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Interim report 1st half 2016 / 2017
October 1, 2016 – March 31, 2017
thyssenkrupp AG

thyssenkrupp

thyssenkrupp in figures

GROUP TOTAL

		1st half ended March 31, 2016	1st half ended March 31, 2017	Change	in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change	in %
Order intake	million €	18,837	21,948	3,111	17	9,027	11,993	2,966	33
Net sales	million €	19,400	21,084	1,684	9	9,852	10,998	1,146	12
EBIT [1]	million €	474	(324)	(798)	--	281	(564)	(846)	--
EBIT margin	%	2.4	(1.5)	(4.0)	—	2.9	(5.1)	(8.0)	—
Adjusted EBIT [1]	million €	560	756	196	35	326	427	101	31
Adjusted EBIT margin	%	2.9	3.6	0.7	—	3.3	3.9	0.6	—
EBT	million €	185	(580)	(765)	--	151	(703)	(855)	--
Net income/(loss)	million €	(9)	(855)	(846)	--	45	(870)	(915)	--
attributable to thyssenkrupp AG's shareholders	million €	37	(871)	(909)	--	61	(879)	(940)	--
Earnings per share (EPS)	€	0.07	(1.54)	(1.61)	--	0.11	(1.55)	(1.66)	--
Operating cash flows	million €	(703)	(1,340)	(636)	(90)	(105)	110	215	++
Cash flow for investments	million €	(546)	(726)	(180)	(33)	(293)	(364)	(71)	(24)
Cash flow from divestments	million €	31	59	27	88	27	38	12	45
Free cash flow	million €	(1,218)	(2,007)	(789)	(65)	(371)	(216)	156	42
Free cash flow before M&A	million €	(1,212)	(1,949)	(737)	(61)	(365)	(212)	153	42
Net financial debt (March 31)	million €	4,816	5,760	945	20	4,816	5,760	945	20
Total equity (March 31)	million €	2,753	2,304	(450)	(16)	2,753	2,304	(450)	(16)
Gearing (March 31)	%	174.9	250.0	75.1	—	174.9	250.0	75.1	—
Employees (March 31)		155,453	158,584	3,131	2	155,453	158,584	3,131	2

[1] See reconciliation in segment reporting (Note 07).

CONTINUING OPERATIONS

		1st half ended March 31, 2016	1st half ended March 31, 2017	Change	in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change	in %
Order intake	million €	18,282	21,244	2,962	16	8,791	11,643	2,852	32
Net sales	million €	18,827	20,335	1,508	8	9,588	10,617	1,029	11
EBIT	million €	618	501	(118)	(19)	341	313	(29)	(8)
EBIT margin	%	3.3	2.5	(0.8)	—	3.6	2.9	(0.6)	—
Adjusted EBIT	million €	699	703	4	1	390	412	22	6
Adjusted EBIT margin	%	3.7	3.5	(0.3)	—	4.1	3.9	(0.2)	—
EBT	million €	338	283	(55)	(16)	206	208	2	1
Income/(loss) (net of tax)	million €	162	58	(104)	(64)	108	64	(44)	(41)
attributable to thyssenkrupp AG's shareholders	million €	141	42	(99)	(70)	97	55	(42)	(43)
Earnings per share (EPS)	€	0.25	0.07	(0.18)	(72)	0.17	0.10	(0.07)	(41)
Operating cash flows	million €	(595)	(1,281)	(686)	--	(67)	170	237	++
Cash flow for investments	million €	(491)	(634)	(143)	(29)	(267)	(346)	(79)	(30)
Cash flow from divestments	million €	31	54	23	77	26	34	8	32
Free cash flow [1]	million €	(1,055)	(1,861)	(806)	(76)	(308)	(142)	166	54
Free cash flow before M&A [1]	million €	(1,049)	(1,858)	(809)	(77)	(302)	(139)	163	54
Employees (March 31)		151,682	154,431	2,749	2	151,682	154,431	2,749	2

[1] See reconciliation in the analysis of the statement of cash flows.

In the context of the Strategic Way Forward, thyssenkrupp reached agreement with Ternium in February 2017 on the sale of the Brazilian steel mill CSA. The sale is subject to the approval of the competition authorities and is planned to be completed by September 30, 2017. The transaction meets the criteria of IFRS 5 for reporting the Steel Americas business area as a discontinued operation.

BUSINESS AREAS

	Order intake million €		Net sales million €		EBIT [1] million €		Adjusted EBIT [1] million €		Employees	
	1st half ended March 31, 2016	1st half ended March 31, 2017	1st half ended March 31, 2016	1st half ended March 31, 2017	1st half ended March 31, 2016	1st half ended March 31, 2017	1st half ended March 31, 2016	1st half ended March 31, 2017	March 31, 2016	March 31, 2017
Components Technology	3,318	3,738	3,338	3,678	146	124	157	176	30,118	31,770
Elevator Technology	3,824	4,014	3,621	3,749	364	352	390	422	51,532	52,378
Industrial Solutions	2,174	3,118	3,115	2,761	242	33	244	64	19,575	19,349
Materials Services	5,768	6,814	5,827	6,681	2	131	13	173	19,791	19,800
Steel Europe	4,029	4,521	3,649	4,279	106	116	115	119	27,368	27,400
Corporate	93	93	114	125	(255)	(243)	(234)	(239)	3,298	3,734
Consolidation	(923)	(1,055)	(837)	(938)	14	(11)	14	(11)		
Continuing operations	**18,282**	**21,244**	**18,827**	**20,335**	**618**	**501**	**699**	**703**	**151,682**	**154,431**
Steel Americas	657	873	675	917	(145)	(826)	(139)	51	3,771	4,153
Consolidation	(102)	(168)	(102)	(168)	0	1	0	1	0	0
Group Total	**18,837**	**21,948**	**19,400**	**21,084**	**474**	**(324)**	**560**	**756**	**155,453**	**158,584**

[1] See reconciliation in segment reporting (Note 07).

	Order intake million €		Net sales million €		EBIT million €		Adjusted EBIT [1] million €	
	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017
Components Technology	1,669	1,979	1,688	1,936	76	66	86	101
Elevator Technology	1,832	2,111	1,752	1,868	171	168	186	207
Industrial Solutions	644	1,959	1,609	1,282	152	20	153	23
Materials Services	2,922	3,683	3,005	3,649	3	93	10	121
Steel Europe	2,183	2,442	1,925	2,371	56	91	65	92
Corporate	36	56	54	67	(122)	(117)	(117)	(123)
Consolidation	(494)	(587)	(445)	(555)	6	(8)	8	(8)
Continuing operations	**8,791**	**11,643**	**9,588**	**10,617**	**341**	**313**	**390**	**412**
Steel Americas	286	440	325	470	(61)	(878)	(65)	14
Consolidation	(50)	(90)	(61)	(90)	1	0	0	0
Group Total	**9,027**	**11,993**	**9,852**	**10,998**	**281**	**(564)**	**326**	**427**

[1] See reconciliation in segment reporting (Note 07).

THYSSENKRUPP STOCK / ADR MASTER DATA AND KEY FIGURES

ISIN		Number of shares (total)	shares	565,937,947
Shares (Frankfurt, Düsseldorf stock exchanges)	DE 000 750 0001	Closing price end March 2017	€	22.96
ADRs (over-the-counter trading)	US88629Q2075	Stock exchange value end March 2017	million €	12,993
Symbols				
Shares	TKA			
ADRs	TKAMY			

Contents

Our fiscal year begins on October 1 and ends on September 30 of the following year.

