

ThyssenKrupp AG

**Interim Report 1st quarter 2007 — 2008**

October 01 – December 31, 2007

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01

**ThyssenKrupp**



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Interim report 1st quarter 2007—2008  
October 01 – December 31, 2007

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The financial statements of the ThyssenKrupp Group are prepared in accordance with International Financial Reporting Standards (IFRS). This interim report was published on February 13, 2008.

## The Group in figures

### GROUP

		1st quarter comparatives			
		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007	Change	Change in %
Order intake	million €	13,301	13,270	– 31	0
Sales	million €	12,332	12,270	– 62	– 1
EBITDA	million €	1,507	1,083	– 424	– 28
Earnings before taxes (EBT)	million €	1,062	646	– 416	– 39
Net income	million €	661	435	– 226	– 34
Basic earnings per share	€	1.31	0.85	– 0.46	– 35
Employees (Dec. 31)		184,240	193,137	8,897	5

		Sept. 30, 2007	Dec. 31, 2007
Net financial liabilities/(receivables)	million €	(223)	859
Total equity	million €	10,447	10,735

### SEGMENTS

	Order intake (million €)		Sales (million €)		Earnings before taxes (EBT) (million €)		Employees		
	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007	Dec. 31, 2006	Sept. 30, 2007	Dec. 31, 2007
Steel	3,123	3,188	3,118	3,214	399	353	38,837	39,559	39,922
Stainless	1,913	2,150	1,971	1,838	325	– 45	12,221	12,182	12,075
Technologies	3,428	3,212	2,792	2,822	148	179	52,954	54,762	55,567
Elevator	1,299	1,466	1,083	1,184	97	119	37,279	39,501	40,191
Services	4,207	3,951	3,972	3,867	192	132	40,690	43,012	43,054
Corporate	194	34	194	34	(93)	(84)	2,259	2,334	2,328
Consolidation	(863)	(731)	(798)	(689)	(6)	(8)	—	—	—
<b>Group</b>	<b>13,301</b>	<b>13,270</b>	<b>12,332</b>	<b>12,270</b>	<b>1,062</b>	<b>646</b>	<b>184,240</b>	<b>191,350</b>	<b>193,137</b>

## ThyssenKrupp in brief

We have more than 193,000 skilled and committed employees around the world working in the areas of Steel, Capital Goods and Services to provide innovative solutions for sustainable progress for our customers in over 70 countries on all five continents. In our five segments – Steel, Stainless, Technologies, Elevator and Services – we are meeting the global challenges and turning them into opportunities. Our high-tech materials, plants, components and systems offer answers to many questions of the future. The Group headed by ThyssenKrupp AG includes, directly and indirectly, almost 900 subsidiaries and equity interests. Two-thirds of our over 2,400 production sites, offices and service bases are outside Germany.

## Group review

### ThyssenKrupp – expectations confirmed

ThyssenKrupp performed in line with our expectations in the 1st quarter 2007/2008. Order intake and sales reached the high levels of the prior-year quarter. The Group's earnings before taxes amounted to €646 million. Before major nonrecurring items EBT was €715 million. Profits were therefore higher than planned but, as expected, lower than a year earlier. The prior-year quarter was boosted by exceptionally strong demand and very high base prices for stainless steel, which were both absent in the reporting quarter in the Stainless and Services segments.

The highlights for the 1st quarter 2007/2008 were as follows:

- Order intake, as in the prior-year quarter, was €13.3 billion.
- Sales were €12.3 billion, again as in the prior-year quarter.
- EBITDA was €1,083 million, compared with €1,507 million in the prior year.
- Earnings before taxes decreased from €1,062 million in the prior-year quarter to €646 million.
- Earnings per share fell from €1.31 in the prior-year quarter to €0.85.
- Net financial liabilities at December 31, 2007 were €859 million – an increase of €1,082 million compared with September 30, 2007, when we reported net financial receivables of €223 million. The increase in the 1st quarter is thus roughly the same as the change in the prior-year quarter, when there was an increase of €1,138 million.

### Earnings outlook stable

For 2007/2008 we forecast earnings before taxes and major nonrecurring items, including project costs for the steel mills in Brazil and the USA, of over €3 billion. As things stand at present, we expect sales of €53 billion in the current fiscal year. We expect sales to continue to grow in 2008/2009 provided no unforeseen economic downturns impact our business. Growing sales will also be reflected in earnings.

The mid-term sales target for ThyssenKrupp is €60 billion, while our mid-term goal for sustainable earnings before taxes and major nonrecurring items is €4 billion. In the longer term, especially after the startup of the steel mills of Steel and Stainless in North America and the investments of the other segments in other regions, we aim to achieve sales of around €65 billion and earnings before taxes and major nonrecurring items of €4.5 to 5.0 billion.

### Overall economic growth weaker

The strong global economic growth continued in 2007. However, the momentum slowed noticeably in some regions in the final quarter, mainly because of uncertainties due to the US mortgage crisis and increasing energy and raw material costs. Nevertheless, with growth of around 5%, world GDP remained at a high level in 2007.

In the USA, economic growth slowed markedly at the end of the year. The credit squeeze and uncertain economic prospects dampened business spending. In the euro zone, the performance of the economy was still mainly positive in the second half of 2007. The upturn in Germany was driven mainly by brisk business spending.

The pace of growth remained high in the developing countries of Asia, Latin America and Central and Eastern Europe, particularly so in China and India. Latin America benefited from the continuing raw material boom. Russia and the majority of the Central and Eastern European economies also recorded extremely dynamic growth.

In the sectors of importance to ThyssenKrupp the picture was as follows:

- Against the background of a slowing world economy, the international steel markets remained in a stable condition. World steel production in the final quarter of 2007 was higher than a year earlier. However, month-on-month production growth in China slowed markedly. This was partly the result of increased political pressure on China to stem exports; in addition, the drastic increases in raw material costs forced smaller steel producers to cut production. In the USA, the steel market returned to equilibrium following a drawdown of excess inventories. Demand picked up – mainly due to stock replenishment – and initial price increases were achieved. The European steel industry, which benefited from the strong performance of customer industries throughout 2007, also profited from increased output at steel users in the fourth quarter, though steel consumption growth was probably not quite as high as previously. Demand for carbon steel flat products improved compared with the low level of the summer months but was dampened towards the end of the period by inventory drawdowns. Import pressure decreased slightly after the very strong increase at the beginning of the fourth quarter 2007. Significantly higher freight, energy and raw material costs slowed imports from Asia.
- After a phase of very low orders in the previous quarters, order intake for stainless steel flat products increased appreciably in the 4th quarter 2007 as distributors replenished inventories and demand from industrial end users remained stable. The nickel price was relatively stable at around 32,000 US dollars per ton in the first half of the 4th quarter 2007, but decreased to levels of around 26,000 in the second half. As a result, alloy surcharges decreased significantly, while base prices in Europe stabilized, albeit at a low level. Due to the moderate price level, the attractiveness of the European market for third-country imports, particularly from Asia, decreased, easing the pressure on the European stainless market. In North America, the market was slightly weaker, with end customer demand subdued by the US housing crisis. In the Asian markets, which react more sensitively to raw material price fluctuations because of the lack of an alloy surcharge system, the easing of the nickel price resulted in

a temporary stabilization. In the meantime however, mill utilization rates are falling due to production cutbacks by stainless producers, particularly in China. In the nickel alloy segment, customers continued to adopt a wait-and-see attitude. The market for titanium remained generally positive.

- The international auto markets showed a mixed picture. The largest growth rates were recorded in the emerging markets. In China, the strong growth continued in 2007. The Brazilian auto industry recorded significant production increases in the final quarter of 2007. Auto market activity in the major industrial countries was weaker. In the USA, demand and production in the fourth quarter 2007 were lower than a year earlier. Higher new car registrations were recorded in the European Union. In Germany, new car sales fell sharply but car production increased due to high exports. The situation on the truck market remained pleasing.
- The global engineering market continued to perform positively. In China, mechanical engineering output grew at high double-digit rates. German machinery and equipment manufacturers also increased their production strongly over the whole of the year thanks to high orders from home and abroad. Demand in the USA was less favorable.
- The construction industry again recorded high growth rates in Asia and Central and Eastern Europe last year. The German construction industry grew moderately thanks to strong demand for commercial construction. In the USA, construction output fell slightly due to the weakness in housing construction.

THYSSENKRUPP IN FIGURES

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	13,301	13,270
Sales	million €	12,332	12,270
EBITDA	million €	1,507	1,083
Earnings before taxes (EBT)	million €	1,062	646
Employees (Dec. 31)		184,240	193,137

**Order intake and sales stable**

Against the background of slightly weakening economic activity, demand for our products and services remained steady at the high level of the prior-year quarter. Order intake in the 1st quarter 2007/2008 was unchanged from the prior year at €13.3 billion.

SALES in billion €

2006/2007	1st quarter	12.3
	1st half	25.4
	9 months	38.9
	12 months	51.7
2007/2008	1st quarter	12.3

Group sales were also unchanged from the prior-year quarter at €12.3 billion. Whereas sales increased in the Steel segment for price reasons, they decreased in the Stainless segment due to lower stainless steel prices. Despite negative us dollar effects, Technologies exceeded its prior-year-quarter sales. The higher level of sales at Elevator was mainly due to the successful expansion of business in southern Europe. Services felt the impact of weaker materials business in North America.

