270	11	281	357	11	368	281	11	292
Other provisions	676	1	677	741	7	748	674	5	679
Deferred tax liabilities	52	2	54	49	6	55	60	2	62
Financial debt	6,955	120	7,075	6,477	174	6,651	6,602	141	6,743
Other financial liabilities	3	0	3	3	0	3	2	0	2
Other non-financial liabilities	1	0	1	5	(1)	4	1	0	1
Total non-current liabilities	15,305	270	15,575	14,986	333	15,319	14,833	293	15,126
Provisions for employee benefits	298	0	298	311	0	311	181	0	181
Other provisions	1,363	6	1,369	1,195	2	1,197	1,171	8	1,179
Current income tax liablilities	234	1	235	193	1	194	219	1	220
Financial debt	1,911	119	2,030	1,005	66	1,071	1,926	44	1,970
Trade accounts payable	3,713	52	3,765	4,925	11	4,936	3,784	(8)	3,776
Other financial liabilities	1,241	(212)	1,029	1,379	(49)	1,330	1,260	87	1,347
Other non-financial liabilities	8,455	42	8,497	8,841	21	8,862	8,557	27	8,584
Liabilities associated with assets held for sale	265	0	265	11	0	11	256	0	256
Total current liabilities	17,480	8	17,488	17,860	52	17,912	17,354	159	17,513
Total liabilities	32,785	278	33,063	32,846	385	33,231	32,187	452	32,639
Total equity and liabilities	35,297	277	35,574	36,045	385	36,430	35,454	451	35,905

IFRS 11 – Consolidated statement of income

	1st quarter ended Dec. 31, 2013		
million €, earnings per share in €	Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment
Net sales	9,109	(21)	9,088
Cost of sales	(7,672)	25	(7,647)
Gross profit	1,437	4	1,441
Research and development cost	(64)	0	(64)
Selling expenses	(684)	(1)	(685)
General and administrative expenses	(548)	(4)	(552)
Other income	51	4	55
Other expenses	(20)	0	(20)
Other gains/(losses)	(18)	(2)	(20)
Income/(loss) from operations	154	1	155
Income/(expense) from companies accounted for using the equity method	(31)	2	(29)
Finance income	212	1	213
Finance expenses	(565)	(4)	(569)
Financial income/(expense), net	(384)	(1)	(385)
Income/(loss) before income taxes	(230)	0	(230)
Income tax (expense)/income	(27)	0	(27)
Income/(loss) from continuing operations (net of tax)	(257)	0	(257)
Discontinued operations (net of tax)	187	0	187
Net income/(loss)	(70)	0	(70)
Attributable to:			
ThyssenKrupp AG's stockholders	(65)	0	(65)
Non-controlling interest	(5)	0	(5)
Net income/(loss)	(70)	0	(70)
Basic and diluted earnings per share			
Income/(loss) from continuing operations (attributable to ThyssenKrupp AG's stockholders)	(0.47)	0.00	(0.47)
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(0.12)	0.00	(0.12)

IFRS 11 – Consolidated statement of comprehensive income

million €	1st quarter ended Dec. 31, 2013 Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment
Net income/(loss)	(70)	0	(70)
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:			
Other comprehensive income from remeasurements of pensions and similar obligations			
Change	72	3	75
Tax effect	(21)	0	(21)
Other comprehensive income from remeasurements of pensions and similar obligations, net	51	3	54
Share of unrealized gains/(losses) of investments accounted for using the equity-method	3	(3)	0
Subtotal of items of other comprehensive income that will not be reclassified to profit or loss in future periods:	54	0	54
Items of other comprehensive income that will be reclassified to profit or loss in future periods:			
Foreign currency translation adjustment			
Change in unrealized gains/(losses), net	(120)	0	(120)
Net realized (gains)/losses	0	0	0
Net unrealized gains/(losses)	(120)	0	(120)
Unrealized gains/(losses) from available-for-sale financial assets			
Change in unrealized gains/(losses), net	0	0	0
Net realized (gains)/losses	0	0	0
Tax effect	0	0	0
Net unrealized gains/(losses)	0	0	0
Unrealized (losses)/gains on derivative financial instruments			
Change in unrealized gains/(losses), net	27	0	27
Net realized (gains)/losses	(2)	0	(2)
Tax effect	(8)	0	(8)
Net unrealized gains/(losses)	17	0	17
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(3)	0	(3)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss in future periods:	(106)	0	(106)
Other comprehensive income	(52)	0	(52)
Total comprehensive income	(122)	0	(122)
Attributable to:			
ThyssenKrupp AG's stockholders	(112)	0	(112)
Non-controlling interest	(10)	0	(10)
Total comprehensive income attributable to ThyssenKrupp AG's stockholders refers to:			
Continuing operations	(299)	0	(299)
Discontinued operations	187	0	187

