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Interim report 1st half 2015/2016
October 1, 2015 – March 31, 2016
thyssenkrupp AG



thyssenkrupp

thyssenkrupp in figures

Full Group

| | | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change | in % | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change | in % |
|--|-----------|--|--|---------|------|---|---|---------|------|
| Order intake | million € | 20,500 | 18,837 | (1,663) | (8) | 10,406 | 9,027 | (1,379) | (13) |
| Net sales | million € | 21,039 | 19,400 | (1,639) | (8) | 10,995 | 9,852 | (1,143) | (10) |
| EBITDA | million € | 1,262 | 1,074 | (188) | (15) | 675 | 585 | (90) | (13) |
| EBIT | million € | 480 | 474 | (6) | (1) | 199 | 281 | 82 | 41 |
| EBIT margin | % | 2.3 | 2.4 | 0.2 | — | 1.8 | 2.9 | 1.0 | — |
| Adjusted EBIT | million € | 722 | 560 | (162) | (22) | 405 | 326 | (80) | (20) |
| Adjusted EBIT margin | % | 3.4 | 2.9 | (0.5) | — | 3.7 | 3.3 | (0.4) | — |
| EBT | million € | 209 | 185 | (24) | (11) | 62 | 151 | 89 | 144 |
| Net income/(loss) | million € | 88 | (9) | (97) | -- | 45 | 45 | 0 | (1) |
| attributable to thyssenkrupp AG's shareholders | million € | 98 | 37 | (60) | (62) | 48 | 61 | 13 | 26 |
| Basic earnings per share | € | 0.17 | 0.07 | (0.10) | (61) | 0.09 | 0.11 | 0.02 | 19 |
| Operating cash flow | million € | (174) | (703) | (529) | -- | 212 | (105) | (318) | -- |
| Cash flow for investments | million € | (532) | (546) | (14) | (3) | (267) | (293) | (26) | (10) |
| Cash flow from divestments | million € | 134 | 31 | (103) | (77) | 24 | 27 | 2 | 10 |
| Free cash flow | million € | (572) | (1,218) | (646) | -- | (31) | (371) | (340) | -- |
| Free cash flow before M&A | million € | (643) | (1,212) | (569) | (89) | (30) | (365) | (335) | -- |
| Net financial debt (March 31) | million € | 4,633 | 4,816 | 183 | 4 | 4,633 | 4,816 | 183 | 4 |
| Total equity (March 31) | million € | 2,863 | 2,753 | (110) | (4) | 2,863 | 2,753 | (110) | (4) |
| Gearing (March 31) | % | 161.8 | 174.9 | 13.1 | — | 161.8 | 174.9 | 13.1 | — |
| Employees (March 31) | | 155,697 | 155,453 | (244) | 0 | 155,697 | 155,453 | (244) | 0 |

Continuing operations

| | | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change | in % | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change | in % |
|--|-----------|--|--|---------|------|---|---|---------|------|
| Order intake | million € | 20,500 | 18,837 | (1,663) | (8) | 10,406 | 9,027 | (1,379) | (13) |
| Net sales | million € | 21,039 | 19,400 | (1,639) | (8) | 10,995 | 9,852 | (1,143) | (10) |
| EBITDA | million € | 1,268 | 1,074 | (194) | (15) | 678 | 585 | (93) | (14) |
| EBIT | million € | 486 | 474 | (12) | (2) | 201 | 281 | 80 | 40 |
| EBIT margin | % | 2.3 | 2.4 | 0.2 | — | 1.8 | 2.9 | 1.0 | — |
| Adjusted EBIT | million € | 722 | 560 | (162) | (22) | 405 | 326 | (80) | (20) |
| Adjusted EBIT margin | % | 3.4 | 2.9 | (0.5) | — | 3.7 | 3.3 | (0.4) | — |
| EBT | million € | 215 | 185 | (31) | (14) | 64 | 151 | 87 | 137 |
| Income/(loss) (net of tax) | million € | 94 | (9) | (103) | -- | 47 | 45 | (2) | (5) |
| attributable to thyssenkrupp AG's shareholders | million € | 104 | 37 | (67) | (64) | 50 | 61 | 11 | 21 |
| Basic earnings per share | € | 0.18 | 0.07 | (0.11) | (63) | 0.09 | 0.11 | 0.02 | 19 |
| Operating cash flow | million € | (168) | (703) | (535) | -- | 214 | (105) | (319) | -- |
| Cash flow for investments | million € | (532) | (546) | (14) | (3) | (267) | (293) | (26) | (10) |
| Cash flow from divestments | million € | 134 | 31 | (103) | (77) | 24 | 27 | 2 | 10 |
| Free cash flow | million € | (566) | (1,218) | (652) | -- | (29) | (371) | (342) | -- |
| Free cash flow before M&A | million € | (637) | (1,212) | (575) | (90) | (29) | (365) | (336) | -- |

Business areas

| | Order intake million € | | Net sales million € | | EBIT million € | | Adjusted EBIT million € | | Employees | |
|------------------------------|--|--|--|--|--|--|--|--|-------------------|-------------------|
| | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | March 31, 2015 | March 31, 2016 |
| Components Technology | 3,384 | 3,318 | 3,329 | 3,338 | 146 | 146 | 150 | 157 | 29,431 | 30,118 |
| Elevator Technology | 3,758 | 3,824 | 3,373 | 3,621 | 334 | 364 | 346 | 390 | 51,001 | 51,532 |
| Industrial Solutions | 1,817 | 2,174 | 3,010 | 3,115 | 203 | 242 | 201 | 244 | 18,761 | 19,575 |
| Materials Services | 7,269 | 5,768 | 7,215 | 5,827 | (151) | 2 | 51 | 13 | 22,418 | 19,791 |
| Steel Europe | 4,489 | 4,029 | 4,245 | 3,649 | 193 | 106 | 192 | 115 | 27,481 | 27,368 |
| Steel Americas | 895 | 657 | 955 | 675 | (30) | (145) | (20) | (139) | 3,562 | 3,771 |
| Corporate | 96 | 93 | 93 | 114 | (214) | (255) | (201) | (234) | 3,043 | 3,298 |
| Consolidation | (1,208) | (1,025) | (1,181) | (939) | 5 | 14 | 3 | 14 | | |
| Continuing operations | 20,500 | 18,837 | 21,039 | 19,400 | 486 | 474 | 722 | 560 | 155,697 | 155,453 |

| | Order intake million € | | Net sales million € | | EBIT million € | | Adjusted EBIT million € | |
|------------------------------|---|---|---|---|---|---|---|---|
| | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 |
| Components Technology | 1,763 | 1,669 | 1,732 | 1,688 | 79 | 76 | 83 | 86 |
| Elevator Technology | 1,890 | 1,832 | 1,661 | 1,752 | 158 | 171 | 168 | 186 |
| Industrial Solutions | 742 | 644 | 1,633 | 1,609 | 108 | 152 | 109 | 153 |
| Materials Services | 3,723 | 2,922 | 3,794 | 3,005 | (137) | 3 | 49 | 10 |
| Steel Europe | 2,394 | 2,183 | 2,260 | 1,925 | 113 | 56 | 113 | 65 |
| Steel Americas | 420 | 286 | 453 | 325 | (19) | (61) | (20) | (65) |
| Corporate | 49 | 36 | 48 | 54 | (107) | (122) | (99) | (117) |
| Consolidation | (575) | (544) | (586) | (506) | 6 | 8 | 2 | 8 |
| Continuing operations | 10,406 | 9,027 | 10,995 | 9,852 | 201 | 281 | 405 | 326 |

thyssenkrupp stock / ADR master data and key figures

| | | | | |
|--|--------------|-------------------------------------|-----------|-------------|
| ISIN | | Number of shares (total) | shares | 565,937,947 |
| Shares (Frankfurt, Düsseldorf stock exchanges) | DE0007500001 | Closing price end March 2016 | € | 18.26 |
| ADRs (over-the-counter trading) | US88629Q2075 | Stock exchange value end March 2016 | million € | 10,334 |
| Symbols | | | | |
| Shares | TKA | | | |
| ADRs | TKAMY | | | |

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Our fiscal year begins on October 01 and ends on September 30 of the following year.