**As expected, Group earnings down from prior-year quarter**

ThyssenKrupp achieved earnings before taxes of €646 million in the 1st quarter 2007/2008, compared with €1,062 million in the prior-year quarter. The Group's earnings before major nonrecurring items were ahead of plan at €715 million.

As expected, earnings were lower than the prior-year quarter, which was boosted by exceptionally strong demand and very high base prices for stainless steel. These factors were absent in the Stainless and Services segments in the reporting quarter. Technologies and Elevator, on the other hand, significantly bettered their high prior-year earnings. The biggest contribution to earnings came from the Steel segment.

EARNINGS BEFORE TAXES (EBT) in million €

2006/2007	1st quarter	1,062
	1st half	1,634
	9 months	2,853
	12 months	3,330
2007/2008	1st quarter	646

Net sales in the reporting period were level with the corresponding prior-year quarter. At the same time, increased personnel and material costs led to a higher cost of sales. Overall, this resulted in a decrease in gross margin from 19% to 17%.

The increase in administrative expenses by €80 million was mainly connected with the construction of the steel mill in Brazil. The decrease in other operating income by €107 million is mainly due to a fire insurance recovery of €119 million recognized in the comparable prior-year quarter.

After deducting tax expense, net income for the period was €435 million. Deducting from this the minority interest in profits of €21 million, earnings per share is €0.85, compared with €1.31 in the comparable prior-year quarter.

**Net financial liabilities/receivables and capital expenditures**

At December 31, 2007 the Group had net financial liabilities of €859 million. This represented an increase of €1,082 million from September 30, 2007 when we reported net financial receivables of €223 million. The change is due to increased capital expenditures, in particular for the new steel mills, and an increase in working capital.

NET FINANCIAL LIABILITIES/(RECEIVABLES) in million €

2006/2007	December 31	391
	March 31	897
	June 30	806
	September 30	(223)
2007/2008	December 31	859

Capital expenditure in the 1st quarter 2007/2008 totaled €931 million, 12% more than in the prior-year quarter. €898 million was invested in property, plant and equipment and intangible assets, and €33 million in the acquisition of businesses, shareholdings and other financial assets.

### **Good progress on new steel mills**

The mills under construction in Brazil and the USA will open up new transatlantic growth opportunities for ThyssenKrupp. One central ThyssenKrupp Steel project is the construction of a steel plant in Brazil to produce 5 million tons of slabs per year. Implementation of this major investment is proceeding at a fast pace. Construction of all the major works, including port, coke plant, raw materials handling, sinter plant, blast furnaces, steelmaking shop, power plant and the entire infrastructure, is in full swing. Work has begun on erecting structural steelwork. At the end of 2007 contracts had been awarded for 86% of the total procurement volume. 12,000 people are currently employed on the construction site. All of ThyssenKrupp CSA's employees transferred to the site in October last year. Training programs for employees in Germany and Brazil are being carried out to schedule.

The processing and coating capacities at our German plants are being expanded to handle around 2 million tons of slabs from Brazil. All the investments planned to expand the hot strip mills in Bochum and Duisburg-Beeckerwerth and install the necessary infrastructure are being implemented. The ramp-up phase is scheduled to begin in mid-2008. Investments are being implemented in five existing hot dip coating lines to improve quality and increase capacity. Decisions on the award of further projects in the cold rolling and coating areas are planned in fiscal 2007/2008.

The construction of a joint ThyssenKrupp Steel/ThyssenKrupp Stainless plant complex in the USA is also making good progress. The groundbreaking took place in Calvert/Alabama on November 02, 2007 in the presence of high-ranking politicians and guests. Since then, work on the construction site has accelerated. Ground preparation work, which was begun shortly after the site decision was made, has been largely completed. Key environmental permits were granted by the authorities in record time. The contracts for the main production units – hot strip mill, cold rolling mill and hot-dip coating lines – were awarded in a global bidding process. Recruitment has been stepped up.

## Segment review

### Steel: Holding up well

#### STEEL IN FIGURES

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	3,123	3,188
Sales	million €	3,118	3,214
Earnings before taxes (EBT)	million €	399	353
Employees (Dec. 31)		38,837	39,922

The Steel segment again increased its business slightly in the 1st quarter 2007/2008, despite a slightly weaker market environment. The value of orders received climbed by 2% to €3.2 billion; this was due to higher prices, with order volumes virtually unchanged from the prior year. Sales rose by 3% to €3.2 billion, which was also due to higher prices with shipments down slightly from the prior-year quarter. The segment generated a profit of €353 million, compared with €399 million in the same prior-year quarter. The decline is due to lower profit contributions from the Industry and Auto business units and to the project costs of the steel mill project in Brazil.

#### Corporate

Effective October 01, 2007 the administrative functions at ThyssenKrupp Steel AG as well as the strategic investment projects in Brazil and the USA were grouped together in a new business unit Corporate. Previously they had been part of the Steelmaking business unit. Due to the rising project costs of the steel mill project in Brazil, the unit's loss increased from the prior year.

#### Steelmaking

Steelmaking now comprises only the metallurgical operations in Duisburg and the transportation companies. Compared with the prior year crude steel production increased by 5% to 3.7 million metric tons, with all units working at full capacity. The new blast furnace 8 was put into operation in December. With a daily capacity of 5,600 tons of hot metal it will replace blast furnace 4, which will serve as a spare in the future. Steelmaking's sales to external customers were lower than a year earlier. However the business unit moved to a profit from a loss in the prior year, when earnings were impacted by the limited availability of a blast furnace.

#### Industry

The Industry business unit recorded an increase in sales and a slight decrease in shipments. Compared with the prior year, price levels were higher in both long-term and quarterly deals. Shipments to industrial customers remained steady, with most customer groups enjoying continuing good workloads. The heavy plate business recorded a drop in volumes due to excess inventories at distributors, but sales increased strongly thanks to higher prices. Effective October 01 the organic coated steel and construction elements operations were combined to form the Color/Construction competence center. Sales of organic coated steel were virtually unchanged, but market prices came under pressure – not least due to high imports. The construction elements business recorded significant sales losses in Germany but these were offset by volume gains in the rest of Western Europe. In November 2007 ThyssenKrupp Steel opened a new components plant in Hungary in response to fast-growing demand

for steel sandwich elements in Central and Eastern Europe. The European steel service centers again recorded above-average business growth thanks to another slight increase in volumes and higher prices in annual contracts. All sectors of the Industry business unit – with the exception of heavy plate – recorded a decline in profits. Increased starting material costs were not fully offset by measures to increase efficiency.

#### **Auto**

Sales in the Auto business unit increased due to higher prices in contracts with the auto industry. Tailored Blanks profited from higher orders from key auto customers, mainly in Germany. Business on the US auto market was more difficult. Our steel service centers there recorded volume losses; in addition there were negative effects from the rise in the euro exchange rate. However, US dollar prices remained at a high level. In total the Auto business unit recorded a lower profit than a year earlier. Earnings were impacted by lower shipments and higher energy and raw material costs, which were not fully offset by price increases and continuing performance programs. Tailored Blanks reported an increase in profits from the prior year.

The Metal Forming unit, which has been part of the Steel segment since the beginning of the past fiscal year, increased its sales on the back of higher orders from auto manufacturers but posted another loss. The strategic plan drawn up for this unit provides for the optimization of the European production network, strengthening of the profitable chassis activities and an increased presence in growth markets.

#### **Processing**

Sales of the Processing business unit, which combines our tinplate, medium-wide strip and grain-oriented electrical steel activities, were slightly higher than a year earlier; profits rose more strongly. The volume of tinplate business was down, with Rasselstein unable to match its high prior-year shipments. Profits also fell. In a continuing positive market, Hoesch Hohenlimburg held its shipments steady at a high level and increased its sales again thanks to continued price increases. This was accompanied by a large rise in profits. The grain-oriented electrical steel business also continued to perform very well. Sales grew strongly, mainly due to increased prices, but there was also a slight rise in shipments. As a result, earnings improved significantly from the prior-year quarter.

**Stainless: Earnings impacted by market developments**

## STAINLESS IN FIGURES

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	1,913	2,150
Sales	million €	1,971	1,838
Earnings before taxes (EBT)	million €	325	(45)
Employees (Dec. 31)		12,221	12,075

ThyssenKrupp Stainless recorded significant year-on-year growth in the volume of orders received thanks to increasing demand from distributors and stable end-user demand. In value terms, order intake increased by 12% to €2.2 billion despite the extremely low price level. In the stainless steel unit, order volume increased by 33% for cold-rolled and 37% for hot-rolled coil. In the case of nickel alloys, order volume decreased by 8%.

Overall deliveries by ThyssenKrupp Stainless were lower than a year earlier at around 537,000 metric tons. The decline affected both stainless cold- and hot-rolled and the high-performance materials. Sales fell by 7% to €1.8 billion. The main reason for the fall was the low price level, caused by a significant drop in base prices and a reduction in alloy surcharges due to falling nickel prices.

Earnings of the Stainless segment fell by €370 million, resulting in a loss of €45 million. The decrease was mainly due to the drastic fall in base prices compared with the prior-year quarter and continuing underutilization of capacity in the reporting quarter. Whereas the prior-year quarter was marked by a still very high base price level, the base price in the 1st quarter 2007/2008 was at an extremely low level, but with orders rising again. The drastic fall in nickel prices from mid-2007 resulted in market uncertainty and a reluctance to spend. Distributors began running down stocks, which accelerated the fall in base prices. As a result, inventories again had to be written down in the reporting period.