IFRS 11 – Consolidated statement of cash flows

	1st quarter ended Dec. 31, 2013		
million €	Before IFRS 11 adjustment	IFRS 11 adjustment	After IFRS 11 adjustment
Net income/(loss)	(70)	0	(70)
Adjustments to reconcile net income/(loss) to operating cash flows:			
Discontinued operations (net of tax)	(187)	0	(187)
Deferred income taxes, net	(30)	(1)	(31)
Depreciation, amortization and impairment of non-current assets	264	10	274
Reversals of impairment losses of non-current assets	(1)	0	(1)
(Income)/loss from companies accounted for using the equity method, net of dividends received	31	(2)	29
(Gain)/loss on disposal of non-current assets, net	(10)	1	(9)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:			
- inventories	(612)	14	(598)
- trade accounts receivable	533	(99)	434
- accrued pension and similar obligations	(42)	5	(37)
- other provisions	(97)	(181)	(278)
- trade accounts payable	88	(60)	28
- other assets/liabilities not related to investing or financing activities	280	205	485
Operating cash flows - continuing operations	147	(108)	39
Operating cash flows - discontinued operations	0	0	0
Operating cash flows - total	147	(108)	39
Purchase of investments accounted for using the equity method and non-current financial assets	0	1	1
Expenditures for acquisitions of consolidated companies net of cash acquired	(2)	0	(2)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(211)	(17)	(228)
Capital expenditures for intangible assets (inclusive of advance payments)	(19)	0	(19)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	14	2	16
Proceeds from disposals of previously consolidated companies net of cash acquired	0	0	0
Cash and cash equivalents disposed of due to loss of control over companies consolidated so far but not sold	0	0	0
Proceeds from disposals of property, plant and equipment and investment property	9	1	10
Proceeds from disposals of intangible assets	0	0	0
Cash flows from investing activities - continuing operations	(209)	(13)	(222)
Cash flows from investing activities - discontinued operations	0	0	0
Cash flows from investing activities - total	(209)	(13)	(222)
Proceeds from issuance of bonds	0	0	0
Repayment of bonds	0	0	0
Proceeds from liabilities to financial institutions	523	48	571
Repayments of liabilities to financial institutions	(887)	0	(887)
Proceeds from/(repayments on) notes payable and other loans	54	(102)	(48)
Increase/(decrease) in bills of exchange	2	0	2
Decrease in current securities	(1)	0	(1)
Proceeds from capital increases	878	0	878
Profit attributable to non-controlling interest	(6)	1	(5)
Expenditures for acquisitions of shares of already consolidated companies	0	0	0
Financing of discontinued operations	0	0	0
Other financing activities	(207)	174	(33)
Cash flows from financing activities - continuing operations	356	121	477
Cash flows from financing activities - discontinued operations	0	0	0
Cash flows from financing activities - total	356	121	477
Net increase in cash and cash equivalents - total	294	0	294
Effect of exchange rate changes on cash and cash equivalents - total	(52)	1	(51)
Cash and cash equivalents at beginning of reporting period - total	3,829	45	3,874
Cash and cash equivalents at end of reporting period - total	4,071	46	4,117
[thereof cash and cash equivalents within disposal groups]	[13]	0	[13]
[thereof cash and cash equivalents within discontinued operations]	[—]	0	[—]
Additional information regarding cash flows of continuing operations from interest, dividends and income taxes which are included in operating cash flows:			
Interest received	38	0	38
Interest paid	(48)	(1)	(49)
Dividends received	2	0	2
Income taxes paid	(101)	1	(100)