Interim management report

Report on the economic position

Summary

Positive trend continued in 2nd quarter: Strategic Way Forward with pleasing progress in Group transformation and growth

- Important milestone reached in transformation into strong industrial group: Sale of Brazilian steel mill CSA to Ternium concluded Steel Americas exit
  - Purchase price €1.5 billion (enterprise value); with closing of the transaction, corresponding reduction in net financial debt and clear reduction in complexity and volatility
  - This transaction leads to a negative income effect of around €0.9 billion in the 2nd quarter; improvement in gearing on closing
  - Signing took place in February 2017, transfer to take retroactive effect from September 30, 2016
  - Sale subject to the approval of the competent competition authorities; aim is to close the transaction by September 30, 2017, until which time Steel Americas will be reported as a discontinued operation
- Continuing operations on growth track: order intake and sales clearly up year-on-year
- All capital goods businesses and all materials businesses with double-digit growth rates in 2nd-quarter order intake; Components Technology and Elevator Technology with new record highs, Industrial Solutions with highest orders in three years
- Capital goods businesses overall and all materials businesses with sales growth
- €450 million EBIT effects from "impact" increase efficiency in 1st half
- Group and continuing operations with adjusted EBIT higher year-on-year
- Group's net income in reporting period impacted by negative earnings effect at Steel Americas
- As expected, free cash flow of Group and continuing operations temporarily clearly negative due to increase in net working capital, but already showing clear quarter-on-quarter and year-on-year improvement in 2nd quarter
- Full-year forecast revised on account of good operating performance and dislocations on the raw material markets (see forecast report)

Macro and sector environment

Global economic growth will accelerate slightly in 2017 – outlook remains marked by great uncertainty

- Compared with start of fiscal year, further stabilization of global economy despite high political uncertainty
- Industrialized countries: Continued, slightly faster upturn thanks to continuing expansionary monetary policy and hope of fiscal support in the USA
- Emerging economies: Increasing momentum, in part due to higher raw material prices and end of recession in Brazil and Russia

- But risks and uncertainties for global economy remain exceptionally high (geopolitical flashpoints, impact of new US economic policy and interest rate liftoff in USA, Brexit negotiations, elections in major EU member states, volatility of oil and raw material prices, high volatility in Chinese financial and real estate sectors)

GROSS DOMESTIC PRODUCT

Real change compared to previous year in %	2016	2017[1]
Euro zone	1.7	1.5
Germany	1.9	1.5
Russia	(0.2)	1.0
Rest of Central/Eastern Europe	2.4	2.7
USA	1.6	2.3
Brazil	(3.6)	0.3
Japan	1.0	1.1
China	6.7	6.5
India	7.0	7.2
Middle East & Africa	2.4	2.9
World	**2.9**	**3.3**

[1] Forecast
Sources: IHS Markit, Oxford Economics, national associations, own estimates

Automotive

- Continued slight growth in global sales and production of cars and light trucks in 2017 from high prior-year level
- Europe: Impact of Brexit very small to date
- NAFTA: Uncertainties about impact of new US economic policy on regional and international supply chains
- China: Sales and production of cars with double-digit growth in 2016, benefiting in part from pull-forward effects due to reduced tax breaks; further growth expected in 2017 with reduced government incentives
- Heavy trucks: Further increase in global production expected for 2017, driven by Asian markets, particularly China; Europe stable; NAFTA Class 8 remains weak, turnaround expected end of 2017

Machinery

- Germany: Forecast for 2017 raised slightly, in particular demand from abroad expected to increase
- USA: Low investment in oil and gas production ended
- China: Growth in 2017 to slow faster than expected at start of fiscal year; lower government fiscal incentives for infrastructure and state-owned companies; however, planned transformation to high-tech nation should keep growth at a solid level

Construction

- Germany: Further slight increase in growth expected in 2017; driver remains housing construction, but public sector and commercial construction also solid
- USA: Continued solid growth, potential additional stimulus from new administration's fiscal measures
- China and India: In China government measures to cool down real estate market taking effect in 2017; continuing urbanization to provide further important impetus in India

IMPORTANT SALES MARKETS

	2016	2017[1]
Vehicle production, million cars and light trucks		
World	90.8	92.1
Western Europe (incl. Germany)	14.6	14.7
Germany	5.9	5.7
USA	12.0	11.2
Mexico	3.5	4.1
Japan	8.8	9.0
China	27.0	27.7
India	4.1	4.3
Brazil	2.0	2.2
Machinery production, real, in % versus prior year		
Germany	0.1	1.0
USA	(2.7)	3.4
Japan	(1.5)	0.9
China	4.5	3.8
Construction output, real, in % versus prior year		
Germany	1.0	2.5
USA	4.5	5.8
China	6.6	4.6
India	2.7	5.5

[1] Forecast

Steel

- Global finished steel demand continuing to increase slightly in 2017; growth focused on emerging economies, with stagnation expected for China
- EU carbon flat steel market up slightly year-on-year in first two months of 2017 – with imports again showing higher growth overall: slight decline in volumes from China, but significantly higher imports from other third countries
- Market environment remains extremely challenging, particularly on account of global overcapacities and highly volatile raw material prices

Group and business area review

Order intake, sales and adjusted EBIT up year-on-year in continuing operations

ORDER INTAKE BY BUSINESS AREA

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	Change in %	Change on a comparable basis[1] in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change in %	Change on a comparable basis[1] in %
Components Technology	3,318	3,738	13	12	1,669	1,979	19	17
Elevator Technology	3,824	4,014	5	4	1,832	2,111	15	12
Industrial Solutions	2,174	3,118	43	43	644	1,959	204	204
Materials Services	5,768	6,814	18	17	2,922	3,683	26	25
Steel Europe	4,029	4,521	12	12	2,183	2,442	12	12
Corporate	93	93	1	1	36	56	55	55
Consolidation	(923)	(1,055)	—	—	(494)	(587)	—	—
Order intake of the continuing operations	**18,282**	**21,244**	**16**	**15**	**8,791**	**11,643**	**32**	**31**
Steel Americas	657	873	33		286	440	54	
Consolidation	(102)	(168)	—	—	(50)	(90)	—	—
Order intake of the Group	**18,837**	**21,948**	**17**		**9,027**	**11,993**	**33**	

[1] Excluding material currency and portfolio effects

Order intake in all **capital goods businesses** was clearly higher year-on-year in the 1st half and 2nd quarter, supported partly by positive exchange-rate effects.

Components Technology

- Car components: Growth in particular in axle assembly, damping systems and camshaft modules; continued high demand in China and positive trend in Western Europe more than offset slow-down in the USA and continuing weak demand in Brazil
- Components for heavy trucks: Market improvement in China, Europe solid, slight upturn in USA in 2nd quarter, Brazil still weak
- Industrial components: After subdued 1st quarter, growth in demand for wind energy and machinery components and slight recovery in construction equipment components in 2nd quarter

Elevator Technology

- Order intake and orders in hand at new record high (€5.4 billion excl. service), driven by major projects and supported by positive exchange rate effects
- Positive trend in Europe (particularly Germany and Turkey due to infrastructure projects); China level with prior year despite high price pressure; USA level with prior year after good 2nd quarter

Industial Solutions

- Clear year-on-year increase in 1st half; highest order intake in three years in 2nd quarter confirms turnaround in order intake and strong project pipeline
- Marine Systems: Strong 1st half thanks to major submarine order in 2nd quarter; nominated as exclusive strategic partner for Norwegian/German submarine program
- Cement plants: Medium-size order in Algeria in 1st quarter and pleasing demand for expansion contracts
- Mining: Medium-size and smaller orders clearly higher year-on-year (incl. belt conveyor systems, bucket wheel excavators, and coal handling facility in Asia as well as biomass power plant in Australia)
- Chemical plant engineering: Major projects at advanced stage of negotiation
- System Engineering: Several orders for body-in-white lines and test systems from leading German OEMs in Europe and Asia; but temporary decline overall with full-year outlook remaining positive

Orders in the **materials businesses** Materials Services and Steel Europe were clearly up year-on-year in a volatile environment thanks in particular to higher prices, with significantly increased spot prices on materials markets.

Steel Americas (discontinued operation) clearly up from prior-year due to higher prices.

NET SALES BY BUSINESS AREA

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	Change in %	Change on a comparable basis[1] in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change in %	Change on a comparable basis[1] in %
Components Technology	3,338	3,678	10	9	1,688	1,936	15	13
Elevator Technology	3,621	3,749	4	2	1,752	1,868	7	4
Industrial Solutions	3,115	2,761	(11)	(12)	1,609	1,282	(20)	(21)
Materials Services	5,827	6,681	15	14	3,005	3,649	21	20
Steel Europe	3,649	4,279	17	17	1,925	2,371	23	23
Corporate	114	125	9	9	54	67	24	23
Consolidation	(837)	(938)	—	—	(445)	(555)	—	—
Sales of the continuing operations	**18,827**	**20,335**	**8**	**7**	**9,588**	**10,617**	**11**	**9**
Steel Americas	675	917	36		325	470	44	
Consolidation	(102)	(168)	—		(61)	(90)	—	
Sales of the Group	**19,400**	**21,084**	**9**		**9,852**	**10,998**	**12**	

[1] Excluding material currency and portfolio effects

Overall sales in the **capital goods businesses** were slightly higher year-on-year.