**ThyssenKrupp Nirosta**

After several months of weak orders the ThyssenKrupp Nirosta business unit recorded a recovery in demand from distributors and stable business with end customers. This generally positive trend was reflected in a significant rise in order volumes, though mainly for cold-rolled strip. Demand for hot-rolled strip was still relatively weak. Capacities were therefore still underutilized, especially in the steelmaking shops. Sales almost matched the prior-year level. Due to the deterioration in prices, earnings fell significantly.

### **ThyssenKrupp Acciai Speciali Terni**

ThyssenKrupp Acciai Speciali Terni also saw a recovery in demand for stainless products, particularly from service centers and distributors, in the 1st fiscal quarter. Here too, however, demand for hot-rolled products was weak. As a result, capacity utilization in the cold rolling mills and especially in the steelmaking shops was lower than in the prior-year quarter, which was reflected in the lower sales of the business unit. Earnings decreased significantly. Costs directly related to the relocation of production from Turin to Terni also weighed down on earnings. Profits from the titanium business were virtually unchanged from the prior year.

On December 06, 2007 a tragic fire occurred in the Turin plant which claimed the lives of seven employees. Since then production at the Turin cold rolling mill has been suspended on the instructions of the authorities.

### **ThyssenKrupp Mexinox**

The volume of orders received by ThyssenKrupp Mexinox was slightly higher than a year earlier despite the weaker market in the NAFTA region. The value of orders received decreased for price reasons. Sales were lower than in the prior-year quarter. Earnings also fell significantly in this weaker market environment.

### **Shanghai Krupp Stainless**

Shanghai Krupp Stainless recorded higher order volumes as distributors replenished their inventories. Production of ferritic stainless steels was increased in response to higher demand. Sales and profits were lower than in the prior-year quarter. The fall in profits was due to the continuing difficult market environment in China and the absence of contract work carried out for ThyssenKrupp Nirosta in the prior-year quarter.

### **ThyssenKrupp Stainless International**

Order intake and sales in the ThyssenKrupp Stainless International business unit were lower than in the prior-year quarter. In addition, the significantly lower price level on the international stainless steel markets resulted in noticeable earnings losses. However, the company now has increased sales potential as a result of additional service centers to supply the markets in Central and Eastern Europe and the UK.

### **ThyssenKrupp VDM**

In the nickel alloy business, the wait-and-see attitude of customers resulted in a fall in order intake and sales from the prior year quarter. The relocation of wire production from Bärenstein to Werdohl has been largely completed. The construction of the new forging line, which will officially begin operation in May 2008, will widen ThyssenKrupp VDM's range of products, particularly for the aerospace industry. Profits were virtually unchanged from the prior year.

**Technologies: Earnings again higher****TECHNOLOGIES IN FIGURES**

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	3,428	3,212
Sales	million €	2,792	2,822
Earnings before taxes (EBT)	million €	148	179
Employees (Dec. 31)		52,954	55,567

The Technologies segment made a good start to the new fiscal year. Following the record level achieved in the prior-year quarter, order intake was again high at €3.2 billion in the 1st quarter 2007/2008. Thanks to the good project situation in the plant technology sector, further major orders are expected in the quarters ahead. At €2.8 billion, sales were higher than the prior-year level despite the negative effects of the US dollar exchange rate. Orders in hand at December 31, 2007 increased strongly to €15.7 billion, securing more than a year's sales. The profit of €179 million represents a quarterly record and a significant increase from the high level of the prior year. Contributory factors in this included the continuing good order situation at Plant Technology and lower personnel costs.

As part of the further optimization of the segment portfolio, the search for a best owner for the precision forging operations was successfully concluded. The purchaser will be the Indian Sona group, which produces steering systems, rear axle parts and cold forgings for transmission, engine and powertrain components. By purchasing the precision forging operations, Sona intends to build a world-leading forging group.

**Plant Technology**

The order situation at Plant Technology remained pleasing. High order volumes were achieved particularly in chemical and cement plant engineering. Order intake for mining and materials handling equipment was slightly down from the prior-year quarter, which was boosted by major orders. Thanks to a large increase in orders in hand, sales were up again from the high prior-year level. This growth is being driven by the global megatrends in the climate, environmental, energy and infrastructure sectors. Plant Technology improved again on the high profit level of the prior-year quarter and made the biggest contribution to segment earnings.

**Marine Systems**

Marine Systems enjoyed continuing high demand in its repair and service business with significant growth in orders. Orders for surface vessels were slightly down from the prior-year quarter. Overall the project situation in the naval shipbuilding sector is promising and major orders are expected in the quarters ahead. Sales were lower than the comparable prior-year value due to lower percentage completion rates on orders in hand in the submarine unit. Marine Systems generated a profit equal to the prior-year quarter.

### **Mechanical Components**

The Mechanical Components business unit received higher orders for high-tech components for cars, construction equipment and general engineering uses. In particular demand for slewing bearings and rings for the wind energy sector remained steady at a high level. Sales were up from the prior-year quarter, although the continued appreciation of the euro against the us dollar had an increasing impact. Mechanical Components was not quite able to match the high profits of the prior-year quarter, which were boosted by disposal gains. Earnings were also impacted by declining us demand and the continued depreciation of the us dollar, whereas the continuing strong demand for slewing bearings and rings led to positive earnings effects.

### **Automotive Solutions**

The Automotive Solutions business unit expanded its business with innovative system solutions for the auto industry. Order intake and sales showed a pleasing increase mainly due to higher orders for axle modules from German manufacturers. As in the prior year, Automotive Solutions generated a small profit. Higher profits in the steering column and steering system business were partly offset by a decline in assembly system, tooling and carbody business caused by a low-margin order backlog and restructuring costs in the assembly systems unit. To secure the future of the business, cost-reducing site optimization and streamlining measures and efficiency programs were initiated.

### **Transrapid**

Transrapid recorded a small profit on higher sales. Compared with the prior-year period earnings contributions from the Chinese license agreement had a positive effect.

**Elevator: Successful start to new fiscal year**

## ELEVATOR IN FIGURES

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	1,299	1,466
Sales	million €	1,083	1,184
Earnings before taxes (EBT)	million €	97	119
Employees (Dec. 31)		37,279	40,191

Elevator made a successful start to the 2007/2008 fiscal year. Despite the negative impact of price and margin pressure, both order intake and sales improved significantly against the previous year. Order intake climbed 13% to €1.5 billion. Sales were up by 9% to €1.2 billion. In the same period the segment's profit showed a significant 23% increase to €119 million.

**Central/Eastern/Northern Europe**

The Central/Eastern/Northern Europe business unit exceeded its year-earlier order intake and sales. In France the growth was mainly attributable to the continued pleasing performance of the modernization business. Business activities in Germany, the Benelux countries and Northern Europe were further expanded. All regional activities matched or slightly improved on their prior-year profits. In the United Kingdom profit was down, which led to a slight fall in earnings for the business unit as a whole.

**Southern Europe/Africa/Middle East**

The Southern Europe/Africa/Middle East business unit achieved a considerable improvement in both order intake and sales. Most of the growth was generated in Spain and Italy. While the new installations and service activities were further expanded in Spain, newly acquired companies were responsible for the growth in Italy. The significant improvement in the business unit's profit is mainly attributable to the business activities in Spain.

**Americas**

The Americas business unit significantly increased its order intake from a very good prior-year level and reported slight sales growth despite negative exchange-rate effects. The growth in order intake is attributable in particular to North America, where the new installations and service businesses were again expanded. The business situation in Brazil was also very encouraging and easily compensated for the slight weakening of activities in the other countries of Latin America. The business unit again achieved a higher profit.

### **Asia/Pacific**

The Asia/Pacific business unit significantly expanded order intake and sales despite unfavorable exchange-rate effects. Continued strong growth in the new installations business in China contributed to the good performance. Order intake in Korea was lower than a year earlier. Compared with the year before, the business unit reported a profit. Alongside increased earnings contributions in China, this reflects in particular a reduced loss in Korea.

### **Escalators/Passenger Boarding Bridges**

In the Escalators/Passenger Boarding Bridges business unit, both order intake and sales fell far short of the prior-year figures. While the escalator business was negatively affected by price-intensive competition, the reduction of business in passenger boarding bridges was due to the deferral of major orders. The business unit reported a loss overall.

### **Accessibility**

The Accessibility business unit successfully continued its expansion. However, the significant growth of the European activities could not outweigh the decline in demand in the USA caused by the housing market crisis. This impacted profits with the result that the prior-year figure was merely repeated.

**Services: High sales despite weaker market**

## SERVICES IN FIGURES

		1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31 2007
Order intake	million €	4,207	3,951
Sales	million €	3,972	3,867
Earnings before taxes (EBT)	million €	192	132
Employees (Dec. 31)		40,690	43,054

The Services segment achieved sales of €3.9 billion in the 1st quarter, down 3% from the same period the year before. Compared with the extremely good prior-year quarter, income was €60 million lower at €132 million.

**Materials Services International**

With demand largely stable, sales in the segment's largest business unit remained level with the previous year. However, selling prices came under pressure, especially on the Eastern European market which was affected by fiercer competition and growth in imports. The stainless steel business was in a very weak state with distinct price reductions. Towards the end of the quarter a slight trend reversal seemed to be emerging in this product area. The plastics business in Germany and abroad was very stable in terms of both sales and earnings. Although Materials Services International reported a significantly lower profit overall, the business unit nevertheless made the strongest contribution to the segment's earnings.

Services continued its growth strategy in attractive regions and markets. At October 1, 2007, an 80% shareholding was acquired in Ferostav spol. s.r.o., the third largest steel distributor in Slovakia. This will further expand the segment's market position in Eastern Europe.

