

Interim Report 9 months 2000/2001
October 1, 2000 – June 30, 2001



ThyssenKrupp



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Accounting at ThyssenKrupp AG
is based on US GAAP.

The Group in figures

GROUP		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	28,818	28,570	10,161	9,418
Sales	million €	27,222	28,362	9,795	9,598
EBITDA	million €	2,421	2,616	978	980
Income*	million €	775	832	408	374
Net income	million €	376	583	205	270
Basic earnings per share	€	0.73	1.13	0.40	0.52
Normalized earnings per share	€	0.73	0.40	0.40	0.05
Employees (June 30)		193,326	191,763	193,326	191,763

*before taxes and minority interest

		September 30, 2000	June 30, 2001
Net financial payables	million €	7,730	8,327
Stockholders' equity	million €	8,797	8,975

SEGMENTS million €	Order intake	Order intake	Sales	Sales	Income*	Income*	Employees	Employees	Employees
	9 months ending June 30, 2000	9 months ending June 30, 2001	9 months ending June 30, 2000	9 months ending June 30, 2001	9 months ending June 30, 2000	9 months ending June 30, 2001	June 30, 2000	September 30, 2000	June 30, 2001
Steel	10,241	9,267	9,388	9,630	376	587	52,757	53,856	51,852
Automotive	4,586	4,847	4,595	4,681	245	107	39,726	39,920	39,962
Elevator	2,414	2,904	2,184	2,555	115	143	26,742	27,102	27,943
Technologies	4,442	3,911	4,342	4,011	26	99	34,152	32,193	30,990
Materials	7,443	7,754	7,507	7,698	105	10	13,297	13,591	14,250
Serv	1,598	1,812	1,353	1,799	19	(16)	24,924	24,971	25,244
Real Estate	255	230	255	230	50	46	837	815	795
Corporate	171	277	181	277	(98)	(134)	891	868	727
Consolidation	(2,332)	(2,432)	(2,583)	(2,519)	(63)	(10)			
Group	28,818	28,570	27,222	28,362	775	832	193,326	193,316	191,763

*before taxes and minority interest



Andreas Nuss, Dipl.-Ing. Metallurgy and Materials Technology



"I teach steel new skills. The world of steel is immensely varied and exciting, just like my work at ThyssenKrupp."

Andreas Nuss, research scientist at ThyssenKrupp Stahl, develops high-strength, low-weight steels for cars. The new generation of automotive steels has fascinating properties that help reduce car weight and fuel consumption while increasing safety. In research and development, too, the competition is global and brings with it ever new challenges.

Performance impacted by economic slowdown

The global economic slowdown had an increasing impact on ThyssenKrupp's performance in the 3rd quarter of 2000/2001, reflected particularly in earnings.

The main financial indicators for the first 9 months and for the 3rd quarter of fiscal year 2000/2001 are as follows:

- Order intake at €28.6 billion was 1% lower than the year before.
In the 3rd quarter orders fell 7% to €9.4 billion.
- Sales increased 4% to €28.4 billion.
In the 3rd quarter they were down slightly by 2% at €9.6 billion.
- EBITDA rose 8% to €2.6 billion.
In the 3rd quarter EBITDA was slightly up on the prior-year quarter at €980 million.
- Income before taxes and minority interest improved €57 million to €832 million.
In the 3rd quarter the figure decreased by €34 million to €374 million.
- Earnings per share were €1.13, eliminating non-recurring effects €0.40.
In the 3rd quarter the figure was €0.52, eliminating non-recurring effects €0.05.

For the final quarter of the fiscal year we do not expect any improvement in the economic environment. Nevertheless, full-year sales in 2000/2001 will match the prior-year level. However, owing to the weak economic conditions we will be unable to repeat last year's pre-tax earnings, even taking into account non-recurring effects. Due to non-recurring tax effects net income will be higher than the year before.

Economic environment

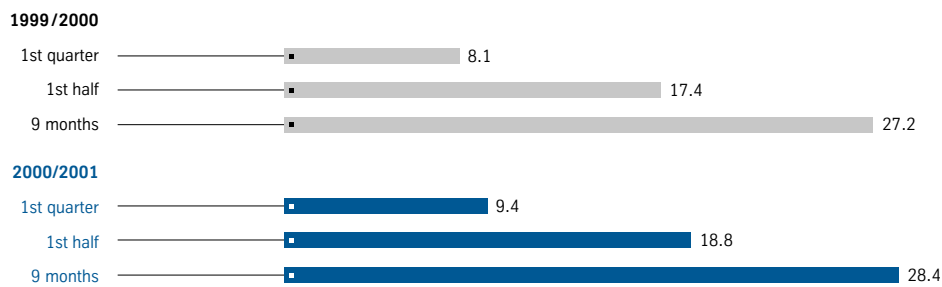
On the world markets the forces driving economic growth have weakened significantly. In the USA the long period of expansion has come to an end. The Japanese economy is stagnating. In many emerging markets, too, the situation has deteriorated as a result of decreased export opportunities and structural problems at home.

In the euro zone economic activity also slowed. Unexpectedly high inflation impacted purchasing power. Private consumer demand in Germany was particularly disappointing. The positive income effect of the tax reform was eroded to a large extent by higher energy and food prices. In the industrial sector production and investment showed signs of weakening. With the euro/dollar exchange rate still low, foreign demand was comparatively favorable, though here, too, growth rates have fallen significantly of late.