- Rising sales at Components Technology (particularly for auto components) and Elevator Technology (particularly positive trend in the USA, China and Korea) outweighed declining sales at Industrial Solutions (lower number of milestone billings in plant engineering and at Marine Systems)

The **materials businesses** Materials Services and Steel Europe increased their sales significantly year-on-year due to higher volumes and prices

Materials Services

- Continuation of price recovery in almost all product segments, but with decreasing momentum in parts
- Overall materials volumes higher year-on-year (4.9 million tons shipments; up 3%)
- Stable warehousing and service business; significant growth at auto-related service centers, in particular also due to new service centers in Hungary and Spain
- Gains in global materials trading
- Gains at AST due to higher volumes and prices
- Raw material trading volumes down from 1.6 million tons to 0.6 million tons; stronger focus on higher-value, higher-margin products

Steel Europe

- Higher sales due to higher average net selling prices and rising shipments (5.7 million tons; up 10%), but lower volumes in grain-oriented electrical steel and heavy plate
- Selling prices rising significantly over the course of the reporting period, also higher year-on-year on average for the 1st half

Steel Americas (discontinued operation) achieved higher sales due to higher prices, with shipments temporarily lower (2.0 million tons; down 9%).

ADJUSTED EBIT BY BUSINESS AREA

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	Change in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change in %
Components Technology	157	176	12	86	101	18
Elevator Technology	390	422	8	186	207	11
Industrial Solutions	244	64	(74)	153	23	(85)
Materials Services	13	173	++	10	121	++
Steel Europe	115	119	3	65	92	42
Corporate	(234)	(239)	(2)	(117)	(123)	(6)
Consolidation	14	(11)	—	8	(8)	—
Adjusted EBIT of the continuing operations	**699**	**703**	**1**	**390**	**412**	**6**
Steel Americas	(139)	51	++	(65)	14	++
Consolidation	0	1	—	0	0	—
Adjusted EBIT of the Group [1]	**560**	**756**	**35**	**326**	**427**	**31**

[1] See reconciliation in segment reporting (Note 07).

In the **capital goods businesses** as a whole adjusted EBIT was lower year-on-year despite sustainable efficiency and cost reduction measures.

- Continued growth at Components Technology and Elevator Technology could not offset decline at Industrial Solutions

Components Technology

- Adjusted EBIT again higher year-on-year
- Improvements in car components outweighed declines in industrial components; margin slightly higher year-on-year at 4.8% in 1st half and 5.2% in 2nd quarter

Elevator Technology

- Adjusted EBIT and margin in 2nd quarter higher year-on-year for the 18th quarter in succession
- Margin at 11.3% in 1st half and 11.1% in 2nd quarter 0.5 points higher year-on-year thanks to performance program

Industrial Solutions

- Adjusted EBIT down sharply year-on-year, reflecting lower sales and lower-margin project milestones as well as partial underutilization

In the **materials businesses** Materials Services and Steel Europe adjusted EBIT was significantly higher year-on-year overall, also supported by cost-saving programs.

Materials Services

- Positive price trend and continued earnings-securing measures led to strong earnings improvement in all units
- AST with significantly higher earnings contribution, reflecting further sustainable restructuring success as well as positive price trend

Steel Europe

- 1st half earnings higher year-on-year mainly due to higher volumes; particularly in the 1st quarter sharply rising raw material costs plus earnings impact of blast furnace reline at HKM
- Significant earnings improvement in 2nd quarter, both quarter-on-quarter and year-on-year, primarily due to higher selling prices

At **Corporate** adjusted EBIT was largely unchanged year-on-year and continues to include project expenditures in connection with the digital initiatives for IT infrastructure standardization and data and process harmonization.

At **Steel Americas** (discontinued operation) the positive price trend, cost reduction measures and valuation effects on input tax credits outweighed lower shipments and higher raw material costs and negative cost effects from the stronger Brazilian real.

Earnings impacted by special items

SPECIAL ITEMS BY BUSINESS AREA

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	Change	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change
Components Technology	10	52	42	10	35	25
Elevator Technology	26	71	45	16	39	24
Industrial Solutions	2	32	30	1	3	1
Materials Services	12	41	29	7	28	21
Steel Europe	10	3	(7)	9	1	(8)
Corporate	21	4	(17)	6	(7)	(12)
Consolidation	0	0	—	0	0	—
Special items from continuing operations	**81**	**203**	**122**	**49**	**99**	**50**
Steel Americas	5	877	872	(4)	892	897
Consolidation	0	0	—	0	0	—
Total special items	**86**	**1,080**	**994**	**45**	**991**	**947**

- Main special items in the reporting period:
  - Components Technology: restructurings and capacity adjustments at Forging & Machining due to weak market and order situation in Brazil, in “heavy crankshafts” in Germany and construction equipment components in Italy, as well as non-period expenses in steering systems business
  - Elevator Technology: restructuring and reorganization in Europe and the Middle East
  - Industrial Solutions: restructuring of chemical plant construction and reorganization
  - Materials Services: several restructuring measures, winding-up of railway equipment
  - Steel Americas (discontinued operation): updated valuation of a long-term freight contract; negative earnings effect in connection with sale of CSA

Results of operations and financial position

Analysis of the statement of income

Income from operations

- Growth in cost of sales of continuing operations slightly higher than growth in net sales; gross profit margin of continuing operations down year-on-year to 16.5%
- Increase in selling expenses of continuing operations mainly due to higher expenses for sales-related freight and insurance charges and increased restructuring expenses
- Increase in general and administrative expenses of continuing operations resulting mainly from higher personnel expenses, due in part to increased restructuring provisions, and higher consulting and IT costs
- Deterioration in other gains/losses of continuing operations mainly influenced by losses on the disposal of non-current assets in the reporting half

Financial income/expense and income tax

- Decrease in finance income mainly due to lower exchange rate gains in connection with financial transactions alongside higher income from derivatives in connection with financing
- Net decrease in finance expense mainly due to lower exchange rate losses in connection with financial transactions and lower interest expense for financial debt and pensions alongside higher expenses from derivatives in connection with financing
- Tax expense as in the prior year affected by non-recognition of deferred tax assets for current losses at individual Group companies

Earnings per share

- Net income down sharply by €846 million to loss of €855 million mainly due to impact on income from discontinued operations in the reporting period due to impairment charges in connection with the initiated sale of the Brazilian steel mill CSA to Ternium
- Improvement in non-controlling interest mainly due to takeover of minority interest in thyssenkrupp CSA in 3rd quarter of fiscal 2015 / 2016
- Large decrease in earnings per share to loss of €1.54

Analysis of the statement of cash flows

Operating cash flows

- Operating cash flows from continuing operations positive and higher year-on-year in 2nd quarter mainly due to improvement in operating assets and liabilities, but negative and sharply down year-on-year in 1st half due to net increase in operating assets and liabilities
  – Volume recovery and strong rise in materials prices in the materials businesses
  – Working down of existing orders and temporary shift in payment profile at Industrial Solutions

Cash flows from investing activities

- Capital spending at continuing operations at prior-year level or higher in all business areas in 1st half; share of capital goods businesses in continuing operations up to 53%
- 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, 2016	1st half ended March 31, 2017	Change in %	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change in %
Components Technology	163	227	40	84	136	62
Elevator Technology	56	76	37	35	41	15
Industrial Solutions	33	32	(3)	18	15	(17)
Materials Services	44	43	(3)	30	24	(20)
Steel Europe	175	240	37	89	119	33
Corporate	22	25	15	11	19	68
Consolidation	(2)	(12)	—	(2)	(9)	—
Investments of the continuing operations	**491**	**634**	**29**	**267**	**346**	**30**
Steel Americas	55	92	67	25	18	(26)
Consolidation	0	0	—	1	0	—
Total investments	**546**	**726**	**33**	**293**	**364**	**24**

Components Technology

- Building of highly automated plants in growth region China following new orders from international and Chinese OEMs for electric steering systems, springs and stabilizers
- Expansion of production in Hungary: cylinder head covers with integrated camshafts, front and rear axle assembly, production of springs and stabilizers and electric steering systems

Elevator Technology

- China: new elevator plant in Zhongshan in production, shell of 249 m high test tower at same location completed in March
- India: Ramp-up of elevator manufacturing in Pune on schedule
- Germany: further progress on construction of 246 m high test tower in Rottweil, opened for research in December

Industrial Solutions

- Cement and Mining: expansion of infrastructure and optimization of technology portfolio to strengthen market position
- Chemical plant construction: continued investment in optimization of technology portfolio
- System Engineering: continued growth and international expansion in forming dies
- Marine Systems: further implementation of modernization program at Kiel shipyard (currently mainly IT and infrastructure)

Materials Services

- Modernization and maintenance measures at warehousing and service units and AST

Steel Europe

- Reline of blast furnace B at HKM
- 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 auto industry; project started last fiscal year

Corporate

- Investments for the Carbon2Chem project
- Centrally pooled property investments and license purchases

At **Steel Americas** (discontinued operation) investments included the insourcing of water and effluent treatment services with the acquisition of two Brazilian companies as well as environmental protection and technical optimization measures.

