

The Group in figures.

First half		1998/99 pro forma	1998/99	1999/00
Order intake	€ m	15,382.0	12,798.6	18,657.0
Sales	€ m	15,843.1	13,259.7	17,427.2
EBITDA	€ m	1,154.8	1,000.6	1,443.2
Income*	€ m	187.3	194.8	366.5
Net income	€ m	62.2	54.3	170.7
Earnings per share	€	0.12	0.12	0.33
Employees (Sept. 30/March 31)		184,770	184,770	182,380

€ m	Order intake		Sales		Income*		Employees	
	1998/99 pro forma	1999/00	1998/99 pro forma	1999/00	1998/99 pro forma	1999/00	Sept. 30, 1999	March 31, 2000
Steel	4,986.8	6,819.0	5,110.9	6,081.5	86.4	182.8	54,388	53,414
Automotive	2,480.8	3,016.7	2,546.9	2,973.2	122.9	155.1	37,594	38,619
Elevators	1,400.3	1,694.7	1,240.3	1,408.6	33.6	83.6	26,126	26,180
Production Systems	618.2	747.4	612.4	615.6	1.0	- 47.2	8,383	8,476
Components	578.4	675.5	581.4	638.7	31.7	39.0	9,191	9,410
MaterialsServices	3,972.3	4,842.0	4,254.2	4,877.5	11.7	60.2	12,815	12,599
FacilitiesServices	632.3	749.3	635.9	752.5	9.8	17.2	15,378	15,230
Real Estate	170.1	155.1	170.1	155.1	25.7	32.9	831	835
Engineering	918.3	594.3	907.8	926.2	- 8.9	- 8.7	9,594	8,976
Others	876.3	888.5	961.6	664.2	- 94.5	- 133.6	10,470	8,641
Consolidation	- 1,251.8	- 1,525.5	- 1,178.4	- 1,665.9	- 32.1	- 14.8		
Group	15,382.0	18,657.0	15,843.1	17,427.2	187.3	366.5	184,770	182,380

* before taxes and minority interest

As of fiscal 1998/99, accounting at Thyssen Krupp AG is based on US GAAP.

To improve comparability, the report is based on pro forma figures for the first half of 1998/99.

This interim report is unaudited.

First half income (loss) by segment*			
€ m	1998/99 pro forma	1999/00	Change
Steel	86.4	182.8	96.4
Automotive	122.9	155.1	32.2
Elevators	33.6	83.6	50,0
Production Systems	1.0	- 47.2	- 48.2
Components	31.7	39.0	7.3
MaterialsServices	11.7	60.2	48.5
FacilitiesServices	9.8	17.2	7.4
Real Estate	25.7	32.9	7.2
Engineering	- 8.9	- 8.7	0.2
Others	- 94.5	-133.6	- 39.1
Consolidation	- 32.1	- 14.8	- 17.3
Group	187.3	366.5	179.2

* before taxes and minority interest

After deducting income taxes and minority interest, net income is €170.7 million, an increase of €108.5 million over the prior-year period.

On March 31, 2000 ThyssenKrupp employed 182,380 people worldwide, 2,390 or 1.3% fewer than on September 30, 1999. The change is mainly attributable to personnel cutbacks and disposals. In Germany the number of employees fell 3.5% to 104,397; the workforce outside Germany increased 1.8% to 77,983 employees.

The Group invested approximately €1.2 billion in the first half of 1999/00. Expenditure on property, plant and equipment and intangible assets amounted to €1,165.8 million, the remaining €40.5 million was used for the acquisition of companies and equity interests.

In the **Steel** segment sales increased 19.0% to €6.1 billion. Due to rising demand, crude steel production was pushed to full capacity, up 15% at 8.8 million metric tons. Sales of the Carbon Steel Flat-Rolled unit, which now also includes the newly acquired French electrical sheet producer UGO,

rose 17.1% to €3.7 billion due to higher shipments. ThyssenKrupp Stahl's average price per metric ton in the reporting period was slightly below the prior year level. It will take some time before the strong rise in steel prices is reflected in the average prices; in addition, long-term price agreements were reached with numerous key customers. Sales growth was particularly strong for higher value added coated products such as hot-dip galvanized and organically coated sheet. Stainless performed even better, with sales climbing 28.7% to €2.0 billion. This was mainly due to increased prices for stainless flat-rolled products, including higher alloying element prices, but shipments also improved.