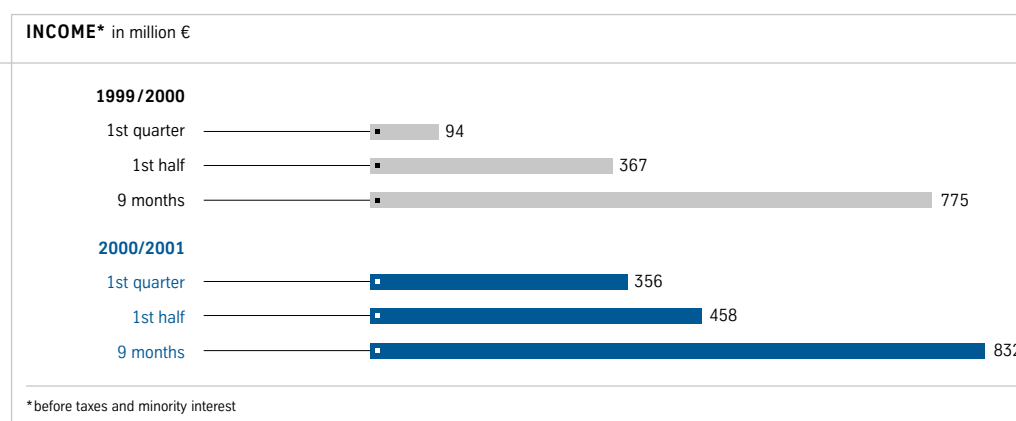
Business situation

The economic slowdown was reflected in particular in new orders. In the first 9 months of fiscal year 2000/2001 order intake at ThyssenKrupp was 1% down on the prior-year period at €28.6 billion. Major decreases were reported by the Steel and Technologies segments, while Elevator and Serv achieved large increases. The Group's sales rose 4% to €28.4 billion, with Elevator and Serv making the biggest contributions.

SALES in billion €



Income before taxes and minority interest improved €57 million to €832 million in the first 9 months. The figure includes goodwill amortization of €170 million (previous year €158 million). Gains from the portfolio reorganization are included in both the reporting and prior-year periods. In the 1999/2000 period the Krupp Kunststofftechnik group was sold, producing a disposal gain of €119 million. In the reporting period the disposals of Krupp Werner & Pfleiderer and the iron ore mine Ferteco yielded gains of €71 million and €330 million respectively. Eliminating these disposal gains, earnings in the first 9 months of 2000/2001 would have fallen by €225 million to €431 million. In addition, the income figure for the first 9 months of 2000/2001 includes the promised additional payment of €27 million to the German Economy Foundation Initiative "Remembrance, Responsibility and the Future" to compensate forced laborers.



The economic slowdown shows up particularly clearly in the quarterly income figures. In the 3rd quarter a fall in earnings is recorded. Without the disposal gain from the sale of the ore mine Ferteco, earnings for the quarter amount to €44 million.

Details of economic development are given in the comments on segment earnings. The segment figures for the reporting and prior-year periods are presented according to the current segment organization. Income/expense from the measurement of foreign currency positions and derivatives at fair value is assigned to the segments. The prior-year figures have been adjusted accordingly.

After deducting income taxes and minority interest, net income for the first 9 months of the current fiscal year is €583 million, an increase of €207 million over the prior-year period. Related to the number of shares outstanding, earnings per share were €1.13, €0.40 higher than the prior-year period. Excluding non-recurring effects from the sale of Krupp Werner & Pfleiderer and Ferteco and the tax reform, normalized earnings per share are €0.40 in the first 9 months of 2000/2001.

At June 30, 2001 the Group's net financial payables stood at €8.3 billion, up €0.6 billion compared with September 30, 2000, but down €0.4 billion compared with March 31, 2001. In particular the sale of Ferteco had a positive effect in reducing financial debt. Without this sale net financial payables would have increased by €0.4 billion due to the continued rise in working capital.

Investment reached around €1.7 billion in the first 9 months of fiscal 2000/2001, 10% less than the year before. Expenditure on property, plant and equipment and intangibles amounted to €1.6 billion, the remaining €0.1 billion was used for the acquisition of companies and equity interests.

Research and development focused on new steel grades, innovative vehicle components and technical enhancements to capital goods. In addition, the spectrum of services was further expanded in particular through the systematic use of electronic communication. A large number of newly developed e-business solutions have improved the speed and flexibility of business processes.

Employees

On June 30, 2001 ThyssenKrupp employed 191,763 people worldwide, 0.8% fewer than on September 30, 2000. In Germany the number of employees decreased by 2.0% to 105,011, while outside Germany the headcount was up 0.6% to 86,752. Major changes to the workforce occurred at Steel and Technologies due to the sale of Ferteco and Krupp Werner & Pfleiderer.

ThyssenKrupp's first employee stock program attracted great interest. Of the eligible employees in Germany, around 50,000 signed up for 850,000 employee shares at a preferential price. Including the new employee stockholders, the number of private stockholders of ThyssenKrupp AG has more than doubled from around 135,000 at the time of the merger in 1999 to over 280,000 today.

Segments

Steel

STEEL SEGMENT IN FIGURES		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	10,241	9,267	3,422	3,033
Sales	million €	9,388	9,630	3,306	3,162
Income*	million €	376	587	225	333
Employees (June 30)		52,757	51,852	52,757	51,852

*before taxes and minority interest

In the Steel segment sales increased 3% to €9.6 billion in the first 9 months of fiscal 2000/2001. While steel consumption remained stable worldwide, supply opportunities were limited due to the stock cycle. In view of continual downward adjustments to the economic growth forecasts, steel customers became increasingly cautious and reduced their stocks. This placed increased pressure on international prices. Against this market background, order intake in the Steel segment decreased 10% to €9.3 billion; crude steel production was cut by 3% to 13.0 million tons.