Interim management report

Report on the economic position

Summary

Capital goods businesses and “impact” efficiency program with stabilizing effect in difficult materials environment

- Group order intake, sales and earnings down year-on-year; growth in capital goods businesses overshadowed by sharp downturn in environment for materials businesses
- All capital goods businesses report 1st half order intake and sales level with or higher than a year earlier (partly due to positive exchange rate effects in 1st quarter), earnings in part significantly higher
- Materials businesses under strong pressure from imports in 1st half, selective reduction of shipments at Steel Europe; recently signs of a recovery with spot prices rising again on materials markets
- Adjusted EBIT, net income and free cash flow of the Group lower year-on-year, but significant quarter-on-quarter improvement in 2nd quarter
- Over €450 million EBIT effects from “impact” in 1st half counteracting significant margin pressure
- 2nd quarter adjusted EBIT up quarter-on-quarter at all business areas except Elevator Technology; Elevator Technology again higher year-on-year but down quarter-on-quarter for seasonal reasons
- Full-year forecast adjusted in line with very weak materials environment (especially in 1st half) (see Forecast)
- Significant increase in earnings and cash flow expected in 2nd half versus 1st half, with adjusted EBIT up from 1st half at capital goods businesses overall and at each individual materials business
- Temporary rise in gearing to over 150% mainly due to seasonal increase in net working capital; gearing expected to decrease significantly in 2nd half with positive cash flows, corresponding reduction in net financial debt and positive net income
- Strategic Way Forward: Contract signed in early April to acquire Vale's minority interest (26.87%) in thyssenkrupp CSA; approvals among others from Conselho Administrativo de Defesa Econômica (CADE) still outstanding

Macro and sector environment

Global economy still lacking momentum – overall growth expectations lowered further; outlook marked by major uncertainty

- Global economic growth of just under 3% in 2016 down slightly from already weak prior year; with major uncertainties continuing, expectations lowered again slightly
- Slower economic growth in both industrialized countries and emerging economies
- USA: Slightly lower GDP forecast overall; labor market and real estate sector remain solid with positive impact on consumer spending
- Germany and euro zone: GDP forecasts for 2016 revised downward slightly overall; economy should pick up speed again, driven by solid domestic demand
- China: Economic growth slowing further; transformation process towards stronger domestic economy still accompanied by expansionary monetary and fiscal policies
- Brazil: Further sharp downward revision of GDP forecast; uncertainties over future economic policy adversely impacting consumer and business spending
- Russia: Further decrease in GDP expected; business spending declining due to unfavorable financing conditions, consumer spending lower as real incomes shrink

- Numerous geopolitical flashpoints continue to pose risks to global economy; interest rate liftoff in the USA; potential growth risk, especially for emerging economies; Chinese economy slowing; uncertainties in the EU (refugee crisis, "Brexit" debate, etc.) with signs of more nationalist economic policies in some member countries; resurgence of crisis in euro zone
- Iran: Lifting of sanctions with possible positive impact on economic growth and opportunities for international capital goods producers; potentially added pressure on oil prices

Gross domestic product

| Real change compared to previous year in % | 2015 | 2016 ¹⁾ |
|--|------------|--------------------|
| Euro zone | 1.5 | 1.6 |
| Germany | 1.7 | 1.6 |
| Russia | (3.7) | (2.0) |
| Rest of Central/Eastern Europe | 1.1 | 2.3 |
| USA | 2.4 | 2.3 |
| Brazil | (3.8) | (3.5) |
| Japan | 0.6 | 0.8 |
| China | 6.9 | 6.3 |
| India | 7.3 | 7.5 |
| Middle East | 3.2 | 2.0 |
| World | 3.0 | 2.9 |

¹⁾ Forecast

Sources: IHS, IMF, consensus forecasts, misc. banks and research institutes, own estimates

Automotive

- Forecast for global car and light truck production raised slightly; continued positive sales trend in NAFTA (in particular light trucks in the USA), Europe and China
- Chinese car sales positive at the start of 2016; average 5% sales and production growth expected in the future
- Car sales and production in Brazil expected to be weak in the coming years
- Forecast for global production of heavy trucks clouded by developments in China, NAFTA (in particular "Class 8") and Brazil; situation in Europe positive at present

Machinery

- Following slight fall in US machinery production in 2015, moderate growth now expected for 2016
- Growth forecast for Chinese machinery sector in 2016 once again scaled back slightly
- German machinery sector with drop in output in 2015 and at best zero growth in 2016

Construction

- Continued strong recovery of US construction sector; number of building permits and housing starts showing strong year-on-year growth rates; property prices continuing to increase
- Growth expectations in 2016 raised slightly for India, lowered further for China
- Forecast for German construction output in 2016 largely confirmed

Important sales markets

| | 2015 | 2016 ¹⁾ |
|---|-------|--------------------|
| Vehicle production, million cars and light trucks | | |
| World | 86.5 | 89.0 |
| Western Europe (incl. Germany) | 14.1 | 14.6 |
| Germany | 5.9 | 6.0 |
| USA | 11.8 | 12.3 |
| Japan | 8.8 | 8.9 |
| China | 23.6 | 25.0 |
| Brazil | 2.3 | 1.9 |
| Machinery production, real, in % versus prior year | | |
| Germany | (1.5) | 0.0 |
| USA | (1.1) | 1.1 |
| Japan | 0.3 | (1.2) |
| China | 4.0 | 2.5 |
| Construction output, real, in % versus prior year | | |
| Germany | (0.7) | 1.7 |
| USA | 4.5 | 7.4 |
| China | 5.2 | 2.4 |
| India | 3.4 | 7.6 |

¹⁾ Forecast

Sources: IHS, Oxford Economics, national associations, own estimates

Steel

- After declining in 2015, global demand for finished steel expected to fall again slightly this year, especially due to China
- EU carbon flat steel market expected to move sideways; continued massive import pressure in 1st calendar quarter 2016

Group and business area review

Significant quarter-on-quarter earnings increase in 2nd quarter

- Significant quarter-on-quarter earnings increase in 2nd quarter: Improvements at all business areas with the exception of Elevator Technology; Elevator Technology again higher year-on-year but down quarter-on-quarter for seasonal reasons; significant net income achieved
- 1st half growth in order intake, sales and earnings at capital goods businesses overall, but overshadowed by volume- and in particular price-related decreases at materials businesses

Order intake by business area

| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change in % | Change on a comparable basis ¹⁾ in % | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change in % | Change on a comparable basis ¹⁾ in % |
|--|-------------------------------|-------------------------------|-------------|---|----------------------------------|----------------------------------|-------------|---|
| Components Technology | 3,384 | 3,318 | (2) | (4) | 1,763 | 1,669 | (5) | (4) |
| Elevator Technology | 3,758 | 3,824 | 2 | 0 | 1,890 | 1,832 | (3) | (1) |
| Industrial Solutions | 1,817 | 2,174 | 20 | 19 | 742 | 644 | (13) | (12) |
| Materials Services | 7,269 | 5,768 | (21) | (15) | 3,723 | 2,922 | (22) | (16) |
| Steel Europe | 4,489 | 4,029 | (10) | (11) | 2,394 | 2,183 | (9) | (9) |
| Steel Americas | 895 | 657 | (27) | (31) | 420 | 286 | (32) | (26) |
| Corporate | 96 | 93 | (3) | (3) | 49 | 36 | (26) | (25) |
| Consolidation | (1,208) | (1,025) | — | — | (575) | (544) | — | — |
| Order intake of the continuing operations / Group | 20,500 | 18,837 | (8) | (7) | 10,406 | 9,027 | (13) | (10) |

¹⁾ Excluding currency and portfolio effects

Order intake in the **capital goods businesses** was higher year-on-year in the 1st half overall, also on a comparable basis; The 2nd quarter was generally more subdued – with no major project at Industrial Solutions and negative exchange-rate effects:

Components Technology

- Growth in car components (China and – though slowing in the 2nd quarter – Europe and the USA) together with positive exchange-rate effects in the 1st quarter largely offset the weaker markets for heavy trucks (China, Brazil, USA) and construction machinery components
- Major orders for electric power-assisted steering systems received from international automobile manufacturers in the past twelve months with total sales over product life cycle of around €7 billion

Elevator Technology

- Higher demand in the new installations business in the USA and South Korea, and positive exchange-rate effects in the 1st quarter; Europe lower year-on-year; number of new installations in China higher year-on-year following acquisition of majority shareholding in Marohn, with prices generally lower

Industrial Solutions

- Resource Technologies: Strong 1st half (major order from Yamama for cement plant in Saudi Arabia in the 1st quarter)
- Process Technologies: Customers cautious on account of lower oil and raw material prices, but good prospects of high order volume remain
- System Engineering: Further improvement with brisk demand for vehicle production systems in Europe and Asia, several orders for body-in-white lines for leading German automobile manufacturers, plus order for battery assembly line in China
- Marine Systems: Smaller maintenance and service contracts as in the prior year
- Restructuring measures initiated to secure sustainable profitable growth in challenging market environment

Mainly as a result of significant price decreases, all **materials businesses** declined year-on-year also on a comparable basis (particularly excluding effects of VDM and RIP disposals at Materials Services). However there have recently been signs of recovery on the materials markets with spot prices rising again.

| Net sales by business area | | | | | | | | |
|---|-------------------------------|-------------------------------|-------------|---|----------------------------------|----------------------------------|-------------|---|
| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change in % | Change on a comparable basis ¹⁾ in % | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change in % | Change on a comparable basis ¹⁾ in % |
| Components Technology | 3,329 | 3,338 | 0 | (1) | 1,732 | 1,688 | (3) | (1) |
| Elevator Technology | 3,373 | 3,621 | 7 | 6 | 1,661 | 1,752 | 5 | 8 |
| Industrial Solutions | 3,010 | 3,115 | 3 | 3 | 1,633 | 1,609 | (1) | (1) |
| Materials Services | 7,215 | 5,827 | (19) | (14) | 3,794 | 3,005 | (21) | (15) |
| Steel Europe | 4,245 | 3,649 | (14) | (14) | 2,260 | 1,925 | (15) | (15) |
| Steel Americas | 955 | 675 | (29) | (34) | 453 | 325 | (28) | (25) |
| Corporate | 93 | 114 | 23 | 23 | 48 | 54 | 12 | 14 |
| Consolidation | (1,181) | (939) | — | — | (586) | (506) | — | — |
| Net sales of the continuing operations / Group | 21,039 | 19,400 | (8) | (7) | 10,995 | 9,852 | (10) | (8) |

¹⁾ Excluding currency and portfolio effects

Sales at all **capital goods businesses** were level or higher year-on-year in the 1st half supported by solid market positions and global setup with positive exchange-rate effects in the 1st quarter. In the 2nd quarter there were negative exchange-rate effects.

