

ThyssenKrupp AG

Interim Report 9 months 2007 — 2008

October 01, 2007 – June 30, 2008

03

ThyssenKrupp



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The financial statements of the ThyssenKrupp Group are prepared in accordance with International Financial Reporting Standards (IFRS). This interim report was published on August 14, 2008.

The Group in figures

GROUP

| | | Year-to-date comparatives | | | | 3rd quarter comparatives | | | |
|----------------------------------|-----------|------------------------------------|------------------------------------|---------|----------------|---------------------------------------|---------------------------------------|---------|----------------|
| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | Change | Change in % | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 | Change | Change in % |
| Order intake | million € | 42,815 | 41,535 | (1,280) | (3) | 15,552 | 14,181 | (1,371) | (9) |
| Sales | million € | 38,890 | 39,650 | 760 | 2 | 13,444 | 14,181 | 737 | 5 |
| EBITDA | million € | 4,266 | 3,646 | (620) | (15) | 1,728 | 1,366 | (362) | (21) |
| Earnings before taxes (EBT) | million € | 2,853 | 2,297 | (556) | (19) | 1,219 | 909 | (310) | (25) |
| Net income | million € | 1,664 | 1,550 | (114) | (7) | 759 | 613 | (146) | (19) |
| Basic earnings per share | € | 3.25 | 3.06 | (0.19) | (6) | 1.49 | 1.21 | (0.28) | (19) |
| Employees (June 30) | | 189,260 | 198,033 | 8,773 | 5 | 189,260 | 198,033 | 8,773 | 5 |
| | | | | | | Sept. 30, 2007 | June 30, 2008 | | |
| Net financial debt/(receivables) | million € | | | | | (223) | 2,127 | | |
| Total equity | million € | | | | | 10,447 | 10,490 | | |

SEGMENTS

| | Order intake (million €) | | Sales (million €) | | Earnings before taxes (EBT) (million €) | | Employees | | |
|---------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|--|---------------------------------------|------------------|-------------------|------------------|
| | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | June 30, 2007 | Sept. 30, 2007 | June 30, 2008 |
| Steel | 9,895 | 10,939 | 9,920 | 10,755 | 1,298 | 1,138 | 38,950 | 39,559 | 40,733 |
| Stainless | 6,041 | 5,883 | 6,986 | 5,726 | 912 | 86 | 12,187 | 12,182 | 12,037 |
| Technologies | 12,211 | 9,717 | 8,411 | 9,208 | 411 | 566 | 54,128 | 54,762 | 54,334 |
| Elevator | 3,919 | 4,254 | 3,350 | 3,559 | (187) | 301 | 38,556 | 39,501 | 42,108 |
| Services | 12,921 | 12,950 | 12,614 | 12,702 | 550 | 515 | 43,098 | 43,012 | 46,506 |
| Corporate | 257 | 83 | 257 | 83 | (115) | (291) | 2,341 | 2,334 | 2,315 |
| Consolidation | (2,429) | (2,291) | (2,648) | (2,383) | (16) | (18) | — | — | — |
| Group | 42,815 | 41,535 | 38,890 | 39,650 | 2,853 | 2,297 | 189,260 | 191,350 | 198,033 |
| | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 | | | |
| Steel | 3,262 | 3,765 | 3,413 | 3,902 | 428 | 389 | | | |
| Stainless | 1,943 | 1,732 | 2,608 | 1,933 | 296 | 93 | | | |
| Technologies | 5,700 | 3,397 | 2,815 | 3,357 | 155 | 201 | | | |
| Elevator | 1,309 | 1,324 | 1,179 | 1,211 | 106 | 92 | | | |
| Services | 4,122 | 4,677 | 4,308 | 4,603 | 218 | 248 | | | |
| Corporate | 24 | 23 | 24 | 23 | 21 | (110) | | | |
| Consolidation | (808) | (737) | (903) | (848) | (5) | (4) | | | |
| Group | 15,552 | 14,181 | 13,444 | 14,181 | 1,219 | 909 | | | |

ThyssenKrupp in brief

We have over 198,000 skilled and committed employees working in the areas of Steel, Capital Goods and Services to provide innovative solutions for sustainable progress for our customers in over 70 countries on all five continents. In our five segments – Steel, Stainless, Technologies, Elevator and Services – we are meeting the global challenges and turning them into opportunities. Our high-tech materials, plants, components and systems offer answers to many questions of the future. The Group headed by ThyssenKrupp AG includes, directly and indirectly, almost 900 subsidiaries and equity interests. Two-thirds of our over 2,400 production sites, offices and service bases are outside Germany.

Group review

ThyssenKrupp – earnings higher than expected

ThyssenKrupp held up well in a more difficult market environment in the first 9 months of fiscal 2007/2008. The Group performed largely in line with our expectations, in some areas a little better. Order intake was slightly lower, sales slightly higher than a year earlier. The Group's earnings before taxes have improved from quarter to quarter in the current fiscal year and amounted to €2,297 million in the first 9 months; this was higher than planned but, as expected, lower than the prior-year level. This is mainly attributable to the slump in stainless steel prices; other factors include pre-operating expense for the new steel mills in Brazil and the USA as well as restructuring expenditures in the Steel segment.

The highlights for the first 9 months of 2007/2008 were as follows:

- Order intake was 3% lower than a year earlier at €41.5 billion.
- Sales rose by 2% to €39.7 billion.
- EBITDA was €3,646 million, compared with €4,266 million in the prior year.
- Earnings before taxes decreased to €2,297 million from €2,853 million in the previous year.
- Earnings per share fell from €3.25 to €3.06.
- Net financial debt at June 30, 2008 was €2,127 million, an increase of €2,350 million compared with September 30, 2007, when we reported net financial receivables of €223 million. On June 30, 2007, net financial debt stood at €806 million.

Stable outlook

For the 2007/2008 fiscal year we forecast earnings before taxes and major nonrecurring items, including pre-operating expense for the steel mills in Brazil and the USA, of over €3.2 billion. As things stand at present, we expect sales of altogether €53 billion. Some areas of individual business units in the USA – Mechanical Components, Materials Services North America – are feeling the effects of the economic downturn. At the same time, increased raw material prices are having an impact.

Our earnings expectations take into account the fact that our Steel segment will not be able to pass on the sharp rises in raw material prices - in particular for iron ore and coking coal - in full to customers in the current fiscal year due to our contract structure. Demand for our steel products remains very pleasing, as reflected in continued price increases, fully confirming our expectations of another good steel year.

In the Stainless segment, base prices are improving more slowly than expected. Demand from end customers is stable, while service centers are being cautious in view of the nickel price trend. Due to the weakness of the US dollar there are signs of further imports from the US dollar zone, which could slow prices in the second half of the year. Nevertheless, we expect the segment to deliver a positive earnings contribution.

Technologies continues to profit in particular from infrastructure development and urbanization in the world's growth regions. Our high order backlog, stretching several years into the future with increasing earnings quality, gives us a high degree of planning certainty.

Thanks to its high service share, our Elevator segment continues to deliver a very stable earnings contribution.

The Services segment is profiting from rising demand for materials in the growth regions. With material prices continuing to rise sharply, we expect very encouraging growth in earnings to continue in the further course of the year.

We expect sales to continue to grow in 2008/2009 provided no unforeseen economic downturns impact our business. Growing sales will also be reflected in earnings.

The mid-term sales target for ThyssenKrupp is €60 billion, while our mid-term goal for sustainable earnings before taxes and nonrecurring items is €4 billion. In the longer term, especially after the startup of the Steel segment's new slab mill in Brazil, the Steel and Stainless segments' new steelmaking and processing plant in the USA and the investments of the other segments in other regions, we expect to achieve sales of around €65 billion and earnings before taxes and nonrecurring items of €4.5 to 5.0 billion

Economic growth slower

The strong expansion of the world economy in 2007 did not continue in the 1st half of 2008. The uncertainties on the international financial markets caused by the us mortgage market together with sharply increasing prices for energy and agricultural and industrial raw materials severely impacted economic growth in particular in the developed economies.

Economic growth in the USA weakened markedly in the 1st quarter of 2008. Slow growth in private consumption, reduced business spending and the sustained crisis on the housing market caused domestic demand to stagnate. In the 2nd quarter the us economy picked up slightly thanks to higher exports caused by the exchange rate. The performance of the economy in the euro zone in the 1st quarter of 2008 was comparatively favorable, especially in Germany. The main impetus came from investment, with private consumption increasing only slowly. However, in the further course of the year the situation deteriorated. Private consumption is being impacted by higher inflation and business spending is more subdued.

In Asia and Central and Eastern Europe, the rapid pace of growth was virtually unbroken, though here, too, the upsurge in prices gathered considerable momentum. China's economy continued to expand at double-digit rates at the beginning of the year thanks to strong domestic demand; foreign demand proved relatively robust despite the weakness of the us economy.

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

- Despite the slowing of the world economy, the international steel markets continue to be characterized by expansion. Crude steel output in the 1st half of 2008 was almost 6% higher than in the corresponding prior-year period. The growth was again driven mainly by China, with an increase of almost 10%. In the European Union, output was at the prior-year level. Production in Germany fell only just short of the high year-earlier volume, mainly as a result of reduced output at ThyssenKrupp Steel due to the relining of a blast furnace. The available steel production capacities in Germany remained fully utilized. With steel processors continuing to report good workloads and full order books, shipments of flat-rolled carbon steel from European suppliers in the first five months of this year were again higher than in the corresponding prior-year period. With imports from third countries markedly lower, European producers were able to win back market share. Exports to third countries also increased from a rather weak prior-year level. Driven mainly by the drastic rise in raw material costs and energy prices, steel prices have risen significantly in the year so far.

- Demand on the European market for stainless steel flat products remained stable. Following a phase of very weak orders and deliveries in the previous year as a result of massive imports from Asia, high inventory levels at distributors and severe nickel price fluctuations, the situation improved continuously from the 4th quarter of 2007. The primary reason for this was improved demand from distributors as they replenished their depleted stocks. This development was underpinned by the stabilization of the nickel price at a lower level than in the prior-year period. Following a continuous improvement in order intake, European producers succeeded in increasing base prices again into the 2nd quarter of 2008. In the NAFTA region, subdued demand for stainless steel caused a continuous decrease in base prices. Although demand for stainless steel products in China and other Asian markets remains buoyant, prices began to fall on account of high inventories and surplus capacities at producers. By contrast, the market for nickel alloys and titanium remained comparatively stable, though the low us dollar exchange rate placed producers based in the euro zone at a disadvantage.
- The auto market also showed weaknesses. In North America sales of new vehicles, i.e. cars and in particular light trucks, fell by a total of 10% in the 1st half of 2008. An even larger cutback in production was necessary. In the European Union new car registrations in the period January to June 2008 were down by 2.1% from the corresponding year-earlier period. Demand for vehicles in Germany, on the other hand, showed a slight recovery. New car registrations in the first six months of 2008 increased by 3.6% compared with an albeit weak prior-year period. Output and exports likewise improved. The auto sector in the emerging markets continued to show a positive trend. In Brazil high double-digit growth rates were reported for demand and production. In China, too, the growth of the auto industry continued.
- The economic slowdown in key countries impacted growth on the global machinery market. In the USA there are signs of a marked downturn in demand for capital goods in the 1st half of 2008. By contrast, the German mechanical engineering sector started the year with a good order backlog. Orders in the first six months of 2008 were up 4% from the high prior-year level. However, the pace of growth now appears to be slowing. On the other hand, the expansion in the Chinese machinery market continued unbroken.
- Global construction activity continues to be driven by Asian countries like China, but strong growth rates are also reported in Central and Eastern Europe as a result of public-sector infrastructure projects. Following a slight rise at the beginning of the year thanks to the weather and strong demand in commercial construction, the level of orders in the German construction industry recently fell back again.