Sales of the Carbon Steel unit improved 3% to €5.8 billion. At Thyssen Krupp Stahl AG year-on-year sales were virtually constant. Lower shipments were offset by higher average revenues in the reporting period. In the first 9 months average revenue per ton was 7% higher than the year before. The reduced production volume was influenced by the plant closures in the 3rd quarter (Dortmund) and conversion work being carried out on various units. To help calm the market, supplies were reduced through the introduction of short-time working. Business in tailored blanks, tinplate/blackplate and electrical strip showed significant expansion, while activity at the other companies of Carbon Steel was largely stable.

The Stainless Steel unit achieved sales of €3.2 billion, an increase of 1% attributable entirely to the extremely strong growth in sales of nickel base alloys at VDM. Total shipments of Stainless Steel were slightly lower than the year before. For stainless steel flat products the price level of the previous year could not be maintained. Both base prices and the prices for alloying elements, in particular nickel, have fallen sharply. In the 3rd quarter of the fiscal year prices in Europe and the USA stabilized, albeit at a still unsatisfactory level.

In the first 9 months of 2000/2001 Steel generated a profit of €587 million, an increase of €211 million against the prior-year period. Here it must be borne in mind that in the 3rd quarter of 2000/2001 the Brazilian ore mine Ferteco was sold. Without the resultant disposal gain of €330 million, Steel's earnings would have fallen by €119 million. At Carbon Steel income in the 3rd quarter – excluding the Ferteco disposal gain – amounts to €2 million. This is attributable to the further

deterioration in volumes and the additional burden on income from increased raw material and energy prices, mainly caused by the rise in the US dollar exchange rate. Compared with the prior-year quarter, this represents a €130 million drop in earnings. Stainless Steel incurred a loss of €12 million in the 3rd quarter caused by AST and Mexinox. The German activities returned a profit. Compared with the prior-year quarter Stainless Steel's earnings slipped €108 million, reflecting the low price level for stainless steel products. In the 9-month period Stainless Steel generated a profit of €25 million, €130 million less than the year before. The steel activities recorded under Other Companies returned a profit of €52 million overall in the first 9 months of 2000/2001, a year-on-year improvement of €35 million.

Automotive

AUTOMOTIVE SEGMENT IN FIGURES		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	4,586	4,847	1,569	1,809
Sales	million €	4,595	4,681	1,622	1,650
Income*	million €	245	107	95	44
Employees (June 30)		39,726	39,962	39,726	39,962

*before taxes and minority interest

The Automotive segment achieved sales of €4.7 billion, a 2% improvement caused mainly by the increase in the value of the US dollar against the euro. Business in the NAFTA region was hindered in particular by weak demand for new vehicles. The market for heavy trucks has collapsed, and reduced output of passenger cars and light trucks by the "Big Three" led to lower call-off orders and decreasing sales of our products. Compensating factors were the market recovery in Brazil, the ramping up of new orders in the USA and Europe, and the acquisitions of the US aluminum foundry Stahl Specialty and two other companies in the USA and France. Owing to their strengthened market position, the steering systems and camshafts activities as well as Systems/Systems Engineering report encouraging sales increases.

In the Automotive segment income in the first 9 months of 2000/2001 fell by €138 million to €107 million. The reduction in earnings is almost entirely attributable to the North American sections of the Body and Chassis units, which have been affected by the continued weakness of the American automobile market and by start-up difficulties with a new product at a Canadian plant. Income in the Powertrain unit was on a par with the previous year, while Systems/Suspensions was unable to match the prior-year figure due to production start-ups in the systems business and restructuring measures in springs.

Elevator

ELEVATOR SEGMENT IN FIGURES		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	2,414	2,904	719	999
Sales	million €	2,184	2,555	775	924
Income*	million €	115	143	32	66
Employees (June 30)		26,742	27,943	26,742	27,943

*before taxes and minority interest

Sales of the Elevator segment improved 17% to €2.6 billion. The pleasing performance reflects the segment's strengthened international presence. Encouraging growth was achieved in particular by the elevator companies in North and South America. In the USA this is attributable both to operating improvements and to the increase in the value of the US dollar. In South America the unit's stronger market presence helped boost sales. The other business units, too, held up well in sometimes adverse conditions.

Thanks to a good 3rd quarter in 2000/2001 Elevator's profit in the first 9 months of the fiscal year increased €28 million to €143 million. The companies in North America, Spain, the UK and Austria were particularly successful. Earnings in the business units Elevators/Escalators Germany, Accessibility and Passenger Boarding Bridges were hampered by restructuring expenses.



Technologies

TECHNOLOGIES SEGMENT IN FIGURES		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	4,442	3,911	1,650	1,059
Sales	million €	4,342	4,011	1,606	1,417
Income*	million €	26	99	78	24
Employees (June 30)		34,152	30,990	34,152	30,990

*before taxes and minority interest

Sales in the Technologies segment fell 8% to €4.0 billion, while orders were down 12% to €3.9 billion. The lower business volume is mainly due to company disposals. Sales at Production Systems showed a marked improvement. Despite the drastic drop in demand on the US machine tool market, which impacted particularly strongly on business at Giddings & Lewis, Metal Cutting matched Assembly Plant and Autobody Manufacturing Systems in achieving strong sales growth. The lower sales in the Plant Technology units are primarily attributable to deferrals in order processing. Krupp Uhde and Krupp Polysius recorded significant increases in new orders, although they were unable to compensate for the slide at Fördertechnik. Marine posted lower sales for invoice timing reasons, but full order books there will secure the workload in the medium term. The drop in sales at Mechanical Engineering is due completely to the sale of the Krupp Kunststofftechnik group and Krupp Werner & Pfleiderer. Hoesch Rothe Erde in particular achieved sales growth as a result of strong orders for rings and large-diameter bearings for wind energy plants.