The **materials businesses** were characterized by declining sales. In a very difficult environment material prices continued to fall well into the 2nd quarter:

Materials Services

- Strong price and competitive pressure for practically all materials plus portfolio changes (sale of VDM and RIP)
- Sales increases at Aerospace (new customers, new long-term contracts) and AST

Steel Europe

- Sales down due to lower prices and volumes (import pressure); shipments 9% lower year-on-year at 5.2 million tons
- Business with auto industry stable; strong demand for high-quality grain-oriented electrical steel resulting from Ecodesign Directive for transformers

Steel Americas

- Decline in sales owing to increased price pressure in the USA and South America; shipments up 18% year-on-year at 2.2 million tons
- Good progress with building further long-term customer relationships

Adjusted EBIT by business area

| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change |
|---|-------------------------------------|-------------------------------------|--------------|--|--|-------------|
| Components Technology | 150 | 157 | 6 | 83 | 86 | 3 |
| Elevator Technology | 346 | 390 | 44 | 168 | 186 | 18 |
| Industrial Solutions | 201 | 244 | 42 | 109 | 153 | 44 |
| Materials Services | 51 | 13 | (37) | 49 | 10 | (39) |
| Steel Europe | 192 | 115 | (76) | 113 | 65 | (48) |
| Steel Americas | (20) | (139) | (119) | (20) | (65) | (45) |
| Corporate | (201) | (234) | (33) | (99) | (117) | (18) |
| Consolidation | 3 | 14 | — | 2 | 8 | — |
| Adjusted EBIT of the continuing operations / Group | 722 | 560 | (162) | 405 | 326 | (80) |

In all **capital goods businesses** adjusted EBIT was higher year-on-year in both the 1st half and the 2nd quarter, supported partly by long-term efficiency and cost-reduction measures:

Components Technology

- Improvements in car and wind energy components outweigh downturn in components for trucks and construction machinery and market weakness in Brazil; margin increased in quarter by 0.3 percentage points to 5.1%

Elevator Technology

- Adjusted EBIT and margin higher year-on-year for the 14th quarter in succession; margin improved by 0.5 percentage points to 10.6% – despite continued difficult market situation in individual European countries (e.g. France)

Industrial Solutions

- Adjusted EBIT higher year-on-year as a result of strong 2nd quarter (billing of high-margin projects); margin at 9.5% in the reporting quarter temporarily above target range (6 to 7%)

In all **materials businesses** adjusted EBIT was lower year-on-year in a difficult environment. Numerous efficiency measures were unable to offset the strong price and margin pressure. There were small, mainly volume-related quarter-on-quarter improvements in the 2nd quarter.

Materials Services

- Distribution and service business earnings down significantly year-on-year; however positive performance in particular in the Aerospace business and at AST

Steel Europe

- Lower volumes and prices; benefit of lower raw material costs partly cancelled out by weaker euro exchange rate

Steel Americas

- Higher production volumes and shipments, lower raw material and energy costs, and positive closing-date effects on input tax credits in the 2nd quarter (slightly negative in the 1st half) outweighed by negative price effects

At **Corporate** efficiency gains were achieved at Global Shared Services. This was partly offset by higher costs for harmonizing the IT infrastructure to prepare the digital transformation and higher provisions for employee obligations.

Earnings impacted by special items

| Special items by business area | | | | | | |
|---|-------------------------------------|-------------------------------------|--------------|--|--|--------------|
| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change |
| Components Technology | 4 | 10 | 6 | 4 | 10 | 6 |
| Elevator Technology | 12 | 26 | 13 | 10 | 16 | 6 |
| Industrial Solutions | (2) | 2 | 4 | 1 | 1 | 0 |
| Materials Services | 202 | 12 | (190) | 186 | 7 | (178) |
| Steel Europe | (1) | 10 | 11 | 0 | 9 | 9 |
| Steel Americas | 10 | 5 | (4) | (1) | (4) | (3) |
| Corporate | 13 | 21 | 8 | 8 | 6 | (2) |
| Consolidation | (2) | 0 | — | (4) | 0 | — |
| Special items of the continuing operations | 236 | 86 | (150) | 204 | 45 | (159) |
| Stainless Global | 6 | 0 | (6) | 2 | 0 | (2) |
| Consolidation | 0 | 0 | — | 0 | 0 | — |
| Special items of the Group | 242 | 86 | (156) | 206 | 45 | (161) |

- Main special items in reporting period:
 - Components Technology: Impairment losses due to flooding (Springs & Stabilizers in UK)
 - Elevator Technology: Restructuring and reorganization in Europe, Africa and Middle East
 - Materials Services: Several restructuring measures
 - Steel Europe: Real estate value adjustment at end of use
 - Steel Americas: Updated valuation of a long-term freight contract
 - Corporate: Expenses from divestment projects
- 2nd quarter of prior year with effects from disposal of VDM group (EBIT effect €(174) million, effect after tax €(119) million)

Results of operations and financial position

Analysis of the statement of income

Income from operations

- Decrease in cost of sales slightly greater than decrease in net sales; 0.7 percentage point increase in gross profit margin to 16.2%
- €200 million improvement in other gains/losses to a gain of €57 million mainly due to currency translation of refund entitlements in connection with non-income taxes

Financial income/expense and income tax

- Net increase in financial expense by €70 million to €314 million
- Decrease in finance income particularly due to lower exchange rate gains in connection with finance transactions; partly offset mainly by reduced expenses from derivatives in connection with financing and lower interest expense for financial debt
- Tax expense of €194 million affected by withholding tax expense and, as in the prior year, by valuation allowances for deferred tax assets

Earnings per share

- Net income for the period still slightly negative in the 1st half with a loss of €9 million; 2nd quarter with operating and pre-tax earnings up from Q1 and net income level with year earlier at €45 million
- After deduction of net loss attributable to minority interest, net income lower year-on-year in the 1st half at €37 million, but higher year-on-year in the 2nd quarter at €61 million
- Accordingly, earnings per share down year-on-year by €0.10 to €0.07 in 1st half, but up by €0.02 to €0.11 in the 2nd quarter

Analysis of the statement of cash flows

Operating cash flow

- Operating cash flow still negative and lower year-on-year in the 1st half, mainly due to lower net income before impairment losses and deferred tax expense and net increase in capital employed in operating assets and liabilities

Cash flows from investing activities

- Capital spending at prior-year level; share accounted for by capital goods businesses up slightly at 46%
- Modernization of IT and harmonization of systems landscape at all business areas and Corporate to enhance efficiency, lower costs and as a basis for Industry 4.0

Investments by business area

| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | Change in % | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 | Change in % |
|---|-------------------------------------|-------------------------------------|----------------|--|--|----------------|
| Components Technology | 145 | 163 | 12 | 71 | 84 | 18 |
| Elevator Technology | 51 | 56 | 10 | 23 | 35 | 51 |
| Industrial Solutions | 31 | 33 | 8 | 19 | 18 | 0 |
| Materials Services | 44 | 44 | 1 | 22 | 30 | 37 |
| Steel Europe | 196 | 175 | (11) | 96 | 89 | (7) |
| Steel Americas | 24 | 55 | 130 | 14 | 25 | 75 |
| Corporate | 35 | 22 | (38) | 21 | 11 | (46) |
| Consolidation | 6 | (2) | — | 1 | 0 | — |
| Investments of the continuing operations / Group | 532 | 546 | 3 | 267 | 293 | 10 |

Components Technology

- Construction and expansion of production sites in growth regions and regions with cost advantages:
 - Conventional and electric steering systems: Mexico (also for US market), China, plant being established in Hungary
 - Camshafts: Capacity expansion for head cover modules in China and for European market, projects in Mexico (for US market) and Hungary in early phase of implementation
 - Expansion of slewing bearing production, specifically rotor bearings for wind turbines, in Germany and China
- Localization of production of various technologies (e.g. in Hungary) secures high competitive and cost advantages; concentration strategy already successfully implemented in Asia

Elevator Technology

- New multifunctional building inaugurated in Shanghai, China
- New elevator plant being established in India
- Further progress with the construction of the 246 m high test tower in Rottweil; a unique pendulum system combining active and passive movement was installed to counteract and simulate vibrations

Industrial Solutions

- Marine Systems: Further implementation of modernization program at Kiel shipyard
- Resource Technologies: Expansion of infrastructure and optimization of technology portfolio to strengthen position in standard mining machinery
- System Engineering: Growth and international expansion in forming dies

Materials Services

- Expansion and modernization of warehousing and service activities in Europe
- Acquisition of a steel service center in Hungary
- Modernization and maintenance AST

Steel Europe

- Maintenance and further improvement of pollution control
- New ladle furnace at BOF meltshop 2 to produce high-quality grades as part of focus on premium products, in particular ultrahigh-strength steels for the automotive industry: Orders placed with suppliers, start of construction planned for fall 2017
- Acquisition of a minority shareholding in a company of the Angang group in China (operation of a newly built hot-dip coating line)

Steel Americas

- Pollution control and continued technical optimization

Corporate

- Mainly centrally consolidated property investments

Cash flows from divestments were €103 million lower mainly as a result of cash flows recognized in the prior-year period from the sale of the service activities of the RIP group in Brazil.