Steel segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	4,986.8	6,819.0
Sales	€ m	5,110.9	6,081.5
Income*	€ m	86.4	182.8
Employees (Sept.30/March 31)		54,388	53,414

* before taxes and minority interest

Steel made a profit of €182.8 million in the first half of 1999/00, an increase of €96.4 million over the prior year. Carbon Steel Flat-Rolled increased its profit by €144.0 million to €184.4 million thanks to a greatly improved market situation that allowed a large increase in shipments at slightly lower average prices per metric ton. The implementation of restructuring measures had a cost-reducing effect. Costs increased on the procurement side due to the stronger US dollar. With the exception of Tinplate/Black Plate, all units achieved improved earnings. Stainless raised its profits to €73.2 million largely due to higher selling prices. The less than expected improvement of €42.1 million is due to, among other things, the fact that the dramatic increase in alloying element prices has not been reflected in selling prices.



Automotive achieved sales of just under €3.0 billion in the first half of 1999/00 – 16.7% more than the year before. Even taking into consideration the rise in the US dollar against the euro, the sales performance of all business units was encouraging, thanks in part to the sustained growth of the US automobile market and the recovery on the Brazilian market. Other positive factors included the start of production at our new US plants in Hopkinsville and Tell City, and the consolidation of the newly acquired Atlas Crankshaft in the Powertrain unit. In Europe call-offs by vehicle manufacturers remained at a very high level. Throughout the world the phasing out of old models was more than offset by the launch of new vehicles. Business in the UK remained depressed, partially due to the uncertainty surrounding the future of some British plants.

Automotive segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	2,480.8	3,016.7
Sales	€ m	2,546.9	2,973.2
Income*	€ m	122.9	155.1
Employees (Sept.30/March 31)		37,594	38,619

* before taxes and minority interest

Automotive achieved another increase in profits, up €32.2 million at €155.1 million. The improvement in earnings reflects the trend in sales, with the Chassis, Powertrain and Systems/Suspensions units reporting clear increases in profits. The earnings situation is also characterized by continuing good capacity utilization in the NAFTA region and productivity improvements in Germany. Strong price pressure from automobile manufacturers worldwide had a negative effect.

The **Elevators** segment generated sales of €1.4 billion. Much of this 13.6% improvement came from our US business, in particular as a result of the rise in the US dollar against the euro. Higher sales were also achieved in South America – partly due to the addition of Elevadores Sûr – and in the rest of Europe. The restructuring program introduced in Germany has had a positive effect. Dover Elevators has been integrated successfully and the expected synergies realized.

Elevators segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	1,400.3	1,694.7
Sales	€ m	1,240.3	1,408.6
Income*	€ m	33.6	83.6
Employees (Sept.30/March 31)		26,126	26,180

* before taxes and minority interest

Elevators increased its profit significantly by €50.0 million to €83.6 million. The biggest earnings contribution and profit increase was delivered by our North American activities, helped by an improved economic environment and the stronger dollar. The German business also returned to profitability as a result of a restructuring program and an improving order situation.

Sales in the **Production Systems** segment were slightly higher than the previous year at €615.6 million. In the Machine Tools business, positive exchange rate effects made up for the market-related drop in sales at Giddings & Lewis,

Production Systems segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	618.2	747.4
Sales	€ m	612.4	615.6
Income (loss)*	€ m	1.0	– 47.2
Employees (Sept.30/March 31)		8,383	8,476

* before taxes and minority interest



USA. The Body-in-White unit recorded lower sales, due in particular to a temporary weakness in demand for welding lines in the automobile industry. In contrast, sales of the Assembly Equipment business rose substantially, due to, among other things, the billing of a major assembly line order for a US vehicle manufacturer.

