

# Interim Report 1st half 09/10

ThyssenKrupp AG  
October 01, 2009 – March 31, 2010



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This interim report is the half-year financial report in the sense of § 37w German Securities Trading Act (WpHG); it was published on May 12, 2010.

# The Group in figures

## GROUP

		Year-to-date comparatives				2nd quarter comparatives			
		1st half ended March 31, 2009	1st half ended March 31, 2010	Change	Change in %	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010	Change	Change in %
Order intake	million €	20.529	19.701	(828)	(4)	7.642	10.373	2.731	36
Sales	million €	21.381	19.458	(1.923)	(9)	9.859	10.107	248	3
EBITDA	million €	906	1.508	602	66	142	700	558	393
EBIT	million €	131	831	700	534	(276)	353	629	—
Adjusted EBIT	million €	304	770	466	153	(112)	368	480	—
Earnings before taxes (EBT)	million €	(215)	504	719	—	(455)	191	646	—
Adjusted EBT	million €	(42)	443	485	—	(291)	206	497	—
Net income/(Net loss)	million €	(199)	429	628	—	(362)	234	596	—
Basic earnings per share	€	(0,35)	0,80	1,15	—	(0,71)	0,45	1,16	—
Employees	March 31	192.521	172.576	(19.945)	(10)	192.521	172.576	(19.945)	(10)

		Sept. 30, 2009	March 31, 2010
Net financial debt	million €	2,059	2,652
Total equity	million €	9,696	10,389

## BUSINESS AREAS

	Order intake (million €)		Sales (million €)		Earnings before taxes (million €)		Adjusted EBT (million €)		Employees		
	1st half ended March 31, 2009	1st half ended March 31, 2010	1st half ended March 31, 2009	1st half ended March 31, 2010	1st half ended March 31, 2009	1st half ended March 31, 2010	1st half ended March 31, 2009	1st half ended March 31, 2010	March 31, 2009	Sept. 30, 2009	March 31, 2010
Steel Europe	3,345	5,499	5,174	4,948	454	267	466	267	37,380	36,416	34,872
Steel Americas	0	23	0	23	(98)	(36)	(98)	(36)	1,529	1,659	2,256
Stainless Global	1,785	2,503	2,161	2,671	(610)	(176)	(550)	(176)	12,079	11,755	11,235
Materials Services	6,735	5,740	7,104	5,641	(76)	172	(76)	91	45,674	44,316	31,482
Elevator Technology	2,751	2,445	2,636	2,447	308	308	308	308	43,306	42,698	42,787
Plant Technology	2,268	2,148	2,265	1,894	173	168	178	168	13,186	13,043	12,934
Components Technology	2,306	2,506	2,399	2,581	6	106	32	106	29,223	27,973	27,894
Marine Systems	2,049	249	917	541	(84)	(17)	(14)	3	8,305	7,770	6,669
Corporate	60	62	60	62	(296)	(275)	(296)	(275)	1,839	1,865	2,447
Consolidation	(770)	(1,474)	(1,335)	(1,350)	8	(13)	8	(13)			
<b>Group</b>	<b>20,529</b>	<b>19,701</b>	<b>21,381</b>	<b>19,458</b>	<b>(215)</b>	<b>504</b>	<b>(42)</b>	<b>443</b>	<b>192,521</b>	<b>187,495</b>	<b>172,576</b>

	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Steel Europe	1,479	2,999	2,326	2,667	109	163	112	163
Steel Americas	0	23	0	23	(22)	(32)	(22)	(32)
Stainless Global	818	1,560	988	1,461	(367)	(117)	(307)	(117)
Materials Services	2,719	3,059	3,109	2,881	(106)	60	(106)	60
Elevator Technology	1,189	1,215	1,293	1,221	149	153	149	153
Plant Technology	517	824	1,187	940	74	73	79	73
Components Technology	1,016	1,337	1,100	1,344	(47)	63	(21)	63
Marine Systems	193	139	371	287	(117)	(7)	(47)	8
Corporate	26	31	26	31	(141)	(154)	(141)	(154)
Consolidation	(315)	(814)	(541)	(748)	13	(11)	13	(11)
<b>Group</b>	<b>7,642</b>	<b>10,373</b>	<b>9,859</b>	<b>10,107</b>	<b>(455)</b>	<b>191</b>	<b>(291)</b>	<b>206</b>

## ThyssenKrupp in brief

Tailored materials of all kinds and a comprehensive range of high-end technological goods, backed by a broad portfolio of services, characterize the activities of our roughly 173,000 committed and skilled employees. They provide innovative solutions for sustainable progress for our customers in more than 80 countries on all five continents. In our eight business areas – Steel Europe, Steel Americas, Stainless Global, Materials Services, Elevator Technology, Plant Technology, Components Technology and Marine Systems – we are meeting 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, over 850 subsidiaries and equity interests. Two thirds of our 2,500 production sites, offices and service bases are outside Germany.

## Group review

### ThyssenKrupp in the 1st half 2009/2010 – higher profit despite lower sales

The difficult economic environment continued to have a major impact on the performance of ThyssenKrupp in the 1st half 2009/2010. Order intake and sales were well down from the prior-year period. However, compared with the prior quarter, orders and sales in the 2nd quarter were higher again.

The earnings situation also improved, mainly thanks to realized cost savings. Following a pre-tax loss in the prior-year period ThyssenKrupp achieved earnings before taxes (EBT) of €504 million in the 1st half 2009/2010 – an increase of €719 million from the pre-tax loss of €215 million in the prior-year period. Adjusted EBT at €443 million was also considerably higher than the prior-year figure of €(42) million.

As from the beginning of fiscal year 2009/2010, certain defined nonrecurring items are excluded from EBT and EBIT. Specifically, these are gains and losses on disposals, restructuring costs, impairment of non-current assets, other non-operating expense, and other non-operating income. These items are only excluded if the event is of material importance to the consolidated financial statements. The startup losses in the Steel Americas business area that were excluded in the prior year are no longer classified as nonrecurring items as they are no longer of a project nature due to the commissioning of the steel making and processing plants in the current fiscal year. The prior-year comparative has been adjusted accordingly.

The highlights for the 1st half 2009/2010:

- Order intake decreased year-on-year by 4% to €19.7 billion.
- Sales fell by 9% to €19.5 billion.
- EBITDA reached €1,508 million, compared with €906 million in the prior year.
- EBIT came to €831 million, compared with €131 million in the prior year.
- Adjusted EBIT increased from €304 million in the prior year to €770 million.
- Earnings before taxes improved in the same period from €(215) million to €504 million.
- Adjusted earnings before taxes at €443 million exceeded the prior-year figure of €(42) million.
- Earnings per share increased from €(0.35) in the prior year to €0.80.
- Net financial debt at March 31, 2010 was €2,652 million, an increase of €593 million compared with September 30, 2009, when we reported net financial debt of €2,059 million. On March 31, 2009 net financial debt stood at €3,687 million.

### **Economic slide halted**

Thanks not least to massive economic policy stimulus, global economic activity has stabilized recently, albeit at a low level. In the industrialized countries, leading indicators such as the Ifo expectations index showed in part marked signs of recovery in the 2nd half 2009, but the momentum weakened at the beginning of the current year. World GDP decreased overall by 1.0% in 2009. According to current estimates the improvement in the 2nd half 2009 continued in the 1st quarter 2010, with the pace of growth in the emerging economies much stronger than in the industrialized countries.

The economy in the euro zone shrank by 4.1% in 2009. After pleasing growth in summer 2009, GDP stagnated in the 4th quarter 2009. While consumer spending was flat and business investment fell, exports made a positive contribution to growth. In the 1st quarter 2010 growth was again only very moderate. GDP in Germany declined by 5.0% in 2009. Economic activity picked up strongly in the 2nd and 3rd quarters before stagnating due to weather conditions and the ending of the scrappage scheme.

The US economy improved appreciably in the final quarter 2009 with growth of 1.4%; despite this, full-year economic output was down 2.4% year-on-year. The growth momentum slowed again in the 1st quarter 2010 as the positive effects of inventory rebuilding faded.

Most of the Asian emerging economies were able to absorb the impact of the global recession thanks to continuing dynamic growth in China. China's GDP expanded by 8.7% in 2009 and by as much as 10.7% in the final quarter of the year. Aided by government stimulus programs this growth continued in the 1st quarter 2010, reaching 11.9%.

The picture in the sectors of importance to ThyssenKrupp was as follows:

- The recovery on the international steel markets that began in fall 2009 continued in the 1st quarter 2010. Global crude steel production exceeded the very low prior-year figure by 29%. China and India, which increased their output by 25% and 13% respectively, carried on their growth trend of the previous year. In the rest of the world, there were in part significant increases after the enormous declines in the previous year. The EU, for example, recorded a rise of 37%, and the NAFTA region produced 53% more crude steel. Utilization rates here were gradually raised, but without yet reaching full capacity. The German steel mills increased their production by 49% in the first three months of 2010; their rolled-steel orders were almost twice as high as in the comparable prior-year period.

The situation on the European carbon steel flat-rolled market also improved. Orders received by steel suppliers increased steadily. Steel mill shipments in the first three months of 2010 were significantly higher than the low prior-year figure. Specific demand gaps were filled, but end user demand as a whole was still down from the prior year despite higher auto industry output. The US steel market showed a very similar pattern in the reporting period. Spot prices on the European and US carbon steel flat-rolled markets picked up appreciably in the course of the 1st quarter 2010. The reasons for this, in addition to a rise in steel demand driven primarily by restocking, were drastically increased steelmaking costs. The move from annual supply contracts for iron ore and coking coal to quarterly contracts based on spot prices, which have risen strongly, is leading to massive cost increases and major uncertainty on the steel markets. These cost increases are leading to massive price increases for steel products.

- World demand for stainless steel flat products declined by 3% in 2009, with very pronounced regional differences. Strong growth in China moderated the demand slump in the rest of the world. Orders received by European stainless producers stagnated slightly at the beginning of the 4th quarter 2009 but recovered significantly afterwards, aided by distributor restocking and a slight increase in demand in various end user segments. After the sharp slump in the middle of last year, demand in North America also improved. The stainless steel market in China was buoyant, mainly due to large government infrastructure projects.

Base prices in Germany and Europe decreased slightly in the 4th quarter 2009 but have risen again since the beginning of the year. Similarly, alloy surcharges fell slightly initially but increased again subsequently due to rising nickel prices. Overall, nickel prices have been trending upwards since the beginning of the year and at the end of March reached their highest level since June 2008. Stainless steel prices in North America also increased. In China, prices recovered after the temporary slump in the in the 4th quarter 2009 but were well below European levels.

In the area of nickel and titanium alloys the situation was again difficult. Price levels worldwide remained depressed.

- The auto industry suffered a decline in demand in 2009. Worldwide, only around 59 million cars and light trucks were produced, 12% fewer than a year earlier. Only in China was there a substantial increase in demand and production, partly due to tax relief. More recently, however, the rest of the world's markets have recovered slightly. In the USA, sales of cars and light trucks increased year-on-year by 6% in the 4th quarter 2009 and 16% in the 1st quarter 2010. In the European Union, new car registrations rose in the same periods by 18% and 9%, respectively.

In Germany, demand for new vehicles was weak at the beginning of the year after the expiration of the eco rebate program. New car registrations slipped by 23% in the 1st quarter 2010 after having increased by 14% in the quarter before. Rising exports had a positive effect. Thanks to a 47% increase in foreign demand, car production in the 1st quarter 2010 climbed by 32%.

- The machinery sector was again characterized by a reluctance to invest, low capacity utilization and low order books. Only China achieved single-digit growth in 2009, thanks to massive stimulus programs, while other countries showed high double-digit rates of decrease. In Germany, the worst of the recession in the machinery sector is now over. While orders in the 4th quarter 2009 were 12% down from the prior-year period, in the 1st quarter 2010 they were 14% higher. In Germany's plant engineering sector, too, new business decreased significantly in 2009. Orders dropped by 33%; however, there have been signs of a slight recovery recently.
- Despite the stimulus programs, construction activity slowed in many countries in 2009. The situation on the US construction market remained difficult, even though the downward momentum is slowing gradually. The continuing growth of the Chinese construction sector is largely due to government stimulus programs. In Germany, the cold weather had a negative impact on construction activity recently. Thanks to government funding programs, public construction investment and housing modernization projects were stable, while commercial housing construction experienced a significant decline.

### Order intake and sales lower due to recession

The effects of the deep economic and financial crisis were still clearly visible in the performance of ThyssenKrupp in the 1st half 2009/2010. Sales and order intake decreased significantly year-on-year. However, the isolated signs of recovery discernible in the 1st quarter 2009/2010 strengthened in the 2nd quarter.

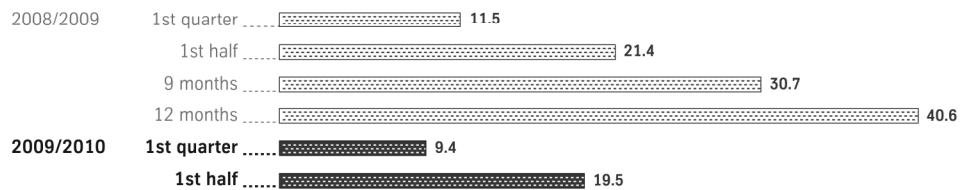
#### THYSSENKRUPP IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	20,529	19,701	7,642	10,373
Sales	million €	21,381	19,458	9,859	10,107
EBITDA	million €	906	1,508	142	700
EBIT	million €	131	831	(276)	353
Adjusted EBIT	million €	304	770	(112)	368
Earnings before taxes (EBT)	million €	(215)	504	(455)	191
Adjusted EBT	million €	(42)	443	(291)	206
Capital expenditures	million €	2,196	1,518	1,090	741
Employees	March 31	192,521	172,576	192,521	172,576

Orders received by ThyssenKrupp in the 1st half 2009/2010 fell year-on-year by 4% to €19.7 billion. There were declines in particular in the shipyards business and to a lesser extent in the materials services operations and in elevators and escalators. Demand for flat-rolled carbon steel and stainless steel increased sharply year-on-year. In the 2nd fiscal quarter the order situation improved in almost all business areas. Groupwide, new orders rose quarter-on-quarter by 11%.