Cash flows from financing activities

- Cash flows from financing activities of €222 million in the reporting half-year compared with €371 million in the corresponding prior-year period
- €149 million reduction in cash flows from financing activities due mainly to €614 million lower proceeds from borrowings; partly offset mainly by reduced expenditures recognized in other financing activities for currency and cross currency swaps in connection with Group financing

Free cash flow and net financial debt

- FCF before M&A at €(1,212) million in the 1st half as expected €569 million down from prior year due mainly to higher negative operating cash flows
- Net financial debt correspondingly higher at €4,816 million at March 31, 2016; figure includes €85 million dividend payment of thyssenkrupp AG
- Ratio of net financial debt to equity (gearing) at 174.9% higher than at September 30, 2015 (103.2%) and temporarily in excess of 150%
- Available liquidity of €6.8 billion (€3.5 billion cash and cash equivalents and €3.3 billion undrawn committed credit lines)

Financing measures successfully implemented

- In March 2016 placement of €850 million bond with a maturity of 5 years and a coupon of 2.75% p.a.
- In December 2015 placement of €100 million note loan with a maturity of three years and a coupon of 0.931% p.a., and in March 2016 of €150 million loan note with a maturity of five years and a coupon of 1.75% p.a.
- In March 2016 early extension of €2 billion syndicated credit line until March 2021

Rating downgrade by Moody's in February 2016, outlook stable

| Rating | | | |
|-------------------|------------------|-------------------|---------|
| | Long-term rating | Short-term rating | Outlook |
| Standard & Poor's | BB | B | stable |
| Moody's | Ba2 | Not Prime | stable |
| Fitch | BB+ | B | stable |

Analysis of the statement of financial position

Non-current assets

- €130 million net increase in non-current assets compared with September 30, 2015 despite currency-related decreases mainly in property, plant and equipment
- €199 million increase in deferred tax assets mainly due to interest rate changes for pension obligations at March 31, 2016
- Increase in refund entitlements in connection with non-income taxes included in other non-financial assets

Current assets

- €1,125 million net decrease in current assets mainly due to sharp reduction in cash and cash equivalents by €996 million to €3,539 million, primarily as a result of negative free cash flow of €1,218 million in the reporting half
- €259 million decrease in inventories mainly due to lower inventories in the materials business
- Increase in other financial assets mainly due to derivatives accounting

Total equity

- Total equity down by €554 million compared with September 30, 2015 to €2,753 million
- Decrease mainly due to losses (after taxes) recognized in other comprehensive income of €398 million from the revaluation of pensions and similar obligations and of €22 million from currency translation; €85 million thyssenkrupp AG dividend payment included

Non-current liabilities

- €457 million increase in provisions for pensions and similar obligations mainly due to revaluation of pensions
- €168 million net decrease in financial debt mainly due to reclassification of a €1,250 million bond due in February 2017 to current financial debt, partly offset by the issue of an €850 million bond in March 2016 and the placement of note loans in December 2015 and March 2016

Current liabilities

- €694 million net decrease in current liabilities mainly due to sharply reduced trade accounts payable, particularly in the materials business
- Decrease accentuated by net reduction in other non-financial liabilities in connection with construction contracts and decrease in other financial liabilities resulting mainly from derivatives accounting and interest liabilities
- €574 million net increase in financial debt, mainly due to above-mentioned reclassification of a bond from non-current financial debt and increased liabilities to financial institutions; partly offset by repayment of a €1,000 million bond in February 2016 and repayments of note loans in March 2016

Compliance

Compliance – a question of mindset

- Our corporate culture is based on performance and values
- Our values are anchored in particular in thyssenkrupp's mission statement, code of conduct and compliance commitment
- Honesty, respect and mutual appreciation characterize our interactions with each other and are the basis for our business relations with customers, suppliers and other market players
- More information on thyssenkrupp compliance program, culture and strategy in 2014/2015 Annual Report

Employees

- 155,453 employees worldwide at March 31, 2016; 547 or 0.4% more versus September 30, 2015 due to changes in existing businesses
- Increase in the workforce by almost 1,200 in connection with the development of new customers and markets for our fast-growing capital goods businesses particularly in Asia, and in connection with the ramp-up of Global Shared Services and Patent Management at Corporate
- At the same time, net decrease by more than 600 employees in the materials businesses (Materials Services and Steel Europe)
- Recruitment of over 100 refugees as interns or apprentices as part of refugee aid program “we help” initiated in fall 2015
- More information on HR strategy in 2014/2015 Annual Report

Technology & innovations

Cross-cutting projects, focus on digitization and sustainability

- Innovation Foresight: Future scenarios developed for “Last Mile Mobility” and “Future of Working in Production”; possible future developments with growth opportunities for thyssenkrupp described; scenarios for further topic areas under development
- Product Lifecycle Management: Specific implementation plans developed for the business areas; first pilot projects launched, more in the current fiscal year
- Digitization: Market launch of internet-based preventive servicing and maintenance solution (“MAX”) at Elevator Technology; Materials Services developing online portals and online shop solution for European materials business
- Industry 4.0: Industrial Data Space e.V. established, led by thyssenkrupp; association currently includes 16 businesses, ZVEI and Fraunhofer Society; goal: to provide a secure data space with standardized interfaces for connecting businesses with absolute data sovereignty
- Electricity storage systems for the transition to renewables: Redox flow batteries research project receives funding from Federal Ministry for Economic Affairs and Energy; goal: to develop a new cost-effective manufacturing process for bipolar plates, core components of redox flow batteries
- Conversion of process gases: Pilot plant in Duisburg converts coke oven gas into marketable products such as fertilizers and propellants for the chemical industry; CO₂ emissions are reduced; plant is world first of its kind
- New steel grade: XABO 1300 reaches tensile strengths of 1,400 to 1,700 megapascals; significant advantages for use in construction vehicles and mobile cranes

Subsequent events

Subsequent events between the end of the 1st half reporting period (March 31, 2016) and the date of authorization for issuance (May 4, 2016) are presented in Note 8 to the interim financial statements.

Forecast, opportunity and risk report

2015/2016 forecast

Overall assessment by the Executive Board

- Continued solid performance of the capital goods business in the 1st half of the current fiscal year overshadowed by sharp deterioration of materials environment:
 - Continuing high import pressure with heavy destocking in Germany and customer caution particularly in the 1st quarter and sharp fall in materials prices well into 2nd quarter;
 - Recent signs of recovery with spot prices rising again from low level
- Significant increase in adjusted EBIT in 2nd half versus 1st half still expected:
 - Capital goods businesses in total up from 1st half;
 - Significant improvement in all materials businesses due to price recovery and cost measures; this is based on the assumption of the Brazilian real exchange rate remaining largely stable
- On this basis full-year forecast lowered

For further key assumptions and expected economic conditions see forecast section and “Macro and sector environment” in the report on the economic position in the 2014/2015 Annual Report and this interim report.

2015/2016 forecast

- **Group sales** on a comparable basis to decline in the single-digit percentage range due to high import pressure on the materials markets
 - Capital goods businesses with organic growth at Components Technology and Elevator Technology in single-digit percentage range; largely sideways movement at Industrial Solutions
 - Materials businesses significantly weaker against high import pressure
- **Adjusted EBIT** of Group at least €1.4 billion (prior year: €1,676 million), supported by €850 million planned EBIT effects from “impact”
- All capital goods businesses at or above prior-year level:
 - Components Technology: Adjusted EBIT expected at least level with prior year (prior year: €313 million) thanks to further ramp-up of new plants and efficiency programs, despite high price and margin pressure
 - Elevator Technology: Improvement in adjusted EBIT from sales growth and an increase in adjusted EBIT margin by 0.5 to 0.7 percentage points from restructuring and efficiency measures (prior year: €794 million; 11.0%)
 - Industrial Solutions: Sales, margin and therefore adjusted EBIT expected at prior-year level (prior year: €424 million)
- All materials businesses well down from prior year – particularly due to very weak environment in 1st half:
 - Materials Services: Positive effects due to absence of impacts from strike at AST in prior year and progress with restructuring and efficiency programs and sales initiatives overshadowed by margin pressure on materials markets and absence of income from divested operations (prior-year adjusted EBIT: €206 million)
 - Steel Europe: Positive effects from efficiency programs overshadowed by high import and margin pressure (prior-year adjusted EBIT: €492 million)
 - Steel Americas: Operating progress and positive effects from efficiency programs overshadowed by weak Brazilian steel market and difficult price environment (prior-year adjusted EBIT: €(138) million)
- **Net income:** At prior-year level, partly due to reduced impact of special items (prior year: €268 million)
- **tkVA:** Accordingly also at prior-year level (pro-forma prior-year comparative with current cost of capital: €(238) million)
- **FCF before M&A:** Expected between low 3-digit million € negative and breakeven; dependent on payment timing on major orders (prior year: €115 million)
- **Capital spending:** Expected to be around €1.5 billion (prior year: €1,235 million)