Production Systems lost €47.2 million. This loss was incurred exclusively in the Machine Tools unit, while Body-in-White and Assembly Equipment again reported profits. Due to the earnings situation in the machine tools business the restructuring measures already underway were expanded into a worldwide reorganization aimed at reducing costs. The underutilization of capacity at Cross Hüller in the USA and the UK in the first half will ease substantially in the course of the year. However, the profit expected in the second half will not be enough to offset the first-half loss.

Components segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	578.4	675.5
Sales	€ m	581.4	638.7
Income*	€ m	31.7	39.0
Employees (Sept.30/March 31)		9,191	9,410

* before taxes and minority interest

Sales of the **Components** segment improved 9.9% to €638.7 million despite the weak state of the construction industry, the segment's main customer group. This sales growth mainly reflects the success achieved by Polymer with PVC profile systems and Berco with undercarriage components for construction machinery. The other business units, Hoesch Rothe Erde and Novoferm, also achieved higher sales.

At Components profits improved €7.3 million to €39.0 million. Hoesch Rothe Erde, Berco and Novoferm continued to return strong earning figures. Polymer reported a decline in earnings due to increased starting material costs.

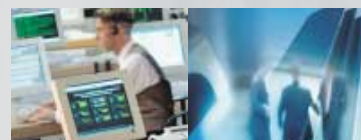
MaterialsServices segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	3,972.3	4,842.0
Sales	€ m	4,254.2	4,877.5
Income*	€ m	11.7	60.2
Employees (Sept.30/March 31)		12,815	12,599

* before taxes and minority interest

The recovery on the materials markets was reflected in the **MaterialsServices** segment. Sales increased almost 14.7% to €4.9 billion. European services business experienced a strong expansion. On top of economic and price factors, Thyssen Schulte's strategy of focusing on logistics-based business and services proved very successful. Sales of specialized materials were well above expectations due to a high increase in the metallurgy business. Business in North America benefited from firmer rolled steel prices, while the aluminum and stainless steel activities also reported growth. Stable rolled steel prices and higher stainless steel prices are having a positive impact on international materials trading.

MaterialsServices made a profit of €60.2 million, an increase of €48.5 million reflecting significantly higher volumes and prices as a result of the economic recovery. All business units benefited from this. MaterialsServices North America and Materials Trading achieved large profit improvements, as did the strongly service-based domestic materials business.



The **FacilitiesServices** segment achieved sales of €752.5 million, an 18.3% increase due mainly to new international activities. In Industrial Services the Maintenance unit had a steady workload. Facility Management also achieved an improvement in sales. By contrast, the German market for Formwork and Scaffolding services remained weak, although the situation outside Germany was better. Information Services with its Information Technology, Health Care and Multimedia units recorded a significant increase in business with sales up 15% to €115 million. Information Technology reported high growth rates. ThyssenKrupp Health Care Services operates successfully as a partner to public hospitals. The multimedia activities are being combined in Xtend AG, creating one of the biggest new media networks in Germany.

FacilitiesServices segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	632.3	749.3
Sales	€ m	635.9	752.5
Income*	€ m	9.8	17.2
Employees (Sept.30/March 31)		15,378	15,230

* before taxes and minority interest

The profit of the FacilitiesServices segment increased €7.4 million to €17.2 million. This is mainly attributable to the performance of the Industrial Services unit.

Sales of the **Real Estate** segment totaled €155.1 million, an 8.8% drop against the previous year. Most of the revenues came from the Residential Real Estate unit. A decline at Real Estate Development, which billed a large order in the previous year, was balanced by an increase at Real Estate Management.

Real Estate segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	170.1	155.1
Sales	€ m	170.1	155.1
Income*	€ m	25.7	32.9
Employees (Sept.30/March 31)		831	835

* before taxes and minority interest

The Real Estate segment made a profit of €32.9 million, an increase of €7.2 million. The main source of income was again Residential Real Estate.