Services acquired all the shares in the UK-based Apollo Metals Group with economic effect at January 1, 2008. Apollo supplies high-grade products such as aluminum, stainless steel and nonferrous metals with value-adding processing services predominantly for the aerospace industry and its supply chains. The acquisition will combine the Apollo group's largely European and Far Eastern businesses with ThyssenKrupp Services' mainly USA-based operations to form a global enterprise with 30 locations in 13 countries and annual sales of currently around €500 million.

**Materials Services North America**

The North American materials market slowed more noticeably than the European market, impacting both volumes and prices. With stainless steel prices also plummeting, the business unit was unable to match its excellent prior-year sales and above all income.

### Industrial Services

Industrial Services reported slightly higher sales in the 1st quarter. The workload and order situation in Germany was satisfactory, in some sectors good to very good. This was true for example of the mechanical engineering and energy sectors. While sales decreased in Scandinavia due to the completion of a major order, they increased further in America. The Brazilian activities performed very well. In North America sales were further expanded despite the lower value of the US dollar against the euro. Although Industrial Services' earnings were down from the previous year as a result of nonrecurring items, the unit's operating profit increased.

### Special Products

The business unit matched the high sales level of the year before. The international rolled steel business was impacted by slightly lower demand, reflecting a wait-and-see approach by customers in virtually all product areas, and significantly higher freight costs. By contrast, demand and prices for metallurgical raw materials remained stable at a relatively high level. Coke and minerals, especially from China, were subject to limited availability. As a result, prices on the world market increased; the same was true of freight rates. However, the overall growth in sales of raw materials was set against a decline in sales in the technical systems business, which was due only to billing technicalities. Reflecting in particular the positive performance of the raw materials business, the business unit further improved on the record earnings of the previous year.

**Corporate** includes the Group's head office and internal service providers as well as inactive companies not assignable to individual segments. Also included here is the non-operating real estate, which is managed and utilized centrally by Corporate. The retained assets and liabilities of ThyssenKrupp Budd were also assigned to Corporate. The disposal in the meantime of this company's operations is responsible for the decrease in Corporate's sales.

Corporate reported a loss of €84 million, an improvement of €9 million compared with the prior-year quarter. A major role in this was played by the Real Estate unit thanks to an improvement in risk provisions for contaminated land. In addition, Corporate's net interest income from the Group's internal financing system improved among other things as a result of higher intercompany receivables and the rise in the interest rate. Running counter to this were the non-cash effects of the fair value measurement of the cross-currency swap.

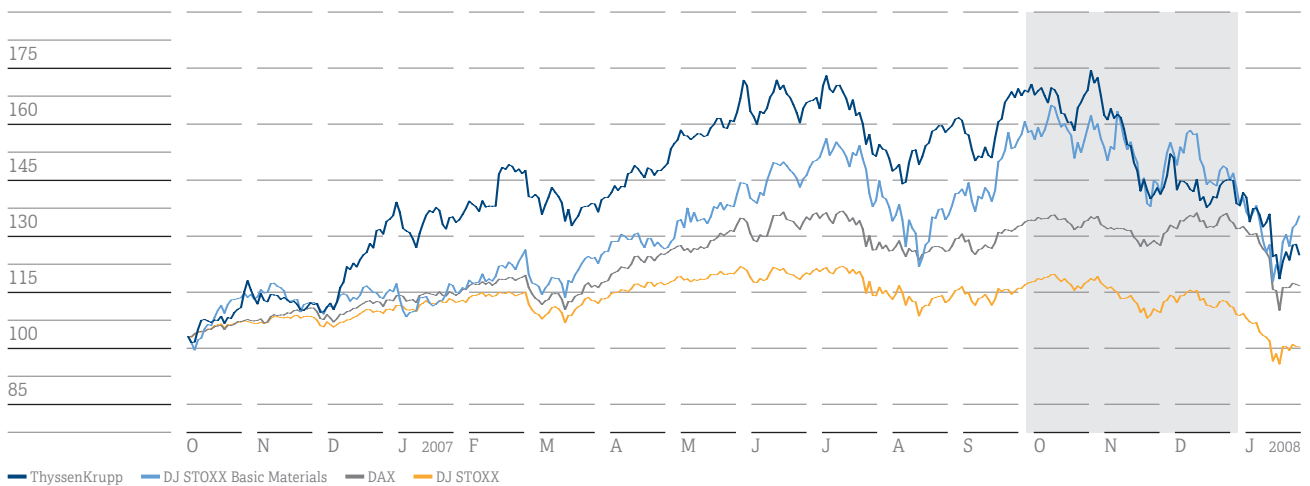
**Consolidation** mainly includes the results of intercompany profit elimination.

## ThyssenKrupp stock

### Concerns about the economy weigh on share price

With the economy showing signs of weakening, ThyssenKrupp's stock lost 14% in the 1st quarter 2007/2008 compared with September 28, 2007. However, viewed over the longer term including the 2006/2007 fiscal year, it still outperformed the DAX and DJ STOXX indices.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON indexed, Oct. 2, 2007 to Jan. 31, 2008, in %



### Growth – key subject of discussion at the analysts' and investors' conference

After a further year of record growth in the Group's value and earnings, the 2007 analysts' and investors' conference focused on the following subjects:

- 2007/2008 earnings forecast,
- medium and long-term targets,
- value management,
- growth drivers in the segments, and
- ThyssenKrupp's share in megatrends such as energy, climate, raw materials, mobility.

Detailed information on the conference, which is held each year at the end of November/ beginning of December, is available for download on the Investor Relations pages of our website (<http://www.thyssenkrupp.com>).

### Directors' dealings

The management's faith in the Company's growth, sustained performance and value generation is reflected in the directors' dealings from October 01, 2007 until the interim report was authorized for issue on February 07, 2008:

#### DIRECTORS' DEALINGS 1ST QUARTER 2007/2008

Name	Date/ Place	Function	Financial instrument	Transaction type	Quantity	Price in €	Total volume in €
Prof. Dr. Bernhard Pellens	Dec. 4, 2007 Frankfurt a. M.	Supervisory Board member	ThyssenKrupp stock	Purchase	800	38.00	30,400.00
Ralph Labonte	Dec. 4, 2007 Xetra	Executive Board member	ThyssenKrupp stock	Purchase	3,875	37.95	147,056.25
Dr.-Ing. Ekkehard D. Schulz	Dec. 4, 2007 Xetra	Executive Board Chairman	ThyssenKrupp stock	Purchase	6,500	38.31	249,019.97
Dr.-Ing. Ekkehard D. Schulz	Dec. 11, 2007 Xetra	Executive Board Chairman	ThyssenKrupp stock	Purchase	6,600	37.47	247,320.00
Dr.-Ing. Ekkehard D. Schulz	Jan. 21, 2008 Xetra	Executive Board Chairman	ThyssenKrupp stock	Purchase	7,550	32.98	249,012.59

### Basic information on the stock market listing

ThyssenKrupp stock has been listed on the following stock exchanges since March 25, 1999:

#### THYSSENKRUPP STOCK MASTER DATA

		Securities identification number
<b>Stock exchange</b>		
Germany	Frankfurt (Prime Standard), Düsseldorf	DE 000 750 0001 International Stock Identification Number (ISIN)
United Kingdom	London Stock Exchange	5636927
<b>Symbols</b>		
Stock exchange	Frankfurt, Düsseldorf	TKA
	London	THK
Reuters	Frankfurt Stock Exchange	TKAG.F
	Xetra trading	TKAG.DE
Bloomberg		TKA GR

## Innovations

### New ideas for demanding customers

In all segments our researchers and engineers worked on developing and enhancing our materials, facilities and processes. In the Steel segment they developed a new, high-strength steel for automotive bodies. Thanks to its enhanced strength, the material permits weight savings and at the same time meets the high quality standards placed on large car body exterior panels. A renowned auto manufacturer is to use the steel in initial processing trials.

A new application has been developed for a coil coated steel grade with a finish resembling high-priced materials such as copper or titanium which is also available in different colors. Originally developed for the electrical appliance industry, the innovative product is now also proving successful in interior design applications. Logos, text and other decorative elements can be printed on the material by the thermal sublimation process.

Because of the high price of nickel, the market is increasingly calling for resource-saving stainless materials with good forming properties. To meet this demand, the Stainless segment developed the new material 1.4640 as a low-cost alternative to the well-known austenitic Cr-Ni steel 1.4301. A patent application has been filed with the European Patent Office. The innovation is based on the successful combination of the elements chromium, nickel, manganese, copper and nitrogen in the production of a stainless steel material.

The Technologies segment reached a new milestone in the development of fully mobile crushers. The first reference unit for an opencast coal mine went into operation in Yiminhe in China. The new unit can move while in operation (fully mobile operation). These crushers can handle up to 10,000 metric tons of coal, oil sands or iron ore per hour. Compared with stationary systems, which require special transporters to convey the mined material to the crusher, they reduce CO<sub>2</sub> emissions by up to 150,000 tons per year.

We also developed a new manufacturing process for high-strength, lightweight vehicle springs. In the so-called ThermoTecSpring® process the wire is hot-rolled before being wound into a spring. This increases both its strength and toughness. The result is a weight-optimized vehicle spring featuring thinner wire and fewer coils.