Opportunities and risks

Opportunities

- Strong and stable earnings, cash flow and value added through positioning as diversified industrial group
- Opportunities through integrated Group management and utilization of advantages in interplay between business areas, regions, corporate functions and service units
- Strategic and operational opportunities described in 2014/2015 Annual Report continue to apply

Risks

- No risks threatening Group's ability to continue as a going concern; detailed information on risks in 2014/2015 Annual Report continues to apply
- Contract with Vale to purchase its minority interest in thyssenkrupp CSA signed in early April; reduction of complexity and risks and increased room for maneuver for further development of CSA; approvals among others from the Conselho Administrativo de Defesa Econômica (CADE) still outstanding
- Economic risks from numerous geopolitical flashpoints, continuing recession in Brazil and slower growth in China; increasing volatility in external environment; increased uncertainty over global economy and effects on Group's business models
- Investigations by Bremen public prosecutor's office at joint venture Atlas Elektronik:
 - In corruption investigations begun by Bremen public prosecutor in 2013 into projects in Greece first reference by public prosecutor to threat of mid to high two digit million euro fine
 - Besides Greece, business relationships of Atlas Elektronik in Turkey being investigated for irregularities
 - Full cooperation of Atlas Elektronik with the authorities

Condensed interim financial statements

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thyssenkrupp AG — Consolidated statement of financial position

Assets

| million € | Note | Sept. 30, 2015 | March 31, 2016 |
|---|------|----------------|----------------|
| Intangible assets | | 4,529 | 4,510 |
| Property, plant and equipment | | 8,728 | 8,616 |
| Investment property | | 239 | 234 |
| Investments accounted for using the equity method | | 303 | 278 |
| Other financial assets | | 47 | 43 |
| Other non-financial assets | | 343 | 439 |
| Deferred tax assets | | 2,031 | 2,229 |
| Total non-current assets | | 16,220 | 16,350 |
| Inventories | | 6,945 | 6,686 |
| Trade accounts receivable | | 5,118 | 5,118 |
| Other financial assets | | 319 | 457 |
| Other non-financial assets | | 2,397 | 2,364 |
| Current income tax assets | | 160 | 185 |
| Cash and cash equivalents | | 4,535 | 3,539 |
| Total current assets | | 19,474 | 18,349 |
| Total assets | | 35,694 | 34,699 |

Equity and liabilities

| million € | Note | Sept. 30, 2015 | March 31, 2016 |
|--|------|----------------|----------------|
| Capital stock | | 1,449 | 1,449 |
| Additional paid in capital | | 5,434 | 5,434 |
| Retained earnings | | (4,123) | (4,557) |
| Cumulative other comprehensive income | | 422 | 371 |
| Equity attributable to thyssenkrupp AG's stockholders | | 3,182 | 2,697 |
| Non-controlling interest | | 125 | 56 |
| Total equity | | 3,307 | 2,753 |
| Accrued pension and similar obligations | 01 | 7,654 | 8,111 |
| Provisions for other employee benefits | | 339 | 306 |
| Other provisions | | 906 | 860 |
| Deferred tax liabilities | | 53 | 95 |
| Financial debt | 02 | 6,385 | 6,217 |
| Other financial liabilities | | 2 | 3 |
| Other non-financial liabilities | | 5 | 6 |
| Total non-current liabilities | | 15,344 | 15,597 |
| Provisions for current employee benefits | | 362 | 287 |
| Other provisions | | 1,066 | 1,053 |
| Current income tax liabilities | | 241 | 250 |
| Financial debt | | 1,570 | 2,144 |
| Trade accounts payable | | 4,985 | 4,237 |
| Other financial liabilities | | 1,226 | 1,008 |
| Other non-financial liabilities | | 7,593 | 7,369 |
| Total current liabilities | | 17,043 | 16,349 |
| Total liabilities | | 32,387 | 31,945 |
| Total equity and liabilities | | 35,694 | 34,699 |

See accompanying selected notes.

thyssenkrupp AG —

Consolidated statement of income

| million €, earnings per share in € | Note | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 |
|--|------|--|--|---|---|
| Net sales | 05 | 21,039 | 19,400 | 10,995 | 9,852 |
| Cost of sales | | (17,776) | (16,261) | (9,362) | (8,246) |
| Gross margin | | 3,263 | 3,139 | 1,633 | 1,606 |
| Research and development cost | | (150) | (169) | (78) | (88) |
| Selling expenses | | (1,425) | (1,403) | (725) | (700) |
| General and administrative expenses | | (1,120) | (1,154) | (577) | (597) |
| Other income | | 97 | 88 | 44 | 42 |
| Other expenses | | (63) | (60) | (20) | (22) |
| Other gains/(losses), net | | (143) | 57 | (99) | 47 |
| Income/(loss) from operations | | 459 | 499 | 178 | 287 |
| Income from companies accounted for using the equity method | | 27 | 26 | 10 | 10 |
| Finance income | | 846 | 647 | 603 | 277 |
| Finance expense | | (1,117) | (987) | (727) | (423) |
| Financial income/(expense), net | | (244) | (314) | (114) | (136) |
| Income/(loss) from continuing operations before income taxes | | 215 | 185 | 64 | 151 |
| Income tax (expense)/income | | (121) | (194) | (17) | (107) |
| Income/(loss) from continuing operations (net of tax) | | 94 | (9) | 47 | 45 |
| Discontinued operations (net of tax) | | (6) | 0 | (2) | 0 |
| Net income/(loss) | | 88 | (9) | 45 | 45 |
| Thereof: | | | | | |
| thyssenkrupp AG's stockholders | | 98 | 37 | 48 | 61 |
| Non-controlling interest | | (10) | (46) | (3) | (16) |
| Net income/(loss) | | 88 | (9) | 45 | 45 |
| Basic and diluted earnings per share | 06 | | | | |
| Income/(loss) from continuing operations (attributable to thyssenkrupp AG's stockholders) | | 0.18 | 0.07 | 0.09 | 0.11 |
| Net income/(loss) (attributable to thyssenkrupp AG's stockholders) | | 0.17 | 0.07 | 0.09 | 0.11 |

See accompanying selected notes.

thyssenkrupp AG — Consolidated statement of comprehensive income

| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 |
|---|-------------------------------------|-------------------------------------|--|--|
| Net income/(loss) | 88 | (9) | 45 | 45 |
| 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 in unrealized gains/(losses), net | (1,291) | (573) | (753) | (578) |
| Tax effect | 396 | 175 | 232 | 172 |
| Other comprehensive income from remeasurements of pensions and similar obligations, net | (895) | (398) | (521) | (406) |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | (1) | 1 | (1) | (2) |
| Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods | (896) | (397) | (522) | (408) |
| 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 | 531 | (22) | 511 | (136) |
| Net realized (gains)/losses | 18 | 0 | 0 | 0 |
| Net unrealized (gains)/losses | 549 | (22) | 511 | (136) |
| Unrealized gains/(losses) from available-for-sale financial assets | | | | |
| Change in unrealized gains/(losses), net | 3 | 0 | 2 | 0 |
| Net realized (gains)/losses | 0 | 0 | 0 | 0 |
| Tax effect | 0 | 0 | 0 | 0 |
| Net unrealized (gains)/losses | 3 | 0 | 2 | 0 |
| Unrealized gains/(losses) on derivative financial instruments (cash flow hedges) | | | | |
| Change in unrealized gains/(losses), net | (42) | (32) | (48) | (17) |
| Net realized (gains)/losses | 7 | 12 | 5 | 2 |
| Tax effect | 11 | 15 | 14 | 9 |
| Net unrealized (gains)/losses | (24) | (5) | (29) | (6) |
| Share of unrealized gains/(losses) of investments accounted for using the equity-method | 39 | (7) | 34 | (7) |
| Subtotals of items of other comprehensive income that will be reclassified to profit or loss in future periods | 567 | (34) | 518 | (149) |
| Other comprehensive income | (329) | (431) | (4) | (557) |
| Total comprehensive income | (241) | (440) | 41 | (512) |
| Thereof: | | | | |
| thyssenkrupp AG's stockholders | (212) | (411) | 54 | (511) |
| Non-controlling interest | (29) | (29) | (13) | (1) |
| Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to: | | | | |
| Continuing operations | (206) | (411) | 56 | (511) |
| Discontinued operations | (6) | 0 | (2) | 0 |

See accompanying selected notes.