In the **Engineering** segment sales were up slightly at €926.2 million. Krupp Uhde billed a combined cycle power plant in Spain and a fertilizer plant in Chile, while Krupp Polysius commissioned a cement plant in Egypt. Overall, the project situation improved. A nitric acid complex was booked in Germany along with slag grinding plants in Spain and the USA; a coal handling facility is being built for a customer in Turkey. Orders in hand ensure a higher level of billings in the second half of 1999/00. Furthermore, the second half of 1999/00 is also expected to bring higher new orders.

Engineering segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	918.3	594.3
Sales	€ m	907.8	926.2
Income (loss)*	€ m	- 8,9	- 8.7
Employees (Sept.30/March 31)		9,594	8,976

* before taxes and minority interest

Engineering posted a loss of €8.7 million, €0.2 million less than the prior year. Residual costs from personnel cutbacks introduced last year at Krupp Fördertechnik and B+V Industrietechnik had an effect. For the full fiscal year the segment is expected to make a profit.

Others segment in figures – first half

		1998/99 pro forma	1999/00
Order intake	€ m	876.3	888.5
Sales	€ m	961.6	664.2
Income (loss)*	€ m	– 94.5	– 133.6
Employees (Sept.30/March 31)		10,470	8,641

* before taxes and minority interest

The **Others** segment groups together activities that are not considered core businesses. They include Plastics Machinery, Shipyards, Civil Engineering and Project Management. The insurance and financing companies, the intermediate holding companies and Thyssen Krupp AG are also included in Others. Sales in the first half of 1999/00 amounted to €664.2 million, a decrease of 30.9% against a year ago. This drop is attributable in particular to the discontinuation of the logistics activities and lower sales at Shipyards for invoice timing reasons.

The loss of the Others segment increased €39.1 million against the previous year to €133.6 million. The higher loss relates mainly to Civil Engineering due to the non-realization of the Hamburg–Berlin Transrapid line and a sharp decline in orders at Stahlbau Berlin. Although sales at Plastics Machinery were steady, the unit's loss increased €3.3 million to €6.6 million. At €15.6 million Shipyards posted a lower but nonetheless good profit.

Long Term Management Incentive Plan

On December 3, 1999 Thyssen Krupp AG introduced a Long Term Management Incentive Plan granting selected executives stock appreciation rights – an equivalent to stock options. The program has a term of five years, with the first tranche

running up to the Annual Stockholders' Meeting in 2002. It is a performance-related plan in which the payout on the stock appreciation rights is not determined until the end of the performance period.

The plan is accounted for under FASB (Financial Accounting Standards Board) Interpretation No. 28, whereby an accrued liability has to be recorded for the amount by which the quoted market value of the shares exceeds the base price of a stock appreciation right as of the end of the period. As of March 31, 2000 neither of the performance targets for payment of the stock appreciation rights had been met. The 1999/00 first-half results therefore include no expense from the Incentive Plan.

Strategic realignment underway

We are working hard to ensure that the strategic realignment program adopted by the Supervisory Board in December 1999 is implemented as far as possible by the end of 2000. The progress made by the middle of the fiscal year is encouraging.

- In September/October this year we intend to float 25 to 35% of Thyssen Krupp Steel AG in an Initial Public Offering. A decision on the exact timing and size of the offering will be made based on the situation of both the capital markets and the steel market. The majority of the shares will come from the holding of Thyssen Krupp AG. The remaining shares will come from a capital increase at Thyssen Krupp Steel AG.

ThyssenKrupp and ThyssenKrupp Steel will each benefit long term from the Steel IPO. Both companies will receive a cash inflow which they can invest in their core businesses. In addition, the Steel shares will be available for use as an acquisition currency for future strategic measures.

- As part of our portfolio optimization and the focusing of the businesses we have purchased several smaller companies in fiscal 1999/00 to round off our core activities. ThyssenKrupp Automotive's strong worldwide position in crankshafts and camshafts has been consolidated through the acquisition of the US manufacturer Atlas Crankshaft. To strengthen our position on the market for facility systems and automation we have purchased Kessler + Luch, one of Germany's leading providers of facility management services. The acquisition of HiServ Hightech International Services will enable ThyssenKrupp Information Services to expand its capabilities in SAP/3 and internet applications and in establishing and operating computing centers.