IFRS 12 combines in one standard all disclosure requirements for interests in other entities, including interests in subsidiaries, associates, joint arrangements and structured entities. The new standard replaces the previous disclosure requirements in IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates", IAS 31 "Interests in Joint Ventures" and SIC-12 "Consolidation – Special Purpose Entities". The adoption of IFRS 12 will extend significantly the Group's fiscal year-end disclosures.

The amended IAS 27 now focuses solely on accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when separate financial statements according to IFRS are presented. This has no impact on the Group's consolidated financial statements.

The amended IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. This has no material impact on the Group's consolidated financial statements.

In December 2011 the IASB issued an amendment to IAS 32 "Financial Instruments: Presentation" which clarifies the requirements for offsetting financial assets and financial liabilities to eliminate existing inconsistencies in current practice. The amendment is compulsory for fiscal years beginning on or after January 1, 2014 and shall be applied retrospectively; the option of an earlier adoption has not been used by ThyssenKrupp. The adoption of the amendment does not have a material impact on the Group's consolidated financial statements.

In June 2012 the IASB issued "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" Amendments to IFRS 10, IFRS 11 and IFRS 12. The amendments clarify the transition guidance and provides transition reliefs for the before mentioned Standards. Such as IFRS 10, IFRS 11 and IFRS 12, the amendments are effective for fiscal years beginning on or after January 1, 2013. In the context of the endorsement, the IASB defers the mandatory effective date to fiscal years beginning on or after January 1, 2014; the option of an earlier adoption has not been used by ThyssenKrupp.

In October 2012 the IASB issued "Investment Entities" as amendments to IFRS 10, IFRS 12 and IAS 27 regarding the accounting of investment entities. The amendments define investment entities and provide an exception to the general consolidation requirements of subsidiaries in IFRS 10; instead of consolidating those subsidiaries are measured at fair value through profit or loss. In addition the amendments set out disclosure requirements for investment entities. The amendments are effective for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have any relevance for the Group's consolidated financial statements.

In May 2013 the IASB issued IFRIC 21 "Levies", an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The interpretation determines the accounting for levies imposed by governments, other than income taxes according to IAS 12, and clarifies in particular when an entity should recognize a liability to pay a levy. The interpretation is effective for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The interpretation does not have a material impact on the Group's consolidated financial statements.

In May 2013 the IASB issued “Recoverable Amount for Disclosures for Non-Financial Assets (Amendments to IAS 36)” that address changes of the disclosure requirements of IAS 36. The amendments realize the IASB’s original intention that the scope of the disclosures is limited to the recoverable amount of non-financial assets for which an impairment loss has been recognized or reversed during the period if that amount is based on fair value less costs of disposal. In addition the disclosure requirements have been amended when the recoverable amount is based on fair value less costs of disposal. The amendments are effective retrospectively for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have a material impact on the Group’s consolidated financial statements.

In June 2013 the IASB issued “Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)” that amends IAS 39 Financial Instruments. The amendments allow hedge accounting to continue in a situation where a derivative, which has been designed as a hedging instrument, is novated to effect clearing with a central counterparty as a result of law or regulation, if specific conditions are met. The amendments are effective retrospectively for fiscal years beginning on or after January 1, 2014, the option of an earlier adoption has not been used by ThyssenKrupp. The amendments do not have a material impact on the Group’s consolidated financial statements.

Recently issued accounting standards

In fiscal year 2014/2015, 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 December 2014 the IASB issued amendments to IAS 1 “Presentation of Financial Statements”. The amendments mainly include clarifications regarding the judgment of materiality of disclosures, explanations how to aggregate and disaggregate line items of the balance sheet and the statement of comprehensive income, the order of the notes and the disclosure of significant accounting policies. The amendments are to be applied for fiscal years beginning on or after January 1, 2016; earlier application is permitted. The EU has not yet endorsed the amendments. Currently, Management expects the amendments – if endorsed by the EU in the current version – to have an impact on the Group’s presentation of the notes.