thyssenkrupp AG — Consolidated statement of changes in equity

| Equity attributable to thyssenkrupp AG's stockholders | | | | | | | | | | | |
|---|------------------------------|---------------|----------------------------|-------------------|---|-------------------------------------|----------------------------------|--|---------------------------------------|--------------------------|--------------|
| million €, (except number of shares) | Number of shares outstanding | Capital stock | Additional paid in capital | Retained earnings | Foreign currency translation adjustment | Available-for-sale financial assets | Derivative financial instruments | Share of investments accounted for using the equity method | Cumulative other comprehensive income | | |
| | | | | | | | | | Total | Non-controlling interest | Total equity |
| Balance as of Sept. 30, 2014 | 565,937,947 | 1,449 | 5,434 | (4,142) | 248 | 6 | (61) | 49 | 2,983 | 216 | 3,199 |
| Net income/(loss) | | | | 98 | | | | | 98 | (10) | 88 |
| Other comprehensive income | | | | (896) | 566 | 2 | (21) | 39 | (310) | (19) | (329) |
| Total comprehensive income | | | | (798) | 566 | 2 | (21) | 39 | (212) | (29) | (241) |
| Profit attributable to non-controlling interest | | | | | | | | | 0 | (32) | (32) |
| Payment of thyssenkrupp AG dividend | | | | (62) | | | | | (62) | | (62) |
| Other changes | | | | (2) | | | | | (2) | 1 | (1) |
| Balance as of March 31, 2015 | 565,937,947 | 1,449 | 5,434 | (5,004) | 814 | 8 | (82) | 88 | 2,707 | 156 | 2,863 |
| Balance as of Sept. 30, 2015 | 565,937,947 | 1,449 | 5,434 | (4,123) | 417 | 6 | (58) | 57 | 3,182 | 125 | 3,307 |
| Net income/(loss) | | | | 37 | | | | | 37 | (46) | (9) |
| Other comprehensive income | | | | (397) | (31) | 0 | (13) | (7) | (448) | 17 | (431) |
| Total comprehensive income | | | | (360) | (31) | 0 | (13) | (7) | (411) | (29) | (440) |
| Profit attributable to non-controlling interest | | | | | | | | | 0 | (24) | (24) |
| Payment of thyssenkrupp AG dividend | | | | (85) | | | | | (85) | | (85) |
| Changes of shares of already consolidated companies | | | | (3) | | | | | (3) | (4) | (7) |
| Other changes | | | | 14 | | | | | 14 | (12) | 2 |
| Balance as of March 31, 2016 | 565,937,947 | 1,449 | 5,434 | (4,557) | 386 | 6 | (71) | 50 | 2,697 | 56 | 2,753 |

See accompanying selected notes.

thyssenkrupp AG —

Consolidated statement of cash flows

| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 |
|--|-------------------------------------|-------------------------------------|--|--|
| Net income/(loss) | 88 | (9) | 45 | 45 |
| Adjustments to reconcile net income/(loss) to operating cash flows: | | | | |
| Discontinued operations (net of tax) | 6 | 0 | 2 | |
| Deferred income taxes, net | 44 | 26 | 14 | 2 |
| Depreciation, amortization and impairment of non-current assets | 783 | 601 | 477 | 304 |
| Reversals of impairment losses of non-current assets | (1) | (2) | 0 | 5 |
| Income/(loss) from companies accounted for using the equity method, net of dividends received | (27) | (26) | (10) | (10) |
| (Gain)/loss on disposal of non-current assets | (1) | (16) | (11) | (17) |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes | | | | |
| – Inventories | (132) | 249 | 353 | 457 |
| – Trade accounts receivable | 122 | (36) | (307) | 103 |
| – Accrued pension and similar obligations | (77) | (108) | (49) | (44) |
| – Other provisions | (238) | (162) | (136) | (51) |
| – Trade accounts payable | (19) | (723) | 105 | (128) |
| – Other assets/liabilities not related to investing or financing activities | (716) | (498) | (269) | (771) |
| Operating cash flows – continuing operations | (168) | (703) | 214 | (105) |
| Operating cash flows – discontinued operations | (6) | 0 | (2) | 0 |
| Operating cash flows – total | (174) | (703) | 212 | (105) |
| Purchase of investments accounted for using the equity method and non-current financial assets | (1) | (8) | 0 | 1 |
| Expenditures for acquisitions of consolidated companies net of cash acquired | (19) | (16) | (1) | (16) |
| Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property | (451) | (468) | (230) | (246) |
| Capital expenditures for intangible assets (inclusive of advance payments) | (61) | (55) | (36) | (32) |
| Proceeds from disposals of investments accounted for using the equity method and non-current financial assets | 5 | 0 | (1) | 0 |
| Proceeds from disposals of previously consolidated companies net of cash disposed | 93 | 9 | 1 | 8 |
| Proceeds from disposals of property, plant and equipment and investment property | 36 | 22 | 25 | 18 |
| Proceeds from disposals of intangible assets | 0 | 0 | (1) | 1 |
| Cash flows from investing activities – continuing operations | (398) | (515) | (243) | (266) |
| Cash flows from investing activities – discontinued operations | 0 | 0 | 0 | 0 |
| Cash flows from investing activities – total | (398) | (515) | (243) | (266) |
| Proceeds from issuance of bonds | 1,350 | 850 | 1,350 | 850 |
| Repayments of bonds | (750) | (1,000) | (750) | (1,000) |
| Proceeds from liabilities to financial institutions | 787 | 678 | 344 | 670 |
| Repayments of liabilities to financial institutions | (644) | (273) | (272) | (209) |
| Proceeds from/(repayments on) notes payable and other loans | 197 | 74 | 108 | (41) |
| Increase/(decrease) in bills of exchange | 1 | (2) | 0 | (2) |
| (Increase)/decrease in current securities | 1 | (1) | 1 | 0 |
| Payment of thyssenkrupp AG dividend | (62) | (85) | (62) | (85) |
| Profit attributable to non-controlling interest | (32) | (24) | (22) | (2) |
| Expenditures for acquisitions of shares of already consolidated companies | (1) | (6) | 0 | (4) |
| Other financing activities | (476) | 10 | (490) | 113 |
| Cash flows from financing activities – continuing operations | 371 | 222 | 207 | 290 |
| Cash flows from financing activities – discontinued operations | 0 | 0 | 0 | 0 |
| Cash flows from financing activities – total | 371 | 222 | 207 | 290 |
| Net increase/(decrease) in cash and cash equivalents – total | (201) | (996) | 176 | (82) |
| Effect of exchange rate changes on cash and cash equivalents – total | 64 | 0 | 75 | (27) |
| Cash and cash equivalents at beginning of year – total | 4,040 | 4,535 | 3,652 | 3,648 |
| Cash and cash equivalents at end of year – total | 3,903 | 3,539 | 3,903 | 3,539 |
| [thereof cash and cash equivalents within the disposal groups] | [19] | [0] | [19] | [0] |
| Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations: | | | | |
| Interest received | 71 | 51 | 37 | 24 |
| Interest paid | (317) | (301) | (233) | (208) |
| Dividends received | 101 | 54 | 99 | 53 |
| Income taxes paid | (161) | (179) | (96) | (72) |

See accompanying selected notes.

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, 2015 to March 31, 2016, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on May 4, 2016.

Basis of presentation

The accompanying Group's condensed interim consolidated financial statements have been prepared in accordance with section 37w of the German Securities Trading Act (WpHG) and in conformity with IAS 34 “Interim financial reporting”. They are in line with the 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 accounting principles and practices as applied in the condensed interim consolidated financial statements as of March 31, 2016 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 2014/2015.

Recently adopted accounting standards

In fiscal year 2015/2016, thyssenkrupp adopted the following standards, interpretations and amendments to already existing standards:

In November 2013 the IASB issued narrow-scope amendments to IAS 19 “Employee Benefits” titled “Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)”. The amendments are applicable to recognizing contributions of employees or third parties to defined benefit plans. Hereby it will be allowed to recognize employees' or third parties' contributions as a reduction of current service costs in the period in which the corresponding servicing has been rendered if the contributions are independent of the number of years of employee service. The amendments to IAS 19 are to be applied for fiscal years beginning on or after July 1, 2014. In the context of the endorsement, the mandatory effective date was deferred to fiscal years beginning on or after February 1, 2015; 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 December 2013 the IASB issued the annual improvements for the 2010 to 2012 cycle and for the 2011 to 2013 cycle as part of its annual improvement process project. In the context of the 2010 to 2012 cycle clarifications and smaller amendments of seven standards were published: IFRS 2 "Share-based Payment", IFRS 3 "Business Combinations", IFRS 8 "Operating Segments", IFRS 13 "Fair Value Measurement", IAS 16 "Property, Plant and Equipment", IAS 24 "Related Party Disclosures" and IAS 38 "Intangible Assets". In the context of the 2011 to 2013 cycle clarifications and smaller amendments of four standards were published: IFRS 1 "First-time Adoption of IFRS", IFRS 3 "Business Combinations", IFRS 13 "Fair Value Measurement" and IAS 40 "Investment Property". The amendments are effective for fiscal years beginning on or after July 1, 2014. In the context of the endorsement, the mandatory effective date was deferred – namely for the 2010 to 2012 cycle to fiscal years beginning on or after February 1, 2015 and for the 2011 to 2013 cycle to fiscal years beginning on or after January 1, 2015; 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.