The MaterialsServices segment is continuing its concentration on higher-value-added logistics and processing businesses. The trading activities will be run via a joint venture between MaterialsServices and Steel in the future.

The acquisition of Atecs Mannesmann would have significantly strengthened ThyssenKrupp's core businesses. Since our bid was unsuccessful, we will continue to implement our strategy incrementally.

The Group is continuing the streamlining of its portfolio and disposing of several marginal activities, including HSP Hoesch Spundwand und Profil, Walter Hundhausen and Krupp Kunststofftechnik; Project Management is being transferred to a joint venture. We are involved in promising negotiations to sell other non-core businesses.

- The launch of our service offensive, in which e-commerce plays a key part, is already reaping

rewards. Online auctions for steel products from ThyssenKrupp Stahl, complete supply chain management for the Mercedes-Benz A-class, and internet-based technical project management at Hoesch Rothe Erde are just some examples.

■ Outlook

The economic prospects remain bright for the second half of fiscal 1999/00 and beyond. The emerging markets are recovering, with many returning to the dynamic growth rates of previous years. The boom in the USA, now in its tenth year, shows little sign of slowing down. The upswing in Germany, and in Western Europe as a whole, will gather momentum.

On the markets of importance for ThyssenKrupp, the indicators are mainly positive. We expect demand for steel to remain strong in 2000. World crude steel output looks set to top the 800 million metric ton mark for the first time – probably by a higher margin than predicted to date. The current estimate for German steel production is 45 million metric tons, equal to 7% growth. The stainless steel market likewise remains on an upward track. Global demand for stainless sheet could rise 6% in 2000 to 9.5 million metric tons, with Asian markets showing the biggest growth. We expect the upswing in the current steel cycle to continue for some time and provide further opportunities for price increases.

Worldwide automobile production continues to rise. Demand in North America and Western Europe is expected to remain at a consistent high level this year. There will once again be growth in Asia and Latin America.

The mechanical engineering sector is profiting from a higher level of investment in capital goods. The temporary drop in demand appears to be over, and we expect considerable improvement this year. In contrast, the prospects for the German construction industry remain very subdued, particularly in the eastern part of the country.

Based on these market estimates we expect brisk demand to continue for ThyssenKrupp products and services in the second half of 1999/00. With the prospect of higher prices for steel products, we expect sales growth to be most pronounced in Steel and Materials Services. Excluding the effects of portfolio changes, we are currently planning to increase sales by 10% in the 1999/00 fiscal year.

The positive first-half earnings performance will continue in the rest of fiscal 1999/00. With the exception of Production Systems, all segments are expected to make a profit. In addition to the continued realization of synergies, the portfolio optimization will also improve ThyssenKrupp's earning power. We expect to make a distinctly higher profit. For tax reasons, the dividend payment is not expected to carry a tax credit.

Agreements on guaranteed dividends

Edelstahlwerk Witten AG:

For one DM100 par-value share, the same dividend as for 20 no-par-value shares in Thyssen Krupp AG

Stahlwerke Bochum AG:

For one DM100 par-value share, 2/3 of the dividend accruing to 20 no-par-value shares in Thyssen Krupp AG, minimum DM6

Edelstahlwerk Witten AG and Stahlwerke Bochum AG do not conduct any business of their own.

Consolidated Statement of Income.

First Half Consolidated Statement of Income		
€ m	1998/99	1999/00
Net sales	13,259.7	17,427.2
Cost of sales	-11,124.0	-14,310.3
Gross margin	2,135.7	3,116.9
Selling expenses	- 1,300.8	- 1,605.3
General administrative expenses	- 1,012.9	- 1,260.6
Other operating income	572.6	390.8
Other operating expenses	- 172.8	- 114.5
Income from operations before income taxes	221.8	527.3
Financial income, net	- 27.0	- 160.8
Income before income taxes and minority interest	194.8	366.5
Income taxes	- 106.2	- 182.0
Minority interest	- 34.3	- 13.8
Net income	54.3	170.7
Basic earnings per share (€)	0.12	0.33

Consolidated Balance Sheet.