The slight increase in cash inflows from divestments at the continuing operations was mainly the result of proceeds in the reporting half from the disposal of German property classified as non-operating real estate.

Cash flows from financing activities

- Increase in cash flows from financing activities at the continuing operations mainly due to higher proceeds from borrowings in the reporting period compared with the prior year; offsetting effects mainly due to increased expenditures for the financing of discontinued operations and repayments in the reporting period of currency and cross currency swaps in connection with Group financing

Free cash flow and net financial debt

RECONCILIATION TO FREE CASH FLOW BEFORE M&A

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	Change	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017	Change
Operating cash flows - continuing operations (consolidated statement of cash flows)	(595)	(1,281)	(686)	(67)	170	237
Cash flows from investing activities - continuing operations (consolidated statement of cash flows)	(461)	(580)	(120)	(241)	(312)	(71)
Free cash flow - continuing operations (FCF)	**(1,055)**	**(1,861)**	**(806)**	**(308)**	**(142)**	**166**
–/+ Cash inflow/cash outflow resulting from material M&A transactions	6	3	(3)	6	3	(3)
Free cash flow before M&A – continuing operations (FCF before M&A)	**(1,049)**	**(1,858)**	**(809)**	**(302)**	**(139)**	**163**
Steel Americas	(163)	(91)	72	(63)	(74)	(11)
Free cash flow before M&A - Group (FCF before M&A)	**(1,212)**	**(1,949)**	**(737)**	**(365)**	**(212)**	**153**

- FCF before M&A of continuing operations and of Group (€(1,949) million, prior year €(1,212) million) as expected down from prior year in the 1st half due mainly to higher negative operating cash flows
- Net financial debt correspondingly up at March 31, 2017 to €5,760 million; includes €85 million dividend payment of thyssenkrupp AG
- Ratio of net financial debt to equity (gearing) at 250.0% higher than at September 30, 2016 (134.2%)
- Available liquidity of €6.6 billion (€3.0 billion cash and cash equivalents and €3.6 billion undrawn committed credit lines)
- Under the existing commercial paper program with a maximum emission volume of €1.5 billion, €1.0 billion had been drawn at March 31, 2017

Financing measure carried out successfully

- Placement of a €1,250 million bond in March 2017; maturity 5 years; coupon 1.375% p.a.

Rating

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

- Increase in intangible assets mainly exchange rate related
- Decrease in property, plant and equipment and other non-financial assets mainly due to reclassifications to assets held for sale as a result of classification of Steel Americas as discontinued operation
- Decrease in deferred tax assets mainly the result of interest rate changes for pension obligations at March 31, 2017

Current assets

- Net increase in current assets mainly due to increase in assets held for sale as a result of classification of Steel Americas as discontinued operation
- Increase in inventories and trade accounts receivable, both mainly due to significant rise in capital employed at the continuing materials operations; at the same time decreases mainly due to reclassifications to assets held for sale

- Rise in other non-financial assets mainly the result of higher advance payments; at the same time decreases in entitlements in connection with non-income taxes due to reclassifications to assets held for sale
- Significant decrease in cash and cash equivalents: mainly the result of negative free cash flow from continuing operations in the reporting period and financing of Steel Americas business area now classified as discontinued operation; offset by proceeds from borrowings

Total equity

- Net decrease mainly due to net loss for the reporting period
- At the same time increases mainly due to gains (after taxes) recognized in other comprehensive income from the remeasurement of pensions and similar obligations as a result of higher discount rates

Non-current liabilities

- Decrease in provisions for pensions and similar obligations mainly due to higher discount rates
- Increase in financial debt mainly due to the placement of a bond in March 2017; decreases due to reclassifications to liabilities associated with assets held for sale

Current liabilities

- Net increase in current liabilities mainly due to increase in liabilities associated with assets held for sale as a result of classification of Steel Americas as discontinued operation
- Reduction in provisions for current employee benefits mainly due to utilization
- Decrease in financial debt mainly reflects repayment of a bond in February 2017 combined with drawings from the existing commercial paper program in the reporting period
- Increases in trade accounts payable mainly at the continuing materials operations; at the same time decreases mainly due to reclassifications to liabilities associated with assets held for sale
- Reduction in other financial liabilities mainly due to lower interest liabilities and reclassification of derivatives to liabilities associated with assets held for sale
- Decrease in other non-financial liabilities mainly in connection with construction contracts

Compliance

Compliance – a question of mindset

- We build on strong values: reliability, honesty, credibility and integrity
- Compliance is a must
- Our values are anchored in the Group mission statement, Code of Conduct and Compliance Commitment
- We investigate reports of violations and clear up the facts; violations are stopped immediately; necessary sanctions are independent of person and function
- More information on compliance at thyssenkrupp in the 2015 / 2016 Annual Report

Employees

- 158,584 employees worldwide at March 31, 2017; 2,097 or 1.3% more versus September 30, 2016
- Net increase in workforce by almost 2,500, in particular in the high-growth capital goods businesses Components Technology and Elevator Technology in connection with the development of new customers and markets outside Germany
- At the same time, overall decrease of more than 400 employees at Industrial Solutions and Steel Europe; in addition, long-term reduction in weekly working hours in both areas
- Over 350 additional internships and apprenticeships created for refugees as part of the “we help” aid program initiated in fall 2015
- Launch of a new Groupwide health and safety awareness campaign; goal is to achieve at least 10% year-on-year reductions in accident rate per 1 million hours worked up to 2020
- More information on HR strategy in 2015 / 2016 Annual Report

Technology and innovations

Innovation strategy and key development areas

- Systemic approach across sector and technology boundaries; targeted leveraging of our collective strength as an industrial group; global research and development network of more than 3,500 employees at around 100 locations
- Key development areas include technologies for the energy transition, intelligent manufacturing, sustainable mobility

Innovation projects

- Carbon2Chem – Collaborative project aimed at converting steel mill gases into base chemicals: construction work started on a technical center to translate results of laboratory research to industrial scale; basic engineering and layout planning for electrolysis and gas scrubbing facilities completed; preparations underway for integration of a methanol plant in the gas scrubber
- Load management – Flexibilization of processes to adjust to fluctuations in power supply: study into adapting cement production to volatile supply from renewable energies completed; simulations of production processes and power supply scenarios identify new opportunities for stable processes while saving costs
- Industrial Data Space – Secure data space for exchange of information between companies: first application now in use; new information system optimizing truck logistics at thyssenkrupp Steel Europe; platform guarantees full data sovereignty for users at all times
- Predictive maintenance – Development project launched to increase the availability of electrolysis cells by collecting and analyzing available process data
- Autonomous driving: New test and development center for steering technology under construction in Eschen (Liechtenstein); among other things center will be used for development projects such as steer-by-wire, e-mobility, driver assist systems
- Diesel fuel cell: Conventional diesel is broken down catalytically to create additional input materials for fuel cells, which are 25% more efficient than diesel engines. The technology is quiet and clean: As no diesel is burnt, other than CO_2 there are no other combustion products or particulates. Prototype for surface ships in use
- Steel distribution: First pilot of an autonomous, digitally controlled steel processing machine now in operation; fully automated machine processes up to 70 metric tons of flat steel per day in line with customer requirements

Subsequent events

Subsequent events between the end of the 1st half reporting period (March 31, 2017) and the date of authorization for issuance (May 8, 2017) are presented in Note 10 to the interim financial statements.

Forecast, opportunity and risk report

2016 / 2017 forecast

Overall assessment by the Executive Board

- Pleasing progress on transformation of the Group and continuation of good operating performance in 2nd quarter:
  - Sale of Brazilian steel mill CSA to Ternium concludes Steel Americas exit
  - Highest order intake since start of Strategic Way Forward; sales and adjusted EBIT higher year-on-year
- Recently however renewed severe dislocations on the raw materials markets, especially for coking coal, with temporary effects on expected costs and net working capital
- Following adjustments to full-year forecast mainly reflect effects from good operating performance, sale of CSA and recent dislocations on raw materials markets

For key assumptions and expected economic conditions see forecast section and “Macro and sector environment” in the report on the economic position in the 2015 / 2016 Annual Report and this interim report.