01 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension and health care obligations was performed as of March 31, 2016, taking into account these effects.

| Accrued pension and similar obligations | | |
|--|----------------|----------------|
| million € | Sept. 30, 2015 | March 31, 2016 |
| Accrued pension obligations | 7,445 | 7,910 |
| Accrued postretirement obligations other than pensions | 13 | 14 |
| Other accrued pension-related obligations | 196 | 188 |
| Total | 7,654 | 8,111 |

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

| Weighted average assumptions | | | | | | |
|---|----------------|-----------------|-------|----------------|-----------------|-------|
| in % | Sept. 30, 2015 | | | March 31, 2016 | | |
| | Germany | Outside Germany | Total | Germany | Outside Germany | Total |
| Discount rate for accrued pension obligations | 2.50 | 3.02 | 2.64 | 1.90 | 2.74 | 2.12 |

02 Issue of bond and note loans and early extension of syndicated credit line

In March 2016 thyssenkrupp AG issued a bond with a total volume of €850 million and a maturity of five years under its €10 billion debt issuance program. The bond carries a coupon of 2.75% p.a.

Furthermore in December 2015 thyssenkrupp AG placed a €100 million note loan with a maturity of three years and a coupon of 0.931% p.a. and in March 2016 a €150 million note loan with a maturity of five years and a coupon of 1.75% p.a.

In addition in March 2016 thyssenkrupp AG secured an early extension of the €2.0 billion syndicated credit line, originally maturing at March 28, 2018, until March 14, 2021. At the balance-sheet date it was unused.

03 Contingencies and commitments

Contingencies

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 | | |
|---------------------------|--|------------------------|
| | Maximum potential amount of future payments as of | Provision as of |
| million € | March 31, 2016 | March 31, 2016 |
| Advance payment bonds | 169 | 1 |
| Performance bonds | 131 | 3 |
| Residual value guarantees | 61 | 16 |
| Other guarantees | 60 | 0 |
| Total | 421 | 20 |

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, 2015, the purchasing commitments decreased by €0.7 billion to €4.7 billion.

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

04 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, 2015

| million € | Carrying amount on balance sheet as of Sept. 30, 2015 | Measurement in accordance with IAS 39 | | | Measurement in accordance with IAS 17 | Fair value as of Sept. 30, 2015 |
|--|--|---------------------------------------|---|---------------------------------------|---|------------------------------------|
| | | (Amortized) cost | Fair value recognized in profit or loss | Fair value recognized in equity | Amortized cost | |
| Trade accounts receivable, net (excluding finance lease) | 5,069 | 5,069 | | | | 5,069 |
| Loans and receivables | | 5,069 | | | | 5,069 |
| Finance lease receivables | 49 | | | | 49 | 49 |
| Other financial assets | 366 | 273 | 58 | 35 | | 366 |
| Loans and receivables | | 255 | | | | 255 |
| Available-for-sale financial assets | | 18 | | 17 | | 35 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 58 | | | 58 |
| Derivatives that qualify for hedge accounting | | | 0 | 18 | | 18 |
| Cash and cash equivalents | 4,535 | 4,535 | | | | 4,535 |
| Loans and receivables | | 4,535 | | | | 4,535 |
| Total of financial assets | 10,019 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Loans and receivables | 9,859 | 9,859 | | | | 9,859 |
| Available-for-sale financial assets | 35 | 18 | | 17 | | 35 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 58 | | 58 | | | 58 |
| Financial debt (excluding finance lease) | 7,911 | 7,911 | | | | 8,007 |
| Financial liabilities measured at amortized cost | | 7,911 | | | | 8,007 |
| Finance lease liabilities | 44 | | | | 44 | 44 |
| Trade accounts payable | 4,985 | 4,985 | | | | 4,985 |
| Financial liabilities measured at amortized cost | | 4,985 | | | | 4,985 |
| Other financial liabilities | 1,228 | 774 | 326 | 128 | | 1,228 |
| Financial liabilities measured at amortized cost | | 774 | | | | 774 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 326 | | | 326 |
| Derivatives that qualify for hedge accounting | | | 0 | 128 | | 128 |
| Total of financial liabilities | 14,168 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Financial liabilities measured at amortized cost | 13,670 | 13,670 | | | | 13,766 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 326 | | 326 | | | 326 |

Financial instruments as of March 31, 2016

| million € | Carrying amount on balance sheet as of March 31, 2016 | Measurement in accordance with IAS 39 | | | Measurement in accordance with IAS 17 | Fair value as of March 31, 2016 |
|--|--|---------------------------------------|---|---------------------------------------|---|------------------------------------|
| | | (Amortized) cost | Fair value recognized in profit or loss | Fair value recognized in equity | Amortized cost | |
| Trade accounts receivable, net (excluding finance lease) | 5,069 | 5,069 | | | | 5,069 |
| Loans and receivables | | 5,069 | | | | 5,069 |
| Finance lease receivables | 49 | | | | 49 | 49 |
| Other financial assets | 500 | 343 | 88 | 70 | | 500 |
| Loans and receivables | | 327 | | | | 327 |
| Available-for-sale financial assets | | 16 | | 18 | | 34 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 82 | | | 82 |
| Derivatives that qualify for hedge accounting | | | 6 | 51 | | 57 |
| Cash and cash equivalents | 3,539 | 3,539 | | | | 3,539 |
| Loans and receivables | | 3,539 | | | | 3,539 |
| Total of financial assets | 9,157 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Loans and receivables | 8,934 | 8,934 | | | | 8,934 |
| Available-for-sale financial assets | 34 | 16 | | 18 | | 34 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 82 | | 82 | | | 82 |
| Financial debt (excluding finance lease) | 8,323 | 8,323 | | | | 8,568 |
| Financial liabilities measured at amortized cost | | 8,323 | | | | 8,568 |
| Finance lease liabilities | 38 | | | | 38 | 38 |
| Trade accounts payable | 4,237 | 4,237 | | | | 4,237 |
| Financial liabilities measured at amortized cost | | 4,237 | | | | 4,237 |
| Other financial liabilities | 1,011 | 659 | 248 | 103 | | 1,011 |
| Financial liabilities measured at amortized cost | | 659 | | | | 659 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | | | 238 | | | 238 |
| Derivatives that qualify for hedge accounting | | | 10 | 103 | | 113 |
| Total of financial liabilities | 13,609 | | | | | |
| thereof by measurement categories of IAS 39: | | | | | | |
| Financial liabilities measured at amortized cost | 13,220 | 13,220 | | | | 13,465 |
| Derivatives that do not qualify for hedge accounting (Financial assets held for trading) | 238 | | 238 | | | 238 |

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 into 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, 2015

| million € | Sept. 30, 2015 | 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) | 58 | 0 | 58 | 0 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Available-for-sale financial assets | 17 | 15 | 2 | 0 |
| Derivatives that qualify for hedge accounting | 18 | 0 | 18 | 0 |
| Total | 93 | 15 | 78 | 0 |
| Financial liabilities at fair value | | | | |
| Fair value recognized in profit or loss | | | | |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | 326 | 0 | 206 | 120 |
| Derivatives that qualify for hedge accounting | 0 | 0 | 0 | 0 |
| Fair value recognized in equity | | | | |
| Derivatives that qualify for hedge accounting | 128 | 0 | 128 | 0 |
| Total | 454 | 0 | 334 | 120 |

Fair value hierarchy as of March 31, 2016

| million € | March 31, 2016 | 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) | 82 | 0 | 82 | 0 |
| Derivatives that qualify for hedge accounting | 6 | 0 | 6 | 0 |
| Fair value recognized in equity | | | | |
| Available-for-sale financial assets | 18 | 16 | 3 | 0 |
| Derivatives that qualify for hedge accounting | 51 | 0 | 51 | 0 |
| Total | 157 | 16 | 142 | 0 |
| Financial liabilities at fair value | | | | |
| Fair value recognized in profit or loss | | | | |
| Derivatives that do not qualify for hedge accounting (Financial liabilities held for trading) | 238 | 0 | 104 | 134 |
| Derivatives that qualify for hedge accounting | 10 | 0 | 10 | 0 |
| Fair value recognized in equity | | | | |
| Derivatives that qualify for hedge accounting | 103 | 0 | 103 | 0 |
| Total | 352 | 0 | 218 | 134 |

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 | |
|--|--------------|
| million € | |
| Balance as of Sept. 30, 2015 (assets/(liability)) | (120) |
| Changes recognized in profit or loss | (14) |
| Balance as of March 31, 2016 (assets/(liability)) | (134) |

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 as of Sept. 30, 2015 | Carrying amount as of Sept. 30, 2015 | Notional amount as of March 31, 2016 | Carrying amount as of March 31, 2016 |
| Assets | | | | |
| Foreign currency derivatives that do not qualify for hedge accounting | 1,376 | 27 | 2,532 | 56 |
| Foreign currency derivatives qualifying as cash flow hedges | 264 | 9 | 504 | 23 |
| Embedded derivatives | 95 | 1 | 131 | 4 |
| Interest rate derivatives qualifying as cash flow hedges ¹⁾ | 635 | 8 | 904 | 21 |
| Commodity derivatives that do not qualify for hedge accounting | 331 | 30 | 319 | 22 |
| Commodity derivatives qualifying as cash flow hedges | 101 | 1 | 63 | 7 |
| Commodity derivatives qualifying as fair value hedges | 0 | 0 | 27 | 6 |
| Total | 2,802 | 76 | 4,480 | 139 |
| Equity and liabilities | | | | |
| Foreign currency derivatives that do not qualify for hedge accounting | 2,027 | 175 | 1,406 | 81 |
| Foreign currency derivatives qualifying as cash flow hedges | 573 | 26 | 284 | 10 |
| Embedded derivatives | 101 | 3 | 104 | 4 |
| Interest rate derivatives qualifying as cash flow hedges ¹⁾ | 817 | 78 | 513 | 69 |
| Commodity derivatives that do not qualify for hedge accounting ²⁾ | 487 | 148 | 472 | 153 |
| Commodity derivatives qualifying as cash flow hedges | 119 | 24 | 193 | 25 |
| Commodity derivatives qualifying as fair value hedges | 0 | 0 | 23 | 10 |
| Total | 4,124 | 454 | 2,994 | 352 |