Sales in the 1st half 2009/2010 reached a value of €19.5 billion, 9% less than in the first six months of the previous fiscal year. Sales of the shipyards business decreased sharply due to billing factors; there were smaller declines in the materials services and plant technology areas. Sales of stainless steel and auto components improved. The Group's sales in the 2nd quarter 2009/2010 climbed quarter-on-quarter by 8%, with all business areas either holding or increasing their sales levels.

#### SALES in billion €



### Earnings before taxes up to €504 million

In the 1st half 2009/2010 ThyssenKrupp achieved earnings before taxes (EBT) of €504 million, exceeding the prior-year figure by €719 million. The earnings figures include nonrecurring items of €61 million, mainly income from the sale of the Industrial Services units of the Materials Services business area. In the 2nd quarter 2009/2010 EBT was €191 million.

**EARNINGS BEFORE TAXES (EBT) in million €**

2008/2009	1st quarter	240
	1st half	(215)
	9 months	(987)
	12 months	(2,364)
2009/2010	1st quarter	313
	1st half	504

The Group's adjusted EBT in the 1st half 2009/2010 was €443 million, up €485 million from the prior-year figure of €(42) million.

**ADJUSTED NONRECURRING ITEMS in million €**

	1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
<b>Earnings before taxes (EBT)</b>	<b>(215)</b>	<b>504</b>	<b>(455)</b>	<b>191</b>
+/- Disposal losses/gains	0	(81)	0	0
+ Restructuring expense	66	0	57	0
+ Impairment	76	0	76	0
+ Other non-operating expense	31	20	31	15
- Other non-operating income	0	0	0	0
<b>Adjusted EBT</b>	<b>(42)</b>	<b>443</b>	<b>(291)</b>	<b>206</b>

Net sales in the 1st half of fiscal 2009/2010 were €1,923 million or 9% lower than in the corresponding prior-year period; included in this is a decrease of €247 million due to the increase in the US dollar exchange rate compared with the prior-year period. The cost of sales decreased by €2,232 million or 12% and therefore to a greater extent than sales. One factor in this was a significant reduction in inventory writedowns, which reinforced the effect of the sales-related decline in other costs of sales. Gross profit increased by €309 million or 12% to €2,957 million, resulting in a significant increase in gross margin from 12.4% to 15.2%.

The decrease in selling expenses by €110 million was caused mainly by reduced personnel expense. General and administrative expenses were €78 million lower than the corresponding prior-year figure, also as a result of the cost-reduction measures. The €97 million decrease in other operating income was mainly due to the cancellation of foreign currency hedges for planned raw material purchases in the prior-year period as a result of the financial crisis. The €63 million decrease in other operating expenses included €7 million lower losses on the disposal of non-current assets and €23 million in effects from the translation of foreign currency items. The €93 million increase in income from the disposal of consolidated companies was due mainly to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area. The €50 million increase in income from companies accounted for using the equity method was due to the significantly improved earnings of these companies compared with the prior year. The €94 million increase in other financial income was mainly due to a €46 million improvement in exchange rate gains on financial transactions and a €37 million year-on-year increase in capitalized interest costs relating to the construction of the steel mills in Brazil and the USA.

After taking into account income taxes, net income in the reporting period was €429 million, up €628 million from the prior year.

Including non-controlling interest in income, earnings per share in the 1st half of fiscal 2009/2010 improved significantly to €0.80 from a negative value of €(0.35) in the prior-year period.

**ThyssenKrupp PLuS improves earnings and liquidity**

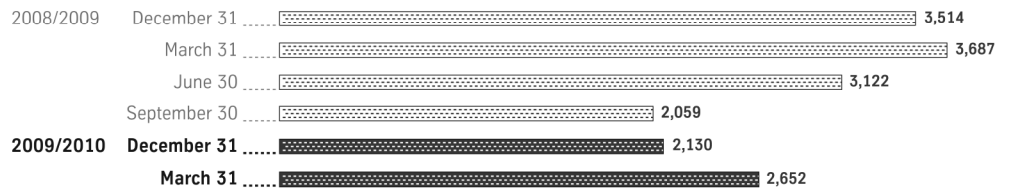
In the 1st half 2009/2010 we achieved positive earnings effects on the cost and sales side with the Groupwide action program ThyssenKrupp PLuS. Our aim is to stabilize and build on the improvements achieved in earnings and liquidity.

By optimizing net working capital (NWC), we aim to keep the liquidity required for our operations and the associated financing requirements at a low level. This includes elements such as improved inventory management and more efficient receivables management. In addition, all investment projects are examined in great detail and aligned more closely with the Group’s return on capital targets.

**Net financial debt and capital expenditures**

On March 31, 2010, net financial debt stood at €2,652 million. The increase of €593 million from September 30, 2009 is mainly due to operating business and the dividend payment. Nonrecurring items – including the capital contribution at ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. by the co-shareholder Vale S.A. and the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway – limited the increase.

**NET FINANCIAL DEBT in million €**



ThyssenKrupp invested a total of €1,518 million in the 1st half 2009/2010, 31% less than in the same period of the prior year. €1,450 million was spent on property, plant and equipment and intangible assets, and €68 million on the acquisition of businesses, shareholdings and other financial assets.

**Current issuer ratings**

In the 1st quarter 2009/2010 the rating agency Standard & Poor’s lowered its rating on ThyssenKrupp to BB+, meaning ThyssenKrupp lost investment grade status with Standard & Poor’s. At Moody’s and Fitch our rating remains investment grade.

**RATINGS**

	Long-term rating	Short-term rating	Outlook
Standard & Poor’s	BB+	B	stable
Moody’s	Baa3	Prime-3	negative
Fitch	BBB-	F3	negative

## Business area review

### Steel Europe

#### STEEL EUROPE IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	3,345	5,499	1,479	2,999
Sales	million €	5,174	4,948	2,326	2,667
Earnings before taxes (EBT)	million €	454	267	109	163
Adjusted EBT	million €	466	267	112	163
Employees	March 31	37,380	34,872	37,380	34,872

The Steel Europe business area brings together the Group's carbon flat steel activities, mainly in the European market. The ThyssenKrupp Steel Europe operating unit is focused on the production of high-grade flat-rolled carbon steel, while the Processing operating unit processes steel into tinplate, electrical steel, tailored blanks and other components.

#### Orders improved, sales slightly lower

The business area received orders worth €5.5 billion in the 1st half 2009/2010, up 64% year-on-year. The increase was due exclusively to higher volumes. Compared with the prior year, sales were 4% lower at €4.9 billion. Although shipments increased substantially, this was offset by a significant reduction in average selling prices. Due to the high share of contract business in overall sales, the return to an upward price trend in the 2nd quarter will not have a positive impact until later in the reporting year. We were able to agree price increases in the quarterly contracts at April 01.

Earnings before taxes were €267 million, €187 million down from the prior-year period. This was mainly due to the fall in average selling prices and to higher costs as a result of underutilization of equipment. The restructuring measures carried out in the prior fiscal year and the expanded cost-reduction programs bolstered earnings but were unable to fully offset the negative market effects.

The companies of the Steel Europe business area employed a total of 34,872 people on March 31, 2010, 2,508 or 6.7% fewer than a year earlier. The reduction was mainly due to personnel adjustments under the 20/10 program at ThyssenKrupp Steel Europe AG and in the metal forming business. The scale of short-time working was significantly reduced: Only around 800 employees were still affected in March.

#### Performance of the operating units

Sales declined slightly in the ThyssenKrupp Steel Europe operating unit, the business area's main revenue driver. Improved volumes were unable to offset the significant fall in prices. The increase in industry sales was due in particular to outside-customer business, which recorded a sharp decline a year earlier and now profited from restocking. Positive impetus also came from distributors and steel service centers. Shipments to automotive customers stabilized increasingly but following last year's collapse were still significantly lower than the record levels of 2007 and 2008. Mainly as a result of the fall in prices, pre-tax profits were well down from the prior year, despite ongoing measures to stabilize earnings.

Equipment utilization improved further in the 2nd fiscal quarter as the markets stabilized and demand picked up. After blast furnace A was fired back up at investee company Hüttenwerke Krupp Mannesmann in January 2010, all available blast furnaces are now once again in use and are currently operating to full capacity. Crude steel production including supplies from Hüttenwerke Krupp Mannesmann was 6.3 million metric tons in the 1st half 2009/2010, 22% higher than the low prior-year level. Capacity utilization also improved in the downstream processing lines, allowing short-time working to be reduced further.

The downstream activities combined in the Processing operating unit showed a mixed picture. Overall, sales and pre-tax earnings were also down year-on-year.

The tinplate unit continued to hold up well, recording only slight declines in shipments, sales and prices. The sharp volume-related increase in sales of medium-wide strip was due to the recovery in demand, above all from automotive suppliers and rerollers. By contrast, sales of grain-oriented electrical steel decreased. While volumes remained more or less unchanged, the business increasingly faced significant reductions in selling prices. Sales of heavy plate were down as a result of the difficult situation in important customer sectors such as the truck industry and shipbuilding.

The tailored blanks business recorded higher sales and continued to profit from the government stimulus programs for the auto industry in many European countries and the USA. The metal forming business also benefited from this and increased its sales. Color/Construction recorded a year-on-year decrease in sales. Despite improving volumes in individual construction segments, such as the garage door industry, and in parts of the automotive industry, the market as a whole – including prices – remained tight.

## Steel Americas

### STEEL AMERICAS IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	0	23	0	23
Sales	million €	0	23	0	23
Earnings before taxes (EBT)	million €	(98)	(36)	(22)	(32)
Adjusted EBT	million €	(98)	(36)	(22)	(32)
Employees	March 31	1,529	2,256	1,529	2,256

With the Steel Americas business area we are tapping into the North American market for premium flat-rolled steel products. The business area includes the steel making and processing plants under construction in Brazil and the USA. It also organizes slab logistics between Brazil, Germany and the USA.

### Major projects close to startup

The major projects for the production and processing of carbon flat steel in Brazil and the USA will start up in the 2nd half 2010. The supply of starting material has begun in both Brazil and the USA. We will react to changes in the economic conditions by taking a flexible approach to the startup of the second production line in Brazil.

### **Earnings situation and workforce**

The earnings situation is currently dominated by the startup costs for the projects and the ramp-up of production. In the 1st half, the Steel Americas business area reported a pre-tax loss of €36 million. In addition to the project startup costs, this figure is mainly the result of adverse currency effects from cash and cash equivalents held in Brazilian reals.

On March 31, 2010 Steel Americas had 2,256 employees, 727 more than a year earlier.

### **Budgets being met**

The presentation of the projects in the USA and Brazil will be submitted to the Supervisory Board of ThyssenKrupp AG on May 12, 2010. As things stand, the amended project budgets as approved by the Supervisory Board in January 2010 will be met for both the Brazilian iron and steel mill and the processing plant in Alabama. For the Brazilian iron and steel mill, the investment budget is €5.2 billion with planned expenditures of €5.9 billion. The investment budget for the processing plant in Alabama is 3.6 billion US dollars, with planned expenditures of 3.8 billion US dollars.

### **Iron and steel mill in Brazil**

Construction work in Santa Cruz in the Brazilian state of Rio de Janeiro is progressing well. The port terminal, materials handling facilities and sinter plant are at an advanced stage of completion; the power plant and blast furnaces were technically completed at the beginning of 2010. The same applies to the ancillary facilities such as power distribution and water treatment and to other infrastructure facilities. The sinter plant started production in April.

We will start up the first production line with one blast furnace and one converter in mid 2010; the second converter will go into operation after the first line has stabilized. As things stand, startup of the second blast furnace is planned for early to mid 2011. The total annual production capacity will be more than 5 million metric tons of crude steel.

At the end of March 2010 more than 23,000 people were working on the construction site, and CSA in Brazil had around 1,500 employees.

### **Processing plant in the USA**

Construction work on our processing plant in Calvert, Alabama/USA is also in full swing. With construction largely on schedule, we expect the hot rolling mill to come on line in mid 2010. The cold rolling mill and pickling line will start production before the end of the fiscal year. Due to the economic situation, completion of the coating lines will be postponed until next fiscal year. The US plant will process slabs produced in Brazil into high-quality flat products. Until the Brazilian mill starts production, slabs will be supplied from Germany. The first two deliveries were made in the 2nd quarter 2009/2010.

Hot-rolled capacity will be more than 5 million metric tons per year. This includes the rolling capacity required for Stainless Global's stainless steel plant in Alabama.

At the end of March 2010 around 5,400 people were working on the construction site, and ThyssenKrupp Steel USA had around 800 employees.

### Entry to the NAFTA market

In parallel with the construction work we have systematically continued our market analyses of price and volume trends and customer requirements in the NAFTA region and prepared our sales plans for the ramp-up phase in line with the wishes of our customers. For this, our sales experts are intensifying their visits to key customers in the target automotive and electrical sectors as well as steel service centers and the tube/pipe industry.

Demand on the North American market for premium flat-rolled carbon steel increased again in the 2nd quarter 2009/2010, although the sharp price rises for raw materials (ore, coking coal) are currently making it difficult to plan starting material costs and selling prices. We have already received the first orders from customers in the NAFTA region.