2016 / 2017 forecast

- **Group sales** and **sales of the continuing operations** to increase on a comparable basis in the high single-digit percentage range
  - Capital goods businesses: on a comparable basis increase in single-digit percentage range
  - Materials businesses: on a comparable basis Materials Services, Steel Europe and Steel Americas (discontinued operation) to achieve increase in double-digit percentage range driven by volumes and in particular prices/costs
- **Adjusted EBIT of the Group** expected to be around €1.8 billion (prior year: €1,469 million), supported by €850 million planned EBIT effects from “impact”
- **Adjusted EBIT of continuing operations** expected to be around €1.7 billion
- Capital goods businesses
  - Components Technology: Improvement in adjusted EBIT (prior year: €335 million) from significant rise in sales and slight improvement in margin (prior year: 4.9%)
  - Elevator Technology: Improvement in adjusted EBIT (prior year: €860 million) from slight sales growth and increase in adjusted EBIT margin by 0.5 to 0.7 percentage points (prior year: 11.5%)
  - Industrial Solutions:
    - Short-term focus on reversing trend in orders and cash flow
    - Decline in adjusted EBIT due to partial underutilization (prior year: €355 million) with largely stable sales
    - Marine Systems with temporary sharp decline in margin and earnings
    - Overall margin temporarily noticeably below target range of 6 to 7%
- Materials businesses
  - Materials Services: Adjusted EBIT significantly higher year-on-year (prior year: €128 million)
  - Steel Europe: Adjusted EBIT significantly higher year-on-year (prior year: €315 million)
- Steel Americas (discontinued operation): Adjusted EBIT significantly higher year-on-year (prior year: €(33) million); elimination of scheduled depreciation due to classification as discontinued operation
- **Net income of the Group:** With positive operating earnings and continued restructuring expense, overall significant net loss expected (prior year: €261 million net income) exclusively as a result of negative earnings impact from sale of CSA
- **tkVA of the Group:** Clearly positive trend due to good operating performance, but as a result of negative earnings impact from sale of CSA overall significantly lower year-on-year (prior year: €(85) million)
- **Capital spending of the Group before M&A:** Expected around €1.5 billion (prior year: €1,387 million)
- **FCF before M&A of the Group:** Significant increase in net working capital at our materials businesses as a result of dislocations on raw materials markets and due to higher volumes and prices will result in overall negative FCF before M&A in the mid-three-digit million euro range (prior year: €198 million)

Opportunities and risks

Opportunities

- Strong and stable earnings, cash flow and value added through positioning as diversified industrial group and systematic continuation of “impact” measures as well as utilization of advantages in interplay between business areas, regions, corporate functions and service units
- Increasing focus on high-earning capital goods and service businesses
- Announced infrastructure programs of new US administration
- Strategic and operational opportunities described in 2015 / 2016 Annual Report continue to apply

Risks

- No risks threatening ability to continue as a going concern; detailed information on risks described in 2015 / 2016 Annual Report continues to apply
- Sale of CSA significantly reduces risks going forward
- Economic risks from numerous geopolitical flashpoints; increasing volatility in external environment, among other things due to Brexit vote in United Kingdom; increased uncertainty over global economy and effects on the Group’s business models
- Trade measures of new US administration being continuously monitored; import tariffs on goods from Mexico could jeopardize existing value chains between USA and Mexico
- Risks from attacks on IT infrastructure; countermeasure: further expansion of information security management and security technologies
- Atlas Elektronik is in talks with Bremen public prosecutor over ending the current investigation proceedings by mutual agreement

Condensed interim financial statements

thyssenkrupp AG – Consolidated statement of financial position

ASSETS

million €	Note	Sept. 30, 2016	March 31, 2017
Intangible assets		4,570	4,671
Property, plant and equipment		8,872	7,277
Investment property		66	65
Investments accounted for using the equity method		284	290
Other financial assets		44	47
Other non-financial assets		445	254
Deferred tax assets		2,322	2,060
Total non-current assets		**16,604**	**14,664**
Inventories		6,341	7,027
Trade accounts receivable		5,003	5,531
Other financial assets		407	427
Other non-financial assets		2,376	2,461
Current income tax assets		172	233
Cash and cash equivalents		4,105	2,868
Assets held for sale	02	65	2,148
Total current assets		**18,468**	**20,695**
Total assets		**35,072**	**35,360**

EQUITY AND LIABILITIES

million €	Note	Sept. 30, 2016	March 31, 2017
Capital stock		1,449	1,449
Additional paid-in capital		5,434	5,434
Retained earnings		(5,255)	(5,754)
Cumulative other comprehensive income		474	659
[thereof discontinued operations]		[—]	[176]
Equity attributable to thyssenkrupp AG's stockholders		**2,102**	**1,789**
Non-controlling interest		507	515
Total equity		**2,609**	**2,304**
Accrued pension and similar obligations	03	8,754	8,018
Provisions for other employee benefits		373	338
Other provisions		589	587
Deferred tax liabilities		33	43
Financial debt	04	6,157	7,069
Other financial liabilities		221	198
Other non-financial liabilities		6	7
Total non-current liabilities		**16,134**	**16,260**
Provisions for current employee benefits		408	276
Other provisions		963	1,000
Current income tax liabilities		279	276
Financial debt	04	1,455	1,366
Trade accounts payable		5,119	5,300
Other financial liabilities		975	843
Other non-financial liabilities		7,130	6,975
Liabilities associated with assets held for sale	02	0	759
Total current liabilities		**16,329**	**16,795**
Total liabilities		**32,463**	**33,056**
Total equity and liabilities		**35,072**	**35,360**

See accompanying notes to consolidated financial statements.

thyssenkrupp AG – Consolidated statement of income

million €, earnings per share in €	Note	1st half ended March 31, 2016[1]	1st half ended March 31, 2017	2nd quarter ended March 31, 2016[1]	2nd quarter ended March 31, 2017
Net sales	07	18,827	20,335	9,588	10,617
Cost of sales		(15,610)	(16,978)	(7,928)	(8,853)
Gross margin		**3,217**	**3,357**	**1,660**	**1,765**
Research and development cost		(169)	(177)	(88)	(92)
Selling expenses		(1,381)	(1,451)	(690)	(762)
General and administrative expenses		(1,122)	(1,219)	(580)	(620)
Other income		87	90	40	48
Other expenses		(50)	(75)	(25)	(34)
Other gains/(losses), net		17	(3)	17	6
Income/(loss) from operations		**599**	**523**	**334**	**311**
Income from companies accounted for using the equity method		26	(2)	10	8
Finance income		605	499	225	180
Finance expense		(893)	(737)	(363)	(290)
Financial income/(expense), net		**(262)**	**(240)**	**(128)**	**(102)**
Income/(loss) from continuing operations before tax		**338**	**283**	**206**	**208**
Income tax (expense)/income		(175)	(224)	(98)	(144)
Income/(loss) from continuing operations (net of tax)		**162**	**58**	**108**	**64**
Discontinued operations (net of tax)		**(171)**	**(913)**	**(64)**	**(934)**
Net income/(loss)		**(9)**	**(855)**	**45**	**(870)**
Thereof:					
thyssenkrupp AG's shareholders		**37**	**(871)**	**61**	**(879)**
Non-controlling interest		(46)	17	(16)	9
Net income/(loss)		**(9)**	**(855)**	**45**	**(870)**
Basic and diluted earnings per share based on	08				
Income/(loss) from continuing operations (attributable to thyssenkrupp AG's shareholders)		0.25	0.07	0.17	0.10
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)		**0.07**	**(1.54)**	**0.11**	**(1.55)**

See accompanying notes to consolidated financial statements.
1) Figures have been adjusted (cf. Note 02).

thyssenkrupp AG – Consolidated statement of comprehensive income

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017
Net income/(loss)	**(9)**	**(855)**	**45**	**(870)**
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	(573)	631	(578)	5
Tax effect	175	(179)	172	3
Other comprehensive income from remeasurements of pensions and similar obligations, net	(398)	452	(406)	8
Share of unrealized gains/(losses) of investments accounted for using the equity-method	1	6	(2)	10
Subtotals of items of other comprehensive income that will not be reclassified to profit or loss in future periods	**(397)**	**458**	**(408)**	**18**
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	(22)	209	(136)	3
Net realized (gains)/losses	0	(1)	0	0
Net unrealized (gains)/losses	(22)	208	(136)	3
Unrealized gains/(losses) from available-for-sale financial assets				
Change in unrealized gains/(losses), net	0	2	0	2
Net realized (gains)/losses	0	0	0	0
Tax effect	0	0	0	0
Net unrealized (gains)/losses	0	2	0	2
Unrealized gains/(losses) on derivative financial instruments (cash flow hedges)				
Change in unrealized gains/(losses), net	(32)	(40)	(17)	(8)
Net realized (gains)/losses	12	24	2	(24)
Tax effect	15	4	9	10
Net unrealized (gains)/losses	(5)	(12)	(6)	(22)
Share of unrealized gains/(losses) of investments accounted for using the equity-method	(7)	3	(7)	0
Subtotals of items of other comprehensive income that will be reclassified to profit or loss in future periods	**(34)**	**201**	**(149)**	**(17)**
Other comprehensive income	**(431)**	**659**	**(557)**	**1**
Total comprehensive income	**(440)**	**(196)**	**(512)**	**(869)**
Thereof:				
thyssenkrupp AG's shareholders	(411)	(228)	(511)	(882)
Non-controlling interest	(29)	33	(1)	13
Total comprehensive income attributable to thyssenkrupp AG's stockholders refers to:				
Continuing operations	(332)	706	(499)	37
Discontinued operations[1)]	(79)	(934)	(13)	(918)