In the first 9 months of 2000/2001, earnings at Technologies improved by €73 million to €99 million. This includes a gain of €71 million on the disposal of Krupp Werner & Pfleiderer. The sale of the Krupp Kunststofftechnik group was recognized in the 3rd quarter of 1999/2000 in the amount of €119 million. Eliminating these disposal gains, like-for-like 9-month earnings at Technologies rose by €121 million. The biggest contribution to this improvement came from Production Systems, where the worldwide restructuring in Metal Cutting is having a positive effect. However, the collapse of the North American market for metal cutting machines hit income from the US operations badly. The other businesses in the Production Systems unit - Autobody Manufacturing Systems and Assembly Plant - both posted higher profits. Earnings fell at Plant Technologies, resulting in a significant loss for the first 9 months. Marine is in profit, and thanks to a strong 3rd quarter its earnings are well up on the previous year. Mechanical Engineering increased its profits, due largely to a reduction in losses incurred by Transrapid and improvements in the results of businesses not dependent on the construction sector.



Materials

MATERIALS SEGMENT IN FIGURES		9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Order intake	million €	7,443	7,754	2,601	2,533
Sales	million €	7,507	7,698	2,629	2,548
Income*	million €	105	10	55	(28)
Employees (June 30)		13,297	14,250	13,297	14,250

*before taxes and minority interest

The Materials segment achieved sales of €7.7 billion. The slight increase is mainly price-related. Although prices have declined sharply in fiscal year 2000/2001 and are now lower than the corresponding prior-year prices, on average they were still higher than the 1999/2000 level. Sales volumes in the materials business were down overall for cyclical reasons. Sales of the North American business suffered particularly as a result of the weak economy there. In contrast, the situation for our service-intensive business in Europe remained positive.

9-month profits at Materials were down €95 million to €10 million. The main reasons for this slide were the North American economy, which weakened further in the 3rd quarter, and an unscheduled write-down on an investment in a US e-commerce business. The losses at Materials Trading relate mainly to South America, where the economic situation has deteriorated further and restructuring is required. The MaterialsServices Europe business unit once again returned a profit in the 3rd quarter of 2000/2001 which, although down on the previous year, showed an improvement on the positive earnings of the first two quarters.



Serv

SERV SEGMENT IN FIGURES		9 months ending	9 months ending	3rd quarter ending	3rd quarter ending
		June 30, 2000	June 30, 2001	June 30, 2000	June 30, 2001
Order intake	million €	1,598	1,812	704	599
Sales	million €	1,353	1,799	555	632
Income*	million €	19	(16)	7	1
Employees (June 30)		24,924	25,244	24,924	25,244

*before taxes and minority interest

Sales in the Serv segment rose to €1.8 billion. The 33% increase is largely due to the first-time consolidation of several new acquisitions. This is particularly true of the Construction Services unit. Business in the unit continued to be weighed down by the weakness of the German construction sector, but the situation in the USA was highly encouraging. The Industrial Services unit was able to further improve its market position. The acquisition of HiServ provided Information Services with a significant leap in sales; due to deteriorating market conditions, the multimedia activities in this unit are being streamlined and refocused. The Facilities Services unit achieved comparatively modest growth; capacity utilization was mainly satisfactory.

In the 3rd quarter Serv posted a profit of €1 million, reducing its accumulated loss for the first nine months to €16 million. This represents a 9-month drop in earnings of €35 million. The figure includes charges from the restructuring measures currently being implemented. For example, the loss posted by the Construction Services unit is due to the charges from the closure of scaffolding and formwork production recognized in the 2nd quarter. With earnings down for invoice timing reasons at Facilities Services, the unit only managed a break-even result for the reporting period. At Information Services, planned integration losses in our IT business and the collapse of the market for multimedia activities resulted in a clear deficit. Industrial Services once again achieved strong earnings in the 3rd quarter; 9-month profits were on a par with the prior year.

Real Estate achieved sales of €230 million in the first 9 months. The scheduled 10% fall is due primarily to project-related billing effects at Real Estate Development and also to slightly lower real estate sales. In the 3rd quarter of 2000/2001 Real Estate posted a profit of €9 million on sales of €78 million. The main source of sales and income was again the Residential Real Estate business unit.

As well as Group head office, **Corporate** also includes the companies not assigned to the individual segments. Sales amounted to €277 million, the greater part still from Krupp Seeschiffahrt. The 3rd quarter loss of €64 million includes the additional payment of €27 million to the German Economy Foundation Initiative "Remembrance, Responsibility and the Future" to compensate forced laborers; this increased ThyssenKrupp's contribution to €78 million.



Continuing portfolio optimization

A number of measures were taken in the 3rd quarter to continue the process of portfolio reorganization and concentration on high value-adding activities. These included both the disposal of individual companies and the expansion of growth-oriented activities, mainly outside Germany.