The Elevator segment added two newly developed elevators to its range. Firstly a mini machine-room elevator was approved for sale in the Asia/Pacific region. With a maximum speed of 1.75 meters per second, it can carry up to 13 passengers. Requiring no more than the area of the shaft, the machine room is space-saving and low in cost. The second new product is a gearless elevator with very good ride properties intended mainly for use in private homes. It starts and stops extremely gently and is very quiet in operation.

## Employees

### Employee numbers higher

On December 31, 2007, ThyssenKrupp had 193,137 employees worldwide, a rise of 1,787 or 0.9% compared with the end of the previous fiscal year. In particular the Technologies and Elevator segments reported higher employee numbers due to the expansion of their activities.

In Germany the headcount increased by 0.3% to 85,230. This means that 44% of employees were based in Germany. The number of employees outside Germany rose by 1.5% to 107,907. At the end of December 2007, 23% of employees were based in European countries outside Germany and 15% in the NAFTA region. 7% of our employees were in South America and Asia, primarily in China and India, and 11% in other regions.

### Taking responsibility for health and safety

Health and safety is a key corporate objective in all ThyssenKrupp plants. For this reason we have launched the Group-wide “Zero Accidents” initiative to strengthen the health and safety organization at our operations and to further enhance the corresponding management systems. We are also training our executives so that they can set an effective example in matters of health and safety. In Germany alone, 2,400 executives have already taken part in the multi-day training course; a further 1,500 executives will follow. These activities are being organized in close cooperation with the employers’ accident insurance associations. Altogether over 10,000 executives worldwide will undergo training.

All these activities are based on the Group policies on health and safety which clearly state that health and safety rank equally alongside product quality and business success as a corporate goal and represent a central management duty at all levels of the Group. Our policies and safety standards apply at all ThyssenKrupp plants throughout the world. Executives, safety experts and safety officers are constantly working to improve technical safety standards, safety-relevant processes and the safety awareness of all employees. Our specialists provide advice on the reorganization of production plants and processes. At the same time they conduct regular analyses and assessments of existing workplaces, document any need for action and arrange improvements. The health and safety measures are on a broad platform, with the employees being involved in both their organization and ongoing optimization.

The success of the various steps being taken to improve health and safety in our operations is reflected in the fall in the accident ratios. Since the merger of Thyssen and Krupp, accident frequency worldwide has been more than halved and it decreased even further in the 1st quarter of the current fiscal year. We believe that the systematic implementation of our intensified health and safety measures will help prevent many accidents in the future.

Despite all efforts, however, serious and fatal accidents still occur in isolated cases. On November 26, 2007 a service technician in Dresden lost his life while working on an elevator. On December 6, 2007 a tragic accident occurred in the ThyssenKrupp Acciai Speciali Terni cold-rolling plant in Turin; claiming the lives of seven of our employees, this was the most serious accident in the recent history of the company. We regret these accidents and mourn with the victims’ families. We extend our deepest sympathies to the bereaved.

We cannot undo the accident in the Turin cold-rolling mill, but we are trying to alleviate the consequences for the families and in particular the children. The families concerned have received initial financial support from us. In addition, an education fund is being set up for the children of the victims. Donation accounts have been set up within the Stainless segment.

We will do everything we can to clarify the cause of the accident quickly and fully so that tragedies like this can be prevented in the future. Not only do we owe this to those who have died, we also have a responsibility for the future. The tragic accidents show that we must not relax our efforts.

## Financial position

### Analysis of cash flow statement

The amounts taken into account in the cash flow statement correspond to the balance sheet item “Cash and cash equivalents”.

There was a cash outflow of €0.2 billion in the reporting quarter compared with €0.6 billion in the prior-year quarter. The roughly €0.4 billion improvement in operating cash flows was mainly due to the smaller rise in working capital.

Cash outflow from investing activities increased by €0.3 billion to €0.8 billion. This was primarily due to an increase of €0.1 billion to €0.9 billion in capital expenditure on property, plant and equipment, mainly for the construction of the steel mill in Brazil, and to a €0.2 billion decrease in proceeds from disposals of consolidated companies and property, plant and equipment.

As a result, free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, improved by €0.1 billion to €(1.0) billion in the reporting period.

Compared with a year earlier, cash outflow from financing activities increased by €0.2 billion to €0.2 billion. This was due in particular to the increased repayment of financial liabilities in the 1st quarter 2007/2008.

### Analysis of balance sheet structure

The following balance sheet analysis includes assets and liabilities held for sale which are reported separately in the Group’s consolidated balance sheet.

Compared with September 30, 2007, the balance sheet total decreased by €650 million to €37,424 million. This includes an exchange-rate-related reduction of €241 million.

The €532 million increase in non-current assets was mainly the result of a €521 million increase in property, plant and equipment owing to progress on the construction of the steel mill in Brazil.

The €383 million increase in inventories to €9,247 million was primarily due to a decline in shipments in the Steel segment at the end of the reporting period and to delayed customer orders in the Services segment. On account of the weaker business situation in the reporting quarter, the Stainless segment reported a volume- and price-related reduction in inventories.

Trade accounts receivable decreased by €631 million, and trade accounts payable by €567 million. In addition to exchange-rate effects, the reductions were attributable in particular to the lower volume of business in the Stainless segment in the reporting period as well as seasonal factors in the Technologies and Services segments. In the Technologies segment the decrease in trade accounts receivable was also influenced to a large degree by customer payments in the plant technology and marine systems businesses. The €291 million increase in current other non-financial assets includes €120 million higher advance payments.

The €1,243 million reduction in cash and cash equivalents to €2,415 million was mainly due to investment in property, plant and equipment (€867 million) and the repayment of interest-bearing financial liabilities (€205 million).

Total equity increased by €288 million to €10,735 million due to the net income of €435 million achieved in the reporting period and, running counter to this, currency translation expenses (€102 million) which are reported directly in equity, and unrealized losses from derivative financial instruments (€45 million).

## Risk report

### Diversified product and customer structure reduces risks

Thanks to our systematic and efficient risk management system, risks at ThyssenKrupp are contained and manageable. There are no risks threatening the existence of the Company. Business risks are well controlled. On major projects, intensive project controls ensure that set objectives are achieved and variances identified in good time. Our global presence limits the market and cyclical risks of price and volume developments in individual regions. Furthermore, our diversified product and customer structure reduces our sales risks. We hedge against financial risks among other things with derivative financial instruments. The information contained in the risk report in the 2006/2007 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 7.

## Subsequent events, opportunities and outlook

### Subsequent events

Subsequent events between the balance sheet date (December 31, 2007) and the date of authorization for issue (February 07, 2008) are presented in Note 13 to the interim financial statements.

### Global economic growth slowing

We expect slightly weaker growth in world GDP in 2008 compared with the year before. However, the risk of a more severe slowdown in 2008 has increased significantly, in particular as a result of the mortgage crisis in the USA and increasing raw material prices.

In the USA, economic growth is falling as a result of the difficult situation on the housing market, slower investment growth and weakening private consumption. While a recession cannot be ruled out in the first half of 2008, a gradual economic improvement is expected in the second half of the year. In the euro zone and Germany the economy will remain on an upward trend even if growth slows. While net exports will fall due to the strong euro and the slight global slowdown, and investment growth is also slowing, private consumption is expected to recover on account of developments on the labor market. We expect continuing high growth in the developing countries of Asia and in Central and Eastern Europe.

We expect the following developments and opportunities for ThyssenKrupp on the major markets:

- The outlook for the global steel market remains favorable. In particular demand from China, India and the CIS states will continue to increase at above-average rates in the next few years. But growth is also forecast for the other regions. World steel consumption is expected to increase by almost 7% in 2008, corresponding to a rise in crude steel production to over 1.4 billion tons. Demand for raw materials and energy will also continue to rise and impact the cost of steel production - especially via rising prices. The European steel industry expects the steel market to stabilize at a high level in 2008. One factor causing uncertainty is the future development of third-country imports into the EU. However, we expect a slight reduction of import pressure – especially from China.
- The recovery of the stainless steel market is expected to continue in the coming months. The turnaround which began in Europe in the 4th quarter of 2007 with orders and base prices starting to pick up again will continue and lead to higher capacity utilization. In response to the improving market environment, base prices were increased at the end of 2007; further price increases are expected to follow in the course of the year.
- World demand for vehicles will continue to increase. The growth in output is focused on the developing countries of Asia and the Central and Eastern European countries. Production in Western Europe and the USA is expected to stagnate. German production of cars and trucks will not quite match the record output of 2007, falling just short of the 6 million mark.
- In the industrial countries, the mechanical engineering market is expected to weaken in 2008. Slower investment growth in the USA means a slight downturn cannot be ruled out. In Western Europe the high growth rates of the previous year will slacken. Thanks to the good order situation, output in Germany is expected to increase significantly in 2008. The situation in the large-scale plant construction sector will also remain positive.
- Global construction sector growth will continue to be driven by the emerging markets in Asia and Central and Eastern Europe. By contrast, US construction output will fall slightly on account of the weakness of the private housing sector. German construction output is expected to stabilize further thanks to robust commercial construction and increasing public-sector building.

### **Earnings outlook stable**

**Earnings:** For 2007/2008 we forecast earnings before taxes and major nonrecurring items, including project costs for the steel mills in Brazil and the USA, of over €3 billion. As things stand at present we expect sales of €53 billion in the current fiscal year. We expect sales to continue to grow in 2008/2009 provided no unforeseeable economic downturns impact our business. Growing sales will also be reflected in earnings.