THYSSENKRUPP IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 42,815 | 41,535 | 15,552 | 14,181 |
| Sales | million € | 38,890 | 39,650 | 13,444 | 14,181 |
| EBITDA | million € | 4,266 | 3,646 | 1,728 | 1,366 |
| Earnings before taxes (EBT) | million € | 2,853 | 2,297 | 1,219 | 909 |
| Employees (June 30) | | 189,260 | 198,033 | 189,260 | 198,033 |

Stable performance

Demand for ThyssenKrupp's products and services was generally in line with our expectations in the first 9 months of fiscal 2007/2008. Against the background of a global economic slowdown, order intake fell 3% against the prior-year period to €41.5 billion. New orders in the Stainless segment were lower for market-related reasons. Technologies was unable to match the exceptionally high prior-year level which was boosted by major projects. At Services order intake was level with the prior year, while demand at Steel and Elevator was significantly higher.

SALES in billion €

| | | |
|-----------|-------------|------|
| 2006/2007 | 1st quarter | 12.3 |
| | 1st half | 25.4 |
| | 9 months | 38.9 |
| | 12 months | 51.7 |
| 2007/2008 | 1st quarter | 12.3 |
| | 1st half | 25.5 |
| | 9 months | 39.7 |

The Group's sales increased by 2% to €39.7 billion. With the exception of Stainless, all segments reported higher sales. Steel profited in particular from improved prices. However, lower stainless steel prices resulted in a sharp drop in sales at Stainless despite higher shipments. Technologies achieved encouraging sales growth thanks to the good project situation in the plant technology sector. By strengthening its position on numerous European markets, Elevator more than offset the severely negative exchange-rate effects caused by the depreciation of the us dollar. Despite weaker business in North America, Services expanded sales of materials and industrial services.

Group earnings remain ahead of plan

ThyssenKrupp's income has improved continuously in fiscal year 2007/2008. ThyssenKrupp achieved earnings before taxes (EBT) of €909 million in the 3rd quarter, compared with €646 million in the 1st quarter and €742 million in the 2nd quarter. The Group's earnings in the first 9 months of 2007/2008 remained ahead of plan at €2,297 million.

However, compared with the previous year the Group's earnings were lower: This is mainly attributable to the dramatic decline in stainless steel prices, which led to a sharp decrease in income in the Stainless segment. The Steel segment was impacted by high raw material costs as well as pre-operating expense for the new steel mills and restructuring expenditures. Technologies returned a significantly higher profit, reflecting its strong performance in particular in plant technology as well as slewing bearings and rings. Elevator also expanded its profits. Services was not quite able to match its record prior-year income.

EARNINGS BEFORE TAXES (EBT) in million €

| | | |
|-----------|-------------|-------|
| 2006/2007 | 1st quarter | 1,062 |
| | 1st half | 1,634 |
| | 9 months | 2,853 |
| | 12 months | 3,330 |
| 2007/2008 | 1st quarter | 646 |
| | 1st half | 1,388 |
| | 9 months | 2,297 |

At €39.7 billion, net sales in the reporting period were €760 million or 2% higher than a year earlier. At the same time, the cost of sales increased by a disproportionate €1,185 million, mainly as a consequence of higher material expense due to rising costs for raw materials and energy. Overall, this resulted in a decrease in gross margin from 19% to 17%.

The increase in administrative expenses by €210 million was mainly connected with the construction of the steel mill in Brazil. Of the €369 million decrease in other operating expense, around €480 million related to the EU antitrust fine against ThyssenKrupp Elevator included in the prior-year period, and €60 million to the goodwill impairment losses, likewise included in the prior-year period. Running counter to this was a €129 million increase in restructuring expenditure, relating mainly to restructuring measures at Metal Forming in the Steel segment. The decrease in other operating income by €342 million related in the amount of €154 million to reduced insurance recoveries and in the amount of €110 million to reduced gains on disposals of non-current assets.

Taxes on income decreased by €442 million in connection with a reduction in the tax rate from 42% to 33%. The significant decrease in the tax rate was influenced by the tax rate reduction in Germany and the non-deductible EU antitrust fine against ThyssenKrupp Elevator included in the pre-tax earnings of the prior-year period. After deducting tax expense, net income for the period was down €114 million at €1,550 million. Deducting from this the minority interest in profits of €77 million, earnings per share is €3.06, compared with €3.25 in the comparable year-earlier period.

Net financial debt/receivables and capital expenditures

At June 30, 2008, the Group had net financial debt of €2,127 million. The €2,350 million increase compared with September 30, 2007 is mainly due to increased capital expenditures – in particular for the new steel mill in Brazil – the dividend payment and the acquisition of treasury stock. The international financial crisis has so far had little impact on ThyssenKrupp's financing.

NET FINANCIAL DEBT/(RECEIVABLES) in million €

| | | |
|-----------|--------------|-------|
| 2006/2007 | December 31 | 391 |
| | March 31 | 897 |
| | June 30 | 806 |
| | September 30 | (223) |
| 2007/2008 | December 31 | 859 |
| | March 31 | 1,988 |
| | June 30 | 2,127 |

Capital expenditure in the first 9 months of 2007/2008 totaled €2,933 million, 39% more than in the first 9 months of the year before. €2,708 million was invested in property, plant and equipment and intangible assets, and €225 million in the acquisition of businesses, shareholdings and other financial assets.

Construction of new mills in Brazil and the USA

To implement its transatlantic growth strategy, ThyssenKrupp Steel is building additional crude steel capacity in Brazil with a competitive cost base and outstanding quality (CSA project). 17,000 people are currently working on the building site of the new slab mill. Progress on seven of the total of nine major works including port, coke plant, raw materials handling, sinter plant, power plant, media supply and infrastructure is in line with the ambitious timetable. Despite the increasing complexity on site, delays which have occurred have been made up through acceleration measures. In view of the progress made, startup of the port, coke plant and power plant is expected to take place in the 1st quarter of 2009.

However, for the core blast furnace and melt shop units the schedule cannot be met. Despite ongoing initiatives to speed up construction work, the planned start of production is now not expected to take place until the end of 2009. The main reasons for this are booming global demand for capital goods, which has caused supply bottlenecks in some areas. Considerable delays have also been caused by the deficient performance of key suppliers and extremely bad weather conditions compared with the long-term average.

According to current estimates, the €3 billion investment budget approved in September 2006 will be increased to around €4.5 billion. This increase is mainly the result of the insourcing of energy supply and slab logistics on economic grounds, optimization of the technical design for possible future capacity expansions, cost increases for construction supplies and services, and exchange-rate differences due to the continued strengthening of the Brazilian real. This increase will not jeopardize the profitability of the CSA project in combination with the newbuild project in Alabama and the expansion program in Europe at ThyssenKrupp Steel.

New employees for the forthcoming project and production phase are being recruited as planned. At the end of June ThyssenKrupp CSA employed around 870 people. The training programs in Brazil and Germany are also proceeding on schedule and have met with a positive response from all concerned.

The expansion of the processing and coating capacities in Germany, where roughly 40% of the slabs produced in Brazil are to be processed into high-quality products for demanding customers in Europe, is in full swing. The slab storage area now completed at Walsum port is being fitted with a crane for unloading slabs from barges. In the Bochum hot strip mill, the walking beam furnace is being ramped up very successfully. Capacity-increasing measures at the Beeckerwerth hot strip mill, the casting-rolling line in Duisburg and the Hoesch Hohenlimburg narrow strip mill are proceeding apace. Investments to increase the output of four hot-dip coating lines – mainly in Duisburg – have been completed with the successful ramp-up of the facilities. Further measures are under way at other locations.

Construction of the new steelmaking and processing plant for Steel and Stainless near Mobile in Alabama/USA is on schedule, with startup planned for early 2010. Due to the tight situation in the global plant construction sector which has caused price increases for individual works, the planned investment volumes of 2.9 billion us dollars at Steel and 1.1 billion us dollars at Stainless are currently expected to be exceeded by around 10% (Steel) and 20 to 25% (Stainless). The impact on the projects' profitability is negligible.

The weakening of the us dollar since the resolution was passed has reduced the finance volume on a euro basis by altogether €340 million compared with the originally planned volume and therefore the budget is not negatively impacted by the current euro/us dollar exchange rate.

To date, contracts worth around 2.6 billion us dollars have been awarded to suppliers.

Steel has placed orders in particular for the hot strip mill, cold strip mill and hot-dip coating lines as well as inspection and finishing lines. After the ground had been graded for the core units, work began on excavation and driving the foundation piles. Construction roads, a substation for the supply of electricity and temporary offices are under construction.

Stainless has now awarded most of the contracts for the cold strip production equipment, including one hot strip and one cold strip annealing and pickling line, three cold rolling mills, a skin pass mill and several finishing lines as well as the majority of the required cranes. Orders have also been placed for structural steel work for the cold mill shops including finishing lines and shipping areas. The orders for the electric arc furnace, the AOD converter and the continuous caster - the core facilities of the melt shop - were placed in May.

In parallel with the construction work, a sales plan for developing the North American market has been drawn up. Intensive customer contacts have taken place. Target groups are the auto and electrical industries, steel service centers as well as the pipe industry, specifically for the energy sector.

Recruitment is proceeding to schedule. Via the Alabama Industrial Development Training office, 13,000 applications have been received for the production area. A request for quotes has been issued for the construction of a training center.

Segment review

Steel: Significant sales growth

STEEL IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 9,895 | 10,939 | 3,262 | 3,765 |
| Sales | million € | 9,920 | 10,755 | 3,413 | 3,902 |
| Earnings before taxes (EBT) | million € | 1,298 | 1,138 | 428 | 389 |
| Employees (June 30) | | 38,950 | 40,733 | 38,950 | 40,733 |

The Steel segment again reported higher order intake and sales in the first 9 months of fiscal 2007/2008 compared with the corresponding prior-year period. The value of orders received rose by 11% to €10.9 billion. This was mainly due to an increase in order volumes but also to higher prices. Sales were up 8% to €10.8 billion due to the price improvements achieved. Shipments increased by 4%. Significant sales growth was also registered within the year. Rolled steel production for shipment to customers remained constant overall compared with the year before. An increase in hot strip production to meet market demand came at the expense of a slight decline in output of cold-rolled uncoated and coated products.

At €1,138 million, the pre-tax profit was €160 million lower than a year earlier. The decline is mainly due to the costs of the growth projects in Brazil and Alabama and the restructuring expenditures at Metal Forming. Another factor was the dramatic increase in raw material costs since January 2008 which could not be passed onto the market in full. The decline in earnings was partly offset by the additional cost-reduction program realized.

Corporate

The Corporate business unit combines the administrative functions of ThyssenKrupp Steel AG and manages the construction projects in Brazil and the USA. The higher loss was mainly due to the pre-operating costs for the Brazilian steel mill.