The sale of Ferteco Mineração to Companhia Vale do Rio Doce in April 2001 was a further move by the Steel segment toward concentrating on the flat steel business. It completed another important step in the Group's value-enhancing portfolio reorganization. The consolidation process taking place in the iron ore industry since last year offered ThyssenKrupp Stahl (TKS) the chance of an attractive strategic premium, while the agreement also secures long-term iron ore supplies to TKS. In the past fiscal year, Ferteco achieved sales of €391 million.

The disposal of the rail manufacturing business at the end of July was also part of the portfolio reorganization. The activities sold to Voest-Alpine Schienen take in the manufacture and distribution of rails and profiles as well as track-related services and have a sales volume of €120 million. The sale is still subject to regulatory approval by the EU Commission.

To further improve its supply capabilities to the worldwide automobile industry, Steel has expanded its international production operations for laser-welded tailored blanks. After selling its stake in the Italian joint venture Euroweld, Steel is setting up new tailored blank production facilities in Mexico and Italy. These two facilities will ultimately produce blanks with both linear and non-linear welds. With four production sites in Germany and joint ventures in the USA, Brazil and Spain, ThyssenKrupp is world market leader in tailored blanks. There are plans to set up operations at further locations following Mexico and Italy.

Stainless is also broadening its international base. In May 2001 Shanghai Krupp Stainless, a joint venture with Shanghai Pudong Iron & Steel, decided to start on the 2nd phase of its plant for stainless flat products. This US\$170 million investment will more than double capacity at the plant – the first phase of which is scheduled to start operation in November 2001 – to 166,000 metric tons per year. Phase 2 involves the construction of a second cold rolling mill and a pickling and annealing line. By the end of 2006, it is intended to expand the Sino-German joint venture into a 440,000 tons-per-year integrated stainless steel mill producing sheet and strip. ThyssenKrupp holds a 60% share in the venture.

An agreement was concluded in July 2001 to sell the shipping company Krupp Seeschiffahrt. The company operates a fleet of 3 car carriers and 16 bulk carriers with an annual capacity in excess of 30 million tons and has a sales volume of around €200 million.

Personnel changes

At its meeting on March 2, 2001, the Supervisory Board of ThyssenKrupp AG agreed on personnel changes in the Supervisory Board and Executive Board effective October 1, 2001 and announced that decisions would be made as quickly as possible on further changes to the Executive Board. On this basis Dr. Heinz Kriwet, Chairman of the Supervisory Board, submitted a proposal to the Supervisory Board at its meeting on July 5, 2001 which met with unanimous approval:

- Prof. Dr. Ekkehard Schulz was reappointed as member and Chairman of the Executive Board of ThyssenKrupp AG until February 28, 2005. Effective October 1, 2001 he will be sole Executive Board Chairman of ThyssenKrupp AG. On the same date he will stand down as executive board chairman of ThyssenKrupp Steel AG. His successor at Steel will be Dr. Ulrich Middelman, member of the Executive Board of ThyssenKrupp AG. Effective October 1, 2001, Dr. Middelman was also appointed Vice Chairman of the Executive Board of ThyssenKrupp AG.
- Effective October 1, 2001 Dr. Gerhard Cromme will resign as Chairman of the Executive Board of ThyssenKrupp AG and take over as Chairman of the Supervisory Board from Dr. Kriwet. His position as chairman of the executive board of ThyssenKrupp Automotive AG will be taken over by Dr. Jürgen Harnisch, hitherto vice chairman. Furthermore, Dr. Harnisch has been appointed member of the Executive Board of ThyssenKrupp AG effective October 1, 2001.
- Executive Board members Dr. Hans-Erich Forster, Jürgen Rossberg and Dr. Heinz-Gerd Stein have each agreed to the period of their appointment being shortened by one year (Dr. Forster's appointment to be cancelled on December 31, 2002, Mr. Rossberg's on December 31, 2001 and Dr. Stein's on September 30, 2002). The Supervisory Board will pass a corresponding resolution at its next meeting on November 9, 2001. Two new Executive Board members will be appointed for the functions of Dr. Gerhard Jooss and Dr. Stein as well as for the function hitherto managed by Dr. Middelman. Once their successors have been decided, and following an appropriate induction period, Dr. Jooss and Dr. Stein will retire.

Following the resignation from the Supervisory Board of Dieter Kroll, Werner Nass and Dr. Walter Seipp, their court-appointed successors are Klaus Ix, Udo Externbrink and Dr. Martin Kohlhaussen.

With entry in the respective Commercial Registers on June 19, 2001, ThyssenKrupp AG now has two registered offices in Duisburg and Essen. The head office in Düsseldorf remains unaffected by this.

Outlook

The markets are unlikely to deliver any positive impetus in the next few months. Even after this year's downturn bottoms out, there is little to indicate a rapid and widespread recovery. It is more likely that the recovery will be slow, with real world economic growth of 2.5 to 3% in 2002. Growth in Europe – and Germany in particular – will probably be below this average.

The world steel market should match the previous year's output in 2001. The destocking of inventories now under way will provide greater scope for supplies, and there should be a gradual improvement in the depressed prices from the start of the new fiscal year. In Europe at least, stainless steel prices appear to be trending upward again. One potential risk factor are the import investigations currently under way in the USA to protect the domestic steel industry there.

With North American automobile production down sharply, there will be no significant impetus for world vehicle market growth in the near future. Initially, Western European vehicle output will remain encouragingly stable. High exports will also help the German auto industry consolidate its market position.

Capacity utilization in the German mechanical engineering sector remains high. Although new business is slightly down, output will continue to increase thanks to high order backlogs. In contrast, significant setbacks will have to be absorbed in particular from the US machine tool sector.