## Stainless Global

### STAINLESS GLOBAL IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	1,785	2,503	818	1,560
Sales	million €	2,161	2,671	988	1,461
Earnings before taxes (EBT)	million €	(610)	(176)	(367)	(117)
Adjusted EBT	million €	(550)	(176)	(307)	(117)
Employees	March 31	12,079	11,235	12,079	11,235

As a world-leading producer of stainless steels, the Stainless Global business area specializes in premium-quality stainless steel flat products and high-performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in Alabama, which is being built in cooperation with Steel Americas.

### Orders improved, losses reduced

The business area's order situation improved in the 1st half 2009/2010. The volume of orders received increased by 50% year-on-year. There was particularly strong growth in stainless cold-rolled (+55%) and hot-rolled (+94%). Order volumes were stable for nickel alloys but down by 54% for titanium. In terms of value, the business area's order intake increased by 40% to €2.5 billion, mainly due to the year-on-year rise in alloy surcharges.

Overall deliveries were up 37% from the prior-year period to 1.1 million metric tons. Reflecting the trend in order intake, shipments of cold-rolled and hot-rolled stainless steel increased, while deliveries of titanium and nickel alloys declined. Overall sales climbed 24% to €2.7 billion.

1st-half earnings before taxes at Stainless Global increased by €434 million year-on-year but remained negative to the tune of €176 million. However, all operating units in the stainless steel business reported substantially lower losses, thanks mainly to significantly lower inventory writedowns, targeted cost reductions, and a generally improved market situation permitting higher base prices and better utilization of production capacities. We continued to systematically implement the restructuring measures resolved at the end of 2008/2009 at all locations. At the same time, the SPRINT performance-enhancement program created the basis to sustainably improve our earnings and competitiveness and further flexibilize our cost base.

At March 31, 2010 Stainless Global had 11,235 employees, 844 fewer than a year earlier.

**Performance of the operating units**

Rising demand for stainless flat products led to significantly improved order volumes and higher shipments at ThyssenKrupp Nirosta and ThyssenKrupp Acciai Speciali Terni. Sales were also substantially higher. Following a heavy loss in the 1st half of the prior year, Nirosta's earnings were vastly improved. Earnings also improved at ThyssenKrupp Acciai Speciali Terni. In both operating units, higher base prices and increased cold-rolled shipments played a role in this. Continued stable growth in the forging operations additionally bolstered earnings at ThyssenKrupp Acciai Speciali Terni.

ThyssenKrupp Mexinox and Shanghai Krupp Stainless also recorded higher order and shipment volumes and improved sales and pre-tax earnings. Hire rolling orders from the Chinese market led to increased utilization of cold-rolled capacities and – in conjunction with higher shipments and improved prices – contributed to growth in earnings.

As a result of the worldwide recovery in demand, both orders and sales at ThyssenKrupp Stainless International were almost doubled.

By contrast, business at ThyssenKrupp VDM was impacted by the postponement or cancellation of numerous customer projects. Order intake was stable for nickel alloys but significantly lower year-on-year for titanium mill products. Sales in both businesses fell sharply. Despite the introduction of restructuring measures and the virtual absence of inventory writedowns, EBT remained negative.

**Stainless steel mill in the USA**

A modern, integrated stainless steel mill is being built in Alabama/USA in cooperation with Steel Americas at a cost of 1.4 billion US dollars. The startup phase for the stainless steel mill is being extended. We intend to start production with one cold rolling mill and an annual cold-rolled capacity of around 100,000 metric tons in October 2010, expanding capacity in the subsequent period to a maximum of 140,000 tons per year. Startup of the remaining facilities is being kept flexible, allowing for an accelerated ramp-up at any time. The same applies to the startup of the melt shop, which was planned for early 2012 and can now be delayed by up to 24 months. The site will initially be supplied with starting material from the European mills. The scope of the overall project remains unchanged, as we continue to believe in the need for an optimized stainless steel production location on the North American market.

## Materials Services

### MATERIALS SERVICES IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	6,735	5,740	2,719	3,059
Sales	million €	7,104	5,641	3,109	2,881
Earnings before taxes (EBT)	million €	(76)	172	(106)	60
Adjusted EBT	million €	(76)	91	(106)	60
Employees	March 31	45,674	31,482	45,674	31,482

With 500 locations in 40 countries, the Materials Services business area specializes in materials distribution, logistics and services, the provision of technical services as well as services for industrial plants and steel mills. In addition to rolled steel, stainless steel, tubes and pipes, nonferrous metals, specialty materials and plastics, Materials Services also offers services from processing and logistics to warehouse and inventory management through to supply chain and project management.

#### Slight recovery in demand and prices – effective cost-reduction programs

At €5.6 billion, the business area's 1st-half sales were 21% lower than a year earlier. This was due in particular to lower prices for metallic materials and the disposal of ThyssenKrupp Industrieservice and ThyssenKrupp Safway, whose figures are included in the 1st quarter only.

With volumes slightly higher but material prices still not satisfactory overall, Materials Services reported significantly improved EBT of €172 million. Non-recurring gains on the aforementioned disposals had a positive impact, but even excluding these, profits at €91 million were considerably higher year-on-year. Significantly lower costs at all levels played a major role in this.

At the end of the reporting period the business area had 31,482 employees, some 14,000 fewer than a year earlier. The change was mainly attributable to the disposals at Industrial Services. However, low workloads also necessitated job cuts at almost all companies of the Metals Services unit. The completion of major projects saw a reduction of around 1,000 in the headcount at Special Services.

#### Performance of the operating units

The Metals Services operating unit combines our global materials, warehouse, service and direct-to-customer business activities. Although the downturn in volumes and prices on our key European and North American markets came to a halt in the 1st quarter, the first signs of recovery were not seen until the end of the 2nd quarter. Despite a moderate increase in volumes in our warehouse business, sales were still significantly lower year-on-year; this applied to all regions, as despite the upward trend in the 2nd quarter prices still failed to reach the level of 2008/2009. Thanks to demand from the automotive industry, the auto-related service center activities showed a significant improvement on the very weak prior-year period. International direct-to-customer business suffered in general from subdued demand and fierce competition for the few major projects available. Following a substantial loss in the prior-year period as a result of drastic price falls which necessitated high writedowns on inventory, the operating unit achieved a significant improvement in 1st-half earnings and – thanks not least to massive cost reductions – reported a pleasing pre-tax profit.

The Special Services operating unit encompasses the materials and supply chain management activities for the aerospace industry and the plastics business. It also includes raw materials trading, system solutions in railway and construction equipment, and steel mill and technical services. While the plastics, aerospace and raw materials businesses performed in part very strongly, sales in the railway and construction equipment areas were lower due to weather-related postponements and financing difficulties for major projects. Our steel mill-related services acquired new projects in Brazil; capacity utilization in Germany increased due to improved workloads in the steel industry. The operating unit's EBT fell short of the prior-year level but still made the largest contribution to business area profits.

Following the disposal of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the 1st quarter, the sales and EBT of these businesses are included in the 1st-half figures of the Industrial Services operating unit on a prorated basis only. The remaining unit was impacted with a time lag by the economic crisis, which is now also affecting energy sector orders. This was compounded by weather-related restrictions and delays. 1st-half sales and pre-tax profits were down from the prior-year period.

## Elevator Technology

### ELEVATOR TECHNOLOGY IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	2,751	2,445	1,189	1,215
Sales	million €	2,636	2,447	1,293	1,221
Earnings before taxes (EBT)	million €	308	308	149	153
Adjusted EBT	million €	308	308	149	153
Employees	March 31	43,306	42,787	43,306	42,787

The Elevator Technology business area supplies passenger and freight elevators, escalators and moving walks, passenger boarding bridges, stair and platform lifts as well as service for the entire product range. Almost 43,000 employees at more than 900 locations provide a tight-knit service network to keep us close to customers.

### Continued high earnings

Despite the difficult environment on many property markets and negative exchange-rate effects, the business area performed well in the 1st half 2009/2010. Orders fell 11% to €2.4 billion due to the sharp decline in the market for new installations; excluding exchange-rate factors the decrease was 10%. All operating units reported lower orders apart from Asia/Pacific. Sales at €2.4 billion were down 7%, or 5% excluding exchange-rate factors. In the service business, the number of maintenance units under contract increased.

Elevator Technology generated pre-tax earnings of €308 million, maintaining the very high prior-year level. All operating unit returned profits.

At 42,787, the number of employees at March 31, 2010 was slightly lower than a year earlier.

### Performance of the operating units

Order intake in the Central/Eastern/Northern Europe operating unit was lower year-on-year due to weaker new installations business in almost all regions. Sales were also down from the prior-year period. While the operations in Germany, northern and eastern Europe and the Benelux countries remained stable, there was a marked fall in sales in the United Kingdom. Weaker earnings in the UK were also the main reason for the decrease in the operating unit's EBT.

Orders in the Southern Europe/Africa/Middle East operating unit fell short of the prior-year level, due in particular to the decline in new installations and modernization business in Spain and Portugal. By contrast, the activities in the Gulf region remained stable. Thanks to growth in Italy and the Gulf region, sales of the operating unit expanded slightly. Earnings before taxes were unchanged from the prior year.

Orders and sales at the Americas operating unit fell for exchange-rate reasons, but above all due to the continuing negative trend on the US property market. By contrast with the US market, business in Brazil expanded further. Pre-tax earnings almost matched the very high prior-year figure, as operating improvements in particular in the service business all but offset the negative exchange-rate effects.

Pleasing growth in Chinese new installations business resulted in a slight increase in order intake at the Asia/Pacific operating unit. Sales and pre-tax earnings were significantly higher year-on-year. Thanks to optimization measures implemented in recent years, the Korean company once again returned a profit. The other regions also reported positive earnings contributions, maintaining or improving on the year-earlier figures.

Business was weaker at the Escalators/Passenger Boarding Bridges operating unit, resulting in year-on-year decreases in orders, sales and EBT.

The Accessibility operating unit reported a fall in order intake and sales. Despite growth in Europe, the difficult situation on the US housing market continued to have a negative impact. Earnings before taxes were also slightly lower than a year earlier for volume reasons.

## Plant Technology

### PLANT TECHNOLOGY IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	2,268	2,148	517	824
Sales	million €	2,265	1,894	1,187	940
Earnings before taxes (EBT)	million €	173	168	74	73
Adjusted EBT	million €	178	168	79	73
Employees	March 31	13,186	12,934	13,186	12,934

The Plant Technology business area is a leading international supplier of chemical plants, refineries, cement and minerals plants, innovative solutions for the mining and handling of raw materials, and production systems and assembly lines for the automotive industry. The business area's plants and processes open up new possibilities for environmental protection and sustainable development.

**Performance remains stable**

Plant Technology recorded orders of €2.1 billion in the 1st half 2009/2010, almost matching the extraordinarily high prior-year figure. While order levels remained good at Uhde and ThyssenKrupp Fördertechnik, and System Engineering profited from the acquisition of a major order for a body-in-white line, Polysius reported a decline in new business. The plant engineering market continued to be characterized by uncertainty and delayed investment decisions by customers.

Sales fell 16% to €1.9 billion due to billing technicalities. Orders in hand of around €6.6 billion at March 31, 2010, mainly for long-term project business, continue to secure well over one year's sales and increased further in the course of the 1st half 2009/2010.

With a pre-tax profit of €168 million, Plant Technology again delivered a pleasing result in the 1st half 2009/2010. The main contributions to earnings came from Uhde, Polysius and ThyssenKrupp Fördertechnik.

The number of employees at March 31, 2010 decreased by 1.9% compared with a year earlier to 12,934. This was mainly due to the disposal of the special vehicle construction business of System Engineering, restructuring measures at System Engineering and Transrapid, and the scaling back of the workforce in line with workloads at some foreign locations of Uhde. However, the strong order situation led to an increase in employee numbers in particular at ThyssenKrupp Fördertechnik.

**Performance of the operating units**

The Uhde operating unit recorded a significant year-on-year increase in 1st-half order intake thanks to major orders for fertilizer plants in Abu Dhabi and Egypt and for a hydrogen plant in India. By contrast, sales were significantly lower than a year earlier, when several major orders were billed. Earnings before taxes were level with the high prior-year level.

The Polysius operating unit, which builds plants for the cement and minerals industry, reported a sharp fall in order intake in the 1st half 2009/2010. This was mainly due to the positive effect of several major orders in the prior-year period and the postponement of several projects in the reporting period. However, thanks to the good level of orders in hand, sales remained at the year-earlier level. EBT fell just short of the good prior-year figure.

Orders received for mining and handling equipment showed pleasing growth. Thanks in particular to orders for open-pit mining equipment including two fully mobile crushers in Brazil, a coal-handling plant for a power station in South Africa and several mini power plants and peripheral equipment in India, the ThyssenKrupp Fördertechnik operating unit achieved a significant year-on-year improvement in order intake. Sales and pre-tax earnings were also up from the high prior-year figures.

The System Engineering operating unit – focused on production systems and assembly lines for the automotive industry – reported a substantial increase in orders. Higher order intake mainly in the body-in-white business more than offset the lower order levels for parts production caused by lower production volumes and temporary plant closures at individual customers. Sales were lower year-on-year due to billing technicalities. Reduced orders for parts production, underutilization in the assembly systems business and nonrecurring items at a foreign company weighed on EBT.

1st-half orders and sales at Transrapid in 2009/2010 were higher than a year earlier. Due among other reasons to a Chinese supply and service contract, Transrapid returned a pre-tax profit.

## Components Technology

### COMPONENTS TECHNOLOGY IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	2,306	2,506	1,016	1,337
Sales	million €	2,399	2,581	1,100	1,344
Earnings before taxes (EBT)	million €	6	106	(47)	63
Adjusted EBT	million €	32	106	(21)	63
Employees	March 31	29,223	27,894	29,223	27,894

The Components Technology business area supplies a broad range of high-tech components for wind turbines, the automotive and construction machinery industries, and general engineering applications. Our activities for the automotive industry focus on crankshafts and camshafts, steering systems, dampers, springs and the assembly of axle modules.