See accompanying notes to consolidated financial statements.
1) Prior-year figures have been adjusted (cf. Note 02).

thyssenkrupp AG – 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 (cash flow hedges)	Share of investments accounted for using the equity method	Total	Non-controlling interest	Total equity
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)	0	(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**
Balance as of Sept. 30, 2016	**565,937,947**	**1,449**	**5,434**	**(5,255)**	**484**	**6**	**(64)**	**48**	**2,102**	**507**	**2,609**
Net income/(loss)				(871)					(871)	17	(855)
Other comprehensive income				458	193	1	(12)	3	643	16	659
Total comprehensive income				**(413)**	**193**	**1**	**(12)**	**3**	**(228)**	**33**	**(196)**
Profit attributable to non-controlling interest									0	(24)	(24)
Payment of thyssenkrupp AG dividend				(85)					(85)	0	(85)
Balance as of March 31, 2017	**565,937,947**	**1,449**	**5,434**	**(5,754)**	**677**	**7**	**(76)**	**51**	**1,789**	**515**	**2,304**

See accompanying notes to consolidated financial statements.

thyssenkrupp AG – Consolidated statement of cash flows

million €	1st half ended March 31, 2016[1]	1st half ended March 31, 2017	2nd quarter ended March 31, 2016[1]	2nd quarter ended March 31, 2017
Net income/(loss)	**(9)**	**(855)**	**45**	**(870)**
Adjustments to reconcile net income/(loss) to operating cash flows:				
Discontinued operations (net of tax)	171	913	64	934
Deferred income taxes, net	9	71	(6)	38
Depreciation, amortization and impairment of non-current assets	528	534	268	274
Reversals of impairment losses of non-current assets	(2)	0	5	0
Income/(loss) from companies accounted for using the equity method, net of dividends received	(26)	2	(10)	(8)
(Gain)/loss on disposal of non-current assets	(16)	(3)	(17)	(8)
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes				
– Inventories	179	(953)	407	(241)
– Trade accounts receivable	(19)	(562)	126	(514)
– Accrued pension and similar obligations	(108)	(118)	(44)	(46)
– Other provisions	(163)	(157)	(52)	(48)
– Trade accounts payable	(681)	369	(117)	626
– Other assets/liabilities not related to investing or financing activities	(459)	(523)	(736)	34
Operating cash flows – continuing operations	**(595)**	**(1,281)**	**(67)**	**170**
Operating cash flows – discontinued operations	(109)	(59)	(38)	(60)
Operating cash flows – total	**(703)**	**(1,340)**	**(105)**	**110**
Purchase of investments accounted for using the equity method and non-current financial assets	(8)	(2)	1	(1)
Expenditures for acquisitions of consolidated companies net of cash acquired	(16)	(7)	(16)	(5)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(413)	(549)	(220)	(290)
Capital expenditures for intangible assets (inclusive of advance payments)	(55)	(76)	(32)	(50)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	0	1	0	0
Proceeds from disposals of previously consolidated companies net of cash disposed	9	6	8	6
Proceeds from disposals of property, plant and equipment and investment property	21	47	17	28
Proceeds from disposals of intangible assets	0	0	1	0
Cash flows from investing activities – continuing operations	**(461)**	**(580)**	**(241)**	**(312)**
Cash flows from investing activities – discontinued operations	(54)	(87)	(25)	(14)
Cash flows from investing activities – total	**(515)**	**(667)**	**(266)**	**(325)**

million €	1st half ended March 31, 2016[1]	1st half ended March 31, 2017	2nd quarter ended March 31, 2016[1]	2nd quarter ended March 31, 2017
Proceeds from issuance of bonds	850	1,250	850	1,250
Repayments of bonds	(1,000)	(1,250)	(1,000)	(1,250)
Proceeds from liabilities to financial institutions	690	2,152	682	2,136
Repayments of liabilities to financial institutions	(255)	(1,994)	(205)	(1,965)
Proceeds from/(repayments on) loan notes and other loans	74	995	(41)	621
Increase/(decrease) in bills of exchange	(2)	6	(2)	4
(Increase)/decrease in current securities	0	0	1	1
Payment of thyssenkrupp AG dividend	(85)	(85)	(85)	(85)
Profit attributable to non-controlling interest	(24)	(24)	(2)	(16)
Expenditures for acquisitions of shares of already consolidated companies	(6)	0	(4)	0
Financing of discontinued operations	(170)	(219)	(29)	(120)
Other financing activities	53	(152)	133	(20)
Cash flows from financing activities – continuing operations	**126**	**680**	**297**	**556**
Cash flows from financing activities – discontinued operations	96	143	(7)	71
Cash flows from financing activities – total	**222**	**823**	**290**	**627**
Net increase/(decrease) in cash and cash equivalents – total	(996)	**(1,184)**	(82)	411
Effect of exchange rate changes on cash and cash equivalents – total	0	43	(27)	7
Cash and cash equivalents at beginning of year – total	4,535	4,105	3,648	2,545
Cash and cash equivalents at end of year – total	**3,539**	**2,964**	**3,539**	**2,964**
[thereof cash and cash equivalents within the discontinued operations]	[32]	[96]	[32]	[96]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows of continuing operations:				
Interest received	50	35	23	17
Interest paid	(287)	(214)	(201)	(134)
Dividends received	54	0	53	0
Income taxes paid	(177)	(219)	(71)	(92)

See accompanying notes to consolidated financial statements.
1) Figures have been adjusted (cf. Note 02).

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, 2016 to March 31, 2017, were reviewed and authorized for issue in accordance with a resolution of the Executive Board on May 8, 2017.

Basis of presentation

The accompanying Group’s condensed interim consolidated financial statements have been prepared pursuant to 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, 2017 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 2015 / 2016.

Recently adopted accounting standards

In fiscal year 2016 / 2017, thyssenkrupp adopted the following amendments to already existing standards that did not have a material impact on the Group’s consolidated financial statements:

- Amendments to IAS 1 “Presentation of Financial Statements“, issued in December 2014. 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 to the notes and the disclosure to significant accounting policies.
- Amendments to IFRS 11 “Joint Arrangements“: „Accounting for Acquisitions of Interests in Joint Operations“, issued in May 2014
- Amendments to IAS 16 “Property, Plant and Equipment“ and IAS 38 „Intangible Assets“: „Clarification of Acceptable Methods of Depreciation and Amortisation“, issued in May 2014
- Annual Improvements to IFRSs 2012-2014 Cycle, issued in September 2014
- Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities – Applying the Consolidation Exception“, issued in December 2014

01 Acquisitions

In the 1st half ended March 31, 2017, the Group acquired the two Brazilian Ecosteel companies in December 2016 and acquired additional smaller companies that are, on an individual basis, immaterial. Based on the values as of acquisition date, these acquisitions affected in total the Group's consolidated financial statements as presented below:

ACQUISITIONS

million €	1st half ended March 31, 2017
Goodwill	11
Other intangible assets	3
Property, plant and equipment	31
Other non-current financial assets	20
Deferred tax assets	1
Trade accounts receivable	3
Current income tax assets	1
Cash and cash equivalents	4
Total assets acquired	**74**
Deferred tax liabilities	1
Other non-current non-financial liabilities	3
Trade accounts payable	1
Other current financial liabilities	1
Other current non-financial liabilities	3
Total liabilities assumed	**8**
Net assets acquired	**65**
Non-controlling interest	0
Purchase prices	**65**
Thereof: paid in cash and cash equivalents	65

02 Discontinued operation and disposal group

As part of the Strategic Way Forward, thyssenkrupp reached agreement with Ternium on the sale of the Brazilian steel mill CSA Siderúrgica do Atlantico (CSA) at the end of February 2017. The sale is subject to the approval of the responsible competition authorities and is due for completion by September 30, 2017. The transaction meets the criteria of IFRS 5 for presentation of the Steel Americas business area as a discontinued operation. Consequently in the current reporting periods all expense and income of Steel Americas are reported separately in the income statement and all cash flows reported separately in the statement of cash flows; prior-period figures are adjusted accordingly. In the statement of financial position, assets and liabilities attributable to Steel Americas are only reported separately at the current balance sheet date.