Steelmaking

The Steelmaking business unit comprises the metallurgical operations in Duisburg and the logistics activities. At 10.7 million metric tons, crude steel output in the reporting period was 1% lower than in the comparative year-earlier period. This was mainly attributable to the relining of the Schwelgern 1 blast furnace which was blown in again on April 17, 2008 - a few days later than planned. Steelmaking's sales in the reporting period were higher than the year before. The sharp rise in raw material costs was passed onto the segment's market-oriented units. Due to higher prices for supplies to downstream production operations, a higher profit was achieved.

Industry

The Industry business unit recorded an increase in sales due mainly to higher shipments and to a lesser extent to the slightly improved price level. Overall profits were lower than in the previous year because the significant rise in raw material costs could not be offset by cost-reduction measures. Against the background of very robust demand, we further increased sales to industrial customers, though we were unable to meet our customers' requirements in full. Average prices rose only slightly and could not offset the significant cost increases, with the result that profits were considerably lower than in the prior-year period. The same picture was seen at the Color/Construction competence center and the European steel service centers. The Heavy Plate business profited from continued encouraging demand for high-quality material. Sales of heavy plate increased disproportionately because price improvements were achieved in individual product areas. As a result, profits were slightly higher.

Auto

Sales in the Auto business unit increased thanks to the price improvements in annual contracts implemented at January 01, 2008. However, shipments in the reporting period were slightly lower than in the prior-year period. Sales and income in the individual business activities show a mixed picture. The Auto division of ThyssenKrupp Steel AG increased its sales on the back of higher prices, but suffered a drop in profits because the substantial cost increases could not be offset. Tailored Blanks returned higher earnings thanks above all to growth in sales volumes. A contributory factor here was the 100% takeover of the business of the US-based Thyssen Worthington Blanks group at March 01, 2008. The North American steel service activities reported a slight increase in profits, but sales were down as a result of a significant reduction in volumes. In the Metal Forming business, higher orders from the auto industry in the key European markets led to a rise in sales; an additional factor was the business's increasing presence in markets outside Europe. However, a considerably higher loss was posted because restructuring measures introduced, mainly in France, resulted in expenditure of €115 million.

Processing

The Processing business unit achieved higher sales and bettered its good prior-year earnings – mainly due to the positive trend in sales and prices in grain-oriented electrical steel. However, the tinplate business reported lower profits as cost increases could not be passed onto the market. The medium-wide strip business was likewise unable to offset the significant rise in slab costs with price adjustments. Earnings were therefore lower than in the corresponding year-earlier period, while sales increased.

Stainless: Sharp fall in profits

STAINLESS IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 6,041 | 5,883 | 1,943 | 1,732 |
| Sales | million € | 6,986 | 5,726 | 2,608 | 1,933 |
| Earnings before taxes (EBT) | million € | 912 | 86 | 296 | 93 |
| Employees (June 30) | | 12,187 | 12,037 | 12,187 | 12,037 |

In terms of volume, the order situation at ThyssenKrupp Stainless improved significantly in the first 9 months of fiscal 2007/2008. Order intake rose by 35% to 1.9 million metric tons. It must be borne in mind that the prior year was characterized by reluctance to buy on the part of distributors and end users due to high imports, high inventory levels at distributors and service centers, and the strongly fluctuating nickel price. Orders increased by 31% for cold-rolled and 47% for hot-rolled, while the total value of order intake decreased by 3% to €5.9 billion on account of the low base and nickel price level. The value of orders received for nickel alloys also declined as a result of the low price of nickel. Order intake for titanium semis increased mainly for volume reasons.

At around 1.8 million metric tons, the segment's overall deliveries were 3% higher than a year earlier. The volume of shipments for stainless cold-rolled and hot-rolled was roughly the same as in the prior-year period. Deliveries of nickel alloys showed a slight decline, while titanium deliveries increased. Sales fell 18% to €5.7 billion due mainly to lower selling prices.

The Stainless segment suffered a sharp drop in earnings in the first 9 months of the current fiscal year, down €826 million to €86 million. This decrease was mainly due to a significantly lower base price level and the partial underutilization of capacity in the first quarter of the fiscal year. In addition, the competitive situation for exports to the us dollar zone was made more difficult by the continued strength of the euro. Furthermore, earnings at ThyssenKrupp Acciai Speciali Terni were impacted by higher electricity costs as a result of the EU Commission's negative decision regarding the legality of extended energy compensation payments. After reporting a loss in the 1st quarter of the reporting year, the Stainless segment achieved an earnings turnaround in January 2008 thanks to a slight recovery in the market from the end of 2007. However, this positive trend was halted in the middle of the 3rd quarter when the positive base price trend, sustained until May 2008, came to an end. The main reason for this was subdued demand from distributors on account of declining nickel prices.

ThyssenKrupp Nirosta

In the reporting period the ThyssenKrupp Nirosta business unit profited in volume terms in Europe from a recovery in demand from distributors and stable business with end customers. However, for price reasons sales were lower than in the prior-year period. As a result of the considerably lower price level and the underutilization of capacity at times for demand-related reasons, earnings were significantly lower.

ThyssenKrupp Acciai Speciali Terni

At ThyssenKrupp Acciai Speciali Terni, the recovery in demand for stainless products – in particular from service centers and distributors – was reflected in order intake. The decline in sales at the Italian business unit was mainly the result of lower selling prices and the loss of production at the Turin plant following the accident last December. The plant has not been reopened. At Acciai Speciali Terni there was a dramatic fall in earnings due mainly to the weakening of the Italian stainless market and the Italian domestic economy. High electricity costs were also a factor. In addition, expenses were incurred for the relocation of production from Turin to Terni, which has now been completed, and the effects of the fire in Turin. Thanks to a robust market, the forging activities improved on their prior-year earnings.

ThyssenKrupp Mexinox

ThyssenKrupp Mexinox held up well in a difficult market environment in the NAFTA region. The volume of orders received was slightly higher than in the prior-year period. However, sales were lower for price reasons. The significant decline in profits was mainly attributable to the weak US market, the negative effects of which were only softened by the stable domestic market in Mexico.

Shanghai Krupp Stainless

Shanghai Krupp Stainless recorded higher order volumes compared with the year before. However it must be borne in mind that in the previous year a large part of capacity was utilized for internal contract work for ThyssenKrupp Nirosta following a fire at the Krefeld plant and as a result the level of orders received from the market was lower. Sales were down from the previous year and profits were significantly lower. In addition to the continuing weak and difficult market environment in China, the decrease was due to the absence of the contract work performed for ThyssenKrupp Nirosta in the prior-year period. Earnings were additionally impacted by the reduced volume of exports to the USA.

ThyssenKrupp Stainless International

The business unit reported a reduction in both order intake and sales on account of the difficult market environment and lower selling prices. The weak situation on the international stainless steel markets was mainly responsible for a substantial decline in margins and lower shipments which resulted in sharply reduced earnings.

ThyssenKrupp VDM

In the nickel alloy business, orders and sales fell short of the year-earlier level. The wire production operation was successfully relocated from Bärenstein to Werdohl. With the construction of the new forging line, which officially went into operation in May 2008, ThyssenKrupp VDM has increased its product range, particularly for the aerospace industry. However, the earnings level of the previous year could not be maintained. Benefiting from the weak US dollar, US suppliers increased their exports and intensified the price pressure on the European markets. At the same time the exchange rate meant that prices were too low for us to export profitably to the US dollar zone. However, our US activities reported a significant improvement in earnings.

Technologies: Excellent performance continued

TECHNOLOGIES IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 12,211 | 9,717 | 5,700 | 3,397 |
| Sales | million € | 8,411 | 9,208 | 2,815 | 3,357 |
| Earnings before taxes (EBT) | million € | 411 | 566 | 155 | 201 |
| Employees (June 30) | | 54,128 | 54,334 | 54,128 | 54,334 |

The good overall performance of the Technologies segment continued in the first 9 months of fiscal 2007/2008. At €3.4 billion, 3rd quarter orders again exceeded the good order intake levels of the previous quarters. The €9.7 billion bookings in the reporting period show a constant order volume of over €3 billion per quarter. However, the exceptionally high order level of the previous year, which was boosted by the booking of major orders, was not achieved. The project situation in plant technology remains good, thanks to numerous infrastructure projects and exploration projects in the raw materials sector. Orders in hand at June 30, 2008 increased to €15.7 billion, securing more than a year's sales. In line with the trend in orders, sales in the first 9 months climbed 9% year-on-year to €9.2 billion, despite negative US dollar exchange rate effects.

At altogether €566 million, profits in the first 9 months of 2007/2008 were significantly higher than the year before. The main contributory factors were the good order situation at Plant Technology, higher profits at Mechanical Components, as well as lower costs and higher income from investments at the segment holding company.

Plant Technology

The good order and project situation at Plant Technology continues to be driven by high raw material and energy prices and strong global demand for cement. However, the high order intake of the prior-year period, which was very positively impacted by individual major orders, was not matched. Due to the high level of orders in hand and new orders, sales showed a significant improvement on the prior-year figures in all areas. Thanks to the strong performance, profits at Plant Technology increased significantly from the good level of the previous year.

Marine Systems

Marine Systems recorded a significantly lower order intake in the first 9 months against the comparable year-earlier period, when key major orders were won in connection with the frigate program of the German Navy. While the repair and service business continued to enjoy very high demand, the surface vessel unit in particular failed to match its prior-year performance. The business unit's sales increased mainly as a result of the strong performance of the repair and service business. Profits at Marine Systems were down from the prior year. Higher earnings in the repair and service unit were unable to fully offset reduced profits in submarines and losses in surface vessels.

Mechanical Components

The business unit recorded generally positive demand for high-tech components for the auto and engineering industries in the first 9 months of 2007/2008. However, order intake did not quite match the prior-year level mainly due to the sale of the precision forging operation, falling demand at the North American foundries, and the weak us dollar. By contrast, sales were up slightly. In particular business with slewing bearings and rings for the wind energy sector showed continued growth. Mechanical Components returned a profit that was significantly higher than in the prior-year period, mainly due to the strong performance of slewing bearings and rings and the disposal gain. The main factors damping earnings were falling demand in the USA, higher starting material prices for the North American foundries, and in the case of exports the continued depreciation of the us dollar against the euro.

Automotive Solutions

The Automotive Solutions business unit's order and sales performance reflected significant growth in steering systems, axle modules, body-in-white lines, tooling, and assembly systems. In the first 9 months profits were level with the prior-year period.

Transrapid

With sales down, Transrapid made a small profit which was lower than in the prior-year period due mainly to higher restructuring expenditure.

Elevator: Successful growth track

ELEVATOR IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 3,919 | 4,254 | 1,309 | 1,324 |
| Sales | million € | 3,350 | 3,559 | 1,179 | 1,211 |
| Earnings before taxes (EBT) | million € | (187) | 301 | 106 | 92 |
| Employees (June 30) | | 38,556 | 42,108 | 38,556 | 42,108 |

Elevator successfully stayed on growth track in the first 9 months of the reporting year. Despite very negative exchange rate effects and continuing price and margin pressure, both orders and sales showed an improvement on the prior year. Orders increased by 9% to €4.3 billion and sales by 6% to €3.6 billion.

Profits at Elevator rose to €301 million in the reporting period. Excluding the costs for plant closures in Austria and Spain and the EU antitrust fine of €480 million in the prior-year period, earnings at operating level were also higher.