#### Positive performance

The positive performance of the business area improved further in the course of the 1st half 2009/2010. Sales were up 8% to €2.6 billion. Especially in the 2nd fiscal quarter the market environment recovered. Despite negative exchange-rate effects due to the weakness of the US dollar, sales were 22% higher than the prior-year quarter. The pick-up in demand in the automotive industry was due in part to government stimulus packages in virtually all European countries, the USA, Brazil and China.

Pre-tax earnings reached €106 million, a substantial year-on-year increase. 2nd-quarter profits were also significantly higher than in the preceding quarter. There were distinct improvements in earnings at the automotive operating units, all of which returned profits. Positive effects came from the demand recovery in the automotive sector, lower restructuring expense and the restructuring measures initiated in the previous year. The restructuring measures are focused on structural capacity adjustments and include both personnel cutbacks and plant closures in Europe and the USA. Further cost-reduction programs were also carried out.

At the end of March 2010, Components Technology had 27,894 employees, 1,329 fewer than a year earlier. The workforce adjustments mainly related to automotive companies but also affected the other parts of the business area.

#### Performance of the operating units

The performance of the operating units was mixed.

Following a good 1st quarter, the automotive supply business continued to perform strongly and achieved a clear year-on-year improvement in the 1st half 2009/2010. Increased customer orders for assembled camshafts, steering systems, dampers, springs and axle module assembly resulted in higher sales at Presta Camshafts, Presta Steering and the Bilstein group. In the 2nd quarter, all these operating units returned pre-tax profits.

At the forging group, 1st-half sales of forged crankshafts for cars and trucks were also up year-on-year. Compared with the prior-year period, the 2nd quarter saw significant growth and a return to profit. Demand increased in particular on the Brazilian market. By contrast, sales in Europe were lower than a year earlier, although there were signs of a recovery in the last few months.

The US foundries of Waupaca, which produce components for cars, trucks and other applications, profited from increased market demand and further savings on the healthcare program. 1st-half sales were significantly higher than a year earlier in US dollars and slightly higher in euros when adjusted for exchange-rate effects. Following a loss in the prior year, the unit once again returned a healthy pre-tax profit.

With demand in the construction machinery and general engineering sectors still weak and wind energy customers placing orders for immediate needs only, order intake and sales declined in the slewing ring, ring and construction machinery component businesses of Rothe Erde and Berco. However, there were signs of a slight recovery in construction machinery in the 2nd quarter, due in part to depleted customer inventories. For demand reasons, Rothe Erde was unable to match its high prior-year profit but remained the business area's main earnings driver. An extensive cost-reduction program was implemented to adapt to the change in the workload. Berco significantly reduced its losses, especially in the 2nd quarter.

## Marine Systems

### MARINE SYSTEMS IN FIGURES

		1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Order intake	million €	2,049	249	193	139
Sales	million €	917	541	371	287
Earnings before taxes (EBT)	million €	(84)	(17)	(117)	(7)
Adjusted EBT	million €	(14)	3	(47)	8
Employees	March 31	8,305	6,669	8,305	6,669

Following the restructuring of our shipyards, the Marine Systems business area will in the future concentrate on its outstanding worldwide position in naval shipbuilding.

#### Order situation remains very weak

The market environment for Marine Systems remained very unfavorable. Newbuild or modernization projects for naval ships were postponed, the civil shipbuilding business virtually collapsed due to drastic overcapacities, and demand for high-class mega yachts remained subdued. The market for repairs, refits and conversions also declined.

Against this background, order intake in the 1st half 2009/2010 fell by 88% to €249 million. The new orders include a design project for the new generation of Swedish "A26" submarines. The contract with Turkey for six material packages to build export class 214 submarines, which was initialed in the last fiscal year, is expected to come into effect in summer 2010 after final financing details have been clarified.

Sales in the reporting period reached €541 million, a year-on-year decrease of 41%. The main reasons for this decline were lower levels of completion for some submarine projects and the complete absence of sales from the submarine orders for Greece, which were cancelled in September 2009.

The business area reported a pre-tax loss of €17 million, mainly due to the charge from Hellenic Shipyards in Greece. Excluding these nonrecurring items, earnings were break-even.

At the end of March 2010 Marine Systems had 6,669 employees, 1,636 fewer than a year earlier. The decrease was the result of the initiated restructuring of the shipyards.

#### **Restructuring of the shipyards**

The extensive restructuring of the Marine Systems business area was continued in the 1st half 2009/2010.

The design and project management activities of the surface naval vessel business at Blohm + Voss Nordseewerke are to be transferred to a 50/50 joint venture with the Abu Dhabi MAR Group. At the same time it was agreed to sell 100% of the mega yacht construction business and an initial 80% share of both the ship repair and the component production activities. In addition, Abu Dhabi MAR will acquire the employees and facilities of the merchant shipbuilding operations of HDW-Gaarden in Kiel, which were discontinued in fall 2009. The contracts for these agreements were signed on April 13, 2010.

The agreement reached with SIAG Schaaf Industrie AG in the 1st fiscal quarter on the establishment at the Emden site of a production facility for offshore wind turbines and the transfer of around 700 employees came into effect on March 08, 2010.

#### **Corporate at ThyssenKrupp AG**

Corporate comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources, as well as non-operating real estate and inactive companies. Sales of services by Corporate companies to Group companies in the reporting half-year were €62 million, compared with €60 million a year earlier.

Corporate reported a pre-tax loss of €275 million, a year-on-year improvement of €21 million. This was mainly due to higher net interest income.

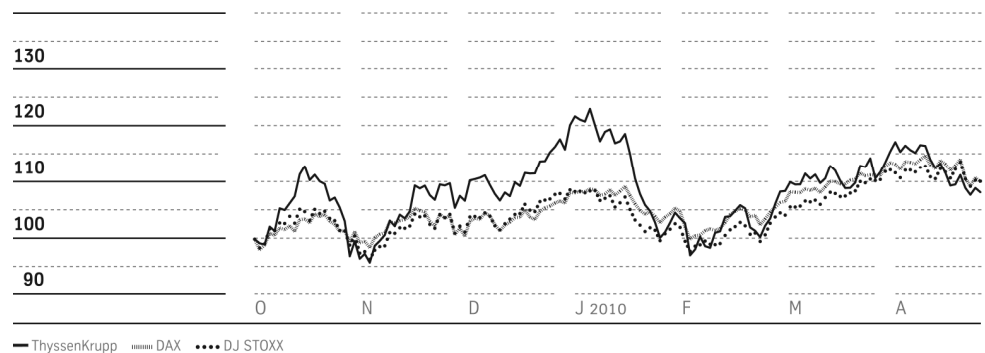
Consolidation mainly includes the results of intercompany profit elimination.

## ThyssenKrupp stock

The positive performance of ThyssenKrupp's stock since the middle of the 2008/2009 fiscal year continued into January 2010. On January 08, 2010 the stock reached a fiscal-year high of €28.07. The share price increase was driven mainly by the general economic expectations and the implementation of the strategic measures at ThyssenKrupp.

After a weak phase at the end of January, the stock steadily gained ground again. At the end of the quarter on March 31, 2010, it stood at €25.46, having outperformed the DAX and DJ STOXX indices.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON INDEXED, Oct. 01, 2009 to April 30, 2010, in %



### Very solid stockholder structure

Twice a year we conduct an analysis of our stockholder structure as a basis for the targeted planning of investor communications in the form of roadshows and conferences aimed at cultivating existing stockholder contacts and attracting potential new investors. The analysis at the end of March 2010 showed once again that our efforts to gain new investors for ThyssenKrupp and raise the Company's profile on the capital markets are having an effect. At over 430, the number of institutions with ThyssenKrupp shares in their portfolio has increased significantly, up by around 12% compared with the analysis carried out in September 2009.

The regional distribution of stockholders shows only slight changes. Institutional investors based in Germany hold 9.9% of the capital stock (down 2.3 percentage points). 10% of the capital stock is held by investors from North America (up 0.2 percentage points). A further key region is the United Kingdom/Ireland, with an unchanged share of 9.4%. 8.7% of the capital stock is held by investors in continental Europe (up 1.7 percentage points), mostly in France, Norway and Switzerland.

The largest stockholder of ThyssenKrupp AG is the Alfred Krupp von Bohlen und Halbach Foundation, Essen. The Foundation has informed ThyssenKrupp that its share in the Company's voting rights is 25.33%. In addition, 10% of the capital stock is held by private investors.

Taking into account the Foundation's shareholding and the treasury shares held by the Company, which account for 9.84% of the capital stock, the free float, which is generally taken into account in the weighting of ThyssenKrupp's stock in stock indices, is 64.83% of the capital stock.

**Basic information on the stock market listing**

ThyssenKrupp stock is listed on the Frankfurt and Düsseldorf stock exchanges.

**THYSSENKRUPP STOCK MASTER DATA**

		Securities identification number
<b>Stock exchange</b>		
Frankfurt (Prime Standard), Düsseldorf		DE 000 750 0001
<b>Symbols</b>		
Stock exchange	Frankfurt, Düsseldorf	TKA
Reuters	Frankfurt Stock Exchange	TKAG.F
	Xetra trading	TKAG.DE
Bloomberg	Xetra trading	TKA GY

## Innovations

The innovation activities of the Group companies are a key factor in our competitive strength. They enable us to respond to the challenges presented by customers and economic megatrends. These megatrends include the growth in the world's energy requirements, which makes it more and more important to make efficient use of resources and reduce emissions in energy generation. Innovative materials and processes play a major role in this.

For example, superconductors are helping prepare the ground for the electricity infrastructure of the future. As they conduct electricity extremely well compared with copper, superconductors make it possible to build generators that are smaller and lighter and at the same time offer higher efficiency. If generators of this kind are used in future wind turbines, the advantages in terms of efficiency and weight will translate into significantly higher outputs than conventional wind turbines can achieve.

Superconducting wire often consists of several layers, with the substrate tape responsible for the mechanical strength and life expectancy of the wire. For these substrates ThyssenKrupp VDM – the world's leading manufacturer of high-performance materials – has developed a special nickel-tungsten foil. In association with Zenergy Power, a specialist in superconductor technology for utilities and industrial companies, and several universities, we are researching promising technologies for the mass production of low-cost superconducting wires. This project is being funded by the North Rhine Westphalia Ministry of Economic Affairs and Energy.

Uhde is contributing its PRENFLO-PDQ process for the gasification of biomass to a research and development project in France into the production of second-generation biofuels. As well as Uhde, five French partners are involved in the new BioTfuel project. It integrates various biomass-to-liquids technology components with the aim of optimizing the efficiency of the process chain, harmonizing the individual steps and developing a commercially viable overall system. To this end the partners aim to find efficient methods for the drying and crushing of the biomass, torrefaction, gasification, purification of the synthesis gas and its ultimate conversion to second-generation biofuel.

The gasification process Uhde is contributing to the process is suitable for a wide range of biomasses and other raw materials. It offers outstanding flexibility and energy efficiency and permits the production of very pure synthesis gas. In addition to the development of the entire process chain, the project also includes the construction and operation of two pilot facilities in France, which will produce biodiesel and biokerosene on the basis of Uhde's technology from 2012. BioTfuel is part of the implementation of the EU directive on renewable energies, under which biofuels from renewable resources are to account for ten percent of fuel production by 2020.

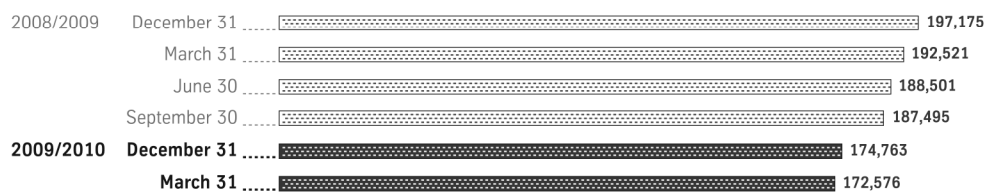
## Employees

### Significant decline in employee numbers

The number of employees decreased further. On March 31, 2010, ThyssenKrupp had 172,576 employees worldwide, 19,945 or 10.4% fewer than a year earlier. In particular the Materials Services business area employed fewer people on account of disposals. However, the headcount at Steel Americas increased.

Compared with September 30, 2009 the number of employees fell by 14,919 or 8.0%. The trend was down both in Germany and in other countries. The workforce in Germany decreased by 12.2% to 71,310, in other countries it was down by 4.7% to 101,266. This means that at the end of March 2010, 41% of employees were based in Germany, 24% in the rest of Europe, 13% in the NAFTA region, 11% in Asia – in particular China and India – 9% in South America, and 2% in the rest of the world.

### EMPLOYEES



Towards the end of the 1st half 2009/2010, only 7,188 employees were still affected by short-time working in the ThyssenKrupp Group worldwide – compared with a high of 38,020 in April 2009. Since summer 2009 short-time working has fallen continuously. For example, the number of workers on short time in the Steel Europe business area decreased from 14,004 in April 2009 to only 819 in March 2010. However, an end to this job-protection measure is not yet foreseeable for this fiscal year.

### Establishment of ThyssenKrupp Business Services and ThyssenKrupp IT Services

Major changes to the workforce structure are currently taking place in the Corporate area. ThyssenKrupp Business Services GmbH and ThyssenKrupp IT Services GmbH, set up as part of the reorganization of the Group, are taking on responsibility for selected standardizable and competence-based processes that do not belong to the core activities of the Group companies. They are focusing and optimizing these processes to create sustainable cost advantages. The range of internal services extends from payroll to accounting to communications and IT services.

Pre-existing shared services structures are being utilized in the establishment of the new units. The concept is focused initially on Germany but will later be extended throughout the Group.