In connection with the initiated disposal, the assets and liabilities of the discontinued operation are measured at fair value less costs to sell; this amounts to €1.5 billion (enterprise value). This results in a negative earnings effect of €0.9 billion, including an impairment loss of €808 million in accordance with IAS 36 immediately prior to reclassification. Of this €8 million relates to goodwill, €1 million to other intangible assets, €83 million to land and buildings, €555 million to technical equipment and machinery, €1 million to other assets and €160 million to other non-financial assets. In addition, a €101 million provision has been recognized for an obligation resulting from the sale to Ternium in connection with the slab supply contract. The expenses are included in the consolidated statement of income in the line "Discontinued operations (net of tax)".

The assets and liabilities of the Steel Americas business area classified as a discontinued operation are presented in the following table:

DISCONTINUED OPERATION STEEL AMERICAS

Assets € million	March 31, 2017
Intangible assets	1
Property, plant and equipment	1,137
Other non-financial assets	154
Deferred tax assets	19
Inventories	455
Trade accounts receivable	88
Other current financial assets	39
Other current non-financial assets	158
Cash and cash equivalents	96
Assets held for sale	**2,147**
Non-current financial debt	219
Other current provisions	103
Current financial debt	76
Trade accounts payable	221
Other current financial liabilities	92
Other current non-financial liabilities	47
Liabilities associated with assets held for sale	**759**

The results of the Steel Americas business area are as follows:

DISCONTINUED OPERATION STEEL AMERICAS

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017
Net sales	573	749	264	380
Other income	83	182	83	96
Expenses	(809)	(1,794)	(402)	(1,388)
Ordinary income/(loss) from discontinued operations (before tax)	(153)	(863)	(55)	(912)
Income tax (expense)/income	(19)	(50)	(9)	(22)
Ordinary income/(loss) from discontinued operations (net of tax)	**(171)**	**(913)**	**(64)**	**(934)**
Gain/(loss) recognized on measurement adjustments/disposals of discontinued operations (before tax)	0	0	0	0
Income tax (expense)/income	0	0	0	0
Gain/(loss) recognized on measurement adjustments/disposals of discontinued operations (net of tax)	**0**	**0**	**0**	**0**
Discontinued operations (net of tax)	**(171)**	**(913)**	**(64)**	**(934)**
Thereof:				
thyssenkrupp AG’s stockholders	(104)	(913)	(37)	(934)
Non-controlling interest	(67)	0	(27)	0

At Corporate the sale was initiated at June, 30 2016 of a package of non-operation real estate located in Germany which was classified as a disposal group under IFRS 5 and reported under “Assets held for Sale“ in the statement of financial position. As of March 31, 2017 the group comprises investment property in the amount of €1 million. Measurement of the disposal group at fair value less cost to sell as of June 30, 2016 resulted in impairment losses of €5 million on investment property which were recognized in cost of sales in the 3rd quarter of 2015 / 2016.

03 Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension obligations was performed as of March 31, 2017 taking into account these effects.

ACCRUED PENSION AND SIMILAR OBLIGATIONS

million €	Sept. 30, 2016	March 31, 2017
Accrued pension obligations	8,534	7,781
Partial retirement	178	191
Other accrued pension-related obligations	43	46
Total	**8,754**	**8,018**

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

WEIGHTED AVERAGE ASSUMPTIONS

	Sept. 30, 2016			March 31, 2017		
in %	Germany	Outside Germany	Total	Germany	Outside Germany	Total
Discount rate for accrued pension obligations	1.30	1.78	1.41	1.80	2.09	1.87

04 Issuance of a bond and utilization of the Commercial Paper Program

In March 2017 thyssenkrupp AG issued a bond with a total volume of €1,250 million with a maturity of five years and a coupon of 1.375% p.a. under its €10 billion debt issuance program.

As of March 31, 2017 the existing Commercial Paper Program with a maximum issuing volume of €1.5 billion was utilized with €1.0 billion.

05 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

million €	Maximum potential amount of future payments as of March 31, 2017	Provision as of March 31, 2017
Advance payment bonds	159	1
Performance bonds	136	2
Residual value guarantees	61	12
Other guarantees	74	1
Total	**430**	**16**

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 with September 30, 2016, purchase commitments rose by €3.0 billion to €10.1 billion as a result of higher ore prices and exchange rate changes; of this €7.0 billion relates to the discontinued operation Steel Americas.

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

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, 2016

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
million €	Carrying amount on balance sheet as of Sept. 30, 2016	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value as of Sept. 30, 2016
Trade accounts receivable (excluding finance lease)	5,001	5,001				5,001
Loans and receivables		5,001				5,001
Finance lease receivables	1				1	1
Other financial assets	451	340	60	51		451
Loans and receivables		324				324
Available-for-sale financial assets		16		18		34
Derivatives not qualifying for hedge accounting (Financial assets held for trading)			60			60
Derivatives qualifying for hedge accounting			0	33		33
Cash and cash equivalents	4,105	4,105				4,105
Loans and receivables		4,105				4,105
Total of financial assets	**9,559**					
thereof by measurement categories of IAS 39:						
Loans and receivables	9,431	9,431				9,431
Available-for-sale financial assets	34	16		18		34
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	60		60			60
Financial debt (excluding finance lease)	7,578	7,578				7,919
Financial liabilities measured at amortized cost		7,578				7,919
Finance lease liabilities	33				33	33
Trade accounts payable	5,119	5,119				5,119
Financial liabilities measured at amortized cost		5,119				5,119
Other financial liabilities	1,196	970	165	62		1,196
Financial liabilities measured at amortized cost		970				970
Derivatives not qualifying for hedge accounting (Financial assets held for trading)			163			163
Derivatives qualifying for hedge accounting			2	62		63
Total of financial liabilities	**13,927**					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	13,667	13,667				14,008
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	163		163			163

FINANCIAL INSTRUMENTS AS OF MARCH 31, 2017

		Measurement in accordance with IAS 39			Measurement in accordance with IAS 17	
million €	Carrying amount on balance sheet as of March 31, 2017	(Amortized) cost	Fair value recognized in profit or loss	Fair value recognized in equity	Amortized cost	Fair value as of March 31, 2017
Trade accounts receivable (excluding finance lease)	5,530	5,530				5,530
Loans and receivables		5,530				5,530
Finance lease receivables	1				1	1
Other financial assets	474	377	57	39		474
Loans and receivables		361				361
Available-for-sale financial assets		16		21		37
Derivatives not qualifying for hedge accounting (Financial assets held for trading)			57			57
Derivatives qualifying for hedge accounting			0	19		19
Cash and cash equivalents	2,868	2,868				2,868
Loans and receivables		2,868				2,868
Total of financial assets	**8,873**					
thereof by measurement categories of IAS 39:						
Loans and receivables	8,759	8,759				8,759
Available-for-sale financial assets	37	16		21		37
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	57		57			57
Financial debt (excluding finance lease)	8,404	8,404				8,725
Financial liabilities measured at amortized cost		8,404				8,725
Finance lease liabilities	30				30	30
Trade accounts payable	5,300	5,300				5,300
Financial liabilities measured at amortized cost		5,300				5,300
Other financial liabilities	1,041	882	69	90		1,041
Financial liabilities measured at amortized cost		882				882
Derivatives not qualifying for hedge accounting (Financial assets held for trading)			59			59
Derivatives qualifying for hedge accounting			10	90		100
Total of financial liabilities	**14,776**					
thereof by measurement categories of IAS 39:						
Financial liabilities measured at amortized cost	14,586	14,586				14,907
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	59		59			59

The carrying amounts of trade accounts receivable, other current financial assets 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 interim 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 interim 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 interim 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 interim balance sheet date, both internally and by external financial partners.