The mid-term sales target for ThyssenKrupp is €60 billion, while our mid-term goal for sustainable earnings before taxes and major nonrecurring items is €4 billion. In the longer term, especially after the startup of the steel mills of Steel and Stainless in North America and the investments of the other segments in other regions, we aim to achieve sales of around €65 billion and earnings before taxes and major nonrecurring items of €4.5 to €5.0 billion.

**Employees:** We expect the number of employees to increase to over 196,000 by the end of the fiscal year. In view of the internationalization of the Group, the growth in the workforce will take place almost exclusively outside Germany.

**Research and development:** For the current fiscal year we expect research and development expenditure in excess of €800 million. The focus will be on the development of new products and processes for materials and capital goods. In addition we will further develop our service offering.

**Procurement:** In 2007/2008 materials expense will amount to more than 50% of sales. This is due to the high raw material prices and the buying-in of more complex products and services. We do not anticipate any supply bottlenecks.

**Energy:** Further price increases are expected for oil, natural gas and electricity in the current fiscal year. We are countering this trend by concluding low-cost long-term supply agreements and introducing further measures to increase energy efficiency.

# ThyssenKrupp AG

## Condensed consolidated statement of income

million €, earnings per share in €

	Note	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007
Net sales	10	12,332	12,270
Cost of sales		(9,964)	(10,150)
<b>Gross margin</b>		<b>2,368</b>	<b>2,120</b>
Selling expenses		(695)	(682)
General and administrative expenses		(576)	(656)
Other operating income		199	92
Other operating expenses		(136)	(129)
Gain/(loss) on the disposal of subsidiaries, net		2	0
<b>Income from operations</b>		<b>1,162</b>	<b>745</b>
Income from companies accounted for using the equity method		13	19
Interest income		72	69
Interest expense		(171)	(171)
Other financial income/(expense), net		(14)	(16)
<b>Financial income/(expense), net</b>		<b>(100)</b>	<b>(99)</b>
<b>Income before income taxes</b>		<b>1,062</b>	<b>646</b>
Income tax expense		(401)	(211)
<b>Net income</b>		<b>661</b>	<b>435</b>
<b>Thereof:</b>			
<b>ThyssenKrupp AG's stockholders</b>		<b>641</b>	<b>414</b>
Minority interest		20	21
<b>Net income</b>		<b>661</b>	<b>435</b>
<b>Basic and diluted earnings per share</b>	11		
<b>Net income (attributable to ThyssenKrupp AG's stockholders)</b>		<b>1.31</b>	<b>0.85</b>

See accompanying notes to the condensed consolidated financial statements,

# ThyssenKrupp AG

## Condensed consolidated balance sheet

### ASSETS million €

	Note	Sept. 30, 2007	Dec. 31, 2007
Intangible assets, net		4,581	4,569
Property, plant and equipment, net		9,436	9,898
Investment property		389	387
Investments accounted for using the equity method		461	486
Other financial assets		133	114
Deferred tax assets		385	401
<b>Total non-current assets</b>		<b>15,385</b>	<b>15,855</b>
Inventories, net		8,864	9,202
Trade accounts receivable, net		7,577	6,911
Other financial assets		712	737
Other non-financial assets		1,519	1,808
Current income tax assets		359	350
Cash and cash equivalents		3,658	2,415
Assets held for sale		0	146
<b>Total current assets</b>		<b>22,689</b>	<b>21,569</b>
<b>Total assets</b>		<b>38,074</b>	<b>37,424</b>

### EQUITY AND LIABILITIES million €

	Note	Sept. 30, 2007	Dec. 31, 2007
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings		4,963	5,379
Cumulative income and expense directly recognized in equity thereof relating to disposal groups (Sept. 30, 2007: 0; Dec. 31, 2007: 0)		(241)	(371)
Treasury stock		(697)	(697)
<b>Equity attributable to ThyssenKrupp AG's stockholders</b>		<b>10,026</b>	<b>10,312</b>
Minority interest		421	423
<b>Total equity</b>	06	<b>10,447</b>	<b>10,735</b>
Accrued pension and similar obligations		7,139	7,048
Other provisions		696	670
Deferred tax liabilities		946	941
Interest-bearing financial liabilities		2,813	2,806
Other non-financial liabilities		147	185
<b>Total non-current liabilities</b>		<b>11,741</b>	<b>11,650</b>
Other provisions		1,559	1,376
Current income tax liabilities		592	693
Interest-bearing financial liabilities		825	629
Trade accounts payable		4,960	4,376
Other financial liabilities		833	831
Other non-financial liabilities		7,117	7,025
Liabilities associated with assets held for sale		0	109
<b>Total current liabilities</b>		<b>15,886</b>	<b>15,039</b>
<b>Total liabilities</b>		<b>27,627</b>	<b>26,689</b>
<b>Total equity and liabilities</b>		<b>38,074</b>	<b>37,424</b>

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated cash flow statement

million €

	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007
<b>Operating:</b>		
Net income	661	435
Adjustments to reconcile net income to operating cash flows:		
Deferred income taxes (net)	33	0
Depreciation, amortization and impairment of non-current assets	346	348
Reversals of impairment losses of non-current assets	0	(13)
(Earnings)/losses from companies accounted for using the equity method, net of dividends received	(8)	(17)
(Gain)/loss on disposal of non-current assets	(2)	(1)
Changes in assets and liabilities, net of effects of acquisitions and divestitures:		
- inventories	(1,129)	(410)
- trade accounts receivable	89	600
- accrued pension and similar obligations	(195)	(23)
- other provisions	(114)	(192)
- trade accounts payable	(159)	(566)
- other assets/liabilities not related to investing or financing activities	(90)	(330)
<b>Operating cash flows</b>	<b>(568)</b>	<b>(169)</b>
<b>Investing:</b>		
Purchase of investments accounted for using the equity method and financial assets	(32)	(7)
Expenditures for acquisitions of consolidated companies	(31)	(26)
Cash acquired from acquisitions	0	42
Capital expenditures for property, plant and equipment and investment property	(750)	(867)
Capital expenditures for intangible assets	(19)	(31)
Proceeds from disposals of investments accounted for using the equity method and financial assets	23	1
Proceeds from disposals of previously consolidated companies	135	3
Cash of disposed businesses	(18)	(8)
Proceeds from disposals of property, plant and equipment and investment property	101	40
Proceeds from disposals of intangible assets	13	4
<b>Cash flows from investing activities</b>	<b>(578)</b>	<b>(849)</b>
<b>Financing:</b>		
Proceeds from liabilities to financial institutions	567	210
Repayments of liabilities to financial institutions	(524)	(355)
(Repayments on)/proceeds from notes payable and other loans	0	(81)
Increase in bills of exchange	5	16
(Decrease)/increase of liabilities due to sales of receivables not derecognized from the balance sheet	(14)	5
(Increase)/decrease in current securities	(15)	9
Profit attributable to minority interest	(9)	(16)
Other financing activities	14	(5)
<b>Cash flows from financing activities</b>	<b>24</b>	<b>(217)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,122)</b>	<b>(1,235)</b>
Effect of exchange rate changes on cash and cash equivalents	(8)	(8)
Cash and cash equivalents at beginning of reporting period	4,447	3,658
<b>Cash and cash equivalents at end of reporting period</b>	<b>3,317</b>	<b>2,415</b>
[thereof cash and cash equivalents within disposal groups]	[0]	[0]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:		
Interest received	37	38
Interest paid	42	42
Dividends received	6	8
Income taxes paid	182	67

See note 12 to the condensed consolidated financial statements.

## ThyssenKrupp AG

### Condensed consolidated statement of recognized income and expense

million €

	1st quarter ended Dec. 31, 2006	1st quarter ended Dec. 31, 2007
Foreign currency translation adjustment	(78)	(102)
Unrealized gains from available-for-sale financial assets	13	2
Unrealized losses on derivative financial instruments	(70)	(45)
Tax effect	22	14
<b>Income and expense directly recognized in equity (net of tax)</b>	<b>(113)</b>	<b>(131)</b>
<b>Net income</b>	<b>661</b>	<b>435</b>
<b>Total recognized income and expense for the period</b>	<b>548</b>	<b>304</b>
<b>Thereof:</b>		
<b>ThyssenKrupp AG's stockholders</b>	<b>533</b>	<b>284</b>
Minority interest	15	20

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Notes to the interim condensed consolidated financial statements

### Corporate Information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Germany. The interim condensed consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the “Group”, for the three months ended December 31, 2007, were authorized for issue in accordance with a resolution of the Executive Board on February 07, 2008.

### Basis of presentation

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

The accompanying Group’s interim condensed consolidated financial statements have been reviewed. In the opinion of Management, the interim financial statements include all adjustments of a normal and recurring nature considered necessary for a fair presentation of results for interim periods. Results of the period ended December 31, 2007, are not necessarily indicative for future results.

The preparation of interim financial statements in conformity with IAS 34 Interim Financial Reporting requires Management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The accounting principles and practices as applied in the interim condensed consolidated financial statements correspond to those pertaining to the most recent annual consolidated financial statements. A detailed description of the accounting policies is published in the notes to the annual consolidated financial statements of our annual report 2006/2007. In the 1st quarter ended December 31, 2007, the Group early adopted IFRS 8 “Operating Segments”; the adoption has no impact on the previous identification of segments.