Prospects for the German construction industry remain cloudy.

Against this economic backdrop, we do not see any significant signs of a recovery for our business before the spring. Although sales for fiscal year 2000/2001 will match the previous year, earnings will fall short of expectations. Even including non-recurring effects, earnings before tax will fail to match last year's figure. However, non-recurring tax effects will result in higher net income.

At June 30, 2001, the Group's net financial payables totaled €8.3 billion. The sale of Krupp Seeschiffahrt will reduce this figure by around €0.4 billion in the 4th quarter 2000/2001. We are sticking to our target of reducing net financial debt in the medium term.

We will be paying an appropriate dividend for fiscal year 2000/2001; for tax reasons, the dividend payment will again carry no tax credit.



Gunter K b, Dipl.-Ing. Mechanical Engineering

"When the Transrapid goes into operation in Shanghai, it will be like a dream come true for me, a dream that I can work on every day."

Gunter Köb has been fascinated by maglev technology ever since he rode with his parents on the Transrapid 05 in Hamburg in 1979. Today he works for ThyssenKrupp Transrapid managing vehicle assembly for the project in Shanghai that represents the global breakthrough for this technology. His every working day is a constant effort to optimize delivery times, costs and quality. For to become reality, visions have to be affordable. And that goes for the Transrapid too.

Consolidated Statements of Income

9 MONTHS

million €, earnings per share in €	9 months ending June 30, 2000	9 months ending June 30, 2001
Net sales	27,222	28,362
Cost of sales	(22,137)	(23,217)
Gross margin	5,085	5,145
Selling expenses	(2,354)	(2,273)
General and administrative expenses	(1,887)	(1,933)
Other operating income	425	514
Other operating expenses	(376)	(703)
Gain on the disposal of subsidiaries	128	404
Income from operations	1,021	1,154
Financial expense, net	(246)	(322)
Income before income taxes and minority interest	775	832
Provisions for income taxes	(380)	(242)
Minority interest	(19)	(7)
Net income	376	583
Basic earnings per share	0.73	1.13

3RD QUARTER

million €, earnings per share in €	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Net sales	9,795	9,598
Cost of sales	(7,827)	(7,908)
Gross margin	1,968	1,690
Selling expenses	(749)	(816)
General and administrative expenses	(626)	(683)
Other operating income	41	205
Other operating expenses	(262)	(251)
Gain on the disposal of subsidiaries	121	337
Income from operations	493	482
Financial expense, net	(85)	(108)
Income before income taxes and minority interest	408	374
Provisions for income taxes	(198)	(102)
Minority interest	(5)	(2)
Net income	205	270
Basic earnings per share	0.40	0.52

Consolidated Balance Sheets

ASSETS million €	September 30, 2000	June 30, 2001
Intangible assets, net	4,526	4,370
Property, plant and equipment, net	12,672	12,662
Financial assets, net	1,557	1,580
Fixed assets	18,755	18,612
Inventories	6,710	7,244
Trade accounts receivable, net	6,223	6,274
Other receivables and other assets, net	1,617	1,902
Securities	58	32
Cash and cash equivalents	963	1,070
Operating assets	15,571	16,522
Deferred income taxes	1,357	1,290
Prepaid expenses and deferred charges	205	236
Total assets	35,888	36,660
STOCKHOLDERS' EQUITY AND LIABILITIES		
million €	September 30, 2000	June 30, 2001
Capital stock	1,317	1,317
Additional paid in capital	4,673	4,680
Retained earnings	2,298	2,495
Accumulated other comprehensive income	509	483
Total Stockholders' Equity	8,797	8,975
Minority interest	399	378
Accrued pension and similar obligations	6,970	6,866
Other accrued liabilities	3,298	3,102
Accrued liabilities	10,268	9,968
Financial payables	8,751	9,429
Trade accounts payable	3,168	3,109
Other payables	3,337	3,572
Payables	15,256	16,110
Deferred income taxes	1,106	1,115
Deferred income	62	114
Total Stockholders' Equity and Liabilities	35,888	36,660



Consolidated Statements of Cash Flows

million €	9 months ending June 30, 2000	9 months ending June 30, 2001
Operating:		
Net income	376	583
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	19	7
Depreciation and amortization of fixed assets	1,359	1,415
(Earnings) from companies valued at equity, net of dividends received	(37)	(43)
(Gain) from disposal of assets	(110)	(423)
Changes in assets and liabilities, net of effects of acquisitions and disposals:		
– inventories	(461)	(595)
– trade accounts receivable	(702)	(120)
– other assets not related to investing or financing activities	(196)	(130)
– accrued pension and similar obligations	42	(40)
– other accrued liabilities	15	(156)
– trade accounts payable	288	(81)
– other liabilities not related to investing or financing activities	102	68
Net cash provided by operating activities	695	485
Investing:		
Purchase of financial assets and businesses	(348)	(112)
Cash acquired from acquisitions	38	9
Capital expenditures for property, plant and equipment	(1,465)	(1,487)
Capital expenditures for intangible assets	(38)	(75)
Proceeds from the sale of financial assets and businesses	328	847
Cash of disposed businesses	(8)	(26)
Proceeds from disposals of property, plant and equipment	150	157
Proceeds from disposals of intangible assets	14	2
Net cash used in investing activities	(1,329)	(685)
Financing:		
Increase of bonds	9	493
Increase of payables to financial institutions	890	70
Proceeds from notes payable and other loans	(2)	260
Decrease in bills of exchange	(40)	(42)
(Increase)/decrease in securities classified as operating assets	(24)	24
Payment of ThyssenKrupp AG dividend from preceding year	(368)	(386)
Other financing activities	(27)	(116)
Net cash provided by financing activities	438	303
Effect of exchange rate changes on cash and cash equivalents	31	4
Net (decrease)/increase in cash and cash equivalents	(165)	107
Cash and cash equivalents at beginning of reporting period	768	963
Cash and cash equivalents at end of reporting period	603	1,070