The carrying amounts of trade accounts payable 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, 2016

million €	Sept. 30, 2016	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	60	0	60	0
Derivatives qualifying for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	18	16	3	0
Derivatives qualifying for hedge accounting	33	0	33	0
Total	**111**	**16**	**96**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	163	0	51	113
Derivatives qualifying for hedge accounting	2	0	2	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	62	0	62	0
Total	**227**	**0**	**114**	**113**

FAIR VALUE HIERARCHY AS OF MARCH 31, 2017

million €	March 31, 2017	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial assets held for trading)	57	0	57	0
Derivatives qualifying for hedge accounting	0	0	0	0
Fair value recognized in equity				
Available-for-sale financial assets	21	18	3	0
Derivatives qualifying for hedge accounting	19	0	19	0
Total	**97**	**18**	**79**	**0**
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting (Financial liabilities held for trading)	59	0	59	0
Derivatives qualifying for hedge accounting	10	0	10	0
Fair value recognized in equity				
Derivatives qualifying for hedge accounting	90	0	90	0
Total	**159**	**0**	**159**	**0**

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, 2016 (assets/(liability))	(113)
Changes recognized in profit or loss	37
Reclassification due to the presentation as liabilities associated with assets held for sale	76
Balance as of March 31, 2017 (assets/(liability))	**0**

The financial liability, which is based on individual valuation parameters and recognized at fair value, primarily 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 “Discontinued operations (net of tax)”.

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, 2016	Carrying amount as of Sept. 30, 2016	Notional amount as of March 31, 2017	Carrying amount as of March 31, 2017
Assets				
Foreign currency derivatives that do not qualify for hedge accounting	2,100	41	1,546	22
Foreign currency derivatives qualifying as cash flow hedges	360	14	459	11
Embedded derivatives	70	1	181	6
Interest rate derivatives qualifying as cash flow hedges[1]	618	9	118	3
Commodity derivatives that do not qualify for hedge accounting	278	18	382	29
Commodity derivatives qualifying as cash flow hedges	64	10	56	4
Commodity derivatives qualifying as fair value hedges	0	0	21	0
Total	**3,490**	**93**	**2,763**	**76**
Equity and liabilities				
Foreign currency derivatives that do not qualify for hedge accounting	2,662	30	2,340	29
Foreign currency derivatives qualifying as cash flow hedges	400	7	426	14
Embedded derivatives	169	2	103	3
Interest rate derivatives that do not qualify for hedge accounting	11	0	18	1
Interest rate derivatives qualifying as cash flow hedges[1]	406	32	459	51
Commodity derivatives that do not qualify for hedge accounting[2]	483	131	395	26
Commodity derivatives qualifying as cash flow hedges	152	23	152	25
Commodity derivatives qualifying as fair value hedges	50	2	140	10
Total	**4,332**	**227**	**4,032**	**159**

[1] Inclusive of cross currency swaps
[2] Inclusive of freights

07 Segment reporting

Segment information for the 1st half ended March 31, 2016 and 2017, respectively and for the 2nd quarter ended March 31, 2016 and 2017, respectively is as follows:

SEGMENT INFORMATION

million €	Components Technology	Elevator Technology	Industrial Solutions	Materials Services	Steel Europe	Corporate	Steel Americas[1]	Consolidation	Group
1st half ended March 31, 2016									
Net sales	3,335	3,619	3,109	5,695	3,050	19	573	0	19,400
Internal sales within the Group	3	2	6	132	598	95	102	(939)	0
Total sales	3,338	3,621	3,115	5,827	3,649	114	675	(939)	19,400
EBIT	146	364	242	2	106	(255)	(145)	14	474
Adjusted EBIT	157	390	244	13	115	(234)	(139)	14	560
1st half ended March 31, 2017									
Net sales	3,677	3,749	2,749	6,542	3,580	38	749	0	21,084
Internal sales within the Group	1	0	11	139	699	87	168	(1,106)	0
Total sales	3,678	3,749	2,761	6,681	4,279	125	917	(1,106)	21,084
EBIT	124	352	33	131	116	(243)	(826)	(11)	(324)
Adjusted EBIT	176	422	64	173	119	(239)	51	(11)	756
2nd quarter ended March 31, 2016									
Net sales	1,687	1,751	1,605	2,933	1,608	4	264	0	9,852
Internal sales within the Group	1	1	4	73	317	50	61	(506)	0
Total sales	1,688	1,752	1,609	3,005	1,925	54	325	(506)	9,852
EBIT	76	171	152	3	56	(122)	(61)	8	281
Adjusted EBIT	86	186	153	10	65	(117)	(65)	8	326
2nd quarter ended March 31, 2017									
Net sales	1,933	1,867	1,273	3,572	1,973	1	380	0	10,998
Internal sales within the Group	3	1	9	77	398	66	90	(645)	0
Total sales	1,936	1,868	1,282	3,649	2,371	67	470	(645)	10,998
EBIT	66	168	20	93	91	(117)	(878)	(8)	(564)
Adjusted EBIT	101	207	23	121	92	(123)	14	(8)	427

[1] Discontinued operation

In the Industrial Solutions business area, average capital employed increased from €(475) million as of September 30, 2016 to €241 million as of March 31, 2017.

Net sales as well as adjusted EBIT and EBIT reconcile to the respective figures as presented in the consolidated statement of income as following:

RECONCILIATION NET SALES

million €	1st half ended March 31, 2016	1st half ended March 31, 2017	2nd quarter ended March 31, 2016	2nd quarter ended March 31, 2017
Net sales as presented in segment reporting	**19,400**	**21,084**	**9,852**	**10,998**
– Net sales Steel Americas	(573)	(749)	(264)	(380)
Net sales as presented in the statement of income	**18,827**	**20,335**	**9,588**	**10,617**

RECONCILIATION EBIT TO EBT

million €	1st half ended March 31, 2016[1]	1st half ended March 31, 2017	2nd quarter ended March 31, 2016[1]	2nd quarter ended March 31, 2017
Adjusted EBIT as presented in segment reporting	**560**	**756**	**326**	**427**
Special items	(86)	(1,080)	(45)	(991)
EBIT as presented in segment reporting	**474**	**(324)**	**281**	**(564)**
+ Non-operating income/(expense) from companies accounted for using the equity method	0	0	0	0
+ Finance income	647	622	277	238
– Finance expense	(987)	(858)	(423)	(358)
– Items of finance income assigned to EBIT based on economic classification	42	(39)	13	(26)
+ Items of finance expense assigned to EBIT based on economic classification	8	20	3	7
EBT-Group	**185**	**(580)**	**151**	**(703)**
– EBT Steel Americas	153	863	55	912
EBT from continuing operations as presented in the statement of income	**338**	**283**	**206**	**208**

[1] Figures have been adjusted (cf. Note 02).

08 Earnings per share

Basic earnings per share are calculated as follows:

EARNINGS PER SHARE

	1st half ended March 31, 2016[1]		1st half ended March 31, 2017		2nd quarter ended March 31, 2016[1]		2nd quarter ended March 31, 2017	
	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 shareholders)	141	0.25	42	0.07	97	0.17	55	0.10
Income/(loss) from discontinued operations (net of tax) (attributable to thyssenkrupp AG's shareholders)	(104)	(0.18)	(913)	(1.61)	(37)	(0.06)	(934)	(1.65)
Net income/(loss) (attributable to thyssenkrupp AG's shareholders)	**37**	**0.07**	**(871)**	**(1.54)**	**61**	**0.11**	**(879)**	**(1.55)**
Weighted average shares	565,937,947		565,937,947		565,937,947		565,937,947	

[1] Figures have been adjusted (cf. Note 02).

There were no dilutive securities in the periods presented.

09 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 discontinued operation. As of March 31, 2017 cash and cash equivalents of €0 million (prior year: €114 million) result from the joint operation HKM.

10 Subsequent event

thyssenkrupp completed the full takeover of Atlas Elektronik in early April 2017.

Essen, May 8, 2017

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 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, 2016, to March 31, 2017, 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 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, May 11, 2017

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Norbert Winkeljohann	Michael Preiß
(German Public Auditor)	(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 8, 2017

thyssenkrupp AG
The Executive Board

Hiesinger

Burkhard Kaufmann Kerkhoff

Additional information

Contact and 2017 / 2018 financial calendar

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2017 / 2018 financial calendar

August 10, 2017
Interim report 9 months 2016 / 2017 (October to June)
Conference call with analysts and investors

November 23, 2017
Annual report 2016 / 2017 (October to September)
Annual press conference
Analysts' and investors' conference

January 19, 2018
Annual General Meeting

February 14, 2018
Interim report 1st quarter 2017 / 2018 (October to December)
Conference call with analysts and investors

May 15, 2018
Interim report on the 1st half 2017 / 2018 (October to March)
Conference call with analysts and investors

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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.

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.