Following the launch of the two companies in October 2009 the workforce had grown to 578 by March 31, 2010. A further increase to around 700 employees is planned in this fiscal year; in the medium term we expect a headcount of over 1,500.

## Financial position

### Analysis of the statement of cash flows

The amounts taken into account in the statement of cash flows correspond to the item “Cash and cash equivalents” as reported in the statement of financial position.

In the 1st half of fiscal 2009/2010 there was a cash outflow from operating activities of €124 million compared with a cash inflow of €623 million in the corresponding prior-year period. The main reason for this was a €1,196 million deterioration in funds tied up in operating assets and operating liabilities. Whereas a release of funds of €377 million was achieved in the corresponding prior-year period, there was an €819 million increase in funds tied up in operating assets and operating liabilities in the reporting period, mainly due to the recovery in demand. This was partly offset by the significant €602 million improvement in net income before impairment losses/reversals and deferred tax income.

The cash outflow from investing activities was down €894 million from the corresponding prior-year period at €1,010 million. This was due to a €519 million reduction in capital expenditures for property, plant and equipment to €1,518 million, and a €378 million increase in proceeds from the disposal of consolidated companies and non-current assets, mainly due to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway.

As in the prior-year period, free cash flow, i.e. the sum of operating cash flows and cash flows from investing activities, was negative. Compared with the prior-year period, there was a decrease in the negative free cash flow by €147 million to €(1,134) million in the 1st half of fiscal 2009/2010.

The cash inflow from financing activities in the reporting period came to €248 million, compared with a cash inflow of €2,253 million in the corresponding prior-year period. The €2,005 million net cash outflow was mainly due to repayments of financial debt of €356 million in the reporting period, compared with borrowings of €3,105 million in the corresponding prior-year period. This was partly offset by a €500 million increase in proceeds to equity in connection with the increase of the shareholding of Vale S.A. in ThyssenKrupp CSA Siderúrgica do Atlântico Ltda. In addition, compared with the prior-year period there were increased cash inflows from the sale of current securities held in connection with financing activities (€220 million), reduced dividend payments (€482 million) and lower expenditures for the acquisition of shares in already consolidated companies (€147 million).

### Analysis of the statement of financial position

Compared with September 30, 2009, total assets increased by €1,292 million to €42,659 million. This increase was influenced by currency translation effects of €959 million, mainly due to the fall in the US dollar exchange rate in the reporting period.

Non-current assets increased in total by €1,469 million, which included a €1,390 million increase in property, plant and equipment. As well as exchange-rate effects, which caused an increase of €319 million, the two major projects in Brazil and the USA played a major part in the increase. The overall slight decrease in intangible assets was mainly influenced by reclassifications of €139 million to assets held for sale, which were partly offset by an increase due to exchange-rate effects. The €123 million decrease in other non-financial assets related in particular to advance payments to suppliers, which were reclassified to property, plant and equipment in connection with further construction progress on the steel mill in Brazil. The €182 million increase in deferred tax assets includes exchange-rate effects of €69 million.

Current assets decreased in total by €177 million. The decrease was due to a significant reduction in cash and cash equivalents and other financial assets, which was partly offset by increases in inventories, trade accounts receivable, and non-financial assets.

The €417 million increase in inventories included €151 million exchange-rate effects. In addition, due to the recovery in demand, there were increases mainly in the business areas Steel Europe (€113 million), Stainless Global (€125 million) and Materials Services (€48 million). Reclassifications to assets held for sale resulted in a reduction of €56 million.

Trade accounts receivable were €699 million higher. In addition to a €163 million increase for exchange-rate reasons, the rest of the increase mainly came from the business areas Steel Europe (€193 million), Stainless Global (€104 million), Components Technology (€125 million) and Materials Services (€117 million) due to the recovery in demand during the reporting period. Reclassifications to assets held for sale resulted in a reduction of €43 million.

Other financial assets reported under current assets decreased by €676 million, mainly due to the capital contributions at ThyssenKrupp CSA Siderúrgica do Atlántico Ltda. made in the reporting period by co-shareholder Vale S.A.

The €119 million increase in other current non-financial assets included in particular higher tax refund entitlements and claims for compensation against suppliers in connection with the major project in Brazil. Reclassifications to assets held for sale resulted in a reduction of €187 million.

The €1,019 million decrease in cash and cash equivalents to €4,330 million was due in particular to the negative free cash flow in the reporting period of €(1,134) million, the repayment of financial debt in the amount of €356 million, and dividend payments of €158 million. Reclassifications to assets held for sale resulted in an additional decrease of €278 million. This was partly offset by exchange-rate effects in the amount of €119 million, proceeds of €174 million from the sale of current securities held in connection with financing activities, and in particular the €500 million capital contribution made in the reporting period at ThyssenKrupp CSA Siderúrgica do Atlántico Ltda. in connection with the increase in the shareholding of co-shareholder Vale S.A.

Assets held for sale increased by €287 million. At September 30, 2009 assets of €491 million were recognized here in connection with the disposals – initiated in October 2009 – of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area; these disposals were completed by mid December 2009. As part of the ongoing portfolio optimization measures, the disposal of parts of the Marine Systems business area was initiated in April 2010. This resulted in the recognition of assets held for sale of €778 million at March 31, 2010; overall, non-current assets of €200 million and current assets of €578 million were reclassified.

The €693 million increase in total equity to €10,389 million was attributable mainly to the net income for the reporting period of €429 million and to net unrealized gains recognized in other comprehensive income from foreign currency translation (€401 million) and from derivative financial instruments (€137 million after taxes). This was partly offset by profit distributions (€158 million) and actuarial losses recognized in other comprehensive income (€164 million after taxes).

Non-current liabilities decreased in total by €1,087 million. This included a €1,210 million decrease in financial debt, which related in the amount of €749 million to the reclassification of a bond to current financial debt. This was partly offset by a €167 million increase in provisions for pension and similar obligations, €140 million of which was due to currency translation effects. In addition there was an increase of €227 million due to the updated interest rates used for the revaluation of pension and healthcare obligations at March 31, 2010. Reclassifications to liabilities associated with assets held for sale resulted in a decrease of €119 million.

Current liabilities increased overall by €1,686 million. This was due to a €1,001 million increase in current financial debt and the aforementioned €749 million reclassification of a bond from non-current financial debt.

The €322 million decrease in other current provisions was mainly due to the use of provisions for the restructuring measures initiated in the Group in fiscal 2008/2009, and to €49 million reclassifications to liabilities associated with assets held for sale.

The €154 million increase in trade accounts payable included €76 million currency translation effects. Improved demand in the reporting period also contributed to the rise. The increase was partly offset by the reclassification of €43 million to liabilities associated with assets held for sale.

The €266 million increase in other current financial liabilities was mainly caused by higher payment obligations from the purchase of property, plant and equipment for the major project in the USA. Current non-financial liabilities increased by €353 million, of which €129 million was attributable to exchange-rate effects. In addition there was a €280 million increase in liabilities from construction contracts and a €102 million rise in liabilities from annual maintenance contracts. Reclassifications to liabilities associated with assets held for sale resulted in a decrease of €298 million.

Liabilities associated with assets held for sale were €270 million higher. This includes a decrease of €288 million relating to the disposals of ThyssenKrupp Industrieservice and ThyssenKrupp Safway in the Materials Services business area which were initiated in October 2009 and completed in the reporting period. The disposal of parts of the Marine Systems business area initiated in April 2010 resulted in a €558 million increase in liabilities associated with assets held for sale at March 31, 2010. Overall, non-current liabilities of €132 million and current liabilities of €426 million were reclassified.

## Risk report

The effects of the financial and economic crisis are continuing to impact ThyssenKrupp's business activities. Our systematic and efficient risk management system helps contain and manage these risks. There are no risks threatening the existence of the Company. We are countering the economic risks in the markets of importance to us with an extensive action program to reduce costs and increase efficiency in all areas of the Group.

As a result of the financial crisis, the focus of attention has shifted increasingly to financial risks such as liquidity and credit risks. ThyssenKrupp takes account of these risks and manages its liquidity requirements with foresight. Despite the difficult market environment, financing in fiscal 2009/2010 is on a secure foundation. At March 31, 2010 the Group had €9.4 billion in cash, cash equivalents and committed credit lines.

Credit risks (default risks) arise from the fact that the Group is exposed to possible default by a contractual party in relation to financial instruments, e.g. financial investments. In times of crisis, default risks take on greater significance; we therefore manage them with particular care as part of our business policy. Financial instruments used for financing are concluded within specified risk limits only with counterparties of very good credit standing and/or who are covered by a deposit guarantee fund.

Further financial risks such as currency, interest rate and commodity price risks are reduced by the use of derivative financial instruments. Restrictive principles regarding the choice of counterparties also apply to the use of these financial instruments.

In our assessment the risk of an economic setback is not over, so the operating risks for our business going forward remain high. The substantial increases on the procurement markets for iron ore and coking coal, which affect our steel activities, are part of this. To secure our competitiveness we are taking extensive measures – above all adjusting our selling prices to increased purchasing prices – to respond to the enormous price rises and the move from annual to quarterly contracts planned by the raw material suppliers.

In the Marine Systems business area uncertainties continue to exist in connection with the negotiations with the Greek customer on outstanding payments. Negative effects on our financial position and earnings cannot be excluded.

The Group's worldwide presence and longstanding customer relationships in various markets make us less dependent on individual sales markets and sectors, and helps moderate falls in demand.

Thanks to our committed and competent employees ThyssenKrupp is succeeding in mitigating the current risks in the various areas of the Group. Other risks, such as bad debt and changes in political and regulatory conditions, are monitored continuously. Beyond this, the detailed information contained in the risk report in our 2008/2009 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 07.

## Subsequent events, opportunities and outlook

### Subsequent events

There were no reportable events.

### No sustained economic recovery in 2010

At the beginning of 2010 the economic situation improved following the worst recession for decades, but there is still no sign of a self-sustaining recovery. For 2010 we expect global GDP to grow by 3.8%. After slipping 11.5% last year, world trade is expected to expand this year by 9.5%.

The economic prospects for the euro zone remain subdued, with GDP growth forecast at around 1%. There will be virtually no rise in consumer spending, and in light of underutilized capacities little impetus can be expected from business spending. As global trade picks up, exports will improve. The German economy is expected to grow by 1.5%. Given its strong export focus, the German economy will profit more than other countries from the recovery of the world economy.

The US economy is expected to expand by 2.9% in 2010. High debt levels in many households and the only slow recovery of the labor market will impact consumer spending.

The major emerging economies will step up the pace of expansion in 2010. China and India are expected to grow by 10.0% and 8.5% respectively, while the outlook for Brazil has also improved considerably.

Developments on the procurement markets pose a substantial risk to the still fragile global economic upturn. Prices for iron ore and coking coal are expected to rise sharply this year. Traditionally, prices for iron ore have been negotiated on the basis of annual contracts. As iron ore prices on the spot markets – which are of little importance in terms of quantity – have recently been significantly higher than the annual contract prices due to demand from China, the three ore producers that dominate the market intend to push through price rises of in part more than 100% and at the same time switch contracts with the steel industry from an annual to a quarterly basis. The first contracts have already been concluded for the 2nd calendar quarter of 2010. The enormous price increases will place significant burdens on the steel industry and its customers, for example in the automotive and engineering sectors, and may result in considerable price fluctuations. In addition, the price increases may lead to an increase in financing requirements at all stages of production which will further impede the ability of banks to supply liquidity to the real economy.

We anticipate the following developments on the sales markets of importance for ThyssenKrupp:

- Expectations on the global steel market are cautiously optimistic. According to the spring forecast of the World Steel Association, global steel demand will increase by 11% in 2010; that corresponds to a crude steel output of around 1.4 billion metric tons. In Europe and the NAFTA region demand will be higher this year than in 2009, mainly due to restocking, but production and demand levels will still fall well short of previous years. There are no signs of a significant increase in real consumption, especially in Europe. Not least due to further capacity expansions worldwide, there is a continued risk on our core European market of increasing imports from third countries, in particular China. The inventory overhangs accumulated in China in 2009 and a more restrictive economic policy by the Chinese government could significantly dampen demand growth in the country this year. In the other emerging countries, steel consumption is expected to rise again slightly. The expected drastic increase in prices for iron ore and coking coal in the further course of the year will result in significantly higher steel prices.

- Demand for stainless flat products will recover in all regions this year, with worldwide growth of 10% forecast for 2010. The markets of Western Europe and North America are expected to expand by 10% and 18% respectively. In China the pace of growth will probably slow to 8%, while an increase of 13% is forecast for the rest of Asia.
- The global auto market will recover in 2010. In the current calendar year, production is forecast to expand by 10% to 65 million cars and light trucks. North America and Japan, which suffered the severest slumps in 2009, will grow more quickly. In China, the pace of expansion will slow as government stimulus programs are scaled back. German car manufacturers will benefit from rising export demand in 2010, which will offset the fall in domestic demand following the end of the rebate program.
- Following the sharp declines of the previous year, production expectations for the machinery sector remain subdued in the industrialized countries. Low capacity utilization levels in industry are impacting demand for new equipment. For Germany and the USA, a moderate 3% rise in output is expected; growth will remain more dynamic in China. The German plant engineering industry will profit from rising raw material prices, which will make many of the planned projects postponed due to the recession feasible again.
- The construction sector will remain weak in most industrialized countries in 2010. Construction output will decrease further in the USA in particular, but also in Western Europe. In Germany, there will be further growth in public-sector building in 2010 thanks to the government stimulus packages. However, this increase will not be enough to offset the decline in commercial construction. The Chinese and Indian construction sectors will remain strong.

#### **Outlook**

We are cautiously optimistic that the current economic recovery will prove sustainable. However, it is not yet possible to reliably assess the impact of the massive price increases for important raw materials.