Central/Eastern/Northern Europe

The Central/Eastern/Northern Europe business unit reported a substantial year-on-year increase in orders and sales. Business in Germany was on a par with the high prior-year level, while business in Northern and Eastern Europe and in the Benelux countries expanded dynamically. Orders in France matched the year-earlier level, and with a strong order backlog for modernization projects, sales showed a clear improvement. Excluding the EU antitrust fine, profits at the business unit were level with the previous year. While the resolved closure of the Gratkorn plant in Austria had a negative impact on earnings, profits from operations expanded significantly. All regions contributed to this with the exception of the UK.

Southern Europe/Africa/Middle East

The business unit increased its orders and sales significantly in the first 9 months. This performance was mainly driven by the operations in Spain and Italy. In Spain, business with new installations and services continued to expand pleasingly. Growth in Italy was mainly attributable to the newly acquired companies. The operations in Turkey and the Gulf region also reported significant growth. The profits of the business unit increased substantially, with the Spanish operations in particular playing a major part in this. Earnings were impacted by the planned closure of a production plant in Spain.

Americas

Despite very negative exchange rate effects, the Americas business unit slightly exceeded its very good prior-year order intake and sales. Excluding exchange rate effects, the North American operations achieved a significant improvement on their very good performance a year earlier. Business in South America, in particular Brazil, was very encouraging overall. Despite the negative exchange rate trend, the business unit's profits once again showed a significant year-on-year increase. This was largely attributable to a higher volume of business as well as to further efficiency enhancement measures in North America. There was also significant earnings growth in Brazil and the other countries of Latin America.

Asia/Pacific

The Asia/Pacific business unit recorded an increase in orders despite likewise negative exchange rate effects. Strong growth in China, India and Australia offset the decline in the Korean operations. Compared with the prior-year period, sales were down slightly, mainly due to the drop in Korean business. However, the sales growth in China was pleasing. In contrast to the prior year, the business unit recorded a loss in the first 9 months of the reporting year due to the restructuring of the Korean operations. Earnings at all the business unit's other operations were level with or slightly higher than the previous year.

Escalators/Passenger Boarding Bridges

Overall, orders and sales at the Escalators/Passenger Boarding Bridges business unit were lower year-on-year. Although the escalator business achieved a significant improvement in orders and a slight increase in sales, the postponement of major orders in the passenger boarding bridges business resulted in substantial declines in this area. The escalator business generated a profit, while passenger boarding bridges made a loss. Overall, the business unit reported negative earnings.

Accessibility

The Accessibility business unit continued to show pleasing growth. Order intake and sales were higher than a year earlier. While European business expanded significantly, the decline in the US housing market resulted in lower year-on-year sales. However, profits were up from the prior-year period, driven mainly by the European operations.

Services: Record earnings in the 3rd quarter

SERVICES IN FIGURES

| | | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|-----------------------------|-----------|---------------------------------------|---------------------------------------|--|--|
| Order intake | million € | 12,921 | 12,950 | 4,122 | 4,677 |
| Sales | million € | 12,614 | 12,702 | 4,308 | 4,603 |
| Earnings before taxes (EBT) | million € | 550 | 515 | 218 | 248 |
| Employees (June 30) | | 43,098 | 46,506 | 43,098 | 46,506 |

The Services segment generated sales of €12.7 billion in the first 9 months of 2007/2008, €88 million more than in the corresponding prior-year period. The 3rd quarter was the best in the company's history, both for sales and earnings. Sales were €295 million higher than the comparable prior-year quarter at €4.6 billion. 3rd quarter profits reached a new record level of €248 million; after nine months, the segment's earnings of €515 million were only €35 million lower than the record profit of the year-earlier period.

Materials Services International

Due in particular to the pleasing 3rd quarter performance, the business unit recorded a clear increase in sales. Contributory factors in this were the strong demand for rolled steel and tubes, where prices were higher, and the first-time inclusion of the newly acquired companies Ferostav and Apollo Metals. Processing-related service operations reported a pleasing workload. By contrast, prices for stainless steel were unsatisfactory, and demand also decreased further. Business with nonferrous metals and plastics was subdued and fell slightly short of expectations. Demand and prices in the Eastern European market improved in the course of the fiscal year. In contrast to Western Europe, countries such as Russia, Bulgaria, the Czech Republic and Poland reported stronger growth. Although the business unit achieved a year-on-year improvement in 3rd quarter earnings, profits for the first 9 months were down from the prior-year period. However, Materials Services International remained the segment's highest earner.

Materials Services North America

The North American materials market failed to recover over the course of the fiscal year. Demand for rolled steel products and in particular for stainless steel remained poor, while the nonferrous metals business also slowed. This was accompanied by strong competitive and margin pressure and the sharp depreciation of the US dollar against the euro. As a result, the business unit was unable to match its prior-year sales and earnings figures.

The signing of a new 10-year contract with Boeing Commercial Airplane at the end of June 2008 provided an additional boost to the service business of Materials Services for the aerospace industry. The contract for integrated supply chain management covers global purchase pooling, deadline tracking, inventory management, the processing of all aluminum and titanium products, the optimization of in-plant materials flow and the coordination of 700 production plants and subcontractors.

Industrial Services

The business performance of Industrial Services continued to improve in the course of the fiscal year. Sales and earnings in the first 9 months were significantly higher than the record prior-year figures. In Germany, the order and workload situation was good, in particular in the engineering and energy sectors. Despite the depreciation of the us dollar against the euro, the performance of the North American operations was particularly pleasing. The focus here on specific areas of industry is having a very positive effect. The same was true of the new Brazilian operations, which achieved disproportionate growth.

Special Products

In the first 9 months of the fiscal year, sales in the Special Products business unit improved slightly on the high prior-year figure. Although overall international rolled steel and tube business was lower year-on-year, significant growth was achieved in Asia. Demand and prices for metallurgical raw materials, coke and minerals remained high, reaching new record levels for certain products and contributing to a further increase in sales. Sales of technical systems increased further, profiting from the continued expansion and modernization of infrastructure in numerous European and non-European regions. Thanks in particular to the performance of the raw materials business, the business unit exceeded its record prior-year earnings.

Corporate includes the Group's head office and internal service providers as well as inactive companies not assignable to individual segments. Also included here is the non-operating real estate, which is managed and utilized centrally by Corporate. The retained assets and liabilities of ThyssenKrupp Budd were also assigned to Corporate. The disposal in the meantime of this company's operations is responsible for the decrease in Corporate's sales compared with the first 9 months of the prior year.

Corporate reported a loss of €291 million in the first 9 months of 2007/2008, a decline of €176 compared with the comparable period in 2006/2007. This is mainly attributable to the absence of non-recurring items with highly positive earnings effects in the prior year. These include income from the disposal of real estate as part of the concentration of ThyssenKrupp's German head offices as well as the departure of the North American automotive operations of ThyssenKrupp Budd. The decrease in earnings from the absence of these positive effects in the previous year was only partly offset in the reporting year by income in particular from risk provisions for contaminated land in the Real Estate unit.

Consolidation mainly includes the results of intercompany profit elimination.

ThyssenKrupp stock

Despite the expected slowing of the economy in the reporting period, ThyssenKrupp's stock outperformed the main securities indices but still lost more than 10%. However, boosted by unabated global demand for materials and capital goods, technologies and services from our Group, our share price rose 4% in the 1st half of 2008. This was the second-highest increase of all DAX stocks.

PERFORMANCE OF THYSSENKRUPP STOCK IN COMPARISON indexed, April 02, 2007 to July 31, 2008, in %



Broad and very stable stockholder base

Following completion of the share buyback in March 2008, we once again analyzed our stockholder structure. This detailed survey forms the basis for our systematic and targeted communications with investors worldwide. Since 2008 the analysis has been carried out twice a year.

The findings confirmed that ThyssenKrupp AG has a broad yet very stable stockholder base. The biggest stockholder is the Alfried Krupp von Bohlen und Halbach Foundation, which holds 25.1% of the Company's capital stock. Including this share, more than 60% of the capital stock is held by German-based investors, of which 10% is in the hands of private investors. Internationally, many investors come from English-speaking countries. For example, stockholders in North America hold 16% of the capital stock, followed by the United Kingdom and Ireland with a total of 7%. 6% is accounted for by investors in the rest of Europe, while the remaining 3% of shares are held by stockholders from other regions of the world.

At June 30, 2008, ThyssenKrupp AG also held 40,515,552 treasury shares, or around 7.9% of the capital stock. These shares were acquired under buyback programs in July/August 2006 and February/March 2008. The Company has no voting or dividend entitlements in respect of these treasury shares.

The free float, which is generally taken into account in the weighting of ThyssenKrupp's stock in the indices, was 67.03% of the capital stock at the reference date.

Following the close of the 3rd quarter the Company decided to repurchase a further 2% of its own shares.

Basic information on the stock market listing

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

THYSSENKRUPP STOCK MASTER DATA

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

Innovations

ThyssenKrupp's competitiveness and the long-term success of the Company depend to a high degree on innovative products and processes. Our annual Innovation Contest helps further improve the climate for innovation in the Group and promote the translation of ideas into successful products and services. Of the 61 entries in this year's contest, the prize-winning projects stood out not only for their high level of innovativeness but also for their outstanding market potential.

Fully mobile crusher for large open pit mining operations

First prize went to an international development team for its design of a new crusher. The project involves a fully mobile crawler-mounted crusher with a downstream conveyor system, replacing conventional truck transportation direct from the mine face. A first system of this type has been operating successfully since 2007 in an open pit coal mine in China under extreme production conditions. Dispensing with truck transportation reduces operating costs by around a third and also lowers CO₂ emissions, thus contributing to climate protection. There is market potential for these fully mobile crushers in all open pit mining operations where large volumes need to be mined and transported, e.g. in oil sands mining in Canada.

New stainless steel reduces costs

The new stainless steel NIROSTA® 4640 was awarded second place in the contest. This innovative material is alloyed with a new combination of chromium, nickel, manganese, copper and nitrogen and displays the same good properties as the long-established grade NIROSTA® 4301. By reducing the amount of cost-intensive nickel, the new material – which is used e.g. in household appliances, kitchen equipment and in the capital goods industry – offers a low-cost alternative which is already enjoying a high level of market acceptance.

Hot-dip galvanized multiphase steels for lightweight automotive construction

Third place went to an innovative process which for the first time allows the high-quality hot-dip coating of high-strength multiphase steels. Consecutive oxidation and reduction processes avoid the undesirable formation of oxides on the surface caused by the increased alloy content of these steels. Multiphase steels coated by this new process have great potential for automotive lightweighting and reduce CO₂ emissions from motor vehicles. The new coating process also significantly reduces production costs.

A new Groupwide Innovation Contest – the tenth in successive years – will be held in 2009.

Employees

Employee numbers higher

On June 30, 2008 ThyssenKrupp had 198,033 employees worldwide, a rise of 6,683 or 3.5% compared with the end of the last fiscal year. Employee numbers increased particularly strongly in the service business of the Elevator and Services segments. Steel created new jobs through the construction of new plants in Brazil and the USA. There was a slight fall in the number of employees at the Stainless and Technologies segments.

In Germany the headcount decreased by 1.2% to 83,940, mainly due to the disposal of parts of companies. Elsewhere, workforce figures rose by 7.3% to 114,093. At the end of June 2008, 42% of employees were based in Germany, 24% in the rest of Europe, 16% in the NAFTA region, 8% in South America and 10% in Asia, particularly China and India, and the rest of the world.