Notes to the interim consolidated financial statements

The interim consolidated financial statements of ThyssenKrupp AG for the nine months ending June 30, 2001 have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"). The principles of accounting and valuation as applied correspond in general to those pertaining to the last annual consolidated financial statements. A detailed description of these principles is published in the financial report of our annual report 1999/2000. The only changes result from the presentation of financial derivatives in conjunction with the introduction of the Statement of Financial Accounting Standards (SFAS) 133 "Accounting for Derivative Instruments and Hedging Activities".

As of October 1, 2000, ThyssenKrupp has applied SFAS 133 for the first time in the version as amended by SFAS 137 and SFAS 138. According to this standard all derivative financial instruments are to be recognized at their respective fair values as of the balance sheet date. In general any changes in fair value are to be included in the income statement. Insofar as derivatives are designated as qualified hedges under SFAS 133, such changes in fair value are to be either directly included in the income statement or recognized in stockholders' equity (other comprehensive income, "OCI"), with no immediate effect on income, depending on whether a fair value hedge or a cash flow hedge is involved. The first-time application of the standard resulted in a transition adjustment of –€1.2 million in the "other comprehensive income" balance sheet line item due to differences in fair values of interest rate derivatives qualifying as cash flow hedges. The remaining interest rate derivatives as well as foreign currency derivatives and commodity forward contracts had already been accounted for at their respective fair value in the previous periods. Any changes in value thereof have been accordingly recognized in income/loss, therefore the amended valuation rules applicable as of October 1, 2000 had no effect on income/loss. As of October 1, 2000, the Group has been engaged in re-engineering successively the business processes and organizational structures of individual companies. This serves to meet the criteria for recognizing foreign currency derivatives gains/losses within OCI. As of June 30, 2001, OCI line items reflecting gains/losses from foreign currency and interest rate derivatives amount to €3 million.

The consolidated balance sheet of ThyssenKrupp AG and subsidiaries as of June 30, 2001 as well as the consolidated statements of income and the consolidated statements of stockholders' equity for the nine-month period ending June 30, 2001 including the Notes have been reviewed by KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft, Wirtschaftsprüfungsgesellschaft, Berlin and Frankfurt/Main. Based on the review they are not aware of any material modifications that should be made to the accompanying consolidated financial statements for them to be in conformity with US GAAP.

Scope of consolidation

The interim consolidated financial statements as of June 30, 2001 include 322 domestic and 474 foreign controlled subsidiaries that are consolidated. In comparison with September 30, 2000, 49 subsidiaries were consolidated for the first time, while 41 subsidiaries were deconsolidated. These changes result in an increase of sales in the amount of €125 million and a decrease of income before income taxes and minority interest in the amount of €5 million.

In December 2000, the disposal of the Krupp Werner & Pfleiderer group (Technologies Segment) to a newly founded joint venture of Georg Fischer AG, Schaffhausen, West Private Equity Ltd., a private equity fund registered in London and Westdeutsche Landesbank, Düsseldorf, was concluded. The selling price amounted to €150 million, resulting in profit before taxes in the amount of €71 million.

In February 2001, Thyssen Röhm Kunststoffe GmbH (Materials Segment) was established, in which ThyssenKrupp and Röhm pooled their plastics trading activities. ThyssenKrupp holds an interest of 65.45% in this company. The activities contributed by Röhm are accounted for under the purchase method. As the valuation of assets acquired and liabilities assumed has not been completed yet, the purchase-price allocation preliminarily resulted in a goodwill in the amount of €9 million, subject to straight-line amortization over a period of 20 years.

In April 2001, Ferteco Mineração S.A., a Brazilian iron ore mining corporation (Steel segment) was sold to Companhia Vale do Rio Doce, Rio de Janeiro, at a transaction value of around €790 million; thereof €642 million in cash and €148 million in assumed financial payables. This disposal resulted in a profit before taxes of €330 million for which taxes of €64 million had to be paid in Brazil while it was tax free in Germany.

Income taxes

Income tax expense for the 9 months ending June 30, 2001 amounted to €242 million. The tax reform in effect as of October 2000 has had two main effects on income. First, the general reduction in the corporation tax rate to 25% led to a revaluation of deferred tax assets and liabilities. Second, the exemption from tax on the profits from the sale of domestic investment led to the release of deferred tax liabilities. In total the tax reform resulted in income of €91 million. The gain from the disposal of Ferteco is subject to capital gains tax in Brazil at a reduced rate.



Stockholders' equity

The development of stockholders' equity in the nine-month period ending June 30, 2001 is presented on pages 26 and 27.

From total comprehensive income in the current reporting period, €311 million was generated within the 3rd quarter of 2000/2001. Change in total comprehensive income for the previous year's reporting period from September 30, 1999 to June 30, 2000 amounted to €637 million, €270 million thereof being allocable to the 3rd quarter of 1999/2000.

In the reporting period of the current fiscal year, treasury stock was acquired in compliance with Art. 71, paragraph 1 no. 2 Stock Corporation Act, to be subsequently issued to staff.