### Recently issued accounting standards

In fiscal year 2007/2008, the IASB has issued the following Standards which still must be endorsed by the EU before they can be adopted:

In January 2008, the IASB issued the amended versions of IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”. The main change concerns the accounting for acquisitions involving the purchase of less than 100% of the shares of a company. An option is added allowing entities to recognize goodwill from an acquisition by the “full goodwill method”, i.e. including the portion attributable to minority interests. In addition, acquisitions or partial disposals of shares without loss of control must be accounted for as equity transactions. Furthermore, all acquisition-related costs must be expensed as incurred. The amended Standards must be applied to business combinations in fiscal years beginning on or after July 01, 2009, while earlier application of both Standards is permitted in fiscal years beginning on or after June 30, 2007. Currently, Management does not expect the adoption of the amended Standards to have a material impact on the Group’s consolidated financial statements.

Also in January 2008, the IASB issued an amendment to IFRS 2 “Share-based Payment”. The amendment clarifies that vesting conditions are service conditions and performance conditions only. It also specifies that all plan cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The application of the amended Standard is compulsory for fiscal years beginning on or after January 01, 2009, while earlier application is permitted. Currently, Management does not expect the adoption of the amended Standards to have a material impact on the Group’s consolidated financial statements.

## 01 EMISSIONS TRADING SCHEME

On January 01, 2005, the Group began to participate in the European Union Emissions Trading Scheme (ETS). The Group received notification from the national emissions-trading agency that it is entitled to receive allowances to emit 56.0 million tons of CO<sub>2</sub> during the compliance period 2005 – 2007. The majority of the total allowances are allocated to the Steel segment. The rights are capitalized at cost as an intangible asset. If the emissions are expected to exceed the amount covered by the available allowances, the Group records an obligation for the purchase of additional allowances.

## 02 ACQUISITIONS AND DISPOSALS

In the 1st quarter ended December 31, 2007, the Group acquired companies that are, on an individual basis, immaterial. Based on the values at the acquisition date, these acquisitions affected, in total, the Group's consolidated financial statements as presented below:

million €

	1st quarter ended Dec. 31, 2007		Fair values as of acquisition date
	Carrying amounts as of acquisition date	Adjustments	
Intangible assets	1	0	1
Goodwill	0	25	25
Property, plant and equipment	16	8	24
Investments accounted for using the equity method	0	(7)	(7)
Deferred tax assets	2	0	2
Inventories	32	0	32
Trade accounts receivable	33	0	33
Other current financial assets	1	0	1
Other current non-financial assets	2	0	2
Current income tax assets	1	0	1
Cash and cash equivalents	42	0	42
<b>Total assets acquired</b>	<b>130</b>	<b>26</b>	<b>156</b>
Deferred tax liabilities	0	1	1
Interest-bearing non-current financial liabilities	4	3	7
Other current provisions	6	0	6
Current income tax liabilities	0	0	0
Interest-bearing current financial liabilities	24	1	25
Trade accounts payable	21	0	21
Other current financial liabilities	27	0	27
Other current non-financial liabilities	18	0	18
<b>Total liabilities assumed</b>	<b>100</b>	<b>5</b>	<b>105</b>
<b>Net assets acquired</b>	<b>30</b>	<b>21</b>	<b>51</b>
Minority interest	2	0	2
<b>Purchase prices (incl. incidental acquisition cost)</b>			<b>49</b>
thereof: paid in cash and cash equivalents			26

In addition, in the 1st quarter ended December 31, 2007, the Group sold companies as part of the portfolio optimization that were, on an individual basis, immaterial. Based on the values at the disposal date, these disposals affected, in total, the Group's consolidated financial statements as presented below:

million €

	1st quarter ended Dec. 31, 2007
Investment property	4
Deferred tax assets	1
Inventories	3
Trade accounts receivable	3
Other current financial assets	2
Other current non-financial assets	1
Cash and cash equivalents	7
<b>Total assets disposed of</b>	<b>21</b>
Accrued pension and similar obligations	4
Interest-bearing current financial liabilities	7
Trade accounts payable	1
Other current non-financial liabilities	2
<b>Total liabilities disposed of</b>	<b>14</b>
<b>Net assets disposed of</b>	<b>7</b>
Minority interest	0
Gain/(loss) resulting from the disposals	(4)
<b>Selling prices</b>	<b>3</b>
thereof: received in cash and cash equivalents	3

## 03 DISPOSAL GROUPS

As part of the portfolio optimization program, in December 2007, in the Technologies segment the disposal of the ThyssenKrupp Präzisionsschmiede was initiated. ThyssenKrupp Präzisionsschmiede develops and produces forged parts for cars and trucks. The transaction does not meet the requirements for discontinued operation reporting in accordance with IFRS 5. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of the disposal.

The following table shows the assets and liabilities of the disposal group as of December 31, 2007:

million €	
	ThyssenKrupp Präzisions- schmiede Dec. 31, 2007
Intangible assets	2
Property, plant and equipment, net	59
Deferred assets	1
Inventories	45
Trade accounts receivable, net	35
Other current financial assets	2
Other current non-financial assets	2
<b>Assets held for sale</b>	<b>146</b>
Accrued pension and similar obligations	26
Other non-current provisions	3
Deferred tax liabilities	2
Other current provisions	10
Current income tax liabilities	1
Interest-bearing current financial liabilities	36
Trade accounts payable	17
Other current non-financial liabilities	14
<b>Liabilities associated with assets held for sale</b>	<b>109</b>

The above mentioned “assets held for sale” and “liabilities associated with assets held for sale” are included in the various tables within the notes to the financial statements.

At the end of November 2007, ThyssenKrupp’s shares of RAG Aktiengesellschaft were transferred to the RAG foundation.

## 04 EXPENSE FOR SHARE-BASED COMPENSATION

### Management incentive plans

ThyssenKrupp recorded an income of €1.8 million from the obligations of the mid-term incentive plan in the 1st quarter ended December 31, 2007 (1st quarter ended December 31, 2006: compensation expense of €24.1 million).

The Group’s Share Purchase Program resulted in a compensation expense of €4.0 million in the 1st quarter ended December 31, 2007 (1st quarter ended December 31, 2006: €4.9 million).

## 05 COST FOR PENSIONS AND SIMILAR OBLIGATIONS

The net periodic pension cost for the defined benefit plans is as follows:

million €	1st quarter ended Dec. 31, 2006		1st quarter ended Dec. 31, 2007	
	Germany	Outside Germany	Germany	Outside Germany
Service cost	9	12	8	8
Interest cost	66	32	73	32
Expected return on plan assets	(2)	(35)	(3)	(35)
Settlement and curtailment loss/(gain)	0	(12)	0	0
<b>Net periodic pension cost</b>	<b>73</b>	<b>(3)</b>	<b>78</b>	<b>5</b>

The net periodic postretirement benefit cost for health care obligations is as follows:

million €

	1st quarter ended Dec. 31, 2006 USA/Canada	1st quarter ended Dec. 31, 2007 USA/Canada
Service cost	4	3
Interest cost	15	14
Expected return on reimbursement rights	(2)	(1)
Settlement and curtailment loss/(gain)	(39)	0
<b>Net periodic postretirement benefit cost</b>	<b>(22)</b>	<b>16</b>

## 06 TOTAL EQUITY

Total equity and the number of shares outstanding changed as follows:

million € (except number of shares)

	Equity attributable to ThyssenKrupp AG's stockholders								Total equity
	Number of shares outstanding	Capital stock	Additional paid in capital	Retained earnings	Cumulative income and expense directly recognized in equity	Treasury stock	Total	Minority interest	
<b>Balance as of Sept. 30, 2006</b>	<b>488,764,592</b>	<b>1,317</b>	<b>4,684</b>	<b>3,358</b>	<b>(149)</b>	<b>(697)</b>	<b>8,513</b>	<b>414</b>	<b>8,927</b>
Net income				641			641	20	661
Income and expense directly recognized in equity					(130)		(130)	(5)	(135)
Tax effects on income and expense directly recognized in equity					22		22	0	22
Profit attributable to minority interest							0	(9)	(9)
Share-based compensation				3			3	0	3
Other changes				(9)	9		0	(43)	(43)
<b>Balance as of Dec. 31, 2006</b>	<b>488,764,592</b>	<b>1,317</b>	<b>4,684</b>	<b>3,993</b>	<b>(248)</b>	<b>(697)</b>	<b>9,049</b>	<b>377</b>	<b>9,426</b>
<b>Balance as of Sept. 30, 2007</b>	<b>488,764,592</b>	<b>1,317</b>	<b>4,684</b>	<b>4,963</b>	<b>(241)</b>	<b>(697)</b>	<b>10,026</b>	<b>421</b>	<b>10,447</b>
Net income				414			414	21	435
Income and expense directly recognized in equity					(144)		(144)	(1)	(145)
Tax effects on income and expense directly recognized in equity					14		14	0	14
Profit attributable to minority interest							0	(16)	(16)
Share-based compensation				2			2	0	2
Other changes							0	(2)	(2)
<b>Balance as of Dec. 31, 2007</b>	<b>488,764,592</b>	<b>1,317</b>	<b>4,684</b>	<b>5,379</b>	<b>(371)</b>	<b>(697)</b>	<b>10,312</b>	<b>423</b>	<b>10,735</b>

## 07 CONTINGENCIES INCLUDING PENDING LAWSUITS AND CLAIMS FOR DAMAGES

### Guarantees

ThyssenKrupp AG and its segment lead companies as well as, in individual cases, its subsidiaries have issued guarantees in favor of business partners or lenders. The following table shows obligations under guarantees where the principal debtor is not a consolidated Group company:

million €

	Maximum potential amount of future payments as of Dec. 31, 2007	Provision as of Dec. 31, 2007
Advance payment bonds	93	0
Performance bonds	72	1
Third party credit guarantee	37	0
Residual value guarantees	45	1
Other guarantees	167	2
<b>Total</b>	<b>414</b>	<b>4</b>

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 the non-performance of the primary obligor under a contractual agreement, e.g. late delivery, delivery of non-conforming goods under a contract, non-performance with respect to the warranted quality or default under a loan agreement.