ThyssenKrupp employee shares: Programs firmly established

In spring 2008, some 80,000 employees at the German subsidiaries were given the opportunity to acquire ThyssenKrupp shares on special terms for the sixth time. At 59%, the participation rate was the highest ever.

The program is based on the 50/50 model: the employee buys ThyssenKrupp shares up to a value of €270 and pays only half, i.e. up to €135. The other half is paid by the employer. Under German tax law, the 50% employer allowance is free of tax and social security contributions up to a value of €135. The program therefore makes full use of this statutory allowance.

The applicable share price on May 05, 2008 was €40.84. Each package of shares contained six shares and was worth €245.04. Under this year's program, ThyssenKrupp employees acquired a total of 282,000 shares worth around €11.5 million.

National programs were also launched in France, Spain and the United Kingdom in the current fiscal year. Around one in two of the roughly 6,400 eligible employees in France participated in the country's fourth share program, which was carried out in spring 2008.

Financial position

Analysis of cash flow statement

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

There was a cash inflow from operating activities of €1,509 million in the reporting period, compared with €482 million in the corresponding prior-year period. The €1,027 million improvement in operating cash flows was mainly due to a much smaller rise in working capital and in particular the significant reduction in capital employed at Stainless as a result of a strong decrease in inventories in the reporting period, compared with a significant increase in the corresponding prior-year period.

Cash outflow from investing activities increased by €1,129 million to €2,651 million. This was due in particular to an increase of €691 million to €2,567 million in capital expenditure on property, plant and equipment, mainly relating to the construction of the steel mill in Brazil, and to a €132 million increase in expenditures for acquisitions of consolidated companies. At the same time, proceeds from disposals of property, plant and equipment and intangible assets decreased in total by €266 million. This was primarily due to the disposal in the prior year of real estate in connection with the concentration of ThyssenKrupp's head offices in Germany.

As in the prior year, free cash flow – i.e. the sum of operating cash flows and cash flows from investing activities – was negative due to strong investing activities. Compared with the corresponding prior-year period, free cash flow decreased by €102 million to €(1,142) million.

At €267 million, cash outflow from financing activities was €991 million higher than in the comparative prior-year period. Compared with the prior year, a higher incurrence of financial debt in the amount of €1,641 million was set against a €669 million increase in expenditures for the repurchase of stock and for dividend payments.

Analysis of the balance sheet structure

Compared with September 30, 2007, the balance sheet total increased by €2,736 million to €40,810 million. This includes an exchange rate-related reduction of €706 million.

Non-current assets increased by €1,685 million to €17,070 million. Translation-related decreases of €300 million were offset by significant additions to property, plant and equipment, mainly due to progress on the construction of the steel mill in Brazil.

Despite an exchange rate-related decrease of €162 million, inventories increased in total by €503 million to €9,367 million. In the Stainless segment, inventories decreased by €309 million; exchange rate-related decreases were exacerbated by price-related reductions. There were increases in inventories in the Steel (€95 million), Technologies (€221 million) and Elevator (€89 million) segments reflecting the business situation. The €395 million volume- and price-related increase in inventories in the Services segment related in particular to the significant expansion of sales at the Materials Services International business unit and to the consolidation of the Apollo group.

Taking into account an exchange rate-related decrease of €181 million, trade accounts receivable amounted to €8,176 million, €599 million higher than on September 30, 2007. Increases from business expansions mainly in the Steel (€297 million) and Services (€304 million) segments were set against increased customer payments in the Plant Technology and Marine Systems businesses of the Technologies segment. Trade accounts payable increased by €290 million. €161 million of this increase was attributable to the ThyssenKrupp Acciai Speciali Terni business unit of the Stainless segment due to significant increases in chromium prices and production expansions toward the end of the reporting period. The €562 million increase in current other non-financial assets to €2,081 million included €328 million higher advance payments, among other things for the procurement of input materials.

Cash and cash equivalents decreased in total by €903 million to €2,755 million. The decrease was mainly the result of the negative free cash flow caused by high investing activity (€1,142 million).

Compared with September 30, 2007, total equity increased by €43 million at the end of the reporting period to €10,490 million. An increase in the amount of the net income for the reporting period (€1,550 million) was offset in particular by dividend payments (€681 million), payments for the share buyback (€523 million) and pre-tax expenses recognized directly in equity in connection with currency translation (€265 million). Further changes in total equity resulted from directly recognized unrealized losses from derivative financial instruments and tax effects as well as changes in minority interest.

The €242 million decrease in accrued pension and similar obligations was mainly due to exchange rate effects and the divestment of the precision forging operations in the Technologies segment. Current and non-current financial debt increased in total by €1,371 million; the increase was mainly connected with the financing of the negative free cash flow. Current other financial liabilities increased by €436 million; this was mainly due to the €357 million increase in liabilities from existing payment terms in connection with the purchase of property, plant and equipment, in particular for the construction of the steel mill in Brazil. The €544 million increase in current other non-financial liabilities to €7,648 million was mainly due to a €327 million increase in advance payments received.

Risk report

Thanks to our systematic and efficient risk management system, our risks are contained and manageable. There are no risks threatening the existence of the Company. Business risks and risks from major projects are well controlled by intensive project controls. We counter price risks for the procurement of raw materials, in particular ore and coal, by passing on the costs in our product prices where possible and making increased use of alternative procurement sources. The global presence of the Group limits market and cyclical risks from regional price and volume developments. Sales risks are also reduced by our strongly diversified product and customer structure; we monitor the sales weaknesses in the US auto industry very closely. To date, the global financial crisis has had little effect on the financing arrangements of ThyssenKrupp; the financing of our investment program stands on a secure foundation. In addition, our financial risks are reduced by the use of derivative financial instruments. The information contained in the risk report in the 2006/2007 Annual Report is still valid.

We report on pending lawsuits, claims for damages and other risks in Note 6.

Subsequent events, opportunities and outlook

Subsequent events

Subsequent events between the end of the first 9 months of fiscal year 2007/2008 (June 30, 2008) and the date of authorization for issue of this report (August 13, 2008) are presented in Note 12 to the interim financial statements.

Economic uncertainties increased

Global growth has slowed. The consequences of the financial market crisis, the subdued economic outlook for the USA and continuing high energy and raw material prices are impacting the general economic situation. World GDP is expected to grow by less than 4% in 2008, compared with 5% in 2007.

The economic outlook for the USA for the rest of the year and the coming year has clouded. Months of falling consumer confidence, the weakness of the labor market and the continuing high cost of gasoline will have a significant impact in particular on private consumption. The planned economic program is also only likely to have occasional positive effects. Current economic indicators also point to a slowing of growth in the euro zone and in Germany in the further course of the year. The fall in purchasing power brought about by higher inflation is impacting consumption, and the strength of the euro against other currencies is limiting export opportunities. In the emerging countries of Asia and Central and Eastern Europe, the pace of growth will stay relatively high despite increasing prices.

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

- We continue to forecast an increase in global steel consumption by just under 7% for 2008. The growth will continue to be driven by China and other emerging countries, but most other regions should also remain positive. For the current year we expect world crude steel production to increase to 1.43 billion metric tons. In our core European market, which remains surprisingly robust given the increase in global risks in the first few months of 2008, all the signs indicate a further increase in steel consumption, albeit below the high growth rates of the previous two years. Steel prices will continue to be largely determined by high raw material and energy costs, and further adjustments are expected.
- Demand for stainless steel products remains high. Global consumption of stainless flat products is expected to rise by around 8% in 2008, following a slight decline in 2007. However, a seasonal reduction in demand must be expected in the coming months due to the summer break.

- Vehicle production will continue to expand worldwide in 2008 due to growth in the emerging countries of Asia and in Central and Eastern Europe. Weak demand in the USA will result in a marked fall in output this year, affecting in particular larger, fuel-inefficient vehicles. In Japan and Western Europe, vehicle production will remain largely stable. German auto manufacturers will produce around 6 million cars and trucks, almost matching their prior-year output.
- The global economic slowdown is impacting the mechanical engineering sector. Output in the USA will decrease due to lower domestic demand. German engineering companies will continue to achieve growth in 2008 due to high order backlogs; however, the pace of growth will decrease. Continued strong growth is forecast for the Chinese mechanical engineering industry.
- In the global construction sector, the emerging markets in Asia and Central and Eastern Europe will continue to drive growth. In the USA, falling property prices and lower demand for housing will result in a decrease in construction output. The German construction industry is expected to remain stable, thanks mainly to the positive situation in the commercial construction sector.

Stable outlook

Earnings and sales: For the 2007/2008 fiscal year we forecast earnings before taxes and nonrecurring items, including pre-operating expense for the steel mills in Brazil and the USA, of over €3.2 billion. As things stand at present, we expect sales of altogether €53 billion. Some areas of individual business units in the USA – Mechanical Components, Materials Services North America – are feeling the effects of the economic downturn. At the same time, increased raw material prices are having an impact.

Our earnings expectations take into account the fact that our Steel segment will not be able to pass on the sharp rises in raw material prices – in particular for iron ore and coking coal – in full to customers in the current fiscal year due to our contract structure. Demand for our steel products remains very pleasing, as reflected in continued price increases, fully confirming our expectations of another good steel year.

In the Stainless segment, base prices are improving more slowly than expected. Demand from end customers is stable, while service centers are being cautious in view of the nickel price trend. Due to the weakness of the US dollar there are signs of further imports from the US dollar zone, which could slow prices in the second half of the year. Nevertheless, we expect the segment to deliver a positive earnings contribution.

Technologies continues to profit in particular from infrastructure development and urbanization in the world's growth regions. Our high order backlog, stretching several years into the future with increasing earnings quality, gives us a high degree of planning certainty.

Thanks to its high service share, our Elevator segment continues to deliver a very stable earnings contribution.

The Services segment is profiting from rising demand for materials in the growth regions. With material prices continuing to rise sharply, we expect very encouraging growth in earnings to continue in the further course of the year.

We expect sales to continue to grow in 2008/2009 provided no unforeseen economic downturns impact our business. Growing sales will also be reflected in earnings.

The mid-term sales target for ThyssenKrupp is €60 billion, while our mid-term goal for sustainable earnings before taxes and nonrecurring items is €4 billion. In the longer term, especially after the startup of the Steel segment's new slab mill in Brazil, the Steel and Stainless segments' new steel steelmaking and processing plant in the USA and the investments of the other segments in other regions, we expect to achieve sales of around €65 billion and earnings before taxes and nonrecurring items of €4.5 to 5.0 billion.

Employees: We expect the number of employees to be over 198,000 by the end of the fiscal year. Given the further internationalization of the Group, the growth will take place primarily in our foreign operations, increasing the non-German proportion of our workforce.

Innovations: In the reporting year we expect to spend more than €800 million on innovations for new products, processes and services. To further increase our innovativeness we intend to recruit more scientists and engineers.

Procurement: Iron ore prices have increased, and prices for coking coal, chromium and scrap remain high. Though the prices of a few raw materials, e.g. zinc and nickel, are generally trending downward, this trend is being interrupted – e.g. for nickel – by slight, short-term upturns. Our supplies of products, services and raw materials are secured through contracts and long-term supply relationships. We continue to expect materials expense to amount to more than half of sales in 2007/2008.

Energy: We expect prices for oil, natural gas and electricity to rise further. The cost increases will be cushioned by more efficient use of energy, optimized procurement and the long-term securing of prices.