We continue to anticipate that sales will stabilize in fiscal 2009/2010. Earnings are expected to improve significantly and return to profit, thanks in large part to the cost-cutting programs we have introduced. Adjusted earnings before interest and taxes (EBIT adjusted for nonrecurring items) will probably be in the high three-digit million euro range. Adjusted earnings before taxes (EBT adjusted for nonrecurring items) are expected to be in the low three-digit million euro range. Adjusted EBT will be significantly impacted by startup losses in the Steel Americas business area in the mid three-digit million euro range.

Our expectations for the individual business areas are as follows:

- Steel Europe – Improvement in volumes and capacity utilization, average selling prices below prior-year level
- Steel Americas – Negative EBT contribution in the mid three-digit million euro range due to startup losses for the steelmaking and processing facilities in Brazil and the USA
- Stainless Global – Stabilization of volumes with improved base prices

- Materials Services – Stabilization of volumes and selling prices
- Elevator Technology – Continued high earnings contributions thanks to strong order backlog and stable modernization and maintenance business
- Plant Technology – Good revenue and earnings visibility in project business due to order backlog with good earnings quality
- Components Technology – Continued difficult environment for construction machinery components; improvement in automotive components and continued positive earnings contribution from slewing bearings for the wind energy sector
- Marine Systems – Improved earnings quality through initiated consolidation of shipyard sites

In 2010/2011 we expect an improvement in the overall economic environment and further positive effects from our cost-cutting programs. This will have a corresponding influence on sales and earnings.

# ThyssenKrupp AG

## Condensed consolidated statement of financial position

### Assets million €

	Note	Sept. 30, 2009	March 31, 2010
Intangible assets		4,642	4,624
Property, plant and equipment		13,793	15,183
Investment property		341	331
Investments accounted for using the equity method		480	536
Other financial assets		94	86
Other non-financial assets		455	332
Deferred tax assets		638	820
<b>Total non-current assets</b>		<b>20,443</b>	<b>21,912</b>
Inventories, net		6,735	7,152
Trade accounts receivable		5,120	5,819
Other financial assets		1,253	577
Other non-financial assets		1,724	1,843
Current income tax assets		252	248
Cash and cash equivalents		5,349	4,330
Assets held for sale	02	491	778
<b>Total current assets</b>		<b>20,924</b>	<b>20,747</b>
<b>Total assets</b>		<b>41,367</b>	<b>42,659</b>

### Equity and Liabilities million €

	Note	Sept. 30, 2009	March 31, 2010
Capital stock		1,317	1,317
Additional paid in capital		4,684	4,684
Retained earnings*		3,643	3,739
Cumulative other comprehensive income* thereof relating to disposal groups (Sept. 30, 2009: (12); March 31, 2010: 1)		(296)	185
Treasury stock	06	(1,421)	(1,410)
<b>Equity attributable to ThyssenKrupp AG's stockholders</b>		<b>7,927</b>	<b>8,515</b>
Non-controlling interest		1,769	1,874
<b>Total equity</b>		<b>9,696</b>	<b>10,389</b>
Accrued pension and similar obligations	05	7,525	7,692
Other provisions		792	818
Deferred tax liabilities		307	242
Financial debt		7,160	5,950
Other financial liabilities		4	0
Other non-financial liabilities		46	45
<b>Total non-current liabilities</b>		<b>15,834</b>	<b>14,747</b>
Other provisions		2,040	1,718
Current income tax liabilities		794	758
Financial debt		305	1,306
Trade accounts payable		4,169	4,323
Other financial liabilities		1,585	1,851
Other non-financial liabilities		6,656	7,009
Liabilities associated with assets held for sale	02	288	558
<b>Total current liabilities</b>		<b>15,837</b>	<b>17,523</b>
<b>Total liabilities</b>		<b>31,671</b>	<b>32,270</b>
<b>Total equity and liabilities</b>		<b>41,367</b>	<b>42,659</b>

\* Prior year figure adjusted

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of income

million €, earnings per share in €

	Note	1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
Net sales	10	21,381	19,458	9,859	10,107
Cost of sales*	03	(18,733)	(16,501)	(8,998)	(8,623)
<b>Gross profit*</b>		<b>2,648</b>	<b>2,957</b>	<b>861</b>	<b>1,484</b>
Selling expenses		(1,417)	(1,307)	(682)	(664)
General and administrative expenses*		(1,233)	(1,155)	(607)	(579)
Other operating income		230	133	154	56
Other operating expenses*		(225)	(162)	(104)	(67)
Gain/(loss) on the disposal of subsidiaries, net		0	93	0	0
<b>Income/(loss) from operations</b>		<b>3</b>	<b>559</b>	<b>(378)</b>	<b>230</b>
Income/(expense) from companies accounted for using the equity method		(15)	35	(4)	28
Interest income		135	170	63	75
Interest expense		(481)	(497)	(242)	(238)
Other financial income/(expense), net		143	237	106	96
<b>Financial income/(expense), net</b>		<b>(218)</b>	<b>(55)</b>	<b>(77)</b>	<b>(39)</b>
<b>Income/(loss) before income taxes</b>		<b>(215)</b>	<b>504</b>	<b>(455)</b>	<b>191</b>
Income tax (expense)/income		16	(75)	93	43
<b>Net income/(loss)</b>		<b>(199)</b>	<b>429</b>	<b>(362)</b>	<b>234</b>
<b>Attributable to:</b>					
<b>ThyssenKrupp AG's stockholders</b>		(161)	370	(329)	206
Non-controlling interest		(38)	59	(33)	28
<b>Net income/(loss)</b>		<b>(199)</b>	<b>429</b>	<b>(362)</b>	<b>234</b>
<b>Basic and diluted earnings per share</b>	11				
<b>Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)</b>		<b>(0.35)</b>	<b>0.80</b>	<b>(0.71)</b>	<b>0.45</b>

\* Prior year figure adjusted

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of comprehensive income

million €

	1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
<b>Net income/(loss)</b>	<b>(199)</b>	<b>429</b>	<b>(362)</b>	<b>234</b>
Foreign currency translation adjustment				
Change in unrealized gains/(losses), net	1	387	187	275
Net realized (gains)/losses	0	14	0	0
<b>Net unrealized gains/(losses)</b>	<b>1</b>	<b>401</b>	<b>187</b>	<b>275</b>
Unrealized gains/(losses) from available-for-sale financial assets				
Change in unrealized holding gains/(losses), net	(5)	1	(8)	1
Net realized (gains)/losses	0	0	0	0
Tax effect	2	0	3	0
<b>Net unrealized holding gains/(losses)</b>	<b>(3)</b>	<b>1</b>	<b>(5)</b>	<b>1</b>
Actuarial gains/(losses) from pensions and similar obligations				
Change in actuarial gains/(losses), net	(546)	(207)	138	(282)
Tax effect	168	43	(51)	66
<b>Net actuarial gains/(losses) from pensions and similar obligations</b>	<b>(378)</b>	<b>(164)</b>	<b>87</b>	<b>(216)</b>
Gains/(losses) resulting from asset ceiling				
Change in gains/(losses), net	1	(60)	0	3
Tax effect	0	18	0	(1)
<b>Net gains/(losses) resulting from asset ceiling</b>	<b>1</b>	<b>(42)</b>	<b>0</b>	<b>2</b>
Unrealized (losses)/gains on derivative financial instruments				
Change in unrealized gains/(losses), net	(21)	165	128	109
Net realized (gains)/losses	(1)	(4)	(3)	1
Tax effect	7	(24)	(40)	(5)
<b>Net unrealized gains/(losses)</b>	<b>(15)</b>	<b>137</b>	<b>85</b>	<b>105</b>
Share of unrealized gains/(losses) of investments accounted for using the equity-method	5	5	8	4
<b>Other comprehensive income</b>	<b>(389)</b>	<b>338</b>	<b>362</b>	<b>171</b>
<b>Total comprehensive income</b>	<b>(588)</b>	<b>767</b>	<b>0</b>	<b>405</b>
<b>Attributable to:</b>				
<b>ThyssenKrupp AG's stockholders</b>	<b>(552)</b>	<b>637</b>	<b>18</b>	<b>326</b>
Non-controlling interest	(36)	130	(18)	79

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of changes in equity

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 other comprehensive income				Treasury stock	Total	Non-controlling interest	
					Foreign currency translation adjustment	Available-for-sale financial assets	Derivative financial instruments	Share of investments accounted for using the equity method				
<b>Balance as of Sept. 30, 2008</b>	463,473,492	1,317	4,684	6,845	(283)	(2)	(130)	(3)	(1,421)	<b>11,007</b>	482	<b>11,489</b>
Net loss				(161)						(161)	(38)	(199)
Other comprehensive income				(381)	0	(3)	(16)	9		(391)	2	(389)
<b>Total comprehensive income</b>				<b>(542)</b>	<b>0</b>	<b>(3)</b>	<b>(16)</b>	<b>9</b>		<b>(552)</b>	<b>(36)</b>	<b>(588)</b>
Profit attributable to non-controlling interest										0	(37)	(37)
Dividend payment				(603)						(603)	0	(603)
Share-based compensation				3						3	0	3
Other changes				(32)						(32)	(50)	(82)
<b>Balance as of March 31, 2009</b>	463,473,492	1,317	4,684	5,671	(283)	(5)	(146)	6	(1,421)	<b>9,823</b>	359	<b>10,182</b>
<b>Balance as of Sept. 30, 2009</b>	463,473,492	1,317	4,684	3,643	(329)	5	33	(5)	(1,421)	<b>7,927</b>	1,769	<b>9,696</b>
Net income				370						370	59	429
Other comprehensive income				(214)	377	1	90	13		267	71	338
<b>Total comprehensive income</b>				<b>156</b>	<b>377</b>	<b>1</b>	<b>90</b>	<b>13</b>		<b>637</b>	<b>130</b>	<b>767</b>
Profit attributable to non-controlling interest										0	(19)	(19)
Dividend payment				(139)						(139)	0	(139)
Treasury stock sold	391,717			(3)					12	9	0	9
Tax effects on income and expense directly recognized in equity				1					(1)	0	0	0
Share-based compensation				(7)						(7)	0	(7)
Other changes				88						88	(6)	82
<b>Balance as of March 31, 2010</b>	463,865,209	1,317	4,684	3,739	48	6	123	8	(1,410)	<b>8,515</b>	1,874	<b>10,389</b>

See accompanying notes to the condensed consolidated financial statements.

# ThyssenKrupp AG

## Condensed consolidated statement of cash flows

million €

	1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
<b>Operating:</b>				
Net income/(loss)	(199)	429	(362)	234
Adjustments to reconcile net income/(loss) to operating cash flows:				
Deferred income taxes, net	(237)	(165)	(147)	(111)
Depreciation, amortization and impairment of non-current assets	777	680	419	346
Reversals of impairment losses of non-current assets	(2)	(3)	(1)	0
(Income)/loss from companies accounted for using the equity method, net of dividends received	20	(35)	9	(28)
(Gain)/loss on disposal of non-current assets, net	(22)	(93)	(6)	1
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:				
- inventories	1,050	(328)	1,261	(174)
- trade accounts receivable	1,941	(586)	773	(962)
- accrued pension and similar obligations	(91)	(118)	(36)	(33)
- other provisions	(138)	(311)	(30)	(80)
- trade accounts payable	(2,261)	116	(565)	459
- other assets/liabilities not related to investing or financing activities	(215)	290	168	532
<b>Operating cash flows</b>	<b>623</b>	<b>(124)</b>	<b>1,483</b>	<b>184</b>
<b>Investing:</b>				
Purchase of investments accounted for using the equity method and non-current financial assets	(26)	(22)	(17)	(1)
Expenditures for acquisitions of consolidated companies*	(17)	(46)	(15)	0
Cash acquired from acquisitions	1	3	0	3
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(1,916)	(1,404)	(866)	(718)
Capital expenditures for intangible assets (inclusive of advance payments)	(78)	(46)	(33)	(22)
Proceeds from disposals of investments accounted for using the equity method and non-current financial assets	40	2	7	1
Proceeds from disposals of previously consolidated companies**	1	479	1	1
Cash of disposed businesses	0	(5)	0	0
Proceeds from disposals of property, plant and equipment and investment property	75	27	11	15
Proceeds from disposals of intangible assets	16	2	7	0
<b>Cash flows from investing activities</b>	<b>(1,904)</b>	<b>(1,010)</b>	<b>(905)</b>	<b>(721)</b>
<b>Financing:</b>				
Proceeds from issuance of bonds	1,485	0	1,485	0
Repayment of bonds	(500)	0	(500)	0
Proceeds from liabilities to financial institutions	2,739	260	72	92
Repayments of liabilities to financial institutions	(698)	(645)	(504)	(57)
Proceeds from notes payable and other loans	79	27	11	8
(Decrease)/increase in bills of exchange	3	2	(13)	(6)
Decrease of liabilities due to sales of receivables not derecognized from the balance sheet	(3)	0	(1)	0
(Increase)/decrease in current securities	(46)	174	(9)	6
Proceeds from non-controlling interest to equity	0	500	0	0
Proceeds from treasury shares sold	0	2	0	0
Payment of ThyssenKrupp AG dividend	(603)	(139)	(603)	(139)
Profit attributable to non-controlling interest	(37)	(19)	(19)	(6)
Expenditures for acquisitions of shares of already consolidated companies	(159)	(12)	(159)	(7)
Other financing activities	(7)	98	(14)	110
<b>Cash flows from financing activities</b>	<b>2,253</b>	<b>248</b>	<b>(254)</b>	<b>1</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>972</b>	<b>(886)</b>	<b>324</b>	<b>(536)</b>
Effect of exchange rate changes on cash and cash equivalents	(9)	120	37	78
Cash and cash equivalents at beginning of reporting period	2,725	5,375	3,327	5,067
<b>Cash and cash equivalents at end of reporting period</b>	<b>3,688</b>	<b>4,609</b>	<b>3,688</b>	<b>4,609</b>
[thereof cash and cash equivalents within disposal groups]	[0]	[278]	[0]	[278]
Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows:				
Interest received	76	112	33	44
Interest paid	204	330	159	258
Dividends received	6	0	3	0
Income taxes received/(paid)	190	(168)	241	(106)

\* Prior year figure adjusted due to the adoption of the revised IAS 7.