In December 2014 the IASB issued amendments to “Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)”. The amendments clarify the application of the consolidation exception of IFRS 10 for investment entities and their subsidiaries that meet the definition of an investment entity. Amendments were also made to IFRS 12 to clarify that also an investment entity that measures all its subsidiaries at fair value has to apply IFRS 12. IAS 28 will also be amended by the application of the equity method by a non-investment entity investor to an investment entity investee. The amendments are to be applied for fiscal years beginning on or after January 1, 2016; 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 any relevance for ThyssenKrupp.

01 Acquisitions and disposals

In the 1st quarter ended December 31, 2014, the Group acquired 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 quarter ended Dec. 31, 2014

million €	
Goodwill	11
Other intangible assets	29
Property, plant and equipment	1
Inventories	1
Trade accounts receivable	1
Cash and cash equivalents	3
Total assets acquired	46
Deferred tax liabilities	4
Trade accounts payable	1
Other current non-financial liabilities	1
Total liabilities assumed	6
Net assets acquired	40
Non-controlling interest	0
Purchase prices	40
thereof: paid in cash and cash equivalents	21

In addition, in the 1st quarter ended December 31, 2014, the Group sold companies as part of the portfolio optimization that are, on an individual basis, immaterial. Based on the values as of the disposal date, these disposals affected in total the Group's consolidated financial statements as presented below:

Disposals 1st quarter ended Dec. 31, 2014

million €	
Goodwill	15
Other intangible assets	1
Property, plant and equipment	10
Inventories	2
Trade accounts receivable	67
Other current financial assets	3
Other current non-financial assets	25
Current income tax assets	4
Cash and cash equivalents	6
Total assets disposed of	133
Other non-current provisions	3
Deferred tax liabilities	8
Other current provisions	1
Current income tax liablilities	1
Current financial debt	40
Trade accounts payable	4
Other current non-financial liabilities	27
Total liabilities disposed of	84
Net assets disposed of	49
Cumulative other comprehensive income	18
Non-controlling interest	0
Gain/(loss) resulting from the disposals	(9)
Selling prices	58
thereof: received in cash and cash equivalents	58

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 a business. With the exemption of the former Stainless Global business area and income and expenses incurred after the disposal but directly related to the disposal of Stainless Global this transaction has 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”.

The former 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 (OTK) 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 directly related to the disposal are presented separately in the consolidated statement of income in the line item “Discontinued operations (net of tax)”.

Disposal group

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.

The assets and liabilities of the Changchun companies in China which are still part of the disposal group as of December 31, 2014 are presented in the following table:

Disposal group Tailored Blanks China

million €	Dec. 31, 2014
Property, plant and equipment	10
Inventories	7
Trade accounts receivable	12
Other current non-financial assets	1
Cash and cash equivalents	11
Assets held for sale	41
Current income tax liabilities	1
Trade accounts payable	3
Other current non-financial liabilities	1
Liabilities associated with assets held for sale	5

Discontinued operation former Stainless Global business area

The following table includes income and expense incurred after the disposal but directly related to the disposal of the former Stainless Global business area that classified as a discontinued operation. The expense incurred in the 1st quarter ended December 31, 2014 results from compensation payments in connection with personnel measures. The income recognized in the 1st quarter ended December 31, 2013 mainly reflected the income from the reversal of provisions after there was no longer an obligation to offset any negative financial consequences for OTK under merger control requirements.