ThyssenKrupp AG

Condensed consolidated statement of income

million €, earnings per share in €

| | Note | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|--|------|---------------------------------------|---------------------------------------|--|--|
| Net sales | 09 | 38,890 | 39,650 | 13,444 | 14,181 |
| Cost of sales | | (31,551) | (32,736) | (10,876) | (11,637) |
| Gross margin | | 7,339 | 6,914 | 2,568 | 2,544 |
| Selling expenses | | (2,107) | (2,137) | (716) | (741) |
| General and administrative expenses | | (1,804) | (2,014) | (615) | (694) |
| Other operating income | | 565 | 223 | 222 | 80 |
| Other operating expenses | | (882) | (513) | (157) | (260) |
| Gain/(loss) on the disposal of subsidiaries, net | | (5) | 73 | 1 | 30 |
| Income from operations | | 3,106 | 2,546 | 1,303 | 959 |
| Income from companies accounted for using the equity method | | 44 | 61 | 12 | 28 |
| Interest income | | 210 | 204 | 77 | 72 |
| Interest expense | | (493) | (522) | (156) | (181) |
| Other financial income/(expense), net | | (14) | 8 | (17) | 31 |
| Financial income/(expense), net | | (253) | (249) | (84) | (50) |
| Income before income taxes | | 2,853 | 2,297 | 1,219 | 909 |
| Income tax expense | | (1,189) | (747) | (460) | (296) |
| Net income | | 1,664 | 1,550 | 759 | 613 |
| Attributable to: | | | | | |
| ThyssenKrupp AG's stockholders | | 1,589 | 1,473 | 729 | 573 |
| Minority interest | | 75 | 77 | 30 | 40 |
| Net income | | 1,664 | 1,550 | 759 | 613 |
| Basic and diluted earnings per share | 10 | | | | |
| Net income (attributable to ThyssenKrupp AG's stockholders) | | 3.25 | 3.06 | 1.49 | 1.21 |

See accompanying notes to the condensed consolidated financial statements.

ThyssenKrupp AG

Condensed consolidated balance sheet

ASSETS million €

| | Note | Sept. 30, 2007 | June 30, 2008 |
|---|------|-------------------|------------------|
| Intangible assets, net | | 4,581 | 4,602 |
| Property, plant and equipment, net | | 9,436 | 11,204 |
| Investment property | | 389 | 368 |
| Investments accounted for using the equity method | | 461 | 507 |
| Other financial assets | | 133 | 114 |
| Deferred tax assets | | 385 | 275 |
| Total non-current assets | | 15,385 | 17,070 |
| Inventories, net | | 8,864 | 9,367 |
| Trade accounts receivable, net | | 7,577 | 8,176 |
| Other financial assets | | 712 | 798 |
| Other non-financial assets | | 1,519 | 2,081 |
| Current income tax assets | | 359 | 563 |
| Cash and cash equivalents | | 3,658 | 2,755 |
| Total current assets | | 22,689 | 23,740 |
| Total assets | | 38,074 | 40,810 |

EQUITY AND LIABILITIES million €

| | Note | Sept. 30, 2007 | June 30, 2008 |
|--|------|-------------------|------------------|
| Capital stock | | 1,317 | 1,317 |
| Additional paid in capital | | 4,684 | 4,684 |
| Retained earnings | | 4,963 | 5,801 |
| Cumulative income and expense directly recognized in equity | | (241) | (576) |
| Treasury stock | | (697) | (1,220) |
| Equity attributable to ThyssenKrupp AG's stockholders | | 10,026 | 10,006 |
| Minority interest | | 421 | 484 |
| Total equity | 05 | 10,447 | 10,490 |
| Accrued pension and similar obligations | | 7,139 | 6,897 |
| Other provisions | | 696 | 653 |
| Deferred tax liabilities | | 946 | 917 |
| Financial debt | | 2,813 | 3,621 |
| Other financial liabilities | | 125 | 259 |
| Other non-financial liabilities | | 22 | 21 |
| Total non-current liabilities | | 11,741 | 12,368 |
| Other provisions | | 1,559 | 1,550 |
| Current income tax liabilities | | 592 | 834 |
| Financial debt | | 825 | 1,388 |
| Trade accounts payable | | 4,960 | 5,250 |
| Other financial liabilities | | 846 | 1,282 |
| Other non-financial liabilities | | 7,104 | 7,648 |
| Total current liabilities | | 15,886 | 17,952 |
| Total liabilities | | 27,627 | 30,320 |
| Total equity and liabilities | | 38,074 | 40,810 |

See accompanying notes to the condensed consolidated financial statements.

ThyssenKrupp AG

Condensed consolidated cash flow statement

million €

| | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 |
|---|---------------------------------------|---------------------------------------|
| Operating: | | |
| Net income | 1,664 | 1,550 |
| Adjustments to reconcile net income to operating cash flows: | | |
| Deferred income taxes (net) | 274 | 90 |
| Depreciation, amortization and impairment of non-current assets | 1,132 | 1,047 |
| Reversals of impairment losses of non-current assets | (1) | (17) |
| (Earnings)/losses from companies accounted for using the equity method, net of dividends received | (36) | (59) |
| (Gain)/loss on disposal of non-current assets | (58) | (74) |
| Changes in assets and liabilities, net of effects of acquisitions and divestitures: | | |
| - inventories | (1,948) | (621) |
| - trade accounts receivable | (859) | (733) |
| - accrued pension and similar obligations | (292) | (141) |
| - other provisions | (79) | (1) |
| - trade accounts payable | 254 | 322 |
| - other assets/liabilities not related to investing or financing activities | 431 | 146 |
| Operating cash flows | 482 | 1,509 |
| Investing: | | |
| Purchase of investments accounted for using the equity method and financial assets | (45) | (21) |
| Expenditures for acquisitions of consolidated companies | (72) | (204) |
| Cash acquired from acquisitions | 5 | 55 |
| Capital expenditures for property, plant and equipment and investment property | (1,876) | (2,567) |
| Capital expenditures for intangible assets | (110) | (141) |
| Proceeds from disposals of investments accounted for using the equity method and financial assets | 83 | 19 |
| Proceeds from disposals of previously consolidated companies | 140 | 170 |
| Cash of disposed businesses | (19) | (68) |
| Proceeds from disposals of property, plant and equipment and investment property | 347 | 99 |
| Proceeds from disposals of intangible assets | 25 | 7 |
| Cash flows from investing activities | (1,522) | (2,651) |
| Financing: | | |
| Proceeds from liabilities to financial institutions | 600 | 1,597 |
| Repayments of liabilities to financial institutions | (609) | (556) |
| (Repayments on)/proceeds from notes payable and other loans | (150) | 296 |
| Increase in bills of exchange | 9 | 14 |
| Decrease of liabilities due to sales of receivables not derecognized from the balance sheet | (26) | (6) |
| (Increase)/decrease in current securities | (42) | 78 |
| Payments to repurchase shares | 0 | (523) |
| Payment of ThyssenKrupp AG dividend | (489) | (635) |
| Profit attributable to minority interest | (28) | (46) |
| Other financing activities | 11 | 48 |
| Cash flows from financing activities | (724) | 267 |
| Net decrease in cash and cash equivalents | (1,764) | (875) |
| Effect of exchange rate changes on cash and cash equivalents | (1) | (28) |
| Cash and cash equivalents at beginning of reporting period | 4,447 | 3,658 |
| Cash and cash equivalents at end of reporting period | 2,682 | 2,755 |
| Additional information regarding cash flows from interest, dividends and income taxes which are included in operating cash flows: | | |
| Interest received | 113 | 104 |
| Interest paid | 203 | 211 |
| Dividends received | 19 | 22 |
| Income taxes paid | 679 | 528 |

See note 11 to the condensed consolidated financial statements.

ThyssenKrupp AG

Condensed consolidated statement of recognized income and expense

million €

| | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 |
|--|---------------------------------------|---------------------------------------|
| Foreign currency translation adjustment | (112) | (265) |
| Unrealized gains from available-for-sale financial assets | 3 | 3 |
| Unrealized losses on derivative financial instruments | (100) | (121) |
| Tax effect | 37 | 38 |
| Income and expense directly recognized in equity (net of tax) | (172) | (345) |
| Net income | 1,664 | 1,550 |
| Total recognized income and expense for the period | 1,492 | 1,205 |
| Attributable to: | | |
| ThyssenKrupp AG's stockholders | 1,415 | 1,138 |
| Minority interest | 77 | 67 |

See accompanying notes to the condensed consolidated financial statements.

ThyssenKrupp AG

Notes to the interim condensed consolidated financial statements

Corporate Information

ThyssenKrupp Aktiengesellschaft (“ThyssenKrupp AG” or “Company”) is a publicly traded corporation domiciled in Germany. The interim condensed consolidated financial statements of ThyssenKrupp AG and subsidiaries, collectively the “Group”, for the period from October 01, 2007 to June 30, 2008, were authorized for issue in accordance with a resolution of the Executive Board on August 13, 2008.

Basis of presentation

The accompanying Group’s interim condensed consolidated financial statements have been prepared in accordance with section 37x para. 3 in connection with section 37w para. 2 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 June 30, 2008, are not necessarily indicative for future results.

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

The accounting principles and practices as applied in the interim condensed consolidated financial statements correspond to those pertaining to the most recent annual consolidated financial statements. A detailed description of the accounting policies is published in the notes to the annual consolidated financial statements

of our annual report 2006/2007. In the 1st quarter ended December 31, 2007, the Group early adopted IFRS 8 “Operating Segments”; the adoption had no impact on the previous identification of segments.

Recently issued accounting standards

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

In January 2008, the IASB issued the amended versions of IFRS 3 “Business Combinations” and IAS 27 “Consolidated and Separate Financial Statements”. The main change concerns the accounting for acquisitions involving the purchase of less than 100% of the shares of a company. An option 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. In addition, acquisitions or partial disposals of shares without loss of control must be accounted for as equity transactions. Furthermore, all acquisition-related costs must be expensed as incurred. The amended Standards must be applied to business combinations in fiscal years beginning on or after July 01, 2009, while earlier application of both Standards is permitted in fiscal years beginning on or after June 30, 2007. Currently, Management does not expect the adoption of the amended Standards – if endorsed by the EU in the current version – to have a material impact on the Group’s results.

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, while earlier application is permitted. Currently, Management does not expect the adoption of the amended Standards – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

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, while earlier application is permitted. Currently, Management does not expect the adoption of the amended Standards – if endorsed by the EU in the current version – 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 that can effect 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, while earlier application is permitted. Currently, Management does not expect the adoption of the amended Standards – if endorsed by the EU in the current version – 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; earlier application is permitted. Currently, Management does not expect the adoption of the amendment – if endorsed by the EU in the current version – to have a material impact on the Group’s consolidated financial statements.

01 EMISSION RIGHTS

On January 01, 2005, the Group began to participate in the European Union Emissions Trading Scheme (ETS). The Group received notification from the national emissions-trading agency that it is entitled to receive allowances to emit 56.0 million tons of CO₂ during the compliance period 2005 – 2007 and 107.0 million tons of CO₂ during the compliance period 2008 – 2012. The majority of the total allowances are allocated to the Steel segment. The rights are capitalized at cost as an intangible asset. If the emissions are expected to exceed the amount covered by the available allowances, the Group will record an obligation for the purchase of additional allowances.