All guarantees issued by or issued by instruction of ThyssenKrupp AG or the segment lead companies upon request of the principal debtor are 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, then such a third party is generally requested to provide additional collateral in a corresponding amount.

### Special purpose entities

ThyssenKrupp has leased a facility used in the production of coke. The application of the rules of this Interpretation SIC 12 “Consolidation – Special Purpose Entities” to the company acting as operator of this facility resulted in considering this company to be a special purpose entity, under the scope of the Interpretation, which has to be consolidated. The consolidation of this company does not have a material effect on the results of operations or the financial position of the Group. In addition, upon review of the owner

company, this is also considered to be a special purpose entity under the scope of the Interpretation, it was determined that the Group does not control this company and consequently will not include this entity in the consolidated financial statements. The obligations of the Group existing under the lease and purchasing agreement will continue to be considered future minimum lease payments from operating leases and amount to approximately €62 million in the current fiscal year. The Group’s maximum exposure to loss from this facility amounts to approximately €45 million and results from the residual value guarantee for the asset at the end of the lease and purchasing agreement which is mainly covered by third parties.

### Commitments and other contingencies

On November 20, 2007, the EU Commission ruled that a law adopted by the Republic of Italy in 2005 granting ThyssenKrupp Acciai Speciali Terni S.p.A. among other companies certain benefits in the purchase of electricity was inadmissible state aid. The EU Commission requested Italy to recover aid paid under this law from the companies concerned. On January 31, 2008 Italy filed a complaint against the Commission’s decision. On February 06, 2008 ThyssenKrupp Acciai Speciali Terni also filed a complaint against the decision. It is not yet possible to say definitively whether and if so in what amount recovery claims will be made by the Italian government and claims made hitherto by ThyssenKrupp Acciai Speciali Terni will be settled by Italy. If the outcome of the legal case is unfavorable, a material effect on the consolidated financial statements of ThyssenKrupp cannot be ruled out.

Compared to September 30, 2007, in the Steel and Stainless segments the commitment to enter into investment projects increased by €1.0 billion. In addition, additional long term lime supply contracts were fixed which will result in purchasing commitments of €209 million.

### Pending lawsuits and claims for damages

The Group is involved in pending and threatened litigation in connection with the sale of certain companies, which may lead to partial repayment of purchase price or to the award of damages. In addition, damage claims may be payable to customers and subcontractors under performance contracts. Certain of these claims have proven unfounded or have expired under the statute of limitations. The Group believes, based upon consultation with relevant legal counsel, that the ultimate outcome of these pending and threatened lawsuits will not result in a material impact on the Group’s financial condition or results of operations.

Regarding the remaining contingencies, including pending litigations, there have been no significant changes since the previous year end.

## 08 DERIVATIVE FINANCIAL INSTRUMENTS

The notional amounts and carrying amounts of the Group's derivative financial instruments are as follows:

million €

	Notional amount Sept. 30, 2007	Carrying amount Sept. 30, 2007	Notional amount Dec. 31, 2007	Carrying amount Dec. 31, 2007
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Foreign currency derivatives including embedded derivatives	3,950	182	3,904	203
Interest rate derivatives*	757	4	782	3
Commodity derivatives	854	68	765	93
<b>Total</b>	<b>5,561</b>	<b>254</b>	<b>5,451</b>	<b>299</b>
<b>Liabilities</b>				
Foreign currency derivatives including embedded derivatives	5,181	241	5,024	292
Interest rate derivatives*	208	6	185	6
Commodity derivatives	827	86	838	96
<b>Total</b>	<b>6,216</b>	<b>333</b>	<b>6,047</b>	<b>394</b>

\* inclusive of cross currency swaps

## 09 RELATED PARTIES TRANSACTIONS

In the 1st quarter ended December 31, 2007, a Group subsidiary realized sales of €0.5 million resulting from a €2 million elevator modernization contract which the subsidiary received in 2006/2007 from an entity belonging to the Alfried Krupp von Bohlen and Halbach Foundation.

ESG Legierungen GmbH is classified as a related party due to the fact that a close member of the family of an Executive Board member is a managing director. In the 1st quarter ended December 31, 2007,

the Group realized sales of €0.5 million with ESG Legierungen GmbH from the sale of zinc. In the same period the Group received zinc alloy of €0.1 million from ESG Legierungen GmbH. The transactions were carried out at market conditions and settled as of December 31, 2007.

## 10 SEGMENT REPORTING

Segment information for the 1st quarter ended December 31, 2006 and December 31, 2007 is as follows:

million €

	Steel	Stainless	Technologies	Elevator	Services	Corporate	Consolidation	Group
<b>1st quarter ended Dec. 31, 2006</b>								
External sales	2,757	1,764	2,775	1,082	3,765	189	0	12,332
Internal sales within the Group	361	207	17	1	207	5	(798)	0
Total sales	3,118	1,971	2,792	1,083	3,972	194	(798)	12,332
Income/(loss) before income taxes	399	325	148	97	192	(93)	(6)	1,062
<b>1st quarter ended Dec. 31, 2007</b>								
External sales	2,872	1,649	2,804	1,185	3,733	29	0	12,270
Internal sales within the Group	342	189	18	1	134	5	(689)	0
Total sales	3,214	1,838	2,822	1,184	3,867	34	(689)	12,270
Income/(loss) before income taxes	353	(45)	179	119	132	(84)	(8)	646

## 11 EARNINGS PER SHARE

Basic earnings per share is computed as follows:

	1st quarter ended Dec. 31, 2006		1st quarter ended Dec. 31, 2007	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
<b>Numerator:</b>				
Net income (attributable to ThyssenKrupp AG's stockholders)	641	1.31	414	0.85
<b>Denominator:</b>				
Weighted average shares	488,764,592		488,764,592	

### Relevant number of common shares for the determination of earnings per share

Earnings per share have been computed by dividing income attributable to common stockholders of ThyssenKrupp AG (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Shares issued during the period and shares reacquired during the period have been weighted for the portion of the period that they were outstanding.

There were no dilutive securities in the periods presented.

## 12 ADDITIONAL INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

### Non-cash investing activities

In the 1st quarter ended December 31, 2007, the acquisition and first-time consolidation of companies created an increase in intangible assets, property, plant and equipment and investment property of €52 million (December 31, 2006: €3 million).

The non-cash addition of assets under finance leases in the 1st quarter ended December 31, 2007 amounts to €25 million (December 31, 2006: €3 million).

### Non-cash financing activities

In the 1st quarter ended December 31, 2007, the acquisition and first-time consolidation of companies results in an increase in gross financial payables of €32 million (December 31, 2006: €0 million).

## 13 SUBSEQUENT EVENTS

On the basis of the authorization granted by the Annual Stockholders' Meeting on January 18, 2008, the Executive Board of ThyssenKrupp AG resolved on January 31, 2008 to purchase up to around 15.8 million treasury shares before the authorization expires on July 17, 2009. This represents around 3% of the capital stock.

## Review report

### To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements - comprising the balance sheet, the income statement, cash flow statement, statement of recognised income and expense and selected explanatory notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1 to December 31, 2007 which form part of the quarterly financial report according to section 37 x para 3 in connection with section 37 w German Securities Trading Act (Wertpapierhandelsgesetz–WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements (ISRE) 2410. Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, 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 aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments 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 auditor's report.

Based on our review, no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Düsseldorf, February 7, 2008  
KPMG Deutsche Treuhand-Gesellschaft  
Aktiengesellschaft  
Wirtschaftsprüfungsgesellschaft

Michael Gewehr  
(German Public Auditor)

Markus Zeimes  
(German Public Auditor)

## Report by the Supervisory Board Audit Committee

The interim report on the 1st quarter 2007/2008 and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board and commented on by the Executive Board and the auditors. The Audit Committee approved the interim report.

Düsseldorf, February 12, 2008

Chairman of the Audit Committee  
Dr. Martin Kohlhaussen

## Contact / 2008 – 2009 dates

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### **Forward-looking statements**

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

### **2008 – 2009 dates**

#### **May 14, 2008**

Interim report  
2nd quarter 2007/2008 (January to March)

#### **May 16, 2008**

Analysts' and investors' conference

#### **August 14, 2008**

Interim report  
3rd quarter 2007/2008 (April to June)  
Conference call with analysts and investors

#### **November 28, 2008**

Annual Press Conference  
Analysts' and investors' conference

#### **January 23, 2009**

Annual General Meeting

#### **February 13, 2009**

Interim report  
1st quarter 2008/2009 (October to December)  
Conference call with analysts and investors

### **Variances for technical reasons**

For technical reasons (e.g. conversion of electronic formats) there may be variances between the accounting documents contained in this interim report and those submitted to the electronic Federal Gazette (Bundesanzeiger). In this case, the version submitted to the electronic Federal Gazette shall be binding.

An English translation of this report is also available; in the event of variances, the German version shall take precedence over the English translation.

Both language versions of the interim report can be downloaded from the internet at <http://www.thyssenkrupp.com>. An interactive online version is also available on our website in both languages. On request, we would be pleased to send you additional information on the ThyssenKrupp Group free of charge.  
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