Discontinued operation Stainless Global

million €	1st quarter ended Dec. 31, 2013	1st quarter ended Dec. 31, 2014
Net sales	0	0
Other income	0	0
Expenses	187	(4)
Ordinary income/(loss) from discontinued operations (before taxes)	187	(4)
Income tax (expense)/income	0	0
Ordinary income/(loss) from discontinued operations (net of tax)	187	(4)
Gain/(loss) recognized on disposal of discontinued operations (before taxes)	—	—
Income tax (expense)/income	—	—
Gain/(loss) recognized on disposal of discontinued operations (net of tax)	0	0
Discontinued operations (net of tax)	187	(4)
thereof:		
ThyssenKrupp AG's stockholders	187	(4)
Non-controlling interest	0	0

03 Share-based compensation

Management incentive plans

In the 1st quarter ended December 31, 2014, the Group recorded expenses of €15.2 million (1st quarter ended December 31, 2013: €8.9 million) from the obligations of the long-term incentive plan 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. Beginning with fiscal year 2014/2015, the compensation system of the Executive Board members of ThyssenKrupp AG has been adjusted in such a way that stock rights are no longer granted for a portion of the performance bonus and of the additional bonus. This compensation item resulted in expenses of €0.7 million in the 1st quarter ended December 31, 2014 (1st quarter ended December 31, 2013: €1.9 million).

04 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension and health care obligations was performed as of December 31, 2014, taking into account these effects while other assumptions remained unchanged.

Accrued pensions and similar obligations

million €	Sept. 30, 2014 [1]	Dec. 31, 2014
Accrued pension liability	7,288	7,831
Accrued postretirement obligations other than pensions	10	11
Other accrued pension-related obligations	192	178
Reclassification due to the presentation as liabilities associated with assets held for sale	0	0
Total	7,490	8,020

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

The Group applied the following weighted average assumptions to determine pension obligations:

Weighted-average assumptions

	Sept. 30, 2014			Dec. 31, 2014		
in %	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension liability	2.60	3.28	2.78	2.10	3.00	2.33

The net periodic pension cost is as follows:

Net periodic pension cost

	1st quarter ended Dec. 31, 2013 [1]			1st quarter ended Dec. 31, 2014		
million €	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Service cost	23	7	30	29	9	38
Net interest cost	52	3	55	43	3	46
Administration cost	0	1	1	0	1	1
Net periodic pension cost	75	11	86	72	13	85

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

05 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 Dec. 31, 2014	Provision as of Dec. 31, 2014
Advance payment bonds	282	1
Performance bonds	122	3
Third party credit guarantee	8	0
Residual value guarantees	61	2
Other guarantees	29	0
Total	502	6

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, 2014, the purchasing commitments decreased by €1.3 billion to €7.8 billion.

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, before amendment) 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 favor of the petitioners, the Court would require settlement to be made via an additional cash payment plus interest. The additional payment 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 court-appointed merger auditor, and differs only insignificantly from the value ratio determined by the expert appointed by the Düsseldorf Regional Court.

Various companies, in particular public transport authorities, have filed court or mainly out-of-court claims for damages as potential injured parties 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 has recognized provisions for risks in connection with the claims for damages.

On December 11, 2014 the German Federal Cartel Office closed its anti-trust investigation in the "auto steel" sector due to a lack of evidence. The proceedings were initiated at the end of February 2013 with searches of three companies in the steel sector, including ThyssenKrupp. The authority was investigating the suspicion of price fixing in the delivery of certain steel products to the German automotive industry in a period dating back to 1998. In its press release on the closure of the investigation, the Federal Cartel Office emphasized ThyssenKrupp's cooperation in the proceedings.

In connection with the majority interest previously held by the Industrial Solutions business area in the Greek shipyard Hellenic Shipyards (HSY) and the construction of submarines for the Greek Navy, the Greek government has filed legal and arbitration actions to claim compensation of €2.1 billion and reimbursement of a €115 million installment payment from ThyssenKrupp Industrial Solutions AG and ThyssenKrupp Marine Systems GmbH as well as from HSY and the current majority shareholder of HSY. To date the Greek government has concretized claims only in a double-digit million euro amount, relating exclusively to its contact with HSY. The claims asserted against the ThyssenKrupp companies appear unfounded. All contractual obligations of ThyssenKrupp Marine Systems and other ThyssenKrupp companies vis-à-vis the Greek government have been fulfilled since 2010.