02 ACQUISITIONS AND DISPOSALS

On January 11, 2008, ThyssenKrupp completed the acquisition of all shares in the British company Apollo Metals Ltd in the Services segment. With ten sites in eight countries, the Apollo group supplies high-value products such as aluminum, stainless steel and nonferrous metals as well as high value-added processing services, mainly for aerospace manufacturers and their suppliers. The acquisition will combine the businesses of the Apollo group, operating chiefly in Europe and the Far East, with the mainly us-based operations of ThyssenKrupp Services to create a global business with 30 sites in 13 countries.

The total purchase price including incidental costs was €89 million in cash. The other intangible assets are almost exclusively customer contracts. The provisional purchase price allocation resulted in goodwill of €45 million, which includes non-separable assets such as assembled workforce, new contractual customers and synergies arising from the integration of the Apollo businesses. Compared to the half-year financial report, goodwill increased by €7 million because of a purchase price adjustment.

Based on the preliminary values at the acquisition date, the acquisition of the Apollo group affected the Group’s consolidated financial statements as presented below:

million €

| | Carrying amounts | Adjustments | Fair values |
|---|------------------|-------------|-------------|
| Goodwill | 0 | 45 | 45 |
| Other intangible assets | 0 | 7 | 7 |
| Property, plant and equipment | 3 | 0 | 3 |
| Deferred tax assets | 0 | 1 | 1 |
| Inventories | 52 | 0 | 52 |
| Trade accounts receivable | 33 | 0 | 33 |
| Other current non-financial assets | 11 | 0 | 11 |
| Cash and cash equivalents | 10 | 0 | 10 |
| Total assets acquired | 109 | 53 | 162 |
| Current income tax liabilities | 1 | 0 | 1 |
| Current financial debt | 18 | 0 | 18 |
| Trade accounts payable | 24 | 0 | 24 |
| Other current financial liabilities | 1 | 0 | 1 |
| Other current non-financial liabilities | 21 | 0 | 21 |
| Total liabilities assumed | 65 | 0 | 65 |
| Net assets acquired | 44 | 53 | 97 |
| Minority interest | 1 | 0 | 1 |
| Purchase price (incl. incidental acquisition cost) | | | 96 |
| thereof: paid in cash and cash equivalents | | | 96 |

Since the Apollo group joined the ThyssenKrupp Group, it has generated sales of €88 million and income before income taxes of €9 million, which are included in the 9 months consolidated statement of income.

If the acquisition had taken place on October 01, 2007, the Apollo group would have contributed sales of €137 million and income before

income taxes of €17 million to the Group's consolidated income.

In the first 9 months ended June 30, 2008, the Group also acquired companies that are, on an individual basis, immaterial. Based on the values of the acquisition date, these acquisitions affected, in total, the Group's consolidated financial statements as presented below:

million €

| | 9 months ended June 30, 2008 | | Fair values as of acquisition date |
|--|---|-------------|------------------------------------|
| | Carrying amounts as of acquisition date | Adjustments | |
| Goodwill | 0 | 83 | 83 |
| Other intangible assets | 1 | 31 | 32 |
| Property, plant and equipment | 42 | 10 | 52 |
| Investments accounted for using the equity method | 0 | (26) | (26) |
| Deferred tax assets | 2 | 1 | 3 |
| Inventories | 64 | 0 | 64 |
| Trade accounts receivable | 73 | 0 | 73 |
| Other current financial assets | 7 | 0 | 7 |
| Other current non-financial assets | 7 | 0 | 7 |
| Current income tax assets | 1 | 0 | 1 |
| Cash and cash equivalents | 45 | 0 | 45 |
| Total assets acquired | 242 | 99 | 341 |
| Accrued pension and similar obligations | 1 | 0 | 1 |
| Other non-current provisions | 1 | 0 | 1 |
| Deferred tax liabilities | 2 | 7 | 9 |
| Non-current financial debt | 19 | 3 | 22 |
| Other current provisions | 9 | 0 | 9 |
| Current income tax liabilities | 1 | 0 | 1 |
| Current financial debt | 31 | 1 | 32 |
| Trade accounts payable | 47 | 0 | 47 |
| Other current financial liabilities | 16 | 0 | 16 |
| Other current non-financial liabilities | 27 | 1 | 28 |
| Total liabilities assumed | 154 | 12 | 166 |
| Net assets acquired | 88 | 87 | 175 |
| Minority interest | 21 | 3 | 24 |
| Purchase prices (incl. incidental acquisition cost) | | | 151 |
| thereof: paid in cash and cash equivalents | | | 148 |

In addition, in the first 9 months ended June 30, 2008, the Group sold companies as part of the portfolio optimization that were, on an individual basis, immaterial. Based on the values at the disposal

date, these disposals affected, in total, the Group's consolidated financial statements as presented below:

million €

| | 9 months ended June 30, 2008 |
|--|---------------------------------------|
| Goodwill | 35 |
| Property, plant and equipment | 73 |
| Investment property | 4 |
| Deferred tax assets | 2 |
| Inventories | 54 |
| Trade accounts receivable | 48 |
| Other current financial assets | 4 |
| Other current non-financial assets | 21 |
| Current income tax assets | 1 |
| Cash and cash equivalents | 68 |
| Total assets disposed of | 310 |
| Accrued pension and similar obligations | 32 |
| Other non-current provisions | 4 |
| Deferred tax liabilities | 2 |
| Other current provisions | 23 |
| Current income tax liabilities | 2 |
| Current financial debt | 42 |
| Trade accounts payable | 30 |
| Other current financial liabilities | 6 |
| Other current non-financial liabilities | 72 |
| Total liabilities disposed of | 213 |
| Net assets disposed of | 97 |
| Gain/(loss) resulting from the disposals | 73 |
| Selling prices | 170 |
| thereof: received in cash and cash equivalents | 170 |

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

03 EXPENSE FOR SHARE-BASED COMPENSATION

Management incentive plans

In January 2008, ThyssenKrupp granted 32,440 stock rights under the sixth installment of the mid-term incentive plan. In addition in the 2nd quarter ended March 31, 2008, the stock rights granted in the third installment of the mid-term incentive plan were settled with a payment of €54.1 million. In the 3rd quarter ended June 30, 2008, stock rights under the sixth installment of the mid-term incentive plan were granted to additional executive employees. In total, ThyssenKrupp recorded a compensation expense of €13.4 million from the obligations of the mid-term incentive plan in the 3rd quarter ended June 30, 2008 (3rd quarter ended June 30, 2007: €22.3 million) resulting in compensation expense of €17.0 million in the first 9 months ended June 30, 2008 (9 months ended June 30, 2007: €55.7 million).

In the 2nd quarter ended March 31, 2008, the Group's Share Purchase Program for the fiscal year 2006/2007 was settled with the purchase of 229,664 shares at a discount. At the same time, in March 2008 it was decided to renew the Program for fiscal year 2007/2008. Under the Program, again selected executive employees are entitled to purchase up to a fixed amount of ThyssenKrupp shares at a discount. In total, the Group's Share Purchase Program resulted in a compensation expense of €3.7 million in the 3rd quarter ended June 30, 2008 (3rd quarter ended June 30, 2007: €3.4 million) and of €9.0 million in the first 9 months ended June 30, 2008 (9 months ended June 30, 2007: €8.2 million).

Employee share purchase programs

In the 3rd quarter ended June 30, 2008, the Group offered eligible members of its German and French workforce the right to purchase up to €270 in ThyssenKrupp shares at a 50% discount as part of employee share purchase programs. The programs resulted in a compensation expense of €6.3 million (3rd quarter ended June 30, 2007: €6.6 million).

04 COST FOR PENSIONS AND SIMILAR OBLIGATIONS

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

million €

| | 9 months ended June 30, 2007 | | 9 months ended June 30, 2008 | | 3rd quarter ended June 30, 2007 | | 3rd quarter ended June 30, 2008 | |
|----------------------------------|---------------------------------|--------------------|---------------------------------|--------------------|------------------------------------|--------------------|------------------------------------|--------------------|
| | Germany | Outside Germany | Germany | Outside Germany | Germany | Outside Germany | Germany | Outside Germany |
| Service cost | 28 | 34 | 25 | 23 | 10 | 11 | 8 | 8 |
| Interest cost | 199 | 96 | 219 | 96 | 66 | 32 | 73 | 32 |
| Expected return on plan assets | (7) | (103) | (9) | (105) | (3) | (34) | (3) | (35) |
| Settlement and curtailment gain | 0 | (12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Net periodic pension cost | 220 | 15 | 235 | 14 | 73 | 9 | 78 | 5 |

A quarterly valuation of pensions and similar obligations as well as of plan assets is generally not performed.

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

million €

| | 9 months ended June 30, 2007 | 9 months ended June 30, 2008 | 3rd quarter ended June 30, 2007 | 3rd quarter ended June 30, 2008 |
|---|---------------------------------------|---------------------------------------|--|--|
| | USA/Canada | USA/Canada | USA/Canada | USA/Canada |
| Service cost | 10 | 8 | 3 | 3 |
| Interest cost | 44 | 44 | 15 | 15 |
| Expected return on reimbursement rights | (4) | (3) | (1) | (1) |
| Past service cost | (1) | (1) | (1) | (1) |
| Settlement and curtailment gain | (39) | 0 | 0 | 0 |
| Net periodic postretirement benefit cost | 10 | 48 | 16 | 16 |

05 TOTAL EQUITY

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

million € (except number of shares)

| | Equity attributable to ThyssenKrupp AG's stockholders | | | | | | | | |
|---|---|---------------|----------------------------|-------------------|---|----------------|---------------|-------------------|---------------|
| | Number of shares outstanding | Capital stock | Additional paid in capital | Retained earnings | Cumulative income and expense directly recognized in equity | Treasury stock | Total | Minority interest | Total equity |
| Balance as of Sept. 30, 2006 | 488,764,592 | 1,317 | 4,684 | 3,358 | (149) | (697) | 8,513 | 414 | 8,927 |
| Net income | | | | 1,589 | | | 1,589 | 75 | 1,664 |
| Income and expense directly recognized in equity | | | | | (211) | | (211) | 2 | (209) |
| Tax effects on income and expense directly recognized in equity | | | | | 37 | | 37 | 0 | 37 |
| Profit attributable to minority interest | | | | | | | 0 | (28) | (28) |
| Dividend payment | | | | (489) | | | (489) | 0 | (489) |
| Share-based compensation | | | | 1 | | | 1 | 0 | 1 |
| Other changes | | | | (10) | 9 | | (1) | (47) | (48) |
| Balance as of June 30, 2007 | 488,764,592 | 1,317 | 4,684 | 4,449 | (314) | (697) | 9,439 | 416 | 9,855 |
| Balance as of Sept. 30, 2007 | 488,764,592 | 1,317 | 4,684 | 4,963 | (241) | (697) | 10,026 | 421 | 10,447 |
| Net income | | | | 1,473 | | | 1,473 | 77 | 1,550 |
| Income and expense directly recognized in equity | | | | | (372) | | (372) | (11) | (383) |
| Tax effects on income and expense directly recognized in equity | | | | | 37 | | 37 | 1 | 38 |
| Profit attributable to minority interest | | | | | | | 0 | (46) | (46) |
| Dividend payment | | | | (635) | | | (635) | 0 | (635) |
| Treasury stock purchased | (14,791,100) | | | | | (523) | (523) | 0 | (523) |
| Share-based compensation | | | | (2) | | | (2) | 0 | (2) |
| Other changes | | | | 2 | | | 2 | 42 | 44 |
| Balance as of June 30, 2008 | 473,973,492 | 1,317 | 4,684 | 5,801 | (576) | (1,220) | 10,006 | 484 | 10,490 |

Following the resolution of the Annual General Meeting on January 18, 2008, ThyssenKrupp AG is authorized until July 17, 2009, to purchase treasury stock for certain defined purposes up to a total of 10% of the current capital stock issued. On the basis of this authorization, the Executive Board of ThyssenKrupp AG resolved on January 31, 2008, to purchase treasury shares on the stock market

up to approximately 3% of the capital stock issued. In the period from February 01, 2008, up to March 07, 2008, ThyssenKrupp AG purchased a total of 14,791,100 treasury shares, representing approximately 2.9% of the capital stock, at an average price of €35.34. This represents a total amount of €523 million.