Assets		
€ m	Sept. 30, 1999	March 31, 2000
Intangible assets	4,268.6	4,334.1
Property, plant and equipment, net	11,635.8	12,091.1
Financial assets	1,591.8	1,545.4
Fixed assets	17,496.2	17,970.6
Inventories	6,010.2	6,195.1
Trade accounts receivable	5,206.0	5,778.6
Other receivables and other assets	1,178.2	1,319.4
Securities	37.6	62.2
Cash and cash equivalents	767.9	1,347.5
Operating assets	13,199.9	14,702.8
Deferred taxes	1,787.8	1,914.7
Prepaid expenses and deferred charges	165.3	264.1
Total assets	32,649.2	34,852.2

Stockholders' Equity and Liabilities		
€ m	Sept. 30, 1999	March 31, 2000
Total Stockholders' Equity	8,053.0	8,359.8
Minority interest	293.3	314.7
Pensions and similar obligations	6,780.2	6,769.8
Other accrued liabilities	3,338.4	3,365.3
Accrued liabilities	10,118.6	10,135.1
Financial payables	6,998.9	8,530.8
Trade accounts payable	2,824.0	3,105.1
Other payables	2,899.9	2,808.7
Payables	12,722.8	14,444.6
Deferred taxes	1,362.8	1,511.8
Deferred income	98.7	86.2
Total Stockholders' Equity and Liabilities	32,649.2	34,852.2
Net financial payables	6,193.4	7,121.1

Consolidated Statement of Cash Flows.

First Half Consolidated Statement of Cash Flows	
€ m	1999/00
Net income	170.7
Minority interest	13.8
Depreciation of fixed assets	896.5
Other non-cash items	– 3.8
Changes in assets and liabilities, net of effects of acquisitions:	
Inventories	– 188.1
Trade accounts receivable	– 618.0
Other assets not related to investing or financing activities	– 269.3
Pensions	– 62.7
Other accrued liabilities	36.8
Trade accounts payable	311.4
Other liabilities not related to investing or financing activities	– 27.6
Gain/loss from disposal of assets	– 28.7
Net cash provided by operating activities	231.0
Purchase of financial assets and businesses	– 40.5
Cash acquired from acquisitions	2.8
Capital expenditures for property, plant and equipment	–1,119.1
Capital expenditures for intangible assets	– 46.7
Proceeds from the sale of financial assets and businesses	94.9
Cash of disposed businesses	– 3.6
Proceeds from disposals of property, plant and equipment	124.9
Proceeds from disposals of intangible assets	12.0
Net cash used in investing activities	– 975.3
Increase of bonds	6.6
Increase of payables to financial institutions	1,140.9
Increase of notes payable and other loans	300.4
Decrease of acceptance payables	– 12.6
Increase of securities classified as operating assets	– 24.6
Other financing activities	– 85.3
Net cash provided by financing activities	1,325.4
Effect of exchange rate changes on cash and cash equivalents	– 1.5
Increase in cash and cash equivalents	579.6
Cash and cash equivalents as of October 1, 1999	767.9
Cash and cash equivalents as of March 31, 2000	1,347.5

Important Dates and Contacts at ThyssenKrupp.

Important dates for the 1999/00 fiscal year

December 8, 2000	Initial overview of the 1999/00 fiscal year
January 15, 2001	Annual press conference, analysts' meeting
March 2, 2001	Annual Stockholders' Meeting

Contacts at ThyssenKrupp

This report is available in German and English; both versions can be downloaded from the internet at <http://www.thyssenkrupp.com>.

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ThyssenKrupp made steady improvements in the first half of 1999/00, achieving significantly higher sales and earnings. This positive trend will continue in the rest of the fiscal year.