Recipients of company pensions from various Group companies have filed court and out-of-court claims for an increase in future pension payments and back payments for the past after the total or partial failure by Group companies to adjust company pensions in accordance with § 16 Company Pensions Act (BetrAVG) due to their difficult financial situation. To date, court judgments on concrete claims from company pension recipients have varied; some claims have been rejected, others allowed. ThyssenKrupp is of the opinion that the failure to make adjustments was justifiable. If this opinion is ultimately not confirmed in the various proceedings, back payments and necessary provisions for higher future company pension payments could have a one-time impact on equity in the consolidated statement of financial position in the very low three-digit million euro range.

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 as well as official investigations in connection with the construction, tax concessions granted, and operation of the Brazilian steel plant, which could lead to payment of damages and fines or tax charges. Disputes in connection with the acquisition or disposal of companies or company units which may lead to partial repayment of the purchase price or to the payment of damages or to tax charges. 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.

06 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 Sept. 30, 2014 [1]

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
million €	Carrying amount on balance sheet Sept. 30, 2014	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Sept. 30, 2014
Trade accounts receivable, net (excluding finance lease)	5,758	5,758				5,758
Loans and receivables		5,758				5,758
Finance lease receivables	50				50	50
Other financial assets	450	347	62	41		450
Loans and receivables		329				329
Available-for-sale financial assets		18		17		35
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			62			62
Derivatives that qualify for hedge accounting			0	24		24
Cash and cash equivalents	4,030	4,030				4,030
Loans and receivables		4,030				4,030
Total of financial assets	10,288					
thereof by measurement categories of IAS 39:						
Loans and receivables	10,117	10,117				10,117
Available-for-sale financial assets	35	18		17		35
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	62		62			62
Financial debt (excluding finance lease)	7,663	7,663				8,091
Financial liabilities measured at amortized cost		7,663				8,091
Finance lease liabilities	59				59	59
Trade accounts payable	4,936	4,936				4,936
Financial liabilities measured at amortized cost		4,936				4,936
Other financial liabilities	1,333	889	280	164		1,333
Financial liabilities measured at amortized cost		889				889
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			280			280
Derivatives that qualify for hedge accounting			0	164		164
Total of financial liabilities	13,991					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	13,488	13,488				13,916
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	280		280			280

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. “Recently adopted accounting standards“).

Financial instruments as of Dec. 31, 2014

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
million €	Carrying amount on balance sheet Dec. 31, 2014	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value Dec. 31, 2014
Trade accounts receivable, net (excluding finance lease)	5,303	5,303				5,303
Loans and receivables		5,303				5,303
Finance lease receivables	50				50	50
Other financial assets	421	331	47	43		421
Loans and receivables		313				313
Available-for-sale financial assets		18		19		37
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)			47			47
Derivatives that qualify for hedge accounting			0	24		24
Cash and cash equivalents	3,641	3,641				3,641
Loans and receivables		3,641				3,641
Total of financial assets	9,415					
thereof by measurement categories of IAS 39:						
Loans and receivables	9,257	9,257				9,257
Available-for-sale financial assets	37	18		19		37
Derivatives that do not qualify for hedge accounting (Financial assets held for trading)	47		47			47
Financial debt (excluding finance lease)	7,811	7,811				8,221
Financial liabilities measured at amortized cost		7,811				8,221
Finance lease liabilities	58				58	58
Trade accounts payable	4,843	4,843				4,843
Financial liabilities measured at amortized cost		4,843				4,843
Other financial liabilities	1,466	971	276	219		1,466
Financial liabilities measured at amortized cost		971				971
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)			276			276
Derivatives that qualify for hedge accounting			0	219		219
Total of financial liabilities	14,178					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	13,625	13,625				14,035
Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading)	276		276			276

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 Sept. 30, 2014 [1)]

million €	Balance as of Sept. 30, 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)	62	0	62	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	17	14	3	0
Derivatives that qualify for hedge accounting	24	0	24	0
Total	103	14	89	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)	280	0	181	99
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	164	0	164	0
Total	444	0	345	99

1) Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

Fair value hierarchy as of Dec. 31, 2014

million €	Balance as of Dec. 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)	47	0	47	0
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	19	19	0	0
Derivatives that qualify for hedge accounting	24	0	24	0
Total	90	19	71	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)	276	0	162	114
Derivatives that qualify for hedge accounting	0	0	0	0
Fair value recognized in equity				
Derivatives that qualify for hedge accounting	219	0	219	0
Total	495	0	381	114

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, 2014 (asset/(liability))	(99)
Changes recognized through profit or loss	(15)
Balance as of Dec. 31, 2014 (asset/(liability))	(114)

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, 2014 [1]	Carrying amount Sept. 30, 2014 [1]	Notional amount Dec. 31, 2014	Carrying amount Dec. 31, 2014
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	721	22	948	16
Foreign currency derivatives qualifying as cash flow hedges	367	22	392	24
Embedded derivatives	100	4	71	3
Interest rate derivatives qualifying as cash flow hedges [2]	0	0	0	0
Commodity derivatives that do not qualify for hedge accounting	435	36	424	28
Commodity derivatives qualifying as cash flow hedges	26	2	93	0
Total	1,649	86	1,928	71
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	3,185	130	3,042	132
Foreign currency derivatives qualifying as cash flow hedges	272	16	372	34
Embedded derivatives	98	5	94	5
Interest rate derivatives qualifying as cash flow hedges [2]	1,556	107	1,544	158
Commodity derivatives that do not qualify for hedge accounting [3]	625	145	561	139
Commodity derivatives qualifying as cash flow hedges	199	41	128	27
Total	5,935	444	5,741	495

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").
[2] inclusive of cross currency swaps
[3] inclusive of cargo derivatives

07 Related parties

As of December 31, 2013, the end of the 1st quarter ended December 31, 2013, a financial receivable existed from OTK with a former value of €969 million and an original maximum term of nine years. Also at December 31, 2013 a current receivable existed from OTK under a credit line in the amount of €160 million. In addition ThyssenKrupp granted OTK a supplier finance backup facility in the amount of €82 million, which was not drawn at December 31, 2013 and as of the beginning of January 2014 was no longer available to OTK.

08 Segment reporting

In fiscal year 2014/2015 the definitions of EBIT and adjusted EBIT have been modified with regard to the treatment of capitalized borrowing costs in that way that depreciation of capitalized borrowing costs is no longer reversed. In addition, EBIT at business area level, especially at business areas with long-term construction contracts, is no longer increased by an imputed earnings contribution derived from net advance payments surpluses and the interest and financing effects attainable with them. The figures for the prior-year period have been adjusted accordingly.

Segment information for the the 1st quarter ended December 31, 2013 as well as for the the 1st quarter ended December 31, 2014 is as follows:

Segment information

million €	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Steel Americas	Corporate	Stainless Global[2]	Consolidation	Group
1st quarter ended Dec. 31, 2013 [1]										
Net sales	1,426	1,544	1,282	2,583	1,704	535	14	—	0	9,088
Internal sales within the Group	2	0	6	156	362	3	28	—	(557)	0
Total sales	1,428	1,544	1,288	2,739	2,066	538	42	—	(557)	9,088
EBIT	54	115	91	43	19	(1)	(116)	187	4	396
Adjusted EBIT	63	156	91	34	18	(19)	(104)	0	6	245
1st quarter ended Dec. 31, 2014										
External sales	1,594	1,711	1,374	3,337	1,634	382	12	—	0	10,044
Internal sales within the Group	3	1	3	84	351	120	33	—	(595)	0
Total sales	1,597	1,712	1,377	3,421	1,985	502	45	—	(595)	10,044
EBIT	67	176	95	(14)	80	(11)	(107)	(4)	(1)	281
Adjusted EBIT	67	178	92	2	79	0	(102)	0	1	317

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards") and the definition change.
[2] Discontinued operation

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 EBIT to EBT

million €	1st quarter ended Dec. 31, 2013 [1]	1st quarter ended Dec. 31, 2014
Adjusted EBIT as presented in segment reporting	245	317
Special items	151	(36)
EBIT as presented in segment reporting	396	281
+ Non-operating income/(expense) from companies accounted for using the equity method	(52)	0
+ Finance income	213	244
- Finance expense	(570)	(390)
- Items of finance income assigned to EBIT based on economic classification	(28)	(12)
+ Items of finance expense assigned to EBIT based on economic classification	(2)	24
EBT - Group	(43)	147
- EBT of Stainless Global	(187)	4
EBT from continuing operations as presented in the statement of income	(230)	151

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards") and the definition change.