¹⁾ Inclusive of cross currency swaps

²⁾ Inclusive of freights

05 Segment reporting

Segment information for the 1st half ended March 31, 2015 and March 31, 2016 as well as for the 2nd quarter ended March 31, 2015 and March 31, 2016 is as follows:

| Segment information | | | | | | | | | | |
|---|-----------------------|---------------------|----------------------|--------------------|--------------|----------------|-----------|--------------------------------|---------------|--------|
| million € | Components Technology | Elevator Technology | Industrial Solutions | Materials Services | Steel Europe | Steel Americas | Corporate | Stainless Global ¹⁾ | Consolidation | Group |
| 1st half ended March 31, 2015 | | | | | | | | | | |
| Net sales | 3,326 | 3,372 | 2,998 | 7,040 | 3,487 | 791 | 25 | — | 0 | 21,039 |
| Internal sales within the Group | 3 | 1 | 12 | 175 | 758 | 164 | 68 | — | (1,181) | 0 |
| Total sales | 3,329 | 3,373 | 3,010 | 7,215 | 4,245 | 955 | 93 | — | (1,181) | 21,039 |
| EBIT | 146 | 334 | 203 | (151) | 193 | (30) | (214) | (6) | 5 | 480 |
| Adjusted EBIT | 150 | 346 | 201 | 51 | 192 | (20) | (201) | 0 | 3 | 722 |
| 1st half ended March 31, 2016 | | | | | | | | | | |
| Net sales | 3,335 | 3,619 | 3,109 | 5,695 | 3,050 | 573 | 19 | — | 0 | 19,400 |
| Internal sales within the Group | 3 | 2 | 6 | 132 | 598 | 102 | 95 | — | (939) | 0 |
| Total sales | 3,338 | 3,621 | 3,115 | 5,827 | 3,649 | 675 | 114 | — | (939) | 19,400 |
| EBIT | 146 | 364 | 242 | 2 | 106 | (145) | (255) | — | 14 | 474 |
| Adjusted EBIT | 157 | 390 | 244 | 13 | 115 | (139) | (234) | — | 14 | 560 |
| 2nd quarter ended March 31, 2015 | | | | | | | | | | |
| Net sales | 1,732 | 1,661 | 1,624 | 3,703 | 1,853 | 409 | 13 | — | 0 | 10,995 |
| Internal sales within the Group | 1 | 0 | 9 | 91 | 407 | 44 | 35 | — | (586) | 0 |
| Total sales | 1,732 | 1,661 | 1,633 | 3,794 | 2,260 | 453 | 48 | — | (586) | 10,995 |
| EBIT | 79 | 158 | 108 | (137) | 113 | (19) | (107) | (2) | 6 | 199 |
| Adjusted EBIT | 83 | 168 | 109 | 49 | 113 | (20) | (99) | 0 | 2 | 405 |
| 2nd quarter ended March 31, 2016 | | | | | | | | | | |
| Net sales | 1,687 | 1,751 | 1,605 | 2,933 | 1,608 | 264 | 4 | — | 0 | 9,852 |
| Internal sales within the Group | 1 | 1 | 4 | 73 | 317 | 61 | 50 | — | (506) | 0 |
| Total sales | 1,688 | 1,752 | 1,609 | 3,005 | 1,925 | 325 | 54 | — | (506) | 9,852 |
| EBIT | 76 | 171 | 152 | 3 | 56 | (61) | (122) | — | 8 | 281 |
| Adjusted EBIT | 86 | 186 | 153 | 10 | 65 | (65) | (117) | — | 8 | 326 |

¹⁾ 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 EBIT to EBT | | | | |
|---|-------------------------------|-------------------------------|----------------------------------|----------------------------------|
| million € | 1st half ended March 31, 2015 | 1st half ended March 31, 2016 | 2nd quarter ended March 31, 2015 | 2nd quarter ended March 31, 2016 |
| Adjusted EBIT as presented in segment reporting | 722 | 560 | 405 | 326 |
| Special items | (242) | (86) | (206) | (45) |
| EBIT as presented in segment reporting | 480 | 474 | 199 | 281 |
| + Non-operating income/(expense) from companies accounted for using the equity method | 0 | 1 | 0 | 0 |
| + Finance income | 846 | 647 | 602 | 277 |
| – Finance expense | (1,117) | (987) | (727) | (423) |
| – Items of finance income assigned to EBIT based on economic classification | (30) | 42 | (18) | 13 |
| + Items of finance expense assigned to EBIT based on economic classification | 30 | 8 | 6 | 3 |
| EBT-Group | 209 | 185 | 62 | 151 |
| – EBT of Stainless Global | 6 | 0 | 2 | 0 |
| EBT from continuing operations as presented in the statement of income | 215 | 185 | 64 | 151 |

06 Earnings per share

Basic earnings per share are calculated as follows:

| Earnings per share | | | | | | | | |
|---|----------------------------------|----------------------------|----------------------------------|----------------------------|-------------------------------------|----------------------------|-------------------------------------|----------------------------|
| | 1st half ended March 31, 2015 | | 1st half ended March 31, 2016 | | 2nd quarter ended March 31, 2015 | | 2nd quarter ended March 31, 2016 | |
| | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € | Total amount in million € | Earnings per share in € |
| Income/(loss) from continuing operations (net of tax) (attributable to thyssenkrupp AG's stockholders) | 104 | 0.18 | 37 | 0.07 | 50 | 0.09 | 61 | 0.11 |
| Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG's stockholders) | (6) | (0.01) | 0 | 0.00 | (2) | 0.00 | 0 | 0.00 |
| Net income/(loss) (attributable to thyssenkrupp AG's stockholders) | 98 | 0.17 | 37 | 0.07 | 48 | 0.09 | 61 | 0.11 |
| Weighted average shares | 565,937,947 | | 565,937,947 | | 565,937,947 | | 565,937,947 | |

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.

There were no dilutive securities in the periods presented.

07 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. As of March 31, 2016 cash and cash equivalents of €114 million (2015: €71 million) result from the joint operation HKM.

08 Subsequent events

In early April 2016 a contract was signed with Vale to acquire Vale's 26.87% minority interest in thyssenkrupp CSA. Closing of the transaction is subject to approval among others from the Conselho Administrativo de Defesa Econômica (CADE).

Essen, May 4, 2016

thyssenkrupp AG

The Executive Board

Hiesinger

Burkhard

Kaufmann

Kerkhoff

Review report

To thyssenkrupp AG, Duisburg und Essen

We have reviewed the condensed consolidated interim financial statements – comprising the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated 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, 2015, to March 31, 2016, which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz" German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

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

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

Essen, May 9, 2016

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann
(German Public Auditor)

Michael Preiß
(German Public Auditor)

Responsibility statement

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

Essen, May 4, 2016

thyssenkrupp AG

The Executive Board

Hiesinger

Burkhard

Kaufmann

Kerkhoff

Additional information

Report by the Supervisory Board Audit Committee

The interim report for the 1st half of the 2015/2016 fiscal year (October 2015 to March 2016) and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board in its meeting on May 9, 2016 and explained by the Executive Board. The auditors were available to provide additional information.

The Audit Committee approved the interim report.

Essen, May 9, 2016

Chairman of the Audit Committee

Prof. Dr. Bernhard Pellens

Contact and 2016/2017 financial calendar

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Forward-looking statements

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond thyssenkrupp's ability to control or estimate precisely, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and achieve anticipated synergies and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. thyssenkrupp does not intend or assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of these materials.

2016/2017 financial calendar

August 11, 2016

Interim report

9 months 2015/2016 (October to June)

Conference call with analysts and investors

November 24, 2016

Annual report 2015/2016

Annual press conference

Analysts' and investors' conference

January 27, 2017

Annual General Meeting

February 9, 2017

Interim report

1st quarter 2016/2017 (October to December)

Conference call with analysts and investors

May 9, 2017

Interim report

1st half 2016/2017 (October to March)

Conference call with analysts and investors

This interim report was published on May 10, 2016.

Produced in-house using FIRE.sys.

Rounding differences and rates of change

Percentages and figures in this report may include rounding differences. The signs used to indicate rates of change are based on economic aspects: Improvements are indicated by a plus (+) sign, deteriorations are shown in brackets (). Very high positive and negative rates of change ($\geq 500\%$ or $\leq (100)\%$) are indicated by ++ and -- respectively.

Variances for technical reasons

Due to statutory disclosure requirements the Company must submit this financial report electronically to the Federal Gazette (Bundesanzeiger). For technical reasons there may be variances in the accounting documents published in the Federal Gazette.

German and English versions of the financial 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.