06 CONTINGENCIES INCLUDING PENDING LAWSUITS AND CLAIMS FOR DAMAGES

Guarantees

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

million €

| | Maximum potential amount of future payments as of June 30, 2008 | Provision as of June 30, 2008 |
|------------------------------|---|--|
| Advance payment bonds | 141 | 1 |
| Performance bonds | 65 | 1 |
| Third party credit guarantee | 33 | 0 |
| Residual value guarantees | 45 | 1 |
| Other guarantees | 120 | 1 |
| Total | 404 | 4 |

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 the segment lead companies upon request of the principal debtor are obligated by the underlying contractual relationship and are subject to recourse provisions in case of default. If such a principal debtor is a company owned fully or partially by a foreign third party, then such a third party is generally requested to provide additional collateral in a corresponding amount.

Special purpose entities

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

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

Commitments and other contingencies

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

In its decision of July 02, 2008, the EU Commission classified various investment subsidies and undertakings granted to Hellenic Shipyards S.A. (HSY) as state aid which is not compatible with the Single Market. The aid was partly granted between 1997 and 2002 in connection with the privatization of the formerly nationalized shipyards. A clause in the purchase contract for the acquisition of HSY in 2002 exempting the purchaser Howaldtswerke Deutsche Werft GmbH from any claims for repayment of the aid is also considered incompatible with state aid rules by the Commission. The EU Commission has requested Greece to recover the aid from HSY; in the Commission’s opinion, the amount involved is approximately €236 million (plus interest). An appeal against the Commission’s findings can be lodged with the European Court of First Instance (Luxembourg) up to mid-September. Legal measures are currently being examined. It is not yet possible to assess whether and in what amount the Greek government will pursue claims for recovery from HSY. An action has already been filed with the competent court in Athens against the seller of HSY for exemption from such recovery claims. Should this matter not be resolved favorably, a material impact on the consolidated financial statements of ThyssenKrupp cannot be ruled out.

Compared to September 30, 2007, in the Steel and Stainless segments the commitment to enter into investment projects in Brazil and North America increased by €0.9 billion to €3.0 billion. In addition, additional long term lime supply contracts were agreed which will result in purchasing commitments of €0.2 billion. Furthermore, existing purchasing commitments for iron ore and iron ore pellets increased by €3.8 billion to €10.5 billion due to a changed estimate of price conditions.

Pending lawsuits and claims for damages

The Group is involved in pending and threatened litigation in connection with the sale of certain companies, which may lead to partial repayment of purchase price or to the award of damages. In addition, damage claims may be payable to customers and

subcontractors under performance contracts. Some of these claims have proven unfounded or have expired under the statute of limitations. The Group believes, based upon consultation with relevant legal counsel, that the ultimate outcome of these pending and threatened lawsuits will not result in a material impact on the Group's financial condition or results of operations.

There have been no significant changes since the previous year end to other contingencies, including pending litigations.

07 DERIVATIVE FINANCIAL INSTRUMENTS

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

million €

| | Notional amount Sept. 30, 2007 | Carrying amount Sept. 30, 2007 | Notional amount June 30, 2008 | Carrying amount June 30, 2008 |
|---|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Derivative financial instruments | | | | |
| Assets | | | | |
| Foreign currency derivatives including embedded derivatives | 3,950 | 182 | 5,623 | 237 |
| Interest rate derivatives* | 757 | 4 | 826 | 50 |
| Commodity derivatives | 854 | 68 | 972 | 130 |
| Total | 5,561 | 254 | 7,421 | 417 |
| Liabilities | | | | |
| Foreign currency derivatives including embedded derivatives | 5,181 | 241 | 6,465 | 391 |
| Interest rate derivatives* | 208 | 6 | 138 | 4 |
| Commodity derivatives | 827 | 86 | 827 | 128 |
| Total | 6,216 | 333 | 7,430 | 523 |

* inclusive of cross currency swaps

08 RELATED PARTIES TRANSACTIONS

In the first 9 months ended June 30, 2008, a Group subsidiary realized sales of €1.3 million resulting from a €2 million elevator modernization contract which the subsidiary received in 2006/2007 from an entity belonging to the Alfried Krupp von Bohlen and Halbach Foundation.

ESG Legierungen GmbH is classified as a related party due to the fact that a close member of the family of an Executive Board

member is a managing director. In the first 9 months ended June 30, 2008, the Group realized sales of €1.4 million with ESG Legierungen GmbH from the sale of zinc. In the same period the Group purchased zinc alloy with a value of €0.2 million from ESG Legierungen GmbH. The transactions were carried out at market conditions and resulted in trade accounts receivable of the Group of €0.1 million as of June 30, 2008.

09 SEGMENT REPORTING

Segment information for the first 9 months ended June 30, 2007 and June 30, 2008 as well as for the 3rd quarter ended June 30, 2007 and June 30, 2008 is as follows:

million €

| | Steel | Stainless | Technologies | Elevator | Services | Corporate | Consolidation | Group |
|--|--------|-----------|--------------|----------|----------|-----------|---------------|--------|
| 9 months ended June 30, 2007 | | | | | | | | |
| External sales | 8,790 | 6,141 | 8,366 | 3,347 | 12,006 | 240 | 0 | 38,890 |
| Internal sales within the Group | 1,130 | 845 | 45 | 3 | 608 | 17 | (2,648) | 0 |
| Total sales | 9,920 | 6,986 | 8,411 | 3,350 | 12,614 | 257 | (2,648) | 38,890 |
| Income/(loss) before income taxes | 1,298 | 912 | 411 | (187) | 550 | (115) | (16) | 2,853 |
| 9 months ended June 30, 2008 | | | | | | | | |
| External sales | 9,611 | 5,083 | 9,133 | 3,556 | 12,198 | 69 | 0 | 39,650 |
| Internal sales within the Group | 1,144 | 643 | 75 | 3 | 504 | 14 | (2,383) | 0 |
| Total sales | 10,755 | 5,726 | 9,208 | 3,559 | 12,702 | 83 | (2,383) | 39,650 |
| Income/(loss) before income taxes | 1,138 | 86 | 566 | 301 | 515 | (291) | (18) | 2,297 |
| 3rd quarter ended June 30, 2007 | | | | | | | | |
| External sales | 3,038 | 2,263 | 2,825 | 1,178 | 4,121 | 19 | 0 | 13,444 |
| Internal sales within the Group | 375 | 345 | (10) | 1 | 187 | 5 | (903) | 0 |
| Total sales | 3,413 | 2,608 | 2,815 | 1,179 | 4,308 | 24 | (903) | 13,444 |
| Income/(loss) before income taxes | 428 | 296 | 155 | 106 | 218 | 21 | (5) | 1,219 |
| 3rd quarter ended June 30, 2008 | | | | | | | | |
| External sales | 3,494 | 1,711 | 3,317 | 1,210 | 4,431 | 18 | 0 | 14,181 |
| Internal sales within the Group | 408 | 222 | 40 | 1 | 172 | 5 | (848) | 0 |
| Total sales | 3,902 | 1,933 | 3,357 | 1,211 | 4,603 | 23 | (848) | 14,181 |
| Income/(loss) before income taxes | 389 | 93 | 201 | 92 | 248 | (110) | (4) | 909 |

10 EARNINGS PER SHARE

Basic earnings per share is computed as follows:

| | 9 months ended June 30, 2007 | | 9 months ended June 30, 2008 | | 3rd quarter ended June 30, 2007 | | 3rd quarter ended June 30, 2008 | |
|--|---------------------------------|----------------------------|---------------------------------|----------------------------|------------------------------------|----------------------------|------------------------------------|----------------------------|
| | 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 € |
| Numerator: | | | | | | | | |
| Net income (attributable to ThyssenKrupp AG's stockholders) | 1,589 | 3.25 | 1,473 | 3.06 | 729 | 1.49 | 573 | 1.21 |
| Denominator: | | | | | | | | |
| Weighted average shares | 488,764,592 | | 481,425,899 | | 488,764,592 | | 473,973,492 | |

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

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

In fiscal year 2007/2008 the weighted average number of outstanding shares was reduced by the repurchase of treasury shares in the period from February 01, 2008, up to March 07, 2008.

There were no dilutive securities in the periods presented.

11 ADDITIONAL INFORMATION TO THE CONSOLIDATED CASH FLOW STATEMENT

Non-cash investing activities

In the first 9 months ended June 30, 2008, the acquisition and first-time consolidation of companies created an increase in non-current assets of €163 million (9 months ended June 30, 2007: €30 million).

The non-cash addition of assets under finance leases in the first 9 months ended June 30, 2008 amounts to €38 million (9 months ended June 30, 2007: €9 million).

Non-cash financing activities

In the first 9 months ended June 30, 2008, the acquisition and first-time consolidation of companies results in an increase in gross financial debt of €71 million (9 months ended June 30, 2007: €0 million).

12 SUBSEQUENT EVENTS

On the basis of the authorization granted by the Annual Stockholders' Meeting on January 18, 2008, the Executive Board of ThyssenKrupp AG resolved on July 14, 2008 to purchase up to 10.5 million additional treasury shares before the authorization expires on July 17, 2009. This represents approximately 2% of the capital stock.

Review report

To ThyssenKrupp AG, Duisburg and Essen

We have reviewed the condensed interim consolidated financial statements - comprising the balance sheet, the income statement, cash flow statement, statement of recognised income and expense and selected notes – and the interim group management report of ThyssenKrupp AG, Duisburg and Essen, for the period from October 1, 2007 to June 30, 2008 which form part of the quarterly financial report according to section 37x para. 3 in connection with section 37w para. 2 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, August 13, 2008

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Michael Gewehr
(German Public Auditor)

Markus Zeimes
(German Public Auditor)

Report by the Supervisory Board Audit Committee

The interim report on the first 9 months of fiscal year 2007/2008 (October to June) 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 August 13, 2008 and explained by the Executive Board and the auditors. The Audit Committee approved the interim report.

Düsseldorf, August 13, 2008

Chairman of the Audit Committee
Dr. Martin Kohlhausen

Contact / 2008 – 2009 dates

**For more information,
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Forward-looking statements

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

2008 – 2009 dates

November 28, 2008

Annual Press Conference
Analysts' and investors' conference

January 23, 2009

Annual General Meeting

February 13, 2009

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

May 13, 2009

Interim report
1st half 2008/2009 (October to March)

May 14, 2009

Analysts' and investors' conference

August 14, 2009

Interim report
9 months 2008/2009 (October to June)
Conference call with analysts and investors

Variations for technical reasons

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

This English version of the interim report is a translation of the original German version; in the event of variations, 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.