09 Cost of sales

Cost of sales for the 1st quarter ended December 31, 2014, includes write-downs of inventories of €12 million which mainly relate to the Materials Services business area. As of September 30, 2014, write-downs amounted to €75 million. In the 1st quarter ended December 31, 2013, cost of sales includes write-downs of inventories of €28 million which mainly related to the Steel Europe and Steel Americas business areas.

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

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

11 Earnings per share

Basic earnings per share is calculated as follows:

Earnings per share

	1st quarter ended Dec. 31, 2013 [1]		1st quarter ended Dec. 31, 2014	
	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)	(252)	(0.47)	54	0.10
Income/(loss) from discontinued operations (net of tax) (attributable to ThyssenKrupp AG's stockholders)	187	0.35	(4)	(0.01)
Income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(65)	(0.12)	50	0.09
Weighted average shares	530,495,370		565,937,947	

[1] Figures have been adjusted due to the adoption of IFRS 11 (cf. "Recently adopted accounting standards").

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.

As a result of the capital increase carried out at the beginning of December 2013, the weighted average number of shares increased in the 1st quarter ended December 31, 2014 compared to the 1st quarter ended December 31, 2013.

There were no dilutive securities in the periods presented.

12 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. As of December 31, 2014 cash and cash equivalents of €61 million results from the joint operation HKM.

Non-cash investing activities

In the 1st quarter ended December 31, 2014, the acquisition and first-time consolidation of companies created an increase in non-current assets of €29 million (1st quarter ended December 31, 2013: €1 million).

The non-cash addition of assets under finance leases in the 1st quarter ended December 31, 2014 amounted to €2 million (1st quarter ended December 31, 2013: €3 million).

In connection with the second construction stage of the "ThyssenKrupp Quarter" located in Essen, there was a non-cash addition of property, plant and equipment of €18 million in the 1st quarter of the previous year.

Non-cash financing activities

In the 1st quarter ended December 31, 2014, the acquisition and first-time consolidation of companies has not resulted in any increase in gross financial debt (1st quarter ended December 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 €18 million in the 1st quarter of the previous year.

Essen, Feburary 9, 2015
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, 2014, to December 31, 2014, which are part of the quarterly financial report pursuant to § (Article) 37x Abs. (paragragh) 3 WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Essen, February 12, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann	Volker Linke
(German Public Auditor)	(German Public Auditor)

Report by the Supervisory Board Audit Committee

The interim report for the 1st quarter of the 2014/2015 fiscal year (October to December 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 February 12, 2015 and explained by the Executive Board. The auditors were available to provide additional information. The Audit Committee approved the interim report.

Essen, February 12, 2015

Chairman of the Audit Committee

Prof. Dr. Bernhard Pellens

Contact and 2015/2016 financial calendar

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2015/2016 financial calendar

May 12, 2015
Interim report
1st half 2014/2015 (October to March)
Conference call with analysts and investors

August 13, 2015
Interim report
9 months 2014/2015 (October to June)
Conference call with analysts and investors

November 19, 2015
Annual press conference
Analysts' and investors' conference

January 29, 2016
Annual General Meeting

February 12, 2016
Interim report
1st quarter 2015/2016 (October to December)
Conference call with analysts and investors

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 (≥500% or ≤(100)%) are indicated by ++ and −− respectively.

German and English versions of the interim report can be downloaded from the internet at www.thyssenkrupp.com.
In the event of variances, the German version shall take precedence over the English translation.

For technical reasons there may be variances between the accounting documents contained in this report and those published in the Federal Gazette.

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