\*\* The amount of the 1st quarter ended Dec. 31, 2009 has been adjusted due to the reclassification of the settlement of financial debt of €170 million in the context of the disposal of consolidated companies in proceeds from investing activities.

See note 12 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 period from October 01, 2009 to March 31, 2010, were authorized for issue in accordance with a resolution of the Executive Board on May 07, 2010.

### Basis of presentation

The accompanying Group’s interim condensed consolidated financial statements have been prepared in accordance with section 37w of the German Securities Trading Act (WpHG) and 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 March 31, 2010, 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 consolidated financial statements of our annual report 2008/2009.

### Recently adopted accounting standards

In fiscal year 2009/2010, ThyssenKrupp adopted the following standards, interpretations and amendments:

In September 2007, the IASB issued a revised version of IAS 1 “Presentation of Financial Statements” that is aimed at improving users’ ability to analyse and compare the information given in financial statements. The application of the revised standard is compulsory for fiscal years beginning on or after January 01, 2009. The adoption of the standard has a material impact on the Group’s consolidated financial statements.

In March 2007, the IASB issued a revised version of IAS 23 “Borrowing Costs”. Accordingly, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of the asset. The current option of immediately recognizing borrowing costs as an expense will be removed. The application of the revised standard is compulsory for fiscal years beginning on or after January 01, 2009. The revision has no impact on the Group’s consolidated financial statements because already before the amendment of the standard borrowing costs directly attributable to a qualifying asset has been capitalized as part of production costs.

In February 2008 the IASB issued amendments to “IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation”. The amendments mainly address the classification of particular types of financial instruments as equity or as a liability. Additional disclosures are required for the instruments affected by the amendments. The application of the amendments is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the amended standards to have a material impact on the Group’s consolidated financial statements.

In July 2008 the IASB issued “Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement”. The amendment clarifies how the existing principles underlying hedge accounting should be applied in two particular situations – the designation of inflation in a financial hedged item and the designation of a one-sided risk in a hedged item. The application of the amendment is compulsory for fiscal years beginning on or after July 01, 2009 and has to be applied retrospectively. Currently, Management does not expect the adoption of the amendment to have a material impact on the Group’s consolidated financial statements.

In March 2009 the IASB issued “Embedded Derivatives” which amends IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments”. The amendments clarify the accounting treatment of embedded derivatives for entities that make use of the reclassification of financial instruments. The application of the amendments is compulsory for fiscal years beginning on or after June 30, 2009 and has to be applied retrospectively. Currently,

Management does not expect the adoption of the amendments to have a material impact on the Group's consolidated financial statements.

In January 2008, the IASB also 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. Currently, Management does not expect the adoption of the amended standard to have a material impact on the Group's consolidated financial statements.

In January 2008, the IASB issued the amended versions of IFRS 3 "Business Combinations" and IAS 27 "Consolidated and Separate Financial Statements". A material change of IFRS 3 concerns the accounting for acquisitions involving the purchase of less than 100% of the shares of a company. An option has been added allowing entities to recognize goodwill from an acquisition by the "full goodwill method", i.e. including the portion attributable to minority interests. Furthermore, all acquisition-related costs must be expensed as incurred. In accordance with IAS 27, acquisitions or disposals of shares without loss of control must be accounted for as equity transactions. In the context of the disposal of shares with loss of control any retained investment is recognized at fair value, with any difference to the previous carrying amount recognized in profit or loss. The amended standards must be applied to business combinations in fiscal years beginning on or after July 01, 2009. The adoption of the two amended standards has a material impact on the Group's consolidated financial statements.

In March 2009 the IASB issued an amendment to IFRS 7 "Financial Instruments: Disclosures" titled "Improving Disclosures about Financial Instruments". The amendment enhances the disclosure requirements about fair value measurements and about liquidity risk. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2009. In the first year of application comparative disclosures are not required. The initial application at ThyssenKrupp will lead to additional disclosures in the Notes.

In July 2007, the IFRIC issued IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The interpretation provides general guidance on how to assess the limit in IAS 19 "Employee Benefits" on the amount of the surplus that can be recognized as an asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement. The interpretation will standardise practice and ensure that entities recognize an asset in relation to a surplus on a consistent basis. In the EU, the application of the interpretation is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the

adoption of the Interpretation to have a material impact on the Group's consolidated financial statements.

In May 2008 the IASB issued "Improvements to IFRSs", a first collection of minor amendments to existing IFRSs. This standard presents amendments to 20 IFRSs in two parts. The first part includes accounting changes relating to presentation, recognition or measurement. The second part includes terminology or editorial changes. Unless otherwise specified in the specific standard, the application of the amendments is compulsory for fiscal years beginning on or after January 01, 2009. Currently, Management does not expect the adoption of the amended standards to have a material impact on the Group's consolidated financial statements.

#### Recently issued accounting standards

In fiscal year 2009/2010, the following standards, interpretations and amendments to already existing standards have been issued which still must be endorsed by the EU before they can be adopted:

In November 2009 the IASB issued a revised version of IAS 24 "Related Party Disclosures". The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The application of the amended standard is compulsory for fiscal years beginning on or after January 01, 2011, while earlier application is permitted. Currently, Management does not expect the adoption of the amended standard – if endorsed by the EU in the current version – to have a material impact on the Group's consolidated financial statements.

In November 2009 the IASB issued the new standard IFRS 9 "Financial Instruments" on the classification and measurement of financial assets. This standard is the first part of the three-part project to replace completely IAS 39 "Financial Instruments: Recognition and Measurement" which should be completed by the end of 2010. In accordance with the approach of IFRS 9 financial assets are measured at amortized cost or fair value. The classification to one of the two measurement categories is based on how an entity manages its financial instruments (so called business model) and the contractual cash flow characteristics of the financial assets. The application of the standard is compulsory for fiscal years beginning on or after January 01, 2013, while earlier application is permitted for 2009 year-end financial statements. Currently, Management is not able to finally assess the impacts of the adoption of the standard – if endorsed by the EU in the current version.

In November 2009 the IASB issued an amendment to IFRIC 14, which is itself an interpretation of IAS 19 "Employee Benefits", titled "Prepayments of a Minimum Funding Requirement". The amendment applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. The application of the amended interpretation is compulsory

for fiscal years beginning on or after January 01, 2011, while earlier application is permitted for 2009 year-end financial statements. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have a material impact on the Group's consolidated financial statements.

In November 2009 the IFRIC issued IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments". The interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. The application of the interpretation is compulsory for fiscal years beginning on or after July 01, 2010, while earlier application is permitted. Currently, Management does not expect the adoption of the interpretation – if endorsed by the EU in the current version – to have a material impact on the Group's consolidated financial statements.

## 01 / Acquisitions and disposals

In the 1st half year ended March 31, 2010, the Group acquired companies that are, on an individual basis, immaterial. Based on the values as of the acquisition date, these acquisitions affected in total the Group's consolidated financial statements as presented below:

million €	1st half ended March 31, 2010		
	Carrying amounts as of acquisition date	Adjustments	Fair values as of acquisition date
Intangible assets	3	0	3
Trade accounts receivable	5	0	5
Cash and cash equivalents	3	0	3
<b>Total assets acquired</b>	<b>11</b>	<b>0</b>	<b>11</b>
Current financial debt	4	0	4
Trade accounts payable	2	0	2
Other current non-financial liabilities	2	0	2
<b>Total liabilities assumed</b>	<b>8</b>	<b>0</b>	<b>8</b>
<b>Net assets acquired</b>	<b>3</b>	<b>0</b>	<b>3</b>
Non-controlling interest			0
<b>Purchase prices</b>			<b>3</b>
thereof: paid in cash and cash equivalents			3

In October 2009, as part of the portfolio optimization program, the Group initiated the disposal of ThyssenKrupp Industrieservice and ThyssenKrupp Safway of the Materials Services business area which was consummated end of November 2009 and mid of December 2009, respectively. ThyssenKrupp Industrieservice is a facility management service provider; its product range embraces maintenance, supply chain services, location services and technical cleaning as well as industrial assembly and installation. Safway is an American scaffolding services company. These disposals as well as other smaller disposals that are, on an individual basis, immaterial

affected in total based on the values as of the disposal date the Group's consolidated financial statements as presented below:

million €	1st half ended March 31, 2010
Goodwill	97
Other intangible assets	6
Property, plant and equipment	173
Investments accounted for using the equity method	1
Other financial assets	3
Deferred tax assets	2
Inventories	27
Trade accounts receivable	163
Other current financial assets	9
Other current non-financial assets	9
Current income tax assets	2
Cash and cash equivalents	5
<b>Total assets disposed of</b>	<b>497</b>
Accrued pension and similar obligations	12
Other non-current provisions	23
Deferred tax liabilities	27
Non-current financial debt	2
Other current provisions	20
Current income tax liabilities	3
Current financial debt	20
Trade accounts payable	13
Other current financial liabilities	142
Other current non-financial liabilities	29
<b>Total liabilities disposed of</b>	<b>291</b>
<b>Net assets disposed of</b>	<b>206</b>
Cumulative other comprehensive income	13
Non-controlling interest	2
Gain/(loss) resulting from the disposals	93
<b>Selling prices</b>	<b>310</b>
thereof: received in cash and cash equivalents	310

## 02 / Disposal Groups

In April 2010 the disposal of parts of the Marine Systems business area has been initiated as part of the portfolio optimization program. The transaction comprises on the one hand of the disposals of the TKMS Blohm + Voss Nordseewerke GmbH in the context of the formation of a 50:50 joint venture for the design and program management of naval vessels and on the other hand of the 100% disposal of Blohm + Voss Shipyards GmbH, operating in shipbuilding in particular of premium-segment yachts, and of an 80% stake in each of Blohm + Voss Repair GmbH and Blohm + Voss Industries GmbH, both engaged in ship repairing and the manufacturing of components. Additionally, the construction capacities for civil ship construction of former HDW Gaarden will be disposed of.

The transaction does not meet the requirements of IFRS 5 for presentation as a discontinued operation. Therefore, revenues and expenses will continue to be presented as income from continuing operations until the date of disposal; this is also applicable for the impairment loss triggered by the intended disposal of €6 million on property, plant and equipment resulting from the write-down of the

assets to fair value less costs to sell which is recorded in cost of sales. With regard to the amounts that will be finally deconsolidated after the consummation of the transaction, the amounts presented in the following table as of March 31, 2010, are only preliminary.

million €	March 31, 2010
Goodwill	128
Other intangible assets	11
Property, plant and equipment, net	49
Other financial assets	7
Deferred assets	5
Inventories	56
Trade accounts receivable, net	43
Other current financial assets	14
Other current non-financial assets	187
Cash and cash equivalents	278
<b>Assets held for sale</b>	<b>778</b>
Accrued pension and similar obligations	119
Other non-current provisions	7
Deferred tax liabilities	2
Other non-current financial liabilities	4
Other current provisions	49
Current income tax liabilities	2
Current financial debt	10
Trade accounts payable	43
Other current financial liabilities	24
Other current non-financial liabilities	298
<b>Liabilities associated with assets held for sale</b>	<b>558</b>

### 03 / Cost of sales

In the 1st half year ended March 31, 2010, included in cost of sales are write-downs of inventories of €28 million which mainly relate to the Steel Europe, Stainless Global and Components Technology business areas. As of September 30, 2009, write-downs amounted to €317 million. Furthermore, impairment losses on intangible assets, property, plant and equipment and investment property of €22 million were recognized in cost of sales with €16 million relating to the 2nd quarter ended March 31, 2010.

### 04 / Share-based compensation

#### Management incentive plans

In January 2010, ThyssenKrupp granted 37,240 stock rights under the eighth installment of the mid-term incentive plan. At the same time, in the 2nd quarter ended March 31, 2010, the stock rights granted in the fifth installment of the mid-term incentive plan expired without any payment due a downward trend of ThyssenKrupp Value Added (TKVA) in the performance-period. Due to a downward trend of ThyssenKrupp Value Added (TKVA), in the 2nd quarter ended March 31, 2010, the Group recorded from the mid-term incentive plan only expenses of €0.1 million (2nd quarter ended March 31,

2009: income of €11.1 million). In the 1st half year ended March 31, 2010, the mid-term incentive plan resulted in an expense of €0.1 million (1st half year ended March 31, 2009: income of €17.7 million).

After the first tranche of the Group's Share Purchase Program of fiscal year 2007/2008 had been settled with the purchase of 350,924 ThyssenKrupp shares at a discount by the beneficiaries in December 2009, the second tranche of the Group's Share Purchase Program was settled with the purchase of 40,793 ThyssenKrupp shares at a discount in March 2010. The Group's Share Purchase Program resulted in no expense in the 2nd quarter ended March 31, 2010 (2nd quarter ended March 31, 2009: 0) and in €0.9 million in the 1st half year ended March 31, 2010 (1st half year ended March 31, 2009: €5.5 million).