Commitments and contingencies

In comparison with the consolidated financial statements as of September 30, 2000 the commitment to investment projects for stage one of the Shanghai stainless steel mill declined by €170 million to €51 million as of June 30, 2001.

Segment reporting

During the first quarter of 2000/2001, the strategic concept was adjusted to the changing market and environment conditions. Accordingly, the Group organization now comprises the six operating segments of Steel, Automotive, Elevator, Technologies, Materials and Serv plus the activities of Real Estate. The segments are run directly by ThyssenKrupp AG and developed within the scope of an active portfolio management, with due consideration of their individual particularities. The newly created Technologies segment includes Production Systems, Mechanical Engineering, Marine and Plant Technology.

In addition, the presentation of segments has been adjusted to reflect foreign currency transactions at their current values and derivatives at their current market values.

Values reported for the previous year were adjusted accordingly.

Segment information on the nine-month period ending June 30, 2000 and June 30, 2001 respectively as well as on the three-month period ending June 30, 2000 and June 30, 2001 respectively is presented on pages 26 and 27.

Earnings per share

Basic earnings per share is computed as follows:

	9 months ending June 30, 2000	9 months ending June 30, 2001	3rd quarter ending June 30, 2000	3rd quarter ending June 30, 2001
Net income in million €	376	583	205	270
Weighted average shares	514,489,044	514,489,044	514,489,044	514,489,044
Basic earnings per share in €	0.73	1.13	0.40	0.52



Stockholders' equity

million €		Capital stock
Balance as of Sept. 30, 2000		1,317
Net income		
Other comprehensive income		
Total comprehensive income		
Capital increase at subsidiaries		
Dividend payment		
Treasury stock purchased		
Treasury stock issued		
Balance as of June 30, 2001		1,317

Segment information

million €		Steel	Automotive
9 months ending June 30, 2000			
External sales		7,602	4,592
Internal sales within the Group		1,786	3
Total sales		9,388	4,595
Income/(loss) before income taxes and minority interest		376	245
9 months ending June 30, 2001			
External sales		7,920	4,674
Internal sales within the Group		1,710	7
Total sales		9,630	4,681
Income/(loss) before income taxes and minority interest		587	107
3 months ending June 30, 2000			
External sales		2,644	1,620
Internal sales within the Group		662	2
Total sales		3,306	1,622
Income/(loss) before income taxes and minority interest		225	95
3 months ending June 30, 2001			
External sales		2,579	1,630
Internal sales within the Group		583	20
Total sales		3,162	1,650
Income/(loss) before income taxes and minority interest		333	44



Accumulated other comprehensive income							
Additional paid in capital	Retained earnings	Cumulative translation adjustment	Available-for-sale securities	Minimum pension liabilities	Derivative financial instruments	Treasury stock	Total
4,673	2,298	485	38	(14)	0	0	8,797
	583						583
		(45)	15	1	3		(26)
							557
6							
	(386)						(386)
						(14)	(14)
1						14	15
4,680	2,495	440	53	(13)	3	0	8,975

Elevator	Technologies	Materials	Serv	Real Estate	Corporate	Consolidation	Group
2,168	4,313	7,047	1,125	230	145	0	27,222
16	29	460	228	25	36	(2,583)	0
2,184	4,342	7,507	1,353	255	181	(2,583)	27,222
115	26	105	19	50	(98)	(63)	775
2,541	3,996	7,207	1,563	209	252	0	28,362
14	15	491	236	21	25	(2,519)	0
2,555	4,011	7,698	1,799	230	277	(2,519)	28,362
143	99	10	(16)	46	(134)	(10)	832
772	1,595	2,542	470	88	64	0	9,795
3	11	87	85	12	20	(882)	0
775	1,606	2,629	555	100	84	(882)	9,795
32	78	55	7	17	(52)	(49)	408
906	1,398	2,385	550	72	78	0	9,598
18	19	163	82	6	9	(900)	0
924	1,417	2,548	632	78	87	(900)	9,598
66	24	(28)	1	9	(64)	(11)	374

Subsequent events

In July 2001, ThyssenKrupp and General Ore International Corporation Ltd, Isle of Man, signed an agreement for the sale of Krupp Seeschiffahrt GmbH, Hamburg (Corporate), to be concluded by September 30, 2001. This transaction will not result in a material gain but will reduce the financial payables by around €0.4 billion.

In order to concentrate on the flat steel business Thyssen Schienen Technik GmbH, Duisburg (Steel segment) was sold to Voest-Alpine Schienen GmbH & Co. KG, Austria in July 2001. The completion of the sale is still awaiting the antitrust approval of the EU Commission. This transaction will also not result in a gain.

Negotiations on the acquisition of the Suspension Systems and Shock Absorbers division of Magneti Marelli, a company of the Fiat Group, are still ongoing.

In July 2001 the American Financial Accounting Standards Board (FASB) issued SFAS 141 "Business Combinations" and SFAS 142 "Goodwill and Other Intangible Assets". The new standards eliminate the amortization of goodwill; in addition new rules for the measurement of impairment were established. Effective October 1, 2001 ThyssenKrupp intends to waive the amortization of any existing goodwill as of June 30, 2001. The company is currently assessing the impact of the new standards.

Important dates 2001/2002

- early December 2001** – initial overview of the 2000/2001 fiscal year
- January 15, 2002** – Annual press conference
– Analysts' meeting
- March 1, 2002** – Interim report
1st quarter 2001/2002 (October to December)
– Annual Stockholders' Meeting

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