### 05 / Accrued pension and similar obligations

Based on updated interest rates and fair value of plan assets, an updated valuation of accrued pension and health care obligations was performed as of March 31, 2010, taking into account these effects while other assumptions remained unchanged.

million €	Sept. 30, 2009	March 31, 2010
Accrued pension liability	6,068	6,290
Accrued postretirement obligations other than pensions	1,076	1,137
Other accrued pension-related obligations	393	384
Reclassification due to the presentation as liabilities associated with assets held for sale	(12)	(119)
<b>Total</b>	<b>7,525</b>	<b>7,692</b>

The Group applied the following weighted average assumptions to determine pension and postretirement benefit obligations other than pensions:

	Sept. 30, 2009		March 31, 2010	
	Germany	Outside Germany	Germany	Outside Germany
Discount rate for accrued pension liability	5.25	5.24	4.75	5.32
Discount rate for postretirement obligations other than pensions (only USA/Canada)	—	5.50	—	5.75

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

million €

	1st half ended March 31, 2009		1st half ended March 31, 2010		2nd quarter ended March 31, 2009		2nd quarter ended March 31, 2010	
	Germany	Outside Germany	Germany	Outside Germany	Germany	Outside Germany	Germany	Outside Germany
Service cost	30	13	33	14	15	6	16	7
Interest cost	162	61	144	53	81	31	72	27
Expected return on plan assets	(6)	(52)	(6)	(50)	(3)	(26)	(3)	(25)
Curtailment and settlement gains	0	(1)	0	0	0	0	0	0
Termination benefit expense	0	8	0	0	0	8	0	0
<b>Net periodic pension cost</b>	<b>186</b>	<b>29</b>	<b>171</b>	<b>17</b>	<b>93</b>	<b>19</b>	<b>85</b>	<b>9</b>

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

million €

	1st half ended March 31, 2009	1st half ended March 31, 2010	2nd quarter ended March 31, 2009	2nd quarter ended March 31, 2010
	USA/Canada	USA/Canada	USA/Canada	USA/Canada
Service cost	5	3	2	2
Interest cost	34	27	17	14
Expected return on reimbursement rights	(3)	(2)	(2)	(1)
Past service cost	(25)	(16)	(1)	(2)
Curtailment and settlement gains	(20)	0	0	0
<b>Net periodic postretirement benefit cost</b>	<b>(9)</b>	<b>12</b>	<b>16</b>	<b>13</b>

## 06 / Total equity

In the context of the settlement of the Group's Share Purchase Program of fiscal year 2007/2008, as of December 02, 2009, 350,924 treasury shares were sold to the beneficiaries of the first tranche and as of March 04, 2010, 40,793 treasury shares were sold to the beneficiaries of the second tranche using a price of €24.62 per share as a basis for the discounted selling price.

By the resolution of the Annual General Meeting on January 21, 2010, ThyssenKrupp AG is authorized through January 20, 2015, to purchase treasury stock for certain predefined purposes up to a total of 10% of the capital stock at the time of the resolution. Treasury stock can also be purchased by using equity derivatives (put or call options or a combination of both).

## 07 / Contingencies including pending lawsuits and claims for damages

### Guarantees

ThyssenKrupp AG and, 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 March 31, 2010	Provision as of March 31, 2010
Advance payment bonds	232	1
Performance bonds	73	1
Third party credit guarantee	38	0
Residual value guarantees	45	1
Other guarantees	44	0
<b>Total</b>	<b>432</b>	<b>3</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 or 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 subsidiaries 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.

### Commitments and other contingencies

Compared to September 30, 2009, in the Steel Americas and Stainless Global business areas the commitment to enter into investment projects in Brazil and North America decreased by €1.0 billion to €1.7 billion.

### Pending lawsuits and claims for damages

The Group is involved in pending and threatened litigation in connection with the purchase and the sale of certain companies, which may lead to partial repayment of the purchase price or the award of damages. In addition, damage claims may be payable to contractual partners, customers, consortium partners and subcontractors under performance contracts. Some of these claims have proven unfounded, have been ended by settlement or expired under the statute of limitations. A number of legal and regulatory proceedings are still pending.

There have been no significant changes since September 30, 2009 to other contingencies, including pending litigations.

## 08 / Derivative financial instruments

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

million €	Notional amount Sept. 30, 2009	Fair value Sept. 30, 2009	Notional amount March 31, 2010	Fair value March 31, 2010
<b>Derivative financial instruments</b>				
<b>Assets</b>				
Foreign currency derivatives including embedded derivatives	4,693	214	4,378	207
Interest rate derivatives*	786	37	27	4
Commodity derivatives	839	108	502	154
<b>Total</b>	<b>6,318</b>	<b>359</b>	<b>4,907</b>	<b>365</b>
<b>Liabilities</b>				
Foreign currency derivatives including embedded derivatives	4,112	155	2,165	101
Interest rate derivatives*	1	0	1,626	20
Commodity derivatives	374	41	744	161
<b>Total</b>	<b>4,487</b>	<b>196</b>	<b>4,535</b>	<b>282</b>

\* inclusive of cross currency swaps

## 09 / Related parties transactions

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 half year ended March 31, 2010, the Group recorded sales of €0.2 million with ESG Legierungen GmbH from the sale of zinc. In the same period the Group purchased zinc alloy with a value of €4 thousand from ESG Legierungen GmbH. The transactions were carried out at market conditions and resulted in trade accounts receivable of €44 thousand as of March 31, 2010.

The Heitkamp & Thumann Group located in Düsseldorf and the Heitkamp Baugruppe located in Herne are classified as related parties due to the fact that a member of the Supervisory Board has significant influence on both Groups. In the 1st half year ended March 31, 2010, the ThyssenKrupp Group recorded sales of €8.4 million with the Heitkamp & Thumann Group from the sale of steel and stainless material as well as from industrial servicing and sales of €0.2 million with the Heitkamp Baugruppe from the sale of goods. In the same period ThyssenKrupp purchased goods with a value of €7 thousand from the Heitkamp & Thumann Group and goods with a value of €0.1 million from the Heitkamp Baugruppe. The transactions were carried out at market conditions. As of March 31, 2010, the transactions with the Heitkamp & Thumann Group resulted in trade accounts receivable of €1.7 million and no trade accounts payable, the transactions with the Heitkamp Baugruppe resulted in trade accounts receivable of €11 thousand and trade accounts payable of €29 thousand.

In the 1st half year ended March 31, 2010, a Group subsidiary recorded sales of €41 thousand 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.

## 10 / Segment reporting

Since the implementation of the new organizational structure as of October 01, 2009, the Group is organized in the following eight business areas that represent the Group's activities within materials and technologies. The business areas are in line with the internal organizational and reporting structure. Prior year figures have been adjusted accordingly.

**Steel Europe:** This business area brings together the premium flat carbon steel activities, from intelligent material solutions to finished parts.

**Steel Americas:** This business area includes the production, processing and marketing of high-quality steel products in North and South America. It also contains the steelmaking and processing plants currently under construction in Brazil and USA.

**Stainless Global:** This business area is a supplier of flat stainless steel products and high performance materials such as nickel alloys and titanium. The business area also includes the new stainless steel mill in USA.

**Materials Services:** The business area activities comprise materials distribution, logistics and services, and the provision of technical services. In addition to rolled steel, stainless steel, tubes and pipes, nonferrous metals and plastics, Materials Services also offers services from processing and logistics to warehouse and inventory management through to supply chain management. The business area offers technical and infrastructure services in the areas of railway and construction equipment, industrial plants and steel mills.

**Elevator Technology:** This business area is active in the construction, modernization and servicing of elevators, escalators, moving walks, stair and platform lifts as well as passenger boarding bridges. Alongside a full range of installations for the volume market, the business area also delivers customized solutions.

**Plant Technology:** This business area is a supplier of chemical plants, refineries, cement plants, innovative solutions for the mining and handling of raw materials and minerals, production systems and assembly lines for the automotive industry.

**Components Technology:** This business area offers efficient and innovative components for the automotive, construction and engineering sectors as well as for wind turbines.

**Marine Systems:** This business area is a supplier for naval surface vessels, submarines and premium-segment yachts. After the restructuring and the consummation of the disposals the business area will focus its activities on the construction of naval vessels.

**Corporate:** Corporate comprises the Group's head office including management of the business areas. It also includes the business services activities in the areas of finance, communications, IT and human resources. In addition, part of Corporate is real estate not used in operating that is managed and utilized centrally as well as inactive companies that could not be assigned to an individual business area.

Segment information for the 1st half year ended March 31, 2009 and March 31, 2010 as well as for the 2nd quarter ended March 31, 2009 and March 31, 2010 is as follows:

million €

	Steel Europe	Steel Americas	Stainless Global	Materials Services	Elevator Technology	Plant Technology	Components Technology	Marine Systems	Corporate	Consolidation	Group
<b>1st half ended March 31, 2009</b>											
External sales	4,360	0	1,962	6,837	2,634	2,233	2,394	916	45	0	21,381
Internal sales within the Group	814	0	199	267	2	32	5	1	15	(1,335)	0
Total sales	5,174	0	2,161	7,104	2,636	2,265	2,399	917	60	(1,335)	21,381
Income/(loss) before income taxes	454	(98)	(610)	(76)	308	173	6	(84)	(296)	8	(215)
<b>1st half ended March 31, 2010</b>											
External sales	4,182	23	2,392	5,380	2,442	1,876	2,574	541	48	0	19,458
Internal sales within the Group	766	0	279	261	5	18	7	0	14	(1,350)	0
Total sales	4,948	23	2,671	5,641	2,447	1,894	2,581	541	62	(1,350)	19,458
Income/(loss) before income taxes	267	(36)	(176)	172	308	168	106	(17)	(275)	(13)	504
<b>2nd quarter ended March 31, 2009</b>											
External sales	1,989	0	917	3,004	1,292	1,171	1,097	370	19	0	9,859
Internal sales within the Group	337	0	71	105	1	16	3	1	7	(541)	0
Total sales	2,326	0	988	3,109	1,293	1,187	1,100	371	26	(541)	9,859
Income/(loss) before income taxes	109	(22)	(367)	(106)	149	74	(47)	(117)	(141)	13	(455)
<b>2nd quarter ended March 31, 2010</b>											
External sales	2,228	23	1,305	2,746	1,218	932	1,340	287	28	0	10,107
Internal sales within the Group	439	0	156	135	3	8	4	0	3	(748)	0
Total sales	2,667	23	1,461	2,881	1,221	940	1,344	287	31	(748)	10,107
Income/(loss) before income taxes	163	(32)	(117)	60	153	73	63	(7)	(154)	(11)	191

## 11 / Earnings per share

Basic earnings per share is calculated as follows:

	1st half ended March 31, 2009		1st half ended March 31, 2010		2nd quarter ended March 31, 2009		2nd quarter ended March 31, 2010	
	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €	Total amount in million €	Earnings per share in €
<b>Numerator:</b>								
Net income/(loss) (attributable to ThyssenKrupp AG's stockholders)	(161)	(0.35)	370	0.80	(329)	(0.71)	206	0.45
<b>Denominator:</b>								
Weighted average shares	463,473,492		463,711,611		463,473,492		463,836,654	

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

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

In fiscal year 2009/2010 the weighted average number of outstanding shares was increased by the sale of treasury shares in December 2009 and March 2010 in the context of the Group's Share Purchase Program.

There were no dilutive securities in the periods presented.

## 12 / Additional information to the consolidated statement of cash flows

### Non-cash investing activities

In the 1st half year ended March 31, 2010, the acquisition and first-time consolidation of companies created an increase in non-current assets of €3 million (1st half year ended March 31, 2009: €25 million). In the 2nd quarter ended March 31, 2010, these increases amounted to €3 million (2nd quarter ended March 31, 2009: €18 million).

The non-cash addition of assets under finance leases in the 1st half year ended March 31, 2010 amounted to €6 million (1st half year ended March 31, 2009: €7 million) and in the 2nd quarter ended March 31, 2010 to €2 million (2nd quarter ended March 31, 2009: €1 million).

### Non-cash financing activities

In the 1st half year ended March 31, 2010, the acquisition and first-time consolidation of companies resulted in an increase in gross financial debt of €4 million (1st half year ended March 31, 2009: €1 million). In the 2nd quarter ended March 31, 2010, these increases amounted to €4 million (2nd quarter ended March 31, 2009: €1 million).

## 13 / Subsequent events

No reportable events occurred.

Düsseldorf, May 07, 2010

ThyssenKrupp AG  
The Executive Board

Schulz

Berlien

Eichler

Hippe

Labonte

## Review report of the half-year financial report

### To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements - comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and selected notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2009 to March 31, 2010 which form part of the half-year financial report according to section 37w 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, May 07, 2010

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Michael Gewehr  
(German Public Auditor)

Markus Zeimes  
(German Public Auditor)

## Responsibility statement

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

Düsseldorf, May 07, 2010

ThyssenKrupp AG  
The Executive Board

Schulz

Berlien

Eichler

Hippe

Labonte

## Report by the Supervisory Board Audit Committee

The interim report on the 1st half of fiscal year 2009/2010 (October 2009 to March 2010) and the review report by the Group's financial statement auditors were presented to the Audit Committee of the Supervisory Board in its meeting on May 11, 2010 and explained by the Executive Board and the auditors. The Audit Committee approved the interim report.

Düsseldorf, May 11, 2010

Chairman of the Audit Committee  
Prof. Dr. Bernhard Pellens

## Contact and 2010/2011 dates

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### 2010/2011 dates

August 13, 2010  
Interim report  
9 months 2009/2010 (October to June)  
Conference call with analysts and investors

November 30, 2010  
Annual Press Conference  
Analysts' and investors' conference

January 21, 2011  
General Stockholders' Meeting

February 11, 2011  
Interim report  
1st quarter 2010/2011 (October to December)  
Conference call with analysts and investors

May 13, 2011  
Interim report  
1st half 2010/2011 (October to March)  
Analysts' and investors' conference

### 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.

### Variances for technical reasons

To meet statutory disclosure obligations, the Company has to submit the interim report to the electronic Federal Gazette (Bundesanzeiger). For technical reasons (e.g. conversion of electronic formats) there may be variances in the accounting documents published in the electronic Bundesanzeiger.

This English version of the interim report is a translation of the original German version; 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.



